UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE *102d* CONGRESS
SECOND SESSION

VOLUME 138—PART 12

JUNE 25, 1992 TO JULY 1, 1992
(PAGES 16161 TO 17549)

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PROCEEDINGS AND DEBATES OF THE 102^{d} CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Thursday, June 25, 1992*

The House met at 10 a.m.

Rev. Dr. Calvin V. French, pastor, Massachusetts Avenue Congregation, Reorganized Church of Jesus Christ of Latter Day Saints, Washington, DC, offered the following prayer:

Our Father, we thank Thee for this hallowed moment each day when we lift our vision above duty, above all contentions, above all stress, and allow Thy gentle spirit to renew and direct our hearts. Let all voices be stilled that Thy voice may be heard within these Chambers.

Almighty God, sustainer of life and giver of all we enjoy, walk with us in our brief journey through life, that we will not lose our way or spend our energies on secondary endeavors.

Help us this day to respond to our daily call to duty. Enlighten our minds and clear our vision that we may work together toward those decisions for our Nation that go beyond our personal interests to unify and strengthen the Republic.

Lead us in ways of justice, honor, and human kindness—until our land is delivered from the bondage of injustice and fear into the light of harmony and truth.

Through Him whose name is above every name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Indiana [Mr. ROEMER] come forward and lead the House in the Pledge of Allegiance.

Mr. ROEMER led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

CONGRESS ALLOWING JOHN DEMJANJUK AND THE CONSTITUTION TO BE TREATED LIKE TOILET PAPER

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, everyone in the world now knows that John Demjanjuk, the retired auto worker from Cleveland, is not Ivan the Terrible of the Treblinka death camp. Everybody in the world knows that. A State Department telegram in 1978 proves conclusively that Ivan the Terrible of Treblinka was a man named Ivan Marchenko. Yet our Justice Department, knowingly and with intent, chose to prosecute Demjanjuk.

Attorney General William P. Barr now continues to stonewall and support the crimes that have been committed—listen to my words—the crimes that have been committed by our Justice Department against an American citizen.

I say shame on the Attorney General, shame on our Justice Department, and shame on Congress, who is a bunch of gutless wonders that will allow an American citizen to rot away in jail, convicted of a crime he is not even involved with.

I think that says it all, when our Congress will allow both John Demjanjuk and the Constitution to be treated like toilet paper.

YESTERDAY'S GONE—BUT NOT FORGOTTEN

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, yesterday may be gone—but it will not soon be forgotten. Every time the American taxpayers reach deep into their pockets to pay off Uncle Sam they will remember what happened yesterday and hopefully they will remember it when they go to the ballot box. When it comes to spending, I have always been asked two questions: How much does it cost, and who pays? The answers for most spending have been "it costs too much and the taxpayers are getting stuck with the bill." Yesterday we tried to cut some spending out of our own operating budget—but the majority members of the all-powerful yet faceless and unaccountable Rules Committee waived us aside without a second thought. I ask my colleagues, is a half million to a million dollars a year to keep three former Speakers in business ad infinitum the best use of taxpayers' money? If we had had a chance to debate that issue in the sunshine, on this floor and with all of America watching, for most people the answer would have been "no." If the majority leadership will not allow us to cut back on perks for former Members, how in the world are we ever going to bring our budget back into line?

PASS NATIONAL INSTITUTES OF HEALTH REAUTHORIZATION

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, women's health issues, especially breast cancer and gynecological cancer, have been too long overlooked and too long underfunded and shortchanged in their research. The women of America, and we all, are paying a ferocious price. Something like 181,000 cases of breast cancer are diagnosed each year, and some 46,000 women die each year.

Mr. Speaker, that is why I am so distressed over the conflict between the Congress and the White House over the fetal tissue procedures which has impeded the passage of the National Institutes of Health reauthorization.

That bill, the NIH bill, contains over $5 billion for the NIH programs, over $2 billion for the National Cancer Institute of NIH, an additional $325 million for breast cancer research, $75 million for gynecological cancer research, and $40 million for osteoporosis research.

Mr. Speaker, I implore the leaders of our Congress to quit the jousting over

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

the fetal tissue issue, to stop the tug of war, pass the NIH bill, and save the lives of American women.

COUNCIL ON COMPETITIVENESS DESERVES CONGRESSIONAL SUPPORT

(Mr. EWING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EWING. Mr. Speaker, in this curious election year, Americans are demonstrating their anger and frustration with our political institutions and the often sluggish political process. One of the prime causes of voter disillusionment is the intractable Government bureaucracy and red tape which smothers economic growth and alienates the American people from their Government.

There is a misguided effort underway by several of my colleagues to terminate the Council on Competitiveness, which is chaired with distinction by Vice President QUAYLE.

This Council has led the fight in reversing excessive regulations, in the process saving the economy billions and contributing to the creation of jobs and economic growth. The Council on Competitiveness has also moved for the accelerated approval of potentially life-saving new drugs, and advocated much needed civil justice reform.

Mr. Speaker, I find it absurd to eliminate funding for a program which has been so successful. The Council on Competitiveness is contributing to our economic recovery. It strongly deserves our continued support.

APPOINTMENT OF CONFEREES ON H.R. 429, RECLAMATION PROJECTS AUTHORIZATION AND ADJUSTMENT ACT OF 1991

The SPEAKER. The Chair appoints the following conferees on the bill (H.R. 429) to amend certain Federal reclamation laws to improve enforcement of acreage limitations, and for other purposes, and, without objection, reserves the authority to make additional appointments of conferees and to specify particular portions of the House amendment and Senate amendment as subject of various appointments:

From the Committee on Interior and Insular Affairs, for consideration of titles I and VII–XXXIV of the House amendment, and titles I and VII–XXXVIII of the Senate amendment, and modifications committed to conference: Messrs. MILLER of California, RAHALL, GEJDENSON, VENTO, KOSTMAYER, DE LUGO, LEHMAN of California, MARKEY, HANSEN, RHODES, THOMAS of Wyoming, YOUNG of Alaska, and MARLENEE.

From the Committee on Interior and Insular Affairs, for consideration of titles II–VI of the House amendment, and titles II–VI of the Senate amendment, and modifications committed to conference: Messrs. MILLER of California, RAHALL, GEJDENSON, VENTO, KOSTMAYER, DE LUGO, LEHMAN of California, OWENS of Utah, HANSEN, RHODES, THOMAS of Wyoming, YOUNG of Alaska, and MARLENEE.

As additional conferees from the Committee on Merchant Marine and Fisheries, for consideration of titles II–VI, IX, XXX, and XXXIV of the House amendment, and titles II–VI, IX, XXXIII, XXXIV, XXXVI and XXXVIII of the Senate amendment, and modifications committed to conference: Messrs. JONES of North Carolina, STUDDS, HUGHES, HERTEL, CARPER, and MANTON, Mrs. LOWEY of New York, Mrs. UNSOELD, Messrs. DAVIS, FIELDS, HERGER, DOOLITTLE, and CUNNINGHAM.

As additional conferees from the Committee on Merchant Marine and Fisheries, for consideration of titles I, VII, XI, and XVIII–XX of the House amendment, and titles I, VII, XI, XII, XIV, XV, XIX, and XX of the Senate amendment, and modifications committed to conference: Messrs. JONES of North Carolina, STUDDS, and DAVIS.

As additional conferees from the Committee on Public Works and Transportation, for consideration of sections 3411, of the House amendment, and titles XXI, XXXI, and XXXVIII and sections 3001–04, 3007, 3508, and 3509 of the Senate amendment, and modifications committed to conference: Messrs. ROE, ANDERSON, MINETA, NOWAK, BORSKI, KOLTER, VALENTINE, HAYES of Louisiana, HAMMERSCHMIDT, SHUSTER, CLINGER, PETRI, and PACKARD.

As additional conferees from the Committee on Public Works and Transportation, for consideration of title VII of the House amendment, and title VII and section 3404(c)(7) of the Senate amendment, and modifications committed to conference: Messrs. ROE, NOWAK, and HAMMERSCHMIDT.

As additional conferees from the Committee on Agriculture, for consideration of title XXV and section 212 of the House amendment, and section 212 of the Senate amendment, and modifications committed to conference: Messrs. DE LA GARZA, ENGLISH, DOOLEY, CONDIT, HUCKABY, STENHOLM, STALLINGS, CAMPBELL of Colorado, COLEMAN of Missouri, MORRISON, HERGER, SMITH of Oregon, and MARLENEE.

As additional conferees from the Committee on Agriculture, for consideration of titles XIX and XX and sections 301, 305, 308, and 2302 of the House amendment, and titles XIII, XIV, XVIII, and XXXVI and section 202 of the Senate amendment, and modifications committed to conference: Messrs. DE LA GARZA, VOLKMER, and COLEMAN of Missouri.

There was no objection.

□ 1010

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1354

Mr. HAYES of Louisiana. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1354.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

CONGRESS MUST MAKE TOUGH CHOICES

(Mr. ROEMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROEMER. Mr. Speaker, great nations dare to explore. Great nations also care about their children, and great nations make difficult choices. In today's nonideal world, where we do not have everything, we do not have the opportunity to have all three of these choices; we have to winnow those down.

And when it comes to those tough choices, Mr. Speaker, I think the Washington Post in yesterday's editorial said it very well in talking about a tough choice that Congress just made on the superconducting super collider and one we need to be made on the space station.

It said:

> The space station is much more costly and its justification is much less strong. About $7 billion has been spent so far, with another $13 billion to $33 billion to go. It has no substantial scientific purpose.

Mr. Speaker, Congress needs to make these tough choices. It needs to care about the future of our children and dare to make the tough choices.

THE MIDDLE CLASS IS TAXED ENOUGH

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, 2 weeks ago we debated the balanced budget amendment and, unfortunately, the amendment failed. However, many Members expressed their support for making the necessary cuts in Federal spending to help bring our $400 billion deficit under control. These cuts are absolutely necessary because the average American family simply cannot afford additional taxes.

As I mentioned in a 1-minute statement 2 days ago, there are not enough wealthy Americans to make a significant dent in our budget deficit—even if we doubled their Federal taxes. That leaves the middle class.

I would like to draw my colleagues' attention to this chart from the nonpartisan Tax Foundation, which is based here in Washington. It demonstrates that a family with two earners making a combined $55,000 a year, pays almost 40 percent of their income on Federal, State, and local taxes. That is absurd.

Mr. Speaker, middle class folks are taxed too much, and there are not enough wealthy to make a significant difference in revenues. That means Congress must reduce Federal spending.

We have to establish budget priorities and make the necessary cuts to balance our Federal budget and provide some economic hope for our children and our Nation's future.

THE POW/MIA ISSUE

(Mr. PETERSON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PETERSON of Florida. Mr. Speaker, yesterday in the other body, high ranking American officials testified that we did, indeed, leave known American fighting men behind in Vietnam. This is at least the second time persons from the Pentagon have so testified to that fact. I am shocked, dismayed, and deeply disappointed that my Government has lied to the American people and, more important, to the families of these missing men for 20 years.

The truth has not come easily. We have had to coerce, threaten, plead, and finally to place the players under oath before the truth was squeezed out.

So now we know that somewhere between 80 and 133 American fighting men were known to be in Vietnam after I and my colleagues returned from captivity in 1973. I submit that is only half the story; the probability that we left many more behind in Laos is now real.

The more we learn, the more tragic the story surrounding the handling of the POW/MIA issue becomes. We know we left men unaccounted for after World War II, Korea, the cold war, and now Vietnam. These are frightening revelations, but perhaps more frightening is the fact that the truth has been withheld from the American people and families of those listed as missing.

Today I call on President Bush to declare a massive and immediate declassification of all data concerning those men still listed as missing and all related governmental correspondence. Surely, our President can insure that our Government will be as honest and forthright on this issue as President Yeltsin. We certainly cannot maintain two standards of truth, one for America and another for the Russians, Vietnamese, Chinese, and other governments with a role in this complex war of denial.

Let us finally get to the truth, the whole truth, and nothing but the truth.

The credibility of this Nation is on the line.

RETURN THIS HOUSE TO THE PEOPLE

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, I rise today in a building which has stood as a symbol of freedom to the whole world. Its design and beauty have captured the creative eye of photographers worldwide. But what goes on inside the Capitol is getting uglier and uglier. The American people have become queazy over the late night deals, wasteful spending, political games, partisan wrangling, and constant deadlock.

Today I am introducing a comprehensive reform package to solve this gridlock. Among other things, my bill would streamline the committee process by reducing the number of committees, subcommittees, and committee staff by 50 percent. It would ban proxy voting, eliminate joint referrals, limit committee tenure, and make the House Administration Committee bipartisan.

Mr. Speaker, the current process is grotesque and starting to smell. The American people have gotten a whiff of this stench and are circling overhead like birds of prey. Unless the House enacts tough reform measures, the American people are going to attack with even more criticism and every last bit of credibility will be devoured in a rage of voter anger. I urge my colleagues to support this legislation.

H.R. 5433, THE COMPREHENSIVE COMMUNITY BANK BURDEN REDUCTION ACT

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, on June 18, I introduced H.R. 5433, the Comprehensive Community Bank Burden Reduction Act, along with the distinguished gentleman from Ohio [Mr. WYLIE] to reduce the amount of paperwork and red tape primarily imposed on smaller, community banks by Federal regulation. I urge my colleagues to consider cosponsoring H.R. 5433.

It would reduce unnecessary paperwork, red tape in at least 21 different areas, but without affecting bank regulators' authority to ensure that our financial institutions are operating in safe and sound fashion.

This is a cost saver, not only for banks but also for bank customers and taxpayers. In our effort to regulate small community banks, we have gone too far in the other extreme. Regulators no longer just examine the financial conditions of the institutions, they are too often now directing day-to-day operations of sound and well-managed financial banks.

The impact of overzealous and congressionally mandated regulators and regulations on consumers or customers comes in two forms: either reduction in the number of services offered by community banks or in higher fees for those banking services. A reduction in services is a very real concern for rural areas.

□ 1020

I put this bill together with help from the FDIC, the Treasury, the two major banking organizations, and bankers and community leaders, and labor leaders in my own State. I urge my colleagues to consider cosponsoring H.R. 5433. I think it is a step in the right direction.

THE PEOPLE OF AMERICA ARE THE ONES WHO ARE LOSING

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute.)

Mr. APPLEGATE. Mr. Speaker, America is falling behind on their payments on their homes, their cars, their appliances, and everything else. Why? Because the economy is not good, and it is going down the tubes. It is not recovering like the White House is saying that it is.

U.S. News & World Report, take a look at this one. Here is what is says: "America is now paying dearly for Reagan's flawed fiscal policies. America is being led down the primrose path with heavy deficits, high costs, low wages, and lost jobs," and businesses overseas, and Congress and the White House are not doing a damn thing about it.

I think we ought to wake up in this Congress, take the bull by the horns, and finally do something for the people of this country, who are the ones who are losing.

INDEPENDENT COUNSEL CONTROLLED BY HIS STAFF

(Mr. DUNCAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN. Mr. Speaker, Lawrence Walsh, the so-called independent counsel, is doing a real disservice to the taxpayers of this country. I say "so-called independent counsel" because apparently Mr. Walsh is not independent at all, but is controlled by his staff, whose main interest is in protecting and extending their lucrative jobs.

According to yesterday's Wall Street Journal, Mr. Walsh returns to Washington only occasionally to visit Deputy Counsel Craig Gillen. Mr. Walsh was quoted by the Legal Times last week as saying, "Craig is running the office. I rarely make a suggestion."

According to press reports, Mr. Walsh's office has already spent between $40 million and $50 million in an investigation which has produced almost nothing. the only people who have benefited from this are Government lawyers, who are probably living under the fictitious belief that they could earn more in the private sector. Just think how many poor people could have been helped with $40 million to $50 million.

Now Caspar Weinberger has been indicted in what many lawyers believe is an unbelievably weak case, at best, and which will probably end up in one of the most expensive not guilty verdicts in history, extremely costly to the taxpayers. What a way for Mr. Walsh to close out his career.

If he only really makes suggestions, as he himself said, he should have the decency to resign. I hope we will not be foolish enough to ever renew such an unrestricted law as the independent counsel law again.

AMERICA NEEDS A FAIR AND JUST NORTH AMERICAN FREE-TRADE AGREEMENT

(Mr. TORRES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TORRES. Mr. Speaker, 11 Latin American and Caribbean finance ministers are in Washington today to discuss with the Bush administration the possibility of free trade with the United States.

This meeting coincides with the second anniversary of the Enterprise for the Americas Initiative launched by President Bush to create a hemisphere-wide free-trade zone.

The North American Free-Trade Agreement, currently in negotiations, is widely expected to become a launching pad for the Americas initiative.

More than just a launching pad, however, the NAFTA agreement will be the model by which the U.S. structures other trade agreements with Latin American and Caribbean countries.

As negotiations on the NAFTA conclude, the Bush administration has yet to demonstrate its commitments to Congress. At issue are the promises made by the President to Congress.

In his May 1, 1991, letter to Congress, the President promised to develop and implement a program of environmental cooperation on a parallel track. To date, trade talks on the environment have solely trailed behind the NAFTA talks.

In the same letter, the President stated his commitment to working with Congress to ensure adequate assistance and useful retraining for dislocated workers due to a NAFTA. The President told Congress that a worker adjustment program could be operational 9 months to 1 year from the time the NAFTA is enacted. However, because American workers deserve more from their Government, nothing short of a fully funded and operational worker adjustment program should be part of the final agreement.

Mr. Speaker, I welcome the 11 finance ministers from Latin America and the Caribbean. And, I also caution the President and our trade negotiators to bring forth to the Congress a fair and just North American Free-Trade Agreement.

VIOLENCE AGAINST AMERICAN YOUTH

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, with all of the controversy here in the House yesterday about the suppression of the minority, this minority Member would like to get up to comment on a broader pattern of violence against the youth in this country, and that is what is being perpetuated in the cultural war by the entertainment media.

Some of our colleagues, Mr. Speaker, may not have noticed the self-indicting column in the Wall Street Journal by one of the co-CEO's of Time-Warner, its president, Mr. Levin. It does not give his first name. It says, "Why We Won't Withdraw 'Cop Killer'."

He says that "viewpoints expressed that run counter to the norms of our mainstream culture" they will protect because they stand by their artists and their writers. The entertainer called Ice-T, who in song, is this really a song, where you ask young people to kill cops, or Sister Souljah, who recommends that one group of Americans take time out from killing themselves and kill another group of Americans, or Two Live Crew, I still have not recovered from their so-called songs recommending that young men in one group of Americans tear women apart, rape them, and rip them, and destroy them.

This cultural war that the Vice President has decided to take on is going to be with us, not just for this election, Mr. Speaker, but probably for the rest of our lives. We are rotting from within; this, in the glorious decade when we whipped communism. What an amazing time we lived in.

The article follows:

WHY WE WON'T WITHDRAW "COP KILLER"

(By Gerald M. Levin)

The controversy over Ice-T's song "Cop Killer" raises two extremely important issues. The first touches everyone who cares about race and poverty and about the violence and frustration are unraveling the fabric of our cities. The second concerns Time Warner in particular and the media in general. Is it our responsibility to limit the views of artists, writers, journalists, musicians and film makers so that they don't offend corporate executives or society at large? Or does the media's very existence, as well as that of the democracy they are part of, depend on a willingness not just to tolerate creative freedom but to encourage it, even when the viewpoints expressed run counter to the norms of our mainstream culture?

Ice-T has put these issues right out front. And though his song has been distorted by politicians on both sides of the aisle into a straw man—a convenient symbol of moral depravity and cultural decline—still, I'm convinced that we can make this into an opportunity for more than just another shouting match across the bitter and widening gulf of racial misunderstanding.

For my own part, I understand the visceral reaction many people have to the lyrics of "Cop Killer." Like much of the music that comes out of America's inner cities, this song is rooted in the reality of the streets. It's raw with rage and resentment. I understand as well as those who say that the lyrics are enough to turn most listeners away; that to debate them is to give them a dignity they don't deserve; that we would be best advised to credit its production to poor taste or oversight, pull the record from distribution and apologize. Given the natural instinct of corporations to avoid controversy, that's undoubtedly the easiest course. But to follow it would be to dishonor the truth.

"Cop Killer" wasn't written to advocate an assault by black street kids on the police. It doesn't incite or glorify violence. It's a song about how one of those kids reacts in the wake of the well-known—and not so well-known—incidents in which is small number of police have used excessive force. One-sided, violent and scatological, it's the artist's rap on how a person in the street feels. It's his fictionalized attempt to get inside a character's head. It's a shout of pain and protest and in this it shares a long history with rock and older forms of urban music. "Cop Killer" is no more a call for gunning down police than "Frankie and Johnny" is a summons for jilted lovers to shoot one another.

I know that there are well-meaning people who will refuse to credit either this one song or any hard-core rap as anything other than hate-filled noise that no law-abiding citizen or self-respecting corporation should be associated with. I also suspect that there are those who, for whatever reason, prefer to make Ice-T into a caricature, ignoring the whole tenor of his work, especially his strong message against drugs, and to portray him as nothing more than a mouthpiece for street thugs.

That's their right. Yet nearly 30 years ago, Malcolm X expressed his amazement at the surprise with which white Americans confronted the insurrections that wracked American cities. He wondered how whites could have failed to grasp the nature and extent of the long-fermenting anger in our ghettos. Malcolm X's question still haunts us. Why can't we hear what rap is trying to tell us?

On the issue of the role Time Warner has set for itself as a global media and entertainment company and the commitment we've made to the writers and artists we employ or have a relationship with, I want to be absolutely clear and unequivocal. We stand for creative freedom. Whatever the medium—print, film, video, programming or music—we believe that the worth of what an artist or journalist has to say does not depend on pre-approval from a government official or a corporate censor or a cultural elite of the right or of the left.

Obviously, as with any freedom, there are limits. Yet the test of any democratic society lies not in how well it can control expression but in whether it gives freedom of thought and expression the widest possible latitude, however controversial or exasperating the results may sometimes be. History has come down dramatically on the side of intellectual and artistic freedom as both a guarantee of political democracy and, ultimately, economic progress.

Time Warner is determined to be a global force for encouraging the confrontation of ideas. We know that profits are the source of our strength and independence, of our ability to produce and distribute the work of our artists and writers, but we won't retreat in the face of threats of boycotts or political grandstanding. In the short run, cutting and running would be the surest and safest way to put this controversy behind us and get on with our business. But in the long run it would be a destructive precedent. It would be a signal to all the artists and journalists inside and outside Time Warner that if they wish to be heard, then they must tailor their minds and souls to fit the reigning orthodoxies.

In the weeks and months ahead, Time Warner intends to use the debate engendered by the uproar over this one song to create a forum in which we can bring together the different sides in this controversy. We will invest in fostering the open discussion of the violent tensions that Ice-T's music has exposed.

We're under no illusions. We know all the wounds can't be healed by such a process or all the bitterness—on both sides—talked out of existence. But we believe that the future of our country—indeed, of our world—is contained in the commitment to truth and free expression, in the refusal to run away.

RENAMING THE VA CENTER IN MARLIN, TX

(Mr. EDWARDS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDWARDS of Texas. Mr. Speaker, today I am introducing a bill that would rename the VA Medical Center in Marlin, TX, after the late U.S. Senator from Texas, Tom Connally. This would be a fitting tribute to a distinguished former Member of Congress and a proud veteran. Senator Connally was a resident of Marlin who ably served 12 years in the U.S. House of Representatives and 24 years in the U.S. Senate. His service in the House was interrupted when he volunteered for the Army in World War I, a war he voted to declare. He was also a veteran of the Spanish-American War.

I believe it would be a fitting tribute to Senator Tom Connally to have the VA Medical Center in his hometown name after him. Senator Connally is fondly remembered in Marlin as an outstanding soldier, citizen, and statesman.

URGING BIPARTISAN SUPPORT TO DEFEAT RULE ON FOREIGN OPERATIONS COMMITTEE APPROPRIATIONS

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, we are going to do everything we can to defeat the rule today on the foreign aid bill. I would just cite among Democrats, the gentleman from Massachusetts [Mr. ATKINS] wanted to strike $150 million. He was not allowed to. The gentleman from Oregon [Mr. DEFAZIO] wanted to cut $11 million. He was not allowed to. The gentleman from New York [Mr. MCHUGH] wanted to cut $20 million. He was not allowed to. The gentleman from Wisconsin [Mr. OBEY] had a 2.9 percent across-the-board cut. It was not made in order. The gentleman from Minnesota [Mr. PENNY] wanted to freeze appropriations for AID at the current year level. He was not allowed to. He also wanted to reduce the foreign military finance program, $200 million. He was not allowed to. The gentleman from Florida [Mr. SMITH] wanted to reduce funding 1 percent across the board. He was not allowed to. The gentleman from Ohio [Mr. TRAFFICANT] asked for a 10-percent cut, a 5-percent cut, a 3-percent cut. He was not allowed to.

There were 13 Democrat amendments to reduce spending not made in order, not counting the Republican amendments that were not made in order. I would hope that every Member would understand, if they vote "yes" on this rule, they are voting to go back home for the next 5 months and defend every item in this bill as so good, so useful, so important that it was not worth amending, not worth debating, because they approved in advance of the structure of this bill.

I hope every Democrat not on the Committee on Rules will join us in voting to beat the rule on a bipartisan basis, because it is a bad rule to stop amendments to cut spending on foreign aid.

PROVIDING FOR CONSIDERATION OF H.R. 5368, FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1993

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 501 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 501

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 5368) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1993, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. After general debate, which shall be confined to the bill and the amendment in the nature of a substitute recommended by the Committee on Appropriations and which shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the pending question shall be the adoption of the amendment in the nature of a substitute recommended by the Committee on Appropriations now printed in the bill. The committee amendment in the nature of a substitute shall be designated and shall be debatable for twenty minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. Points of order against the committee amendment in the nature of a substitute, and against provisions in the bill if so amended, for failure to comply with clause 2 or 6 of rule XXI are waived. If the committee amendment in the nature of a substitute is adopted, then the bill as so amended shall be considered as the original bill for the purpose of further amendment under the five-minute rule and shall be considered as read. The amendment printed in section 2 shall be considered as adopted in the House and in the Committee of the Whole. No further amendment shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Amendments shall be considered in the order and manner specified in the report. Unless otherwise specified in the report, each amendment may be offered only by the named proponent or a designee, shall be considered as read, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. Any time specified in the report for debate on an amendment shall be equally divided and controlled by the proponent and an opponent. Points of order under clause 2 of rule XXI against the amendment specified in the report to be offered by Representative Machtley of Rhode Island are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. The amendment to be considered as adopted in the House and in the Committee of the Whole to the committee amendment in the nature of a substitute is as follows:

Page 153, line 22, strike out "Public Law 99-33" and insert in lieu thereof "Public Law 99-83".

☐ 1030

The SPEAKER pro tempore (Mr. NCNULTY). The gentleman from Ohio [Mr. HALL] is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from New York [Mr. SOLOMON], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 501 is a rule providing for the consideration of H.R. 5368, making appropriations for foreign operations, export financing, and related programs for fiscal year 1993.

The rule waives points of order against consideration of the bill, and provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. The rule provides that after general debate, the pending question is the adoption of the amendment in the nature of a substitute recommended by the Committee on Appropriations, now printed in the bill. The substitute is debatable for 20 minutes, equally divided and controlled by the chairman and ranking minority members of the Appropriations Committee.

The rule waives points of order against the substitute and against the provisions of the bill, if amended, for failure to comply with clauses 2 and 6 of rule XXI. Clause 2 of rule XXI prohibits unauthorized appropriations or legislative provisions in general appropriations bills. These waivers are necessary because authorizing legislation for various programs to this bill has not yet been enacted.

In addition, Mr. Speaker, clause 6 of rule XXI prohibits reappropriations in general appropriations bills. The clause 6 waivers are necessary to allow the transfer of unexpended balances from one account to another and the extension of authority to obligate those funds in the new fiscal year.

If the substitute is adopted, then the substitute will be considered as an original bill for the purpose of amendment and will be considered as read. Under the rule, the amendment printed in section 2 of the rule will be considered as adopted. This is a noncontroversial technical amendment which corrects a mistake in a public law number.

Under the rule, no amendment to the bill is in order except for the amendments printed in the report of the Committee on Rules accompanying this resolution. The amendments, which will be considered in the order and manner prescribed in the report, may not be subject to amendment nor to the demand for a division of the question. Any time specified in the report for debate on an amendment will be equally divided and controlled by the proponent and an opponent.

The rule also waives points of order under clause 2 of rule XXI against the Machtley amendment, amendment No. 4. This amendment terminates certain military assistance funds to Indonesia and requires a waiver because the authorizing legislation is not in place.

Finally, Mr. Speaker, the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, H.R. 5368, the foreign aid appropriations bill is a carefully crafted piece of legislation. The committee bill appropriates approximately $13.8 billion for U.S. foreign aid programs, which is $1.3 billion below the President's request. The committee successfully balanced the dual needs of reducing spending while meeting our moral obligations to improving the conditions for those suffering from hunger and poverty around the world.

As chairman of the Select Committee on Hunger, I would like to commend Chairman OBEY for including $275 million for child survival activities which save and sustain the lives of 10 to 15 million children a year. Under the bill, vitamin A and micronutrient programs receive $20 million; basic education receives $135 million; and, $80 million is provided to control the spread of AIDS.

This bill also fights the onslaught of famine in southern Africa and helps relieve the suffering of refugees who were forced to flee civil war, persecution and natural disaster. Mr. Speaker, we are given the unique opportunity here to decrease overall spending while actually increasing money in human needs activities where it is desperately needed.

Finally, I would be remiss if I did not acknowledge the work of our colleague, Mr. MAT MCHUGH, who has long been a champion of children's issues. He will be missed by all of us when he retires.

Mr. Speaker, this rule is designed to facilitate House consideration of important foreign aid related issues. I urge my colleagues to adopt it.

Mr. Speaker, I reserve the balance of my time.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, I would like to begin today by quoting Yogi Berra. Yesterday I quoted James Madison. But today I would like to quote Yogi Berra, who once said, "This seems like deja vu all over again." Does everybody remember that?

For the second time in 2 days this House is being asked to approve a rule that restricts—that violates—the rights of Members to offer amendments to general appropriation bills. I am looking over to the other side of the aisle. Pay attention over there, because you are being gagged by this rule just like we are. And for the fourth time in 6 years this House is being presented with a rule that restricts amendments to strike, to reduce spending, on this particular bill, the annual foreign operations appropriations bill.

The rule before us today makes in order the consideration of what? Only four amendments. If adopted, these amendments will serve to reduce the level of appropriations contained in this bill by a little more than a whopping, what? A whopping 1 percent.

The only reason why potential reductions are even that much is because the manager of the bill, the gentleman from Wisconsin [Mr. OBEY] will have the right to offer a 1-percent, across-the-board cut. Now we are informed that he will not even offer his own amendment. Maybe I will try to offer it for him; or maybe the gentleman from Ohio [Mr. TRAFICANT], or some others will assist me in this effort.

A 1-percent cut. So much for deficit reduction, Mr. Speaker. Indeed, if the gentleman from Wisconsin [Mr. OBEY] had not brought us a bill that has a funding level which is 2 percent below the level for the current fiscal year, we would be making no progress at all toward reducing unnecessary expenditures.

□ 1040

I emphasize these points right here at the outset, Mr. Speaker, for two reasons. The first reason has to do with the urgent need for reducing the deficit. The second reason has to do with the manner in which this House conducts its business.

Let us look at the deficit first. The House conducted a debate here on this floor 2 weeks ago about amending the Constitution in order to require a balanced budget. One Member after Member, on both sides of the aisle, paraded into the well during the debate to say a constitutional amendment is not necessary. "We already have the tools we need," some of them said. "We do not need a constitutional amendment," they said. "All we need is the courage and the will to do the right thing." That is what they said.

That was the theory, "We already have the tools."

Today we are confronted with reality. I ask every Member on both sides of the aisle who voted for the balanced budget amendment to vote against this rule.

Mr. Speaker, in the present circumstances, virtually every vote we take has implications for the deficit. And a no vote on this rule is a vote to start reducing the deficit right here today.

But even more importantly, Mr. Speaker, I ask every Member who voted against the balanced budget amendment to vote against this rule. If those Members who voted against the balance budget amendment believe we already have the tools at our disposal to reduce the deficit, how then can they vote for a rule that takes away those tools? How then can they justify their statements of 2 weeks ago? They are on record in the CONGRESSIONAL RECORD. If those Members are to be consistent and maintain their intellectual integrity, I do not see how they have any choice but to oppose this rule and bring back an open rule that will allow cutting amendments.

Mr. Speaker, everybody knows the budget and appropriation process dominates the legislative schedule every year, and the only tool to use in getting a handle on spending is the right to offer amendments to strike. Take away that right, as this rule does, and the debate we had 2 weeks ago is nothing more than a joke. It is one more hoax pulled on the American people.

It is no wonder this place is held in the kind of contempt it is. I sometimes am embarrassed to serve here.

If any Member thinks he or she can justify buying the argument that we already have the tools we need and then vote in favor of this rule to throw away those tools, I would like to hear that justification.

All Members, especially those who voted for the balanced budget amendment, deserve that explanation.

The second thing I mentioned a moment ago concerns the way this House conducts its business. When a very restrictive rule was written last year for the foreign operations appropriations bill, this very bill, a potentially explosive situation on the floor was defused by a meeting that was conducted in the Speaker's office. On that occasion, at which both the chairman of the Committee on Rules, myself, our Republican leader, and the majority leader all attended, the Speaker told us he would hold an inquiry into the rules and precedents governing the consideration of general appropriation bills.

I regret to say that 1 year later that pledge is unfulfilled, Mr. Speaker. And it is with anger that I must inform the House that this rule now before us is even more restrictive than the last one.

At least the rule last year made in order the consideration of 11 amendments, including some legitimate cutting amendments. The one before us today makes in order only four amendments, period. Two will not even be offered, leaving two minor amendments that will only reduce foreign aid by a mere nineteen one-thousandths of 1 percent.

If there is a more vivid example than this of the deterioration of trust and mutual respect in this House, I sure would like to know what it is. If there is a better example than this rule of how the legislative process is being corrupted, I would like to know what it is.

Mr. Speaker, I will not go any further. This is a gag rule. It is not worth the paper it is printed on. It gags Members on both sides of the aisle, Democrats and Republicans. It gags the American people, and that is why the American people gag when they see this irresponsible Congress day after day refusing to do anything to stem the red ink that is hemorrhaging and turning this country of ours into a debtor nation.

We have got to defeat this rule. If we do, we will begin to reduce the deficit. And what better way, and what better way do the American people want, than doing it with foreign-aid cuts? Please, defeat this rule.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, for purposes of debate only, I yield 4 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, there are some good things in this bill. I do not want to be misconstrued or misrepresented here today. The chairman, the gentleman from Ohio [Mr. HALL], has taken care of some legitimate needs that our Nation should be involved with, hunger and children throughout the world, that help make the world safer and America a better place.

But other than that, I must say this: I am disappointed in the Democrat Party. I want to say that again: Our Democrat Party controls this body, and our Democrat Party has chosen to bring out a limited foreign aid bill, an appropriation bill with money, knowing full well that the American people are sick and tired of foreign aid, and the Democrat Party chooses to protect the foreign aid account.

Let us tell it like it is: I am hearing that they already cut $1.6 billion out in the committee. Who is kidding whom? This same committee is going to come back and want $12 billion for Russia.

Now, what the hell is that for? For American tourists?

I legitimately had some amendments here to cut, and they were passed over. One amendment, and that rests with the chairman, and he may not offer it.

Mr. Speaker, in the last 10 years Israel and Egypt have gotten $53 billion from our taxpayers, Pakistan over $5 billion; Turkey, $7 billion. And then we have forgiven another $7 billion loan. Israel and Egypt got more money than all the cities in America combined in the last 10 years.

You have a Congress that is more concerned with the Mideast than they are with the Midwest of America. I do not know what is going on.

I am a Democrat, and I am proud of it, but I am saying today our Democrat Party is continuing the foreign aid handouts. This is not foreign aid. This is foreign welfare. We should be doing the things the chairman, the gentleman from Ohio [Mr. HALL], is talking about, but we should not be doing 90 percent of this damn bill. You know it, I know it, the American people know it, and you are not allowing us the chance to change it.

Let me say this: Congress is destroying our own budget. We are bringing these rules in that are closed. We cannot strike. We cannot bring points of order. We push Members around like TRAFICANT who does try and do something about it.

I voted against that balanced budget amendment. I was not going to go home and say, "In the year 2000 we are going to balance your budget." This is fight time right here.

Now, I am not putting that chairman down. Overall, he has done a good job. He has a tough job.

When they say there are cuts in this bill, where is that $12 billion for the former Soviet Union? And who the hell is going to pay for that? And what account is it going to be?

Now, if God has wanted a two-way bridge across the Pacific here and the Atlantic, he would not have made the American taxpayers pay for it. He would have connected them himself.

It is time we take care of our own people. I do not know of any other way to start dealing with it, and, damn it, Congress cut $6 billion and 10,000 jobs out of the supercollider, and now they are going to cut the space station. Yes, I voted not to cut the supercollider. I want to see how many people voted to cut the supercollider in Texas, vote to cut the space station that deals with everybody's district and America's technological future, and then how many people in this Congress vote to give this pork overseas.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, the gentleman is a Democrat, I am a Republican. I fought for the gentleman's amendments to be made in order as well as all other Democrat amendments. They ought to be on this floor for legitimate debate.

□ 1050

Mr. TRAFICANT. Mr. Speaker, I thank the gentleman.

Mr. SOLOMON. Mr. Speaker, I yield 6½ minutes to the gentleman from Washington [Mr. MILLER], a very distinguished Member who is retiring. I have served with the gentleman on the Committee on Foreign Affairs for many years. The gentleman is a great American.

Mr. MILLER of Washington. Mr. Speaker, as the Members know, I rarely take the well of this House to object to a rule. I do so today because this rule is an outrage.

Yesterday the Rules Committee sent the legislative branch appropriations bill to the floor of the House and denied the minority the right to make cutting amendments to proposed cutting amendments.

Today the Rules Committee, controlled by the Democratic majority, sends a foreign operations appropriations bill to the floor of the House and cuts off the right to propose amendments that would reform foreign aid, cuts off discussion of the most crucial issues that affect foreign aid.

I talk as one who has voted for every foreign aid bill since I have been in this Congress.

Now, let us go into what the Rules Committee has done. They sent this bill to the floor. They allow votes on four amendments, only two of which are going to be offered, and the two affect very narrow areas of the foreign aid budget, Asia and Indonesia.

They cut out all the other amendments. Let me give you an example of the amendments they cut out.

I went to the Rules Committee. I had offered many amendments, but I offered to reduce those amendments to three. These three amendments were based on a foreign aid reform proposal developed by Budget Committee members over the course of the year, developed in consultation with the Republican leadership. These three amendments, which we are not going to be allowed to discuss, do the following:

The first relates to the World Bank. It would eliminate the capital contribution of the United States for the coming year over $1 billion to the World Bank and its affiliates.

Over the past several years, taxpayer groups, poverty relief groups, environmental aid groups have said, the World Bank is giving huge loans to projects that are destroying the environment. The environmental defense fund estimates that already World Bank projects have displaced 1½ million people from their lands without compensation.

Will we get a chance to discuss this issue? No, says the Rules Committee.

Over the years, the World Bank with its loans has favored status governments, many of them dictatorships. One of the leading recipients of World Bank loans has been the government of Communist China. Will we get the right to debate that issue on the floor? No, says the Rules Committee. Cut off that debate.

The second amendment that we offered is related to the Asian Development Bank, another multilateral bank. We said do not give a capital contribution increase. The Asian Development Bank is afflicted with the same ills as the World Bank; but in addition, the Asian Bank was set up years ago because the Pacific rim was short of capital and the West was rich in capital. That is no longer true today; but we not only keep going with it, we increase the contributions.

Will we get the right to debate this issue? No, says the Rules Committee. Cut off the debate.

Finally, we offered on behalf of Congressman EDWARDS, the ranking member of the Appropriations Subcommittee on behalf of Congressmen KASICH, DELAY, and SANTORUM, we offered an amendment to freeze the administrative budget of the AID [the Agency for International Development]. Over the past couple years AID has been plagued with mismanagement. Scores of AID employees have been indicted for corruption. Commission after commission has investigated the AID and said this agency needs to be reorganized.

So what happens? In this budget that is proposed, AID goes on and expands their administration. Other offices are added.

All we offered was an amendment—I would love to be able to restructure the AID; but of course, the powers that be make that very difficult to do.

But here was an amendment that would have sent them a message and said, "OK, we will freeze the AID administrative budget so we can discuss these issues on the floor."

Did the Rules Committee allow that debate? No, they cut it off.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Washington. Yes, I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, the gentleman is making such cogent remarks here. The gentleman's amendment has great bipartisan support on both sides of the aisle, yet it was denied on a party line vote, with all Democrats voting against it, all Republicans allowing the gentleman's amendment. That is just a shame. That is gagging.

Mr. MILLER of Washington. Let me say, Mr. Speaker, what is going to happen here. Let me tell you two possible results.

Many of the members of the Rules Committee that passed this rule are supporters of foreign aid. I am a supporter of foreign aid because I believe it plays a role in protecting American security. It can play a role in protecting human rights. It can play a role in increasing trade and promoting peace, but when you send a rule like this to the floor, when you cut off all attempts, meaningful attempts, to reform foreign aid, you are increasing the chances that Members will vote against the foreign aid bill.

I will tell you a second possible result. When you cut off amendments on legislative appropriations and foreign aid and other issues, as apparently you are going to do, the steam starts to build up and build up. If you do not allow discussion on reform of foreign aid, what is going to happen is that steam is going to build up and ultimately there is going to be an explosion, and instead of intelligent, responsible reform, you are going to have the gutting of foreign aid. That is irresponsible.

Mr. Speaker, I urge my colleagues, if you want to reform foreign aid, if you want to have fiscal responsibility, if you want to have the right on behalf of American taxpayers to offer amendments on appropriations bills, reject this rule.

Mr. HALL of Ohio. Mr. Speaker, I yield 10 minutes to the gentleman from Wisconsin [Mr. OBEY], the chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs, of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, I have heard a lot of hot air in my time, but never have I heard it hotter than this morning.

Let me simply observe that we are now at the huff and puff stage of the session, I guess. I would like to cut through that huff and puff and simply lay out a few facts in a sober way.

What the Rules Committee did, in my judgment, is to differentiate between amendments that were real and amendments that were phony, amendments that were legitimate appropriation issues and amendments which were not appropriations issues, but policy issues which are supposed to be left to the authorizing committees.

Mr. Speaker, what I would like to do is to, as rationally as possible, walk through what distinguishes the amendments that were approved and the amendments that were not approved by the Rules Committee. Very simply, this is how I would categorize them.

Except for the Miller amendments, only one Republican cutting amendment was denied. That was the amendment suggested by the gentleman from Virginia [Mr. ALLEN]. That amendment would have precluded any funds going directly or indirectly to a list of countries which we regard as terrorist countries.

At the request of the administration, we have tried to preserve the administration's flexibility.

□ 1100

And so in the Appropriations Committee itself we adopted a compromise amendment which made quite clear that none of those countries may receive any aid directly or indirectly unless the President of the United States—and the last time I looked, he was a Republican, not a Democrat—unless the President of the United States certified that it was essential to the national interest that an exception be made. And I personally do not think he ought to certify in any instance.

The problem with the Miller amendments is very simple. Two of the amendments went to the Asian Development Bank and the IFC window in the World Bank. Both of those institutions have not yet been permanently authorized. And the authorizing legislation to do so is now moving out of the authorization committee and will be on this floor within a month.

The Miller amendments have not been denied with respect to those two institutions, they have been redirected to their proper target. What I find amusing, as a member of the Committee on Appropriations, is that members of the authorizing committees give us absolute hell every time we engage in an action which is regarded as properly under the purview of the authorizing committee, and then, when we do not take an action which interferes with the authorizing committee, they also give us hell. Well, in the real world you cannot have it both ways.

So all we have suggested with respect to the Asian Bank amendments is that they be amended to the proper bill which will come through next month.

The second point I would make is that the other amendments that Mr. MILLER seeks to offer come 2 years too late. The World Bank capital increase was authorized by this House 2 years ago. And once that has happened, like it or not, the U.S. Government and the President of the United States and the Congress of the United States have signed off on an agreement to meet certain obligations as long as those appropriation requests are pending.

So it seems that there is no purpose to be served by, 2 years after the fact, trying to deny that we have an obligation which in fact we have already entered into. If the House did not want to approve the funding for the World Bank, it should have turned it down when the initial authorization came through this place.

But it did not. And that means we are obligated to provide those funds. It is my job as chairman to try to move forward in a bipartisan way and to protect an administration of the opposite party—not mine—when they are carrying out their international obligations.

Now I was told last night that we might see the Republican recommittal motion today seek to cut the World Bank by the Miller amendment, and I guess my attitude is this: If the Bush administration, if the Bush White House is so pitifully weak within its own party that it cannot even obtain the support of its own party members in meeting an international obligation which the Congress already signed onto 2 years ago and which the President signed onto 2 years ago, then I know of no reason why the majority party ought to protect the Republican party from its own internal chaos.

So if the gentleman wants to offer an amendment cutting the guts out of the administration's own position, in the teeth of a letter from the administration which already indicates that they will veto this bill as it now stands because we have cut too much money, in their view, then I do not see any reason why we ought to stand in their way.

So you vote any way you want on the recommittal motion. But I want to make clear that the Committee on Rules did the responsible thing. It made in order the real amendments and it denied the amendments which in my view are not real because they either come too late or are directed at the wrong bill.

Mr. MILLER of Washington. Mr. Speaker, will the gentleman yield?

Mr. OBEY. I would be happy to yield to the gentleman.

Mr. MILLER of Washington. I thank the gentleman for yielding.

Mr. Speaker, I respect the chairman of the Subcommittee on Foreign Operations Appropriations. But I just want to respond point by point to the issues he raised.

Mr. OBEY. Reclaiming my time, if the gentleman wants to respond point by point, I would suggest he get his own time. I thought the gentleman wanted to ask a question. If he wants to respond, he has his own time.

Mr. WALKER. Mr. Speaker, will the gentleman yield to me?

Mr. OBEY. If it is for a question.

Mr. WALKER. Mr. Speaker, the gentleman described some amendments as phony. The gentleman got one of the amendments that is in the bill, 1 percent across-the-board cut, as I understand it. Does the gentleman plan to offer that amendment?

Mr. OBEY. I think that is the right of the chairman to determine at the time.

Mr. WALKER. So the gentleman is probably not going to offer the amendment; so it is a true phony. So what the Rules Committee did, it made in order that amendment but did not allow other legitimate amendments.

Mr. OBEY. I take back my time, Mr. Speaker.

Mr. MILLER of Washington. Mr. Speaker, will the gentleman yield?

Mr. OBEY. No, not until I have responded to the ill-tempered remarks of the gentleman from Pennsylvania.

Mr. TRAFICANT. Mr. Speaker, will the gentleman yield?

Mr. OBEY. No, I will not. I would like to answer those remarks first if I can.

The SPEAKER pro tempore (Mr. MCNULTY). The gentleman from Wisconsin controls the time.

Mr. OBEY. Mr. Speaker, the gentleman is entitled to characterize an amendment any way he wants.

Mr. WALKER. You characterized the amendments.

Mr. OBEY. That does not mean that his characterization is correct. I have been asked by the gentleman's President, I have been asked by the White House not to offer that amendment. Is the gentleman suggesting that the White House is wrong?

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. OBEY. I yield.

Mr. WALKER. I think the White House is wrong. Offer it, offer it if it is not a phony.

Mr. OBEY. Would the gentleman answer me a question?

Mr. WALKER. Sure.

Mr. OBEY. Would you tell me whether you agree with the Bush White House that our committee was wrong by cutting $1.2 billion out of the administration's budget?

Mr. WALKER. Do you agree with the Bush White House that we ought to balance the budget? Did you vote for the balanced budget amendment to the Constitution?

Mr. OBEY. Your phony. Absolutely not. I introduced my own.

Mr. WALKER. Well, let me find out what you regard as phony. If balanced budgets are phony, the amendments you are not going to offer are not phonies? Come on now.

Mr. OBEY. The gentleman clearly would prefer to hyperventilate than to answer a question. I asked a question.

Mr. MILLER of Washington. Mr. Speaker, will the gentleman yield for a question?

Mr. OBEY. Yes.

Mr. MILLER of Washington. The gentleman stated on the World Bank, my amendment was too late on the appropriations bill because the authorization was a couple of years ago. I have a question, but just so I am not misleading you, let me read to you from a CRS report describing how the World Bank process reads: "Once Congress authorizes a new contribution, the U.S. Governor transmits a formal qualified commitment to the multilateral development bank in question pledging, subject to appropriation, that the United States will provide subscriptions that the funding plan outlines," et cetera.

Are you suggesting that when we passed that authorization years ago, that when the World Bank performed these environmental atrocities in the intervening period, that we lost our power of appropriation?

Mr. OBEY. What I am suggesting is that if the gentleman objected to the World Bank funding he should have raised it at the right time.

Mr. MILLER of Washington. Three or four years ago.

Mr. OBEY. I would also say—it is my time—I would also point out that it is the chairman of the committee who has ridden herd on the World Bank for 4 years to reform their environmental process, and I would appreciate more help than I am getting.

Mr. MILLER of Washington. Mr. Speaker, will the gentleman yield for another question?

The SPEAKER pro tempore. The time of the gentleman from Wisconsin [Mr. OBEY] has expired.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. APPLEGATE].

Mr. APPLEGATE. I thank the chairman for giving me this time.

I want to say to him I think he is doing a tremendous job on the Committee on Rules, but unfortunately my good friend TONY HALL is stuck with an albatross to work with this afternoon. But I still want to commend him because I think the rule is bad and I am going to oppose it. I am also going to oppose the bill because the bill I think is the albatross we are working with.

And unless it is at least cut in half, it is not going to be anything at all. As a matter of fact, they could do away with it altogether.

I said earlier that America is falling behind on their payments; I am talking about their home payments, car payments, payments on their appliances, student loans. Why? Because the Nation's economy is hurting, and it is because of low wages, because America is sending their jobs overseas, their good jobs. They are stuck here with minimum wage jobs but the manufacturing jobs are going overseas to these other countries that they want to send our money to, while they take their products and dump them in the United

States in an underpriced fashion and we let them get away with it. That is the irony.

□ 1110

These countries are dependent upon the American tax dollars, and the American tax dollars are not able to get into the Federal coffers because we do not have the good jobs here, and I say, "Yes, yes, take care of the starving peoples in the world. Take care of the sick." And I want to commend the gentleman from Ohio [Mr. HALL] because there has been nobody in the House that has been to the forefront to help hungry people in this country and other parts of the world. Nobody does it better than he does. But let us administer the programs in this country first for our own people.

As my colleagues know, the problem is, when we send this money overseas, we do not know where it goes. It goes over there. We do not know when it gets to the people. Too many times it ends up in the leaders' pockets, it goes into a Swiss bank, and then they retire and take it with them later.

Asking America to help is like asking a sick doctor to help a sick patient. I believe America should help others, but we have got to cure our economic ills first.

I work with a lot of veterans. I had hearings yesterday for DIC, surviving spouses of dead veterans. They cannot get all that they want, and one of the women came up and said, "Well, we're sending $250 million over to some country to help them build roads." But they cannot get enough money into their pocket to help to take care of their children.

The President does not want to pay unemployment compensation, but is willing to send money overseas. Senior citizens have to pay more out of their pockets for health care, and yet we send money overseas.

So, all I am saying is that the rule is wrong, and I think that we should have the opportunity to offer some of those amendments and do the business of the House.

Mr. SOLOMON. Mr. Speaker, I yield 2½ minutes to the distinguished gentleman from Pennsylvania [Mr. SANTORUM].

Mr. SANTORUM. Mr. Speaker, I thank the gentleman from New York [Mr. SOLOMON] for yielding, and, Mr. Speaker, I have had the pleasure of working with the gentleman from Washington [Mr. MILLER] over the past year on these amendments, and he has done an excellent job of going out into the communities who are involved in the international communities in the foreign aid area and try to find some real reforms so we can bring some structural reform to this program that is so desperately in need. And I can say in the year in which this proposal has been on the table that we have been talking to people here in the Congress and outside the Congress. I have not run into one organization, one Member of Congress, one person in the administration who says that any of this is a bad idea, that any of these reforms are bad, that all of these reforms should not be done, and in fact some have said this is a good start, we need to do more, but we have gotten on the right track. I have not heard anyone who is opposed to it. But somehow or other they are either too early, or they are too late, or for some reason we have to restrict the appropriations process here so we do not have a chance to work the people's will to get some real reform in an area where the American public, as the gentleman from Ohio [Mr. TRAFICANT] and the gentleman from Ohio [Mr. APPLEGATE] have said so eloquently, are demanding that we slim down, and they are demanding that we address real needs and not overbloated democracies and dictatorships.

I am amazed that the same people who came to the floor and said, "We need tough decisions to make the balanced budget amendment," in opposing the balanced budget amendment, "We just need to make tough decisions," are the same people who are going to support this rule.

I say to my colleagues, this is vote No. 2 on whether you really mean we want tough decisions. Vote No. 1 was yesterday on the rule for legislative appropriations. We lost that one. We couldn't amend that bill and couldn't cut spending. Today is vote No. 2 on whether you really want to cut spending around here.

And I find it an incredible irony because the same people who opposed the balanced budget amendment also opposed the line-item veto for the President, and the reason, they said, for that is we give too much power to the President to strike line items if we pass the line-item veto.

What are we doing here today, my colleagues? What are we doing here today? We are taking the power away from Congress to strike line items. We do not have a line-item veto for the President. We no longer have a line-item veto for the Congress. We have Government by the majority leader and Speaker. We have Government by the Committee on Rules.

Mr. Speaker, Congress cannot work its will.

We have no will in the President now. We have no will to cut spending by the President, and we have no ability now on the floor of the Congress, which people so desperately want to defend their right to cut spending and oppose the line-item veto. We now have no power here on this floor to reduce that spending.

This is a phony.

Mr. SOLOMON. Vote no on the rule. Great statement.

Mr. Speaker, God help the country if the Committee on Rules is running this Congress.

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California [Mr. DREIER] who valiantly fights up there with me, outnumbered 9 to 4, in the Committee on Rules.

Mr. DREIER of California. Mr. Speaker, we are charting into new territory. It is very exciting. From what I have been told, this is the first time in history two legislative appropriations bills have come to the floor of the House back to back with restrictive rules. Never before have we had this kind of procedure.

As my friend, the gentleman from Pennsylvania [Mr. SANTORUM], said yesterday, we had an extraordinarily restrictive rule and a horrible legislative branch appropriations bill which protected us from ourselves. We did not have the right to vote to cut funds in the legislative appropriations process, and today we have this restrictive rule which prevents us from offering amendment after amendment.

The kind of hegemony which the majority has over this institution was evidenced very clearly last night up in the Committee on Rules. Our very good friend, the gentleman from Florida [Mr. BENNETT], who is retiring, had our colleague on the Committee on Rules, the gentleman from Ohio [Mr. MCEWEN], offer an amendment which would do the following:

The President would have the discretion to negotiate compensation in natural resources, the tremendous natural resources, which we all know the former Soviet Union, the now Commonwealth of Independent States, has. The gentleman from Ohio [Mr. MCEWEN] said last night that exporting 1 percent of the manganese within the former Soviet Union would pay for the aid package to the former Soviet Union that the administration is requesting. Our President would be given discretionary authority to negotiate such reimbursement in natural resources for the aid we are providing.

Now I am told that our friend, the distinguished chairman of the subcommittee, has indicated that unfortunately this is a dilatory amendment, or some such derisive remark was made about the amendment. The amendment was included the day before Thanksgiving, just as we adjourned last year, in an arms control bill. But it needs to be enacted again in order to remain in effect, but tragically it has been denied.

Well, Mr. Speaker, I am happy to say that several of my colleagues on the majority were very reasonable and wanted desperately to join with us and allow the gentleman from Florida [Mr. BENNETT], as he prepares to retire after many years of service in this institution, to offer his amendment.

Mr. Speaker, what has happened, however, is that his opportunity was denied. Two Democrats broke with precedent and joined with us to allow this very balanced amendment to be debated. They did not say whether they supported or opposed the amendment. They simply wanted the gentleman from Florida [Mr. BENNETT] to have the right in this appropriations bill to say that the tremendous natural resources that exist within the former Soviet Union could be used as reimbursement for our assistance. Why? Because we might be able to gain some support for this measure.

Foreign aid is not popular. I am not a strong proponent of tremendous foreign assistance because we have many problems here at home, and the one chance to get some support for it would be if we could utilize the reserves, the natural resources, within the former Soviet Union.

Unfortunately, we, on a 6 to 6 vote, were not allowed to include this amendment. Six to six is a very unusual vote upstairs. Usually it is nine to four, nine on the majority, four on the minority, but we were able to get some reasonable Members of the majority to join with us.

But not enough, Mr. Speaker, not enough. And so the Bennett amendment is not in order, and that is a real shame.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the deputy minority whip, the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, when it comes to foreign aid, the American people are fairly clear. This is one of the places where they think we can make some of the tough choices to get toward a balanced budget. They say it over and over again.

□ 1120

But when we go to make the tough choices, we find out that the chairman of the subcommittee calls them phony. What we had was a chairman describing 51 amendments as phony—or I should say 51 amendments were offered up there. Four were not phonies. They were put in order, including the chairman's, to cut 1 percent across the board, which he seems to say he is not going to offer. But then he comes over and tells the gentleman from Washington that he might accept some of the amendments that were not allowed up in the committee in the motion to recommit, so obviously they were not phony either, but they just did not get allowed here.

This is the process you go through when you do not have open rules. The gentleman from Washington's amendments would have been perfectly in order under an open rule. They are not phony amendments, they are legitimate amendments. They are legitimate amendments to cut, and we are losing our ability in the House of Representatives to deal line by line with these appropriations.

The American people would have to be sick to their stomach to understand the Committee on Rules in this rule is preventing us from cutting foreign aid. There is absolutely no reason why we should not be able to act line by line on foreign aid and cut it out and cut it down.

The fact is the Democratic Party in the House, the majority party, has decided that they are afraid to face amendments on the floor. The chairmen do not want to face amendments that they do not think they can beat, and the party itself does not want to cast tough votes.

But let me tell you something. I think you people have lost all credibility in calling yourselves Democrats. Saying you are the Democratic Party is a joke. There is nothing democratic about the way you are running the House, it is only despotic. There is nothing democratic about not allowing elected officials their fundamental rights to cut spending from bloated bills. There is nothing democratic about treating minority viewpoints as though they are illegitimate, even to the point that they are not even eligible to be voted on or debated on the House of Representatives' floor.

There is a party label that goes with the kind of behavior that is being exhibited on this floor. It is Bolshevik.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Mr. Speaker, in just this 1 brief minute, let me revisit the very important words that my colleague, the gentleman from California [Mr. DREIER], was bringing before this body and the American people.

Yes; we want to help starving people all around the world. Our intentions are honorable. We want to help the decaying inner cities of this country.

But you people on the majority side are dooming foreign aid from this country if you do not use reasonable approaches to how there can be a legitimate quid pro quo with some of these countries that are rich in resources.

When I had an opportunity to visit in September 1990 with Margaret Thatcher, she was talking. We were all amazed at what was happening in the destruction of the Soviet Union. The Berlin Wall had been down about 10 months.

She said these clear words to me:

> They are a rich country, aren't they? I am just the Prime Minister of a small island trading nation. They are so rich in Russia. Timber, oil, gold, and minerals of every kind.

You are fools not to join with the gentleman from Ohio [Mr. HALL], with the gentleman from California [Mr. BEILENSON], and the gentleman from Florida [Mr. BENNETT], and try and ask for something for this money that we want to take out of the hide of the American taxpayer.

They are rich. They have been destroyed by Lenin, Stalin, and politics. Let us get something from them if we are going to break the backs of the American taxpayer.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Florida [Mr. JAMES].

Mr. JAMES. Mr. Speaker, I rise in strong opposition to this rule, which reaches new heights dodging congressional accountability for Federal spending.

Today we are spending $13.8 billion of the people's money, but less than $200 million of that can be debated.

The Democratic leadership has put $13.6 billion of the $13.8 billion off limits to any cuts.

The American people are demanding a 100-percent effort to cut unneeded spending. With this rule, the Democrats allow a 1-percent effort.

Two weeks ago, the Democrats said we didn't need a balanced budget amendment—we needed priorities, tough choices, and courage.

Under Democratic rule today, priorities cannot be debated, tough choices cannot be voted, courage is out of order.

Foreign aid is one of the least popular programs of this Government. It is also one that most demands top-to-bottom reexamination since we won the cold war.

Today, the Democratic leadership is blocking reexamination, ignoring the demand for change, and throwing sand in the people's eye.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes and 15 seconds to the gentleman from Virginia [Mr. ALLEN], a very fine Member who is leaving the House this year and whom we are going to miss.

Mr. ALLEN. Mr. Speaker, I rise in strong opposition to the rule on the foreign operations appropriations bill. Once again, the ruling majority is squashing the rights of the minority to offer amendments to improve legislation which is before this body. The majority is denying our right to offer sound, fiscally responsible improvements to every appropriations bill this week. For all who professed a newfound commitment to reducing spending after the defeat of the balanced budget amendment, you have absolutely no choice but to vote against this rule. To do otherwise would be duplicitous and untruthful to yourself and to your constituents.

I am here to talk about tyrannies, despots, and repressive dictators. Don't worry, Mr. Speaker, I'm not taking a swipe at the ruling majority party in the House which refuses to recognize the rights of the minority. I'm talking about a bill I introduced, H.R. 5421, which would prohibit indirect assistance to those nations supporting terrorism and who repress the political, religious, and economic rights of their citizens. My bill would prohibit America's voluntary contributions to the U.N. Development Program which are used for projects in the People's Republic of China, Iraq, Iran, Jordan, North Korea, Cuba, Syria, Libya, Laos, Vietnam, and Yemen. It would also reduce overall foreign aid use of those funds to reduce the deficit. This cut in funds would send a clear message to the UNDP that the Congress of the United State does not approve of appropriations to nations that are governed by tyrants and terrorists.

Thanks to the work of my friend and colleague, TOM DELAY of Texas, the foreign operations appropriations bill contains language which achieves my first goal: prohibiting United States tax dollars from being sent to those nations I mentioned which support terrorism, nations which in one fashion or another have violated United Nations sanctions against Iraq, or nations which prevent free elections and use violence as a way to penalize prodemocratic movements.

But goal No. 2—to actually cut $8.4 million from the foreign operations appropriations bill and use those funds to reduce the deficit—was determined by the ruling majority to not be in order. Why not? We heard yesterday that many Republican amendments were not in order because they would legislate in an appropriations bill. The amendment I offered to the Rules Committee was straightforward. It simply states:

> Page 43, line 25, strike $310,000,000 and insert $301,600,000. Page 44, line 3, strike $125,000,000 and insert $116,600,000.

We took great pains to meet the strict demands of the majority on how to write such amendments to appropriations bills, but we were still ruled not in order.

Mr. Speaker, by voting "no" on the restrictive rule today, members of this House will be taking a strong stand against the disgusting, wasteful spending which is saddling our children with trillions of dollars of debt for which they, someday, will have to pay a very painful price. And, most importantly, by voting against this rule, we will take a strong stand against tyrannies, against despots and against repressive dictators around the world, and arguably, in this body.

Mr. Speaker, I urge a "no" vote on the rule before us.

Mr. SOLOMON. Mr. Speaker, I yield 4 minutes and 15 seconds to the gentleman from Georgia [Mr. GINGRICH], the very distinguished minority whip.

Mr. GINGRICH. Mr. Speaker, I thank the gentleman from New York for recognizing me.

Mr. Speaker, let me just say this rule vote is in fact very simple. There were a significant number of amendments taken to the Committee on Rule by Members who wanted to offer a chance to cut spending on foreign aid.

Now, I intend to vote for the foreign aid bill. I think it is an important part of our leadership of the world that we be involved in helping, that we be involved in doing the right things.

But I also think that citizens have a right to expect their Member to be allowed to offer an amendment to cut spending, and I think particularly 2 weeks after the liberal Democratic leadership defeated the constitutional amendment to require a balanced budget, claiming that we needed to act now, to have courage now, to show discipline now, that it is peculiarly ironic to have a closed rule that kills amendments.

Mr. Speaker, let me just remind Members, if you vote yes on this rule you are voting to kill an Allen amendment which would cut U.S. contributions to the U.N. Development Program by $8,400,000. If you vote yes on this rule, you are voting to kill an Atkins amendment which would strike $150 million for the special defense acquisition fund. If you vote yes on this rule, you are voting to kill a DeFazio amendment that would strike $11 million in the foreign military financing program for El Salvador.

□ 1130

If you vote yes for this rule, you are voting to kill a DeFazio amendment that would reduce the total appropriated in the foreign military financing program by $11 million. If you vote yes for this rule, you are voting to kill a Lagomarsino amendment that would allow the Government to use development assistance funds for antinarcotics activities against drug dealers to help us in fighting the war on drugs. If you vote yes on this rule, you are voting to kill a McHugh amendment which reduces military grants to countries other than Israel and Egypt by $20 million. If you vote yes on this rule, you are voting to kill a McHugh amendment that would reduce military loans, loan ceilings, and the corresponding credit subsidy for NATO countries. You are voting to kill a Miller amendment to strike contributions for the Asian Development Bank. You are voting to kill a Miller amendment to reduce the contribution of the Asian-American Bank by 50 percent. You are voting to kill a Miller amendment to cut the capital increase for the World Bank, to cut the contribution for the International Development Agency. You are also voting to kill a Miller amendment to reduce the contribution of the World Bank by 50 percent. You are voting to kill a Miller amendment that would reduce funding for the operating expenses of the Agency for International Development and another Miller amendment to reduce operating expenses for that administration by 10 percent.

You are also voting to kill an Obey amendment for a 2.9-percent, across-the-board cut. You are voting to kill a Penny amendment to freeze the appropriations for AID at the current year level for their operating expenses, and you are voting to kill a Penny amendment to reduce the foreign military financing program by $200 million. You are voting to kill a Smith amendment to reduce funding 1 percent across the board except for certain areas. And you re voting to kill a Traficant amendment for a 10-percent, across-the-board cut, a Traficant amendment for a 5-percent, across-the-board cut and a Traficant amendment for a 3-percent, across-the-board cut.

My only point is this: I might vote against most or all of these amendments. I would certainly vote against most of them. There are a few I would vote for.

But to say to the Members of this House, as the Democratic leadership has, this bill is so perfect, it is so complete, it is so thoroughly thought out that none of these Members are allowed to offer any of these cuts, just 2 weeks after we are told that they were opposed to the balanced budget constitutional amendment because we needed courage and discipline, now is outrageous.

I hope that every Democrat who votes yes on this rule is thoroughly prepared to go home and defend every item in this bill, defend every piece of spending in this bill, defend every single amendment which was killed by this rule because I think they are going to have a chance to do so in the next few months.

Mr. SOLOMON. Mr. Speaker, let me just say that every one of my colleagues are as proud as I am to represent our constituents. The only way we can do that is to throw off this gag rule. Vote no on the rule and represent your people the way they should be represented. I beg my colleagues to defeat the rule.

Mr. Speaker, I yield back the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin [Mr. OBEY], chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs, who will close the debate.

Mr. OBEY. Mr. Speaker, let me explain what is happening here today for the benefit of those who feel that this debate is on the level. The fact is that we had the Bush administration 1½ weeks ago tell the country that at all costs, we had to have a constitutional amendment to balance the budget. And then 1 week later, this chairman of this committee received phone calls from Mr. Scowcroft, who is the President's National Security Adviser, the number 2 man at the Department of the Treasury and the Secretary of State, President Bush's former campaign chairman, all three of them, expressing deep concern and outrage because our subcommittee cut the President's foreign aid budget by $1.3 billion.

What we see happening here today on the floor, in my view, is that panic has set in within the Republican Party. I do not know what the President's approval rating numbers are in anybody else's district. I know what they are in mine, 23 percent.

I happen to think George Bush is a better President than that. I think he deserves higher support ratings than he apparently is getting at this point, in my district. But what we have here, in my view, is a number of congressional members of his own party are so panicked by the collapse of the Bush administration in terms of public support that they are running in full flight from anything associated with George Bush.

And believe me, there is nothing more pitiful than the sight of a flock of politicians in full flight. That is what we are seeing here today, in my humble view.

Now, we heard one gentleman indicate that the refusal to support the Allen amendment meant that we were in favor of providing aid to terrorist countries. I want to read to my colleagues what this bill says about aid to those countries, one simple sentence which ought to be understandable by every Member of this House. It reads as follows:

> None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated to finance indirectly any assistance or reparations to Cuba, Iraq, Libya, the Socialist Republic of Vietnam, Iran, Syria, North Korea, People's Republic of China, Laos, Jordan, or Yemen unless the President of the United States certifies that the withholding of these funds is contrary to the national interest of the United States.

For any Member of this House to suggest that any other Member of this House supports delivery of aid to a terrorist country in light of that language is outrageous. In my view, that Member owes other Members of this House an apology.

Second, I want to state clearly what this situation is with respect to numbers. This subcommittee, since I have become chairman, has recommended to the House and we have succeeded in passing foreign aid appropriation bills which have cut a total of $8 billion from the foreign aid budget of President Reagan and now President Bush. If this bill is adopted today, we will reach $8 billion in cuts. You are looking at the only appropriations chairman in the Congress who received not one, not two, but three letters from President Reagan and President Bush saying that they were going to veto these foreign aid bills because in their view we did not spend enough money.

So now what we have, in my view, is that members of the President's own party have received the new White House statement, which says that they are objecting to this bill and oppose it in its existing form for a number of reasons.

First of all, they object because they say the reduction in overall funding requests by the administration of $1.2 billion is too deep a cut. They say the funding level provided in this bill is inadequate and that they oppose any further reductions.

What we have here today, in my view, is Members who want to disassociate themselves desperately from any view that the White House holds on this issue.

Second, the Republican White House objects to this bill because we end the free lunch for our NATO allies. We end the insistence on the part of this administration that we ought to continue to grant, which means give away, military assistance to our NATO allies.

□ 1140

This bill brings that to an end. It says, "Hell, no. If you want to buy weapons, you can borrow the money at full market rates of interest, but you are not going to get any give-aways any more." The White House opposes that. Then the White House also opposes the cuts this committee has already made in the international financial institutions.

Now we have the spectacle of the gentleman from Pennsylvania [Mr. WALKER] taking the well of the House and describing the actions of the Committee on Rules as being "bolshevik." I just have to tell the Members, I come from the State that produced the original Joe McCarthy. I just have to tell the Members that I see very weak imitations. I know the real character, and as far as I am concerned, the would-be imitators just do not measure up.

Let me simply say, the Members have been told by the minority whip what a yes vote is. I will also tell them what a yes vote is. The administration would like to see this bill go down. They do not know quite what to do about it, but they would like to see the bill go down, because they think they can then get a better deal on the continuing resolution, and they think we will simply straight-line the continuing resolution and they will get $600 million more money.

If the Members vote for this rule, what they are voting to do is to put on the floor the vehicle that will cut the administration's foreign aid request by $1.2 billion, cut foreign aid $900 million below our allocation, cut it $600 million below last year, and for those of the Members who are real, rather than posing for political holy pictures on the budget deficit, I suggest that is a vote they should cast if they really want to accomplish savings, if they really want to cut the deficit, if they are interested in substance rather than playing cheap politics.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. OBEY. Yes, I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Speaker, I appreciate the gentleman yielding to me.

Mr. Speaker, I got there late because we are in full committee. I want to rise to urge my colleagues to vote for this rule. The gentleman from Wisconsin (Mr. OBEY) has done a terrific job in keeping this bill together and trying to construct a consensus to pass this bill. It is extremely difficult. I hope our colleagues will vote for this rule.

Mr. SOLOMON. Mr. Speaker, will the good chairman yield?

Mr. OBEY. Yes, I yield to the gentleman from New York.

Mr. SOLOMON. The Committee on Rules turned down my request to make in order several cutting amendments, Democrat and Republican, and they were denied basically because we did choose to make the gentleman's in order.

I would just say to the chairman, if he chooses not to offer his amendment himself, would he mind letting me be his designee and allowing me to offer that 1 percent across-the-board cutting amendment, since we do not have any other opportunity for that?

Mr. OBEY. I will discuss anything with the administration. I would just ask, do not let hypocrisy get a bad name here this morning.

Mr. OWENS of Utah. Mr. Speaker, I rise in reluctant opposition to the rule.

Mr. Speaker, Croatia, Slovenia, and Bosnia-Hercegovina are hemorrhaging. Over 200 civilians a week are dying and over 50,000 are wounded or missing. Over $100 billion of damage has been done to public structures and over 30 percent of the housing in 80 communities has been destroyed. Almost 1.3 million people, nearly half of the children, have been displaced.

And this is just in Bosnia-Hercegovina.

What we are witnessing is a humanitarian problem of enormous proportions. Nightly on the TV news and daily in the newspapers are accounts of brutality and deprivations and suffering not seen in Europe since World War II.

The question is, what have we done?

The answer is, far too little.

Mr. Speaker, a week ago, the Senate passed a resolution urging United States involvement in United Nation or other multilateral efforts to bring peace to the Balkans.

Two days ago, Secretary Baker warned that the United States was looking at many options, including the participation in a multinational military effort to break the Serbian blockade of Bosnia-Hercegovina.

The House has been silent.

Together with Mr. BROOMFIELD, the ranking member of the Foreign Affairs Committee, and with the support of a bipartisan group of Members, I intended to offer an amendment to provide $20 million in disaster relief and refugee assistance to refugees and displaced persons from Croatia, Slovenia, and Bosina-Hercegovina.

However, our efforts to provide even this minimal amount to help the suffering millions were thwarted by the rule.

Legislating on an appropriations bill is prohibited, we are told.

But what should we tell the people in Sarejevo, who according to CNN this morning, are eating grass and leaves? What should we tell the 500,000 children who lack food and shelter? And what should we tell the elderly and infirm, who are deprived of vital medicine and medical attention?

We can't help you because we can't legislate on an appropriations bill.

Look at page A33 of today's Washington Post. A chilling picture of two boys, killed in an attack from Serbian-held Bosnian territory. Yes, a picture says a thousand words. If we just listen we will hear their cries for help.

Serbia has ignored United Nation resolutions, EC threats and disregarded plain human decency. Its soldiers rain shells on civilian targets and its ethnic purification scheme is revolting and warrants a war crimes trial.

Mr. Speaker, the situation is desperate. We can do better than hiding behind procedural technicalities. The Rules Committee could have recognized that people are dying, are starving, are suffering.

I know many of my colleagues, including those on the Rules Committee and my friend from Wisconsin, the chairman of the Foreign Operations Subcommittee do support providing assistance to the Balkans. And it is with genuine reluctance that I voted against the rule, something I have done sparingly.

My amendment to help the refugees and displaced persons from Croatia, Solvenia, and Bosnia-Hercegovina is a purely humanitarian effort. It doesn't take sides, and it doesn't cost a lot.

Mr. HALL of Ohio. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. HALL of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make that point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 246, nays 177, not voting 11, as follows:

[Roll No. 231]

YEAS—246

Abercrombie
Ackerman
Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Aspin
Atkins
AuCoin
Bacchus
Barnard
Beilenson
Bennett
Berman
Bevill
Bilbray
Blackwell
Borski
Boucher
Boxer
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Bustamante
Byron
Campbell (CO)
Cardin
Carr
Chapman
Clay
Clement
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dymally
Eckart
Edwards (CA)
Edwards (TX)
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Guarini
Hall (OH)
Hall (TX)
Hamilton
Harris
Hayes (IL)
Hayes (LA)
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Huckaby
Hughes
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Pallone
Panetta
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Poshard
Price
Rangel
Reed
Richardson
Roe
Roemer
Rose
Rostenkowski
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Scheuer
Schroeder
Serrano
Sharp
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Solarz
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Washington
Waters
Waxman
Weiss
Wheat
Whitten
Wise
Wolpe
Wyden
Yates
Yatron

NAYS—177

Allard
Allen
Applegate
Archer
Armey
Baker
Ballenger
Barrett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Broomfield
Bunning
Burton
Callahan
Camp
Campbell (CA)
Carper
Chandler
Clinger
Coble
Coleman (MO)
Combest
Coughlin
Cox (CA)
Crane
Cunningham
Dannemeyer
Davis
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan
Early
Edwards (OK)
Emerson
Ewing
Fawell
Fields
Fish
Franks (CT)
Gallegly
Gallo
Gaydos
Gilchrest
Gillmor
Gilman
Gingrich
Goodling
Goss
Gradison
Grandy
Green
Gunderson
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Horton
Houghton
Hubbard
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Johnson (CT)
Johnson (TX)
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Leach
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Machtley
Marlenee
Martin
McCandless
McCollum
McCrery
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison
Myers
Nichols
Nussle
Owens (UT)
Oxley
Packard
Paxon
Petri
Porter
Pursell
Quillen
Rahall
Ramstad
Ravenel
Ray
Regula
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Santorum
Savage
Saxton
Schaefer
Schiff
Schulze
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Taylor (NC)
Thomas (CA)
Thomas (WY)
Traficant
Upton
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Weldon
Williams
Wilson
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—11

Bonior
Dwyer
Gekas
Hatcher
Hefner
Jones (GA)
Lowery (CA)
McDade
Schumer
Tallon
Traxler

☐ 1207

The Clerk announced the following pair:

On this vote:

Mr. Dwyer of New Jersey for, with Mr. Gekas against.

Mr. MACHTLEY changed his vote from "yea" to "nay."

Mr. FASCELL changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. McCathran, one of his secretaries.

PARLIAMENTARY INQUIRY

Mr. WALKER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. McNULTY). The gentleman will state his parliamentary inquiry.

Mr. WALKER. Mr. Speaker, in this morning's newspaper, the Speaker of the House is quoted as saying the process under which we are operating on this rule, or on this bill, is a common practice; namely, the practice of having closed rules on appropriation bills of a general character. My research tells me that we have only had such rules five times in the history of the Congress. My research indicates that only five times in the history of the Congress have we had a situation where general appropriation bills have been considered under a closed rule.

Three of those have been during this speakership.

I am asking the Chair whether or not the Chair can confirm that that is, indeed, the situation that this is only the sixth time in history that we will be considering this bill under such a process.

The SPEAKER pro tempore. The gentleman must state a parliamentary inquiry.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1993

The SPEAKER pro tempore. Pursuant to House Resolution 501 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5368.

□ 1210

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5368) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1993, and for other purposes, with Mr. VALENTINE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Wisconsin [Mr. OBEY] will be recognized for 30 minutes, and the gentleman from Oklahoma [Mr. EDWARDS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I yield to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Chairman, I rise in support of H.R. 5368, the foreign operations, export financing, and related programs appropriations bill for fiscal year 1993. This is the fourth of the 13 annual appropriations bills.

The bill provides $13,789 million in discretionary budget authority and $13,078 million in discretionary outlays. This is $912 million in budget authority and $223 million in estimated outlays less than the 602(b) subdivisions for this subcommittee.

I commend the chairman and ranking member of this subcommittee for bringing the bill to the House in a timely fashion.

As chairman of the Budget Committee, I will inform the House of the status of all appropriations bills compared with their 602(b) subdivision as they are considered on the House floor.

I look forward to working with the Appropriations Committee on its remaining bills.

Fact Sheet

H.R. 5368, FOREIGN OPERATIONS, EXPORT FINANCING AND RELATED PROGRAMS, FISCAL YEAR 1993 (H. REPT. 102–585)

The House Appropriations Committee reported the Foreign Operations, Export Financing and Related Programs Appropriations Bill for Fiscal Year 1993 on Thursday, June 18. This bill is scheduled for floor action on Wednesday, June 24, subject to a rule being adopted.

COMPARISON TO THE 602(b) SUBDIVISION

COMPARISON TO INTERNATIONAL DISCRETIONARY SPENDING SUBDIVISION

The bill as reported provides $13,789 million in discretionary budget authority and $13,078 million in discretionary outlays. The bill is below the discretionary budget authority subdivision by $912 million and below the discretionary outlay subdivision by $223 million. This bill is international discretionary spending only and has no defense discretionary or domestic discretionary funding.

[In millions of dollars [1]]

	Foreign operations appropriations bill		Appropriations committee 602(b) subdivision		Bill over(+)/under(−) committee 602(b) subdivision	
	BA	0	BA	0	BA	0
Discretionary	13,789	13,078	14,701	13,301	−912	−223
Mandatory	43	43	43	43		
Total	13,832	13,120	14,744	13,344	−912	−223

[1] Totals may not add due to rounding.

BA=Budget authority.
0=Estimated outlays.

The following are the major program highlights for the bill as reported.

PROGRAM HIGHLIGHTS

[In millions of dollars]

	Fiscal year 1993		
	Request	Committee recommendation	New outlays
Assistance to Eastern Europe	450.0	400.0	101.6
Assistance to Republics of former Soviet Union	350.0	417.0	84.9
Export-Import Bank	633.0	757.0	81.8
International narcotics control	173.0	147.8	51.7
Migration and refugee assistance	550.0	620.7	451.9
Enterprise for the Americans initiative (debt restructuring)	202.1		
Sub-Saharan Africa	775.6	800.0	61.6
Population development assistance		330.0	28.1

The House Appropriations Committee filed the Committee's subdivision of budget authority and outlays on June 11, 1992. These subdivisions are consistent with the allocation of spending responsibility to House committees contained in House Report 102–529, the conference report to accompany H. Con. Res. 287, the Concurrent Resolution on the Budget for Fiscal Year 1993, as adopted by the Congress on May 21, 1992.

Mr. OBEY. Mr. Chairman, before I describe the contents of the bill, I would like to thank the staff which has worked so diligently on both sides of the aisle in order to produce this legislation, and also make some remarks about members of the subcommittee.

I would first of all like to especially thank the ranking Republican on the committee, the gentleman from Oklahoma [Mr. EDWARDS], who despite partisan differences is, in my view, an absolutely first-rate public servant. I think he has demonstrated in all the years he has handled this bill absolute public integrity. He has been willing to approach the bill in a most thoughtful way. I much appreciate that, because I believe that this is, if not the most difficult bill the House faces in the appropriations cycle each year, certainly the second most difficult.

I would also like to take note of the fact that we have four members of our subcommittee who are going to be leaving this body. I wanted to say just a bit about all four.

First of all, the gentleman from Arkansas [Mr. ALEXANDER] is the newest member of the subcommittee on the Democratic side of the aisle, but he is certainly not new to this institution. He was elected the November before I was elected, and in all the years I have watched him, I have very much appreciated the fact that he has never been afraid to break new ground. He has never been afraid to think unconventional thoughts. He has never been afraid to consider almost any reasonable approach that would further the cause of good government, and I want to say that I very much regret the fact that he will be leaving.

We also have leaving the gentleman from Florida [Mr. SMITH] who has served with us now for two terms on the Foreign Operations Subcommittee. I want to say simply that I believe he is one of all too few people who cares deeply about the fate of the working people in this country. He knows the contents of this legislation I think as well as any person around. He is tough. He is frank. You always know where LARRY SMITH stands. I like to deal with people like that, because there is absolutely no guile to him, and as a consequence you always know that you are dealing with a straight shooter, and I do not think you can say anything better about any person in this institution.

We also have leaving the gentleman from Florida [Mr. LEHMAN] who in my view is quite simply the kindest and most caring individual that I have ever served with. I think he demonstrates that concern and that caring, not just in his public life, but in his private life, as we all know. He is very dear to all of us. He has made an immense contribution to this subcommittee. He has I think at all times put the needs of refugees, who are in many ways the most defenseless human beings on this globe, he has at all times put the needs of refugees first, and I commend him for that. I have cherished his friendship and I have very much respected his legislative abilities on this bill and I very much regret the fact that he has chosen to leave.

Lastly, I would like to say just a bit about my very good friend, the gentleman from New York [Mr. MCHUGH]. I think any observer of this House would say, without question, that his name is synonymous with excellence in public service. I am deeply upset that the political process has become so cheapened that it has led people like him to conclude that they could more constructively offer their services elsewhere. The country simply cannot afford to lose people like MATT MCHUGH. The country cannot afford to lose people with quality minds, quality judgment, and quality consciences.

I will probably miss him most of all because he has really in so many ways served as the vice chairman of this committee for so long and given me so much needed advice and counsel. I just have to say that I think I speak for all of us in saying that we have tremendous respect not only for MATT MCHUGH, but for each of the gentlemen who are leaving, and I know we wish them all well.

Mr. Chairman, let me now simply address the contents of this bill. I think American people are the luckiest people on the face of the Earth. I think that we need to recognize, however, that we are not Americans because there is something special about us. It was not our own individual qualities that enabled us to become Americans. We are simply Americans because we had the good luck to be born here. We are Americans because God infused our soul into a body that happened to be born in the United States.

□ 1220

We could just as easily have been born in Calcutta or in Bangladesh. And I think that, because of our fortune, as the old saying goes: "From those to whom much is given, much is expected." I think this bill represents our recognition that we have a moral responsibility to our fellow creatures on this planet, to help the most desperate human beings, to improve their lives in any way that we can.

We have millions of children who die each year in the Third World. I think we have an obligation to do something about that.

But I also think that we have to recognize that in the end our highest obligation is to our own people. I think this bill tries to balance the recognition of both facts.

This bill, very simply, cuts $1.3 billion from the President's request. It is $600 million below existing spending levels, or it will be if we adopt the committee amendment. It will be $1.1 billion below the budget resolution. It will be $900 million below our 602 allocation under the Budget Act. And in addition to making cuts in the President's budget for this fiscal year we rescind $150 million in previously appropriated pipeline funds.

This bill is the smallest foreign aid bill, as a percentage of GNP, in the history of the country. And as I said earlier, since I have become chairman, if this bill is adopted today, we will have cut $8 billion from the requests of conservative Republican Presidents in terms of what they had asked for for foreign aid spending.

In spite of that, we meet the administration's full request for bilateral aid to the Soviet Union, recognizing that we have won the cold war and would be foolish if we did not secure the peace.

We also have tried to deal with a number of other issues which represent high-priority items for both the administration and the country as a whole.

Now as I said earlier, we have a statement from the administration which indicates that they oppose this bill as it now stands because they say we have cut spending too deeply and they specifically object to the fact that we have told our NATO allies that there is no more free lunch. We are ending all grant military aid to our NATO allies because in our view it is the responsibility of those allies to assume a much greater share of the cost of defending themselves.

That saves almost $700 million and enables this bill to make the reductions that we have made while still meeting the high-priority obligations laid out to us by the administration.

Mr. Chairman, I would urge support for the committee amendment. What we are doing, we are bringing to the floor the foreign aid request made by President Bush, and the committee amendment is a pending amendment which will reduce that spending level by $1.3 billion.

Mr. Chairman, I would urge support for that amendment when the time comes for a vote. I will be asking for the rollcall vote.

Mr. Chairman, I appreciate the attention of the House.

The committee considered the bill H.R. 5368 as introduced which is the President's budget request, and has recommended amending the bill to reduce the funding by $1.3 billion.

Specifically, the committee has recommended a bill for foreign assistance funding at $13,832,148,303, which is $1,280,650,299 below the fiscal year 1993 budget request, and $567,878,643 below the net amount provided in fiscal year 1992. The committee bill is $922,851,697 below the 602(b) allocation for discretionary budget authority and $223,463,000 below the allocation for discretionary outlays. The committee's recommended bill also contains a rescission of $150 million in prior year funds for the specific purpose of reducing the deficit of the United States.

The bill contains substantial reductions in total funding levels and has provided for most accounts at or below the fiscal year 1992 level. In responding to requests from the administration, the committee has increased funding over last year's level for several multilateral financial institutions, Eastern Europe, the former Republics of the Soviet Union, the Peace Corps, antiterrorism, Export-Import Bank, the Trade and Development Program, the Inter-American Foundation, and the African Development Foundation. The committee has increased funding for other high priority items including population programs, the Export Import Bank and several international organizations and programs such as UNICEF, IAEA, and UNEP. A special exception has been made to include funding for drought related assistance in Africa. Refugee assistance has been maintained at last year's level, which is a substantial increase over the administration's request. Decreases in funding levels have been recommended for the Asian Development Fund, Development Assistance, Economic Support Fund, the Multilateral Assistance Initiative for the Philippines, military education and training, and military assistance.

INTERNATIONAL FINANCIAL INSTITUTIONS

The committee has recommended funding $1,578,287,303 of the $1,758,550,602 requested for the international financial institutions. The request of $12,158 million for a quota increase for the International Monetary Fund originally requested in fiscal year 1992, but not funded, is not contained in this bill. In addition to the amounts indicated, the committee has provided $50 million by transfer for the global environmental facility of the World Bank.

FORMER SOVIET UNION

The committee has recommended $417 million in aid to the republics of the former Soviet Union, which is the amount requested for programs under the Foreign Operations Subcommittee's jurisdiction for Eastern European on programs the committee has recommended $400 million.

DEVELOPMENT AND ECONOMIC ASSISTANCE

For development assistance the committee has recommended a total of $1.367 billion of which $330 million is for population programs. For Africa the committee has included $800 million in the development fund and $80 million in a special disaster relief account to meet the needs of the famine in southern Africa. For the Philippines Multilateral Assistance Initiative the committee recommends $40 million.

HEALTH, CHILDREN, AND POPULATION

The committee has recommended increased funding for a number of health, children's, and development related programs as follows:

Funding for UNICEF is recommended at $100 million, an increase of $40 million above the request and $15 million above the amount provided last year.

Funding for population assistance is recommended at $330 million, an increase of $83,695,000 above the amount provided last year.

The committee has recommended that certain levels of total spending from all sources be reached for child survival and basic education. For child survival, the committee has recommended a total level of $275 million. For basic education, the committee has recommended $135 million.

REFUGEE PROGRAMS

The committee has recommended a total of $669,949,000 for refugee programs, an increase of $99,949,000 over the amount requested. A total of $620,688,000 is provided for the migration and refugee account and $49,261,000 is provided for the emergency refugee and migration assistance fund.

The committee has continued its policy of providing adequate resources to meet refugee needs worldwide in the annual appropriations bill.

TRADE ISSUES

For export and trade related programs the committee has recommended a total of $835,042,000, an increase of $159,046,000 above amounts provided last year. The committee, in granting these increases, has made trade and export programs a major priority this year. The subsidy appropriation for the Export-Import Bank is $757 million, an increase of $154,046,000 above last year's level. The recommendation of $40 million for the Trade and Development Program is an increase of $5 million above the amount provided last year.

SECURITY ASSISTANCE

In security assistance programs funded through the economic support fund and the foreign military financing programs the committee has recommended significant spending reductions. For the economic support fund the committee has provided $2,739 million, a reduction of $373 million below the request. The $100 million requested for the former Soviet Union was shifted into that account making the actual program reduction $273 million.

For foreign military financing, the committee has recommended a grant program of $3,300 million and a loan program of $855 million. The net effect of these actions is a military assistance program level of $4,155 million, which is a decrease of $421,298,000 below the amount provided in fiscal year 1992.

The committee has refrained from extensive earmarking in the economic support fund and in the foreign military financing programs. Earmarks have been limited to Israel, Egypt, Cyprus, West Bank and Gaza, and Lebanon. The committee has converted all military assistance to NATO countries from grants to loans, and has placed limitations on military assistance funding levels for the base rights countries of Greece, Turkey, and Portugal at 10 percent below last year's levels.

The actual amounts included in the bill for each account are shown in the following table.

FY 1993 Foreign Operations Appropriations Bill (H.R. 5368)

	FY 1992 Enacted	FY 1993 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE I - MULTILATERAL ECONOMIC ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
International Financial Institutions					
World Bank Group					
Contribution to the International Bank for Reconstruction and Development:					
Paid-in capital	69,089,000	70,126,332	69,089,000		-1,037,332
(Limitation on callable capital)	(2,233,903,000)	(2,267,418,063)	(2,233,903,000)		(-33,515,063)
Total, contribution to the International Bank for Reconstruction and Development	(2,302,992,000)	(2,337,544,395)	(2,302,992,000)		(-34,552,395)
Contribution to the International Development Association	1,044,332,000	1,060,000,000	1,044,332,000		-15,668,000
Contribution to the International Finance Corporation	39,735,000	50,000,000	39,735,000		-10,265,000
Total, contributions to the World Bank Group	(3,387,059,000)	(3,447,544,395)	(3,387,059,000)		(-60,485,395)
Budget authority	1,153,156,000	1,180,126,332	1,153,156,000		-26,970,332
Limitation on callable capital	(2,233,903,000)	(2,267,418,063)	(2,233,903,000)		(-33,515,063)
Contribution to the Inter-American Development Bank:					
Inter-regional paid-in capital	56,466,000	57,313,367	56,466,000		-847,367
Fund for special operations	20,272,000	20,576,000	20,272,000		-304,000
(Limitation on callable capital)	(2,202,040,000)	(2,235,076,561)	(2,202,040,000)		(-33,036,561)
Inter-American Investment Corporation	8,315,000			-8,315,000	
Enterprise for the Americas Investment fund		100,000,000	75,000,000	+75,000,000	-25,000,000
Total, contribution to the Inter-American Development Bank	(2,287,093,000)	(2,412,965,928)	(2,353,778,000)	(+66,685,000)	(-59,187,928)
Contribution to the Asian Development Bank:					
Paid-in capital		25,514,303	25,514,303	+25,514,303	
Development fund	124,979,000	170,000,000	75,000,000	-49,979,000	-95,000,000
(Limitation on callable capital)		(186,984,240)	(186,984,240)	(+186,984,240)	
Total, contribution to the Asian Development Bank	(124,979,000)	(382,498,543)	(287,498,543)	(+162,519,543)	(-95,000,000)
Contribution to the African Development Fund	103,893,000	135,000,000	103,893,000		-31,107,000
Contribution to the African Development Bank:					
Paid-in capital	8,854,000			-8,854,000	
(Limitation on callable capital)	(132,817,000)			(-132,817,000)	
Total, contribution to the African Development Bank	(141,671,000)			(-141,671,000)	
Contribution to the European Bank for Reconstruction and Development:					
Paid-in capital	68,986,000	70,020,600	68,986,000		-1,034,600
nitation on callable capital)	(160,966,000)	(163,381,400)	(160,966,000)		(-2,415,400)
otal, contribution to the European Bank for Reconstruction and Development	(229,952,000)	(233,402,000)	(229,952,000)		(-3,450,000)
Total, contribution to International Financial Institutions	(6,274,647,000)	(6,611,410,866)	(6,362,180,543)	(+87,533,543)	(-249,230,323)
Budget authority	1,544,921,000	1,758,550,602	1,578,287,303	+33,366,303	-180,263,299
(Limitation on callable capital)	(4,729,726,000)	(4,852,860,264)	(4,783,893,240)	(+54,167,240)	(-68,967,024)
Department of State					
International organizations and programs	262,431,000	256,650,000	310,000,000	+47,569,000	+53,350,000
International Fund for Agricultural Development	18,091,000			-18,091,000	
Total, title I, contribution for Multilateral Economic Assistance	(6,555,169,000)	(6,868,060,866)	(6,672,180,543)	(+117,011,543)	(-195,880,323)
Budget authority	1,825,443,000	2,015,200,602	1,888,287,303	+62,844,303	-126,913,299
(Limitation on callable capital)	(4,729,726,000)	(4,852,860,264)	(4,783,893,240)	(+54,167,240)	(-68,967,024)
TITLE II - BILATERAL ECONOMIC ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
Agency for International Development					
Development Assistance Fund	1,041,640,000	1,265,500,000	1,037,480,000	-4,160,000	-228,020,000
Health, development assistance	140,000,000				
International AIDS prevention and control program	65,000,000				
Population, development assistance	246,305,000		330,000,000	+83,695,000	+330,000,000
Subtotal, development assistance	1,287,945,000	1,265,500,000	1,367,480,000	+79,535,000	+101,980,000
Sub-Saharan Africa:					
Development assistance	788,175,000	775,600,000	800,000,000	+11,825,000	+24,400,000
Africa disaster assistance			80,000,000	+80,000,000	+80,000,000
Capital projects		100,000,000			-100,000,000
Private sector revolving fund:					
Operating expenses	1,347,000	1,447,000	1,347,000		-100,000
Subsidy appropriations	2,629,000	5,665,000	2,553,000	-76,000	-3,112,000
(Estimated level of guaranteed loans)	(56,157,000)	(113,774,000)		(-56,157,000)	(-113,774,000)
(Estimated level of direct loans)		(5,000,000)			(-5,000,000)
Subtotal, development assistance	2,080,096,000	2,148,212,000	2,251,380,000	+171,284,000	+103,168,000
Reappropriation (deobligation/reobligation) authority (sec. 515)	36,000,000	21,500,000		-36,000,000	-21,500,000
Total, development assistance	2,116,096,000	2,169,712,000	2,251,380,000	+135,284,000	+81,668,000
an schools and hospitals abroad	28,571,000	30,000,000	28,571,000		-1,429,000

FY 1993 Foreign Operations Appropriations Bill (H.R. 5368)—Continued

	FY 1992 Enacted	FY 1993 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
International disaster assistance	68,965,000	40,000,000	68,965,000		+28,965,000
nent to the Foreign Service Retirement and Disability Fund	41,351,000	42,677,000	42,677,000	+1,326,000	
ating expenses of the Agency for International velopment	474,121,946	531,000,000	517,000,000	+42,878,054	-14,000,000
Operating expenses of the Agency for International Development Office of Inspector General	37,181,000	41,456,000	37,181,000		-4,275,000
Housing and other credit guaranty programs:					
Subsidy appropriations	17,630,000	16,407,000	16,407,000	-1,223,000	
Operating expenses	7,033,000	7,000,000	7,000,000	-33,000	
(Estimated level of guaranteed loans)	(105,418,000)	(95,000,000)		(-105,418,000)	(-95,000,000)
Enterprise for the Americas initiative:					
Debt restructuring		202,119,000			-202,119,000
Subtotal, Agency for International Development	2,790,948,946	3,080,371,000	2,969,181,000	+178,232,054	-111,190,000
Economic support fund	3,167,979,000	3,112,000,000	2,739,000,000	-428,979,000	-373,000,000
Reappropriation (deobligation/reobligation) authority (sec. 515)	12,000,000	11,000,000		-12,000,000	-11,000,000
Total, Economic support fund	3,179,979,000	3,123,000,000	2,739,000,000	-440,979,000	-384,000,000
International fund for Ireland	19,704,000		19,704,000		+19,704,000
Assistance for the Philippines:					
Multilateral assistance initiative for the Philippines	78,522,000	80,000,000	40,000,000	-38,522,000	-40,000,000
Assistance for Eastern Europe	364,211,000	450,000,000	400,000,000	+35,789,000	-50,000,000
Humanitarian and technical assistance to the former republics of the Soviet Union		350,000,000	417,000,000	+417,000,000	+67,000,000
Total, Agency for International Development	6,433,364,946	7,083,371,000	6,584,885,000	+151,520,054	-498,486,000
Independent Agencies					
African Development Foundation					
Appropriations	12,808,000	16,905,000	16,905,000	+4,097,000	
Inter-American Foundation					
Appropriations	24,630,000	30,960,000	30,960,000	+6,330,000	
Overseas Private Investment Corporation					
Subsidy appropriations	8,945,000	11,605,000	8,945,000		-2,660,000
Operating expenses	8,128,000	8,833,000	8,128,000		-705,000
(Limitation on direct loans)		(30,000,000)			(-30,000,000)
(Limitation on guaranteed loans)	(400,000,000)	(500,000,000)		(-400,000,000)	(-500,000,000)
(Equity investment limitation)		(5,000,000)			(-5,000,000)
Total, Overseas Private Investment Corporation	17,073,000	20,438,000	17,073,000		-3,365,000
otal, Funds Appropriated to the President	6,487,875,946	7,151,674,000	6,649,823,000	+161,947,054	-501,851,000
Peace Corps					
Appropriations	197,044,000	218,146,000	218,146,000	+21,102,000	
Department of State					
International narcotics control	147,783,000	173,000,000	147,783,000		-25,217,000
Migration and refugee assistance	620,688,000	550,000,000	620,688,000		+70,688,000
United States Emergency Refugee and Migration Assistance Fund	49,261,000	20,000,000	49,261,000		+29,261,000
Anti-terrorism assistance	11,848,000	15,555,000	15,555,000	+3,707,000	
Total, Department of State	829,580,000	758,555,000	833,287,000	+3,707,000	+74,732,000
Total, title II, Bilateral economic assistance:					
New budget (obligational) authority	7,514,499,946	8,128,375,000	7,701,256,000	+186,756,054	-427,119,000
TITLE III - MILITARY ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
International Military Education and Training	44,573,000	47,500,000	42,500,000	-2,073,000	-5,000,000
Foreign Military Financing Program:					
Grants	3,992,298,000	4,089,225,000	3,300,000,000	-692,298,000	-789,225,000
(Limitation on administrative expenses)	(27,508,000)	(29,000,000)	(26,000,000)	(-1,508,000)	(-3,000,000)
Direct concessional loans:					
Subsidy appropriations	50,148,000	63,132,000	54,230,000	+4,082,000	-8,902,000
Administrative expenses		200,000	200,000	+200,000	
(Estimated loan program)	(404,000,000)	(360,000,000)	(855,000,000)	(+451,000,000)	(+495,000,000)
FMF program level	(4,396,298,000)	(4,449,225,000)	(4,155,000,000)	(-241,298,000)	(-294,225,000)
Subtotal, Foreign military financing program	4,042,446,000	4,152,557,000	3,354,430,000	-688,016,000	-798,127,000
Reappropriation (deobligation/reobligation) authority (sec. 515):					
Foreign military financing		10,000,000			-10,000,000
Military assistance (reappropriation)		10,000,000			-10,000,000
Total, Foreign military assistance	4,042,446,000	4,172,557,000	3,354,430,000	-688,016,000	-818,127,000
Special Defense Acquisition Fund (limitation on obligations)	(230,935,000)	(280,930,000)	(150,000,000)	(-80,935,000)	(-130,930,000)
Peacekeeping operations	27,586,000	27,166,000	27,166,000	-420,000	
Total, title III, Military assistance programs:					
New budget (obligational) authority	4,114,605,000	4,247,223,000	3,424,096,000	-690,509,000	-823,127,000

FY 1993 Foreign Operations Appropriations Bill (H.R. 5368)—Continued

	FY 1992 Enacted	FY 1993 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE IV - EXPORT ASSISTANCE					
EXPORT-IMPORT BANK OF THE UNITED STATES					
ation of Program Activity:					
Subsidy appropriations	602,954,000	633,000,000	757,000,000	+154,046,000	+124,000,000
(Estimated loan program)	(11,000,000,000)	(11,385,000,000)		(-11,000,000,000)	(-11,385,000,000)
Administrative expenses	38,042,000	49,000,000	38,042,000		-10,958,000
Negative subsidy			-16,533,000	-16,533,000	-16,533,000
Total, Export-Import Bank of the United States: New budget (obligational) authority	640,996,000	682,000,000	778,509,000	+137,513,000	+96,509,000
FUNDS APPROPRIATED TO THE PRESIDENT					
Trade and Development Program					
Trade and development	34,483,000	40,000,000	40,000,000	+5,517,000	
Total, title IV, Export assistance: New budget (obligational) authority	675,479,000	722,000,000	818,509,000	+143,030,000	+96,509,000
TITLE V - PEACEKEEPING					
Department of State					
Contributions for international peacekeeping operations	270,000,000			-270,000,000	
Grand total, all titles: New budget (obligational) authority	14,400,026,946	15,112,798,602	13,832,148,303	-567,878,643	-1,280,650,299

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, what is very unusual about this particular appropriation is that the chairman of the subcommittee, the gentleman from Wisconsin [Mr. OBEY], and myself, unlike many people who are in the business of appropriating, do not come to the floor each year seeking more and more money to appropriate in our bill. We come to the floor finding ways to reduce the spending in our particular areas. And we are in agreement on this bill.

If this bill is passed today we will reduce foreign aid spending below where it currently is, we will reduce foreign aid spending below the level we would be at if we did not pass the bill and had a continuing resolution, and we reduce foreign aid spending below what the President has asked for.

Mr. Chairman, I do not like foreign aid. I usually vote against foreign aid bills. I am going to vote for this foreign aid bill because it is a reduction, not an increase in foreign aid.

I think the chairman has done a very good job of explaining what is in this bill, but I want to expand on his remarks and add a few of my own, starting with the fact that most of us who work on the subcommittee with the gentleman from Wisconsin [Mr. OBEY] do have a great deal of respect for him because he has a real commitment to work with the minority in finding ways to jointly make our foreign aid spending not only more efficient but less costly to the American taxpayer.

Mr. Chairman, we are beginning the summer ritual around here where we consider all of the appropriation bills. During this process you will see one speaker after another take to the floor to discuss funding for their own important programs. They often speak of making America No. 1 in one area or another, wherever their appropriation bill is, make America No. 1 in education, or make America No. 1 in health care. And I am in favor of those things. We should be No. 1 in those areas.

The foreign aid bill is an exception. This is one area where we ought not to be No. 1. We do not need more money for foreign aid. We need less. Last year, we are told, the Japanese became the world's largest foreign aid donor. Well, this time I say let the Japanese be No. 1. America is not the world's policeman, America is not the world's Daddy Warbucks.

Mr. Chairman, I am pleased with what we have been able to accomplish.

Mr. Chairman, this bill is nearly $1.3 billion below the President's request for foreign aid. It is nearly a billion dollars below our committee's funding allocation. It is $500 million, half a billion dollars, less than we are currently spending on foreign aid. It also contains $150 million in rescissions, taking money that has already been appropriated, not spent, pulling it back so that the administration does not have this money to spend on foreign aid. And instead we return it to the Treasury to reduce the Federal deficit rather than recycle it for more foreign aid spending.

We have also brought a bill to the floor which gives new direction to the foreign aid spending as well as reducing it.

Military aid to stop Communist expansion is no longer necessary as it was a couple of years ago, and we have cut that account by $182 million. High levels of military aid to El Salvador—and those of you who have worked here with me know that year after year I have voted for a high level of assistance to allow the democratic Government of El Salvador to fight against the Communist guerrillas. Now we have in El Salvador a democracy emerging from this 12-year siege by the Communist guerrillas. So we are reducing the amount of assistance to El Salvador to provide only essential nonlethal assistance to ensure continued peace in that area.

This bill also makes clear who we consider our friends and whom we do not consider our friends.

One provision which I offered as an amendment in subcommittee, and which was adopted, cuts off all military aid to Jordan unless the President certifies that Jordan is working to further the peace in the Middle East and that Jordan is not violating the economic embargo against Iraq. Jordan sided with Iraq during the gulf war, and goods being smuggled through its border today further cement Saddam's grip on Iraq. This would cut off any military assistance to Jordan unless they cooperate with the United Nations sanctions.

Finally, the bill recognizes that it is not foreign aid but trade that is in the interest of the United States and developing nations. So for that reason where we cut foreign aid spending we increase funding for the Export-Import Bank of the United States, by $157 million because Eximbank helps American businesses sell their products overseas and creates American jobs.

The bill provides funding for the President's Enterprise for the Americas initiative which promotes trade and investment in Latin America and creates jobs in this country. Our hemisphere is freer than it has ever been and a free and democratic Latin America is a prosperous Latin America which means jobs here at home.

As one example in my own home State of Oklahoma, trade with Latin America has increased dramatically. Exports to Mexico increased 26 percent from Oklahoma, exports to Uruguay from Oklahoma have increased 392 percent, exports to Chile from Oklahoma have increased 185 percent. So the Enterprise for the Americas initiative will further that growth, create jobs for Americans, create jobs for Oklahomans, as opposed to the giveaways of foreign aid.

□ 1230

One final comment, Mr. Chairman. I have an amendment that was made in order by the Committee on Rules which would strike the $20 million earmarked for the United Nations Fund for Population Activities. I am not going to offer that amendment today, but I want to make very clear that the White House considers this the single most objectionable provision in the entire bill and has stated very clearly that the President intends to veto this bill if that UNFPA provision remains at the end of the process after the conference with the Senate. So, while I will not offer that amendment today, I am hopeful that during the conference with the Senate this provision will be stricken and that other provisions that are unacceptable to the administration will be improved because, if not, the bill will face a veto.

Mr. Chairman, I reserve the balance of my time.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. LEHMAN].

Mr. LEHMAN of Florida. Mr. Chairman, I rise in support of the legislation on foreign operations today and urge its adoption, but I want at this time to pay my deep respect to the gentleman from Wisconsin [Mr. OBEY] with whom I served on this committee for about 13 years now and served with him as my chairman for the last 7 years.

Mr. Chairman, there is no one that is more exciting, and more dedicated and more creative in this body than the gentleman from Wisconsin [Mr. OBEY], and serving with him has been a great experience for me.

A number of years ago I was out in Boot Hill Cemetery in Tombstone, AZ, and on one of the graves was the epitaph: "He done his damndest," and I think we can say that in the present tense about DAVE OBEY because he does his damndest from day to day like no one else in this body, and it has been a great privilege for me to serve with him, and I value his personal friendship to the utmost.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I thank my good friend, the gentleman from Oklahoma [Mr. EDWARDS] for yielding this time to me, and I commend him and my chairman, the gentleman from Wisconsin [Mr. OBEY], as well as the members of the committee, for the good job they have done in bringing this bill to the floor.

Mr. Chairman, the foreign operations bill is never an easy bill for members to vote for and this year is certainly no different. But there are two compelling reasons to support this bill this year.

First and foremost, the subcommittee has gone to incredible pains to reduce the level of spending in this bill to the absolute minimum possible. As the chairman and ranking minority member have ably explained, this year's bill is $1.3 billion below the President's request, well below last year's CR and the smallest foreign assistance bill as a percent of total expending the House has ever considered. Some Americans, incredibly, believe foreign aid takes a large portion of our budget and if only we would eliminate foreign assistance, all of our domestic problems, including our large deficit, would disappear. This, of course, is far from the truth. Foreign aid, which is only given in the best interests of the United States and its citizens, takes less than 1 percent of our annual budget, a total of $13.8 billion of $1,600 billion we will expend this year.

A vote for this bill is a vote to cut foreign aid, pure and simple.

The second compelling reason to support this bill is that despite the dramatic cut in spending, the bill has targeted a number of high priority areas where American dollars will have the greatest impact overseas saving lives and alleviating misery. I will not go through all of the numbers, but programs that target the world's neediest people, including UNICEF, the World Health Organization, refugee assistance, child survival programs, and international disaster assistance received much needed funding and in some cases modest increases.

Let me also point out that much of the savings that allowed the committee to continue to fund these priority programs while reducing overall spending came from cuts in the military assistance account, which could be and was reduced over $700 million this year.

In addition, even with the incredibly tight budget constraints, this bill addresses several new issues that have arisen in the past year and that the United States, as the sole remaining superpower, must address. These new priorities include $417 million assistance for the states of the former Soviet Union and $80 million to address the huge need for food assistance for the people of subSaharan Africa who are experiencing a sustained and acute drought that threatens tens of millions of individuals from South Africa to Kenya. The bill also contains a healthy increase in funding for the Peace Corps so it can begin operations in the former Soviet Union and expand in Eastern Europe.

A number of other high priority areas that are addressed in this bill which I support are full funding for Israel in the wake of their historic elections on Tuesday, an increase in the AID population account among the most effective dollars we spend, and $20 million in funding for the U.N. Fund for Population Activities.

I would like to point out to members a number of important issues that are dealt with in this bill that are not usually in the spotlight but are equally important and deserve to be mentioned.

Last Thursday, representatives from the two communities on Cyprus began a very promising series of talks with Mr. Butrous Ghali, the U.N. Secretary General, in New York, aimed at ending the 18-year division of that island nation. The committee adopted report language that expressed support for a fair, lasting and democratic solution to the separation of Cyprus and indicated that it would carefully monitor the negotiations to ensure that all parties are forthcoming and negotiate in goodwill. If it becomes evident during the course of these talks that one of the parties is obstructing the negotiations and imperiling a successful outcome, I will push to have this intransigence reflected clearly in next year's bill.

This bill also sends an important message to the Government of the east African nation of Uganda. Despite some improvements under the rule of President Yoweri Museveni, Uganda's record on human rights remains very poor. Through report language, the committee made clear to the Ugandan Government that the United States predicates its assistance on shared values and a trend of improvement in the area of human rights and democratization and that United States assistance to Uganda will be carefully reviewed in the coming year with these criteria in mind.

In addition, this bill provides $500,000 for the U.N. Voluntary Fund for the Victims of Torture. Survivors of torture are often deeply scarred both mentally and physically. In the last decade, a new branch of medical science that brings together physicians, psychologists, physiologists, and social workers has evolved to treat torture victims and restore their ability to function in society. As cochairman of the Congressional Human Rights Caucus, I support this U.N. innovative program and also urge AID to look into ways to assist torture victim centers overseas.

Mr. Speaker, in closing I want to commend the fine staff who have made this bill possible and put into legislative language the priorities of the House. I want to particularly thank Terry Peel, Mark Murray, Bill Schuerch, Lori Maes, and Virginia Poole of the subcommittee staff, Jim Kulikowski from ranking minority member's staff, and the hard working associate staff: Chris Walker, Pam Norrick, Dean Sackett, Aaron Rosenbaum, Gary Bombardier, Rob Cogorno, Dorothy Thomas, Eva Munk, and Adele Liskov.

Mr. Chairman, again I thank the gentleman from Oklahoma [Mr. EDWARDS] for yielding me the time, and I urge Members to support this bill.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, first I would like to compliment the gentleman from Wisconsin [Mr. OBEY], the gentleman from Oklahoma [Mr. EDWARDS] and the superb staff for the very fine job they have done in managing this bill during difficult circumstances. Also I thank the gentleman from Wisconsin for his kind remarks.

It was pointed out today that communism has collapsed. This fact emphasizes the importance of passing this foreign aid bill today. Foreign aid is good for business. We live in an era when economic power is more important than military power. The United States must expand trade. A good foreign aid bill is good for trade. Trade follows aid. If properly managed, foreign policy is good for business.

It is popular today to be against foreign aid because of austerity and unemployment throughout our land it is easy to attract voters approval by castigating foreign aid. But I urge our colleagues to look at the future and to look at the importance of expanding trade to improve the U.S. economy. We must pursue aggressive economic policy. A foreign aid bill is an indispensable part of that policy. I urge your approval of this rule and this bill.

Mr. Chairman, the foreign operations, export financing, and related appropriations bill which our Committee on Appropriations has recommended has been achieved through careful and difficult negotiation aimed at serving the needs of our Nation.

It has been achieved through the leadership of our subcommittee chairman, the gentleman from Wisconsin [Mr. OBEY], and the subcommittee ranking minority member, the gentleman from Oklahoma [Mr. EDWARDS], with the support of a hardworking and knowledgeable subcommittee staff.

It is important to point out that one of the aspects of U.S. foreign policy dealt with in this bill has been of continuing concern to me for most of my service in Congress. It is symbolic of the difference in the attitude the U.S. Government takes toward its domestic and foreign debtors.

For instance, when American farmers fail to repay, the Government stops lending to them and forecloses. When a foreign nation fails to repay the U.S. Government reschedules the debt and continues to give it aid.

The voices we hear most from the American people tell us that they are fed up with their Government's role in the world. This is increasingly true during this era of tight budgets when Americans are being told we can not afford to meet the health, education, housing, and job needs of our own citizens.

Among the voters who follow external affairs most would agree that it is in the national security interest of the United States for foreign nations to develop and maintain sound economies. That interest must be balanced with the important need for the people and communities in Arkansas and across the Nation to also have a sound economy that generates and maintains job opportunities so our people can support their families.

In the years that I have studied the U.S. foreign debt situation, I have come to realize that some nations who owe money to the American taxpayers simply are not going to be able to directly pay their debts. Innovative solutions which are in the best interest of the American people must be found for this problem.

There are two provisions in the committee recommended bill providing funding for foreign operations, export financing and related programs to which I want to draw the particular attention of my House colleagues.

First there is section 518. It is titled "Limitation on Assistance to Countries in Default." This section prohibits furnishing—

> * * * Assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act * * *.

Except for the waiver related to Nicaragua and to drug war assistance to Bolivia, Colombia, and Peru, the language of section 518 is essentially the same as I proposed and the House adopted in 1975. Actually, I proposed that the cut-off trigger be 90 days. The Senate changed that to 1 year.

That provision was intended to promote repayment of debts owned to the U.S. Government. It most certainly should not be, and should not have been, an incentive to find ways to avoid the consequences of failure to repay.

The second provision to which I want to draw the Members' attention requires the President to notify the Congress when his administration enters any new debt relief agreements with foreign governments. Debt rescheduling has been used to evade aid cut-off under previous provisions like section 518.

Three years ago I sought and obtained the cooperation of the Committee on Appropriations for a requirement that the Department of Treasury provide a detailed account of the management of foreign debt owed to the United States.

My effort focused on debt rescheduling agreements.

The response from the Department was incomplete. However, there was enough to tell us that the executive branch of the U.S. Government is a lousy recordkeeper. It could tell the Congress how many debt rescheduling agreements had been signed, with which nations, the amount of debt covered, and when the agreements were signed, in most cases.

But, the executive branch was unable to tell us how much had been collected under the agreements. And, it was unable to tell us how much debt was owed at the time an agreement was signed.

The bottom line was that the executive branch could not, or would not, tell us how good or how bad a job it is doing in collecting the past due debts owed to the American people by foreign governments.

My concern about this issue grew out of my work in the early 1970's as a member of the Committee on Government Operations. My conclusion was that the U.S. Government, particularly the officials of the Department of State, were not vigorously pursuing the collection of debts owed to the U.S. Government by foreign governments.

After more than 2 years of pursuing this matter by other means, I proposed the limitation on assistance to nations which were past due in repayment of loans to our Government.

During the 8 years before my amendment originally went into effect, the administrations of Presidents Nixon and Ford had signed nine debt rescheduling agreements with six nations.

In the period between the date my amendment went into effect and January 20, 1981, the Presidential administration signed seven debt rescheduling agreements with five nations. However, in that same period the foreign governments which had been past due in debt repayments when my amendment became law reduced that indebtedness by more than $100 million.

As deep as my concern was over the debt collection issue during the 1970's, it is what has happened since 1980 that has really set the warning flags flying.

From 1968 through January 20, 1981, the administrations of Presidents Nixon, Ford, and Carter signed a total of 16 debt rescheduling agreements involving 11 nations. Fewer than two per year.

In the Reagan-Bush Presidential administration, rescheduling of foreign debt owed to the United States became a habit. In that period 88 debt rescheduling agreements were signed, almost 1 per month—41 nations were involved.

This trend accelerated even further during the first 13 months of President Bush's administration—28 rescheduling agreements were signed, averaging more than 2 a month.

In order to complete the record on the issue of foreign debt collection, I am including a summary that was prepared for future reference.

SUMMARY INFORMATION RELATING TO THE COLLECTION OF FOREIGN DEBTS AND ALEXANDER-BROOKE AMENDMENT

1971-1973—As a member of the Subcommittee on Foreign Operations and Government Information of the House Committee on Government Operations, Congressman Alexander was active in the subcommittee's investigation of U.S. efforts to get more foreign nations to pay debts owed to the United States Government.

December, 1972—Congressman Alexander was a member of a congressional delegation which travelled to Western Europe, North Africa, the Near East and the Middle East investigating U.S. efforts to collect foreign debts owed to the U.S. Government.

1973—Due to continuing concern about the failure of the U.S. government to collect delinquent foreign debts, Congressman Alexander amended the foreign operations appropriations bill for Fiscal Year 1974 to include a sense of the Congress provision stating that the U.S. Government should collect foreign debts owed to it. The sense of the Congress provision stated:

"It is the sense of the Congress that any country receiving assistance under the Foreign Assistance Act of 1961 which is in default, at least 90 days prior to the date of enactment of this Act, of any payment of principal or interest due on any loan or credit received from the United States shall promptly pay all such principal and interest. It is further the sense of the Congress that the President shall promptly enter into negotiations which each country to help effectuate the transfer by such country to the United States of goods, services, concessions or actions beneficial to the United States, in lieu of the payment of such principal and interest."

March 13, 1975—Dissatisfied with the U.S. government's response to the sense of the Congress provision on foreign debt collection contained in the FY 1974 appropriations law, Congressman Alexander offered an amendment to the Fiscal Year 1975 foreign aid appropriations law. The amendment language stated:

". . . No funds made available under this Act may be obligated or expended for any country which is in default, for 90 days or more, of any payment of principal or interest due on any loan or credit received from the United States."

The amendment was opposed by the President and by the Chairman Otto Passman of the Foreign Operations Subcommittee of the Committee on Appropriations. The amendment failed on a division vote of 20 yes to 54 no.

March 4, 1976—Congressman Alexander offered the following amendment to the Fiscal Year 1976 foreign operations appropriations bill:

"SEC. 505. No part of any appropriation contained in this Act shall be available for obligation or expenditure for any country which, on the date of enactment of this section, has been in default, for one year or more, on any payment of principal or interest on any debt owed by that country to the United States, if such debt has not been disputed by that country prior to the enactment of this section."

The amendment passed on a roll call vote of 229 ayes to 139 noes.

June 25, 1976—The House considered the conference report on the Fiscal Year 1976 foreign operations appropriations bill. The conference report contained the following language:

". . . No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act."

This language was the Senate version of the "limitation on assistance to countries in default" language. It was worked out in negotiations between Senator Edward Brooke (R-Mass.) and the Department of State in response to the Alexander Amendment adopted by the House on March 4, 1975. The language contained in the conference report is the "Alexander-Brooke Amendment".

Fiscal Years 1976-90—The Alexander-Brooke Amendment was carried—essentially unchanged—in the foreign operations appropriations laws for each of these years.

June 21, 1990—The House Committee on Appropriations approved the recommendation of its Subcommittee on Foreign Operations to add the following priviso to the Alexander-Brooke Amendment language in Sec. 518 of H.R. 5114 providing foreign operations appropriations:

". . . Provided, That this section and section 620(q) of the Foreign Assistance Act of 1961 shall not apply to funds made available in this Act for any narcotics-related assistance to Colombia, Bolivia, and Peru authorized by the Foreign Assistance Act of 1961, as amended, or the Arms Export Control Act."

This was the first significant waiver of the application of the Alexander-Brooke Amendment recommended by the Committee for inclusion in law.

June 27, 1990—The House of Representatives passed H.R. 5114 with the proviso in Sec. 518 concerning "narcotics-related assistance" to Colombia, Bolivia, and Peru.

September 25, 1990—The House Committee on Appropriations agreed, on a voice vote, to include in the Continuing Resolution being reported that day a waiver of the Alexander-Brooke Amendment language with regard to its application to Egypt. This action was taken instead of consideration of an amendment to the Continuing Resolution intended to authorize President Bush to "forgive" between $7.1 billion and $7.5 billion in military assistance debt owed to the United States by Egypt. Congressman Alexander supported the waiver for Egypt in recognition of the support Egypt was providing to the United States in connection with "Operation Desert Shield"—a military operation begun in August, 1990, in response to the invasion of Kuwait by Iraq.

This was the second time a significant waiver of the application of the Alexander-Brooke Amendment language was begun in the House.

COMPARING TOTAL FOREIGN DEBT OWED TO THE U.S. GOVERNMENT AND REPORTED DUE AND UNPAID 90 DAYS OR MORE BY THE DEPARTMENT OF THE TREASURY

[Dollars in millions]

Date	Amount	Percent change from June 30, 1974
June 30, 1974	$562.0	
December 31, 1980	980.4	74.4
December 31, 1989	4,620.5	722.1
March 31, 1990	4,477.3	696.7

Data Sources.—For June 30, 1974, Office of the Assistant Secretary for International Affairs, U.S. Department of the Treasury. For other years "Amounts Due and Unpaid: 90 Days or More on Foreign Credits of the United States Government", quarterly reports issued by the Office of the Assistant Secretary for International Affairs, U.S. Department of the Treasury.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 3 minutes to the gentleman from Alaska [Mr. YOUNG].

Mr. YOUNG of Alaska. Mr. Chairman, I rise as one who is a fiscal conservative in support of this legislation. The previous speaker, the gentleman from Arkansas [Mr. ALEXANDER] just mentioned the collapse of communism, with the collapse of the Soviet Union, and it is time today that America leads the world in peace, and only through this type bill can we do so.

Mr. Chairman, with the breakup of the Soviet Union and the rise of ethnic nationalism around the world, the United States involvement in international affairs will remain extremely important. America will continue to play a crucial role in the preservation of peace and the prevention of wars in crisis areas.

Foreign aid is needed more than ever to meet our foreign policy and economic challenges around the world. The foreign operations appropriations bill for fiscal year 1993 contains funding for important programs—including $417 million for the Commonwealth of Independent States, $400 million for Eastern Europe, almost $670 million for refugee programs, $800 million for assistance to Africa, and $835 million for United States export and trade programs. Strengthening the emerging democracies of Eastern Europe and the Commonwealth of Independent States will not only ensure international stability, but will create great trade and investment opportunities for U.S. businesses. These business opportunities will come at a time of shrinking global markets, and America's increasing dependence on foreign exports.

This foreign aid bill also contains $3 billion in all-grant aid to Israel along with other pro-Israel provisions. These funds are essential to ensure Israel's security posture and to demonstrate the United States' continued support for Israel during the Middle East peace process.

Foreign aid to Israel has been severely eroded by inflation. Moreover, our aid to Israel in real terms has declined from $3 billion in 1986 to $1.98 billion this year. At this same time, Israel's security and absorption needs have continued to grow.

This foreign aid bill contains significant cuts over past years, thus reflecting the budgetary concerns and the reordering of global priorities in the post-cold war environment. In particular, this bill is: $1.3 billion below the President's budget request; $298 million below fiscal year 1992 funding levels, and $912 million below the committee's 602(b) allocation for discretionary budget authority provided for in the fiscal year 1993 budget resolution. The bill cuts $273 million in the economic support fund, and $798 million in foreign military financing. Other cuts include: a $249 million reduction in contributions to international financial institutions; a $111 million cut to AID programs; a $25 million cut in international narcotics control; and a $40 million cut in assistance to the Philippines.

I oppose the Obey amendment which calls for further across-the-board cuts. This foreign aid bill has already been reduced by almost 10 percent below the President's budget request. An amendment which calls for greater across-the-board cuts is harmful to both the United States and our allies and friends.

The results of recent Israeli elections make it likely that a new government will be formed by the Labor Party. A cut in assistance to Israel will send the wrong message to this new government and the Israeli electorate at a crucial time. A reduction in aid would come on top of the administration's delay of Israel's absorption guarantee request, thus cutting deeper into Israel's ability to meet its mounting security requirements while providing for the extraordinary needs of more than 400,000 new immigrants.

It is imperative that America's commitment to Israel be reaffirmed by voting for the foreign operations appropriations bill for fiscal year 1993, and opposing any amendments which threaten to make further cuts in foreign aid.

□ 1240

Mr. OBEY. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MCHUGH].

Mr. MCHUGH. Mr. Chairman, I rise in support of the bill as it will be amended by the committee substitute, and I urge my colleagues to support it.

At the outset, I would like to commend the gentleman from Wisconsin [Mr. OBEY] and the gentleman from Oklahoma [Mr. EDWARDS] for their leadership on this legislation. Foreign assistance is never popular, particularly when Americans are suffering economic pain here at home. Yet, foreign aid, when used wisely, is an essential tool of American foreign policy and, despite the political pitfalls, it needs and deserves bipartisan support. Fortunately, the two leaders of this subcommittee have provided that, and in doing so they have served both the Congress and the country well.

This is the 15th foreign aid appropriations bill that I have had the opportunity to work on. It will also be the last. In this swan song I want to pay special tribute to the chairman, Mr. OBEY. During the many years I have had the privilege to serve with him, he has been both a close friend and an inspired leader. There is no more capable Member of this institution. Somehow he has managed to put his imprint not only on this legislation, but on a myriad of other measures, including budget resolutions, campaign finance reform measures, and programs to protect farmers, working people, and the disadvantaged in this society. There are millions of people out there who are in his debt, as are we who serve with him.

In many ways this bill, when amended by the committee substitute, reflects the chairman's pragmatism and priorities. As he has explained, the committee substitute will cut almost $1.3 billion from the President's request. Those cuts are a pragmatic attempt to balance our responsibilities in the world with the need for greater budget discipline. They will severely constrain our foreign assistance program. In fact, this will be the smallest aid program since 1977. At $13.9 billion, it is more than $3.1 billion below the amount we appropriated for foreign aid in fiscal year 1979, the first year I served on this committee.

Today, some will suggest that we should cut this program even further. I hope we will resist that temptation. Foreign aid represents just a bit more than 1 percent of our Nation's budget and, as I said earlier, it is an indispensable tool for advancing our interests abroad. Further cuts would seriously run the risk of compromising those interests.

Although this is a very tight bill, I think it reflects some sound priorities. From my point of view, it's a more reasonable bill than many we have had in the past. For example, in fiscal year 1979 we spent almost 43 cents of every aid dollar on military assistance. This bill spends less than 29 cents on military aid. In 1979, only 20 cents of every dollar was allocated for long-term economic development and humanitarian aid. In today's bill we are recommending that 35 cents of every dollar be spent on such assistance.

These numbers reflect an important shift in priorities over the last 15 years, and, beyond reflecting the end of the cold war, I think much of the credit for this must go to the gentleman from Wisconsin [Mr. OBEY].

Forty-five years ago this month, on June 5, 1947, President Truman first proposed the Marshall plan. As we know, the Marshall plan was an attempt to rebuild Europe and cope with the threat posed by Soviet expansionism. It provided the fundamental rationale for our foreign assistance program over the course of the next 45 years.

That rationale no longer exists. Fortunately, in recent times there have been profound and constructive changes in the world. Yet, these changes present their own challenges and opportunities—challenges and opportunities that America cannot ignore.

In the former Soviet Union, fragile new governments are struggling to build democratic societies and restructure their economies. Like their neighbors in Central and Eastern Europe, they are embarking on a path filled with many uncertainties and risks. This bill recommends funding that is critical to the success of this endeavor.

In southern Africa, millions of people are at risk of starvation from famine. Soon, tragic pictures will once again appear on television, and may Americans will want to know what our Nation is doing to help provide relief. This bill recommends funding to help address that famine.

In our own hemisphere, peace has finally come to El Salvador. But whether that peace will hold may depend upon whether the aspirations of the Salvadoran people for a better life are fulfilled. This bill recommends funding to sustain the peace in El Salvador.

In the Middle East, Saddam Hussein is no longer a threat to his neighbors or to global security. But genuine peace continues to elude the region. Recent developments offer some hope that negotiations now underway will succeed. This bill recommends funding to help create the conditions for a just peace.

For all of the remarkable changes that we are witnessing, Mr. Chairman, much remains unchanged in the world. In particular, hundreds of millions of people in the developing nations continue to live in abject poverty—without adequate access to the food, shelter, credit, education, and health services needed to live lives of dignity and hope.

More than 180 million Third World children suffer from serious malnutrition; 110 million lack access to basic education. Of every 1,000 children born in Africa south of the Sahara, 179 will die before the age of 5—only 18 of every 1,000 children born in the industrialized nations will die before age 5.

Even with tough economic conditions at home, it is important that we continue to respond to this kind of human suffering and deprivation. This bill maintains a reasonable commitment to our less fortunate neighbors, even as it cuts back on foreign aid in general.

Accordingly, Mr. Chairman, I would again urge our colleagues to support this bill.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. GREEN].

Mr. GREEN of New York. Mr. Chairman, I rise in strong support of H.R. 5368, the foreign operations appropriations bill for fiscal year 1993, and I wish to highlight some of the bill's important provisions.

First, I commend the chairman and the ranking minority member for the admirable job they have done in crafting a bill that recognizes our domestic budget crisis while continuing to promote U.S. interests abroad. After decades of effort and expense, we have won the cold war. It would be extremely shortsighted for the United States to walk away from our allies and national interests at this point in history.

H.R. 5368 appropriates a total of $13.8 billion, nearly $1.3 billion below the President's request for 1993 foreign aid. In addition, the bill is $568 million below the current level of spending for foreign aid, and nearly $1 billion below the committee's allocation of budget authority. Foreign aid totals less than 1 percent of the total U.S. budget and provides a cost-effective way of furthering our Nation's interests abroad.

The bill provides development and humanitarian aid to the world's poorest and most underserved—especially children—throughout the developing world. Developing countries are the fastest growing U.S. export market. In 1991, U.S. exports to the developing nations totaled $148 billion, up from $127 billion the year before. Their growth helps us. To that end, it is unfortunate that this bill does not adequately fund the administration's Enterprise for the Americas Initiative, which is meant to strengthen the economies of Latin American nations, where the United States has a substantial trading relationship.

Eastern European nations such as Poland and Czechoslovakia are struggling to achieve political and economic stability, and those nations deserve our assistance. Israel is moving forward in historic peace talks with its Arab neighbors, while simultaneously absorbing hundreds of thousands of immigrants. Now more than ever, Israel needs to know of continued United States support. Syria, Iran, and Iraq remain significant security threats to which Israel must be prepared to respond, and the continued aid at the $3 billion level is important.

Much to my disappointment, however, the bill before us today is silent on the issue of United States loan guarantees to Israel. Now that the Israeli elections are over, I hope that the President will move swiftly to work with Congress in approving this humanitarian request.

Congress has delayed consideration of the guarantees at least three times since the end of the Persian Gulf war to accommodate the administration's concerns. The United States has no way of knowing what the future holds for Jews throughout the former Soviet Union and Eastern Europe. Ethnic strife in Yugoslavia, potential civil war in Moldova, and a coup attempt just 2 nights ago in Georgia are danger signals. We should delay no longer in providing Israel with the support it has requested to provide a safe haven for Jewish refugees.

On the overall issue of refugee aid, H.R. 5368 enhances the priority our Nation assigns to refugee assistance worldwide, appropriating over $620 million for migration and refugee assistance. Within the refugee assistance account, the bill earmarks $80 million for the resettlement of Soviet, Eastern European, and other refugees in Israel. As I noted earlier, such aid is urgently needed. In just 2 years, over 355,000 refugees have gone to live in Israel, despite the risks involved for those emigrants in securing employment and shelter. The promise of a Jewish homeland was one made 48 years ago and one that must be kept, and I commend Chairman OBEY for his continued leadership in this area.

H.R. 5368 also rightly places the needs of the world's children at the top of our Nation's development agenda, and recognizes the important goals outlined at the 1990 World Summit for Children. The bill appropriates $100 million for the U.N. Children's Fund [UNICEF], and provides increased assistance for displaced children, health and child survival, AIDS, and basic education.

We know that babies born in quick succession, to a mother whose body has not yet recovered from a previous birth, are the least likely to survive. Recognizing this important link between child survival and family planning, H.R. 5368 provides $330 million for voluntary family planning assistance, a 32-percent increase over the current level.

In supporting family planning efforts worldwide, we are able to address two extremely important issues—enhancing the status of women, and protecting our global environment. Clearly neither of those goals can be achieved if population issues are marginalized or ignored. Global warming, stagnating economies in developing countries, teen pregnancy, and high maternal death rates all relate to overpopulation.

Let me for a moment discuss the bill before us with respect to the provision refunding the U.N. Population Fund [UNFPA].

Within the $330 million for family planning, the committee has earmarked $20 million for UNFPA, to be used for the provision of FDA-approved contraceptive commodities in developing countries. Such assistance is especially important in combating the AIDS crisis worldwide.

While the UNFPA has been denied U.S. funds since 1985, last year the House wisely approved funding for UNFPA by a vote of 234 to 188. Let me ask my colleagues to reflect for a moment on what has changed since we last voted on this issue.

For starters, approximately 92 million people have been added to the world in the last year.

Since our last vote, at least half a million women have died from pregnancy-related causes, roughly 200,000 of whom died from illegal abortions.

About 125 million couples have wanted modern contraceptives, but have had no access to them.

And during the last year, UNFPA was unable to fund at least 180 million dollars worth of projects requested by developing countries due to lack of resources.

I sincerely hope the administration will reconsider its opposition to this funding. Those of us who support this effort have gone the extra mile to meet the administration's concerns. In addition to all of the previous restrictions we have placed on this funding—the bill explicitly prohibits any funding from going to China directly or indirectly and reiterates longstanding United States policy prohibiting support for abortions or coercive actions. In addition to those and other restrictions, we have also provided our United States Ambassador to the United Nations with veto power over the use of all United States moneys going to UNFPA. And as the record shows clearly, UNFPA does not, and never has, supported abortions or abortion-related services in any country in which it operates.

On that point, let me express my serious concern with the administration's statement issued yesterday regarding their views on this bill and the UNFPA provision. The administration states, "UNFPA supports a program of coercive abortion or involuntary sterilization in China." Mr. Chairman, that statement is absolutely false, and I call on the administration to correct the record.

Just last year, on May 10, 1991, U.S. AID Administrator Ronald Roskens wrote that, "UNFPA does not provide direct support for abortion or coercive actions." Further, former U.S. AID Administrator McPherson declared in 1985 that while he was withholding part of the U.S. contribution to UNFPA that year, AID's own internal review had "demonstrated satisfactorily that UNFPA neither funds abortions nor supports coercive family planning practices through its programs." So, please, let us have the record corrected by the administration on this extremely important point.

I fight this battle to refund UNFPA year after year because I believe organizations like UNFPA offer the best and most effective family planning programs. Let me be clear: This is not a debate about symbols, but quite the opposite, this is a very real debate about saving lives.

UNFPA provides voluntary family planning assistance to over 140 nations around the developing world, 90 of which have populations expected to double within the next 30 years. UNFPA can reach nations like Ethiopia, Romania, Afghanistan, and Poland, to name just a few, where family planning help has been requested, but where the United States does not have a program. Women across the developing world, lacking access to reproductive health care, resort to self-induced abortions and, too often, tragically lose their lives.

I urge all of my colleagues to review the facts on this issue, and to remain firm in their commitment to supporting the UNFPA.

On a last point, while this bill continues to preserve the 7:10 ratio regarding aid to Greece and Turkey, let us hope that the problem of a divided Cyprus can be resolved once and for all. For nearly two decades, some 35,000 Turkish troops have remained on Cyprus, preventing that nation from finding a political solution to its problems. I urge Turkey in the strongest possible terms to work with the United Nations in determining a timetable for the removal of its troops from Cyprus, and I encourage the administration to continue to press for a solution to this longstanding conflict.

In closing, I strongly urge all of my colleagues to support H.R. 5368, and I commend both Chairman OBEY and the ranking minority member, Representative MICKEY EDWARDS, for their leadership in fashioning this bill.

□ 1250

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. KLECZKA].

Mr. KLECZKA. Mr. Chairman, in prior years, the committee has recommended that the Agency for International Development [AID] fund the Silk for Life project. This project provides coca farmers in Colombia with silk worms to raise on mulberry bushes, which are planted in place of coca. The resulting cultivated silk, with markets both locally and in the United States, is a lucrative alternative to coca production for these farmers.

The project's efforts are consistent with the antinarcotics goals of the Andean Initiative and the stated uses of the AID Economic Stabilization Fund [ESF] in Colombia. AID reported in 1990 that silk cultivation looks promising, and the agency is willing to provide technical and training assistance to Silk for Life. Despite this promise, and prior recommendations by Congress that AID provide funding to the project, no funds have yet been provided to Silk for Life.

Given this history, does the committee recommend that AID fund the Silk for Life project in fiscal year 1993?

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. KLECZKA. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, yes, we do.

Mr. KLECZKA. Mr. Chairman, I thank the gentleman.

The CHAIRMAN pro tempore (Mr. MAZZOLI). The Chair would advise that the gentleman from Wisconsin [Mr. OBEY] has 12 minutes remaining, and the gentleman from Oklahoma [Mr. EDWARDS] has 12½ minutes remaining.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 3½ minutes to the gentleman from Louisiana [Mr. LIVINGSTON].

(Mr. LIVINGSTON asked and was given permission to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Chairman, I thank the gentleman for yielding time to me.

I rise today in support of H.R. 5368, and commend the chairman, ranking member, and their staff for doing an outstanding job on a very good bill.

Mr. Chairman, in an era of huge budget deficits and domestic turmoil, foreign aid is perhaps as unpopular now as it has ever been. Americans have never liked foreign aid. In fact, in 1947, only 17 percent of Americans supported President Truman's Marshall plan.

Yet this foreign aid program became the foundation of our foreign policy in Europe for the next 40 years, promoting peace and stability in Europe and setting the stage for the collapse of communism.

This point underscores the importance of foreign assistance, and we cannot allow ourselves to look too far inwardly and forsake a vital tool that promotes our national interest.

Many believe that because the cold war is now over, foreign assistance can be reduced. It has been. Our committee has significantly slashed foreign assistance funding in H.R. 5368. Budget authority in our bill is $1.2 billion below the President's $15 billion request and $912 million less than our 602(b) allocation.

Not since fiscal year 1988 have we passed a foreign operations bill providing less than $13.7 billion in budget authority and $13 billion in outlays contained in H.R. 5368.

As a percentage of gross national product, H.R. 5368 is the smallest foreign aid bill we have had since the 1940's and the advent of the Marshall plan.

Mr. Chairman, while we have won the cold war and foreign assistance has been reduced accordingly, we cannot gut our foreign assistance programs. The battleground of the future is on the economic front, and in that arena, foreign assistance will play a critical role in promoting U.S. interests around the globe and facilitating economic prosperity at home.

On that point, it should be noted that over 70 percent of the money we appropriate for foreign assistance is spent on U.S. products and services which are shipped overseas, often on U.S. ships. This translates into American jobs.

Nearly 50 percent of U.S. farm goods are sold to foreign aid recipients. Our foreign military aid program alone annually injects roughly $20 billion into the U.S. economy and accounts for some 220,000 American jobs, according to a Pentagon study.

A substantial cut in foreign assistance would cost American jobs and diminish foreign markets for our agricultural sector.

Foreign aid facilitates trade and U.S. exports by promoting market economies, breaking down trade barriers, and generally improving the economic health of developing nations. The more prosperous a country is, the more it can afford to purchase from U.S. vendors.

Mr. Chairman, U.S. foreign assistance programs have a beneficial impact on other areas of the U.S. economy as well. Many universities, including several in my home State, are benefiting from overseas research projects paid for with foreign aid funds. In addition, our foreign aid program is also part of our war on drugs and through programs like the Andean counterdrug initiative and the International Narcotics Control Program, U.S. foreign aid encourages the development of alternative crops in drug-producing nations and assists authorities in controlling the export of drugs.

I urge the adoption of H.R. 5368.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. VISCLOSKY].

Mr. VISCLOSKY. Mr. Chairman, I rise in support of the committee amendment to H.R. 5368, the Foreign Operations Appropriations Act for Fiscal Year 1993. I commend Chairman OBEY and Mr. EDWARDS of Oklahoma for their leadership in crafting a foreign assistance package which will enable the United States to meet its international responsibilities within our difficult budgetary constraints.

This measure is fiscally responsible. The committee's bill would provide $1.3 billion less than President Bush requested. Total funding for fiscal year 1993 represents a cut below current levels. In addition, the committee's bill is $912 million below the subcommittee's 602(b) discretionary allocation for budget authority.

Despite the fiscal austerity of this measure, I believe the priorities established within the committee's bill respond to the challenges we face in the world and they certainly better reflect changes in the world than do the President's recommendations. For example, the committee's bill reduces the President's military assistance request, while funds for child welfare, population programs, and refugee and migration assistance are increased above the President's request.

The committee's bill does fully fund the President's request for assistance to the former Soviet Republics under programs within the Foreign Operations Subcommittee's jurisdiction. This assistance will not only help the people of the former Soviet Union, but will help build lasting cooperation among our nations. We cannot afford to let this critical moment in history pass us by. The committee has also responded to recent statements of Russian President Boris Yeltsin concerning missing American military personnel. Language has been included in the committee's report urging the administration to work actively with Russia to determine the status of all missing American service personnel. We must exhaust all leads and fully explore all available information to determine if any American servicemen are in territories of the former Soviet Union.

I am very concerned about the situation in Cyprus. I supported committee earmarking of $15 million in economic support funds for scholarships and bicommunal projects in Cyprus and has included report language which strongly encourages all parties involved in the United Nations-Cyprus settlement effort to work toward a lasting resolution.

I am particularly pleased the committee has not approved the President's request to provide funding for foreign debt relief under the Enterprise for the Americas Initiative. I understand the importance of debt relief for all developing countries, including those in Latin America and the Caribbean. However, 70 percent of the debt in these regions is held by commercial financial institutions and I do not believe the American taxpayer should be asked to foot the bill for debt relief which is not targeted and of questionable effectiveness.

I also want to mention the committee bill's increase for the Export-Import Bank. I support the committee's action which will boost American exports and help create American jobs.

In conclusion, as a member of the Foreign Operations Appropriations Subcommittee, I want to thank Chairman OBEY, our ranking Republican member, Mr. EDWARDS of Oklahoma, all the members of the subcommittee, and the staff for their hard work in bringing to the House a responsible foreign assistance appropriations bill. I urge my colleagues to adopt the committee's bill.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 2½ minutes to the gentleman from Pennsylvania [Mr. COUGHLIN].

□ 1300

Mr. COUGHLIN. Mr. Chairman, I want to join in congratulating and commending the distinguished chairman of the committee and the distinguished ranking minority member for bringing a good bill to the floor. I know what a difficult committee this is, having served on the subcommittee back under the chairmanship of Representative Otto Passman, which goes back a few years, so I appreciate the trial and tribulations that go into making this bill, but it is an important one, and I hope the Members will support it.

Let me just express concern about one area, and that is the funding of the Bureau of International Narcotics Matters in the State Department, which was funded at a level of about $30 million less than requested by the administration.

In a very real sense, this is not foreign aid, this is part of our drug war, and it is not a foreign aid proposition. It happens at a time when we are seeing particularly an influx of both crack cocaine and a new influx of heroin.

There are those in this body who criticize the administration for not doing enough in the drug war, but it is difficult to criticize them if we do not give them the tools with which to fight the drug war, so I am concerned about this reduction. In particular, let me cite four countries which are affected by the reduction. In Mexico, the report said that they should contribute more to the war on drugs there. We agree, but it is only recently under President Salinas that we have really had good cooperation, a good working relationship with Mexico. It is important we continue that.

In Peru, it is suggested we can reduce our efforts there, and we have cut back our efforts there, but we still conduct efforts in the Upper Huallaga Valley which are important. It is the source of 60 percent of the world's cocaine, and it is important that we continue operations there.

In Colombia, it is said that we can cut back our spending there because this is mainly money to help with police equipment. What it really is is spare parts for the helicopters that are going after the poppy crops in Colombia, and those spare parts are important.

Finally, in Thailand it is a very small amount of money involved, but again, it is involved in the eradication of the poppy crop. That is very important in that part of the world.

I would hope that as the bill goes through the Congress, that we can restore some of this funding for the Bureau of International Narcotics Matters, because it is a significant part of the war on drugs and important to the people of the United States of America.

Mr. OBEY. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. Mr. Chairman, I want to commend not only the chairman and the ranking member of the subcommittee, but all the members. I think this year's markup was frankly markedly free of any real problems, and there was a great deal of agreement with all of the Members on most of the important issues. I find that to be very, very hopeful in a time of shrinking budgets and in a time when domestic problems are significantly impinging on the possibility of getting the kind of foreign aid that the United States has always in the past given.

This bill obviously is significantly capable of showing by the amount of money that is in it that we have reduced foreign aid significantly over the years. This is very small in terms of its percentage of GNP; in fact, the smallest ever.

By the same token, even though it is under last year's allocation, certainly $1.3 billion under the President, it treats many of the issues we need to treat with respect and with the kind of help they need.

On the Israel-Egypt question, the funds remain at a constant level. There is a significant amount of language on Israel's qualitative edge, and all the other programs which over the years have created allies both of Israel and of our new ally, Egypt.

On the issue with reference to Jordan and the problems we have had over the years and how we feel about the possibility of the Jordanians having violated the embargo and helped Iraq during the gulf war, we have language regarding compliance with the embargo.

On migration refugee assistance, we have appropriated a significant amount of money, and earmarked for certain refugees that we made a commitment to from the Soviet Union resettling, especially in Israel.

We have a significant amount of money for the U.S. emergency refugee and migration assistance fund. We have money in here for the U.S.S.R., which money has been basically taken by moving it out of other programs within the existing budget. We did not take new money, we accommodated what the President of the United States wants, and what many people feel is for humanitarian and technical aid, very important for the Soviet Union, and moved that laterally from one place in this bill to another.

Then, of course, international narcotics control. Finally, there are many other important programs. The development fund for Africa has increased a little. Sub-Saharan disaster assistance has increased, and so on.

Finally, on international narcotics control, which is an important part of this bill, as chairman of the International Narcotics Task Force on Foreign Affairs, I presided over an increase in the budget from $50 million to $150 million over about 6 years. We are at that level. They have sufficient money to do what they need to do with the programs they have. With the gentleman from Arizona [Mr. KYL], I will work to increase it when we can see the kinds of programs necessary to improve the narcotics program being implemented by the Bureau of International Narcotics Matters.

Mr. Chairman, I urge a "yes" vote on this bill. It is good for America and it is good for the world.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 4 minutes to the gentlewoman from Maryland [Mrs. BENTLEY].

Mrs. BENTLEY. Mr. Chairman, I appreciate the efforts of the subcommittee chairman and the ranking minority member on their production of H.R. 5368, but I have a problem with two sections of the bill. One deals with Egypt, because of current efforts by the Egyptian Government to shut out the only United States dredging company, twice the low bidder on two sections of the Suez Canal improvement, from participating in this improvement on that canal. I discussed the details on this on the floor last night.

The other section that concerns me is the $20 million in aid to Cambodia to support various administrative programs there.

This bill provides for $20 million to support various administrative programs in Cambodia. The money will be distributed through a network of nongovernment organizations [NGO's]—presumably to help the people of Cambodia. Well, we'll see. First of all, the NGO's operate in areas of the country under government control. And let no one forget, the Government of Cambodia still is controlled by Hun Sen and Chea Sim and Heng Samrin—all former Khmer Rouge commanders. This money most definitely is not going to help the emerging democratic forces.

A steady stream of reports coming out of Cambodia link Government forces to incidents of verbal and physical intimidation against Cambodian human rights activists and members of the embryonic democratic parties. The Government still maintains a firm grip on all media outlets. And they continue to launch one verbal attack after another against the democratic opposition. The democratic opposition of course has no access to broadcast facilities.

So how do they respond to the endless attacks? Well, they do the best that they can through the use of newsletters. Although newsletters are a poor substitute to radio and television—that's all they have. To be effective you would need to circulate tens of thousands of newsletters. When I last checked, the KPNLF newsletter circulation was hovering at about 500. Only 500 newsletters are being printed because the owners of print shops in the capital city are scared to print more than that, for fear of retaliation by the Government. In some cases, print shop owners have refused print job-orders until the Government gave a nod of approval—which never came.

Even then, financial resources available to the democratic forces are pathetically inadequate when measured against formidable Government muscle. A number of democratic representatives recently traveled to Washington, in search of additional assistance. They were told—by officials of our State Department—to look for money elsewhere—the inference being China. China. This is the same China, Mr. Chairman, that armed the Khmer Rouge for 15 years and now operates the 8-hour-a-day Khmer Rouge radio broadcast service from southern China.

With national elections in Cambodia, scheduled for mid-1993, the lay of the landscape is not promising? We have the Khmer Rouge actively resisting several terms of the peace agreement, busily consolidating their grip on the countryside. We have a Communist government in Phnom Penh, firmly in control of all mechanisms of power such as the media. And we have a struggling democratic network whose members have been the objects of assassination attempts by Government agents and who have no real way of communicating with the masses. What a great recipe for democratization.

For several years now, many of us in this body have been aggressively making the case for establishing a Radio Free Asia broadcast service for countries like Cambodia. At least then the people of Cambodia would receive honest and unbiased information and analysis about events on the ground. At least then they would hear the unvarnished truth about the beating of a human rights monitor, the attempted assassination of a member of the democratic opposition or the different points of view in an ongoing political debate.

Members of this body should harbor no illusions about who it is that will benefit from the $20 million in this bill. We ought to be doing something more constructive than funneling money into the hands of the crooked Hun Sen regime, under the cloak of development assistance.

Mr. Chairman, at this point I include an article from the Washington Post of Friday, June 19, 1992:

[From the Washington Post, June 19, 1992]

KHMER ROUGE CHARGES TILT TOWARD PHNOM PENH

(By William Branigin)

PHNOM PENH, Cambodia.—Efforts to get Cambodia's faltering U.N.-sponsored peace process back on track are being complicated by the Khmer Rouge guerrilla group's underlying fear of outside influence and by an apparent U.N. tilt toward its archenemy, the Phnom Penh government, according to analysts here.

As bloodstained and reviled as the Khmer Rouge is, diplomats and some U.N. officials acknowledged, the radical communist group has a point in complaining that the United Nations Transitional Authority in Cambodia (UNTAC) has not done enough to address its concerns and has shown favoritism toward the Phnom Penh administration, one of the four Cambodian parties to the peace accord.

The peace process has bogged down, with the Khmer Rouge refusing to let UNTAC into its areas or participate in the accord's crucial second phase, the grouping under U.N. supervision and eventual demobilization of combatants that ostensibly started Saturday.

If the process continues to degenerate, it could lead to more cease-fire violations and trigger calls for a change in the U.N. mandate here, diplomats said. Among the possible options are sanctions against the Khmer Rouge or the group's exclusion from the peace process and outright international backing for the Vietnamese-installed government in partnership with two noncommunist guerrilla groups that had formerly fought against it.

However, that would doom the idea of "free and fair elections" envisaged in the peace plan and almost certainly lead to a resumption of war with the still powerful, although now more isolated, Khmer Rouge.

The head of the peace-keeping operation, career U.N. diplomat Yasushi Akashi of Japan, has made clear that he thinks he is taking the proper approach. When asked before he left for Tokyo on Tuesday whether he should be more flexible toward the Khmer Rouge, he replied: "Some people say we should be more flexible. Other people say we should be harder. I think we are taking the right line."

In an effort to resolve the problem, the U.N. undersecretary general in charge of peace keeping, Marrack Goulding, is flying to Cambodia this week.

The aim of the peace plan, signed in Paris last October, was to use a massive U.N. presence to demobilize 70 percent of the warring forces, run five key ministries and create a "neutral political environment" so that the Cambodian people could freely choose a new government in elections by May 1993.

The underlying hope of most of the accord's international backers was that the Khmer Rouge, blamed for more than 1 million deaths during its bloody 1975–79 rule, would be rejected at the polls and thus sidelined in its efforts to recapture power. However, reaching that point appeared to depend largely on Khmer Rouge acceptance of its own demise and on UNTAC's evenhandedness in ushering the group along.

Instead, UNTAC has alienated the Khmer Rouge on three key issues: the withdrawal of all "Vietnamese forces" from Cambodia, the strengthening of Cambodia's four-party Supreme National Council and the solicitation of budgetary support for the Phnom Penh government.

Even diplomats implacably hostile to the Khmer Rouge say UNTAC could do more to confirm the pullout of Vietnamese occupation troops and address the widely held concerns of Cambodians about a large population—and growing influx—of Vietnamese civilian settlers. Hanoi says it withdrew all of its forces in 1989, and no proof has been produced that Vietnamese combat units are still in the country. But the border with Vietnam remains open to undocumented migrant workers, whose presence must be dealt with eventually when UNTAC registers voters for next year's election.

The Khmer Rouge also has demanded greater powers for the Supreme National Council, a vaguely defined body formed under the peace plan to embody Cambodian sovereignty before a new government is elected. Although U.N. officials say it was never meant to substitute for Phnom Penh's existing administration, it does not appear to have evolved at all and, if anything, as become less relevant.

But perhaps the greatest grievance of the Khmer Rouge is an appeal, issued by UNTAC in April, for international contributions to a $595 million rehabilitation aid package for Cambodia, including $111.8 million in outright budgetary support for the beleaguered Phnom Penh administration. The language of the document equates "Cambodia" with the Phnom Penh government, fueling Khmer Rouge charges of UNTAC "de facto recognition" of that party as the country's legitimate representative. A pledging conference is scheduled for next week in Tokyo, which Akashi is to attend.

When the Khmer Rouge objected to the budgetary support, intended in part to pay Phnom Penh's civil servants, Akashi dismissed the grievance and vowed to seek the funding anyway, diplomats said.

The Khmer Rouge may have reneged on the accord anyway because of other, officially unstated concerns, analysts said. But if that is the case, UNTAC would appear to have handed the group a convenient pretext. Chief among these other concerns is a fear that the organization's tightly controlled military and civilian base would be "corrupted" by outside influence if it let UNTAC provide assistance and if it sent guerrillas into U.N.-supervised areas, called cantonments.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Chairman, I rise for the purpose of engaging in a colloquy with the chairman of the subcommittee.

Mr. Chairman, the committee's report, under the section discussing nuclear safety programs, gives priority to "newly created Russian institutions which will have a significant role to play in ensuring safety in the Russian nuclear industry."

As the chairman is certainly aware, Ukraine and Belarus are the two countries which suffered to the greatest extent from the Chernobyl explosion in 1986. Additionally, Ukraine has both the greatest population density of all of the former Soviet Republics and the greatest density of RBMK "Chernobyl-type" nuclear reactors. Belarus also houses a significant number of these potentially dangerous reactors.

Given these facts, I ask the chairman to confirm that it is the committee's intent that United States initiatives on nuclear safety in the former Soviet Union should include, and indeed, give priority to programs in Ukraine and Belarus in addition to Russian programs.

Mr. OBEY. Mr. Chairman, will the gentlewoman yield?

Ms. SLAUGHTER. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank my colleague from New York for raising this very important point. Of course, the language in the report is not meant to give a lesser priority to nuclear safety initiatives in Ukraine or Belarus. The committee recognizes the importance of such initiatives in these two countries—especially in the wake of the Chernobyl disaster—and appreciates this opportunity to clarify congressional intent on this matter.

□ 1310

Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. KOSTMAYER].

Mr. KOSTMAYER. Mr. Chairman, I just want to commend the gentleman from Wisconsin [Mr. OBEY] for this piece of legislation which includes a provision which I have had a long and very fundamental interest in, and relates to voluntary family planning in the Third World. The gentleman has provided $330 million for that purpose.

This bill includes $20 million for the U.N. Fund for Population Activities which has been denied U.S. funds since 1985. I have been fighting to restore UNFPA funding since that time, and I appreciate the gentleman's support on this issue. It should also be noted that Mr. OBEY has dealt with the issue of UNFPA funds going to China. In addition, none of the family planning funds in this bill will be used for abortions.

Mr. Chairman, each year the world's population increases by about 90 million people. Virtually all of those people are born in the poorest parts of the world, in Africa, Asia, and Latin America. Until the women of the world and the men of the world can deal in a voluntary way with the growth of their own population in their own countries, we are not going to be able to solve the other problems of the environment, education, housing, and jobs. It is fundamental that we deal with the problem of population, and the gentleman's support of this issue, and the modest increase for this program in the bill is appreciated by people around the world and by people all across this country.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield my remaining 3 minutes to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Chairman, I thank the gentleman from Oklahoma for yielding me the time.

Mr. Chairman, the sponsors of this bill are trying to convince us that this bill is good for the American people, the same people who have put their trust and confidence in us. What the American people want to know is where is the money going. Therefore, let us look at what this bill actually does.

The bill before me contains $13 billion in foreign aid. The question I have is who can justify shoveling this money overseas when we have a $400 billion deficit this year. Who wants to go home and tell their constituents that this week I voted for $13 billion for overseas, for everybody, of course not one red cent for the American people?

This bill has $6.7 billion of U.S. taxpayer liabilities for international financial institutions, $117 million increase over this past year, $1 billion of interest free loans all around the world. But of course, no money for any of our American people who are footing the bill.

How many know that this bill has a $7.7 billion foreign aid package, when we have unmet needs here at home, that is a $187 million increase over this past year?

Last week my colleagues from Los Angeles complained that there was not enough money for their city. Well, my friends, here is where the rest of your money is going. Last week my colleagues from Chicago said that they were shortchanged in repairing their water system. Well here we have nearly $8 billion going overseas. How do your constituents feel about that?

Who in this Chamber wants to vote for $95 million more of taxpayer guaranteed housing loans, with nothing here for our Americans? But then the Americans get to pay the taxes that makes all this possible.

How many know that this bill actually increases the funds for the Agency for International Development, AID, an agency so inept that the White House commission says that AID should be abolished because it is so poorly managed and wasteful. But here in this bill AID gets nearly $6.6 billion, which is a $151 million increase. The question I would have is why?

The head of AID has a chauffeur driven limo to and from his door. In this package the limo was deleted. But he has an increase of $43 million. So when he drives himself to work he may not have a chauffeur driven limo, but when he gets to work he has $43 million more to spend on his goodies. It does not make a lot of sense.

Then when we get down to the fine print of where the money goes, here are a few examples. I invite Members to take a look at the bill. We have money going to U.N. Fellowship Program, we have money going to the World Heritage Fund, we have $1 million for Burmese students because riots interrupted their classes. That is hard for me to understand. Maybe somebody could explain that. We are giving $1 million in this bill to Burmese students because the riots interrupted their classes. We have $5 million for Haiti, and we have an embargo against Haiti.

Do we want to spend $15 million for scholarships in Cyprus? There is even $6 million to help the parliaments of the former Soviet Republics. What are we going to do—help them set up a House bank? And here is one I consider most obnoxious—which I ask the gentleman from Wisconsin [Mr. OBEY] to explain:

Why do you want to spend $5 million to increase foreign dairy production, when we have a surplus here at home?

Wouldn't it be better to spend that $5 million to promote the export of our own dairy products, instead of increasing the competition for our own farmers?

How do you think our Wisconsin dairy farmers would react if they knew the Congress is using taxpayer money to increase dairy products overseas?

I challenge anyone on the other side to stand up and explain why the American people should pay for these programs, when we have so many pressing problems here at home.

Don't try to justify your bill by some esoteric speech about America's role in the world—defend these spending items in terms that the American people can understand. And if my colleagues cannot do that in their own minds, then they should join me in voting "No" on this bill, and voting to take care of our own people and our own problems first for a change.

The CHAIRMAN pro tempore (Mr. MAZZOLI). All time of the gentleman from Oklahoma [Mr. EDWARDS] has expired.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I rise in strong support of H.R. 5368. The cold war is over and the United States has won, but we still remain the premier superpower of the world, and as such I believe that we have a responsibility to try to make sure that the world is safer and that the world works with the United States.

One way we can do that is with foreign aid. Critics of foreign aid say why are we spending money abroad when we have pressing needs at home. The fact of the matter is foreign aid is only 1.2 percent of our total budget, and that much of the money comes back to us, at least two-thirds of the money comes back to us in terms of buying American products and creating American jobs and helping to stimulate the American economy.

We would be making a very, very serious error if we withdraw from our responsibilities around the world. The fact is that this is the leanest foreign aid bill in many many years. The fact is that this bill is a bill for the United States and a bill for the world.

We must support this bill, because now with the cold war over we absolutely must ensure that the world works with us and we work with the world.

Mr. OBEY. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I simply would like to respond to the remarks of the gentleman from Wisconsin who spoke a moment ago. Those remarks pretended that there was a possibility to use money in this bill here at home. The fact is there is no possibility to do that, and one of the reasons there is not is that the gentleman from Wisconsin who just spoke voted against creating that possibility.

We had a bill up here a few weeks ago which would have taken down the budget walls, which would have allowed us to transfer money from foreign aid and from the military budget and move it into the domestic budget so we can meet our education, our health care, our job training needs in this country. And the last time I looked, every single member of the Republican Party in this House voted against that amendment. That was the only possibility to move money from the foreign aid bill to domestic priorities.

□ 1320

My understanding is the gentleman voted against it, and that being the case, I find it quaint, indeed, for him to come to the floor and now suggest somehow that if this bill were not here, money could be moved to the domestic side of the budget. I wish that were the case. It ought to be.

The fact, as I pointed out earlier, is that since I have become chairman of this subcommittee, we have cut $8 billion out of this budget, including the bill before us here today, and before the budget walls went up, we moved, we did move, that money to the domestic portion of the budget. But under the rules in force by the vote of the gentleman from Wisconsin who just spoke, we do not have the authority to do that anymore, so I think we ought to level with people when we are addressing this issue.

Mr. Chairman, I would simply say that I think this bill meets the requirement to have a reasonable balance between meeting our international responsibilities and dealing with the problems here at home.

We have won the cold war. If you total up all of the money spent by all of the American taxpayers during that cold war since 1945, if you divide that amount of money that was spent on the military budget to win the cold war, divide it by the number of American families paying income taxes today, that comes out to $82,000 per family. That is a tremendous investment.

Now that we have won that, it seems to me we have an obligation to use a tiny piece of that money to tie down the results of winning that war, to make certain that we do not have a very dangerous former adversary unravel, and that is the purpose of this bill.

I take great pride in the fact that, despite some of the political speeches we have heard on this floor today, this bill is the tightest foreign aid bill in the history of the country. It is the smallest percentage of GNP of any foreign aid bill in the history of the country. It has moved a significant amount of money away from military aid to humanitarian assistance in the process. It has cut off our NATO allies from the free lunch on military aid which they have gotten from this country for over 20 years.

So I would urge support for the bill with the adoption of the committee amendment which is pending.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I want to congratulate the chairman for his usual outstanding job. Today, we are debating the merits of a bill that may be more important than any other foreign affairs measure the Congress has considered since the Marshall plan was adopted 45 years ago. Then, like now, skeptics were apprehensive about sending our resources oversees to build democracy and reconstruct war-torn economies. Today, like yesterday, we must overcome the temptation to retreat behind our borders into an isolationist shell. Instead, we must seize the opportunity to provide assistance to the nascent democracies which have emerged from the rubble of the Soviet empire. In the aftermath of the cold war, the people of these newly independent nations are looking to us for support as they grapple with the painful uncertainties left in the wake of communism. It is in our best interests to provide this support.

This bill would appropriate a relatively modest amount of aid to fund technical and humanitarian assistance for the new nations of the former Soviet Union. In fact, this assistance would amount to only a tiny fraction of the money appropriated for the Marshall plan. But the stakes are just as high, if not higher, today. The price of a return to the cold war—or worse—is too immense to calculate.

Of course, with the U.S. budget already sorely overstretched at home and abroad, legitimate concerns exist about devoting scarce American resources to assist our former enemies. The American people are justifiably nervous and angry about growing unemployment lines, a disturbing rise in violent crime, the skyrocketing cost of health care and a stagnant economy. I hear these concerns from my constituents in Maryland on a daily basis. They ask me how we can possibly afford to educate our children, repair a crumbling infrastructure, revitalize decaying cities and address a host of other chronic domestic problems while we're sending foreign assistance to the former Soviet Republics.

I tell them we must do both. It has become painfully clear that not enough has been done during the past 12 years to address some of our most critical domestic problems. In my mind, it goes without saying that America's domestic needs must come first. But by allocating a very small portion of our resources to help build democracy and market economies in the former Soviet Republics, we can make great progress toward ensuring our own national security, and opening the largest new market for American goods in this century.

As Chairman of the Commission on Security and Cooperation in Europe, I am particularly concerned that the assistance provided under this legislation go toward the advancement of human rights, democracy, rule of law and economic reform. These are essential ingredients for building a truly democratic society.

The CSCE—which now includes each of the former Soviet Republics as well as the Batlic Nations—sets forth excellent standards for the safeguarding of individual human rights and fundamental freedoms. For this reason, I have authored language in this bill which stresses America's commitment to Helsinki principles and the protection and promotion of individual human rights.

Americans are also interested in the creation of a stable new marketplace for their products. In this regard, I would like to urge that a portion of the funding in this bill be dedicated to enhancing the establishment of small business ventures. Assistance to American small businesses interested in trading in the CIS states would greatly benefit our own economy and could stimulate the entrepreneurial spirit needed in those countries to cement market reforms. For this purpose, there should be assigned to each of our embassies in the former Soviet Union a small business specialist who would be available to offer advice to those entrepreneurial pioneers seeking to create small business enterprises. I am also advocating that these small business officers be joined by volunteers from the Service Corps of Retired Executives [SCORE] who could provide invaluable advice drawn from their own business experience in the United States. I want to thank the chairman for adopting language I proposed in this area.

I would also like to thank the chairman for adopting my language on assistance to the victims of Chernobyl—the largest nuclear disaster in history. Humanitarian assistance is urgently needed to help alleviate the suffering of these victims, which has been greatly increased by the lack of medical supplies and health care treatment available to them.

Finally, on a somber note, I am greatly concerned about the continued presence of Russian military troops in the Baltic Nations. Clearly, these remaining troops constitute a violation of the sovereignty of these states, and pose a threat to the peace and stability of that region. Once again, I thank the chairman for including in this bill language I proposed which strongly urges the Bush administration to raise this violation with the Russian Federation at every opportunity.

In conclusion, we now have in our grasp a historic opportunity to make the world a significantly safer place for generations to come. But time is running short. If we withhold our assistance at this time, the likelihood that the heroic efforts of leaders like Boris Yeltsin will fail is high, not only in Russia but in the other former Soviet Republics as well. At that point, we would once again be placed in the precarious position of weighing America's critical domestic problems against the expense of defending our very survival.

Mr. OWENS of Utah. Mr. Chairman, I rise in strong support of H.R. 5368, the foreign aid appropriations bill.

Mr. Chairman, the bill before us is $1.3 billion below the President's request and represents a cut of nearly $600 million from last year's bill. In this difficult budget climate, the Foreign Operations Subcommittee has crafted a fiscally responsible and cost-effective bill.

Mr. Chairman, earlier today we heard how much aid has been provided to Israel and Egypt, and yes, the amount is large. But so is the return to the United States in terms of jobs export revenues, and security.

Israel and Egypt, the signatories to the Camp David accords, are the most stable countries in the world's most volatile region. Our vital interests in the Middle East range from protecting our oil lifeline to halting the spread of Islamic fundamentalism, to supporting the resettlement of Soviet and Ethiopian Jews escaping religious and political repression in their native countries.

A moment, if I might, about Tuesday's elections in Israel. Without going overboard, you can't help but feel optimistic about Israel's future. I spoke with some friends in Israel earlier this week and I got a sense of renewed energy and enthusiasm, that a change was in the offing that would restore the vigor to the United States-Israel relationship, and propel Israel forward into the 21st century.

The Israeli people have once again demonstrated that they take their electoral responsibility seriously and the American people can look with pride at the Soviet and Ethiopian Jews who are getting their first taste of democracy by voting in Israel.

Labor's victory is a victory for democracy in the only democratic country in the region. And while the results appear to be a rejection of Likud, I believe that Israelis voted largely on pocketbook issues.

Labor's win is a mandate for change and for progress. Change in Israel's economic situation, and progress in the peace process.

The Israeli people have given a vote of confidence in Rabin's qualifications both as a military hero who will preserve Israel's security and as a pragmatic diplomat who is committed to move the peace process forward.

Mr. Rabin has his hands full: unemployment, unrest in the territories, immigration of Soviet Jews, an ambitious economic program, and of course, improving United States-Israel relations are just a few of the items on his agenda. Expectations are high. It is imperative that we let him put together a government and get started without adding any pressure.

It would be an understatement to say that, with regard to the peace process, there are differences between Labor and Likud—on autonomy, on land for peace, and on the settlements. But Mr. Rabin is no pushover. He is tough, experienced, and pragmatic. I would first look for him to reinvigorate the United States-Israel relationship, and I hope and expect the United States to respond in kind.

Israel's deteriorating economy requires immediate attention. Of course, Israel's precarious security situation has a direct impact on Israel's economy, which operates in permanent wartime mode. But progress in the peace process carries with it long-term promise for Israel's economic development.

If this bill is deficient in one area, it is the absence of any mention of Israel's need for loan guarantees to resettle the hundreds of thousands of Soviet and Ethiopian Jews.

Relations between the Bush administration and Israel have been strained. Now, we have an opportunity to breathe new life, and restore goodwill and confidence to the relationship. I call upon the administration to move forward with an acceptable loan guarantee proposal immediately.

Finally, I want to make a point to those watching about why this bill—and aid to Israel in particular—is so important to the American people. Events in the Middle East, in Eastern Europe, in Asia, in Africa, and in Latin America, have an impact on America's vital interests, including our national security and economic future. Peace and stability in the world is important and we cannot afford to focus inward at the expense of our interests elsewhere in the world. As we witnessed in the Persian Gulf war, the Middle East is the world's most volatile region. A stable, secure, confident, and democratic Israel provides an extra measure of stability, security, confidence and democracy for the United States.

Mr. EMERSON. Mr. Chairman, yesterday we came to the floor of the House and we sustained the President's veto of an abortion bill. It's a familiar scene. We've done it before—many times. This is what happens when we sustain an abortion veto: the abortion provisions are stripped from the bill, and the remainder of the bill moves forward. We all know the script, yet we've seen this again and again and again. Here we are—again. The President will veto this bill because of the abortion provisions, and we still put ourselves through this tedious little exercise. When are we going to learn?

This bill earmarks $20 million for the United Nations Population Fund. This is the fund that directly supports the Chinese forced sterilization and forced abortion policy. This is the government that, according to a letter from Chinese dissidents, is "rooted in widespread coercion, mass abortions and sterilizations, and relentless intrusions by the state into the private lives of Chinese people." There are some Members who disagree with me about abortion; I understand that. But I don't understand how Members who consider themselves pro-choice can support the UNFPA and China's coercive policy. China's policy isn't pro-choice; China's policy is "no-choice."

Some folks would tell you that we can give money to the UNFPA and still oppose China's oppressive policy of forced abortion and forced sterilization. They'll tell you that as long as U.S. taxpayer dollars are kept in a separate account, we won't be supporting China's reproductive oppression. This statement requires a quantum leap in logic. Plainly and simply, money if fungible, and if we give the UNFPA funding for certain approved activities, our money will free up more of the UNFPA's own money to spend in China. Funding the UNFPA will assist China in its coercive no-choice reproductive policy—that's the bottom line.

I regret the Edwards amendment will not be offered, because without it my ultimate consideration of this bill will have to come with the conference report.

Mr. HUTTO. Mr. Chairman, I rise today with mixed emotions regarding H.R. 5368. I believe there are some countries around the world that are deserving of assistance. For example, Israel is one of our strongest allies and I support assistance for this country, because it is directly in our Nation's best interest. Countries like Israel, do not get a fair shake because their funds are included in a foreign aid package that is unfavorable. While I would like to vote to help Israel with much needed assistance, I cannot bring myself to vote for H.R. 5368.

H.R. 5368 includes $125 million for the United Nations Development Program [UNDP]. The UNDP uses their resources to fund countries such as Cuba, Iraq, North Korea, Iran, Libya, and Syria which actively support terrorism and have a disregard for human rights. H.R. 5368 also includes funding for the United Nations Population Fund. UNFPA supports a program of coercive abortion and involuntary sterilization in China. Our Nation simply should not participate in any way in this coercive activity.

Mr. Chairman, although I understand the benefits of foreign aid and I believe that some countries are worthy of American assistance, we must take care of our own first. During this critical economic period, American resources and assets should remain at home. Our tax dollars are best spent reducing the national debt and prioritizing other domestic concerns. This body recently conducted a heated debate on the need to balance our Federal budget. How soon we forget.

In this time of deficit spending, I cannot support funding the black hole of foreign aid. I realize that the committee has worked hard to allocate the foreign aid in this bill and that the overall spending has been reduced from last year's level. However, the bottom line still remains—we do not know where this foreign aid actually goes. The very nature of foreign assistance means that we lose oversight of our investment. For example, who is held accountable at the UNFPA?

Recently, I opposed emergency assistance to cities in our own country, because I did not believe that the aid was structured enough to teach people to help themselves. The emergency assistance to Los Angeles and Chicago did not do enough to encourage positive growth, such as that through enterprise zones. I believe that the same can be said for much of this ongoing foreign aid.

Mr. Chairman, with the defeat of the balanced budget amendment, Congress must cut where it can, and I believe we should start away from home.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in muted support of H.R. 5368, the fiscal year 1993 foreign aid bill.

First let me say that I have long been a supporter of such appropriations bills in the past. Foreign aid has long been a cornerstone of U.S. foreign policy. I wholeheartedly believe that, as the world's first, and now last, superpower, we have been entrusted with certain responsibilities which we must uphold, and one of those is fostering democracy and promoting stabilization across the globe.

Furthermore, our colleagues on the Foreign Operations Subcommittee have continually crafted very thoughtful pieces of legislation which balance our strategic interests, along with our desire to assist less developed countries.

This legislation is no different. It contains valuable assistance to our allies in the Middle East, both Israel and Egypt, as well as $800 million for development aid for Africa.

But Mr. Chairman, while, as I said, I do support the intent of this bill, I am leery sending this money abroad to assist other nations develop when funds for our own urban aid programs are in such short supply. Chicago was under water, Los Angeles was on fire, and the rest of our cities are crumbling. It certainly makes one wonder what we are doing here today.

For the past 12 years our cities have been systematically looted by Reaganomics, creating a crisis which we had better start dealing with. Never before, Mr. Chairman, has one American generation been expected to have a lower standard of living than their parents. We have over 30 million working Americans with no health insurance whatsoever and the highest infant mortality rate in the industrialized world. We have millions of unemployed Americans with no benefits and millions of unemployable Americans because our education system is in shambles. And we have millions of Americans who live in squalid housing, with millions more who have no housing at all. Parts of my district, Mr. Chairman, have living conditions resembling, or even below those of many Third World nations, the very nations this legislation would benefit.

However, despite the critical situation in our own streets, Mr. Chairman, we simply cannot afford to stick our heads in the sand, oblivious to what is going on around us. At the recent UNCED conference in Brazil, a general consensus was born among the nations of the world that all of our fates were indeed, whether we like it or not, inextricably linked.

This bill makes reasonable reductions in our foreign aid budget, without the outright elimination of the program. In fact, this bill is $1.3 billion under the President's request and I believe that is a reasonable reduction in light of recent world political changes.

That is why, Mr. Chairman, I will support this legislation and urge my colleagues to do the same in order to protect America's interests abroad.

Ms. PELOSI. Mr. Chairman, I rise today in support of H.R. 5368, the foreign operations appropriations bill. While I have some concerns about specific provisions and programs in this bill, I believe that overall it succeeds in providing responsible levels of needed aid to meet our legitimate foreign policy goals, within the constraints of the budget deficit.

I would like to commend Chairman OBEY and the subcommittee for their efforts to put together a reasoned foreign appropriations bill at a time when there is increasing demand to cease foreign aid and focus all of our resources here at home.

I would like to note several provisions contained in the bill. The subcommittee has been particularly helpful in working with the Treasury Department to facilitate the implementation of the Pelosi amendment, section 1307 of the International Financial Institutions Act, as amended by section 521 of Public Law 101-240, which strengthened the environmental impact assessment [EIA] procedures of the multilateral development banks [MDB's].

Since the Pelosi amendment was signed into law, questions have been raised about the application of the provision to the private sector lending facilities of the MDB's, including the International Finance Corporation, the merchant banking division of the European Bank for Reconstruction and Development [EBRD], and the Inter-American Investment Corporation [IIC].

I am pleased that the report to H.R. 5368 contains language expressing the subcommittee's concern about the environmental actions and procedures of these institutions and directing Treasury to seek appropriate reforms in the EIA procedures of the IFC, the EBRD, and the IIC.

I also note that the subcommittee has updated language included in last year's bill concerning lending to China by the International Development Association [IDA] and the Asian Development Bank [ADB].

I am pleased that that $20 million has been included in this bill for the United Nations Fund for Population Activities [UNFPA]. These funds are to be used solely for contraceptives and related activities.

I believe combating population growth through international family planning is one of the most vital and farsighted efforts we can take to improve quality of life and protect our environment. The lack of family planning services in the Third World countries not only affects their economies, but places extra hardship on women. This ultimately limits a woman's capability to be an active participant in the country's economic development and her ability to provide for her family.

Since 1986, the United States has not contributed funds to UNFPA because of China's coercive family planning program. The bill before us includes language stipulating that none of the UNFPA funds appropriated here shall be available for use in China.

This provision directly addresses the concerns expressed by many of our colleagues relating to forced abortions.

I would like to commend Chairman OBEY for using this legislation to highlight inconsistencies in the administration's China policy. For years, the administration has denied women around the world access to family planning activities and education through the UNFPA because it believes that China's use of forced abortions is wrong. This is the very same administration which believes that we should ignore China's human rights abuses, flagrant free trade violations, and nuclear proliferation activities and grant it most-favored-nation [MFN] trading status in order to keep it engaged.

The administration is willing to sacrifice women throughout the developing world because of one aspect of China's policy, and is willing to sacrifice prodemocracy activists in China, American jobs, and global safety by ignoring many other aspects of China's policies, in order to protect the status quo. This approach is wrong.

The foreign operations bill contains a provision mandating consistency in the administration's policy toward China. If China is denied MFN status, no funds may be used by the UNFPA. If, however, the administration grants MFN for China, the UNFPA funds, with a restriction prohibiting their use in China, must go forward. This is a sound approach.

At the full Appropriations Committee markup of this bill, I expressed my concern about and disappointment with the $11 million for military aid to El Salvador. I understand that this number is significantly lower than the administration's request of $27 million. I believe, however, that with the signing of the peace accords, emphasis must be shifted away from the vestiges of our military-dominated policy there to unequivocal support for restructuring Salvadoran society for peace. If the Salvadorans wish to maintain a large military institution, they should provide the moneys to support it through their own national assembly. All of our aid to El Salvador should be geared toward economic assistance, humanitarian assistance, and rebuilding.

Funding foreign aid in today's economic and political climate is not an easy feat. We must not, however, abandon our role in world affairs. H.R. 5368 allows us to maintain a global presence.

Mr. EDWARDS of California. Mr. Chairman, today I rise in support of H.R. 5368, the foreign operations appropriations bill. I commend Chairman OBEY and the Foreign Operations Subcommittee for reporting out such a thoughtful, finely crafted piece of legislation.

ASSISTANCE AS INVESTMENT

During difficult economic times, many Americans do not realize the positive impact foreign aid has on their lives. Most U.S. aid is spent by recipient nations on goods and services produced in the United States. This helps keep Americans working and secures America's export position in new markets around the world.

It follows that trading partners are better than adversaries. Not only do our business enterprises succeed, our world becomes a safer place. From a security standpoint, we are in a position to drastically reduce our military spending faster now than at any other point in modern history. Foreign aid is a wise and productive investment in peace and prosperity.

EL SALVADOR

This year I had hoped that military aid of El Salvador would be eliminated once and for all. Although H.R. 5368 provides $11 million in nonlethal military assistance, I am encouraged that this figure is down from the administration's $40 million request. We are furthering the long process of reconciliation by transferring the remaining $29 million to the demobilization and transition fund.

UNITED NATIONS FUND FOR POPULATION ASSISTANCE

The Earth summit in Rio de Janeiro highlighted how fragile our global environment is and now devastating humans can be. By funding important international development and population assistance, famine relief and environment programs, this legislation would help both develop and preserve our resources for our children.

Perhaps the most important, albeit controversial, provision allocates $20 million for the U.N. Fund for Population Assistance. This legislation was carefully designed to ensure that American dollars are used exclusively for procurement of contraceptives and for related logistics. We must help the developing nations of world to plan for the future.

H.R. 5368 is a farsighted bill that will improve lives both at home and abroad. I encourage my colleagues to cast their votes in favor of final passage.

Mr. SCHEUER. Mr. Chairman, I rise today in support of H.R. 5368, the foreign operations bill, a bill that is designed for the post cold war era. It would provide $13.8 billion for foreign assistance from the United States as well as designate $330 million for population programs around the world.

I was fortunate enough to attend the Rio Earth Summit a few weeks ago, and was deeply concerned by the Vatican's refusal to include population as one of the threats to the global environment. Population was considered the uninvited guest.

The issue of population has been an unwanted guest in this country under the last two administrations as well. According to a time magazine article from February 24, the Reagan administration altered its foreign aid program to comply with the teachings of the Vatican. Time magazine stated:

> The State Department reluctantly agreed to an outright ban on the use of any U.S. aid funds by either countries or international health organizations for the promotion of birth control or abortion. As a result, the U.S. withdrew its funding from, among others, UNFPA.

The accepted reason for pulling United States funds from UNFPA was because of UNFPA's operations in China. China, as you know, has been accused of running a coercive family planning program. It is abundantly clear that there was another reason for such a radical shift in U.S. policy: it was and has been heavily influenced by the Vatican.

This decision was a travesty to a program that provided family planning services to families in developing countries. It provided women with the ability to decide if and when they would have children.

A number of prominent world figures, including Nafis Sadik, executive director of UNFPA, emphasize that world population is a crucial factor in the destruction of the environment. She states:

> Unless you really deal with population, you can forget about the environment or development.

Fortunately there are many leaders who agree that population is a factor when considering the wide range of development needs in the Third World and needs to be an issue of concern to nations, developed and developing. Worldwide, achieving sustainable development will require significant progress toward stable populations. Earmarking $20 million for the United Nations Population fund will help attain this progress, and is also sound foreign policy.

Millions of couples in developing nations will be given the chance to determine their reproductive futures through access to contraceptives and family planning. UNFPA would also increase the supply of condoms to developing countries.

These funds will not be used to fund abortions; they cannot be used for family planning programs in China, and if they are used, the remaining amount must be refunded; and all programs, projects, or activities carried out by UNFPA must be approved by the United States Ambassador to the United Nations.

Many of the developing nations a fraction of the size of the United States have experienced tremendous outbreaks in AIDS. While the medical community continues to search for a cure, the United Nations can be instrumental in at least preventing the further spread of this devastating epidemic.

I strongly urge my colleagues to support efforts to stem the tide of the population explosion and help promote family planning and development in the less developed nations of the world. Please support the foreign operations appropriations bill.

Mr. GILMAN. Mr. Chairman, I rise to express my support for this measure, as reported out of committee, and I oppose all additional cutting measures to this bill. The subcommittee's mark is $1.3 billion below the President's request and $200 million below the fiscal year 1992 CR level after the rescission.

H.R. 5368 appropriates $13.8 billion for foreign operations, export financing, and related programs. It is essential for this money to be appropriated.

Mr. Chairman, this is not the time to repeat the mistakes we made after World War I. This is not the time to return to the ineffective isolationist policies which proved so costly just a few years after the First World War, when again the forces of instability brought us to war again.

In our increasingly free, increasingly interdependent world, the United States must vigorously pursue a proactive foreign policy, and an integral part of that policy is foreign aid.

We live in a world where institution and economies are allowed to respond to the will of the people.

Some have argued that our domestic concerns are so great that we can no longer afford foreign aid. They ask why we should provide tax dollars to help the poor in far away lands when we have poverty at home? Those who advocate those views ask us falsely to choose between our domestic priorities and using our foreign aid program to help promote U.S. interests and project U.S. ideals.

Mr. Chairman, the U.S. national interest and humanitarian concerns are best served by helping to sculpt a world in which the promises of hope and a brighter future are realized by rich and poor nations alike.

Many do not realize that our foreign aid helps to promote our foreign trade. That means approximately $130 billion in annual trade with the developing world. This also means over 2.8 million American jobs.

The other side of our aid program is security assistance. Our military financing program helps to allow foreign forces to interoperate with American forces in times of crisis. It also allows us to access bases and pre-position material so that in times of crisis we have already established a presence near the theater of operations.

Mr. Chairman, we get all of this, and so much more for 1.2 percent of the Federal budget and 80 percent of that money is spent right here at home. We stand witness to a momentous period in world history. Communism exists no more and peace is possible in the Middle East. This is a time to vote "yes" on this bill, and I commend the gentleman from Wisconsin, the distinguished chairman of the Subcommittee on Foreign Operations, Chairman OBEY for his work. Accordingly, Mr. Chairman, I urge our colleagues to support this measure.

Mr. PACKARD. Mr. Chairman, I rise in opposition to the foreign operations appropriations bill. My opposition stems from a rule that stifles debate and full consideration, as well as the fiscal irresponsibility represented by the spending amounts in the bill.

Two weeks ago I voted in support of the balanced budget amendment. My colleagues opposed to the amendment said we don't need to amend the Constitution, we just need the political will to make the tough decisions. These two principles would supposedly guide the Congress to cut spending where it was excessive and unnecessary, and thus restore fiscal sanity to the budget.

Here we are, once again, and I have a creeping sense of deja vu. Once again the liberal leadership has rammed a restrictive rule down our throats. If we were really going to make the tough decisions, we would need to be able to offer amendments to cut spending in this appropriations bill and others where we thought they needed to be cut. Then, it would be up to the entire body to cast a vote on that amendment, rejecting it or adopting it. That is the deliberative process of democracy at work. This process is once again denied.

I also oppose this bill because we are unable to affect spending changes which definitely need to be made. In the name of fiscal responsibility, therefore, I find this bill unjustifiable. I cannot support the amount contained in this legislation with no mechanism for amendment.

This vote is a prime example of why Congress must have a balanced budget amendment to the Constitution. The Democratic leadership does not possess or really desire political will. What they really want is unlimited spending.

Mr. SHAW. Mr. Chairman, I rise today in support of the fiscal year 1993 foreign operations appropriations bill, especially its vital funding for Israel.

The foundation of our foreign policy in the Middle East has been and must remain the promotion of a stable and lasting peace. That policy hinges on our moral and strategic relationship with Israel, the only true democratic ally of the United States in the region. The level and nature of funding in this bill reflects not only the importance of Israel to the United States, but also our long-term relationship and interdependence.

That fact was most recently evidenced during the 1991 gulf war, when Israel remained steadfast as Iraqi missiles attacked. She could have fought back, but did not unleash a deadly response at our request. Time and time again, Israel has stood by our side as our strongest ally. Promoting stability and security in Israel, which this aid will do, is indispensable to realizing a just and lasting peace in the region.

This aid for Israel is in our long-run national interest, and also the interests of peace in Israel and the Middle East. I am pleased to support it.

Mr. SKAGGS. Mr. Chairman, today, as the House considers the 1993 foreign operations appropriations bill, the country of El Salvador will get the clearest evidence yet of Congress' intention to monitor and support the long-awaited peace accords.

The Appropriations Committee has provided that the bulk of United States aid funds for El Salvador will be used to support the demobilization and reconstruction of that war torn country. In addition, consistent with the newly circumscribed role of the Salvadoran Armed Forces—as outlined by the peace accords—military aid has been reduced dramatically to a level of $11 million for nonlethal sustainment items. While I would have preferred that all military assistance be eliminated so more money could go to the demobilization and transition fund, this bill does reflect a change in United States aid policy that is certainly welcome and long overdue.

Notwithstanding this positive shift from war-driven to peace-promoting aid, economic assistance alone will not be enough to ensure something approaching domestic tranquility in El Salvador. Political will is what's required. Both sides of the 12-year conflict in El Salvador will have to muster the courage and commitment needed to achieve and maintain peace. It will also require a strong commitment by this Government. The United States certainly played an active role during the war and during the peace negotiations, and I believe that it behooves us to be at least as committed to consolidating the peace.

I make this point particularly because I'm concerned about recent reports that the peace process has been imperiled by serious setbacks, including delays in the dissolution of security units, the formation of a national civilian police, and real progress on land reform. I would urge all parties involved, including the Bush administration, to be resolute in their commitment to the full and timely implementation of the peace plan for El Salvador. There is no excuse for additional delays. After 12 years of suffering and death, 1 extra day is too long to wait for peace.

Mr. LEACH. Mr. Chairman, I would like to pay particular tribute to the leadership of the gentleman from Wisconsin [Mr. OBEY] and the gentleman from New York [Mr. MCHUGH] in appropriating $50 million for a comprehensive educational exchange program with the former Republics of the Soviet Union.

Few issues are more important to our long-term national interest than the future of democracy and free enterprise in the former Soviet Union and former Soviet bloc. To date, administration efforts to secure the peace have emphasized two elements: First, modest direct humanitarian assistance; and second, reliance on the international financial institutions, especially the IMF.

This bipartisan legislative proposal would establish a third pillar to undergird U.S. policy: People to people contact.

While the second great "ism" of hate of this century has been defeated, the collapse of Soviet communism has produced an institutional vacuum that could lead toward further repression by the left or right, or anarchy. What the former Socialist States need is a cultural reordering of attitudes toward the relation of the State and individual, and this can only occur through the widest possible contact with the West, particularly America. I am personally convinced that one of the most important things that can be done is to facilitate the immersion of a new generation of Russian citizens into the American way of thinking.

Massive exchange carries potentially modest cost with the prospect of enormous effect. It also says "we care" with an orientation of self-help.

Dollars without the development of a free enterprise ethic are dollars squandered.

The desire for ties between countries and peoples is strong. The challenge is to replace the Iron Curtain with a cement of personal relations and the bricks of an entrepreneurial ethic.

Mr. BEILENSON. Mr. Chairman, I rise to express my strong support for the $330 million provided in H.R. 5368 for international family planning programs, including the $20 million provided for the U.N. Population Fund [UNFPA].

The most urgent crisis facing mankind is the rapid rate of growth of the human population and its dire consequences for the environment, for food supplies, for overcrowding, for immigration pressures, and for political stability. The gentleman from Wisconsin [Mr. OBEY] and the members of the Foreign Operations Subcommittee should be commended for providing $20 million for UNFPA—a restoration of funding for that important program—and for providing a total of $330 million for population programs, which represents a 25-percent increase over the amount appropriated for fiscal year 1992.

Even so, the $330 million for population assistance programs contained in this bill is actually a very modest amount in light of the enormous need for voluntary family planning services in developing countries. I would like to point out that there were 160 Members of the House who asked the subcommittee to provide substantially more than $330 million for international family planning programs; we sought $650 million for this purpose. Six hundred and fifty million dollars is the level of funding that would be in keeping with the recommendations of the Amsterdam Declaration, the blueprint issued by the 80 governments—including the United States—which participated in the 1989 United Nations Amsterdam Forum on Population. The goal of that plan is to stabilize population at the earliest feasible date by providing voluntary family planning to the entire world by the year 2000.

Trying to treat each symptom of overpopulation individually is expensive, slow, frustrating, and difficult; moreover, it is probably ultimately futile. Meanwhile, at an average cost of just $16 per year per developing country couple—according to 1989 U.N.-funded research—family planning is relatively cheap, has been proven effective, and presents a realistic hope for eradicating the suffering of the developing world by achieving substantial fertility reduction without increasing recourse to undesirable means, such as abortion, infanticide, or coerced sterilization.

Studies indicate that if contraceptive information and supplies were readily available, about 75 percent of reproductive-age couples in most countries would use them—compared with 51 percent today. At the 75-percent level of contraceptive use, people tend to have an average of just over two children per couple, which results in replacement level fertility.

At the moment, the world average for the number of children a woman bears during her lifetime is 3.5. For Africa, this figure is 6.2. The sooner we reach 75 percent contraceptive use, the sooner and faster the fertility rate will drop.

To reach this goal of 75-percent contraceptive use by the year 2000, according to the Amsterdam Forum, total annual worldwide funding for family planning in developing countries needs to rise from the current $3.2 billion to at least $9 billion by the year 2000—in constant 1988 dollars—$4 billion of which should come from industrialized nations—including $1.2 billion specifically from the United States. Four billion dollars is equal to 2 days' military spending by these countries today.

Currently, there are approximately 5.4 billion people on the planet, over 4 billion of whom live in less-developed countries. At this time tomorrow, there will be over a quarter-million more, with 90 percent of these newcomers joining the developing world.

For most of human history, population growth was very modest. One hundred and fifty years ago, there were only 1 billion people in the world; 30 years ago, there were just 3 billion. To put it differently, over 90 percent of the growth of the human population has occurred in less than one-tenth of 1 percent of the history of our species.

In a world without limits, having all those extra hands around might be quite desirable. But our Earth is finite; its resources are exhaustible. Under the existing—and worsening—conditions of high fertility and rapid population growth, normally renewable resources are depleted faster than they can regenerate. The degradation of clean water, clean air, topsoil, and common vegetation undermines efforts at economic development by handicapping improvements in areas such as agricultural production, health, and infrastructure.

Slower population growth would give countries greater opportunity to acquire the economic or political capacity to intervene to protect their resources before they become exhausted. There is simply no way for developing countries to achieve resource-sustainable economic development if their populations continue to grow at unmanageable rates.

Regardless of what we do to protect our own overdeveloped corner of the environment, our efforts will be undermined by the growth of the developing world. For example, any improvements we make in controlling automobile emissions will be negated by the increasing number of cars in use as the Third World develops, and as each year the world's farmers try to feed 95 million more people on 24 billion fewer tons of topsoil. The principle is simple—more people equals more resources used up, leaving less behind.

As resources dwindle and the situation deteriorates in the developing world, political conditions in many regions will become more unstable and violent struggle more common. A declassified 1974 National Security Council memorandum asserted that the United States should encourage an all-out effort to lower growth rates. While I cannot claim a direct link, it is interesting to note that three volatile Middle Eastern regions, Gaza and the West Bank, Iraq, and Syria, have, in that order, the three fastest rates of population growth in the world. In 18 years, all three regions will have doubled their current populations.

At the same time, the industrialized world continues to look increasingly attractive to people living in cities that grow more filthy and more crowded with each passing day. Cities throughout the developed North will continue to become more crowded because of immigration until conditions in the Third World are sufficiently improved through the lowering of fertility rates in those countries currently growing beyond their means.

In the effort to reduce population growth, the 1990's are the crucial years. Nearly half the population of the developing world—some 2 billion people—is under 15 years of age. They will all be entering their reproductive years very soon. At issue is whether or not this generation will have access to something it wants yet cannot afford on its own: Modern contraception.

The world's birth rate has already begun to decline; yet while certain countries, like Mexico and China, have made great progress in the past decade, most other developing countries have not. Nonetheless, it is highly likely that world population growth will slow to a near halt sometime during the next century. But when and at what level it stops will make all the difference.

If world fertility declines soon and steeply, the United Nations estimates that world population will stabilize early in the next century around 10 billion. If fertility does not decline rapidly, the population will keep growing throughout the 21st century, cresting ultimately around 15 billion or higher. The difference between the two scenarios is the total number of people on our already overcrowded planet right now.

For the current fiscal year, funding for population programs was increased by $60 million. But last year marked the first time in 6 years that Congress increased AID's population assistance account. From 1980 until today, measured in constant dollars, U.S. population-control funding has actually decreased. Over the same period, the world's population has grown by nearly one billion.

Mr. Chairman, the increase for family planning funding provided by H.R. 5368 continues the trend which was begun last year of more closely fulfilling the U.S. responsibility in this vitally important area. This level of funding deserves the full support of Congress.

Mr. BROWN. Mr. Chairman, I rise in support of H.R. 5368. I want to briefly comment on a situation in El Salvador which seems, at the same time, to be both troubling and full of possibilities for a positive precedent-setting solution. It is a situation to which our colleague, Mr. OBEY, has helped to bring much needed attention.

As a recent news article and column the Washington Post chronicle, the Government of El Salvador is threatening to evict the 5,000 compesino members of a 12-year-old, 2,000-acre coffee cooperative created during the 1980 United States-sponsored land reform. I am submitting the news article, by Tom Gibb, and the column, by Colman McCarthy, to be published as part of the RECORD. The cooperative, called El Espino, is located within metropolitan San Salvador and, with its greenery and vegetation, is called the last lungs of the city. Evidently, the Duenas family, which owned El Espino prior to 1980, appealed the land reform acquisition of its farm, and the Salvadoran Supreme Court ruled that, because of the farm's proximity to the city it had rural and urban use, and therefore should be exempt from the land reform.

This ruling and the Government's decision on how to implement it comes after the cooperative's campesinos have productively managed the farm for 12 years, building schools, health clinics, and even a $1 million coffee processing plant. The Government's decision also comes at a crucial time for peace in El Salvador, when the image of land reform being reversed could undercut poor people's faith in the peace process and destabilize El Salvador.

The Government of El Salvador has announced that it wants to pay $12 million to the Duenas family to buy back 83 percent of the farm. The Duenas family has indicated that it will sell its 17 percent of the farm for shopping centers, condominiums, and other construction projects. Appraisals place the value of Duenas' land at $150 million. With its 83 percent of El Espino, the Government wants to create and operate an urban ecological park, a new facility for the military, and a much-reduced area for the El Espino campesinos. The 5,000 campesinos who were, no doubt, earning a very modest existence on the 2,000 acres of the farm would, under this plan, be provided with only about 37 percent of the preexisting farm, and mainly it's least arable land productive areas. The campesinos are very unhappy with this prospect and believe that they could not make a living on such a small parcel. They are not opposed to ecological preservation at El Espino. In fact, their well-balanced operation of the coffee farm serves ecological purposes and is a great green belt close to San Salvador. There have also been discussions with Salvadoran environmental groups about maintaining the coffee trees and incorporating an ecological park which the El Espino cooperativists would own, operate, and financially benefit from. The Government, so far, has opposed this.

Mr. Chairman, several concerns and questions occur to me. First, is any United States money being used to finance the Salvadoran Government's purchase, through municipal bonds, El Espino?

Second, is it true that the Salvadoran Government is paying $12 million to the Duenas family for the land when the Duenas family, as recently as 1987, valued the land at $1.6 million for tax purposes? Is this another case of U.S. foreign aid underwriting foreign government expenditures when the foreign government won't even tax its own wealthy citizens?

Third, has the equivalent of an environmental impact report been done on this project to determine such facts as whether the Duenas' construction plans are compatible with a nearby ecological park and whether the 5,000 El Espino campesinos can subsist on 750 acres?

Fourth, has the United States encouraged the Salvadoran Government to allow the El Espino campesinos to operate the ecological park? As we all know, part of the difficulty in promoting environmental sensitivity is that too often, environmental protection is seen as the enemy of jobs for working people and the poor. We know that this is the case with the Brazilian rain forest, for instance. It would seem that if the campesinos of El Espino could maintain their environmentally balanced coffee farm and economically benefit from the operation of the ecological park, then a positive message and demonstration of the benefits of environmental protection would be achieved.

Fifth, what kind of precedent for the peace process in El Salvador will be created by the eviction of the campesinos from the El Espino land reform cooperative? The inequitable distribution of land was at the heart of Salvadoran civil war. Land reform and distribution is seen as critical to making El Salvador a more equitable society. An eviction at El Espino would seem to be a major step backward in the effort to consolidate peace.

My hope is that a solution to this dilemma can be found that will set a positive precedent for providing land for needy Salvadorans, pursuant to the goals of the United States-sponsored land reform, and for merging environmental protection with economic sustenance.

Mr. Chairman, I am including two newspaper articles related to this subject.

[From the Washington Post, May 29, 1992]

SALVADORAN WEALTHY WIN LAND DISPUTE

(By Tom Gibb)

SAN SALVADOR.—As El Salvador scours the world for aid to rebuild after 12 years of civil war, some of its richest families are using their political weight to remake their fortunes in an uncontrolled urban development boom.

The most controversial example in this small and crowded country has pitted peasants, opposition parties and ecologists against multimillionaire landlords, the courts and the government in a dispute over who owns a 2,000-acre coffee plantation beside San Salvador's richest neighborhoods.

As agricultural land, El Espino estate makes a profit, but as land for urban development it would bring hundreds of millions of dollars. Opposition groups claim that a corrupt Supreme Court ruling and a government policy tilted in favor of the landowners will now allow the country's richest family to reap that fortune.

El Espino was one of 14 properties confiscated in 1980 from the Duenas family as part of a government land reform program designed to divert peasants from support for leftist rebels.

"Government officials came here and said that this was now our land and we should defend it," said Ricardo Orellana, president of a 200-member peasant cooperative set up on El Espino.

U.S. officials helped design and fund the land reform, saying domination of land ownership by a few families was at the root of the civil war. This elite had used political power over the previous century to build vast estates, often confiscating peasant and Indian land.

Many of the right wing violently resisted the land reform and have bitterly criticized it ever since.

In 1987 the Duenas family, whose members now live outside the country, obtained a Supreme Court ruling that returned the entire El Espino estate. The judges decided the estate fell inside urban San Salvador and hence should not have been confiscated under the land reform.

"People talk about $2 million being paid in bribes . . . and the decision was made on the testimony of two ex-government officials who later worked for the Duenas family. There should be an investigation," said Jose Maria Mendez, a lawyer for the cooperative.

The Supreme Court has denied allegations of corruption.

The controversy was renewed this year when the government announced a settlement that would take much of the land for public use while allowing the Duenases to develop a portion of the estate and taking most of the land from the cooperative.

"When you have a ruling of the Supreme Court, the only thing you can do is obey it. If you do not, then as a government you are not creating a law-and-order-type atmosphere," said Agriculture Minister Antonio Cabrales, adding that the cooperative members were "squatters" in legal terms.

The government now plans to buy back 82 percent of the estate from the Duenases for $12 million, despite the fact that in 1989 the family valued the land at only $2.5 million for tax purposes. The government says this land will be preserved as park land and coffee plantations. The Duenas family will keep the remaining 350 acres.

Opposition parties are angry that the government is paying so much money, when implementation of peace accords signed with leftist rebels in January is behind schedule, in part due to lack of resources. At current prices, the family acres are worth about $150 million.

The 5,000 people who live on the estate, many of whom are not associates of the cooperative, fear they will no longer have work when the co-op is reduced to 750 of the original 2,000 acres.

El Espino is not the only area where the old land-owning elite is making fortunes from urban development. In the last 10 years the Duenas family has developed much of San Benito, the city's richest neighborhood. First cousins are developing a nearby estate also worth millions of dollars, where the new U.S. Embassy has been built.

[From the Washington Post, June 16, 1992]

PLANTING RECONCILIATION AFTER WAR

(By Colman McCarthy)

Specifics weren't offered by President Bush on which international communities would be getting a cut of the $150 million increase in U.S. aid for forest conservation among poor nations. This is a paltry sum, measured against the $7 billion-a-year tropical timber industry, which levels 112,000 acres of land a day and is turning wood-rich nations into wood-poor ones.

It is also double-standard economics. Bush tells the poor to protect their woodlands while siding with U.S. corporate timber interests who keep on clear-cutting in national forests. Still, the $150 million, if it winds up with communities that need it, is something more than sawdust.

One worthy recipient of a few dollars is a group of 5,000 Salvadoran peasants who live and work in the forest known as El Espino, near San Salvador, the capital city. Although El Salvador has returned to the margins of U.S. politics—after a decade of Congress bankrolling a corrupt government that believed in killing its own people—the environmental destruction in the 1980s was as much a devastation to the land there as the civil war was to the population. El Espino typifies the development-equals-destruction combat zone that has seen more than a third of Central American forests denuded in the past 30 years. More than half of the region's woodlands have been converted to pasture for cattle, with most of the meat exported to the United States.

El Espino is a cooperatively owned forest of 803 hectares, a hectare equalling 2.47 acres. It is a coffee forest, the coffee plants taking their needed shade from the large hovering trees. Some 5,000 peasants harvest the coffee beans. Environmentally, El Espino collects rainwater that is absorbed by underground aquifers that serve more than a million citizens. Without trees, rainwater runs downhill on the surface, eroding the soil and filling the local dams with silt.

The current threat is a plan of the Cristiani government to take 500 of the 803 hectares and divide it between the army, a state-run park agency and the previous owners, a wealthy family. Salvadoran environmentalists, aware that the country's mangrove forests were destroyed by cotton growers and that cattle are replacing trees, see El Espino as a test case for both protecting the land and the workers dependent on it.

El Salvador's most visible advocate for El Espino is Richard Navarro, the president of the Salvadoran Center for Appropriate Technology. He is a 41-year-old mechanical engineer, who earned his doctorate from Washington University in St. Louis in 1982 after a master's degree from Purdue. Whole visiting Washington last month to speak with World Bank officials and a few members of Congress who have not forgotten El Salvador, Navarro explained that dividing El Espino means development and development means destruction: "The 5,000 people that now live off the forest will be forced to make their living on only 37 percent of it, increasing the pressure on the land with the risk of exceeding the carrying capacity and leading to its devastation. The wealthy of El Salvador don't seem to understand that even though they are on top right now, they are in this together with the poor. It's like flying first class in a plane. When the plane crashes, what does it matter where you were sitting. You're all dead together."

In addition to his work to save El Espino, Navarro is involved elsewhere in El Salvador, trying to reforest Guazapa Mountain, which was heavily bombed. It was a guerrilla stronghold. At the end of the civil war, in which 75,000 Salvadorans died, both sides sought to build a monument to peace. The government wanted to construct a 30-meter statue of the Virgin Mary, while the guerrillas proposed to build a monument from melted weapons.

Navarro's organization suggested to both sides that a reconciliation forest be planted. One tree would be grown for each person killed in the war, regardless of which side they fought on. The first tree was planted last March 24, the anniversary of the 1980 assasination of Archbishop Oscar Romero. The Salvadoran teacher's union has committed to planting as many as 300 trees to honor the educators killed in the war. Several dozen trees are to be planted in memory of slain journalists. "With this forest," Navarro told audiences in Washington. "we are transforming a death zone into a life zone."

El Salvador's environmental recovery is as crucial as its political revival. El Espino and Guazapa Mountain are where the growth can be seen.

Mr. Chairman, I will support the foreign operations appropriations bill. However, I have to take exception on the floor today with the Foreign Operations Subcommittee's decision to zero the administration's request for debt reduction in the Enterprise for the Americas Initiative Program.

The distinguished chairman of the subcommittee has criticized the President for concentrating on Latin American debt while ignoring our debt here at home.

The rhetoric makes for a great soundbite—and I've heard it several times on the radio. But he's just plain wrong. Debt reduction for our Latin American neighbors is sound fiscal policy for the United States.

The subcommittee report essentially cites three reasons for killing this program. The first is the budgetary restraints facing the subcommittee. I sympathize with this reason; however, the bill does come in $912 million below its allocation. Surely some funding could have been provided the most important foreign policy objective for this hemisphere.

The second reason cited is that because interest rates have fallen so significantly during the past year and a half, Latin America has already benefited from a de facto $4.1 billion debt reduction. While this is a terrific benefit for Latin America, it's hardly reason enough for the United States to turn our back on the remaining debt problem in the Western Hemisphere.

The third reason, which is the most onerous, is that because the U.S. Government only holds 2.8 percent of the total debt owned by Latin America, the administration debt reduction plan is flawed. It doesn't count commercial debt, according to the report.

On the contrary, the subcommittee's reasoning is flawed.

What the subcommittee's report doesn't say is that all of Latin America's debt is influenced by the EAI debt reduction initiative.

For instance, countries that owe a significant portion of their external debt to commercial banks must have reached an agreement with those banks before becoming eligible for the debt relief proposed by the administration.

As a result, Mexico has reduced its stock of commercial debt by 38 percent and Costa Rica has reduced its commercial debt by 62 percent.

And in some countries, reducing public debt alone would have a major impact on the overall debt ratios. For example, the EAI could reduce El Salvador's debt stock by $500 million, which would result in a better than 60-percent bilateral debt reduction.

The subcommittee's report states:

> * * * that the reduction in debt owed to the United States by Latin American and Caribbean countries will not solve the debt problems in the region.

While it may not solve the problem, the administration's plan to fund EAI debt reduction at $202 million would sure be a more positive step toward alleviating the debt problem than would the subcommittee's recommendation to do nothing. We know for a fact that doing nothing will only make matters worse in Latin America, and that is not in the best interest of the United States.

And let me remind Members why the Enterprise for the Americas initiative is so important to this hemisphere. Certainly the folks in Santiago, in Buenos Aires, and in Kingston will be watching closely the actions of this body today.

But the folks in Cleveland, Detroit, and Milwaukee should also be watching and listening.

The Enterprise for the Americas initiative is this Nation's major policy to unify this hemisphere into a sphere of democracy, free markets, and better standards of living. And by accomplishing this goal, we better ourselves.

Exports to Latin America have doubled since 1986 to $62 billion. Indeed, 57 percent of Latin-American imports come from the United States. And each billion dollars in U.S. exports creates 20,000 jobs here at home. That means that well over 1 million U.S. jobs are dependent upon trade with Latin America.

And trade with Latin America, in turn, is dependent on this Congress pursuing the American Enterprise initiative, which will open up markets for more U.S. goods and investments while at the same time furthering democracy and a higher quality of life for partners in the Western Hemisphere. Debt reduction is a key pillar of EAI. Without it, the Enterprise for the Americas initiative simply will not work as envisioned.

So, listen up Michigan, Wisconsin, Ohio, Illinois, and New York. Killing the EAI debt reduction component, as the bill would do, hurts your States and your economies.

I will vote for this bill. But only with the hope that the Enterprise for the Americas initiative will receive the funding it needs in conference committee.

Mr. KOSTMAYER. Mr. Chairman, I rise today to express concern over the $11 million in military assistance that this bill earmarks for El Salvador.

I have serious reservations as to the wisdom of continuing military assistance to the Salvadoran Government. I fear that such continued assistance to the Salvadoran military, even though lethal aid is prohibited, is not in the true spirit of the recently signed peace accords and will only serve to retard progress toward the implementation of these accords.

I would hope that with the peace accords finally signed, we could attempt to eliminate military assistance to El Salvador. At this historic moment the Salvadoran people have an opportunity to rebuild their country after more than a decade of tragic conflict. Continuing to funnel assistance to the military is certain to breed mistrust for ourselves and the peace accords on the part of the former FMLN guerrillas, and create a sense in the military that the status quo can be perpetuated.

Indeed, the Salvadoran military has already consistently missed the established deadlines for the implementation of the most fundamental of these reforms. For instance, the dissolution of the treasury police and the national guard and the establishment of a new national police force, essential steps toward democratization in El Salvador, lag far behind schedule. In addition the Salvadoran military and security forces have failed to enter the zones and camps designed by the peace accords on schedule.

To continue military assistance in light of such egregious violations only serves to reward such behavior. By eliminating military assistance, on the other hand, we can divert resources to sorely needed national reconstruction and better ensure that our assistance will contribute to finally bringing peace and reconciliation to El Salvador.

Mr. WEISS. Mr. Chairman, the arguments made this afternoon for eliminating vital parts of H.R. 5368, the fiscal year 1993 foreign operations appropriations bill, have completely missed the significance of U.S. foreign policy in the postcold war world.

The strategic and humanitarian impact of this bill is far greater today than at any time in the last 40 years. From Africa to Europe, Latin America to Asia, these many benefits cannot be measured in simple dollar amounts.

For Cypriot and United States relations, the success of this bill means a great deal. The talks over northern Cyprus continue to progress and United States support for the process is essential to its future success. The $15 million bicommunal program, which includes $10 million in educational assistance, goes a long way to ensuring the success of the talks. The strategic cooperation also derived from our relations continues to benefit the interests of both nations.

Mr. Chairman, we have the opportunity today to reassure our allies that we have not forsaken them in lieu of the massive problems of the former Soviet republics or the troubling crisis at home. If we remain concerned about the fate of our relations with our most reliable friends, then we must reject the administration's request for a decrease in funding for Cyprus and support the reasonable level included within this bill.

I urge my colleagues to recognize the importance of this legislation and vote to approve H.R. 5368.

Mr. DORGAN of North Dakota. Mr. Chairman, some question why we don't cut foreign aid. I happen to believe that we should be reducing our overall level of foreign aid. That's exactly what this bill does. Let me remind my colleagues what the reductions are.

It's the smallest foreign aid bill—as a percent of GNP—in the history of foreign aid bills.

It's also $1.3 billion below President Bush's 1993 budget request.

Further, it's $1 billion under the budget allocation for foreign aid.

Most significantly, it's actually $568 million under last year's appropriation level.

With this bill, foreign aid bills since 1985 have cut Presidential budget requests by a total of $8 billion. So it's clear that Congress has sought to hold the line against unbridled foreign aid requests from the White House.

THE BILL IS ALSO A WASTE CUTTER

Not only does the committee reported bill cut foreign aid, it eliminates much of the waste in overhead expenses. Excessive overhead expenses needlessly waste tax dollars and rob the intended beneficiaries of aid which they could productively use.

In concert with recommendations of the Democratic caucus task force on government waste and of legislation advocated by Representative LAMAR SMITH, the bill scrubs unneeded administrative costs.

It also embraces another task force recommendation: it returns to the Treasury $150 million in foreign aid pipeline funds. This is money appropriated before 1991 but not spent. Instead of holding this money in AID accounts where it can't be used, it should be deobligated.

I am pleased that the measure corresponds to my recommendation to the subcommittee of balancing $75 million in economic aid cuts with the deobligation of $75 million in military aid. I applaud Chairman Obey for endorsing the cut in foreign aid pipeline funds.

THE BILL ALSO SETS OUR PRIORITIES IN ORDER

The cold war is over and we don't need military aid to fight the Soviet Union—which itself has dissolved. This bill wisely trims military aid by $241 million below fiscal year 1992 and $293 million below the administration request. Related ESF security aid is cut—by $373 million below Bush request. The bill also ends our massive military aid to Central America which has contributed to regional unrest and failed to serve our own national interests.

At the same time, the bill preserves our ability to provide humanitarian and development aid to the poorest, hungriest people in the world. It channels additional aid to help forestall the famine that now threatens 20 to 40 million people throughout Africa. It preserves funding for refugee aid—for the voiceless and choiceless people who suffer unmitigated terror and poverty in many nations. It recognizes the key role that UNICEF plays in promoting child survival aid to help prevent the needless deaths of 40,000 kids each day.

The bill also provides additional resources to promote American trade with the developing world. It builds on the premise that trade—not aid—is the best long-term strategy to promote growth in both the developing world and in our own Nation. It's a principle we should also use with Russian and other former Soviet republics. As we provide temporary aid, we should seek to barter Russian mineral resources such as oil and rare metals for the grain, medicine and other aid which we provide.

The committee bill identifies key democratic allies such as Israel who warrant our support. The election of a new government in Israel offers a fresh opportunity to pursue peace in the Middle East, and we should stay the course on aid to our friends in that region.

BILL PRESERVES OUR WORLD LEADERSHIP ROLE

Our Nation has always led the world in meeting the critical humanitarian needs of the world. As a rich nation, that's as it should be. But other wealthy nations should now shoulder more of that burden. I speak of Japan, Germany, and others.

This bill ends grant military aid to poorer NATO allies on the assumption that wealthy European nations should pitch in more. It's consistent with my efforts to get our allies to pay a fairer share of mutual defense costs.

Again, this bill will help us respond to hunger and poverty around the world without breaking the bank. It targets resources to the African famine while cutting military aid. It cuts overall foreign aid by $1.3 billion under Bush request and eliminates $150 million in foreign aid pipline funding to help us get our own fiscal affairs in order.

I believe that even deeper cuts can be made in AID administrative expenses and in certain international banking accounts. For that reason, I also expect to support further efforts to trim funding in these areas. I will also vote for cuts in aid to India and Indonesia because of significant human rights violations in those nations.

In conclusion, this amendment meets the tests of fiscal discipline, waste reduction and correct priorities. I urge its adoption. If adopted, I also urge support for final passage of the bill.

Mr. MANTON. Mr. Chairman, I rise today in strong support of H.R. 5368, the foreign operations appropriations bill for fiscal year 1993. While our current fiscal crisis requires us to make hard choices and cut back spending, H.R. 5368 is a responsible, scaled back foreign aid package. Not only is this foreign appropriation bill $568 million less than what we spent in fiscal year 1992, this bill is the smallest foreign aid spending package considered by this House in almost 40 years.

I strongly support H.R. 5368 because this bill provides $3 billion in vital military and economic assistance for Israel. Now more than ever, Israel needs United States assistance. As the lone democracy in the Middle East, Israel faces a growing security threat from hostile neighbors equipped with increasingly advanced weaponry. Furthermore, Israel continues to bear the high costs of the historic process of absorbing thousands of Jews from the Soviet Union and Ethiopia. Since her creation, Israel has stood as a safe haven and homeland for the world's Jews. Finally, thousands of Jews have been able to flee discrimination and oppression and come home to Israel. Despite the heavy financial burden of this absorption, Israel has kept her pledge to provide assistance and a home to each new immigrant. Israel needs our help to ensure their tiny country can adequately fulfill its mission, and remain economically sound.

Mr. Chairman, the Labor party's victory in this week's Israeli elections set the stage for an important opportunity for lasting peace in the Middle East. By maintaining our commitment to Israel, H.R. 5368 ensures that the United States will play an important role in finally bringing about the peace for which we so long have worked.

Mr. Chairman, H.R. 5368 is a humane, fair, and fiscally responsible bill and I urge my colleagues to strongly support its passage.

Mr. RAMSTAD. Mr. Chairman, I rise in opposition to H.R. 5368.

Mr. Chairman, the issue before us today is priorities—the priorities we will set in spending U.S. tax dollars on foreign AID.

Like many of my colleagues, I disagree with the priorities set by the Appropriations Committee in this bill. Under our system of government, we should have been allowed the opportunity to voice our concerns and offer amendments to change the bill.

But for only the sixth time in the history of the Congress, the leadership has used the rules process to block dissenting amendments to this measure. They allowed only 4 of the 51 amendments offered to H.R. 5368 on the floor.

They forced us to choose between voting for their train load of goodies or voting against foreign aid programs that genuinely serve our national interest, such as aid for the State of Israel.

For many years, the United States has provided economic and military aid to this important ally. I have supported such aid in the past and will continue to do so.

Our Nations share similar diplomatic, security, and humanitarian interests and aspirations in the Middle East. There can be no doubt that aid to Israel has proven to be a valuable foreign policy tool which protects and promotes United States security and economic interests in that strategic region.

Had we been given the opportunity to cast a separate vote on this essential aid to Israel, I would have certainly voted "yes."

But in a rules process dominated by the current Democrat leadership, such reasonable expectations are out of the question.

As a result, we have not only been handed a bad bill, but denied any chance to improve it or cut out any provisions we find wasteful, unnecessary, or just plain wrong.

For example, H.R. 5368 funds the U.N. Development Program [UNDP], which provides funds for a number of countries that are either enemies of the State of Israel, or on the State Department's list of nations supporting terrorism, or both.

I was shocked to learn that from 1986 to 1989, the UNDP provided Syria with almost half a million dollars for uranium exploration. And that's just the tip of the iceberg.

During its 1992–95 cycle, the UNDP will fund the following countries: China, $176.66 million; North Korea, $21.742 million; Cuba, $10.903 million; Iran $9.55 million; Iraq, $7.091 million; Syria, $11.794 million; and Jordan, $7.091 million.

We need to send a message to the UNDP that the funding of these countries is unacceptable. Yet, an amendment offered by our colleague George Allen to cut UNDP funding never made it past the Rules Committee.

The Rules Committee also rejected an amendment offered by our colleague John Miller to strike the 1993 capital contribution to the World Bank.

As he has pointed out, the World Bank uses American tax dollars to subsidize projects contributing to the destruction of rain forests; to subsidize loans to dictators who violate human rights; to subsidize loans which are used to displace tens of thousands of people without giving them fair market value for their property; and to loan money to China at concessionary interest rates.

While I am pleased to see that our contribution to the world bank was reduced somewhat on the floor, I still believe that we should not be subsidizing activities that are wrong and unjust.

In addition, H.R. 5368 provides $417 million for the former Soviet Union, including $50 million for scholarships to educate its students in the United States.

When two-thirds of the eligible Head Start children in my district are unable to enroll because of a lack of funding, how can we afford $50 million to bring foreign students to America and educate them at the taxpayers' expense?

I am also strongly concerned about examining the question of American POW/MIA's in the former Soviet Union before we provide Russia with aid. Russian President Boris Yeltsin recently pledged to fully cooperate with a thorough investigation of this matter. I believe we must take him up on his offer before we commit millions of United States tax dollars to Russia.

While all of us would like to provide assistance to our allies and developing nations, given our problems at home, it simply isn't possible now. Clearly, we must set better priorities with U.S. tax dollars than this bill does.

For example, H.R. 5368 funds rural electrification in central and Latin America, programs to strengthen the oversight capabilities of the Russian Parliament, African elephant conservation, and library assistance to the former Soviet Union.

While these programs may be important or worthwhile, our growing budget deficit calls on us to devote our limited resources to problems at home. For instance, how can we even think of spending money on library assistance half way around the world before we insure that American schoolchildren receive a decent education in our public schools?

These are only a few examples of the wasteful spending in this bill. The Appropriations Committee certainly could have done a better job and the Rules Committee could have let us do a better job. But unfortunately neither did.

That's why I must vote "no." With the Federal Government facing an unprecedented $400 billion budget deficit, with 8 million Americans out of work and 34 million Americans without health insurance, I cannot in good conscience vote for a $13.5 billion foreign aid bill that wastes tax dollars on unnecessary spending and provides funding to the likes of China, Cuba, Iraq, and Syria.

I urge my colleagues to vote against H.R. 5368 and join me in trying to restructure our foreign assistance program in a manner that best serves America and the world.

Mr. WEISS. Mr. Chairman, at a time when people throughout the world are striving to end their conflicts and install democratic governments in unprecedented numbers, I am amazed by suggestions that we withdraw from our international obligations and commitments.

For more than 40 years the Middle East has been tortured by almost ceaseless conflict. Now, more than at any other point in recent history, there exists the possibility of achieving a real and lasting peace. But none of this will happen if the United States weakens its support or retreats from its active engagement and sponsorship of the peace process.

In Israel, there exist tremendous challenges, but also great opportunities. We have just witnessed the election of a new government in Israel, one that has expressed an eagerness to pursue the peace negotiations. There exists, after considerable effort on the part of the United States a structure upon which can be built a peaceful resolution to the conflicts of this region. If the concerned parties maintain their commitment to the negotiations, the process can yield historic breakthroughs. In addition, the arrival of hundreds of thousands of Jews from the former Soviet Union holds out the hope of spurring tremendous economic growth for Israel. Now is not the time for the United States to be withdrawing from the region, rather, we should be strengthening our commitments to our allies.

Throughout this whole process, the security of Israel must remain the most important instrument to the strategic balance of the region. The granting of housing guarantees must no longer be a bargaining chip, but an integral component of our historic support.

America can help bring profound change to the region, but only if we remain committed to the process and to protecting our friends and allies. I urge my colleagues to reject any attempt to foolishly reduce any of the essential programs and assistance contained in the foreign operations appropriations bill.

The CHAIRMAN pro tempore (Mr. MAZZOLI). All time for general debate has expired.

Pursuant to the rule, the question is on the committee amendment in the nature of a substitute printed in the reported bill.

The Clerk will designate the committee amendment in the nature of a substitute.

(For text of the committee amendment in the nature of a substitute, as amended, see insuring pages of this RECORD, following the 20 minutes of debate and the roll call vote on the said amendment.)

The CHAIRMAN pro tempore. Pursuant to the rule, the gentleman from Wisconsin [M. OBEY] will be recognized for 10 minutes, and the gentleman from Oklahoma [Mr. EDWARDS] will be recognized for 10 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I would like to explain the parliamentary situation in which the committee now finds itself.

This is an unusual procedure, but we did it to maximize clarity and minimize the opportunity for political baloney. What we did was to simply decide to bring the President's foreign aid budget request to the floor without changing a comma. That is the bill which is pending. To that, the committee now proposes to add its committee amendment which would reduce the President's foreign aid request by $1.3 billion.

I would urge support of that reduction despite the fact that I have in my hand, as the major leaguer Joe McCarthy from my State used to say, I have in my hand a letter or a statement of administration policy from the Bush White House which says that they object to this bill as it presently stands for a number of reasons including the following major financial reasons: First, they oppose the amendment which we are about to debate and vote on. They describe this amendment as being a funding level which is inadequate. They indicate that any further reductions would strongly be opposed by the administration, and they indicate that the $1.2 billion reduction in this amendment cuts too far. They also particularly object to the fact that we are ending the free lunch for our NATO allies by telling our NATO allies that if they want to buy military equipment, they can do so by getting a loan at full market rate interest levels, but they are no longer going to be able to receive free military gifts from Uncle Sam.

I do not think we have an obligation to run a welfare program for the less wealthy NATO allies around the world.

Third, the administration objects because this amendment now pending makes no provision for appropriating money to finance the relief of debt from Latin American countries who owe money to the United States Government. This amendment does not do that, even though the administration wants it. And the administration objects because we have made reductions in our contributions to the multilateral development banks.

Despite all of those objections, which are consistent with the Reagan and Bush administrations in the past, because on three previous occasions they have threatened to veto this subcommittee's bill because, in their judgment, we did not spend enough money, despite that objection, I would urge the adoption of the amendment.

I think it is a reasonable approach to a very difficult problem. We do meet the administration's full request for bilateral assistance to the Soviet Union.

We do not have in this bill the administration's request for IMF funding because that has not yet been authorized, and we think they ought to get it authorized before there is an appropriation.

So it seems to me this is a reasonable effort to reduce the budget deficit by eliminating unnecessary spending in the foreign aid area.

I would urge support for the amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. MICHEL], the Republican leader.

Mr. MICHEL. Mr. Chairman, I address my comments briefly to the gentleman from Wisconsin [Mr. OBEY].

You know, earlier on in the day, I voted against the rule for the consideration of this measure on the procedural grounds and the issue that we have been attempting to fight over here on this side with respect to closing down too tightly on efforts of Members to amend the appropriation bills.

But putting that aside, let me simply say that I am going to support what the gentleman is doing here today by way of his amendment and applaud both the gentleman from Oklahoma and the gentleman from Wisconsin for what they have done on this measure. There is no question, that this is probably the toughest one to bring before the House, because there is not all that much mileage at home, regardless of what district one represents, for anything called foreign aid.

I would be probably the first to admit that as a junior Member of this body when I first came down here, I just said, "Do not confuse me with the facts. My mind is made up. The only vote is just vote no and go home, and you are in good stead." As you gravitate a little bit more toward the top and take on more and more responsibilities, you find that you do have these responsibilities that have to be dealt with very forthrightly.

I am happy to see that in the amendment that the gentleman offers that what has been requested with respect to Russia and what I feel is our obligation there on our part, now, to build on the great progress that we have made there is good and sound, and I applaud the gentleman for that.

So without going into any detail, I suspect in the end there may very well be a motion to recommit for some nominal cut here, but I think that will be in the hands of the gentleman from Oklahoma who has been working, as I understand it, very consistently and in concert with the gentleman from Wisconsin. I will certainly attempt to help him in that effort.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Nebraska.

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Mr. BEREUTER. Mr. Speaker, I thank the distinguished leader for yielding to me.

As a member of the authorizing committee, I want to commend the leader's statement and the fine work of the chairman, the ranking member and other members of this subcommittee.

I urge Members on my side of the aisle to remember how enthusiastic we were a few days ago when President Yeltsin addressed us and how very important these elements of assistance are to maintaining the peace gains with Russia and the other republics of the former Soviet Union and in building democracy, pluralism and market economies in the nations of the former Warsaw Pact. If anything, this legislation is more frugal than the administration would like it to be. I urge my colleagues to vote for it.

Mr. MICHEL. Mr. Chairman, I would certainly embrace what the gentleman just said.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. STOKES].

Mr. STOKES. Mr. Chairman, I thank the chairman for yielding this time to me, and I would like to yield to the gentleman from Wisconsin [Mr. OBEY], chairman of the Foreign Operations Appropriations Subcommittee, for the purpose of engaging in a colloquy.

Mr. OBEY. I thank the gentleman for yielding to me, and I welcome the opportunity to answer any questions the gentleman has regarding H.R. 5368.

Mr. STOKES. Mr. Chairman, as you know, last year I introduced language in the foreign operations bill that recommended that the administration give every consideration to supporting the Institute of Natural Resources in Africa of the U.N. University, is that not correct?

Mr. OBEY. The gentleman is correct.

Mr. STOKES. It is my understanding that the committee continues to support the Institute of Natural Resources in Africa, and would encourage the administration to fund the institute in its endowment for the U.N. University in fiscal year 1993, is that correct?

Mr. OBEY. Yes, the gentleman is correct. The committee continues to support the Institute of Natural Resources in Africa of the U.N. University, and the committee encourages the administration to fund this program in is annual endowment to the U.N. University.

Mr. STOKES. Mr. Chairman, I thank the gentleman.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Chairman, I thank my good friend for yielding me this time.

Mr. Chairman, the foreign operations appropriations bill before us today includes funding for many important facets of U.S. foreign policy. Representing a minuscule portion of the overall budget, foreign assistance dollars have reaped immeasurable economic and security benefits—many times the amount invested. American exporters will continue to benefit from the fastest growing export market arising from the developing world and the new emerging economies. Certainly with respect to children's health around the globe, economic and development assistance which has helped establish immunization programs, and provided technical training and medicines has proven itself worthy priorities through the lives of the millions these health interventions have saved.

In his era of budget deficits and the dire needs on the homefront, the bill as written reduces overall funding for foreign assistance. Serious cuts have already been made, such that the total is $2 billion lower than the fiscal year 1991 level, and $1.2 billion less than what the administration had requested.

While the Appropriations Committee funding levels have made a reduction in foreign aid, to its credit, the committee maintained an important priority for maternal and child-focused programs. In particular, Mr. Chairman, the funding for the cost-effective, life-sustaining child survival interventions would be increased from $251 million spent in fiscal year 1992 to $275 million. In addition, the vitamin A deficiency and other micronutrient deficiencies will be increased to $20 million, a significant and much needed increase. During consideration of the foreign aid authorization bill, I worked with my colleagues to accomplish these higher funding levels for these child-targeted, effective prices. I am pleased that U.S. funding for UNICEF would be at the highest level to date, at $100 million. The AIDS prevention and control program would be increased from $52 million to $80 million.

Mr. Chairman, I support the continued United States commitment to help Romania address the needs of the orphaned and abandoned children who have been surviving in the deplorable institutions which scatter the country. I am pleased that this bill dedicates $1.5 million for AIDS and other health and child survival activities, as well as $1 million for family reunification, foster care and adoption. Progress is slowly being made to provide better care and loving homes for the tens of thousands of children whose plight in the orphanages shocked and broke the heart of Americans who saw the conditions. National and international adoptions have been a new concept for Romanians but as they have witnessed the loving care of adoptive parents, the attitude is beginning to change.

But, Mr. Chairman, there is a major flaw in this legislation.

Mr. Chairman, I rise to express both my deep disappointment and my opposition to a provision in the foreign ops bill that circumvents current law prohibiting funding to any organization that supports or comanages a coercive population control program. I plan to vote "no" on H.R. 5368 knowing full well that there are some very highly respected pro-life Members, like the gentleman from Oklahoma [Mr. EDWARDS], who will be voting "aye" in order to get the bill to conference where this provision hopefully will be struck or face a certain veto. Let me make it absolutely clear that:

First, the U.N. Population Fund continues its shameful complicity in China's brutal one child per couple policy—a policy that has resulted in well over 120 million child deaths by abortion and infanticide—most of those abortions the result of government coercion. As I speak, UNFPA personnel are on the ground in China substantially aiding and abetting the hardline government in Beijing to plan and implement their morally repugnant policy a policy that this House has on two occasions branded as crimes against humanity.

Second, the U.N. Population Fund continues to fund and subsidize China's coercive population control program to the tune of over $100 million over the decade.

Third, the U.N. Population Fund continues to deceive the world concerning coercion in China—whitewashing these crimes against women and children by asserting that the population program is purely voluntary. U.N. Population Fund Executive Director Nafis Sadik told a Capitol Hill forum that "the

UNFPA firmly believes and so does the Government of the People's Republic of China, that their program is a totally voluntary program."

A few months later, Dr. Sadik said it again on the November 22, 1989, broadcast of the "CBS Nightwatch" television program: "The implementation of the policy [in China] and the aceptance of policy is purely voluntary." Does anyone in their Chamber believe that rubbish?

It is outrageous in this day and age that a modern day Potemkin village painted by the U.N. Population Fund concerning China's population control program is not condemned by every Member of Congress. This blatant intellectual dishonesty by the U.N. Population Fund should make even the most ardent pro-abortionist in this Chamber cringe with embarrassment.

Fourth, Dr. John Aird, former senior research specialist at the United States Census Bureau's China division, reports in a March 27, 1992, letter that Chinese government "efforts to tighten up official policies are continuing with a number of new measures being adopted that are expected to make compulsion more effective, especially in those areas in which noncompliance continues to be significant." In his 1990 book "Slaughter of the Innocents: Coercive Birth Control In China," Dr. Aird made the following poignant statement:

> Foreign organizations and individuals that indiscriminately laud the Chinese program or provide financial or technical assistance for any aspect of it place themselves in the position of supporting the program as a whole, including its violations of human rights.

Fifth, finally, because of these ongoing human rights abuses against women and children the President has again made it perfectly clear that he will veto this legislation if the U.N. Population Fund earmark remains in the bill or any language that guts or weakens our current anticoercion law.

In its statement of administration policy of June 24, 1992, the administration states:

> The administration remains opposed to funding included in the bill for the United Nations Population Fund (UNFPA). UNFPA supports a program of coercive abortion and involuntary sterilization in China. Because the UNFPA provision would weaken current law or regulation with respect to abortion-related activities, the President would veto the bill as reported by the committee.

With regrets, I will vote "no."

Mr. OBEY. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. MRAZEK].

Mr. MRAZEK. Mr. Chairman, I rise in strong support of the fiscal year 1993 foreign operations appropriations bill. Chairman OBEY and the other members of the subcommittee have done an outstanding job of crafting a bill that reflects both our budgetary realities and our foreign policy interests.

In particular, I want to commend the subcommittee for the important provisions on Cambodia and Guatemala. I had a keen interest in U.S. policy toward these two nations when I served on the Foreign Operations Subcommittee, and I appreciate the chairman's willingness to continue to consider my views even though I no longer am a member of the subcommittee.

The Cambodia provision represents a clear break with past United States assistance efforts toward Cambodia—a break that reflects a commitment to doing everything possible to help the U.N.-sponsored peace process succeed. Should the U.N. plan fail, there is a strong probability that a bloody civil war will ensue, raising the spectre of renewed genocidal brutality by the Khmer Rouge. In supporting the U.N. effort, the United States should give highest priority to ensuring that the peace process does not enhance the power of the Khmer Rouge.

In this bill, the administration has requested a total of about $62 million for Cambodia. I think that the committee agrees, and that Congress agrees, with the high priority the administration has placed on Cambodia and I encourage the administration to try to meet its targeted level despite the limited funds available.

To effectively support the U.N. peace process and counter the Khmer Rouge, the United States can no longer continue its past policy of assisting only the non-Communist resistance. It is essential that assistance go to all Cambodians, except for supporters of the Khmer Rouge. Funds should be targeted at reconciliation and integration of the CNC factions and Hun Sen's state of Cambodia Government. Assistance should not be geographically concentrated in NCR areas, and should not be aimed at strengthening one faction over another—except for the Khmer Rouge. Clearly, reconciliation and integration of the non-Communist resistance and the state of Cambodia is vital in limiting the power of the Khmer Rouge.

A top priority in use of fiscal year 1993 funds should be ensuring that existing administrative programs continue to function while the United Nations is disarming soldiers and preparing for elections. If the state of Cambodia is unable to provide basic services to the Cambodian population during this transition period, as envisioned in the U.N. accord, then the peace process will be severely jeopardized. The United States should utilize bilateral as well as multilateral assistance funds to support the public sector and to shore up existing administrative machinery, and this bill sets aside a minimum of $10 million for that purpose.

It is also important that the United States should in fiscal year 1993 give high priority to, first, the restoration and expansion of basic infrastructure and public utilities and, second, human resource development, including provision of language and technical training, for translators, technicians, accountants, administrators, and others. Finally, the United States should continue to generously support the international effort to eradicate mines. These priorities are not only crucial to the long-term development of Cambodia, but also are the best barrier against a return of the Khmer Rouge.

In its report, the committee expressed concern about military and economic support of the Khmer Rouge by the Thai military leadership. This support includes provision of military and civilian bases, and provision of markets and credits for Khmer Rouge who are exploiting natural resources such as gems and timber in those parts of Cambodia under Khmer Rouge control. We, in Congress, should condemn this support and cooperation in the strongest possible terms and call on Thai leaders to terminate such support immediately.

If there is one step I would urge that the committee did not address, it is the need for the Department of State to establish in Cambodia an Office of Cambodian Genocide Investigation, in order to investigate crimes against humanity committed by Khmer Rouge leaders and to develop a United States proposal for the establishment of an international criminal tribunal for the prosecution of those accused of genocide in Cambodia.

With regard to Guatemala, the bill prohibits foreign military financing assistance and requires that all assistance provided to Guatemala in fiscal year 1993 be notified through the regular notification process. The bill takes the important step of linking all assistance, military, and economic, to better human rights behavior on the part of Guatemala's security forces.

According to the State Department, the majority of major human rights abuses are still committed by Guatemalan military and security forces, yet those security forces are virtually never held accountable for human rights violations. The Government of Guatemala has made little progress in fulfilling pledges to end human rights abuses by Government forces and to establish full civilian control over the military.

In constrast to the decisions to cut military aid, it appears the administration is taking steps toward an expansion of military ties with Guatemala. Indicators of this include Defense Secretary Cheney's visit to Guatemala, discussions about release of military aid in the pipeline, comments by the United States Ambassador, United States National Guard and Army Corps of Engineers activities in Guatemala, the proposal for expanded counter narcotics operations in Guatemala—including basing of Black Hawk helicopters—and possible foreign military sales [FMS] agreements and commercial military sales.

The fiscal year 1993 congressional presentation document indicates an estimated $15 million in FMS agreements in fiscal year 1993 for Guatemala—an unprecedentedly high level that would come on the heels of several years of minimal to no FMS agreements. It is not appropriate at this time to undertake an expansion of our military ties with Guatemala, given the continued involvement of military forces in human rights abuses.

The Foreign Operations Subcommittee has repeatedly stated its opposition not only to provisions of lethal military aid to Guatemala, but also to the purchase of lethal military goods by the Government of Guatemala through either the United States Government's foreign military sales program or the private commercial sales channel.

The ban on lethal sales should remain in place and the administration should continue to abide by the agreement to inform the subcommittee in advance of any lethal sales, government or commercial, to Guatemala.

Given the continued involvement of Guatemalan military forces in human rights abuses, the United States should limit its military ties with Guatemala as much as possible.

Mr. OBEY. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I would simply like to respond to the comments of the gentleman from New Jersey [Mr. SMITH] who just spoke on the U.N. population program. As he knows, in the past I have not included this money in the chairman's mark, but last year I called Mr. Sununu, the President's Chief of Staff. I informed him that the administration position did not even have a majority within its own party. I told him he needed to work out a compromise with the Republicans on my subcommittee.

I told him I would buy, sight unseen, any compromise which the White House worked out with members of their own party.

No effort was made by the White House until the committee was in the process of writing the bill on the last day before we took it to the Rules Committee, and only on that day did a cover-your-fanny call come from the White House to Mr. GREEN to raise the question. That indicated to me that the White House had absolutely no interest in working out a compromise at all and it gave me no choice but to place in the bill a provision which I knew to be a position held by the majority of the members of the committee on both sides of the aisle.

I would point out, however, that no funds will go to the U.N. population program unless the President wins his fight for most-favored-nation status for China.

I do not happen to believe that China ought to get most-favored-nation status. I believe the China policy to be coercive with respect to abortion, but what I cannot defend on this floor is the President's inconsistency in saying that we should provide most-favored-nation status to China, and yet we should not engage them through the U.N. population program for the purpose of trying to change their conduct.

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So it seems to me that therefore the President by his refusal to try to work out a compromise with his own party in the House has left the committee no other choice.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. I thank the gentleman for yielding this time to me.

Mr. Chairman, I would like to thank the chairman of the subcommittee, the gentleman from Wisconsin [Mr. OBEY] and the gentleman from Oklahoma [Mr. EDWARDS], the ranking minority member for the diligent work they have done on this bill. But as a member of the Committee on the Budget and a Member of the House, on my own time I would like to ask the gentleman from Wisconsin [Mr. OBEY] a question if I may. It is a very simple question and I mean it sincerely. I am not being facetious at all.

Given that we are adding $480 billion to the national debt this year, what portion of the deficit does the gentleman suggest we send to these countries or these interests that are designated in this foreign operations bill?

Mr. OBEY. Mr. Chairman, if the gentleman would yield, I would be very happy to answer a serious question from the gentleman from California. That is not a serious question.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I would be happy to yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. I thank the gentleman for yielding.

Mr. Chairman, I have to say to the gentleman that it is a fair question and we did just exactly what he said, because one of the things in this bill that is so good is we have $150 million in rescissions of money previously appropriated by this body to take back to use to reduce the debt.

Mr. DANNEMEYER. I thank the gentleman for his comment. But the reason I asked the question is that I think it is appropriate for we in the House today to ask ourselves just what do we think we are doing with the idea that we are living the fiction that we have the money that is being passed out in this bill?

Mr. Chairman, we are in serious financial trouble in this country. I can point out to my colleagues that it takes 40 percent of all of the income to the Federal Government today to pay the interest on the debt. Twelve years ago it took 20 percent. Some serious observers of this scene in Washington, DC, today have said that if we do not change the course that we are now pursuing in spending Government money, but the end of this decade we could reach the point where it is going to take all of the income to the Federal Government to pay the interest on an escalating national debt.

I pray that we do not reach that point. But there are some steps that we can take to stop that disaster if it comes before us. And that is to cut out programs that are not in the interest of the American consumer and taxpayer to be funding today.

I happen to believe that we could justify foreign assistance from about 1945 until the mid-1960's. At about that time the nations that were in ruins as a result of World War II had recovered their capability of being productive on their own. The major competitors that we have in the world today, Japan and Germany, it is time they pick up a share, and they are beginning to, of the necessity of recognizing assistance for foreign countries, Third World nations.

I am prepared, as a Member of the House, to adopt legislation that is needed to help the people in the old Soviet Union. The way we should be helping them, for example, we have the technology in this country to drill successfully for oil down to 25,000 feet. The Soviet system has difficulty drilling below 4,000 feet. They have vast oil reserves that need to be tapped to produce the oil that they, the Soviets, can sell in world markets for hard currency to restabilize their economy.

I am prepared, as a Member of the House, to adopt what legislation is needed in order to facilitate the coming into existence of private agreements between the Commonwealth of Independent States and the United States so that this type of assistance can come into existence.

Mr. Chairman, I ask for a "no" vote on this bill.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. COX].

Mr. COX of Illinois. Mr. Chairman, I rise today to commend the committee for the significant change that this bill represents with regard to funding for El Salvador. After 12 years of civil war, El Salvador has begun the transition toward peace, I am glad to see that our policies, at last, reflect that change.

Today's legislation includes $11 million in nonlethal military aid—a dramatic reduction from the $80 million we appropriated in FY 1990. While I would have rather seen this figure further reduced, or eliminated, we are clearly moving in the right direction.

The bill also includes funding, at a level of $29 million, for the demobilization and transition fund, which is intended to help return military and armed insurgents to civilian life, and provide support for other efforts to normalize Salvadoran society. This funding is so important at a time when El Salvador's greatest priorities are the demobilization and reintegration of excombatants from both sides of the war back into productive civilian life, and the implementation of a broad-based, broadly supported national reconstruction effort.

When I arrived in Congress, I felt strongly that we needed to change our policy in El Salvador, to work toward peace rather than continuing to support war. Since then, we have seen an end to the war, and the dawn of a long-awaited peace. I now believe that our role should be one of support and encouragement, one that does not slacken because the violence has subsided, but one that ensures the realization of a true and lasting peace in El Salvador.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield my remaining time to myself.

Mr. Chairman, I support this amendment by Mr. OBEY. This amendment removes from the text of the bill the President's proposed $15 billion in foreign aid and reduces it to $13.8 billion.

A vote for this amendment is a vote to cut foreign aid spending by $1.3 billion.

What we have done and what Mr. OBEY does in this amendment which I support, we are cutting the Asian Development Bank by $25 million, we are cutting the U.S. fund for agricultural development $1.8 million, the Philippines aid cutting $1.8 million, African Development Fund $10 million, Inter-American Development Bank $12 million cut.

What we are doing here, if we do not pass this bill with the Obey substitute, we are going to pass a CR, everybody knows it, and we are going to spend an extra $500 million on foreign aid. You have to vote for this to cut foreign aid.

Mr. Chairman, I urge my colleagues to vote for the Obey substitute.

Mr. OBEY. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, I simply want to buttress what the gentleman from Oklahoma said. The gentleman from California says that we ought to transfer more of the financial burden to our European allies. Absolutely correct, that is exactly what this bill does. One of the reasons we have a statement from the White House saying that they would veto the bill in its present form, is because we end all—all—grant military aid to our NATO allies. We tell them we are not going to run a welfare program for NATO countries anymore; they are on their own.

That is what ought to happen.

We also, as a percentage of GNP, if this amendment is adopted, will be providing less out of our Treasury as a percentage of GNP for foreign assistance than any other ally. That is an indisputable fact.

So I suggest that this amendment, and this bill, is giving the gentleman exactly what he is asking for, despite the fact that the administration threatens to veto it. In my judgment, this bill is just about as low as we can go without seeing an administration veto. And I do not want to set the Congress up so that the administration vetoes this bill and then tries to play the CR game so they can get more money in foreign aid.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. I thank the gentleman for yielding.

Mr. Chairman, I want to say to my friends on this side of the aisle who, of course, are going to want to support the administration, in this case the reason the administration does not like the bill, besides the UNFPA, with which I agree, the reason they do not like it is they want to spend more on foreign aid. But I do not think the American people want that and I do not think our colleagues on this side want that. That is why I support the amendment of the gentleman from Wisconsin.

Mr. OBEY. The gentleman is correct. The point here simply is that any individual Member can talk; if you want to do more than talking about cutting foreign aid, you've got to vote for this amendment, you have got to vote for this bill.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. All time has expired.

The question is on the committee amendment in the nature of a substitute, as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. OBEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 418, noes 2, answered "present" 1, not voting 13, as follows:

[Roll No. 232]

AYES—418

Abercrombie
Ackerman
Alexander
Allard
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Bacchus
Baker
Ballenger
Barrett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Crane
Cunningham
Dannemeyer
Darden
Davis
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dymally
Early
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Ewing
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kolter
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowey (NY)
Luken
Machtley
Manton
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Rangel
Ravenel
Ray
Reed
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Washington
Waters
Waxman
Weber
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—2

Riggs
Savage

ANSWERED "PRESENT"—1

Traficant

NOT VOTING—13

Barnard
Bonior
Coleman (MO)
Dickinson
Dwyer
Eckart
Hefner
Jones (GA)
Lowery (CA)
Markey
McDade
Tallon
Traxler

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Mr. MARLENEE and Mr. RITTER changed their vote from "no" to "aye."

So the committee amendment, as amended, in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Pursuant to the rule, the committee amendment in the nature of a substitute is considered as read and the amendment printed in section 2 of House Resolution 501 is considered as adopted.

The text of the committee amendment in the nature of a substitute, as amended, is as follows:

H.R. 5368

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1993, and for other purposes, namely:

TITLE I—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the International Bank for Reconstruction and Development by the Secretary of the Treasury, for the United States share of the paid-in share portion of the increases in capital stock for the General Capital Increase, $69,089,000, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the International Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of increases in capital stock in an amount not to exceed $2,233,903,000.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, $1,044,332,000, for the United States contribution to the replenishment, to remain available until expended: Provided, That, before obligating funds made available under this heading, the President shall reduce from the amount obligated, the United States proportionate share of any loans approved by the Board of Directors for China for non-basic human needs since October 1, 1992 if China is denied most-favored-nation trading status by the United States Government: Provided further, That such funds withheld from obligation may be obligated only if the President certifies that it is in the national interest of the United States to do so: Provided further, That fifteen days prior to the obligation of such funds for the International Development Association, the President shall report his certification to the Committee on Appropriations and the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Appropriations and the Committee on Foreign Relations of the Senate.

CONTRIBUTION TO THE INTERNATIONAL FINANCE CORPORATION

For payment to the International Finance Corporation by the Secretary of the Treasury, $39,735,000, for the United States share of the increase in subscriptions to capital stock, to remain available until expended: Provided, That of the amount appropriated under this heading not more than $5,960,000 may be expended for the purchase of such stock in fiscal year 1993: Provided further, That funds appropriated under this heading are available subject to authorization.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Development Bank by the Secretary of the Treasury for the United States share of the paid-in share portion of the increase in capital stock, $56,466,000, and for the United States share of the increases in the resources of the Fund for Special Operations, $20,272,000, to remain available until expended: Provided, That the Secretary of the Treasury shall instruct the United States Executive Director of the Inter-American Development Bank to use the voice and vote of the United States to oppose any assistance by the Bank to any recipient of assistance who refuses to agree in writing that in general any procurement of goods or services utilizing Bank funds shall be conducted in a manner that does not discriminate on the basis of nationality against any member country, firm or person interested in providing such goods or services.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Inter-American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $2,202,040,000.

CONTRIBUTION TO THE ENTERPRISE FOR THE AMERICAS INVESTMENT FUND

For payment to the Enterprise for the Americas Investment Fund by the Secretary of the Treasury, for the United States contribution for the establishment of the Fund to be administered by the Inter-American Development Bank, $75,000,000 to remain available until expended: Provided, That funds appropriated under this heading are available subject to authorization: Provided further, That funds appropriated under this heading may not be made available until the Secretary of the Treasury determines (and so reports to the Committees on Appropriations) that not less than one-third of the total amount contributed by donors to the Fund will be used for the human resources facility of the Fund.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

For payment to the Asian Development Bank by the Secretary of the Treasury, for the paid-in share portion of the United States share of the increase in capital stock, $25,514,303: Provided, That before obligating funds made available under this heading, the President shall reduce from the amount obligated, proportionately in paid-in capital and callable capital, the United States proportionate share of any loans approved by the Board of Directors for China for non-basic human needs since October 1, 1992, if China is denied most-favored-nation trading status by the United States Government: Provided further, That funds appropriated under this heading are available subject to authorization.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increases in resources of the Asian Development Fund, as authorized by the Asian Development Bank Act, as amended (Public Law 89–369), $75,000,000, to remain available until expended: Provided, That prior to obligating any of the funds appropriated under this heading for the Asian Development Fund, the Secretary of the Treasury shall submit a certification to the Committees on Appropriations that none of such funds will be made available for China: Provided further, That funds appropriated under this heading are available subject to authorization.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Asian Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of increases in the capital stock in an amount not to exceed $186,984,240: Provided, That such funds are available subject to authorization.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

For payment to the African Development Fund by the Secretary of the Treasury, $103,893,000, for the United States contribution to the sixth replenishment of the African Development Fund, to remain available until expended: Provided, That funds appropriated under this heading are available subject to authorization.

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the European Bank for Reconstruction and Development by the Secretary of the Treasury, $68,986,000, for the United States share of the paid-in share portion of the initial capital subscription, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the European Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $160,966,000.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, and of section 2 of the United Nations Environment Program Participation Act of 1973, $310,000,000: Provided, That no funds shall be available for the United Nations Fund for Science and Technology: Provided further, That the total amount of funds appropriated under this heading shall be made available only as follows: $125,000,000 for the United Nations Development Program; $100,000,000 for the United Nations Children's Fund, of which amount 75 per centum (less amounts withheld consistent with section 307 of the Foreign Assistance Act of 1961 and section 525 of this Act) shall be obligated and expended no later than thirty days after the date of enactment of this Act and 25 per centum of which shall be expended within thirty days from the start of the United Nations Children's Fund fourth quarter of operations for 1993; $3,000,000 for the United Nations Capital Development Fund; $1,000,000 for the United Nations Development Fund for Women; $250,000 for the United Nations International Research and Training Institute for the Advancement of Women; $300,000 for the Intergovernmental Panel on Climate Change; $2,000,000 for the International Convention and Scientific Organization Contributions; $2,250,000 for the World Meteorological Organization Voluntary Cooperation Program; $800,000 for the World Meteorological Organization Special Fund for Climate Studies; $30,000,000 for the International Atomic Energy Agency; $22,000,000 for the United Nations Environment Program; $800,000 for the United Nations Educational and Training Program for Southern Africa; $500,000 for the United Nations Trust Fund for South Africa;

$1,000,000 for the Convention on International Trade in Endangered Species; $450,000 for the World Heritage Fund; $500,000 for the United Nations Voluntary Fund for Victims of Torture; $400,000 for the United Nations Center on Human Settlements; $500,000 for the United Nations Industrial Development Organization Investment Promotion Service; $250,000 for the Intergovernmental Negotiating Committee; $11,000,000 for the Organization of American States; $2,000,000 for the United Nations Afghanistan Trust Fund; $1,000,000 for the International Tropical Timber Organization; $2,000,000 for the World Food Program; $1,000,000 for the International Union for the Conservation of Nature; $750,000 for the Ramsar Convention on Wetlands of International Importance Especially as Waterfowl Habitat; $1,000,000 for the OECD Center for Cooperation with European Economies in Transition; and $250,000 for the United Nations Fellowship Program: Provided further, That funds appropriated under this heading may be made available for the International Atomic Energy Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency.

TITLE II—BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, and for other purposes, to remain available until September 30, 1993, unless otherwise specified herein, as follows:

AGENCY FOR INTERNATIONAL DEVELOPMENT

DEVELOPMENT ASSISTANCE FUND

For necessary expenses to carry out the provisions of sections 103 through 106 of the Foreign Assistance Act of 1961, $1,037,480,000, of which amount—

(a) not less than $80,000,000 shall be made available for activities relating to research on, and the treatment and control of, acquired immune deficiency syndrome (AIDS) in developing countries of which not less than $39,000,000 shall be made available directly to the World Health Organization for its use in financing the Global Program on AIDS (including activities implemented by the Pan American Health Organization), and not less than $1,000,000 shall be made available to UNICEF for AIDS-related activities.

(b) not less than $5,000,000 shall be made available for new development projects of private entities and cooperatives for dairy development;

(c) not less than $20,000,000 shall be made available for the Vitamin A Deficiency Program and activities relating to iodine deficiency and other micro-nutrients, of which amount not less than $13,000,000 shall be made available for the Vitamin A Deficiency Program;

(d) not less than $225,000 shall be made available to support continued United States participation in the Associate Professional Officers Program of the international food agencies;

(e) not less than $1,000,000 shall be made available for private voluntary organizations to be used to finance operations for blind children;

(f) not less than $10,000,000 shall be made available for cooperative projects among the United States, Israel, and developing countries, of which not less than $5,000,000 shall be made available for the Cooperative Development Program, not less than $2,500,000 shall be made available for cooperative development research projects, and not less than $2,500,000 shall be made available for cooperative projects among the United States and Israel and the countries of Eastern Europe, the Baltic states, and the independent states of the former Soviet Union;

(g) not less than $5,000,000 shall be made available for the Central and Latin American Rural Electrification Support project; and

(h) not less than $5,000,000 shall be for Russian, Eurasian, and Eastern European research and training under the Department of State's title VIII program on Russian, Eurasian, and Eastern European research and training, notwithstanding any other provision of law.

CHILD SURVIVAL AND EDUCATION

Of the funds appropriated under the headings in this title under "Agency for International Development"—

(1) not less than a total of $275,000,000 shall be made available for programs in support of child survival activities: Provided, That such activities may include any assistance provided to meet the special needs of displaced children; and

(2) not less than a total of $135,000,000 shall be made available for programs in support of basic education activities, including early childhood education, primary education, teacher training, and other necessary activities in support of early childhood and primary education, and literacy training for adults.

POPULATION, DEVELOPMENT ASSISTANCE

For necessary expenses to carry out the provisions of section 104(b), $330,000,000: Provided, That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization: Provided further, That none of the funds made available under this heading may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions; and that in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services: Provided further, That in awarding grants for natural family planning under section 104 of the Foreign Assistance Act no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and, additionally, all such applicants shall comply with the requirements of the previous proviso: Provided further, That nothing in this subsection shall be construed to alter any existing statutory prohibitions against abortion under section 104 of the Foreign Assistance Act: Provided further, That of the funds appropriated under this heading, not less than 65 per centum shall be made available for the Office of Population of the Agency for International Development: Provided further, That in addition to funds otherwise available for such purposes, of the funds appropriated under this heading up to $500,000 may be used for the administration and planning of family planning assistance programs in addition to operating expense funds otherwise allocated for such office: Provided further, That not less than $20,000,000 of the funds appropriated under this heading shall be made available only for the United Nations Population Fund only for the provision of Food and Drug Administration-approved contraceptive commodities and related logistics, notwithstanding any other provision of law or policy: Provided further, That none of the funds made available under this heading for the United Nations Population Fund may be obligated if China is denied most-favored-nation trading status by the United States Government: Provided further, That none of the funds made available under this heading shall be made available for programs in the People's Republic of China: Provided further, That prohibitions contained in section 104(f) of the Foreign Assistance Act of 1961 and section 534 of this Act (relating to prohibitions on funding for abortion as a method of family planning, coercive abortion, and involuntary sterilization) shall apply to the funds made available for the United Nations Population Fund: Provided further, That the United Nations Population Fund shall be required to maintain the funds made available under this heading in a separate account and not commingle them with any other funds: Provided further, That any agreement entered into by the United States and the United Nations Population Fund to obligate funds earmarked under this heading shall expressly state that the full amount granted by such agreement will be refunded to the United States if, during its five-year program which commenced in 1990, the United Nations Population Fund provides more than $57,000,000 for family planning programs in the People's Republic of China: Provided further, That funds made available by the United States to the United Nations Population Fund shall be provided pursuant to an agreement that prohibits the use of those funds to carry out any program, project, or activity that is disapproved by the United States Permanent Representative to the United Nations.

DEVELOPMENT FUND FOR AFRICA

For necessary expenses to carry out the provisions of chapter 10 of part I of the Foreign Assistance Act of 1961, $800,000,000, to remain available until September 30, 1994: Provided, That not less than $50,000,000 of the funds appropriated under this heading shall be made available to assist activities supported by the Southern Africa Development Coordination Conference: Provided further, That funds appropriated under this heading which are made available for activities supported by the Southern Africa Development Coordination Conference shall be made available notwithstanding section 518 of this Act and section 620(q) of the Foreign Assistance Act of 1961: Provided further, That up to $2,000,000 of the funds made available under this heading may be used for administrative and planning costs associated with programs under this heading in addition to operating expense funds otherwise allocated to the Agency's Bureau for Africa: Provided further, That $10,000,000 of the funds appropriated under this heading shall be transferred to "International Organizations and Programs" and shall be made available only for the International Fund for Agricultural Development's Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification.

SUB-SAHARAN AFRICA DISASTER ASSISTANCE

For necessary expenses to carry out the provisions of chapters 1 and 10, $80,000,000, to remain available until expended: Provided, That such funds shall be made available for disaster relief, rehabilitation, and reconstruction assistance for sub-Saharan Africa, notwithstanding any other provision of law, and are in addition to funds otherwise available for such purposes.

ZAIRE

None of the funds appropriated by this Act to carry out chapters 1 and 10 of part I of the Foreign Assistance Act of 1961 shall be transferred to the Government of Zaire: Provided, That this provision shall not be construed to prohibit non-governmental organizations from working with appropriate ministries or departments of the Government of Zaire.

ASSISTANCE FOR DISPLACED CHILDREN

Of the aggregate of the funds appropriated by this Act to carry out part I of the Foreign Assistance Act of 1961, not less than $10,000,000 shall be made available for programs and activities to address the health, education, nutrition, and other special needs of displaced children *who have been abandoned or orphaned as a result of poverty, or manmade or natural disaster, of which not less than $2,000,000 shall be made available for assistance for street children: Provided, That assistance under this heading shall be made available notwithstanding any other provision of law.*

HUMANITARIAN ASSISTANCE FOR CAMBODIAN CHILDREN

Of the aggregate of the funds appropriated by this Act to carry out part I of the Foreign Assistance Act of 1961, not less than $5,000,000 shall be made available, notwithstanding any other provision of law, to provide humanitarian assistance through international relief agencies and United States private and voluntary organizations to children within Cambodia: Provided, That none of the funds made available under this heading may be made available, directly or indirectly, for the Khmer Rouge.

ASSISTANCE FOR VICTIMS OF WAR

Of the aggregate of the funds appropriated by this Act to carry out part I of the Foreign Assistance Act of 1961, not less than $5,000,000 shall be made available, notwithstanding any other provision of law, for medical and related assistance for civilians who have been injured as a result of civil strife and warfare, including assistance to address the needs of the blind, and the provision of prostheses and vocational rehabilitation and training.

WOMEN IN DEVELOPMENT

In recognition that the full participation of women in, and the full contribution of women to, the development process are essential to achieving economic growth, a higher quality of life, and sustainable development in developing countries, not less than $10,000,000 of the funds appropriated by this Act to carry out part I of the Foreign Assistance Act of 1961, in addition to funds otherwise available for such purposes, shall be used to encourage and promote the participation and integration of women as equal partners in the development process in developing countries, of which not less than $6,000,000 shall be made available as matching funds to support the activities of the Agency for International Development's field missions to integrate women into their programs: Provided, That the Agency for International Development shall seek to ensure that country strategies, projects, and programs are designed so that the percentage of women participants will be demonstrably increased.

ASSISTANCE FOR BURMESE STUDENTS

Of the funds appropriated under the heading "Development Assistance Fund", not less than $1,000,000 shall be made available, notwithstanding any other provision of law, for assistance for Burmese students.

PRIVATE AND VOLUNTARY ORGANIZATIONS

None of the funds appropriated or otherwise made available by this Act for development assistance may be made available to any United States private and voluntary organization, except any cooperative development organization, which obtains less than 20 per centum of its total annual funding for international activities from sources other than the United States Government: Provided, That the requirements of the provisions of section 123(g) of the Foreign Assistance Act of 1961 and the provisions on private and voluntary organizations in title II of the "Foreign Assistance and Related Programs Appropriations Act, 1985" (as enacted in Public Law 98–473) shall be superseded by the provisions of this section.

APPROPRIATE TECHNOLOGY

Of the aggregate of the funds appropriated by this Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961, not less than $2,000,000 shall be available for Appropriate Technology International: Provided, That these funds shall be in addition to $3,000,000 in funds available to Appropriate Technology International under its existing cooperative agreement with the Agency for International Development: Provided further, That Appropriate Technology International shall qualify, along with any cooperative development organization, for development assistance funds appropriated or otherwise made available by this Act for United States private and voluntary organizations.

HUMANITARIAN ASSISTANCE FOR ROMANIA

Of the aggregate of the funds appropriated by this Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961, not less than $4,500,000 shall be made available, notwithstanding any provision of law which restricts assistance to foreign countries, for humanitarian assistance for Romania. Of this amount—

(1) not less than $1,500,000 shall be made available for activities related to acquired immune deficiency syndrome (AIDS), and other health and child survival activities particularly for the care and treatment of abandoned children, including the provision of improved facilities, food, medicine, and training of personnel;

(2) not less than $1,000,000 shall be made available for activities related to facilitating family reunification, foster care and adoption, and training of adoption and child welfare specialists; and

(3) not less than $2,000,000 shall be made available for family planning assistance, subject to the following:

(A) The prohibitions contained in section 104(f) of the Foreign Assistance Act of 1961 and section 534 of this Act (relating to prohibitions on funding for abortion as a method of family planning, coercive abortion, and involuntary sterilization) shall be applicable to funds made available under this paragraph.

(B) Any recipient of funds under this paragraph shall be required to maintain them in a separate account and not commingle them with any other funds.

(C) Each agreement entered into by the United States to obligate funds made available under this paragraph shall expressly state that the full amount granted by such agreement will be refunded to the United States if any United States funds are used for any family planning program in a country other than Romania, or for abortion services, involuntary sterilization, or coercive activities of any kind.

PRIVATE SECTOR LOANS PROGRAM ACCOUNT

For the cost of direct loans and loan guarantees, $2,553,000, as authorized by section 108(i) of the Foreign Assistance Act of 1961, as amended: Provided, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974. In addition, for administrative expenses to carry out the direct and guaranteed loan programs, $1,347,000, to remain available until expended, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

For necessary expenses to carry out the provisions of section 214, $28,571,000.

INTERNATIONAL DISASTER ASSISTANCE

For necessary expenses to carry out the provisions of section 491, $68,965,000, to remain available until expended.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the "Foreign Service Retirement and Disability Fund", as authorized by the Foreign Service Act of 1980, $42,677,000.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For necessary expenses to carry out the provisions of section 667, $517,000,000: Provided, That in order to effectively monitor its program for the West Bank and Gaza, the Agency for International Development shall station one professional at either the Consulate General in Jerusalem or the Embassy in Tel Aviv: Provided further, That the Agency for International Development shall not designate drivers and cars or provide portal-to-portal transportation service for the Administrator and Deputy Administrator: Provided further, That the Agency for International Development shall use Pakistani program funds to pay the severance costs of the agency's foreign service nationals: Provided further, That funds appropriated to carry out the provisions of chapter 1 of part I of the Foreign Assistance Act of 1961 that are made available for capital projects in excess of $5,000,000 shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That the amount of funds allocated from funds appropriated under this heading for the Capital Projects Office of the Agency for International Development shall not exceed the amount allocated to that office in fiscal year 1992.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL

For necessary expenses to carry out the provisions of section 667, $37,181,000, which sum shall be available only for the operating expenses of the Office of the Inspector General notwithstanding section 451 or 614 of the Foreign Assistance Act of 1961 or any other provision of law: Provided, That up to 3 per centum of the amount made available under the heading "Operating Expenses of the Agency for International Development" may be transferred to and merged and consolidated with amounts made available under this heading: Provided further, That except as may be required by an emergency evacuation affecting the United States diplomatic missions of which they are a component element, none of the funds in this Act, or any other Act, may be used to relocate the overseas Regional Offices of the Inspector General to a location within the United States without the express approval of the Inspector General: Provided further, That the total number of positions authorized for the Office of Inspector General in Washington and overseas shall be not less than two hundred and fifty-one at September 30, 1993: Provided further, That none of the funds appropriated under this heading may be used to subsidize or pay the cost of recreational or health club activities for employees of the Office of the Inspector General.

HOUSING GUARANTY PROGRAM ACCOUNT

For the subsidy cost, as defined in section 13201 of the Budget Enforcement Act of 1990, of guaranteed loans authorized by sections 221 and 222 of the Foreign Assistance Act of 1961, $16,407,000: Provided, That these funds are available to subsidize loan principal, 100 percent of which shall be guaranteed, pursuant to the authority of such sections: Provided further, That the President shall enter into commitments to guarantee such loans in the full amount provided under this heading, subject to the availability of qualified applicants for such guarantees. In addition, for administrative expenses to carry out guaranteed loan programs, $7,000,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: Provided further, That commitments to guarantee loans under this heading may be entered into notwithstanding the second sentence of section 222(a) and, with regard to programs for Eastern Europe, section 223(j) of the Foreign Assistance Act of 1961: Provided further, That none of the funds appropriated under this heading shall be obligated except through the regular *notification procedures of the Committees on Appropriations.*

ECONOMIC SUPPORT FUND

For necessary expenses to carry out the provisions of chapter 4 of part II, $2,739,000,000: Provided, That of the funds appropriated under this heading, not less than $1,200,000,000 shall be available only for Israel, which sum shall be available on a grant basis as a cash transfer and shall be disbursed within thirty days of enactment of this Act or by October 31, 1992, whichever is later: Provided further, That not less than $815,000,000 shall be available only for Egypt, which sum shall be provided on a grant basis, and of which sum cash transfer assistance may be provided, with the understanding that Egypt will undertake significant economic reforms which are additional to those which were undertaken in previous fiscal years, and of which not less than $200,000,000 shall be provided as Commodity Import Program assistance: Provided further, That in exercising the authority to provide cash transfer assistance for Israel and Egypt, the President shall ensure that the level of such assistance does not cause an adverse impact on the total level of nonmilitary exports from the United States to each such country: Provided further, That any cash assistance to Egypt from funds appropriated under this heading above amounts provided as cash assistance in fiscal year 1991 shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That it is the sense of the Congress that the recommended levels of assistance for Egypt and Israel are based in great measure upon their continued participation in the Camp David Accords and upon the Egyptian-Israeli peace treaty: Provided further, That none of the funds appropriated under this heading (or local currencies generated with funds provided to El Salvador under this Act) may be made available for El Salvador's Special Investigative Unit until 15 days after receipt by the Committees on Appropriations of a report from the Secretary of State which transmits a plan of the Government of El Salvador to transfer the Unit from military to civilian control, including the time period within which this transfer is to occur and the actions that will be taken to effect such a transfer: Provided further, That not less than $25,000,000 of the funds appropriated under this heading shall be made available for the West Bank and Gaza Program through the Near East regional program: Provided further, That not less than $15,000,000 of the funds appropriated under this heading shall be made available for Cyprus to be used only for scholarships or for bicommunal projects: Provided further, That not more than $50,000,000 of the funds appropriated under this heading may be made available for Peru: Provided further, That not less than $5,000,000 of the funds appropriated under this heading shall be made available, notwithstanding any other provision of law, for Haiti for emergency relief and humanitarian assistance through private and voluntary organizations: Provided further, That none of the funds appropriated under this heading shall be made available for Zaire: Provided further, That not more than $300,000,000 of the funds appropriated under this heading may be made available to finance tied-aid credits, unless the President determines it is in the national interest to provide in excess of $300,000,000 and so notifies the Committees on Appropriations through the regular notification procedures of the Committees on Appropriations: Provided further, That none of the funds made available or limited by this Act may be used for tied-aid credits or tied-aid grants except through the regular notification procedures of the Committees on Appropriations: Provided further, That none of the funds appropriated by this Act to carry out the provisions of chapters 1 and 10 of part I of the Foreign Assistance Act of 1961 may be used for tied-aid credits: Provided further, That as used in this heading the term "tied-aid credits" means any credit, within the meaning of section 15(h)(1) of the Export-Import Bank Act of 1945, which is used for blended or parallel financing, as those terms are defined by sections 15(h) (4) and (5), respectively, of such Act: Provided further, That of the funds appropriated under this heading that are allocated for the Dominican Republic, $1,000,000 shall be withheld from expenditure until the President reports to the Committees on Appropriations on the steps taken by the Government of the Dominican Republic to improve respect for internationally recognized human rights of Haitian laborers engaged in the sugar cane harvesting industry in the Dominican Republic, including the enforcement of the provisions mandated by President Balaguer's decree of October 15, 1990: Provided further, That funds appropriated under this heading shall remain available until September 30, 1994.

INTERNATIONAL FUND FOR IRELAND

For necessary expenses to carry out the provisions of chapter 4 of part II, $19,704,000, which shall be available for the United States contribution to the International Fund for Ireland and shall be made available in accordance with the provisions of the Anglo-Irish Agreement Support Act of 1986 (Public Law 99–415): Provided, That such amount shall be expended at the minimum rate necessary to make timely payment for projects and activities: Provided further, That funds made available under this heading shall remain available until expended.

PHILIPPINES ASSISTANCE

MULTILATERAL ASSISTANCE INITIATIVE

For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961, $40,000,000, which shall be available for the Multilateral Assistance Initiative for the Philippines: Provided, That the President shall seek to channel through indigenous and United States private voluntary organizations and cooperatives not less than $25,000,000 of the funds appropriated under this paragraph and of the funds appropriated and allocated for the Philippines to carry out sections 103 through 106 of such Act: Provided further, That funds appropriated under this paragraph shall remain available until September 30, 1994.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

(a) For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989, $400,000,000, to remain available until expended, which shall be available, notwithstanding any other provision of law, for economic assistance for Eastern Europe and the Baltic States.

(b)(1) Of the funds appropriated under this heading not less than 65 percent shall be allocated for bilateral programs for the countries of Eastern Europe and the Baltic States.

(2) The President shall submit a report containing such allocations to the Committee on Foreign Affairs of the House, the Committee on Foreign Relations of the Senate, and the Committees on Appropriations within 45 days after the date of enactment of this Act. None of the funds appropriated under this heading may be obligated until such allocations have been made and the report required by this paragraph has been submitted to the Congress.

(3) Not more than 35 percent of the funds appropriated under this heading shall be allocated for regional and multilateral programs.

(4) Funds appropriated under this heading may be reallocated between countries and may be reallocated between bilateral, regional, and multilateral programs, notwithstanding the provisions of this subsection, subject to the regular notification procedures of the Committees on Appropriations.

(c)(1) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available to an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the Fund's disbursement of such funds for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress.

(2) Funds made available for the Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities and shall be subject to the regular notification procedures of the Committees on Appropriations.

(d) Funds appropriated under this heading shall be considered to be economic assistance under the Foreign Assistance Act of 1961 for purposes of making available the administrative authorities contained in that Act for the use of economic assistance.

(e) On December 1, 1992, the President shall submit to the Committees on Appropriations a report containing the amounts of funds obligated and expended for each project and subproject funded from amounts appropriated for assistance for countries in Eastern Europe and the Baltic States under this heading. An update of this report shall be submitted by the President on March 1, 1993, to the Committee on Appropriations.

(f)(1) In order to promote the effectiveness of assistance made available under this heading and allocated to individual countries, program planning, prioritization and project implementation decisions shall be made, and program and project oversight shall be conducted, to the extent practicable by employees of the Agency for International Development and other United States Government agencies who are in Eastern Europe and the Baltic States and who have project management responsibilities. Employees of other United States Government agencies who are in Eastern Europe and the Baltic States shall coordinate their activities with employees of the Agency for International Development.

(2) Employees of the Agency for International Development and other United States Government agencies who are in Eastern Europe and the Baltic States and who have program planning, prioritization, management and oversight responsibilities shall regularly consult with appropriate designated foreign officials with responsibility for international assistance programs. To the extent practicable, United States bilateral assistance programs shall reflect priorities based on such consultations and shall include foreign input concerning contractor selection and program evaluation. Nothing in this paragraph shall be interpreted to limit the ability of United States officials from providing assistance to a broad spectrum of local programs.

ASSISTANCE FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES

For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961, for economic assistance for Russia and the emerging Eurasian democracies, $417,000,000, to remain available until expended: Provided, That all funds made available under this heading are subject to the regular notification procedures of the Committees on Appropriations: Provided further, That not less than 75 per centum of the funds made available under this heading shall be made available for activities consistent with the purposes of sections 103 through 106 of the Foreign Assistance Act of 1961: Provided further, That funds appropriated under this heading shall be considered to be economic assistance *under the Foreign Assistance Act of 1961 for purposes of making available the administrative authorities contained in that Act for the use of economic assistance: Provided further, That of the funds appropriated under this heading not less than $50,000,000 shall be made available for scholarship programs bringing people of Russia and the emerging Eurasian democracies to the United States for a broad spectrum of study, training, and internship programs: Provided further, That of the funds appropriated under this heading, $50,000,000 may be made available to provide agricultural commodities for the people of Russia and the emerging Eurasian democracies, with special emphasis on children and pre-natal and post-natal women: Provided further, That on December 1, 1992, the President shall submit to the Committees on Appropriations a report containing the amount of funds obligated and expended for each project and subproject funded from amounts appropriated under this heading for Russia and the emerging Eurasian democracies: Provided further, That an update of this report shall be submitted to the Committees on Appropriations by the President on March 1, 1993.*

INDEPENDENT AGENCIES

AFRICAN DEVELOPMENT FOUNDATION

For necessary expenses to carry out the provisions of title V of the International Security and Development Cooperation Act of 1980, Public Law 96-533, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 9104, title 31, United States Code, $16,905,000: Provided, That, when, with the permission of the Foundation, funds made available to a grantee under this heading are invested pending disbursement, the resulting interest is not required to be deposited in the United States Treasury if the grantee uses the resulting interest for the purpose for which the grant was made: Provided further, That this provision applies with respect to both interest earned before and interest earned after the enactment of this provision.

INTER-AMERICAN FOUNDATION

For expenses necessary to carry out the functions of the Inter-American Foundation in accordance with the provisions of section 401 of the Foreign Assistance Act of 1969, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 9104, title 31, United States Code, $30,960,000: Provided, That the Inter-American Foundation shall designate a program as the "Dante Fascell Fellows Program".

OVERSEAS PRIVATE INVESTMENT CORPORATION PROGRAM ACCOUNT

For the subsidy cost as defined in section 13201 of the Budget Enforcement Act of 1990, of direct and guaranteed loans authorized by section 234 of the Foreign Assistance Act of 1961, as follows: cost of direct and guaranteed loans, $8,945,000: Provided, That the funds provided in this paragraph shall be available for and apply to costs, direct loan obligations and loan guaranty commitments incurred or made during the period from October 1, 1992 through September 30, 1994.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, $8,128,000: Provided, That none of the funds appropriated by this paragraph may be used to subsidize or pay the cost of recreational or health club activities for employees of the Overseas Private Investment Corporation.

The Overseas Private Investment Corporation is authorized to make, without regard to fiscal year limitations, as provided by 31 U.S.C. 9104, such noncredit expenditures and commitments within the limits of funds available to it and in accordance with law (including an amount for official reception and representation expenses which shall not exceed $35,000) as may be necessary.

PEACE CORPS

For expenses necessary to carry out the provisions of the Peace Corps Act (75 Stat. 612), $218,146,000, including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside of the United States: Provided, That none of the funds appropriated under this heading shall be used to pay for abortions: Provided further, That funds appropriated under this heading shall remain available until September 30, 1994.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL

For necessary expenses to carry out the provisions of section 481 of the Foreign Assistance Act of 1961, $147,783,000.

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross and assistance to refugees, including contributions to the Intergovernmental Committee for Migration and the United Nations High Commissioner for Refugees; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code; $620,688,000: Provided, That not less than $80,000,000 shall be available for Soviet, Eastern European and other refugees resettling in Israel: Provided further, That not less than $1,500,000 shall be available for Tibetan refugees: Provided further, That not less than $315,000,000 shall be available for overseas refugee programs (in addition to amounts available for Soviet, Eastern European, and other refugees resettling in Israel): Provided further, That not more than $11,500,000 of the funds appropriated under this heading shall be available for the administrative expenses of the Office of Refugee Programs of the Department of State.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 260(c)), $49,261,000, to remain available until expended: Provided, That the funds made available under this heading are appropriated notwithstanding the provisions contained in section 2(c)(2) of the Migration and Refugee Assistance Act of 1962 which would limit the amount of funds which could be appropriated for this purpose.

ANTI-TERRORISM ASSISTANCE

For necessary expenses to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961, $15,555,000.

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, $42,500,000: Provided, That none of the funds appropriated under this heading shall be made available for grant financed military education and training for any country whose annual per capita GNP exceeds $2,349 unless that country agrees to fund from its own resources the transportation cost and living allowances of its students: Provided further, That no country whose annual per capita Gross National Product exceeds $2,349 may receive more than $300,000 of the funds appropriated under this heading except as provided through the regular notification procedures of the Committees on Appropriations: Provided further, That none of the funds appropriated under this heading shall be available for Zaire.

FOREIGN MILITARY FINANCING PROGRAM

For expenses necessary for grants to enable the President to carry out the provisions of section 23 of the Arms Export Control Act, $3,300,000,000: Provided, That of the funds appropriated by this paragraph not less than $1,800,000,000 shall be available for grants only for Israel, and not less than $1,300,000,000 shall be available for grants only for Egypt: Provided further, That the funds appropriated by this paragraph for Israel shall be disbursed within thirty days of enactment of this Act or by October 31, 1992, whichever is later: Provided further, That to the extent that the Government of Israel requests that funds be used for such purposes, grants made available for Israel by this paragraph shall, as agreed by Israel and the United States, be available for advanced fighter aircraft programs or for other advanced weapons systems, as follows: (1) up to $150,000,000 shall be available for research and development in the United States; and (2) not less than $475,000,000 shall be available for the procurement in Israel of defense articles and defense services, including research and development.

For the cost, as defined in section 13201 of the Budget Enforcement Act of 1990, of direct loans authorized by section 23 of the Arms Export Control Act as follows: cost of direct loans, $54,230,000: Provided, That these funds are available to subsidize gross obligations for the principal amount of direct loans of not to exceed $855,000,000: Provided further, That the rate of interest charged on such loans shall be not less than the current average market yield on outstanding marketable obligations of the United States of comparable maturities: Provided further, That funds appropriated under this heading shall be made available for Greece, Portugal, and Turkey only on a loan basis, and the principal amount of direct loans for each country shall not exceed the following: $315,000,000 for Greece, $90,000,000 for Portugal, and $450,000,000 for Turkey: Provided further, That the principal amount of direct loans provided for Greece and Turkey under this paragraph shall be made available according to a 7 to 10 ratio. In addition, for administrative expenses necessary to carry out the direct loan program, $200,000, which may be transferred to and merged with funds deposited by foreign purchases for administrative expenses pursuant to sections 43(b) and 43(c) of the Arms Export Control Act.

None of the funds made available under this heading shall be available to finance the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act unless the foreign country proposing to make such procurements has first signed an agreement with the United States Government specifying the conditions under which such procurements may be financed with such funds: Provided, That all country and funding level changes in requested allocations shall be submitted through the regular notification procedures: Provided further, That none of the funds appropriated under this heading shall be available for Zaire, Sudan, Liberia, Somalia, Guatemala, Peru, and Malawi: Provided further, That not more than $300,000,000 of the funds made available under this heading shall be available for use in financing the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act to countries other than Israel and Egypt: Provided further, That only those countries for which assistance was justified for the "Foreign Military

Sales Financing Program" in the fiscal year 1989 congressional presentation for security assistance programs may utilize funds made available under this heading for procurement of defense articles, defense services or design and construction services that are not sold by the United States Government under the Arms Export Control Act: Provided further, That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: Provided further, That the Department of Defense shall conduct during the current fiscal year non reimbursable audits of private firms whose contracts are made directly with foreign governments and are financed with funds made available under this heading (as well as subcontractors thereunder) as requested by the Defense Security Assistance Agency: Provided further, That not more than $26,000,000 of the funds appropriated under this heading may be obligated for necessary expenses, including the purchase of passenger motor vehicles for replacement only for use outside of the United States, for the general costs of administering military assistance and sales: Provided further, That not more than $287,000,000 of funds realized pursuant to section 21(e)(1)(A) of the Arms Export Control Act may be obligated for expenses incurred by the Department of Defense during the fiscal year 1993 pursuant to section 43(b) of the Arms Export Control Act, except that this limitation may be exceeded only through the regular notification procedures of the Committees on Appropriations: Provided further, That none of the funds appropriated under this heading, and no employee of the Defense Security Assistance Agency, may be used to facilitate the transport of aircraft to commercial arms sales shows.

SPECIAL DEFENSE ACQUISITION FUND

(LIMITATION ON OBLIGATIONS)

Not to exceed $150,000,000 may be obligated pursuant to section 51(c)(2) of the Arms Export Control Act for the purposes of the Special Defense Acquisition Fund during fiscal year 1993.

PEACEKEEPING OPERATIONS

For necessary expenses to carry out the provisions of section 551 of the Foreign Assistance Act of 1961 $27,166,000.

TITLE IV—EXPORT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the program for the current fiscal year for such corporation: Provided, That none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country other than a nuclear-weapon State as defined in article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act that has detonated a nuclear explosive after the date of enactment of this Act.

SUBSIDY APPROPRIATION

There is hereby appropriated $757,000,000, for the subsidy cost, as defined in section 13201 of the Budget Enforcement Act of 1990, including the cost of direct loans, loan guarantees, and tied-aid grants in accordance with section 15 of the Export-Import Bank Act of 1945, as amended: Provided, That up to $200,000,000 of funds appropriated by this paragraph shall remain available until expended and may be used for tied-aid grant purposes: Provided further, That none of the funds appropriated by this paragraph may be used for tied-aid credits or grants except through the regular notification procedures of the Committees on Appropriations: Provided further, That funds appropriated by this paragraph are made available notwithstanding section 2(b)(2) of the Export-Import Bank Act of 1945, in connection with the purchase or lease of any product by any East European country, any Baltic State, or any agency or national thereof.

ADMINISTRATIVE EXPENSES

For administrative expenses to carry out the direct and guaranteed loan and insurance programs (to be computed on an accrual basis), including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed $20,000 for official reception and representation expenses for members of the Board of Directors, $38,042,000: Provided, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the collection of moneys owed the Export-Import Bank, repossession or sale of pledged collateral or other assets acquired by the Export-Import Bank in satisfaction of moneys owed the Export-Import Bank, or the investigation or appraisal of any property, or the evaluation of the legal or technical aspects of any transaction for which an application for a loan, guarantee or insurance commitment has been made, shall be considered nonadministrative expenses for the purposes of this heading.

FUNDS APPROPRIATED TO THE PRESIDENT

TRADE AND DEVELOPMENT PROGRAM

For necessary expenses to carry out the provisions of section 661 of the Foreign Assistance Act of 1961, $40,000,000.

TITLE V—GENERAL PROVISIONS

COST BENEFIT STUDIES

SEC. 501. None of the funds appropriated in this Act (other than funds appropriated for "International Organizations and Programs") shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which has not met the standards and criteria used in determining the feasibility of flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the United States of America under the principles, standards and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.) or Acts amendatory or supplementary thereto.

OBLIGATIONS DURING LAST MONTH OF AVAILABILITY

SEC. 502. Except for the appropriations entitled "International Disaster Assistance", and "United States Emergency Refugee and Migration Assistance Fund", not more than 15 per centum of any appropriation item made available by this Act shall be obligated during the last month of availability.

PROHIBITION AGAINST PAY TO FOREIGN ARMED SERVICE MEMBER

SEC. 503. None of the funds appropriated in this Act nor any of the counterpart funds generated as a result of assistance hereunder or any prior Act shall be used to pay pensions, annuities, retirement pay, or adjusted service compensation for any person heretofore or hereafter serving in the armed forces of any recipient country.

TERMINATION FOR CONVENIENCE

SEC. 504. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used for making payments on any contract for procurement to which the United States is a party entered into after the date of enactment of this Act which does not contain a provision authorizing the termination of such contract for the convenience of the United States.

PROHIBITION OF PAYMENTS TO UNITED NATIONS MEMBERS

SEC. 505. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations.

PROHIBITION OF BILATERAL FUNDING FOR INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 506. None of the funds contained in title II of this Act may be used to carry out the provisions of section 209(d) of the Foreign Assistance Act of 1961.

AID RESIDENCE EXPENSES

SEC. 507. Of the funds appropriated or made available pursuant to this Act, not to exceed $126,500 shall be for official residence expenses of the Agency for International Development during the current fiscal year: Provided, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

AID ENTERTAINMENT EXPENSES

SEC. 508. Of the funds appropriated or made available pursuant to this Act, not to exceed $5,000 shall be for entertainment expenses of the Agency for International Development during the current fiscal year.

REPRESENTATIONAL ALLOWANCES

SEC. 509. Of the funds appropriated or made available pursuant to this Act, not to exceed $95,000 shall be available for representation allowances for the Agency for International Development during the current fiscal year: Provided, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars: Provided further, That of the funds made available by this Act for general costs of administering military assistance and sales under the heading "Foreign Military Financing Program", not to exceed $2,000 shall be available for entertainment expenses and not to exceed $50,000 shall be available for representation allowances: Provided further, That of the funds made available by this Act under the heading "International Military Education and Training", not to exceed $50,000 shall be available for entertainment allowances: Provided further, That of the funds made available by this Act for the Inter-American Foundation, not to exceed $2,000 shall be available for entertainment and representation allowances: Provided further, That of the funds made available by this Act for the Peace Corps, not to exceed a total of $4,000 shall be available for entertainment expenses: Provided further, That of the funds made available by this Act under the heading "Trade and Development Program", not to exceed $2,000 shall be available for representation and entertainment allowances.

PROHIBITION ON FINANCING NUCLEAR GOODS

SEC. 510. None of the funds appropriated or made available (other than funds for "International Organizations and Programs") pursuant to this Act, for carrying out the Foreign Assistance Act of 1961, may be used to finance the export of nuclear equipment, fuel, or technology.

HUMAN RIGHTS

SEC. 511. (a) PROHIBITION.—Funds appropriated by this Act may not be obligated or expended to provide assistance to any country for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights.

(b) COUNTRY LISTINGS.—Not later than thirty days after submission of the report required by section 502B(b) of the Foreign Assistance Act of 1961, the Secretary of State shall submit to the Committees on Appropriations a listing of those countries the governments of which are found, based upon the criteria and findings in the report required by section 502B(b) of the Foreign Assistance Act of 1961, to engage in a consistent pattern of gross violations of internationally recognized human rights. This list shall be accompanied by a report from the Secretary of State describing how, for each country receiving assistance under the Foreign Military Financing Program, such assistance will be conducted to promote and advance human rights and how the United States will avoid identification with activities which are contrary to internationally recognized standards of human rights.

(c) HUMAN RIGHTS REPORT.—The Secretary of State shall also transmit the report required by section 116(d) of the Foreign Assistance Act of 1961 to the Committees on Appropriations each year by the date specified in that section: Provided, That each such report submitted pursuant to such section shall include a review of each country's commitment to children's rights and welfare as called for by the Declaration of the World Summit for Children.

PROHIBITION AGAINST DIRECT FUNDING FOR CERTAIN COUNTRIES

SEC. 512. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Cuba, Iraq, Libya, the Socialist Republic of Vietnam, Iran, or Syria: Provided, That for purposes of this section, the prohibition on obligations or expenditures shall include direct loans, credits, insurance and guarantees of the Export-Import Bank or its agents.

MILITARY COUPS

SEC. 513. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance to any country whose duly elected Head of Government is deposed by military coup or decree: Provided, That assistance may be resumed to such country if the President determines and reports to the Committees on Appropriations that subsequent to the termination of assistance a democratically elected government has taken office.

TRANSFERS BETWEEN ACCOUNTS

SEC. 514. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated, unless the President, prior to the exercise of any authority contained in the Foreign Assistance Act of 1961 to transfer funds, consults with and provides a written policy justification to the Committees on Appropriations of the House of Representatives and the Senate: Provided, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

DEOBLIGATION/REOBLIGATION AUTHORITY

SEC. 515. (a) Amounts certified pursuant to section 1311 of the Supplemental Appropriations Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Foreign Assistance Act of 1961 for the same general purpose as any of the headings under the "Agency for International Development" are, if deobligated, hereby continued available for the same period as the respective appropriations under such headings or until September 30, 1993, whichever is later, and for the same general purpose, and for countries within the same region as originally obligated: Provided, That the Appropriations Committees of both Houses of the Congress are notified fifteen days in advance of the deobligation and reobligation of such funds in accordance with regular notification procedures of the Committees on Appropriations.

(b) Obligated balances of funds appropriated to carry out section 23 of the Arms Export Control Act as of the end of the fiscal year immediately preceding the current fiscal year are, if deobligated, hereby continued available during the current fiscal year for the same purpose under any authority applicable to such appropriations under this Act: Provided, That the authority of this subsection may not be used in fiscal year 1993.

PROHIBITION ON PUBLICITY OR PROPAGANDA

SEC. 516. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not authorized before the date of enactment of this Act by the Congress.

AVAILABILITY OF FUNDS

SEC. 517. No part of any appropriation contained in this Act shall remain available for obligation after the expiration of the current fiscal year unless expressly so provided in this Act: Provided, That funds appropriated for the purposes of chapter 1 of part I, section 667, and chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, shall remain available until expended if such funds are initially obligated before the expiration of their respective periods of availability contained in this Act: Provided further, That, notwithstanding any other provision of this Act, any funds made available for the purposes of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated or obligated for cash disbursements in order to address balance of payments or economic policy reform objectives, shall remain available until expended: Provided further, That the report required by section 653(a) of the Foreign Assistance Act of 1961 shall designate for each country, to the extent known at the time of submission of such report, those funds allocated for cash disbursement for balance of payment and economic policy reform purposes.

LIMITATION ON ASSISTANCE TO COUNTRIES IN DEFAULT

SEC. 518. No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act: Provided, That this section and section 620(q) of the Foreign Assistance Act of 1961 shall not apply to funds made available in this Act for Nicaragua, and for any narcotics-related assistance for Colombia, Bolivia, and Peru authorized by the Foreign Assistance Act of 1961 or the Arms Export Control Act.

FINANCIAL INSTITUTIONS—DOCUMENTATION

SEC. 519. None of the funds appropriated or made available pursuant to this Act shall be available to any international financial institution whose United States governor or representative cannot upon request obtain any document developed by or in the possession of the management of the international financial institution, unless the United States governor or representative of the institution certifies to the Committees on Appropriations that the confidentiality of the information is essential to the operation of the institution.

COMMERCE AND TRADE

SEC. 520. (a) None of the funds appropriated or made available pursuant to this Act for direct assistance and none of the funds otherwise made available pursuant to this Act to the Export-Import Bank and the Overseas Private Investment Corporation shall be obligated or expended to finance any loan, any assistance or any other financial commitments for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity: Provided, That such prohibition shall not apply to the Export-Import Bank if in the judgment of its Board of Directors the benefits to industry and employment in the United States are likely to outweigh the injury to United States producers of the same, similar, or competing commodity.

(b) None of the funds appropriated by this or any other Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: Provided, That this subsection shall not prohibit—

(1) activities designed to increase food security in developing countries where such activities will not have a significant impact in the export of agricultural commodities of the United States; or

(2) research activities intended primarily to benefit American producers.

(c) None of the funds provided in this Act to the Agency for International Development, other than funds made available to carry out Caribbean Basin Initiative programs under the Tariff Schedules of the United States, section 1202 of title 19, United States Code, schedule 8, part I, subpart B, item 807.00, shall be obligated or expended—

(1) to procure directly feasibility studies or prefeasibility studies for, or project profiles of potential investment in, the manufacture, for export to the United States or to third country markets in direct competition with United States exports, of import-sensitive articles as defined by section 503(c)(1) (A) and (E) of the Tariff Act of 1930 (19 U.S.C. 2463(c)(1) (A) and (E)); or

(2) to assist directly in the establishment of facilities specifically designed for the manufacture, for export to the United States or to third country markets in direct competition with United States exports, of import-sensitive articles as defined in section 503(c)(1) (A) and (E) of the Tariff Act of 1930 (19 U.S.C. 2463(c)(1) (A) and (E)).

SURPLUS COMMODITIES

SEC. 521. The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the International Monetary Fund, the Asian Development Bank, the Inter-American Investment Corporation, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or made available pursuant to this Act, for the production or extraction of any commodity or mineral for export, if it is in surplus on world markets and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

NOTIFICATION REQUIREMENTS

SEC. 522. For the purposes of providing the Executive Branch with the necessary administrative flexibility, none of the funds made available under this Act for "Development Assistance

Fund", "Population, Development Assistance", "Development Fund for Africa", "International organizations and programs", "American schools and hospitals abroad", "Trade and development program", "International narcotics control", "Economic support fund", "Peacekeeping operations", "Operating expenses of the Agency for International Development", "Operating expenses of the Agency for International Development Office of Inspector General", "Anti-terrorism assistance", "Foreign Military Financing Program", "International military education and training", "Inter-American Foundation", "African Development Foundation", "Peace Corps", or "Migration and refugee assistance", shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operation not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings unless the Appropriations Committees of both Houses of Congress are previously notified fifteen days in advance: Provided, That the President shall not enter into any commitment of funds appropriated for the purposes of section 23 of the Arms Export Control Act for the provision of major defense equipment, other than conventional ammunition, or other major defense items defined to be aircraft, ships, missiles, or combat vehicles, not previously justified to Congress or 20 per centum in excess of the quantities justified to Congress unless the Committees on Appropriations are notified fifteen days in advance of such commitment: Provided further, That this section shall not apply to any reprogramming for an activity, program, or project under chapter 1 of part I of the Foreign Assistance Act of 1961 of less than 20 per centum of the amount previously justified to the Congress for obligation for such activity, program, or project for the current fiscal year: Provided further, That the requirements of this section or any similar provision of this Act requiring notification in accordance with the regular notification procedures of the Committees on Appropriations may be waived if failure to do so would pose a substantial risk to human health or welfare: Provided further, That in case of any such waiver, notification to the Congress, or the appropriate congressional committees, shall be provided as early as practicable, but in no event later than three days after taking the action to which such notification requirement was applicable, in the context of the circumstances necessitating such waiver: Provided further, That any notification provided pursuant to such a waiver shall contain an explanation of the emergency circumstances.

CONSULTING SERVICES

SEC. 523. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order pursuant to existing law.

PROHIBITION ON ABORTION LOBBYING

SEC. 524. None of the funds appropriated under this Act may be used to lobby for abortion.

LIMITATION ON AVAILABILITY OF FUNDS FOR INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 525. (a) Notwithstanding any other provision of law or of this Act, none of the funds provided for "International Organizations and Programs" shall be available for the United States proportionate share for any programs for the Palestine Liberation Organization (or for projects whose purpose is to provide benefits to the Palestine Liberation Organization or entities associated with it), Libya, Iran, or, at the discretion of the President, Communist countries listed in section 620(f) of the Foreign Assistance Act of 1961, as amended: Provided, That, subject to the regular notification procedures of the Committees on Appropriations, funds appropriated under this Act or any previously enacted Act making appropriations for foreign operations, export financing, and related programs, which are returned or not made available for organizations and programs because of the implementation of this section or any similar provision of law, shall remain available for obligation through September 30, 1994.

(b) The United States shall not make any voluntary or assessed contribution—

(1) to any affiliated organization of the United Nations which grants full membership as a state to any organization or group that does not have the internationally recognized attributes of statehood, or

(2) to the United Nations, if the United Nations grants full membership as a state in the United Nations to any organization or group that does not have the internationally recognized attributes of statehood,

during any period in which such membership is effective.

LOANS TO ISRAEL UNDER ARMS EXPORT CONTROL ACT

SEC. 526. Notwithstanding any other provision of law, Israel may utilize any loan which is or was made available under the Arms Export Control Act and for which repayment is or was forgiven before utilizing any other loan made available under the Arms Export Control Act.

PROHIBITION AGAINST UNITED STATES EMPLOYEES RECOGNIZING OR NEGOTIATING WITH PLO

SEC. 527. In reaffirmation of the 1975 memorandum of agreement between the United States and Israel, and in accordance with section 1302 of the International Security and Development Cooperation Act of 1985 (Public Law 99-83), no employee of or individual acting on behalf of the United States Government shall recognize or negotiate with the Palestine Liberation Organization or representatives thereof, so long as the Palestine Liberation Organization does not recognize Israel's right to exist, does not accept Security Council Resolutions 242 and 338, and does not renounce the use of terrorism.

ECONOMIC SUPPORT FUND ASSISTANCE FOR ISRAEL

SEC. 528. The Congress finds that progress on the peace process in the Middle East is vitally important to United States security interests in the region. The Congress recognizes that, in fulfilling its obligations under the Treaty of Peace Between the Arab Republic of Egypt and the State of Israel, done at Washington on March 26, 1979, Israel incurred severe economic burdens. Furthermore, the Congress recognizes that an economically and militarily secure Israel serves the security interests of the United States, for a secure Israel is an Israel which has the incentive and confidence to continue pursuing the peace process. Therefore, the Congress declares that it is the policy and the intention of the United States that the funds provided in annual appropriations for the Economic Support Fund which are allocated to Israel shall not be less than the annual debt repayment (interest and principal) from Israel to the United States Government in recognition that such a principle serves United States interests in the region.

CEILINGS AND EARMARKS

SEC. 529. Ceilings and earmarks contained in this Act shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent Act unless such Act specifically so directs.

EL SALVADOR

SEC. 530. (a) Of the funds appropriated by this Act for the "Foreign Military Financing Program", not more than $11,000,000 may be made available for military assistance (which shall be available only on a grant basis) for El Salvador; and such assistance shall be used only for nonlethal items for maintenance, sustainment, restructuring, and reduction and only in strict accordance with the newly defined mission of the Salvadoran Armed Forces as embodied within the Salvadoran Peace Accords.

(b) Of the funds appropriated for the "Foreign Military Financing Program" by this Act, not less than $29,000,000 shall be transferred to the Demobilization and Transition Fund established by section 531(f) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, and notwithstanding any other provision of law, shall remain available until expended.

(c) Funds transferred to the Demobilization and Transition Fund (in addition to amounts otherwise made available for such assistance) may be used for the following:

(1) assistance described in section 531(f)(3) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991;

(2) assistance for law enforcement in accordance with subsection (e) of this section; and

(3) assistance for reconstruction which directly supports the implementation of the Peace Accords, including implementation of the National Reconstruction Plan of the Government of El Salvador.

(d) None of the funds transferred to the Demobilization and Transition Fund shall be made available for obligation from the Fund except through the regular reprogramming procedures of the Committees on Appropriations, the Committee on Foreign Affairs of the House of Representatives, and the Committee on Foreign Relations of the Senate.

(e) Funds transferred to the Demobilization and Transition Fund may be used for assistance for law enforcement in a manner consistent with the Salvadoran Peace Accords and the National Reconstruction Plan of the Government of El Salvador, and may be made available notwithstanding section 660 of the Foreign Assistance Act of 1961.

(f) Of the funds appropriated by this Act under the heading "Economic Support Fund", not more than $150,000,000 may be made available for El Salvador.

NOTIFICATION CONCERNING AIRCRAFT IN CENTRAL AMERICA

SEC. 531. (a) During the current fiscal year, the authorities of part II of the Foreign Assistance Act of 1961 and the Arms Export Control Act may not be used to make available any helicopters or other aircraft for military use, and licenses may not be issued under section 38 of the Arms Export Control Act for the export of any such aircraft, to any country in Central America unless the Committees on Appropriations, the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified in writing at least fifteen days in advance.

(b) During the current fiscal year, the Secretary of State shall promptly notify the committees designated in subsection (a) whenever any helicopters or other aircraft for military use are provided to any country in Central America by any foreign country.

ENVIRONMENT AND GLOBAL WARMING

SEC. 532. (a) It is the policy of the United States that sustainable economic growth must be predicated on the sustainable management of natural resources. The Secretary of the Treasury shall instruct the United States Executive Director of each multilateral development bank (MDB) to promote vigorously within each MDB, and especially within the African Development Bank and the European Bank for Reconstruction and Development, the expansion of programs in areas which address the problems of global climate change through requirements to—

(1) expand programs in energy conservation, end use energy efficiency, and renewable energy and promotion by—

(A) continuing to augment and expand professional staffs with expertise in these areas;

(B) giving priority to these areas in the "least cost" energy sector investment plans;

(C) encouraging and promoting these areas in policy-based energy sector lending;

(D) developing loans for these purposes; and

(E) convening seminars for MDB staff and board members on these areas and alternative energy investment opportunities;

(2) provide analysis for each proposed loan to support additional power generating capacity comparing demand reduction costs to proposal costs;

(3) continue to assure that environmental impact assessments (EIA) of proposed energy projects are conducted early in the project cycle, include consideration of alternatives to the proposed project, and encourage public participation in the EIA process;

(4) continue to include the environmental costs of proposed projects with significant environmental impacts in economic assessments; and

(5) continue to provide technical assistance as a component of energy sector lending.

(b) The Secretary of the Treasury shall vigorously promote within the International Monetary Fund reforms which address the problems of global climate change through requirements to—

(1) augment and expand professional staff to address the macroeconomic policies of recipient countries in conjunction with environmental preservation and sustainability;

(2) establish a systematic process within the Fund to review environment, public health, and poverty impacts of proposed lending prior to such lending taking place; and

(3) require that a report on the status of operationalizing these reforms be submitted to Congress prior to obligation of any additional funds to the IMF.

(c) The Secretary of the Treasury shall, not later than March 1, 1993, submit a report to the Congress which shall include—

(1) a detailed description of how the natural resource management initiatives mandated by this section have been incorporated in the Administration's efforts to address Third World Debt (the Brady Plan);

(2) a detailed description of progress made by each of the MDBs in adopting and implementing programs meeting the standards set out in subsection (a) including, in particular, efforts by the Department of the Treasury to assure implementation of this section, progress made by each MDB in subsection (a)(1)(B), and the amounts and proportion of lending in the energy sector for projects or programs in subsection (a)(1);

(3) the progress the African Development Bank and the European Bank for Reconstruction and Development have made in implementing environmental reforms;

(4) an updated analysis of each MDB's forestry sector loans, and a current analysis of each MDB's energy sector loans, and their impact on emissions of CO_2 and the status of proposals for specific forestry and energy sector activities to reduce CO_2 emissions;

(5) the progress the International Bank for Reconstruction and Development has made in implementing the recommendations set forth in the April 1, 1988, report on "Debt-for-Nature Swaps"; and

(6) the progress the Global Environmental Facility has made in implementing clear procedures ensuring public availability to project documentation and the status of obligation of the United States contribution to the Fund.

(d)(1) The Administrator of the Agency for International Development shall update, as appropriate, guidance to all Agency missions and bureaus detailing the elements of the "Global Warming Initiative", which will continue to emphasize the need to reduce emissions of greenhouse gases, especially CO_2 and CFCs, through strategies consistent with continued economic development. This initiative shall continue to emphasize the need to accelerate sustainable development strategies in areas such as reforestation, biodiversity, end-use energy efficiency, least-cost energy planning, and renewable energy, and shall encourage mission directors to incorporate the elements of this initiative in developing their country programs.

(2) The Administrator shall pursue this initiative by, among other things—

(A) increasing the number and expertise of personnel devoted to this initiative in all bureaus and missions;

(B) devoting increased resources to technical training of mission directors;

(C) accelerating the activities of the Multi-Agency Working Group on Power Sector Innovation;

(D) focusing tropical forestry assistance programs on the key middle- and low-income developing countries (hereinafter "key countries") which are projected to contribute large amounts of greenhouse gases to the global environment;

(E) assisting countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry;

(F) focusing energy assistance activities on the key countries, where assistance would have the greatest impact on reducing emissions from greenhouse gases; and

(G) continuing to follow the directives with respect to key countries and countries that receive large Economic Support Fund assistance contained in section 534(b)(3) of Public Law 101-167.

(3) None of the funds appropriated in this Act shall be available for any program, project or activity which would—

(A) result in any significant loss of tropical forests; or

(B) involve commercial timber extraction in primary tropical forest areas unless an environmental assessment—

(i) identifies potential impacts on biological diversity;

(ii) demonstrates that all timber extraction will be conducted according to an environmentally sound management system which maintains the ecological functions of the natural forest and minimizes impacts on biological diversity; and

(iii) demonstrates that the activity will contribute to reducing deforestation.

(4) Funds appropriated to carry out the provisions of sections 103 and 106 of the Foreign Assistance Act of 1961, as amended, may be used by the Agency for International Development, notwithstanding any other provision of law, for the purpose of supporting tropical forestry and energy programs aimed at reducing emissions of greenhouse gases with regard to the key countries in which deforestation and energy policy would make a significant contribution to global warming, except that such assistance shall be subject to sections 116, 502B, and 620A of the Foreign Assistance Act of 1961.

(e) Of the funds appropriated under the headings in this Act under "Agency for International Development", not less than $700,000,000 shall be made available for environment and energy activities, including funds earmarked under section 533 of this Act, of which:

(1) not less than $20,000,000 of the aggregate of the funds appropriated to carry out the provisions of sections 103 through 106 and chapter 10 of part I of the Foreign Assistance Act of 1961 shall be made available for biological diversity activities, of which $5,000,000 shall be made available for the Parks in Peril project pursuant to the authority of section 119(b) of that Act;

(2) not less than $20,000,000 of the funds appropriated to carry out the provisions of chapters 1 and 10 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 shall be made available to support replicable renewable energy projects, and at least five new renewable energy projects are to be initiated during fiscal year 1993;

(3) not less than $7,000,000 of the funds appropriated to carry out the provisions of sections 103 and 106 and chapter 10 of part I of the Foreign Assistance Act of 1961 shall be made available for assistance in support of elephant conservation and preservation;

(4) not less than $25,000,000 of the funds appropriated to carry out the provisions of sections 103 and 106 of the Foreign Assistance Act of 1961 shall be made available for the Office of Energy of the Agency for International Development;

(5) up to $50,000,000 of the funds appropriated to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961 may be made available to carry out the "Forests for the Future Initiative" and to achieve a Global Forest Agreement; and

(6) not less than $50,000,000, to remain available until expended, of the funds appropriated to carry out the provisions of sections 103 through 106 of the Foreign Assistance Act of 1961, shall be made available for the United States contribution to the Global Environmental Facility: Provided, That such funds shall be transferred to the Department of the Treasury and may be made available to the Facility by the Secretary of the Treasury if the Secretary determines (and so reports to the Committees on Appropriations) that the Facility has: (1) established clear procedures ensuring public availability of documentary information on all Facility projects and associated projects of the Facility implementing agencies, and (2) established clear procedures ensuring that affected peoples in recipient countries are consulted on all aspects of implementation of Facility projects.

(f) Funds appropriated under the headings in this Act under "Agency for International Development" should, to the extent feasible and inclusive of funds earmarked under subsection (e) of this section, be targeted for assistance for the following activities:

(1) $50,000,000 for projects associated with the Global Environmental Facility;

(2) a total of $10,000,000 for CORECT, the Environmental Technology Export Council, and the International Fund for Renewable Energy Efficiency; and

(3) $55,000,000 for activities consistent with the Global Warming Initiative.

MONTREAL PROTOCOL FACILITATION FUND

(INCLUDING TRANSFER OF FUNDS)

SEC. 533. Not less than $15,000,000 of the funds appropriated by this Act to carry out sections 103 and 106 of the Foreign Assistance Act of 1961 shall be used to support the creation of a fund to facilitate and support global participation in the Montreal Protocol on Substances that Deplete the Ozone Layer: Provided, That these funds shall be transferred to the Bureau of Oceans, International Environment and Scientific Affairs of the Department of State and shall be made available, after consultations with the Environmental Protection Agency, to the United Nations Environment Program in its role as Secretariat to the Protocol: Provided further, That the United States representative to the Secretariat shall seek assurances that none of these funds shall be contributed to any developing country that is not a party to the Protocol and operating under Article 5 of the Protocol.

PROHIBITION CONCERNING ABORTIONS AND INVOLUNTARY STERILIZATION

SEC. 534. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for any biomedical research which relates in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be obligated or expended for any country or organization if the President certifies that the use of these funds by any such country or organization would violate any of the above provisions related to abortions and involuntary sterilizations. The Congress reaffirms its commitments to Population, Development Assistance and to the need for informed voluntary family planning.

AFGHANISTAN—HUMANITARIAN ASSISTANCE

SEC. 535. Of the aggregate amount of funds appropriated by this Act, to be derived in equal parts from the funds appropriated to carry out the provisions of chapter 1 of part I of the Foreign Assistance Act of 1961, and chapter 4 of part II of that Act, up to $50,000,000 may be made available for the provision of food, medicine, or other humanitarian assistance to the Afghan people, notwithstanding any other provision of law. In carrying out this section, the Administrator of the Agency for International Development shall ensure that an equitable portion of the funds is made available to benefit Afghan women and girls, particularly in programs in refugee camps in Pakistan and in reconstruction projects in Afghanistan.

PRIVATE VOLUNTARY ORGANIZATIONS—DOCUMENTATION

SEC. 536. None of the funds appropriated or made available pursuant to this Act shall be available to a private voluntary organization which fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the Agency for International Development, nor shall any of the funds appropriated by this Act be made available to any private voluntary organization which is not registered with the Agency for International Development.

PRIOR CONSULTATIONS ON IFI REPLENISHMENTS

SEC. 537. Prior to entering into formal negotiations on any replenishment for any international financial institution or multilateral development bank, the Secretary of the Treasury shall consult with the Committees on Appropriations and appropriate authorizing committees on the United States position entering those negotiations.

REFUGEE RESETTLEMENT

SEC. 538. It is the sense of the Congress that all countries receiving United States foreign assistance under this Act, the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), or trade promotion programs should fully cooperate with the international refugee assistance organizations, the United States, and other governments in facilitating lasting solutions to refugee situations. Further, where resettlement to other countries is the appropriate solution, such resettlement should be expedited in cooperation with the country of asylum without respect to race, sex, religion, or national origin.

REPORTING REQUIREMENT

SEC. 539. The President shall submit to the Committees on Appropriations the reports required by section 25(a)(1) of the Arms Export Control Act.

SPECIAL NOTIFICATION REQUIREMENTS

SEC. 540. None of the funds appropriated in this Act shall be obligated or expended for Sudan, Liberia, Lebanon, Zaire, Yemen, Haiti, Guatemala, Malawi, Peru, Uganda, Cambodia, Indonesia, or Somalia except as provided through the regular notification procedures of the Committees on Appropriations.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

SEC. 541. For the purpose of this Act, "program, project, and activity" shall be defined at the Appropriations Act account level and shall include all Appropriations and Authorizations Acts earmarks, ceilings, and limitations with the exception that for the following accounts: Economic Support Fund and Foreign Military Financing Program, "program, project, and activity" shall also be considered to include country, regional, and central program level funding within each such account; for the development assistance accounts of the Agency for International Development "program, project, and activity" shall also be considered to include central program level funding, either as (1) justified to the Congress, or (2) allocated by the executive branch in accordance with a report, to be provided to the Committees on Appropriations within thirty days of enactment of this Act, as required by section 653(a) of the Foreign Assistance Act of 1961.

CHILD SURVIVAL AND AIDS ACTIVITIES

SEC. 542. Up to $8,000,000 of the funds made available by this Act for assistance for health, child survival, and AIDS, may be used to reimburse United States Government agencies, agencies of State governments, institutions of higher learning, and private and voluntary organizations for the full cost of individuals (including for the personal services of such individuals) detailed or assigned to, or contracted by, as the case may be, the Agency for International Development for the purpose of carrying out child survival activities and activities relating to research on, and the treatment and control of, acquired immune deficiency syndrome in developing countries: Provided, That such individuals shall not be included within any personnel ceiling applicable to any United States Government agency during the period of detail or assignment: Provided further, That funds appropriated by this Act that are made available for child survival activities or activities relating to research on, and the treatment and control of, acquired immune deficiency syndrome may be made available notwithstanding any provision of law that restricts assistance to foreign countries: Provided further, That funds appropriated by this Act that are made available for family planning activities may be made available notwithstanding section 518 of this Act and section 620(q) of the Foreign Assistance Act of 1961.

PROHIBITION AGAINST INDIRECT FUNDING TO CERTAIN COUNTRIES

SEC. 543. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated to finance indirectly any assistance or reparations to Cuba, Iraq, Libya, the Socialist Republic of Vietnam, Iran, Syria, North Korea, People's Republic of China, Laos, Jordan, or Yemen unless the President of the United States certifies that the withholding of these funds is contrary to the national interest of the United States.

RECIPROCAL LEASING

SEC. 544. Section 61(a) of the Arms Export Control Act is amended by striking out "1992" and inserting in lieu thereof "1993".

DEFENSE EQUIPMENT DRAWDOWN

SEC. 545. (a) Defense articles, services and training drawn down under the authority of section 506(a) of the Foreign Assistance Act of 1961, shall not be furnished to a recipient unless such articles are delivered to, and such services and training initiated for, the recipient country or international organization not more than one hundred and twenty days from the date on which Congress received notification of the intention to exercise the authority of that section: Provided, That if defense articles have not been delivered or services and training initiated by the period specified in this section, a new notification pursuant to section 506(b) of such Act shall be provided, which shall include an explanation for the delay in furnishing such articles, services, and training, before such articles, services, or training may be furnished.

(b) Drawdowns made pursuant to section 506(a)(2) of the Foreign Assistance Act of 1961 shall be subject to the regular notification procedures of the Committees on Appropriations.

NOTIFICATION ON EXCESS DEFENSE EQUIPMENT

SEC. 546. Prior to providing excess Department of Defense articles in accordance with section 516(a) of the Foreign Assistance Act of 1961, the Department of Defense shall notify the Committees on Appropriations to the same extent and under the same conditions as are other committees pursuant to subsection (c) of that section: Provided, That before issuing a letter of offer to sell excess defense articles under the Arms Export Control Act, the Department of Defense shall notify the Committees on Appropriations in accordance with the regular notification procedures of such Committees: Provided further, That such Committees shall also be informed of the original acquisition cost of such defense articles.

AUTHORIZATION REQUIREMENT

SEC. 547. Funds appropriated by this Act may be obligated and expended subject to section 10 of Public Law 91–672 and section 15 of the State Department Basic Authorities Act of 1956.

NOTIFICATION TO CONGRESS ON DEBT RELIEF AGREEMENTS

SEC. 548. The Secretary of State shall transmit to the Appropriations Committees of the Congress and to such other Committees as appropriate, a copy of the text of any agreement with any foreign government which would result in any debt relief no less than thirty days prior to its entry into force, other than one entered into pursuant to this Act, together with a detailed justification of the interest of the United States in the proposed debt relief: Provided, That the term "debt relief" shall include any and all debt prepayment, debt rescheduling, and debt restructuring proposals and agreements: Provided further, That the Secretary of State and the Secretary of the Treasury should in every feasible instance notify the Appropriations Committees of the Congress and such other Committees as appropriate not less than 15 days prior to any formal multilateral or bilateral negotiation for official debt restructuring, rescheduling, or relief: Provided further, That the Secretary of State or the Secretary of the Treasury, as appropriate, shall report not later than February 1 of each year a consolidated statement of the budgetary implications of all debt-related agreements entered into force during the preceding fiscal year.

MIDDLE EAST REGIONAL COOPERATION AND ISRAELI-ARAB SCHOLARSHIPS

SEC. 549. Middle East regional cooperative programs which have been carried out in accordance with section 202(c) of the International Security and Development Cooperation Act of 1985 shall continue to be funded at a level of not less than $7,000,000 from funds appropriated under the heading "Economic Support Fund".

MEMBERSHIP DESIGNATION IN ASIAN DEVELOPMENT BANK

SEC. 550. It is the sense of the Congress that the United States Government should use its influence in the Asian Development Bank to secure reconsideration of that institution's decision to designate Taiwan (the Republic of China) as "Taipei, China". It is further the sense of the Congress that the Asian Development Bank should resolve this dispute in a fashion that is acceptable to Taiwan (the Republic of China).

DEPLETED URANIUM

SEC. 551. None of the funds provided in this or any other Act may be made available to facilitate in any way the sale of M-833 antitank shells or any comparable antitank shells containing a depleted uranium penetrating component to any country other than (1) countries which are members of NATO, (2) countries which have been designated as a major non-NATO ally for purposes of section 1105 of the National Defense Authorization Act for Fiscal Year 1987 or, (3) Taiwan: Provided, That funds may be made available to facilitate the sale of such shells notwithstanding the limitations of this section if the President determines that to do so is in the national security interest of the United States.

EARMARKS

SEC. 552. Funds appropriated by this Act which are earmarked may be reprogrammed for other programs within the same account notwithstanding the earmark if compliance with the earmark is made impossible by operation of any provision of this or any other Act or, with respect to a country with which the United States has an agreement providing the United States with base rights or base access in that country, if the President determines that the recipient for which funds are earmarked has significantly reduced its military or economic cooperation with the United States since enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991; however, before exercising the authority of this section with regard to a base rights or base access country which has significantly reduced its military or economic cooperation with the United States, the President shall consult with, and shall provide a written policy justification to the Committees on Appropriations: Provided, That any such reprogramming shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That assistance that is reprogrammed pursuant to this section shall be made available under the same terms and conditions as originally provided.

OPPOSITION TO ASSISTANCE TO TERRORIST COUNTRIES BY INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 553. (a) INSTRUCTIONS FOR UNITED STATES EXECUTIVE DIRECTORS.—The Secretary of the Treasury shall instruct the United States Executive Director of each international financial institution to vote against any loan or other use of the funds of the respective institution to or for a country for which the Secretary of State has made a determination under section 6(j) of the Export Administration Act of 1979.

(b) DEFINITION.—For purposes of this section, the term "international financial institution" includes—

(1) the International Bank for Reconstruction and Development, the International Development Association, and the International Monetary Fund; and

(2) wherever applicable, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, and the African Development Fund.

PROHIBITION ON BILATERAL ASSISTANCE TO TERRORIST COUNTRIES

SEC. 554. (a) Notwithstanding any other provision of law, funds appropriated for bilateral assistance under any heading of this Act and funds appropriated under any such heading in a provision of law enacted prior to enactment of this Act, shall not be made available to any country which the President determines—

(1) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or

(2) otherwise supports international terrorism.

(b) The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall publish each waiver in the Federal Register and, at least fifteen days before the waiver takes effect, shall notify the Committees on Appropriations of the waiver (including the justification for the waiver) in accordance with the regular notification procedures of the Committees on Appropriations.

SOUTH AFRICA—SCHOLARSHIPS

SEC. 555. Of the funds made available by this Act under the heading "Economic Support Fund", $10,000,000 may be made available for scholarships for disadvantaged South Africans.

NARCOTICS CONTROL PROGRAM

SEC. 556. (a)(1) Funds made available under this Act shall be available for obligation consistent with requirements to apply the provisions of section 481(h) of the Foreign Assistance Act of 1961 (relating to International Narcotics Control).

(2) Funds made available by this Act to carry out the provisions of the Arms Export Control Act and section 534 of the Foreign Assistance Act of 1961 may be provided for training and equipment for law enforcement agencies or other units in Colombia, Bolivia, Ecuador, and Peru that are organized for the specific purpose of narcotics enforcement: Provided, That assistance under this paragraph may be provided notwithstanding section 660 of the Foreign Assistance Act of 1961 and the second sentence of section 534(e) of that Act: Provided further, That the waiver contained in this paragraph does not apply to Peru's Sinchi police: Provided further, That assistance provided pursuant to this paragraph shall be subject to the regular notification procedures of the Committees on Appropriations.

(b) Of the funds appropriated under title II of this Act for the Agency for International Development, up to $10,000,000 should be made available for narcotics education and awareness programs (including public diplomacy programs) of the Agency for International Development, and $40,000,000 of the funds appropriated under title II of this Act should be made available for narcotics related economic assistance activities.

(c) Section 515(d) of the Foreign Assistance Act of 1961 is amended by striking out "(excluding salaries of the United States military personnel)" and inserting in lieu thereof "(excluding salaries of the United States military personnel other than the Coast Guard)".

(d) For purposes of satisfying the requirement of section 484 of the Foreign Assistance Act of 1961, funds made available by this Act for the purposes of section 23 of the Arms Export Control Act may be used to finance the leasing of aircraft under chapter 6 of the Arms Export Control Act.

TURKISH AND GREEK MILITARY FORCES ON CYPRUS

SEC. 557. Any agreement for the sale or provision of any article on the United States Munitions List (established pursuant to section 38 of the Arms Export Control Act) entered into by the United States after the enactment of this section shall expressly state that the article is being provided by the United States only with the understanding that it will not be transferred to Cyprus or otherwise used to further the severance or division of Cyprus. The President shall report to Congress any substantial evidence that equipment provided under any such agreement has been used in a manner inconsistent with the purposes of this section.

COMMERCIAL LEASING OF DEFENSE ARTICLES

SEC. 558. Notwithstanding any other provision of law, and subject to the regular notification requirements of the Committees on Appropriations, the authority of section 23(a) of the Arms Export Control Act may be used to provide financing to Israel and Egypt and NATO and major non-NATO allies for the procurement by leasing (including leasing with an option to purchase) of defense articles from United States commercial suppliers, not including Major Defense Equipment (other than helicopters and other types of aircraft having possible civilian application), if the President determines that there are compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale under such Act.

ASSISTANCE FOR CAMBODIAN PEACE, DEMOCRACY, AND DEVELOPMENT

SEC. 559. (a) HUMANITARIAN AND DEVELOPMENT ASSISTANCE FOR CAMBODIA.—Not less than $20,000,000 of the funds appropriated by this Act under the heading "Economic Support Fund" and for "development assistance" shall be made available, predominantly through international organizations and United States private and voluntary organizations, for humanitarian and development assistance exclusively for Cambodian civilians, notwithstanding any other provision of law (other than sections 531(e) and 634A of the Foreign Assistance Act of 1961, section 522 of this Act (regarding notification requirements), and the provisions of this section).

(b) ASSISTANCE TO SUPPORT ADMINISTRATIVE PROGRAMS.—Of the assistance provided under subsection (a), not less than $10,000,000 shall be used to support administrative programs in Cambodia in order to ensure that such programs continue to function and serve the Cambodian people during the implementation of the United Nations settlement agreement for Cambodia.

(c) RELATION TO ASSISTANCE FOR CAMBODIAN CHILDREN.—Any assistance provided under this section shall be in addition to the assistance provided under the heading "Humanitarian Assistance for Cambodian Children".

(d) DEFINITIONS.—For purposes of this section—

(1) the term "development assistance" means (A) assistance furnished to carry out any of the provisions of chapter 1 of part I of the Foreign Assistance Act of 1961, including the development of infrastructure and human resources development, and (B) assistance to support administrative programs.

(2) the term "humanitarian assistance" means food, clothing, medicine, and other humanitarian assistance, including equipment for the surveying and eradication of explosive mines, but such term does not include (A) the provision of any weapons, weapon systems, or ammunition, or (B) the provision to Cambodian military units of any other equipment, vehicles, or material.

(e) RESTRICTION ON ASSISTANCE.—None of the funds made available under this section may be made available, directly or indirectly, for the Khmer Rouge.

(f) TERMINATION OF ASSISTANCE.—The President shall terminate assistance under this section to any Cambodian organization that he determines is cooperating, tactically or strategically, with the Khmer Rouge in their military operations.

(g) REPORTING REQUIREMENTS.—(1) Not later than 120 days after the enactment of this Act, the President shall submit to the Speaker of the

House of Representatives and the President Pro Tempore of the Senate a report on the United States plans for contributing to the long-term rehabilitation, reconstruction and development needs of Cambodia.

(2) Not later than December 1, 1992, the President shall submit to the Speaker of the House of Representatives and the President Pro Tempore of the Senate a report on the status of the United Nations demobilization and cantonment process for each of the four Cambodian factions, and the degree of integration and cooperation among the four factions, and the status of the repatriation process.

COMPETITIVE INSURANCE

SEC. 560. All Agency for International Development contracts and solicitations, and subcontracts entered into under such contracts, shall include a clause requiring that United States marine insurance companies have a fair opportunity to bid for marine insurance when such insurance is necessary or appropriate.

IRELAND

SEC. 561. It is the sense of the Congress that of the funds appropriated or otherwise made available for the International Fund for Ireland, the Board of the International Fund for Ireland should give great weight in the allocation of such funds to projects which will create permanent, full-time jobs in the areas that have suffered most severely from the consequences of the instability of recent years. Areas that have suffered most severely from the consequences of the instability of recent years shall be defined as areas that have high rates of unemployment.

ASSISTANCE TO AFGHANISTAN

SEC. 562. Funds appropriated by this Act may not be made available, directly or for the United States proportionate share of programs funded under the heading "International Organizations and Programs", for assistance to be provided inside Afghanistan if that assistance would be provided through the Soviet-controlled government of Afghanistan. This section shall not be construed as limiting the United States contributions to international organizations for humanitarian assistance.

EL SALVADOR ECONOMIC SUPPORT FUNDS

SEC. 563. Not less than 25 per centum of the Economic Support Funds made available for El Salvador by this Act shall be used for projects and activities in accordance with the provisions applicable to assistance under chapter 1 of part I of the Foreign Assistance Act of 1961.

DISADVANTAGED ENTERPRISES

SEC. 564. (a) Except to the extent that the Administrator of the Agency for International Development of the Foreign Assistance Act of 1961 determines otherwise, not less than 10 percent of the aggregate amount made available for the current fiscal year for the "Development Assistance Fund", "Population, Development Assistance", and the "Development Fund for Africa" shall be made available only for activities of United States organizations and individuals that are—

(1) business concerns owned and controlled by socially and economically disadvantaged individuals,

(2) historically black colleges and universities,

(3) colleges and universities having a student body in which more than 40 per centum of the students are Hispanic American, and

(4) private voluntary organizations which are controlled by individuals who are socially and economically disadvantaged.

(b)(1) In addition to other actions taken to carry out this section, the actions described in paragraphs (2) through (5) shall be taken with respect to development assistance and assistance for sub-Saharan Africa for the current fiscal year.

(2) Notwithstanding any other provision of law, in order to achieve the goals of this section, the Administrator—

(A) to the maximum extent practicable, shall utilize the authority of section 8(a) of the Small Business Act (15 U.S.C. 637(a));

(B) to the maximum extent practicable, shall enter into contracts with small business concerns owned and controlled by socially and economically disadvantaged individuals, and organizations contained in paragraphs (2) through (4) of subsection (a)—

(i) using less than full and open competitive procedures under such terms and conditions as the Administrator deems appropriate, and

(ii) using an administrative system for justifications and approvals that, in the Administrator's discretion, may best achieve the purpose of this section; and

(C) shall issue regulations to require that any contract in excess of $500,000 contain a provision requiring that no less than 10 per centum of the dollar value of the contract be subcontracted to entities described in subsection (a), except—

(i) to the extent the Administrator determines otherwise on a case-by-case or category-of-contract basis; and

(ii) this subparagraph does not apply to any prime contractor that is an entity described in subsection (a).

(3) Each person with contracting authority who is attached to the agency's headquarters in Washington, as well as all agency missions and regional offices, shall notify the agency's Office of Small and Disadvantaged Business Utilization at least seven business days before advertising a contract in excess of $100,000, except to the extent that the Administrator determines otherwise on a case-by-case or category-of-contract basis.

(4) The Administrator shall include, as part of the performance evaluation of any mission director of the agency, the mission director's efforts to carry out this section.

(5) The Administrator shall submit to the Congress annual reports on the implementation of this section. Each such report shall specify the number and dollar value or amount (as the case may be) of prime contracts, subcontracts, grants, and cooperative agreements awarded to entities described in subsection (a) during the preceding fiscal year.

(c) As used in this section, the term "socially and economically disadvantaged individuals" has the same meaning that term is given for purposes of section 8(d) of the Small Business Act, except that the term includes women.

STINGERS IN THE PERSIAN GULF REGION

SEC. 565. Except as provided in section 581 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, the United States may not sell or otherwise make available any Stingers to any country bordering the Persian Gulf under the Arms Export Control Act or chapter 2 of part II of the Foreign Assistance Act of 1961.

PROHIBITION ON LEVERAGING AND DIVERSION OF UNITED STATES ASSISTANCE

SEC. 566. (a) None of the funds appropriated by this Act may be provided to any foreign government (including any instrumentality or agency thereof), foreign person, or United States person in exchange for that foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of United States law.

(b) For the purposes of this section the term "funds appropriated by this Act" includes only (1) assistance of any kind under the Foreign Assistance Act of 1961; and (2) credits, and guaranties under the Arms Export Control Act.

(c) Nothing in this section shall be construed to limit—

(1) the ability of the President, the Vice President, or any official or employee of the United States to make statements or otherwise express their views to any party on any subject;

(2) the ability of an official or employee of the United States to express the policies of the President; or

(3) the ability of an official or employee of the United States to communicate with any foreign country government, group or individual, either directly or through a third party, with respect to the prohibitions of this section including the reasons for such prohibitions, and the actions, terms, or conditions which might lead to the removal of the prohibitions of this section.

APPROPRIATIONS OF UNITED STATES-OWNED CURRENCIES

SEC. 567. The provisions of section 1306 of title 31, United States Code, shall not be waived to carry out the provisions of the Foreign Assistance Act of 1961 by any provision of law enacted after the date of enactment of this Act unless such provision makes specific reference to this section.

DEBT-FOR-DEVELOPMENT

SEC. 568. In order to enhance the continued participation of nongovernmental organizations in economic assistance activities under the Foreign Assistance Act of 1961, including debt-for-development and debt-for-nature exchanges, a nongovernmental organization may invest local currencies which accrue to that organization as a result of economic assistance provided under the heading "Agency for International Development" and any interest earned on such investment may be used, including for the establishment of an endowment, for the purpose for which the assistance was provided to that organization.

LEBANON

SEC. 569. (a) Of the funds appropriated by this Act to carry out chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 not less than $10,000,000 shall be made available for Lebanon and may be provided in accordance with the general authorities contained in section 491 of the Foreign Assistance Act of 1961, of which not less than $6,000,000 shall be derived from funds appropriated to carry out chapter 1 of part I and not less than $4,000,000 shall be derived from funds appropriated to carry out chapter 4 of part II.

(b) All deliveries to Lebanon of equipment purchased with Foreign Military Financing credits or grants shall be subject to the regular notification procedures of the Committees on Appropriations.

LOCATION OF STOCKPILES

SEC. 570. Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended by striking out "$378,000,000 for fiscal year 1991, of which amount not less than $300,000,000 shall be available for stockpiles in Israel" and inserting in lieu thereof "$389,000,000 for fiscal year 1993, of which amount not less than $200,000,000 shall be available for stockpiles in Israel, and up to $189,000,000 may be available for stockpiles in the Republic of Korea".

ASSISTANCE FOR PAKISTAN

SEC. 571. (a) The date specified in section 620E(d) of the Foreign Assistance Act of 1961 is amended to read as follows: "September 30, 1993".

(b) None of the funds appropriated in this Act shall be obligated or expended for Pakistan except as provided through the regular notification procedures of the Committees on Appropriations.

SEPARATE ACCOUNTS

SEC. 572. (a) SEPARATE ACCOUNTS FOR LOCAL CURRENCIES.—(1) If assistance is furnished to the government of a foreign country under chapters 1 and 10 of part I (including the Philippines Multilateral Assistance Initiative) or chapter 4 of part II of the Foreign Assistance Act of 1961 under agreements which result in the generation of local currencies of that country, *the Administrator of the Agency for International Development shall—*

(A) require that local currencies be deposited in a separate account established by that government;

(B) enter into an agreement with that government which sets forth—

(i) the amount of the local currencies to be generated, and

(ii) the terms and conditions under which the currencies so deposited may be utilized, consistent with this section; and

(C) establish by agreement with that government the responsibilities of the Agency for International Development and that government to monitor and account for deposits into and disbursements from the separate account.

(2) Uses of Local Currencies.—As may be agreed upon with the foreign government, local currencies deposited in a separate account pursuant to subsection (a), or an equivalent amount of local currencies, shall be used only—

(A) to carry out chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), for such purposes as:

(i) project and sector assistance activities, or

(ii) debt and deficit financing; or

(B) for the administrative requirements of the United States Government.

(3) Programming Accountability.—The Agency for International Development shall take all appropriate steps to ensure that the equivalent of the local currencies disbursed pursuant to subsection (a)(2)(A) from the separate account established pursuant to subsection (a)(1) are used for the purposes agreed upon pursuant to subsection (a)(2).

(4) Termination of Assistance Programs.—Upon termination of assistance to a country under chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), any unencumbered balances of funds which remain in a separate account established pursuant to subsection (a) shall be disposed of for such purposes as may be agreed to by the government of that country and the United States Government.

(5) Conforming Amendments.—The provisions of this subsection shall supersede the tenth and eleventh provisos contained under the heading "Sub-Saharan Africa, Development Assistance" as included in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 and sections 531(d) and 609 of the Foreign Assistance Act of 1961.

(b) Separate Accounts for Cash Transfers.—(1) If assistance is made available to the government of a foreign country, under chapters 1 or 10 of part I (including the Philippines Multilateral Assistance Initiative) or chapter 4 of part II of the Foreign Assistance Act of 1961, as cash transfer assistance or as nonproject sector assistance, that country shall be required to maintain such funds in a separate account and not commingle them with any other funds.

(2) Applicability of Other Provisions of Law.—Such funds may be obligated and expended notwithstanding provisions of law which are inconsistent with the nature of this assistance including provisions which are referenced in the Joint Explanatory Statement of the Committee of Conference accompanying House Joint Resolution 648 (H. Report No. 98–1159).

(3) Notification.—At least fifteen days prior to obligating any such cash transfer or nonproject sector assistance, the President shall submit a notification through the regular notification procedures of the Committees on Appropriations, which shall include a detailed description of how the funds proposed to be made available will be used, with a discussion of the United States interests that will be served by the assistance (including, as appropriate, a description of the economic policy reforms that will be promoted by such assistance).

(4) Exemption.—Nonproject sector assistance funds may be exempt from the requirements of subsection (b)(1) only through the notification procedures of the Committees on Appropriations.

COMPENSATION FOR UNITED STATES EXECUTIVE DIRECTORS TO INTERNATIONAL FINANCIAL INSTITUTIONS

Sec. 573. (a) No funds appropriated by this Act may be made as payment to any international financial institution while the United States Executive Director to such institution is compensated by the institution at a rate which, together with whatever compensation such Director receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to such institution is compensated by the institution at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) For purposes of this section, "international financial institutions" are: the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the Asian Development Fund, the African Development Bank, the African Development Fund, the International Monetary Fund, and the European Bank for Reconstruction and Development.

COMPLIANCE WITH UNITED NATIONS SANCTIONS AGAINST IRAQ

Sec. 574. (a) Denial of Assistance.—None of the funds appropriated or otherwise made available pursuant to this Act to carry out the Foreign Assistance Act of 1961 (including title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation) or the Arms Export Control Act may be used to provide assistance to any country that is not in compliance with the United Nations Security Council sanctions against Iraq unless the President determines and so certifies to the Congress that—

(1) such assistance is in the national interest of the United States;

(2) such assistance will directly benefit the needy people in that country; or

(3) the assistance to be provided will be humanitarian assistance for foreign nationals who have fled Iraq and Kuwait.

(b) Import Sanctions.—If the President considers that the taking of such action would promote the effectiveness of the economic sanctions of the United Nations and the United States imposed with respect to Iraq, and is consistent with the national interest, the President may prohibit, for such a period of time as he considers appropriate, the importation into the United States of any or all products of any foreign country that has not prohibited—

(1) the importation of products of Iraq into its customs territory, and

(2) the export of its products to Iraq.

REPEAL OF FISCAL YEAR 1991 PROVISION

Sec. 575. The amendment to section 516(a) of the Foreign Assistance Act of 1961 made by section 589 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991 (Public Law 101–513) is hereby repealed.

CHEMICAL WEAPONS PROLIFERATION

Sec. 576. None of the funds appropriated by this Act may be used to finance the procurement of chemicals, dual use chemicals, or chemical agents that may be used for chemical weapons production: Provided, That the provisions of this section shall not apply to any such procurement if the President determines that such chemicals, dual use chemicals, or chemical agents are not intended to be used by the recipient for chemical weapons production.

KENYA

Sec. 577. Notwithstanding any other provision of law, none of the funds appropriated by this Act under the headings "Economic Support Fund" and "Foreign Military Financing Program", may be made available for Kenya unless the President certifies, and so reports to the Congress, that the Government of Kenya is taking steps to—

(1) charge and try or release all prisoners, including any persons detained for political reasons;

(2) cease any physical abuse or mistreatment of prisoners;

(3) restore the independence of the judiciary; and

(4) restore freedoms of expression: Provided, That none of the funds appropriated by this Act under the headings "Economic Support Fund" and "Foreign Military Financing Program" may be obligated or expended for Kenya until 30 days after such report is transmitted to the Congress.

MEDITERRANEAN EXCESS DEFENSE ARTICLES

Sec. 578. (a) Section 573(e) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, is amended by striking out "three year period beginning on October 1, 1989" and inserting in lieu thereof "four-year period beginning on October 1, 1992".

(b) During fiscal year 1993, the provisions of section 573(e) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, (as amended by subsection (a) of this section) shall be applicable, for the period specified therein, to excess defense articles made available under sections 516 and 519 of the Foreign Assistance Act of 1961.

PRIORITY DELIVERY OF EQUIPMENT

Sec. 579. Notwithstanding any other provision of law, the delivery of excess defense articles that are to be transferred on a grant basis under section 516 of the Foreign Assistance Act to NATO allies and to major non-NATO allies on the southern and southeastern flank of NATO shall be given priority to the maximum extent feasible over the delivery of such excess defense articles to other countries.

ISRAEL DRAWDOWN

Sec. 580. Section 599B(a) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, (as amended by Pub. L. 102–145, as amended) is further amended—

(a) by striking out "fiscal year 1992" and inserting in lieu thereof "fiscal year 1993"; and

(b) by striking out "Appropriations Act, 1992" and inserting in lieu thereof "Appropriations Act, 1993".

HUMAN RIGHTS PERFORMANCE

Sec. 581. Prior to the provision of assistance from funds appropriated by this Act for Eastern Europe, the Baltic States, and the independent states of the former Soviet Union, the President should take into consideration the extent to which such countries are taking significant steps, as appropriate, toward—

(1) implementation of internationally recognized human rights, including provisions of the Helsinki Final Act and other documents of the Conference on Security and Cooperation in Europe;

(2) political pluralism based on democratic principles, and the rule of law; and

(3) economic reform, based on market principles and private property.

ESTABLISHING CATEGORIES OF ALIENS FOR PURPOSES OF REFUGEE DETERMINATIONS; ADJUSTMENT OF STATUS FOR CERTAIN SOVIET AND INDOCHINESE PAROLEES

Sec. 582. (a) Extension of Provisions.—The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101–167), is amended—

(1) in section 599D (8 U.S.C. 1157 note)—

(A) in subsection (b)(3), by inserting "and within the number of such admissions allocated for each of fiscal years 1993 and 1994 for refugees who are nationals of the independent states of the former Soviet Union, Estonia, Latvia, and Lithuania under such section" after "Act"; and

(B) in subsection (e), by striking out "October 1, 1992" each place it appears and inserting in lieu thereof "October 1, 1994"; and

(2) in section 599E (8 U.S.C. 1255 note) in subsection (b)(2), by striking out "September 30, 1992" and inserting in lieu thereof "September 30, 1994".

(b) CORRECTION OF REFERENCES TO SOVIET UNION.—That Act is amended—

(1) in section 599D(b)—

(A) in paragraphs (1)(A), (2)(A), and (2)(B), by striking out "of the Soviet Union" each place it appears and inserting in lieu thereof "of an independent state of the former Soviet Union or of Estonia, Latvia, or Lithuania"; and

(B) in paragraph (1)(A), by striking out "in the Soviet Union," and inserting in lieu thereof "in that state"; and

(2) in section 599E(b)(1), by striking out "of the Soviet Union," and inserting in lieu thereof "of an independent state of the former Soviet Union, Estonia, Latvia, Lithuania,".

(c) REPEAL OF EXECUTED REPORTING REQUIREMENTS.—Section 599D of that Act is amended by repealing subsection (f).

ASSISTANCE FOR GUATEMALA

SEC. 583. (a) For fiscal year 1993, assistance that is provided for Guatemala under chapter 1 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961—

(1) may be provided to and used only by civilian government agencies and nongovernmental organizations;

(2) shall be targeted for assistance for programs that directly address poverty, basic human needs, and environmental concerns; to improve the performance of democratic institutions or otherwise to promote pluralism; for the National Reconciliation Commission; for fiscal reform and fiscal administration; or for programs that promote foreign and domestic trade and investment;

(3) may not be used for partisan political purposes or as an instrument of counterinsurgency;

(4) may be used for costs of retraining, relocation, and reemployment in civilian pursuits of former combatants and noncombatants affected by the conflict in Guatemala; and

(5) may be used for costs of monitoring activities associated with provisions set forth in an agreement for lasting peace pursuant to the Accord of Mexico and in fulfillment of the Accord of Oslo or other subsequent accords reached by the parties to the conflict.

(b) SPECIAL NOTIFICATION REQUIREMENT.—(1) None of the funds appropriated in this Act shall be obligated or expended for Guatemala except as provided through the regular notification procedures of the Committee on Appropriations of each House of Congress.

(2) Funds made available pursuant to subsections (a)(4) and (a)(5) may be made available only upon notification by the President to the appropriate congressional committees that the Government of Guatemala and representatives of the Guatemalan National Revolutionary Unity (URNG) have signed an agreement providing for a "lasting peace agreement" pursuant to the Accord of Mexico and in fulfillment of the Accord of Oslo or any other subsequent accords reached by the parties to the conflict.

(3) The President shall, prior to submitting any notifications for assistance for Guatemala in fiscal year 1993, take into consideration the progress the Government of Guatemala has made toward eliminating human rights violations and in investigating and bringing to trial those responsible for major human rights cases, such as those relating to Sister Dianna Ortiz, Michael Devine, and Myrna Mack.

(c) DEFINITIONS.—As used in this section—

(1) the term "Accord of Mexico" means the Accord on the Procedure to Attain Peace Through Peaceful Means agreed to by the parties in Mexico City on April 26, 1991;

(2) the term "Accord of Oslo" means the Accord of Oslo of March 30, 1990;

(3) the term "appropriate congressional committees" means the Committee on Appropriations and the Committee on Foreign Affairs of the House of Representatives and the Committee on Appropriations and the Committee on Foreign Relations of the Senate.

ASSISTANCE FOR JORDAN

SEC. 584. None of the funds appropriated or otherwise made available by this Act to carry out the Foreign Assistance Act of 1961 (including title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation) or the Arms Export Control Act may be used to provide assistance to Jordan unless the President determines and so certifies to the Congress that (1) Jordan has taken steps to advance the peace process in the Middle East, (2) Jordan is in compliance with United Nations Security Council sanctions against Iraq, and (3) that such assistance is in the national interest of the United States.

NUCLEAR NON-PROLIFERATION POLICY IN SOUTH ASIA

SEC. 585. The Foreign Assistance Act of 1961 is amended by inserting the following new section:

"SEC. 620F. NUCLEAR NON-PROLIFERATION POLICY IN SOUTH ASIA.

"(a) FINDINGS.—The Congress finds that—

"(1) the proliferation of weapons of mass destruction remains one of the most serious threats to international peace and stability;

"(2) South Asia, in particular, is an area where the threat of a regional nuclear exchange remains high due to continued Indo-Pakistani tensions over issues such as Kashmir;

"(3) to date, United States efforts to halt proliferation in South Asia have failed;

"(4) although global disarmament is a desirable goal which should be vigorously pursued, both regional and sub-regional security arrangements can serve to decrease tensions and promote non-proliferation in certain areas;

"(5) thus far, there has been some success on a regional basis, such as the South Pacific Nuclear Weapons Free Zone and the Treaty of Tlatelolco in Latin America;

"(6) in particular, in Latin America, the Treaty of Tlatelolco has been signed by all the nuclear powers;

"(7) a critical part of this treaty is Protocol II which prohibits nuclear attacks by nuclear weapons states on signatories to the treaty;

"(8) in 1991, a proposal was made for a regional conference on non-proliferation in South Asia which would include Pakistan, India, the People's Republic of China, the Soviet Union, and the United States; and

"(9) thus far, Pakistan, China, Russia, and the United States have expressed interest in attending such a conference, whereas India has refused to attend.

"(b) POLICY.—The Congress is encouraged by the impending bilateral conference between the United States and India to address the serious question of nuclear proliferation in South Asia. It is the sense of the House that the President should pursue a policy which seeks a regional negotiated solution to the issue of nuclear non-proliferation in South Asia at the earliest possible time, including a protocol to be signed by all nuclear weapons states, prohibiting nuclear attacks by nuclear weapons states on countries in the region. Such a policy should have as its ultimate goal concurrent accession by Pakistan and India to the Nuclear Non-Proliferation Treaty, and should also include as needed a phased approach to that goal through a series of agreements among the parties on nuclear issues, such as the agreement reached by Pakistan and India not to attack one another's nuclear facilities.

"(c) REPORT ON PROGRESS TOWARD REGIONAL NON-PROLIFERATION.—Not later than six months after the date of enactment of this Act and every six months thereafter, the President shall submit a report to the Committees on Appropriations, the Speaker of the House of Representatives, and the chairman of the Committee on Foreign Relations of the Senate, on nuclear proliferation in South Asia, including efforts taken by the United States to achieve a regional agreement on nuclear non-proliferation, and including a comprehensive list of the obstacles to concluding such a regional agreement.

"(d) REPORT ON SOUTH ASIAN NUCLEAR PROGRAMS.—Not later than six months after the enactment of this Act, the President shall submit a report with respect to the People's Republic of China, Pakistan, India and Sri Lanka in writing to the Committees on Appropriations, the Speaker of the House of Representatives, the chairman of the Committee on Foreign Relations of the Senate, on that country's nuclear and ballistic missile programs, including, but not limited to—

"(1) a determination as to whether that country possesses a nuclear explosive device or whether it possesses all the components necessary for the assembly of such a device;

"(2) a complete report on the status of that country's missile development program, foreign assistance to that program, and foreign sales of missiles or missile components to that country and steps which the United States has taken in response to such sales; and

"(3) a report on whether that country has agreed to fully adhere, and is adhering, to all peaceful nuclear cooperation agreements with the United States and has formally agreed to place all United States-supplied nuclear materials under international safeguards in perpetuity.".

CASH FLOW FINANCING

SEC. 586. For each country that has been approved for cash flow financing (as defined in section 25(d) of the Arms Export Control Act, as added by section 112(b) of Public Law 99–83) under the Foreign Military Financing Program, any Letter of Offer and Acceptance or other purchase agreement, or any amendment thereto, for a procurement in excess of $100,000,000 that is to be financed in whole or in part with funds made available under this Act shall be submitted through the regular notification procedures to the Committees on Appropriations.

RESCISSION

SEC. 587. (a) Of the unexpended balances of funds (including earmarked funds) made available in Public Law 101–513 and prior Acts making appropriations for foreign operations, export financing, and related programs to carry out the provisions of chapters 1 and 10 of part I of the Foreign Assistance Act of 1961, $37,500,000 are rescinded.

(b) Of the unexpended balances of funds (including earmarked funds) made available in Public Law 101–513 and prior Acts making appropriations for foreign operations, export financing, and related programs to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, $37,500,000 are rescinded.

(c) Of the funds made available (including earmarked funds) in Public Law 101–513 and prior Acts making appropriations for foreign operations, export financing, and related programs to carry out the provisions of section 23 of the Arms Export Control Act and section 503 of the Foreign Assistance Act of 1961, $75,000,000 are rescinded.

ANTI-NARCOTICS UPDATE

SEC. 588. (a) Of the funds appropriated by this Act under the heading "Economic Support Fund", assistance may be provided as follows:

(1) to strengthen the administration of justice in countries in Latin America and the Caribbean in accordance with the provisions of section 534 of the Foreign Assistance Act of 1961, except that programs to enhance protection of participants in judicial cases may be conducted notwithstanding section 660 of that Act;

(2) notwithstanding section 660 of the Foreign Assistance Act of 1961, up to $10,000,000 may be made available for technical assistance, training, and commodities with the objective of creating a professional civilian police force for Panama, except that such technical assistance shall not include more than $5,000,000 for the procurement of equipment for law enforcement purposes, and shall not include lethal equipment; and

(b) Funds made available pursuant to this section may be made available notwithstanding the third sentence of section 534(e) of the Foreign Assistance Act of 1961. Funds made available pursuant to subsection (a)(1) for Bolivia, Colombia and Peru and subsection (a)(2) may be made available notwithstanding section 534(c) and the second sentence of section 534(e) of the Foreign Assistance Act of 1961.

AUTHORITIES FOR THE INTER-AMERICAN AND AFRICAN DEVELOPMENT FOUNDATIONS

SEC. 589. Unless expressly provided to the contrary and subject to the regular notification procedures of the Committees on Appropriations, provisions of this Act and provisions contained in prior Acts making appropriations for foreign operations, export financing, and related programs shall not be construed to prohibit activities authorized by or conducted under the Inter-American Foundation Act or the African Development Foundation Act.

This Act may be cited as the "Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1993".

Mr. CHAIRMAN. Pursuant to the rule, no other amendment shall be in order except those amendments printed in House Report 102–614. Amendments shall be considered in the order and manner specified, shall be offered only by the named proponent or a designee, shall be considered as read and shall not be subject to amendment or to a demand for a division of the question. Debate time for each amendment shall be equally divided and controlled by the proponent and an opponent of the amendment.

It is now in order to consider amendment No. 1 printed in House Report 102–614.

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. BURTON of Indiana:

Page 46, line 11, strike out "$1,037,480,000" and insert in lieu thereof "$1,013,480,000".

The CHAIRMAN. Pursuant to the rule, the gentleman from Indiana [Mr. BURTON] will be recognized for 15 minutes, and the gentleman from Wisconsin [Mr. OBEY] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Indiana [Mr. BURTON]

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Mr. BURTON of Indiana. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this may be one of the most important human rights amendments we will deal with this year. In the northwestern part of India there are two provinces, one called Kashmir and one called Punjab, where the human rights abuses are totally out of control. The Indian Government has 500,000 troops in Punjab and 500,000 troops in Kashmir. In that area there have been gang rapes of women, there have been people taken out of their homes at night, taken to prisons without due process, without any warrant, without any charge. They have been held for up to 2 years. Many have never returned. Many have been tortured.

During the course of this debate I will show some graphic illustrations of what has taken place. The Government of India has five laws which no one in America would tolerate. It allows the Indian Government, for any reason or no reason at all, to come into a person's home without the due process, without a warrant, without anything, take them away to prison for up to 2 years. In prison they have been tortured, they have been killed, they disappear, they are never heard from again.

What we are trying to do as a human rights gesture to India and the rest of the world is to say that until they repeal these laws we are going to cut off developmental assistance to India.

I would like to point out to my colleagues this legislation, this amendment, does not cut off humanitarian aid, food aid, or anything else that is necessary for the people who are starving in India to survive. The only thing we are talking about is $24 million in developmental assistance.

The reason this is so important, Mr. Chairman, is because for us to turn our backs on the human rights violations of the people of Kashmir and Punjab would be an atrocity. For us to turn our backs on them would be an atrocity, in my opinion.

I would just like to say to my colleagues, please listen to this debate, please think about those people who are suffering over there, the women who have been gang raped, the terrible atrocities that are taking place as we speak, and I hope you will agree with me and my colleagues who are going to be speaking on this that we need to send a very strong message to the Government of India that things have to change.

Mr. Chairman, I reserve the balance of my time.

Mr. OBEY. Mr. Chairman, I yield myself 3½ minutes.

Mr. Chairman, I am tempted to accept the amendment, and I would, if it were not so daffy. The fact is that the gentleman suggests that we ought to cut this account by $24 million because he is unhappy with the conduct of India. This amendment does not have one damn thing to do with India. I want to read it. Page 46, line 11, "strike our $1.037,480,000 and insert in lieu thereof $1,013,480,000."

This amendment does not cut one dime to India. It is like being angry at the neighborhood alcoholic and then shooting the cops.

The effort that the gentleman is cutting, is to provide a small amount of assistance worldwide in order to deal with some of the most basic economic problems facing the world, problems which threaten the security of the United States. The amendment would, for instance, squeeze the program we have to try to deal with AIDS around the world.

We have a lot of talk on this floor about right to life. There are 38,000 kids in the Third World who die every day. This is the part of the bill that tries to do something about that.

Instead of providing guns to kill people, it provides some medicine, some education, some agricultural training to save people from hunger, to save people from disease.

I submit, we have a moral obligation to the most vulnerable people on this globe because we are lucky, because God was good enough to us to let us be born in the United States rather than in Bangladesh. We have an obligation to do something to deal with the most wretched creatures on this globe.

This bill cuts the living bejabbers out of the administration foreign aid budget, where we ought to cut it, out of the guns and out of the other devices in this bill which through the years have funded the weapons of war rather than funding the weapons of reconciliation.

If the Members want to adopt the amendment, I am not going to ask a single person to vote with me, but I think the amendment is so daffy and so misdirected, I am going to tell the Members that I am going to vote against it because it does not shoot the target that it talks about.

So the Members may vote however they like. I recognize that there is a tremendous temptation on this bill to go after the most vulnerable, but I would suggest that this is one area where it is wrong to cut. The Members have gotten their cut, $1.3 billion, already. They are going to get another one on the recommittal motion. This one is a moral obligation we have to ourselves.

I urge the Members to read the amendment. The amendment does not lay a glove on India. If it did, I would support it, but it does not. So do not shoot the innocent victims, shoot the perpetrator of the crime.

Mr. BURTON of Indiana. Mr. Chairman, I yield myself 30 seconds.

Let me just say that I have talked to the Committee on Rules about this. The intent of the amendment can be made very clear in report language, that the committee requests that this $24 million be taken out of developmental assistance for India, so it can be made very clear.

Second, let me just say that the CATO Institute, a respected institute in this town, said since World War II $50 billion has gone to India. It has been squandered. They have 20 million public employees. For us to send more aid over there when they are just squandering it is a mistake.

Let us just forget about that. We are talking about human rights violations in Punjab and Kashmir, and something must be done, for God's sakes. People are being murdered and raped and horrible atrocities are taking place.

Mr. Chairman, I reserve the balance of my time.

Mr. OBEY. Mr. Chairman, I yield myself 1 additional minute.

The gentleman's amendment reminds me of my favorite philosopher, Archie the Cockroach. Among the many things he said, was, "Did you ever notice that sometimes when a politician gets an idea, he gets it all wrong?" That is what this amendment does.

I repeat a fact, the gentleman may pretend that this cuts aid to India. It does not cut aid to India. There is no way under the rules of the House we can do that. There is no requirement that it cut aid to India, and the gentleman knows it does not do that. This is a "let's pretend" operation. The gentleman may talk about where he would like to see it cut, but it does not do that. If it did, I would support it. I urge the Members to vote "no" if they have any conscience about helping the most vulnerable souls on the face of this globe.

Mr. BURTON of Indiana. Mr. Chairman, as I yield to my colleague, the gentleman from New Jersey [Mr. TORRICELLI], let me just say that I will show some graphic illustrations about what is going on over there, and if the gentleman cares about people as he says he does, then take a look at the pictures.

Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, against my better judgment, indeed, against all judgment, I would like to enter into this discussion, not on the question of whether or not this bullet will reach its target or whether indeed the administration will heed the report language that the gentleman from Indiana [Mr. BURTON] would suggest, but against what is an intolerable situation internationally.

For 40 years the international community has been patient with India. It was a new democracy.

□ 1430

It was a troubled country, and so it was held to different standards. In time India would learn to respect the rights that are accorded people in all other democracies.

We serve no one and none of the best traditions of this country by believing that that is happening any longer. The Punjab today is a virtual state of siege. Promises that were made to this Congress and to international organizations for years that Amnesty International would be given access, that political prisoners could be visited, that lists would be issued, that rights would be respected, have been ignored.

In the final analysis, I will concede that my friend, the gentleman from Wisconsin [Mr. OBEY], may be right. The administration may not respect this report language. This funding reduction may not come from India, and the message may not be delivered. But in fairness and in frustration, I do not any longer know what decent people can do.

The Sikh people in the Punjab are being murdered, not by the handfuls, but indeed by the hundreds, and they are being imprisoned. They are being taken in the dark of night and never seen again. And every international human rights organization at this point is without recourse.

Mr. Chairman, I rise as an admirer of India, a nation with a great and rich culture and good an decent people, and not in spite of my friendship for India but because of it. It is time for India to become a great democracy, not because she is the largest but because she meets standards that would make her among the best. This is the time. People who help this country, people who want to help India need to send this message.

The Burton amendment, the message that it would send may be imprecise, but it is the only one to come before this Congress in a long while, and it is a message which desperately needs to be heard in New Delhi.

Mr. OBEY. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. SOLARZ].

Mr. SOLARZ. Mr. Chairman, I thank the gentleman for yielding the time.

With all due respect to my very good friend from Indiana, I rise in strong opposition to this misguided, and in the parlance of my district, meshugge amendment.

The gentleman wants us to send a signal to India in which we register our concerns about the human rights situation in Kashmir and Punjab. If this amendment specifically cited India for human rights abuses, if his amendment specifically cut the aid for India, rightly or wrongly, there might be an argument to be made for it. But this amendment, as the gentleman from Wisconsin pointed out, does not refer to India in any way, shape, manner or form.

And what kind of a signal does it send to New Delhi to cut back on desperately needed development assistance to countries in Asia, Africa, and Latin America? It would be like trying to send a signal to Niger by cutting back on aid to Nigeria, or by sending a signal to Cuba by cutting back on aid to Colombia.

Furthermore, when we do want to send signals to other countries in the context of the foreign aid bill, we generally do it by cutting back on military assistance, which props up repressive regimes, or the IMET program, which helps the military in authoritarian countries, or unrestricted ESF funds, which can be used by dictators. But never, so far as I know, have we sent a message on human rights by cutting back on development assistance to a country that is a parliamentary democracy.

I do not know if this amendment will pass. But if it does, it is not going to be because the Members agree with the gentleman from Indiana that we ought to be sending a signal to India on human rights. You know and I know what will happen. The Members will pour in through the doors, they will ask what we are voting on, they will be told it is a cut in foreign aid, and that is why they will vote for it.

To the extent, however, that a case can be made that this is sending a signal, I would submit it is the wrong signal at the wrong time. With the end of the cold war, the relationship between the United States and India is becoming closer than ever before. Last year in the Security Council India voted with us 100 percent of the time. The United States has now become, due to Indian economic liberalization, the No. 1 investor in India. Last month, for the first time ever, we had joint naval exercises with India. And on the human rights front, the Prime Minister of India has announced that he is going to appoint an autonomous human rights commission.

So I urge my colleagues to join a rare alliance between the Bush administration and the gentleman from Wisconsin, as well as other thoughtful Members of the House and reject this palpably pernicious proposition.

Mr. BURTON of Indiana. Mr. Chairman, I yield myself 15 seconds.

The gentleman from New York is great at throwing smoke screens. I just want to say if India is such a good friend of ours, why did they just send 10,000 tons of rice to Cuba?

Mr. Chairman, I yield 30 seconds to my colleague, the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Chairman, let me put this $24 million in perspective. If indeed the administration were to follow this recommendation and reduce this $24 million in development aid, we are talking about a country that is buying 9 billion dollars' worth of arms from Russia, and is now negotiating to buy an aircraft carrier from the Ukraine. And last month it was cited by the administration for buying missile technology against international standards from Russia, for a ballistic missile, this country that is desperately poor, I quite agree, but who is finding billions to buy arms. I suspect we would be less than vicious by sending a $24 million signal, because thousands of people are being killed in the Punjab.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. DYMALLY].

Mr. DYMALLY. Mr. Chairman, there are two arguments about this amendment which bother me. One, my good friend from New Jersey, Mr. TORRICELLI, who is usually 99 percent accurate on the facts, made a statement to the effect that there is report language on this subject. There is no report language on India in the bill, and he picked up that misstatement of fact from my friend, the gentleman from Indiana [Mr. BURTON].

The second point which troubles me is for the last 18 months the gentleman from Indiana [Mr. BURTON] has spent a great deal of time helping Africa to fight the very thing that he is trying to destroy today. He is putting money in the Africa authorization for AIDS, for education, for health and a number of humanitarian projects. Today he comes back and what he has given with the right hand he takes away with the left.

I include for the RECORD a statement on human rights issues in India as well as a statement on United States investment in India, as follows:

INDIA: HUMAN RIGHTS ISSUES

In the last few years, India has seen an escalation in terrorist violence, particularly in Punjab and Kashmir. A reprehensible combination of terrorism and religious fundamentalism has emerged to challenge the democratic framework of Indian society by force. The bulk of human rights abuses in India today result from acts of terrorism.

In Punjab, terrorist groups have massacred over 10,000 civilians since 1981. Last year alone, over 2,500 civilians were killed. Majority of victims were innocent Sikhs—those who dared to defy the terrorists or just happened to be hapless bystanders. There have been numerous instances of absolutely mindless violence; for instance, persons belonging to the Hindu community dragged out of buses and trains and killed in cold blood. (An indicative list of gruesome murders and bombing attacks by terrorists in Punjab is enclosed). Bombings, kidnappings and extortion are commonplace.

Similarly, in Kashmir terrorists have been guilty of gross abuses. The State Department report on Human Rights for 1991 points out: "Militants maintained a reign of terror in the valley throughout the year, targeting security force personnel, supposed police informers, and others perceived as opposing their cause. Invariably, innocent civilians were caught up in the violence. Militants routinely planted bombs in and around military and paramilitary installations, as well as at bridges and communications targets. Militant groups kidnapped government officials, foreigners, and family members of prominent politicians and businessmen, killing some of them. They also carried out extortion and protection rackets."

Since 1990, terrorists in Kashmir have murdered over 1,100 civilians. In 1990 and 1991 alone, there were 3,000 cases of explosion and arson, 450 kidnappings and 200 rocket attacks.

In Kashmir, terrorists have forced almost the entire minority Hindu community to leave the Valley. Over 72,000 families comprising of nearly 300,000 Hindus, Sikhs and moderate Muslims have sought shelter in other parts of India.

Terrorists in Punjab as well as Kashmir are deeply involved in drug trafficking and gun-running.

Terrorists have been waging a systematic campaign of killings and intimidation to muzzle the media in Punjab and Kashmir. The State Department report on "Patterns of Global Terrorism: 1991" points out how Kashmiri and Sikh terrorists stepped up their attacks against journalists in 1991: "In January, Sikh extremists declared war on the press in Punjab and forced reporters to stop calling them terrorists. Newsmen critical of Sikh terrorist tactics received death threats. Kashmiri groups also assassinated journalists including the editor of the Urdu daily Al' Safa in April."

Security personnel are often outgunned in Punjab and Kashmir as terrorists receive highly sophisticated weapons from across-the-border. In Kashmir alone, over 5,100 AK-series rifles, 350 machine guns, nearly 1,400 rockets/rocket launchers, 1,900 pistols/revolvers, over 5,500 hand grenades and bombs and other lethal weapons including anti-tank mines, have been recovered from the terrorists since 1990. In Kashmir, there have been over 2,700 attacks on security personnel since 1990; more than 360 security personnel have been killed. In Punjab, the number of police officials killed in terrorist violence has exceeded 1,500. Terrorists have also targeted relatives of security personnel. According to the State Department Report on Human Rights for 1991, 86 relatives were killed in less than one month in September-October 1991.

Indeed, in such extraordinary circumstances, there are cases of excesses by security personnel. The Government of India is mandated by its laws to investigate every case of excessive use of force. While most of the allegations have been found to be inaccurate or exaggerated, where the allegation has been borne out, prompt action has been taken against the guilty officials. In Punjab, as many as 89 police officials were dismissed and 68 prematurely retired up to March 31, 1991. In Kashmir, over 75 criminal cases have been registered. Several army and paramilitary personnel have been dismissed and even imprisoned. Two senior army officers have been sentenced to 10 and 11 years' imprisonment respectively.

As the State Department Report on Human Rights puts it, "India is a functioning democracy with strong and legally sanctioned safeguards for individuals and an independent judiciary. A vigorous free press and active civil liberties organizations report extensively on human rights abuses throughout the country."

India is an open society. Foreign journalists have full access to various parts of the country including Punjab and Kashmir. Nor is India closed to international human rights and humanitarian organizations. Several Asia Watch delegations have visited India since July 1990. Their reports have ranged from Punjab and Kashmir to prison conditions in India. The International Committee of Red Cross (ICRC) which has its regional headquarters in New Delhi, also has access including to Kashmir. Through differences with Amnesty International persist, the Government of India has maintained dialogue with its officials.

It is the duty of any government to act against those who seek to subvert the rule of law and pursue their agenda through violence and terrorism. At the same time, the Government of India remains convinced that both in Punjab and Kashmir the present problems can be resolved only through the democratic political process. In Punjab, elections to the State Assembly and National Parliament were held in February 1992 despite a determined bid by terrorists to scuttle the electoral process. Indeed, the Government conducted polling in February even though as many as 26 candidates were killed when preparations for elections were underway in 1991. Although voter turnout was modest, it was a show of remarkable courage by the ordinary citizen in the face of terrorist threats. As Mark Fineman reported in the Los Angeles Times on February 20, anyone who dared to cast his vote placed himself "at the top of the rebel hit list—a vow by secessionist Sikh militants to kill the first five voters at each of the State's 14,659 polling stations."

Prime Minister Rao has recently announced that elections will be held in Kashmir.

It is indeed unfortunate that terrorists are receiving arms, training and sanctuary from across-the-border. The State Department Report on "Patterns of Global Terrorism: 1991" points out, "There were continuing credible reports throughout 1991 of official Pakistani support for Kashmiri militant groups engaged in terrorism in Indian controlled Kashmir, as well as support to Sikh militant groups engaged in terrorism in Indian Punjab."

US-India relations are better than ever before. The two countries are developing new areas of cooperation. For instance, the first-ever naval exercise between the US and Indian Navies was held on May 28–29. In the UN Security Council, the coincidence of voting between the two countries was 100 per cent last year, according to a recent State Department report. The USA has emerged as the largest single investor in India after the radical economic reforms launched by the Rao Government last summer. It is the time when the US Congress must encourage, not undermine, this process.

AN INDICATIVE LIST OF GRUESOME MURDERS AND BOMBING ATTACKS BY TERRORISTS IN PUNJAB

Eight members of a Hindu family were shot dead at the market of village Bhai Rupa (Bhatinda) and two others were shot dead at village bus stand of the same Police Station area on May 9, 1992.

Nine persons were killed and 58 (including Public Punjab Health Minister Maninderjit Singh Bitta) were injured in a bomb explosion at Hide Market, Amritsar, on May 9, 1992.

Nine persons were shot dead on the outskirts of village Qadrabad (Amritsar) on May 3, 1992.

Killed 12 Hindus at village Pandori Waraich (Amritsar) on April 28, 1992.

Eight Hindus were shot dead at village Bhangali (Amritsar) on April 15, 1992.

Killed 14 persons and injured 5 others in a shootout at Gandhi Chowk (Sangrur) on March 21, 1992.

Killed 20 persons and injured 6 others near a cinema hall in Ludhiana city on March 14, 1992.

Killed 15 engineers/technicians from Bombay at an Acrylic Factory at Harkishanpura on March 10, 1992.

Killed 12 labourers of Spinning Mill at Barnala, District Sangrur, on February 17, 1992.

Eight police personnel, including Mr. R. P. Singh, District Police Chief, and two Assistant Police Chiefs were killed and five other police personnel injured at village Kurnama, Gurdaspur on January 27, 1992.

Four volunteers of a "Unity March" were shot dead and 26 other volunteers injured at Mehtiana Village, Kapurthala Dist., on January 23, 1992.

Killed 20 labourers and injured 21 others in two attacks at Sangrur and Ropar on January 8, 1992.

Killed 52 train passengers and injured 18 others in Sohian village on December 26, 1991.

31 branches of various Banks were set on fire by terrorists on October 20/21, 1991.

Murdered 7 relatives of a Police officer at Village Bhujanwali (Amritsar) on September 7, 1991.

Murdered seven members of a Sikh family at Village Chachowal on July 21, 1991.

Murdered 26 train passengers and injured 16 others in a shootout on June 15, 1991.

Murdered 50 train passengers and injured 26 others near village Baddowal, (Ludhiana) on June 15, 1991.

24 candidates of various political parties killed in terrorist attacks during election campaign in June 1991.

Murdered 6 Christian labourers on May 5, 1991 when they were returning from agricultural operations.

Killed 29 factory workers while travelling in a bus on March 22, 1991.

Murdered Mr. Surjit Singh, Deputy Chief of District Police, his wife and two bodyguards at village Chuhar Chak, district Faridkot on December 27, 1990.

Murdered Mr. Amar Singh, Ghuman, Judicial Magistrate, Patiala District on December 16, 1990.

Murdered Mr. N. C. Prashahar, Judicial Magistrate, on December 3, 1990 when he was on his way to Court.

Killed Mr. Harjit Singh, Superintendent of Police (Operation) and three other senior police personnel in a bomb explosion at Amritsar on November 24, 1990.

Murdered Shish Pal Singh, Senior Akali Dal Leader (Badal) and former Minister, near Amritsar on October 21, 1990.

Murdered Sarjit Singh Bechajivi, President of a political faction, on October 18/19, 1990.

An explosion on a special train carrying army personnel resulted in the death of four army officers and injured 16 in a shootout on the train.

Murdered Hardial Singh, a Sikh priest, at Chung village on September 3, 1990.

Seven persons were killed and three others were injured in a bomb blast in a bus near Dasuya (Gurdaspur) on August 8, 1990.

Murder of Sukh Raj Singh, President of a Youth faction of the political party (Akali) which claims to represent the Sikhs on July 23, 1990.

Murder of eight relatives of a police officer and injuries to 7 others at Trinde, Ferozpur on July 16, 1990.

Murder of Mr. Narayan Singh, former member of the Legislative Assembly of Punjab, at village Sahbajpur, District Amritsar on June 16, 1990.

Murder of 14 labourers from Bihar on Maluke, Noorpur Road (Feorzepur) on May 27/28, 1990.

Attempt on the life of Mr. G.S. Tohra, President, of the SGPC which governs Sikh temples in India, on May 14, 1990.

Rocket attack on a Television Tower in Jalandhar, on May 5, 1990.

Bomb blast on April 19, 1990, in a Punjab Roadways Bus bound for Moga and Jammu killing 16 persons and injuring 33.

Bomb explosion on April 5, 1990 in an Inter-State Bus at Panipat Bus Stand, killing ten persons and injuring 22.

Killing of 35 persons and injuring 95 in a bomb explosion in a religious procession on April 3, 1990.

Murder of 33 persons and injuries to 25 others at Abohar on March 7, 1990.

Murder of 19 boys and injuries to five others in a hostel of the Thappar Engineering College on November 9/10, 1989.

Killing of 18 activists of a political party and injuries to many others in indiscriminate firing in Nehru Park on June 25, 1989.

Killing of 23 persons and injuries to 40 others in a bomb explosion near Golden Temple Complex, Amritsar, on June 21, 1988.

Killing of 27 persons and injuries to 33 others near Shivala Temple, Amritsar in an explosion on May 30, 1988.

Murder of 30 labourers and injuries to 13 others employed in a Canal Project on May 17, 1988.

United States Investment in India Picks Up as Economic Reforms Gain Momentum

Since July last year, the Government of Prime Minister Rao has implemented a major programme of radical economic reforms aimed at deregulating and liberalising the Indian economy and integrate it with the global market-place. Commenting on the reform process, the Economist (March 7) stated, "The pace of reforms has been breathtaking. The Rao government has slashed red tape, liberalised trade, made exports attractive through devaluation, wooed foreign investment, loosened interest rates and encouraged private business to replace the public sector as the dynamo of the economy. It has built up its foreign exchange reserves from almost nothing to more than $4 billion."

Reform measures implemented in recent months have included: partial convertibility of Indian currency; additional steps to encourage foreign investment including in production, refining and marketing of oil and natural gas, and power; abolition of import licensing requirements, reduction of tariffs on imports; abolition of controls on Indian companies raising equity funds; slashing of maximum income-tax rate from 50 to 40 per cent; abolition of wealth tax on financial assets; progressive disinvestment in public sector companies; drastic reduction in fiscal deficit; and declining defence spending.

A significant dimension of the ongoing reform program has been a determined effort to attract foreign investment. Policies implemented since last year include majority equity participation by foreign investors; automatic approval for technology agreements with foreign companies and abolition of industrial licensing requirements with only a few exceptions.

The initial response of foreign investors has been encouraging. The USA has emerged as the largest single investor. Major US companies which have signed contracts for investment in India include General Motors, General Electric, Ford Motors, Du Pont, Coca Cola, Motorola, IBM, and Kelloggs. In the oil sector several American companies including AMOCO, Atlantic Richfield, Albion International Resources and Pan Energy Resources have joined the latest round of bidding for exploration and development. In response to a successful US AID-sponsored Seminar on the prospects for private investment in the lucrative power sector, many US companies have entered into negotiations with government authorities and private companies in India.

Mr. BURTON of Indiana. Mr. Chairman, I yield 2 minutes to my colleague, the gentleman from New York [Mr. FLAKE].

Mr. FLAKE. Mr. Chairman, today I rise in support of the Burton amendment. I realize that as this discussion is unfolding, Members who are talking about what to do with $24 million, whether it is for humanitarian aid, whether it is for military aid, I think all of us realize that money is indeed fungible, that it can be made to be used in whatever way we would choose.

There is a reality that we must all acknowledge whether we want to or not, and that is that in India, in Punjab, in Kashmir, there are human rights violations that are taking place every day. I stand here today because I recognize that we cannot afford to continue to support any nation that allows itself to continue to mistreat its citizens.

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We cannot talk about the joys of democracy on the one hand in Europe and other parts of the world, and then not be willing to take a stand on human rights violations in other parts of the country.

We must understand that in India today, lethal force is being used, that the police department there has wide discretion in what it does as it relates to persons who seek nothing more than freedom and independence, persons who seek nothing more than the right to exist, persons who seek nothing more than to live. How can we, as a nation, justify making an expenditure under these conditions?

I have stood in this same well to talk about the same kinds of conditions as it relates to South Africa. Therefore, it would be inconsistent of me not to make the same kind of argument, because we are a part of the worldwide human community.

The issue here is very simple. There are human rights violations that are taking place in India. There are atrocities that ought not be tolerated. There is a reality that they have been documented by various human rights agencies throughout this land.

We do, indeed, need to send a powerful message to the Indian Government, that is, that human rights violations will not be tolerated, and we will not make available American moneys that can, indeed, in the fungible way of being calculated be used to continue to support this kind of activity.

Mr. Chairman, I would hope that our colleagues will join together in supporting the Burton amendment and passing it today.

Mr. OBEY. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. DOWNEY].

Mr. DOWNEY. Mr. Chairman, I rise in strong opposition to the amendment.

Mr. Chairman, a geographically large nation containing diverse and proud ethnic groups, India has had to struggle with many difficult issues, just as any democracy has had to come to grips with varying interests. However, India's problems are even more pronounced because of regional conflicts and terrorist violence. This nation has gone to great lengths to maintain their democratic government despite the violence that has plagued them throughout this century and it is important for the United States to recognize this.

It is important to note that this vote is a vote on restricting developmental assistance to India. Cutting off developmental assistance to India is a bad idea. This is assistance that is used to directly benefit the men, women, and children of this overburdened nation of over 850 million people. This support will feed hungry children and work to provide clean water and better housing for these people.

I am encouraged that the relations between the United States and India have improved recently. Our strengthened political, as well as military, ties are a benefit for our foreign policy in the region and for India's national security. The nearly annual attempt made by this body to threaten India economically only damages this process. As Americans, we have an obligation to assist people in need, especially in a democracy. Slashing developmental assistance only hurts the millions of Indians who are struggling to survive every day. I urge my colleagues to vote against this amendment.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I will be very brief. Mr. Chairman, there is no doubt that advocates of this amendment have legitimate concerns in the human rights as well as nonproliferation arena. Yet, the larger picture is that like Mexico, India has the best government in a generation. Indeed, in the economic and trade area it has the best government in its history.

The Indian Government has made significant reforms in trade and investment policies—virtually abandoning the model of Fabian socialism that guided Indian economic development since independence in 1947—in an effort to integrate India more closely into the world economy. Not only is the U.S. India's largest trading partner, but now also its largest investor.

In international politics, India and the United States have found new areas of common agreement. For example, the two countries worked closely together in the U.N. Security Council, as reflected in a Department of State report that the two countries had a Security Council voting coincidence of 100 percent.

In addition, the United States and India have taken steps to normalize military to military ties. For example, the first ever United States-Indian joint naval exercises were this May in the Bay of Bengal.

In arms control and nonproliferation, although the United States remains disappointed with India's continued resistance to joining the NPT, the United States and India have begun bilateral discussions on weapons proliferation in South Asia, as well as certain confidence building measures. The first set of bilateral discussions took place earlier this month, and follow-up talks are anticipated for late August.

Mr. Chairman, about 40 percent of India's 863 million people live below the poverty line. The modest $24 million in development assistance the United States provides annually provides much needed humanitarian assistance in areas such as child health, forestry, alternative energy, irrigation, land and water development, AID's prevention, and other technical assistance.

Mr. Chairman, the Government of India is well aware of commonsense American concerns about certain human rights issues. This amendment, however well intentioned, would not effectively advance those concerns. Instead, it would unintentionally punish millions of impoverished Indians. It would lead to a counterproductive misunderstanding with the world's largest democracy. I urge the defeat of this amendment.

Mr. BURTON of Indiana. Mr. Chairman, I yield such time as he may consume to the gentleman from Oklahoma [Mr. EDWARDS].

(Mr. EDWARDS of Oklahoma asked and was given permission to revise and extend his remarks.)

Mr. EDWARDS of Oklahoma. Mr. Chairman, I rise in very strong support of the Burton amendment.

Mr. BURTON of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HERGER].

Mr. HERGER. Mr. Chairman, I rise in support of this amendment, which would reduce foreign aid spending by $24 million, for India.

I regret that this amendment had to be offered. For nearly 6 years now, those of us concerned about the human rights situation in India have sought to get the Indian Government's attention about the serious violations of human rights in India, most notably in Punjab and Kashmir.

Last year, we noted that the Indian Government was still refusing to allow international human rights monitoring groups, such as Amnesty International, into India to review conditions there. We were assured that the Indian Government had changed its policy. Sadly, the Indian Ambassador and the Indian Home Minister have personally told me that the Indian Government has not changed its policy. After Amnesty International released its most recent report on the Human rights situation in India, which documents that torture, rape, and murder of suspects held in police custody is a daily occurrence in India, the Indian Government lambasted this most respected group, Amnesty International as a mouthpiece for its enemies. If this were the case, then other respected human rights groups who have also reached the same conclusion, such as Asia Watch, Freedom House, and our own State Department, are also such mouthpieces. But of course, that is not the case.

If the outrage was not enough, on April 3, Indian Security Forces arrested justice Ajit Singh Bains, head of the Punjab human rights organization and a respected retired judge of the Punjab high court, and detained him without charge. When pressed by Members of Congress and human rights groups over this shocking incident, the Indian Government charged Justice Bains with inciting violence, a wholely unwarranted allegation.

Mr. Chairman, this House has repeatedly adopted language calling on the Indian Government to improve its performance in human rights matters. These actions have been repeatedly ignored by the Indian Government, and under numerous governments, human rights conditions have not improved.

We have given the Indian Government ample warning about our concerns. I believe we must adopt this amendment today to show the Indian Government we are serious about their total lack of human rights performance.

I urge your "aye" vote.

Mr. OBEY. Mr. Chairman. I yield 1½ minutes to the gentleman from New York [Mr. MRAZEK].

Mr. MRAZEK. Mr. Chairman, let us start with the fact that, again, this amendment does not cut $24 million from India. This is an India-bashing amendment, and the words are highly excessive with respect to the conduct of India's security forces.

India is a democracy. It is the world's largest and poorest democracy. It was a nation forged through violence.

I remember a wonderful book written by a Sikh novelist named Khushwant Singh, whom I had the honor to meet in New Delhi many years ago, called Last Train to Pakistan, about a train full of Muslims slaughtered on their way to the new Pakistani state.

Violence is corrosive. Violence is despicable. Terrorism is despicable. Indians, Hindus have committed that violence against Sikhs; and Sikhs against

Hindus; and, yes, the India security forces have at times acted excessively and with excessive force.

But I would point out, Mr. Chairman, that this amendment does nothing to express concern about abuses by India's security forces. I share those concerns. All of us in this House share those concerns. That is why we adopted a very tough amendment during debate on the foreign aid authorization which did criticize the human rights situation in India.

But this democracy is moving in the right direction, and I suspect that some of the excessive words used by those today who have condemned India have a lot less to do with human rights and justice and a lot more to do with politics. I hope we can hear more words of conciliation in this House about bringing the world's two largest democracies together in the future.

Mr. BURTON of Indiana. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I rise in opposition to the well intended Burton amendment which seeks to cut $24 million from the overseas development assistance account. My colleagues' purported intention is to punish India for India's Government human rights violations taking place in Kashmir, Punjab, and Jamnu.

Indian security forces have been under intense pressure from Pakistani sponsored terrorists for an extended period of time. A virtual undeclared state of war has existed in the Punjab and Kashmir for years. Assassinations, bombings, executions, kidnaping, and torture are tools of the trade for the groups the Government battles with. This is not to say that Government forces of India are not guilty themselves of some terrible deeds. Amnesty International has well documented proof of that, but we must understand that a very hostile neighbor is also responsible for the trip-wire tension that grips the combatants.

However, cutting funding for immunizations and other humanitarian programs is not the way to address my colleagues sincere, warranted concerns. Pressure on Pakistan for its support of terrorism would be a more direct and appropriate approach to the problem.

This proposal will not necessarily have any financial impact on India but would reduce the development assistance account for all countries.

Accordingly, I urge my colleagues to oppose this amendment.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. STEARNS].

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Mr. STEARNS. Mr. Chairman, I rise in reluctant opposition to the amendment of my good friend and colleague from Indiana. As a Member who consistently has fought for lower spending and reform of our foreign aid programs, I support the idea of cutting this appropriations bill. However, I feel that it is particularly inappropriate to be singling out India for cuts in development aid at the very time our relations with that country are improving so rapidly.

This summer, India will be celebrating the 45th anniversary of its independence. During that time it has maintained democracy in the face of many challenges, and I am pleased to be the sponsor of a resolution to congratulate the Indian people on their achievement. Targeting India with this cut would tell the people of India that there is no place for friendship between our countries, and would be entirely counterproductive.

In the recent years, the United States has become the largest investor in India and its leading trading partner. Last year, India had a 100 percent record of support for the United States in the U.N. Security Council, and we recently conducted the first ever joint naval exercises with that country.

We should also recognize the Indian-Americans who have come to this country and contributed so much. Family values and hard work have made them one of our great success stories and they have made great contributions to our country. Approving this amendment would send them the wrong message.

The Indian democracy is not perfect, but India has done an admirable job under difficult circumstances. The collapse of the Soviet Union has freed India to pursue a truly open foreign policy, as well as economic reform at home. With the end of the cold war, there is no reason that we should not have friendly relations with India.

We should not send the wrong message to India today by singling their people out for denial of strictly humanitarian assistance. Please oppose this amendment.

Mr. BURTON of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, I am pleased to stand in support of this amendment, because I think we have developed a myopia about India here. We have a long tradition of appreciation for this democracy, a pluralistic society much like our own. We know what a struggle it is to keep all the disparate elements in India working together in the same direction, but our love of India and our appreciation of the Anglicized leadership of India in the last 40 years particularly has led us to look the other way when human rights abuses have clearly occurred.

Freedom House, Amnesty International, the Asia Watch, have all documented the human rights violations that have occurred, and yet we have not been able to have one fair balanced hearing in the proper subcommittee to look at all sides of this dispute, to bring to the floor for discussion the kind of cross-examination that ought to occur as a result of the obvious problems that occur there.

We talked about having these hearings, but they have never been held. The people who feel strongly about what has happened in the Kashmir and the Punjab, particularly the Sikh community, but also as a result of the rise of fanatic Hindu fundamentalists in other parts of India have been rebuffed, have been told that this would somehow undermine our positive ongoing trading relationship with India, somehow undermine our support in the United Nations, somehow impact the other ways that we care even more about our relationship with India and the proliferation of nuclear weapons.

I think this amendment is on the floor properly today because of the pent-up demand, the inability to air these issues in committee; so I am going to support this amendment, because while I do not want to see the dismemberment of India, and I am not independently oriented in terms of a state, a separate country in the Punjab, I am convinced that this Congress has done a poor job of focusing on these problems and must take action in order to send a message to India that we think it has some very serious work to do on its human rights problems.

Mr. Chairman, I rise today in support of the Burton amendment to H.R. 5368, the fiscal year 1993 foreign aid appropriations bill.

The people of India continue to be plagued by human rights abuses—serious abuses which have been documented by various nonpartisan, international human rights organizations, as well as by the media. The human rights situation in India is continuing to deteriorate; improvements do not appear to be forthcoming.

House Foreign Affairs Committee Chairman FASCELL and Human Rights and International Organizations Subcommittee Chairman YATRON have already expressed their grave concerns to Secretary of State Baker. Both chairmen have noted that these serious human rights violations are constant and go unchecked by Indian police and security forces. They have urged the administration to take up these issues with the Indian Government immediately. Chairmen FASCELL and YATRON have also asked that, if the Indian Government is unwilling to put an end to these human rights violations, the administration consider withdrawing United States financial support.

There are others of us here in the House who, as ardent supporters of basic human rights, share these concerns and feel that Congress cannot idly stand by while these abuses are perpetrated. Those of us who are determined to exercise our influence to effect a change have cosponsored H.R. 5234, Mr. BURTON's bipartisan legislation which conditions United States development aid to India upon the repeal of certain specific laws—including detainment without formal charge or trial and searches and arrests without warrants—which encourage and sustain these human rights violations.

Now, that we have the foreign aid bill before us on the floor, is the time to exercise this influence—the time to link our continued financial support of India to the Indian Government's willingness to address its human rights problems. We cannot afford to miss this window of opportunity if we are serious about our commitment to basic human rights for all people.

The Burton amendment to the foreign aid bill will cut development assistance funds to India by $24 million, in light of the serious human rights violations that continue to plague this country. The Burton amendment will send the Indian Government a very clear message—development assistance is linked to a marked improvement in human rights for all of India's people.

Violence and terrorism can only serve to undermine a true and lasting peace between all the peoples of India. The Government of India must renounce the use of force and put an end to human rights abuses.

Mr. Chairman, I believe that the Burton amendment both effectively and clearly sends this message.

Mr. OBEY. Mr. Chairman, I yield 30 seconds to the gentleman from Massachusetts [Mr. ATKINS].

Mr. ATKINS. Mr. Chairman, I rise in strong opposition to this amendment. This amendment is a bizarre hostage taking. Because of concerns with human rights in India, they want to take money away from children in Bangladesh. They want to take money away from the victims of drought and famine in Africa. They want to take money away from child survival projects in the barrios in Latin America.

This amendment is a misguided attempt to punish India, and in effect this amendment will punish the most vulnerable, poorest people on the face of the Earth.

Mr. Chairman, I hope the amendment is defeated.

Mr. BURTON of Indiana. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, when Justice Baines, a former member of the Supreme Court of India, was arrested in the middle of the night, taken away from his family, many of us wrote to the Indian Government asking for a response.

Representative GARY ACKERMAN, a Democrat, and 17 of his colleagues signed a letter. No response.

LES ASPIN sent a letter with 36 signatures on it. No response.

I wrote. DANTE FASCELL wrote. No response. They stonewalled us.

We have sent a resolution to them saying we want an improvement in human rights. Nothing.

This is what India is doing to people in their country in Punjab and Kashmir.

This man's feet were burned beyond recognition. They disemboweled him. They burned his arm. They tortured him to death and they took him out of his home. These are the human rights abuses that are taking place and we are not even willing to send them a signal?

It is terrible. Do we believe in human rights in this country or not? If we do, and I say, my fellow colleagues, we must take some action. If the $24 million is in question, at least we are sending a very strong signal and we are sending a signal to the White House that we want this money cut out of developmental assistance so India knows where we stand.

Imbed this in your brain. People are being taken, 400,000 to 500,000 troops in Kashmir, 400,000 to 500,000 troops in Punjab, and people are being tortured all the time, gang-raped. There is no rule of law.

We would not tolerate it in this country. Why should we support it in India?

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. BACCHUS].

Mr. BACCHUS. Mr. Chairman, I rise in opposition to the Burton amendment.

I certainly share the concerns of the gentleman from Indiana about human rights abuses in India and elsewhere, but I do not see that his amendment will do anything about those abuses, nor do I see how his amendment in any way serves human rights.

The gentleman talks about sending a signal, but what kind of a signal are we sending if we cut off children's medical care, if we cut off money for AIDS prevention, if we cut off money for education, if we cut off money for irrigation and the development of other agricultural skills?

Mr. Chairman, this is the wrong signal and it is the wrong time to send it.

I urge a vote against the Burton amendment.

Mr. BURTON of Indiana. Mr. Chairman, I yield the balance of my time to the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Chairman, if Amnesty International were citing a Central American nation for disappearances or citing South Africa for having detainees without trial, if people were leaving their beds at night in a European nation and being tortured, this House would rise in outrage. The words of Amnesty International would be on all our lips.

Simply because it is India makes it no less important. There is one international standard for human rights.

To my friends in the Democratic caucus, if some conservative would rise and say that they vote with us in the United Nations, but they are a big country, we would be outraged.

There is one standard of human rights. The Sikh people today cannot rise in the Indian Parliament to demand it.

The world press is not taking their cause. We are their only hope.

If this instrument is imprecise, it is still going to be heard and the administration may not have to follow this dictate, but they will certainly hear the message as well.

Mr. Chairman, I compliment the gentleman and I urge adoption of the amendment.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. MCHUGH].

Mr. MCHUGH. Mr. Chairman, this amendment should be defeated. We are dealing here with a bill that has been out $1.3 billion below the President's request, and more than $300 million below the current year's funding. There are precious little resources now to deal with the desperate human problems around the globe and this amendment would do nothing more than cut $24 million in additional funds that seek to address those economic development and humanitarian needs.

As others have said, it does not affect India at all in any direct way. Moreover, it is important to point out that while we share the concerns of the gentleman from Indiana, and while I think it has been useful to air those concerns here today on both sides of the aisle, the fact is that India has had its assistance cut by 75 percent since 1986.

□ 1500

We are now talking about $24 million at best in a country of 800 million people, where a third of the poor people in this world live.

Mr. Chairman, I strongly urge my colleagues to defeat this amendment.

Mr. OBEY. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, the human rights abuses being discussed today are being committed by Indian security forces. If this amendment had cut aid to those security forces, I would support it. There is $345,000 in military training money for those Indian security forces in this bill. But the Burton amendment does not lay a glove on it. Instead of shooting the right target, what it says is that because they are mad at Indian security forces, they are going to take it out of the hides of AIDS victims in Africa or the poorest starving kids anywhere in the world. Absolutely brilliant, absolutely brilliant.

I suggest, if you are angry with the Indian security forces, you ought to cut their funds, you should not cut the funds of the most innocent victims of disease or of governments all around the world.

You are right on your motivation, you are dead wrong on your aim.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Indiana [Mr. BURTON].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 219, noes 200, answered "present" 1, not voting 14, as follows:

[Roll No. 233]

AYES—219

Abercrombie
Allard
Allen
Andrews (NJ)
Andrews (TX)
Annunzio
Applegate
Archer
Armey
Baker
Ballenger
Barrett
Barton
Bennett
Bevill
Bilbray
Bilirakis
Blackwell
Boehner
Brooks
Browder
Bruce
Bunning
Burton
Byron
Callahan
Camp
Chandler
Chapman
Coble
Coleman (MO)
Combest
Condit
Conyers
Cooper
Costello
Cox (CA)
Cramer
Crane
Cunningham
Dannemeyer
DeLauro
DeLay
Dickinson
Dooley
Doolittle
Dorgan (ND)
Dreier
Duncan
Early
Eckart
Edwards (OK)
Emerson
English
Erdreich
Espy
Ewing
Fawell
Fazio
Fields
Flake
Franks (CT)
Gallegly
Gallo
Gaydos
Gekas
Geren
Gibbons
Gillmor
Gingrich
Goodling
Gordon
Goss
Gradison
Grandy
Guarini
Gunderson
Hall (TX)
Hancock
Hansen
Harris
Hastert
Hayes (LA)
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Horn
Hoyer
Hubbard
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Johnson (CT)
Johnson (SD)
Johnson (TX)
Kasich
Klug
Kolbe
Kolter
Kyl
Lagomarsino
Lantos
Lehman (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Lloyd
Lowery (CA)
Luken
Machtley
Marlenee
McCandless
McCrery
McCurdy
McEwen
Meyers
Miller (CA)
Miller (OH)
Miller (WA)
Montgomery
Moody
Moorhead
Moran
Morrison
Murphy
Neal (NC)
Nichols
Nussle
Ortiz
Orton
Owens (UT)
Packard
Panetta
Parker
Patterson
Paxon
Payne (NJ)
Penny
Peterson (MN)
Petri
Pickle
Poshard
Quillen
Ramstad
Ravenel
Ray
Reed
Regula
Rhodes
Ridge
Riggs
Ritter
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Rowland
Russo
Santorum
Saxton
Schaefer
Schiff
Schroeder
Schumer
Sensenbrenner
Sharp
Shaw
Shuster
Sisisky
Skeen
Skelton
Slattery
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Stark
Stenholm
Stump
Sundquist
Swett
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torricelli
Traficant
Upton
Valentine
Vander Jagt
Volkmer
Vucanovich
Walker
Weber
Weldon
Williams
Wilson
Wolf
Wyden
Wylie
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—200

Ackerman
Alexander
Anderson
Andrews (ME)
Anthony
Aspin
Atkins
AuCoin
Bacchus
Beilenson
Bentley
Bereuter
Berman
Bliley
Boehlert
Borski
Boucher
Boxer
Brewster
Broomfield
Brown
Bryant
Bustamante
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Clay
Clement
Clinger
Coleman (TX)
Collins (IL)
Collins (MI)
Coughlin
Cox (IL)
Coyne
Darden
Davis
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dornan (CA)
Downey
Durbin
Dymally
Edwards (CA)
Edwards (TX)
Engel
Evans
Fascell
Feighan
Fish
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gejdenson
Gephardt
Gilchrest
Gilman
Glickman
Gonzalez
Green
Hall (OH)
Hamilton
Hammerschmidt
Hatcher
Hayes (IL)
Hertel
Hoagland
Hochbrueckner
Horton
Houghton
Jefferson
Jenkins
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kopetski
Kostmayer
LaFalce
Lancaster
LaRocco
Leach
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Livingston
Long
Lowey (NY)
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McDermott
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Mfume
Michel
Mineta
Mink
Moakley
Molinari
Mollohan
Morella
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (MA)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Owens (NY)
Oxley
Pallone
Pastor
Payne (VA)
Pease
Pelosi
Perkins
Peterson (FL)
Pickett
Porter
Price
Pursell
Rahall
Rangel
Rinaldo
Roe
Roemer
Rose
Rostenkowski
Roybal
Sabo
Sanders
Sangmeister
Sarpalius
Savage
Sawyer
Scheuer
Serrano
Shays
Sikorski
Skaggs
Slaughter
Smith (FL)
Smith (IA)
Solarz
Spence
Spratt
Staggers
Stallings
Stearns
Stokes
Studds
Swift
Synar
Thomas (GA)
Thornton
Torres
Towns
Unsoeld
Vento
Visclosky
Walsh
Washington
Waters
Waxman
Weiss
Wheat
Wise
Wolpe
Yates

ANSWERED "PRESENT"—1

Bateman

NOT VOTING—14

Barnard
Bonior
Dwyer
Hefner
Huckaby
Jones (GA)
Laughlin
Martin
McDade
Richardson
Schulze
Tallon
Traxler
Whitten

☐ 1523

Messrs. SMITH of Florida, CAMPBELL of Colorado, RINALDO, and MARTINEZ changed their vote from "aye" to "no."

Messrs. HUGHES, GUNDERSON, ORTIZ, SKEEN, CRAMER, LEHMAN of California, MILLER of California, ABERCROMBIE, BILBRAY, and Ms. HORN changed their vote from "no" to "aye."

Mr. BROOMFIELD changed his vote from "present" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. It is now in order to consider amendment No. 2 offered by the gentleman from Oklahoma [Mr. EDWARDS].

It is now in order to consider amendment No. 3 offered by the gentleman from Wisconsin [Mr. OBEY].

PARLIAMENTARY INQUIRIES

Mr. SOLOMON. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SOLOMON. Mr. Chairman, I have just been handed a copy of the rule. My parliamentary inquiry is this: The Committee on Rules in reporting this rule last night denied all other across-the-board cuts and made in order to Obey amendment which is due to be called at this time. I now understand that it is not going to be called.

My parliamentary inquiry is, is it allowed under the rule for me to call up the amendment under a half-hour debate time?

The CHAIRMAN. The gentleman will be advised that it is the Chair's understanding that only the gentleman from Wisconsin [Mr. OBEY] may offer this amendment.

Mr. SOLOMON. Mr. Chairman, is that what the rule says?

The CHAIRMAN. That is what the rule and the report of the Committee on Rules provide.

Mr. SOLOMON. Mr. Chairman, I ask unanimous consent to reduce the foreign aid appropriations bill by $138 million by calling up the Obey amendment that calls for a 1-percent across-the-board cut.

The CHAIRMAN. The Chair cannot entertain that request because it changes the rule.

Mr. SOLOMON. Mr. Chairman, I am asking unanimous consent to call the amendment up.

The CHAIRMAN. The gentleman is advised that the Committee of the Whole cannot change that rule adopted by the House.

Mr. SOLOMON. Mr. Chairman, I certainly thank the Chairman for his consideration.

The CHAIRMAN. The Chair thanks the gentleman from New York.

Mr. OBEY. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. OBEY. Mr. Chairman, would it be in order for me to explain that the administration has asked that I not offer the amendment.

The CHAIRMAN. The Chair would advise that no debate would be in order since the amendment is not offered.

It is now in order to consider amendment No. 4 offered by the gentleman from Rhode Island [Mr. MACHTLEY] and the gentleman from Ohio [Mr. HALL].

AMENDMENT OFFERED BY MR. MACHTLEY

Mr. MACHTLEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. MACHTLEY: At the end of the bill, page 156, after line 9, add the following:

TITLE VI—ADDITIONAL PROVISIONS

PROHIBITION OF IMET FOR INDONESIA

SEC. 601. Funds appropriated by this Act may not be used for assistance under the heading "International Military Education and Training" for Indonesia.

The CHAIRMAN. The gentleman from Rhode Island is recognized for 15 minutes.

Is the gentleman from Wisconsin [Mr. OBEY] opposed to the amendment?

□ 1530

Mr. OBEY. Mr. Chairman, let me clarify it and state that the committee is prepared to accept the amendment.

The CHAIRMAN. The Chair will state that no Member qualifies in opposition, and the gentleman from Rhode Island [Mr. MACHTLEY] is recognized for 15 minutes, if he desires to use that time, due to the fact that he has won his point with the amendment.

Mr. MACHTLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the gentleman from Wisconsin, Chairman OBEY, the ranking Republican member, the gentleman from Oklahoma [Mr. EDWARDS], the gentleman from New York [Mr. MCHUGH], and other members of the committee are to be deeply commended for their efforts in the committee to put especially strong language with respect to Indonesia in this bill.

In addition, the gentleman from Massachusetts, Chairman MOAKLEY, the gentleman from New York [Mr. SOLOMON], and the gentleman from Ohio [Mr. HALL] are to be recognized for their assistance in gaining a rule that would permit this amendment on the floor.

And gentlemen, the true appreciation comes from the people of East Timor.

Mr. Chairman, I would like to take a few moments to explain this amendment because many perhaps on this floor and many Americans are not familiar with the small island called East Timor. And frankly, I myself have only been aware of this situation for several years, but the Portuguese communities of the world must be commended for their demonstration of commitment to human rights for bringing this issue to us and to the human rights caucus in this Congress.

Mr. Chairman, as a member of the human rights caucus, last year I heard the testimony and I saw with my own eyes the unedited version of the brutal massacre of Timonese by the East Indonesian forces which took place on November 12, in Dili, East Timor.

Western journalists Alan Nairn and Amy Goodman, who survived the incident, recounted the terrifying scene of last November.

Nairn himself suffered a fractured skull at the hands of the Indonesians, and they are to be commended for their strong voice in bringing this issue to world attention, and to the other peaceful demonstrations and delegations who have tried to bring this issue to the world's attention, including Brown University's own Dean Targan and Brown students.

These groups are to be commended for their efforts.

Here on the map I want to point out East Timor is in the Indonesian island chain just above Australia. It is only 12,000 square miles, and it has a population or had a population of 700,000 people. Today it has less than 600,000. It was a former Portuguese colony, but in 1975, it was invaded and forcibly annexed to Indonesia. Since 1975, more than 100,000 Timorese, at least a sixth of the almost entire Catholic population, have died of famine, disease, and fighting since this annexation.

The recent history of East Timor is tragic, but it does not have to continue.

Mr. Chairman, I am sure that many of the Members have read Dr. Seuss's books and perhaps they remember "Horton Hears a Who." It had a very simple message. It was that size and strength does not mean importance and that large powers should not abuse the small and the voiceless, and exactly that is the issue today. East Timor is small. It does not have a large army. It must be heard, and we in this Chamber, we in this country have the rare opportunity to help.

How do we help this country? It is not by giving aid. It is by withholding military aid to Indonesia. We know by reading in the newspapers the bloodshed and tragedy that is occurring in Yugoslavia, and we know the drought and famine and war which has ravaged the Horn of Africa. And unfortunately, we and the world have been frankly powerless to solve these problems. But here in East Timor, we have the power to bring about a change. We are not powerless.

In East Timor, as a percent of their population, more East Timorese have died than were lost to the Cambodian killing fields under the genocide Pol Pot regime.

Today by cutting $2.4 million in United States military assistance to Indonesia, whose security forces have used this money to brutalize a small population of Indonesia, we can send a very strong message. At a time when our demands at home are overwhelming, when we are trying to limit foreign aid, we should take this money and use it in our own cities.

It is absolutely crazy, it makes no rational sense to send one cent to Indonesia for their military to become the modern-day Gestapo of the Far East.

Mr. Chairman, it is time to tell Jakarta, they have been caught redhanded, that they must get along with the world.

I would urge my colleagues to support this amendment.

Mr. Chairman, I include for the RECORD a document entitled "Amnesty International Human Rights Concerns in Indonesia and East Timor."

AMNESTY INTERNATIONAL HUMAN RIGHTS CONCERNS IN INDONESIA AND EAST TIMOR, JUNE 1992

Amnesty International has learned that an amendment to delete funding for Indonesian armed forces under the United States Government military training program (IMET) will be debated in the near future by members of the House Rules Committee.

As you may be aware, Amnesty International has been documenting gross and systematic human rights violations in Indonesia for a quarter of a century, and in East Timor since 1975. We believe that it is critically important for those who participate in the debate on military training to the Indonesian armed forces to do so in full knowledge of the range, extent and gravity of the human rights violations which have been and continue to be committed by the Indonesian security forces, not only in East Timor but in Aceh and in other regions of Indonesia. In our view there is no evidence that the IMET program has in the past or will in the future improve the behavior of the Indonesian security forces.

In November 1991 the international community was horrified by the Santa Cruz massacre in East Timor. During the massacre at least 100 participants in a peaceful procession were shot in cold blood by Indonesian troops. We wish to state emphatically that, contrary to the claims of the Indonesian Government and the US State Department, the Santa Cruz massacre of 12 November 1991 was not an isolated incident. Tragic though they were, the killings at Santa Cruz were only the most public and incontrovertible example of a long-standing pattern of human rights violations in East Timor and Indonesia.

In Aceh and North Sumatra government efforts to suppress an armed opposition movement have resulted in the extrajudicial execution of an estimated 2,000 civilians since 1989 and in scores of unresolved "disappearances". In East Timor at least thirty people are believed to have been extrajudicially killed during 1990 and early 1991. Hundreds of real or suspected political activists have "disappeared" since 1975, many of them now feared to have been killed. Hundreds, possibly thousands of people have been arrested in the past three years in Aceh, North Sumatra, Irian Jaya and East Timor and been accused of proindependence activities. Many have been held without trial for up to several months. Severe forms of torture and ill-treatment of political detainees are routine in all these regions and have sometimes resulted in death.

More than 150 real or suspected government opponents are prisoners of conscience or possible prisoners of conscience, held throughout Indonesia and East Timor. Most are serving lengthy sentences for subversion imposed after unfair trials. They include university professors, newspaper editors, advocates of independence, students and Islamic scholars. At least 300 other political prisoners and possibly many more continue to serve lengthy sentences imposed after unfair trials. At least 29 political prisoners have been judicially executed since 1985. They include four elderly men who had served more than twenty years in jail on political charges.

The Indonesian Government has insisted that it does not tolerate human rights violations. Yet it has failed to undertake full and public investigations of reported extrajudicial killings, "disappearance" and torture, and has singularly failed to take preventive action to stop further violations. A handful of security force personnel are believed to have been convicted for torturing criminal suspects. But to Amnesty International's knowledge virtually none has been convicted for human rights offenses of a political nature.

After the Santa Cruz massacre, a number of follow-up measures announced by the government created the impression that the authorities were determined to punish those responsible for human rights violations and to ensure that a repetition of these events could not occur. But the government's Commission of Inquiry lacked competence and was in no sense independent. It failed to accurately determine the number of those killed during the massacre; and those who "disappeared" during and after 12 November have yet to be located. In an unprecedented government initiative ten military personnel were subjected to court-martial proceedings for their actions during the massacre; but these officials have now been convicted of minor offenses and are serving prison sentences of between eight to 18 months' imprisonment. In stark contrast, those who organized the 12 November procession—and those who subsequently protested against the massacre—have been charged with subversion and sentenced to terms of imprisonment of up to 15 years. Amnesty International believes that some or all of these detainees are prisoners of conscience, detained solely for legitimate political activity, or for the defense of human rights.

Serious limitations remain on the monitoring of human rights in Indonesia and East Timor. Those who have compiled information about human rights abuse have been subjected to intimidation and torture. Others who have dared to speak out against gross violations have been charged, tried unfairly and sentenced to long terms of imprisonment. Despite calls by the United Nations for access to be granted to international humanitarian and human rights organizations, such access continues to be severely restricted or denied outright. Amnesty International has not been permitted to visit Indonesia or East Timor for more than 15 years.

The Santa Cruz massacre has justly given rise to serious international concern. But the greater tragedy is that it has taken a massacre—shockingly portrayed in film footage obtained by a foreign journalist—to provoke serious consideration of the human rights crisis in Indonesia and East Timor. We urge members of the committee to take full cognizance of this crisis during the forthcoming debate.

Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I will not take a lot of time. I simply want to say that I accept the amendment, and I would simply say that in contrast to the previous amendment, which shot the victim instead of the perpetrator of the crime, I congratulate the gentleman for having a well-targeted amendment.

The activities that are in question are human rights abuses by the military and the security forces. So the gentleman properly aims his amendment at funding for those forces.

I think that is the right thing to do. I support the amendment.

Mr. MACHTLEY. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from New York [Mr. DOWNEY].

Mr. DOWNEY. Mr. Chairman, I want to congratulate the gentleman from Rhode Island for offering this amendment and for his concern about the Timorese.

Mr. Chairman, most Americans have probably never heard of East Timor. It is literally and figuratively on the other side of the world. But since 1975 when this former Portuguese colony was annexed by Indonesia, an estimated 200,000 people have died as a result of slaughter by Indonesian security forces or by forced starvation. Their only crime was to want independence for their country.

Because Indonesia is a friend of the United States and these events have unfolded thousands of miles away, this tragedy went unnoticed. But in the past several months this tragedy has become the focus of the international spotlight. As a group of men, women, and children gathered for a funeral procession in East Timor in November, Indonesian security forces indiscriminately opened fire on the crowd and killed an estimated 75 to 100 civilians.

This episode came to light because of the courage of Western journalists, particularly two Americans named Allan Nairn and Amy Goodman. Amy, a Long Islander, personally recounted to me how she tried to stop this massacre. She was beaten by the troops and only her American passport saved her from certain death. Amy and Allan came back to the United States to make sure that the world would know about the tragedy in East Timor.

We cannot ignore this tragedy on the other side of the world. The amendment before us today calls for a curtailment of American military assistance to Indonesia. It will send a loud and clear signal to the Indonesian Government that the events in East Timor have not gone unnoticed. It also makes a clear statement that although the world has changed, America's moral responsibility to fight tyranny and oppression remains the same.

The CHAIRMAN. The gentleman from Rhode Island is advised that he has 8 minutes remaining.

Mr. MACHTLEY. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. HALL].

□ 1540

Mr. HALL of Ohio. Mr. Chairman, I will be very brief. I want to thank the gentleman from Rhode Island [Mr. MACHTLEY] for making this amendment possible.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Rhode Island [Mr. MACHTLEY], which I am pleased to cosponsor with him. This amendment is the first step toward passing the provisions of H.R. 5176, the bill we have introduced together to suspend aid to Indonesia because of that country's invasion and repression of East Timor.

First of all, I want to commend the gentleman from Wisconsin [Mr. OBEY] and the gentleman from New York [Mr. MCHUGH] for including strong language in the committee report about Indonesia and East Timor. It is especially noteworthy that the report says, "The Committee continues to believe that the people of East Timor are entitled to self-determination." The purpose of my bill is to help move United States policy to back self-determination for East Timor, and this report puts the committee and the House on record in solid support of a referendum on Timorese self-determination.

But our words have to be accompanied by action. During the 13 years I have been working to promote human rights in East Timor, the Indonesians have not been moved by our words. We need action to tell them how serious we are about respect for human rights and self-determination for East Timor.

The committee report says that Indonesia should not receive international military education and training [IMET] funds in fiscal 1993. The amendment we are offering simply makes the ban on IMET for Indonesia explicit in the bill itself.

Some argue that IMET helps to professionalize the Indonesian military. But this is the same military that opened fire on unarmed Timorese civilians at Santa Cruz cemetery. And the same military that gave sentences of only 18 months or less to the 10 soldiers it court-martialed. In contrast, Timorese civilian demonstrators got sentences as high as 9 and 10 years. Under Indonesian rule, there is no justice for East Timor.

I see no reason why we should reward Indonesia's Armed Forces with more military aid. The people we have been arming for years have used our weapons to kill, terrorize, and repress the people of East Timor. It's time to stop business as usual with Indonesia, and this amendment is the first action we can take: Cutting $2.3 million in IMET.

This amendment allows us both to save money and stand for principle. I urge my colleagues to vote in favor of it.

Mr. MACHTLEY. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY of New York. Mr. Chairman, I rise in support of the amendment offered by Mr. MACHTLEY, Mr. HALL, and Mr. DOWNEY to suspend military aid to Indonesia.

Since 1975, Indonesia has ruthlessly enforced its illegal occupation of East Timor. It is estimated that 200,000 people have been slaughtered as a result of this brutal occupation, which flies in the face of international law.

For years, the distinguished chairman of the Select Committee on Hunger, Mr. HALL, has been tirelessly working to bring world attention to the tragic human rights abuses which have plagued East Timor since Indonesia began its occupation. Since entering the Congress, I have stood with him every step of the way.

Unfortunately, it took a vicious massacre observed by American journalists Allan Nairn and Amy Goodman to make the world take notice. That massacre, as well as numerous other incidents characterized by violence and inhumanity, resulted in the slaughter of hundreds of innocent people. To reject this amendment would be to ignore those tragedies.

Last year, we adopted a resolution calling on the administration to suspend military aid to Indonesia and to prod the Indonesian Government to punish those responsible for the massacres. They have not done so. Military aid to Indonesia continues.

Since the administration refused to listen to Congress last year when this action should have been taken, we have been left with no choice but to terminate military assistance to Indonesia by adopting this amendment. This amendment holds Indonesia responsible for its atrocious record during the occupation of East Timor. It will prevent U.S. tax dollars from contributing to the ongoing unlawful occupation and the horrors that are being committed there.

We must do everything possible to demonstrate that the United States will not condone the massacres or the continued occupation of East Timor. I know that many of my constituents object to their tax dollars aiding the abuses perpetrated in East Timor, and I feel confident that most Americans share their view.

I strongly urge my colleagues to support this amendment.

Mr. MACHTLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I wish to commend the gentleman from Ohio [Mr. HALL] for his tireless effort on this issue, but I also think it is important that we point out that this is just the beginning. What we are asking for is that Indonesia recognize the human rights of the East Timorese; second, that they permit them to determine what form of government they wish. This was a brutal annexation of a small island. This was not a plebicite on the part of the East Timorese.

Third, that they permit an international group, congressional, senatorial folks, to look and see what is the condition, what are the human rights conditions which are in East Timor. If they do not, then we will be back and we will be back with further cuts in their foreign aid.

This is the beginning. It is now up to Indonesia to take the next step.

Mr. Chairman, I yield 2 minutes to my distinguished colleague, the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Chairman, I was sitting in my office and saw that this amendment was offered and want to urge my colleagues to support it. I followed what went on here for the last year. Four of the students who were involved in the demonstration have now been charged with offenses for which they can even lose their lives. Clearly this was a peaceful demonstration. We had hearings before the human rights caucus whereby we watched the entire film. There were two reporters there who filmed this. Innocent, mainly young students, but men and women were slaughtered and killed by the army. I think the support of this amendment will send a positive message to the Indonesian Government that the United States Congress and the people of the United States care very deeply; although this is on an island far away where few people have ever been, that they cannot hide there.

I strongly urge those who care about human rights and about decency and about persecution, urge them strongly to support this amendment. I rise in the strongest possible way.

Mr. REED. Mr. Chairman, I rise today in support of the amendment introduced by Mr. HALL, Mr. DOWNEY, Mr. FRANK, and Mr. MACHTLEY, my colleague from Rhode Island, which terminates military assistance to Indonesia under the International Military Education and Training [IMET] Program.

The Indonesian Government has a long history of human rights abuses in the former Portuguese Colony of East Timor and these violations continue to occur. One of the most vicious of these abuses occurred on November 12, 1991. On this day, Indonesian troops opened fire on a procession of several thousand unarmed civilians, killing over 100 people. As a former soldier, I cannot stand by and allow U.S. tax dollars to fund the training of troops who, in turn, massacre innocent civilians.

If Indonesia continues to violate the human rights of the citizens of East Timor, the United States has an obligation to place pressure on Jakarta. I support the termination of IMET funding. Aid to Indonesia should be limited to programs, projects, and activities that are directed at the needs of Indonesia's poor and addressing compelling environmental problems.

I join many of my constituents in expressing support for the people of East Timor and I urge my colleagues to join me in supporting this amendment, which demonstrates to the people of East Timor that the United States will not turn a blind eye to their plight.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. MACHTLEY].

The amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MCNULTY) having assumed the chair, Mr. VALENTINE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5368) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1993, and for other purposes, pursuant to House Resolution 501, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute as amended? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MYERS OF INDIANA

Mr. MYERS of Indiana. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MYERS of Indiana. I am, in its present form, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MYERS moves to recommit the bill, H.R. 5368, to the Committee on Appropriations with instructions to report the bill back forthwith with the following amendments:

On page 38, line 16, strike "$69,089,000" and insert in lieu thereof "$62,180,100".

On page 38, line 22, strike "$2,233,903,000" and insert in lieu thereof "$2,010,512,700".

On page 38, line 26, strike "$1,044,332,000" and insert in lieu thereof "$1,024,332,000"

On page 39, line 22, strike "$39,735,000" and insert in lieu thereof "$35,761,500".

On page 59, line 9, strike "$517,000,000" and insert in lieu thereof "$512,000,000".

□ 1550

The SPEAKER pro tempore (Mr. MCNULTY). The gentleman from Indiana [Mr. MYERS] will be recognized for 5 minutes in support of the motion to recommit, and the gentleman from Wisconsin [Mr. OBEY] will be recognized for 5 minutes in opposition to the motion.

The Chair recognizes the gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. Mr. Speaker, I yield to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I rise in support of the motion to recommit and opposed to the bill.

Mr. Speaker, I rise today to show my support for the longstanding and abiding friendship between the United States and Morocco, and the actions and positions of the Government of Morocco which have supported United States security interests and United States foreign policy—often taken at great risk to Morocco's own foreign policy priorities. First, however, I would like to present my colleagues with information on certain aspects of the on-going peace process in the Sahara, because I believe that there is a misunderstanding of the status of the referendum, and the cause of delays in determining voter eligibility. I would also like to submit for the RECORD an excellent article by Prof. John Damis of Portland State University, which summarizes clearly and objectively the current status of this often emotional dispute.

It is important to understand that the peace plan, agreed to by the Kingdom of Morocco and the Polisario, stipulated that the Spanish census of 1974 would serve only as a starting for voter lists, and that each side would be eligible to present additional names for consideration by the voter identification commission. These names would have to be accompanied by proof of their status as Sahrawis. The list of 120,000 additional names presented by Morocco consists of those Sahrawis and their families and children who fled north in the 1950's from Spanish repression. Ironically, this list would necessarily include the current President of the Polisario, Mohamed Abdelaziz, since his family was among those who fled to, and currently live in, Morocco. If the Spanish census were the only criterion used to establish voter eligibility, Abdelaziz would be unable to vote.

In December 1991, the U.N. Secretary General recognized the limitations of the eligibility criteria, and formulated new, compromise criteria to facilitate a greater number of voters. These new criteria allow Sahrawis who fled Spanish repression in the 1950's and their children—not their grandchildren—to apply to vote in the referendum on the status of their homeland. Although not all it had hoped for, Morocco accepted this compromise. The Polisario, perhaps fearing that voters who had been living in Morocco would vote for integration, did not. As a result of the Polisario's rejection of the compromise voter criteria established by the U.S. Secretary General, the entire referendum process has been stymied. It should be kept in mind that integration with Morocco is one of the two options that voters will be choosing between. For the Polisario to reject eligible voters simply because they may not vote for independence is a perversion of the democratic process, and should not be supported.

The International Court of Justice opinion of October 16, 1975, answered the question of whether the Western Sahara was territory belonging to no one when colonized by Spain, and if not, what were the legal ties between the Western Sahara and Morocco and Mauritania. While unable to make a definitive judgment as to territorial sovereignty, the ICJ did find "legal ties of allegiance between the Sultan of Morocco and some of the tribes living in the territory of Western Sahara." Nevertheless, the Court judged that the territory should be allowed to apply "the principle of self-determination through the free and genuine expression of the will of the peoples of the Territory."

It has been 17 years since this opinion was issued, and Morocco has steadfastly called for a referendum in the Western Sahara since that time. A self-determination referendum has been prevented all this time by the war waged by the Polisario in the Western Sahara, where they are determined to bypass the will of the people and create an independent state by force of arms. Again, this type of behavior should be condemned. Conversely, Morocco's patience and resolve in its quest to end this dispute peacefully through a U.N.-held referendum deserve our appreciation and support.

Of even greater interest, however, are the many positive aspects of Morocco's role in the Middle East and within its relationship with the United States. For example, Morocco is widely seen as a force for moderation in the volatile Middle East. With its western political and economic orientation and ties to the Arab world, Morocco has remained a steadfast friend of the United States, both during and after the cold war. Morocco was staunch in its support of the United Nations resolutions regarding the Iraqi invasion of Kuwait, and was a steadfast ally in Operations Desert Shield and Desert Storm. It has also proved to be an important player in the delicate Middle East peace negotiations.

In the areas of human rights and democracy, Morocco has made tremendous progress. In 1990, Morocco's King Hassan II established the independent Consultative Council on Human Rights with the powers to investigate human rights abuses and advise the government on reforms. The council's recommendations were accepted in their entirety and were duly enacted into law by the Parliament and the King. Since January 1991, all political prisoners, including those detained in the Western Sahara, have been released.

In addition, the head of the Consultative Council on Human Rights has now been chosen to head the newly established National Election Commission to oversee Morocco's upcoming national elections. The commission is made up of representatives of all parties in Parliament as well as by representatives of local government. The commission's role will be to assure that the elections are free and fair, and will oversee the process from voter registration to releasing the final election results.

In terms of its economy, Morocco has become one of the world's real success stories. It has made great strides in its economic reform program—devaluing its currency, decontrolling almost all prices, reducing many producer and consumer subsidies, and reducing any import tariffs. Morocco has also made significant progress toward facilitating foreign investment—abrogating Moroccanization laws to allow 100 percent foreign ownership, reducing corporate income taxes, and planning for convertibility of the dirham in 1993. The United States and Morocco ratified a bilateral investment treaty in 1991.

Morocco has also supported important United States interests in its position as a member of the U.N. Security Council. Despite its own regional concerns, Morocco has sided courageously with those who condemn terrorism, voting in favor of Security Council Resolution 731 to bring those responsible for the Lockerbie bombing to justice.

A true friend of the United States, and a success story in terms of human rights, democracy, and support for international law, Morocco deserves our support.

[From Middle East Policy, 1992]

THE U.N. SETTLEMENT PLAN FOR THE WESTERN SAHARA: PROBLEMS AND PROSPECTS

(By John Damis)

(Dr. Damis, Associate Director of the Middle East Studies Center and Professor of Political Science and International Studies at Portland State University, is the author of "Conflict in Northwest Africa: The Western Sahara Dispute." This article is revised, expanded and updated from a statement prepared for testimony before the Africa Subcommittee of the House Foreign Affairs Committee at a hearing held on February 26, 1992)

Efforts to achieve a negotiated solution of the long-festering conflict over the Western Sahara have now reached a critical turning point. The current U.N. Settlement Plan—approved by the Security Council on April 29, 1991, when it passed Resolution 690—represents the most promising opportunity since 1975 to end the 17-year dispute that has divided northwest Africa. Concern is mounting, however, over delays in implementing the plan, and its full implementation is far from assured. This article examines both the problems and prospects for the implementation of the U.N. Settlement Plan for the Western Sahara.

II

It would be neither possible nor appropriate to review here the long and complicated efforts by various governments and regional and international organizations to achieve a negotiated settlement of the Western Sahara conflict.[1] A few brief comments will have to suffice. The issue has been debated annually and at length in the United Nations since 1963, and the first of many U.N. resolutions calling on Spain to implement the Western Sahara's right to self-determination was passed by the Fourth (Decolonization) Committee in October 1964. Since the Security Council resolutions of December 1975, the U.N. focus has expanded from Saharan self-determination to include conflict resolution.

From 1976 to 1984, the major diplomatic efforts to resolve the Western Sahara dispute were undertaken by the Organization of African Unity (OAU).[2] As long as this regional organization actively pursued a settlement of the conflict, the United Nations deferred to its efforts. An OAU consensus gradually formed over two essential elements of a settlement plan: one, a ceasefire accepted and observed by the two parties to the conflict, Morocco and the Polisario Front, the national liberation movement, formed in 1973, that seeks the establishment of an independent Saharan state; and two, a fair and impartial referendum of self-determination for the Sahrawi population. At the urging of a number of outside parties, including the United States and France, King Hassan, during the OAU summit in Nairobi in June 1981, declared his country's willingness to accept a "supervised referendum" in the Western Sahara. The various diplomatic initiatives of the OAU came to an effective halt in November 1984, when Morocco withdrew from the organization when the OAU admitted as a full member the Polisario's government-in-exile, the Saharan Arab Democratic Republic (SADR).

Footnotes at end of articles.

From 1985 to the end of 1991, attempts to resolve the Sahara conflict centered on the efforts of former U.N. Secretary-General Javier Pérez de Cuéllar. Thanks to his tireless efforts, the end of this long and festering conflict may now be in sight.

After several years of intermittent contacts and negotiations among the U.N. secretary-general, the OAU chairman and representatives of Algeria, Mauritania, Morocco and the Polisario Front, Pérez de Cuéllar finally proposed a settlement plan in August 1988 to representatives of Morocco and the Polisario Front. This plan, which provided for a cease-fire and a referendum, was soon accepted with reservations by the two parties. Of particular relevance to the present situation, one of Morocco's reservations was that voter eligibility should not be limited to those Sahrawis counted by the 1974 Spanish census.

The secretary-general's plan was a compromise proposal that was meant to achieve a just and permanent settlement of the Western Sahara dispute. The Security Council subsequently adopted a series of resolutions in September 1988, June 1990, and April 1991[3] to approve the secretary-general's settlement plan and to create, as called for by the plan, the U.N. Mission for the referendum in the Western Sahara (MINURSO). The "mission" of MINURSO, simply stated, is to implement the various provisions of the plan.[4]

The U.N. Settlement Plan for the Western Sahara involves both organizing and conducting a referendum. The main elements of the plan, as laid out in Secretary-General Pérez de Cuéllar's report of June 18, 1990, to the Security Council[5] include the following: the establishment and monitoring of a cease-fire, followed by an exchange of prisoners of war; a phased reduction of Moroccan troops to a level of 65,000; the confinement of both sides' forces to specified locations; the repatriation of Sahrawi refugees; the identification and registration of voters; and the organization and conduct of the referendum itself.

There are some parallels between the mandate of MINURSO and that of UNTAG, the U.N. Transition Assistance Group in Namibia, which organized and conducted elections in Namibia in 1989–1990. The size of UNTAG was necessarily larger: over 8,000 U.N. personnel were deployed in a mission that repatriated over 40,000 Namibians by air and registered some 700,000 voters. At full strength MINURSO will deploy some 800 civilian administrators, 300 security police and 1,695 military personnel—about 2,800 people in all. It is thought that MINURSO will draw on the experienced personnel of UNTAG to implement its mission. An important difference between UNTAG and MINURSO is that in Namibia all the parties wanted independence; the electoral issue was power-sharing and a relative role in drafting the constitution. In the Western Sahara, at issue is independence versus integration into Morocco and whether the referendum will even be held.

III

The implementation of the U.N. Settlement Plan has, unfortunately, run into various snags and delays. As might be expected, there have been partisan accusations by both parties, with each side holding the other responsible for problems in the plan's implementation. Rather than trying to sort out the validity of these various partisan accusations, it might be more instructive to examine some of the inevitable and unavoidable difficulties of the U.N. plan itself.

The secretary-general's settlement plan has a timetable for the several steps of implementation that culminate in a referendum of self-determination for the Sahrawi population. This timetable is meant to be suggestive, not rigid. Twenty weeks after "D-Day" (the cease-fire date), the referendum is to take place, offering eligible Sahrawis 18 years or older the choice between independence and integration with Morocco. According to the provisions of the plan, the work of the Voter Identification Commission is to be completed before the cease-fire takes effect.

The basic problem in the implementation of Pérez de Cuéllar's plan is that, while the cease-fire took effect as scheduled on September 6, 1991, the crucial work of the Voter Identification Commission—determining which individual Sahrawis are qualified to vote—has yet to begin. The secretary-general, fully cognizant of the remaining difficulties in having the two parties reach agreement on the criteria for voter qualification, persuaded Morocco and the Polisario Front to begin the cease-fire period in order to avoid the risk of increasing violence on the ground.[6]

The secretary-general's special representative for the Western Sahara, Johannes Manz, and his able staff worked diligently on the unresolved problem of criteria for voter eligibility. One of their major concerns was to allow Sahrawis displaced by colonialism during the decades prior to the 1974 Spanish census the opportunity to vote on the future of the Western Sahara. This concern responded to the Moroccan argument that the Western Sahara conflict began long before 1975 and included the struggles of earlier generations of Sahrawis against Spanish colonial domination. Another concern was to include in the referendum Sahrawis present in the territory in 1974 but missed by the census.

The criteria for voter eligibility finally drawn up by Johannes Manz and his staff were incorporated in the annex to Pérez de Cuéllar's final report on the Western Sahara, which the secretary-general submitted to the Security Council on December 19, 1991.[7] On December 31, Pérez de Cuéllar's last day in office, the Security Council passed a resolution that "welcomed" the secretary-general's report but took no position on its specific contents.[8] The Security Council's intent in this resolution was to leave the voter-eligibility issue open for the secretary-general to resolve.

To take account of Sahrawis not counted by the 1974 Spanish census, the new and expanded criteria for voter eligibility now recognize (in addition to those people counted in the census):

1. Sahrawis born of a Sahrawi father who, himself, was born in the Western Sahara. The compromise nature of this provision is clearly indicated by the explanation that "in order not to widen excessively the scope of this provision, it has been restricted to one generation only."[9] In other words, children of a Sahrawi father who was born in the Western Sahara are eligible to vote, but not grandchildren or great-grandchildren.

2. Sahrawis who lived six consecutive years in the Western Sahara prior to December 1, 1974.

3. Sahrawis who lived intermittently for 12 years in the Western Sahara prior to December 1, 1974.

With these expanded criteria, Pérez de Cuéllar stated that the mandate of the Voter Identification Commission was now "finalized" and concluded: "In my opinion these documents constitute a just and fair basis for the conduct of the referendum."[10]

The new and expanded criteria for voter eligibility fell short of Morocco's preference, which was to extend the basis of voter eligibility back two more generations, to about 1900. Nonetheless, the important point here is that the new criteria are generally acceptable to Morocco. They take into account the 20,000 to 35,000 Sahrawis who left the territory and took refuge, mostly in southern Morocco, in the late 1950s, when French and Spanish forces put down an indigenous uprising. The new criteria could allow anywhere from 10,000 to 50,000 additional Sahrawis, presumably sympathetic to Morocco, to vote in the referendum. By contrast, the Polisario Front wants voter criteria that recognize only marginal additions—perhaps up to 10 percent (about 7,000 people)—to the 1974 Spanish census. Thus the new and expanded voter criteria are not acceptable to the Polisario.

IV

During January and February, the U.N. Secretariat attempted to bridge the existing gap on the voter-criteria issue. The new secretary-general, Boutros Boutros-Ghali, held discussions with King Hassan on January 30 during the king's visit to New York to attend the historic Security Council summit meeting. On February 14, Boutros-Ghali met with Polisario Front Secretary-General Mohamed Abdelaziz, who had been invited for the first time to the United Nations. In addition, the U.N. secretary-general had contacts with the Algerian government and the OAU.

In tandem with his efforts in New York, Boutros-Ghali sent U.N. Under Secretary-General Marrack Goulding on a fact-finding mission to Morocco and the Western Sahara in January. While Goulding held a number of discussions with Moroccan officials, the Polisario Front refused to meet with him. By the end of February, it was clear that the various diplomatic initiatives by the U.N. Secretariat had not made any significant headway.

V

The last several months have also included congressional efforts to monitor the U.N. Settlement Plan for the Western Sahara. These efforts have centered on hearings organized by the African Subcommittee of the House Foreign Affairs Committee. On October 2, 1991, the subcommittee met jointly with the Human Rights and International Organizations Subcommittee. Apart from two representatives from the State Department, the six witnesses invited to testify were decidedly supportive of the Polisario Front and/or highly critical of Morocco.

In January 1992, George Pickart, a staff member of the Senate Foreign Relations Committee, following a trip to Morocco and the Western Sahara, wrote a report that argued that Morocco's lack of cooperation was seriously undermining MINURSO's effectiveness. The criticisms of Morocco reflected the complaints of some MINURSO personnel at isolated observation posts in the desert who lacked basic amenities. Pickart's report also pointed out certain problems with the United Nations in its administration of MINURSO, namely budgetary irregularities and a lack of support from U.N. headquarters in New York for MINURSO personnel in the field. The report, along with a covering letter by Committee Chairman Claiborne Pell to Ambassador Thomas Pickering, the U.S. permanent representative to the United Nations, were quickly leaked to the French weekly Jeune Afrique, which featured them in an article in February.[11] Knowledgeable sources in Washington suspect that this embarrassing leak can be traced from Jeune Afriaque to the Algerian Mission at the United Nations.

In response to requests from the Moroccan government, the African subcommittee agreed to hold a second hearing on the U.N. Settlement Plan for the Western Sahara, which took place on February 26. At this hearing, along with three outside witnesses critical of Morocco, the subcommittee staff invited one witness who had been suggested by the Moroccan embassy in Washington.

VI

In Resolution 725, adopted at the end of December 1991, the Security Council requested that the secretary-general submit a further report on the Western Sahara situation within two months. Accordingly, Secretary-General Boutros-Ghali submitted a nine-page report on February 28, 1992,[12] in which he reviewed military and diplomatic aspects of the Western Sahara question and then offered his conclusions and recommendations.

The report cited numerous cease-fire violations, including overflights, improvement of defensive works and troop movements. It attributed 75 of the 77 reported violations to Morocco. At the same time, however, the report welcomed the facts that the cease-fire was still holding, five and a half months after going into effect, that there were no exchanges of fire or military fatalities, and that the cease-fire violations were of a "lesser" nature.[13]

The report recognized as the key obstacle to the successful implementation of the U.N. plan the "fundamental differences" between the parties over eligibility criteria for voters. The lack of progress on this critical issue makes it impossible to establish a realistic revised timetable for the referendum. In no uncertain terms, Boutros-Ghali stated: "It is obvious that, unless priority is given in the coming weeks to resolving this outstanding issue, it will continue to be extremely difficult to make meaningful progress in the implementation of the plan."[14] This statement was intended to refer to the POLISARIO and reflected U.N. frustration with the front for its refusal in January even to discuss the expanded guidelines for voter criteria. In the meantime, pending the resolution of this issue, the secretary-general took some modest steps to pare down MINURSO in order to minimize its costs.[15]

Looking to the immediate future, Boutros-Ghali concluded it is clear "* * * that, if an understanding is not reached on the eligibility criteria and on other aspects of the process,* * * implementation of the existing settlement plan will remain blocked."[16] At the same time, however, he made clear to the parties that the patience of the international community has its limits; therefore, he set a deadline of three months—that is, the end of May 1992—for the resolution of all outstanding issues. The secretary-general warned that in the event of failure to reach agreement by that date on implementing the U.N. plan, "* * * it will be necessary to consider alternative courses of action and possibly adopt a new approach to the whole problem."[17]

VII

In his report of February 28, 1992, Boutros-Ghali expressed his hope that the appointment of a new special representative would provide fresh impetus and move the settlement process forward.[18] The former special representative resigned at the end of 1991, frustrated that the lack of cooperation by the two parties had left him unable to implement the U.N. Settlement Plan. The absence of a replacement for Johannes Manz was a clear impediment to further progress, since the settlement process requires a high-level U.N. official, acting for the secretary-general, who can work full time on the demanding task of narrowing remaining differences between Morocco and the Polisario Front.

Despite the obvious importance of filling this key position, a full three months elapsed before the appointment, on March 29, 1992, of Sahabzada Yakub-Khan as the secretary-general's new special representative for the Western Sahara. Yakub-Khan is a figure of some stature: an experienced and highly-qualified Pakistani diplomat, he was ambassador to Paris, Washington and Moscow before serving as Pakistan's foreign minister from 1982 to 1987 and 1989 to 1991. He is thus a more prestigious official than the first two special representatives, who served from October 1988 to December 1991: Hector Gros Espiell, a French-speaking Uruguayan lawyer and well-known troubleshooter, and Johannes Manz, the former director-general of the Swiss Foreign Ministry, who now serves as Switzerland's permanent representative to the United Nations.

In attempting to appoint a new special representative, the secretary-general stressed the need to select someone who was acceptable to both parties. He also admitted that, by the end of February, he had not been able to identify a person who met this criterion.[19] What is surprising is that, in the end, even Yakub-Khan was not fully acceptable to both sides. While Morocco welcomed his nomination, the Polisario Front expressed a lack of confidence in him: "The U.N. Special Representative is a key figure who should enjoy the confidence of both sides. We do not trust Mr. Khan, but since he is the choice of the secretary-general, we are ready to work with him."[20] The basis of Polisario distrust of Yakub-Khan is reportedly twofold: his former friendship with King Hassan and the fact that he does not come from a democratic country, which could prejudice his view of the Polisario movement. Why, then, did Boutros-Ghali appoint Yakub-Khan? One can only speculate that the latter was less objectionable to the Polisario Front than the other potential candidates for the position.

Following consultations at the United Nations and in Washington, Yakub-Khan left on April 19 for a critical trip to north-west Africa. As of this writing (late April), he was engaged in separate high-level meetings with representatives of Morocco, Mauritania, the Polisario Front and Algeria. The special representative's mandate reportedly was not to negotiate; rather, he was to take in the views of the parties and possibly offer his own suggestions on how to overcome outstanding differences. One can assume that the contacts with the Polisario involved some tough talking by Yakub-Khan as a follow-up to the frank views expressed by the secretary-general to Polisario leader Mohamed Abdelaziz in mid-February. In his discussions with the Polisario Front, Yakub-Khan can use to his advantage the May 31, 1992, deadline imposed by Bourtos-Ghali. This deadline, together with the secretary-general's reference to the need to consider other approaches in the absence of an agreement, is an incentive to the Polisario to modify its position. It is also an implied threat that the front faces an uncertain future if it rejects the present guidelines for a referendum. The special representative, following his trip, was to meet in May with the secretary-general in Geneva. This would allow Boutros-Ghali to reach some conclusions on the Western Sahara question prior to his next report, due to the Security Council by the end of May.

VIII

The voter-criteria problem is not the only difficulty that has hampered implementation of the U.N. Settlement Plan for the Western Sahara. Yet while unresolved technical problems are still of some significance, by comparison, these other problems seem soluble or manageable. Troubling delays in clearing MINURSO supplies through the Moroccan entry port of Agadir ceased in January and supplies are now reaching MINURSO personnel in a timely manner. Morocco and MINURSO have reached agreement on privileges and immunities for MINURSO personnel, but an agreement on the status of Moroccan forces in the Western Sahara is nowhere in sight. Once the voter eligibility issue is resolved, any remaining problems concerning the confinement of Moroccan troops to their bases are likely to fall into place. Funding for MINURSO should not be a problem. Compared to an estimated $2.8 billion for a U.N. peace mission of 22,000 for Cambodia (UNTAC) and $654 million to support a U.N. peacekeeping force of 12,000 in Yugoslavia, MINURSO's budget of $180 million is modest.

The critical issue, then, in the implementation of the U.N. Settlement Plan for the Western Sahara is that of voter criteria. It is over this problem that MINURSO will succeed or fail. In the present circumstances, Morocco is likely to hold firm to its acceptance of the criteria contained in Pérez de Cuéllar's report of mid-December 1991. With its strong position on the ground, Morocco is not likely to compromise on existing voter criteria in order to accommodate the preferences of the Polisario Front.

In retrospect, it appears that Morocco outmaneuvered the Polisario in the diplomatic arena in the fall of 1991 and the winter of 1992. On the issue of voter-eligibility criteria, Rabat put forward the maximalist position that voter eligibility—beyond those individuals named by the 1974 Spanish census—should extend back at least three generations. It is not clear whether this represented a genuinely held Morocco position or diplomatic posturing or a combination of both. In any event, this position allowed Morocco this past winter (with the new voter criteria extending eligibility back one generation) both to express its reservations about the new criteria and then to accept them as a fair "compromise." The Polisario Front reportedly was willing to accept, at the most, a margin of 10 to 15 percent additional voters beyond the 1974 Spanish census (another 7,000 to 10,000). When the new criteria made possible a much larger margin, the Polisario found them unacceptable while Morocco could quietly claim a diplomatic victory. Serious policy disagreements within the front at his time also contributed to the movement's intransigence, as any Polisario leader who favored moderation risked losing supporters. A similar hard-line stance was suggested by the Polisario veto of the first few names put forward by the secretary-general as his new special representative. Thus, in a situation where the Polisario appeared intransigent, Morocco could simply sit back and enjoy the diplomatic advantage of a party willing to accept the compromise offered by the United Nations.

Rabat suffered a temporary public-relations setback at the end of February, when the secretary-general's report held it responsible for 75 of the 77 cease-fire violations. Morocco can remedy this problem, and solidify the diplomatic advantage it gained in accepting the revised voter criteria, by making a concerted effort to avoid and prevent further cease-fire violations.

On the other side, the Polisario Front now faces a rapidly closing window of opportunity. It has the agonizing choice of participating in a referendum it fears it may lose, or losing perhaps its last chance to win at the ballot box what it could not on the battlefield. As it faces this choice, the United Nations will try to persuade the Polisario that it is being offered a good deal, a fair deal that represents the best terms the United Nations is able to offer.

The United Nations could clarify the choice for the Polisario Front by attempting to quantify the consequences of the new and revised criteria for voter eligibility. Most of the Sahrawis who were not counted by the 1974 Spanish census but who will qualify to vote under one or another of the new criteria are thought to support integration with Morocco. If these Sahrawis number 10,000 or less, the criteria should be less threatening to the Polisario. If, however, the new criteria enfranchise 40,000 to 50,000 additional voters, the front may well refuse to participate in a referendum, that appears to be stacked against it. The approximately 40,000 people whom the Moroccan government has relocated since August 1991 from southern Morocco to tent encampments near the major cities in the Western Sahara have only complicated the situation. While forcing the United Nations to address the issue of voter eligibility with some urgency, the presence of this imposing number of new tent dwellers under Moroccan administrative control in the Western Sahara has made it more difficult for the Polisario to accept the new voter criteria.[21]

At this moment of decision, Algeria, an absolutely critical source of support of various kinds for the Polisario over the years, will urge the front to consider its options most carefully with no guarantees of future support if the Polisario digs in its heels. In January, there was a military takeover in Algeria that forced President Chadli Benjedid to resign, canceled the second round of parliamentary elections and declared illegal the first round, held in December 1991. Having aborted the democratic process, the military faces multiple threats of civil unrest for the foreseeable future. In this uncertain domestic situation, there is a strong desire among the Algerian leadership to have a settlement of the Western Sahara dispute. At a time when the Polisario may be seen increasingly as a liability, Algiers will be more inclined than ever to exert pressure on the front to soften its opposition to the terms of the referendum.

By a rather remarkable circumstance, the current military leadership is headed by Mohamed Boudiaf, who lived in political exile in Morocco from 1963 until January, when he was hastily summoned from his 28-year exile and installed as president of the High State Council. In press interviews Boudiaf has referred to Morocco as his "second homeland." He has made clear the need to settle the Sahara problem as soon as possible and has stressed the importance of good relations with neighboring Morocco. Boudiaf has also informed the Polisario that Algeria will not supply weapons that could be used against Morocco. The leadership of Boudiaf, with his strong ties to Morocco, is yet another factor that will work toward moderating Polisario behavior.

At the same time, Algeria's willingness to pressure the Polisario Front may be limited by the military cast of the current regime. For a long time, active support in Algeria for the Polisario cause has been centered in some elements of the military. Since the Algerian military supports the current government, which in turn in heavily dependent on military support, the government's flexibility on the Sahara issue—notwithstanding a genuine desire for good relations with Morocco—may be seriously contained.

An inconclusive outcome to the current round of U.N. diplomacy thus remains a distinct possibility. In the event that Yakub-Khan and his staff are not able to bring the two parties to a mutually acceptable compromise on voter-eligibility criteria, the implementation of the U.N. Settlement Plan will be aborted. The Secretary-general, with great reluctance, will recommend to the Security Council that it adopted a resolution authorizing the withdrawal and termination of MINURSO. In view of the heavy investment of time and energy by the United Nations in the ongoing settlement plan, Boutros-Ghali will prefer to reassess the current plan. For their part, the members of the Security Council will resist scrapping the ongoing settlement plan and going back to the drawing board "to consider alternative courses of action."[22]

IX

What should U.S. policy be at this critical juncture in the implementation of the U.N. Settlement Plan for the Western Sahara? Is there anything our government can do to help the referendum process advance to a definitive solution of a longstanding conflict that has complicated and sometimes strained U.S. relations with both Morocco and Algeria? This article offers, in conclusion, five policy recommendations.

First, I strongly urge recognition of the long and difficult diplomatic efforts, mostly by others, going back to the OAU in the late 1970s, that were required for the Western Sahara referendum process to reach its present critical juncture. The efforts of Secretary-General Pérez de Cuéllar and his special representatives on this issue have been fair-minded; moreover, their tireless work constitutes statesmanship of a high order. An American policy initiative that in any way undermined or attempted to supplant MINURSO would be most ill-advised and inappropriate.

Second, U.S. attempts to pressure the parties at this late date through one-sided congressional resolutions are unlikely to be effective. In practical terms, since the United States does not recognize the SADR and has only limited contacts with the Polisario Front, our government can only weigh in with Morocco. In past years, the United States has urged Morocco to accept a referendum as the only definitive solution of the Western Sahara conflict and to be flexible in negotiating the modalities of a referendum. The Moroccan government has proceeded cautiously down the road to a referendum, consistent with its national interests, and it is now prepared to take the final steps. There is very little room for further diplomatic flexibility. It may come as a surprise to some Americans, but Morocco gives a higher priority to the Western Sahara issue than it does to its bilateral relations with the United States. In other words, on this absolutely critical issue, Morocco is largely immune to outside pressures. It will not be moved by one-sided congressional resolutions.

Third, the U.S. share of MINURSO's costs ($55 million) is consistent with American funding of 30 percent of the total cost of other U.N. missions. It represents a modest and sound investment in the most concrete and promising attempt to reach and implement a negotiated solution to a conflict that has festered since fighting began in November 1975. Congressional action that calls into question American support for MINURSO would be most short-sighted.

Fourth, a sound American policy at this critical juncture of the Western Sahara referendum process would be continued support for MINURSO. Patience is called for as the last stage of diplomatic wrangling plays itself out this year. The United Nations is doing the best job it can in a difficult situation and deserves continued American confidence.

Fifth, the United States should maintain its impartiality towards a regional dispute in which this country has no direct interest. Since 1975, U.S. policy has carefully avoided prejudging the outcome of the referendum process in the Western Sahara. This sound policy should be continued until the completion of the process.

FOOTNOTES

[1] For detailed background on these negotiation efforts, see Tony Hodges, Western Sahara: The Roots of a Desert War (Westport, Conn.: Lawrence Hill; London: Croom Helm, 1983), updated version published in French translation as Sahara occidental: Origines et enjeux d'une guerre du désert (Paris: L'Harmattan, 1987); John Damis, Conflict in Northwest Africa: The Western Sahara Dispute (Stanford: Hoover Institution Press, 1983); and I. William Zartman, Ripe for Resolution: Conflict and Intervention in Africa (New and Oxford: Oxford University Press, 1989), chapter 2.

[2] See John Damis, "The OAU and Western Sahara," in Yassin El-Ayouty and I. William Zartman, eds., The OAU After Twenty Years (New York: Praeger Publishers, 1984), pp. 175–204.

[3] U.N. Security Council Resolution 621 of September 20, 1988, Resolution 658 of June 27, 1990, and Resolution 690 of April 29, 1991.

[4] For accounts of the developments in 1990 and 1991 related to the creation of MINURSO, see Bruce Maddy-Weitzman, "Conflict and Conflict Management in the Western Sahara: Is the Endgame Near?", Middle East Journal, Vol. 45, No. 4 (Autumn 1991), pp. 594–607; and Robert J. Bookmiller, "The Western Sahara: Future Prospects," American-Arab Affairs, No. 37 (Summer 1991), pp. 64–76.

[5] "The Situation Concerning Western Sahara," U.N. Doc. S/21360.

[6] In August 1991, as both parties positioned themselves on the ground in anticipation of the cease-fire, fighting erupted that shattered a two-year truce.

[7] U.N. Doc. S/23299.

[8] U.N. Security Council Resolution 725 of December 31, 1991.

[9] U.N. Doc. S/23299, p. 10.

[10] Ibid., p. 3.

[11] François Soudan, "Les Américains et le Sahara," Jeune Afrique, No. 1624 (February 20-26, 1992), pp. 16–18. Senator Pell's letter of January 29, 1992, is prominently displayed on the first page of this article. In March, Pickart's report became available to the general public with its publication by the U.S. Government Printing Office as a staff report to the Senate Foreign Relations Committee, The Western Sahara: The Referendum Process in Danger.

[12] Report of the Secretary-General on the United Nations Mission for the Referendum in Western Sahara," U.N. Doc. S/23662.

[13] Ibid., pp. 4–5.

[14] Ibid., p. 6.

[15] Ibid., pp. 6–7.

[16] Ibid., p. 7.

[17] Ibid., p. 8.

[18] Ibid., p. 9.

[19] Ibid., p. 8.

[20] Ahmad Boukari, Polisario Front lobbyist at the United Nations, quoted in Middle East International, No. 422 (April 3, 1992), p. 14.

[21] The United Nations cannot effectively oblige Morocco to remove these 40,000 people. Some, but not all, of these people will qualify as Sahrawis according to the terms of the revised voter criteria. These 40,000 tent dwellers, in one sense, represent a new refugee population, artificially created for po-

litical purposes. They represent only a portion—less than 25 percent—of a total of 170,000 names that Morocco has put forward as potential Sahrawi voters. Whatever their eventual political impact, it should be noted that the presence of these 40,000 tent dwellers in the Western Sahara reportedly did not influence the drafting of the new voter criteria; the revised criteria emerged from an intellectual, not a political, exercise that considered the full impact of Spanish colonialism on the Western Saharan population.

[22] Some Security Council members reacted negatively to the secretary-general's warning (cited above) in his February 28 report that an ongoing impasse in negotiations by the end of May would necessitate the consideration of alternative courses of action and the possible adoption of a whole new approach to the Sahara dispute. Because of this reaction, Boutros-Ghali reportedly has softened his warning in an effort to reassure Security Council members of his commitment to the existing settlement plan.

Mr. MYERS of Indiana. Mr. Speaker, as foreign aid bills go, this has been a very good bill. However, I think that we do have some areas where money can be saved and appropriations can be saved.

The effect of this recommittal is to strike $35,900,000 from the bill in authority to spend, and it also allows to be recalled $23 million of callable loans. So, Mr. Speaker, I think this is one the administration can support, and I hope the Members of this body can support.

Mr. MILLER of Washington. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Washington.

Mr. MILLER of Washington. Mr. Speaker, Members will recall that many House Republicans offered a motion to eliminate the total increase in capital to the World Bank and its affiliates, and to freeze administrative expenses of AID. We were denied the right to take that argument to the floor.

This recommittal motion, which I understand has the support of both the distinguished chairman of the committee as well as the administration, would reduce the capital increase in the World Bank and its affiliates, that is the IBRD and the IFC by 10 percent, and would reduce the contribution to the International Development Association [IDA] by $20 million. That is less than 10 percent.

It would reduce from the bill the AID administration account by $5 million.

I can tell Members, those who have supported our efforts, this is a very small step. This is what you would call 10 percent of the loaf. However, it is a chance to send a message to the World Bank to stop their environmentally destructive loans that have caused hundreds of thousands of people to be kicked out of their homes, to stop their loans to dictatorships like Communist China, to stop their loans to status enterprises and start alleviating poverty and start promoting free enterprise. And it sends a message to AID to clean up its act, and instead of enlarging its administration start reforming its administration.

I thank the gentleman for yielding.

Mr. MYERS of Indiana. I thank the gentleman from Washington for his comments.

Mr. EDWARDS of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Oklahoma, the ranking Republican on the subcommittee.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I thank the gentleman for yielding and want to say that I support the recommittal motion by the gentleman from Indiana. I want to thank the gentleman from Washington [Mr. MILLER], the gentleman from Ohio [Mr. KASICH], and the gentleman from Pennsylvania [Mr. SANTORUM], and others who worked on this. It is something that the administration is willing to go along with, and it is a cut that I think is very helpful and adds to this bill in terms of making the reduction that we set out to make.

I hope that across the aisle Members will just accept this recommitment.

Mr. KASICH. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Speaker, I appreciate the gentleman yielding.

Let me just say this is what we label a flare against these international institutions that have wasted money and that have projects that simply do not work.

I want to thank the gentleman from Wisconsin [Mr. OBEY] for agreeing to this motion to recommit, and the gentleman from Indiana [Mr. MYERS] for offering it.

The bottom line though is that this is just the beginning. As John Paul Jones said, we have just begun to fight on the issue of the World Bank and the Agency for International Development, because there is a tremendous amount of waste in these areas and we want to clean them up. This was not the best vehicle with which to do it. We did what we could. But we are going to continue on, and you are going to hear more from us, so stay tuned.

Mr. MYERS of Indiana. I thank the gentleman for his comments.

Mr. SANTORUM. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Pennsylvania.

Mr. SANTORUM. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I just wanted to stand and congratulate the gentleman from Washington [Mr. MILLER] for the fine work he has done on this motion to recommit in negotiating with the White House, and hopefully getting agreement on the other side of the aisle that we have a compromise here we can be supportive of, that does send a signal to these agencies that business as usual will not go any more, that we are going to be watching, that we are going to be looking to make further cuts in these programs that just are not working very well. And I want to commend the gentleman from Washington for that, and I want to thank the gentleman from Indiana for yielding.

The SPEAKER pro tempore. The time of the gentleman from Indiana [Mr. MYERS] has expired.

The Chair recognizes the gentleman from Wisconsin [Mr. OBEY] for 5 minutes.

Mr. OBEY. Mr. Speaker, I think Members need to understand what is really happening here. About 3 weeks ago the Deputy Secretary of the Treasury, Mr. Mulford, gave a speech to the Inter-American Development Bank, and he was trying to explain to Latin American leaders why the administration did not get the money that they needed for the IADB. And he said that "well, the reason we did not get it is because we have all these Democrats on Capitol Hill who prefer to deny the administration a foreign policy victory rather than appropriate additional dollars to the international banks." So he said it was partisan Democratic politics that was stopping the administration from getting its funds.

Then when I made my recommendation to the subcommittee that we reduce the administration's budget request of foreign aid by $1.3 billion, I got calls from Mr. Scowcroft, from Mr. Baker, and from Mr. Brady's deputies all saying it was a tragedy that we had cut the bill so much, and would I not please reconsider. They lobbied my subcommittee in markup because they tried to overturn a recommendation I made against providing funding to pay for debt relief for Latin American countries who owe Uncle Sam money. And then they issued a statement of administration policy which says that they oppose the bill in its present form because we cut too deeply when we cut $1.2 billion out of the overall bill.

They objected to the fact that we told our NATO allies that they were going to finally get off the dole because we were going to provide no additional grant military assistance, in other words, no giveaways. And they objected because they said we cut the international banks too deeply, and they objected because we eliminated funding for debt reductions for Latin America.

But now we have the President's own party in its official recommit motion totally ignoring the wishes of the Bush Administration and says that we ought to reduce funding for the international financial institutions even further.

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Now, this money is going to be paid sometime, have no doubt about it. It is going to be paid sometime, because we have incurred the obligation when the authorization was approved.

But I see absolutely no reason for the majority party to save the Republican Party from itself. I recognize that, as is the case on so many other issues, on this issue the administration is in disarray, and the administration's party is in disarray. So I feel absolutely no requirement to object to the amendment, and so given the fact that the administration itself has now apparently reversed itself, I will be very happy to support the proposal and urge a "yes" vote on the amendment.

Mr. EDWARDS of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. OBEY. I am happy to yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. I would say to the chairman that I may be rumpled, but I am not in disarray.

I think if I can just clarify what the gentleman said, two things, as the gentleman knows, he and I both agree that the executive and legislative branches are separate, and we are entitled to our views here. But as it happens in this particular case, the administration does not object to this recommittal, and I think the Members should know that.

Mr. OBEY. In other words, the administration reverses the position that it had last night?

Mr. EDWARDS of Oklahoma. It has been known to happen.

Mr. OBEY. I recognize that reversal. It is not the first time.

Mr. McHUGH. Mr. Speaker, will the gentleman yield?

Mr. OBEY. I am happy to yield to the gentleman from New York.

Mr. McHUGH. As the gentleman knows, I have been one of the strongest supporters of these international financial institutions, because particularly at a time like this when the world is changing and we are trying to promote economic reforms and we are trying to promote fragile democracy, these international institutions have played and continue to play a critical role. They are not perfect. There are projects which can be objected to, and these institutions have been notified of that by members of the committee.

I agree with the gentleman.

Mr. OBEY. I urge a "yes" vote, and then a "yes" vote on final passage.

Mrs. LLOYD. Mr. Speaker, today I must rise in opposition to H.R. 5368, the foreign operations, export financing, and related programs appropriations bill.

I have consistently opposed unnecessary foreign aid authorizations and appropriations throughout my tenure in Congress. Today's vote will be no different. The current fiscal climate in the country demands that our resources and energy be focused here at home. The people of my district in Tennessee want to know that their Government is taking care of them, not the people of other nations.

I recognize the need for U.S. assistance abroad and realize all the benefits we may reap from a robust foreign aid bill. If we had the money, it would be justified—but we don't. What we do have is a tremendous deficit, a deteriorating infrastructure, and an electorate disenchanted with an administration who they believe is looking out for the interests of others in foreign nations over them. We must prove that we are serious about turning the country around and rescuing it from the economic plight it is facing.

Mr. Speaker, I would like to point out that I have always tried to support the nation of Israel wherever possible because I believe our relationship with the Jewish state is important to national security. We played a role in the creation of Israel, and we owe it to the Jewish population here and abroad, to continue our commitment to peace and democracy in the Middle East. Had there been a separate vote on aid to Israel I would certainly support it.

Ms. HORN. Mr. Chairman, this is the third appropriations bill the House has considered since voting on the balanced budget amendment. During debate on the balanced budget amendment, I spoke about the need to begin the painful process of deficit reduction. I am pleased that this body is making efforts to that end by cutting wasteful administrative and other costs from appropriations bills.

We have continued that trend with this bill, the foreign operations appropriations bill. The Committee cut $1.3 billion from the President's request for foreign aid and we have seen additional cuts made on the House floor. I am extremely pleased to see language adopted that will require our NATO allies to purchase military equipment, instead of receiving it free. If a country wishes to purchase excess U.S. military equipment, it will have to pay cash or take out a loan to pay for it.

I am pleased with this trend of cutting funding in appropriations bills because there are plenty of places to cut. A study completed by the Democratic Task Force on Government Waste has identified areas of waste and mismanagement in Government programs that cost U.S. taxpayers $60 to $85 billion. With steps taken to cut spending on the first three appropriations bills, I look forward to working with my colleagues or introducing my own amendments to cut wasteful spending from the remaining appropriations bills.

Mr. FRANKS of Connecticut. Mr. Chairman, I rise in support of today's foreign aid bill. For the first time in history we have decreased foreign aid, in fact this is the smallest foreign aid bill we have ever brought to the floor. In fact, I voted for the Obey amendment to further cut foreign aid across the board by 1 percent and the Burton amendment to cut the bill's appropriation for development assistance by $24 million.

We have entered a new world that promotes cooperation among nations as part of our national security, and foreign aid plays a critical role in this strategy. I think we have produced a bill that is fiscally sound.

Of course, the goal we should aim for is to expand trade amongst nations. This requires a healthy economy and political situation in each country to be successful. By cutting the amount of aid we send to other countries we can reduce our budget, and at the same time promote a strong foreign policy that facilitates U.S. security interests and humanitarian programs.

For instance, the former Soviet Union and the new Government in Israel will not only require our assistance in humanitarian aid, but in aid that will protect our security interests. Israel has proven to be an ally in a region riddled with violence and never-ending conflict. By continuing foreign aid to Israel we ensure the continuation of the Middle East peace process.

On the other hand, the former Soviet Union has collapsed and cannot yet be considered stable—economically or politically. They are a country armed with some of the most dangerous and lethal weapon systems in the world, let us do our part to make sure they do not end up in the wrong hands because someone offered the right price. Additionally, there is an opportunity to open a vast export market for the United States if the former Soviet Union can turn its economy around.

Mr. Chairman, my first term in Congress has been filled with history and opportunity. Let us make history by not letting this opportunity pass us by.

The SPEAKER pro tempore (Mr. NCNULTY). Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. OBEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 392, nays 28 not voting 14, as follows:

[Roll No. 234]

YEAS—392

Abercrombie
Ackerman
Alexander
Allard
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Bacchus
Baker
Ballenger
Barrett
Barton
Bateman
Bennett
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (MI)
Combest
Condit
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Crane
Cunningham
Dannemeyer
Darden
Davis
de la Garza
DeFazio
DeLauro
DeLay
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Ewing
Fawell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)

Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hayes (LA)
Hefley
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kolter
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Lehman (CA)
Lent
Levin (MI)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDermott
McEwen
McGrath
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (VA)
Penny
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Rangel
Ravenel
Ray
Reed
Regula
Rhodes
Ridge
Rinaldo
Ritter
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Traficant
Traxler
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Weber
Weldon
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—28

Beilenson
Berman
Collins (IL)
Conyers
Dellums
Dymally
Fascell
Green
Hayes (IL)
Kennedy
Leach
Lehman (FL)
Levine (CA)
McHugh
Owens (NY)
Payne (NJ)
Pease
Pelosi
Riggs
Savage
Solarz
Towns
Unsoeld
Washington
Waxman
Weiss
Wheat
Yates

NOT VOTING—14

Anthony
Barnard
Bonior
Campbell (CO)
Dwyer
Hatcher
Hefner
Jones (GA)
Laughlin
McDade
Richardson
Roe
Schulze
Tallon

□ 1624

Messrs. FASCELL, OWENS of New York, HAYES of Illinois, WAXMAN, LEHMAN of Florida, YATES, LEVINE of California, and CONYERS, Ms. PELOSI, and Mrs. COLLINS of Illinois changed their vote from "yea" to "nay."

Mr. NATCHER and Mrs. MINK changed their vote from "nay to "yea."

So the motion to recommit was agreed to.

The result of the vote was announced as above recorded.

Mr. OBEY. Mr. Speaker, pursuant to the instructions of the House, I report the bill, H.R. 5368, back to the House with amendments.

The SPEAKER pro tempore (Mr. MCNULTY). The Clerk will report the amendments.

The Clerk read as follows:

Amendments: On page 38, line 16, strike "$69,089,000" and insert in lieu thereof "$62,180,100".

On page 38, line 22, strike "$2,233,903,000" and insert in lieu thereof "$2,010,512,700".

On page 38, line 26, strike "$1,044,332,000" and insert in lieu thereof "$1,024,332,000".

On page 39, line 22, strike "$39,735,000" and insert in lieu thereof "$35,761,000".

On page 59, line 9, strike "$517,000,000" and insert in lieu thereof "$512,000,000".

The SPEAKER pro tempore. The question is on the amendments.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MEMBERS' OBLIGATION IS TO OUR COUNTRY AND OUR OWN CONSCIENCES, NOTHING ELSE

(Mr. LEACH asked and was given permission to address the House for 1 minute.)

Mr. LEACH. Mr. Speaker, I have asked unanimous consent to speak for 1 minute to clarify the circumstances relating to the important vote this body has just made against the multilateral leadership of the United States in international financial institutions. The position of the administration is that they did not support the amendatory approach of the minority although they are appreciative that the authors of the amendment did not seek larger cuts.

I raise this perspective because this body has to deal with a whole spectrum of similar issues and this Member is dismayed at the minority's decision to present an amendment of this nature. But putting this concern aside, I believe it reflected an honest difference of a philosophical judgment on this side. My dismay is even greater at the position of the majority party which justified its capitulation as somehow saving Republicans from themselves.

The fact is it is the obligation of Members of this body to vote what is in the best interests of the United States of America, not what has anything to do with political differentiations within parties and legislative bodies. I just hope that, as we proceed on issues of this import, that we recognize our obligation is to the country and to our own conscience and nothing else.

LET'S BE REAL

(Mr. OBEY asked and was given permission to address the House for 1 minute.)

Mr. OBEY. Mr. Speaker, I frankly am not quite certain how to respond to the remarks of the gentleman from Iowa [Mr. LEACH], for whom I have great respect.

Let me be very blunt: It is very obvious to me that this administration does not have the slightest idea of what the country will tolerate by way of expenditures abroad, and it certainly does not have the slightest idea what the political center of gravity is in the Congress of the United States.

□ 1630

Mr. Speaker, the fact is that this committee cooperated in a bipartisan way to support the administration's efforts. The administration is opposed to the bill because we cut $1.2 billion from their request, and they are opposed to the bill because we said, "No, more free lunch," to our NATO allies and eliminated all grant assistance.

The administration is also opposed to the bill because we did not provide for debt reduction for Latin American countries.

I do not believe that I ought to take the blame, or that the majority party ought to take the blame, for the fact that the Republican Party is in such disarray that the White House cannot control its own party's recommittal motion.

The SPEAKER pro tempore (Mr. MCNULTY). the question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. EDWARDS of Oklahoma. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 297, noes 124, not voting 13, as follows:

[Roll No. 235]

AYES—297

Abercrombie
Ackerman
Alexander
Allard
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Aspin
Atkins
AuCoin
Bacchus
Ballenger
Bateman
Beilenson
Bereuter
Berman
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Borski
Boucher
Boxer
Brewster
Broomfield
Browder
Brown
Bruce
Bryant
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Clay
Clement
Clinger
Coble
Coleman (TX)
Collins (IL)
Collins (MI)
Conyers
Cooper
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Cunningham
Darden
Davis
de la Garza
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Durbin
Dymally
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Engel
Erdreich
Espy
Evans
Ewing
Fascell
Fazio
Feighan
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallo
Gejdenson
Gekas
Gephardt
Gilchrest
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Grandy
Green
Hall (OH)
Hamilton
Harris
Hayes (IL)
Henry
Hertel
Hoagland
Hobson
Hochbrueckner
Horn
Horton
Houghton
Hoyer
Hunter
Inhofe
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kopetski
Kostmayer
Kyl
LaFalce
Lancaster
Lantos
LaRocco
Leach
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Martin
Martinez
Matsui
Mavroules
McCloskey
McCollum
McCrery
McCurdy
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Moody
Moran
Morella
Morrison
Mrazek
Murtha
Nagle
Natcher
Neal (MA)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Porter
Price
Pursell
Rangel
Ravenel
Reed
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Roybal
Sabo
Santorum
Sawyer
Saxton
Scheuer
Schiff
Schroeder
Schumer
Serrano
Sharp
Shaw
Shays
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (TX)
Snowe
Solarz
Spratt
Staggers
Stallings
Stenholm
Stokes
Studds
Sundquist
Swett
Swift
Synar
Taylor (NC)
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traxler
Unsoeld
Upton
Vander Jagt
Vento
Visclosky
Walsh
Washington
Waters
Waxman
Weber
Weiss
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Yates
Yatron
Young (AK)
Zeliff
Zimmer

NOES—124

Allen
Applegate
Archer
Armey
Baker
Barrett
Barton
Bennett
Bentley
Bevill
Brooks
Bunning
Chapman
Coleman (MO)
Combest
Condit
Costello
Crane
Dannemeyer
DeFazio
DeLay
Dickinson
Dooley
Doolittle
Dreier
Duncan
Early
Emerson
English
Fawell
Fields
Gallegly
Gaydos
Geren
Gibbons
Gillmor
Goodling
Goss
Gradison
Guarini
Gunderson
Hall (TX)
Hammerschmidt
Hancock
Hansen
Hastert
Hayes (LA)
Hefley
Herger
Holloway
Hopkins
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
James
Jones (NC)
Jontz
Kolter
Lagomarsino
Lehman (CA)
Lewis (FL)
Lloyd
Marlenee
Mazzoli
McCandless
Miller (OH)
Mollohan
Montgomery
Moorhead
Murphy
Myers
Neal (NC)
Nichols
Nussle
Oxley
Packard
Patterson
Pease
Perkins
Petri
Poshard
Quillen
Rahall
Ramstad
Ray
Regula
Roberts
Roemer
Rogers
Rohrabacher
Roth
Rowland
Russo
Sanders
Sangmeister
Sarpalius
Savage
Schaefer
Sensenbrenner
Shuster
Smith (NJ)
Smith (OR)
Solomon
Spence
Stark
Stearns
Stump
Tanner
Tauzin
Taylor (MS)
Thomas (CA)
Thomas (WY)
Traficant
Valentine
Volkmer
Vucanovich
Walker
Weldon
Wylie
Young (FL)

NOT VOTING—13

Anthony
Barnard
Bonior
Dwyer
Hatcher
Hefner
Jones (GA)
Laughlin
McDade
Richardson
Roe
Schulze
Tallon

□ 1654

Mr. GEKAS changed his vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 5368, FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1993

Mr. OBEY. Mr. Speaker, I ask unanimous consent that the Clerk may be permitted to make technical and conforming changes including section renumbering during engrossment of the bill, H.R. 5368.

The SPEAKER pro tempore (Mr. MCNULTY). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

GENERAL LEAVE

Mr. OBEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 5368, the bill just passed, and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

REPORT ON H.R. 5487, AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1993

Mr. MCHUGH, from the Committee on Appropriations, submitted a privileged report (Rept. No. 102-617) on the bill (H.R. 5487) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and related agencies programs for the fiscal year ending September 30, 1993, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

Mr. SKEEN reserved all points of order on the bill.

REPORT ON H.R. 5488, TREASURY DEPARTMENT, UNITED STATES POSTAL SERVICE, EXECUTIVE OFFICE OF THE PRESIDENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1993

Mr. ROYBAL, from the Committee on Appropriations, submitted a privileged report (Rept. No. 102-618) on the bill (H.R. 5488) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1993, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

Mr. WOLF reserved all points of order on the bill.

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1993

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 495 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 495

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the

Whole House on the State of the Union for the consideration of the bill (H.R. 5095) to authorize appropriations for fiscal year 1993 for intelligence and intelligence-related activities of the United States Government and the Central Intelligence Agency Retirement and Disability System, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and the amendments made in order by this resolution and which shall not exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Permanent Select Committee on Intelligence, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Permanent Select Committee on Intelligence now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, by title instead of by section and each title shall be considered as having been read. All points of order against said substitute are hereby waived. At the conclusion of the consideration of the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any amendment adopted in the House to the bill or the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from California [Mr. BEILENSON] is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio [Mr. MCEWEN], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 495 is the rule providing for consideration of H.R. 5095, the Intelligence Authorization Act for fiscal year 1993. I am happy to report that this is an open rule, with 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the House Permanent Select Committee on Intelligence.

The rule makes in order the Committee on Intelligence Amendment in the nature of a substitute as the original text for purposes of amendment. Finally, the rule waives all points of order against the substitute and provides for 1 motion to recommit, with or without instructions.

Mr. Speaker, the bill this rule makes in order, H.R. 5095, authorizes funds for all intelligence and intelligence-related activities of the U.S. Government for fiscal year 1993.

The bill also contains several legislative provisions, including a clarification of the authority of the inspector general; a requirement that the Intelligence Committees receive notification about real property transactions; and limited postemployment assistance to former employees. The legislation also contains language dealing with the CIA's retirement and disability system.

□ 1700

The Congressional Budget Office identified that section of H.R. 5095 as having the potential to cause direct spending; however, the chairman of the Intelligence Committee testified to the Committee on Rules that the likelihood of the provision resulting in even minimal cost is extremely small.

The chairman requested a budget waiver for this provision, a request that the Committee on the Budget does not oppose.

Mr. Speaker, to repeat, House Resolution 495 is an open rule giving Members who are in disagreement with any part of the bill the chance to offer amendments. I urge my colleagues to adopt the resolution so that we may proceed with the consideration of these amendments and this important legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. McEWEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. COMBEST].

Mr. COMBEST. Mr. Speaker, I rise in support of the rule and the bill.

Mr. Speaker, I rise today to oppose additional damaging cuts in our intelligence capabilities. I want the Members of the House to understand the implications of those cuts for some of the most vital parts of our Nation's industrial base.

Mr. Speaker, I reveal no secret in reminding this body that a substantial portion of the funds we authorize here today supports production of the world's most technologically advanced intelligence collection systems. The unique requirements of the intelligence community have driven American industry to develop an extraordinary range of new technologies, new materials, and new production methods.

Thirty years ago, our aerospace industry was called on to produce a long-range high-altitude reconnaissance aircraft to collect intelligence from the Soviet Union. Lockheed rose to that challenge and produced the U–2, an aircraft still in use today.

The U–2 was followed by the SR–71, another technological marvel that served this Nation well.

American industry responded to the need for collection from space with the extraordinary technologies we incorporate into our satellite collection systems.

Each of those efforts—and many more we cannot discuss in an open session—helped keep our industry on the cutting edge of aerospace technology, computer technology, and communications technology.

Mr. Speaker, we understand that spending for intelligence programs will decline. What we determine today is whether we will provide the resources for a well-planned, well-managed transition to the intelligence capabilities we require for the future. The alternative is to close our eyes and our ears to the very real dangers that remain in this post-cold-war world.

Mr. McEWEN. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of the rule for the consideration of H.R. 5095, the Intelligence Authorization Act for fiscal year 1993. House Resolution 495 is an open rule. That means it's fair, and good for the legislative process in this House.

I would like to thank the chairman of the Rules Committee, the gentleman from Massachusetts [Mr. MOAKLEY], along with the distinguished gentleman from New York [Mr. SOLOMON], the ranking member, for reporting this open rule.

I would also like to pay strong tribute to the gentleman from Oklahoma [Mr. MCCURDY], the chairman of the Select Intelligence Committee, as well as my friend, the gentleman from Pennsylvania [Mr. SHUSTER], the ranking member of the Intelligence Committee, for requesting this open rule which we have before us. Each does an outstanding job directing our congressional efforts regarding these vital national security concerns.

As the Members know, there is no position of greater responsibility or importance to our Nation than service on the Select Committee on Intelligence. These two gentlemen, the chairman and the ranking member, are performing a special service to our Nation and to the cause of freedom.

It is a pleasure to have the committee chairman and ranking member come before the committee asking for this rule.

The gentleman from California [Mr. BEILENSON], who also himself served with distinction as chairman of the Intelligence Committee during a period of my service on that committee, has thoroughly explained the rule.

It establishes an hour of general debate for H.R. 5095, allows amendments to be considered under the 5-minute rule, and then permits one motion to recommit with or without instructions.

The intelligence authorization bill is one of the most important measures that the House of Representatives considers each year. Our intelligence services are a cornerstone of our national security system.

While some loud voices would like to think that threats to our security are a thing of the past, that the history of man's inhumanity to man will never again threaten America or her freedom, in reality, the world does remain a dangerous place. History tells us this. Wise people learn and do not repeat history.

A capable intelligence system is not something that can be built and stockpiled like tanks and missiles. You can shut down the assembly line when you think you have enough tanks. Later on, you can turn it back on if you need some more.

On the other hand, an intelligence system must be nurtured and supported at all times. In fact, the foundation of the system, the worldwide network of people dedicated to helping keep our country free, is most susceptible to harm and can wither and die by even a temporary lack of support.

Today, some people want to slash the intelligence budget. "Peace dividend! Peace dividend," they chant. They are shortsighted. Some never understood the value of our intelligence services. In fact, some genuinely detested them. Now many want to use the changes in the world to accomplish what they have always desired, to destroy America's intelligence services.

Let us not follow their shortsighted advice. Remember, it is very difficult, expensive, time-consuming, and often impossible to correct intelligence mistakes. During the late 1970's the Congress stripped away the heart of our Nation's intelligence services. We paid for that during foreign policy crises, such as Iran in 1980. We sought during the 1980's to improve the deficiencies of the 1970's.

Today, with the threats facing the United States, we cannot abandon our intelligence network. In fact, as we reduce our defense spending, we should improve our intelligence capabilities. The Members will hear the term "force multiplier" used to describe good intelligence. That means it makes our defenses much more effective. We use them where they should be applied at the time they should be applied with only the minimum amount of force. It helps ensure that our forces are deployed, equipped, and used in the most effective manner possible. This comes only from intelligence.

There are concerns that the committee bill already goes too far in reducing the intelligence budget. Therefore, I urge Members to defeat any effort to cut further the committee recommendations.

If we let our intelligence capabilities slip in order to claim a short-term political peace dividend scalp, we will pay a steep price. The price might not be paid tomorrow or today or even next month. It may come due years down the road, but the price will be paid, and often it is paid in blood.

While the chairman and ranking member of the Intelligence Committee are to be commended for requesting an open rule, they have placed a deep responsibility on every Member who comes to the floor to discuss these matters. I assure the Members, saying the wrong thing or saying too much costs America.

The importance of maintaining an appropriate level of debate cannot be overemphasized. I implore every Member to be cautious today. Please think twice during this debate. Err on the side of safety, national security, and our freedom.

Mr. Speaker, I would again like to thank the chairman, the gentleman from Oklahoma, and my friend, the gentleman from Pennsylvania [Mr. SHUSTER], for their dedication and their leadership. They certainly have our Nation's best interests at heart. It is a pleasure to join with the former chairman, the gentleman from California [Mr. BEILENSON] in calling for unanimous support for this open rule.

Mr. Speaker, I reserve the balance of my time.

Mr. BEILENSON. Mr. Speaker, I would advise my friend, the gentleman from Ohio [Mr. MCEWEN] that we have no requests for time on this side.

Mr. MCEWEN. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], the ranking member of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman from Ohio [Mr. MCEWEN], my colleague on the Committee on Rules and a Member who has served most admirably on the Select Committee on Intelligence, for yielding to me.

Mr. Speaker, I highly commend the gentleman from Oklahoma [Mr. MCCURDY] and the ranking member, the gentleman from Pennsylvania [Mr. SHUSTER], for the really outstanding job that we all know they do on that terribly important committee. I certainly thank them for requesting an open rule. We have not had one of those for a while, and it is good to have one out here. I thank my colleague, the gentleman from California [Mr. BEILENSON], a member of our Committee on Rules, for helping us get this open rule out here to the floor. I know he believes in them.

Mr. Speaker, in rising to support this rule that will provide the Members of the House a chance to offer amendments to this very important bill, let me just state that I have, I think, two major concerns.

First, I want to remind Members that we should do all we can to avoid the disclosure of sensitive, classified information in the course of our debate on this bill and on related amendments.

The cold war may be behind us, but we must remain concerned for our national security—and for the safety of our intelligence personnel and sources around the world—in a time when new challenges really face us.

Second, Mr. Speaker, I want to remind my colleagues that these challenges to our national security and to our intelligence-gathering capabilities do exist.

They are not myths. They are facts. That is why I am so concerned that some members of this body reportedly want to take a simplistic, percentage-based approach to cutting our intelligence budget, which has already been cut.

I share the view of the chairman of the Intelligence Committee that the budget must be scrubbed, but not if the baby is going to be thrown out with the bathwater. That is wrong.

As the administration has stated about this bill as it now stands, and I quote what they have to say,

> The administration strongly objects to H.R. 5095, as reported by the Select Committee on Intelligence. The bill would authorize—levels substantially below those requested—these reduced levels would seriously impede the administration's ability to meet the President's new intelligence priorities and to cope effectively with an uncertain future.

At this point, Mr. Speaker, I include in the RECORD the administration's statement:

EXECUTIVE OFFICE OF THE PRESIDENT,
Washington, DC, June 18, 1992.

STATEMENT OF ADMINISTRATION POLICY—H.R. 5095—INTELLIGENCE AUTHORIZATION ACT, FISCAL YEAR 1993

The Administration strongly objects to H.R. 5095, as reported by the Select Committee on Intelligence. The bill would authorize appropriations and personnel at levels substantially below those requested in the President's Budget. These reduced levels would seriously impede the Administration's ability to meet the President's new intelligence priorities and to cope effectively with an uncertain future. The Administration would also strongly object to any amendments that would further reduce the President's budget request for intelligence activities.

Specifically, the Administration objects to the:

Substantial reductions in funding and personnel throughout the National Foreign Intelligence Program;

34 percent reduction in funding for the FBI's foreign counter-intelligence activities;

Cancellation of important technical collections systems; and

Elimination of certain key analytic centers.

The Administration urges the House to adopt the Administration's proposal, which the Central Intelligence Agency transmitted to Congress on March 16, 1992, rather than enact H.R. 5095. The Administration's proposal would authorize appropriations consistent with the President's request and provide other essential intelligence-related authorities. During further congressional consideration of H.R. 5095, the Administration will seek to restore the requested authorization levels and other general authorities.

SCORING FOR THE PURPOSES OF PAYGO AND DISCRETIONARY CAPS

H.R. 5095 would increase direct spending; it is, therefore, subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990 (OBRA). No offsets to the direct spending increase are provided in the bill. A budget point of order applies in the House against any bill that is not fully offset under CBO scoring. If, contrary to the Administration's recommendation, the House waives any such point of order that applies against H.R. 5095, the effects of enactment of this legislation would be included in the look back pay-as-you-go sequester report at the end of the congressional session.

OMB preliminary scoring estimates of this bill are presented in the table below. Final scoring of this legislation may deviate from these estimates. If H.R. 5095 is enacted, final OMB scoring estimates will be published within five days of enactment, as required by

OBRA. The cumulative effects of all enacted legislation on direct spending will be issued in monthly reports transmitted to Congress.

Estimates for Pay-As-You-Go

(Dollars in millions)

1993	(1)
1994	(1)
1995	(1)
1996	(1)
1997	(1)
1993–96	2

[1] Less than $500,000.

Mr. SOLOMON. Mr. Speaker, I was one of the first Members of this body to voice support for former President Reagan's treaty on intermediate nuclear forces back in 1987. I was one of those conservatives who saw at that time that the INF treaty was a step forward as long as there was adequate verification of Soviet action.

We saw in that case just how important verification is when we discovered that the former Soviet Union had not been completely honest with us about its SS–20 mobile missiles aimed at this country. Today the Soviet Union is no more, but the challenge of properly verifying strategic arms reductions with its successor, the Russian Republic or whatever it is called, I believe is just as great.

Do we know, for example, whether President Yeltsin has the full support of his military? There are still 4 million men under arms. Who controls those soldiers?

□ 1710

His new strategic arms treaty with us is a treaty that will radically reduce warheads on both sides over the next decade. Only time and good intelligence will tell us if the Russians live up to it, Mr. Speaker. I repeat, good intelligence. And certainly, Mr. Speaker, all of us here are familiar with the problems we face as ballistic missile technology and nuclear technology spread throughout the world. And, yes, these technologies are spreading.

These problems go far beyond Iraq and the Middle East, Mr. Speaker. Not many, I would wager, would expect our intelligence community to stay on top of such developments.

Finally, let me just point out to my colleagues three recent news articles that I think underline just how vital good intelligence will be to our future security and prosperity. In one it is reported that research by American companies is often the focus of espionage from a major European country, and not one of those that belonged to the former Warsaw Pact. In another of these articles it is surmised that the Communist Chinese may have concocted a nuclear neutron bomb using secrets stolen from a laboratory right here in the United States. Yet here we are contemplating cuts in our country's intelligence budget. Finally, the third article underlines the reemergence of a country called Japan on the international scene in describing that country's plan to expand its intelligence operations. What do Members think Japan is going to do with those intelligence operations? They are going to spy on American companies and it is going to cost American jobs.

The articles referred to follow:

[From Time Magazine, May 28, 1990]

When "Friends" Become Moles—American Companies Wake Up to a New Spy Threat: U.S. Allies

(By Jay Peterzell)

The dangers of Soviet military espionage may be receding, but U.S. security officials are awakening to a spy threat from a different quarter: America's allies. According to U.S. officials, several foreign government are employing their spy networks to purloin business secrets and give them to private industry. In a case brought to light last week in the French newsmagazine L'Express, U.S. agents found evidence late last year that the French intelligence service Direction Generale de la Sécurité Exterieure had recruited spies in the European branches of IBM, Texas electronics companies. American officials say DGSE was passing along secrets involving research and marketing to Compagnie des Machines Bull, the struggling computer maker largely owned by the French government.

A joint team of FBI and CIA officials journeyed to Paris to inform the French government that the scheme had been uncovered, and the Gallic moles were promptly fired from the U.S. companies. Bull, which is competing desperately with American rival for market share in Europe, denies any relationship with DGSE. Last year the company made a legitimate acquisition of U.S. technology when it agreed to purchase Zenith's computer division for $496 million.

U.S. officials say the spy ring was part of a major espionage program run against foreign business executives since the late 1960s by Service 7 of French intelligence. Besides infiltrating American companies, the operation routinely intercepts electronic messages sent by foreign firms. "There's no question that they have been spying on IBM's transatlantic communications and handing the information to Bull for years," charges Robert Courtney, a former IBM security official who advises companies on counterespionage techniques.

Service 7 also conducts an estimated ten to 15 break-ins every day at large hotels in Paris to copy documents left in the rooms by visiting businessmen, journalists and diplomats. These "bag operations" first came to the attention of the U.S. Government in the mid-1980s. One U.S. executive told officials about a trip to Paris during which he had made handwritten notes in the margin of one of his memos. While negotiating a deal with a French businessman, he noticed that the Frenchman had a photocopy of the memo, handwritten notes and all. Asked how he got it, the Parisian sheepishly admitted that a French government official had given it to him. Because of such incidents, U.S. officials began a quiet effort to warn American companies about the need to take special precautions when operating in France.

While France can be blatant, it is by no means unique. "A number of nations friendly to the U.S. have engaged in industrial espionage, collecting information with their intelligence services to support private industry," says Oliver Revell, the FBI's associate deputy director in charge of investigations. Those countries include Britain, West Germany, the Netherlands and Belgium, according to Courtney. The consultant has developed a few tricks for gauging whether foreign spies are eavesdropping on his corporate clients. In one scheme, he instructs his client to transmit a fake cable informing its European office of a price increase. If the client's competitor in that country boosts its price to the level mentioned in the cable, the jig is up. "You just spoof 'em," Courtney says.

Most U.S. corporations could protect their sensitive communications simply by sending them in code. But many companies are reluctant to do this, even though the cost and inconvenience might be minor. One reason may be that the effects of spying are largely invisible. All the company sees is that it has failed to win a contract or two. Meanwhile, its competitor may have clandestinely learned all about its marketing plans, its negotiating strategies and its manufacturing secrets. "American businesses are not really up against some little competitor," observes Noel Machette, a former National Security Agency official who heads a private security firm near Washington. "They're up against the whole intelligence apparatus of other countries. And they're getting their clocks cleaned."

As U.S. national-security planners increasingly focus on American competitiveness, many of them fear that U.S. corporations are operating at a severe disadvantage. America's tradition of keeping Government and business separate tends to minimize opportunities for the kind of intelligence sharing that often occurs in Europe, "I made a big effort to get the intelligence community to support U.S. businesses," recalls Admiral Stansfield Turner, who headed the CIA in the late 1970s. "I was told by CIA professionals that this was not national security." Moreover, it would be hard for the Government to provide information to one U.S. firm and not to another. Yet if sensitive intelligence is shared too widely, it cannot be protected.

One thing the U.S. Government can do is make sure business leaders understand the threat. When the late Walter Deeley was a deputy director at NSA in the early 1980s, he began a hush-hush program in which executives were given clearances and told when foreign intelligence agencies were stealing their secrets. "He considered it a real crusade," a former intelligence official says. "If American business leaders could see some of these intelligence reports, I think they would go bananas and put a lot more effort into protecting their communications."

"It may not be possible to level the playing field [with foreign companies] by sharing intelligence directly" with their U.S. rivals, observes deputy White House science adviser Michelle Van Cleave. "But it should be possible to button up our secrets." That argues for much more use of secret-keeping techniques and far less naiveté on the part of American business as it enters the spy-vs.-spy era of the 1990s.

Chinese Neutron Bomb Came From U.S. Secrets

(By Dan Stober)

Livermore, Calif.—Chinese scientists have built and tested a nuclear "neutron bomb" using secrets stolen from Lawrence Livermore National Laboratory, according to sources familiar with an FBI espionage investigation.

The Chinese exploded a neutron bomb—a battlefield weapon designed to kill soldiers with lethal doses of radiation without destroying nearby villages—on Sept. 29, 1988, according to published reports.

Details of how the Chinese government acquired secret information about neutron weapons from Livermore are classified. But an official familiar with the case said lax security at the Livermore nuclear weapons lab where U.S. neutron bombs were designed, was partially to blame.

The official, who spoke on the condition of anonymity, said "the total, complete lack of management oversight" was "absolutely devastating."

"Anything you've ever heard or read about the lab pales by comparison."

Ed Appel, the head of counterintelligence in the FBI's San Francisco office, confirmed that the bureau has conducted an espionage investigation at the lab and that no arrests have been made. He wouldn't discuss the probe's subject matter.

Appel did say, however, that "the Rosenbergs weren't the last ones" to have stolen nuclear weapons secrets.

"You could make the logical assumption that there have been successful espionage attempts against the (Livermore) lab since its inception," Appel said.

George Carver, a former deputy director of the CIA, said publicly last month that the Chinese success was based on U.S. nuclear research.

"In 1988 * * * the Chinese blossomed forth with the neutron bomb, which was made from data stolen from U.S. research centers," he said in a speech to Lawrence Livermore employees.

"That's what a number of people think, including my friends in the bureau (the FBI)," Carver added in a later telephone interview from his office at the Center for Strategic and International Studies in Washington.

The espionage, according to lab sources, took place sometime before 1987.

China has the most aggressive espionage program now in operation against the United States, according to Appel. The Chinese government has targeted commercial technology, as well as military and political secrets.

The espionage is conducted not only by professional spies but by visiting Chinese students and scientists who may play on the sympathies of their Chinese-American hosts, he said.

The Americans are told that "Mother China needs assistance to become modern" and that nuclear weapons offer the Chinese a chance to stave off a Soviet threat while they develop, Appel said.

Lawrence Livermore has not been completely closed to Chinese scientists, in part because the lab conducts research on a wide spectrum of non-classified subjects.

"A lot of (non-weapon) nuclear physics is done at the lab * * * and they do host foreign scientists, including Chinese. And they do visit the People's Republic of China," Appel said.

"I'm more afraid of a visiting physicist than I am an intelligence agent. I worry about the scientist who shares his formula with the other guy because they have a wink, a smile and a handshake, or they're going to save the world together."

In 1988, the General Accounting Office, an investigative arm of Congress, reported that foreign intelligence agents posing as visiting scientists had gained access to Lawrence Livermore and America's other two nuclear weapons design laboratories.

The GAO said dozens of Chinese had visited Lawrence Livermore without a required background check, and some were later found to have links to Chinese intelligence services.

Besides the FBI, the Livermore data theft has been investigated by the lab itself, the U.S. Department of Energy (the lab is managed for the Energy Department by the University of California) and Congress.

The House Energy and Commerce Committee's Subcommittee on Oversight and Investigations has been quietly gathering information about the espionage case since 1988. The committee has sought "damage assessments" detailing the impact on national security.

"The information that we have received so far from the DOE and the FBI indicates that an extremely serious situation has occurred," Rep. John Dingell, D-Mich., the committee chairman, wrote last year in a letter to James Watkins, the secretary of energy.

[From the New York Times, Jan. 1, 1992]

TIRED OF RELYING ON U.S., JAPAN SEEKS TO EXPAND ITS OWN INTELLIGENCE EFFORTS

(By David E. Sanger)

TOKYO.—Japan is quietly moving to reshape and expand its intelligence operations in an effort to wean itself from its dependence on American analysis of threats to its economic and military security.

Officials here say they are not hiring spies and would steer clear of creating a single, large intelligence agency. Their biggest concern, they say, is to avoid rekindling memories of the Japanese secret police of half a century ago.

But over the last several months, officials of both the Foreign Ministry and the Japan Self-Defense Agency have described, in deliberately vague terms, plans to train hundreds of new intelligence analysts and spend a large amount of money to improve human and electronic information-gathering.

In part, the effort seems spurred by Japan's feelings of acute insecurity over the quality of its intelligence during the collapse of the Soviet Union, whose Far East bases have been the focus of Japanese concern for more than four decades, and about North Korea's effort to build nuclear weapons.

50 YEARS BEHIND

"Japan is behind by half a century in its ability to collect and utilize information compared to other countries," said Seiki Nishihiro, a former Deputy Minister of Defense and one of the architects of the new intelligence effort. "In the cold war era the world moved in teams, and as a member of the American-led team, our judgment was not so important. Now Japan needs its own ability."

Over the next year, the Foreign Ministry says it will create an International Information Bureau, and hire 100 to 200 new analysts, mostly regional specialists.

The Japan Self-Defense Agency is putting up a new headquarters in Tokyo, including one large building that officials say will house an intelligence unit patterned after the Pentagon's Defense Intelligence Agency. An official of the agency, insisting on anonymity, described the new unit's task as "tactical information gathering," focusing particularly on North Korea, the newly independent states of the former Soviet Union, and the Persian Gulf.

"The whole structure will not be in place for another 10 years," the official said. "But ideally, we need our own sources of information. If we had to contribute to a peacekeeping force in Cambodia, right now we would not know what we are getting into." The defense agency is also increasing its ability to intercept signals, a task that it has slowly been taking over from some American units here.

NO SPY IN JAPAN'S SKY

Domestic political sensitivity, however, has prevented agency officials from building a piece of equipment they desperately want—a Japanese-made, Japanese-operated intelligence satellite. To their chagrin, they are entirely dependent on satellite images from the United States.

For example, when Japan begins importing huge quantities of near-weapons-grade plutonium from Europe next year for its nuclear-power plants, it will find itself in the situation of again having to rely on American satellites to warn against any hijacking attempts.

The delicacy of the satellite issue among Japan's Asian neighbors, who are extremely sensitive to suggestions that Tokyo may be watching them, helps explain why most efforts to increase the country's intelligence capabilities go undiscussed. In a nation with a 20th-century history of gathering intelligence to support the use of aggressive military force, many people prefer to avoid even an expression of interest in intelligence or in broad military matters.

As an aide to Prime Minister Miyazawa noted: "If you ask the public if Japan needs more information about world events, everyone says yes. If you ask whether it needs intelligence gathering, well, no one even wants to hear the phrase."

Japan's tightly linked businesses and sophisticated trading companies, with personnel everywhere from the oil-fields of Kuwait to the laboratories of the Silicon Valley, are renowned for their comprehensive reports of political and economic trends. But they can also be politically obtuse, officials say, and as they have grown more independent, less of that data is funneled to the Government.

Japanese officials complain frequently about the quality of the analysis available to them on a day-to-day basis. When the abortive coup in the Soviet Union occurred in August, Mr. Miyazawa, still maneuvering to become Prime Minister, was widely quoted in the Japanese press as saying that the "information Japan had was different in depth compared to the information the U.S. had." In the case of the North Korean nuclear project, Government officials say they have limited capability to interpret the satellite evidence provided by the United States.

SOMETHING MONEY CAN'T BUY

No one knows how much Japan spends on intelligence gathering, because the effort is spread across so many parts of the bureaucracy—from the defense agency to the national police, which keeps track of suspected North Korean agents. The governing Liberal Democratic Party has agreed that big budget increases are needed, but that may not be enough.

As a result, some senior officials have been arguing for is a strong coordinating office just outside Mr. Miyazawa's door, able to sort and assess data quickly, much as National Security Council staff members do at the White House.

A little-known group called the Cabinet Security Bureau is now supposed to serve that function. But like the Prime Ministers it serves, it is considered weak and easily outmaneuvered by the bureaucracy.

A few years ago, Prime Minister Yasuhiro Makasone tried to build a well-equipped situation room in the Prime Minister's residence. But the effort failed, partly for lack of money and partly because no one was quite sure what kind of situation it might be needed for.

[From the Washington Post, Apr. 30, 1992]

CIA, FBI, CHIEFS WARN PANEL OVER ECONOMIC ESPIONAGE—U.S. ADVANCED TECHNOLOGY IS A TARGET

(By John Burgess and John Mintz)

Nearly 20 foreign governments are carrying out economic intelligence-gathering that harms U.S. interests, CIA Director Robert Gates told a congressional subcommittee yesterday. But he said there was no firm evidence of a rise in such operations by industrialized countries, which are the United States' main economic competitors.

Gates said that, with the end of the Cold War, some spy agencies of the former Soviet Bloc were putting increasing emphasis on ferretting out foreign commercial secrets.

"The economic distress that former communist countries are experiencing in some cases gives impetus to intelligence efforts to acquire information and advanced technology of commercial value to them," he said in a written statement to the House Judiciary Committee's subcommittee on economic and commercial law.

Moreover, he suggested that many of the intelligence agents in those former communist countries who have been thrown out of their government jobs might turn to private commercial spying. "the reservoir of professionally trained intelligence mercenaries is growing," he said in his statement.

Some foreign intelligence agencies want data about U.S. government policy deliberations on foreign trade, Gates said, and about confidential bids by U.S. companies for contracts.

Though he did not name the 20 countries, he said they included some in Asia, Europe, the Middle East and, to a lesser degree, Latin America. He said the countries include U.S. allies.

Gates, FBI Director William Sessions and other intelligence experts testified at a time when the subcommittee is examining proposals by the United States' main code-breaking agency, the National Security Agency, to limit the sophistication of commercially available equipment for encrypting communications.

U.S. companies want access to the best gear available, saying they need this to combat stepped-up surveillance by foreign governments and companies.

But the NSA, critics say, wants a technology that it can continue to monitor.

Though economic espionage has been a fact of life for years, U.S. intelligence agencies are paying more attention to it with the end of the Cold War. Last month, the federal government completed a lengthy reevaluation of the agencies' mission and issued a directive in which 40 percent of the objectives are economic, Gates said.

Sessions and other witnesses yesterday said that espionage aimed at U.S. companies was on the rise or would rise.

But they offered no firm numbers or examples that have not already been reported in the press.

Earlier this month, French authorities said they had broken up a Russian spy ring that was seeking industrial information.

Other reports include separate efforts by Hitachi Ltd. of Japan and French government intelligence agents to steal computer secrets from International Business Machines Corp.

Gates said it would be "prudent" for U.S. business executives traveling overseas to carry sensitive corporate documents with them to prevent theft from their hotel rooms.

Some members of the panel pressed Gates to help U.S. companies by seeking out commercial secrets of foreign competitors. But in his testimony Gates ruled that out, saying the CIA would limit itself to helping U.S. companies safeguard themselves against foreign intelligence operations.

Vincent Cannistraro, a former U.S. intelligence official, said in an interview after the hearing that intelligence agencies believe it would be impossible to distribute such data fairly among U.S. companies and that it might lead foreign intelligence agencies to retaliate by stepping up their spying on U.S. companies abroad.

Mr. Speaker, we do not live in a simple world, and we should beware of simplistic approaches toward cutting our intelligence budget. I urge support for this open rule that could lead to changes that will make this bill acceptable to the administration, and I would hope that that happens. I certainly thank again the gentlemen from both sides of the aisle.

Mr. McEWEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BEILENSON. Mr. Speaker, I applaud the wise and thoughtful comments and remarks made by my friends, both the gentleman from New York [Mr. SOLOMON] and the gentleman from Ohio [Mr. McEWEN].

Mr. Speaker, I have no requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to House Resolution 495 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5095.

☐ 1713

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5095) to authorize appropriations for fiscal year 1993 for intelligence and intelligence-related activities of the U.S. Government and the Central Intelligence Agency Retirement and Disability System, and for other purposes, with Ms. SLAUGHTER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Oklahoma [Mr. McCURDY] will be recognized for 30 minutes, and the gentleman from Pennsylvania [Mr. SHUSTER] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Oklahoma [Mr. McCURDY].

Mr. McCURDY. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I rise in support of H.R. 5095, the Intelligence Authorization Act for fiscal year 1993.

H.R. 5095 authorizes all of the funds for the coming fiscal year for the intelligence and intelligence-related activities of the U.S. Government. Both national and tactical intelligence programs are authorized. National intelligence activities, referred to collectively as the National Foreign Intelligence Program [NFIP], include those undertaken by the Central Intelligence Agency, the Defense Intelligence Agency, and the National Security Agency, as well as by other intelligence elements within the Department of Defense and the Departments of the Army, Navy, and Air Force. The NFIP also includes activities of the Bureau of Intelligence and Research of the Department of State, the Intelligence Division of the Federal Bureau of Investigation, and intelligence components within the Departments of Treasury and Energy and the Drug Enforcement Administration. The purpose of the NFIP is to provide intelligence to national policymakers such as the President, the Cabinet, the National Security Council, and the Joint Chiefs of Staff.

Tactical intelligence programs are the responsibility of the Department of Defense. While they are primarily focused on the provision of intelligence to military commanders, they may be used, especially in peacetime, for national intelligence purposes. The difficulty in separating the functions of national and tactical programs is one reason why the budgets for both are reviewed by the Intelligence Committee. The consideration on sequential referral of the intelligence authorization by the Committee on Armed Services ensures that particular attention is paid to the effects of Intelligence Committee decisions on the military. Our committee, Madam Chairman, greatly appreciates the counsel and assistance provided to us by the members and staff of the Committee on Armed Services.

The secrecy which, of necessity, surrounds intelligence activities makes it very difficult to discuss them, even in general terms. All of the programs and activities authorized by H.R. 5095 are, however, set forth in a classified schedule of authorizations which is incorporated into the bill by reference, and discussed in detail in a classified annex to the committee's report. Those documents have been available in the committee's offices since June 3. I urge Members who have not done so to review this material.

Madam Chairman, since January 1991, when I became chairman, I have encouraged the administration to undertake a review of the intelligence community and, where appropriate, institute organizational changes. After the gulf war and the collapse of communism, and with the recent appointment of Mr. Gates as the Director of Central Intelligence, the administration has taken steps to shift focus, emphasis, and make organizational changes.

Madam Chairman, this has been an unusual year from the standpoint of the committee's consideration of the budget request for intelligence. Prior to the submission of the budget in February, the administration had begun an internal review of intelligence requirements. We were informed that the results of the review would be reflected in an adjusted budget to be submitted in April. Concurrent with the administration's review, the committee held a series of public hearings on legislation recommending changes in the structure of the intelligence community. As the hearings progressed, it became increasingly clear that there was widespread agreement that certain structural changes were necessary, but little agreement on whether they should be legislatively imposed or administratively implemented. To his credit, the Director of Central Intelligence Mr. Gates, has instituted some significant changes in the procedures, policies, and organization of the intelligence community. While many of these changes paralleled suggestions discussed at our hearings, I am not concerned with who gets credit for the ideas. I want to be sure, however, that the changes produce the desired result. The committee will be carefully monitoring the implementation of the organizational changes instituted by the Director, and will be recommending further changes if necessary.

These structural changes concede that the end of the cold war was a watershed event for an intelligence community created largely in response to it. Regrettably, this awareness was not reflected in the administration's adjusted budget submission. Although funds were shifted between programs, the bottom line was not changed—the same aggregate amount was requested in April, after all the internal studies, as had been sought in February. While this amount represented only marginal real growth above fiscal year 1992 appropriated levels, the fact that any growth at all was requested was a matter of substantial concern to many members of the committee. At a time when the world had undeniably changed and Federal budgetary constraints could not be ignored, the committee believed, on a bipartisan basis, that a reduction in the President's funding request was appropriate. We differed only on how much of a cut would be absorbed without impacting essential intelligence capabilities.

We settled on a 5-percent reduction to the budget request, an amount which puts the fiscal year 1993 authorization below the fiscal year 1992 appropriated level.

□ 1720

This is a significant cut, more on a percentage basis than was made in the defense authorization bill. It represents, for a bipartisan majority on the committee, the outer limit on which the intelligence community can reasonably be expected to reduce spending next year. To require further cuts would be to risk severe damage to the ability of the community to provide intelligence necessary to policymakers.

The end of the cold war does not mean that we now live in a world devoid of threats to our security. The proliferation of weapons of mass destruction, terrorism, and regional conflicts among others will continue to challenge us. We need to be able to assess those threats and develop policy responses to them. Doing that successfully requires reliable intelligence which can provide timely information on the capabilities and intentions of individuals, groups, or nations that would do us harm.

A good case can be made that, as our official presence decreases overseas, a strong intelligence effort will be even more important. In many respects the ability to prudently draw down defense resources, as we are now planning, is a function of the quality of intelligence.

Intelligence is supposed to provide the warning time that is necessary if we are to react effectively whether through diplomatic or military means. To do that, the intelligence community does not have to be as big as it once was or cost as much, but it has to have the resources necessary to do its job.

I believe the bill provides the necessary level of resources while encouraging the community to eliminate unnecessary activities and promote flexibility and efficiency.

The committee will continue to furnish this kind of encouragement so that the necessary streamlining at the agencies occurs in a fashion which is both orderly and, from the standpoint of security, safe.

I urge the House to support us in this undertaking.

In addition to trying to align the intelligence budget with the fiscal and geopolitical realities we face, the bill contains a number of important legislative provisions, including a restatement of the Central Intelligence Retirement Act of 1964 for certain persons.

The chairwoman of our Subcommittee on Legislation, the gentlewoman from Connecticut [Mrs. KENNELLY], will explain these provisions in more detail. I mentioned them because they are illustrative of the fact that this bill does more than authorize the budget of the intelligence agencies.

For instance, it recognizes the importance of placing greater emphasis on collecting intelligence from open sources, improving foreign language training in the intelligence agencies, and ensuring those agencies pay proper attention to maintaining a strong human intelligence capability.

It also encourages the intelligence agencies to take an active role in the commercialization of certain technology, an initiative that is essential if the United States is to continue to be recognized as a leader in these areas.

While these and other issues, such as developing better links between intelligence and the programming data supplied to increasingly sophisticated weapons, the bill reflects an investment strategy that will pay dividends in the years ahead. This is a forward-looking legislation in ways beyond the budget reductions it contains and encourages the intelligence community to discard programs useful only in the cold war and focus on the challenges which will confront us in the future.

Madam Chairman, I urge the adoption of H.R. 5095.

Madam Chairman, at this point, I would like to pay special note of thanks to two former committee staff, as members of our Budget Subcommittee staff, Mr. Larry Pryor and Ms. Margie Sullivan, for their efforts. We wish them the best of luck in their new jobs.

Madam Chairman, I reserve the balance of my time.

Mr. SHUSTER. Madam Speaker, I yield myself such time as I may consume.

Madam Chairman, I rise in strong support for the legislation which we bring to the floor today. I join with the chairman in providing bipartisan support, not because this legislation is perfect, for from it, but rather because it is the best we could bring to the floor today. In fact, we had to fight some major battles to get as much as we got in this legislation that we bring to the floor today.

Indeed, there are those who would like to even more substantially cut the intelligence authorization in spite of the fact that we face great uncertainty in the world around us. Indeed, people speak of a new world order when, more accurately, it could be called a new world disorder. In Russia, nobody knows what is going to happen. We hope we are going to see democracy. In Africa, we see some of the very gains and progress that we had all hoped and worked for possibly evaporating before our very eyes. In Latin America, the democracies newly in place are very fragile. China is at a crossroads. Europe, as we speak, is a bloody place in parts of the continent and, in fact, while a rebirth is taking place there, in many countries no one can predict with certainty what the future holds.

There are over 20 countries in the world today, Madam Chairman, which have ballistic missile capability and, indeed, one can assert that more countries around the world are spying against the United States today perhaps than ever before in the history of our country. It is, indeed, a dangerous world.

Intelligence, therefore, is profoundly important. Yes, it is a force multiplier, and, yes, we did, indeed, cut 5 percent below the president's budget, and, indeed, below the appropriation for last year. Many of those cuts were very prudent. Others went entirely too far. Indeed, some were draconian, particularly in the area of FBI counterintelligence, in the area of attempting to close down two analytic centers, in the area of certain technical programs.

In fact, in several areas, this Member believes we went too far. The administration has expressed its great concern about the depth of the cuts and, in fact, we have a letter from the Director of Central Intelligence, Robert Gates, in which he says:

> If those who favor deeper cuts prevail, I will be forced to say no to coverage of a number of substantive issues, including collection and analysis of intelligence on a number of nations, where political and economic instability abound. I fear that we could find ourselves ill-prepared to support U.S. forces, or to predict the threat posed by these and other nations, particularly in the nuclear area.

So, yes, we do face a dangerous world, and there are some inadequacies in this bill.

It is my hope, and I know the hope of several of my colleagues on the committee, that we will be able to remedy some of these problems as we go to conference. But today the choice we face is between the legislation which we brought to the committee today on a bipartisan basis or further cuts which could be catastrophic.

So I urge my colleagues to support this legislation and join with us in our efforts to improve it as we move to conference.

Madam Chairman, I reserve the balance of my time.

Mr. McCURDY. Madam Chairman, I yield 5 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Madam Chairman, I rise in support of H.R. 5095, the Intelligence Authorization Act for fiscal year 1993.

The Subcommittee on Legislation, which it is my privilege to chair, has held a number of hearings and briefings on legislative proposals either suggested by the administration or arising from other committee inquiries. The bill contains several of these initiatives and I would like to outline the major provisions:

Section 303, which amends the Central Intelligence Agency Act of 1949, to clarify that the authority of the CIA's inspector general to receive and act upon information related to Agency programs, operations, and activities is not limited by the source of the information. Existing law does not make clear that information may be received by the inspector general from individuals not employed by the CIA. The clarification provided by section 303 is not intended to be an expansion of the authorities of the inspector general;

Section 304, which requires that the congressional intelligence committees receive the same title X notification concerning real property transactions and construction projects affecting defense intelligence components as is presently provided to the Armed Services Committees; and

Section 305, which provides the Secretary of Defense with discretionary authority to furnish limited post-employment assistance to former employees in those unusual circumstances when to do so is judged to be essential to reduce the chance that classified information might be unlawfully disclosed. Similar authority was previously provided to the Director of Central Intelligence and the Director of the National Security Agency.

Additionally, title II of the bill contains a restatement of the Central Intelligence Agency Retirement Act of 1964 of certain employees. The restatement codifies executive orders now governing the CIA Retirement and Disability System [CIARDS] and reorganizes and clarifies many provisions of the act which have become outdated or inconsistent. Among other clarifications, the restatement spells out the rights of qualified former spouses under the Federal Employees' Retirement System and retains the right of a qualified former spouse under current law to a pro-rata division of the thrift savings plan account. Although the restatement is extensive, no enhancement or liberalization of existing CIARDS benefits will result, except in two minor provisions which conform CIARDS to the Civil Service Retirement System [CSRS] and which will have minimal budgetary effect, if any.

As I have said in the past, this bill is difficult to discuss on the floor because almost all program details and authorization levels are classified. While the classified schedule of authorizations and the classified annex to the public report have been available to Members of the House to review in the offices of the Permanent Select Committee on Intelligence, I fully understand the frustration of Members who are uncertain whether the intelligence community is heading in the right direction after several years of enormous change.

This is an issue the committee itself continues to wrestle with. We have been asking where the intelligence community should be going and how it should be organized in the future. We have concluded for this year that the proposals of the Director of Central Intelligence, Robert Gates, to improve the efficiency and effectiveness of the community have merit, and should be given the chance to take effect.

We have also made clear that the intelligence community will simply have to do its job in the future with less funding. The total funding level contained in the bill is below the level appropriated in fiscal year 1992 and represents a cut on a percentage basis well below the reduction contained in the defense authorization legislation.

As I leave the Intelligence Committee, I am troubled by the ramifications of the view expressed by some, that our existing intelligence community can or should evolve into an all-purpose information center for the U.S. Government. Using intelligence assets to address questions outside the realm of traditional national security concerns may be a way of amortizing our tremendous investment in those assets, yet I am not confident we have the legal and procedural safeguard in place to bring this information into the public domain. If the intelligence community has a role to play in policy areas of increased emphasis such as health, the environment, and even counternarcotics, there must be a recognition that need-to-know is nationwide. I fear it is often forgotten in the hermetic world of intelligence that secrecy and classification must be the exception, not the rule, in a democratic government. Thus by the very nature of the means employed to do its work, the intelligence community may not be suited for missions different from those it has traditionally pursued.

Furthermore, I am concerned that intelligence is currently a free good to most consumers. Intelligence consumers are usually under no compunction to balance the cost of producing intelligence against other priorities, and, like most of us, intelligence consumers want lots of what they don't have to pay for. Intelligence, of course, is not free to the taxpayer, but cloaked in the mantle of national security, it has gotten something of a free ride up until now in the debate on Federal spending. In this new world, if the intelligence community assumes missions traditionally performed by other sectors of the Government, its budget should be treated to the same rigorous public debate as the budget of other agencies. The more nontraditional missions undertaken, the less justification exists, if any remains, for keeping the total aggregate intelligence budget secret.

Again, I urge my colleagues to support H.R. 5095.

☐ 1730

Madam Chairman, this is something we should address.

I thank the chairman for his work. I thank the ranking member, the gentleman from Pennsylvania [Mr. SHUSTER] for being so willing to work together. I think we have done very good work in this proposal today and I know that we can do even better in the future.

Again, Madam Chairman, I urge my colleagues to support H.R. 5095.

Mr. SHUSTER. Madam Chairman, I yield 7 minutes to the distinguished gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Madam Chairman, I want to thank the ranking member for his effort and for yielding me this time, the chairman and all members of the committee for I think the excellent product that the committee has put together on a bipartisan basis, some minor differences, but really a good bipartisan effort brought to the House today.

I have one procedural matter that I want to discuss first which relates really to establishing some legislative intent.

As the members of the committee knew, before we arrived here I filed additional views. I want to say that on page 12 of the committee report, paragraph 3 in the section entitled "Joint Intelligence Centers," I think that paragraph goes a very long way to meeting the concerns of this gentleman which I expressed in the additional views.

There is one spelling error in it. It is a GPO spelling error and it does perhaps go to confuse the issue. It is talking about personnel billets not currently filed at the Strategic Air Command.

I would ask the chairman and the ranking member to confirm my understanding that we are talking about personnel billets being filled, not filed, and I yield to the committee chairman.

Mr. MCCURDY. That is correct, Madam Chairman. That is a misspelling at the Printing Office. It says billets that are not currently filled at the Strategic Air Command.

I would say, if the gentleman will yield further, that I appreciate the gentleman's concern and would like to state for the public record that the Chair intends to work with him to ensure that there is no intent to affect that level, that we just felt it was important as we look at the changes in the focus that there be a decision made of what is the appropriate level of each of these commands and centers. We did not intend to take any action that would adversely affect the Strategic Air Command or the concerns of the gentleman from Nebraska.

Mr. BEREUTER. I thank the committee chairman for that additional assurance.

Mr. SHUSTER. Madam Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Madam Chairman, the gentleman is absolutely correct.

Mr. BEREUTER. Madam Chairman, I thank the gentleman.

There are two items I would like to address today which relate to the importance of Intelligence; first of all, the importance of Intelligence to monitoring our arms control treaties and then the importance of Intelligence to our multilateral peacekeeping forces. I think these are some very important reasons why we need to continue our extraordinary Intelligence capabilities that we have assembled.

First, on the matter of treaties, all of us rejoice in the end of the cold war and the disappearance of the threat of a global nuclear holocaust arising from a military confrontation between the United States and the former Soviet Union. This is a great weight that has fallen from our shoulders; but Madam Chairman, we must not forget that the huge arsenal amassed by the Soviets still exists and that while it is now under basically friendly direction, that can change all too rapidly in the former Soviet Union, and it is still capable of annihilating our country. That is why arms control treaties, and in particular the Strategic Arms Reduction Treaty and the verification of all these treaties remains so important.

I think it is vital to both our national security and our international credibility that the Senate ratify this treaty, but the Senators will not, and indeed should not vote to ratify this extremely complex treaty unless they are convinced that our Government will be able for years to come to verify with confidence that the other side is complying with the treaty provisions.

As you know, Madam Chairman, our Government's ability to verify such compliance depends mainly on the intelligence community's capabilities to monitor the treaty-related activities of the post-Soviet states.

These capabilities are based on more than 40 years of developing sophisticated collection systems and reliable human sources, along with the analytic and processing skills needed to make sense of complex data and present relevant facts and judgments to policymakers in a meaningful way.

These sophisticated collection systems, once cut, cannot be replaced easily or quickly, should they be needed.

To be sure, this collection-system architecture was devised to cope with a closed Soviet society. Now that the U.S.S.R. has given way to more open and cooperative successors, our country has additional means of collecting relevant information. Indeed, the START Treaty requires the Commonwealth of Independent States—the major remnant of the former Soviet Union to supply data that in the past was denied to us.

Nevertheless, we cannot afford to rely solely on the continued openness of Russia or any other states. It is imperative Madam Chairman and Members, that we maintain independent collection capabilities. Even assuming continued good relations, much of what the Intelligence Community must monitor will still require sophisticated collection, processing, and analytic capabilities, if only to bolster confidence and avoid misunderstandings.

Thus, Madam Chairman, our national security requires that we preserve our ability to monitor foreign compliance with arms control treaties.

Second, when it comes to intelligence, it's importance to peacekeeping forces multilateral, whether the United Nations or whatever, we all know the United States cannot and should not be the world's peacekeeper. But U.S. support to peacekeeping will be vital whether it is direct or indirect. In my view, Madam Chairman, a key to keeping the peace is good intelligence, and the best intelligence in the world is produced by the United States.

Our intelligence has been used very, very effectively in Europe and in the Middle East in recent months, and that capability has been crucial in saving lives and helping the policymakers in the United States and among our allied countries.

Therefore, we have to be very careful about cutting back in these areas.

Good intelligence costs far less than the force that might ultimately have to be used instead. And in peacekeeping, this intelligence can be a unique, global asset.

It seems to me simply a matter of common sense and prudence: good intelligence, shared judiciously with our allies and international organizations, can be used to thwart the dangerous intentions of the world's worst dictators. And good intelligence costs far less than the force that might ultimately have to be used instead.

Where has our intelligence helped recently and where might it help in the future? Surely it was important to the IAEA as it probed the wreckage of Iraq's nuclear and missile programs. And now the IAEA is probing for evidence of a nuclear weapons program in North Korea, another country that has given us great concern. Surely the intelligence the State Department has provided has been of value to the United Nations in places as close to us as El Salvador and as far away as Cambodia, where U.N. peacekeepers have been deployed to end conflicts that have raged for more than a decade. And as U.N. peacekeeping operations move forward in the Balkans, I am sure we will help again.

We now need to look at how it has helped in Southeast Asia and what its potential is there.

With so many potential trouble spots in the world, where is the wisdom in further cutting intelligence capabilities as some of our colleagues have suggested. Cavalierly, we dismissed the importance of good intelligence after the First World War. Wisely, we built on the foundation of the intelligence organizations we established during the Second World War, and they helped us win the cold war. Now, let us not dismantle these silent guardians of our interests, but let us preserve them and use them to help the community of peace-loving nations keep the peace.

Madam Chairman, I urge my colleagues to support the legislation presented to the House today, and I thank my colleague for yielding me this time.

☐ 1740

Mr. McCURDY. Madam Chairman, I yield 5 minutes to the distinguished gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Madam Chairman, I would first like to salute the distinguished chairman, the gentleman from Oklahoma [Mr. McCURDY], and the ranking minority member, the gentleman from Pennsylvania [Mr. SHUSTER], for their hard work in coming up with some very difficult choices in a very, very important bill for this country and the changing world, whether, as the distinguished gentleman from Nebraska is talking about, it is the breakup of the former Soviet Union or accidental launches or whether we are talking about enhanced peacekeeping missions.

Madam Chairman, I believe we have seen the United Nations take on 9 or 10, and that equals the amount they have taken on in the last 35 years. Also, Madam Chairman, whether we look at treaties and proliferation, many, many difficult decisions are made in this bill.

Madam Chairman, I rise today in strong support of a program created in previous Intelligence authorization legislation that has potential for enormous benefit to our national security, the intelligence community, and our Nation's ability to compete on a global scale.

I am speaking about the National Security Education Program, which will provide grants and stipends to American students to study abroad, learning the cultures, languages and lifestyles of the other nations of this world.

These opportunities for foreign study could create a significantly better qualified labor pool for our intelligence establishment, our foreign service operations and our international businesses.

These benefits would be tangible gains for service in government and competitiveness in our economy. These added dividends made available to graduate students, undergraduate students, and institutions of higher learning can create a valuable asset to our Nation's educational system.

As a member of the Committee on Education and Labor, I have listened to testimony for 18 months on how the value of instruction, training and research translates to a benefit for the society as a whole.

The Department of Defense, the Central Intelligence Agency and other government agencies are in the painful process of defining and implementing their new roles in a changing post-cold-war world. The National Security Education Program has an enormous potential to provide them with a class of manpower that has been enlightened to the realities of the changing and volatile world. This possible benefit justifies the contribution they are asked to make under the act that created this program.

Madam Chairman, in closing I would like to stress my concern that this plan to educate American students abroad was created over a year ago, but remains on the drawing board. Although necessary steps have begun to accelerate recently, I would urge the Secretary of Defense to move with greater urgency to fully enact the National Security Education Program.

We need the four Presidential appointments; we need to have appropriated amounts placed in the trust fund where it can begin to draw interest; and we need final and formal rules and procedures so that a generation of students do not miss the opportunity to take advantage of this important program.

Mr. McCURDY. Madam Chairman, will the gentleman yield?

Mr. ROEMER. I yield to the distinguished chairman of the committee.

Mr. McCURDY. I thank the gentleman for yielding.

Madam Chairman, I wanted to state first of all that I thank the gentleman from Indiana [Mr. ROEMER] for his statement and his concern. He has a very long track record in support of higher education.

Madam Chairman, we have discussed this concern relative to the National Security Education Act and the delay that has occurred in providing funding. But I want to provide the following information: I believe we are close now to having or resolving the funding problem, and the $150 million made available in fiscal year 1992 defense appropriations bill will soon be in the trust fund and that will enable the $35 million approved for release to be released in short order.

Therefore, there will be sufficient funds that will run this program through the remainder of 1992 and into 1993 as well.

Madam Chairman, I agree with the gentleman that there is a need for improving our pool of educated Americans who understand foreign policy in the international arena, and also the improvement of language skills. I believe this program can go a long way to provide that.

I thank the gentleman again for his interest and his support.

Mr. ROEMER. I thank the distinguished chairman.

I have concluded, Madam Chairman, except to say that I urge the distinguished chairman to continue his hard work on these education efforts and get this off the planning board and into reality.

Mr. SHUSTER. Madam Chairman, I yield such time as he may consume to the gentleman from Florida [Mr. YOUNG].

Mr. YOUNG of Florida. Madam Chairman, I rise in support of the Intelligence Authorization Act and also in support of the amendment that will be offered by my colleague, the gentleman from Washington [Mr. DICKS].

Madam Chairman, I rise to urge my colleagues to use caution when considering any further reduction to our Nation's intelligence gathering operations.

Contrary to what some in this body would have you believe, the need is as great, if not greater, than ever to have best trained intelligence officers with the most state of the art technology.

With so much instability in the former Soviet and East Bloc states, it is essential that our Nation has the ability to gauge possible developments and events in that part of the world. Although Federal funding is tight in every agency, it would be prudent if we devoted even more resources to developing our human and electronic intelligence capabilities.

As a Member serving a second 6-year term on the Permanent Select Committee on Intelligence, where virtually all of the work is conducted in secret sessions, I know it is often hard for the American public to recognize the benefits our Nation gains from our intelligence community. There are, however, many areas where intelligence really does make a difference. One of the most obvious is counterterrorism.

During Operation Desert Storm, Saddam Hussein set out to engulf us in a global terrorist firestorm. Airports, public buildings, and Federal, State, and local law enforcement authorities braced for potential terrorist acts here and abroad.

In preparation, our intelligence agencies pooled their resources and identified suspected Iraqi agents and terrorist operatives in more than 40 countries. This effort led to hundreds of arrests and deportations around the world and the much anticipated terrorist attacks never occurred.

Our Nation's continuing ability to identify and track terrorists and ultimately bring them to justice—even if it takes years—clearly intimidates many would-be terrorists and their state sponsors. Governments that sponsor or even foment terrorism, such as those of Iran, Iraq, and Libya, depend on plausible denial. Good intelligence rips away that protection, as Libya's Mu'ammar Qadhafi has discovered on more than one occasion.

Madam Chairman, given the nature of the terrorist threat, its obvious that terrorism can never be completely eradicated. However, experience has proven that the most effective form of counterterrorism is anticipatory and aimed at prevention. It is protective, not reactive. Good intelligence is a vital weapon without which all efforts are to no avail.

But Madam Chairman, developing and maintaining adequate counterterrorist intelligence capabilities requires adequate resources. We should think of these resources as an investment in our national defense and our national security. They are an investment in protecting the safety and well-being of Americans here at home and those traveling and working abroad. Report after report continues to show that Americans, American businesses, and American interests remain the primary target of terrorist attacks.

There is no question that our investment in our Nation's intelligence and counterterrorism capabilities thwart terrorists and their state sponsors, saving us valuable resources and most importantly protecting American lives.

No price can be placed on the loaded commercial airliners that are not blown up, on the U.S. Embassies that are not attacked, on the American diplomats, businessmen, and travelers who are not kidnaped or murdered because our intelligence capabilities scared off would-be perpetrators, provided information that made it possible to block their operations, or that led to their apprehension.

Shortsighted attempts here tonight to further reduce our Nation's intelligence operations and capabilities will result in terrible unknown consequences in the days, months, and years ahead. Just two decades ago, our Nation shortsightedly embarked upon a campaign during which we tied the hands of our intelligence agencies and significantly reduced the resources available for their operations. We are just recovering from that serious period of retrenchment. As our experiences during Operation Desert Storm demonstrated, the United States needs an active intelligence capability to protect American lives and American interests.

You can be sure that this Congress will be called upon to account for any effort that would compromise our abilities to provide our President and our services with the accurate and timely intelligence information they need to identify and counter any threat to our Nation.

Mr. SHUSTER. Madam Chairman, I yield 2 minutes to a distinguished member of the committee who will not be with us next year the gentleman from New York [Mr. MARTIN]. The gentleman has announced his retirement. We are going to miss not only his good humor but, more importantly, his keen intellect and dedication to our country.

Mr. MARTIN. I thank the gentleman for his kind remarks. I will only take a couple of minutes. I do want to say how much I have enjoyed this 2-year stint on the Intelligence Committee.

For the Members who think they are not busy and are on other duties, they need only serve a stint on the Intelligence Committee, where they would get the opportunity to spend hours and hours in hearings only to leave the hearing room with the certainty that there are only about 18 others within the beltway with whom they can discuss anything. But this committee more than any other committee, and here it is very important that the membership of the House in general have confidence in the members of the committee and, in particular, the chairman and ranking member.

I want to say, and I think I say this without fear of contradiction, that the gentleman from Oklahoma [Mr. MCCURDY] and the gentleman from Pennsylvania, my friend [Mr. SHUSTER], have that kind of confidence of the body as a whole.

This bill is not to my liking. I honestly, as one member of the committee, feel that we are cutting too deep, particularly when we are going so deep as far as defense is concerned.

Madam Chairman, Henry Stimson, the former Secretary of State under Herbert Hoover, closed the Secretary of State's code-breaking office, and when he did, he said, "Gentlemen do not read other gentlemen's mail."

Later he became the Secretary of War under President Roosevelt, and little wonder that for a time the smart betting money was on the Germans and the Japanese.

Let me tell you, for those who think it is not gentlemanly to read other people's mail, you ought to serve a term on this committee to find out what the rest of the world is trying to steal from us. It is not only those things we used to think about associated with intelligence, but for those of you who are concerned about the economy of the world and the effect of intelligence and espionage relating to technology, ought to appreciate that our intelligence budget and our intelligence assets are force multipliers in every respect.

So I am reluctantly going to support the bill notwithstanding what I think is too big a cut at the present time.

Again I salute the chairman and ranking member and thank him for his kindness to me and the education while serving in the little room upstairs.

☐ 1750

Mr. McCURDY. Madam Chairman, I yield myself 1 minute.

Madam Chairman, I just wanted to say, first of all, that we will miss the distinguished gentleman from New York [Mr. MARTIN] who served admirably on the Permanent Select Committee on Intelligence, and also I have had the pleasure for 12 years now to serve with him on the Committee on Armed Services as well. He not only represented his district with distinction, Madam Chairman, but he also has continued to work in a very fair and bipartisan manner in order to provide for the overall security and interests of the United States, and he is truly a man with great experience and knowledge in the area of Armed Forces, intelligence, and defense. We will certainly miss his service.

I would also like to state, Madam Chairman, that this year we will also lose the services of the distinguished gentleman from Texas [Mr. WILSON], who is a member of the Committee on Appropriations as well and has chaired the Oversight Subcommittee of the Permanent Select Committee on Intelligence, and he has done so very well.

The gentlewoman from Connecticut [Mrs. KENNELLY] will be leaving the committee as well, and, as has been indicated by her statement as well, it was a reflection of the amount of hard work and dedication that she brought to that assignment, and she truly is a marvelous professional, and we will miss her.

The gentleman from Utah [Mr. OWENS] will be leaving the committee as well since he is running for the U.S. Senate.

Last, Madam Chairman, but certainly not least of all, I would like to take this last minute to recognize the gentleman from Pennsylvania [Mr. SHUSTER], our ranking Republican member, and I have personally enjoyed our relationship, our friendship, our ability to discuss various controversial issues at times. In some ways, and I do not know how this will be taken, but in many ways we have had to share secrets that we could not share with our wives. As the chairman and the ranking member, we have often been charged with the responsibility of receiving information that is not disseminated to the membership as a whole, and I have never at any point ever questioned, or had reason to question, whether or not that secret would be held or that this gentleman had anything other than the national security of the United States and the interests of the United States at heart. He has truly been a pleasure to work with, and I say to the gentleman, "Bud, I thank you personally and publicly, and we will miss your service, and again let me just say that I know the country as a whole has benefited from your service."

Madam Chairman, I yield 3½ minutes to the distinguished gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Madam Chairman, I thank the gentleman from Oklahoma [Mr. MCCURDY] for yielding this time to me.

Madam Chairman, let me congratulate the chairman on the excellent work that he has done in what is clearly a very sensitive and difficult area. As it happens, I have not seen the secret files regarding this authorization, and I do not know how much money there is that will be authorized for intelligence this year.

But this I do know: I do know, as every other American knows, that the cold war is over, that the Soviet Union no longer exists, that Russia and other former Communist countries now want entrance into NATO. I do know, in my opinion, that military spending should be slashed, and I do know that in our country today we have 5 million children who are hungry, we have 2 million people who sleep out on the street. One-third of our population lacks adequate health insurance. Our industries are decapitalized, and we need to put billions of dollars into our industry so that we can provide decent jobs to our people. I do know that school system after school system in America is running out of money, and teachers are being laid off, and I do know that we have a $400 billion deficit.

So, knowing all of those things, without having to know more, it seems to me to be appropriate that we take a hard look at the intelligence budget, no matter what it may be, look at what is going on in the world today, look at the priorities of the United States of America today and make a decision as to whether we continue to fund intelligence at the high levels we have been funding it or whether we pay attention to our hungry children, to our homeless people and to the other desperate needs that face this country.

Madam Chairman, I have not heard from anybody here yet today; no one got up and said that we are slashing the intelligence budget in order to conform to the new international realities. I have not heard that. And maybe I am wrong, maybe I missed that debate, and, if I have not heard that, and others have said it, I would generously yield time to anybody here now to tell me that we have made major cutbacks in intelligence spending.

Mr. McCURDY. Madam Chairman, will the gentleman yield?

Mr. SANDERS. I yield to the gentleman from Oklahoma.

Mr. McCURDY. Madam Chairman, I wanted to state from the outset here that there has been quite a bit of criticism about the level of the cuts. As a matter of fact, the Executive Office of the President says they strongly object to this bill as reported by our committee because of the deep cuts and that they are very concerned at the level of the cuts. The 5 percent that we took out was much beyond what was desired by the administration.

Let me just say to the gentleman from Vermont [Mr. SANDERS], and I respect his concern, that we have scrubbed the intelligence community. We have looked very carefully at this budget. There is a fine line between being able to report a bill that can pass and also not be subject to a Presidential veto, but also recognize the realities of today.

Madam Chairman, we not only cut the overall community by 5 percent. I will also state that our committee itself; I as Chair; recommended a cut in our own committee operating budget because I believe we can do more.

As one who is a member of both the Committee on Armed Services and the Permanent Select Committee on Intelligence, I voted for major reductions in both programs, and I believe that they can come down. But we do not want to do so at the sacrifice of our ability to understand emerging threats and some of the new thrusts and concerns regarding the environment, economic intelligence, AIDS, demographics, areas that we will have to have information for policymakers.

So, Madam Chairman, I hope that is some response to the concern of the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Madam Chairman, as I hear what the gentleman from Oklahoma [Mr. McCURDY] says, and please correct me if I am wrong, but what the gentleman is proposing is 5 percent of what the President has requested.

Mr. McCURDY. The gentleman is correct.

Mr. SANDERS. But we all know, without understanding or the release of information about the intelligence budget, we also know that this President has brought forth a military budget which in no ways reflects current world realities. I can only assume that is what he is doing with the intelligence budget, and I would respectfully suggest that 5 percent does not reflect the needs of our country and the changing world realities.

Mr. SHUSTER. Madam Chairman, I yield myself such time as I may consume to further respond to the gentleman from Vermont [Mr. SANDERS], my good friend, and I certainly recognize and respect the fact that he was not on the floor when we covered these points, and I recognize and respect the fact that he has not read the report, and I recognize and respect the fact that he does not know what the numbers are.

But, having said all of that, not only have we made very substantial cuts. These are real dollar cuts that are significantly below last year's funding. Not simply below what the President has requested, but very, very significantly below the real dollars that were spent in appropriations last year.

I also recognize the gentleman from Vermont [Mr. SANDERS] was not on the floor when we went through the dangerous world in which we live, and, although the Soviet Union no longer exist, the threats are multifarious out there today.

But I respond in that fashion to my good friend from Vermont.

Madam Chairman, I yield 3 minutes to the distinguished gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Madam Chairman, there has been much acrimony on the floor for the last few days, and many little firestorms of partisanship. I notice how quiet this distinguished and splendid Hall is when a true committee of bipartisanship, well led and served by the leaders from both parties, arrives on the floor.

□ 1800

I have been very fortunate in my decade and a half serving this Congress because I have served on several committees where the goals to be achieved, the work to be done, was so awesome that the bipartisanship was easily attained, and many good friendships were formed. I have spent almost 14 years on the Select Committee on Narcotics Abuse and Control under the various leaders up to the distinguished gentleman from New York [Mr. RANGEL]. You get that kind of bipartisanship. We are awed by the problem of narcotics tearing apart a couple of generations of Americans.

I have felt that camaraderie on subcommittees of the Committee on armed Services, particularly the one on Asian and Pacific Affairs under the gentleman from New York [Mr. SOLARZ], and on the Missing in Action Task Force of that subcommittee that has ex officio members from other committees around the House. Again, the cause is so hurtful, so painful, trying to identify lost Americans now from several wars, that bipartisanship and friendship is the rule of the day.

Certainly on this committee, I am unable to identify the staff belonging to which side of the aisle until we come to the floor.

Madam Chairman, I think that the cuts are too severe for this Member's belief in the importance of intelligence, but I think the work product of the committee is excellent and I support it.

The sad thing about the cut is, and I would say this to the distinguished gentleman from Vermont [Mr. SANDERS], that intelligence is generally a bargain at any price.

This month is the 50th anniversary of the Battle of Midway, where, by breaking the Japanese code, we were able to pull off a miracle with no battleships and only three carriers. We faced an overwhelming force of destroyers, cruisers, 11 Japanese battleships, and 4 carriers.

We achieved a massive naval victory that changed the whole course of the war in the Pacific against Japan, all by breaking the Japanese code and knowing that their target for invasion and occupation was the top island in the Hawaiian chain, the island of Midway.

We may save in the future thousands of American lives by some intelligence development before us.

Madam Chairman, let me just say a few words about how important I think the developments in the Middle East are. We can rest assured, I am sorry, that Plato is probably right in general, that only the dead have seen the war, and in specific, that this applies to the Middle East.

We can also be assured our country will be involved because of our vital interests there.

What is most certain, however, is that our country is never again going to have 5 months to lay the groundwork, in military parlance, to prepare the battlefields, quote-unquote. Most likely it will be a sudden crisis. It will affect our vital—the root Latin word there is life, vitae—our life, our vital interest. And it may involve great danger to American citizens.

As we all know, Madam Chairman, the Middle East sits on top of the world's proven oil reserves. Many of our allies in Europe are dependent in too great measure on their supply of petroleum from that region. If it is ever interrupted again, it is going to have an immediate and significant effect.

We do not seem to learn any lessons from all these struggles and the loss of life. The United States has strong allies in the Middle East. We have just fought a hard-fought foreign operations bill that comes up again and again, wherein the two major recipients of U.S. taxpayer aid are in that region.

A large portion of foreign investment in our economy is from the Middle East. But on the dark side of that economic coin, hashish and heroin find their way into the United States through the Middle East.

Our citizens are still at risk in that region. Most of the worst terrorist incidents to befall our citizens have taken place there or have been perpetrated by terrorists from there.

Several Middle Eastern countries are acquiring weapons of mass destruction, and, judging by Iraq's insane experience, they are not afraid to use them.

Religious and ethnic animosity rend the Middle Eastern social fabric and make stability unlikely in the near future.

Islam, one of the world's three great religions, in its most radical form is stridently anti-Western, and is still increasing in influence in the region.

Given these challenges, our Nation's intelligence capability must be equipped to monitor developments carefully and precisely throughout that whole region. While many people are looking to the overall defense budget for nonexistent peace dividends, I think the best investment we could make in our Nation's national security, which I repeat, might end up saving thousands of our citizens' lives, would be to augment our intelligence capability to track developments in the volatile Middle East, not to mention the Balkans and all of the people trying to steal our industrial secrets.

Mr. MCCURDY. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Kansas [Mr. GLICKMAN], a member of the committee.

Mr. GLICKMAN. Madam Chairman, I rise in support of this bill and compliment the gentleman from Oklahoma [Mr. MCCURDY] for his excellent work in being an active player at the vanguard of change during the great change which is happening in Eastern Europe and around the world.

I renew my personal interest in a lot of things that have been discussed earlier, but particularly in the area of economic intelligence. I have raised this issue each year that we have brought this bill to the floor, and there is no exception this year. The great challenge to the United States of America and our ability to compete in the world is the competitive issues that are now raised in the world of new global economic challenges.

Madam Chairman, there are great threats to the United States of America from foes and allies alike that want to dominate economically in a lot of key industries, whether it is in the computer industry, the aviation industry, or even in agriculture.

Our committee has done an excellent job of encouraging the appropriate use of economic intelligence throughout the world in order for us to meet those threats, whether they are in the public sector or by government, or whether they are in the private sector encouraged by government.

Madam Chairman, I just want to compliment the gentleman from Oklahoma [Mr. MCCURDY]. I also want to compliment Mr. Gates, the director of the Central Intelligence Agency, for this interest in this area, and encourage the Central Intelligence Agency and other intelligence agencies to continue to focus their efforts on these issues, because they will affect the economic livelihood of Americans, particularly the jobs of Americans, every bit as much as a lot of other economic issues facing this country.

Mr. SHUSTER. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, before we wrap up the debate, I want to be sure to acknowledge the tremendous effort and support of our staff, of our bipartisan staff. Not only are they dedicated, but enormously capable. We who serve on the committee are blessed to have such capable staff. Indeed, the Nation is blessed to have such an outstanding staff.

Mr. MCCURDY. Madam Chairman, I yield the remainder of my time to the gentleman from Nebraska [Mr. HOAGLAND].

The CHAIRMAN. The gentleman from Nebraska [Mr. HOAGLAND] is recognized for 30 seconds.

Mr. HOAGLAND. Madam Chairman, the gentleman from Nebraska [Mr. BEREUTER] has expressed concern, as have I, about the potential transfer of intelligence slots from the new Strategic Command in Omaha elsewhere in the country.

Things are very unsettled in the world, of course. But in the Air Force today, as reorganizations are being effectuated, I think it is extremely important that we not prejudice or cripple the intelligence capability of the Strategic Command, which has overall responsibility for the deployment of nuclear weapons, land, sea, and air. Clearly it is very important that sufficient positions be kept in Omaha so they can do their job.

Mr. SHUSTER. Madam Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. MCCURDY. Madam Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the amendment in the nature of a substitute now printed in the reported bill shall be considered by title as an original bill for the purpose of amendment, and each title is considered as read.

The Clerk will designate section 1.

The text of section 1 is as follows:

H.R. 5095

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Intelligence Authorization Act for Fiscal Year 1993".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—INTELLIGENCE ACTIVITIES

Sec. 101. Authorization of appropriations.
Sec. 102. Classified Schedule of Authorizations.
Sec. 103. Personnel ceiling adjustments.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SUBTITLE A—AUTHORIZATION OF APPROPRIATIONS

Sec. 201. Authorization of appropriations.

SUBTITLE B—RESTATEMENT OF CIARDS STATUTE

Sec. 211. Short title.
Sec. 212. Restatement of Act.
Sec. 213. Conforming amendments.
Sec. 214. Savings provisions.
Sec. 215. Effective date.

TITLE III—GENERAL PROVISIONS

Sec. 301. Increase in employee compensation and benefits authorized by law.
Sec. 302. Restriction on conduct of intelligence activities.
Sec. 303. Authority of CIA Inspector General to receive complaints and information from any person.
Sec. 304. Notice to congressional intelligence committees of Department of Defense real property transactions and construction projects involving intelligence agencies.
Sec. 305. Postemployment assistance for certain DIA employees.
Sec. 306. Technical amendments.

The CHAIRMAN. Are there any amendments to section 1?

If there are no amendments to section 1, the clerk will designate title I.

Mr. SHUSTER. Madam Chairman, I ask unanimous consent that the remainder of the bill be open to amendment at any point and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The text of the remainder of the bill is as follows:

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1993 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

(1) The Central Intelligence Agency.
(2) The Department of Defense.
(3) The Defense Intelligence Agency.
(4) The National Security Agency.
(5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
(6) The Department of State.
(7) The Department of the Treasury.
(8) The Department of Energy.

(9) The Federal Bureau of Investigation.

(10) The Drug Enforcement Administration.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 1993, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the bill H.R. 5095 of the One Hundred Second Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The Schedule of Authorizations shall be made available to the Committee on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the executive branch.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR ADJUSTMENTS.—The Director of Central Intelligence may authorize employment of civilian personnel in excess of the numbers authorized for fiscal year 1993 under section 102 of this Act when the Director determines that such action is necessary to the performance of important intelligence functions, except that such number may not, for any element of the Intelligence Community, exceed two percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever the Director exercises the authority granted by this section.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 1993 the sum of $168,900,000.

Subtitle B—Restatement of CIARDS Statute

SEC. 211. SHORT TITLE.

This subtitle may be cited as the "CIARDS Technical Corrections Act of 1992".

SEC. 212. RESTATEMENT OF ACT.

The Central Intelligence Agency Retirement Act of 1964 for Certain Employees (50 U.S.C. 403 note) is amended to read as follows:

"SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

"(a) SHORT TITLE.—This Act may be cited as the 'Central Intelligence Agency Retirement Act'.

"(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

"Sec. 1. Short title; table of contents.

"TITLE I—DEFINITIONS

"Sec. 101. Definitions relating to the system.
"Sec. 102. Definitions relating to participants and annuitants.

"TITLE II—THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

"PART A—ESTABLISHMENT OF SYSTEM

"Sec. 201. The CIARDS system.
"Sec. 202. Central Intelligence Agency Retirement and Disability Fund.
"Sec. 203. Participants in the CIARDS system.
"Sec. 204. Annuitants.

"PART B—CONTRIBUTIONS

"Sec. 211. Contributions to fund.

"PART C—COMPUTATION OF ANNUITIES

"Sec. 221. Computation of annuities.
"Sec. 222. Annuities for former spouses.
"Sec. 223. Election of survivor benefits for certain former spouses divorced as of November 15, 1982.
"Sec. 224. Survivor annuity for certain other former spouses.
"Sec. 225. Retirement annuity for certain former spouses.
"Sec. 226. Survivor annuities for previous spouses.

"PART D—BENEFITS ACCRUING TO CERTAIN PARTICIPANTS

"Sec. 231. Retirement for disability or incapacity—medical examination—recovery.
"Sec. 232. Death in service.
"Sec. 233. Voluntary retirement.
"Sec. 234. Discontinued service benefits.
"Sec. 235. Mandatory retirement.
"Sec. 236. Eligibility for annuity.

"PART E—LUMP-SUM PAYMENTS

"Sec. 241. Lump-sum payments.

"PART F—PERIOD OF SERVICE FOR ANNUITIES

"Sec. 251. Computation of length of service.
"Sec. 252. Prior service credit.
"Sec. 253. Credit for service while on military leave.

"PART G—MONEYS

"Sec. 261. Estimate of appropriations needed.
"Sec. 262. Investment of moneys in the fund.
"Sec. 263. Payment of benefits.
"Sec. 264. Attachment of moneys.
"Sec. 265. Recovery of payments.

"PART H—RETIRED PARTICIPANTS RECALLED, REINSTATED, OR REAPPOINTED IN THE AGENCY OR REEMPLOYED IN THE GOVERNMENT

"Sec. 271. Recall.
"Sec. 272. Reemployment.
"Sec. 273. Reemployment compensation.

"PART I—VOLUNTARY CONTRIBUTIONS

"Sec. 281. Voluntary contributions.

"PART J—COST-OF-LIVING ADJUSTMENT OF ANNUITIES

"Sec. 291. Cost-of-living adjustment of annuities.

"PART K—CONFORMITY WITH CIVIL SERVICE RETIREMENT SYSTEM

"Sec. 292. Authority to maintain existing areas of conformity between Civil Service and Central Intelligence Agency Retirement and Disability Systems.
"Sec. 293. Thrift savings plan participation.
"Sec. 294. Alternative forms of annuities.
"Sec. 295. Payments from CIARDS fund for portions of certain Civil Service Retirement System annuities.

"TITLE III—PARTICIPATION IN THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM

"Sec. 301. Application of Federal Employees' Retirement System to Agency employees.
"Sec. 302. Special rules relating to section 203 criteria employees.
"Sec. 303. Special rules for other employees for service abroad.
"Sec. 304. Special rules for former spouses.
"Sec. 305. Administrative provisions.
"Sec. 306. Regulations.
"Sec. 307. Transition regulations.

"TITLE I—DEFINITIONS

"SEC. 101. DEFINITIONS RELATING TO THE SYSTEM.

"When used in this Act:

"(1) AGENCY.—The term 'Agency' means the Central Intelligence Agency.

"(2) DIRECTOR.—The term 'Director' means the Director of Central Intelligence.

"(3) QUALIFYING SERVICE.—The term 'qualifying service' means service determined by the Director to have been performed in carrying out duties described in section 203.

"(4) FUND BALANCE.—The term 'fund balance' means the sum of—

"(A) the investments of the fund calculated at par value; and

"(B) the cash balance of the fund on the books of the Treasury.

"(5) UNFUNDED LIABILITY.—The term 'unfunded liability' means the estimated amount by which—

"(A) the present value of all benefits payable from the fund exceeds

"(B) the sum of—

"(i) the present value of deductions to be withheld from the future basic pay of participants subject to title II and of future Agency contributions to be made on the behalf of such participants;

"(ii) the present value of Government payments to the fund under sections 261(c) and 261(d); and

"(iii) the fund balance as of the date on which the unfunded liability is determined.

"(6) NORMAL COST.—The term 'normal cost' means the level percentage of payroll required to be deposited in the fund to meet the cost of benefits payable under the system (computed in accordance with generally accepted actuarial practice on an entry-age basis) less the value of retirement benefits earned under another retirement system for government employees and less the cost of credit allowed for military service.

"(7) LUMP-SUM CREDIT.—The term 'lump-sum credit' means the unrefunded amount consisting of retirement deductions made from a participant's basic pay, amounts deposited by a participant covering earlier service, including any amounts deposited under section 252(h), and interest determined under section 281.

"(8) CONGRESSIONAL INTELLIGENCE COMMITTEES.—The term 'congressional intelligence committees' means the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

"(9) EMPLOYEE.—The term 'employee' includes an officer of the Agency.

"SEC. 102. DEFINITIONS RELATING TO PARTICIPANTS AND ANNUITANTS.

"(a) GENERAL DEFINITIONS.—When used in title II:

"(1) FORMER PARTICIPANT.—The term 'former participant' means a person who—

"(A) while an employee of the Agency was a participant in the system; and

"(B) separates from the Agency without entitlement to immediate receipt of an annuity from the fund.

"(2) RETIRED PARTICIPANT.—The term 'retired participant' means a person who—

"(A) while an employee of the Agency was a participant in the system; and

"(B) is entitled to receive an annuity from the fund based upon such person's service as a participant.

"(3) SURVIVING SPOUSE.—

"(A) IN GENERAL.—The term 'surviving spouse' means the surviving wife or husband of a participant or retired participant who (i) was married to the participant or retired participant for at least 9 months immediately preceding the participant's or retired participant's death, or (ii) who is the parent of a child born of the marriage.

"(B) TREATMENT WHEN PARTICIPANT DIES LESS THAN 9 MONTHS AFTER MARRIAGE.—In a case in which the participant or retired participant dies within the 9-month period beginning on the date of the marriage, the requirement under subpara-

graph (A)(i) that a marriage have a duration of at least 9 months immediately preceding the death of the participant or retired participant shall be treated as having been met if—

"(i) the death of the participant or retired participant was accidental; or

"(ii) the surviving wife or husband had been previously married to the participant or retired participant (and subsequently divorced) and the aggregate time married is at least 9 months.

"(4) FORMER SPOUSE.—The term 'former spouse' means a former wife or husband of a participant, former participant, or retired participant as follows:

"(A) DIVORCES ON OR BEFORE DECEMBER 4, 1991.—In the case of a divorce that became final on or before December 4, 1991, such term means a former wife or husband of a participant, former participant, or retired participant who was married to such participant for not less than 10 years during periods of the participant's creditable service, at least 5 years of which were spent outside the United States by both such participant and former wife or husband during the participant's service as an employee of the Agency.

"(B) DIVORCES AFTER DECEMBER 4, 1991.—In the case of a divorce that becomes final after December 4, 1991, such term means a former wife or husband of a participant, former participant, or retired participant who was married to such participant for not less than 10 years during periods of the participant's creditable service, at least 5 years of which were spent by the participant during the participant's service as an employee of the Agency (i) outside the United States, or (ii) otherwise in a position the duties of which qualified the participant for designation by the Director as a participant under section 203.

"(C) CREDITABLE SERVICE.—For purposes of subparagraphs (A) and (B), the term 'creditable service' means all periods of a participant's service that are creditable under sections 251, 252, and 253.

"(5) PREVIOUS SPOUSE.—The term 'previous spouse' means an individual who was married for at least 9 months to a participant, former participant, or retired participant who had at least 18 months of service which are creditable under sections 251, 252, and 253.

"(6) SPOUSAL AGREEMENT.—The term 'spousal agreement' means an agreement between a participant, former participant, or retired participant and the participant, former participant, or retired participant's spouse or former spouse that—

"(A) is in writing, is signed by the parties, and is notarized;

"(B) has not been modified by court order; and

"(C) has been authenticated by the Director.

"(7) COURT ORDER.—The term 'court order' means—

"(A) a court decree of divorce, annulment, or legal separation; or

"(B) a court order or court-approved property settlement agreement incident to such court decree of divorce, annulment, or legal separation.

"(8) COURT.—The term 'court' means a court of a State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Northern Mariana Islands, or the Virgin Islands, and any Indian court.

"(b) DEFINITION OF CHILD.—For purposes of sections 221 and 232:

"(1) IN GENERAL.—The term 'child' means any of the following:

"(A) MINOR CHILDREN.—An unmarried dependent child under 18 years of age, including—

"(i) an adopted child;

"(ii) a stepchild, but only if the stepchild lived with the participant or retired participant in a regular parent-child relationship;

"(iii) a recognized natural child; and

"(iv) a child who lived with the participant, for whom a petition of adoption was filed by the participant or retired participant, and who is adopted by the surviving spouse after the death of the participant or retired participant.

"(B) DISABLED ADULT CHILDREN.—An unmarried dependent child, regardless of age, who is incapable of self-support because of a physical or mental disability incurred before age 18.

"(C) STUDENTS.—An unmarried dependent child between 18 and 22 years of age who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution.

"(2) SPECIAL RULES FOR STUDENTS.—

"(A) EXTENSION OF AGE TERMINATION OF STATUS AS 'CHILD'.—For purposes of this subsection, a child whose 22nd birthday occurs before July 1 or after August 31 of a calendar year, and while regularly pursuing such a course of study or training, shall be treated as having attained the age of 22 on the first day of July following that birthday.

"(B) TREATMENT OF INTERIM PERIOD BETWEEN SCHOOL YEARS.—A child who is a student is deemed not to have ceased to be a student during an interim between school years if the interim does not exceed 5 months and if the child shows to the satisfaction of the Director that the child has a bona fide intention of continuing to pursue a course of study or training in the same or different school during the school semester (or other period into which the school year is divided) immediately following the interim.

"(3) DEPENDENT DEFINED.—For purposes of this subsection, the term 'dependent', with respect to the child of a participant or retired participant, means that the participant or retired participant was, at the time of the death of the participant or retired participant, either living with or contributing to the support of the child, as determined in accordance with regulations prescribed under title II.

"(4) EXCLUSION OF STEPCHILDREN FROM LUMP-SUM PAYMENT.—For purposes of section 241(c), the term 'child' includes an adopted child and a natural child, but does not include a stepchild.

"TITLE II—THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

"Part A—Establishment of System

"SEC. 201. THE CIARDS SYSTEM.

"(a) IN GENERAL.—

"(1) ESTABLISHMENT OF SYSTEM.—There is a retirement and disability system for certain employees of the Central Intelligence Agency known as the Central Intelligence Agency Retirement and Disability System (hereinafter in this Act referred to as the 'system'), originally established pursuant to title II of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees.

"(2) DCI REGULATIONS.—The Director shall prescribe regulations for the system. The Director shall submit any proposed regulations for the system to the congressional intelligence committees not less than 14 days before they take effect.

"(b) ADMINISTRATION OF SYSTEM.—The Director shall administer the system in accordance with regulations prescribed under this title and with the principles established by this title.

"(c) FINALITY OF DECISIONS OF DCI.—In the interests of the security of the foreign intelligence activities of the United States and in order further to implement the proviso of section 102(d)(3) of the National Security Act of 1947 (50 U.S.C. 403(d)(3)) that the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure, and notwithstanding the provisions of chapter 7 of title 5, United States Code, or any other provision of law (except section 305(b) of this Act), any determination by the Director authorized by this Act shall be final and conclusive and shall not be subject to review by any court.

"SEC. 202. CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY FUND.

"The Director shall maintain the fund in the Treasury known as the 'Central Intelligence Agency Retirement and Disability Fund' (hereinafter in this Act referred to as the 'fund'), originally created pursuant to title II of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees.

"SEC. 203. PARTICIPANTS IN THE CIARDS SYSTEM.

"(a) DESIGNATION OF PARTICIPANTS.—The Director may from time to time designate employees of the Agency who shall be entitled to participate in the system. Employees so designated who elect to participate in the system are referred to in this Act as 'participants'.

"(b) QUALIFYING SERVICE.—Designation of employees under this section may be made only from among employees of the Agency who have completed at least 5 years of qualifying service. For purposes of this Act, qualifying service is service in the Agency performed in carrying out duties that are determined by the Director—

"(1) to be in support of Agency activities abroad hazardous to life or health; or

"(2) to be so specialized because of security requirements as to be clearly distinguishable from normal government employment.

"(c) ELECTION OF EMPLOYEE TO BE A PARTICIPANT.—

"(1) PERMANENCE OF ELECTION.—An employee of the Agency who elects to accept designation as a participant in the system shall remain a participant of the system for the duration of that individual's employment with the Agency.

"(2) IRREVOCABILITY OF ELECTION.—Such an election shall be irrevocable except as and to the extent provided in section 301(d).

"(3) ELECTION NOT SUBJECT TO APPROVAL.—An election under this section is not subject to review or approval by the Director.

"SEC. 204. ANNUITANTS.

"Persons who are annuitants under the system are—

"(1) those persons who, on the basis of their service in the Agency, have met all requirements for an annuity under this title or any other Act and are receiving an annuity from the fund; and

"(2) those persons who, on the basis of someone else's service, meet all the requirements under this title or any other Act for an annuity payable from the fund.

"Part B—Contributions

"SEC. 211. CONTRIBUTIONS TO FUND.

"(a) IN GENERAL.—

"(1) PARTICIPANT'S CONTRIBUTIONS.—Except as provided in subsection (d), 7 percent of the basic pay received by a participant for any pay period shall be deducted and withheld from the pay of that participant and contributed to the fund.

"(2) AGENCY CONTRIBUTIONS.—An equal amount shall be contributed to the fund for that pay period from the appropriation or fund which is used for payment of the participant's basic pay.

"(3) DEPOSITS TO THE FUND.—The amounts deducted and withheld from basic pay, together with the amounts so contributed from the appropriation or fund, shall be deposited by the Director to the credit of the fund.

"(b) CONSENT OF PARTICIPANT TO DEDUCTIONS FROM PAY.—Each participant shall be deemed to consent and agree to such deductions from basic pay, and payment less such deductions

shall be a full and complete discharge and acquittance of all claims and demands whatsoever for all regular services during the period covered by such payment, except the right to the benefits to which the participant is entitled under this title, notwithstanding any law, rule, or regulation affecting the individual's pay.

"(c) TREATMENT OF CONTRIBUTIONS AFTER 35 YEARS OF SERVICE.—

"(1) ACCRUAL OF INTEREST.—Amounts deducted and withheld from the basic pay of a participant under this section for pay periods after the first day of the first pay period beginning after the day on which the participant completes 35 years of creditable service computed under sections 251 and 252 (excluding service credit for unused sick leave under section 221(a)(2)) shall accrue interest. Such interest shall accrue at the rate of 3 percent a year through December 31, 1984, and thereafter at the rate computed under section 8334(e) of title 5, United States Code, and shall be compounded annually from the date on which the amount is so deducted and withheld until the date of the participant's retirement or death.

"(2) USE OF AMOUNTS WITHHELD AFTER 35 YEARS OF SERVICE.—

"(A) USE FOR DEPOSITS DUE UNDER SECTION 252(b).—Amounts described in paragraph (1), including interest accrued on such amounts, shall be applied upon the participant's retirement or death toward any deposit due under section 252(b).

"(B) LUMP-SUM PAYMENT.—Any balance of such amounts not so required for such a deposit shall be refunded to the participant in a lump sum after the participant's separation (or, in the event of a death in service, to a beneficiary in order of precedence specified in subsection 241(c)), subject to the requirement under section 241(b)(4).

"(C) PURCHASES OF ADDITIONAL ELECTIVE BENEFITS.—In lieu of such a lump-sum payment, the participant may use such amounts—

"(i) to purchase an additional annuity in accordance with section 281; or

"(ii) provide any additional survivor benefit for a current or former spouse or spouses.

"(d) OFFSET FOR SOCIAL SECURITY TAXES.—

"(1) PERSONS COVERED.—In the case of a participant who was a participant subject to this title before January 1, 1984, and whose service—

"(A) is employment for the purposes of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954, and

"(B) is not creditable service for any purpose under title III of this Act or chapter 84 of title 5, United States Code,

there shall be deducted and withheld from the basic pay of the participant under this section during any pay period only the amount computed under paragraph (2).

"(2) REDUCTION IN CONTRIBUTION.—The amount deducted and withheld from the basic pay of a participant during any pay period pursuant to paragraph (1) shall be the excess of—

"(A) the amount determined by multiplying the percent applicable to the participant under subsection (a) by the basic pay payable to the participant for that pay period, over

"(B) the amount of the taxes deducted and withheld from such basic pay under section 3101(a) of the Internal Revenue Code of 1954 (relating to old-age, survivors, and disability insurance) for that pay period.

"Part C—Computation of Annuities

"SEC. 221. COMPUTATION OF ANNUITIES.

"(a) ANNUITY OF PARTICIPANT.—

"(1) COMPUTATION OF ANNUITY.—The annuity of a participant is the product of—

"(A) the participant's high-3 average pay (as defined in paragraph (4)); and

"(B) the number of years, not exceeding 35, of service credit (determined in accordance with sections 251 and 252) multiplied by 2 percent.

"(2) CREDIT FOR UNUSED SICK LEAVE.—The total service of a participant who retires on an immediate annuity (except under section 231) or who dies leaving a survivor or survivors entitled to an annuity shall include (without regard to the 35-year limitation prescribed in paragraph (1)) the days of unused sick leave to the credit of the participant. Days of unused sick leave may not be counted in determining average basic pay or eligibility for an annuity under this title. A deposit shall not be required for days of unused sick leave credited under this paragraph.

"(3) CREDITING OF PART-TIME SERVICE.—

"(A) IN GENERAL.—In the case of a participant whose service includes service on a part-time basis performed after April 6, 1986, the participant's annuity shall be the sum of the amounts determined under subparagraphs (B) and (C).

"(B) COMPUTATION OF PRE-APRIL 7, 1986, ANNUITY.—The portion of an annuity referred to in subparagraph (A) with respect to service before April 7, 1986, shall be the amount computed under paragraph (1) using the participant's length of service before that date (increased by the unused sick leave to the credit of the participant at the time of retirement) and the participant's high-3 average pay.

"(C) COMPUTATION OF POST-APRIL 6, 1986, ANNUITY.—The portion of an annuity referred to in subparagraph (A) with respect to service after April 6, 1986, shall be the product of—

"(i) the amount computed under paragraph (1), using the participant's length of service after that date and the participant's high-3 average pay, as determined by using the annual rate of basic pay that would be payable for full-time service; and

"(ii) the ratio which the participant's actual service after April 6, 1986 (as determined by prorating the participant's total service after that date to reflect the service that was performed on a part-time basis) bears to the total service after that date that would be creditable for the participant if all the service had been performed on a full-time basis.

"(D) TREATMENT OF EMPLOYMENT ON TEMPORARY OR INTERMITTENT BASIS.—Employment on a temporary or intermittent basis shall not be considered to be service on a part-time basis for purposes of this paragraph.

"(4) HIGH-3 AVERAGE PAY DEFINED.—For purposes of this subsection, a participant's high-3 average pay is the amount of the participant's average basic pay for the highest 3 consecutive years of the participant's service (or, in the case of an annuity computed under section 232 and based on less than 3 years, over the total service) for which full contributions have been made to the fund.

"(5) COMPUTATION OF SERVICE.—In determining the aggregate period of service upon which an annuity is to be based, any fractional part of a month shall not be counted.

"(b) SPOUSE OR FORMER SPOUSE SURVIVOR ANNUITY.—

"(1) REDUCTION IN PARTICIPANT'S ANNUITY TO PROVIDE SPOUSE OR FORMER SPOUSE SURVIVOR ANNUITY.—

"(A) GENERAL RULE.—Except to the extent provided otherwise under a written election under subparagraph (B) or (C), if at the time of retirement a participant or former participant is married (or has a former spouse who has not remarried before attaining age 55), the participant shall receive a reduced annuity and provide a survivor annuity for the participant's spouse under this subsection or former spouse under section 222(b), or a combination of such annuities, as the case may be.

"(B) JOINT ELECTION FOR WAIVER OR REDUCTION OF SPOUSE SURVIVOR ANNUITY.—A married participant or former participant and the participant's spouse may jointly elect in writing at the time of retirement to waive a survivor annuity for that spouse under this section or to reduce such survivor annuity under this section by designating a portion of the annuity of the participant as the base for the survivor annuity. If the marriage is dissolved following an election for such a reduced annuity and the spouse qualifies as a former spouse, the base used in calculating any annuity of the former spouse under section 222(b) may not exceed the portion of the participant's annuity designated under this subparagraph.

"(C) JOINT ELECTION OF PARTICIPANT AND FORMER SPOUSE.—If a participant or former participant has a former spouse, such participant and the participant's former spouse may jointly elect by spousal agreement under section 264(b) to waive, reduce, or increase a survivor annuity under section 222(b) for that former spouse. Any such election must be made (i) before the end of the 12-month period beginning on the date on which the divorce or annulment involving that former spouse becomes final, or (ii) at the time of retirement of the participant, whichever is later.

"(D) UNILATERAL ELECTIONS IN ABSENCE OF SPOUSE OR FORMER SPOUSE.—The Director may prescribe regulations under which a participant or former participant may make an election under subparagraph (B) or (C) without the participant's spouse or former spouse if the participant establishes to the satisfaction of the Director that the participant does not know, and has taken all reasonable steps to determine, the whereabouts of the spouse or former spouse.

"(2) AMOUNT OF REDUCTION IN PARTICIPANT'S ANNUITY.—The annuity of a participant or former participant providing a survivor annuity under this section (or section 222(b)), excluding any portion of the annuity not designated or committed as a base for any survivor annuity, shall be reduced by 2½ percent of the first $3,600 plus 10 percent of any amount over $3,600. The reduction under this paragraph shall be calculated before any reduction under section 222(a)(5).

"(3) AMOUNT OF SURVIVING SPOUSE ANNUITY.—

"(A) IN GENERAL.—If a retired participant receiving a reduced annuity under this subsection dies and is survived by a spouse, a survivor annuity shall be paid to the surviving spouse. The amount of the annuity shall be equal to 55 percent of (i) the full amount of the participant's annuity computed under subsection (a), or (ii) any lesser amount elected as the base for the survivor annuity under paragraph (1)(B).

"(B) LIMITATION.—Notwithstanding subparagraph (A), the amount of the annuity calculated under subparagraph (A) for a surviving spouse in any case in which there is also a surviving former spouse of the retired participant who qualifies for an annuity under section 222(b) may not exceed 55 percent of the portion (if any) of the base for survivor annuities which remains available under section 222(b)(4)(B).

"(C) EFFECTIVE DATE AND TERMINATION OF ANNUITY.—An annuity payable from the fund to a surviving spouse under this paragraph shall commence on the day after the retired participant dies and shall terminate on the last day of the month before the surviving spouse's death or remarriage before attaining age 55. If such survivor annuity is terminated because of remarriage, it shall be restored at the same rate commencing on the date such remarriage is dissolved by death, annulment, or divorce if any lump sum paid upon termination of the annuity is returned to the fund.

"(c) 18-MONTH OPEN PERIOD AFTER RETIREMENT TO PROVIDE SPOUSE COVERAGE.—

"(1) SURVIVOR ANNUITY ELECTIONS.—

"(A) ELECTION WHEN SPOUSE COVERAGE WAIVED AT TIME OF RETIREMENT.—A participant

or former participant who retires after March 31, 1992 and who—

"(i) is married at the time of retirement; and

"(ii) elects at that time (in accordance with subsection (b)) to waive a survivor annuity for the spouse,

may, during the 18-month period beginning on the date of the retirement of the participant, elect to have a reduction under subsection (b) made in the annuity of the participant (or in such portion thereof as the participant may designate) in order to provide a survivor annuity for the participant's spouse.

"(B) ELECTION WHEN REDUCED SPOUSE ANNUITY ELECTED.—A participant or former participant who retires after March 31, 1992, and—

"(i) who, at the time of retirement, is married, and

"(ii) who, at that time designates (in accordance with subsection (b)) that a portion of the annuity of such participant is to be used as the base for a survivor annuity,

may, during the 18-month period beginning on the date of the retirement of such participant, elect to have a greater portion of the annuity of such participant so used.

"(2) DEPOSIT REQUIRED.—

"(A) REQUIREMENT.—An election under paragraph (1) shall not be effective unless the amount specified in subparagraph (B) is deposited into the fund before the end of that 18-month period.

"(B) AMOUNT OF DEPOSIT.—The amount to be deposited with respect to an election under this subsection is the amount equal to the sum of the following:

"(i) ADDITIONAL COST TO SYSTEM.—The additional cost to the system that is associated with providing a survivor annuity under subsection (b) and that results from such election, taking into account—

"(I) the difference (for the period between the date on which the annuity of the participant or former participant commences and the date of the election) between the amount paid to such participant or former participant under this title and the amount which would have been paid if such election had been made at the time the participant or former participant applied for the annuity; and

"(II) the costs associated with providing for the later election.

"(ii) INTEREST.—Interest on the additional cost determined under clause (i), computed using the interest rate specified or determined under section 8334(e) of title 5, United States Code, for the calendar year in which the amount to be deposited is determined.

"(3) VOIDING OF PREVIOUS ELECTIONS.—An election by a participant or former participant under this subsection voids prospectively any election previously made in the case of such participant under subsection (b).

"(4) REDUCTIONS IN ANNUITY.—An annuity that is reduced in connection with an election under this subsection shall be reduced by the same percentage reductions as were in effect at the time of the retirement of the participant or former participant whose annuity is so reduced.

"(5) RIGHTS AND OBLIGATIONS RESULTING FROM REDUCED ANNUITY ELECTION.—Rights and obligations resulting from the election of a reduced annuity under this subsection shall be the same as the rights and obligations that would have resulted had the participant involved elected such annuity at the time of retirement.

"(d) ANNUITIES FOR SURVIVING CHILDREN.—

"(1) PARTICIPANTS DYING BEFORE APRIL 1, 1992.—In the case of a retired participant who died before April 1, 1992, and who is survived by a child or children—

"(A) if the retired participant was survived by a spouse, there shall be paid from the fund to or on behalf of each such surviving child an annuity determined under paragraph (3)(A); and

"(B) if the retired participant was not survived by a spouse, there shall be paid from the fund to or on behalf of each such surviving child an annuity determined under paragraph (3)(B).

"(2) PARTICIPANTS DYING ON OR AFTER APRIL 1, 1992.—In the case of a retired participant who dies on or after April 1, 1992, and who is survived by a child or children—

"(A) if the retired participant is survived by a spouse or former spouse who is the natural or adoptive parent of a surviving child of the participant, there shall be paid from the fund to or on behalf of each such surviving child an annuity determined under paragraph (3)(A); and

"(B) if the retired participant is not survived by a spouse or former spouse who is the natural or adoptive parent of a surviving child of the participant, there shall be paid to or on behalf of each such surviving child an annuity determined under paragraph (3)(B).

"(3) AMOUNT OF ANNUITY.—

"(A) The annual amount of an annuity for the surviving child of a participant covered by paragraph (1)(A) or (2)(A) of this subsection (or covered by paragraph (1)(A) or (2)(A) of section 232(c)) is the smallest of the following:

"(i) 60 percent of the participant's high-3 average pay, as determined under subsection (a)(4), divided by the number of children.

"(ii) $900, as adjusted under section 291.

"(iii) $2,700, as adjusted under section 291, divided by the number of children.

"(B) The amount of an annuity for the surviving child of a participant covered by paragraph (1)(B) or (2)(B) of this subsection (or covered by paragraph (1)(B) or (2)(B) of section 232(c)) is the smallest of the following:

"(i) 75 percent of the participant's high-3 average pay, as determined under subsection (a)(4), divided by the number of children.

"(ii) $1,080, as adjusted under section 291.

"(iii) $3,240, as adjusted under section 291, divided by the number of children.

"(4) RECOMPUTATION OF CHILD ANNUITIES.—

"(A) In the case of a child annuity payable under paragraph (1), upon the death of a surviving spouse or the termination of the annuity of a child, the annuities of any remaining children shall be recomputed and paid as though the spouse or child had not survived the retired participant.

"(B) In the case of a child annuity payable under paragraph (2), upon the death of a surviving spouse or former spouse or termination of the annuity of a child, the annuities of any remaining children shall be recomputed and paid as though the spouse, former spouse, or child had not survived the retired participant. If the annuity of a surviving child who has not been receiving an annuity is initiated or resumed, the annuities of any other children shall be recomputed and paid from that date as though the annuities of all currently eligible children were then being initiated.

"(5) DEFINITION OF FORMER SPOUSE.—For purposes of this subsection, the term 'former spouse' includes any former wife or husband of the retired participant, regardless of the length of marriage or the amount of creditable service completed by the participant.

"(e) COMMENCEMENT AND TERMINATION OF CHILD ANNUITIES.—

"(1) COMMENCEMENT.—An annuity payable to a child under subsection (d), or under section 232(c), shall begin on the day after the date on which the participant or retired participant dies or, in the case of an individual over the age of 18 who is not a child within the meaning of section 102(b), shall begin or resume on the first day of the month in which the individual later becomes or again becomes a student as described in section 102(b). Such annuity may not commence until any lump-sum that has been paid is returned to the fund.

"(2) TERMINATION.—Such an annuity shall terminate on the last day of the month before the month in which the recipient of the annuity dies or no longer qualifies as a child (as defined in section 102(b)).

"(f) PARTICIPANTS NOT MARRIED AT TIME OF RETIREMENT.—

"(1) DESIGNATION OF PERSONS WITH INSURABLE INTEREST.—

"(A) AUTHORITY TO MAKE DESIGNATION.—Subject to the rights of former spouses under sections 221(b) and 222, at the time of retirement an unmarried participant found by the Director to be in good health may elect to receive an annuity reduced in accordance with subparagraph (B) and designate in writing an individual having an insurable interest in the participant to receive an annuity under the system. The amount of such an annuity shall be equal to 55 percent of the participant's reduced annuity after the participant's death.

"(B) REDUCTION IN PARTICIPANT'S ANNUITY.—The annuity payable to the participant making such election shall be reduced by 10 percent of an annuity computed under subsection (a) and by an additional 5 percent for each full 5 years the designated individual is younger than the participant. The total reduction under this subparagraph may not exceed 40 percent.

"(C) COMMENCEMENT OF SURVIVOR ANNUITY.—The annuity payable to the designated individual shall begin on the day after the retired participant dies and terminate on the last day of the month before the designated individual dies.

"(D) RECOMPUTATION OF PARTICIPANT'S ANNUITY ON DEATH OF DESIGNATED INDIVIDUAL.—An annuity which is reduced under this paragraph shall, effective the first day of the month following the death of the designated individual, be recomputed and paid as if the annuity had not been so reduced.

"(2) ELECTION OF SURVIVOR ANNUITY UPON SUBSEQUENT MARRIAGE.—A participant who is unmarried at the time of retirement and who later marries may irrevocably elect, in a signed writing received by the Director within one year after the marriage, to receive a reduced annuity as provided in section 221(b). Such election and reduction shall be effective on the first day of the month beginning 9 months after the date of marriage. The election voids prospectively any election previously made under paragraph (1).

"(g) EFFECT OF DIVORCE AFTER RETIREMENT.—

"(1) RECOMPUTATION OF RETIRED PARTICIPANT'S ANNUITY UPON DIVORCE.—An annuity which is reduced under this section (or any similar prior provision of law) to provide a survivor annuity for a spouse shall, if the marriage of the retired participant to such spouse is dissolved, be recomputed and paid for each full month during which a retired participant is not married (or is remarried if there is no election in effect under paragraph (2)) as if the annuity had not been so reduced, subject to any reduction required to provide a survivor annuity under subsection (b) or (c) of section 222 or under section 226.

"(2) ELECTION OF SURVIVOR ANNUITY UPON SUBSEQUENT REMARRIAGE.—

"(A) IN GENERAL.—Upon remarriage, the retired participant may irrevocably elect, by means of a signed writing received by the Director within one year after such remarriage, to receive a reduced annuity for the purpose of providing an annuity for the new spouse of the retired participant in the event such spouse survives the retired participant. Such reduction shall be equal to the reduction in effect immediately before the dissolution of the previous marriage (unless such reduction is adjusted under section 222(b)(5) or elected under subparagraph (B)).

"(B) WHEN ANNUITY PREVIOUSLY NOT (OR NOT FULLY) REDUCED.—

"(i) ELECTION.—If the retired participant's annuity was not reduced (or was not fully reduced) to provide a survivor annuity for the participant's spouse or former spouse as of the time of retirement, the retired participant may make an election under subparagraph (A) upon remarriage to a spouse other than the spouse at the time of retirement. For any remarriage that occurred before August 14, 1991, the retired participant may make such an election with 2 years after such date.

"(ii) DEPOSIT REQUIRED.—To the greatest extent practicable, the retired participant shall pay a deposit under the same terms and conditions as those prescribed for retired employees under the Civil Service Retirement and Disability System under clauses (ii) and (iii) of section 8339(j)(5)(C) of title 5, United States Code.

"(C) EFFECT OF ELECTION.—The reduction in the participant's annuity shall be effective on the first day of the month beginning 9 months after the date of remarriage. A survivor annuity elected under this subsection shall be treated in all respects as a survivor annuity under subsection (b).

"(h) COORDINATION OF ANNUITIES.—

"(1) SURVIVING SPOUSE.—A surviving spouse whose survivor annuity was terminated because of remarriage before attaining age 55 shall not be entitled under subsection (b)(3)(C) to the restoration of that survivor annuity payable from the fund unless the surviving spouse elects to receive it instead of any other survivor annuity to which the surviving spouse may be entitled under the system or any other retirement system for Government employees by reason of the remarriage.

"(2) FORMER SPOUSE.—A surviving former spouse of a participant or retired participant shall not become entitled under section 222(b) or 224 to a survivor annuity or to the restoration of a survivor annuity payable from the fund unless the surviving former spouse elects to receive it instead of any other survivor annuity to which the surviving former spouse may be entitled under this or any other retirement system for Government employees on the basis of a marriage to someone other than the participant.

"(3) SURVIVING SPOUSE OF POST-RETIREMENT MARRIAGE.—A surviving spouse who married a participant after the participant's retirement shall be entitled to a survivor annuity payable from the fund only upon electing that annuity instead of any other survivor annuity to which the surviving spouse may be entitled under this or any other retirement system for Government employees on the basis of a marriage to someone other than the retired participant.

"(i) SUPPLEMENTAL SURVIVOR ANNUITIES.—

"(1) SPOUSE OF RECALLED ANNUITANT.—A married recalled annuitant who reverts to retired status with entitlement to a supplemental annuity under section 271(b) shall, unless the annuitant and the annuitant's spouse jointly elect in writing to the contrary at the time of reversion to retired status, have the supplemental annuity reduced by 10 percent to provide a supplemental survivor annuity for the annuitant's spouse. Such supplemental survivor annuity shall be equal to 55 percent of the supplemental annuity of the annuitant.

"(2) REGULATIONS.—The Director shall prescribe regulations to provide for the application of paragraph (1) of this subsection and of subsection (b) of section 271 in any case in which an annuitant has a former spouse who was married to the recalled annuitant at any time during the period of recall service and who qualifies for an annuity under section 222(b).

"(j) OFFSET OF ANNUITIES BY AMOUNT OF SOCIAL SECURITY BENEFIT.—Notwithstanding any other provision of this title, an annuity (including a disability annuity) payable under this title to an individual described in sections 211(d)(1) and 301(c)(1) and any survivor annuity payable under this title on the basis of the service of such individual shall be reduced (except as provided in paragraph (2)) in a manner consistent with section 8349 of title 5, United States Code, under conditions consistent with the conditions prescribed in that section.

"(k) INFORMATION FROM OTHER AGENCIES.—

"(1) OTHER AGENCIES.—For the purpose of ensuring the accuracy of the information used in the determination of eligibility for and the computation of annuities payable from the fund under this title, at the request of the Director—

"(A) the Secretary of Defense shall provide information on retired or retainer pay paid under title 10, United States Code;

"(B) the Secretary of Veterans Affairs shall provide information on pensions or compensation paid under title 38, United States Code;

"(C) the Secretary of Health and Human Services shall provide information contained in the records of the Social Security Administration; and

"(D) the Secretary of Labor shall provide information on benefits paid under subchapter I of chapter 81 of title 5, United States Code.

"(2) LIMITATION ON INFORMATION REQUESTED.—The Director shall request only such information as the Director determines is necessary.

"(3) LIMITATION ON USES OF INFORMATION.—The Director, in consultation with the officials from whom information is requested, shall ensure that information made available under this subsection is used only for the purposes authorized.

"(l) INFORMATION ON RIGHTS UNDER THE SYSTEM.—The Director shall, on an annual basis—

"(1) inform each retired participant of the participant's right of election under subsections (c), (f)(2), and (g); and

"(2) to the maximum extent practicable, inform spouses and former spouses of participants, former participants, and retired participants of their rights under this Act.

"SEC. 222. ANNUITIES FOR FORMER SPOUSES.

"(a) FORMER SPOUSE SHARE OF PARTICIPANT'S ANNUITY.—

"(1) PRO RATA SHARE.—Unless otherwise expressly provided by a spousal agreement or court order under section 264(b), a former spouse of a participant, former participant, or retired participant is entitled to an annuity—

"(A) if married to the participant, former participant, or retired participant throughout the creditable service of the participant, equal to 50 percent of the annuity of the participant; or

"(B) if not married to the participant throughout such creditable service, equal to that proportion of 50 percent of such annuity that is the proportion that the number of days of the marriage of the former spouse to the participant during periods of creditable service of such participant under this title bears to the total number of days of such creditable service.

"(2) DISQUALIFICATION UPON REMARRIAGE BEFORE AGE 55.—A former spouse is not qualified for an annuity under this subsection if before the commencement of that annuity the former spouse remarries before becoming 55 years of age.

"(3) COMMENCEMENT OF ANNUITY.—The annuity of a former spouse under this subsection commences on the day the participant upon whose service the annuity is based becomes entitled to an annuity under this title or on the first day of the month after the divorce or annulment involved becomes final, whichever is later.

"(4) TERMINATION OF ANNUITY.—The annuity of such former spouse and the right thereto terminate on—

"(A) the last day of the month before the month in which the former spouse dies or remarries before 55 years of age; or

"(B) the date on which the annuity of the participant terminates (except in the case of an annuity subject to paragraph (5)(B)).

"(5) TREATMENT OF PARTICIPANT'S ANNUITY.—

"(A) REDUCTION IN PARTICIPANT'S ANNUITY.—The annuity payable to any participant shall be reduced by the amount of an annuity under this subsection paid to any former spouse based upon the service of that participant. Such reduction shall be disregarded in calculating—

"(i) the survivor annuity for any spouse, former spouse, or other survivor under this title; and

"(ii) any reduction in the annuity of the participant to provide survivor benefits under subsection (b) or under section 221(b).

"(B) TREATMENT WHEN ANNUITANT RETURNS TO SERVICE.—If an annuitant whose annuity is reduced under subparagraph (A) is recalled to service under section 271, or reinstated or reappointed, in the case of a recovered disability annuitant, or if any annuitant is reemployed as provided for under sections 272 and 273, the pay of that annuitant shall be reduced by the same amount as the annuity would have been reduced if it had continued. Amounts equal to the reductions under this subparagraph shall be deposited in the Treasury of the United States to the credit of the fund.

"(6) DISABILITY ANNUITANT.—Notwithstanding paragraph (3), in the case of a former spouse of a disability annuitant—

"(A) the annuity of that former spouse shall commence on the date on which the participant would qualify on the basis of the participant's creditable service for an annuity under this title (other than a disability annuity) or the date on which the disability annuity begins, whichever is later, and

"(B) the amount of the annuity of the former spouse shall be calculated on the basis of the annuity for which the participant would otherwise so qualify.

"(7) ELECTION OF BENEFITS.—A former spouse of a participant, former participant, or retired participant shall not become entitled under this subsection to an annuity payable from the fund unless the former spouse elects to receive it instead of any other annuity to which the former spouse may be entitled under this or any other retirement system for Government employees on the basis of a marriage to someone other than the participant.

"(8) LIMITATION IN CASE OF MULTIPLE FORMER SPOUSE ANNUITIES.—No spousal agreement or court order under section 264(b) involving a participant may provide for an annuity or a combination of annuities under this subsection that exceeds the annuity of the participant.

"(b) FORMER SPOUSE SURVIVOR ANNUITY.—

"(1) PRO RATA SHARE.—Subject to any election under section 221(b)(1)(B) and (C) and unless otherwise expressly provided by a spousal agreement or court order under section 264(b), if an annuitant is survived by a former spouse, the former spouse shall be entitled—

"(A) if married to the annuitant throughout the creditable service of the annuitant, to a survivor annuity equal to 55 percent of the unreduced amount of the annuitant's annuity, as computed under section 221(a); and

"(B) if not married to the annuitant throughout such creditable service, to a survivor annuity equal to that proportion of 55 percent of the unreduced amount of such annuity that is the proportion that the number of days of the marriage of the former spouse to the participant during periods of creditable service of such participant under this title bears to the total number of days of such creditable service.

"(2) DISQUALIFICATION UPON REMARRIAGE BEFORE AGE 55.—A former spouse shall not be qualified for an annuity under this subsection if before the commencement of that annuity the

former spouse remarries before becoming 55 years of age.

"(3) COMMENCEMENT, TERMINATION, AND RESTORATION OF ANNUITY.—An annuity payable from the fund under this title to a surviving former spouse under this subsection shall commence on the day after the annuitant dies and shall terminate on the last day of the month before the former spouse's death or remarriage before attaining age 55. If such a survivor annuity is terminated because of remarriage, it shall be restored at the same rate commencing on the date such remarriage is dissolved by death, annulment, or divorce if any lump sum paid upon termination of the annuity is returned to the fund.

"(4) SURVIVOR ANNUITY AMOUNT.—

"(A) MAXIMUM AMOUNT.—The maximum survivor annuity or combination of survivor annuities under this subsection (and section 221(b)(3)) with respect to any participant may not exceed 55 percent of the full amount of the participant's annuity, as calculated under section 221(a).

"(B) LIMITATION ON OTHER SURVIVOR ANNUITIES BASED ON SERVICE OF SAME PARTICIPANT.—Once a survivor annuity has been provided under this subsection for any former spouse, a survivor annuity for another individual may thereafter be provided under this subsection (or section 221(b)(3)) with respect to the participant only for that portion (if any) of the maximum available which is not committed for survivor benefits for any former spouse whose prospective right to such annuity has not terminated by reason of death or remarriage.

"(C) FINALITY OF COURT ORDER UPON DEATH OF PARTICIPANT.—After the death of a participant or retired participant, a court order under section 264(b) may not adjust the amount of the annuity of a former spouse of that participant or retired participant under this section.

"(5) EFFECT OF TERMINATION OF FORMER SPOUSE ENTITLEMENT.—

"(A) RECOMPUTATION OF PARTICIPANT'S ANNUITY.—If a former spouse of a retired participant dies or remarries before attaining age 55, the annuity of the retired participant, if reduced to provide a survivor annuity for that former spouse, shall be recomputed and paid, effective on the first day of the month beginning after such death or remarriage, as if the annuity had not been so reduced, unless an election is in effect under subparagraph (B).

"(B) ELECTION OF SPOUSE ANNUITY.—Subject to paragraph (4)(B), the participant may elect in writing within one year after receipt of notice of the death or remarriage of the former spouse to continue the reduction in order to provide a higher survivor annuity under section 221(b)(3) for any spouse of the participant.

"(c) OPTIONAL ADDITIONAL SURVIVOR ANNUITIES FOR OTHER FORMER SPOUSE OR SURVIVING SPOUSE.—

"(1) IN GENERAL.—In the case of any participant providing a survivor annuity under subsection (b) for a former spouse—

"(A) such participant may elect, or

"(B) a spousal agreement or court order under section 264(b) may provide for,

an additional survivor annuity under this subsection for any other former spouse or spouse surviving the participant, if the participant satisfactorily passes a physical examination as prescribed by the Director.

"(2) LIMITATION.—Neither the total amount of survivor annuity or annuities under this subsection with respect to any participant, nor the survivor annuity or annuities for any one surviving spouse or former spouse of such participant under this section or section 221, may exceed 55 percent of the unreduced amount of the participant's annuity, as computed under section 221(a).

"(3) CONTRIBUTION FOR ADDITIONAL ANNUITIES.—

"(A) PROVISION OF ADDITIONAL SURVIVOR ANNUITY.—In accordance with regulations which the Director shall prescribe, the participant involved may provide for any annuity under this subsection—

"(i) by a reduction in the annuity or an allotment from the basic pay of the participant;

"(ii) by a lump-sum payment or installment payments to the fund; or

"(iii) by any combination thereof.

"(B) ACTUARIAL EQUIVALENCE TO BENEFIT.—The present value of the total amount to accrue to the fund under subparagraph (A) to provide any annuity under this subsection shall be actuarially equivalent in value to such annuity, as calculated upon such tables of mortality as may from time to time be prescribed for this purpose by the Director.

"(C) EFFECT OF FORMER SPOUSE'S DEATH OR DISQUALIFICATION.—If a former spouse predeceases the participant or remarries before attaining age 55 (or, in the case of a spouse, the spouse predeceases or does not qualify as a former spouse upon dissolution of the marriage)—

"(i) if an annuity reduction or pay allotment under subparagraph (A) is in effect for that spouse or former spouse, the annuity shall be recomputed and paid as if it had not been reduced or the pay allotment terminated, as the case may be; and

"(ii) any amount accruing to the fund under subparagraph (A) shall be refunded, but only to the extent that such amount may have exceeded the actuarial cost of providing benefits under this subsection for the period such benefits were provided, as determined under regulations prescribed by the Director.

"(D) RECOMPUTATION UPON DEATH OR REMARRIAGE OF FORMER SPOUSE.—Under regulations prescribed by the Director, an annuity shall be recomputed (or a pay allotment terminated or adjusted), and a refund provided (if appropriate), in a manner comparable to that provided under subparagraph (C), in order to reflect a termination or reduction of future benefits under this subsection for a spouse in the event a former spouse of the participant dies or remarries before attaining age 55 and an increased annuity is provided for that spouse in accordance with this section.

"(4) COMMENCEMENT AND TERMINATION OF ADDITIONAL SURVIVOR ANNUITY.—An annuity payable under this subsection to a spouse or former spouse shall commence on the day after the participant dies and shall terminate on the last day of the month before the former spouse's death or remarriage before attaining age 55.

"(5) NONAPPLICABILITY OF COLA PROVISION.—Section 291 does not apply to an annuity under this subsection, unless authorized under regulations prescribed by the Director.

"SEC. 223. ELECTION OF SURVIVOR BENEFITS FOR CERTAIN FORMER SPOUSES DIVORCED AS OF NOVEMBER 15, 1982.

"(a) FORMER SPOUSES AS OF NOVEMBER 15, 1982.—A participant, former participant, or retired participant in the system who on November 15, 1982, had a former spouse may, by a spousal agreement, elect to receive a reduced annuity and provide a survivor annuity for such former spouse under section 222(b).

"(b) TIME FOR MAKING ELECTION.—

"(1) If the participant or former participant has not retired under such system on or before November 15, 1982, an election under this section may be made at any time before retirement.

"(2) If the participant or former participant has retired under such system on or before November 15, 1982, an election under this section may be made within such period after November 15, 1982, as the Director may prescribe.

"(3) For the purposes of applying this title, any such election shall be treated in the same manner as if it were a spousal agreement under section 264(b).

"(c) BASE FOR ANNUITY.—An election under this section may provide for a survivor annuity based on all or any portion of that part of the annuity of the participant which is not designated or committed as a base for a survivor annuity for a spouse or any other former spouse of the participant. The participant and the participant's spouse may make an election under section 221(b)(1)(B) before the time of retirement for the purpose of allowing an election to be made under this section.

"(d) REDUCTION IN PARTICIPANT'S ANNUITY.—

"(1) COMPUTATION.—The amount of the reduction in the participant's annuity shall be determined in accordance with section 221(b)(2).

"(2) EFFECTIVE DATE OF REDUCTION.—Such reduction shall be effective as of—

"(A) the commencing date of the participant's annuity, in the case of an election under subsection (b)(1); or

"(B) November 15, 1982, in the case of an election under subsection (b)(2).

"SEC. 224. SURVIVOR ANNUITY FOR CERTAIN OTHER FORMER SPOUSES.

"(a) SURVIVOR ANNUITY.—

"(1) IN GENERAL.—An individual who was a former spouse of a participant or retired participant on November 15, 1982, shall be entitled, except to the extent such former spouse is disqualified under subsection (b), to a survivor annuity equal to 55 percent of the greater of—

"(A) the unreduced amount of the participant's or retired participant's annuity, as computed under section 221(a); or

"(B) the unreduced amount of what such annuity as so computed would be if the participant, former participant, or retired participant had not elected payment of the lump-sum credit under section 294.

"(2) REDUCTION IN SURVIVOR ANNUITY.—A survivor annuity payable under this section shall be reduced by an amount equal to any survivor annuity payments made to the former spouse under section 223.

"(b) LIMITATIONS.—A former spouse is not entitled to a survivor annuity under this section if—

"(1) the former spouse remarries before age 55, except that the entitlement of the former spouse to such a survivor annuity shall be restored on the date such remarriage is dissolved by death, annulment, or divorce; or

"(2) the former spouse is less than 50 years of age.

"(c) COMMENCEMENT AND TERMINATION OF ANNUITY.—

"(1) COMMENCEMENT OF ANNUITY.—The entitlement of a former spouse to a survivor annuity under this section shall commence—

"(A) in the case of a former spouse of a participant or retired participant who is deceased as of October 1, 1986, beginning on the later of—

"(i) the 60th day after such date; or

"(ii) the date on which the former spouse reaches age 50; and

"(B) in the case of any other former spouse, beginning on the latest of—

"(i) the date on which the participant or former participant to whom the former spouse was married dies;

"(ii) the 60th day after October 1, 1986; or

"(iii) the date on which the former spouse attains age 50.

"(2) TERMINATION OF ANNUITY.—The entitlement of a former spouse to a survivor annuity under this section terminates on the last day of the month before the former spouse's death or remarriage before attaining age 55. The entitlement of a former spouse to such a survivor annuity shall be restored on the date such remar-

riage is dissolved by death, annulment, or divorce.

"(d) APPLICATION.—

"(1) TIME LIMIT; WAIVER.—A survivor annuity under this section shall not be payable unless appropriate written application is provided to the Director, complete with any supporting documentation which the Director may by regulation require. Any such application shall be submitted not later than April 1, 1989. The Director may waive the application deadline under the preceding sentence in any case in which the Director determines that the circumstances warrant such a waiver.

"(2) RETROACTIVE BENEFITS.—Upon approval of an application provided under paragraph (1), the appropriate survivor annuity shall be payable to the former spouse with respect to all periods before such approval during which the former spouse was entitled to such annuity under this section, but in no event shall a survivor annuity be payable under this section with respect to any period before October 1, 1986.

"(e) RESTORATION OF ANNUITY.—Notwithstanding subsection (d)(1), the deadline by which an application for a survivor annuity must be submitted shall not apply in cases in which a former spouse's entitlement to such a survivor annuity is restored under subsection (b)(1) or (c)(2).

"SEC. 225. RETIREMENT ANNUITY FOR CERTAIN FORMER SPOUSES.

"(a) RETIREMENT ANNUITY.—An individual who was a former spouse of a participant, former participant, or retired participant on November 15, 1982, and any former spouse divorced after November 15, 1982, from a participant or former participant who retired before November 15, 1982, shall be entitled, except to the extent such former spouse is disqualified under subsection (b), to an annuity—

"(1) if married to the participant throughout the creditable service of the participant, equal to 50 percent of the annuity of the participant; or

"(2) if not married to the participant throughout such creditable service, equal to that former spouse's pro rata share of 50 percent of such annuity.

"(b) LIMITATIONS.—A former spouse is not entitled to an annuity under this section if—

"(1) the former spouse remarries before age 55, except that the entitlement of the former spouse to an annuity under this section shall be restored on the date such remarriage is dissolved by death, annulment, or divorce; or

"(2) the former spouse is less than 50 years of age.

"(c) COMMENCEMENT AND TERMINATION.—

"(1) RETIREMENT ANNUITIES.—The entitlement of a former spouse to an annuity under this section—

"(A) shall commence on the later of—

"(i) the day the participant upon whose service the right to the annuity is based becomes entitled to an annuity under this title;

"(ii) the first day of the month in which the divorce or annulment involved becomes final; or

"(iii) such former spouse's 50th birthday; and

"(B) shall terminate on the earlier of—

"(i) the last day of the month before the former spouse dies or remarries before 55 years of age, except that the entitlement of the former spouse to an annuity under this section shall be restored on the date such remarriage is dissolved by death, annulment, or divorce; or

"(ii) the date on which the annuity of the participant terminates.

"(2) DISABILITY ANNUITIES.—Notwithstanding paragraph (1)(A)(i), in the case of a former spouse of a disability annuitant—

"(A) the annuity of the former spouse shall commence on the date on which the participant would qualify on the basis of the participant's creditable service for an annuity under this title (other than disability annuity) or the date the disability annuity begins, whichever is later; and

"(B) the amount of the annuity of the former spouse shall be calculated on the basis of the annuity for which the participant would otherwise so qualify.

"(3) ELECTION OF BENEFITS.—A former spouse of a participant or retired participant shall not become entitled under this section to an annuity or to the restoration of an annuity payable from the fund unless the former spouse elects to receive it instead of any other annuity to which the former spouse may be entitled under this or any other retirement system for Government employees on the basis of a marriage to someone other than the participant.

"(4) APPLICATION.—

"(A) TIME LIMIT; WAIVER.—An annuity under this section shall not be payable unless appropriate written application is provided to the Director, complete with any supporting documentation which the Director may by regulation require, not later than June 2, 1991. The Director may waive the application deadline under the preceding sentence in any case in which the Director determines that the circumstances warrant such a waiver.

"(B) RETROACTIVE BENEFITS.—Upon approval of an application under subparagraph (A), the appropriate annuity shall be payable to the former spouse with respect to all periods before such approval during which the former spouse was entitled to an annuity under this section, but in no event shall an annuity be payable under this section with respect to any period before December 2, 1987.

"(d) RESTORATION OF ANNUITIES.—Notwithstanding subsection (c)(4)(A), the deadline by which an application for a retirement annuity must be submitted shall not apply in cases in which a former spouse's entitlement to such annuity is restored under subsection (b)(1) or (c)(1)(B).

"(e) SAVINGS PROVISION.—Nothing in this section shall be construed to impair, reduce, or otherwise affect the annuity or the entitlement to an annuity of a participant or former participant under this title.

"SEC. 226. SURVIVOR ANNUITIES FOR PREVIOUS SPOUSES.

"The Director shall prescribe regulations under which a previous spouse who is divorced after September 29, 1988, from a participant, former participant, or retired participant shall be eligible for a survivor annuity to the same extent and, to the greatest extent practicable, under the same conditions (including reductions to be made in the annuity of the participant) applicable to former spouses (as defined in section 8331(23) of title 5, United States Code) of participants in the Civil Service Retirement and Disability System (CSRS) as prescribed by the Civil Service Retirement Spouse Equity Act of 1984.

"Part D—Benefits Accruing to Certain Participants

"SEC. 231. RETIREMENT FOR DISABILITY OR INCAPACITY—MEDICAL EXAMINATION—RECOVERY.

"(a) DISABILITY RETIREMENT.—

"(1) ELIGIBILITY.—A participant who has become disabled shall, upon the participant's own application or upon order of the Director, be retired on an annuity computed under subsection (b).

"(2) STANDARD FOR DISABILITY DETERMINATION.—A participant shall be considered to be disabled only if the participant—

"(A) is found by the Director to be unable, because of disease or injury, to render useful and efficient service in the participant's position; and

"(B) is not qualified for reassignment, under procedures prescribed by the Director, to a vacant position in the Agency at the same grade or level and in which the participant would be able to render useful and efficient service.

"(3) TIME LIMIT FOR APPLICATION.—

"(A) ONE YEAR REQUIREMENT.—A claim may be allowed under this section only if the application is submitted before the participant is separated from the Agency or within one year thereafter.

"(B) WAIVER FOR MENTALLY INCOMPETENT PARTICIPANT.—The time limitation may be waived by the Director for a participant who, at the date of separation from the Agency or within one year thereafter, is mentally incompetent, if the application is filed with the Agency within one year from the date of restoration of the participant to competency or the appointment of a fiduciary, whichever is earlier.

"(b) COMPUTATION OF DISABILITY ANNUITY.—

"(1) IN GENERAL.—Except as provided in paragraph (2), an annuity payable under subsection (a) shall be computed under section 221(a). However, if the disabled or incapacitated participant has less than 20 years of service credit toward retirement under the system at the time of retirement, the annuity shall be computed on the assumption that the participant has had 20 years of service, but the additional service credit that may accrue to a participant under this paragraph may not exceed the difference between the participant's age at the time of retirement and age 60.

"(2) COORDINATION WITH MILITARY RETIRED PAY AND VETERANS' COMPENSATION AND PENSION.—If a participant retiring under this section is receiving retired pay or retainer pay for military service (except that specified in section 252(e)(3)) or Department of Veterans Affairs compensation or pension in lieu of such retired or retainer pay, the annuity of that participant shall be computed under section 221(a), excluding credit for such military service from that computation. If the amount of the annuity so computed, plus the retired or retainer pay which is received, or which would be received but for the application of the limitation in section 5532 of title 5, United States Code, or the Department of Veterans Affairs compensation or pension in lieu of such retired or retainer pay, is less than the annuity that would be payable under this section in the absence of the previous sentence, an amount equal to the difference shall be added to the annuity payable under section 221(a).

"(c) MEDICAL EXAMINATIONS.—

"(1) MEDICAL EXAMINATION REQUIRED FOR DETERMINATION OF DISABILITY.—In each case, the participant shall be given a medical examination by one or more duly qualified physicians or surgeons designated by the Director to conduct examinations, and disability shall be determined by the Director on the basis of the advice of such physicians or surgeons.

"(2) ANNUAL REEXAMINATIONS UNTIL AGE 60.—Unless the disability is permanent, like examinations shall be made annually until the annuitant becomes age 60. If the Director determines on the basis of the advice of one or more duly qualified physicians or surgeons conducting such examinations that an annuitant has recovered to the extent that the annuitant can return to duty, the annuitant may apply for reinstatement or reappointment in the Agency within one year from the date the annuitant's recovery is determined.

"(3) REINSTATEMENT.—Upon application, the Director may reinstate any such recovered disability annuitant in the grade held at time of retirement, or the Director may, taking into consideration the age, qualifications, and experience of such annuitant, and the present grade of the annuitant's contemporaries in the Agency, appoint the annuitant to a grade higher than the one held before retirement.

"(4) TERMINATION OF DISABILITY ANNUITY.—Payment of the annuity shall continue until a date one year after the date of examination showing recovery or until the date of reinstatement or reappointment in the Agency, whichever is earlier.

"(5) PAYMENT OF FEES.—Fees for examinations under this subsection, together with reasonable traveling and other expenses incurred in order to submit to examination, may be paid out of the fund.

"(6) SUSPENSION OF ANNUITY PENDING REQUIRED EXAMINATION.—If the annuitant fails to submit to examination as required under this section, payment of the annuity shall be suspended until continuance of the disability is satisfactorily established.

"(7) TERMINATION OF ANNUITY UPON RESTORATION OF EARNING CAPACITY.—If the annuitant receiving a disability retirement annuity is restored to earning capacity before becoming age 60, payment of the annuity terminates on reemployment by the Government or 180 days after the end of the calendar year in which earning capacity is restored, whichever is earlier. Earning capacity shall be considered to be restored if in any calendar year the income of the annuitant from wages or self-employment, or both, equals at least 80 percent of the current rate of pay for the grade and step the annuitant held at the time of retirement.

"(d) TREATMENT OF RECOVERED DISABILITY ANNUITANT WHO IS NOT REINSTATED.—

"(1) SEPARATION.—If a recovered or restored disability annuitant whose annuity is discontinued is for any reason not reinstated or reappointed in the Agency, the annuitant shall be considered, except for service credit, to have been separated within the meaning of section 234 as of the date of termination of the disability annuity.

"(2) RETIREMENT.—After such termination, the recovered or restored annuitant shall be entitled to the benefits of section 234 or 241(b), except that the annuitant may elect voluntary retirement under section 233, if qualified thereunder, or may be placed by the Director in an involuntary retirement status under section 235(a), if qualified thereunder. Retirement rights under this paragraph shall be based on the provisions of this title in effect as of the date on which the disability annuity is discontinued.

"(3) FURTHER DISABILITY BEFORE AGE 62.—If, based on a current medical examination, the Director determines that a recovered annuitant has, before reaching age 62, again become totally disabled due to recurrence of the disability for which the annuitant was originally retired, the annuitant's terminated disability annuity (same type and rate) shall be reinstated from the date of such medical examination. If a restored-to-earning-capacity annuitant has not medically recovered from the disability for which retired and establishes to the Director's satisfaction that the annuitant's income from wages and self-employment in any calendar year before reaching age 62 was less than 80 percent of the rate of pay for the grade and step the annuitant held at the time of retirement, the annuitant's terminated disability annuity (same type and rate) shall be reinstated from the first of the next following year. If the annuitant has been allowed an involuntary or voluntary retirement annuity in the meantime, the annuitant's reinstated disability annuity shall be substituted for it unless the annuitant elects to retain the former benefit.

"(e) COORDINATION OF BENEFITS.—

"(1) WORKERS' COMPENSATION.—A participant is not entitled to receive for the same period of time—

"(A) an annuity under this title, and

"(B) compensation for injury to, or disability of, such participant under subchapter I of chapter 81 of title 5, United States Code, other than compensation payable under section 8107 of such title.

"(2) SURVIVOR ANNUITIES.—An individual is not entitled to receive an annuity under this title and a concurrent benefit under subchapter I of chapter 81 of title 5, United States Code, on account of the death of the same person.

"(3) GREATER BENEFIT.—Paragraphs (1) and (2) do not bar the right of a claimant to the greater benefit conferred by either this title or subchapter I of chapter 81 of title 5, United States Code.

"(f) OFFSET FROM SURVIVOR ANNUITY FOR WORKERS' COMPENSATION PAYMENT.—

"(1) REFUND TO DEPARTMENT OF LABOR.—If an individual is entitled to an annuity under this title and the individual receives a lump-sum payment for compensation under section 8135 of title 5, United States Code, based on the disability or death of the same person, so much of the compensation as has been paid for a period extended beyond the date payment of the annuity commences, as determined by the Secretary of Labor, shall be refunded to the Department for credit to the Employees' Compensation Fund. Before the individual may receive the annuity, the individual shall—

"(A) refund to the Secretary of Labor the amount representing the commuted compensation payments for the extended period; or

"(B) authorize the deduction of the amount from the annuity.

"(2) SOURCE OF DEDUCTION.—Deductions from the annuity may be made from accrued or accruing payments. The amounts deducted and withheld from the annuity shall be transmitted to the Secretary for reimbursement to the Employees' Compensation Fund.

"(3) PRORATING DEDUCTION.—If the Secretary finds that the financial circumstances of an individual entitled to an annuity under this title warrant deferred refunding, deductions from the annuity may be prorated against and paid from accruing payments in such manner as the Secretary determines appropriate.

"SEC. 232. DEATH IN SERVICE.

"(a) RETURN OF CONTRIBUTIONS WHEN NO ANNUITY PAYABLE.—If a participant dies and no claim for an annuity is payable under this title, the participant's lump-sum credit and any voluntary contributions made under section 281, with interest, shall be paid in the order of precedence shown in section 241(c).

"(b) SURVIVOR ANNUITY FOR SURVIVING SPOUSE OR FORMER SPOUSE.—

"(1) IN GENERAL.—If a participant dies before separation or retirement from the Agency and is survived by a spouse or by a former spouse qualifying for a survivor annuity under section 222(b), such surviving spouse shall be entitled to an annuity equal to 55 percent of the annuity computed in accordance with paragraphs (2) and (3) of this subsection and section 221(a), and any such surviving former spouse shall be entitled to an annuity computed in accordance with section 222(b) and paragraph (2) of this subsection as if the participant died after being entitled to an annuity under this title. The annuity of such surviving spouse or former spouse shall commence on the day after the participant dies and shall terminate on the last day of the month before the death or remarriage before attaining age 55 of the surviving spouse or former spouse (subject to the payment and restoration provisions of sections 221(b)(3)(C), 221(h), and 222(b)(3)).

"(2) COMPUTATION.—The annuity payable under paragraph (1) shall be computed in accordance with section 221(a), except that the computation of the annuity of the participant under such section shall be at least the smaller of (A) 40 percent of the participant's high-3 average pay, or (B) the sum obtained under such section after increasing the participant's length of service by the difference between the participant's age at the time of death and age 60.

"(3) LIMITATION.—Notwithstanding paragraph (1), if the participant had a former spouse qualifying for an annuity under section 222(b), the annuity of a surviving spouse under this section shall be subject to the limitation of section 221(b)(3)(B), and the annuity of a former spouse under this section shall be subject to the limitation of section 222(b)(4)(B).

"(4) PRECEDENCE OF SECTION 224 SURVIVOR ANNUITY OVER DEATH-IN-SERVICE ANNUITY.—If a former spouse who is eligible for a death-in-service annuity under this section is or becomes eligible for an annuity under section 222, the annuity provided under this section shall not be payable and shall be superseded by the annuity under section 224.

"(c) ANNUITIES FOR SURVIVING CHILDREN.—

"(1) PARTICIPANTS DYING BEFORE APRIL 1, 1992.—In the case of a participant who before April 1, 1992, died before separation or retirement from the Agency and who was survived by a child or children—

"(A) if the participant was survived by a spouse, there shall be paid from the fund to or on behalf of each such surviving child an annuity determined under section 221(d)(3)(A); and

"(B) if the participant was not survived by a spouse, there shall be paid from the fund to or on behalf of each such surviving child an annuity determined under section 221(d)(3)(B).

"(2) PARTICIPANTS DYING ON OR AFTER APRIL 1, 1992.—In the case of a participant who on or after April 1, 1992, dies before separation or retirement from the Agency and who is survived by a child or children—

"(A) if the participant is survived by a spouse or former spouse who is the natural or adoptive parent of a surviving child of the participant, there shall be paid from the fund to or on behalf of each such surviving child an annuity determined under section 221(d)(3)(A); and

"(B) if the participant is not survived by a spouse or former spouse who is the natural or adoptive parent of a surviving child of the participant, there shall be paid to or on behalf of each such surviving child an annuity determined under section 221(d)(3)(B).

"(3) FORMER SPOUSE DEFINED.—For purposes of this subsection, the term 'former spouse' includes any former wife or husband of a participant, regardless of the length of marriage or the amount of creditable service completed by the participant.

"SEC. 233. VOLUNTARY RETIREMENT.

"A participant who is at least 50 years of age and has completed 20 years of service may, on the participant's application and with the consent of the Director, be retired from the Agency and receive benefits in accordance with the provisions of section 221 if the participant has not less than 10 years of service with the Agency.

"SEC. 234. DISCONTINUED SERVICE BENEFITS.

"(a) DEFERRED ANNUITY.—A participant who separates from the Agency may, upon separation or at any time before the commencement of an annuity under this title, elect—

"(1) to have the participant's contributions to the fund returned to the participant in accordance with section 241(a); or

"(2) except in a case in which the Director determines that separation was based in whole or in part on the ground of disloyalty to the United States, to leave the contributions in the fund and receive an annuity, computed as prescribed in section 221, commencing at age 62.

"(b) REFUND OF CONTRIBUTIONS IF FORMER PARTICIPANT DIES BEFORE AGE 62.—If a participant who qualifies under subsection (a) to receive a deferred annuity commencing at age 62 dies before reaching age 62, the participant's contributions to the fund, with interest, shall be *paid in accordance with the provisions of sections 241 and 281.*

"SEC. 235. MANDATORY RETIREMENT.

"(a) INVOLUNTARY RETIREMENT.—

"(1) AUTHORITY OF DIRECTOR.—The Director may, in the Director's discretion, place in a retired status any participant in the system described in paragraph (2).

"(2) Paragraph (1) applies with respect to any participant who has not less than 10 years of service with the Agency and who—

"(A) has completed at least 25 years of service; or

"(B) is at least 50 years of age and has completed at least 20 years of service.

"(b) MANDATORY RETIREMENT FOR AGE.—

"(1) IN GENERAL.—A participant in the system shall be automatically retired from the Agency—

"(A) upon reaching age 65, in the case of a participant in the system receiving compensation under the Senior Intelligence Service pay schedule at the rate of level 4 or above; and

"(B) upon reaching age 60, in the case of any other participant in the system.

"(2) EFFECTIVE DATE OF RETIREMENT.—Retirement under paragraph (1) shall be effective on the last day of the month in which the participant reaches the age applicable to that participant under that paragraph.

"(3) AUTHORITY FOR EXTENSION.—In any case in which the Director determines it to be in the public interest, the Director may extend the mandatory retirement date for a participant under this subsection by a period of not to exceed 5 years.

"(c) RETIREMENT BENEFITS.—A participant retired under this section shall receive retirement benefits in accordance with section 221.

"SEC. 236. ELIGIBILITY FOR ANNUITY.

"(a) ONE-OUT-OF-TWO REQUIREMENT.—A participant must complete, within the last two years before any separation from service (except a separation because of death or disability) at least one year of creditable civilian service during which the participant is subject to this title and in a pay status before the participant or the participant's survivors are eligible for an annuity under this title based on that separation.

"(b) REFUND OF CONTRIBUTIONS FOR TIME NOT ALLOWED FOR CREDIT.—If a participant (other than a participant separated from the service because of death or disability) fails to meet the service and pay status requirement of subsection (a), any amounts deducted from the participant's pay during the period for which no eligibility is established based on the separation shall be returned to the participant on the separation.

"(c) EXCEPTION.—Failure to meet the service and pay status requirement of subsection (a) shall not deprive the participant or the participant's survivors of any annuity to which they may be entitled under this title based on a previous separation.

"Part E—Lump Sum Payments

"SEC. 241. LUMP-SUM PAYMENTS.

"(a) ENTITLEMENT TO LUMP-SUM CREDIT.—Subject to section 252(d) and subsection (b) of this section, a participant who—

"(1) is separated from the Agency for at least 31 consecutive days and is not transferred to employment covered by another retirement system for Government employees;

"(2) files an application with the Director for payment of the lump-sum credit;

"(3) is not reemployed in a position in which the participant is subject to this title at the time the participant files the application; and

"(4) will not become eligible to receive an annuity under this title within 31 days after filing the application,

is entitled to be paid the lump-sum credit. Receipt of the payment of the lump-sum credit by the former participant voids all annuity rights under this title based on the service on which the lump-sum credit is based, until the former participant is reemployed in service subject to this title.

"(b) CONDITIONS FOR PAYMENT OF LUMP-SUM CREDIT.—

"(1) IN GENERAL.—Whenever a former participant becomes entitled to receive payment of the lump-sum credit under subsection (a), such lump-sum credit shall be paid to the former participant and to any former spouse or former wife or husband of the former participant in accordance with paragraphs (2) through (4). The former participant's lump-sum credit shall be reduced by the amount of the lump-sum credit payable to any former spouse or former wife or husband.

"(2) PRO RATA SHARE FOR FORMER SPOUSE.—Unless otherwise expressly provided by any spousal agreement or court order under section 264(b), a former spouse of the former participant shall be entitled to receive a share of such participant's lump-sum credit—

"(A) if married to the participant throughout the period of creditable service of the participant, equal to 50 percent of such lump-sum credit; or

"(B) if not married to the participant throughout such creditable service, equal to a proportion of 50 percent of such lump-sum credit which is the proportion that the number of days of the marriage of the former spouse to the participant during periods of creditable service of such participant bears to the total number of days of such creditable service.

"(3) SHARE FOR FORMER WIFE OR HUSBAND.—Payment of the former participant's lump-sum credit shall be subject to the terms of a court order under section 264(c) concerning any former wife or husband of the former participant if—

"(A) the court order expressly relates to any portion of such lump-sum credit; and

"(B) payment of the lump-sum credit would extinguish entitlement of such former wife or husband to a survivor annuity under section 226 or to any portion of the participant's annuity under section 264(c).

"(4) NOTIFICATION.—A lump-sum credit may be paid to or for the benefit of a former participant—

"(A) only upon written notification to (i) the current spouse, if any, (ii) any former spouse, and (iii) any former wife or husband who has a court order covered by paragraph (3); and

"(B) only if the express written concurrence of the current spouse has been received by the Director.

This paragraph may be waived under circumstances described in section 221(b)(1)(D).

"(c) ORDER OF PRECEDENCE OF PAYMENT.—A lump-sum benefit that would have been payable to a participant, former participant, or annuitant, or to a survivor annuitant, authorized by subsection (d) or (e) of this section or by section 234(b) or 281(d) shall be paid in the following order of precedence to individuals surviving the participant and alive on the date entitlement to the payment arises, upon establishment of a valid claim therefor, and such payment bars recovery by any other individual:

"(1) To the beneficiary or beneficiaries designated by such participant in a signed and witnessed writing received by the Director before the participant's death. For this purpose, a designation, change, or cancellation of beneficiary in a will or other document not so executed and filed with the Director shall have no force or effect.

"(2) If there is no designated beneficiary, to the surviving wife or husband of such participant.

"(3) If none of the above, to the child or children of such participant and descendent of deceased children by representation.

"(4) If none of the above, to the parents of such participant or the survivor of them.

"(5) If none of the above, to the duly appointed executor or administrator of the estate of such participant.

"(6) If none of the above, to such other next of kin of such participant as the Director determines to be legally entitled to such payment.

"(d) DEATH OF FORMER PARTICIPANT BEFORE RETIREMENT.—

"(1) IN GENERAL.—Except as provided in paragraph (2), if a former participant eligible for a deferred annuity under section 234 dies before reaching age 62, such former participant's lump-sum credit shall be paid in accordance with subsection (c).

"(2) LIMITATION.—In any case where there is a surviving former spouse or surviving former wife or husband of such participant who is entitled to a share of such participant's lump-sum credit under paragraphs (2) and (3) of subsection (b), the lump-sum credit payable under paragraph (1) shall be reduced by the lump-sum credit payable to such former spouse or former wife or husband.

"(e) TERMINATION OF ALL ANNUITY RIGHTS.—If all annuity rights under this title based on the service of a deceased participant or annuitant terminate before the total annuity paid equals the lump-sum credit, the difference shall be paid in accordance with subsection (c).

"(f) TERMINATION OF SURVIVOR ANNUITY.—An annuity accrued and unpaid on the termination, except by death, of the annuity of a survivor annuitant shall be paid to that individual. An annuity accrued and unpaid on the death of a survivor annuitant shall be paid in the following order of precedence, and the payment bars recovery by any other individual:

"(1) To the duly appointed executor or administrator of the estate of the survivor annuitant.

"(2) If there is no executor or administrator, to such next of kin of the survivor annuitant as the Director determines to be legally entitled to such payment, except that no payment shall be made under this paragraph until after the expiration of 30 days from the date of death of the survivor annuitant.

"Part F—Period of Service for Annuities

"SEC. 251. COMPUTATION OF LENGTH OF SERVICE.

"(a) IN GENERAL.—

"(1) CREDITING SERVICE AS PARTICIPANT.—For the purposes of this title, the period of service of a participant shall be computed from the date on which the participant becomes a participant under this title.

"(2) EXCLUSION OF CERTAIN PERIODS.—In computing the period of service of a participant, all periods of separation from the Agency and so much of any leave of absence without pay as may exceed six months in the aggregate in any calendar year shall be excluded, except leaves of absence while receiving benefits under chapter 81 of title 5, United States Code, and leaves of absence granted participants while performing active and honorable service in the Armed Forces.

"(3) CREDITING CERTAIN PERIODS OF SEPARATION.—A participant or former participant who returns to Government duty after a period of separation shall have included in the participant or former participant's period of service that part of the period of separation in which the participant or former participant was receiving benefits under chapter 81 of title 5, United States Code.

"(b) EXTRA CREDIT FOR PERIODS SERVED AT UNHEALTHFUL POSTS OVERSEAS.—

"(1) CLASSIFICATION OF CERTAIN POSTS AS UNHEALTHFUL.—The Director may from time to time establish a list of places outside the United States that, by reason of climatic or other extreme conditions, are to be classed as

unhealthful posts. Such list shall be established in consultation with the Secretary of State.

"(2) EXTRA CREDIT.—Each year of duty at a post on the list established under paragraph (1), inclusive of regular leaves of absence, shall be counted as one and a half years in computing the length of service of a participant under this title for the purpose of retirement. In computing such service, any fractional month shall be treated as a full month.

"(3) COORDINATION WITH BENEFITS UNDER TITLE 5.—Extra credit for service at an unhealthful post may not be credited to a participant who is paid a differential under section 5925 or 5928 of title 5, United States Code, for the same service.

"(4) EXCLUSION FROM CONSIDERATION FOR FORMER SPOUSE PURPOSES.—Extra credit under this subsection may not be used—

"(A) to determine the eligibility of a participant's former wife or husband to qualify as a former spouse under this title; or

"(B) to compute a former spouse's proportionate share under section 222.

"SEC. 252. PRIOR SERVICE CREDIT.

"(a) IN GENERAL.—A participant may, subject to the provisions of this section, include in the participant's period of service—

"(1) civilian service in the Government before becoming a participant that would be creditable toward retirement under subchapter III of chapter 83 of title 5, United States Code (as determined under section 8332(b) of such title); and

"(2) honorable active service in the Armed Forces before the date of the separation upon which eligibility for an annuity is based, or honorable active service in the Regular or Reserve Corps of the Public Health Service after June 30, 1960, or as a commissioned officer of the National Oceanic and Atmospheric Administration after June 30, 1961.

"(b) LIMITATIONS.—

"(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the total service of any participant shall exclude—

"(A) any period of civilian service on or after October 1, 1982, for which retirement deductions or deposits have not been made,

"(B) any period of service for which a refund of contributions has been made, or

"(C) any period of service for which contributions were not transferred pursuant to subsection (c)(1);

unless the participant makes a deposit to the fund in an amount equal to the percentages of basic pay received for such service as specified in the table contained in section 8334(c) of title 5, United States Code, together with interest computed in accordance with section 8334(e) of such title. The deposit may be made in one or more installments (including by allotment from pay), as determined by the Director.

"(2) EFFECT OF RETIREMENT DEDUCTIONS NOT MADE.—If a participant has not paid a deposit for civilian service performed before October 1, 1982, for which retirement deductions were not made, such participant's annuity shall be reduced by 10 percent of the deposit described in paragraph (1) remaining unpaid, unless the participant elects to eliminate the service involved for the purpose of the annuity computation.

"(3) EFFECT OF REFUND OF RETIREMENT CONTRIBUTIONS.—A participant who received a refund of retirement contributions under this or any other retirement system for Government employees covering service for which the participant may be allowed credit under this title may deposit the amount received, with interest computed under paragraph (1). Credit may not be allowed for the service covered by the refund until the deposit is made, except that a participant who—

"(A) separated from Government service before October 1, 1990, and received a refund of the participant's retirement contributions covering a period of service ending before October 1, 1990;

"(B) is entitled to an annuity under this title (other than a disability annuity) which commences after December 1, 1992; and

"(C) does not make the deposit required to receive credit for the service covered by the refund;

shall be entitled to an annuity actuarially reduced in accordance with section 8334(d)(2)(B) of title 5, United States Code.

"(4) ENTITLEMENT UNDER ANOTHER SYSTEM.—Credit toward retirement under the system shall not be allowed for any period of civilian service on the basis of which the participant is receiving (or will in the future be entitled to receive) an annuity under another retirement system for Government employees, unless the right to such annuity is waived and a deposit is made under paragraph (1) covering that period of service, or a transfer is made pursuant to subsection (c).

"(c) TRANSFER FROM OTHER GOVERNMENT RETIREMENT SYSTEMS.—

"(1) IN GENERAL.—If an employee who is under another retirement system for Government employees becomes a participant in the system by direct transfer, the Government's contributions (including interest accrued thereon computed in accordance with section 8334(e) of title 5, United States Code) under such retirement system on behalf of the employee as well as such employee's total contributions and deposits (including interest accrued thereon), except voluntary contributions, shall be transferred to the employee's credit in the fund effective as of the date such employee becomes a participant in the system.

"(2) CONSENT OF EMPLOYEE.—Each such employee shall be deemed to consent to the transfer of such funds, and such transfer shall be a complete discharge and acquittance of all claims and demands against the other Government retirement fund on account of service rendered before becoming a participant in the system.

"(3) ADDITIONAL CONTRIBUTIONS; REFUNDS.—A participant whose contributions are transferred pursuant to paragraph (1) shall not be required to make additional contributions for periods of service for which full contributions were made to the other Government retirement fund, nor shall any refund be made to any such participant on account of contributions made during any period to the other Government retirement fund at a higher rate than that fixed for employees by section 8334(c) of title 5, United States Code, for contributions to the fund.

"(d) TRANSFER TO OTHER GOVERNMENT RETIREMENT SYSTEMS.—

"(1) IN GENERAL.—If a participant in the system becomes an employee under another Government retirement system by direct transfer to employment covered by such system, the Government's contributions (including interest accrued thereon computed in accordance with section 8334(e) of title 5, United States Code) to the fund on the participant's behalf as well as the participant's total contributions and deposits (including interest accrued thereon), except voluntary contributions, shall be transferred to the participant's credit in the fund of such other retirement system effective as of the date on which the participant becomes eligible to participate in such other retirement system.

"(2) CONSENT OF EMPLOYEE.—Each such employee shall be deemed to consent to the transfer of such funds, and such transfer shall be a complete discharge and acquittance of all claims and demands against the fund on account of service rendered before the participant's becoming eligible for participation in that other system.

"(e) PRIOR MILITARY SERVICE CREDIT.—

"(1) APPLICATION TO OBTAIN CREDIT.—If a deposit required to obtain credit for prior military service described in subsection (a)(2) was not made to another Government retirement fund and transferred under subsection (c)(1), the participant may obtain credit for such military service, subject to the provisions of this subsection and subsections (f) through (h), by applying for it to the Director before retirement or separation from the Agency.

"(2) EMPLOYMENT STARTING BEFORE, ON, OR AFTER OCTOBER 1, 1982.—Except as provided in paragraph (3)—

"(A) the service of a participant who first became a Federal employee before October 1, 1982, shall include credit for each period of military service performed before the date of separation on which entitlement to an annuity under this title is based, subject to section 252(f); and

"(B) the service of a participant who first becomes a Federal employee on or after October 1, 1982, shall include credit for—

"(i) each period of military service performed before January 1, 1957, and

"(ii) each period of military service performed after December 31, 1956, and before the separation on which entitlement to an annuity under this title is based, onlyputed in accordance with section 8332(c)(3) of title 5, United States Code.

"(f) EFFECT OF ENTITLEMENT TO SOCIAL SECURITY BENEFITS.—

"(1) IN GENERAL.—Notwithstanding any other provision of this section (except paragraph (3) of this subsection) or section 253, any military service (other than military service covered by military leave with pay from a civilian position) performed by a participant after December 1956 shall be excluded in determining the aggregate period of service on which an annuity payable under this title to such participant or to the participant's spouse, former spouse, previous spouse, or child is based, if such participant, spouse, former spouse, previous spouse, or child is entitled (or would upon proper application be entitled), at the time of such determination, to monthly old-age or survivors' insurance benefits under section 202 of the Social Security Act (42 U.S.C. 402), based on such participant's wages and self-employment income. If the military service is not excluded under the preceding sentence, but upon attaining age 62, the participant or spouse, former spouse, or previous spouse becomes entitled (or would upon proper application be entitled) to such benefits, the aggregate period of service on which the annuity is based shall be redetermined, effective as of the first day of the month in which the participant or spouse, former spouse, or previous spouse attains age 62, so as to exclude such service.

"(2) LIMITATION.—The provisions of paragraph (1) relating to credit for military service do not apply to—

"(A) any period of military service of a participant with respect to which the participant has made a deposit with interest, if any, under subsection (h); or

"(B) the military service of any participant described in subsection (e)(2)(B).

"(3) EFFECT OF ENTITLEMENT BEFORE SEPTEMBER 8, 1982.—(A) The annuity recomputation required by paragraph (1) shall not apply to any participant who was entitled to an annuity under this title on or before September 8, 1982, or who is entitled to a deferred annuity based on separation from the Agency occurring on or before such date. Instead of an annuity recomputation, the annuity of such participant shall be reduced at age 62 by an amount equal to a fraction of the participant's old-age or survivors' insurance benefits under section 202 of the Social Security Act. The reduction shall be determined by multiplying the participant's monthly Social Security benefit by a fraction, the numerator of which is the participant's total military wages and deemed additional wages (within the meaning of section 229 of the Social

Security Act (42 U.S.C. 429)) that were subject to Social Security deductions and the denominator of which is the total of all the participant's wages, including military wages, and all self-employment income that were subject to Social Security deductions before the calendar year in which the determination month occurs.

"(B) The reduction determined in accordance with subparagraph (A) shall not be greater than the reduction that would be required under paragraph (1) if such paragraph applied to the participant. The new formula shall be applicable to any annuity payment payable after October 1, 1982, including annuity payments to participants who had previously reached age 62 and whose annuities had already been recomputed.

"(C) For purposes of this paragraph, the term 'determination month' means—

"(i) the first month for which the participant is entitled to old-age or survivors' insurance benefits (or would be entitled to such benefits upon application therefor); or

"(ii) October 1982, in the case of any participant entitled to such benefits for that month.

"(g) DEPOSITS PAID BY SURVIVORS.—For the purpose of survivor annuities, deposits authorized by subsections (b) and (h) and by section 221(g)(2) may also be made by the survivor of a participant.

"(h) DEPOSITS FOR PERIODS OF MILITARY SERVICE.—

"(1) Each participant who has performed military service before the date of separation on which entitlement to an annuity under this title is based may pay to the Agency an amount equal to 7 percent of the amount of basic pay paid under section 204 of title 37, United States Code, to the participant for each period of military service after December 1956. The amount of such payments shall be based on such evidence of basic pay for military service as the participant may provide or, if the Director determines sufficient evidence has not been provided to adequately determine basic pay for military service, such payment shall be based upon estimates of such basic pay provided to the Director under paragraph (4).

"(2) Any deposit made under paragraph (1) more than two years after the later of—

"(A) October 1, 1983, or

"(B) the date on which the participant making the deposit first becomes an employee of the Federal Government,

shall include interest on such amount computed and compounded annually beginning on the date of expiration of the two-year period. The interest rate that is applicable in computing interest in any year under this paragraph shall be equal to the interest rate that is applicable for such year under section 8334(e) of title 5, United States Code.

"(3) Any payment received by the Director under this subsection shall be deposited in the Treasury of the United States to the credit of the fund.

"(4) The provisions of section 221(k) shall apply with respect to such information as the Director determines to be necessary for the administration of this subsection in the same manner that such section applies concerning information described in that section.

"SEC. 253. CREDIT FOR SERVICE WHILE ON MILITARY LEAVE.

"(a) GENERAL RULE.—A participant who, during the period of any war or of any national emergency as proclaimed by the President or declared by the Congress, leaves the participant's position in the Agency to enter military service shall not be considered, for purposes of this title, as separated from the participant's position in the Agency by reason of such military service, unless the participant applies for and receives a refund of contributions under this title. Such a participant may not be considered as retaining such position in the Agency after December 31, 1956, or upon the expiration of five years of such military service, whichever is later.

"(b) WAIVER OF CONTRIBUTIONS.—Except to the extent provided under section 252(e) or 252(h), contributions shall not be required covering periods of leave of absence from the Agency granted a participant while performing active service in the Armed Forces.

"Part G—Moneys

"SEC. 261. ESTIMATE OF APPROPRIATIONS NEEDED.

"(a) ESTIMATES OF ANNUAL APPROPRIATIONS.—The Director shall prepare the estimates of the annual appropriations required to be made to the fund.

"(b) ACTUARIAL VALUATIONS.—The Director shall cause to be made actuarial valuations of the fund at such intervals as the Director determines to be necessary, but not less often than every five years.

"(c) CHANGES IN LAW AFFECTING ACTUARIAL STATUS OF FUND.—Any statute which authorizes—

"(1) new or increased benefits payable from the fund under this title, including annuity increases other than under section 291;

"(2) extension of the coverage of this title to new groups of employees; or

"(3) increases in pay on which benefits are computed;

is deemed to authorize appropriations to the fund in order to provide funding for the unfunded liability created by that statute, in 30 equal annual installments with interest computed at the rate used in the then most recent valuation of the system and with the first payment thereof due as of the end of the fiscal year in which such new or liberalized benefit, extension of coverage, or increase in pay is effective.

"(d) AUTHORIZATION.—There is hereby authorized to be appropriated to the fund for each fiscal year such amounts as may be necessary to meet the amount of normal cost for each year that is not met by contributions under section 211(a).

"(e) UNFUNDED LIABILITY; CREDIT ALLOWED FOR MILITARY SERVICE.—There is hereby authorized to be appropriated to the fund for each fiscal year such sums as may be necessary to provide the amount equivalent to—

"(1) interest on the unfunded liability computed for that year at the interest rate used in the then most recent valuation of the system; and

"(2) that portion of disbursement for annuities for that year that the Director estimates is attributable to credit allowed for military service,

less an amount determined by the Director to be appropriate to reflect the value of the deposits made to the credit of the fund under section 252(h).

"SEC. 262. INVESTMENT OF MONEYS IN THE FUND.

"The Director may, with the approval of the Secretary of the Treasury, invest from time to time in interest-bearing securities of the United States such portions of the fund as in the Director's judgment may not be immediately required for the payment of annuities, cash benefits, refunds, and allowances from the fund. The income derived from such investments shall be credited to and constitute a part of the fund.

"SEC. 263. PAYMENT OF BENEFITS.

"(a) ANNUITIES STATED AS ANNUAL AMOUNTS.—Each annuity is stated as an annual amount, 1/12 of which, rounded to the next lowest dollar, constitutes the monthly rate payable on the first business day of the month after the month or other period for which it has accrued.

"(b) COMMENCEMENT OF ANNUITY.—

"(1) COMMENCEMENT OF ANNUITY FOR PARTICIPANTS GENERALLY.—Except as otherwise provided in paragraph (2), the annuity of a participant who has met the eligibility requirements for an annuity shall commence on the first day of the month after separation from the Agency or after pay ceases and the service and age requirements for title to an annuity are met.

"(2) EXCEPTIONS.—The annuity of—

"(A) a participant involuntarily separated from the Agency;

"(B) a participant retiring under section 231 due to a disability; and

"(C) a participant who serves 3 days or less in the month of retirement;

shall commence on the day after separation from the Agency or the day after pay ceases and the service and age or disability requirements for title to annuity are met.

"(3) OTHER ANNUITIES.—Any other annuity payable from the fund commences on the first day of the month after the occurrence of the event on which payment thereof is based.

"(c) TERMINATION OF ANNUITY.—An annuity payable from the fund shall terminate—

"(1) in the case of a retired participant, on the day death or any other terminating event provided by this title occurs; or

"(2) in the case of a former spouse or a survivor, on the last day of the month before death or any other terminating event occurs.

"(d) APPLICATION FOR SURVIVOR ANNUITIES.—The annuity to a survivor shall become effective as otherwise specified but shall not be paid until the survivor submits an application for such annuity, supported by such proof of eligibility as the Director may require. If such application or proof of eligibility is not submitted during the lifetime of an otherwise eligible individual, no annuity shall be due or payable to the individual's estate.

"(e) WAIVER OF ANNUITY.—An individual entitled to an annuity from the fund may decline to accept all or any part of the annuity by submitting a signed waiver to the Director. The waiver may be revoked in writing at any time. Payment of the annuity waived may not be made for the period during which the waiver is in effect.

"(f) LIMITATIONS.—

"(1) APPLICATION BEFORE 115TH ANNIVERSARY.—No payment shall be made from the fund unless an application for benefits based on the service of the participant is received by the Director before the 115th anniversary of the participant's birth.

"(2) APPLICATION WITHIN 30 YEARS.—Notwithstanding paragraph (1), after the death of a participant or retired participant, no benefit based on that participant's service may be paid from the fund unless an application for the benefit is received by the Director within 30 years after the death or other event which gives rise to eligibility for the benefit.

"(g) WITHHOLDING OF STATE INCOME TAX FROM ANNUITIES.—

"(1) AGREEMENTS WITH STATES.—The Director shall, in accordance with this subsection, enter into an agreement with any State within 120 days of a request for agreement from the proper State official. The agreement shall provide that the Director shall withhold State income tax in the case of the monthly annuity of any annuitant who voluntarily requests, in writing, such withholding. The amounts withheld during any calendar quarter shall be held in the Fund and disbursed to the States during the month following that calendar quarter.

"(2) LIMITATION ON MULTIPLE REQUESTS.—An annuitant may have in effect at any time only one request for withholding under this subsection, and an annuitant may not have more than two such requests during any one calendar year.

"(3) CHANGE IN STATE DESIGNATION.—Subject to paragraph (2), an annuitant may change the State designated by that annuitant for purposes of having withholdings made, and may request that the withholdings be remitted in accordance with such change. An annuitant also may revoke any request of that annuitant for withholding. Any change in the State designated or revocation is effective on the first day of the month after the month in which the request or the revocation is processed by the Director, but in no event later than on the first day of the second month beginning after the day on which such request or revocation is received by the Director.

"(4) GENERAL PROVISIONS.—This subsection does not give the consent of the United States to the application of a statute which imposes more burdensome requirements of the United States than on employers generally, or which subjects the United States or any annuitant to a penalty or liability because of this subsection. The Director may not accept pay from a State for services performed in withholding State income taxes from annuities. Any amount erroneously withheld from an annuity and paid to a State by the Director shall be repaid by the State in accordance with regulations prescribed by the Director.

"(5) DEFINITION.—For the purpose of this subsection, the term 'State' includes the District of Columbia and any territory or possession of the United States.

"SEC. 264. ATTACHMENT OF MONEYS.

"(a) EXEMPTION FROM LEGAL PROCESS.—Except as provided in subsections (b), (c), and (e), none of the moneys paid pursuant to this title shall be assignable either in law or equity, or be subject to execution, levy, attachment, garnishment, or other legal process, except as otherwise may be provided by Federal laws.

"(b) PAYMENT TO FORMER SPOUSES UNDER COURT ORDER OR SPOUSAL AGREEMENT.—In the case of any participant, former participant, or retired participant who has a former spouse who is covered by a court order or who is a party to a spousal agreement—

"(1) any right of the former spouse to any annuity under section 222(a) in connection with any retirement or disability annuity of the participant, and the amount of any such annuity;

"(2) any right of the former spouse of a participant or retired participant to a survivor annuity under section 222(b) or 222(c), and the amount of any such annuity;

"(3) any right of the former spouse of a former participant to any payment of a lump-sum credit under section 241(b) and to any payment of a return of contributions under section 234(a); and

"(4) any right of the former spouse of a participant or former participant to a lump-sum payment or additional annuity payable from a voluntary contribution account under section 281;

shall be determined in accordance with that spousal agreement or court order, if and to the extent expressly provided for in the terms of the spousal agreement or court order that are not inconsistent with the requirements of this title.

"(c) OTHER PAYMENTS UNDER COURT ORDERS.—Payments under this title that would otherwise be made to a participant, former participant, or retired participant based upon that participant's service shall be paid, in whole or in part, by the Director to another individual if and to the extent expressly provided for in the terms of any court decree of divorce, annulment, or legal separation, or the terms of any court order or court-approved property settlement agreement incident to any court decree of divorce, annulment, or legal separation.

"(d) PROSPECTIVE PAYMENTS; BAR TO RECOVERY.—

"(1) Subsections (b) and (c) apply only to payments made under this title for periods beginning after the date of receipt by the Director of written notice of such decree, order, or agreement and such additional information and documentation as the Director may require.

"(2) Any payment under subsection (b) or (c) to an individual bars recovery by any other individual.

"(e) ALLOTMENTS.—An individual entitled to an annuity from the fund may make allotments or assignments of amounts from such annuity for such purposes as the Director considers appropriate.

"SEC. 265. RECOVERY OF PAYMENTS.

"Recovery of payments under this Act may not be made from an individual when, in the judgment of the Director, the individual is without fault and recovery would be against equity and good conscience. Withholding or recovery of money payable pursuant to this Act on account of a certification or payment made by a former employee of the Agency in the discharge of the former employee's official duties may be made if the Director certifies that the certification or payment involved fraud on the part of the former employee.

"Part H—Retired Participants Recalled, Reinstated, or Reappointed in the Agency or Reemployed in the Government

"SEC. 271. RECALL.

"(a) AUTHORITY TO RECALL.—The Director may, with the consent of a retired participant, recall that participant to service in the Agency whenever the Director determines that such recall is in the public interest.

"(b) PAY OF RETIRED PARTICIPANT WHILE SERVING.—A retired participant recalled to duty in the Agency under subsection (a) or reinstated or reappointed in accordance with section 231(b) shall, while so serving, be entitled, in lieu of the retired participant's annuity, to the full basic pay of the grade in which the retired participant is serving. During such service, the retired participant shall make contributions to the fund in accordance with section 211.

"(c) RECOMPUTATION OF ANNUITY.—When the retired participant reverts to retired status, the annuity of the retired participant shall be redetermined in accordance with section 221.

"SEC. 272. REEMPLOYMENT.

"A participant retired under this title shall not, by reason of that retired status, be barred from employment in Federal Government service in any appointive position for which the participant is qualified.

"SEC. 273. REEMPLOYMENT COMPENSATION.

"(a) DEDUCTION FROM BASIC PAY.—An annuitant who has retired under this title and who is reemployed in the Federal Government service in any appointive position (either on a part-time or full-time basis) shall be entitled to receive the annuity payable under this title, but there shall be deducted from the annuitant's basic pay a sum equal to the annuity allocable to the period of actual employment.

"(b) RECOVERY OF OVERPAYMENTS.—In the event of an overpayment under this section, the amount of the overpayment shall be recovered by withholding the amount involved from the basic pay payable to such reemployed annuitant or from any other moneys, including the annuitant's annuity, payable in accordance with this title.

"(c) DEPOSIT IN THE FUND.—Sums deducted from the basic pay of a reemployed annuitant under this section shall be deposited in the Treasury of the United States to the credit of the fund.

"Part I—Voluntary Contributions

"SEC. 281. VOLUNTARY CONTRIBUTIONS.

"(a) AUTHORITY FOR VOLUNTARY CONTRIBUTIONS.—

"(1) IN GENERAL.—Under such regulations as may be prescribed by the Director, a participant may voluntarily contribute additional sums in multiples of one percent of the participant's basic pay, but not in excess of 10 percent of such basic pay.

"(2) INTEREST.—The voluntary contribution account in each case is the sum of unrefunded contributions, plus interest—

"(A) for periods before January 1, 1985, at 3 percent a year; and

"(B) for periods on or after January 1, 1985, at the rate computed under section 8334(e) of title 5, United States Code,

compounded annually to the date of election under subsection (b) or the date of payment under subsection (d).

"(b) TREATMENT OF VOLUNTARY CONTRIBUTIONS.—Effective on the date of retirement and at the election of the participant, the participant's account shall be—

"(1) returned in a lump sum;

"(2) used to purchase an additional life annuity;

"(3) used to purchase an additional life annuity for the participant and to provide for a cash payment on the participant's death to a beneficiary; or

"(4) used to purchase an additional life annuity for the participant and a life annuity commencing on the participant's death payable to a beneficiary, with a guaranteed return to the beneficiary or the beneficiary's legal representative of an amount equal to the cash payment referred to in paragraph (3).

In the case of a benefit provided under paragraph (3) or (4), the participant shall notify the Director in writing of the name of the beneficiary of the cash payment or life annuity to be paid upon the participant's death.

"(c) ACTUARIAL EQUIVALENCE.—The benefits provided by subsection (b)(2), (3), or (4) shall be actuarially equivalent in value to the payment provided for in subsection (b)(1) and shall be calculated upon such tables of mortality as may be from time to time prescribed for this purpose by the Director.

"(d) LUMP SUM PAYMENT.—A voluntary contribution account shall be paid in a lump sum at such time as the participant dies or separates from the Agency without entitlement to an annuity. In the case of death, the account shall be paid in the order of precedence specified in section 241(c).

"(e) BENEFITS IN ADDITION TO OTHER BENEFITS.—Any benefit payable to a participant or to the participant's beneficiary with respect to the additional contributions provided under this section shall be in addition to benefits otherwise provided under this title.

"Part J—Cost-of-Living Adjustment of Annuities

"SEC. 291. COST-OF-LIVING ADJUSTMENT OF ANNUITIES.

"(a) IN GENERAL.—Each annuity payable from the fund shall be adjusted as follows:

"(1) Each cost-of-living annuity increase under this section shall be identical to the corresponding percentage increase under section 8340(b) of title 5, United States Code.

"(2) A cost-of-living increase made under paragraph (1) shall become effective under this section on the effective date of each such increase under section 8340(b) of title 5, United States Code. Except as provided in subsection (b), each such increase shall be applied to each annuity payable from the fund which has a commencing date not later than the effective date of the increase.

"(b) ELIGIBILITY.—Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

"(1) The first cost-of-living increase (if any) made under subsection (a) to an annuity which is payable from the fund to a participant who retires, to the surviving spouse, former spouse, or previous spouse of a participant who dies in service, or to the surviving spouse, former spouse, previous spouse, or insurable interest designee of a deceased annuitant whose annuity has not been increased under this subsection or subsection (a), shall be equal to the product (adjusted to the nearest $^{1}/_{10}$ of one percent) of—

"(A) $^{1}/_{12}$ of the applicable percent change computed under subsection (a), multiplied by

"(B) the number of months (not to exceed 12 months, counting any portion of a month as a month)—

"(i) for which the annuity was payable from the fund before the effective date of the increase, or

"(ii) in the case of a surviving spouse, former spouse, previous spouse, or insurable interest designee of a deceased annuitant whose annuity has not been so increased, since the annuity was first payable to the deceased annuitant.

"(2) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled to an annuity under section 221(d) or section 232(c)) shall be increased by the total percentage increase the annuitant was receiving under this section at death.

"(3) For purposes of computing the annuity of a child under section 221(d) that commences after October 31, 1969, the dollar amounts specified in section 221(d)(3) shall each be increased by the total percentage increases allowed and in force under this section on or after such day and, in the case of a deceased annuitant, the percentages specified in that section shall be increased by the total percent allowed and in force to the annuitant under this section on or after such day.

"(c) LIMITATION.—An annuity increase provided by this section may not be computed on any additional annuity purchased at retirement by voluntary contributions.

"(d) ROUNDING TO NEXT LOWER DOLLAR.—The monthly annuity installment, after adjustment under this section, shall be rounded to the next lowest dollar, except that such installment shall, after adjustment, reflect an increase of at least $1.

"(e) LIMITATION ON MAXIMUM AMOUNT OF ANNUITY.—

"(1) IN GENERAL.—An annuity shall not be increased by reason of an adjustment under this section to an amount which exceeds the greater of—

"(A) the maximum pay payable for GS–15 30 days before the effective date of the adjustment under this section; or

"(B) the final pay (or average pay, if higher) of the participant with respect to whom the annuity is paid, increased by the overall annual average percentage adjustments (compounded) in the rates of pay of the General Schedule under subchapter I of chapter 53 of title 5, United States Code, during the period—

"(i) beginning on the date on which the annuity commenced (or, in the case of a survivor of the retired participant, the date on which the participant's annuity commenced), and

"(ii) ending on the effective date of the adjustment under this section.

"(2) PAY DEFINED.—For purposes of paragraph (1), the term 'pay' means the rate of salary or basic pay as payable under any provision of law, including any provision of law limiting the expenditure of appropriated funds.

"Part K—Conformity With Civil Service Retirement System

"SEC. 292. AUTHORITY TO MAINTAIN EXISTING AREAS OF CONFORMITY BETWEEN CIVIL SERVICE AND CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEMS.

"(a) PRESIDENTIAL AUTHORITY.—

"(1) CONFORMITY TO CSRS BY EXECUTIVE ORDER.—Whenever the President determines that it would be appropriate for the purpose of maintaining existing conformity between the Civil Service Retirement and Disability System and the Central Intelligence Agency Retirement and Disability System with respect to substantially identical provisions, the President may, by Executive order, extend to current or former participants in the Central Intelligence Agency Retirement and Disability System, or to their survivors, a provision of law enacted after January 1, 1975, which—

"(A) amends subchapter III of chapter 83 of title 5, United States Code, and is applicable to civil service employees generally; or

"(B) otherwise affects current or former participants in the Civil Service Retirement and Disability System, or their survivors.

"(2) EXTENSION TO CIARDS.—Any such order shall extend such provision of law so that it applies in like manner with respect to such Central Intelligence Agency Retirement and Disability System participants, former participants, or survivors.

"(3) LEGAL STATUS.—Any such order shall have the force and effect of law.

"(4) EFFECTIVE DATE.—Any such order may be given retroactive effect to a date not earlier than the effective date of the corresponding provision of law applicable to employees under the Civil Service Retirement System.

"(b) EFFECT OF EXECUTIVE ORDER.—Provisions of an Executive order issued pursuant to this section shall modify, supersede, or render inapplicable, as the case may be, to the extent inconsistent therewith—

"(1) provisions of law enacted before the effective date of the Executive order; and

"(2) any prior provision of an Executive order issued under this section.

"SEC. 293. THRIFT SAVINGS PLAN PARTICIPATION.

"(a) ELIGIBILITY FOR THRIFT SAVINGS PLAN.—Participants in the system shall be deemed to be employees for the purposes of section 8351 of title 5, United States Code.

"(b) MANAGEMENT OF THRIFT SAVINGS PLAN ACCOUNTS BY DIRECTOR.—Subsections (k) and (m) of section 8461 of title 5, United States Code, shall apply with respect to contributions made by participants to the Thrift Savings Fund under section 8351 of such title and to earnings attributable to the investment of such contributions.

"SEC. 294. ALTERNATIVE FORMS OF ANNUITIES.

"(a) AUTHORITY FOR ALTERNATIVE FORM OF ANNUITY.—The Director shall prescribe regulations under which a participant may, at the time of retiring under this title (other than under section 231), elect annuity benefits under this section instead of any other benefits under this title (including any survivor benefits under this title) based on the service of the participant creditable under this title.

"(b) BASIS FOR ALTERNATIVE FORMS OF ANNUITY.—The regulations and alternative forms of annuity shall, to the maximum extent practicable, meet the requirements prescribed in section 8343a of title 5, United States Code.

"(c) LUMP-SUM CREDIT.—Any lump-sum credit provided pursuant to an election under subsection (a) shall not preclude an individual from receiving other benefits provided under that subsection.

"(d) SUBMISSION OF REGULATIONS TO CONGRESSIONAL INTELLIGENCE COMMITTEES.—The Director shall submit the regulations prescribed under subsection (a) to the congressional intelligence committees before the regulations take effect.

"SEC. 295. PAYMENTS FROM CIARDS FUND FOR PORTIONS OF CERTAIN CIVIL SERVICE RETIREMENT SYSTEM ANNUITIES.

"The amount of the increase in any annuity that results from the application of section 18 of the Central Intelligence Agency Act of 1949, if and when such increase is based on an individual's overseas service as an employee of the Central Intelligence Agency, shall be paid from the fund.

"TITLE III—PARTICIPATION IN THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM

"SEC. 301. APPLICATION OF FEDERAL EMPLOYEES' RETIREMENT SYSTEM TO AGENCY EMPLOYEES.

"(a) GENERAL RULE.—Except as provided in subsections (b) and (c), all employees of the Agency, any of whose service after December 31, 1983, is employment for the purpose of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954, shall be subject to chapter 84 of title 5, United States Code.

"(b) EXCEPTION FOR PRE-1984 EMPLOYEES.—Participants in the Central Intelligence Agency Retirement and Disability System who were participants in such system on or before December 31, 1983, and who have not had a break in service in excess of one year since that date, are not subject to chapter 84 of title 5, United States Code, without regard to whether they are subject to title II of the Social Security Act.

"(c) NONAPPLICABILITY OF FERS TO CERTAIN EMPLOYEES.—

"(1) The provisions of chapter 84 of title 5, United States Code, shall not apply with respect to—

"(A) any individual who separates, or who has separated, from Federal Government service after having been an employee of the Agency subject to title II of this Act; and

"(B) any employee of the Agency having at least 5 years of civilian service which was performed before January 1, 1987, and is creditable under title II of this Act (determined without regard to any deposit or redeposit requirement under subchapter III of chapter 83 of title 5, United States Code, or under title II of this Act, or any requirement that the individual become subject to such subchapter or to title II of this Act after performing the service involved).

"(2) Paragraph (1) shall not apply with respect to an individual who has elected under regulations prescribed under section 307 to become subject to chapter 84 of title 5, United States Code, to the extent provided in such regulations.

"(3) An individual described in paragraph (1) shall be deemed to be an individual excluded under section 8402(b)(2) of title 5, United States Code.

"(d) ELECTION TO BECOME SUBJECT TO FERS.—An employee who is designated as a participant in the Central Intelligence Agency Retirement and Disability System after December 31, 1987, pursuant to section 203 may elect to become subject to chapter 84 of title 5, United States Code. Such election—

"(1) shall not be effective unless it is made during the six-month period beginning on the date on which the employee is so designated;

"(2) shall take effect beginning with the first pay period beginning after the date of the election; and

"(3) shall be irrevocable.

"(e) SPECIAL RULES.—The application of the provisions of chapter 84 of title 5, United States Code, to an employee referred to in subsection (a) shall be subject to the exceptions and special

rules provided in this title. Any provision of that chapter which is inconsistent with a special rule provided in this title shall not apply to such employees.

"SEC. 302. SPECIAL RULES RELATING TO SECTION 203 CRITERIA EMPLOYEES.

"(a) IN GENERAL.—Except as otherwise provided in this section, in the application of chapter 84 of title 5, United States Code, to an employee of the Agency who is subject to such chapter and is designated by the Director under the criteria prescribed in section 203, such employee shall be treated for purposes of determining such employee's retirement benefits and obligations under such chapter as if the employee were a law enforcement officer (as defined in section 8401(17) of title 5, United States Code).

"(b) VOLUNTARY AND MANDATORY RETIREMENT.—The provisions of sections 233 and 235 shall apply to employees referred to in subsection (a), except that the retirement benefits shall be determined under chapter 84 of title 5, United States Code.

"(c) RECALL.—

"(1) Except as provided in paragraph (2), section 271 shall apply to an employee referred to in subsection (a).

"(2) Contributions during recall service shall be made as provided in section 8422 of title 5, United States Code.

"(3) When an employee recalled under this subsection reverts to a retired status, the annuity of such employee shall be redetermined under the provisions of chapter 84 of title 5, United States Code.

"SEC. 303. SPECIAL RULES FOR OTHER EMPLOYEES FOR SERVICE ABROAD.

"(a) SPECIAL COMPUTATION RULE.—Notwithstanding any provision of chapter 84 of title 5, United States Code, the annuity under subchapter II of such chapter of a retired employee of the Agency who is not designated under section 302(a) and who has served abroad as an employee of the Agency after December 31, 1986, shall be computed as provided in subsection (b).

"(b) COMPUTATION.—

"(1) SERVICE ABROAD.—The portion of the annuity relating to such service abroad shall be computed as provided in section 8415(d) of title 5, United States Code.

"(2) OTHER SERVICE.—The portions of the annuity relating to other creditable service shall be computed as provided in section 8415 of such title that is applicable to such service under the conditions prescribed in chapter 84 of such title.

"SEC. 304. SPECIAL RULES FOR FORMER SPOUSES.

"(a) GENERAL RULE.—Except as otherwise specifically provided in this section, the provisions of chapter 84 of title 5, United States Code, including subsections (d) and (e) of section 8435 of such title, shall apply in the case of an employee of the Agency who is subject to chapter 84 of title 5, United States Code, and who has a former spouse (as defined in section 8401(12) of title 5, United States Code) or a qualified former spouse.

"(b) DEFINITIONS.—For purposes of this section:

"(1) EMPLOYEE.—The term 'employee' means an employee of the Agency who is subject to chapter 84 of title 5, United States Code, including an employee referred to in section 302(a).

"(2) QUALIFIED FORMER SPOUSE.—The term 'qualified former spouse' means a former spouse of an employee or retired employee who—

"(A) in the case of a former spouse whose divorce from such employee became final on or before December 4, 1991, was married to such employee for not less than 10 years during periods of the employee's service which are creditable under section 8411 of title 5, United States Code, at least 5 years of which were spent outside the United States by both the employee and the former spouse during the employee's service with the Agency; and

"(B) in the case of a former spouse whose divorce from such employee becomes final after December 4, 1991, was married to such employee for not less than 10 years during periods of the employee's service which are creditable under section 8411 of title 5, United States Code, at least 5 years of which were spent by the employee outside the United States during the employee's service with the Agency or otherwise in a position the duties of which qualified the employee for designation by the Director under the criteria prescribed in section 203.

"(3) PRO RATA SHARE.—The term 'pro rata share' means the percentage that is equal to (A) the number of days of the marriage of the qualified former spouse to the employee during the employee's periods of creditable service under chapter 84 of title 5, United States Code, divided by (B) the total number of days of the employee's creditable service.

"(4) SPOUSAL AGREEMENT.—The term 'spousal agreement' means an agreement between an employee, former employee, or retired employee and such employee's spouse or qualified former spouse that—

"(A) is in writing, is signed by the parties, and is notarized;

"(B) has not been modified by court order; and

"(C) has been authenticated by the Director.

"(5) COURT ORDER.—The term 'court order' means any court decree of divorce, annulment or legal separation, or any court order or court-approved property settlement agreement incident to such court decree of divorce, annulment, or legal separation.

"(c) ENTITLEMENT OF QUALIFIED FORMER SPOUSE TO RETIREMENT BENEFITS.—

"(1) ENTITLEMENT.—

"(A) IN GENERAL.—Unless otherwise expressly provided by a spousal agreement or court order governing disposition of benefits payable under subchapter II, III, or V of chapter 84 of title 5, United States Code, a qualified former spouse of an employee is entitled to a share (determined under subparagraph (B)) of all benefits otherwise payable to such employee under subchapter II, III, or V of chapter 84 of title 5, United States Code.

"(B) AMOUNT OF SHARE.—The share referred to in subparagraph (A) equals—

"(i) 50 percent, if the qualified former spouse was married to the employee throughout the entire period of the employee's service which is creditable under chapter 84 of title 50, United States Code; or

"(ii) a pro rata share of 50 percent, if the qualified former spouse was not married to the employee throughout such creditable service.

"(2) ANNUITY SUPPLEMENT.—The benefits payable to an employee under subchapter II of chapter 84 of title 5, United States Code, shall include, for purposes of this subsection, any annuity supplement payable to such employee under sections 8421 and 8421a of such title.

"(3) DISQUALIFICATION UPON REMARRIAGE BEFORE AGE 55.—A qualified former spouse shall not be entitled to any benefit under this subsection if, before the commencement of any benefit, the qualified former spouse remarries before becoming 55 years of age.

"(4) COMMENCEMENT AND TERMINATION.—

"(A) COMMENCEMENT.—The benefits of a qualified former spouse under this subsection commence on the later of—

"(i) the day on which the employee upon whose service the benefits are based becomes entitled to the benefits; or

"(ii) the first day of the second month beginning after the date on which the Director receives written notice of the court order or spousal agreement, together with such additional information or documentation as the Director may prescribe.

"(B) TERMINATION.—The benefits of the qualified former spouse and the right thereto terminate on—

"(i) the last day of the month before the qualified former spouse remarries before 55 years of age or dies; or

"(ii) the date on which the retired employee's benefits terminate (except in the case of benefits subject to paragraph (5)(B)).

"(5) PAYMENTS TO RETIRED EMPLOYEES.—

"(A) CALCULATION OF SURVIVOR ANNUITY.—Any reduction in payments to a retired employee as a result of payments to a qualified former spouse under this subsection shall be disregarded in calculating—

"(i) the survivor annuity for any spouse, former spouse (qualified or otherwise), or other survivor under chapter 84 of title 5, United States Code, and

"(ii) any reduction in the annuity of the retired employee to provide survivor benefits under subsection (d) of this section or under sections 8442 or 8445 of title 5, United States Code.

"(B) REDUCTION IN BASIC PAY UPON RECALL TO SERVICE.—If a retired employee whose annuity is reduced under paragraph (1) is recalled to service under section 302(c), the basic pay of that annuitant shall be reduced by the same amount as the annuity would have been reduced if it had continued. Amounts equal to the reductions under this subparagraph shall be deposited in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund.

"(6) SPECIAL RULES FOR DISABILITY ANNUITANTS.—Notwithstanding paragraphs (1) and (4), in the case of any qualified former spouse of a disability annuitant—

"(A) the annuity of such former spouse shall commence on the date on which the employee would qualify, on the basis of the employee's creditable service, for benefits under subchapter II of chapter 84 of title 5, United States Code, or on the date on which the disability annuity begins, whichever is later; and

"(B) the amount of the annuity of the qualified former spouse shall be calculated on the basis of the benefits for which the employee would otherwise qualify under subchapter II of chapter 84 of such title.

"(7) PRO RATA SHARE IN CASE OF EMPLOYEES TRANSFERRED TO FERS.—Notwithstanding paragraph (1)(B), in the case of an employee who has elected to become subject to chapter 84 of title 5, United States Code, the share of such employee's qualified former spouse shall equal the sum of—

"(A) 50 percent of the employee's annuity under subchapter III of chapter 83 of title 5, United States Code, or under title II of this Act (computed in accordance with section 302(a) of the Federal Employees' Retirement System Act of 1986 or section 307 of this Act), multiplied by the proportion that the number of days of marriage during the period of the employee's creditable service before the effective date of the election to transfer bears to the employee's total creditable service before such effective date; and

"(B) if applicable, 50 percent of the employee's benefits under chapter 84 of title 5, United States Code, or section 302(a) of this Act (computed in accordance with section 302(a) of the Federal Employees' Retirement System Act of 1986 or section 307 of this Act), multiplied by the proportion that the number of days of marriage during the period of the employee's creditable service on and after the effective date of the election to transfer bears to the employee's total creditable service after such effective date.

"(8) TREATMENT OF PRO RATA SHARE UNDER INTERNAL REVENUE CODE.—For purposes of the Internal Revenue Code of 1986, payments to a

qualified former spouse under this subsection shall be treated as income to the qualified former spouse and not to the employee.

"(d) QUALIFIED FORMER SPOUSE SURVIVOR BENEFITS.—

"(1) ENTITLEMENT.—

"(A) IN GENERAL.—Subject to an election under section 8416(a) of title 5, United States Code, and unless otherwise expressly provided by any spousal agreement or court order governing survivor benefits payable under this subsection to a qualified former spouse, such former spouse is entitled to a share, determined under subparagraph (B), of all survivor benefits that would otherwise be payable under subchapter IV of chapter 84 of title 5, United States Code, to an eligible surviving spouse of the employee.

"(B) AMOUNT OF SHARE.—The share referred to in subparagraph (A) equals—

"(i) 100 percent, if the qualified former spouse was married to the employee throughout the entire period of the employee's service which is creditable under chapter 84 of title 5, United States Code; or

"(ii) a pro rata share of 100 percent, if the qualified former spouse was not married to the employee throughout such creditable service.

"(2) SURVIVOR BENEFITS.—

"(A) The survivor benefits payable under this subsection to a qualified former spouse shall include the amount payable under section 8442(b)(1)(A) of title 5, United States Code, and any supplementary annuity under section 8442(f) of such title that would be payable if such former spouse were a widow or widower entitled to an annuity under such section.

"(B) Any calculation under section 8442(f) of title 5, United States Code, of the supplementary annuity payable to a widow or widower of an employee referred to in section 302(a) shall be based on an 'assumed CIARDS annuity' rather than an 'assumed CSRS annuity' as stated in section 8442(f) of such title. For the purpose of this subparagraph, the term 'assumed CIARDS annuity' means the amount of the survivor annuity to which the widow or widower would be entitled under title II of this Act based on the service of the deceased annuitant determined under section 8442(f)(5) of such title.

"(3) DISQUALIFICATION UPON REMARRIAGE BEFORE AGE 55.—A qualified former spouse shall not be entitled to any benefit under this subsection if, before commencement of any benefit, the qualified former spouse remarries before becoming 55 years of age.

"(4) RESTORATION.—If the survivor annuity payable under this subsection to a surviving qualified former spouse is terminated because of remarriage before becoming age 55, the annuity shall be restored at the same rate commencing on the date such remarriage is dissolved by death, divorce, or annulment, if—

"(A) such former spouse elects to receive this survivor annuity instead of any other survivor benefit to which such former spouse may be entitled under subchapter IV of chapter 84 of title 5, United States Code, or under another retirement system for Government employees by reason of the remarriage; and

"(B) any lump sum paid on termination of the annuity is returned to the Civil Service Retirement and Disability Fund.

"(5) MODIFICATION OF COURT ORDER OR SPOUSAL AGREEMENT.—A modification in a court order or spousal agreement to adjust a qualified former spouse's share of the survivor benefits shall not be effective if issued after the retirement or death of the employee, former employee, or annuitant, whichever occurs first.

"(6) EFFECT OF TERMINATION OF QUALIFIED FORMER SPOUSE'S ENTITLEMENT.—After a qualified former spouse of a retired employee remarries before becoming age 55 or dies, the reduction in the retired employee's annuity for the purpose of providing a survivor annuity for such former spouse shall be terminated. The annuitant may elect, in a signed writing received by the Director within 2 years after the qualified former spouse's remarriage or death, to continue the reduction in order to provide or increase the survivor annuity for such annuitant's spouse. The annuitant making such election shall pay a deposit in accordance with the provisions of section 8418 of title 5, United States Code.

"(7) PRO RATA SHARE IN CASE OF EMPLOYEES TRANSFERRED TO FERS.—Notwithstanding paragraph (1)(B), in the case of an employee who has elected to become subject to chapter 84 of title 5, United States Code, the share of such employee's qualified former spouse to survivor benefits shall equal the sum of—

"(A) 50 percent of the employee's annuity under subchapter III of chapter 83 of title 5, United States Code, or under title II of this Act (computed in accordance with section 302(a) of the Federal Employees' Retirement System Act of 1986 or section 307 of this Act), multiplied by the proportion that the number of days of marriage during the period of the employee's creditable service before the effective date of the election to transfer bears to the employee's total creditable service before such effective date; and

"(B) if applicable—

"(i) 50 percent of the employee's annuity under chapter 84 of title 5, United States Code, or section 302(a) of this Act (computed in accordance with section 302(a) of the Federal Employees' Retirement System Act of 1986 or section 307 of this Act), plus

"(ii) the survivor benefits referred to in subsection (d)(2)(A),

multiplied by the proportion that the number of days of marriage during the period of the employee's creditable service on and after the effective date of the election to transfer bears to the employee's total creditable service after such effective date.

"(e) PRESERVATION OF RIGHTS OF QUALIFIED FORMER SPOUSES.—An employee may not make an election or modification of election under section 8417 or 8418 of title 5, United States Code, or other section relating to the employee's annuity under subchapter II of chapter 84 of title 5, United States Code, that would diminish the entitlement of a qualified former spouse to any benefit granted to such former spouse by this section or by court order or spousal agreement.

"(f) PAYMENT OF SHARE OF LUMP-SUM CREDIT.—Whenever an employee or former employee becomes entitled to receive the lump-sum credit under section 8424(a) of title 5, United States Code, a share (determined under subsection (c)(1)(B) of this section) of that lump-sum credit shall be paid to any qualified former spouse of such employee, unless otherwise expressly provided by any spousal agreement or court order governing disposition of the lump-sum credit involved.

"(g) APPLICABILITY OF CIARDS FORMER SPOUSE BENEFITS.—

"(1) Except as provided in paragraph (2), in the case of an employee who has elected to become subject to chapter 84 of title 5, United States Code, the provisions of sections 224 and 225 shall apply to such employee's former spouse (as defined in section 102(a)(3)) who would otherwise be eligible for benefits under sections 224 and 225 but for the employee having elected to become subject to such chapter.

"(2) For the purposes of computing such former spouse's benefits under sections 224 and 225—

"(A) the retirement benefits shall be equal to the amount determined under subsection (c)(7)(A); and

"(B) the survivor benefits shall be equal to 55 percent of the full amount of the employee's annuity computed in accordance with section 302(a) of the Federal Employees' Retirement System Act of 1986 or regulations prescribed under section 307 of this Act.

"(3) Benefits provided pursuant to this subsection shall be payable from the Central Intelligence Agency Retirement and Disability Fund.

"SEC. 305. ADMINISTRATIVE PROVISIONS.

"(a) FINALITY OF DECISIONS OF DIRECTOR.—Section 201(c) of this Act shall apply in the administration of chapter 84 of title 5, United States Code, with respect to employees of the Agency.

"(b) EXCEPTION.—Notwithstanding subsection (a), section 8461(e) of title 5, United States Code, shall apply with respect to employees of the Agency who are not participants in the Central Intelligence Agency Retirement and Disability System and are not designated under section 302(a).

"SEC. 306. REGULATIONS.

"(a) REQUIREMENT.—The Director shall prescribe in regulations appropriate procedures to carry out this title. Such regulations shall be prescribed in consultation with the Director of the Office of Personnel Management and the Executive Director of the Federal Retirement Thrift Investment Board.

"(b) CONGRESSIONAL REVIEW.—The Director shall submit regulations prescribed under subsection (a) to the congressional intelligence committees before they take effect.

"SEC. 307. TRANSITION REGULATIONS.

"(a) REGULATIONS.—The Director shall prescribe regulations providing for the transition from the Central Intelligence Agency Retirement and Disability System to the Federal Employees' Retirement System provided in chapter 84 of title 5, United States Code, in a manner consistent with sections 301 through 304 of the Federal Employees' Retirement System Act of 1986.

"(b) CONGRESSIONAL REVIEW.—The Director shall submit regulations prescribed under subsection (a) to the congressional intelligence committees before they take effect.".

SEC. 213. CONFORMING AMENDMENTS.

(a) CENTRAL INTELLIGENCE AGENCY ACT OF 1949.—

(1) SECTION 14.—Section 14(a) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403n(a)) is amended by striking out "sections 204, 221(b)(1)–(3), 221(f), 221(g)(2), 221(l), 221(m), 221(n), 221(o), 222, 223, 224, 225, 232(b), 234(c), 234(d), 234(e), and 263(b) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees" and inserting in lieu thereof "sections 102, 221(b)(1)–(3), 221(f), 221(g), 221(h)(2), 221(i), 221(l), 222, 223, 224, 225, 232(b), 241(b), 241(d), and 264(b) of the Central Intelligence Agency Retirement Act".

(2) SECTION 18.—Section 18(a) of such Act (50 U.S.C. 403r(a)) is amended by striking out "the Central Intelligence Agency Retirement Act of 1964 for Certain Employees" and inserting in lieu thereof "the Central Intelligence Agency Retirement Act".

(3) SECTION 19.—Section 19 of such Act (50 U.S.C. 403s) is amended—

(A) in subsection (a)—

(i) by inserting "OFFICERS AND EMPLOYEES TO WHOM CIARDS SECTION 231 RULES APPLY.—" after "(a)";

(ii) by striking out "the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended" in clause (ii) and inserting in lieu thereof "the Central Intelligence Agency Retirement Act";

(iii) by inserting "such" in clause (iii) before "section 203";

(iv) by striking out "such section 231" in the matter after clause (iv) and inserting in lieu thereof "section 231 of such Act"; and

(v) by redesignating clauses (i) through (iv) as paragraphs (1) through (4), respectively;

(B) in subsection (b)—

(i) by inserting "SURVIVORS OF OFFICERS AND EMPLOYEES TO WHOM CIARDS SECTION 231 RULES APPLY.—" after "(b)";

(ii) by striking out "the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended" in clause (ii) and inserting in lieu thereof "the Central Intelligence Agency Retirement Act";

(iii) by striking out "widow or widower, former spouse, and/or child or children as defined in section 204 and section 232 of such the Central Intelligence Agency Retirement Act of 1964 for Certain Employees" in clause (iv) and inserting in lieu thereof "surviving spouse, former spouse, or child as defined in section 102 of the Central Intelligence Agency Retirement Act";

(iv) by striking out "widow or widower, former spouse, and/or child or children" in the matter after clause (iv) and inserting in lieu thereof "surviving spouse, former spouse, or child";

(v) by striking out "such section 232" in the matter after clause (iv) and inserting in lieu thereof "section 231 of such Act"; and

(vi) by redesignating clauses (i) through (iv) as paragraphs (1) through (4), respectively;

(C) by striking out subsections (c) and (d); and

(D) by redesignating subsection (e) as subsection (c) and in that subsection—

(i) by striking out "(1)" and inserting in lieu thereof "ANNUITIES UNDER THIS SECTION DEEMED ANNUITIES UNDER CSRS.—";

(ii) by striking out "established by section 202 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees" and inserting in lieu thereof "maintained pursuant to section 202 of the Central Intelligence Agency Retirement Act"; and

(iii) by striking out paragraph (2).

(b) NATIONAL SECURITY AGENCY ACT OF 1959.—Section 9(b)(3) of the National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended by striking out "the Central Intelligence Agency Retirement Act of 1964 for Certain Employees" and inserting in lieu thereof "the Central Intelligence Agency Retirement Act".

(c) TITLE 5, UNITED STATES CODE.—Sections 8347(n)(4)(A) and 8423(a)(1)(B)(i) of title 5, United States Code, are amended by striking out "the Central Intelligence Agency Retirement Act of 1964 for Certain Employees" and inserting in lieu thereof "the Central Intelligence Agency Retirement Act".

(d) TITLE 10, UNITED STATES CODE.—Section 1605(a) of title 10, United States Code, is amended in the second sentence—

(1) striking out "the Central Intelligence Agency Retirement Act of 1964 for Certain Employees" and inserting in lieu thereof "the Central Intelligence Agency Retirement Act"; and

(2) by inserting "(50 U.S.C. 403r)" after "the Central Intelligence Agency Act of 1949".

SEC. 214. SAVINGS PROVISIONS.

(a) PRIOR ELECTIONS.—Any election made under the Central Intelligence Agency Retirement Act of 1964 for Certain Employees before the effective date specified in section 215 shall not be affected by the amendment made by section 212 and shall be deemed to have been made under the corresponding provision of that Act as restated by section 212 as the Central Intelligence Agency Retirement Act.

(b) REFERENCES.—Any reference in any other Act, or in any Executive order, rule, or regulation, to the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, or to a provision of that Act, shall be deemed to refer to that Act and to the corresponding provision of that Act, as restated by section 212 as the Central Intelligence Agency Retirement Act.

SEC. 215. EFFECTIVE DATE.

The amendments made by sections 212 and 213 shall take effect on the first day of the fourth month beginning after the date of the enactment of this Act.

TITLE III—GENERAL PROVISIONS

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or laws of the United States.

SEC. 303. AUTHORITY OF CIA INSPECTOR GENERAL TO RECEIVE COMPLAINTS AND INFORMATION FROM ANY PERSON.

Section 17(e)(3) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403q) is amended—

(1) by striking out "an employee of the Agency" and inserting in lieu thereof "any person"; and

(2) by inserting "from an employee of the Agency" after "received".

SEC. 304. NOTICE TO CONGRESSIONAL INTELLIGENCE COMMITTEES OF DEPARTMENT OF DEFENSE REAL PROPERTY TRANSACTIONS AND CONSTRUCTION PROJECTS INVOLVING INTELLIGENCE AGENCIES.

(a) REAL PROPERTY TRANSACTIONS.—(1) Section 2662 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(f) Whenever a transaction covered by this section is made by or on behalf of an intelligence component of the Department of Defense or involves real property used by such a component, any report under this section with respect to the transaction that is submitted to the Committees on Armed Services of the Senate and the House of Representatives shall be submitted concurrently to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.".

(2)(A) The heading of such section is amended to read as follows:

"§2662. Real property transactions: reports to congressional committees".

(B) The item relating to such section in the table of sections at the beginning of chapter 159 of such title is amended to read as follows:

"2662. Real property transactions: reports to congressional committees.".

(b) CONSTRUCTION PROJECTS.—Section 2801(c)(4) of such title is amended by inserting before the period at the end the following: "and, with respect to any project to be carried out by, or for the use of, an intelligence component of the Department of Defense, the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate".

SEC. 305. POSTEMPLOYMENT ASSISTANCE FOR CERTAIN DIA EMPLOYEES.

Subsection (e) of section 1604 of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(4)(A) Notwithstanding any other provision of law, the Secretary of Defense may use appropriated funds to assist employees who have been in sensitive positions in the Defense Intelligence Agency and who are found to be ineligible for continued access to Sensitive Compartmented Information and employment with the Defense Intelligence Agency, or whose employment with the Defense Intelligence Agency has been terminated—

"(i) in finding and qualifying for subsequent employment;

"(ii) in receiving treatment of medical or psychological disabilities; and

"(iii) in providing necessary financial support during periods of unemployment.

"(B) Assistance may be provided under subparagraph (A) only if the Secretary determines that such assistance is essential to maintain the judgment and emotional stability of such employee and avoid circumstances that might lead to the unlawful disclosure of classified information to which such employee had access. Assistance provided under this paragraph for an employee shall not be provided any longer than five years after the termination of the employment of the employee.

"(C) The Secretary shall report annually to the Committees on Appropriations of the Senate and House of Representatives, the Select Committee on Intelligence of the Senate, and the Permanent Select Committee on Intelligence of the House of Representatives with respect to any expenditure made pursuant to this paragraph.".

SEC. 306. TECHNICAL AMENDMENTS.

(a) NATIONAL SECURITY AGENCY ACT OF 1959.—The National Security Agency Act of 1959 is amended by redesignating the second section 17 (added by section 405 of Public Law 102–183) as section 18.

(b) PUBLIC LAW 102–88.—Effective as of August 14, 1991, section 305(a)(3) of Public Law 102–88 (105 Stat. 432) is amended by striking out "in the last sentence" and inserting in lieu thereof "in the penultimate sentence".

AMENDMENT OFFERED BY MR. DICKS

Mr. DICKS. Madam Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. DICKS: At the end of the bill, add the following new section:

SEC. 307. AIRBORNE RECONNAISSANCE.

(a) Of the amount authorized to be appropriated by section 101 for reconnaissance programs, funds are authorized for an advanced airborne reconnaissance system.

(b) The amount authorized in subsection (a) is the amount equal to one-third of the amount authorized for a similar activity in the National Foreign Intelligence Program for fiscal year 1992 by the Intelligence Authorization Act for Fiscal Year 1992 (Public Law 102–183).

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Mr. DICKS. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, this amendment will authorize funds for an advanced airborne reconnaissance program. This is a matter on which the committee has had a longstanding interest.

The authorization of funds will provide flexibility sufficient to ensure that such a program would begin in fiscal year 1993, if a decision is made to institute it.

Madam Chairman, I yield such time as he may consume to the gentleman from Oklahoma [Mr. MCCURDY].

Mr. MCCURDY. Madam Chairman, I thank the gentleman for yielding time to me.

Madam Chairman, as the gentleman from Washington noted, the committee has been active on this matter for a long time. The amendment does not add to the total of the authorizations provided by the bill, but will preserve the issue of an advanced airborne reconnaissance program for further consideration in the coming weeks.

We are pleased to accept the amendment.

Mr. DICKS. Madam Chairman, I yield such time as he may consume to the distinguished ranking Member, the gentleman from Pennsylvania [Mr. SHUSTER], who has done an outstanding job.

Mr. SHUSTER. Madam Chairman, I understand that various options on airborne reconnaissance are being reviewed by the administration. We should, indeed, be prepared to take whatever action the results of that review might indicate.

This amendment will ensure our ability to do just that, and I support and this side supports the gentleman's amendment.

Mr. DICKS. Madam Chairman, I yield myself such time as I may consume.

I, too, want to compliment the staff of the committee, the chairman, and the ranking member for the great job they have done on this bill.

Madam Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. DICKS].

The amendment was agreed to.

The CHAIRMAN. Are there any other amendments to the bill?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. MCNULTY) having assumed the chair, Ms. SLAUGHTER, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 5095) to authorize appropriations for fiscal year 1993 for intelligence and intelligence-related activities of the U.S. Government and the Central Intelligence Agency Retirement and Disability System, and for other purposes, pursuant to House Resolution 495, she reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title of the bill was amended so as to read: "A bill to authorize appropriations for fiscal year 1993 for intelligence and intelligence-related activities of the United States Government and the Central Intelligence Agency Retirement and Disability System, to revise and restate the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, and for other purposes.".

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 5095, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1993

Mr. MCCURDY. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 5095, the Clerk be authorized to make such technical and conforming changes as may be necessary to correct such things as spelling, punctuation, cross-referencing, and section numbering.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

GENERAL LEAVE

Mr. MCCURDY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on H.R. 5095, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

FEDERAL GRANTS FOR STATE AND LOCAL GI BILLS FOR CHILDREN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-351)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor and ordered to be printed:

To the Congress of the United States:

Forty-eight years ago this week, President Franklin Roosevelt signed the GI Bill. With the hope of duplicating the success of that historic legislation, I am pleased to transmit for your immediate consideration and enactment the "Federal Grants for State and Local 'GI Bills' for Children." This proposal is a crucial component of our efforts to help the country achieve the National Education Goals by the year 2000. Also transmitted is a section-by-section analysis.

This legislation would authorize half-a-billion new Federal dollars in fiscal year 1993, and additional amounts in later years, to help States and communities give $1,000 scholarships to middle- and low-income children. Families may spend these scholarships at any lawfully operating school of their choice—public, private, or religious. The result would be to give middle- and low-income families consumer power—dollars to spend at any school they choose. This is the muscle parents need to transform our education system and create the best schools in the world for all our children.

At the close of World War II, the Federal Government created the GI Bill giving veterans scholarships to use at any college of their choice—public, private, or religious. This consumer power gave veterans opportunity, helped to create the best system of colleges and universities in the world, and gave America a new generation of leaders. Now that the Cold War is over, the Federal Government should help State and local governments create GI Bills for children. Under this approach, scholarships would be available for middle- and low-income parents to use at the elementary or secondary school of their choice.

This bill will give middle- and low-income families more of the same choices available to wealthier families. Through families, it will provide new funds at the school site that teachers and principals can use to help all children achieve the high educational standards called for by the National Education Goals. In addition, the legislation will create a marketplace of educational opportunities to help improve all schools; engage parents in their children's schooling; and encourage creation of other academic programs for children before and after school, on weekends, or during school vacations.

Once this proposal is enacted, any State or locality can apply for enough Federal funds to give each child of a middle- or low-income family a $1,000 annual scholarship. The governmental unit would have to take significant steps to provide a choice of schools to families with school children in the area and permit families to spend the $1,000 Federal scholarships at a wide variety of public and private schools. It would have to allow all lawfully operating schools in the area—public, private, and religious—to participate if they choose.

The Secretary of Education would select grantees on the basis of: (1) the number and variety of choices made available to families; (2) the extent to which the applicant has provided educational choices to all children, including children who are not eligible for scholarships; (3) the proportion of children who will participate who are from low-income families; and (4) the applicant's financial support (including private support) for the project.

The maximum family income for eligible children would be determined by the grantee, but it could not exceed the higher of the State or national median income, adjusted for family size. All eligible children in the project area would receive scholarships, as long as sufficient funds are available. If all eligible children cannot participate, the grantee would provide scholarships to those with the lowest family incomes. Students would continue to receive scholarships over the 4-year life of a project unless they leave school, move out of the area, or no longer meet the income criteria. Up to $500 of each scholarship may be used for other academic programs for children before and after school, on weekends, or during school vacations.

This bill provides aid to families, not institutions. However, as a condition of participating in this program, a school must comply with Federal anti-discrimination provisions of: section 601 of title VI of the Civil Rights Act of 1964 (race), section 901 of Title IX of the Education Amendments of 1972 (gender), and section 504 of the Rehabilitation Act of 1973 (disability).

Funding is authorized at $500 million in FY 1993, and "such sums as may be necessary" through FY 2000. The Department of Education would conduct a comprehensive evaluation of these demonstration projects. The evaluation would assess the impact of the program in such areas as educational achievement and parents' involvement in, and satisfaction with, their children's education.

I urge the Congress to take prompt and favorable action on this legislation.

GEORGE BUSH.

THE WHITE HOUSE, *June 25, 1992.*

□ 1820

DEFERRALS OF FUNDS APPROPRIATED TO PRESIDENT AND DEPARTMENT OF AGRICULTURE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-352)

The SPEAKER pro tempore (Mr. McNULTY) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report two revised deferrals, now totaling $2.2 billion in budgetary resources. Including the revised deferrals, funds withheld in FY 1992 now total $5.7 billion.

The deferrals affect Funds Appropriated to the President and the Department of Agriculture. The details of the deferrals are contained in the attached reports.

GEORGE BUSH.

THE WHITE HOUSE, *June 25, 1992.*

NATIONAL DOMESTIC VIOLENCE AWARENESS MONTH

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 433) designating October 1992 as "National Domestic Violence Awareness Month," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I yield to the gentlewoman from New York [Ms. SLAUGHTER], who is the chief sponsor of House Joint Resolution 433, designating October 1992 as National Domestic Violence Awareness Month.

Ms. SLAUGHTER. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, listen to the words of a woman named Melissa, just one of the victims that domestic violence claims every 15 seconds in this country:

> Through * * * counseling I have discovered that I am not isolated in my abusive situation and that * * * all those things that were done to undermine me and demean me were a lie and his weapon to keep me under control * * * I have felt safe, protected, comforted, and well fed. I would like to give to other battered women what I received here.

Melissa was helped by the Alternatives for Battered Women, a shelter in my congressional district in Rochester, NY. Unfortunately, though, nationwide, not all victims of domestic violence can find help.

Many spouses feel trapped in their own homes and are afraid to seek help out of fear they will suffer even more abuse. Those who seek assistance find resources available to them are scarce. In fact, for every two abused women admitted to shelter programs, another is turned away for lack of space.

That is why it is so important that today we will, for the fourth year, designate October as National Domestic Violence Awareness Month. In doing so, the House continues its efforts to raise awareness of the single largest cause of injury to women in the United States.

The problem of domestic violence remains widespread. Over one-half of our population of women are battered at some time in their lives. Nearly 5,800 women are beaten and abused, thereby becoming victims of domestic violence, each day. This horror cuts across all ethnic, religious, and socioeconomic lines; chances are that someone we all know has been the victim of domestic violence.

Nor is the problem limited to the suffering of spouses. It is estimated that 53 percent of battering husbands also abuse their children. Police spend one-third to one-half of their work time investigating domestic violence calls. The cost of domestic violence in New York City alone is $500 million a year in medical expenses, foster home care, homelessness, law enforcement, and lost work days. Clearly, every American has a stake in controlling domestic violence.

Commemorating October as National Domestic Violence Awareness Month creates the opportunity to support victims of abuse, to recognize the efforts of those who work to help victims, and to educate our country abut this terrible affliction. Given that children who have been abused or witnessed abuse are 1,000 times more likely to abuse their own spouses or children than are those who have not been exposed to violence, it is crucial that we act now to break the cycle.

In voting for this resolution, we call attention to the problem of domestic violence so that more of our citizens will take action to stop the violence and to help its victims. I thank the Members of the House of Representatives who joined my in sponsoring this resolution. Our efforts will make a difference for thousands of those who suffer today and help prevent the abuse of Americans in the future.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, I am pleased to join in support of Senate Joint Resolution 73, "National Domestic Violence Awareness Month," and I would like to commend the gentlewoman from New York [Ms. SLAUGHTER] for her efforts in bringing this measure to the House floor.

As the gentlewoman noted, every year hundreds of thousands of wives are abused by their husbands, and more than a million children suffer from physical, sexual, and emotional maltreatment. One in twelve women are beaten while they are pregnant, and approximately one-third of women killed are murdered by their boyfriends or spouses.

The crimes committed behind closed doors and beneath the shroud of family privacy are perhaps the most despicable in our society. There is a constant outcry from the American public for the Government to help make the streets safe. What we also desperately need is safe homes—for our women and our children.

Mr. Speaker, I wholeheartedly support this measure, and I request that our colleagues join in bringing necessary attention to this critical problem.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 433

Whereas it is estimated that a woman is battered every fifteen seconds in America;

Whereas domestic violence is the single largest cause of injury to women in the United States, affecting six million women;

Whereas urban and rural women of all racial, social, religious, ethnic, and economic groups, and of all ages, physical abilities, and lifestyles are affected by domestic violence;

Whereas 31 percent of female homicide victims in 1988 were killed by their husbands or boyfriends;

Whereas one-third of the domestic violence incidents involve felonies, specifically, rape, robbery and aggravated assault;

Whereas in 50 percent of families where the wife is being abused, the children of that family are also abused;

Whereas some individuals in our law enforcement and judicial systems continue to think of spousal abuse as a "private" matter and are hesitant to intervene and treat domestic assault as a crime;

Whereas in 1987, over three hundred and seventy five thousand women, plus their children, were provided emergency shelter in domestic violence shelters and safehomes and the number of women and children that were sheltered by domestic violence programs increased by one hundred and sixty four thousand between 1983 and 1987;

Whereas 40 percent of women in need of shelter may be turned away due to a lack of shelter space;

Whereas the nationwide efforts to help the victims of domestic violence need to be expanded and coordinated;

Whereas there is a need to increase the public awareness and understanding of domestic violence and the needs of battered women and their children; and

Whereas the dedication and successes of those working to end domestic violence and the strength of the survivors of domestic violence should be recognized: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 1992 is designated as "National Domestic Violence Awareness Month". The President is authorized and requested to issue a proclamation calling of the people of the United States to observe this month by becoming more aware of the tragedy of domestic violence, supporting those who are working to end domestic violence, and participating in other appropriate efforts.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIGIOUS FREEDOM DAY

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. 457) designating January 16, 1993, as "Religous Freedom Day," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. BLILEY. Mr. Speaker, reserving the right to object, I shall not object. I do so to commend the gentleman from Ohio [Mr. SAWYER], the chairman of the committee, and the committee for bringing this to the floor.

This day will recognize the efforts of Thomas Jefferson, in passing in 1787 on this day, January 16, the Virginia Statute for Religious Freedom, the first time in the Western World that this had happened.

When we consider all that has happened and all of the religious wars that have happened and continue to happen, it was truly a remarkable document. Indeed, Thomas Jefferson said shortly before his death that there would be 3 things that he would like to be remembered for. One, of course, was the Declaration of Independence. Two was the Statute for Religious Freedom. Three was the founding of his university, the University of Virginia.

Mr. Speaker, I thank the gentleman, I thank the committee, and I thank this body.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. BLILEY. I am happy to yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I rise in support of House Joint Resolution 457, a resolution designating January 16, 1993, as "Religious Freedom Day." I would like to thank the gentleman from Virginia [Mr. BLILEY] for bringing this measure before us.

Religious freedom is a right that many Americans take for granted. Yet it was for a lack of this basic right that many of our forefathers left their home countries. Indeed, millions of people since have come to our Nation in order to flee religious persecution. In the United States, they have found a constitution which guarantees religious liberty as set forth in the first amendment.

As the gentleman from Virginia has said, one of the early influences on the establishment of religious freedom was a bill offered by Thomas Jefferson entitled "A Bill for Establishing Religious Freedom in Virginia" which guaranteed freedom of conscience and separation of church and state. This bill, which became law in Virginia, the home State of Mr. BLILEY, on January 16, 1786, gave the natural right of religion precedence over the interests of the State. This early Virginia statute has been widely recognized for its important influence in the development of our Bill of Rights.

This resolution before us today is important as it recognizes the rich religious mosaic that composes our Nation and the importance of maintaining the right of all individuals to worship as they choose. It is also fitting that the day designated, January 16, is the day on which the Jeffersonian bill was adopted by the Virginia Assembly. Once again, I thank the gentleman from Virginia and urge my colleagues to support this measure.

Mr. SAWYER. Mr. Speaker, will the gentleman yield?

Mr. BLILEY. I yield to the gentleman from Ohio.

□ 1830

Mr. SAWYER. Mr. Speaker, I thank my friend from Virginia and take this opportunity to associate myself with the comments of the gentleman from New York in recognizing the efforts of our friend and colleague from Virginia, Mr. BLILEY, in this important recognition.

It is particularly important recognition in this week as we recognize the role of each of our branches of government in sustaining and reaffirming and redefining anew the kinds of freedoms that are intended in Jefferson's work. Nothing could be more important in a year in which we are seeing an enormous level of global migration, and indeed refugeeism in pursuit of the kind of religious freedoms, freedoms to practice and freedoms from the establishment of religion that have been a cornerstone of this Nation for all of these years.

Finally, Mr. Speaker, I think that there could be no more fitting year than in the 250th anniversary year of Jefferson's birth to refocus our attention on this most fundamental of American freedoms. I thank both gentlemen for their efforts in making this recognition an important part of our work this week.

Mr. BLILEY. I thank the gentleman for his comments and for his work. I also thank the gentleman from New York [Mr. GILMAN] for his comments.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. MCNULTY). Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 457

Whereas the first amendment to the Constitution of the United States guarantees religious liberty to the people of the United States;

Whereas millions of people from all parts of the world have come to the United States fleeing religious persecution and seeking freedom to worship;

Whereas in 1777 Thomas Jefferson wrote the bill entitled "A Bill for Establishing Religious Freedom in Virginia" to guarantee freedom of conscience and separation of church and state;

Whereas in 1786, through the devotion of Virginians such as George Mason and James Madison, the General Assembly of Virginia passed such bill;

Whereas the Statute of Virginia for Religious Freedom inspired and shaped the guarantees of religious freedom in the first amendment;

Whereas the Supreme Court of the United States has recognized repeatedly that the Statute of Virginia for Religious Freedom was an important influence in the development of the Bill of Rights;

Whereas scholars across the United States have proclaimed the vital importance of such statute and leaders in fields such as law and religion have devoted time, energy, and resources to celebrating its contribution to international freedom; and

Whereas America's First Freedom Center, located in Richmond, Virginia, plans a permanent monument to the Statute of Virginia for Religious Freedom, accompanied by educational programs and commemorative activities for visitors from around the world: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That January 16, 1993, is designated as "Religious Freedom Day", and the President is authorized and requested to issue a proclamation calling on the people of the United States to join together to celebrate their religious freedom and to observe the day with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LYME DISEASE AWARENESS WEEK

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 459) designating the week beginning July 26, 1992 as "Lyme Disease Awareness Week" and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I would like to acknowledge the gentleman from New York [Mr. HOCHBRUECKNER], who is the chief sponsor of House Joint Resolution 459, designating the week beginning July 26, 1992, as "Lyme Disease Awareness Week."

Further reserving the right to object, Mr. Speaker, I am pleased to rise today in support of a joint resolution designating the week beginning July 26, 1992, as "Lyme Disease Awareness Week." Lyme disease, as you may know, is transmitted by a small, little-known tick species which have become abundant in a large part of my district. In 1982, there were 60 reported cases of Lyme disease in my district; by 1989, there were 1,731 cases and the actual number may be several times higher. Over the past years the number of reported cases have increased, not decreased.

Although Lyme disease was first officially reported just 15 years ago in Lyme, CT, it has fast become the most common tickborne disease and one of the fastest spreading infectious diseases in the United States. If treated early, the disease can be cured by antibiotic therapy; however, early diagnosis is often thwarted by the disease's resemblance to the flu and other less dangerous ailments. Indeed, without early treatment, a victim of Lyme disease can expect severe arthritis, heart disease, or neurologic complications. Later effects, often occurring months or years after the initial onset of the disease, include destructive arthritis and chronic neurological disease. If it were not for AIDS, Lyme disease would be the No. 1 infectious disease facing us today.

I believe the primary way to control Lyme disease is by educating the public on how to take precautions against tick bites and by being aware of symptoms associated with the disease.

Mr. Speaker, I want to take this opportunity to commend the New York Medical College in Valhalla, NY, for their extensive, significant disease research.

I feel July 26, 1992, is an appropriate time to inform the public of Lyme disease and its dangers. As a Representative of the people in my district, it is in their best interest to educate them of the dangers involved.

Mr. HOCHBRUECKNER. Mr. Speaker, I am pleased that the House, for the fifth year in a row, is considering legislation today designating the week of July 26 through August 1 as "Lyme Disease Awareness Week." I want to thank the 225 cosponsors of this bill for the support that enabled the bill to be brought to the floor today.

Senator JOSEPH LIEBERMAN of Connecticut has once again introduced the companion bill to this legislation and expects that the Senate will consider this measure shortly. I appreciate this opportunity to provide my colleagues with some background on this disease and why the designation of this week is so important.

While most people have heard of Rocky Mountain spotted fever, there is a far more common tickborne disease that has only recently received the attention that it demands—Lyme disease. Lyme disease is a bacterial infection that is spread by a tick the size of a comma in newsprint. Although Lyme disease was first officially reported just 17 years ago in Lyme, CT, it has fast become the most common tickborne disease and the second fastest spreading infectious disease in the United States.

Since 1982, more than 40,000 cases have been reported to the Centers for Disease Control [CDC]. In 1991 alone, more than 9,000 cases were reported. My own State, New York, has reported more than 3,200 cases per year in 1990 and 1991, which represents over 30 percent of the Nation's total cases of Lyme disease. Although the Northeast remains the heaviest hit area for this disease, Lyme disease is no longer thought to be just a regional problem. Lyme disease cases have been reported in 48 States. However, because diagnosis is difficult and public awareness about the disease is still limited, the CDC estimates that thousands of cases have gone undiagnosed, unreported, and worse yet, untreated.

Lyme disease is sometimes called the great impostor because it can mimic the symptoms of other ailments such as ringworm, influenza, arthritis, or heart disease. Symptoms of Lyme disease in its early stages include a characteristic rash at the site of the tick bite, headaches, fever, pains in joints, and swollen glands. Left untreated, Lyme disease can cause partial facial paralysis, Bell's palsy, meningitis, encephalitis, an abnormal slowing of the heartbeat, severe headaches and depression, destructive arthritis, memory loss, chronic fatigue, and numbness or shooting pains in the arms and legs.

Many people never even know that they have been bitten by this tick because it is so small. The parasite can attach itself, feed, and detach itself to lay its eggs, all without the host's knowledge. In addition, a person might not develop the telltale rash at the site of the tick bite, leaving the person without a clue as to the cause of the ailment. Moreover, standard blood tests often do not reveal the presence of the spirochete. Because Lyme disease was only first recognized in the United States in 1975, physicians who do not see many cases of the disease may have difficulty in diagnosing or treating it. However, with proper diagnosis and early treatment Lyme disease can be cured with antibiotic therapy.

As early treatment of Lyme disease is the key to warding off its worst effects, and as there is currently no vaccine for Lyme disease, the best defense against it is prevention. That is why education is vital if we are to minimize the effects of this painful disease. The American public must know what to look for if they are to take precaution against this disease.

Mr. Speaker, the prevention of Lyme disease depends upon public awareness. The designation of the week July 26 through August 1 as "Lyme Disease Awareness Week" will help us to alert the general public and health care professionals to Lyme disease and its symptoms.

Mr. GILMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 459

Whereas Lyme disease (borreliosis) is spread primarily by the bite of four types of ticks infected with the bacteria Borrelia burgdorferi;

Whereas Lyme disease-carrying ticks can be found across the country—in woods, mountains, beaches, even in our yards, and no effective tick control measures currently exist;

Whereas infected ticks can be carried by animals such as cats, dogs, horses, cows, goats, birds, and transferred to humans;

Whereas our pets and livestock can be infected with Lyme disease by ticks;

Whereas Lyme disease was first discovered in Europe in 1883 and scientists have recently proven its presence on Long Island as early as the 1940's:

Whereas Lyme disease was first found in Wisconsin in 1969, and derives its name from the diagnosis of a cluster of cases in the mid-1970's in Lyme, Connecticut;

Whereas forty-nine States reported more than 40,000 cases of Lyme disease from 1982 through 1991;

Whereas Lyme disease knows no season—the peak west coast and southern season is November to June, the peak east coast and northern season is April to October, and victims suffer all year round;

Whereas Lyme disease, easily treated soon after the bite with oral antibiotics, can be difficult to treat (by painful intravenous injections) if not discovered in time, and for some may be incurable;

Whereas Lyme disease is difficult to diagnose because there is no reliable test that can directly detect when the infection is present;

Whereas the early symptoms of Lyme disease may include rashes, severe headaches, fever, fatigue, and swollen glands;

Whereas if left untreated Lyme disease can affect every body system causing severe damage to the heart, brain, eyes, joints, lungs, liver, spleen, blood vessels, and kidneys;

Whereas the bacteria can cross the placenta and affect fetal development;

Whereas our children are the most vulnerable and most widely affected group;

Whereas the best cure for Lyme disease is prevention;

Whereas prevention of Lyme disease depends upon public awareness; and

Whereas education is essential to making the general public, health care professionals, employers, and insurers more knowledgeable about Lyme disease and its debilitating side effects: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning July 26, 1992 is designated as "Lyme Disease Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate programs, ceremonies, and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL LITERACY DAY

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 499) designating July 2, 1992, as "National Literacy Day," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. GILMAN. Mr. Speaker, reserving the right to object, under my reservation of objection I yield to the gentleman from New Jersey [Mr. PAYNE], who is the chief sponsor of House Joint Resolution 499, designating July 2, 1992, as "National Literacy Day."

Mr. PAYNE of New Jersey. Mr. Speaker, House Joint Resolution 499 will designate Tuesday, July 2, 1992 as "National Literacy Day." I would like to thank my colleagues for supporting this legislation for the past 5 years.

Passage of this resolution will demonstrate congressional support for nationwide efforts to improve the plight of 30 million Americans who cannot read and 42 million Americans who lack the basic skills to function in our society; thus their resources are left untapped and they are unable to make full contributions to our society.

Illiteracy takes a painful toll, both in terms of its impact on individual lives and on our American society as a whole. The daily feelings of frustration and defeat that afflict those who cannot read signs, instructions, warning labels, or newspapers too often lead to escape through alcohol or drug abuse.

Presently, as we are struggling to remain competitive in world markets, we cannot afford the loss of productivity that the total cost of errors, accidents and missed opportunities in business has reached—a staggering $225 billion annually.

Mr. Speaker, we are fortunate to have in our communities many dedicated volunteers and professionals who are working to remedy the problem of illiteracy. This is a chance to give them the recognition and encouragement they deserve.

As we approach the Fourth of July, Independence Day, let us also offer the hope of independence to the millions of our fellow citizens who are trapped in the prison of illiteracy.

I urge my colleagues to join me in voting for House Joint Resolution 499, to designate July 2, 1992, as "National Literacy Day."

Mr. GILMAN. Mr. Speaker, I thank the gentleman for his eloquent remarks.

Further reserving the right to object, I yield to the gentleman from Ohio [Mr. SAWYER].

Mr. SAWYER. Mr. Speaker, I thank my friend from New York for yielding.

Mr. Speaker, I rise in support of House Joint Resolution 499, designating July 2, 1992, as "National Literacy Day."

We are no longer living in a time where a strong back and a good attitude are enough to live a secure and meaningful life and provide for one's family. Most jobs today, and many other parts of our daily lives, require us to learn to use a great deal of information.

For between 30 and 75 million adults in this country, adapting to changes in the work force is simply not possible. For a variety of reasons, they have never really mastered some basic skills.

That is what functional illiteracy is all about: The inability to function productively using one's knowledge. Many people successfully hide this condition for their entire lives.

I believe that efforts like the resolution sponsored by my friend from New Jersey make it easier for adults who need help to decide to get it. Marking July 2 as National Literacy Day sends a signal that our Nation is committed to raising the literacy skills of all Americans.

I also want to let my colleagues know that the author of this resolution was instrumental in helping to advance my legislative proposal, the National Literacy Act of 1992. That act was signed into law last July.

It is our hope and expectation that by 1995, when that act will be reauthorized, we will have made measurable progress, and functional illiteracy will be largely a thing of the past.

National Literacy Day will help build awareness of what we need to do. We believe that the National Literacy Act will provide the tools we need to solve the problem by: Elevating the leadership role of the Federal Government, creating networks within States that will develop model literacy programs, and opening opportunities for groups at the local level to fight illiteracy in their communities.

Schools, businesses, volunteers, and civic leaders should combine resources, ideas, experience, and old-fashioned hard work.

As our colleagues may know, 1 of the 6 education goals is that every American will be literate by the year 2000, 8 years from now. If we want even to start addressing that goal, we have a tremendous amount of work to do.

I am grateful for the leadership on this issue provided by my colleague from New Jersey and I urge our colleagues to support House Joint Resolution 499.

□ 1840

Mr. GILMAN. Mr. Speaker, further reserving the right to object. I would like to commend the distinguished gentleman from New Jersey [Mr. PAYNE] for introducing this legislation and I would like to thank the chairman, the gentleman from Missouri [Mr. CLAY] for his efforts in bringing this legislation to the floor.

As the gentleman from New Jersey notes, literacy is a vital asset which millions of Americans are lacking. Conversely, a chief economic competitor, Japan, has a literacy rate of nearly 100 percent by the age of 17. Obviously our deprived work force is not up to par with our competitors in this one subject. Countless billions of dollars are lost every year due to the inability to read directions and solve problems. Millions of jobs cannot be attained due to a lack of these vital skills and the inability to complete application forms. It is our moral duty and obligation to emphasize and support education and literacy in this country.

Too many people who are illiterate have lost hope. Well, we in the Congress have not lost hope and neither have those adults who are seeking an education. It should be the mission of this Congress to supply these necessary tools which will enable them to find jobs.

Accordingly, I urge support for this resolution.

Mr. GILMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. McNULTY). Is there objection to the request of the gentleman from Ohio [Mr. SAWYER]?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 499

Whereas literacy is a necessary tool for survival in our society;

Whereas forty-two million Americans today read at a level which is less than necessary for full survival needs;

Whereas there are thirty million adults in the United States who cannot read, whose resources are left untapped, and who are unable to offer their full contribution to society;

Whereas illiteracy is growing rapidly, as two million three hundred thousand persons, including one million two hundred thousand legal and illegal immigrants, one million high school dropouts, and one hundred thousand refugees, are added to the pool of illiterates annually;

Whereas the annual cost of illiteracy to the United States in terms of welfare expenditures, crime, prison expenses, lost revenues, and industrial and military accidents has been estimated at $225,000,000,000;

Whereas the competitiveness of the United States is eroded by the presence in the workplace of millions of Americans who are functionally or technologically illiterate;

Whereas there is a direct correlation between the number of illiterate adults unable to perform at the standard necessary for available employment and the money allocated to child welfare and unemployment compensation;

Whereas the percentage of illiterates in proportion to population size is higher for blacks and Hispanics, resulting in increased economic and social discrimination against these minorities;

Whereas the prison population represents the single highest concentration of adult illiteracy;

Whereas one million children in the United States between the ages of twelve and seventeen cannot read above a third grade level, 13 per centum of all seventeen-year-olds are functionally illiterate, and 15 per centum of graduates of urban high schools read at less than a sixth grade level;

Whereas 85 per centum of the juveniles who appear in criminal court are functionally illiterate;

Whereas the 47 per centum illiteracy rate among black youths is expected to increase;

Whereas one-half of all heads of households cannot read past the eighth grade level and one-third of all mothers on welfare are functionally illiterate;

Whereas the cycle of illiteracy continues because the children of illiterate parents are often illiterate themselves because of the lack of support they receive from their home environment;

Whereas Federal, State, municipal, and private literacy programs have only been able to reach 5 per centum of the total illiterate population;

Whereas it is vital to call attention to the problem of illiteracy, to understand the severity of the problem and its detrimental effects on our society, and to reach those who are illiterate and unaware of the free services and help available to them; and

Whereas it is also necessary to recognize and thank the thousands of volunteers who are working to promote literacy and provide support to the millions of illiterates in need of assistance: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 2, 1992, is designated as "National Literacy Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 499, the joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Without objection, the Chair will proceed with special orders without prejudice to the resumption of legislative bills later in the legislative day.

There was no objection.

POLITICS OVER SCIENCE AT THE DEPARTMENT OF ENERGY

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RICHARDSON. Mr. Speaker, if my colleagues will read the Washington Post this morning, they will see that the Department of Energy, once again, is playing politics over science. At the urging of the Department of Energy, the National Academy of Sciences is all but repudiating a report that they put out last week that criticized the DOE's plans for testing plutonium waste in southern New Mexico. This is the language of the NAS panel:

The Energy Department needs to articulate a convincing scientific rationale for the proposed test program. There is no compelling scientific rationale for conducting these tests at the WIPP facility in New Mexico.

Mr. Speaker, next week we will deal with the WIPP facility in New Mexico. I will be offering an amendment that says no tests at WIPP until all safety and EPA standards are met.

The National Academy of Sciences is on my side, but it has been repudiated by the Department of Energy politically rather than scientifically.

[From the Washington Post, June 25, 1992]

OFFICIAL PLAYS DOWN PANEL'S CRITIQUE OF ATOM DUMP

(By Thomas W. Lippman)

At the urging of Energy Department officials, National Academy of Sciences President Frank Press has all but repudiated a report by an NAS panel that criticized government plans for testing plutonium waste at a repository in New Mexico.

In a letter this week to three key House committee chairmen, Press noted that the panel's report supports opening the controversial repository and characterized the report's strong criticisms only as "suggestions for improving the effectiveness" for the planned tests.

The House is expected to vote next week on a bill that would allow the Energy Department to open the $1 billion Waste Isolation Pilot Project (WIPP), where the department has been trying for years to ship drums of radioactive waste from its nuclear weapons factories.

The effort by Press, at the Energy Department's behest, to play down some of the scientific panel's conclusions prompted criticism that the department was putting politics ahead of science—a practice that Energy Secretary James D. Watkins has admitted was common before his tenure and pledged to eliminate.

Rep. George Miller (D-Calif.), chairman of the Interior Committee, said a letter from Assistant Energy Secretary Leo P. Duffy asking Press to write to the committee chairmen showed that "this administration will do anything to get a barrel of waste into WIPP, even manipulate the National Academy of Sciences."

The NAS panel of scientists last week did support opening WIPP, saying there was a "high probability it would perform successfully," but questioned the type of tests the Energy Department is planning to conduct in preparation.

Tests on waste material should be conducted not as planned in the new repository but elsewhere, the panel said. At the same time, the panel recommended altering the testing program to include geologic and hydrologic evaluations of the repository, which has been excavated in rock salt 2,150 feet below the Earth's surface.

The Energy Department "needs to articulate a convincing scientific rationale for the proposed test program . . ." the panel said. "There is no compelling scientific rationale for conducting these tests [on waste material] at the WIPP facility."

WIPP is intended to be the final resting place for tons of plutonium-contaminated waste that have piled up at the weapons factories in the past 20 years. Last year a federal court blocked the Energy Department's attempt to take title to the site, near Carlsbad, N.M., from the Interior Department by an administrative transfer, ruling that legislation was required.

The Senate has passed such a bill. The House is scheduled to vote next week on a bill that would transfer the site but require the Energy Department to comply with Environmental Protection Agency standards—not yet issued—for radioactive waste storage.

The NAS panel's findings, similar to criticism published earlier by the General Accounting Office, made big news this month in New Mexico, which has followed the WIPP controversy closely. "Scientific Panel Says Doing Tests at WIPP Useless," headlined the Albuquerque Journal. "Key Panel Backpedals on WIPP," said the Albuquerque Tribune.

This coverage prompted Duffy to write to Press on Monday. "I would appreciate it," Duffy said, "if the NAS would clarify its position on the need for underground testing at WIPP and direct these comments by Wednesday, June 23, 1992 [sic]" to Miller and to Reps. John D. Dingell (D-Mich.) and Les Aspin (D-Wis.), the committee chairmen who recently agreed on a WIPP land transfer bill.

Press complied on Tuesday. "It is unfortunate," he wrote to the chairman, "that some newspaper accounts of the report misinterpreted the panel's findings, but I wish to assure you of the panel's continued support for an underground testing program with [plutonium-contaminated] wastes at WIPP."

This was "absolutely not" an attempt at scientific spin control, said a spokesman for Press, who is completing his second and last term as elected head of the nation's leading scientific group. "Dr. Press was simply trying to place the interim report into context."

"We could not remain silent" in the face of the New Mexico headlines, said Paul Grimm, Duffy's deputy, because Rep. Bill Richardson (D-N.M.), a foe of WIPP, "was making them a focus of a 'Dear Colleague' letter" circulating in the House, "We were not trying to do something sneaky or underhanded," said Energy Department press secretary Joseph C. Karpinski.

A member of the panel, geologist Rodney C. Ewing of the University of New Mexico, said: "I don't share Frank Press's description of our report. We reaffirm our support for underground tests with real waste at WIPP, yes, but our report is based on the explicit program presented by DOE, and we found it lacking."

HONORING THE POPULATION INSTITUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. KOSTMAYER] is recognized for 5 minutes.

Mr. KOSTMAYER. Mr. Speaker, with the restoration of funds for the U.N. Population Fund in the foreign operations appropriations bill for fiscal year 1993, I would like to bring attention to the extraordinary work that is being done in this area by an organization based here in Washington, DC. I refer to the Population Institute and its president, Mr. Werner Fornos.

The attention of the world was recently focused on events at the environmental conference in Rio de Janeiro. Unfortunately, a very important area that will have an increasing effect on the global environment was all but ignored. That area of concern is the astronomical growth in world population.

By September the world's population will pass the 5.5 billion mark. This is nearly 1 billion more people than when I first came to Congress, representing the equivalent of one United States every 2½ years, the vast majority of whom are desperately impoverished. Indeed, while the percentage of people living in poverty in developing nations has fallen over the past two decades, population growth has increased the actual number of very poor. Without concerted action to provide access to family planning now, the United Nations projects that the Earth's population will soar to over 20 billion, with over 95 percent of this increase expected to occur in the most vulnerable developing world countries.

I would like to enter into the RECORD a column from the June 16 edition of the Earth Summit Times that I believe best describes the vital work that is being done in this area by the Population Institute and Mr. Fornos:

[From the Earth Summit Times, June 15, 1992]

FORNOS: POPULATION GROWTH IS DANGEROUS

(By Pranay Gupte)

The Washington-based Population Institute, has presented UNCED with a "declaration" bearing the signatures of representatives of nearly 100 delegations to the United Nations. The declaration cites the environmental consequences of unchecked population growth.

"In addition to the delegates at Rio, thousands of people from all walks of life and from rich and poor countries alike have signed the priority declaration," said Werner Fornos, president of the Population Institute. He said that his organization would collect a million signatures and present them to UN Secretary-General Boutros Boutros-Ghali during World Population Awareness Week next October.

"The purpose of the signature drive is to demonstrate clearly and conclusively to all world leaders that a broad spectrum of people on this planet are genuinely and deeply concerned about the detrimental impact that human growth is having on our land, air, water, and all living species," he said.

Fornos has brought a study team consisting of journalists and scholars from many countries to Rio de Janeiro. In addition to attending the Summit, the team has traveled around Brazil to study the impact that high population growth and poverty have on the environment.

The Population Institute is a leading advocacy group that has sponsored seminars and media awards for more than a decade. Fornos, a former Maryland legislator, is widely considered one of the most effective spokesmen for population in Washington. The study groups that he organizes travel to various developing countries and have been acclaimed for the reports and assessments that they release.

Fornos recently was awarded the "They Understood the Technique" Award by Theodore W. Kheel, chairman of the Earth Summit Committee to Promote the Pledge, in recognition of his work in population. The award consisted of a signed original print by Robert Rauschenberg. Fornos also delivered the First Earth Summit lecture on the occasion of the award ceremony.

INTRODUCTION OF RESOLUTION TO PROVIDE FOR DIRECT POPULAR ELECTION OF THE PRESIDENT AND VICE PRESIDENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas [Mr. GLICKMAN] is recognized for 5 minutes.

Mr. GLICKMAN. Mr. Speaker, the 1992 Presidential race is beginning to look like no other in recent history. There is a growing possibility that our next president will not be elected by a majority or even a plurality of the popular vote. If no candidate receives a majority of electoral votes, the much-maligned House of Representatives may end up deciding who sits in the Oval Office in 1993. Given the ornery mood of the electorate, I lack confidence in placid acceptance of such an outcome.

Few Americans are aware that they do not vote for a President on Election Day; they vote for electors. In every State but Maine and Nebraska, the slate of electors pledges to vote for the candidate who wins the popular vote. No matter how small the margin of victory, the winner takes all of the electors. In December, the electoral college will meet and elect the next President. Because of the winner-take-all scheme, the outcome in December does not necessarily reflect the popular outcome in November.

The electoral college was a compromise between the delegates at the Constitutional Convention who favored direct election by the people and those who favored election by the Congress. Those who favored election by the Congress believed the people were unqualified to make a wise and informed choice of a leader for a new and fragile democracy. They split the difference and produced the electoral college.

The emergence of Ross Perot changes the dynamic of the November election. He is not just another third party candidate in the mold of John Anderson or George Wallace. He has promised to put $100 million of his own money into his race and, as recent polls demonstrate, he has the potential to win at least one very large State.

A number of troubling scenarios become possible with three strong candidates. Let's say none of the three candidates receives a majority of the popular vote. The winner-take-all system in the electoral college could give a decisive victory to a second or third place candidate who wins razor-thin victories in California and New York. That candidate would become President without having won even a plurality of the popular vote, and he certainly would not have a mandate to lead the country.

Things could get more complicated if no candidate receive a majority in the electoral college. This outcome is plainly possible if Perot were to win Texas and possibly California. In such a case, the electoral college would not likely be able to produce the majority required to choose the winner.

Should no one receive an electoral majority, the next step would be for the House of Representatives to choose the President. Each State gets one vote, giving Rhode Island the same clout as California. Given the voter's penchant for choosing Presidents and representatives of different parties, a given State delegation may have a majority of Democrats chosen by the same voters who cast their lot with a Republican President. Therefore, the House vote might contradict the popular vote.

If Perot were to win the popular vote, imagine a three-party contest being decided by loyal Republican and Democratic Members of the House. They would send the independent candidate packing, regardless of his margin of victory.

There are procedural questions involved in a Presidential selection by the House. The Constitution says that the electoral votes shall be cast in December and counted in January and, if no candidate receives a majority, the House shall choose the President "immediately" thereafter, Which House? The Constitution does not say. Current law would have the new Congress sworn in before the electoral count, but that could be changed by act of Congress before the election. The great irony would be 150 or so lame ducks, thrown out by unhappy voters, choosing the President for the next 4 years.

I raise these points to prepare us for the possibility of an election like none other this century. I also raise them to explain why I am today introducing a resolution to amend the Constitution, get rid of the electoral college, and provide for the direct popular election of the President and Vice President. This resolution is identical to that introduced by Senator PRYOR on the Senate side, and it preserves State regulations with regard to voting eligibility. It also provides for a runoff election in the event no candidate receives over 40 percent of the vote.

The electoral college is an anachronism. The ostensible merits 200 years ago of insulating the choice of a leader from the will of the people, such as the lack of education and access to information necessary to make a wise choice, are not valid in a technologically advanced society. For better or worse, the candidate's every utterance and act may be viewed from our living rooms.

The reasons this system was created do not make sense in 1992. I trust the people to make an informed choice, and I would call that choice democracy, not, in the words of George Will, "primitive majoritarianism."

THE PLIGHT OF AMERICA'S CITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky [Mr. MAZZOLI] is recognized for 5 minutes.

Mr. MAZZOLI. Mr. Speaker, some would say that it is politically correct, and we keep using this term "p.c.," but that it is politically correct to vote against foreign assistance/foreign aid at this time in our Nation's history and in view of the plight of the American workers, the unemployment, the recession, and the situation that we see in our urban areas. I do not necessarily think it is politically correct. In fact, I think it is not that at all. I think it is the right thing to do.

Accordingly, this afternoon, despite my great affection for the gentleman from Wisconsin and the excellent work that he and his subcommittee on foreign assistance of the Committee on Appropriations did in taking the bill and reforming it and reducing it materially from what was sent up by the administration, I still had to vote against it, for I think that the situation in America's cities cries for our attention, and we are not giving our attention to that part of America that is so vitally important and vitally important to our community. My own city of Louisville is very much an urban area in need.

I think that we in this body look to establish priorities and to set a kind of framework to give a message, to establish a tempo, and I think we have to consider that deal with urban America, before we consider our responsibilities to foreign nations and to other countries of the world.

The bill before the Congress earlier today was a bill of approximately $13 billion. Some was cut from it during the course of the consideration. Of that, I believe something like $3.5 billion or $4 billion is actual military foreign assistance. The rest of it is various forms of economic aid. However, some of the economic assistance is also edged and tinged in the military field and is used for that purpose.

I think that it is instructive when we talk about the needs of the cities of America to refer to the U.S. Conference of Mayors which happens to have as one of its leaders the mayor of my own hometown of Louisville, KY, Mayor Jerry Abramson, who as I understand it will soon be the president of the Conference of Mayors. They recently met in the city of Houston in which they deliberated at length about the current condition and the future condition of American cities.

They released a report which I would just excerpt from briefly in which, since the current recession began in July 1990, 75 percent of the 50 largest cities of America surveyed had to reduce to some extent their city employees; 42 percent have had to freeze or reduce the salaries of their employees; the revenues, the income of the cities, have diminished very appreciably, and some 47 percent of those cities surveyed, had to go to property tax increases; another 75 percent of the cities surveyed had to increase user fees; and 56 percent of all the cities surveyed reflected that their revenues had dropped since July of 1990. Services which the cities had to reduce, in order of their reduction, were street and sewer maintenance, what we call infrastructure, parks and recreation, police, and, of course, public safety is so very important, economic development and planning and administration and staff.

Looking to the future, 54 percent of the cities surveyed felt they would need to cut city work forces further, and during the remainder of this year, 45 percent believe they will have to cut city services next year, 1993, and 49 percent believe that they will have to request tax or fee increases in order to balance their books.

I would like to reflect very briefly on the situation in American cities, fiscal 1981, which was about the time that the Reagan-Bush administrations began. Community development block grants to American cities were $6 billion. Now they are $2.9 billion, or a drop of 50 percent.

□ 1850

The Urban Development Action Grants have dropped to zero. They had a 100-percent reduction since fiscal year 1981.

General revenue sharing is now zero. It was $5 billion.

Mass transit has been reduced by 50 percent, employment and training 50 percent. Economic development, the same way.

Mr. Speaker, let me sum up by saying that in 1980, 50 of the largest cities of America had something like 18 percent of their budgets constituted by Federal funds. That has now dropped to 6.4 percent.

I would have preferred to see before us today some type of a bill on urban assistance. I think if we had done it that way, put that in the sequence first, I would have felt a great deal more comfortable in voting for foreign assistance.

I recently took a very lengthy and illuminating and instructive trip all through the neighborhoods of my hometown and found the real plight of the people. I talked to a lot of folks with a lot of enthusiasm, a lot of heart, a lot of courage, a lot of anticipation of the future, but people also who were very demoralized by what they saw.

I think the upshot of that is they do look to Washington for help. I think we have to deliver that help.

I would urge my colleagues to very quickly put on the floor bills to aid urban America and then to attend to our responsibility to help the rest of the world.

GENERAL CONAWAY SELECTED FOR NAACP AWARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, I want to share with my colleagues a letter from Benjamin L. Hooks, executive director and CEO of the National Association for the Advancement of Colored People, to Lt. Gen. John Conaway, chief of the National Guard Bureau. In the letter, Mr. Hooks announces that General Conaway has been selected as the recipient of the NAACP 1992 Meritorious Service Award to be presented at a banquet on July 15, 1992 in Nashville, TN. General Conaway's selection for this award is just another indication of the type of leadership which serves today in our National Guard. I know my colleagues will join me in congratulating General Conaway for being the recipient of this prestigious award.

NATIONAL ASSOCIATION FOR THE
ADVANCEMENT OF COLORED PEOPLE,
Baltimore, MD, June 5, 1992.

Lt. Gen. JOHN B. CONAWAY,
Chief, National Guard Bureau, Pentagon, room 25394, Washington, DC.

DEAR GENERAL CONAWAY: Congratulations on your selection as the recipient of the NAACP 1992 Meritorious Service Award. This prestigious award will be presented to you at the Armed Services & Veterans Affairs Award Banquet, on July 15, 1992, at 7:00 p.m., in Nashville, Tennessee, at the Stouffer Nashville Hotel. We are also honored to have you as the keynote speaker for this event.

Annually, the NAACP reviews the accomplishments of military service personnel, men and women in policy making positions, and presents the Meritorious Service Award for the highest achievements in military equal opportunity. In 1945, President Harry S. Truman abolished racial segregation in the Armed Services by issuing Executive Order 9981. The NAACP was very active in military affairs as early as World War I and pressured the War Department to establish training camps for African-American officers. Today, African-Americans occupy more management positions in the military than they do in any other significant sector of American society. The Armed Services are not free of all race or human relations problems, but these are minimal compared with the problems that exist in other institutions, public and private. The Meritorious Service Award epitomizes advancement in military equal opportunity in the United States Armed Forces.

Again, I congratulate you. Last year, Vice Admiral Jeremy M. Boords, then Chief of Naval Personnel, United States Navy, received this award. This year, it is truly our pleasure to have you as our guest, keynote speaker, and most importantly, as recipient of the NAACP Meritorious Service Award.

Sincerely,

BENJAMIN L. HOOKS,
Executive Director, CEO.

QUESTIONABLE PROGRESS REPORTED ON SAVINGS AND LOAN PROSECUTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNIZO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, yesterday the Department of Justice issued its latest progress report on major savings and loan prosecutions. In its report, the Justice Department noted that $11 million in fines have been imposed and $425 million in restitution has been ordered. These numbers may seem impressive at first, but the $436 million in fines and restitution ordered equals just over 5 percent of the $8.3 billion in estimated losses due to fraud. And, thus far, the Government has collected a very small percentage of the fines and restitution ordered.

By its own admission, the Justice Department collected only 4 percent of the restitution ordered through December 1991. And, in 19 cases recently studied by the Financial Institutions Subcommittee, savings and loan criminals collectively paid less than 1 cent on the dollar of their court-ordered restitution.

To combat the low collection rate and to remove the impediments to the collection of restitution from financial institution crooks, shortly I will be introducing the Financial Institutions Fraud Restitution Collection Improvement Act of 1992.

This legislation will make restitution collection more effective and more efficient. It provides the Justice Department, the FDIC, and the RTC with enhanced weapons for the collection of restitution, and eliminates the confusing lines of responsibility for its collection. The legislation makes restitution orders due in full immediately and maintains their enforceability until they are completely paid. It gives victims of financial institution crimes greater authority to attach or place liens on property of financial institutions crooks, and it prohibits judges from taking into account a defendant's ability to pay in determining how much restitution he owes. Finally, it allows private bounty hunters to bring collection actions on behalf of the Government if, after 6 months, the Government has failed to act to collect that which it is owed.

THE ROAD FROM RIO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. PORTER] is recognized for 5 minutes.

Mr. PORTER. Mr. Speaker, I was privileged to attend the Earth summit in Rio de Janeiro as an official delegate of the United States. At the conference, the President, in addressing the heads of state said to them that "as important as the road to Rio has been, what matters more is the road from Rio." I think the President was exactly right.

A great deal was accomplished at the Earth summit, and while the American media and other media across the world focused, as is the nature of news, upon what was not accomplished, a great deal was put into place that is very important to the future of life on this planet.

Conventions on global climate change and biodiversity were signed. A Rio declaration of principles of sustainable development was agreed to, forests principles that the President particularly was interested in were signed, and an agenda for the 21st century called Agenda 21 of 900 pages of recommendations on sustainable development was also agreed to by all 178 nations—almost every nation in the world—represented at the conference.

What the Earth summit was all about is a better economic life for all the people of this planet, but achieved in a way that is sustainable, achieved in a way that preserves the planet, its species, and its resources.

Looking at the road from Rio, it seems to me very important that we institutionalize our commitment and that of all nations to the principles and agreements made at the Rio conference.

For that reason, Mr. Speaker, I introduced legislation last week to create a Rio Commission, an organization of Members of Congress and the executive branch to monitor and encourage United States and international progress toward the goals produced by the Earth summit. The Commission would be modeled on the Helsinki Commission, which has been an institution of Congress and the executive branch ever since the 1975 Helsinki accords were signed.

I am a member of the Helsinki Commission which has met repeatedly and has focused on compliance with the provisions of the Helsinki accords, particularly those on human rights. It has been a very successful way of continuing the commitments that were made in Helsinki.

Similarly, the Rio Commission would institutionalize the commitments that we and other nations made in Rio, keeping them alive and moving forward.

The Commission I have proposed would be comprised of four Members of the House, four Members of the Senate, and three representatives of the executive branch, from the State Department, the Council on Environmental Quality, and the Environmental Protection Agency.

Mr. Speaker, this is a very important initiative. I would urge the Members of the House to join me in sponsoring this legislation. We need to capture the spirit of the Earth summit, make certain that it continues and keep it alive in the future. The Rio Commission will be the instrument to do so.

A TRIBUTE TO DR. DONALD INGWERSON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky [Mr. HUBBARD] is recognized for 5 minutes.

Mr. HUBBARD. Mr. Speaker, this afternoon I had the privilege of joining Secretary Lamar Alexander of the U.S. Department of Education and other leaders in education in honoring Dr. Donald (Don) Ingwerson, superintendent of the Jefferson County School District in Louisville, KY. Dr. Ingwerson has been presented the distinguished 1992 National Superintendent of the Year Award.

The Secretary of Education has recognized the Superintendent of the Year annually since the implementation of the program in 1988. The purpose of the National Superintendent of the Year Program is to recognize superintendents from across the country who have made great strides in encouraging emulation of creative, effective leadership by others in the field. The program, now in its fifth year, is cosponsored by the American Association of School Administrators and the ServiceMaster Co. of Downers Grove, IL.

Dr. Ingwerson graduated from the Kansas State Teachers College with a masters of science degree in school administration and received his doctorate of education from the University of Wyoming. He began his career in education in Glendora, CA, as director of secondary education and as a junior high school principal. He then moved to Jefferson County schools in Colorado where he was director of junior high schools, assistant superintendent for curriculum and deputy superintendent.

Dr. Ingwerson then moved to Orange, CA, where he was superintendent for 9 years. He has been in his present position as superintendent of Jefferson County Public Schools in Louisville, KY, for the past 11 years.

Dr. Ingwerson's philosophy is, "No matter the background, no matter the economic level, no matter the age—everyone can learn." Under his outstanding leadership, the Jefferson County school system has become one of the most innovative in the Nation. Among its many innovations are a nongraded primary program, an effort to raise academic standards for student athletes, take-home computers, magnet schools, a technology center that includes devices to assist handicapped students, extended school day and year services, a regional drug abuse center, and resource centers that help bring social services closer to students and their families.

As National Superintendent of the Year, Dr. Ingwerson received a gold medallion, a $2,000 U.S. savings bond, and other awards. In addition, a $10,000 scholarship will be presented in his name to a student in the high school from which he graduated or the school now serving that area. As recipient of this award, he will have the opportunity to address fellow educators and citizens nationwide. Forty-nine States plus U.S. schools overseas had finalists in the program this year.

Again, it was indeed a pleasure and an honor for me to have the opportunity today to attend the reception that was held in Dr. Ingwerson's honor and to meet his children, Heidi Ingwerson and Marshall Ingwerson. It was obvious they are very proud of their father.

All Kentuckians can be proud of Dr. Donald Ingwerson.

□ 1900

Mr. Speaker, I yield to my friend from Louisville, KY, the Congressman from Jefferson County, Mr. MAZZOLI.

Mr. MAZZOLI. Mr. Speaker, I thank my friend for taking this special order to honor Dr. Ingwerson. Of course, my friend and I have been colleagues together since 1968, when we were in the Kentucky State Senate together.

Our paths have crossed on many occasions, and tonight again on behalf of Dr. Ingwerson, who has distinguished himself not just in Kentucky. Under the new Kentucky education reform climate in which we have throughout the Commonwealth of Kentucky, to our everlasting credit and to the everlasting credit of the general assembly, we have now recreated our Kentucky educational system.

But in the forefront of all of that, and particularly in Jefferson County, my home county, Don Ingwerson has really done a remarkable job. His designation as Superintendent of the Year for 1992 comes as no surprise to us even though it is a very unusual distinction. We knew, and we know, that his work is highly reputable and highly distinguished and very much deserving of this kind of honor.

While I was unable to join my colleague from Kentucky today because of the session on the floor, I certainly appreciate his taking this special order and being able to join with him in paying tribute to Dr. Ingwerson, and we wish him and his wife and family the very best of good health and many more years of accomplishments.

Mr. HUBBARD. My colleague, RON MAZZOLI, and I both graduated from high school in the Louisville area, he at St. Xavier High School and I at Eastern High School. Ron and I also graduated from the University of Louisville School of Law. We also served in the Kentucky State Senate for several years. Today we join together here honoring Dr. Don Ingwerson.

My mother, Mrs. Carroll Hubbard—Beth Hubbard—of Louisville, taught school for 35 years, 27 of those years in the Jefferson County system. I am confident she is pleased we are congratulating Dr. Don Ingwerson, whom my mother admires, upon this special, unique honor of being selected as the 1992 National Superintendent of the Year.

INTRODUCTION OF THE HEALTH CARE FOR EVERY AMERICAN ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. CONYERS] is recognized for 60 minutes.

Mr. CONYERS. Mr. Speaker, I rise today to introduce the Health Care for Every American Act—my response to the health care crisis, as seen during my tenure as chairman of the Committee on Government Operations.

Mr. Speaker, our Nation is in desperate need of a comprehensive overhaul of our health care system. Band-Aid solutions like that put forth by the President and others will not cure what ails it. We will spend in excess of $800 billion this year on health care—increasing at a rate two times that of general inflation—while another 1 million Americans will join the ranks of our 35 million uninsured.

Every day that we do not enact dramatic reform of our health care system is:

Another day that out-of-control health care costs continue to drive our $4 trillion deficit;

Another day our businesses are crippled in international competition; and

Another day that millions of working families have to decide between food and health care.

The Health Care for Every American Act proposes a State-administered, single-insurer health system. It preserves the strengths of our existing system while adopting the most successful features from Canada, Japan, and Europe.

It provides comprehensive benefits and strong cost controls.

It offer Americans freedom to choose health care providers and freedom to change jobs and move to other States without worrying whether they and their families will be covered.

It ensures consumer and provider input into its implementation, and offers strong emphasis on primary care and prevention and improved services and access for the 35 million Americans living in urban and rural medically undeserved areas.

It is progressively financed, and guarantees that families will spend less on health care.

Finally, it provides for dramatic reform of the way we educate and train health care practitioners, and how we conduct medical research—ensuring that the billions of taxpayer dollars we invest each year in these areas will produce many more primary care practitioners, which we desperately need.

Mr. Speaker, I submit for the RECORD background, a summary, and a section-by-section analysis of the Health Care for Every American Act, and urge its consideration, and that my colleagues join me in cosponsoring this legislation.

HEALTH CARE FOR EVERY AMERICAN ACT

H.R. 5500

Prepared by Rep. John Conyers, Jr., Chairman, Committee on Government Operations

The Health Care for Every American Act will overhaul the U.S. health care system. It preserves the best features of our current system, while adopting features that have proven successful in Canada, Japan, and European countries. Highlights of the act include:

HIGHLIGHTS

Universal access to health care.

Comprehensive benefits with no cost sharing for hospital and physician services, prescription drugs, devices and equipment, and preventive care.

Long-term care in home, nursing and community-based settings with limited cost-sharing based on income level.

Substance abuse benefits to achieve "treatment on demand" and mental health benefits, with limited cost-sharing based on income level.

Public, rather than private, financing of health insurance to minimize paperwork, reduce patient and provider hassle, and save money for health care.

State-administered program to ensure responsiveness to consumers, local innovation, and reduced bureaucracy.

Freedom to choose health care providers.

Fee-for-service medicine or optional consumer-oriented managed care in local networks called Comprehensive Health Service Organizations.

Freedom to change jobs and move to other States.

Strong cost containment through negotiation of physician fees, hospital budgets, and prescription drug prices.

Medical malpractice reforms.

Consumer-accountable management and planning mechanism to assess quality of care and determine the need for new hospitals and medical equipment in local communities.

Strong emphasis on primary care and improving services to the medically undeserved by educating significantly more primary care practitioners and by expanding the network of community health centers.

Progressive financing according to ability to pay for both individuals and businesses.

Average family expenses will be no more than under the current system and most likely significantly less.

BACKGROUND ON THE HEALTH CARE CRISIS

The American health care system is in need of major surgery. Band-aid solutions will not cure what ails it. We face several fundamental problems that demand immediate action:

Limited Access and Declining Benefits

It is a national disgrace that 35 million Americans lack health insurance, 25% more than a decade ago. Sixty million more are underinsured, many only an illness away from bankruptcy. Children make up one quarter of the uninsured; over two-thirds of the uninsured are in working families, with the breadwinner working full-time. Three out of ten Americans feel locked into their jobs—afraid to pursue a better or higher paying job out of fear of losing health coverage. Too many families are seeing their health benefits erode as insurance companies cut back on covered services and reduce lifetime coverage limits.

Germany enacted national health insurance in 1883. Britain in 1948. Japan in 1962. Canada in 1965. It is time America guaranteed every citizen access to comprehensive health care.

Skyrocketing Costs

Health care costs are killing our economy. They're rising at three times the inflation rate and there's no end in sight. In 1980 we spent $1,059 per person; in 1990 we spent $2,566 per person. At $812 billion in 1992, health care consumes 14% of our GNP. It may devour 20% of GNP by the end of the decade—1 out of every 5 dollars spent in the economy—and crowd out spending on other critical investments. With most businesses facing a 20% increase in premiums each year, our industries are becoming less and less competitive. What do we get for all this money? We're 13th in life expectancy and 22nd in infant mortality.

We need health reform that will control costs and deliver high quality care. Most of our major competitors spend considerably less per person on health care than we do. They do it by establishing a national budget for health care spending, negotiating fees for services with physicians and hospitals to stay within that budget, planning when and where to build new facilities and buy new equipment, and determining the number and type of health practitioners needed to deliver care. We should do no less.

Fragmented System

One of the major weaknesses of the American health care system is the fact that it is not a system at all—making it impossible to control costs, manage the delivery of care, and plan for the future. Our fragmented system of Federal and State health insurance programs, 1,500 insurance companies, and thousands of businesses who are self-insured makes it impossible to build a system we can coordinate. If payments to providers get reduced by some payers to hold down costs, providers increase prices to other payers. This fragmentation limits our ability to control skyrocketing costs and results in enormous administrative waste and unnecessary services.

Private health insurance companies are no longer needed to insure Americans. Health insurance can be provided much more efficiently and effectively through the public sector. Health insurance companies profit by redlining high-risk individuals, excluding from coverage people who most need insurance, and seeking out the healthiest individuals who least need insurance. The fragmentation caused by so many different health insurers greatly hampers the ability to build a coordinated system that can achieve maximum efficiency and effectiveness.

Administrative Waste

Patients and providers are being buried under a blizzard of paperwork caused by the fragmented health care system. Private insurance companies are the main culprit. Their complex billing procedures divert tens of billions of dollars away from health care each year. The General Accounting Office (GAO), the investigative arm of Congress, studied this problem at the Government Operations Committee request. They looked at the Canadian health care system, which has one insurer, a so-called "single payer," in each province. The GAO report, Canadian Health Insurance: Lessons for the United States, found that the U.S. could save $67 billion per year under such a "single payer," or "single insurer," system. The GAO also estimated that the savings from reduced paperwork alone would be enough to insure all Americans without coverage and eliminate copayments and deductibles for everyone else.

Unnecessary Services

As much as 15% to 30% of medical procedures don't need to be performed in the U.S. This unnecessary care comes from three sources. First, our fee-for-service medical system encourages more, rather than less, care. We must change the incentive system so that providers profit more from keeping people healthy, rather than treating people when they are sick. Consumer-oriented managed care is one way to go.

Fee-for-service medicine has caused cost containment problems in Canada as well, where physicians still get paid on a per-visit basis. To compensate for reduced rates of reimbursement under their strong cost controls, physicians have increased utilization. Managed care, when organized and implemented with consumer control, can lessen the costs of wide open fee-for-service medicine by providing high-quality health care at an affordable price. Unfortunately the application of managed care in the U.S. has too often resulted in lack of consumer choice, insurance company intervention in patient-practitioner decisionmaking, and uneven access to care for patients.

Second, we need to reduce the need for providers to practice "defensive" medicine—when doctors order a battery of tests and make unnecessary referrals—to protect themselves from malpractice lawsuits. Universal coverage under national health insurance will go a long ways towards achieving that end, since many lawsuits are brought to get future health costs paid for. Medical malpractice reform will also contribute to preventing this problem, but we must ensure that the patient's rights to quality medical care are protected.

Third, we need to plan and coordinate service delivery among providers, and put a halt to the helter-skelter proliferation of unnecessary medical technology and excess hospital bed capacity. Competition has many undesirable effects when it comes to health care. Nationally, hospitals are filling only 64% of their beds, yet many communities are starving for beds. Boston has seven MRI machines in a three square block area, while other communities go wanting. Too many providers have the latest high-tech equipment, which requires a steady stream of customers to pay off its costs, whether patients need tests or not. We need strong local controls on capital spending, including the distribution of technology, to help hospitals, physicians and other providers move from cut-throat competition to healthy cooperation.

Failure to Emphasize Primary and Preventive Care

Physicians are the engine that drives the U.S. health care system. As a result, they also drive health care costs, which can't be adequately controlled without emphasizing primary and preventive care—at the front end of health care delivery when costs are lowest. One of the reasons that health care costs are out of control is that we have too few primary care physicians and too many specialists. Several recent studies have shown that specialists hospitalize patients at up to twice the rate of primary care physicians, charge higher fees, and utilize many more tests and technology.

The U.S. lags far behind other nations in its number of primary care physicians. While only 30% of our doctors are primary care physicians, they comprise 73% of the physicians practicing in the United Kingdom, 54% in the former West Germany, and 50% in Canada.

The Federal Government spends well over $7 billion per year under Medicare subsidizing physician graduate medical education. The National Institutes of Health (NIH) provide over $5 billion more in research grants to medical schools, a powerful magnet for attracting surgeons, radiologists and other specialists. But in 1989 only $15.4 million of NIH's $5.5 billion research budget went for primary care. Despite this enormous subsidy, to date the Federal Government has placed no requirements on medical schools and residency programs to produce primary care physicians. This must change: taxpayer dollars must produce the kinds of practitioners we need.

Special Needs of the Medically Underserved

There are 35 million Americans who live in medically underserved communities, so-called health professional shortage areas (HPSAs). HPSAs are rural and inner city communities with too few health care practitioners and even fewer health facilities. Universal health insurance will make a major difference in the lives of people from health professional shortage areas. But it alone will not ensure that practitioners, hospitals and clinics will rush to serve the sicker patients there. New spending is needed, under any health care reform proposal, to encourage practitioners to locate in HPSA's and to set up health clinics that provide low-cost, high-quality primary and preventive care. The up-front costs are small compared to the long-run savings.

SUMMARY OF THE HEALTH CARE FOR EVERY AMERICAN ACT—H.R. 5500

The Health Care for Every American Act has been developed after extensive review of the American health care crisis including: meetings with consumers and providers; Government Operations Committee hearings, including a review of community rating and hospital global budgeting in Rochester, New York; a Committee trip to Canada to study their health system; and consideration of the General Accounting Office (GAO) report entitled, *Canadian Health Insurance: Lessons for the United States*, prepared at the Committee's request.

All the studies, hearings, meetings and reports point to one fact: America offers the best health care in the world, but has a poor delivery system. We have the best medicine, but too few people have access to it. We spend the most on health care, but we can no longer afford it.

This Act blends the strongest features of the American health care system with successful aspects of the Canadian single-payer health insurance system and proven features from the Japanese and European systems.

UNIVERSAL COVERAGE AND COMPREHENSIVE BENEFITS

Eligibility: Under the Act every resident of the U.S. Puerto Rico and the U.S. territories is eligible for benefits in their primary place of residence. Coverage is portable to other states and countries for urgent, not elective, care. Each eligible individual will receive a State-issued health insurance card to identify coverage to providers and to simplify billing procedures.

Benefits: Benefits are comprehensive and include acute services such as hospital and physician and non-physician care, prescription drugs, preventive services, substance abuse services that essentially guarantee treatment on demand, mental health services, and long-term care in nursing homes, or at home and community-based facilities. Limited cost-sharing is required for mental health, substance abuse, and long-term care services, based on ability to pay.

FEDERAL AND STATE ADMINISTRATION OF HEALTH INSURANCE

National Health Insurance Standards Board: The Board will develop national health insurance policies and procedures; States will administer the program, making payments to providers who provide the benefits. In effect, the Federal Government guarantees health insurance through the States and collects the premiums through taxes to pay for the benefits, similar to Canada. The Federal Government sets standards so that benefits are similar for all Americans, costs can be better controlled, national health policies can be effectively implemented, and so that there is a level playing field between all the States administering the program. Risk is spread uniformly across the country, making the burden on any one State, business, family or individual much less than under our current insurance system.

There will be five members of the Board appointed by the President, with the advice and consent of the Senate, for seven-year terms to ensure political independence. A National Health Advisory Council, consisting of 21 members, will advise the Board on implementation of the Act to ensure input from a broad range of affected parties. The Board will create several advisory committees to review matters related to benefits, cost containment, quality assurance, and improving delivery of primary care and services to the medically underserved. The Council and all advisory committees will have strong consumer representation (employers, unions, and consumer groups), in addition to providers, policy experts and public health officials.

State Health Insurance Programs: The State government will act as the "single-payer" or "single insurer" for health care services. With State administration enormous cost savings from reduced paperwork can be achieved, strong cost controls can be implemented with providers, and a rational planning process to coordinate new hospital construction and the purchase of new equipment can be implemented. State administration that also place accountability at the local level and limit the potential for a big bureaucracy in Washington. Each State program is required to allocate at most 3% of spending for billing and payments processing—well below the 12% spent under private insurance plans. State programs are required to establish a State Health Advisory Council to provide consumers, providers and policy experts with a means to oversee and give input on implementation of the Act.

District Health Advisory Councils: State programs are required to establish District Health Advisory Councils in distinct regions to advise the State on implementation of the Act. Councils, composed of consumers, providers and public health officials, will advise on how to increase capacity in medically underserved areas and reduce excess capacity in overserved areas. In addition, Councils will provide a strong quality assurance mechanism.

PRIVATE SECTOR DELIVERY OF CARE

New System Based on Existing Providers: Public financing of health care proposed under this Act will barely alter our current health delivery system. The same public and private non-profit hospitals will provide the vast majority of care. Some for-profit facilities may become non-profit because profits will be limited. Physicians and other practitioners will remain independent and mostly in private practice. The biggest change will be a doubling of community and rural health centers, to provide high quality, low-cost, accessible health care to the medically underserved.

In Canada, which operates a similar system, 90% of hospitals are non-profit and private; most physicians are independent and earn their incomes by fee-for-service medicine. Instead of being paid by many different insurance companies, hospitals and practitioners will be paid from a single source, greatly simplifying billing thereby reducing the amount of time spent on paperwork while increasing time with patients, providing a steady stream of newly insured customers, and eliminating bad debt that results from caring for the uninsured under the current system.

Role of Private Insurance: Under the Act private insurance companies will continue to offer health insurance. But their market will be considerably reduced as most health benefits will be covered under the public plan. Private insurance companies pay for 33% of U.S. health care spending. They control about 20% of the Canadian health market. There is little doubt they will find similar creative markets niches here in America under a national health insurance program—providing insurance for benefits not covered by the Act and offering personal amenities.

MANAGEMENT AND PLANNING

Approval Process for Capital Spending: With the public sector controlling the purse strings a rational management and planning system can be implemented that involves public health administrators, providers, and consumers. The Act requires each State program, as a condition of reimbursement, to approve capital purchases or leases for newly constructed or renovated facilities and for new equipment valued at $50,000 or more. Hospitals, physicians and other providers could ignore the capital approval process, but they would not receive operating funds from the government to cover the costs of new facilities or equipment. Such a process will help reduce excess bed capacity, which nationally runs at only 64% of capacity, promote sharing of expensive technology, and substantially reduce unnecessary testing and procedures needed to pay overhead on underused equipment bought to stay competitive with other providers.

COST CONTAINMENT AND PROVIDER REIMBURSEMENT

National Health Insurance Budget: The Board will establish a national health insurance budget to cover the costs of services provided by the Act in order to provide a limit on health care expenditures. The cap will be based on the rate of growth in GNP, with modifications made for changes in population age and health priorities. States will be free to increase spending above the level each is allocated in the budget.

Hospital Reimbursement: State programs will negotiate global operating budgets with hospitals and other institutions. Budgets will be increased according to patient volume, inflation, and other factors. The predictability and flexibility of these global budgets should allow hospitals to become more cost-conscious and efficient since they must fund all expenditures from a given pot of money. Through control over capital expansions, new hospital capacity and the spread of unnecessary technology will be tightly controlled.

Practitioner Reimbursement: State programs will negotiate fees with physicians and other practitioners. Practitioners can choose various methods of reimbursement—fee-for-service, capitation, salary, or global fee payments. Fee-for-service rates will be based on a State resource based relative value scale, which varies the fee according to the type of procedure and location of care delivery. To be reimbursed for major capital acquisitions, practitioners will have to get approval from the State program.

Prescription Drug Prices: The cost of prescription drugs is the fastest rising portion of health expenditures—averaging 15% each year. The Act requires the Board to establish a list of approved drugs and to determine a maximum price to pay manufacturers and providers for that prescription drug. The Board will also conduct negotiations, on behalf of States, with prescription drug manufacturers and distributors to secure bulk prices and with pharmacists to determine a reasonable dispensing fee they may charge.

Malpractice Reform: By providing universal coverage and comprehensive benefits the Act contributes significantly towards lowering malpractice costs and the need for unnecessary services caused by "defensive" medicine. A significant percentage of the costs of malpractice lawsuits are to recover the cost providing future medical care. The Act also provides grants to State programs to develop less costly alternatives to medical liability disputes. Patient protections are to be carefully balanced against reducing health costs.

CONSUMER-ORIENTED MANAGED CARE

Comprehensive Health Service Organizations: The Act strongly encourages the creation of

CHSOs paid on a per capita basis to provide a high-quality continuum of prevention-oriented care to individuals living in a specified area. CHSOs would be different than most current forms of managed care in that they would provide a wide range of services, be non-profit with at least one-third of the board required to be CHSO members, have a strong patient grievance program, prohibit physician incentive plans that limit utilization and reduce medically-necessary care, and allow for easy withdrawal. To encourage the use of CHSOs, States will have the option of assessing a modest sliding-scale user fee for choosing fee-for-service medicine over CHSO membership.

PRIMARY CARE AND SERVICES FOR THE MEDICALLY UNDERSERVED

Physician Output Goal: In Title VII, the Act establishes a national goal that in 10 years 50% of the physicians in medical residences be trained as primary care physicians (family physicians, general internists, and general pediatricians). The congressionally-appointed Council on Graduate Medical Education recently proposed a similar goal endorsed by the Bureau of Health Professions at HHS, and other groups. The Board will enforce the goal in two ways: (1) through State health insurance programs by reducing graduate medical education payments for noncompliance, and (2) by reducing the indirect (overhead and administration) portion of research grants from the National Institutes of Health to medical residency education programs that do not comply.

Primary Care Research: To improve the academic prestige of primary care and to ensure conduct of primary care research, the Act establishes an Office of Primary Care and Prevention Research within the Office of the Director of NIH. The Office will coordinate and direct primary care and prevention research at the national research institutes; $546 million is authorized for FY 1994–96.

Health Clinic Expansion and Practitioner Increases in Medically Underserved Communities: To ensure access to primary care for the medically underserved, a total of $1.27 billion for FY 1994–1998 is authorized for the creation of new or expansion of existing community and migrant health centers. To ensure adequate health professional staffing levels at these new health centers, the Act provides such funds as necessary to ensure the placement of a total of 4,500 primary care physicians in health professional shortage areas across the country. As an added incentive for primary care practitioners to deliver their services to medically underserved populations, Title VII establishes a policy that employees of health centers are to be considered employees of the U.S. Public Health Service, thereby reducing the high costs of medical malpractice insurance to health centers.

Undergraduate Medical School Assistance: To further ensure that an adequate number of primary care physicians are practicing in medically underserved areas, the Act requires that the millions of dollars in funds authorized under Title VII and VIII of the Public Health Service Act will be awarded preferentially to medical schools and residency programs that produce substantial percentages of health professionals who provide primary care to the medically underserved, or which establish policies that may be expected to have such a result.

FINANCING AND REVENUES

Payments to States: Currently, approximately 42 percent of health care spending is funded by public entities (29 percent Federal, 13 percent State and local). Private health insurance pays for 33 percent of care. Individuals pay another 20 percent of health costs out-of-pocket, and the remaining 5 percent is covered by charity care. Under the State-based single-payer/single-insurer health insurance plan created by this Act, most of the private insurance, individual out-of-pocket, and charity care costs would be paid for out of the public plans in each State. The Federal Government will finance 87 percent of the costs of the services provided under the Act through per capita payments to States. States will provide the remaining 13 percent, their current share of national health spending. Federal payments will vary between 82 percent and 92 percent, depending on the characteristics of residents, such as age, and a State's financial capacity. For example, a State with more elderly and lower-income people—and therefore, higher health costs—than the average would receive a higher per capita rate.

Projected Cost Savings Under the Act: The Act proposes that health care spending increase modestly for the first three years as its cost controls are phased in and its resulting administrative savings are realized. Health care spending is currently increasing at a 10 percent rate, whereas GDP is increasing at 4.6 percent. By 1997 the Act requires health spending increases to match GDP increases, with minor adjustments for demographic changes and new health initiatives. A 3-year phase-in period establishes a descending growth cap on health spending that allows for a 3 percent increase over GDP in 1994, 2 percent in 1995, 1 percent in 1996 and no increase over GDP thereafter, unless the Board proposes a different level.

Holding health spending to roughly the level of GDP increase—something most of our economic competitors achieve because of cost containment strategies similar to those proposed in this Act—would save over $100 billion per year upon full implementation in 1997 (see Table 1). The strong cost controls under this Act should keep health care costs within the annual GNP spending cap despite the increased utilization that would occur by insuring the uninsured and eliminating most cost sharing for everyone who is currently insured.

Administrative savings, which would be achieved in addition to these cost control measures, would also be considerable. The General Accounting Office report on the Canadian health system estimated that implementation of a Canadian-style single-payer health insurance program in the U.S. in 1991 would save $67 billion in reduced paperwork. They further estimated that insuring the 32 million who at that time were uninsured would cost $18 billion, and eliminating copayments and deductibles for everyone currently with insurance would cost another $46 billion, for a total spending increase of $64 billion. The net savings to total U.S. health care spending from paperwork reduction and utilization increases was estimated at $3 billion (see Table 2).

Proposed New Revenues: At this time it is not possible to precisely estimate the total amount of revenues needed to fund this Act given utilization uncertainties, the exact effect of cost-saving methodologies, and the role of managed care. Revenues that must be raised to collect most of the premiums previously paid to private insurance companies, out-of-pocket spending and charity care could range from $300 billion to $400 billion. In 1990, the Pepper Commission estimated a single-payer system would require the Federal Government to raise $224 billion in additional revenues, most of which was already paid to private insurance companies or by individuals for out-of-pocket expenses. The Pepper Commission also estimated that net new health costs to the nation would only increase by $8 billion, while everyone received coverage.

Federal revenues will come from three sources:

The amounts currently provided for Medicare by the hospital insurance tax and general revenues, Federal Medicaid funds, CHAMPUS, and other Federal health benefits programs would be allotted to implementation of the Act.

Premiums collected from individuals that are progressive, based on level of income, payable in increments, and payable by individuals (or by employers on behalf of their employees). For middle and low-income individuals, the percentage of their income that is currently spent on health care would not be increased, adjusting for inflation, under the new premiums.

Premiums collected from employers derived from an increase in the top corporate income tax rate, an increase in the Medicare hospital insurance tax, and a surtax on marginal income taxes and minimum taxes.

The Secretary of the Treasury will determine the level of these taxes. Collecting revenues through the Federal tax system would enable premium payments to be scaled according to one's ability to pay.

TABLE 1.—PROJECTIONS OF NATIONAL HEALTH EXPENDITURES, BY SOURCE OF FUNDS

[Dollar amounts in billions]

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Calendar years:											
National health expenditures	$666.2	$734.5	$808.1	$889.3	$976.7	$1,072.0	$1,175.7	$1,288.1	$1,409.3	$1,539.9	$1,679.2
Percent change		10.3	10.0	10.1	9.8	9.8	9.7	9.6	9.4	9.3	9.0
GDP	$551.4	$567.1	$593.1	$633.7	$671.4	$710.4	$752.0	$796.1	$839.9	$884.9	932.2
Percent change		2.9	4.6	6.9	5.9	5.8	5.9	5.9	5.5	5.4	5.4
H.R. 5500 health care growth cap percent change					8.9	7.8	6.9	5.9	5.5	5.4	5.4
National health expenditures	$666.2	$734.5	$808.1	$889.3	$968.9	$1,044.5	$1,116.1	$1,181.6	$1,246.6	$1,313.3	$1,383.6
Under H.R. 5500 growth cap (percent)		10.3	10.0	10.1	8.9	7.8	6.9	5.9	5.5	5.4	5.4
National health expenditures savings under growth cap	0	0	0	0	$7.9	$27.5	$59.6	$106.5	$162.7	$226.5	$295.5

TABLE 2.—*Estimated administrative savings and costs of the United States adopting a Canadian-style single-payer Health Insurance Program in 1991*

	Billions
Administrative savings:	
Insurance overhead	33.9
Hospital administration	18.2
Physician administration	14.8
Total savings	66.9
Added costs:	
Newly insured	18.2
Currently insured[1]	45.7
Total costs	63.9
Net savings	3.0

[1] Costs are attributable to eliminating co-payments and deductibles for all those who are currently insured.

Source: "Canadian Health Insurance: Lessons for the United States," U.S. General Accounting Office, June, 1991;

SECTION-BY-SECTION ANALYSIS OF THE HEALTH CARE FOR EVERY AMERICAN ACT—H.R. 5500

TITLE I—ESTABLISHMENT OF A STATE-BASED NATIONAL HEALTH INSURANCE PROGRAM; UNIVERSAL ELIGIBILITY ENROLLMENT

Sec. 101. Establishment of a State-based National Health Insurance Program. In order for a State to receive payment for health expenditures from the Federal Government it must establish a State-based health insurance program that conforms with the requirements of this Act. A State is defined as the 50 States, the District of Columbia, Puerto Rico and the U.S. territories.

Sec. 102. Universal Entitlement and Eligibility. Every resident of the U.S. who is a citizen, national, or lawful resident alien is entitled to health care benefits provided under this Act. The National Health Insurance Standards Board (the "Board") may make benefits available to nonimmigrants, including the undocumented.

Sec. 103. Enrollment.State residents will be automatically enrolled in the Sate program at birth or at the time of immigration or acquisition of lawful resident alien status. Applications will be widely available in public locations. Health Insurance cards will be issued for identification and processing of claims for benefits.

Sec. 104. Portability of Benefits. There is continuous access to benefits no matter where your place of residence or whether you change jobs. State programs may impose a 3-month waiting period for new residents, but the former State of residence must provide 3 months of coverage during the waiting period. When residents of a State are temporarily absent, the home State will pay for health services at the rate of pay required in the State where the services are performed. Payment for services outside the United States is also covered at the home-State's rate.

Sec. 105. Effective Date of Benefits January 1, 1994.

Sec. 106. Relationship to Existing Federal Employees Health Benefits Programs. Medicare, Medicaid, the Federal Employees Health Benefits Program, and the health program for military dependents and retirees (CHAMPUS) are superseded by the comprehensive benefits provided for under this Act. Veterans benefits will be no less comprehensive than current levels, and in some cases may even be expanded by the Act. Exclusive use of veteran's hospitals for veterans is maintained.

TITLE II—COMPREHENSIVE BENEFITS, INCLUDING PREVENTIVE BENEFITS AND BENEFITS FOR LONG TERM CARE

Sec. 201. Comprehensive Benefits; Limits on Cost-sharing; Prohibition of Balanced Billing and Duplicative Insurance. Individuals enrolled for benefits under the Act are entitled to comprehensive acute services; preventive services; mental health services; drug and alcohol abuse treatment services; long-term care services; and plan of care services. States are prohibited from allowing cost-sharing—such as charging deductibles, coinsurance or copayments—for comprehensive acute services, preventive services and for care management services. States shall prohibit the sale of health insurance that duplicates coverage for benefits provided under the Act. States and employers may provide coverage for additional benefits beyond the level required by the Act.

Sec. 202. Comprehensive Acute Services. States are required to provide—

Inpatient and outpatient hospital care, including 24-hour a day emergency services;

Professional services of health care practitioners;

Diagnostic and screening tests and procedures;

All care and services relating to pregnancy;

Community-based health services, which are ambulatory services furnished by health clinics, State and local health agencies, and in school-based settings;

Outpatient prescription drugs and biologicals;

Hospice care for the terminally ill;

Post-hospital skilled nursing and home health care services;

Habilitation and rehabilitation services; and

Durable medical equipment and prosthetics.

Sec. 203. Preventive Services. States are required to provide—

Basic immunizations;

Well-baby care;

Mammography screens, pap smears, colorectal and prostate exams;

Dental exams and prophylaxis

Annual adult physicals;

Family planning services;

Eye exams;

Hearing aids; and

Health education and wellness promotion.

Sec. 204. Mental Health services. States are required to provide—

Crisis intervention, including assessment, diagnosis and referral;

Inpatient services;

Outpatient services; and

Community and residential-based programs.

Eligibility: Benefits must be provided in accordance with a plan of care approved by a care manager as required in section 207, except that this requirement does not apply to 45 days of inpatient care and 25 outpatient visits per year.

Cost Sharing. The Board shall establish an income-related cost-sharing schedule ensuring that it shall not prevent an individual or family with an income below 185% of poverty from receiving services. A cost-sharing ceiling will also be established.

Sec. 205. Drug and Alcohol Abuse Treatment Services. States are required to provide—

Crisis intervention, including assessment, diagnosis and referral;

Detoxification services;

Rehabilitation services;

Outpatient rehabilitation services;

Therapeutic community services;

Pharmacotherapeutic intervention services;

Family outpatient services;

Halfway house care; and

Three-quarterway house care.

Eligibility: Benefits must be provided in accordance with a plan of care approved by a care manager as required in section 207.

Cost Sharing: The Board shall establish an income-related cost-sharing schedule ensuring that it shall not prevent an individual or family with an income below 185% of poverty from receiving services. A cost-sharing ceiling will also be established.

Sec. 206. Long-term Care Services. States are required to provide—

Institutional services such as nursing home care; rehabilitation services; and drugs, biologicals and equipment;

Home and community-based services such as homemaker services, adult day care, rehabilitative services, and transportation; and

Respite care services.

Eligibility: Benefits must be provided in accordance with a plan of care approved by a care manager as required in section 207, and be based on an individual's ability to perform at least 2 activities of daily living and instrumental activities of daily living (ADLs and IADLs) and/or the determination of cognitive or mental impairment.

Cost Sharing/Spousal Protection: The Board shall establish a cost-sharing schedule based on income level that protects the institutionalized person's spouse and family members from financial hardship. The cost-sharing schedule shall not apply to a family whose income is less than 150% of the poverty level, as provided under title XIX of the Social Security Act. Additional protections include allowing the long-term care beneficiary's spouse to maintain the primary place of residence.

Sec. 207. Plan of Care Required for Certain Services. Mental health, drug and alcohol abuse treatment, and long-term care services all require that a care manager (a licensed individual, non-profit or public agency) be responsible for matching services to needs, as well as coordinating the delivery of those services. In accordance with criteria established by the Board, care managers will establish and periodically review plans of care, arrange for and monitor the provision of services, and authorize payment for services.

Sec. 208. Medical Reasonableness; Limitations and Exclusions from Covered Services. All medically reasonable and necessary services are covered by this Act in accordance with national practice guidelines, where they exist. Preventive services shall be provided according to a periodicity schedule established by the Board. Coverage for new and experimental services shall be determined by the Board, after consultation with a technical advisory committee. Cosmetic surgery (unless medically reasonable and necessary), personal comfort items, and private rooms are not covered.

Sec. 209. Study of Effects of Cost-sharing Requirements. The Board is required to conduct a study to determine the effects of cost-sharing on beneficiaries for mental health services, drug and alcohol abuse treatment services, long-term care services and the optional state charge for Comprehensive Health Service Organizations, to make recommendations for any necessary changes.

TITLE III—PROVIDER PARTICIPATION

Sec. 301. Provider Participation and Standards. State health care providers must meet qualification standards of the Board and the State. These include prohibitions against discrimination and charging individuals for services covered by this Act (other than when cost-sharing is permitted), and the requirement to furnish information needed to assess the quality of care and utilization patterns of providers.

Sec. 302. Qualifications for Providers. Health care providers are qualified if they are licensed and meet all the requirements of State law. The Board and States shall establish minimum provider standards to assure quality services and consumer satisfaction.

Sec. 303. Qualifications for Comprehensive Health Service Organizations (CHSO). CHSOs are required to provide a high-quality continuum of prevention-oriented care to persons living in a specified service area. In return for a capitated payment, CHSOs agree to furnish a full range of health services. Requirements of a CHSO include:

Out-of-area coverage for urgent services;

A minimum 12 month enrollment period for members with the ability for the member to withdraw at any time;

Readily accessible services to all enrollees;

Continuity of care and ready referral when medically appropriate;

Incorporation only as a public or private nonprofit organization;

At least one-third of the Board of Directors must be consumer members;

A patient grievance program and regular member satisfaction surveys;

Strong health education and prevention services;

A medical standards committee to oversee the quality of care; and

Prohibition of physician incentive plans that reduce medically-necessary services and public access to practitioner bonus or incentive payment arrangements.

TITLE IV—ADMINISTRATION

Sec. 401. National Health Insurance Standards Board. The Board shall administer the program for the Federal Government. It is separate from the Department of Health and Human Services, which shall continue to function but with reduced health care responsibilities. The Board is designed to be independent from the politics of any one Administration.

Composition: The Board will consist of five individuals appointed by the President and confirmed by the Senate. No more than three will be from any one political party and at least one shall represent consumer interests. Members shall have strong backgrounds in health policy and economics, the healing professions, and health administration. Members shall serve for staggered seven-year terms and not have any other employment.

Duties: The Board shall develop policies, procedures, guidelines and requirement with regard to—

Eligibility, enrollment, and benefits;

Provider participation standards;

National and State funding levels for services covered by the Act;

Provider payment methods;

Revenues needed to fund the Act;

Quality assurance;

Assisting States in planning for capital expenditures;

Planning for graduate medical education expenditures; and

Issuing an annual report on the status of implementation of the Act.

Advisory Committees: Advisory committees, which require both health policy, provider and consumer (employers, unions and consumer groups) membership, will provide advice on: benefits, cost containment, quality assurance and utilization, and primary care and the medically underserved.

Sec. 402. National Health Advisory Council. The Council will consist of 21 members appointed by the Board for staggered four-year terms. Its members will include representatives of State programs, health care experts, providers, and consumers (employers, unions and consumer groups) who will constitute a majority. The Council will advise on implementation of the Act.

Sec. 403. State Health Insurance Programs. Each State must submit their health insurance program to the Board for approval, which shall provide for:

Payment for benefits required by the Act;

Establishment of a State Health Advisory Council (a majority of whose members must be consumers), which shall review the implementation of the State program;

Administration of the program by a single agency;

A State health care budget with effective cost containment measures, including an approval process for capital expenditures;

Freedom of choice of provider;

A long-term planning procedure for coordinating health services, including establishment of District Health Advisory Councils;

Quality control mechanisms, including an ombudsman for consumers to register complaints and identification of providers with substandard quality control reviews;

A prohibition on barriers to access, including preventing queues for emergency services; and

States, at their option, to contract with fiscal intermediaries to process claims;

Sec. 404. District Health Advisory Councils. Councils will cover distinct geographic areas and provide consumers, providers, and health specialists with a means to advise the State program and State Health Advisory Council on implementation of the program in that area. Specific duties include: acting on complaints by consumers and providers regarding administration of the program; carrying out management and planning activities that assess the quality and distribution of hospitals, practitioners, and other health resources; advising on restructuring the health delivery system; and reviewing local funding needs. Members of the Council shall be appointed by the Governor, a majority of whom shall be consumers.

TITLE V—NATIONAL HEALTH INSURANCE BUDGET; PAYMENTS; COST CONTAINMENT MEASURES

Subtitle A—Bugeting and Payments to States

Sec. 501. National Health Insurance Budget. The Board is required to establish a national budget for health care benefits covered by the Act. The budget is allowed to increase at the same annual rate of increase as the GNP, with additional adjustments made for changes in the population's age or other characteristics that might affect the need for more or less spending. In addition, a phase-in period permits spending above the growth rate of GNP of 3% in 1994, 2% in 1995, 1% in 1996, and 0% thereafter, unless otherwise specified by the Board. This phase-in should prevent any disruptions to the system as the cost-control measures under the Act are implemented.

Sec. 502. State Health Insurance Budgets. Each State will set a budget to pay for the benefits covered under the Act, based on the Federal and State contributions and any additional money the State chooses to spend. Claims processing and billing costs are limited to 3% of the budget, which will reap significant savings that can be devoted to health care. State budgets must specify expenditures for operating costs of institutions, payments to practitioners, capital expenditures, and education and training costs of all health care practitioners. The distribution of graduate medical education funds to medical schools and hospitals must be consistent with achieving the national goal of a 50–50 ratio between primary care physicians and specialists outlined in Title VII, with special attention given to medically underserved communities.

Sec. 503. Computation of Individual and State Capitation Amounts. Federal payments to State programs will be determined by a per capita formula based on the national average per capita costs of the benefits covered by the Act; an adjustment for variations between States for labor costs; special environmental or geographic conditions; the number of residents in medically underserved communities; and an adjustment for risk groups determined by age, sex, and other patterns that affect the need for and cost of delivering health care.

Sec. 504. Federal Payments to States. The Federal payment to a State program shall be based on the State capitation amount. The Federal contribution for all states shall equal 87% of the costs of services covered by the Act, with the percentage ranging from 82% to 92% depending on the State's per capita income, demographics, and financial capacity. At the average level of 87%, States (including local governments) will roughly maintain their current contribution to total national health care spending.

Sec. 505. Required Approval Process for Capital Expenditures. The State program is required to set up a process for approving capital purchases or leases for newly constructed or renovated facilities and for equipment valued at $50,000 or more. The process must assure a reasonable distribution of services around the State to prevent maldistribution, involve providers and consumers, give special consideration to the needs of institutions of national repute, and consider the needs of religious and charitable organizations that have raised voluntary contributions.

Sec. 506. Optional State Charge for Non-enrollment with Comprehensive Health Service Organization (CHSOs). State programs may charge a fee based on a sliding scale for non-enrollment in CHSOs. The fee is charged to encourage enrollment in CHSOs, which provide a continuum of care to enrollees on a per capita basis. Based on a sliding scale, an individual would pay from $25-$500 per year and a family from $50–$1,000 per year. No fee may be charged if a CHSO is not in reasonable proximity to an individual or accessible by public transportation.

Subtitle B—Payments by States to Providers

Sec. 511. Payments to Hospitals and Other Facility-based Services for Operating Expenses on the Basis of Approved Global Budgets. The State program shall negotiate an annual operating budget with hospitals and other institutions. The budget shall be based on diagnosis-related group (DRG) discharges, past expenditures, inflation, salaries and wages, occupancy level, utilization data, the education and training function of the facility, requirements of regulations, and whether the facility is a for-profit institution. For-profit institutions are provided a fixed rate of return on equity capital, less any operating profits. States are encouraged to develop financial incentives that encourage facilities to spend less than budgeted, provided care is not affected. State payments for capital expenditures will only be made if they were approved under the capital approval process, as required by section 506. Regulations will be promulgated to allow for private donations to pay for renovations, additions and equipment, when they do not affect the ability to control costs.

Sec. 512. Payments to Health Care Practitioners Based on Prospective Fee Schedule or Capitation. Health care practitioners can choose to be paid by the fee-for-service method, on a capitation basis according to the practitioner's specialty and the population served, or by salary. States are also encouraged to develop global fee payments for groups of services in order to encourage more efficient delivery of care. With regards to fee-for-service payment, State programs will negotiate a fee schedule with physician organizations, based on a State relative value scale, taking into account the Federal Resource Based Relative Value Scale. Rates may be adjusted on an individual basis if a practitioner has been found to have a practice pattern outside the norm. Payment amounts shall not cover capital expenses—such as X-ray or MRI tests—unless the practitioner received approval to purchase such equipment, as required by section 506.

Sec. 513. Payments to Comprehensive Health Service Organizations. States may pay CHSOs on a global budget or capitation basis. Capitation payments will be based on the State per capita costs of individuals with the same actuarial characteristics, with adjustments made for special health needs of the population served by the CHSO, for instance, if a disproportionate number of the enrollees are historically medically underserved.

Sec. 514. Payments for Community-based Primary Health Services. Community-based primary health services include services furnished by rural health clinics, Federally-qualified health centers, in a school-based setting, public educational agencies and other providers under the "Individuals with Disabilities Education Act," and public and nonprofit entities receiving Federal assistance under the Public Health Service Act. Because these entities provide cost-effective care on a sliding scale basis to primarily medically underserved populations, payments shall be either on the basis of a global budget or be made on an individual patient basis, based on the reasonable cost of delivering care and other factors.

Sec. 515. Payments for Care Managers. Payment schedules shall be based on negotiations between the State program and care-management providers based on fee-for-service, capitation, or other payment methods.

Sec. 516. Payments for Prescription Drugs. The Board shall establish a list of approved prescription drugs and biologicals eligible for coverage under the Act. The Board shall determine a maximum product price to be paid to a provider and may conduct price negotiations with the pharmaceutical industry on behalf of States to determine applicable product prices. Each State program shall pay an independent pharmacy based on the cost of the drug to the pharmacy plus a dispensing fee. The State shall negotiate the dispensing fee with pharmacists taking account of regional cost differences, volume of services, and other factors.

Sec. 517. Approved Devices and Equipment. The Board shall develop an eligible list of durable medical equipment and therapeutic devices (eyeglasses, prosthetics) that are necessary for the maintenance or restoration of health or for employability or self-management. The Board shall determine a maximum product price to be paid to a provider and may conduct price negotiations with the device and equipment manufacturers on behalf of States to determine applicable product prices.

Sec. 518. Payments for Other Items and Services. Payments for other covered items and services shall be in accordance with payment methodologies established by the Board, consistent with State programs.

Sec. 519. Payment Incentives for Medically Underserved Areas. The Board shall establish other payment methods to encourage delivery of care in medically underserved areas. States are free to increase payment rates in such areas.

Sec. 520. Waiver Authority for Experiments and Demonstrations. States may get a waiver from the Board to implement other payment methodologies not specified in the Act.

Subtitle C—Malpractice Reform

Sec. 521. Malpractice Reform. The Board may provide grants to State programs to develop alternative ways to resolve medical liability disputes. The grants will balance the interests of all parties and ensure fair compensation to individuals injured by medical negligence, reduce unnecessary or ineffective care, reduce health costs, improve access to care, and improve patient protections.

Sec. 522. Study of Medical Malpractice. An independent entity, such as the Institute of Medicine, will conduct a study and make recommendations on the need for medical malpractice reforms, taking account of ineffective or unnecessary medical testing, the occurrence of malpractice and malpractice awards, the adequacy of current licensing and disciplining procedures, and the reasonableness of malpractice insurance premiums.

Subtitle D—Mandatory Assignment and Administrative Provisions

Sec. 531. Mandatory Assignment. Payment to a provider for services covered by the Act shall be payment in full; there will be no balance billing to the patient.

Sec. 532. Procedures for Reimbursement; Appeals. States must establish a timely and simple provider reimbursement procedure and have an appeals process to handle grievances.

TITLE VI—FINANCING

Sec. 601. National Health Insurance Trust Fund. The Trust Fund receives dedicated taxes and premiums from the Treasury to pay for services covered by this Act. Transfers are made from the Trust Fund to the State programs, which pay providers for health benefits.

Sec. 602. Federal Sources of Revenues; National Health Insurance Premiums. There are three sources of Federal revenues:

The amounts currently provided for Medicare by the hospital insurance tax and general revenues, Federal Medicaid funds, CHAMPUS, and other Federal health benefits programs;

Premiums collected from individuals that are significantly progressive, based on level of income, payable in increments, and payable by individuals (or by employers on behalf of their employees). For middle and low-income individuals, the percentage of their income that is currently spent on health care cannot be increased, adjusting for inflation, under the new premiums; and

Premiums collected from employers shall be derived from an increase in the top corporate marginal income tax rate, an increase in the Medicare hospital insurance tax, and a surtax on income taxes and minimum taxes. The Secretary of the Treasury will determine the level of these taxes. These employer premiums will place the greatest burden on the most profitable corporations, limiting the effect on small businesses.

Sec. 603. Tax Treatment of National Health Insurance Premiums. Employer contributions in behalf of employees continues to be tax deductible. Employer expenditures for premiums, or other Federal and State taxes that raise revenues to cover benefits under this Act, are tax deductible. The deduction for the health costs of the self-employed is raised from 25% to 100%. Current tax law pertaining to individual medical care tax deductions will pertain to premiums and cost sharing under the Act.

Sec. 604. State Sources of Revenues. States are free to determine their own financing plan for their share of the cost of benefits under the Act.

TITLE VII—PROMOTION OF PRIMARY HEALTH CARE; DEVELOPMENT OF HEALTH SERVICE CAPACITY; PROGRAMS TO ASSIST THE MEDICALLY UNDERSERVED

Subtitle A—Promotion and Expansion of Primary Care Practitioners

Sec. 701. Role of Board; Establishment of Primary Care Physician Output Goals. To ensure more cost-effective health care and to achieve an appropriate mix of health professionals, a national goal is established that 10 years after enactment of the Act, 50% of the physicians in medical residences are being trained as primary care physicians (family physicians, general internists, and general pediatricians). The Board will enforce the goal by reducing graduate medical education payments and the indirect (overhead and administration) portion of research grants from the National Institutes of Health to medical residency education programs that do not comply. Medical schools and residency programs may form consortia to achieve the goal.

Sec. 702. Establishment of Advisory Committee on Graduate Medical Education. A nine-member Advisory Committee on Graduate Medical Education, chaired by the Chair of the Board, is established to advise the Board on graduate medical education policies under this title. Members of the Committee will serve for five years and represent medical schools professional associations, public health organizations, State health insurance programs, and consumers.

Sec. 703. Office of Primary Care and Prevention Research. An Office of Primary Care and Prevention Research within the Office of the Director of NIH is established. The Director of the Office will coordinate and direct primary care and prevention research at the national research institutes, and will establish and chair Coordinating and Advisory Committees on Primary Care and Prevention Research. A data system and clearinghouse for information on primary care and prevention research will also be established. $150 million is authorized for FY 1994, $180 million for FY 1995, and $216 million for FY 1996 for the Office of Primary Care and Prevention Research for grants and other purposes.

Sec. 704. Priorities Regarding Assistance for Undergraduate Medical Education for Primary Care. The Secretary of HHS will give priority to Public Health Service Act Title VII and VIII funds to medical schools and residency programs that produce substantial percentages of health professionals who provide primary care to the medically underserved, or which establish policies that may be expected to have such a result.

Subtitle B—Grants for Expansion of Availability of Primary Care Services Through Health Centers

Part 1—Primary Care Service Expansion Grants

Sec. 711. Grants for Expansion of Availability of Primary Care Services Through Health

Centers. To ensure access to primary care for the medically underserved, a total of $1.27 billion for FY 1993-1997 is authorized for the creation of new, or expansion of existing, community and migrant health centers

Part 2—Reduction in Medical Malpractice Liability for Community Health Centers

Sec. 721. Liability Protections for Certain Health Care Professionals. Health professionals practicing in new or existing community or migrant health centers are considered to be employees of the U.S. Public Health Service for the purpose of medical liability actions made against them, abrogating such claims to the U.S. Department of Justice. Policies and procedures to assure against malpractice in Federally-funded health centers are required. The Attorney General can exclude health professionals from coverage if they might expose the Government to unreasonable risk.

Sec. 722. Hospital Admitting Privileges for Certain Health Care Providers. Physicians and other licensed health care practitioners practicing in health centers created by this Act shall have the same hospital admitting privileges as those given to members of the National Heath Service Corps.

Sec. 723. Payment of Judgments. At the beginning of each fiscal year, the Attorney General and the Secretary shall estimate the amount of claims for damage for personal injury or death resulting from services delivered at existing or new health centers created by this Act. The Secretary will withhold this amount from the total appropriated for health centers, and will transfer these funds to an account in the Treasury that will be used to pay judgments against health center employees.

Sec. 724. Effective Date. Date of enactment of the Act.

Subtitle C—Expansions in the National Health Service Corps

Sec. 731. Placement of Personnel at Primary Care Centers. To ensure adequate health professional staffing levels at new health centers created by this Act, a total of $288 million for physicians and $35.4 million for midlevel practitioners is authorized for the first five years after enactment for National Health Service Corps loan repayments.

Sec. 732. Placement Levels. In addition to placements provided for the Section 731, such funds as necessary are authorized to ensure the placement of a total of 4,500 primary care physicians in health professional shortage areas across the country. Such funds as necessary are authorized to ensure the placement of an additional 20% midlevel practitioners over otherwise projected numbers.

Sec. 734. Midlevel Practitioner Defined. Midlevel practitioner includes a certified nurse midwife, certified nurse practitioner, physician assistant, and similar non-physician health care practitioner.

AMERICA'S IRRATIONAL MALAISE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska [Mr. BEREUTER] is recognized for 30 minutes.

Mr. BEREUTER. Mr. Speaker, and my colleagues, I have taken this special order to talk about an interesting phenomenon much noted today: Some people say it is a general disillusionment on the part of the American people toward their Government. Some people say it is a post-cold-war syndrome. It reflects itself surely in anti-incumbency at all levels of government.

Mr. Speaker, there are movements related to term limitation, those initiatives pending in many States applying to local, State, and Federal officials. There is a lot of discussion about why this disillusionment seems to be with us today.

As I remember the 1980 period, we had much more difficult economic times. We had double-digit inflation, we had double-digit interest rates, we had very high unemployment in some parts of the Nation. In the central United States, including my own State, we had some very, very tough times, indeed, in 1984 and 1985. So it is a little hard to explain perhaps why we have the current disillusionment, but I wanted to call attention of my colleagues to two excellent, thoughtful, incisive editorials in the Omaha World Herald on June 21 and June 22. They amount to a media critique of the news media with respect to this disillusionment, gloom or malaise.

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I would like to share major excerpts from these two editorials with my colleagues today because I think they have a lot of excellent things to say about our current condition. I am going to quote first from the article of June 21, 1992, which is entitled "America's Irrational Malaise."

> The American public seems to have lost its bearings. A spirit of gloom exists that defies rational explanation.
>
> Disillusionment with government is widespread. Hair-brained schemes to "repair" the machinery of self-government have gained a following. Ross Perot, who portrays himself as an outsider who would bring "change" if elected president, has demonstrated surprising support.
>
> Pressure groups bombard the public with studies that call attention to—and often exaggerate—poverty, hunger, racism, disease and pollution. Sometimes the unspoken message is that eurocentrism is the cause of society's problems. At other times the message is that successful people are guilty of causing the discomfort of the less successful, or that government isn't working hard enough to eliminate all unpleasantness from the face of the Earth.
>
> Some people brood over whether living standards are declining, whether today's young people will be as comfortable as their parents, whether global leadership is about to pass to Germany or Japan. . . .
>
> Consumer confidence has been shaky. Voter participation in a number of states' primary elections has been down from some previous years.
>
> Alienation. Disillusionment with government. Anger at the system. It was all illustrated by a bumper sticker that was observed recently in Omaha.
>
> "This Fall . . . Dump 'Em All," it said. "RE-ELECT NO ONE."
>
> But what a glaring contradiction. The vehicle to which the bumper sticker was attached was a shiny new Explorer, priced at $22,000 to $27,000. The Explorer was equipped with an antenna for a cellular phone. The driver, a healthy-looking young man, was dressed in a coat and tie, presumably gainfully employed.
>
> The man and his vehicle presented a picture of success. His angry, extremist bumper sticker symbolizes the irrationality of 1992, a year in which pessimism and hostility are rising in a land of peace and relative plenty.
>
> Certainly unemployment is higher than it should be. In some cases, however, that is the predictable result of the Cold War's end. In other cases, it is the result of deregulation, which should make businesses healthier, more competitive and more able to provide jobs. Economists say the economy is recovering.
>
> Certainly Congress and the White House have managed the budget poorly, although that is a failure of individuals, not an indication that the American system of government has broken down. Certainly crime, AIDS and the deterioration of family values have made life in the United State less pleasant than it ought to be. There is more work to be done.
>
> The Los Angeles riots shook the nation deeply, reminding it that it still has a bitter, angry underclass that has the power to plunge a city into anarchy.
>
> Yet the Berlin Wall is no more. The Soviets were defeated in Afghanistan, the Iraqis pushed out of Kuwait. America's onetime enemies, the Germans, the Japanese and the Russians, are now close friends. America has forgiven their atrocities and helped them rebuild.
>
> Apartheid is in retreat in South Africa. The communist revolutions of Latin America have run out of steam. U.S. relations with Mexico have seldom been better. Japan's sagging stock prices have demonstrated that Japanese economic invincibility is a myth.
>
> America's elderly are better off financially than ever before. Medical advances have lengthened the average lifespan, although the means still haven't been found to make health care affordable for everyone. Lakes and rivers are being cleaned up. Food is plentiful and inexpensive. More people are finishing high school than ever before, and more are receiving at least some higher education—often with private or tax-supported financial assistance.
>
> This is the most generous society the world has ever seen. It has done more than any other nation to liberate the human spirit, to push forward the frontiers of knowledge, to clean up the environment and to preserve human rights. It has provided more opportunities than any other for people to lift themselves out of poverty, to pursue their dreams and to share their blessings with their children and their children's children.
>
> Yet the gloom persists. At the very time Americans should be enjoying life, giving thanks for their good fortune and moving into a new century with confidence, many of them are viewing the present with anger and the future with fear. Someone, or something, has distorted reality.

They called that editorial of June 21 "America's Irrational Malaise."

Well, Mr. Speaker, what is the answer? The World Herald, in looking at the media themselves, a little self-critique, had the editorial on Monday, June 22, entitled, "Sky Is Falling News Stories a Major Reason for Malaise," and this is in part what they said in that editorial:

Who, or what, is responsible for the public's malaise? The question has a number of answers, ranging from overlitigious lawyers and the decline of family values to the paralysis resulting from a dozen years of gridlock between Congress and the White House. Powerful advocacy organizations harp on the ills of society.

But significant contributors to the notion that things are bad in America and getting worse are, in our opinion, the press and broadcast media.

James Keogh, * * * executive editor of Time magazine, has said the big newspapers and networks present a false picture, exaggerating the negatives and the extremes.

"All across the country is a steady flow of life, where folks get up and go to work, and they take care of their families, and they don't shoot anybody," he said. "Look at television at night and you think the country has gone to hell in a handbasket."

Laurence Silberman, a U.S. appeals court judge, said the public gets a false idea of what the courts are for. The reason, he said, is that the public gets its information from reporters who are committed to an activist judiciary.

* * * It could also explain why the U.S. Supreme Court is being branded as an advocate of international terrorism.

A few days ago, the court ruled that a specific treaty contained nothing to ban U.S. agents from kidnapping foreign suspects and bringing them to the United States for trial. The court didn't approve such kidnappings. Indeed, the majority opinion criticized them. But some commentators are now describing the ruling as a cynical endorsement of violating international law. Those commentators, apparently, want an activist judiciary that would find some pretext for legislating a sweeping anti-kidnapping policy.

Reporters and broadcasters have pounded into the public consciousness the fact that George Bush broke his no-new-taxes pledge. But as the New York Times mentioned recently, most people don't have the vaguest idea which of their taxes were increased. The reason is that the press seldom reminds them that the increases were aimed mostly at upper-income taxpayers.

Jeff Greenfield, a syndicated columnist and television commentator, conceded in a recent column that journalistic assumptions about highly charged subjects often do not reflect the way ordinary people think or live.

Indeed, reporters and news-industry decision makers often get their professional jollies from sky-is-falling stories.

The stories are repeated over and over again on the network news and in the national newspapers. Their negativism influences decisions by the regional news directors and editors. Then the gloomy tone is picked up and magnified by the talk shows, which TV critic Tom Shales accurately described as "an incessant phone-in chorus of national griping and grumping."

Stories that cast an unfavorable light on leaders and institutions tend to be overemphasized. So are stories that tend to focus on the ills of society. All too often they are presented without facts that provide balance and fairness. Sometimes they lack scientific or mathematical perspective.

The result is a warped view of the world that is based on misinformation and exaggerated fears.

Some people have been convinced that AIDS is the greatest danger to heterosexuals and that the government is doing nothing to stop it. They believe that low-level radioactive waste is a major threat to the environment. They could conclude that nearly everyone should be in some kind of therapy to overcome the effects of sexual harassment, child abuse or low self-esteem. And they take it on faith that, contrary to abundant evidence that Americans are better off financially, the rich have become richer at the expense of everyone else.

It's no wonder that some people are so discouraged that they no longer vote, or they display a bumper sticker saying, "Re-elect No One." They have been fed a crabbed, negative view of the world for so long that they have become angry and suspicious. It's an alarming development for a system of government that is based on the sovereignty of the people.

Mr. Speaker, that is the end of a very excellent set of two editorials in the Omaha World Herald.

Now many Members of Congress, including this Member, are insisting on the reform of Congress, campaign finance reform and greater fiscal responsibility in reform; that is, a highly appropriate congressional reform. I hope the media generally, like the Omaha World Herald, would also take a careful, responsible look at its role in damaging American public confidence in our governmental system and the American society.

I say to my colleagues, "I hope you do. It would be very good for the country."

Mr. Speaker, I yield to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. As my colleague knows, one of the largest, if not the largest, communications major corporations, what started with Henry Luce, with Time magazine, and then Life, and then Fortune, and then Sports Illustrated, and it now has swallowed all sorts of other operations, Time-Warner, Warner Brothers Studios, they claim now in a Wall Street Journal editorial yesterday that they are going to try and bring together a forum, town hall meetings of every group they can across the country, to advance the dialog on what is the role of the media, and they said this in the context of a written editorial by one of their co-CEO's, Gerald Levin, in defense of their now-controversial record and album by a performer named Ice T called "Cop Killer," and I do now know how we are going to get around this bath of negativism that is just ripping the young of this country, and I know the gentleman and I actually sit cheek, jowl, and elbow to one another in the Permanent Select Committee on Intelligence, and it is a dangerous world.

I ask the gentleman, "Hasn't it struck you, DOUG, that we should be still celebrating the collapse of communism, a conflict between a world that was half slave and half free, to use President Kennedy quoting Lincoln? Isn't it amazing that there isn't more joy in this country for what has been accomplished?"

☐ 1920

Mr. BEREUTER. I would say to the gentleman it really does amaze me. We certainly have problems, but I would not trade the world today for the world we had 18 months ago.

Mr. DORNAN of California. Or yesterday.

Mr. BEREUTER. At least we do not have SS–18's trained down at us as a result of the breakdown of the cold war. I would feel a lot better about that forum if I did not have the feeling from the comments of the gentleman about it that it was primarily defensive in measure. I wish it was put together for self-critique or self-criticism. That would make me feel a lot better about that forum.

DISCOURSE ON OLIVER STONE

The SPEAKER pro tempore (Mr. MCNULTY). Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 1 hour.

Mr. DORNAN of California. Mr. Speaker, I just wanted to share with my colleagues who still may be in their offices, or anyone who comes to the floor, and I see one of our distinguished Members is on the floor already who might want to ask me a question, but before the gentleman does, let me get something off my chest that I have been carrying around for exactly 2 months, which shows you as busy as this House is, you do not always get, with that steam pressure valve release of 1-minute speeches in the morning, something always comes up that is so serious of the moment that you do not get a chance sometimes to talk about something that was bothering you.

In a major university, the closest one to my district, which is the University of California, Irvine Campus, just south, is a great new university. I mean it is just a couple of decades old and already thousands of students and a great educational curriculum.

But they had as a guest on their campus this controversial America hating, freedom hating, acerbic director Oliver Stone; a talented man technically, and an absolute loose cannon when it comes to theology, philosophy, approach to life, or his own vengeance for working out a drug problem that almost killed him, and I am assuming, taking him at his word, that he is off cocaine.

But here is something that he said that I cannot let go unchallenged. He got a standing ovation from hundreds of the student body at the University of California, Irvine. I would just like to read a couple of clips as reported in the Orange County Register about his performance there.

"He spoke to a capacity crowd," Reporter Ann Valdespino writes in the Register, the biggest paper in the County of Orange, the second largest county in California.

She says,

> Oliver Stone spoke to a capacity crowd of mostly students. A few who weren't lucky

enough to get in waited with their faces pressed close against the windows, straining to listen, and hoping for a glimpse of the movie director. Although the outspoken film maker did not mince words covering topics on point and tangential to his theme, which was "media and U.S. foreign policy," that was the title of the class he was addressing, his taunt was a broken record litany that did not degenerate into a mean spirited tirade.

Oh, really, Ann? Are you reporting what I am reading here?

Stone had a lot to say. On the media, the New York Times is Pravda, the Washington Post is Izvestia.

Now, here is a radical left wing, sometimes described as a liberal Hollywood movie producer, and he is calling the liberal New York Times, America's paper of record in our commercial city New York, as Pravda, and the Washington Post Izvestia.

Now, those two words in Russian we know mean press and news, and the old joke is there is no news in Izvestia and there is no truth in Pravda. But he is saying that in a disparaging way.

He said, "The Pulitzer Prize is far more rigged than the Academy Awards."

So here is a spoil sport. He got two Academy Awards, one for directing the movie—no, two for technical things, sound and sound editing or something for "JFK," but he received a directing Oscar, an Academy Award, which I did not think he should have gotten, for "Born on the Fourth of July," a lying propaganda film about a very mixed up young man who was a great Marine at one time and is now a paid propagandist, suffered much in a wheelchair, Ron Kovic.

But then he goes on to say, "On history, George Orwell has come true. We can erase history, and it is happening today," he says.

She is just giving little snippets, this lady reporter.

He says, "I believe, as cynical as it sounds, that history is written by those who win."

Well, that is not cynical, it is true. So he is throwing in a lot of platitudes and truisms with his discourse.

"On making movies," he says, "our job is to convince and seduce. But ultimately everyone who comes out of a movie makes up his own mind."

Now, I do not know what that pap is, but whatever happened to good storytelling and entertaining? "It is to convince and seduce."

Then he says, "You don't know liberalism. You are not old enough to believe that one man can change the country. But Roosevelt did it. Kennedy did it."

Well, Kennedy was there for 2 years and 10 months, and although he would like to have had 8 years and change the country, he really got us into Vietnam and took us through the tragedy of the Bay of Pigs, which has given us Castro for over three decades. And then that set us up, along with his meeting with Khrushchev in Vienna, set us up with the Cuban missile crisis, which we now find in historical research and documents being released, brought us really close to a nuclear war, because the Russian beach commander on the north coast of Cuba had permission to use tactical nuclear weapons, 23 of them. We did not know they had them.

Then he says, "What is the difference between President Bush and Governor Clinton?" He did not use their titles, of course.

"I don't know." He says, "Think about the President as a clerk. There are larger forces behind the throne, and the special interest groups are there."

"Students listened attentively." Probably their little tongues hanging out, "No easy feat on a very warm night in a crowded room."

All this took place, oh, I guess it was Monday, April 27, 2 months ago.

Then the students are passing questions on cards to the moderator, adjunct professor and one-time Marxist, Robert Scheer.

"Occasionally the audience broke into spontaneous applause in agreement with Stone's vitriolic statements."

Now, I thought Ann said he never degenerated into a mean spirited tirade, but here he is making vitriolic statements.

"At the end of the 90-minute talk, the director received a pounding standing ovation."

Well, here is the one line that jumps at me out of all of her lines. I bypassed it. Now I would like to come back to it.

"On intelligence organizations," and we just, Mr. Speaker, passed the intelligence authorization in this House in the most civilized bipartisan way of any legislation we have been handling lately. Our intelligence forces in this country are patriotic. They do a superb job. And all the 3½ years I have been on the Intelligence Committee, a real privilege, you are only allowed to serve 6 years, I hope our minority leadership helps me stay on if, God willing, the creeks do not rise and I win the November election, I hope to stay on it for the full 6 years.

But in that room upstairs, the old Atomic Energy rooms, I have never been so humbled as listening to the desperate state of the world, in spite of the collapse of communism, and the excellent professionalism and expertise that the men and women, lots of women, by the way, bring to our intelligence committees. The NSA, the Central Intelligence Agency, and the Defense Intelligence Agency, they are just absolutely good people, as solid as any civilians in any part of our defense or security forces, as good as any man or woman that wears the uniform. And many of them still wear it and many of them have worn them before they went into civilian intelligence work.

Now, here come Stone's ugly statement, and this is typical of this man that pours acid literally into the thought processes of young people across this country.

Oliver Stone says, "The CIA is still there, and it has not gone away. It is the largest criminal organization in the world. It even exceeds the Catholic Church."

Bingo. This guy is sick. He says the Catholic Church is the most criminal organization in the world, except for the Central Intelligence Agency. And this guy is a multi-millionaire, pumping out these propaganda films like "JFK", "Born on the Fourth of July", and the one I still call spittoon, that degrades the military service of our men and women in Vietnam.

☐ 1930

I do not know. Added to what the prior distinguished gentleman said about the negatives, negativism of the news and what we are pumping out, I spoke yesterday and again tonight about Ice-T's record "Cop Killer," about 2 Live Crew talking about the glories of raping and ripping women apart. We see Madonna signed a $60 million contract.

If she were a young lady, 30 years old, of Jewish heritage and hated Judaism as much as she is a young Italian-American, former Catholic, hates Catholicism and Christianity, she would be branded as an anti-Semitic Semite and would be a pariah and would never be signed to a contract by anybody at Time-Warner.

But along with this statement of Oliver Stone, I think people can see truly and easily that anti-Christianity is the anti-Semitism of the intellectual liberal elite in this Nation, with a particular emphasis upon attacks upon Catholicism.

I see it with the standup comedians, self-described. Most of them very unfunny, reaching for the easy, filthy joke, the scatological, and the anti-Catholic, the anti-Christian, the anti-fundamentalist Protestant. It is amazing what is happening before us as our culture seems to implode in the very decade when we won the world's most titanic ideological struggle between an atheistic, Socialist system that said there was no God, that man was the center of the universe, and then a handful of men, not too many women, mostly all men, the apparatchik, the nomenclature of the Soviet Union, the heirs of the killer Lenin, the killer Stalin, and a lot of killers since, they imploded.

I thought we were going to enter a glorious period, whenever that happened, with democracy and freedom spreading around the world. Women attaining a level of freedom and sharing in the role of leadership with the other gender on this planet.

Instead we have attacks on the Boy Scouts, that they are not accepting homosexual scout leaders, let alone young subteens confused over sex in this sex-obsessed society. You can hardly turn on the television without seeing some putrefication and corruption of the public marketplace.

Just this week, Phil Donahue put on a whole panel of naked people. The great electronic wizardry to jiggle the screen and block out the breasts of the women and the lower extremities of the men, they are all sitting there talking about how they are part of an art exhibit in New York where they have, I guess, foreplay is the way to say it, in the art gallery, naked for patrons of the arts coming through, self-described.

And when somebody said, why are you here in this studio in KNBC in New York naked, and they said, "Phil Donahue asked us to come here naked."

One poor woman stands up in the audience. She said, "Why did I have to pick this day to come and have you ask me a question. My teen-aged kids and my husband are watching at home."

I could not last for more than 15 minutes of the show. It was going downhill when I checked out to drive to a not-too-happy day here with a lot of contention. I do not know what we are going to do.

My daughter, my older daughter and my five kids, my children are all in their thirties. Three of them are married, given us eight grandkids. They have all decided that they have to seriously consider what I used to only see in Fundamentalist Protestant publications, and that is people who are truly concerned about raising children are now seriously removing the television sets from their homes, going to rely on newspapers and radio for news, locking the television up in the garage or, I heard one minister up in New Hampshire when I was up there campaigning for the President, went by this church and heard a wonderful homily from this minister, a Presbyterian.

He said he and his wife had put the television in the closet and piled heavy objects on it.

They do not want to throw it away because there are certain documentaries and Presidential addresses and probably something gloriously rewarding like watching the President of Russia speak in this Chamber, Mr. Yeltsin. But they said it is so laden down with heavy things that when they want to watch it, it is about a 20-minute exercise to remove all of the heavy material off the top of the TV, take it out, plug it in and set up the aerial or the cable and then watch what they have to watch and then go through the whole process.

The minister said it is a form of self-discipline that says the television is a communications tool to be very suspicious of, to use guardedly, but to keep away from young children because equally with smoking and hard liquor and drugs, the communications media can be dangerous to your health.

I close with one other little anecdotal tale. A good mom and dad in southern Orange County, not in my district, but made known to me by my loved ones, rewarded their excellent little A student, he would be about 9 years of age, with his own television in his room. They told me it was a small screen, 21 inches. That used to be the standard big screen. To me a small screen is still 13 inches, 5. But he got a small 21-inch new color TV, and they wired it up to cable with the Disney channel so he could watch Disney. But unfortunately, MTV is on there. And one of my grandsons tells me that this young boy, whose grades are starting to slip and who is getting a perverted version of life and advancing beyond his years and getting sex education through MTV is explaining it in distorted and vivid detail to all of his little classmates who will listen in lower grade school that he watches MTV.

Well, according to my grandson, he would watch it 24 hours a day if he could. And I said, well, I have not seen MTV in a couple of years. Let us check it out.

So I found a home wired for TV, turned it on. What comes up in about 20 minutes, "Sex in the '90's." We are barely into the third year of the 1990's, "Sex in the '90's."

I had never seen such nihilistic, foul garbage in my life. I had seen, but watching Nightline, Madonna's latest offensive offering called, not "Truth or Dare," "Justify My Love," a multisexual, lesbian, bisexual, sadomasochistic extravaganza, disgusting from A to Z.

I saw her prior offering to this, and it was equally as poor in taste and as distorted in its vision of modern America and the world, and now she has gone beyond the intake of young Michael Jackson, he of the changing physiognomy. He set a deal last year, when he insisted he be called the king of pop. If Elvis was the king of rock, he had to be referred to in all the contracts as the king of something. I think popular music.

She demanded in her negotiations with Time-Warner, Madonna, misnamed, of course, she is about the antithesis of the Mother of Jesus, Madonna said that she must make at least $1 million more than the contract signed by Michael Jackson last year.

I can think back not too long ago to the debate when Elizabeth Taylor was given $1 million, in the early 1960's, for the movie "Cleopatra." People said it was obscene, that no performer was worth that much. They compared it then to the U.S. President's salary, which was then, I think, had just reached $200,000.

A million, that was only five times more than the President. The President still is at $200,000, with a few benefits thrown in. Here is Michael Jackson, Madonna up to $60 million, and Time-Warner is justifying "Kill a Cop."

Other people are justifying every obscenity on the scene. Phil Donahue, the world's most outrageous anti-Catholic Catholic, the day he has all the naked people on his TV show, he goes and hosts the soap opera awards that night. This is two nights ago. And of course, you see film clips from the soap operas and you think you are looking at soft-core porno from a few years ago.

I just thought of something good I saw on television last night. So we have got a real problem trying to introduce our young people to television, but I will say this, last night on "Nightline," I saw two of my colleagues, the gentleman from Oklahoma [Mr. SYNAR] and the gentleman from Illinois [Mr. DURBIN]. And they touched me because they were speaking out courageously against a massive lobby that has poisoned this country, the nicotine lobby is now trying to poison the world.

And I learned something again from the gentleman from Illinois [Mr. DURBIN].

Mr. Speaker, I yield to the gentleman from Illinois [Mr. DURBIN].

□ 1940

That is that breast cancer is not the major cancer killer of women in our country, it is lung cancer. It was a stunning performance that the two gentlemen gave on Nightline. I appreciated their efforts there.

Mr. DURBIN. Mr. Speaker, will the gentleman yield?

Mr. DORNAN of California. I yield to the gentleman from Illinois. Now he can tell me what he is going to yell at me about.

Mr. DURBIN. Mr. Speaker, I did not come to yell at my colleague, and although he and I are often in disagreement, certainly our opposition to this tobacco lobby and smoking because of its health consequences is one area in which we share something in common.

I would like to follow up on that, and tell the gentleman that I don't believe many women in America are aware of the fact that we brought up in the Nightline show, if you ask most women in America what is the No. 1 cancer cause of death, the automatic response would be breast cancer, not to diminish the terrible tragedy that is brought to so many women by that disease.

The fact is the No. 1 cancer cause of death, as you mentioned, is lung cancer. What troubles me greatly is the fact that women's magazines, which play an important role in informing not only women but people across this Nation, have systematically avoided speaking out on the perils of lung cancer. Many of us believe it is because tobacco advertising revenue is so critical to these magazines. It is in fact a conspiracy of silence.

I am heartened by the fact that one of your colleagues, the gentlewoman from California [Ms. PELOSI] raised that very issue today with a women's publication which came to Capitol Hill to speak to staff and Members who were interested in women's issues.

The response was not very heartening, because the response suggested that this magazine believed that there was a lot of money at stake, and frankly, they were not going to jeopardize it by changing their editorial policy.

I sincerely hope that message gets out. It is really up to the women who use these magazines for information, who rely on them for information, to send letters to the editor and ask that probing question as to why they do not go a step beyond that.

I only came to the floor, frankly, not to get on that topic, but to ask the gentleman what his comments were, and I am going to step away from the microphone and let him speak for a minute or two, as he has time, but I have not heard him make reference to violence in movies, and I am concerned about some of the violence that we see in movies.

Some of the people who are America's illuminati of the American show business scene, some have entertained at the White House and on Capitol Hill as being stellar examples of stardom and Hollywood, in fact some of them participate in movies which tend to sanctify the kind of violence which I believe the gentleman from California would find as reprehensible as I do.

I would like to have his thoughts on that.

Mr. DORNAN of California. I am glad the gentleman noted that I was going on at length, and by the way, we are all waiting here for the rule to come down on the tragic railroad strike, so I am vamping a bit.

There was a press conference here on the Hill a couple of weeks ago. It was on the sad state of how we communicate with one another, and how we entertain one another and tell stories today. My piece of the action, by choice, was violence, because we do seem to see this peculiar situation where, when we see a liberal psychologist or psychiatrist or a child behavioral scientist on television, if they are liberal they are talking about violence. Everything they say I agree with, every single thing from Alpha to Omega.

Then when the conservatives get on, they talk about the degrading of the God-given gift of human sexuality, and of course, I am agreeing with that. And I always thought it was like the supply and demand argument on narcotics. I never could understand, and I know the gentleman was never in this mess of saying, "We must just educate and stop the demand and then the supply will go away."

Then I hear other people say, "There is not much we can do about demand. We do not have enough money in education. Let us just go down to Columbia, use military force in Bolivia, and let us cut the sealanes and everything."

It is a dual problem. If you do not stop the supply, then people are not serious when you educate them about the demand, so you work both sides of the problem. What is the big deal? Supply and demand together, and that is the way the gentleman from New York [Mr. RANGEL] approaches it, that is the way every chairman of the Select Committee on Narcotics Abuse and Control, in a bipartisan effort on both sides of the aisle, have approached narcotics. Let the columnists argue these stupid, unending supply and demand arguments. Both are important.

On violence and sex, I had someone that I will bet we mutually respected, because I know he is of the same Catholic faith, Archbishop Fulton Sheen, who may be dead over 11½ years.

I saw him standing on a street corner in New York once. He was much smaller than I thought for his eloquence and breadth and reach of his oratory as a television personality and a great evangelical Catholic bishop.

I pulled around the corner and parked, came up to him. I had not seen him in 10 years, since he had been on my television show. I said, "Can I give you a ride somewhere? Can I give you a lift? He said, "No, I am just going to take the bus down to New York from Rochester on a new assignment."

We got to talking, and I said, "Boy, where are we going with our society, our culture?" This is before I came to Congress. This must be the early seventies. We started talking about violence and exploitation and sex.

He said something that will stick in your head, I will bet, because it did in mine. He said, "You know, it is like rape. People argue is rape a crime of violence or is it a crime that abuses homosexuality?" He says, "It is two sides of the same coin. You flip a coin in the air and you get one image. It is two sides, but as it tumbles through the air quickly, it all blurs into one single coin image." He said, "You cannot separate those two."

In the Roman arena they would crucify 1,000 Christians, cover their bodies with pitch, light them on fire, torch the skies of Rome, and then go to the orgies. It was back and forth, one after the other. They feed off one another.

I think it is up to conservatives on my side, and I took a shot at one of the cognescenti because he is very smart, and glitterati, as you said, that illuminates Hollywood, someone that gets $10 or $15 million a picture, but votes Republican and travels with Republican Presidents, and that is Arnold Schwarzenegger, a man who came here from Austria, lifted weights, and for every grunting, sweating pushup the man ever made, and in retrospect they are few enough that you could multiply it into his pay now, and I will bet he can look back and say, "Every time I did a pushup, I was making $100, maybe $1,000 per pushup." He built his body up and became known as what, Mr. America, Mr. Universe, Mr. World, and now his films are technologically dazzling, like Terminator 2, technologically dazzling.

I do not know why they made them. I do not know what the story is. He is blowing the face off an L.A. policeman, and it comes back like clear jello or jelly, and they got the Academy Award for that special effect? What is the purpose of destroying semitrucks?

The only thing they can do now, maybe if we do not solve the strike tonight, is to rent two trains, two big, full, modern electric locomotives, and run them at one another, to get to go crescendoing into the air. I do not understand the lust for lust and the lust for violence. It perplexes me.

Mr. DURBIN. Mr. Speaker, I thank the gentleman. I am sorry I cannot stay, but I wanted to ask him to address that aspect, and as usual, he has done it in a colorful way. I appreciate his comments.

Mr. DORNAN of California. I have a decade or so on the gentleman, but when you get grandkids now in your living room and you are given the responsibility to babysit, and you promise the mother and father that you are not going to let the kids get any mental images in their heads.

As a sitting Congressman, if you decide to watch the evening news, I find myself fumbling with the space command channel changers and then running to the TV set and holding the towel or blanket or a pillow from the sofa in front of the television and saying, "Remember what your mother said. You kids cannot watch all this," and it is only the evening news. Then after that the tabloid shows start, and then comes the real violence.

So it is a tough world that we are living in, folks, and communism may be dying everywhere in front of our faces. We have some big nuts to crack, we have to free 11 million people in Cuba, double that in North Korea, 2 or 3 times that, with 66 million people living under communism in Vietnam, and then there is the size of the United States, 255 million people times 5 , and you get China's 1.3 billion people still living under communism.

But if we do not take care of these problems at home, if we do not stop this glorification of mindless, senseless, unbelievable violence, then slice them and dice them, buckets of blood movies for our subteenagers, and then on the sexual side, drive our young people with advertising and motion pictures and television and soap operas and talk shows with the idea that if you do not start getting sex with strangers early and often as a kid, but if you get in trouble, if you find yourself pregnant, then society is going to turn its back on you, other than to just recommend that you get a quick and easy abortion, and of course there is no such thing.

So with that happy note, Mr. Speaker, I yield back the balance of my time, and go watch a little television in the cloakroom.

☐ 1950

MINORITY DISTRICTS UNDER THE VOTING RIGHTS ACT

The SPEAKER pro tempore (Mr. MCNULTY). Under a previous order of the House, the gentleman from Texas [Mr. WASHINGTON] is recognized for 60 minutes.

Mr. WASHINGTON. Mr. Speaker, I am here at the request of others to discuss some very urgent pending matters that have come to my attention in order that the Rules Committee may appropriately report back to this body on the most urgent matter concerning the resolution or temporary resolution of the railroad strike.

Let me first begin, Mr. Speaker, if I may, by discussing a matter that has come to my attention today. That is that the Honorable ROBIN TALLON, a Member of Congress from South Carolina, has indicated today that he will not run for reelection.

I am saddened and disheartened by that fact, because I am given to understand, and he is a friend of mine, from the discussions I have had with him that the reason he is not running is because of a result of redistricting he has been placed in a district that some people consider to be a black district.

Mr. Speaker, this is no such thing as a black district, or a white district, or Hispanic district, in this Congress of the United States. And I feel particularly saddened that some of the people who have decided to run for that office felt it necessary to make disparaging remarks about Mr. TALLON'S ability to run for that district.

The purpose of the Voting Rights Act, as I understand it, and I was not a Member of Congress at the time that that great document was debated, passed by this Congress and signed by the President, but I understood that to be an attempt to overcome the vestiges of what had happened in my part of the country, the South, in some years past when certain individuals were not given an equal opportunity to participate fully in the system, going back to events that occurred after Reconstruction up through the so-called white primaries and other articles and devices such as poll taxes and the like that prevented in actuality the opportunity for persons who happened to have been of African ancestry to participate fully by having an opportunity to run legitimately for public office. We have come a long way in this country, Mr. Speaker, since those days, and since the passage of the Voting Rights Act, and I do fully support the opportunity to create a district in which people who happen to be of African-American ancestry may appropriately, when a district can be drawn, have an opportunity to participate fully in the system. But these districts are created not for the people who run for the office, but for the people who live in the area, in my view, Mr. Speaker, and if we are able to draw a district in South Carolina, or in Houston, TX, or Dallas, TX, or Louisiana, or Georgia, or anyplace else in this country, where people who happen to be of like mind, focus upon problems that they have had participating fully in the system in the past have an opportunity to elect a person to serve in the Congress, then theirs is the responsibility and theirs is the privilege of being able to choose that Member of Congress. And if they do not want to elect of Member of Congress regardless of his or her race, creed, color, or national origin, then by God, they ought to have an opportunity to do so. For any person who calls himself an American to suggest to a person merely because he is white, that he does not have the right to run for that office is despicable in my view, and I abhor it, and I condemn it, and if I ever have an opportunity to address the individuals who have spoken in such a disparaging way about my friend, ROBIN TALLON, I will tell them so face to face.

ROBIN TALLON is a good man. He has represented a district that has had as its largest center of population, although not a majority for the last several years, persons of African-American ancestry. And, Mr. Speaker, you may know or you may not have noticed, although I will assert to you that I am of African-American ancestry. He has represented them in my view, faithfully and well. They chose him along with the other constituents in that district to represent them. They chose him because, I am sure from among the candidates who presented themselves for that office, they found him to be the person who possessed the qualifications which they were looking for in a Member of Congress, and he was elected in the democratic process, and he was sworn in and served as a Member of Congress. And I think that he ought to have the opportunity to continue to serve. And had I had an opportunity to tell him so face to face before he took this action unilaterally, I would have encouraged him to go ahead and run in that district. It is foolish to me to say that because they have drawn a district in South Carolina, or in Houston, TX, for that matter, but happens to have a majority of the population that happens to be of one race, and that race happens to be black, or African-American, that only African-Americans are qualified to run for that office, because the people who will vote on election day are the people that have the right, under the Voting Rights Act, to make that determination.

A similar argument was made, Mr. Speaker, in my hometown of Houston, TX, where the Texas Legislature, in its wisdom, created a district with a majority Hispanic population in Houston, TX. People that I had formally represented in the Congress of the United States are now in the new 28th Congressional District. Those people have had an opportunity, and may, according to a court ruling, have another opportunity to select from an Anglo individual, a Hispanic individual, and in fact a black individual. The person who has been nominated by the Republican Party happens to be an African-American. The person who will have a runoff in the Democratic primary where we require 50-plus 1 percent majority for nomination in Texas, happen to have been one individual who happens to have been an Anglo and one individual who happened to be Hispanic. Although the majority of the population in that district is Hispanic, they chose by some 185 votes the Anglo-American to represent them in the Congress. There is absolutely nothing wrong with that, and it is nothing that violates the Voting Rights Act. And for someone, for anyone to suggest to ROBIN TALLON that he did not have the right to run, or that he should not run for Congress because the district was drawn for a black, to me is ludicrous. There are other words that I could perhaps use but will not use in this body because I respect the rules of the House.

But I am troubled by that. I am troubled by the thought in the mind of anyone that this good, decent, hard-working public servant should, in effect, be driven out of office, should be driven to the point where he felt that in good conscience he could not run for reelection in Congress merely because the majority of the people in that district were black. He had a right to run, and they a right to elect him if they wanted to. They had the right to vote against him if they wanted to, and I feel that they would have voted for the best person regardless of race, creed, color, or any other reason that we use to divide God's people from each other.

So I come to the floor this evening, Mr. Speaker, with a heavy heart for ROBIN TALLON, my friend, the friend of all of the Members of the House, who has chosen not to run for re-election. If he had chosen not to run re-election of his own will and accord, not associated with these disparaging things that have been said, that would have been one thing. That was a decision he had a right to make. He made the decision, but in my judgment, he made it because others forced him to make, what I think, was an erroneous decision on his part.

It troubles me. There is not much else I can say about that.

SUPERCONDUCTING SUPER COLLIDER

Mr. Speaker, while I am here let me address some of the people who live in Texas, some of whom live in Houston, TX, and some of whom, most of whom live in Waxahachie and Dallas and environs.

Much has been made about the fact that of the 27 members who are elected to Congress and have the privilege of serving the people of Texas in the 102 Congress, only one individual found it necessary and proper to vote against an amendment that would continue the funding for the superconducting super collider, who voted for the amendment to delete the funding for the program. I have received letters and I have received telephone calls, most of which, by the way, have been supportive of the action that I took.

I have had the opportunity to return phone calls on all the people who cared to call my district office or to call my office here in Washington, in order that I could express my opinions with respect to my vote against the superconducting super collider to them.

On each occasion where I have had the opportunity, Mr. Speaker, to discuss with someone who called my office, and I have had the opportunity to return their phone calls, after we have had a 10- or 15-minute conversation, even though in every instance the call was placed by an individual who had a direct connection with the superconducting super collider, they either worked for the project directly, or they worked for the project indirectly, or they saw some economic benefit to them personally, either their spouse or someone else worked for the program, on each occasion when I have had the opportunity to explain the rationale that supported my vote, without exception, everyone of them has said, "Mr. WASHINGTON, I have no disagreement with your position or with your logic."

I am buoyed by that fact, Mr. Speaker, because this is a deliberate body, and I have been an observer of the Congress as long as I have been interested in politics. And I have been interested in politics since 1960. I have been an active participant in the political arena since I first ran for public office in 1972, and I have been continually elected to public office since that time.

□ 2000

I have attempted in my judgment to be faithful about the business of representing whatever constituency I served. I view my job as being, first, to inform myself of information as to what decision is required to be made by me. I pride myself in having systems set up in my office, such that when I cast a vote on this floor, without exception, Mr. Speaker, I know what the question is. I pledged to the people who elected me then and now that I will never cast an uninformed vote in the Congress of the United States.

On one occasion when I came to the floor and I did not know what the issue was, I voted "present." Each time the constituents that have elected me to the Congress see an "aye" or a "nay" by my name, I do not expect them to agree with my vote.

I do not delude myself into thinking that there is any way that a community of 600,000 people, having been selected at random by the vicissitudes of a line being drawn around certain census tracts, are all of one mind. Whenever we reach the point where a majority of them disagree with my views on a subject, they have the right to have that job back. I will never hide from them as to how I feel about matters that come before the Congress.

I think they are entitled several things. The first thing that I think that they are entitled to is to have the full benefit of the resources that they pay for, the people who work for me, so that I might be informed on every issue that comes to the floor. That is the reason why I voted against doing away with the LSO's.

The LSO's serve a valuable service; legislative service organizations, in my view, at least for this Member, Mr. Speaker, serve a valuable purpose. They inform me on the questions presented, and that are to be presented, on the floor of this Congress. The Democratic study group that I am pleased to serve on the executive committee of, is one of those organizations, the congressional black caucus is another, the arts caucus, so and so, and the caucuses that I join are not for the purpose of companionship.

I do not join organizations to be a joiner. I do not join them to put them on my letterhead to say that I am a member of this, that, and the other. I join the organizations because I think that there are persons in that organization with whom I agree on matters, and I join for the collective effort of pooling the resources and the thoughts and the ideas so that we can come up with constructive solutions to the problems that we face.

Members of Congress are faced with the responsibility of making thousands and thousands of important decisions. These decisions may not be important to us personally, but they are important to the lives, the very lives and being and livelihoods of many, many people around this country.

There are people for issues. There are people who are against issues. They have their reasons for being for and against them.

I would be failing in my responsibility, in my view, Mr. Speaker, if I did not inform myself before I came to this floor to cast a vote.

So the people who work in my office understand that each night I take home a stack of files that they call homework, and I read these files before I go to bed at night so that I can get a summary. I cannot read every page of one of these reports, but someone on my staff does. I divide that labor among the people who work for the people of the 18th Congressional District, by and through my direction, and they summarize for me, and I inform myself as to each and every issue upon which I am going to be called upon to vote on the following day. Having done that, then I cast what I represent to be an intelligent and informed vote, perhaps not a wise vote, perhaps not a politically wise vote, because that is never a consideration for me.

It does not matter to me how it looks politically. It does not matter to me whether I am elected to serve another term in Congress. If I do not serve this term in Congress well, I do not deserve to serve another term in Congress. I would rather serve one term in Congress and stand up for what I believe in than stay here for the next 30 years and stand for nothing. Martin Luther King said that a man who stands for nothing, stands for nothing. If I do not stand for anything else when I cast my vote, it does not matter whether 434 people vote with me or whether I vote alone.

So when I voted against the superconducting super collider, it was not because I did not think it was a worthwhile project, Mr. Speaker. It was because I did not believe that at the appropriate time when our House is put in order we ought not be about the business of furthering scientific research such as the superconducting super collider presents us with the opportunity to do. As a matter of fact, I am a proud graduate of Prairie View A&M University, Mr. Speaker, one of the chief components from the minority aspect in Texas, and one of the chief recipients of funds that we appropriate.

I did not vote against my alma mater because it was the politic thing to do. I voted against my alma mater because it was the correct thing to do.

Mr. Speaker, it occurs to me that many people around the Congress of the United States want religion, but nobody wants to put anything in the collection plate. The buck has to stop somewhere.

Texas cannot have every program that it wishes to have from all of its Air Force bases left open to all of its Army bases left open and all of its naval depots left open and to get the superport down in Texas and to have the opportunity to refurbish Navy ships and to have more military jobs and to build the V-22 aircraft up at Dallas-Fort Worth, and to have the superconducting super collider over at Waxahachie and to have the space station down in my neck of the woods at NASA and expect the people in California and Oregon and Illinois to pay for it, because Texas is a microcosm of the United States. We are no different than the rest of the States, and if we get all of these programs for our State, then the people from Pennsylvania, and the members of their delegation to Congress will want the same things, and rightfully so for their State, and the people up at Connecticut would want to continue to have the Electric Boat program so they will continue to build submarines, and rightfully so. Look what Texas is doing.

The problem is the buck has to stop somewhere, and you cannot be for balancing the budget and spending the money at the same time, because we have an equation, and the equation says that in 1990 the Members of this Congress, in their wisdom, although I did not join them in that, voted to create the so-called firewalls between the sections of the budget. They decided that if there were going to be cuts in the military budget, they should go toward the deficit and not be allowed to spill over, if you will, into domestic discretionary or domestic entitlement spending.

So that means that if we cut back on the military budget, we cannot use that to make up for the shortfall that all of us know exists with respect to what we are doing for our urban America in particular, because I am pleased to represent at least a small portion of urban America in the Congress of the United States.

Mr. Speaker, we have people who sleep under bridges at night in this country. We have people who go to bed hungry at night. We have little children who wake up in the morning who get no breakfast before they go to school. When educator after educator and when doctor after doctor will tell you that if that child does not have a breakfast when they go to school, if they go to school with an empty stomach, they are three times less likely to be able to learn. If they are three times less likely to be able to learn when they go to school, that means that the money that we are spending on public education is twice as likely to be wasted on them.

These are the people who we see ending up dropping out of school at the ninth grade level, Mr. Speaker. These are the people we end up spending $30,000 a year to house and feed in our public corrections institutions because we have not put enough money into educating them to make sure they get a breakfast in the morning before they go to school. And that is not all of the problem.

But if we are to be a great nation, then we must learn to accept our priorities. We ought to balance our budget. Every household in America is required to balance its budget.

So how are we then going to balance this budget, Mr. Speaker? Are we going to increase taxes? No, we are not.

We are going to be left with the same size pie, so it seems to me we either have to learn to have the discipline to rearrange our priorities. We cannot keep continuing to tell our constituency yes to every program that they would like to have for their community and, at the same time, say yes, we are going to balance the budget. We cannot look our constituents in the eye and say yes, we do want to balance the budget but, yes, we are going to vote for all of these programs that make us over budget to begin with. We cannot have it both ways.

We have to be honest, and we have to face our constituents, and we have to tell them about the hard pill and the bitter pill that we have to swallow.

Mr. Speaker, I yield back the balance of my time.

□ 2010

WAIVING A REQUIREMENT AGAINST CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 500 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 500

Resolved, That the requirement of clause 4(b), rule XI for a two-thirds vote to consider a report from the Committee on Rules on the same day it is presented to the House is hereby waived with respect to any resolution reported from that committee on or before the legislative day of June 25, 1992, to provide for the consideration or disposition of a bill relating to the national railroad situation.

The SPEAKER pro tempore (Mr. MCNULTY). The gentleman from California [Mr. BEILENSON] is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, for the purposes of debate only, I yield 30 minutes to the gentleman from Ohio [Mr. MCEWEN], pending which I yield myself such time as I may consume.

During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 500 waives clause 4(b) of rule XI of the House of Representatives only for today and only for a rule providing for consideration of a bill relating to the national railroad situation.

Clause 4(b) of rule XI provides that, in the event a rule is considered on the same day it is reported to the floor from the Committee on Rules, a two-thirds majority vote is required for passage. This resolution would simply waive that two-thirds requirement.

Mr. Speaker, we are all aware of the stalemate in negotiations between management and labor in the railroad industry. The Committee on Energy and Commerce has reported a bill to assist in the settlement of the rail shutdown and restore rail service throughout the country.

The adoption of this rule will allow the orderly consideration by the House of the Energy and Commerce legislation, and I urge my colleagues to adopt the rule.

Mr. Speaker, I reserve the balance of my time.

Mr. MCEWEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Resolution 500, which as was stated by the gentleman from California, waives the requirement in clause 4(b) of rule XI which requires a two-thirds vote of the House to bring a rule to the floor for consideration on the same day that it is reported from the Committee on Rules.

As has been explained, this measure is not a rule for consideration of railroad legislation. It is simply a waiver to permit a rule for consideration of railroad legislation to come to the House floor on the same day it is reported from the Rules Committee without a two-thirds vote of the House.

While normally we would not support waiving this important House rule, in the case of the developing emergency involving the national systems of railways, it is vitally important that the House have the ability to consider legislation dealing with this situation as soon as possible.

The rule waiver in this resolution is very limited. It applies only to the Rules Committee reports providing for consideration of legislation dealing with the railroad emergency, and only through the end of the day today.

Mr. Speaker, I urge my colleagues to support this measure. I reserve the balance of my time in anticipation that the ranking member, the gentleman from New York, may wish to accept time, and if he does not, then I have no further requests for time.

Mr. BEILENSON. Mr. Speaker, I have no further requests for time. I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 517, PROVIDING FOR A SETTLEMENT OF RAILROAD LABOR-MANAGEMENT DISPUTES

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 102–620) on the resolution (H. Res. 503) providing for consideration of the joint resolution (H.J. Res. 517) to provide for a settlement of the railroad labor-management disputes between certain railroads and certain of their employees, which was referred to the

House Calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 517, PROVIDING FOR A SETTLEMENT OF RAILROAD LABOR-MANAGEMENT DISPUTES

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 503 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 503

Resolved, That upon adoption of this resolution the House shall immediately consider the joint resolution (H.J. Res. 517) to provide for a settlement of the railroad labor-management disputes between certain railroads and certain of their employees, in the House. The joint resolution shall be debatable for not to exceed one hour, equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce. The previous question shall be considered as ordered on the joint resolution to final passage without intervening motion except one motion to recommit, which may only be offered by Representative Michel of Illinois. All points of order against the joint resolution and its consideration are hereby waived.

The SPEAKER pro tempore. The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Ohio [Mr. MCEWEN] pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, this rule provides for the immediate consideration of House Joint Resolution 517 in the House. The rule provides that the hour of debate time will be equally divided and controlled by the chairman and ranking minority member of the Energy and Commerce Committee. All points of order against the joint resolution and against its consideration are waived. Finally, the rule provides one motion to recommit but only if offered by Representative MICHEL.

Mr. Speaker, this rule allows the House to move quickly to consider legislation which establishes a new and different type of process to reach agreement between management and labor on the railroads. I urge adoption of House Resolution 503 so that we may proceed to the consideration of this legislation.

Mr. MCEWEN. Mr. President, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this legislation, which is the rule for consideration of House Joint Resolution 517, relating to the national railroad situation.

It is traditional for those of us in the minority to object to closed rules such as this; however, there is agreement between the leadership on both sides of the aisle, and I would point out to my colleagues that no Republican is being gagged, and when the motion to recommit with instructions is granted to the minority by the rule, then we can support such a closed rule; however, we all regret that the Congress is now being thrust into this labor-management dispute.

Those who support action in the name of economic stability believe that the threat posed by the rail stoppage requires immediate congressional action. Therefore, the expedited process reflected in this closed rule will hopefully be used only in such emergency situations.

Therefore, I express my support for the rule at this time to allow the legislation to come immediately to the floor, as has been explained by our colleague, the gentleman from South Carolina.

Mr. Speaker, I urge all Members to join me.

Mr. MCEWEN. Mr. Speaker, I yield back the balance of my time.

Mr. BEILENSON. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADDENDUM TO SPECIAL ORDER

(Mr. DORNAN of California asked and was given permission to address the House for one minute.)

The SPEAKER pro tempore. Without objection, the gentleman from California is recognized for 1 minute.

There was no objection.

Mr. DORNAN of California. Mr. Speaker, this is as an addendum to my remarks about the decadent state of much of the American communications media earlier.

Mr. Speaker, I ask unanimous consent to add these remarks as an addendum to my special order about 15 minutes ago.

Get this, Mr. Speaker and my colleagues. Six nights ago in the tiny American resort town of Aspen, that is where the Donalds and a lot of the billionaires of this country spend some time, there was a panel with a lot of good conservatives on it and a young CEO, chief executive officer of Fox Television that is giving us some of our new decadent breakthrough situation comedy programming, this young executive, Stephen Chao, is debating a panel of John O'Sullivan, the editor of National Review, Irving Kristol, the founding chief editor and publisher of Commentary Magazine, Lynn Cheney, the chairwoman of the National Endowment for the Humanities, and to make his liberal point on censorship, he introduces a stripper who is totally naked, a male stripper.

Dick Cheney, the Secretary of Defense, Lynn's husband, is in the audience.

This is unbelievable, and in the audience is Rupert Murdoch, the mogul of media who owns Fox Television, and young Stephen Chao, a 36-year-old hotshot, a chief executive officer, makes his points about censorship, finishes his remarks, smirks, steps off the stage, and Rupert Murdoch says, "My young executive, you are fired. You are out of here. G'bye, mate."

☐ 2020

So much for "in your face" liberal philosophy on the theme of censorship.

PROVIDING FOR A SETTLEMENT OF RAILROAD LABOR-MANAGEMENT DISPUTES

The SPEAKER pro tempore (Mr. MCNULTY). Pursuant to House Resolution 503, the House shall immediately consider House Joint Resolution 517.

The text of the joint resolution is as follows:

H.J. RES. 517

Whereas the unresolved labor disputes between certain railroads and certain of their employees represented by certain labor organizations threaten essential transportation services of the United States;

Whereas it is essential to the national interest, including the national health and defense, that essential transportation services be maintained;

Whereas the President, pursuant to the provisions of section 10 of the Railway Labor Act (45 U.S.C. 160), by Executive Orders No. 12794, 12795, and 12796 of March 31, 1992, created Presidential Emergency Boards No. 220, 221, and 222 to investigate the disputes referenced therein and report findings;

Whereas the recommendations of Presidential Emergency Boards No. 220, 221, and 222 issued on May 28, 1992, have not resulted in a settlement of all the disputes referenced therein;

Whereas all the procedures provided under the Railway Labor Act, and further procedures agreed to by the parties, have been exhausted and have not resulted in settlement of all the disputes;

Whereas it is desirable to resolve such disputes in a manner which encourages solutions reached through collective bargaining;

Whereas Congress, under the Commerce Clause of the Constitution, has the authority and responsibility to ensure the uninterrupted operation of essential transportation services;

Whereas Congress finds that emergency measures are essential to security and continuity of transportation services by such railroads; and

Whereas Congress has in the past enacted legislation for such purposes: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONDITIONS DURING RESOLUTION OF DISPUTES.

The following conditions shall apply to all carriers and all employees affected by the disputes referred to in Executive Orders No.

12794, 12795, and 12796 of March 31, 1992, that remain unresolved between certain railroads and the employees of such railroads represented by the labor organizations which are party to such disputes:

(1) All carriers and all employees affected by such unresolved disputes shall take all necessary steps to restore or preserve the conditions that existed before 12:01 a.m. on June 24, 1992, applicable to all such carriers and employees, except as otherwise provided in this joint resolution.

(2) The final paragraph of section 10 of the Railway Labor Act (45 U.S.C. 160) shall apply and be extended for an additional period with respect to each unresolved dispute referred to in Executive Orders No. 12794, 12795, and 12796 of March 31, 1992, so that no change shall be made by any carrier or employee affected by such unresolved dispute, before a decision is rendered under section 3(d) or the parties have reached agreement, in the conditions out of which such dispute arose as such conditions existed before 12:01 a.m. on June 24, 1992.

SEC. 2. APPOINTMENT OF ARBITRATORS.

(a) IN GENERAL.—(1) Within three days (excluding Saturdays, Sundays, and Federal holidays) after the date of enactment of this joint resolution, the carrier parties to the unresolved disputes described in Executive Order No. 12794 (acting jointly) and the labor organization party to such unresolved disputes shall each select an individual from the entire roster of arbitrators maintained by the National Mediation Board. Within six days (excluding Saturdays, Sundays, and Federal holidays) after the date of enactment of this joint resolution, the individuals selected under the preceding sentence shall jointly select an individual from such roster to serve as arbitrator for such unresolved disputes.

(2) Within three days (excluding Saturdays, Sundays, and Federal holidays) after the date of enactment of this joint resolution, the carrier party to the unresolved dispute described in Executive Order No. 12795 and the labor organization party to such unresolved dispute shall each select an individual from the entire roster of arbitrators maintained by the National Mediation Board. Within six days (excluding Saturdays, Sundays, and Federal holidays) after the date of enactment of this joint resolution, the individuals selected under the preceding sentence shall jointly select an individual from such roster to serve as arbitrator for such unresolved dispute.

(3) Within three days (excluding Saturdays, Sundays, and Federal holidays) after the date of enactment of this joint resolution, the carrier party to the unresolved disputes described in Executive Order No. 12796 and each of the labor organization parties to such unresolved disputes shall select an individual from the entire roster of arbitrators maintained by the National Mediation Board. Within six days (excluding Saturdays, Sundays, and Federal holidays) after the date of enactment of this joint resolution, the individual selected by each of the labor organizations under the preceding sentence shall, jointly with the individual selected by the carrier under the preceding sentence, select an individual from such roster to serve as arbitrator for the unresolved disputes involving such labor organization and the carrier.

(4) For purposes of this subsection and section 1, a dispute as to which tentative agreement has been reached but not ratified shall be considered an unresolved dispute.

(b) QUALIFICATIONS.—No individual shall be selected under subsection (a) who is pecuniarily or otherwise interested in any organization of employees or any railroad, or who has served as a member of Presidential Emergency Board No. 219, 220, 221, or 222. Nothing in this joint resolution shall preclude an individual from serving as arbitrator for more than one dispute described in subsection (a).

(c) COMPENSATION AND EXPENSES. The compensation of individuals selected under subsection (a) shall be fixed by the National Mediation Board. The second paragraph of section 10 of the Railway Labor Act shall apply to the expenses of such individuals as if such individuals were members of a board created under such section 10.

SEC. 3. CONDUCT OF NEGOTIATIONS.

(a) INITIAL PERIOD.—During the 20-day period beginning on the date of enactment of this joint resolution, the parties to the unresolved disputes described in section 2(a) shall conduct negotiations for the purpose of reaching agreement with respect to such disputes. Arbitrators selected under section 2 shall be available for consultation with the parties to the unresolved disputes for which they have been selected.

(b) SUBMISSION OF FINAL OFFERS.—If, within the period described in subsection (a), the parties to any dispute described in section 2(a) do not reach agreement, both the labor organization and the carrier (or carriers) shall, within five days after the end of such period, submit to the arbitrator and to the other party (or parties) a proposed written contract embodying its last best offer for agreement concerning rates of pay, rules, and working conditions. Such proposed written contract shall address only—

(1) issues that the relevant Presidential Emergency Board dealt with by a recommendation in its report issued on May 28, 1992; or

(2) other issues that the parties agree may be addressed by the written contract.

(c) FINAL NEGOTIATIONS.—Upon submission to the arbitrator of the proposed written contracts described in subsection (b) and for a period of seven days thereafter, the parties shall, with the assistance of the arbitrator, attempt to reach agreement.

(d) ARBITRATOR'S DECISION.—If the parties fail to reach agreement within the period described in subsection (c), the arbitrator, within three days thereafter, shall render a decision selecting one of the proposed written contracts submitted under subsection (b), without modification and shall immediately submit such decision and selected contract to the President. The selected contract shall be binding on the parties and have the same effect as though arrived at by agreement of the parties under the Railway Labor Act (45 U.S.C. 151 et seq.) unless, within three days following receipt of the decision and selected contract, the President disapproves such decision and contract. If the President disapproves such decision and contract, the parties shall have those rights under the Railway Labor Act (45 U.S.C. 151 et seq.) they had at 12:01 a.m. on June 24, 1992.

(e) SPECIAL RULES.—With respect to any tentative agreement reached but not ratified prior to the date of enactment of this joint resolution, if the ratification of such tentative agreement fails, the parties to such tentative agreement shall be considered parties to an unresolved dispute for purposes of this section, and the time periods described in this section shall apply to such dispute beginning on the date of such failure.

(2) With respect to any tentative agreement reached after the date of enactment of this joint resolution, if the ratification of such tentative agreement fails, both the labor organization and the carrier (or carriers) party to such tentative agreement shall, within five days after the date of such failure, submit to the arbitrator and to the other party (or parties) a proposed written contract under subsection (b), and shall be subject to subsections (c) and (d).

(3) Upon the agreement of the parties to an unresolved dispute, final offers may be submitted under subsection (b) at any time after the date of enactment of this joint resolution.

(f) TERMINATION.—The responsibilities of an arbitrator appointed under section 2 shall terminate upon a decision under subsection (d).

SEC. 4. PRECLUSION OF JUDICIAL REVIEW.

There shall be no judicial review of any decision of an arbitrator under this joint resolution.

SEC. 5. MUTUAL AGREEMENT PRESERVED.

Nothing in this joint resolution shall prevent a mutual written agreement to any terms and conditions different from those established by the joint resolution.

The SPEAKER pro tempore. Pursuant to House Resolution 503, the gentleman from Washington [Mr. SWIFT] will be recognized for 30 minutes, and the gentleman from New York [Mr. LENT] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Washington [Mr. SWIFT].

Mr. SWIFT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this legislation. I want to commend my colleague, the gentleman from Ohio [Mr. ECKART], for his work on this issue. I believe we have an important opportunity here to break out of a bad habit that the Congress has gotten into in dealing with legislation arising out of labor-management disputes in the rail industry.

In the recent past Congress has had to wrestle with some very difficult, very complex rail disputes without much leeway in how we are going to deal with them. The President would appoint emergency boards, and we would attempt to deal with the implications of their recommendations.

Congress is not a body mandated or temperamentally suited to interfere with the complex labor-management disputes, some of which require the experts in the field to negotiate for 4 years and still they do not reach agreement. Yet, it comes to this body and we are somehow supposed to act like 435 Solomons in a matter of hours or days and resolve what the experts cannot resolve in years.

We are put in a position where we would be forced to consider the detailed and specific recommendations of a PEB and decide whether it was fair to all parties. If we decided it was unfair, as many of us felt was the case in PEB 219, our choices were limited to doing nothing, which would allow a national rail strike to continue, with increasing harm to the public and the economy, or to work around the edges with special boards and other review mechanisms that would attempt to give due process to a legislative resolution and, hopefully rebalance the recommendations favoring labor.

That is why I am particularly pleased that we are attempting a new approach in this legislation. We are breaking a pattern of how Congress has dealt with these in the past that, frankly, had not worked very well to anyone's satisfaction.

We are telling management and labor to make their best case, not to us but to each other. We are telling them to negotiate in good faith and to resolution because if they do not, they may get a resolution they do not like, not because a PEB imposed it on them or Congress legislated another solution, rather they may get a decision they did not want, because they did not take that extra step to make a proposal for a resolution that was as fair and as equitable as they could possible make it.

In this bill we have broken the hold of the Presidential Emergency Board recommendations that have so bedeviled this Congress as we have attempted to insure essential transportation services to the American public.

PEB recommendations can certainly serve as reference points for either labor or management or both as they negotiate with each other and prepare their own last best offers. But labor does not have to depend upon the kindness of strangers on the PEB board to ensure that rail workers will be fairly served under this proposal, nor does management.

Mr. Speaker, I commend this legislation to the House. It is fair, it will help ensure good-faith negotiations, and it keeps the Congress out of picking winners and losers in labor disputes in the rail industry.

Mr. Speaker, I reserve the balance of my time.

Mr. LENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, for the second time in 2 years, this Nation has withstood the serious economic disruption of a nationwide rail strike. And for the second time in 2 years, Congress has been called upon to settle the differences between management and labor.

I do not believe that Congress is the appropriate forum for resolving labor disputes. Unfortunately, the national magnitude of the strike forces us to assume the role of master arbiter so that the trains may begin running again.

That is why I am so pleased that we have arrived at a bipartisan solution that takes Congress out of the arbitration process. The legislation before us today, House Joint Resolution 517, utilizes private-sector mediation and arbitration as the means to achieve a voluntary agreement. The final, binding contract that will emerge should be acceptable to the parties because they—and not the Congress—will have written the language of the contract.

In addition, House Joint Resolution 517 encompasses all three of the pending disputes, and removes the need for Congress to at some future date to come back and readdress other matters after we put the CSX dispute to rest.

Mr. Speaker, the innovative approach that we are considering today learns from the experiences of the past few years and recognizes that our current railway labor laws are just not working. By giving both management and labor the opportunity of submitting final contract language, we are ensuring that labor disputes are resolved by the proper parties.

Mr. Speaker, in closing, I want to take just a moment to commend a few of the players in the crafting of this unique piece of legislation.

First of all, of course, I commend the distinguished chairman of our Committee on Energy and Commerce, the gentleman from Michigan [Mr. DINGELL], for his overall leadership and skill in steering this legislation through the committee process.

Also, the distinguished chairman of the Subcommittee on Transportation, the gentleman from Washington State [Mr. SWIFT].

Also, the distinguished ranking member of that subcommittee, the gentleman from Pennsylvania [Mr. RITTER]. And, of course, one of the key architects of this legislation, the gentleman from Ohio [Mr. ECKART], and the staffs on both sides of the aisle for doing a truly magnificent job of moving this complicated, sensitive piece of labor negotiation to this particular point.

□ 2030

Mr. Speaker, I would urge my colleagues to support this legislation and get America moving again.

Mr. SWIFT. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. ECKART].

Mr. ECKART. Mr. Speaker, this ought to be a very proud moment for the Congress because the American people expect us to act and act well. Faced with a lockout by 38 major railroads, after a strike was conducted against 1, we face the unholy prospect of thousands of innocent victims finding themselves without work and potential economic difficulties all across this Nation, and, if there is one thing this institution labors under it is the apparent inability to really deal with real people's real problems. Today we dispel that, and we do so with vigor.

This piece of legislation deals with the matter in three specific ways.

It creates certitude in a process in which working men and women have had none; it creates accountability for the individuals to be responsible for their actions; and it vests with appropriate Federal elected officials the necessary need and opportunity to deal with this Nation.

Let me explain quickly to my colleagues what this bill does. It allows each party to select an individual who then, jointly, will select a third person, an arbitrator, from the list of the National Mediation Board experts, from their roster of almost 500 individuals. That one arbitrator then will assist the parties in dispute, and they are, all of the parties to this dispute, over a period of 20 days, to bargain face to face.

Mr. Speaker, labor has been hampered because they are talking to faceless bureaucrats. They cannot make their case. They cannot plead their cause. We now let them go head to head, management and labor, making their best case.

And at the and of that 20-day process, if they are unsuccessful in negotiations, we have a 5-day period in which they will now make their last best offer themselves in contract, bargain for that for 7 more days, and, if there is no agreement, then the arbitrator has 3 days to choose. No, not to choose from governmental recommendation; no, not to choose some other expert's views; no, not to pick from five different competing plans; but to choose from that which labor and management have bargained collectively together and strengthened their own hands.

At the conclusion of that process, to my colleagues I say, "We then tell the President of the United States, in the exercise of our constitutional authority, 'You now have 3 days to reject that decision.' If he chooses to reject it, the fact of the matter is that a national rail strike will begin because self-help will then ensue."

Mr. Speaker, we have taken care of those who are unfairly locked out by restoring the status quo ante—before the strike and lockout occurred, in providing that the wages will be paid to those individuals who are unfairly locked out. To labor groups and management organizations that have indeed bargained in good faith and reached a settlement just before the strike and lockout occurred, we will honor those agreements. Should they not be ratified, we in fact allow them to come into this arbitration process.

Mr. Speaker, let me say to my colleagues that just going forward with a simple cooling-off extension will bring this problem back here again, and we are neither prepared, nor do we plan to do that. These face-to-face, real-issue negotiations in which the parties themselves will define the final choice, and a person of their own choosing will arbitrate that final choice, puts back in the hands of the railroads and the working men and women of those railroads the ability to now control and influence their own destiny. We give them de novo a new opportunity to plead their case, and what more could anyone ask for? We have said to them with clarity and preciseness that they, in fact, deserve better than they have gotten, and we bring that to them tonight in this procedure.

Mr. Speaker, this ends the shabby treatment. It restores those who, in the exercise of their lawful rights, will not suffer financially in that pursuit.

Mr. Speaker, the Nation expects us to act. We now have an opportunity to correct a fulsome inequity. I urge the adoption of the resolution.

Mr. LENT. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Pennsylvania [Mr. RITTER], the ranking minority member of the Subcommittee on Transportation and Hazardous Materials and a key player in the crafting of this legislation.

Mr. RITTER. Mr. Speaker, I want to commend, first, our full committee chairman, the gentleman from Michigan [Mr. DINGELL], for his leadership; our subcommittee chairman, the gentleman from Washington [Mr. SWIFT], for his leadership; the gentleman from Ohio [Mr. ECKART] for his innovative approach here; our subcommittee's ranking Republican, the gentleman from New York [Mr. LENT], and all of those people on our subcommittee and full committee, and the staff, who worked around the clock to provide us with an alternative to the rolling economic disaster that a prolonged strike would visit upon the American people.

We have, my colleagues, been dealt a hand here. It is called the Railway Labor Act. It goes back to 1926. It is very arcane, as my colleagues know who have ever looked at railroad labor law. It has things like Presidential emergency boards, which are boards that supposedly give to labor and management the answer to their problems. These are bureaucratic bodies who suposely provide labor and management with final solutions to unresolved problems.

We have also been dealt a hand that has settled already 200,000 workers out of 216,000 workers' worth of labor-management disputes. It is the last 16,000 workers left, but they probably are the toughest unresolved problems of the lot.

Mr. Speaker, the question is: How do we continue to deal with this last and toughest part? Do we go about business as usual? A cooling-off period where we are back here right at the height of the harvest season? Another Presidential emergency board perhaps?

Or do we come up with something that changes, a little bit, the rules of the game and actually makes a solution more possible?

I think we have done that. I think we have gotten away from this Presidential emergency board idea that has experts who are often in an office somewhere, nearly faceless, nearly nameless making decisions for the parties that they must accept.

In this new venue we have the parties themselves, my colleagues, coming to the bargining table, first for 20 days, trying to work out with their own selected arbitrators and a third arbitrator, which their own arbitrators have chosen, a neutral, to work out amongst themselves a settlement, and, if they do not arrive at a settlement, they provide, after those 20 days, their last best offer.

Mr. Speaker, it is like we do it in major league baseball. They put on the table their last best offer. Then they continue to negotiate for another 7 days. Not a superimposed Presidential emergency board, but the parties themselves continue to negotiate for another 7 days. If they do not arrive at a settlement, either one or the other of these last best offers is chosen by the third and mutually selected arbitrator.

Again, that last best offer is going to have to be reasonable. It is going to have to be feet-on-the-ground. Otherwise one party could risk simply defaulting to the other side's last best offer.

□ 2040

This is a novel and good way to get an agreement. And so the legislation gets the trains running right away by restoring the status quo that existed prior to the current strike and lockout.

Our legislation restores lifeblood to many parts of our economy; for example, manufacturing, with its increasing reliance on just-in-time inventory. In the age of total quality, all of our competitive plants are doing just-in-time. They need deliveries on time under just-in-time more than ever.

Agriculture: The winter wheat is out in the fields, ready to rot. Chemicals, coal, steel, automobiles, paper, and thousands of other industries and the jobs and families that are dependent on those industries.

Now, while we must consider the national interest in restoring rail service, we have not ignored the need for a balanced and fair process that allows a fair resolution of current differences between railroad labor and management. Specifically, we have fashioned this prompt procedure for letting the parties themselves play a major role in shaping their own destiny.

Mr. Chairman, I urge my colleagues to accept this recommendation by the Committee on Energy and Commerce, which passed the legislation out 37 to 5, for Members' information, in a strongly bipartisan fashion.

Mr. SWIFT. Mr. Speaker, I yield 10 minutes to the gentleman from Minnesota [Mr. SIKORSKI], and I ask unanimous consent that the gentleman control that time.

The SPEAKER pro tempore (Mr. MCCLOSKEY). Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. SIKORSKI. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, tonight we decide whether or not Congress will, by the calculated design of the railroad companies, be manipulated into interfering in a private, for-profit, industry-labor dispute, reacting to a contrived national emergency.

Yesterday the Subcommittee on Transportation and Hazardous Materials of the Committee on Energy and Commerce listened to the administration and the carriers pleading with us to intervene.

The more I heard, the less I liked.

Mr. Speaker, as many Members know, my father was a maintenance-of-way worker. In Minnesota, in 75 degrees below wind chill in January and 100 degree days in July he was out there working the tracks and the bridges for almost 43 years.

Our family understood firsthand the fear and the pain and the disruption of a rail strike.

Mr. Speaker, during yesterday's testimony I thought back to those times. I thought back to the crippling effect, the fear that has to be in every one of the families of the almost 200,000 workers who were locked out yesterday by the rail carriers.

I have had to ask myself, and I ask my colleagues to ask themselves now, why, what got us here? For the answer we have to look back to a little over a year ago to this room here, the floor of the House of Representatives.

Last year, late one April 1991 night, we said to laborers in the railroads that they have no fundamental economic right to strike because America was in dire economic straits. Congress imposed a prorailroad antilabor Presidential board decision on rail workers.

And what was the result? Today, a little over a year later, the railroads are richer, much richer. The railroad executives who worked on that plan have some handsome multi-million-dollar bonuses. Workers must travel further from their families and work longer.

Our intervention allowed one railroad company alone to fire 4,000 workers. Our intervention squashed collective bargaining. Our intervention meant that maintenance-of-way employees, like my dad, took a 16-percent cut in real wages. They lost some health benefits and they have worked now under rules that destroy family lives. The railroads are financially sitting on top of the world, and sitting on top of Congress tonight as well.

After rail management saw what we did last year and the results, how could they not set us up again? Listen to this June 21, 1991, letter to Michel Walsh of Union Pacific from Bob Schmeige of Chicago Northwestern:

> This leads to the final thought—the effectiveness and importance of national handling. Without the threat that a labor crisis will affect the national economy, our companies are at a terrible disadvantage.

That is why we are here. As Mr. Schmeige says in his letter and as the railroads' lead negotiator told us yesterday in subcommittee, a national emergency has been contrived by rail management as a negotiation, and this is their word, "tactic."

To gain the advantage in negotiations, management has locked out 200,000 rail workers. They have threatened America's economy and they have devastated their customers, and threatened to devastate America further, along with 200,000 rail labor families—all to tactically manipulate us into a point of intervening.

Why not? It worked before.

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. SIKORSKI. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Speaker, I want to thank the gentleman from Minnesota [Mr. SIKORSKI] for his statement because I think that Congress has been down this road all too often. In my estimation to reason the Railroad Labor Act does not work is because we do not let it work.

It is time that we began to turn around this country, and the way we are going to do that is by empowering workers in the free enterprise special arrangements and modifications.

If this law is not working, then we ought to change it, rather than leading these people down the primrose path and then superimposing various types of agreements on them, suspending judicial review, giving extraordinary power to the President and the administration at the expense of working men and women across their county.

Mr. Speaker, I thank the gentleman for his statement and his courage in standing up to this legislation tonight.

Mr. Speaker, I rise in opposition to this measure before us. Once again the Congress is taking action to preempt the rights of working men and women from utilizing their right to withhold their services. After 4 years of no increases or adjustments in benefits, after stalling and frustrating the collective bargaining process within the Rail Labor Act this measure proposes to attach a quick-fix solution. It is a flawed solution. It superimposes our judgment for that of rail labor and rail management. They can't agree and now we propose a short-term process that is unpredictable and uncertain. After nearly 100 years of labor relations experience in just a little over 24 hours we have disregarded all that experience. A new idea it is called, but frankly it is seriously lacking and numerous questions arise that are unanswered and unforeseen.

Look at the list of questions unanswered. Only the issues addressed by the Presidential Emergency Board can be considered none other, and what have been the recommendations of such PEB, they resulted in strike and lockout actions adverse to labor.

What if labor or the railway management does not select an arbitrator from the list of the National Mediation Board [NMB] appointed by the President.

No answers are forthcoming from the advocates on this point. So many details are omitted tonight as we withdraw this right to withhold your services, the right to fight for decent living conditions for yourself and your family.

Finally, if and when an arbitrated agreement is finalized the product must be approved by the President of the United States.

Unprecedented and of course many can predict what President Bush in this election year might do—but that is only guesswork—in the end a political football by an administration that has shown only disdain for labor, for workers' rights. A quick-fix today which sets a pattern that dismantles 100 years of labor collective bargaining history in our free enterprise system.

Mr. SIKORSKI. Mr. Speaker, reclaiming my time, I thank the gentleman. I thank the gentleman and commend him for his fine work and statement.

The worst part of what we are doing is we are setting ourselves up again. We are punishing the workers who surgically struck just one railroad, the 1,347 machinists who went on strike against one railroad. The railroads took that small strike and shut down the entire country. What we are doing here besides punishing 200,000 rail workers and their families is rewarding the railroads. We are rewarding the railroads and punishing the workers. That is wrong.

The message we should give is clear: Railroads who lock out should go back to work. The message should be that railroads should start doing their job, stop wasting their stockholders' money, stop devastating America's economy, and go back to work. Both sides should go back to the bargaining table.

The President and the railroads have within their separate powers the ability to stop this without congressional intervention. And if they do not, then we can come back to Congress.

Mr. SWIFT. Mr. Speaker, I yield 4 minutes to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Chairman, I thank the gentleman for yielding. First, let me commend the gentleman from Washington [Mr. SWIFT], the gentleman from Ohio [Mr. ECKART], and the ranking minority member for their tireless efforts on this project.

Mr. Speaker, the eyes of the Nation are on this body this evening. The Nation expects us to govern and the people expect us to find an equitable solution to the Nation's lockout with the railroad industry that we face this evening. I believe we have done that with the legislation that we are currently considering.

I think it is important for all of us to realize several things that we are not doing. First of all, we are not imposing a solution on labor in this country, or management. What we are merely doing is creating a new process that will hopefully lead to an equitable and final solution.

Mr. Speaker, I want that point clearly understood. We are not imposing a solution. We are merely putting in place the process which, when followed, will hopefully lead to a solution. I am convinced that the outcome under this procedure will be a fair one. The reason I say that is because the final decision will be approved only by an arbitrator that has been agreed upon by labor and management.

□ 2050

And those people across the country this evening that are members of labor unions, and I used to be a member of the Brotherhood of Maintenance and Way, need to understand that this is not the Presidential Emergency Board procedure being retreaded. This is a new process.

Again, there will not be an agreement unless the arbitor who has been agreed to and accepted by both labor and management agreed to the final decisions.

I do not know how, my colleagues, we could have devised a more equitable process to ultimately resolve this labor dispute that we have struggled with now for more than 4 years. It is time to end the lockout that regrettably rail management decided to impose on the country. And I think it is important for us, as we resolve this problem, to focus on the workers who have been locked out by management.

With that in mind, I would like to engage the chairman of the Subcommittee on Transportation and Hazardous Materials, the gentleman from Washington [Mr. SWIFT] in a colloquy to make sure that my understanding about the legislation before us is the same as his.

It is my understanding, Mr. Speaker, that the legislation addresses the concern that railworkers who were locked out of their jobs because of actions taken by their employers will not suffer from lost wages because of their involuntary idleness during the lockout. These railworkers were kept from their jobs because of a unilateral decision made by the carrier and should not suffer a loss in pay because of those carrier actions.

In particular, the language on page 3, lines 6 and 7, directs the carriers to "restore and preserve" the conditions existing before the lockout. It is my understanding that this language, that is to restore to and "preserve" the status quo ante, directs the carriers to make whole the lost wages of those workers caught in the carriers lockout. Is that also the understanding of the chairman of the subcommittee?

Mr. SWIFT. Mr. Speaker, will the gentleman yield?

Mr. SLATTERY. I yield to the gentleman from Washington.

Mr. SWIFT. Mr. Speaker, yes, that is my understanding, and I thank the gentleman from Kansas for giving me the opportunity to offer assurance, that yes, the legislation intends to make whole those workers caught in a lockout.

Mr. SLATTERY. Mr. Speaker, let me just conclude by observing that I think it is very important for the thousands of railworkers across this country to understand that when they go back to work, hopefully in the morning, that they will be under this legislation entitled to receive the wages they otherwise would have earned had they not been improperly locked out by managers over the last few days.

Let the record show that is the intent of the Committee on Energy and Commerce and this body.

I think it is very important for all of our colleagues to understand that and for there not to be any misunderstanding about it.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. SLATTERY. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, I have one serious reservation about this bill, very serious. That is at that the end, the arbitrator has made a decision. It goes to the President for a decision, final decision. If it is in favor of the unions, I am sure that the President is going to turn it down. So the unions have nothing.

If it is in favor of the railroads, he is going to approve it.

So what have we got to win?

Mr. SLATTERY. Mr. Speaker, I just sharply disagree with that. I honestly believe that when the arbitration process is completed, and the neutral arbitor has determined what is fair, the President of the United States is going to accept that final determination.

Mr. LENT. Mr. Speaker, I yield 30 seconds to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Speaker, let me simply say, I understand the concerns expressed by the gentleman from Kansas [Mr. SLATTERY] and others, but it is not this gentleman's understanding of the intent of that language. This language that has been referred to on page 3, lines 4 through 9, is standard boilerplate language that does not, in this gentleman's understanding, imply that those workers who have not been working will be reimbursed for time not worked.

This is language that has been in many other pieces of legislation similar to this and has never been interpreted in the way that the gentleman from Kansas was asking it to be interpreted.

Mr. SWIFT. Mr. Speaker, I yield 30 seconds to the chairman of the full committee, the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, the colloquy which the gentleman from Washington State and the gentleman from Kansas have been having has reflected very faithfully and very carefully and very fully the understandings that we had as we discussed this legislation, both in the committee and in its preliminary discussions, which led to the legislation which is now before this body. I would urge my colleagues to view those comments as legislative history.

Mr. SLATTERY. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Kansas.

Mr. SLATTERY. Mr. Speaker, let me reiterate, in fact, this afternoon in the subcommittee, this question came up. We had a similar colloquy in the subcommittee. It was made abundantly clear at that time precisely what we were talking about, and that is reflected in the colloquy that we have just completed.

I must observe that the gentleman from Texas is not a member of the subcommittee and was not in attendance at the subcommittee meeting this afternoon when this matter was discussed.

Mr. LENT. Mr. Speaker, I yield myself such time as I many consume.

I wonder if I could engage the gentleman from Washington [Mr. SWIFT], the distinguished chairman, in a colloquy.

Mr. Speaker, I refer you to page 7, line 1 to 5 of the bill, regarding the parties' submission of proposed written contracts. Is the intent of the legislation to cause the parties to narrow the differences between them?

Mr. SWIFT. Mr. Speaker, will the gentleman yield?

Mr. LENT. I yield to the gentleman from Washington.

Mr. SWIFT. Mr. Speaker, the legislation permits the parties to include two categories of issues in submitting their respective proposed written contracts.

First, it is our intent that the parties be permitted to include issues that were dealt with by the relevant PEB reports, and, by implication to exclude issues that PEB did not deal with.

Second, it is our intent that the parties, who are intended to control the process, retain the option to submit additional issues by mutual consent.

The short answer to the gentleman's question is yes.

Mr. SWIFT. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. ECKART].

Mr. ECKART. Mr. Speaker, I have two questions of the chairman, if I may ask them.

Do I understand correctly that at no point in the process set up by the legislation we have authored is the National Mediation Board required to oversee these negotiations? And second, is it correct that furthermore, neither party is obligated to subject its negotiations, positions, or interests to scrutiny by the National Mediation Board during this process that we have created?

Mr. SWIFT. Mr. Speaker, will the gentleman yield?

Mr. ECKART. I yield to the gentleman from Washington.

Mr. SWIFT. Mr. Speaker, the gentleman is correct. At no point in the legislation is the NMB either required or expected to provide mediation assistance to the parties. Nor are the parties required to seek or accept such assistance.

Mr. ECKART. Mr. Speaker, I thank my colleague for making those points explicit and clear.

Mr. LENT. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. FIELDS], a member of the committee.

Mr. FIELDS. Mr. Speaker, I thank the gentleman for yielding time to me.

I rise today very proud to be a member of the Committee on Energy and Commerce because, unlike the picture that is painted of a Congress in gridlock, our committee, led by the gentleman from Michigan, Chairman DINGELL, led by the gentleman from Washington, Chairman SWIFT, our ranking member, the gentleman from New York [Mr. LENT], our ranking member, the gentleman from Pennsylvania [Mr. RITTER], we all put partisan differences aside. And we addressed a very difficult problem and came forward with a solution.

And it is a solution that is in the best interests of our country, a solution that is in the best interests of rail labor and rail management.

Our committee had testimony yesterday from Michael Boskin, who is the chairman of the President's Council on Economic Advisers. And he said that this rail strike, this lockout, whatever we want to call it, but we could definitely call it a disaster, was going to cost our country in our gross domestic product $1 billion a day.

☐ 2100

I want to repeat that figure. It would cost our country $1 billion a day. While that figure is national and tends to boggle one's mind, let me break it down into some human terms from my perspective in Houston, TX.

For my people in Houston, it means that 3,000 to 4,000 rail laborers are not working. These are people who had negotiated and had reached agreement. These are people who want to work. Someone needs to stand up and speak for those people who bargained in good faith and reached an agreement.

While I could be specific about the number of rail labor jobs that have been affected, I cannot even project, begin to even count, the job impact on my longshoremen, on my teamsters, on my petrochemical refinery workers, my farmers, my ranchers, and while I cannot project a number, because these are people who have been my friends, I can identify with their uncertainty at this particular moment, their frustration.

Regardless, they are all affected negatively, and they want us as a Congress to assist in putting them back to work. There was a story in the Houston Post today that talked about 6 million tons of bulk grain that was exported through the Port of Houston last year. All of that arrived by rail. Our Texas Agricultural Commissioner, Rick Perry, said Wednesday that:

> If the strike is long, wheat farmers in north and west Texas might have to store wheat on the ground as storage facilities reach capacity. Raidroads account for more than 60 percent of all interstate wheat shipments.

If we take another situation that was reported, Alex Arroyos, owner of Dynamic Ocean Services, said that he has cargo stuck in Burnside, LA, at the dock that needs to travel by rail cars, that is vital to a client's ability to operate a plant in the Northeast. It would cost his client about $500,000 if he has to shut down that plant.

Mr. Speaker, those are just two examples. I could give example after example on how this is negatively impacting people in Texas. So tonight we have reached an agreement to move the process forward. Most important, we have reached an agreement to put people back to work, to end that uncertainty, to get commerce moving again.

Again, Mr. Speaker, I think this is a fine hour for the U.S. Congress, but I think it is a particularly fine hour for the Committee on Energy and Commerce. I say that with great pride, and I am definitely proud to be a member of this committee.

Mr. LENT. Mr. Speaker, I yield 4 minutes to the gentleman from Alabama [Mr. CALLAHAN], a member of the committee.

Mr. CALLAHAN. During the last several days when we have been going through the process of the hearings, we have heard all types of rhetoric, all types of blame cast at every individual in Washington. Some even blamed the President of the United States. I do not know how he could possibly be blamed. Some blamed the ICC. I do not see how they could be blamed. Some blamed the Secretary of Transportation. I do not know how he could be blamed.

It is not the fault of the administration. We have a dispute between two factions here, a dispute between labor and a dispute between management. In 1926 when they wrote the law that causes us to be assembled here today, they had the foresight to recognize that the United States of America cannot be inconvenienced by any strike, and that we cannot have any disruption of any essential service such as the rails, so they very thoughtfully inserted into the language of that law the check and balance, and they said:

> If you ever reach the point where you cannot agree, rather than strike and rather than put the entire Nation in disruption, we indeed ought to have an escape valve, and that escape valve will be the Congress of the United States.

That is what has happened. Here we are tonight, not shirking our responsibility but doing the job that we, according to law, are supposed to be doing.

I am not here to cast blame, I am here to be a proud member of this committee that has reached a resolve, a resolve that is going to prohibit or eliminate the perishing of goods that are sitting on the west coast. We are going to create a payroll for those strikers who would be out of work. We are going to save the day for the green grocers in the Midwest. We are going to once again open up the shipping in south Alabama, at Alabama State docks, because we cannot get ships loaded, because we have no commodity.

We are here doing a service to the United States of America, discharging our responsibility, and doing it in such a fashion that our economy will not be totally disrupted.

My congratulations go to the chairman of our committee and to the chairman of our subcommittee and to the ranking member of our committee and to the ranking member of our subcommittee for getting us all together as expeditiously as they have, and bringing this problem to a resolve tonight on the floor of the House of Representatives.

Mr. SIKORSKI. Mr. Speaker, I yield 1 minute to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker, I rise in opposition to the legislation before us. It is not necessary that we take the drastic step of depriving workers of fundamental rights at this time. We could simply order an end to this lockout and give the process of collective bargaining a chance to succeed.

It is extremely important that we remember that the railway unions have acted responsibly in this dispute and yet the legislation before us effectively deprives them of the right to strike. A week ago we all thought there would be a rail strike that would shut down the railroads nationwide. We were wrong. The unions did not call a nationwide strike. The vast majority of the rail workers who lawfully could have struck decided not to do so. They acted with restraint. Only one regional commercial carrier, CSX, was struck, and CSX is not even the sole carrier in the region in which it operates.

What happened next is not widely understood. The railroads banded together and called for a nationwide lockout. It was the railroad companies, not the unions who have caused this nationwide shutdown. It was the railroads who clearly wanted to throw this dispute into the laps of Congress and sure enough here it is. And how are we proposing to respond? We have before us a bill which deprives the rail unions, yes the same unions who have acted with restraint, of the right to strike.

How do we try to convince the rail unions in the future that they should act with restraint? How do we argue in the future to the rail unions that they should act responsibly, taking into account larger public interests? They have done just that in the current dispute. They have acted with restraint. They have acted responsibly and we are about to reward them by depriving them of a right to strike. What kind of message are we about to send? What kind of incentives are we creating? The unions have acted responsibly and with restraint and they are being treated no differently than if they had called for a national strike. What can we honestly expect them to do the next time there is a disagreement with management?

The step we take today brings us that much closer to simply eliminating the right of railroad workers to strike. The proposal before us gives the sides several weeks to resolve their differences, some of which have been pending for years, and if no agreement has been reached in that time the dispute goes to binding arbitration. The vast majority of rail workers involved in this dispute have not struck inspite of the fact that some have had their wages frozen for years. Now they will find that they cannot strike at all.

I see no reason to turn our back on another option that was considered in the committee. Why don't we simply send the parties back to the bargaining table for a fixed period of time. Lets end the lockout that the rail industry caused. Lets get all sides back to the bargaining table and urge them to settle their differences. Instead the bill before gives up on collective bargaining. Because the industry has tried to precipitate a crisis we are absolving them of their responsibility to settle their differences with their workers through negotiation.

As you know I favored passage of H.R. 5 which would prohibit the permanent replacement of strikers covered by the National Labor Relations Act. While nonrail workers under NLRA, like rail workers, can currently be permanently replaced when they strike, at least they can go on strike. Although they risk losing their job, at lest they have the fundamental right of all workers in an industrial democracy to withhold their labor when all other means of resolving differences have failed. Today, without a compelling reason, we travel further down the road of depriving rail workers of that fundamental right. It is a fundamental mistake that will be used again and again by future Congresses. This bill establishes a model, a flawed model, which means the end of the traditional right of railroad workers to—when all else has failed—to withhold this labor.

Mr. LENT. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, as a former railroad locomotive fireman myself, this issue is very direct and near to me. The American economy has been seized by what we are told by the President and the media is a nationwide railroad workers' strike. It is not a strike. It is a lockout. Throughout this Nation, this nationwide lockout, only one single labor union is exercising its right to strike, the International Association of Machinists. That strike was with only one company, CSX.

Almost immediately, however, the other 39 major railroad companies shut down their operations and locked out their employees. They are apparently willing to paralyze the American economy so that Congress can step in and order an arbitration process that they know will probably deny their rail workers a fair settlement.

What will have been and should have been a limited strike has become a nationwide lockout. Let me share with the Members part of a letter that I received today from Thomas Dwyer from United Transportation Union of Madison, WI, regarding the situation in our State:

> On the Burlington Northern Railroad, train and engine service employees represented by the UTU are not being allowed to work. They have been locked out. The collective agreement between BN and UTU is being violated by the BN. Trains operating into and out of Lacrosse, Wisconsin, are being operated by BN officials, not UTU members. But UTU members have a collective agreement with BN to perform this service. UTU members stand ready to operate these trains, but they are being prohibited from doing so. Why is BN doing this? We want to work; we will work.

But the BN is forcing the Congress to come in and impose unfair wage and labor conditions which will be the ultimate result of this action.

Apparently the railroads learned their lesson well. Last April 8–16 Congress moved quickly, as tonight, to prevent a different railroad stoppage by ramming through an ill-considered bill. I was 1 of only 5 to vote against it in this body, but my fears were borne out. The reconstituted Presidential Emergency Board simply rubber stamped initial findings without any recourse for rail workers whatsoever. They were denied their due process, their rights for a fair settlement.

The strike was prevented, but so was justice for the rail workers. We all remember that. It was only a short while ago.

Rail management now knows that the employees will probably not get a fair deal with the tide of the American people against them, so they have callously locked out their employees, seeking to make the national situation as intolerable as possible. We should not yield to this kind of blackmail. We should let the normal bargaining process proceed, as it should do in every case.

I urge my colleagues to join me in voting "no" on this legislation.

□ 2110

Mr. SWIFT. Mr. Speaker, I yield 3 minutes to the gentlewoman from Illinois [Mrs. COLLINS].

Mr. CONYERS. Mr. Speaker, will the gentlewoman yield to me for a moment?

Mrs. COLLINS of Illinois. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Speaker, I would like to first indicate my support for the gentlewoman's position.

Let everybody in this body know that we are railroading working railway people. This is the biggest railroad job of the year going on at night here in the House of Representatives, and I resent it.

Mrs. COLLINS of Illinois. Mr. Speaker, I rise in opposition to this legislative attempt to mandate a settlement to the nationwide rail labor dispute. When we vote on this resolution it will not be a vote which I take lightly, in light of the possible impact a protracted rail strike could have on our Nation's fragile recovery, if indeed we are in a recovery, and the importance of freight railroads to the economy of my own congressional district in Chicago. The smooth operation of our Nation's railways are vitally important to our national security, and the speed with which the Energy and Commerce Committee has acted in this matter is testament to that fact and should be commended.

However, while I support a simple extension of the cooling off period without other conditions, this bill, I believe, simply comes with too many strings attached. The possibility of mandatory binding arbitration included in the bill once again sends the message that Congress will continue to bail out the railroads when they cannot keep their own house in order.

Mr. Speaker, let us first be clear about what is happening today. This is not a nationwide strike. This is a regional strike, against one railroad, CSX. The railroads themselves, have turned a regional strike into a nationwide lockout—and I believe lockouts are a retaliatory means used by management when labor attempts to negotiate better working conditions for their members.

The railroads claim that they are concerned about the public interest and that Congress should intervene. But they are the villains. Thy have deliberately created the nationwide walkout to try to force Congress to interfere in the sacred collective-bargaining process. If the railroads were truly concerned about the public interest, they would keep the trains running whenever and wherever possible.

On 365 days a year, the railroads will argue before Congress: Don't intervene with market forces. Let the free market work. But on the 366th, this being a leap year, the railroads will argue that the public interest demands congressional intrusion.

And the Bush administration sings the same tune. When Congress considers legislation to prevent companies from undermining the collective-bargaining process by hiring permanent replacement workers during a strike, the administration argues against intervention. When Congress sought to craft a solution to the Eastern Airlines strike, we heard the same tune. But today, I guess, is somehow different.

The right to strike—and even that isn't what it used to be—is the only tool our workers have to express their collective desires upon corporate management, which more often than not seems to care only about the bottom line, rather than the health, safety, and welfare of those who generate the profit for the company.

Whether or not the recommendations of Presidential Emergency Boards 220, 221, or 222 are fair to either labor or management is not for me to decide, but rather should be left for the give and take and hard negotiating at the collective-bargaining table. Strikes are not ordinary actions, but are dire measures of last resort where labor and management are at loggerheads.

However, unless a strike, or at least the threat of one, is a real and viable possibility, the railway labor bargaining procedure is going to continue to be misused by both parties involved, in the hopes that Congress will intervene, force a settlement, and take the rap from everyone, and end up being the bad guys.

Mr. Speaker, I respect the views of those who favor this resolution and agree that a solution must be found to these disputes in order to get our trains running again, and commerce flowing freely. Certainly, if the situation eventually warrants—and I don't think it does not at this particular time—the Congress may very well have to impose a solution on the disagreeing parties. But I strongly believe that the collective bargaining process must be allowed to run its course, and, at the moment, Congress should stay out this dispute.

I urge my colleagues to vote against this resolution.

Mr. LENT. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Speaker, I thank the gentleman for yielding me the time, and want to thank the committee for getting the trains rolling. I want to tell Members that a few hours ago I received a call from one of my produce farmers, a farm family in the Imperial Valley in California. They said that we absolutely have to get the trains rolling:

> We have had a number of setbacks this year with the white fly that destroyed a large part of our crops, a tough market, tough interest rates and unemployment in the Imperial County, and this would have been the crowning blow had we not started these trains moving.

I want to thank the committee for working expeditiously to get Americans working again.

Mr. SIKORSKI. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. MURPHY].

Mr. MURPHY. Mr. Speaker, I rise in opposition to this resolution.

For years now we have heard big business and all businesses say "get the Government off our back," and today they run here after they have locked their workers out of work, they run here to Congress and ask us to interfere in a favorable relationship to them.

This is a closed rule. This is a closed debate. Very few Members have had the opportunity to read this voluminous bill. I think it was well crafted, but I think every Member in here should have a right to read that bill, should have a right to offer amendments to that bill so that we can make sure that America's rail workers are fairly treated. They are not being fairly treated by the railroad job here tonight, and I ask the Members to oppose this measure.

Mr. LENT. Mr. Speaker, I yield 2½ minutes to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. Mr. Speaker, I represent Wilkes-Barre, PA, which is the anthracite district, where unionism first started. I also have to confess something else. I have never had a member of my family as a member of the union. So I come here with no personal prejudices or preconceived notions about this delicate issue.

I learned my appreciation of collective bargaining as I learned my appreciation of the Constitution and democracy. If we are going to have a free enterprise system, we have to afford the opportunity, even if it means pain, to resolve the distribution of income in this system. If we do not allow that to occur, is this Congress prepared to set the wage level of American workers in the future, because some parliaments in the world end up doing that?

I would say to my fellow colleagues tonight that we may be writing the obituary of the free enterprise system and collective bargaining, and I think that is a serious and a grievous error on the part of the House of Representatives to make that fundamental mistake.

Mr. CONYERS. Mr. Speaker, will the gentleman yield to me just briefly?

Mr. KANJORSKI. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Speaker, I want to commend the gentleman for his statement. But we are not writing the obituary of the free enterprise system. We are writing the obituary of the labor movement in America.

Mr. KANJORSKI. I want to say that if we are going to do away with collective bargaining, who has a better system to substitute? We are living in 1992. We have no industrial policy in America. We have a President who has not had a vision for America's economic policy, or what to do with the recession. And we sit here tonight crying about what pain will be caused.

My friends, in collective bargaining the strike or the lockout are the ultimate painful weapons. They hurt the worker, they hurt the employer, they hurt the system. But if the system is going to survive, like war, there have to be victims. If war was painless, every nation would be at war. If collective bargaining were painless, we would not have incentive to resolve the dispute. But collective bargaining is how we establish wages and distribute income in this society.

Today this Congress is taking a foolish act that historically will be looked upon as doing away with a system to preside over free enterprise, without a substitute to accomplish that end. I suggest Members think very seriously about the destruction of the free enterprise system and collective bargaining being considered here today.

Mr. SIKORSKI. Mr. Speaker, I yield 30 seconds to the gentleman from Pennsylvania [Mr. KOSTMAYER].

Mr. KOSTMAYER. Mr. Speaker, in 14 years I have not seen us be more unfair to labor and to working people. We expect if from them, but not for Democrats.

We have turned our backs on working people, and we will rue the day that we did this. This strike was conjured up by management. This was totally unnecessary.

We have to be deeply regretful of what we have done to thousands and thousands of working families, and I am deeply ashamed of what is happening to working people tonight, and regret it deeply.

I proudly associate myself with the gentleman from Minnesota [Mr. SIKORSKI], and the gentleman from Michigan, [Mr. CONYERS], and I proudly associate myself with organized labor tonight.

Mr. SWIFT. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, there is no Member in this body that delights in what we have to do tonight, but we have heard some pretty high-powered nonsense about the effects of what we are doing, and it simply has to be pointed out. Probably no one in this body has a better voting record for labor than does the gentleman from Washington. There may be many as good, but nobody better than mine.

The fact is what we are doing here today is a new idea. It treats organized labor as well as the other parties, but organized labor in particular, better than anything Congress has ever done before.

What I would suggest is that the hardest thing in the world to sell is a new idea. And what we have here tonight is a new idea, a new approach that is going to provide a means by which the parties themselves are going to have a much better chance to resolve these issues between themselves as collective bargaining intends, rather than turning it over to a PEB who sits there like a bunch of Solomons and then crams it down somebody's throat.

□ 2120

The people who are in such vigorous opposition to what we do here, because they say it hurts labor, have forgotten the history of every other thing we have done in Congress dealing with these things in the past, each one of which has hurt labor greatly, more than will this proposal which, in fact, is going to provide a means by which labor and management will have a 90- to 100-percent better chance of resolving these issues between themselves as, in fact, we all wish they could and would, and we intend that they shall.

Mr. SLATTERY. Mr. Speaker, will the gentleman yield?

Mr. SWIFT. I yield to the gentleman from Kansas.

Mr. SLATTERY. Mr. Speaker, I thank the chairman of the subcommittee for yielding.

I just want to reemphasize one fundamental point, and that is there is not going to be a final resolution of this matter until an arbiter that has been agreed to by labor, signs off on it. This is something new. We have not done something like this before. We are not talking about this arbiter being appointed by the President. It is going to be approved by labor. Let us get that through our heads.

Mr. SWIFT. Furthermore, I would add the question has been raised about the President.

The SPEAKER pro tempore. The time of the gentleman from Washington [Mr. SWIFT] has expired.

Mr. LENT. Mr. Speaker, I yield 2 minutes to the eloquent gentleman from the State of Washington [Mr. SWIFT].

Mr. SWIFT. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the question is raised about the President's decision at the very end in which he can, in effect, reject the decisions of the arbiter.

Let me tell you what happens there. That means the President of the United States would be responsible for the lockout or the strike that would follow, pure and simple, and more importantly, and this is terribly important to labor. If the gentleman from Missouri is correct that the only decision that the President would turn down would be one in favor of labor, let me tell you what you would have is labor's last best offer on the table, and Congress, if the President interfered, Congress would take that and legislate that as the solution as sure as the sun rises in the east.

What we need is people to sit and calmly understand this new idea rather than simply take 20 years of history and think there is no difference. It is different. It is better, and it is going to serve American workers much, much better.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. HAYES], who is an opponent to this legislation.

Mr. CONYERS. Mr. Speaker, would the distinguished gentleman in the well yield to me for 1 second, please?

Mr. HAYES of Illinois. I am glad to yield to my colleague, the gentleman from Michigan.

Mr. CONYERS. Mr. Speaker, this rhetoric is really getting astronomical at this point. Have you forgotten the President can veto legislation? Are you willing to admit that the labor movement has asked you, in your benevolent kindness, not to pass this binding arbitration? Are you aware that it was not a strike but a lockout? Who is kidding whom here tonight?

Mr. SWIFT. Mr. Speaker, will the gentleman yield?

Mr. HAYES of Illinois. I am happy to yield to the gentleman from Washington.

Mr. SWIFT. Mr. Speaker, I would like to point out to the gentleman who asked all of those questions that I am the one who has been dealing with this for the last 48 hours, not the gentleman from Michigan.

I thank the gentleman for yielding.

Mr. HAYES of Illinois. Mr. Speaker, let me just say to you, I stand before you in a unique position, having been one who is very familiar with the collective bargaining process.

I have been a striker. I have been locked out. I have held the collective bargaining process, and one who knows what it means to be able to sit down across the table with any employer and try to reach an agreement.

I misled a group of union people, working people from all kinds of unions, just about a half an hour ago, when I appeared before a group that is meeting over at the Hyatt Hotel from the A. Philip Randolph Institute. I had heard that this thing was going to be resolved by, first, let us go back to work for 30 days, with an understanding after 30 days they would, whatever the decision was, if there was not a settlement, they would have a right to strike.

This agreement, as I understand it, does not contain that kind of provision. I have misled those people. A. Philip Randolph would turn over in his grave if he knew what we were doing here tonight in cutting off and disenfranchising these railroad workers.

Now, the railroad companies knew they were going to be bailed out like this. It is no different from the savings and loans, so they look to us as Congressman to resolve this issue in the way they want to resolve it.

Give the people a right to stand up, and no worker likes to strike, no worker likes to be locked out. That is a means of last resort to try to settle the dispute.

And I do not think this Congress ought to be lined up on the side of the employers who are using us as tools in order to resolve this issue which is 4 years old with some unions.

Mr. Speaker, I rise today concerning the issue of the Amtrak and Conrail railroad strike (lock out). I appeal to this Congress to uphold the American worker's right to strike, and to refrain from intervening in the bargaining process.

Since 1988, the unions of both Amtrak and Conrail have been working without a contract. These hardworking employees, who build and maintain railroad tracks, bridges, and buildings, have been exploited for their labor and are only one example of how business, this Congress, and this administration have taken advantage of working class America. Railroad workers have not received a raise since negotiations began in 1988, and workers have sacrificed and given too many concessions to help stimulate the growth of the corporation. Now that the industries are operating at the highest profit level in its history, management has demanded additional pay and compensation cuts. This is unethical and unacceptable to me.

Working under extreme duress with dangerous and technically advanced equipment, employees have for far too long suffered from a systemwide disregard of worker safety and health concerns. Workers live on the track in camp cars of 8 to 10 men to a car with a toilet and 2 showers. These employees have not asked for unreasonable compromises, they simply want fair wages, safer working conditions, and to be treated as an equally contributing component of maintaining America's infrastructure and the railroad industry.

Strikes are used as a last resort; workers do not want to strike because it is a significant sacrifice to their families and loved ones. However, when the only alternative is to accept the demands of corporate interests whose sole concern is to increase profits and line their pockets, more defensive action must be taken to protect the worker.

An emergency board appointed by President Bush recommended that maintenance-of-way workers accept a 16-percent real-wage cut with concession cuts. It is obvious that this administration has not only been insensitive to the plight of American workers, but also has been a contributing factor to worsening the economic security of the worker and their families. In fact, during the Reagan and Bush administrations, over 350,000 manufacturing jobs have been lost, resulting in great deterioration in the standard of living for the average laborer.

The Bush administration supports the dissolution of this strike only to weaken the bargaining position of labor and to make workers surrender to subminimum wages, and continue working under harsh conditions. The Reagan administration began this whole national push or union busting with the firing of the PATCO workers. And a couple of years ago, when Congress wanted to take supportive action for the employees of Eastern Airlines, President Bush charges that it was a labor-management issue that did not warrant congressional involvement. Now, under the threat of a railroad strike, which does not pose a major economic emergency to the country, the President is calling for congressional intervention.

Mr. Speaker, times are hard for America's increasingly defenseless workers and battles for equality are becoming more and more difficult. In order to preserve fair and equitable collective-bargaining rights, I ask Congress not to intervene in the strike and to take a positive leadership position in supporting progressive negotiations by labor and management. I oppose the Dingell resolution and urge my colleagues to vote in favor of the Sikorski amendment.

Mr. SIKORSKI. Mr. Speaker, I yield 1 minute, the remainder of my time, to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, forget all the fancy rhetoric. No matter how you debate this tonight, if Congress passes this law, Congress will further limit the rights of the American worker.

And let us tell it like it is. The American worker has but one weapon, and that is the right to strike.

After 4 years without a wage increase, after Presidential boards and blue-ribbon committees, this is an impasse that warrants a strike, and Congress should not take away the only weapon, my God, they have.

If they strike, they get scabs and replacements; now, they will not even be able to strike.

The last time I checked the Constitution, it still gave an opportunity for American citizens to grieve, and the American worker, damn it, is still an American citizen.

I say, Congress, stay the hell out. You screwed the American worker nearly every time, and every impasse they have had. Stay out. Let them have the only right the only weapon they have, and that is the right to strike.

I am asking Congress to defeat this.

The SPEAKER pro tempore. The Chair would advise the House that all time has expired except for that of the gentleman from New York [Mr. LENT], who has 5½ minutes remaining.

Mr. LENT. Mr. Speaker, I yield 4 minutes to the gentleman from Washington [Mr. SWIFT], the distinguished chairman of the subcommittee, and I ask unanimous consent that he be allowed to control that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SWIFT. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have heard several times here on the floor tonight that this legislation will deny workers the right to strike. That is simply untrue.

There is an argument a lot of us have, and the argument is with the Railway Labor Act, which has been around since 1926. It has an arduous process, and, very frankly, in my judgment it does not lead to very satisfactory solutions in the end, many, many times.

We are faced with what we do when the Railway Labor Act does not work. That is what we have here.

We have never had a good solution for that, and we are not going to find one tonight. What I would tell you, though, is if you realize that what the alternative is, the solution we have here is better than anything Congress has ever done before, so it is not this versus purity, truth, beauty, and perfection. It is this versus everything else we have ever done before, and this is better.

Mr. Speaker, to close debate, I yield the remainder of my time to the gentleman from Michigan [Mr. DINGELL], the chairman of the full committee.

Mr. LENT. Mr. Speaker, I yield the balance of my time to the gentleman from Michigan [Mr. DINGELL], the distinguished chairman of the full committee.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. DINGELL] is recognized for a total of 4 minutes.

☐ 2130

Mr. DINGELL. Mr. Speaker, I want to pay tribute to a great committee, to a great group of men and women, to a great staff which has worked long and hard to bring us where we are.

I want to pay particular tribute to the chairman of the subcommittee, the gentleman from Washington [Mr. SWIFT]; also to my dear and beloved friend, the gentleman from New York [Mr. LENT], our ranking minority Member, who to my great sadness will be leaving us next year; to the distinguished gentleman from Pennsylvania [Mr. RITTER]; to the ranking minority Member of the subcommittee, the gentleman from Kansas [Mr. SLATTERY], and in a very special way to my dear friend, the gentleman from Ohio [Mr. ECKART], who has given us the idea that we now are putting into legislative form.

Secretary Card of the administration has worked with us very closely and well.

I want to thank the leadership on both sides for the outstanding job they have done in assisting the committee to carry out its responsibility.

We have presented the House with a fair proposal. We have presented the House with a proposal which resolves a national strike which is eating at the core of the American economy.

We have prevented by this, if it is adopted, further deterioration and hurt to American workers and the American economy.

I urge my colleagues to support this legislation. It is the product of careful work, 9 hours of hearings yesterday, work from the setting sun until sunrise by the staff and members of the committee.

The draft legislation takes care of every problem that labor has in terms of addressing the elimination of the Presidential Emergency Board, in terms of permitting labor to negotiate anew questions which have been enforced against them by mandatory and compulsory arbitration processes.

It has the support of the administration. It has the support of 37 of the members of the committee, and only 5 who have opposed.

It has the support of the majority of the Democrats and the Republicans on the committee.

The subcommittee markup and the full committee markup afforded full opportunity for anyone to be heard, for anyone to raise questions or to offer amendments. The full committee markup carried forward the same process.

The substance of the matter is fair to all parties. It encourages negotiations. For the first time, labor does not have to go to faceless bureaucrats to appear as a supplicant asking humbly for the rights which they have as American working men and women. It brings matters to closure.

Now, some have suggested that we have an extension of the cooling off period. My old daddy taught me that there is no educational value to the second kick of a mule.

If you want to bring this matter back before the House for consideration again in less opportune circumstances, then by all means reject this and go to a cooling-off period. Labor will get all the things that they did not want because they will get then a PEB, but it will occur after we have had the cooling-off period and after the people have had reason to say and to be justifiably convinced of the fact that this Congress cannot act to resolve a problem of major concern to the Nation.

This is a chance for the Congress to carry out its responsibilities properly, to answer a national need.

I urge my colleagues to support this legislation, to reject any alternatives, to understand that this is a fair process, one which takes care of the rights and the concerns of the working men and women of this country to be best degree we can. It ends a national railroad strike and a national railroad lockout.

Many would have you say, well, the railroads have behaved badly. I will not defend their behavior, except to say that a strike and a lockout are both proper procedures at this point under the law, and I will tell you that the exercise of these behaviors by both labor and management is fully legal and fully proper, whether you agree with those or not.

I urge my colleagues to support the proposal which is before you. It is written by courageous, decent, and fair men and women on the committee and in the administration.

Mr. DORGAN of North Dakota. Mr. Speaker, I am voting against this resolution because I believe that the Congress should have imposed another 30-day cooling off period before resorting to binding arbitration.

I am also upset that in my State the railroad locked out the employees. I am convinced they took that action to try to force Congress to interfere in the collective bargaining process. That, I think, is unfortunate.

I would vote to prevent the shutdown of the rail system because I don't believe our economy can withstand it. But prior to a vote on that course, I believe we should have forced further negotiations during another imposed order for a cooling-off period. I would have voted in favor of such an order had we been allowed to offer that amendment.

Mr. RAHALL. Mr. Speaker, to paraphrase an old saying: If we fail to learn from the mistakes of history, we are doomed to repeat them.

A little more than a year ago, this body intervened in a strike against the railroads brought by nine railroad worker unions, and it acted to intervene and end the strike in an unprecedented 19 hours.

We needed to take that action at the time, because the Nation was in a deep recession, and the strike as called did affect or would have affected movement of goods and services, and people, nationwide. And besides, we were providing a new remedy weren't we? More about that remedy later.

But this time it is different. This time, the strike was regional and would have affected only a small part of the Nation's passenger and freight service. Not only that, the unions clearly called for a 48-hour moratorium just before midnight of June 24, in order to see if they could work out the final details of an agreement with Amtrak and Conrail.

But the railroads were poised, indeed they had it well-orchestrated, to close down the railroads nationwide even before the June 24, deadline—they went forward with their shutdown, lockout plans on June 23, in fact.

What mistakes are we doomed to repeat if we are not careful?

Mr. Speaker, in April 1991, the Congress acted to intervene, and in doing so they did two things: First, they created a new board and ordered it to continue to negotiate with the unions on wage and work rules that were still undecided at the time of the strike, and second, provided another 90-day cooling-off period while negotiations went forward.

Why did we appoint a new board in 1991? Because the President's emergency board recommendations, known as PEB No. 219, were so management-biased and so unacceptable to the workers, they were what had finally provoked the strike to begin with. So Congress appointed a new board and ordered it to negotiate.

What happened on July 17, 1991, Mr. Speaker, when it came time for the unveiling of the congressional board's recommendations?

What happened was that the new board, specially created by the Congress on behalf of the union workers, thumbed its nose at Congress and bowing to the administration's position, simply rubberstamped the old, totally unacceptable PEB No. 219 recommendations without change, and forced them down the throats of the railroad workers who have tried for years to negotiate in good faith with the carriers.

What was the congressional response? We were appalled that the new board would rubberstamp the old PEB No. 219's recommendations. We called for hearings on the matter, and hearings were tentatively scheduled. But the hearings were never held.

Mr. Speaker, that is not the way in which we should go this time around. This is different.

Yesterday, on the early morning news programs, all you could see were the grinning cats-that-swallowed-the-cream representatives of the railroad industry sitting on camera wailing about the national crisis that had been created by the big labor unions, and how they were ruining our economic well-being as a nation.

Never a word was said about the workers who daily keep the trains running on time, and who keep them safe to travel on, and to ship the Nation's goods on. Never a word about per diem payments so low for rail workers on the road for 16 days at a time, that they can barely afford junk food on the road, much less decent balanced meals.

Never a word about railroad workers who are forced to live in camp cars that are filthy, infested, and unheated in the winter, for 16 days on the road—because there is no per diem to pay for other accommodations.

Never a word about a railroad worker who has been on the road for 16 days, and has gone home for a few days off, only to be called out immediately for another 16 days on the road. What can the worker do? He can quit if he doesn't like it.

I'm sorry, Mr. Speaker. The carriers have gone too far this time. They not only locked these workers out nationwide, they planned ahead for it. They not only strung out these negotiations for more than 4 years, they planned for congressional intervention—counted on it.

I, for one, do not intend to play into their hands.

I will vote against intervention. Enough is enough.

Mr. EWING. Mr. Speaker, I rise in strong support of House Joint Resolution 517, which will order a cooling-off period for the railroad strike and require labor and management to negotiate a settlement through the use of binding arbitration.

It is absolutely crucial that Congress act now to stop this strike and avert a major economic disaster which could, according to the chairman of the President's Council of Economic Advisors, cost our economy $1 billion a day. If this strike goes for even a short period of time, the recovery of our economy from recession may well be jeopardized. A prolonged railroad strike and its rippling effects could throw the economy into a much worse recession.

This issue involves much more than just railroad management and labor. Millions of Americans and businesses will be the innocent bystanders who suffer the consequences of a strike. Unable to move their products, hundreds of thousands of businesses of all types throughout the country will be crippled. We cannot predict how many innocent workers will be laid off by these businesses. This says nothing about the millions of American travelers who will be inconvenienced by the sudden lack of rail services.

Mr. Speaker, I have always been a strong opponent of unnecessary Federal intervention in management-labor relations. However, it is also the responsibility of Congress and the President to act when the country faces disaster of any kind. If we do not act tonight, the railroad strike will cause an economic disaster. It is therefore critical that Congress pass House Joint Resolution 517 and avert a major calamity.

Mr. GONZALEZ. Mr. Speaker, I rise today in strong opposition to intervention by Congress to end the strike by railway workers.

This labor dispute, which is now coming to a head, has been going on for a number of years. The current strike is but one part of the overall process of reaching an agreeable settlement between the railroads and the railway workers. I have supported this process of good-faith negotiations, because it is the best way to reach a settlement that both meets the financial exigencies faced by the railroads and addresses the legitimate and pressing needs of those who work on the railways. Intervention by Congress to end the rail strike irrevocably disrupts this process and unbalances the labor negotiating process in the favor of the railroads over the railroad workers.

The right to strike is fundamental. The power of working men and women to protect their own livelihoods rests in their ability to withhold their labor—that is in the right to strike. By intervening, Congress abrogates this right to strike and in so doing undermines in a most fundamental manner the integrity of the collective bargaining process.

I believe that the process of resolving disputes between management and labor through the negotiating process must be maintained. This process is usually arduous and at time involves disruptions such as strikes. But it is at the heart of the past 50 years of labor-management relations. I do not believe that Congress should usurp the role of the negotiating parties by intervening, for such action upsets the balance in the negotiations in favor of management, takes away the only real tool working men and women have to ensure fairness in bargaining, and is the real threat to long-term stability in the railroads, in the rest of U.S. industry, and to the well-being of working people across the Nation.

I opposed the intervention by Congress that ended the rail strike last year. I oppose such intervention today.

The SPEAKER pro tempore (Mr. McNULTY). All time has expired.

Pursuant to House Resolution 503, the previous question is ordered on the joint resolution.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LENT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 248, nays 140, not voting 46, as follows:

[Roll No. 236]

YEAS—248

Allard
Allen
Anderson
Andrews (TX)
Archer
Armey
Bacchus
Ballenger
Barrett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Bevill
Bilbray
Bliley
Boehlert
Boehner
Boucher
Brewster
Brooks
Browder
Bruce
Bunning
Burton
Byron
Callahan
Camp
Cardin
Carper
Carr
Chandler
Chapman
Clement
Clinger
Coble
Coleman (MO)
Combest
Cooper
Costello
Coughlin
Cox (CA)
Cramer
Crane
Cunningham
Dannemeyer
Darden
Davis
de la Garza
DeLay
Derrick
Dickinson
Dicks
Dingell
Dooley
Doolittle
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Eckart
Edwards (OK)
Edwards (TX)
Emerson
English
Erdreich
Ewing
Fascell
Fawell
Fazio
Fields
Fish
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gingrich
Glickman
Goodling
Gordon
Goss
Gradison
Grandy
Green
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hayes (LA)
Hefley
Henry
Herger
Hoagland
Hobson
Hopkins
Horn
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Inhofe
Ireland
James
Jenkins
Johnson (TX)
Johnston
Jones (NC)
Kasich
Kleczka
Klug
Kolbe
Kyl
Lagomarsino
Lancaster
Leach
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Lloyd
Lowery (CA)
Machtley
Manton
Markey
Matsui
Mazzoli
McCandless
McCollum
McCrery
McCurdy
McEwen
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Montgomery
Moorhead
Moran
Morella
Myers
Natcher
Neal (NC)
Nichols
Nowak
Nussle
Ortiz
Orton
Oxley
Packard
Panetta
Parker
Patterson
Paxon
Payne (VA)
Pease
Peterson (FL)
Petri
Pickett
Porter
Poshard
Price
Pursell
Quillen
Ramstad
Ravenel
Ray
Regula
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Roth
Roukema
Rowland
Sangmeister
Sarpalius
Sawyer
Saxton
Schaefer
Sensenbrenner
Sharp
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Spence
Spratt
Stearns
Stenholm
Studds
Stump
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Towns
Upton
Valentine
Vucanovich
Walker

Wolf
Wyden
Wylie
Young (FL)
Zeliff
Zimmer

NAYS—140

Ackerman
Andrews (ME)
Andrews (NJ)
Annunzio
Applegate
Atkins
AuCoin
Bilirakis
Blackwell
Borski
Boxer
Brown
Bryant
Bustamante
Clay
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cox (IL)
Coyne
DeFazio
DeLauro
Dellums
Dixon
Dorgan (ND)
Dymally
Early
Edwards (CA)
Engel
Espy
Evans
Feighan
Flake
Ford (MI)
Gaydos
Gejdenson
Gilman
Gonzalez
Gunderson
Hayes (IL)
Hertel
Hochbrueckner
Horton
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kolter
Kopetski
Kostmayer
LaFalce
Lantos
LaRocco
Lewis (GA)
Long
Lowey (NY)
Luken
Marlenee
Martinez
Mavroules
McCloskey
McDermott
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Moody
Mrazek
Murphy
Murtha
Nagle
Neal (MA)
Oakar
Oberstar
Obey
Olin
Olver
Owens (NY)
Pallone
Pastor
Payne (NJ)
Pelosi
Penny
Perkins
Peterson (MN)
Pickle
Rahall
Rangel
Reed
Rohrabacher
Roybal
Russo
Sabo
Sanders
Santorum
Scheuer
Schiff
Serrano
Shays
Sikorski
Slaughter
Smith (FL)
Smith (IA)
Solomon
Stallings
Stark
Stokes
Thomas (WY)
Torres
Torricelli
Traficant
Unsoeld
Vento
Visclosky
Volkmer
Walsh
Washington
Waters
Waxman
Weiss
Weldon
Wheat
Williams
Wilson
Wise
Wolpe
Yates
Yatron
Young (AK)

NOT VOTING—46

Abercrombie
Alexander
Anthony
Aspin
Baker
Barnard
Berman
Bonior
Broomfield
Campbell (CA)
Campbell (CO)
Donnelly
Dwyer
Foglietta
Ford (TN)
Gekas
Guarini
Hatcher
Hefner
Holloway
Hyde
Jones (GA)
Laughlin
Levine (CA)
Livingston
Martin
McDade
McGrath
Morrison
Owens (UT)
Richardson
Roe
Rostenkowski
Savage
Schroeder
Schulze
Schumer
Staggers
Tallon
Thomas (CA)
Thomas (GA)
Thornton
Traxler
Vander Jagt
Weber
Whitten

□ 2155

The Clerk announced the following pair:

On this vote:

Mr. Guarini for, with Mr. Abercrombie against.

Mrs. MINK changed her vote from "yea" to "nay."

Mr. CARR changed his vote from "nay" to "yea."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mrs. SCHROEDER. Mr. Speaker, I have always been very suspicious of technology, and one more time it let me down. I had my little beeper and, unfortunately, it did not beep.

Had I been here I certainly would have voted with the majority in the House on the rail lockout to get America's economy moving again.

Mr. Speaker, I am just sorry that somehow everything works on my beeper but the beep. So I guess I am going to be locked into the House floor and have to put a seatbelt on my seat and never dare leave again unless the thing starts working better.

PERSONAL EXPLANATION

Mr. FOGLIETTA. Mr. Speaker, I was recorded as absent on the vote on House Joint Resolution 515, the railroad lockout resolution, due the failure of my electronic beeper. Had I been present for the vote, I would have voted "no" on the resolution.

For the past 4 years, railroad management has been using the President and Congress as a crutch to avoid serious negotiations with railway labor. When the nationwide rail strike did not materialize, they were forced to manufacture a national emergency in the form of a lockout. It is counterproductive and violative of basic labor rights for Congress to step in and give management another opportunity to give the working men and women in the railway unions the shaft.

PERSONAL EXPLANATION

Mr. BALLENGER. Mr. Speaker, I was unavoidably delayed and did not vote on the legislation concerning the railroad labor-management dispute. Mr. Speaker, I would like the RECORD to reflect that had I voted, I would have voted "yes."

GENERAL LEAVE

Mr. SWIFT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include therein extraneous material on the joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I ask for this 1 minute for the purpose of inquiring of the distinguished majority leader the program for the balance of this week and next week.

Mr. GEPHARDT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. Mr. Speaker, I yield to the distinguished majority leader.

Mr. GEPHARDT. Mr. Speaker, I thank the gentleman from Illinois [Mr. MICHEL] for yielding to me, and Members would obviously like to know where we are in the schedule.

It is my understanding the other body will be taking up the legislation that was just considered here in the House in the next few moments, as soon as it can be brought to them. We do not know at this point whether or not there will be favorable action on a bill that is exactly like the one that just passed here.

We will, however, adjourn this evening. We do not intend to stay here in session until we find out the answer to that question.

We have a pro forma session planned for tomorrow at 10 o'clock. If the matter is dealt with successfully in the Senate without change, and there is not a need for a conference, obviously there is not a reason to come back here tomorrow and take further action. If there is a conference and we have to deal with the product of that conference, we will go back into session tomorrow to do that.

Obviously our hope is that this bill is accepted in the other body and goes to the President.

We will have a session on Monday. We will meet at noon for eight suspension bills, and recorded votes will be held until the end of the legislative day on Monday:

H.R. 5429, establishing the Social Security Administration as an independent agency;

H.R. 3562, Customs forfeiture fund;

H.R. 3673, Membrane Processes Research Act;

H.R. 5344, allowing the National Science Foundation to broaden the use of its computer network;

H.R. 5343, technical amendments to the American Technology Preeminence Act of 1991;

H.J. Res. 306, Port Chicago National Memorial Act of 1992;

H.R. 2032, Nez Perce National Historical Park;

S. 1254, Assateague Island National Seashore; and

H.R. 3247, National Undersea Research Program Act of 1992.

□ 2200

On Tuesday, June 30, the House will meet at noon to take up a House resolution on Agriculture and related agencies appropriations for fiscal year 1993, and a House resolution on Treasury, Postal Service, general government appropriations for fiscal year 1993.

There will be four suspensions. Recorded votes will be postponed until after debate on all four. We will consider:

H.R. 4398, Federal Reserve Bank Modernization Act;

H.R. 3654, Doug Barnard, Jr. 1996 Atlanta Centennial Olympic Games Commemorative Coin Act;

H.R. 5126, Civil War Battlefield Commemorative Coin Act; and

H.R. 1623, World War II 50th Anniversary Commemorative Coin Act.

On Wednesday, July 1, and Thursday, July 2, we will consider H.R. 11, the Revenue Act of 1992, the House resolution on Interior and related agencies appropriations for fiscal year 1993, and the House resolution on Department of Defense appropriations for fiscal year 1993.

We will also have the possibility of action on H.R. 2637, Waste Isolation Pilot Plant Withdrawal Act of 1992, H.R. 4996, Jobs Through Export Act of 1992, and H.R. 431, National Marine Sanctuaries reauthorization.

On July 3, the House will not be in session.

Mr. MICHEL. Mr. Speaker, might I inquire if the retail price fixing conference report would be eligible for consideration next week?

Mr. GEPHARDT. Mr. Speaker, we believe that will be up early in the week.

Mr. MICHEL. Mr. Speaker, did the gentleman mention the alcohol-drug abuse conference report?

Mr. GEPHARDT. Mr. Speaker, we hope to consider that report on Tuesday.

Mr. MICHEL. Mr. Speaker, that answers my questions. I yield back the balance of my lengthened minute.

ADJOURNMENT FROM FRIDAY, JUNE 26, 1992, TO MONDAY, JUNE 29, 1992

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that when the House adjourns on Friday, June 26, 1992, it adjourn to meet at 12 noon Monday, June 29, 1992.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

MODIFICATION IN APPOINTMENT OF CONFEREES ON H.R. 2194, FEDERAL FACILITIES COMPLIANCE ACT

The SPEAKER. The Chair lays before the House the following modification of conferees:

Pursuant to the authority granted on February 4, 1992, the Chair announces the following modifications in the appointment of conferees on H.R. 2194:

In the panel from the Committee on Energy and Commerce, Mr. BILIRAKIS is appointed in lieu of Mr. SCHAEFER for consideration of that portion of section 2(b) of the House bill which adds section 6001(c) to the Solid Waste Disposal Act.

The SPEAKER. The Clerk will notify the Senate of the change in conferees.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HYDE (at the request of Mr. MICHEL), from 5 p.m. today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BEREUTER) to revise and extend their remarks and include extraneous material:)

Mr. BEREUTER, for 30 minutes, today.

Mr. PORTER, for 5 minutes, today.

(The following Members (at the request of Mr. MAZZOLI) to revise and extend their remarks and include extraneous material:)

Mr. GLICKMAN, for 5 minutes, today.

Mr. HUBBARD, for 5 minutes, today.

Mr. MAZZOLI, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. CONYERS, for 60 minutes, today.

Mr. DELLUMS, for 60 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. WASHINGTON, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(Mr. GILMAN in support of H.R. 5368 in the Committee of the Whole today.)

(The following Members (at the request of Mr. BEREUTER) and to include extraneous matter:)

Mr. BROOMFIELD.

Mr. LOWERY of California.

Mr. MCCOLLUM.

Mr. BLAZ.

Mr. ROHRABACHER.

Mr. HEFLEY.

(The following Members (at the request of Mr. MAZZOLI) to revise and extend their remarks and include extraneous material:)

Mr. HAMILTON.

Mr. ROSTENKOWSKI in two instances.

Mr. RAHALL in two instances.

Mr. RANGEL.

Mr. RAY.

Mr. FASCELL.

Mr. WEISS.

Mr. MURTHA.

Mr. JOHNSON of South Dakota.

Mr. BLACKWELL.

Mr. BONIOR.

Mr. STARK.

Mr. TRAFICANT.

Mr. DOWNEY.

Mr. MARKEY.

Mr. KILDEE in three instances.

Mr. BENNETT in two instances.

Mr. DELLUMS.

Mr. SKELTON in two instances.

Ms. NORTON.

ENROLLED BILL SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3711. An act to authorize grants to be made to State programs designed to provide resources to persons who are nutritionally at risk in the form of fresh nutritious unprepared foods, and for other purposes.

ADJOURNMENT

Mr. GEPHARDT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 5 minutes p.m.) the House adjourned until tomorrow, Friday, June 26, 1992, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3822. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting the June 1992 semiannual report on the tied-aid and partially untied-aid credits offers by the Bank, pursuant to Public Law 99-472, section 19 (100 Stat. 1207); to the Committee on Banking, Finance and Urban Affairs.

3823. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-224, "District of Columbia Corporation Law Amendment Act of 1992," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3824. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-225, "Omnibus Budget Support Act of 1992," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3825. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-226, "Closing of Glover Archbold Parkway, NW., S.O. 90-117, Act of 1992," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3826. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-227, "Advisory Neighborhood Commissions Ward 1 Boundaries Temporary Amendment Act of 1992," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3827. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-228, "Bureau of Traffic Adjudication Hearing Examiner Temporary Amendment Act of 1992," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3828. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9–229, "Environmental Policy and Hazardous and Solid Waste Temporary Amendment Act of 1992," pursuant to D.C. Code, section 1–233(c)(1); to the Committee on the District of Columbia.

3829. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions of William Harrison Courtney, of West Virginia, to be Ambassador to the Republic of Kazakhstan, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3830. A letter from the National Council on Radiation Protection and Measurements, transmitting the 1991 annual report of independent auditors who have audited the records of the National Council on Radiation Protection and Measurements, a federally chartered corporation, pursuant to Public Law 88–376. section 14(b) (78 Stat. 323); to the Committee on the Judiciary.

3831. A letter from the Secretary of Health and Human Services, transmitting a report on the development of criteria to allow qualified physician groups to opt-out of the national aggregate performance standard rates of increase and to have separate performance standards; jointly, to the Committees on Ways and Means and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, report of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FASCELL: Committee on Foreign Affairs. H.R. 5323. A bill to promote a peaceful transition to democracy in Cuba through the application of appropriate pressures on the Cuban Government and support for the Cuban people. (Rept. 102–615, Pt. 1). Ordered to be printed.

Mr. FORD of Michigan: Committee on Education and Labor. House Concurrent Resolution 302. Resolution expressing the sense of the Congress regarding communities making the transition to "Hunger-Free" status (Rept. 102–616, Pt. 1). Ordered to be printed.

Mr. WHITTEN: Committee on Appropriations. H.R. 5487. A bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1993, and for other purposes (Rept. 102–617). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROYBAL: Committee on Appropriations. H.R. 5488. A bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1993, and for other purposes. (Rept. 102–618). Referred to the Committee of the Whole House on the State of the Union.

Mr. LAFALCE: Committee on Small Business. H.R. 5191. A bill to encourage private concerns to provide equity capital to small business concerns, and for other purposes; with an amendment (Rept. 102–619). Referred to the Committee of the Whole House on the State of the Union.

Mr. DERRICK: Committee on Rules. House Resolution 503. Resolution providing for consideration of the joint resolution (H.J. Res. 517) to provide for a settlement of the railroad labor-management disputes between certain railroads and certain of their employees. (Rept. 102–620). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WHITTEN:

H.R. 5487. A bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1993, and for other purposes.

By Mr. ROYBAL:

H.R. 5488. A bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1993, and for other purposes.

By Mr. BILIRAKIS:

H.R. 5489. A bill to provide that professional baseball teams, and leagues composed of such teams, shall be subject to the antitrust laws; to the Committee on the Judiciary.

By Mr. MILLER of California (for himself and Mr. DOWNEY):

H.R. 5490. A bill to amend the National School Lunch Act to establish an optional universal school lunch and breakfast program; to the Committee on Education and Labor.

By Mr. EDWARDS of Texas:

H.R. 5491. A bill to designate the Department of Veterans Affairs medical center in Marlin, TX, as the "Thomas T. Connally Department of Veterans Affairs Medical Center"; to the Committee on Veterans' Affairs.

By Mr. MILLER of California:

H.R. 5492. A bill to provide environmental assistance to Indian tribes, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

By Mr. MONTGOMERY:

H.R. 4393. A bill to amend title 10, United States Code, to provide that the crediting of years of service for purposes of computing the retired and retainer pay of enlisted members of the Armed Forces shall be made in the same manner as applies to officers; to the Committee on Armed Services.

By Mr. PORTER:

H.R. 5494. A bill to amend the Rural Electrification Act of 1936; to the Committee on Agriculture.

By Mr. WAXMAN (for himself, Mr. UPTON, Mrs. SCHROEDER, Ms. SNOWE, Mr. DINGELL, Mr. BOUCHER, Mrs. BOXER, Mrs. COLLINS of Illinois, Mrs. COLLINS of Michigan, Ms. DELAURO, Mr. GRADISON, Mr. HENRY, Ms. HORN, Mrs. JOHNSON of Connecticut, Ms. KAPTUR, Mrs. KENNELLY, Mr. KOLBE, Mr. KOSTMAYER, Mr. LEHMAN of California, Mrs. LLOYD, Mrs. LOWEY of New York, Mr. MARKEY, Mr. MCMILLAN of North Carolina, Mr. MCMILLEN of Maryland, Mrs. MINK, Ms. MOLINARI, Mrs. MORELLA, Ms. NORTON, Ms. OAKAR, Ms. PELOSI, Mr. PURSELL, Mr. RICHARDSON, Mr. SCHEUER, Mr. SHARP, Mr. SIKORSKI, Ms. SLAUGHTER, Mr. STUDDS, Mr. SWIFT, Mr. SYNAR, Mr. TOWNS, Mrs. UNSOELD, Ms. WATERS, and Mr. WYDEN):

H.R. 5495. A bill to amend the Public Health Service Act to revise and extend the programs of the National Institutes of Health, and for other purposes; to the Committee on Energy and Commerce.

By Mr. DURBIN (for himself and Mr. RANGEL):

H.R. 5496. A bill to limit discrimination in health insurance coverage based on health status or past claims experience and to reform the provision of health coverage to small employer groups; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. MCCOLLUM:

H.R. 5497. A bill to amend the Community Reinvestment Act of 1977 to reduce onerous recordkeeping and reporting requirements for regulated financial institutions, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. OBEY (for himself and Mr. KASICH):

H.R. 5498. A bill to establish the National Commission on Arms Control; to the Committee on Foreign Affairs.

By Mr. STARK:

H.R. 5499. A bill to amend the Internal Revenue Code of 1986 to disallow any deduction for advertising or other promotion expenses with respect to sales of tobacco and tobacco products; to the Committee on Ways and Means.

By Mr. CONYERS:

H.R. 5500. A bill to provide for health care for every American; jointly, to the Committees on Energy and Commerce, Ways and Means, Post Office and Civil Service, Armed Services, and Veterans' Affairs.

By Mr. WEBER (for himself, Mr. GRADISON, Mr. GINGRICH, Mr. SHAW, Mr. COUGHLIN, Mr. SANTORUM, Mr. EMERSON, Mr. TAYLOR of North Carolina, Mr. HAMMERSCHMIDT, Mr. SENSENBRENNER, Mr. THOMAS of Wyoming, Mr. RAMSTAD, Mr. INHOFE, and Mr. IRELAND):

H.R. 5501. A bill to amend title IV of the Social Security Act to provide welfare families with the education, training, and work experience needed to prepare them to leave welfare within 4 years, and for other purposes; jointly, to the Committees on Ways and Means and Agriculture.

By Mr. ECKART (for himself, Mr. DINGELL, Mr. LENT, Mr. SWIFT, Mr. RITTER, Mr. SLATTERY, Mr. MOORHEAD, and Mr. DANNEMEYER):

H.J. Res. 515. Joint resolution to provide for a settlement of the railroad labor-management disputes between certain railroads and certain of their employees; to the Committee on Energy and Commerce.

By Mr. GLICKMAN (for himself, Mr. LEACH, and Mr. HUCKABY):

H.J. Res. 516. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. FASCELL (for himself, Mr. BROOMFIELD, and Mr. GILMAN):

H. Con. Res. 338. Concurrent resolution regarding broadcasting by Radio Free Europe to the former Yugoslavia; to the Committee on Foreign Affairs.

By Mr. ECKART (for himself, Mr. DINGELL, Mr. LENT, Mr. SWIFT, Mr. RITTER, Mr. SLATTERY, Mr. MOORHEAD, and Mr. DANNEMEYER):

H.J. Res. 517. Joint resolution to provide for a settlement of the railroad labor-management disputes between certain railroads and certain of their employees; to the Committee on Energy and Commerce.

MEMORIALS

Under clause 4 of rule XXII,

490. The SPEAKER presented a memorial of the Senate of the Commonwealth of Massachusetts, relative to a judicial appointment; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 318: Mrs. BENTLEY.

H.R. 918: Mr. JEFFERSON.

H.R. 1261: Mr. COMBEST.

H.R. 1446: Mr. BUSTAMANTE.

H.R. 1536: Mr. BACCHUS and Mrs. MEYERS of Kansas.

H.R. 1969: Mr. JEFFERSON, Mr. WALSH, Mr. CARDIN, and Mr. EVANS.

H.R. 2070: Mr. TAYLOR of North Carolina.

H.R. 2260: Mr. DUNCAN.

H.R. 2406: Mr. DOOLEY.

H.R. 2501: Mr. ATKINS and Mr. LEWIS of Georgia.

H.R. 2782: Mr. KLECZKA, Mr. STAGGERS, and Mr. COX of Illinois.

H.R. 3026: Mr. KOPETSKI.

H.R. 3250: Mr. HUCKABY.

H.R. 3360: Mr. BRUCE, Mr. OLIN, Mr. DURBIN, and Mr. FORD of Michigan.

H.R. 3373: Mr. BOEHLERT and Mr. BILIRAKIS.

H.R. 3718: Mr. HYDE, Mr. HAYES of Illinois, Mr. ASPIN, Mr. DEFAZIO, Mr. GUARINI, and Mr. BORSKI.

H.R. 3956: Mr. HAYES of Illinois, Mr. EVANS, and Mr. MRAZEK.

H.R. 4018: Mr. SABO.

H.R. 4161: Mr. ZELIFF, Mr. SWETT, and Ms. PELOSI.

H.R. 4170: Mr. FRANK of Massachusetts and Mrs. ROUKEMA.

H.R. 4278: Mr. JOHNSON of South Dakota.

H.R. 4338: Mrs. BENTLEY, Mr. HOAGLAND, Mr. BROWN, Mr. HENRY, Mr. MORRISON, Mr. NAGLE, Mr. ZELIFF, Mr. BILIRAKIS, and Mr. TAYLOR of North Carolina.

H.R. 4613: Mr. TAYLOR of North Carolina and Mr. GORDON.

H.R. 4778: Mr. PAXON.

H.R. 4822: Mr. SABO, Mr. PETERSON of Minnesota, Mr. LEHMAN of Florida, Mr. DIXON, Mr. PETERSON of Florida, Mr. ROE, Mr. LAFALCE, Mr. FROST, Mr. STALLINGS, Mrs. COLLINS of Michigan, Mr. FEIGHAN, Mr. BUSTAMANTE, Ms. KAPTUR, Mr. KOSTMAYER, and Mr. NAGLE.

H.R. 4831: Mr. PANETTA.

H.R. 4839: Mr. FROST.

H.R. 4944: Mr. SCHAEFER.

H.R. 5090: Mr. ARCHER.

H.R. 5097: Mr. BROWDER.

H.R. 5110: Mr. JACOBS and Mr. HATCHER.

H.R. 5117: Mr. HORTON, Mr. FAWELL, Mr. TAUZIN, Mr. HAYES of Illinois, Mr. FOGLIETTA, Mr. MRAZEK, Mr. DURBIN, Mrs. UNSOELD, Mr. OBERSTAR, Mr. TORRICELLI, Mr. LAFALCE, Mr. WILSON, Ms. MOLINARI, Mr. ZELIFF, Mr. SANGMEISTER, Mr. GUARINI, and Mr. FROST.

H.R. 5162: Mr. ANDREWS of Maine, Mr. MAZZOLI, Mr. NEAL of Massachusetts, Mrs. MORELLA, Mr. HOCHBRUECKNER, Mr. ENGEL, Mr. CLAY, Mr. FRANK of Massachusetts, Mr. JEFFERSON, Ms. PELOSI, and Mr. EVANS.

H.R. 5191: Mr. SENSENBRENNER, Mr. HANCOCK, and Mr. ORTON.

H.R. 5237: Mr. GUNDERSON.

H.R. 5249: Mr. FASCELL, Mr. HUTTO, Mr. LIVINGSTON, Mr. SHAW, and Mr. GUARINI.

H.R. 5267: Mr. OWENS of New York, Mr. DE LUGO, Mr. FOGLIETTA, Mr. NAGLE, Mr. BUSTAMANTE, Mr. DELLUMS, Mr. KOSTMAYER, Mr. ROYBAL, Mr. OWENS of Utah, Mr. MRAZEK, Mr. GONZALEZ, Mr. RICHARDSON, Mr. PALLONE, Mrs. UNSOELD, Mr. JEFFERSON, Mr. EVANS, Mr. PANETTA, and Mr. FROST.

H.R. 5276: Mr. HOLLOWAY, Mr. LANCASTER, Mr. ROEMER, Mr. CARPER, Mr. ROBERTS, Mr. PETERSON of Minnesota, Mr. SARPALIUS, Mr. PAYNE of New Jersey, Mr. EMERSON, Mr. HAMMERSCHMIDT, Mr. PENNY, Mr. ZIMMER, Mr. GEREN of Texas, Mr. HUGHES, Mr. CAMP, Mr. MONTGOMERY, Mr. CHAPMAN, Mr. HUNTER, Mrs. MORELLA, Mr. LAUGHLIN, Mr. MCEWEN, Mr. PAXON, Mr. STUMP, Mr. FRANKS of Connecticut, Mr. TAYLOR of North Carolina, Mr. BROWDER, and Mr. GUARINI.

H.R. 5289: Mr. DINGELL, Mr. SWIFT, Mr. VANDER JAGT, Mr. SMITH of New Jersey, Mr. SAWYER, Mr. SABO, Mr. SWETT, Mr. MACHTLEY, Mr. TORRICELLI, Mr. PETERSON of Florida, Mr. HAYES of Illinois, Mr. NEAL of Massachusetts, Mr. ROE, Mr. LAFALCE, Mr. FROST, Mr. STALLINGS, Mr. BUSTAMANTE, Ms. KAPTUR, Mr. KOSTMAYER, Mr. FEIGHAN, Mr. MCHUGH, Mr. SANDERS, Mr. MINETA, Mr. WOLPE, Mr. NAGLE, Mr. DICKS, and Mr. BEILENSON.

H.R. 5290: Ms. NORTON, Mr. FROST, and Mr. SPENCE.

H.R. 5297: Mr. JONES of North Carolina, Mr. BROWDER, Mr. HARRIS, Mr. PACKARD, Mr. THOMAS of Georgia, Mrs. UNSOELD, Mr. EWING, Mr. HANSEN, Mr. DE LA GARZA, Mr. BARNARD, Mr. CHAPMAN, Mr. FIELDS, Mr. JACOBS, Mr. PARKER, Mr. CALLAHAN, Mr. ENGLISH, Mr. BEVILL, Mr. KOPETSKI, Mr. ESPY, Mr. BOEHLERT, Mr. LANCASTER, Mr. UPTON, Mr. CAMPBELL of Colorado, and Mr. MARTIN.

H.R. 5360: Mr. YATES, Mr. JACOBS, Mr. FROST, Mr. SABO, and Mr. SCHUMER.

H.R. 5370: Mr. SCHIFF and Mr. MORRISON.

H.R. 5400: Mr. HAMMERSCHMIDT and Mr. SANTORUM.

H.R. 5401: Mr. HORTON.

H.R. 5405: Mr. GUARINI, Mr. EVANS, Mr. BRYANT, and Mr. BACCHUS.

H.R. 5447: Mr. MFUME and Mr. FRANKS of Connecticut.

H.R. 5452: Mr. RINALDO.

H.R. 5459: Mr. FASCELL, Mr. SAXTON, and Mr. JEFFERSON.

H.J. Res. 1: Mr. SABO.

H.J. Res. 399: Mr. GILMAN and Mr. SIKORSKI.

H.J. Res. 411: Mr. BALLENGER and Ms. DELAURO.

H.J. Res. 422: Mr. VISCLOSKY, Mr. ROYBAL, Mr. ROEMER, Mr. BOEHLERT, Mrs. JOHNSON of Connecticut, and Mr. MAVROULES.

H.J. Res. 452: Mr. MCNULTY, Mr. BROOMFIELD, Mr. YATRON, Mr. VANDER JAGT, Mr. COSTELLO, Mr. MCDADE, Mr. SKELTON, Mr. HOUGHTON, Mr. SLATTERY, Mr. EVANS, Mr. PERKINS, Mr. MYERS of Indiana, Mr. KOPETSKI, Mr. DOOLITTLE, Mr. HAMMERSCHMIDT, Mr. SWETT, Mr. NICHOLS, Ms. SNOWE, Mr. LAUGHLIN, Mr. VOLKMER, Mr. SAWYER, and Mr. GILLMOR.

H.J. Res. 474: Mr. VANDER JAGT and Mr. GORDON.

H.J. Res. 479: Mr. SHAW.

H.J. Res. 489: Mr. SHUSTER, Mr. LEHMAN of California, Mr. LANTOS, Mr. MCCLOSKEY, Mr. AUCOIN, Mr. HORTON, Mr. HAMILTON, Ms. PELOSI, and Mr. DEFAZIO.

H.J. Res. 499: Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. ALEXANDER, Mr. ANDREWS of New Jersey, Mr. ANTHONY, Mr. ATKINS, Mr. BARTON of Texas, Mr. BENNETT, Mr. BLACKWELL, Mr. BROOKS, Mr. BROWDER, Mr. BRYANT, Mr. BURTON of Indiana, Mr. BUSTAMANTE, Mr. CALLAHAN, Mr. CARDIN, Mr. CLEMENT, Mr. COLEMAN of Missouri, Mrs. COLLINS of Michigan, Mrs. COLLINS of Illinois, Mr. COLORADO, Mr. CONYERS, Mr. COOPER, Mr. COSTELLO, Mr. COUGHLIN, Mr. DE LA GARZA, Ms. DELAURO, Mr. DIXON, Mr. DONNELLY, Mr. DORNAN of California, Mr. DURBIN, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. ECKART, Mr. EDWARDS of Texas, Mr. ENGEL, Mr. ERDREICH, Mr. ESPY, Mr. FAZIO, Mr. FEIGHAN, Mr. FISH, Mr. FLAKE, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mr. FRANK of Massachusetts, Mr. FRANKS of Connecticut, Mr. FROST, Mr. GALLO, Mr. GEREN of Texas, Mr. GILMAN, Mr. GLICKMAN, Mr. GOODLING, Mr. GRANDY, Mr. GREEN of New York, Mr. GUNDERSON, Mr. HALL of Ohio, Mr. HAMILTON, Mr. HAMMERSCHMIDT, Mr. HATCHER, Mr. HAYES of Illinois, Mr. HERTEL, Mr. HOAGLAND, Mr. HOCHBRUECKNER, Mr. HOUGHTON, Mr. HOYER, Mr. HUGHES, Mr. HUTTO, Mr. HYDE, Mr. JACOBS, Mr. JEFFERSON, Mr. JENKINS, Mr. JOHNSTON of Florida, Mr. JONES of Georgia, Mr. JONTZ, Mr. KANJORSKI, Ms. KAPTUR, Mr. KENNEDY, Mr. KILDEE, Mr. KLECZKA, Mr. KOSTMAYER, Mr. LAFALCE, Mr. LANCASTER, Mr. LANTOS, Mr. LAUGHLIN, Mr. LEVIN of Michigan, Mr. LEWIS of California, Mr. LEWIS of Georgia, Mr. LIPINSKI, Mr. MCCLOSKEY, Mr. MCDERMOTT, Mr. MCGRATH, Mr. MACHTLEY, Mr. MANTON, Mr. MARKEY, Mr. MARTINEZ, Mr. MATSUI, Mrs. MEYERS of Kansas, Mr. MILLER of Ohio, Mr. MILLER of California, Mr. MINETA, Mr. MOAKLEY, Ms. MOLINARI, Mr. MRAZEK, Mr. MURPHY, Mr. OBERSTAR, Mr. OLVER, Mr. ORTIZ, Mr. OWENS of Utah, Mr. PALLONE, Mr. PANETTA, Mr. PARKER, Mr. PASTOR, Mr. PAYNE of Virginia, Ms. PELOSI, Mr. PERKINS, Mr. PICKETT, Mr. PORTER, Mr. QUILLEN, Mr. RAHALL, Mr. RAMSTAD, Mr. RAVENEL, Mr. REED, Mr. ROEMER, Mr. ROHRABACHER, Mr. ROSE, Mr. ROWLAND, Mr. SANGMEISTER, Mr. SAVAGE, Mr. SAXTON, Mr. SERRANO, Mr. SHAYS, Mr. SLATTERY, Mr. SMITH of New Jersey, Mr. SMITH of Florida, Mr. SMITH of Iowa, Mr. SOLARZ, Mr. SPENCE, Mr. STAGGERS, Mr. SYNAR, Mr. TAUZIN, Mr. TAYLOR of Mississippi, Mr. THOMAS of Wyoming, Mr. THOMAS of Georgia, Mr. TORRES, Mr. TORRICELLI, Mr. TRAFICANT, Mr. TRAXLER, Mr. VALENTINE, Mr. VISCLOSKY, Mrs. VUCANOVICH, Mr. WASHINGTON, Mr. WHEAT, Mr. WILSON, Mr. WISE, Mr. WOLPE, Mr. YATRON, Mr. AUCOIN, Mr. EDWARDS of California, Mr. SIKORSKI, Mr. SCHUMER, Mr. STARK, Mr. SARPALIUS, Mr. DICKS, Mr. GEJDENSON, Mr. HAYES of Louisiana, Mr. BLAZ, and Ms. OAKAR.

H.J. Res. 506: Mr. BACCHUS, Mr. TAYLOR of Mississippi, and Mr. KOLTER.

H. Con. Res. 301: Mr. ENGEL and Mr. BUSTAMANTE.

H. Con. Res. 302: Mr. HASTERT.

H. Con. Res. 334: Mr. ROYBAL, Mr. TOWNS, Mr. DORNAN of California, Mr. BUSTAMANTE, Mrs. MORELLA, Mr. JEFFERSON, and Mr. KOPETSKI.

H. Con. Res. 335: Mr. WYLIE.

H. Con. Res. 336: Mr. HAMILTON.

H. Res. 245: Mr. SWETT.

H. Res. 257: Mr. MCMILLEN of Maryland.

H. Res. 399: Mr. SPENCE.

H. Res. 428: Mr. PANETTA, Mr. MURPHY, Mr. HORTON, Mr. LAGOMARSINO, Mr. BLACKWELL, and Mr. GOODLING.

H. Res. 478: Mr. KLUG.

H. Res. 490: Mr. ROHRABACHER, Mr. LEACH, Mr. ANNUNZIO, Mr. BARRETT, Mr. HUBBARD, Mr. POSHARD, Mr. HYDE, Mr. GOODLING, Mr. DREIER of California, Mr. ROTH, and Mr. SMITH of New Jersey.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1354: Mr. HAYES of Louisiana.

SENATE—*Thursday, June 25, 1992*

(Legislative day of Tuesday, June 16, 1992)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by the Honorable THOMAS A. DASCHLE, a Senator from the State of South Dakota.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Except the Lord build the house, they labour in vain that build it: except the Lord keep the city, the watchman waketh but in vain.—Psalm 127:1.

Creator God, Lord of the universe, Ruler of the nations, the psalmist exposes a fundamental fact—the futility of man's best without God. Carl Marx proclaimed the doctrine, "Religion is the opiate of the people," and precipitated 70 years of tragic, destructive history in the Soviet Union, confirming the psalmist's word.

The words of Thomas Jefferson, engraved in his memorial, declare the reason for America's greatness—and potential peril. He said, "God who gave us life gave us liberty." He asked, "Can the liberties of a nation be secure when we have removed from the hearts of the people the belief that those liberties are the gift of God?" History ratifies the biblical truth, "* * * the Lord knoweth the way of the righteous: but the way of the ungodly shall perish."—Psalm 1:6.

Gracious, patient, loving Lord, help us see that indifference toward God is the most subtle form of rejection and the primary cause of social/cultural decay. Awaken us to our need of You, and grant us grace to give You priority in our personal and corporate lives. For the glory of God and the renewal of the Nation. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 25, 1992.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable THOMAS A. DASCHLE, a Senator from the State of South Dakota, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. DASCHLE thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Also under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 11 o'clock, with Senators permitted to speak therein for not to exceed 5 minutes each.

The Senator from Nevada is currently recognized to speak for up to 15 minutes.

Mr. REID. I thank the Chair.

THE PONY EXPRESS TRAIL

Mr. REID. Mr. President, yesterday the Senate Energy and Natural Resources Committee ordered to be reported legislation that would designate the California and Pony Express Trails as National Historic Trails under the National Trails System. I have asked the majority leader to put this legislation on the calendar at the earliest possible date so the Senate can pass it and send it to the President for his signature.

This is the culmination of nearly 4 years of effort on the part of many who patiently and diligently worked toward a solution to difficult issues related to this legislation.

It is also a truly historic bill because the two trails to be designated embody the great pioneering ingenuity that helped settle the West. By preserving these trails, we guarantee this period of history will be passed on to future generations.

Long before Nevada became known for bright lights, we were a Western frontier State known for rugged independence. The Pony Express is an important part of our heritage. The wily youth who risked their lives daily to deliver the mail helped pave the way for the telegraph, railroads, and highways. The Pony Express bill will pass on to all Americans the vision, courage, ingenuity, and robust spirit of the early West.

In an era of our history where self-determination is an everyday buzzword, it is fitting that we designate these colorful historic trails that are characterized by such great can-do past Americans as "Buffalo Bill" Cody and "Wild Bill" Hickock. These legends and their trails deserve a permanent place in the history of Nevada, the West, and this country.

I commend my colleagues on the Energy and Natural Resources Committee for their willingness to resolve disagreements associated with this legislation and assist me in giving the Pony Express Trail and California Trail their rightful place in history.

MINING LAW—MINERAL POLICY

Mr. REID. Mr. President, my reason for coming to the floor this morning is primarily to again look at the issue of the Federal statutes that have been passed and amended relating to the 1872 mining law. I started this discussion earlier this month. Today, I want to direct my remarks toward the failure of our country to develop a minerals policy for this Nation.

Mr. President, we long have heard complaints about this country not having an energy policy, which we do not have. But we have heard little about not having a minerals policy, which we also should have.

The reason we need a minerals policy is, No. 1, our national security demands we address this issue and the importance of such a policy in the economic future of this country cannot be overstated. Second, the debate that consumes much of the Congress' time each year on the mining law could be avoided or partially answered by a comprehensive mineral policy.

Many believe that mining law provides a long-range mineral policy for the people of this country. This simply is not factual. The simple truth is the mining law lays the groundwork for the discovery and exploration of minerals. Nowhere in the mining law does it address the issue of which minerals can and should be produced in this country, what critical materials or minerals the national security of this country is dependent upon, nor the inherent values these minerals have in terms of our long-range economic future.

The mining law, like many other documents that have survived and been amended many times, as I previously pointed out, is a living document that must adjust to meet the needs of a growing and ever-changing society. That is what the mining law was all about. In addition to being amended

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

many times, it has been succeeded by a heavy load of case law that has served to interpret specific legal issues and establish precedent for future decisions affecting the mining industry. But it is not a minerals policy.

In 1988, 1989, and 1990, I began to make an argument for mineral policy for this country. In spite of strong support from many of my colleagues, especially the distinguished Senator from the State of Arizona [Mr. DECONCINI], I failed to convince the administration that a critical materials council that had already been passed into law could assist in outlining a minerals policy for this country. They ignored and in effect overruled the aims of Congress when this law was established.

At that time I said, "Without clearly stated and aggressively implemented Federal policies concerning minerals, advanced materials and super conductivity, our Nation will be unable to compete in these critical areas against Japan and several Western European nations." I believe that the past 4 years will bear witness to the fact that Japan and Europe are taking the lead in many technological areas and developing the resources to back up that technology.

There has been some focus placed on the development of a policy for advanced materials, or the Advanced Materials and Processing Program, known as AMPP. While I am encouraged to see breakthroughs in such areas as process control for advanced ceramic structures, via a process called hot-isostatic pressing and microwave sintering along with the construction of various composites, I am at a loss to understand why we cannot develop a policy for our more basic minerals and critical materials.

Last week Secretary Lujan of the Department of the Interior was asked by me if he felt it was important to develop a minerals policy for this country, and he wholeheartedly agreed that such a policy would be helpful.

Mr. President, this area about which I speak is an important area, and it is distressing to find numerous instances where we are at a competitive disadvantage in mining because we have imposed costs on the mining industry that other countries simply do not have to bear. Subsequently, jobs are lost and our trade deficit increases because we are forced to import these materials.

As I said before in this body, this was true in the gold industry until the late 1980's when we began to produce enough gold in this country to take care of our own production demands.

This has been largely due to technological developments far outpacing the picks and shovels prospectors used in the early 1900's. With the advent of computers and satellites, investment companies are allowed to locate gold so fine that it can only be seen through an electron microscope.

Mr. President, as a young boy I watched my father many times grind up rock, put it in a little saucer-like container, shake it, and see if there was gold in it. The kind of gold now that is being discovered could not be seen by my father even through a regular microscope. You need an electronic microscope to see that. Things have changed.

Since 1982, the U.S. gold industry has invested over $7 billion in development and exploration. This phenomenal growth within the industry has resulted in the establishment of jobs in the hundreds of thousands in all sectors of the economy, and along with them, new life to many regions of the country. Current information reflects that mining jobs directly related to the mining industry totaled 78,000 in 1990. Indirect jobs are in the hundreds of thousands.

Far removed from the actual goldfields of the Western United States, the manufacturing and refining industry, which is responsible for the jewelry that is made and sold in this country, employs another 35,000 people. And as I said in a recent statement, there are as many as 750,000 jobs throughout this country that are indirectly related to the mining industry.

Japan's explosive demand for gold jewelry has stimulated United States mine production as well. The export of jewelry in the global market increased 37 percent between 1988 and 1989, and in Japan alone during that time, it increased 70 percent.

Beyond the jewelry industry, gold serves us in many other walks of life. We fail to recognize that. Think about the many other uses of gold. We only think about it in a gold watch or a gold ring. In the telecommunications industry, virtually all telephone jacks are gold coated to assure perfect voice or digital transmission.

Gold compounds provide the most effective treatment for rheumatoid arthritis, and research is underway on the use of gold for treatment in AIDS, gout, and other intractable diseases. This precious metal offers hope in the medical field for countless victims of tragic diseases and gives hope to mankind for a better quality of health in our lives.

The field of electronics is another area where gold plays an important role. Ninety-five percent of all the electrical contacts used in computers are gold-coated to provide a more consistently perfect digital signal transmission, much like it does in the telecommunication field.

Because gold has certain qualities that other metals do not have; namely, it is a clean, noncorroding, excellent electrical conductor, it protects astronauts, satellites, and the sophisticated electronic equipment in the airplanes and on the ships that protect this country.

These are but a few of the uses for gold in this country and how our production meets global demand and provides jobs; and all this takes place in a vacuum. That is, there is no policy that determines, directs, or evaluates what the economic importance of these activities are in terms of our future.

We are a net exporter of gold. One of the few areas we can look to with confidence that we export more than we bring in. And this happened only in the last few years.

But gold is not the only strategic or critical mineral that is produced in this country. Let us take a look at some of the other strategic minerals and the cost it takes to produce them to see what effect the lack of a mineral policy has had on them.

The Mollycorp mine in Mountain Pass, CA, just a few miles from the Nevada-California border, produces a category of minerals known as "Rare earths." Rare earths consist of such materials as lanthanum, cerium, praseodymium, neodymium, samarium, europium, gadolinium, terbium, dysprosium, holmium, erbium, ytterbium, and lutecium.

This mine is the only mine in the United States to produce these strategic materials, and it is currently partially shut down because it is not cost beneficial to produce two of these materials: samarium and gadolinium. Why: because the Chinese can produce it and ship it to this country for less than the Mollycorp mine can get it out of the ground. As a result, the Chinese control the bulk of the global market for these critical minerals.

You may be asking, for what are these strategic materials used? Well, samarium-cobalt permanent magnets are used in traveling wave tubes for satellites, computers, and guidance systems for the Patriot, Sidewinder, Sparrow, Stinger, Phoenix, Maverick, and Hawk missiles.

Gadolinium-iron-garnets and gadolinium-aluminum-garnets are used for microwave filtration, and gadolinium is also used in some nuclear reactors.

Now some of you may want to depend on the Chinese for these materials to ensure that our missile systems operate the way we hope and expect them. As for me, I would much prefer to have a strategic minerals policy that defines the value of these minerals to the country and establishes guidelines to continue mining them.

Much has been said about the Stillwater Mine in Montana because of the value of the minerals they are going to take out of that mine. Nothing, however, has been said about the fact that this mine is the only mine in the country where palladium or platinum is produced. Most of the palladium and platinum that has been produced in the past has come from the former Soviet Union and South Africa.

It took a great deal of effort to develop this mine.

Let us take a look at the uses of these materials. Over 50 percent of the platinum consumed in the United States is used in the production and manufacturing of pollution-reduction mechanisms that we know as the catalytic converters used in automobiles. Palladium is primarily used in the electronics industry and computers, but both can be found in the production of gasoline, fertilizer, and chemicals.

Again, I suppose that we can lose the catalytic converter business to a foreign country, but we should not. If we do lose it, along with it goes the jobs associated with it.

So I hope we will take a look at these businesses and determine the importance of the platinum and palladium mining business.

At the present time, the Stillwater Mine owners have invested a total of $146 million in exploration and developing the mineral potential of a small portion of the mine. It employs almost 400 people, will expand that employment to 1,100 if the mine expands, and eventually produce 5 percent of the world's platinum and 20 percent of the world's palladium.

I want to ask all of my colleagues here in the Senate; what is it worth that we can hire American workers to produce these minerals at this one location in the United States rather than to pay a foreign country whatever the market can bear to import these materials as we need them? If there was a shortage of these materials in the world market, could we get along without the contribution these minerals make in terms of those products that we absolutely need. These questions can be extended to every mining operation throughout the United States.

I submit that we all know the answer to the jobs question; we need every one of them. As for the other questions that I have raised today, a minerals policy would provide many of the answers and stop us from floundering around in the muddy waters of this ambiguous mining law debate.

I urge all of my colleagues to see this issue for what it is. An assault on the mining law would lose the potential to disrupt State and local economies, deny every American the benefits of the uses of the strategic and critical materials mined in this country, and send more jobs and workers beyond the borders of this country or into the unemployment line. A minerals policy would help us develop the economic potential that we have in this country, and the future of our country depends on this, especially the national security needs.

Thank you, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

The Senator from Delaware is now recognized to speak for up to 1 hour and 15 minutes.

REFORM OF THE CONFIRMATION PROCESS

Mr. BIDEN. Mr. President, I would like to apologize in advance for trespassing on the President's time and the time of the Senate. In my over 19 years in the Senate, I have never sought to speak before the Senate for as long a period as I sought today in morning business.

But the subject to which I speak is something that I have given a great deal of thought, been asked by the Senate to spend some considerable time thinking about, and it is extremely controversial. And in light of the fact that we are within a day of the time that historically the Supreme Court Justices make judgments about whether or not they are going to stay on for another year, it seems somewhat propitious, although I know of no Justice who intends to resign—I do not mean to imply that—my speech this morning is about reforming the confirmation process and the need for a new dawn with regard to how we conduct ourselves relative to the confirmation process involving Supreme Court nominees.

Seven years ago, Harvard law professor, Laurence Tribe, reflected on what was then the second-oldest Supreme Court in history, and he wrote:

> A great Supreme Court is a sort of Halley's Comet in our constitutional universe, a rare operation arriving once each lifetime, burning intensely in our legal firmament for a brief period before returning to the deep space of constitutional history.

He added that a quiet period in which there were just two Supreme Court nominations in 15 years was "the calm before the constitutional storm that surely lies ahead," predicting that, sometime in this decade, we will be tossed into the turbulent process that has gripped this Nation in the past. And, today, after the naming of seven men to fill five vacancies on the Supreme Court in just 5 years, we find ourselves in the midst of the storm Professor Tribe forecasts.

In these past 5 years, the U.S. Senate has endured three of the most contentious confirmation fights in the history of the United States:

The 1986 nomination of William Rehnquist, who was confirmed by the most votes cast against him of any judge to the Supreme Court in our history up to that point.

The 1987 rejection of Robert Bork at the end of an epic conflict between competing constitutional visions.

The subsequent withdrawal of Douglas Ginsburg just days after President Reagan had selected him to succeed Bork as his nominee.

The fierce flight in 1991, which none of us, I suspect, will ever forget, over Clarence Thomas' confirmation to the Court, which broke Chief Justice Rehnquist's record for receiving the most negative votes in Senate history.

The immediate product of these conflicts, the change in the Court over the past few years, has already been dramatic. But as Duke professor, Walter Dellinger, pointed out, there is every reason to believe we may see as many as five more Justices retire within the next 4 years. In all likelihood, Mr. President, we stand at only the halfway point in the remaking of the Supreme Court, with as many confirmation controversies in the coming Presidential term as we saw over the past two terms combined.

By the time we arrive at the next election year in 1996, there is a substantial chance that no member of the Court who was serving on the Court in June of 1986 will remain on the bench. Such a complete replacement of the Court in just 10 years has only one precedent since the Court was permanently expanded to nine members over 100 years ago. Today, as we stand at the midpoint in this dramatic change, I would like to discuss what has transpired over the past few years with respect to the confirmation process.

Mr. President, I also want to discuss the question of what should be done if a Supreme Court vacancy occurs this summer. Finally, I want to offer four general proposals for how I believe the nomination and confirmation process should be changed for future nominations.

Let me start first with a consideration of the confirmation process of the past decade. As I mentioned earlier, Presidents Reagan and Bush have named eight nominees for six positions on the Court during their Presidential terms. This is not the first time in our history that a strong ideological President and his loyal successor have combined to shape the Court.

Presidents Washington and Adams made 18 nominations, of which 14 were confirmed and served among the Court's 6 Justices.

Presidents Lincoln and Grant nominated 13 candidates for the Court, of whom 9 were confirmed and served.

Presidents Roosevelt and Truman named 13 Justices, all confirmed, in their combined terms in the White House.

What distinguished the Reagan-Bush Justices from these historical parallels, however, is that half of them have been nominated in a period of a divided Government. In each of these previous times, a sweeping nationwide consensus existed, as reflected by the election of both political branches of like-minded officials, which justified the sweeping changes that took place at the Supreme Court.

But over the past two decades, Mr. President, no such consensus has existed, unlike the eras to which I pointed—Washington-Adams, Lincoln-Grant, Roosevelt-Truman.

Since 1968, Republicans have controlled the White House for 20 of 24 years. Democrats have controlled the Senate for 18 years of this period. The public has not given either party a mandate to remake the Court into a body reflective of a strong vision of our respective philosophies, and both of our parties should finally, honestly admit to that fact. Both of our parties should honestly have conceded this fact. But neither has, thus far.

Of course, this is not the first period when a divided Government has been required to fill the third branch of Government. About one-fifth of all Supreme Court Justices have been confirmed by a party different from the President. One-third of all Justices confirmed since 1930 have been approved under these circumstances.

It was a Senate controlled by progressive Republicans and Democrats that confirmed three of President Hoover's four nominees for the Court, and a Democratic Senate reviewed and approved Eisenhower nominees. Yet, in these previous periods of divided Government, Mr. President, indeed in some periods where a President and the Senate shared the same party, Presidents commonly have taken the Constitution at its word and asked for the Senate's advice—advice—as well as its consent. These Presidents have consulted with the Senate about their choices for the Court and/or chose nominees with balanced or diverse ideologies. Thus, the conservative Republican, Hoover, named conservative Chief Justice Charles Evan Hughes, but also named a moderate, Owen Roberts, and a liberal, Benjamin Cardoza; the latter, Benjamin Cardoza, after heated executive-Senate consultations.

Similarly, President Eisenhower's choices for the Court included conservative John Harlan and Charles Whittaker, moderate Potter Stewart, and liberals Earl Warren and William Brennan. Even President Nixon, who showed no reluctance to take full advantage of Presidential prerogatives, balanced his choices of conservatives Warren Burger and William Rehnquist with those of moderate Republican Harry Blackmun and conservative Democrat Lewis Powell.

This, of course, has not been the model that Presidents Reagan and Bush have followed. Indeed, even lacking the broad support for their vision of the Court which Presidents Washington and Adams, Lincoln and Grant, and Roosevelt and Truman had, Presidents Reagan and Bush have tried to recast the Court in their ideological image, as these Presidents did.

Put another way: This is not the first time that a tandem of Presidents have sought to remake the Supreme Court, nor is it the first time that divided Government has had to fill a number of seats in that body.

But it is the first time that both have been attempted simultaneously and that, more than anything else, has been at the root of the current controversy surrounding the selection of the Supreme Court Justices.

It was to cope with this stress, a stress created by the decision of Presidents Reagan and Bush to attempt to move the Court ideologically into a radical, new direction which this country does not support, it was to cope with this stress that the modern confirmation process was created. And on this point, there should be no doubt and no uncertainty.

The use that Presidents Reagan and Bush made of the Supreme Court nominating process in a period of divided Government is without parallel in our Nation's history. It is this power grab that has unleashed the powerful and diverse forces that have ravaged the confirmation process. If the American people are dissatisfied with where they find the process today, they must understand where the discord that has come to characterize it began: With Presidents Reagan and Bush and their decision to cede power in the nominating process to the radical light within their own administration.

It was in the face of this unprecedented challenge to the Supreme Court's selection process that we in the Senate developed an unprecedented confirmation process. The centerpiece of this new process was a frank recognition of the legitimacy of Senate consideration of a nominee's judicial philosophy as part of the confirmation review.

I ask unanimous consent at this point that a previous speech I have made on the Senate's right to look at and obligation to look at the ideology of the nominees be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ADVICE AND CONSENT: THE RIGHT AND DUTY OF THE SENATE TO PROTECT THE INTEGRITY OF THE SUPREME COURT

Mr. BIDEN. Mr. President, on July 1, 1987, President Reagan nominated Judge Robert Bork to be an Associate Justice of the Supreme Court. I am delivering today the first of several speeches on questions the Senate will face in considering the nomination.

In future speeches, I will set out my views on the substance of the debate—and there is room for principled disagreement. But in this speech, I want to focus on the terms of the debate—and I hope to put an end to disagreement on the terms of the debate. Arguing from constitutional history and Senate precedent, I want to address one question and one question only: What are the rights and duties of the Senate in considering nominees to the Supreme Court?

Some argue that the Senate should defer to the President in the selection process. They argue that any nominee who meets the narrow standards of legal distinction, high moral character, and judicial temperament is entitled to be confirmed in the Senate without further question. A leading exponent of this view was President Richard Nixon, who declared in 1970 that the President is "the only person entrusted by the Constitution with the power of appointment to the Supreme Court." Apparently, there are some in this body and outside this body who share that view.

I stand here today to argue the opposite proposition. Article II, section 2, of the Constitution clearly states that the President "shall nominate, and by and with the advice and consent of the Senate, shall appoint * * * Judges of the Supreme Court. * * *" I will argue that the Framers intended the Senate to take the broadest view of its constitutional responsibility. I will argue that the Senate historically has taken such a view. I will argue that, in case after case, it has scrutinized the political, legal, and constitutional views of nominees. I will argue that, in case after case, it has rejected professionally qualified nominees because of the perceived effect of their views on the Court and the country. And I will argue that, in certain cases, the Senate has performed a constitutional function in attempting to resist the President's efforts to remake the Supreme Court in his own image.

THE INTENT OF THE FRAMERS

How can we be sure of the scope of the Senate's constitutional rights and duties under the "advice and consent" clause? We should begin—but not end—our investigation by considering the intent of the Framers. Based on the debates of the Constitutional Convention, it is clear that the delegates intended the Senate to set into play a broad role in the appointment of judges.

In fact, they originally intended even more. At the beginning of the Constitutional Convention, they intended to give the Congress exclusive control over the selection process and to leave the President out entirely. On May 29, 1787, the Constitutional Convention began to deliberate in Philadelphia. It adopted as a working paper the Virginia Plan, which provided that "a National Judiciary be established * * * to be chosen by the National Legislature."

A few weeks after debate began, some delegates questioned the wisdom of entrusting the selection of judges to Congress alone. They feared that Congress was large and lumbering and might have some trouble making up its mind. James Wilson of Pennsylvania was an advocate of strong Executive power, so he proposed an obvious alternative: giving the President exclusie power to choose the judges. This proposal found no support whatsoever. If one concern united the delegates from large States and small States, North and South, it was a determination to keep the President from amassing too much power. After all, they had fought a war to rid themselves of tyranny and the royal prerogative in any form. John Rutledge of South Carolina opposed giving the President free rein to appoint the judiciary since "the people will think we are leaning too much toward monarchy."

James Madison, the principal architect of the Constitution, agreed. He shared Wilson's fear that the legislature was too large to choose, but stated that he was "not satisfied with referring the appointment to the Executive." He was "rather inclined to give it to the Senatorial branch" of the legislature, which he envisioned as a group "sufficiently stable and independent" to provide "deliberate judgments." Accordingly, on June 13, Madison formally moved that the power of appointment be given exclusively to the Senate. His motion passed without objection.

On July 18, 200 years ago last Saturday, James Wilson again moved "that the Judges be appointed by the Executive." His motion was defeated, by six States to two. It was widely agreed that the Senate "would be composed of men nearly equal to the Executive and would of course have on the whole more wisdom." Moreover, "it would be less easy for candidates to intrigue with them, than with the Executive."

Obviously, we can see here the fear that was growing on the part of those at the Convention was that respective nominees would be able to intrigue with a single individual, the President, but not the Senate as a whole. So Mr. Ghorum of Massachusetts suggested a compromise proposal: to provide for appointment by the Executive "by and with the advice and consent" of the Senate. Without much debate, the "advice and consent" proposal failed on a tie vote.

Up until now, no one, no single vote at the Convention, gave the Executive any role to play in this process.

All told, there were four different attempts to include the President in the selection process, and four times he was excluded. Until the closing days of the Convention, the draft provision stood: "The Senate of the U.S. shall have power to * * * appoint * * * Judges of the Supreme Court." But the controversy would not die, and between August 25 and September 4, the advice and consent compromise was proposed once again. On September 4, the Special Committee on Postponed Matters reported the compromise, and 3 days later, the Convention adopted it unanimously.

What can explain this 11th hour compromise? Well, historians have debated it for years.

Gouverneur Morris of Pennsylvania offered the following paraphrase. The advice and consent clause, he said, would give the Senate the power "to appoint Judges nominated to them by the President." Was his interpretation correct?

Well, we can never know for sure, but it seems to be the overwhelming point of view among the scholars. But it is difficult to imagine that after four attempts to exclude the President from the selection process, the Framers intended anything less than the broadest role for the Senate—in choosing the Court and checking the President in every way.

The ratification debates confirm this conclusion. No one was keener for a strong Executive than Alexander Hamilton. But in Federalist Papers 76 and 77, Hamilton stressed that even the Federalists intended an active and independent role for the Senate.

In Federalist 76, Hamilton wrote that Senatorial review would prevent the President from appointing justices to be "the obsequious instruments of his pleasure." And in Federalist 77, he responded to the argument that the Senate's power to refuse confirmation would give it an improper influence over the President by using the following words: "If by influencing the President, be meant restraining him, this is precisely what must have been intended. And it has been shown that the restraint would be salutary. * * *"

Now, this is the fellow, Hamilton, who argued throughout this entire process that we needed a very strong executive, making the case as to why the Senate was intended to restrain the President and play a very important role.

Most of all, the Founders were determined to protect the integrity of the courts. In Federalist 78, Hamilton expressed a common concern: "The complete independence of the courts of justice," he said, "is peculiarly essential in a limited Constitution. * * * Limitations of this kind can be preserved in practice no other way than through the medium of courts of justice, whose duty it must be to declare all acts contrary to the manifest tenor of the Constitution void."

So, in order to preserve an independent Judiciary, the Framers devised three important checks: life tenure, prohibition on reduction in salary and, most important, a self-correcting method of selection. As they relied on the Court to check legislative encroachments, so they relied on the Legislature to check Executive encroachments. In dividing responsibility for the appointment of judges, the Framers were entrusting the Senate with a solemn task: preventing the President from undermining judicial independence and from remaking the Court in his own image. That in the end is why the Framers intended a broad role for the Senate. I think it is beyond dispute from an historical perspective.

THE SENATE PRECEDENTS

The debates and the Federalist Papers are our only keys to the minds of the Founders. Confining our investigation to "original intent," you would have to stop there. But there is much more. Two centuries of Senate precedent, always evolving and always changing with the challenges of the moment, point to the same conclusion: The Senate has historically taken seriously its responsibility to restrain the President. Over and over, it has scrutinized the political views and the constitutional philosophy of nominees, in addition to their judicial competence.

I ask unanimous consent to insert in the RECORD a list of all nominations rejected or withdrawn over the last 200 years.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

I. SUPREME COURT NOMINATIONS REJECTED OR WITHDRAWN, 1795–1970

Supreme Court nominee	Nominating president	President's party	Senate party	Rejected (R)/postponed (P)/withdrawn (W)	Vote	Reasons for Senate opposition
John Rutledge (1795)	Washington	Federalist	F	R	14–10	Attacked by his fellow Federalists for his opposition to the Jay Treaty of 1794.[1, 2]
Alexander Wolcott (1811)	Madison	Dem.-Repub.	DR	R	24–9	Unpopular with Federalists for strong enforcement of Embargo and Non-intercourse Act as U.S. Collector of Customs for Connecticut; also questionable legal qualifications.[1, 2]
John Crittenden (1829)	J.Q. Adams	DR	DR	P	23–17	Adams was a lame duck President (nomination came after his 1828 defeat by Jackson).[1, 2]
Roger Brooke Taney (1835)	Jackson	Dem	Whig	P, Later confirmed as Chief Justice 1836.	......	Unpopular with Whips because, as Secretary of the Treasury, removed government funds from the Bank of the United States in compliance with Jackson anti-Bank policy.[1, 2]
John Spencer (1844)	Tyler	W/D	W	RD	26–21	Tyler was the first to succeed to the presidency as Vice-President and his power was questioned generally; Tyler viewed as only a nominal Whig; Spencer defeated because of his close political association with Tyler.[1, 2]
Reuben Walworth (1844)	Tyler	W/D	W	P	27–20	Partisan opposition to Walworth by Senate Whigs.[1]
Edward King (1844)	Tyler	W/D	W	P	29–18	Senate Whigs anticipated that Tyler would not be nominated for President, and was thus effectively a lame duck.[1]
Edward King (1845)	Tyler	W/D	W	W	......	Tyler became a lame duck in fact after Polk's election (King nomination resubmitted in December 1844).[1]
John Read (1845)	Tyler	W/D	W	No action	......	Nomination made February 1845, Senate adjourned without taking action.[1]
George Woodward (1846)	Polk	D	W	R	29–20	Woodward's home state Senator, Simon Cameron, insisted on right to approve appointment ("senatorial courtesy"); Woodward also attacked as extreme "American nativist."[1, 2]
Edward Bradford (1852)	Fillmore	W	D	W, No action	......	Fillmore effectively a lame duck because not nominated for President in 1852; Senate adjourned without taking action.[1]
George Badger (1852)	Fillmor	W	D	P	26–25	Fillmore a lame duck in fact after Pierce's election; nomination of Sen. Badger (a Whig) "postponed" by Senate Democratic majority to protect Court seat for Democrat Pierce to fill.[1]
William Micou (1853)	Fillmore	W	D	No action	......	Same reasons as with Badger nomination, above.[1]
Jeremiah Black (1861)	Buchanan	D	Some Dems. had quit Senate after secession.	R	26–25	Black was opposed politically by Democratic Sen. Stephen Douglas (loser of 1860 election); Buchanan was a lame duck in fact (nomination made after Lincoln's election); Senate anti-slavery forces opposed because Black had advised Buchanan that force could not be used to prevent secession and maintain in the Union.[1, 2]
Henry Stanbury (1866)	A. Johnson	D	R	Court seat eliminated	......	Radical Republicans controlling Senate reduced size of Supreme Court by two seats to deny Democratic President Johnson a chance to make any nominations.[1, 2, 3]
Ebenezer Hoar (1870)	Grant	R	R	R	33–24	Hoar rejected for his stands on policital issues: for merit nominations of lower court judges, for civil service reforms, against impeachment of President Johnson; also desire of some Senators to have a southern nominee.[1, 2, 3]
George Williams (1874)	Grant	R	R	W	......	Withdrawn because of questions about Williams' capabilities and financial integrity; and his connection, as Attorney General, to the scandal-ridden Grant Administration.[1, 3]
Caleb Cushing (1874)	Grant	R	R	W	......	Cushing had changed political parties several times; attacked constitutionality of Reconstruction Laws; sent indiscreet letter to Jefferson Davis in 1861 after secession.[1, 2, 3]
Stanley Matthews (1881)	Hayes	R	D	No judiciary Comm. action; renominated by Garfield and confirmed by 24–23 vote.	......	Matthews opposed for his close ties to Jay Gould and railroad interests; less importantly, he was Hayes' brother-in-law and Hayes' lawyer before the Electoral Count Commission adjudicating the disputed 1876 Hayes-Tilden vote.[1, 2, 3]

I. SUPREME COURT NOMINATIONS REJECTED OR WITHDRAWN, 1795–1970—Continued

Supreme Court nominee	Nominating president	President's party	Senate party	Rejected (R)/postponed (P)/withdrawn (W)	Vote	Reasons for Senate opposition
William Hornblower (1893)	Cleveland	D	D	R	30–24	Hornblower's opposition to machine politics in New York led to "senatorial courtesy" veto of nomination by New York Democratic Sen. Hill; also Republican fear of Hornblower's opposition to protective tariffs.[1, 2, 3]
Wheeler Peckham (1893)	Cleveland	D	D	R	41–32	Same reasons as with Hornblower nomination, above.[1, 2, 3]
John J. Parker (1930)	Hoover	R	R	R	41–39	Opposed by unions for close adherence to anti-labor precedents; opposed by civil rights groups for racist statements made as candidate for Governor of North Carolina in 1920.[1, 2, 4]
Abe Fortas (1968)	L. Johnson	D	D	W		Senate filibuster from opposition to Warren Court, Fortas' membership on Court; Johnson effectively a lame duck in summer of 1968 (not running for renomination).[1, 2]
Homer Thornberry (1968)	L. Johnson	D	D	W		No Court vacancy after withdrawal of Justice Fortas' nomination to Chief Justice.[1, 2]
Clement Haynsworth (1969)	Nixon	R	D	R	55–45	Criticism of civil rights and civil liberties record; questions of financial impropriety.[1, 3, 4]
G. Harrold Carswell (1970)	Nixon	R	D	R	51–45	Mediocre legal qualifications; criticism that part statements and actions were racist.[1, 3, 4]

[1] Henry J. Abraham, Justices and Presidents (New York: Penguin Books, 1975).

[2] Philip B. Kurland, "The Appointment and Disappointment of Supreme Court Justices," in Law and the Social Order (1972 Arizona State Univ. Law Journal), No. 2, p. 183.

[3] Richard D. Friedman, "The Transformation in Senate Response to Supreme Court Nominations: From Reconstruction to the Taft Administration and Beyond," 5 Cardozo Law Review 1 (1983).

[4] Donald E. Lively, "The Supreme Court Appointment Process: In Search of Constitutional Roles and Responsibilities," 59 Southern California Law Review 551 (1986).

Mr. BIDEN. In many cases, the Senate rejected technically competent candidates whose views it perceived to clash with the national interest. The chart lists 26 nominations rejected or withdrawn since 1789. In only one case, George Williams—a Grant nominee whose nomination was withdrawn in 1874—does it appear that substantive questions played no role whatsoever. The rest were, in whole or in part, rejected for political or philosophical reasons.

The precedent was set as early as 1795, in the first administration of George Washington. And the precedent setter was none other than poor John Rutledge who I quoted earlier. Remember Rutledge? He was the one who argued at the Constitutional Convention that to give the President complete control over the Supreme Court would be "leaning too much toward monarchy." Well Old John would come to wish he had not uttered those words.

Rutledge was first nominated to the Court in 1790, and he had little trouble being confirmed. As one of the principal authors of the first draft of the Constitution, he was clearly qualified to judge original intent. In 1791, however, he resigned his seat to become chief justice of South Carolina, which—as our two South Carolina Senators probably still think—he considered a far more important post. But then, Chief Justice John Jay resigned from the Supreme Court in 1795, and Washington nominated Rutledge to take his seat. The President was so confident to a speedy confirmation that he had the commission papers drawn up in advance and gave him a recess appointment.

But that was not to be. A few weeks after his nomination, Rutledge attacked the Jay Treaty, which Washington had negotiated to ease the last tensions of the Revolutionary War and to resolve a host of trade issues. Because of the violent opposition of the anti-British faction, support of the treaty was regarded as the touchstone of true federalism. One newspaper reported that Rutledge had declared "he had rather the President should die (dearly as he loved him) than he should sign that treaty." Another paper reported that Rutledge had insinuated "that Mr. Jay and the Senate were fools or knaves, duped by British sophistry or bribed by British gold * * * prostituting the dearest rights of freemen and laying them at the feet of royalty."

Debate raged for 5 months, and Rutledge was ultimately rejected, 14 to 10. To the minds of many Senators, Rutledge's opposition to the treaty called into question his judgment in taking such a strong position on an issue that polarized the Nation. Some even feared for his mental stability. But make no mistake: the first Supreme Court nominee to be rejected by the Senate—one of the framers, no less—was rejected specifically on political grounds. And the precedent was firmly established that inquiry into a nominee's substantive views is a proper and an essential part of the confirmation process.

Since Washington's time, the precedent has been frequently reinforced and extended—often at turning points in our history. In 1811, Alexander Wolcott, a Madison nominee, was rejected at least in large part because of his vigorous enforcement of embargo legislation and nonintercourse laws. His rejection was fortunate for our legal history, since he later endorsed the view that any Judge deciding a law unconstitutional should be immediately expelled from the Court.

In 1835, Roger Taney, a Jackson nominee, was opposed for much more serious and substantive reasons. I will discuss the historic details of the Taney case later. But, for now, though, a sketch will suffice. Jackson was attempting to undermine the Bank of the United States. Taney had been a crucial ally in his crusade, so Jackson nominated him to the Court. Those favoring confirmation urged the Senate to consider Taney's constitutional philosophy on its own merits. "It would indeed be strange," said a leading paper in the South, "if, in selecting the members of so august a tribunal, no weight should be attached to the views entertained by its members of the Constitution, or their acquirements in the science of politics in its relations to the forms of government under which we live." Those opposing confirmation had no reservation about doing so on the ground that Taney's views did not belong on the Court. In the end, the Whigs succeeded in defeating the nomination by postponement, but Jackson bided his time and resubmitted it the following year—this time for the seat of retiring Chief Justice Marshall.

Between the Jackson and Lincoln Presidencies, no fewer than 10 out of 18 Supreme Court nominees failed to win confirmation. Whigs and Democrats were equally divided in the Senate. While the issue of States rights versus a nationalist philosophy inflamed some of the debates, most of the struggles were strictly partisan. John Tyler set a Presidential record: the Senate refused to confirm five of his six nominees. At one point, after the resignation of Justice Baldwin in 1844, the struggle became so intense that a seat remained vacant for 28 months.

Twentieth century debates have been on the whole more civil but no less political. The last nominee to be rejected on exclusively political or philisophical grounds was John J. Parker, a Herbert Hoover nominee, in 1930. And in Parker's case, debate focused as much on the net impact of adding a conservative to the Court as on the opinions of the nominee himself. Parker's scholarly credentials were beyond reproach. But Republicans, disturbed by the highly conservative direction taken by the Court under President Taft, began to organize the opposition.

Their case rested on three contentions—I have this right, by the way; it is Republicans; and Republicans in those days were much more progressive in these matters, in my perspective—first, that Parker was unfriendly to labor; second, that he was opposed to voting rights and political participation for blacks; and third, that his appointment was dictated by political considerations.

Parker's opinions on the court of appeals drew attention to his stand on labor activism. He had upheld a "yellow dog" contract that set as a condition of employment a worker's pledge never to join a union.

But the case for the opposition was put most eloquently by Senator Borah of Idaho, in a speech that would be quoted for years to come:

"[Our Justices] pass upon what we do. Therefore, it is exceedingly important that we pass upon them before they decide upon these matters."

And Senator Norris of Nebraska added, in stirring words that we would do well to remember today:

"When we are passing on a judge * * * we ought not only to know whether he is a good lawyer, not only whether he is honest—and I admit that this nominee possesses both of those qualifications—but we ought to know how he approaches these great questions of human liberty."

Parker was denied a seat on the Court by a vote of 41 to 39. Justice Owen Roberts, the man appointed in his place, was less wedded to the wisdom of the past: his was the famous "switch in time" that helped defuse the Court-packing crisis in 1937—more on that later.

But what of our own times? In the past two decades, three nominees have been rejected by the Senate—Abe Fortas, Clement Haynsworth and G. Harrold Carswell—and, although there were other issues at stake, debate in all three cases centered on their constitutional views as well as their professional competence. I am inserting into the CONGRESSIONAL RECORD a list of the statements of Senators during the Fortas and Haynsworth hearings and debates concerning the relevance of a nominee's substantive views.

I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

II. STATEMENTS OF SENATORS CONCERNING RELEVANCE OF NOMINEE'S SUBSTANTIVE VIEWS—FORTAS HEARINGS AND DEBATES

A. SENATORS WHO ARGUED DIRECTLY THAT THE VIEWS OF THE NOMINEE ARE RELEVANT

Senator Baker, 114 Cong. Rec. 28258 (1968).

Senator Byrd (Va.), 114 Cong. Rec. 26142 (1968).

Senator Curtis, 114 Cong. Rec. 26148 (1968).

Senator Ervin, Hearings on the Nomination of Abe Fortas and Homer Thornberry Before the Senate Comm. on the Judiciary, 90th Cong., 2nd Sess., at 107 (1968) [hereinafter cited as 1968 Hearings].

Senator Fannin, 114 Cong. Rec. 26704, 28755 (1968).

Senator Fong, 114 Cong. Rec. 28167 (1968).

Senator Gore, 114 Cong. Rec. 28780 (1968).

Senator Griffin, 1968 Hearings at 44.

Senator Holland, 114 Cong. Rec. 26146 (1968).

Senator Hollings, 114 Cong. Rec. 28153 (1968).

Senator McClellan, 114 Cong. Rec. 26145 (1968).

Senator Miller, 114 Cong. Rec. 23489 (1968).

Senator Thurmond, 1968 Hearings at 180.

B. SENATORS WHO DEBATED THE NOMINEE'S VIEWS

Senator Byrd (W. Va.), 114 Cong. Rec. 28785 (1968).

Senator Eastland, 114 Cong. Rec. 28759 (1968).

Senator Hart, 1968 Hearings at 276.

Senator Javits, 114 Cong. Rec. 28268 (1968).

Senator Lausche, 114 Cong. Rec. 28928 (1968).

Senator Montoya, 114 Cong. Rec. 20143 (1968).

Senator Murphy, 114 Cong. Rec. 28254 (1968).

Senator Smathers, 114 Cong. Rec. 28748 (1968).

Senator Stennis, 114 Cong. Rec. 28748 (1968).

C. SENATORS WHO ARGUED THAT THE NOMINEE'S VIEWS ARE NOT RELEVANT OR ONLY MARGINALLY RELEVANT

Senator Bayh, 114 Cong. Rec. 19902 (1968).

Senator Mansfield, 114 Cong. Rec. 28113 (1968).

Senator McGee, 114 Cong. Rec. 19638 (1968).

Senator McIntyre, 114 Cong. Rec. 20445 (1968).

Senator Proxmire, 114 Cong. Rec. 20142 (1968).

Senator Randolph, 114 Cong. Rec. 19639 (1968).

Senator Tydings, 114 Cong. Rec. 28164 (1968).

III. STATEMENTS OF SENATORS CONCERNING RELEVANCE OF NOMINEE'S SUBSTANTIVE VIEWS—HAYNSWORTH HEARING AND DEBATESI90[S25JN2-36]{S8857}A. SENATOR

A. SENATORS WHO ARGUED DIRECTLY THAT VIEWS OF THE NOMINEE ARE RELEVANT, OR WHO DEBATED THE NOMINEE'S VIEWS

Senator Baker, 115 Cong. Rec. 34432 (1969).

Senator Bayh, 115 Cong. Rec. 35132 (1969).

Senator Byrd (Va.), 115 Cong. Rec. 30155 (1969).

Senator Case, 115 Cong. Rec. 35130 (1969).

Senator Dole, 115 Cong. Rec. 35142 (1969).

Senator Eagleton, 115 Cong. Rec. 28212 (1969).

Senator Ervin, Hearings on the Nomination of Clement Haynsworth Before the Senate Comm. on the Judiciary, 91st Cong. 1st Sess., at 75 (1969) [hereinafter cited as 1969 Hearings].

Senator Fannin, 115 Cong. Rec. 34606 (1969).

Senator Goodell, 115 Cong. Rec. 32672 (1969).

Senator Gurney, 115 Cong. Rec. 34439 (1969).

Senator Harris, 115 Cong. Rec. 35376 (1969).

Senator Hart, 1969 Hearings at 463.

Senator Hollings, 115 Cong. Rec. 28877 (1969).

Senator Javits, 115 Cong. Rec. 34275 (1969).

Senator Kennedy, 1969 Hearings at 327.

Senator McClellan, 1969 Hearings at 167.

Senator Mathias, 1969 Hearings at 307.

Senator Metcalf, 115 Cong. Rec. 34425 (1969).

Senator Mondale, 115 Cong. Rec. 28211 (1969).

Senator Muskie, 115 Cong. Rec. 35368 (1969).

Senator Percy, 115 Cong. Rec. 35375 (1969).

Senator Stennis, 115 Cong. Rec. 34849 (1969).

Senator Young, 115 Cong. Rec. 28895 (1969).

B. SENATORS WHO ARGUED THAT THE NOMINEE'S VIEWS ARE NOT RELEVANT

Senator Allott, 115 Cong. Rec. 35126 (1969).

Senator Bellmon, 115 Cong. Rec. 31787 (1969).

Senator Boggs, 115 Cong. Rec. 34847 (1969).

Senator Cook, 115 Cong. Rec. 29557 (1969).

Senator Fong, 115 Cong. Rec. 34862 (1969).

Senator Hruska, 115 Cong. Rec. 28649 (1969).

Senator Mundt, 115 Cong. Rec. 35371 (1969).

Senator Murphy, 115 Cong. Rec. 35138 (1969).

Senator Prouty, 115 Cong. Rec. 34439 (1969).

Senator Spong, 115 Cong. Rec. 34444 (1969).

Senator Stevens, 115 Cong. Rec. 35129 (1969).

Senator Tower, 115 Cong. Rec. 34843 (1969).

Senator Tydings, 1969 Hearings at 57.

Mr. BIDEN. Mr. President, the list was compiled by three law professors in a memorandum prepared for several members of the Judiciary Committee in 1971 to address the proper scope of the Senate's inquiry into the political and constitutional philosophies of nominees.

The tone of the recent debates was established during the hearings for Justice Thurgood Marshall in 1967. Senator Ervin summarized the viewpoint of several Senators.

"I believe that the duty which that [advice and consent] provision of the Constitution imposes upon a Senator requires him to ascertain as far as he humanly can the constitutional philosophy of any nominee to the Supreme Court."

When Justice Marshall's nomination reached the floor, the Senators who spoke against confirmation rested their case on what they saw as his activist views. Senator Stennis said: "The nominee must be measured not only by the ordinary standards of merit, training, and experience, but his basic philosophy must be carefully examined." And Senator Byrd of West Virginia emphasized not only the nominee's own views but also the effect they would have in shifting the balance of the Court as a whole. Senator Thurmond emphasized the importance of balance: "This means that it will require the appointment of two additional conservative justices in order to change the tenor of future Supreme Court decisions." Of the numerous Senators who spoke in favor of Marshall's confirmation, many argued that his record of litigation aimed toward expanding the rights of black Americans was a positive factor in their decisions.

President Johnson's nomination of Abe Fortas to be Chief Justice in 1968 provoked the most protracted confirmation fight of recent times. There were personal as well as philosophical issues involved—particularly the propriety of a lameduck nomination and of the nominee's role as confidential adviser to the President—but his substantive positions were central to the debate. Of the 32 Senators who addressed the question, 14 explicitly stated that the nominee's political and constitutional views were relevant and should be discussed. Another 12 analyzed his views in explaining their own votes, implying that they regarded this consideration to be relevant. Six others seemed to argue that a nominee's constitutional philosophy was either not a proper topic for consideration by the Senate or of only marginal relevance.

Passions were high during that debate, but few disputed the terms of debate. Eloquent voices on both sides of the Senate agreed that the nominee's views, philosophy and past decisions were relevant to the question of his confirmation. Senator Fannin of Arizona quoted Senator Borah's stirring words from the Parker debate. He also quoted a letter from William Rehnquist, then a young lawyer in Arizona. As early as 1959, Mr. Rehnquist had called in the Harvard Law Record for restoring the Senate's practice "of thoroughly informing itself on the judicial philosophy of a Supreme Court nominee before voting to confirm him."

Senator Miller of Iowa endorsed the sentiment:

"For too long, the Senate has rubberstamped nominations * * *. But a time comes when every Senator should search his conscience to see whether the exercise of the confirming power by the Senate is for the good of the country."

Then Senator Thurmond rose again: "It is my contention," he said to the Chamber, "that the Supreme Court has assumed such a powerful role as a policymaker in the Government that the Senate must necessarily be concerned with the views of the prospective Justices or Chief Justices as they relate to broad issues confronting the American people, and the role of the Court in dealing with these issues."

Since Fortas's time, two more nominees have been rejected by the Senate—nominees for the seat that would come to be occupied by Justice Powell. There is no need to review the unhappy circumstances of the nominations of Clement Haynsworth and G. Harrold Carswell. They are as familiar now as they were then. But although both cases involved questions of ethics and competence, judicial philosophy played a central role. In the case of Judge Haynsworth, apparently 23 Senators argued for the relevance of his substantive views on labor law and race relations, while at least 13 Senators took the opposite position. Senator Case of New Jersey once more looked back to Borah: "How he approaches these great questions of human liberty—this for me is the essence of the issue in the pending nomination of Judge Haynsworth."

In the subsequent debate over G. Harrold Carswell, his views about racial equality received no less attention than his ability on the bench. Of particular concern was his always restrained, and often reversed, view of the scope of the 14th amendment. Senator INOUYE took particular exception to the nominee's "philosophy on one of the most critical issues facing our Nation today—civil rights." And Senator Brooke of Massachusetts argued the general proposition: "The Senate," he said, "bears no less responsibility than the President in the process of selecting members of the Supreme Court * * * (judicial competence) could not be sufficient (qualification) for a man who began his public career with a profound and far-reaching commitment to an anticonstitutional doctrine, a denial of the very pillar of our legal system, that all citizens are equal before the law."

DEVELOPING THE PROPER STANDARDS

This, then, is the history of the Senate debates. It is a rich and fractious history—always entangled with the passions of the moment and the questions of the day. But although the issues under review have changed, the terms of review have not. Until recent times, few have questioned the Senate's right to consider the judicial philosophy, as well as the judicial competence, of nominees. The Founders intended it and the Senate has exercised it. Over and over, the Senate has rejected nominees who possessed otherwise distinguished professional credentials but whose politics clashed with the Senate majority or whose judicial philosophies were out of step with the times or viewed as tipping the balance in the Court.

It is easy to see why the Senate has subjected nominees to the Supreme Court to more exacting standards than nominees to the lower courts, for as the highest court in the land, the Supreme Court dictates the judicial precedents that all lower courts are bound to respect. But as the only court of no appeal, the Supreme Court itself is the only court with unreviewable power to change precedents. Thus, only the Senate can guard the guardians—by attempting to engage and gage the philosophies of Justices before placing them on the Court.

But to say that the Senate has an undisputed right to consider the judicial philosophy of Supreme Court nominees does not mean that it has always been prudent in exercizing that right. After all, some of our most distinguished Justices—such as Harlan Fiske Stone, Charles Evans Hughes, and Louis Brandeis—have been opposed unsuccessfully on philosophical grounds. To say, furthermore, that political philosophy has often played a role in the past does not mean that nominees' views should always play a role in the present. For there are obvious costs to political fights over judicial nominees. There are only costs to political fights over the Supreme Court seat. As history shows, tempers flare, factions mobilize, and the Court, and the country, wait for a truce.

There are costs that all of us would prefer to avoid. And these are costs that I have discussed before. In supporting the nomination of Justice O'Connor, whose views are more conservative than my own, I warned of the dangers of applying political litmus tests to Presidential nominees. I agreed with Justice O'Connor that to answer questions about specific decisions would jeopardize her independence on the Court. I cautioned that if every Supreme Court nomination became a political battle, then we would run the risk of holding the Court hostage to the internecine wars of the President and Congress. And I endorsed a modern convention that has developed in the Senate—a convention designed to keep the peace. In recent times, under normal circumstances, many Members have preferred not to consider questions of judicial philosophy in discharging their duty to advise and to consent. Instead, they have been inclined to restrict their standards for Presidential nominees to questions of character and of competence. These are the three questions we have preferred to ask:

First. Does the nominee have the intellectual capacity, competence and temperament to be a Supreme Court Justice?

Second. Is the nominee of good moral character and free of conflicts of interest?

Third. Will the nominee faithfully uphold the Constitution of the United States?

These were the questions asked by the Senate when President Eisenhower nominated Justice Brennan, when President Kennedy nominated Justice White, when President Nixon nominated Justice Powell and when President Reagan nominated Justice O'Connor, to name only a few recent examples.

But during what times and under what circumstances can this narrow standard be confidently applied? For obvious reasons, the narrow standard presumes a spirit of bipartisanship between the President and the Senate. It presumes that the President will enlist and heed the advice of the Senate; or it presumes that he will make an honest effort to choose nominees from the mainstream of American legal thought; or it presumes that he will demonstrate his good faith by seeking two qualities, above all, in his nominees—first, detachment and second, statesmanship.

Judge Learned Hand wrote of the necessity for detachment. He said that a Supreme Court Justice:

"* * * must have the historical capacity to reconstruct the whole setting which evoked the law; the contentions which it resolved; the objects which it sought; the events which led up to it. But all this is only the beginning, for he must possess the far more exceptional power of divination which can peer into the purpose beyond its expression, and bring to fruition that which lay only in flower * * * he must approach his problems with as little preconception of what should be the outcome as it is given to men to have; in short, the prime condition of his success will be his capacity for detachment."

And Justice Felix Frankfurter wrote of the necessity for statesmanship:

"Of course a Justice should be an outstanding lawyer in the ordinary professional acceptance of the term, but that is the merest beginning. With the great men of the Court, constitutional adjudication has always been statecraft. The deepest significance of Marshall's magistracy is his recognition of the practical needs of government, to be realized by treating the Constitution as the living framework within which the nation and the States could freely move through the inevitable changes wrought by time and inventions. Those of his successors whose labors history has validated have been men who brought to their task insight into the problems of their generation * * * Not anointed priests, removed from knowledge of the stress of life, but men with proved grasp of affairs who have developed resilience and vigor of mind through seasoned and diversified experience in a work-a-day world—(these) are the judges who have wrought abidingly on the Supreme Court."

Detachment and statesmanship—these are demanding standards. But they were standards admirably met by retiring Justice Lewis Powell—a practicing lawyer before his appointment to the Court. During a farewell interview, Justice Powell sought to express his own vision of the responsibilities of a Justice. "I never think of myself as having a judicial philosophy," he said. "* * * I try to be careful, to do justice to the particular case, rather than try to write principles that will be new, or original * * *." And Justice Powell called for "a consideration of history and the extent to which decisions of this Court reflect an evolving concept of particular provisions of the Constitution."

When the President selects nominees on the basis of their detachment and their statesmanship, with a sensitivity to the balance of the Court and the concerns of the country, then the Senate should be inclined to respond in kind. Individual Senators are bound to have individual objections. But at least since I have been in the Senate, many of us have made an effort to put aside our personal biases and to support even nominees with whom we were inclined to disagree.

But in recent years, it has struck many of us that the ground rules have been changed. Increasingly, nominees have been selected with more attention to their judicial philosophy and less attention to their detachment and statesmanship. When, and how, should a Senator respond when this happens? Constitutional scholars and Senate precedents agree that, under certain circumstances, a Senator has not only the right but the duty to respond by carefully weighing the nominee's judicial philosophy and the consequences for the country. What are those circumstances?

One circumstance is when a President attempts to remake the Court in his own image by selecting nominees for their judicial philosophy. Alone, Charles Black, a liberal scholar then at Yale Law School, wrote in 1970:

"If a President should desire, and if chance should give him the opportunity, to change entirely the character of the Supreme Court, shaping it after his own political image, nothing would stand in his way except the United States Senate * * *. A Senator, voting on a presidential nomination to the Court, not only may but generally ought to vote in the negative, if he firmly believes, on reasonable grounds, that the nominee's views on the large issues of the day will make it harmful to the country for him to sit and vote on the Court * * *."

I think that is a very important quote.

Another circumstance is when the President and the Senate are deeply divided, demonstrating a lack of consensus on the great issues of the day. Philip B. Kurland of the University of Chicago, a conservative scholar, wrote in 1972:

"Obviously, when the President and the Senate are closely aligned in their views, there is not likely to be a conflict over appointees. When their views are essentially disparate, suggesting an absence of consensus in the nation—a situation more likely to occur at the time of greatest constitutional change—it will become the obligation of the contending forces to reach appropriate compromise. It should not satisfy the Senate that the nominee is an able barrister with a record of unimpeachable ethical conduct. He who receives a Supreme Court appointment will engage in the governance of this country."

Let me repeat that. This is not repeated in the quote, but let me repeat that part of the quote.

"He who receives a Supreme Court appointment will engage in the governments of this country. The question for the Senate—no less than the President—is whether he is an appropriate person to wield that authority."

A final circumstance is when the balance of the Court itself is at stake. When the country and the Court are divided, then a determined President has the greatest opportunity of remaking the Court in his own image. To protect the independence of the Court and the integrity of the Constitution, the Senate should be vigilant against letting him succeed where they disagree. During the debate over the qualifications of Clement Haynsworth, our former distinguished colleague and my former seatmate, Senator Muskie of Maine spoke movingly of the Senate's duty to consider the impact of a nominee's views on the balance of the Court. He said:

"It is the prerogative of the President, of course, to try to shift the direction and the thrust of the Court's opinions in this field by his appointments to the Court. It is my prerogative and my responsibility to disagree with him when I believe, as I do, that such a change would not be in our country's best interests."

These, in sort, are some of the circumstances when the Senate's right to consider judicial philosophy becomes a duty to consider judicial philosophy: When the President attempts to use the Court for political purposes; when the President and Congress are deeply divided; or when the Court is divided and a single nomination can bend it in the direction of the President's political purposes. These are all times when the Senate has a duty to engage the President.

In future speeches, I will attempt to support my belief that all three circumstances obtain today. But in turning to the future we should be guided by the past. Our predecessors have been met with similar challenges. How have they responded under fire?

A COURAGEOUS SENATE VERSUS A DETERMINED PRESIDENT: TWO FAMOUS PRECEDENTS

Fifty years ago, and 150 years ago, popular Presidents committed themselves to controversial political agendas. In both cases, the Supreme Court had ruled parts of the agenda unconstitutional. In both cases, the President attempted to tilt the balance of the Court by politicizing the appointments process. And in both cases, a courageous Senate attempted to block the President's efforts to bend the Court to his personal ends.

The first case is one I have already outlined—the case of Andrew Jackson's relentless efforts to place Roger Taney on the Supreme Court.

At its heart, the story of Andrew Jackson and Roger Taney versus the Senate and the Bank of the United States was a struggle over the broad ideological issues that split the fledgling Republic—a struggle between debtor and creditor, executive and legislative, States' rights and Federal power. Andrew Jackson arrived in Washington resolved to do battle with the the "monster" Bank. "I have it chained," he crowed after vetoing an attempt to recharter the Bank in 1832. "The monster must perish," he said.

To prosecute his vendetta against the Bank, Jackson sought to remove all Federal money from the "monster's" vaults. In late 1833, Jackson summoned his Cabinet and announced his resolve. By law, only Secretary of the Treasury Louis McLane was authorized to withdraw the funds. So Jackson commanded McLane to act. McLane, understanding the law, refused. So Jackson fired the staunch McLane and appointed William Duane to take his place. As a condition of his appointment, Duane promised to withdraw the funds. But, once in office, his conscience got the better of him. So he went to Jackson, who reminded him of his promise. "A Secretary, sir," said Jackson, "is merely an executive agent, a subordinate, and you may say so in self defense." "In this particular case," responded Duane, "Congress confers a discretionary power and requires reasons if I exercise it." Obviously, Duane was right. The law clearly stated that Duane had to report to Congress any decision regarding the deposit, and Congress was in recess. Duane asked for a delay. "Not a day," barked Jackson, "not an hour."

So Jackson fired his second Secretary. Who would carry out the executive order? In Attorney General Roger Taney, Jackson found a Cabinet member with a less scrupulous view of Executive power. Jackson designated Taney to take the Treasury and execute the order. And Taney wasted no time. Though not yet confirmed by the Senate, he immediately ordered the removal of funds. "Executive despotism!" cried the Whigs as soon as the Senate reconvened, and refused to confirm his Cabinet appointment.

But the deed was done, and the Bank was bleeding. The victory would not be complete, however, unless Jackson could tilt the balance of the Supreme Court. At first, the Court had leaned toward the Federalists in the battle of the Bank—John Marshall had upheld the Bank against attack by the States as early as 1819. But, after four Jackson appointments, the Court was rapidly shifting in favor of the States. In 1835, another vacancy arose, and Jackson was quick to reward his loyal henchman, Taney. But the Whigs could not forget Taney's earlier performance under fire. One New York paper said that he was "unworthy of public confidence, a supple, cringing tool of power."

In the minds of the Whigs—many of them giants of the Senate such as Calhoun and Crittenden, Webster and Clay—Taney's detachment and statesmanship were in serious doubt. And they defeated the nomination by postponing consideration until the last day of the Senate's session. Jackson was furious, and in his fury decided to bide his time. In December, with the resignation of Chief Justice Marshall, yet another vacancy arose. To fill the shoes of the great justice, Jackson resubmitted the name of Taney.

Once again, the lions of the Senate roared to the very end. Henry Clay, the "great compromiser," was said to use every "opprobrious epithet" in his vocabulary to fight the Taney nomination. The Whigs had no reservation about opposing him on the ground that they believed his views did not belong on the Court. As Senator Borah put it, in his classic speech against the Parker nomination in 1930:

"They opposed [Taney] for the same reason some of us now oppose the present nominee, because they believed his views on certain important matters were unsound. They certainly did not oppose him because of his lack of learning, or because of his incapability as a lawyer, for in no sense was he lacking in fitness except, in their opinion, that he did not give proper construction to certain problems that were then obtaining."

But the Democrats had gained the upper hand in the Senate, and Taney became Chief Justice by a vote of 29 to 15. Unfortunately, the Whig fears proved only too well justified. It would be hard to imagine a more inappropriate successor to Chief Justice Marshall than Chief Justice Taney. Where Marshall's broad reading of the Constitution was indispensable in strengthening the growing Union, Taney's narrow reading played a significant role in weakening the cohesion of the Union. In 1857, Taney wrote the infamous Dred Scott decision for a divided Court. And in refusing to read into the Constitution the power of Congress to limit slavery in newly admitted States, he nullified the Missouri Compromise and helped to precipitate the greatest constitutional crisis in our history—the Civil War.

I prefer to end on a happier note. It is another story of a powerful and popular President who attempted to bend the Court to suit his own ends. But it is a story of courage crowned with success. It unfolded in the Senate 50 years ago, in the summer of 1937.

America 50 years ago was a nation struggling against economic collapse. Under Franklin Roosevelt's inspiring leadership, Congress and the States enacted by overwhelming majorities a series of laws to stimulate recovery.

But by narrow margins—5 to 4 or 6 to 3—the Supreme Court had struck down a series of enactments, from minimum wage laws to agricultural stabilization acts. Representative government seemed paralyzed by the intransigence of the Court.

Moderates and progressives—Republicans and Democrats—searched for a way to thwart the "nine old men." They proposed a wide range of constitutional amendments and legislative limits on the Court. But Roosevelt was impatient for a quick remedy, and suspicious of indirect methods. In his view, the only way to save the New Deal was to change the composition of the Court itself.

Fresh from his landslide victory over Alf Landon, FDR sprang his Court-packing proposal: For every Justice over the age of 70 who failed to retire, the President would be able to nominate a new Justice, up to a limit of 15 members on the Court. The plan had been veiled in secrecy, and when Roosevelt announced it in February 1937, it was met with a storm of popular criticism.

Let me be clear. I am not for a moment suggesting that President Reagan is attempting to do what President Roosevelt attempted to do—enacting a constitutional change by enlarging the membership of the Court itself. But there are important similarities as well as important differences between the intentions of the two Presidents.

Both had in mind the same result. Both sought to use their power of appointment to shift the balance of Courts that had repeatedly rejected their social agendas. But there is a crucial difference. While President Reagan has used his nominations to shift the balance of the Court, in Roosevelt's case, the Court shifted on its own. Before the Court packing bill reached the Senate floor, before Justice Van Devanter's timely resignation, Justice Owen Roberts had already made his welcome "switch in time that saved nine"—giving Roosevelt the 5 to 4 majority that he sought.

But in May 1937, the outcome in the Senate was anything but certain. The Judiciary Committee was controlled by the Democrats—loyal New Dealers. Although they supported Roosevelt's political ends, they refused to allow him to pursue them through judicial means. In their minds, the integrity of the Court meant more than the agenda of the President. On June 14, they issued a report condemning the Court-packing plan. The President's legislation, they concluded, demonstrated, "the futility and absurdity of the devious." It was an effort to "punish the justices" for their opinions and was "an invasion of judicial power such as has never before been attempted in this country."

But the committee report went further still. Executive attempts to dominate the judiciary lead inevitably to autocratic dominance, "the very thing against which the American Colonies revolted, and to prevent which the Constitution was in every particular framed." The report concluded with a final thundering sentence that, before the day was out, would be quoted in newspapers across the land: "It is a measure which should be so emphatically rejected that its parallel will never again be presented to the free representatives of the free people of America."

It was a stinging rebuke to a beloved President—all the more remarkable in view of the fact its authors shared his legislative goals. The British Ambassador wrote to the British Prime Minister:

"Seven Democratic Senators have committed the unforgivable sin. They have crossed the Rubicon and have burned their boats; and as they are not men to lead a forlorn hope, one may assume that many others are substantially committed to the same action. One can only assume that the President is beaten."

The formal verdict was delivered on the Senate floor on July 22, 1937. Though a meaningless rollcall vote lay ahead, it was clear that Roosevelt's effort to pack the Court, which for some time appeared destined to succeed, had come to an end. Arms outstretched, his eyes fixed on the galleries, Senator Hiram Johnson cried, "Glory be to God!"

Let me conclude by saying that my case today has been rooted in history, precedent, and common sense. I have argued that the framers entrusted the Senate with the responsibility of "advice and consent" to protect the independence of the judiciary. I have urged that the Senate has historically taken its responsibility seriously. I have argued that, in case after case, it has scrutinized Supreme Court nominees on the basis of their political and judicial philosophies. I have argued that, in case after case, it has rejected qualified nominees, because it perceived those views to clash with the interests of the country.

In future speeches I will make the case that today, 50 years after Roosevelt failed, 150 years after Jackson succeeded, we are once again confronted with a popular President's determined attempt to bend the Supreme Court to his political ends. No one should dispute his right to try. But no one should dispute the Senate's duty to respond.

As we prepare to disagree about the substance of the debate, let no one contest the terms of the debate—let no one deny our right and our duty to consider questions of substance in casting our votes. For the founders themselves intended no less.

I thank the Chair and thank my colleagues for their indulgence.

Mr. BIDEN. Mr. President, at the time I first set forth this notion during the Bork confirmation debate it was a widely controversial notion; that is, that we, as well as the President, had a right to look at ideology. Yet scholarly works reaffirmed by the recent articles of Prof. David Strauss and Cass Sunstein have always found a solid basis for this view in the intentions of our Framers and in the history of our Nation.

In my view, the debate over the Senate's review of ideology has been fruitful. We have quashed the myth that the Senate must defer to a President's choice of a Supreme Court Justice, the men and women at the apex of the independent third branch of Government. As the Senate properly does for nominees in the executive branch, the role of the Senate as a vital partner in reviewing Supreme Court nominations has been enhanced. And the debate over this role caused even those who were initially skeptical, like Prof. Henry Monaghan, who outlined the grounds for his conversion in a 1988 article in the Harvard Law Review, to join in the broad consensus over the propriety of more active Senate participation in the process.

More fundamentally, Mr. President, the serious and profound debate that the Bork nomination sparked was among the most important national discussions about our Constitution, its meaning, and the direction of our Supreme Court in this century.

Before the Bork confirmation fight, the legacy of the Warren court was seen as tenuous by scholars and was ill supported by the public. The legal right thought that judicial activism was a rallying cry that would move America against the Court's projection of protection of personal freedoms, its one person/one vote doctrine, and other progressive decisions that the legal right thought had no popular support and less legal foundation.

And the legal left, prior to the Bork fight, feared that the right might be correct in its assessment of popular opinion; that is, that the Warren court and its major decisions were not popularly supported. But the public reaction to Judge Bork's views, its rejection to the right's legal philosophy and judicial notions, proved just the opposite.

And while some aspects of the Warren Court decisions remain under assault, particularly in the area of criminal law, others have been irrevocably secured in the hearts and minds of most Americans, such as the Court's recognition of the right to privacy, a right that, if you recall, Mr. President, prior to the Bork fight, the ideological right in this country thought was not supported by Americans.

This could not have been said before the Bork confirmation fight. And yet it can be safely proclaimed today that Americans—Americans—strongly support the right to privacy, and find that there is such a right protected in the Constitution. Nor do I limit the success of this process to the Bork rejection only. I am equally satisfied, albeit for different reasons, as to how the process functioned in approving Justices Kennedy and Souter.

As I said when I supported their confirmations, neither man is one whom I would have chosen had I been President. But each reflects a balanced selection, a nonideological conservative that stands between the White House philosophy and the Senate.

I might just note parenthetically, in the decision yesterday on school prayer, or prayer before convocations in public schools, Justices Souter and Kennedy took a position diametrically opposed to that that has been proffered by this administration and the previous one for the past 11 years.

While I have disagreed with some of the decisions by each of these two Jurists, I know that President Bush must say the same thing: That he disagrees with some of the decisions of the two men, Kennedy and Souter. But I offer them as examples, Mr. President; that both men have issued some opinions that I sharply reject. But in a period of divided Government, both from the Court of compromise, candidates who are appropriate for consideration and whose confirmations I supported.

In my view, the contemporary confirmation process functioned well in rejecting Judge Bork and in approving Justices Kennedy and Souter. And yet, sadly, even in so succeeding, one could see within the process the seeds of an explosion that was to come with the Thomas nomination and the destructive forces that were going to tear it apart.

As I said earlier, the root of the current collapse of the confirmation process is the administration's campaign to make the Supreme Court an agent of an ultraright conservative social agenda which lacks support in the Congress and in the country.

I would just point out again, parenthetically, Mr. President, that the entire social agenda of the Reagan administration has yet to be able to gain a majority support in the U.S. Senate or the U.S. House of Representatives, or among the American people over the past 11 years. So failing the ability to do that, both Presidents have concluded, and did conclude, that the avenue to that change was to remake the Court.

In describing how the reactors of different forces and factions have brought about the difficulty we now have to face, I do not want anybody to lose sight of the fact that it is the administration's nomination agenda that is the root cause of this dilemma. That is, if you will, the original sin which has created all of the problems that plague the process today: The administration's desire to placate the rightwing of its party, which is driven by a single issue—overturning Roe versus Wade.

To the members of this Republican faction, no mere conservative such as Justice O'Connor or Justice Powell is safe, to use the word they often use. The administration has urged us to reach for a Scalia, a Bork, a Thomas. But if this is the original sin behind today's woes, it is not the only cause of the confirmation deadlock. And here are three consequences of the Reagan-Bush nomination strategy that have contributed to the problem.

First, Democrats and moderate Republicans have placed it into the hands of the Republican right by accepting Roe as the divining rod in reverse, making a nominee's views or refusal to state his views on this question the overriding concern in the confirmation process.

Yet, in enjoying the right to permit the single issue to dominate the debate, the center and the left have lost sight of the fact that nominees are chosen by Republicans, ultraconservatives. They tend to embrace other constitutional and jurisprudential views unrelated to abortion, but equally at the far end of the spectrum.

To put it another way, the center and the left, which won such broad public support for the position against Judge Bork's nomination, have allowed themselves to be divided as single-issue participants.

This has given rise to even more frustration about the process from both participants and observers, and was one cause for the schism that emerged in the Thomas confirmation debate. Moreover, the focus on Roe prevents the committee from exploring many legitimate issues in our hearing, because questions about the nominees on many matters, from the cutting-edge issue of the right to privacy to the age-old legal doctrine of stare decisis, are immediately assumed by all those who observed the process to be covert questions about abortion when they have nothing to do with abortion.

Among the most frustrating aspects of the Souter and Thomas hearings was that when I tried to question the nominees on whether they thought individuals had a right to privacy, everyone—the press, the public, the nominees, my colleagues—thought that I was trying to ask about abortion in disguise, no matter how many times I said, truthfully and frankly, and I quote:

> No; forget about abortion. To know how you will face the many unknown questions that will confront the Court into the 21st century, I must know whether or not you think individuals have a right to privacy.

No matter how many times I insisted, everyone believed I was asking about abortion. That is just how powerfully the issue dominates our process.

(Mr. KOHL assumed the chair.)

Mr. BIDEN. Second, in the period between the Bork and the Thomas nominations, there developed what could be called an unintended "conspiracy of extremism," between the right and the left, to undermine the confirmation process, and question the legitimacy of its outcomes.

Simply put, the right could not accept that any process which resulted in the rejection of Judge Bork was fair or legitimate. Notwithstanding the contemporaneous declaration of many Republican Senators that the hearings and process for handling the Bork nomination were fair, a subsequent mythology has developed that claims otherwise.

We are told that the hearings were tilted against Bork, but there were more witnesses who testified for him than appeared in opposition. I have heard his defeat blamed on scheduling of the witnesses. Well, we simply alternated, pro-con, pro-con, panel after panel.

And the list of excuses goes on and on. It was the camera angle, they said, the beard, the lights, the timing—all unfair, all engaged in by those who opposed Bork to bring him down.

In sum, the conservative wing of the Republican Party has never accepted the cold, hard fact that the Senate rejected Judge Bork because his views came to be well understood, and were considered unacceptable. And because this rejection of their core philosophy is inconceivable to the legal right, they have been on a hunt for villains ever since.

They have attacked the press, as in a recent, intemperate speech by a conservative Federal judge bashing two New York Times reporters who are among the finest to cover Supreme Court hearings. But most of all, these movement conservatives have attacked the confirmation process itself, and the Senate for exercising its constitutional duties to conduct it.

But it does not stop there, Mr. President.

At the same time, the left, too, has clothed its frustration with its inability to persuade the American public of the wisdom of its agenda, in anger about the confirmation process as well.

The left has refused to accept the fact that when one political branch is controlled by a conservative Republican, and the other has its philosophical fulcrum resting on key Southern Democrats, who hold the balance on close votes in the Senate, it is inevitable that the Court is going to grow more conservative. Acceptable candidates must be found among those who straddle this ideological gulf, such as Justices Kennedy and Souter, who were approved by a combined total of 188 to 9 in the Senate.

The left, Mr. President, is frustrated because a conservative President and a Senate, where the fulcrum is held by conservative Southern Democrats, is not going to nominate a Justice Brennan, who, I think, was a great Justice, and we should find people to replace him ideologically. They refuse to accept reality, Mr. President, just as the right refuses to accept the reality of a Bork defeat.

Bork was defeated because his views of what he thought America should become were different than those held by the vast majority of Americans and an overwhelming majority of Senators and had not a whit to do with whether or not he had a beard, a camera angle, an ad by an outside group, or the order of witnesses.

So, Mr. President, the confirmation process has thus become a convenient scapegoat for ideological advocates of competing social visions—advocates who have not been able to persuade the generally moderate American public of the wisdom of either of their views when framed in the extreme. In effect, then, Mr. President, these advocates have joined in an ad hoc alliance, the extreme right and the extreme left, to undermine public confidence in a process aimed at moderation—hoping, perhaps, to foment a great social and cultural war in which one or the other will prevail.

The third problem, Mr. President, is the confirmation process has been infected by the general meanness and nastiness that pervades our political process today. While I believe they played little or no role in the outcome, the inaccurate television ads that were run against Judge Bork's confirmation only taunted increasingly cutting responses from the right.

The Thomas nomination included a level of personal bitterness that may be typical of our modern political campaigns but is destructive to any process dependent upon consensus, as is the confirmation process. After the nomination was announced, one of the opponents of Judge Thomas outside the Senate threatened to "Bork him"—a menacing pledge that served no purpose. And then, as the hearings were about to begin, the same conservative group that produced the infamous Willie Horton ads ran television commercials attacking members of the Judiciary Committee, including myself, with the intent to intimidate—and they so stated—intimidate our review of the nomination.

I find it ironic, Mr. President, that we could recognize the cost—if not find the answers—for this nastiness in the context of Presidential elections, but lack the same insight with respect to the confirmation process.

Many of the same voices who have criticized the committee for not going hard enough after allegations that Judge Thomas had improper travel expenses, spitefully transferred a whistleblower at EEOC, or was friends with a proapartheid lobbyist—many of these critics of our committee are among the first to bemoan the fact that the Presidential campaign of 1992 has been dominated by questions of personal wrong-doing instead of the real issues.

We cannot have it both ways.

I, too, believe that the Nation would be better off if the current campaign was centered on disputes over public policy rather than gossip about marital fidelity and marijuana use. But I must say that the same is true about our review of Supreme Court nominees: the Nation is enriched when we explore their jurisprudential views; it is debased when we plow through their private lives for dirt.

As with Presidential campaigns, the press—perhaps because it is easier, perhaps because it sells papers—has too often focused their coverage of Supreme Court nominees on such gossip and personal matters, rather than on the substantial—but difficult—task of trying to discern their philosophy and their ideology, because it is their philosophy and their ideology that will affect how I am able to live my life, how my children will be able to live their lives, not whether or not when they were 17 years old they smoked marijuana, or anything else.

Let me make it clear, here, that I am not now speaking of Professor Hill's allegations against Judge Thomas, which were certainly serious and significant enough to merit the full investigation that the committee conducted, both before and after their public disclosure. Rather, I am speaking of the numerous lesser allegations against nominees Bork, Kennedy, Souter, and Thomas which the most extreme committee critics say we have done too little to pursue.

Some examples of what these critics wanted to see us delve into come to mind: Judge Bork had his video rental records exhumed and studied for possible rental of pornographic films. Judge Souter has his marital status questioned and felt obligated to produce ex-girlfriends to testify to his virility. Judge Thomas was assaulted by a whispering campaign that spread unsubstantiated rumors of about the cause of the end of his first marriage.

Each time, the airing of these charges enraged Republican allies of these nominees, who considered the charges unfair and a violation of their right to privacy. And each time, when the committee—at my direction—refused to explore these tawdry rumors, the more extreme critics of our process grew more and more frustrated with the results.

This was another tension which came to a head during the Thomas nomination, and which exploded when Professor Hill's charges were made public.

To sum up, then: The confirmation process launched in 1987—an attempt to provide a means for dealing with the Reagan-Bush campaign to transform the Supreme Court ideologically at a time when those ideological views lacked public support—has been torn asunder. The process lacks the sort of broad-based support that could make it work, and its credibility has been slowly eroded by the criticism it has received from both liberal and conservative ideologues.

A legitimate process that was built in good faith to identify and confirm consensus nominees has been destroyed by many of the same corrosive influences that have so devastated our Presidential politics and our national dialog on public affairs.

Consequently, it is my view that—particularly if the reality of divided government during a time of great change at the Court continues in the next administration—future confirmations must be conducted differently than the preceding ones. The pressures and tensions on the existing process—which exploded during the Thomas nomination fight—make a restoration of what came before Judge Thomas' nomination—even if it was desirable—a practical impossibility.

THE UNIQUE HISTORY OF ELECTION YEAR NOMINATIONS

Having said that, we face one immediate question: Can our Supreme Court nomination and confirmation processes, so racked by discord and bitterness, be repaired in a Presidential election year? History teaches us that this is extremely unlikely.

Some of our Nation's most bitter and heated confirmation fights have come in Presidential election years. The bruising confirmation fight over Roger Taney's nomination in 1836; the Senate's refusal to confirm four nominations by President Tyler in 1844; the single vote rejections of nominees Badger and Black by lameduck Presidents Fillmore and Buchanan, in the mid-19th century; and the narrow approvals of Justices Lamar and Fuller in 1888 are just some examples of these fights in the 19th century.

Overall, while only one in four Supreme Court nominations has been the subject of significant opposition, the figure rises to one out of two when such nominations are acted on in Presidential election years.

In our own century, there are two particularly poignant cases. The 1916 confirmation fight over Louis D. Brandeis, one of America's great jurists—a fight filled with mean-spirited anti-Semitic attacks on the nominee—is an example of how election year politics can pollute Senate consideration of a distinguished candidate. And the 1968 filibuster against Abe Fortas' nomination—an assault that was launched by 19 Republican Senators, before President Johnson had even named Fortas as his selection—is similarly well known by all who follow this.

Indeed, many pundits on both the left and the right questioned our committee's ability to fairly process the Bork nomination—a year before the 1988 campaign—without becoming entangled in Presidential politics. While I believe this concern was misplaced, and ultimately disproved, it illustrates how fears of such politicization can undermine confidence in the confirmation process.

Moreover, the tradition against acting on Supreme Court nominations in a Presidential year is particularly strong when the vacancy occurs in the summer or fall of that election season.

Thus, while a few Justices have been confirmed in the summer or fall of a Presidential election season, such confirmations are rare—only five times in our history have summer or fall confirmations been granted, with the latest—the latest—being the August 1846 confirmation of Justice Robert Grier.

In fact, no Justice has ever been confirmed in September or October of an election year—the sort of timing which has become standard in the modern confirmation process. Indeed, in American history, the only attempt to push through a September or October confirmation was the failed campaign to approve Abe Fortas' nomination in 1968. I cannot believe anyone would want to repeat that experience in today's climate.

Moreover, of the five Justices who were confirmed in the summer of an election year, all five were nominated for vacancies that had arisen before the summer began. Indeed, Justice Grier's August confirmation was for a vacancy on the Court that was more than 2 years old, as was the July confirmation of Justice Samuel Miller, in 1862.

Thus, more relevant for the situation we could be facing in 1922 is this statistic: six Supreme Court vacancies have occurred in the summer or fall of a Presidential election year, and never—not once—has the Senate confirmed a nominee for these vacancies before the November election.

In four of these six cases—in 1800, 1828, 1864, and 1956—the President himself withheld making a nomination until after the election was held.

In both of the two instances where the President did insist on naming a nominee under these circumstances, Edward Bradford in 1952 and Abe Fortas in 1968, the Senate refused to confirm these selections.

Thus, as we enter the summer of the Presidential election year, it is time to consider whether this unbroken string of historical tradition should be broken. In my view, what history supports, common sense dictates in the case of 1992. Given the unusual rancor that prevailed in the Thomas nomination, the need for some serious reevaluation of the nomination and confirmation process and the overall level of bitterness that sadly infects our political system and this Presidential campaign already, it is my view that the prospects for anything but conflagration with respect to a Supreme Court nomination this year are remote at best.

Of Presidents Reagan's and Bush's last seven selections of the Court, two were not confirmed and two more were approved with the most votes cast against them in the history of the United States of America.

We have seen how, Mr. President, in my view, politics has played far too large a role in the Reagan-Bush nominations to date. One can only imagine that role becoming overarching if a choice were made this year, assuming a Justice announced tomorrow that he or she was stepping down.

Should a Justice resign this summer and the President move to name a successor, actions that will occur just days before the Democratic Presidential Convention and weeks before the Republican Convention meets, a process that is already in doubt in the minds of many will become distrusted by all. Senate consideration of a nominee under these circumstances is not fair to the President, to the nominee, or to the Senate itself.

Mr. President, where the Nation should be treated to a consideration of constitutional philosophy, all it will get in such circumstances is partisan bickering and political posturing from both parties and from both ends of Pennsylvania Avenue. As a result, it is my view that if a Supreme Court Justice resigns tomorrow, or within the next several weeks, or resigns at the end of the summer, President Bush should consider following the practice of a majority of his predecessors and not—and not—name a nominee until after the November election is completed.

The Senate, too, Mr. President, must consider how it would respond to a Supreme Court vacancy that would occur in the full throes of an election year. It is my view that if the President goes the way of Presidents Fillmore and Johnson and presses an election-year nomination, the Senate Judiciary Committee should seriously consider not scheduling confirmation hearings on the nomination until after the political campaign season is over.

I sadly predict, Mr. President, that this is going to be one of the bitterest, dirtiest, Presidential campaigns we will have seen in modern times.

I am sure, Mr. President, after having uttered these words some will criticize such a decision and say it was nothing more than an attempt to save the seat on the Court in the hopes that a Democrat will be permitted to fill it, but that would not be our intention, Mr. President, if that were the course to choose in the Senate to not consider holding hearings until after the election. Instead, it would be our pragmatic conclusion that once the political season is under way, and it is, action on a Supreme Court nomination must be put off until after the election campaign is over. That is what is fair to the nominee and is central to the process. Otherwise, it seems to me, Mr. President, we will be in deep trouble as an institution.

Others may fret that this approach would leave the Court with only eight members for some time, but as I see it, Mr. President, the cost of such a result, the need to reargue three or four cases that will divide the Justices four to four are quite minor compared to the cost that a nominee, the President, the Senate, and the Nation would have to pay for what would assuredly be a bitter fight, no matter how good a person is nominated by the President, if that nomination were to take place in the next several weeks.

In the end, this may be the only course of action that historical practice and practical realism can sustain. Similarly, if Governor Clinton should win this fall, then my views on the need for philosophic compromise between the branches would not be softened, but rather the prospects for such compromise would be naturally enhanced. With this in mind, let me start with the nomination process and how that process might be changed in the next administration, whether it is a Democrat or a Republican.

It seems clear to me that within the Bush administration, the process of selecting Supreme Court nominees has become dominated by the right intent on using the Court to implement an ultraconservative social agenda that the Congress and the public have rejected. In this way, all the participants in the process can be clear well in advance of how I intend to approach any future nominations.

With this in mind, let me start with the nomination process and how that process might be changed in the next administration, and how I would urge to change it as chairman of the Judiciary Committee were I to be chairman in the next administration.

It seems clear to me that within the Bush administration, as I said, the process has become dominated by the right instead of using the Court and seeking compromise. As I detailed during the hearings and the subsequent nomination debate over Judge Thomas' nomination, this agenda involves changing all three of the pillars of our modern constitutional law. And I might add, the President has a right to hold these views, Mr. President, and the President has a right to try to make his views prevail, legislatively and otherwise. But let us make sure we know, at least from my perspective, what fundamental changes are being sought.

There are three pillars of modern constitutional law that are sought to be changed. First, it proposes to reduce the high degree of protection that the Supreme Court has given individual rights when those rights are threatened by governmental intrusion, imperiling our freedom of religion, speech, and personal liberty—and I am not just talking about abortion.

Second, it proposes, those who share the President's view for this radical change, to vastly increase the protection given to the interest of property when our society seeks to regulate the use of such property, imperiling laws concerned with the environment, worker safety, zoning, and consumer protection.

And the third objective that is sought is to change a third pillar of modern constitutional law. It proposes to radically alter the separation of powers, to move more power in our three branches of Government, divided Government, separated Government, to move more power to the executive branch, imperiling the bipartisan, independent regulatory agencies and the modern regulatory State.

As I noted before, efforts to transform the confirmation process into a good-faith debate over these philosophic matters, as was the Bork confirmation process, have been thwarted by extremists in both parties. These are legitimate issues to debate. Those who hold the view that we should change these three modern pillars of constitutional law have a right to hold these views, to articulate them and have them debated before the American people. But this debate has been thwarted by extremists in both parties and cynics who have urged nominees to attempt to conceal their views to the greatest extent possible. And the President, unwilling to concede that his agenda in these three areas is at odds with the will of the Senate and the American people seems determined to continue to try to remake the Court and thereby remake our laws in this direction.

In light of this, I can have only one response, Mr. President. Either we must have a compromise in the selection of future Justices or I must oppose those who are a product of this ideological nominating process, as is the right of others to conclude they should support nominees who are a product of this process.

Put another way, if the President does not restore the historical tradition of genuine consultation between the White House and the Senate on the Supreme Court nomination, or instead restore the common practice of Presidents who chose nominees who strode the middle ground between the divided political branches, then I shall oppose his future nominees immediately upon their nomination.

This is not a request that the President relinquish any power to the Senate, or that he refrain from exercising any prerogatives he has as President. Rather, it is my statement that unless the President chooses to do so, I will not lend the power that I have in this process to support the confirmation of his selection.

As I noted before, the practice of many Presidents throughout our history supports my call for more Executive-Senate consultations. More fundamentally, the text of the Constitution itself, its use of the phrase "advice and consent" to describe the Senate's role in appointments demands greater inclusion of our views in this process. While this position may seem contentious, I believe it is nothing more than a justified response to the politicizing of the nomination process.

To take a common example, the President is free to submit to Congress any budget that he so chooses. He can submit one that reflects his conservative philosophy or one that straddles the differences between his views and ours. That is his choice. But when the President has taken the former course, no one has been surprised or outraged when Democrats like myself have responded by rejecting the President's budget outright.

If the President works with a philosophically differing Senate or he moderates his choices to reflect the divergence, then his nominees deserve consideration and support by the Senate. But when the President continues to ignore this difference and to pick nominees with views at odds with the constituents who elected me with an even larger margin than they elected him, then his nominees are not entitled to my support in any shape or form.

I might note parenthetically, Mr. President, and let me be very specific, if in this next election the American people conclude that the majority of desks should be moved on that side of the aisle, there should be 56 Republican Senators instead of 56 Democratic Senators, 44 Democratic Senators instead of 56 or 57 Democratic Senators, and at the same time if they choose to pick Bill Clinton over George Bush, we will have a divided Government and I will say the same thing to Bill Clinton: In a divided Government, he must seek the advice of the Republican Senate and compromise. Otherwise, this Republican Senate would be totally entitled to say we reject the nominees of a Democratic President who is attempting to remake the Court in a way with which we disagree.

As I say, some view this position as contentious, while others, I suspect—in fact, I know, and the Presiding Officer knows as well as I do—will say that I am not being contentious enough. They suggest that since the Court has moved so far to the right already, it is too late for a progressive Senate to accept compromise candidates from a conservative administration. They would argue that the only people we should accept are liberal candidates, which are not going to come, nor is it reasonable to expect them to come, from a conservative Republican President.

But I believe that so long as the public continues to split its confidence between the branches, compromise is the responsible course both for the White House and for the Senate. Therefore, I stand by my position, Mr. President. If the President consults and cooperates with the Senate or moderates his selections absent consultation, then his nominees may enjoy my support as did Justices Kennedy and Souter. But if he does not, as is the President's right, then I will oppose his future nominees as is my right.

Once a nomination is made, the evaluation process begins, Mr. President. And here there has been a dramatic change from the Bork nomination in 1987 to the Thomas nomination in 1991.

Let met start with this observation. In retrospect, the actual events surrounding the nomination of Judge Bork have been so misremembered that observers have completely overlooked one great feature of these events. That is, in most respects, the Bork nomination served as an excellent model for how the contemporary nomination and confirmation process and debate should be concluded and conducted.

Shortly after Judge Bork was nominated, after studying his records, writings and speeches, I announced my opposition to his confirmation and several other members of the committee did the same. What ensued was, I think, an educational and enlightening summer.

I laid out the basis for my position in two major national speeches and other Senators did likewise. The White House issued, as they should have, a very detailed paper proposing to outline Judge Bork's philosophy; a group of respective consultants to the committee issued a response to this White House paper; and the administration put out a response to that response.

While there were excesses in this debate, as I mentioned earlier, by and large, it was an exchange of views and ideas between two major constitutional players in this controversy, the President and the Senate, which the Nation could observe and then evaluate.

The fall hearing then was significant, not as a dramatic spectacle to see how Senators would jockey for position on the nomination but to see the final act of this debate. Unfortunately, though, those of us who announced our early opposition to Judge Bork were roundly criticized by the media. Major newspapers accused me of rendering the verdict first and trial later for the nominee. I say that this was unfortunate because this criticism of our early position on the Bork nomination has resulted in, as I see it, four negative consequences for the conformation process.

First, it gave rise to a powerful mythology that equates confirmation hearings to something closer to trials than legitimate legislative proceedings. The result has been in the end even more criticism for the process when the hearings do not meet this artificial standard of a trial.

Confirmation hearings are not trials. We are not a court; we are a legislative body. They are congressional hearings. Senators are not judges. We are Senators. Our decision on a nominee is not a neutral ruling as a judge would render. It is, as the Constitution designed it, a political choice about values and philosophy.

We should junk, Mr. President, this trial mythology and the attendant matters that go with it. Arcane debates over which way the presumption goes in the confirmation process, over what the standard of review is, over which side has the burden of proof, all of these terms and ideas are inept for our decisionmaking on confirmation as they are for our decisionmaking on passing bills or voting on constitutional amendments.

We do not apply a trial mythology in those circumstances, Mr. President.

Second, a second unintended and unfortunate consequence of the criticism of early opposition based on specifically stated reasons: The criticism of taking early stands on nominees has pushed Senators out of the summer debate over confirmation and left that debate to others, most especially the interest groups on the left and the right. Instead of respected Senators on the left and the right, arguing prior to the hearing about the philosophy of the nominee, when we stood back, that vacuum was filled, Mr. President, by the left and the right as is their right, I might add. But they are the only voices that we heard in the debate. They shaped the debate, Mr. President.

Instead of an exchange of ideas then, the summer becomes Washington at its worst. The nominee hunkers down with briefers at the Justice Department preparing for the hearing as a football team prepares for a game, watching films of previous hearings, studying the mannerisms of each Senator, memorizing questions that have been asked, practicing and rehearsing non-answers. Outside, the two branches' busy efforts are underway to from coalitions, launch TV attack campaigns, issue press releases, and shout loudly past one another.

This transformation hit its peak during the Thomas nomination when by my count, there were twice as many summer news stories about how interest groups were lining upon the nomination than there were about the nominee's views. As with our Presidential campaigns, public attention in the prehearing period has been turned away from a debate by principles about real issues into a superficial scrutiny of a horse race. Is the nominee up; is the nominee down today? And discussions among spin doctors, insiders, and pundits about what the chances are.

The only way to move the focus from the tactics of the confirmation debate to the substance of it is for Senators to take our position on a nomination, if possible, assuming we know the facts of the philosophy, or believe we know the facts relating to the philosophy of the nominee, and debate them freely and openly before the hearing process begins.

Where Senators remain undecided about the nomination, I hope more will do what I did with the Souter and Thomas nominations, and try to publicly address the issues of concern for confirmation before the hearings get underway; to stand on the floor and say I do not know where the nominee stands on such and such but what I want to know as a Senator is, what is his or her philosophy on. Whatever it is that is of concern to the individual Member, begin the debate on the issues because, when we do not, we have learned this town, the press, interest groups, and political parties fill the vacuum. The notion of 3 months of silence in Washington is something that is not able to be tolerated by most who live in Washington, and who work in Washington.

So what happens? The vacuum is filled, Mr. President, by pundits, lobbying groups, interest groups, ideological fringes, to define the debate and dictating the tactics.

Third, Mr. President, the taboo against early opposition to a nominee has created an imbalance in the prehearing debate over the confirmation, for it seems that no similar taboo exists against prehearing support for a nominee.

I have not read a single article, heard a single comment, that when "Senator Smedlap" stands up and says I support the nominee that the President named 27 seconds ago, no one says, now, that is outrageous; how can that woman or man make that decision before the hearing? They all say, oh, that is OK. It is OK to be for a nominee before the hearing begins, but not to be against the nominee.

In the case of Judge Thomas, while no Senator announced his opposition to confirmation before the hearing started, at least 30 Senators announced their support for the nominee before the committee first met.

No Senator said, "I am opposed." Thirty Senators said they were for, as is their right, by the way. I am not criticizing that. Thus, my good friend, Senator RUDMAN for Judge Souter, and Senator DANFORTH for Judge Thomas, along with many other Senators became outspoken advocates, as is their right and as they firmly believed became outspoken advocates for the confirmation from day one, while not a single Senator spoke in opposition.

In my view, such an imbalance is unhealthy and again puts too much responsibility for and control over the confirmation debate in the hands of interest groups instead of elected officials.

Fourth, and perhaps least obvious, the taboo against early opposition to a nominee, assuming that a Senator knows enough to be opposed, has contributed to making the confirmation hearing far too significant, making the confirmation hearing a far too significant forum for evaluating the nominee.

Conservative critics of the modern hearing process often note that for the first 125 years of our history—and they are correct—we reviewed Supreme Court nominations without confirmation hearing. Yet what we ignore is that the rejection rate of nominees in the first 125 years of our history was even higher and the grounds of rejection far more partisan and far less principled than it has been since the hearing process began.

In my view, Mr. President, confirmation hearings, no matter how long, how fruitful, how thorough, how honest—no matter what—confirmation hearings cannot alone provide a sufficient basis for determining if a nominee merits a seat on our Supreme Court.

Let me say that again. In my view, confirmation hearings, no matter how long, how fruitful, how thorough, cannot alone provide a sufficient basis for determining if a nominee merits a seat on our Supreme Court.

Here again the burden of the trial analogy unfortunately confuses the role of the hearing process instead of elucidating it. As they did before there were confirmation hearings, Senators and the public should base their determination about a nominee on his or her record of service, writings, and speeches, background collection and investigations, a review of the nominee's experience in credentials and the weighing of the views of the nominee's peers and colleagues. Put another way: We have hearings not to prove a case against a nominee but, rather, in an effort to be fair to the nominee, and to give that nominee the chance to explain his or her record and writings before the committee. Thus the hearings can be the crowning jewel of the evaluation process, a final chance to clear up confusion, or firm up soft conclusions, but they cannot be the entire process itself as they have come to be viewed.

Anything we can do to broaden the base upon which Senators make their decisions will be a valuable improvement on the confirmation process. Having urged a lessening in the significance of the hearings, I nonetheless want to suggest some changes for this part of the process as well. And here, in this third area of reform, I have focused on questioning of the nominee at his or her confirmation process. As I talk to people about the confirmation process, Mr. President, one of the questions I am most often asked is: Why do you not make the nominee answer the questions? I am sure the Presiding Officer has been asked that question 100 times himself: Why do you not make the nominee answer the questions?

As I have said time and again, the choice about what questions to ask belongs to us on the committee. The choice about what questions to answer belongs to the nominee. Lacking any device of medieval inquisition, we have no way, as Senators to make someone answer questions.

Having said that, though, I do not want to undercut my strong displeasure with what has happened to this aspect of the confirmation process since the Bork hearings. As most people know, Judge Bork had a full and thorough exchange with the committee. After his defeat, many experts on the confirmation process came to associate this frankness with the outcome. But this is a false lesson of the Bork nomination. I believed then, and I believe now, that Judge Bork would have been rejected by an even larger margin had he been less forthcoming with the committee.

Justices Kennedy and Souter, with some exceptions, particularly in the area of reproductive freedom, were likewise fairly discursive in their answers to our questions, and they were overwhelmingly confirmed.

In contrast, Judge Thomas, who had the beginnings of a judicial philosophy that was quite conservative, decided not to be as forthcoming as were Justices Kennedy and Souter. Moreover, because the written record to establish his views was not as fully developed as Judge Bork's, Justice Thomas concluded that he did not need to use the hearings as an opportunity to explain his philosophy, to garner support notwithstanding, as Bork did. As a result, we saw in the Thomas hearings what one of my colleagues called a version of a "ritualized, Kabuki theater."

Committee members asked increasingly complex and tricky questions in an effort to parry the nominee's increasingly complex and tricky dodges. Perhaps some of the committee asked questions which we knew the nominee would not answer—could not answer—to gain advantage. Perhaps the nominee dodged some questions which we knew he could or should answer, but chose not to because he saw little cost in it.

In the end, each side struggled for advantage in a debate that generated far more heat than light.

The PRESIDING OFFICER. The Chair informs the Senator that the hour and a quarter previously set aside has expired.

Mr. BIDEN. Mr. President, I ask unanimous consent that I be able to proceed for 15 more minutes.

The PRESIDING OFFICER. Is there objection?

Mr. ADAMS. Reserving the right to object, and I shall not object, could the Senator make that until 10:15?

Mr. BIDEN. Yes.

Mr. ADAMS. I thank the Senator.

The PRESIDING OFFICER. Without objection, the time of the Senator from Delaware is extended until the hour of 10:15.

Mr. BIDEN. Mr. President, if we are to refocus the confirmation process so it pivots on the nominee's philosophy instead of questions of his personal conduct, the hearings must be performed for full exploration of that philosophy. Conservatives cannot have it both ways; they cannot ask us to refrain from rigorous questioning of judicial philosophy, and instead focus on the nominee's personal background, as they did during the early phases of the Thomas nomination, and then complain loudly when this examination of personal background turns into a bitter exploration of the nominee's conduct and character.

This turn in the process was the product of their disdain for our questioning on jurisprudential views more than anything else. The Senate cannot force nominees to answer our questions. But as I voted against Judge Thomas' confirmation, in part because of his evasiveness, I will not countenance any similar evasion on the part of any future nominees.

To make this point as clearly and as sharply as possible, I want to state the following: In the future, I will be particularly rigorous in ensuring that every question I ask will be one that I believe a nominee should answer. And if the nominee declines to do so, I will—unless otherwise assured about a nominee's approach to the area in question—oppose that nominee.

Again, this is not to say that all nominees should have to answer every question directed at them by the committee in the past. Some refusals, such as those by Justice Marshall during his confirmation hearing, were wholly proper. I am not saying that I will vote against any nominee who refuses to answer any question by any Senator. But if we are to render this process and redeem it, give it clear guidelines and rules that we all know, and make it focus more on philosophy and less on personality, then the basic principle I have laid out must be included, in my view, in any of the future hearings. As a Senator, I cannot make a nominee answer questions that I deem appropriate or important. but I need not vote for one who refuses to do so either, and I will not.

Fourth, we must address the manner in which the committee handled investigative matters concerning Supreme Court nominees. No aspect of the confirmation process has been more widely discussed than our handling of Professor Hill's allegations against Judge Thomas before those charges became public. Many have questioned whether we took Professor Hill's charges seriously, investigated them thoroughly, and disseminated them appropriately.

Mr. President, in my view, we did all of these things within the limits that Professor Hill herself placed upon us.

I wrestled at length with the difficult decisions we faced. We can debate these anguishing choices over and over again: Should we have overridden Professor Hill's wishes for confidentiality? Should we have pushed her to go public with her charges even if she did not choose to do so?

Well, Mr. President, people of good conscience can differ over these dilemmas we faced. But in my view, the anger of the committee's handling of this matter goes far beyond how we resolve these difficult questions. As I see it, Mr. President, the firestorm surrounding Anita Hill's charges is an understandable rage, fueled by misperception of the facts, and ignited by disgust with the way in which Republican Senators questioned Professor Hill and Judge Thomas at this phase of the hearings.

But even that alone does not explain it, for this anger is rooted, Mr. President, at bottom, in a justifiable frustration with a lack of representation of women in our political system. Many Americans were, and still are, properly mad that there were no female members of the Judiciary Committee when we heard Professor Hill's charges. I, for one, join these people in the movement to make the 1992 election a watershed on this front.

And, yet, there is still a bigger issue at stake, Mr. President, for the public outcry over these hearings was not about Clarence Thomas and not about Anita Hill, at its root.

It was about years of resentment by women for the treatment they have received. They have suffered from men in the workplace, in the schools, and in the streets and at home for too long. It was about a massive power struggle going on in this condition, a power struggle between women and men, between the majority and minorities. These are issues that deeply divide us as a nation—issues of gender, race, and power—issues that were front and center at those dramatic hearings last fall.

I believe our handling of Professor Hill's charges, prior to their public disclosure, was proper. But I also believe that there are some things we should do differently in the future for the purposes of improving public confidence in our handling of investigative matters.

First, I do not want the committee ever again to be placed in the awkward position of possessing information about a Supreme Court nominee which it has pledged to keep confidential from other Members of the Senate, as we did with Professor Hill's charges.

In the future, all sources will be notified that any information obtained by the committee will be placed in the FBI file on the nominee, and shared on that confidential basis with all Senators, all 100 Senators, before the Senate votes on a Supreme Court nomination.

Second, to ensure that all Senators are aware of any charges in our possession, the committee will hold closed, confidential briefing sessions concerning all Supreme Court nominees in the future.

All Senators will be invited, under rigorous restrictions to protect confidentiality, to inspect all documents and reports that we compile.

Third, because, ultimately, the question with respect to investigations of a Supreme Court nominee is the credibility and character of that nominee, in the future, if, as long as I am chairman, the committee will routinely conduct a closed session with each nominee to ask that nominee—face-to-face, on the record, under oath—about all investigative charges against that person.

This hearing will be conducted in all cases, even where there are no major investigative issues to be resolved, so that the holding of such hearing cannot be taken to demonstrate that the committee has received adverse confidential information about the nominee. The transcripts of that session will be part of the confidential record of the nomination made available, with the FBI report, to all Senators.

No doubt, these rules, too, can be criticized. Frankly, I have labored over this for the better part of a year, and I think there are no easy answers when questions of fairness, thoroughness, civil liberties, and the future of the Court collide under the glaring klieg lights of television cameras. Other changes, too, may be needed, and I shall consider them as they are proposed.

But I hope that these three steps will increase confidence in our investigative procedures and the seriousness with which we take such matters as part of the confirmation process.

Let me conclude now, Mr. President, with a painful fact: The picture I have painted today about the state of the confirmation process and the future of our Supreme Court is largely negative. I am afraid that my tone is as it must be.

For though my fundamental optimism about this country remains unshaken, I know that the public's confidence in our institutions is not. Americans believe that their President is out of touch with their lives; their Congress is out of line with their ethical standards; and their Supreme Court is out of sync with their views.

I cannot predict whether the current political season will be the first step in restoring lost confidence in our institutions or the final act in shattering it. I only know that when this year is over—whoever wins control of the White House and the Senate this November—rebuilding trust between the American people and their Government must be a preeminent goal.

The confirmation process is an important component of such a reform agenda, for three reasons: First, it is a highly visible public act. More people watched the Thomas confirmation hearings than any act of American governance ever in our history. As a result, citizens' perceptions of the confirmation process profoundly color their perceptions of their Government as a whole.

Second, the confirmation process is the one place where all three of our branches come together. The President and the Senate decide jointly whether a particular person will become a member of the Court. Thus, the confirmation process asks the question: Can the branches function together as a government? That is a vital question to the American people, Mr. President, and how the confirmation process does much to shape their sense of the answer to that question.

And third, the confirmation process, at its best, is a debate over the most fundamental issues that shape our society, a debate about the nature of our Constitution, in both the literal and symbolic sense. What kind of country are we, Mr. President? What rights do we respect? What powers do we cede to the Government? These are the questions that the confirmation process should force us to ask.

However this process operates, our institutions will endure. But unless this process is repaired, unless all three branches take their responsibilities to it, to each other, and to the American people and take them seriously, the credibility of these institutions will continue to suffer.

To some, this may be of little concern. Indeed, some may be quietly pleased to see the public further lose faith in its Government.

For those who, like I, still believe that the Government can be the agent for social change, that our institutions can be harnessed to make our Nation more just, safe, and prosperous, the growing division between the American people and their Government is a disheartening development.

For unless that fundamental trust is restored, there is no hope that the American people will put confidence in their elected officials to rebuild our economy, to provide for the needs of our children, to deal with the failures of our health care and education systems, and to clean up our environment and our inner cities.

This, at bottom, Mr. President, is what is at stake in reforming the confirmation process. For the crisis of confidence that plagues that process is symptomatic of the crisis of confidence which plagues our Government and institutions at large.

Mr. President, together we must resolve this crisis and restore the bond of trust that has been severed. Nothing we can do in the next 6 weeks, 6 months, or 6 years is more important for the long-term course of our political system and our country.

This is our challenge, Mr. President, and we must act today.

I thank my colleagues for their indulgence and their time.

RESPONSE TO SENATOR BIDEN'S REMARKS ON THE CONFIRMATION PROCESS OF SUPREME COURT NOMINEES

Mr. THURMOND. Mr. President, I rise today to respond to the statement made earlier by the distinguished chairman of the Senate Judiciary Committee, my good friend, Senator BIDEN. Before I begin, however, I would like to thank him for his courtesy in informing me in advance of his plan to make such a statement. As usual, he has worked with me in a spirit of bipartisanship.

At the outset, I want to state that I am unaware of any planned resignation from the Supreme Court of the United States. However, it is not unusual to hear such speculation whenever the Supreme Court nears the end of each term. While I believe commenting upon potential vacancies may give rise to unwarranted speculation, I feel it necessary to respond to the comments of Chairman BIDEN.

Senator BIDEN has urged President Bush, should a vacancy arise, not to nominate any candidate for the Supreme Court until after the November election. Were a nominee named, he stated that he would oppose holding hearings on the nomination and I quote, "no matter how qualified," end of quote. His reason? Senator BIDEN has argued that the nominee would become a victim of a power struggle over control of the Supreme Court. Also, Senator BIDEN fears that because there are issues of paramount importance facing the Court, a nominee at this time would be unwise. Now, Mr. President, unfortunately, we do not have the luxury of coordinating vacancies on the Supreme Court with times when there are mundane and nonjusticiable matters before the Nation. The Senate should not shrink from its responsibility to act on a Supreme Court nominee simply because once confirmed as an Associate Justice there will be tough decisions to make.

Senator BIDEN has stated previously that he will only consider carrying out the Senate's constitutionally required role if the President chooses to compromise with the Senate before naming a nominee.

I believe the Senate should ask itself just what this purported consultation and compromise process really amounts to. Is it supposedly necessary to ensure that the individual nominated is qualified and will be confirmed by the Senate? President Bush has already demonstrated with each of his previous nominations to the High Court, all of whom were qualified and confirmed, that such a consultation is unnecessary. In fact, in the last 10 years, the Senate has confirmed 97 percent of the over 600,000 nominations it has received. Although the chairman has focused his remarks on Supreme Court nominees, I wanted to note that figure for the RECORD. The net result of Senator BIDEN's recommendation would require President Bush, or any President, to seek and obtain the approval of a small but vocal minority of Senators and special interest groups who have failed to defeat his previous nominees. If followed, the chairman's suggestion would turn the current nomination process on its head.

Article II of the Constitution sets out the powers of the President as head of the executive branch. Section 2 of this article grants the President power to nominate persons to fill judicial vacancies and further appoint them following the advice and consent of the Senate. As I read the Constitution, this is a two-step process. The President first nominates an individual to fill a vacancy and then the Senate approves before the official appointment.

I am aware that there have been administrations in the past that sought consultation with Members of Congress and party leaders prior to the actual nomination. That is understandable but clearly not mandated by article II, section II of the Constitution. It is my firm belief that the role of the Senate in the confirmation process is to provide its advice and consent following the President's nomination. However, this does not preclude a President, who is so inclined, from discussing a potential nominee with Members of the Senate.

It is the President, not the majority leader, the minority leader, chairman or ranking member of the Judiciary Committee who has the responsibility for putting forth a Supreme Court nominee. Following the nomination, it is then the responsibility of the Senate to ensure that the individual possesses the necessary qualifications to serve on the highest Court in the land.

It is this process—a process which should not be changed for election year expediency—which has signified the majesty of our system of government and underscores the brilliance of our Founding Fathers.

Mr. President, I also want to point out that the fanfare surrounding the nomination hearings for Associate Justice Thomas was a result of confidential information coming out in the press. It is a far stretch to suggest that it could have been avoided if only President Bush had consulted with the Senate prior to Justice Thomas' nomination.

In closing, Senator BIDEN has stated that it is a practical impossibility to avoid politicizing the conformation process of any Supreme Court nominee. I do not share this fatalistic view. I am pleased to hear my colleague express concern about the politicization and victimization of Supreme Court nominees. Yet, his proposed changes to the hearing process—which I have not had an opportunity to study—do recognize that it is within the power of the Senate to minimize the politicization of the nomination process. Each Senator must make the decision whether to abide by his or her duties under the Constitution, with fidelity thereto, or to give in to the extreme political forces which have brought such disdain upon previous Senate confirmations.

Previously, the chairman also stated that the liberals and conservatives are so self-righteous that each side is prepared to use any means necessary to win confirmation battles. Mr. President, I gather from this statement that the chairman is prepared to take on the role as an arbiter between the two sides. I am not so sure as to how the conservatives will fare under such an arrangement, but I welcome his willingness to ensure fairness at any possible nomination hearing for the Supreme Court.

The PRESIDING OFFICER (Mr. BRYAN). Under the previous order the

Senator from Washington [Mr. ADAMS] is recognized.

Mr. SIMON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SIMON. We have allotted times; is that correct? What is the present order here?

The PRESIDING OFFICER. The Chair informs the Senator from Illinois that, under the previous order, the Senator from Washington [Mr. ADAMS] is recognized for a period of up to 10 minutes; the Senator from Vermont [Mr. LEAHY] recognized for a period up to 10 minutes; the Senator from Arkansas [Mr. PRYOR] recognized for a period up to 20 minutes; the Senator from New Hampshire [Mr. RUDMAN] recognized for up to 35 minutes; the Senator from Wyoming [Mr. SIMPSON] or his designee recognized to speak for up to 10 minutes; and at that point morning business is closed and the Senate will resume consideration of S. 2733.

EXTENSION OF MORNING BUSINESS

Mr. SIMON. Mr. President, I ask unanimous consent that morning business be extended for another 5 minutes and I be given 5 minutes at the end of this period.

The PRESIDING OFFICER. Without objection, it is so ordered.

The RECORD will reflect that the Senator from Illinois will be accorded 5 minutes following the time allocated for the Senator from Wyoming [Mr. SIMPSON] or his designee.

The Senator from Washington [Mr. ADAMS] is recognized.

Mr. ADAMS. Mr. President, I compliment the chairman of the Judiciary Committee for an excellent statement, which I think is very important at this time.

(The remarks of Mr. ADAMS pertaining to the introduction of S. 2895 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. Under the previous order, the Senator from Illinois [Mr. SIMON] is recognized for a period of 5 minutes.

HELP SOMALIA

Mr. SIMON. Mr. President, we pick up the morning Washington Post and see the tragic picture in Bosnia of two fathers whose 10- or 11-year-old sons have been killed. And you see the fathers grieving, and it tears at our hearts, as it should. I was pleased the day before yesterday when Secretary of State Jim Baker came up and said we are going to have to do more on the Bosnia situation. As many as 30,000 or 40,000 people have been killed in that tragic situation

But, Mr. President, the world's greatest humanitarian tragedy right now is unfolding without television lights, without the press attention, and that is in Somalia. The International Red Cross has specifically called it the world's greatest humanitarian tragedy today. The United Nations has assigned Ambassador Mohammed Sahnoun, the former Algerian ambassador to the United States, to Somalia. And last week he reported that as many as 5,000 children under the age of 5 are dying each day in Somalia. He says the situation in Somalia is worse than 1984 to 1986 in Ethiopia, when 1 million people died.

I talked to Ambassador Sahnoun by phone last night. And he says the situation in Somalia has stabilized enough so that ships and planes can now get in. One ship has arrived. The International Red Cross, the International Medical Corps, and CARE are all providing assistance. But it is a small amount compared to the desperate need that is there. The ports of Mogadishu and Kismayo are now open so that shipments can get in, planes can get in, and we have to see that it gets there.

They need roughly 30,000 metric tons of grain on an emergency basis. They need about 3,000 metric tons of children's food, very desperately. Frankly, we also need helicopters to get it out to areas where you do not have highways and areas that are out in the middle of the desert.

Medical supplies are desperately needed. Somalia had 70 hospitals. They are now down to 15 partially functioning facilities there. Where we talk about hospitals we are not talking about hospitals as you and I know them but very primitive situations. The need is desperate.

I am communicating today to Ron Roskens, the head of AID, and Assistant Secretary of State Herman Cohen. I hope the United States will act with a sense of urgency, get food to desperate people—and get the food to them, as well as medical supplies, very, very quickly.

Again, this is not to in any way suggest that we should not be responding to Bosnia and other great tragedies. But the greatest tragedy today, right now, is people who are dying for lack of food. Again I point out, Ambassador Sahnoun says it is a greater tragedy than in Ethiopia from 1984 to 1986, when 1 million people died. He said last week that over 5,000 children a day are dying, children under the age of 5, dying for lack of food.

I hope we do the right thing. I hope we do the generous thing and respond very, very quickly.

Mr. President, if no one else seeks the floor I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PRYOR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Arkansas has 20 minutes.

THE FEDERAL GOVERNMENT: GIVING DRUG COMPANIES A LICENSE TO GOUGE

Mr. PRYOR. Mr. President, each year the Federal Government—through the National Institutes of Health—spends billions of dollars on the research and development of new drugs. Once our Federal Government finds and develops these drugs, it appears that we simply hand it over to the drug manufacturer—essentially giving the patent that provides the industry with a license, to price gouge. The bottom line is that we fail to hold drug companies accountable for the prices they charge us for drugs that were largely developed with Federal tax dollars.

Last week, on ABC news program "PrimeTime Live," the American public heard the story about the cancer drug Levamisol. They heard that this drug is sold to farmers at 6 cents a tablet to use it as a sheep dewormer. Johnson & Johnson charges Americans with cancer 100 times more, $6 per tablet.

While this price gouging is tough enough to swallow, what adds insult to injury is the fact that most of the research on the drug was done at the Federal taxpayers' expense, by the Federal Government, in Federal laboratories through the National Cancer Institute. Yet, the Federal Government, Mr. President, apparently, has given away the patent on this drug with no accountability to the Nation's taxpayers and is allowing the company to charge some $1,500 a year for this drug.

Mr. President, the Levamisol case may only be the tip of the iceberg. There are too many more examples of drugs whose development has been or is being paid for by the Federal taxpayer. Let me, if I might, cite a few more.

Last Monday, the Food and Drug Administration announced that it had approved a third drug to fight AIDS. This drug, Mr. President, is called DDC or Hivid. The manufacturer of this drug, Hoffmann-La Roche, is charging some $1,800 a year for the drug. Here again, it appears that the Federal Government, in particular the National Cancer Institute, had more than a significant role in bringing this drug to the market. Yet, we give it away to a drug manufacturer who price gouges the American public.

Mr, President, DDC is known as an orphan drug. Orphan drugs are medications that are developed to treat a disease that affects less than 200,000 persons in the United States. Those companies who produce these drugs are the recipients of very lucrative tax breaks and grants. They receive these breaks on top of the already generous tax credits that we give them for the production of their nonorphan drugs. In the case of DDC, Mr. President, in addition to providing these generous tax subsidies, it was NIH, the National Institutes of Health, and not a private drug company that found in 1985 that DDC was possibly effective against AIDS infections. In fact, documents that I have obtained from the Food and Drug Administration, Office of Orphan Drugs show that it was the National Cancer Institute, not Hoffmann-La Roche, that first applied for and received orphan drug status for DDC in 1986. Hoffmann-La Roche then enters the picture. It received orphan drug status in June 1988, some 18 months later. It appears that the administration simply let Hoffmann-La Roche take off with the rights to this new drug, not requiring any accountability whatsoever in the price that this company charges.

Mr. President, what is going on here? In addition to being heavily involved in discovering DDC, there is now evidence that our Federal Government has already involved itself in paying for the clinical trials required by FDA. All of these taxpayer-supported trials obviously lower the research costs for the drug manufacturer and also help to bring the product to market quicker. However, I am very sorry to report, but not surprised, that the benefits to the American public in the form of a lower drug price for DDC is certainly much less obvious.

Let us take another example, Foscavir. Foscavir was recently approved by the Food and Drug Administration to treat certain eye infections in AIDS patients. The manufacturer of the drug, Astra Pharmaceutical, priced this drug at $21,000 a year. I repeat, this drug is priced today at $21,000 a year. The company said it needed to charge this price in order to recover its R&D costs.

Mr. President, let us look at what the reports are. Astra says that it cost them over $100 million to research this product. But published reports are that the company's R&D costs were actually only $15 million. Astra said that the Federal Government only contributed 1 to 2 percent of the total cost of R&D.

Secretary Sullivan comes into the picture. He recently wrote to me that the Federal Government spent about $22 million in research on this drug, not the 1 to 2 percent that the company claims. But in the attempt to resolve the issue, I have now asked the General Accounting Office to determine Astra's costs in bringing this drug to the market and the role of the Federal Government in its development.

Finally, Mr. President, there is the well-known case of AZT, the first drug approved to treat AIDS infections. There is overwhelming evidence to suggest that the Federal Government, supported by the Federal taxpayers' research, done in the Federal laboratories, discovered this drug, AZT, and paid for the studies to prove that AZT could be used to treat AIDS.

After having paid for the overwhelming cost of developing AZT, Mr. President, then our Federal Government licensed this drug scot-free to a private pharmaceutical manufacturer, Burroughs Wellcome Company. After $1 billion in sales of AZT and with a patent that extends into the next century, the company still has a monopoly, making it the only company that can sell this drug. This company can charge any amount they so desire. This company is going to continue laughing all the way to the bank, while at the same time gouging AIDS patients across this country who cannot afford to pay for this medication.

Mr. President, AZT costs AIDS patients somewhere between $2,000 and $3,000 a year. DDC costs $2,000 a year. DDC only appears to be effective, however, when it is taken in conjunction with AZT. That means that the AIDS patients are forced to pay anywhere from $4,000 to $5,000 a year for drugs that their own tax dollars helped to discover and develop.

Mr. President, this is not only a disgrace, this is a sham. And, once again, each of these new drugs, dependent upon each other for maximum effect and results, were researched and developed in Federal research institutions. They were paid for by the American taxpayer, and literally handed over to private drug manufacturers, who now are reaping enormous, unjustified profits on those who can least afford to pay for the drugs, and whose lives hang in the balance.

Mr. President, what these four examples tell me is that this administration has allowed the drug companies to price gouge the American public on drugs that were developed primarily with Federal funds. And it may not only be with AIDS or cancer drugs. There are many institutes at the NIH that are doing all kinds of fine research into treatments of heart disease, diabetes, arthritis, glaucoma and other diseases in our society. The American public has a right to know if it has already paid for a drug's research and development. They have a right to know if our award for the annual multibillion dollar investment we make, the taxpayers make, in drug research, is to give away those patents, to give away that monopoly, to give a blank check to these pharmaceutical companies, scot-free.

Mr. President, what is going on here? Investigations that have already begun in this matter suggest that my concerns are well founded.

A March 1992 report of the HHS Office of the Inspector General found that the Federal Government is unable to keep track of the scientific discoveries that Americans pay for with their tax dollars—unable to keep track. Over 60 percent of the technologies that were developed by the Federal Government with American tax dollars have fallen into a scientific black hole. No one knows where they are, where they went, what is happening to them, or what is going to happen to them. The American public may never know whether these discoveries fell into the hands of drug companies who exist for a profit who are now charging skyrocketing prices. But more important in this OIG report is the revelation that the Federal Government did not have adequate procedures to assure that it was receiving its appropriate share of royalty income from patents that it had given away to drug manufacturers.

Mr. President, needless to say, our taxpayers deserve much better accountability than this from this administration. We should require the drug companies that manufacture these drugs to be held accountable to the NIH, to the Food and Drug Administration, to the congressional committees that have jurisdiction over drug patents and drug licenses. At the very least, Mr. President, any licensing or any patent agreement between our country, our Government, and a pharmaceutical manufacturer should require that drug companies submit data which justifies the pricing structure for the prescription drug at issue. Included in this should be a thorough accounting of the sources and the amounts of funds used to research and develop that particular drug.

Mr. President, drug manufacturers should be held accountable for the prices that they charge for all drugs, but particularly for those drugs that they obtain from the Federal Government's own research efforts. Requiring that drug companies be held accountable to the Federal Government for the prices of drugs does not seem to be such a radical requirement. Licenses and patents come from the Federal Government, Mr. President, not from God. As easily as the administration appears to be giving them away to the drug manufacturers, we can as easily take them back if they are abused by drug manufacturers.

Mr. President, in my opinion today the manufacturers are abusing this privilege, they are abusing their patents.

The drug companies tell us over and over again that their exorbitant prices are needed to recover their research and development. In the case of the drugs I have talked about this morning, Mr. President, and perhaps many, many others, it is very difficult, if not impossible, for me to see how they can make this argument with a straight face.

We deserve better. Mr. President, we deserve to know if the administration and this Congress is essentially giving drug manufacturers a license to gouge. I am asking both the General Accounting Office and the inspector general's office to continue and expand their investigations into this very, very disturbing issue. For too long we have given a blank check to the drug companies to ride roughshod over the American public by charging us exorbitant prices for the drugs that we paid for, that we researched with Federal tax dollars. It is time that we either suspend or revoke or modify these licenses and these patents which have been used by the drug manufacturers to gouge the American public.

Mr. President, I understand that we will be going to the legislation before the Senate at 11 a.m. Is that a correct understanding?

The PRESIDING OFFICER. The Chair informs the Senator from Arkansas that the time has been extended by unanimous consent to 11:05.

(The remarks of Mr. PRYOR and Mr. STEVENS pertaining to the introduction of S. 2893 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

ADDITIONAL COSPONSOR TO THE DEFENSE TRANSITION BILL

Mr. PRYOR. Mr. President, I ask unanimous consent that the Senator from Nevada [Mr. REID] be added as an original cosponsor to the defense transition bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

JESSE HELMS AND BORIS YELTSIN

Mr. GRASSLEY. Mr. President, the forthright statements of President Yeltsin on POW/MIA's last week represents the first time that the United States has been promised full cooperation by the former Soviet Union on this sensitive topic.

Indeed, his promise to open the archives of the KGB and other institutions is a degree of openness that we have yet to get from the Government of the United States. If the KGB archives are to be opened, why not the archives and files of the DIA? What is there to be afraid of now?

Of course, the difference is that, with the collapse of the Gorbachev regime, there are no longer any vested interests which would be harmed by any revelations that might come forth. President Bush has promised President Yeltsin full cooperation, but the bureaucrats at DOD do not seem to be getting the message.

Mr. President, it is a shame that our colleague, the distinguished Senator from North Carolina [Mr. HELMS], is still recuperating from his surgery and was not able to attend the Yeltsin address. By all reports, he is doing very well, and it will not be long before he is back among us. We wish him well, and a speedy recovery. But it was Mr. HELMS' leadership, in the face of tremendous resistance from the standpatters in DOD, that got this issue moving again—first by distributing last year the minority staff report entitled "An Examination of U.S. Policy Toward POW/MIA's," which his staff produced with no special funding, and second by directly asking Mr. Yeltsin's help.

Senator HELMS had the insight that Mr. Yeltsin's thinking on Soviet deception was so different from that of Mr. Gorbachev. After Mr. Yeltsin's visit to the Senate last year, and his denunciation of past Soviet deceptions and violations of solemn treaties and conventions, Senator HELMS realized that a page had been turned in history without most people realizing the magnitude of the moral difference in the Yeltsin government.

Last December, as the era of the Soviet Union was drawing to a close, Mr. HELMS circulated a letter to Mr. Yeltsin amongst his colleagues seeking cooperation on the POW/MIA question. As many no doubt recall, 92 Senators signed the letter. Then he sent one of his staff members to Moscow to deliver the letter personally and to explain to Yeltsin and his staff the importance of the issue to the Senate. As I understand it, the staff of Senator HELMS and the staff of President Yeltsin have collaborated in a number of meetings on this topic since then.

Mr. President, these events were recounted last Sunday in the Richmond, VA, Times-Dispatch in an article entitled "Yeltsin's Disclosure Verifies U.S. Cover-Up on POW's." The article was prepared by James P. Lucier, who was minority staff director of the Foreign Relations Committee until January, when he retired after 25 years of service on the Senate staff.

Mr. President, I ask unanimous consent that the article on Senator HELMS' role in this matter be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Richmond Times-Dispatch, June 21, 1992]

YELTSIN'S DISCLOSURE VERIFIES U.S. COVER-UP ON POW'S

(By James P. Lucier)

WASHINGTON.—President Boris Yeltsin stunned the nation last week with his dramatic announcement that U.S. POW's from Korea and Vietnam had been secretly taken to the Soviet Union and put in labor camps—and some might even still be alive.

And President Bush stunned the bureaucracy when he immediately dispatched Ambassador Malcolm Toon along with Yeltsin's chief military adviser to check out the KGB files and the facts. Yeltsin's candor put Mikhail Gorbachev's *glasnost* to shame, and set the tone for the new relationship with the Russian Republic. Bush's enthusiastic embrace of that candor will begin to restore the tattered credibility of the American government.

Ironically, it was the U.S. Senate that got Yeltsin to understand the importance of the POW/MIA issue to the American people in a way that the U.S. bureaucracy was too blind to see. For years, the bureaucracy and a permanent floating group of POW/MIA "experts" who always seemed to turn up in crucial slots had insisted that POW/MIA issues should not be opened up "for the good of the country."

Even with Yeltsin's hopeful statements, the bureaucracy still didn't get it: Administration officials told the press that Yeltsin must have misunderstood the question, or that the interpreters mistranslated what Yeltsin said, or that he was uninformed.

But Yeltsin, just by opening up the KGB files, was doing more than the American government has done. He was dropping a bombshell that would win over the ordinary American.

A little more than two years ago, the top member of the Senate Foreign Relations Committee on the Republican side, Senator Jesse Helms, ordered his committee staff to look into the long-festering issue of the POW/MIAs. The staff interviewed scores of MIA families and friends, went through thousands of declassified documents in the National Archives, and even got a chance to go through hundreds of MIA cases in the Defense Department's classified files.

Not even staff investigators were prepared for what they found. Thinking that the POW/MIA issue was only a problem of the Vietnam War, they found instead a pattern that extended back to the Korean War, World War II, and even World War I.

In every case, they found evidence that American POWs had come into the hands of the Soviet Union; that the U.S. government knew from many reports that they were there; and that for the good of the country—i.e., for some political objective—the U.S. government decided to leave them there.

The official history of the American Expeditionary Force sent to Siberia in 1918–19 states that "hundreds" of American soldiers were missing. The official government position was that there were 20; yet Herbert Hoover reported that he was surprised in 1921 when in return for food, the Bolsheviks repatriated 100 men. Reports of names, dates, and prison locations of Americans continued to come in for years, but the U.S. recognized the Soviet government in 1933 without making any effort to recover the missing.

Formerly classified cables from May, 1945, record the anguished pleas of Ambassador Averell Harriman and General John Deane, the U.S. commander in Moscow, to take retaliatory measures against the Soviets because they were treating U.S. prisoners harshly and refusing to repatriate them. Three secret estimates between May 19 and May 31 of that year showed the Soviets controlling 25,000, 20,000, and 15,597 unaccounted-for U.S. POWs. But on June 1, General Dwight Eisenhower signed a cable stating that "only small numbers remained in Russian hands." This became the public policy as U.S. Chief of Staff George Marshall issued an order at the front to 'censor all stories. Delete criticism [of] Russian treatment.' Furthermore, another official order went out that "no, repeat no, retaliatory action will be taken" against the Soviet refusal to repatriate.

After the Korean War prisoner exchange, UN reconnaissance teams reported that 8,000 men were missing, and General James Van

Fleet said that "a large percentage" were still alive. UN reconnaissance stated that many prisoners had been transferred to Manchuria and the Soviet Union. Eyewitness reports spoke in convincing detail of hundreds of U.S. GIs being transferred from Chinese trains to Russian trains at the border in 1951 and 1952. Yet the U.S. was satisfied with a Soviet statement that such claims were "devoid of any foundation whatsoever."

After the Paris Vietnam peace accords of 1973, U.S. officials expected at least 100 Americans who had crashed in Laos to be returned by the Pathet Lao; but only nine were returned from Laos, and all had been in the custody of North Vietnam. Moreover, other intelligence reports described Soviet interrogation of U.S. POWs in North Vietnam, with the assumption that men with high-level technical backgrounds were taken to the Soviet Union. Henry Kissinger, in his memoirs, speaks of at least 80 U.S. prisoners identified through radio intelligence as alive, but never accounted for.

Senator Helms distributed the staff report a year ago, and it had a profound impact on the thinking of many veterans' groups and on many Senators. One result was the creation of the Senate Select Committee on POW/MIA Affairs with the resources to examine some individual cases. And as the Soviet Union began to come apart, with the democratic election of Yeltsin and the fall of Gorbachev, hope grew that the Soviet Union itself might help in these matters.

Senator Helms circulated a letter to Yeltsin, eventually signed by 92 Senators, requesting his help in clarifying the Soviet role in the POW/MIA question. Last December, a member of the Foreign Relations committee Republican staff hand-carried the letter to Moscow, where Yeltsin immediately understood the significance. The committee staffer, a Soviet expert, was sent to General Dmitri Volkogonov, a distinguished historian who had just completed a sensational biography of Lenin, using the KGB secret archives. Some of the Lenin documents have just gone on exhibit at the Library of Congress.

From these meetings grew a close collaboration, and Volkogonov's search of the KGB archives for POW/MIA material. What he found was the basis for the letter Yeltsin sent to the Senate last week, and for Yeltsin's startling statements in Washington. If even one living American POW/MIA emerges from captivity, Yeltsin—and President Bush—will earn the undying gratitude of the American people.

NAFTA AND THE ENVIRONMENT

Mr. BAUCUS. Mr. President, I rise today to discuss the impact of the North American Free-Trade Agreement upon the environment.

Today in Santa Fe, NM, a potentially historic meeting is taking place. It is a meeting between United States and Mexican Government officials to discuss the North American Free-Trade Agreement and the North American environment.

I hope this meeting is historic for the substantive agreements it produces. But it is certain to be historic for the precedent that it sets. It is the first time that environmental concerns have been more than a footnote in a trade negotiation.

THE BUSH ADMINISTRATION RESPONSE

Several weeks ago, I stood on the Senate floor to criticize the Bush administration for its handling of environmental issues in the NAFTA negotiations.

I argued that the Bush administration had made many promises on trade and the environment, but had done little to fulfill those promises.

Shortly after making that statement, I wrote U.S. Trade Representative Carla Hills and Environmental Protection Agency Administrator William Reilly with a list of concerns regarding their handling of environmental issues in the NAFTA.

To her great credit, Ambassador Hills responded quickly to the concerns I raised. We have met to discuss these matters and she and her staff wrote a comprehensive response which I ask unanimous consent to place in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BAUCUS. In many areas, the administration's response reassures both myself and many others interested in the environment. Though further clarifications are necessary in some areas, the administration has gone a long way toward assuring that the NAFTA dispute settlement procedures will not be used to attack State or Federal environmental regulations. And, though more funds may be necessary, the administration has also worked constructively to address environmental problems in the border area.

LINKING TRADE AND THE ENVIRONMENT

Unfortunately, the administrator's response is not forthcoming on another key issue: ensuring that a pollution haven is not created in Mexico.

Though it is a developing country, Mexico has a fairly comprehensive set of environmental laws on the books. In many areas, Mexican laws are very similar to United States laws.

However, environmental regulations have not always been vigorously and consistently enforced in Mexico. The Salinas administration has made a public commitment to improving enforcement of environmental regulations. But in recent weeks a number of questions have been raised about this commitment.

In light of this lax enforcement, many fear that a free trade agreement could create an incentive for some manufacturing businesses to move to Mexico to avoid United States environmental regulations. This would have the effect of increasing total pollution in North America and greatly increase pollution in Mexico.

In addition, the disparity in enforcement could create severe economic dislocations in the United States because of manufacturing flight to Mexico. Lax enforcement could also provide Mexican businesses with a cost advantage over their American counterparts.

In its review, the administration pointed to progress in Mexico and largely dismissed this problem. But a recent review by the Office of Technology Assessment concluded that lax environmental enforcement could, in fact, be a serious problem. The experience of the furniture manufacturing industry which largely moved from California to Mexico to avoid environmental regulations provides a frightening precedent.

LEVELING THE PLAYING FIELD

I support the NAFTA process and I oppose protectionism. I don't want the environment to be used as a pretext for protectionism.

On the other hand, I also have no sympathy for those who would sacrifice the environment on the altar of free trade.

Free trade need not take place at the cost of the environment. Environmental protection and economic growth can occur hand-in-hand.

But in order to ensure that economic growth take place in an environmentally sensitive fashion, the issue of lax enforcement of environmental regulations must be addressed forthrightly.

Over time, the scope of trade negotiations has steadily expanded to cover tariffs, then quotas, and then product standards. Now, the administration works in trade negotiations to ensure that laws to protect intellectual property and to break up trusts are enforced overseas. It is time to add environmental protection laws to that list.

More uniform environmental protection is in both the competitive interest of the United States and the long term health and safety interest of all Mexicans and all of Americans.

It is my hope, that this week in Santa Fe the United States and Mexico can begin to address this critical issue. In order to have a truly level playing field we must ensure that minimum environmental protection is provided throughout North America.

This issue can be addressed in a number of ways. But if it is ignored the NAFTA is unlikely to win congressional approval.

EXHIBIT 1

RESPONSE BY THE U.S. TRADE REPRESENTATIVE TO "ENVIRONMENTAL CONSIDERATIONS IN THE NAFTA NEGOTIATIONS"

CONSIDERATION I. ENVIRONMENTAL LAWS AND REGULATIONS SHOULD NOT BE TREATED AS TRADE BARRIERS UNDER THE NAFTA

Topic A. Existing U.S. federal and state laws and environmental regulations should be grandfathered and immune from challenge under the NAFTA.

Response: Grandfathering, in our view, is not a secure approach to defending against possible challenges. It implies that some of our existing laws are inconsistent with the agreement, it runs the risk that we would inadvertently omit some laws from grandfathering, and it does nothing to protect the steady stream of new laws and regulations or amendments to existing laws. The better approach is to ensure that the trade rules of the NAFTA are sensitive to environmental concerns and do not call into question the environmental laws of any of the parties or their political subdivisions that are not discriminatory or disguised barriers to trade. In the negotiations, pursuant to the Administration's commitments, we have ensured that U.S. environmental laws and regulations applied in a nondiscriminatory manner can be defended against any challenge.

Topic B. Measures taken to enforce or comply with international environmental agreements should not be subject to challenge under the NAFTA.

Response: The United States is actively negotiating in furtherance of the Administration commitment that the NAFTA will not interfere with our rights under the major trade-regulating international environmental agreements to which we are a party. Similarly, we suggest that the NAFTA should not impair our rights under the Basel Convention (once we ratify it) and existing Basel-compatible agreements on hazardous waste transfers. We are also considering applying the same protections to any other international environmental agreements that the Parties specify.

Topic C. To the extent that efforts are made to harmonize environmental regulations, harmonization should be toward the higher standard. The rights of all parties—including subnational governmental bodies—to promulgate legitimate environmental laws and regulations should not be restricted.

Response: We are committed not to weaken U.S. protection of health, safety, or the environment. Through the NAFTA process and our bilateral environmental relations, we will continue to seek harmonization of regulations and standards toward enhanced levels of environmental and health protection. This process is already under way with Mexico on several major aspects of environmental regulation, such as pesticide registration and application. The NAFTA will make it clear that there is to be no "downward harmonization."

Furthermore, the rights of all parties, including subnational governments, to establish their own environmental goals and set environmental and health protection standards will be explicitly recognized in the text. Standards-related measures and sanitary and phytosanitary measures are, of course, subject to certain basic disciplines: they must have a scientific justification, be transparent in their effect, and non-discriminatory in their application.

Topic D. If any party challenges an environmental measure the challenging party should have the burden of proving that the measure has no legitimate basis, that it constitutes an illegal trade restriction, or that there are alternative, less trade restrictive measures available to achieve the same effect.

Response: Under the NAFTA, as in GATT dispute settlement in general, the rule will be that the party challenging another country's measure has the burden of demonstrating that the measure is inconsistent with that country's trade obligations.

Topic E. Dispute settlement panelists in cases involving alleged environmental measures should have an environmental background. In such proceedings, interested nongovernmental organizations and sub-national governmental bodies should be given the opportunity to comment.

Response: The Administration is seeking provision in NAFTA for the use of technical and scientific experts where the dispute involves factual issues concerning environmental or other scientific matters.

We are also sensitive to the desire for greater opportunity for the public to comment in the dispute resolution process. In recent trade disputes, the Administration actively consulted with NGOs in the formulation and preparation of the U.S. position; our advocacy was enhanced by their contributions.

CONSIDERATION II. A COMMITMENT MUST BE MADE TO ENSURE THAT FUTURE GROWTH, TRADE, AND INVESTMENT TAKE PLACE IN AN ENVIRONMENTALLY SOUND AND SUSTAINABLE MANNER

Topic A. All new manufacturing facilities and operations must comply with high environmental standards.

Response: Subject to certain limited conditions such as nondiscrimination, the NAFTA will leave each country free to take whatever measures it deems necessary to ensure that economic activity is undertaken in a manner consistent with their environmental policies and concerns. Thus, for example, state and federal requirements for environmental assessments for new activities will remain fully applicable, as well the more inclusive assessment requirements under Mexican law.

Topic B. All parties to the NAFTA must commit to provide adequate funds to support environmental protection efforts. These funds may be provided by a special dedicated fund derived from import or investment fees or from a firm commitment of governmental spending.

Response: The NAFTA will not diminish or restrict the ability of governments to fund their environmental protection programs. The amount of funding, however, should properly remain a matter for each government to decide in light of its overall national policies and changes in policy over time. In the long term, it would be counterproductive for the NAFTA to bind countries to specific commitments based on current conditions and concerns.

Topic C. All parties should give priority to environmental protection and clean-up in border areas. Funds must be committed to the task.

Response: Both this Administration and the government of Mexico have made significant financial and programmatic commitments to a variety of environmental improvement projects in the border area. The two governments are cooperating on a wide range of environmental activities, most of them focused on the border area. For example, the Environmental Protection Agency and its Mexican counterpart, recently reorganized as a cabinet-level component of the major new department of social development, SEDESOL, are actively working together on all of the programs described in the *Integrated Environmental Plan for the Mexican-U.S. Border Area*. We will be happy to work with the Congress and other government agencies to identify and budget for continuation and expansion of these efforts, and we have every confidence that the government of Mexico will continue to give a high priority to infrastructure development and environmental enforcement efforts in the border area.

Topic D. Provisions must be taken to enforce the above commitments.

Response: Existing agreements between the U.S. and Mexico and between the U.S. and Canada already commit the respective governments to a broad range of cooperative efforts on border environmental issues. The NAFTA will draw the three countries into a closer partnership addressing the full range of environmental issues affecting North America.

CONSIDERATION III. PROVISIONS SHOULD BE MADE FOR ONGOING REVIEW OF THE ABOVE ENVIRONMENTAL COMMITMENTS AND FOR REVIEW OF THE ENVIRONMENTAL IMPACT OF THE AGREEMENT AND THE RESULTING INCREASED TRADE AND INVESTMENT

The NAFTA should create an advisory body to recommend further environmental protection measures. This advisory body should also review the efforts of all parties to fulfill the environmental commitments made in or relation to the NAFTA.

Response: Recognizing the benefits of environmental assessment, the USTR, in cooperation with other government agencies, undertook a comprehensive *Review of U.S.-Mexico Environmental Issues*. This review has contained specific recommendations that have guided our negotiators and can serve as a benchmark for future evaluations.

The United States has long-standing bilateral environmental relationships with both Canada and Mexico, including bilateral treaties, executive agreements, bilateral institutions, and a network of cooperative relationships with various government agencies.

In coordination with the NAFTA negotiations, the United States has intensified its cooperative efforts with the government of Mexico to enhance environmental protection activities, not only along the border but throughout Mexico.

This cooperation, including collaborative enforcement activities, training programs, and technical assistance, carries out and extends beyond the *Integrated Environmental Plan for the Mexican-U.S. Border Area* of February, 1992.

We welcome a dialogue about how best to implement the environmental provisions of the NAFTA and parallel programs. It is not clear to us that additional institutions are necessary or appropriate to strengthen the existing high level of international cooperation and reporting. We are concerned that a new institution may divert resources from the important substantive work of the national environmental agencies. We are open, nevertheless, to exploring this idea with Mexico and Canada as well as the Congress and interested parties and agencies in the U.S.

SCHOOL PRAYER

Mr. DURENBERGER. Mr. President, I rise to speak just briefly about Lee versus Weisman, the decision of the Supreme Court yesterday with regard to school prayer.

I have had occasion during my service in the Senate to vote on this issue a number of times. I represent a State in which this is an issue of some magnitude. I cannot help but speak out in favor, in particular, of the dissenting opinion of Justice Scalia. I want to raise questions on behalf of my constituents, not only those who are in school, but a lot of other people, about the logic of the majority's opinion.

I read that opinion to say that if you have a member of the clergy who is offering a prayer, you have created a problem; if you have a State official, that is the principal of the school directing the performance of the religious exercise, you have a problem; if you have attendance and participation that appears to be what some might call obligatory, you have a problem.

What if the students in this case had decided that they wanted to have, as students and others have had for 200-some years of our history, a prayer of celebration in conjunction with an act of celebration?

If the students had initiated the prayer, without a cleric or principal, if they would have offered the same prayer that Rabbi Gutterman had offered in this case, I would suspect this would be welcomed as a celebration of the things that are great about America, that we have celebrated at public events and in this body in this Nation throughout its history.

I agree with Solicitor General Kenneth W. Starr who does not interpret the opinion as placing an absolute barrier to prayer at graduation ceremonies. He suggests that prayers initiated by students, without official supervision, might be permissible even under this opinion.

So I rise to respond to those who are going to celebrate this decision as a victory. As Steven Shapiro of the American Civil Liberties Union said, "It's terrific" and "It should end any lingering debate about prayer in school * * *," I am here to say that this decision will not end debate about prayer in the school. In my view, there ought to be the opportunity for prayer.

By the same token, I do not agree with some opponents of the decision like Gary Bauer of the Family Research Council. He is quoted in today's Washington Post as saying "At that rate, one has to wonder why liberal interest groups, bother fighting Republican nominees to the Court. Why not just support them and watch them 'grow'?"

The issue is not whether conservatives have turned liberal. I think some members of the Supreme Court simply do not understand the difference between an established religion and the expressions of spiritual faith. Faith is common not only to all religions, but to all people in this country. People all over the world understand and celebrate that faith.

I hope that the majority will take a close look at the references made by Justice Scalia to longstanding traditions of nonsectarian prayer to God at public celebrations. I agree with Justice Scalia that "It is a bold step for this Court to seek to banish * * * from thousands of * * * celebrations throughout this land, the expression of gratitude to God that a majority of the community wishes to make." I certainly hope that the ill-considered position of the majority in this case is not the last word on this subject.

THE ATTACKS ON THE REPUBLICS OF SLOVENIA AND CROATIA

Mr. DOLE. Mr. President, 1 year ago today, the Republics of Slovenia and Croatia declared their independence. Only hours later, the Yugoslav Army launched an attack on Solvenia.

This attack was the opening salvo in a barbaric war that has raged with increasing intensity for 1 year now—a war waged by Serbian President Slobodan Milosevic against all those who stand in the way of an ethnically pure greater Serbia.

Milosevic is an old-style, Communist dictator, and a virulent nationalist in the mold of a Saddam Hussein, or yes, even an Adolf Hitler. What he wants is not to advance the legitimate interests of the Serbian people—and indeed those people have interests just as legitimate as those of the other groups which made up the former Yugoslavia.

But Milosevic is not about advancing those interests, but advancing his own perverted agenda. That is why the democratic opposition of Serbia is planning another protest this weekend in Belgrade—a protest against Milosevic and his policies of war and repression.

Mr. President, as we look back over events of this past year, we see that even though Slovenia was the first to be attacked by the Serb-controlled Yugoslav Army, Slovenia was the luckiest of the Republics of the former Yugoslavia. Milosevic and his fellow thugs found it too difficult to sustain war in Slovenia, since Slovenia does not share a border with Serbia. Moreover, Slovenia does not have a Serbian minority in whose name Milosevic could claim to act.

Other Republics were far less fortunate. Croatia, next in line, came under more vicious attack. And, after 10 months of war, one-third of Croatia is occupied, 10,000 people, mostly civilians are dead. Dozens of Croatian cities are seriously damaged, including the jewel of the Adriatic, Dubrovnik. Some cities, like Vukovar, are only rubble.

And, for Milosevic, Croatia was just practice. Practice for Bosnia-Hercegovina. Milosevic and his band of criminals were just getting started in Croatia. They took their weapons and Hitler-like tactics to Bosnia.

In Bosnia, in just 11 weeks, over 40,000 people have been killed in the most brutal fashion. Serb forces under Belgrade's direction targeted the people of Bosnia—Muslims, Croats, and Serbs, yes Serbs—and their culture and livelihoods. Over a million Bosnians have been forced from their homes. Thousands are in concentration camps. And tens of thousands face imminent starvation in the capital of Sarajevo, and its suburbs.

Surrounded by Serb forces perched on the hillsides with mortars, howitzers and cannons, Sarajevo has become a valley of death.

Cease-fires come and go, and every day there is news of yet another savage strike against innocent and helpless civilians. Just yesterday, Serb militias gunned down a hospital bus in Sarajevo, killing a doctor and wounding two nurses.

It has been 12 months since Slovenia was attacked. Why didn't we respond to this aggression 12 months ago? Why did we wait so long?

The international community should have blown the whistle on Milosevic months and months ago.

Tragically, the world community response has been too little and late—I just hope we are not too late.

I hope we are not too late for the people of Bosnia. And I hope that we are not too late for the other people of the former Yugoslavia who have not yet fully felt the wrath of the Belgrade war machine. We must consider whether the genocide in Bosnia is just a prelude to mass annihilation of the 2 million Albanians who live in Kosova.

What is absolutely clear is that action must be taken now to end Milosevic's murderous rampage.

I am not suggesting unilateral military action.

Earlier this week, I called on NATO to begin immediately to implement a four point program:

First, to authorize the use of alliance forces, if necessary, to reestablish peace in Bosnia and other threatened areas of the former Yugoslavia, such as Kosova.

Second, organize a standby force with the military assets to accomplish several urgently needed initial tasks:

To close the airspace over Bosnia;

To protect convoys of desperately needed humanitarian supplies;

To plan for airstrikes, if feasible, against Serbian positions in Bosnia, and in Serbia.

Third, consult with the CSCE, the United Nations and other appropriate bodies, to achieve cooperation in using force, if necessary.

Fourth, issue an ultimatum to Milosevic to end his aggression and pull back his forces or face the consequences.

The bottom line is: Milosevic must be stopped, now. And, in my view, only NATO is capable of stopping him.

TODAY'S "BOXSCORE" OF THE NATIONAL DEBT

Mr. CRAIG. Mr. President, Senator HELMS is in North Carolina recuperating following heart surgery, and he has asked me to submit for the RECORD each day the Senate is in session what the Senator calls the "Congressional Irresponsibility Boxscore."

The information is provided to me by the staff of Senator HELMS. The Senator from North Carolina instituted this daily report on February 26.

The Federal debt run up by the U.S. Congress stood at $3,937,817,203,711.42, as of the close of business on Tuesday, June 23, 1992.

On a per capita basis, every man, woman, and child owes $15,330.66—thanks to the big spenders in Congress for the past half century. Paying the interests on this massive debt, averaged out, amounts to $1,127.85 per year for each man, woman, and child in America—or, to look at it another way, for each family of four, the tab—to pay the interest alone—comes to $4,511.40 per year.

SENATORS PRESSLER AND DECONCINI URGING PRESIDENT YELTSIN TO FACILITATE RUSSIAN TROOP WITHDRAWAL

Mr. PRESSLER. Mr. President, because of our mutual concerns about democratic development in Eastern Europe, I wonder if the senior Senator from Arizona would join me in a colloquy?

Mr. DECONCINI. Certainly.

Mr. PRESSLER. In his speech to Congress, Russian President Boris Yeltsin offered a new era of Russian-United States friendship. Mr. Yeltsin was very forthcoming about the kind of open administration he hopes will develop in his country.

I have been concerned that President Yeltsin's personal desire for policy transparency appears to be unpopular with the former Soviet military. I wonder if the Senator from Arizona agrees with this perception.

Mr. DECONCINI. From many of the statements we read by Russian or Commonwealth military commanders, they seem to be hanging on to old military concepts.

Mr. PRESSLER. I appreciate the Senator's comments. In fact, one of the best examples of old thinking exists in the Baltic States where an estimated 120,000 to 130,000 Russian troops still are stationed. These troops are under the full control of the Russian Government. The Baltic governments would like to have them leave as soon as possible.

For example, the Lithuanian people reaffirmed this desire in a referendum on June 14 in which 91 percent of the voters asked for the troops to leave by year's end and to pay compensation. I wonder what the Senator from Arizona thinks these developments mean?

Mr. DECONCINI. I would say to the Senator from South Dakota that some elements of the Russian military seem to miss the Soviet Union. They continue to see the Baltic States as just another part of the old Soviet Union—in fact, the northwest group of forces. The Baltic States have been negotiating with the Russians on troop withdrawal but these negotiations have produced no concrete results.

Mr. PRESSLER. Once again, the Senator from Arizona is correct. I have received disturbing reports that the military continues to hold military maneuvers without the permission of the Baltic governments and bring in additional conscripts to replace those who have rotated out. That certainly disturbs me and I suspect the Senator from Arizona shares this concern.

Mr. DECONCINI. Yes; these troops have been introduced onto Baltic territory against the will of the Baltic governments. In some cases they have ignored entry laws at the border points. In other cases they violate Baltic airspace.

Mr. PRESSLER. Mr. President, I would say to my distinguished colleague from Arizona that the only solution that makes sense is for the troops to leave as quickly and in the most orderly way possible.

Mr. DECONCINI. Once again, Mr. President, the Senator from South Dakota is correct. Yet; many people claim that such a removal is logistically impossible and that there is not enough housing for the officers and their families in Russia itself.

Mr. PRESSLER. Mr. President, I would say to the Senator from Arizona that the Norwegian Government has offered to pay for housing for Russian soldiers departing the Baltic States. There also are several recent precedents for troop removal. For example, 115,000 Soviet troops left Afghanistan in a 9-month period. Additionally, the Russian Government has stated that it has negotiated a timetable with the Azerbaijani Government to remove the 50,000–60,000 soldiers from Azerbaijan. I would ask my colleague from Arizona what he thinks of these facts?

Mr. DECONCINI. I would say to the Senator from South Dakota that, of course, there is really no reason for the troops to remain. We hope that the Russian Government will begin immediately to reduce its overall military strength in the Baltic States through attrition and a conscientiously arranged timetable for withdrawal from the Baltic States. This dangerous situation, not only for the Baltics, but also for Europe, could be removed without great sacrifice, I believe. I would note also that U.S. intelligence officials, such as the head of the FBI Counterintelligence Service, have noted no decrease in KGB and GRU operations in the United States. These operations cost money. As long as they are continuing, the Russian Government should not be pleading poverty on this troop housing issue.

Mr. PRESSLER. The Senator is correct. Ideally what I would like to see is a timetable for troop withdrawal that does not legitimize the presence of foreign troops on Baltic territory or call for some troops to be permanently stationed in these countries. Instead, it is in the interests of a heightened United States-Russian friendship that the Russian military demonstrate good will by expeditiously making withdrawals of some of the more intrusive units, such as the 107th Motorized Rifle Unit based near Vilnius in Lithuania. I do not like to see Russian Army intervention in a foreign country currently housing its troops, as is currently the case with the Russian Army in Moldova. I know the Senator from Arizona agrees with me on this issue.

Mr. DECONCINI. The Senator from South Dakota is certainly correct. That's why the Senator from South Dakota and myself will introduce our amendment to the Freedom Support Act which will require the President to certify that the Russian Government is carrying out significant withdrawal of the troops in the Baltic.

Mr. PRESSLER. Mr. President, the Senator from Arizona and I believe this amendment will advance the cause of Russian democracy by requiring the Yeltsin government to demonstrate its commitment to CSCE and international law.

Mr. DECONCINI. If the Senator from South Dakota would yield further, the CSCE process in Europe has been greatly enhanced by the fall of communism and the rise of democracy in Russia. The removal of Russian troops from the Baltics would be another step in consolidating the CSCE process.

Mr. PRESSLER. I thank the Senator from Arizona for his insights. Certainly our amendment does not ask the impossible, nor would it reduce humanitarian aid or assistance provided under the Nuclear Threat Reduction Act. I thank my distinguished colleague for his assistance and support in these worthwhile efforts.

Mr. DECONCINI. Mr. President, the Senator from South Dakota and I both hope that our colleagues will support and cosponsor this amendment.

Mr. PRESSLER. I thank the Senator for his leadership and comments. Mr. President, I yield the floor.

THE RETIREMENT OF MAYOR NOEL TAYLOR

Mr. WARNER. Mr. President, it is with great respect and admiration that I rise today to recognize a dedicated public servant in my State, Mayor Noel Taylor of Roanoke, who after 22 years of distinguished service will be retiring on June 30 of this year.

Mayor Taylor has been a strong and effective leader throughout his career and his administration will serve as a model for good government in the years ahead. It has indeed been a pleasure to work with this outstanding Virginian and I hope I will continue to have the benefit of his advice.

Ever since I first placed my hand on the Bible here in this very Chamber to assume the oath of office as a U.S. Senator from Virginia, Noel Taylor has been mayor of the city of Roanoke. During that time, there have been numerous occasions in which we have worked closely to address the issues facing our constituents. But never has there been a time when I relied more heavily upon the insight and wisdom of Mayor Taylor than on a recent tour of Virginia's cities which came in the wake of the Los Angeles riots.

At the request of President Bush and Vice President QUAYLE, I initiated a series of meetings in my State to listen to those at the State and local levels to determine what role the Federal Government should play in preventing similar uprisings from happening in the future. This trip was a bipartisan effort that included Governor Wilder, my colleague Senator ROBB, and other Members of the Virginia congressional delegation. We traveled to Richmond, Tidewater, northern Virginia, Roanoke, and Danville and held a series of discussions with the respective local officials.

Leadership is essential when dealing with subjects of this nature and Mayor Taylor brought a wealth of knowledge and a depth of understanding to our discussions that was unparalleled. He spoke openly and thoughtfully about this situation and provided sound recommendations, and for that I am sincerely grateful.

Upon completion of this statewide tour, I wrote to the President to inform him of our findings and outlined various issues that we felt must be addressed in the weeks and months ahead. The success of our mission was dependent upon the contributions of all these Virginia officials involved, but most notably, the capable and seasoned four-term mayor of Roanoke. I consider myself fortunate to have been able to consult with Mayor Taylor on these issues of such national importance before he takes his well-earned retirement from public office in less than two weeks.

Mayor Noel Taylor is a man of honesty and integrity and the leadership that he has provided to the citizens of the Roanoke Valley will be greatly missed. He has earned the respect of those from both ends of the political spectrum with his pragmatic approach to government. Mayor Taylor has worked aggressively to combat the problems facing his community and has fought to improve the quality of life for all its citizens. Throughout his tenure, he has truly been a man of the people, and I salute him.

Mr. President, without objection, I would ask that the text of Mayor Taylor's speech, "Roanoke's Community Concerns: How the State and Federal Government Can Help," which he delivered in Roanoke on May 15, 1992, be included in the RECORD at this time.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY MAYOR NOEL C. TAYLOR, MAY 15, 1992

ROANOKE'S COMMUNITY CONCERNS: HOW THE STATE AND FEDERAL GOVERNMENTS CAN HELP

Good morning. Thank you for allowing us the time to share with you some of what we see as the most pressing concerns facing the City of Roanoke, and the role we see the State and Federal Governments serving in addressing those needs. May I first commend you for coming directly to the local governments for input. For local government is the arm of government that citizens often see as their closest contact, and we hear and see their needs and oftentimes desire to share those at the State and Federal levels. Thank you for giving us that opportunity.

When we talk about the need for changes to occur, I believe there are two ways that can be done. Either by reacting to a crisis, such as the recent events in Los Angeles. Or by a more effective manner of making long term commitments to bringing about positive change.

If there is one measure I hope you will take away from our meeting today, it is the immense need to give hope to our citizens. With the difficult economic times, the increasing number of poor, and the rising cost of housing and health care, many people simply feel that there is no hope for a brighter tomorrow. And it's not just a matter of dedicating funds—although that can be important—but rather its coming up with the tools to help people become self sufficient. Our Government should not be in the position of helping people simply survive, but instead of helping them find a way to help themselves, whether its in terms of a job, a home, child care, medical assistance, or education and training. If we can restore that sense of hope, then the battle is half over.

Also, before going into the specific details, I would like to personally thank Governor Douglas Wilder for his efforts on behalf of local governments in Virginia. The past years have been economically difficult times for the State, and every area has seen cutbacks and reductions. But to the Governor's benefit, he has worked diligently to lessen the impact on local governments and we appreciate his sensitivity to our needs.

The issues we would like to briefly focus on today are health care, jobs, training and education, child care, housing, and law and order. We have compiled a notebook that we hope you will take back with you and read carefully. It highlights some of the successful programs available in the city to address these areas—programs supported by state and federal monies. The notebook can serve as useful background information as to programs that work and could be replicated. And yet, although we have many successes, we still have many needs.

HEALTH CARE

A critical need in the city of Roanoke is directly related to health care for the poor, particularly in regard to children. So often, when we receive federal and state funding, there are very stringent strings attached to how the funding can be used. For example, an aid to dependent children client is eligible to receive Medicaid for his or her children. But when that parent finds a job, and gets off of ADC, often the health care benefits go as well. And if that parent is not covered by a health care policy at work, and a child gets sick, that one episode can send the parent quickly back to depending on government support. We need to find a way to tailor programs for the individuals they serve. The local governments need more flexibility in administering those programs with a focus on helping individuals become self sufficient.

In the city of Roanoke, over the last 10 years, the rate of children in the Roanoke city schools who are at or below the poverty line has grown from 15 percent to over 50 percent. That presents a myriad of challenges for the schools, but it also points out that many of these children are not getting appropriate child health care.

One of the most successful programs I've ever seen to address this need is our comprehensive health investment program, called Chip. It is a coalition of area doctors and dentists, who work hand in hand with public health nurses and case managers to provide one on one medical attention and follow up care to low income children. In the three years since its inception, it has grown to now serve 1,035 children and another 622 remain on the waiting list. This program, supported in part by federal funds, clearly could use additional support to meet the growing demands.

Teen pregnancy is another critical problem in the city of Roanoke. Three of every 20 teenage girls in Roanoke become pregnant each year. That is one of the highest rates in the state. We've tackled the issue with education, a special program targeted at young men, and a coalition of agencies working together to develop a comprehensive approach to dealing with the issue.

And what about the needs of the mentally ill? These individuals have been released from care facilities and left with no system of support or assistance. And central cities like Roanoke become collection points for such individuals. Rather than their care being a state and federal issue, it now often seems to rest solely in the hands of local government.

Which is not to say that we don't work to provide assistance. Last year, local taxpayers provided more than $300,000 of tax money to help support our local mental health services. But its work continues to fail to meet area needs because of declining support from the state and federal governments.

JOBS

Clearly, local governments have a responsibility to be economic development leaders, and the city of Roanoke has addressed this role aggressively. Ninety three percent of the jobs created in this area of the state over the last three years were created in the city of Roanoke. Those jobs are important, and yet can at times be a mixed blessing. For when news of a new or expanding business in Roanoke is heralded by the media, it attracts more people to the city in search of those jobs. And if they don't find employment, those individuals and their families often remain in the city and turn to the local government for help.

We need a national policy that places emphasis on the importance of developing jobs across the country, and greater flexibility for local governments to utilize federal assistance in attracting business to their community.

And as part of that national policy, we need to create incentives for businesses to locate in inner cities by using enterprise zones. In the same sense, we need to reinstate the urban development action grants with the goal of developing minority businesses in areas eligible for community development block grant (CDBG) funding.

But if the goal is to attract companies into central cities in an effort to create jobs, cities will spend exorbitant amount of money and staff time to compete for the limited number of enterprise zones. A cost saving alternative is to allow tax exempt industrial revenue bonds to be issued only in cities previously identified as distressed cities under the old UDAG program. And then allow those bonds to be issued for the full range of commercial activities, not just manufacturing which central cities can often not accommodate.

TRAINING AND EDUCATION

Equally, if not more important than jobs, is the issue of training and education so that individuals are prepared to compete in the job market.

Ten years ago, this area received $11 million dollars per year in federal funds for training and job education for our area citizens. This year it is only $1 million.

If people are to regain hope and self esteem, they must be trained to compete for good jobs. We must help individuals climb out of the cycle of poverty, and education and training is a key factor in that goal. The federal and state governments need to be pro-active and provide additional support in this area in order to help people avoid lifelong dependency on government assistance.

Specifically, we need increased funding for the job training partnership act and need to direct additional dollars to a job corps program for high risk young people.

And in a similar area, we need to continue to work to address the needs within our school system.

When it comes to education, Roanoke does not have the inner-city problems of Detroit or Chicago, but statistics signal a clear warning:

During the past school year, 5,680 of the city's school children—44 percent—received free or reduced lunches or free textbooks because they were poor. More than half of the city's school children live in single-parent homes. As the statistics of poverty have grown, money to pay for teaching the disadvantaged hasn't kept pace. The city gets enough Federal aid to provide special assistance to about one-third of its 5,680 needy students. Because of declining enrollment, the city has lost $2.3 million in state education aid since 1986.

I could share many more troubling statistics, but a key point is that central cities have problems and challenges that are not shared by all other localities. We need funding to specifically address the disadvantaged youth in the community. Programs like our alternative education program where job training partnership funds are used to provide education experiences to middle and high school youth that will help prepare them to enter the labor market. In addition, we need to increase funding for the head start program, in order to given children the early education they need to be able to succeed in school.

At the same time, we want to thank the federal government and the state for its work to foster innovative programs, and programs such as the magnet school grants that have helped Roanoke improve integration and offer its students exciting programs that would not be possible without state and federal support.

CHILD CARE

Earlier in this conversation we talked about the impact on a working parent when a child becomes ill and they have no health insurance. In much the same way, we can not expect for single parents to be able to pay for child care on a minimum wage income. It's simply not possible. And so the solution for some is to stay home and rely on government support, and the truth is that in some cases that may be their only realistic option.

We need more state and federal support for child care. And not just for those near the poverty level, but for many who are at risk of becoming government dependents because they are living so close to the financial edge.

HOUSING

Central cities continue to face the ongoing challenge of not only maintaining current housing stock, but having the resources to provide large scale new housing projects. And in this area, federal and state support are clearly needed. The private market simply will not pick up the ball in these areas because it is not financially advantageous. And so, the condition worsens.

We need to expand the community development block grant program with an emphasis on improving the housing stock and extending eligibility to middle-income residents in order to achieve greater socioeconomic integration in these areas.

In a homeless study undertaken by the city of Roanoke in 1987, we identified hundreds of homeless, as well as nearly a 10th of our population who are at risk of becoming homeless.

The new federally funded home program, is a step in the right direction. And programs to help low to moderate first time homebuyers are useful. But many of these efforts are smaller scale bandaid approaches, as opposed to the major projects that could be done with federal support.

LAW AND ORDER

Clearly the recent events in Los Angeles have focused our attention on the need for law and order, as well as that ongoing focus of a need for hope among the people.

Roanoke has undertaken a new successful community oriented policing program which we call cope. Through this program, police officers work in targeted high crime areas. They forge strong relationships with the residents and work hand in hand to address crime and build an ongoing sense of trust. But clearly its an expensive proposition. This year we had to increase taxes to fund a second cope team. And still we have less than 20 officers involved in the cope program.

In conclusion, in a central city like Roanoke, we believe we face many challenges that suburban governments surely want to avoid. Homelessness, social services, a transportation system, medical facilities, and a responsive government all result in the city being a magnet for those in need. We want to serve those individuals, but clearly state and federal funding need to be redesigned to focus on the severity of the problems, not just the number of individuals counted in the census. We need more flexibility to implement state and federal programs, and need to reinstate a federal revenue sharing program that returns money directly to the localities that can be targeted at the local level to meet each community's specific needs.

In all of the issues we've discussed, we need a national agenda—a federal policy that sets goals and sets the direction for programs at the federal, state and local levels. Localities need to know the long term comprehensive goals and be able to plan for and focus on those areas. We can set our own agenda, but if it doesn't correspond with state and federal goals, and thus state and federal funding, it is nearly impossible to make forward progress.

Central cities have pressing needs, oftentimes far greater than their surrounding jurisdictions, and special attention needs to be focused on central cities like Roanoke. Attention in the form of state and federal assistance—no, not new mandates telling the cities what must be done, and yet offering no means of paying for those needs—but rather a cooperative effort and necessary financial support.

We do have many programs that are working, and are bringing about positive results. Project self sufficiency, our long term homeless shelter called the transitional living center, the magnet school programs in our city schools.

And don't let me forget to mention the federally funded community service block grant program that provides the core funding for community action agencies. In Roanoke, total action against poverty, uses those federal funds as the seed funding from which they seek additional support to fund a wide range of programs from early childhood education through housing and education.

These programs are making a difference, but they simply have not been able to keep up with the rising number of citizens who need assistance.

The focus, we believe, needs to be on hope. On offering more prevention programs and working to stabilize families before they are at the point of despair and devoid of hope.

Thank you for allowing us to share these concerns with you. We take very seriously our commitment to working cooperatively with you and applaud this first step in seeking the input of the local governments. We can't do it alone. But we can work with you to begin to build back that sense of hope.

JIM ELLISOR: A CAREER IN PUBLIC SERVICE

Mr. HOLLINGS. Mr. President, it is fashionable these days to denigrate public servants, so I rise very unfashionably—but proudly and with gratitude—to salute the dedication of Jim Ellisor, the executive director of South Carolina's State Election Commission.

It is said of Jim, who is closing out a 24-year stint as the commission's first and only executive director, that he is retiring but not shy. During his quarter century at the commission, he has been famously blunt and outspoken, yet has still managed that feat of remaining scrupulously nonpartisan in his official duties.

It was under Jim's leadership that South Carolina led the Nation in replacing the old system under which each county's registrar maintained oversized voter-registration books—books that were notorious for maintaining dead people and convicted felons on the active voting roles. In its place, Jim devised a modern system of computerized registration maintained centrally by the State election commission. South Carolina pioneered this system, and it has since been emulated by 15 other States.

Mr. President, Jim Ellisor has headed the commission under five Governors, and before that was an FBI agent and assistant State attorney general. He has always been a model of professionalism and dedication, and his sure hand at the commission will be missed very much. Nonetheless, there is no question in my mind that Jim will find new outlets in the years ahead for public service as well as service to his beloved Lutheran Church. I wish him every success and happiness.

STRATEGIC ARMS REDUCTION TREATY (START)

Mr. WALLOP. Mr. President, as the Senate exercises its constitutional responsibility of providing advice and consent on ratification of the Strategic Arms Reduction Treaty [START] I wish to call the attention of Members and the American people to an exceptionally thoughtful assessment of the treaty and the emerging United States-Russian strategic framework.

Mr. Sven Kramer, one of the Nation's most knowledgeable experts on arms control, defense, and foreign policy, served in the U.S. Government for 25 years, 16 of those on the National Security Council, with 4 Presidents and 10 national security advisers. During the Reagan administration he served from 1981 to 1987 as the NSC staff's Director of Arms Control, with special responsibilities for compliance and verification policies.

Mr. Kramer's assessment is entitled, "A New Start for the Strategic Arms Reduction Treaty—From Treaty Loopholes to Senate Safeguards." The assessment reviews major flaws and loopholes in the 1991 START Treaty signed by Mikhail Gorbachev and President Bush in Moscow nearly a year ago and continuing problems evident in the 1992 joint understanding, signed this June 17 by Presidents Bush and Yeltsin. The latter is, in effect, a new protocol to the July 1991 Treaty and, when it is worked into the final treaty language, it must be considered part and parcel of the START Treaty for which the administration is seeking the Senate's ratification.

I particularly urge my Senate colleagues to review the loopholes and to take most seriously Mr. Kramer's proposed safeguards for a new START and a new strategic framework. Such a new start would be based on secure arms reductions, United States deployment of space-based strategic defenses, and Presidential and congressional certification of full democratic/civilian control of the former Soviet Union's military and intelligence programs, dismantling, and economic institutions.

Mr. President, I ask unanimous consent to include this piece in the RECORD, and encourage all who care about our Nation's security to read it.

There being no objection, the assessment was ordered to be printed in the RECORD, as follows:

A NEW START FOR THE STRATEGIC ARMS REDUCTION TREATY FROM TREATY LOOPHOLES TO SENATE SAFEGUARDS, JUNE 22, 1992

(By Sven F. Kraemer)

(Mr. Kraemer served in the National Security Council with four Presidents and ten National Security Advisors. During the Reagan Administration, he was NSC Director of Arms Control from 1981 to 1987.)

START'S DEADLY GAMBLES

In an America preoccupied by domestic issues and buoyed by the hoopla and hopes of Boris Yeltsin's mid-June summit visit to Washington, the beginning of United States Senate's ratification proceedings on a Strategic Arms Reduction Treaty (START) has drawn far less attention than it deserves.

The Senate is being asked to give its advice, consent or dissent to a START Treaty that was signed by Mikhail Gorbachev and George Bush nearly a year earlier, on July 31, 1991. But as that "stealth" treaty's 280-page text and key provisions are studied by Senators, it will be seen that Surely These Aren't Reduction Terms (START) that are sound or safe. The July 1991 START involves deadly strategic gambles that are obstacles to sound arms control and to America's security.

Few as yet understand START's damaging concessions to the Soviet hardliners—the Gorbachev appointees and colleagues who staged a coup attempt in mid-August 1991 just days after the START treaty was signed and whose dark shadow can still be felt on the START process.

Since July 1991, the world and START have radically changed. Gorbachev and the Soviet Union are gone. A flurry of new strategic arms proposals were presented in Washington and Moscow last September and this January, each affecting START. A new multilateral START "Signature Protocol" was signed in Lisbon on May 23, 1992 with the former USSR's four successor nuclear states (Russia, Belarus, Ukraine, Kazakhstan).

Most recently, a new START "Joint Understanding" was signed by Presidents Yeltsin and Bush on June 17, 1992 at their summit meeting in Washington. This Understanding is, in effect, a protocol to the July 1991 START Treaty. It seeks to close in on a number of loopholes evident in the obsolete Gorbachev-Bush START and it supersedes much of that test. But it is still weeks away from final treaty text form and it retains a number of the old July 1991 START Treaty's fundamental flaws.

NO SENATE RUBBER STAMP

In launching START ratification proceedings on June 23, 1992, Secretary of State Baker urges rapid ratification, without much debate or any modification of the July 1991 START text and without even waiting for the details and actual treaty text still to be worked out for START's "Joint Understanding" protocol.

In assessing Secretary Baker's surprising request, the Senate will no doubt choose to fulfill its constitutional responsibility through a thorough review of the 1991 Treaty text, the Signature Protocol and the Joint Understanding protocol and other related documents and critiques.

EIGHT SENATE SAFEGUARDS FOR A NEW START FRAMEWORK

Requirements of US security and global stability should lead the Senate carefully to examine START's loopholes and to consider a number of strategic safeguards in its START ratification proceedings over the next few months. Some safeguards—involving missile and warhead dismantlement, continuous on-site inspections and space-based strategic defenses—need to apply only to the USSR's successor states of the former Soviet Union, not necessarily to the United States.

Such safeguards need not necessarily apply on a reciprocal basis because, notwithstanding the reformers' personal striving for democracy and partnership, there is not yet institutional political parity between the successor states and the United States. They are not the United Kingdom, Germany or Australia and major gambles are involved for us. They are still some distance from being full democracies and still lack effective internal checks and balances, e.g., over their military and intelligence forces, to guarantee treaty compliance and global stability.

An examination of the key elements of the current START documents and framework suggests that the Senate should assure the following eight START safeguards.

1. Destroy and/or Provide Rapid Deep Storage of the Former U.S.S.R.'s START-reduced Missiles and Warheads

Loophole. A glaring loophole in the July 19901 START treaty is that destruction is required only of "launchers" but not of a single missile or warhead (possibly excepting some mobiles). A further loophole permits the designation of many "retired" mobile missiles—a step expected to exempt hundreds of such missiles from destruction—and thus potentially available for use (e.g. with covert launchers) by aggressive future leaders.

A missile and warhead destruction step is sought by at least two USSR successor states in letters connected to the May 23 "Signature Protocol" to the Treaty submitted by the Administration as part of its START ratification package. In a May 7, 1992 letter on START to President Bush, Ukraine's President Kravchuck invokes Ukraine's national interest so that the "elimination of nuclear weapons . . . be carried out under reliable international control which should guarantee the non-use of nuclear charge components for repeated production of weapons." A similar letter from Belarus's Shushkevich states that "the destruction of nuclear weapons should be carried out under rigorous and effective international control."

At the June 16–17 Yeltsin-Bush summit, the US offered stepped up technical and financial assistance, in addition to the $400 million already allocated from Pentagon funds, for dismantlement. But much of this may be for chemical and tactical nuclear weapons, not strategic weapons, and it appears likely that problems and costs of strategic warhead dismantlement will prove overwhelming.

Safeguard. The Senate should require that the USSR's successors, in undertaking their July 1991 START/1992 Joint Understanding protocol reductions, should rapidly dismantle, or permanently disable (or bury in deep underground sites), all launchers, missiles (including those being designated as "retired"), and warheads on such missiles, with this to be accomplished with US assistance and under continuous on-site US inspection.

2. Close Down All Heavy Missile Launchers Now

Loophole. The United States has no "heavy" missiles—considered highly destabilizing "first strike" systems. But the former Soviet Union had 308 10–14 warhead SS–18 heavy missiles, all deployed with upgraded "Mod-4" and "Mod-5" missiles. Of these, 204 are deployed in launch silos in Russia, 104 in Kazakhstan.

A Reagan "no modernization" ban for heavy missiles would have banned all of the current SS–18s with their upgraded warheads, thus making a proposed 50% cut in the SS–18s numbers a meaningful arms control step. But this US position was dropped by the Bush Administration and the July

1991 START permits Mod-4, Mod-5 and future SS–18 upgrades—twice as lethal as the prior versions, and leaving half that deadly force, with over 1,500 of the world's most lethal warheads even after the year 2000.

The new June 1992 Joint Understanding protocol bans all SS–18s by the year 2000 or 2003. (It mentions missiles, but indicates that all reductions are to be carried out under June 1991 START procedures, which do not require elimination of missiles). At the summit Yeltsin indicated that he would take some SS–18s "off alert," but this means neither dismantlement nor even retirement. SS–18 launchers will be eliminated only very slowly, and very substantial heavy missile capability, which could be used by potentially hostile forces, will be retained over most of the next 7–10 years.

Safeguard. The Senate should eliminate the SS–18 knock-out threat within the next year by requiring the removal of all SS–18 missiles, then using high explosives within all 308 SS–18 silos and filling the craters with concrete—with US defense dollars (e.g., $½ million per silo) within the next 12 months. The missiles and warheads (whether deployed or deactivated or not) should be dismantled/buried under continuous US verification as rapidly as possible.

3. Ban All Mobile Missiles Now

Loophole. The US has no mobile missiles and plans none, its Midgetman and railgarrison MX programs having been canceled. But Russia and Ukraine have deployed over 370—ten-warhead SS–24 rail-mobile missiles and single-warhead road-mobile SS–25 missiles. Because of this asymmetry and because hard-to-find mobiles of whatever range or armament are destabilizing and not effectively verifiable (e.g., Iraq's Scuds, or covert USSR SS–23 and SS–20 intermediate-range nuclear force, INF, missiles) President Reagan's START required a total ban on all strategic mobile missiles, a step comparable to his zero option for the 1987 INF Treaty.

The July 1991 START, in contrast, surrendered the Reagan position and opened a huge loophole by legally permitting 1,100 warheads on deployed mobile missiles and potentially many more on "non-deployed" and "retired" mobile missiles—provisions which are asymmetric and not effectively verifiable.

The June 1992 Joint Understanding retains the 1,100 warhead limit, and while it goes after the multiple-warhead SS–24 mobile missile, it does not come close to closing the loophole. The Understanding permits the SS-24 to be "downloaded" from ten warheads to one, but such downloading is not effectively verifiable. Together with a July 1991 START provision allowing a large number of deployed, non-deployed and "retired" mobile SS–25s, the "download" SS–24s are likely to remain deployed in large numbers.

Safeguard. The Senate should require a total ban, to be implemented within two years, on all mobile missile launchers and their missiles—whether multiple warhead or single warhead, whether deployed or non-deployed and to include those that are "retired." Launcher destruction should begin at once and the missiles and warheads should immediately be stored away from their launchers under US inspection. The US could offer to pay US defense dollars (e.g., $1/3 million each) to cut up all of the missiles and launchers within the two year time period, with warheads to be dismantled or appropriately buried under continuous on-site US inspection.

4. Count all the Missing Bombers

Loopholes. The July 1991 START has a number of bomber loopholes not improved by the June 1992 Joint Understanding. The July 1991 START permits the former USSR 180 "heavy" bombers but permits the US only 150. It has counting rules which cannot be effectively verified for limiting the Air-launched Cruise Missiles (ALCMs) to be carried on such bombers. It gives a free ride to 500 USSR "Backfire" bombers, which the US Government has long officially described as having inter-continental range and which President Reagan wanted to count under START. Soviet steps taking (now Russian- and Ukrainian-based) heavy bombers off alert status have not altered these loopholes.

Safeguards. The Senate should set equal intercontinental/strategic bomber limits to include all Backfires, and should reject all ALCM limits, including present ones, which the President and the US intelligence community cannot certify as effectively verifiable.

5. Don't Limit Sea-Launched Cruise Missiles (SLCMs) Don't Count on "Downloading" of Submarine-Launched Ballistic Missiles (SLBMs)

Loopholes. For SLCMS, US and USSR declarations provided to the Senate with the July 1991 START set a limit of 880 on deployment of nuclear-armed SLCMs exceeding 600 kilometers in range. This limit captures most US systems, but excludes most deployed by the USSR and its successors and it simply cannot be verified effectively. Additionally, such missiles are considered particularly stabilizing and cost-effective deterrent systems and they could prove to be increasingly valuable multi-mission alternatives to other flexible deterrent systems (e.g. the B–2). For such, still persuasive, national security reasons, President Reagan did not agree to SLCM limits in START.—For SLBMS, the June 1992 Joint Understanding "downloads" multiple-warhead SLBMs to a ceiling of 2,160 warheads during START and to 1,750 warheads by the year 2000 or 2003. The US previously strongly opposed such limits, which are not effectively verifiable and which affect our most secure deterrent forces.

Safeguards. SLCMS should be kept out of START since SLCM limits are not verifiable and the systems offer potentially highly cost-effective and stabilizing deterrent and defense capabilities for a range of future contingencies. SLBM strategic stability issues also require caution in implementing any limitations on US SLBMs. SLBM downloading provisions clearly should be kept out of START as they are not effectively verifiable and invite future disputes and cheating.

6. Assuring Full Arms Control Compliance

Loophole. If to be serious about arms control is to be serious about compliance, the proposed 1991 START Treaty and 1992 Joint Understanding are not. The abysmal record of Soviet violations of major arms control treaties has been well documented and President Bush as recently as in an April 9, 1992 report to the US Congress, has cited continuing problems of Russia's violations, including presentation of false data, of the Intermediate Nuclear Force (INF) treaty, the Conventional Forces in Europe (CFE) treaty, the Chemical and Biological Weapons conventions, the Limited Nuclear Test Ban Treaty, the ABM Treaty and other agreements. Provision of false data, covert activities and other violations have continued.

Safeguard. The Senate should insist on a safeguard set forth by President Reagan in a March 1987 report to the Congress, i.e.: "Compliance with past arms control commitments is an essential prerequisite for future arms control agreements. . . . Strict compliance with all provisions of arms control agreements is fundamental, and this Administration will not accept anything less." As a follow-up to Boris Yeltsin's important June 1992 summit statement that lies and deceptions have ended, the Senate should assure, as a condition of START ratification, that President Bush certify the immediate correction of false data for INF, CFE, and START treaties and the correction of all other violation of treaty obligations (excepting the obsolete ABM Treaty).

7. Eliminate START's MAD Poison Pill Against SDI, Put Aside the ABM Treaty, and Accelerate US Deployment of Space-Based Defenses

Loophole. Under Gorbachev and his foreign minister, Eduard Shevardnadze, the July 1991 START signed in Moscow carried forward the Soviet hardliners' poison pill threat against US deployment of advanced missile defense systems under the US Strategic Defense Initiative (SDI). The Soviet position was to tie Soviet compliance with START to US compliance (albeit unilateral) with the Anti-Ballistic Missile (ABM) Treaty of 1972 which bars such advanced defenses.

Yet the ABM Treaty is irretrievably broken and obsolete. It has been broken since 1983 by a Shevardnadze-admitted central Soviet violation (the Krasnoyarsk radar) and is undercut in five other areas of noncompliance as reported by President Bush to the Senate. It is obsolete in its assumptions against cost effective defenses and about the effectiveness of global non-proliferation efforts. And it has obsolete and questionable ethics in relying on the MAD doctrine of nuclear deterrence based on the threat of Mutual Assured Destruction, or mutual nuclear suicide.

The June 1992 summit appeared to make some progress in moving away from this deadly situation. The summit's "Joint US-Russian Statement on a Global Protection System" signed by Presidents Yeltsin and Bush establishes a high-level group to explore potential avenues in developing such a "concept."

But the American people, the world and Boris Yeltsin all need a far more assertive and stronger pro-SDI US position than this against the Soviet hardliners. Instead of setting aside the broken and obsolete treaty, the proposed high-level group—to be headed for the US by a State Department planning official rather than, for example, the knowledgeable head of the Pentagon's Strategic Defense Initiative Organization—will apparently be bound by a commitment to the ABM Treaty and will no doubt be limited in its focus.

The group's "concept" focus is expected to be on ground based systems, warning centers and space-based sensors, not space based interceptors such as SDI's promising "Brilliant Pebbles." Yet only space-based interceptors and US control can effectively assure engagement of missiles going to any direction from any direction (e.g. from submarines, or Third World locations) and are alone able to counter missiles near their launch point or in mid-course rather than raining debris over one's own people close to the missiles' expected point of impact.

Safeguard. In a world marked by unprecedented volatilities in the former Soviet Union, a broken ABM Treaty, continued treaty violations, increasing proliferation problems and the madness of MAD, the Senate should, as part of any START treaty framework, insist on setting aside the ABM Treaty (as the United States in 1986 set aside the broken and obsolete Strategic Arms Limitation Agreements, SALT I and II, of 1972 and 1979) and accelerate a spaced-based US SDI system fully under US control.

There can be no doubt that it is in the supreme national interest of the American people and in the interest of global security and stability that the United States rapidly provides the global insurance safeguard only advanced defenses can provide. To guard against adverse developments, the implementation of US START cuts (particularly in the latter phases), should be tied by the Senate to the pace of US deployment of advanced, space-based interceptors under American control.

8. A New Strategic Bargain and Institutional Change in the Former Soviet Union

Loophole. The Senate is being asked by the Administration for a rapid vote on the July 1991 START without waiting for a critical examination of the June 1992 Joint Understanding and its final treaty text. The Senate is being asked for a quick yes vote without gauging the full implications for our security and armed services. And the Senate is to say "yes" without examining what safeguards are required and what leverage should be exerted against the hardliners who threaten the historic efforts of Yeltsin and his reform team to bring full democracy and substantial demilitarization and new international partnerships to the former Soviet Union.

Yet, the obstacles facing Yeltsin and his political, economic and military reforms are staggering and the outcome in doubt. Adverse developments could readily and fundamentally undercut the present START's assumptions, provisions and procedures. Plausible future developments could include broad treaty violations (even as the US radically cuts back its forces) and could involve the disposition and use of the former USSR's 27–30,000 nuclear weapons, of which some 12,000 are strategic, uniquely able to destroy the United States in a matter of minutes.

SAFEGUARD FOR START AND A NEW GRAND BARGAIN

To safeguard any new START and a safer and more stable new strategic framework and relationship, the Senate should seize the fading historic opportunity for the United States finally to work fully with Yeltsin and his fellow reformers in a truly far-reaching partnership against the Soviet hardliners and for secure arms reductions, strategic defense, full democracy, and economic progress.

In an integrated judgment on START and on the evolution of the future strategic framework and partnership, the Senate should make clear that it will not provide economic assistance funds to the USSR's successors or ratify any agreements including START, or agree to START's future implementation by the United States, unless and until the new leaders commit their governments to a new strategic and political framework—a new US-Successor grand bargain—as follows:

1. A New Start for 1991 START/1992 Joint Understanding, i.e., a truly far-reaching, stabilizing, and verifiable new treaty, with key elements changed and safeguarded as proposed above to include the verifiable, Presidentially certified end of Soviet treaty violations, data deception etc.

2. Set Aside the Broken ABM Treaty and Agree to US Deployment of Advanced Spaced-Based Defenses. Russian agreement should be sought, but whether or not agreement is forthcoming, the United States should quickly proceed to state that for reasons of supreme national security interests and global security and stability, it will set aside the ABM Treaty long ago irretrievably broken and undercut and will accelerate deployment, under its own control, of space-based defenses to include space-based interceptors.

3. Undertaking Fundamental Institutional Changes. Implementation of START, other arms agreements, and economic assistance will be linked to fundamental democratic institutional changes to be certified by the US President and the Congress to include: full civilian parliamentary control and exposure of intelligence and military programs, budgets and activities; dismantling of the bulk of the former Soviet Union's military and military industrial complex; and conversion to private civilian means of production and ownership under a legal system which fosters and protects a full democracy at home and international law abroad.

TRIBUTE TO WEST HAVEN CHIEF OF POLICE JOE HARVEY

Mr. LIEBERMAN. Mr. President, I rise today to honor West Haven Chief of Police Joe Harvey on the occasion of his 80th birthday on July 7. Chief Harvey's exemplary service to the city of West Haven has been greatly appreciated by the residents of that city for 53 years now, and so it is my great pleasure to pay tribute to him here in the Senate.

Chief Harvey began his career with the West Haven Police in 1941, and his diligent performance brought him to the ranks of sergeant, lieutenant, and captain in quick succession. In 1966 Mr. Harvey was promoted to assistant chief, and on May 21, 1969, he was appointed chief of the force, a role he performed with distinction until he retired in 1978.

Chief Harvey's endeavors on behalf of his community extend well beyond his fine professional service. A lifelong resident of the Allingtown section of West Haven, Chief Harvey was president of the West Haven Rotary Club, president of the West Haven Municipal Credit Union for 10 years, a member of the Allingtown Volunteer Fire Department for the pass 56 years, a two-term member of the West Haven City Council, and chairman of the West Haven Development Commission since 1978.

He is the recipient of numerous awards and honors. Just a few of these include the Devoted Service Award of the Knights of Columbus, the American Police Hall of Fame Honor Award, the New York Giants Appreciation Award, and the Washington Pietro Mica Club's Man of the Year Award in 1974.

He has devoted time as an active member of St. Paul's Parish, most notably as chairman of the fundraising committee for a new church. His other volunteer chairs have included the West Haven Cancer Drive in 1973, and the West Haven Easter Seal Drive for the past 5 years.

Chief Harvey has also been an avid sportsman, having played baseball and football for many area teams. He boxed all along the east coast for 3 years, defeating several State champs three weight classes and finally compiling a record of 123 wins and 4 losses.

Mr. President, Chief Harvey's energy and dedication to his community are a model for our young, and indeed, all people. With his enthusiasm and talents he has served West Haven with excellence in both his professional and private endeavors.

As his wife Kathryn, his four children, 14 grandchildren, and 11 great grandchildren gather on July 7 to help Chief Harvey celebrate 80 full and rewarding years, I would like to send him my best wishes on behalf of the Senate. Chief Harvey, we wish you happy birthday.

OREGON LOSES A FAVORITE SON; A TRIBUTE TO AL SCOTT

Mr. HATFIELD. Mr. President, on Sunday, June 14, 1992, one of Oregon's favorite sons was killed in a tragic automobile accident. Alton Anderson Scott, age 58, was born in a sod house near Anselma, NE, in 1934. He was raised and educated in Oregon, and was a well-know high school football coach who served in Enterprise, Burns, and Reedsport, OR.

Al also held coaching positions in Moscow, ID, and Sheridan, WY. After leaving teaching, Al became a highly successful businessman and an international expert in orthotics and prosthetics with headquarters in Denver and Washington, DC.

I was not privilege to know Al Scott, but friends of mine have told me about this truly remarkable person. Jim Wells, who was a colleague of Al's at Reedsport High School, shared some thoughts at Al's funeral service in Silverton, and I would like to share some of those thoughts with the Senate.

Jim said:

> Al Scott was a builder. He relished the challenge of taking a football program that was down, and building a winning tradition. He had the unique ability to energize and motivate others toward that common goal. He made winners out of losers. His formula for success was simple: Work harder than the other team. Be more determined. Go the extra mile. Do the job right.
>
> Football was not all that Al Scott coached. He coached successful living, as well. Football practice often began with guests that Al asked to speak to the team about success in other fields.
>
> Professional people in business, logging, even commercial fishermen were asked to speak to the team about what it takes to be a success in their filed. These guests reinforced the message that Al liked to hammer home: "Champions in all walks of life have to have a dream and then work hard to see it come to reality." This message was not lost on the young men that he coached. Many have gone on to successful careers in every walk of life, and they have talked freely about the influence this man has had upon their lives.

Al had two sons, Kyle and Shane, that have been the joy of his life. His wife, Kay, was his best friend and closest partner in building a wonderful family, successful football teams, and successful businesses. Al had many other "adopted sons" who were encouraged by his interest and who he helped financially in college.

In 1965, Al began a new career in the field of Orthotics and Prosthetics. Scott Orthopedics thrived under his energetic and positive leadership. It wasn't long, however, before Al once again answered the call of teaching and of mentoring kid in need of help.

In January 1984, returned to Scott Orthopedics in Denver. He was soon asked to established the orthotic and prosthetic facility in the newly built National Rehabilitation Hospital in Washington, D.C. With the assistance of Kay, Kyle, and Shane, NASCOTT has flourished and brought new limbs and new hope to many who had given up on life.

The United States Department of State called upon Al to travel to Mexico and the Soviet Union, and to give his expertise and caring attitude to those in need. Invitations to Poland, Hungary, Saudi Arabia, and India, were waiting to be answered.

Al's legacy will live on through his family and the countless lives he touched. A memorial scholarship at Reedsport High School has been established to help others accomplish their dreams.

Mr. President, my sympathies are extended to Al's wonderful family, and to all those who were fortunate enough to come into contact with a man who truly made a positive difference throughout his life.

HON. JOSEPH VERNER REED'S COMMENCEMENT ADDRESS, BUCKNELL UNIVERSITY IN LEWISBURG, PA

Mr. SPECTER. Mr. President, recently the Under Secretary General of the United Nations, Joseph Verner Reed, a distinguished citizen of Pennsylvania, addressed the 1992 graduating class of Bucknell University in Lewisburg, PA.

Ambassador Reed's address is entitled "The United Nations—Working Toward a Better World." His eloquent address is particularly moving because it describes the momentous world events that have taken place during the last 4 years.

Mr. President, I ask unanimous consent that the full text of Ambassador Reed's commencement address be placed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

INTRODUCTION OF AMBASSADOR JOSEPH VERNER REED, COMMENCEMENT, BUCKNELL UNIVERSITY, MAY 31, 1992

The 4 years that coincide with your college career have been among the most extraordinary in the twentieth century. During the period we have seen:

The break-up of the Soviet Union;

The reunification of Germany;

The emergence of numerous states in Eastern Europe;

The Persian Gulf war;

Steps toward overcoming apartheid in South Africa; and

Renewed attempts to negotiate peace in the Middle East.

We are fortunate in having as our commencement speaker a man whose responsibilities have given him a broad perspective on international events, with a particular focus on the developing countries. A graduate of Yale University, Joseph Verner Reed served for 20 years at the World Bank and Chase Manhattan Bank. In 1981, he was appointed Ambassador to Morocco, where he was instrumental in putting into place a number of agreements on economic and military cooperation between Morocco and the United States.

From 1985 to 1987, Ambassador Reed was U.S. Representative to the United Nations. As the official responsible for African issues, he helped negotiate the agreement between African nations and the rest of the international community that emanated from the General Assembly's special session on the critical economic situation in Africa.

Ambassador Reed has been awarded numerous decorations and honors by governments and leaders around the world. The U.S. Department of State conferred upon him a superior honor award for his "tireless and consistently outstanding efforts to advance the cause of United States relations with Africa."

More recently, Ambassador Reed again served at the United Nations, this time as Under-Secretary-General for Political and General Assembly Affairs, the highest ranking American in the secretariat. He has been Chief of Protocol at the White House from 1989 until this year, when he assumed the post of Under-Secretary-General of the United Nations and Special Representative of the Secretary-General for Public Affairs.

It is my pleasure to present to you Ambassador Joseph Verner Reed who will speak on "The United Nations—Working Towards a Better World."

COMMENCEMENT ADDRESS BY AMBASSADOR JOSEPH VERNER REED UNDER-SECRETARY-GENERAL OF THE UNITED NATIONS AT BUCKNELL UNIVERSITY, LEWISBURG, PA, MAY 31, 1992

THE UNITED NATIONS—WORKING TOWARDS A BETTER WORLD

Chairman of the Board of Trustees Idleman, president of Bucknell University Sojka, members of the faculty, class of 1992, parents, families and friends.

We face today a world of almost infinite promise which is also a world of potentially terminal danger. Just as new vistas and horizons are opening before you, demanding mature decisions and wise choices, new opportunities and challenges are also opening for countries and peoples, demanding far-sighted judgements and broad vision. The future of humanity and of our planet could be jeopardized, unless governments and peoples, working together through the commonality of an international organisation, such as the United Nations, make the right choices.

The United Nations cannot—and was not intended to—solve all the problems of the international community, but it is the best place to strive for progress and improvement. The United Nations has worked and is working toward a better world.

After 47 years of existence, we have for the first time in history, a virtually universal world organisation. In 1945 in San Francisco there were 51 states. Today, one hundred and seventy-eight countries, big and small, rich and poor, meet in the great hall of the General Assembly, the Parliament of humanity, to discuss and debate peacefully, if sometimes from widely varying points of view, ways in which to improve the human condition. Many of these countries are former colonies whose independence was achieved through the decolonisation activities of the United Nations. Others are some of the youngest countries in existence, such as the former Republics of the Soviet Union.

The United Nations reflects in a unique way the aspirations, hopes, and frustrations of all these countries. One of its great merits is that all nations—including the weak, the oppressed and the victims of injustice—can get a hearing and have a platform, even in the face of the hard realities of regional and global power politics.

And though these unfortunate realities have led to many conflicts since 1945, their escalation into a global conflict has been avoided. Not only have we escaped a third world war, we have perhaps learned more than we realise about techniques and expedients for avoiding one.

We have achieved considerable economic growth and social progress, in which the developing countries have shared, although not yet in sufficient measure. We are making collective efforts to respond to the new generation of global problems, such as the environment, drugs, terrorism and aids, problems which cannot be effectively dealt with by an single country.

Because of the United Nations, there is now a greater international responsiveness to humanitarian disasters wherever they occur. Because of the United Nations, protection of human rights, despite all the violations that still persist, has become a worldwide concern. Because of the United Nations, more international law affecting virtually all areas of human activity has been codified in the last 47 years than in all the previous years of recorded history.

And, above all, because of the United Nations there is a greater sense of hope and confidence throughout the world, that serious efforts will be made for the maintenance of peace, justice, and the rule of law, despite occasional failures.

Because of the radical change in the international political situation, the United Nations, no longer limited to a peripheral role in the maintenance of international peace and security, has today come much closer to the role intended for it in the charter. Never before have its services been requested with such frequency, not only in its traditional role of peace-making and peace-keeping, but also in a new role, that of giving assistance to democratic institutions in developing countries.

In Cambodia, in Yugoslavia, in Somalia, in Afghanistan, in the Middle East, in El Salvador, in the Western Sahara, or wherever else there is a global trouble-spot, there is a demand for the services of the United Nations—so much so that the demand is soon likely to exceed its capacity in terms of personnel as well as its strained financial resources. The world is shocked by images of brutality—Bosnia, Sudan, Nigeria, Thailand, Ireland—the world looks to the United Nation's for help.

Since 1988 alone, we have set up 13 peacekeeping operations, almost as many as were organised in the previous 43 years. And as conflicts between ethnic groups continue to increase, it is clear that we may have to do even more.

The United Nations of peace-making and peace-keeping is by now fairly well known in the United States, as it is in the rest of the world. But there is a second, often less visible, United Nations, working quietly but persistently to promote, in the words of its charter, "social progress and better standards of life in larger freedom."

This is the United Nations of economic development, of educational programs, of disaster relief and of refugee rehabilitation. This is the United Nations working for health for all, the United Nations working so that no child need die from a curable or preventable disease, the United Nations that promotes the protection of the environment, the United Nations that sets standards for international aviation and shipping, the United Nations that trains forestry experts and social workers, the United Nations that builds roads in developing countries and negotiates the dismantling of trade barriers.

Quietly but persistently the World Health Organization, a specialised agency of the United Nations, is leading the international effort to deal with the AIDS epidemic, just as it led a successful worldwide campaign for the eradication of a now all-but-forgotten disease—smallpox. Among its other important activities are programmes to eradicate polio and to provide primary health care for all by the year 2000.

Quietly but persistently, the United Nations Children's Fund, UNICEF, focuses on child survival and development through immunizing, feeding, housing and improving the health of children. To millions of children across the planet, whose first contact with the outside world is a UNICEF immunisation officer or nurse, the word "UNICEF" has come to symbolize hope for a better and healthier future.

Quietly but persistently, the United Nations Development Programme, provides a vast global network of developmental assistance, to enable countries and peoples to grow and become economically self-reliant. On any given day, over ten thousand experts are deployed by the programme in more than 152 developing countries and territories. In 1990, UNDP undertook, in co-operation with individual developing countries, some 6,100 projects valued at around $7 billion.

Quietly but persistently, the United Nations Population Fund works to assist developing countries with their population problems, tailoring its programmes to the specific needs of each country. Without its pioneering efforts, the dangers of an ever-growing world population would be even greater.

Quietly but persistently, the United Nations International Drug Control Programme provides leadership and coordination in the war against illicit drug use and trafficking.

Quietly but persistently, the Office of the United Nations High Commissioner for Refugees works to protect, help, and rehabilitate millions of refugees all over the world. As more and more people are fleeing their homes and countries to escape both man-made and natural calamities, the demand for its services has been stretched almost to the breaking point.

The United Nations family also has many other branches. Improving the working conditions of workers throughout the world is the main concern of the International Labour Organization. Improving agricultural output and ensuring food security is the job of the Food and Agriculture Organization.

The International Atomic Energy Agency, which regulates the peaceful uses of nuclear energy and monitors compliance with the Nuclear Nonproliferation Treaty, has recently played an important role in on-site inspections of nuclear activities in Iraq and North Korea. It also assists countries in all aspects of nuclear power planning and development for peaceful purposes, from the exploration and mining of uranium resources and the production of nuclear reactor materials, to the safe operation of nuclear power plants and the disposal of nuclear wastes. This was the agency that also did such sterling work in organizing the international effort to assess and alleviate the radiological and health consequences of the nuclear accident at Chernobyl.

Those of us who came to Lewisberg by air have benefitted from the standards and guidelines for safe air travel set up by the International Civil Aviation Organization, while safety at sea and protection of the marine environment are ensured by the International Maritime Organization.

And above all, the United Nations is working to protect our precious environment. In just a few days from now, some one hundred of the world's leaders, including the President of the United States, will meet at the "Earth Summit" in Rio de Janeiro, Brazil, to give a new dimension to measures that will help preserve our planet's fragile environment.

In fact were it not for the strong but almost invisible legal framework set up by the United Nations, it would be difficult to have friendly and stable relations among states. There are about 420 multilateral treaties negotiated under the auspices of the United Nations. Some are hardly household names, such as the Convention on a Code of Conduct for Liner Conferences or the Vienna Convention on Succession of States in Respect of State Property, Archives and Debts. Others such as the International Convention Against the Taking of Hostages or the United Nations Convention on the Law of the Sea are well-known and have worldwide scope and impact.

The complexity of the long and painstaking negotiations that precede many of them does not often capture the headlines. But without them, the orderly conduct of relations between states would be seriously hampered.

We are now living in a far more complex world than the one that existed in 1945 when the United Nations was founded. But its creation, amid the ruins of the most terrible war in human history, was an extraordinary act of vision and faith. We would be betraying that vision and that faith if we do not do all in our power to ensure the continuation of its noble work.

The United Nations needs and deserves the strong political and financial support of all its member-states, particularly its host country—the United States of America. At stake is more than just the possibility of moving progressively away from unilateralism to true collective security, permitting nations to devote more of their scarce resources to meeting urgent domestic needs. At stake is more than improving the living conditions of millions of people in poor countries.

At stake is no less than the peaceful, stable, just and prosperous world, that I am sure you and your children and their children would like to live in. Such a world need not remain a utopia. It can be achieved if all of us cooperate with and invest in the only organization that is capable of ensuring it—the United Nations.

I congratulate you on your graduation and wish you every success in your future lives and careers.

GRAHAM JONES: A SPECIAL DETERMINATION, A SPECIAL COURAGE

Mr. HOLLINGS. Mr. President, each spring, many young men and women graduate from college with high honors and glittering laurels. But, this spring, I cannot imagine any graduate who can match the achievement and distinction of Graham Jones of Hanahan, SC.

Graham Jones graduated from Trident Technical College in South Carolina with a 2.9 average. This sounds rather unremarkable, until you consider that Graham is confined to a wheelchair and still suffers from the catastrophic effects of a 1982 car accident. That accident took a terrible toll on his body. However, it left Graham's mind not just undamaged, but with a very special capacity to dream and aspire and achieve.

This remarkable spirit has carried Graham through Trident Tech, and next year will carry him to Francis Marion College to begin work toward a degree in business management. It also led to his 1987 appointment to the South Carolina Developmental Disabilities Council, a platform he has used to champion innovative programs for the handicapped.

Graham's ambition is to graduate from Francis Marion and to found and operate an independent living center for handicapped people—and there is no doubt in my mind that this remarkable young man will succeed brilliantly.

I know how very proud Nellie and George Jones are of their son. Likewise, I know that their love and tireless labors have contributed enormously to Graham's success.

Mr. President, the Graham Jones story is not about disability, it is about ability. In his quiet, courageous way, Graham has refused to dwell on the negative. He has refused to say "no" or "I can't." Instead, his life is a bold, affirmative "yes." It is wonderful to see a man in a wheelchair who stands so tall.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

FEDERAL HOUSING ENTERPRISES REGULATORY REFORM ACT

The PRESIDING OFFICER. The Senate will now resume consideration of S. 2733, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 2733) to improve the regulation of Government-sponsored enterprises.

The Senate resumed consideration of the bill.

(1) Seymour (for Nickles) Amendment No. 2447, to propose an amendment to the Constitution of the United States to require that

the budget of the United States be in balance unless three-fifths of the whole of each House of Congress shall provide by law for a specific excess of outlays over receipts and to require that any bill to increase revenues must be approved by a majority of the whole number of each House.

(2) Byrd Amendment No. 2448 (to Amendment No. 2447), to require the President to submit by September 2, 1992, a 5-year plan to balance the budget not later than September 30, 1998.

(3) Byrd Amendment No. 2449 (to Amendment No. 2448), in the nature of a substitute.

Mr. LEAHY. Mr. President, at some point, I would like to speak for 4 or 5 minutes on this. I would not want to interrupt the Senator, who has been waiting patiently for his time.

I wonder if there would be a time, either this morning or in the next hour or so, when I might be able to do that without cutting from his time.

Mr. NICKLES. I appreciate that. This Senator has 2 hours. The Senator from West Virginia has been under the UC, and is recognized with no limit on time. I have no idea how long that will be.

We will try to accommodate all those people who wish to support the amendment under the 2-hour restriction, which would be very difficult.

If the Senator wishes to support our amendment, I will be happy to give him a couple of moments.

Mr. LEAHY. Would the Senator be willing to allow me to do this: To ask unanimous consent that I be able to proceed for 4 minutes, without that time coming from the Senator's time, thus moving his time an additional 4 minutes, and without interfering with his time?

Mr. NICKLES. I would not object to that request. The Senator from West Virginia may or may not. But I have no objection.

Mr. LEAHY. I understand. I thank the Senator for his courtesy.

AMENDMENT NO 2449 TO AMENDMENT NO. 2448

The PRESIDING OFFICER (Mr. SHELBY). Under the previous order, the Senator from Oklahoma [Mr. NICKLES] controls 2 hours.

Mr. NICKLES. Mr. President, inquiry: Is the Nickles amendment now pending, as amended by the Byrd amendment?

The PRESIDING OFFICER. The pending question is the Byrd amendment.

Mr. NICKLES. Mr. President, let me be very, very frank and very clear about what we are trying to do today. This is an amendment that I have been working on for a long time. I see my colleague, Senator GRAMM from Texas. I wish to compliment him for his leadership on this issue.

The balanced budget amendment is something many of us have been working on for years, not months. We are not just trying to get this up for consideration before election day, as I have heard some people say. We have been working; we have been pushing and we have been striving, to get votes on a constitutional amendment to balance the budget.

That is what my amendment is all about, my amendment is cosponsored by Senator GRAMM and Senator SEYMOUR, and many other people.

We voted on the balanced budget amendment in the past; we worked on it for years. Actually, we passed it in 1982 by a vote of 69 to 31. It was in August of 1982. We tried again in 1986, March 25. We failed by one vote.

So if anyone ever asks you if every Senator's vote is important, certainly it is. We failed by one vote in 1986. Many of us have been trying every year since then to get a vote on a constitutional amendment to balance the budget.

We had another vote just recently on April 9. We passed, by a vote of 63 to 32, a resolution that I sponsored, cosponsored by many other people, that said the Senate shall adopt a constitutional amendment to balance the budget, and that we should adopt it no later than June 25.

The House concurred with that resolution. Actually, they had a vote in the House, a strong vote in the House, that said they wished to concur with that resolution.

Unfortunately, when the House voted on June 11, 1992, their vote for constitutional amendment failed by 10 votes. The vote was 280 to 153 and it takes 290, or two-thirds. They lacked 10 votes in the House of passing the balanced budget amendment.

Mr. President, as I mentioned before, we tried time and time again since I have been in here to adopt a balanced budget amendment. But frankly, we have not been successful in getting, in this case, the majority leader to allow us to bring it to a straight up-or-down vote.

Senator SIMON and others reported a resolution calling for a constitutional amendment to balance the budget nearly a year ago. We voted on April 9, 63 to 32, in favor of a sense-of-the-Senate resolution that said the Congress shall adopt a constitutional amendment to make us balance the budget.

That was a good vote, but it was not 67.

Mr. President, I will put in the RECORD both the votes in 1982 and 1986 and also the vote we had on April 9, where we had 63 votes in favor of Congress adopting a balanced budget resolution.

I will tell my colleagues that now the procedure in the Senate is that there are going to be substitute amendments. I believe they have already been offered by my friend and colleague, Senator BYRD. Those amendments are to kill this bill, plain and simple; they are to kill a constitutional amendment to balance the budget. I respect the Senator's right to do that. He opposes this amendment. Everybody needs to know that if they vote for his amendments, they are voting to kill the balanced budget amendment. We may have several votes if he is not successful the first time.

I want to tell my colleagues that this amendment, this article, says that "the total outlays for any fiscal year shall not exceed total receipts for that fiscal year," period. We cannot spend any more than we take in. It does not say how much we are going to take in. It says we cannot spend any more than we are taking in. It does allow for a waiver if 60 percent of both bodies wish to deficit spend, and there is also an exception in time of war.

Some people said it doesn't make a difference what we do because the House defeated it; we are wasting our time. They are wrong. The House passed House Resolution 450 that says:

> If a comparable joint resolution has been passed by the Senate, it shall be in order at any time after House consideration of House Joint Resolution 290 for Representative Stenholm, or his designee, to move for immediate consideration of such Senate joint resolution and to move for concurrence in the passage of such Senate joint resolution, with or without amendment, but, if with amendment, such amendment shall strike all after the resolving clause and substitute the text of House Joint Resolution 290.

The text of House Joint Resolution 290 is what we will vote on. This text is identical to the Stenholm-Simon package. That is the amendment we are here for today, the issue we have been working on, and the initiative Senator GRAMM and many of us have been fighting for. We want the opportunity to have an up or down vote on this resolution.

I wish that the majority would allow us just to vote up-or-down on it. I wish we did not have to go through all of the parliamentary procedure roadblocks. But I recognize that is their right, and certainly they are entitled to that right. If they wish to gut it or substitute for it, that is their right. We expected that because we know they are against it. But the fact is our country has some serious problems. We have a Federal debt that is approaching and will cross $4 trillion, $4 trillion is the equivalent of $16,000 for every man, woman, and child in the United States. Trillions have 12 zeros. Most people cannot comprehend such large figures, but they can comprehend per capita costs. This year, we will be exceeding $16,000 per capita. That per capita debt is growing by about $1,400 per year. It is an astronomical growth in debt, and we cannot continue to pass such a debt load on to future generations.

Some people say that the solution is to raise taxes. I point out on this chart that revenues have been going up. The problem is that outlays have been going up much faster.

Mr. President, I will put in the RECORD a significant amount of data showing facts, nothing but facts about the growth of outlays. I will show my colleagues that this fiscal year, the year we are in right now, through the month of May, revenues have actually grown by 1.2 percent, a rather anemic or slow rate of growth; but spending grew by 7.5 percent. The resulting deficit has grown by 32 percent. I will show my colleagues, in this data that I am submitting, the actual revenues and expenditures for all items so my colleagues can look and join me in saying, "Wait a minute. When Congress voted on a balanced budget amendment in 1982, we spent $746 billion. In 1992, we are going to spend $1.45 trillion. That's a 95 percent increase in 10 years."

I will note, too, for my colleagues that revenues have grown from $618 billion in 1982 to estimated revenues this year of $1.83 trillion. So revenues have grown 75 percent over the last 10 years, a healthy rate of growth.

The problem is that spending has grown much, much faster. That is the problem and we need to address that problem. I can tell my colleagues that spending has been exploding. Entitlements have been exploding which I will show by this chart. Some people say, "Well, the problem is the enormous defense outlays of Reagan-Bush." Defense has risen, certainly, through the 1980's, but you can also see that it is peaking now and actually is declining. Those numbers are not inflation-adjusted. Those numbers are in real or nominal terms. Interest outlays have grown, and domestic discretionary spending has been growing, although at a slower rate. But mandatory outlays have been exploding and continue to explode. That's really the crucial problem, if you want to look at the growth in the Federal debt. It's not from defense. It really isn't that much from discretionary spending. It's contributed to somewhat by interest costs. But the root cause is mandatory outlays which Congress refused to address in any of the budget packages in 1990 or before.

So I mention to my colleagues that we need this amendment. The American people need this amendment. The American people want this amendment. And Congress should not refuse to give them this amendment. To pass a constitutional amendment takes a two-thirds vote of both Houses. If we pass this amendment today or tomorrow or maybe next week, or if we pass it on the Fourth of July, I cannot think of a better gift for American independence than to pass a constitutional amendment to balance the budget. If we do, the House will consider it again. My guess is that there will be adequate pressure to reconsider and maybe recast their vote.

I ask unanimous consent to have printed in the Record a statement from me saying that the Senate rules permit the amending of a Senate bill with a text of a proposed constitutional amendment, as presented by a ruling made in 1950.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Mr. Nickles. Mr. President, my amendment proposes to strike the text of S. 2733—an original Senate bill reported without amendment from the Banking Committee—and insert in its place a proposed balanced budget constitutional amendment.

The particular constitutional balanced budget proposal contained in my amendment is the final Stenholm-Simon-Thurmond compromise which the House narrowly defeated on Thursday, June 11. (The vote in the House on final passage was 280 to 153, nine votes shy of the necessary two-thirds.)

Article Five of the Constitution requires that a proposed constitutional amendment be proposed by a two-thirds vote of both the Senate and the House. The Senate has previously taken the position that the Constitution does not require the Congress to use a joint resolution as the legislative vehicle, and the Constitution does not forbid Congress to use a bill. The Constitution requires only that the amendment be proposed by a vote of two-thirds of the Senate and the House.

On this point, I wish to call the attention of the Senate to a statement by the President of the Senate, Alben W. Barkley (the Vice President of the United States), when he was presiding over the Senate on January 25, 1950. The Presiding Officer's statement on that occasion still represents the controlling rule in the Senate. Vice President Barkley said:

"On the question of whether an amendment to the Constitution must be submitted in the form of a joint resolution or in the form of a bill, the only requirement of the Constitution is that the question shall be submitted by a two-thirds vote. It does not require that it be done by joint resolution. It may be done in the form of a bill. Therefore, the Chair holds that, since the amendment offered is a substitute for a joint resolution, in the form of a bill, the point of order is not sustained." 96 Cong. Rec. 872 (Jan. 25, 1950).

The statement of the Presiding Officer which I have just quoted is as relevant today as it was in 1950.

The Vice President of the United States who made that ruling from the Chair had served with great distinction in the Senate for more than 20 years before becoming Harry Truman's Vice President (and he had been the Majority Leader for ten of those 20 years). When Vice President Barkley made his statement from the Chair, he was intimately familiar with the practices and precedents of the Senate.

(Alben Barkley served as the Vice President of the United States until January 1953. In 1954, he was again elected to the Senate. That is the same year that our distinguished colleague, Strom Thurmond, was first elected to the Senate. In April 1956 Senator Barkley suffered a fatal heart attack.)

Today, I urge every Senator who supports a balanced budget amendment to the Constitution to support my amendment to this Senate bill.

Twice within the last few weeks the Senate has voted to take up a balanced budget constitutional amendment:

On April 9, the Senate adopted a Nickles-Byrd Amendment to the Budget Resolution that called on the Senate to "adopt" a balanced budget constitutional amendment "on or before June 5, 1992." That amendment was adopted by roll call vote of 84 to 11.

On May 21, the Senate adopted the Conference Report on the Budget Resolution, a section of which called on the Senate to "act" on a balanced budget amendment by July 2, 1992.

Of course, since the Senate adopted these positions the House has narrowly failed to approved a proposed constitutional amendment. But the failure of the House should not diminish the Senate's resolve. We have twice voted to bring the matter to the floor and we should do so now. The language we have twice adopted said nothing about making our vote contingent on what the House would or wouldn't do.

Mr. President, I urge Senators to vote for my amendment so that the Senate will have the chance to act on a balanced budget constitutional amendment this year.

This is not an exercise in futility. If the Senate passes an amendment, I am hopeful that the House may be persuaded to vote again. We will never know unless the Senate acts.

Mr. NICKLES. Mr. President, I ask unanimous consent that the remainder of these charts and statements also be printed in the Record, in addition to the votes that were cast earlier this year, where 63 of our colleagues voted in favor of the resolution saying we should adopt a balanced budget amendment. I think people should know who voted for that and, hopefully, everybody will vote for it and, hopefully, we will pick up four more votes. I also ask unanimous consent to have printed in the Record the 1982 and 1986 votes as well.

There being no objection, the material was ordered to be printed in the Record, as follows:

HISTORICAL AND PROJECTED BUDGET DATA

[In billions of nominal dollars]

Budget actuals	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Estimate 1992
Individual taxes	90	86	95	103	119	122	132	158	181	218	244	286	298	289	298	335	349	393	401	446	467	468	477
Corporate taxes	33	27	32	36	39	41	41	55	60	66	65	61	49	37	57	61	63	84	94	103	94	98	91
Social insurance taxes	44	47	53	63	75	85	91	107	121	139	158	183	202	209	239	265	284	303	334	359	380	396	416
Other receipts	25	27	28	28	30	32	34	37	38	41	51	70	69	66	72	73	73	74	79	82	91	92	98
Revenues	193	187	207	231	263	279	298	356	400	463	517	599	618	601	667	734	769	854	909	991	1,031	1,054	1,083

HISTORICAL AND PROJECTED BUDGET DATA—Continued

[In billions of nominal dollars]

Budget actuals	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Estimate 1992
Defense	82	79	79	77	81	88	90	98	105	117	135	158	186	210	228	253	274	283	291	304	300	317	313
International	4	4	5	5	6	8	8	8	9	9	13	14	13	14	16	17	18	15	16	17	19	20	20
Domestic	39	44	49	53	56	67	78	92	106	114	129	137	127	130	135	146	148	147	158	169	183	196	215
Total, discretionary	125	127	133	135	143	163	176	197	219	240	277	308	326	354	380	416	439	445	465	490	502	532	548
Social Security	30	35	39	48	55	64	73	84	92	103	117	138	154	169	176	186	197	205	217	230	247	267	285
Medicaid	3	3	5	5	6	7	9	10	11	12	14	17	17	19	20	23	25	27	31	35	41	53	68
Medicare	7	8	8	9	11	14	17	21	24	28	34	41	49	56	61	70	74	80	86	94	107	114	128
Unemployment	3	6	7	5	6	13	19	14	11	10	17	18	22	30	17	16	16	16	14	14	17	25	39
Other	27	31	38	46	50	67	73	78	90	95	110	126	130	139	132	155	148	142	148	154	154	177	190
Total, mandatory	69	83	97	112	127	164	190	207	228	248	292	341	373	412	406	450	460	470	494	527	567	636	710
Offsetting receipts	(12)	(14)	(14)	(18)	(21)	(18)	(20)	(22)	(23)	(26)	(29)	(38)	(36)	(45)	(44)	(47)	(46)	(53)	(57)	(64)	(58)	(108)	(69)
Deposit insurance	(1)	(0)	(1)	(1)	1	1	(1)	(3)	(1)	(2)	(0)	(1)	(2)	(1)	1	2	2	3	10	22	58	66	65
Net interest	14	15	16	17	21	23	27	30	36	43	53	69	85	90	111	130	136	139	152	169	184	196	201
Outlays	196	210	231	246	269	332	372	409	459	504	591	678	746	808	852	946	990	1,004	1,064	1,144	1,252	1,323	1,455
Deficit	(3)	(23)	(23)	(15)	(6)	(53)	(74)	(54)	(59)	(40)	(74)	(79)	(128)	(208)	(185)	(212)	(221)	(150)	(155)	(154)	(221)	(269)	(368)

Source: Congressional Budget Office.

HISTORICAL AND PROJECTED BUDGET DATA

[Annual change in percent]

	1970–71	1971–72	1972–73	1973–74	1974–75	1975–76	1976–77	1977–78	1978–79	1979–80	1980–81	1981–82	1982–83	1983–84	1984–85	1985–86	1986–87	1987–88	1988–89	1989–90	1990–91	1991–92
Individual taxes	−5	10	9	15	3	8	20	15	20	12	17	4	−3	3	12	4	12	2	11	5	0	2
Corporate taxes	−18	20	12	7	5	2	33	9	10	−2	−5	−19	−25	54	8	3	33	12	10	−9	5	−7
Social insurance taxes	7	11	20	19	13	7	17	14	15	14	16	10	4	15	11	7	7	10	8	6	4	5
Other receipts	6	4	2	8	4	9	7	3	9	24	38	0	−5	9	2	0	2	7	4	10	2	7
Revenues	−3	11	11	14	6	7	19	12	16	12	16	3	−3	11	10	5	11	6	9	4	2	3
Defense	−4	0	−3	5	9	3	8	7	12	15	17	18	13	9	11	8	3	3	5	−1	6	−1
International	−5	21	4	29	32	−9	7	6	7	41	6	−5	5	20	7	2	−14	3	6	15	2	3
Domestic	14	11	8	5	20	17	17	15	8	13	6	−7	2	4	8	1	0	8	7	8	7	10
Total	2	5	1	6	14	8	12	11	10	15	11	6	8	7	10	5	1	5	5	2	6	3
Social Security	19	12	22	14	16	14	15	10	11	14	18	12	9	5	6	5	4	6	6	7	8	7
Medicaid	26	35	0	26	17	26	15	8	16	13	20	4	9	6	13	10	10	11	13	19	28	30
Medicare	10	12	7	19	32	20	23	17	16	21	21	19	13	10	14	6	8	7	10	14	6	12
Unemployment	87	16	−27	14	129	45	−23	−24	−10	72	8	22	33	−43	−7	2	−4	−12	2	23	47	55
Other	17	22	21	10	34	9	7	16	6	15	15	3	7	−5	18	−5	−4	4	4	0	15	7
Total	20	17	16	13	29	15	9	11	9	17	17	9	10	−1	11	2	2	5	7	7	12	12
Net interest	3	5	12	24	8	15	12	19	20	23	31	24	6	24	17	5	2	9	11	9	7	2
Outlays	7	10	7	10	23	12	10	12	10	17	15	10	8	5	11	5	1	6	8	9	6	10
Deficit	721	2	−36	−59	772	39	−27	10	−32	84	7	62	62	−11	15	4	−32	4	−1	44	22	37

Source: Congressional Budget Office.

FEDERAL SPENDING CATEGORIES

[In billions of nominal dollars]

Year	Outlays	Growth	Percent growth	Percent of GDP
Mandatory (except Social Security):				
1980	$174.4	....	....	6.4
1981	202.7	$28.3	16.2	6.7
1982	218.8	16.1	7.9	6.9
1983	243.1	24.3	11.1	7.1
1984	230.2	(12.9)	−5.3	6.1
1985	263.6	33.4	14.5	6.5
1986	263.2	(.4)	−.2	6.2
1987	265.1	1.9	.7	5.8
1988	277.4	12.3	4.6	5.7
1989	296.8	19.4	7.0	5.7
1990	320.0	23.2	7.8	5.8
1991	369.2	49.2	15.4	6.5
1992	425.4	56.2	15.2	7.2
International:				
1980	12.8	....	....	.5
1981	13.6	.8	6.2	.4
1982	12.9	(.7)	−5.1	.4
1983	13.6	.7	5.4	.4
1984	16.3	2.7	19.9	.4
1985	17.4	1.1	6.7	.4
1986	17.7	.3	1.7	.4
1987	15.2	(2.5)	−14.1	.3
1988	15.7	.5	3.3	.3
1989	16.6	.9	5.7	.3
1990	19.1	2.5	15.1	.3
1991	19.5	.4	2.1	.3
1992	20.0	.5	2.6	.3
Social Security:				
1980	117.1	....	....	4.3
1981	137.9	20.8	17.8	4.6
1982	153.9	16.0	11.6	4.9
1983	168.5	14.6	9.5	4.9
1984	176.1	7.6	4.5	4.7
1985	186.4	10.3	5.8	4.6
1986	196.5	10.1	5.4	4.6
1987	205.1	8.6	4.4	4.5
1988	216.8	11.7	5.7	4.4
1989	230.4	13.6	6.3	4.4

FEDERAL SPENDING CATEGORIES—Continued

[In billions of nominal dollars]

Year	Outlays	Growth	Percent growth	Percent of GDP
1990	246.5	16.1	7.0	4.5
1991	266.7	20.2	8.2	4.7
1992	284.5	17.8	6.7	4.8
Domestic:				
1980	129.1	....	....	4.8
1981	136.5	7.4	5.7	4.5
1982	127.4	(9.1)	−6.7	4.0
1983	130.0	2.6	2.0	3.8
1984	135.3	5.3	4.1	3.6
1985	145.7	10.4	7.7	3.6
1986	147.5	1.8	1.2	3.5
1987	147.2	(.3)	−.2	3.2
1988	158.4	11.2	7.6	3.2
1989	169.0	10.6	6.7	3.2
1990	182.5	13.5	8.0	3.3
1991	195.7	13.2	7.2	3.4
1992	215.0	19.3	9.9	3.6
Defense:				
1980	134.6	....	....	5.0
1981	158.0	23.4	17.4	5.2
1982	185.9	27.9	17.7	5.9
1983	209.9	24.0	12.9	6.2
1984	228.0	18.1	8.6	6.0
1985	253.1	25.1	11.0	6.3
1986	273.8	20.7	8.2	6.4
1987	282.5	8.7	3.2	6.2
1988	290.9	8.4	3.0	5.9
1989	304.0	13.1	4.5	5.8
1990	300.1	(3.9)	−1.3	5.4
1991	317.0	16.9	5.6	5.6
1992	313.0	(4.0)	−1.3	5.3
Net interest:				
1980	52.5	....	....	1.9
1981	68.8	16.3	31.0	2.3
1982	85.0	16.2	23.5	2.7
1983	89.8	4.8	5.6	2.6
1984	111.1	21.3	23.7	2.9
1985	129.5	18.4	16.6	3.2
1986	136.0	6.5	5.0	3.2
1987	138.7	2.7	2.0	3.1

FEDERAL SPENDING CATEGORIES—Continued

[In billions of nominal dollars]

Year	Outlays	Growth	Percent growth	Percent of GDP
1988	151.8	13.1	9.4	3.1
1989	169.2	17.4	11.5	3.2
1990	183.8	14.6	8.6	3.3
1991	196.3	12.5	6.8	3.4
1992	201.0	4.7	2.4	3.4
Earned income tax credit:				
1980	1.3	....	....	0
1981	1.3	0	0	0
1982	1.2	(.1)	−7.7	0
1983	1.2	0	0	0
1984	1.2	0	0	0
1985	1.1	(.1)	−8.3	0
1986	1.4	.3	27.3	0
1987	1.4	.0	0	0
1988	2.7	1.3	92.9	.1
1989	4.0	1.3	48.1	.1
1990	4.4	.4	10.0	.1
1991	4.9	.5	11.4	.1
1992	7.2	2.3	46.9	.1
Unemployment compensation:				
1980	16.9	....	....	.6
1981	18.3	1.4	8.3	.6
1982	22.3	4.0	21.9	.7
1983	29.7	7.4	33.2	.9
1984	17.0	(12.7)	−42.8	.5
1985	15.8	(1.2)	−7.1	.4
1986	16.1	.3	1.9	.4
1987	15.5	(.6)	−3.7	.3
1988	13.6	(1.9)	−12.3	.3
1989	13.9	.3	2.2	.3
1990	17.5	3.6	25.9	.3
1991	25.1	7.6	43.4	.4
1992	38.9	13.8	55.0	.7
Medicare:				
1980	34.0	....	....	1.3
1981	41.3	7.3	21.5	1.4
1982	49.2	7.9	19.1	1.6
1983	55.5	6.3	12.8	1.6
1984	61.0	5.5	9.9	1.6

FEDERAL SPENDING CATEGORIES—Continued

[In billions of nominal dollars]

Year	Outlays	Growth	Percent growth	Percent of GDP
1985	69.7	8.7	14.3	1.7
1986	74.2	4.5	6.5	1.7
1987	79.9	5.7	7.7	1.8
1988	85.7	5.8	7.3	1.7
1989	94.3	8.6	10.0	1.8
1990	107.4	13.1	13.9	1.9
1991	114.2	6.8	6.3	2.0
1992	128.3	14.1	12.3	2.2
Medicaid:				
1980	14.0	....	....	.5
1981	16.8	2.8	20.0	.6
1982	17.4	.6	3.6	.6
1983	19.0	1.6	9.2	.6
1984	20.1	1.1	5.8	.5
1985	22.7	2.6	12.9	.6
1986	25.0	2.3	10.1	.6
1987	27.4	2.4	9.6	.6
1988	30.5	3.1	11.3	.6
1989	34.6	4.1	13.4	.7
1990	41.1	6.5	18.8	.7
1991	52.5	11.4	27.7	.9
1992	68.4	15.9	30.3	1.2
Food stamps:				
1980	9.1	....	....	.3
1981	11.3	2.2	24.2	.4
1982	11.0	(.3)	−2.7	.3
1983	11.8	.8	7.3	.3
1984	11.6	(.2)	−1.7	.3
1985	11.7	.1	.9	.3
1986	11.6	(.1)	−.9	.3
1987	11.6	0	.0	.3
1988	12.3	.7	6.0	.3
1989	12.8	.5	4.1	.2
1990	15.0	2.2	17.2	.3
1991	18.7	3.7	24.7	.3
1992	22.2	3.5	18.7	.4
Family support (AFDC):				
1980	7.3	....	....	.3
1981	8.2	.9	12.3	.3
1982	8.0	(.2)	−2.4	.3
1983	8.4	.4	5.0	.2
1984	8.9	.5	6.0	.2
1985	9.2	.3	3.4	.2
1986	9.9	.7	7.6	.2
1987	10.5	.6	6.1	.2
1988	10.8	.3	2.9	.2
1989	11.2	.4	3.7	.2
1990	12.2	1.0	8.9	.2
1991	13.5	1.3	10.7	.2
1992	15.1	1.6	11.9	.3
Veterans benefits and services:				
1980	14.0	....	....	.5
1981	15.4	1.4	10.0	.5
1982	15.8	.4	2.6	.5
1983	15.9	.1	.6	.5
1984	16.0	.1	.6	.4
1985	15.9	(.1)	−.6	.4
1986	15.7	(.2)	−1.3	.4
1987	15.7	0	0	.3
1988	17.6	1.9	12.1	.4
1989	17.7	.1	.6	.3
1990	15.9	(1.8)	−10.2	.3
1991	17.3	1.4	8.8	.3
1992	19.5	2.2	12.7	.3
Other mandatory:				
1980	75.0	....	....	2.8
1981	86.1	11.1	14.8	2.8
1982	82.2	(3.9)	−4.5	2.6
1983	82.7	.5	.6	2.4
1984	87.1	4.4	5.3	2.3
1985	99.8	12.7	14.6	2.5
1986	83.5	(16.3)	−16.3	2.0
1987	80.7	(2.8)	−3.4	1.8
1988	92.0	11.3	14.0	1.9
1989	97.7	5.7	6.2	1.9
1990	100.0	2.3	2.4	1.8
1991	112.9	12.9	12.9	2.0
1992	114.4	1.5	1.3	1.9
Farm price supports:				
1980	2.8	....	....	.1
1981	4.0	1.2	42.9	.1
1982	11.7	7.7	192.5	.4
1983	18.9	7.2	61.5	.6
1984	7.3	(11.6)	−61.4	.2
1985	17.7	10.4	142.5	.4
1986	25.8	8.1	45.8	.6
1987	22.4	(3.4)	−13.2	.5
1988	12.2	(10.2)	−45.5	.2
1989	10.6	(1.6)	−13.1	.2
1990	6.5	(4.1)	−38.7	.1
1991	10.1	3.6	55.4	.2
1992	11.4	1.3	12.9	.2
Federal retirement & disability:				
1980	26.6	....	....	1.0
1981	31.2	4.6	17.3	1.0
1982	34.3	3.1	9.9	1.1
1983	36.5	2.2	6.4	1.1
1984	38.0	1.5	4.1	1.0
1985	38.5	.5	1.3	1.0
1986	41.3	2.8	7.3	1.0
1987	43.7	2.4	5.8	1.0
1988	46.8	3.1	7.1	1.0
1989	49.1	2.3	4.9	.9
1990	51.9	2.8	5.7	.9
1991	56.0	4.1	7.9	1.0
1992	58.7	2.7	4.8	1.0

Source: CBO.

MONTHLY TREASURY STATEMENT ANALYSIS

Fiscal year	Receipts	Cumulative	Outlays	Cumulative	Deficit/(surplus)	Cumulative
1991						
October	76,986	76,986	108,350	108,350	31,364	31,364
November	70,507	147,493	118,230	226,580	47,723	79,087
December	101,900	249,393	109,287	335,867	7,387	86,474
January	100,713	350,106	99,062	434,929	(1,650)	84,824
February	67,657	417,763	93,848	528,777	26,191	111,015
March	64,805	482,568	105,978	634,755	41,173	152,188
April	140,380	622,948	110,371	745,126	(30,009)	122,179
May	63,560	686,508	116,926	862,052	53,367	175,546
June	103,389	789,897	105,968	968,020	2,579	178,125
July	78,593	868,490	119,424	1,087,444	40,831	218,956
August	76,426	944,916	120,075	1,207,519	43,649	262,605
September	109,350	....	116,238	....	6,887	....
1991 total	....	1,054,265	....	1,323,757	....	269,492
1992						
October	78,068	78,068	114,660	114,660	36,592	36,592
November	73,194	151,262	117,878	232,538	44,684	81,276
December	103,662	254,924	106,199	338,737	2,537	83,813
January	104,091	359,015	119,742	458,479	15,650	99,463
February	62,056	421,071	111,230	569,709	49,174	148,637
March	72,917	493,988	123,629	693,338	50,712	199,349
April	138,430	632,418	123,821	817,159	(14,609)	184,740
May	62,244	694,663	109,179	926,338	46,935	231,675
June	....	....	....	....	....	....
July	....	....	....	....	....	....
August	....	....	....	....	....	....
September	....	....	....	....	....	....
1991 total	....	....	....	....	....	....
1992[1] (percent)						
October	1.4	1.4	5.8	5.8	16.7	16.7
November	3.8	2.6	−.3	2.6	−6.4	2.8
December	1.7	2.2	−2.8	.9	−65.7	−3.1
January	3.4	2.5	20.9	5.4	1,048.5	17.3
February	−8.3	.8	18.5	7.7	87.8	33.9
March	12.5	2.4	16.7	9.2	23.2	31.0
April	−1.4	1.5	12.2	9.7	−51.3	51.2
May	−2.1	1.2	−6.6	7.5	−12.1	32.0
June	....	....	....	....	....	....
July	....	....	....	....	....	....
August	....	....	....	....	....	....
September	....	....	....	....	....	....
Total	....	....	....	....	....	....

[1] Fiscal year 1992 compared to fiscal year 1991.

SUMMARY OF LARGEST OUTLAY CHANGES

[In million of dollars]

Agency/Account	Fiscal year 1991 October to May	Fiscal year 1992 October to May	Change	Change (percent)
Department of Agriculture:				
Food Stamps	12,902	15,403	$2,501	19.4
Department of Defense—Military:				
Military Personnel	58,292	52,693	(5,599)	−9.6
Operations and Maintenance	67,527	59,824	(7,703)	−11.4
Procurement	54,664	49,539	(5,125)	−9.4
Department of Education:.				
Education for the disadvantaged	3,579	4,513	934	26.1
Health and Human Services:				
Medicaid	32,409	43,085	10,676	32.9
Medicare	75,153	84,470	9,317	12.4
SSI program	11,356	12,459	1,103	9.7
AFDC	8,941	10,319	1,378	15.4
Social Security: Insurance and disability payments	173,525	186,125	12,600	7.3
Department of Labor: State unemployment benefits	17,115	24,906	7,791	45.5
Department of the Treasury:				
Earned income tax credit	4,652	7,451	2,799	60.2
Interest on the public debt	183,286	188,014	4,728	2.6
Independent Agencies:				
Bank insurance fund	104	5,629	5,525	5312.5
Resolution Trust Corporation	19,919	(417)	(20,336)	−102.1

Note.—Interest on the public debt for May 1992 is $23.791 billion, which is 22 percent of the current month's total outlays.

April 9, 1992

[Rollcall Vote No. 72 Leg.]

YEAS—63

Biden, Bond, Boren, Breaux, Brown, Bryan, Burdick, Burns, Chafee, Coats, Cochran, Cohen, Conrad, Craig, D'Amato, Danforth, Daschle, DeConcini, Dole, Domenici, Durenberger, Exon, Ford, Fowler, Garn, Gorton, Graham, Grassley, Harkin, Hatch, Hatfield, Heflin, Helms, Hollings, Kassebaum, Kasten, Kohl, Lott, Lugar, Mack, McCain, McConnell, Murkowski, Nickles, Nunn, Packwood, Pell, Pressler, Reid, Robb, Roth, Rudman, Sanford, Seymour, Shelby, Simon, Simpson, Smith, Specter, Stevens, Symms, Thurmond, Warner.

NAYS—32

Adams, Akaka, Baucus, Bentsen, Bingaman, Bradley, Bumpers, Byrd, Cranston, Dodd, Glenn, Gore, Inouye, Johnston, Kennedy, Kerrey, Kerry, Lautenberg, Leahy, Levin, Lieberman, Metzenbaum, Mikulski, Mitchell, Moynihan, Pryor, Riegle, Rockefeller, Sarbanes, Sasser, Wellstone, Wofford.

NOT VOTING—5

Dixon, Gramm, Jeffords, Wallop, Wirth.

RECORDED VOTE IN THE SENATE (VOTE 2288: 69–31) (DEM: 21–24; REP: 47–7)

S.J. Res. 58 by Thurmond (R–SC)—Constitution of the United States, Amendment—Federal Budget Procedures.

August 4, 1982—in the Senate.

Passed (agreed to) (Vote No. 2288: 69–31) as amended.

(Senate passed a joint resolution, proposed constitutional amendment altering Federal fiscal decisionmaking procedures.)

69 MEMBERS WHO VOTED "YES"

Abdnor (R–SD).
Andrews, Mark (R–ND).
Armstrong (R–CO).
Baker (R–TN).
Bentsen (D–TX).
Boren (D–OK).
Boschwitz (R–MN).
Burdick (D–ND).
Byrd, Harry (I–VA).
Byrd, Robert (D–WV).
Cannon (D–NV).
Chiles (D–FL).
Cochran (R–MS).
D'Amato (R–NY).
Danforth (R–MO).
DeConcini (D–AZ).
Denton (R–AL).
Dixon, Alan (D–IL).
Dole (R–KS).
Domenici (R–NM).
Durenberger (R–MN).
East (R–NC).
Exon (D–NE).
Garn (R–UT).
Goldwater, Barry (R–AZ).
Grassley (R–IA).
Hatch (R–UT).
Hatfield (R–OR).
Hawkins, Paula (R–FL).
Hayakawa (R–CA).
Heflin (D–AL).
Helms (R–NC).
Hollings (D–SC).
Huddleston (D–KY).
Humphrey (R–NH).
Jepsen (R–IA).
Johnston, Bennett (D–LA).
Kasten (R–WI).
Laxalt (R–NV).
Long, Russell (D–LA).
Lugar (R–IN).
Mattingly (R–GA).
McClure (R–ID).
Melcher (D–MT).

Murkowski (R–AK).
Nickles (R–OK).
Nunn (D–GA).
Packwood (R–OR).
Percy (R–IL).
Pressler (R–SD).
Proxmire (D–WI).
Pryor (D–AR).
Quayle (R–IN).
Roth, William (R–DE).
Rudman (R–NH).
Sasser (D–TN).
Schmitt (R–NM).
Simpson (R–WY).
Specter (R–PA).
Stafford (R–VT).
Stennis (D–MS).
Stevens (R–AK).
Symms (R–ID).
Thurmond (R–SC).
Tower (R–TX).
Wallop (R–WY).
Warner (R–VA).
Zorinsky (D–NE).
Brady (R–NJ).

31 MEMBERS WHO VOTED "NO"

Baucus (D–MT).
Biden (D–DE).
Bradley (D–NJ).
Bumpers (D–AR).
Chafee (R–RI).
Cohen (R–ME).
Cranston (D–CA).
Dodd (D–CT).
Eagleton (D–MO).
Ford, Wendell (D–KY).
Glenn (D–OH).
Gorton (R–WA).
Hart (D–CO).
Heinz (R–PA).
Inouye (D–HI).
Jackson (D–WA).
Kassebaum (R–KS).
Kennedy (D–MA).
Leahy (D–VT).
Levin (D–MI).
Mathias (R–MD).
Matsunaga (D–HI).
Metzenbaum (D–OH).
Mitchell, George (D–ME).
Moynihan (D–NY).
Pell (D–RI).
Randolph (D–WV).
Riegle (D–MI).
Sarbanes (D–MD).
Tsongas (D–MA).
Weicker (R–CT)

RECORDED VOTE IN THE SENATE (VOTE 2045: 66–34) (DEM: 23–24; REP: 43–10)

S.J.R. 225 by Thurmond (R–SC)—Constitution of the United States, Amendment—Balanced Budget

March 25, 1986—in the Senate.

Failed of necessary two-thirds majority (Vote No. 2045:66–34).

(Senate rejected S.J. Res. 225, to propose an amendment to the Constitution of the United States relating to a Federal balanced budget.)

66 MEMBERS WHO VOTED "YES"

Abdnor (R–SD).
Andrews, Mark (R–ND).
Armstrong (R–CO).
Bentsen (D–TX).
Bingaman (D–NM).
Boren (D–OK).
Boschwitz (R–MN).
Chiles (D–FL).
Cochran (R–MS).
D'Amato (R–NY).
Danforth (R–MO).
DeConcini (D–AZ).
Denton (R–AL).
Dixon, Alan (D–IL).
Dole (R–KS).
Domenici (R–NM).
Durenberger (R–MN).
East (R–NC).
Exon (D–NE).
Ford, Wendell (D–KY).
Garn (R–UT).
Goldwater, Barry (R–AZ).
Gore (D–TN).
Gramm (R–TX).
Grassley (R–IA).
Harkin (D–IA).
Hatch (R–UT).
Hawkins, Paula (R–FL).
Hecht (R–NV).
Heflin (D–AL).
Helms (R–NC).
Hollings (D–SC).
Humphrey (R–NH).
Johnston, Bennett (D–LA).
Kasten (R–WI).
Laxalt (R–NV).
Long, Russell (D–LA).
Lugar (R–IN).
Mattingly (R–GA).
McClure (R–ID).
McConnell (R–KY).
Melcher (D–MT).
Murkowski (R–AK).
Nickles, Don (R–OK).
Nunn (D–GA).
Packwood (R–OR).
Pell (D–RI).
Pressler (R–SD).
Proxmire (D–WI).
Pryor (D–AR).
Quayle (R–IN).
Roth, William (R–DE).
Rudman (R–NH).
Sasser (D–TN).
Simon (D–IL).
Simpson (R–WY).
Specter (R–PA).
Stennis (D–MS).
Stevens (R–AK).
Symms (R–ID).
Thurmond (R–SC).
Trible (R–VA).
Wallop (R–WY).
Warner (R–VA).
Wilson, Pete (R–CA).
Zorinsky (D–NE).

34 MEMBERS WHO VOTED "NO"

Baucus (D–MT).
Biden (D–DE).
Bradley (D–NJ).
Bumpers (D–AR).
Burdick (D–ND).
Byrd, Robert (D–WV).
Chafee (R–RI).
Cohen (R–ME).
Cranston (D–CA).
Dodd (D–CT).
Eagleton (D–MO).
Evans, Daniel (R–WA).
Glenn (D–OH).
Gorton (R–WA).
Hart (D–CO).
Hatfield (R–OR).
Heinz (R–PA).
Inouye (D–HI).
Kassebaum (R–KS).
Kennedy (D–MA).
Kerry (D–MA).
Lautenberg (D–NJ).
Leahy (D–VT).
Levin, Carl (D–MI).
Mathias (R–MD).
Matsunage (D–HI).
Metzenbaum (D–OH).
Mitchell, George (D–ME).
Moynihan (D–NY).
Riegle (D–MI).
Rockefeller (D–WV).
Sarbanes (D–MD).
Stafford (R–VT).
Weicker (R–CT).

Mr. NICKLES. Mr. President, my colleague and cohort in this effort, Senator GRAMM, has been a real stalwart in pushing and fighting and working for a constitutional amendment to balance the budget, and I yield 10 minutes to Senator GRAMM.

Mr. GRAMM. Mr. President, I thank our dear colleague from Oklahoma for yielding.

This is not the beginning of the debate on the balanced budget amendment. In fact, Thomas Jefferson, who was Minister to France during the writing of the Constitution, when he was first shown the document, had a proposal for one change, and later he recorded that proposal in a letter to John Taylor. I would like to read Jefferson's proposal in beginning this debate.

Jefferson wrote:

> I wish it were possible to obtain a single amendment to our Constitution. I would be willing to depend on that alone for the reduction of the administration of our government to the genuine principles of its Constitution. I mean an additional article taking from the government the power of borrowing.

Mr. President, today we debate not just a balanced budget amendment, but we debate the Jefferson amendment. Mr. President, I would like to make note that we also debate something that has ancient roots, a debate about the future of America and about a potential seed for its destruction.

As my colleagues will remember, after Jefferson and Adams had both served as President, been bitter political enemies and retired from public life, they engaged in a correspondence that has become famous in our history called the Jefferson-Adams debate. Adams argued that American democracy might ultimately fail because the public would come to realize that Government could be used to redistribute wealth. Adams argued when that discovery was made, it would encourage indolence, it would penalize productivity, and the American system might collapse as a result. Jefferson responded by noting that the American people, clever as they were and would be, ultimately would make that discovery, but that in America there would be such broad-based opportunity that people would realize what Government could take away from somebody else today to give them, it could take away from them tomorrow to give someone else. And Jefferson argued that the American people would reject redistributing wealth.

Mr. President, we are today living out the Jefferson-Adams debate. I believe that Jefferson was right, but I believe that the current structure of debate about spending money in Congress tilts the debate toward Adams.

Let me relate some of my experiences that lead me to this conclusion. When I came to the Congress in January 1979, the first substantive issue to be voted on, and the Presiding Officer will remember it because we came to Congress on the same day, was raising the debt ceiling. And I remember the then-majority leader of the House getting up and saying our situation is a situation similar to the situation of a husband whose wife has gone out and run up these bills—no one would speak that way today, but that was 1979—and the bill collector is at the door. What gentleman, he wondered, would not pay his bills?

Having been there only a week or two, without thinking much about it, I stood and said my first words on the floor of the House of Representatives: It is true that any gentleman would pay his wife's bills, but then the family would sit down around the kitchen table, work out a budget, get the credit cards, take a butcher knife and cut up the credit cards and then come to some resolution of the problem. Having given this speech I voted against the debt ceiling, and the debt ceiling failed. Little did I realize at the time that it thrust me into the midst of a debate that I would be involved in my whole congressional career.

In the spring of 1979, being a new freshman Member of Congress with much to learn, I decided for a 3-month period to follow debate in the House over spending money, not final passage of bills that cost billions of dollars where everybody voted for it, but individual amendments. And I concluded over that period that the average add-on spending cost about $70 million. As best I could figure, the average beneficiary got about $2,000. There were 100 million taxpayers, so the average taxpayer paid 70 cents.

You do not need a Ph.D. in economics to understand that a few people will do a lot more to get $2,000 apiece than a lot of people will do to prevent spending 70 cents. Seventy cents even then would not have paid for a long-distance telephone call.

In my first spring in Congress, I concluded that any organized special-interest group which hired a good lobbyist and printed a good-looking letterhead could literally engage in piracy and steal from every working American. I want to repeat that: Any well-organized, small, special-interest group can engage in piracy and steal from every working person in this country by asking Government to provide them with some benefit.

Then, in 1980, when the economy got in trouble, interest rates spiraled, the deficit went up, and I got a final lesson that convinced me of the problem. Looking ahead to the 1980 election, President Carter got a new economic religion and sent a budget to Congress calling for $6 billion of savings. Half of those savings were phony, $3 billion was real and $1 billion had to do with paying the cost-of-living increase to Federal retirees not twice a year, but once a year.

The bottom line was this: When we voted on Carter's proposal, it passed. I voted for it. Then, when a Republican from Maryland offered an amendment to make us vote on this cost-of-living increase, a $1 billion savings as a free-standing vote, only about 70 Members of the House voted for it, and I was one of them.

At the time I was running for reelection and I happened to be doing a poll, I put on the poll two questions. The first one asked, do you even know that there was a vote on a twice-a-year cost-of-living increase for Federal retirees? And two, do you know how Gramm voted, and how does that affect you in terms of whether you are going to vote for him?

Now the sample was small but the impression was indelible on my memory. In my congressional district, not one person who was not a Federal employee or Federal retiree knew it had taken place knew I voted with Jimmy Carter to save $1 billion, and they were all going to vote against me as a result of it. In fact, I discovered that trying to be fiscally responsible is like doing good knowing that when you get to Heaven, St. Peter will open up the book and it will be blank.

In short, we are losing the spending battle because the Lord did not make many zealots. On a day-to-day basis, voting on spending bill after spending bill, while all the special-interest groups look over the Congressman's left shoulder and send letters back home telling whether the Congressman cares about the old, the poor, the sick, the tired, the bicycle rider, the list goes on and on, nobody is looking over the right shoulder saying whether he cares about the future of America, about the people who do the work, pay the taxes and pull the wagon. That is why Adams' vision of America, his fear about its future, is so very real and pressing today.

Let em talk a little about Gramm-Rudman. Why did Gramm-Rudman fail? Well, for 4½ years Gramm-Rudman worked. Under binding constraints the deficit fell. We limited the growth of Government spending under this new law to 0.7 percent in real terms. The economy grew by 3 percent. For 4½ years the government actually got smaller.

Then in 1990, with the recession and the S&L bailout, the deficit ballooned. Congress looked at the challenge implicit in the spending constraints of the Gramm-Rudman law, and said, "What we made, we can unmake." Complying with the law was like pulling a trailer up the hill; when the chain gets too tight, either you let it break or you back off and start again. This is what the budget summit did in 1990. We rewrote the target, building in flexibility to deal with the recession and in the S&L bailout.

What we need is a constitutional amendment that will bind Congress through a contract between the American people and their Government, and that is what we are here to debate today.

What about those who ask why we need a constitutional amendment? Is not the problem courage? Is not the problem lack of leadership? Cannot Congress balance the budget without being told to?

Mr. President, I ask for 5 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. Well, Mr. President, first of all let us look at where we are in answering these questions. The national debt has gone up like a rocket since we voted on the balanced budget amendment back in 1982, when the Senate voted "yes" and the House voted "no." The cumulative debt was less than $1 trillion in 1982. And then, in 1986, at just under $2 trillion of debt, the Senate voted "no." Now in 1992, we are sitting here looking $4 trillion of debt in the face. So the problem is very real and it is clear the job is not getting done.

But why should we put this into the Constitution? The genius of the Constitution is setting out of bounds things that the people have determined that they do not want Congress to do. Let me read you the first words from the Bill of Rights in the Constitution of the United States: "Congress shall make no law respecting the establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or of the right of the people peaceably to assemble, and to petition the Government for redress of grievances."

The genius of the American Constitution is that the American people decided they knew better than Congress about those things. They did not say, "If the majority of the Members of the Congress in their wisdom or lack thereof want to do something." They said, "Congress shall make no law." They set those areas out of bounds.

Well, Mr. President, in this moment of crisis, when the future of our Nation is at stake, we need to put deficit spending out of bounds. We need a contract between the Government and the people that binds Congress with a chain that we cannot break.

Now, I know there are many people here who oppose the balanced budget amendment to the Constitution, and they will speak with great eloquence and persuasiveness. But when you listen to what they are saying, it boils down to this: "The status quo is great. We love Congress just as it is. We prefer to keep the powers we have to spend money we don't have on programs the public would never willingly pay for. We like it just like it is. The status quo is wonderful. Don't change it."

Well, Mr. President, if you like the status quo in the American Congress, if you like $4 trillion in debt, if you want to keep things just as they are, vote against the balanced budget amendment to the Constitution. But if you want things changed, vote for it. The status quo is a losing proposition for America.

Finally, let me say to those who are unhappy about the way the amendment was brought up for a vote, it was the only choice we had to have a vote on it in this Congress. Somebody had to do it. Somebody had to stand up and say, we are going to have this vote.

Now I know we are going to have seven pending amendments, all of them trying to kill this balanced budget amendment. But ultimately, we are going to have a vote, and ultimately we are going to have to decide.

This issue is not dead. Twelve Members of the House who cosponsored the very amendment that we are offering here, who put out letters at the taxpayers' expense saying they were for it and who took great pride in it back home, when the Democratic leadership grabbed their arms and started twisting, they voted against the amendment that they had cosponsored. It failed by only 9 votes. If everybody who cosponsored it had voted for it, it would have passed. If we adopt this amendment, an extraordinary House rule assures that it will be put to a second historic vote in the House. And with the public scrutiny that will occur on that vote, there is no doubt that the House of Representatives will adopt the balanced budget amendment to the Constitution.

So we may not make history here today, or this week, or July 4, or whenever we vote. We may decide not to do it. But if we fail, it will not be for lack of opportunity. If we adopt this amendment in the U.S. Senate, it will become enshrined in the Constitution and will change America forever.

So I ask my colleagues, set aside partisanship, look at what is good for America, look at our ability to affect this country for its entire future, and in doing so to affect the well-being of all freedom-loving people in the world, and please vote for this amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President I wish to compliment my friend and colleague, Senator GRAMM from Texas, for his eloquent statement, and also for his strong leadership on this issue. I also wish to compliment the cosponsors of this amendment.

And I ask unanimous consent to add Senator COATS as a cosponsor as well.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. I wish to compliment my colleague, Senator SEYMOUR, because he has been steadfast in saying we have to have a vote on it. He has worked very diligently to make this happen.

How much time does the Senator request?

Mr. SEYMOUR. Fifteen minutes.

Mr. NICKLES. Mr. President, I yield 15 minutes to the Senator from California.

The PRESIDING OFFICER. The Senator from California.

Mr. SEYMOUR. Mr. President, my congratulations and commendation goes to Senator NICKLES for his courageous leadership in ensuring that we have this opportunity to debate and hopefully vote on this most important measure. I also acknowledge the leadership of Senator GRAMM of Texas who, when many would rather sweep this issue under the rug and ignore it, stood tall and demanded, along with Senator NICKLES, myself, and others, that this issue be brought up in the Senate.

Why is it, Mr. President, that we do not want to debate this issue here in the Senate? Why is it we do not want to vote on a balanced budget constitutional amendment here in the Senate? Why is it we wish it would just go away?

We have heard all kinds of reasons this last week; these last 8 days we have been trying our best just to bring this issue up for debate.

The truth of the matter is, Mr. President, there is a common thread in the reasons given. If you look underneath the thin facade of those that say, "Well, it is a dead issue for this year," or "It is really not going to do anything," underneath what is really going on here is that the U.S. Senate has wanted to act like an ostrich and put its head in the sand and ignore this most important issue.

Some have suggested that the debate on this issue is at the expense of other important issues that we have to address. Mr. President, I suggest this is the most important issue at this moment. There is none other as important.

My wife Judy and I have six children. The oldest is now 30 years old and married. Both he and his bride are struggling to start their careers, make house payments in San Diego. I look back over the life of our oldest son and I realize that in his 30 years, Mr. President, Congress has balanced the budget once, only once, in 30 years.

That is why I say we are acting here in the U.S. Senate and in the House of Representatives, as an ostrich with its head in the sand. Ignore it. It will go away. It will somehow take care of itself. Well, the fact is that this problem will not go away when only once in 30 years, in the year 1969, Congress saw fit to balance the budget.

Now there are all kinds of reasons and criticisms about a balanced budget amendment. The argument has been made, or will be made, that the balanced budget constitutional amendment is not a silver bullet and Federal deficits will not magically disappear. And the argument will be made, to achieve a balanced budget by 1997, Congress and the President are going to have to take drastic actions, slashing Government spending and increasing taxes.

Well, I will tell you here is one Senator that is not going to vote to increase taxes to balance this budget, because it can be done without increasing taxes. What it will take is hard work and difficult choices to cut out unnecessary Federal programs.

The argument will be made that the amendment cheapens the Constitution somehow, that holy document that no one should touch. And I would remind my colleagues who believe in that argument of the words of Thomas Jefferson—and I paraphrase—when he said there was one thing we left out. One very important item was left out. And that is we have provided the ability of the Congress to take our country into debt. Little did he know what kind of debt.

And of course some will say the balanced budget amendment is a fraud and that it merely provides incentives for smoke and mirrors in our budgeting process. Well, it has not been long since the Gramm-Rudman-Hollings Act was enacted, and since then we have seen plenty of smoke and mirrors to prevent its' effectiveness. So the balanced budget amendment is not intended as a gimmick, and when opponents attempt to prevent it from working, I will work with my colleagues to expose the smoke and mirrors and protect the Constitution.

Finally some will say that the balanced budget constitutional amendment addresses a symptom and not a cause of the real problem.

Well, let me share with you, Mr. President, my view. There is no magic in a balanced budget amendment and no guarantees. But it certainly sets a benchmark, provides an incentive, amends the Constitution, and therefore makes it lawfully possible to force, to force Mr. President, this Congress to come to grips with its out-of-control spending.

As I think about the families of this country—I look at those folks in the galley—every one of them have to balance their budgets. We should have to balance our budget. If they do not balance their budget, they would go bankrupt. Why should Congress be allowed to run up debt. We should have to pay our bills.

I recall my years on the city council, and as a local mayor, we had to balance our budget. It was in our city charter.

I recall the years of serving in the State legislature, we had to balance our budget. It was in the State Constitution, as it is the law of 48 other States.

All the years I was in business, 17 years all together, I learned very quickly that if I did not balance my budget, not only would I not make a profit, I would go broke.

So what is the magic about balancing a Federal budget? What is it that makes us think somehow we can exempt the Federal Government from its borrowing?

I suppose the fact is, we really have not felt the crisis that is coming yet. We have not been hurt hard enough.

Well, I see the signs today, Mr. President, where we have been hurt because of this 30-year deficit spending binge. We are in a recession. It continues to drag. And part of the reason is the interest we are paying on the deficit today. Last year it totaled $269 billion. That loss of capital prevents economic growth and jobs from being created.

So I suggest, if we do not pass this amendment and balance the budget, we are going to see some of the results as chronicled in this report from the U.S. General Accounting Office, just published this month. They looked at the future and they titled this report "Budget Policy: Prompt Action Necessary To Avert Long-Term Damage to the Economy."

I suggested a moment ago that I believe part of the reason for the recession is our mounting debt and interest payments. Well the GAO extrapolates on this point and projects into the future. Let me share just a couple of points from that report.

If current spending and revenue patterns continues, the deficit could reach 20.6 percent of our gross national product by the year 2020. That is not a staggering statistic because it does not really mean much until you translate into how does it impact me, my life, my job, my home, my hopes for the future for my family. Well let me explain its significance.

If we balance the budget by the year 2001, then our real per capita income, every one of us, our real income will grow by 36 percent by the year 2020, compared to taking no action at all.

If we had a small surplus of just 2 percent in our budget in the year 2005, real per capita income, every one of our incomes, would grow by 40 percent by the year 2020, compared to taking no action.

Next, let us look at the cost of carrying this debt. The report says during the 1960's the Federal deficit absorbed just 2 percent of our net national savings. Not bad.

During the 1970's, the Federal deficit absorbed 19 percent of our savings—19 percent out of every dollar we saved was going to pay the interest on our debt during the 1970's.

By the 1980's, nearly one-half, or 48 percent of our savings was needed to finance the budget deficit. And in 1990, the deficit absorbed an amazing 58 percent of our net national savings from the rest of the economy.

We all know it takes capital to create jobs. It takes money to start a business. It takes money to be able to buy a home. It takes money to be able to make the American dream come true and when you are competing with the interest cost to the Federal Government to such a great extent, where is it going to come from? In fact, this GAO report says that net interest costs rise to over $1 trillion—just interest, not the debt—by the year 2020.

When you start to think of the dynamics of our debt, it is staggering. Given our current population, if we continue on this spending binge and refuse to confront our addiction, unwilling to balance our budget, then by the year 2020 the interest alone on our debt will cost us $4,000 for every man, woman, and child for every year thereafter. A family with two children, $16,000 in interest costs on the Federal debt alone. It is unimaginable, but that is the collision course we are on.

So I suggest that unless we have the will to stand up and support this constitutional amendment to balance the budget, our economic woes are just beginning. We have yet to see the worst.

This economic recession and slow growth will continue for our kids and our grandkids. Why? Because the Federal Government is taking so much out of the investment pot there is not enough left for our free enterprise and capitalistic system to grow and expand.

What did we hear proposed? We had a short debate last night, a little glimpse of what the future might hold for us when we debated here on the floor "want to be President" Bill Clinton's plan. His first 4-year plan, which raises taxes $150 billion in that 4-year period and at the end of that 4-year period leaves us with a deficit as high as $141 billion.

So now is the time we must stand and be honest. Now is the time for Congress to admit we are addicted, we are addicted to spending.

Mr. President, whether it is drug addiction or alcoholism, the first step on the road to a cure is to admit you have the problem. By passing this constitutional amendment, we will take the first step—admitting we cannot control our spending and need discipline: a higher discipline coming from the Constitution of the United States.

Then we will be able to make the tough decisions. And I believe we will. Because the alternative is letting this debt continue to interest costs of $1 trillion a year. In fact next year, we do not have to look to the year 2020, the interest costs will be the single greatest expenditure in our budget. It will consume more of our budget than the entire Department of Defense; more than what we provide for education; and more than what we provide for health care. Interest payments will be the largest single expenditure next year.

So now is the time to act. If we in the U.S. Senate are unwilling to stand up and be counted, to show this restraint—if we will not do it, Mr. President, who will and when?

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

Mr. STEVENS. Will the Senator yield for one moment?

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. NICKLES. I wish to compliment my colleague, Senator SEYMOUR, on his excellent statement and also for his leadership on this most important issue.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. I thank the Chair.

(The remarks of Mr. STEVENS pertaining to the introduction of S. 2894 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. NICKLES. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. Seventy-five minutes, thirty-four seconds.

Mr. NICKLES. Mr. President, I will tell my colleagues, we have 11 colleagues who have requested to speak in the 75 minutes. So I encourage them to be somewhat brief. I see my colleague from Idaho, who has been one of the real leaders in the balanced budget effort, both in the House and the Senate. The Senator requests how much time?

Mr. CRAIG. I will do 10, but try to hold it short.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I thank my colleague from Oklahoma for allotting me this time, but I also appreciate the tenaciousness of his leadership and the leadership of my colleague from Texas in bringing this issue to the floor.

I would have preferred, along with a good many other Senators, that this issue could have arrived at the floor for debate in a different way; that it would have been the single issue before this Senate to be debated, and that it would have come under its own time and under its own forces. But that was not what our leadership would allow, and following the debate and the defeat of this amendment in the House, that ability to gain time on the floor was largely ignored.

So it is for those reasons that we are now on the floor today, and I guess I can say, Mr. President, I am terribly disappointed. I am, first of all, disappointed that the press gallery is empty at this moment. I am disappointed that the floor of the Senate is largely empty. And I am, thirdly, disappointed that the leadership of this body and that many Senators are viewing this as a necessary political effort but it really will not count; that this issue is without substance and that the American people really do not care. Those are the tragedies of today and those are the tragedies of this debate. This issue does count. This issue is of substantial substance. It has been a long time in coming with a great deal of effort put with it.

In recognizing my colleague from Illinois, Senator SIMON; my colleague from South Carolina, STROM THURMOND; the colleagues I have just recognized, I, they, and a good many others, including Members of the House, CHARLIE STENHOLM and others, for over a decade have recognized that it would take a fix; that we would have to change the environment in which this Congress budgeted and, more important, we would have to change the environment in which the American people came to the Congress and asked for the largess of the Public Treasury if we were able ever to balance the Federal budget.

So it is with that effort, for well over a decade, that we come today with a substantial document, a constitutional amendment to balance the Federal budget, that has had the review of constitutional scholars, the course of hearing after hearing, adjustment and changes, a document that just a few weeks ago Senators, Republican and Democrat alike, House Members, Republican and Democrat alike, met for hours to iron out the final details of an amendment that we believe is not only functional and workable but that, when submitted to the American public, can be passed, can become a part of the Constitution of this country, and then will begin to guide the Congress of the United States in the allocation of the public resources of this Nation for the purpose of public expenditure toward a balanced budget in about 5 or 6 years.

It is with that in mind that I ask unanimous consent to print two documents in the RECORD, two very detailed documents, Mr. President.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF THE BIPARTISAN, BICAMERAL CONSENSUS BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

(Prepared by the offices of Senator Larry E. Craig and Representative Charles W. Stenholm, June 1992)

Section 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

This section sets forth the general rule of this Article, and the central principle to be observed and enforced, that the Government of the United States shall not live beyond the means provided for it by the true sovereign, the people.

Therefore, this section establishes, as a norm of federal fiscal policy and process, that the government's spending should not exceed its income. While popularly—indeed, universally—referred to as requiring a "balanced budget", its mandate is both simpler and more comprehensive, requiring a balance (or surplus) of cash inflows relative to cash outflows.

Any departure from the general rule in this section and its guiding principles should be an extraordinary event, based on a compelling need. As is commonly the case with constitutionally established parameters for the legislative process, no attempt is made to enumerate all the circumstances that might justify deficit spending; if a three-fifths supermajority of each House of Congress believes an emergency, crisis, or urgency exists (and if the President concurs), it does. This formulation makes the option of deficit spending both difficult to exercise yet available when a fairly strong national consensus exists.

Detailed analysis:

"Total outlays" and "total receipts" are defined below in Section 7.

". . . fiscal year . . ." is intended as a term defined in statute and having no other, specific, constitutional standing. It is a commonly understood term in both private and public usage. While the definition of a fiscal year could be changed from time to time, the concept is sufficiently well understood that a blatant attempt to contravene the intent of the amendment would not be acceptable.

For example, creation of a "transition fiscal year" of 18 months to facilitate reforms in the budget process clearly would be consistent with the amendment. On the other hand, legislation purporting to implement the amendment that promised to balance the budget for the "fiscal year 1998–2008" (and, presumably, with little or nothing in the way of procedural discipline in the early portion of that "year"), clearly would be unconstitutional. Certainly, a simple "rule of reason" would be applied to any statutory definition of a "fiscal year".

". . . shall not . . ." is a term readily obvious in its intent, spirit, and application. It is mandatory language simply meaning you may not. Saying that "Total outlays . . . shall not exceed total receipts" states both the goal to be pursued and the yardstick by which successful compliance with this amendment is measured. It prohibits fiscal behavior intended or reasonably likely to produce deficit within a fiscal year.

". . . three-fifths of the whole number of each House of Congress . . ." indicates the minimum proportion (60 percent) of the total membership of each House needed to approve expenditures producing a deficit. Currently, this would mean 60 of the 100 Senators and 261 of the 435 Representatives.

The term "whole number" is derived from, and intended to be consistent with, the use of the phrase in the 12th Amendment to the Constitution, "two-thirds of the whole number of Senators" (which is set as the quorum necessary for the purpose of electing the Vice President in case no candidate receives an Electoral College majority).

". . . shall provide by law . . ." both states a simple consistency with other provisions of the Constitution and clarifies a difference between the deficit spending provided for under this amendment and a deficit planned for in a Congressional Budget Resolution.

Article I, Section 7, Clause 3 of the Constitution states: "Every Order, Resolution, or Vote to which the Concurrence of the Senate and House of Representatives may be necessary (except on a question of Adjournment) shall be presented to the President of the United States" for signature or a veto. Clearly, a vote by both Houses that results in deficit spending would be such a vote.

However, an additional reason for adding this clarifying language is that such a vote might easily be confused with the deficit that may be estimated in a budget resolution, which currently is not presented to the President. While budget resolutions are Concurrent Resolutions generally passed by both Houses, concurrence is not necessary, since budget resolutions actually fall under the "Rules of its Proceedings" that "(e)ach House may determine" under Article I, Section 5, Clause 2. This is because budget resolutions merely set target amounts for subsequent budget decisions made within each House. (The ultimate decision requiring concurrence, appropriations, other direct spending bills, or revenue bills, are presented to the President.) In fact, the House often has proceeded to act pursuant to a House-passed budget resolution in prior to and in lieu of House-Senate agreement on a single resolution.

Obviously, the three-fifths vote on permitting a deficit under this amendment is not a determination of an internal rule in either House, but has direct and immediate consequences external to the rules of either House. Therefore, the words "by law" state what normally would be obvious, but which might be confusing here, due to current budget resolution procedures.

". . . a specific excess of outlays over receipts . . ." means that the maximum amount of deficit spending to be allowed must be clearly identified. Thus, enforcement of the amendment through the political process will be facilitated by improving elected officials' accountability to the public. The specific excess which is provided for by law would not apply to outlays in more than one fiscal year and may, in fact, apply to an excess that occurs over a shorter period, such as the remainder of a fiscal year when the law is enacted mid-year.

Ensuring such accountability is a cornerstone of the Balanced Budget Amendment, and restores the public's general—and diffuse—interest in fiscal responsibility to an equal competitive footing with the special interests who demand programmatic spending and tax preferences. Today, federal officials can reap the rewards of satisfying the incremental demands of special interests without ever having an individual decision identified as a decision that results in a deficit. This informational imbalance is corrected by the mandate in Section 1 that deficit spending can not occur without a specific identification of the amount.

Changes from H.J. Res. 290/S.J. Res. 298, as introduced:

As originally introduced, Section 1 of H.J. Res. 290 read:

"Prior to each fiscal year, the Congress and the President shall agree on an estimate of total receipts for that fiscal year by enactment of a law devoted solely to that subject. Total outlays for that year shall not exceed the level of estimated receipts set forth in such law, unless three-fifths of the whole number of each House of Congress shall provide, by a rollcall vote, for a specific excess of outlays over estimated receipts."

The new Section 1 in the substitute takes cognizance of numerous comments offered, regarding the original language, in 1987 and 1990 hearings in the House Committee on the

Judiciary, 1992 hearings in the House Committee on the Budget, during House floor debate in 1990, and otherwise. The authors have attempted to be responsive to all thoughtful comments and criticisms and to streamline and simplify the language.

"Prior to each fiscal year" was deleted both as hortatory (possibly even surplus) language, and in response to the inevitable question, "What if it isn't done by the beginning of the fiscal year?" Such simple timing questions are best left up to implementation and enforcement legislation.

"Congress and the President shall agree" was removed because "agree" truly was hortatory language. Although it stated a laudable goal, this phrase caused some confusion and raised a question of the legal consequences of a lack of an actual agreement. The words, "by enactment of a law", in the original language referring to establishing a receipts estimate, have clear meaning within the Constitution currently and would control, rather than the hortatory "agree" language. It was intended that Congress still could override a presidential veto of a receipts estimate. In deleting all of the first sentence of the original Section 1, all such possible confusion is also removed. (Note: In S.J. Res. 298, as introduced, this phrase was reworded as, ". . . and estimate of total receipts . . . shall be determined by enactment of a law. . . .")

". . . an estimate of total receipts . . . by enactment of a law devoted solely to that subject . . ." is deleted from Section 1 to remove the mandating of a specific procedural step that, however beneficial, is not necessary in the Constitution.

The authors in no way intend for the substitute to require a less flexible process in the establishment of a receipts estimate and the use of that single estimate as a benchmark against which to measure total outlays throughout the fiscal year. On the contrary, the substitute provides the same flexibility as would have been permitted under H.J. Res. 290 as introduced, and consistent with the language and purpose of Section 1 of the substitute. The permissible use of estimated receipts is moved to a new Section 6 which requires implementation and enforcement legislation.

Changes from S.J. Res. 18, as reported:

Section 1 of the substitute is substantively the same as Section 1 of S.J. Res. 18 as reported by the Committee on the Judiciary.

Section 2. The limit on the debt of the United States held by the public shall not be increased unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

No section of this Article should be read in isolation, especially Section 1. Section 2 provides the essential mechanism which not only enforces an honest budgeting process in pursuit of the general rule and principle stated in Section 1, but also will operate to make the amendment self-enforcing.

This Section is inspired by the often-quoted desire expressed by Thomas Jefferson, in his November 26, 1798 letter to John Taylor:

"I wish it were possible to obtain a single amendment to our constitution. I would be willing to depend on that alone for the reduction of the administration of our government to the genuine principles of its constitution; I mean an additional article, taking from the government the power of borrowing."

The authors here have drawn from recent experiences of the government and modern economic theory to reach a compromise with then-Vice President and later President Jefferson: Section 2 takes from the government the power of borrowing, unless three-fifths of the total membership of both Houses votes to approve a specific increase in the amount that may be borrowed.

Section 2 provides strong enforcement, indeed, for the provisions of Section 1. When the government runs a deficit, that necessitates additional borrowing to meet its obligations. Failure to authorize that level of borrowing could, in a worst-case scenario, result in a default by the government of the United States. Treasury securities might not be redeemed. Government services could be threatened with a shutdown, subject to the availability of receipts.

Today, such a consequence is occasionally threatened when an impasse within Congress or between Congress and the President jeopardizes passage of essentially ministerial legislation raising the statutory limit on the public debt by a simple majority. Under this amendment, the threat of default would loom when the government runs a deficit, thus providing a powerful incentive for balancing the budget.

The simple threat of default does not fully explain the way Section 2 will operate to enforce the fiscal norm of balancing outlays and receipts. Because a debt-increase bill represents an admission of failure of enormous magnitude, passage is always a difficult matter.

Under current law, Members of Congress not infrequently have rounded up 50 percent plus one of the Members of one House to threaten to push the government to the brink of insolvency unless a pet amendment is added to this must-pass legislation, despite consistent efforts by the Administration and the Congressional leadership of both parties in both Houses to pass a "clean" debt bill. This "debt bill blackmail", in fact, was the tactic used to enact the original Gramm-Rudman-Hollings law of 1985.

By lowering the "blackmail threshold" associated with passage of the regular debt limit bill from 50 percent plus one in either body to 40 percent plus one, Section 2 increases the motivation of the Administration and the Leadership, including the chairs of the relevant committees, to do whatever is necessary, legislatively and cooperatively, even to the point of balancing the budget, to avoid facing such a difficult debt vote.

It is in no way the intent of the authors and supporters of this amendment that a default or shutdown should happen. However, the threat of such consequences is analogous to the deterrence effect of fines or legal damages in other situations.

Because borrowing, and increases in any limits on cumulative borrowing, must be enacted in law, Section 2 makes the amendment effectively self-enforcing. Such legislation usually involves large enough numbers of dollars to be borrowed that extensions of authority to borrow generally are used up in a year or so. The current statutory limit on the public debt, enacted as a part of the Budget Enforcement Act late in 1990 and allowing borrowing into 1993, is very much an exception in this regard; this lengthy term of borrowing, not quite three years, was made possible only by the status of the Act as an extraordinary, five-year plan. Virtually no elected official can stand the political heat of supporting a huge, multi-year increase in the government's level of indebtedness. This simple political dynamic will ensure that the self-enforcement provided by Section 2 occurs frequently enough to be effective.

Finally, when three-fifths of both Houses have "gutted up" and, under Section 1, voted explicitly for a specific excess of outlays, there is no intent in this amendment to "punish" them by later forcing a second three-fifths vote on the debt limit. Both decisions can be approved by the same, single, three-fifths vote in the same legislation.

Detailed analysis:

". . . debt of the United States held by the public . . ." is a widely used and understood measurement tool. The Congressional budget Office's January 1992 "Economic and Budget Outlook: Fiscal Years 1993–1997" book, in its Glossary, defines "Publicly held federal debt" simply as: "Debt issued by the federal government and held by nonfederal investors (including the Federal Reserve system)." On page 66 of the same volume, CBO further explains, "Debt held by the public represents the government's appetite for credit and is the most useful measure of federal debt." The current widely used and accepted meaning of "debt held by the public" is intended to be the controlling definition under this Article.

The "debt held by the public" differs from the gross federal debt in that the latter, according to CBO, page 66, "includes the securities (about $1 trillion and climbing) issued to government trust funds." The gross debt is the "close cousin" (per CBO) of the "public debt".

The Congressional Research Service's Manual on the Federal Budget Process, December 24, 1991, in its glossary, defines "public debt" as: "Amounts borrowed by the Treasury Department or the Federal Financing Bank from the public or from another fund or account. The public debt does not include agency debt (amounts borrowed by other agencies of the Federal Government). The total public debt is subject to a statutory limit."

A requirement of a three-fifths vote on the "public debt" has been used in some previous formulations of the Balanced Budget Amendment. The use, here, of "debt held by the public" is a refinement based on a 1990 recommendation by the Administration and subsequent review by the authors of the implications of using the different measures of debt. "Debt held by the public" has been chosen for two reasons:

First, as pointed out by CBO, common sense suggests that the most appropriate benchmark to use is the federal government's borrowing from all non-federal-government sources.

Second, the purpose of this section is to motivate an avoidance of deficits. When the Social Security or other federal trust funds run surpluses, this does not cause total outlays to exceed total receipts and the government does not increase its borrowing from non-government sources. Therefore, Congress and the President should not be forced to surmount the three-fifths vote hurdle on debt bills if they have not run a deficit and increased net federal borrowing. Section 2 matches the benchmark used in the enforcement process to the policy objectives desired.

"The limit on the debt. . . held by the public. . ." obviously assumes the establishment of a new statutory limit on this measure of federal borrowing. This limit may be established in addition to, or as a replacement for, the current statutory limit on the public debt. Article I, Section 8 of the Constitution simply says, "The Congress shall have Power. . . To borrow Money on the Credit of the United States. . ." The exact process of carrying out this power is left up to the Congress to provide for by law.

When establishing a new statutory limit on the debt held by the public (which will require a three-fifths vote to increase), Congress may or may not wish to continue to set by statute a limit on the public debt. The fact that a simple majority could continue to be required to pass such a public debt limit would not, in any way, create procedural or legal conflicts. At times when a trust fund surplus necessitates an increase in the public debt, such action would become more ministerial and less difficult than currently is the case. Increases in both limits certainly could be contained in the same bill that is passed by a three-fifths vote.

Changes from H.J. Res. 290/S.J. Res. 298, as introduced:

The substitute makes no changes to this section as it appeared in the Article as introduced.

Changes from S.J. Res. 18, as reported:

Language relating to a limitation on debt, such as Section 2 of the substitute, was not included in S.J. Res. 18 as introduced or reported. Language requiring a three-fifths vote to increase the limit on the public debt was added on the Senate floor both to S.J. Res. 225 in the 99th Congress (a predecessor to the current S.J. Res. 18, in 1986) and to S.J. Res. 58 in the 97th Congress (in 1982).

Section 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts.

In Section 3, the amendment extends to the President's annual budget the same norm of fiscal balance expected of the Congress. The current statutory requirement that the President submit a budget is codified in the Constitution to ensure that the President remains engaged with Congress in the budget process. Of course, this requirement of submission of a single document in no way alters the current constitutional balance of powers or separation of responsibilities. It also is perfectly consistent with the current constitutional provisions that the President "shall . . . recommend to [Congress'] Consideration such Measures as he shall judge necessary and expedient" (Article II, Section 3).

detailed analysis:

"Prior to each fiscal year . . ." was retained in Section 3 because of the long-understood legislative principle that deadlines certainly can be set, and in fact are commonly expected to be set, for specific actions by the Executive. Currently, the deadline for submission of the President's budget is set by statute and occurs well in advance of the fiscal year for which it is written. Such statutory provisions are, and will remain, consistent with Section 3.

" . . . a proposed budget . . . " means a document similar, in broad terms, to that which is regularly submitted under current law. The amendment in no way restricts the discretion of Congress to enact changes in what is or is not required in such a budget, as long as the document remains useful for the purposes of planning federal spending activities.

". . . in which total outlays do not exceed total receipts." Per se, a "budget" is a document in which all relevant future numbers are planned, recommended, projected, estimated, or assumed. This is true, as a matter of definition, of all documents called "budgets," public or private. Therefore, no qualifiers are added to this language in Section 3, such as "estimated receipts" or "recommended outlays". To include such terms would be redundant at best, and inadvertently confusing or limiting at worst.

Changes from H.J. Res. 290/S.J. Res. 298, as introduced:

The substitute makes no changes to this section as it appeared in the Article as introduced.

Changes from S.J. Res. 18, as reported:

This section of the substitute is identical to language in S.J. Res. 18 as reported.

Section 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

The purpose of this section is to increase the accountability of Members of Congress when they consider legislation to increase revenue, in light to the amendment's requirement to balance receipts and outlays. The increased pressure the amendment will create for fiscal discipline may increase temptation to shield a certain amount of legislative decision-making from public view. Tax bills have been known to pass, occasionally, by voice vote.

The enhanced "tax accountability" (or, more precisely, accountability with regard to passage of bills to increase federal revenue) provided by the unvarying requirement for a rollcall vote, is supplemented by the requirement that such bill also shall not become law unless passed by a supermajority, in this case a majority of the whole number of each House.

The rollcall vote and supermajority requirements will serve to maintain a level playing field between the public's more general and diffuse interest in restraining the government's appetite for revenues and the more focused pressure that special interest groups can apply for individual spending programs.

Detailed analysis:

"No bill . . . shall become law unless . . ." is drafted in the negative to conform to the style used in Article I of the Constitution, in phrases such as, "No Capitation, or other direct, Tax shall be laid, unless in Proportion to the Census . . ." and "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law. . . ."

". . . revenue . . ." has the same meaning here as in Article I, Section 7, which states, "All Bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments as on other Bills."

". . . bill to increase revenue . . ." means legislation making policy changes in the government's exercise of its sovereign power to tax or otherwise compel payments to the government. "Revenues" and "receipts" are largely synonymous, but not always so, especially when being used prospectively. Both are expressed in terms of quantities of dollars flowing into the Treasury. However, "revenue" is more closely connected to the tax rates, tax base, Customs rates, or other policy criteria formulated to produce inflows of receipts. A "receipt" is a more purely and more comprehensive quantitative concept. For example, a bill to step up Internal Revenue Service enforcement of current tax laws and enhance collection of taxes currently going uncollected definitely would result in increased receipts, but would not be "a bill to increase revenue," and therefore, not subject to the requirement of a majority of the whole House for passage. ("Receipts" are further defined under Section 7.)

". . . majority of the whole number of each House . . ." means, under current law, never less than 218 votes among the 435 Members of the House of Representatives and never less than 51 votes in the Senate, which numbers 100 Members. The "whole number of each House" is defined under Section 1, above.

This language is not intended to preclude the Vice President, in his or her constitutional capacity as President of the Senate, from casting a tie-breaking vote that would produce a 51–50 result. This is consistent with Article I, Section 3, Clause 4, which states: "The Vice President of the United States shall be President of the Senate, but shall have no Vote, unless they be equally divided." Nothing in Section 4 of the substitute takes away the Vice President's right to vote under such circumstances. The language requires (in today's Senate of 100) 51 votes to pass a revenue-increasing bill, not the votes of 51 Senators. Obviously, in a 51–50 vote, 51 still constitutes a majority of the whole number of 100. Also obviously, while the Vice President could turn a 49–49 tie into a 50–49 result, this would not constitute a majority of the whole number.

Changes from H.J. Res. 290/S.J. Res. 298, as introduced:

The substitute makes no changes to this section as it appeared in the Article as introduced.

Changes from S.J. Res. 18, as reported:

Section 4 of the substitute is substantively the same as Section 3 of S.J. Res. 18 as reported.

Section 5. The Congress may waive the provisions of this article for any fiscal year in which declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

This section reaffirms the traditional priority presumptively attached to matters of national self-defense. In such cases, especially when the Congress and the president have taken an action as extraordinary as declaring war, financing that effort should proceed unimpeded by any requirement of additional, extraordinary votes.

Detailed analysis:

The first sentence of Section 5, or a virtually identical counterpart, has been a fixture in almost every major version of the Balanced Budget Amendment over the years. Consistent with Article I, Section 7, Clause 3, such a simple majority vote to waive this Article would have to be presented to the President for his or her approval.

The second sentence recognizes that, for most of the military conflicts in which the United States has engaged, there was not a formal declaration of war. Nevertheless, a sufficient self-defense interest is present in such situations that a Section 1 supermajority should not be required to fund such an engagement. Further definition of the criteria set forth for the "majority of the whole number" waiver in section 5 is not needed, since the Section requires simply that the joint resolution required for the waiver declare such conditions to be present.

Changes from H.J. Res. 290/S.J. Res. 298, as introduced:

The first sentence of the substitute Section 5 makes no changes to this section as it appeared in the joint resolution as introduced. The second sentence has been added, based on an amendment approved by the Senate Committee on the Judiciary to companion legislation, S.J. Res. 18.

Changes from S.J. Res. 18, as reported:

The first sentence of the substitute Section 5 is substantively the same as Section 4 in S.J. Res. 18 as introduced.

The second sentence was approved by the Senate Committee on the Judiciary and included as an amendment to S.J. Res. 18 as reported. The difference between, and graduation of, the waiver requirements in the two sentences is intentional, and is based on the principle that the threshold of difficulty for deficit spending should be raised as the declared level of the seriousness of the military engagement declines.

Section 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

This section requires the adoption of legislation necessary, appropriate, and reasonable to enforce and implement the Balanced Budget Amendment. There is no need—and arguably it would be a bad idea—explicitly to foreclose the possibility of judicial interpretation or enforcement. However, this language further tilts presumptions of such responsibilities toward extremely limited court involvement. This language also is intended to prevent the possibility of an interpretation that could shift the current balance of power among the branches in favor of the Executive.

Detailed analysis:

"The Congress shall enforce and implement . . ." differs from clauses included in several other amendments that state, "The Congress shall have power to enforce. . . ." This latter clause has been employed only where there was concern that the question could arise as to whether Congress had the power to pre-empt state laws or constitutions or was venturing impermissibly beyond its constitutionally enumerated powers and into the rights reserved to the states or the people.

Here, no such question of pre-emption is conceivable. Congress clearly has the power to enforce and implement this Article, under the "necessary and proper" clause in Article I, Section 8, which states: "The Congress shall have Power . . . To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof."

This section creates a positive obligation on the part of Congress to enact appropriate implementation and enforcement legislation. As a practical matter, this language simply requires what is inevitable and predictable. It is a simple statement that, however well-designated, a constitutional amendment dealing with subject matter as complicated as the federal budget process needs to be supplemented with legislation. It is a means of owning up to the truth in the arguments made by many Members of Congress—both supporters and opponents—that Members must expect to do more than cast this one vote to pass this one amendment, to ensure that deficits are brought down and, ultimately, eliminated.

The inclusion of a positive obligation to legislate does not make the Article more difficult to enforce, nor is it without precedence in the Constitution. Article I, Section 2, Clause 3 provides: "Representatives and direct Taxes shall be apportioned among the several States . . . according to their respective Numbers, which shall be determined by . . . [an] actual Enumeration . . . made within three Years . . . and within every subsequent Term of ten Years, in such Manner as they shall by Law direct. . . ." The critic who today asks, "What if Congress just doesn't enact implementing and enforcing legislation?" would be the counterpart of the critic who might have asked in 1787, "What if Congress just doesn't authorize or appropriate for a Census, if, in their own self-interest, they don't want the current apportionment to be changed?" In this case, it manifestly would be in Congress' own best interest to enact legislation ensuring a complete and clearly-defined budget process consistent with the Balanced Budget Amendment.

". . . which may rely on estimates of outlays and receipts." This phrase allows Congress the flexibility in explicit language that it will need in practical effect, to make reasonable decisions and use reasonable estimates, when appropriate, as a means of achieving the normative result required in Section 1. To some extent, this phrase, too, states the obvious, that the process of budgeting and taxing and spending inevitably involves relying on estimates. "Estimates" means good faith, responsible, and reasonable estimates made with honest intent to implement Section 1 and not evade it.

The estimates contemplated in Section 6 do not apply in any way to a determination of the amount of debt referenced in Section 2. "Debt" there means actual, not estimated debt.

Section 1 provides the standard against which compliance with the amendment is measured. Section 6 clarifies that implementation and enforcement legislation may provide for the use of reasonable and appropriate estimates in the process of complying with Section 1. Section 6 is intended to support, strengthen, and aid the effectiveness of the other provisions of the amendment. This provision also will provide additional insurance against intrusion by the courts into the finer details of questions of compliance with the amendment.

Section 6 must not be interpreted in any way that would weaken or allow evasion of any other provision of this amendment. Over the course of the fiscal year, outlays may not exceed receipts. To the extent that any reasonable and lawful action can be taken to prevent an excess, it must be taken. On the other hand, for example, a brief dip in receipts or jump in outlays need not trigger a sequester, rescission, or other offsetting action if there it is reasonable to assume that such a "glitch" will be offset naturally in the near-term by normal economic or budgetary fluctuations.

In order to allow for an unexpected shortfall of receipts or an unexpected increase in outlays without triggering a three-fifths debt vote under Section 2, it would be necessary that the actual debt held by the public be held below the debt limit, by a sufficient amount to offset the amount by which actual receipts or outlays may differ from estimated receipts or outlays.

It also should be noted that outlays are both more predictable and more controllable than receipts. Therefore, the handling of outlays necessarily must be held to a stricter standard than the treatment of receipts. To be more specific, of course, is difficult until the actual design of implementation and enforcement legislation emerges. In all cases, the standard to be applied to the accuracy and adjustment of estimates is to be a rule of reason.

Changes from H.J. Res. 290/S.J. Res. 298, as introduced:

Section 6 is a new section. It was added to this substitute in part to clarify the role of Congress in the implementation and enforcement of the amendment, in part to require the enactment of such legislation, and in part to clarify that whatever process Congress enacts to enforce this amendment may provide for the use of reasonable estimates.

It is also the intent of this provision to allow the use of a single level of total estimated receipts for a fiscal year, enacted into law at the beginning of the budget process, as the fixed target amount which outlays throughout the fiscal year may not exceed. In other words, Section 6 is intended to allow Congress to enact into law the process of measuring actual outlays against a fixed receipts estimate in the same way that was outlined in H.J. Res. 290 as introduced. Nothing in H.J. Res. 290 as introduced would have prevented Congress from imposing a more stringent process of measuring actual outlays against constantly-updated receipts estimates throughout the fiscal year. Section 6 of the substitute is no more and no less restrictive in this regard.

Changes from S.J. Res. 18, as reported:

Section 6 is a new section.

Section 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

This section makes clear that, for purposes of computing a deficit, balance, or surplus under this amendment, there is no such things as "off-budget" receipts or outlays. By requiring all cash inflows and outflows to be counted, the most commonly anticipated loopholes are prevented from ever being created. Simple refinancing of outstanding debt at the same net cost of borrowing would not be affected in the normal course of business and, of course, borrowing is not considered a receipt, but rather is recognized as only the means of financing deficit spending.

As currently used and reported, both "receipts" and outlays" are well-understood, inclusive concepts used with consistency in the budgetary process.

Detailed analysis:

"* * * receipts * * *" is to be interpreted consistently with the use of "Receipts" in Article I, Section 9, Clause 7, which provides, in part, that "a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time."

The definition of "budget receipts" in "A Glossary of Terms Used in the Budget Process" (1981), as quoted in S. Rept. 99-162 and S. Rept. 99-163 (committee reports on S.J. Res. 13 and 225, respectively) still applies:

"Collections from the public (based on the Government's exercise of its sovereign powers) and from payments by participants in certain voluntary Federal social insurance programs. These collections, also called governmental receipts, consist primarily of tax receipts and social insurance premiums, but also include receipts from court fines, certain licenses, and deposits of earnings by the Federal Reserve System. Gifts and contributions (as distinguished from payments for services or cost-sharing deposits by State and local governments) are also counted as budget receipts. Budget receipts are compared with total outlays in calculating the budget surplus or deficit. Excluded from budget receipts are offsetting receipts which are counted as deductions from budget authority and outlays rather than as budget receipts."

"* * * outlays * * *" means all disbursements from the U.S. Treasury, directly or indirectly through federal or quasi-federal agencies created or under the authority of Acts of Congress. The Glossary (as cited above) defines "outlays" as follows:

"Obligations are generally liquidated when checks are issued or cash disbursed. Such payments are called outlays. In lieu of issuing checks, obligations may also be liquidated (and outlays occur) by the maturing of interest coupons in the case of some bonds, or by the issuance of bonds or notes (or increases in the redemption value of bonds outstanding). Outlays during a fiscal year may be for payment of obligations incurred in prior years (prior year outlays) or in the same year. Outlays, therefore, flow in part from unexpended balances of prior-year budget authority and in part from budget authority provided for the year in which the money is spent. Total budget outlays are stated net of offsetting collections, and exclude outlays of off-budget Federal entities. The terms expenditure and net disbursement are frequently used interchangeably with the term outlays."

"Expenditures", in fact, also appears in Article I, Section 9, Clause 7, as quoted above, and is used there in symmetry with "Receipts". "Outlays" is used in this Section because of that word's overwhelmingly prevalent use in recent and current budget terminology.

Changes from H.J. Res. 290/S.J. Res. 298, as introduced:

The substitute makes no changes to this section as it appeared in the Article as introduced.

Changes from S.J. Res. 18, as reported:

The substitute makes no changes to this section as it appeared in the Article as introduced.

Section 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is later.

By passing this amendment and sending it to the states for ratification, the Congress intends to bind itself, in mutual cooperation with the President, to adopt an orderly deficit reduction plan that will bring the budget into compliance with this amendment no later than fiscal year 1998.

Changes from H.J. Res. 290/S.J. Res. 298, as introduced:

The effective date has been moved from fiscal year 1995 or the second fiscal year to fiscal year 1998 or the second fiscal year. This change reflects both the passage of time since H.J. Res. 268, 101st Congress, was considered on the House floor in 1990 (with the fiscal year 1995 date) and a realistic, consensus estimate of the time needed to allow for a "glide path" down to a zero deficit. (Note: S.J. Res. 298, as introduced, included an effective date of fiscal year 1997 or the second fiscal year after ratification.)

Changes from S.J. Res. 18, as reported:

S.J. Res. 18 as introduced and reported simply provided that the Article would take effect with the second fiscal year beginning after its ratification.

ANSWERS TO COMMONLY ASKED QUESTIONS ON THE BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

(Prepared by the offices of Senator Larry E. Craig and Representative Charles W. Stenholm, June 1992)

(NOTE: The questions and answers below were revised and updated just prior to House consideration of H.J. Res. 290 on June 10–11, 1992. For ease and swiftness of editing, all references to H.J. Res. 290 from earlier editions of this Q&A were left intact. However, these materials have been updated to apply to the Bipartisan, Bicameral Consensus version of the amendment agreed to by the principal sponsors and supporters of H.J. Res. 290/S.J. Res. 298 and S.J. Res. 18 in a series of meetings completed on June 9.)

Won't a constitutional requirement of a "balanced budget" simply invite moving some items off-budget?

H.R. Res. 290 does not require that a single document, a "budget," be written in balance. Instead, it deals with actual spending and taxing bills, and how actual outlays conform to estimated receipts. Taking any item "off-budget" would have absolutely no effect on the operation of H.J. Res. 290.

Wouldn't the temptation remain great to commit some other evasion, such as manipulating the definitions of terms used in the BBA?

Terms such as "outlays", "receipts," "debt held by the public", and "raising revenue" either already appear in the constitution or are commonly understood. In the 99th Congress, Senate Reports 99–162 and 99–163 and Senate floor debate on S.J. Res. 225, and in the 101st Congress, the House floor debate, went to some lengths to establish a legislative history for and preventing misinterpretation of these and other terms as used by the BBA. This year the House Budget Committee compiled a formidable amount of testimony on all sides. It also remains the appropriate role of the Members engaged in floor debate this year to build similarly clear definitions.

Won't the BBA be unenforceable in other ways, causing erosion of respect for other Constitutional provisions as well?

To a certain extent, the provisions of H.J. Res. 290 are self-enforcing or interactively enforcing. Effective enforcement and orderly implementation certainly are expected in the form of enabling legislation; Members such as the Chairman of the Budget Committee have served notice most effectively in that regard. Beyond that, enforcement either is implied by the ramifications of stalemate or inaction or, to a very limited degree, could be obtained in the courts.

The Constitution requires Congress and the President to take the necessary steps to carry out Constitutional mandates. Congress is empowered to make all laws that are "necessary and proper to execute the mandate of the Constitution." The President and Members of Congress take only one oath, promising to "preserve, protect and defend the Constitution." It is assumed that Congress and the President will monitor each other and to the limits of their authority enforce the provisions of the amendment against the other.

The public will also have a significant role. A breach of the amendments' provisions would be readily apparent, and if a breach occurs a political firestorm very likely would erupt from the public. Public accountability is provided for in the provision that requires any vote to run a deficit to specify which outlays are "excess."

Finally, as a last resort, the judicial branch may act to insure that the Congress and President do not subvert the amendment. A member of Congress or an appropriate administration official probably would have standing to file suit challenging legislation that subverted the amendment.

Wouldn't H.J. Res. 290 dangerously and inappropriately transfer power to the courts in a whole new area by opening up to court challenge on Constitutional grounds virtually every budgetary decision made by Congress (and the President)?

The Courts could make only a limited range of decisions on a limited number of issues. They could invalidate an individual appropriation or tax Act. They could rule as to whether a given Act of Congress or action by the Executive violated the requirements of this amendment. Indeed, a limited role is appropriate: In the words of *Marbury* v. *Madison*, the judiciary has a fundamental obligation to "say what the law is."

But it would be inappropriate for the courts, and it would be inappropriate to call upon the courts, to rewrite budget priorities and fiscal law. Senate Reports 99–162 and 99–163 and the accompanying Senate debate once again provide much guidance, this time as to how the "political question" doctrine of *Baker* v. *Carr*, 369 U.S. 186 (1962), the requirement to a justicable case or controversy (see e.g., *Aetna Life Insurance Co.* vs. *Haworth*, 300 U.S. 227 (1937), and questions of standing would prevent the floodgates of litigation from opening upon the process in place under a suitable BBA. For example, *Riegle* v. *Federal Open Market Committee*, 656 F.2d 873 (DC Cir. 1981),"counsel[led] the courts to refrain from hearing cases which represent the most obvious intrusion by the judiciary into the legislative arena: challenges concerning congressional action or inaction regarding legislation."

The traditional judicial doctrine of "standing" requires that a plaintiff has a direct and specific, personal stake or injury. A "generalized" or "undifferentiated" public grievance, such as would suggest "taxpayer" standing vis-a-vis macroeconomic policy decisions, is not recognized.

Most questions that will arise as to compliance or enforcement will either be resolved through enabling legislation or will arise during policy-making events that trigger the self-enforcing mechanisms in the BBA (i.e., ⅗ vote to pass an increase the debt that results from a deficit in a given year) or currently in place (i.e., threat of government shutdown if a legislative deadlock persists).

Finally absolutely no role for the courts is foreseen beyond that of making a determination as to whether an Act of Congress or an Executive action is unconstitutional and a court order not to execute such Act or action. A purely restraining role is anticipated for the courts and could be guaranteed by Congress in appropriate legislation specifying standing, jurisdiction, and remedies.

If the judiciary is involved, couldn't a case drag on for years past the fiscal year in question, making every case moot?

The courts have shown an ability and willingness to expedite their processes in an emergency. Recent examples are the reapportionment cases involving Massachusetts and Montana that went all the way to the Supreme Court and were resolved in a matter of months. Congress could further ensure expeditious handling, for example, giving the Supreme exclusive and original jurisdiction over cases arising under the BBA.

What if the President and Congress do not enact necessary legislation required in implementing and enforcing statutes?

Currently, under the Constitution, if Congress fails to make appropriations or provide for further Treasury borrowing the government faces risk of shutdown. We will face the same result if Congress fails to pass necessary legislation required by implementing legislation. Absent the enactment of some other specific procedure, and assuming a deficit situation begins developing in a fiscal year, the amendment obviously implies that responsibilty on the part of Congress and the Executive to estimate receipts and monitor outlays on an ongoing basis and to identify the point during the fiscal year at which disbursements simply will have to cease.

In any event, of course, failure to enact legislation or take other positive actions required or implied by this amendment will result in the "train wreck" of an increase in the debt held by the public needing to pass by a three-fifths vote of both Houses.

What if Congress, ignoring the provision in H.J. Res. 290, nevertheless passes appropriations in excess of estimated revenues?

The general charge that outlays not exceed receipts creates a general obligation for Congress and the Executive to construct a statutory framework to enforce and implement the BBA, in advance of its effective date. Indeed, such legislation would be essential in managing the budget down its "glide path" to an eventual balance. The ultimate form of such legislation could include a revised Gramm-Rudman-Hollings type sequester, an enhanced Pay-as-you-go mechanism, or some other process reforms.

The language of Section 1 also creates an ongoing obligation to monitor outlays and make sure they do not breach the target amount fixed in an estimate of receipts. This does not envision any sort of discretionary "impoundment" power on the part of the President or courts. However, the Executive branch would be under an obligation to estimate whether outlays will occur faster or at higher levels than expected and to notify Congress promptly. If an offsetting rescission is not enacted or other appropriate legislative action not taken, then the President would be bound, at the point at which the government "runs out of money," to stop issuing checks (unless, of course such exigencies already have been accounted for in enforcement and implementation legislation in advance).

The deterrent of a budgetary "train wreck" always exists to motivate responsible budgeting: either the possibility of a government shutdown or of the need to round up ⅗ of both Houses to pass a debt increase bill without any "blackmail amendments." (For example, Gramm-Rudman-Hollings was a "blackmail amendmnt" attached to a debt ceiling bill in 1985, when 51 Senators refused to pass a "clean" bill.)

What is to prevent Congress and the President from drastically over-estimating revenues and then declaring, "oops," when outlays and receipts are unbalanced at the end of the fiscal year?

If such a scenario occurred, Congress would have to pass a debt ceiling increase by a three-fifths vote. The threat of a "train wreck" on the debt limit vote provides a powerful incentive for truty-in-budgeting. Any such mis-estimates will catch up rapidly with its authors within a year. A transparent mis-estimate would be subject to the very public process of budget-making. Congress and the President would avoid a widely publicized "mistake" because of its political impact.

Why is H.J. Res. 290, as introduced, different from previous BBA versions, in that it requires a ⅗ vote to raise the limit on federal "debt held by the public", rather than the "pubilc" or "gross" debt?

When the Social Security and other trust funds run surpluses, those surpluses are invested in U.S. Treasury securities, meaning they are borrowed by the U.S. Treasury and the "public debt" (approximately the same as the "gross federal debt") is increased by that amount. Such borrowing is an intragovernmental transfer between accounts, and does NOT increase the "debt held by the public." Since the intent of the debt limit vote in the BBA is to enforce the amendment and deter deficits, the "debt held by the public" is the closest currently-used and commonly-understood measure of indebtedness that approximates the amount that indebtedness has been increased because of total deficit spending. In other words, H.J. Res. 290 was not meant to "punish" Congress by requring a difficult ⅗ vote just because trust funds are running a surplus.

If a contracting economy causes a revenue shortfall, wouldn't harmful, pro-cyclical measures, such as cutting spending or raising taxes be required in mid-year?

Not under H.J. Res. 290. This BBA was designed to react flexibly to sudden changes in the eocnomy by establishing the joint receipts estimate as the outlay ceiling for the entire fiscal year. A revenue shortfall would not precipitate any mandatory changes in taxing or spending.

If a contracting economy causes social spending outlays to rise in mid-year, would compensating action be required?

Possibly. Rather than try to anticipate every economic contingency in Constitutional language, the authors of H.J. Res 290 wrote what they believe remains a sufficiently flexible amendment. Several responses are possible; for example:

(1) Congress can only control what is reasonably controllable. Often, such outlay changes will be sufficiently small that it cannot be determined with reasonable precision that an imbalance will exist at the end of the fiscal year. In such a case, no adjustment would be necessary.

(2) To the extent such outlay increases are foreseeable and fairly certain, a mid-year adjustment might be necessary, relying on offsetting rescissions or other account adjustments, as is the case when a supplemental appropriations must be made deficit-neutral.

(3) If Congress and the President agree that the economic situation warrants outlay levels above the receipts ceiling, achieving a ⅗ majority to approve such spending is not an insurmountable hurdle.

What if a law enacted in the good faith belief which is revenue-neutral turns out to increase revenues?

As with other laws that may be challenged on Constitutional grounds, if it were shown that Congress and the President acted in good faith and had a reasonable basis for projecting revenue-neutrality, the law would not be struck down.

What if a bill provides for both increases and decreases in revenues?

H.J. Res. 290 refers to a "bill to raise revenue." The clear intent is to look to the overall revenue effect of a bill.

What effect would H.J. Res 290 have if in the process of building a "consensus deficit-reduction bill," revenue increases were combined with spending reductions?

H.J. Res 290 differs from some previous BBAs in that it does not require a "vote directed solely to that subject" in the case of increasing revenues. Certainly, most of the sponsors of H.J. Res 290 would not object to such lanaguage. However, as currently written, H.J. Res 290 simply would require the authors and managers of such a combination bill to make a strategic decision as to whether they preferred to offer separate revenue and spending-cut bills or to subject the spending-cut provisions tied to the revenue-raising provisions in a single bill, with a need to pass by a majority of the whole membership.

Couldn't the various super-majority requirements in H.J. Res 290 thwart the wills of majorities in both Houses and the President?

Yes. Such is also the case with Senate fillibusters, Gramm-Rudman-Hollings points of order, and other procedures today. As is the case with all super-majority requirements in the Constitution (or in law), the purpose is to protect the immediate rights of a significant minority, and arguably the long-term rights of the people, against a "tyranny of the majority," a phrase frequently invoked by the nation's Founders.

In the case of H.J. Res 290, a sufficient structural bias exists for deficit spending and against accountability in tax decisions that compensating super-majority protections are warranted. Moreover, it is noteworthy that the super-majority levels involved are reasonable and modest.

Shouldn't economic policy be kept out of the Constitution?

Economics is politics and vice-versa. Governance inescapably involves addressing questions of economics. Moreover, our Constitution is replete with economic policy. For example, it refers to private property rights; prescribes Congressional (and Executive) roles in federal fiscal activities such as raising revenue, spending, and borrowing; provides for uniform duties, imposts, and excises; discusses the regulation of interstate commerce; discusses the coinage and value of money; and deals with counterfeiting, patents, and whether it encompasses broad and fundamental principles, its relevance is not transitory, and its importance is far-reaching in scope and over time. The need for a BBA and the proposal of H.J. Res. 290 in response meet this test.

Shouldn't the federal government have the flexibility to enact counter-cyclical economic measures?

Yes, and this flexibility is preserved in H.J. Res. 290 by allowing Congress to spend in excess of revenues if three-fifths of the members agree that deficit spending is warranted. What the amendment would do is mitigate against the structural bias to spend and borrow (and raise taxes somewhat in preference to restraining spending) in good times as well as bad. In restoring this level playing field, H.J. Res. 290 strikes a reasonable balance between requiring fiscal responsibility and allowing flexibility.

Wouldn't adopting a BBA result in cutbacks in services for the poor and needy, for senior citizens, for health and housing programs, and even possibly for defense programs?

The BBA itself would do none of these things. It would force the Executive and Legislative Branches to prioritize within a balance of receipts and outlays and force into the light of day what actual decisions and trade-offs are necessary. If this does not result in cutbacks of government programs, it will ensure that we pay for all the government we want.

Since "the BBA itself would do none of these things," isn't it just a "political free lunch," raising false hopes while diverting attention from the real and difficult budget decisions that need to be made?

Far from that, H.J. Res. 290 would force Congress, the President, and the public to own up to the hard choices that need to be made. It is general because most provisions in the Constitution, encompassing broad principles as they do, should be broadly worded. But its result will be to make unavoidable the asking of those questions some in elective office have avoided: How much government do we want? How willing are we to pay for it? Which programs should be priorities?

Should the Constitution dictate such details as the budgetary period (fiscal year)?

Some such reasonable parameters are necessary to provide for an enforceable amendment. Again, the authors are receptive to perfecting changes, although it is important that whatever parameter is used is not susceptible to subterfuge (e.g., merely including a term like "fiscal period" to be defined in statute). Senate Reports 99–162 and 99–163 suggested using "fiscal year," but allowed that a reasonable statutory re-definition could include a biennial "year."

Doesn't H.J. Res. 290 imply that the President would have enhanced powers to block spending based on a pretext of unconstitutionality?

A frequent criticism of previous BBA proposals has been that the President is not brought into the budget process sufficiently to share the responsibility of governing and the blame of impasse, although the President can criticize the Congress that "holds the purse strings." H.J. Res. 290 recognizes the accepted role the President has played under statute since the 1920s, by requiring the President to submit a balanced budget. The President must also share fiscal and political responsibility with Congress for H.J. Res. 290's joint receipts estimate. But beyond the role in that new joint estimate, H.J. Res. 290 does not broaden in any way the powers of the President. On the other hand, it does make the President more accountable for how the budget process proceeds.

Why do so many economic analyses project devastating results under a BBA?

Those that do generally assume either (1) that a balanced budget would be imposed immediately, without transition, or (2) that the requirement for balance will be adhered to without exception and that Congress (and the President in his or her recommendations) will not exercise its prerogatives under a flexible amendment to enact counter-cyclical measures.

This amendment will not go into effect until, at the earliest, two years after ratification. Once passed through both Houses, we would hope that Congress would recognize the impending deadline and act to meet that date by which the budget must be balanced. By allowing a multi-year phase in, we believe any such "drastic" economic effects would be diminished, if not erased.

This amendment has the flexibility to address economic emergencies through the 3/5 release vote on balancing the budget. This allows Congress and the President to act in response to circumstances such as a recession or some other emergency, while insuring that such a decision is made in a fiscally responsible manner.

Of what use is a BBA in today's atmosphere of impending fiscal crisis, if it won't be in force for several years?

(1) A BBA is a long-term proposition. It should be adopted because it is a valid response to a long-term and structurally inherent problem.

(2) Its long-term nature not withstanding, even a BBA that is not in effect for several years will prompt deficit-reduction actions in anticipation of its being in place. Therefore, submission of the amendment to the states would stimulate an immediate response in federal fiscal behavior.

Mr. CRAIG. Mr. President, these are two very detailed documents, that take this amendment on a section-by-section basis, to lay out for our colleagues who will read the RECORD and for any other citizen of this country who will read the RECORD that our effort is not only sincere, but it is the cumulative work of well over a decade of a variety of substantial interests who recognize the importance of dealing with a $4 trillion debt and a $350 billion-plus deficit and a recognition that this Congress has spent its citizenry up against the wall and there is no place else to go but a return to fiscal responsibility and the political will to gain that responsibility, but only through a constitutional amendment to a federally balanced budget.

If I have heard my colleagues here in the Senate and my former colleagues in the House say but once, I have heard them say it a good many times: Well, just give us the chance. We will cut spending and raise taxes and, by gollies, we will balance that budget; we do not need any constitutional amendment to force us to do that.

Well, by gollies, Mr. President, they have that chance every day of the week. By gollies, Mr. President, they have that chance every budgeting cycle. But every budgeting cycle and every day of the week they ignore it because, by gollies, they do not have the political will anymore to be fiscally responsible in the collective sense.

The special interest groups that ply their concern against the largess of the public Treasury today have collectively produced a process that now has this Nation totally in debt; that now has this Nation having to travel abroad to sell its Treasury notes to finance the day-to-day expenditures of our Government.

It is with that in mind, more importantly, it is with that crisis at our front door, that many of us finally said to our leadership: We must debate this issue and we have to vote on it. The American people, by the most recent poll of several weeks ago, the Time-Mirror poll, said 77 percent of them recognized the Federal debt and the Federal deficit was the singly most important problem in this country, and that a federally balanced budget was the singly most important issue to remedy it.

Let me, for my time remaining, go through this document that we have before us today.

> Section 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by rollcall vote.

It is what my colleague from Oklahoma said. You cannot spend more than you take in. But if you need to, if there is truly an emergency where you might need to, then it would take the three-fifths vote, a super majority of this Congress, to allow it. In other words, some will argue it is a straitjacket. Some will argue that once Congress were to pass this and the Nation were to enact it into law through ratification, the Congress would be straitjacketed into doing nothing.

That simply is not the case. The flexibility is there.

But with it would come the political will to be fiscally responsible.

> Section 2. The limit on the debt of the United States held by the public shall not be increased unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

In other words, once again, we cannot pass go. The responsibility remains here. It is not the American people who will balance the Federal budget. It is the Congress of the United States. But by this document, it will be the American people who will tell us to do just that.

In a letter to John Taylor, Thomas Jefferson said, on November 26 of 1798:

> I wish it were possible to obtain a single amendment to our Constitution. I would be willing to depend on that alone for the reduction of the administration of our Government to the genuine principles of the Constitution.

And, of course what he was talking about was this very amendment, the amendment which would disallow the Congress of the United States from excessive borrowing and excessive expenditure.

> Section 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts.

Now, for the first time, in the Constitution of this country, the executive and the legislative branches of Government are brought equally into the process of proposing budgets; not of disclosing of them, not of bringing forth new revenue, but of proposing the necessary budgets based on the demands and the criteria of the governance of this country. And that, Mr. President, is a most responsible and important move.

> Section 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

No bill to increase revenue shall become law unless by a recorded vote of the body. In other words, no pass goes, no quick gavels, no voice votes—recorded votes. Stand up and be counted for that which the American people sent us here to do: To govern.

> Section 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security * * *.

In other words, Mr. President, again, there is no straitjacket. There is a real sensitivity to the needs of this country and the responsibility of national security, but it does force us to govern.

> Section 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

There have been some who would argue that the application and administration of this amendment would be thrown into the courts; that we would not only involve the executive branch but now we would involve the judicial branch of Government in the budgeting process. That is simply not the case, and if that argument is approached, that argument is a false argument.

Section 6 recognizes that the responsibility of this business of budgeting and governing does rest here with the Congress of the United States, as was so spoken to by our Founding Fathers. Section 6 is a critical element in the implementation of the processes and procedures by which we would arrive at a balanced budget.

Section 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

Section 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is later.

Three-fourths of our States—38 States—in approval of this document would allow it to be an amendment to our Constitution. If we were to pass it and the House were to pass it, it is important that it be said on this floor that it would not become law because it is a constitutional amendment. We may only propose to our citizenry that which we believe as the Congress ought to be in the Constitution. It is the citizenry, Mr. President, that would say what the Constitution is all about.

We are giving the American people today the opportunity to tell their Government and to tell their Congress to balance the Federal budget. That is the opportunity we are giving. We are not denying any spender on this floor the opportunity to spend. We are simply telling him or telling them or telling the Congress that we are going to give that right to the American people to once again grasp hold of and to begin to control the Government of this country.

That is what they are asking. That is what they are demanding of us. And that is what this debate is all about. Let that be part of the most important record, that the vote here today should be recognized as a will to allow the citizens a direct participation in their Government once again.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I wish to congratulate and compliment my colleague from Idaho for his leadership on this issue. As I mentioned before, both in the House and the Senate, he has been a true leader in fighting for a constitutional amendment to balance the budget.

Mr. President I ask unanimous consent that the Presiding Officer, Senator SHELBY, be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I recognize the Senator from Indiana for 8 minutes.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I want to begin by commending my friend and colleague from Oklahoma, Senator NICKLES; Senator CRAIG; Senator GRAMM; and others who have joined together to bring this legislation to the Senate floor, and to begin what I truly hope will be a historic debate about one of the most primary—and perhaps the most primary—functions of Government.

I hope through it all we cannot only bring before the American people the truly critical nature of this debate and why this amendment is needed, but we also can encourage our colleagues to see this as a historic opportunity to address a very fundamental problem that exists within our system of Government.

I am proud to join with those who have succeeded now in an effort to force this body to debate this very important issue. I know other important issues will have to be set aside. They will have to be put down a little on the list and wait for this debate to conclude. But I cannot think of anything more crucial to our future, more crucial to addressing what I think is perhaps the most fundamental issue facing Government.

For decades, we in Congress have enjoyed the luxury of unlimited debt. Recently, Members have discovered the popularity of criticizing that debt.

But now, with one vote, we hold the credibility of the Senate and the credibility of Congress in our hands. In one moment, we can prove our seriousness before a nation that has very grave doubts about the competency, the efficiency, the seriousness of Congress. The House of Representatives just concluded their historic debate. Many of Americans' expectations were once again severely disappointed because arms were twisted until some wills were broken. Every special interest flooded the House of Representatives with a sea of pity. And in the end, with a handful of broken pledges and broken promises, the constitutional amendment was narrowly defeated. But today we have a chance in the Senate to renew this debate and challenge the House to rethink its error made just last week.

Can there be any argument about the urgency of our circumstances? Can there be any argument about the urgency of doing what we are now doing when every child born today in America inherits $16,000 apiece in national public debt? Can there be any argument about what we are doing when the average budget deficit has risen from 2 percent of GNP in the seventies to 4 percent of GNP in the 1980's to 6 percent of GNP today in 1992? Can there be any argument about the urgency of this debate when, to eliminate deficit spending today and start paying off the debt at the rate of $1 million a day, it would take 11,000 years to accomplish that task? Can there be any urgency when the GAO has provided us with a shocking, stunning report that says, if nothing is done to reverse current trends, deficits could explode over the longer term?

We have seen the charts indicating the almost exponential increase in public debt that has taken place over just a short period of time. The GAO has also said that failure to reverse current trends in fiscal policy and in the composition of Federal spending will doom future generations—not jeopardize future generations; doom future generations—to a stagnating standard of living, damage U.S. competitiveness and influence in the world, and hamper our ability to address pressing national needs.

I ask my colleagues, is this the legacy you want to leave from your service here in the U.S. Senate? Do you want your legacy of the privilege of serving in this body of the highest elective offices in the world, do you want your legacy to be that we doomed future generations to a stagnation, to a lack of competitiveness? We jeopardize the position of what many believe is the strongest and the greatest nation in the history of mankind. We throw all of that away because we did not have the courage to come forward and deal with one of our Nation's most fundamental problems.

I do not want this to be my legacy. I do not want this to be a legacy of a Congress that I served in. It is an unfair burden that we are placing on the future. It is a failure of political will. It is a betrayal of moral commitments.

Thomas Jefferson has been quoted as saying that he, many, many years ago, questioned whether one generation has the right to bend another by the deficit it imposes. It is a question of such consequence, he said, as to place it among the most fundamental principles of government. Jefferson went on to say we should be morally bound to pay for our own bills and not saddle posterity with our debts.

This failure to address this fundamental principle that Jefferson has outlined has led some of our more distinguished Members of Congress to quit in disgust and frustration. Respected Senators have lost faith in our ability to act.

The public, need we be reminded, shares that skepticism. In this debate we will either feed that anger and skepticism and cynicism that exists today in the public—who can doubt that—or we can begin to recover the trust of the American people.

This is serious business. Amendment of the Constitution is not something that ought to be taken lightly, because it alters the most basic of social contracts between government and its citizens. But the continued accumulation of debt threatens the endurance of that contract, an agreement not only between ourselves but with our children. The constitutional amendment is a strong measure. These are crucial times, and strong measures are called for. No one believes this Congress anymore, and perhaps no one should. Its word, in the views of many, has been deemed to be worthless.

I ask the Senator if I could have 2 additional minutes.

Mr. NICKLES. I yield 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COATS. The spending habits of Congress are simply too entrenched. There is an ideology of many of its Members which has little to do with liberal, right, left, conservative. It has to do with power.

Deficit spending makes great political sense and terrible economic sense, because it allows the Congress to please people in the present by placing burdens on the future, and Congress knows it is not the future that votes in November, it is the present. Congress has built its power on the ability to buy special interests, support with cash funded from national debt. That power is not going to be easily surrendered, and we are going to see people claw, grip, and try to hang onto that power. Even when Congress faces a crisis of its own creation, even when the views of most Americans are clear and when so much is at stake, we are going to see efforts to hold onto that power.

But I think this amendment will transform the nature of our commitment. It is one thing to vote for a deficit. It is another thing to stand in this well and put your hand on the Bible and raise your right hand and swear to uphold the Constitution of the United States. If Members would do that and then violate a constitutional pledge, they would betray any trust left in the American people, and I believe they would find a storm of outrage that they simply could not outride.

This is an opportunity, a chance to leave a legacy other than monumental debt, a chance to restore trust in this institution, to prove that the Congress will stand for something other than the defense of its own power and privilege. It is a shame that this amendment is necessary, but it is necessary because Congress seems to have lost any sense of shame.

Mr. President, I thank the Senator for the time and I yield.

Mr. NICKLES. Mr. President, I wish to compliment our colleague from Indiana for his statement and also for his leadership on this issue. I would like to compliment our friend and colleague from Illinois, Senator SIMON, who has been responsive. This happens to be the so-called Simon-Stenholm amendment that he has worked tirelessly on. I compliment him for his courageous leadership.

The Senator wishes 10 minutes. I yield 10 minutes.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I thank my colleague from Oklahoma.

Let me say at the outset, I recognize that some of my colleagues, who have spoken to me urging me not to support this, say there is a partisan twist to this. I recognize that there is something of a partisan twist to what is coming up here. Partisanship is not unknown on the floor of the U.S. Senate. But I think the real question is, Is this sound legislation?

That ought to be the question no matter the partisan motive that may be present at any point. Because it has taken on something of a partisan twist, there will be some voter falloff on this side of the aisle because people are wondering where we might have stood in a more direct assault on this. Our vote count, as close as you can get these things, was that we had 63 solid votes for a constitutional amendment, 8 question marks, and 29 no, or probably no, on this.

Let me just add my appreciation for my colleagues who helped in this effort, and particularly Senator THURMOND, who is on the floor right now, Senators HATCH and CRAIG on that side of the aisle, and Senators DECONCINI, LEAHY, and BRYAN on our side of the aisle who were very, very helpful.

Real candidly, I do not think anyone expects that we are going to pass it in this vote, but I think Senator NICKLES has performed a public service in that we are going to get a little more education on the issue.

Next year, we are going to have a real vote, and I hope this education process can help not only Members and candidates but editorial writers and others who have not examined this as carefully as they should.

Why do we need this? The New York Federal Reserve Board says, because of the decline in our savings rate in recent years, primarily because of the deficit, we have lost 5 percent in GNP growth. One percent in GNP growth means 650,000 jobs.

You are talking about a massive loss that has already affected Nebraska; it has already affected Missouri, South Carolina, Illinois, every State in this Nation.

Senator SEYMOUR earlier referred to this GAO report, I think the most significant GAO report in the history of that organization that should have been on front pages of every newspaper in this Nation and on national television. Bill Nykirk of the Chicago Tribune did the only story I have seen on it.

That report says if we continue on the present course, our economy is unsustainable. If we get ahold of it by the year 2001, the growth in per-capita income by the year 2020 is going to be 36 percent. That means that the grandson of Senator BYRD, my esteemed opponent in this issue, for whom I have great respect—that grandson's income is likely to be 36 percent greater, if we balance the budget by the year 2001—and I hope we can do it before then—and my granddaughter's future is likely to be 36 percent greater, if we get a hold of this thing.

What about those who say we should not trivialize the Constitution? Thomas Jefferson said that we need this. That is a pretty good authority.

Let us take the preeminent witness against the constitutional amendment, the constitutional scholar, Laurence Tribe, who testified against this, a professor at Harvard. In his testimony before the Senate Budget Committee, here is what he has to say:

> Let me make clear that, despite the misgivings I expressed on this score a decade ago, I no longer think that a balanced budget amendment is, at a conceptual level, an ill-suited kind of provision to include in the Constitution.
>
> * * * the Jeffersonian notion that today's populace should not be able, by profligate borrowing, to burden future generations with excessive debt does seem to be the kind of fundamental value that is worthy of enshrinement in the Constitution. In a sense, it represents a structural protection for the rights of our children and grandchildren. Given the centrality in our revolutionary origins of the precept that there should be no taxation without representation, it seems especially fitting in principle that we seek somehow to tie our hands so that we cannot spend our children's legacy.

I think what he said is right. For those who say, oh, we can do it without a constitutional amendment, it is very interesting, even under the pressure of a constitutional amendment pending in the House, they were going to offer a substitute which would take the steps necessary, but they could not get the votes to pass it.

In fiscal year 1980, we spent $74 billion gross interest expenditure. This next fiscal year, it will be $316 billion. This next fiscal year, for the first time in the Nation's history, interest will be the No. 1 expenditure by the Federal Government. We will, next year, spend 10 times as much on interest as we will on education. We will spend twice as much on interest as on all of our poverty programs. In the first 175 years of our Nation's history, 60 percent of the time we balanced the budget, and when we did not balance it, they were small deficits. In the last 25 years, 4 percent of the time we balanced the budget, and when we have deficits, they have been huge deficits.

If you take this 12 years—let me add that I do not mean to be partisan in this, Mr. President. The blame is shared by both political parties. Both have failed in this. Yes, the Republican administrations have, and yes, the Democratic Congress has.

Take these 12 years, and do you know what we will spend in interest in these 12 years, Mr. President? $1.4 trillion for interest. What do we get out of it? Nothing, except a harmed economy, plus massive redistribution of wealth. Who pays the $316 billion this next year? Who collects the money? People who are more fortunate and, increasingly, those who are more fortunate beyond our borders.

According to that GAO report, not only are we slipping in discretionary nondefense items, but we are likely to have a slippage at the most optimistic scenario, at least one-third in that field, if we do not get ahold of it. One of the ironies is that some of the groups that favor social programs that I have been advocating, who should have been out there fighting for this program, who believe in education and social programs, in a shortsighted way—shortsightedness is not limited to Government or the corporate sector—opposed it. Figures for the last 10 years, in inflation-adjusted percentages, are going to look good compared to the next 10 years, if we do not stop this. In the last 10 years, discretionary nondefense went down 11 percent. Defense went up 30 percent. Entitlements, up 52 percent. Gross interest, up 105 percent.

In terms of deficit relative to GNP, we are now at about 6.2 percent. We are scheduled to go down to about 4 percent, and the GAO report says by 2020, it will be over 20 percent.

A distinguished Illinois Senator, Paul Douglas, was an economist, and former president of the American Economic Association. On December 28, 1949, he addressed the American Economic Association convention, and at that point he warned about deficit spending and the need to balance the budget. He said that we are going to face difficult times if we do not do it.

Where were we then? We faced a $5.5 billion deficit, the total debt of the Federal Government was $257 billion, and the interest we were paying on the bonds that we issued at that point, average, Mr. President, was 2.2 percent. Incredible.

Can we do this without a balanced budget? In theory, we can. The argument that is going to be made on this floor over and over again is that we can do this without a constitutional amendment. But the answer is we are not going to do it without a constitutional amendment. In 1986, when it failed by one vote, that was the argument. The debt then was $2 trillion, and now it has doubled to $4 trillion. Where are we held, it we do not do this? Mr. President, it is, I think, very clear that we are heavily dependent on Social Security retirement funds by buy our bonds.

If you look at a graph in front of you, if I had one here, it would show a gradual increasing number of people retiring on Social Security, and then in the year 2010 it goes up very dramatically. At that point, Mr. President, Congress and the President have three choices to make.

Mr. President, could I have 1 additional minute?

Mr. NICKLES. I yield the Senator 1 additional minute.

Mr. SIMON. Mr. President, we face at that point three choices.

First, we can dramatically cut back on Social Security retirement, and you and I know that is not politically doable.

Second, we can dramatically increase taxes, and you and I know that is not politically doable.

Or third, we can print more money. That is the politically easy way out.

That, I say to my friends, is where we are headed. That is the reason that what economists call real interest rates in this country are near or at an alltime high, because, as Lester Thurow points out in his book, financial markets increasingly think we are headed down that path.

I believe there is only one way to prevent us from heading down that path and that is a constitutional amendment, and I am going to stick with my friend from Oklahoma in his amendment, and I am going to vote with him to reject the other amendments.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I wish to thank my colleague from Illinois for his statement and also for his leadership, and I appreciate his courage and conviction on this issue.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 40 minutes and 41 seconds remaining.

Mr. NICKLES. Mr. President, I ask unanimous consent for an additional hour.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, the Senator from South Carolina is here and he requests 12 minutes on the amendment.

Mr. THURMOND. Yes.

Mr. NICKLES. Mr. President, I yield the Senator from South Carolina 12 minutes.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

PRIVILEGE OF THE FLOOR

Mr. THURMOND. Mr. President, I ask unanimous consent that Sharon Slaughter of my Judiciary Committee staff be accorded the privilege of the floor during consideration of the amendments to the GSE bill concerning a balanced budget amendment to the Constitution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I rise today in support of the amendment being offered by Senators NICKLES, SEYMOUR, and GRAMM.

The amendment being offered would allow the American people to amend the Constitution to require the Federal Government to achieve and maintain a balanced budget.

The language for this proposal is identical to the balanced budget amendment language which was agreed to by the principle supporters in the Senate and House. A similar proposal was overwhelmingly adopted by the Judiciary Committee on May 23, 1991. The report on this bill was submitted in early July of last year and the bill has been pending on the Senate Calendar since July 9, 1991. Also, recently the House failed by nine votes to adopt a balanced budget amendment.

Mr. President, I give this brief legislative history on our balanced budget amendment proposal to inform my colleagues why we believe it is now important to offer the balanced budget amendment to the pending business before the Senate.

Our opportunities are numbered for having a balanced budget amendment considered by the full Senate during this final session of the 102d Congress. If the Senate adopts this measure now the House would then be obligated under its rules to consider this measure once again. I firmly believe that adoption of this proposal by the full Senate will motivate enough House Members to provide the necessary two-thirds vote for its final passage.

This proposed amendment is similar to a joint resolution which the Judiciary Committee approved by an 11 to 3 vote in July 1990. Also, in 1982 while chairman of the Senate Judiciary Committee, I authored a constitutional amendment to mandate a balanced budget. This amendment was passed by the committee and brought to the full Senate which also adopted it that year. It then went to the House of Representatives where the Speaker and majority leader led the effort to defeat it. Evidently they were not ready to curtail excessive Government spending.

Again, in 1986, another constitutional amendment which I sponsored was approved by the Judiciary Committee but lacked only one vote from passing the full Senate.

The amendment being offered today calls for a constitutional amendment which requires that Federal outlays not exceed receipts during any fiscal year. Also, the Congress would be allowed by three-fifths vote to adopt a specific level of deficit spending and could only increase the public debt by a three-fifths vote. Further, the Congress could waive the amendment when the United States is engaged in military conflict threatening our national security. An additional important provision of this proposal requires approval under a rollcall vote by a majority of both Houses before any bill to increase revenue becomes law.

Mr. President, our Constitution has been amended only 27 times in our Nation's history. Amending the great document which governs the United States of America is a most serious matter and of such earnest concern that it has been reserved to protect the fundamental rights of our citizens or to protect our system of government.

For over half a century, the Federal Government has adhered to an abnormal fiscal policy which has fostered an irrational and irresponsible pattern of spending which I believe threatens the future of this Nation. The balanced budget amendment is needed to protect the fundamental rights of American citizens and to ensure the survival of our system of government. The Federal Government has become entrenched and wedded to a fiscal policy which jeopardizes our democratic form of government.

As of June 1, 1992, the Federal debt was $3.9 trillion. Per capita, the Federal debt is over $15,500. That is to say that it would take over $15,500 from every man, woman, and child in America to pay off the public debt. Another startling statistic comes from the estimate that it will take 40 percent of all personal income tax receipts to pay the interest on the debt for fiscal year 1991.

For fiscal year 1991, the payment of interest on the Federal debt accounts for 15 percent of the entire budget. Discounting entitlement programs, it is now the second largest item in the budget. Between 1975 and 1990, net interest on the debt has grown almost 700 percent.

The tax dollars that go to pay interest on the debt are purely to service a voracious congressional appetite for spending. Payment of interest on the debt does not build roads, it does not fund medical research, it does not provide educational opportunities, it does not provide job opportunities, and it does not speak well for the Federal Government. Payment of interest on the debt merely allows the Federal Government to continue to carry a debt which has been growing at an alarming rate and, as I stated earlier, is currently $3.9 trillion.

Mr. President, deficit spending by the Congress has brought us to economic stagnation. Congress has balanced the Federal budget only once in the last 31 years. During my 3½ decades in the Senate, I have been amazed and deeply concerned over the continued growth of Government spending.

Federal spending continues to eclipse receipts of the Government and this will only exacerbate the deficit problem. The recent deficit reduction package agreed to by the Congress is well intentioned but beyond its objective goal we must take a serious step to ensure fiscal responsibility. A balanced budget amendment as part of the Constitution will mandate the Congress to adopt and adhere to a responsible fiscal policy.

The budget deficit for fiscal year 1991 was $268 billion. This is an increase from the deficit of 1990 which was $220 billion and the deficit is projected to grow this year to $399 billion. I find these figures distressing when I recall that there was a $3.9 billion surplus during my second year in the Senate in 1956. In the past 30 years, I have supported and introduced a balanced budget amendment to force the Congress to follow a commonsense rule of fiscal responsibility.

Some of our colleagues who are opposed to a balanced budget amendment suggest that congressional restraint in spending is the proper course to reduce the deficit. I certainly agree that it is a proper course, but it has proven to be a course which the Congress has refused to follow. Despite innovative legislating, Congress has not shown fidelity to any self-imposed restraint or discipline when it comes to spending the dollars of the American taxpayer.

For example it is estimated that for fiscal year 1991, the receipts of the Federal Government will rise 5.8 percent from the previous year while government spending for 1991 will rise over 12 percent from the previous year. Federal spending for 1991 will probably increase over $100 billion from 1990.

Mr. President, the American businessmen and businesswomen have become incredulous as they witness year in and year out the spending habits of the Congress. Anyone who runs a business clearly understands that they cannot survive by continuing to spend more money than they take in. It is time the Congress understands this simple yet compelling principle.

The balanced budget amendment which is being offered today has the support of many of our colleagues in the Congress, a Congress which holds widely varying political views. Its supporters share an unyielding commitment to restoring sanity to a spending process which is out of control and hurling our Nation headlong toward economic disaster.

For many years, I have believed, as have many Members of Congress, that the way to reverse this misguided direction of the Federal Government's fiscal policy is by amending the Constitution to mandate, except in extraordinary circumstances, balanced Federal budgets. The Congress should adopt this proposal and send it to the American people for ratification. The balanced budget amendment is a much needed addition to the Constitution and it would establish balanced budgets as a fiscal norm, rather than a fiscal abnormality.

Mr. President, the tax burdens which today's deficits will place on future generations of American workers is staggering. Who are the future generations of American workers? They are our children and our children's children. We are mortgaging the future of generations yet unborn. This is a terrible injustice we are imposing on America's future and it has been appropriately referred to as fiscal child abuse.

For far too long, without accountability, the Congress has been spending the hard-earned dollars of American taxpayers. It is time we show fiscal discipline and adopt a balanced budget amendment.

Mr. President, it is unfortunate that we must now offer our balanced budget amendment to the pending legislation but we are no less resolved in our determination to see it adopted.

It is incumbent upon this Congress to reverse the fiscal course of the Federal Government, and I believe that a constitutional amendment is the best way to do it. Congress must do its duty and adopt this rule of fiscal respectability and submit this proposal to the States for ratification. I urge my colleagues to support this amendment.

Mr. President, I see my good friend from Illinois, Senator PAUL SIMON, on the Senate floor. He has taken a great interest in this legislation and it has been a pleasure to work with on this important matter.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I wish to compliment our friend and colleague, Senator STROM THURMOND, because there is no question, no one in either body, the House or the Senate, has worked longer and harder for more years to pass a constitutional amendment to balance the budget.

The Senator from South Carolina was chairman of the Judiciary Committee both in 1982 and 1986 when it did pass. Again, I just wish to compliment my colleagues for his leadership on this issue for decades. I really hope and pray we will be successful in passing this amendment if for no other reason than his dedication and tireless effort on its behalf.

Mr. THURMOND. Mr. President, I thank the distinguished Senator for his kind words.

Mr. NICKLES. Mr. President, my colleague from Missouri, Senator DANFORTH, is seeking the floor. I yield him 12 minutes.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DANFORTH. Mr. President, I support the balanced budget amendment with one condition and with one observation. The condition is that it is my understanding that this constitutional amendment does not put the judicial branch of Government into the business of deciding what taxes should be levied and what appropriations should be made. It is fundamental to the tradition of this country that the courts not get into the legislative functions of taxing and spending.

When Senator CRAIG, who has been one of the leaders in this constitutional amendment, was on the floor, he stated on the record that this amendment does not put the courts in the business of taxing and spending. I wish that the amendment were more express in taking that position. I wish that it would expressly say on its face that nothing in the amendment empowers the courts to tax or spend. I would consider offering an amendment to say just that, if this amendment were in a parliamentary position in which it were amendable. It is not.

But it is my understanding, and it is the condition of my support for the amendment, that it be understood and interpreted not to empower the courts to tax or to make spending decisions.

My one observation is that this proposed amendment, if it were adopted and made part of the Constitution, would not be self-enforcing. To pass a balanced budget amendment does not accomplish a balanced budget. It is wonderful to make speeches about the importance of a balanced budget, but to pass a constitutional amendment saying that there must be a balanced budget does not create a balanced budget.

A balanced budget can only be created by an act of Congress, by acts of Congress, by congressional leadership, and by Presidential leadership. That is the only way we can get from a balanced budget amendment to the fact of a balanced budget. The amendment itself does not do that.

The amendment says in section 6, "The Congress shall enforce and implement this article by appropriate legislation." But the amendment does not tell us the details of the appropriate legislation by Congress.

So I think it is important for those of us who are elected officials and those who aspire to be elected officials to say how we would implement this constitutional amendment. I think we should do it before the State legislatures are asked to vote on ratification.

Yes, we can say in principle that we support a balanced budget. But how do we propose to accomplish a balanced budget? Every time we have an opportunity here in the Senate to give some hint as to what to do about the budget deficit, many of us—usually most of us—tend to run for cover.

For example, on April 10, Senator DOMENICI offered an amendment to the budget resolution. His amendment would have moved us to a balanced budget, not 5 years or 7 years from now, but 10 years from now, by a gradual program and a nonspecific program, I might say, for capping the growth of the entitlement programs. The majority leader offered an amendment to the Domenici amendment exempting disabled veterans and saying that he was going to follow up that vote, if necessary, with a series of other proposals to exempt various groups receiving entitlements. His proposal to exempt the disabled veterans carried by a vote of 66 to 28.

So we who are here in the U.S. Senate posturing about the importance of a balanced budget amendment, by a vote of 66 to 28 decided we do not want to do anything when it actually comes to a real vote on the issue of deficit reduction.

Then more recently, on June 17, 1992, we had before the Senate a sense-of-the-Senate resolution. The sense-of-the-Senate resolution basically said that there had been very little discussion among the Presidential candidates or congressional candidates about the problem of the budget deficit. We called on candidates, particularly candidates for President, to enter into a discussion about the budget deficit. Tell us, please, what you intend to do. Fess up; speak to the American people about the most important issue before our country. And we offered a vote on the floor. And the vote was 65 to 32 in favor of a simple sense-of-the-Senate resolution. Thirty-two Senators voted against it, many of whom are pushing very hard for a balanced budget amendment.

Why, Mr. President, did 32 Members of the U.S. Senate vote against a sense-of-the-Senate resolution? I will tell you the reason. Because the sense-of-the-Senate resolution said, "The existing reckless Federal fiscal policy cannot be addressed in a meaningful way without including consideration of restraining entitlements and increasing taxes."

Those are the words that led 32 Members of the Senate to say: "Oh, my gosh, we cannot vote for that. Any suggestion, any consideration of increasing taxes is so unpopular, we could lose our political skins. Any suggestion of controlling entitlement spending is so controversial, we could lose the next election. Far be it from us, even in a sense-of-the-Senate resolution, to suggest even consideration of tax increases or controlling the growth of entitlements."

That is the present state of affairs. We want to pass a non-self-executing budget amendment, a balanced budget amendment, which I support. But we do not want to tell people what to do about balancing the budget. We do not want to display our hand.

I voted for Senator DOMENICI's proposition back on April 10. I think controlling entitlements is absolutely necessary. I voted for the sense-of-the-Senate resolution which talked about the necessity of considering both entitlements and tax increases. It seems to this Senator everything should be on the table. But, if we cannot even admit consideration of the hard issues, then it really is a sham to talk about a balanced budget amendment.

I would say, Mr. President, 3 weeks ago six Members of the Senate appeared on the program "Nightline" to ask the Presidential nominees to appear on 1-hour programs to discuss what they intend to do about the budget deficit.

One of the candidates, Governor Clinton, has responded that he would be willing to participate in such a program. President Bush has not yet responded. Ross Perot, who presents himself as that great straight-shooter who tells the truth to the American people, ducked the issue, as we politicians are so deft at doing.

He proved to be just as good at professional politics as anybody else in worming his way out of an answer to the invitation. But the invitation is still out there. ABC will provide three 1-hour programs, one for each Presidential candidate, to be questioned by Senators RUDMAN and CONRAD, both leaving the Senate, having said that they are fed up with not being able to deal with the budget deficit. ABC has said that it will provide such programs, three 1-hour time periods, and the invitations are out there.

I believe that the American people, before this election, should be told what the Presidential nominees intend to do about the budget. And I believe the American people should be told what Members of the Congress intend to do about the budget, before they are presented with a balanced budget amendment.

So, Mr. President, let us pass the balanced budget amendment. I hope we do. But let us also give the American people some straight talk about the real issues that are before this country.

This problem is not going to be solved by simply popular comments or broad generalities. This is a very, very difficult situation. And it is time for us to have the boldness to tell the American people the truth.

The PRESIDING OFFICER (Mr. ROBB). The Chair recognizes the Senator from Oklahoma [Mr. NICKLES].

Mr. NICKLES. Mr. President, I wish to compliment my friend and colleague, Senator DANFORTH from Missouri, for his conviction on this issue. I have had the pleasure of listening to him speak and lead on this issue. He happens to be one has courage and is willing to take some of the tough votes. I compliment him for his excellent statement.

Mr. President, now on the floor is Senator KASTEN from Wisconsin, who has been a real leader in trying to pass this amendment, and also to strengthen this amendment. I compliment him for his efforts.

The Senator requested how much time?

Mr. KASTEN. Eight minutes.

Mr. NICKLES. I will be happy to yield to my friend and colleague 8 minutes.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KASTEN. Mr. President, later today or early tomorrow, on behalf of myself and Senators BROWN, LOTT, COATS, SYMMS, BURNS, SMITH, HELMS, D'AMATO, SPECTER, MACK, GARN, MURKOWSKI, MCCAIN, PRESSLER, ROTH, SEYMOUR, NICKLES, GRASSLEY, DOLE, GRAMM, MCCONNELL, WALLOP, SIMPSON, and COCHRAN, I plan to offer a taxpayer protection clause to the proposed balanced budget amendment to the U.S. Constitution.

This taxpayer protection amendment would require a three-fifths supermajority vote to raise taxes beyond the rate of economic growth. It is supported by 48 citizen, business, and taxpayer organizations throughout the country. They range from the National Federation of Independent Business, to the American Farm Bureau, National Grange, the Seniors Coalition, the U.S. Chamber of Commerce, Citizens for a Sound Economy, the National Tax Limitation Committee, Citizens Against Government Waste, the National Cheese Institute, members of the Coalition for Fiscal Restraint, the National Cattleman's Association, and many more—48 different organizations in total. But that is an example of the broad spectrum of America that supports this amendment.

The amendment is also supported by the administration, and identical language received 200 votes in the House of Representatives. I ask unanimous consent that letters from numerous organizations and from the administration be printed in the RECORD at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KASTEN. Mr. President, Thomas Jefferson observed that "The public debt is the greatest of dangers to be feared by a republican government." I might say that is a small "r" not a big "R," Mr. President. Our early leaders recognized the dangers of excessive debt and reckless spending by the Federal Government.

For the first 150 years of our republic Congress generally presided over balanced budgets or surplus budgets. Occasional deficits were generated in order to finance wars and weather economic emergencies.

Deficit spending increased significantly after 1932. But the real problem began in the 1960's, as Government began to grow at an enormous rate. In 1962, Federal spending was 19 percent of the Nation's wealth, today it has exploded to 25 percent.

But for the last 30 years, the Federal Government has completely refused to live within its means. It is no accident that our current problems coincide with an alarming growth in Government.

We have massive Federal budget deficits today for one primary reason: Congress' appetite for spending outpaced even the extremely swift revenue growth of the 1980's. We have been outpacing that growth every single time. And this trend continues. This year alone Federal spending will grow an alarming 11 percent.

The Federal Government is spending money faster today that it ever has before, and taxpayers can no longer keep up with the demand.

The Federal budget is out of control. The deficit this year is forecast to be the size of the entire Federal budget in 1976. And the interest payment on the accumulated debt will soon be the second largest item in the entire budget.

Since 1962, Congress has approved tax increases 56 times. How many times during that same period of time have we balanced the budget? Once. One balanced budget; 56 tax increases. This is because tax increases have always been followed by a disproportionate growth in spending. In fact, history shows that in recent years for every $1 that Congress increased taxes, it increased spending by $1.59.

So that is why we are getting further and further behind as we increase taxes, and we think it is going to work to balance out the budget. We raise taxes $1; we increase spending $1.59.

This is why a balanced budget amendment must contain a limit on Congress' ability to tax the wealth of America's families. Without a tax limitation amendment, I fear that Congress will continually raise taxes in order to finance a balanced budget at higher and higher levels of Government spending. The budget, in other words, will be balanced on the backs of taxpayers.

We could have a balanced budget at high levels of GNP, but an unbalanced economy with reduced incentives, less private sector activity, and fewer job opportunities.

Mr. President, America's families and small businesses are already overtaxed. Either we get spending under control once and for all—or we condemn the American economy to high taxes and slow growth for as far as the eye can see.

Before World War II, the average American worked a month in order to pay the taxes that Government required. Today, Americans must work well over four months out of every year to pay the tax bill.

We all know how Washington works. This town is full of lobbyists and special interest groups that will work to ensure that spending restraint is the last option on the list when Congress has to balance the budget. It will be all too easy to keep the special interests happy and blame the Constitution for inevitable tax increases.

It is time Congress began to pay more attention to an interest group we have ignored for far too long: The American taxpayer. This group includes farmers in Wisconsin, miners in West Virginia, steel workers in Pennslyvania, auto workers in Michigan, small business men and small business women all across this country who have this broad coalition of people who are out there, and it is the taxpayers who deserve representation.

I want to make it tougher for Congress to raise taxes. I want to ensure that when we sit down to balance the budget, spending restraint is at the top of the list, and tax increases are at the bottom.

A taxpayer protection amendment would be particularly important if Governor Clinton were elected President. Clinton is already proposing massive new taxes. Higher income taxes, higher payroll taxes, higher taxes on social security benefits, higher corporate taxes which are ultimately paid by consumers. While the Democrats like to claim that these tax increases will only be on the rich. Most of the revenue will in fact come from the unincorporated small businesses of America. Nine out of ten small businesses pay taxes on the individual tax system. These are the very businesses that our economy has relied on to create new jobs.

Mr. Clinton's tax hikes are very similar to the tax hikes proposed in March by the Democrats. The Treasury Department calculated that 89 percent of the revenue from those so-called tax hikes on the rich would have in fact come from the unincorporated small businesses of America.

The people of Wisconsin are tired of Congress repeatedly raising their taxes, only to increase spending and produce even greater deficits. In 1990, the so-called budget summit deal imposed one of the largest tax increases in history. And what was the result? Tax revenues dramatically fell. They did not go up; tax revenues fell, and the deficit went up instead of down.

When the agreement was enacted 18 months ago the deficit for 1992 was supposed to be $229 billion; it will in fact be over $350 billion. Tax revenues for the full 5 years under the agreement will be $500 billion lower than forecast prior to the tax increase. In this case, for every $1 in tax increases, the Government has lost $3 in revenues due to the recession.

The American people know something that many in Washington have never discovered. Tax increases will not balance the budget. They will depress our economy, put small businesses out of business, and destroy millions of jobs.

My taxpayer protection amendment simply requires the same 3/5ths vote for tax increases as the amendment requires for Congress to run a deficit. Without this parity, Congress will find it all to easy to continue its spending binge and then at the end of the year when outlays exceed receipts simply raise taxes and blame it on the Constitution.

The difference between the two versions of a balanced budget amendment are very clear: the Kasten version would encourage spending restraint as the means of balancing the budget, the alternative version would make it all too easy to enact tax increases as the means of balancing the budget.

It is said that the first rule in getting out of a hole is stop digging. And that is what the taxpayer protection plan is about.

Once Congress passes a balanced budget amendment, we must immediately enact a 5-year plan to control the growth of Federal spending. This plan will put us on the road to a balanced budget.

In order for this plan to be successful, it must be accompanied by a vigorous progrowth tax agenda. Economic growth and job creation should be our highest priority. Without a growing economy, a balanced budget will continue to elude us.

As I stated earlier, in the high-growth period between 1983 and 1989, the deficit fell dramatically as a share of GDP. The high-tax, recessionary policies of the past 3 years have pushed the deficit up to record levels.

It is time to break out of static thinking—and start looking at these problems in dynamic ways. If economic growth is just 1 percentage point higher than forecast, that amounts to $258 billion in deficit reduction over 5 years.

This is why a progrowth economic agenda is so critical. We must cut the capital gains tax, improve the tax treatment of capital equipment, restore individual retirement accounts, enact enterprise zone legislation, and cut taxes on families.

Inside the Beltway, they are looking at this problem in entirely the wrong way. Economic growth is not only the way to ensure a higher standard of living—it is also the cure for the deficit.

Hold the line on taxes. Be responsible on spending. And get the economy moving with growth incentives. That is how we can get the deficit under control.

Mr. President, each of us knows that it is wrong for Congress to continue to borrow from future generations.

Congress is avoiding the tough decisions and passing an increasing portion of the burden of government on to our children. And those children have no say whatsoever in the process.

EXHIBIT 1

ORGANIZATIONS SUPPORTING A BALANCED BUDGET/TAX LIMITATION AMENDMENT (KASTEN VERSION, S.J. RES. 182)

U.S. Chamber of Commerce.
National Federation of Independent Business.
National Tax Limitation Committee.
Coalition for Fiscal Restraint.
Citizens for a Sound Economy.
American Farm Bureau Federation.
National Cattleman's Association.
Americans for Tax Reform.
U.S. Business and Industrial Council.
American Legislative Exchange Council.
Consumer Alert Advocate.
Seniors Coalition.
Americans for a Balanced Budget.
American Rental Association.
Amway Corporation.
Automotive Service Association.
Baroid Corporation.
Council for Citizens Against Government Waste.
Citizens Against a National Sales Tax/VAT.
CNP Action, Inc.
International Ice Cream Association.
Koch Industries.
Marriott Corporation.
Milk Industry Foundation.
National American Wholesale Grocers' Association.
National Association of Charterboat Operators.
National Association of Convenience Stores.
National Association of Manufacturers.
National Cheese Institute.
National Food Brokers Association National Grange.
National Independent Dairy-Foods Association.
New England Machinery, Inc.
Sybra Corporation.
Truck Renting and Leasing Association.
United States Federation of Small Businesses.
Valdi Inc.
Associated Builders and Contractors.
Competitive Enterprise Institute.
Irrigation Association.
National Taxpayer Union.
American Furniture Manufacturers Association.
Commercial Weather Service Association.
Committee for Private Offshore Rescue and Towing.
Consumer Alert Advocate.
Dairy and Food Industries Supply Association.
FMC Corporation.
Helicopter Association International.
National Grange.

STATE OF WISCONSIN,
Madison, WI, May 12, 1992.

Hon. ROBERT W. KASTEN, Jr.,
U.S. Senate, Senate Hart Building,
Washington, DC.

DEAR SENATOR KASTEN: I would like to take this opportunity to express my support for your Balanced Budget/Tax Limitation amendment (S.J. Resolution 182).

It is vital to the economic health of our nation that the federal government follows the lead of states like Wisconsin and begins balancing its budget. Your proposal offers the best solution on how to accomplish this.

Unlike a similar proposal offered by Senator Paul Simon (D-Illinois), your version calls for a balanced budget without giving Congress an excuse to raise taxes.

By requiring a three-fifths vote of both houses in Congress in order to allow deficit spending and raise taxes, your amendment requires Congress to exercise fiscal restraint when voting on federal budgets.

Our national debt is approaching $4 trillion. It is imperative that we stop this outrageous growth in federal spending and start taking responsibility for actions that could severely harm the future of this country. Your amendment is a step in the right direction.

I strongly endorse the Kasten version of the balance budget amendment.

Sincerely,

TOMMY G. THOMPSON,
Governor.

RESTAURANT ASSOCIATION,
Madison, WI, May 28, 1992.

Subject: Wisconsin Restaurant Association Support for Senate Joint Resolution 182.

Hon. ROBERT W. KASTEN, Jr.,
U.S. Senate,
Washington DC.

DEAR SENATOR KASTEN: The 6,000 members of the Wisconsin Restaurant Association have long supported the concept of balancing the federal budget. However, we are alarmed by Senator Simon's efforts to pass a balanced budget amendment, S.J. RES. 18. It is obvious that if such an amendment were passed with the present make-up of Congress, the budget would undoubtedly be balanced through increased taxes. Small business and their employees are already burdened by overly oppressive state and federal taxes.

The Senator Kasten approach embodied in S.J. Resolution 182 answers the concerns of the members and employees of the Wisconsin Restaurant Association. It makes it more difficult to increase taxes as a means of balancing the budget and encourages spending restraint as the main vehicle. Senator Kasten we applaud you once again for bringing reason into the political process.

If a balanced budget amendment were ratified without encouraging spending restraint, the public (which supports balancing the federal budget) would feel betrayed as they saw their taxes escalate out of sight at all levels of government as a result.

Thank you very much for taking a lead on this issue.

Sincerely,

ED LUMP,
Executive Vice President.

WISCONSIN FARM BUREAU FEDERATION,
Madison, WI, June 11, 1992.

Hon. ROBERT KASTEN,
Hart Office Building,
Washington, DC.

DEAR SENATOR KASTEN: I would like to express my support for your Balanced Budget/Tax Limitation amendment (S.J. Res. 182). Your active involvement in trying to pass this vital legislation in the past has been appreciated.

Farm Bureau has recognized the need for a constitutional amendment to balance the federal budget for more than two decades. Because of Congress' inability to enact meaningful and effective deficit reduction legislation, it is clear the balanced budget amendment is sorely needed.

Agriculture is willing to work with Congress and the administration to reduce all federal spending. Farmers have already contributed greatly to deficit reduction over the last five years, reducing outlays by half. If other programs would undergo similar budget scrutiny, it would be possible to reduce and hopefully eliminate our federal deficit.

Cutting federal spending and eliminating our budget deficit is the quickest way to restore America's and agriculture's financial integrity.

Sincerely,

HOWARD (DAN) POULSON,
President.

WISCONSIN MANUFACTURERS & COMMERCE,
Madison, WI, June 11, 1992.

Hon. ROBERT W. KASTEN, Jr.,
U.S. Senate, Senate Hart Building,
Washington, DC.

DEAR SENATOR KASTEN: Wisconsin Manufacturers and Commerce strongly supports your Balanced Budget/Tax Limitation Amendment, S.J.Res. 182.

As Wisconsin's largest business association, we are acutely aware of the effects a heavy debt can have on a business's bottom line. Government must follow the lead of business and shed the heavy debt load that it has forced upon itself. The first step is to balance its budget.

By requiring a three-fifths vote of both houses in Congress in order to allow deficit spending and raise taxes, your amendment requires Congress to exercise fiscal restraint when voting on federal budgets. The intended result is a balanced budget.

It is imperative that we stop the outragious growth in federal spending and start taking responsibility for actions that could severely harm the future of this country. Your amendment is a step in the right direction and therefore we heartily support your efforts.

Sincerely,

NICK GEORGE, Jr.,
Director of Legislative Relations.

METROPOLITAN MILWAUKEE
ASSOCIATION OF COMMERCE,
Milwaukee, WI, June 10, 1992.
Hon. ROBERT W. KASTEN, Jr.,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR KASTEN: I am writing to express the support of the Metropolitan Milwaukee Association of Commerce for your Balanced Budget/Tax Limitation Amendment, S.J.Res. 182.

In survey after survey, our members have told us that balancing the federal budget and reducing the deficit are top priorities. The economic growth of this country depends on our ability to live within our means. That means a balanced budget—without raising taxes!

Our national debt is approaching $4 trillion. This year's budget deficit will be $400 billion. We need a tough balanced budget amendment to curb the congressional appetite for further spending growth.

A number of balanced budget proposals have been submitted. However, it is vital that an amendment be passed which encourages spending restraint, not a tax increase, as the means of balancing the budget. Your amendment does this.

Thank you for your efforts to keep spending and taxation under control in this country. If there is anything we can do to assist your efforts to pass this resolution, please contact me.

Sincerely,

JOHN DUNCAN, CCE,
President.

FOXCITIES CHAMBER OF
COMMERCE & INDUSTRY,
Appleton, WI, May 27, 1992.
Hon. ROBERT W. KASTEN, Jr.,
U.S. Senate, Washington, DC.

DEAR SENATOR KASTEN: Please find attached a copy of the position statement adopted by the Fox Cities Chamber of Commerce and Industry at their May 27th Board meeting.

Time and time again, Congress has demonstrated an inability to come to terms with either living within their (our) means on an annual basis or effectively reducing the national debt.

As unappealing as a Constitutional Amendment mandating fiscal responsibility may seem initially, it is quite evident that there is no real alternative.

The Chamber supports S.J. Res. 192, a Balanced Budget/Tax Limitation Amendment, and encourages you to continue your efforts in this regard.

Warmest regards,

WILLIAM J. WELCH,
President.

FOXCITIES CHAMBER OF
COMMERCE & INDUSTRY,
Appleton, WI.

BALANCED FEDERAL BUDGET AMENDMENT

THE PROBLEM

The Federal Government spends more than it "earns." That is not only possible, it may be necessary in times of extraordinary national need. However, it must not, indeed it can not, continue indefinitely.

The U.S. economy is being ravaged by interest payments on a national debt that consume 25 cents on the dollar. Without changes in fiscal and regulatory policies, there is little chance that this cataclysmic trend can be reversed. As a result of mistaken economic policies during the 18 months prior to the onset of the recession, the U.S. Chamber of Commerce projected that the average "cost" *per month* of continuing current economic policies between now and the end of 1992 would be:

Increased Unemployment Rate, 0.1 percent.
Number of Jobs Lost, 170,000.
Lost Output, $15 billion.
Rise in Budget Deficit, $5 billion.
Decline in Family Income, $204.
People Added to Poverty, 225,000.

The United States is in the throes of the worst three-year economic period encompassing a recession since the 1930's with consumer confidence at an 18-year low.

Despite the record tax increase and promised spending restraint of the 1990 "deficit reduction" agreement, the federal deficit will reach a record $400 billion in the current fiscal year. Entitlement and other mandatory spending continue to grow uncontrolled and now account for over half of the total budget.

THE POSITION

The answer is not increased taxation. The federal government has demonstrated its inability to control spending by spending $1.50 for every new tax dollar collected. The answer is clearly on the expenditure side of the ledger, therefore.

The Fox Cities Chamber of Commerce & Industry supports S.J. Res. 192, a Balanced Budget/Tax Limitation Amendment which would require a supermajority vote (three-fifths) of both Houses of Congress in order for outlays to exceed receipts. The same supermajority vote would be required for tax revenues to grow at a rate greater than the rate of growth in national income.

The Fox Cities Chamber's endorsement of S.J. Res. 192 is made with the understanding that the federal government will not attempt to circumvent the resolution's intent by either increasing government regulation as a substitute for increasing taxation or by moving selected items "off budget." This country's future and that of our children depends on Congress' swift enactment of this vital piece of legislation.

INDEPENDENT BUSINESS ASSOCIATION
OF WISCONSIN,
Madison, WI, May 19, 1992.
Hon. ROBERT W. KASTEN, Jr.,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR KASTEN: The Independent Business Association of Wisconsin supports your efforts to cure what we consider to be the largest problem ever faced by our great nation—the annual Federal Government deficits which are growing at an alarming rate. Your proposed Balanced Budget/Tax Limitation Amendment is an outstanding measure to address the issue.

The current budget is over $1.4 trillion, and $400 billion, or 29%, will be financed with borrowing. This deficit, added to our previous borrowings, will mean the United States of America will have a national debt approaching $4 trillion. This is outrageous, however, it doesn't tell the whole story.

This year gross interest on the national debt will, for the first time, exceed the amount spent on Social Security benefits. Next year gross interest will be higher than the defense budget. Annual deficits will only get larger because of interest costs. Furthermore, in the next five years, entitlement programs are projected to grow by 8.1% annually for a five year cumulative increase of $800 billion. As a result, the share of the Federal budget consumed by direct payments to individuals—Social Security, Medicare, Federal and Veterans pensions, etc., will increase from 49% to over 60% in 1997. Consequently, larger entitlement expenses and greater interest costs will increase the annual deficit to $700 or $800 billion by the end of the decade. As you correctly point out, we can't let this happen or we're going to destroy this nation. We simply won't be able to continue borrowing money as the rest of the world will lose confidence in our ability to control financial affairs.

During my recent trip to Washington, I was pleased to learn many of your colleagues also believe we need a balanced budget amendment. Between the two balanced budget proposals being offered for consideration, yours has the most merit because it has real teeth. It would require a three-fifths super majority of Congress to deficit spend as would the other proposal. But yours also requires a three-fifths vote to increase taxes above the rate of economic growth. In short, your proposal addresses the real problem—spending.

We join your 21 Senate co-sponsors and your broad-based coalition of small business, farm and taxpayer organizations in support of S.J. Res. 182. We independent business people must run our businesses on a prudent fiscal basis, so we encourage your efforts to bring sense back to Federal Government spending.

Since the Balanced Budget/Tax Limitation Amendment will take time to enact, we applaud your other efforts to slow spending. Using savings from reductions in defense spending to reduce total government expenditures, adopting an across-the-board budget freeze on domestic and international discretionary spending, and granting the President line item veto authority all make eminent sense. We encourage you to continue pursuing these items.

Senator Kasten, thank you for your tireless efforts to resolve the greatest of problems. We independent business people know that controlling government spending will allow us to remain competitive, not only in this country but in others as well.

Sincerely,

WILLIAM N. GODFREY,
President.

WISCONSIN BUILDERS ASSOCIATION,
Madison, WI, May 20, 1992.
Hon. ROBERT KASTEN,
U.S. Senate, Hart Senate Office Building Washington, DC.

DEAR SENATOR KASTEN: On behalf of the 4600 member firms of the Wisconsin Builders Association, we are writing to express our strong support for Senate Joint Resolution 182, the Balanced Budget/Tax Limitation Amendment.

WBA members feel that this type of fundamental action is long overdue and critical to the long-term economic health of our nation. Constitutional constraints may be the only realistic way to rein in the runaway federal spending that leads to annual massive budget deficits.

In particular, we support the provisions in S.J. Res. 182 that would require a three-fifths "supermajority" to deficit spend and raise taxes in excess of the level of economic growth. Our members agree that this element is needed to prevent future budget balancing on the backs of the taxpayers.

We applaud your introduction of Senate Joint Resolution 182 and we are hopeful that Congress will act quickly to adopt this important proposal.

Sincerely,

STEPHEN J. SCHOEN,
WBA President.
GERALD J. DIEMER,
WBA Executive Vice-President.

[Office of Management and Budget]

A BALANCED BUDGET CONSTITUTIONAL AMENDMENT

(Testimony presented to the House Committee on the Budget by Richard Darman, Director, Office of Management and Budget, May 6, 1992)

THE PRESIDENT'S COMMITMENT

President Bush has proposed a balanced budget constitutional amendment in all three of the Budgets he has submitted to the Congress—but without a favorable Congressional response to date.

Even before submitting a full budget—shortly after being inaugurated—the President proposed that the Congress adopt a balanced budget constitutional amendment. This was his first specific legislative proposal (in Building a Better America). In doing so, he noted the following:

"Balanced Budget Constitutional Amendment. The most fundamental change needed is a constitutional amendment to require a balanced budget, including safeguards against a resort to higher taxes as the means of complying with the constitutional mandate. For most of our history until very recent decades there was an unwritten, but effective, rule against deficit financing, except in time of war. That rule, unfortunately, appears to have been abandoned in practice, if not in oratory. The problem of excessive spending—and spending that exceeds revenue—is a well-known and chronic affliction of democracies. The remedy in the case of the United States is clear: a change in the constitution. A balanced budget amendment is both necessary and appropriate to protect the interests of a group of citizens not now able to represent themselves; the citizens of future generations. Such an amendment has already passed the Senate on one occasion, and public support for it is shown in a variety of ways, ranging from opinion polls to enactment by more than 30 state legislatures of calls for a constitutional convention for this purpose. The time has come to move a balanced budget constitutional amendment forward."—Building a Better America, February 9, 1989.

THE SOLUTION

In order to reduce the deficit and balance the budget, three basic elements are essential. They comprise a set—in that the elements reinforce each other:

(1) The Congress should enact the President's Comprehensive Agenda for Growth. This was proposed in January, and still awaits Congressional action.

(2) The Congress should enact a balanced budget constitutional amendment. Such an amendment should require a supermajority vote for any tax increase—in order to prevent counterproductive action from the standpoint of economic growth.

(3) The Congress should enact some variation of the President's proposed cap on the growth of mandatory programs.

COALITION FOR FISCAL RESTRAINT,
May 6, 1992.

OPEN LETTER TO MEMBERS OF THE UNITED STATES SENATE

The undersigned members of the Coalition for Fiscal Restraint (COFIRE) understand that later this month the Senate may take up the subject of an amendment to the Constitution which would require a balanced federal budget.

As a result, we are writing to indicate our support for the balanced budget/tax limitation amendment (S.J. Res. 182) which will be offered by Senator Kasten.

To contain spending growth, the Kasten resolution would require a three-fifths vote in both houses of Congress in order to permit federal outlays to exceed receipts but with an escape clause in the event of a declaration of war.

In addition, it would require the same super-majority vote in both houses in order to increase taxes at a rate greater than the rate of increase in national income.

Continued growth of a national debt approaching $4 trillion caused by massive deficit spending is not only a threat to the nation's present and future economic strength but a legacy for future generations of debt unworthy of a responsible society.

For these reasons, we join together in this endorsement of S.J. Res. 182 when it comes before the Senate.

American Farm Bureau Federation.
American Furniture Manufacturers Association.
American Legislative Exchange Council.
American Rental Association.
Americans for Tax Reform.
Amway Corporation.
Automotive Service Association.
Baroid Corporation.
Chamber of Commerce of the United States.
Citizens Against Government Waste.
Citizens Against a National Sales Tax/VAT.
Citizens for a Sound Economy.
CNP Action, Inc.
Commercial Weather Services Association.
Committee for Private Offshore Rescue and Towing.
Consumer Alert Advocate.
Dairy and Food Industries Supply Association.
FMC Corporation.
Helicopter Association International.
International Ice Cream Association.
Koch Industries.
Marriott Corporation.
Milk Industry Foundation.
National-American Wholesale Grocers' Association.
National Association of Charterboat Operators.
National Association of Convenience Stores.
National Association of Manufacturers.
National Cattlemen's Association.
National Cheese Institute.
National Food Brokers Association.
National Grange.
National Independent Dairy-Foods Association.
National Tax Limitation Committee.
New England Machinery, Inc.
The Seniors Coalition.
Sybra Corporation.
Truck Renting and Leasing Association.
United States Business and Industrial Council.
United States Federation of Small Businesses.
Valhi, Inc.

CITIZENS FOR A SOUND ECONOMY,
Washington, DC, September 3, 1991.

Hon. ROBERT KASTEN, Jr.,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR KASTEN: On behalf of the 250,000 members of Citizens for a Sound Economy (CSE), I am writing to thank you for your sponsorship of S.J. Res. 182, the Balanced Budget/Tax Limitation Amendment legislation.

We applaud your efforts because S.J. Res. 182 requires a three-fifths super-majority vote to authorize a deficit. Even more importantly, it requires that Congress muster an equivalent super-majority to increase federal receipts at a rate faster than growth in national income. If this proposal becomes law, Congress will find it harder to use higher taxes to balance the budget.

The Balanced Budget/Tax Limitation Amendment recognizes the record-high tax burden in the United States. This year Tax Freedom Day, the date on which the average American stops working to pay taxes and starts working for himself, fell on May 8, the latest date in American history. The tax limitation component of this legislation limits Congress's ability to push Tax Freedom Day to an even later date next year.

CSE hopes Congress passes a balanced budget amendment with strong tax limitation provisions, and we look forward to working with you to make that dream a reality.

Sincerely,

PAUL BECKNER,
President.

NATIONAL FEDERATION OF INDEPENDENT BUSINESS,
Washington, DC, May 5, 1992.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: I understand that your Administration will soon be testifying on the issue of attaching a balanced budget amendment to the Constitution. I wanted to let you know how the small business community views this issue.

In April, the National Federal of Independent Business (NFIB) conducted an informal poll of our membership on the balanced budget amendment issue. They strongly support a balanced budget amendment which includes tax limitation language. Small business owners are very concerned that without the Kasten/Barton tax limitation language, Congress will balance the budget on the backs of small businesses. It is important that your Administration take a position in strong support of the Kasten/Barton tax limitation language.

Over the last decade, NFIB members have repeatedly expressed their concern over the inability of the federal government to live within its means. Their concern over the budget deficit was made extremely clear during a poll we did in January of this year. When NFIB members were asked whether Congress should cut taxes or focus on reducing the deficit, 72% responded that Congress should focus on reducing the deficit.

The federal deficit is severely impairing our competitiveness and limiting our ability to respond to economic downturns. In prior recessions, the federal government has been able to boost its spending to soften the blow of a recession. Unfortunately, it is hard to boost spending when we are already spending $400 billion more than we have.

Purely legislative attempts to curb federal spending have failed miserably. The federal deficit has continued to skyrocket. Interest payments on the national debt now exceed what we pay for national defense.

The federal deficit is not a result of too little taxation. The deficit is a result of federal spending that is out of control. Tax limitation language forces both Congress and the Administration to make the tough spending choices that have been repeatedly put off for the last decade.

I urge you to strongly support the Kasten/Barton version of the balanced budget amendment.

Sincerely,

S. JACKSON FARIS,
President and CEO.

AMERICANS FOR TAX REFORM,
Washington, May 13, 1992.

Hon. BOB KASTEN,
U.S. Senate, Washington, DC.

DEAR SENATOR KASTEN: The Senate will soon vote on the proposed balanced budget amendment to the United States Constitution.

The proposal offered by Senator Paul Simon (D-IL) contains no provision for spending limitation and has no strong, supermajority tax limitation element.

In the May 13 Washington Post, Congressman Charlie Stenholm (D-TX), the principal sponsor of the House companion to the Simon bill, is quoted proposing as the mechanism for bringing the budget into balance a $1 tax increase for every $2 dollars of spending reductions.

Without accounting for the anti-growth elements of this approach, Stenholm is proposing a $150 billion tax increase. This would be a violation of the Taxpayer Protection Pledge you made to the people of your state and to all American taxpayers.

In fact, the Simon-Stenholm approach to a balanced budget amendment is a virtual guarantor of regular tax increases on the American people—all of which would violate your pledge.

I strongly urge you to oppose the Simon-Stenholm approach and to support, instead the Kasten approach which includes strong tax limitation and which fits within the parameters of the Taxpayer Protection Pledge.

I strongly urge you to vote for and to cosponsor the Kasten amendment.

Sincerely,

GROVER NORQUIST.

U.S. CHAMBER OF COMMERCE,
Washington, DC, May 15, 1992.

Hon. ROBERT KASTEN, Jr.,
U.S. Senate, Washington, DC.

DEAR BOB: On May 13, it was reported widely in the press that some supporters of Senator Paul Simon's balanced budget proposal (S.J. Res. 18) are seriously considering an automatic enforcement provision that would require $1 in new tax increases for every $2 in spending cuts to reduce the deficit. Some members are promoting a variation of this idea that would provide for a 50-50 mix of spending cuts and tax increases.

Employing optimistic growth assumptions, the Congressional Budget Office estimates that the federal budget deficit will average $288 billion annually between 1992 and 2002. Assuming an average annual deficit of $300 billion and a five-year cumulative deficit of $1.5 trillion, the enforcement proposals suggested above would guarantee a 5-year tax increase between $500 billion ($1,500 billion .333) and $750 billion ($1,500 billion .5). A tax increase of this magnitude would dwarf the $160 billion tax increase of 1990, which was the largest ever, and would crush the economy.

The Chamber opposes any enforcement provision that would automatically produce a tax increase.

In light of these recent developments, I wanted to share the enclosed information with you. Enclosed are the results of the "Where I Stand Poll," by Nation's Business Magazine. This poll is not like many radio and television polls which are based on the responses of a few hundred participants. These "Where I Stand" results represent the opinions of 3,795 small business respondents to a nationwide poll. If you are interested in what small business thinks about balanced budget amendments and tax limitation proposals, this poll is revealing. By more than two to one, small business respondents do not favor a balanced budget amendment without strong tax limitation.

The results of the poll are unambiguous. The small business community respondents favor a balanced budget amendment only if it is coupled with a strong tax/spending limitation provision. Otherwise, they fear a balanced budget amendment means automatic tax increases. Talk of up to $750 billion of tax increases in connection with the balanced budget amendment heightens this fear among small business people and tends to confirm their belief that Congress will not make the difficult spending choices unless constrained to do so by the Constitution itself. On behalf of the 195,000 members of the U.S. Chamber of Commerce Federation, we strongly urge you to support a balanced budget amendment that includes tax or spending limitations rather than using the growing support for a balanced budget amendment as an excuse to raise taxes once again.

Sincerely,

RICHARD L. LESHER,
President.

MAY "WHERE I STAND" POLL BY NATION'S BUSINESS ON A BALANCED BUDGET

1. Should the U.S. Constitution be amended to require the president and Congress to balance the annual federal budget?

	Percent
Yes	96
No	2
Undecided	2

2. If you answered "yes" to No. 1, do you think the budget should be balanced primarily by spending restraint, tax increases, or both?

	Percent
Spending restraint	81
Tax increase	1
Both	18

3. Should a balanced-budget amendment include a strong limit (such as a requirement for a 60 percent majority vote of both houses of Congress) on Congress' ability to raise taxes?

	Percent
Yes	91
No	6
Undecided	3

4. Would you favor a balanced budget amendment that does not include a strong limit on Congress' ability to raise taxes?

	Percent
Yes	19
No	70
Undecided	11

Company size:

	Percent
1 to 10	34
11 to 25	23
26 to 99	24
100 to 249	9
250 to 499	3
500 plus	7

Based on 3,795 respondents.

NOTE: The results of the Where I Stand poll reflect only the opinons of the respondents and do not necessarily reflect the policy of the U.S. Chamber of Commerce.

CITIZENS AGAINST GOVERNMENT WASTE,
Washington, DC, April 20, 1992.

DEAR SENATOR: On behalf of the Council for Citizens Against Government Waste (CCAGW), I am writing in reference to balanced budget amendment proposals which may soon be up for consideration in the Senate.

CCAGW strongly urges you to add your name to the cosponsor list and to vote for S.J. Res. 182, the Balanced Budget/Tax Limitation Amendment which will be offered by Senator Robert Kasten (R-WI). The Kasten amendment would balance the budget by limiting the growth of government spending, rather than increasing taxes.

The alternative, S.J. Res. 18, to be offered by Senator Paul Simon (D-IL), does not contain a tax limitation provision. CCAGW does not support the Simon amendment, which will open the door for tax increases to balance the budget.

Tax increases do not reduce deficits. The 1990 budget agreement has generated $1.83 in new spending for every dollar it raised in new taxes.

Adoption of a balanced budget amendment without a tax limitation provision will not tame the Washington spending machine. Congress must make every effort possible to eliminate government waste, fraud and inefficiency before they even consider taking one more dime from the American people.

Your cosponsorhip of the Kasten amendment will prove your commitment to balancing the federal budget without increasing the tax burden on the hard-working people of this country. CCAGW plans to release the list of cosponsors of S.J. Res. 182 to our 450,000 members.

Sincerely,

THOMAS A. SCHATZ,
Acting President.

The PRESIDING OFFICER. The chair recognizes the Senator from Idaho.

Mr. CRAIG. I thank my colleague from Wisconsin for his leadership. He has been a stalwart in the issue of the balanced budget and, of course, has authored the key amendment that would tighten down the dynamics of a vote on revenue increases, as he explained, which would be very important to the overall strength of what we would do toward a balanced budget.

Let me now recognize my colleague from Colorado, who has been a stalwart on this issue also, speaking out, but more important than his rhetoric are his actions in voting consistently for a limited budget and limited expenditures. I yield 10 minutes to my colleague from Colorado.

The PRESIDING OFFICER. The Senator from Colorado [Mr. BROWN] is recognized.

Mr. BROWN. I thank the Chair. I thank the distinguished Senator from Idaho [Mr. CRAIG] for his leadership on this issue for the past 12 years. His leadership is a major reason it has come to the Nation's attention.

Mr. President, this is the issue of the election in 1992. It is the single most important issue that faces our country and the facts demonstrate this. Gross interest on the national debt is the single biggest item in the budget—estimated at $293 billion this year. Some may say a net interest figure is more appropriate in our discussions, however the interest paid to the Social Security trust fund is going to be paid out again when Social Security benefits are paid. We ought to look at the gross interest figure. It is a transfer of money from those who work for a living and who pay taxes in ths country to the wealthy who loan the money. Anyone who suggests the outrageous record of this Congress and other Congresses in running up huge national deficits is somehow beneficial to the poor or the working class of this country has not taken the time to take a look at who pays the interest on that national debt.

Mr. President, I have said this is the most important issue. I invite everyone to look at the gross Federal debt figures because they are very clear.

As Democratic Congresses have taken over this country, in 1960, to 1970, the debt rose by more than a third. From 1970 to 1980, it increased 2½ times. From 1980 to 1990, it increased over threefold.

Mr. President, this chart is a straightforward calculation of the amount of money this country owes. No one can look at this chart and not be alarmed. The simple fact is Congress has lost its ability to deal with the issue and to set priorities. It is not a matter of runaway spending and runaway deficits. It is a matter of fraudulently indicating that we are going to deal with it.

This year, for example, the deficit may go as high as $390 billion—some have said even $400 billion—but it was estimated to be $280 billion. Moreover, if you look back at what was recommended and adopted by Congress, this year was supposed to be balanced.

We have a record not only of neglect and abuse in appropriating public money, we have a record of misleading the public as to what we are going to do. Congress' own budgets are trashed and spending limits are ignored.

Mr. President, some very sincere people have suggested that Congress ought to deal with the problem and that a constitutional amendment is not necessary.

I invite anyone in this Chamber to take a look at the facts and tell me an amendment to the Constitution is not necessary. The reality is this Congress is incapable of dealing with the problem. It is not that we cannot solve the problem. We can. Everyone here knows the truth. Members vote for spending in this Chamber not because they think it is necessarily a good idea but because if they will vote for that spending maybe the Appropriations Committee will give them money for their own projects. That is no secret. When Members are off the floor talking in the Cloakrooms, people know that. The message is very clear: You vote for waste on one bill and you will get some money for your State.

This debt is a monument to trading votes. This mountain of debt is a function of legislators trading votes to buy elections and to bring in money for their State. What they have done to this Nation, our children, and grandchildren is to destroy their future. It is not going to change until we change the rules of this Chamber.

Mr. President, this is the most irresponsible Congress in the history of this Nation. This is the most irresponsible Appropriations Committee in the history of our Republic. The appropriations process in this Congress is incapable of dealing with the problem and that is why this balanced budget amendment will pass. Some say it will not pass today. That is probably right. We may not have the votes today. But I will guarantee you this: This amendment will pass before the decade is out, and it will be passed because of the irresponsibility of this Congress in dealing with the problem.

There are those who will come to this Chamber and say that the solution is not a balanced budget amendment but for Congress to do its job—pretend that Congress intends to change.

I must say as an objective observer, and I believe I am in this, that Congress does not intend to change. The estimates are not more reliable. Our voting pattern on this floor is not different. The willingness to face up to issues is not here. The Domenici amendment on the fiscal year 1993 budget resolution, which was the only substantive proposal to reduce billions of dollars in the future spending pattern, only had 28 votes. Imagine, a budget that condemns this Nation to almost no capital formation or savings only has one major amendment that changes it, and that only has 28 votes. This Chamber is not capable of changing. We must change the rules. If we do not change the rules, we will forfeit the bright future that this country has.

Some have said Members of Congress ought to come forward and state where they have cut spending. Mr. President, I did that. In a speech on this floor on June 16 I spoke in detail. I listed specific program cuts I would make. My proposals would save $166 billion over 5 years. Others might disagree with the priorities I set. They are controversial, and they are tough. But it can be done and it must be done if we are to have a future.

I want to address one last issue of this debate. Some have said that Presidents Reagan and Bush ought to propose balanced budgets. I count myself among those who have said that. I believe they should. But the facts should not be overlooked. In many years they have done exactly that.

The 1987 Reagan budget had a surplus in 1991; the 1988 Reagan budget had a surplus in 1992; the 1990 Reagan budget that was adopted by President Bush had a surplus in 1994. The 1991 and 1992 Bush budgets each had a surplus in 1995 and 1996, respectively.

The missing link has not been Presidential proposals to reduce the deficit. President Bush has before this Congress over 4,000 discretionary programs and projects that ought to be eliminated. The missing link is not a President willing to offer a balanced budget. The missing link is the discipline and the courage of this body. The balanced budget amendment is essential if we are to turn this Nation around.

Mr. President, I yield the remainder of my time.

Mr. CRAIG. Mr. President, I thank my colleague from Colorado for those poignant remarks, and expressing in a most vivid way the reality of what we failed to do here in the Congress. I now yield to my colleague from Minnesota 5 minutes.

Mr. DURENBERGER. Mr. President, the amendment offered by the distinguished President pro tempore, Senator BYRD, contains an idea that all of my colleagues should, in my opinion, support in principle. The amendment requires the President to submit a 5-year plan for achieving a balanced budget by September 30, 1998.

My particular enthusiasm for the amendment stems in part from the fact that in October 1984 I drafted and introduced an amendment, along with my colleagues, Senators GORTON, COHEN, and the late Senator John Heinz, that would have required just that. Different dates, but it would have required the same thing. It would have required the President of the United States, then Ronald Reagan, to submit a 5-year budget that would achieve a balanced budget by the year 1989.

Our amendment further provided that if a President does not submit a budget that would lead to a zero deficit in 5 years, he would have to submit an alternative second budget that would show how the budget could be balanced by 1989.

Our 1984 amendment would also have required the House and the Senate Budget Committees to, in effect, do the same thing: submit concurrent budget resolutions that would achieve a balanced budget and a zero deficit by 1989. Concurrent resolutions were not offered, our amendment would have required the Budget Committees to submit an alternative second budget resolution that would show how the budget could be balanced by 1989.

My 1984 resolution held both the President of the United States and the Congress to a clear standard of accountability. If the President did not submit a balanced budget plan, he would be required to submit an alternative; the same standard was imposed on the Congress.

There is just one critical difference between the 1984 proposal I have spoken of and the amendment offered by my distinguished colleague, the President pro tempore. At the time my amendment was submitted, the 1984 election for President was less than 4 weeks away. My amendment was not intended to influence that election. My amendment would have required the President to submit a balanced budget when he sent up his next budget in February 1985, 2½ months after the results of the Presidential election had been determined and regardless of who was President.

The problem with the amendment before us by the Senator from West Virginia is very simple. Its timing robs it of its credibility. And without its credibility, it cannot have the effect that it deserves.

It requires President Bush to submit a 5-year plan by September 1, 1992. It would spell out exactly how this amendment would achieve a balanced budget by September 30, 1998, and September 1, 1992 being just 63 days before this year's Presidential election.

Why should the President of the United States be required to lay out his plan when Democratic Presidential candidates, and independent candidates, do not have to lay out theirs? We, in the Senate, cannot order Bill Clinton or Ross Perot to lay out their plans. Why should we order the President to do so at this time?

Mr. President, the debate over whether or not to amend the Constitution is not and should not be partisan for all the reasons I just heard my colleague from Colorado speak to. Senators and Members of Congress on both sides of the aisle have valid nonpartisan reasons to support or oppose this idea. In the House 116 Democrats joined 164 Republicans in voting for a constitutional amendment to balance the budget. In the Senate, the leading sponsor of one of the alternative balanced budget amendments is the distinguished Senator from Illinois, PAUL SIMON. This is not a partisan issue.

I could support the amendment of the distinguished Senator from West Virginia if he would merely change the September 1, 1992, deadline and require the President to submit a balanced budget as part of a fiscal year 1994 budget process that he has to send up, whoever the President is after the election.

I would ask the Senator from West Virginia to consider that, change the date, and he might get some more support. I doubt that he is going to do that. If he does not, I must oppose this amendment, and I must urge my colleagues on both sides of the aisle to do likewise.

Mr. President, I yield the floor.

Mr. CRAIG. Mr. President, may I ask how much time is remaining?

The PRESIDING OFFICER. The Senator from Oklahoma, with delegation to the Senator from Idaho, controls 52 minutes, 43 seconds.

Mr. CRAIG. At this time, I yield 10 minutes to my colleague from Montana.

I yield 10 minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona is recognized for up to 10 minutes.

Mr. McCAIN. Let the record show I always have second choice behind my friend from Montana in the eyes of my friend from Idaho.

Mr. President, I want to begin my statement on the balanced budget amendment with a very important thought from Thomas Jefferson.

In 1798 he stated:

> If there is one omission I fear in the document called the Constitution, it is that we did not restrict the power of government to borrow money.

That is what we are deciding today. Should we restrict the Government's power to borrow money by constitutionally requiring a balanced budget? I have been an ardent supporter of a balanced budget amendment to the Constitution, and I am grateful for my friends, Senators GRAMM, NICKLES, and SEYMOUR for bringing this issue before the Senate for debate. I also would like to recognize the 10- to 15-year effort of my friend from Idaho, Senator CRAIG, who had made this his crusade.

Mr. President, after years of deficit spending by Congress, something must be done, if we expect our children to have a prosperous future. I feel that passage of this amendment will focus the Nation's attention on deficit reduction. The massive deficit of $340 billion this year and a debt approaching $4 trillion is, in my view, the single most important problem facing the American people. Four trillion dollars of debt is an impediment to a prosperous future for our children, a threat to the health and vitality of our economy, and it undermines the long-term soundness of the Social Security trust fund.

Balancing the budget would mean an end to additional Government borrowing that threatens the future of Social Security and all Government programs. As we all know, we cannot borrow our way to prosperity. Balancing the budget is a question of our responsibility, and this responsibility is not limited to mere fiscal responsibility, which is extremely important in its own right.

It is more a question of responsibility as parents, grandparents, adults, leaders, and role models for our children and ourselves. And, $4 trillion of irresponsibility is a terrible legacy to leave our children. And that legacy grows exponentially every day as we continue on our dissolute way. Something must be done. It is unconscionable to deny our children a prosperous future, and the present generation of Americans may be the first generation to realize a declining standard of living through no fault of their own. Every child born today inherits a terrible legacy—a $16,000 share in our debt, not to mention a dysfunctional educational system, and a crumbling infrastructure. It is not a legacy Americans should be proud to leave.

Mr. President, I feel we must constitutionally require a balanced budget. If we do not balance the budget, all programs are threatened. The amendment itself is silent on the means to achieve a balanced budget. First, let me take this opportunity to discuss methods that I support to balance the budget.

First, I believe in a line-item veto. It will not balance the budget, but a recent GAO study has estimated that a President armed with the line-item veto could have saved $70 billion between 1984 and 1989. Pork barrel spending is a corrosive force acting against our future as a nation. Last year, when thousands of young men and women who volunteered to serve their country were forced to leave the military because of changing priorities and declining budgets, we nonetheless were able to find $6.3 billion worth of unauthorized pork barrel spending in the defense appropriations bill.

Mr. President, pork is not limited to defense spending, and I will not go through the litany of unnecessary wasteful spending, but I will mention one—over $3 billion for the missionless *Seawolf* submarine—as being a classic example.

Is it any wonder that 77 percent of Americans disapprove of Congress? The line-item veto is not the answer to all of our fiscal problems, but it is clearly a step in the right direction.

Mr. President, unfortunately, there has not been a great deal of serious discussion about measures which would balance the budget. I feel much of the discussion which has occurred is, at best, described as hyperbolic.

Scare tactics have been employed. Some opponents of the amendment say that the budget cannot be balanced without great harm to the economy and recipients of Government services. The special interest lobbyists have once again descended upon Washington. There have been charges and countercharges. Unfortunately, it still is business as usual here in Washington. Notwithstanding the politically charged atmosphere, I think there are sensible proposals that will balance the budget without draconian budget cuts. The 4-percent solution introduced by Senator BURNS is one such proposal, and the proposal of Senator GRAMM, the Balance Budget Implementation Act, is another which would bring the deficit down to zero over a 5-year period.

Mr. President, in this year alone domestic discretionary spending will rise by 10.6 percent. Limiting the rate of growth of spending will go a long way toward balancing the budget. Only in Washington, DC, do we call reductions in the rate of growth of a particular budget "cuts in spending."

A recent GAO study titled "Prompt Action Necessary To Avert Long-Term Damage to the Economy," showed that net interest costs could rise to over $1 trillion by the year 2020. Mr. President, how in the world with interest payments like that can we fulfill our requirements to our society? I think a balanced budget is the best way that we can take care of our veterans, Medicare, Social Security, and other programs.

Mr. President, a major driving force behind the growth in entitlement spending has been the hyperinflation present in our Nation's health care delivery system. The answer to the explosion in entitlement costs does not have to pose a threat to the benefits of the most needy Americans. Rather, Congress must take seriously the need for reform of our Nation's health care delivery system in a way that brings cost growth under control and increases access to services.

In short, the process we are discussing today will force us to set priorities and tackle the difficult issues, such as health care reform. The only threat to critical programs, such as Medicare, is a Congress unwilling to tackle the tough issues and accomplish meaningful reform. Funding would not be provided for unauthorized programs, unless they are reauthorized by three-fifths of the Members of both Houses with a vote for funding without authorization. All discretionary programs and unearned entitlements would have to be reauthorized every 10 years, and this would require Congress to reevaluate different programs and eliminate programs that are no longer needed.

Mr. President, cuts will be made. However, those cuts will be made in the rate of growth of spending. If we control the rate of growth of spending, economic growth would provide the needed revenue increases to eliminate the deficit. The deficit can be eliminated by controlling the rate of growth of spending. This year alone, entitlement spending will increase 23.9 percent. Domestic discretionary spending will increase 10.6 percent. International spending will increase by 2 percent. And defense spending will actually decrease by 2.1 percent.

Mr. President, we can make substantial progress on deficit reduction without harming vital services. If we do not make progress on deficit reduction, those same services will remain in jeopardy. Nobody wants an IOU instead of their Social Security check. To ensure that that does not happen in the future, we must put our fiscal house in order today.

Mr. President, the preamble to the Constitution states that "We the People" have a responsibility to secure "the blessings of Liberty to ourselves and our Posterity." We have been in dereliction of our duty to ourselves and to our children. It is time we do something good for ourselves and our children.

Mr. President, clearly business as usual is no longer feasible, and if the opponents of this amendment—and I believe they are sincere in their opposition—do not believe that the present system is out of control and that it is broken, then I think they are mistaken. But if they agree the system is out of control and still do not support a balanced budget amendment, I suggest that they come up with some solutions that all of us can examine and support.

We cannot continue with the profligate spending practices which have given us a $4 trillion deficit, for which all of us in this body, I am sure, are willing to bear some responsibility.

Mr. President, I yield back the remainder of my time to my friend from Idaho.

The PRESIDING OFFICER. The Senator's time has expired.

To whom does the Senator from Idaho yield time?

Mr. CRAIG. Mr. President, let me thank the Senator from Arizona for his strong statement and his leadership for fiscal responsibility and a balanced budget.

I now yield to the Senator from Montana for 10 minutes.

The PRESIDING OFFICER. The Senator from Montana [Mr. BURNS] is recognized for up to 10 minutes.

Mr. BURNS. Mr. President, I thank the Chair, and I thank my friend from Idaho for his leadership on this issue. I also thank my good friend from Arizona. He does not stand second place to anybody in this body, because I do not know of a man more dedicated to this country and to this body. And he has demonstrated that with past actions just how much he really loves this country. And the State of Arizona should be very proud of him.

I, for a long time, looked at this issue. I am a product of local government, county government, city government. When I think back on my short tenure in county government, I think of the times that we had to really get down and work hard in balancing our budget—to estimate a tax base to provide all the services and do all the things that we had to do to bring services to our country. We are basically asking this Government to do the same thing here in this body.

This is not perfect solution but it is a first step and it is long overdue.

Let me say as well, we will only pass the resolution calling for a balanced budget. It is the people of each State that will speak and render their verdict as to whether this resolution will become a part of our Constitution.

There are many that would argue that amending the Constitution is not the answer. But I would answer those critics in saying, "What alternative do we have?"

In fact, I would ask the citizens of this country: "If you are serious about our fiscal condition, what would you have us do?" If you are not concerned for the future of our children and their children, then we will continue to be strongarmed by the lobbies that visit this town. Let there be no doubt about it. I want to be very clear on this. The lobbies have already succeeded once in the House of Representatives.

And they are planning their 30-second television ads right now depicting a Congressman or a Senator who attempts to be fiscally responsible as a heartless rascal and a man that wants to cut benefits and create hardships that would be unbearable. I can see them and so can everyone else who holds elective positions.

We have tried time and time again to address the problem legislatively. We have failed due to the lack of political courage. In many instances, however, we were only reflecting the wishes of the majority of the folks back home that sent us here, but even that does not relieve us of our sworn duty to keep a nation safe and secure and, yes, financially solvent.

We took an oath to uphold and defend the Constitution of the United States, and we take that charge very seriously. I believe if balancing the budget is a part of the Constitution, we shall take that charge just as seriously.

The GAO put it bluntly in their recent report entitled—and I quote: "Prompt Action Necessary To Avert Long-term Damage to the Economy." They are referring to the prompt action to deal with the deficit and to deal with the debt this country has incurred over the past 30 years.

Some would take this warning lightly, thinking that if it is ignored, it will go away. In my view, it is time we listened to Thomas Jefferson, as alluded to by the Senator from Arizona, if we vote for a balanced budget amendment, we are on our way to lay rest the fears of that great American who speaks to us today from 200 years ago. It was a wise observation then, experimenting with a new democratic form of government, and it is a wise observation today.

I truly believe in this amendment, but I must warn you that all who would support it to beware. If it is passed, we just cannot declare victory and walk away. If we do that, we are voting for an economic disaster. We must also legislate a budget process to position Congress and this Government that are—when and if it is ratified—we are in a position to put forth a balanced budget.

At the present time, and under current conditions, we cannot do that.

So the larger task is ahead of us, and it is my sincere belief that we are ready to face these realities and ready the act and tackle the challenges that lie ahead.

I would make the following suggestions to my colleagues who serve on the Finance and Budget Committees:

First, do away with baseline budgeting and get into the real world of spending. To do this, base the budget on previous year's actual spending or expenditures.

History tells us that we cannot rely on revenue growth in the outyears consistent with an automatic 6-percent increase for every Federal program. We must measure growth in real dollars based on actual dollars spent the previous year. That is just fiscal responsibility.

Second, cap the growth of Federal spending at some level, possibly 4 or 5 percent, above the previous year's spending. The cap should apply to all spending. In my view, that will force the reform of entitlement programs, which currently make up to 30 percent of all Federal spending and will grow to 40 percent by the year 2020 if we do not act now.

If we do not do this, then we are going to have more folks standing at the trough than those paying taxes to keep the trough full.

Third, move toward long-term budgeting. As a county commissioner in Yellowstone County, MT, we put in place a 5-year budget. We were always working 5 years into the future and if problems presented themselves, it allowed us to adjust, make some tough decisions a little bit easier—make them earlier, but it sure avoided tougher decisions had we not made them then. I would suggest a 2-year budget for the Federal Government. The GAO report that I mentioned earlier cites this solution as well.

The report states—and I quote: "The objective of enhancing long-term economic growth through overall fiscal policy is not well served by a budget process preoccupied with short-term results." Of necessity, Government is kind of like agriculture. You have to have a little bit of faith on what is going to happen. But what we do today in this body really has no effect on what happens tomorrow, but it sure does next year.

Adopting a multiyear budget would allow us to reorient Federal spending toward investment spending—and there is a difference—spending on infrastructure and education, and get us away from consumption spending that returns nothing to this Government or to this society.

Finally, we cannot gain any efficiency in Government without incentives. I have often spoken on the floor about maintaining a reserve for national emergencies. We have one brewing in the high plains as I speak. We have a drought in our part of the country.

In this Government, we currently have a policy spending leftover funds at the end of fiscal year so that we do not have to turn them back to the Treasury. That is nonsense. And it is not good sense. This just does not get it. I would suggest the departments and agencies which have excess funds at the end of the year be allowed to invest those funds in a reserve account for their use and their use only in times of emergency.

Congress would have to monitor those accounts and ensure the agency that those reserves cannot and will not be raided or used for any other purposes. We should give the efficient agency credit for their efforts.

It is my belief that a good old injection of private sector mentality of giving incentives for productive behavior will pay great dividends to this society. Let us see some innovation, let us see some motivation, to serve the people that send us here.

Some would argue that operating under these restrictions would inhibit the formation of new programs or, in other words, new spending. Nothing is further from the truth.

I would say, however, if a new spending is needed or desired, the American taxpayers should know it up front, know what it is, and know what it costs, and those costs should be in real dollars.

So let there be no doubt about it, these suggestions are not without controversy and they are tough. But, nonetheless, it is our only step toward fiscal responsibility.

I yield the remainder of my time, Mr. President.

The PRESIDING OFFICER. The time allocated to the Senator from Montana has expired.

Mr. NICKLES. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 31 minutes and 42 seconds remaining.

Mr. NICKLES. Mr. President, the Senator from Alaska is next to be recognized. How much time does the Senator request?

Mr. MURKOWSKI. I would anticipate, Mr. President, about 4 minutes.

Mr. NICKLES. Mr. President, I yield my colleague and friend from Alaska 5 minutes.

The PRESIDING OFFICER. The Senator from Alaska is recognized for up to 5 minutes.

Mr. MURKOWSKI. I thank my friend from Oklahoma and I thank the Chair.

Mr. President, I think it is appropriate to recognize a couple of things. One is that according to the Washington Post poll of a recent date, 77 percent of the likely voters in this Nation support a balanced budget amendment.

Second, 2 years ago, I and a number of my colleagues were out on the steps of the Capitol unloading mail, mailbags that had come into this body referencing indeed the support of the American people of a balanced budget amendment. There were not just a few stacks, Mr. President. There were a few trucks. And it was quite an event. Those of us there thought surely that this represented the prevailing attitude of the American people which would be carried into this body. The balanced budget amendment was discussed, it was debated, and no action was taken.

I would hate to suggest what the increase in our deficit has been since that time, but it is in the trillions.

Mr. President, some interest groups say that a balanced budget amendment is a bad thing. They say the deficit is a problem, but we need to save all our programs and this is the best way to do it, by simply putting off the reality associated with fiscal discipline, which is what a balanced budget amendment is all about. They say the deficit is certainly a problem, but there must be a solution other than the balanced budget amendment.

Well, Mr. President, there is no other solution. There are only two things that can be done around here. You can either increase revenue or reduce spending. Now, some people would suggest that, given enough attorneys, somehow there is another alternative. There is not.

We are talking about the health of the Nation, the health of our political system. It is shameful to contemplate the debt we are leaving to our grandchildren, to pretend the deficit will go away if we do not do anything about it. It is shameful to try and protect every single Government program and never mind who is paying for it.

Mr. President, the continuing deadlock over a balanced budget amendment is only one sign of the gridlock this country is in. We are like a pipe that is clogged up. The Federal Energy Regulatory Commission takes 6 years to act to license a project. The smaller projects are simply gone. The small businessman and woman in this country simply do not have the resources to fight the agencies.

The Endangered Species Act, the global warming scare wetlands regulation; each of these indicate a system out of balance. We need a responsible environmental policy, but we need to balance it in the real world with jobs for people who have children and want to bring them up, who want to have the assurance they are going to be able to afford homes. We are exporting our jobs overseas. We are importing our oil. Half of our trade deficit is oil and the other half is japan. This simply cannot continue, Mr. President.

I am told that a GAO study says that by the year 2010 a full third of our annual Federal expenditures will go to the interest on debt. I have been a banker for 25 years, Mr. President. That is like having a horse that eats while you sleep. Can you imagine that? A third of our Federal expenditures will go for interest on the debt. That money employs nobody and provides no jobs. The debt is like a cancer and we are not addressing it.

Mr. President, we are in a state where, if I could compare it to an individual, our fiscal house is such that we belong on the front door of a loan shark. And that is what we are doing. We are depending on foreign investment in this country to underwrite our deficit. The fiscal irresponsibility is evident by the fact that we are carrying $4 trillion in accumulated debt.

Mr. President, we simply have to turn this situation around. Bringing the deficit under control is an obligation of all of us. The American people understand it, even if some in Washington do not. We can talk about having self-discipline in this body. We can talk about not having to mandate this by a constitutional amendment. But, Mr. President, let us be realistic. Nothing else has worked. And the proof is in the pudding as we address the situation we are in today where clearly we have less and less discretionary spending left and the interest is continuing and continuing and continuing to pile up for future generations to pay.

So in closing, Mr. President, if we do not bring this deficit under control, who will? The American people are looking to us, they are looking to the Senate of the United States of America, they are looking to this body to pass the balanced budget amendment so it can go back to the House of Representatives so they can have another shot at it and we can get on with the business of bringing this Nation under responsible fiscal control.

The PRESIDING OFFICER. The Senator's time has expired.

To whom does the Senator from Oklahoma yield time?

Mr. NICKLES. First, I would like to compliment my friend and colleague from Alaska, Senator MURKOWSKI. He believes in this issue and has spoken on this issue time and time again. I compliment him for an excellent statement.

In order of appearance, our next speaker would be our friend and colleague from New York, Senator D'AMATO, for no more than 12 minutes.

The PRESIDING OFFICER. The Chair recognizes the Senator from New York [Mr. D'AMATO] for up to 12 minutes.

Mr. D'AMATO. First of all, let me commend my colleague, Senator NICKLES, for bringing this important matter to the floor. It is long overdue. There are some people who would like to deflect it. They do not want to talk about it. They ridicule it. Well, let me tell you something. We should be the subject of ridicule because we have not had the courage to do what we should. And if it takes a constitutional amendment to balance the budget, then let us do it.

We have flim-flammed this business for far too long. If you believe in balancing the budget and getting our economic House in order, then now is the time to stand and do what is right for the country; not engage in partisan politics, but do what is right for this Nation.

So I support a constitutional amendment to balance the budget. It is not only about balancing the budget. It is about providing a productive, stable environmental for our children and our grandchildren and creating a basis for economic growth today and in the future.

Our deficit approaches $400 billion in fiscal year 1992 and the total amount of interest paid on the national debt is almost 15 percent; 15 percent of all the money that we spend goes to interest on the debt. That will only continue to grow and grow. And when it grows and grows, it chokes out the private sector, the engine that pulls this economy. And, we wonder why we have increased borrowing, we wonder why the world economy shakes.

The world looks and they say: you are not going to be able to compete, America, if you are borrowing and borrowing more and mortgaging your future. And the interest rates, the long-term debts continue to soar, and the private sector suffers and we lose jobs and productivity. That is not good for this economy. It is not good for the businessmen or the workers of this country.

How are we going to change it? The American people have a right for action and they can no longer tolerate the inaction or the stalemate when it comes to reducing the deficit, a la Ross Perot. We wonder why Mr. Perot looks like maybe the savior—maybe because of our own inadequacies or inaction, our incompetence, our political layering of all the problems, blaming one or the other instead of coming together and saying let us come to grips with it. No more flim-flam.

No, it is a fundamental responsibility of every American to balance his budget. They try and it is not easy. The working middle-class families of America do it. They face tuition increases, medical cost increases, car payments, mortgage payments, higher taxes. They work. They try to do it. It is tough.

On the other hand, the Federal Government, what do we do? Do we make the tough decisions? No. Since 1985 Congress has looked to the Gramm-Rudman-Hollings plan to achieve some kind of deficit reduction. The original agreement has been undermined at every turn. Whenever we have a tough thing to do, a new plan, what do we do? Well, we just put off the effective dates, for balancing the budget. In 1987 we changed the effective date to 1993. And then, the granddaddy of all, in 1990, the so-called deficit reduction law, altogether eliminated the requirements for any kind of balanced budget.

It only goes as far as establishing a minimum deficit of $83 billion by 1995.

Let me just suggest that the 1990 Deficit Reduction Act, I think, was the straw that broke the camel's back. Even the American people, who had been rather lethargic up to then, woke up. In fact, the 1990 law increased spending by $380 billion over 5 years. It increased taxes by $185 billion over the same period.

Those tax increases did not go towards deficit reduction; they went towards increased spending. And instead of making the tough decisions to cut back spending and eliminate unnecessary programs, Congress raised taxes on everything that moved, and even some things that did not. And, the deficit hit an all-time high.

I believe we should support a balanced budget amendment. But we should not put off addressing the important issues today. Some say it is only cosmetic; they are right. If we are just going to pass a balanced budget amendment and not take any action between now and the time it comes into being, we are not doing what is right.

So what do we do? I think we have to act responsibly and exhaust all efforts to cut the bureaucracy, cut waste, freeze out-of-control spending—cap spending. We have a long, long way to go to exhaust these efforts.

Not only must we cut and freeze, but we must redirect Federal programs to focus on self-sufficiency. We should support workfare, not welfare. We must support the HOPE Program, which allows public housing residents to own their own homes. Give families hope; not just a piece of the American dream, but a mechanism to make it work, to make it become a reality. We must offer the opportunity for people to contribute to society, not remain dependent upon it.

Today there is something we can all do together to get the deficit off the backs of the American middle class. We as a Congress should demand the Treasury and the Internal Revenue Service take swift and meaningful action against those foreign companies who continue to defraud the U.S. Government and the American people by their blatant evasion of taxes.

It is criminal. It is outright criminal, and we have allowed them to get away with it for more than a decade. They have been cheating the American taxpayers and the Federal Government out of millions of dollars each year. The estimate for unpaid taxes in 1989 alone for foreign corporations is over $30 billion. Imagine; $30 billion in 1 year.

The evidence is clear. The income of foreign companies has soared while their profits have plummeted. They take in more money and the show less profits. And they use schemes and gimmicks of every kind to evade the billions of dollars in taxes. And we do nothing.

Why? Is it because of their high-priced lobbyists? Do we look the other way and make rules for them to escape the payment of their fair share of taxes? Shame on us.

During the 4-year period between 1986 and 1989, U.S. assets of foreign-controlled corporations increased by 70 percent, and their receipts increased by 78 percent. The Japanese companies as a group grew faster than other foreign companies. During that same 4-year period, the assets of the Japanese companies in the United States increased by 142 percent, with an increase in their receipts of 100 percent. At the same time, their balance sheets showed little or no profit growth.

Can you imagine that? They are really doing tens and tens of billions of dollars in increased sales and increased acquisitions, and they show smaller profits.

The result: Foreign countries paid little or no taxes. It is outrageous. It is unacceptable. It is the kind of thing we have to address.

Mr. President, we must move on the balanced budget amendment, and we have to demand action on issues like those I have outlined and not wait for another time.

I give my support, and I commend my colleagues for their assertiveness in addressing a critical domestic policy issue—that of achieving a federally balanced budget—so we can be a strong America in every way.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. DODD). The Senator from Oklahoma.

Mr. NICKLES. I wish to compliment my friend and colleague, Senator D'AMATO, for an outstanding statement and help and cooperation on this very important issue.

Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator has 17 minutes and 16 seconds.

Mr. NICKLES. Mr. President, I yield to my friend and colleague from the State of Washington 5 minutes.

The PRESIDING OFFICER. The Senator from Washington is recognized for 5 minutes.

Mr. GORTON. Mr. President, I stand before you and before my distinguished friend and colleague from Oklahoma this afternoon, a penitent and a convert. On the two previous occasions in the 1980's during which a constitutional amendment mandating a balanced budget came before this body, I voted against those proposals.

I did so because it seemed to me, as serious as the disease of an unbalanced budget and our fiscal problem was, the remedy of changing the Constitution was too drastic. I cast my lot first with Gramm-Rudman, a proposal for a statutory correction in the direction of a balanced budget, which seemed to me to have great promise. In fact, Gramm-Rudman did lower the rate of spending increases in those spending fields to which it applied. But it had two serious defects.

The first was that it did not apply to entitlements, the largest and most rapidly growing element in the spending of the Government of the United States.

And the second, when the shoe really pinched in 1990, was the fact that it was, for all practical purposes, repealed by the budget agreement of 1990. That budget agreement was the next attempt to deal with a balanced budget from the point of view of a statute.

I had no faith in it at the time, and voted against it. But it did follow the liberal prescriptions of the Washington Post, the New York Times, and much of the rest of the liberal establishment, by increasing taxes and promising lower spending. The increased taxes the people of America got. The discipline on spending, they did not receive.

Nevertheless, that same group, together with Gov. Bill Clinton, proposes the same thing for next year. New spending programs, considerable increases in taxes, and vague and unspecified limitations on other forms of spending. It is no more likely to work in 1993 than it did in 1990.

Most recently, in April this year, this Senate did, in fact, vote on a proposal which would have limited the growth of entitlements, the field of spending which is the principal cause of the increasing budget deficits shown on the chart which the Senator from Oklahoma has used. That proposal got precisely 28 affirmative votes in this body, and was a final illustration that the Congress of the United States and President of the United States will not deal successfully with this problem without outside discipline.

I am now convinced that only a constitutional amendment will cause the issue to be so central with the American people, year after year, that they will demand the tough votes of their Members of Congress required to balance the budget. It will be more difficult to vote to waive this constitutional amendment than it will be to obey it. And therefore the constitutional amendment will be effective.

Only a constitutional amendment will force Members of the Congress to face up to the difficult reality that, in the present time, we are simply spending more than we take in; we are providing more in the way of services than we are willing to pay for; and we are therefore penalizing our children and grandchildren.

So for the sake of those children and grandchildren, I urge my colleagues to follow the lead of the distinguished Senator from Oklahoma; to vote for this constitutional amendment; to allow the States the opportunity to ratify it; and to give ourselves the promise that we will actually do something about the deficit, and not merely talk about it.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I thank my friend and colleague, Senator GORTON from the State of Washington, for his decision to support this amendment, and also his leadership in now pushing it.

I hope people listened to his comments because he has thought a lot about this issue. As he stated, in the past he didn't always support it. But I think his statement is an excellent addition to the argument of why we need a balanced budget amendment, and I hope my colleagues will follow his lead.

How much time is remaining?

The PRESIDING OFFICER. The Senator from Oklahoma has 12 minutes and 18 seconds.

Mr. NICKLES. Mr. President, I will just make a few short comments. I wish to thank the majority leader for accommodating my request for additional time. I also wish to thank my colleagues. We have had 15 Senators participate in this debate.

I might also mention we have had, I think, an additional five Senators who have wanted to participate and have not been able to get in at the right time without waiting in line for other Senators. So there is a lot of support for this amendment.

This amendment needs to be adopted. I hope this amendment will be adopted.

I might just clarify a couple of things procedurally so people will know what the situation is now on the floor. We have my amendment pending, a constitutional amendment to balance the budget. I might tell my colleagues this is the exact same amendment that was voted on in the House of Representatives and failed by 10 votes. They had 280 votes. It takes 290 to get the requisite two-thirds vote in the House of Representatives. This is the same amendment, so-called Stenholm-Simon amendment. In my opinion, it is a very good amendment.

We voted on a couple of other constitutional amendments worded somewhat differently both in 1982 and 1986. We passed the one in 1982 with 69 votes. We did not pass the one in 1986; we only had 66 votes. As everyone knows, in this body it takes 67 to pass a constitutional amendment.

So we now have it pending before the Senate. I had hoped that we would consider it as a freestanding measure and have an up-or-down vote on the constitutional amendment to balance the budget. That is not the case. We fully understood that it might not be the case. Frankly, the leadership in the Senate, Senator MITCHELL, Senator BYRD, and others, have been opposed to this amendment. It is certainly their right to do so, thus we have not been able to move to the measure. So we have offered it as an amendment, making a little bit of history because we offered a constitutional amendment to a bill.

I inserted in the RECORD earlier this morning the precedent for our initiative. That precedent goes back to a Barkley decision, Vice President, former Member of the Senate for several years, who made a ruling in 1950 that we checked out with the Parliamentarian that gives us a legitimate way to offer this amendment. We offered it as a substitute to the so-called CSE bill. We considered other bills. We tried to find a vehicle and this is the one that we selected.

When we laid the amendment down last night, Senator BYRD amended this bill in two degrees. He has two amendments. The first amendment is an amendment that says President Bush shall outline how he would balance the budget, give his plan for balancing the budget by September of this year, and call for a balanced budget by the year 1998. I would support that proposal, except the problem is that it guts the constitutional amendment. His amendment eliminates my constitutional amendment, so it is therefore a killer amendment.

The second-degree amendment as introduced by Senator BYRD is the so-called GSE bill as introduced and modified by Senator RIEGLE and Senator GARN. It is a very extensive, very thick, very comprehensive bill. Again, this Senator does not have a problem with that bill, but it is a second-degree amendment to the first-degree amendment, both of which are killers to my balanced budget amendment.

The amendment that is pending is the constitutional amendment to balance the budget. If we adopt either of the Byrd amendments to this amendment, we just killed the constitutional amendment to balanced the budget. So that will be the critical vote. I wish it could be a straight up or down vote. I do not have that prerogative. Scheduling is the prerogative of the majority leader and others, so we couldn't get the up-or-down vote. Maybe we will. Maybe they would allow us to have that vote. I don't know. I would hope so. We will try to get that. My guess is we will be voting on possibly one or the other of the Byrd second- or first-degree amendments or maybe a motion to table one of those two amendments. We will do one of these, but I am not sure when.

At the conclusion of our time, which has now been extended to 3 hours of what I consider excellent debate, Senator BYRD, under the unanimous-consent agreement reached last night, will be recognized for a time uncertain, an unlimited amount of time. The Senator from West Virginia is entitled to speak.

Many of my colleagues have asked me when we'll vote. I do not know when we'll vote. That will be determined, of course, by the length of the debate. But we've had an excellent debate this morning, and I think it helped outline the proposition that many of us feel very, very strongly that we need a constitutional amendment to balance the budget.

Many of us feel very strongly the problem is not just the deficit; the problem is that we are overspent. If you look at the history of Federal spending—and I have already several charts in the RECORD in my earlier statement—Federal spending has grown by enormous amounts. Actually, in 1960, we spent less than $100 billion; in 1970, we spent a little less than $200 billion; in 1980, we spent a little less than $600 billion; in 1990, we spent a little less than $1.25 trillion; and, today, we are working on a budget—the Congress has already approved a budget—for fiscal year 1993 that is $1.5 trillion.

So, as you can see, Federal spending has exploded. We're spending $1.5 trillion. That spending is the equivalent of about $6,000 for every man, woman, and child in the United States. We cannot continue with the Federal debt exploding to an amount equal to $16,000 for every man, woman, and child. This year the total amount of Federal debt will exceed $4 trillion or, again, over $16,000 for every man, woman, and child. We cannot continue doing that.

Frankly, I wish that we would have passed the constitutional amendment to balance the budget in 1982. I wish we would have passed it in 1986. Maybe our children would not be inheriting the enormous deficit they are today if we would have received those extra couple of votes either in the House or in the Senate. When you think of the growth of spending and you think of the amount of debt that has been incurred, it is staggering, it is frightening.

You have not heard this Senator casting blame. You have not heard this Senator making a lot of partisan comments. That's not my purpose. My purpose is to change for the future. My purpose is to pass a constitutional amendment so our children will not be inheriting trillions and trillions more of Federal debt. I do not think we can continue on the same path that we're on. We have to change our ways. This amendment will change America if we will simply pass it.

People have said, time and time again, that it doesn't make any sense to push this now because the House has defeated it. They are wrong. If we pass this in the Senate, the House has adopted a rule saying they will expedite consideration of this amendment. I will just read the rule, because it's a tremendous House rule, and I am delighted they passed it. House Resolution 450 states that it shall be in order at any time—let me read the whole thing in section 3:

> If a comparable joint resolution has been passed by the Senate, it shall be in order at any time after House consideration of House Joint Resolution 290 for Representative Stenholm or his designee to move for immediate consideration of such Senate joint resolution and to move for concurrence in the passage of such Senate joint resolution.

In other words, if we pass this amendment it will be of the highest priority. As a matter of fact, if you read section 4, it says:

> And any comparable joint resolution passed by the Senate shall be a matter of highest privilege in the House and shall take precedence over any motion, business, or order of the House, and the House shall proceed with such consideration to final passage without intervention of any other motion, order, business, except as otherwise provided for in this resolution.

So, Mr. President, we are shooting real bullets. We are not wasting our time. In this Senator's opinion, there is no issue, none, that is more important than this constitutional amendment to balance the budget. I hope that my colleagues will adopt it. I hope that we will eventually get to a straight up-or-down vote on this amendment. I hope that we can garner the necessary two-thirds to pass it and that our colleagues in the House will have a chance to reconsider their previous vote.

Mr. President, again, I wish to thank all of my colleagues who participated in this morning's discussion and debate on this issue, and I yield the remainder of my time.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia, the President pro tempore of the Senate, is recognized.

Mr. BYRD. Mr. President, the Government-sponsored enterprises legislation now before the Senate has become the unlikely vehicle for that particular brand of Washington craziness known as the election year politics. The "illogical logic" of the Mad Hatter has invaded the Senate Chamber, and we have all followed the White Rabbit down the rabbit hole and into the world of Wonderland.

The Senate is being told to hurry and eat this magic mushroom marked balanced budget amendment, which will instantly shrink the size of the deficit, because we need to rush to drink from the cup of the Russian aid bill which will make our foreign aid spending grow.

Frankly, the whole situation seems to be getting curiouser and curiouser.

The Senate is running a "race course in a circle" in the hopes that when the race is over the Dodo will proclaim that everybody shall have political prizes.

Mr. President, in my view, this Russian aid bill presents the Senate with an especially steep climb. You see, the Russian aid bill is backed up behind the current measure. And so to begin with, I want to direct a few remarks toward that bill that is backed up behind the bill that is before the Senate.

I am quite puzzled as to why the administration's forces on my right would seek to delay the bill that is before the Senate—that is what they are doing—in their attempt to attach to the bill before the Senate a constitutional amendment to balance the budget. They are delaying action on the bill before the Senate, and yet they want the bill that is backed up immediately behind it, the Russian aid bill.

So, lest we be deterred in getting that bill for a few days, I have a few things on my chest that I wish to say about that bill.

There are lots of problems with that bill. There are a number of murky provisions, there are loans that are not really loans, and there are open-ended items. This is a difficult fiscal environment in which to talk about foreign aid programs, despite the obvious Russian need and the pleas of Russian President Boris Yeltsin. Now, we are presented with additional hurdles. The Senator from Texas, Mr. GRAMM, wants to mix up the problem with the balanced budget amendment as we are running out of time before the Fourth of July recess. We do not have many days left. And our friend, the junior Senator from Texas, Mr. GRAMM, is making the climb over the Russian aid hurdle a lot higher, a lot tougher, by attempting to attach to the bill that is now before the Senate the constitutional amendment on the balanced budget. He may very well assist those skeptical of the wisdom of the Russian aid bill in pushing the Russian aid program over the edge. There is a real prospect, a real prospect—certainly a possibility—that that bill, with all of its problems, will sink like a stone, weighed down by the balanced budget ploy of the Senator from Texas. He is making it a lot harder for Senators, certainly Senators on this side of the aisle, to support the President and the Secretary of State.

There is no doubt that Russia has severe economic problems, but we cannot ignore the fact that we have severe economic and unemployment problems right here at home, right on our own doorstep. It seems to me that the administration is always ready for a handout to foreign countries—you name it—but it turns a blind eye to the problems in our own Nation, a blind eye and a deaf ear to the problems facing this country, with its bridges falling down, its highways filling with potholes, and its communities in need of water and sewer grants, and its students falling behind the students of the other industralized countries in the world. We do not have to go overseas to find poverty, unemployment, homelessness, or lack of hope and opportunity. Those problems are epidemic in many of our Nation's urban and rural areas.

We have known those problems for years in West Virginia, all throughout Appalachia, from one end to the other among the 13 States that are in Appalachia—also the rust belt, with its smokestacks, its factories, its steel ovens closed down, jobs sent overseas to foreign workers. West Virginia has one of the highest unemployment rates in the Nation. The population is declining as people are forced to leave West Virginia to search for jobs and opportunities elsewhere.

I know that this does not make much difference to the media inside this beltway, and apparently does not make a great deal of difference to the people at the other end of Pennsylvania Avenue.

When I first came to Congress, we had six Members of the House of Representatives from West Virginia. Next year we will have only three. There is a critical need within the State for basic infrastructure improvements, including better roads, bridges, and sewer and water systems. And West Virginia is not unique in that respect. It is not alone in its problems.

Throughout the Nation, we can see the physical effect of our economic problems—the deteriorating highways, crumbling bridges, overcrowded and unsafe airports, boarded up factories and businesses. The human toll of our domestic economic problems, measured in terms of education, health care, research advances, and family services, may be even more devastating to the Nation in the long run.

Clearly it is in the best interests of the United States for democracy and stability to prevail in the former Soviet Union and throughout the world, but we simply cannot afford to bankroll the economies of foreign countries at a time when we have so many critically unmet needs within our own borders. Charity begins where? At home.

At this point, I wish to take a few minutes to discuss the so-called Freedom Support Act, a bill to provide aid to the nations of the former Soviet Union. Since last week's stirring speech by President Yeltsin, we have witnessed growing pressure to rush to consider that legislation. Again, I cannot understand the strategy of delaying that legislation on the part of the administration's forces, a strategy of delaying it by attempting to attach to the legislation which is before the Senate a constitutional amendment on the balanced budget. It just does not add up. And my rereading of "Alice in Wonderland" did not help me.

Yet, I have serious doubts that the bill, at least in its present form, is something that the Senate should hurry to consider. Several weak points in this legislation, I think, deserve consideration before the Senate is consumed by the rush to help the former Soviet Union.

First, and perhaps most importantly, we have very little idea what that bill is going to cost us. The Congressional Budget Office cannot even pin down the costs accurately enough to give us an exact cost estimate.

What are we going to do, buy a pig in a poke? That is what we are being asked to pass.

Part of the problem is language in the bill that authorizes "such sums as may be necessary to carry out the provisions of the bill." That is a wide open hole through which any number of 16 wheelers can be driven through. This open-ended authorization puts tremendous pressure on the appropriations committees, and the rest of the Congress to provide whatever funds the President may request.

I understand that the Foreign Relations Committee intends to offer an amendment to replace this language with specific dollar amounts, and this would be an improvement. But when we are about to begin debate on a major piece of legislation and we have no idea what the costs are, it points out the fact that there is an awful lot of work left to be done on the bill.

A second major problem with the current version is that it contains two provisions that authorize direct spending. One of these is the extension of special immigration status to people of the former Soviet Union, Vietnam, Cambodia, and Laos. This special status would make these individuals eligible for various Federal, State, and local assistance programs. Get that! CBO estimates a modest increase in funding required for these programs, but if we witness a dramatic change in the situation in those countries, the costs could escalate dramatically, and we have no way of estimating this. Why should we put additional stress on already overburdened social assistance programs by dumping more immigrants into the system when we cannot even take care of our own people?

When I pick up the telephone and call the local garage, I cannot understand the person on the other end of the line. I am not sure he can understand me. Do we want more of this? Our own people are out of work. There are homeless people on the streets. What are we doing, opening up another door here for more immigrants? We can only do so much.

A second direct spending provision is far more serious, and we have plenty of precedent to be worried. In the area of agriculture credit programs, the bill eases the creditworthiness requirement of current law that is used to determine eligibility for agricultural export credit guarantees. Sound familiar? The administration has had a poor history of policing our agricultural loan programs. Iraq has recently defaulted on hundreds of millions of dollars, perhaps as much as $2 billion in such loans.

I understand that the distinguished Senator from Vermont, the chairman of the Agriculture Committee, Mr. LEAHY, plans to introduce an amendment to tighten the current bill's creditworthiness provision and prevent the administration from overriding the best interests of the American taxpayer. Senator LEAHY's amendment will strike a provision that would, if passed, allow the Department of Agriculture to extend loan guarantees to the former Soviet states based on "the substantial enhancement in the international financial standing of those states to which their proposed economic reforms can be expected to lead," rather than on more mundane, objective realities such as their ability to repay a debt.

We all know that these fledgling democracies are in dire economic straits. If they were not, we would not be considering this massive aid package. But let us not fool ourselves by extending loans that no bank would make and pretending that we will be repaid. It is just as likely that these states will default, no matter how good their intentions. Thus far, the Russians have met all of their United States-guaranteed agricultural loan payments, but only at the expense of other creditors. United States private business investors in the former Soviet Republics are owed, I am told, an estimated $120 million in commercial debts by state-owned agencies.

If these states default, the American taxpayer will again be left holding the bag—and he is not unused to that, of course, but he can do it again—to the tune of untold billions of dollars. I agree with Senator LEAHY that the current creditworthiness requirement is a prudent threshold for each country that participates in this commercial program. If it is undermined, the program becomes simply another foreign aid program, a very large one, outside the normal congressional limits, and we should recognize it as such. There are other commercial export and food aid programs that the administration can use to provide U.S. agricultural products to these states. It is not necessary to distort and misrepresent this loan guarantee program in order to help feed the states of the former Soviet Union. It does not help to build a market for U.S. farmers and farm products if we lead these states to overextend and default on their loans. That is simply bad business—abetting, not aiding.

If it is going to be an agricultural loan, then so be it. If it is going to be an agricultural aid program, let us call it that. Let us not disguise the real purpose of the program. We have had enough of defaults and winking with the so-called loans to Iraq, to Saddam Hussein. So we are going to have to do surgery on this provision as well. CBO estimates that the 5-year budget outlays will be anywhere from $100 million up to $2 billion for the agricultural credit program. That is a gigantic range of estimates—we have no idea what the taxpayer is signing up for with the agricultural provision in the bill now. It is a very serious problem. Because this provision on all agricultural loans, as well as the provision on immigration, authorizes direct spending, they are each subject to a Budget Act point of order. This creates yet another hurdle for this bill.

President Yeltsin gave a stem-winding blockbuster of a speech, full of democracy and the kinds of freedom ringing phrases that were welcome tones in the Chamber of the House of Representatives. We think we are witnessing the birth of a new democracy of some kind. But it is fragile, and we also have to point out uncomfortable facts that run counter to these plans and hopes. We need to point out, for example, that the Russian leadership is in no hurry to reach agreement with the sovereign nations of Latvia, Lithuania, and Estonia, as to the disposition of the some 130,000 Russian troops occupying those nations. Long negotiations have borne no fruit. So there is an occupying Russian army in neighboring sovereign lands, and no agreements have been reached with the leadership of those countries as to when or how the occupation will be scaled down and ended. We could at least ask the Russian leadership to expedite the conclusion of agreements with the governments of those countries. Yet, the administration is silent on the issue, as far as I have been able to determine, presumably because it is uncomfortable. It does not want to ask it. Why would we not want to condition aid to the successful conclusion of agreements between the Russian leadership and those governments? Why not use our leverage on aid to further the development of behavior which fits the model of sovereign Western nations and the standard rules of international conduct, such as not keeping occupying armies in the territorial limits of your neighbors?

Mr. President, there is little doubt that Russia needs help, and I certainly want to see Mr. Yeltsin succeed. I want to see stability promoted there. But we have a seriously flawed bill in the Freedom Support Act. It needs major work. It will take some time, and we do not have unlimited time, just a few days before the Fourth of July recess. That is a week from today. The President wants this program, but his supporters in the Senate want to make the whole process more difficult. They want to hold up the program. They want a balanced budget amendment added to the Constitution first.

I find great irony in the current situation. On the one side, we have Senator GRAMM, Senator SEYMOUR, and Senator NICKLES, and of course the amendment has been offered I believe by Senator NICKLES and Senator SEYMOUR. But we can see lurking in the shadows, in back of the action of introducing the amendment, our friend Senator GRAMM. He is the one who has been talking about tacking this amendment on.

The voice is Jacob's voice but the hands are the hands of Esau, so we have Senator GRAMM and Senator SEYMOUR and Senator NICKLES, all fine Senators, demanding a debate and vote on a constitutional amendment requiring a balanced budget, while at the same time, the Bush administration is pushing us to add unknown billions of dollars to the deficit for foreign aid.

Is this a way to balance the budget?

If the President and the Senator from Texas [Mr. GRAMM] want us to consider both the balanced budget amendment and the Russian aid bill, then let us consider how they are related.

The aid bill, as I have already pointed out, is virtually a blank check for the administration. That is what the administration wants in foreign aid. As a matter of fact, that is what most administrations have wanted, a blank check in foreign aid. CBO's preliminary cost estimate, and I say "preliminary" because CBO is unable to provide definitive estimates based on the current language, forecasts $13.445 billion in budget authority over the 1992 through 1997 time period for this bill alone. And when I say "this bill" I mean the one that is backed up behind the bill that is now before the Senate. I am talking about the bill that Senator GRAMM and others have backed up.

But I am sure that this is only the first installment, $13.4 billion. We can expect the President to be back next year looking for more. The CBO estimate does not even include the provision authorizing direct spending. As I said, this could add $2 billion or more to the total cost.

It is worth exploring the contributions that are being made to Russia and the new independent Republics by the oil-rich states of the Persian Gulf. Now, there is an idea. The Soviets stayed out of the gulf war and let us and our coalition have a relatively free hand with Kuwait. The Soviet leadership under President Gorbachev did not act as an aggravating, difficult counterweight to our activities in the region in wresting Kuwait's sovereignty back from the invading Iraqi armies. The Soviets were not, for the first time in decades, putting pressure on our allies in the region. So, it is pretty obvious that a hands-off Russia is in the interest of oil-rich Persian Gulf States. Those are the States where the coffers overflow with "black gold" day in and day out.

What financial resources are those States contributing to this effort? Has anybody tried to find out? Here is the answer. Nothing. Not a penny, nothing. This is not surprising, of course. The Congress had to pass legislation authored by the Appropriations Committee to hold up arms sales to Saudi Arabia, Kuwait, and the United Arab Emirates until they paid their large, past-due balances to the United States as their contributions to us for our bailing them out from Iraqi aggression. They paid, finally, but many months late, after a long slow roll, and only after direct legislative action by this body holding up their ability to buy more arms. So, it is not surprising that we are faced again with the same situation. The American economy is on the ropes. The economies of the Persian Gulf States are doing very nicely, as usual. We are contemplating new billions in aid programs for the former Soviet Union. But those Persian Gulf States are not contributing. What are they doing? They are considering, thinking about, sending delegations to Russia to assess the situation. That is at least a hopeful sign.

This slow roll by the Persian Gulf States is not unusual. But I do not hear anything from the White House about leadership of a coalition to gather up some of that "black gold" in the Persian Gulf for Russian aid. We would rather just dig down in the pockets of the good old American taxpayers to do it when it is for foreign aid, but not when it is for aid for our own people, our own cities, our own States, our own counties, our own municipal bodies, our own schools. It is certainly in the direct national interests of those Gulf States to put the Russian economy onto a solid footing, I should think. Perhaps we should condition our aid on their aid, Mr. President. How would that be? Would that get the attention of the White House, to add a provision in the bill when it is finally up before the Senate? There is no hurry to get it up, because the immediate thing is to try to tack on the American Constitution an amendment to balance the budget. But at such time as it should come up, how about doing that? Why should we not add a provision conditioning American aid to Russia by requiring aid by Saudi Arabia and Kuwait? Would that get the attention of the White House?

I am informed by the State Department that our Government has been trying to stimulate the interest of the Middle East States in such an effort. Apparently we have to be the stimulator, but we have not gotten their juices running very fast.

Now, Mr. President, we have a new Russian aid program being promoted very hard. We also have an economy that is still mired in deep recession—no doubt about it. Wouldn't it be a good idea to tie some of this foreign aid to American manufacturing interests, advanced U.S. technologies and suppliers? Wouldn't it be a good idea to help build American markets in that country, so that at the same time we are providing foreign aid we are helping the American economy? But, no, there is not any tied aid program here.

What about technologies that help the environment, such as the clean coal technologies developed in the Department of Energy and now available from American manufacturers? What about tied aid to resuscitate the Russian Republics' oil fields with American oil equipment to increase the capability of those fields, put them back in shape, a program which would be mutually beneficial? Any program tying some aid to this kind of effort? No. There is no vigorous tied aid program that would make the bill more attractive to the American business community.

I understand that various Senators are preparing amendments to address many of the flaws in this legislation, but we do not know how. We do not know how we are going to get to the bill before the Fourth of July in order to offer the amendment. And we should not. Why should we hurry to get to that bill? We have a matter now that is before the Senate that ought to be debated. Let us debate it.

Let us inform the American people so that they will have an informed judgment on the question.

But even if all proposed amendments are adopted, the Russian aid bill will still provide a most bizarre juxtaposition with this debate on a balanced budget amendment. Does the administration want the program or does it want politics? It is their choice. We cannot be expected to jump through an unending series of hoops, clean up the bill with one hand, and fend off the junior Senator from Texas [Mr. GRAMM] and his wonderful colleagues, with the other. The choice is pretty clear.

Now, Mr. President, I will turn my attention to the matter before the Senate and for the moment remove my eyes from the Russian aid bill which is apparently not of too great importance to the administration and to its forces in the Senate.

It seems that we live in an age of little reverence and less patience. It is an era of fast food and slick advertising slogans, of instant analysis and rapid information. In politics it is a time of sound bites and media men. The practical application of democracy, as it has evolved, with its condensed messages and its blow-dried candidates stands in stark contrast to the carefully crafted, intricate, thoughtful system envisioned by the Framers and given form by the written document known as the Constitution of the United States of America.

Representative democracy is a slow, complex and cumbersome way of governing. Its strong point is not speed, but stability. In a world enamoured of instant gratification, 30-second political ads, 30-minute press conferences, rapid transit, fax machines, satellite communications and a whole host of lifestyle subtleties that peddle speed and simplicity as invaluable commodities, I sometimes wonder if, as a people, we have somewhere lost the patience for democracy. It is as if the perseverance to examine issues with meticulous care, considering and publicly debating all aspects, until a solid consensus emerges, has gone out of style. Perhaps our ability to concentrate—the American attention span, if you will—has been shortened, rather like a child who has watched too much bad television. And there is plenty that is bad in that television that American children watch entirely too much.

Given our national fascination with time-saving devices that simplify our lives, it becomes easy to understand why intractable problems without quick or obvious solutions are especially frustrating to the American people.

In many American families both parents have to work just to make ends meet, and then, struggle to parcel out any left-over time, if there is any left over, to raise their children. The American people, frankly, are distracted by their own overly busy, fractured lifestyles, and the simple quick solution is currently at a premium value.

Some in the political sphere have seized upon that distraction and have made hay out of offering one-liner solutions to the Nation's most complex problems. Some manipulative politicians have discovered that the simple, the catchy, the obvious, the easy, will sell like hotcakes to an American public frustrated by the demands of making a living and disappointed by a political system that no longer seems to matter in their own daily lives.

Is the American public weary of budget deficits?

Pass a constitutional amendment to balance the budget. It is just that simple.

Do the voters disagree with their Representatives in Congress, or dislike their Senators? Do not bother to vote. Pass a constitutional amendment to limit their terms.

Suddenly, amending the Constitution has become the fad solution for all that ails us as a nation. It is the political cure-all of the 1990's.

Our forefathers did not intend that the Constitution never be amended for all time. They provided an article, article V, which provides for the amending of that document, if two-thirds of both Houses and three-fourths of the States give their approval to amending the Constitution. It can be done; it has been done. We have 27 amendments; 17 since the original 10 that we refer to as the Bill of Rights.

I am not above amending the Constitution. We may have good reason to talk about that, in light of the decision by the Supreme Court of the United States on yesterday. No prayer; no prayer in the schools; no prayer at graduation exercises.

So perhaps the Constitution ought to be amended. But if it is amended, it will be because the American people, in their wisdom, believe that the current Court's holding does not comport with the intentions of the Framers, the Framers who had prayer at their convention in 1787 in Philadelphia.

Benjamin Franklin stood on his feet and he said:

> Sir, I have lived a long time, and the longer I have lived, the more convincing proof I see that God still governs in the affairs of men. And if a sparrow cannot fall to the ground without our Father's notice, is it possible that we could build an empire without our Father's aid?

He went on to move that henceforth, there be prayer at the beginning of each day at the Constitutional Convention. "Else," he said, "we shall succeed no better than did the builders of Babel." Now, that was Franklin talking.

I think it is utter nonsense, utter folly, to pretend that those Framers of the Constitution did not approve of the recognition of God, the Deity. And every President, beginning with Washington on down to George Bush, has mentioned the Deity, God, in their Inauguration Address.

I think the American people have a right to amend the Constitution, to make it clear to those who sit on the Supreme Court that the American people do not want God to be banished completely from the schoolrooms of this country. Let it be the Jewish rabbi's God; let it be the Catholic priest's God; the Christian minister's God. He is God. That was not a sectarian prayer that the Jewish rabbi was uttering. How utterly blind can the U.S. Supreme Court become?

But that is amending the Constitution to bring it in line with what the American people, I am sure, believe as a whole. I know you will find little splinter groups that do not want anybody else to live any way but their way, anybody who believes in God. They would like to take God out of everything, even out of this Senate.

They would like to take prayer out of the Senate. They will not be able to do that, but the Court would take it out of the schools. What we take out of the schools today, we will take out of the Nation a generation from today. The Court took it out of the schools a generation ago—a generation ago—and we see where our Nation is today, how much our Nation has gone down morally and spiritually since then.

So, to amend the Constitution in that respect is one thing. The American people feel that the Supreme Court Justices in their long, black robes have traveled afar from the intent of the Framers and they need to be jerked back. Yes, that is what article V is for.

But we are not talking about that here. We are talking about an amendment that would burst at its seams, the very pillars on which this constitutional system rests, the separation of powers and checks and balances. That is what it amounts to. That is what we are talking about here. Why do we not just throw out the Constitution and start over, start over anew? Perhaps we would rather do it by stealth, under the cloak of a balanced budget amendment to the Constitution.

Instead of approaching a change in the document which has preserved our freedom for over 200 years with some awe and trepidation, amending the Constitution has become the "in" thing to do. I find it more than a little disturbing that the interest in amending the Constitution appears to far outweigh the interest in reading it.

When was the last time our colleagues who are rattling the rafters in the interests of a balanced budget amendment to the Constitution—when was the last time they read the Constitution? When was the last time they read Madison's notes on the Constitutional Convention? When was the last time they read the history of England, to trace the roots of our Constitution back to the English charters and the struggles of Englishmen? There are some pretty good ideas in that grand old document, and we might be wise to leave well enough alone rather than to change the system itself. If we are going to change the system, let the American people know what they are doing. Some say that the American people are demanding these constitutional remedies. Some say—and I have heard it said this morning—a balanced budget amendment is the people's will.

The politicians have told the American people that the constitutional amendment is a way to forever solve the problem of budget deficits. Many of the very politicians who tout this amendment as a solution are the same great leaders who brought the Nation these huge budget deficits to begin with. And one of them is sitting right downtown in the White House in the Oval Office. He touts this amendment. This is the answer. That is his campaign platform. That is it; that is his program for getting the budget deficit under control.

The very President who cheers the loudest for the balanced budget amendment is the President who has never—never—sent to the Congress a balanced budget. His predecessor, Mr. Reagan, who began the balanced budget chant, served two terms and never once proposed a balanced budget; not once. He was all over the lot, "Give me a balanced budget. Write your Congressmen, tell them to give me a balanced budget." While we were all distracted by his extraordinary TV charisma, Ronald Reagan's policies drove this Nation into even more extraordinary debt.

The American people should remember that lesson and be highly suspicious of candidates for President and candidates for the United States Senate who call for a balanced budget amendment but remain mute about the course that he or she would advocate to achieve that balance. That politician is mum because he does not want to tell the American people the truth about the painful choices involved. Those politicians who champion a balanced budget amendment are well aware of the tough choices, but they do not want to tell the people in this election year. They count on that shortened attention span. They bank on public frustration. They want to peddle this amendment as a solution, vote for it, pass it, and then slide by the election. If that happens, these politicians will have achieved what, for some, is their long-term agenda. They will have accomplished by constitutional amendment what they could never achieve through the ballot box. Because what is really on the agenda here, in some circles, is not a balanced budget at all, but a power grab, a power grab.

What is really under way here is a new revolution, a new revolution without a shot being fired. The grand strategy of some is to erode the people's power and put it in the hands of the executive branch and a judiciary beholden to that same executive branch for its appointment. There is your power grab.

As I listen to some of my friends, I wonder if these are Senators or are they representatives of the executive branch. Does the executive branch have its people here in the Senate? When I was the majority leader, 1977 through 1980, I had a Democratic President in the White House. Did I say, I am the President's man? Did I say, I am doing his work in the Senate? No. I was quoted as saying, "I am the President's friend, but not his man."

I listen to some of the people here. I hear the same speeches that the President's department heads would say if they were sitting in this body—speeches always running down the Congress. The Congress is the only entity which can fight such a power shift, the only branch which the people directly elect—the people do not directly elect the President. He is elected indirectly, through electors. This is the only branch that the people directly elect, and it will have been permanently wounded by this amendment.

Suetonius, in his book on the lives of "The Twelve Caesars," writes of Nero, the last Prince who could allege the honor of being of the Julian line. When it came down to the end, the Roman Senate decreed that Nero was an enemy of the people and pronounced the sentence of death on the Emperor.

He tried to hide. As Ronald Reagan used to say—"You can run, but you can't hide." Well, Nero did not know that. He ran, but he could not hide. And when he heard the thunder of the horses' feet, he asked his servant if there were someone there who would die to provide an example for him so that he could better die. But no one wanted to provide the example. So he put the point of the dagger at his throat and Epaphroditus, the Secretary of Nero, assisted him in the dispatch of this cruel emperor.

John of Salisbury tells us in Polycraticus that Nero said, "I die shamefully." Suetonius said that Nero said, "I live shamefully." Whether Nero said I live shamefully or die shamefully, he died shamefully. That is about what we are about to do. Here we have this thing, a balanced budget amendment to the Constitution, a dagger at the throat of the people's branch. If we are going to commit suicide, then we should say, like Nero, "Let us die shamefully," before delivering the fatal wound to the legislative branch.

Decisions on taxation, program cuts, Social Security COLA's, military spending, education spending, farm price supports, and so forth, will likely be usurped by the executive branch and the courts. The executive branch, claiming a constitutional mandate, will say that extraordinary actions must be taken to comply with the constitutional requirement.

Senator DANFORTH said on the floor this morning that this is one of the things that concerned him about this amendment. He had good right to be concerned. He has felt the sting in his own State of judicial interference in the field of taxation involving the school district in the State of Missouri. He has a right to question this amendment. I will have more to say about that in a few minutes.

Let this amendment be passed, let it be adopted, send it to the States, let them ratify it. There are those who say it is not self-enforcing. That is one of the criticisms of it. There are others, like myself, who believe that it will be enforced. Disputes are going to arise and the courts will settle those disputes.

Our last four Presidents were each elected by less than 32 percent of the voting-age population. Ronald Reagan was elected the first time by probably 26 or 27 percent of the voting-age population. He was elected by 50.7 percent of the 53 percent of the voters who voted. Figure that out.

There is every expectation that that kind of trend is going to continue. Do the American people really want to cede their power to future minority Presidents, Presidents who are elected by a little more than a fourth of the total voting-age population? Do they really want to cripple their own elected representatives in the legislative branch? Do they really want to rig the game in favor of all future Presidents, most or all of whom will probably be elected to office by less than a majority of the voting-age population? Should such an amendment be ratified, the American people will have emasculated their own power base, the Congress, and in the process will have tipped the careful balance of the Constitution. And after that drastic step of tampering with the Constitution has been taken, the solution that we seek will still elude us.

A deficit approaching nearly $4 trillion cannot be eliminated by the wave of a wand. It will not go away because we pass an amendment to the Constitution. And to suggest that that deficit can be reduced to zero 2 years after such an amendment is ratified is a ridiculous assertion that threatens to gut the American economy.

Such precipitous cuts and revenue increases, as would be required to comply with that mandate, would throw millions out of work and would most assuredly plunge this country into a deep recession. The resultant chaos would reverberate throughout the financial capitals of the world and such would be the likely results of our hunger and thirst for the quick fix in an election year.

Yes, the American people are frustrated, and rightfully so. They are frustrated with 12 years of mounting debt and a consistent lack of leadership. They have been victimized by Presidents and political leaders who tell them that the budget can be balanced if we just eliminate waste and reduce taxes.

They are weary of waiting for the Nation to recoup the benefits of those policies and "grow" our way out of the deficit. They have been deceived by those promises and by claims that we can balance the budget without raising taxes or reducing military spending. They are promises that cannot be kept if we are serious about getting the deficit to zero, or closely thereto, quickly.

Of course, we need to balance the budget or get it within striking distance of balance. But we have been stymied in our efforts by Presidents and by demagogs who refuse to tell the American people what it would take to achieve that goal. The groundwork for that kind of sacrifice has not been laid. The choices have not been explained honestly and clearly to the American people. The American people have been hoodwinked into believing that major surgery can be performed on our national economy without pain, indeed, without even opening up the patient. Voodoo economics has become the order of the day. Voodoo economics has triumphed. The ultimate talisman, a balanced budget amendment, has replaced common sense, and now threatens to destroy the checks and balances and the separation of powers guaranteed to us by our national Constitution.

As a Senator who believes in the absolute necessity of investing in this country, investing in this country before investing everywhere else—investing in this country before investing in Egypt, before investing in Israel, before investing in Russia—I well understand the need for getting these budget deficits under control.

There is not a Senator who opposes this amendment who does not believe that we should get our budget deficits under control.

I well appreciate that the interest we pay on our national debt alone would finance these much needed endeavors. Just the interest on the national debt, add that to our domestic discretionary spending and we would have it made. So why would we, too, not want to balance the budget?

I well comprehend what the failure to invest in this country, because of the squeeze put on our resources by the huge deficits, is doing to our productivity and our way of life and what it is doing to our ability to compete. I well know what the drain of once good jobs from our shores to foreign lands is doing to our work force. But the answer must not be to perform a lobotomy on our Nation's most sacred principles of checks and balances and separation of powers simply because we are frustrated.

The solution to this problem can only be found through courage and through leadership.

Now, there are those on that side who said that would be our cry. "Oh, they will come on the floor and they will say the only way to get this done is through courage and leadership." Who would not say so, Mr. President, after seeing a vacuum of leadership in the Oval Office now for 12 years?

Well, they may say, why pick on the Oval Office? Because 535 Members of the House and Senate cannot lead. We elect a President to lead. If a tax increase is necessary to bring the budget deficits under control, who is so silly as to believe that Congress would walk that plank, knowing this President has vowed that he would veto such a bill and then beat Congress over the head with it? The move has to start from the other end of the avenue.

Mr. President, it requires courage and leadership. We must explain the sacrifices needed to reduce the budget deficits and then ask the American people to participate in that effort. The President should tell the people the truth and then call upon Congress to help get the job done. We need a plan, a plan, not a promise. We need leadership, not prestidigitation and legerdemain. Then and only then will we be on a path toward getting our fiscal house in order in a way that people can accept and support and understand.

I hear a lot about polls on this issue. I have heard it said just within the last little while that 77 percent of the American people want a constitutional amendment to balance the budget. Just stop and think. Is that really what they want? Seventy-seven percent of the American people are concerned—I am sure more than 77 percent—about the fiscal situation that confronts this Nation. That is what 77 percent are saying. They are not really saying give us a constitutional amendment. How many of them have the time, after they spend many hours in the coal mines, or in the fields, or in the factories, or in the shops, or in the offices, to read the Federal Register, or Madison's notes at the Convention, or the history of England, or even the Constitution itself? Senators do not bother to read the Constitution. Why should we think that the American people have a lot of time to do it? They are not talking about an amendment if they really understand what that would entail.

Ask them if they favor cutting Social Security to balance the budget, and you will get radically different numbers. Ask them if they favor raising taxes to balance the budget, and you will never get 77 percent of them to say yes.

That is precisely the problem. There is no consensus about how to accomplish a balanced budget. There is no leader risking his political hide to seriously deal with the problem.

George Bush is not going to do it. He is not going to risk his political hide. He has already said, "I will do whatever it takes to get reelected." Now, how much political hide does anyone have who says that? How much steel in the backbone does anyone have who will say that? When I hear a candidate say, "I will do whatever it takes to be reelected," I go away shaking my head. Surely, when I hear a candidate say that, I wonder where his convictions are. Does he have any convictions if he will do whatever it takes to be reelected?

I am not going to do whatever it takes to be reelected. If God lets me live and stay in good health, I intend to run again in 2 years. I am not going to do "whatever it takes to get reelected." If it takes voting for this constitutional amendment on a balanced budget to get reelected, then I will not be reelected. I am not going to vote for that. I voted for it in 1982, voted against it in 1986, and even now I see all the more the unwisdom of voting for it.

Just as the constitutional amendment cannot balance the budget, it also cannot create a consensus, it cannot put backbone in the spine of political leaders of this country. Why not just propose a constitutional amendment saying that the leaders of the country must have spine? I believe 100 percent of the American people would say they favor that.

So how do we forget that consensus? A step in the right direction would be to end the divided Government which has plagued this Nation now for several years—divided Government. The American people seem to have a love affair with it. Somehow, the people have come to feel that divided Government is a good thing—a further check beyond the checks and balances already in the Constitution. And yet, paradoxically, the people now seem to want to adopt an amendment to the Constitution which would destroy the checks that are already provided in the Constitution. All of these broad, fuzzy, ill-conceived constitutional amendments would seriously alter the constitutional balance of powers and rob the people of control of the power of the purse through their elected representatives in these two Houses, the Congress of the United States.

Instead of trying to hide behind the Constitution, let us try to restore our traditional reverence for our institutions and the democratic principles that have served us well. Let us reflect upon what it means to be Americans and the way in which statesmanship and compromise have always succeeded in conquering our most contentious and intractable problems. Solutions cannot be force fed as is being proposed here. The Constitution cannot be hemmed and tailored to respond to every new problem that arises in a democracy like a suit that can be altered to conform with the gain of a few pounds.

Now and then, if I pick up a few pounds, I ask my wife to let out my britches a little bit. And when I lose a few pounds, I say to my wife, "Tighten up my britches a little." So that is the way it is—mend, hem, shorten, lengthen, and all of that.

But the Constitution was meant to fit the Nation loosely, providing the necessary protection for our freedoms without binding us too tightly in any one area.

The Constitution is intricate, yet simple; ingenious, yet practical; brief, yet sweeping. It has survived in part because of its flexibility, in part because of its universality, and in part because of its balance and inspired brilliance. It has been revered by generations of Americans. The wisdom of this eloquent document has guided this great Nation for over 200 years of change, war, peace, internal strife, adversity, and prosperity.

Like a safe harbor, it has served as a refuge to revisit when uncertain of our course or confused about our purpose.

Nations around the globe have consulted with the American Constitution when setting up new governments or reforming old ones. It has been amended only 27 times. In a word, it has been "revered."

The oath that we, as the people's representatives take, charges us with the solemn responsibility to protect the seamless garment of the Constitution so carefully woven by those who well understand what it was to live under tyranny.

I believe that Senators will reflect on the meaning of the sacred vow they take, and that they will do the right thing. I believe that the people have not completely forgotten their schoolday lessons about the careful balance in their system of government as set out in the Constitution. And it is their Constitution, and it is the people's power that is so carefully preserved in the American Constitution.

I believe that we not only tamper with the Constitution; I believe that we are driving a trip-hammer right through the heart of that Constitution with this amendment because we are moving down the road of destruction of the separation of power, and the checks and balances. We are going to move the power of the purse—which is the bedrock pillar of this representative government—downtown, to the other end of the avenue, and across the way to that temple in which sit nine Supreme Court Justices, and to the other courts that are scattered throughout the land.

I believe that we undermine this Constitution at our peril. I believe that the time has come for us to slow down, avoid a precipitous action like this, concentrate on our problems, debate openly and honestly our options, and work together to forge a sane and sound solution to our budget crisis.

Benjamin Franklin reminded us long ago that our form of government depended on that constant viligance. And when asked what kind of government was embodied in the new Constitution, a republic or a monarchy, Franklin responded, "a republic if you can keep it."

I believe in the coming days, Senators should reflect upon those words, and find the courage and the wisdom to live up to Franklin's challenge. The people who sent us here deserve that kind of statesmanship, and it is our solemn responsibility, Mr. President, to provide it.

SECTION 1 OF THE NICKLES AMENDMENT

Now, Mr. President, I want to turn my attention to the Gramm amendment offered by Senator SEYMOUR and Senator NICKLES.

Section 1, of the Nickles amendment, states:

> Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

Mr. President, it is not going to be possible to meet this requirement. If this amendment is wired into the Constitution, it will not be possible to meet that requirement.

Total outlays and total receipts cannot be known at the beginning of any fiscal year. All that we will have is estimates of outlays, and receipts for any year, the same as today. We have our OMB and our CBO's estimates. On occasions in the past, we have had "rosy scenarios" based on highly optimistic forecasts of economic growth, and low interest rates.

The Reagan administration often used such forecasts in order to mask what the true deficit would be for a given year. Read David Stockman's book, "The Triumph of Politics." It will tell you all about it. He and Mr. GRAMM of Texas were the two original, I will use that word, "original supply siders." In other words, they were supply siders, inside and out, from ankle to forelock.

Mr. Stockman is very complimentary of Senator GRAMM in that book, in that sense. But Mr. Stockman is gone and Mr. GRAMM is still here, the original supply sider, and he has not repented. I do not say that critically. That is his way; that is his sincere belief. I always try to remember whether the other fellow may be right, and I may be wrong. But that is what we have, supply side economics, and it has proved to be voodoo economics. As I say, the Reagan administration used such forecasts in order to mask what the true deficit would be for a given year.

Congress, in its budget resolution, has often required CBO to adopt OMB's "rosy" forecasts in order to avoid having to make spending cuts or to raise revenue in order to meet deficit targets.

We appropriate budget authority, and we provide authority to obligate Federal funds. Outlays—the cutting of the check or the payment of the cash—are the result of that spending authority, and they occur only when a Federal contract has been satisfied or other obligation has been met. It is impossible to know for sure when a new road will be finished. Those outlays occur only when the contract has been met; only the contract spells it out. And the moneys are not paid out until that contract is fulfilled. We may know when we want the road to be ready, but it will not actually be ready until it is ready, the construction is completed, and the contract is fulfilled.

When we budget and appropriate, we do so based upon the best estimates from the administration and our staff. As good as those estimates are, they depend upon a myriad of factors, such as the economy, the weather, and many other factors, which no one can predict accurately. They are just estimates. That is all they are.

Actual outlays and receipts frequently vary from our estimates by billions of dollars. We do not know what the outlays are until the Treasury issues the checks, and even then those checks may not be cashed for a while. At the end of a fiscal year on September 30, we do not know what was spent. When the monthly Treasury statement is published on the 15th business day of October each year, we have the figure, but even that figure is subject to later revision as more data becomes available.

In fact, as these charts show, for the period fiscal year 1980 through fiscal year 1991, we underestimated deficits in every one of those 12 years.

This chart show the differences between revenues as estimated in budget resolutions for fiscal years 1980–91 versus what actual revenues turned out to be for each of these years.

For fiscal year 1980, actual revenues turned out to be $11.1 billion greater than estimated in the first budget resolution for that year. Then, for fiscal year 1991, actual revenues fell short of the estimate contained in the budget resolution by $11.2 billion. For fiscal year 1982, revenues fell short of the estimate by $40 billion; fiscal year 1983, short by $65.3 billion; fiscal year 1984, short by $13.1 billion; fiscal year 1985, short by $16.8 billion; fiscal year 1986, short by $26.6 billion; fiscal year 1987, revenues were actually $1.7 billion greater than estimated in the budget resolution for that year; then, for fiscal year 1988, revenues again fell short of estimates by $23.8 billion; for fiscal year 1989, revenues were actually $26.4 billion greater than estimated in the budget resolution; for fiscal year 1990, actual revenues were $34 billion less than estimated; and for fiscal year 1991, actual revenues were $55.7 billion short of the budget resolution estimate. The last column on the chart shows that the average yearly shortfall in revenues versus the budget resolution estimate was $20.6 billion per year between 1980 and 1991.

The next chart shows the differences between budget resolution estimates and actual outlays for fiscal years 1980–91. Do not forget that we are talking about a constitutional amendment here that is going to require that outlays not exceed receipts. All these things require projections. For fiscal year 1980, actual outlays were greater than estimated by $47.6 billion. For fiscal year 1981, $46.9 billion greater than estimated; fiscal year 1982, $32.9 billion greater than estimated; fiscal year 1983, $26.2 billion greater than estimated; for fiscal year 1984, outlays were actually $9.4 billion less than estimated in the budget resolution for that year; then for fiscal year 1985, actual outlays were $4.8 billion greater than estimated; fiscal year 1986, $22.2 billion greater than estimated; we are talking about the writing of checks now. This is where the rubber hits the road, where the cash is actually laid out. For fiscal year 1987, $7.9 billion greater; for fiscal year 1988, $21.7 billion greater; for fiscal year 1989, $43.2 billion greater; for fiscal year 1990, $85 billion greater than estimated; and for fiscal year 1991, outlays were $40.4 billion less than estimated in the first budget resolution. The last column on the chart shows that the average yearly difference between actual outlays and those estimated in the budget resolution was $24.1 billion greater outlays.

The next chart shows the differences between actual budget deficits for each of fiscal years 1980 through 1991 compared to the deficits estimated in the first budget resolutions. For fiscal year 1980, the actual deficit was $36.6 billion greater than it was estimated to be in the budget resolution. For fiscal year 1981, $58.1 billion greater; fiscal year 1982, $72.9 billion greater; fiscal year 1983, $91.5 billion greater; fiscal year 1984, $3.7 billion greater; fiscal year 1985, $21.6 billion greater; fiscal year 1986, $48.8 billion greater; fiscal year 1987, $6.2 billion greater; fiscal year 1988, $45.5 billion greater; fiscal year 1989, $16.8 billion greater; fiscal year 1990, $119.1 billion greater; and for fiscal year 1991, the actual deficit was $15.3 billion greater than was estimated in the budget resolution.

The last column on the chart shows that the deficit was an average of $44.7 billion greater than was estimated in budget resolutions for each year from fiscal year 1980 to fiscal year 1991. So, as this chart shows, the deficit was underestimated every year, and the yearly average of those underestimates was $44.7 billion.

The point is that no matter how hard we may try to project outlays and receipts, we have invariably failed—invariably failed. Receipts are often lower than expected and outlays are often greater than expected. And nothing in this amendment cures that problem. It does not say that at midterm or quarter term, we will take a new look; readjust and correct our course. We will have the identical problem that has plagued us under Gramm-Rudman-Hollings, and under the Budget Enforcement Act.

Furthermore, as I said, no midcourse correction is provided for in the amendment. The administration might know well in advance the budget would not be in balance, but the amendment would not provide any way to correct that imbalance until after the end of the fiscal year. And then it would be too late—too late then. Like an old country music song: "Honey, it is too late now"; so it will be too late to balance the budget for that year.

I will say it again. The administration might know well in advance that the budget would not be in balance, but the amendment would not provide any way to correct that imbalance until after the end of the fiscal year. And then it would be too late to balance the budget for that period.

Mr. President, on June 4, I compared the unintended consequences which would flow from a constitutional balanced budget amendment to the South American killer bees, bred for more honey but yielding a more deadly sting. Today, I find another sting where many had hoped to find honey—in the debt limitation language of this amendment.

Section 2 of Senator NICKLES' and Senator GRAMM's constitutional balanced budget amendment states:

> The limit on the debt of the United States held by the public shall not be increased unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

Mr. President, how often do we approve debt limitation increases by three-fifths of the whole Congress? It is a rare occasion that a debt limit extension passes both Houses of Congress by a three-fifths vote. Of the 27 debt limit increases enacted since the beginning of 1981, only twice—in February 1981 and in October 1986—has a debt limit passed both Houses of Congress by a three-fifths vote.

The October 1986 increase was included in the Omnibus Reconciliation Act of 1986. And on three other occasions, the Senate has mustered 60 votes or more to pass a debt limit increase. But two of those votes were prompted by packaging the debt limit increase with the Gramm-Rudman-Hollings Balanced Budget and Emergency Deficit Control Act of 1985, and its successor modification, the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987. So we have passed debt limit extensions by three-fifths votes rarely.

The other body presently includes its debt limit extension, I believe, in its budget resolution. But it would not be able to do that anymore, because this amendment says the limit on the debt of the United States held by the public shall not be increased unless by a three-fifths vote—the budget resolution that passes the House only requires a majority. From here on, once this is riveted into the Constitution, then the limit on the debt will not be increased unless three-fifths of the whole number—that House and this House—shall provide by law for such an increase by a rollcall vote.

If both Houses of Congress adopt this constitutional amendment by a two-thirds vote, and it is ratified by three-quarters of the States, we will soon find it extremely difficult, if not impossible, to increase the debt limit.

And it might be interesting to check back and see how many times those Senators who are proposing and supporting this very amendment have voted to increase the debt limit.

What happens if Congress fails to increase a debt limit? Now, what happens if Congress fails to increase the debt limit? What happens if there are not three-fifths of these two bodies who are brave enough or willing enough to put politics aside and vote for that debt extension? What happens?

This occurred once before, I believe, in our history, in late 1985, during President Reagan's second term, when a temporary impasse was reached in the formulation of the Gramm-Rudman-Hollings legislation.

First, the Secretary of the Treasury was forced to delay payments, which could be delayed without violating the law. Next, the Secretary disinvested the Social Security, civil service, military, and railroad retirement trust funds to fund Government operations. Contributions to these funds were not invested in Treasury bonds, as required by law, because Treasury bonds could not be issued without violating the debt limit.

Consequently, these trust funds contributions earned no interest until Treasury bonds could be issued. Subsequently, Congress and the President enacted a law to prohibit such trust fund disinvestments in the future. That is as far as our actual experience has gone.

If the failure to pass a debt limit extended another few days, after squeezing every dollar possible out of the Federal cash flow, all but essential Federal Government services would be shut down. Federal employees would be sent home. Most Federal expenditures would cease. Now, contemplate what kind of a fix we would be in then.

Federal contracts would be violated. How about that? Eventually, the Treasury would be forced to default on a portion of the Federal debt. What does that say about Uncle Sam? Financial institutions seeking payment of interest and principal on maturing Federal debt would find the Treasury unable to make those payments. A financial crisis would ensue. If we think that the Amtrak strike is pretty bad, wait until this happens.

If not checked immediately, a Federal default would quickly throw the economy into a depression. A default, even for a day—1 day—would cause the United States to pay higher interest rates on borrowing for a long time afterward, because we have never defaulted before. And if you cannot produce the three-fifths vote in one of these Houses, then watch out—a Federal default for the first time.

The ultimate result of a constitutional debt limit would be a dramatic increase in the Federal debt—increase in the Federal debt—not a reduction.

With dire consequences like these, the amendment would provide quite a temptation for a two-fifths-plus-one minority to refuse to pass a debt limit unless some demands were met. I can say: OK, Mr. Leader; you want my vote on this debt limit extension? I have a coal miners' amendment here. I have a coal miners' amendment to the Clean Air Act. You want my vote? That is my price. And there would be lots of other demands.

We might be forced to cut capital gains taxes, or to increase defense spending in the face of a rising deficit just to muster the three-fifths necessary to increase the debt limit. A sudden recession would often become the occasion for such minority demands as falling revenues necessitated a quick increase in the debt limit. Minority government would not be a pretty sight. I am confident that many here would rue the day that they voted for this amendment.

By the time the Treasury Department finds it must increase the Federal debt limit, the tax and spending decisions which gave rise to that necessity are long past—it could be months—it could be years in the past. Those responsible for profligate spending and tax reductions might be long gone from their positions of power.

Exerting genuine control over the federal debt would require controlling tax and spending decisions well in advance of the ultimate increase in the federal debt. That requires leadership. It would require a President who is willing to submit a balanced budget. It would require us to make the hard decisions to cut spending and to raise taxes.

We should also note that this amendment only limits the federal debt "held by the public." This language would permit large Social Security and other trust fund balances to hide unrelated deficit spending. This has already been the subject of some outcry, and this amendment would perpetuate that problem by writing it into the Constitution for all time.

Mr. President, this constitutional amendment would lead to dire consequences which are not readily perceived in the mere reading of the language amendment. This amendment could lead to default and depression. These risks far outweigh the hoped for benefits—more private investment and lower interest rates—intended by this amendment.

The only means to truly control the federal debt is to summon up the leadership and the political will to control spending and tax decisions. Until that can be done, there will be no controlling the federal debt—no matter how stringently we restrict debt limit increases.

Mr. President, advocates of a constitutional balanced budget amendment claim that what works for 49 States will work for the Federal Government.

The President recently had a televised news conference in the East Room of the White House. He spoke of the constitutional amendment on the balanced budget, by my count, 23 times. "That is what the States have." That is what Mr. Reagan would say. "Give me what the States have. Give me a constitutional amendment."

I heard Senators this morning say States balance their budgets. I heard the distinguished Senator from California, Mr. SEYMOUR, talk about how his municipality used to balance its budget, how the State legislature of his State balanced the budget.

But how well do balanced budget requirements work for the States? Let us take a look at that.

Many people accept the assertion right on its face that the States balance their budgets. "Why can't we? They have constitutional amendments or statutory requirements that they have balanced budgets. Why can't we, Mr. President?"

But people accept that assertion without ever looking to see if it is true. How well do the States manage their fiscal affairs? Have constitutional balanced budget requirements worked so well in 49 State capitals that we should adopt them here in Washington?

All States, except Vermont, have some form of constitutional or statutory requirement to balance their operating budgets, and yet States run deficits all the time. They borrow money all the time.

We hear this old cry, "Well, I have to balance my family budget. Why can't the Federal Government balance its budget?" There are not very many families in this country that balance their budgets. They borrow also. They pay mortgages on their homes. They are making payments monthly on their cars. They borrow. Families borrow. States borrow.

According to the National Association of State Budget Officers, five States ran operating deficits in 1991; three in 1990; one in 1989; one in 1988; two in 1987; three in 1986; two in 1985; one in 1984; and six in 1983. There has not been a single year in the past 10 years when all the States have balanced their operating budgets.

This count of States reporting deficits to the National Association of State Budget Officers ignores States that do not admit to a deficit. Several States simply fail to report their deficits or use creative accounting to hide their deficits. Computing operating budget deficits based upon Generally Accepted Accounting Practices [GAAP] would move several States into deficit. New York ran large GAAP deficits in 1990, 1991, and will certainly have one in 1992. Michigan had GAAP deficits each year from 1975 through 1982.

California is one of our largest States, so it provides an instructive example of how effective a balanced budget amendment might be at the Federal level. It has a constitutional balanced budget requirement, a constitutional debt limitation, strict statutory limitations on State spending adopted in 1979, and the Proposition 13 tax limitation. Despite all of these requirements, California—Mr. SEYMOUR's State—ran operating deficits in 1983, 1988, and 1991. This year, California will run its largest deficit ever, an estimated $9 billion, and there seems to be no end in sight.

Forty-nine States have a constitutional and statutory requirement to balance their operating budgets. As I say, only Vermont has no such requirement. Let us look further into these State-balanced budget requirements. This chart shows the 49 States that require a balanced budget, but it also shows how readily many States escape that requirement. Only 44 Governors must submit—must submit a balanced operating budget. Only 38 State legislatures must—must pass a balanced operating budget. Only 31 Governors must—must sign a balanced operating budget. Nine States permit the carryover of a deficit to a later year—technically avoiding a deficit in the current year. Finally, if all State spending is included, no State balances its budget.

State and local governments could not balance their operating budgets without massive grants from the Federal Government.

"We balance our budgets," Governors say. "We balance our budgets. We, the States, balance our budgets."

I was majority leader. I saw the Governors come to Washington with their hats in their hands, wanting more money, more money, more money from the Federal Government.

According to the President's January budget, fiscal year 1991, State and local governments received $152 billion in grants from Uncle Sam, from the Federal Government—$152 billion.

In fiscal year 1992, Federal grants to State and local governments are estimated to rise by $30 billion to $182 billion, a 20-percent increase in 1 year. Over the past 10 years, Federal grants to State and local governments have grown 97 percent. This chart shows that the rapid growth of Federal grants to State and local governments has a long history. In fiscal year 1960, Federal payments to State and local governments totaled $7 billion. That was 2 years after I came to the Senate, $7 billion.

By fiscal year 1970, those payments increased 243 percent to $24 billion. By fiscal year 1980, Federal grants to the State and local governments increased 280 percent to $91 billion. By fiscal year 1993, they had risen 118 percent to $199 billion.

So there you are, $199 billion flowing through the Federal pipeline that begins right downstairs on the next floor, the Appropriations Committee. Flowing across the Allegheniеs, across the Mississippi, across the prairies and the plains, across the Rockies to the Golden State of California, and to the South and to the North, the Federal pipeline right out of that Appropriations Committee. And then to have the gall to stand and say the States balance their budgets.

The Federal Government, which is essentially bankrupt, is balancing the State's budgets. I know, I am the chairman of that Appropriations Committee, which the junior Senator from Colorado said is the worst Appropriations Committee in the history of this country. It sends funds to his State and to every other State in the Union.

It is amazing that anyone would claim that the States balance their budgets. They do not. The Federal Government balances State budgets—helps them to.

Balanced budget requirements do not balance State budgets. Balance is achieved with massive Federal aid. Balance is achieved by ignoring much of all State spending that is contained in capital budgets—States have two budgets; capital budgets and operating budgets—and spending that is contained in other off-budget spending which is financed with debt. The States balance only their operating budgets and they balance those operating budgets with Federal help.

State and local governments also benefit from Federal tax expenditures. Over the next 5 years, State and local governments will benefit from an estimated $228 billion. Federal revenue foregone through tax deductions for nonbusiness, State and local income and property taxes and through the exclusion of interest on State and local debt.

The States use a myriad of gimmicks to achieve their balanced operating budgets. They count revenues, sometimes, that are not actually received. They also count short-term borrowing as revenues. They raid retirement funds. They delay paying their bills. They sell assets. By one count, the State have set up 25,000 off-budget agencies to escape balanced budget requirements. Recently, New York sold Attica State Prison to an off-budget agency. That helped to achieve balance in the State's operating budget.

Balanced budget requirements have not prevented the States from going on a borrowing binge, as shown in this chart. Thirty State constitutions limit State borrowing authority, but total State debt rose sixteen-fold between fiscal year 1960 and fiscal year 1990 as measured by the Bureau of the Census. The States ended fiscal year 1960 with total debt of $18.5 billion. Ten years later State debt had more than doubled to $42 billion. Ten years later State debt had then tripled to $122 billion. Ten years later State debt stood 2½ times higher—$318.2 billion.

Full faith and credit debt used to account for almost all State and local debt, but now, it accounts for only 24 percent of the total. On the other hand, so-called nonguaranteed debt accounts for 76 percent of all State debt. This is debt incurred under State authority, but the States do not stand behind this debt with their full faith and credit. Instead, the States have created off-budget public authorities to collect tolls to build toll roads, fees to improve waterways, and rents under long-term leases from State governments to build State buildings. These off-budget activities have grown so rapidly that they now consume over three-quarters of all State borrowing.

State and local governments have granted their borrowing authority for all manner of private purposes and off-budget activities. At the height of this borrowing binge in the early 1980's, the States were borrowing to build private racetracks, sports facilities, and buildings which housed massage parlors.

The resulting scandal led directly to restrictions on the Federal tax exemption for interest on such private purpose, State nonguaranteed debt in the Tax Equity and Fiscal Responsibility Act of 1982 and later legislation.

This chart also shows the growth of such nonguaranteed debt, and it shows it in the red portion of the bars.

At the end of fiscal year 1960, the nonguaranteed State debt totaled $9.2 billion out of the total State debt of $18.5 billion. Ten years later, it had more than doubled to $21.1 billion, out of the total debt of $42 billion. And then 10 years later in 1980, it had more than tripled to $75 billion out of the total of $122 billion. Ten years later, it more than tripled again to more than $240.5 billion out of the $318 billion total.

If State balanced budget requirements and debt limitations work so well, why have the States gone on such a borrowing binge? The answer is obvious, Mr. President. These limitations do not work. The States have evaded balanced budget and debt limitations with ease—the same ease with which the Federal Government would also evade a constitutional balanced budget requirement—making a mockery out of the Constitution. If we adopt a constitutional balanced budget requirement, the States have shown that such a requirement would not be enforced.

Keep in mind old Uncle Sam standing up there with that money bag, money flowing through the pipeline in all directions out to the States, helping them to try to live up to the limitations in their constitutions. And then they boast about balancing their budget and the State legislators and the State Governors, many of them—not those from my State, they know better—try to make us believe that they balance their budgets, and all the while they have their hat in their hand out to Uncle Sam: Give me, give me, give me.

The State experience is clear for all to see—constitutional balanced budget requirements and debt limitations do not work, without the aid of the Federal Government.

These calls for a constitutional amendment to balance the budget by this administration belie a consistent inability and unwillingness to propose, much less produce, a budget that even comes close to balance.

The following chart shows the administration's proposed deficit estimates through fiscal year 1997. This information on this chart comes directly out of the President's 1993 budget supplement. Read it and weep. The deficits shown exclude Social Security and the Postal Service. These are not my estimates, they are not CBO's estimates, they are not the Government Accounting Office's estimates—they are the President's estimates.

The President's proposed budget for fiscal year 1993 projects the 1992 deficit to be $449.1 billion. For fiscal year 1993, the President proposes a deficit of $411.7 billion; for fiscal year 1994, $286.8 billion; for fiscal year 1995, $279.5 billion; for fiscal year 1996, $283.1 billion; and for fiscal year 1997, $303.6 billion.

CBO says that the figure will be $388 billion for fiscal year 1998.

This continuance of record-breaking triple digit billion dollar deficits are what the President proposes in his—his—fiscal year 1993 budget. In other words, even if we enact everything that the President has proposed in his 1993 budget, including all of his legislative proposals—lock, stock, and barrel—we still will have these record-breaking deficits.

The national debt, as shown on this chart, proposed by the administration, will rise from $4.5 trillion by the end of fiscal year 1992 to $5,917,700,000,000 by the end of fiscal year 1997. That is an increase of $1,867,400,000,000 between 1992 and 1997.

This is what the President has proposed. He proposes to increase the national debt by almost $2 trillion over what it will be on September 30 of this year; almost $2 trillion by 1997.

The final chart shows the administration's proposed interest on the national debt. If we follow the President's plan and enact his program, his budget projects interest on the debt to go from $198.8 billion for fiscal year 1992 to $263.5 billion for fiscal year 1997.

Mr. President, I submit that not only is the country going bankrupt as a result of the policies of the past 12 years, but that we have an administration that is bankrupt when it comes to leadership. The President has said that he will do anything it takes to get reelected. But he refuses to address the fact that his administration has presided over the largest deficits in the history of the country. The administration instead has chosen to embrace a constitutional amendment requiring a balanced budget while submitting a budget that proposes to continue on with record-breaking deficits through 1997 and proposes to increase the national debt by another $1.867 trillion by 1997. Surely the American people can see through this charade. They need to understand that this administration, like the one before it, while calling for balanced budgets, has not even come close to submitting a balanced budget. They need to further understand that this administration, in its own 1993 budget, has proposed a continuation of more triple digit billion dollar deficits as far as the human eye can see.

This President, as did his predecessor, has called repeatedly for a constitutional amendment to require a balanced budget. Yet, also like his predecessor, this President has never once submitted a balanced budget for any coming fiscal year. President Reagan did project balanced budgets for the out years, by using "rosy scenarios" for economic and technical assumptions.

Just read David Stockman's book; the insider tells it all. Mr. Reagan never once submitted a balanced budget for the upcoming fiscal year.

The amendment I have proposed points out that President Bush's fiscal year 1993 budget estimates that the on-budget deficit for fiscal year 1992 will be $449,125,000,000. It further points out that the President's 1993 budget estimates that the national debt will reach $4,513,229,000,000 by the end of fiscal year 1993 and will rise to $5,917,713,000,000 by the end of fiscal year 1997.

My amendment states that the President and the Congress must agree upon a plan to balance the budget in order to decrease the debt burden on current and future generations and provide a long-term sound economic structure for future generations.

Now, if Senators really want to do something for their grandchildren and their children, if they really want to shift the burden from posterity to ourselves, let them support my amendment.

To get that process started now, instead of years from now, as would be the case with a constitutional amendment requiring a balanced budget, my amendment requires the President to submit by September 1, 1992, a 5-year deficit reduction plan that will achieve a balanced budget no later than September 30, 1998.

It does not take any courage to vote for that constitutional amendment. That piece of paper, on the face of it at least, does not cost one thin dime. It does not cut 1 cent out of any program. It should not raise the hackles of any special interest group in this country or anybody else. It is odorless, tasteless, painless, easily swallowed, easy to vote for because we do not pay for our own transgressions on our watch. It will not go into effect for several years. By then, the President will be up in Maine running his speedboat, playing golf. Some of us will be back home sitting in the old rocking chair drawing that pension. Somebody else will have to pay the political price.

In order to prevent the use of gimmicks or "rosy scenarios," the amendment requires the President to use the same economic and technical assumptions that were used in his fiscal year 1993 budget.

Finally, the amendment requires this deficit reduction plan to include cuts in discretionary spending for the military, foreign aid, and domestic discretionary. It requires reductions in, and controls on, entitlement and mandatory spending, and it requires increases in revenues. In other words, everything is on the table. No category of spending will be exempt and revenues will be required.

Can we afford it? Can we afford not to? Oh, yes, we can shift it onto the backs of our children but they will not rise up and call us "blessed."

My amendment makes something happen. This piece of paper, this constitutional amendment will not make anything happen. We just vote for the amendment, crank up our newsletters, and write home, write home to the folks: "I voted for the constitutional amendment." We will send you a feel-good message. That is what we heard out of the White House for all these years, all during the years Mr. Reagan was President. Good morning America. Go ahead and use your credit card. There is really a free lunch. Go on living for today at the expense of tomorrow.

So we can vote for this amendment, feel good and go home and get pats on the back. It does not take any courage to vote for a piece of paper. It does not cost anything. Black magic. Voodoo economics. Voodoo constitutionalism. Voodoo journalism. Quick fix.

But in this amendment that I have introduced, no category of spending will be exempt, and revenues may be required.

My amendment makes something happen by September 1. It directs the President to send up a plan, not a feel-good message, a plan, not wait for the long process of ratification of a constitutional amendment. That would be after his term of office has expired. The constitutional amendment goes right past his desk. He does not even have to use a pen on that. He does not even get to salute it. It doesn't stop at his desk.

A vote for this constitutional amendment is a vote for delay. It is a vote to let the President and the Congress do nothing about the deficit but they can claim that they have, just claim they have. My amendment says let us do it. Let us get started on considering a plan to get these deficits under control.

My amendment directs the President to use fairness in his plan. I would like to send this to the President's desk. Unlike a constitutional amendment which detours the President's desk, this ought to go to the President's desk. Let him sign it. Or let him veto this one.

He has to use fairness in his plan. No favorite exemptions, everything on the table. Everybody participates in getting the budget balanced, not just the Congress but the President also. It directs him to balance the budget using every tool available to him in his plan. That is the fair way to do it. Everybody has to contribute toward the balanced budget goal.

If the President wants a constitutional amendment, he ought to be willing to lead the way in proposing a plan and convincing the American people to get on board. This Congress will expeditiously consider this plan and work with him, and we will be on our way. We would be obligated to work with him.

We say, "Send us up a plan." If he sends up that plan, we cannot turn tail and run. We have a duty then to sit down. Let him send up his plan.

My amendment gets the ball rolling now. It does not allow the Congress or the President to hide behind a cheap, easy vote on a constitutional amendment and then sit around for 2 or 3 years or longer and do nothing.

It starts the ball rolling without doing untold violence to our Constitution or our economy, or to the balance of powers which has been so carefully preserved for over 200 years.

I should also point out to Senators that my amendment includes the text of the GSE bill, as modified by the managers' amendment, as amended thus far.

I urge my colleagues to support this amendment so that we can begin to address the need to eliminate the Federal deficit this year rather than waiting for future Congresses and future Presidents to begin this extremely difficult task.

Mr. President, I listened this morning with interest to what was being said by the advocates of the balanced budget amendment to the Constitution. Let me say again that I do not question the sincerity of some of the Senators on both sides of the aisle. Some of them really think this will do it. There are others who know better.

Someone said that this amendment by Senator BYRD was a "killer" amendment. Mr. President, it is not a killer amendment. It is an amendment to force action this year. That is what is tough about it. It forces action by our President. Someone said that whoever votes for this amendment is just saying that "the status quo is great; that is what we want, status quo."

Mr. President, deficits are serious, of course, but it is the proponents who want to continue the status quo for several years until the amendment is ratified.

My amendment says the status quo will not do, and waiting will not do. My amendment says start now, do something. Those who vote against my amendment and who support the so-called balanced budget amendment are saying, well, now, let us wait. Let us just hold on here a minute. Let us hold on to the status quo yet awhile. Let us not do anything now, let us not put anything on the President's desk that requires him to send up a plan now—that is, before the election. Let us hold on to the status quo. This balanced budget amendment will allow us to hold on to the status quo, beyond the election, even beyond the election, every beyond that, or perhaps beyond the next one, 2, 4, 6 years down the road.

So let us hold on to the status quo. Let the good times roll. Status quo is what we want for a few more years. And the way to get the status quo for a few more years is to vote for Senator Gramm's balanced budget amendment.

Someone said let us pass this amendment, let us adopt this amendment and make it a big present, a big present, to the American people for July 4. Mr. President, on the contrary, it would be tragic to gut the Constitution and call that an Independence Day present. Is that what Washington and his starving troops fought for at Valley Forge? Is that what Nathan Hale had in mind when he said "I only regret that I have but one life to lose for my country"? Independence Day gift, gut the Constitution, raise Old Glory, but gut the Constitution.

Another Senator said adopt this amendment, it is "going to change America forever." You bet it will. You bet it will change America forever. It will mutilate the Constitution, change it from a butterfly to a caterpillar that eats away at the people's branch. It will change America forever.

Our friend from California, Mr. SEYMOUR, says vote against this amendment, and you are like the ostrich; we will be like the ostrich; we will be going on with our head in the sand; we will be ignoring the issues. On the contrary, Mr. President, this constitutional amendment ignores the issue. It puts off the resolution so we can all get by the next election.

Someone said no one believes Congress anymore. That is true. It is all being laid at the feet of Congress. I listened to the speakers this morning. Speaker after speaker after speaker condemned the Congress, the Congress, "big spending Congress"; nothing said about the President. The President says only the Congress appropriates money. But under the 1921 Budget and Control Act, Presidents are required to send budgets to the Congress. Senator after Senator standing on his feet, and fouling the nest to which he belongs.

Many Senators would give their right arm to become Members of this body. They get out and they demean themselves by raising money in this dirty campaign financing system that we have, and they get themselves beholden to every group they run across. They no longer remain men. They promised everything to everybody, just anything to get here, run all kinds of negative ads, tear down the character and the reputation of their opponents, anything to get here, and then when they get here, they run this institution down. What kind of Senator is that?

Majorian, when he was made Roman Emperor in the year 457, referred to himself in speaking to the Senate, referred to himself as a prince "who still glories in the name of Senator." Only 1,799 men and women have ever, ever, ever stood up there and taken the oath of a Senator; 1,799 out of the millions of people who have lived in this country for these past 200 years since it became a Republic. An august throng of men and women. People who come to this body ought to revere the body, ought to believe in the institution, and they ought not run it down; they ought not come here and act like the President's men. Let them be Senators.

Talk about the Congress spending. The President sends up the budgets. Since 1945—get your pencils out—since 1945, continuing through last year, all of the Presidents during those years—45 years—requested $11,710,201,833,552. Those were the Presidents' requests.

How much did Congress appropriate in all of its regular bills, supplemental and deficiencies? $11,521,432,604,188. What is the difference? Congress appropriated less than the Presidents requested by the amount of $188,769,229,364. So there you are. Congress appropriated less money than the Presidents had requested by $188 billion.

Well, how about the President who wanted the balanced budget amendment, President Reagan? Someone may say that surely under his administration, for those 8 years, Congress must surely have appropriated more money than he requested. No; Congress appropriated $16,147,670,001 less than Mr. Reagan requested during his 8 years.

So let us not put it all off on Congress. Do not lay it all at the feet of Congress. I have not heard the proponents mention the Presidents once today; that neither of these Presidents, Reagan nor Bush, has sent up a balanced budget. We have a national debt that is four times as much as it was—four times as much as it was—since Mr. Reagan took office. I say to the Senator from Tennessee, four times as much—$4 trillion.

When Mr. Reagan came to town, it was $932 billion, after the Nation paid its Revolutionary War debts, paid for the War of 1812, the war with Mexico in 1846 to 1848, the Civil War, Spanish-American War, World War I, World War II, the war in Vietnam, the war in Korea, all these wars; recessions, the Great Depression in the early thirties. So it went, through all of these panics, recessions, wars.

Thirty-nine Presidents, thirty-nine administrations, all the way from Washington, John Adams, Jefferson, Madison, Monroe, John Quincy Adams, Jackson, VanBuren, William Henry Harrison, Tyler, Polk, Taylor, Fillmore, Pierce, Buchanan, Lincoln, Johnson from Tennessee, Grant, Hayes, Garfield, Arthur, Cleveland, Benjamin Harrison, Cleveland again, McKinley, Roosevelt, Taft, Wilson, Harding, Coolidge, Hoover, Roosevelt, Truman, Eisenhower, Kennedy, Lyndon B. Johnson, Nixon, Ford, and Carter—all of them—$932 billion.

Mr. Reagan blew into town fresh out of Hollywood. Those are the people who think that supply-side economics is one more Mercedes. He blew into town preaching supply-side economics. Read Stockman's book. He will tell you how PHIL GRAMM and Jack Kemp and he and some others taught the President supply-side economics, and how it failed the country.

I will close my statement at this time with some excerpts from David Stockman's book, the "Triumph of Politics." Let him, the supply-sider nonpareil, tell us, after he had been with the Reagan administration for 4 years. Let him close up my little statement:

> By the end of 1985 the economic expansion was three years old and the numbers demonstrated no miracle. Real GNP growth had averaged 4.1 percent—an utterly unexceptional, prosaic business cycle recovery by historical standards, and especially so in light of the extraordinary depth of the 1981–82 recession. The glowing pre-election GNP and employment numbers, therefore, had manifested only the truism that when the business cycle turns down, it will inevitably bounce back for a while.
>
> Still, the White House breastbeating had to do with the future, and that depends upon the fundamental health of the economy and the soundness of policy. Yet how can economic growth remain high and inflation low for the long run when the administration's de facto policy is to consume two thirds of the nation's net private savings to fund the federal deficit?
>
> The fundamental reality of 1984 was not the advent of a new day, but a lapse into fiscal indiscipline on a scale never before experienced in peacetime. There is no basis in economic history or theory for believing that from this wobbly foundation a lasting era of prosperity can actually emerge.
>
> Indeed, just beneath the surface the American economy was already being twisted and weakened by Washington's free lunch joy ride. Thanks to the half-revolution adopted in July 1981, more than a trillion dollars has already been needlessly added to our national debt—a burden that will plague us indefinitely. Our national savings has been squandered to pay for a tax cut we could not afford. We have consequently borrowed enormous amounts of foreign capital to make up for the shortfall between our national production and our national spending. Now, the U.S. economy will almost surely grow much more slowly than its potential in the decade ahead. By turning ourselves into a debtor nation for the first time since World War I, we have sacrificed future living standards in order to service the debts we have already incurred.
>
> Borrowing these hundreds of billions of dollars has also distorted the whole warp and woof of the U.S. economy. The high dollar exchange rate that has been required to attract so much foreign capital has devastated our industries of agriculture, mining, and manufacturing. Jobs, capital, and production have been permanently lost.

This is David Stockman talking in 1986. At least that is the date of the copyright on this book.

> All of this was evident in 1984, and so was its implication for the future. We had prosperity of a sort—but it rested on easy money and borrowed time. To lift the economy out of recession against the weight of massive deficits and unprecedented real interest rates, the Fed has had to throw open the money spigots as never before. This in turn has stimulated an orgy of debt creation on the balance sheets of American consumers and corporations that is still gathering momentum today. Its magnitude is numbing. When the government sector's own massive debt is included, the nation will shortly owe $10 trillion—three times more than just a dozen years ago.
>
> One thing is certain. At some point global investors will lose confidence in our easy dollars and debt-financed prosperity, and then the chickens will come home to roost.

This is David Stockman talking. He was talking at a time when the Republicans were in control of the White House and this Senate. He was the ultimate insider. He was the one who used the magic asterisks and cooked the books and said so.

> One thing is certain. At some point global investors will lose confidence in our easy dollars and debt-financed prosperity, and then the chickens will come home to roost. In the short run, we will be absolutely dependent upon a $100 billion per year inflow of foreign capital to finance our twin deficits—trade and the federal budget.

And Stockman went on to say:

> Still extricating ourselves from the fiscal folly now upon the nation by means of an alternative legislative solution will test our institutions of governance and our political leaders as rarely before. Folly has begotten folly, and the web has become hopelessly entangled in a five-year history of action and reaction. But the politicians of both parties still have a sound and valid reason for disengaging from the Reagan Revolution's destructive aftermath. A radical change in national economic policy was not their idea; economic utopia was not their conception of what was possible in 1981 when the policies of the past collapsed. Republican and Democratic politicians together can tell the American people that a few ideologues made a giant mistake, and that the government the public wants will require greater sacrifices in the future in the form of the new taxes which must be levied.

That is from a Republican. That is from David Stockman, the ultimate supply-sider.

Mr. President, what we are talking about here in this constitutional amendment, with all due respect to my dear friends—as I say, some of them really feel this is what it will take; others know better. To those who know better, it is as phony as a three-dollar bill, phony as a three-dollar bill. It is a copout. It will straitjacket the Government in recession, and it will force us to overload services and programs on the States and, in the end, it will open the way to litigation and the invitation to the courts of this country to become the superoffices of management and budget and involve themselves in the legislative control over the purse.

Mr. President, fame is a vapor, popularity is an accident. Riches take wing. Those who cheer today may curse tomorrow. Only one thing endures: Character.

I hope that the Senate will once again demonstrate that it has character and reject this piece of paper that will either undermine the Constitution of the United States, the separation of powers, and checks and balances, or give the people a real dose of taxation without representation by enthroning the judges of this country with the power to tell the people where the money will be spent and how revenues will be raised.

Taxation without representation. The American people fought one war for that principle. Who knows? If we go down this road, we may again see a revolution over taxation without representation imposed by black-robed directors of the supreme Office of Management and Budget, men who were never elected at the ballot box who will hold their offices for life.

I yield the floor.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER (Mr. LAUTENBERG). The Senator from Tennessee is recognized.

Mr. SASSER. Mr. President, I have listened with great interest to the very eloquent presentation made by the President pro tempore on the floor of the U.S. Senate today, where he has spoken at great length, as he has on many other occasions.

Mr. President, I think the message that the distinguished President pro tempore gives to his colleagues today is one that is heartfelt and one that we certainly must consider long. He has pointed out, I think clearly, the problems that we face with the so-called balanced budget amendment that is presently before us. And he has pointed out also, with great clarity, how this amendment could diminish the effectiveness and the authority of the U.S. Senate as it was granted to this body by the Framers of the Constitution.

I want to commend and congratulate the distinguished President pro tempore for a very eloquent, persuasive, and perceptive presentation here this afternoon.

Mr. BYRD. Mr. President, I thank my friend from Tennessee for his very charitable remarks. I am grateful for them and I shall cherish them.

Mr. SASSER. I thank my friend from West Virginia.

Mr. President, when the distinguished senior Senator from West Virginia speaks on the history of this country and on the history of this institution, then all Senators, I think, listen and listen with great interest and listen very carefully. I believe his presentation here this afternoon has done us all a great favor.

Let me just make a point about the underlying intention of the so-called Nickles-Gramm-Seymour substitute amendment before I comment at a later point in support of the substitute offered by the distinguished President pro tempore.

Mr. President, to force a vote on the balanced budget amendment to the Constitution in this way at this time is purely a political gesture. Every Senator in this body knows that to be the case. Any informed observer knows that to be the case. It is a cynical, political maneuver that I submit is deeply misguided.

Those offering this amendment are doing so for reasons that are really a mystery to nobody. Not a single U.S. Senator is under the illusion that we are going to be sending a balanced budget amendment to the Constitution out to the States for ratification this year. We all know it is not going to happen this year.

The balanced budget amendment to the Constitution was defeated by the House of Representatives less than 2 weeks ago. So we all understand what was motivating the junior Senator from Texas when he rushed to the floor to demand that the U.S. Senate stand up and be counted on a balanced budget amendment to the Constitution.

It was not an effort, and is not an effort, to secure such an amendment to the Constitution. Of course not. He does not want legislation. He does not want serious debate, even though we are talking about the fundamental legal covenant of this country. And I do not think it is any exaggeration to say it is the most sacred political document of this democracy of ours and certainly one of the most esteemed political documents in the history of the human race.

The junior Senator from Texas is not interested in serious debate on this document. He is interested in a cynical effort to generate material for the all powerful political attack ad. It is as simple as that. That is what this debate is all about. In other words, it is nothing more than a political game. It is exactly the kind of sideshow that the American people are sick to death of. It is exactly the kind of political cynicism that they are rejecting.

Now, it may not be obvious on the face of it, but a balanced budget amendment to the Constitution of the United States, no matter how it is drafted, forces us to alter the underlying framework of this basic document that is the foundation of the political processes of this, the largest and most powerful democracy on the face of the globe. Such an amendment raises the most basic questions about how this country is to be governed and by whom; fundamental questions about whether we blindly and unthinkingly increase the fiscal power of the executive branch of the Government; nearly imponderable questions about a constitutional deadlock that might result if the courts begin directing the fiscal policy of this country; and absolutely primary questions, dating back to 1789 and before, about whether concentrations of power in one branch or another might lend themselves to tyranny or despotic rule.

These fundamental questions to the rights of a free people should not be the stuff of which political gains are made. They should be and they must be subject to dispassionate, calm, and informed deliberations.

In recent weeks the members of the Senate Budget Committee have had the benefit of hearing from some of the most distinguished constitutional scholars in this country. They testified on the subject of a constitutional amendment to balance the budget. Their testimony was not partisan. We did not seek partisans to appear before that committee. Our hearings were aimed at examining the complexities of such a proposal. The hearings were not for the purpose of promoting advocacy. And I can say without hesitation that the issues raised by our hearing are in my view among the most important and profound that any U.S. Senator could be asked to consider.

All of the witnesses who appeared before the Senate Budget Committee confirmed that by writing fixed fiscal policy into the Constitution of the United States we are not tinkering around at the margins or at the edges of the Constitution. By writing such an amendment that puts fixed fiscal policy into the Constitution, they testified we are going straight to the heart of our basic governmental covenant.

Prof. Walter Dellinger of the Duke University Law School, and one of the foremost constitutional scholars in this country, called a balanced budget amendment, "the most fundamental change in balance of powers in 200 years." He was talking about the balance of power between the three branches of Government: legislative, judicial and executive. And he said: "A balanced budget amendment would be the most fundamental change in that balance of powers in 200 years."

Prof. Laurence Tribe of the Harvard Law School, perhaps the preeminent constitutional law scholar of the country, also appeared before our committee and testified at great length. He concluded:

> A balanced budget amendment would unbalance the Constitution, seriously distort the separation of powers, and undermine the credibility of the Constitution itself as our fundamental law.

I am not asking Senators to agree or disagree with the conclusion of these two profound thinkers in the area of the Constitution. The conclusion is not the point. The point is this: That the mere potential for such radical consequences demand that we conduct a constitutional debate in an atmosphere of high moral seriousness. The atmosphere we have now is closer to a political mud fight. So clearly an issue of this importance, of this historic magnitude, warrants the full deliberative attention of each and every member of this body. And clearly an issue of this importance and of this historic magnitude deserves more than it is getting here today.

Let us just examine some of the constitutional complexities for just a moment. The consensus among constitutional scholars of all political persuasions, from Robert Bork on the right to Laurence Tribe on the left, is that a balanced budget amendment to the Constitution is an unprecedented transfer of power from the legislative branch to the executive branch of Government. It would afford the President the constitutionally protected, perhaps even constitutionally required, opportunity to engage in selective impoundment of funds.

There are those who say that there is no intent to give the President impoundment authority, and I firmly believe that some of the supporters of this constitutional amendment to balance the budget have no intent to give the President impoundment authority. But according to Professor Tribe, and I quote this distinguished constitutional scholar, "The very words 'total outlays shall not exceed receipts,' coupled with the President's oath to uphold the Constitution, is a delegation of power to impound." So says Laurence Tribe, professor of constitutional law at the Harvard Law School.

Let us just imagine for a moment the consequence of such authority. A President who has the power to selectively withhold expenditures is a President with the power to influence the actions of Members of Congress on a wide array of issues. Such a President could hold hostage legally mandated expenditures by the Congress that might be critical to the people of a Senator's State or to a House Member's district. Extended to its logical conclusion, we are talking about precisely the kind of immense power concentration that the Founding Fathers and the drafters of the Constitution struggled to avert.

We have heard many times the distinguished President pro tempore on this floor tell us of how the Parliament wrested the power of the purse at long last from the Kings of England. And once they got the power of that purse, the Parliament was able to use that to counteract the great powers of the King. And that was, really, the essence and the basis of parliamentary government.

Would we be giving that away if we adopted a constitutional amendment to balance the budget? Prof. Laurence Tribe obviously thinks we would.

Professor Dellinger of the Duke Law School put it this way:

> The placing of the power of the purse in the hands of the legislature—and not in the hands of the executive or judicial branches—was not a decision lightly made by the framers of the Constitution. * * * Congress should hesitate long before proposing an amendment that would transfer such a vital legislative power to the executive or to an unelected judiciary.

When we speak of the judiciary we are talking about the Federal judiciary. And that brings me to the very troubling question of judicial control over fiscal policy, or, stated more clearly, the Federal courts deciding how the funds are to be spent. Constitutional concerns aside for a moment, think of the practical effects of a court, most probably the Supreme Court of the United States, disbursing Federal funds, picking and choosing which programs will live and which programs will perish for lack of funding. I think Robert Bork got it right.

Yes, Judge Bork got it right when he commented "the whole thing strikes me as the potential for a big legal mess."

Laurence Tribe called it a litigation nightmare. Professor Tribe explains it this way:

> A trial on the question of what the actual outlays were and how you classified this or that deferred expense with every imaginable high-priced accounting firm in the country taking sides and testifying, with experts called, with the Office of Management and Budget, with the Congress' own budget office present, the trial alone could last for months or years. The appeals could drag on forever.

So says Professor Tribe.

That is the nightmare at one extreme, with the Federal courts trying to decide how the funds should be disbursed, what was a receipt, what was a disbursal, when was the budget balanced or unbalanced? Judge Robert Jackson, a distinguished Supreme Court judge, in 1941 described the risk of adopting a provision to the Constitution that becomes unenforceable and he called an unenforceable provision in the Constitution "a promise to the ear to be broken to the hope, like a munificent bequest in a pauper's will."

Mr. President, Alexander Hamilton assured the country in the 78th Federalist Paper that the judiciary has no influence over either the sword or the purse. And James Madison assured the country in the Federalist Paper No. 48 that in our system "the legislative department alone has access to the pockets of the people."

So these drafters of the Constitution remembered the Magna Carta, they remembered the fount of liberty and freedom for the people of England, they remembered the tensions and the controversies and the quarrels and the struggles between the kings and the emerging and very delicate Parliament. These Framers of the Constitution knew that it was the power of the purse and the freely elected representatives of the people that was critical and crucial to the survival of this fledgling democracy.

In the few moments it takes to offer this amendment, the Senate could signal that it is willing to abandon these hallowed principles. I think it is unfortunate that some would take us down this dangerous road in such a cavalier way. My friend, the junior Senator from Texas, said the other day on the floor that between the truly important issues—unemployment insurance and Russian aid—we have time to slip in an up-or-down vote on how we structure the Constitution of the United States.

I value this Constitution much higher than that. I put a greater premium on the Constitution of the United States. Yes, unemployment insurance, extension of unemployment benefits to millions of Americans who are unemployed as a result of the poor performance of this economy is important, no question about it. And the whole discussion about whether the United States of America should come to the aid of Russia and offer financial resources, that also is important.

But I submit to my colleagues that neither of these two endeavors are nearly as crucial and critical to the health and survival of this country as the Constitution of the United States and how we amend it and who is to interpret it.

So to say that we are going to simply slip in an amendment to the Constitution of the United States between unemployment insurance and Russian aid, I ask my colleagues to think about that for just a moment.

What does that say about the motivation behind this amendment?

One moment we are being told by our friends on the other side of the aisle this morning that a balanced budget amendment is absolutely imperative. The next moment we are being told that it is a matter of such little consequence, though, that you can slip it in between two other pieces of moving legislation. It is a concession at the start that either this amendment to the Constitution is secondary to the rest of the Nation's business, which I do not even believe the proponents of the amendment believe to be true, or that they are really not serious about this after all; that this is, indeed, just a political game, a political ploy, something else to be used perhaps in the campaigns this fall.

Mr. President, I say that there has been a naked confession of political game playing, as I think of it. I hope that my colleagues will give this political game playing the treatment that it deserves. Perhaps it is possible to write a balanced budget amendment that avoids, as Professor Dellinger said, unbalancing the Constitution. Perhaps we can have a constitutionally fixed fiscal policy without court-ordered budgeting.

But I for one cannot be sure about that. But of one thing I am sure, the amendment that is being proposed today averts none of these pitfalls. If this amendment that they are proposing should be passed as they are proposing it, we certainly are unbalancing the Constitution.

This separation of powers that was so carefully worked out by those masters of political thought, those political philosophers, those enormously educated human beings who brought into being the Constitution of the United States, they thought long and hard about the balance of powers between the legislative, on one side, composed of the Congress, two Houses—the House of Representatives and the Senate—the second branch, the executive; the third branch, the Federal courts, the judiciary.

They thought long and hard about that. I submit, Mr. President, they got it right. They got it right because we have not changed that fundamental balance in over 200 years.

I submit that if the amendment they are urging on this body were to pass as they have written it, this fundamental balance would then be fundamentally out of balance and there would be an enormous shift of power out of the legislative branch of Government and to the Chief Executive Officer and to the judiciary. I do not think we want to do that. I know this Senator does not.

So I think the surest course to disaster is to play political games with the Constitution of the United States. I submit, Mr. President, that is what we have been witnessing today, political games played with the Constitution of the United States, a political game that you play between two other pieces of legislation, something you try to do quickly and simply get people on record with no thought to what might be the later repercussions.

So, Mr. President, I suspect I will have more to say on this issue as the debate develops, and I suspect that the debate on this may go on for some time because I feel very strongly that we should not go through a process of trying to pass an amendment to the Constitution of the United States, particularly an amendment that so fundamentally alters the balance of power between the three branches of Government in a short period of time. It should not be done without lengthy and thoughtful debate. It should not be done, in my judgment, without consultation with experts in the field of the Constitution. So I suspect this debate will be lengthy, and I will have more to say as the debate progresses.

Mr. President, I yield the floor and suggest the absence of a quorum.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I seek recognition.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. SARBANES. First, Mr. President, I commend the chairman of the Appropriations Committee and the President pro tempore of the Senate for the very powerful statement he has made on the floor this afternoon with respect to this matter. No one knows the Senate or its history or its purpose within our constitutional framework better than the very able and distinguished Senator from West Virginia. I was able to be present part of the time to hear him and watched him on television a good part of the rest of the time back in the office, and I thank him for the very eloquent and forceful statement which he made on this issue.

I also commend my colleague, the chairman of the Budget Committee, the distinguished Senator from Tennessee, for his very strong statement which has just been delivered.

Mr. BYRD. Mr. President, I thank my friend from Maryland, the senior Senator [Mr. SARBANES] for his gracious remarks.

Mr. SARBANES. Mr. President, I very strongly believe that adding a balanced budget amendment to the U.S. Constitution is both economically impractical and constitutionally irresponsible.

I agree with my colleague from Tennessee who has just observed that a political game is being played. This matter was considered in the House of Representatives and rejected. Even the sponsor, the prime sponsor of this proposal in the Senate, said at that time that the House vote finished the matter for this year. Yet we have certain Members of the Senate who are bound and determined to try to bring it before us to use up valuable time to hold up other important and needed legislation.

Mr. President, there is nothing in the Constitution which currently prevents the President from submitting or the Congress from passing a balanced budget. And yet no President since President Jimmy Carter has presented such a proposal to the Congress. All the budgets that Ronald Reagan presented, all the budgets that George Bush presented were unbalanced, and, in fact, the imbalance has grown in the Bush years. It is now at record figures. The President's response is to try to wave this magic wand and pass this balanced budget amendment, which would then put the issue off until 1998.

I ask the chairman of the Budget Committee: is that not correct, under this proposal?

Mr. SASSER. Yes.

Mr. SARBANES. Until 1998. This is really a device to put off hard decisions until some unspecified point in the future.

Tampering with the Constitution is no way to restore a sense of fiscal responsibility to our system. This is the Constitution about which we are talking. It is what we take an oath to uphold. It is the basic charter of our system of free self-government. It has been admired by people around the world through the centuries. Gladstone, the great British Prime Minister, regarded the Founding Fathers who framed the Constitution as the greatest assemblage of statesmen who had ever come together to address public issues.

The Constitution has stood the test of time. It is, by any judgment, an extraordinary document. People should think long and hard before they start playing fast and loose with the Constitution.

This proposed amendment to our basic charter has a waiver provision on the basis of a extraordinary majority of 60 votes in the Senate and in the House of Representatives. Now, what kind of fundamental principle is it that you put into the Constitution and you can then waive? None of the other principles embodied in the Constitution can be waived.

Second, what it really does, by requiring this extraordinary majority of 60, is it places power in the hands of the minority within each House. It is hard enough to get a bare majority around her to deal with controversial issue. It would be substantially more difficult to require 60 votes in order to deal with controversial issues.

Now, some argue for the balanced budget amendment on the claim that States run balanced budgets and therefore the Federal Government ought to be subject to the same constraint. This argument is just wrong factually. If States kept their budgets on the same basis on which the Federal Government keeps its budget, most would show deficits in part, this is because most States have capital budgets which they fund through borrowing and operating budgets which they seek to balance.

The Federal Government makes no such distinction between an operating and a capital budget. So the State analogy, upon the most limited of examination, proves not to be an appropriate analogy. Most States maintain these capital budgets, which are not subject to the balancing requirement, and which instead are financed by borrowing.

Second, the Federal Government has a responsibility to maintain a countercyclical policy. In other words, when the economy goes into a recession, the Federal Government seeks to offset that. Throughout the industrialized world, this type of countercyclical policy is the responsibility of national governments.

No national government in the industrialized world has a constitutional requirement requiring a balanced budget. They all recognize that in a downturn, the deficit grows automatically because of the loss of revenue and the increase in support. Trying to balance a budget in a downturn, will turn a mild recession into a deep recession, and a deep recession into a depression. That is exactly what happened when the Nation went into the Great Depression.

It would have the perverse effect of requiring the deepest spending cuts or tax increases in recessions, and thereby contribute to a further downward pressure on the economy.

The other thing this proposal for a balanced budget amendment fails to do is to allow for important distinctions between different types of spending. In this version of the amendment, all outlays are lumped into a single aggregate. Doing this fails to recognize that different types of spending have different effects on the economy, and they ought to be treated differently.

Let me give just two examples: Social Security and unemployment compensation. Both programs, run up surpluses in advance of anticipated needs for spending. Social Security is building up surpluses to provide for the retirement of the baby-boom generation, and unemployment insurance builds up surpluses during good economic times in order to pay the benefits during recessions.

Under this proposed amendment, you could build up those surpluses in anticipation of the future needs, but you could not use them when the time arose because then your outlays would be exceeding your receipts.

When the baby boomers retire, or when the next recession hits, any excess of outlays over revenues in Social Security and unemployment insurance would have to be offset by tax increases or spending cuts.

Obviously, such a requirement fundamentally undermines the economic prudence that is associated with anticipatory budgets. It undermines the very fiscal prudence that is connected with building up these trust funds in good times in order to be able to use them in bad times.

Perhaps even more serious than this in terms of the consequences of a balanced budget amendment is its failure to separate investment spending from spending for current consumption. It is clear that running deficits to finance current consumption in expansionary periods is unwise, for it shifts onto future generations the task of funding today's spending.

But capital investment is a different proposition. Today's capital investment increases the rate of growth in the economy in the future, thereby yielding a larger stream of future income. Because of this possibility of enlarged future income, income from these capital investments, it makes economic sense to finance some portion of today's capital investment with borrowed funds.

In other words, this is what anyone does. This is what individuals do; this is what private businesses do; this is what State governments do; this is what the Federal Government does, although it is not clearly manifested because we do not have a capital budget.

What most households and governments do is borrow in order to invest, thereby enhancing future income, and paying for the investment over time. This proposed balanced budget amendment does not recognize this important economic distinction between consumption and investment spending. And it would require all investments to be fully funded with tax revenues in each fiscal year.

If a household were to follow such a budget strategy, and limit outlays in any one year to no more than their revenues in that year, only a tiny number of American families would be able to buy a home, an automobile, or major appliance. Just stop and think about that.

For most people when they buy a home, in the year that they buy it, their outlays far exceed their receipts, and they cover it with a mortgage. They go out and they borrow. They take out a mortgage in order to buy their home. And then they pay for their home in future years. They amortize it out over a period of time.

Most people do the same thing with an automobile. And it makes sense to do so. They calculate it out. They purchase the automobile; they borrow; and then they make the payments over a period of time in order to draw down that debt.

Businesses follow the same strategy. Most businesses borrow in order to finance new capital investment. It improves their economic position. They get an enhanced income stream in the future as a consequence, and they are then able to pay off that debt in future years.

Our country has been lagging with respect to the national effort on investment, and our poor record of growth in productivity and income reflects this. A balanced budget amendment that does not distinguished between capital spending and current consumption would make it much harder for the National Government to play its essential role in accelerating the pace of investment.

In fact, it is almost certain that investment spending by the Government would bear much of the burden of trying to move toward a balanced budget, if in fact the amendment were to be implemented.

Let me just emphasize again in this context that most State governments exempt capital spending from balanced budget requirements, in part from a recognition that borrowing to finance capital investment is prudent economic policy.

It is not clear, in any event, how this amendment would be enforced. Would we have to stop paying benefits to Social Security recipients or abrogate contracts if revenues fell short of expectations?

What is clear, I think, in looking at the amendment, is that its lack of clarity would almost certainly lead to court involvement in both defining and implementing economic policy. Although no one can state with certainty what role the courts will play in interpreting the amendment, it is reasonable to expect ample opportunity for litigation and court interpretation of such terms as "outlays," "revenues," and "budget."

In addition to a shifting of the debate on fiscal policy from the Executive and legislature to the courts, this proposal raises the real possibility that the courts would eventually be required to take over the management of fiscal policy, as they have, on occasion, taken over the management of school districts or of prisons. Managing fiscal policy is not an appropriate job for the courts. Yet, passage of the amendment would move us in this direction. Even the proponents of this proposal seem to say, "Well, we want it, but we want to be careful, and we want to be able to waive it."

I indicated before what I think about waivable constitutional principles. If it is waivable, it ought not to be in the Constitution. I ought to be addressed in some other fashion. But this so-called "three-fifths suspension" raises a number of important questions. Actually, it is really a statement that the proposal is not so fundamental that it should be in the Constitution. No other constitutional principle—free speech, individual rights, equal protection, and on and on—can be waived by a three-fifths vote of both Houses. That proposal of the three-fifths waiver would permanently shift the balance of power from majorities to minorities in our society, violating the democratic principles upon which our Government is based. It effectively gives control over fiscal policy to a minority in either House.

The Washington Post wrote a very perceptive editorial on this issue—let me just quote briefly from it—in which they said:

> The balanced budget amendments to the Constitution on which Congress may soon vote are not balanced budgets amendments at all. They are abandonments of majority rule and responsibility, whose effect would be a further elevation of congressional minorities, the very splinter groups whose singlemindedness and log-rolling influence are said to be the bane of Congress now. The history of many reforms is that they boomerang, and, in any case, procedural reform is not a substitute for political will.

Mr. President, I ask unanimous consent that the editorials which have appeared in the Washington Post over a period of some weeks on this issue be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SARBANES. Mr. President, finally, in concluding, I just want to make these observations. First, writing a balanced budget requirement into the Constitution will undercut economic policy designed to offset the business cycle. People have forgotten that throughout the 19th and much of the 20th century, we experienced major economic recessions, indeed depressions, in this country. In the post-World War II period, by using fiscal policy to help offset the downturn in the business cycle, we have been able to avoid the kinds of deep depressions that have marked the country in the past, the most notable of which, of course, was the Great Depression of the 1930's.

Second, this proposal burdens the Constitution and the courts with issues which should properly be decided by the President and the Congress. The very able President pro tempore has spoken to this issue at length earlier this afternoon.

Finally, it shifts the principles of our democracy from majority to minority rule. The Constitution is a brief general statement defining the political and civil liberties of our citizens. It does not establish any specific domestic policy, any specific foreign policy, any specific economic policy. Those are left to be decided by the elected representatives of the people; namely, the President and the Congress.

Because of its focus on universal principles, the Constitution has endured for over two centuries. As I said earlier, it has really been the envy of the world, and we should think carefully, long, and hard about amending it, and we should proceed with great caution.

Some who want to do this actually end up justifying it as a sort of a concession to frustration. They say, "we have this deficit problem, and it has not been solved; therefore, we are going to just enact this constitutional amendment." They think that somehow, by magic, that is going to solve the problem. Actually, it is a promise to do something in the future. This amendment is talking about 1998, supposedly masquerading as a tough choice today. We do not need any more masquerades, and we do not need any more promises. We need the President to come to the Congress and present a proposal now, here and now, to try to address this deficit problem, a proposal to enact real measures to restrain spending and raise revenues in order to close the deficit gap.

Mr. President, I close with this observation. Much of today's alienation of voters from the Government comes from the practice of passing hollow laws: Laws which purport to change things but which through loopholes and waivers end up resulting in nothing really happening.

Mr. President, if hollowing out the law creates political cynicism and alienation, imagine, imagine what hollowing out the Constitution would do.

Mr. President, I yield the floor.

EXHIBIT 1

[From the Washington Post, June 8, 1992]

PATRIOT GAMES

President Bush devoted his news conference the other day to support of a balanced budget amendment to the Constitution. He'd do better to find a more congenial subject. This one puts him in the weak and awkward position of urging that his own pattern of behavior be constitutionally proscribed—but not until safely after the next election.

The president already has all the power he needs to send Congress a balanced budget—or one that makes a genuine move in that neglected direction—and then to veto any bill that deviates from his proposals. It would take two-thirds of both houses of Congress to overcome such determination; that's more than the three-fifths that any of the constitutional amendments would require. Mr. Bush has done none of this; the record that he is deploring is largely his own. The problem is the same for him as it is for Congress—not a lack of constitutional power, but of political courage, imagination and will.

The amendments are a way once again of deferring action while appearing to act, a reflection not of conviction but of the lack of it. In hopes of restoring the lost ability to govern, a group of middle-road senators from both parties proposes that the presidential candidates each submit to an hour's serious questioning on national television about their plans to reduce the deficit. Bill Clinton, whose own proposals for balancing the budget have seemed to us to still need work, quickly said that he'd be glad to appear on such a program. Ross Perot, who has said even now he is still creating his position, did not immediately respond. The initial response from the White House was that the president already has "put his budget out there," and so he has. The problem is that the projected deficits remain in the $200 billion range as far as the eye can see.

That comes close to $1 trillion of added debt per presidency; the country can't afford it. The administration continues to say that a balanced budget can be achieved without a major tax increase or cut in the cost of Social Security, which constitutes close to a fourth of spending for other than interest on the debt. All that is needed is a rate of economic growth about double that of recent years and a cap on entitlement spending except for Social Security. But where have you heard before—how many trillions of dollars of debt ago?—that the country could grow its way out of the deficit? And which entitlements does the administration propose to cut, at whose expense? It would mainly have to be Medicare and Medicaid—they are the largest remaining programs and greatest offenders—but how does the president propose to curb health care costs? He doesn't say.

Those Democrats who are working for the amendment are no better. Paul Simon, sponsor of the leading balanced budget amendment in the Senate, says that he's "not about to spell out precisely" how he would achieve the balance nor to stop advocating what he thinks are necessary spending increases in the interim. His Democratic counterparts in the House say that of course they want to begin reducing the deficit right away, but not in the same vote in which they adopt the amendment. Later will be time enough for the specifics; you've heard that before, too. To siphon votes away from the leading amendment, the House Democratic leadership is meanwhile also proposing that Social Security be left out of the deficit calculation as well as any cuts, the idea being to give members cover for saying that much as they wanted to balance the budget, they felt obliged to protect Social Security even more.

It's a game that's being played here on all sides, but the Constitution is the wrong place to play it. It's one thing when the president and the members tie up future revenues to assure their reelection; now they propose to mortgage the form of government as well. By the shifts that they imply from majority to minority rule, these amendments would disturb the systems of checks and balances within and between the branches of government, including the courts, in ways that none of these hasty supporters fully comprehend. The amendments are the ultimate retreat from the responsibility that they pretend to embrace. One way or another, one house or the other needs to defeat them.

[From the Washington Post, June 1, 1992]

MORE ON "CRYING WOLF"

House Budget Committee Chairman Leon Panetta gave a glimpse the other day of the spending cuts and tax increases that a balanced budget amendment to the Constitution would entail. His illustrative lists included everything from Social Security cuts to a possible national sales tax, and the White House accused him of "crying wolf"; the president's spokesman suggested that the goal that the president himself has never even attempted could be achieved with much less pain. But the math of the budget and the lessons of the pain-averse budgeting of the last 12 years are all on Mr. Panetta's side.

A likely effective date for most versions of the balanced budget amendment is 1997. The budget for that year is now projected to be $1.73 trillion, and the deficit, $236 billion. The projections assume that the S&L bailout will be largely over by then, that the country will enjoy steady economic growth with low inflation in the interim, and that no new programs will be added to the budget that are not financed.

Such a combination of good luck and responsible behavior is hardly ensured, but assume it occurs; the math is still brutal. It begins with the clutter of unpaid bills from the past. No matter how well behaved the president and Congress turn out to be in the intervening years, about 15 percent of the 1997 budget will continue to be interest on the debt. The debt, which is the sum of past deficits, quadrupled in the Reagan-Bush years to $4 trillion. The interest has to be paid.

Another 20 percent of the budget will be the cost of Social Security. Mr. Panetta suggested that this would have to be among the items cut, if only indirectly (the best way) by subjecting a larger share of benefits than now to the income tax. That of course is political heresy; the president and (in a proposal last week to undercut and defeat the leading constitutional amendment) the House Democratic leadership have both suggested that Social Security should be kept out of any budget cutting.

But without a cut in Social Security and without the major tax increase that the president is also pledged to avoid, the rest of the budget would have to be cut by more than a sixth below the spending likely under current law to bring it into balance. If defense were also protected against a further cut, as the president insists for the sake of national security that it should be, then the rest of the budget would have to be reduced by about a fourth.

Even with cuts in Social Security and defense, that rest of the budget—everything from health care and veterans benefits to highway funds and aid to Israel—would have to be plucked somewhat. The alternative would be enormous tax increases. To erase the expected 1997 deficit with taxes alone, receipts would have to be increased by about a seventh.

An amendment lets the president and the chorus in Congress vote for a balanced budget in the abstract. Mr. Panetta would have them vote for one in fact at the same time. They already have the power; name the programs and the taxes now, he says. But they don't want to do it, or most of them don't, not before the election. They want a free vote. It is the ultimate example of buying reelection at the future's expense, only this time it is the Constitution that they are unbalancing. It is Congress's own power that Congress in its weakness now proposes to mortgage; that's where we've come to.

[From the Washington Post, May 20, 1992]

MAJORITIES ARE CHEAPER

The balanced budget amendments to the Constitution on which Congress may soon vote aren't balanced budget amendments at all. They are abandonments of majority rule and responsibility whose effect will be a further elevation of congressional minorities—the very splinter groups whose singlemindedness and log-rolling influence are said to be the bane of Congress now. The history of many reforms is that they boomerang. And in any case, procedural reform is not a substitute for political will. The effect of these efforts to atone for past political failure is as likely to be an increase in the deficit as it is a decline.

These ill-considered proposals are misnamed. They do not mandate that the budget be balanced; they simply require more votes—typically three-fifths of both houses—to unbalance it. Forty percent plus one in either house can hold the entire government hostage; that's the shift to minority rule. The theory is that the holdouts, whoever they may be in a given year, will use their increased power to keep the deficit down. But precedent suggests the opposite outcome, that they will use the power to ratchet the deficit up. To assemble the votes for a budget, even more interest groups than now will have to be satisfied. The price of passage will go up, not down.

In terms of governance, the peril of failing to include a certain group—of cutting instead of increasing its subsidy—will be greater, not less. Majorities are cheaper. Nor will the price exacted always be fiscal; to pass a budget, a rider on an issue having nothing to do with the budget may be required. A limited form of minority rule already exists in the Senate, which tends to pride itself on its accommodative procedures. When have they finally held the deficit down?

It already takes a three-fifths vote in the Senate to break a filibuster. When was the last filibuster against an unbalanced budget? The Constitution already requires a two-thirds vote in both houses to override a presidential veto. When was the last time the veto was used to enforce a balanced budget? If George Bush is so in favor of a balanced budget, why doesn't he submit one? Why didn't Ronald Reagan before him, while also urging passage of an amendment?

These balanced budget amendments have not been thought through. (Among other effects, they would squeeze the states that would be called upon to ratify them, but that's another story.) The budget ought to be put on the path toward balance just now, but the way to do that is to increase taxes or cut spending. The amendments would do neither. They carefully postpone both steps while at the same time providing cover for past postponements. They represent a major change in our constitutional system, whose discipline they are as likely to weaken as to strengthen. The president and Congress alike are using the Constitution for short-term political purposes, as a fig leaf. The country deserves better than that. These amendments are the ultimate expression of the irresponsible governance that they purport to condemn. They ought to be shot down.

[From the Washington Post, May 12, 1992]

TRIVIALIZING THE CONSTITUTION

The balanced budget amendments to the Constitution that Congress is considering are cop-outs that would neither require balanced budgets nor likely help achieve them. Instead, while pretending otherwise, they would again postpone the difficult decisions they imply, encourage further evasions, trivialize the Constitution and almost certainly entangle future fiscal policy in the courts. They represent another effort by the President and Congress to embrace the objective without—God forbid—approving the means of accomplishing it. That will come later, always later. These sloppy, dangerous proposals are the ultimate expression of the weakness and dithering and flight from responsibility that they purport to correct. They are yet another way of letting those who are elected to govern evade accountability for acts of governing—putting the thing on automatic, enabling themselves to say if ever the cutting gets tough and unpopular: Hey, we didn't do it; the amendment did.

It's absolutely so that the budget deficit should be reduced; with the savings and growth rates low and the costly retirement of the baby-boomers not that many years ahead, the government should probably be running a surplus. Instead, the deficit this year will be another $400 billion. The national debt, which took two centuries to get to $1 trillion, has grown to four times that in just the past 12 years. The government borrowing detracts from national savings and props up interest rates. The interest on the debt is now a seventh of the budget and crowds out other spending. The deficit restricts the economy and the ability to govern, both at the same time.

To offset these debilitating tendencies, the amendments would not forbid an unbalanced budget but would make it theoretically harder to pass. Under all the pending versions, and unbalanced budget, as they variously define it, would take a three-fifths vote of the full membership of both houses, as against majorities today. Some versions then go beyond this, to require three-fifths votes as well to increase the debt or raise taxes. The latter versions, while they masquerade as balanced budget amendments, are expressions of a different agenda. They represent at least in part an effort on the part of people opposed to the mildly redistributionist tendencies of the federal government to shrink its size.

The amendments pose huge operational problems. The most popular version pending in the House would require the president and Congress to agree before each fiscal year began on an estimate of that year's revenues, which then could not be exceeded by outlays without a three-fifths vote. But what if they don't agree, as in so many recent years they haven't? Does someone then put them in jail? Does government stop? Does its every action so long as they disagree on this essentially political question become unconstitutional? Then there are all the other questions that recent history suggests, like what are revenues and outlays, which are the government's and which are not, when are outlays calculated, and what constitutes the fiscal year? The courts will become the final keepers of the government's accounts. What also of the government's countercyclical role, as an offset to the business cycle? Is it really in the national interest to make it constitutionally harder for the government to bring the economy out of recessions?

It's not that hard to balance the budget—not intellectually anyway. You have to vote to increase taxes and/or cut spending. That's what the president and members are already in such disrepute for refusing to do. These amendments are nothing more than attempts to give them cover for refusing to do it a few years longer. Let the next administration and Congress do it. Always the next. If they're going to vote to reduce the deficit, as well they should, it's fair to ask them to tell us how, and not just procedurally as they have so often done before. Which programs? Which taxes? The Constitution should not become the permanent monument to a temporary failure of political will.

The PRESIDING OFFICER (Mr. FOWLER). The Senator from New York [Mr. MOYNIHAN].

Mr. MOYNIHAN. Mr. President, I rise in the first instance to congratulate my friend, the learned and implacable senior Senator from Maryland, for having set this debate in the terms in which it must be addressed by the Senate of the United States.

This is not a convention, it is not a rally, this is the Senate. These are sacred precincts and we dealing with a sacred document, the Constitution of the United States. The Senator from Maryland has spoken of the gravity of the issue before us and the folly of the proposal and the path we are asked to take. I want to thank him for that.

Mr. SARBANES. Mr. President, if the Senator will yield, I very much appreciate the Senator's comments, particularly coming from one of the Members of the Senate who is most sensitive and understanding of the meaning of the Constitution and the significance of our political system.

Mr. MOYNIHAN. Mr. President, I might take a somewhat separate subject now, to ask ourselves how did we reach this moment of folly and debased rhetoric?

We are told that there is something inherent in the democratic system that makes us unable to control expenditures in a way that is necessary to good governance and, therefore, we have to amend the Constitution to do it for us. To do what obviously, as the Senator from Maryland has said, we can do at any given time. Any President may send a balanced budget to us. President Carter did. None has done since. But obviously that is something we can do. We are now told no, you cannot do it; that we are out of control; and that this has to do with the nature of democracy and of our institutions.

I would like to suggest to you that this is not true. It is an enormous untruth and that needs to be clarified.

If I could just go for a moment to the statistics, the numbers, which is what we are talking about. How incapable have we been in this century. The economic report of the President has a table B-74 and the title is Government Finance, and it tells you, it gives you the Federal debt as a percentage of gross domestic product each year starting from 1929.

Back in 1929, at the end of the very prosperous 1920's, the Federal debt as a percentage of gross domestic product was 54.8 percent. It stayed about that through the 1930's in the time of the New Deal, which was said to have been a time of great Federal spending. The debt actually declined as a percentage of the gross domestic product. Not a great deal, but it went down. There you are, the Senator from Maryland has a table. I would hope the cameras might show that, and how it went down.

Mr. SARBANES. If the Senator will yield for just a moment, it is a very important point the Senator is making. Now this chart begins in 1952. We should have had it earlier, but to go back to the Second World War—and it shows the debt of the Federal Government as a share of the gross national product. What happened of course is in World War II we ran up a large debt, because we had to mount a war effort.

Mr. MOYNIHAN. Exactly.

Mr. SARBANES. And we had to deal with a crisis. We ran up a large debt. And so here we were up to about 62 percent. The debt is as a share of GNP. And as you can see, Mr. President, it worked its way down over the years. This is 1973 here. We move up a bit in the late 1970's when there was nothing significant, and then beginning in 1981 it takes off.

Mr. MOYNIHAN. Exactly.

Mr. SARBANES. As a percent of the share of the GNP.

In other words, the debt was growing faster than the national income was growing, instead of slower. If it grows slower, its burden on you is diminishing, because your gross national product is growing faster than your debt and, therefore, your debt becomes less and less of a problem as we see right here.

In fact we had it down to about 30 percent at this point and it took off in the 1980's and rose this way, which only underlines the point that the distinguished Senator from New York is making, that there is not something inherent in the system, our constitutional system, that prevents us from dealing with this problem. In fact it is something that has happened in the 1980's that has created this problem, which the Senator is in the course of developing.

Mr. MOYNIHAN. And I mean to say, and—thanking the Senator from Maryland—will say to the Senate what I said before. I say it again. What happened was a deliberate policy of creating deficits as a social policy designed to affect public policy.

Take the numbers in 1945, at the end of World War II, with all that effort, the debt as a percentage of GNP had reached 127.6 percent. It proceeded to go down and down and down. At 1959 it was 60 percent; 1969, it was 39.5 percent. Then in President Carter's last year in that decade it was 34 percent. All of a sudden, it proceeded to rise, rise, rise. Next year, it will be 72.9 percent.

It has doubled since the Republican administration took office. Why did it? May I go back to a time—it seems a distant time now, the early years of the Democratic administration of John F. Kennedy. At that time, the economists who were in of the Council of Economic Advisers, headed by the most distinguished and able man, Walter Heller, with such luminaries as Nobel Laureate James Tobin and others. They were of the view that we had a problem of public finance in our country which was that the Congress was not disposed to spend enough money toward the peak of the business cycle. The result was that we never reached full employment. In those days full employment was seen at 4 percent or, as the Department of Labor insisted in one of the economic reports, an interim goal of 4 percent, 3 percent being more reasonable.

This problem was described as fiscal drag. It was said that our institutions—including this very same institution we are in—just would not spend money. We were not disposed to do that. We are reluctant to do that. And when revenues rose, because the economy was rising, you would begin to find that the stimulus began to be suppressed by our unwillingness to move out the funds that we had. Our problem was we would not spend money.

Walter Heller had an idea. Revenue sharing. We will pass the Federal revenues on to the States and they will be able to keep the economy going and we will not go through that up and down cycle, the business cycle as it had been called. There will be some cycle. But we will reach full employment. And if we go down, we will not go down very far, we will go back rather promptly.

President Nixon proposed revenue sharing in 1969.

The idea for a full employment budget was that we needed stimulus, not a very great deal perhaps, but our problem was—if we had a systemic problem—a disinclination to spend.

Now, when did this disinclination turn out to be an uncontrollable urge? The truth of the matter is, it never did become that and it is not that. What has happened is a deficit was created for the purpose of making the Federal Government cut outlays even more.

It was never stated better than by President Reagan 16 days into his first term, in which he stated: "There were always those who told us that taxes couldn't be cut until spending was reduced. Well, you know we can lecture our children about extravagance until we run out of voice and breath. Or we can cut their extravagance by simply reducing their allowance."

There you have in place a policy of creating a deficit to prevent the Congress from spending money on social programs. A number of things happened of which the most important was that same administration continued and increased a pattern of more spending on defense than had begun under President Carter. So while they look for cuts in domestic spending, they look for increases in defense spending, while they had in fact cut their revenue base in the tax cut of 1981.

A week or so ago, our most able, I know our revered, and I dare to say our precious President pro tempore, came on the floor addressing this subject. He quoted a passage from Haynes Johnson's wonderful history of the 1980's, called "Sleepwalking through History, America in the Reagan Years." He having done that, I will take the liberty of repeating what he says even though it does involve the Senator from New York.

He said:

> Moynihan was the first to charge that the Reagan administration "consciously and deliberately brought about" higher deficits to force Congressional domestic cuts. Moynihan was denounced and then proven correct—except that cuts to achieve balanced budgets were never made, and deficits ballooned ever higher.

Now this is from one of the most able and respected journalists of our time, Haynes Johnson of the Washington Post, not a partisan, in this case an historian, saying when you first said this you were denounced as saying something that was unbelievable. It turned out you were right, but then it was too late.

Let me just go through a little bit of the history here, and in particular the history as it was finally revealed by Mr. Reagan's first Budget Director, Mr. David Stockman.

Mr. Stockman, in his book, "The Triumph of Politics; Why the Reagan Revolution Failed," describes this policy, this conscious policy of creating deficits, which, in the White House and in the Office of Management and Budget at the time there was a term for it, it was called starve the beast. We were the beast; the Federal Government was the beast. It had to be starved.

And what did the President say? He said: What do you do with a child that will not behave? You can talk until you are out of voice or you can end the extravagance by cutting his allowance. Starve the beast.

Mr. Stockman, in his book about these times describes that at its 1980 convention the Republican Party had endorsed both a 30-percent tax cut and a radical reduction in business taxes. And here are the passages from again "The Triumph of Politics: Why the Reagan Revolution Failed," published in 1986.

He says that coming back from the convention and having in mind a prospect that he would be the Director of the Office of Management and Budget, he began to work out the effects of the Kemp-Roth tax cut that had been endorsed. It was called supply-side economics. And the proposition—and, this is key—the proposition was that the tax cuts would pay for themselves because they would generate so much more business activity that total revenues would rise even though tax rates had been cut.

"Oops," said Mr. Stockman, as he did his figures one more time. "My heavens, that is not going to happen." I quote him:

> I discovered that to balance the budget we would need huge spending cuts too—more than $100 billion per year. The fabled revenue feedback of the Laffer curve had thus slid into the grave of fiscal mythology forty days after the supply-side banner had been hoisted at the GOP convention.

Now this is David Stockman, a member of the Cabinet, Director of the Office of Management and Budget.

He goes on:

> These dramatic changes in both my comprehension of budget estimating and the true fiscal math of the supply-side budget program occurred almost overnight. That should have been a cause for second thoughts and reassessment of the whole proposition.
>
> But it did not happen that way.

Mr. Stockman then had the idea for a real revolution. He says:

> The success of the Reagan revolution depended upon the willingness of the politicians to turn against their own handiwork—the bloated budget of the American welfare state. Why would they do this? Because they had to.

You could just see him jumping up.

He said:

> In the final analysis, I had made fiscal necessity the mother of political invention.

I am happy to know we can say that no member of the Philadelphia Convention was around to read the idea that you gamble with history, and you gamble with our society's stability.

And so, he went on to make that gamble in a Senate now controlled by a Republican majority. And then he began to see it was not working out.

There is a wonderful passage, Mr. President, on why. He began to see that while Mr. Reagan would talk about big budget cuts, he only wanted budget cuts from a line item which we can assume was called "waste, fraud, and abuse." In the real world, he did not mind the programs that we had.

George Will, that most luminous commentator, a close personal friend and a staunch defender of Mr. Reagan, even so would tell audiences something similar at that time. I recall speaking to a business group here in Washington one morning and finding I had concluded my remarks and he, George Will, came in to speak next. There was nothing going on up here. It was early. So I stayed and listened to Mr. Will. And he had this wonderful, droll remark. And he can be droll, as no one of his time.

He said:

> I have a toaster, which I am offering to any member of the audience who can tell me of one program that President Reagan proposed to abolish during his campaign for the Presidency.

The business executives—you could see each of them sort of saying hmmm, and then looking around—surely, some hand must be up—and finding all their associates in the same, sort of hmm-hmm mode—just not able to think of it now.

Whereupon, Mr. Will said it is all right, do not feel badly. You cannot remember any program Mr. Reagan as a candidate proposed to abolish because there was none. He said, I have been offering this toaster all over Washington for a year now, and every time I do, I take it home in the box. There was none.

A corollary, if you like. Mr. Stockman describes in his book that in 1982 this was getting clear—the plot was not working. The conspiracy was not working out. Fiscal necessity was not becoming the mother of political invention.

Mr. Stockman describes how he used to make up a little quiz for the President every afternoon. He would not overdo it. It would be about six programs. He said this is the program, it supports—section 8 housing, shall we say? Or soy beans? Or veterans hospitals? Or the Public Health Service?

He would describe what it did and he would describe how much money was in the next budget. He would give the President three choices: Abolish it? Keep it as is? Trim it a little?

Invariably the President would say keep it as is or trim it a little. Because these programs—they are not all to be defended, I certainly do not defend them all—but they came into being for a reason. They serve a purpose. Maybe you cannot afford them. Maybe there are higher priorities. And Mr. Reagan was not a hard-hearted man. He did not want to cut out women's, infants and children's nutrition programs. He did not want to cut out food stamps. He might say cut it down a little, but do not get rid of it. There are hungry people out there, there are sick children, or farmers who need assistance, or people who need help.

After a while Mr. Stockman realized he was in a hell of a lot of trouble and the country with him. He would then write—he wrote in 1986 that, the Reagan administration's refusal to accept the need for new revenues when the need became obvious—Mr. President, I ask the Senate to listen to this—that refusal to get new revenues when the need became obvious "was a willful act of ignorance and grotesque irresponsibility."

"A willful act of ignorance and grotesque irresponsibility."

He concludes, "In the entire twentieth-century history of the Nation, there has been nothing to rival it."

Those are strong words, sir. And you saw it on the chart that the Senator from Maryland just showed us in the Senate.

I am claiming no special insight into this. Simply, I was a member of the Finance Committee and had been here long enough to have some sense of the same numbers Mr. Stockman was looking at. I had served in the Cabinet of the two preceding Republican administrations. In September 13, 1981, just after we had passed that massive tax bill—and let us be clear, there was a bidding war in the House, a bidding war n the Senate, it went further, even, than the administration had proposed—I went before the Business Council of New York State speaking at Kiamesha Lake.

I said,

> Do we really want a decade in which the issue of public disclosure over and over and over will be how big must the budget cuts be in order to prevent the deficit from becoming even bigger? Surely larger, more noble purposes ought to engage us.

But there was no sense in the Nation—none in my audience—that that might happen; that it might go on and on and on happening until we ended up proposing to amend the Constitution until the President who was then Vice President would say, "Help; we have to change the basic law of the land to keep me from doing what we did."

Stockman by 1982 had realized it. If I can say, 4 weeks after the 1981 tax bill so had I. Let me make clear, I voted for that tax bill. Then we went into our August recess, and I went up to the farm in New York and I began doing the numbers, much as Mr. Stockman had done. I said, oh, my God, we cannot handle this. This will define our decade. I never dreamed we would end up proposing to amend the Constitution just because we got a little wild in passing out tax cuts. And because Mr. Stockman had a conspiracy of his own. But that is what happened.

In 1983 I wrote in the New Republic an article which said—a lot was going on—a lot was going on, 1983, now—"there was a hidden agenda." The agenda was designed to force the Congress to behave, with respect to domestic social programs, in a way that it otherwise would not do. And which it did not do. Not this body, this Republican-controlled body, nor the democratically controlled House, nor is there any inclination on Mr. Reagan's part to do it either, as we learned from tests given those afternoons.

In 1984 I spoke at the Commonwealth Club in California and said: Help. Do we not see what is going on? Walter Mondale, in a few days would make a speech and say we need new taxes to fit together outlays and income.

This is a passage from that address I made at a luncheon.

> As no political generation in history, ours may turn out to be one that squandered the Nation's past, and paralyzed its future, and never noticed either.

We were at the San Francisco Convention. To say again,

> As no political generation in history, ours may turn to be one that squandered the Nation's past and paralyzed the Nation's future and never noticed either.

We have heard today an exemplary, learned forceful statement from the President pro tempore saying this constitutional amendment would paralyze this Government. You can do that. Social stability is hard to come by. Instability can come overnight. And it looks like it may be doing.

It never sunk in in the White House. I think we all know in this body that most distinguished Nobel laureate, the Viennese, Austrian economist Friedrich von Hayek. Von Hayek's 1946 book, "The Road to Serfdom," was one of the most prophetic arguments against central government planning, one in favor of three markets that was ever written. For that work, and others, he won a Nobel prize and he won the great admiration of the succession of American Presidents. He called on President Kennedy. I can remember reading about the occasion at the time. He was told by the President how much he, the President, enjoyed von Hayek's books. Von Hayek left the White House saying, "That man has never read a line I have written," but it was an obligatory statement. On the other hand, Ronald Reagan had read and did approve, did comprehend, and Margaret Thatcher did.

There was this wonderful article in a Viennese publication called "Profile," in 1985. If I recall the title, it was called "Ronnie Und Maggie." President Reagan and Prime Minister Thatcher. The heads of the two great English-speaking nations, both committed to von Hayek's economic theories, and he described in this interview having called at the White House—1985 it was written—and he did say, well, you are doing well but you have these deficits, they keep coming along. Deficits will get you in trouble. In the end you will monetize the debt, which would produce a vast inflation. Viennese knew something about that. All Europeans did in the 1930's. And he said, watch that; you get a big, big debt and the next thing you know you will get a big inflation or you will do something you wish you had not done.

Then this, Mr. President, is what Frederic von Hayek says. This was not written by him, this was an interview. He said:

> One of Reagan's advisors told me why the President has permitted that to happen, which makes the matter partly excusable: Reagan thinks it is impossible to persuade Congress that expenditures must be reduced, unless one creates deficits so large that absolutely everyone becomes convinced that no more money can be spent.

I do not know if there is a more powerful witness to what happened. We can certainly take Mr. Stockman at his word. And yet of necessity he was a participant. Those of us who write our own histories rarely overemphasize our own mistakes. But here is von Hayek, absolutely disinterested talking to a Reagan adviser in 1985. He is just recounting this to an interviewer in Vienna and he told, "Reagan thinks it is impossible to persuade Congress that expenditures must be reduced, unless one creates deficits so large that absolutely everyone becomes convinced that no more money can be spent."

That is von Hayek, Mr. President. And did you hear that operative verb, "creates" deficits? These deficits do not come out of an institutional inability to handle our affairs. Earlier on I described how our debt as a percentage of GDP has been declining steadily since a necessary peak at the end of World War II, a world war that was brought on by the kind of financial instability we are dealing with in this country right now. We can do that. Fine. We had Presidents very moderate in their views: President Eisenhower, President Kennedy. We had Presidents rather extravagant in their views: President Johnson. We had President Nixon who wanted to create a guaranteed income for everybody. We had President Carter, not so clear. President Ford, a man of the House, moderate. We had expansive Presidents and more subdued ones. The debt as a proportion of GDP kept going down, down, down.

Then came into office a group of people—still in office, Mr. President. Principal advisers in OMB are still there. The Vice President is still there, now President. Saying you cannot get discipline by this body unless you create a deficit. Now these very same people are saying deficits are an innate weakness of the American constitutional system and we must change the Constitution.

I do not want to get political but would it not be better to change the people who did this? Would it not be better to say to them, all right, we will give you credit for good intentions, you created a crisis and it got out of control. But there are consequences for that, you know. We have elections in this country. Still, we have not amended the Constitution on that, yet. And perhaps 12 years is enough, because you gambled with the stability of the American Republic. You gambled and you lost and now you are trying to cover up. Not, Mr. President, very admirable behavior.

Let me conclude by saying that I know that much of what I said will be heard with great skepticism. I know from that experience, Haynes Johnson said, when I first said it I was denounced. You say no, nobody behaves like that. It is a terrible thing to say. And when Mr. Stockman wrote it all out, nobody paid that much heed to that portion of his book. Most of his book was about that. If I recall the reviews, they tended to be about his relations with the First Lady. Because it is hard to understand this. Von Hayek could understand it. Von Hayek could understand an awful lot of things beyond the reach of certainly this Senator. He did not entirely approve of it either, but he followed the idea.

My experience, was that on this floor, and elsewhere, people did not follow. I think the youth have a term from their computer terminals. They say, "You can't access that file." I recall myself going around at one point saying Lenin was not a problem solver. Lenin created crises. Such is the stability of our Republic the Lord has given us that people say: What do you mean create a crisis; why would you do that? No, no, people do not do that. Well, it was done, and it may be that we will have to rise to levels of understanding that have not been necessary in the past. It may be we are going to have to understand, yes, you can create a crisis, people are capable of thinking that way and concealing it until it is too late and they are out of Government and writing their memoirs.

This is going to require a feat of understanding on our part, not just the political courage to stand up and say, I am not going to debase the Constitution because we had three terms of Government that debased the public finances.

The reason this measure is on the floor now, the Senator from Maryland made the point, I am sure the distinguished chairman of the Budget Committee did the same, that this amendment has been defeated in the House and it is not going to happen in this Congress, but the effort has been made to bring it up here on a bill that has nothing to do with it in order to make Senators on this side vote against the amendment and presumably they will have difficulties in their elections.

I can understand that. All I can ask is that we go beyond just the measures of individual courage involved, political courage involved, to say that sometimes there is something harder than courage.

What William James recalled, when he spoke of civic courage, he meant the courage to understand. When it is easier to avoid truth, even so, to confront it.

I deeply hope this debate will continue in the mode in which it has begun so ably by the President pro tempore. I hope I have added just some insights. I will speak again, if anyone wishes.

I ask unanimous consent, Mr. President, that the economic report with the percentages of debt as a portion of GDP be printed in the RECORD, along with an article of mine from the New Republic.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Economic Report of the President, February 1992]

GOVERNMENT FINANCE

TABLE B–74.—FEDERAL RECEIPTS, OUTLAYS, SURPLUS OR DEFICIT, AND DEBT, SELECTED FISCAL YEARS, 1929–93

[In billions of dollars; fiscal years]

Fiscal year or period	Total			On-budget			Off-budget			Gross Federal debt (end of period)		Addendum: Gross domestic product	Federal debt as percent of GDP
	Receipts	Outlays	Surplus or deficit (−)	Receipts	Outlays	Surplus or deficit (−)	Receipts	Outlays	Surplus or deficit (−)	Total	Held by the public		
1929	3.9	3.1	0.7							[1] 16.9			
1933	2.0	4.6	−2.6							[1] 22.5			
1939	6.3	9.1	−2.8	5.8	9.2	−3.4	0.5	−0.0	0.5	48.2	41.4	87.9	54.8
1940	6.5	9.5	−2.9	6.0	9.5	−3.5	.6	−.0	.6	50.7	42.9	95.5	53.1
1941	8.7	13.7	−4.9	8.0	13.6	−5.6	.7	.0	.7	57.5	48.2	112.5	51.1
1942	14.6	35.1	−20.5	13.7	35.1	−21.3	.9	.1	.8	79.2	67.8	141.7	55.9
1943	24.0	78.6	−54.6	22.9	78.5	−55.6	1.1	.1	1.0	142.6	127.8	175.4	81.3
1944	43.7	91.3	−47.6	42.5	91.2	−48.7	1.3	.1	1.2	204.1	184.8	201.6	101.2
1945	45.2	92.7	−47.6	43.8	92.6	−48.7	1.3	.1	1.2	260.1	235.2	211.9	122.7
1946	39.3	55.2	−15.9	38.1	55.0	−17.0	1.2	.2	1.0	271.0	241.9	212.3	127.6
1947	38.5	34.5	4.0	37.1	34.2	2.9	1.5	.3	1.2	257.1	224.3	222.6	115.5
1948	41.6	29.8	11.8	39.9	29.4	10.5	1.6	.4	1.2	252.0	216.3	246.5	102.2
1949	39.4	38.8	.6	37.7	38.4	−.7	1.7	.4	1.3	252.6	214.3	262.4	96.3
1950	39.4	42.6	−3.1	37.3	42.0	−4.7	2.1	.5	1.6	256.9	219.0	265.5	96.8
1951	51.6	45.5	6.1	48.5	44.2	4.3	3.1	1.3	1.8	255.3	214.3	313.2	81.5
1952	66.2	67.7	−1.5	62.6	66.0	−3.4	3.6	1.7	1.9	259.1	214.8	340.3	76.1
1953	69.6	76.1	−6.5	65.5	73.8	−8.3	4.1	2.3	1.8	266.0	218.4	363.4	73.2
1954	69.7	70.9	−1.2	65.1	67.9	−2.8	4.6	2.9	1.7	270.8	224.5	367.4	73.7
1955	65.5	68.4	−3.0	60.4	64.5	−4.1	5.1	4.0	1.1	274.4	226.6	383.9	71.5
1956	74.6	70.6	3.9	68.2	65.7	2.5	6.4	5.0	1.5	272.7	222.2	415.2	65.7
1957	80.0	76.6	3.4	73.2	70.6	2.6	6.8	6.0	.8	272.3	219.3	437.2	62.3
1958	79.6	82.4	−2.8	71.6	74.9	−3.3	8.0	7.5	.5	279.7	226.3	447.1	62.6
1959	79.2	92.1	−12.8	71.0	83.1	−12.1	8.3	9.0	−.7	287.5	234.7	478.7	60.1
1960	92.5	92.2	.3	81.9	81.3	.5	10.6	10.9	−.2	290.5	236.8	505.9	57.4
1961	94.4	97.7	−3.3	82.3	86.0	−3.8	12.1	11.7	.4	292.6	238.4	516.9	56.6
1962	99.7	106.8	−7.1	87.4	93.3	−5.9	12.3	13.5	−1.3	302.9	248.0	554.3	54.6
1963	106.6	111.3	−4.8	92.4	96.4	−4.0	14.2	15.0	−.8	310.3	254.0	585.0	53.0
1964	112.6	118.5	−5.9	96.2	102.9	−6.5	16.4	15.7	.6	316.1	256.3	626.5	50.5
1965	116.8	118.2	−1.4	100.1	101.7	−1.6	16.7	16.5	.2	322.3	260.8	671.4	48.0
1966	130.8	134.5	−3.7	111.7	114.8	−3.1	19.1	19.7	−.6	328.5	263.7	738.6	44.5
1967	148.8	157.5	−8.6	124.4	137.0	−12.6	24.4	20.4	4.0	340.4	266.6	791.3	43.0
1968	153.0	178.1	−25.2	128.1	155.8	−27.7	24.9	22.3	2.5	368.7	289.5	849.8	43.4
1969	186.9	183.6	3.2	157.9	158.4	−.5	29.0	25.2	3.7	365.8	278.1	925.6	39.5
1970	192.3	195.6	−2.8	159.3	168.0	−8.7	33.5	27.6	5.9	380.9	283.2	985.6	38.6
1971	187.1	210.2	−23.0	151.3	177.3	−26.1	35.8	32.8	3.0	408.2	303.0	1,051.6	38.8
1972	207.3	230.7	−23.4	167.4	193.8	−26.4	39.9	36.9	3.1	435.9	322.4	1,145.8	38.0
1973	230.8	245.7	−14.9	184.7	200.1	−15.4	46.1	45.6	.5	466.3	340.9	1,278.0	36.5
1974	263.2	269.4	−6.1	209.3	217.3	−8.0	53.9	52.1	1.8	483.9	343.7	1,403.3	34.5
1975	279.1	332.3	−53.2	216.6	271.9	−55.3	62.5	60.4	2.0	541.9	394.7	1,511.0	35.9
1976	298.1	371.8	−73.7	231.7	302.2	−70.5	66.4	69.6	−3.2	629.0	477.4	1,685.1	37.3
Transition quarter	81.2	96.0	−14.7	63.2	76.6	−13.3	18.0	19.4	−1.4	643.6	495.5	444.9	144.7
1977	355.6	409.2	−53.7	278.7	328.5	−49.8	76.8	80.7	−3.9	706.4	549.1	1,919.7	36.8
1978	399.6	458.7	−59.2	314.2	369.1	−54.9	85.4	89.7	−4.3	776.6	607.1	2,156.4	36.0
1979	463.3	503.5	−40.2	365.3	403.5	−38.2	98.0	100.0	−2.0	828.9	639.8	2,431.9	34.1
1980	517.1	590.9	−73.8	403.9	476.6	−72.7	113.2	114.3	−1.1	908.5	709.3	2,644.5	34.4
1981	599.3	678.2	−79.0	469.1	543.1	−74.0	130.2	135.2	−5.0	994.3	784.8	2,964.7	33.5
1982	617.8	745.8	−128.0	474.3	594.4	−120.1	143.5	151.4	−7.9	1,136.8	919.2	3,124.9	36.4
1983	600.6	808.4	−207.8	453.2	661.3	−208.0	147.3	147.1	.2	1,371.2	1,131.0	3,317.0	41.3
1984	666.5	851.8	−185.4	500.4	686.0	−185.7	166.1	165.8	.3	1,564.1	1,300.0	3,696.7	42.3
1985	734.1	946.4	−212.3	547.9	769.6	−221.7	186.2	176.8	9.4	1,817.0	1,499.4	3,970.9	45.8
1986	769.1	990.3	−221.2	568.9	806.8	−238.0	200.2	183.5	16.7	2,120.1	1,736.2	4,219.6	50.2
1987	854.1	1,003.9	−149.8	640.7	810.1	−169.3	213.4	193.8	19.6	2,345.6	1,888.1	4,453.3	52.7
1988	909.0	1,064.1	−155.2	667.5	861.4	−194.0	241.5	202.7	38.8	2,600.8	2,050.3	4,810.0	54.1
1989	990.7	1,144.2	−153.5	727.0	933.3	−206.2	263.7	210.9	52.8	2,867.5	2,190.3	5,170.1	55.5
1990	1,031.3	1,251.8	−220.5	749.7	1,026.7	−277.1	281.7	225.1	56.6	3,206.3	2,410.4	5,459.5	58.7
1991	1,054.3	1,323.0	−268.7	760.4	1,081.3	−320.9	293.9	241.7	52.2	3,599.0	2,687.2	5,626.6	64.0
1992 [2]	1,075.7	1,441.0	−365.2	774.8	1,189.4	−414.6	300.9	251.5	49.4	4,078.8	3,078.3	3,865.0	69.5
1993 [2]	1,164.8	1,497.5	−332.7	839.0	1,233.5	−394.5	325.8	264.0	61.8	4,544.3	3,430.9	6,231.6	72.9

[1] Not strictly comparable with later data.

[2] Estimates.

Note—Through fiscal year 1976, the fiscal year was on a July 1-June 30 basis; beginning October 1976 (fiscal year 1977), the fiscal year is on an October 1-September 30 basis. The 3-month period from July 1, 1976 through Sept. 30, 1976 is a separate fiscal period known as the transition quarter. Refunds of receipts are excluded from receipts and outlays. See "Budget of the United States Government, Fiscal Year 1993" for additional information.

Sources: Department of Commerce (Bureau of Economic Analysis), Department of the Treasury, and Office of Management and Budget.

[From the New Republic, Dec. 31, 1983]

THE BIGGEST SPENDER OF THEM ALL: REAGAN'S BANKRUPT BUDGET

(By Daniel Patrick Moynihan)

In his first thousand days in office Ronald Reagan increased the national debt of the United States by half. If he should serve a second term, and the debt continues to mount as currently forecast by the Congressional Budget Office, the Reagan Administration will have nearly tripled the national debt. In eight years, one Republican Administration will have done *twice*, you might say, what it took 192 years and thirty-eight Federalist, Democratic, Whig, and Republican predecessors to do once. The numbers are so large they defy any ordinary effort at comprehension (a billion minutes ago St. Peter was fourteen years dead), but for the record they are as follows. On President Reagan's inauguration day, January 20, 1981, the national debt stood at $940.5 billion. In the next thirty-two months, $457 billion was added. The projected eight-year growth is $1.64 trillion, bringing us to a total debt, by 1989, of $2.58 trillion.

Debt service, which is to say interest on the debt, will rise accordingly. It came to $75 billion in fiscal year 1980. By the end of this fiscal year, it will be something like $148.5 billion. And so it might also be said that the Reagan Administration will have doubled the *cost* of the debt in four years.

A law of opposites frequently influences the American Presidency. Once in office, Presidents are seen to do things least expected of them, often things they had explicitly promised not to do. Previous commitments or perceived inclinations act as a kind of insurance that protects against any great loss if a President behaves contrary to expectation. He is given the benefit of the doubt. He can't have wanted to do this or that; he must have *had* to do it. President Eisenhower made peace, President Kennedy went to war; President Nixon went to China.

Something of this indulgence is now being granted President Reagan. Consider the extraordinary deficits, $200 billion a year, and continuing, in David Stockman's phrase, as far as the eye can see. This accumulation of a serious debt—the kind that leads the International Monetary Fund to take over a third world country's economic affairs (or in olden times would lead us to send in the Marines to collect customs duties)—is all happening without any great public protest, or apparent political cost.

As such, this need be no great cause for concern. If Ronald Reagan is lucky, good for him. There is little enough luck in the business. But, unfortunately, something much larger is at issue. If nothing is done, the debt and the deficit will virtually paralyze American national government for the rest of the decade. The first thing to be done, to use that old Marxist terminology, is to demystify the Reagan deficit.

If I may say so, what I now write, I know. That is not and should not be enough for the reader. I will ask to be judged, then, by whether the proposition to be presented is coherent, and whether any other proposition makes more sense.

The proposition is that the deficits were purposeful, that is to say, the deficits for the President's initial budgets. They were thereafter expected to disappear. That they have not, and will not, is the result of a massive misunderstanding of American government. This is not understood in either party. Democrats feel uneasy with the subject, one on which we have been attacked since the New Deal. Republicans are simply uncomprehending, or, as Senator John Danforth of Missouri said in a speech on the debt ceiling in November (referring to the whole Senate, but permit me an inference), "catatonic."

Start with the campaign. Although we may be forgiven if we remember otherwise, as a candidate, Mr. Reagan did not propose to reduce federal spending. Waste, yes, that would be eliminated, but name a program, at least one of any significance, that was to go. To the contrary, defense spending was to be considerably increased. That was the one program issue of his campaign. It was the peculiar genius of that campaign that it proposed to increase defense expenditures while cutting taxes. This was the Kemp-Roth proposal, based on Arthur Laffer's celebrated curve. As a candidate, Mr. Reagan went so far as to assert that this particular tax cut would actually increase revenues.

What follows is crucial: no one believed this. Obviously a tax can be so high that it discourages the taxed activity and reduces revenue. This is called price elasticity and is a principle that applies to pretty much everything from the price of the New Republic to the price Justice Holmes said we pay for civilization. But any massive reduction in something as fundamental as the income tax was going to bring about a massive loss of revenue. And this was intended.

There was a hidden agenda. It came out in a television speech sixteen days after President Reagan's inauguration, when he stated, "There were always those who told us that taxes couldn't be cut until spending was reduced. Well, you know we can lecture our children about extravagance until we run out of voice and breath. Or we can cut their extravagance by simply reducing their allowance." The President genuinely wanted to reduce the size of the federal government. He genuinely thought it was riddled with "waste, fraud, and abuse," with things that needn't or shouldn't be done. He was astute enough to know there are constituencies for such activities, and he thought it pointless to try to argue them out of existence one by one. He would instead create a fiscal crisis in which, willy-nilly, they would be driven out of existence.

If his understanding of the government had been right, his strategy for reducing its size would have been sound. But his understanding was desperately flawed. There is waste in the federal budget, but it is of the kind generic to large and long-established enterprises. Thus we have an Army, a Navy, and an Air Force. They compete, they overlap, they duplicate. Well, yes. But they also fight, in no small measure because these uniforms mean something to those men and women, and have, in the case of the Army and Navy (and of course the Marine Corps, which is part of the Navy) for more than two centuries. A management consultant might merge them, I sure as hell would't, except perhaps way at the top. For the rest, well, there is the F.B.I. at $1 billion; the Coast Guard (equally long established) at $2.5 billion, and so on. Welfare? In the sense of welfare mothers? The Aid to Families with Dependent Children program comes in at about 1 percent of the whole budget. (*The Washington Post* has half-seriously proposed that it be abolished altogether so that people will stop talking about it.) There are areas in the budget where expenditure is indeed growing at enormous rates, principally that of medical care. But for the most part, and especially in the case of medical care, expenditure is growing at similar rates in both the private and public sectors. Large social forces are at work, not simply a peculiarly pathological tendency of government.

A notable area of miscalculation, or rather misinformation, among the Reaganities was that of foreign affairs. President Reagan has acted much as his predecessors have done in foreign affairs, and for the elemental reason that he is faced with much the same situations. Invariably, this has meant spending money. This fall the President had to plead with Congress to increase appropriations for the International Monetary Fund, something he cannot have expected ever to be doing, but there you are. As I write, the Kissinger Commission on Central America is no doubt drawing up a massive "Marshall Plan" for the area. Is there any doubt that in the next session the President will be pleading with Congress to increase this particular form of foreign aid? (Just as, had his supporters in the Senate been successful in blocking the Panama Canal treaties in the Carter years, he would be pleading today with the Senate to consent to their ratification.)

President Reagan's tax cut—the largest tax reduction in history—became law in August 1981. Critics, if they are members of Congress, typically must begin by explaining why they voted for the tax cut. I am one. (There were only eleven Senators who voted no.) I have an explanation, but no excuse.

After years of intense inflation and the accompanying "bracket creep" in the income tax, we did need to reduce personal tax rates. A year earlier, the Senate Finance Committee, controlled by the Democratic majority, had reported out just such a bill, but Mr. Carter's White House would not hear of it. This helped lose the Senate for the Democrats, but the lesson was not lost.

The great recession of 1981–82 made it painfully clear that the tax cut was too small for the first year, when a neo-Keynesian stimulus was in order. At the time, however, a bidding war broke out in the House, sending the parties into senseless competition to offer loopholes to special interests. The result was a tax cut much too large for the later years. Thus the $200 billion annual deficit. Again, no excuses from this quarter, but in the Democratic response to the President's televised speech of July 27, 1981, I did say "In the last few days something like an auction of the Treasury has been going on . . . what this is doing is taking a tax cut we could afford and transforming it into a great barbecue that we can't afford. I would say to the President that some victories come too dear."

Enter the Federal Reserve Board which looked at the huge tax cuts in the midst of high inflation and decided to create an economic downturn. Of all the structural anomalies of American government, the arrangements for setting macroeconomic policy are the most perverse. Although fiscal policy (the amounts of money the government spends, receives, and borrows) is made through a painfully elaborate public process by an elected President and an elected Congress, monetary policy (the total amount of money in the economy and the cost of borrowing it) is made in secret by appointed officials. The Reserve Board tightened the growth of the money supply so strenuously that it actually declined in the third quarter of 1981. Real interest rates reached the highest levels in our nation's history, and the economy fell off the cliff. At the end of September 1981, the steel industry was operating at 74.5 percent of capacity; by the end of 1982, it was operating at 29.8 percent of capacity.

To be sure, the Fed does not control the precise money supply and cannot precisely determine interest rates. But it can set the direction and range for both, and this it did. Anyone who tried to dissent was soundly rapped. Its two dozen or so central bankers decided to bust the economy, and bust it they did. In a White House appearance in October 1982, Nobel Economist George Stigler used the term "depression" to describe the economy.

There is a tendency for any government to live beyond its income. The Reagan Administration transformed this temptation from a vice into an opportunity. Put plainly, under Ronald Reagan, big government became a bargain. For seventy-five cents worth of taxes, you got one dollar's worth of return. Washington came to resemble a giant discount house. If no tax would balance the budget, and no outlay would make it any worse, why try?

A boom psychology moved through government. Defense came first, from space wars to battleships—the latest defense appropriation reactivates the World War II-vintage *U.S.S. Missouri*. Hog wild is the only way to describe the farm program. Jimmy Carter left behind a $4 billion enterprise, somewhat overpriced at that and the object of incessant right-wing criticism. Whereupon the fundamentalists and their political brethren took over. Within thirty-six months they increased the annual cost of the farm program more than fourfold. Their most recent enthusiasm, signed into law by President Reagan, is a program paying dairy farmers not to milk their cows.

What is to be done? The economy is at stake. The country can bankrupt itself. According to the latest budget projections, prepared by the Congressional Budget Office under the impeccably conservative new director, Rudolph G. Penner (formerly of the American Enterprise Institute), the deficit for the six years 1984 to 1989 will come to approximately $1,339,000,000,000. In order to support and service this debt, the government will have to absorb more and more of the capital that is coming available in the nation's credit markets. Direct federal borrowing for the deficit and federally guaranteed loans absorbed 62 percent of all credit raised on the nation's financial markets this year, compared to an average absorption rate of 8.3 percent in the 1960s and 15.3 percent in the 1970s. This "crowding out" was not much felt, because few others were borrowing to invest. But when the day comes that business, consumers, and government all compete for the same funds, interest rates will go up, with predictable consequences.

Under these circumstances, the only thing a Republican Administration and a Republican Senate will be able to consider doing will be to revert to their original agenda: use the budget deficit to force massive reductions in social programs. This time they will be able to cite not mere illusions but necessity. Even if interest on the debt climbs to $200 billion a year, as now seems likely, presumably there will still be an Army, an F.B.I., and some kind of customs service and border control. What then will be left to cut?

Entitlements, or more precisely, Social Security.

The word is already the rage. There is scarcely a Republican member of the Senate who does not know that entitlements must be cut, and cut deeply. Many Democrats agree; almost none dissent. Remember, at least twenty Senators are millionaires, living at considerable social distance from those who would be most affected. It will be much the same in the House. The budget deficit in the year ahead will threaten any sustained recovery. The members of the House, as a rule, are not millionaires, but they know their street corners. The street corners will say, "Cut. Something must be done."

Cut back Social Security in desperation, and you abandon a solemn promise of the Democratic Party and of American society. This promise, once broken, will fracture a little bit of society. (Moveover, cutting Social Security will not improve the deficit problem. As Martin Feldstein, chairman of the Council of Economic Advisers, has noted, Social Security is funded by separate payroll taxes and contributes not a cent to the deficit.)

There is an alternative. There is the possibility of a historic compromise that can bring the now dominant branch of the Republican Party to grips with reality, while shaking the now dominant branch of the Democratic Party from its illusion that no one will listen to Republicans for very long. Such a compromise cannot await a change in the political culture. It must be negotiated. We need a structure, a forum in which negotiations can take place. A Presidential commission might be such a structure.

The National Commission on Social Security Reform—on which I served—would provide a model. It was established by President Reagan in December 1981, after Congress rejected his original plan to sharply reduce Social Security benefits. One point in particular is crucial. Alan Greenspan, who chaired the commission, adopted a simple rule: each member was entitled to his own opinion but not his own facts. Within a year Mr. Greenspan had established the facts, which showed that the problem was neither trivial nor hopeless. The commission as such could reach no agreement. But with the facts established, we put together a bipartisan legislative package last January in exactly twelve days.

The budget crisis presents a harder problem, but it can be approached in the same way. Martin Feldstein made a good beginning in a speech to the Southern Economic Association on November 21. He agreed with the Congressional Budget Office that by 1988 the deficit will absorb 5.1 percent of the nation's G.N.P. Of this Feldstein noted 2.4 percent will come from increased defense spending, 1.7 percent from the tax cut, and the remaining 1 percent from higher interest payments. The facts about the structural deficit flow readily from such quantification.

The members of the budget commission—representatives from the Administration, Congress, the Federal Reserve, and the Administration, Congress, the Federal Reserve, and the Congressional Budget Office—would determine the actual effects of deficits on employment, real interest rates, capital formation, investment, and the prospects for vigorous economic growth. Then they would propose the steps to reduce the deficit, making certain that the burden of these reductions did not fall disproportionately on any economic or social group. Delaying tax indexing, reforming corporate tax law deductions and credits, cutting defense spending, and reducing farm price supports, among other proposals, would have to be considered. Medicare, secure in the short term, will be in deep trouble before the end of this decade. The deficit commission must face up to this problem. Democrats should agree to do so in return for assurances that the Social Security agreement will be respected and that the Social Security trust fund will not be raided (the plain purpose of those who say entitlements are the problem).

Moreover, a solution to the deficit crisis will require more than adjustments in spending and taxation. It will demand change in the way we make fiscal and monetary policy and the way those policies are coordinated. Monetary policy and the operations of the Federal Reserve must be an integral part of any fiscal resolution. Nothing can be achieved without a joint monetary-fiscal effort to promote an expanding economy and an approach to full employment—a one percentage point drop in unemployment alone reduces the budget deficit by $30 billion.

But let's stop here. I have my own thoughts. The reader will have his or hers. On the final day of the last session of Congress, I introduced legislation to establish the National Commission on Deficit Reduction. Now, can we get the President to join?

Mr. MOYNIHAN. Mr. President, I yield the floor.

Mr. FOWLER addressed the Chair.

The PRESIDING OFFICER (Mr. SIMON). The Senator from Georgia is recognized.

Mr. FOWLER. Mr. President, I am one of the fortunate ones to have been able to hear the clear voice of reason of the distinguished Senator from New York, that warned us in unmistakable terms 10 years ago the path on which this Nation was headed. Like so many prophets of the past, that voice was not heard. And now we see that not only has history proven him correct, but we and our children and grandchildren will bear the burdens of these planned deficits that have created almost a constitutional crisis in our country.

My optimism must reign, that somehow we will now heed those words as we analyze our problems, and act in a way expected by the people of this country to solve this crisis.

But I thank my friend from New York for once again demonstrating not only his sense of history, without which no one can understand the future, but to bring us up to the present, where we have been in the past, and show us the way—would we heed his words—out of our Nation's debt as we move toward right policies for our future.

I thank the Senator from New York.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. It is for me to thank the Senator from Georgia, who invariably sets a standards in this body for courtesy, for comprehension, and for the rare grace with which he listens and makes those who speak feel that what has perhaps not been altogether without any success was more successful than they deserve to be.

I thank the Senator.

Mr. President, I see no one on the other side of the aisle seeking to defend this outrageous proposal, and accordingly I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I rise to oppose, in the strongest terms, the proposed balanced budget amendment to the Constitution. I do so, Mr. President, primarily because I have an overriding respect for the Constitution. This great American document has withstood the test of time and should not be soiled by election-year posturing and self-serving politically motivated desires.

To suggest that a constitutional amendment is the way to force Congress to make the tough choices needed to balance the Federal budget is not only unrealistic, but also undermines public appreciation for a sacred document upon which our country depends.

I know that opposition to this amendment will be broadly characterized as fiscally irresponsible and symptomatic of the attitude which caused the deficit. Nothing, nothing could be further from the truth. To the extent that I and my colleagues in opposition to this amendment are categorized as fiscally reckless in opposing this effort, we are in very respectable company. Among the opponents of this amendment are Robert Solow, Novel Laureate in Economics at MIT, Herbert Simon, Nobel Laureate in Economics at Carnegie Mellon University, Kenneth Arrow, Nobel Laureate in Economics at Stanford University, where I happened to have graduated, and dozens of other respected economists throughout the Nation who, while having varying views on national economic policy, are united in their opposition to this amendment. I note that the Chamber of Commerce of America, which may surprise some, is also opposed to this amendment.

What unites such a very distinguished group of economists and editorial writers and organizations in opposition to this amendment?

I will tell you, Mr. President, it is the combination of what they know to be politically motivated actions and the devastating effect a balanced budget amendment could have if by some mischance it were passed and ratified by the States.

In my home State alone, a study conducted by no less than Wharton Econometrics Forecasting Associates concluded that the radical balancing of the budget required by this amendment would lead to the loss of over 505,000 jobs in California and a 10.8-percent drop in personal income. The study further found that Federal income and Social Security taxes would rise over 20 percent for individuals and 15 percent for businesses. Finally, Wharton concluded that State and local governments would also have to increase taxes drastically as State deficits would triple.

The combined effect of raising taxes so dramatically and cutting Government expenditures would undeniably have a devastating effect on our economy and can throw this Nation into a depression.

Or, Mr. President, the Congress could vote to lay aside the requirements of the balanced budget amendment and it would be business as usual.

Where would we have gotten? What real progress would be made?

I say to my colleagues, that if balancing the budget is the ultimate desire, why wait? Why put off what we can begin to do today? The cold war is over. We can make deep cuts in defense spending. Let us invest in infrastructure improvements and get people back to work. And, yes, if we must and as we may have to, let us have the courage to raise revenue levels to meet some of our pressing needs.

In order to accomplish dealing with the problem in this way, we need leadership from the administration. We need a President who can focus on domestic policy and foreign policy—they are not mutually exclusive.

A balanced budget has not been submitted to the Congress in years, and yet Congress bears the brunt of public criticism.

I oppose this amendment. It is not the panacea proponents would like us to believe that it is. Rather, it is a game which postpones tough choices and would degrade public respect for the Constitution. It is a game that this Senator will not play.

We all know that there are many other reasons to oppose this amendment, not least among them the increased power this would give to the executive branch vis-a-vis the legislative branch, and the vastly increased power that this amendment would give to the judiciary, because they would be dragged into this as it would prove to be difficult to figure out exactly what was being done or not done in accordance with the constitutional amendment that is proposed, and there would be appeals to the courts and the courts would be jammed with all sorts of activity on a new front. Unelected people in the courts would wind up determining whether taxes were in order, and perhaps what taxes, and how high, on what segment of our population.

I do not think that our country wants to get to that new stage of imbalance in the powers of our Government. One of the foundations of our liberty is the separation and division of powers between the executive branch under the President, the Congress, the House and Senate, and the courts. And this amendment would upset that precious balance.

I think the President pro tempore of the Senate, Senator BYRD, has offered a very wise alternative, calling for the President, whoever that may be, to submit a plan to achieve a balanced budget in a relatively short time, 2 or 3 years or something like that, submitting that budget to the Congress next September. That is a plan for action and it specifies various approaches that should be considered in doing that. I support that. I hope that we will adopt that as an alternative to the constitutional amendment.

ORDER OF PROCEDURE

Mr. CRANSTON. Mr. President, I want to turn to a different topic.

I ask unanimous consent that I may be permitted to proceed briefly as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from California is recognized.

Mr. CRANSTON. I thank the Chair.

(The remarks of Mr. CRANSTON pertaining to the submission of Senate Amendment No. 2451 are located in today's RECORD under "Amendments Submitted.")

Mr. CRANSTON. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KERREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WOFFORD). Without objection, it is so ordered.

FEDERAL HOUSING ENTERPRISES REGULATORY ACT

The Senate continued with the consideration of the bill.

Mr. KERREY. Mr. President, I rise to speak in support of the Byrd substitute to the Nickles amendment. The debate about this constitutional amendment, the need to amend our Constitution to generate a balanced budget, has been an informative debate. It has allowed us to examine our deficit. It has allowed us to open up and see what our problem is. I come this evening, Mr. President, to discuss what I believe is a solution to our deficit.

One of the problems that we have with deficit reduction, Mr. President, is we very often look for someone to blame. In looking for someone to blame, we divide, and then find it difficult to reach a solution. Democrats will rise and blame the President; the President will blame the Congress; Republicans will blame Democrats; and Democrats will blame Republicans. We will issue our press releases. We will all attempt to achieve a majority vote in the next election, satisfying the voters that we, indeed, are not the problem; it is the other person who is the problem.

Mr. President, the case for deficit reduction has been adequately made both by proponents of the balanced budget amendment—and I should declare that I am not one of those proponents—both by proponents of the balanced budget amendment and by opponents of the balanced budget amendment.

It is worthy to note, Mr. President, as the Senator from Missouri [Mr. DANFORTH] did earlier, that the debate does tend to divide into two camps: One camp that wants to talk about balancing the budget and reducing the deficit; and the other, indeed, wants to do something about it. The latter camp is much smaller than the first.

I recall in 1990 when we went through the agonizing process of trying to reduce the deficit and producing the 1990 budget deficit agreement that there was a great deal of consternation. Said rather paradoxically, people themselves say: We want politicians who tell us the truth and who do the right thing, in spite of what they said before.

The President of the United States, reversing himself on a previously held position of not supporting the tax increases, found himself being pounded by public opinion for, in my judgment, doing the right thing, coming to the Congress and saying that we are going to take action.

The 1990 deficit agreement did work, Mr. President, and it worked because we both reduced spending and turned to the tax side and produced the largest reduction in the deficit in the history of this country. It was precisely because we were required to vote for spending cuts and because we were required to go to the American people and say, if you want programs, you are going to have to pay for them.

Mr. President, the problem is not the President. The problem is not the Congress. The problem is that we have not leveled with the American people about what it is that we are doing with

U.S. Government spending. We are going to spend $1.5 trillion this year, Mr. President, and of that $1.5 trillion, we are only going to pay for about $1.1 trillion ourselves. The balance, about $400 billion, we will fund with debt, selling bonds. And for those of you who are, for some reason, watching in your homes today on your television—I do not know why, but if you are watching, you have to consider, when we write those checks, whether it is salaries for the military, civil service, for anything, for Medicare, for Social Security, understand that when you get one of those checks, 25 percent of that check—indeed, if you lay Social Security aside, 30 percent of that check—is provided as a consequence of our willingness to sell bonds.

President Reagan, once in the 1980's, said that, in truth, bond sales and taxes were identical, that there really was not any difference. There is a well-known businessman from Nebraska, Warren Buffett, who said, if that is the case, why not do a bond sale for all of it? Why not sell $1.5 trillion of bonds and eliminate taxes altogether?

Mr. President, we have a contract with the American people which says essentially that we are going to give you $1.5 trillion of spending, but we are only going to require you to pay for $1.1 trillion of it. Mr. President, it is that contract which is causing the economic difficulties that this Nation faces, and it is that contract which has us gridlocked over whether or not to amend our Constitution.

Those who are advocating amendment of the Constitution remind me in many ways of a group of people who say we know what we are doing is wrong; it is bad; we know we ought to stop, but we cannot stop what we are doing so we will pass a law making what we are doing legal. I think anybody who examined our budget, examined our cash flow understands what we need to do, and that is, to begin with, Mr. President, we need to tell the American people the truth.

I come here this evening, Mr. President, to talk about one issue. I believe, if we address one issue, the issue of health care, directly and honestly and apply to the financing of health care the values that every single one of us apply outside of Government, this issue of the deficit will rapidly fade and move behind us. It will not be easy, Mr. President, but I believe it is the right thing to do.

Those who have come here both for and against the balance budget amendment, who have talked about the budget—I have done a fair amount myself—have correctly said deficit reduction would allow us to reduce long-term interest rates, to stimulate economic growth in the American economy, to raise the economic standards of the American people.

The distinguished Senator from Illinois has talked about the diminished standard of living that will occur to Americans in the year 2000 unless we do something with the deficit today. There is no question that the deficit impairs and slows economic growth today, and there is no question, Mr. President, that it impairs our economic growth in the future. We are buying things today, we are issuing IOU's for roughly 30 percent of those expenditures, and we are passing those IOU's, those chits on to the future.

Mr. President, the problem that we face with spending can be seen most dramatically in health care. In the area of health care, most of us are very much like the character played by Richard Dreyfuss in the movie, "Tin Men," where he goes in to the Cadillac salesman, and he sits down with the Cadillac salesman and he says, "I would like to buy a Cadillac." And the salesman said, "What would you like?" He said, "I want a brand new Cadillac, and I want everything on it." And he puts everything on it. He comes up with a price, and he says, "Well, sir, what do you want to pay for it?" And Mr. Dreyfuss in the movie says, "Well, the truth of the matter is I don't want to pay anything for it."

That is the dilemma we face, Mr. President. We do want the Cadillac, but if you ask us how much we want to pay for it, the truth is we probably do not want to pay anything for it. If you ask me about health care, I would like to have the vitality I had at 17, not the way I am at 48. If I have any pain, I would like it to be gone almost immediately. If I am sick, I want to be well tomorrow. If I am in the hospital and I hit the buzzer for a nurse, I want the nurse there in 3 minutes, not 30 minutes. Those are the requirements for me, Mr. President. For my 17-year-old son and my 15-year-old daughter, I have even more serious requirements. Lord help the provider that does not provide the care I want for those two young people.

We find ourselves requiring a great deal, Mr. President, in the area of health care. Regrettably, at times, we find ourselves, not the other guy, not the other person, but ourselves unwilling to pay the bills when the bills come due.

Mr. President, those who have examined the budget—and I would like to reference some statistics here this evening—have made it clear that it is the gross cost of health care in our budget that has created the likelihood that our deficits are going to continue in the $200 billion range for the foreseeable future.

Health entitlements are driving the deficit, Mr. President. Between 1993 and 1997, 85 percent of the growth in entitlement programs is predicted to come from Medicare and Medicaid alone. Health entitlements will soon surpass Social Security as the single largest component of mandatory spending, according to the Office of Management and Budget. In fact, Federal health outlays are growing rapidly by all measures as a percentage of all Federal outlays and as a percentage of all outlays but Social Security and as a percentage, as well, of our gross national product.

According to the Director of the Office of Management and Budget, Mr. Dick Darman, these increases are unsustainable. Mr. Darman is quite correct. Deficit financing of health care, Mr. President, is perhaps one of the hidden secrets of our transaction with the American people.

Of all the things I want to communicate this evening to those who are listening in their homes and those who read this RECORD and those who, for some reason, are in their office and do not have the television on mute, we have a contract where we are deficit financing our current health care expenditures. This year we will sell bonds, we will acquire 69 billion dollars worth of additional debt to pay doctor and hospital bills. Health programs are also, Mr. President, growing faster than other components of the Federal budget. Between 1980 and 1990, Medicare increased at an annual average rate of 12.2 percent. Between 1980 and 1990, Medicaid increased at an average annual rate of 11.4 percent. In 1991, however, Medicaid had an annual increase of 18.8 percent, and it is estimated for 27.8 percent in 1992.

Mr. President, one of the givens of our health care financing is that the Federal Government finances Medicaid differently than the States do. All of us who have been Governors, all of us who have listened and watched, as the distinguished occupant of the chair has been involved with State government, understand what the growing cost of Medicaid is doing to our States.

Again, Mr. President, if we have an increase in Medicaid or Medicare at the Federal level, it is not a serious problem for us. We do not find debates on the floor of the Senate that have us saying we have to cut aid to education, that we have to cut aid for research, that we are going to have to reduce our investment in space, that we are going to have to reduce our military defenses because of rising health care costs. No, Mr. President, there is a wall of silence around the increases in Medicaid and Medicare. We merely sell bonds.

We acquire additional debt, but for a State it is much different. It is no accident that States are on the cutting edge of health care reform. We have 12 States that have come to the Federal Government asking for waivers dealing with Medicaid. States have the option of going to other parts of their budget and cutting—vital investment in education, vital investment in transportation, vital investment in law enforcement, prisons, economic development, and natural resources. States must cut in other areas as their Medicaid costs increase while we in Congress face no similar situation.

Health care programs as a percentage of the Federal budget, Medicaid, Medicare and other health care programs accounted for 7 percent of the Federal budget in 1970. In 1990 they have grown to 13½ percent and CBO predicts they will reach 22 percent in 4 more years, by 1997; and the year 2000, 28 percent of our entire Federal budget.

Health care costs will continue to increase rapidly on their own because of the aging population, because of advancement in technology, current medical care inflation, and current tax policy which are affecting health care. Health care increases will not slow without substantial reform at the Federal level.

State health care spending also, as I indicated earlier, is showing substantial increase. And there are two big components at the State level that must be paid for in the current year. Not only are there increases for Medicaid, but typically State governments are large employers of people and thus they also face a large increase on a year-to-year basis to fund health insurance premiums for their employees.

Again I say to the people of the U.S. of America, this transaction is an honest one. They have an investment in expenditures for health care. They pay for it in the current year. But we in the Federal Government at the Federal national level have no similar transaction.

Mr. President, I have come here tonight not to argue that health care reform can reduce and eliminate our Federal deficit, but that it will require the American people coming to us in Congress and saying we want it to be done.

First and foremost we must have the American people behind the idea, the principle of a pay-as-you-go system for health care, a system that says essentially if you want a benefit, whether it is for the Veterans Administration, the Army, the Air Force, the Navy, the Marine Corps, the Federal agencies that are set up, the Federal employee health program, Medicare, Medicaid, we must pay for it in the current year. That transaction alone will produce $69 billion worth of deficit reduction; that transaction alone, if we merely say it is morally wrong, and it is, for us to borrow money to pay the doctor, or those bills, with no expectation and anticipation of repaying those bills. We do not expect to repay that debt. We are borrowing it. So we do not have to lay out a lot of money for it.

A second great concern that I have is we have no real cost control at the Federal level. We have a regulatory control cost mechanism, a top down cost-control mechanism. We have rapidly increasing costs at the Federal level for Medicare and Medicaid. Unfortunately that is all we control. We merely reduce a massive cost share over to the private sector that causes premiums to go up.

We have to have a mechanism so that we, as a people, control the rising costs of health care. We know that our gross national product cannot exceed 100 percent. That is a given. Our health care expenditures today are 13.5 percent of the GNP, heading to 18 percent by the end of this decade. And we are extracting larger and larger pieces of our gross national product.

We have an obligation, an economic obligation, for promoting economic growth and prosperity in the other areas of our economy to control the rising cost of health care.

Third, the concern that I have is we have no incentives in our current financial arrangement to try to prevent illness, sickness, and disease, in the first place.

Essentially we say as you get sick we will pay for the bill; as soon as you find yourself needing hospitalization, we will pay the bill; need to get Medicare, we will pay the bill. But if you need to get an immunization, you have to get in a special line to get that bill. If you want to do any preventive care, you have to come and prove somehow that it is going to produce a positive goal.

We are the only industrial Nation that does not provide continuous health care for our children; the only nation on Earth that does not say when a woman gets pregnant, we will make sure she has the kind of education, the kind of advice, nutritional and health assistance that is needed to make sure that baby is not born with low birth weight, and other kinds of problems. We are the only industrial nation that does not have it. It adds not only an enormous cost to our health care burden but it also adds enormous costs as a result of lack of economic capacity.

Mr. President, and again those of you who are watching this evening, I would like to show you something here tonight that I think is not very well understood. That is where we are spending our money. What is the total expenditure? We might hear a lot from people who are not advocates of comprehensive reform of health care, who say we cannot have the Federal Government at all in health care, who say do not have big Government response, or a big tax response.

What I will show this evening will reveal the Federal Government involvement, current involvement, not as a consequence of special interest, but as a consequence of special needs of the American people. This has come as a result of what the American people themselves say they want. I would like to describe this evening the total expenditure for health care, and show the revenues that come in, we are getting in the current year, and how we are financing our health care system so, again, the American people can understand where it is we are coming up short.

Mr. President, in this year, 1992, we will spend $131 billion for Medicare, we will spend $72 billion for Medicaid, and a $20 billion increase, I might point out, again without much debate about how we are going to get money to finance it.

There are 21 billion dollars' worth of expenditures to the National Institutes of Health, the Centers for Disease Control, other Federal agencies, put out for community health sciences, vital community clinics, both Republicans and Democrates as well as executive branch.

We have $14.4 billion in the expenditures being made in the Army, Air Force, Navy, Marine Corps health care system. I, myself took advantage of that.

I went on a trip to Russia with the distinguished Senator from New Jersey [Mr. BRADLEY] and the distinguished Representative from Iowa, Congressman JIM LEACH. Coming back we were in an automobile accident in Vilnius, Lithuania. I received a traumatic cut to my leg, and I went to the hospital. I did not think it was very adequate health care. I was flown to a hospital in Germany, and I found some of my friends who think I am radical in the area of health care say, you did not like that Communist health care system?

I said no, that is not true. I went to a socialist health system in Germany and got my health care through a competent, well-trained Army physician who provided first-class health care.

I am not advocating that we provide health care in that way. I want the American people to understand we have $14.4 billion being spent through our Department of Defense providing high-quality health care for those young men and women who have raised their hands and sworn to uphold the Constitution of the United States of America and go in harm's way if necessary to defend our liberty.

We also spent $10.5 billion in a program called the Federal Employee Health Benefit Program providing health care for you and me and Members of Congress and other Federal employees who retire. There are those now in the ranks of retirement using the Federal Employee Health Benefit Program, a generous, program, comprehensive program, I might point out, that all of us enjoy, which cost $10.5 billion a year.

We also spend $13.7 million in the Veterans' Administration.

Again, I very often am amused when I hear people talk about these top down essentially controlled proposals. It is rare to hear the same individual condemning that kind of proposal, suggesting that we ought to abolish the Veterans' Administration.

In addition there are indirect expenses: $41 billion in tax expenditures for employees' health benefits, employer-paid health insurance benefit of approximately $24 billion. We expend on behalf of the American people—the American people receive through their Federal Government—$328 billion of medical care expenditures.

So you say, Mr. President, are we paying for it? Are we asking the American people to come up with $328 billion so we can say we are current? And the answer is, regrettably, no, we are not.

Again, I say the problem is not that somebody in the Republican Party or somebody in the Democratic Party or somebody in the White House or somebody in the Congress is at fault. We have a contract with the American people; we are giving the American people something for nothing.

Mr. President, with 328 billion dollars' worth of benefits, we are taking in only $105 billion of tax premiums through the Medicare system. The balance of that, $223 billion, if you assume with Social Security now off budget, that we are financing 31 percent of the balance of our expenditures with bonds, with debt; we are only paying for $154 billion in the current year. The balance is $69 billion we are giving to the American people, and we are not telling them that we are financing it with that.

Again, for emphasis, I know the issue of comprehensive health care reform is very controversial and complicated, and we are all concerned about the quality and potential deterioration of quality. Perhaps we cannot get reform this year. If we cannot, Mr. President, at the very least, we should stop this kind of financing transaction and say to the American people that we will pay-as-you-go, as we do our retirement programs for Social Security. A pay-as-you-go system just for health care would reduce our fiscal deficit by $69 billion.

Mr. President, this next little visual aid here shows how these expenditures are distributed. I indicated earlier I wanted to make sure the American people could see that roughly half is going for Medicare, and a quarter for Medicaid. We have a quarter of this, an awful lot of money, which typically is not thought of, going to the Federal Employee Health Benefit Program, VA, Department of Defense, and other Federal agencies.

The Federal Government is putting out $323 billion, Mr. President, of an $800 billion bill. $136 billion is going out to State and local government. Between the two, we have over $460 billion, with $200 billion out of pocket. Mr. President, most of these expenditures right now are being funneled through our taxpayer system. For those who say we do not want to have a big Government response, we have that now. It is incoherent, inconsistent, and it is grounded on the immoral principle that says we are not going to pay for what we receive.

Mr. President, this represents visually the financing transaction, and I am leaning into this as hard as I can, not only for my colleagues, but for my good citizens of the State of Nebraska who wonder how we end up with the deficit that we have right now. We are trying to figure out what we can do about it. They have heard a lot of debate, but, Mr. President, that is the biggest part of the problem. That little black slice is $69 billion—$69 billion, Mr. President. I have heard people come to the floor and say what are we going to do about this? Can we maybe set aside the B-2 bomber, or not fund SDI, or shut down a few agencies of Government? This is a $69 billion slice. If we will only say, as I think we should, that on the issue of health care we will bring in the various items that we budget for health care—we do not need to consolidate the agencies—and we will just have a single budget for health care. If it is 323, then we ought to go to the American people and get the revenue. If you say I do not want to get $69 billion from additional taxes, let us reduce the expenditures and close the gap and say we are only going to have those things we pay for in the current year.

It is dishonest to say to the American people that somehow you are getting the health care that you deserve, because we are getting today from our Federal Government 69 billion dollars' worth of health care that our kids are paying for. I figure it ought to be the other way around. I am supposed to pay for the health care of my children. They are indeed paying for my health care, Mr. President. I think that is wrong.

These charts have been brought to the floor by other people that have shown the deficit and what is going to happen to it. The most relevant problem we are going to have is we are going to get a little fool's gold here with the deficit that is going to reduce in the next few years. The pressure will be off, because it will go down. It ought to be big enough to satisfy anybody's need for developing the required requisite sense of urgency to go to the American people and say we have to do something. It is going to go down over the next few years, and then it is going to be right back up again. There is urgency to act today.

The baseline for health care expenditures is $830 billion today. The sooner we act, the cheaper the solution is going to be.

All of us have been watching the events in Eastern Europe and trying to give advice and trying to figure out what we ought to do to help the Russians, the people of the Ukraine and of Czechoslovakia. An article in the New York Times said Sunday that a group of people in from the United States decided they would go to the investment bankers and people that have been involved in doing leveraged buyouts and other transactions here in the United States and go to Czechoslovakia, and they have been providing financial services and advice to the people of Czechoslovakia. The finance minister, Vaclav Klaus, correctly says that, "Whatever you do, do it quickly, because the longer you delay, the more expensive the problem is going to get." In no other area do we find that case being made better, as with health care. Every single year, we wait, and this problem gets worse.

Mr. President, this is what happens to our deficit, if we convert to a pay-as-you-go system. Again, I understand that there is great debate and differences of opinion about what ought to occur with comprehensive health care reform. I am going to show what would happen if we budgeted health care, in addition to a pay-as-you-go system. Say we cannot reach agreement—which is likely, that we will reach an impasse and fail to get an agreement—we should agree again for emphasis—and I say to the American people watching tonight, particularly those of you in Nebraska, make sure you say that we are going to have a pay-as-you-go system, because if we did that, one single item—the deficit—would go down in a rather dramatic fashion.

I do not consider $130 billion in 1996 to be terribly acceptable, but it is a dramatic reduction in the deficit, Mr. President. And it must be done. No defense cuts are going to get the job done. No cuts in the Federal programs are going to get the job done. It is the entitlement programs, Medicare and Medicaid, that are driving this deficit, and unless we come and say that we are going to pay for it in the current year, we are not going to get it done.

So I appeal to the American people, I appeal to those of us who understand that we have an obligation to our children, to say that on this line item, on these expenditures, we will pay for it on a current basis.

Mr. President, the distinguished occupant of the chair has a health care proposal that he and the Senator from South Dakota [Mr. DASCHLE] introduced that is very similar to mine, so I am preaching in many ways to the choir when I say that the second big piece we have to face is the need to put in place in this country some mechanism to control costs, and there is debate on what it ought to be. It may be that we have something entirely different than the one I have introduced. I suspect it is going to be somewhat different. I notice there is not enough enthusiasm, partly because I have been very specific on how I pay for it, but partly because there are genuine philosophical differences. One thing I believe is that we must have the capacity to honestly control costs and to feel confidence that those costs will be controlled.

Mr. President, the growth in health care expenditures is in excess of 11 percent this year, and if it continues at a double digit pace, Mr. President, in 1995 we will be spending over $1 trillion for health care. We will be pulling almost 2 percent of our GNP just on the increased cost of health care.

It is like an animal, like a cow or cattle which is penned up. If they break down the fence, as health care has, it begins to graze in other pastures and eat other things. That is what health care is doing, squeezing out other investment, not only on the private side, but on the public side as well, and we must have a mechanism to control costs. The proposal I have introduced allows health care expenditures to grow at 8½ percent a year, which is a fair amount, Mr. President.

I correct myself. Allowing yourself inflation of 8.2 percent will reduce the deficit in year 2000 to $66 billion. I would agree to reduce it even further than that; 8.2 inflation is a rather substantial number. It is double the cost-of-living increase. Were we to control it at a rate of 5 percent we would be in balance by the year 1997.

We do not have to have the kind of rationing and bitter sort of choices that very often is advertised whenever proponents of budgeted health care reform come to the floor; 8.2 percent inflation growth is more than practically any other line of our budget. That is a lot of money—I am willing to put it in—that will reduce the budget deficit to $66 billion and continue the deficit going down in the outyears.

We must do health care cost containment if we are serious about deficit reduction. I say this not just to my colleagues in the Senate. I say this again to the American people who are trying to figure out what ought to be done. We are the problem.

I cited earlier our desire to have a Cadillac and wish not to pay anything for it. We have to pay for it. And unless we do health care cost containment, I believe it is going to be difficult for us and I believe it would be impossible for us to reduce our deficit and restore the kind of economic growth not only the American people want but I believe every Member of this Senate and Congress and the President himself would like to get.

It will not be easy, Mr. President. Asking the people to pay the full price for something is never easy. They have gotten use to getting 30 percent of it free. They have gotten use to getting 30 percent of health care expenditures from the Federal Government, essentially asking their kids to pay for it.

It is going to perhaps come as a rude surprise and shock to learn that we have a hole that size. I hope that the people of the United States of America say that we will accept responsibility and plug in that hole and we are prepared to do it, either by tax increases or spending cuts. Let us have a debate how we are going to do it, but let us do it in order to restore the confidence of the American people and to move the Nation in the direction of economic prosperity.

Mr. President, I would like to cite some additional things that I believe are connected to reduced cost of health care, comprehensive health care reform, that will accrue as a benefit if we reform and provide comprehensive health care to all of our people, particularly if we break the link between employment and eligibility, particularly if we get our costs under control.

Corporation after corporation after corporation, small and large, will tell you that one of the problems they have with increasing the number of people who are working for the company is the imbedded cost of each employee. Imbedded cost sounds like a horrible thing to have. They are principally health care costs and retirement costs. Those two costs are providing restrictions for our companies to expand their work force base. We find ourselves essentially with 5 percent more of our GNP than Germany. We find ourselves essentially 5 percent in the area of employment care on growth.

We believe imbedded cost with employment and employment health care cost reform will enable us to create economic opportunity to getting that cost under control.

I indicated earlier the devastating nature of not being able at the State level to essentially cover the increases through bond sales as we do at the Federal level. We are seeing State after State cut vital growing-oriented investment as a result of increased cost of their own employees and increased cost of Medicaid.

All experienced people in our States described the terrifying nature of getting locked into a job, not being able to move from that job if they lose the employment or if they consider that they need to increase their training and increase their skill. The marketplace is brutal, Mr. President. If you do not have the skills that you need to earn the living that you desire, estimates by the U.S. Department of Labor indicate that 40 million Americans in our workplace are undertrained for the income that they would like to have. If you lose your health care when you leave your job it is a barrier to do the right thing, a barrier to get that education and job training.

We are the only industrialized Nation that has health care for its people and every job training we put in place, whether public or private, must deal with this barrier or otherwise I think they will struggle to be successful.

There are 31 million Americans next year who will go to a welfare office to prove that they are poor enough to be eligible to have their health care benefits paid through the Medicaid system. There are 15 million Americans who work full time and earn less than $10,200 a year, who typically find themselves without health care benefits.

When health care costs were $3 a month as they were in 1970 it was not a big problem, but in 1992 where the average cost of health care for a family of four can be $500 a month—and in New York State it is almost $11,000 for Blue Cross/Blue Shield for a family—you have to wonder how an individual with average means stays in the workplace.

We have an incentive today in a Nation that talks about free enterprise and the marketplace. We have incentive in place, because of the way we finance health care, people quit work to go on welfare, Mr. President. It is a terrible thing to have in place. I tell you if we do not do anything other, we need to reform the system to take the Medicaid system and change it so it does not become a place where Americans have to go in order to get their health care.

Finally, Mr. President, I have to say that the more I look at health care the more I see it as an idea that is much larger than just health care itself. The truth is I do not think we really want health care. Most of us want health. We prefer not to need health care. Health care need comes only as a consequence of being unhealthy. We prefer to stay healthy.

The idea of health care is connected to many other things. The distinguished Senator from Rhode Island came to the floor and gave a brilliant, articulate speech talking about the price of handguns. He had a controversial amendment that confiscated handguns as a proposal. I support the solution he is an advocate of. He is correct saying it is $4 billion in health care expenditures, because of the trauma resulting in handgun injuries.

Mr. President, as to most of those unreimbursable expenditures, most people going in emergency rooms get the expenditure.

We have $60 billion, Mr. President, of direct health care expenditures in the United States of America that are there, because people smoke cigarettes. I say smoke them if you have them. I do not want to subsidize the behavior.

We have $15 billion worth of expenditures directly attributable to the fact of alcohol abuse.

Health care expenditures that come as a consequence of trauma on our highways, health care expenditures coming as a result of damage to the individuals themselves, with alcohol abuse, we do not have a financing system that allows us to make sure that we take political action that will provide an environment where people have incentive to take care of themselves.

The idea of health care is connected to the quality of our homes. Housing is a health care issue. Transportation is a health care issue. It is $15 million estimated worth of expenditure in southern California simply as a consequence of the quality of their air.

Mr. President, health care is much bigger than just a hospital and the doctor.

I believe as we look to reform our health care financing system, not only do we need to be honest in the way we finance it and say that if we have Medicare, Medicaid, VA, and Federal employees health benefits at least we in Congress ought to be able to say if we are going to get health care benefits, we are going to pay for it all. We do not, Mr. President. We finance 30 percent of it with bond sales.

It is immoral and irresponsible. Not only do we need to change the way we finance health care we need to do it so that we can deal with the growing problem of our deficit, directly and straightforwardly.

Mr. President, we have to reform our financing system of health care so we can begin again to think about how do we create health in this country. We have one of the highest infant mortality rates in the world. If you live in Harlem and happen to be black in Harlem and live to the ripe old age of 48 that is your life expectancy. Health care is much bigger than just how am I going to get taken care of when I get sick.

Mr. President, I intend, as we roll through this deficit reduction debate, to say over and over and over that there is a way, a simple way, for us to deal with the deficit. It is at least simple mathematics; it is not easy in the details. You cannot get something for nothing and we are giving the American people, I say to every person who is watching tonight, we are giving you something for nothing and we have to stop it.

And unless we have a contract with the American people that says that we are going to change that we will never solve the rest of it. No constitutional amendment will get the job done. No statutory change will get the job done. We have to step to the line and say we are Americans and we are going to pay our bills. We ask every nation on Earth to whom we give credit to pay us back. We have to pay our bills, too, Mr. President. The American people must pay the bills, or this deficit of ours will not disappear.

Mr. President, I thank my colleagues for their indulgence, and I yield the floor.

Mr. RUDMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. RUDMAN. I thank the Chair.

SENATE REPUBLICAN TASK FORCE ON ADJUSTING THE DEFENSE BASE

Mr. RUDMAN. Mr. President, I am today presenting to the Senate the report of the Senate Republican Task Force on Adjusting the Defense Base.

The formation of the task force was announced on April 16, 1992 by Senate Republican Leader ROBERT DOLE. In addition to myself, the task force included Senator BROWN, Senator COHEN, Senator DANFORTH, Senator DOMENICI, Senator HATCH, Senator KASSEBAUM, Senator LOTT, Senator LUGAR, Senator MCCAIN, Senator SEYMOUR, Senator STEVENS, and Senator WARNER. Every member of the task force has worked hard on this report, and I thank all of them for their contribution.

Mr. President, the collapse of the Soviet-controlled Communist empire has been the most dramatic and far-reaching development in the world in over 40 years. None of us will ever forget the pictures of Germans tearing down the Berlin Wall, or the Russian people facing down the Soviet army and the Communist old guard last August.

One benefit from this change is the ability to reduce the human energy and financial resources that we as a nation must devote to ensuring an adequate national defense. Every economist I know of agrees that, in the long run, this will benefit the American people by strengthening our country's economy.

However, defense budget cuts of the kinds now being undertaken and proposed for future years will impose transitional costs on the many Americans, and their families, who lose jobs, communities impacted by closing bases and plants, and companies losing defense business. Patriotic Americans who have devoted their careers to serving the country will be affected by these cuts, and the government has an obligation to provide some assistance to facilitate their transfer into the commercial economy.

In addition, serious concerns have been raised about the impact of the defense procurement cuts on key sectors of our industrial base. These sectors are critical both for the economy's overall health and to our ability to gear up defense production, should that need regrettably arise again.

Over the last 2 months, members of the task force and their staffs have met with administration officials, representatives of the private sector, and many others to review the ramifications of the defense budget cuts and develop an appropriate response.

The task force report addresses the problems associated with the downsizing of America's defense system on three levels: helping individual workers, assisting impacted communities, and retaining and diversifying the defense industrial base. I believe the report we are issuing today contains recommendations that will help deal with the many transitional problems associated with the defense build-down and help maintain a vibrant industrial base.

Mr. President, I ask unanimous consent that the summary of the task force recommendations—which are substantial in nature and fairly lengthy, but I believe of importance to this entire body and those who read the RECORD—and the text of the task force report printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF RECOMMENDATIONS OF THE SENATE REPUBLICAN TASK FORCE ON ADJUSTING THE DEFENSE BASE, JUNE 25, 1992

The formation of the Senate Republican Task Force on Adjusting the Defense Base was announced on April 16, 1992 by Senate Republican leader Robert Dole. Senator Warren Rudman was named as Chairman of the Task Force. Other members appointed to the Task Force were Senator Hank Brown, Senator William Cohen, Senator John Danforth, Senator Pete Domenici, Senator Orrin Hatch, Senator Nancy Kassebaum, Senator Trent Lott, Senator Richard Lugar, Senator John McCain, Senator John Seymour, Senator Ted Stevens, and Senator John Warner.

The Task Force has addressed the problems associated with the downsizing of America's defense system on three levels: helping individual workers, assisting impacted communities, and retaining and diversifying the defense industrial base.

In developing these recommendations, the Task Force reached a number of important conclusions.

A sound economy and sustained economic growth is the only force that can ensure that defense reductions can be undertaken with a minimum of dislocation. Even the best defense conversion package will be a poor substitute for efforts that bring the federal deficit under control, for tax policies which spur investment and technological development, and for controlling government spending.

Clearly, ongoing and future defense budget reductions are necessary and desirable in light of the collapse of the Soviet Union and the new international scene. These cuts, however, must be undertaken in a phased and measured fashion. Precipitous, rapid cuts risk repetition of the mistakes made following the Vietnam War which led to the hollow military of the 1970's, and will cause needless disruption and harm to millions of Americans.

The argument made in some circles, that the defense cuts make possible a peace dividend to be used for domestic programs, ignores budgetary reality. The fact is that current and project increases in domestic spending far exceed the savings flowing from any defense spending plan proposed in Congress to date, or likely to be proposed in the future. In short, the substantial peace dividend already realized and coming in the next few years has already been taken, and spent.

The cost of programs directly responding to problems resulting from the declining defense budget—e.g., transitional assistance and job training for military personnel being separated—should be paid for out of the defense budget. Beyond this, the defense budget should only be used to fund programs which have a defense application and enhance our defense capability. Programs whose primary purpose is to strengthen the economy should be counted against the domestic budget.

HELPING INDIVIDUALS WHO LOSE DEFENSE-RELATED JOBS

A. Military Personnel

Benefits for Departing Servicemen and Women

Supports the Voluntary Separation Incentive (VSI) and Special Separation Benefit (SSB), which are designed to encourage voluntary separations and address the differing needs of departing servicemen.

Recommends legislation to authorize DOD to conduct Selective Early Retirement Boards (SERB) as a balanced approach to the officer force reductions for those with at least 15 but less than 20 years of eligible service. Officers who would be eligible for this SERB would be those in the 15 to 20 year window of service who have not yet been selected for at least the paygrade of 0–5 (i.e., Lt. Colonel, Navy Commander).

With respect to reservists, the Task Force recommends the enactment of legislation to provide a transitional safety net of benefits to those who are forced to leave the Selected Reserve if the down-sizing recommended by DOD is approved by Congress.

Finding Productive Work for Departing Servicemen and Women

Recommends that Congress adopt legislation to encourage states to adopt alternative teacher certification programs for separated and retiring servicemen whose college education enables them to become qualified teachers.

Supports an expansion of the DOD program to pay for coursework to departing servicemen which meet reasonable state certification requirements. The Department of Education should identify those states with acceptable alternative certification programs, and assist in the replication of university/school district partnerships which have been successful in recruiting minority teachers for needy urban school districts.

Recommends the development of programs which enable veterans to apply their experience and military discipline training to community related services, such as establishing training centers, military style boot camps, or summer educational programs for disadvantaged youth. These programs could be operated with support from the business community and out of federal job programs and funds.

The Task Force believes that two temporary steps should be taken to improve the value of the current G.I. Bill during the down-sizing of the Armed Forces.

First, for the next three years, servicemen separating voluntarily should be authorized to purchase eligibility for G.I. Bill education benefits. This would permit voluntary separatees to purchase $12,600 in benefits (based on a $300 monthly benefit) for $1,200.

Second, the monthly G.I. Bill education benefit should be increased for servicemen departing during this down-sizing to $500 per month from the regularly authorized level of $300. (Benefit levels are now temporarily at $350 per month, with the funds coming from the Gulf War account.)

Recommends that funding levels for the highly successful Transition Assistance Program be increased through 1995 to ensure that all members of the Armed Forces have the opportunity to receive counseling and private sector employment skills.

B. Civilian Defense employees

Supports making funds available to fund the transition benefits available to federal civilian employees forced to leave federal service, including severance pay, lump sum payment for unused annual leave (or use of such leave to establish retirement eligibility), right to purchase additional health coverage, and the right to convert life insurance to an individual policy.

Supports job swap programs and new initiatives to pay relocation costs of DOD civilian employees obtaining another federal job in a different location.

Strongly supports the President's May 26, 1992 decision to authorize early retirement for eligible DOD civilian employees. The Task Force believes that early retirement waivers should be liberally granted for DOD civilians in selected locations and occupations.

Supports extending the one day period granted to an eligible DOD civilian employee to decide whether to accept a job offered under the Priority Placement Program to a period of three days.

C. Private sector workers and job training program improvements

Pursuant to the Defense Conversion Act (DCA), Congress appropriated $150 million in FY 1990 funds (available through the end of FY 1993) to be used by the Department of Labor for Job and Worker Adjustment Assistance (EDWAA) for workers losing defense-related employment. Because of delays in the Labor Department's receipt of the $150 million, only $17 million of this amount has been spent as of mid-April. However, the Labor Department also spent $38 million of its discretionary funds on assisting defense-dislocated workers, bringing the total amount spent to $55 million.

Recommends legislation to extend the availability of the remaining FY 1990 DCA funds through FY 1997.

Recommends that the Appropriations Committee closely monitor the Labor Department's progress in disbursing these funds, and make any necessary additional funds available on a timely basis.

Recommends that DCA funds be used to reimburse states for rapid response services if the states have depleted the funds available for this purpose.

Recommends that the Department of Defense be required to provide the Labor Department and affected states with information regarding upcoming contract and program terminations which will result in layoffs. Similarly, state job training program managers should be required to seek similar information from defense contractors.

Urges DOD to take steps to immediately comply with existing legislation calling for improved reporting on the defense industrial base, to assist in the development of appropriate policies for worker assistance and maintaining our industrial base.

Recommends that the Labor Department use the authorized 10 percent set-aside from DCA funds to make demonstration project grants. In particular, the Labor Department should give favorable consideration to applications for in-house re-training by defense firms who are seeking to diversify into the commercial market.

Calls upon the state and local program managers, as well as the responsible Labor Department officials, to review the adequacy of the services being provided to defense-dislocated workers and make such adjustments as are necessary.

Supports legislation to permit job training and placement assistance to be extended to workers at closing military installations up to six months prior to their closing, rather than only 60 days prior to closing.

ASSISTING IMPACTED COMMUNITIES

Redevelopment Planning

The closing of a military base or major defense plant(s) can be a serious blow for the affected community or region, especially for those localities which are heavily dependent on the base or plant in question. The Task Force strongly believes that redevelopment planning is best accomplished if the process is driven by the affected communities, and their state or local governments.

Supports the efforts of DOD's Office of Economic Adjustment (OEA) to assist state and local governments in planning for redevelopment by providing planning grants and technical assistance to the duly constituted redevelopment authority, as determined by state and local law.

Believes that, as the pace of base and plant closings accelerates in the next few years, an increase in funding for OEA will be necessary, and supports such an increase with the exact amount to be determined through the regular, annual appropriations process.

Economic Development Grants

The federal government can also assist affected communities by providing them with economic development grants. To this end, Congress provided $50 million in FY 1990 (available through the end of FY 1993) to be distributed on a grant application basis by the Economic Development Administration (EDA) of the Department of Commerce. Unfortunately, delays in transferring the funds to EDA and issuing regulations governing their use have meant that only three grants were awarded as of mid-April.

Recommends legislation to extend the availability of these funds through FY 1997.

Supports providing additional funds for EDA grants for defense-impacted communities at the time such additional funds are needed.

Recommends legislation or administrative action to require that EDA take steps to expedite the excessively long grant approval process, which now takes an average of nine months.

Hazardous Waste on Closing Military Bases and Installations

The Task Force believes that cleaning up hazardous waste sites is a high priority, especially at closing installations where they interfere with redevelopment, and supports the appropriation of such funds as are necessary to achieve this end.

Identifying the precise nature of and resolving the hazardous waste problem at a given installation can, however, take years. Redevelopment cannot be delayed while this process is underway. Congress can take three steps to facilitate redevelopment:

Recommends that federal law be amended to clarify that DOD has the authority to parcel bases and transfer uncontaminated tracts on an expeditious base.

Supports legislation to authorize DOD to convey contaminated parcels to willing parties where there is minimal risk to public health and DOD agrees to fulfill its statutory responsibility to complete the clean-up, and DOD is legally guaranteed the access it requires for remedial activities.

Recommends legislation to authorize DOD to indemnify the parties to whom land is transferred, either by lease or title conveyance, for the future costs arising from DOD-generated hazardous waste. Clearly, however, decisions to indemnify must be made on a case-by-case basis and be contingent on the parties agreeing not to take actions which would increase federal clean-up costs.

Impact Aid for Education

Supports funding of the Impact Aid section 3(e) program which authorizes transitional assistance to local school systems affected by a major decline in student population due to a closing military base or other reduction in the federal presence in an area.

Federal Re-Use of a Closing Military Base

Endorses the creative re-use of closing military bases by the federal government. For example, some Members have proposed locating prisons or military-style boot camps at closing bases.

Urges that federal agencies which must relocate a facility be required to examine the closing bases to determine their suitability to host that facility, and give preference to locating the facility at the closing base.

Recommends that DOE, as a general practice, refuse to transfer a closing base or portions thereof to another federal agency for use where such transfer is opposed by the affected state and local communities.

Recommends amending the Base Closure Act to provide for low and no-cost transfer of surplus base land to the state or local community even where the property in question will be used for commercial purposes. This will assist the states in attracting new businesses and other users to the base.

Health Care for Retired Servicemen

Currently, retired military personnel are eligible to receive health care coverage through the CHAMPUS program and at existing military hospitals and health care facilities. As many retired personnel live near bases that are closing, their access to health care is going to be negatively impacted.

Recommends that DOD reform the military medical system so as to ensure continued military medical readiness and access to care for all who are currently eligible for care. The Task Force believes that such reform can be undertaken in a cost-effective manner which does not add to the cost of the program.

Recommends that DOD and the Veterans' Administration should examine, with respect to each DOD health care facility slated for closure, whether such facility should be turned over to the VA to be operated for the benefit of both military retirees and veterans eligible for VA health care. Under such an arrangement, the VA would be reimbursed for the cost of care provided to military retirees.

INDUSTRIAL CONVERSION/RETAINING AN INDUSTRIAL BASE

A. Diversifying our defense production base

There are several affordable and cost-effective measures Congress and the President can take which will help retain needed elements of the defense production base.

DOD Recoupment Policy

Supports the elimination of the DOD recoupment policy in cases, primarily relating to commercial products, where it is not required by statute. In light of the Administration's recent request for repeal of the Arms Export Control Act provision requiring recoupment for foreign military sales of major defense equipment, the Task Force urges the congressional committees with jurisdiction to work with the Administration for a mutually agreeable legislative resolution of this policy.

Procurement Reform

Existing DOD procurement policies, many of which have been mandated by Congress, were adopted with the goal of establishing public confidence in the acquisition process by ensuring that weapons systems met necessary performance criteria, ensuring fair competition in bidding for contractors, and protecting against fraud by defense contractors. One result has been to force companies to segregate their defense and non-defense operations, making it more difficult for the defense divisions to now move into commercial markets. In addition, some companies have refused to participate in the defense market or to make privately-developed technological breakthroughs available to DOD.

These myriad rules, regulations, and specifications have become so detailed that their cost effectiveness is in serious doubt, particularly in the upcoming era of smaller defense procurement budgets. Accordingly, a total rethinking of existing DOD procurement policies are now in order.

The Task Force believes that a number of steps must be given serious consideration for future defense procurement to be possible with a reasonable level of efficiency.

DOD needs to seriously emphasize off-the-shelf procurement for its purchases. Many of the goods purchased by DOD have widespread commercial uses and are readily available.

Where military specification for products are necessary, DOD should demand performance standards and permit potential contractors flexibility in determining how to meet those standards.

DOD standards in accounting and record keeping should be revised so as to permit contractors to integrate their cost accounting systems with the systems employed in the commercial world. Legislative changes will be necessary to fully accomplish this.

The Task Force believes that defense procurement reform should be a high priority for Congress and the Administration in 1993. In addition, DOD must be much more rigorous in streamlining those administrative and regulatory requirements that are not driven by statute.

Stabilizing the Procurement Market

Congress should place greater emphasis on multi-year procurement decisions in order to stabilize the production of particular weapons systems, thereby permitting more efficient recourse allocation with resultant savings to the taxpayers.

Both Congress and the Administration need to change their focus on new programs away from initial costs towards life-cycle costs, make realistic decisions, and stick with them. No multi-year procurement emphasis can be successful unless this change in mind-set to addressing weapons development and procurement is successful.

Dual-Use Technology Research and Development

Believes that increased funds should be devoted to the development of so-called dual-use technologies—i.e., technologies that have applications both for defense and commercial markets—by entering into partnerships with the private sector. In order for these projects to be effective, there should be a requirement that half the funding be provided by non-federal participants.

DOD and DOE Laboratories

By permitting the national laboratories to engage in more dual-use efforts and cooperating more closely with the private sector, immediate contributions can be made to our economic prowess in a variety of areas. In 1990, the Congress provided a structure for such joint research and the transfer of commercially useful technologies from the labs to the private sector.

Supports the Administration proposal to provide additional funds to the DOE laboratories to expand commercial use of dual-use technologies developed in these labs, and believes that similar steps should be undertaken with respect to the DOD laboratories.

Foreign Military Sales

Recommends that loan guarantees for government-to-government and commercial sales of defense products should be provided to our closest allies. Hampered by a lack of guarantees, U.S. defense products—even though renowned for their technological superiority—are becoming increasingly less competitive on the international market. Our NATO allies, Japan, Australia, and Israel should be among the countries considered for such a program.

Urges the U.S. to begin to give special consideration to approving an overseas arms sales when there is foreign competition for provision of the types of weapons in question. Special consideration should also be given to a sale which would extend the operation of a product line, particularly when that extension bridges a gap until either the U.S. or another ally requires such arms.

B. Retaining our industrial base

Retaining and improving the competitiveness of the American industrial and manufacturing base must be a critical goal of both public and private policy over the next few years. While many American companies have improved their productivity and competitiveness in recent years, and while the export of American goods has increased, the importance of manufacturing industries in the economy has continued to decline.

The full range of policies that the U.S. government can adopt to strengthen our manufacturing base is beyond the scope of this Task Force's jurisdiction, and the recommendations listed below are not intended to be all-inclusive. Instead, the Task Force has confined itself to particular domestic policy proposals that will help our industrial base and at the same time be of some assistance to the individuals and companies that have been producing defense products.

Small Business Innovation and Research (SBIR)

To facilitate the role of small businesses in job creation and technology development, Congress in 1982 enacted SBIR, requiring that 1.25 percent of the research budgets of the largest federal research agencies be awarded in grants to businesses with fewer than 500 employees.

Recommends legislation to reauthorize the SBIR program and increase the set-aside from 1.25 percent to 2.5 percent. In addition, consideration should be given to increasing the maximum amount of the Phase I and II awards.

Aerospace Programs

The Task Force believes that the important programs of the National Aeronautics and Space Administration (NASA) need to be adequately funded. Four programs, for which President Bush has recommended significant increases, deserve particular mention.

Space Station Freedom.

NASA's Aeronautics Research and Technology programs.

NASA's Commercial Programs, including increased funding for the 16 Centers for the Commercial Development of Space.

NASA's space technology programs.

R&E Tax Credit/Educational Assistance Tax Deduction

The R&E tax credit provides a tax credit to businesses for their research and experimentation expenditures. This tax credit has been critical to maintaining the worldwide lead of American industry in advanced technologies. The Employer-provided Educational Assistance tax deduction permits companies to deduct from their income educational assistance provided to their employees for upgrading their skills and training.

Recommends that both of these provisions be made a permanent part of the tax code or, at the very least, be extended for a period of five years to encompass the period of the defense build-down. A permanent or lengthy extension is desirable since it would bring some stability to this area of the tax code and facilitate long-range planning by businesses.

NIST Programs

Supports two programs of the National Institute of Standard and Technology (NIST) as important to the effort to promote technology transfer to allow defense industries to convert to civilian activities. These programs are the Manufacturing Technology Program (MTC) and the Advanced Technology Program (ATP). President Bush requested budget increases in both of these programs for FY 1993.

Manufacturing Technology Programs

Supports increasing funding for the manufacturing technology (MANTECH) programs in DOD above the $138 million requested for FY 1993. As the new acquisition strategy places greater emphasis on research and development at the expense of production, defense firms can be expected to invest less in technologies to improve their manufacturing process. For such an investment to be effective, MANTECH funds should be expended on projects selected competitively on the basis of merit.

Manufacturing Education

The Task Force supports a continuation of the program authorizing $25 million to fully fund DOD participation in ten existing or new university programs for manufacturing engineering education because it is an effective means of significantly increasing the number of well-trained, fully-qualified engineers, managers, and teachers entering and supporting the manufacturing workforce. The benefits will accrue to the defense as well as the commercial industrial base.

Environmental Research and Education

The Task Force recommends that legislation be enacted that will establish programs at universities in the United States in the environmental sciences for men and women with prior training in hazardous waste management and radioactive materials through the Departments of Energy and Defense to create a cadre of environmental scientists, technicians, and engineers. This will not only provide additional, needed professionals in this area, but will help provide productive employment for those individuals now working on the U.S. nuclear weapons programs.

REPORT OF THE SENATE REPUBLICAN TASK FORCE ON ADJUSTING THE DEFENSE BASE, JUNE 25, 1992

I. INTRODUCTION

The formation of the Senate Republican Task Force on Adjusting the Defense Base was announced on April 26, 1992, by Senate Republican Leader Robert Dole. Senator Warren Rudman was named as Chairman of the Task Force. Other members appointed to the Task Force were Senator Hank Brown, Senator William Cohen, Senator John Danforth, Senator Pete Domenici, Senator Orrin Hatch, Senator Nancy Kassebaum, Senator Trent Lott, Senator Richard Lugar, Senator John McCain, Senator John Seymour, Senator Ted Stevens, and Senator John Warner.

The Task Force was charged in the responsibility of helping to develop responsible policies to deal with the build down and restructuring of America's defense system in the wake of our nation's Cold War victory and the collapse of the Soviet Union. It focused on policies to facilities a productive shifting of our human and technological resources while maintaining a viable defense base.

Fulfilling this mandate and developing responsible and cost-effective policies for adjusting the defense base cuts across the jurisdiction of a number of Senate committees. Accordingly, the Task Force membership includes Senators from the Armed Services, Appropriations, Budget, Commerce, Finance, Foreign Relations, Governmental Affairs, and Labor and Human Resources Committees.

This report includes recommendations that, if followed, will facilitate a transition to a post-Cold War economy in a manner that minimizes human dislocation, strengthens America's economy, and does not overburden the American taxpayer. It is important to understand that a sound economy and sustained economic growth is the only force that can ensure jobs and high living standards for those who must leave the military, defense jobs in government, and the defense industry. The most important step that Congress can take is to pursue policies which will strengthen the overall economy and provide productive jobs for all Americans. Even the best defense conversion package will be a poor substitute for efforts that bring the federal deficit under control, for tax policies which spur investment and technological development, and for controlling government spending.

It is the view of every Member of this Task Force that no mix of defense adjustment policies can succeed in the face of government policies which weaken the American economy by continuing to sanction out-of-control federal deficit spending.

II. OVERVIEW

A. Defense spending in recent years

Beginning with the last year of his Administration, President Carter and the Congress embarked on a policy of rebuilding our national defense. This policy was initiated in response to a massive defense build-up by the Soviet Union and an increasingly aggressive and interventionist foreign policy by that nation, most notably the 1979 invasion of Afghanistan.

President Reagan, upon taking office in 1981, continued and accelerated this policy. Contrary to the perceptions of many Americans, however, the defense build-up did not continue unabated through the eight years of his presidency. The last time real (i.e. after adjusting for inflation) defense budget authority increased was in fiscal year 1985, a budget which was adopted prior to President Reagan's reelection to a second term. Excluding costs associated with Operation Desert Storm, real defense budget authority fell 23.7 percent between FY 1985 and FY 1992, and dropped by 12 percent between FY 1990 and FY 1992. This is a cut in defense spending in constant FE 1992 dollars from $350 billion to $278 billion, and is equivalent to a peace dividend of $62 billion in the current fiscal year alone.

In nominal terms (i.e., without adjusting for inflation), the budget grew slightly. However, this growth was largely attributable to inflation-based increases for personnel and operation and maintenance accounts. Budget authority for defense procurement (the authority to order new weapons systems and related hardware), however, has fallen dramatically. Between FY 1985 and 1992, budget authority for defense procurement fell from $96.8 billion to $60.5 billion, a nominal decrease of 37 percent and a real decline of 53 percent.

Although these procurement cuts are very real, the fact that they have occurred has been largely obscured by spend-out rates and the Persian Gulf War. There is normally a significant gap between the time new weapons systems are ordered and when they are actually built and paid for. Similarly, when procurement reductions are imposed, there is a delay from cuts in new orders to termination of production and cuts in the flow of actual dollars to industry. Thus, in terms of the federal budget, defense procurement outlays held steady through fiscal 1991. Overall defense outlays did not decline in real terms until fiscal 1990 and, after a two year decline, grew again in fiscal 1992 due to the Gulf War.[1]

The delay in the actual spending of procurement dollars has also, to date, minimized the effect of the previously agreed to cuts on defense industry jobs. According to the Defense Budget Project, private sector defense industry employment[2] stood at 3.1 million in fiscal 1991. This was the same number the defense industry employed in fiscal 1985, but 265,000 below the peak number of workers employed in fiscal 1987. Thus, although the cuts have had significant impacts on particular defense-dependent plants and communities, the overall effect of cuts in defense procurement has been relatively limited to date. This will change rapidly in the next few years.

B. Defense spending in the 1990's

1. President Bush's Budget

Defense spending will continue to drop during the 1990's. The inherent contradictions and weaknesses of the communist system of government, coupled with the steadfast policy of the United States and its allies against Soviet expansionism, led to the collapse of the Warsaw Pact in 1990 and the Soviet Union in 1991. As a result, the United States can afford to reduce the size of its military forces and defense spending will be cut over the next several years.

President Bush this year proposed additional defense budget authority reductions, beyond those previously agreed to by the Administration, of 15 percent in real terms through fiscal 1997. This will allow us to reduce the burden of defense spending from a post-World War II high of 14.5 percent of Gross Domestic Product (GDP), a high of 6.3 percent during the Reagan build-up, and 4.9 percent today, to 3.6 percent of GDP by FY 1997. Similarly, defense spending will drop from 28 percent of the federal budget during the height of the Reagan build-up, and 21 percent today, to about 17 percent in FY 1977.

To put these trends in perspective, discretionary domestic spending remained relatively constant at 16–17 percent of the federal budget between FY 1985 and FY 1992, and is likely to remain at this percentage through FY 1997. Non-discretionary federal domestic spending—so-called "entitlement" expenditures—has risen from 46 percent of the budget in FY 1985 to about 52 percent today. It will rise to at least 61 percent by FY 1997 under current spending projections.

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[1] Because of the Gulf War, both defense budget authority and off-setting receipts (the contributions made by our allies) surged in fiscal 1991. However, many of the outlays associated with that budget authority were not incurred until fiscal 1992. Thus, ironically, although combat in the Gulf ended in March, 1991, outlays were lower in fiscal 1991 and are higher in fiscal 1992 than they would have been had there been no war.

[2] Estimates of defense-dependent private sector employment are woefully deficient because there are no good data on the work force employed by subtier contractors or in jobs which are indirectly defense dependent. These estimates reflect only direct contractor and subcontractor employment.

These trends mean that the major peace dividend which would be produced under the Bush budget will sustain a massive restructuring of federal spending on domestic programs. While defense spending was double the amount the federal government spent on payments to individuals at the time the Berlin Wall was erected in 1961, it will be only one-third the amount we spend on payments to individuals in 1996.

This peace dividend, however, also means further reductions in defense-related employment, with most of the new cuts in jobs occurring between FY 1992 and FY 1995. The Office of Technology Assessment estimates such losses[3] as follows:

(1) 396,000 active duty military, 13 percent of the current total;

(2) 104,000 DOD civilian, 10 percent of the current total; and

(3) between 530,000 and 620,000 defense industry positions, 18–21 percent of the current total.

The loss of defense industry jobs is difficult to estimate. The Defense Budget Project estimates larger private sector losses at 745,000 by FY 1995 and 906,000 through FY 1997, provided that Congress does not cut the present Bush defense spending plan. This estimate is higher than the OTA estimate, but may well be correct.

It is also important to note that the Defense Budget Project estimates that 19 percent of all the defense industry jobs that will be lost during FY 1991–97 will have been lost by the end of FY 1992, that 31 percent will be lost in FY 1993, and 22 percent will be lost in FY 1994. This means that 72 percent of all the changes taking place in defense industry employment as a result of the current defense build-down will have been completed within the next three years.

Job losses of this magnitude are manageable from a macroeconomic standpoint if the American economy performs well. In contrast to the 1 to 1.25 million jobs that will be lost as a result of this defense build-down, the number of defense related positions eliminated totalled 2.5 million in the three years following the Korean War and 3.05 million between 1968 and 1974 as the United States disengaged from Vietnam. The job losses resulting from U.S. disengagement in Vietnam were absorbed by an economy that created 20.1 million new jobs in the 1970's and 18.1 million in the 1980's. Similar job growth can be expected in the next decade with steady economic growth.

The importance of strong generic economic growth to offset the defense reductions is magnified by the current fiscal situation facing the federal government. The massive deficits of recent years have severely diminished, if not eliminated, the ability to use the federal budget as a tool to stimulate the economy.

Although the aggregate macroeconomic effects of defense budget cuts are manageable (and may even be beneficial in the long run), this spending is not spread evenly through the economy. Some communities are heavily dependent on defense spending and will be especially hard hit by the cuts. In these communities, absent an effective response, the impact of the cuts will spread through the rest of the local economy, affecting construction, real estate, and other industries.

Similarly, some industrial sectors will be hard hit. The ship building and repair capacity of the United States is virtually 100 percent defense-dependent while the missile industry is 90 percent dependent. Examples of other industries more than 40 percent dependent on DOD include radio and television communications equipment manufacturing and aircraft (including engine, parts, and equipment) manufacturing. Helping the individuals employed in these sectors, many of whom are highly skilled, find productive employment will be especially important. These individuals have the ability to work in critical areas of technology development and manufacturing which are essential to the ability of the United States to compete in the global marketplace.

The State of California represents an especially dramatic example of this trend. One out of every nine Americans now lives in California, and the state's economy nurtures a wide variety of technologies, industries, and manufacturing processes that can sustain the competitive edge of the United States.

At the same time, dramatic cuts in the defense and aerospace industries of California threaten to drain the state of some of its most productive human and economic resources. California receives more than 20 percent of total DOD expenditures annually, far more than any other state, and it has lost over 60,000 defense and aerospace jobs since 1986. Independent studies indicate that southern California alone could lose another 210,000 positions within this sector and its supplier network by 1995.

The policies recommended below by this Task Force are designed to minimize the short-term dislocations and transitional problems that will affect individuals in communities and industrial sectors which are affected by the defense cuts.

2. The Prospect for Deeper Defense Cuts

Some have proposed defense cuts much larger than those recommended by President Bush. The Task Force opposes significant cuts beyond those recommended by the President for two reasons.

First, while recognizing that our Armed Forces can and should be cut, the Task force is opposed to repeating the mistakes made following the Vietnam War which led to the hollow military of the late 1970's. An orderly build-down of our military is necessary to maintain the morale, readiness, and technological and materiel capability of our Armed Forces. Although the single greatest military threat to the United States is largely neutralized at present with the collapse of the Warsaw Pact and the election of a democratic government in Russia, a cursory reading of the daily news headlines establishes that the world is still not a peaceful place. The United States must maintain defense forces adequate to cope with such contingencies as could arise.

Second, defense spending reductions at any level need to be undertaken in a phased, steady manner to ensure that the short-term dislocations resulting from defense cuts can be managed in a way that minimizes the harm to affected individuals and communities, and the overall impact on the nation's economy and unemployment. More immediate drastic cuts in defense spending will not only unnecessarily damage our defense capability, but prolong the recession and cause needless disruption and harm to millions of Americans.

C. Paying for defense adjustment policies

Many proposals have been made in the last couple of years to pay for a wide variety of non-defense programs out of the defense budget. Many of these ideas have been proposed as a way to avoid the domestic spending constraints imposed by the Budget Enforcement Act of 1990. Part of that Act imposed separate defense, domestic, and international affairs discretionary spending ceilings, and required that savings in any of these categories be applied to reducing the federal budget deficit. The Act also required that legislation which increases spending on entitlement programs be offset with cuts in other entitlement programs or tax increases.

Earlier this year, Congress rejected legislation to replace the three separate discretionary spending ceilings with one overall ceiling. However, under the Budget Enforcement Act, that change will automatically go into effect in FY 1994 and FY 1995.

The Task Force believes that the cost of programs directly responding to problems resulting from the declining defense budget can and must be paid for in FY 1993 with funds attributed to the defense budget and be scored against the discretionary defense spending cap for FY 1993 in the Budget Enforcement Act. Transitional assistance, job training, and placement services for servicemen clearly fall into this category.

Leaving these programs aside, the Task Force believes the defense budget should only be used to fund programs which have a defense application and enhance our defense capability. The coming cuts in defense spending and the steady rise in domestic spending leave little room to shift defense funds to non-defense purposes. Programs whose primary purpose is to strengthen the economy or sectors thereof should be counted against the domestic budget, even if the need for such programs has become more important because of the defense cuts. Programs to assist our competitiveness in manufacturing and industrial technologies would normally fall into that category.

Some contest this view, arguing that the defense spending cuts made possible by the end of the Cold War represent a "peace dividend," a portion of which should be reinvested. That argument ignores the fact that a peace dividend is already being taken and is already being spent. Whether the peace dividend turns out to be $50, $100, or $150 billion in the next five years, that amount pales by comparison to the $800 billion that entitlement programs are expected to increase, over and above the amount attributable to inflation and population changes, during the same period.[4] The Task Force is not hereby taking a position on entitlement programs. Its point is that any discussion of taking a greater peace dividend ignores budgetary reality. Defense spending is already cut to low levels, and additional cuts simply cannot be big enough to pay for major new domestic programs without being so draconian as to threaten national security.

III. HELPING PEOPLE

A. Military personnel

The size of our active duty Armed Forces will be reduced by almost 400,000 men and women by 1995 to a total of just over 1.6 million. While much of this reduction can be accomplished through retirement and voluntary separation, some involuntary separation is and will be required. The degree to which involuntary separation will be necessary will in large part be determined by the extent to which Congress reduces the force structure below the level recommended by the President.

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[3] The number of positions lost is larger than the number of workers involuntarily separated through lay-offs. Much of the job reduction will be accomplished through voluntary separation and retirement.

[4] These numbers are based on cumulative annual savings or increases. While this is not necessarily the most useful way of measuring changes in fiscal policy, it is the method that has been most commonly used in this debate.

1. Benefits for Departing Servicemen and Women

As we reduce and reshape our forces, our overriding objectives remain the same: to maintain a high state of readiness and to treat people fairly—both those who leave and those who stay. Therefore, Congress established and implemented several policies to ensure we accomplish these objectives and execute the drawdown in a fair, uniform, and consistent manner.

Two programs were authorized by Congress in 1991 to encourage voluntary separations, the Voluntary Separation Incentive (VSI) and Special Separation Benefit (SSB), which are designed to address the differing needs of departing servicemen. The Department of Defense has implemented these programs, and VSI/SSB benefits are not being offered to selected servicemen who fall into categories based on ranks, groups, or skills, when a particular service is, or will be, overstrength. Servicemen with more than 6 years and less than 20 years of active duty are eligible for these programs. The Task Force supports these programs.

On January 16, 1991, the Department of Defense instituted a personnel policy to protect all servicemen with 15 or more years of service until they are retirement eligible. This policy protects career servicemen and prevents the services from intentionally passing people over for promotion to encourage them to separate. In fact, this new policy is in place and personnel passed over who have more than 15 years of military service are continuing to serve.

Due to the fact that the current VSI and SSB exit bonuses—which are in reality aimed at those servicemen with between 6 and 15 years—may not be proving as attractive as DOD had hoped, additional force reduction tools may be necessary. Compounding this equation is the belief that there will be further personnel reductions beyond those currently planned. Because of this, the Task Forces supports a provision which would authorize DOD to conduct Selective Early Retirement Boards (SERB) as a balanced approach to the officer force reductions for those with at least 15 but less than 20 years of eligible service. Officers who would be eligible for this SERB would be those in the 15 to 20 year window of service who have not yet been selected for at least the paygrade of 0-5 (i.e., Lt. Colonel, Navy Commander).

The Secretary of Defense must oversee this 15-year retirement personnel management tool and report his findings on the effectiveness of this force reduction process in meeting mandated end-strength requirements. Additionally, the Secretary should review other options to continue to make the necessary force reductions less painful and examine whether other paygrades or ranks need to be addressed to meet potentially precipitous end-strength reductions.

The Task Force supports legislation that provides transition benefits to the Reserves and National Guard whose status is affected by the ongoing cuts in our forces, if the down-sizing recommended by DOD is approved by Congress. As noted above, the Congress last year provided benefits for active duty service members who lose their jobs due to force structure reductions. This Task Force also believes that we must provide the proper mix of benefits to our National Guardsmen and Reservists.

This Task Force supports the following benefits for the selected Reserve:

protection of Reservists and National Guardsman with more than 15, but less than 20, years of credible service;

separation pay for members of the selected Reserve with more than 6, but less than 15, years of service, whose units are inactivated and who cannot cross-level to another unit;

provide that those who signed up for six years in the selected Reserve in exchange for educational assistance after completion of their six years of service will be protected. They would currently lose those benefits when terminated;

permit individuals who receive separation benefits because they must leave active service, and who then enter service in the selected Reserve, to do so without losing the equivalent of their drill pay by having it deducted from their separation benefits.

This Task Force believes that we need to recognize the immense contribution that the men and women who served in the National Guard and Reserves made to the total force concept, to winning the Cold War, and to winning operation Desert Storm, just as we have recognized the contributions made by those who have served on active duty.

2. Finding Productive Work for Departing Servicemen and Women

Many of the nearly 400,000 men and women leaving the active duty military services in the next five years are leaving in the prime of their professional lives. With a high degree of discipline and outstanding work and moral ethic, their ability to become highly productive members of our civilian society is without question. However, this group, many with families to support, had never planned to leave active duty and are not now in a financial position to return to school to enhance their employment opportunities and increase their value to society. In addition, the high proportion of minorities represented in the military presents an important opportunity to incorporate their leadership skills in the community.

About 95 percent of the officer corps have college degrees and 30 percent have advanced degrees. Many of these degrees are in the sciences, engineering, and language arts where there are shortages in the civilian sector, especially in teaching. In addition, many enlisted personnel also have technical and other skills have can be used productively in the private sector and in public service.

The Task Force recommends that Congress adopt legislation to encourage states to adopt alternative teacher certification programs for separated and retiring servicemen whose college education provides them with the substantive knowledge to enable them to become qualified teachers. Alternative programs are necessary to meet the immediate needs of these talented personnel for part-time, short-term certification procedures. Such certification programs could include a brief period of training servicemen to learn teaching methods, and if necessary, to take final steps to complete a bachelor's degree. Not only will this enable some former military personnel to put their talents to productive use in public service, it will help address the teacher shortage found in some, particularly urban, areas and disciplines.

The Task Force supports an expansion of the DOD program to pay for coursework of departing servicemen which meets reasonable state certification requirements. The department of Education should identify those states with acceptable alternative certification programs, and assist in the replication of university/school district partnerships which have been successful in recruiting minority teachers for needy urban school districts.

The Task Force recognizes that veterans could apply their experience and military discipline training to community related services, such as establishing training centers, military style boot camps, or summer educational programs for disadvantaged youth. These programs could be operated with support from the business community and out of existing Job Corps and Job Training Partnership Act programs and funds.

The original G.I. Bill of post-World War II served a dual purpose by giving released veterans an opportunity to retrain for productive employment while allowing the economy time to absorb them as it transitioned to a peace-time economy. The original G.I. Bill produced a qualified work force that was ready when the private sector needed them and was a primary factor in our nation's economic growth in the last forty years.

The Task Force believes that two temporary steps should be taken to improve the value of the current G.I. Bill during the down-sizing of the Armed Forces, both of which will help reduce the impact of cuts in military personnel on unemployment and the total number of jobs available to all Americans during the next few years.

First, for the next three years, servicemen separating voluntarily should be authorized to purchase eligibility or G.I. Bill education benefits. This opportunity is now being granted to involuntary separatees. This would permit voluntary separatees to purchase $12,600 in benefits (based on a $300 monthly benefit) for $1,200.

Second, the monthly G.I. Bill education benefit should be increased for servicemen departing during this down-sizing to $500 per month from the regularly authorized level of $300. (Benefit levels are now temporarily at $350 per month, with the funds coming from the Gulf War account.)

These steps will help departing servicemen receive education and skills which lead to more productive employment. Moreover, by spreading out the time frame in which the departing servicemen re-enter the workforce, it will give the economy more time to generate the jobs necessary to employ these individuals productively.

The Task Force also recommends that funding levels for the highly successful Transition Assistance Program be increased through 1995 to ensure that all members of the Armed Forces have the opportunity to receive counseling and private sector employment skills before their termination dates from the active duty force structure.

B. Civilian Defense Employees

Under the Administration budget proposal, the number of DOD civilian employees will decline by 104,000 over the next few years. The Task Force supports the benefits available under current law to federal civilian employees who lose their positions. These benefits include:

severance pay equal to as much as one year's salary (1-2 weeks for each year of service);

a lump sum payment for unused annual leave;

and the ability to convert their government-subsidized health insurance to an individual policy without a physical exam.

The Department of Defense, together with the Office of Personnel Management, is also operating the Defense Outplacement Referral System to match employees and their job skills with federal civilian and private sector jobs.

Current law also permits the Administration to authorize early retirement for employees with 25 years of service at any age and to employees with 20 years of service at age 50. The Task Force strongly supports the President's May 25, 1992 decision to authorize early retirement for eligible DOD civilian employees. The Task Force believes that early retirement waivers should be liberally granted for DOD civilians in selected locations and occupations.

Under the Priority Placement Program, DOD civilian workers who sign up are entitled to vacant positions in the Department for which they are qualified. However, employees have only one day to decide whether to take a job once it is offered to them. While recognizing DOD concerns about delays in filling a position through PPP, the Task Force believes that 24 hours is too short a period in which to ask individuals to make such a critical decision. The one day deadline should be extended to three days.

The Task Force also recommends that the federal government pay for the relocation costs of civilian DOD employees who obtain another federal government job in a different locality.

C. Private sector workers and job training program improvements

The Task Force recognizes that every effort must be made to reduce the total level of unemployment in private industry, and that the government has a responsibility to aid all Americans to find employment. It is clear, however, that defense workers often face special problems in shifting their skills to work in the commercial sector, and that unless the government makes a special effort to help workers leaving the defense industry, it risks delaying or slowing the economic recovery that will shape living standards and job opportunities open to all Americans.

According to a conservative estimate by OTA, employment by private sector defense contractors and sub-contractors has declined by 395,000 in the last two years, and is estimated to drop by 530,000 to 620,000 by 1995 if the President's budget request is approved. As has been noted earlier, the Defense Budget Project's estimates are substantially higher.

Sharp additional job losses will occur if Congress cuts the defense budget more deeply. Even if no additional cuts take place, some industries and localities will be especially hard hit by currently planned cuts, making it even more difficult for some individuals to find other employment.

Pursuant to the Defense Conversion Act (DCA), Congress appropriated $150 million in FY 1990 funds (available through the end of FY 1993) to be used by the Department of Labor for job training and placement assistance under Economic Dislocation and Worker Adjustment Assistance (EDWAA) for workers losing defense-related employment. These funds are transferred to state and local job training programs on receipt and approval of a grant application.

Because of delays in the Labor Department's receipt of the $150 million, only $17 million of this amount has been spent as of mid-April. However, the Labor Department also spent $38 million of its discretionary funds on assisting defense-dislocated workers, bringing the total amount spent to $55 million.

The Task Force supports appropriating the amount necessary to ensure that job training and placement assistance is available to those individuals requiring assistance. However, in light of the fact that $133 million remains from the FY 1990 appropriation, the Labor Department has indicated it will require no additional funds at least until FY 1994.

The Task Force recommends extending the availability of the current appropriation through FY 1997. In addition, the Appropriations Committee should closely monitor the Labor Department's progress in disbursing these funds, and make any necessary additional funds available on a timely basis.

States should be encouraged to use the discretionary funds they receive from the federal government to provide "rapid response" services to displaced defense workers. To assist in this, the Task Force recommends that DCA funds be used to reimburse states for such services, provided the states have depleted the funds available for this purpose.

The Task Force also recommends that the Department of Defense be required to provide the Labor Department and affected states with information regarding upcoming contract and program terminations which will result in layoffs. Similarly, state job training program managers should be required to seek such information from defense contractors. Such information, provided on a more timely basis than is now the case, will permit workers to get more advanced warning regarding the possibility of job loss and will assist in making the necessary preparations for rapid assistance to dislocated workers.

In addition, the Task Force notes that availability of information regarding the impact of defense cuts on employment by subtier contractors and on jobs which are indirectly defense-dependent is woefully deficient. The Task Force recommends that DOD take steps to immediately comply with existing legislation calling for improved reporting on the defense industrial base, so appropriate worker assistance responses can be developed.

The Task Force has received reports that some state and local programs are not providing the proper mix of services suitable for defense-dislocated workers. In particular, concern has been expressed that some of the state and local job training programs for displaced defense-related workers may not be adequately taking into account the differences between these workers and the populations normally served by such programs.

Many of the displaced defense-related workers are managers, engineers, scientists, and skilled technicians who may need more emphasis on job placement, technical skill upgrade courses, and training in the differences between the defense procurement and commercial markets. The Task Force calls upon the state and local program managers, as well as the responsible Labor Department officials, to review the adequacy of the services being provided and make such adjustments as are necessary.

The Labor Department should also use the authorized 10 percent set-aside from DCA funds to make demonstration project grants. In particular, the Labor Department should give favorable consideration to applications for in-house retraining by defense firms who are seeking to diversify into the commercial market.

Finally, the Task Force supports legislation to permit job training and placement assistance to be extended to workers at closing military installations up to six months prior to their closing, rather than only 60 days prior to closing. Individual job losses can be forecast with much greater precision at closing bases, making possible earlier response with less risk of wasting resources on individuals who do not require assistance.

IV. ASSISTING IMPACTED COMMUNITIES.

A. Redevelopment planning

The closing of a military base or major defense plant(s) can be a serious blow for the affected community or region, especially for those localities which are heavily dependent on the base or plant in question. Adjusting to such a change in a way that minimizes the short-term dislocation and ultimately strengthens the community can be a difficult task which requires careful planning.

The Task Force strongly believes that redevelopment planning is best accomplished if the process is driven by the affected communities, and their state or local governments. The federal government can assist in that process, and DOD's Office of Economic Adjustment (OEA) is in charge of the federal effort. OEA, which has a budget of $7 million in the current fiscal year, provides planning grants and technical assistance to the duly constituted redevelopment authority, as determined by state or local law. By all accounts, OEA has done an excellent job and their efforts are to be commended.

The Task Force believes that, as the pace of base and plant closings accelerates in the next few years, it is incumbent upon Congress to provide OEA with the resources it needs to accomplish its mission. An increase in funding for OEA will be necessary, with the exact amount to be determined through the regular, annual appropriations process.

B. Economic development grants

The federal government can also assist affected communities by providing them with economic development grants. To this end, Congress provided $50 million in FY 1990 (available through the end of FY 1993) to be distributed on a grant application basis by the Economic Development Administration (EDA) of the Department of Commerce. Unfortunately, delays in transferring the funds to EDA and issuing regulations governing their use have meant that only three grants were awarded as of mid-April.

The Task Force, at this time, believes that the nearly $50 million which remains available will be sufficient to fund worthy economic development grants for displaced communities through FY 1993. This estimate should be reviewed in September, prior to final action on the FY 1993 budget.

To ensure that the authority to spend the $50 million does not expire at end of FY 1993, the Task Force recommends extending its availability through FY 1997. The Task Force supports providing additional funds for EDA grants for defense-impacted communities at the time such additional funds are needed.

The Task Force is concerned that the EDA grant process takes too long, an estimated nine months from receipt of the application to approval. EDA should be required to take steps to expedite this process, and to provide regular semi-annual reports on the timeliness and effectiveness of its grants.

C. Hazardous waste on closing military bases and installations

One problem that has already emerged related to the presence of hazardous waste sites on many military installations. The problem is so severe that a number of closing installations have been placed on the Superfund National Priority List for cleanup. Cleanup costs will be in the billions of dollars over the next decade, but solid estimates do not exist because of uncertainty about the extent of the problem and the remedial efforts required.

The Task Force believes that cleaning up the hazardous waste sites is a high priority, especially at closing installations where they interfere with redevelopment, and supports the appropriation of such funds as are necessary to achieve this end. Federal law makes DOD responsible for this operation.

Identifying the precise nature of and resolving the hazardous waste problem at a given installation can, however, take years. Redevelopment cannot be delayed while this process is underway. Congress can take two steps to facilitate redevelopment.

First, federal law should be amended to clarify that DOD has the authority to parcel bases and transfer uncontaminated tracts on an expeditious basis. While the Task Force believes that DOD already has this authority, an explicit statement in federal law to this effect will be helpful. In addition, DOD should be authorized to convey contaminated parcels to willing parties where there is minimal risk to public health and DOD agrees to fulfill its statutory responsibility to complete the clean-up, and the Department is legally guaranteed the access it requires for remedial activities.

Second, legislation should be enacted to authorize DOD to indemnify the parties to whom land is transferred, either by lease or title conveyance, for the future costs arising from DOD-generated hazardous waste. Congress passed such legislation for Pease Air Force Base, New Hampshire in 1990; it should be extended to cover all closing installations. Such legislation is necessary because the Superfund Act makes all subsequent occupants of contaminated land equally liable for cleanup costs in the first instance. Many businesses and governments, not to mention lenders, are unwilling to incur such a risk. Clearly, however, decisions to indemnify must be made on a case-by-case basis and be contingent on the parties agreeing not to take actions which would increase federal clean-up costs.

D. Impact aid for education

The federal Impact Aid program provides assistance to local school systems for the cost of educating children who live on or whose parents work on federal property. The closing of a military base, especially in smaller communities, will significantly reduce the student population, forcing the local school system to undertake a major and costly retrenchment. To help address this problem, section 3(e) of the Impact Aid statute authorizes transitional Impact Aid payments to affected school systems for a four year period. The Task Force supports funding of this program.

E. Federal re-use of a closing military base

Closing military bases, or portions thereof, are and should be prime candidates for being used by other federal agencies to locate their facilities or operate programs. For example, some Members have proposed locating prisons or military-style boot camps at closing bases. Current law gives federal agencies a prior claim to a closing base over any non-federal party.

The Task Force endorses the creative re-use of closing military bases by the federal government. In addition, the Task Force believes that federal agencies which must relocate a facility should be required to examine the closing bases to determine their suitability to host that facility, and give preference to locating the facility at the closing base.

However, the desires of the affected state and local communities must be given equal or greater consideration when contemplating federal re-use of a closing base. The Task Force recommends that DOD, as a general practice, refuse to transfer a closing base, or portions thereof, to another federal agency for use where such transfer is opposed by the affected state and local communities. Other federal agencies should refrain from requesting such use.

The Task Force also recommends amending the Base Closure Act to provide for low and no-cost transfer of surplus base land to the state or local community even where the property in question will be used for commercial purposes. This will assist the states in attracting new businesses and other users to the base. Under current policy, DOD will transfer excess property as little or no cost if such property is to be used for public purposes. However, if the land is intended for commercial development, DOD intends to sell the land at the market price.

F. Health care for retired servicemen

Currently, retired military personnel are eligible to receive health care coverage through the CHAMPUS program and at existing military hospitals and health care facilities. As many retired personnel live near bases that are closing, their access to health care is going to be negatively impacted.

It is worth noting that the cost to DOD providing treatment through CHAMPUS for an individual retiree and his or her family is higher than the net cost of care at an otherwise justified military hospital and treatment facility. The retiree also incurs higher out-of-pocket costs for such care. We should, therefore, be exploring options that will better manage the costs of providing care.

The Task Force recommends that DOD reform the military medical system so as to ensure continued military medical readiness and access to care for all who are currently eligible for care. The Task Force believes that such reform can be undertaken in a cost-effective manner which does not add to the cost of the program. For example, development of a mail-order pharmacy service to serve members of the military community could reduce the cost of care, and the claims processing and billing process for the military medical system should be fully standardized and automated.

The Task Force also recommends that DOD and the Veterans' Administration should examine, with respect to each DOD health care facility slated for closure, whether such facility should be turned over to the VA to be operated for the benefit of both military retirees and veterans eligible for VA health care. Under such an arrangement, the VA would be reimbursed for the cost of care provided to military retirees. In addition, DOD should examine the possibility of contracting out such facilities to private health care providers to deliver care to retirees and their families. The Task Force believes that in some areas this could be a cost-effective option.

V. INDUSTRIAL CONVERSION/RETAINING AN INDUSTRIAL BASE.

A. Diversifying our defense production base

There are several affordable and cost-effective measures that Congress and the President can take which will help retain needed elements of the defense production base. These primarily involve steps to permit defense research and production facilities to diversity into commercial activity and to maintain defense production lines in a more efficient manner.

1. DOD Recoupment Policy

When a defense contractor successfully finds a commercial use for a new technology developed by DOD research and development funds, DOD attempts to recover some or all of the R&D funds paid to the contractor. This policy has the effect of discouraging commercial use of DOD-funded technology developments, thus discouraging contractors to diversify their business. By contrast, federal law grants universities, as well as medium and small businesses, the patent rights for inventions financed with research grants made by other federal agencies such as the National Institutes of Health.

Recoupment for major defense equipment in the case of foreign military sales is required by the Arms Export Control Act (Public Law 94-329). In other cases, primarily involving commercial products, recoupment is required by DOD regulation, not by statute.

On June 19, 1992, the Administration proposed elimination of the existing recoupment policy, including legislation to repeal the statutory requirement for recoupment. The Task Force supports the elimination of recoupment in cases where it is not required by statute. In addition, the Task Force believes that the congressional committees with jurisdiction should work with the Administration for a mutually agreeable legislative resolution of the policy relating to foreign military sales.

2. Procurement Reform

Existing DOD procurement policies, many of which have been mandated by Congress, were adopted with the goal of establishing public confidence in the acquisition process by ensuring that weapons systems met necessary performance criteria, ensuring fair competition in bidding for contractors, and protecting against fraud by defense contractors. One result has been to force companies to segregate their defense and non-defense operations, making it more difficult for the defense divisions to now move into commercial markets. In addition, some companies have refused to participate in the defense market or to make privately-developed technological breakthroughs available to DOD.

These myriad rules, regulations, and specifications have become so detailed that their cost effectiveness is in serious doubt, particularly in the upcoming era of smaller defense procurement budgets. In such an environment, facilities producing goods for the Armed Forces may need to be active in the commercial market in order to survive. Accordingly, a total rethinking of existing DOD procurement policies are now in order.

The Task Force believes that a number of steps must be given serious consideration for future defense procurement to be possible with a reasonable level of efficiency.

First, DOD needs to seriously emphasize off-the-shelf procurement for its purchases. Many of the goods purchased by DOD have widespread commercial uses and are readily available. It is entirely unnecessary for DOD to issue its own detailed specifications for such products, the result often being higher costs to the taxpayers and an unwillingness of many companies to compete for the business. The recent proposed change to the Federal Acquisition Regulation (FAR) placing the highest priority on the use of non-government or commercial standards in purchase descriptions should be implemented without delay.

Second, where military specifications for products are necessary, DOD should demand performance standards and permit potential contractors flexibility in determining how to meet those standards. At present, DOD writes specifications governing every detail of the proposed product, with the result also being fewer competitors and higher costs. An increased reliance on performance standards rather than detailed product specifications would not only save money, but enable DOD to take advantage of certain technological breakthroughs developed in the commercial sector. The proposed FAR change, if properly implemented, could help solve this problem.

Third, the accounting and record-keeping requirements demanded of defense contractor need to be reviewed. To the maximum extend possible, DOD standards in this area should be revised so as to permit contractors to integrate their cost accounting systems with the systems employed in the commercial world. Legislative changes will be necessary to fully accomplish this. The Task Force believes that fraud in the defense industry may be more effectively combatted by aggressive enforcement of criminal and civil statutes rather than by burying defense contractors in a blizzard of paperwork which prevents those contractors from using their defense-related assets in commercial endeavors.

The Task Force notes that in 1990 Congress established a government-industry commission to examine these issues and to report in December. This commission will ensure that acquisition reform will be addressed in a comprehensive rather than piecemeal fashion. In light of that, and given that the House has already passed the FY 1993 defense authorization bill while the Senate Armed Services Committee will act next month, it is necessary that the majority of the legislative initiatives in this area will have to be addressed next year. However, the Task Force believes that defense procurement reform should be a high priority for Congress and the Administration in 1993. In addition, DOD must be much more rigorous in streamlining those administrative and regulatory requirements that are not driven by statute.

3. Stabilizing the Procurement Market

Congress should place greater emphasis on multi-year procurement decisions in order to stabilize the production of particular weapons systems, thereby permitting more efficient resource allocation with resultant savings to the taxpayers. At present, the current process in which Congress routinely revisits major weapons purchases on an annual basis forces DOD and the contractors to constantly revise and redeploy resources, and the taxpayers pay the price.

Along with this, Congress and the Administration need to depart from "camel's nose-under-the tent" mentality in making procurement decisions. One contributor to the annual vagaries in the budget process is the repeated, and often successful, effort to slide a potentially controversial and expensive programs into the budget by focussing on the limited first-year costs while ignoring the significant out-year costs. Both Congress and the administration need to change their focus on new programs away from initial costs towards life-cycle costs, make realistic decisions, and stick with them. No multi-year procurement emphasis can be successful unless this change in mind-set of addressing weapons development and procurement is successful.

4. Dual-Use Technology Research and Development

The Task Force believes that increased funds should be devoted to the development of so-called dual-use technolgoies—i.e., technologies that have applications both for defense and commercial markets—by entering into partnerships with the private sector. Dual-use technologies will be increasingly important to ensure efficient use of defense procurement resources, and advances in this area will have the added benefit of strengthening the U.S. commercial sector. Congress provided $60 million for competitive awards to such partnerships in FY 1992, and the funds devoted to this purpose should be increased in FY 1993. In order for these projects to be effective, there should be a requirement that half the funding be provided by non-federal participants.

5. DOD and DOE Laboratories

Over the last fifty years, the DOD and DOE laboratories have developed technologies critical to our national security. The ever-changing nature of the threats faced by the United States require that some of these capabilities be maintained in the future.

Technology leadership is not only vital to our national security but to our economic development as well. Many of the technologies developed by these laboratories have had commercial applications—for example in computing and materials processing. By permitting the national laboratories to engage in more dual-use efforts and cooperating more closely with the private sector, immediate contributions can be made to our economic prowess in a variety of areas. In 1990, the Congress provided a structure for such joint research and the transfer of commercially useful technologies from the labs to the private sector.

A second critical area requiring the technological leadership of our national laboratories is the education of our citizenry. Recent dramatic changes within our country have strained the educational system to its limits. These challenges demand national leadership and solutions to carry the educational system into the 21st century. Through joint research and development projects, the nation can effectively utilize the unique strengths of its laboratories in numerous areas such as computer information systems, computer-based instruction, and distant learning.

The Task Force supports providing increased funds to expand commercial use of dual-use technologies developed in these labs. The Administration has proposed providing additional funds to the DOE laboratories for this purpose by expanding joint research and development projects with private sector partners. The Task Force supports this initiative and believes that similar steps should be undertaken with respect to the DOD laboratories. There may also be a need to further streamline existing laws and regulations to facilitate greater cooperation between the laboratories and the private sector.

We also support expanded civilian research at the DOE labs where large, challenging projects require government involvement, such as certain energy, environmental, and pre-competitive generic science and technology development efforts.

6. Foreign Military Sales

The Task Force believes that decisions to sell U.S. defense products abroad must be made carefully and judiciously. In many instances, sales of weaponry to allies can be an important component of foreign policy and serve the additional function of helping to maintain the defense industrial base. However, as regional conflicts continue to grow in importance, the U.S. must take particular care to maintain its lead in ensuring that arms from the world's arms supplying nations do not counteract efforts to promote stability and the development of lasting, peaceful solutions to these tensions.

The task Force believes that loan guarantees for government-to-government and commercial sales of defense products should be provided to our closest allies. Virtually every other defense manufacturing country in the world today provides credit backing to its contractors to ensure commercially-financed sales are concluded at the lowest possible interest rates. Hampered by a lack of guarantees, U.S. defense products—even though renowned for their technological superiority—are becoming increasingly less competitive on the international market. Our NATO allies, Japan, Australia, and Israel should be among the countries considered for such a program.

The U.S. should also begin to give special consideration to approving overseas arms sales when there is foreign competition for provision of the types of weapons in question. It is clearly important for the U.S. to consider whether the number of weapons and types of technology in the proposed sale could generate regional arms races or heighten regional tensions. But, in many instances, making such a sale can directly benefit U.S. foreign policy and national security objectives by giving the U.S. the ability to exert influence over the recipient of the arms, while supporting its defense contractors and their employees. Special consideration should also be given to a sale which would extend the operation of a product line, particularly when that extension bridges a gap until either the U.S. or another ally requires such arms.

B. Retaining our industrial base

Retaining and improving the competitiveness of the American industrial and manufacturing base must be a critical goal of both public and private policy over the next few years. While many American companies have improved their productivity and competitiveness in recent years and while the export of American goods has increased, the importance of manufacturing industries in the economy has continued to decline.

The full range of policies that the U.S. government can adopt to strengthen our manufacturing base is beyond the scope of this Task Force's jurisdiction, and the recommendations listed below are not intended to be all-inclusive. Instead, the Task has confined itself to particular domestic policy proposals that will help our industrial base and at the same time be of some assistance to the individuals and companies that have been producing defense products.

1. Small Business Innovation and Research

Small businesses have been the leader in job creation and technology development in this country for many years. To facilitate the role of small businesses in this area, Congress in 1982 enacted legislation requiring that 1.25 percent of the research budgets of the largest federal research agencies be awarded in grants to businesses with fewer than 500 employees. Research projects are initially awarded a Phase I grant of up to $50,000. A project is eligible for a Phase II grant of up to $500,000 following a review of its potential. The SBIR program will end in 1992 if not extended by Congress.

This legislation has proven to be a tremendous success. As of 1990, almost one in four SBIR participants reported successful commercialization of projects six years after receiving Phase II funding. Seventy percent of the participants were businesses with fewer than 30 employees at the time of their Phase I award.

The Task Force recommends reauthorizing the SBIR program and increasing the set-aside from 1.25 percent to 2.5 percent. In addition, consideration should be given to increasing the maximum amount of the Phase I and II awards.

2. Aerospace Programs

The Task Force believes that the important programs of the National Aeronautics and Space Administration (NASA) need to be adequately funded. Four programs, for which President Bush has recommended significant increases within the non-defense discretionary spending caps, deserve particular mention.

Space Station Freedom stands as one of the most promising examples of a federal program that cultivates dual-use technologies. The Space Station already offers the valuable opportunity for us to discover how and why human beings can live in space over long periods of time. It also has the potential to uncover unknown atmospheric impacts on weather patterns and soil quality, give doctors and technicians new insights into how medicine might cope with deadly diseases, and provide access to lighter and stronger components for manufacturing activity.

NASA's Aeronautics Research and Technology programs provide support for key technologies such as aerodynamics, high speed propulsion materials, and high performance computing. The President recommended a $73 million (13 percent) increase in this program for FY 1993.

The President also recommended a $24 million (16 percent) increase for NASA's Commercial Programs, including increased funding of the 16 Centers for the Commercial Development of Space. Finally, a $18 million (7 percent) increase was proposed for NASA's space technology programs, including increases for communications technology and Earth-to-orbit transportation.

3. R&E Tax Credit/Educational Assistance Tax Deduction

The R&E tax credit provides a tax credit to businesses for their research and experimentation expenditures. This tax credit has been critical to maintaining the worldwide lead of American industry in advanced technologies.

The Employer-provided Educational Assistance tax exclusion permits individuals to exclude from their taxable income employer-provided educational assistance for upgrading their skills and training. This decision could be of particular utility to employees of a defense contractor which needs to retrain its workers as part of an effort to diversify or expand into commercial markets.

Both the tax credit and the exclusion have received repeated temporary extensions to prevent them from expiring. The latest extension of six months expires on June 30, 1992. The Task Force recommends that both of these provisions be made a permanent part of the tax code or, at the very least, be extended for a period of five years to encompass the period of the defense build-down. A permanent or lengthy extension is desirable since it would bring some stability to this area of the tax code and facilitate long-range planning by businesses.

4. NIST Programs

The Task Force endorses two programs of the National Institute of Standards and Technology (NIST) as important to the effort to promote technology transfer to allow defense industries to convert to civilian activities. These programs are the Manufacturing Technology Program (MTC) and the Advanced Technology Program (ATP).

During FY 1992, $15 million is available for the MTCs, and the President has requested $17.8 million for FY 1993. MTCs are designed to enhance American manufacturing competitiveness by improving the level of technology used by small and medium sized companies. They serve as regional centers of information for these firms and also assist in workforce training to allow for the adoption of advanced manufacturing technology.

The ATP is funded at a level of $49.9 million in FY 1992, and the President requested $67.9 million for FY 1993. This program provides grants to industry for the development of pre-competitive generic technologies. Current projects include research and development in such areas as data storage, X-ray lithography, lasers, superconductivity, machine tool control, and flat panel display manufacturing.

5. Manufacturing Technology Programs

The Task Force supports increased funding for the manufacturing technology (MANTECH) programs in DOD. History has shown that MANTECH programs often return the value of the initial investment many times over through lowered production costs or improved equipment performance. As the new acquisition strategy places greater emphasis on research and development at the expense of production, defense firms can be expected to invest less in technologies to improve their manufacturing process. Over time, this lack of investment could provide a significant barrier to the application of new technologies in weapons programs. Therefore, substantial increases in DOD investment in MANTECH will be necessary over the next five years. Additional funds should be provided above the $138 million requested by DOD for FY 1993. The Task Force believes that, for such an investment to be effective, MANTECH funds should be expended on projects that are selected competitively on the basis of merit.

6. Manufacturing Extension Programs

In section 824 of the FY 1992 Defense Authorization Act, Congress provided authority to the Secretary of Defense to support regional, state, local, and other efforts aimed at providing manufacturing technology services to small businesses. $50 million was authorized, but no funds were appropriated. The Task Force also notes that there are ongoing efforts to create such programs in other federal agencies; for example, $1.3 million was appropriated to the Department of Commerce in FY 1992 for state technology extension programs. The Task Force recommends that any DOD role in this area should be limited to the support role envisioned by section 824 to reduce duplication among programs conducted by state and local governments and federal agencies.

7. Advanced Manufacturing Technology Transfer

The Task Force recommends use of the existing network of DOD maintenance depots (including shipyards) as sites to develop, test, evaluate, validate, and certify advanced manufacturing technologies for direct application to current manufacturing functions at the facility. Existing MANTECH procedures should be used in the identification, selection, and procurement of such technologies, to include emphasis on their dual-use features. The maintenance depots could seek to bring the technologies to the stage where they can be applied to existing manufacturing problems, creating an incentive for private sector investment in relatively risk-free, high-productivity equipment. The depots should observe MANTECH practices in encouraging industrial participation in the transfer of such technology from the laboratory to the factory floor.

8. Manufacturing Education

One of the key limitations to building a competitive manufacturing base has been the lack of education programs emphasizing manufacturing and production process engineering. To date, a few models have been developed by universities working with local manufacturing firms to structure integrated multidisciplinary programs involving a significant work-experience component.

In other to foster a greater number of such programs, the FY 1992 Defense Authorization Act authorized $25 million to fully fund DOD participation in ten existing or new university programs for manufacturing engineering education. A condition for an award is that at least 50 percent of funding be provided by non-federal participants in the program and that the program have the prospect of being fully funded by non-federal sources within three years. The Task Force supports a continuation of this program as an effective means of significantly increasing the number of well-trained, fully-qualified engineers, managers, and teachers entering and supporting the manufacturing workforce. The benefits will accrue to the defense as well as the commercial industrial base.

9. Environmental Research and Education

The Task Force is aware that a major obstacle in the process of site environmental clean-up is that there are not enough trained professionals in the environmental sciences. The Task Force therefore recommends that legislation be enacted that will establish programs at universities in the United States in the environmental sciences for men and women with prior training in hazardous waste management and radioactive materials through the Department of Energy and Defense to create a cadre of environmental scientists, technicians, and engineers. This will not only provide additional, needed professionals in this area, but will help provide productive employment for those individuals now working on the U.S. nuclear weapons programs.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Mr. President, I want to congratulate my distinguished colleagues on the Senate Republican Task Force on the Defense Base Conversion for their hard work and timely release of the report, and I want to especially acknowledge the efforts of the chairman, Senator WARREN RUDMAN. On a short timetable, with mountains of data from the administration and private industry, Senator RUDMAN and my Republican colleagues have produced a comprehensive report that gives the Senate an overview of the problems and solid recommendations on what can be done about them. Senator RUDMAN, with Senators STEVENS, WARNER, LUGAR, DOMENICI, COHEN, KASSEBAUM, DANFORTH, HATCH, BROWN, MCCAIN, LOTT, and SEYMOUR have all contributed to this effort, and I congratulate them all on a job well done.

There are many differing views in the public and private sectors on how to transition our defense industrial base to meet the challenges facing our Nation. From the large corporations to small businesses, the defense transition will affect our economy. It will affect our rural towns and our largest metropolitan centers. It will affect millions of our fellow citizens whether active duty military, civil service, or defense plant employee. The task force report offers alternatives for dealing with these challenges and opportunities for the many Americans who have served the Nation while enhancing the economic future of the United States.

The men and women in our Nation's armed services and defense industries are some of the most disciplined, and technologically advanced work force any nation has ever had. A priority is to ensure that they can change with the times and redirect their expertise to new areas. The task force report puts forward several recommendations to do just that.

Many communities that will be losing their military bases or defense plants will need help in comprehensive planning for their transition to new industries. The task force report recommendations address how that can be accomplished.

Our Nation must maintain the ability to respond to crisis. And we must never again field a hollow force. The task force report has recommendations on what can be done to transition the defense industry to the realities of lower defense spending.

The Senate Republican task force had to address a wide variety of issues that reach to every strata of our society. The economic transition of our defense industrial base demanded experts in defense, international relations, and human resources. Senator WARREN RUDMAN, and the leading Republican Senators from the Armed Services, Appropriations, Budget, Foreign Relations, and Labor Committees, have in my view, accomplished that mandate. I also think that it is appropriate to acknowledge Tom Polgar and Kimberly Spaulding on Senator RUDMAN's staff for their long hours and hard work at producing this report.

Through the efforts of all involved in this Senate Republican task force, we now have a comprehensive guide with fiscally feasible recommendations to move the Nation toward the future. To my distinguished colleagues, I say again—well done.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. COHEN. Mr. President, I want to join the minority leader in expressing my praise for the Senator from New Hampshire. He and his staff have devoted a considerable amount of time and effort to producing a document which, while appearing to be lengthy, is really but a summary of the kind of issues that we are going to be confronted with in this defense conversion effort.

I might point out that initially, it strikes entirely the appropriate not in that it refers to phased and measured reductions. For too long there have been Members who have taken the Senate floor to call for drastic and radical reductions in the defense budget, only to cry in horror when some of the bases in their States are proposed to be scheduled for closure, or to oppose the elimination of certain weapons systems, or to oppose the reduction in their Guard and Reserve units. "Cut the defense budget, but do not touch my State."

I think we have to remind the American people that as we are, in fact, downsizing, cutting back on our defense effort, we have to do so in a responsible fashion, and that responsible fashion includes not only the men and women in the military services but also the communities who are hit hardest by these reductions.

I would like to indicate also that even though this task force report is now being submitted for the RECORD, it does not mean that every member agreed with every recommendation.

I would point out, for example, that on page 9 of the summary, we encourage the United States to engage in foreign military sales so that U.S. companies are not put at a disadvantage with other countries who are actively seeking out international markets.

I only add a note of caution here that just as we do not want to see American manufacturers put at a handicap in competing against our allies, we also want to place equal emphasis on trying to slow down the sale of weapons to those areas of the world which are less than stable and that we not simply get into a feeding frenzy or sales frenzy and try to compete weapon-for-weapon with those other countries and thereby only increase the potential for conflict in the future.

There is also reference to aerospace. Some of us might disagree that all of the aerospace programs that the administration strongly supports should receive the maximum amount of funding or what the report refers to as adequate levels of funding.

With respect to hazardous waste on closed bases, we have a situation in Maine—I know the Sentor from New Hampshire has a similar situation, although not of the same magnitude as Loring Air Force Base in the State of Maine.

We have significant hazardous waste problems associated with that base. Yet, the Air Force has not spent a single penny for hazardous waste cleanup. That means we are, essentially, if the decision of the President to close Loring Air Force Base goes forward—it is now in litigation in the Federal court, but if it goes forward to completion—then we are faced with a prospect of being unable to do anything with that base as a result of the hazardous waste on it. That condition simply cannot be allowed to remain.

With respect to the reference on environmental research, we do have to spend a good deal of effect in educating our people in the environmental sciences and I would add the field of environmental conservation. We need to do a much better job in educating our people in energy conservation.

I could point to example after example of the excessive consumption engaged in by the Department of Defense. I can point to some of our finest commissaries, which employ the most contemporary design, yet use heating and cooling facilities the size of a football field when in fact there are commercial alternatives available that would be a tenth the size of those particular cooling and heating devices and yet are totally ignored by the Department of Defense.

So we have to do a great deal more on energy conservation, as well as environmental science.

Mr. President, I in no way want to diminish may support for this task force report. I strongly endorse it.

I particularly want to again remind my colleagues of the tremendous work my friend from New Hampshire has engaged in producing the report.

I yield the floor.

DEPARTMENT OF DEFENSE RECOUPMENT POLICY

Mr. DANFORTH. Would the Senator from New Hampshire yield for a question?

Mr. RUDMAN. I would be happy to yield to the Senator from Missouri.

Mr. DANFORTH. Last Friday, President Bush released a few important recommendations to change defense procurement policy in order to help American companies adjust to the post-cold war era. One of the recommendations is to eliminate a provision of the Arms Export Control Act which requires the Defense Department to recoup nonrecurring costs for sales of major defense equipment through the Foreign Military Sales Program. What is the view of the Senate Republican Task Force on Adjusting the Defense Base on this very important issue?

Mr. RUDMAN. The task force recommends that the relevant congressional committees with jurisdiction should work with the administration for a mutually agreeable legislative resolution of the policy. I would tell the Senator from Missouri that I support the President's recommended policy change to eliminate recoupment charges for sales of major defense equipment. I feel that it is unfair for American defense companies, many of which are now struggling, to have to pay a recoupment fee to the Pentagon when their competitors in other countries do not have to pay such a fee. The vast majority of the task force supports the elimination of recoupment charges for sales of major defense equipment. I will be a strong advocate of that position when I represent the task force in discussions with members of the Senate Armed Services Committee and the Democratic Task Force.

Mr. DANFORTH. I thank my distinguished colleague from New Hampshire. With the demise of the Soviet Union and Communist Eastern Europe, the United States has been able, over the past several years, to scale back its production of defense equipment significantly. This is very good news. However, the cutbacks have had, and will continue to have, a very detrimental effect on certain communities in which there are heavy concentrations of defense businesses. The biggest employer in my State, McDonnell Douglas, has laid off over 10,000 Missourians over the last 2 years. In this environment, it is important not to burden our defense industry with significant charges for arms exports when foreign suppliers typically do not pay any recoupment costs at all. I strongly believe that America should be the leader in encouraging world-wide peace and stability. Strengthening allies through arms sales can be an important component of carrying out that mission. I thank the distinguished Senator from New Hampshire for his excellent work in putting this report together, and for his assurance to work to eliminate these recoupment charges.

Mr. SEYMOUR. I fully concur with the remarks of Senator DANFORTH. Like Missouri, my State of California has been dramatically affected by the recent defense cuts. California receives more than 20 percent of total Defense Department expenditures annually, far more than any other State, and it has lost over 60,000 defense and aerospace jobs since 1986. Independent studies indicate that southern California alone could lose another 210,000 positions within this sector and its supplier network by 1995. This policy change would be an important step in making U.S. contractors more competitive world wide without harming our critical efforts to control the sale of offensive weapons to unstable regimes that threaten the security interest of the United States or its allies.

Mr. DOLE. I agree with the views of my colleagues, and I will work with them to pass legislation that will support the President's proposal.

FEDERAL HOUSING ENTERPRISES REGULATORY REFORM ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I support the efforts that are being made today and yesterday, on the constitutional amendment that requires a balanced budget. Hopefully we will get a good up-or-down vote on the issue.

I am pleased to support the efforts of the Senator from Oklahoma. It should not surprise anyone that this is my view, because I have voted this way since I have been in the Senate, on two occasions. Those 2 years were, first 1982, when the balanced budget amendment passed the Senate by a one-vote margin; the next time was 1986, when the Senate defeated it. We were one vote short of the two-thirds majority necessary in 1986.

I only wish we discussed this issue more often than three times in 12 years. The fact that the budget deficit has gotten so much worse in the last few years, and the national debt has gone up so much, is just the statistical proof necessary to show that we have not dealt with the seriousness of the national debt as we should.

I know a constitutional amendment is not going to make the big budget deficit go away. That is going to take hard decisions on our part in every appropriations bill and every budget resolution that we have to deal with over the next few years. But I very definitely feel, since we are a Government of law rather than a Government of human beings, that, by taking that oath to uphold the law, Congress will be much more committed to fiscal responsibility if a constitutional amendment demands it than we would be otherwise.

The experience of 205 years without such a law, with our fiscal situation deteriorating to $400 billion deficits every year, is massive proof that the present method—that somehow by the good common sense of the people of this body we will have a balanced budget—is an approach that is not going to work.

The experience of balanced budget amendments in State legislatures and in my own State of Iowa, whether the legislature is controlled by liberal Democrats or by conservative Republicans, creates a determination on both sides of the aisle to be more fiscally responsible than anything that I have seen in the Congress of the United States in the years that I have been here.

I think, again, that if our Constitution requires a balanced budget, and as a result Members of Congress take a solemn oath to uphold the Constitution, there will be much more impetus for fiscal responsibility.

The amendment of the Senator from Oklahoma will amend the Constitution to require such a balanced budget. It is that simple. Of course, it is also a simple fact that it is very difficult to obtain the two-thirds votes necessary to initiate this constitutional amendment in this body.

We know the sheer horror of the budgetary numbers that we face. The budget deficit will be $400 billion in fiscal year 1992, and our national debt is now totaling somewhere in the neighborhood of $4 trillion. And I imagine that it may even be a little more than that.

We also know the grave danger of the effects of these numbers. The Nation's poor economic performance and its foreign trade deficits are tied to the continuing failure of the Federal Government to balance its budget. As a result of the spending habits of Congress, next year the Federal Government will spend more on interest payments on the Federal debt than on any other single items in our budget. This is money that will not be able to be used to address the real needs of our country.

Additionally, the excess spending that produces our large budget deficits will increase the size of the accumulated debt, as well as the interest payments on that debt.

Moreover, the debt that we incur now for the current needs of our country will require future generations who do not benefit from our current consumption to pay additional interest costs.

We too often talk in terms of the budget deficit as a matter of simple figure-crunching. Or we might think of it in terms of the Government's influence on economic policy. Somehow, we ignore the budget deficit as something that is just numbers.

Let me tell my colleagues, from my judgment the budget deficit and our increasing national debt are not any longer just a subject of economic or fiscal debate. To me, it has reached the point where this is a moral and ethical question: Whether it is right for people of our generation to live high on the hog, and to leave the bills for the young people of America to pay for our high living.

I think in times of peace and relative prosperity, each generation ought to pay its own way. I think, as the language of the amendment dictates, that the only justification for one generation to push off onto a future generation the costs of a particular period of time is a time of war, when the very survival of our Nation, and our society, is at stake and when the freedom and the liberties we enjoy should be preserved and passed on to our succeeding generations. And when those freedoms are in jeopardy, it may be legitimate to deficit spend and to have a debt. But at other times, when spending is directly related to one generation's level and standard of living, that generation should pay that bill itself.

It is immoral and unethical to leave to these young people—some of them right here on the floor, as employees of the Senate—payment for our higher standard of living.

Our Constitution was entered into in part, and I quote: "to secure the blessings of liberty to ourselves and our posterity." Amending the Constitution to require a balanced budget as a means of securing the blessings of liberty to posterity is a particularly appropriate exercise.

Congress has tried, through statutory means, to produce a balanced budget. I have been a part of this successful effort, but that was for naught in the end.

But in 1978, I worked with Senator Byrd of this body—former Senator Harry F. Byrd of Virginia—on the Byrd-Grassley amendment. That was a simple statutory statement that Congress cannot spend more than the total of the revenues that come into the Federal Treasury.

That was in 1978. At that time, we had proceeded 9 years without a balanced budget. We have now proceeded another 14 years without a balanced budget. The other body, as a predecessor to when its debate of the constitutional amendment we are now debating, debated whether or not there should be a statute requiring a balanced budget. That proposal defeated, I am glad to say, in the other body. But I could have told them, if I were still a Member of that body, that a statute will not get the job done. I spent a whole summer sitting on the floor of the House of Representatives to force a vote on the Byrd amendment when it came over to the House of Representatives, and, by forcing that vote, we did get a very positive, favorable support for that amendment, and it became law.

But what good did it do? None.

I think constitutional amendment, as is part of the basic document, binding succeeding Congresses by the Constitution, rather than by statute, will do the job that a statute will not do. A statute has not worked, so Congress needs the discipline that a balanced budget amendment will impose. Had Congress passed a constitutional amendment to balance the budget 10 years ago, by now we could have avoided many of the economic difficulties that we have experienced in recent years, as well as the increase in interest payments on the national debt.

The amendment proposed by the Senator from Oklahoma is not in any way a straitjacket, as Members of this body who oppose it have tried to portray it. If the judgment of 60 percent of the Congress is to run a deficit in an appropriate circumstance, flexibility of action is maintained. That is not in any way a straitjacket on this Congress. Maybe people listening would think, why should we even have that escape hatch?

Opponents of this amendment have raised a false dilemma that the amendment will either be totally ineffective or will be enforced in a nightmarish fashion by the courts or by the President. The truth is that the amendment will be effective in controlling deficit spending. Congress will take its obligation seriously, the same way we take seriously every other provision of the U.S. Constitution. Enforcement, in my judgment, will be real. Implementing legislation will incorporate State experiences in adhering to balanced budget amendments. Indeed, the Budget Committee heard testimony that offered many different approaches to ensure that a balanced budget amendment is not a dead letter.

Opponents also contend that a balanced budget amendment will enhance Presidential power at the expense of Congress. They say that the process of appropriating funds will be replaced by Presidential impoundment. The amendment requires no such thing. First, so long as Congress passes balanced budgets, the President will not impound. Second, if there is an imbalance, means of enforcement other than impoundment will be created in the implementing legislation.

The hollow ring of this argument is compounded when considered with the frequent claim that the amendment should not be adopted because the President has yet to submit a balanced budget. The opponents cannot have it both ways. If Congress now has the power of the purse, of spending and taxing decisions, then it is Congress and not the President who is responsible for the deficits. Congress is not bound by what the President proposes. He does nothing more than propose.

I think it is fair game for anybody in this Congress to chide the President for not submitting a balanced budget or chide the President for not vetoing bills that lead us to imbalances in our total appropriations, or to find fault with the President for not jawboning Congress to do more. Anyone can do all those things, and, as a political leader, the President ought to be doing more. But let me suggest to you from a strictly legal and constitutional point of view, it is the Congress that is responsible for the bottom line dollars that the Government spends, and that determine whether or not we have a balanced budget or how big our deficits will be. Congress, as a separate and fully independent branch of Government, makes the decisions and has to live with the consequences of those decisions.

The opponents of the amendment often claim to support a balanced budget. It is only a balanced budget amendment that they oppose. These opponents, including just about every special interest group that depends on the flow of Federal funding to its coffers, raise the prospect of draconian cuts in popular spending programs as the inevitable result to any balanced budget amendment. The fact that these special interests are against a balanced budget amendment is almost in itself a reason to support the amendment because it has been the refusal of Congress to vote against these special interests that has led to our massive deficits.

It is true that a balanced budget amendment would require reductions in the rates of increases that we are used to. Some of these reductions would not be popular with everyone. But the arguments of the special interests do not really go to the issue of a balance budget amendment. As Michael Kinsley has noted, they are really arguments against the balanced budget itself.

We cannot balance the budget without making these tough political choices. Those special interests who oppose a balanced budget amendment are more interested in preserving deficit spending that inures to their benefit than they are in balancing the budget, whether or not required by the Constitution.

Mr. President, the American people want us to stand up to all those interest groups, and anyone else whose goals lead us to these terrible deficits that we have built up. The people want us to control this runaway spending. We should not fear those special interests when 70 percent or more of the people in this country in any poll support a balanced budget and the constitutional amendment requirement. Let us pass this constitutional amendment. Let us give the peoples' representatives in the States, in the respective legislatures, a chance to debate and vote on requiring a balanced budget through constitutional amendment.

Mr. President, I yield the floor, and, if no other Member on the floor seeks recognition, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I would just like to bring my colleagues up to date where we are on this particular amendment and the debate that has followed.

We have an underlying amendment, Senator SEYMOUR, Senator GRAMM, and myself, a constitutional amendment to balance the budget. That amendment has been amended twice by Senator BYRD. The first-degree amendment is basically directing the President to submit to Congress a method of how he would balance the budget by the year 1998, that needs to be completed by September. But he also has another provision in that amendment that strikes or kills the balanced budget amendment.

The second-degree amendment is basically the GSE bill as amended by the floor action and others, a very significant bill. So his second degree would amend the first degree, but both would basically—or if the second degree is adopted, then the first-degree amendment would kill the balanced budget amendment.

I do not know where the votes are in this body. I have told the majority leader that this Senator is willing to vote on the Byrd amendment. We have had an excellent debate. I am happy to extend that debate. I happen to like this subject. I think it is an important subject. I do not think there is any subject in America that is more important. As a matter of fact, I do not think there is any subject that I have been involved with in the last 12 years that is more important than the need to pass the balanced budget constitutional amendment to make us balance the budget.

I am willing to debate this night, all night if necessary. I am happy to debate tomorrow or Saturday, next week, whatever is necessary. I would like for us to have the vote on the Seymour-Gramm-Nickles amendment. We are, frankly, prepared to stay here for some length of time to do so. We are not trying to obstruct. We are not trying to hold anything up. We would be happy to vote on our amendment tonight. We have had significant debate. We will vote right now. We will vote tomorrow. We will vote next week. We will vote on the Fourth of July. We are happy to vote. We are not obstructing anything or anybody. It is our intention, it is our desire to vote on a constitutional amendment to balance the budget.

The House had a vote. The House lacked 10 votes of passing a constitutional amendment to balance the budget. But the House also passed a resolution that said if the Senate did pass it, it would be their highest priority item.

So some people said, I heard on the floor, that we are playing games. That is not the case. We are serious. We are dead serious. This is an important issue. If we pass it, the House will reconsider it on the highest priority. They only lacked 10 votes. My guess is there are a lot of Members in the House who received a significant amount of contact from their constituents who were quite upset with their vote. Maybe they would reconsider their vote, maybe not. But we should try, we should at least try. We should make that effort.

Now, again the situation is that I would have much preferred to have an up and down vote on our resolution as reported out of the Judiciary Committee. But we have not received that. The majority leader did not call it up. We had 63 Senators on April 9 who voted for a resolution which said Congress shall balance the budget. Sixty-three Senators said they wanted to do it. Well, we are going to have a chance to find out whether or not they really meant it. I hope they were serious. I hope four more will. I hope we can get 67 votes.

I wish we could have had a straight up and down vote. I wish we would have considered the resolution as reported out of the Judiciary Committee. If that would have happened, it would not have been necessary for us to amend the GSE bill. The reason why we amended the GSE bill was because we had to make some provision if the Senate was ever going to vote on a balanced budget amendment.

Senator GRAMM announced last week this was our option, this is what we were going to do. Frankly, Senator SEYMOUR and I were looking at doing this on the striker replacement bill. That was our intention, just to tell everybody, because we could not get the bill that was on the calendar for almost a year called up, and so we started looking for another vehicle. We were going to do it on the striker replacement bill. Then we were going to do it on the bankruptcy bill.

Frankly, we said, well, we are going to do it on the next bill. The next bill happened to be the GSE bill, and there is nothing more important than passing a balanced budget amendment. It is much more important than the GSE bill. And so that is why we are here. That is where we are.

So our colleagues basically are going to have a choice. Senator BYRD has his rights, and I respect him very much. He is opposed to this amendment. He has that right, and he has a right to amend our amendment as he has done. He has tow amendments, a first-degree amendment and a second-degree amendment. Frankly, the second-degree amendment is the GSE bill. I do not care if we adopt that one by a voice vote. The real vote is going to be on the so-called Byrd first-degree amendment which kills the balanced budget amendment.

This Senator is willing to vote on it. And again the call on when to vote on it, that is the decision for the majority leader to make or for Senator BYRD to make. It is not this Senator's decision when to vote. I am happy to vote on it now. I will be happy to vote on Senator BYRD's amendment tonight, or we can vote on it tomorrow; we can vote on it Saturday; we can vote on it next week, Monday, Tuesday; we can vote on it the 4th of July, whenever. The sooner the better.

So I just wanted my colleagues to be aware, I do not want anybody saying, well, those Senators who are pushing a balanced budget amendment are stopping action on the floor. We are not stopping anything. We have no desire to impede anybody's legislation. We are not holding this legislation hostage. What we are doing is saying we want a vote on a balanced budget amendment. We have an amendment pending now, Senator BYRD has two amendments pending, and we are willing to vote on those amendments and have the Senate do its will.

Mr. President, I think it is vitally important that the Senate vote. I hope the Senate will vote with an overwhelming majority to pass a constitutional amendment to balance the budget.

Mr. MACK. Will the Senator yield?

Mr. NICKLES. I will be happy to yield.

Mr. MACK. I would like to pose a question to the Senator.

Why would the adoption of the Byrd amendment kill the balanced budget amendment? Is he not indicating he is trying to get to the same place we are, that he wants the President to submit a balanced budget? If someone voted for the Byrd amendment, why would that individual be voting in essence to kill the balanced budget constitutional amendment?

Mr. NICKLES. I appreciate my colleague's question. The so-called Byrd first-degree amendment strikes our entire language which proposes the constitutional amendment to balance the budget. It eliminates the constitutional amendment to balance the budget and replaces it with language that says the President of the United States should submit to Congress by September language and his method of balancing the budget by the year 1998. It does not describe how; it just says he will come up with his plan.

Frankly, I think that would be a good amendment. The problem with his amendment is that it eliminates the balanced budget amendment.

I do not mind passing the resolution, and say, Mr. President, you have to come up with a plan that balances the budget by x number of years. I think that is fine.

I think Congress should do the same thing. We are an equal branch, equal party. So we should be doing the same thing. But that is fine.

But the problem with the Byrd first-degree amendment is it kills the balanced budget. It says strike the Nickles-Seymour-Gramm amendment. We do not want a balanced budget amendment. We want to tell the President to come up with a plan. I find that to be less than satisfactory.

That is kind of a facade, or cover, or whatever you want to call it, but it does not pass a constitutional amendment. The only way we are going to pass the constitutional amendment to balance the budget this year, quite frankly, is to pass the underlying amendment, the Nickels-Seymour-Gramm amendment. That is the only way we are going to do it.

We will not do it by adopting any of these other amendments that are pending where people are loading the tree. The only way we will adopt it is to adopt the underlying amendment, send it back over to the House, and hopefully pick up a few more votes in the House, and pass the balanced budget amendment.

It will not end our problem. It will mean by the 1998 we will have to have a balanced budget. That will change America, and the way we do business.

I serve on the Budget Committee, and on the Appropriations Committee. Right now the way we are doing business has no regard—I had charts up earlier that showed the rapid increase in entitlements, so-called mandatory programs. Congress elected not to touch those. The 1990 package did not touch them. We did not curtail them. I notice Mr. Clinton's plan did not curtail them.

I think we will have to put some caps, limits. But we have not made those decisions. We will have to make some tough decisions in the future. Congress refused to do so. We have a credit-card mentality as though there is no limit on the amount of debt we can incur on future generations. We cannot continue doing so, cannot continue doing business as usual, continue piling on debt on our children.

So I hope we would reject the so-called Byrd first-degree amendment, because that kills the balanced budget amendment, and that we would vote up and down on our amendment tonight.

Mr. CRAIG. Mr. President, if the Senator will yield, I think the question that our colleague from Florida has asked is key to what has gone on here today, and certainly what we intend to accomplish by the introduction of a balanced budget amendment.

The Byrd first-degree amendment strikes and kills the balanced budget amendment. But it goes directly to the heart of this argument in almost a reverse way, that the balanced budget amendment that has been proposed on the floor is a way of putting off an immediate decision.

Certainly the Byrd first-degree amendment does not force any decision either. More importantly, it does not even force the Congress itself to begin a process of bringing their budgets and their budgeting methods under control. In fact, it just simply passes it off to the executive in a very political way and says: OK, Mr. President, we cannot do it, you show us how to do it.

I do not really think that is the way this Congress wants to budget. Clearly the executive branch has to be a part of the process. They have been left out of it too long. The amendment that has been debated here on the floor includes the executive branch for the first time directly into the process of budgeting by the Constitution. But it does not exempt the Congress.

So there is a bit of reverse argument going on here that has been made by our leader on this issue, Chairman BYRD, that says Congress cannot do it, we will let the President show us the way. I think that is "passing go." that is obviously passing the buck. That is not the intent of any of us.

It is our responsibility. It always has been the responsibility of Congress. And I think all of us have seen an awful lot of finger pointing over the last good number of years as this body lost its political will to be fiscally responsible.

Passing the balanced budget amendment and sending it out to the people of this country for their consideration and ratification is not avoiding the issue. It will begin a debate across this country in every State capital about budgeting processes of this government in a way that we have never heard before. Interest groups from all over the country will converge on those State capitals either to convince them to ratify an amendment, or to not ratify an amendment, and in that process, the American people will understand more about the budget process of the Congress of the United States and their Government and why it has failed, and why a balanced budget amendment is necessary than they have ever had before.

And I think there are an awful lot of people here in this body that want to avoid that debate. As I mentioned earlier today, 77 percent of the American people by the most recent poll have said we want a balanced budget amendment. Fifty-five percent said they would be less likely to vote for a candidate for election this year if they had openly voted against a balanced budget amendment.

I do not think any of us ought to pass a bill at this time. I think it is now time to vote up or down on these key issues. That is our responsibility. And it certainly is the responsibility that I want to assume.

I think it is a responsibility that a majority of the Members of the U.S. Senate take most sincerely. It is now time that we show the American people that we have the will to force the issue, and more importantly, that we are willing to create the politics that will bring about the fiscal responsibility that has been lacking here for so very long.

Those are the fundamental issues. That is what underlies this entire debate. It can be clouded in all kinds of amendments. It can be confused by pointing fingers in opposite directions. But I do not think it causes the American people to lose focus. It does not cause the American people to fail to understand that the underlying issue here is to build a base from which we can begin a clear and understandable process to bring about the kind of fiscal responsibility that this body has failed to demonstrate for so many years.

I do not make any excuses. I understand that there are times when the structure needs to allow us the backbone that we might not otherwise have by the pressure of special interest groups.

I once served in a legislative body, a State legislative body, that had the balanced budget requirement. And I can tell you that it did build political backbone. There was a way to say "no."

But the average interest group that pressures Congress today recognizes that if you say "no" to their interest, and you use the argument there is no money, that you are probably saying "no" because you are not interested in their program. Because they know that if you really like what they have to offer, or what they propose for the American people, you can do as past Congresses have done. You go out and borrow the money. The credit is still good, interest is still being paid, although it is a horrendous amount of money today, $200 billion-plus. Although the debt is nearly $4 trillion, and although the deficit is nearly $400 billion, those interest groups still know that if we wanted to we can go borrow the money and address their needs.

Well, with a balanced budget amendment, a balanced budget requirement, borrowing that money becomes a very tough proposition. To override a debt ceiling requires a three-fifths vote by this body.

As was mentioned in debate here on the floor this afternoon, that is a tougher vote to make. Only twice in 12 times I believe in the last good number of years has that vote been arrived at in that number.

So this amendment that we have before us truly has safeguards in it. It is not the easy tool that some have argued that makes it a phony amendment. It is not phony. It has been 10 years in development. Constitutional specialists, attorneys, and authorities have looked at this, from across the country, and say it is a real tool.

If the American citizens were to ratify it, it would force this Congress to change a process and a procedure that we are being told by a variety of different arguments that we are unwilling to change.

Well, I am willing to change, and I think, clearly, a supermajority of Members of this body are willing to change, too. The American people deserve to have their Government address this issue about the debt that we generate for them. So let us not pass go, let us not send up clouds or smoke screens; let us vote up or down. Let us vote up or down on the Byrd amendment, and if those amendments pass, they strike the balanced budget amendment. But if they do not, then we move on.

All of us want to see a clear vote. The American people have demanded it. I thought we represented them, instead of special interest groups. Tonight, tomorrow, Monday, or Tuesday, or Wednesday, let us stand up for the American people; let us stand up for what they have been asking for for so long: fiscal responsibility and a balanced budget amendment.

I yield the remainder of my time.

Mr. PRESSLER. Mr. President, I rise today in support of a constitutional amendment to require a balanced Federal budget. I have voted for similar proposals in the past and encourage my colleagues to join me in getting our Government back on track to fiscal responsibility.

I am a cosponsor of Senator KASTEN's balanced budget amendment proposal, which also requires a three-fifths vote to approve tax increases beyond the rate of economic growth, as well as a three-fifths vote to increase our national debt. I feel that these "teeth" are a necessary part of the development of an effective economic policy for reducing our national debt. Without such provisions, a balanced budget amendment could result in burdensome tax increases if program cuts do not meet debt reduction targets. Our proposal protects the American economy from bearing the brunt of debt reduction efforts.

As most of us are aware, our national debt currently exceeds $3.8 trillion. The President's budget proposal estimates that in fiscal year 1993, interest payments on the debt will amount to $316 billion, making them the largest single expense in the Federal budget. Our children are the ones who will pay the price tomorrow for today's irresponsible spending practices. Under current spending practices, every American child inherits $16,000 of our national debt. All of this has wreaked havoc on our Nation's economy.

I am appalled by the tactics—including the circulation of distorted, nonfactual information—being used by special interest groups to scare older Americans and others into opposing a balanced budget amendment. These groups claim that the amendment will cut Social Security, Medicare, veterans benefits and other programs. That claim is flatly untrue. The bottom line is that the proposed amendment does not specify what steps should be taken to reduce our national debt.

It is true that a balanced budget amendment will force Congress to make some tough decisions. Without a specific plan for debt reduction, a balanced budget amendment is like going on a diet without determining how to lose the weight. Some have written this off as an election-year vote that will not lead to any substantive debt reduction plan. I hope my colleagues and the President will prove them wrong not only by supporting a balanced budget amendment, but also by formulating a long-term proposal to reduce the national debt and reform Federal spending practices. I have asked my constituents for their help in formulating a balanced budget plan. By working together, we can achieve the critical goal of debt reduction.

Mr. DOMENICI. Mr. President, at the Republican Members' request, the Budget Committee held two days of hearings on the proposed balanced budget amendment to the Constitution. During these hearings, Dr. Laurence Tribe, a distinguished Harvard constitutional scholar, made the following statement that best describes why we need to take this extraordinary step:

> Given the centrality in our revolutionary origins of the precept that there should be no taxation without representation, it seems especially fitting in principle that we seek somehow to tie our hands so that we cannot spend our children's legacy.

FAILURE OF CURRENT PROCESS

During our hearings everyone concluded that the deficits and debt pose a serious threat to the country. For those opposed to a constitutional amendment, they said we should just pass legislation to balance the budget, "just do it."

Mr. President, I have been at this for over a decade, first as the chairman and the ranking member of the Budget Committee, and we cannot and will not "just do it." We have lost control over half of the budget, chiefly entitlement spending. The popularity of these entitlement programs and the constituencies and interest groups who support them overwhelm every effort to attempt to rein in their growth.

SPECIAL INTEREST GROUPS AND INABILITY TO BALANCE THE BUDGET

The budget has become so partisan, so divisive that we cannot even address it in its most abstract form. When Senators NUNN, RUDMAN, ROBB, and I proposed a mandatory cap, we were immediately attacked by special interest groups. We were immediately confronted with a vote on whether we wanted to exempt very popular entitlement programs. Now the debate has been taken to even a more abstract level. We are not talking about individual programs, about entitlements, or even about spending. Instead, this proposal makes one simple demand: balance the budget.

Even with this simple proposition, the special interest groups have mobilized their opposition, saying it will devastate their constituencies. I hope their opposition is not against efforts to balance the budget. Because if it is, then they are asking that we simply leave to our children a legacy of deficits and debt.

DANGER TO THE NATION'S CREDIT

Mr. President, we are endangering more than just our children's legacy, we are gambling with one of the foundations or our economic system and that is our credit. It is more important than every program on the books of this government. Our credit is the strongest in the world. If we destroy our credit, we destroy our economy and the welfare of our people. And if we ruin our credit, we will be forced to both balance the budget and reduce our debt, not by a constitutional mandate, but by our creditors.

LEGISLATIVE HISTORY

Mr. President, this amendment is the same text of an amendment offered by Congressman STENHOLM during the other body's consideration of a balanced budget amendment. This amendment was based on a compromise negotiated between Senator SIMON, Congressman STENHOLM, myself and others. This language reflects a number of changes that I have proposed over the years to proposed balance budget amendments. I do not think the final product is perfect, but it represents a compromise among a number of Members in both Houses in Congress.

Specifically, I want to speak to a couple of the individual provisions in the amendment that reflect changes that I and others have gained over the past 10 years. Both in 1982 and 1986, along with Senator Chiles, I argued for and gained adoption of two changes to the proposed amendment. On July 27, 1982, the Senate adopted by a vote of 97–0 a series of changes that I offered (pages S9178–9197). Again, on March 12, 1986, Senator Chiles and I offered two amendments to seek similar changes that were adopted by voice vote (pages S4434–4436).

The first change was to add the word "total" in front of outlays and receipts that appeared in both Congressman STENHOLM's and Senator SIMON's original proposals. My intent has been to make it clear that this amendment applies to all outlays and receipts of the Government; that the amendment could not be circumvented by gimmicks such as putting programs and agencies off-budget.

The second change is crucial to the amendment. Section 6 of this amendment directs Congress to implement and enforce this article of the Constitution. I insisted on this language when the Senate considered the amendment in 1982 and 1986. While this language did not appear in either Congressman STENHOLM's or Senator SIMON's original proposals, during our negotiations, I insisted on this language. While similar language has appeared in earlier amendments that have been incorporated in the Constitution, none of those amendments included a directive that "Congress shall enforce and implement this language by appropriate legislation * * *".

The purpose of this language is to make it clear that no new powers are being granted to the executive judicial branches in this amendment. It is up to Congress to enforce and implement this article by passing appropriate legislation. That new legislation, which becomes law, could grant new powers to the judiciary and the executive. If Congress fails to adopt legislation that implements and enforces the article, then the super-majority requirements for adopting an unbalanced budget and increasing the debt held by public serve as the enforcement mechanism.

Conclusion

The budget deficit and debt are not new problems. We have run unbalanced budgets as a matter of practice for every one of the past 32 years, except one. This problem did not develop just recently and we won't get out of it quickly or by simply passing an amendment. We should reduce the deficit, we should balance the budget, but in the process we should do it in a way that does least damage to the economy. We should balance the budget, the total budget. Those who would exclude certain programs from the balance budget amendment are simply wrong. We should focus on spending, not taxes.

I doubt we will ever be capable of addressing this problem without an extraordinary change—such as a constitutional amendment. I do not embrace this proposal as some simple panacea. Quite the contrary, I support it with anxiety, fully recognizing the difficulties it poses in its implementation and enforcement.

But in the end, Professor Tribe's statement is correct. Our deficit spending and borrowing has violated one of the principles embodied in the Constitution and that is there should not be taxation without representation. For 170 years we abided by that principle by not running sustained budget deficits. For the past 30 years, we have violated that principle and we need to correct it with a constitutional amendment to protect our children from a danger Thomas Jefferson feared and foresaw at the birth of this great Nation. He felt we should protect future generations from excessive debts and suggested that the Constitution be amended to prohibit borrowing.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I have heard the great name of Jefferson invoked time and time again today, and on other days, by those who support a constitutional amendment on the balanced budget. Jefferson was not one of those at the Constitutional Convention. He was a minister to France at that time.

A failure of the Congress under the Articles of Confederation to provide the Nation with the responsible financial system was the principle stimulus to the drafting of our Constitution. That was one of the things that was wrong with the Congress under the Confederation, one of the things that weakened the Continental Congress.

The First Continental Congress met in 1774, and the second began in 1775, and it ran until 1781, and then the Congress, under the Articles of Confederation, operated until 1789. But that was one of the principal reasons why it became clear that the Congress really was an ineffective entity under the Confederation. It had little power. It had to depend upon the States for its moneys. It had to requisition moneys from the States. So it was decided that there would have to be a new form of government, and the Constitution was written.

Jefferson did not help to write the Constitution; Jefferson was not there at the Constitutional Convention. Why invoke his name? This notion that today's populace should not be able, by profligate borrowing, to burden future generations with excessive debt—that was a good idea. But such an amendment was never submitted to the Constitution, never submitted to the people to write into their Constitution.

In theory, it sounded good. That is not to say it should be approved by Congress and sent to the States for ratification. A Constitution is needed because human beings need restraints, and because there is a gap between the ideal and the real in matters of human behavior.

So I think we have to recognize a self-imposed limitation as to what we are willing to include in the Constitution by recognizing that there is a gap between what might be considered a utopian Constitution and what it might contain, and what a Constitution in the real world can achieve.

One should never underestimate the price of making promises that even a Constitution might not be able to deliver.

Thomas Jefferson took no part in the debates, as I said, of the 1787 Convention that produced the Constitution. He was in France. He did not return home until October 1789.

A month earlier, from Paris, he wrote the celebrated "The Earth Belongs to the Living" letter to James Madison. In that letter, he argued that "no generation can contract debts greater than may be paid during the course of its own existence," which Jefferson calculated to be a period of about 19 years. James Madison, though, is generally recognized to be the Father of the Constitution, and he continued to explain that "the improvements made by the dead form a charge against the living who take the benefit of them. * * * Debts may be incurred for purposes which interest the unborn, as well as the living; such are debts for repelling a conquest, the evils of which may descend through many generations."

We should give greater weight to Madison's view that "debts may be incurred principally for the benefit of posterity." Jefferson said, in essence, we should not incur benefits—in other words, we should not pass debts on to our children and grandchildren. But Madison had the view that "debts may be incurred principally for the benefit of posterity."

I think greater weight should be given to that view than to Jefferson's more abstract idea, written from the distant European shores. Particularly compelling is Madison's salient observation of the year of 1790 that "the present debt of the United States * * * far exceeds any burdens which the present generation could well apprehend for itself."

Madison believed in the "descent of obligations" from one generation to another. "All that is indispensable in adjusting the account between the dead and the living," he wrote, "is to see that the debits against the latter do not exceed the advances made by the former."

Jefferson later became President. Why didn't he propose legislation, why didn't he lead the effort to propose a constitutional amendment to carry out his "Earth belongs to the living" theory? He did not do it.

To the contrary, in 1803 Jefferson encountered an unexpected offer from France to purchase the Louisiana Territory. Although he felt that he lacked clear constitutional authority to act, Jefferson accepted the offer and incurred a public debt to pay the required $15 million. Grappling with this contradiction, Jefferson elected in 1810 that the question was "easy of solution in principle, but somewhat embarrassing in practice," and suggested that the "laws of necessity" were sometimes higher than the written laws of government and concluded that it would be absurd to sacrifice the end to the means.

Mr. President, there are those who say they would like to debate this matter longer. That would suit me fine. I am willing to debate it at some length, and I hope that with such debate the American people will be better informed as to just what is involved in a constitutional amendment to balance the budget.

I think that is going to be necessary at some point at least.

I have no doubt that once the American people are better informed, their judgment will be sound. Talleyrand said there is more wisdom in public opinion than in all of the ministers of state present and to come.

It has to be an informed public opinion.

That is why this is a great institution. It is the forum of the States and the forum of minorities. And I happen to believe that the American people are not fully informed as to the ramifications of this snake oil constitutional amendment on the balanced budget.

Madison in Federalist Paper No. 63 said,

> * * * so there are particular moments in public affairs when the people, stimulated by some irregular passion, * * * or misled by the artful misrepresentation of interested men, may call for measures which they themselves will afterwards be the most ready to lament and condemn.

He was talking about the Senate.

> In these critical moments, how salutary will be the interference of some temperate and respectable body of citizens in order * * * to suspend the blow meditated by the people against themselves until reason, justice and truth can regain their authority over the public mind?

Still Madison talking about the Senate:

> What bitter anguish would not the people of Athens have often escaped if their government had contained so provident a safeguard against the tyranny of their own passions? Popular liberty might then have escaped the

indelible reproach of decreeing to the same citizens the hemlock on one day and statutes on the next.

That was Madison. He was talking about the Senate, referring to it as a body of moderate and respectable citizens who might interfere and suspend the blow meditated by the people against themselves in a time of passion, until reason, justice, and truth can regain their authority over the public mind.

That is why we have the Senate. That is why we are here to debate these issues. And so I join with those who would like to debate this matter longer that the people may be better informed.

We hear it said that if it is not done this year, we will have at it again next year. So a full debate of the issue may help to settle it once and for all.

I respect those Senators who sincerely believe that this is the way to go. And for those who sincerely believe that, I think they should stand on their feet and do the best they can to convince the people. Those who feel to the contrary, as I do, should be willing to stand and debate the matter as well.

So I hope we are here tomorrow debating this. I have offered an amendment. There it is. Debate it; vote it up or down. If the amendment goes down, my conscience is clear. I offered the amendment. The Senate will have made its decision; worked its will. We go on to the next issue. I will harbor no ill will toward those who took the opposing position.

In closing, I think I should say to my friend the junior Senator from Colorado, who said today something to the effect that this was the worst Appropriations Committee that there has ever been since the founding of the Republic, that is a pretty broad statement.

I know we have all, at times, been given to the making of extreme statements. I have. Sometimes we do not think clearly before we speak. I have done that, as well. Occasionally, I have let some foolish idea get the best of my good judgment, and I have wished I had not spoken in haste. But once it is said, it is gone. We cannot reach out there and bring it back.

I would suggest that the distinguished junior Senator from Colorado go to the following Senators and tell them that this is the worst Appropriations Committee since the beginning of the Republic—I may not be quoting Senator BROWN precisely, but in essence, that is what he said. I suggest he go to Senator HATFIELD, the ranking member of the Appropriations Committee from Oregon. Tell him. Go to TED STEVENS of Alaska. Tell him it is the worst Appropriations Committee.

I believe the Senator said that this was the worst Congress in the history of the Republic; the worst Appropriations Committee in the history of the Republic.

I have a letter in my office that just came from Senator BROWN—I may put it in the RECORD—in which he wrote to me, as chairman of the Subcommittee on the Department of the Interior, asking for somewhere between $3 and $5 million, I believe, for the State of Colorado. I will put it in the RECORD.

I do not know what he is asking from the other 12 subcommittees. He has a right to ask, and I think that his request should be considered. And his request in my subcommittee will be considered on its merits.

The Senator is not on the floor now, but if he comes back and wants to respond, I will be glad to listen to him. He is probably listening in.

So I am a little puzzled why he would write to the chairman of the Subcommittee on the Department of the Interior and ask for two items for the State of Colorado. And he has also cosigned letters with other Senators asking for appropriations that go through that subcommittee that would benefit not only his State, but others. And he has a right to do that. And he ought to do it; he ought to continue to do it. He is here to represent his people.

But in the next letter that he writes to me requesting consideration in my committee, I hope he will attach the excerpt from the RECORD where he said that this is the worst Appropriations Committee since the beginning of the Republic.

Then let him go to JAKE GARN; and THAD COCHRAN of Mississippi; BOB KASTEN. Let him go to BOB KASTEN, who is on that Appropriations Committee; ALFONSE D'AMATO; WARREN RUDMAN; ARLEN SPECTER; PETE DOMENICI. Let him go to PETE DOMENICI; DON NICKLES; PHIL GRAMM of Texas; CHRISTOPHER BOND; and SLADE GORTON—they are all members of the Appropriations Committee.

He should have a coffee in his office, and invite all these Republican members of that Appropriations Committee in, and say, "Gentlemen, you may not know it, but I have just been here 2 years in this body, and I can already tell you that this is the worst Appropriations Committee in the history of the Republic." Call them in; get them some coffee. Let them have some coffee.

He could serve tea, if he wishes, and have some cookies along with that, and say, "Gentlemen, you folks have been here a long time. I am sorry that you have not learned much since you have been here. But I have been here, this is my second year, and I can tell you that this is the worst Appropriations Committee in the history of the Republic." Senator BROWN also said, "We need to change the Senate rules."

Well, I have been here 34 years, and I have not learned all there is about the rules. But Mr. BROWN says we ought to change the Senate rules.

I hope that the Senator from Colorado will accept what I am saying in the spirit in which I am offering it. I want to be helpful to him in his requests for Colorado. And I would like to know what Senate rules he would like to change.

And incidentally, I am not sure that I have given him one of my books on the History of the Senate, but I have a chapter on the Senate rules in one of those books. And that chapter did not just spring up, like the prophet's gourd, overnight.

It took me quite a while to do all the research on that chapter on the Senate rules. I went back and studied the rules of the Congress under the Articles of Confederation.

I studied the rules of the first Congress, and I traced those rules down through the 200 years and compared them with the current rules of the Senate, to show that the current rules of the Senate, in many instances, have their roots in the rules of the first Congress, and beyond that, in the rules of the Congress under the Articles of Confederation.

So, I will be glad to be taught by the distinguished Senator from Colorado [Mr. BROWN] as to what is wrong with the Senate rules.

I hope that Senators will please tell the Senator I was smiling, when I said all of these things. And encourage him, if you can, to talk to Senator HATFIELD and Senator STEVENS and these other fine Republican Senators who are on that committee and tell them what a lousy committee they are on. I do not think any of them would want to get off the committee.

Well, as Hughes Mearns said:

As I was going up the stair.
 I met a man who wasn't there.
He wasn't there again today.
 I wish, I wish he'd go away.

The PRESIDING OFFICER. The Senator from Massachusetts.

SETTLEMENT OF RAILROAD LABOR-MANAGEMENT DISPUTES

Mr. KENNEDY. Mr. President, I understand that the House of Representatives has concluded action on the railway strike; am I correct? I further understand that the legislation that recently passed the House of Representatives is before the Senate.

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. I understand the majority leader will put the matter formally before the Senate in just a few moments, and I will speak to that measure at this time.

Nearly 48 hours ago—after 4 years of negotiations and mediation, after 4 years without a pay raise—a single union went on strike against a single railroad. In response to that act, the Nation's freight railroads shut down their operations nationwide, creating a national emergency to which Congress must now respond.

The Railway Labor Act is premised upon a very simple proposition: that the parties to labor disputes should be encouraged in every way to resolve their differences through private negotiation. At every step, the act is designed to encourage private negotiation and settlement, not Government intervention.

Despite the strong preference of the Railway Labor Act for voluntary settlements by the parties, Congress today is setting in motion a process which may well impose a settlement upon the parties. In light of the current emergency and the importance of protecting the Nation's struggling economy from further harm, I support the pending proposal.

It is important for the Senate to understand how we got to where we are today. A long history of events has led to the current impasse. Awareness of that history is important in understanding the purpose and effect of the legislation we are about to adopt.

The Nation is currently faced with three actual or potential rail shutdowns. The International Association of Machinists is involved in a dispute with the Nation's main freight carriers, and it is that dispute which has resulted in the current lockout.

There are two additional disputes: one between the Maintenance of Way employees and Conrail, and one between Amtrak and three of its unions, including both the Maintenance of Way and Machinists unions.

Each of these disputes has been the subject of collective bargaining since 1988. In those 4 years, the parties have engaged in ongoing negotiations, under the auspices of the National Mediation Board.

By 1991, negotiations among the parties had broken down, and meetings with the mediators had virtually stopped. But the Mediation Board refused to declare an impasse or to release the parties from mediation. In effect, the Board held these three unrelated disputes in limbo. On March 4, 1992, the Board simultaneously released all of the parties to each of these disputes, setting the stage for the current crisis.

After the Mediation Board released the parties, the President, exercising his right under the Railway Labor Act, appointed three Presidential Emergency Boards, in an effort to resolve the disputes. The Boards were charged with investigating the issues and making findings and recommendations to the parties, to assist them in their effort to reach voluntary agreements. Although a separate Board was appointed for each dispute, the same members were named to each of the Boards.

The Boards released their reports on May 28—4 weeks ago. In two of the disputes, the Boards declined to address the positions of the parties on their merits. Instead, they followed the conclusions of a 1991 Presidential Emergency Board—which dealt with disputes to which these unions were not parties. Despite the criticism of the United Auto Workers for seeking "pattern bargaining" in the Caterpillar strike this year, the Boards accepted the carriers' claim that "pattern bargaining" was necessary for the railroad industry.

The Boards' insistence on adhering to the pattern established by the 1991 Emergency Board in those two disputes created a great deal of concern and was a serious setback for the settlement process. Nevertheless, the parties did make progress in their subsequent negotiations. Amtrak had been at odds with 10 of its unions at the time its Presidential Emergency Board was established. Yet it reached a tentative or final agreement with four of its unions while the Board proceedings were pending. Two nights ago, it reached agreements with three more of its unions.

The remaining unions in the dispute with Amtrak are the machinists, the locomotive engineers, and the maintenance of way employees. They were unable to reach agreement due to continuing disputes about wages, working conditions, and health benefits, but they did not strike Amtrak.

On Tuesday at midnight, the mandatory "cooling off" period ended for all of the disputes, and the parties became free to use economic weapons—strikes, imposition of new terms and conditions, and lockouts—in their continuing effort to agree upon new contracts.

Yet the commitment to negotiation remained strong. All but one of the unions that had not yet agreed on a settlement decided to remain at the bargaining table for another 48 hours, rather than go out on strike.

On Tuesday night, the machinists chose to exercise their statutory rights by engaging in a strike against a single railroad, CSX, a freight carrier serving the Southeastern portion of the United States. None of the unions struck a commuter railroad. None of them struck any other freight railroad. They deliberately chose not to call a national strike, because they wanted to avoid precipitating a national crisis.

It is rail management that chose to act in an irresponsible fashion. The Nation's freight carriers closed down the rest of the national railroad system and locked out the employees of those railroads. So let us be clear. This is not a national railroad strike. It is a national railroad lockout. Rail management retaliated against its unions by staging a national railroad lockout in response to a regional railroad strike.

It was the railroads that decided to shut down the Nation's freight rail system. And every Member of this body should understand that it is rail management that caused this national emergency. They do not come to this emergency with clean hands. They saw an opportunity to obtain an advantage by forcing Congress to act. Their attitude is, "Profits first, workers last, and the economy be damned."

Congress should always be reluctant to enter a dispute between labor and management. The right to strike is one of any worker's most basic rights. It is one of the few tools workers can use to see that employers pay fair wages and provide decent work conditions. During the recent debate on the striker replacement bill, I heard many of my colleagues on both sides of the aisle state their strong support for the right to strike.

But we are where we are. It has become clear that the freight railroads are not going to resume service. Clearly, Congress must step in to prevent the harm to the economy that will result from a continuing shutdown of rail service. At a time when the economy is still struggling to recover from one of the longest recessions since World War II, this lockout could plunge us back into recession.

Just as clearly, however, it is not appropriate for Congress to choose the winners and losers of this complex labor dispute. It would be especially unconscionable if Congress were to resolve the dispute in a manner that rewarded rail management for precipitating the crisis.

The railroad owners would have you believe that shutting down the national system was forced upon them by a limited strike against one railroad. But that argument is transparently wrong. Their seamless web argument is a shameful sham.

As the chief economist for a New York securities firm said:

> It's not a strike, it's a lockout. . . . [T]he problem we have here is management's decision to shut down the system. The 1,500 machinists may be valuable, but the absence of 1,500 should not shut down an industry.

Even responsible railroad executives recognize what is really going on. As the executive vice president of a New England freight railroad company said:

> You've got a situation where all of a sudden the railroads are on strike, the unions aren't. It's crazy.

That railroad is still operating—and as its vice president noted, much of the rest of the country could—and should—be operating too.

If the employer lockout continues, it will cause higher prices, substantial economic disruption, lost jobs, and higher costs of unemployment and other social services. A wide range of industries across America are threatened by the lockout.

In Massachusetts, paper mills cannot stay open for more than a few days without rail service. Farmers in Kansas cannot ship wheat, or get accurate prices for future crops. In the State of Washington, lumber and paper companies will stop production if the lockout continues beyond a few days. California growers cannot get their perishable produce to national markets. In Mississippi, poultry producers will not be able to get adequate supplies of feed. In Delaware, chemical firms will be unable to ship or receive products.

And in Michigan, California, Texas, and other States throughout the Nation, automobile production and supplies will grind to a halt. Already, some auto plants are slowing down operations, and layoffs may begin in a day or two.

In short, the lockout by railroad owners threatens the economic health of the Nation, and the jobs and incomes of hundreds of thousands of Americans. But this seems to be of no concern to the railroad owners.

In fact, their profits are skyrocketing this year. Compared to the first quarter of 1991, profits for the railroad industry as a whole are up 55 percent. And that is just the average. Look at the profits for some of the railroads willing to threaten the American economy while denying fair wages and work conditions to their workers.

The railroad industry, up 55 percent over last year. Chicago and Northwestern, up 127 percent; Consolidated Rail, up 111 percent; Illinois Central, up 38 percent; Kansas City Southern, up 52 percent; Norfolk Southern, up 39 percent; Santa Fe, up 76 percent. During a national recession, this is a money bank. And what do they do when one union strikes one regional carrier? They bring the whole national network down and demand that there be action by Congress. Effectively, they blackmail Congress.

These profits are finding their way to the railroad owners. The chairman of the Union Pacific and 50 top executives there will receive stock option bonuses of at least $15 million, because the company's stock price has risen sharply. According to analysts, the rising profits, and hence the bonuses, are a direct result of a federally imposed labor settlement last year that allowed the company to cut its payroll by up to 4,000 workers.

No wonder the railroad owners do not care about the potential economic havoc they have unleashed on the rest of the Nation. They are saying, not only to their workers, but to every working man and woman in America—"Losing your job? Losing your income and hopes for the future? Too bad. I've got mine."

At a time when Americans are deeply concerned that Congress and the administration are the captives of special interest groups, this lockout is exhibit A of their concern. A small band of railroad owners has walked away from the national interest and forced Congress to come to their rescue.

So now Congress must act, in order to try and protect the jobs and economic health of America from that cynical and self-interested attitude. Ask not what you can do for your country. Ask what your country can do for you.

Congress should not be a party to that tactic. We should not provide further economic advantages and higher profits to the railroad owners.

There are some responsible railroad owners, many of them small regional lines, who are still trying to operate. I commend those railroads that are trying to keep working, like the Boston and Maine in New England. Their spokesman said "Most of the shutdowns are decisions to not run, as opposed to a strike situation. Part of it is an effort to put pressure on Congress, and we don't believe in that. We're in business to run a railroad, and that's what we're doing." It's unfortunate that other railroad owners don't have that attitude.

I have serious concerns about whether the pending bill will result in a fair resolution of these disputes.

As recently as 2 days ago, I spoke to the parties to these disputes. They were quite encouraging. Many felt that they are close to reaching agreement. All but one of the unions that had not settled by Tuesday voluntarily chose to remain at the bargaining table for another 2 days.

There were very positive signs, and there was a real possibility that the parties could reach their own resolution.

I regret that Senator DOLE's sense-of-the-Senate resolution adopted on Tuesday may have undermined the bargaining process. The railroads may have thought that the resolution indicated that Congress would quickly intervene in a strike, and that they would benefit from such intervention. For whatever reason, rail management lost its will to reach an agreement in those last, critical hours on Tuesday.

If either side prefers the structure we are setting up today to what they can obtain through collective bargaining, you can bet that the next time they have a labor dispute, they will not bargain in good faith. Instead, one way or another, they will manufacture a "crisis" to force Congress to act.

No solution is entirely fair. But I ask the Senate to adopt this measure, because it is the best we can do in the current circumstances. The larger problem is the antiquated structure of the Railway Labor Act. If there is a silver lining to the current mess, perhaps it will create a new incentive to reform the act and bring it into the modern world, so that it advances the collective-bargaining process, instead of retarding it.

One final point. The procedure adopted in this bill, in which an arbitrator picks between the last best offers made by the two sides, is sometimes used in other fields. In fact, in sports it is called "baseball arbitration."

I understand that baseball club owners have a strong dislike for this kind of arbitration, because they so often lose when the arbitrators make their choice.

Earlier this year, Ruben Sierra, the star right-fielder of the Texas Rangers, went through such an arbitration. He proposed a salary of $5 million for the season. The owner offered $3.8 million—and the arbitrator picked Sierra's figure. May the railroad workers fare as well in this process they did not want and should not have had imposed on them.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SETTLEMENT OF THE RAILROAD LABOR-MANAGEMENT DISPUTES

Mr. MITCHELL. Mr. President, in view of the extreme urgency of the situation as has been described at great length on the Senate floor, in debate, through action by the House this evening, and at the urging of the President, I believe it imperative that the Senate act on this matter promptly. Having consulted with the distinguished Republican leader, as is my practice on any scheduling decision, I now ask unanimous consent that the Senate proceed to the consideration of House Joint Resolution 517, a joint resolution relating to the resolution of the rail labor dispute just received from the House.

The PRESIDING OFFICER. The clerk will report the joint resolution by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 517) to provide for a settlement of the railroad labor-management disputes between certain railroads and certain of their employees.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I rise to talk about what has been going on in this country for the last few days.

I have been listening to the TV, reading the papers, and I have been hearing about a railway strike. That is an inaccurate term. It just is not in accord with the facts.

Now, it did begin as a limited strike by 1,400 machinists against one carrier, but the railroads responded with a nationwide lockout of hundreds of thousands of workers and the complete shutdown of our Nation's freight rail system, and I hardly heard that mentioned all day on the TV. Yes, once in a while but in the main, no. All I heard was there has been a strike, a strike by the railroad workers. That is just not in accord with the facts.

One union, the machinists, struck one company, CSX Corp, 1,400 employees, and the companies responded how? The companies responded by shutting down the railroad system of this country. I have seen no editorials denouncing the companies for their actions, actions which have the capacity to paralyze the American economic system. But, no, it is because of a strike. That is just not true.

As a matter of fact, the carriers admitted that it was a lockout in testimony before the House Energy Committee. But nobody talks about that.

Michael Boskin, the Chairman of the President's Council of Economic Advisers, testified that the Nation could lose $1 billion a day because of this shutdown by the railroads and that Congress needs to act immediately.

Well, let us be clear. We are in this mess because of a calculated effort by the railroads to impose conditions on their workers. Are these workers who are coming in with outrageous demands? Are these workers who have been getting paid so much that they do not need any consideration? These workers have not received a raise in the last 4 years. We in Congress did. So did most other workers in this country. But these workers have not received a raise in 4 years.

What has been happening to the railroads during this time? They have been raking in the bucks. Senator KENNEDY has already addressed himself to that issue. For example, 50 top executives at Union Pacific just got $15 million in bonuses because the railroad's stock rose in value.

Why has the company been doing so well? Is it because they operate so much better? Is it because they now know how to operate these railroads and do a better job than they did in yesteryear? No. It is because they stuck it to the unions last year and the workers that those unions represent.

According to USA Today, "The stock rise was aided by a federally-imposed labor settlement allowing Union Pacific to cut its work force by up to 4,000 and trim wages." In sum and substance, these men at Union Pacific received $15 million in extra pay because they were able to cut the wages of their employees by reason of a Presidential emergency board, and they were able to cut their work force by 4,000 people. Congratulations, gentlemen, you got rich on the backs of blue-collar railroad workers who make something like $20,000 a year.

Now, what is this labor dispute all about? From the workers' perspective, it is about wages and work rules and health benefits.

Let me give you some examples. The Presidential Emergency Board recommended $35 a day for three meals and lodging for track maintenance workers who spend their workweek on the road. You cannot buy three meals a day and get lodging on $35 a day. That does not mean you are going to eat in the best restaurants. It does not mean you are going to sleep in the best hotels. It is not possible to get decent lodging and three meals a day for $35 a day, but that is what the Presidential Emergency Board recommended.

That would force these workers who already labor under some of the most difficult working conditions in the country to live out of their automobiles for days at a time. In addition two of the Board's recommendations may leave many track workers assigned to work hundreds of miles from their home.

So these workers, what did they do? They concluded that the PEB's recommendations were not in their best interests, and as a consequence the workers were free to strike and management was free to lock out their employees as of Wednesday morning.

Now, the country expected at that time a widespread strike by the affected unions. But those unions exercised restraint in an effort to encourage a voluntary settlement of the disputes and avoid causing harm to the economy.

As I previously mentioned, one union representing 1,400 employees at the CSX railroad did go on strike. No other union went on strike, and the machinists did not strike the rest of the railroad industry. But they were locked out.

The railroads thought this was a pretty cute play and they said Congress will bail us out. We will get the whole Nation exercised, and we will come to Congress and say: Impose a settlement on them.

All of the affected Amtrak employees reported to work on Wednesday morning, as did all of the Conrail employees represented by the BMWE. And the machinists reported to work at all of the 40 affected carriers with the exception of CSX.

So while 6 unions representing 20,000 employees exercised restraint in limiting their work stoppage to only 1,400 employees at CSX, the companies totally shut down their operations and locked out 200,000 workers. The unions' actions left virtually undisturbed this Nation's passenger rail services, commuter rail services, and the vast majority of the national freight system.

But the companies' actions created economic havoc in this country. And all day long we kept hearing about all these terrible things that are happening in industry.

I am no different than any other Member of the Senate. I do not want the plants in Ohio not to be able to get goods shipped in and shipped out. And neither do all the unions in this country. One union struck. So management closed down the entire railroad industry in this country.

Many of the unaffected carriers are capable of providing services to shippers who would normally have been served by CSX. We did not have to be in the position that we are in. This list of alternate carriers includes Norfolk Southern, Conrail, Illinois Central, Burlington Northern, Florida East Coast, Meridian & Bigbee Railroad, Grand Trunk Western, Missouri Pacific, and Midsouth. They could have taken the very merchandise that was to be shipped on CSX and carried it on their lines.

Let us face it. Railroads do not have different kinds of tracks. They all run on the same kinds of tracks and other carriers that were present were in the position to move in and carry that freight.

Let us be clear about why the railroads took this action. This was an effort to provoke Congress into intervening, and we are doing their bidding. Their strategy is to make any rail labor disputes into a national emergency no matter how limited or localized it is in order to deprive workers of their principal economic weapon.

The workers' right to strike is what brings management to the table. I have heard discussed on this floor in the last 2 weeks—a number of Members of this body—talking about how much they recognize the workers' right to strike, that being their economic weapon.

It is what makes management bargain in good faith. It is what makes the collective-bargaining process work. We have not let that right be exercised in this instance. We have let the employers lock out their employees.

I recognize that there are instances in which Congress must intervene in a dispute between rail labor and the management to protect the Nation's transportation system and its economy. But I strongly believe that Congress should interfere with the right to strike only where there is no viable alternative and an overriding national interest has been demonstrated.

The railroads could be in operation by tomorrow morning if they had the will to do so, instead of coming here to Congress. They always say Congress ought to keep its nose out of what the corporate world does. I agree. We do not belong in this dispute. We ought to be out of it. Management ought to go put the railroads back to work. It is their responsibility, but we are being called upon as the fall guy to impose some kind of an arrangement between management and labor.

I have mixed feelings about this matter. I have recognized the need to get the Nation's freight moving again. But I am very concerned that we are, in effect, rewarding the carriers' conduct. I would prefer simply to extend the cooling-off period so the parties could try to reach an agreement.

But the fact is the railroads are closed down. The fact is we want them to be operating, and we want them to be operating as promptly as possible. This Nation is in serious economic difficulty. Keeping the railroads from operating does not help anything.

The proposal of the legislation that we are looking at attempts to provide a balanced manner of resolving the dispute. It comes pretty close to compulsory arbitration which this country has not approved of over a period of many years.

I want to point out, according to Congressman ECKART who I think is in the back of the room, who is the author of the House legislation, that he has indicated—on page 3 of the bill—that it provides that all carriers and all employees affected by such unresolved disputes shall take all necessary steps to restore or preserve the conditions that existed before 12:01 a.m. on June 24, 1992, applicable to all such carriers and employees except as otherwise provided in this joint resolution.

Congressman ECKART, for whom I have great respect and who represents an area very close to the one which I come from, has indicated to me it was made clear on the floor of the House that that means that the carriers are expected to pay the employees for the time that there has been a shutdown. I accept that interpretation. Congressman ECKART has indicated that was spelled out very explicitly on the floor of the House. I think that would in some little way help to at least ameliorate the harm that the carriers have done to their locked out employees.

I think that there could have and should have been a more direct resolution of the differences between the parties.

I see no reason to delay this body from acting on this legislation. But I do not think it is the right thing to do as far as the workers are concerned. I think they are getting the short end of the stick. I think that they are the ones who have been looked upon as having created the problem when, in fact, in reality, it is management at whose doorstep this problem should be laid.

AMENDMENT NO. 2452

Mr. WELLSTONE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 2452.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 3, strike all after the word "**conditions**", insert the following:

DURING RESOLUTION OF DISPUTES

The following conditions shall apply to the disputes referred to in Executive Order Nos. 12794, 12795, and 12796 of March 31, 1992, between certain railroads and the employees of such railroads represented by the labor organizations which are party to such disputes:

(1) The parties to such disputes shall take all necessary steps to restore or preserve the conditions out of which such disputes arose as such conditions existed before 12:01 a.m. on June 24, 1992.

(2) All railroads ceasing operations on or after June 24, 1992, shall resume such service immediately upon enactment of this joint resolution and shall reinstate all positions in existence before 12:01 a.m. on June 24, 1992, without reprisal against any employee involved in such disputes.

(3) The final paragraph of section 10 of the Railway Labor Act (45 U.S.C. 160) shall apply and be extended for an additional period with respect to the disputes referred to in Executive Order Nos. 12794, 12795, and 12796 of March 31, 1992, so that no change shall be made before July 24, 1992 by such parties, in the conditions out of which such dispute arose as such conditions existed before 12:01 a.m. on June 24, 1992. On July 24, 1992 the parties will report back to the Congress on the progress of such negotiations.

SEC. 2 MUTUAL AGREEMENTS PRESERVED.

Nothing in this joint resolution shall prevent a mutual written agreement to any terms and conditions different from those established by this joint resolution.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I ask unanimous consent that there be 30 minutes for debate on the Wellstone amendment with the time equally divided and controlled by Senator WELLSTONE and myself; and when all time is used or yielded back, the Senate without intervening action or debate proceed to a vote on or in relation to the Wellstone amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I amend that to include that no second-degree amendment be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, the amendment that I sent to the desk is, I believe, a constructive proposal, an important response, on the part of the United States Senate, to a critical labor crisis that we have to deal with.

Mr. President, my amendment calls for a 30-day cooling off period, a rush to the status quo, a report to the Congress at the end of that period, no reprisals, all workers return to original positions.

Mr. President, I am concerned about the economy, I am concerned about the disruptions, but I am also concerned about fairness to working people and fairness to railroad workers.

Mr. President, I think it is just a shame—and I would just echo the remarks of Senator KENNEDY and Senator METZENBAUM—that, really, just as negotiations were loosening up and their was movement leading right up to the strike deadline, then really the companies changed and moved away from what I think was a real bargaining position.

Mr. President, the cooling off period gives us time to negotiate, and it encourages compromise by both parties. Then both parties can report to the Congress. Only after this cooling off period, only after that, do I think we should move to bind the arbitration only if necessary.

Mr. President, let me point out that there are many precedents for a cooling off period:

The shop craft dispute in 1967, Congress enacted Public Law 90-13, extending the status quo period for 47 days.

The shop craft dispute, 1970, Congress enacted legislation extending status quo for an additional 37 days.

Four union disputes, 1970-71, Congress extended the status quo for an additional 80 days.

Signalmen dispute, extended the status quo for 4½ months.

Penn Central-UTU crew consist dispute, Congress enacted legislation restoring and extending the status quo for 90 days.

The Maine Central dispute, again a cooling off period of time for 60 days.

Chicago & Northwest-UTU dispute, on August 2, the day before the expiration of the status quo period, the Senate passed a Simon resolution extending the status quo to September 9.

Mr. President, I believe that this cooling off period is a constructive and an important proposal that will be fair to all the parties. And that after we have this period of time where negotiations can go on, negotiations could go on without the clear deadline or timeline of binding arbitration, then I think we will have a report before us, and we will be able to make a decision.

Mr. President, let me point out that only 1,347 members of the International Association of Machinists employed by the CSX Corp. actually went on strike but, in response, the Nation's rail carriers voluntarily shut down the entire national rail freight system and locked out over 100,000 employees.

How ironic it is that with all of the warnings from the industry about the dire economic consequences of a nationwide strike, when the unions were so moderate, when they engage in a strike that does not disrupt this country at all, and then the response of the railroads was to shut down the entire system, shut down the entire system, and lock out the workers.

I believe that the reason this amendment is so important is that it does not reward these companies for what they have done, because it is clear to me the unions were moderate and reasonable and did not disrupt this economy, and, instead, as a result of what they tried to do by moderation, the companies locked out railroad workers across the country, forced this to the Congress, and then hoped we would simply move forward with, I think, the proposal at least that I worry about, in terms of what the final result will be.

So, Mr. President, what is the hurry? We do not want to see our economy disrupted; we all agree. So let us have a freeze, let us have a cooling-off period, let us go back to the status quo. It seems to me that this amendment is neutral. This amendment is fair to both parties. This amendment is fair to our country.

Finally, Mr. President, I have to say that this amendment is, I think, sensitive to and respectful of an important history in our country. It really saddens me that too many of our parents and our grandparents struggled so hard for more bread and more justice, and they made more gains for all of us, such as protection against strike breaking, protection against the terror of unemployment, more bread, more justice, minimum wage, and these gains were not just good for unions, they were good for the vast majority of people in our country, because our economy depends upon men and women being able to work for decent wages under civilized working conditions.

I just feel like, as I speak on the floor of the Senate, that I speak with a sense of history, because I feel like we are seeing and witnessing a half century of people's gains being overturned, being wiped out. I really believe that is the meaning of what the companies have done to the railroad workers. I do not think it is just about the railroad workers. I think it is about the debate we had not too long ago in the Senate where we had a piece of legislation that Senator METZENBAUM and Senator KENNEDY and others exerted such strong leadership on, to prevent companies from permanently replacing striking workers; the right to strike becomes the right to be fired. And then we had a more moderate version of that proposal. And no matter what we did to try and restore some balance, we could not even get it up for a vote. It was filibustered. And then I think of all of the broken strikes, and all of the unions busted, and all of the people thrown out of work, and all of the wages depressed.

I heard Senator METZENBAUM speak about this with great eloquence. We are talking about railroad workers that are trying to get a decent wage, about people that are trying to hold on to decent health care benefits, working people that want to work under civilized working conditions. We are talking about health and safety issues. I just feel like we are talking history tonight, and I think it would be a mistake to be so precipitous and to move forward with this proposal and, instead, the reason I propose this amendment is I think a cooling-off period really does establish some fairness.

I think we are at the point in time in the U.S. Senate when it is important that we understand what has been happening to working people, to middle-income people, to union people, and we have some commitment to economic justice, some commitment to decent working conditions. And so, Mr. President, keeping in mind the need to make sure that we do not disrupt the economy, keeping in mind the need to make sure that we move forward with economic activity, but also keeping in mind the need to make sure that there is some fairness for railroad workers and to make sure we do not reward the railroad companies who have simply locked working people out, I hope that my colleagues will support this amendment.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. How much time remains, Mr. President?

The PRESIDING OFFICER. The Senator from Massachusetts has 15 minutes, and the Senator from Minnesota controls 5 minutes.

Mr. KENNEDY. Are there any further remarks that the Senator wishes to make on this issue?

Mr. WELLSTONE. Mr. President, I think that I have said just about all that is inside of me, although Senator WOFFORD may want to speak for this amendment as well. I want to reserve the additional 5 minutes, if I could.

Mr. KENNEDY. Mr. President, I am glad to try and accommodate a colleague, but I have not been notified of that. If the Senator wants to put a quorum call in on his time, I certainly would understand that.

The PRESIDING OFFICER. If no one yields time, time will be deducted equally from both sides.

Mr. KENNEDY. Mr. President, I am not yielding any time. So if the Senators wants to ask for a quorum call, he can do so, and it will be charged to his time. If the Senator does not, I am going to make a motion to table.

Mr. WELLSTONE. I thank the Senator from Massachusetts. I do not want to delay people. I will not ask for a quorum call.

Mr. KENNEDY. Mr. President, many of us would have preferred this as an alternative solution, but it is not a practical step at this time. I yield the remainder of my time.

Mr. WELLSTONE. Mr. President, I yield the remainder of my time.

Mr. KENNEDY. All time having been yielded back, I make a motion to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment 2542.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Oklahoma [Mr. BORDEN], the Senator from Arizona [Mr. DECONCINI], and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Wyoming [Mr. WALLOP] is necessarily absent.

I further announce that the Senator from North Carolina [Mr. HELMS], and Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from Wyoming [Mr. WALLOP] would vote "yea."

The PRESIDING OFFICER (Mr. WIRTH). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 76, nays 18, as follows:

[Rollcall Vote No. 130 Leg.]

YEAS—76

Akaka
Baucus
Bentsen
Bingaman
Bond
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Chafee
Coats
Cochran
Cohen
Craig
D'Amato
Danforth
Daschle
Dixon
Dodd
Dole
Domenici
Durenberger
Ford
Garn
Glenn
Gore
Gorton
Graham
Gramm
Grassley
Hatch
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kasten
Kennedy
Kerry
Kohl
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Rudman
Sarbanes
Seymour
Simon
Simpson
Smith
Stevens
Symms
Thurmond
Warner
Wirth

NAYS—18

Adams
Biden
Bradley
Burdick
Conrad
Cranston
Exon
Fowler
Harkin
Hatfield
Heflin
Kerrey
Lautenberg
Sasser
Shelby
Specter
Wellstone
Wofford

NOT VOTING—6

Boren
DeConcini
Helms
Roth
Sanford
Wallop

So the motion to lay on the table the amendment (No. 2452) was agreed to.

NEED FOR IMMEDIATE ACTION

Mr. DOLE. Mr. President, I am pleased that the House has taken action and that the Senate is about to take action to resolve the rail strike situation.

I congratulate the leadership of Congressmen DINGELL, LENT, SWIFT, and RITTER and others who have done an outstanding job. And most of all, I commend the leadership of President Bush. I know the administration has been working around the clock to ensure that legislation makes its way through Congress.

There are innocent people all across America—literally millions of workers and families—whose lives have been dramatically altered by the course of events this week.

We have seen it on TV; we have read about in the newspapers. My phones and mailboxes are overflowing, and I suspect that every other Member is getting contacted by their constituents who want the strike stopped now.

This bill will end the strike. It is that simple. This legislation will get the Nation's rail system moving again. It has been overwhelmingly passed on a bipartisan basis by the House and is strongly supported by the administration.

If the Senate is able to complete action tonight—which I hope and expect it will—it can be sent to the President who can sign it before tomorrow morning's rush hour.

In my opinion, the earlier we pass this bill, the better. That way, an end is put to the uncertainty and Americans can go to sleep tonight knowing that they can get to their jobs—or that when they get to their jobs, they won't be shut down because essential supplies haven't been delivered.

CONSEQUENCES OF A CONTINUATION OF STRIKE

Everyone knows that the consequences of a continuation of the strike are dire. In my opinion, it is unfortunate that the country has had to endure 2 days of the strike when we are just beginning to see solid signs of recovery and economic growth.

Layoffs have started across the country, and I have seen estimates that if the strike were left to continue, over a half million workers employed in industries dependent on rail service would have to be layed off within 2 weeks.

This strike is hitting all industries, including the auto industry, paper, coal mining, lumber, steel, and chemical industries.

In my State of Kansas, among other impacted industries, I am being told that no grain is being loaded in rail cars and in some areas, is just being piled up on the ground.

The weather has been bad enough this year for the farmers without this latest disaster. And while we can't control the weather, we can get the rail system moving again.

LEGISLATION IS A FAIR RESOLUTION

The legislation we have before us is a fair resolution of the process. It preserves the collective bargaining system while ensuring that the current disputes will be resolved.

The bill provides for the selection of an independent arbitrator for each of the unresolved disputes.

During the 20-day period following enactment of the bill, the parties will negotiate to work out their differences. If at the end of this period, no settlement has been reached, the parties are then required within the next 5 days to submit to the arbitrator a written contract representing their last best offer.

During the 7 days following the submission of their final proposals, the parties will again negotiate to resolve their remaining differences. In the event this final round of negotiations does not yield an agreement, the arbitrator is required within the next 3 days to pick one of the proposed written contracts.

In my opinion, this approach provides an added inducement for the parties to resolve their differences themselves rather than leave the final decision to the arbitrator who could pick either the carrier's or the union's proposal. In short, it provides every incentive for the parties to work together instead of polarizing them on opposite ends of the playing field.

So, Mr. President, let's get this process wrapped up and underway. Now is not the time to delay. This bill will end the strike, will get the trains moving again, and will let people's lives get back to normal.

Mr. EXON. I also ask the manager of the bill if it is his understanding that any railroad employee who as of 12:01 a.m. on June 24, 1992, was not on strike and was prevented from working by the shutdown of the railroad by whom such employee was employed shall be compensated by the railroad at such employee's usual wage rate for any period during which the employee would normally have been working if the shutdown had not occurred.

Mr. KENNEDY. Yes, the Senator from Nebraska and I both agree on this point.

Mr. EXON. I thank the distinguished Senator.

Mr. KENNEDY. I thank my colleagues for their support of this change which I strongly support.

Mr. EXON. It is my understanding that any railroad employee who as of 12:01 a.m. on June 24, 1992, was not on strike and was prevented from working by the shutdown of the railroad by whom such employee was employed shall be compensated by the railroad at such employee's usual wage rate for any period during which the employee would normally have been working if the shutdown had not occurred.

Mr. DOLE. Yes, I understand precisely the point the distinguished Senator from Nebraska is making and agree. I know that a number of rail workers in my State of Kansas showed up for work but were sent home. However, I want to emphasize that this understanding does not take precedence to the extent that preexisting contract language addressing this issue existed. I would also like to emphasize that the circumstances and terms of this strike situation are truly unique and that this particular understanding should not establish any precedent or be construed to apply to future or other rail disputes. Is this the distinguished Senator's understanding as well?

Mr. EXON. Yes.

Mr. BIDEN. Mr. President, I will oppose this legislation. As I do so, I would like to make clear my concern that Congress is once again being called upon to settle a rail strike, and in particular, this one. For 4 long years this dispute has remained unresolved. That is far too long for me to believe that labor and management could not reach an agreement. But the conditions under which those negotiations took place led our Nation inexorably to the strike and lockout.

For nearly 20 years, every working day I have traveled from Wilmington to Washington and back to Wilmington on the train. The vast majority of the American public has only become aware of the depth of the differences between rail labor and management in the last few days. I have witnessed a slow but relentless deterioration of those relations in recent years. It has been a painful development to see, particularly since it could have been avoided.

The railroad tradition is strong in my State. Two major rail shops operate in Delaware, the Wilmington shops and the Bear facility. For many of the employees at Wilmington and Bear, a railroad career is in their blood, having been passed from generation to generation. These are employees who are hard-working and dedicated and have sacrificed to make Amtrak a viable rail system.

But this dedication and commitment has been stressed in recent years. Where once there was a measure of good will between labor and management, now there is none. The level of animosity can be startling. Bitterness, anger and, above all, frustration have not just crept into labor-management relations, but have come to dominate it. For years, we fended off elimination of this investment from outside in the form of conservative attacks. But now we find that this national investment is threatened with destruction from within. My colleagues who know the rail employees as I know them, can only ask "how was this possible?"

One of the most important reasons for the decline in relations, in my view, is that rail companies knew that in the end, the odds were stacked in their favor. Last year's strike, combined with White House actions and comments this year, only confirmed those fears on the part of labor. The unions were forced to stick with a futile mediation process—futile because the unions had legitimate questions about the seriousness of the railroad's efforts to reach an agreement. Instead of the mediation process averting a strike, it appears to present a Hobbesian choice to the unions—capitulate or strike.

And even at that point the unions believe the odds continue against them. For Congress has traditionally acted to settle, in one form or another, railroad strikes. The means to reach a settlement has varied markedly, but the efforts of the Presidentially appointed board has often given great weight. That is what the workers fear and the railroad companies are counting on. It is a reasonable system in theory that has turned insidious in practice. I think rail workers will be encouraged by the serious review of Federal rail labor laws that is likely as a result of this lockout.

This mediation process, as it stands now, cannot be expected to yield a balanced result. And in that regard, the legislation before us will be a dramatic improvement over earlier efforts. Rail workers will at least have reason for optimism in the arbitration process in this bill, even if the strongest card they can play has been taken from them.

It is a difficult decision to oppose this legislation. I am concerned about the serious effects of a continued shutdown of our Nation's rail system on hundreds of companies in Delaware and across the country. But I am also concerned that we are rewarding a concerted decision of the railroads that would have caused fevered expressions of outrage by industry had the unions taken a similar step.

We need to restore a measure of balance to these negotiations. The legislation before us is an improvement over the earlier mediation process, and over the settlement process adopted last year. But I am not convinced that we should act to reward the actions of the railroad companies at this time.

Mr. GORTON. Mr. President, the impacts of a rail strike in this country are devastating. Literally, each hour of each day that it continues economic havoc is wreaked on hundreds of thousands of workers and businesses. Michael Boskin, the Chairman of the Council of Economic Advisers, stated that the economy will lose $1 billion every day the strike lasts. Our ability to recoup any of that loss is greatly lessened should the strike be protracted. This strike must end, and must do so soon.

I don't believe there is a Senator amongst us who is happy to find Congress having to deal with this legislation. Each of us, I'm sure, would have preferred that the collective bargaining process had worked and that all sides, in each dispute, had reached an agreement. But, unfortunately, that was not the case, and since Tuesday at midnight, our freight lines and most of the passenger service around the Nation ground to a screeching halt.

Some critics of this legislation have claimed that what our country has experienced is not a strike, but a lockout. This ignores the seamless nature of our freight rail infrastructure as well as the fact that the vast majority of our passenger service travels over freight lines. Other critics suggest that we should impose only a cooling-off period, but not impose an arbitration procedure. The likely outcome of this suggestion is obvious—we will be faced with the same national crisis; and, in my State, during the height of the agricultural harvest, an even more disastrous situation.

Mr. President, I have heard from Washington State railroad workers, and I have sympathy for their situation. But, I also have heard from and realize the impact on so many other workers, in so many other industries, in my State. Containers are rapidly stacking up at the ports of Tacoma and Seattle waiting to move East. Wheat growers, some of whom will begin harvesting this weekend, are anxiously wondering if the railcars they count on will be moving. Manufacturers from as large as Boeing to our smallest companies are already trying to cope with shortages in their inventories. Perishable food products grown in my State cannot wait through weeks of offers and counter-offers. From aluminum companies to forest products companies, our businesses rely on a steady shipment of supplies and materials. For a trade dependent State that relies on both imports and exports, this strike is hitting us hard. Mr. President, I cannot explain to the thousands of workers in my State who are not in the railroad industry, how I can allow this situation to continue and how I could vote to allow them to be layed-off their jobs.

Mr. President, this strike cannot end a moment too soon. I urge the Senate to adopt this legislation.

Mr. DURENBERGER. Mr. President, I support this compromise proposal that will bring a prompt yet overdue resolution to the national rail strike. Our economy is highly dependent upon the rail industry, and I applaud our action today to assure that Minnesota's economy and the entire country's industrial base retains its vitality.

I would like to take a few moments to underscore how much Minnesota's economy depends upon the rail industry. Burlington Northern, Chicago Northwestern, the Soo Line, and many short line railroads serve the people of Minnesota. We have 2,000 miles of Burlington Northern track, and about 340,000 Burlington Northern car loads originate in my State.

We need the rail industry in Minnesota. The following figures simply illustrate some of the categories and quantities of materials that the rail industry transports in and around my State:

Coal: 259,000 carloads or 26.2 million tons.

Grain: 288,000 carloads or 26 million tons.

Farm products: 263,000 carloads or 24.2 million tons.

Metallic ores: 146,000 carloads or 14.7 million tons.

Food/kindred products: 85,000 carloads or 6 million tons.

Chemicals: 66,000 carloads or 6.9 million tons.

Pulp and paper: 46,000 carloads or 3 million tons.

During the course of the strike, many agricultural shippers contacted me to make sure that I understood how much they depend on the rail industry. The Farmer Elevators served by Burlington Northern ship 547,000 bushels of grain per day in Minnesota. Because farmers save $.10 per bushel when they ship by rail instead of by truck, farmers will lose $54,700 per day due to the rail strike. And this only accounts for those grain elevators who use Burlington Northern. There are another 40 or so elevators who use other rail carriers in Minnesota.

Let's take another example, Prairie Land Co-op Elevator, in Windom, MN. Prairie Land has ordered a train from Chicago Northwestern for Monday, June 29. If the train does not arrive to move grain out of the elevator before this year's harvest begins, the elevator, with its 40 full-time employees, will stop taking grain, stop making payments on contracts with farmers, and simply shut down.

The 5,000 farmer/members of this co-op will not get paid, and will not be able to pay their expenses for seed and fertilizer. The cost to the elevator will be $1,000 in interest the first week, compounded to $2,000 the next week and every week of a strike thereafter. To farmers, that means $1,500 in interest the first week, and $3,000 the next week and every week thereafter. These are real people in Minnesota that will be severely hurt by the current national strike.

Given the devastating effects of this national labor dispute, I feel confident that Congress must act, and we must act quickly to prevent further disruption to our economy.

Mr. President, I would like to repeat the sentiment that I expressed a couple of days ago that I think Congress is acting properly by swiftly curtailing this rail disruption. In addition to the need to protect our industries, I believe that the Senate is indeed treating these striking workers fairly. We are giving them a second chance to make their case before an impartial arbitrator.

Let me explain the process that we propose today. The parties with unresolved disputes have 20 days to negotiate in consultation with a neutral third party arbitrator chosen by the parties from a list of National Mediation Board [NMB] approved individuals. After 20 days, the parties have 5 days to submit their last best offer to the arbitrator, and to the opposing party.

After the 5-day period expires, the parties would then have 7 days to negotiate among themselves, with the assistance of the arbitrator, to reach agreement. The parties would utilize the respective last best offers as the basis for an agreement, although nothing would preclude the parties from voluntarily reaching agreement based on subjects that fall outside the scope of the last best offer proposals.

After the 7-day period, the arbitrator would have 3 days to choose one of the last best offers, which shall be binding upon the parties and shall have the same effect as if agreed to and ratified by the parties. I anticipate that the arbitrator would use that 3 day period to deliberate thoughtfully, but also to discuss with the parties the possibility of settlement. After the arbitrator chooses one of the last best offers, he or she shall immediately submit that contract to the President of the United States. The contract shall be binding on the parties, unless the President disapproves the arbitrator's decision and contract.

If the President does disapprove the arbitrator's decision and contract, then the parties may engage in self-help, which is to say, labor organizations may strike, and the carriers may take such as action as is proper, including unilaterally implementing chosen terms and conditions of employment or locking out workers.

Mr. President, we want to encourage the parties to settle their labor disputes. The process whereby the arbitrator chooses the last best offer that shall become the parties collective bargaining agreement should provide an incentive for the parties to settle, and I support that approach. But there is a larger issue that I feel compelled to discuss.

The parties that are covered by this legislation chose to opt-out of the negotiations that lead to last year's rail strike. The had that right, but they also had to understand that the procedures that were used to settle that dispute and the findings made therein, would affect them. The parties covered by the legislation that we address today gambled that they would obtain more for their workers by holding out from last year's negotiations.

By the legislation before us today, I am concerned that we are creating a precedent that encourages the parties to hold out for as long as possible. And that seems regrettable.

Under today's legislation, the parties to the dispute are entitled to a second arbitration process—a fresh look if you will, without regard to the findings of the Presidential Emergency Board. But the parties to last year's dispute did not get that fresh look. Rather, they were required to present their case to a Special Board, which accorded a presumption of validity to the findings of the earlier convened Presidential Emergency Board 219.

In addition to my concern that we are creating incentives for the parties to hold-out rather than settling their disputes, I am also concerned that the Railway Labor Act's Presidential Emergency Board process may be rendered meaningless after today's action. If the parties know that they will receive a fresh, second opportunity to present their case before an arbitrator, even after the Presidential Emergency Board has issued its recommendations, then the parties have no incentive to take the PEB process seriously. I find that regrettable as well.

Mr. President, we are faced with a choice today. The Nation's economy is standing on a precipice, and the Congress must act today to resolve the national rail strike. On the other hand, the Railway Labor Act dispute resolution processes may be compromised by this legislation.

Mr. President, at this moment in history, I think that we have no choice but to support the last best offer approach to ending this rail strike. We cannot let this national rail strike continue. We cannot let this national rail strike to disrupt our economic vitality. We must respond with action. The American people demand nothing less.

Minnesota's economy is being seriously threatened by the strike, and the Nation's economy is being threatened as well. I feel a responsibility as a United States Senator to do what must be done to protect our Nation's best interest, and that is why I call upon my colleagues to support this legislation.

The PRESIDING OFFICER. The Senate will be in order. The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the third reading of the joint resolution.

The joint resolution (H.J. Res. 517) was read the third time.

Mr. WELLSTONE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

The assistant bill clerk called the roll.

Mr. FORD. I announce that the Senator from Oklahoma [Mr. BOREN], the Senator from Arizona [Mr. DECONCINI], and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Indiana [Mr. COATS] and the Senator from Wyoming [Mr. WALLOP] are necessarily absent.

I further announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] and the Senator from Indiana [Mr. COATS] would each vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced, yeas 87, nays 6, as follows:

[Rollcall Vote No. 131 Leg.]

YEAS—87

Akaka
Bentsen
Bingaman
Bond
Bradley
Breaux
Bryan
Bumpers
Burdick
Burns
Byrd
Chafee
Cochran
Cohen
Conrad
Craig
D'Amato
Danforth
Daschle
Dixon
Dodd
Dole
Domenici
Durenberger
Exon
Ford
Fowler
Garn
Glenn
Gore
Gorton
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kasten
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Rudman
Sarbanes
Sasser
Seymour
Shelby
Simon
Simpson
Smith
Specter
Stevens
Symms
Thurmond
Warner
Wirth
Wofford

NAYS—6

Adams
Baucus
Biden
Brown
Cranston
Wellstone

NOT VOTING—7

Boren
Coats
DeConcini
Helms
Roth
Sanford
Wallop

So the joint resolution (H.J. Res. 517) was passed as follows:

H.J. RES. 517

Whereas the unresolved labor disputes between certain railroads and certain of their employees represented by certain labor organizations threaten essential transportation services of the United States;

Whereas it is essential to the national interest, including the national health and defense, that essential transportation services be maintained;

Whereas the President, pursuant to the provisions of section 10 of the Railway Labor Act (45 U.S.C. 160), by Executive Orders No. 12794, 12795, and 12796 of March 31, 1992, created Presidential Emergency Boards No. 220, 221, and 222 to investigate the disputes referenced therein and report findings;

Whereas the recommendations of Presidential Emergency Boards No. 220, 221, and 222 issued on May 28, 1992, have not resulted in a settlement of all the disputes referenced therein;

Whereas all the procedures provided under the Railway Labor Act, and further procedures agreed to by the parties, have been exhausted and have not resulted in settlement of all the disputes;

Whereas it is desirable to resolve such disputes in a manner which encourages solutions reached through collective bargaining;

Whereas Congress, under the Commerce Clause of the Constitution, has the authority and responsibility to ensure the uninterrupted operation of essential transportation services;

Whereas Congress finds that emergency measures are essential to security and continuity of transportation services by such railroads; and

Whereas Congress has in the past enacted legislation for such purposes: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONDITIONS DURING RESOLUTION OF DISPUTES.

The following conditions shall apply to all carriers and all employees affected by the dispute referred to in Executive Orders No. 12794, 12795, and 12796 of March 31, 1992, that remain unresolved between certain railroads and the employees of such railroads represented by the labor organizations which are party to such disputes:

(1) All carriers and all employees affected by such unresolved disputes shall take all necessary steps to restore or preserve the conditions that existed before 12:01 a.m. on June 24, 1992, applicable to all such carriers and employees, except as otherwise provided in this joint resolution.

(2) The final paragraph of section 10 of the Railway Labor Act (45 U.S.C. 160) shall apply and be extended for an additional period with respect to each unresolved dispute referred to in Executive Orders No. 12794, 12795, and 12796 of March 31, 1992, so that no change shall be made by any carrier or employee affected by such unresolved dispute, before a decision is rendered under section 3(d) or the parties have reached agreement, in the conditions out of which such dispute arose as such conditions existed before 12:01 a.m. on June 24, 1992.

SEC. 2. APPOINTMENT OF ARBITRATORS.

(a) IN GENERAL.—(1) Within three days (excluding Saturdays, Sundays, and Federal holidays) after the date of enactment of this joint resolution, the carrier parties to the unresolved disputes described in Executive Order No. 12794 (acting jointly) and the labor organization party to such unresolved disputes shall each select an individual from the entire roster of arbitrators maintained by the National Mediation Board. Within six days (excluding Saturdays, Sundays, and Federal holidays) after the date of enactment of this joint resolution, the individuals selected under the preceding sentence shall jointly select an individual from such roster to serve as arbitrator for such unresolved disputes.

(2) Within three days (excluding Saturdays, Sundays, and Federal holidays) after the date of enactment of this joint resolution, the carrier party to the unresolved dispute described in Executive Order No. 12795 and the labor organization party to such unresolved dispute shall each select an individual from the entire roster of arbitrators maintained by the National Mediation Board. Within six days (excluding Saturdays, Sundays, and Federal holidays) after the date of enactment of this joint resolution, the individuals selected under the preceding sentence shall jointly select an individual from such roster to serve as arbitrator for such unresolved dispute.

(3) Within three days (excluding Saturdays, Sundays, and Federal holidays) after the date of enactment of this joint resolution, the carrier party to the unresolved disputes described in Executive Order No. 12796 and each of the labor organization parties to such unresolved disputes shall select an individual from the entire roster of arbitrators maintained by the National Mediation Board. Within six days (excluding Saturdays, Sundays, and Federal holidays) after the date of enactment of this joint resolution, the individual selected by each of the labor organizations under the preceding sentence shall, jointly with the individual selected by the carrier under the preceding sentence, select an individual from such roster to serve as arbitrator for the unresolved disputes involving such labor organization and the carrier.

(4) For purposes of this subsection and section 1, a dispute as to which tentative agreement has been reached but not ratified shall be considered an unresolved dispute.

(b) QUALIFICATIONS.—No individual shall be selected under subsection (a) who is pecuniarily or otherwise interested in any organization of employees or any railroad, or who has served as a member of Presidential Emergency Board No. 219, 220, 221, or 222. Nothing in this joint resolution shall preclude an individual from serving as arbitrator for more than one dispute described in subsection (a).

(c) COMPENSATION AND EXPENSES.—The compensation of individuals selected under subsection (a) shall be fixed by the National Mediation Board. The second paragraph of section 10 of the Railway Labor Act shall apply to the expenses of such individuals as if such individuals were members of a board created under such section 10.

SEC. 3. CONDUCT OF NEGOTIATIONS.

(a) INITIAL PERIOD.—During the 20-day period beginning on the date of enactment of this joint resolution, the parties to the unresolved disputes described in section 2(a) shall conduct negotiations for the purpose of reaching agreement with respect to such disputes. Arbitrators selected under section 2 shall be available for consultation with the parties to the unresolved disputes for which they have been selected.

(b) SUBMISSION OF FINAL OFFERS.—If, within the period described in subsection (a), the parties to any dispute described in section 2(a) do not reach agreement, both the labor organization and the carrier (or carriers) shall, within five days after the end of such period, submit to the arbitrator and to the other party (or parties) a proposed written contract embodying its last best offer for agreement concerning rates of pay, rules, and working conditions. Such proposed written contract shall address only—

(1) issues that the relevant Presidential Emergency Board dealt with by a recommendation in its report issued on May 28, 1992; or

(2) other issues that the parties agree may be addressed by the written contract.

(c) FINAL NEGOTIATIONS.—Upon submission to the arbitrator of the proposed written contracts described in subsection (b) and for a period of seven days thereafter, the parties shall, with the assistance of the arbitrator, at tempt to reach agreement.

(d) ARBITRATOR'S DECISION.—If the parties fail to reach agreement within the period described in subsection (c), the arbitrator, within three days thereafter, shall render a decision selecting one of the proposed written contracts submitted under subsection (b), without modification and shall immediately submit such decision and selected contract to the President. The selected contract shall be binding on the parties and have the same effect as though arrived at by agreement of the parties under the Railway Labor Act (45 U.S.C. 151 et seq.) unless, within three days following receipt of the decision and selected contract, the President disapproves such decision and contract. If the President disapproves such decision and contract, the parties shall have those rights under the Railway Labor Act (45 U.S.C. 151 et seq.) they had at 12:01 a.m. on June 24, 1992.

(e) SPECIAL RULES.—(1) With respect to any tentative agreement reached but not ratified prior to the date of enactment of this joint resolution, if the ratification of such tentative agreement fails the parties to such tentative agreement shall be considered parties to an unresolved dispute for purpose of this section, and the time periods described in this section shall apply to such dispute beginning on the date of such failure.

(2) With respect to any tentative agreement reached after the date of enactment of this joint resolution, if the ratification of such tentative agreement fails, both the labor organization and the carrier (or carriers) party to such tentative agreement shall, within five days after the date of such failure, submit to the arbitrator and to the other party (or parties) a proposed written contract under subsection (b), and shall be subject to subsections (c) and (d).

(3) Upon the agreement of the parties to an unresolved dispute, final offers may be submitted under subsection (b) at any time after the date of enactment of this joint resolution.

(f) TERMINATION.—The responsibilities of an arbitrator appointed under section 2 shall terminate upon a decision under subsection (d).

SEC. 4. PRECLUSION OF JUDICIAL REVIEW.

There shall be no judicial review of any decision of an arbitrator under this joint resolution.

SEC. 5. MUTUAL AGREEMENT PRESERVED.

Nothing in this joint resolution shall prevent a mutual written agreement to any terms and conditions different from those established by the joint resolution.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

FEDERAL HOUSING ENTERPRISES REGULATORY REFORM ACT

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2448, AS MODIFIED, AND AMENDMENT NO. 2449 TO AMENDMENT NO. 2448

Mr. BYRD. Mr. President, in view of the fact that no action has been taken on either of my amendments, do I not have a right to modify them?

The PRESIDING OFFICER. The Senator has that right.

Mr. BYRD. Mr. President, I modify each of my two amendments on page 3, line 4, to change the word "shall" to the word "may."

The PRESIDING OFFICER. The amendments are so modified.

MORNING BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that there now be a period for morning business with Senators permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME TO ADVANCE RELATIONS WITH TAIWAN

Mr. PRESSLER. Mr. President, recently I spoke on the occasion of the second anniversary of the free election of Lee Teng-hui as President of the Republic of China on Taiwan. Today I would like to address United States relations with that country. The United States continues to operate under what many consider to be an outdated policy mandated by the Taiwan Relations Act of 1979, which severed diplomatic relations between our two nations. Times have changed. Our policy regarding Taiwan should reflect the new realities.

We, in Congress, have a responsibility to American workers and businesses to explore every possible avenue to develop markets for American products. This responsibility takes on an even more urgent tone in the face of the tough economic times our Nation currently faces. We operate in a global marketplace, not a vacuum. As Taiwan's prominence in that marketplace rises, U.S. foreign policy should keep pace.

As a member of the Senate Foreign Relations Committee, I would like to suggest to my colleagues that the United States could have better relations with Taiwan. The Republic of China on Taiwan offers opportunities for strengthening both our own economic health and the democratic spirit in another nation.

Taiwan has demonstrated continuous economic growth, as evidenced by its increasing investment on the Chinese mainland and in our country. As the fifth largest investor in U.S. securities, it owns nearly $27 billion in U.S. Treasury bonds. In addition, Taiwan holds $920 million in American common stocks. We have official relations with many nations whose impact on our economy is not nearly as great as Taiwan's.

We also should keep in mind that one-half of Taiwan's GNP comes from exports—and a full one-third of those exports enter the United States. Nor should we ignore the technology that makes Taiwan the sixth largest electronics producer and the third largest personal computer producer in the world. American businesses stand only to benefit from greater access to the technology of our trading partners, such as Taiwan.

Another indicator of Taiwan's strength lies in its modernization efforts. Its 6-year development plan for the 1990's involves Government and private expenditures of $300 billion for infrastructure and other improvements. This ambitious plan signifies even greater economic prospects for Taiwan and trade with the United States.

Despite its growing self-reliance, Taiwan remains heavily dependent on the United States for both capital and agricultural goods. The possible benefits from even stronger relations are immense, both for the farmers and ranchers in my home State of South Dakota and workers and businesses across the country. Taiwan currently has ready access to United States markets. We should work to ensure that a reciprocal benefit is enjoyed by American producers.

Mr. President, other Members of Congress and I have spoken at length about the need to bring an end to the trade deficit we now experience. Reducing the trade deficit must be a high priority, and Taiwan presents a prime opportunity to help bring it under control. Our trade deficit with Taiwan amounted to $10 billion in 1991. Bringing our bilateral trade deficit under control will be impossible, however, if officials of our Governments continue to be unable to talk freely with each other and with companies with which American companies wish to trade.

The United States already affords Taiwan most-favored-nation trading status. Our Government sells over 600 million dollars' worth of arms to Taiwan every year. Yet our Government officials cannot communicate openly with officials of this valuable trading partner. That inconsistency in policy violates common sense.

Under President Lee Teng-hui and other able leaders, Taiwan has joined the democratization trend that is sweeping the world. This movement toward political liberalization should produce a stronger society on Taiwan and will help to break down the barriers that prevent us from improving trade relations with Taiwan.

Mr. President, we cannot ignore the possibility for closer official relations with the Republic of China on Taiwan. The time has come to consider replacing the outmoded Taiwan Relations Act with a new policy that permits direct, face-to-face contact between all officials of the Governments of the United States and of the Republic of China on Taiwan.

NORTH-SOUTH COCOM—AT LAST

Mr. PRESSLER. Mr. President, on January 31, 1989, I wrote to the President, saying that "if we are serious about slowing down the proliferation of chemical and biological weapons, we must find a mechanism, such as an organization of supplier countries, to limit trade in materials and technology necessary to produce those weapons."

My letter also stated, "Given the complexity of the subject matter and the need for uniform standards of control, consultation and cooperation among the leading supplier nations must be a high priority." And I suggested formation of an organization, "perhaps modeled on Cocom, established in one of the supplier countries" where experts could meet, "discuss the latest technology and reach a mutual accommodation on what should and should not be controlled."

Later in 1989, the Foreign Relations Committee adopted my amendment to S. 808, the Foreign Relations Authorization Act for 1990 and 1991, to promote the same approach. In a misguided attempt to slim down the legislation, my amendment was dropped by committee staffs even before it could be considered by conferees.

In the Washington Post of June 2, 1992, a story by Stuart Auerbach, entitled "Former Soviet Empire To Be Invited into Cocom," reported that "The United States and its allies agreed yesterday to invite the former Soviet empire to join in a global effort to control the spread of missile technology and nuclear, chemical and biological weapons to maverick Third World nations."

Mr. President, although it has been more than 3 years since I suggested this very approach, I praise President Bush for taking this necessary step. It can make the world safer from future madmen like Saddam Hussein.

Where do we stand on biological and chemical weapons proliferation issues? Thanks to the leadership of Senator JESSE HELMS and Representative HOWARD BERMAN of California in the other body, a partial solution to the chemical and biological weapons problem was included in the Foreign Relations Authorization Act for fiscal years 1992 and 1993.

Unfortunately, the House Ways and Means Committee backed away from a commitment it made during discussions with conferees to consider a freestanding bill imposing tough new import sanctions on the dealers of death. Senator HELMS, speaking during consideration of the conference report to accompany H.R. 1415 when it was considered by the Senate on October 3, 1991, fully outlined details of the agreement which had been made between himself, Chairmen PELL and FASCELL, Representative BERMAN, and Chairman ROSTENKOWSKI the previous evening.

The Bush administration's announcement of the formation of a Cocom Cooperative Forum on Export Control, which is open to the nations of the former Soviet Union and Eastern Europe, represents real progress. But the job of controlling the proliferation of weapons of mass destruction is far from over.

Mr. President, I ask unanimous consent that my speech from the CONGRESSIONAL RECORD of February 2, 1989, including my letter to President Bush, and the article I referred to from the Washington Post be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the CONGRESSIONAL RECORD, Feb. 2, 1989]

A COCOM FOR CHEMICAL AND BIOLOGICAL WEAPONS

Mr. PRESSLER. Mr. President, the revelations of the past month have made it abundantly clear to all that the supplies of materials and technology related to the production of chemical and biological weapons must be controlled. It is absolutely vital that international trade be cleansed of this merchandise of death.

Wanting it to happen and making it happen, however, are two different things. Anyone who has considered the chemical and biological weapons production problem recognizes that controlling it will be very complex. Nearly every chemical precursor to chemical weapons production is a dual use item. That is, the chemicals which must be controlled also have common application in the pesticide and other fields. It has even been reported that the chemicals in ballpoint pen production could be misused.

Not only is it clear that this area is technically complex, it is equally clear that a unilateral American embargo of these materials and technology will not be sufficient. On January 24, Gen. William Burns told the Senate Foreign Relations Committee that it is hardly accidental that the names of firms alleged to be involved in this vile trade are not U.S.-based. Our export control system, while not perfect, has been fairly effective.

In order to control the supplies of chemical and biological agents, we must have the cooperation of all the potential suppliers. The suppliers must agree on what is to be controlled. Inevitably there will be differences of opinion to be resolved. Since technology does not stand still, discussions of technical experts on this subject should be more or less continuous. As a practical matter, the experts will need a regular place to meet and some sort of clerical assistance, copying facilities and the like.

The Coordinating Committee for Export Controls, known as Cocom, performs a similar function today in the field of strategic trade. It is composed of 16 major suppliers of high tech equipment, including the United States, and meets regularly in an annex of the American Embassy in Paris. Cocom has a small clerical staff and the usual office machines.

Currently there is no regular organization for the control of chemical and biological weapons. There is an informal organization, known as the Australia Group, which has met infrequently, has no regular meeting place and no assigned clerical staff.

This week, therefore, I wrote to President Bush proposing that the supplier nations should meet with a view to creating a Cocom for the control of chemical and biological agents. Such an organization would be small, perhaps modeled on Cocom, established in one of the supplier countries, and would contain a small clerical staff. It would be a place for experts to meet, discuss the latest technology and reach a mutual accommodation on what should and should not be controlled.

Mr. President, if we are serious about slowing down the proliferation of chemical and biological weapons, we must become serious about an organization of supplier countries to limit the trade in materials and technology necessary to produce such weapons. Failure to do so will send a dangerous message about our lack of resolve.

Mr. President, I ask unanimous consent that my letter, dated January 31, to President Bush be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, January 31, 1989.

Hon. GEORGE BUSH,
The President,
The White House, Washington, DC.

DEAR MR. PRESIDENT: The shocking revelations of the past few months have made it abundantly clear that the supplies of materials and technology necessary to produce chemical and biological weapons must be controlled. It is absolutely vital that international trade be cleansed of this merchandise of death.

Given the complexity of the subject matter and the need for uniform standards of control, consultation and cooperation among the leading supplier nations must be a high priority. However, unlike the area of strategic trade which is coordinated by Cocom, there is no regular meeting place for international coordination of controls on chemical and biological weapons. The Australia Group has met infrequently, and has neither an established location nor the clerical staff to assist the work of experts in the field.

I hope, therefore, that you will consider calling the supplier nations together at some suitable location with the intention of creating a Cocom for the control of chemical and biological agents. Such an organization should be small, perhaps modeled on Cocom, established in one of the supplier countries, and should contain a small clerical staff. It would be a place for experts to meet, discuss the latest technology and reach a mutual accommodation on what should and should not be controlled.

If we are serious about slowing down the proliferation of chemical and biological weapons, we must find a mechanism, such as an organization of supplier countries, to limit trade in materials and technology necessary to produce these weapons. Our resolve and determination on this matter is crucial to stopping the spread of chemical and biological weapons.

Sincerely,

LARRY PRESSLER,
U.S. Senator.

[From the Washington Post, June 2, 1992]

FORMER SOVIET EMPIRE TO BE INVITED INTO COCOM

(By Stuart Auerbach)

The United States and its allies agreed yesterday to invite the former Soviet empire to join a global effort to control the spread of missile technology and nuclear, chemical and biological weapons to maverick Third World nations.

Bush administration officials here said the decision was made at a day-long meeting in Paris of the Coordinating Committee for Multilateral Export Controls, known as Cocom, which for 40 years has been dedicated to stopping the flow of military significant technology from the West to the former Soviet Union and its Eastern European allies.

The move is part of an effort by the Bush administration to make sure that military scientists of the former Soviet Union do not sell their talents to rogue nations such as Iraq, Libya or North Korea, administration officials said.

The Cocom decision in Paris is due to be announced today by the State Department.

With the end of the Cold War, the threat of the flow of technology to Moscow subsided and was replaced with concerns that weapons of mass destruction would be used by rogue nations, as well as regional powers such as India and Pakistan for their own purposes.

To meet that new threat, the 17 Cocom members—Japan, Australia and all NATO nations except Iceland—agreed to ask their former enemies to join in a new effort to curb the spread of weapons of mass destruction.

Administration sources said the new group would be called the Cocom Cooperative Forum on Export Control. Membership would be open to Eastern European nations and the newly independent states of the former Soviet Union that were willing to restrict exports to keep advanced technologies from countries that would use them for military purposes.

THE CRAZY HORSE MEMORIAL: A CELEBRATION OF HERITAGE

Mr. PRESSLER. Mr. President, I rise today to recognize the 150th anniversary of the birth of Crazy Horse and the 10th anniversary of the death of sculptor Korczak (Kor-zak) Ziolkowski, who began work on the Crazy Horse Memorial near Custer, SD in 1948. It is appropriate that we celebrate the anniversary of the birth of Crazy Horse and mark the anniversary of the death of Korczak Ziolkowski in 1992, the Year of Reconciliation between Indian and non-Indian people.

The Crazy Horse Memorial is a tribute to the famous war chief of the Teton Sioux who was born on Rapid Creek in the Black Hills of South Dakota in 1842. A courageous warrior, he soon became a respected leader who fought fiercely to defend the rights and lives of his people. In 1876, he led a force of Cheyenne and Oglala warriors to victory over George Armstrong Custer in the Battle of Little Big Horn. Crazy Horse died at the age of 35 after being stabbed by a soldier at Fort Robinson, NE. Sculptor Korczak Ziolkowski was invited by Siouan chiefs to design and create a memorial to their great leader. An American of Polish descent, Ziolkowski began chiseling the giant mountain in 1948. For over three decades, he devoted himself to the carving of the mountain and to the causes of American Indians. The sculptor envisioned the monument not only as a commemoration of the great spirit of Crazy Horse, but as a tribute to the proud and rich heritage of all North American Indian tribes. Although Korczak Ziolkowski died in 1982, his vision continues under the careful and caring direction of his wife Ruth and their three children. Now emerging from the mountain is an awe-inspiring profile of the great American Indian leader. When complete, the monument will measure over 560 feet tall.

As a monumental work of art, the Crazy Horse Memorial also promises to become a great asset to South Dakota's tourism industry. Thousands of visitors along with members of the national and international media now gather to witness the blasts of dynamite needed to carve the mountain. As progress on the monument continues and publicity on the work increases, ever greater numbers of tourists will see and appreciate the beauty of South Dakota's "fifth granite face."

As a memorial, Crazy Horse preserves the pride and richness of American Indian history. For the nine tribes in South Dakota as well as for all North American Indian tribes, Crazy Horse symbolizes the spirit of the American Indian people. In response to the question posed by a white man, "Where are your lands now?", Crazy Horse answered with an outstretched hand pointing, "My lands are where my dead lie buried." The spirit of Crazy Horse—his undaunted commitment to justice and to freedom—is truly an inspiration to people of all ages and races.

Mr. President, I also am saddened to report that this anniversary celebration has been tainted. I am referring to the appalling decision of the Hornell Brewing Co. of New York to market a malt liquor under the brand name "Crazy Horse". I am deeply angered by this insensitivity to Native American heritage. Defaming this hero by associating his name with any alcoholic beverage is an insult to the American Indian culture, and it must not be tolerated.

I have taken several steps to try to stop the marketing of this product. Recently I testified before the House Select Committee on Children, Youth and Families objecting to this use of the name of a great American Indian spiritual leader and war hero. Earlier I asked the company to stop marketing the product and earmark any profits for alcohol programs on Indian reservations. On June 3, 1992, I requested the support of Secretary of the Interior Manuel Lujan in prohibiting the sale of "Crazy Horse" malt liquor at national park concession stands. I will continue my efforts to protect the sanctity of the name Crazy Horse and to prevent the denigration of the American Indian culture. Mr. President, I am proud to recognize the Crazy Horse Memorial as we celebrate the 150th anniversary of the birth of Crazy Horse and mark the 10th anniversary of the death of sculptor Korczak Ziolkowski.

POET LAUREATE: A GREAT RESOURCE SELDOM USED

Mr. PRESSLER. Mr. President, in 1985, Congress created the office of poet laureate. Regrettably, this position has not received the attention it deserves. Recently, Russian exile Joseph Brodsky completed his term as poet laureate. Mr. Brodsky expected great things from this position. As something of a student of poetry myself, I was excited by his plan to create an extensive anthology of American poetry. To his dismay and to the dismay of other poetry enthusiasts, the services of the office of poet laureate have not been utilized to their full potential.

It was my pleasure to have Mr. Brodsky to lunch to discuss some poetry I was reading. I know very little about poetry and I felt a little inadequate talking to the poet laureate. But he was very nice and understanding to me.

Echoing the feelings of other former poet laureates, Mr. Brodsky believes that in Washington, a city of enormous professional and educational potential, there should be a greater commitment to literature—specifically American poetry. It is important that we Members of Congress take a greater interest in literature and in the office of poet laureate.

For decades, my home State of South Dakota has shown strong interest in literature and poetry. In February, 1987, honoring the 16th anniversary of the South Dakota State Poetry Society's publication, Pasque Petals, the State Poetry Society presented the Library of Congress with a bound set of the publication—all 60 volumes, I am proud to say that South Dakota's Pasque Petals is the oldest continuously published poetry magazine in the United States.

I was proud to personally present Pasque Petals to the Library of Congress on behalf of my State.

Mr. President, I ask unanimous consent that an article which appeared in the Washington Post on May 31, 1992, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 31, 1992]

POET LAUREATE LAMBASTES LIBRARY

(By David Streitfeld)

Joseph Brodsky's term as poet laureate, which officially concluded with a reading of his work to an overflow crowd of several hundred at the Library of Congress May 14, was stormier and more colorful than those of his four predecessors put together, and not coincidentally probably did more to boost the profile of this obscure post.

It wasn't raised nearly enough to satisfy Brodsky, however. In his favorite Capitol Hill cafe the morning after his final appearance, the poet waffled about whether he regretted taking the job, but made his feelings clear: "I could have happily lived without it. The job was ill-paid, ill-defined and ultimately ill-executed * * * I'm glad it's behind me."

In spite of the attention he has drawn to poetry since September, Brodsky had hoped and expected to do much more, and blames the library and its bureaucracy for his failure. "I experienced more hindrance than support," he said. "The library's chief interest is in sustaining things the way they are," and his tiny staff was "fairly inept."

His pet project, an anthology of American verse that would be as plentiful and as widely available as a telephone directory, isn't moving as fast as he wished; a plan for a major, freewheeling conference here on the state of American poetry at the end of the century is, at best, delayed.

The office of poet laureate, created by Congress in 1985 but not given much of a mandate, is, Brodsky said, "nothing but a feather in the library's cap—or rather, given the cloudiness of its mental operations, in its turban. (A turban looks like a cloud, yeah?) It should be a bully pulpit from which to address the entire nation."

At about this point the Russian exile will be criticized for being at best unrealistic, at worst naive. American-born poets, no matter how serious about their work, tend to be resigned to spending their lives without ever running into anyone out in the real world who can quote the title of a poem, much less a line or two. Yet Mark Strand, the previous laureate, echoed many of Brodsky's complaints in a phone interview from his home in Salt Lake City.

"If the position were taken more seriously, and there was a greater commitment to poetry, perhaps there would be more people at poetry readings," Strand said. "The whole poetry program and the laureateship has to be rethought. It's a tremendous mess."

Strand also said, somewhat contradictorily, that "it's not the library's fault. It's an institution, and like all institutions it works slowly." At readings he organized during his stint here, 30 to 50 people came. "That's disgraceful." Brodsky averaged more, but then he chose better-known poets.

Even though Strand's expectations weren't enormous, he was disappointed. "In Salt Lake City, you'd expect most people to be reading The Book of Mormon, which in fact is what most people do read. In Washington, with a highly educated professional population, you'd expect a greater literacy or greater interest in literature. But there's this great silence, and no sign that they ever read anything."

He traces it all the way to the top. "Here's a president whose supposed to be the education president, and I have not heard tell of one book he's supposed to have read while in office. Wouldn't it be wonderful if Bush could say, 'Boy, I really liked that last novel of Updike's'?"

Among Strand's off-the-cuff recommendations for improving things: "They have to say poetry is important, they have to do twice as much advertising, they have to take it off the ugly brown paper they do the announcements on and have to revise the mailing list. They have to say, 'Let's do something.' Start a poetry bookstore in the library. Take out a big ad in the paper and let people know what the schedule is through the year, so people can put it on the refrigerator. Do something that's better and different."

To these comments, Prosser Gifford, the library's director of scholarly programs, responds that the poetry position is indeed underfunded. "We certainly do have a commitment to poetry and literature but we could do more if we had more funds, and we'll soon develop a procedure for doing so."

To his knowledge, Gifford said, there haven't been any major new gifts since the original establishment of the poetry endowment in 1954. As for other complaints by Brodsky, he said a bit cryptically: "Each poet laureate is his or her own personality."

Brodsky certainly has a flamboyant one. Anyone who's been sentenced to five years at hard labor simply for declaring himself a poet—as Brodsky was in the Soviet Union in 1964—might naturally tend to have feelings about the form that are larger than life.

His last library reading was as remarkable performance simply as theater: The poet insisting on beginning with two works of Robert Frost, then moving onto his own work, alternating in Russian and English, doing much of it from memory. His favorite poem written here, he said, was also the shortest:

I sit at my desk
My life's grotesque.

It was, in truth, often difficult to make out the roughly accented words, but no one seemed to feel that really mattered: This was more akin to a musical performance. Through much of it Brodsky's final pre-performance cigarette, dumped hastily into a plant on the podium, continued to billow forth. For a smoker so devout that he should be doing advertisements for Marlboro, it was particularly appropriate.

The poet's trouble at the library was compounded by the fact that he is not what one would call a natural administrator. His staff would tell callers they never knew when or if he'd show up. Inviting a poet to come and read was often a last-minute decision. Brodsky said it was "psychologically impossible" to do things any other way. In his office in the library's dusty, cluttered attic. I once saw the start of a letter that could be his slogan: I apologize for not responding promptly * * * There is, in short, probably enough blame to go around.

When Brodsky was announced as laureate last year, there was some grumbling over the fact that he wasn't American-born. Yet he quickly won most over with his ardent partisanship of the native verse. And he is increasingly an American poet: He continues to write in Russian, but now translates himself. His passion for English is one of the more dramatic things about him, although his words often seem to come out of a private time warp. "He still believes he's the cat's pajamas," he says of one exile. Or to a friend on the phone: "Call me Monday morning when the rooster sings.

American poetry is even better, Brodsky is fond of saying, than the country's two most famous cultural creations: jazz and cinema. An American citizen for 15 years, this guy's been in love with our verse since he taught himself the language three decades ago, and he doesn't see why everyone else shouldn't feel the same way. Just give them a chance.

Merely as a statement of ambition, this is wildly different from Brodsky's four predecessors. Robert Penn Warren, Richard Wilbur and Howard Nemerov, for various reasons including age and health, didn't move to Washington for their stints. Strand did, but could only do so because he had a MacArthur fellowship to supplement the $35,000 the library pays.

Brodsky—even commuting from New York two or three days a week—assumed a much higher profile than any of them. "You want to be self-effacing in poetry," he said during a lecture at the library last year, "you might as well take the next step and shut up."

Before there was a poet laureate, the library had a consultant in poetry who performed some of the same roles. As the Library of Congress is still at the service of the legislators it was originally set up to serve, so too was the consultant (as is the laureate).

"Nobody ever consulted me on anything," Brodsky remembered. Then he brightened: One member of Congress actually did call, Sen. Larry Pressler (R–S.D.). "He said he would like to upgrade his sense of American poetry." The other 534 members were presumably busy confirming Mark Strand's vision of Washington as a place where the elite are uncultured. Brodsky's own verdict on the city: "Lively, but on the whole it wasn't called Ground Zero for nothing."

Yet there were a few encouraging signs of movement. A minor one that could stand for the whole: Two mid-level executives of the Pathmark supermarket chain, responding to the poet's plea, sent him a letter saying: "If you want an 'in' to getting poetry to the supermarket checkout line (Think you can beat 'Baby born with map of solar system on his back'?) we'd be willing to do everything within our limited authority. Just for the hell of it."

Poetry isn't in supermarkets, or drugstores. Almost everywhere, the status quo is that verse goes unrecognized. Poets, too. The guy behind the counter of the cafe the morning Brodsky was being interviewed, apparently with no idea who he was even after his many visits there, motioned for him to put out his cigarette. "Hey, this is a cafe!" the poet yelled back. And defiantly continued to smoke.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REVISED DEFERRALS OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 254

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report two revised deferrals, now totaling $2.2 billion in budgetary resources. Including the revised deferrals, funds withheld in FY 1992 now total $5.7 billion.

The deferrals affect Funds Appropriated to the President and the Department of Agriculture. The details of the deferrals are contained in the attached reports.

GEORGE BUSH.

THE WHITE HOUSE, *June 25, 1992.*

FEDERAL GRANTS FOR STATE AND LOCAL "GI BILLS" FOR CHILDREN—MESSAGE FROM THE PRESIDENT—PM 255

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

Forty-eight years ago this week, President Franklin Roosevelt signed the GI Bill. With the hope of duplicating the success of that historic legislation, I am pleased to transmit for your immediate consideration and enactment the "Federal Grants for State and Local 'GI Bills' for Children." This proposal is a crucial component of our efforts to help the country achieve the National Education Goals by the year 2000. Also transmitted is a section-by-section analysis.

This legislation would authorize half-a-billion new Federal dollars in fiscal year 1993, and additional amounts in later years, to help States and communities give $1,000 scholarships to middle- and low-income children. Families may spend these scholarships at any lawfully operating school of their choice—public, private, or religious. The result would be to give middle- and low-income families consumer power—dollars to spend at any school they choose. This is the muscle parents need to transform our education system and create the best schools in the world for all our children.

At the close of World War II, the Federal Government created the GI Bill giving veterans scholarships to use at any college of their choice—public, private, or religious. This consumer power gave veterans opportunity, helped to create the best system of colleges and universities in the world, and gave America a new generation of leaders. Now that the Cold War is over, the Federal Government should help State and local governments create GI Bills for children. Under this approach, scholarships would be available for middle- and low-income parents to use at the elementary or secondary schools of their choice.

This bill will give middle- and low-income families more of the same choices available to wealthier families. Through families, it will provide new funds at the school site that teachers and principals can use to help all children achieve the high educational standards called for by the National Education Goals. In addition, the legislation will create a marketplace of educational opportunities to help improve all schools; engage parents in their children's schooling; and encourage creation of other academic programs for children before and after school, on weekends, or during school vacations.

Once this proposal is enacted, any State or locality can apply for enough Federal funds to give each child of a middle- or low-income family a $1,000 annual scholarship. The governmental unit would have to take significant steps to provide a choice of schools to families with school children in the area and permit families to spend the $1,000 Federal scholarships at a wide variety of public and private schools. It would have to allow all lawfully operating schools in the area—public, private, and religious—to participate if they choose.

The Secretary of Education would select grantees on the basis of: (1) the number and variety of choices made available to families; (2) the extent to which the applicant has provided educational choices to all children, including children who are not eligible for scholarships; (3) the proportion of children who will participate who are from low-income families; and (4) the applicant's financial support (including private support) for the project.

The maximum family income for eligible children would be determined by the grantee, but it could not exceed the higher of the State or national median income, adjusted for family size. All eligible children in the project area would receive scholarships, as long as sufficient funds are available. If all eligible children cannot participate, the grantee would provide scholarships to those with the lowest family incomes. Students would continue to receive scholarships over the 4-year life of a project unless they leave school, move out of the area, or no longer meet the income criteria. Up to $500 of each scholarship may be used for other academic programs for children before and after school, on weekends, or during school vacations.

This bill provides aid to families, not institutions. However, as a condition of participating in this program, a school must comply with Federal anti-discrimination provisions of: section 601 of title VI of the Civil Rights Act of 1964 (race), section 901 of title IX of the Education Amendments of 1972 (gender), and section 504 of the Rehabilitation Act of 1973 (disability).

Funding is authorized at $500 million in FY 1993, and "such sums as may be necessary" through FY 2000. The Department of Education would conduct a comprehensive evaluation of these demonstration projects. The evaluation would assess the impact of the program in such areas as educational achievement and parents' involvement in, and satisfaction with, their children's education.

I urge the Congress to take prompt and favorable action on this legislation.

GEORGE BUSH.

THE WHITE HOUSE, *June 25, 1992*.

MESSAGES FROM THE HOUSE

At 3:56 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 5428. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1993, and for other purposes.

At 9:55 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 517. Joint resolution to provide for a settlement of the railroad labor-management disputes between certain railroads and certain of their employees.

ENROLLED BILL SIGNED

At 10:08 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 3711. An act to authorize grants to be made to State programs designed to provide resources to persons who are nutritionally at risk in the form of fresh nutritious unprepared foods, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore [Mr. BYRD].

ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 517. Joint resolution to provide for a settlement of the railroad labor-management disputes between certain railroads and certain of their employees.

The enrolled joint resolution was subsequently signed by the President pro tempore [Mr. BYRD].

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 5428. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1993, and for other purposes; to the Committee on Appropriations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIDEN, from the Committee on the Judiciary, with amendments:

H.R. 2324. A bill to amend title 28, United States Code, with respect to witness fees.

By Mr. BIDEN, from the Committee on the Judiciary, without amendment:

H.R. 3379. A bill to amend section 574 of title 5, United States Code, relating to the authorities of the Administrative Conference.

By Mr. GLENN, from the Committee on Governmental Affairs, with an amendment:

S. 2566. A bill to establish partnerships involving Department of Energy laboratories and educational institutions, industry, and other Federal agencies, for purposes of development and application of technologies critical to national security and scientific and technological competitiveness.

By Mr. BIDEN, from the Committee on the Judiciary, without amendment and with a preamble:

S.J. Res. 248. A joint resolution designating August 7, 1992, as "Battle of Guadalcanal Remembrance Day".

By Mr. BIDEN, from the Committee on the Judiciary, with an amendment in the nature of a substitute and an amendment to the title and an amended preamble:

S.J. Res. 252. A joint resolution designating the week of April 19 - 25, 1992, as "National Credit Education Week".

By Mr. BIDEN, from the Committee on the Judiciary, with an amendment in the nature of a substitute and an amended preamble:

S.J. Res. 281. A joint resolution designating the week of September 14 through September 20, 1992, as "National Small Independent Telephone Company Week".

By Mr. BIDEN, from the Committee on the Judiciary, without amendment and with a preamble:

S.J. Res. 287. A joint resolution to designate the week of October 4, 1992, through October 10, 1992, as "Mental Illness Awareness Week".

S.J. Res. 288. A joint resolution designating the week beginning July 26, 1992, as "Lyme Disease Awareness Week".

S.J. Res. 294. A joint resolution to designate the week of October 18, 1992 as "National Radon Action Week".

S.J. Res. 295. A joint resolution designating September 10, 1992, as "National D.A.R.E. Day".

S.J. Res. 301. A joint resolution designating July 2, 1992, as "National Literacy Day".

S.J. Res. 303. A joint resolution to designate October 1992 as "National Breast Cancer Awareness Month".

S.J. Res. 304. A joint resolution designating January 3, 1993, through January 9, 1993, as "National Law Enforcement Training Week".

S.J. Res. 305. A joint resolution to designate October 1992 as "Polish American Heritage Month".

S.J. Res. 307. A joint resolution designating the month of July 1992 as "National Muscular Dystrophy Awareness Month".

S.J. Res. 309. A joint resolution designating the week beginning November 8, 1992, as "National Women Veterans Recognition Week".

S.J. Res. 318. A joint resolution designating November 13, 1992, as "Vietnam Veterans Memorial 10th Anniversary Day".

S.J. Res. 319. A joint resolution to designate the second Sunday in October of 1992 as "National Children's Day".

By Mr. FORD, from the Committee on Rules and Administration:

Special Report entitled "Printing Pictures of Missing Children on Senate Mail" (Rept. No. 102–303).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GLENN, from the Committee on Governmental Affairs:

Stephanie Duncan-Peters, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for the term of 15 years;

Ann O'Regan Keary, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for the term of 15 years;

Judith E. Retchin, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for the term of 15 years; and

William M. Jackson, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for the term of 15 years.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. BIDEN, from the Committee on the Judiciary:

Eduardo C. Robreno, of Pennsylvania, to be U.S. district judge for the eastern District of Pennsylvania;

Thomas K. Moore, of the Virgin Islands, to be a judge of the District Court of the Virgin Islands for a term of 10 years;

Gordon J. Quist, of Michigan, to be U.S. district judge for the Western District of Michigan; and

Norman H. Stahl, of New Hampshire, to be U.S. Circuit Judge for the First Circuit.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. KOHL (for himself, Mr. GLENN, and Mr. PRYOR):

S. 2892. A bill to amend title 44, United States Code, to authorize appropriations for the National Archives and Records Administration and the National Historic Publications and Records Commission, to establish requirements for the disposal by Federal agencies of extra copies of records, to establish requirements for the management of public records, and to establish requirements applicable to the National Archives Trust Fund Board; to the Committee on Governmental Affairs.

By Mr. PRYOR (for himself, Mr. MITCHELL, Mr. STEVENS, Mr. GLENN, Mr. HOLLINGS, Ms. MIKULSKI, Mr. DODD, Mr. LEVIN, Mr. BUMPERS, Mr. ROBB, Mr. KENNEDY, Mr. PELL, Mr. RIEGLE, Mr. KOHL, Mr. GRAHAM, Mr. WIRTH, Mr. SASSER, Mr. SARBANES, Mr. BINGAMAN, Mr. WOFFORD, Mr. AKAKA, Mr. METZENBAUM, Mr. BREAUX, Mr. NUNN, Mr. ADAMS, and Mr. REID):

S. 2893. A bill to provide for assistance to Federal employees in reduction in force actions of Federal personnel, and for other purposes; to the Committee on Governmental Affairs.

By Mr. STEVENS (for himself and Mr. MURKOWSKI):

S. 2894. A bill to implement the Convention for the Conservation of Anadromous Stocks in the North Pacific Ocean, signed in Moscow, February 11, 1992; to the Committee on Commerce, Science, and Transportation.

By Mr. ADAMS (for himself, Mr. LEAHY, Mr. WIRTH, and Mr. DODD):

S. 2895. A bill to provide a program for rural development for communities and businesses in the Pacific Northwest and northern California, to provide retraining assistance for workers in the Pacific Northwest and northern California who have been dislocated from the timber harvesting, log hauling and transportation, saw mill, and wood products industries, to provide cost share and forest management assistance to private landowners in the Pacific Northwest and northern California in order to ensure the long-term supply of Pacific yew for medicinal purposes, to preserve Federal watersheds and late-successional and old-growth forests in the Pacific Northwest and northern California, to provide oversight of national forest ecosystem management throughout the United States, to provide for research on national forest ecosystem management, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ROCKEFELLER (for himself and Mr. LIEBERMAN):

S. 2896. A bill to ensure that consumer credit reports include information on any overdue child support obligations of the consumer; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. INOUYE:

S. 2897. A bill for the relief of the Persis Corporation; to the Committee on the Judiciary.

By Mr. MCCAIN:

S. 2898. A bill to authorize a project to identify, map and assess transboundary aquifers along the border between the United States and Mexico, and for other purposes; to the Committee on Environment and Public Works.

By Mr. KENNEDY (for himself, Mr. ADAMS, Mr. INOUYE, and Mr. WELLSTONE):

S. 2899. A bill to amend the Public Health Service Act to revise and extend the programs of the National Institutes of Health, and for other purposes; to the Committee on Labor and Human Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. PRYOR (for himself and Mr. COHEN):

S. Res. 320. A resolution to authorize the printing of additional copies of a Senate report entitled "Developments in Aging: 1991"; to the Committee on Rules and Administration.

By Mr. DECONCINI:

S. Con. Res. 127. A concurrent resolution to express the sense of the Congress that women's soccer should be a medal sport at the 1996 centennial Olympic games in Atlanta, Georgia; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KOHL (for himself, Mr. GLENN, and Mr. PRYOR):

S. 2892. A bill to amend title 44, United States Code, to authorize appropriations for the National Archives and Records Administration and the National Historic Publications and Records Commission, to establish requirements for the disposal by Federal agencies of extra copies of record, to establish requirements for the management of public records, and to establish requirements applicable to the National Archives Trust Fund Board; to the Committee on Governmental Affairs.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION AUTHORIZATION ACT OF 1992

• Mr. KOHL. Mr. President, today Senators GLENN, PRYOR, and I are introducing the National Archives and Records Administration Authorization Act of 1992. This act provides a number of specific changes in the operation of the National Archives. The purpose of these changes is to strengthen the operations of the Archives and to make it more responsive to the people it serves—the public of this United States.

The Archives is a remarkable institution. With some 250 miles of shelves, it houses the most important documents of our history. The Constitution and the Declaration of Independence are there. And, perhaps more importantly, the Archives holds the documents that make up each American's personal history. The Archives makes census records available for people researching their roots. In fact, the 1920 census was recently opened up for that purpose.

Each year millions of visitors come to Washington, DC, because it embodies the history of this great country. Many of those visitors get a real and tangible feel for our history by visiting the National Archives. But the Archives is not just a museum. It is a live and active place for researchers as well. Much of the documentary footage in the PBS series on the Civil War came from the National Archives. And every day the study rooms at the Archives are filled with researchers developing new views of our history.

Since the Archives was separated from the General Services Administration in 1984 it has received little attention from Congress. Two recent, GAO's "Federal Records: Document Removal by Agency Heads Needs Independent Oversight" and the House Information Subcommittee's "Taking a Byte Out of History", have illustrated the need for oversight. Our legislation is an attempt to provide that.

Let me highlight some of the major provisions in this bill.

The Archives recently changed the rules regarding access to films, videotapes, and audiotapes. That change was made without consulting the public or the researchers who use those records. It is unlikely that the PBS series on the Civil War could be made under the current rules. This bill provides for changes such as this to be made publicly—with Federal Record notice and an opportunity for public comment.

This legislation also addresses the Archives' trust fund, a revolving fund to run souvenir shops and handle requests for copies of documents. The fund now charges 25 cents per page for copies and until recently charged 35 cents. That is more than agencies charge for freedom of information requests, and more than most commercial copying costs. This bill requires that copying be done at a price that does not exceed costs. In addition, the bill provides for a Visiting Scholars Program to be funded by the trust fund. This would provide travel and lodging expenses for researchers to travel to Washington to use the Archives' resources.

Our legislation also requires the National Archives to develop adequate procedures for preserving electronic records. To date, the Archives has often fought against preserving such records. A number of publications have recommended changes in the way the Archives handles electronic records. "Taking a Byte Out of History" makes specific recommendations as does "Research Issues in Electronic Records" published by the National Historical Publications and Records Commission. This bill provides for an Advisory Committee on Electronic Records to provide a forum for continued advice on this issue.

And, finally, our bill calls for a general advisory committee for the Archives. There is concern that the National Archives has grown too isolated from their customers—the public—and from the community of archivists. This committee will advise the Archivist on all programs and activities of the Archives.

I have outlined the details of this bill in a summary, and I ask unanimous consent that this be printed in the Record. I also ask unanimous consent that the full text of our legislation be placed in the Record.

These details are important, but, at its heart, our legislation is not about details or dry documents. It is about keeping our history alive for our children and their children. It is about our obligation to assure records exist that future generations can use to explore their past as fully as we have been able to explore ours. It is about keeping the National Archives strong and open so that our past can continue to shape and guide our future.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 2892

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Archives and Records Administration Authorization Act of 1992".

SEC. 2. AUTHORIZATIONS OF APPROPRIATIONS.

(a) National Archives and Records Administration.—

(1) In general.—Chapter 21 of title 44, United States Code, is amended by adding at the end the following:

"§ 2121. Authorization of appropriations

"There are authorized to be appropriated to the Archivist to carry out functions of the Archivist, to remain available until expended—

"(1) $210,000,000 for fiscal year 1994;

"(2) $230,000,000 for fiscal year 1995; and

"(3) $250,000,000 for fiscal year 1996.".

(2) Clerical amendment.—The table of sections at the beginning of chapter 21 of title 44, United States Code, is amended by adding at the end the following:

"2121. Authorization of appropriations.".

(b) National Historical Publications and Records Commission.—Section 2504(f) of title 14, United States Code, is amended to read as follows:

"(f)(1) For the purposes specified in this section, there is authorized to be appropriated to the Commission—

"(A) $7,000,000 for fiscal year 1994;

"(B) $8,500,000 for fiscal year 1995; and

"(C) $10,000,000 for fiscal year 1996.

"(2) Amounts appropriated under this subsection shall be available until expended if so provided in appropriations Acts.".

SEC. 3. RULES AFFECTING PUBLIC ACCESS TO RECORDS.

Section 2108 of title 44, United States Code, is amended by adding at the end the following:

"(c) Any rule that affects access or use by the public to records in the custody of the Archivist may be adopted or amended only in accordance with the notice and comment requirements of section 553 (b), (c), and (d) of title 5.".

SEC. 4. REMOVAL OF RECORDS.

(a) Definition of Records.—Section 3301 of title 44, United States Code, is amended to read as follows:

"§ 3301. Definition of records

"As used in this chapter, the term 'records'—

"(1) includes all books, papers, maps, photographs, computer programs, machine readable materials, computerized, digitized, or electronic information, regardless of the medium on which it is stored, or other documentary materials, regardless of physical form or characteristics, made or received by an agency of the United States Government under Federal law or in connection with the transaction of public business and preserved or appropriate for preservation by that agency or its legitimate successor as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities of the Government or because of the informational value of data in them; and

"(2) does not include stocks of publications.".

(b) Requirements for Disposal of Extra Copies of Records.—Chapter 33 of title 44, United States Code, is amended by striking sections 3315, 3316, 3317, 3318, 3319, 3320, 3321, 3322, 3323, and 3324, and inserting the following:

"§ 3315. Removal of records

"(a) Subject to regulations issued by the Archivist of the United States under subsection (b), the head of an agency may remove or authorize the removal from the agency extra copies of records maintained only for convenience of reference.

"(b)(1) The Archivist of the United States shall issue regulations for the removal of records under subsection (a).

"(2) Regulations issued by the Archivist of the United States under this subsection—

"(A) shall expressly prohibit the removal under this section of—

"(i) records classified by law or by Executive order in the interest of national defense or foreign policy;

"(ii) original records; and

"(iii) records containing information that is subject to express statutory prohibitions against public disclosure;

"(B) shall require that, before a record may be removed from an agency under this section, the record shall be independently reviewed by—

"(i) the Archivist, in the case of a record proposed to be removed by the head of an executive department, or

"(ii) the Archivist or an officer or employee of the agency, in the case of a record proposed to be removed by any other person;

"(C) may require that a person who removes a record from an agency under this section shall be liable to the United States Government for—

"(i) any duplication of the record requested by the person, and

"(ii) the cost of delivering the record to the person.

"(c)(1) The Archivist of the United States (or a designee of the Archivist) may inspect any record removed from an agency.

"(2) The Comptroller General of the United States (or a designee of the Comptroller General) may inspect any record removed from an agency.

"(3) The Archivist of the United States may institute appropriate legal action in the United States District Court for the District of Columbia to—

"(A) require the custodian of any record removed from an agency to permit the Archivist (or a designee of the Archivist) to inspect the record; and

"(B) recover any record improperly removed from an agency.".

(c) Clerical Amendments.—The table of sections at the beginning of chapter 33 of title 44, United States Code, is amended—

(1) by striking the items relating to sections 3315, 3316, 3317, 3318, 3319, 3320, 3321, 3322, 3323, and 3324, and

(2) by adding at the end the following:

"3315. Removal of records.".

SEC. 5. REGULATIONS CONCERNING MANAGEMENT

(a) Disposal of Records.—Section 3302 of title 44, United States Code, is amended—

(1) in the first sentence by inserting "and binding on all Federal agencies" after "chapter"; and

(2) by redesignating paragraphs (1) through (3) as paragraphs (3) through (5), respectively, and inserting before such newly redesignated paragraph (3) the following new paragraphs:

"(1) standards for interpreting the definition of records under section 3301, including standards for determining if records are appropriate for preservation as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities of an agency, or because of the informational value of the records,

"(2) standards for establishment and maintenance of adequate and proper documentation of the organization, functions, policies, decisions, procedures and essential transactions of the agency for incorporation in record keeping requirements to be issued by heads of agencies,".

(b) Establishment of Program of Management.—Section 3102(3) of title 44, United States Code, is amended by striking out "and 3101–3107, of this title and the regulations" and inserting in lieu thereof "3101–3107, and 3301–3314, of this title and the regulations and standards".

(c) Examination of Records for Historical Preservation.—(1) Section 2107 of title 44, United States Code, is amended—

(A) in the first sentence by inserting "(a)" before "When it appears"; and

(B) by adding at the end thereof the following new subsection:

"(b) Subject to section 2906 of this title and notwithstanding any other provision of law, the Archivist (or a designee of the Archivist) may inspect or examine any record to determine if—

"(1) an agency is in compliance with the binding guidelines issued by the Archivist; and

"(2) the record has sufficient value to warrant the continued preservation by the United States Government.".

(2) Section 2906 of title 44, United States Code, is amended—

(A) in subsection (a)(1) by striking out the first sentence and inserting in lieu thereof: "In carrying out their respective duties and responsibilities under this chapter and under chapters 21, 31, 33, and 35 of this title, the Administrator of General Services and the Archivist (or a designee of either) may inspect the records or the records management practices and programs of any Federal agency for the purposes of rendering recommendations for the improvement of records management practices and programs. The Archivist (or a designee of the Archivist) may inspect the records of any Federal agency for the purpose of determining whether records in the custody of the agency have sufficient historical, administrative, legal, research or other value to warrant their further preservation by the Government.";

(B) in subsection (a) by amending paragraph (2) to read as follows:

"(2) The Administrator and the Archivist shall promulgate regulations (subject to the approval of the President) to—

"(A) provide for the inspection of records, the use of which is restricted by law; and

"(B) provide that regulations authorizing and restricting the examination and use of such records applicable to the head of the custodial agency or to employees of that agency are applied in the same manner to the Archivist and the Administrator and to the employees of the National Archives and Records Administration and General Services Administration, respectively."; and

(C) in subsection (b) by inserting "and in sections 2107 and 3303a of this title" after "subsection (a) of this section".

(3) The first sentence of section 3303a(a) is amended to read as follows: "Subject to the limitations of sections 2906 and notwithstanding any other provision of law, the Archivist shall examine the lists and schedules submitted under section 3303, and the Archivist (or a designee of the Archivist) may examine any record on such lists or schedule.".

SEC. 6. AMENDMENTS RELATING TO NATIONAL ARCHIVES TRUST FUND BOARD.

(a) COMPLIANCE WITH PROCUREMENT RULES.—Section 2302 of title 44, United States Code, is amended—

(1) in paragraph (3) by striking "and" after the semicolon at the end,

(2) in paragraph (4) by striking the period and inserting "; and", and

(3) by adding at the end the following:

"(5) shall comply with all procurement rules that are applicable to the National Archives and Records Administration.".

(b) CLERICAL AMENDMENTS RELATING TO TAX TREATMENT OF GIFTS.—Section 2305 of title 44, United States Code, is amended—

(1) by inserting "(a)" before "The Board"; and

(2) by adding at the end the following:

"(b) Gifts and bequests received by the Board under this chapter, and the income from them, are exempt from taxes.".

(c) TRUST FUND ACCOUNT AND DISBURSEMENTS.—

(1) IN GENERAL.—Section 2307 of title 44, United States Code, is amended to read as follows:

"§ 2307. Trust fund account; disbursements

"The income from trust funds held by the Board and the proceeds from the sale of securities and other personal property, as and when collected, shall be covered into the Treasury of the United States in a trust fund account to be known as the National Archives Trust Fund, subject to disbursement on the basis of certified vouchers of the Archivist of the United States (or a designee of the Archivist) for activities approved by the Board and in the interest of the national archival and records activities administered by the National Archives and Records Administration.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 23 of title 44, United States Code, is amended in the item relating to section 2307 by striking "; sales of publications and releases".

(d) PUBLICATIONS.—

(1) GENERAL AUTHORITY.—Section 2308 of title 44, United States Code, is amended to read as follows:

"§ 2308. Publications

"The Board may authorize—

"(1) the preparation and publication of special works and collections of sources; and

"(2) the preparation, duplication, editing, and release of historical photographic materials and sound recordings.".

(2) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 23, United States Code, is amended—

(A) in the item relating to section 2302 by inserting "the" before "Board"; and

(B) by striking the item relating to section 2308 and inserting the following:

"2308. Publications.".

(e) SALES OF PUBLICATIONS AND OTHER ITEMS.—

(1) IN GENERAL.—Chapter 23 of title 44, United States Code, is amended by adding at the end the following:

"§ 2309. Sales of publications and other items

"(a)(1) The Board may sell—

"(A) publications authorized under section 2308 which are produced with amounts in the National Archives Trust Fund and;

"(B) other publications and items.

"(2) Subject to subsection (b), the Board may charge a price for any publication and other item sold under this section, that shall not exceed the cost of producing the item, plus a profit of not more than 25 percent of that cost.

"(3) Amounts received by the United States as proceeds of sales under this section shall be deposited into the National Archives Trust Fund established under section 2307.

"(b)(1) The Board shall provide for the sale of reproductions of documents, photographs, motion pictures, sound recordings, and other records in the custody of the Archivist of the United States, at a price that shall not exceed the cost of producing the reproductions.

"(2) Amounts in the National Archives Trust Fund established under section 2307 that are attributable to profits from sales of items under subsection (a) shall be available for use by the Board for providing copies under this subsection at a price that is less than the cost of producing the copies.

"(3) The Board shall, subject to the availability of funds, provide reproductions without charge to persons who would qualify for a waiver of fees under section 552 of title 5.

"(4) The Board may establish limits on the number of reproductions that may be provided to a person in any year under this subsection without charge.

"(c) The Board shall establish a program, to be known as the 'Visiting Scholars Program', under which persons engaged in scholarly research may be provided travel and lodging support to visit research facilities of the National Archives and Records Administration.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 23 of title 44, United States Code, is amended by adding at the end the following:

"2309. Sales of publications and other items.".

(f) ACCOUNTING; EXCESS PROFITS.—

(1) IN GENERAL.—Chapter 23 of title 44, United States Code, is amended by adding at the end the following:

"§ 2310. Accounting; excess profits

"(a)(1) The Comptroller General of the United States shall, by not later than 1 year after the date of the enactment of the National Archives and Records Administration Authorization Act of 1992—

"(A) conduct an audit of the National Archives Trust Fund established under section 2307, in accordance with generally accepted Federal Government accounting principles; and

"(B) as part of that audit, identify any amounts in the National Archives Trust Fund that are not needed for the operation of the Board during the next fiscal year, including a reasonable reserve against losses which might be incurred by the Board during that period; and

"(C) submit to the Board and the Congress a report on that audit.

"(2) Not later than 1 year after the date of the receipt by the Board of the report under paragraph (1)(B), and annually thereafter, the Board shall—

"(A) provide for an independent audit of the National Archives Trust Fund established under section 2307, in accordance with generally accepted Federal Government accounting principles; and

"(B) submit to the Congress a report on that audit.

"(b)(1) There is established in the National Archives Trust Fund a separate account, to be known as the 'Excess Funds Account', which shall consist of—

"(A) amounts identified by the Comptroller General under subsection (a)(1)(B);

"(B) profits transferred to the account under subsection (c); and

"(C) interest earned on amounts in the National Archives Trust Fund.

"(2) Amounts in the Excess Funds Account shall be used by the Board for—

"(A) the Visiting Scholars Program established under section 2309;

"(B) reproductions of records under section 2309(b); and

"(C) any other authorized activity of the Board.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 23 of title 44, United States Code, is amended by adding at the end the following:

"2310. Accounting; excess profits.".

SEC. 7. ADVISORY COMMITTEE ON ELECTRONIC RECORDS.

(a) ESTABLISHMENT OF COMMITTEE.—Chapter 21 of title 44, United States Code, is amended by inserting after section 2118 the following:

"§ 2119. Advisory Committee on Electronic Records

"(a) There is established in the National Archives and Records Administration an Advisory Committee on Electronic Records (hereafter in this section referred to as the 'Committee').

"(b)(1) The Committee shall advise the Archivist on matters pertaining to the acquisition, preservation, and documentation of electronic records by the Administration, including technical, policy, legal, and management issues.

"(2) Not later than 2 years after its first meeting, the Committee shall make recommendations to the Archivist concerning—

"(A) the role of satellite archives as a means of preserving and providing public access to electronic records;

"(B) use of the National Research and Education Network established under section 102 of the High-Performance Computing Act of 1991 or other electronic networks to provide public access to electronic records maintained by the Administration;

"(C) preservation and access problems resulting from electronic records created or maintained by Federal contractors or grantees;

"(D) the need for improved documentation and standards for Federal electronic records;

"(E) special preservation problems for records maintained on personal computers, battlefield records, and electronic mail; and

"(F) the ability of the Archivist to obtain from Federal agencies in a timely manner copies of electronic records for preservation.

"(c)(1) The Committee shall be composed of not less than 11 and not more than 17 members, as specified by the Archivist, who shall be appointed by the Archivist.

"(2) The members of the Committee shall be appointed from individuals with knowledge and expertise in computer science, records management, information resources management and policy, public administration, electronic communications, Government operations, history, and archival administration.

"(3) A majority of the members of the Committee shall be appointed from individuals who are not employed by the Federal Government.

"(d)(1) Except as provided in paragraph (2), a member of the Committee shall not be paid for his or her service on the Committee.

"(2) Each member of the Committee shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

"(e)(1) The Archivist (or a designee of the Archivist) shall be Chairman of the Committee.

"(2) The Committee shall meet at least twice each year, as specified by the Chairman of the Committee.

"(f) The Archivist shall provide to the Committee such administrative support services as are necessary for the Committee to carry out its responsibilities under this section.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 21 of title 44, United States Code, is amended by inserting after the item relating to section 2118 the following:

"2119. Advisory Committee on Electronic Records.".

SEC. 8. ADVISORY COMMITTEE ON THE NATIONAL ARCHIVES.

(a) ESTABLISHMENT OF COMMITTEE.—Chapter 21 of title 44, United States Code, is amended by inserting after section 2119 the following:

"§ 2120. Advisory Committee on the National Archives

"(a) There is established in the Administration an Advisory Committee on the National Archives (hereinafter in this section referred to as the 'Committee').

"(b) The Committee—

"(1) shall advise the Archivist on all programs and activities of the National Archives and Records Administration;

"(2) shall review the role of the Administration as a leader and a resource for State and local archivists, including the need for coordinating the disposition of records of Federal interest that are created or maintained by State and local governments; and

"(3) may submit reports to the Congress on the needs, programs, and activities of the Administration.

"(c)(1) The Committee shall be composed of 13 members, as follows:

"(A) 11 members appointed by the Archivist.

"(B) The Archivist and the Librarian of Congress, who shall serve as ex officio members.

"(2) Of the members of the Committee appointed under paragraph (1)(A), at least one shall be appointed from each of the following:

"(A) Historical, archival, or records management professions.

"(B) Genealogical researchers.

"(C) Documentary film producers.

"(D) The publishing industry.

"(3) Of the members of the Committee appointed under paragraph (1)(A), 2 shall be State archivists.

"(4) Members of the Committee appointed under paragraph (1)(A) (other than the members appointed under paragraph (2)) shall be appointed from individuals with knowledge and expertise in the collection, maintenance, use, or preservation of Government records.

"(5) Not more than 2 of the members of the Committee appointed under paragraph (1)(A) may be Federal employees.

"(d)(1) The term of a member of the Committee shall be 4 years.

"(2) A person may not serve more than 2 terms as a member of the Committee.

"(e)(1) Except as provided in paragraph (2), a member of the Committee shall not be paid for his or her service on the Committee.

"(2) Each member of the Committee shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5.

"(f) The Committee shall select its Chairman from among the appointed members.

"(g) The Committee shall meet at least twice each year, as specified by the Chairman of the Committee in consultation with the Archivist.

"(h) The Archivist shall provide to the Committee such administrative support services as are necessary for the Committee to carry out its responsibilities under this section.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 21 of title 44, United States Code, is amended by inserting after the item relating to section 2119 the following:

"2120. Advisory Committee on the National Archives.".

SEC. 9. FEDERAL REGISTER ONLINE PILOT PROGRAM.

(a) IN GENERAL.—Not later than 6 months after the date of the enactment of this Act, the Archivist of the United States, acting through the Office of the Federal Register, shall establish with each of 3 or more Federal agencies a pilot program for providing the public with electronic access to the documents, notices, and other information published in the Federal Register by those agencies.

(b) PILOT PROGRAM REQUIREMENTS.—Each agency participating in a pilot program under this section shall establish and operate a computer bulletin board or similar online access mechanism, through which documents, notices, and other information published in the Federal Register by the agency shall be made available to the public by no later than the date of publication of the information in the Federal Register.

(c) CHARGES PROHIBITED.—

(1) IN GENERAL.—No charge may be imposed by a Federal agency for any use of a bulletin board or similar online access mechanism established under a pilot program under this section (including for any information provided under the pilot program).

(2) TELECOMMUNICATION CHARGES NOT PROHIBITED.—Paragraph (1) shall not be considered to prohibit requiring a user of a bulletin board or similar online access mechanism established under a pilot program under this section from paying the telecommunications costs associated with that use.

(d) REPORT.—Not later than 18 months after the establishment of a pilot program under this section, the Archivist of the United States shall submit a report on the results of the pilot program to the Committee on Government Operations of the House of Representatives and to the Committee on Governmental Affairs of the Senate.

SEC. 10. DEFINITION OF RECORDS DISPOSITION.

Section 2901(5) of title 44, United States Code, is amended—

(1) in subparagraph (C) by striking "or" after the semicolon; and

(2) by adding at the end the following:

"(E) removal of records pursuant to section 3315; or

"(F) relinquishment of control over records;".

SEC. 11. OFFICERS OF NATIONAL ARCHIVES AND RECORDS ADMINISTRATION.

(a) ARCHIVIST.—Section 2103(a) of title 44, United States Code, is amended to read as follows:

"(a) The Archivist of the United States shall be appointed by the President by and with the advice and consent of the Senate. The Archivist shall serve a term of 7 years and may be reappointed. The Archivist shall be appointed without regard to political affiliations and solely on the basis of the professional qualifications required to perform the duties and responsibilities of the office of Archivist. The Archivist may be removed from office by the President. The President shall communicate the reasons for any such removal to each House of the Congress.".

(b) DEPUTY ARCHIVIST.—Section 2103(c) of title 44, United States Code, is amended to read as follows:

"(c)(1) The Deputy Archivist of the United States shall be appointed by the President by and with the advice and consent of the Senate. The Deputy Archivist shall be appointed without regard to political affiliations and solely on the basis of the professional qualifications required to perform the duties and responsibilities of the office of Deputy Archivist. The Deputy Archivist may be removed from office by the President. The Deputy Archivist shall perform such functions as the Archivist shall designate. During any absence or disability of the Archivist, the Deputy Archivist shall act as Archivist. In the event of a vacancy in the office of the Archivist, the Deputy Archivist shall act as Archivist until an Archivist is appointed under subsection (a).

"(2) The Deputy Archivist shall be compensated at the rate provided for level IV of the Executive Schedule under section 5314 of title 5.".

SEC. 12. PRESIDENTIAL ARCHIVAL DEPOSITORIES.

Section 2112(g)(3) is amended in subparagraphs (A), (B), and (C) by striking "20 percent" each place that term appears and inserting "40 percent".

SEC. 13. REGULATIONS.

The Archivist of the United States shall issue all regulations required under this Act and the amendments made by this Act by not later than 120 days after the date of the enactment of this Act.

A SUMMARY OF THE PROVISIONS OF THE NATIONAL ARCHIVES AND RECORDS ADMINISTRATION AUTHORIZATION ACT OF 1992

Introduced in the House of Representatives on Tuesday June 16, 1992 by Representative Robert Wise. Introduced in the Senate on Thursday June 25 by Senators Herb Kohl, and co-sponsored by Senators Glenn and Pryor.

Section 2:

This section authorizes appropriation levels for the National Archives and the National Historical Publications and Records Commission. The authorization levels are:

	NARA	NHPRC
1994	$210,000,000	$7,000,000
1995	230,000,000	8,500,000
1996	250,000,000	10,000,000

Section 3:

Any rules affecting public access to record in the custody of the Archivist can only be adopted or amended after notice and comment as provided in the Administrative Procedures Act. This provision is included in response to the recent changes in the rules regarding access to the Motion Picture, Sound, and Video Reading Room. New access rules which severely restricted access to the room were introduced without any public notice or opportunity for public comment. This collection was used extensively in the PBS series on the Civil War. It is unlikely that the Civil War project could be completed under the new rules.

Section 4(a):

The definition of records is explicitly extended to include computerized and electronic information.

Section 4(b):

Extra copies of documents preserved only for convenience are included as part of the definition of records. In addition, specific procedures are established for the Archivist to review records proposed for removal by departing agency officials. This loophole has been used by agency officials as an excuse to remove classified, sensitive, original, and other governmental records when they leave office. The GAO report Federal Records: Document removal by Agency Heads Needs Independent Oversight (GAO/GGD-91-117) documents this problem.

Section 5:

This section gives the Archivist increased authority for interpreting the definition of records under 44 U.S.C. P. 3301 and for carrying out other existing responsibilities pertaining to records and records management.

Section 6:

The National Archives Trust Fund is a revolving fund that runs souvenir shops at Archives facilities and handles requests for reproduction of documents. Until recently the Trust Fund charged 35 cents a page for copies. The fee was just lowered to 25 cents. This section requires that all document duplication be done at a price that does not exceed cost, and requires that the Trust Fund provide fee waivers to qualified requesters. In addition, the Trust Fund is required to set up a Visiting Scholars Program to provide travel and lodging support for researchers using the facilities of the National Archives.

Section 7:

An Advisory Committee on Electronic Records is established to advise the Archivist on the acquisition, preservation, and documentation of electronic records. This includes technical, policy, legal, and management issues. House Report 101-978 (1990) Taking a Byte Out of History: The Archival Preservation of Federal Computer Records highlights the problems of archiving electronic records.

Section 8:

This section establishes a general Advisory Committee on the National Archives. The committee will advise the Archivist on all programs and activities of the Archives and review the role of the Archives as a leader and resource for State and local archivists. This proposal has developed out of concerns that the National Archives has grown too isolated from those who are affected by its work and from those who look to it for leadership. Since the National Archives was moved out of the General Services Administration they have operated without any advisory committees.

Section 9:

The Office of the Federal Register is required to develop a pilot program to make Federal Register notices available through computer bulletin boards or other on-line access mechanisms.

Section 10:

This section makes a conforming change in the law relating to the removal of records provision in Section 4.

Section 11:

The term of the Archivist is changed from lifetime to 7 years, and makes the Deputy Archivist subject to presidential appointment and Senate confirmation.

Section 12:

The endowment requirement for Presidential Libraries is increased from 20 percent to 40 percent.●

By Mr. PRYOR (for himself, Mr. MITCHELL, Mr. STEVENS, Mr. GLENN, Mr. HOLLINGS, Ms. MIKULSKI, Mr. DODD, Mr. LEVIN, Mr. BUMPERS, Mr. ROBB, Mr. KENNEDY, Mr. PELL, Mr. RIEGLE, Mr. KOHL, Mr. GRAHAM, Mr. WIRTH, Mr. SASSER, Mr. SARBANES, Mr. BINGAMAN, Mr. WOFFORD, Mr. AKAKA, Mr. METZENBAUM, Mr. BREAUX, Mr. NUNN, Mr. ADAMS, and Mr. REID):

S. 2893. A bill to provide for assistance to Federal employees in reduction in force actions of Federal personnel; to the Committee on Governmental Affairs.

ASSISTANCE TO FEDERAL EMPLOYEES IN REDUCTION IN FORCE ACTIONS

Mr. PRYOR. Mr. President, today I am introducing legislation on behalf of the majority leader, Senator STEVENS and 22 other Senators to help Department of Defense civilians adjust to the post-cold war defense environment. Among the 22 cosponsors is the distinguished chairman of the Armed Services Committee, Senator SAM NUNN, and the distinguished chairman of the Governmental Affairs Committee, Senator JOHN GLENN. Our bill, which I will discuss shortly, carries out several of the recommendations made by the 21-member Senate Democratic Task Force on Defense Transition, including concepts supported by the administration.

I was proud to be asked by the majority leader to serve as chairman of the Defense Transition Task Force, which issued its recommendations on May 21. I am also proud to report today that the task force report has received endorsements from 17 organizations, including the Economic Conversion Project of Maine, the Council on Economic Priorities, the National Commission for Economic Conversion and Disarmament, to name a few.

We have also received strong support from various business groups, including the U.S. Chamber of Commerce, the Aerospace Industries Association, and the Electronics Industries Association.

Mr. President, I ask unanimous consent that a full list of task force endorsements be printed in the RECORD directly following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PRYOR. Mr. President, one important section of our report dealt with helping the civilian veterans of the cold war—those civil servants who work in support of our military. By 1997, DOD expects to reduce its civilian work force by 20 percent or 229,000 positions. Forty thousand of these jobs will be abolished as a result of base closures and realignments.

In my home State of Arkansas, Eaker Air Force Base in Blytheville will be closed this year and Fort Chaffee in Fort Smith, AR, will be realigned next year. A total of 1,400 civilian jobs will be terminated as a result of these reductions.

Last February, I traveled to Blytheville to visit Eaker Air Force Base. During this visit, I had the opportunity to meet, face to face, with a number of the civilian employees who are being forced out of their jobs at the Air Force base. Many of these employees anticipated that they would find new jobs. But other employees were very worried about the state of our economy and the limited number of job opportunities in the region.

These concerns were again raised when I chaired a Governmental Affairs Subcommittee hearing earlier this year. The Pentagon informed the subcommittee that if employee resignations and retirements were sufficient, then layoffs would not occur. Unfortunately, as the General Accounting Office noted recently, retirements among DOD civilians have declined from 18 to 5 percent this year and voluntary resignations are down as well. As a result, the pink slips are ready to be handed out.

The Air Force alone will close four bases this year—Myrtle Beach Air Force Base in South Carolina, England Air Force Base in Louisiana, George

Air Force Base in California, and Eaker Air Force Base in Arkansas. The Air Force is preparing to lay off hundreds of civilian employees at these bases. Mr. President, this is just the tip of the iceburg. Many more bases will be closed and the Department is gearing up for other massive reductions.

The legislation I am introducing today takes into account that 25 percent of the DOD civilian workforce is retirement eligible. With this in mind, the Department of Defense would be given the authority to encourage retirement among these eligible civilians, in order to free up positions for other employees who would otherwise be laid off.

Mr. President, layoffs are unpleasant and costly both for the employer and the employee. To avoid unwanted involuntary separations, preventive measures should be taken. Aside from retirement incentives, job retraining prior to job loss is helpful in preparing workers for new employment. In many cases, workers know 2 or 3 years in advance that their base is closing. This bill would allow these employees to receive job training assistance a full year before their base closes, in order to better prepare themselves for new employment.

Mr. President, in the event that layoffs continue, unwanted hardships will be placed on these DOD employees. At my subcommittee hearing last February, an electronic technician from Portsmith Naval Shipyard in New Hampshire told the Governmental Affairs Committee that, if laid off, her health insurance rates would triple and she would join the ranks of the 37 million Americans who could not afford health coverage. This bill would attempt to ease the pain by extending the Government's contribution to Federal employee health insurance up to 18 months.

Mr. President, the entire Department of Defense will be undergoing a reduction. The Pentagon has already outlined many generous initiatives to ease the transition for uniformed employees. In addition, the Congress is currently considering how to soften the blow for the National Guard and Reserves. This bill would complete the Pentagon's manpower cycle and reinforce that, in our total force structure, civilians are people too.

On a cautionary note, Mr. President I reiterate that this civilian employee package is not intended to be applied departmentwide. I urge DOD retirement eligible civilian employees, and others who may be considering leaving the Department, not to put off a decision with the hope of receiving a separation bonus. Again, this bill will benefit only those in specific target groups as determined by DOD.

Mr. President, I thank the members of the Senate Defense Transition Task Force, whose insight and suggestions contributed greatly to the formation of this important legislation. This bill would implement task force recommendations I–(D)1 and I–(B)2. Throughout the summer, I look forward to seeing more task force recommendations transformed into policy for our country. I also thank the ranking member of the Subcommittee on Federal Services, Post Office, and Civil Service—Senator STEVENS, for his input and support for this legislation.

EXHIBIT 1

ENDORSEMENTS OF THE SENATE DEFENSE TRANSITION TASK FORCE REPORT

Americans for Democratic Action.
Bread for the World.
Council on Economic Priorities.
Economic Conversion Project of Maine.
Friends Committee on National Legislation.
Jesuit Social Ministries, National Office.
Mennonite Central Committee.
National Association of Social Workers.
National Commission for Economic Conversion and Disarmament.
NETWORK: A National Catholic Social Justice Lobby.
Physicians for Social Responsibility.
Professionals' Coalition for Nuclear Arms Control.
SANE/FREEZE: Campaign for Global Security.
20/20 Vision National Project.
Unitarian Universalist Association of Congregations.
United Church of Christ, Office for Church in Society.
Women's Action for New Directions.

Mr. PRYOR. Mr. President, I see my distinguished colleague and very good friend, Senator STEVENS, from Alaska, now on the floor. It is my understanding that he has a statement with regard to the legislation we are introducing this morning. I am wondering if he is prepared to now speak.

Mr. STEVENS. Mr. President, when I first heard of the Democratic group I thought perhaps we might be once again heading toward an impasse between the two parties concerning a very sensitive and difficult issue that we must address on a bipartisan basis.

Mr. President, today I am pleased to join Senator PRYOR as an original cosponsor of this bill to minimize DOD civilian layoffs. It is a bipartisan, cooperative effort to create some new flexibilities for managing the drawdown in the DOD civilian work force.

The need for this bill is increasingly apparent. Congress must ensure fair and equitable treatment for employees as reductions occur. We must soften the impact of the cutbacks and provide some additional tools for the Department of Defense and the services to use in shaping a balanced work force still able to perform the changing mission.

DOD has already initiated some program and policy changes to minimize layoffs and assist employees in transition to new jobs or early retirement. My staff and I had also been working on several retirement incentive options. For example, I considered reducing the 2-percent early retirement annuity penalty and providing additional service credit to encourage voluntary retirements. However, the costs were high and likely to cause pay-go problems under the budget agreement.

The bill that we are introducing today includes needed authority to encourage voluntary separations and to increase the number of retirements in DOD's civilian work force. It provides some new benefits to help civilians at the time of base closure or if involuntary separations become necessary. It is a good way to minimize the turmoil of layoffs. It offers an opportunity for DOD to shape its future work force wisely.

I urge my colleagues to join in this bipartisan effort by cosponsoring this important legislation.

It did originate with my good friend and the committee or group that was appointed by the majority leader. We asked to participate in that effort, and I am delighted that the Senator from Arkansas has welcomed our participation, and I welcome his efforts.

I ask unanimous consent that the analysis of the bill be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION ANALYSIS

Section 1—Reemployment of DoD Civilian Employees in the Competitive Service.

Section 1 establishes reemployment rights for Department of Defense (DoD) employees in reduction in force actions. The Department of Defense (DoD) and the Military departments must offer an individual who has been laid off the right of first refusal to a job it restores within two years after a position has been eliminated. Further, the Department and the Military departments cannot replace within two years a released employee with a contract employee or temporary employee. If DoD or the Military departments seek to staff some positions within two years after a reduction in force takes place, the departments must offer reemployment to released employees on the basis of seniority.

Section 2—Information on Federal Employment and Special Consideration for Displaced DoD Employees.

Section 2 requires the Office of Personnel Management to publish a government-wide list of vacant positions and to establish a toll-free number which will enable the public to access Federal job information. In additon, Federal agencies are urged to give qualified displaced DoD employees full consideration before hiring candidates from outside the agency.

Section 3—Reduction-in-Force Notification Requirements.

Section 3 puts into statute the existing regulations requiring agencies to issue specific written notices to employees and their representatives at least 60 days prior to a reduction in force (RIF) action. In addition, an agency must also notify the state dislocated worker unit and the chief elected local government official whenever a significant number of employees will be separated.

Section 4—Alleviation of Adverse Effects of Base Closures on Employees at the Base.

Section 4 provides that civilian employees at military installations scheduled for closure or realignment are eligible to receive assistance under section 325 of the Job Training Partnership Act 12 months in advance of base closures or realignments.

Section 5—Department of Defense Employee Assistance.

Section 5 provides that the Secretary of Defense or the Secretaries of the Military departments may offer a civilian employee who retires on an immediate annuity the option of receiving a lump sum payment for unused sick leave. This option is in lieu of adding unused sick leave to length of service in calculating retirement benefits and would apply only to those having creditable service under the Civil Service Retirement System. The amount is to be calculated at the rate of pay an employee is entitled to receive on the day before he separates.

Section 5 also provides that the Secretary of the Department of Defense or the Secretaries of the Military departments may offer incentives to employees to encourage voluntary separations and increase the number of retirements. These incentives—a resignation incentive of up to $20,000, an early retirement incentive of up to $20,000, and a regular retirement incentive of up to $10,000—may be offered to employees at military installations being closed or realigned or to employees in surplus skill categories.

Section 5 further provides that civilian employees at military bases scheduled for closure between October 1, 1992 and December 31, 1997 will be allowed to accumulate unlimited annual leave.

These provisions are temporary and will expire on December 31, 1997.

Section 6—Continued Health Benefits for Department of Defense Employees.

Section 6 requires DoD to pay for up to 18 months the Government's contribution for a Federal health insurance plan for an individual who is involuntarily separated due to a reduction in force. The individual must also continue paying his share of the premium.

Section 7—Thrift Saving Plan Benefits of Employees Separated by a Reduction in Force.

Section 7 provides that an employee who is involuntarily separated due to a reduction in force will be treated as if eligible for an immediate retirement for Thrift Saving Plan purposes. This means that an employee who has been fired may withdraw his TSP account in a single payment or leave his money in his TSP account.

Mr. PRYOR. Mr. President, I very much appreciate the remarks of my colleague. Certainly we are very fortunate to have his support of this legislation which we introduce this morning with some 22 of our colleagues in the Senate, and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2893

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REEMPLOYMENT OF FEDERAL EMPLOYEES IN THE COMPETITIVE SERVICE.

(a) REEMPLOYMENT AFTER REDUCTION IN FORCE.—Subchapter I of chapter 35 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 3505. Reemployment after reduction in force for certain employees

"(a) For purposes of this section, the term—

"(1) 'employee' means an employee of the Department of Defense, including each Military department, serving under an appointment without time limitation, who has been currently employed for a continuous period of at least 12 months; and

"(2) 'Secretary concerned' means—

"(A) the Secretary of the Army with respect to the Department of the Army;

"(B) the Secretary of the Navy with respect to the Department of the Navy;

"(C) the Secretary of the Air Force with respect to the Department of the Air Force; and

"(D) the Secretary of Defense with respect to all other employees of the Department of Defense.

"(b) Subject to the provisions of subsection (c), if a Secretary concerned releases an employee under regulations for a reduction in force under section 3502(a), and within 2 years after the date of such release—

"(1) seeks to employ a person for a position in the competitive area which was the employee's competitive area at the time of release, such Secretary shall offer such person reemployment in such position before offering employment to any other person for such position; or

"(2) seeks to employ a person for the position from which such employee was released or to perform the duties performed by such employee, the Secretary may not employ a contract employee or a temporary employee for such position or to perform the duties which were performed by the released employee.

"(c) If a Secretary concerned releases employees from positions in a competitive area under regulations for a reduction in force under section 3502(a), and within 2 years after the date of the last such release seeks to employ persons in all or some of such positions, but not in a sufficient number to result in the reemployment of all such released employees, such Secretary shall offer such released employees reemployment on the basis of seniority before offering employment to any other persons for such positions.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 35 of title 5, United States Code, is amended by inserting after the item relating to section 3504 the following:

"3505. Reemployment after reduction in force for certain employees.".

SEC. 2. REEMPLOYMENT ASSISTANCE FOR CERTAIN FEDERAL EMPLOYEES.

(a) REQUIREMENT THAT A GOVERNMENT-WIDE LIST OF VACANT POSITIONS BE MAINTAINED.

(1) IN GENERAL.—Subchapter I of chapter 33 of title 5, United States Code, is amended by adding at the end thereof the following:

"§ 3329. Government-wide list of vacant positions

"(a) For the purpose of this section, the term 'agency' means an Executive agency, excluding the General Accounting Office and any agency (or unit thereof) whose principal function is the conduct of foreign intelligence or counterintelligence activities, as determined by the President.

"(b)(1) The Office of Personnel Management shall establish and keep current a comprehensive list of all vacant positions within each agency for which applications are being (or will soon be) accepted.

"(2) The list shall not include any position which has been excepted from the competitive service because of its confidential, policy-determining, policy-making or policy-advocating character.

"(c) Included for any position listed shall be—

"(1) a brief description of the position, including its title, tenure, duties and responsibilities, qualification requirements, and rate of pay;

"(2) application procedures, including the period within which applications may be submitted; and

"(3) any other information which the Office considers appropriate.

"(d) The list shall be available to members of the public.

"(e) The Office shall prescribe such regulations as may be necessary to carry out this section. Any requirement under this section that agencies notify the Office as to the availability of any vacant positions shall be designed so as to avoid any duplication of information otherwise required to be furnished under section 3327 or any other provision of law.".

(2) INFORMATION SYSTEM.—No later than 120 days after the date of enactment of this Act, the Director of the Office of Personnel Management shall begin providing the information on the list referred to in section 3329 of title 5, United States Code (as amended by this section) by means of a toll-free telephone number (commonly referred to as an 800 number).

(3) CONFORMING AMENDMENT.—The table of sections for chapter 33 of title 5, United States Code, is amended by inserting after the item relating to section 3328 the following:

"3329. Government-wide list of vacant positions.".

(b) TEMPORARY MEASURES TO FACILITATE REEMPLOYMENT OF CERTAIN DISPLACED FEDERAL EMPLOYEES.—

(1) DEFINITIONS.—For the purpose of this subsection—

(A) the term "agency" means an Executive agency (as defined by section 105 of title 5, United States Code), excluding the General Accounting Office and the Department of Defense; and

(B) the term "displaced employee" means any individual who is—

(i) an employee of the Department of Defense who has been given specific notice that such employee is to be separated due to a reduction in force; or

(ii) a former employee of the Department of Defense who was involuntarily separated therefrom due to a reduction in force.

(2) METHOD OF CONSIDERATION.—In accordance with regulations which the Office of Personnel Management shall prescribe, consistent with otherwise applicable provisions of law, an agency shall, in filling a vacant position for which a qualified displaced employee has applied in timely fashion, give full consideration to the application of the displaced employee before selecting any candidate from outside the agency for the position.

(3) LIMITATION.—A displaced employee is entitled to consideration in accordance with this subsection for the 12-month period beginning on the date such employee receives the specific notice referred to in paragraph (1)(B)(i), except that, if the employee is separated pursuant to such notice, the right to such consideration shall continue through the end of the 12-month period beginning on the date of separation.

(4) APPLICABILITY.—(A) This subsection shall apply to any individual who—

(i) became a displaced employee within the 12-month period ending immediately before the date of enactment of this Act; or

(ii) becomes a displaced employee on or after the date of enactment of this Act and before October 1, 1997.

(B) In the case of a displaced employee described in subparagraph (A)(i), for purposes of computing any period of time under paragraph (3), the date of the specific notice described in paragraph (1)(B)(i) (or, if the employee was separated as described in paragraph (1)(B)(ii) before the date of enactment of this Act, the date of separation) shall be deemed to have occurred on such date of enactment.

(C) Nothing in this subsection shall be considered to apply with respect to any position—

(i) which has been filled as of the date of enactment of this Act; or

(ii) which has been excepted from the competitive service because of its confidential, policy-determining, policy-making or policy-advocating character.

SEC. 3. REDUCTION-IN-FORCE NOTIFICATION REQUIREMENTS.

(a) IN GENERAL.—Section 3502 of title 5, United States Code, is amended by adding at the end the following:

"(d)(1) Except as provided under subsection (e), an employee may not be released, due to a reduction in force, unless—

"(A) such employee and such employee's exclusive representative for collective-bargaining purposes (if any) are given written notice, in conformance with the requirements of paragraph (2), at least 60 days before such employee is so released; and

"(B) if the reduction in force would involve the separation of a significant number of employees, the requirements of paragraph (3) are met at least 60 days before any employee is so released.

"(2) Any notice under paragraph (1)(A) shall include—

"(A) the personnel action to be taken with respect to the employee involved;

"(B) the effective date of the action;

"(C) a description of the procedures applicable in identifying employees for release;

"(D) the employee's ranking relative to other competing employees, and how that ranking was determined; and

"(E) a description of any appeal or other rights which may be available.

"(3) Notice under paragraph (1)(B)—

"(A) shall be given to—

"(i) the appropriate State dislocated worker unit or units (referred to in section 311(b)(2) of the Job Training Partnership Act); and

"(ii) the chief elected official of such unit or each of such units of local government as may be appropriate; and

"(B) shall consist of written notification as to—

"(i) the number of employees to be separated from service due to the reduction in force (broken down by geographic area or on such other basis as may be required under paragraph (4));

"(ii) when those separations shall occur; and

"(iii) any other matter which might facilitate the delivery of rapid response assistance or other services under the Job Training Partnership Act.

"(4) The Office shall prescribe such regulations as may be necessary to carry out this subsection. The Office shall consult with the Secretary of Labor on matters relating to the Job Training Partnership Act.

"(e)(1) Subject to paragraph (3), upon request submitted under paragraph (2), the President may, in writing, shorten the period of advance notice required under subsection (d)(1)(A) and (B), with respect to a particular reduction in force, if necessary because of circumstances not reasonably foreseeable.

"(2) A request to shorten notice periods shall be submitted to the President by the head of the agency involved, and shall indicate the reduction in force to which the request pertains, the number of days by which the agency head requests that the periods be shortened, and the reasons why the request is necessary.

"(3) No notice period may be shortened to less than 30 days under this subsection.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to any personnel action taking effect on or after the last day of the 90-day period beginning on the date of enactment of this Act.

SEC. 4. ALLEVIATION OF ADVERSE EFFECTS OF BASE CLOSURES ON EMPLOYEES AT THE BASE.

(a) 1990 CLOSURE AND REALIGNMENT ACT.—Section 2905 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended by adding at the end thereof the following new subsection:

"(e) ASSISTANCE FOR ADVERSELY AFFECTED EMPLOYEES.—(1) In the case of a civilian employee of the Department of Defense employed at a military installation being closed or realigned under this part, the date determined by the Secretary of Defense under paragraph (2) shall be considered to be the date of notice of termination to the employee for purposes of determining the employee's eligibility for assistance under the defense conversion adjustment program under section 325 of the Job Training Partnership Act (29 U.S.C. 1662d).

"(2) The date determined by the Secretary of Defense referred to under paragraph (1) shall be the date occurring 12 months before the date on which the affected military installation shall be closed or realigned.".

(b) 1988 CLOSURE AND REALIGNMENT ACT.—Section 204 of the Defense Authorization Amendments and Base Closure and Realignment Act (title II of Public Law 100-526; 10 U.S.C. 2687 note) is amended by adding at the end thereof the following new subsection:

"(d) ASSISTANCE FOR ADVERSELY AFFECTED EMPLOYEES.—(1) In the case of a civilian employee of the Department of Defense employed at a military installation being closed or realigned under this title, the date determined by the Secretary of Defense under paragraph (2) shall be considered to be the date of notice of termination to the employee for purposes of determining the employee's eligibility for assistance under the defense conversion adjustment program under section 325 of the Job Training Partnership Act (29 U.S.C. 1662d).

"(2) The date determined by the Secretary of Defense referred to under paragraph (1) shall be the date occurring 12 months before the date on which the affected military installation shall be closed or realigned.".

SEC. 5. DEPARTMENT OF DEFENSE EMPLOYEE ASSISTANCE.

(a) LUMP-SUM PAYMENT FOR SICK LEAVE ON SEPARATION.—

(1) IN GENERAL.—Chapter 55 of title 5, United States Code, is amended by inserting after section 5552 the following new section:

"§ 5553. Lump-sum payment for accumulated and accrued sick leave on separation for certain employees

"(a) For purposes of this section, the term—

"(1) 'employee' means an employee of the Department of Defense, including each Military department, serving under an appointment without time limitation, who has been currently employed for a continuous period of at least 12 months; and

"(2) 'Secretary' means—

"(A) the Secretary of the Army with respect to the Department of the Army;

"(B) the Secretary of the Navy with respect to the Department of the Navy;

"(C) the Secretary of the Air Force with respect to the Department of the Air Force; and

"(D) the Secretary of Defense with respect to all other employees of the Department of Defense.

"(b) An employee who is separated from the service may elect to receive a lump-sum payment for accumulated and current accrued sick leave to which he is entitled by statute. The lump-sum payment shall equal the pay (calculated at the rate of pay such employee is receiving on the date immediately preceding the date of separation from service) the employee would have received had he remained in the service until expiration of the period of the sick leave. The lump-sum payment is considered pay for taxation purposes only. The period of leave used for calculating the lump-sum payment shall not be extended due to any holiday occurring after separation. For purposes of this subsection, movement to employment described in section 2105(c) shall not be deemed separation from the service in the case of an employee whose sick leave is transferred under section 6308(b).

"(c) If an employee elects to receive a lump-sum payment under this section, the period of accrued and accumulated sick leave of such employee used to determine such payment shall not be used for purposes of determining an annuity or any other benefit under chapter 83 or 84 of this title.

"(d) The Office of Personnel Management and each Secretary shall administer the provisions of this section.

"(e) No lump-sum payment may be paid under this section with respect to a separation occurring after December 31, 1997.".

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 55 of title 5, United States Code, is amended by inserting after the item relating to section 5552 the following:

"5553. Lump-sum payment for accumulated and accrued sick leave on separation for certain employees.".

(b) DEPARTMENT OF DEFENSE EMPLOYEE SEPARATION BENEFITS.—

(1) IN GENERAL.—Subchapter IX of chapter 55 of title 5, United States Code, is amended by adding at the end thereof the following:

"§ 5597. Employee separation benefits for certain employees

"(a) For purposes of this section, the term—

"(1) 'employee' means an employee of the Department of Defense, including each Military department, serving under an appointment without time limitation, who has been currently employed for a continuous period of at least 12 months; and

"(2) 'Secretary concerned' means—

"(A) the Secretary of the Army with respect to the Department of the Army;

"(B) the Secretary of the Navy with respect to the Department of the Navy;

"(C) the Secretary of the Air Force with respect to the Department of the Air Force; and

"(D) the Secretary of Defense with respect to all other employees of the Department of Defense.

"(b) The Secretary concerned may authorize the payment of a civilian employee separation benefit to an employee who separates voluntarily from employment, by retirement or resignation, in accordance with the provisions of this section and any regulations prescribed by such Secretary.

"(c) A civilian employee separation benefit under this section may be offered to—

"(1) all employees at an installation or organization of the Department of Defense that is to be closed or reduced in force;

"(2) all employees in one or more occupational series or grades, or combinations or subdivisions thereof, at an installation or organization of the Department of Defense, when the Secretary concerned determines that the voluntary separation of such employee would—

"(A) increase placement opportunities for other employees affected by the closure or reorganization of installations or organizations of the Department of Defense;

"(B) reduce the need for involuntary separations as a result of such closure or reorganization; or

"(C) otherwise serve the personnel management needs of the Department of Defense.

"(d) An offer of a civilian employee separation benefit under this section shall be limited to a specific period of time, and the benefit shall be payable only to an employee whose voluntary separation, by resignation, or retirement, is effective during such period.

"(e) A civilian employee separation benefit under this section shall be paid in a lump sum, and shall be the lesser of—

"(1) an amount equal to the amount the employee would be entitled to receive under section 5595(c) if the employee were entitled to payment under such section; or

"(2)(A) $10,000, in the case of an employee who is eligible for immediate retirement at the time of separation under section 8336 (other than under subsection (d) of such section) or section 8412; or

"(B) $20,000, in the case of any other employee.

"(f)(1) The Secretary concerned shall take such actions as may be necessary to ensure that any employee to whom a civilian employee separation benefit is offered under this section is able to consider such offer freely without duress or coercion of any kind.

"(2) A declination of an offer of a civilian employee separation benefit under this section shall not have any effect on an employee's rights and benefits under any other provision of law.

"(g) The Secretary concerned may prescribe such regulations as he determines necessary for the administration of this section.

"(h) No civilian employee separation benefit may be paid under this section with respect to a separation occurring after December 31, 1997.".

(2) Technical and Conforming Amendment.—The table of sections for chapter 55 of title 5, United States Code, is amended by inserting after the item relating to section 5596 the following:

"5597. Civilian employee separation benefits for certain employees.".

(c) Restoration of Certain Leave.—Section 6304(d) of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(3) For the purpose of this subsection, the closure of an installation of the Department of Defense, during the period beginning on October 1, 1992, and ending on December 31, 1997, shall be deemed to create an exigency of the public business and any leave that is lost by an employee of such installation by operation of this section (regardless of whether such leave was scheduled) shall be restored to the employee and shall be credited and available in accordance with paragraph (2).".

(d) Report.—At the end of each fiscal year, beginning with fiscal year 1993 through fiscal year 1998, the Secretary of Defense shall submit a report to the President, the Congress, and the Director of the Office of Personnel Management on the effectiveness and costs of the amendments made by this section.

(e) Effective Date.—The amendments made by this section shall be effective on the date of enactment of this Act.

SEC. 6. CONTINUED HEALTH BENEFITS FOR DEPARTMENT OF DEFENSE EMPLOYEES.

(a) In General.—Section 8905a(d) of title 5, United States Code, is amended—

(1) in paragraph (1)(A) by striking "An individual" and inserting "Except as provided in paragraph (4), an individual";

(2) in paragraph (2) by striking "in accordance with paragraph (1))" and inserting "in accordance with paragraph (1) or (4), as the case may be)"; and

(3) by adding at the end the following:

"(4)(A) If the basis for continued coverage under this section is an involuntary separation from a position in or under the Department of Defense due to a reduction in force—

"(i) the individual shall be liable for not more than the employee contributions referred to in paragraph (1)(A)(i); and

"(ii) the agency which last employed the individual shall pay the remaining portion of the amount required under paragraph (1)(A).

"(B) This paragraph shall apply with respect to any individual whose continued coverage is based on a separation occurring on or after the date of enactment of this paragraph and before—

"(i) October 1, 1997; or

"(ii) February 1, 1998, if specific notice of such separation was given to such individual before October 1, 1997.".

(b) Source of Payments.—Any amount which becomes payable by an agency as a result of the enactment of subsection (a) shall be paid out of funds or appropriations available for salaries and expenses of such agency.

SEC. 7. THRIFT SAVINGS PLAN BENEFITS OF EMPLOYEES SEPARATED BY A REDUCTION IN FORCE.

(a) Benefits.—Section 8433(b) of title 5, United States Code, is amended by inserting "any employee who separates from Government employment pursuant to regulations under section 3502(a) or procedures under section 3595(a) in a reduction in force," after "chapter 81 of this title,".

(b) Protections for Spouses.—Section 8435(c)(2)(A) of title 5, United States Code, is amended by inserting ", or who separates from Government employment pursuant to regulations under section 3502(a) or procedures under section 3595(a) in a reduction in force," after "8451 of this title".

(c) Application to Civil Service Retirement System Employees.—Section 8351(b)(4) of title 5, United States Code, is amended by inserting "separates from Government employment pursuant to regulations under section 3502(a) or procedures under section 3595(a) in a reduction in force," after "section 8337 of this title)".

By Mr. STEVENS (for himself and Mr. Murkowski):

S. 2894. A bill to implement the Convention for the Conservation of Anadromous Stocks in the North Pacific Ocean, signed in Moscow February 11, 1992; to the Committee on Commerce, Science, and Transportation.

NORTH PACIFIC ANADROMOUS STOCKS ACT

Mr. STEVENS. Mr. President, I am sending to the desk today legislation which will allow the Departments of Commerce and State, along with the Coast Guard, to implement the Convention for the Conservation of Anadromous Stocks of the North Pacific Ocean, which was signed in Moscow by the United States, Canada, Japan, and the Russian Federation on February 11 of this year. The convention itself has been submitted by the President to the Senate for its advice and consent.

The convention is the culmination of many years of effort. It will finally ban any directed fishing for salmon on the high seas—a goal long sought by Alaskan fishermen.

With the authority granted by the legislation I am introducing today, the Departments of Commerce and State, along with the Coast Guard, the United States will be able to work with the other three salmon producing countries to ensure that the prohibition on directed salmon fishing contained in the convention is, in fact, met.

This convention replaces the International North Pacific Fisheries Commission [INPFC] established by the 1954 International Convention for the High Seas Fisheries of the North Pacific between the United States, Canada, and Japan. It was under the INPFC that Alaskans fought to roll back the Japanese salmon drift net fleets that fished within 3 miles of the Alaska coast. In 1978, after passage of the Magnuson Act 2 years earlier, the United States and Japan renegotiated the 1954 agreement to restrict the Japanese salmon fleets to areas west of 175 degrees east longitude. Then again in 1985, when scientific evidence showed that the Japanese fleets were still impacting Alaska salmon, the INPFC once again was the center for negotiations that rolled the boundary west 10 degrees, to 175 degrees east longitude.

But while the United States was making progress through the INPFC on restricting directed fishing for salmon, the Japanese were end running the system by establishing a new squid drift net fishery, that fished far to the east of the directed salmon boundary. To combat this new threat to our salmon, I then introduced legislation which led to the passage of the drift net Monitoring, Assessment, and Control Act of 1987. After 2 years of negotiations under this act, the Senate once again led the charge to address this problem when 11 of my colleagues joined me in a letter to Secretary of State Baker that resulted in the successful passage in 1989 of a U.N. resolution calling for a worldwide moratorium on high seas drift net fishing.

The United Nations reaffirmed their joint commitment to end large-scale drift net fishing on the high seas with the passage of another resolution in 1991. Japan and other drift net nations have now agreed to end the use of large-scale drift nets by December 31 of this year. However, without this new convention, our salmon, Alaska salmon, might not be safe. While the United Nations have agreed to ban drift net fishing on the high seas, in part because of the impact such fishing has on salmon, the U.N. resolution does not prohibit the use of other fishing techniques to harvest salmon on the high seas, but this new convention does. I want to emphasize that. The new convention before the Senate now for ratification does. And my bill gives the United States the necessary authority to implement that convention to the fullest.

Alaska has long been determined to protect the salmon, for which our State is so famous. I am pleased to sponsor this legislation.

I ask unanimous consent, Mr. President, that this bill be held at the desk so that if any of my colleagues who wish to join in taking this needed step to protect this resource, upon which so many jobs in my State and the Pacific Northwest depend, will be able to add their names as original cosponsors for the remainder of this day and then that it be appropriately referred according to the rules. And I also ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2894

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as "the North Pacific Anadromous Stocks Act of 1992".

SEC. 2. PURPOSE.

It is the purpose of this Act to implement the Convention for the Conservation of Anadromous Stocks in the North Pacific Ocean, signed in Moscow February 11, 1992.

SEC. 3. DEFINITIONS.

As used in this Act, the term—

(a) "Anadromous stocks" means stocks of species listed in the Annex to the Convention that migrate into the Convention area.

(b) "Anadromous fish" means fish of the species listed in the Annex to the Convention that migrate into the Convention area.

(c) "Authorized officer" means a law enforcement official authorized to enforce this Act under section 9(a).

(d) "Commission" means the North Pacific Anadromous Fish Commission provided for by article VIII of the Convention.

(e) "Convention" means the Convention for the Conservation of Anadromous Stocks of the North Pacific Ocean, signed in Moscow February 11, 1992.

(f) "Convention area" means the waters of the North Pacific Ocean and its adjacent seas, north of 33 degrees North Latitude, beyond 200 nautical miles from the baselines from which the breath of the territorial sea is measured.

(g) "Directed fishing" means fishing targeted at a particular species or stock of fish.

(h) "Ecologically related species" means living marine species which are associated with anadromous stocks found in the Convention area, including, but not restricted to, both predators and prey of anadromous species.

(i) "Enforcement officer" means a law enforcement official authorized by any Party to enforce this Act.

(j) "Exclusive economic zone" means the zone established by Proclamation Numbered 5030, dated March 10, 1983. For purposes of applying this Act, the inner boundary of that zone is a line doterminous with the seaward boundary of each of the coastal States.

(k) "Fish" means finfish, mollusks, crustaceans, and all other forms of marine animal and plant life other than marine mammals and birds.

(l) "Fishing" means—

(1) the catching, taking, or harvesting of fish, or any other activity that can reasonably be expected to result in the catching, taking, or harvesting of fish; or

(2) any operation at sea in preparation for or in direct support of any activity described in paragraph (1).

(m) "fishing vessel" means—

(1) any vessel engaged in catching fish within the Convention area or in processing or transporting fish loaded in the Convention area;

(2) any vessel outfitted to engage in any activity described in paragraph (1); or

(3) any vessel in normal support of any vessel described in paragraph (1) or (2).

(n) "Incidental taking" means catching, taking, or harvesting a species or stock of fish while conducting directed fishing for another species or stock of fish.

(o) "Party" means Canada, Japan, the Russian Federation, the United States, and any other nation that may accede to the Convention.

(p) "Secretary" means the Secretary of Commerce.

(q) "United States Section" means the United States Commissioners of the Commission.

SEC. 4. UNITED STATES COMMISSIONERS

(a) The United States shall be represented on the Commission by not more than three United States Commissioners to be appointed by and serve at the pleasure of the President. Each United States Commissioner shall be appointed for a term of office not to exceed four years, but is eligible for reappointment. Of the Commissioners, who shall receive no compensation for their services as Commissioners—

(1) one shall be an official of the United States Government;

(2) one shall be a resident of the State of Alaska; and

(3) one shall be a resident of the State of Washington.

An individual is not eligible for appointment under paragraph (2) or (3) as a Commissioner unless the individual is knowledgeable or experienced concerning the anadromous stocks and ecologically related species of the North Pacific Ocean.

(b) The Secretary, in consultation with the Secretary of State, may designate from time to time Alternate United States Commissioners to the Commission. An Alternate United States Commissioner may exercise all designated powers and duties of a United States Commissioner in the absence of a duly designated Commissioner for whatever reason. The number of such Alternate United States Commissioners that may be designated for any such meeting shall be limited to the number of authorized United States Commissioners that will not be present.

(c) The United States Section, in consultation with the Advisory Panel established in section 5, shall identify and recommend to the Commission research needs and priorities for anadromous stocks and ecologically related species subject to the Convention, and oversee the United States research programs involving such fisheries.

SEC. 5. ADVISORY PANEL.

(a) An Advisory Panel to the United States Section shall be composed of:

(1)(A) The Commissioner of the Alaska Department of Fish and Game;

(B) The Director of the Washington Department of Fisheries; and

(C) One representative of the Pacific States Marine Fisheries Commission, designated by the Executive Director of that commission; and

(2) Eleven members (six of whom shall be residents of the State of Alaska and five of whom shall be residents of the State of Washington), appointed by the Secretary, in consultation with the Secretary of State, from among a slate of twelve persons nominated by the Governor of Alaska and a slate of ten persons nominated by the Governor of Washington.

(b) Persons appointed to the Advisory Panel shall be individuals who are knowledgeable or experienced concerning anadromous stocks and ecologically related species. In submitting a slate of nominees pursuant to subparagraph (a)(2), the Governors of Alaska and Washington shall seek to represent the broad range of parties interested in anadromous stocks and ecologically related species, and at a minimum shall include on each slate at least one representative of commercial salmon fishing interests and of environmental interests concerned with protection of living marine resources.

(c) Any person appointed to the Advisory Panel pursuant to subparagraph (a)(2) shall serve for a term not to exceed four years, and may not serve more than two consecutive terms.

(d) The Advisory Panel shall be invited to all nonexecutive meetings of the United States Section and at such meetings shall be granted the opportunity to examine and to be heard on all proposed programs of study and investigation, reports, and recommendations of the United States Section.

(e) The members of the Advisory Panel shall receive no compensation or travel expenses for their services as such members.

SEC. 6. COMMISSION RECOMMENDATIONS.

The Secretary of State, with the concurrence of the Secretary, may accept or reject, on behalf of the United States, recommendations made by the Commission in accordance with article IX of the Convention.

SEC. 7. ADMINISTRATION AND ENFORCEMENT OF CONVENTION.

(a) The Secretary shall be responsible for administering provisions of the Convention, this Act, and regulations issued under this Act. The Secretary of State, in consultation with the Secretary and the Secretary of the Department in which the Coast Guard is operating, shall be responsible for coordinating the participation of the United States in the Commission.

(b) In carrying out such functions, the Secretary—

(1) shall, in consultation with the Secretary of the department in which the Coast Guard is operating and the United States Section, adopt such regulations as may be necessary to carry out the purposes and objectives of the Convention and this Act; and

(2) may, with the concurrence of the Secretary of State, cooperate with the author-

ized officials of the government of any party to the Convention.

SEC. 8. COOPERATION WITH OTHER AGENCIES.

(a) Any agency of the Federal Government is authorized, upon request of the Commission, to cooperate in the conduct of scientific and other programs, and to furnish, on a reimbursable basis, facilities and personnel for the purpose of assisting the Commission in carrying out its duties under the Convention. Such agency may accept reimbursement from the Commission.

(b) In carrying out the provisions of the Convention and this Act, the Secretary may arrange for cooperation with agencies of the United States, the States, private institutions and organizations, and agencies of the government of any Party, to conduct scientific and other programs, and may execute such memoranda as may be necessary to reflect such agreements.

SEC. 9. ENFORCEMENT PROVISIONS.

(a) This chapter shall be' enforced by the Secretary and the Secretary of the department in which the Coast Guard is operating. Such Secretaries may by agreement utilize, on a reimbursable basis or otherwise, the personnel, services, equipment (including aircraft and vessels), and facilities of any other Federal agency, including all elements of the Department of Defense, and of any State agency, in the performance of such duties. Such Secretaries shall, and the head of any Federal or State agency that has entered into an agreement with either such Secretary under the preceding sentence may (if the agreement so provides), authorize officers to enforce the provisions of the Convention, this Act, and regulations adopted under this Act: *Provided*, That any such agreement or contract entered into pursuant to this section shall be effective only to such extent or in such amounts as are provided in advance in Appropriation Acts.

(b) The district courts of the United States shall have exclusive jurisdiction over any case or controversy arising under the provisions of this Act.

(c) Authorized officers may, within the exclusive economic zone—

(1) with or without a warrant or other process—

(A) arrest any person, if he has reasonable cause to believe that such person has committed an act prohibited by section 10 of this Act;

(B) board, and search or inspect, any fishing vessel subject to the provisions of the Convention and this Act;

(C) seize any fishing vessel (together with its fishing gear, furniture, appurtenances, stores, and cargo) used or employed in, or with respect to which it reasonably appears that such vessel was used or employed in, the violation of any provision of the Convention, this Act, or any regulation adopted under this Act;

(D) seize any fish (wherever found) taken or retained in violation of any provision referred to in subparagraph (C);

(E) seize any other evidence related to any violation of any provision referred to in subparagraph (C);

(2) execute any warrant or other process issued by any court of competent jurisdiction; and

(3) exercise any other lawful authority.

(d)(1) An authorized officer may in the Convention area—

(A) board a vessel of any Party that reasonably can be believed to be engaged in directed fishing for, incidental taking of, or processing anadromous species, and, without warrant or process, inspect equipment, logs, documents, catch, and other articles, and question persons on board the vessel, for the purpose of carrying out the provisions of the Convention, this Act, or any regulation adopted under this Act; and

(B) if any such vessel or person on board is actually engaged in operations in violation of any such provision, or there is reasonable ground to believe any person or vessel was obviously so engaged before the boarding of such vessel by the authorized officer, arrest or seize such person or vessel and further investigate the circumstance if necessary.

If an authorized officer, after boarding and investigation, has reasonable cause to believe that any such fishing vessel or person engaged in operations in violation of any provision referred to in subparagraph (A), the officer shall deliver the vessel or person as promptly as practicable to the enforcement officers of the appropriate Party, in accordance with the provisions of the Convention.

(2) When requested by the appropriate authorities of a Party, an authorized officer may be directed to attend as a witness, and to produce such available records and files or duly certified copies thereof as may be necessary, for the prosecution by that Party of any violation of the provisions of the Convention or any law of that Party relating to the enforcement thereof.

SEC. 10. UNLAWFUL ACTIVITIES.

It is unlawful for any person or fishing vessel subject to the jurisdiction of the United States—

(a) to fish for any anadromous fish in the Convention area;

(b) to retain on board any anadromous fish taken incidentally in a fishery directed at nonanadromous fish in the Convention area;

(c) to fail to return immediately to the sea any anadromous fish taken incidentally in a fishery directed at nonanadromous fish in the Convention area;

(d) to ship, transport, offer for sale, sell, purchase, import, export, or have custody, control, or possession of, any anadromous fish taken or retained in violation of the Convention, this Act or any regulation adopted under this Act;

(e) to refuse to permit any enforcement officer to board a fishing vessel subject to such person's control for purposes of conducting any search or inspection in connection with the enforcement of the Convention, this Act, or any regulation adopted under this Act;

(f) to forcibly assault, resist, oppose, impede, intimidate, or interfere with any enforcement officer in the conduct of any search or inspection described in paragraph (e);

(g) to resist a lawful arrest or detection for any act prohibited by this section;

(h) to interfere with, delay, or prevent, by any means, the apprehension, arrest, or detection of another person, knowing that such person has committed any act prohibited by this section; or

(i) to violate any provision of the Convention, this Act, or any regulation adopted under this Act.

SEC. 11. PENALTIES.

(a)(1) Any person who is found by the Secretary, after notice and opportunity for a hearing in accordance with section 554 of title 5, United States Code, to have committed an act prohibited by section 10 shall be liable to the United States for a civil penalty. The amount of the civil penalty shall not exceed $100,000 for each violation. Each day of a continuing violation shall constitute a separate offense. The amount of such civil penalty shall be assessed by the Secretary, or his designee, by written notice. In determining the amount of such penalty, the Secretary shall take into account the nature, circumstances, extent, and gravity of the prohibited acts committed and, with respect to the violation, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require.

(2) Any person against whom a civil penalty is assessed under paragraph (1) may obtain review thereof in the appropriate court of the United States by filing a complaint in such court within thirty days from the date of such order and by simultaneously serving a copy of such complaint by certified mail on the Secretary, the Attorney General, and the appropriate United States Attorney. The Secretary shall promptly file in such court a certified copy of the record upon which such violation was found or such penalty imposed, as provided in section 2112 of title 28, United States Code. The findings and order of the Secretary shall be set aside by such court if they are not found to be supported by substantial evidence, as provided in section 706(2) of title 5, United States Code.

(3) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General of the United States, who shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(4) A fishing vessel (including its fishing gear, furniture appurtenances, stores, and cargo) used in the commission of an act prohibited by section 10 shall be liable in rem for any civil penalty assessed for such violation under paragraph (1) and may be proceeded against in any district court of the United States having jurisdiction thereof. Such penalty shall constitute a maritime lien on such vessel that may be recovered in an action in rem in the district court of the United States having jurisdiction over the vessel.

(5) The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty that is subject to imposition or that has been imposed under this section.

(6) For the purposes of conducting any hearing under this section, the Secretary may issue subpoenas for the attendance and testimony of witnesses and the production of relevant papers, books, and documents, and may administer oaths. Witnesses summoned shall be paid the same fees and mileage that are paid to witnesses in the courts of the United States. In case of contempt or refusal to obey a subpoena served under any person pursuant to this paragraph, the district court of the United States for any district in which such person is found, resides, or transacts business, upon application by the United States and after notice to such person, shall have jurisdiction to issue an order requiring such person to appear and give testimony before the Secretary, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b)(1) A person is guilty of an offense if he commits any act prohibited by section 10 (e), (f), (g), or (h).

(2) Any offense described in paragraph (1) is punishable by a fine of not more than $100,000, or imprisonment for not more than

six months, or both; except that if in the commission of any offense the person uses a dangerous weapon, engages in conduct that causes bodily injury to any enforcement officer, or places any such officer in fear of imminent bodily injury, the offense is punishable by a fine of not more than $200,000, or imprisonment for not more than ten years, or both.

(c)(1) Any fishing vessel (including its fishing gear, furniture, appurtenances, stores, and cargo) used, and any fish (or a fair market value thereof) taken or retained, in any manner, in connection with or as a result of the commission of any act prohibited by section 10 shall be subject to forfeiture to the United States. All or part of such vessel may, and all such fish shall, be forfeited to the United States pursuant to a civil proceeding under this section.

(2) Any district court of the United States shall have jurisdiction, upon application of the Attorney General on behalf of the United States, to order any forfeiture authorized under paragraph (1) and any action provided for under paragraph (4).

(3) If a judgment is entered for the United States in a civil forfeiture proceeding under this section, the Attorney General may seize any property or other interest declared forfeited to the United States, which has not previously been seized pursuant to this Act or for which security has not previously been obtained. The provisions of the customs laws relating to—

(A) the seizure, forfeiture, and condemnation of property for violation of the customs law;

(B) the disposition of such property or the proceeds from the sale thereof; and

(C) the remission or mitigation of any such forfeiture;

shall apply to seizures and forfeitures incurred, or alleged to have been incurred, under the provisions of this Act, unless such provisions are inconsistent with the purposes, policy, and provisions of this Act.

(4)(A) Any officer authorized to serve any process in rem that is issued by a court having jurisdiction under section 9(b) shall—

(i) stay the execution of such process; or

(ii) discharge any fish seized pursuant to such process;

upon receipt of a satisfactory bond or other security from any person claiming such property. Such bond or other security shall be conditioned upon such person delivering such property to the appropriate court upon order thereof, without any impairment of its value, or paying the monetary value of such property pursuant to an order of such court. Judgment shall be recoverable on such bond or other security against both the principal and any sureties in the event that any condition thereof is breached, as determined by such court.

(B) Any fish seized pursuant to this Act may be sold, subject to the approval and direction of the appropriate court, for not less than the fair market value thereof. The proceeds of any such sale shall be deposited with such court pending the disposition of the matter involved.

(5) For purposes of this section, it shall be a rebuttable presumption that all fish found on board a fishing vessel and which is seized in connection with an act prohibited by section 10 were taken or retained in violation of the Convention and this Act.

SEC. 12. FUNDING REQUIREMENTS.

(a) There is hereby authorized to be appropriated from time to time such sums as may be necessary for carrying out the purposes and provisions of the Convention and this Act, including—

(1) necessary travel expenses of the United States Commissioners or Alternate Commissioners; and

(2) the United States' share of the joint expenses of the Commission.

(b) Such funds as shall be made available to the Secretary for research and related activities shall be expended to carry out the program of the Commission in accordance with the recommendations of the United States Section and to carry out other research and observer programs pursuant to the Convention.

SEC. 13. DISPOSITION OF PROPERTY.

The Secretary of State shall dispose of any United States property held by the International North Pacific Fisheries Commission on the date of its termination in a manner that would further the purposes of this Act.

SEC. 14. REPEAL OF THE NORTH PACIFIC FISHERIES ACT OF 1954.

The Act of August 12, 1954, as amended (16 U.S.C. 1021–1035) is repealed.

By Mr. ADAMS (for himself, Mr. LEAHY, Mr. WIRTH, and Mr. DODD):

S. 2895. A bill to provide a program for rural development for communities and businesses in the Pacific Northwest and northern California, to provide retraining assistance for workers in the Pacific Northwest and northern California who have been dislocated from the timber harvesting, log hauling and transportation, saw mill, and wood products industries, to provide cost share and forest management assistance to private landowners in the Pacific Northwest and northern California in order to ensure the long-term supply of Pacific yew for medicinal purposes, to preserve Federal watersheds and late-successional and old-growth forests in the Pacific Northwest and northern California, to provide oversight of National Forest ecosystem management throughout the United States, to provide for research on National Forest ecosystem management, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

RURAL DEVELOPMENT AND ANCIENT FOREST ECOSYSTEM CONSERVATION ACT

Mr. ADAMS. Mr. President, I rise to introduce probably the most important bill that I have ever sponsored in my career, both in the Congress and in the U.S. Senate or when I was in the administration. I rise today to introduce, with Senator LEAHY, the Rural Development and Ancient Forest Ecosystem Conservation Act.

This is for the forests of the Pacific Northwest and is the clarion call for those who would save our forests to join together in the U.S. Senate as well as in the House of Representatives to save what is left of our magnificent heritage, which is rapidly disappearing.

For example, 2 weeks ago, NASA's Goddard Space Flight Center released satellite photographs of the Amazon rain forest and the Pacific Northwest's forests. The photographs confirmed a tragic fact: Nearly 90 percent of the Northwest's original forest is gone. One observer said the clear-cutting is so extensive that the land looks perforated by a giant blast of buckshot. This giant blast of buckshot is the result of 12 years of mismanagement of public forestland.

The Reagan and Bush administrations have made a mockery of Federal laws that require forests to be managed for multiple use. Timber harvest has dominated and now threatens to destroy other uses, like salmon and wildlife habitat, water quality, and recreation.

Today, Senator LEAHY and I, along with our cosponsors, call for an end to mismanagement of the Northwest's forests.

We are here to introduce legislation that will restore balance to the forest ecosystem and science and sanity to forest management. This bill will also assure there is no net loss of jobs.

It is appalling, Mr. President, that Federal court judges appointed by President Reagan have repeatedly found the Bush administration to have systematically violated our Nation's forest management laws.

Time and time again, the courts have ordered the administration to get its house in order. This goes back for several years. Congress had even gone so far, as in 1988, to try to completely insulate the administration from any review by the courts while it prepared lawful forest management plans. I will never agree again to any attempt to prevent judicial review while the administration is conducting this program.

To date, the administration has failed to comply with the court orders, and increasingly strict court orders have followed. One could predict that would happen.

In the 1980's, the timber industry also enjoyed special tax breaks. Weyerhaeuser and other companies have used a 1984 law to defer Federal taxes on as much as 30 percent of the raw logs shipped overseas for processing in foreign mills.

Burlington Resources, International Paper, and ITT cleverly used a 1987 tax break to form limited partnerships whose income from timber harvest is totally exempt from all Federal income taxes.

With such tax breaks, mismanagement, and excessive harvesting, it is no surprise the industry and administration joined forces to pin the blame for the worsening timber crisis on the little spotted owl and what they call radical environmentalists.

But let us look at the facts of what we are doing to ourselves.

During the 1980's, Federal timber harvests in the Northwest jumped from 3.6 to 5.5 billion board feet a year, but timber-related employment fell by more than 26,000 jobs. There is no connection between the jobs and the timber harvest increases.

From 1978 to 1990, the country's seven largest timber companies reduced their mill capacity in the Northwest by one-third and raised it in Southern States by 121 percent. The old cycle from West to South and South to West is repeating itself.

From 1969 to 1989, the number of raw logs exported from the Northwest would have built 7.5 million homes. Those exports would have been worth some 417,000 American jobs.

Increased automation in mills has reduced the number of workers needed to produce 1 million board feet of lumber by one and one-half. Increased productivity is projected to eliminate 33,000 additional jobs over the next two decades, regardless of the spotted owl, regardless of the salmon, regardless of the other little critters in the forests, regardless of recreation or any other threatened species.

Finally, a Seattle newspaper reported that Weyerhaeuser was closing a 285-employee pulp mill north of Seattle, citing a cost of $35–$40 million to install air and water pollution control equipment. In other words, the mill was simply shut down because they did not want to comply with the clean water and clean air act. Similar new environmental requirements were mentioned in connection with the possible closure of other mills in the region.

The politics of private profit have dictated the administration's Federal forest management decisions. These policies have led to the problems we face today. This is what has caused the problems, not some small creature called the spotted owl.

The question now is whether we can both conserve forest ecosystems and protect our workers. All the owl has done is warn us, as the small birds used to do in the coal mines when tragedy was about to appear.

I believe we can protect our ecosystems and protect our workers. But the answer is not Secretary Lujan's owl extinction plan.

His proposal would continue destructive harvest levels, exempt decisions on Federal sales from judicial review, and maintain unchecked levels of log exports to Japan.

On this path, we will lose our forests and the salmon whose habitat depends on a healthy forest ecosystem. Without the forests and salmon, what will sustain jobs in the timber and fishing industries in the Pacific Northwest?

Time and again I say to my friends, suppose I stand aside completely and let you cut the forests as you wish, so there is nothing left. You will have the same system in 5 years, only there will be no forest left, no salmon, no critical habitat, no ancient forests.

Secretary Lujan's extinction plan for owls will pass to salmon and, yes, to workers too.

The optimal solution will preserve both the old growth and jobs.

Automation and mill closures make retraining of some workers for other employment an imperative, regardless of what happens with endangered species or anything else. Such retraining is necessary regardless of the spotted owl. Our legislation assures no net loss of jobs.

Our solution does not require amendment or revocation of the Endangered Species Act. Doing so would not stop the deterioration of Federal forest ecosystems. It does require the Northwest's forests to be managed on a sound, scientific basis.

This bill does not limit judicial review. A limitation on judicial review is too drastic an action and is completely unnecessary to resolve the crisis. The bill does mandate that we rebalance the relationship among the various components of the ecosystem—water, forests, wildlife. This will restore the health of the ecosystem and assure sustainable use of the forests for all purposes. The bill is designed to restore the health and productivity of the forests necessary to provide long-term social, economic, and environmental stability to the region.

The people of the Pacific Northwest deserve better than the same old scare tactics which serve only short-term political needs and the timber industry's quarterly profit report. This is not the way to go about making sound, long-term public policy.

Our legislation makes difficult political choices. But it makes the right choices. It protects the workers.

I urge all of my colleagues to read this bill on the rural community development and on the worker retraining provisions. It makes the proper choices with regard to seeing that the entire ecosystem is protected as a system, not individually. It will protect the environment and the people of the Pacific Northwest today, tomorrow and in the future—and the people of the United States.

I appreciate the time this morning, and I beg my colleagues to please examine what we have said this morning, what we have placed in the RECORD, and compare it with what is happening in the Pacific Northwest, and what we hope the entire Congress will do in terms of moving this legislation forward so we save, not just a heritage, but our very lives as part of the environment of the world in which we all live.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a prepared statement in greater detail on this bill and an attached explanatory chart.

I ask unanimous consent a copy of the bill, which I now send to the desk, be printed in the RECORD and referred to the appropriate committee.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2895

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Rural Development and Ancient Forest Ecosystem Conservation Act".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title and table of contents.
Sec. 2. Findings.
Sec. 3. Purposes.
Sec. 4. Definitions.

TITLE I—RURAL DEVELOPMENT IN RURAL COMMUNITIES

Sec. 101. Purposes.

Subtitle A—Rural Development for Communities and Businesses

Sec. 111. Definitions.
Sec. 112. Community Rural Development Investment Fund.
Sec. 113. Community Rural Development Commissions.
Sec. 114. Community rural development loans.
Sec. 115. Payments to States from Federal timber sale revenues.
Sec. 116. Provision of information to Commissions.

Subtitle B—Dislocated Forest-Worker Assistance

Sec. 121. Definitions.
Sec. 122. Dislocated Forest-Worker Assistance Account.
Sec. 123. Dislocated Forest-Worker Assistance Committees.
Sec. 124. Categories of dislocated forest-worker assistance.

Subtitle C—Miscellaneous

Sec. 131. Purposes.
Sec. 132. Ecosystem management contracts.
Sec. 133. Financial security requirements.
Sec. 134. Land management appropriations.
Sec. 135. Log exports.
Sec. 136. Red cedar log exports.
Sec. 137. Pacific yew conservation and management.
Sec. 138. Wood residue utilization.
Sec. 139. Regulations.
Sec. 140. Authorization of appropriations.

TITLE II—FOREST ECOSYSTEM CONSERVATION

Sec. 201. Purposes.
Sec. 202. Definitions.

Subtitle A—Westside Forests

Sec. 211. Management of late-successional/old-growth Westside forests.
Sec. 212. Watershed management emphasis.
Sec. 213. Management of other Westside forests.
Sec. 214. Amendment and modification of prescriptions.
Sec. 215. Timber harvest suitability and calculations.

Subtitle B—Eastside Forests

Sec. 221. Eastside forest study.
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Sec. 223. Forest inventory and analysis report.

Subtitle C—Miscellaneous

Sec. 231. Forest Ecosystem Advisory Committees.
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Sec. 235. Duties of Inspectors General.
Sec. 236. Forest ecosystem research.
Sec. 237. Planning guidance.
Sec. 238. Regulations.
Sec. 239. Authorization of appropriations.

SEC. 2. FINDINGS.

Congress finds that—

(1) the Pacific Northwest and northern California forest ecosystems are unique among forests in the 48 contiguous States because of—

(A) the presence of biologically diverse watersheds and late-successional/old-growth forests;

(B) the relative abundance of anadromous fish and other communities of plants and animals associated with late-successional/old-growth forests and watersheds; and

(C) the capacity of the ecosystems to produce timber and wood products;

(2) intensive timber management practices on forests in the Pacific Northwest and northern California have impaired the productivity of these forests, and severely reduced the quantity and quality of remaining late-successional/old-growth forests and watersheds and the habitat effectiveness of forest ecosystems, in ways that now threaten the economic and ecological health of the region;

(3) economic assistance is necessary for workers who—

(A) were in the past, or are currently, employed in the timber harvesting, log hauling and transportation, saw mill, or secondary manufacturing of wood products industries in Washington, Oregon, and northern California; and

(B) because of adverse economic conditions caused by changes in the timber industry and a reduction in the supply of timber in Federal forests, need assistance for retraining for alternative employment or relocation of residence;

(4) rural development economic diversification and financial assistance—

(A) is needed for communities that—

(i) are adjacent to or near late-successional/old-growth forests in Washington, Oregon, and northern California; and

(ii) have suffered adverse economic conditions caused by changes in the timber industry and a reduced supply of timber;

(B) is needed to assist small businesses in these communities; and

(C) should be promoted through technical, financial, and other assistance to these communities and businesses;

(5) inflated prices and shortages in the domestic log supply in Washington, Oregon, and northern California continue to have serious adverse effects on workers employed in industries affected by the supply of timber and retarded rural development in the region;

(6)(A) the problem of temporary timber supply shortages has been exacerbated by the steady growth in the export of unprocessed logs, which reduces secondary employment and mill jobs in the Pacific Northwest and northern California; and

(B) some restriction on the export of logs—

(i) is necessary because of a temporary shortage in the supply of timber, which is caused by conserving an exhaustible natural resource; and

(ii) is a necessary corollary to restrictions on domestic harvesting of timber in the Pacific Northwest and northern California;

(7) a national ecosystem approach to the management of all forests managed by the Forest Service and the Bureau of Land Management throughout the United States is necessary to—

(A) maintain long-term sustainable production of all forest resources and related products, including viable populations of native and desired non-native vertebrate species in each Federal forest;

(B) maintain employment associated with this production; and

(C) protect and restore on a national basis—

(i) anadromous fish;

(ii) riparian corridors;

(iii) the unique characteristics of each federally owned forest; and

(iv) other communities of plants and animals associated with the forests;

(8) an ecosystem approach to the management of Federal forests in Washington, Oregon, and northern California is necessary to protect and restore anadromous fish, riparian corridors, late-successional/old-growth forests, and other communities of plants and animals associated with late-successional/old-growth forests and watersheds;

(9) national research is needed to determine the best forest ecosystem management practices in federally owned forests throughout the United States; and

(10) the assistance of private persons through national forest ecosystem contracts is necessary for the implementation of forest ecosystem management throughout the United States.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to assist, through rural development programs, in the economic diversification of timber associated businesses and communities that—

(A) are adjacent to or near late-successional/old-growth forests in Washington, Oregon, and northern California; and

(B) have been adversely affected by changes in the timber industry and a declining timber supply;

(2) to assist workers who—

(A) were in the past, or are currently, employed in the timber harvesting, log hauling and transportation, saw mill, or secondary manufacturing of wood products industries in Washington, Oregon, and northern California; and

(B) need assistance for retraining for alternative employment or relocation of residence;

(3) to establish a sound, national ecosystem approach to the management of all forests and watersheds managed by the Forest Service and the Bureau of Land Management throughout the United States in order to—

(A) maintain viable populations of native and desired non-native vertebrate species in each Federal forest;

(B) preserve fisheries, wildlife, water quality, soil quality, and other natural resources within these ecosystems; and

(C) ensure the production of timber and wood products, and employment associated with the production, on a long-term basis;

(4) to establish programs for national research on forest ecosystem management to determine how best to manage forest ecosystems nationally; and

(5) to establish national forest ecosystem contracts with private parties in order to implement forest ecosystem management nationally on all federally owned forests.

SEC. 4. DEFINITIONS.

As used in this Act:

(1) FEDERAL FOREST.—The term "Federal forest" means land in Federal ownership that is managed—

(A) by the Forest Service and is located—

(i) within the exterior boundaries of a national forest in the State of Washington or the State of Oregon; or

(ii) in one of the following national forests (or portions of forests) in the State of California: Siskiyou, Rogue River, Klamath, Six Rivers, Shasta-Trinity, and Mendocino National Forests, or that portion of the Modoc National Forest inhabited by northern spotted owls; or

(B) by the Bureau of Land Management and is located in—

(i) the State of Washington;

(ii) the State of Oregon; or

(iii) the Ukiah District in the State of California.

(2) LAND AND RESOURCE MANAGEMENT PLAN.—The term "land and resource management plan" means a land or resource management plan required by section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604).

(3) LATE-SUCCESSIONAL/OLD-GROWTH FOREST.—The term "late-successional/old-growth forest" has the same meaning as is provided for the term in the Panel Report.

(4) PANEL REPORT.—The term "Panel Report" means the report entitled "Alternatives for Management of Late-Successional Forests of the Pacific Northwest", prepared by the Scientific Panel on Late-Successional Forest Ecosystems, dated October 8, 1991.

(5) SECRETARIES.—The term "Secretaries" means the Secretary of Agriculture and the Secretary of the Interior.

(6) SECRETARY.—Except as otherwise provided in this Act, the term "Secretary" means—

(A) the Secretary of Agriculture with respect to lands and interests in lands under the jurisdiction of the Forest Service; or

(B) the Secretary of the Interior with respect to lands and interests in lands under the jurisdiction of the Bureau of Land Management.

TITLE I—RURAL DEVELOPMENT IN RURAL COMMUNITIES

SEC. 101. PURPOSES.

The purposes of this title are—

(1) to create an organizational structure to plan rural development programs for economic diversification, stability, and rural development for rural communities that have been adversely affected by a declining timber supply and changes in the timber industry in Oregon, Washington, and northern California;

(2) to provide rural development programs for small businesses and microbusinesses adversely affected by changes in the timber industry;

(3) to provide affected States with a new formula for the calculation of payments earned from timber sales in lieu of taxes on Federal forests in the State;

(4) to create an organizational structure for the planning and disbursement of financial assistance to individual workers who have been employed in the timber harvesting, log hauling and transportation, saw mill, and secondary manufacturing of wood products industries in Washington, Oregon, and northern California, and who are experiencing dislocation from one of these industries;

(5) to assist individual workers described in paragraph (4) to obtain training for employment in another sector of the economy through the provision of grants for income supplements, costs of training, job searches, and relocation;

(6) to provide employment opportunities and to fulfill other purposes through na-

tional forest ecosystem management in federally owned forests throughout the United States;

(7) to restrict the export of unprocessed logs, which is necessary because of a temporary shortage in the supply of timber, which is caused by conserving an exhaustible natural resource; and

(8) to provide for the management of federally owned and private forests containing Pacific yew to ensure a sufficient supply of taxol.

Subtitle A—Rural Development for Communities and Businesses

SEC. 111. DEFINITIONS.

As used in this subtitle:

(1) ADVERSELY AFFECTED.—The term "adversely affected", with respect to a community or a business situated near or adjacent to a Federal forest, means adversely economically affected by changes in the timber industry.

(2) AFFECTED STATE.—The term "affected State" means Oregon, Washington, or California.

(3) COMMISSION.—The term "Commission" means a Community Rural Development Commission established by section 113.

(4) COMMUNITY.—The term "community" means a rural community that—

(A) is adjacent to or near a Federal forest; and

(B) has been adversely affected.

(5) FUND.—The term "Fund" means the Community Rural Development Investment Fund established by section 112.

SEC. 112. COMMUNITY RURAL DEVELOPMENT INVESTMENT FUND.

(a) ESTABLISHMENT OF FUND.—There is established in the Treasury of the United States a trust fund to be known as the "Community Rural Development Investment Fund", consisting of such amounts as are transferred to the Fund under subsection (b).

(b) TRANSFERS TO FUND.—

(1) IN GENERAL.—For each of fiscal years 1993 through 1998, the Secretary of the Treasury shall transfer to the Fund by not later than the last day of the fiscal year an amount equal to 5 percent of the Federal portion of all monies received in the fiscal year from the sale of timber and other forest products from federally owned forests.

(2) MONIES RECEIVED.—As used in paragraph (1), the term "monies received", with respect to those forests managed by the Forest Service, has the same meaning as is provided for the term in—

(A) the Act entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and nine", approved May 23, 1908 (35 Stat. 260, chapter 192; 16 U.S.C. 500); and

(B) section 13 of the Act of March 1, 1911 (36 Stat. 963, chapter 186; 16 U.S.C. 500).

(c) EXPENDITURES FROM FUND.—

(1) IN GENERAL.—On October 1, 1993, and each October 1 thereafter through October 1, 1998, and without further appropriation, the Secretary of the Treasury shall transfer from the Fund to each Commission the amount from the Fund that is determined to be payable to the Commission pursuant to paragraph (2). The amount shall be used by the Commission in accordance with paragraph (3).

(2) DETERMINATION OF AMOUNTS.—

(A) IN GENERAL.—The Secretary of Agriculture shall determine the amounts payable to each Commission according to a pro rata distribution based on a formula determined by the Secretary in accordance with subparagraph (B).

(B) FORMULA.—The formula shall take into consideration, on a historical basis, the number of dislocated workers (as defined in section 121(3)) in the State in proportion to the total number of jobs lost in each industry in which dislocated workers are employed.

(3) USE OF AMOUNTS.—

(A) IN GENERAL.—Subject to subparagraph (B), a Commission shall use amounts received pursuant to paragraph (1) to achieve rural development by—

(i) making loans pursuant to section 115; and

(ii) facilitating the operations of the Commission.

(B) ADMINISTRATIVE EXPENSES.—Not more than 10 percent of the funds made available to a Commission may be used for administrative expenses.

(d) TERMINATION.—The Fund shall terminate on October 1, 1998. After termination, any amounts remaining in the Fund shall be paid to the general fund of the Treasury.

(e) EFFECT ON TIMBER PAYMENTS TO STATES.—Except as provided in section 115, nothing in this subtitle is intended to modify or alter payments to States under—

(1) the Act entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and nine", approved May 23, 1908 (35 Stat. 260, chapter 192; 16 U.S.C. 500); and

(2) section 13 of the Act of March 1, 1911 (36 Stat. 963, chapter 186; 16 U.S.C. 500).

SEC. 113. COMMUNITY RURAL DEVELOPMENT COMMISSIONS.

(a) IN GENERAL.—There is established for each affected State a Community Rural Development Commission.

(b) MEMBERSHIP.—

(1) COMPOSITION.—Each Commission shall be composed of five members appointed by the Governor of the affected State.

(2) CHAIRPERSON.—

(A) IN GENERAL.—Each Commission shall elect a chairperson from among its members.

(B) TERM.—The chairperson shall serve for a term of 1 year.

(3) VACANCIES.—A vacancy on a Commission shall be filled in the same manner in which the original appointment was made.

(4) COMPENSATION.—Members of a Commission shall serve without compensation.

(5) TRAVEL EXPENSES.—While away from their homes or regular places of business in the performance of services for a Commission, members of a Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses pursuant to section 5703 of title 5, United States Code.

(c) DUTY.—In accordance with section 114, each Commission shall distribute loans and other assistance to communities from monies received from the Fund.

(d) MEETINGS.—

(1) IN GENERAL.—A Commission meeting shall be open to the public, unless the meeting concerns a personnel or budgetary matter.

(2) NOTICE.—A notice of a Commission meeting shall be published 30 days in advance in a newspaper of general circulation in the State.

(3) RULES OF PROCEDURE.—Each Commission shall adopt and make available to the public such internal rules of procedure as the Commission considers necessary.

(e) STAFF.—Each Commission may appoint, fix compensation for, and assign and delegate duties to an executive director and such other employees, and procure such temporary and intermittent services, as the Commission considers necessary to carry out its duties.

(f) ASSISTANCE FROM OTHER AGENCIES.—

(1) IN GENERAL.—Each Commission may use, with the consent of the agency, the services, equipment, personnel, and facilities of Federal, State, and other agencies with or without reimbursement.

(2) TECHNICAL ASSISTANCE.—Upon the request of a Commission, a Federal agency may provide technical assistance on a nonreimbursable basis to the Commission to assist it in carrying out its duties.

(3) COOPERATION.—Subject to paragraph (2), each Federal agency shall cooperate fully in making its services, equipment, personnel, and facilities available to each Commission.

(g) REPORT.—Not later than 90 days after the end of each fiscal year during which a Commission is in existence, the Commission shall submit in writing to Congress, the Secretary of Agriculture, the Secretary of the Interior, and the Governor of the State, a report that addresses—

(1) the activities of the Commission;

(2) the economic conditions and the employment situation of communities in the State;

(3) any recommendations that the Commission may have concerning the economic conditions; and

(4) any other rural development issues considered appropriate by the Commission.

(h) TERMINATION.—Each Commission shall terminate on September 30, 1999.

SEC. 114. COMMUNITY RURAL DEVELOPMENT LOANS.

(a) IN GENERAL.—For the purposes described in subsection (b), each Commission shall distribute monies received from the Fund in the form of loans to communities that are eligible in accordance with subsection (c).

(b) PURPOSES.—To further the purposes of rural development, loans shall be provided to—

(1) assist eligible communities and businesses in achieving economic diversity; and

(2) carry out such other purposes as the Commission considers appropriate.

(c) ELIGIBILITY.—A community shall be eligible for a loan if the community—

(1) has associated with it employment in a wood products, log harvesting, or log hauling or transportation company that during the period beginning 2 years before, and ending 3 years after, the date of enactment of this Act has experienced a plant closure or reduction in its work force of at least 33 percent; and

(2) is approved for assistance by the Commission for the State.

(d) REVOLVING LOAN FUND.—

(1) IN GENERAL.—Each Commission shall establish a revolving loan fund from the monies made available to the Commission for the purpose of making low interest loans to businesses that—

(A) have been adversely affected; and

(B) have 300 or fewer employees.

(2) PROMOTION OF NEW BUSINESSES.—A Commission may set aside a portion of the funds made available to carry out this subsection for loans to promote new businesses in communities.

(e) ELIGIBILITY FOR OTHER ASSISTANCE.—Nothing in this section is intended to affect the eligibility of communities for technical planning assistance and loans intended to achieve economic diversification and enhance local economies under the National Forest-Dependent Rural Communities Economic Diversification Act of 1990 (7 U.S.C. 6611 et seq.).

SEC. 115. PAYMENTS TO STATES FROM FEDERAL TIMBER SALE REVENUES.

(a) NATIONAL FORESTS.—The sixth paragraph under the heading "FOREST SERVICE." in the Act entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and nine", approved May 23, 1908 (35 Stat. 260, chapter 192; 16 U.S.C. 500), and section 13 of the Act of March 1, 1911 (36 Stat. 963, chapter 186; 16 U.S.C. 500), are each amended by adding at the end the following new sentence: "Notwithstanding any other provision of this Act, for fiscal years 1993 through 2002, the Secretary of Agriculture shall calculate payments for each year to each of the States of Washington, Oregon, and California based on the average of the annual payments to the State for the preceding 10 years.".

(b) AUTHORITY OF THE SECRETARY OF THE INTERIOR.—The Secretary of the Interior shall take such actions with regard to Federal forests under the Secretary's jurisdiction as are consistent with the amendments made by subsection (a).

SEC. 116. PROVISION OF INFORMATION TO COMMISSIONS.

Prior to taking any action with respect to managing a Federal forest within an affected State that may have a substantial local or regional impact on employment in communities, the Secretaries shall inform the Commission for the State of the proposed action.

Subtitle B—Dislocated Forest-Worker Assistance

SEC. 121. DEFINITIONS.

As used in this subtitle:

(1) ACCOUNT.—The term "Account" means the Dislocated Forest-Worker Assistance Account established by section 122.

(2) COMMITTEE.—The term "Committee" means a Dislocated Forest-Worker Assistance Committee established by section 123.

(3) DISLOCATED WORKER.—The term "dislocated worker"—

(A) means an individual—

(i) who is employed, or who was employed, in the timber harvesting, log hauling and transportation, saw mill, or secondary manufacturing of wood products industries that are dependent on timber from Federal forests in Oregon, Washington, or northern California;

(ii) who is experiencing dislocation from the individual's employing industry; and

(iii) who has exhausted State unemployment benefits; and

(B) does not include an individual who is engaged in an occupation that is not directly related to the timber harvesting or wood products industries.

(4) DISLOCATED WORKER ASSISTANCE.—The term "dislocated worker assistance" means monetary assistance described in section 124 payable to dislocated workers.

(5) DISLOCATION.—The term "dislocation" means a dislocated worker's total or partial loss of employment (including being compelled to accept a position with lesser pay or to work part-time) during the period beginning 2 years before, and ending 3 years after, the date of enactment of this Act because of an action that is taken pursuant to—

(A) the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.);

(B) the National Forest Management Act of 1976 (16 U.S.C. 472a et seq.);

(C) the Multiple-Use Sustained-Yield Act of 1960 (16 U.S.C. 528 et seq.); or

(D) this Act.

(6) EMPLOYMENT.—The term "employment" means the worker's period of employment in the timber harvesting, log hauling and transportation, saw mill, or secondary manufacturing of wood products industries in Oregon, Washington, or northern California in each of the 3 base periods (as determined under State law) preceding the total or partial dislocation that constitutes—

(A) at least 39 weeks of employment (at 20 hours or more of employment per week); or

(B) not fewer than 1560 hours of employment, as determined under the unemployment laws of the worker's State of residence.

(7) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(8) STATE.—The term "State" means the worker's State of residence in Oregon, Washington, or California.

(9) STATE AGENCY.—The term "State agency" means the agency that administers the State's unemployment compensation laws.

(10) STATE LAW.—The term "State law" means the unemployment compensation laws of the worker's State of residence.

SEC. 122. DISLOCATED FOREST-WORKER ASSISTANCE ACCOUNT.

(a) ESTABLISHMENT OF ACCOUNT.—There is established in the Treasury of the United States an account to be known as the "Dislocated Forest-Worker Assistance Account", consisting of such amounts as are transferred to the Account under subsection (b).

(b) TRANSFERS TO ACCOUNT.—

(1) IN GENERAL.—For each of fiscal years 1993 through 1998, the Secretary of the Treasury shall transfer to the Account by not later than the last day of the fiscal year an amount equal to 10 percent of the Federal portion of all monies received in the fiscal year from the sale of timber and other forest products from federally owned forests.

(2) MONIES RECEIVED.—As used in paragraph (1), the term "monies received", with respect to those forests managed by the Forest Service, has the same meaning as is provided for the term in—

(A) the Act entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and nine", approved May 23, 1908 (35 Stat. 260, chapter 192; 16 U.S.C. 500); and

(B) section 13 of the Act of March 1, 1911 (36 Stat. 963, chapter 186; 16 U.S.C. 500).

(c) EXPENDITURES FROM ACCOUNT.—

(1) IN GENERAL.—On October 1, 1993, and each October 1 thereafter through October 1, 1998, and without further appropriation, the Secretary of the Treasury shall transfer from the Account to each State agency the amount from the Account that is determined to be payable to the State agency pursuant to paragraph (2). The amount shall be used by the State agency in accordance with paragraph (3).

(2) DETERMINATION OF AMOUNTS.—

(A) IN GENERAL.—The Secretary of Agriculture shall determine the amounts payable to each State agency according to a pro rata distribution based on a formula determined by the Secretary in accordance with subparagraph (B).

(B) FORMULA.—The formula shall take into consideration, on a historical basis, the number of dislocated workers (as defined in section 121(3)) in the State in proportion to the total number of jobs lost in each industry in which dislocated workers are employed.

(3) USE OF AMOUNTS.—

(A) IN GENERAL.—Subject to subparagraph (B) and in coordination with the appropriate Committee, each State agency shall use amounts received pursuant to paragraph (1) to provide dislocated worker assistance to dislocated workers who file an application with the State agency.

(B) ADMINISTRATIVE EXPENSES.—Not more than 10 percent of the funds made available to the State agency may be used for administrative expenses.

(d) TERMINATION.—The Account shall terminate on October 1, 1998. After termination, any amounts remaining in the Account shall be paid to the general fund of the Treasury.

(e) EFFECT ON TIMBER PAYMENTS TO STATES.—Except as provided in section 115, nothing in this subtitle is intended to modify or alter payments to States under—

(1) the Act entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and nine", approved May 23, 1908 (35 Stat. 260, chapter 192; 16 U.S.C. 500); and

(2) section 13 of the Act of March 1, 1911 (36 Stat. 963, chapter 186; 16 U.S.C. 500).

SEC. 123. DISLOCATED FOREST-WORKER ASSISTANCE COMMITTEES.

(a) IN GENERAL.—There is established for each State a Dislocated Forest-Worker Assistance Committee.

(b) MEMBERSHIP.—

(1) COMPOSITION.—Each Committee shall be composed of five members appointed by the Governor of the State.

(2) CHAIRPERSON.—

(A) IN GENERAL.—Each Committee shall elect a chairperson from among its members.

(B) TERM.—The chairperson shall serve for a term of 1 year.

(3) VACANCIES.—A vacancy on a Committee shall be filled in the same manner in which the original appointment was made.

(4) COMPENSATION.—Members of a Committee shall serve without compensation.

(5) TRAVEL EXPENSES.—While away from their homes or regular places of business in the performance of services for a Committee, members of a Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses pursuant to section 5703 of title 5, United States Code.

(c) DUTY.—Each Committee shall provide guidance to the State agency for the State of the Committee in the distribution of grants to dislocated workers within the State from monies received from the Account, pursuant to rules developed by the State agency. The rules shall include procedures for the collection of any overpayments of dislocated worker assistance.

(d) MEETINGS.—

(1) IN GENERAL.—A Committee meeting shall be open to the public, unless the meeting concerns a personnel or budgetary matter.

(2) NOTICE.—A notice of a Committee meeting shall be published 30 days in advance in a newspaper of general circulation in the State.

(3) RULES OF PROCEDURE.—Each Committee shall adopt and make available to the public such internal rules of procedure as the Committee considers necessary.

(e) STAFF.—Each Committee may appoint, fix compensation for, and assign and delegate duties to an executive director and such other employees, and procure such temporary and intermittent services, as the Committee considers necessary to carry out the duties of the Committee.

(f) ASSISTANCE FROM OTHER AGENCIES.—

(1) IN GENERAL.—Each Committee may use, with the consent of the agency, the services, equipment, personnel, and facilities of Fed-

eral, State, and other agencies with or without reimbursement.

(2) TECHNICAL ASSISTANCE.—Upon the request of a Committee, a Federal agency may provide technical assistance on a nonreimbursable basis to the Committee to assist it in carrying out its duties.

(3) COOPERATION.—Subject to paragraph (2), each Federal agency shall cooperate fully in making its services, equipment, personnel, and facilities available to each Committee.

(g) REPORT.—Not later than 90 days after the end of each fiscal year during which a Committee is in existence, the Committee shall submit in writing to Congress, the Secretary, the Secretary of the Interior, and the Governors of California, Oregon, and Washington, a report that addresses—

(1) the activities of the Committee;

(2) the employment situation of workers in the timber harvesting, log hauling and transportation, saw mill, and secondary manufacturing of wood products industries in the regions economically impacted by late-successional/old-growth forests;

(3) any recommendations that the Committee may have concerning workers in the industries described in paragraph (2); and

(4) any other assistance issues considered appropriate by the Committee.

(h) TERMINATION.—Each Committee shall terminate on September 30, 1999.

SEC. 124. CATEGORIES OF DISLOCATED FOREST-WORKER ASSISTANCE.

(a) INCOME SUPPLEMENT.—

(1) IN GENERAL.—A dislocated worker may receive an income supplement.

(2) ELIGIBILITY TESTING.—The dislocated worker's eligibility for the income supplement shall be computed weekly on the same basis as the unemployment insurance in the dislocated worker's State pursuant to the State's unemployment laws.

(3) MAXIMUM AMOUNT OF BENEFIT.—The maximum amount of the weekly income supplement for which a dislocated worker is eligible shall be determined by the unemployment laws of the dislocated worker's State of residence.

(4) BENEFITS FOR CERTAIN WORKERS.—A State agency may grant an income supplement to an otherwise eligible individual worker who was not previously eligible for State unemployment insurance because the worker's unemployment was due to a contraction in the industry or to self-employment.

(b) VOCATIONAL RETRAINING STIPEND.—A dislocated worker may receive a retraining stipend for a course of training approved by a State agency. The stipend may not exceed the average cost in the worker's locale of 2 years' tuition at a vocational school or its equivalent.

(c) JOB SEARCH ALLOWANCE.—A dislocated worker may receive a job search allowance in an amount equal to 90 percent of actual job search costs, not to exceed $800 per year.

(d) RELOCATION ALLOWANCE.—A dislocated worker may receive a relocation allowance, if the worker has obtained employment outside of the commuting area in which the worker resides, in an amount equal to the lesser of—

(1) 90 percent of actual expenses incurred in transporting the worker, the family of the worker, and the household effects of the worker and the family; or

(2) $800 per year.

(e) BENEFITS IN ADDITION TO REGULAR BENEFITS.—A grant provided under this section shall be in addition to regular unemployment benefits provided by a State pursuant to State law.

Subtitle C—Miscellaneous

SEC. 131. PURPOSES.

The purposes of this subtitle are—

(1) to provide employment opportunities in federally owned forests through the implementation of forest ecosystem management practices;

(2) to control speculative bidding on timber sales contracts and provide greater employment certainty by increasing financial security requirements for Federal timber sale programs;

(3) to provide adequate funding for the employment opportunities described in paragraph (1);

(4) to restrict the export of unprocessed logs, which is necessary because of a temporary shortage in the supply of timber, which is caused by conserving an exhaustible natural resource; and

(5) to ensure the supply of Pacific yew on a sustainable basis.

SEC. 132. ECOSYSTEM MANAGEMENT CONTRACTS.

(a) IN GENERAL.—The Secretaries shall employ, or otherwise contract with, persons at regular rates of pay (as determined by the Secretaries) to perform forest ecosystem management practices on all forests managed by the Forest Service and the Bureau of Land Management throughout the United States in accordance with the objectives described in section 233 and other objectives considered appropriate by the Secretaries.

(b) WITHHOLDING OF SUMS.—The Secretaries may withhold a reasonable percentage of the value of the timber harvested pursuant to a contract entered into under subsection (a) to compensate for costs incurred by the Secretaries in carrying out subsection (a), including costs for site preparation, replanting, silvicultural activities, recreation, fish and wildlife enhancement, and other multiple use projects.

(c) EFFECT ON TIMBER SALES TARGETS.—Timber removed under a contract entered into under subsection (a) shall be included within the annual timber sales targets of the Forest Service.

SEC. 133. FINANCIAL SECURITY REQUIREMENTS.

(a) IN GENERAL.—For each timber sale contract that relates to a forest managed by the Forest Service or the Bureau of Land Management and that is entered into after the date of enactment of this Act, the Secretaries shall retain a cash deposit as security to ensure completion of the contract.

(b) AMOUNT OF DEPOSIT.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amount of the deposit shall be equal to 20 percent of the contract value and may be applied to the final payment upon completion of the contract.

(2) REDUCTION FOR SMALL COMPANIES.—In the case of a company that holds less than 3 percent of the total estimated volume of timber standing within a forest managed by the Forest Service or the Bureau of Land Management, the amount of the required deposit shall be reduced to a level that the Secretary concerned considers appropriate.

(c) EXTENSIONS OF TIME.—Extensions of time for completion of the contract may be granted only upon receipt of a substantial additional cash deposit that the Secretary concerned determines is adequate to ensure timely completion of the contract during the period of the extension.

SEC. 134. LAND MANAGEMENT APPROPRIATIONS.

To ensure full implementation of this Act, it is the sense of Congress that annual appropriations for the Forest Service should be based on, and should not be less than, the average of the appropriations to the Forest Service during the preceding 10 fiscal years, as adjusted for inflation (except that the distribution of funds among programs may vary).

SEC. 135. LOG EXPORTS.

(a) IN GENERAL.—A State west of the 100th meridian from which unprocessed logs are exported may establish and implement export restrictions determined by the State to be necessary because of a temporary shortage in the supply of timber, which is caused by conserving an exhaustible natural resource. The restrictions may apply to private and public lands within the geographic boundaries of the State.

(b) TERMINATION OF RESTRICTIONS ON EXPORTS FROM PRIVATE LANDS.—

(1) IN GENERAL.—An export restriction established pursuant to subsection (a) on unprocessed logs harvested from private lands shall terminate in accordance with this subsection not later than 10 years after the date of enactment of this Act.

(2) PHASE-OUT.—Subject to paragraph (3), beginning 1 year after the date of enactment of this Act, a restriction described in paragraph (1) shall be reduced in equal annual increments such that by the year that begins 10 years after the date of enactment of this Act there is no restriction on the export of logs from private lands in the State.

(3) TERMINATION BY STATE.—A State may terminate a restriction described in paragraph (1) prior to the date that is 10 years after the date of enactment of this Act.

(c) EXPORTS TO CANADA.—No export restriction established pursuant to subsection (a) shall have the effect of reducing the proportion of total exports of unprocessed logs from the United States that is made available for export to Canada below the proportion of total exports of unprocessed logs from the United States that was exported to Canada during a representative period prior to the date of establishment of the restriction (as determined by the President).

(d) PRESIDENTIAL SUSPENSION.—After reasonable notice and a public comment period of not less than 120 days, the President may suspend a restriction established pursuant to subsection (a) if, pursuant to the adoption of a dispute settlement panel report by the Council of the General Agreement on Tariffs and Trade, the restriction is found to be in violation of, or inconsistent with, obligations of the United States under the Agreement.

SEC. 136. RED CEDAR LOG EXPORTS.

The Act of April 12, 1926 (44 Stat. 242, chapter 117; 16 U.S.C. 616) is amended by adding at the end the following new section:

"**SEC. 3. WESTERN RED CEDAR LOGS.**

"Western Red Cedar unprocessed logs from the Tongass National Forest may not be exported from the United States unless the Secretary of Agriculture determines that the logs are surplus to the needs of domestic processors when offered at fair market value (as determined by the Secretary of Agriculture).".

SEC. 137. PACIFIC YEW CONSERVATION AND MANAGEMENT.

(a) FINDINGS.—Congress finds that—

(1) each year, over 12,000 women die from ovarian cancer and 44,500 women die from breast cancer;

(2) taxol, a drug made from the Pacific yew (Taxus brevifolia), has been successful in treating ovarian cancer in clinical trials and shows promise in the treatment of breast cancer and other types of cancer;

(3) the production of small quantities of taxol currently requires the use of large numbers of Pacific yew;

(4) the Pacific yew is a slow-growing tree species found in the western United States;

(5) significant numbers of Pacific yew are found in old growth forests on federally owned lands in the Pacific Northwest;

(6) before the importance of taxol was discovered, the Pacific yew was considered a trash tree and was often burned in slash piles after timber operations;

(7) remaining Pacific yew resources must be carefully managed in order to ensure a steady supply of taxol for the treatment of cancer, while also providing for the long-term conservation of the species; and

(8) appropriate management guidelines must be implemented promptly in order to prevent any wasting of Pacific yew in current and future timber sales on federally owned lands while successful and affordable alternative methods of manufacturing taxol are being developed.

(b) Purpose.—The purpose of this section is to contribute to the successful treatment of cancer by ensuring that Pacific yew located on lands under the jurisdiction of the Secretaries are managed to—

(1) provide for the efficient collection and utilization of those parts of the Pacific yew that can be used in the manufacture of taxol for the treatment of cancer;

(2) provide for the sale of Pacific yew from the lands for the commercial production and subsequent sale of taxol at a reasonable cost to cancer patients;

(3) ensure the long-term conservation of the Pacific yew; and

(4) prevent the wasting of Pacific yew resources while successful and affordable alternative methods of manufacturing taxol are being developed.

(c) Pacific Yew Conservation and Management.—

(1) Pacific yew policy.—With respect to lands that are under the jurisdiction of the Secretaries and that contain Pacific yew, the Secretaries shall pursue a conservation and management policy that provides for—

(A) the sustainable harvest of Pacific yew, or Pacific yew parts, for the manufacture of taxol, in accordance with relevant land and resource management plans; and

(B) the long-term conservation of the Pacific yew in the wild.

(2) Content of policy.—The conservation and management policy required by paragraph (1) shall ensure that—

(A) in planning harvests of Pacific yew, priority is given—

(i) first to those areas in which timber has been cut but Pacific yew have not been removed;

(ii) second to those areas in which timber is already sold but remains uncut;

(iii) third to those areas scheduled for timber sales in the near future; and

(iv) fourth to those areas (other than areas described in clauses (i) through (iii)) in which commercial and salvage timber sales are permitted under laws in existence on the date of the plan;

(B) individual Pacific yew are utilized with little or no waste;

(C) to the extent that the health and safety of timber harvesters will not be jeopardized, the bark is harvested from Pacific yew in timber sale areas before the harvest of other timber resources;

(D) when Pacific yew are harvested, they are—

(i) cut using methods designed to allow for resprouting from the stump; and

(ii) replanted where necessary to maintain the species in the ecosystem; and

(E) timber management and harvest activities are carried out in a manner that will minimize any adverse effects on the survival and regeneration of Pacific yew.

(3) Application of policy to timber harvesting.—Each Secretary shall ensure that timber sales awarded after the date of enactment of this Act, and timber sales completed before that date but unharvested as of that date, are conducted in accordance with—

(A) the policy described in paragraph (1); and

(B) the relevant land and resource management plans.

(4) Inventory of pacific yew.—Not later than 180 days after the date of enactment of this Act, each Secretary shall complete an inventory of Pacific yew on lands under the jurisdiction of the Secretary.

(d) Research.—The Secretaries shall encourage and, when appropriate, assist in research regarding—

(1) the ecology of the Pacific yew;

(2) the development of alternative methods of procuring taxol, including—

(A) the utilization of yew parts other than bark;

(B) the sustainable harvest of yew needles; and

(C) the utilization of other yew species; and

(3) the propagation of Pacific yew and other yew species in agricultural or commercial settings.

(e) Collection and Sale of Pacific Yew Resources.—

(1) Enforcement and access.—Each Secretary shall ensure that—

(A) procedures for the collection and sale of Pacific yew resources that minimize the illegal harvest and sale of the resources are developed, implemented, and enforced; and

(B) access to Pacific yew resources is permitted in a timely manner to ensure that collection of Pacific yew parts can occur before the taxol properties of the parts are degraded.

(2) Negotiated sales.—

(A) Forest service sales.—Notwithstanding section 14 of the National Forest Management Act of 1976 (16 U.S.C. 472a), the Secretary of Agriculture may negotiate sales of Pacific yew on lands under the jurisdiction of the Forest Service, at not less than appraised value, to persons that manufacture taxol in the United States for use in humans.

(B) Disposition of unutilized material.—Each Secretary shall, to the extent practicable, make material unutilized by purchasers of Pacific yew available to other persons.

(C) Limits on other sales.—Except as provided in subparagraphs (A) and (B), the Secretaries may not sell Pacific yew for commercial use.

(D) Disposition of receipts.—Not less than 25 percent of all monies received from the sale of Pacific yew shall be distributed in the manner provided in—

(i) the Act entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and nine", approved May 23, 1908 (35 Stat. 260, chapter 192; 16 U.S.C. 500); and

(ii) section 13 of the Act of March 1, 1911 (36 Stat. 963, chapter 186; 16 U.S.C. 500).

(3) Recordkeeping.—Each Secretary shall keep accurate records of all sales, bark removal, or other harvest of Pacific yew. The records shall include—

(A) the date of sale (if applicable) and the date of harvest;

(B) the names of persons performing the harvest;

(C) the record of authorization for the harvest;

(D) the location and size of the area in which the harvest occurred; and

(E) the quantity of Pacific yew harvested, including, to the extent practicable—

(i) the number of trees harvested;

(ii) the volume of bark harvested; and

(iii) the weight of bark harvested.

(f) Cost-share Assistance to Owners of Nonindustrial Private Forest Lands.—Section 6 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103b) is amended—

(1) in subsection (b)(4), by adding at the end the following new subparagraph:

"(C) Cost-share assistance to owners of nonindustrial private forest lands.—The Secretary shall provide cost-share assistance to owners of nonindustrial private forest lands that contain Pacific yew. The rate of reimbursement shall be in accordance with this section and regulations issued by the Secretary."; and

(2) in subsection (e)—

(A) in paragraph (5), by striking "and";

(B) in paragraph (6), by striking the period and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(7) the existence of Pacific yew on nonindustrial private forest lands.".

(g) Relation to Other Laws.—Nothing in this section is intended to modify—

(1) the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.);

(2) the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.); or

(3) the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

(h) Report to Congress.—

(1) In general.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, each Secretary shall submit a report containing the information described in paragraph (2) to—

(A) the Committee on Agriculture of the House of Representatives; and

(B) the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(2) Contents.—A report required under paragraph (1) shall contain—

(A) a determination as to whether sufficient quantities of Pacific yew have been harvested, and can continue to be harvested in the next year, to supply necessary quantities of taxol required for medicinal purposes, together with a summary of the information on which the determination is based; and

(B) the results of the Pacific yew inventory required by subsection (c)(4).

(i) Termination of Requirements.—

(1) Determination by the secretary of health and human services.—The Secretary of Health and Human Services shall determine when quantities of taxol sufficient to satisfy medicinal demands are available from sources other than Pacific yew harvested from Federal lands, and notify each Secretary upon making the determination.

(2) Concurrence by the secretaries.—If each Secretary concurs in the determination made pursuant to paragraph (1), the Secretaries shall jointly notify the congressional committees listed in subsection (h)(1) of their concurrence.

(3) Termination.—Upon notification in accordance with paragraph (2), the requirements of this section shall terminate.

SEC. 138. WOOD RESIDUE UTILIZATION.

Section 8 of the Wood Residue Utilization Act of 1980 (16 U.S.C. 1687) is amended—

(1) by inserting "(a)" after "8."; and

(2) by adding at the end the following new subsection:

"(b)(1) There are authorized to be appropriated—

"(A) $5,500,000 for the construction of a pilot wood residue utilization project in Siskiyou County, California, to demonstrate the commercial viability of cement fiber board products for use in the construction industry, of which $500,000 shall be used for the construction of a process technology transfer center to be located at the College of the Siskiyous;

"(B) $2,000,000 for the construction of a pilot wood residue utilization project to be located in the State of Washington to demonstrate the commercial viability of recycled panel boards for use in the construction industry; and

"(C) $1,000,000 for the construction of a pilot wood residue utilization project to be located in Lane County, Oregon, to develop processes for the extraction of medically beneficial products from yew trees without inflicting permanent damage to the trees.

"(2) There are authorized to be appropriated not more than $300,000 for administrative expenses necessary to carry out the pilot projects described in paragraph (1)."

SEC. 139. REGULATIONS.

The Secretary of Agriculture and the Secretary of the Interior shall issue such regulations, within their respective jurisdictions, as are necessary to carry out this title and the amendments made by this title.

SEC. 140. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this title and the amendments made by this title.

TITLE II—FOREST ECOSYSTEM CONSERVATION

SEC. 201. PURPOSES.

The purposes of this title are—

(1) to establish a sound ecosystem approach to the management of Federal forests in order to—

(A) maintain viable populations of native and desired non-native vertebrate species in each Federal forest;

(B) preserve fisheries, wildlife, water quality, soil quality, and other natural resources within these ecosystems; and

(C) ensure the production of timber and wood products, and employment associated with the production, on a long-term basis;

(2) to establish forest ecosystem management direction and practices for Westside forests;

(3) to require the Secretaries to—

(A) conduct an inventory of Eastside forests;

(B) conduct a study to determine which management strategies would best restore, maintain, and protect the health of Eastside forests, including the forests' late-successional/old-growth components and the forests' associated ecological elements, functions, and successional processes; and

(C) manage Eastside forests in accordance with interim protection prescriptions pending completion of the study described in subparagraph (B); and

(4) to establish Forest Ecosystem Advisory Committees for each Forest Service Region and Bureau of Land Management State Office to assist the agencies in implementing forest ecosystem management on all forests managed by these agencies throughout the United States.

SEC. 202. DEFINITIONS.

As used in this title:

(1) COMMITTEE.—The term "Committee" means a Forest Ecosystem Advisory Committee established by section 231.

(2) EASTSIDE FOREST.—The term "Eastside forest" means a Federal forest in the ecoregion provinces of the Columbia Forest, Rocky Mountain Forest, Palouse Grassland, Intermountain Sagebrush, Sierran Forest, or California Chaparral.

(3) EASTSIDE LATE-SUCCESSIONAL/OLD-GROWTH FOREST.—Except as otherwise provided in section 221, the term "Eastside late-successional/old-growth forest" means a forest that is an Eastside forest and is referred to as "old-growth timber" on pages 3-40 through 3-42 of the document of the Forest Service entitled "Regional Guide for the Pacific Northwest Region", dated May 1984.

(4) ECOREGION PROVINCE.—The term "ecoregion province" means that level of ecosystem classification defined in the Forest Service document entitled "Delineation of Ecosystem Regions", prepared by R.G. Bailey of the Rocky Mountain Forest and Range Experiment Station, Fort Collins, Colorado, dated 1979.

(5) FOREST RESOURCES.—The term "forest resources" means the various amenities, commodities, and services available in Federal forests such as timber, water quality and quantity, soils, forage, minerals, outdoor recreation, and fish and wildlife and their habitats.

(6) LAND DISTURBANCE.—The term "land disturbance" means an alteration of the natural characteristics of a Federal forest due to a management activity or procedure, regardless of the effect on the forest ecosystem.

(7) MOST SIGNIFICANT LATE-SUCCESSIONAL/OLD-GROWTH FOREST.—The term "most significant late-successional/old-growth forest" has the same meaning as is provided for the term in the Panel Report.

(8) REGION.—The term "Region" means each forest region of the United States established by the Forest Service and State Office of the United States established by the Bureau of Land Management.

(9) SIGNIFICANT LATE-SUCCESSIONAL/OLD-GROWTH FOREST.—The term "significant late-successional/old-growth forest" has the same meaning as is provided for the term in the Panel Report.

(10) WATERSHED.—The term "watershed" has the same meaning as is provided for the term in the Panel Report.

(11) WATERSHED AND FISH HABITAT EMPHASIS OPTION.—The term "Watershed and Fish Habitat Emphasis Option" has the same meaning as is provided for the term on pages 4 and 5 of the Panel Report and in table 5 of the Panel Report.

(12) WESTSIDE FOREST.—The term "Westside forest" means a Federal forest in the ecoregion provinces of Pacific Forest and Willamette-Puget Forest.

(13) OTHER TERMS.—Except as otherwise provided in this title, a term defined in the Panel Report and used in this title has the same meaning as is provided for the term in the Panel Report.

Subtitle A—Westside Forests

SEC. 211. MANAGEMENT OF LATE-SUCCESSIONAL/OLD-GROWTH WESTSIDE FORESTS.

(a) IN GENERAL.—Effective on the date of enactment of this Act, the Secretaries shall manage Westside forests that are most significant late-successional/old-growth or significant late-successional/old-growth forests to—

(1) maintain viable populations of native and desired non-native vertebrate species in each Federal forest; and

(2) protect and restore biological diversity within wetlands, riparian corridors, and estuaries for anadromous fish and other communities of plants and animals associated with the forests.

(b) MANAGEMENT.—

(1) IN GENERAL.—In carrying out subsection (a), the Secretaries shall—

(A) implement the prescriptions contained in Alternative 12, Management Option C, as described in the Panel Report; and

(B) implement the management practices described in paragraph (2).

(2) PRACTICES.—

(A) PROHIBITIONS.—The Secretaries shall prohibit timber harvesting and road construction (except as necessary to protect and restore aquatic habitat).

(B) PUBLIC USES.—The Secretaries shall provide for public uses that are consistent with the protection of late-successional/old-growth forests and the purposes of this Act, including fishing, hunting, trapping, scientific research, and maintenance of trails in existence on the date of enactment of this Act.

(C) FIRE, INSECTS, AND DISEASE CONTROL.—

(i) IN GENERAL.—Subject to clause (ii), the Secretaries shall carry out such fire, insect, and disease suppression and control programs as are necessary—

(I) to protect human life and private property within or immediately adjacent to most significant late-successional/old-growth and significant late-successional/old-growth forests; and

(II) to protect and restore the natural ecological components, functions, and processes of most significant late-successional/old-growth and significant late-successional/old-growth forests.

(ii) PRIOR DETERMINATION.—A Secretary may not carry out a suppression or control program described in clause (i) for a native insect, plant, or disease unless—

(I) the Secretary makes a determination that success is likely and that the program is necessary; and

(II) the determination is made in a proceeding that complies with applicable statutes and treaties.

(c) RELATIONSHIP TO WATERSHED MANAGEMENT.—The Secretaries shall carry out this section in a manner that is consistent with the Watershed and Fish Habitat Emphasis Option. If, in carrying out this section, this Option conflicts with the prescriptions for most significant late-successional/old-growth and significant late-successional/old-growth forest management established under this section, the more restrictive management practices shall take precedence.

(d) MANAGEMENT AREA DESCRIPTIONS.—As soon as practicable after the date of enactment of this Act, the Secretaries shall develop management area descriptions that describe those areas to be managed under this section.

SEC. 212. WATERSHED MANAGEMENT EMPHASIS.

(a) IN GENERAL.—Effective on the date of enactment of this Act, the Secretaries shall manage key watersheds in Westside forests (as identified in subsection (b)) to—

(1) restore, maintain, and protect ecological elements, functions, and successional processes of the forests; and

(2) restore, maintain, and protect the habitat of potentially threatened and endangered fish species and stocks of anadromous salmonoids.

(b) KEY WATERSHEDS.—The Secretaries shall identify as key watersheds in Westside forests those watersheds that—

(1)(A) contain threatened or potentially threatened species or stocks of anadromous salmonoids or other potentially threatened fish; or

(B) are larger than 6 square miles and have high quality water and fish habitat; and

(2) contain other key riparian areas or wetlands.

(c) MANAGEMENT.—The Secretaries shall manage key watersheds in Westside forests (as identified in subsection (b)) in a manner that is consistent with the Watershed and Fish Habitat Emphasis Option.

(d) MANAGEMENT AREA DESCRIPTIONS.—As soon as practicable after the date of enactment of this Act, the Secretaries shall develop management area descriptions that describe those areas to be managed under this section.

SEC. 213. MANAGEMENT OF OTHER WESTSIDE FORESTS.

(a) IN GENERAL.—The Secretaries shall manage those Westside forests, and portions of Westside forests, that are not managed as most significant late-successional/old-growth or significant late-successional/old-growth forests pursuant to section 211 to facilitate movement of biological organisms between and among late-successional/old-growth forests and to foster reestablishment of structurally diverse forests in cutover areas.

(b) MANAGEMENT PRACTICES.—In carrying out subsection (a), the Secretaries shall comply with—

(1) Management Option C, as described in the Panel Report; and

(2) the Watershed and Fish Habitat Emphasis Option.

SEC. 214. AMENDMENT AND MODIFICATION OF PRESCRIPTIONS.

Prescriptions established under sections 211 through 213 may be—

(1) amended by an Act of Congress; or

(2) modified by the Secretaries pursuant to section 234(a).

SEC. 215. TIMBER HARVEST SUITABILITY AND CALCULATIONS.

(a) SUITABILITY FOR TIMBER HARVESTING.—A management area consisting of most significant late-successional/old-growth or significant late-successional/old-growth forests may not—

(1) be designated as available or suitable for timber harvest; or

(2) be included in any calculation of allowable sale quantities or annual timber sale targets of the Forest Service.

(b) ADJUSTMENT.—The Secretaries shall adjust any calculations of lands available or suitable for timber harvest, or any calculations of allowable sale quantity, to conform to the prescriptions established under sections 211 through 213.

Subtitle B—Eastside Forests

SEC. 221. EASTSIDE FOREST STUDY.

(a) IN GENERAL.—In cooperation with the Committee for Region 6, the Secretaries shall conduct a study of Eastside forests to determine forest ecosystem management strategies that will restore, maintain, and protect the health of forests and their associated ecological elements, functions, and processes.

(b) EVALUATIONS.—For Eastside forests in Region 6, the study shall—

(1) include and use a revised definition of "Eastside late-successional/old-growth forest" that shall be based on criteria designed to—

(A) retain an ecologically functional late-successional/old-growth network throughout Federal forests; and

(B) ensure habitats and environmental conditions on Federal forests for conserving well-distributed populations of fish and wildlife species associated with late-successional/old-growth forests;

(2) develop and evaluate protection options for Eastside forests, including the forests' late-successional/old-growth components and the forests' associated ecological elements, functions, and processes;

(3) develop and evaluate options for the restoration, protection, and maintenance of viable populations of fish, wildlife, and plant species;

(4) grade Eastside late-successional/old-growth forests from most to least ecologically significant;

(5) assess the impact of the alternative management strategies described in subsection (a) on allowable timber sales quantities from historical and current perspectives;

(6) evaluate the impact of forest health problems on the long-term productivity of Eastside forests;

(7) provide a risk analysis scale for ranking the probabilities of restoring functioning Eastside forests, including the forests' late-successional/old-growth components and the forests' associated ecological elements, functions, and processes; and

(8) delineate and establish management standards for key watersheds.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretaries shall submit the study and written recommendations for the implementation of the study to Congress.

SEC. 222. INTERIM PROTECTION OF EASTSIDE WATERSHEDS AND LATE-SUCCESSIONAL/OLD-GROWTH FORESTS.

(a) WATERSHEDS.—The Secretaries shall manage key watersheds in Eastside forests (as identified in subsection (b)) to—

(1) restore, maintain, and protect ecological elements, functions, and successional processes of the forests; and

(2) restore, maintain, and protect the habitat of potentially threatened and endangered fish species and stocks of anadromous salmonoids.

(b) KEY WATERSHEDS.—The Secretaries shall identify as key watersheds in Eastside forests those watersheds that—

(1)(A) contain threatened or potentially threatened species or stocks of anadromous salmonoids or other potentially threatened fish; or

(B) are larger than 6 square miles and have high quality water and fish habitat; and

(2) contain other key riparian areas or wetlands.

(c) LAND DISTURBANCES.—Effective on the date of enactment of this Act and until the completion and implementation of the recommendations submitted to Congress in accordance with section 221(c), the Secretaries shall carry out the directions and prescriptions described in subsections (d) and (e) in all land disturbances in an Eastside watershed or forest.

(d) DIRECTIONS.—

(1) DIVERSITY REQUIREMENTS.—The Secretaries shall ensure compliance with the diversity requirements of section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) in both short-term management activities and the design of future forest conditions.

(2) WATER QUALITY.—Because of the important role Eastside watersheds and forests have in ensuring adequate water quality and habitat for wild runs of anadromous fish, the restoration, maintenance, and protection of wetlands, seeps, springs, streams, lakes, and other bodies of water shall be a primary consideration.

(3) DEAD AND DYING MATERIAL.—Because of rapid deterioration, logistical constraints, and the desirability of ensuring adequate dead and dying material for natural ecosystem functioning in the future, not all dead and dying trees may be salvaged.

(e) PRESCRIPTIONS FOR WATERSHED AND FOREST PROTECTION.—

(1) LAND DISTURBANCES.—Notwithstanding any other provision of this Act, the Secretaries may not permit any land disturbance within the larger of—

(A) any area dominated by riparian vegetation; or

(B) any area within 100 feet (measured horizontally) from the side of any seep, spring, stream, lake, wetland, or riparian area.

(2) RESTRICTIONS ON TIMBER HARVESTING.—

(A) IN GENERAL.—The Secretaries may not permit timber harvest and salvage within—

(i) an area that is the larger of ¼ mile on each side of, or the width of the 100-year flood plain of, a river designated, or under study, as a wild, scenic, or recreational river under the Wild and Scenic Rivers Act (16 U.S.C. 1271 et seq.) if water quality, fish, or another ecological value is one of the outstanding remarkable features of the river;

(ii) an area that is the larger of ⅛ mile on each side of, or the width of the 100-year flood plain of, a major stream that drains at least 30 square miles;

(iii) 300 feet on each side of a fish-bearing stream;

(iv) 150 feet on each side of a permanently flowing non-fish-bearing stream;

(v) 100 feet on each side of a seasonally flowing or intermittent stream in an area of moderate or high soil instability;

(vi) a roadless area identified in Appendix C of the final environmental impact statement for each land and resource management plan; and

(vii) a habitat occupied by a sensitive, threatened, or endangered species or by a species of special concern to the Secretaries, unless a Secretary, in consultation with the Director of the United States Fish and Wildlife Service, approves timber harvest and salvage within the habitat.

(B) MEASUREMENT OF AREAS AROUND RIVERS AND STREAMS.—The linear distances described in clauses (i) through (v) of subparagraph (A) shall be measured horizontally from the mean high water line of the river or stream.

(3) SALVAGE.—

(A) IN GENERAL.—Salvage activities shall be designed and implemented solely to recover long-term forest and watershed health. Except as necessary to provide minimum economic viability for salvage sales in accordance with regulations issued by the Secretaries, live trees shall be retained for shade, seed, forest structure, diversity, and to provide other resource values. All salvage sales shall count toward meeting annual timber sale targets, but the sales may not be included in the calculation of projected annual targets.

(B) OLD GROWTH CONIFER.—Notwithstanding subparagraph (A), harvest of coniferous trees that are 21 inches or greater in diameter (measured at breast height) shall not be permitted.

(C) RETENTION OF TREES.—Salvage of dead and dying trees shall retain sufficient standing and down dead trees and live replacement trees to maintain 100 percent of the potential population level of cavity excavating species, according to the best scientific information available.

(D) WILDLIFE AND COVER.—Maximum consideration shall be given to meeting fish and wildlife habitat and cover requirements provided in land and resource management plans.

(E) DEVELOPMENT OF STRATEGIES.—Access and travel management strategies shall be developed with full public involvement to mitigate any reduction in habitat and cover values.

(4) ROAD CONSTRUCTION.—No new roads may be constructed in roadless areas identified in Appendix C of the final environmental impact statement for each land and resource management plan. The construction of new roads in other areas shall be minimized. Spur roads and other nonessential roads shall be returned to a natural condition.

(5) GRAZING.—Notwithstanding any other provision of law, grazing allotment management plans shall be immediately updated to restore Eastside forest health, including the temporary and permanent exclusion of livestock from riparian areas to promote the reestablishment of shrubs, hardwoods, and fringe wetlands, and the maintenance of streambank integrity.

SEC. 223. FOREST INVENTORY AND ANALYSIS REPORT.

(a) INVENTORIES.—Not later than September 30, 1993, the Secretaries shall prepare an integrated inventory of, and publish an analysis report for, forest resources in Eastside forests in Washington, Oregon, and northern California, in order to provide consistent and reliable data necessary to achieve the purposes of this subtitle.

(b) REPORT.—Each inventory and analysis report shall—

(1) be modeled on the report entitled "Forest Inventory and Analysis" prepared under the Forest Service research program; and

(2) be conducted in accordance with the standardized protocols developed pursuant to section 236(a)(1).

Subtitle C—Miscellaneous

SEC. 231. FOREST ECOSYSTEM ADVISORY COMMITTEES.

(a) ESTABLISHMENT.—There is established for each Region a Forest Ecosystem Advisory Committee. The Committees shall provide—

(1) recommendations for forest ecosystem management on all forests managed by the Forest Service and the Bureau of Land Management throughout the United States; and

(2) oversight of the implementation by the agencies referred to in paragraph (1) of forest ecosystem management.

(b) MEMBERSHIP.—

(1) COMPOSITION.—Each Committee shall be composed of members appointed by the Secretary of Agriculture. The number of members shall be determined by the Secretary of Agriculture.

(2) TERM.—Each member of a Committee shall be appointed to serve until the termination of the Committee.

(3) VACANCIES.—A vacancy on a Committee shall be filled within 60 days by a majority vote of the remaining members of the Committee.

(4) COMPENSATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), a member of a Committee shall be entitled to receive compensation at a rate not in excess of the rate of pay in effect for level IV of the Executive Schedule under section 5316 of title 5, United States Code, for the period during which the member is engaged in the actual performance of duties vested in the Committee, including travel time.

(B) EMPLOYEES OF THE UNITED STATES.—A member of a Committee who is a full-time officer or employee of the United States or of a State shall receive no additional pay by reason of the service of the member on the Committee.

(5) TRAVEL EXPENSES.—While away from their homes or regular places of business in the performance of services for a Committee, members of a Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses pursuant to section 5703 of title 5, United States Code.

(c) STAFF.—

(1) IN GENERAL.—Subject to paragraph (2), a Committee may appoint and fix the compensation of such staff as is necessary to carry out the duties of the Committee.

(2) APPOINTMENT AND COMPENSATION.—Staff appointed by a Committee—

(A) shall be appointed subject to title 5, United States Code, governing appointments in the competitive service; and

(B) shall be paid in accordance with chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(d) DETAIL OF FEDERAL PERSONNEL.—Upon request of a Committee, the head of any department, agency, or instrumentality of the Executive branch of the Federal Government may detail any of its personnel to the Committee to assist the Committee in carrying out the duties of the Committee under this title.

(e) CONTRACTS FOR PERSONNEL.—A Committee may enter into a contract with a private or public organization to furnish the Committee with such administrative and technical personnel as the Committee considers necessary to carry out the duties of the Committee.

(f) INFORMATION FROM FEDERAL AGENCIES.—A Committee may secure directly from any department or agency of the United States such information as the Committee considers necessary to enable it to carry out this title. Upon request of the Committee, the head of the department or agency shall furnish the information to the Committee.

(g) TERMINATION.—Each Committee shall terminate upon the issuance by the Secretary of Agriculture and the Secretary of the Interior of final regulations implementing the recommendations and evaluations made pursuant to section 232.

SEC. 232. DUTIES OF COMMITTEES.

(a) DEVELOPMENT OF FOREST ECOSYSTEM MANAGEMENT OBJECTIVES.—Not later than 1 year after the date of enactment of this Act, each Committee shall develop forest ecosystem management objectives in accordance with section 233.

(b) REVIEW OF AGENCY STANDARDS.—Not later than 2 years after the date of enactment of this Act, each Committee shall—

(1) review and evaluate in light of the forest ecosystem management objectives developed by the Committee pursuant to subsection (a) the directions, standards, and guidelines used by the Bureau of Land Management and the Forest Service for the development and revision of land and resource management plans for the Region of the Committee; and

(2) prepare and submit to the Secretaries a report containing recommendations for additions or revisions to the directions, standards, and guidelines described in paragraph (1) on a watershed or ecoregion province basis as each Committee finds appropriate.

SEC. 233. FOREST ECOSYSTEM MANAGEMENT OBJECTIVES.

The forest ecosystem management objectives developed by each Committee pursuant to section 232(a) shall take into consideration—

(1) the restoration and maintenance of biological diversity;

(2) the productivity on a long-term sustainable basis of all forest resources in all forests managed by the Forest Service and the Bureau of Land Management and located within the Region of the Committee;

(3) the protection, conservation, and restoration of all natural ecological elements, functions, and successional processes;

(4) the maintenance of viable populations of native and desired non-native vertebrate species in each Federal forest;

(5) the preservation of the integrity of genetic stocks of native communities of plants and animals;

(6) the restoration and maintenance of water quality to meet, at a minimum, water quality standards in effect on the date of enactment of this Act;

(7) the restoration and maintenance of instream flows necessary for recovery and sustained natural production of fish and aquatic species;

(8) the maintenance of biological diversity between and among ecoregion provinces; and

(9) the restoration of biological diversity and ecosystem health, using various techniques such as extended rotations, selective harvest, administrative reserves, reforestation, thinning, prescribed fire, restoration of habitat effectiveness, and elimination and reconstruction of roads.

SEC. 234. ACTION BY THE SECRETARIES ON COMMITTEE RECOMMENDATIONS.

(a) IN GENERAL.—As soon as practicable after the submission by a Committee of a report required under section 232(b)(2), the Secretaries shall revise the directions, standards, and guidelines for land and resource management plans for forests managed by the Forest Service and the Bureau of Land Management, giving full consideration to the recommendations of the Committee.

(b) FAILURE TO ADOPT RECOMMENDATIONS.—

(1) IN GENERAL.—If, in carrying out subsection (a), a Secretary fails to adopt any of the recommendations of a Committee, the Secretary shall make a finding as to the reasons for the rejection or modification of the recommendation.

(2) SUPPORTING EVIDENCE.—Each finding made under paragraph (1) shall be accompanied by reasonable scientific supporting evidence.

(3) PUBLICATION.—Each finding made under paragraph (1), along with the proposed alternative direction, standard, or guideline, shall be published in the Federal Register.

(4) PUBLIC COMMENT.—The Secretary shall allow a period for public comment of not less than 60 days before taking final action on the proposed direction, standard, or guideline.

SEC. 235. DUTIES OF INSPECTORS GENERAL.

(a) IN GENERAL.—The Inspectors General of the Department of Agriculture and the Department of the Interior shall conduct, supervise, and coordinate audits and investigations of the implementation of directions, standards, and guidelines used by the Secretaries in the development and revision of land and resource management plans.

(b) REPORTS AND RECOMMENDATIONS.—The Inspectors General shall—

(1) keep the respective Secretaries and Congress fully and currently informed, by means of annual reports and otherwise, of serious problems, abuses, and deficiencies relating to the implementation of the directions, standards, and guidelines;

(2) recommend corrective action concerning the problems, abuses, and deficiencies; and

(3) report on the progress made in implementing any corrective action.

SEC. 236. FOREST ECOSYSTEM RESEARCH.

(a) Eastside Forest Protocols and Definitions.—Not later than 60 days after the date of enactment of this Act, the Secretary of Agriculture shall develop—

(1) standardized protocols for the inventories required to be prepared pursuant to section 223; and

(2) a definition for "dead and dying" tree as the term is used in section 222.

(b) Program.—Section 3 of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1642) is amended by adding at the end the following new subsection:

"(e)(1) The Secretary of Agriculture shall establish a program to undertake investigations and studies to facilitate implementation of an ecosystem based approach to the management of federally owned forests. The results of this program shall be subject to scientific peer review.

"(2) The investigations and studies described in paragraph (1) shall include—

"(A) validation monitoring of the assumptions, directions, standards, and guidelines used by the Secretaries in preparing land and resource management plans;

"(B) the development of standardized protocols for the analysis of the direct, indirect, and cumulative effects on forest resources of—

"(i) timber harvesting, salvage operations, road construction and maintenance, grazing, mining, and other land disturbance activities; and

"(ii) land and water management on State and private lands and waters, especially within watersheds;

"(C) review and evaluation of the effectiveness of the Research Natural Area Program of the Forest Service in light of the ecosystem management objectives developed pursuant to section 232(a) of the Rural Development and Ancient Forest Ecosystem Conservation Act, especially for low-elevation plant and animal communities;

"(D) the determination of the role and effects of fire, insects, and disease in the maintenance of biological diversity and forest ecosystem health; and

"(E) the identification and prioritization of land acquisition and exchanges to facilitate the implementation of an ecosystem based approach to the management of federally owned forests.

"(3) Not later than 2 years after the date of enactment of this subsection, and every 2 years thereafter, the Secretary of Agriculture shall submit a report to Congress on the status of activities conducted under this subsection during the period since the submission of any previous report.".

SEC. 237. PLANNING GUIDANCE.

This title is intended to constitute additional planning guidance and requirements for the preparation of timber and salvage sales and grazing allotment management plans in federally owned forests. Any activity consistent with this title, or with a law or plan in existence on the date of enactment of this title and modified by this title, may be carried out pending the revision of plans in accordance with section 234.

SEC. 238. REGULATIONS.

The Secretary of Agriculture and the Secretary of the Interior shall issue such regulations, within their respective jurisdictions, as are necessary to carry out this title.

SEC. 239. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this title.

RISK-ANALYSIS SCALE[1]

Risk rating	Description
VH—Very high (very reliable).	Denotes a very high likelihood of retaining ecologically functional LS/OG forests and associated species for a century or longer; ensuring habitats and environmental conditions for conserving well-distributed LS/OG species and fish considered to be at risk. Provides broad latitude for natural catastrophes and uncertainties in knowledge.
H—High (reliable)	Denotes a high likelihood of retaining ecologically functional LS/OG forests and associated species for a century or longer; ensuring habitats and environmental conditions for conserving well-distributed LS/OG species and fish considered to be at risk. Provides some latitude for natural catastrophes and uncertainties in knowledge.
MH—Medium high (somewhat reliable).	Denotes a moderately high likelihood of retaining ecologically functional LS/OG forests and associated species for a century or longer; ensuring habitats and environmental conditions for conserving well-distributed LS/OG species and fish considered to be at risk. Provides limited latitude for natural catastrophes and uncertainties in knowledge.
M—Medium (uncertain)	Denotes a roughly 50/50 likelihood of retaining ecologically functional LS/OG forests and associated species for a century or longer; ensuring habitats and environmental conditions for conserving well-distributed LS/OG species and fish considered to be at risk. Provides extremely limited latitude for natural catastrophes and uncertainties in knowledge; catastrophic events are likely to cause local extirpations of LS/OG-associated species. Does not meet the criterion for well-distributed populations.
ML—Medium low (somewhat harmful).	Denotes less than 50/50 likelihood of retaining ecologically functional LS/OG forests and associated species for a century or longer; ensuring habitats and environmental conditions for conserving well-distributed LS/OG species and fish considered to be at risk. Provides almost no latitude for natural catastrophes and uncertainties in knowledge.
L—Low (harmful)	Denotes a highly unlikely chance of retaining ecologically functional LS/OG forests and associated species for a century or longer; ensuring habitats and environmental conditions for conserving well-distributed LS/OG species and fish considered to be at risk. Provides no latitude for natural catastrophes and uncertainties in knowledge. Local extirpation of LS/OG-associated species or habitats and fish considered to be at risk due to natural catastrophes and uncertainties in knowledge is probable.
VL—Very low (very harmful).	Denotes a very highly unlikely chance of retaining ecologically functional LS/OG forests and associated species for a century or longer; ensuring habitats and environmental conditions for conserving well-distributed LS/OG species and fish considered to be at risk. Provides no latitude for natural catastrophes and uncertainties in knowledge. Local or regional extirpation of LS/OG-associated species or habitats and fish considered to be at risk due to natural catastrophes and uncertainties in knowledge is highly likely.

[1] Risk-analysis scale for ranking the probability of retaining a functional LS/OG forest network; ensuring viable populations of northern spotted owls; and providing habitat on federal land for marbeled murrelet nesting, other LS/OG-associated species, and sensitive fish species and stocks.

Mr. ADAMS. Mr. President, today I am joined by Senator PAT LEAHY, chairman of the Committee on Agriculture, Nutrition, and Forestry, in introducing a bill to bring to a close the long and painful debate about the management of Federal forests in the Pacific Northwest.

This debate has been characterized on the Senate floor in several different ways. It has been said that it is a case of owls versus jobs, hikers versus loggers, and preservation versus economic devastation.

It is none of these. This is a debate over how much of our forest resources we can extract without destroying the health of our forest ecosystems. How many golden eggs we can squeeze out without killing the goose that lays them.

We have had more than a decade of record high timber harvest from Federal forests. However, all of the recent evidence from Federal forest managers indicates that the intensity of that harvest is severely degrading the ability of the natural systems to sustain multiple use management.

This debate over the management of Federal forests is not new to us. It began in the early 1970's and came to a head following the Monongahela and Zieske court decisions in 1975 which outlawed clearcutting on national forests. These court decisions spawned an extensive public debate over the proper management of Federal forests, culminating with the passage of the National Forest Management Act of 1976.

With the passage of that act, Congress set out the mandates for Federal agencies to follow in managing the national forests. The language of the committee report clearly indicated that economic return from the harvest of old-growth forests was not to outweigh other values required on public lands. The committee report stated:

> The rapid, widespread cutting of currently mature trees may well be an advisable practice on privately-held lands where the basic management objective is maximizing short-term economic returns. The Committee believes, however, that such practices are incompatible with the management of the National Forests, where decisions must be based on the numerous public values of the forest, in addition to economic returns.* * *
>
> The Committee concluded that managing the timber resource on a sustained yield basis is the most advisable means of guaranteeing a continuous flow of timber and related resources to meet the needs of the American people as called for by the 1897 and 1960 Acts. This approach also provides the best assurance that the other forest resources will not be subjected to sudden potentially adverse changes or disruptions.

The National Forest Management Act provided us with not only the mandate but also the opportunity to manage our Federal forests for a sustained yield of all of the multiple uses available from the forests. This opportunity was quickly squandered, however, when the Reagan-Bush administration took office in 1981 and rejected the scientifically based regulations that had been adopted under the new act. The new Assistant Secretary of Agriculture for Natural Resources, John Crowell, announced the administration's intention to double timber outputs from the national forests and maintain such levels in perpetuity.

The pursuit of this policy was clearly outside the law and in only a very short time the Federal courts handed down the first major injunction shutting down a timber sale program. That occurred in 1984 on the Mapleton Ranger District of the Siuslaw National Forest in Oregon where the intensity of timber harvest was found to be destroying water quality and salmon habitat.

That first major injunction should have served as adequate notice to the administration that it could not continue its unlawful policies, that the forests could not sustain the intense disruption of its natural systems.

But the Reagan administration, and now the Bush administration, continued to pursue shortsighted policies to maximize timber outputs and paid only lipservice to the other public values that the National Forest Management Act required to be maintained on the national forests.

In case after case, Federal court judges appointed by President Reagan have repeatedly found the administration to have systematically violated the Federal forest management laws. Time and time again, the courts have ordered the administration to bring its forest management plans into compliance with the laws.

Congress has even gone so far, as in 1988, to completely insulate the timber sale program from any review by the courts so that the administration could prepare lawful forest management plans. To date, the administration has failed to comply with the courts, and increasingly strict court orders have followed.

Mr. President, I urge Members of the Senate to carefully examine the facts presented to them about this issue. It is my hope that the Senate will be able to penetrate the veil of rhetoric that has masked serious flaws in the management of our national forests for almost two decades. We must do so if we are to restore the health of the forest ecosystems that sustain our rural economies and way of life.

With this bill, we are not arguing about preservation for preservation's sake. We are not saying that owls or salmon are more important than people. We are not trying to end timber harvest on Federal forests. We are simply trying to restore the balance of multiple uses that is required on Federal forests.

We have known since the 1970's that most private forest lands were being harvested at higher than sustainable rates. The industry reaped profits from its own lands and counted on being able to harvest trees from the Federal forests at the same rate until the trees on the private lands had grown to merchantable size. But even then there were some professionals who said there would not be enough timber from the Federal forests to bridge the gap in supply.

Each year the Forest Service and the Bureau of Land Management would appear before Congress and promise that they could get out higher and higher cuts to satisfy the demands of industry and the public. Each year Congress would fund a larger timber program and more and more roads. The agencies would assure the Congress and the public that it was successfully protecting and even enhancing other uses in the forests.

Beginning in the early 1980's, reality began to set in. It was not only the court decision in the Mapleton lawsuit that had an effect; it was also the growing realization by on-the-ground managers that the forests could not withstand the intensity of timber harvesting and road building. In the beginning, it was discussed only among field level personnel who were uncomfortable with what they were being asked to do. Eventually it took the form of open letters from forest supervisors to the Chief.

The greatest evidence of the failure of the administration's policies is in the declining health of the Federal forests in eastern Washington and Oregon. Here the Forest Service has acknowledged that years of intensive timber management have caused massive devastation of the forests. Harvest of old-growth Ponderosa pine and the suppression of periodic fires have created conditions conducive to epidemic infestations of disease and insects and catastrophic fires.

After years of denial, Forest Service executives are now acknowledging that past practices have been too narrowly focused and too commodity oriented. The Forest Service recently announced that it will adopt the concept of ecosystem management, and that timber harvest levels must be reduced in order to maintain healthy, productive ecosystems over the long term.

There is no question that the reduction in Federal timber harvest will further reduce the number of jobs dependent upon Federal timber. However, this reduction is also occurring because of social and economic factors unrelated to the debate over what constitutes multiple use. It has been occurring for some time and is reflected in the administration's own forest plans.

For example, during the 1980's, Federal timber harvests in the Pacific Northwest increased from 3.6 to 5.5 billion board feet per year, but timber-related employment fell by more than 26,000 jobs.

From 1978 to 1990, the country's seven largest timber companies reduced their mill capacity in the Northwest by one-third and raised it in Southern States by 121 percent.

From 1969 to 1989, the number of raw logs exported from the Northwest would have built 7.5 million homes here. Those exports would have been worth some 417,000 American jobs.

Increased automation in mills reduced the number of workers needed to produce 1 million board feet of lumber by 1½. Increased productivity is projected to eliminate 33,000 additional jobs over the next two decades, regardless of other factors.

A Seattle newspaper reported that Weyerhaeuser was closing a 285-employee pulp mill north of Seattle, citing a cost of $35-$40 million to install air and water pollution control equipment. Similar new environmental requirements were mentioned in connection with the possible closure of other mills in the region.

Tax breaks for the timber industry have also accelerated the harvest. A 1984 law allows companies, through the creation of a Foreign Sales Corporation, to defer Federal taxes on up to 30 percent of their export sales. Weyerhaeuser and other companies have used this provision to ship raw logs overseas for processing in foreign mills.

A 1987 provision intended to promote Alaskan oil exploration enables limited partnerships that derive 90 percent of their revenue from natural resources to pay no Federal income taxes. Burlington Resources, International Paper, and ITT cleverly used this to form limited partnerships whose income from timber harvest is totally exempt from all Federal income taxes.

In the face of this overharvesting, mismanagement, and unfair tax breaks, it is no surprise the timber industry and the administration have joined forces to pin the blame for the timber crisis and the resulting loss of jobs on the spotted owl and preservationists.

The reality is quite different. Timber jobs have already been lost due to automation of mills to satisfy the economic goals of timber employers. More jobs have been lost and will continue to be lost as technology improves. Many more jobs have been lost as logs have been exported to highly lucrative foreign markets. And jobs have been lost as forest plans were adjusted to meet changing public needs.

The issue now is whether the region should incur the additional job loss necessary to restore and maintain healthy ecosystems capable of producing multiple uses, or abandon multiple use in favor of a tree farm approach to Federal forest management.

Make no mistake about this. All of the talk about trees being a renewable resource is true, but if you seek to maintain more than just a supply of commercially valuable trees for harvest, then you must manage quite differently.

Imagine for a moment if all of the trees on the Capitol Grounds and in Rock Creek Parkway were cut down and hauled away; and all of the remaining stumps and material burned until the ground was clear of vegetation; and then a single species of tree planted in place of the diversity of species that exist there now. Then imagine that every few years the entire area was sprayed with herbicide to kill competing vegetation until the new crop of trees was able to dominate. And then when the trees reached a size capable of producing merchantable timber, they were all cut down and we started all over again burning, spraying, and cultivating one favored species.

Would the Capitol Grounds be the same? Would the same diversity and number of birds and mammals be able to exist? Would Rock Creek run clear and cold? Would fish and wildlife favor such places? Would people?

If we were to attempt to maintain the employment levels we experienced prior to the changes in the timber industry, and prior to the export of logs, and prior to the lessons we have learned about the needs of ecosystems, then all of our Federal forests would eventually become such relatively sterile tree farms.

That, however, was not the choice that Congress made when it passed the National Forest Management Act in 1976, nor do I believe it is the choice we should make today.

The administration's intransigence in the Pacific Northwest has presented this choice to Congress. I urge my colleagues to choose in favor of restoring the balance among the various components of the forest ecosystem—trees, water, soils, wildlife—in order to restore its health. A healthy ecosystem will assure sustainable use of the forests for all purposes.

I believe there is a solution that will both restore the health of our forest ecosystem and provide for the creation of as many jobs as may be lost through Federal forest protection.

The optimal solution will preserve both the old growth and jobs. Automation and mill closures have already made retraining of some workers for other employment an imperative. Such retraining is necessary regardless of the spotted owl. Much more must also be done to assure logs are processed by American workers here rather than shipped to support the thousands of mills in Japan.

This solution will not require amendment or revocation of the Endangered Species Act. Doing so would not stop the deterioration of Federal forest ecosystems.

Nor does this bill limit judicial review, either directly or through the artifice of sufficiency. Such a limitation on judicial review is too drastic an action and is completely unnecessary to resolve the crisis. Once the agencies' management programs are brought back into compliance with the forest management laws, the violations of law that are the bases of the injunctions will have been removed and greater economic certainty restored for timber dependent communities.

The court's enforcement of existing forest management laws should not be used as an excuse for the timber industry to gain an exemption from the environmental laws passed over the last 20 years. Even if the timber sale program were insulated from judicial review, the health of the ecosystems would not be insulated from the harmful effects we are currently experiencing. We would eventually have to pay the price in terms of lost productivity of other resources, such as water and soil quality, fish and wildlife, recreation, or even—as in the east-side forests—loss of the forest itself.

This bill I am introducing with Senator LEAHY today is designed to restore the health and productivity of the forests necessary to provide long-term social, economic, and environmental stability to the region. It makes some very difficult political choices, but the public is tired of political solutions that address only transitory short-term political needs, not sound long-term public policy.

We have been making promises our forests cannot keep. Promises to timber workers. Promises to the salmon fishing industries. Promises to future generations who will want multiple uses in Federal forests. It is time Congress directed the agencies to alter their management practices so as not to exceed the natural productivity of the forest ecosystem. That is the only way we will be able to keep our promises.

The Rural Development and Ancient Forest Ecosystem Conservation Act I am introducing today combines new rural development initiatives and timber worker protection measures with an updated version of the bill I introduced last July to protect watersheds and old growth forests. The bill also sets up a process of ecosystem management on Federal forests to minimize future resource conflicts. Through a combination of rural development, worker retraining and domestic wood processing incentives, the bill can result in no net loss of jobs.

Title I establishes a commission in each of the three States of Washington, Oregon, and California to administer a revolving fund to provide loans and grants for economic development and diversification in rural communities hurt by changes in the Pacific Northwest timber industry.

The revolving fund will be financed with an annual deposit of 5 percent of revenues from Federal timber sales on a national basis over a period of 6 years.

Title I also establishes another fund to provide grants to dislocated workers from various forest industries for income supplements, job search and relocation allowances, and vocational retraining.

This fund is separate from the revolving fund for rural communities so that workers and communities need not compete for funds from the same source. Funds will be allocated to commissions in each State based on a formula considering: the number of dislocated workers in timber harvesting, saw mills, log hauling and transportation; along with the number of dislocated workers in wood product secondary manufacturing industries in the State; in proportion to the total jobs lost in each industry.

In addition, title I includes a sense-of-the-Congress resolution calling for annual appropriations for the agencies to remain at a minimum of the average funding levels for the past 10 years—despite reductions in funding needs for timber sale programs. Other resource programs will require increased funding in order to conduct integrated inventories and to perform other ecosystem management activities.

Under title I, States are authorized to impose temporary restrictions on the export of unprocessed logs. Any such restrictions must be phased out over a 10-year period.

Title II implements alternative 12C developed by the Scientific Panel on Late-Successional Forest Ecosystems—the Gang of Four—which was convened by the House Agriculture and Merchant Marine and Fisheries Committees.

Alternative 12C, according to the risk analysis done by the panel, outlines the minimum management necessary to protect forest ecosystems and yet allow flexibility for natural catastrophes and uncertainties in knowledge while at the same time minimizing employment impact.

Alternative 12C is most likely to provide long-term stability for the ecosystem and therefore the greatest economic, social and environmental stability for our timber dependent communities and salmon fishermen in the Pacific Northwest.

This approach is consistent with the new ecosystem management approach announced by the Chief of the Forest Service last month. In his June 4, 1992 directive to regional foresters and station directors, Chief Robertson said:

> By ecosystem management, we mean that an ecological approach will be used to achieve the multiple-use management of the National Forests and Grasslands. It means we must blend the needs of people and environmental values in such a way that the National Forests and Grasslands represent diverse, healthy, productive, and sustainable ecosystems.

Alternative 12C also emphasizes protecting watershed and fish habitats in order to avoid future conflicts with salmon populations and water quality concerns. The scientists predict these conflicts will occur under current policies and practices.

The bill also addresses the severe forest health problems in the Federal forests in the eastern parts of the Pacific Northwest. The legislation calls for a 1-year study to develop alternative strategies to restore ecosystem health to eastside forests. Until the study is completed, the bill provides temporary protections for the most sensitive ecosystem components.

The bill also establishes regional Forest Ecosystem Advisory Committees for each Forest Service Region and BLM State office to oversee the new ecosystem management approach announced by the Forest Service.

After reviewing the agencies' existing direction, standards and guidelines, the committees will recommend to the Secretary of the Interior and the Secretary of Agriculture the revisions necessary to achieve ecosystem management and to minimize conflict between timber production and other resource values, such as water quality, fish and wildlife, and recreation.

This is particularly important because the inadequacy of the agencies' direction, standards and guidelines has been the legal basis for the injunctions against timber sales in the Pacific Northwest.

By bringing agency direction, standards, and guidelines back into compliance with current forest management laws, the timber program will have greater certainty and fewer lawsuits. The bill also authorizes the inspectors general to monitor agency compliance with the direction, standards, and guidelines.

In addition, the bill also establishes a national forest ecosystem research program to provide Federal forest managers with the tools necessary to implement ecosystem management objectives.

Mr. President this is a relatively complex piece of legislation, but Senator LEAHY and I believe it provides the most balanced and realistic approach to resolving both the short-term needs of the Pacific Northwest ancient forests and timber workers as well as the need for sound ecosystem management to avoid future resource conflicts.

I respectfully request my colleagues to consider the bill very carefully and to help us in resolving the crisis we have endured for so long in the Federal forests of the Pacific Northwest.

Mr. LEAHY. Mr. President, in Vermont, the Green Mountains are the backbone of our State, running north and south, from Canada to the Massachusetts border.

When Europeans first came to Vermont, the Green Mountains were covered with ancient forests of white pine and looked far different than they do today.

Harvesting the forests in the late 1800's produced an economic boom for Vermont. Burlington became the largest timber port in America. But by the early 1900's, the tall trees were gone. The boom turned into decades of declining population and stagnant economic growth.

Far too late to save Vermont's ancient forests, a budding conservation movement grew in our State and across the Nation. The forests were replanted and the Green Mountains were saved. Right now, most of Vermont is forested.

While our Vermont forests are precious, they are not filled with the old-growth white pines that once blanketed our State. And it will be scores of years before Vermont's trees are the size of the old giants that used to cover the hills.

Just as in Vermont, the ancient forests that once covered so many other parts of the United States are largely gone today. How much so? Not even the experts know for sure. They guess that only 5 to 15 percent is left.

But we do know one thing—that the remaining strands of old growth are being cut at an alarming rate.

And not only are environmentalists sounding the warning cry. Even Ronald Reagan's Chief of the U.S. Forest Service, Max Peterson, has said the current logging rate of ancient forests is not sustainable.

Those who have never seen old-growth forests may consider the effort to save them nothing more than a naive exercise in good government. Why save the trees they ask?; we will ruin local economies, hurt corporate profits, and increase our trade deficit.

The same sort of logic would suggest we fill the Grand Canyon with garbage meant for landfills, chip down Yosemite's Half Dome to make lawn ornaments, and plug Old Faithful so we can sell its water in fancy bottles.

The Grand Canyon, Yosemite's Half Dome, and Old Faithful belong to all Americans. They are not the property of one State or one community. They are part of our national heritage and are preserved and protected for our children and our children's children.

The last remaining ancient forest are part of that same national heritage that includes the Grand Canyon, Yosemite's Half Dome, and Old Faithful. The old-growth forest and unique and special. Once they are logged, they are gone forever. They cannot be replaced.

Those who oppose efforts to protect ancient forests want the public to think this is a fight between those who want to protect jobs and those who want to protect the small, northern spotted owl.

They know it is hard to tell anyone that a bird cost them their job.

But this is not a fight between jobs and the spotted owl. This is a fight between those who want to destroy a national treasure and those who want to save it.

The fight to protect the ancient forests is more than just a fight to save trees or the owl. It is a fight to protect a special and unique ecosystem, which houses a diversity of plants and animals, some of which are found no where else in the world.

For example, the salmon industry—which supports the economies of many rural communities in the Pacific Northwest—is threatened because of the decline of ancient and other forests.

And the ancient forests in the Pacific Northwest saved the life of a Vermonter from Rutland. The Pacific Yew, grows in these forests. Its bark contains the active chemical that is used to produce Taxol—a drug proven effective in treating ovarian cancer.

Nearly 3 years ago, this Vermonter was diagnosed with ovarian cancer and told she had 3 to 9 months to live. When other treatments at the National Institute of Health failed, her doctors put her on Taxol. Taxol reduced her tumor, allowing it to be removed. She is now free of cancer and alive today because of this wonder drug.

How many others like her are there? How many other undiscovered cures for cancer are now growing in our ancient forests? Once the old growth disappears, we will never know.

Unfortunately both this administration and the last seem more intent on playing politics than in finding workable solutions to protect the environment and preserve rural communities.

For 30 years, forest scientists predicted shortages of timber in the Pacific Northwest and northern California. Instead of slowing down in the 1980's, administration policies pushed harvests on private and public lands to near record levels.

Administration forest policy was—and is—a train wreck ready to happen.

To have a sustainable ecosystem on Federal forest land, timber harvests should have been decreased—not increased—in the 1980's. But the administration refused to acknowledge any of the warning signs. It just stepped on the gas.

Because of this excessive logging, the administration's own scientists warned in 1987 that high harvest levels threatened the spotted owl's existence. The response? The administration tried to block its scientists' report. When it leaked, the administration was forced to list the owl as a threatened species.

For the last 3 years, the administration has tried to find every angle to avoid ordering the timber harvest reductions required to comply with the law and protect a threatened species.

In 1990, the administration asked Congress to weaken the Endangered Species Act—an effort the Senate overwhelmingly rejected.

Then the administration used the god squad—a panel almost entirely made up of administration officials—to override parts of the Endangered Species Act.

And now the administration is trying to limit citizen's rights to appeal decisions instead of complying with the law. If it succeeds, it will probably have to defend more—not less—lawsuits.

And that is where we are now—frozen in limbo because the administration still refuses to follow the law.

The administration cannot have it both ways. At the same time it issues press releases touting its environmental achievements, it is quietly working to undercut laws designed to protect our Nation's forests and environment.

Every time scientists tell the administration that its policies are endangering our ancient forests, it scrambles to create yet another panel which it hopes will support its destructive policies.

The administration also knows its plan to speed up cutting means two things—the long-term loss of jobs and the extinction of the ancient forests.

The administration is playing a cynical game of election-year politics. It's not the owl versus people; it's science versus politics as usual.

The country can no longer wait for the administration to do the right thing.

I have long been involved in efforts to change forest policy. In 1989, I engaged in a colloquy with Senator HATFIELD regarding ancient forest rider on the fiscal year 1990 appropriations bill. Senator HATFIELD's rider would have mandated harvest levels and limited citizens access to the courts.

Also in 1989, the Senate Agriculture, Nutrition, and Forestry Committee held hearings with the Energy and Natural Resources Committee on issues relating to the National Forest Management Act and ancient forests.

I have criticized the administration's owl management plans because they are politically, not scientifically, based. And in 1990, 1991, and 1992, I wrote letters opposing any appropriations riders relating to ancient forest issues.

In November 1991, Senator ADAMS and I announced we would work together to develop ancient forest legislation. We have done that, and today are introducing the Rural Development and Ancient Forest Ecosystem Conservation Act.

The Adams-Leahy Act is based on the best science available and implements the recommendations of the scientific panel on late successional forest ecosystems. Commissioned by the House Agriculture and Merchant Marine Committees, the scientific panel and was comprised of four eminent forest scientists. Hundreds of Federal forestry professionals helped these four prepare the final report.

The Adams-Leahy Act will protect 8 million acres of ecologically significant ancient forests on the westside of the Cascade Mountains in California, Oregon, and Washington. The remaining westside forests will be managed on an ecologically sustainable basis to protect fish and wildlife habitat, water quality, and biological diversity.

For all forests on the eastside of the Cascade Mountains, the U.S. Forest Service and Bureau of Land Management will study and report on forest health problems. Interim protection of eastside forests will be provided during the study and salvage of dead and dying timber from the catastrophic forest health problems will be allowed.

The act provides for public and private forest management programs focusing on the Pacific yew. It also establishes independent scientific advisory committees in each Forest Service and BLM region to oversee implementation of this act and the new ecosystem management direction that both agencies recently established.

But the administration is now playing its final trump card and raising the specter of massive job losses should a meaningful ancient forest bill be passed. We expect them to raise this same argument against our legislation.

Scare tactics may make good press, but they are not honest and do not solve problems.

Despite the controversy that has been generated over timber harvest levels in meaningful ancient forest bills, there is a consensus on the need to recognize the human dimension in this debate. Every one in timber-dependent counties in the Pacific Northwest are under extreme economic strain because of administration policies and there is no question that whatever the outcome of this debate, we must do something to alleviate the stress that has been caused by governmental actions.

We have attempted to address this by including major economic and rural development proposals in Adams-Leahy. I have heard from counties in the Pacific Northwest, such as Siskiyou County, CA, about the need for such programs as the only means to offer real hope and a future for their citizens.

Siskiyou County, in particular, has acknowledged that this legislation is the first step toward alleviating the special hardships that have been created by the judicial and administrative decisions in the last few years. Siskiyou recognizes that this legislation is a tangible sign of our responsibility to the people of the Pacific Northwest to provide them with a chance to diversify their economic base and provide new employment opportunities in the region.

While I understand that every one of the counties of the Northwest do not agree with every aspect of my proposal, I expect to work with them on the economic, rural development, and harvest level portions of the legislation. I believe together we can fashion a bill which will achieve the critical balance between protection of both our human and natural resources.

Change is coming to the Pacific Northwest—change similar to that which devastated Vermont 100 years ago. When the resources are gone, change is inevitable.

What is our responsibility in the face of this inevitable change? Is it to promise that the future will be like the past, when it cannot be? Is it to pit one faction against another with promises that cannot be kept? Or is it—like the Luddites—to take to the streets, railing against progress?

Of course, it is none of these.

Instead, in the face of inevitable change—with inevitable human consequences—our responsibility is twofold.

First, we must develop a sensible transition that eases the impact on both workers and their communities.

Second, we must invest in the future, so that the decline of the old ways does not mean the death of hope and the demise of communities.

This bill does both.

First, it eases the transition through a ban on log exports. The export ban is phased down as more workers voluntarily leave the industry. It simply makes sense to keep jobs here instead of exporting them to Japan. This will allow attrition to take care of most of the job decline in the region.

Second, we must plan for and invest in the future. That is why this bill will invest as much as $123 million a year for 6 years, allowing States to invest in rural development and new job creation.

In the end, I believe that the rural and economic development aspects of Adams/Leahy means that there will be no net loss of jobs. This legislation will minimize the loss of jobs and adverse economic impact in Washington, Oregon, and northern California by:

Allowing States to temporarily ban 100 percent of the logs exported from State and private lands. The log export ban would be reduced at 10 percent per year over 10 years when it would be eventually phased out.

Establishing a fund to compensate and retrain forest workers dislocated by the transition to sustainable harvest levels. To be funded at $41 million a year for 6 years, it will also prevent a large portion of secondary unemployment.

Establishing a fund to promote new businesses and help timber-affected communities improve their local economies. To be funded at $82 million per year for 6 years, this will support grants and revolving land funds to provide low-interest loans to communities, small businesses, and other entities.

Maintaining U.S. Forest Service payments at a 10-year rolling averages to timber towns to protect community budgets.

Creating additional jobs by employing people to restore, maintain, and protect forest resources instead of cutting them down.

In Vermont, we know what happened to the giant tree when we waited too long. Let us not make the same mistake in the Pacific Northwest before it's too late.

By Mr. ROCKEFELLER (for himself and Mr. LIEBERMAN):

S. 2896. A bill to ensure that consumer credit reports include information on any overdue child support obligations of the consumer; to the Committee on Banking, Housing, and Urban Affairs.

STRENGTHENING CHILD SUPPORT ENFORCEMENT

• Mr. ROCKEFELLER. Mr. President, I am proud to introduce a bill today aimed at strengthening child support enforcement.

Every parent as a legal and moral obligation to contribute to the economic well-being of their child, but tragically too many absent parents are ignoring their child support obligations.

And what's worse is that our child support enforcement system allows them to do so. Today, it seems to be less acceptable for an individual to miss a car payment than to build up thousands of dollars in overdue child support payments. An unpaid car loan is rapidly reported to credit bureaus, but unpaid child support payments might be reported in some States, but will go unnoticed in others. This sends the wrong signal to absent parents about the importance of paying child support.

Let me share just one example. A mother struggling to raise two children in Putnam County, WV, told me she is owed almost $9,000 in back child support payments plus other support, including the children's health insurance which was also ordered to be paid by the court. In this family, the mother was working until she injured her back and was forced to rely on unemployment benefits and food stamps to support her family. She has had to ask for a moratorium on her house payments, which will ruin her credit rating. The absent father hasn't paid the thousands of dollars he owes in back child support, and the amount that he owes in back child support is not required to be reported as part of his credit history. In the meantime, his children haven't received the support they deserve and their mother's credit rating is in jeopardy because without child support payments, she has not been able to keep up with mortgage payments. This simply doesn't seem fair.

The bill I am introducing today would help remedy this problem. The legislation would amend the Fair Credit Reporting Act to ensure that credit bureaus include information provided by a child support agency on the failure of a consumer to pay overdue child support. Hopefully, such action will push absent parents to pay the support they owe their children.

Over 30 States have some type of system to provide information to consumer credit bureaus about unpaid child support as a voluntary option allowed by the 1984 child support amendments. This bill would ensure that all States provide such information. Legally, entities extending credit will not be obligated to take direct action regarding the missed child support payments, but entities would have access to this additional information when they judge the credit history of consumers. I believe this will increase the pressure on absent parents to pay child support. This bill will send a clear signal about the importance of parents meeting their child support obligations.

According to the latest Census Bureau report, "Who's Supporting the Kids?" a total of $11.2 billion was collected in child support in 1989. Another $5.1 billion was owed to children in support, but never paid.

But these figures only tell part of the story. They only include about 58 percent of single mothers struggling to raise their children. The other 42 percent of single mothers do not have child support awards in place and therefore, do not receive any support. This means millions of families are left out of the system right now.

The National Commission on Children estimated that if all eligible women had child support awards linked to current state guidelines so that the support payment was adjusted for inflation, they would be entitled to at least $30 billion in child support payments. This means that we are letting $20 billion in child support go unpaid each year. This is a tragedy and the ultimate result is that one in three of these families live in poverty.

Recognizing this problem, the bipartisan National Commission on Children unanimously endorsed a bold recommendation for child support enforcement and a demonstration project on child support insurance.

Strengthening child support enforcement in all States must be part of an overall initiative to provide greater income security for children and families. Improving the reporting system for overdue child support is one simple but effective way. This bill is one piece that will help complete the current puzzle of our existing child support enforcement system.

There are other pieces that we also need to consider as well, including a child support insurance demonstration to test the positive impact in providing families who cooperate with the system with a Government-insured benefit when every effort to collect from the absent parent fails.

Ultimately, I believe that we should have a nationwide child support enforcement and insurance system. We must dramatically toughen regulations to collect child support payments. For those parents who simply cannot collect child support payments despite their best efforts, we need a minimum Government-insured benefit so innocent children do not become victims.

Also, a child support enforcement and insurance system would provide dramatic incentives for mothers receiving AFDC to go to work. Because a Government-insured child support benefit would continue to be paid, even when an AFDC-recipient went to work, there would be a much greater incentive for such parents to join the work force. Such a demonstration would reinforce fundamental values of hard work and parental responsibility.

I believe Congress should act on this bill this session. Under the leadership of Congressman LEVINE and bipartisan cosponsors, similar legislation is pending in the House of Representatives.

This bill is a simple step that could dramatically help single parents struggling to make ends meet without the full child support payments they deserve. Promoting strong child support enforcement regulations is a commonsense approach toward helping children and families.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2896

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCLUSION IN CONSUMER CREDIT REPORTS OF INFORMATION ON OVERDUE CHILD SUPPORT OBLIGATIONS OF THE CONSUMER.

(a) CONSUMER REPORTING AGENCIES REQUIRED TO INCLUDE IN CONSUMER CREDIT REPORTS INFORMATION ON OVERDUE CHILD SUPPORT OBLIGATIONS OF THE CONSUMER.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended—

(1) by redesignating sections 614 through 622 as sections 615 through 623, respectively; and

(2) by inserting after section 613 the following new section:

"SEC. 614. REPORTING OF OVERDUE CHILD SUPPORT OBLIGATIONS.

"A consumer reporting agency shall include in any consumer report information (if any) provided by a State child support agency or verified by another government entity on the failure of the consumer to pay overdue support (as defined in section 466(e) of the Social Security Act).".

(b) PROVISION TO CONSUMER REPORTING AGENCIES OF INFORMATION ON OVERDUE CHILD SUPPORT OBLIGATIONS OF ABSENT PARENTS.—Section 466 of the Social Security Act (42 U.S.C. 666) is amended—

(1) in subsection (a)(7)—

(A) by striking "will" and inserting "shall";

(B) by striking "upon the request of such agency"; and

(C) by striking ", (C)" and all that follows through "State"; and

(2) in subsection (e)—

(A) by striking "minor" in the first sentence; and

(B) by striking "At the option" and all that follows through the final period.

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on the first day of the first calendar quarter that begins on or after the date of enactment of this Act.•

• Mr. LIEBERMAN. Mr. President, I am pleased to join with Senator ROCKE-

FELLER in introducing legislation to ensure that consumer credit reports include information on any overdue child support obligations owed by the consumer. In the United States today all too many parents neglect their child support obligations and get away with it. This bill will ensure that they cannot get too far. Under this bill, when they try to get a mortgage or a car loan or a new credit card, their credit report will show that they have bad debts in the amount of the child support they owe. Unpaid debts in a credit report are usually sufficient to prevent the person from obtaining credit.

Last year Connecticut enacted similar legislation, requiring that the State report child support debts of over $1,000 to credit agencies. Approximately 47,000 parents in Connecticut alone are affected by this legislation. The State has found that simply notifying individuals that the debt will be reported to a credit bureau has been sufficient to prompt some deadbeat parents to own up to their responsibilities and pay the support they owe.

This bill should be particularly important in helping States go after those who have moved and left no forwarding address. Your credit report follows you wherever you go. No matter where you are, when you try to get credit you will find that your bad debt has followed you and you must pay it off in order to get the credit you want. In Connecticut 25 to 30 percent of the caseload involves out-of-State parents and finding them and getting them to pay is a time-consuming and expensive process. But their credit report can find them anywhere they apply for credit, and all the States must do to initiate the search is report the child support debt to a credit agency.

It is unfortunate that we must go to these extremes to recover the child support that absentee parents owe their children. It is frustrating that we need to resort to interfering in someone's credit to get them to recognize their responsibility to support their children. But millions of children do not receive the support awarded to them by the courts and some of these children are now being supported by our national welfare system while others are being needlessly deprived of food, clothing, and adequate shelter. We owe it to these children to help them collect the money owed to them and we owe it to the taxpayers to take the burden for supporting these children off their shoulders.

I look forward to working with my colleagues to enact this legislation and to ensuring that the good work begun in Connecticut and at least 30 other States is extended across the country.●

By Mr. McCAIN:

S. 2898. A bill to authorize a project to identify, map, and assess transboundary aquifers along the border between the United States and Mexico, and for other purposes; to the Committee on Environment and Public Works.

TRANSBOUNDARY AQUIFER LEGISLATION

● Mr. McCAIN: Mr. President, we all agree that the United States and Mexico have a duty to protect the border environment, particularly the region's precious water resources.

Life in the arid border region depends upon clean and dependable ground water supplies. Today, I'm introducing legislation which calls on the U.S. Geological Survey to locate, map and qualitatively assess aquifers shared by the United States and Mexico.

The inventory will include information on the current uses of each transboundary aquifer. The bill requires the Geological Survey to identify those aquifers that are used for drinking water but do not meet EPA's safe drinking water standards; as well as those aquifers that connect with surface water but do not meet the affected State's approved water quality standards for rivers and streams.

Most importantly, the bill calls on the Environmental Protection Agency to review the findings of the USGS and take all cleanup and regulatory actions required by Federal environmental law, including the Comprehensive Environmental Response Compensation and Liability Act, the Safe Drinking Water Act, and the Clean Water Act.

The activities required by this legislation would be conducted with the full cooperation and partnership of Mexico. Information on the location and condition of ground water supplies will be useful to our two nations in terms of protecting public health and the environment, and for future planning.

Mr. President, I have received reports of ground water pollution migrating from Mexico into the United States within a vital aquifer shared by Nogales, AZ, and Nogales, Sonora. The program I'm recommending will enable us to identify and act on problems arising in Mexico which might affect the United States—something current Federal hazardous waste cleanup law does not provide.

As I said, clean and safe water is critical to the public health, the environment, and the economic future of the border region. The bill I'm introducing will provide us with the vital resource data collection and pollution cleanup program we need to secure a clean and sustainable future for the people of the region.

I hope the Senate will examine this proposal and find it worthy of expeditious approval. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2898

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TRANSBOUNDARY AQUIFERS.

(a) DEFINITIONS.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) BORDER STATE.—The term "border State" means a State that shares a common border with Mexico.

(3) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(4) TRANSBOUNDARY GROUND WATER AQUIFER.—The term "transboundary ground water aquifer" means an aquifer that crosses the border between the United States and Mexico.

(b) IDENTIFICATION AND MAPPING.—

(1) IN GENERAL.—The Secretary, acting through the Director of the Geological Survey, shall identify and map each transboundary aquifer. Aquifers in areas of high population density or environment sensitivity shall be identified and mapped prior to all other border areas.

(2) AVAILABILITY OF MAPS.—Upon completion of the identification and mapping activities under this subsection, the Secretary shall make available copies of the maps to appropriate committees of Congress and to appropriate officials of State and local governments and Indian tribes. The Secretary shall also make copies of the maps available to the general public at reasonable cost.

(c) QUALITATIVE ASSESSMENT AND STUDY.—

(1) IN GENERAL.—The Secretary, acting through the Director of the Geological Survey, shall conduct a qualitative assessment and study of each transboundary aquifer identified pursuant to subsection (b).

(2) STUDY OF WATER USE.—In carrying out paragraph (1), the Secretary, acting through the Director of the Geological Survey, shall conduct a study of the uses of water from each transboundary aquifer identified pursuant to subsection (b).

(3) ANTHROPOGENIC POLLUTANTS.—

(A) DRINKING WATER.—In any case in which a transboundary ground water aquifer is used as a source of drinking water, the Secretary, acting through the Director of the Geological Survey, shall identify and quantify anthropogenic pollutants that are present in the aquifer in a quantity that exceeds an applicable standard under the Act commonly known as the Safe Drinking Water Act (42 U.S.C. 300f et seq.).

(B) SURFACE WATER.—In any case in which a transboundary aquifer connects with surface water, the secretary, acting through the Director of the Geological Survey, shall identify and quantify anthropogenic pollutants that are present in the aquifer and related surface waters in a quantity that exceeds an applicable standard promulgated pursuant to the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.).

(4) REPORT TO CONGRESS AND THE STATES.—Upon completion of the study under this subsection, the Secretary, acting through the Director of the Geological Survey, shall prepare a report that summarizes the results of the study, and submit a copy of the report to the appropriate committees of Congress, the Administrator, and each border State. The Secretary, acting through the Director of the Geological Survey, shall also publish the report and make copies available to the general public at reasonable cost.

(d) COOPERATIVE ACTIVITIES.—In carrying out the activities under this section, the Secretary and the Administrator shall consult with each other and with appropriate officials of State and local governments, Indian tribes, and the Government of Mexico.

(e) NEGOTIATIONS.—The Secretary of State, in consultation with the Secretary, is authorized and directed to enter into negotiations for an agreement with the Government of Mexico to facilitate cooperation between the United States and Mexico in ground water mapping and quality assessment, and remediation activities under this section (including facilitating mapping activities by the Geological Survey in Mexico and remediation activities in Mexico).

(f) REMEDIATION ACTIVITIES.—(1) The Administrator shall, to the extent possible, identify the sources of anthropogenic pollutants which are present in a transboundary aquifer in a quantity that exceeds an applicable standard under the Safe Drinking Water Act, the Federal Water Pollution Control Act or the Comprehensive, Environmental Response Compensation and Liability Act. (2) The Administrator shall take all actions necessary to ensure compliance with all applicable Federal environmental laws, including the Comprehensive Environmental Response, Compensation, and Liability act of 1980 (42 U.S.C. 9601 et seq.) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) and the Act commonly known as the Safe Drinking Water Act (42 U.S.C. 300f et seq.).

(g) AUTHORIZATION.—There are authorized to be appropriated to the Department of the Interior and the Environmental Protection Agency such sums as may be necessary to carry out this section.•

By Mr. KENNEDY (for himself, Mr. ADAMS, Mr. INOUYE, and Mr. WELLSTONE):

S. 2899. A bill to amend the Public Health Service Act to revise and extend the programs of the National Institutes of Health, and for other purposes; to the Committee on Labor and Human Resources.

NATIONAL INSTITUTES OF HEALTH REVITALIZATION AMENDMENTS

• Mr. KENNEDY. Mr. President, the legislation I am introducing today is a modified version of the NIH bill that was vetoed by President Bush. Yesterday, the House of Representatives failed to override the veto. It is essential that new legislation be sent to the President, and the Labor Committee intends to act expeditiously on the measure.

This legislation reauthorizes and improves a wide array of programs at the NIH that have led to major discoveries of causes, treatments and cures of a range of devastating diseases.

The principal modification in this legislation concerns that provision of the previous bill lifting the current ban on Federal support for fetal tissue transplantation research. The revised provision would require that a researcher initially attempt to obtain tissue from the tissue bank, recently established by the President's Executive order. If, after 14 days, the tissue bank has not provided tissue appropriate for the purposes of the transplantation research, then the researcher will be able to obtain tissue from other sources. The effective date of this provision is May 19, 1993, 1 year from the date of the President's Executive order. Under the administration's approach, the fetal tissue bank may obtain tissue only from spontaneous abortions and ectopic pregnancies. As a result of the compromise in this legislation, the administration's current ban on other sources of fetal tissue will continue until next May, in order to give the administration enough time to demonstrate that its tissue bank approach is an effective source of fetal tissue for research. After that date, researchers will be free to obtain tissue from other abortions, subject to specific safeguards, if the bank proves to be inadequate, as the vast majority of researchers feel it will be.

The bill maintains all the safeguards of the previous bill on fetal tissue transplantation research. It establishes clear protections, as recommended by the NIH task force appointed by President Reagan, to ensure the full separation between the research and any decision to perform an abortion.

The bill makes it a crime to sell fetal tissue. It makes it unlawful to purchase or donate tissue to a designated recipient. No family member or friend could benefit from a particular abortion. This bill prohibits payments for any costs associated with abortion. It provides criminal penalties for violations. It imposes even stricter standards than now apply for other types or organ donation.

The bill prohibits physicians or researchers from altering the timing, method, and procedure used to terminate a pregnancy for the purpose of collecting tissue for research. It requires that fetal tissue be obtained with written informed consent. The donor may not specify a recipient. The attending physician must certify that no request for donation of tissue was made and no consent for domation was obtained before consent was given for abortion.

Attending physicians must make full and complete disclosure to the donor of any direct involvement they have in the research. They must also disclose any known medical risks to the donor that may be associated with collection of the tissue during the abortion procedure.

All researchers and recipients involved in a research project must be informed that the tissue is human fetal tissue and that it may have been obtained pursuant to an abortion. The General Accounting Office must audit these safeguards within 2 years to ensure that they are being followed.

The provisions are designed to prohibit any possible abuse. They have been reinforced by incorporating the suggestions of many Senators, including those who oppose this measure. In my view, this modification offers a reasonable compromise on this issue, and I urge the administration to accept it.

A second modification of the earlier bill deletes the provision to authorize the acquisition of land by the NIH. In addition, the provision to renovate or replace the Warren Magnuson Clinical Center has been modified. Within 90 days of enactment of this legislation, the NIH must present a master plan for the replacement or refurbishment of inadequate buildings, and basis and clinical research facilities.

A third modification of the previous bill addresses the President's objection to the ethics advisory board. This bill would permit the Secretary of Health and Human Services to withhold funds for research if the recommendation of the ethics advisory board was arbitrary and capricious.

The fourth modification of the earlier bill addresses the President's objection that the authorization levels are excessive and that the total cost of the provisions could exceed his budget request. The earlier bill contained specific authorization levels for fiscal year 1993, and authorized "such sums as may be necessary" for fiscal years 1994 through 1996.

The authorization levels from the previous bill for fiscal year 1993 that have been modified were as follows:

National Cancer Institute, $2.2 billion;

National Heart, Lung and Blood Institute, $1.4 billion;

National Institute on Aging, $500 million;

National Research Service Awards, $375 million;

Biomedical Research Facilities Program, $100 million; and

National Library of Medicine, $100 million.

These authorization levels have been changed to "such sums as may be necessary" for fiscal year 1993.

Because of the special importance of certain high priority research, the following authorization levels for fiscal year 1993 in the earlier bill were not changed:

Breast cancer research, $325 million;

Other gynecological cancer research, $75 million;

Prostate cancer research, $72 million;

Osteoporosis, Paget's disease research, $40 million.

The remaining provisions of the bill are unchanged from the conference report. Among its most important provisions, this legislation will do the following:

It establishes new initiatives and expands existing endeavors in women's health. It also directs the National Cancer Institute to significantly increase research efforts on breast cancer, women's gynecological cancers and prostate cancer. It authorizes $400 million for research on breast and gynecological cancers and $72 million for prostate cancer research.

It requires the appropriate inclusion of women and minorities in research projects supported or conducted by the NIH. It establishes an Office of Research on Women's Health, and charges it with overseeing clinical trials and monitoring the status of women's health research.

It authorizes a peer-review matching grant program for extramural facilities construction, in order to begin reversing over two decades of declining Federal support.

It extends the National Research Service Award Program, which provides training grants for scholars across the Nation, to assure a continuing supply of talented scientists for the future.

It authorizes vital research activities by the National Institute on Aging in an effort to determine the etiology and treatment of Alzheimer's disease, reduce the frailty and dependence of the elderly, develop a greater understanding of the aging process, and promote better health for senior citizens.

It reauthorizes the National Cancer Institute and the National Heart, Lung, and Blood Institute. These two Institutes oversee research on the two biggest killers in our society, cancer and heart disease.

It establishes a new program of Child Health Research Centers to speed the transfer of knowledge gained from basic research to clinical applications that will benefit the health of children.

It provides support for the development and implementation of a comprehensive strategy for the control and eventual eradication of the AIDS virus.

It authorizes a study of HIV vaccines for therapy and prevention of HIV infection in women, infants, and children, and to assess the safety and effectiveness of these vaccines for the treatment of HIV infection and the prevention of the infection in unborn infants of HIV-infected pregnant women.

It establishes sensible impartial procedures to address ethical concerns in medicine and medical research, so that meritorious research can proceed without undue ideological obstructions.

It establishes important and appropriate Federal policies on scientific misconduct, conflicts of interest, and retaliation against whistleblowers in connection with research supported by the NIH.

It establishes an experimental program to stimulate competitive research that will enhance research in States that have experienced low success rates in obtaining research awards from the NIH.

It establishes a children's vaccine initiative to develop affordable new and improved vaccines for the prevention of infectious diseases.

Today, we are on the threshold of breakthroughs unimaginable even a few years ago when we last reauthorized the NIH in 1988. Congress and the American people should be proud of the investment in NIH and its role in maintaining excellence in biomedical research. The goal of this legislation is to improve health status of all Americans and save lives.

The National Institutes of Health Reauthorization Act is comprehensive and important legislation that will advance our knowledge of medical science. There are few better investments in our future than the investment we make in biomedical research. The passage of this bill will mark the beginning of a new chapter of creative support for the Nation's scientists, and will ensure that the United States remains the world leader in biomedical research. This measure has bipartisan legislative support, and I urge its approval.

I ask unanimous consent that the text of the bill and a summary may be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2899

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National Institutes of Health Revitalization Amendments of 1992".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—GENERAL PROVISIONS REGARDING TITLE IV OF PUBLIC HEALTH SERVICE ACT

Subtitle A—Research Freedom

PART I—REVIEW OF PROPOSALS FOR BIOMEDICAL AND BEHAVIORAL RESEARCH

Sec. 101. Establishment of certain provisions regarding research conducted or supported by National Institutes of Health.

PART II—RESEARCH ON TRANSPLANTATION OF FETAL TISSUE

Sec. 111. Establishment of authorities.
Sec. 112. Purchase of human fetal tissue; solicitation or acceptance of tissue as directed donation for use in transplantation.
Sec. 113. Nullification of moratorium.
Sec. 114. Report by General Accounting Office on adequacy of requirements.
Sec. 115. Effective dates.

PART III—MISCELLANEOUS REPEALS

Sec. 121. Repeals.

Subtitle B—Clinical Research Equity Regarding Women and Minorities

PART I—WOMEN AND MINORITIES AS SUBJECTS IN CLINICAL RESEARCH

Sec. 131. Requirement of inclusion in research.
Sec. 132. Peer review.
Sec. 133. Applicability.

PART II—OFFICE OF RESEARCH ON WOMEN'S HEALTH

Sec. 141. Establishment.

Subtitle C—Scientific Integrity

Sec. 151. Establishment of Office of Scientific Integrity.
Sec. 152. Commission on Scientific Integrity.
Sec. 153. Protection of whistleblowers.
Sec. 154. Requirement of regulations regarding protection against financial conflicts of interest in certain projects of research.
Sec. 155. Effective dates.

TITLE II—PROTECTION OF HEALTH FACILITIES

Sec. 201. Protection of facilities assisted under Public Health Service Act.
Sec. 202. Conforming amendments.

TITLE III—NATIONAL INSTITUTES OF HEALTH IN GENERAL

Sec. 301. Health promotion research dissemination.
Sec. 302. Programs for increased support regarding certain States and researchers.
Sec. 303. Children's vaccine initiative.
Sec. 304. Plan for use of animals in research.
Sec. 305. Increased participation of women and disadvantaged individuals in fields of biomedical and behavioral research.
Sec. 306. Requirements regarding surveys of sexual behavior.
Sec. 307. Discretionary fund of Director of National Institutes of Health.
Sec. 308. Miscellaneous provisions.

TITLE IV—GENERAL PROVISIONS RESPECTING NATIONAL RESEARCH INSTITUTES

Sec. 401. Appointment and authority of Directors of national research institutes.
Sec. 402. Program of research on osteoporosis, Paget's disease, and related disorders.
Sec. 403. Establishment of interagency program for trauma research.

TITLE V—NATIONAL CANCER INSTITUTE

Sec. 501. Expansion and intensification of activities regarding breast cancer.
Sec. 502. Expansion and intensification of activities regarding prostate cancer.
Sec. 503. Authorization of appropriations.

TITLE VI—NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

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Sec. 2202. Technical corrections.
Sec. 2203. Prohibition against SHARP adult sex survey and the American teenage sex survey.
Sec. 2204. Biennial report on carcinogens.
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TITLE XXIII—EFFECTIVE DATE
Sec. 2301. Effective date.

TITLE I—GENERAL PROVISIONS REGARDING TITLE IV OF PUBLIC HEALTH SERVICE ACT

Subtitle A—Research Freedom

PART I—REVIEW OF PROPOSALS FOR BIOMEDICAL AND BEHAVIORAL RESEARCH

SEC. 101. ESTABLISHMENT OF CERTAIN PROVISIONS REGARDING RESEARCH CONDUCTED OR SUPPORTED BY NATIONAL INSTITUTES OF HEALTH.

Part G of title IV of the Public Health Service Act (42 U.S.C. 289 et seq.) is amended by inserting after section 492 the following new section:

"CERTAIN PROVISIONS REGARDING REVIEW AND APPROVAL OF PROPOSALS FOR RESEARCH

"SEC. 492A. (a) REVIEW AS PRECONDITION TO RESEARCH.—

"(1) PROTECTION OF HUMAN RESEARCH SUBJECTS.—

"(A) In the case of any application submitted to the Secretary for financial assistance to conduct research, the Secretary may not approve or fund any application that is subject to review under section 491(a) by an Institutional Review Board unless the application has undergone review in accordance with such section and has been recommended for approval by a majority of the members of the Board conducting such review.

"(B) In the case of research that is subject to review under procedures established by the Secretary for the protection of human subjects in clinical research conducted by the National Institutes of Health, the Secretary may not authorize the conduct of the research unless the research has, pursuant to such procedures, been recommended for approval.

"(2) PEER REVIEW.—In the case of any application submitted to the Secretary for financial assistance to conduct research, the Secretary may not approve or fund any application that is subject to technical and scientific peer review under section 492(a) unless the application has undergone peer review in accordance with such section and has been recommended for approval by a majority of the members of the entity conducting such review.

"(b) ETHICAL REVIEW OF RESEARCH.—

"(1) PROCEDURES REGARDING WITHHOLDING OF FUNDS.—If research has been recommended for approval for purposes of subsection (a), the Secretary may not withhold funding for the research on ethical grounds unless—

"(A) the Secretary convenes an advisory board in accordance with paragraph (4) to study the ethical implications of the research; and

"(B)(i) the majority of the advisory board recommends that, on ethical grounds, the Secretary withhold funds for the research; or

"(ii) the majority of such board recommends that the Secretary not withhold funds for the research on ethical grounds, but the Secretary finds, on the basis of the report submitted under paragraph (4)(B)(ii), that the recommendation is arbitrary and capricious.

"(2) APPLICABILITY.—The limitation established in paragraph (1) regarding the authority to withhold funds on ethical grounds shall apply without regard to whether the withholding of funds is characterized as a disapproval, a moratorium, a prohibition, or other description.

"(3) PRELIMINARY MATTERS REGARDING USE OF PROCEDURES.—

"(A) If the Secretary makes a determination that an advisory board should be convened for purposes of paragraph (1), the Secretary shall, through a statement published in the Federal Register, announce the intention of the Secretary to convene such a board.

"(B) A statement issued under subparagraph (A) shall include a request that interested individuals submit to the Secretary recommendations specifying the particular individuals who should be appointed to the advisory board involved. The Secretary shall consider such recommendations in making appointments to the board.

"(C) The Secretary may not make appointments to an advisory board under paragraph (1) until the expiration of the 30-day period beginning on the date on which the statement required in subparagraph (A) is made with respect to the board.

"(4) ETHICS ADVISORY BOARDS.—

"(A) Any advisory board convened for purposes of paragraph (1) shall be known as an ethics advisory board (hereafter in this paragraph referred to as an 'ethics board').

"(B)(i) An ethics board shall advise, consult with, and make recommendations to the Secretary regarding the ethics of the project of biomedical or behavioral research with respect to which the board has been convened.

"(ii) Not later than 180 days after the date on which the statement required in paragraph (3)(A) is made with respect to an ethics board, the board shall submit to the Secretary, and to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report describing the findings of the board regarding the project of research involved and making a recommendation under clause (i) of whether the Secretary should or should not withhold funds for the project. The report shall include the information considered in making the findings.

"(C) An ethics board shall be composed of no fewer than 14, and no more than 20, individuals who are not officers or employees of the United States. The Secretary shall make appointments to the board from among individuals with special qualifications and competence to provide advice and recommendations regarding ethical matters in biomedical and behavioral research. Of the members of the board—

"(i) no fewer than 1 shall be an attorney;

"(ii) no fewer than 1 shall be an ethicist;

"(iii) no fewer than 1 shall be a practicing physician;

"(iv) no fewer than 1 shall be a theologian; and

"(v) no fewer than one-third, and no more than one-half, shall be scientists with substantial accomplishments in biomedical or behavioral research.

"(D) The term of service as a member of an ethics board shall be for the life of the board. If such a member does not serve the full term of such service, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

"(E) A member of an ethics board shall be subject to removal from the board by the Secretary for neglect of duty or malfeasance or for other good cause shown.

"(F) The Secretary shall designate an individual from among the members of an ethics board to serve as the chair of the board.

"(G) In carrying out subparagraph (B)(i) with respect to a project of research, an ethics board shall conduct inquiries and hold public hearings.

"(H) With respect to information relevant to the duties described in subparagraph (B)(i), an ethics board shall have access to all such information possessed by the Department of Health and Human Services, or available to the Secretary from other agencies.

"(I) Members of an ethics board shall receive compensation for each day engaged in carrying out the duties of the board, including time engaged in traveling for purposes of such duties. Such compensation may not be provided in an amount in excess of the maximum rate of basic pay payable for GS–18 of the General Schedule.

"(J) The Secretary, acting through the Director of the National Institutes of Health, shall provide to each ethics board such staff and other assistance as may be necessary to carry out the duties of the board.

"(K) An ethics board shall terminate 30 days after the date on which the report required in subparagraph (B)(ii) is submitted to the Secretary and the congressional committees specified in such subparagraph.".

PART II—RESEARCH ON TRANSPLANTATION OF FETAL TISSUE

SEC. 111. ESTABLISHMENT OF AUTHORITIES.

Part G of title IV of the Public Health Service Act (42 U.S.C. 289 et seq.) is amended by inserting after section 498 the following new section:

"RESEARCH ON TRANSPLANTATION OF FETAL TISSUE

"SEC. 498A. (a) ESTABLISHMENT OF PROGRAM.—

"(1) IN GENERAL.—The Secretary may conduct or support research on the transplantation of human fetal tissue for therapeutic purposes.

"(2) SOURCE OF TISSUE.—Human fetal tissue may be used in research carried out under paragraph (1) regardless of whether the tissue is obtained pursuant to a spontaneous or induced abortion or pursuant to a stillbirth.

"(3) REQUIREMENT WITH RESPECT TO OBTAINING TISSUE.—In research carried out under paragraph (1), human fetal tissue may be used only if the individual with the principal responsibility for conducting the research involved makes a statement, made in writing and signed by the individual, declaring that the individual—

"(A) obtained the tissue from the tissue bank established under Executive Order 12806 (issued May 19, 1992), if such bank is in operation during the period involved; or

"(B) obtained the tissue elsewhere, after having submitted a request for the tissue to such bank and 14 days having elapsed without the bank providing tissue that the individual finds appropriate for purposes of the research.

"(b) INFORMED CONSENT OF DONOR.—

"(1) IN GENERAL.—In research carried out under subsection (a), human fetal tissue may be used only if the woman providing the tissue makes a statement, made in writing and signed by the woman, declaring that—

"(A) the woman donates the fetal tissue for use in research described in subsection (a);

"(B) the donation is made without any restriction regarding the identity of individuals who may be the recipients of transplantations of the tissue; and

"(C) the woman has not been informed of the identity of any such individuals.

"(2) ADDITIONAL STATEMENT.—In research carried out under subsection (a), human fetal tissue may be used only if the attending physician with respect to obtaining the tissue from the woman involved makes a statement, made in writing and signed by the physician, declaring that—

"(A) in the case of tissue obtained pursuant to an induced abortion—

"(i) the consent of the woman for the abortion was obtained prior to requesting or obtaining consent for the tissue to be used in such research; and

"(ii) no alteration of the timing, method, or procedures used to terminate the pregnancy was made solely for the purposes of obtaining the tissue;

"(B) the tissue has been donated by the woman in accordance with paragraph (1); and

"(C) full disclosure has been provided to the woman with regard to—

"(i) such physician's interest, if any, in the research to be conducted with the tissue; and

"(ii) any known medical risks to the woman or risks to her privacy that might be associated with the donation of the tissue and that are in addition to risks of such type that are associated with the woman's medical care.

"(c) INFORMED CONSENT OF RESEARCHER AND DONEE.—In research carried out under subsection (a), human fetal tissue may be used only if the individual with the principal responsibility for conducting the research involved makes a statement, made in writing and signed by the individual, declaring that the individual—

"(1) is aware that—

"(A) the tissue is human fetal tissue;

"(B) the tissue may have been obtained pursuant to a spontaneous or induced abortion or subsequent to a stillbirth; and

"(C) the tissue was donated for research purposes;

"(2) has provided such information to other individuals with responsibilities regarding the research;

"(3) will require, prior to obtaining the consent of an individual to be a recipient of a transplantation of the tissue, written acknowledgment of receipt of such information by such recipient; and

"(4) has had no part in any decisions as to the timing, method, or procedures used to terminate the pregnancy made solely for the purposes of the research.

"(d) AVAILABILITY OF STATEMENTS FOR AUDIT.—

"(1) IN GENERAL.—In research carried out under subsection (a), human fetal tissue may be used only if the head of the agency or other entity conducting the research involved certifies to the Secretary that the statements required under subsections (a)(3), (b)(2), and (c) will be available for audit by the Secretary.

"(2) CONFIDENTIALITY OF AUDIT.—Any audit conducted by the Secretary pursuant to paragraph (1) shall be conducted in a confidential manner to protect the privacy rights of the individuals and entities involved in such research, including such individuals and entities involved in the donation, transfer, receipt, or transplantation of human fetal tissue. With respect to any material or information obtained pursuant to such audit, the Secretary shall—

"(A) use such material or information only for the purposes of verifying compliance with the requirements of this section;

"(B) not disclose or publish such material or information, except where required by Federal law, in which case such material or information shall be coded in a manner such that the identities of such individuals and entities are protected; and

"(C) not maintain such material or information after completion of such audit, except where necessary for the purposes of such audit.

"(e) APPLICABILITY OF STATE AND LOCAL LAW.—

"(1) RESEARCH CONDUCTED BY RECIPIENTS OF ASSISTANCE.—The Secretary may not provide support for research under subsection (a) conduct the research in accordance with applicable State and local law.

"(2) RESEARCH CONDUCTED BY SECRETARY.—The Secretary may conduct research under subsection (a) only in accordance with applicable State and local law.

"(f) DEFINITION.—For purposes of this section, the term 'human fetal tissue' means tissue or cells obtained from a dead human embryo or fetus after a spontaneous or induced abortion, or after a stillbirth.".

SEC. 112. PURCHASE OF HUMAN FETAL TISSUE; SOLICITATION OR ACCEPTANCE OF TISSUE AS DIRECTED DONATION FOR USE IN TRANSPLANTATION.

Part G of title IV of the Public Health Service Act, as amended by section 111 of this Act, is amended by inserting after section 498A the following new section:

"PROHIBITIONS REGARDING HUMAN FETAL TISSUE

"SEC. 498B. (a) PURCHASE OF TISSUE.—It shall be unlawful for any person to knowingly acquire, receive, or otherwise transfer any human fetal tissue for valuable consideration if the transfer affects interstate commerce.

"(b) Solicitation or Acceptance of Tissue as Directed Donation for Use in Transplantation.—It shall be unlawful for any person to solicit or knowingly acquire, receive, or accept a donation of human fetal tissue for the purpose of transplantation of such tissue into another person if the donation affects interstate commerce, the tissue will be or is obtained pursuant to an induced abortion, and—

"(1) the donation will be or is made pursuant to a promise to the donating individual that the donated tissue will be transplanted into a recipient specified by such individual;

"(2) the donated tissue will be transplanted into a relative of the donating individual; or

"(3) the person who solicits or knowingly acquires, receives, or accepts the donation has provided valuable consideration for the costs associated with such abortion.

"(c) Criminal Penalties for Violations.—

"(1) In general.—Any person who violates subsection (a) or (b) shall be fined in accordance with title 18, United States Code, subject to paragraph (2), or imprisoned for not more than 10 years, or both.

"(2) Penalties applicable to persons receiving consideration.—With respect to the imposition of a fine under paragraph (1), if the person involved violates subsection (a) or (b)(3), a fine shall be imposed in an amount not less than twice the amount of the valuable consideration received.

"(d) Definitions.—For purposes of this section:

"(1) The term 'human fetal tissue' has the meaning given such term in section 498A(f).

"(2) The term 'interstate commerce' has the meaning given such term in section 201(b) of the Federal Food, Drug, and Cosmetic Act.

"(3) The term 'valuable consideration' does not include reasonable payments associated with the transportation, implantation, processing, preservation, quality control, or storage of human fetal tissue.".

SEC. 113. NULLIFICATION OF MORATORIUM.

(a) In General.—Except as provided in subsection (c), no official of the executive branch may impose a policy that the Department of Health and Human Services is prohibited from conducting or supporting any research on the transplantation of human fetal tissue for therapeutic purposes. Such research shall be carried out in accordance with section 498A of the Public Health Service Act (as added by section 111 of this Act), without regard to any such policy that may have been in effect prior to the date of the enactment of this Act.

(b) Prohibition Against Withholding of Funds in Cases of Technical and Scientific Merit.—

(1) In general.—In the case of any proposal for research on the transplantation of human fetal tissue for therapeutic purposes, the Secretary of Health and Human Services may not withhold funds for the research if—

(A) the research has been approved for purposes of section 492A(a) of the Public Health Service Act (as added by section 101 of this Act);

(B) the research will be carried out in accordance with section 498A of such Act (as added by section 111 of this Act); and

(C) there are reasonable assurances that the research will not utilize any human fetal tissue that has been obtained in violation of section 498B(a) of such Act (as added by section 112 of this Act).

(2) Standing approval regarding ethical status.—In the case of any proposal for research on the transplantation of human fetal tissue for therapeutic purposes, the issuance in December 1988 of the Report of the Human Fetal Tissue Transplantation Research Panel shall be deemed to be a report—

(A) issued by an ethics advisory board pursuant to section 492A(b)(4)(B)(ii) of the Public Health Service Act (as added by section 101 of this Act); and

(B) finding, on a basis that is neither arbitrary nor capricious, that there are no ethical grounds for withholding funds for the research.

(c) Authority for Withholding Funds From Research.—In the case of any research on the transplantation of human fetal tissue for therapeutic purposes, the Secretary of Health and Human Services may withhold funds for the research if any of the conditions specified in any of subparagraphs (A) through (C) of subsection (b)(1) are not met with respect to the research.

(d) Definition.—For purposes of this section, the term "human fetal tissue" has the meaning given such term in section 498A(f) of the Public Health Service Act (as added by section 111 of this Act).

SEC. 114. REPORT BY GENERAL ACCOUNTING OFFICE ON ADEQUACY OF REQUIREMENTS.

(a) In General.—With respect to research on the transplantation of human fetal tissue for therapeutic purposes, the Comptroller General of the United States shall conduct an audit for the purpose of determining—

(1) whether and to what extent such research conducted or supported by the Secretary of Health and Human Services has been conducted in accordance with section 498A of the Public Health Service Act (as added by section 111 of this Act); and

(2) whether and to what extent there have been violations of section 498B of such Act (as added by section 112 of this Act).

(b) Report.—Not later than May 19, 1995, the Comptroller General of the United States shall complete the audit required in subsection (a) and submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the findings made pursuant to the audit.

SEC. 115. EFFECTIVE DATES.

The amendments described in this part are made upon October 1, 1992, or upon the date of the enactment of this Act, whichever occurs later. Such amendments take effect upon May 19, 1993. This part otherwise takes effect upon May 19, 1993. With respect to conducting and supporting research on the transplantation of human fetal tissue for therapeutic purposes, the statutory authorities in effect on the day before the date of the enactment of this Act continue to be in effect until modified pursuant to the effective dates established in this section.

PART III—MISCELLANEOUS REPEALS

SEC. 121. REPEALS.

(a) Certain Biomedical Ethics Board.—Title III of the Public Health Service Act (42 U.S.C. 241 et seq.), as amended by section 101(a) of Public Law 101-616, is amended—

(1) by striking part J; and

(2) by redesignating parts K through M as parts J through L, respectively.

(b) Other Repeals.—Part G of title IV of the Public Health Service Act (42 U.S.C. 289 et seq.) is amended—

(1) in section 498, by striking subsection (c); and

(2) by striking section 499.

Subtitle B—Clinical Research Equity Regarding Women and Minorities

PART I—WOMEN AND MINORITIES AS SUBJECTS IN CLINICAL RESEARCH

SEC. 131. REQUIREMENT OF INCLUSION IN RESEARCH.

Part G of title IV of the Public Health Service Act, as amended by section 101 of this Act, is amended by inserting after section 492A the following new section:

"INCLUSION OF WOMEN AND MINORITIES IN CLINICAL RESEARCH

"Sec. 492B. (a) In conducting or supporting clinical research for purposes of this title, the Director of NIH shall, subject to subsection (b), ensure that—

"(1) women are included as subjects in each project of such research; and

"(2) members of minority groups are included as subjects in such research.

"(b) The requirement established in subsection (a) regarding women and members of minority groups shall not apply to a project of clinical research if the inclusion, as subjects in the project, of women and members of minority groups, respectively—

"(1) is inappropriate with respect to the health of the subjects;

"(2) is inappropriate with respect to the purpose of the research; or

"(3) is inappropriate under such other circumstances as the Director of NIH may designate.

"(c) In the case of any project of clinical research in which women or members of minority groups will under subsection (a) be included as subjects in the research, the Director of NIH shall ensure that the project is designed and carried out in a manner sufficient to provide for a valid analysis of whether the variables being tested in the research affect women or members of minority groups, as the case may be, differently than other subjects in the research.

"(d)(1) The Director of NIH, in consultation with the Director of the Office of Research on Women's Health, shall establish guidelines regarding—

"(A) the circumstances under which the inclusion of women and minorities in clinical research is inappropriate for purposes of subsection (b);

"(B) the manner in which projects of clinical research are required to be designed and carried out for purposes of subsection (c), including a specification of the circumstances in which the requirement of such subsection does not apply on the basis of impracticability; and

"(C) the conduct of outreach programs for the recruitment of women and members of minority groups as subjects in such research.

"(2) The guidelines established under paragraph (1)—

"(A) may not provide that the costs of including women and minorities in clinical research are a permissible consideration regarding the circumstances described in subparagraph (A) of such paragraph; and

"(B) may provide that such circumstances include circumstances in which there are scientific reasons for believing that the variables proposed to be studied do not affect women or minorities differently than other subjects in the research.

"(3) The guidelines required in paragraph (1) shall be established and published in the Federal Register not later than July 1, 1992.

"(4) For fiscal year 1993 and subsequent fiscal years, the Director of NIH may not approve any proposal of clinical research to be conducted or supported by any agency of the National Institutes of Health unless the proposal specifies the manner in which the research will comply with subsection (a).

"(e) The advisory council of each national research institute shall annually submit to the Director of NIH and the Director of the institute involved a report describing the manner in which the agency has complied with subsection (a).".

SEC. 132. PEER REVIEW.

Section 492 of the Public Health Service Act (42 U.S.C. 289a) is amended by adding at the end the following new subsection:

"(c)(1) In technical and scientific peer review under this section of proposals for clinical research, the consideration of any such proposal (including the initial consideration) shall, except as provided in paragraph (2), include an evaluation of the technical and scientific merit of the proposal regarding compliance with section 492B(a).

"(2) Paragraph (1) shall not apply to any proposal for clinical research that, pursuant to subsection (b) of section 492B, is not subject to the requirement of subsection (a) of such section regarding the inclusion of women and members of minority groups as subjects in clinical research.".

SEC. 133. APPLICABILITY.

Section 492B of the Public Health Service Act, as added by section 131 of this Act, shall not apply with respect to projects of clinical research for which initial funding was provided prior to the date of the enactment of this Act. With respect to the inclusion of women and minorities as subjects in clinical research conducted or supported by the National Institutes of Health, any policies of the Secretary of Health and Human Services regarding such inclusion that are in effect on the day before the date of the enactment of this Act shall continue to apply to the projects referred to in the preceding sentence. Any such policies may apply for fiscal year 1993 and subsequent fiscal years to the extent not inconsistent with such section 492B.

PART II—OFFICE OF RESEARCH ON WOMEN'S HEALTH

SEC. 141. ESTABLISHMENT.

(a) IN GENERAL.—Title IV of the Public Health Service Act, as amended by section 2 of Public Law 101-613, is amended—

(1) by redesignating section 486 as section 485A;

(2) by redesignating parts F through H as parts G through I, respectively; and

(3) by inserting after part E the following new part:

"PART F—RESEARCH ON WOMEN'S HEALTH

"SEC. 486. OFFICE OF RESEARCH ON WOMEN'S HEALTH.

"(a) ESTABLISHMENT.—There is established within the Office of the Director of NIH an office to be known as the Office of Research on Women's Health (in this part referred to as the 'Office'). The Office shall be headed by a director, who shall be appointed by the Director of NIH.

"(b) PURPOSE.—The Director of the Office shall—

"(1) identify projects of research on women's health that should be conducted or supported by the national research institutes;

"(2) identify multidisciplinary research relating to research on women's health that should be so conducted or supported;

"(3) carry out paragraphs (1) and (2) with respect to the aging process in women, with priority given to menopause;

"(4) promote coordination and collaboration among entities conducting research identified under any of paragraphs (1) through (3);

"(5) encourage the conduct of such research by entities receiving funds from the national research institutes;

"(6) recommend an agenda for conducting and supporting such research;

"(7) promote the sufficient allocation of the resources of the national research institutes for conducting and supporting such research;

"(8) assist in the administration of section 492B with respect to the inclusion of women as subjects in clinical research; and

"(9) prepare the report required in section 486B.

"(c) COORDINATING COMMITTEE.—

"(1) In carrying out subsection (b), the Director of the Office shall establish a committee to be known as the Coordinating Committee on Research on Women's Health (hereafter in this subsection referred to as the 'Coordinating Committee').

"(2) The Coordinating Committee shall be composed of the Directors of the national research institutes (or the designees of the Directors).

"(3) The Director of the Office shall serve as the chair of the Coordinating Committee.

"(4) With respect to research on women's health, the Coordinating Committee shall assist the Director of the Office in—

"(A) identifying the need for such research, and making an estimate each fiscal year of the funds needed to adequately support the research;

"(B) identifying needs regarding the coordination of research activities, including intramural and extramural multidisciplinary activities;

"(C) supporting the development of methodologies to determine the circumstances in which obtaining data specific to women (including data relating to the age of women and the membership of women in ethnic or racial groups) is an appropriate function of clinical trials of treatments and therapies;

"(D) supporting the development and expansion of clinical trials of treatments and therapies for which obtaining such data has been determined to be an appropriate function; and

"(E) encouraging the national research institutes to conduct and support such research, including such clinical trials.

"(d) ADVISORY COMMITTEE.—

"(1) In carrying out subsection (b), the Director of the Office shall establish an advisory committee to be known as the Advisory Committee on Research on Women's Health (hereafter in this subsection referred to as the 'Advisory Committee').

"(2) The Advisory Committee shall be composed of no fewer than 12, and not more than 18 individuals, who are not officers or employees of the Federal Government. The Director of the Office shall make appointments to the Advisory Committee from among physicians, practitioners, scientists, and other health professionals, whose clinical practice, research specialization, or professional expertise includes a significant focus on research on women's health. A majority of the members of the Advisory Committee shall be women.

"(3) The Director of the Office shall serve as the chair of the Advisory Committee.

"(4) The Advisory Committee shall—

"(A) advise the Director of the Office on appropriate research activities to be undertaken by the national research institutes with respect to—

"(i) research on women's health;

"(ii) research on gender differences in clinical drug trials, including responses to pharmacological drugs;

"(iii) research on gender differences in disease etiology, course, and treatment;

"(iv) research on obstetrical and gynecological health conditions, diseases, and treatments; and

"(v) research on women's health conditions which require a multidisciplinary approach;

"(B) report to the Director of the Office on such research;

"(C) provide recommendations to such Director regarding activities of the Office (including recommendations on the development of the methodologies described in subsection (c)(4)(C) and recommendations on priorities in carrying out research described in subparagraph (A)); and

"(D) assist in monitoring compliance with section 492B regarding the inclusion of women in clinical research.

"(5)(A) The Advisory Committee shall prepare a biennial report describing the activities of the Committee, including findings made by the Committee regarding—

"(i) compliance with section 492B;

"(ii) the extent of expenditures made for research on women's health by the agencies of the National Institutes of Health; and

"(iii) the level of funding needed for such research.

"(B) The report required in subparagraph (A) shall be submitted to the Director of NIH for inclusion in the report required in section 403.

"(e) REPRESENTATION OF WOMEN AMONG RESEARCHERS.—The Secretary, acting through the Assistant Secretary for Personnel and in collaboration with the Director of the Office, shall determine the extent to which women are represented among senior physicians and scientists of the national research institutes and among physicians and scientists conducting research with funds provided by such institutes, and as appropriate, carry out activities to increase the extent of such representation.

"(f) DEFINITIONS.—For purposes of this part:

"(1) The term 'women's health conditions', with respect to women of all age, ethnic, and racial groups, means all diseases, disorders, and conditions (including with respect to mental health)—

"(A) unique to, more serious, or more prevalent in women;

"(B) for which the factors of medical risk or types of medical intervention are different for women, or for which it is unknown whether such factors or types are different for women; or

"(C) with respect to which there has been insufficient clinical research involving women as subjects or insufficient clinical data on women.

"(2) The term 'research on women's health' means research on women's health conditions, including research on preventing such conditions.

"SEC. 486A. NATIONAL DATA SYSTEM AND CLEARINGHOUSE ON RESEARCH ON WOMEN'S HEALTH.

"(a) DATA SYSTEM.—

"(1) The Director of NIH, in consultation with the Director of the Office, shall establish a data system for the collection, storage, analysis, retrieval, and dissemination of information regarding research on women's health that is conducted or supported by the national research institutes. Information from the data system shall be available through information systems available to health care professionals and providers, researchers, and members of the public.

"(2) The data system established under paragraph (1) shall include a registry of clinical trials of experimental treatments that have been developed for research on women's health. Such registry shall include information on subject eligibility criteria, sex, age, ethnicity or race, and the location of the trial site or sites. Principal investigators of such clinical trials shall provide this information to the registry within 30 days after it is available. Once a trial has been completed, the principal investigator shall provide the registry with information pertaining to the results, including potential toxicities or adverse effects associated with the experimental treatment or treatments evaluated.

"(b) Clearinghouse.—The Director of NIH, in consultation with the Director of the Office and with the National Library of Medicine, shall establish, maintain, and operate a program to provide information on research and prevention activities of the national research institutes that relate to research on women's health.

"SEC. 486B. BIENNIAL REPORT.

"(a) In General.—With respect to research on women's health, the Director of the Office shall, not later than February 1, 1994, and biennially thereafter, prepare a report—

"(1) describing and evaluating the progress made during the preceding 2 fiscal years in research and treatment conducted or supported by the National Institutes of Health;

"(2) describing and analyzing the professional status of women physicians and scientists of such Institutes, including the identification of problems and barriers regarding advancements;

"(3) summarizing and analyzing expenditures made by the agencies of such Institutes (and by such Office) during the preceding 2 fiscal years; and

"(4) making such recommendations for legislative and administrative initiatives as the Director of the Office determines to be appropriate.

"(b) Inclusion in Biennial Report of Director of NIH.—The Director of the Office shall submit each report prepared under subsection (a) to the Director of NIH for inclusion in the report submitted to the President and the Congress under section 403.".

(b) Requirement of Sufficient Allocation of Resources of Institutes.—Section 402(b) of the Public Health Service Act (42 U.S.C. 282(b)) is amended—

(1) in paragraph (10), by striking "and" after the semicolon at the end;

(2) in paragraph (11), by striking the period at the end and inserting "; and"; and

(3) by inserting after paragraph (11) the following new paragraph:

"(12) after consultation with the Director of the Office of Research on Women's Health, shall ensure that resources of the National Institutes of Health are sufficiently allocated for projects of research on women's health that are identified under section 486(b).".

Subtitle C—Scientific Integrity

SEC. 151. ESTABLISHMENT OF OFFICE OF SCIENTIFIC INTEGRITY.

(a) In General.—Section 493 of the Public Health Service Act (42 U.S.C. 289b) is amended to read as follows:

"OFFICE OF SCIENTIFIC INTEGRITY

"Sec. 493. (a) Establishment.—

"(1) In general.—Not later than 90 days after the date of enactment of this section, the Secretary shall establish an office to be known as the Office of Scientific Integrity (hereafter referred to in this section as the 'Office'), which shall be established as an independent entity in the Department of Health and Human Services.

"(2) Director.—The Office shall be headed by a Director, who shall be appointed by the Secretary, be experienced and specially trained in the conduct of research, and have experience in the conduct of investigations of scientific misconduct. The Secretary shall carry out this section acting through the Director of the Office. The Director shall report to the Secretary.

"(b) Existence of Administrative Processes as Condition of Funding for Research.—The Secretary shall by regulation require that each entity that applies for a grant, contract, or cooperative agreement under this Act for any project or program that involves the conduct of biomedical or behavioral research submit in or with its application for such grant, contract, or cooperative agreement assurances satisfactory to the Secretary that such entity—

"(1) has established (in accordance with regulations which the Secretary shall prescribe) an administrative process to review reports of scientific misconduct in connection with biomedical and behavioral research conducted at or sponsored by such entity; and

"(2) will report to the Director any investigation of alleged scientific misconduct in connection with projects for which funds have been made available under this Act that appears substantial.

"(c) Process for Response of Director.—The Secretary shall establish by regulation a process to be followed by the Director for the prompt and appropriate—

"(1) response to information provided to the Director respecting scientific misconduct in connection with projects for which funds have been made available under this Act;

"(2) receipt of reports by the Director of such information from recipients of funds under this Act;

"(3) conduct of investigations, when appropriate; and

"(4) taking of other actions, including appropriate remedies, with respect to such misconduct.

"(d) Monitoring by Director.—The Secretary shall by regulation establish procedures for the Director to monitor administrative processes and investigations that have been established or carried out under this section.

"(e) Effect on Present Investigations.—Nothing in this section shall affect investigations which have been or will be commenced prior to the promulgation of final regulations under this section.".

(b) Establishment of Definition of Scientific Misconduct.—Not later than 90 days after the date on which the report required under section 152(d) is submitted to the Secretary of Health and Human Services, such Secretary shall by regulation establish a definition for the term "scientific misconduct" for purposes of section 493 of the Public Health Service Act, as amended by subsection (a) of this section.

SEC. 152. COMMISSION ON SCIENTIFIC INTEGRITY.

(a) In General.—The Secretary of Health and Human Services shall establish a commission to be known as the Commission on Scientific Integrity (in this section referred to as the "Commission").

(b) Duties.—The Commission shall develop recommendations for the Secretary of Health and Human Services on the administration of section 493 of the Public Health Service Act (as amended and added by section 151 of this Act).

(c) Composition.—The Commission shall be composed of 12 members to be appointed by the Secretary of Health and Human Services from among individuals who are not officers or employees of the United States. Of the members appointed to the Commission—

(1) three shall be scientists with substantial accomplishments in biomedical or behavioral research;

(2) three shall be individuals with experience in investigating allegations of misconduct with respect to scientific research;

(3) three shall be representatives of institutions of higher education at which biomedical or behavioral research is conducted; and

(4) three shall be individuals who are not described in paragraphs (1), (2), or (3), at least one of whom shall be an attorney and at least one of whom shall be an ethicist.

(d) Report.—Not later than 120 days after the date of enactment of this section, the Commission shall prepare and submit to the Secretary of Health and Human Services, the Committee on Energy and Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report containing the recommendations developed under subsection (b).

SEC. 153. PROTECTION OF WHISTLEBLOWERS.

Section 493 of the Public Health Service Act, as amended by section 151 of this Act, is amended by adding at the end the following new subsection:

"(f) Protection of Whistleblowers.—

"(1) In general.—In the case of any entity required to establish administrative processes under subsection (b), the Secretary shall by regulation establish standards for preventing, and for responding to the occurrence of retaliation by such entity, its officials or agents, against an employee in the terms and conditions of employment in response to the employee having in good faith—

"(A) made an allegation that the entity, its officials or agents, has engaged in or failed to adequately respond to an allegation of scientific misconduct; or

"(B) cooperated with an investigation of such an allegation.

"(2) Monitoring by secretary.—The Secretary shall establish by regulation procedures for the Director to monitor the implementation of the standards established by an entity under paragraph (1) for the purpose of determining whether the procedures have been established, and are being utilized, in accordance with the standards established under such paragraph.

"(3) Noncompliance.—The Secretary shall by regulation establish remedies for noncompliance by an entity, its officials or agents, which has engaged in retaliation in violation of the standards established under paragraph (1). Such remedies may include termination of funding provided by the Secretary for such project or recovery of funding being provided by the Secretary for such project, or other actions as appropriate.

"(4) Final rule for regulations.—The Secretary shall issue a final rule for the regulations required in paragraph (1) not later than 180 days after the date of the enactment of the National Institutes of Health Revitalization Amendments of 1992.

"(5) Required agreements.—For any fiscal year beginning after the date on which the regulations required in paragraph (1) are issued, the Secretary may not provide a grant, cooperative agreement, or contract under this Act for biomedical or behavioral research unless the entity seeking such financial assistance agrees that the entity—

"(A) will maintain the procedures described in the regulations; and

"(B) will otherwise be subject to the regulations.".

SEC. 154. REQUIREMENT OF REGULATIONS REGARDING PROTECTION AGAINST FINANCIAL CONFLICTS OF INTEREST IN CERTAIN PROJECTS OF RESEARCH.

Part H of title IV of the Public Health Service Act, as redesignated by section 141(a)(2) of this Act, is amended by inserting after section 493 the following new section:

"PROTECTION AGAINST FINANCIAL CONFLICTS OF INTEREST IN CERTAIN PROJECTS OF RESEARCH

"SEC. 493A. (a) ISSUANCE OF REGULATIONS.—

"(1) IN GENERAL.—The Secretary shall define by regulation, the specific circumstances that constitute the existence of a financial interest in a project on the part of an entity or individual that will, or may be reasonably expected to, create a bias in favor of obtaining results in such project that are consistent with such financial interest. Such definition shall apply uniformly to each entity or individual conducting a research project under this Act. In the case of any entity or individual receiving assistance from the Secretary for a project of research described in paragraph (2), the Secretary shall by regulation establish standards for responding to, including managing, reducing, or eliminating, the existence of such a financial interest. The entity may adopt individualized procedures for implementing the standards.

"(2) RELEVANT PROJECTS.—A project of research referred to in paragraph (1) is a project of clinical research whose purpose is to evaluate the safety or effectiveness of a drug, medical device, or treatment and for which such entity is receiving assistance from the Secretary.

"(3) IDENTIFYING AND REPORTING TO THE DIRECTOR.—The Secretary shall ensure that the standards established under paragraph (1) specify that as a condition of receiving assistance from the Secretary for the project involved, an entity described in such subsection is required—

"(A) to have in effect at the time the entity applies for the assistance and throughout the period during which the assistance is received, a process for identifying such financial interests as defined in paragraph (1) that exist regarding the project; and

"(B) to report to the Director such financial interest as defined in paragraph (1) identified by the entity and how any such financial interest identified by the entity will be managed or eliminated such that the project in question will be protected from bias that may stem from such financial interest.

"(4) MONITORING OF PROCESS.—The Secretary shall monitor the establishment and conduct of the process established by an entity pursuant to paragraph (1).

"(5) RESPONSE.—In any case in which the Secretary determines that an entity has failed to comply with paragraph (3) regarding a project of research described in paragraph (1), the Secretary—

"(A) shall require that, as a condition of receiving assistance, the entity disclose the existence of a financial interest as defined in paragraph (1) in each public presentation of the results of such project; and

"(B) may take such other actions as the Secretary determines to be appropriate.

"(6) DEFINITION.—As used in this section:

"(A) The term 'financial interest' includes the receipt of consulting fees or honoraria and the ownership of stock or equity.

"(B) The term 'assistance', with respect to conducting a project of research, means a grant, contract, or cooperative agreement.

"(b) FINAL RULE FOR REGULATIONS.—The Secretary shall issue a final rule for the regulations required in subsection (a) not later than 180 days after the date of the enactment of the National Institutes of Health Revitalization Amendments of 1992.".

SEC. 155. EFFECTIVE DATES.

(a) IN GENERAL.—The amendments made by this subtitle shall become effective on the date that occurs 180 days after the date on which the final rule required under section 493(f)(4) of the Public Health Service Act, as amended by sections 151 and 153, is published in the Federal Register.

(b) AGREEMENTS AS A CONDITION OF FUNDING.—The requirements of subsection (f)(5) of section 493 of the Public Health Service Act, as amended by sections 151 and 153, with respect to agreements as a condition of funding shall not be effective in the case of projects of research for which initial funding under the Public Health Service Act was provided prior to the effective date described in subsection (a).

TITLE II—PROTECTION OF HEALTH FACILITIES

SEC. 201. PROTECTION OF FACILITIES ASSISTED UNDER PUBLIC HEALTH SERVICE ACT.

The Public Health Service Act (42 U.S.C. 201 et seq.), as amended by section 101 of Public Law 101–381 and section 304 of Public Law 101–509, is amended—

(1) by transferring sections 2701 through 2714 to title II;

(2) by redesignating such sections as sections 231 through 244, respectively;

(3) by inserting such sections, in the appropriate sequence, after section 228;

(4) by inserting before section 201 the following new heading:

"PART A—ADMINISTRATION";

(5) by inserting before section 231 (as redesignated by paragraph (2) of this subsection) the following new heading:

"PART B—MISCELLANEOUS PROVISIONS"; and

(6) by adding at the end of title II (as amended by paragraphs (1) through (5) of this subsection) the following new part:

"PART C—PROTECTION OF HEALTH FACILITIES

"SEC. 251. ESTABLISHMENT OF PROTECTIONS.

"With respect to any health facility receiving financial assistance under this Act, a person shall not—

"(1) embezzle, steal, purloin, or knowingly engage in conversion of any personal property of the health facility, including, without authorization of the health facility—

"(A) knowingly releasing or otherwise causing the loss from the health facility of any animal held for research purposes by the facility;

"(B) knowingly injuring any animal held for such purposes; or

"(C) knowingly destroying or altering records held by the facility;

"(2) knowingly damage any real property of the health facility;

"(3) knowingly deter, through any degree of physical restraint, any individual from entering or exiting the health facility;

"(4) by force and violence take from the person or presence of an officer or employee of the health facility any personal property of the health facility (including any animal held for research purposes by the facility); or

"(5) break or enter into the health facility with the intent to carry out any of the actions prohibited in any of paragraphs (1) through (4).

"SEC. 252. ENFORCEMENT.

"(a) CRIMINAL PENALTY.—

"(1) IN GENERAL.—Any person who violates section 251 shall be fined in accordance with title 18, United States Code, or imprisoned for not more than 5 years, or both.

"(2) RESTITUTION.—In sentencing a defendant convicted of a violation of section 251, the court involved may order the defendant to make restitution to the health facility involved. Sections 3663 and 3664 of title 18, United States Code, shall apply to such an order to the same extent and in the same manner as such sections apply to any order of restitution made pursuant to a conviction of any felony under such title 18.

"(3) LIMITATION ON ACTION.—Section 3282 of title 18, United States Code, shall apply to proceedings under paragraph (1).

"(b) PRIVATE CIVIL ACTION.—

"(1) IN GENERAL.—Any health facility aggrieved as a result of a violation of any of paragraphs (1) through (3) of section 251 by any person may, in any court of competent jurisdiction, commence a civil action against such person to obtain appropriate relief, including actual and punitive damages, equitable relief, and a reasonable attorney's fee and costs.

"(2) STATE OPTION WITH RESPECT TO OFFSET.—To the extent provided by the law of the State in which the violation of section 251 occurred, any pecuniary relief recovered by a health facility in a civil action under paragraph (1) shall be offset against any pecuniary relief recovered by the health facility in a civil action authorized under the law of such State with respect to activities described in section 251.

"(3) LIMITATION ON ACTION.—Proceedings under paragraph (1) may not be commenced against a person after the expiration of the 2-year period beginning on the date on which the person allegedly engaged in the violation of section 251.

"SEC. 253. RULES OF CONSTRUCTION.

"With respect to penalties and remedies established in this part regarding any health facility receiving financial assistance under this Act—

"(1) this part may not be construed to limit or otherwise affect any other penalty or remedy under Federal or State law; and

"(2) this part may not be construed to supersede any law of any State.".

SEC. 202. CONFORMING AMENDMENTS.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended—

(1) in the heading for title II, by inserting "AND MISCELLANEOUS PROVISIONS" after "ADMINISTRATION";

(2) in section 406(a)(2), by striking "2701" and inserting "231";

(3) in section 465(f), by striking "2701" and inserting "231";

(4) in section 480(a)(2), by striking "2701" and inserting "231";

(5) in section 485(a)(2), by striking "2701" and inserting "231";

(6) in section 497, by striking "2701" and inserting "231";

(7) in section 505(a)(2), by striking "2701" and inserting "231";

(8) in section 926(b), by striking "2711" each place such term appears and inserting "241"; and

(9) in title XXVII, by striking the heading for such title.

TITLE III—NATIONAL INSTITUTES OF HEALTH IN GENERAL

SEC. 301. HEALTH PROMOTION RESEARCH DISSEMINATION.

Section 402(f) of the Public Health Service Act (42 U.S.C. 282(f)) is amended by striking "other public and private entities." and all that follows through the end and inserting "other public and private entities, including elementary, secondary, and post-secondary schools. The Associate Director shall—

"(1) annually review the efficacy of existing policies and techniques used by the national research institutes to disseminate the results of disease prevention and behavioral research programs;

"(2) recommend, coordinate, and oversee the modification or reconstruction of such policies and techniques to ensure maximum dissemination, using advanced technologies to the maximum extent practicable, of research results to such entities; and

"(3) annually prepare and submit to the Director of NIH a report concerning the prevention and dissemination activities undertaken by the Associate Director, including—

"(A) a summary of the Associate Director's review of existing dissemination policies and techniques together with a detailed statement concerning any modification or restructuring, or recommendations for modification or restructuring, of such policies and techniques; and

"(B) a detailed statement of the expenditures made for the prevention and dissemination activities reported on and the personnel used in connection with such activities.".

SEC. 302. PROGRAMS FOR INCREASED SUPPORT REGARDING CERTAIN STATES AND RESEARCHERS.

Section 402 of the Public Health Service Act (42 U.S.C. 282) is amended by adding at the end the following new subsection:

"(g)(1)(A) In the case of entities described in subparagraph (B), the Director of NIH, acting through the Director of the National Center for Research Resources, shall establish a program to enhance the competitiveness of such entities in obtaining funds from the national research institutes for conducting biomedical and behavioral research.

"(B) The entities referred to in subparagraph (A) are entities that conduct biomedical and behavioral research and are located in a State in which the aggregate success rate for applications to the national research institutes for assistance for such research by the entities in the State has historically constituted a low success rate of obtaining such funds, relative to such aggregate rate for such entities in other States.

"(C) With respect to enhancing competitiveness for purposes of subparagraph (A), the Director of NIH, in carrying out the program established under such subparagraph, may—

"(i) provide technical assistance to the entities involved, including technical assistance in the preparation of applications for obtaining funds from the national research institutes;

"(ii) assist the entities in developing a plan for biomedical or behavioral research proposals; and

"(iii) assist the entities in implementing such plan.

"(2) The Director of NIH shall establish a program of supporting projects of biomedical or behavioral research whose principal researchers are individuals who have not previously served as the principal researchers of such projects supported by the Director.".

SEC. 303. CHILDREN'S VACCINE INITIATIVE.

Part A of title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended by adding at the end the following new section:

"CHILDREN'S VACCINE INITIATIVE

"SEC. 404. (a) DEVELOPMENT OF NEW VACCINES.—The Secretary, in consulation with the Director of the National Vaccine Program under title XXI and acting through the Directors of the National Institute for Allergy and Infectious Diseases, the National Institute for Child Health and Human Development, the National Institute for Aging, and other public and private programs, shall carry out activities, which shall be consistent with the global Children's Vaccine Initiative, to develop affordable new and improved vaccines to be used in the United States and in the developing world that will increase the efficacy and efficiency of the prevention of infectious diseases. In carrying out such activities, the Secretary shall, to the extent practicable, develop and make available vaccines that require fewer contacts to deliver, that can be given early in life, that provide long lasting protection, that obviate refrigeration, needles and syringes, and that protect against a larger number of diseases.

"(b) REPORT.—In the report required in section 2104, the Secretary, acting through the Director of the National Vaccine Program under title XXI, shall include information with respect to activities and the progress made in implementing the provisions of this section and achieving its goals.

"(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amounts authorized to be appropriated for activities of the type described in this section, there are authorized to be appropriated to carry out this section such sums as may be necessary for each of the fiscal years 1993 through 1996.".

SEC. 304. PLAN FOR USE OF ANIMALS IN RESEARCH.

(a) IN GENERAL.—Part A of title IV of the Public Health Service Act, as amended by section 303 of this Act, is amended by adding at the end the following new section:

"PLAN FOR USE OF ANIMALS IN RESEARCH

"SEC. 404A. (a) The Director of NIH, after consultation with the committee established under subsection (e), shall prepare a plan—

"(1) for the National Institutes of Health to conduct or support research into—

"(A) methods of biomedical research and experimentation that do not require the use of animals;

"(B) methods of such research and experimentation that reduce the number of animals used in such research; and

"(C) methods of such research and experimentation that produce less pain and distress in such animals;

"(2) for establishing the validity and reliability of the methods described in paragraph (1);

"(3) for encouraging the acceptance by the scientific community of such methods that have been found to be valid and reliable; and

"(4) for training scientists in the use of such methods that have been found to be valid and reliable.

"(b) Not later than October 1, 1993, the Director of NIH shall submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, the plan required in subsection (a) and shall begin implementation of the plan.

"(c) The Director of NIH shall periodically review, and as appropriate, make revisions in the plan required under subsection (a). A description of any revision made in the plan shall be included in the first biennial report under section 403 that is submitted after the revision is made.

"(d) The Director of NIH shall take such actions as may be appropriate to convey to scientists and others who use animals in biomedical or behavioral research or experimentation information respecting the methods found to be valid and reliable under subsection (a)(2).

"(e)(1) The Director of NIH shall establish within the National Institutes of Health a committee to be known as the Interagency Coordinating Committee on the Use of Animals in Research (hereafter in this subsection referred to as the 'Committee').

"(2) The Committee shall provide advice to the Director of NIH on the preparation of the plan required in subsection (a).

"(3) The Committee shall be composed of—

"(A) the Directors of each of the national research institutes (or the designees of such Directors); and

"(B) representatives of the Environmental Protection Agency, the Food and Drug Administration, the Consumer Product Safety Commission, the National Science Foundation, and such additional agencies as the Director of NIH determines to be appropriate.".

(b) CONFORMING AMENDMENT.—Section 4 of the Health Research Extension Act of 1985 (Public Law 99-158; 99 Stat. 880) is repealed.

SEC. 305. INCREASED PARTICIPATION OF WOMEN AND DISADVANTAGED INDIVIDUALS IN FIELDS OF BIOMEDICAL AND BEHAVIORAL RESEARCH.

Section 402 of the Public Health Service Act, as amended by section 302 of this Act, is amended by adding at the end the following new subsection:

"(h) The Secretary, acting through the Director of NIH and the Directors of the agencies of the National Institutes of Health, may conduct and support programs for research, research training, recruitment, and other activities to provide for an increase in the number of women and individuals from disadvantaged backgrounds in the fields of biomedical and behavioral research.".

SEC. 306. REQUIREMENTS REGARDING SURVEYS OF SEXUAL BEHAVIOR.

Part A of title IV of the Public Health Service Act, as amended by section 304 of this Act, is amended by adding at the end the following new section:

"REQUIREMENTS REGARDING SURVEYS OF SEXUAL BEHAVIOR

"SEC. 404B. With respect to any survey of human sexual behavior proposed to be conducted or supported through the National Institutes of Health, the survey may not be carried out unless—

"(1) the proposal has undergone review in accordance with any applicable requirements of sections 491 and 492; and

"(2) the Secretary, in accordance with section 492A, makes a determination that the information expected to be obtained through the survey will assist—

"(A) in reducing the incidence of sexually transmitted diseases, the incidence of infection with the human immunodeficiency virus, or the incidence of any other infectious disease; or

"(B) in improving reproductive health or other conditions of health.".

SEC. 307. DISCRETIONARY FUND OF DIRECTOR OF NATIONAL INSTITUTES OF HEALTH.

Section 402 of the Public Health Service Act, as amended by section 305 of this Act, is amended by adding at the end the following new subsection:

"(i)(1) There is established a fund, consisting of amounts appropriated under paragraph (3) and made available for the fund, for use by the Director of NIH to carry out the activities authorized in this Act for the National Institutes of Health. The purposes for which such fund may be expended include, but are not limited to—

"(A) providing for research on matters that have not received significant funding relative to other matters, responding to new issues and scientific emergencies, and acting on research opportunities of high priority;

"(B) supporting research that is not exclusively within the authority of any single agency of such Institutes; and

"(C) purchasing or renting equipment and quarters for activities of such Institutes.

"(2) The Director of NIH shall provide to the Secretary an annual report describing the activities undertaken and expenditures made under this section. The Secretary shall submit such report, together with such comments regarding this section as the Secretary determines to be appropriate, to the Committee on Energy and Commerce of the House of Representatives and to the Committee on Labor and Human Resources of the Senate.

"(3) For the purpose of carrying out this subsection, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1993 through 1996.".

SEC. 308. MISCELLANEOUS PROVISIONS.

(a) Term of Office for Members of Advisory Councils.—Section 406(c) of the Public Health Service Act (42 U.S.C. 284a(c)) is amended in the second sentence by striking "until a successor has been appointed" and inserting the following: "for 180 days after the date of such expiration".

(b) Literacy Requirements.—Section 402(e) of the Public Health Service Act (42 U.S.C. 282(e)) is amended—

(1) in paragraph (3), by striking "and" at the end;

(2) in paragraph (4), by striking the period and inserting "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(5) ensure that, after January 1, 1993, at least one-half of all new or revised health education and promotion materials developed or funded by the National Institutes of Health is in a form that does not exceed a level of functional literacy, as defined in the National Literacy Act of 1991 (Public Law 102-73).".

(c) Day Care Regarding Children of Employees.—Section 402 of the Public Health Service Act, as amended by section 307 of this Act, is amended by adding at the end the following new subsection:

"(i)(1) The Director of NIH may establish a program to provide day care service for the employees of the National Institutes of Health similar to those services provided by other Federal agencies (including the availability of day care service on a 24-hour-a-day basis).

"(2) Any day care provider at the National Institutes of Health shall establish a sliding scale of fees that takes into consideration the income and needs of the employee.

"(3) For purposes regarding the provision of day care service, the Director of NIH may enter into rental or lease purchase agreements.".

TITLE IV—GENERAL PROVISIONS RESPECTING NATIONAL RESEARCH INSTITUTES

SEC. 401. APPOINTMENT AND AUTHORITY OF DIRECTORS OF NATIONAL RESEARCH INSTITUTES.

(a) Establishment of General Authority Regarding Direct Funding.—

(1) In general.—Section 405(b)(2) of the Public Health Service Act (42 U.S.C. 284(b)(2)) is amended—

(A) in subparagraph (A), by striking "and" after the semicolon at the end;

(B) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following new subparagraph:

"(C) shall receive from the President and the Office of Management and Budget directly all funds appropriated by the Congress for obligation and expenditure by the Institute.".

(2) Conforming amendment.—Section 413(b)(9) of the Public Health Service Act (42 U.S.C. 285a-2(b)(9)) is amended—

(A) by striking "(A)" after "(9)"; and

(B) by striking "advisory council;" and all that follows and inserting "advisory council.".

(b) Appointment and Duration of Technical and Scientific Peer Review Groups.—Section 405(c) of the Public Health Service Act (42 U.S.C. 284(c)) is amended—

(1) by amending paragraph (3) to read as follows:

"(3) may, in consultation with the advisory council for the Institute and with the approval of the Director of NIH—

"(A) establish technical and scientific peer review groups in addition to those appointed under section 402(b)(6); and

"(B) appoint the members of peer review groups established under subparagraph (A); and"; and

(2) by adding after and below paragraph (4) the following:

"The Federal Advisory Committee Act shall not apply to the duration of a peer review group appointed under paragraph (3).".

SEC. 402. PROGRAM OF RESEARCH ON OSTEOPOROSIS, PAGET'S DISEASE, AND RELATED BONE DISORDERS.

Part B of title IV of the Public Health Service Act (42 U.S.C. 284 et seq.) is amended by adding at the end the following new section:

"RESEARCH ON OSTEOPOROSIS, PAGET'S DISEASE, AND RELATED BONE DISORDERS

"Sec. 409. (a) Establishment.—The Directors of the National Institute of Arthritis and Musculoskeletal and Skin Diseases, the National Institute on Aging, and the National Institute of Diabetes, Digestive and Kidney Diseases, shall expand and intensify the programs of such Institutes with respect to research and related activities concerning osteoporosis, Paget's disease, and related bone disorders.

"(b) Coordination.—The Directors referred to in subsection (a) shall jointly coordinate the programs referred to in such subsection and consult with the Arthritis and Musculoskeletal Diseases Interagency Coordinating Committee and the Interagency Task Force on Aging Research.

"(c) Information Clearinghouse.—

"(1) In general.—In order to assist in carrying out the purpose described in subsection (a), the Director of NIH shall provide for the establishment of an information clearinghouse on osteoporosis and related bone disorders to facilitate and enhance knowledge and understanding on the part of health professionals, patients, and the public through the effective dissemination of information.

"(2) Establishment through grant or contract.—For the purpose of carrying out paragraph (1), the Director of NIH shall enter into a grant, cooperative agreement, or contract with a nonprofit private entity involved in activities regarding the prevention and control of osteoporosis and related bone disorders.

"(d) Authorization of Appropriations.—For the purpose of carrying out this section, there are authorized to be appropriated $40,000,000 for fiscal year 1993, and such sums as may be necessary for each of the fiscal years 1994 through 1996.".

SEC. 403. ESTABLISHMENT OF INTERAGENCY PROGRAM FOR TRAUMA RESEARCH.

(a) In General.—Title XII of the Public Health Service Act (42 U.S.C. 300d et seq.) is amended by adding at the end the following part:

"PART E—INTERAGENCY PROGRAM FOR TRAUMA RESEARCH

"SEC. 1251. ESTABLISHMENT OF PROGRAM.

"(a) In General.—The Secretary, acting through the Director of the National Institutes of Health (hereafter in this section referred to as the 'Director'), shall establish a comprehensive program of conducting basic and clinical research on trauma (hereafter in this section referred to as the 'Program'). The Program shall include research regarding the diagnosis, treatment, rehabilitation, and general management of trauma.

"(b) Plan for Program.—

"(1) In general.—The Director, in consultation with the Trauma Research Interagency Coordinating Committee established under subsection (g), shall establish and implement a plan for carrying out the activities of the Program, including the activities described in subsection (d). All such activities shall be carried out in accordance with the plan. The plan shall be periodically reviewed, and revised as appropriate.

"(2) Submission to congress.—Not later than April 1, 1993, the Director shall submit the plan required in paragraph (1) to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, together with an estimate of the funds needed for each of the fiscal years 1994 through 1996 to implement the plan.

"(c) Participating Agencies; Coordination and Collaboration.—The Director—

"(1) shall provide for the conduct of activities under the Program by the Directors of the agencies of the National Institutes of Health involved in research with respect to trauma;

"(2) shall ensure that the activities of the Program are coordinated among such agencies; and

"(3) shall, as appropriate, provide for collaboration among such agencies in carrying out such activities.

"(d) Certain Activities of Program.—The Program shall include—

"(1) studies with respect to all phases of trauma care, including prehospital, resuscitation, surgical intervention, critical care, infection control, wound healing, nutritional care and support, and medical rehabilitation care;

"(2) basic and clinical research regarding the response of the body to trauma and the acute treatment and medical rehabilitation of individuals who are the victims of trauma; and

"(3) basic and clinical research regarding trauma care for pediatric and geriatric patients.

"(e) Mechanisms of Support.—In carrying out the Program, the Director, acting through the Directors of the agencies referred to in subsection (c)(1), may make grants to public and nonprofit entities, including designated trauma centers.

"(f) Resources.—The Director shall assure the availability of appropriate resources to carry out the Program, including the plan established under subsection (b) (including the activities described in subsection (d)).

"(g) Coordinating Committee.—

"(1) In general.—There shall be established a Trauma Research Interagency Coordinating Committee (hereafter in this section referred to as the 'Coordinating Committee').

"(2) DUTIES.—The Coordinating Committee shall make recommendations regarding—

"(A) the activities of the Program to be carried out by each of the agencies represented on the Committee and the amount of funds needed by each of the agencies for such activities; and

"(B) effective collaboration among the agencies in carrying out the activities.

"(3) COMPOSITION.—The Coordinating Committee shall be composed of the Directors of each of the agencies that, under subsection (c), have responsibilities under the Program, and any other individuals who are practitioners in the trauma field as designated by the Director of the National Institutes of Health.

"(h) DEFINITIONS.—For purposes of this section:

"(1) The term 'designated trauma center' has the meaning given such term in section 1231(1).

"(2) The term 'Director' means the Director of the National Institutes of Health.

"(3) The term 'trauma' means any serious injury that could result in loss of life or in significant disability and that would meet pre-hospital triage criteria for transport to a designated trauma center.".

(b) CONFORMING AMENDMENT.—Section 402 of the Public Health Service Act, as amended by section 308(c) of this Act, is amended by adding at the end the following new subsection:

"(k) The Director of NIH shall carry out the program established in part E of title XII (relating to interagency research on trauma).".

TITLE V—NATIONAL CANCER INSTITUTE

SEC. 501. EXPANSION AND INTENSIFICATION OF ACTIVITIES REGARDING BREAST CANCER.

Subpart 1 of part C of title IV of the Public Health Service Act (42 U.S.C. 285 et seq.) is amended by adding at the end the following new section:

"BREAST AND GYNECOLOGICAL CANCERS

"SEC. 417. (a) EXPANSION AND COORDINATION OF ACTIVITIES.—The Director of the Institute, in consultation with the National Cancer Advisory Board, shall expand, intensify, and coordinate the activities of the Institute with respect to research on breast cancer, ovarian cancer, and other cancers of the reproductive system of women.

"(b) COORDINATION WITH OTHER INSTITUTES.—The Director of the Institute shall coordinate the activities of the Director under subsection (a) with similar activities conducted by other national research institutes and agencies of the National Institutes of Health to the extent that such Institutes and agencies have responsibilities that are related to breast cancer and other cancers of the reproductive system of women.

"(c) PROGRAMS FOR BREAST CANCER.—

"(1) IN GENERAL.—In carrying out subsection (a), the Director of the Institute shall conduct or support research to expand the understanding of the cause of, and to find a cure for, breast cancer. Activities under such subsection shall provide for an expansion and intensification of the conduct and support of—

"(A) basic research concerning the etiology and causes of breast cancer;

"(B) clinical research and related activities concerning the causes, prevention, detection and treatment of breast cancer;

"(C) control programs with respect to breast cancer in accordance with section 412;

"(D) information and education programs with respect to breast cancer in accordance with section 413; and

"(E) research and demonstration centers with respect to breast cancer in accordance with section 414, including the development and operation of centers for breast cancer research to bring together basic and clinical, biomedical and behavioral scientists to conduct basic, clinical, epidemiological, psychosocial, prevention and treatment research and related activities on breast cancer.

Not less than six centers shall be operated under subparagraph (E). Activities of such centers should include supporting new and innovative research and training programs for new researchers. Such centers shall give priority to expediting the transfer of research advances to clinical applications.

"(2) IMPLEMENTATION OF PLAN FOR PROGRAMS.—

"(A) The Director of the Institute shall ensure that the research programs described in paragraph (1) are implemented in accordance with a plan for the programs. Such plan shall include comments and recommendations that the Director of the Institute considers appropriate, with due consideration provided to the professional judgment needs of the Institute as expressed in the annual budget estimate prepared in accordance with section 413(9). The Director of the Institute, in consultation with the National Cancer Advisory Board, shall periodically review and revise such plan.

"(B) Not later than February 1, 1993, the Director of the Institute shall submit a copy of the plan to the President's Cancer Panel, the Secretary and the Director of NIH.

"(C) The Director of the Institute shall submit any revisions of the plan to the President's Cancer Panel, the Secretary, and the Director of NIH.

"(D) The Secretary shall provide a copy of the plan submitted under subparagraph (A), and any revisions submitted under subparagraph (C), to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

"(d) OTHER CANCERS.—In carrying out subsection (a), the Director of the Institute shall conduct or support research on ovarian cancer and other cancers of the reproductive system of women. Activities under such subsection shall provide for the conduct and support of—

"(1) basic research concerning the etiology and causes of ovarian cancer and other cancers of the reproductive system of women;

"(2) clinical research and related activities into the causes, prevention, detection and treatment of ovarian cancer and other cancers of the reproductive system of women;

"(3) control programs with respect to ovarian cancer and other cancers of the reproductive system of women in accordance with section 412;

"(4) information and education programs with respect to ovarian cancer and other cancers of the reproductive system of women in accordance with section 413; and

"(5) research and demonstration centers with respect to ovarian cancer and cancers of the reproductive system in accordance with section 414.

"(e) REPORT.—The Director of the Institute shall prepare, for inclusion in the biennial report submitted under section 407, a report that describes the activities of the National Cancer Institute under the research programs referred to in subsection (a), that shall include—

"(1) a description of the research plan with respect to breast cancer prepared under subsection (c);

"(2) an assessment of the development, revision, and implementation of such plan;

"(3) a description and evaluation of the progress made, during the period for which such report is prepared, in the research programs on breast cancer and cancers of the reproductive system of women;

"(4) a summary and analysis of expenditures made, during the period for which such report is made, for activities with respect to breast cancer and cancers of the reproductive system of women conducted and supported by the National Institutes of Health; and

"(5) such comments and recommendations as the Director considers appropriate.".

SEC. 502. EXPANSION AND INTENSIFICATION OF ACTIVITIES REGARDING PROSTATE CANCER.

Subpart 1 of part C of title IV of the Public Health Service Act, as amended by section 501 of this Act, is amended by adding at the end the following new section:

"PROSTATE CANCER

"SEC. 417A. (a) EXPANSION AND COORDINATION OF ACTIVITIES.—The Director of the Institute, in consultation with the National Cancer Advisory Board, shall expand, intensify, and coordinate the activities of the Institute with respect to research on prostate cancer.

"(b) COORDINATION WITH OTHER INSTITUTES.—The Director of the Institute shall coordinate the activities of the Director under subsection (a) with similar activities conducted by other national research institutes and agencies of the National Institutes of Health to the extent that such Institutes and agencies have responsibilities that are related to prostate cancer.

"(c) PROGRAMS.—

"(1) IN GENERAL.—In carrying out subsection (a), the Director of the Institute shall conduct or support research to expand the understanding of the cause of, and to find a cure for, prostate cancer. Activities under such subsection shall provide for an expansion and intensification of the conduct and support of—

"(A) basic research concerning the etiology and causes of prostate cancer;

"(B) clinical research and related activities concerning the causes, prevention, detection and treatment of prostate cancer;

"(C) prevention and control and early detection programs with respect to prostate cancer in accordance with section 412, particularly as it relates to intensifying research on the role of prostate specific antigen for the screening and early detection of prostate cancer;

"(D) an Inter-Institute Task Force, under the direction of the Director of the Institute, to provide coordination between relevant National Institutes of Health components of research efforts on prostate cancer;

"(E) control programs with respect to prostate cancer in accordance with section 412;

"(F) information and education programs with respect to prostate cancer in accordance with section 413; and

"(G) research and demonstration centers with respect to prostate cancer in accordance with section 414, including the development and operation of centers for prostate cancer research to bring together basic and clinical, biomedical and behavioral scientists to conduct basic, clinical, epidemiological, psychosocial, prevention and treatment research and related activities on prostate cancer.

Not less than six centers shall be operated under subparagraph (G). Activities of such centers should include supporting new and innovative research and training programs for new researchers. Such centers shall give priority to expediting the transfer of research advances to clinical applications.

"(2) IMPLEMENTATION OF PLAN FOR PROGRAMS.—

"(A) The Director of the Institute shall ensure that the research programs described in paragraph (1) are implemented in accordance with a plan for the programs. Such plan shall include comments and recommendations that the Director of the Institute considers appropriate, with due consideration provided to the professional judgment needs of the Institute as expressed in the annual budget estimate prepared in accordance with section 413(9). The Director of the Institute, in consultation with the National Cancer Advisory Board, shall periodically review and revise such plan.

"(B) Not later than February 1, 1993, the Director of the Institute shall submit a copy of the plan to the President's Cancer Panel, the Secretary and the Director of NIH.

"(C) The Director of the Institute shall submit any revisions of the plan to the President's Cancer Panel, the Secretary, and the Director of NIH.

"(D) The Secretary shall provide a copy of the plan submitted under subparagraph (A), and any revisions submitted under subparagraph (C), to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate.".

SEC. 503. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Subpart 1 of part C of title IV of the Public Health Service Act, as amended by section 502 of this Act, is amended by adding at the end the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 417B. (a) ACTIVITIES GENERALLY.—For the purpose of carrying out this subpart, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1993 through 1996.

"(b) BREAST CANCER AND GYNECOLOGICAL CANCERS.—

"(1) BREAST CANCER.—

"(A) For the purpose of carrying out subparagraph (A) of section 417(c)(1), there are authorized to be appropriated $225,000,000 for fiscal year 1993, and such sums as are necessary for each of the fiscal years 1994 through 1996. Such authorizations of appropriations are in addition to the authorizations of appropriations established in subsection (a) and in section 301 with respect to the Director of the Institute carrying out such purpose.

"(B) For the purpose of carrying out subparagraphs (B) through (E) of section 417(c)(1), there are authorized to be appropriated $100,000,000 for fiscal year 1993, and such sums as are necessary for each of the fiscal years 1994 through 1996. Such authorizations of appropriations are in addition to the authorizations of appropriations established in subsection (a) and in section 301 with respect to the Director of the Institute carrying out such purpose.

"(2) OTHER CANCERS.—For the purpose of carrying out subsection (d) of section 417, there are authorized to be appropriated $75,000,000 for fiscal year 1993, and such sums as are necessary for each of the fiscal years 1994 through 1996. Such authorizations of appropriations are in addition to the authorizations of appropriations established in subsection (a) and in section 301 with respect to the Director of the Institute carrying out such purpose.

"(c) PROSTATE CANCER.—For the purpose of carrying out section 417A, there are authorized to be appropriated $72,000,000 for fiscal year 1993, and such sums as may be necessary for each of the fiscal years 1994 through 1996. Such authorizations of appropriations are in addition to the authorizations of appropriations established in subsection (a) and in section 301 with respect to the Director of the Institute carrying out such purpose.

"(d) ALLOCATION REGARDING CANCER CONTROL.—Of the amounts appropriated for the National Cancer Institute for a fiscal year, the Director of the Institute shall make available not less than 10 percent for carrying out the cancer control activities authorized in section 412 and for which budget estimates are made under section 413(b)(9) for the fiscal year.".

(b) SPECIAL RULE REGARDING FUNDS FOR SECTION 412 FOR FISCAL YEAR 1993.—Notwithstanding section 417B(d) of the Public Health Service Act, as added by subsection (a) of this section, the amount made available under such section for fiscal year 1993 for carrying out section 412 of such Act shall be an amount not less than an amount equal to 75 percent of the amount specified for activities under such section 412 in the budget estimate made under section 413(b)(9) of such Act for such fiscal year.

(c) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—Section 408 of the Public Health Service Act (42 U.S.C. 284c) is amended—

(A) by striking subsection (a);

(B) by redesignating subsection (b) as subsection (a);

(C) by redesignating paragraph (5) of subsection (a) (as so redesignated) as subsection (b); and

(D) by amending the heading for the section to read as follows:

"CERTAIN USES OF FUNDS".

(2) CROSS-REFERENCE.—Section 464F of the Public Health Service Act (42 U.S.C. 285m-6) is amended by striking "section 408(b)(1)" and inserting "section 408(a)(1)".

TITLE VI—NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

SEC. 601. EDUCATION AND TRAINING.

Section 421(b) of the Public Health Service Act (42 U.S.C. 285b-3(b)) is amended—

(1) in paragraph (3), by striking "and" after the semicolon at the end;

(2) in paragraph (4), by striking the period at the end and inserting "; and"; and

(3) by inserting after paragraph (4) the following new paragraph:

"(5) shall, in consultation with the advisory council for the Institute, conduct appropriate intramural training and education programs, including continuing education and laboratory and clinical research training programs.".

SEC. 602. CENTERS FOR THE STUDY OF PEDIATRIC CARDIOVASCULAR DISEASES.

Section 422(a)(1) of the Public Health Service Act (42 U.S.C. 285b-4(a)(1)) is amended—

(1) in subparagraph (B), by striking "and" at the end;

(2) in subparagraph (C), by striking the period and inserting "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(D) three centers for basic and clinical research into, training in, and demonstration of, advanced diagnostic, prevention, and treatment (including genetic studies, intrauterine environment studies, postnatal studies, heart arrhythmias, and acquired heart disease and preventive cardiology) for cardiovascular diseases in children.".

SEC. 603. AUTHORIZATION OF APPROPRIATIONS.

Subpart 2 of part C of title IV of the Public Health Service Act (42 U.S.C. 285b et seq.) is amended by adding at the end the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 424. (a) IN GENERAL.—For the purpose of carrying out this subpart, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1993 through 1996.

"(b) ALLOCATION REGARDING PREVENTION AND CONTROL ACTIVITIES.—Of the amounts appropriated under paragraph (1) for a fiscal year, the Director of the Institute shall make available not less than 10 percent for carrying out prevention and control activities authorized in section 419.".

TITLE VII—NATIONAL INSTITUTE ON DIABETES AND DIGESTIVE AND KIDNEY DISEASES

SEC. 701. PROVISIONS REGARDING NUTRITIONAL DISORDERS.

Subpart 3 of part C of title IV of the Public Health Service Act (42 U.S.C. 285c et seq.) is amended by adding at the end the following new section:

"NUTRITIONAL DISORDERS PROGRAM

"SEC. 434. (a) The Director of the Institute shall establish a program of conducting and supporting research, training, health information dissemination, and other activities with respect to nutritional disorders, including obesity.

"(b) In carrying out the program established under subsection (a), the Director of the Institute shall conduct and support each of the activities described in such subsection. The Director of NIH shall ensure that, as appropriate, the other national research institutes and agencies of the National Institutes of Health have responsibilities regarding such activities.

"(c) In carrying out the program established under subsection (a), the Director of the Institute shall carry out activities to facilitate and enhance knowledge and understanding of nutritional disorders, including obesity, on the part of health professionals, patients, and the public through the effective dissemination of information.".

(b) DEVELOPMENT AND EXPANSION OF RESEARCH AND TRAINING CENTERS.—Section 431 of the Public Health Service Act (42 U.S.C. 285c-5) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection:

"(d)(1) The Director of the Institute shall, subject to the extent of amounts made available in appropriations Acts, provide for the development or substantial expansion of centers for research and training regarding nutritional disorders, including obesity.

"(2) The Director of the Institute shall carry out paragraph (1) in collaboration with the Director of the National Cancer Institute and with the Directors of such other agencies of the National Institutes of Health as the Director of NIH determines to be appropriate.

"(3) Each center developed or expanded under paragraph (1) shall—

"(A) utilize the facilities of a single institution, or be formed from a consortium of cooperating institutions, meeting such research and training qualifications as may be prescribed by the Director;

"(B) conduct basic and clinical research into the cause, diagnosis, early detection, prevention, control and treatment of nutritional disorders, including obesity and the impact of nutrition and diet on child development;

"(C) conduct training programs for physicians and allied health professionals in current methods of diagnosis and treatment of such diseases and complications, and in research in such disorders; and

"(D) conduct information programs for physicians and allied health professionals who provide primary care for patients with such disorders or complications.".

TITLE VIII—NATIONAL INSTITUTE ON ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES

SEC. 801. JUVENILE ARTHRITIS.

(a) PURPOSE.—Section 435 of the Public Health Service Act (42 U.S.C. 285d) is amended by striking "including sports-related disorders" and inserting "with particular attention to the effect of these diseases on children".

(b) PROGRAMS.—Section 436 (42 U.S.C. 285d–1) is amended—

(1) in subsection (a), by inserting after the second sentence, the following: "The plan shall place particular emphasis upon expanding research into better understanding the causes and the development of effective treatments for arthritis affecting children."; and

(2) in subsection (b)—

(A) by striking "and" at the end of paragraph (3);

(B) by striking the period at the end of paragraph (4) and inserting "; and"; and

(C) by adding at the end thereof the following new paragraph:

"(5) research into the causes of arthritis affecting children and the development, trial, and evaluation of techniques, drugs and devices used in the diagnosis, treatment (including medical rehabilitation), and prevention of arthritis in children.".

(c) CENTERS.—Section 441 of the Public Health Service Act (42 U.S.C. 286d–6) is amended by adding at the end thereof the following new subsection:

"(f) Not later than April 1, 1993, the Director shall establish a multipurpose arthritis and musculoskeletal disease center for the purpose of expanding the level of research into the cause, diagnosis, early detection, prevention, control, and treatment of, and rehabilitation of children with arthritis and musculoskeletal diseases.".

(d) ADVISORY BOARD.—Section 442 of the Public Health Service Act (42 U.S.C. 285d–7) is amended—

(1) in subsection (b)(1)(B)—

(A) by striking "six" and inserting "seven"; and

(B) by striking "one member" the second place such term appears and all that follows and inserting the following: "two members who are parents of children with arthritis."; and

(2) in subsection (j)—

(A) by striking "and" at the end of paragraph (3);

(B) by striking the period at the end of paragraph (4) and inserting "; and"; and

(C) by adding at the end thereof the following new paragraph:

"(5) contains recommendations for expanding the Institute's funding of research directly applicable to the cause, diagnosis, early detection, prevention, control, and treatment of, and rehabilitation of children with arthritis and musculoskeletal diseases.".

TITLE IX—NATIONAL INSTITUTE ON AGING

SEC. 901. ALZHEIMER'S DISEASE REGISTRY.

(a) IN GENERAL.—Section 12 of Public Law 99–158 (99 Stat. 885) is—

(1) transferred to subpart 5 of part C of title IV of the Public Health Service Act (42 U.S.C. 285e et seq.);

(2) redesignated as section 445G; and

(3) inserted after section 445F of such Act.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Section 445G of the Public Health Service Act, as transferred and inserted by subsection (a) of this section, is amended—

(1) by striking the section heading and all that follows through "may make a grant" in subsection (a) and inserting the following:

"ALZHEIMER'S DISEASE REGISTRY

"SEC. 445G. (a) IN GENERAL.—The Director of the Institute may make a grant"; and

(2) by striking subsection (c).

SEC. 902. AGING PROCESSES REGARDING WOMEN.

Subpart 5 of part C of title IV of the Public Health Service Act, as amended by section 901 of this Act, is amended by adding at the end the following new section:

"AGING PROCESSES REGARDING WOMEN

"SEC. 445H. The Director of the Institute, in addition to other special functions specified in section 444 and in cooperation with the Directors of the other national research institutes and agencies of the National Institutes of Health, shall conduct research into the aging processes of women, with particular emphasis given to the effects of menopause and the physiological and behavioral changes occurring during the transition from pre- to post-menopause, and into the diagnosis, disorders, and complications related to aging and loss of ovarian hormones in women.".

SEC. 903. AUTHORIZATION OF APPROPRIATIONS.

Subpart 5 of part C of title IV of the Public Health Service Act, as amended by section 902 of this Act, is amended by adding at the end the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 445I. For the purpose of carrying out this subpart, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1993 through 1996.".

SEC. 904. CONFORMING AMENDMENT.

Section 445C of the Public Health Service Act (42 U.S.C. 285e–5(b)) is amended—

(1) in subsection (b)(1), in the first sentence, by inserting after "Council" the following: "on Alzheimer's Disease (hereafter in this section referred to as the 'Council')"; and

(2) by adding at the end the following new subsection:

"(d) For purposes of this section, the term 'Council on Alzheimer's Disease' means the council established in section 911(a) of Public Law 99–660.".

TITLE X—NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

SEC. 1001. TROPICAL DISEASES.

Section 446 of the Public Health Service Act (42 U.S.C. 285f) is amended by inserting before the period the following: ", including tropical diseases".

SEC. 1002. CHRONIC FATIGUE SYNDROME.

(a) RESEARCH CENTERS.—Subpart 6 of part C of title IV of the Public Health Service Act (42 U.S.C. 285f) is amended by adding at the end the following new section:

"RESEARCH CENTERS REGARDING CHRONIC FATIGUE SYNDROME

"SEC. 447. (a) The Director of the Institute, after consultation with the advisory council for the Institute, may make grants to, or enter into contracts with, public or nonprofit private entities for the development and operation of centers to conduct basic and clinical research on chronic fatigue syndrome.

"(b) Each center assisted under this section shall use the facilities of a single institution, or be formed from a consortium of cooperating institutions, meeting such requirements as may be prescribed by the Director of the Institute.".

(b) EXTRAMURAL STUDY SECTION.—Not later than 6 months after the date of enactment of this Act, the Secretary of Health and Human Services shall establish an extramural study section for chronic fatigue syndrome research.

(c) REPRESENTATIVES.—The Secretary of Health and Human Services, acting through the Director of the National Institutes of Health, shall ensure that appropriate individuals with expertise in chronic fatigue syndrome or neuromuscular diseases and representative of a variety of disciplines and fields within the research community are appointed to appropriate National Institutes of Health advisory committees and boards.

TITLE XI—NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

Subtitle A—Research Centers With Respect to Contraception and Research Centers With Respect to Infertility

SEC. 1101. GRANTS AND CONTRACTS FOR RESEARCH CENTERS.

Subpart 7 of part C of title IV of the Public Health Service Act, as amended by section 3 of Public Law 101-613, is amended by adding at the end the following new section:

"RESEARCH CENTERS WITH RESPECT TO CONTRACEPTION AND INFERTILITY

"SEC. 452A. (a) The Director of the Institute, after consultation with the advisory council for the Institute, shall make grants to, or enter into contracts with, public or nonprofit private entities for the development and operation of centers to conduct activities for the purpose of improving methods of contraception and centers to conduct activities for the purpose of improving methods of diagnosis and treatment of infertility.

"(b) In carrying out subsection (a), the Director of the Institute shall, subject to the extent of amounts made available in appropriations Acts, provide for the establishment of three centers with respect to contraception and for two centers with respect to infertility.

"(c)(1) Each center assisted under this section shall, in carrying out the purpose of the center involved—

"(A) conduct clinical and other applied research, including—

"(i) for centers with respect to contraception, clinical trials of new or improved drugs and devices for use by males and females (including barrier methods); and

"(ii) for centers with respect to infertility, clinical trials of new or improved drugs and devices for the diagnosis and treatment of infertility in males and females;

"(B) develop protocols for training physicians, scientists, nurses, and other health and allied health professionals;

"(C) conduct training programs for such individuals;

"(D) develop model continuing education programs for such professionals; and

"(E) disseminate information to such professionals and the public.

"(2) A center may use funds provided under subsection (a) to provide stipends for health and allied health professionals enrolled in programs described in subparagraph (C) of paragraph (1), and to provide fees to individuals serving as subjects in clinical trials conducted under such paragraph.

"(d) The Director of the Institute shall, as appropriate, provide for the coordination of information among the centers assisted under this section.

"(e) Each center assisted under subsection (a) shall use the facilities of a single institution, or be formed from a consortium of cooperating institutions, meeting such requirements as may be prescribed by the Director of the Institute.

"(f) Support of a center under subsection (a) may be for a period not exceeding 5 years. Such period may be extended for one or more additional periods not exceeding 5 years if the operations of such center have been reviewed by an appropriate technical and scientific peer review group established by the Director and if such group has recommended to the Director that such period should be extended.

"(g) For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1993 through 1996.".

SEC. 1102. LOAN REPAYMENT PROGRAM FOR RESEARCH WITH RESPECT TO CONTRACEPTION AND INFERTILITY.

Part G of title IV of the Public Health Service Act, as redesignated by section 141(a)(2) of this Act, is amended by inserting after section 487A the following new section:

"LOAN REPAYMENT PROGRAM FOR RESEARCH WITH RESPECT TO CONTRACEPTION AND INFERTILITY

"SEC. 487B. (a) The Secretary, in consultation with the Director of the National Institute of Child Health and Human Development, shall establish a program of entering into agreements with qualified health professionals (including graduate students) under which such health professionals agree to conduct research with respect to contraception, or with respect to infertility, in consideration of the Federal Government agreeing to repay, for each year of such service, not more than $20,000 of the principal and interest of the educational loans of such health professionals.

"(b) The provisions of sections 338B, 338C, and 338E shall apply to the program established in subsection (a) to the same extent and in the same manner as such provisions apply to the National Health Service Corps Loan Repayment Program established in subpart III of part D of title III.

"(c) Amounts appropriated for carrying out this section shall remain available until the expiration of the second fiscal year beginning after the fiscal year for which the amounts were appropriated.".

Subtitle B—Program Regarding Obstetrics and Gynecology

SEC. 1111. ESTABLISHMENT OF PROGRAM.

Subpart 7 of part C of title IV of the Public Health Service Act, as amended by section 1101 of this Act, is amended by adding at the end the following new section:

"PROGRAM REGARDING OBSTETRICS AND GYNECOLOGY

"SEC. 452B. The Director of the Institute shall establish and maintain within the Institute an intramural laboratory and clinical research program in obstetrics and gynecology.".

Subtitle C—Child Health Research Centers

SEC. 1121. ESTABLISHMENT OF CENTERS.

Subpart 7 of part C of title IV of the Public Health Service Act, as amended by section 1111 of this Act, is amended by adding at the end the following new section:

"CHILD HEALTH RESEARCH CENTERS

"SEC. 452C. The Director of the Institute shall develop and support centers for conducting research with respect to child health. Such centers shall give priority to the expeditious transfer of advances from basic science to clinical applications and improving the care of infants and children.".

Subtitle D—Study Regarding Adolescent Health

SEC. 1131. PROSPECTIVE LONGITUDINAL STUDY.

Subpart 7 of part C of title IV of the Public Health Service Act, as amended by section 1121 of this Act, is amended by adding at the end the following new section:

"PROSPECTIVE LONGITUDINAL STUDY ON ADOLESCENT HEALTH

"SEC. 452D. (a) IN GENERAL.—The Director of the Institute shall conduct a study for the purpose of providing information on the general health and well-being of adolescents in the United States, including, with respect to such adolescents, information on—

"(1) the behaviors that promote health and the behaviors that are detrimental to health; and

"(2) the influence on health of factors particular to the communities in which the adolescents reside.

"(b) DESIGN OF STUDY.—

"(1) IN GENERAL.—The study required in subsection (a) shall be a longitudinal study in which a substantial number of adolescents participate as subjects. With respect to the purpose described in such subsection, the study shall monitor the subjects throughout the period of the study to determine the health status of the subjects and any change in such status over time.

"(2) POPULATION-SPECIFIC ANALYSES.—The study required in subsection (a) shall be conducted with respect to the population of adolescents who are female, the population of adolescents who are male, various socioeconomic populations of adolescents, and various racial and ethnic populations of adolescents. The study shall be designed and conducted in a manner sufficient to provide for a valid analysis of whether there are significant differences among such populations in health status and whether and to what extent any such differences are due to factors particular to the populations involved.

"(c) COORDINATION WITH WOMEN'S HEALTH INITIATIVE.—With respect to the national study of women being conducted by the Secretary and known as the Women's Health Initiative, the Secretary shall ensure that such study is coordinated with the component of the study required in subsection (a) that concerns adolescent females, including coordination in the design of the 2 studies.

"(d) ALLOCATION OF FUNDS FOR STUDY.—Of the amounts appropriated for each of the fiscal years 1993 through 1996 for the National Institute of Child Health and Human Development, the Secretary of Health and Human Services, acting through the Director of such Institute, shall reserve $3,000,000 to conduct the study required in subsection (a). The amounts so reserved shall remain available until expended.".

TITLE XII—NATIONAL EYE INSTITUTE

SEC. 1201. CLINICAL RESEARCH ON DIABETES EYE CARE.

Subpart 9 of part C of title IV of the Public Health Service Act (42 U.S.C. 285i) is amended by adding at the end the following new section:

"CLINICAL RESEARCH ON EYE CARE AND DIABETES

"SEC. 456. (a) PROGRAM OF GRANTS.—The Director of the Institute, in consultation with the advisory council for the Institute, may award not more than three grants for the establishment and support of centers for clinical research on eye care for individuals with diabetes.

"(b) AUTHORIZED EXPENDITURES.—The purposes for which a grant under subsection (a) may be expended include equipment for the research described in such subsection and the construction and modernization of facilities for such research.".

TITLE XIII—NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE

SEC. 1301. RESEARCH ON MULTIPLE SCLEROSIS.

Subpart 10 of part C of title IV of the Public Health Service Act (42 U.S.C. 285j et seq.) is amended by adding at the end the following new section:

"RESEARCH ON MULTIPLE SCLEROSIS

"SEC. 460. The Director of the Institute shall conduct and support research on multiple sclerosis, especially research on effects of genetics and hormonal changes on the progress of the disease.".

TITLE XIV—NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

SEC. 1401. APPLIED TOXICOLOGICAL RESEARCH AND TESTING PROGRAM.

(a) IN GENERAL.—Subpart 12 of part C of title IV of the Public Health Service Act (42 U.S.C. 285l) is amended by adding at the end the following new section:

"APPLIED TOXICOLOGICAL RESEARCH AND TESTING PROGRAM

"SEC. 463A. (a) There is established within the Institute a program for conducting applied research and testing regarding toxicology, which program shall be known as the Applied Toxicological Research and Testing Program.

"(b) In carrying out the program established under subsection (a), the Director of the Institute shall, with respect to toxicology, carry out activities—

"(1) to expand knowledge of the health effects of environmental agents;

"(2) to broaden the spectrum of toxicology information that is obtained on selected chemicals;

"(3) to develop and validate assays and protocols, including alternative methods that can reduce or eliminate the use of animals in acute or chronic safety testing;

"(4) to establish criteria for the validation and regulatory acceptance of alternative testing and to recommend a process through which scientifically validated alternative methods can be accepted for regulatory use;

"(5) to communicate the results of research to government agencies, to medical, scientific, and regulatory communities, and to the public; and

"(6) to integrate related activities of the Department of Health and Human Services.".

(b) TECHNICAL AMENDMENT.—Section 463 of the Public Health Service Act (42 U.S.C. 285l) is amended by inserting after "Sciences" the following: "(hereafter in this subpart referred to as the 'Institute')".

TITLE XV—NATIONAL LIBRARY OF MEDICINE

Subtitle A—General Provisions

SEC. 1501. ADDITIONAL AUTHORITIES.

(a) IN GENERAL.—Section 465(b) of the Public Health Service Act (42 U.S.C. 286(b)) is amended—

(1) by striking "and" after the semicolon at the end of paragraph (5);

(2) by redesignating paragraph (6) as paragraph (8); and

(3) by inserting after paragraph (5) the following new paragraphs:

"(6) publicize the availability from the Library of the products and services described in any of paragraphs (1) through (5);

"(7) promote the use of computers and telecommunications by health professionals (including health professionals in rural areas) for the purpose of improving access to biomedical information for health care delivery and medical research; and".

(b) LIMITATION REGARDING GRANTS.—Section 474(b)(2) of the Public Health Service Act (42 U.S.C. 286b–S(b)(2)) is amended by striking "$750,000" and inserting "$1,000,000".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) REPEAL OF CERTAIN AUTHORITY.—Section 215 of the Department of Health and Human Services Appropriations Act, 1988, as contained in section 101(h) of Public Law 100–202 (101 Stat. 1329–275), is repealed.

(2) APPLICABILITY OF CERTAIN NEW AUTHORITY.—With respect to the authority established for the National Library of Medicine in section 465(b)(6) of the Public Health Service Act, as added by subsection (a) of this section, such authority shall be effective as if the authority had been established on December 22, 1987.

SEC. 1502. AUTHORIZATION OF APPROPRIATIONS FOR GENERAL PROGRAM.

Subpart 1 of part D of title IV of the Public Health Service Act (42 U.S.C. 286 et seq.) is amended by adding at the end the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 468. (a) For the purpose of carrying out this subpart, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1993 through 1996. Such authorizations of appropriations are in addition to any other authorization of appropriations that is available for such purpose.

"(b) Amounts appropriated under subsection (a) and made available for grants or contracts under any of sections 472 through 476 shall remain available until the end of the fiscal year following the fiscal year for which the amounts were appropriated.".

Subtitle B—Financial Assistance

SEC. 1511. ESTABLISHMENT OF PROGRAM OF GRANTS FOR DEVELOPMENT OF EDUCATION TECHNOLOGIES.

Section 473 of the Public Health Service Act (42 U.S.C. 286b–4) is amended by adding at the end the following new subsection:

"(c)(1) The Secretary shall make grants to public or nonprofit private institutions for the purpose of carrying out projects of research on, and development and demonstration of, new education technologies.

"(2) The purposes for which a grant under paragraph (1) may be made include projects concerning—

"(A) computer-assisted teaching and testing of clinical competence at health professions and research institutions;

"(B) the effective transfer of new information from research laboratories to appropriate clinical applications;

"(C) the expansion of the laboratory and clinical uses of computer-stored research databases; and

"(D) the testing of new technologies for training health care professionals.

"(3) The Secretary may not make a grant under paragraph (1) unless the applicant for the grant agrees to make the projects available with respect to—

"(A) assisting in the training of health professions students; and

"(B) enhancing and improving the capabilities of health professionals regarding research and teaching.".

SEC. 1512. AUTHORIZATION OF APPROPRIATIONS.

Section 469 of the Public Health Service Act (42 U.S.C. 286b) is amended in the first sentence by striking "there are authorized" and all that follows and inserting the following: "there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1993 through 1996.".

Subtitle C—National Center for Biotechnology Information

SEC. 1521. AUTHORIZATION OF APPROPRIATIONS.

Section 478(c) of the Public Health Service Act (42 U.S.C. 286c(c)) is amended in the first sentence—

(1) by inserting after "appropriated" the following: ", in addition to the authorization of appropriations provided in section 468,"; and

(2) by striking "there are authorized" and all that follows and inserting the following: "there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1993 through 1996.".

Subtitle D—National Information Center on Health Services Research and Health Care Technology

SEC. 1531. ESTABLISHMENT OF CENTER.

Part D of title IV of the Public Health Service Act (42 U.S.C. 286 et seq.) is amended by adding at the end the following new subpart:

"Subpart 4—National Information Center on Health Services Research and Health Care Technology

"NATIONAL INFORMATION CENTER

"SEC. 478A. (a) There is established within the Library an entity to be known as the National Information Center on Health Services Research and Health Care Technology (hereafter in this section referred to as the 'Center').

"(b) The purpose of the Center is the collection, storage, analysis, retrieval, and dissemination of information on health services research and on health care technology, including the assessment of such technology. Such purpose includes developing and maintaining data bases and developing and implementing methods of carrying out such purpose.

"(c) The Secretary, acting through the Center, shall coordinate the activities carried out under this section through the Center with related activities of the Administrator for Health Care Policy and Research.

"(d) For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1993 through 1996.".

SEC. 1532. CONFORMING PROVISIONS.

(a) IN GENERAL.—Section 904(c) of the Public Health Service Act (42 U.S.C. 299a–2(c)) is amended to read as follows:

"(c) REQUIRED INTERAGENCY AGREEMENT.—The Administrator and the Director of the National Library of Medicine shall enter into an agreement providing for the implementation of section 478A.".

(b) RULE OF CONSTRUCTION.—The amendments made by section 1531 and by subsection (a) of this section may not be construed to terminate the information center on health care technologies and health care technology assessment established under section 904 of the Public Health Service Act, as in effect on the day before the date of the enactment of this Act. Such center shall be considered to be the center established in section 478A of the Public Health Service Act, as added by section 1531 of this Act, and shall be subject to the provisions of such section 478A.

TITLE XVI—OTHER AGENCIES OF NATIONAL INSTITUTES OF HEALTH

Subtitle A—Division of Research Resources

SEC. 1601. REDESIGNATION OF DIVISION AS NATIONAL CENTER FOR RESEARCH RESOURCES.

Title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended—

(1) in section 401(b)(2)(B), by amending such subparagraph to read as follows:

"(B) The National Center for Research Resources."; and

(2) in part E—

(A) in the heading for subpart 1, by striking "Division of" and inserting "National Center for";

(B) in section 479, by striking "the Division of Research Resources" and inserting the following: "the National Center for Research Resources (hereafter in this subpart referred to as the 'Center')";

(C) in sections 480 and 481, by striking "the Division of Research Resources" each place such term appears and inserting "the Center"; and

(D) in sections 480 and 481, as amended by subparagraph (C), by striking "the Division" each place such term appears and inserting "the Center".

SEC. 1602. BIOMEDICAL AND BEHAVIORAL RESEARCH FACILITIES.

Subpart 1 of part E of title IV of the Public Health Service Act (42 U.S.C. 287 et seq.) is amended by adding at the end the following new section:

"BIOMEDICAL AND BEHAVIORAL RESEARCH FACILITIES

"SEC. 481A. (a) MODERNIZATION AND CONSTRUCTION OF FACILITIES.—

"(1) IN GENERAL.—The Director of NIH, acting through the Director of the Center, may make grants to public and nonprofit private entities to expand, remodel, renovate, or alter existing research facilities or construct new research facilities, subject to the provisions of this section.

"(2) CONSTRUCTION AND COST OF CONSTRUCTION.—For purposes of this section, the terms 'construction' and 'cost of construction' include the construction of new buildings and the expansion, renovation, remodeling, and alteration of existing buildings, including architects' fees, but do not include the cost of acquisition of land or off-site improvements.

"(b) SCIENTIFIC AND TECHNICAL REVIEW BOARDS FOR MERIT-BASED REVIEW OF PROPOSALS.—

"(1) IN GENERAL; APPROVAL AS PRECONDITION TO GRANTS.—

"(A) There is established within the Center a Scientific and Technical Review Board on Biomedical and Behavioral Research Facilities (hereafter referred to in this section as the 'Board').

"(B) The Director of the Center may approve an application for a grant under subsection (a) only if the Board has under paragraph (2) recommended the application for approval.

"(2) DUTIES.—

"(A) The Board shall provide advice to the Director of the Center and the advisory council established under section 480 (hereafter in this section referred to as the 'Advisory Council') on carrying out this section.

"(B) In carrying out subparagraph (A), the Board shall make a determination of the merit of each application submitted for a grant under subsection (a), after consideration of the requirements established in subsection (c), and shall report the results of the determination to the Director of the Center and the Advisory Council. Such determinations shall be conducted in a manner consistent with procedures established under section 492.

"(C) In carrying out subparagraph (A), the Board shall, in the case of applications recommended for approval, make recommendations to the Director and the Advisory Council on the amount that should be provided in the grant.

"(D) In carrying out subparagraph (A), the Board shall prepare an annual report for the Director of the Center and the Advisory Council describing the activities of the Board in the fiscal year for which the report is made. Each such report shall be available to the public, and shall—

"(i) summarize and analyze expenditures made under this section;

"(ii) provide a summary of the types, numbers, and amounts of applications that were recommended for grants under subsection (a) but that were not approved by the Director of the Center; and

"(iii) contain the recommendations of the Board for any changes in the administration of this section.

"(3) MEMBERSHIP.—

"(A) Subject to subparagraph (B), the Board shall be composed of such appointed and ex officio members as the Director of the Center may determine.

"(B) Not more than 3 individuals who are officers or employees of the Federal Government may serve as members of the Board.

"(C) Of the members of the Board—

"(i) 12 shall be appointed by the Director of the Center (without regard to the civil service laws); and

"(ii) 1 shall be an official of the National Science Foundation designated by the National Science Board.

"(4) CERTAIN REQUIREMENTS REGARDING MEMBERSHIP.—In selecting individuals for membership on the Board, the Director of the Center shall ensure that the members are individuals who, by the virtue of their training or experience, are eminently qualified to perform peer review functions. In selecting such individuals for such membership, the Director of the Center shall ensure that the members of the Board collectively—

"(A) are experienced in the planning, construction, financing, and administration of entities that conduct biomedical or behavioral research sciences;

"(B) are knowledgeable in making determinations of the need of entities for biomedical or behavioral research facilities, including such facilities for the dentistry, nursing, pharmacy, and allied health professions;

"(C) are knowledgeable in evaluating the relative priorities for applications for grants under subsection (a) in view of the overall research needs of the United States; and

"(D) are experienced with emerging centers of excellence, as described in subsection (c)(3).

"(5) CERTAIN AUTHORITIES.—

"(A) In carrying out paragraph (2), the Board may establish subcommittees, convene workshops and conferences, and collect data as the Board considers appropriate.

"(B) In carrying out paragraph (2), the Board may establish subcommittees within the Board. Such subcommittees may hold meetings as determined necessary to enable the subcommittee to carry out its duties.

"(6) TERMS.—

"(A) Except as provided in subparagraph (B), each appointed member of the Board shall hold office for a term of 4 years. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which such member's predecessor was appointed shall be appointed for the remainder of the term of the predecessor.

"(B) Of the initial members appointed to the Board (as specified by the Director of the Center when making the appointments)—

"(i) 3 shall hold office for a term of 3 years;

"(ii) 3 shall hold office for a term of 2 years; and

"(iii) 3 shall hold office for a term of 1 year.

"(C) No member is eligible for reappointment to the Board until 1 year has elapsed after the end of the most recent term of the member.

"(7) COMPENSATION.—Members of the Board who are not officers or employees of the United States shall receive for each day the members are engaged in the performance of the functions of the Board compensation at the same rate received by members of other national advisory councils established under this title.

"(c) REQUIREMENTS FOR GRANTS.—

"(1) IN GENERAL.—The Director of the Center may make a grant under subsection (a) only if the applicant for the grant meets the following conditions:

"(A) The applicant is determined by such Director to be competent to engage in the type of research for which the proposed facility is to be constructed.

"(B) The applicant provides assurances satisfactory to the Director that—

"(i) for not less than 20 years after completion of the construction, the facility will be used for the purposes of research for which it is to be constructed;

"(ii) sufficient funds will be available to meet the non-Federal share of the cost of constructing the facility;

"(iii) sufficient funds will be available, when construction is completed, for the effective use of the facility for the research for which it is being constructed; and

"(iv) the proposed construction will expand the applicant's capacity for research, or is necessary to improve or maintain the quality of the applicant's research.

"(C) The applicant meets reasonable qualifications established by the Director with respect to—

"(i) the relative scientific and technical merit of the applications, and the relative effectiveness of the proposed facilities, in expanding the capacity for biomedical or behavioral research and in improving the quality of such research;

"(ii) the quality of the research or training, or both, to be carried out in the facilities involved;

"(iii) the need of the applicant for such facilities in order to maintain or expand the applicant's research and training mission;

"(iv) the congruence of the research activities to be carried out within the facility with the research and investigator manpower needs of the United States; and

"(v) the age and condition of existing research facilities and equipment.

"(D) The applicant has demonstrated a commitment to enhancing and expanding the research productivity of the applicant.

"(2) CONSIDERATION OF CERTAIN FACTORS.—In making grants under subsection (a), the Director of the Center may, in addition to the requirements established in paragraph (1), consider the following factors:

"(A) To what extent the applicant has the capacity to broaden the scope of research and research training programs of the applicant by promoting—

"(i) interdisciplinary research;

"(ii) research on emerging technologies, including those involving novel analytical techniques or computational methods; or

"(iii) other novel research mechanisms or programs.

"(B) To what extent the applicant has broadened the scope of research and research training programs of qualified institutions by promoting genomic research with an emphasis on interdisciplinary research, including research related to pediatric investigations.

"(3) INSTITUTIONS OF EMERGING EXCELLENCE.—Of the amounts appropriated under subsection (i) for a fiscal year, the Director of the Center shall make available 25 percent for grants under subsection (a) to applicants that, in addition to meeting the requirements established in paragraph (1), have demonstrated emerging excellence in biomedical or behavioral research, as follows:

"(A) The applicant has a plan for research or training advancement and possesses the ability to carry out the plan.

"(B) The applicant carries out research and research training programs that have a special relevance to a problem, concern, or unmet health need of the United States.

"(C) The applicant has been productive in research or research development and training.

"(D) The applicant—

"(i) has been designated as a center of excellence under section 782;

"(ii) is located in a geographic area a significant percentage of whose population has a health-status deficit, and the applicant provides health services to such population; or

"(iii) is located in a geographic area in which a deficit in health care technology, services, or research resources may adversely affect health status of the population of the area in the future, and the applicant is carrying out activities with respect to protecting the health status of such population.

"(d) REQUIREMENT OF APPLICATION.—The Director of the Center may make a grant under subsection (a) only if an application for the grant is submitted to the Director and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Director determines to be necessary to carry out this section.

"(e) AMOUNT OF GRANT; PAYMENTS.—

"(1) AMOUNT.—The amount of any grant awarded under subsection (a) shall be determined by the Director of the Center, except that such amount shall not exceed—

"(A) 50 percent of the necessary cost of the construction of a proposed facility as determined by the Director; or

"(B) in the case of a multipurpose facility, 40 percent of that part of the necessary cost of construction that the Director determines to be proportionate to the contemplated use of the facility.

"(2) RESERVATION OF AMOUNTS.—On approval of any application for a grant under subsection (a), the Director of the Center shall reserve, from any appropriation available therefore, the amount of such grant, and shall pay such amount, in advance or by way of reimbursement, and in such installments consistent with the construction progress, as the Director may determine appropriate. The reservation of the Director of any amount by the Director under this paragraph may be amended by the Director, either on the approval of an amendment of the application or on the revision of the estimated cost of construction of the facility.

"(3) EXCLUSION OF CERTAIN COSTS.—In determining the amount of any grant under this subsection (a), there shall be excluded from the cost of construction an amount equal to the sum of—

"(A) the amount of any other Federal grant that the applicant has obtained, or is assured of obtaining, with respect to construction that is to be financed in part by a grant authorized under this section; and

"(B) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant.

"(4) WAIVER OF LIMITATIONS.—The limitations imposed by paragraph (1) may be waived at the discretion of the Director for applicants meeting the conditions described in paragraphs (1) and (2) of subsection (c).

"(f) RECAPTURE OF PAYMENTS.—If, not later than 20 years after the completion of construction for which a grant has been awarded under subsection (a)—

"(1) the applicant or other owner of the facility shall cease to be a public or nonprofit private entity; or

"(2) the facility shall cease to be used for the research purposes for which it was constructed (unless the Director determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from obligation to do so);

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the current value (as determined by an agreement between the parties or by action brought in the United States District Court for the district in which such facility is situated) of the facility as the amount of the Federal participation bore to the cost of the construction of such facility.

"(g) NONINTERFERENCE WITH ADMINISTRATION OF ENTITIES.—Except as otherwise specifically provided in this section, nothing contained in this part shall be construed as authorizing any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or impose any requirement or condition with respect to the administration of any entity funded under this part.

"(h) GUIDELINES.—Not later than 6 months after the date of the enactment of this section, the Director of the Center, after consultation with the Advisory Council, shall issue guidelines with respect to grants under subsection (a).

"(i) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1993 through 1996.".

SEC. 1603. CONSTRUCTION PROGRAM FOR NATIONAL PRIMATE RESEARCH CENTER.

Subpart 1 of part E of title IV of the Public Health Service Act, as amended by section 1602 of this Act, is amended by adding at the end the following new section:

"CONSTRUCTION OF REGIONAL CENTERS FOR RESEARCH ON PRIMATES

"SEC. 481B. (a) With respect to activities carried out by the National Center for Research Resources to support regional centers for research on primates, the Director of NIH shall, for each of the fiscal years 1993 through 1996, reserve from the amounts appropriated under section 481A(i) $7,000,000 for the purpose of making awards of grants and contracts to public or nonprofit private entities to construct, renovate, or otherwise improve such regional centers. The reservation of such amounts for any fiscal year is subject to the availability of qualified applicants for such awards.

"(b) The Director of NIH may not make a grant or enter into a contract under subsection (a) unless the applicant for such assistance agrees, with respect to the costs to be incurred by the applicant in carrying out the purpose described in such subsection, to make available (directly or through donations from public or private entities) non-Federal contributions in cash toward such costs in an amount equal to not less than $1 for each $4 of Federal funds provided in such assistance.".

Subtitle B—National Center for Nursing Research

SEC. 1611. REDESIGNATION OF NATIONAL CENTER FOR NURSING RESEARCH AS NATIONAL INSTITUTE OF NURSING RESEARCH.

(a) IN GENERAL.—Subpart 3 of part E of title IV of the Public Health Service Act (42 U.S.C. 287c et seq.) is amended—

(1) in section 483—

(A) in the heading for the section, by striking "CENTER" and inserting "INSTITUTE"; and

(B) by striking "The general purpose" and all that follows through "is" and inserting the following: "The general purpose of the National Institute of Nursing Research (hereafter in this subpart referred to as the 'Institute') is";

(2) in section 484, by striking "Center" each place such term appears and inserting "Institute";

(3) in section 485—

(A) in subsection (a), in each of paragraphs (1) through (3), by striking "Center" each place such term appears and inserting "Institute";

(B) in subsection (b)—

(i) in paragraph (2)(A), by striking "Center" and inserting "Institute"; and

(ii) in paragraph (3)(A), in the first sentence, by striking "Center" and inserting "Institute"; and

(C) in subsections (d) through (g), by striking "Center" each place such term appears and inserting "Institute"; and

(4) in section 485A (as redesignated by section 141(a)(1) of this Act), by striking "Center" each place such term appears and inserting "Institute".

(b) CONFORMING AMENDMENTS.—

(1) ORGANIZATION OF NATIONAL INSTITUTE OF HEALTH.—Section 401(b) of the Public Health Service Act (42 U.S.C. 281(b)) is amended—

(A) in paragraph (1), by adding at the end the following new subparagraph:

"(Q) The National Institute of Nursing Research."; and

(B) in paragraph (2), by striking subparagraph (D).

(2) TRANSFER OF STATUTORY PROVISIONS.—Sections 483 through 485A of the Public Health Service Act, as amended by subsection (a) of this section—

(A) are transferred to part C of title IV of such Act;

(B) are redesignated as sections 464V through 464Y of such part; and

(C) are inserted, in the appropriate sequence, at the end of such part.

(3) HEADING FOR NEW SUBPART.—Title IV of the Public Health Service Act, as amended by the preceding provisions of this section, is amended—

(A) in part C, by inserting before section 464V the following new heading:

"Subpart 17—National Institute of Nursing Research"; and

(B) by striking the heading for subpart 3 of part E.

(4) CROSS-REFERENCES.—Title IV of the Public Health Service Act, as amended by the preceding provisions of this section, is amended in subpart 17 of part C—

(A) in section 464W, by striking "section 483" and inserting "section 464V";

(B) in section 464X(g), by striking "section 486" and inserting "section 464Y"; and

(C) in section 464Y, in the last sentence, by striking "section 485(g)" and inserting "section 464X(g)".

Subtitle C—National Center for Human Genome Research

SEC. 1621. PURPOSE OF CENTER.

Title IV of the Public Health Service Act, as amended by sections 141(a)(1) and 1611(b)(1)(B) of this Act, is amended—

(1) in section 401(b)(2), by adding at the end the following new subparagraph:

"(D) The National Center for Human Genome Research."; and

(2) in part E, by adding at the end the following new subpart:

"Subpart 4—National Center for Human Genome Research

"PURPOSE OF THE CENTER

"SEC. 485B. (a) The general purpose of the National Center for Human Genome Research (hereafter in this subpart referred to as the 'Center') is to characterize the structure and function of the human genome, including the mapping and sequencing of individual genes. Such purpose includes—

"(1) planning and coordinating the research goal of the genome project;

"(2) reviewing and funding research proposals;

"(3) developing training programs;

"(4) coordinating international genome research;

"(5) communicating advances in genome science to the public; and

"(6) reviewing and funding proposals to address the ethical issues associated with the genome project.

"(b)(1) Except as provided in paragraph (2), of the amounts appropriated to carry out subsection (a) for a fiscal year, the Director of the Center shall make available not less than 5 percent for carrying out paragraph (6) of such subsection.

"(2) With respect to providing funds under subsection (a)(6) for proposals to address the ethical issues associated with the genome project, paragraph (1) shall not apply for a fiscal year if the Director of the Center certifies to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, that the Director has determined that an insufficient number of such proposals meet the applicable requirements of sections 491 and 492.".

TITLE XVII—AWARDS AND TRAINING

Subtitle A—National Research Service Awards

SEC. 1701. REQUIREMENT REGARDING WOMEN AND INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS.

Section 487(a) of the Public Health Service Act (42 U.S.C. 288(a)(4)) is amended by adding at the end the following paragraph:

"(4) The Secretary shall carry out paragraph (1) in a manner that will result in the recruitment of women, and individuals from disadvantaged backgrounds, into fields of biomedical or behavioral research and in the provision of research training to women and such individuals.".

Subtitle B—Acquired Immune Deficiency Syndrome

SEC. 1711. LOAN REPAYMENT PROGRAM.

Section 487A of the Public Health Service Act (42 U.S.C. 288-1) is amended to read as follows:

"LOAN REPAYMENT PROGRAM FOR RESEARCH WITH RESPECT TO ACQUIRED IMMUNE DEFICIENCY SYNDROME

"SEC. 487A. (a) IN GENERAL.—

"(1) AUTHORITY FOR PROGRAM.—Subject to paragraph (2), the Secretary shall carry out a program of entering into agreements with appropriately qualified health professionals under which such health professionals agree to conduct, as employees of the National Institutes of Health, research with respect to acquired immune deficiency syndrome in consideration of the Federal Government agreeing to repay, for each year of such service, not more than $20,000 of the principal and interest of the educational loans of such health professionals.

"(2) LIMITATION.—The Secretary may not enter into an agreement with a health professional pursuant to paragraph (1) unless such professional—

"(A) has a substantial amount of educational loans relative to income; and

"(B)(i) was not employed at the National Institutes of Health during the 1-year period preceding the date of the enactment of the Health Professions Reauthorization Act of 1988; or

"(ii) agrees to serve as an employee of such Institutes for purposes of paragraph (1) for a period of not less than 3 years.".

"(b) APPLICABILITY OF CERTAIN PROVISIONS.—With respect to the National Health Service Corps Loan Repayment Program established in subpart III of part D of title III, the provisions of such subpart shall, except as inconsistent with subsection (a) of this section, apply to the program established in such subsection (a) in the same manner and to the same extent as such provisions apply to the National Health Service Corps Loan Repayment Program established in such subpart.

"(c) FUNDING; REIMBURSABLE TRANSFERS.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1993 through 1996.

"(2) TRANSFERS FOR RELATED PROGRAM.—The Commissioner of Food and Drugs may carry out for the Food and Drug Administration a program similar to the program established in subsection (a), which program shall be carried out with respect to the review of applications concerning acquired immune deficiency syndrome that are submitted to such Commissioner. From the amounts appropriated under paragraph (1) for a fiscal year, the Secretary may transfer amounts to the Commissioner for the purpose of carrying out such program. The Commissioner shall provide a reimbursement to the Secretary for the amount so transferred, and the reimbursement shall be available only for the program established in subsection (a). Any transfer and reimbursement made for purposes of this paragraph for a fiscal year shall be completed by April 1 of such year.".

Subtitle C—Loan Repayment for Research Generally

SEC. 1721. ESTABLISHMENT OF PROGRAM.

Part G of title IV of the Public Health Service Act, as redesignated by section 141(a)(2) of this Act and as amended by section 1102 of this Act, is amended by inserting after section 487B the following new section:

"LOAN REPAYMENT PROGRAM FOR RESEARCH GENERALLY

"SEC. 487C. (a) IN GENERAL.—

"(1) AUTHORITY FOR PROGRAM.—Subject to paragraph (2), the Secretary shall carry out a program of entering into agreements with appropriately qualified health professionals under which such health professionals agree to conduct research, as employees of the National Institutes of Health, in consideration of the Federal Government agreeing to repay, for each year of such service, not more than $20,000 of the principal and interest of the educational loans of such health professionals.

"(2) LIMITATION.—The Secretary may not enter into an agreement with a health professional pursuant to paragraph (1) unless such professional—

"(A) has a substantial amount of educational loans relative to income; and

"(B)(i) was not employed at the National Institutes of Health during the 1-year period preceding the date of the enactment of the Health Professions Reauthorization Act of 1988; or

"(ii) agrees to serve as an employee of such Institutes for purposes of paragraph (1) for a period of not less than 3 years.".

"(b) APPLICABILITY OF CERTAIN PROVISIONS.—With respect to the National Health Service Corps Loan Repayment Program established in subpart III of part D of title III, the provisions of such subpart shall, except as inconsistent with subsection (a) of this section, apply to the program established in such subsection (a) in the same manner and to the same extent as such provisions apply to the National Health Service Corps Loan Repayment Program established in such subpart.

"(c) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section other than with respect to acquired immune deficiency syndrome, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1993 through 1996.".

Subtitle D—Scholarship and Loan Repayment Programs Regarding Professional Skills Needed by Certain Agencies

SEC. 1731. ESTABLISHMENT OF PROGRAMS FOR NATIONAL INSTITUTES OF HEALTH.

Part G of title IV of the Public Health Service Act, as redesignated by section 141(a)(2) of this Act and as amended by section 1721 of this Act, is amended by inserting after section 487C the following new sections:

"UNDERGRADUATE SCHOLARSHIP PROGRAM REGARDING PROFESSIONS NEEDED BY NATIONAL RESEARCH INSTITUTES

"SEC. 487D. (a) ESTABLISHMENT OF PROGRAM.—

"(1) IN GENERAL.—Subject to section 487(a)(1)(C), the Secretary, acting through the Director of NIH, may carry out a program of entering into contracts with individuals described in paragraph (2) under which—

"(A) the Director of NIH agrees to provide to the individuals scholarships for pursuing, as undergraduates at accredited institutions of higher education, academic programs appropriate for careers in professions needed by the National Institutes of Health; and

"(B) the individuals agree to serve as employees of the National Institutes of Health, for the period described in subsection (c), in positions that are needed by the National Institutes of Health and for which the individuals are qualified.

"(2) INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS.—The individuals referred to in paragraph (1) are individuals who—

"(A) are enrolled or accepted for enrollment as full-time undergraduates at accredited institutions of higher education; and

"(B) are from disadvantaged backgrounds.

"(b) FACILITATION OF INTEREST OF STUDENTS IN CAREERS AT NATIONAL INSTITUTES OF HEALTH.—In providing employment to individuals pursuant to contracts under subsection (a)(1), the Director of NIH shall carry out activities to facilitate the interest of the individuals in pursuing careers as employees of the National Institutes of Health.

"(c) PERIOD OF OBLIGATED SERVICE.—

"(1) DURATION OF SERVICE.—For purposes of subparagraph (B) of subsection (a)(1), the period of service for which an individual is obligated to serve as an employee of the National Institutes of Health is 12 months for each academic year for which the scholarship under such subsection is provided.

"(2) SCHEDULE FOR SERVICE.—

"(A) Subject to subparagraph (B), the Director of NIH may not provide a scholarship under subsection (a) unless the individual applying for the scholarship agrees that—

"(i) the individual will serve as an employee of the National Institutes of Health full-time for not less than 10 consecutive weeks of each year during which the individual is attending the educational institution involved and receiving such a scholarship;

"(ii) the period of service as such an employee that the individual is obligated to provide under clause (i) is in addition to the period of service as such an employee that the individual is obligated to provide under subsection (a)(1)(B); and

"(iii) not later than 60 days after obtaining the educational degree involved, the individual will begin serving full-time as such an employee in satisfaction of the period of service that the individual is obligated to provide under subsection (a)(1)(B).

"(B) The Director of NIH may defer the obligation of an individual to provide a period of service under subsection (a)(1)(B), if the Director determines that such a deferral is appropriate.

"(3) APPLICABILITY OF CERTAIN PROVISIONS RELATING TO APPOINTMENT AND COMPENSATION.—For any period in which an individual provides service as an employee of the National Institutes of Health in satisfaction of the obligation of the individual under subsection (a)(1)(B) or paragraph (2)(A)(i), the individual may be appointed as such an employee without regard to the provisions of title 5, United States Code, relating to appointment and compensation.

"(d) PROVISIONS REGARDING SCHOLARSHIP.—

"(1) APPROVAL OF ACADEMIC PROGRAM.—The Director of NIH may not provide a scholarship under subsection (a) for an academic year unless—

"(A) the individual applying for the scholarship has submitted to the Director a proposed academic program for the year and the Director has approved the program; and

"(B) the individual agrees that the program will not be altered without the approval of the Director.

"(2) ACADEMIC STANDING.—The Director of NIH may not provide a scholarship under subsection (a) for an academic year unless the individual applying for the scholarship agrees to maintain an acceptable level of academic standing, as determined by the educational institution involved in accordance with regulations issued by the Secretary.

"(3) LIMITATION ON AMOUNT.—The Director of NIH may not provide a scholarship under subsection (a) for an academic year in an amount exceeding $20,000.

"(4) AUTHORIZED USES.—A scholarship provided under subsection (a) may be expended only for tuition expenses, other reasonable educational expenses, and reasonable living expenses incurred in attending the school involved.

"(5) CONTRACT REGARDING DIRECT PAYMENTS TO INSTITUTION.—In the case of an institution of higher education with respect to which a scholarship under subsection (a) is provided, the Director of NIH may enter into a contract with the institution under which the amounts provided in the scholarship for tuition and other educational expenses are paid directly to the institution. Payments to the institution under the contract may be made without regard to section 3324 of title 31, United States Code.

"(e) PENALTIES FOR BREACH OF SCHOLARSHIP CONTRACT.—The provisions of section 338E shall apply to the program established in subsection (a) to the same extent and in the same manner as such provisions apply to the National Health Service Corps Loan Repayment Program established in section 338B.

"(f) REQUIREMENT OF APPLICATION.—The Director of NIH may not provide a scholarship under subsection (a) unless an application for the scholarship is submitted to the Director and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Director determines to be necessary to carry out this section.

"(g) AVAILABILITY OF AUTHORIZATION OF APPROPRIATIONS.—Amounts appropriated for a fiscal year for scholarships under this section shall remain available until the expiration of the second fiscal year beginning after the fiscal year for which the amounts were appropriated.

"LOAN REPAYMENT PROGRAM REGARDING CLINICAL RESEARCHERS FROM DISADVANTAGED BACKGROUNDS

"SEC. 487E. (a) IMPLEMENTATION OF PROGRAM.—

"(1) IN GENERAL.—Subject to section 487(a)(1)(C), the Secretary, acting through the Director of NIH may, subject to paragraph (2), carry out a program of entering into contracts with appropriately qualified health professionals who are from disadvantaged backgrounds under which such health professionals agree to conduct clinical research as employees of the National Institutes of Health in consideration of the Federal Government agreeing to pay, for each year of such service, not more than $20,000 of the principal and interest of the educational loans of the health professionals.

"(2) LIMITATION.—The Director of NIH may not enter into a contract with a health professional pursuant to paragraph (1) unless such professional has a substantial amount of education loans relative to income.

"(3) APPLICABILITY OF CERTAIN PROVISIONS REGARDING OBLIGATED SERVICE.—Except to the extent inconsistent with this section, the provisions of sections 338C and 338E shall apply to the program established in paragraph (1) to the same extent and in the same manner as such provisions apply to the National Health Service Corps Loan Repayment Program established in section 338B.

"(b) AVAILABILITY OF AUTHORIZATION OF APPROPRIATIONS.—Amounts appropriated for a fiscal year for contracts under subsection (a) shall remain available until the expiration of the second fiscal year beginning after the fiscal year for which the amounts were appropriated.".

SEC. 1732. FUNDING.

Section 487(a)(1) of the Public Health Service Act (42 U.S.C. 288(a)(1)) is amended—

(1) in subparagraph (A), by striking "and" after the semicolon at the end;

(2) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(C) provide contracts for scholarships and loan repayments in accordance with sections 487D and 487E, subject to providing not more than an aggregate 50 such contracts during the fiscal years 1993 through 1996.".

Subtitle D—Funding

SEC. 1741. AUTHORIZATION OF APPROPRIATIONS.

Section 487(d) of the Public Health Service Act (42 U.S.C. 288(d)) is amended—

(1) in the first sentence, by amending the sentence to read as follows: "For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1993 through 1996."; and

(2) in paragraph (3)—

(A) by striking "one-half of one percent" each place such term appears and inserting "1 percent"; and

(B) by inserting "785," after "784,".

TITLE XVIII—NATIONAL FOUNDATION FOR BIOMEDICAL RESEARCH

SEC. 1801. MISCELLANEOUS PROVISIONS.

Section 499A of the Public Health Service Act (42 U.S.C. 289l) is amended—

(1) in the second sentence of subsection (c)(1)(A), by inserting ", except the ex officio members," after "Foundation"; and

(2) in subsection (i)(1), by striking "1995" and inserting "1996".

TITLE XIX—RESEARCH WITH RESPECT TO ACQUIRED IMMUNE DEFICIENCY SYNDROME

SEC. 1901. REVISION AND EXTENSION OF VARIOUS PROGRAMS.

Title XXIII of the Public Health Service Act (42 U.S.C. 300cc et seq.) is amended—

(1) in section 2304(c)(1)—

(A) in the matter preceding subparagraph (A), by inserting after "Director of such Institute" the following: "(and may provide advice to the Directors of other agencies of the National Institutes of Health, as appropriate)"; and

(B) in subparagraph (A), by inserting before the semicolon the following: ", including recommendations on the projects of research with respect to diagnosing immune deficiency and with respect to predicting, diagnosing, preventing, and treating opportunistic cancers and infectious diseases";

(2) in section 2311(a)(1), by inserting before the semicolon the following: ", including evaluations of methods of diagnosing immune deficiency and evaluations of methods of predicting, diagnosing, preventing, and treating opportunistic cancers and infectious diseases";

(3) in section 2315—

(A) in subsection (a)(2), by striking "international research" and all that follows and inserting "international research and training concerning the natural history and pathogenesis of the human immunodeficiency virus and the development and evaluation of vaccines and treatments for acquired immune deficiency syndrome and opportunistic infections."; and

(B) in subsection (f), by striking "and 1991" and inserting "through 1996";

(4) in section 2318—

(A) in subsection (a)(1)—

(i) by inserting after "The Secretary" the following: ", acting through the Director of the National Institutes of Health and after consultation with the Administrator for Health Care Policy and Research,"; and

(ii) by striking "syndrome" and inserting "syndrome, including treatment and prevention of HIV infection and related conditions among women"; and

(B) in subsection (e), by striking "1991." and inserting the following: "1991, and such sums as may be necessary for each of the fiscal years 1993 through 1996.";

(5) in section 2320(b)(1)(A), by striking "syndrome" and inserting "syndrome and the natural history of such infection";

(6)(A) in section 2351(a)—

(i) by redesignating paragraphs (2) through (8) as paragraphs (3) through (9); and

(ii) by inserting after paragraph (1) the following new paragraph:

"(2)(A) shall develop and implement a comprehensive plan for the conduct and support of such research by the agencies of the National Institutes of Health, which plan shall specify the objectives to be achieved, the date by which the objectives are expected to be achieved, and an estimate of the resources needed to achieve the objectives by such date; and

"(B) shall develop and implement a plan for evaluating the sufficiency of the plan developed under subparagraph (A) and for evaluating the extent to which activities of the National Institutes of Health have been in accordance with the plan;"; and

(B) in section 2301(b)(6), by inserting before the semicolon the following: ", including evaluations conducted under section 2351(a)(2)(B)";

(7) in section 2361, by striking "For purposes" and all that follows and inserting the following:

"For purposes of this title:

"(1) The term 'infection', with respect to the etiologic agent for acquired immune deficiency syndrome, includes opportunistic cancers and infectious diseases and any other conditions arising from infection with such etiologic agent.

"(2) The term 'treatment', with respect to the etiologic agent for acquired immune deficiency syndrome, includes primary and secondary prophylaxis.";

(8) in section 2315(f), by striking "there are authorized" and all that follows and inserting "there are authorized to be appropriated such sums as may be necessary for each fiscal year.";

(9) in section 2320(e)(1), by striking "there are authorized" and all that follows and inserting "there are authorized to be appropriated such sums as may be necessary for each fiscal year."; and

(10) in section 2341(d), by striking "there are authorized" and all that follows and inserting "there are authorized to be appropriated such sums as may be necessary for each fiscal year.".

TITLE XX—CERTAIN AUTHORITIES OF CENTERS FOR DISEASE CONTROL

SEC. 2001. PREVENTION OF PROSTATE CANCER.

Part B of title III of the Public Health Service Act is amended by inserting after section 317A (42 U.S.C. 247b-1) the following new section:

"PROSTATE CANCER MORTALITY PREVENTION

"SEC. 317B. (a) GRANTS.—The Secretary, acting through the Director of the Centers for Disease Control, may award grants to States and local health departments for the purpose of enabling such States and departments to carry out programs to—

"(1) screen men for prostate cancer as a preventive health measure;

"(2) provide appropriate referrals for medical treatment of men screened pursuant to paragraph (1) and to ensure, to the extent practicable, the provision of appropriate follow-up services;

"(3) develop and disseminate public information and education programs for the detection and control of prostate cancer;

"(4) improve the education, training, and skills of health professionals (including appropriate allied health professionals) in the detection and control of prostate cancer;

"(5) establish mechanisms through which the States can monitor the quality of screening procedures for prostate cancer, including the interpretation of such procedures; and

"(6) evaluate activities conducted under paragraphs (1) through (5) through appropriate surveillance or program monitoring activities.

"(b) GRANT APPLICATIONS.—

"(1) REQUIREMENT.—No grant may be awarded under subsection (a), unless an application for such grant has been submitted to, and approved by, the Secretary. Such an application shall be in such form and submitted in such manner as the Secretary shall prescribe, and shall include—

"(A) a complete description of the program which is to be provided by or through the applicant;

"(B) assurances satisfactory to the Secretary that the program to be provided under the grant will include education programs designed to communicate to men, and local health officials the significance of the early detection of prostate cancer;

"(C) assurances satisfactory to the Secretary that the applicant will report, on a quarterly basis, the number of men screened for prostate cancer and the number of men who were found to have prostate cancer, the number and type of medical referral made with respect to such men, the outcome of such referrals, and other information to measure program effectiveness as required under paragraph (2);

"(D) assurances satisfactory to the Secretary that the applicant will make such reports respecting the program involved as the Secretary may require; and

"(E) such other information as the Secretary may prescribe.

"(2) TECHNICAL ASSISTANCE.—The Secretary may provide training and technical assistance with respect to the planning, development, and operation of any program or service carried out pursuant to this section.

"(c) MAINTENANCE OF EFFORT.—No grant may be awarded under subsection (a) unless the Secretary determines that there is satisfactory assurance that Federal funds made available under such a grant for any period will be so used as to supplement and, to the extent practical, increase the level of State, local, and other non-Federal funds that would, in the absence of such Federal funds, be made available for the program for which the grant is to be made, and will in no event supplant such State, local, and other non-Federal funds.

"(d) METHOD AND AMOUNT OF PAYMENT.—The Secretary shall determine the amount of a grant made under subsection (a). Payments under such grants may be made in advance on the basis of estimates or by way of reimbursement, with necessary adjustments on account of the underpayments or overpayments, and in such installments and on such terms and conditions as the Secretary finds necessary to carry out the purposes of such grants. Not more than 10 percent of any grant may be obligated for administrative costs.

"(e) SUPPLIES, EQUIPMENT, AND EMPLOYEE DETAIL.—The Secretary, at the request of a recipient of a grant under subsection (a), may reduce the amount of such grant by—

"(1) the fair market value of any supplies or equipment furnished the grant recipient; and

"(2) the amount of the pay, allowances, and travel expenses of any officer or employee of the Government when detailed to the grant recipient and the amount of any other costs incurred in connection with the detail of such officer or employee;

when the furnishing of such supplies or equipment or the detail of such an officer or employee is for the convenience of and at the request of such grant recipient and for the purpose of carrying out a program with respect to which any such grant is so reduced. Such amount shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment, or in detailing the personnel, on which the reduction of such grant is based, and such amount shall be deemed as part of the grant and shall be deemed to have been paid to the grant recipient.

"(f) RECORDS.—Each recipient of a grant under subsection (a) shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant, the total cost of the undertaking in connection with which such grant was made, and the amount of that portion of the cost of the undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(g) AUDIT AND EXAMINATION OF RECORDS.—The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient of a grant under subsection (a), that are pertinent to such grant.

"(h) INDIAN TRIBES.—For purposes of this section, the term 'units of local government' includes Indian tribes.

"(i) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated to carry out this section not more than $20,000,000 for fiscal year 1993, and such sums as may be necessary for each of the fiscal years 1994 through 1996.

"(2) SET-ASIDE FOR TECHNICAL ASSISTANCE.—Of the amounts appropriated under paragraph (1) for a fiscal year, the Secretary shall reserve not more than 20 percent for carrying out activities under this section at the national level.".

SEC. 2002. NATIONAL PROGRAM OF CANCER REGISTRIES.

Title III of the Public Health Service Act, as amended by section 121(a)(2) of this Act, is amended by adding at the end the following new part:

"PART M—NATIONAL PROGRAM OF CANCER REGISTRIES

"SEC. 399H. NATIONAL PROGRAM OF CANCER REGISTRIES.

"(a) IN GENERAL.—The Secretary, acting through the Director of the Centers for Disease Control, may make grants to States, or may make grants or enter into contracts with academic or nonprofit organizations designated by the State to operate the State's cancer registry in lieu of making a grant directly to the State, to support the operation of population-based, statewide cancer registries in order to collect, for each form of in-situ and invasive cancer (with the exception of basal cell and squamous cell carcinoma of the skin), data concerning—

"(1) demographic information about each case of cancer;

"(2) information on the industrial or occupational history of the individuals with the cancers, to the extent such information is available from the same record;

"(3) administrative information, including date of diagnosis and source of information;

"(4) pathological data characterizing the cancer, including the cancer site, stage of disease (pursuant to Staging Guide), incidence, and type of treatment; and

"(5) other elements determined appropriate by the Secretary.

"(b) MATCHING FUNDS.—

"(1) IN GENERAL.—The Secretary may make a grant under subsection (a) only if the State, or the academic or nonprofit private organization designated by the State to operate the cancer registry of the State, involved agrees, with respect to the costs of the program, to make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount that is not less than 25 percent of such costs or $1 for every $3 of Federal funds provided in the grant.

"(2) DETERMINATION OF AMOUNT OF NON-FEDERAL CONTRIBUTION; MAINTENANCE OF EFFORT.—

"(A) Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

"(B) With respect to a State in which the purpose described in subsection (a) is to be carried out, the Secretary, in making a determination of the amount of non-Federal contributions provided under paragraph (1), may include only such contributions as are in excess of the amount of such contributions made by the State toward the collection of data on cancer for the fiscal year preceding the first year for which a grant under subsection (a) is made with respect to the State. The Secretary may decrease the amount of non-Federal contributions that otherwise would have been required by this subsection in those cases in which the State can demonstrate that decreasing such amount is appropriate because of financial hardship.

"(c) ELIGIBILITY FOR GRANTS.—

"(1) IN GENERAL.—No grant shall be made by the Secretary under subsection (a) unless an application has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such a manner, and be accompanied by such information, as the Secretary may specify. No such application may be approved unless it contains assurances that the applicant will use the funds provided only for the purposes specified in the approved application and in accordance with the requirements of this section, that the application will establish such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement and accounting of Federal funds paid to the applicant under subsection (a) of this section, and that the applicant will comply with the peer review requirements under sections 491 and 492.

"(2) ASSURANCES.—Each applicant, prior to receiving Federal funds under subsection (a), shall provide assurances satisfactory to the Secretary that the applicant will—

"(A) provide for the establishment of a registry in accordance with subsection (a);

"(B) comply with appropriate standards of completeness, timeliness, and quality of population-based cancer registry data;

"(C) provide for the annual publication of reports of cancer data under subsection (a); and

"(D) provide for the authorization under State law of the statewide cancer registry, including promulgation of regulations providing—

"(i) a means to assure complete reporting of cancer cases (as described in subsection (a)) to the statewide cancer registry by hospitals or other facilities providing screening, diagnostic or therapeutic services to patients with respect to cancer;

"(ii) a means to assure the complete reporting of cancer cases (as defined in subsection (a)) to the statewide cancer registry by physicians, surgeons, and all other health care practitioners diagnosing or providing treatment for cancer patients, except for cases directly referred to or previously admitted to a hospital or other facility providing screening, diagnostic or therapeutic services to patients in that State and reported by those facilities;

"(iii) a means for the statewide cancer registry to access all records of physicians and surgeons, hospitals, outpatient clinics, nursing homes, and all other facilities, individuals, or agencies providing such services to patients which would identify cases of cancer or would establish characteristics of the cancer, treatment of the cancer, or medical status of any identified patient;

"(iv) for the reporting of cancer case data to the statewide cancer registry in such a format, with such data elements, and in accordance with such standards of quality timeliness and completeness, as may be established by the Secretary;

"(v) for the protection of the confidentiality of all cancer case data reported to the statewide cancer registry, including a prohibition on disclosure to any person of information reported to the statewide cancer registry that identifies, or could lead to the identification of, an individual cancer patient, except for disclosure to other State cancer registries and local and State health officers;

"(vi) for a means by which confidential case data may in accordance with State law be disclosed to cancer researchers for the purposes of cancer prevention, control and research;

"(vii) for the authorization or the conduct, by the statewide cancer registry or other persons and organizations, of studies utilizing statewide cancer registry data, including studies of the sources and causes of cancer, evaluations of the cost, quality, efficacy, and appropriateness of diagnostic, therapeutic, rehabilitative, and preventative services and programs relating to cancer, and any other clinical, epidemiological, or other cancer research; and

"(viii) for protection for individuals complying with the law, including provisions specifying that no person shall be held liable in any civil action with respect to a cancer case report provided to the statewide cancer registry, or with respect to access to cancer case information provided to the statewide cancer registry.

"(d) RELATIONSHIP TO CERTAIN PROGRAMS.—

"(1) IN GENERAL.—This section may not be construed to act as a replacement for or diminishment of the program carried out by the Director of the National Cancer Institute and designated by such Director as the Surveillance, Epidemiology, and End Results Program (SEER).

"(2) SUPPLANTING OF ACTIVITIES.—In areas where both such programs exist, the Secretary shall ensure that SEER support is not supplanted and that any additional activities are consistent with the guidelines provided for in subsection (c)(2)(C) and (D) and are appropriately coordinated with the existing SEER program.

"(3) TRANSFER OF RESPONSIBILITY.—The Secretary may not transfer administration responsibility for such SEER program from such Director.

"(4) COORDINATION.—To encourage the greatest possible efficiency and effectiveness of Federally supported efforts with respect to the activities described in this subsection, the Secretary shall take steps to assure the appropriate coordination of programs supported under this part with existing Federally supported cancer registry programs.

"(e) REQUIREMENT REGARDING CERTAIN STUDY ON BREAST CANCER.—In the case of a grant under subsection (a) to any State specified in section 399K(b), the Secretary may establish such conditions regarding the receipt of the grant as the Secretary determines are necessary to facilitate the collection of data for the study carried out under section 399C.

"SEC. 399I. PLANNING GRANTS REGARDING REGISTRIES.

"(a) IN GENERAL.—

"(1) STATES.—The Secretary, acting through the Director of the Centers for Disease Control, may make grants to States for the purpose of developing plans that meet the assurances required by the Secretary under section 399B(c)(2).

"(2) OTHER ENTITIES.—For the purpose described in paragraph (1), the Secretary may make grants to public entities other than States and to nonprofit private entities. Such a grant may be made to an entity only if the State in which the purpose is to be carried out has certified that the State approves the entity as qualified to carry out the purpose.

"(b) APPLICATION.—The Secretary may make a grant under subsection (a) only if an application for the grant is submitted to the Secretary, the application contains the certification required in subsection (a)(2) (if the application is for a grant under such subsection), and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

"SEC. 399J. TECHNICAL ASSISTANCE IN OPERATIONS OF STATEWIDE CANCER REGISTRIES.

"The Secretary, acting through the Director of the Centers for Disease Control, may, directly or through grants and contracts, or both, provide technical assistance to the States in the establishment and operation of statewide registries, including assistance in the development of model legislation for statewide cancer registries and assistance in establishing a computerized reporting and data processing system.

"SEC. 399K. STUDY IN CERTAIN STATES TO DETERMINE THE FACTORS CONTRIBUTING TO THE ELEVATED BREAST CANCER MORTALITY RATES.

"(a) IN GENERAL.—Subject to subsections (c) and (d), the Secretary, acting through the Director of the Centers for Disease Control, shall conduct a study for the purpose of determining the factors contributing to the fact that breast cancer mortality rates in the States specified in subsection (b) are elevated compared to rates in other States.

"(b) RELEVANT STATES.—The States referred to in subsection (a) are Connecticut, Delaware, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, and the District of Columbia.

"(c) COOPERATION OF STATE.—The Secretary may conduct the study required in subsection (a) in a State only if the State agrees to cooperate with the Secretary in the conduct of the study, including providing information from any registry operated by the State pursuant to section 399H(a).

"(d) PLANNING, COMMENCEMENT, AND DURATION.—The Secretary shall, during each of the fiscal years 1993 and 1994, develop a plan for conducting the study required in subsection (a). The study shall be initiated by the Secretary not later than fiscal year 1994, and the collection of data under the study may continue through fiscal year 1998.

"(e) REPORT.—Not later than September 30, 1999, the Secretary shall complete the study required in subsection (a) and submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the findings and recommendations made as a result of the study.

"SEC. 399L. AUTHORIZATION OF APPROPRIATIONS.

"(a) REGISTRIES.—For the purpose of carrying out this part, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1993 through 1996. Out of any amounts appropriated for any such fiscal year, the Secretary may obligate not more than 25 percent for carrying out section 399I, and not more than 10 percent may be expended for assessing the accuracy, completeness and quality of data collected, and not more than 10 percent of which is to be expended under subsection 399J.

"(b) BREAST CANCER STUDY.—Of the amounts appropriated under subsection (a) for any fiscal year in which the study required in section 399K is being carried out, the Secretary shall expend not less than $1,000,000 for the study.".

SEC. 2003. TRAUMATIC BRAIN INJURY.

(a) IN GENERAL.—The Secretary of Health and Human Services, acting through the Director of the Centers for Disease Control—

(1) shall conduct a survey to determine which Federal and other entities collect data on traumatic brain injuries and the nature of the data collection systems of such entities; and

(2) may cooperate and enter into agreements with other Federal agencies and provide assistance to other entities with responsibility for data collection to establish traumatic brain injury as a specific reportable condition or disability in disease and injury reporting systems.

(b) AUTHORIZATION OF APPROPRIATIONS.—For the purposes of carrying out subsection (a), there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1993 through 1996.

TITLE XXI—STUDIES

SEC. 2101. ACQUIRED IMMUNE DEFICIENCY SYNDROME.

(a) CERTAIN DRUG-RELEASE MECHANISMS.—

(1) The Secretary of Health and Human Services shall, subject to paragraph (2), enter into a contract with a public or nonprofit private entity to conduct a study for the purpose of determining, with respect to acquired immune deficiency syndrome, the impact of parallel-track drug-release mechanisms on public and private clinical research, and on the activities of the Commissioner of Food and Drugs regarding the approval of drugs.

(2) The Secretary of Health and Human Services shall request the Institute of Medi-

cine of the National Academy of Sciences to enter into the contract under paragraph (1) to conduct the study described in such paragraph. If such Institute declines to conduct the study, the Secretary shall carry out paragraph (1) through another public or nonprofit private entity.

(b) THIRD-PARTY PAYMENTS REGARDING CERTAIN CLINICAL TRIALS.—The Secretary of Health and Human Services, acting through the Director of the National Institutes of Health, shall conduct a study for the purpose of—

(1) determining the policies of third-party payors regarding the payment of the costs of appropriate health services that are provided incident to the participation of individuals as subjects in clinical trials conducted in the development of drugs with respect to acquired immune deficiency syndrome; and

(2) developing recommendations regarding such policies.

(c) ADVISORY COMMITTEES.—The Secretary of Health and Human Services, acting through the Director of the National Institutes of Health, shall conduct a study for the purpose of determining—

(1) whether the activities of the various advisory committees established in the National Institutes of Health regarding acquired immune deficiency syndrome are being coordinated sufficiently; and

(2) whether the functions of any of such advisory committees should be modified in order to achieve greater efficiency.

(d) VACCINES FOR HUMAN IMMUNODEFICIENCY VIRUS.—

(1) IN GENERAL.—The Secretary of Health and Human Services, acting through the National Institutes of Health, shall develop a plan for the appropriate inclusion of HIV-infected women, including pregnant women, HIV-infected infants, and HIV-infected children in studies conducted by or through the National Institutes of Health concerning the safety and efficacy of HIV vaccines for the treatment and prevention of HIV infection. Such plan shall ensure the full participation of other Federal agencies currently conducting HIV vaccine studies and require that such studies conform fully to the requirements of part 46 of title 45, Code of Federal Regulations.

(2) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Committee on Energy and Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report concerning the plan developed under paragraph (1).

(3) IMPLEMENTATION.—Not later than 12 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall implement the plan developed under paragraph (1), including measures for the full participation of other Federal agencies currently conducting HIV vaccine studies.

(4) For the purpose of carrying out this subsection, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1993 through 1996.

SEC. 2102. ANNUAL REPORT CONCERNING LEADING CAUSES OF DEATH.

(a) REPORT.—The Secretary of Health and Human Services shall, not later than September 1, 1992, and not later than March 31 of each year thereafter, prepare a report that lists—

(1) the 20 illnesses that, in terms of mortality, number of years of expected life lost, and of number of preventable years of life lost, are the leading causes of death in the United States and the number of deaths from each such cause, the age-specific and age-adjusted death rates for each such cause, the death rate per 100,000 population for each such cause, the percentage of change in cause specific death rates for each age group, and the percentage of total deaths for each such cause;

(2) the amount expended by the Department of Health and Human Services for research, prevention, and education with respect to each of the 20 illnesses described in paragraph (1) for the most recent year for which the actual expenditures are known;

(3) an estimate by the Secretary of the amount to be expended on research, prevention, and education with respect to each of the 20 illnesses described in paragraph (1) for the year for which the report is prepared; and

(4) with respect to the years specified in paragraphs (2) and (3), the percentage of the total of the annual expenditures for research, prevention, and education on the 20 illnesses described in paragraph (1) that are attributable to each illness.

(b) SUBMISSION TO CONGRESS.—The Secretary of Health and Human Services shall submit the report required under subsection (a), together with relevant budget information, to the Committee on Energy and Commerce and the Committee on Appropriations of the House of Representatives and the Committee on Labor and Human Resources and the Committee on Appropriations of the Senate.

SEC. 2103. MALNUTRITION IN THE ELDERLY.

(a) STUDY.—

(1) IN GENERAL.—The Secretary of Health and Human Services (referred to in this section as the "Secretary"), acting through the National Institute on Aging, coordinating with the Agency for Health Care Policy and Research and, to the degree possible, in consultation with the head of the National Nutrition Monitoring System established under section 1428 of the Food and Agriculture Act of 1977 (7 U.S.C. 3178), shall conduct a 3-year nutrition screening and intervention activities study of the elderly.

(2) EFFICACY AND COST-EFFECTIVENESS OF NUTRITION SCREENING AND INTERVENTION ACTIVITIES.—In conducting the study, the Secretary shall determine the efficacy and cost-effectiveness of nutrition screening and intervention activities conducted in the elderly health and long-term care continuum, and of a program that would institutionalize nutrition screening and intervention activities. In evaluating such a program, the Secretary shall determine—

(A) if health or quality of life is measurably improved for elderly individuals who receive routine nutritional screening and treatment;

(B) if federally subsidized home or institutional care is reduced because of increased independence of elderly individuals resulting from improved nutritional status;

(C) if a multidisciplinary approach to nutritional care is effective in addressing the nutritional needs of elderly individuals; and

(D) if reimbursement for nutrition screening and intervention activities is a cost-effective approach to improving the health status of elderly individuals.

(3) POPULATIONS.—The populations of elderly individuals in which the study will be conducted shall include populations of elderly individuals who are—

(A) living independently, including—

(i) individuals who receive home and community-based services or family support;

(ii) individuals who do not receive additional services and support;

(iii) individuals with low incomes; and

(iv) individuals who are minorities;

(B) hospitalized, including individuals admitted from home and from institutions; and

(C) institutionalized in residential facilities such as nursing homes and adult homes.

(b) MALNUTRITION STUDY.—The Secretary, acting through the National Institute on Aging, shall conduct a 3-year study to determine the extent of malnutrition in elderly individuals in hospitals and long-term care facilities and in elderly individuals who are living independently.

(c) REPORT.—The Secretary shall submit a report to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives containing the findings resulting from the studies described in subsections (a) and (b), including a determination regarding whether a program that would institutionalize nutrition screening and intervention activities should be adopted, and the rationale for the determination.

(d) ADVISORY PANEL.—

(1) ESTABLISHMENT.—The Secretary, acting through the Director of the National Institute on Aging, shall establish an advisory panel that shall oversee the design, implementation, and evaluation of the studies described in subsections (a) and (b).

(2) COMPOSITION.—The advisory panel shall include representatives appointed for the life of the panel by the Secretary from the Health Care Financing Administration, the Social Security Administration, the National Center for Health Statistics, the Administration on Aging, the National Council on the Aging, the American Dietetic Association, the American Academy of Family Physicians, and such other agencies or organizations as the Secretary determines to be appropriate.

(3) COMPENSATION AND EXPENSES.—

(A) COMPENSATION.—Each member of the advisory panel who is not an employee of the Federal Government shall receive compensation at the daily equivalent of the rate specified for level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day the member is engaged in the performance of duties for the advisory panel, including attendance at meetings and conferences of the panel, and travel to conduct the duties of the panel.

(B) TRAVEL EXPENSES.—Each member of the advisory panel shall receive travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

(4) DETAIL OF FEDERAL EMPLOYEES.—On the request of the advisory panel, the head of any Federal agency shall detail, without reimbursement, any of the personnel of the agency to the advisory panel to assist the advisory panel in carrying out its duties. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(5) TECHNICAL ASSISTANCE.—On the request of the advisory panel, the head of a Federal agency shall provide such technical assistance to the advisory panel as the advisory panel determines to be necessary to carry out its duties.

(6) TERMINATION.—Notwithstanding section 15 of the Federal Advisory Committee Act (5 U.S.C. App.), the advisory panel shall termi-

nate 3 years after the date of enactment of this Act.

SEC. 2104. BEHAVIORAL FACTORS STUDY.

The Director of the National Institutes of Health shall submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report on the feasibility of developing a plan for the conduct of research at such Institutes on the prevention of traumatic injuries.

SEC. 2105. RELATIONSHIP BETWEEN THE CONSUMPTION OF LEGAL AND ILLEGAL DRUGS.

(a) IN GENERAL.—The Secretary of Health and Human Services, acting through the Commissioner of Food and Drugs, shall review and consider all existing relevant data and research concerning whether there is a relationship between an individual's receptivity to use or consume legal drugs and the consumption or abuse by the individual of illegal drugs. On the basis of such review, the Secretary shall determine whether additional research is necessary. If the Secretary determines additional research is required, the Secretary shall conduct a study of those subjects where the Secretary's review indicates additional research is needed, including, if necessary, a review of—

(1) the effect of advertising and marketing campaigns that promote the use of legal drugs on the public;

(2) the correlation of legal drug abuse with illegal drug abuse; and

(3) other matters that the Secretary determines appropriate.

(b) REPORT.—Not later than 12 months after the date of enactment of this Act, the Secretary shall prepare and submit, to the Committee on Energy and Commerce of the House of Representatives and Committee on Labor and Human Resources of the Senate, a report containing the results of the review conducted under subsection (b). If the Secretary determines additional research is required, no later than 2 years after the date of enactment of this Act, the Secretary shall prepare and submit, to the Committee on Energy and Commerce of the House of Representatives and Committee on Labor and Human Resources of the Senate, a report containing the results of the additional research conducted under subsection (b).

(c) LIMITATION.—For purposes of this section, the terms "legal drugs" and "illegal drugs" do not include beverage alcohol or tobacco products.

SEC. 2106. RESEARCH ACTIVITIES ON CHRONIC FATIGUE SYNDROME.

The Secretary of Health and Human Services shall, not later than April 1, 1993, and annually thereafter for the next 3 years, prepare and submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report that summarizes the research activities conducted or supported by the National Institutes of Health concerning chronic fatigue syndrome. Such report should include information concerning grants made, cooperative agreements or contracts entered into, intramural activities, research priorities and needs, and a plan to address such priorities and needs.

SEC. 2107. REPORT ON MEDICAL USES OF BIOLOGICAL AGENTS IN DEVELOPMENT OF DEFENSES AGAINST BIOLOGICAL WARFARE.

The Secretary of Health and Human Services, in consultation with other appropriate executive agencies, shall report to the House Energy and Commerce Committee and the Senate Labor and Human Resources Committee on the appropriateness and impact of the National Institutes of Health assuming responsibility for the conduct of all Federal research, development, testing, and evaluation functions relating to medical countermeasures against biowarfare threat agents. In preparing the report, the Secretary shall identify the extent to which such activities are carried out by agencies other than the National Institutes of Health, and assess the impact (positive and negative) of the National Institutes of Health assuming responsibility for such activities, including the impact under the Budget Enforcement Act and the Omnibus Budget Reconciliation Act of 1990 on existing National Institutes of Health research programs as well as other programs within the category of domestic discretionary spending. The Secretary shall submit the report not later than 12 months after the date of the enactment of this Act.

SEC. 2108. EVALUATION OF EMPLOYEE-TRANSPORTED CONTAMINANT RELEASES.

(a) IN GENERAL.—Not later than 18 months after the date on which amounts are first available under subsection (f), the Director of the National Institute for Occupational Safety and Health (hereafter in this section referred to as the "Director"), in cooperation with the Secretary of Labor, the Administrator of the Environmental Protection Agency, the Administrator of the Agency for Toxic Substances and Disease Registry, and the heads of other Federal Government agencies (such as the National Institutes of Health) as determined to be appropriate by the Director, shall conduct a study to evaluate the potential for, the prevalence of, and the issues related to the contamination of workers' homes with hazardous chemicals and substances, including infectious agents, transported from the workplaces of such workers.

(b) MATTERS TO BE EVALUATED.—In conducting the study and evaluation under subsection (a), the Director shall—

(1) conduct a review of past incidents of home contamination through the utilization of literature and of records concerning past investigations and enforcement actions undertaken by—

(A) the National Institute for Occupational Safety and Health;

(B) the Secretary of Labor to enforce the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.);

(C) States to enforce occupational safety and health standards in accordance with section 18 of such Act (29 U.S.C. 667); and

(D) other government agencies (including the Department of Energy and the Environmental Protection Agency), as the Director may determine to be appropriate;

(2) evaluate current statutory, regulatory, and voluntary industrial hygiene or other measures used by small, medium and large employers to prevent or remediate home contamination;

(3) compile a summary of the existing research and case histories conducted on incidents of employee transported contaminant releases, including—

(A) the effectiveness of workplace housekeeping practices and personal protective equipment in preventing such incidents;

(B) the health effects, if any, of the resulting exposure on workers and their families;

(C) the effectiveness of normal house cleaning and laundry procedures for removing hazardous materials and agents from workers' homes and personal clothing;

(D) indoor air quality, as the research concerning such pertains to the fate of chemicals transported from a workplace into the home environment; and

(E) methods for differentiating exposure health effects and relative risks associated with specific agents from other sources of exposure inside and outside the home;

(4) identify the role of Federal and State agencies in responding to incidents of home contamination;

(5) prepare and submit to the Task Force established under subsection (c), the Committee on Energy and Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report concerning the results of the matters studied or evaluated under paragraphs (1) through (4); and

(6) study home contamination incidents and issues and worker and family protection policies and practices related to the special circumstances of firefighters and prepare and submit to the committees specified in paragraph (5) a report concerning the findings with respect to such study.

(c) DEVELOPMENT OF INVESTIGATIVE STRATEGY.—

(1) TASK FORCE.—Not later than 12 months after the date on which amounts are first available under subsection (f), the Director shall establish a working group, to be known as the Workers' Family Protection Task Force. The Task Force shall—

(A) be composed of not more than 15 individuals to be appointed by the Director from among individuals who are representative of workers, industry, scientists, industrial hygienists, the National Research Council, and government agencies, except that not more than one such individual shall be from each appropriate government agency and the number of individuals appointed to represent industry and workers shall be equal in number;

(B) review the report submitted under subsection (b)(5);

(C) determine, with respect to such report, the additional data needs, if any, and the need for additional evaluation of the scientific issues related to and the feasibility of developing such additional data; and

(D) if additional data are determined by the Task Force to be needed, develop a recommended investigative strategy for use in obtaining such information.

(2) INVESTIGATIVE STRATEGY.—

(A) CONTENT.—The investigative strategy developed under paragraph (1)(D) shall identify gaps in data that can and cannot be filled, assumptions and uncertainties associated with various components of such strategy, a timetable for the implementation of such strategy, and methodologies used to gather any required data.

(B) PEER REVIEW.—The Director shall publish the proposed investigative strategy under paragraph (1)(D) for public comment and utilize other methods, including technical conferences or seminars for the purpose of obtaining comments concerning the proposed strategy.

(C) FINAL STRATEGY.—After peer review and public comment is conducted under subparagraph (B), the Director, in consultation with the heads of other government agencies, shall propose a final strategy for investigating issues related to home contamination that shall be implemented by the National Institute for Occupational Safety and Health and other Federal agencies for the period of time necessary to enable such agencies to obtain the information identified under paragraph (1)(C).

(D) CONSTRUCTION.—Nothing in this section shall be construed as precluding any government agency from investigating issues related to home contamination using existing procedures until such time as a final strategy is developed or from taking actions in addition to those proposed in the strategy after its completion.

(d) IMPLEMENTATION OF INVESTIGATIVE STRATEGY.—Upon completion of the investigative strategy under subsection (c)(2)(C), each Federal agency or department shall fulfill the role assigned to it by the strategy.

(e) REGULATIONS.—

(1) IN GENERAL.—Not later than 4 years after the date on which amounts are first available under subsection (f), and periodically thereafter, the Secretary of Labor, based on the information developed under this section and on other information available to the Secretary, shall—

(A) determine if additional education about, emphasis on, or enforcement of existing regulations or standards is needed and will be sufficient, or if additional regulations or standards are needed to protect workers and their families from employee transported releases of hazardous materials; and

(B) prepare and submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report concerning the results of such determination.

(2) ADDITIONAL REGULATIONS OR STANDARDS.—If the Secretary of Labor determines that additional regulations or standards are needed under paragraph (1), the Secretary shall promulgate such regulations or standards as determined to be appropriate not later than 3 years after such determination.

(f) FUNDING.—If the amounts appropriated for a fiscal year for carrying out the activities of the National Institute of Occupational Safety and Health equal or exceed 105 percent of the amount appropriated for such activities for fiscal year 1992 (as such amount relating to fiscal year 1992 is adjusted to offset the effects of inflation occurring since fiscal year 1992), the Director of such Institute may expend such amounts for carrying out this section.

SEC. 2109. PERSONNEL STUDY OF RECRUITMENT, RETENTION AND TURNOVER.

(a) STUDY OF PERSONNEL SYSTEM.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services, acting through the Director of the National Institutes of Health, shall conduct a study to review the retention, recruitment, vacancy and turnover rates of support staff, including firefighters, law enforcement, procurement officers, technicians, nurses and clerical employees, to ensure that the National Institutes of Health is adequately supporting the conduct of efficient, effective and high quality research for the American public. The Director of NIH shall work in conjunction with appropriate employee organizations and representatives in developing such a study.

(b) SUBMISSION TO CONGRESS.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report containing the study conducted under subsection (a) together with the recommendations of the Secretary concerning the enactment of legislation to implement the results of such study.

SEC. 2110. PROCUREMENT.

The Director of the National Institutes of Health and the Administrator of the General Services Administration shall jointly conduct a study to develop a streamlined procurement system for the National Institutes of Health that complies with the requirements of Federal law.

TITLE XXII—MISCELLANEOUS PROVISIONS

SEC. 2201. DESIGNATION OF SENIOR BIOMEDICAL RESEARCH SERVICE IN HONOR OF SILVIO CONTE, AND LIMITATION ON NUMBER OF MEMBERS.

(a) IN GENERAL.—Section 228(a) of the Public Health Service Act (42 U.S.C. 237(a)), as added by section 304 of Public Law 101–509, is amended to read as follows: "(a)(1) There shall be in the Public Health Service a Silvio Conte Senior Biomedical Research Service, not to exceed 750 members.

"(2) The authority established in paragraph (1) regarding the number of members in the Silvio Conte Senior Biomedical Research Service is in addition to any authority established regarding the number of members in the commissioned Regular Corps, in the Reserve Corps, and in the Senior Executive Service. Such paragraph may not be construed to require that the number of members in the commissioned Regular Corps, in the Reserve Corps, or in the Senior Executive Service be reduced to offset the number of members serving in the Silvio Conte Senior Biomedical Research Service (hereafter in this section referred to as the 'Service').".

(b) CONFORMING AMENDMENT.—Section 228 of the Public Health Service Act (42 U.S.C. 237), as added by section 304 of Public Law 101–509, is amended in the heading for the section by amending the heading to read as follows:

"SILVIO CONTE SENIOR BIOMEDICAL RESEARCH SERVICE".

SEC. 2202. TECHNICAL CORRECTIONS.

(a) TITLE IV.—Title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended—

(1) in section 406—

(A) in subsection (b)(2)(A), by striking "Veterans' Administration" each place such term appears and inserting "Department of Veterans Affairs"; and

(B) in subsection (h)(2)(A)(v), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(2) in section 408, in subsection (b) (as redesignated by section 501(c)(1)(C) of this Act), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(3) in section 421(b)(1), by inserting a comma after "may";

(4) in section 428(b), in the matter preceding paragraph (1), by striking "the the" and inserting "the";

(5) in section 430(b)(2)(A)(i), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(6) in section 439(b), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(7) in section 442(b)(2)(A), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(8) in section 464D(b)(2)(A), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(9) in section 464E—

(A) in subsection (d), in the first sentence, by inserting "Coordinating" before "Committee"; and

(B) in subsection (e), by inserting "Coordinating" before "Committee" the first place such term appears;

(10) in section 466(a)(1)(B), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(11) in section 480(b)(2)(A), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(12) in section 485(b)(2)(A), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(13) in section 487(d)(3), by striking "section 304(a)(3)" and inserting "section 304(a)"; and

(14) in section 496(a), by striking "Such appropriations," and inserting the following: "Appropriations to carry out the purposes of this title,".

(b) TITLE XXIII.—Part A of title XXIII of the Public Health Service Act (42 U.S.C. 300cc et seq.) is amended—

(1) in section 2304—

(A) in the heading for the section, by striking **"CLINICAL RESEARCH REVIEW COMMITTEE"** and inserting **"RESEARCH ADVISORY COMMITTEE"**; and

(B) in subsection (a), by striking "AIDS Clinical Research Review Committee" and inserting "AIDS Research Advisory Committee";

(2) in section 2312(a)(2)(A), by striking "AIDS Clinical Research Review Committee" and inserting "AIDS Research Advisory Committee";

(3) in section 2314(a)(1), in the matter preceding subparagraph (A), by striking "Clinical Research Review Committee" and inserting "AIDS Research Advisory Committee";

(4) in section 2317(d)(1), by striking "Clinical Research Review Committee" and inserting "AIDS Research Advisory Committee established under section 2304"; and

(5) in section 2318(b)(3), by striking "Clinical Research Review Committee" and inserting "AIDS Research Advisory Committee".

SEC. 2203. PROHIBITION AGAINST SHARP ADULT SEX SURVEY AND THE AMERICAN TEENAGE SEX SURVEY.

The Secretary of Health and Human Services may not during fiscal year 1992 or any subsequent fiscal year conduct or support the SHARP survey of adult sexual behavior or the American Teenage Study of adolescent sexual behavior. This section becomes effective April 15, 1992.

SEC. 2204. BIENNIAL REPORT ON CARCINOGENS.

Section 301(b)(4) of the Public Health Service Act (42 U.S.C. 241(b)(4)) is amended by striking "an annual" and inserting in lieu thereof "a biennial".

SEC. 2205. NATIONAL COMMISSION ON SLEEP DISORDERS RESEARCH.

The Secretary of Health and Human Services shall, not later than 6 months after the submission of the final report of the National Commission on Sleep Disorders Research, prepare and submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report that analyzes the findings and recommendations of the Commission and presents a plan for the conduct and support of sleep disorders research at the National Institutes of Health.

SEC. 2206. MASTER PLAN FOR PHYSICAL INFRASTRUCTURE FOR RESEARCH.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Health and Human Services, acting through the Director of the National Institutes of Health, shall present to the Congress a master plan to provide for the replacement or refurbishment of less than adequate buildings, utility equipment and distribution systems (including the resources that provide electrical and other utilities, chilled water, air handling, and other services that the Secretary, acting through the Director, deems necessary), roads, walkways, parking areas, and grounds that underpin the laboratory and clinical facilities of the National Institutes of Health. Such plan may make recommendations for the undertaking of new projects that are consistent with the objectives of this section, such as encircling the National Institutes of Health Federal enclave with an adequate chilled water conduit.

TITLE XXIII—EFFECTIVE DATE

SEC. 2301. EFFECTIVE DATE.

Subject to sections 115 and 155, this Act and the amendments made by this Act take effect October 1, 1992, or upon the date of the enactment of this Act, whichever occurs later.●

● Mr. ADAMS. Mr. President, I want to go on record today in strong support of the NIH Revitalization Act. It is a tragedy that we have to do this bill a second time. The NIH is one of our Nation's most treasured assets. This bill, like the one before it, enhances the ability of the NIH to conduct high quality biomedical research. The provisions in this bill have great potential for saving lives and alleviating human suffering. Politics obstructed the passage of the first bill, let us not let it stop this one.

The NIH Revitalization Act that passed the Senate in April of this year garnered strong support on both sides of the aisle. It was adopted by an overwhelming margin in the House. Sadly, the President vetoed the bill, and the House barely failed to override that veto.

The veto was based on pure politics. It sent the harsh message that ideology comes before life-saving research. It dashed the hopes of millions of Americans.

During the debate to override the veto, we heard this bill called many things by its opponents. They called it a budget buster. They said that the authorization levels were too high—that there were too many line item authorizations. They accused members of pork barreling. And they said we did not need to lift the ban on fetal tissue transplantation research—that the President's tissue bank would work.

This bill responds to these accusations without sacrificing the essential provisions. The new NIH Revitalization Act is a much leaner version of the first bill.

Mr. President, the Congress is meeting you half way.

This new NIH bill allows the President's fetal tissue bank, containing tissue from spontaneous abortions and ectopic pregnancies, to operate for a year. After that time, all researchers using fetal tissue for transplantation research must first apply to the President's NIH bank for tissue. If, however, the bank cannot supply suitable tissue promptly, the federally funded research may be carried out with tissue from other sources, including tissue from induced abortions.

All the safeguards from the first bill are in this bill. These are the safeguards recommended by the Reagan-appointed expert panel to separate the abortion decision and the donation of the fetal tissue. The strong penalties for selling fetal tissue or designating a donor recipient also remain in the bill. These protections provide Federal oversight of both private and public research—oversight that will not be in place if we do not enact this legislation.

Some opponents of the original NIH bill stated that if the President's tissue bank could not provide the tissue necessary to allow the research to go forward—they would support lifting the ban on the use of tissue from elective abortions. This is exactly what this bill does. If the tissue bank can supply the necessary tissue—fine. But if the tissue is infected or damaged, as many researchers say it will be, or the supply is inadequate, then after a year, the research will proceed with tissue from elective abortions.

Millions of Americans find hope in this research. Americans with Parkinson's disease, Alzheimer's disease, juvenile diabetes, spinal cord injuries, and genetic disorders look to this research for a cure. This bill allows the research to go forward—either with tissue from the President's bank or, if that is not successful, with tissue from induced abortions.

As in the original, this new NIH bill also directs the NIH to conduct essential research on women's health. The funding levels for diseases more prevalent in women remain: an additional $325 million for breast cancer research, $75 million for ovarian cancer, and $40 million for osteoporosis.

These are diseases that touch the lives of so many women. One out of nine women will get breast cancer; one-third to one-half of all postmenopausal women will be affected by osteoporosis. Yet we have not adequately funded these research areas. For too long researchers have ignored diseases unique to women.

The NIH has failed to include women in studies of conditions that affect everyone—women as well as men, such as studies looking at heart disease or aging. Heart disease is the number one killer of women, yet the two most recent trials in the area of heart disease included no women. To address this inequity, the bill authorizes an Office of Research on Women's Health and establishes guidelines to ensure the inclusion of women in clinical trials at NIH. Until we close the gender gap in research, women will receive substandard health care.

The authorizations for research on conditions unique to women and a $92 million authorization for research on prostate cancer are the only specific authorization levels in the bill. All other authorization is "such sums as necessary"; funding levels are left to the discretion of the appropriations committee.

The first NIH bill had strong bipartisan support. It is now time for the President to meet Congress half way. I urge my colleagues to support this bill, and I urge the President to sign it. The programs in this bill are too important. We cannot allow politics to continue to obstruct life-saving research.●

ADDITIONAL COSPONSORS

S. 4

At the request of Mr. BENTSEN, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 4, a bill to amend titles IV, V, and XIX of the Social Security Act to establish innovative child welfare and family support services in order to strengthen families and avoid placement in foster care, to promote the development of comprehensive substance abuse programs for pregnant women and caretaker relatives with children, to provide improved delivery of health care services to low-income children, and for other purposes.

S. 686

At the request of Mr. BAUCUS, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 686, a bill to amend the Internal Revenue Code of 1986 to provide for the establishment of enterprise zones, and for other purposes.

S. 781

At the request of Mr. LEVIN, his name was added as a cosponsor of S. 781, a bill to authorize the Indian-American Forum for Political Education to establish a memorial to Mahatma Gandhi in the District of Columbia.

S. 866

At the request of Mr. BREAUX, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 866, a bill to amend the Internal Revenue Code of 1986 to clarify that certain activities of a charitable organization in operating an amateur athletic event do not constitute unrelated trade or business activities.

S. 1231

At the request of Mr. BENTSEN, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 1231, a bill to amend title XVIII of the Social Security Act to provide for coverage of colerectal screening examinations and certain immunizations under part B of the medicare program, and for other purposes.

S. 1451

At the request of Mr. BIDEN, the names of the Senator from Virginia [Mr. WARNER], the Senator from Georgia [Mr. NUNN], and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of S. 1451, a bill to provide for the minting of coins in commemoration of Benjamin Franklin and to enact a fire service bill of rights.

S. 1872

At the request of Mr. BENTSEN, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 1872, a bill to provide for improvements in access and affordability of health insurance coverage through small employer health insurance reform, for improvements in the portability of health insurance, and for health care cost containment, and for other purposes.

S. 1877

At the request of Mr. BOND, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 1877, a bill to require the use of child restraint systems on commercial aircraft.

S. 2103

At the request of Mr. GRASSLEY, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 2103, a bill to amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for nurse practitioners, clinical nurse specialists, and certified nurse midwives, to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 2104

At the request of Mr. GRASSLEY, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 2104, a bill to amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for physical assistance, to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 2109

At the request of Mr. BAUCUS, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 2109, a bill to amend the Internal Revenue Code of 1986 to permit certain entities to elect taxable years other than taxable years required by the Tax Reform Act of 1986, and for other purposes.

S. 2643

At the request of Mr. BENTSEN, the names of the Senator from Maine [Mr. MITCHELL], the Senator from Mississippi [Mr. COCHRAN], and the Senator from Idaho [Mr. CRAIG] were added as cosponsors of S. 2643, a bill to amend title XVIII of the Social Security Act to limit modification of the methodology for determining the amount of time that may be billed for anesthesia services under such title, and for other purposes.

S. 2794

At the request of Mr. DOLE, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 2794, a bill to relieve the regulatory burden on depository institutions, particularly on small depository institutions, and for other purposes.

S. 2870

At the request of Mr. RUDMAN, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 2870, a bill to authorize appropriations for the Legal Services Corporation, and for other purposes.

SENATE JOINT RESOLUTION 224

At the request of Mr. BUMPERS, his name was added as a cosponsor of Senate Joint Resolution 224, a joint resolution designating March 1992 as "Irish-American Heritage Month."

SENATE JOINT RESOLUTION 248

At the request of Mr. CONRAD, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of Senate Joint Resolution 248, a joint resolution designating August 7, 1992, as "Battle of Guadalcanal Remembrance Day."

SENATE JOINT RESOLUTION 262

At the request of Mr. KASTEN, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of Senate Joint Resolution 262, a joint resolution designating July 4, 1992, as "Buy American Day."

SENATE JOINT RESOLUTION 287

At the request of Mr. SIMON, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of Senate Joint Resolution 287, a joint resolution to designate the week of October 4, 1992, through October 10, 1992, as "Mental Illness Awareness Week."

SENATE JOINT RESOLUTION 308

At the request of Mr. GORE, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of Senate Joint Resolution 308, a joint resolution adopting certain principles on general rights and obligations with respect to the environment, to be known as the "Earth Charter," and urging the United Nations Conference on Environment and Development, meeting in June 1992, to adopt the same.

SENATE JOINT RESOLUTION 318

At the request of Mr. KERRY, the names of the Senator from Wyoming [Mr. SIMPSON], the Senator from Indiana [Mr. COATS], the Senator from Maine [Mr. MITCHELL], the Senator from Colorado [Mr. BROWN], the Senator from Delaware [Mr. BIDEN], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HEFLIN], the Senator from Illinois [Mr. DIXON], the Senator from Alabama [Mr. SHELBY], the Senator from Arkansas [Mr. PRYOR], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from California [Mr. CRANSTON], the Senator from Connecticut [Mr. DODD], the Senator from Minnesota [Mr. WELLSTONE], the Senator from Michigan [Mr. LEVIN], the Senator from Illinois [Mr. SIMON], the Senator from Georgia [Mr. FOWLER], the Senator from North Carolina [Mr. SANFORD], the Senator from Pennsylvania [Mr. WOFFORD], the Senator from North Dakota [Mr. BURDICK], the Senator from Hawaii [Mr. AKAKA], the Senator from New Jersey [Mr. BRADLEY], the Senator from Ohio [Mr. GLENN], the Senator from New York [Mr. MOYNIHAN], the Senator from Rhode Island [Mr. PELL], the Senator from Ohio [Mr. METZENBAUM], the Senator from Tennessee [Mr. SASSER], the Senator from Wisconsin [Mr. KOHL], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Maryland [Mr. SARBANES], the Senator from Michigan [Mr. RIEGLE], the Senator from North Dakota [Mr. CONRAD], the Senator from Maryland [Ms. MIKULSKI], the Senator from Washington [Mr. ADAMS], the Senator from Nevada [Mr. REID], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Arizona [Mr. DECONCINI], the Senator from Vermont [Mr. JEFFORDS], the Senator from Oregon [Mr. PACKWOOD], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Nevada [Mr. BRYAN], the Senator from New Mexico [Mr. DOMENICI], the Senator from Utah [Mr. HATCH], the Senator from Virginia [Mr. WARNER], the Senator from Pennsylvania [Mr. SPECTER], the Senator from New York [Mr. D'AMATO], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from South Carolina [Mr. THURMOND], the Senator from Kansas [Mr. DOLE], the Senator from Arizona [Mr. MCCAIN], the Senator from Utah [Mr. GARN], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Wisconsin [Mr. KASTEN], the Senator from South Dakota [Mr. PRESSLER], the Senator from Alaska [Mr. STEVENS], and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of Senate Joint Resolution 318, a joint resolution designating November 13, 1992, as "Vietnam Veterans Memorial 10th Anniversary Day."

SENATE JOINT RESOLUTION 321

At the request of Mr. KOHL, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of Senate Joint Resolution 321, a joint resolution designating the week beginning March 21, 1993, as "National Endometriosis Awareness Week."

AMENDMENT NO. 2447

At the request of Mr. NICKLES the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of amendment No. 2447 proposed to S. 2733, an original bill to improve the regulation of Government-sponsored enterprises.

SENATE CONCURRENT RESOLUTION 127—SENSE OF THE CONGRESS THAT WOMEN'S SOCCER SHOULD BE A MEDAL SPORT AT THE 1996 OLYMPICS IN ATLANTA, GA

Mr. DECONCINI submitted the following concurrent resolution; which was referred to the Committee on Commerce, Science, and Transportation:

S. CON. RES. 127

Whereas participation in soccer programs by women in the United States and abroad has increased dramatically since 1988;

Whereas 45 nations competed in the 1st Women's World Soccer Championships in the People's Republic of China;

Whereas the United States Women's National Soccer Team won the 1st Women's World Soccer Championships;

Whereas bids have been extended to host the 2d Women's World Soccer Championships;

Whereas 64 nations have a national women's soccer team;

Whereas 40 percent of young soccer players in the United States are female;

Whereas one-third of the children under the age of 18 in the United States play soccer;

Whereas 26 percent of the more than 29,000 soccer players at the college level in the United States are women;

Whereas one-third of the 327,000 soccer players at the high school level in the United States are women;

Whereas, during the 1990-1991 school year, high schools in the United States added soccer to their sports programs more often than any other sport;

Whereas Atlanta, Georgia, will host the 1996 Olympic games;

Whereas many nations have announced that they will give women's soccer priority in their Olympic programs once it becomes a medal sport; and

Whereas the Congress has in the past designated a special day to honor women and girls in sports: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that women's soccer should be a medal sport at the 1996 centennial Olympic games in Atlanta, Georgia.

• Mr. DECONCINI. Mr. President, the Congress has clearly expressed its opposition to discrimination in sports with the enactment of title IX of the education amendment of 1972. In this regard, it is interesting to review the last 20 years which show that girls' high school athletics have grown enormously. In 1971, only 7.4 percent of the participants in high school athletics were female, according to data compiled by the National Federation of State High School Associations. By 1977-78, that figure leaped to 32.2 percent and the latest compilation for 1990-91 reveals the participation is still climbing at 35.7 percent. Women's soccer is one sport that has benefited dramatically from the 1972 act, as is borne out by the following statistics:

Nationally, females make up 40 percent of all youth league players around the Nation.

One out of every three youngsters under the age of 18 plays soccer—of that number—50 percent are women.

Of the 29,372 who play college soccer, 26 percent are women.

In all high schools, 33 percent of the 327,000 players are women.

High schools added more boys and girls varsity soccer programs than any other sport in 1990-91.

This is very encouraging, but when we all tune into the Barcelona Olympics, many soccer fans will be in for a shock—equal opportunity will hit a roadblock for there will be no women's soccer in the international Olympic games. This is particularly frustrating for American soccer fans as well as many thousands of others in the 64 nations that have national women's teams.

American soccer has developed methodically and patiently over the years—and on November 30, 1991, a United States team was honored as a world champion when the women's national team won the World Cup at the first Federation of International Football Associations [FIFA] championships in Guangzhou, China, before 59,000 fans. Unfortunately, we won't see this team in action in Barcelona.

Mr. President, the U.S. women's success with the World Cup program will bring to the minds of all the viewers watching the Barcelona games the incredible fact that women's soccer is not a medal sport at the Olympics. This paradox is all the more flagrant in this new era of the Olympic games because, not only new sports but entire teams from new nations are being brought into the program. Therefore, I feel confident that officials of the International Olympic Committee [IOC] and FIFA will include women's soccer in the 1996 games.

However, Mr. President, I believe it is most fitting and proper for the Congress to convey our strong support for this effort. In that regard, I am pleased that Representative JIM MORAN introduced House Concurrent Resolution 324 to express the sense of Congress is to end discrimination in the soccer competition by including women's soccer at the Olympic games in 1996. At the urging of the Arizona State Soccer Association, I am pleased to have the opportunity to introduce the companion bill, and urge my colleagues to join me in this timely effort.

It is particularly timely because the IOC now has this matter under active consideration. I was delighted to learn, along with millions of soccer fans throughout this country and the world, that the president of U.S. Soccer, Alan Rothenberg, wrote to Joao Havelange, president of FIFA, officially requesting that women's soccer be made a medal sport at the 1996 Olympics. Havelange replied in the affirmative and said he would discuss the request with IOC President Juan Samaranche at their meetings in May.

At the time my friend and colleague from Virginia, Representative JIM MORAN, introduced House Concurrent Resolution 324, the correspondence between Alan Rothenberg and Joao Havelange was not available. I ask unanimous consent that this exchange of correspondence be included at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SOCCER FEDERATION,
WORLD CUP USA 1994,
Los Angeles, CA, April 9, 1992.

Dr. JOAO HAVELANGE,
President, Federation Internationale de Football Association, Praca Pio X, 79-7, 20.040 Rio de Janeiro RJ, Brazil.

Re: Women's Soccer/Olympic Games.

DEAR DR. HAVELANGE: While we have had a number of discussions about adding women's soccer to the Olympic Games in 1996, I am not sure whether any formal request has ever been made to FIFA to seek that approval from the International Olympic Committee. Because of that, please deem this correspondence to be the formal request by the United States Soccer Federation that women's soccer be added to the Olympic Games in 1996.

If there is anything further that we at the United States Soccer Federation have to do to cause the IOC to add women's soccer to the 1996 Olympics, please advise me.

Best regards.

Sincerely,

ALAN I. ROTHENBERG.

FEDERATION INTERNATIONALE
DE FOOTBALL ASSOCIATION,
Rio de Janeiro, Brazil, May 15, 1992.

Mr. ALAN I. ROTHENBERG,
United States Soccer Federation, Los Angeles, CA.

DEAR PRESIDENT AND FRIEND, ALAN ROTHENBERG, I am only now able to reply to your letter dated 9th April 1992 in which you inform me that the USSF officially requests that women's football be included in the Olympic Games 1996, as I was absent from FIFA due to visits to South Africa and U.S.A.

Please be informed, that I will be meeting President Samaranch in Lausanne on the 18th May and that this matter will certainly be discussed then. I am very hopeful that the discussion will result in a favorable solution by President Samaranch, and will keep you informed.

Yours sincerely,

JOÃO HAVELANGE.

Mr. DECONCINI. Mr. President, the additional good news, with respect to influencing the decision of the IOC, is the announcement just made by the International University Sports Federation in Brussels [FISU] that women's soccer will compete at these games and 80 percent will be future Olympic participants. Those competing in women's soccer will add to the pool of talent on the various women's national teams around the world and provide exciting and highly experienced and skilled teams at the 1996 Olympics in Atlanta.

Again, I emphasize my confidence that Juan Samaranche and the IOC will rule favorably. We recently witnessed the Winter Olympics where we noted that a new, exciting gold medal sport, mogul skiing, which didn't even exist 4 years ago, had been added to the competition. President Samaranche and his deputies deserve our commendation for their efforts to bring not only new sports, but also new nations, with their full compliment of teams, into the Winter Olympics and the summer games at Barcelona. It would not be in keeping with the Olympic spirit and the accomplishments of Mr. Samaranche to make the international soccer community and its fans sit around and wait to the year 2000 for medal status.

The fact that the second women's World Cup will have been played prior to 1996 provides another sound reason why my colleagues should join me in this effort to convey to the IOC the sense of Congress that, as the host Nation, we would support a positive response. In so doing, we can encourage more participation in girl's soccer in our own states by promoting the U.S. women's national team and our ever improving youth programs.

The U.S. Youth Soccer Association's National Workshop and Coaches Convention recently announced a new Girl's Olympic Development program [ODP] which is designed to focus on the youth player from the State level to the national team. I am pleased that thousands of girls and women, as well as their parents, are very active in this program in Arizona.

In closing, Mr. President, I urge my colleagues to join me in honoring our outstanding American women athletes by cosponsoring this resolution to promote women's soccer as a medal sport at the 1996 Olympics.●

SENATE RESOLUTION 320—AUTHORIZING THE PRINTING OF ADDITIONAL COPIES OF "DEVELOPMENTS IN AGING: 1991"

Mr. PRYOR (for himself and Mr. COHEN) submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 320

Resolved, That there shall be printed for the use of the Special Committee on Aging, in addition to the usual number of copies, the maximum number of copies of volumes 1 and 2 of the annual report of the committee to the Senate, entitled "Developments in Aging: 1991", which additional copies may be printed at a cost not to exceed $1,200.

AMENDMENTS SUBMITTED

FREEDOM OF CHOICE ACT OF 1991

MITCHELL (AND OTHERS) AMENDMENT NO. 2451

(Ordered referred to the Committee on Labor and Human Resources)

Mr. MITCHELL (for himself, Mr. CRANSTON, Mr. KENNEDY, Mr. METZENBAUM, Mr. PACKWOOD, Ms. MIKULSKI, Mrs. KASSEBAUM, Mr. HARKIN, Mr. COHEN, Mr. WIRTH, Mr. ADAMS, Mr. AKAKA, Mr. BAUCUS, Mr. BIDEN, Mr. BOREN, Mr. BRADLEY, Mr. BRYAN, Mr. BURDICK, Mr. CHAFEE, Mr. DODD, Mr. FOWLER, Mr. GLENN, Mr. GORE, Mr. INOUYE, Mr. JEFFORDS, Mr. KERREY, Mr. KERRY, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mr. PELL, Mr. RIEGLE, Mr. ROBB, Mr. ROCKEFELLER, Mr. SANFORD, Mr. SARBANES, Mr. SEYMOUR, Mr. SIMON, Mr. SPECTER, and Mr. WELLSTONE) submitted an amendment intended to be proposed by them to the bill (S. 25) to protect the reproductive rights of women, and for other purposes, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Freedom of Choice Act of 1992".

SEC. 2. CONGRESSIONAL STATEMENT OF FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds the following:

(1) The 1973 Supreme Court decision in *Roe v. Wade* established constitutionally based limits on the power of States to restrict the right of a woman to choose to terminate a pregnancy. Under the strict scrutiny standard enunciated in *Roe v. Wade*, States were required to demonstrate that laws restricting the right of a woman to choose to terminate a pregnancy were the least restrictive means available to achieve a compelling State interest. Since 1989, the Supreme Court has no longer applied the strict scrutiny standard in reviewing challenges to the constitutionality of State laws restricting such rights.

(2) As a result of the Supreme Court's recent modification of the strict scrutiny standard enunciated in *Roe v. Wade*, certain States have restricted the right of women to choose to terminate a pregnancy or to utilize some forms of contraception, and these restrictions operate cumulatively to—

(A)(i) increase the number of illegal or medically less safe abortions, often resulting in physical impairment, loss of reproductive capacity or death to the women involved;

(ii) burden interstate commerce by forcing women to travel from States in which legal barriers render contraception or abortion unavailable or unsafe to other States or foreign nations;

(iii) interfere with freedom of travel between and among the various States;

(iv) burden the medical and economic resources of States that continue to provide women with access to safe and legal abortion; and

(v) interfere with the ability of medical professionals to provide health services;

(B) obstruct access to and use of contraceptive and other medical techniques that are part of interstate and international commerce;

(C) discriminate between women who are able to afford interstate and international travel and women who are not, a disproportionate number of whom belong to racial or ethnic minorities; and

(D) infringe upon women's ability to exercise full enjoyment of rights secured to them by Federal and State law, both statutory and constitutional.

(3) Although Congress may not by legislation create constitutional rights, it may, where authorized by its enumerated powers and not prohibited by a constitutional provision, enact legislation to create and secure statutory rights in areas of legitimate national concern.

(4) Congress has the affirmative power both under section 8 of Article I of the Constitution of the United States and under section 5 of the Fourteenth Amendment of the Constitution to enact legislation to prohibit State interference with interstate commerce, liberty or equal protection of the laws.

(b) PURPOSE.—It is the purpose of this Act to establish, as a statutory matter, limitations upon the power of States to restrict the freedom of a woman to terminate a pregnancy in order to achieve the same limitations as provided, as a constitutional matter, under the strict scrutiny standard of review enunciated in ROSE V. WADE and applied in subsequent cases from 1973 to 1988.

SEC. 3. FREEDOM TO CHOOSE.

(a) IN GENERAL.—A State—

(1) may not restrict the freedom of a woman to choose whether or not to terminate a pregnancy before fetal viability;

(2) may restrict the freedom of a woman to choose whether or not to terminate a pregnancy after fetal viability unless such a termination is necessary to preserve the life or health of the woman; and

(3) may impose requirements on the performance of abortion procedures if such requirements are medically necessary to protect the health of women undergoing such procedures.

(b) RULES OF CONSTRUCTION.—Nothing in this Act shall be construed to—

(1) prevent a State from protecting unwilling individuals from having to participate in the performance of abortions to which they are conscientiously opposed;

(2) prevent a State from declining to pay for the performance of abortions; or

(3) prevent a State from requiring a minor to involve a parent, guardian, or other responsible adult before terminating a pregnancy.

SEC. 4. DEFINITION OF STATE.

As used in this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and each other territory or possession of the United States.

Mr. MITCHELL. Mr. President, I am joined by Senator CRANSTON, the original author of the Freedom of Choice Act, and 38 other colleagues in introducing an amendment in the nature of a substitute to S. 25, the Mitchell-Cranston Freedom of Choice Act.

The purpose of our proposal is give statutory strength to the right of American women to govern their reproductive lives without coercive government interference.

Along with the support of sponsors of the original bill, this measure also enjoys broad-based support in the community which works to secure the fundamental reproductive rights of American women. It has the support of NARAL, Planned Parenthood, the American Association of University Women, the Religious Coalition for Abortion Rights, the American Civil Liberties Union, the Women's Legal Defense Fund, the National Women's Law Center and many other groups active in serving women's health care and reproductive needs.

In 1973, in the case of Roe versus Wade, the Supreme Court ruled that the constitutional right of privacy is broad enough to include a woman's right to choose to terminate a pregnancy. That is the right our bill seeks to secure.

The best possible world would be one in which there were no unwanted pregnancies, where every pregnancy meant a much-wanted and loved child. That is not the reality, however.

Birth control does not always work. Women are raped. Young women are the victims of incest. Far too many women don't have regular access to primary health care, including birth control. Unwanted pregnancy is a common and painful occurrence for millions of American women.

In these circumstances, the right of a woman to choose for herself the option of a safe, legal abortion must be preserved.

That is what our bill seeks to protect.

Abortion is a controversial subject because the views of Americans on the status of fetal life vary enormously.

Some believe that a fertilized ovum is the legal equivalent in every sense of an adult person. Some believe that at no point before birth does a fetus acquire any legal rights.

These differences are not reconcilable. The Roe ruling didn't reconcile them. This bill doesn't reconcile them.

But the majority of Americans don't hold extreme views.

The majority of Americans believe there are circumstances where an abortion is the only alternative.

Above all, the majority of Americans believe this is a private decision which belongs to the woman who must live with the consequences, not a decision to be made by elected officials or Government bureaucrats.

The alternatives to safe, legal abortion are either a reversion to the pre-1973 world of illegal abortions or a new world of Government interference in the most private decisions of American women.

Those who oppose a woman's right to choose know they cannot stop abortions. They are trying to make the procedure legal. Abortions occur in every society, regardless of the legal position the society takes. That has been true throughout all of human history. Our society is no different. Our history tells us that making the procedure legal doesn't stop it. It makes potential criminals of women and doctors.

Before Roe, illegal abortions were a common reality—back-alley abortions for the poor, self-induced abortion attempts for the young and desperate, and trips abroad for the fortunate few. In the days before Roe, maternity wards often nursed women with septic conditions, uncontrollable internal bleeding and all the other results of botched abortions.

Today, despite their differences about some aspects of the issue, the majority of Americans don't want to turn the clock back to those days.

This is a difficult, painful, even wrenching issue for most people. But the majority of Americans clearly believe abortion must remain safe and legal.

That is the goal of this bill. Not more, but not less. It will keep what the Supreme Court said in the Roe case, under which the Nation has now lived for almost two decades, the law of the land.

Mr. CRANSTON. Mr. President, today majority leader GEORGE MITCHELL and I, joined by almost half of the Senate have introduced a new version, a substitute version of the Freedom of Choice Act which I introduced some time ago to deal with the issue of choice.

We do this on the eve of what we anticipate to be a ruling by the Supreme Court possibly tomorrow, possibly Monday, that will either wipe out Roe versus Wade or whittle away at it still more in ways that will lead directly or soon to the denial of the right of choice to American women.

I am delighted to join with the majority leader, the Senator from Maine [Mr. MITCHELL] and the chairman of the Labor and Human Resources Committee, the Senator from Massachusetts [Mr. KENNEDY], as well as many other leaders on the issue of choice from both sides of the aisle, including Senators METZENBAUM, PACKWOOD, MIKULSKI, KASSEBAUM, HARKIN, and WIRTH, in submitting this substitute amendment to S. 25, the Freedom of Choice Act, legislation which I introduced in the Senate at the beginning of this Congress with a good many cosponsors and in 1989 shortly following the Supreme Court's decision in Webster versus Reproductive Health Services.

The Mitchell-Cranston modified version of the Freedom of Choice Act is intended to make it absolutely clear that the legislation simply codifies the principles set down nearly two decades ago in Roe versus Wade, the landmark decision which held that a State may not restrict a woman's right to terminate a pregnancy prior to fetal viability. Our purpose in drafting and introducing the original Freedom of Choice Act was to establish statutory protections through congressional authority under the commerce clause and section 5 of the 14th amendment in order to preserve the rights of women to make their own personal decisions about abortion without Government interference—rights which had been protected by the Roe decision.

Despite the clear intent of the legislation we introduced, opponents of the basic right of freedom of choice have mounted a campaign suggesting that the original bill goes beyond Roe. The modifications we are introducing today make it absolutely clear beyond any reasonable doubt that that is simply not true.

It was not true in the original version of the Freedom of Choice Act. It is not true in this modified version. The substitute amendment clarifies. There is no compromise involved here. This is simply a clarification. It clarifies the original bill in several areas.

First, it adds a findings of fact and purpose section which explicitly states that the bill creates statutory, not constitutional, rights and is an exercise of congressional authority under the commerce clause and the 14th amendment to the Constitution.

Second, the substitute contains technical changes to make it clear that, in accordance with the holding of Roe, a State may restrict postviability abortions except where necessary to preserve the life or health of the woman involved.

Third, the substitute contains explicit provisions making it clear that the bill does not require States to fund the performance of abortions, prohibit States from enacting legislation protecting unwilling individuals from having to participate in the performance of abortions to which they are conscientiously opposed, or prevent States from requiring the involvement of a parent, guardian, or other responsible adult prior to a minor's termination of a pregnancy.

The substitute explicitly recognizes that under Roe, States have been permitted to enact certain types of statutes requiring the involvement of a parent, guardian, or other responsible adult before a minor can terminate a pregnancy. The substitute allows States to impose those types of requirements on the abortion decisions of minors which were held to be constitutional by the Supreme Court prior to the Webster decision. The standard for constitutionality of such statutes is set forth in the Supreme Court's decision in *Bellotti* v. *Baird*, 443 U.S. 622 (1979), and requires that such statutes provide for appropriate "bypass" procedures.

Similarly, the substitute explicitly states that it does not prevent a State from declining to pay for the performance of abortions. Supreme Court decisions, particularly *Harris* v. *McRae*, 448 U.S. 297 (1980), have distinguished between the right to terminate a pregnancy protected under Roe and the right to have Government funding.

Mr. President, we expect that the Supreme Court will act within the next few days, perhaps tomorrow, in a manner that will eliminate any meaningful constitutional protection of a woman's right to freedom of choice. It may be that the decision in Roe versus Wade is not wiped out wholly, but there will be more in the way of the direction of denying the right of choice to women. We have had enough of that.

The Congress is preparing to respond swiftly. If the Supreme Court is no longer willing to protect the right of a woman to make this very personal decision without Government interference, then the Congress of the United States can and must act to do so. The alternative will be to allow the clock to turn back to the days when desperate women turned to back-alley butchers and self-induced abortions, bringing death and mutilation to countless numbers.

Senator KENNEDY, the chairman of the committee that will handle this legislation, indicated today that he will get this measure marked up and out of the committee and reported to the Senate floor on Wednesday of next week. I applaud him.

I applaud the majority leader for his leadership in developing this modification of the Freedom of Choice Act and for his commitment to moving forward swiftly on this issue.

Mr. President, I ask unanimous consent that a brief outline answering some basic questions that Members and others are apt to ask about the substitute amendment and what it means in terms of certain matters to be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MITCHELL/CRANSTON SUBSTITUTE AMENDMENT, FREEDOM OF CHOICE ACT, S. 25

How does the substitute amendment differ from the original bill?

The substitute clarifies the original bill in several areas.

First, the substitute adds a findings of fact and purpose section which states explicitly that the bill creates statutory, not constitutional, rights and is an exercise of Congressional authority under the Commerce Clause and the Fourteenth Amendment to the Constitution.

Second, the substitute contains technical changes to make it clear that, in accordance with the holding of *Roe* v. *Wade*, a state may restrict post-viability abortions except where necessary to preserve the life or health of the woman.

Third, the substitute contains explicit provisions making it clear that the bill does not require states to fund the performance of abortions, prohibit states from enacting legislation protecting unwilling individuals from having to participate in the performance of abortions to which they are conscientiously opposed, or prevent states from requiring the involvement of a parent, guardian, or other responsible adult prior to a minor's termination of a pregnancy.

What does the legislation do?

It codifies the 1973 *Roe* v. *Wade* decision which prohibited states from restricting an individual woman's right to choose to terminate a pregnancy prior to fetal viability. After fetal viability, a state may restrict or prohibit abortion unless termination of the pregnancy is necessary to preserve the life or health of the woman.

Does the legislation allow states to impose any restrictions?

Prior to fetal viability, it would allow states to impose requirements on abortion procedures which are medically necessary to protect the health of the women undergoing such procedures. For example, under the *Roe* standard, statutes requiring that abortions be performed only by licensed physicians have been upheld, *Connecticut* v. *Menillo*, 423 U.S. 9 (1975), but statutes requiring that abortions be performed only in hospitals have been struck down, *Doe* v. *Bolton*, 410 U.S. 179 (1973), as not shown to be medically necessary for health reasons. Reasonable recordkeeping and reporting requirements have been upheld, *Planned Parenthood of Central Missouri* v. *Danforth*, 428 U.S. 52 (1976), but requirements for reporting of detailed information that would be available to the public have been invalidated, *Thornburgh* v. *American College of Obstetricians and Gynecologists*, 476 U.S. 747 (1986). After fetal viability, the proposed statute, like the *Roe* decision, provides that a state may restrict or prohibit abortion except where termination of the pregnancy is necessary to preserve the life or health of the woman.

How would the legislation affect anti-choice legislation such as that passed in Pennsylvania which includes such restrictions as a 24 hour waiting period and spousal notification?

Such restrictions would violate the provisions of the Freedom of Choice Act unless a state could demonstrate such requirements are medically necessary to protect the health of women undergoing abortion procedures. Prior to the Webster decision, similar restrictions had been declared unconstitutional under Roe. For example, in *Planned Parenthood* v. *Danforth*, 428 U.S. 521 (1976), a spousal consent statute was held unconstitutional. In *City of Akron* v. *Akron Center for Reproductive Health, Inc.*, 462 U.S. 416 (1983), a 24-hour waiting period was invalidated.

Would the legislation require states to fund abortions?

No. *Roe* v. *Wade* did not address the issue of public funding for abortion and subsequent Supreme Court decisions involving Medicaid funding have distinguished the right to terminate a pregnancy from the right to have government funding, *Harris* v. *McRae*, 448 U.S. 297 (1980). The substitute amendment explicitly states that the legislation does not prevent a state from declining to pay for the performance of abortions.

Would the legislation prohibit a state from banning public facilities or employees from providing abortions?

The legislation does not require states to provide public funding or facilities for abortions. However, a state could not enact legislation which would have the effect of denying access to abortion for women. Thus, it could not enact legislation which would preclude all hospitals, public and private, from providing abortion services or bar the use of a public facility for an abortion paid for by the patient and provided by a private physician, for example, in localities where such a facility is the only available facility for such services. In short, a state would not be permitted to devise a scheme to deny access to abortion services.

Does the legislation prohibit states from imposing parental consent or parental notification requirements?

The legislation explicitly recognizes that under Roe states have been permitted to enact certain types of statutes requiring the involvement of a parent, guardian or other responsible adult before a minor can terminate a pregnancy. The substitute allows states to impose those types of requirements on the abortion decisions of minors which were held to be constitutional by the Supreme Court prior to the Webster decision. The standard for constitutionality of such statutes is set forth in the Supreme Court's decision in *Bellotti* v. *Baird*, 443 U.S. 622 (1979), and requires that such statutes provide for appropriate "bypass" procedures.

Does the legislation define "fetal viability"?

The legislation does not establish a particular point in time at which a fetus is considered viable because fetal viability is a medical determination made on a case-by-case basis by a trained medical professional taking into account a variety of factors such as the duration of the pregnancy and the weight and health of the fetus. Although the Supreme Court in *Roe* defined viability as the point at which the fetus is "potentially able to live outside the mother's womb, albeit with artificial aid," 410 U.S. at 163, the Court made it clear in *Planned Parenthood of Central Missouri* v. *Danforth*, 428 U.S. 52 (1976), that viability is a medical determination and that "it is not the proper function of the legislature or the courts to place viability, which is essentially a medical concept, at a specific point in the gestation period. The time when viability is achieved may vary with each pregnancy, and the determination of whether a particular fetus is viable, must be a matter for the judgment of the attending physician," 428 U.S. at 64.

Does the legislation authorize abortion on demand at any stage of pregnancy?

No. The legislation codifies the *Roe* v. *Wade* decision which allows a state to restrict or prohibit abortion after viability except where termination of a pregnancy is necessary to preserve the health or life of the woman. Prior to fetal viability, a state may only impose requirements on abortion procedures which are medically necessary to protect the health of women undergoing such procedures.

Does the legislation reverse the results of the Webster decision?

To the extent that the Webster decision shifted the standard of review set forth in *Roe* and "invited" states to experiment with restrictions which are not related to protecting the health of women undergoing abortion procedures prior to fetal viability, the legislation would prohibit those measures.

Does Congress have the authority to enact this legislation?

Congress has the authority under various provisions of the Constitution to establish statutory rights. It has broad authority under the Commerce Clause to regulate matters that involve conflicting state laws. Congress also has the authority under section 5 of the Fourteenth Amendment to enforce the provisions of the Fourteenth Amendment protecting individual liberty and equality against unwarranted state interference. The Supreme Court has held in *Katzenback* v. *Morgan*, 384 U.S. 641, 651 (1966), that section 5 "is a positive grant of legislative power authorizing Congress to exercise its discretion in determining whether and what legislation is needed to secure the guarantees of the Fourteenth Amendment."

Mr. BIDEN. Mr. President, today, I am joining with more than 40 of my colleagues to cosponsor a revised version of the Freedom of Choice Act. While I did not grant my support to the earlier draft of this legislation, I believe that Senator MITCHELL'S clarifications of this bill make it one I can endorse.

Over the past two decades, no issue has divided this Nation more profoundly than the question of abortion. It has provoked a brutal and wrenching debate; good men and women on both sides of the issue have had their morality, their faith, their character questioned by those of the opposing view.

For the 18 years i have been in the Senate, I have found no question more vexing than that of our national policy with respect to abortion. It is vexing for me because it is a question about which I hold strong personal views—views that are the product of my upbringing, my religious beliefs, and my ethical values. And yet at the same time, I have always appreciated that many other Americans do not share these same beliefs, or subscribe to the same philosophy that guides me.

As I have said on many other occasions, in many other circumstances, in our country, freedom is the norm. Our essential national credo is that, unless there is a broad consensus on a compelling rationale for intervention, the Government is to stay out of our private lives.

Personal freedom is the touchstone of our national character—a basis from which we should depart in only the most specific circumstances.

As a result, and given the great division over the ethical and moral questions surrounding abortion in this country, I have believed that, as an elected official, the best policy for our country on the question of abortion is a policy of Government neutrality.

Put another way: I do not believe that the Government should be involved in making judgments on whether a woman can, or should have an abortion, or—if she chooses to do so—in paying for that abortion.

Thus, throughout my tenure in the Senate, I have opposed legislative proposals and constitutional amendments to abolish a woman's right to choose. But at the same time, I have also voted against legislative proposals to provide Federal funding for abortions.

As I said before, this policy of Government neutrality is, in my view, the best possible resolution of this highly contentious and divisive issue. It respects the differing moral beliefs and ethical positions of a diverse Nation.

Since 1973, Federal constitutional law has reflected a similar position. In its decision in Roe versus Wade, the Supreme Court established a constitutional right of women to be free from restrictions on their reproductive liberty, except where those restrictions were justified by a compelling state interest. The Supreme Court also decided, however, in Maher versus Roe, that the Constitution did not require the Government to fund abortions.

I believe that this fundamental framework was sound. It established a general right of women to make their own choices, early in pregnancy; it recognized the conditions under which a state had an interest in restricting abortion, late in pregnancy; and acknowledged that the Government was under no compulsion to fund this highly controversial activity.

I also believe that a Federal solution to this question—as this broadest level—is the right approach. I have always opposed the idea that "States rights" should be the deciding principle in setting abortion policy. One basic national rule, aimed at consensus and respect for divergent views—the middle ground—is what we must seek—not a patchwork of bitter and divisive fights, yielding only strife instead of national unity.

In 1989, starting with its decision in the Webster case, however, the Supreme Court has begun to undo the basic fabric which has shaped national policy in this area. The Court, in Webster, began to chip away at Roe's framework, and invited each state to pass new, restrictive abortion laws, to test the bounds of a new, emerging philosophy at the Court.

One product of this new Supreme Court approach—the Pennsylvania abortion statute—is pending before the Court, which is expected to hand down a ruling on it any day now.

In my view, this increasingly difficult fight cannot continue. In my view, the spectacle of 50 State battles over abortion; of endless waiting for the ever shifting lines at the court to be drawn and redrawn; of continuing rancor over the direction of this debate—in my view, none of this is healthy for us as a Nation; for our body politic; for our mutual respect as a diverse people.

In my view, then the only answer is Federal legislation which codifies the status quo before the Webster ruling. Such Federal legislation should restore the state of our national law to what it was in 1988: again, generally permitting abortions early in pregnancy; allowing State regulation later in pregnancy; and declining to fund or mandate funding of abortions at any time.

Senator MITCHELL's bill, as I see it, is such legislation. It expressly states, as its purpose, the achievement of the same freedoms of choice—and the same restrictions on that freedom—that were "provided, as a constitutional matter, under the strict scrutiny standard of review enunciated in Roe versus Wade and subsequent cases from 1973 to 1988."

The Mitchell bill does not override State laws regarding the funding of abortions; it does not override State laws requiring parental involvement in a minor's choice; it does not override State laws protecting individuals from being compelled to perform abortions unwillingly—on all these points it is specific in its terms and extent.

What the Mitchell bill does do—and why I am supporting it—is restore the Federal law to the situation that prevailed in this country from 1973 to 1988, and thereby, spare us from what will otherwise be one of the most contentious and unhappy periods of domestic strife in our Nation's history.

Now, some will surely say that, in its wording, the Mitchell bill has not faithfully codified Roe. But again, my support for this bill is conditioned on its express statement that the purpose of the legislation is to codify Roe, and no more.

If, as the bill moves through the Senate, persons or groups can persuade me that any aspect of the bill is inconsistent with this goal, I will support amendments to clarify this point further, or modify the bill if that is necessary.

Let me be clear on this point: I am not supporting this bill to change the pre-1989 law with respect to third-trimester abortions, or any such thing. I do not believe that that is what this law does, but, again, if I am persuaded otherwise, I will support changes in the bill, if necessary, to make it faithful to its limited, stated goal.

In the end, though, I am cosponsoring the freedom of choice act because I believe it is the best—perhaps the only—chance to restore the basic national consensus and tranquility that existed on the question of abortion prior to 1989.

In my view, this is the most responsible course we can take as a matter of public policy: Preserving a delicate balancing of rights and limitations that had been carefully developed over the preceding decades.

In my view, this is the only way we can properly protect the rights of all concerned, while hopefully moving towards national reconciliation on this, the most divisive of all questions confronting our country today.

Mr. WIRTH. Mr. President. I rise today as a cosponsor and strong supporter of the Freedom of Choice Act of 1992. This is the best opportunity we have to reestablish what has been a fundamental right for the last 19 years, and it is now, as we all know, under significant attack across the country—in our country's courts and by this administration.

The recent, broad attacks on women and their rights in this society is a terrible misfortune. It is time for us, Mr. President, to reaffirm our commitment to a woman's right to choose—reaffirm our understanding that this is not a decision in which the State, the Government at any level, should intervene.

In the landmark Roe versus Wade decision, the Supreme Court held that a woman's right to choose to terminate an unwanted pregnancy is a fundamental right protected by the Constitution. Unfortunately, a very different Supreme Court is about to rule on a Pennsylvania case that directly threatens this right.

This constitutional protection eliminated the patchwork of state laws that often lead to illegal and harmful abortions. It put an end to the butchery and brutal acts that we have all heard about with horror.

We all know examples in our own states of very real people facing very real decisions. In Colorado, Mr. President, the ability of a woman to make the decision herself to terminate an unwanted pregnancy is enormously important, both for her well-being and for that of the whole society. And that right should not be interfered with. Coloradans have fought various threats to this fundamental right, but want federal protection of that right. They do not want to see a patchwork of state laws limiting their options. They want the right to choose to extend far beyond the borders of our own State.

Roe versus Wade guarantees that the government can not make intrusive decisions about an individual's health. Because many of us are profoundly concerned that the current Court, in a continuation of its chipping away at women's reproductive rights, will gut this decision, many of my colleagues and I are supporting the Freedom of Choice Act to codify the Roe decision. Enacting the Freedom of Choice Act would ensure, no matter how the Court rules, that this fundamental right is protected.

President Bush opposes the Freedom of Choice Act. But President Bush's voice will not stop us from fighting to protect that right. We have that obligation. Nor will we be stopped by Supreme Court decisions. Because the Court has clearly shifted to the point where it appears a majority of the Justices will not support the right to choose, we must push on as legislators, both in trying to pass bills and letting our opinions be heard by the Court.

For 19 years we have entrusted women to make thoughtful and responsible decisions about their own lives. Nothing, absolutely nothing, has transpired during that time that should change that. We live under the same Constitution. What has changed is the politics of this administration and the membership of the Supreme Court. Should the Court fail to protect these individual rights, we have an obligation to step in, once again, and reestablish those rights.

The right to choose is enormously important. It is not a right for a fringe group. it is a right that is supported by the overwhelming majority of the country and a majority of Congress. We must act now to ensure that the government does not get in the business of making critically important and private decisions for individuals. It is demeaning, it is wrong, it does not respect individuals as we should in this great country.

Mr. PACKWOOD. Mr. President, I rise today to join with Senators MITCHELL, CRANSTON, METZENBAUM, and 36 others from both sides of the aisle to introduce a substitute to S.25, the Freedom of Choice Act. As an original cosponsor of the Freedom of Choice Act since its inception in 1989, I have always appreciated the simplicity and brevity with which it was drafted. Only about a hundred words and just over a page long, it codified Roe versus Wade in a straightforward manner. However, those very qualities that endeared it to me were apparently cause for concern—not just among opponents of the bill, who charged that we were attempting to keep States even from enacting commonsense medical regulations—but from Senators who might otherwise be friendly to the bill but wondered if it would be interpreted in some ways they opposed, such as requiring States to fund abortions.

The newly drafted substitute being introduced today makes certain things crystal clear. It spells out in detail Congress' authority for enacting statutory rights in this legitimate area of national concern. And the question of whether States would be required to fund abortions is answered—they would not—and it is also clear that no medical person would be required to partipate in an abortion against his or her wishes. We original cosponsors always intended all of these things in the old bill. Now they are spelled out. There should be no more confusion, and I would hope no more accusations that our bill does things it does not.

In addition, the new Freedom of Choice Act specifies that States may legislate in the area of parental involvement. Of course, any restrictions would be subject to current constitutional safeguards as already required by the Court. It was never the intent of the original Freedom of Choice Act to change the law in this area, either. Now that is clear. That the act contains no blanket parental notice requirement that would affect all States is especially important to me, since my State, Oregon, has chosen to act on parental notice in the negative. They do not want it, and have made that clear by public referendum.

Mr. President, the Supreme Court may well overturn Roe versus Wade tomorrow. Therefore, the Freedom of Choice Act is the most timely legislation before this body. I hope we will act, and act soon, to pass this legislation, and will do everything in my power to ensure that we do. I thank the Chair.

Mr. HARKIN. Mr. President, I am proud to join with my colleagues as an original cosponsor of the Freedom of Choice Act. This bill will make a woman's right to choose the law of the land in America.

The Bush administration and the Supreme Court have shown their willingness to sacrifice women's rights to the radical right. Now it's clear that the Congress stands as the last best defense of a woman's right of privacy.

Unfortunately, the right to choose faces a clear and imminent danger. The Supreme Court may hand down its decision on the Pennsylvania case as early as Monday next week. It's certain to uphold provisions of the Pennsylvania antiabortion law, and if it does, the Court will eviscerate Roe versus Wade.

The Bush administration wants politicians to make a woman's most personal decision. It has asked the Court to give a green light to State laws restricting a woman's right to choose.

That is why we need the Freedom of Choice Act, and that is why I am here today. I believe women should have the right to make their own choices free from the heavy hand of Government. Ironically, the Bush administration talks so much about getting the Government off our backs, but when it comes to this most personal and private decision, it wants the Government to make the choice, not women.

We have a great challenge before us. We must pass the Freedom of Choice Act, codify Roe, and preserve a women's right to choose.

Mr. WIRTH. Mr. President, I rise today as a cosponsor and strong supporter of the Freedom of Choice Act of 1992. This is the best opportunity we have to reestablish what has been a fundamental right for the last 19 years, and it is now, as we all know, under significant attack across the country—in our country's courts and by this administration.

The recent, broad attacks on women and their rights in this society is a terrible misfortune. It is time for us, Mr. President, to reaffirm our commitment to a woman's right to choose—reaffirm our understanding that this is not a decision in which the State, the government at any level, should intervene.

In the landmark Roe versus Wade decision, the Supreme Court held that a woman's right to choose to terminate an unwanted pregnancy is a fundamental right protected by the Constitution. Unfortunately, a very different Supreme Court is about to rule on a Pennsylvania case that directly threatens this right.

This constitutional protection eliminated the patchwork of State laws that often led to illegal and harmful abortions. It put an end to the butchery and brutal acts that we have all heard about with horror.

We all know examples in our own States of very real people facing very real decisions. In Colorado, Mr. President, the ability of a woman to make the decision herself to terminate an unwanted pregnancy is enormously important, both for her well-being and for that of the whole society. And that right should not be interfered with. Coloradans have fought various threats to this fundamental right, but want Federal protection of that right. They do not want to see a patchwork of State laws limiting their options. They want the right to choose to extend far beyond the borders of our own State.

Roe versus Wade guarantees that the Government can not make intrusive decisions about an individual's health. Because many of us are profoundly concerned that the current Court, in a continuation of its chipping away at women's reproductive rights, will gut this decision, many of my colleagues and I are supporting the Freedom of Choice Act to codify the Roe decision. Enacting the Freedom of Choice Act would ensure, no matter how the Court rules, that this fundamental right is protected.

President Bush opposes the Freedom of Choice Act. But President Bush's voice will not stop us from fighting to protect that right. We have that obligation. Nor will we be stopped by Supreme Court decisions. Because the Court has clearly shifted to the point where it appears a majority of the Justices will not support the right to choose, we must push on as legislators, both in trying to pass bills and letting our opinions be heard by the Court.

For 19 years we have entrusted women to make thoughtful and responsible decisions about their own lives. Nothing, absolutely nothing, has transpired during that time that should change that. We live under the same Constitution. What has changed is the politics of this administration and the membership of the Supreme Court. Should the Court fail to protect these individual rights, we have an obligation to step in, once again, and reestablish those rights.

The right to choose is enormously important. It is not a right for a fringe group. It is a right that is supported by the overwhelming majority of the country and a majority of Congress. We must act now to ensure that the Government does not get in the business of making critically important and private decisions for individuals. It is demeaning, it is wrong, it does not respect individuals as we should in this great country.

SETTLEMENT OF RAILROAD LABOR-MANAGEMENT DISPUTES

WELLSTONE AMENDMENT NO. 2452

Mr. WELLSTONE proposed an amendment to the joint resolution (H.J. Res. 517) to provide for a settlement of the railroad labor-management disputes between certain railroads and certain of their employees, as follows:

On page 2, line 3, strike all after the word "**CONDITIONS**," and insert the following:

DURING RESOLUTION OF DISPUTES.

The following conditions shall apply to the disputes referred to in Executive Order Nos. 12794, 12795, and 12796 of March 31, 1992, between certain railroads and the employees of such railroads represented by the labor organizations which are party to such disputes:

(1) The parties to such disputes shall take all necessary steps to restore or preserve the conditions out of which such disputes arose as such conditions existed before 12:01 a.m. on June 24, 1992.

(2) All railroads ceasing operations on or after June 24, 1992, shall resume such service immediately upon enactment of this joint resolution and shall reinstate all positions in existence before 12:01 a.m. on June 24, 1992, without reprisal against any employee involved in such disputes.

(3) The final paragraph of section 10 of the Railway Labor Act (45 U.S.C. 160) shall apply and be extended for an additional period with respect to the disputes referred to in Executive Order Nos. 12794, 12795, and 12796 of March 31, 1992, so that no change shall be made before July 24, 1992 by such parties, in the conditions out of which such dispute arose as such conditions existed before 12:01 a.m. on June 4, 1992. On July 24, 1992, the parties will report back to the Congress on the progress of such negotiations.

SEC. 2. MUTUAL AGREEMENTS PRESERVED.

Nothing in this joint resolution shall prevent a mutual written agreement to any terms and conditions different from those established by this joint resolution.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for my colleagues and the public that a hearing has been scheduled before the Committee on Energy and Natural Resources.

The purpose of the hearing is to receive testimony on S. 2529, to provide for the transfer of certain lands to the government of Guam, and for other purposes.

The hearing will take place on Thursday, July 2, 1992, at 2 p.m., in room SD-366 of the Dirksen Senate Office Building, First and C Streets, NE, Washington, DC.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the printed hearing record should send their comments to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC. 20510, Attention: Allen Stayman.

For further information, please contact Allen Stayman of the committee staff at 202/224-7865.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. FORD. Mr. President, I wish to announce that the Committee on Rules and Administration, U.S. Senate, and the Committee on House Administration, U.S. House of Representatives, will hold a joint hearing on Thursday, July 23, 1992, at 9:30 a.m., in SR-301, Russell Senate Office Building. The purpose of the hearing is to receive testimony on S. 2813, the GPO Gateway to Government Act of 1992 and H.R. 2772, the GPO Wide Information Network for Data Online Act of 1991.

Individuals and organizations interested in submitting a statement for the hearing record are requested to contact Bob Harris, Director of Information Systems and Technology on the Rules Committee staff, at (202) 224-9078. For further information regarding this hearing, please contact Mr. Harris.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 2 p.m., June 25, 1992, to receive testimony on S. 1879, to authorize the adjustment of the boundaries of the South Dakota portion of the Sioux Ranger District of Custer National Forest, and for other purposes; S. 1990, to authorize the transfer of certain facilities and lands in the Wenatchee National Forest, Washington; S. 2392, to establish a right-of-way corridor for electric power transmission lines in the Sunrise Mountains, in the State of Nevada, and for other purposes; S. 2397, to expand the boundaries of the Yucca House National Monument in Colorado, to authorize the acquisition of certain lands within the boundaries, and for other purposes; S. 2606, to further clarify authorities and duties of the Secretary of Agriculture in using ski area permits on National Forest System Lands; and S. 2749, to grant a right of use and occupancy of a certain tract of land in Yosemite National Park to George R. Lange and Lucille F. Lange, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MERCHANT MARINE

Mr. FORD. Mr. President, I ask unanimous consent that the Merchant Marine Subcommittee, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on June 25, 1992, at 10 a.m. on maritime reform.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, June 25, at 4 p.m. to hold ambassadorial nominations hearings.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, June 25, at 10 a.m. to hold hearings on Treaty Doc. 102-20, treaty between the U.S. and the U.S.S.R. on the reduction and limitation of strategic offensive arms—the START Treaty—and protocol thereto dated May 23, 1992, Treaty Doc. 102-32.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SUPERFUND, OCEAN AND WATER PROTECTION

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Superfund, Ocean and Water Protection, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Thursday, June 25, beginning at 9:30 a.m., to conduct a hearing for the purpose of oversight of the Superfund cleanup process.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, June 25, beginning at 9:30 a.m., in executive session, to discuss markup of the National Defense Authorization Act for fiscal year 1993 and to review certain pending military nominations, including information concerning the tailhook matter relevant to certain pending Navy and Marine Corps nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY

Mr. FORD. Mr. President, I ask unanimous consent that the Senate Committee on Agriculture, Nutrition, and Forestry, be allowed to meet during the session of the Senate on Thursday, June 25, 1992, after the first vote of the day, in the President's Room, off the side of the floor, to consider the nomination of James B. Huff, Sr., to be Administrator of the Rural Electrification Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON POW/MIA AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent for the Senate Committee on POW/MIA Affairs to meet Thursday, June 25, at 9:30 a.m., in room 216 of the Senate Hart Office Building to examine the accounting process of the Department of Defense in regard to Americans missing in Southeast Asia.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold a business meeting during the session of the Senate on Thursday, June 25, 1992, at 2:30 p.m.

AGENDA

I. NOMINATIONS

U.S. Circuit Judges

Norman H. Stahl, to be United States Circuit Judge for the First Circuit.

U.S. District Judges

Thomas K. Moore, to be United States district Judge for the District of the Virgin Islands.

Eduardo C. Robreno, to be United States District Judge for the Eastern District of Pennsylvania.

Gordon J. Quist, to be United States District Judge for the Western District of Michigan.

II. COMMEMORATIVES

S.J. Res. 248—To designate August 7, 1992, as "Battle of Guadalcanal Remembrance Day"—Conrad.

S.J. Res. 252—To designate the week of April 19 through 25, 1992, as "National Credit Education Week"—Dixon.

S.J. Res. 281—To designate the week beginning September 14, 1992, as "National Rural Telecommunications Week"—Grassley.

S.J. Res. 287—To designate the week of October 4, 1992, as "Mental Illness Awareness Week"—Simon.

S.J. Res. 288—To designate the week beginning July 26, 1992, as "Lyme Disease Awareness Week"—Lieberman.

S.J. Res. 294—To designate the week of October 18, 1992, as "National Radon Action Week"—Lautenberg.

S.J. Res. 295—To designate September 10, 1992, as "National D.A.R.E. (Drug Abuse Resistance Education) Day."—DeConcini.

S.J. Res. 301—To designate July 2, 1992, as "National Literacy Day"—Lautenberg.

S.J. Res. 303—To designate October 1992, as, "National Breast Cancer Awareness Month"—Pell.

S.J. Res. 304—To designate January 3, 1993 through January 9, 1993, as, "National Law Enforcement Training Week"—Roth.

S.J. Res. 305—To designate the month of October 1992, as, "Polish American Heritage Month"—Simon.

S.J. Res. 307—To designate the month of July 1992, as, "National Muscular Dystrophy Awareness Month"—McCain.

S.J. Res. 309—To designate the week beginning November 8, 1992, as "National Woman Veterans Recognition Week"—Cranston.

S.J. Res. 319—To designate the second Sunday in October of 1992 as "National Children's Day"—Kassebaum.

S.J. Res. 318—To designate November 13, 1992, as "Vietnam Veterans Memorial 10th Anniversary Day"—Kerry.

III. BILLS

S. 1521—A bill to provide a cause of action for victims of sexual abuse, rape, and murder, against producers and distributors of hard-core pornographic material—McConnell.

S. 1096—A bill to ensure the protection of motion picture copyrights, and for other purposes—Kohl.

H.R. 2324—A bill to amend Title 28, United States Code, with respect to witness fees—Hughes.

H.R. 2549—A bill to make technical corrections to Chapter 5 of Title 5, United States Code—Frank.

H.R. 3379—A bill to amend Section 574 of Title 5, United States Code, relating to the authorities of the Administrative Conference—Frank.

S. 1569—A bill, in the nature of a substitute with an amendment, to implement the recommendations of the Federal Courts Committee, and for other purposes—Heflin.

S. 2099—A bill, in the nature of a substitute, to amend the Immigration and Nationality Act to designate special inquiry officers as immigration judges and to provide for the compensation of such judges—Kennedy.

S. 2087—A bill to prohibit certain use of the terms "Visiting Nurse Association", "Visiting Nurse Service", "VNA", and "VNS"—Simon.

S. 1697—A bill to amend title IX of the Civil Rights Act of 1968 to increase the penalties for violating the fair housing provisions of the Act, and for other purposes—Specter.

S. 2610—A bill to amend the antitrust laws to provide a cause of action for persons injured in United States commerce by unfair foreign competition—Metzenbaum.

S. 2792—A bill to amend and authorize appropriations for the continued implementation of the Juvenile Justice and Delinquency Prevention Act of 1974—Kohl.

S. 790—A bill to amend the antitrust laws in order to preserve and promote wholesale and retail competition in the retail gasoline market—DeConcini.

S. 526—A bill to extend for 10 years the patent for the drug Ethiofos (WR2721) and its oral analogue—Thurmond.

S. 1165—A bill to extend the patent term for certain products—Levin.

S. 1506—A bill to extend the terms of the olestra patents, and for other purposes—Glenn.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

OFF WELFARE THROUGH LEARNFARE

• Mr. SIMON. Mr. President, one of the most respected people I have had the chance to observe in public life is the former Chairman of the Joint Chiefs of Staff, Gen. David C. Jones.

Recently, he made a speech on the topic "Off Welfare Through Learnfare," in which he talks about the need for seeing to it that people who do not get to the traditional colleges should have the opportunity to get training.

It is an eloquent statement about the direction that we ought to be going in this Nation.

I believe that we will make some progress in this direction through the conference report on higher education, but we still have a long way to go, and General Jones' remarks should be an inspiration to all of us.

I ask to insert them in the RECORD at this point.

The remarks follow:

OFF WELFARE THROUGH LEARNFARE

The most recent spasm of ethnic violence in Los Angeles and other American cities has sharply dramatized the persistent socioeconomic gulf in our society. Despite the best of intentions and vast sums of taxpayers' money targeted at minority advancement, America still faces stubborn inequities in economic attainment and quality of life among many of our citizens.

Particularly distressing is the growing realization that the solution has become the problem. Contemporary support programs have succumbed to the Law of the Unintended Consequence: not only have large and increasing welfare costs failed to lift recipients out of poverty, they have actually created a class of welfare dependents, stripped of both the work ethic and the family values that have always proven to be the foundation for upward mobility.

Americans at every economic level are growing restive at the lack of progress and many are questioning simplistic prescriptions for increased spending on failed approaches. So-called "workfare" is being demanded in some quarters as a replacement for welfare. Workfare enjoys the societal advantage of producing potentially useful work and is a politically appealing alternative to the perceived "handouts" of welfare payments. However, no matter how successful workfare may be, it distorts the free market process, the recipients are still on government rolls, and another bureaucracy must be formed to administer the program.

The only truly long-term solution in a free market democracy is equitable employment opportunity for the socioeconomically disadvantaged. This requires both that new jobs be created in the private sector and that applicants acquire the qualifications to compete for and perform these jobs. The key to the latter requirement is training to learn new skills.

The economic and societal successful experienced with this process on a limited scale suggest a potentially wider role for government-assisted job training as a way to break the cycle of poverty, unemployment and welfare. The new approach—"learnfare"—could become an alternative to both welfare and workfare.

Conceptually, learnfare would embody guaranteed job training for all who quality. The system would provide government loans for learning along with conventional welfare support during training for those in need. Upon completion of their training recipients would be qualified to join the work force and leave welfare rolls. The key difference in approach is that welfare can never be more than a safety net, while learnfare is a ladder out of the welfare trap. The foundation for this shift in emphasis already exists today and an expanded learnfare program can be implemented with no increased net cost to the government.

Vocational training institutions—more properly known as proprietary schools—have for many years stood at the forefront in addressing the training needs and job placement of our socioeconomically disadvantaged citizens. A study by Ohio University economist I.A. Ghazala shows that proprietary school graduates earned 20 percent to 55 percent more than high school graduates in male dominated fields and 50 percent to 90 percent in female dominated jobs. Other studies show that proprietary schools benefit graduates more than any other government-supported jobs program, including the Job Corps.

Other non-governmental education institutions have, for the most part, ignored this segment of our population, largely because it doesn't represent a particularly lucrative clientele. Proprietary schools' most important contribution has been their alternative approach to education: emphasizing practical skill training rather than teaching a theoretical academic curriculum.

Because proprietary schools service primarily the highest risk students, they predictably experience the most severe problems with attendance, course completion, loan repayment, etc. Furthermore, in the past, loose regulations and spotty oversight prompted many abuses.

Nor were all the abuses confined to fraudulent "fly-by-night" opportunists, taking advantage of the loose regulatory climate. Even some of our most prestigious universities failed to maintain reasonable standards during that period.

The actions taken by the Executive and Legislative branches have led to marked improvements in the quality of the proprietary schools. Further efforts to promote improved accountability and more rigorous standards are certainly appropriate. However, legislative and policy initiatives should be governed by a system-wide view of this very complex industry, not by a fixation on "reforming" a single highly visible facet such as loan default rates.

There is a serious danger with pending legislation that, among other things, seeks to impose a more stringent loan default ceiling. Penalizing those schools whose students fail to meet those standards by denying access to Title IV funds could well drive the schools out of the socioeconomic disadvantaged areas where they are most needed.

The unintended consequences would be tragic: without loan guarantees there are no students; without students there are no proprietary schools; without proprietary schools there is no job training; without job training, there is one less passport available out of the poverty and hopelessness of the inner city. If workfare job training is to be provided in these high risk areas, the higher risk of loan default must also be recognized.

A Department of Education study of postsecondary student aid programs documented the difficulty of administering education for high risk students. Risk factors and default experience correlated as follows:

Risk factor	Low default	High default
Sex	Male	Female.
Marital status	Married/single	Divorced/widowed/separated.
Ethnic group	White/Asian	African/American/Hispanic.
Socioeconomic status.	High	Low.
Dependents	None	One or more.

Moreover, the study confirmed a positive correlation between the number of risk factors exhibited by students and their likelihood of defaulting on a student loan. Default rates ranged from over 35 percent to as high as 55 percent for students with four or five risk factors present—the very segment of the population most in need of workfare training and the "target audience" for many proprietary schools.

A key issue is what maximum default rates are appropriate for good quality schools in the high risk areas. A comprehensive evaluation of this issue must take into account the positive impacts of reduced welfare payments, higher income taxes paid and the intangible but undeniable social benefits of breaking dependence on welfare.

Fortunately, an analysis taking into account all of the factors—government benefits paid, income tax paid and default costs—demonstrates conclusively that the Government, society and the individuals come out far better, even with a default rate as high as 35 percent, when compared with the consequences of not providing training.

The attached analysis was compiled using financial aid records and student surveys from a proprietary school in Los Angeles that provides a seven month program to prepare students for entry level positions in medical and dental offices. A default rate of 35 percent was assumed.

Considering all factors, this analysis shows the following:

Without training: The 263 students received $201,144 per year in government welfare assistance and paid $23,923 in income taxes. The net annual cost to the government equals $177,221.

After training: The government welfare assistance is reduced to $82,110 and the income tax paid increased to $184,775. The net annual return to the government is $102,665 and the net annual benefit (actual return plus cost avoidance) is $279,886. Even when the one-time default cost of $209,024 is factored in, the government comes out better the first year.

These conclusions are representative of the larger proprietary school industry, but the numbers will naturally vary somewhat from school to school and course to course. What does not vary is that our society and individuals are far better off if training is provided and the government comes out ahead financially.

Clearly, some differential in maximum allowable default rates is appropriate since schools operating in high default risk areas are doubly at risk. First, as alluded to earlier, the student population they service is statistically much more likely to default than are students from lower risk areas. Second, default rates are calculated on the percentage of students in default, with no regard to the amount of loan defaulted. Students in low risk areas generally borrow considerably more money. Consequently, a school with high risk students may have a higher default rate, but the dollar loss to the government from defaults in lower risk areas could be considerably higher. Therefore, it is recommended that schools in high risk areas have a maximum of 35% while low risk schools have 30%. A rate less than 35% is likely to drive many of the schools out of the high risk areas, to the detriment of all.

In conclusion, Congress should seize the opportunity occasioned by the reauthorization of the Higher Education Act of 1965 to redirect the thrust of the nation's discredited welfare system. Given reasonable standards of proprietary school accountability in the context of the population being served, learnfare can substitute jobs for unemployment, pride for hopelessness, and mainstream involvement for alienation.

On financial grounds, learnfare is in the best interests of the government—and therefore the taxpayer. This conclusion applies both to the direct monetary benefits as detailed in the accompanying analysis and to the substantial hidden costs associated with unemployment, crime, and social unrest. On socioeconomic grounds, learnfare's support and incentives for jobs strengthens both the economic health and the social fabric of our society. Learnfare should be studied, validated and implemented as a matter of urgent national priority.

ANALYSIS

The following analysis pertains to a high risk school in Los Angeles which is in danger of losing access to Title IV funds due to the proposed default rate ceilings. If these funds were denied, the school would have to close. This situation is typical of other high risk schools. This analysis was compiled using financial aid records and student surveys. The school provides a seven month program to prepare students for entry level positions in medical and dental offices. A default rate of 35 percent was assumed.

Student loan information:	
Students in repayment	263
Students defaulting	92
Average loan value	$2,272
Total default loss (1 time)	$209,024

Cost-benefit analysis for 263 students

Annual cost to Government prior to training:	
Students employed at time of enrollment	28
Average annual salary	$8,544
Total annual wages	$239,232
Annual Federal income taxes (assumes 10 percent of wages)	$23,923
Students receiving government assistance	87
Average annual benefit	$2,312
Total cost of Government assistance given directly to students	$201,144
Net annual cost to Government	$177,221
Financial benefit to Government after training:	
Students completing course (61 percent)	161
Students placed in jobs (69 percent)	111
Annual average salary	$13,872
Total annual wages	$1,539,792

Annual Federal income tax (assumes 12 percent wages)	$184,775
Students on government assistant	34
Average annual benefit	$2,415
Total cost to Government	$82,110
Net annual benefit to the Government	$102,665
Annual cost to Government: No training	($177,221)
Annual benefit to Government: After training	$102,665
Annual differential advantage to Government	$279,886

The annual differential advantage of $279,886 is obtained at a one time default cost of $209,024.

Note: 148 students were in independent status before training and 118 after training. Any indirect assistance they may receive from the government was not considered. Whatever the numbers are, they work in favor of the after training example.

If one wants to exclude the income tax differential from the analysis on the premise that someone will have any given job and therefore pay the tax regardless of the training program, the annually recurring financial benefit accruing to the government from reduced welfare cost alone ($119,034) is a powerful argument in favor of the learnfare approach.

Obviously, this analysis could not quantify the many societal benefits of productive, well-trained citizens. However, no reasonable observer could deny that increased learnfare training and employment must produce significant indirect savings in such areas as unemployment administration, law enforcement, legal proceedings, etc.

LOAN ACCESS PROPOSAL

Currently access to loans is especially critical for students at the lower end of the socioeconomic spectrum who wish to study at a proprietary postsecondary school. However, recent actions by the commercial banking community (including large banks such as Bank of America) have greatly reduced, and in some cases, eliminated, access to student loans for programs shorter in length than two academic years. The stated reasons are higher default rates and the shorter term of the loan, which translate to higher loan servicing costs for the lending institution. A further potential barrier is a proposed reduction in payment to lenders to equalize the student loan rate to a market rate.

To provide equal access to Title IV funding, banks should be precluded from arbitrarily applying their own internal, more restrictive standards of minimum program length and default rates. At the same time, to remain equitable and to provide the incentive for lenders to grant shorter term, smaller student loans, the formula for payment to lenders must take into account the higher cost of servicing such loans. One possibility would be a graduated scale for payment to lenders when the student begins repayment, as follows:

Balances less than $5,000: T-Bill plus 3.75 percent.

Balances of $5,000–$10,000: T-Bill plus 3.50 percent.

Balances greater than $10,000: T-Bill plus 3.0 percent.

Finally, the need to strengthen the lender of last resort requirement cannot be overemphasized. The current system in many states does not provide equal access to the Title IV program. Each state should be required to provide a timely and effective lender of last resort as a condition for participating in the Title IV program.•

WINNING REELECTION

• Mr. SYMMS. Mr. President, as the 1992 campaign for President draws closer, the political pundits are predicting what the candidates must do to win reelection. One of the oft-heard pieces of advice inside the Washington, DC, Beltway, is that the strength of the environmental movement demands that candidates do the bidding of the most elite element of our society. For those of us who have been out on the hustings, nothing could be further from the truth.

Recently, an article appeared in the Owyhee Avalanche which addressed this issue, specifically as it relates to President Bush.

Mr. President, I ask that the article, "Why It's Bad Politics, Not To Mention Bad Public Policy, for George Bush To Go Green," be placed in the CONGRESSIONAL RECORD at this point.

The article follows:

[From the Owyhee Avalanche, May 6, 1992]

WHY IT'S BAD POLITICS, NOT TO MENTION BAD PUBLIC POLICY, FOR GEORGE BUSH TO GO GREEN

(By William Perry Pendley)

According to White House experts, President Bush must move to the left on environmental issues to win reelection. Unfortunately for George Bush, his political advisors, and for the nation, such a leftward move is not just disastrous public policy, it is abysmal politics.

While Bush's advisors are correct that opinion polls reveal that a majority of American people are "environmentalists," Meg Greenfield of the Washington Post, says the word means too many different things to have political significance. More instructive is a Roper Organization poll which concludes that only 22 percent of Americans can be called hard core environmentalists.

Where are these folks and to what degree do they influence elections? The answer: in Maine, Vermont, Massachusetts, New Jersey, Wisconsin, Minnesota, Washington, Oregon, and, to a degree, California. It should come as no surprise, therefore, that Governor Dukakis carried a majority of those states, winning in Washington, Oregon, Minnesota, Wisconsin, and Massachusetts. He almost carried Vermont.

Frankly, it is surprising that Dukakis did not do better, since he had massive support from environmental organizations and was the beneficiary of the eight years of trashing of the Reagan-Bush Administration by the environmental lobby and its allies in the media.

Still, nervous White House types note that Dukakis "almost" carried California, losing by a "scant" 300,000 votes. They overlook the fact that, except for the Reagan anomaly of a popular former Governor, elections for president in California have always been close. Nixon carried California by 100,000 votes in 1960 and by 200,000 votes in 1968. Ford won by 100,000 votes in 1976. Thus Bush's 300,000 vote margin demonstrates not weakness, but strength.

In California, there are only three major counties which vote Democratic: San Francisco and Alameda, which each yield a 100,000 vote Democratic margin, and Los Angeles, which yields a 200,000 Democratic vote margin. In order to win, Republicans must offset this 400,000 vote margin, primarily from southern California. There Orange County yields Republican margins of 300,000; San Diego 150,000; San Bernardino and Riverside counties 75,000 each; Ventura County 40,000 to 50,000 and Kern County 30,000. Thus, the Republican margin, statewide, is some 680,000—nearly 300,000 more than that of the Democrats.

With these margins, why did Ford almost lose California in 1976? The answer: because conservative voters in Riverside and San Bernardino Counties—many whose families came from the South—saw Carter as the more conservative candidate. Similarly, Bush's vulnerability in California is not because he cannot win over environmental voters—and no matter how hard he tries, he cannot—but because leftward movement endangers the margins critical to Republican victory. In addition, the swing voters in Los Angeles County, where Bush might eat into the Democratic margin, are not those persuaded by elitist environmental rhetoric but are Hispanics and Asians—people almost totally missing from environmental organizations and people for whom jobs, opportunity, education and family values are of major importance.

As President Bush moves to the left on environmental issues for the sake of California, what happens to the rest of the country? The experience of Gerald Ford is instructive.

In 1976, President Ford failed to carry Ohio by 11,000 votes—a key loss since Ohio, plus any other state (Hawaii, Mississippi or Wisconsin), would have elected him president. Ford didn't lose Ohio because Cleveland yielded bigger margins for Carter than for Humphrey or McGovern, but because Carter did better in the Republican areas of southern Ohio. Once again, as in California's Riverside and San Bernardino Counties, Carter was seen as the more conservative of the two candidates.

As important as is the impact of Bush's leftward tilt upon voters in these traditionally conservative regions, is its impact upon the activists—like members of the American Farm Bureau Federation—who are key to any Republican victory. The White House team may have gotten a partial answer earlier this year at the American Farm Bureau Federation Convention where President Bush became the first president in history not to receive a standing ovation.

We can only wonder if President Bush got the message.•

PRICE INVERSIONS

• Mr. SIMON. Mr. President, I rise today to give more examples of price inversions in the retail gasoline market. I have been making statements on this issue on a weekly basis since the middle of May.

Some of my colleagues may not yet be aware of what is going on in the retail gasoline market. Price inversions are the continuing practice by some major refiners to charge their wholesale customers more for gasoline or diesel fuel than they charge retail motorists at the pump. This practice will eventually eliminate the prime source of competition in the motor fuel marketing industry, the independent motor fuel marketer.

I continue to receive reports of these inversions from all over the country. I recently received a letter from a struggling small petroleum distributor in New York who was a victim of price inversions. On May 28, 1992, this individual passed by one of his supplier's stations and noticed that the price quoted at a refiner-operated outlet was $1.119 for a gallon of gasoline in Norwich, NY. This refiner was charging a wholesale rack price of $1.1048. By the time freight costs are added in, the wholesaler's cost was $1.1298. There is no way this wholesaler can compete with his own supplier in this kind of situation.

I also received information about a similar situation in Atlanta, GA. On June 12, 1992, a refiner was selling unleaded gasoline for $.9419 per gallon, before sales taxes are added in. The same refinery was charging wholesalers $.9357 per gallon, including freight. But the wholesaler had to pay a 3-percent credit card fee on all credit card sales by himself or his resale customers. These credit card sales run about 50 percent of volume in that market. Thus, the charge to the wholesaler is $.9497, which is higher than the retail street price charged by the supplier.

Finally, in the last week I received a letter from a man in Red Bud, IL. He has been a distributor for a major petroleum company for more than 20 years. He has verified at least six instances this year when company station prices in Belleville, IL, were lower at the pump than what he paid for the product at the refinery, after adjusting for taxes and freight.

There is no way refiners can make the argument that these examples are isolated instances. I regularly receive letters explaining similar situations all over the country. Only some examples are used in these statements.

Mr. President, these examples of price inversions are clearly affecting competition in the petroleum markets. These price inversions are squeezing out the small petroleum distributors around the country. If these tactics are allowed to continue, more and more independent motor fuel marketers and retailers in this country will go out of business.

I ask my colleagues to carefully consider what will happen to the consumers of this country if these inversions are allowed to continue. Congress must move on legislation to correct these price inversions before the end of this session.•

IN RECOGNITION OF RTKL ASSOCIATES, INC.

• Mr. SEYMOUR. Mr. President, I rise today in recognition of RTKL Associates, Inc. of Los Angeles, CA, upon their receipt of the President's "E" Award for Excellence in Exporting presented to them by the U.S. Department of Commerce on May 14, 1992.

RTKL is one of the few architectural engineering firms to ever receive the "E" award. They were cited by the Commerce Department for the firm's above-average industry billings and for its particularly visible presence in Japan. International work represented 14 percent of RTKL's 1991 billings, compared with an industry average of 2 percent.

According to the United States Embassy in Tokyo, RTKL has more projects underway in Japan than any other United States A/E firm and is the first foreign firm eligible to compete for Japanese Government construction projects in all nine Regional Construction Bureaus of the Ministry of Construction.

International revenues were $7.5 million in 1991. Indonesian projects represented 24 percent or the largest share of international billings. All the Indonesian work has been won by RTKL, Los Angeles. Japanese projects accounted for the second largest share at 18 percent. The balance came from projects in Mexico, Korea, England, Australia, Thailand, Brazil, Canada, The Netherlands, Spain, France, Germany, Singapore, Taiwan, Portugal, Belgium, Panama, Egypt, and the Phillipines.

Overall, 60 to 70 percent of the firm's international work is within the Pacific rim. By far the greatest percentage of that work has also been won by RTKL's Los Angeles office. In fact, the Los Angeles office currently has projects in Malaysia, Thailand, Singapore, the Phillipines, Australia, Japan, and Korea. RTKL Los Angeles takes great pride in the fact that they are making a significant contribution to California's efforts to increase exports.

As you know, the "E" award was created by Executive order of the President in 1961 to afford suitable recognition to persons, firms, or organizations that contribute significantly in the effort to increase U.S. exports. RTKL's receipt of this distinguished award is evidence of their strong contribution to the betterment of exportation not only in California but across the Nation as well.

Mr. President, I ask my colleagues to join me today in honoring RTKL for their extraordinary efforts.•

OWNERSHIP FOR BANK EXECUTIVES

• Mr. SIMON. Mr. President, about 3 years ago—and I may be off on the time factor here—Thomas C. Theobald became the chief executive officer of Continental Bank in Chicago. He has done a superb job of taking charge there, from everything I hear and read.

Some weeks ago, he was quoted in the Chicago Tribune as saying that bank executives ought to have a stake financially in the future of their banks, more than just salary.

It made so much sense to me that I wrote and asked him for a copy of his remarks.

I have since shown his remarks to others in the banking field, and everyone seems to agree that what he says makes sense.

I would hope we could take some steps in the direction that he suggests that could ultimately save billions of dollars in insurance funds, as well as create a sounder bank system in this country.

I ask to insert his remarks in the RECORD at this point.

The remarks follow:

REMARKS OF MR. THOMAS C. THEOBALD

Chairman William Taylor of the FDIC wants higher capital ratios for banks. So does Congress. A major argument is, "If a bank has more to lose, it won't take silly chances with insured deposits."

Intuitively logical, but wrong! It's half a syllogism—the real formulation is, "If the bank's management (and directors) have more to lose, it won't pursue long-odds strategies."

Numerous academic studies by business researchers have focused on so-called agency problems in corporate governance. the biblically-old conflict between the motivations of managers (shepherds) and owners still haunts management gurus. Contrived compensation packages strive to link motivations between day-to-day corporate managers and shareowners, but never fully succeed.

Further, public and legislative credibility for such arrangements as incentive bonuses and stock options has never been lower.

Yet there is a simple solution: Mandate significant ownership commitment for corporate and bank managers. No single step more effectively puts the various interested parties into each other's shoes.

Those allegedly greedy LBO firms in pursuit of their own self-interest would never back a deal in which management did not risk its own money. Venture capitalists almost inevitably demand that the entrepreneur mortgage his or her house to demonstrate wholehearted commitment to the undertaking. Similar requirements of personal financial risk are routine in virtually every lending arrangement.

Privately owned companies in every phase of their development typically can more easily resolve conflicts between short-term results and long-term investment, or trade off between potential risk and return in longer time frames. Having observed thousands of companies up close over my 30-year career, I am convinced that privately held businesses are better run—not because the managers are smarter, but simply because so many potential conflicts are defused. Owner/managers have an easier job.

By their nature, America's banks are capital-intensive, with equity accounts in the tens of millions and even billions of dollars. So purely private ownership is seldom feasible.

But real financial commitment, real ownership, is totally practical for managers and directors. Indeed, every employee can develop a meaningful ownership stake through ESOPs, profit-sharing plans, and similar vehicles.

The relationship between ownership and performance is well documented by research in other industries. For example, a study of the chemical, high-technology, and insurance industries found that companies with a higher percentage of insider ownership have a substantially better three-year average

ROE than companies with a low percentage of ownership.

This correlation exists in banking as well. Our analysis of the ten banks in the Salomon 50 Bank Index with the highest management ownership shows much better credit records than those of the ten lowest-management-owned banks. In fact, we find that as the average percentage of ownership decreases, the average ratio of nonperforming assets to total assets increases. This shouldn't be surprising—managers don't want to lose their own money!

Demanding still higher capital ratios (which automatically means fewer loans) for banks is an indirect and inferior way to get to the ultimate target—a well-informed, careful, and long-term trade-off between risk and return in the management of our nation's banking system. Instead we should require bank managers to put their money on the line.

(Tom Theobald is chairman of Continental Bank Corp., which has an ESOP and mandated stock ownership for senior managers and directors.)•

THE FREEDOM OF CHOICE ACT OF 1992

• Mr. DODD. Mr. President, I want to express my strong support for S. 25, the Freedom of Choice Act—particularly the revised version proposed today. In my view, Roe versus Wade was a sound decision in its affirmation of the right to reproductive choice. The Freedom of Choice Act would codify this right into statutory law. This step becomes necessary because of the Supreme Court's steady erosion of a woman's right to free choice in its recent decisions. I am among those who fear that the upcoming Casey versus Planned Parenthood may so severely limit the right to choice that enactment of the Freedom of Choice Act will be absolutely necessary.

The issue before us today is at once moral, legal, and political. It divides our country—summoning convictions and certitudes that cross racial, economic, and geographic boundaries—as no other issue has since the Vietnam war. All of us have thought long and hard about reproductive choice. Most of us have probably already made up our minds.

I am a principal cosponsor of the Freedom of Choice Act. I am keenly aware of the moral dilemmas—of the indistinction between a potential versus an actual life. The only point upon which we can all agree is that there is no agreement. No convocation of scientists, religious leaders, or philosophers could resolve the matter. The ethical predicament is difficult beyond words. So, in the absence of anything resembling a consensus, we are left with the necessity of deciding who best should decide—government or a woman and her doctor?

The Freedom of Choice Act was drafted in the belief that this fundamental right belongs to all women and should not vary from State to State. It would write into Federal law the 1973 Supreme Court decision on Roe versus Wade, guaranteeing freedom of reproductive choice. And I support this legislation, not out of moral certitude, but out of profound doubt. So deeply personal and emotional a decision is best made by the individual and not by the State. I know that most Americans share this view.

In 1990, the Connecticut General Assembly passed a strikingly direct law, making the decision to terminate a pregnancy prior to fetal viability solely that of the pregnant woman in consultation with her physician. Because nearly all abortions occur before viability, the law means that women in Connecticut will have virtually unrestricted reproductive choice. This makes Connecticut the first and only State to guarantee this right at the present time. The Connecticut law is, in fact, the State level equivalent of the Freedom of Choice Act.

We in Connecticut believe our State statute to be a model and triumph. But our sense of accomplishment is tempered by the realization that the reproductive rights of women in other States may be in doubt.

We are at a critical juncture. The President's rigid, implacable opposition to choice—and the willful selection of a Supreme Court antagonistic to Roe versus Wade—creates a dangerous situation where two of the three branches of Federal Government are hostile to reproductive choice. The Casey ruling will likely be another step backward.

Nonetheless, I believe that 1992 represents the high water mark of the antichoice movement. The realization that reproductive choice can no longer be taken for granted has galvanized the pro-choice majority. Ultimately, this, our representative government, will reflect the will of the people. Though formidable obstacles remain, I am increasingly confident that reproductive choice will remain a profoundly private and personal right that is protected by law, if not by the courts.•

THE DECISION IN LEE VERSUS WEISMAN

• Mr. SIMON. Mr. President, I rise today to bring attention to an aspect of yesterday's Supreme Court decision in Lee versus Weisman, which causes me great concern.

I do not come to the floor to debate the substance of the decision, nor the Lemon test which is used to analyze establishment clause cases. Rather, I want to point out a glaring inconsistency between Justice Thomas' testimony during his confirmation hearing regarding his views on the establishment clause and his views as expressed in the dissent of Lee. In Lee, Justice Thomas joins Justice Scalia, who writes the dissent. In discussing the Lemon test the dissent states:

> Our religion-clause jurisprudence has become bedeviled (so to speak) by reliance on formulaic abstractions that are not derived from, but positively conflict with, our long-accepted constitutional traditions. Foremost among these has been the so-called Lemon test, * * * which has received well-earned criticism from many members of this Court. * * * The Court today demonstrates the irrelevance of Lemon by essentially ignoring it, * * * and the interment of that case may be the one happy byproduct of the Court's otherwise lamentable decision.

This statement stands in stark contrast to Justice Thomas' response to questions by Senator KOHL on Lemon. In his testimony, then Judge Thomas stated:

> The Court has established the Lemon test to analyze the Establishment Clause cases, and I have no quarrel with that test.
>
> The Court, of course, has had difficulty in applying the Lemon test and is grappling with that as we sit here, I would assume, and over the past few years, but the concept itself, the Jeffersonian wall of separation, the Lemon test, neither of these do I quarrel with.

It is disheartening to me that in this very short timeframe, just months, Justice Thomas seems to have changed his position so dramatically. I can only speculate that because the process has become so politicized, a nominee's ability to be candid is lost.

Just this morning, Chairman BIDEN gave an excellent statement regarding his views on the confirmation process and changes he feels need to be made to improve the process. He specifically addressed the deterioration of the debate and the inability of the Senators to discuss with the nominee the fundamental issues which should confront the Court in the next decade and beyond. I second Senator BIDEN's suggestion that the President sit down and engage in real consultation with the Senate leadership before he sends us a nomination. That respects the Senate's advice and consent role and it serves the Nation well. I look forward to working with the chairman on his recommendations as they may be the only way to solve the problem that is so starkly highlighted in the Lee case.•

IN RECOGNITION OF IRA NORRIS

• Mr. SEYMOUR. Mr. President, I rise today in recognition of a very dear colleague and friend of mine upon his receipt of the 1992 Los Angeles Housing Man of the Year Award for the National Housing Conference, Inc., Mr. Ira Norris.

Ira Norris is president and founder of Inco Homes, the recognized affordable housing leader in southern California and perhaps, the Nation. Inco Homes specializes in single-family homes for the entry-level and first-time move-up markets. Ira has often been quoted in leading local and national publications, such as the Wall Street Journal, Reader's Digest and U.S. News & World Report.

Ira has been named builder of the year by the Building Industry Association of Southern California and twice by BIA/Baldy View. He has also received the National Housing Conference's Housing Person of the Year Award. Inco has won the National Association of Home Builders' Silver MIRM Project of the Year Award and the Pacific Coast Builders Conference Gold Nugget Award for Best Affordable Housing. In short, Ira Norris and Inco Homes has provided a much-needed and valued resource for southern California—affordable housing.

Ira is also deeply involved with several local charities, such as the Anti-Defamation League and the Arthritis Foundation. He is also a frequent lecturer at Pepperdine University and the University of Southern California, Graduate School of Urban and Regional Planning and teacher at the University of California, Riverside.

In short, Mr. President, Ira Norris is an outstanding leader in the housing industry and is most worthy of this special recognition. I ask that my colleagues join me today in commending and congratulating Ira on his honor as the 1992 Los Angeles Housing Man of the Year. As stated by Henry David Thoreau, "If one advances confidently in the direction of his dreams, and endeavors to live the life which he has imagined, he will meet with a success unexpected in common hours." Ira Norris is a living example of Thoreau's quotation.•

PROMOTE COMPETITION IN RETAIL GASOLINE MARKET

• Mr. DECONCINI. Mr. President, last week I made a statement in support of S. 790, a bill to amend the antitrust laws in order to promote wholesale and retail competition in the retail gasoline market. Today, I want to reiterate the harm being suffered by independent fuel marketers and retailers in this country due to serious anticompetitive practices in the retail gasoline market. Without immediate action to curb these practices, the survival of the independent motor fuel marketer is threatened. This threat is certain to harm the American motorist.

Arguments are being raised that existing laws such as the Petroleum Marketing Practices Acts [PMPA], the Sherman Act, or the Robinson-Patman Act provide sufficient safeguards to protect competition within the retail gasoline market. However, the reality is that existing law is inadequate to resolve the problems faced by many independent gasoline dealers.

The PMPA, 15 U.S.C. 2801, generally prohibits all terminations of franchises and nonrenewals of franchise relationships. It then sets forth a list of exceptions to the general rule, exceptions which have swallowed up the general rule thereby weakening its ability to protect the independent dealer from an unwarranted termination.

A further problem with relying on the PMPA is that its repressive preemption provision effectively precludes the States from taking action to stop the abuses within the industry. Dealers are often faced with weak Federal law on the one hand and with a repressive preemption provision that tends to block State action on the other.

Finally, the PMPA is inadequate in addressing the economic eviction techniques in widespread use by oil companies today. This is so because the PMPA is ineffective in preventing refiners from engaging in economic eviction by use of rent increases; unfair wholesale pricing, and other measures such as unprofitable and unsafe 24-hour operation, that drive up the cost of doing business to the point that even highly efficient franchisees are driven out of the business. Furthermore, the PMPA allows an oil company to make changes in a franchise agreement it wants so long as the changes are made in good faith. PMPA's good faith standard focuses on the subjective intent of the oil company and precludes any application of an objective standard thereby rendering it one of the weakest standards in American law. Generally, whenever termination is desired, the oil companies can find good cause.

Like the PMPA, the antitrust laws also provide no meaningful protection for the independent gasoline dealer who is faced with unfair competition from his own supplier. Take the situation where the supplier transfers gas to its company operated station for less than what it sells to the dealer. This creates an economically important situation for the dealer and forces him to file suit, alleging breaches of the Sherman Act. Assuming that the dealer can afford the legal and expert witness fees, let's look at what would happen in this case.

Section 1 of the Sherman Act prohibits "contracts, combinations, or conspiracies in restraint of trade." This requires at least two separate actors. The Supreme Court has held that a parent corporation and its subsidiary are incapable as a matter of law of violating section 1 because they are a single economic entity that cannot "contract, combine or conspire with one another." The bottom line is that the dealer's section 1 claim will be thrown out on a jurisdictional basis.

Section 2 of the Sherman Act deals with the offenses of monopolization and attempted monopolization, usually by a single firm. To violate the statute, one must either monopolize or attempt to monopolize, with a dangerous probability of success relevant to the product and the geographic market area. In our case, let's assume that refiner X has 25 percent of the market and has decided to eliminate all of its dealers and turn the stations into company operated stations. The 25-percent market share would not be enough to mandate a finding of market power necessary to sustain a section 2 violation. Thus, section 2 would offer no assistance to the affected dealer.

Also of no assistance to the dealer is the Robinson-Patman Act. The Robinson-Patman Act prohibits price discrimination as a general rule. In order to find a violation of the statute, there must be at least two sales of the given product. It has been consistently held that the transfer of gasoline between the oil company and its company operated station is not a sale, but an intracorporate transfer not subject to the act.

Clearly, the claim that existing law is adequate to deal with the problem of independent dealers is without merit. Something must be done. Failure to do will cause the reduction, if not the elimination, of independent fuel marketers and retailers in this country. With less and less competition, it is only a matter of time before major oil companies take advantage of that situation and gasoline prices drastically increase.•

ORDER OF BUSINESS

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TODAY

Mr. FORD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stands in recess until 9:30 a.m., Friday, June 26; that following the prayer, the Journal of proceedings be deemed approved to date; that the time for the two leaders be reserved for their use later in the day; further, that upon conclusion of the vote on the motion to instruct, the Senate then stand in recess subject to the call of the Chair.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. FORD. Mr. President, on behalf of the majority leader I would like to announce that on tomorrow, immediately after the Chair's announcement, the leader will put in a quorum call that will go live and he will then move to instruct the Sergeant at Arms to request the presence of absent Senators; that upon the conclusion of that vote, the Senate will then stand in recess subject to the call of the Chair.

ORDER OF PROCEDURE

Mr. SIMPSON. Mr. President, let me just say that also tomorrow there will be party caucuses immediately after that particular vote on the Sergeant at Arms requesting the presence of absent Senators.

We were prepared and have presented a draft of a consent agreement which I think we could have attained tomorrow, at least perhaps in our caucus proceeding. I do not know what my friend from Kentucky can say about his proceeding, but the activity here on the floor just moments ago I think will likely prevent that from occurring.

It would be very difficult for those of us on this side of the aisle to, I think, concur with the basic concept or draft of the unanimous-consent agreement because of the modification of the amendment by the very skilled and extraordinarily able Senator from West Virginia, my friend, ROBERT BYRD.

The minority leader will not be present tomorrow. He will be in his native State of Kansas.

I will be here as acting leader working with Senator MITCHELL or Senator FORD as the case may be, in hoping to accomplish something that could lead us out of this morass.

But I can surely say to those that are listening at this tender hour of the evening, that it will be very, very difficult because of the modification of the amendment. We will have to determine what type of procedures we will utilize tomorrow, whether to appeal that ruling or what might be necessary. But there is no need to take the time of this body or the time of my friend from Kentucky to do that this evening.

Mr. FORD. I thank my friend from Wyoming.

I thought it was understood that each party would have their caucus following the vote put to the Senate by the majority leader.

Let me just say, Mr. President, I have a great deal of confidence in my good friend, the acting leader, this evening that he will be able to accomplish the end result of the unanimous-consent agreement and look forward to working closely with him, as he said, clearing this morass. I see he has reached for his microphone and I yield the floor.

Mr. SIMPSON. Parliamentary inquiry, Mr. President. If I were not to express any type of parliamentary inquiry or request for an appeal to the ruling, informal as it may have been, of the Chair, by going into adjournment until tomorrow, will that preclude me from raising any such issue on that subject on this regular day which is a new day?

The PRESIDING OFFICER. The termination of the session today and the resumption of the Senate business tomorrow does not affect the Senator's right as he might want to appeal the ruling of the Chair tomorrow. He can do that tomorrow as well as today. He would be in the same position tomorrow as he is today.

Mr. SIMPSON. So, Mr. President, there is no diminution of my rights under what was done, especially that it might be construed that it might have occurred on this same legislative day.

The PRESIDING OFFICER. I believe the answer is the Senator is correct. His rights tomorrow are the same as they are today.

Mr. SIMPSON. I thank the Chair and I thank my friend from Kentucky.

RECESS UNTIL 9:30 A.M. TODAY

Mr. FORD. Mr. President, if there is no further business to come before the Senate today, I ask unanimous consent that the Senate now stand in recess as previously ordered.

There being no objection, the Senate, at 12:28 a.m., recessed until Friday, June 26, 1992, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate June 25, 1992:

DEPARTMENT OF STATE

DAVID HEYWOOD SWARTZ, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF BYELARUS.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

H. DOUGLAS BARCLAY, OF NEW YORK, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION FOR A TERM EXPIRING DECEMBER 17, 1994. (REAPPOINTMENT)

NATIONAL INSTITUTE OF BUILDING SCIENCES

JOHN H. MILLER, OF CONNECTICUT, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE NATIONAL INSTITUTE OF BUILDING SCIENCES FOR A TERM EXPIRING SEPTEMBER 7, 1992, VICE FRED E. HUMMEL, RESIGNED.

JOHN H. MILLER, OF CONNECTICUT, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE NATIONAL INSTITUTE OF BUILDING SCIENCES FOR A TERM EXPIRING SEPTEMBER 7, 1995. (REAPPOINTMENT)

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

LT. GEN. PAUL G. CERJAN [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. DANIEL R. SCHROEDER [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT AS THE SURGEON GENERAL, U.S. ARMY, IN THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 3036:

To be surgeon general

To be lieutenant general

MAJ. GEN. ALCIDE M. LANOUE [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A), AND FOR APPOINTMENT AS CHIEF OF ENGINEERS UNDER TITLE 10, SECTION 3036:

To be lieutenant general

To be chief of engineers

MAJ. GEN. ARTHUR E. WILLIAMS [redacted] U.S. ARMY.

EXTENSIONS OF REMARKS

U.S. POLICY TOWARD THE MIDDLE EAST

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues a speech Edward P. Djerejian, Assistant Secretary of State for Near East and South Asian Affairs, delivered June 2, 1992 to the Meridian House in Washington, DC.

This speech provides a useful survey of United States policy goals with respect to the Arab-Israeli peace process and Persian Gulf security and stability and states United States support for human rights, pluralism, women's and minority rights, and popular participation in government, and our rejection of extremism, oppression, and terrorism.

In this regard, Assistant Secretary Djerejian speaks to the issue of Islam and the West and states:

> The United States Government does not view Islam as the next "ism" confronting the West or threatening world peace. That is an over-simplistic response to a complex reality . . . Simply stated, religion is not a determinant—positive or negative—in the nature or quality of our relations with other countries. Our quarrel is with extremism, and the violence, denial, intolerance, intimidation, coercion, and terror which too often accompany it.

Assistant Secretary Djerejian's thoughtful remarks follow:

THE UNITED STATES AND THE MIDDLE EAST IN A CHANGING WORLD: DIVERSITY, INTERACTION AND COMMON ASPIRATIONS

(Address by Edward P. Djerejian)

THE CONTEXT

For over four decades the central characteristic of international relations was the dichotomy between the Soviet Empire of dictatorial regimes and centrally-planned economics, and the Free World of democratic governments and market economies. Thus, the Cold War reverberated around the globe, affecting virtually everyone, everywhere. Much of America's foreign policy, and that of many othfer free nations, was either driven by, or a derivative of, our collective efforts to contain Soviet aggression and expansion.

Today, East/West competition and conflict over the future of Europe and the Third World has been transformed. In the former Soviet Union, new leaders are striving for peaceful, democratic change as the only effective road to sustainable economic and social progress. Partnership has replaced conflict. A new mode of international cooperation, which Secretary Baker has called "collective engagement," is replacing the acrimonious competition of the Cold War.

This sea change in world politics has had a profound effect in the Near East:

An early example of the new "collective engagement" was the response to Saddam Hussein's invasion of Kuwait. An historically unprecedented coalition responded forcefully and successfully in reversing that aggression and in preventing Iraq from threatening or coercing its neighbors.

In partnership with Russia, we have been able to bring Israel and all her immediate Arab neighbors—Syria, Lebanon, Jordan and Palestinians—together, for the first time ever in an historic peace process, to negotiate a comprehensive settlement of their long-standing disputes in direct, face-to-face negotiations based on UNSC Resolutions 242 and 338.

Further, the United Nations has taken an increasingly active and positive role in enforcing the principles of its charter. Just this weekend, we have seen the U.N. Security Council enact Chapter Seven sanctions against Serbia and Montenegro following—in Secretary Baker's words—the "humanitarian nightmare" in Bosnia-Hercegovina, where many people, including Muslims, have been brutally victimized by the continued warfare. And besides its many resolutions on Iraq, the Security Council has shown it will not tolerate Libya's use of terrorism. In the Near East and Maghreb, the United Nation's activities extend from the Iraq and the Iraq/Kuwait border to the Western Sahara.

And within the ancient lands of the Near East, the rapid and fundamental change evident elsewhere is also pressing people to see their own futures in a new light, and to reevaluate their relationships with other nations, with their neighbors and with each other in a particularly challenging manner.

U.S. GOALS IN THE NEAR EAST

Amidst these changes, basic United States foreign policy objectives remain consistent and clear. Two major goals stand out: First, we seek a just, lasting and comprehensive peace between Israel and all her neighbors, including the Palestinians; and second, we seek viable security arrangements which will assure stability and unimpeded commercial access to the vast oil reserves of the Arabian Peninsula and Persian Gulf.

These are not new goals, of course. We have striven toward both for decades. What is new is the opportunity afforded us by recent global and regional events to make real progress toward achieving them.

Arab/Israeli Peace Process

The first of these goals—the search for peace between Arabs and Israelis—has challenged every U.S. administration in the last four decades. In the Middle East, where war has at times seemed endemic, the road to achieving lasting peace through negotiation now stretches before us. And the first historic steps forward have been taken.

We knew last autumn, before the first negotiations began in Madrid, that the path we had embarked on would not be an easy one. Fundamental and bitterly contested differences separate the parties to the conflict. Nevertheless, there have now been five rounds of direct, bilateral talks between Israelis and Arabs, and a sixth round is being planned for a venue closer to the region—namely, Rome. In addition, we have worked closely with our Russian partners in this endeavor to launch the multilateral phase of the Peace Process. Let me comment briefly on where we stand in this process.

In the bilateral negotiations, the parties have resolved many procedural questions and have begun to put substantive issues on the table. Israel and the Arabs, including the Palestinians, are all engaging on the basic issues of land, peace and security which form the nexus of these negotiations.

Israel and the Palestinians are focussing directly on the central issue of interim self-government arrangements for the Occupied Territories as a first, transitional step along the path to a permanent settlement of their dispute, which will be resolved in final status negotiations.

While major gaps remain between the respective positions of the parties, the bilaterals between Israel and Syria, Lebanon and Jordan have begun down the path of serious negotiations aimed at defining possible areas of agreement and at narrowing differences, through compromise, where disagreement persists.

This is the essence of the art of negotiation, and it is the essence of the negotiating process upon which the parties first embarked, seven months ago in Madrid.

Another major accomplishment has been the beginning of the multilateral phase of the peace process. As a result of closely coordinated planning by the United States and Russia, thirty-six countries, including eleven Arab states, gathered in Moscow in January to organize working groups on issues of regional concern, such as Economic Development, the Environment, Refugees, Water Resources, and Arms Control and Regional Security. In mid-May, these working groups held their initial meetings in various capitals around the world. Follow-on meetings will convene later this year.

I just returned from Lisbon, where the multilateral steering committee met on May 27th to coordinate the work of these working groups. I can report that we had a successful and productive meeting. The reports from the five working groups demonstrated again that all parties are approaching the issues seriously and pragmatically, and we achieved agreement on the venues and timeframe for the next round of working group meetings to be held in the fall. These multilateral talks support, rather than substitute for, the bilateral negotiations, and we hope that those bilateral parties who have so far refrained from participating will join all these important talks as soon as possible.

President Bush and Secretary Baker have committed the United States to play the role of an honest broker, a catalyst and a driving force to assure the continued progress of the peace process in all its dimensions. We look forward with real hope to the continued dedication and commitment to peace evinced thus far by the regional parties and the international community.

Gulf Security and Stability

A second major aspect of our Middle East policy is our shared interest in the security and stability of the Persian Gulf. We all know that the countries of the Arabian Peninsula are located in a dangerous neighborhood, and confront risks to their sovereignty and independence. Stability in the Gulf is vital, not only to our own national interest but also to the economic security of the whole World.

Arabian Peninsula

In February, I visited the countries which are members of the Gulf Cooperation Council. In all my conversations with their leaders and government officials, I stressed the need for individual self-defense, and for collective defense planning and arrangements among the six GCC states—Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates and Oman—wtih the goal of strengthening their ability to defend themselves against external aggression. I also encouraged security cooperation between the Gulf States and their friends in the region. Much work needs to be done in attaining this goal.

At the same time, I assured the GCC leaders that the United States will cooperate closely with them to meet their legitimate defense needs. This includes both the sales of weapons within the context of the President's Middle East Arms Control initiative, and bilateral security arrangements such as the periodic conduct of joint military exercises, the maintenance of an enhanced naval presence in the Gulf, and arrangements for the access and prepositioning of critical military materiel and equipment. I emphasized that these bilateral efforts would complement, but not supersede, the Gulf States' collective security efforts. I reiterated that we do not intend to station ground troops permanently anywhere in the region. The purposes of both arms sales and collective security measures are to deter threats to our shared interests, and to raise the threshold of future requirements for direct U.S. military action.

Iraq

The most drastic threat to the security of the Gulf, and indeed of the whole region, has been Saddam Hussein's aggression against his neighbors and against the people of Iraq. Here, the collective engagement of the international community and our coalition partners has been noteworthy in carrying out UNSC resolutions. Saddam continues to refuse to comply fully with these resolutions, which were passed by the Security Council to ensure peace and security in the region.

Using "cheat and retreat" tactics, he has resisted dismantling his weapons of mass destruction, including ballistic missiles and the means to produce them, as mandated by Resolution 687. He refuses to end his repression of the Iraqi people or to respect their human rights as mandated by Resolution 688, and he is intentionally and systematically depriving large populations in the north and south of Iraq of the basic necessities of life for the sake of hanging on to his own personal power. Clearly, he hopes to frustrate and outlast the will of the Security Council. We will enforce the U.N. sanctions fully. Saddam Hussein's regime has become more brittle and he is preoccupied by his quest for survival. Clearly, the Iraqi people deserve new leadership which will be representative of the pluralistic nature of Iraqi society and ready to live at peace with Iraq's neighbors.

Iran

Across the Gulf from our friends and allies lies the Islamic Republic of Iran, an important country that can contribute to regional security if it chooses a constructive path. Iran knows that it has to do to be accepted by the international community. Many hope that the recent Majlis election will lead to moderate policies. We share this hope, but actions must be the litmus test.

From our view, the normalization of relations with Iran depends on several factors, particularly an end to support for terrorism. Iran's role in the freeing of American hostages held in Lebanon was an important step. We hope this will lead to the release of all those being held outside the judicial process, regardless of nationality, and that this signals the permanent cessation of hostage-taking.

However, Iran's role in sponsoring terrorism continues in other ways that are deeply disturbing. Iran's human rights practices, and its apparent pursuit of a destabilizing arms build-up, including everything from submarines to weapons of mass destruction, also remain matters of serious concern. Further, Iran's policies toward its neighbors in the Gulf, where we have vital interests, and in Central Asia need to be watched closely. Another serious problem is Iran's categoric opposition to the Arab/Israeli peace process, and its support for those, like Hezbollah in Lebanon, who violently oppose it.

We have made clear from the outset, that we are prepared to engage in a dialogue with authorized representatives of the Iranian government to discuss these issues and U.S./Iranian relations. To date, the Iranian leadership has declined to engage us in this dialogue.

FUNDAMENTAL VALUES

Reviewing the main thrusts of our policy in the Middle East reminds us that, even in the 1990's, our national security interests in the region continue to exert a powerful claim on our attention. But there is more to our policy agenda than protection of vital resources and conflict resolution. Another pillar of U.S. policy is our support for human rights, pluralism, women's and minority rights and popular participation in government, and our rejection of extremism, oppression and terrorism. These worldwide issues constitute an essential part of the foundation for America's engagement with the countries of the Near East—from the Maghreb to Iran and beyond.

In this context, there are certain factors which we should underscore in discussing U.S. relations with these countries:

The first is diversity. Not only is this area diverse within itself, so are our relations with the countries that make it up. This diversity requires not only that a clear sense of our own values and interests guide our policy, but also that understanding and tolerance be key factors in our dealings with other political cultures.

The second point is interaction. U.S. relations with this part of the world are just the latest chapter in a history of interaction between the West and the Middle East that is thousands of years old. Our interaction spans political, economic, social cultural and military fields. We should not ignore this totality.

The third point is common aspirations. Despite obvious differences, we and the peoples of the Near East share important aspirations, which I will touch on later. These common aspirations provide a promising foundation for future cooperation.

Islam and the West

Politics in the region has increasingly focussed on the issues of change, openness, and economic and social inequities. As part of a trend that predates the events I have recounted, the role of religion has become more manifest and much attention is being paid to a phenomenon variously labeled Political Islam, the Islamic Revival or Islamic Fundamentalism.

Uncertainty regarding this renewed Islamic emphasis abounds. Some say that it is causing a widening gap between Western values and those of the Muslim world. It is important to assess this phenomenon carefully, so that we do not fall victim to misplaced fears or faulty perceptions.

A cover of a recent issue of "The Economist" magazine headlined its main story "Living With Islam" and portrayed a man in traditional dress, standing in front of a mosque, and holding a gun. Inside the magazine, we are told that "Islam Resumes its March!" and that "one anti-western 'ism' is growing stronger." If there is one thought I can leave with you tonight, it is that the United States Government does not view Islam as the next "ism" confronting the West or threatening world peace. That is an overly-simplistic response to a complex reality.

The Cold war is not being replaced with a new competition between Islam and the West. It is evident that the Crusades have been over for a long time. Indeed, the ecumenical movement is the contemporary trend. Americans recognize Islam as one of the world's great faiths; it is practiced on every continent; it counts among its adherents millions of citizens of the United States. As Westerners, we acknowledge Islam as an historic civilizing force among the many that have influenced and enriched our culture. The legacy of the Muslim culture which reached the Iberian Peninsula in the Eighth Century is a rich one in the Sciences, Arts and Culture, and in tolerance of Judaism and Christianity. Islam acknowledges the major figures of the Judaeo-Christian heritage: Abraham, Moses and Christ.

In countries throughout the Middle East and North Africa, we thus see groups or movements seeking to reform their societies in keeping with Islamic ideals. There is considerable diversity in how these ideals are expressed. We detect no monolithic or coordinated international effort behind these movements. What we do see are believers living in different countries placing renewed emphasis on Islamic principles, and governments accommodating Islamic political activity to varying degrees and in different ways.

Political Participation

For our part as Americans, we are proud of the principles on which our country is founded. They have withstood many severe challenges over more than two centuries. We know they work. We therefore are committed to encouraging greater openness and responsiveness of political systems throughout the World.

I am not talking here about trying to impose an American model on others. Each country must work out, in accordance with its own traditions, history and particular circumstances, how and at what pace to broaden political participation. In this respect, it is essential that there be real political dialogue between government on the one hand, and the people and parties and other institutions on the other. Those who are prepared to take specific steps toward free elections, creating independent judiciaries, promoting the rule of law, reducing restrictions on the press, respecting the rights of minorities, and guaranteeing individual rights, will find us ready to recognize and support their efforts, just as those moving in the opposite direction will find us ready to speak candidly and act accordingly. As Secretary Baker has said: We best can have truly close and enduring relations with those countries with which we share fundamental values.

Those who seek to broaden political participation in the Middle East will, therefore, find us supportive, as we have been elsewhere in the World. At the same time, we are suspect of those who would use the democratic process to come to power, only to destroy that very process in order to retain power and political dominance. While we believe in the principle of "one person, one vote," we do not support "one person, one vote, one time."

Let me make it very clear with whom we differ: We differ with those, regardless of their religion, who practice terrorism, oppress minorities, preach intolerance or violate internationally accepted standards of conduct regarding human rights; With those who are insensitive to the need for political pluralism; With those who cloak their message in another brand of authoritarianism; With those who substitute religious and political confrontation for constructive engagement with the rest of the World; With those who do not share our commitment to peaceful resolution of conflict, especially the Arab/Israeli conflict; And with those who would pursue their goals through repression or violence.

It is for just these reasons that we have such basic differences with the avowedly secular governments in Iraq and Libya. To the extent that other governments pursue or adopt similar practices, we will distance ourselves from them, regardless of whether they describe their approach in secular, religious or any other terms. Simply stated, religion is not a determinant—positive or negative—in the nature or quality of our relations with other countries. Our quarrel is with extremism, and the violence, denial, intolerance, intimidation, coercion and terror which too often accompany it.

The facts bear that out. The United States has good, productive relations with countries and peoples of all religions throughout the World, including many whose systems of government are firmly grounded in Islamic principles. Religious freedom and tolerance are integral elements of our American national character and constitutional system. Indeed, as much as any society, the American people understand the meaning of diversity and the virtues of tolerance.

CONCLUSION

The broad policy goals of the United States in the Near East region have been laid down by President Bush and Secretary Baker: Genuine peace between Israel and its Arab neighbors; Enhancing security and deterring or defeating aggression; Helping to protect the world's economic security; Promoting economic and social justice; and Promoting the values in which we believe.

I believe these are aspirations in which the peoples of the region—whether Muslim, Jewish, Christian or otherwise—can realistically share. Like us, they seek a peaceful, better future. They aspire to work productively in peace and safety to feed, house and clothe their families; in which their children can be educated and find avenues to success; in which they can have a say and can be consulted in how they will be governed; and in which they can find personal fulfillment and justice. In this respect, the pursuit of viable economic and social development programs, privatization, and adequate educational and vocational training opportunities, are key to responding to the basic material needs of the region's people.

Working with an international community of unprecedented solidarity, we have come a long way in the past few years in repelling aggression and in promoting a negotiated peace to a seemingly intractable conflict in the region. We still have a long way to go before these worthy efforts will have achieved success and before the other aspirations we share are realized. We can get there through close engagement and constructive interaction between the United States and all the countries of the Near East region at all levels—government-to-government, group-to-group, person-to-person and faith-to-faith.

SUPPORT FOR THE 27TH ANNUAL SCOTTIE STAMPEDE RODEO

HON. TIM JOHNSON

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. JOHNSON of South Dakota. Mr. Speaker, I rise to express my support for the 27th annual Scottie Stampede Rodeo in Scotland, SD. The South Dakota Legislature in its 67th session enacted House Commemoration No. 1042 which reads as follows:

HOUSE COMMEMORATION NO. 1042

(A legislative commemoration, recognizing and commending the 27th annual Scottie Stampede Rodeo)

Whereas, the 27th annual Scottie Stampede Rodeo held Saturday and Sunday, August 8 and 9, 1992, is a great family oriented event with talented cowboys from around the state and the nation coming to Scotland, South Dakota, to compete for prize money, fame and glory; and

Whereas, after the rodeo on Saturday night, there will be a country western dance at the Scotland City Hall that will be a great entertainment event; and

Whereas, the Scottie Stampede Rodeo does an outstanding job in promoting and hosting this fine event:

Now, therefore, be it commemorated, by the Sixty-seventh Legislature of the State of South Dakota That the Legislature congratulates the people of Scotland, South Dakota, for their outstanding celebration and invites all South Dakotans to participate in the 27th annual Scottie Stampede Rodeo on Saturday and Sunday, August 8 and 9, 1992, in Scotland, South Dakota.

I share the expressions of the South Dakota House of Representatives and extend my very best wishes to all the proud citizens of the Scotland area on yet another very successful Scottie Stampede Rodeo.

A TRIBUTE TO DR. ALVIN LOVING

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. KILDEE. Mr. Speaker, I rise in great sadness today to urge Members to mourn the loss of Dr. Alvin Demar Loving, Sr. There are some people you meet during your lifetime whose impact far exceeds the amount of time you were able to spend with them. Dr. Alvin D. Loving was such a person. His loss is felt not only by his friends and family, but by all who came into contact with him.

Dr. Loving, a pioneer in education, has traveled the world over to spread his wisdom and love all over the globe. From the city of Detroit to the nations of India and Nigeria, Dr. Loving distinguished himself as an international educator and community leader.

Dr. Alvin D. Loving was born in Chattanooga, TN, and educated in the Michigan public schools. He received both a masters and doctorate degree from Wayne State University. He was the first African-American teacher in the Detroit public schools and the first African-American to become a full-tenured professor at the University of Michigan in Ann Arbor. In addition, Dr. Loving was instrumental in establishing the University of the District of Columbia and the University of Michigan-Flint, in my hometown.

It was at the University of Michigan where I first met Dr. Loving when I was a graduate student. Throughout my undergraduate and graduate years of education, Dr. Loving was by far the best professor I ever had. With his enduring touch, Dr. Loving has played an important and integral part of my personal, moral, and social formation. Dr. Loving both imparted knowledge to his students and also encouraged them to seek wisdom.

Dr. Loving's caring hand touched students around the world. As a Fulbright professor in 1955 and 1956, he worked with an American team to assist Indian high school principals and the Indian Ministry of Education. Later, from 1960 to 1962, Dr. Loving was the dean of students at the University of Nigeria, where he also served as acting vice chancellor and registrar when these posts were vacant.

Recently, Dr. Alvin Loving passed away after a long bout with Alzheimer's disease. I extend my heartfelt condolences to Dr. Loving's family upon his passing and admire their courage coping with Alzheimer's.

Mr. Speaker, I am pleased, but also sad, to have this opportunity to honor the memory of this great man, Dr. Alvin D. Loving, Sr. The memory of him, and those like him, who spanned the chasm of defeatism and ignorance by working for a better community, a better world, is an inspiration to us all. Dr. Alvin D. Loving, Sr., gave himself to the good of humanity, and I am honored to pay tribute to him.

RULE ON H.R. 4318, THE MISCELLANEOUS TARIFF ACT OF 1992

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to the rules of the Democratic caucus, I wish to serve notice to my colleagues that I have been instructed by the Committee on Ways and Means to seek less than an open rule for the consideration by the House of Representatives of H.R. 4318, the Miscellaneous Tariff Act of 1992, as amended.

TRIBUTE TO MS. RUTH HYMAN

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. PALLONE. Mr. Speaker, on Sunday, June 28, 1992, the Hadassah of Long Branch, NJ, will pay tribute to Ms. Ruth Hyman by presenting her with their annual Ima Award.

Ima, the Hebrew word for mother, symbolizes the loving certainty of hope, happiness, and citizenship in Israel which has been assured for a homeless child. Hadassah's gracious gift will provide for a year's maintenance and education for youth Aliyah—the Hebrew term for immigration to Israel by anyone from the Jewish Diaspora.

Ms. Hyman has been extremely active in Hadassah, where she is a life member, and has devoted much of her time and energy to efforts on behalf of others. She is a member of the Congregation Brothers of Israel of Elberon, NJ, where her father was charter member and her mother was a founder of the Gemilith Hessed. Ms. Hyman has given generously of her time and energy as a benefactor to the Jewish Community Center in Deal, NJ, and through her involvement in Amit, Deborah, B'nai B'rith Women and the Central New Jersey Jewish Home for the Aged. In 1975, she was presented with the Ben Gurion Award in recognition for her exemplary and steadfast commitment to Israel and the Jewish community. She was named Hadassah's Woman of the Year in 1978.

Mr. Speaker, in light of the tireless efforts and demonstrated concern and compassion that has earned her the respect and admiration of her community, it is my pleasure and privilege to join Long Branch Hadassah in paying tribute to Ruth Hyman.

"UNTIL WE MEET AGAIN": A TRIBUTE TO SHERM STRICKHOUSER

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. MACHTLEY. Mr. Speaker, I rise today to bid a final farewell to a legend of the radio airwaves from my home of Rhode Island, who passed away this week. The broadcasting career of Sherman Allen Strickhouser, or Sherm, as his audience called him, spanned 41 years, and covered stints as a radio host at half a dozen radio stations around Rhode Island.

Sherm was affectionately known as the dean of Rhode Island talk radio and it was an appropriate label.

Sherm's mastery of the airwaves—and his listeners—was legendary. Though certainly a gracious man and a respectful listener, he was also in possession of a sharp tongue and a wicked wit. As any fan of talk radio in Rhode Island could tell you, Sherm was not a man who suffered fools gladly. Rather, he dedicated himself to elevating the discussion on his radio programs to a level of sophistication and honesty not commonly found on the talk radio airwaves any more.

In addition to his broadcasting talents, Sherm was a dynamic and compassionate individual who was fond of the arts and literature. His wit and warmth endeared him to countless Rhode Islanders and he nurtured a vast array of rich friendships which lasted all his life.

The popular 1940's Ross Parker/Hughie Charles song, "We'll Meet Again" became his daily show signoff trademark. Indeed, the lyrics seemed to speak directly from Sherm's heart: They went like this:

> We'll meet again, don't know where, don't know when. But I know we'll meet again some sunny day.
> Keep smiling through, just like you always do, till the blue skies chase the dark clouds far away.
> So won't you please say Hello to the folks that I know, tell them I'll be along.
> They'll be happy to know that when you saw me go, I was singing this song.
> We'll meet again, don't know where, don't know when
> But I know we'll meet again some sunny day.

Here's to you Sherm, until we meet again.

BROADCASTING RADIO FREE EUROPE TO THE SUCCESSOR STATES OF YUGOSLAVIA

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. FASCELL. Mr. Speaker, today, I am introducing a resolution calling for Radio Free Europe [RFE] to immediately commence broadcasting to the successor states of Yugoslavia.

The violence and chaos in that unfortunate corner of the world cannot be overstated. The ethnic warfare which has accompanied the dissolution of the former Yugoslavia has claimed nearly 20,000 lives and displaced more than 1½ million people. And there seems to be no end in sight to the warfare and the carnage.

The reasons for this tragedy run deep in the history of the Balkans. Particularly in Serbia, the nationalist, formerly Communist leadership under Slobodan Milosevic has set into motion a ruthless effort to try to unite as many Serbs as possible within a greatly enlarged Serbia. This effort has been accompanied by a wide-scale nationalist propaganda effort facilitated by the virtual monopoly enjoyed by the Serbian state-controlled media in most areas of the Republic. But the manipulation of the mass media for narrow nationalist aims is not a problem in Serbia alone—it is a characteristic of many governments in the region.

The conflict among states of the former Yugoslavia is being exacerbated by propaganda and distorted news coverage disseminated by state-controlled media. Due to this propaganda and the control of the local media by the government, the peoples of the Republics of the former Yugoslavia, Serbia in particular, do not have access to objective, unbiased reporting of the situation in the Balkans or the outside world.

As an alternative to controlled domestic broadcast media, a surrogate service operated by RFE would:

Provide a counter to extremist propaganda disseminated by the Milosevic government that plays on Serb fears of external domination.

Provide a platform for moderate but isolated Serbian political figures and groups by assisting them in building an agenda and a constituency for reconciliation and democratization.

Bring together moderate Serb, Croat, and other ethnic representatives to begin a public exploration of the means toward eventual reconciliation and cooperation among the successor states of the former Yugoslavia.

Amplify the responsible, democratic elements of largely suppressed but still-extant independent print media in the former Yugoslavia.

Events of the last few years elsewhere in Eastern and Central Europe, have demonstrated that the dissemination of truthful, credible information and analysis by Radio Free Europe has played a significant role in peaceful, democratic transformation. I therefore call on my colleagues to support this resolution and join me in calling for Radio Free Europe to begin an immediate broadcast to this war-torn region.

TRIBUTE TO ANDREW L. HAYNES

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. PALLONE. Mr. Speaker, on Wednesday, July 1, 1992, Mr. Andrew L. Haynes will be honored upon the occasion of his retirement as principal of Long Branch, NJ, High School.

Being a Long Branch High School alumnus myself, it is a special honor for me to be able to pay tribute to Mr. Haynes. Although he came to Long Branch after I had graduated, I have come to know and respect Mr. Haynes as a great educator, as a man truly committed to helping every young person who has come through the high school.

Born in Knoxville, TN, Mr. Haynes received his B.S. degree from Hampton University and his M.A. degree from Rutgers University. During the Korean conflict, Mr. Haynes served as an officer in the U.S. Army. In August 1973, Mr. Haynes became an assistant principal of Long Branch High School, a post he held until his promotion in February 1977 to the position of principal.

For many years, Mr. Haynes has been active in the Middle States Association of Colleagues and Schools. His proudest accomplishment with this group was his successful organization of the accreditation of Long Branch High School, followed quickly by his successful organization of the monitoring and full accreditation by the New Jersey State Department of Education.

Mr. Haynes is an officer of the board of trustees of CentraState Medical Center in Freehold, NJ. He is a member of the New Hope Foundation Board of Trustees and is active in many church and civic organizations. He has received many awards, including the Community Service Award from the National Association for the Advancement of Colored

People, the Long Branch High School Student Council Award, the Service Award of the National Honor Society, and the Administrator's Award of Kappa Alpha Psi Education Administrators.

A resident of Manalapan, NJ, Mr. Haynes and his wife Louella Fortson Haynes, a retired supervisor of social work, have been married for 38 years and have a son, Michael A. Haynes. Mr. Haynes enjoys choral and jazz music, photography, travel, and reading. I hope he finds the time to enjoy these hobbies, as he has certainly earned a happy and rewarding retirement.

IN SUPPORT OF AID TO ISRAEL

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. MARKEY. Mr. Speaker, how often do we hear these days about the sorry state of our democracy? About voters disenfranchised and turning out to vote in lower and lower numbers?

Maybe we should learn a lesson from abroad. In the United States' last Presidential election only 50.1 percent of the eligible cast votes. But on Tuesday an election was held in a nation where 77.5 percent of all eligible adults voted—a turnout rate of more than 3 out of 4.

This election followed a campaign that was hotly contested and hard fought. And although over 10 percent of the electorate were recent immigrants from a totalitarian state—many of whom had never voted before in their lives—the election was perfectly fair, without incident or any hint of impropriety.

More amazing is that this election was held in the Middle East—a region of the world that is a downright desert for democracy. In the Middle East millions of people live without suffrage, without civil liberties, without human rights. In this parched region democracy can barely take hold—never mind survive and prosper—except in one oasis.

That oasis for democracy, that home of Tuesday's fair and free election, is, of course, Israel. This was the 13th since Israel became independent in 1948—and precious few have been held elsewhere in the Middle East.

Tuesday's elections in Israel did more than demonstrate the deep roots of their democracy. Tuesday's elections were more than a victory for the Labor party. Tuesday's elections were a victory for the Middle East peace process.

Prime Minister-elect Yitzhak Rabin has committed himself to crafting a lasting, peaceful solution to the Palestinian-Israeli conflict. He has demonstrated his willingness to take a fresh look at this centuries-old conflict.

If these measures will help lead to a lasting peace in the Middle East and a secure Israel. But Israel will not be able to make continued progress on these fronts without the strong and stable backing of the United States.

For more than 40 years the United States has made the freedom of Jews in the Soviet Union one of our highest priorities. Now that their freedom is finally becoming a reality, we bear a responsibility to see that Soviet Jews have a place to go. The possibility of ethnic violence and a rise in anti-Semitism make it very important that we assist Israel in accepting and resettling Jews who are able to leave. The bill before us today does just that.

I urge my colleagues to vote "yes" today on the foreign operations appropriations bill—including the $3 billion in aid to Israel—and to support full aid for Israel in the months and years ahead. As we begin to support emerging democracies in Eastern Europe and elsewhere, we must also maintain our support for those nations that have successfully upheld democratic principles for decade after decade. None stand more prominently and proudly than Israel.

HONORING PEARL S. BUCK'S 100TH BIRTHDAY

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. RAHALL. Mr. Speaker, I rise today to commemorate the 100th anniversary of the birth of famed author and West Virginian, Pearl S. Buck. Ms. Buck was born in Hillsboro, WV, but was taken to China with her missionary parents when she was less than 4 months old. During the next four decades of her life she would divide her time between the United States and China. She attended boarding school for 1 year in Shanghai and the following year entered Randolph-Macon Women's College in Virginia from which she graduated in 1914.

Pearl Buck published her first novel entitled, "East Wind, West Wind" in 1930, but it was with her 1931 novel, "The Good Earth", that she won the hearts of American readers. This novel earned her the Pulitzer Prize in 1932, and contributed to her winning the Nobel Prize for Literature in 1938. Pearl Buck is the only woman to capture both of these distinguished honors.

Along with her other vast achievements, she was an advocate for the well-being of Asian children. She was a leader in paving the way for mixed-race adoptions with her adoption of 8 Asian children. In 1941, she founded Welcome House, an adoption agency for Asian-American children.

Even though Pearl Buck spent many of her living years in China, she still referred to West Virginia as her homeland. She once said, "Had I been given the choice of places for my birth, I would have chosen exactly where I was born: my grandfather's large white house. I should say West Virginia affected me very much. I have a strong sense that there are my beginnings." West Virginians are proud to call Pearl S. Buck their own and to honor her on this day, the 100th anniversary of her birth.

RAY JACOBS' COMMUNITY SERVICE

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. DELLUMS. Mr. Speaker, I rise to honor the accomplishments of Mr. Ray Jacobs, a true television pioneer, who is retiring from a career of broadcasting and community service that has spanned 49 years. Mr. Jacobs has had a unique career because he has experienced all aspects of broadcast news, giving him a rare understanding of the what, where, why, and who of news story.

Mr. Jacobs is currently the director of administration for KTVU–channel 2 and has been with the station since it went on the air in 1958. He first joined KTVU as a news reporter, and was subsequently promoted to production manager. In the capacity as production manager Mr. Jacobs was still seen by the viewing public as the host of "Editor's Forum." Simultaneously, Mr. Jacobs worked as director of news and special events, in 1974 he was named operations manager and in 1978, was promoted to his current position as director of administration.

Mr. Jacobs' long illustrious career in television began in Albuquerque, NM, at KOB–TV in 1948. He was both a reporter in the field as well as on-the-air. While at KOB–TV, he was part of their pioneering news unit that developed Polaroid cameras for television newsphoto use. He also aided the engineering department in the construction of a quick processing unit for the development of 16mm sound-on-film stock.

In the early 1950's, Mr. Jacobs was a newsman at KJEO–TV in Fresno, CA. He served the community of Fresno with respect and sincerity, exemplifying a news style that addressed each story with compassion and understanding.

As appreciation for his commitment to deliver the best in news, Mr. Jacobs was awarded in 1983 the Best Media Coverage Award. This award is very prestigious and recognizes the many talents of Mr. Jacobs. Undoubtedly, Mr. Jacobs is humbled by the fact that his colleagues are aware of his many talents and bestowed upon him many awards and certificates.

I would be remiss if I did not mention the fact that while Mr. Jacobs has worked at KTVU–channel 2 the station has served the bay area with distinction. Mr. Jacobs has made it his duty to produce a news program that is far more beneficial than most. KTVU–channel 2, and Mr. Jacobs take the news very seriously and understand that many of our society's problems deserve greater treatment than the short sound bite. I truly appreciate Mr. Jacobs' contribution in ensuring that KTVU–channel 2 serves the entire community by producing a thoughtful and honest news program. Mr. Speaker, I am sure that Mr. Ray Jacobs will be missed by my constituents and others throughout the bay area when he retires on June 27, 1992.

Mr. Speaker, having served myself in the U.S. Congress for over 20 years, I understand the joy that Mr. Jacobs' wife Joanne and his children Nancy, Michael, John, and Robert will experience once time will allow him to spend additional quality time with them. I am also sure that Mr. Jacobs looks forward to being able to enjoy his hobbies, which include training and showing German shepherd dogs, automobiles, audio and video equipment, and working with computers.

Mr. Speaker, I am very proud to bring to the attention of my colleagues the accomplishments and career highlights of Mr. Ray Jacobs. I want to personally congratulate and salute Mr. Jacobs on an outstanding career and his outstanding public service to the bay area community.

RULE ON H.R. 11, THE REVENUE ACT OF 1992

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to the rules of the Democratic caucus, I wish to serve notice to my colleagues that I have been instructed by the Committee on Ways and Means to seek less than an open rule for the consideration by the House of Representatives of H.R. 11, the Revenue Act of 1992, as amended.

CONSTITUTION IN SIMPLE ENGLISH

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. FRANK of Massachusetts. Mr. Speaker, one of the genuinely creative people I have met during my years as a Member of Congress is William D. Hersey, president of the International Memory Training Institute, in Norton, MA. Bill Hersey is a very interesting combination of idealism and pragmatism. He uses his considerable intellectual powers to apply to the kind of problems that confront people living in this country, and he has a special interest in promoting good citizenship. Recently he showed me a copy of his "Constitution in Simple English." I think Bill Hersey does his usual first-rate job in rendering the important principles of our Constitution in language that is accessible to everybody and I insert this very useful document here:

THE CONSTITUTION OF THE UNITED STATES—WHAT IT SAYS TO YOU IN SIMPLE TERMS

ARTICLE ONE: THE CONGRESS

Congess makes all laws.

Congress is made up of two "houses".

The House of Representatives and the Senate.

Members of the House of Representatives are elected every two years.

Members of the House must be 25 years of age and citizens for seven years.

The number of members shall be in proportion to the population.

Direct taxes shall be in proportion to the population. (This was changed by the 16th amendment—income tax)

Vacancies can be filled by temporary appointments by the Governors of the states followed by special elections.

The House of Representatives has the only power of impeachment.

Members of the House organize themselves and choose their Speaker.

THE SENATE

The Senate is made up of two Senators from each state. They are elected for six year terms.

Originally they were chosen by state legislators. This was changed by the 17th amendment to election by the people.

A Senator must be 30, a citizen for nine years, and a resident of the state he represents.

The Vice-President presides over the Senate and votes if there is a tie.

The Senate chooses its own officer and one to preside when the Vice-President can't.

The Senate tries all cases of impeachment.

A two-thirds vote is necessary to impeach.

The Chief Justice of the Supreme Court presides at the impeachment trial of the President of the United States.

The only penalty for impeachment is barring from office, but the impeached person may be tried in regular courts.

State legislatures set up rules for electing Senators and Representatives but Congress can change them.

Congress must meet once a year.

The House passes on the qualifications of its members.

A majority makes a quorum.

The Senate and House make their own rules and can punish or expel their members.

The House and Senate shall keep a record of what they do.

One fifth of the members can require a recorded vote.

Neither the House nor the Senate can adjourn for more than three days without agreement from the other. They cannot meet in any other place.

The members of Congress shall be paid according to law.

They cannot be arrested for most offenses while on the business of Congress.

No member can be appointed to any office which was created while he was in Congress or one in which the pay was raised while he was in Congress.

No one who holds an office under the United States can serve in Congress at the same time.

Money-raising bills must start in the House but the Senate can amend them.

Every bill, resolution, order, or vote on which both the House and the Senate have to agree must be sent to the President for signing or veto but two-thirds can pass it over his veto.

If the President does veto it, two-thirds of the House and the Senate can pass it in spite of his veto. If Congress adjourns before ten days are up and he hasn't signed, it's automatically vetoed. (This is a "pocket" veto.)

Congress has the power to:

Tax.

Pay debts.

Provide for the defense and general welfare.

Borrow money.

Regulate commerce.

Make uniform rules for naturalization.

Make uniform rules for bankruptcies.

Coin money.

Fix standards of weights and measures.

Punish counterfeiters.

Establish Post Offices.

Provide copyright and patent protection.

Set up courts below the Supreme Court.

Punish crimes on the high seas and against international law.

Declare war.

Make rules concerning capture on land or water.

Grant letters of Marque and Reprisal that let a private citizen make arrests and seize booty as an official of the United States.

Raise armies, but money for them cannot be for more than two years.

Provide and maintain a Navy.

Organize, arm, and discipline state militias when they are serving the United States.

Make all laws necessary to carry out these powers.

THINGS CONGRESS CAN'T DO OR MUST DO

The right of Habeus Corpus (you can't be held in jail without a cause) cannot be suspended, except during rebellion, or when the public safety requires it.

No Bill of Attainder or Ex Post Facto law shall be passed. A bill of Attainder convicts a person without a trial. An Ex Post Facto law makes something that was not a crime when it happened become a crime after the law was passed.

There can be no head tax or income tax but the 16th amendment changed this. It provided for an income tax.

No tax can be put on articles exported by the states.

Congress can't favor one port over another.

Money can't be spent except by law and must be accounted for.

No one gets a title of nobility from the United States. If you work for Uncle Sam and a foreign country wants to give you a title, Congress must OK it.

THINGS THE STATES CAN'T DO

Make treaties, alliances or federations.

Grant letters of Marque or Reprisal.

Coin money or print paper money.

Make anything but gold and silver payment for debts.

Pass any Bill of Attainder or Ex Post Facto law.

Pass any law impairing contracts.

Grant titles of nobility.

Tax imports or exports except to cover costs of inspection.

Tax ships coming into ports.

Keep troops or ships of war in times of peace.

Agree with another state or foreign power to wage war.

ARTICLE TWO: EXECUTIVE POWER

The President has executive power. The power to take action under laws.

He and the Vice-President have the same four year term.

They are elected by electors.

See changes made by the 12th amendment.

Congress can determine the election day.

The President must be a natural born citizen of the United States, at least 35, and a resident for 14 years.

See the 26th amendment for other rules.

His oath of office is spelled out in the Constitution.

DUTIES AND POWERS OF THE PRESIDENT

The President is Commander in Chief of the Army and the Navy and of State Militia when they are in the service of the United States.

He can require the opinion in writing from the principal officers in each of the executive departments regarding their duties.

He can grant pardons or reprieves for offenses against the United States but not for impeachments.

He can make treaties with the consent of two-thirds of the Senate.

He can appoint judges, ambassadors, and many other government officials but they must be confirmed by two thirds of the Senate.

If the Senate is not in session, he can make temporary appointments good until the end of the next session.

He must report to Congress on the State of the Union.

He can call a special session of Congress.

He can make recommendations to Congress.

If they can't agree on when to adjourn he can decide it.

The President sees that all laws are faithfully executed.

He recommends ambassadors and issues commissions.

The President and all officers can be removed from office by impeachment. This can be done for bribery, treason or other "high crimes and misdemeanors".

ARTICLE THREE: THE COURTS

The Supreme Court has the judicial power. Congress sets up lower courts.

Judges hold office during their good behavior. Their pay cannot be raised or cut during their terms.

The judicial power covers all cases under the Constitution and the laws of the United States and its treaties.

It also covers cases regarding:

Ambassadors.

Consuls.

Maritime law.

Disagreements between the states.

Disagreements between citizens of different states.

Disagreements between foreign countries and citizens of states plus some special cases.

In cases involving ambassadors, consuls, or a state, the Supreme Court handles it first. It gets into other cases only by appeal from a lower court.

There shall be a trial by jury in the state where the crime was committed.

Treason is making war against the United States. It is also joining with its enemies in giving them aid or comfort. (The Supreme Court has said that the war must be a declared war).

No penalty for treason can extend to the family.

ARTICLE FOUR: STATES RIGHTS, RESPONSIBILITIES, AND PROHIBITIONS

Each state has to respect the laws and rules of every other state.

The citizens of every state have the same rights.

Fugitives can be extradited.

New states can be created by dividing or combining existing states or out of Federal territories.

This can only be done with the consent of Congress and the Legislatures of the states involved.

All states are to enter the union on an equal basis.

Congress makes all rules governing territories or property of the United States.

The United States guarantees every state a republican form of government.

The United States protects the states from invasion and from domestic violence, if requested.

ARTICLE FIVE: AMENDMENTS

Amendments to the Constitution can be proposed by two-thirds vote of the Congress. Two-thirds of the state legislatures can call a convention and propose amendments.

Three-fourths of the states must approve an amendment.

ARTICLE SIX: THE CONSTITUTION SUPREME

The Constitution is the supreme law of the land.

Treaties made under the Constitution are supreme also.

Judges in every state are bound by the Constitution no matter what the State Constitution may say.

All officers and legislators of the United States and of all the states are bound by oath or affirmation to support the Constitution.

No religious test shall be required.

That's what's in the original Constitution. I have omitted article seven because it no longer applies and one or two other provisions about slavery that no longer apply.

The Constitution was adopted and in force March 4, 1789. Almost immediately ten amendments were made guaranteeing individual rights. They are called "The Bill of Rights". Gradually 16 more amendments have been added.

THE BILL OF RIGHTS AND OTHER AMENDMENTS

1. You have the right to speak, write, and worship as you please. You have the right to gather together and demand changes in what the government is doing to you.

2. Since we must have well regulated armed forces to protect the security of a free state, you have a right to bear arms.

3. The government can't force you to have soldiers live in your house.

4. No one can enter or search your home without a warrant.

5. You can't be charged with a crime unless a grand jury says so.

You can't be tried twice for the same crime.

You can't be made to testify against yourself.

Your property cannot be taken without legal steps and proper payment.

6. You have a right to a speedy and public trial by jury where the crime happened.

You have a right to know the charges against you.

You have a right to face witnesses against you, and you can make favorable witnesses testify for you.

7. If you sue for damages of more than $20.00 you can have a trial by jury.

8. If you are put in jail, your bail cannot be too high or unreasonable.

9. The fact that the Constitution spells out certain rights doesn't mean that it denies any other of your individual rights.

10. The states and the people have all powers not given to the United States by the Constitution or actually prohibited by the Constitution to the states.

These are the 16 other amendments:

11. Citizens of one state can't sue another state.

12. There must be separate ballots for President and Vice President.

13. Slavery was abolished.

14. The state can't take away your rights. Your life, liberty, or property can't be taken except by lawful methods.

15. You have the right to vote no matter what our race or color or even if you had been a slave.

16. The government can tax your income.

17. Senators are to be elected by popular vote.

18. The manufacture, use, and sale of alcoholic drinks was prohibited.

19. Women got the right to vote.

20. This charged the date for inaugurating the President and made rules as to who should take charge if he died or was disabled.

21. Repealed the 18th amendment. Anyone over 21 can drink now.

22. The President can serve only two four year terms.

23. The residents of Washington D.C. got the right to vote.

24. No more poll taxes.

25. Gave new rules as to who shall become President in case he is disabled or dies.

26. Anyone 18 years old or over can vote.

AN INSPIRATION TO ALL CITIES—MEDFORD, MA

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. MARKEY. Mr. Speaker, On June 23, the city of Medford, MA, and its mayor, the Hon. Michael J. McGlynn, will be recognized by the U.S. Conference of Mayors and the Century Council for its antidrunk driving program known as Making A Pledge. I am proud to add my congratulations to the city of Medford for a job well done.

Medford was selected to receive the Inspiration Award, one of eight awards being conferred as part of the first annual National City Challenge To Stop Drunk Driving.

The National City Challenge recognizes our Nation's cities that develop and implement effective community-based solutions to address the problem of drunk driving. Programs such as Medford's will be publicized by the U.S. Conference and the Century Council as models for other cities.

I have long been a supporter of programs on the national and State and local levels to address one of the biggest problems on our Nation's highways and roads—the accidents that result from mixing drinking and driving. Public awareness and education is an important step in bringing an end to the many needless tragedies that result from accidents caused by those under the influence of alcohol.

This innovative venture made by Medford in their "Making a Pledge" campaign is a shining example of a community working together to solve a common problem. The strong coalition that is created in the "Making a Pledge" campaign involves an resourceful approach that brings together the strength and energy of many of Medford's businesses, schools, hospitals, and law enforcement agencies. This united endeavor to improve education, awareness and enforcement of the drinking and driving problem takes action to address the drunk driving problem on all levels.

I want to commend the U.S. Conference of Mayors and the Century Council for recognizing the efforts of the Medford community in their attempt to deal with one of the most pressing public health problems facing our Nation. I applaud their commitment to fighting the drunk-driving crisis in our Nation, and am delighted to highlight Medford's "Making a Pledge" campaign and offer my congratulations to all of those whose dedication and energy helped to bring about this national recognition by the U.S. Conference of Mayors.

TRIBUTE TO JO AND GIDEON FREUD

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. PALLONE. Mr. Speaker, on Sunday, June 28, 1992, Temple Beth El of Oakhurst, NJ, will honor two true community leaders, Jo and Gideon Freud of Manalapan Township, NJ. Mr. and Mrs. Freud, who have been married for 26 years and have three children, have certainly proved themselves worthy of this honor by giving of themselves, their time, their energy and talents.

Gideon Freud is an active member of Congregation Sons of Israel, Manalapan, and is currently cochairman of the junior congregation. He is also involved with the Chabad House of Western Monmouth County. Mr. Freud was a member of the Monmouth County Jewish Federation board of directors and served on its allocations committee. For his past involvement in the United Jewish Appeal, he has been honored with both the UJA's Young Leadership Award and its Israel Bond Award. He is coowner of Atlantic TV and Video, Inc., and Atlantic Paging Co., of Monmouth County.

Jo Freud has been on the board of Jewish Family and Children's Service since its inception and currently serves as treasurer. She is deeply dedicated to the resettlement of Soviet Jews, and has developed a job bank for newly arrived immigrants and has worked closely with the Synagogue Adopt-A-Family Program. Mrs. Freud is or has been involved with Congregation Sons of Israel, the Monmouth County Jewish Federation, the Southern Region of Women's American ORT, the 1993 Israel American Conference, and the Bayshore Women's Division of the Jewish Federation. Like her husband, she has received numerous awards, including the UJA's Israel Bond Award and the Humanitarian of the Year Award from Brandeis University Women. Jo Freud also finds time for song writing and singing professionally, painting, designing jewelry and she helped to develop the Jewish Community Center's Kindervelt Program, where she teaches.

Mr. Speaker, it is indeed a pleasure to pay tribute to Jo and Gideon Freud who, both as a couple and as individuals, have shown themselves to be outstanding leaders, rising to every task and inspiring others by their example.

SKELTON ADDRESSES NAVAL WAR COLLEGE GRADUATES

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. SKELTON. Mr. Speaker, I had the privilege of addressing the graduates of the U.S. Naval War College Friday, the 19th of June. The class totals some 545 mid-grade and senior officers of the Navy, Army, Marine Corps, Air Force, Coast Guard and civilians representing 17 different Government agencies, international officers from 40 friendly and allied nations, and college of continuing education graduates. It was an impressive class and I wish them well in the days and years ahead. The speech I gave is set forth herein:

REMARKS OF CONGRESSMAN IKE SKELTON

INTRODUCTION

Congressman Reed and Mayor McKenna; Secretary Middendorf, distinguished flag and general officers; guests and, most important, families—let me thank you for the honor you do me by having invited me to address you today. Let me also thank Rear Admiral Joe Strasser for hosting my visit today. He is the kind of sailor at home on the sea or on campus. A man of action and thought, he is a sailor-scholar, the kind of officer who inspires by his example. I'm proud to call him my friend.

The officers who graduate today well understand the need for both operational experience and education. This requirement was best expressed by the noted British soldier and author of the last century Sir William Francis Butler: "The nation that will insist upon drawing a broad line of demarcation between the fighting man and the thinking man is liable to find its fighting done by fools and its thinking done by cowards."

This is indeed a significant milestone in the career of each of you who is graduating today, a day that brings to an end 10 months of hard work. One chapter in your life, in your military career, has ended but another is about to begin.

THE NAVY CONNECTION

When I was a young boy I was led to believe that the First World War—the war to end all wars as Woodrow Wilson described it—had been won by the U.S.S. *Missouri* of that era. She had been part of the "great white fleet" that sailed round the world in the first decade of this century. That cruise made the point that American naval might could penetrate any waters. My father served aboard her during World War I at the exalted rank of fireman second class. Though he went on to become a successful trial lawyer after his brief naval career, he cherished his service aboard her the rest of his life. My father's stories of his service in the great war may explain why I believed that the U.S.S. *Missouri* had won that war.

He displayed his affection for the Navy a number of times in later years. I remember that on one occasion he gave the main speech in my home town of Lexington when one of the cannons of the U.S.S. *Constitution* was dedicated in the town's principal park. To think that this cannon had seen action more than a century earlier at Tripoli and later during the War of 1812 stirred a young boy's imagination.

A BRIEF HISTORY OF AMERICAN SEAPOWER

Through him and his colleagues who had served in the great war I developed a keen appreciation of American military and naval history. You graduates today, know better than I, the history of American seapower; how in many ways it can be used to trace this country's development.

John Paul Jones, the *Bon Homme Richard*, and the Revolutionary War give way to Thomas Jefferson, Stephen Decatur, and exploits in the Tripoli Harbor. One cannot think about the War of 1812 without recalling the victory of the U.S.S. *Constitution* over H.M.S. *Guierrere*. That most devastating conflict of our history—the War Between the States—included the exploits of David Farragut at New Orleans, Mobile Bay, and the clash of ironclad vessels. A new era is seapower had dawned.

Toward the end of the 19th century an explosion in Havana Harbor signaled another turning point in our Nation's history. Admiral George Dewey at Manila Bay in the Philippines and Admiral W.T. Sampson at Santiago Harbor destroyed the naval power of Spain. The United States had arrived as a world power with overseas interests requiring a strong Navy.

During World War I the U.S. Navy convoyed and transported hundreds of thousands of American soldiers and a vast quantity of supplies across the Atlantic. Defeating the u-boat threat was a crucial part of that effort. After the war the focus of attention in the Navy shifted to the Pacific. Hawaii, the Philippines, and China during the 1920's and 1930's all evoke a period of uneasy calm. American naval gunboats sailed the great rivers of China. The bombing by Japanese aircraft of the U.S.S. *Panay* anticipated the bitter struggle that would be waged across the Pacific a few years later.

World War II for the United States began at Pearl Harbor. Other places and names—Coral Sea, Midway, Guadalcanal, North Africa, Sicily, Anzio, Normandy, Tarawa, Iwo Jima, and Saipan—made their way as important chapters in American naval history. After the Second World War the United States Navy participated in actions at distant points across the globe—Korea, Lebanon, Cuba, the Dominican Republic, Vietnam, Grenada, and the Persian Gulf.

GROWING AWARENESS OF JOINTNESS

The Goldwater-Nichols Act of 1986 did much to promote the concept of jointness-multi-service operations—among the four services. It formalized a development in American military thought and practice that had evolved since the War of Independence. The recent publication of joint pub 1, "Joint Warfare of the US Armed Forces" underscores the efforts of the services to promote jointness. Campaigns in American history cited by the joint pub 1 include the Battle of Yorktown, Riverine operations in the American Civil War, the Solomon Islands campaign of 1942-44, Operation Overlord of June 6, 1944, the Inchon landing during the Korean conflict, and most recently Operation Desert Storm.

During the 1980's the Navy had the image of a go-it-alone force. Its leaders both civilian and military led the opposition to Goldwater-Nichols. It burned a lot of bridges-both within the Pentagon and across the Potomac.

The current leadership can be credited with helping to overcome some of those difficulties it inherited. Admiral Kelso, the Chief of Naval Operations, has said, "That the only way the Navy is ever going to operate in the future is in the joint arena." In my humble opinion I think he is right on the mark. If that message spreads down the ranks, as it should, I believe that despite the difficulties of the present cuts, the Navy will emerge in good shape.

THE IMPORTANCE OF STUDYING HISTORY

Allow me, now, to touch upon the important task of educating our country's military leaders. A first rate officer education program—from ensign to admiral—will prepare today's military officers for tomorrow's challenges by providing them the most important foundation for any leader—a genuine appreciation of history. I cannot stress this enough because a solid foundation in history gives perspective to the problems of the present. And a solid appreciation of history provided by such a program will prepare today's military officers for the future, especially those who decide to spend thirty years in one of the services. They will become this country's future strategists.

In brief, military officers should learn the historical links of leadership, being well versed in history's pivotal battles and how the great captains won those battles. Successful military leaders of yesteryear were indebted to their military predecessors. Stonewall Jackson's successful Shenandoah Valley campaign resulted from his study of Napoleon's tactics, and, Napoleon, who studied Frederick the Great, once remarked that he thought like Frederick. Alexander the Great's army provided lessons for Frederick, two thousand years before Frederick's time. The Athenian general, Miltiades, who won the Battle of Marathon in 491 B.C., provided the inspiration that also won the Battle of El Alamein in 1942; the Macedonian, Alexander the Great, who defeated the Persians at Arbela in 331 B.C., set the example for the Roman victory at Pydna 155 years later. The English Bowmen who won Crecy in 1346 also won Waterloo in 1815; Vandegrift, Halsey, Spruance, Bradley, Montgomery, or MacArthur, who won battles in the 1940's might well win battles a century or so hence. Thus, I believe that every truly great commander has linked himself to the collective experience of earlier great captains by reading, studying, and having an appreciation of history.

American military officers need a thorough understanding of military history that reaches back over the ages. The seeds of future American military victories can be found by plowing deeply the fertile soil of military history.

A military career includes a life long commitment to self-development. It is a process of education, of study, of reading, and of thinking that should continue throughout an entire military career. Yes, tactical proficiency is very important, but so too is strategic vision. That can only come after years of careful reading, study, reflection, and experience. Those who finish their course of study at this institution should be aware of the natural yardstick of 4,000 years of recorded history. Thucydides, Plutarch, Sun Tzu, Clausewitz, Napoleon, Mahan and Mackinder have much to offer those who will become tomorrow's future generals and admirals. Today's officer corps must be made aware of this inheritance.

Winston Churchill put this idea in these words: "Professional attainment, based upon prolonged study, and collective study at colleges, rank by rank, and age by age—those are the title reeds of the commanders of the future armies, and the secret of future victories."

A NOTE OF WARNING

But in the midst of this celebration today, let me sound a note of warning. Major George C. Marshall, the future World War II Army Chief of Staff, noted in 1923 "The regular cycle in the doing and undoing of measures for the national defense." He observed that, "We start in the making of adequate provisions and then turn abruptly in the opposite direction and abolish what has just been done." Today, we are in the midst of making one of those changes in direction. This is now the eighth year of real defense budget cuts, and we know that more dramatic reductions are in store.

Secretary Cheney and General Powell crafted a plan almost two years ago that will result in a twenty-five percent reduction in the size of our forces and the size of the defense budget by the middle of this decade. A further cut of $50 billion over the next five years has been recommended by the President as a result of events last August in Moscow when the old Communist order finally collapsed. I believe the Secretary and his military advisors have put together a pretty good plan, not perfect, but pretty good. But to readjust the plan every year in a dramatic fashion as some would have them do, is simply more than we should do in light of the uncertainty of the world around us.

Those who would slash our military even further than the planned 25 percent reduction, while sincere and well-meaning, lack an understanding of history's lessons. Time and time again, in this century we have followed the dangerous and costly path of demobilization, disarmament, and unpreparedness, only to regret that course of action a few short years later.

After the first world war we withdrew from world affairs and allowed our military to whither away. As a matter of fact, at the time of the Fourth Naval Disarmament Conference of 1935 the seeds of the Second World War had already been sown. But we ignored the gathering storm and were caught unprepared when it came. After our tremendous victory over Germany and Japan in 1945 we once again cut our military. And once again, we were caught unprepared when war broke out in Korea less than five years later.

If we go much more beyond cuts in force structure already planned, we will end up in the same situation in which we have found ourselves, after almost every other war we have fought in our history—with a military force ill-prepared to fight. We should remember the high cost of unpreparedness: Bataan in 1941, the Kasserine Pass in 1942, Pusan in 1950, and Desert One in 1980. This cost was paid by the blood of young Americans in Uniform. Never again should we allow this to happen. Let us learn from history rather than repeat it.

We still live in a dangerous and uncertain world. The kaleidoscope of the future is unpredictable:

We were surprised by the signing of the Non-Aggression Pact of August 23, 1939 between the Soviet Union and Nazi Germany. The consequences were horrific;

We were surprised by the attack of the Empire of Japan on naval forces of the United States at Pearl Harbor in 1941;

We were surprised by the onset of the cold war in 1946;

We were surprised by the attack of North Korea against the South in early summer of 1950;

We were surprised when the Berlin Wall went up in August 1961 and surprised yet again when it went down in November 1989;

We were surprised when Khrushchev tried to put missiles in Cuba in the fall of 1962;

We were surprised by the fall of the Shah of Iran in 1979;

We were surprised by the attack of Iraq against Iran in the fall of 1980;

And most recently we were surprised by the attack and occupation of Kuwait by Iraq. I mention these surprises because we really do not have a very good record for predicting the future.

The end of the cold war has been accompanied by a resurgence of nationalism—in some places militant nationalism. This resurgence poses a major challenge to the established political and economic order. The disintegration of states—Yugoslavia, the Soviet Union, Ethiopia, maybe even Canada—will generate conflict about the distribution of assets.

The fault lines of international security are shifting in many directions. Eastern Europe has now become Central Europe; Southwest Asia has given way to Central Asia. The continued utility of military force for good or evil has not been eliminated, nor have principles of deterrence lost strategic relevance. But the non-military aspects of security—social, economic, political—will now assume greater importance in the strategist's appreciation of the forces at play.

CURRENT CHALLENGES

The challenges that you will face in the Navy, in the military, that we together face here at home and in the world cannot be underestimated.

One of the great challenges that you must meet will be the next war. Success sometimes is seductive. The great victory won in the desert and the waters of the Persian Gulf last year cannot be allowed to contribute to complacency in the years to come.

On an earlier occasion, after World War II, we became complacent. Strategic thinking atrophied after 1945. In the nuclear age many believed that the ideas and thoughts associated with classical military history and strategy had been rendered obsolete.

Maurice Comte de Saxe, the famous French military analyst, noted that "few men occupy themselves in the higher problems of war. They pass their lives drilling troops and believe this is the only branch of the military art. When they arrive at the command of armies they are totally ignorant, and in default of knowing what should be done—they do what they know."

Doing what one knows, rather than what should be done, is a problem which many military commanders have faced throughout history. It's a problem not unfamiliar to the American military in the recent past. I would contend that in Vietnam the American military did what it knew—fighting the conventional war which it had fought in World War II and Korea—rather than knowing what to do—fighting the Revolutionary War in which it became engaged. It took ten years to put together a strategy to win the war. By that time it was too late. The patience of the American public had come to an end.

The bitter experience of Vietnam, which resulted from a loss of strategic vision, sent American military men back to the study of war and military history. You here today are the beneficiaries of this renewed interest in the study of war. For some of you, there has been much to catch up on. For all, however, this educational opportunity has meant extensive reading, serious research, written analysis, seminar discussions, and old fashioned thinking.

You must not lose the ability to fight the big war. In light of last year's victory I am reasonably confident that you will maintain this ability. At the same time, however, you must devote more attention to the difficult problems posed by small wars—or to use the more current phrase, low intensity conflict. Over our short history we have had difficulty dealing with unconventional warfare—in the late 1800's fighting the Indians, early this century pacifying the Philippines, and then in Vietnam.

As I look close to our shores—Peru, Colombia, Haiti, the drug war—these are the kind of conflicts that will require more of our attention in the years to come.

DIFFICULT DAYS

These next few years for those in the military will be difficult ones. As we reduce the size of the services professional military education should not be forced to take its "fair share" of the cuts. The fact is that smaller forces will have to be more capable forces. That means continued high levels of training and efforts to improve professional military education. Doing business in a joint fashion will become even more necessary.

The temptation to become discouraged will grow. Please, do not give in to it. In moments of doubt recall the words of Douglas MacArthur. "Duty, honor, country: Those three hallowed words reverently dictate what you ought to be, what you can be, what you will be."

There has been some talk over the past few years about the decline of America. I believe that it has been exaggerated. Yes, we do have serious problems here at home, let's not understate them—the S&L fiasco, weak banks, a troubled educational system, urban poverty. At the same time no other country has the economic, military, scientific, ideological, and cultural strengths across the board that we do.

We met with success in the war against Saddam Hussein's tyranny. That display of American competence, resolution, and leadership can usher in a more positive mood here at home about our abilities to manage and overcome our own problems at home.

CONCLUSION

Today's graduating class totals some 545 mid-grade and senior officers of the Navy, Army, Marine Corps, Air Force, Coast Guard and civilians representing 17 different Government agencies, international officers from 40 friendly and allied nations, and college of continuing education graduates. From your ranks will come the future leaders of the United States Navy—the Nimitzes, Halseys, Spruances, Burkes, Zumwalts, Crowes, and Kelsos. Also present are the future leaders of our other military services and of the other nations represented here today. You are an elite—in the finest sense of that word—a chosen group. You will be the keepers of the sacred flame, the repository of knowledge of how to win wars during a time of uncertainty in the world and a time of great change in the United States military.

Let me also add that this Nation of ours is very fortunate to have individuals such as you willing to protect our interests at distant points of the globe. The sacrifices of those in the military, especially the Navy, willing to go far from home and assume such heavy responsibilities are not always appreciated in our society. Even less appreciated are the sacrifices of military families. To the spouses and children of these officers who are about to assume new duties, some far from home, let me express a heartfelt thanks. Your support is crucial to the well-being of these officers and to our country as a whole.

To the graduates, I wish you God's protection and wisdom as you embark on the journey of securing America's interests from your new high level of rank and responsibilities. I have every confidence that the history you write will be worthy of the finest who wore the American uniform in days gone by. Thank you, God bless.

HOUSE CONCURRENT RESOLUTION CALLING FOR FREE AND DEMOCRATIC ELECTIONS IN LEBANON

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. RAHALL. Mr. Speaker, I have joined with my colleagues today in the introduction of a sense of the House resolution calling for free and fair democratic elections in Lebanon.

On October 22, 1989, the Arab League brokered what is known as the Taif Agreement, ending Lebanon's 16-year civil war. The Taif Agreement is intended to lead the full restoration of Lebanon's sovereignty, independence, and territorial integrity.

Syria did assist in restoring peace in Lebanon, and does have legitimate interests there, as any country does with its neighbors. However, Syria does exert perhaps inappropriate influence upon the Government of Lebanon. It does so in many ways, but none more effective than keeping an estimated 40,000 Syrian troops there—a presence not easy to ignore, and one that does not lead to a true sense of independence.

Under the Taif Agreement it was clearly understood that Syria would withdraw its troops to the gateway of Bekaa Valley by September 1992, and the success of any reforms under the agreement, and particularly the scheduling of timely, free, and democratic elections, depends solely upon that withdrawal.

It stands to reason that truly free and fair elections In Lebanon cannot take place in areas of foreign military control, such as that reflected by the presence of Syria's 40,000-strong troop deployment.

It has been broadcast about, in the print media and in other forums, that Syria remains in Lebanon, and expects to remain in Lebanon, until after elections are held, and that Syria's remaining in Lebanon until then has been decided based on a request from Lebanon's Government. This is not true, and should not be accepted by the United States Government, but seen for what it is—Syria's continued intent to remain in Lebanon for purposes of influencing the outcome of those elections—in direct contravention of the Taif Agreement.

After 16 years in which Lebanon was bowed downed by civil strife, its economic circumstances deteriorated in the extreme. Those 16 years saw the Lebanon pound plunge to unprecedented levels against the dollar, yet it managed to honor its financial dues and obligations on loans from the United States and other international organizations.

Lebanon has no debts in arrears with the IMF or the World Bank with which it has had dealings since 1955. Lebanon has paid in full its foreign military sales loans to the United States. Lebanon has honored and continues to honor its housing loans from AID, and will have paid all installments in full by the year 2000.

Lebanon, Mr. Speaker is not a beggar nation, but a proud one. Lebanon is not seeking extraordinary economic assistance from the United States, unlike some in the region.

With its history of honoring its debts to others while being shackled by the economic straightjacket brought about by a protracted civil strife, a situation greatly exacerbated since 1985 by economic sanctions imposed by our own Government and which remain in place today, and in doing so causing Lebanon's social and human suffering to continue—it is within all reasonable expectations for Lebanon to hope that the United States Government will call upon Syria to withdraw its presence there, as agreed to under the Taif Agreement, so that free and fair elections can be scheduled expeditiously.

Mr. Speaker, I call upon the Congress to express its continuing support for the Taif Agreement, signed in 1989, and to call for Syria's withdrawal of its troops to the gateway of the Bekaa Valley not later than September 1992 as required by the agreement.

I further call upon my colleagues to urge the Arab League to consider immediately the possible alternatives to ensuring security in Beirut following the Syrian departure, including the establishment of an Arab League presence in Beirut if necessary.

I call upon the Congress to urge the Government of Lebanon to hold elections only if they can be free and fair, conducted without outside interference, and witnessed by international observers.

For Lebanon to attempt to reform its election processes and to hold those elections as agreed to under Taif, the Syrian presence must be removed. To do otherwise, or even seem to support a theory that first elections be held as a condition for Syria's withdrawal, is counterproductive, and most assuredly there is little that would be free and fair about elections held under those circumstances.

I call upon Congress to urge Lebanon's Government to delay scheduling of its elections until Syria's withdrawal, even as difficult as it might be to take a position against elections there, because it has now become a question of timing and a question of control over those elections, which must be left in the hands of only Lebanon—not her occupiers.

Mr. Speaker, as we continue in our quest for peace in the Middle East, it is well to recognize that Lebanon has a huge stake in the outcome of the peace talks now going forward. So does Syria. Free and fair elections, duly held under the Taif Agreement, are widely viewed as one of the key steps in the overall peace process. Hopefully, the peace talks will produce a real peace and freedom in Lebanon as well.

As Americans, we recognize fully that truly free and democratic elections require freedom of speech and assembly, freedom of political expression and party affiliation, freedom for candidates to come forward without fear and campaign, and that they have unimpeded access to print and broadcast media, freedom of movement and, above all, guarantees of their physical security.

It is understandable that the people of Lebanon would be more at ease and more assured of those guarantees if Syria withdraws in strict accordance with terms agreed to under the Taif. .

Lebanon expects nothing more and nothing less.

I strongly support the resolution calling for free and fair elections in Lebanon which I and my colleagues have introduced today, and I urge my colleagues to add their names in support of the goals it sets forth.

EXCESSIVE REGULATORY BURDEN AND THE COMMUNITY REINVESTMENT IMPROVEMENT ACT OF 1992

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. McCOLLUM. Mr. Speaker, regulatory burden is currently cited by commercial banks as the greatest impediment to their competitiveness and ability to supply credit. The level of overall regulation has accelerated markedly in recent bank legislation and has provoked industry experts such as former FDIC Chairman William Isaac to publicly express concern over the industry's viability. Because excessive regulation increasingly interferes with banks' ability to meet their communities' credit needs I am introducing the Community Reinvestment Improvement Act of 1992. This bill would reduce the burden imposed by the most burdensome regulation bankers face and better enable banks to meet the credit needs of their communities.

The deleterious impact of overregulation on bank performance has both direct and indirect aspects. The direct impact is to increase bank costs through absorption of employee time and energy as well as through expenditure in providing reports and other printed material to maintain compliance. A recent American Bankers Association survey estimated 1991 compliance costs at $10.7 billion or 59 percent of industry profits. While some regulation is required in order to ensure the safety and soundness of the banking system, even a reduction in regulatory compliance costs of 25 percent last year could have resulted in an increase of $25 billion in bank loans.

The indirect impact of greater regulation is to reduce the competitiveness of banks. This occurs in at least two ways. First, nonbank financial firms aren't subject to the same regulatory obstacles. Firms such as mutual funds, insurance companies, and credit unions have been siphoning business off both sides of bank balance sheets as bank regulation has increased. They capture bank customers by offering similar products at lower cost or with better rates than banks since less regulatory compliance generates a competitive cost advantage and greater market flexibility. For small banks, the added reporting requirements and stipulations for extensive written policy statements in many areas are spread over a small employee base. Thus, the cost of complying with these regulations represent a proportionately greater burden upon smaller banks.

Second, enhanced regulator ability to restrict bank operations, remove bank officers, limit indemnification of legal defense costs of bank officers, require notice for certain changes in bank officers and directors, and limit the compensation and retirement benefits of bank officers and employees makes it more difficult to attract and retain high quality directors and officers. Increased possibility of personal liability has begun to drive qualified personnel out of banking, the impact of which will be to shift the balance of competitiveness away from banks as more skilled managers settle in with nonbank firms and compete with banks. The Orlando Sentinel recently reported that First Florida Bank has already lost 3 directors who left because of the personal risk imposed by the increased regulation.

The Federal Deposit Insurance Corporation Improvement Act [FDICIA] required that the Federal Financial Institutions Examination Council [FFIEC] study the regulatory burden. As part of the study, FFIEC decided to hold public hearings on the regulatory burden and the third in that series of hearings is being held today in Washington, DC. Most prominent among the specific regulations whose burden is being cited at these hearings and elsewhere is the Community Reinvestment Act [CRA]. The CRA has been cited as the most burdensome regulation by surveyed members of both the American Bankers Association [ABA] and the Independent Bankers Association of America [IBAA].

In the ABA survey of 974 member banks, the highest percentage of bankers identified the CRA as the most time consuming regulation and also as creating the most headaches. One banker commented "Our success and our livelihood depend upon our ability to serve our community, and the CRA requirements only detract from our ability to act, because of the time required to 'prove' we are doing what is both in the community's and our self-interest to do."

CRA's impediment to the ability of banks to effectively serve their communities leads me today to introduce the Community Reinvestment Improvement Act of 1992. This bill will substantially reduce the regulatory burden of CRA by first, providing an exemption for those banks least able to bear the costs of CRA, the small community bank; second, a modified evaluation procedure for responsible midsized banks; and third, a safe harbor for banks that are complying with the CRA.

The following is the text of my bill and a section-by-section analysis explaining its provisions:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Community Reinvestment Improvement Act of 1992".

SEC. 2. MODIFIED EVALUATIONS.

The Community Reinvestment Act of 1977 (12 U.S.C. 2901 *et seq.*) is amended by adding at the end the following new section:

"SEC. 809 MODIFIED EVALUATIONS.

"(a) SCOPE.—In lieu of being evaluated under Section 804 and receiving a written evaluation under Section 807, an institution's record of meeting the credit needs of its entire community with respect to any calendar year shall be evaluated pursuant to this section if the institution—

"(1) has not been found to be in violation of section 701(a) of the Equal Credit Opportunity Act, or any other provision of such Act, during the 5-year period preceding such calendar year;

"(2) has not received a rating of 'needs to improve' or 'substantial noncompliance' from the supervisory agency in the most recent evaluation of the institution under Section 807;

"(3) has not been disqualified from evaluation under this section by the supervisory agency pursuant to a provision of this section; and

"(4) has, as of the December 31 preceding the beginning of such calendar year, total assets of less than $500 million.

"The dollar amount in this subsection shall be adjusted annually after December 31, 1992, by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics.

"(b) MODIFIED EVALUATION.—An institution which is described in subsection (a) with respect to any calendar year shall, during such year—

"(1) maintain internal policies to help meet the credit needs of its local community consistent with the safe and sound operation of such institution;

"(2) declare in writing to the supervisory agency, at such time as the agency shall prescribe by regulation, that the institution—

"(A) is an institution described in subsection (a); and

"(B) is in compliance with this subsection;

"(3) display any notices as required by the supervisory agency concerning the institution's compliance with the requirements of this Act; and

"(4) make available for public inspection the following information regarding the record of such institution in meeting the credit needs of its entire community—

"(A) An identification of the community it serves;

"(B) A list of the types of credit offered by the institution;

"(C) Public comments received during such year or any of the 2 years immediately preceding such year regarding the institution's service of the entire community's credit needs; and

"(D) Copies of any declaration submitted under subparagraph (2).

"(c) REGULATORY EVALUATION.—

"(1) In general.—The supervisory agency shall conduct an evaluation of an institution's compliance with this section in connection with its examination of such institution, or every 2 years, whichever is more frequent.

"(2) Notice.—Upon commencing a compliance evaluation pursuant to the section, the supervisory agency shall provide public notice stating that it is conducting such evaluation of the institution.

"(3) PROCEDURE.—In performing periodic evaluations of institutions pursuant to subsection (c) of this section, the supervisory agency—

"(A) shall review the institution's existing business records and shall not require the institution to produce documentation other than existing business records, and

"(B) shall review any additional information provided by the institution or other interested parties.

"(4) DISQUALIFICATION.—In addition to any administrative enforcement action authorized under any other provision of law, if the supervisory agency determines after an evaluation under this subsection that the institution is not in compliance with this section, then the supervisory agency may determine that the institution shall be disqualified from evaluation under this section for such period as the agency may determine to be appropriate.

"(e) PENALTIES.—In addition to any criminal or civil penalty or any administrative enforcement action authorized under any other provision of law, if the supervisory agency finds that an institution has intentionally submitted false information to the supervisory agency or otherwise willfully violated the requirements of subsection (b), the institution shall be disqualified from evaluation under this section such period, not to exceed 10 years, as the agency may determine to be appropriate.

"(f) DEFINITIONS.—

"(1) 'Institution' means a regulated financial institution meeting the requirements of subsection (a).

"(2) 'Supervisory agency' means the appropriate Federal Financial supervisory agency of a regulated financial institution.".

SEC. 3. EVALUATION EXEMPTION.

The Community Reinvestment Act of 1977 (12 U.S.C. 2901 et seq.) is amended by inserting after section 809 (as added by section 2 of this Act) the following new section:

"SEC. 810. EVALUATION EXEMPTION.

"A regulated financial institution shall not be subject to the evaluation requirements of this title or any regulations issued under this title if—

"(1) the main office and each branch of such institution is located in an incorporated city or town, or an unincorporated place recognized by the Census Bureau that has a population of not more than 25,000 persons; and

"(2) the aggregate assets of the institution and any company which is a depository holding company with respect to such institution (as defined in section 3(w) of the Federal Deposit Insurance Act) are less than $100,000,000.

"The dollar amount in this section shall be adjusted annually after

December 31, 1992, by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics.".

SEC. 4. SAFE HARBOR.

The Community Reinvestment Act of 1977 (12 U.S.C. 2901 et seq.) is amended by inserting after section 810 (as added by section 3 of this Act) the following new section:

"SEC. 811. SAFE HARBOR.

"Notwithstanding Section 804(2), an application for a deposit facility by a regulated financial institution shall not be denied on the basis of such institution's compliance with this Act if such institution in the previous 24 months—

"(1) has received a rating of 'Outstanding' or 'Satisfactory' from the appropriate Federal financial supervisory agency in an evaluation of the institution under Section 807 conducted, or

"(2) has been found to be in compliance with Section 809 in a regulatory review conducted under Section 809(c),

"unless such institution's compliance has materially deteriorated since such evaluation.".

SECTION-BY-SECTION ANAYLSIS—THE COMMUNITY REINVESTMENT IMPROVEMENT ACT OF 1992

SECTION 1. SHORT TITLE.

The Community Reinvestment Improvement Act of 1992.

SEC. 2. MODIFIED EVALUATIONS.

Financial institutions' regulators are to use a modified evaluation procedure to determine the compliance of certain institutions with the Community Reinvestment Act. This applies to institutions with total assets of less than $500 million that received at least a "satisfactory" rating in their most recent CRA evaluation, have not violated the Equal Credit Opportunity Act in the last 5 years, and have not been disqualified under the modified evaluation procedure.

The modified evaluation procedure requires an institution to (1) maintain internal policies to help meet the credit needs of its community consistent with the safe and sound operation of the institution, (2) declare in writing to its regulator that it qualifies for the modified evaluation and that it is in compliance, (3) display any required notices concerning compliance with the CRA, (4) make available for public inspection an identification of its community, a list of the types of credit offered, pubic comments received, and the written declaration made to the regulator.

The regulator is required to evaluate an institution's compliance with this procedure at least every two years, giving public notice of the evaluation as it begins. The regulator shall review the institution's existing business records and shall not require the production of other documents, but shall also review any other information provided by the institution or other interested parties. The regulator can disqualify an institution from the modified evaluation if the institution is not in compliance.

If an institution intentionally submits false information or otherwise willfully violates the requirements of the modified evaluation, the institution shall be disqualified from the modified evaluation for 10 years and subject to all other criminal and civil penalties or administrative enforcement action authorized under any other provision of law.

SEC. 3. EVALUATION EXEMPTION.

Institutions with less than $100 million in assets and with offices in cities, towns, or communities of less than 25,000 people shall not be subject to the evaluation requirements of the CRA.

SEC. 4. SAFE HARBOR.

An institution's application for a deposit facility shall not be denied if the institution within the last 24 months received a rating of "outstanding" or "satisfactory" or is in compliance with the modified evaluation procedure established by section 2, unless the institution's compliance has materially deteriorated since then.

SUPPORT FOR THE 44TH ANNUAL CZECH DAYS CELEBRATION

HON. TIM JOHNSON

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. JOHNSON of South Dakota. Mr. Speaker, I rise to express my support for the 44th annual Czech Days celebration in Tabor, SD. The South Dakota Legislature in its 67th session enacted House Commemoration No. 1011 which reads as follows:

HOUSE COMMEMORATION NO. 1011

(A legislative commemoration, recognizing and commending the 44th annual Czech Days celebration in Tabor, South Dakota)

Whereas, Tabor Czech Days celebrates the rich cultural heritage that the Czech immigrants transported from their homeland to enrich their new home in South Dakota; and

Whereas, the peoples of Czechoslovakian descent have consciously preserved the language, customs, dress, spirit and cuisine of their immigrant ancestors; and

Whereas, this year's Czech Days' Royalty are: Queen Crystal Carda, daughter of Lawrence and Darlene Carda of rural Tabor; Prince Kyle Kreber, son of John, Jr. and Kim Kreber of rural Tyndall; Princess Selina Cimpl, daughter of Joe and Deb Cimpl of Tabor; and

Whereas, many fine attractions await those visiting the 44th Annual Czech Days, including the Czech Heritage Museum, Blachnik Museum, St. Wenceslaus Catholic Church, adult and children's programs in Sokol Park, live Czech music in Beseda Hall and two beer gardens:

Now, therefore, be it commemorated, by the Sixty-seventh Legislature of the state of South Dakota that the Legislature congratulate the Czech peoples of South Dakota for their outstanding, traditional celebration and invite all South Dakotans to participate in the 44th annual Czech Days on June 19th and 20th in Tabor, South Dakota.

I share the expression of the South Dakota House of Representatives and extend my very best wishes to all the proud citizens of the Tabor area on yet another very successful Czech Days celebration. The entire State of South Dakota benefits from this wonderful preservation of the rich and valuable Czech heritage.

CONGRESSMAN KILDEE CONGRATULATES NEW MOUNT MORIAH MISSIONARY BAPTIST CHURCH

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. KILDEE. Mr. Speaker, it is with great pride that I rise before you today to congratulate the members of New Mount Moriah Missionary Baptist Church and their pastor, Rev. William H. Murphy, Jr. upon the dedication of their new church edifice which was celebrated this past Sunday, June 21, 1992 at 4 p.m. in Pontiac, MI.

On April 9, 1989, the New Mount Moriah Missionary Baptist Church was formally organized with approximately 100 members. The ceremony was conducted at the Bowen Community Center in Pontiac, MI. William H. Murphy, Sr., pastor of the Greater Ebenezer Missionary Baptist Church of Detroit was the moderator.

On Sunday, April 16, 1989, the New Mount Moriah Missionary Baptist Church held its first official order of worship service at the Offender Aid and Restoration [OAR] Building at 210 North Perry Street. After 1 month the congregation moved to 67 Oakland Avenue, Pontiac, MI. The church held its first service in its new home at 68 West Walton Boulevard on June 21, 1992.

Over the past three years the membership of New Mount Moriah, under the leadership of Pastor William H. Murphy, has grown physically and spiritually. From a group of 100 people meeting in a community center, the congregation has grown to 350 active members. New Mount Moriah's official staff include Pastor William H. Murphy, Jr.; Deacon Conway Thompson, chairperson of the deacon board; Sister Elaine Miller, trustee chairperson; Deacon Leon McDonald, Jr., treasurer; Sister Phillis Williams, church clerk and Sister Juliette Cotton, secretary.

Mr. Speaker, without a doubt, the Pontiac community is a much better place to live because of the service, love, and spiritual support from New Mount Moriah Missionary Baptist Church. Because their hard work strengthens my commitment to the role of government to promote, protect, defend and enhance human dignity, I urge my House colleagues to join me in congratulating this outstanding parish on the occasion of their wonderful milestone.

TRIBUTE TO OFFICER MARK W. McKITCHEN

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. MACHTLEY. Mr. Speaker, I rise today in honor of the valiant efforts displayed by officer Mark W. McKitchen of Pawtucket, RI, as he fearlessly aided 15 apartment building residents escape a fire which blazed through their building early yesterday morning.

With little regard for his own safety, officer McKitchen sprang into action when he noticed the flames while on his predawn patrol of downtown Pawtucket. He managed to lead all the endangered residents to safety. By pounding on their doors and alerting them to the flames, he had the building evacuated by the time the fire trucks arrived on the scene.

Officer McKitchen has been recognized for his bravery and quick thinking by the patrol commander and captain of the police force. I would like to add my voice to the chorus of those praising officer McKitchen.

Such fearless dedication as exhibited by officer McKitchen is extraordinary and deserves our deepest appreciation and respect. I am proud to be able to congratulate officer McKitchen on a job well done.

THE '39ERS

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. RAY. Mr. Speaker, I want to bring to my colleagues' attention the fact that our Nation's Capital was recently honored with a visit by a group from the Third District of Georgia.

The '39ers only spent 4 days here, but I believe they were able to see almost every historical item in Washington. Mr. Speaker, it was a true pleasure to help host the '39ers and all of us really enjoyed those several days.

Mr. Speaker, I submit for the RECORD a copy of a Fort Valley Leader-Tribune article that details the trip.

[From the Leader-Tribune, May 13, 1992]

'39ERS TRAVELED TO WASHINGTON

(By Annette Duke)

About ten years ago Frances Joyner had a dream. As my co-chairman of the '39ers (a senior group sponsored by the First Baptist Church), she suggested our taking the group to Washington.

With that seed firmly planted, our groundwork began.

Because our bus was beginning to show its age, we pursued the possibility of Amtrak with a chartered bus meeting us there. Riding all night sitting up, plus the added expense of chartering a bus, we felt we had to give up her dream—for now.

In the meantime, I was invited to a reception for Congressman Richard Ray and his wife, Barbara. While there, I asked Barbara if we ever got brave enough to take the '39ers to Washington if she would help us plan the trip. She was more than gracious.

In God's own timing, our church ordered a brand new bus which was delivered in March.

It took ten years from dreaming to our April 27 departure with 45 excited and happy '39ers. Our pastor, Rev. John Talley, had a prayer breakfast and we were off.

Our first night found us in Rocky Mount, NC. We were met by the hostess who invited us into the lobby for punch and cookies before going to our rooms.

After getting settled in our poolside rooms, we met back in the conference room for our buffet dinner party honoring Frances Joyner.

After dinner and a get-acquainted session, Ann Rigdon gave our devotional on love. Helen and Ouida sang a precious rap song about the '39ers they had composed on the way. Then we learned some things about Washington.

Did you know Washington was a preplanned city? It was planned by L'Enfant, a French engineer and architect who came with LaFayette to fight in the Revolutionary War. His design was divided into quarters with the Capitol being placed on the highest part, in the center. The streets were laid out in checkerboard, with avenues crossing diagonally. Where these converge, then form circles and squares which are beauty spots in the city. Several long avenues, named for the states, radiate from the Capitol.

After our program of interesting information, a scrapbook-picture album was presented to Frances along with a "purse on a string" for her use in touring.

Tuesday we departed for Mount Vernon. We arrived at the Mount Vernon Inn for lunch and Barbara Ray was waiting to welcome us! As we were being seated for lunch there, we were pleased to find a poem that she had written about the 39'ers at our places.

After lunch we toured Mount Vernon and just before leaving, Barbara gave each of us an envelope with brochures of the things we were about to see. She then led us on to Arlington Cemetery where she left us.

There we boarded a private Tourmobile for a tour of the changing of the guard at the Tomb of the Unknown Soldier, the eternal flame at John Kennedy's grave and the grave of Robert Kennedy, Lee's Mansion and many graves of our heroic men.

The tulips and cherry trees were so beautiful and everything was neatly manicured.

By 5 p.m. we were checking into the Ramada Inn Central in downtown Washington. After a brief rest and hot shower, we were ready to meet the bus for Kennedy Center where we enjoyed the musical comedy *Pump Boys and the Dinnettes* along with our dinner. After the show, we walked out on the terrace on the roof for the magical view of Washington at night.

Wednesday morning we went to the Capitol where we were met by Matt and Avery from Congressman Ray's office. They walked with us to meet Barbara and Richard at the steps for a picture of our group. Richard then gave us a personal tour of the House and Senate galleries.

We were fortunate to be able to be seated in the House while Richard explained how the Democrats were seated on one side, Republicans on the other; how they voted, what the Pages did, etc. So many interesting things. It was truly an experience of a lifetime!

We followed Richard into our dining room at the Capitol where we were introduced to Chaplain James Ford, Chaplain of the House. After the devotional, I presented him with the Mayme Lee Love Gift from the 39'ers.

We enjoyed a delicious lunch. Afterwards, Richard autographed copies of a book on the Capitol which he gave to each of us as a memento of our visit.

Barbara told us that the flowers on each of the round tables had been sent over from the Botanic Gardens especially for us. How could we possibly be treated more royally?

We were told Bill Clinton and Dan Quayle were there, but I just bet they weren't treated as well as we were!

After lunch Matt took us across the street to the Supreme Court where they were waiting to give us a tour. From there we went to the Smithsonian Museums.

We were pleasantly surprised to see Jay Jones (Julian, Jr. and Annette's son). He was there with his 8th grade class from Deland, Fla. and just happened to see his "hometown" church bus drive up!

We had dinner at a seafood restaurant located on the Potomac River where we were joined by Virginia Duke Johnson (Clara Passmore's niece) and her husband, Nelson; Phil Mathews and Col. John Wood, nephew of Rosemary Reid; Congressman and Mrs. Ray and Matt Pope.

After dinner, Richard gave a brief devotional before having to be back for another vote. But before he left, we presented him with the Mayme Lee and also a special reminder of home, a little Blue Bird #1 bus!

Col. Wood then gave a most interesting talk on Korea, which was where he had just been stationed.

We presented Matt with an All-American bus bank with The '39ers of First Baptist written on the side so he would never forget what he had meant to us along with a copy of Scarlett from his new Southern friends.

You can imagine my chagrin when I found out he was from Columbus, GA!

We then presented Barbara with a Georgia Garden Club calendar, a billfold from me and her favorite gift, a beautiful new camellia made especially for her by Mikki Mathews called *Royalty*. Mikki assured me it was one of a kind, just for Barbara.

Closing with our song, we called it day. What a good day it had been!

Thursday morning was a very, very special time for us, we visited the Vietnam Memorial. We gathered together for a quiet time under the beautiful trees to pay tribute to our boys with Adina Bailey leading our devotional.

Quietly, two by two, we walked down to the memorial where Ouida placed red roses at the foot of the memorial bearing her nephew's name, Morris McDaniel, Jr. The sun was shining and we all felt a special presence. We were so glad we came.

Friday was our last day but we surely made the most of it!

First, a congressional tour of the White House. What an exciting time that turned out to be!

As we drove up we noted a flagged stage and a band playing on the front lawn. We jokingly remarked, "They knew the '39ers were coming!"

They were celebrating the Great American Workout fitness program. Among the celebrities were Bob Arnott of CBS, Charles Mann and John Brandis of the Redskins, Arnold Schwarzenegger, Mohammed Ali, Scott Hamilton, Billy Kidd, Dick Van Patten, Derek and Willie of the Globetrotters and Bob Saget. You would have thought we were teenagers with our autographs and picture taking.

We missed President and Mrs. Bush because they having all these other folks for lunch. But we did so enjoy seeing the White House.

From there we drove to the Botanic Gardens for our last tour. The plants there were most unusual as well as pretty. I especially enjoyed the plants that dated back to the days of the dinosaurs.

All good things must come to an end, so before leaving, we rejoined Barbara for lunch. What a nice surprise for all of us—she brought each of a copy of the photo made at the capitol. She presented me with a copy of *The Congressional Club Cook Book*, with such a loving inscription! I shall treasure it for the rest of my life!

With Barbara leading us back to I-95, it was with hearts so very, very full of love and gratitude that we left Washington and the Rays.

After dinner in Rocky Mount heading home, Virgil Booker gave our devotional. A brass basket was presented to our driver, Aubrey Wilder and his wife, Helen, and gifts were presented to our navigators, Adina and Rena with our thanks for a job well done! And thank you God, for looking after us so well, keeping us safe and allowing us to enjoy so many wonderful pink dogwood, tulips, cherry blossoms and most of all, giving us such perfect weather. And most of all, thank you for friends who go the extra mile.

The folks enjoying the trip were: Aubrey and Helen Wilder, Rena Bowman, Frances Joyner, Kebie Neuner, Annette Duke, May Outler, Adina Bailey, Peggy Sutton, Dean Rogers, Barbara Whittington, Ouida Luckie, Helen Faircloth, Virgil Booker, W.E. Butler, Sudie Rowland, Louise Matthews, Lois Spinks, Ruth Mathis, Bessie Thornburgh, Joyce Scott, Ann Rigdon, Pat Bryan, JoAnn Connell, Sandra Barbour, May Davidson, JoAnn Hopkins, Angelyn Sims, Betty Cleveland, Frona Thaxton, Hazel Irby, Tommy and Jeannine Webb, Rosemary Reid, Lucille Young, Dianne Aligood, Myrtice Jackson, June Doles, Wynelle Estes, Marilyn Hester, Annice Champion, Thaida Mathews, Beth Spillers, Neva Low and last, but far from least, our supergirl, Mack Pearson. Bessie Thornburgh will be 92 in August, bless you, Miss Bessie!

COMMENDING ADM. JEROME L. JOHHSON, U.S. NAVY

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. BENNETT. Mr. Speaker, June 26, of this year, our Navy, the Congress, and the Nation loses the services of a dedicated officer, public servant, and naval aviator. On this day, Adm. Jerome L. Johnson will retire from the Navy as the Vice Chief of Naval Operations after 37 years of service to our country.

Adm. Jerry Johnson entered active duty as a naval aviation cadet in 1955, after attending Texas A&M University. In 1956, the was commissioned an ensign and designated a naval aviator. His early assignments included a variety of operational and combat duties which led to his command of Attack Squadron 27. While under his command, this squadron received the Wade McCluskey Award as the Navy's best attack squadron, the COMNAVAIRPAC Safety Award, and the battle efficiency "E."

Admiral Johnson served in numerous operational tours onboard aircraft carriers and on the afloat staff of Commander Carrier Group 3. In 1979, Admiral Johnson assumed command of U.S.S. *San Jose* [AFS–7], and in 1981, he reported as the 32d Commanding Officer of the aircraft carrier U.S.S. *Coral Sea* [CV–43].

Following promotion to flag rank in 1983, Admiral Johnson served on the staff of the Chief of Naval Operations as Director, strategy, Plans and Policy, and as Director, General Planning and Programming. He later served as Director, Office of Program Appraisal in the Office of the Secretary of the Navy.

In 1986, Admiral Johnson returned to sea duty as Commander Carrier Group 4 and Commander Second Fleet, Responsible for the training and readiness of ships and aircraft in the Atlantic Fleet, and as Commander of NATO's Striking Fleet Atlantic.

Admiral Johnson is the 25th officer to serve as the Vice Chief of Naval Operations. He has been directly responsible to the Chief of Naval Operations for the command of the operating forces and the administration of the shore establishment of the Navy. Admiral Johnson has also been designated the Navy's "Gray Eagle," the senior aviator on active duty.

During these 37 years, Admiral Johnson has received numerous personal awards and decorations which include the Distinguished Flying Cross, Bronze Star Medal, Meritorious Service Medal, Air Medal with Gold Numeral 16 and Bronze Numeral 2, and the Navy Commendation Medal with Combat V.

The Department of the Navy, the Congress, and the American people have been defended and well served by this dedicated naval officer for over 37 years. Adm. Jerry Johnson will long be remembered for his leadership, service, and dedication. He will be missed. We wish Jerry and his lovely wife Joy, our very best as they begin a new chapter in their life together.

REP. ELIOT ENGEL OF NEW YORK MEMORIALIZING ALOYSIUS MOCZYDLOWSKI

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. ENGEL. Mr. Speaker, I rise today to pay tribute to the memory of Aloysius Moczydlowski, an outstanding public official who served the people of Yonkers, NY, for more than 40 years.

It was a great loss for the city of Yonkers when Aloysius Moczydlowski passed away recently, because he had always dedicated himself to improving the quality of life in the community. In a political career that began in 1949, Aloysius served for 21 years as a council member in Yonkers' fifth and seventh wards, where he became famous for his attention to his constituent's concerns. Since 1972, he served as city clerk, where he also channeled his energies into making government work for the citizens of Yonkers.

That is the legacy that Aloysius Moczydlowski has left for all the public officials who follow in his footsteps. Government should and can work for the benefit of all the people, but only if public officials remain committed to helping others and serving their constituents. In his service to his country as a U.S. Marine, as well as his countless accomplishments within Yonkers, Aloysius has set an example to all of us of dedication to one's country and community.

Although his children and his wife, Camelia, have lost part of their lives, we are grateful for the many times Aloysius touched the lives of others in a positive way. It is fitting that the city of Yonkers is honoring his memory, and I join in paying tribute to many good deeds.

TRIBUTE TO COL. GEORGE DEGOVANNI, USAF

HON. BEN GARRIDO BLAZ

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. BLAZ. Mr. Speaker, on the 30th of this month, Guam will lose a friend after his completion of a successful tour of duty as the commanding officer of the 633d Air Base Wing at Andersen Air Force Base in Guam. It is with regret that we bid farewell to Col. George DeGovanni, USAF, for within the past 2 years he has faced with us a diverse series of challenges; challenges which he met and more than overcame.

Colonel DeGovanni is of a new breed of officers produced over the last 20 years in this country. Officers who are not only technically proficient in their professional responsibilities, but who are also aware of the strategic, political, economic, and cultural dynamics of the region of the world in which they serve. Soldier-statesmen, all too rare these days, are particularly important in my region, the Pacific rim. No one could argue that events occurring there have not had a far-reaching impact upon the rest of the world.

During the Persian Gulf war, this was amply demonstrated as Andersen Air Force Base became a vital link to the frontline forces. The successful effort there would not have been possible without the personnel, supplies, equipment, and munitions that Colonel DeGovanni was responsible for housing, storing, and then transporting by both air and sea to Southwest Asia. When Mount Pinatubo erupted in the Philippines, and the subsequent evacuation from military facilities took place, he was again thrust into the spotlight. Organizing and directing Operation Fiery Vigil, a joint service effort, over 20,000 evacuees were fed, housed, clothed, and provided medical attention at Andersen Air Force Base.

His relations with the local community were also exemplary; he proved himself sensitive to local environmental concerns by working with the Guam Environmental Protection Agency to close 25 old military dump sites. After supertyphoons Russ and Yuri caused extensive damage to Guam, he dispatched much needed manpower and equipment to local communities as an aid to their recovery. Finally, he helped to establish a monthly meeting of Guam's local leaders with Air Force and Navy representatives as a means of enhancing cooperation in the future on issues of mutual concern.

On a personal level, Colonel DeGovanni and I have had an excellent working relationship. Too many times in the past have military officers assigned to positions of responsibility on Guam forgotten that they are temporary tenants on the island, and that we, the people of Guam, are the caretakers. I have known virtually every commanding officer at Andersen Air Force Base since it was established, and I say here without reservation that Colonel DeGovanni deserves a place of honor among the best of them.

Today, on the floor of this House, I pay tribute—and say goodbye to—a friend of Guam. It is the most I can offer, but it is the least he deserves.

Adios, colonel. Thank you, maraming salamat po, and dangkulo na Si Yuus Maase.

TRIBUTE TO CARMEN GOETZINGER

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. BONIOR. Mr. Speaker, on the afternoon of June 28, Carmen Goetzinger will be honored for her many years of service to Roseville community schools with a reception at President's Village Condominiums. I am pleased to pay tribute to a dedicated individual who has contributed her time and energy to our schools.

For the past 25 years, Carmen Goetzinger has worked patiently and professionally as the secretary of Arbor Elementary School. Along the way Carmen's hard work has earned the respect and admiration of her co-workers. In addition, Carmen has carried her responsibilities further by serving as treasurer on the executive board for AFSCME local 732, from 1974 until 1985, and again as recording secretary from 1990 to the present.

Mr. Speaker, on all accounts, Carmen Goetzinger has served her community with distinction and honor. On this special occasion, I ask that my colleagues join me in saluting this fine individual and extend to her our best wishes in all her future endeavors.

FRAN WALSH: THIRTY-FIVE YEARS OF EDUCATIONAL EXCELLENCE

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. COYNE. Mr. Speaker, I am proud today to pay tribute to Francis Michael Walsh for his 35 years of dedicated service as an educator with the public schools of Pittsburgh, PA.

It is fitting for the U.S. House of Representatives to pay tribute to an outstanding educator like Fran Walsh at a time when the United States is keenly aware of the importance of education for the future of our Nation. Fran Walsh has set an example of educational excellence throughout his career which has been an inspiration to both his fellow teachers and his students.

Last Friday, June 19, 1992, Fran Walsh celebrated the culmination of 35 years as an educator. He began this career as a public school teacher in 1957 at the Stowe Township High School. Since that time, he has served as a teacher at a number of Pittsburgh public schools, including Arlington, Hays, and Overbrook, and has taught at Carnmalt School in Brookline for the past 18 years. During many summers, Fran Walsh also taught the gifted students program at Frick and later the Martin Luther King, Jr., School.

Fran Walsh offered his students an opportunity to learn from an individual committed to the advancement of the educational profession. He served as an encouragement to many talented students who were considering a career in education. Fran Walsh merits special commendation for his success in passing on the torch of educational excellence to following generations of young teachers.

Fran Walsh has continued over the years to provide service outside the classroom to his community and country. He served in the United States Armed Forces in Germany during the Korean war and has been active in American Legion Post 540, Brookline, where he has been chairman of the Americanism Program for the past 20 years. He has also served with the Veterans of Foreign Wars, Oakmont Memorial Day Parade Committee. In addition, he also served as a Boy Scout leader for several years in Brookline and has been a member of the Education Committee of the Western Pennsylvania Historical Society for the past 15 years.

As a proud descendent of Irish ancestors, Fran Walsh has been a member of the Ancient Order of Hiberians, where he acted as recording secretary and editor of the organization's newsletter for 15 years. He was also a founding member of the Pittsburgh Curragh Club and served as recording secretary until 1989. Finally, Fran Walsh has marched in every St. Patrick's Day Parade over the last three decades with the Ancient Order of the Hiberians Division 9, and portrayed St. Patrick in parades during the last 3 years. Last year, he led the St. Patrick's Day Parade down Fifth Avenue in Pittsburgh.

Fran Walsh has been married to Lois Reinstadtler Walsh for the past 36 years. They have five children and three grandchildren. Fran Walsh has shown his own children the same commitment to education which he displays to his students, and worked over many years with parent teacher organizations in a number of positions, including president, while his children were students in Pittsburgh's public schools.

He received his bachelor of science degree from the University of Pittsburgh in 1957, and was awarded a master of arts degree in education from Duquesne University in 1960. Fran Walsh continued his pursuit of knowledge at Mount Mercy College where he attended the NOEA Institute in Reading during the Summer of 1967.

Mr. Speaker, Fran Walsh has had a remarkable career as an educator which provides a real world example of educational excellence deserving the attention of the House, I urge my colleagues to join me in saluting Fran Walsh for his 35 years as a teacher.

TRIBUTE TO REV. J.L. KING

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. TRAFICANT. Mr. Speaker, I rise today to honor Rev. J.L. King, a minister at Phillips Memorial and a member of my 17th Congressional District, who will be celebrating his 50th year in the ministry and his 33d year as pastor of the church in services this month.

A native of Kathleen, GA, Reverend King entered the ministry July 12, 1942 in Eastman, GA. After serving several years in the Army, Mr. King continued his theological studies at various universities including Payne University, Moody Bible Institute, Corner Hill Bible College, Ward College and Malone College. He also studied psychology at Kent State University. He was named pastor of Phillips Memorial since October 1959. He has served as chairman of the board for 2 years for both the Baptist State Convention of Ohio and also the Eastern Ohio & Western Pennsylvania Baptist Association.

Rev. J.L. King is an inspiration to many. His outstanding leadership qualities and dedication to the public deserve to be recognized. I wish to extend my congratulations upon his many years of service.

SOUTH KOREA'S 5TH ANNIVERSARY OF THE JUNE 29 DECLARATION FOR DEMOCRACY

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. ROHRABACHER. Mr. Speaker, 5 years ago in South Korea, weeks of massive demonstrations in the street against longstanding military-backed authoritarian rule threatened the nation's stability. Roh Tae Woo, then chairman of the ruling party and nominee for president, broke with the leadership, offered to meet all of the opposition's major demands and, putting his political career on the line, issued an eight-point proposal for democratic reforms. The so-called "June 29 Declaration" called for direct presidential elections, the comprehensive protection of individual rights, unrestricted press freedoms, and a genuine balance of power among the branches of government.

With Roh's election to office, Korea then settled down and set to work to finalize preparations for the 1988 Summer Olympics. The summer games attracted more participants than ever before, and the event put Seoul on the map as a modern, economically advanced, international city. Still, democracy had to catch up, and President Roh set out systematically to implement his democratization plan.

He began by releasing political prisoners and, working with the National Assembly, revising or repealing hundreds of antidemocratic laws and decrees. Of particular significance has been the introduction of laws protecting freedom of the press and speech. South Korea now has more than 100 daily newspapers, quadruple the number 5 years ago.

Government intervention in the business sector has been scaled back, labor laws revised to promote the rights of workers, and the new aid targeted to the previously neglected urban poor, farmers, and fishermen. Local autonomy has been restored, with free elections now held at every level of government.

Korea's June 29 Declaration for Democracy has had positive implications internationally as well. Political liberalization has strengthened the ROK's relations with democratic nations, and last September, the proud democracy took its place as a full member of the United Nations. Democratization has likewise dramatically expanded Seoul's relations with the former Soviet Union and the countries of Eastern Europe, all of which have forged diplomatic relations with the ROK just in the last few years. Korea's experience has shown that rapid economic development can go hand-in-hand with political reform, a good lesson for these emerging democracies.

We are happy to mark the fifth anniversary of Korea's democratization plan, and note that, as the Korean War forged a comradeship in arms, this new democracy makes us companions in common values.

THE 15TH ANNUAL PETER BUG DAY HONORS JOHNNY DILL FOR OVERCOMING OBSTACLES

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. DELLUMS. Mr. Speaker, it gives me great pleasure to rise today and share with my colleagues the accomplishments and contributions of Mr. John Dill, affectionately known as "Johnny Dee," by his friends and family.

On Saturday, June 27, 1992, Johnny Dee will be honored at the 15th Annual Peter Bug Day festivities in Washington, DC. Peter Bug Day is a grassroots event established to bring a diverse neighborhood together as it kicks off the summer by encouraging the youth to have a safe and fun-filled vacation. I would like to share with you briefly the story and a slice of the life of Johnny Dee who exemplifies true courage and remains a beacon of hope for all of our Nation's' citizens.

Johnny Dee, a Washington, DC, native, was born nearly 50 years ago. It is my understanding that Johnny never let the fact that he was born an African-American get in his way. Throughout his life, Johnny has always worked hard and fended for himself and family. He has a deeply rooted philosophy that he will do for himself and does not want anyone to give him anything. Johnny has always felt that he can earn what he needs and has strived to obtain the highest goals in life.

Johnny is known by his neighbors and friends to be a workaholic. No job is too large, no venture too huge, and no effort without merit. He is always available to lend a hand to fellow neighbors or family members in need of assistance.

Mr. Speaker, life has not always been favorable for Johnny Dee. Many years ago, Johnny witnessed a young woman in trouble and went to her aid. A misunderstanding ensued with the assailant that proved to be unfortunate. As a result of this incident. Johnny was sentenced to 7 years in Lorton Reformatory.

However, prison life did not alter Johnny's positive outlook. He continued to be a force for good while in Lorton. He organized a radio station in Lorton and taught himself the skills necessary to successfully operate it. Johnny became the station's manager, radio talent, engineer, and producer.

Additionally, while in Lorton, Johnny enrolled in the University of the District of Columbia [UDC] Lorton College Program in pursuit of a bachelors degree. Johnny believed that although he was incarcerated, he could still engage in a process to enhance his education. Johnny let it be known among his fellow inmates that he did not intend to return to Lorton. He felt that a good use of his time while he was in Lorton would be to pursue an education.

Upon his release from Lorton, he was able to benefit from his newly acquired skills. He accepted a position as a disc jockey at Ms. Kathy Hughes' radio station, WOL–AM. Johnny Dee quickly became a favorite of the station's listeners. Because of Johnny's diverse background and his heartfelt style he was able to relate sincerely with his listeners. Quickly, Johnny's status changed to celebrity, a reality he rejected. However, because of Johnny's humble demeanor he still considered himself as one of the common people and just one of the flock.

Meanwhile, Johnny continued to be active with various community and church programs. He would lend his services to assist the young, the shut in, and the helpless in the community. Johnny believed that he had a commitment to volunteer for community projects, he did not want to forget where he came from. Johnny also served as an usher with the Vermont Avenue Baptist Church and continued his studies at UDC.

Johnny continued to work in spite of the fact that he was beginning to experience terrible headaches. In December of 1991, Johnny consulted a doctor and an MRI was ordered to determine whether or not he had cancer. Unfortunately, the tests revealed that a brain tumor was present and that surgery had to be performed immediately. The surgery proved not to be enough and subsequent surgery was performed in an attempt to arrest the cancer. As a result of the medication prescribed, Johnny has gained 100 pounds but continues to be a positive source in the community.

Mr. Speaker, I am honored to say that in spite Johnny's difficulties he continues to be active in church and in community events. Johnny's positive spirit continues to be a source of strength for those who know him. I believe it is of the utmost importance to recognize the contributions of those who make a difference in the community. I also believe that it is very important to bring to the forefront those who have experienced difficulties and persevered to turn around their lives.

Mr. Speaker, as our nation continues to be beset with drugs, crime, violence, racism, and other ills, I thought it was necessary to share a positive story. The story of Johnny Dee epitomizes the can do spirit. In these difficult times, African-American youth need real people who are part and parcel of the community in which they live to pattern their lives after. Johnny Dee is such a person. It is for these reasons that I did not hesitate to join Peter Matthews as he pays tribute to Johnny on Peter Bug Day. I agree wholeheartedly with the effort to publicly acknowledge the accomplishments and contributions of Johnny Dee. I encourage my colleagues to join me in paying tribute to Mr. Johnny Dee, a real leader in the community.

SANTO CHRISTO PARISH CELEBRATES 100-YEAR ANNIVERSARY

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. FRANK of Massachusetts. Mr. Speaker, I invite my colleagues to join me in congratulating the Santo Christo Parish in Fall River, MA, as it celebrates the 100th anniversary of its founding tomorrow.

The parish's origin can be traced to the large influx of Portuguese immigrants to Fall River during the late 19th century in search of economic opportunity within the city's expanding textile industry. While finding ample work, they were unable to practice their religious faith and cultural traditions together as a community. In response to this dilemma, the Diocese of Providence, RI, of which Fall River was then a part, established the Portuguese Mission of St. Anthony of Lisbon in 1876. Sixteen years later, on June 26, 1892, the mission was elevated to parish status and renamed Senhor Santo Christo Dos Milagres—Holy Christ of Miracles—making it the first Catholic church to serve the Portuguese community in Fall River. It soon became an important religious and cultural center which served to ease the transition to American life for immigrants from Portugal and the Azores.

In fact, so many people were coming to Fall River from the Azores and mainland Portugal that the Santo Christo community established four missions throughout the city, all of which were eventually elevated to parish status. This leadership in the creation of missions to serve the growing immigrant population has earned Santo Christo the recognition as mother parish of the seven which now serve the Portuguese community in Fall River.

Today the parish, led by Father John Martins, serves the needs of 9,300 parishioners, most of whom are of Azorean ancestry. The community's importance is exemplified by the feast where tens of thousands of people from all over the Northeastern United States and Canada gather once a year to pay homage to Santo Christo through mass, prayer, procession, music, and festival. It is this kind of leadership in the Portuguese community which has set Santo Christo apart since its founding 100 years ago.

Mr. Speaker, I take great pleasure in sharing with my colleagues this brief history of Santo Christo's achievements in its first century, and I join President Bush in commending the parish for its many years of religious and community service. I know that the people of the parish will continue their exemplary efforts in the future, and I look forward to joining them in Fall River on June 29 for a special centennial banquet.

IN HONOR OF CHIEF JOHN P. AMBROGIO

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Ms. DELAURO. Mr. Speaker, these days we are all too painfully aware of the formidable task our police forces face. It is especially fitting, at this time, that we recognize those law enforcement officers who have not only done an outstanding job in fighting crime, but have been a true force for peace and justice in our communities. Such a man is Police Chief John P. Ambrogio.

Over the course of his many years on the police force of Hamden, CT, Chief Ambrogio has earned the respect, admiration, and gratitude of the entire community. The 18 commendations he received while in uniform testify to his courage, dedication, and service. A lifelong citizen of Hamden, he has spent most of his life standing up for the people of his hometown, providing for their safety and caring for their well-being.

Chief Ambrogio has, in every way, embodied the qualities of a complete law enforcement officer. At this age of 40, his unique leadership abilities earned him the rank of chief of police. Balancing tough enforcement of the law with compassion for the citizens he protects, he has been a role model not only for other police officers but for all of us who serve the public. Over the past two decades his vision and enlightened leadership have reshaped the police department, making it more efficient, effective, and sensitive to the needs of the community.

Through his active leadership in a wide variety of civic and fraternal activities, Chief Ambrogio has shared the wisdom of his experience with his colleagues, and the generosity of his heart with his neighbors. He has done much more that fulfill the heavy responsibilities of his position, reaching out to serve Connecticut in many ways, from helping combat drug abuse to enhancing intergovernmental cooperation between Federal, State, and local law enforcement officials.

A true coalition builder, Jack Ambrogio brings people together for the good of all of us. Just one striking example of his many lasting contributions is the annual Halloween party for Hamden's young people. Each year since he initiated this celebration, the police department has sponsored the celebration, in cooperation with local merchants. It is typical of Chief Ambrogio to see the potential vandalism and violence of an evening turn it into joy and hope for so many. That is what we have come to expect from him and he has never let us down.

A TRIBUTE TO SHIRLEY BLACK WRIGHT

HON. LUCIEN E. BLACKWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. BLACKWELL. Mr. Speaker, it is with great pride that I rise today to pay tribute to an exceptional woman who has worked with the utmost dedication to serving others in the city of Philadelphia. The person I speak of is none other than Mrs. Shirley Black Wright.

The department of public property is losing a loyal employee. She has served the city of Philadelphia faithfully for 37 years.

As a career employee, she has shown loyalty in the various positions she has held. She left her colleagues and office family in the fleet management unit and the department of public property with many fond wishes for a successful future.

There are many examples of Shirley's kind sharing humanitarian spirit. For example, Shirley enjoys great delight in sharing with her fellow coworkers her nephew's success as a baseball athlete. She is always willing to bring in autographed baseballs for her coworkers, their children and grandchildren. She is never too busy to bring a smile or warm feeling to all who surround her.

She was born and raised in Philadelphia. She attended Martha Washington Elementary, Sulzaberger Junior High and Overbrook High Schools. She also attended community college. As a baby, she was baptized at Mt. Olive Tabernacle Baptist Church. Today she remains a loyal member of this church, and a member of the tabernacle choir. Her loyalty to Mt. Olive Tabernacle Baptist Church is just another example of her dedication to loyalty.

Today I am joining with family and friends to commemorate Mrs. Wright for her many achievements. She has been a dedicated community servant and has set a fine example for the community. She has been a faithful member of the Pennsylvania Club and YFAC [Youth For Action Committee]. Shirley and her husband, Burtis Wright, have adopted several young men and women, providing them with love and devotion. Mrs. Wright and her husband also began a scholarship fund in honor of their deceased son to enable young men and women to further their education.

Mr. Speaker, I am happy to introduce you to this caring and compassionate member of our community. I ask my colleagues to join me in praising this fine individual, Shirley Wright.

A CELEBRATION OF RELIGIOUS FREEDOM

HON. DICK ZIMMER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. ZIMMER. Mr. Speaker, I rise today in recognition of seven Russian couples who will sanctify their marriages in the tradition of their Jewish heritage at the seventh annual mass remarriage ceremony hosted by the Bris Avrohom Center of Hillside, NJ.

In the former Soviet Union, Russian Jews were denied the right to observe the basic ceremonies of their religion—a right guaranteed to every American. The Celebration of Religious Freedom is a small step toward correcting this past injustice.

These ceremonies will take place on June 28 at Bris Avrohom, a nonprofit organization dedicated to the service of the Russian-Jewish community. I commend Rabbi Mordechai Kanelsky on another year of achievement and congratulate the seven couples as they celebrate their renewed marital vows.

FLORIDA'S DR. A.B. "DEL" BOTTCHER HONORED BY USDA

HON. CLIFF STEARNS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. STEARNS. Mr. Speaker, a member of the faculty of the University of Florida's Institute of Food and Agriculture Sciences [UF/IFAS] was recently honored by Secretary of Agriculture Edward Madigan in a ceremony here in Washington. Dr. A.B. "Del" Bottcher received the Distinguished Service Award, the highest honor USDA bestows on nondepartmental personnel.

Dr. Bottcher was one of 36 recipients chosen by a national selection committee that evaluated hundreds of candidates from other land grant universities and USDA agencies across the Nation.

Dr. Bottcher was honored for his leadership in developing Best Management Practice [BMO's] to improve Florida water quality, particularly in the Everglades Agricultural area. His research, extension and outstanding education work in water quality began in the 1970's. He developed and promoted the use of BMP's for managing fertilizers, pesticides and animal wastes to prevent contamination of groundwater, lakes and other surface waters.

Almost every type of agricultural operation in the state has benefitted from Dr. Bottcher's cost-effective BMP recommendations for recycling nutrients and protecting water quality.

In 1983 he started field trials and demonstrations on the use of BMP's through the state, particularly on farms bordering Lake Okeechobee and the Everglades. State and Federal agencies have provided more than $3 million to fund his work during the past decade.

When a 1988 Federal lawsuit charged that Florida was failing to enforce its own standards of quality for water flowing from farms south to the Everglades, the State turned to Dr. Bottcher. He developed BMP recommendations for managing water flowing into the Everglades.

Because of the Cooperative Extension and Agricultural Experiment Station work performed by Dr. Del. Bottcher, we are progressing to continued vitality of the Everglades and also ensuring that Florida agriculture remains both competitive and compatible.

Mr. Speaker, scientists such as Del Bottcher demonstrate that our land grant university programs continue to serve the citizens of the United States through relevant research and extension programs that impact all of our lives in a positive manner.

CONGRESSMAN PARKER SALUTES MR. PAT TURNER

HON. MIKE PARKER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. PARKER. Mr. Speaker, it is with great pleasure that I rise today to salute a distinguished citizen of Monticello, MS, Mr. Pat Turner. Mr. Turner, a lifetime resident of Lawrence County, served his country with dignity and pride, during World War II, as a corporal in the U.S. Army. During this time, Mr. Turner admirably participated in six major battles and no less than eight hand-to-hand combat confrontations. Mr. Turner was taken into captivity by the Japanese on the island of Corregidor and spent 3½ grueling years as prisoner of war. Mr. Turner and his fellow prisoners were underfed, cruelly treated, and forced to work in underground copper mines. Mr. Turner has experienced many historical events firsthand and displayed the utmost in bravery and honor. He courageously survived the Bataan Death March and witnessed the devastating bombing of Hiroshima.

Mr. Speaker, I am very proud to join the mayor, board of aldermen, and citizens of Monticello as they proclaim July 5, 1992, as Pat Turner Day. This day will hereafter celebrate and honor the extraordinary courage and determination of Mr. Pat Turner. He is a truly heroic example of dedication to the military service of the United States. I feel that I speak for many Mississippians as I convey my congratulations and best wishes to Mr. Turner and his family.

STOP TRYING TO MAKE ISLAM OUR NEW SCAPEGOAT

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. DYMALLY. Mr. Speaker, I would like to bring to your attention this important op-ed piece written by Mr. Salam Al-Marayati, director of the Muslim Public Affairs Council of Los Angeles. This editorial which underscores the significance of Islam as the second major world religion discusses how ethnocentrism is responsible for the unfair treatment Islam receives in the West. I commend this to my colleagues' attention.

[From the USA Today, May 20, 1992]

STOP TRYING TO MAKE ISLAM OUR NEW SCAPEGOAT

(By Salam Al-Marayati)

Since communism has collapsed in Eastern Europe and the former Soviet Union, a search for a new enemy has commenced. Cold War veterans and other special-interest groups are instigating a deceptive campaign to make Islam the menace of the New World Order.

Vice President Dan Quayle has stated that "the three most dangerous movements in the 20th century are Nazism, communism and radical Islamic fundamentalism."

Richard Schifter, assistant secretary of State for human rights, referred to "radical Islam" as a major threat to global stability, drawing a ludicrous parallel between recognizing the Algerian Muslim electoral victory this year and condoning the rise of the Third Reich.

Of course, policymakers would never explore an absurd assertion that Christianity could have been responsible for generating communism and Nazism, notwithstanding their origin in Christian environments. Islam, however, is measured by a different standard and has become the scapegoat for regional and international turmoil.

Anti-Semitism directed at Islam usually proceeds unchallenged. This Abrahamic faith is suspect for worldwide discord from Bosnia-Herzegovina to the Transcaucasus and Central Asia, from Africa to Southeast Asia.

Other religious groups accommodate zealots without suffering the stereotyping that plagues Muslims:

Buddhist despots in Myanmar persecute Muslims without any international outcry; Hindu fundamentalists aim at overturning mosques in India and suppressing the liberation movement in Kashmir; Jewish radicals in Israel, including high-level government ministers, strive to brutally displace Palestinians from the occupied territories; and Christian fundamentalists bomb abortion clinics.

These movements are equally fanatic and threatening, but extremism in the Muslim world receives disproportionate alarm.

In fact, the term "fundamentalism" is not found in the Arabic language, but rather emanates from 19th century Protestantism. If one attacks a fundamentalist group in the Middle East, then all fundamentalist groups should be subject to the same level of scrutiny and confrontation.

Misapprehensions are aggravated by the imposition of alien terminology on Islam. Traditional Muslim allies have been transformed to fundamentalist foes instantaneously with international realignments. In the '80s, the Afghani mujahadeen were regarded as "freedom fighters" defending their homeland against Soviet aggression. In the '90s, the political table has turned and a different connotation surrounds the same Islamic concept: the word mujahadeen is now interpreted as "holy warriors."

Imagine the social ramifications if gentiles controlled Talmudic vernacular or atheists monopolized biblical nomenclature. The image of Islam in America, and the consequential opinions about Muslim activists, is not based on fairness or justice but on political expediency and material interests.

In some countries, Muslims are prevented from expressing their aspirations or grievances democratically, as illustrated by the case of Algeria in 1992, similar but not identical to the CIA ouster of Prime Minister Mossadegh from Iran in 1952. Islamists cannot even gain influence in governments, as they have in Sudan, without a global red alert.

Shunted from any civilized channel of interacting in the diplomatic arena, moderates are either jailed, like Abassi Madani in Algeria, or outlawed, like Rashid Ghannouchi from Tunisia, or killed, like Hasan Al-Banna in Egypt.

A critical component absent in U.S. foreign policy development is the voice of American Muslims. A House foreign affairs subcommittee is holding a hearing today on contemporary Islamic movements. It should solicit the views of American Muslim groups politically unaffiliated with and financially independent of Middle Eastern governments. Even though American Muslims are among the unrepresented groups in U.S. politics, they can play a vital role as ambassadors to the Muslim world, rather than waiting on the sidelines of policy discussions and relying on resolutions from those who have interests contrary to rapprochement between Islam and the West.

TIME TO REFORM CONGRESS

HON. JOEL HEFLEY

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. HEFLEY. Mr. Speaker, Americans are angry with Congress. When they look at Capitol Hill, they see waste, lethargy, and a membership more interested in partisan bickering than in getting things done.

Unfortunately, this reputation is well deserved. While some argue that it's the people who make the difference, even a casual observer of Congress' record would conclude that the process has broken down.

Every winter, Congress convenes with high expectations, every summer, it lags behind schedule, and every fall, the legislative process turns into a midnight orgy of last minute legislating and omnibus reconciliation bills. Administratively, the House has become the charter member of the Scandal-a-Week Club.

In other words, it's time to reform the process. For that reason, I am introducing legislation that would streamline the manner in which Congress conducts its business. This legislation concentrates on three areas of congressional reform; the size of Congress, the legislative process, and current congressional abuses.

CONTROL THE SIZE OF CONGRESS

Everyone has seen the statistics on how quickly Congress has grown in the past 20 years. The number of staff, committees, and subcommittees exploded during the 1970's and held steady during the 1980's.

Some say that these additions were necessary to deal with the more complex Government we face. Personally, I think this is putting the cart before the horse. All those agencies and laws are result, not the cause, of an excess of committees and staff.

What we have now are too many doctors prescribing too many drugs. We fail to check how all those drugs will react with each other, but somehow we're still surprised when the patient dies. Reducing and controlling the size of Congress is the first step towards controlling the size and growth of Government and bringing order to our current regulatory practices.

My reform bill addresses these problems by cutting the number of committees, subcommittees, and their staff in half. The reduction would be done by a small, bipartisan commission working under caps of 15 full committees and 63 subcommittees, and it would force future Congresses to focus their efforts on passing a few good bills, rather than lots of bad ones.

Other changes to the committee system include adjusting the ratios of both members and staff on committees to more accurately reflect membership of the House as a whole and limiting the tenure of membership on any particular committee. It's time to end the dynasty mentality of the current committee practices, where one member elected by 500,000 has power over all 250 million Americans.

REFORM THE LEGISLATIVE PROCESS

This week, we witnessed the spectacle of the House introducing restricted rules for appropriations bills the same month in which it agreed that we can reduce the deficit by making those tough choices and hard decisions.

Obviously, there is some disagreement on whose tough choices are going to be considered. While the inconsistency of this development is hard to swallow, the rules used to enforce these actions are even more unsavory.

This bill makes it difficult for any majority in the House, Republican or Democrat, to run rough-shod over the minority. It does so by ensuring that the minority always has the right to offer a motion to recommit with instructions. This is a simple change from current practices, but it goes a long way toward ensuring that the minority always has the opportunity to present their position.

My bill also requires that rules waiving points of order need a two-thirds majority to pass. Currently, a simple majority vote can waive all points of order and thereby side-step every rule in the House. What's the point of having rules if we can ignore them so easily. This reform makes those waivers a little harder to obtain.

To streamline the movement of legislation through committee, my bill prohibits joint referrals. If a bill's content crosses the jurisdiction of two or more committees, the Speaker of the House would need to select which committee has primary consideration. This would eliminate the constant turf battles we have witnessed in the past on omnibus and controversial legislation.

While being considered by committee, my bill prohibits the use of proxies to cast votes. Combined with the smaller number of committees, this reform would force members to attend committee mark-ups and pay attention to the legislation they are voting on. It would also prevent the current abuse of the committee process by committee chairman ramming their legislation and amendments with a fist full of proxies.

CONTROL CONGRESSIONAL EXCESS

The final area this legislation addresses is the area of congressional excess. In this respect, the bill targets two reforms. First, it would prohibit members from sending mass mailings outside their district. Such practices are obviously attempts to buy votes at the taxpayer's expense, and they are an abuse of the franking privilege.

Second, the bill would direct the House to amend several labor and safety laws to cover Congress under their jurisdiction—including National Labor Relations Act, the Occupational Safety and Health Act, the Equal Pay Act, the Age Discrimination Act, and others.

Currently, the House exempts itself from these bills, claiming that applying these laws to Congress would conflict with the separation of powers clause and would interfere with the internal workings of the House.

Aside from the fact that every business in America could make the second point, the first argument is a specious argument which conveniently allows Congress to ignore the very employment practices it imposes on the rest of the country. By applying these laws to Congress, congressmen would face the direct impact of their efforts to improve the workplace. I think this new perspective would improve the legislation we choose to adopt.

CONCLUSION

In the 103d Congress, we can expect to see a large influx of new members. These new representatives are going to be more conservative, more in touch with their districts, and more reform-minded than those members they replace.

In my mind, this presents us with an opportunity to enact real congressional reform now, rather than wait for the next Congress. The reforms outlined above are a straightforward means to make the House more responsive, efficient, and accountable. It's time to rebuild America's faith in its government. It's time to reform Congress.

TRIBUTE TO THE BROWN FAMILY AS THEY GATHER IN WASHINGTON, DC, FOR THEIR ANNUAL FAMILY REUNION

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Ms. NORTON. Mr. Speaker, with so much talk these days about family values, it gives me great pleasure to pay special tribute here in this body to the Brown family, natives of Louisiana, who gather in the Metropolitan Washington, DC, region this weekend for their annual family reunion. The Brown family has long been known for its integrity and commitment to family. A firm and fervent devotion to God is the solid foundation of their strength and faith; they pass that strength and that faith down from generation to generation. And, after all, isn't this what family values is all about?

In the mid-1800's, the Brown family's forebears were brought to New Orleans on a slave train from Richmond, VA. Four children, Parine, Amelia, Benjamin, and Julia, were bought at a slave auction in New Orleans by a West Feliciana Parish plantation owner. It is recorded in family lore that these four children, brothers and sisters, were chosen by the slave owner because "they were big enough to work in the cotton fields and do other chores on the farm."

Parine, Amelia, Benjamin, and Julia lived and worked on the West Feliciana Parish plantation until 1865, when they at last were granted freedom following the Civil War. At that time, Parine married George William, Amelia married Willis Wells, and Ben married a young woman named Malinda. Julia married a young man named William Brown, who had come from Virginia on the same slave train with Parine, Amelia, Benjamin, and Julia, and been bought by the same plantation owner. This union was the beginning of the Brown Family, whose descendants gather in Washington, DC, this weekend. One of those descendants, now a DC resident, is Donna Brazile, my chief of staff, press secretary, and indispensable right hand. For this accomplishment alone, I am indebted to the Brown family of Louisiana. I wish them a wonderful weekend, full of love and laughter and memory-making experiences.

The Brown family's goal has always been and continues to encourage its young people to follow their dreams and to make them a reality. This they learned from their ancestors, those four young children who were placed on a block in New Orleans one day and sold like so many cattle. Those four children were strong enough and determined enough to overcome the barbaric inhumanity to which they were subjected. And today's descendants have inherited that extraordinary courage. I know that my colleagues in this body will join me in wishing the Brown family continued success and happiness.

HAITI: TEST CASE FOR HEMISPHERIC PEACEKEEPING

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. RANGEL. Mr. Speaker, I rise to call to the attention of my colleagues a recent newspaper article by the Honorable LAWRENCE SMITH, my colleague from Florida, outlining a proposal for the involvement of the United Nations to resolve the crisis in Haiti.

Throughout the crisis in that suffering nation, Congressman SMITH has been a constant and forceful supporter of the restoration of democracy to Haiti. And in his compassion for the fleeing boat people, he has demonstrated outstanding wisdom and unusual political courage in a way that has made me proud to be his friend and colleague.

With the greatest admiration and respect for the writer, I offer you the article by Congressman LAWRENCE SMITH, which appeared in the Christian Science Monitor dated June 16, 1992.

HAITI—A TEST CASE FOR HEMISPHERIC PEACEKEEPING

(By Lawrence J. Smith)

It is time to do "the right thing on Haiti," as George Bush would have it. We should do what we should have done immediately after the coup: Give Haiti back to the Haitians.

A human rights tragedy is under way in Haiti. Since the coup, the Haitian military has been systematically terrorizing the Haitian people. International human rights organizations estimate that 1,500 Haitians were killed in the months following the coup. That is a conservative figure.

Even slight support for deposed President Jean-Bertrand Aristide can be lethal. Two weeks ago, businessmen Georges Izmery, brother of prominent Aristide supporter Antoine Izmery, was shot to death by gunmen believed to be linked with the Haitian military.

The security problem has been magnified by Haiti's reversion to a police state, which President Aristide had worked hard to shut down. The Duvaliers' secret police, the Tonton Macoutes, were released by the de facto regime, and once again are in control.

The Haitian crisis has reached a critical phase. The rank-and-file of the Haitian military are becoming restive. They reportedly have not been paid for two months. The upper echelons of the military could face a fearsome sergeants' revolt if they do not satisfy their lower strata. If pro-Aristide supporters simultaneously decide that enough is enough, a catastrophe could ensue.

In February, I introduced an amendment, which the House of Representatives passed, calling on the president to ask the United Nations or the Organization of American States (OAS) to dispatch a peacekeeping force to Haiti to provide security and protect human rights. I had previously asked the administration to take such a measure.

Diplomacy has not resolved the Haitian crisis because the Haitian military does not respond to diplomacy. They do not care about international opinion or the suffering of the Haitian people.

But an international show of resolve with UN "blue helmets" would compel the Haitian army of 7,000 to accept a return to democracy. The first step toward a solution in Haiti thus should be the establishment of an international security force on the island under the auspices of the UN and the OAS.

We must make the militaries of this hemisphere understand that any usurpation of a democratic nation's sovereignty, including coups d'etat, will not be tolerated by the nations of the Americas.

Opponents of such an international peacekeeping force claim it would violate international law. While the OAS Charter supports the principle of nonintervention, it just as strongly proclaims that member nations must defend representative democracy.

The OAS position, on defense of democracy has evolved recently. In June 1991, the OAS passed the "Santiago Commitment to Democracy," which stated that protection of human rights and representative democracy were "indispensable conditions for the stability, peace, and development of the region."

Several OAS member nations with fresh memories of military regimes support the use of force to reverse the overthrow of a democratically elected government. The United States should join these countries in a new OAS effort in defense of democracy.

The hemisphere-wide embargo of Haiti is making the poor of Haiti despairingly poorer, hungrier, and sicker. The rich, meanwhile, are stockpiling healthy inventories of luxury items and oil, compliments of our European friends.

Meanwhile, President Bush's election year anti-immigration directive turns away refugees without enabling them to claim persecution. Even worse, it threatens the entire international system to protect refugees.

This wrong policy can be easily righted. Asylum claims could be processed more quickly if more Immigration officials were sent to Guantanamo Bay. Refugees not qualifying for asylum would be returned to Haiti, making room available for incoming people. When the political crisis ends, the immigration crisis will subside.

In 1989, Secretary of State James A. Baker III told the OAS, "We have it in our power to create, here, in the Americas, the world's first completely democratic hemisphere." Only an adequate enforcement mechanism can take us beyond this rhetoric to a genuine hemispheric defense of democracy. Haiti is an important test cast.

Rather than stand on the sidelines, the nations of the hemisphere should act collectively now to restore democracy in Haiti. Let's really do the right thing on Haiti: Send the peacekeepers.

A TRIBUTE TO W.L. "LES" SIMPSON

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. SKELTON. Mr. Speaker, W.L. "Les" Simpson, publisher of the Holden Progress for 31 years, will be honored in September when he will be inducted into the Missouri Newspaper Hall of Fame. I congratulate Les Simpson for his outstanding work in the newspaper publishing industry.

Les Simpson first gained interest in the newspaper business through his father, the late W.L. Simpson, Sr., who was the publisher of the Rolla Times. Les Simpson and his brother Greene assumed major responsibility in printing and publishing the paper during the last 5 years of their father's life. The newspaper was sold shortly after his father's death.

In 1939, he and his wife, Madeline, moved to Mount Vernon, KY, where they managed the Mount Vernon Signal together. In 1942, Les was named editor of the Danville Advocate-Messenger, a daily newspaper in central Kentucky. Under his leadership, the paper was named "Best Community Daily" in the State by the Kentucky Press Association in 1943.

In June 1944, he returned to Missouri and purchased the Holden Progress. In his capable hands, the Holden Progress prospered to become one of the leading weekly papers in the State. In 1957, Les Simpson became the president of the Missouri Press Association. During his career, he also acted as the president of the Central Missouri Press Association and the Democratic Editors of Missouri. His publishing skills also translated into political skill in the several statewide political campaigns that he oversaw.

During his years in Holden, he contributed his time to many service and civic organizations, including serving as president of the chamber of commerce and Holden Industrial Development Corp. In 1975, Les Simpson retired at the age of 67 after more than 50 years in the newspaper business.

Now a resident of Odessa, MO, Les Simpson continues to reflect the best of the newspaper industry as he is inducted into the Missouri Newspaper Hall of Fame. I congratulate him on his award.

CONGRESSMAN KILDEE HONORS THE PONTIAC AREA TRANSITIONAL HOUSING FAMILY SERVICE CENTER

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. KILDEE. Mr. Speaker, it is with great pride that I rise today before my colleagues in the House of Representatives to pay tribute to an organization that is serving on the front lines in the war against homelessness, Pontiac Area Transitional Housing [PATH]. With the support of the Junior League of Birmingham and others, PATH has been able to build the Family Service Center at its headquarters in Pontiac, MI.

On Sunday, June 21, 1992, PATH and the Junior League of Birmingham celebrated the grand opening of all of PATH's facilities with a dedication ceremony, unveiling the name of the building and recognizing over 150 benefactors who have helped make this vision a reality.

The construction of the Family Service Center has helped PATH realize its goal of providing much-needed assistance to homeless women and children. PATH helps young women and single mothers make the transition from a life of homelessness and poverty into a lifestyle of independence and security. The program provides a safe, structured, and nurturing environment for homeless women, fostering the development of their economic autonomy, self-esteem, and self-sufficiency. Residents of PATH work at the Junior League Bargain Box, which provides them with valuable employment training and work experience.

PATH currently houses 17 women and 33 children in its residential building, with an additional single-family home located directly behind the residential building. Furthermore, a day care center is also located in the building.

The Family Service Center houses PATH's latchkey program, a vital support service for working parents. It is this integration of services that will allow social services to be more effective. The center contains several different offices, including counseling, classrooms, a library, community room, and laundry facilities. The center is also connected to the residential building through spacious corridors on the main floor and the basement level providing both convenience and security. Since many of the women housed at the center are victims of domestic violence, providing a secure environment is extremely important.

Mr. Speaker, it is with great pride that I rise before you today to honor Pontiac Area Transitional Housing for the crucial services it provides to homeless women and children. I ask that you and my fellow Members of Congress join me in saluting this wonderful organization. PATH has taken on the monumental task of reintegrating homeless women and children into the mainstream of American society. We should take note of what is being accomplished in Oakland County, MI, and rededicate ourselves to fighting homelessness throughout the United States.

TRIBUTE TO THE TOMB FAMILY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. MURTHA. Mr. Speaker, I rise today to pay tribute to the Tomb family of Indiana, PA, on the occasion of the Tomb Family Bicentennial Reunion.

This reunion commemorates that moment 200 years ago when the Tomb family arrived in America to make their home, as well as to celebrate the founding of Armagh, PA, by their forefathers.

Family will be arriving to participate from places as far away as India and Eastern Europe. Also joining the family on this historic occasion will be His Honor and Mrs. George MacCartney, chairman of the Armagh District Council of Armagh, Northern Ireland, the sister city to Armagh, PA.

The family is one our most precious institutions and in this day and age it is an honor for me to witness the gathering of a family who has made the American dream a reality, and withstood the test of time.

I ask my colleagues to join me in saluting the Tomb family and their contribution to Pennsylvania and America.

STOPPING TOBACCO INDUSTRY ADVERTISING

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. STARK. Mr. Speaker, today I am reintroducing legislation that would remove all tax deductions from advertisements and promotions which encourage the use of tobacco products.

Yesterday's court decision allowing the public to sue cigarette companies about the health hazards of smoking is probably a good step. It lets victims of cigarette advertising—or more likely, their heirs—recover some money to make up for the agony caused by smoking-induced illness and early death.

But why not just stop cigarette advertising? Stop the murder?

There are first amendment questions that always get raised on this kind of question. Those smokescreens can be dealt with. But there is no first amendment argument against denying tax deductions for these business expenses. And if such tax deductions are denied, if such advertising expenses have to come out of corporate profits, I think the advertising would quickly dry up and the industry would atrophy—as do people with lung cancer.

The tobacco industry uses $3.6 billion a year to entice not only adults to smoke, but teenagers and preschoolers as well. I find it a curious public policy that we support the industry's Mickey Mouse advertising by giving them $1.2 billion a year in tax breaks while simultaneously spending billions of dollars treating smoking-related illnesses and discouraging potential smokers from starting. We need to instill some consistency in our policies.

THE PROBLEM

In 1988, smoking ended the lives of 430,000 Americans. According to a study published in the Morbidity and Mortality Weekly Report, smoking caused 201,000 deaths due to cardiovascular disease, 112,000 due to lung cancers, 83,000 due to chronic lung disease, and 31,000 due to other cancers. Thus, smoking is responsible for 1 in 5 deaths every year. Estimates on the effects of passive smoking, or second-hand smoke, place its death toll at over 40,000 people each year. Therefore, of all the Americans who die each year, 1 in 50 die because someone else around them smoked. Smoking affects us all, smokers and non-smokers alike. Whether you are in a bar or you are walking in an office building, smoke lingers in the air and into our lungs. Today, smoking is like gambling. Smokers not only gamble with their lives, but with our lives as well.

Look at the prevalence of lung cancer in women. In the 1960's, few women had been smoking long enough for lung cancer to develop, which takes about 20 years. The American Cancer Society reports that the death rate for lung cancer was 23.9 for every 100,000 women between 1960 and 1964. In 1986, however, this figure jumped 446 percent to 130.4 deaths. Breast cancer was the leading cause of death for all cancers in women for 40 years until 1987, when lung cancer took over. You've come a long way, baby! Well, maybe not.

WE ARE LOOKING FOR A FEW GOOD MEN—PREFERABLY YOUNG

Each year, 2 million people in the United States quit smoking. Of those, 430,000 have no problem quitting cold turkey—the only catch is they have to be buried in the ground. Consequently, the tobacco industry has the formidable task of making up for their loss of clientele. Although the industry fails to admit it, they focus their aim at recruiting teenagers. The president of the American Cancer Society, Charles Lemaistre, M.D., stated that 90 percent of all smokers began their road to nicotine addiction during their teenage years, and of those, 60 percent were hooked by the ninth grade. Thus to stay in business, tobacco companies must break their own advertising code, which states they will avoid advertising to people under 21, and direct their promotions towards teenagers. The two worst perpetrators of the code are Marlboro and Camel.

The Surgeon General of the United States, Antonia Novello, Congressmen MAZZOLI, SYNAR, and ATKINS, Congresswoman SCHROEDER, the American Medical Association, and a number of antismoking groups have asked RJR Nabisco Co., the maker of Camel, to end their Old Joe campaign because it influences young children. Even Advertising Age editorialized against the ads. The Journal of the American Medical Association published three articles in the December 11, 1991, issue that dealt with tobacco advertising and its relation to young children. One study asked people from different age groups what brand they thought was the most advertised. I will summarize their findings:

[In percent]

Age group	Marlboro	Camel
Adults 18 and over	34	14
Teenagers 12–17	42	29
12–13-year-olds	N.A.	34

Marlboro and Camel are the brands of choice for 80 percent of males and 85 percent of females aged 12 to 17. In every age group, Marlboro was the brand identified as being the most advertised, except in the 12–13 year group where Camel took over. Looking at the chart, you can notice a definite trend of higher recognition in the younger age groups.

Another study in the same JAMA issue also illustrated children's greater recognition of the Old Joe Camel cartoon character. I will summarize their findings:

[In percent]

	Adults	Children
Reported prior exposure to Old Joe	72	98
Able to identify the product Old Joe is promoting (cigarettes)	67	98
Identify Old Joe with the Camel brand name	58	94

Whether intentional or not, Camel's Old Joe advertising reaches out to the playgrounds of America.

Old Joe even gives Mickey Mouse a run for his money. According to another study, the recognition rates for the Disney logo, which is a silhouette of Mickey Mouse, was greater than Joe Camel for kids 3 to 5 years old, but no significant difference occurred in the 6-year-old group. Approximately 91 percent of kids 6 years of age correctly matched Joe Camel with a picture of a cigarette.

And the end results of the Joe Camel campaign are astounding. The illegal under-18 cigarette market accounts for 3.3 percent of all cigarette sales. This may sound like pennies, but it translates into millions of dollars. Three years ago, Camel's share of this market stood at 0.5 percent. But after Joe Camel came to the United States, their share jumped to 32.8 percent. Thus, Camel's sales to teenagers rose from $6 million to $476 million.

This dramatic increase did not go unnoticed in the tobacco industry. Brown & Williamson, the makers of Kool cigarettes, has been testing a cartoon version of its penguin, Willie. Maybe someday we will see Willie and Joe Camel on Saturday morning cartoons. And if that happens, I will bet the tobacco industry will still claim their cartoon characters have no influence on children.

KEEP UP THE FIGHT

Now is not the time to slow down the antismoking drive. Cigarettes are the only commonly sold product that when used correctly causes death. We must continue the fight against the culprit that is responsible for more deaths than drug abuse, alcohol, AIDS, and automobile accidents combined. According to the Centers for Disease Control, the number of adults in the United States who smoke dropped to 25.5 percent last year, down from 42 percent in 1965. And the decline among blacks, who now smoke at the same rate as whites, has been dramatic. If the smoking trends continue to the year 2000, only 15 percent of the Nation will be lighting up. But without our continued vigilance, this trend will end. Tobacco companies are doing everything in their power to stop the slide in smoking. Since 1980, the tobacco company's advertising has increased 97 percent, even after adjusting for inflation. Because the Federal Government fails to do enough to curb smoking, the States are adopting smoking regulations. There are 34 States that have laws restricting smoking in public worksites and 15 States have restrictions in private workplaces. But the tobacco industry is fighting these measures. For example, the industry spent $3 million to stop smoking restriction initiatives in 5 communities in my home State of California. Luckily the health of the people prevailed, for Massachusetts may not be so fortunate. The tobacco industry plans to spend $8 million to defeat a proposal in that State to increase the cigarette excise tax by 25 cents. By the way, all of the industry's advertising is tax deductible, courtesy of the Federal Government. In California, proposition 99 also raised the tax by the same amount in 1988 and the results were astonishing. California used some of the $550 million of revenue raised by this tax for antismoking campaigns. According to a study done by the University of California, San Diego, the smoking rate of Californians declined 17 percent between 1987 and 1991, compared to only 8 percent for the United States.

You can see we are making great progress. The U.S. Supreme Court yesterday cleared the way for lawsuits against tobacco companies for deceiving the public about the health hazards of smoking. Harvard Law Professor, Laurence H. Tribe, said, "this is a major victory for all of those who want to hold the cigarette companies accountable." Even the Bush administration is behind the ruling. Secretary of Health and Human Services, Dr. Louis Sullivan, said, "I applaud the Supreme Court's decision to hold the tobacco industry at least partly accountable for the millions of deaths and billions of dollars in medical costs associated with smoking-related illnesses." We can make a start by removing the tobacco industry's tax deductions for advertising and promotion.

Today I am introducing a bill which would remove all deductions for advertisement and promotion expenditures which involve the use of tobacco products.

THE WOMEN'S SELF-EMPLOYMENT PROGRAM, CHICAGO, IL

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. IRELAND. Mr. Speaker, last October I introduced H.R. 3471, the Small Business Economic Opportunity Enhancement Act of 1991. My bill seeks to help the poorest of the poor in this country to achieve financial independence by establishing a 5-year demonstration program to provide direct loans to very small businesses, or "microenterprises."

I was introduced to the concept of microenterprises as a result of a column on our Nation's welfare system and poverty by William Raspberry. Mr. Raspberry wrote that he did not believe that welfare and other governmental antipoverty efforts created poverty. He did believe that the welfare rules and regulations, originally designed to prevent abuse, made it difficult for the poor to climb out of their poverty. He cited the example of how a welfare mother with talent and interest in hairdressing might use that talent and interest to start a business were it not for the welfare rules that won't let her save enough money to get started. It doesn't matter where the savings come from. No matter how she manages to save, under current welfare rules those savings become an asset—an asset that could reduce or eliminate her welfare eligibility.

After giving other examples of the perverse effect of rules designed to prevent abuse, Mr. Raspberry asked the question, and I quote, "Wouldn't it make sense to change the rules to positively encourage poor people to go into business for themselves?" The article closed by giving a description of a program in Chicago, IL, which was doing just that—trying to foster economic independence on the part of welfare recipients by helping them to start their own businesses.

Intrigued by Raspberry's column I visited the Women's Self-Employment Program [WSEP]. WSEP designed a program which enables women receiving welfare benefits to experience greater choice and control over their lives by giving them the opportunity to start their own businesses. I came away a true believer.

This week I was pleased to see that WSEP continues to push economic independence through small business formation. WSEP was highlighted on page 1 by the Wall Street Journal on June 23, 1992. I respectfully request that the article be made a part of the CONGRESSIONAL RECORD to serve as an inspiration for aspiring entrepreneurs across the country.

SMALL VICTORIES: TWO UNUSUAL LENDERS SHOW HOW "BAD RISKS" CAN BE GOOD BUSINESS

(By David Wessel)

CHICAGO—Dorothy Wallace would seem a lender's nightmare. Separated from her husband, she is on welfare with her two teenagers. She hasn't held a steady job sine 1984. She says her credit rating is "ruined by accounts I messed up."

Vivian Wilson wouldn't rank high on the typical banker's list, either. She operates a guard service out of a windowless brick building across from a burned out storefront on a desolate stretch of 71st Street. When she ran into cash-flow problems, she discovered that the bank where she had kept money for decades was unwilling to lend to someone with hardly any collateral to put up.

But Dorothy Wallace and Vivian Wilson are proving to be flawless borrowers now—thanks to two Chicago institutions that see good bets in gritty neighborhoods where others see hopeless cases. Ms. Wallace borrowed $800 from the Women's Self-Employment Project, founded in 1986 to assist low-income women interested in self-employment as a way out of poverty. It is funded primarily by contributions and loans from foundations and corporations. Ms. Wilson arranged a $250,000 line of credit from South Shore Bank, a bank determined to prove that profit and social progress are compatible.

Credit is the lifeblood of any economy, but in America's inner cities it has largely dried up. Many bankers tend to view inner-city residents as lousy credit risks. But WSEP and South Shore Bank show that's not necessarily true. By putting a new spin on the old-fashioned technique of relying on personal contact rather than impersonal credit evaluations, the two institutions manage to get paid back at enviable rates.

WSEP depends on four other low-income women in Ms. Wallace's "borrowing circle" to make sure she makes her loan payments on time. The gimmick seems to work. In three years of making loans of a few thousand dollars each to circles of low-income women without so much as a credit check—60 loans in all—WSEP hasn't had a single default.

The notion comes from Bangladesh, where the Grameen Bank pioneered the use of peer pressure as a way to assure repayment of the small loans it makes to landless villagers, mostly women. Founded in 1983 by a visionary named Muhammed Yunus, the bank has hundreds of thousands of borrowers and a world-wide network of disciples. Although WSEP sticks most closely to the Grameen model, other foundation-backed experiments in "micro enterprise" lending are under way—with mixed results—in a dozen or so other pockets of poverty in the U.S., from a Sioux reservation in South Dakota to South Central Los Angeles.

South Shore Bank is more conventional. It specializes in loans other bankers shun: loans to buy and renovate small apartment buildings in a handful of rundown Chicago neighborhoods and loans to novice minority entrepreneurs. The bank and its affiliates have financed the rehabilitation of about 30% of the 25,000 apartments in South Shore, helping to rescue a neighborhood that fell on hard times about 25 years ago as middle-income whites fled and lower-income blacks moved in.

Yet the bank has been consistently profitable, and its loan-loss figures compare favorably with those of similar-sized banks. Last year's losses were a respectable 0.67% of loans outstanding. It has been stuck with just one piece of real estate in the past three years.

PEDDLING PERFUME

Part of its secret seems to be a willingness to make loans as much on character as on collateral. In a market where many other bankers see only trouble, South Shore has learned to discern the good risks and also to keep close tabs on them after they borrow. "We spend a hell of a lot more time . . . working with the borrower one-on-one," says Richard Turner, senior vice president for lending.

WSEP specializes in much smaller loans. Dorothy Wallace, for instance, bought perfume with her $800 loan from WSEP. Like door-to-door peddlers of old, she carries a shoulder bag full of cologne, lotion and perfume that she sells to steady customers in downtown offices and to strangers on the Chicago El.

Ms. Wallace began taking orders for the line of additive-free fragrances two years ago as a way to supplement welfare checks, and used her loan to buy inventory so she could offer instant delivery. Since she began attending twice-a-month meetings of her WSEP borrowing circle—a combination of consciousness-raising and business training—she has begun to talk of opening an office and working her way off welfare.

For now, though, she concentrates on making timely loan payments. She owes $33.22 every other week, but pays $40 to cut interest charges. WSEP charges 15% interest on the one-year loan. Ms. Wallace is almost as grateful for the moral support as for the money, which helps explain why she and other women are so diligent about making their payments. "They gave me a chance to start all over again," she says.

NO DEFAULTS

As they listen, the four other women in her circle—dubbed "Too Blessed" by its members—nod in unison. One sells jewelry that she makes, and borrowed $600 for materials. A retired bank clerk sells handsewn lingerie and linens; she borrowed $700 to buy a heavy-duty sewing machine. A former Head Start aide, who borrowed $500, is selling custom gift baskets and peddling fruit on street corners and parks. A woman with four children of her own and four foster children hopes to learn to read and to get a day-care license. All five women live in Englewood, a neighborhood where every block has a boarded-up building, and two inches of bullet-proof plastic separates workers from customers at Kentucky Fried Chicken.

The "Too Blessed" circle works like all the others that WSEP has established. The five members choose two to get the first loans. The first two borrowers have to be current for six weeks and all five members of the circle have to have attended three meetings in a row before the third is eligible. Peer pressure is supposed to assure timely repayment.

And it does. In the past three years, WSEP has lent about $60,000 to 60 women without a single default; the late-payment rate is about 3%. By comparison, the American Bankers Association reports that the current delinquency rate is around 3.75% on bank personal loans and 3% on credit cards. "Peer support and peer pressure really serve as a good way to lower your risk," says Connie Evans, WSEP's director.

Beatrice Lynn Hardy, a budding graphic artist who borrowed $1,500 through another circle in the same neighborhood, recalls the time she bounced a $61.50 loan-payment check. Fearful that her misdeed would hurt another woman who was up for a loan, she frantically called the WSEP office and the would-be borrower to explain. This from a woman who describes her credit record with a silent "thumbs down."

MIXED RESULTS

Results from other experiments with the peer-pressure technique are mixed. In rural Arkansas, a borrowing circle called the Good Faith Fund found it insufficient. In its first two years, the fund had a 40% default rate, and it has since moved away from the classic Grameen model. "Peer pressure isn't as significant as it might be in a place like Bangladesh," says Director Julia Vindasus. "But the peer support is really important. It's a very isolating thing running your own business."

But managers of the Lakota Fund on the Pine Ridge Indian Reservation in South Dakota, who initially shunned the peer-pressure approach, now embrace it. In 1987, Lakota made 68 individual loans. More than half the loan payments were late; 28% of the money was never paid back. So Lakota began forming borrowing circles in 1989. After $26,000 in loans to 13 circles, the default rate is running around 7%. "You don't lose many loans," says Director Elsie Meeks. "Someone always knows where the borrowers are."

Despite the obvious appeal of turning welfare moms into entrepreneurs, some people are skeptical that many poor women can escape poverty through self-employment. "If my sister was on welfare, would I tell her to start a business? No," says David Shryock, South Shore Bank's vice president for commercial lending. "Then why should I tell some poor black woman on welfare to do it?"

Micro-enterprise funds, something of a fad in economic development circles, are also costly to run. In its circle fund and a separate, more conventional loan program, WSEP has lent a total of $200,000 to 200 women. But it spends more than it lends. Ms. Evans estimates that about $280,000 of its $700,000-a-year budget goes to running the two loan programs, and some of the rest goes for related overhead. In part, this is because WSEP is still experimenting, but it also reflects how costly it is to administer tiny loans.

A $1 MILLION CONTRACT

That's where South Shore Bank has an edge. Its loans are far smaller than those that big banks make, but at least they are in the tens or even hundreds of thousands of dollars. South Shore Bank is owned by foundations, churches and big corporations, the ultimate in patient capital, but it borrows and lends at a profit just like any other bank. Like WSEP, it makes loans to people who often can't get credit elsewhere, but its borrowers are typically working- or middle-class.

Like Vivian Wilson. Her successful bid on a $1 million contract to provide security guards to the city of Chicago almost cost her the Star Security & Detective Agency Inc. that she inherited from her father. She hadn't realized how slowly the city paid its bills. After weeks of back and forth in the spring of 1988, the bank in which Ms. Wilson kept her accounts refused to make her a loan. To meet her payroll, she was dipping into her savings and was within two weeks of running out of cash.

She ended up at Mr. Shryock's desk at South Shore Bank. "That kind of receivable is hard to underwrite," he says today. "If there is a problem, you worry that the city will say it's not a valid receivable." The owners of bigger businesses put up personal assets in similar circumstances; Ms. Wilson hadn't much to pledge besides a small apartment building she owned.

But Mr. Shryock was impressed that Star Security had been around since 1923. And he was impressed by Ms. Wilson's daughter, a Chicago police officer who helps run the firm. "We had confidence she could make the city payment system work," he says. Within two weeks, he had arranged the $250,000 line of credit, secured in part by her apartment building. The bank keeps close tabs on Star's cash flow because all of Star's accounts are kept at South Shore, which gets copies of all its bills.

The loan illustrates South Shore's style. It didn't demand the collateral, detailed borrowing history or audited cash flow statements that bankers usually get from business borrowers. It found a way to limit its risk—in this instance by getting half the loan guaranteed by a fund established by a purchasing managers' group to help minority-owned business.

South Shore more often relies on the Small Business Administration for guarantees, but it rarely calls on government to make good on them. In three of the past five years, South Shore's loan losses (including losses on loans that were partially guaranteed by the government) were less than half the rate reported by similar-sized banks across the country. The recession took its toll in 1990 and 1991, though, hitting South Shore harder than banks that hadn't been as aggressive. Last year's 0.67% loan loss rate exceeded the 0.42% reported to the government by other small banks. Sour loans to three fast-food franchises and two auto dealers were to blame.

South Shore's lenders offer three explanations for their track record. They stick to neighborhoods and businesses they know, often relying on franchisers to provide borrowers with strategy and advice. They match the borrower to the deal, often steering an overly ambitious novice rehabber to a smaller building. And they are quick to pounce on borrowers who fall behind, and just as quick to locate buyers to get troubled borrowers off the hook. "Our motto is: Knock them down, but help them up," says James Bringley, vice president for real estate and installment lending. He boasts that the bank writes off only about 1/20 of 1% of its real-estate loans annually.

Both Mr. Shryock and Mr. Bringley deny that their bank serves as a behind-the-scenes partner, helping novices to run their businesses. "It's not like we can't do lending in this neighborhood until we teach these 'ignorant people' what to do," Mr. Bringley says.

But particularly in real estate, borrowers say the bank has helped teach them the business. When plumber Leroy Jones and his wife, Josephine, began renovating apartment buildings on the south side, they met once or twice a month with other landlords at breakfasts sponsored by South Shore. "The one thing I really learned that has really stuck with me is not to be a softie," Mrs. Jones says.

Today, the Joneses own five buildings, all financed by South Shore. They say they notice how South Shore keeps close tabs on them. Their first building was purchased with a loan from another bank. "You know, I don't think they ever came by," Mrs. Jones says. "Mr. Bringley is always saying, 'I drove past your building. I see you put a new tree up.'"

PUT AN END TO UNFAIR INSURANCE DISCRIMINATION BASED ON HEALTH STATUS

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. DURBIN. Mr. Speaker, today I am introducing legislation to end unfair insurance discrimination based on health status. The Health Insurance Fairness Act of 1992 will stop the practices that lock people out of today's health insurance market.

The sad fact about our health insurance system is that, even if a person is currently healthy, at any time they could be struck with a health problem that could prevent them from obtaining health coverage in the future.

People who have diabetes, multiple sclerosis, Parkinson's disease, or a variety of other conditions are often denied health insurance.

People with a heart condition or other cardiovascular problems, arthritis, rheumatism, or a variety of other conditions are often told by insurers that they can only be insured if the preexisting condition is excluded from coverage.

More than 81 million Americans under age 65 have a chronic health condition for which some insurers deny insurance, exclude coverage of the preexisting condition, or raise premiums by at least 50 percent.

In short, the people who need health insurance the most are the most likely to be denied coverage, and anyone could become ill and subject to exclusion at any time.

But these people aren't just statistics. Each one is an individual and each one has a story. I'm sure my colleagues have heard from constituents, as I have, who either cannot obtain health insurance because of preexisting conditions or have suffered large premium hikes because of their own health history or the health care claims of their coworkers. They tell us stories like these:

"My new employer will cover me, but the insurance won't cover my son because he has a kidney problem."

"They won't give me health insurance because I have diabetes."

"I got sick last year, so this year they're doubling my premiums."

"One of my employees had a heart transplant and now the insurance company has raised my rates so high I may have to terminate the plan for all of my employees."

Mr. Speaker, in recent years, health insurance has become a game of cherry-picking where only the healthy get covered. Preexisting conditions exclusions and experience rating based on health status have unfairly locked millions of Americans out of the insurance market.

There was a time when health insurance treated everyone equally. All insured persons paid the same premium, received the same coverage, and gained the same assurance that if they were the ones who ended up with major medical bills, the insurance would pay.

But in the past two decades, we have moved far away from the community rating approach that originally opened the door to health insurance for so many Americans.

In the words of John Burry, Jr., chairman and CEO of Blue Cross/Blue Shield of Ohio:

> Commercial insurance companies learned they could undersell the community-rated market by insuring only healthy people to make healthier profits for their shareholders. This "cherry-picking" practice led to the demise of community rating. The result was we stopped taking care of each other and created a me-first system.

While some responsible voices in the health insurance industry deplore this reality, no single company can afford to take the necessary steps to restore sanity and fairness to the market. The Health Insurance Fairness Act of 1992 will do what insurance companies will not or cannot do on their own: It will put an end to some of the recent practices in health coverage that have taken us so far away from the fairness of community rating.

The basic principle of my bill is this: No one should be denied coverage or charged a higher premium because of their health status or past claims experience or because of the health status or past claims experience of a fellow employee.

Specifically, the bill establishes the following health insurance standards for group health plans:

Group health plans shall not deny, limit, or condition coverage or benefit for an individual, nor charge higher premiums, based on the health status or past claims experience of the individual. However, to protect insurers from people who might wait to obtain health insurance until they are sick, plans may impose a preexisting conditions exclusion of up to 6 months for conditions present during the previous 3 months if the person has not had health insurance within the previous 3 months. This requirement applies to all group health plans, including large and small groups, self-insured companies, and MEWA's.

Furthermore, insurers shall not offer group health plans that vary the rates charged to employers based on employee health status or past claims experience.

The bill also establishes standards for individual insurance:

For individuals who were previously covered for at least 2 years by a group or individual health plan and applied for individual insurance within 3 months of the termination of such coverage, insurers shall not deny, limit, or condition coverage or benefits, nor charge higher premiums, based on the health status or past claims experience of the individual. Premiums may continue to vary based on age, sex, and geographic area.

For individuals who were not previously covered for at least 2 years, the same restrictions shall apply, except that insurers may impose a preexisting conditions exclusion of up to 2 years for conditions present during the previous 1 year. This waiting period for preexisting conditions will protect the insurers from "adverse selection" and encourage people to obtain insurance while they are healthy.

Finally, the bill includes additional reforms in the small-employer market that generally follow those in H.R. 3626, the incremental reform bill introduced by the distinguished chairman of the Ways and Means Committee, Mr. ROSTENKOWSKI. Those provisions include guaranteed eligibility, guaranteed issue, and guaranteed renewability—which ensure that every small group and all of the members of small group will be treated fairly—and limits on rate variations so that the premiums do not vary from community rating by more than a specified amount. I would like to request that a summary of the Health Insurance Fairness Act be reprinted immediately following this statement.

Mr. Speaker, some people are saying that if we can't achieve comprehensive health care reform this year, we should not have any health care reform at all. I disagree. While comprehensive health care reform is needed, there are important things we can do right away that will help Americans.

This bill will, for the first time, give to many people with preexisting conditions the opportunity to have access to health insurance.

It will, for the first time, guarantee to people that they will not encounter exorbitant premium increases just because they or their fellow employees had the misfortune to beome ill.

This bill will end health-insurance-related "job-lock" and provide portability so that anyone who has health insurance coverage can obtain new coverage if they are no longer covered by the old policy.

Finally, this measure will address the needs of people who have had health insurance for years and find themselves suddenly unable to obtain group coverage. It will extend insurance portability to people whose employment-based coverage ends and who are not covered by COBRA or whose COBRA coverage runs out, including people who retire before age 65. It will provide alternatives to people whose insurance company goes bankrupt or whose employer stops providing health insurance. It will protect people from insurers who refuse to renew individual coverage or who ratchet up premium levels through the so-called "death spiral" associated with the practice of grouping people in small insurance pools.

In each of these cases, the person has been part of the insurance system and should not be excluded from continued coverage because they are shifting to an individual policy. My legislation will provide them with basic protection.

The Health Insurance Fairness Act establishes some important standards that are missing from many of the other bills that would reform the health insurance system.

For example, in addition to portability provisions that prohibit group health plans from denying or limiting an individual's coverage or benefits based on health status, my bill will also prohibit those plans from charging higher premiums based on health status.

In addition to prohibiting small group insurance plans from charging higher rates to employers based on employee health status or past claims experience, my bill will extend that important principle to groups of all sizes.

In addition to providing portability when people move from one group plan to another, my bill will extend the portability provisions to individual insurance coverage to more completely address the problem of job-lock.

Finally, whereas most of the other insurance reform packages have nothing to say to individuals who have a preexisting condition and have not been able to maintain continuous coverage, my bill will give them access to the individual insurance market. They will be able to seek individual insurance that will immediately cover all of their health needs not related to their preexisting conditions, and that will cover health costs related to those preexisting conditions after 2 years. The days of lifelong preexisting conditions exclusions will be over.

Mr. Speaker, I would like to invite my colleagues to join me as cosponsors of the Health Insurance Fairness Act. I would also like to invite them to work with me to ensure that these principles are included in the health care legislation that moves through Congress later this year.

THE HEALTH INSURANCE FAIRNESS ACT OF 1992

ALL GROUP HEALTH PLANS, INCLUDING LARGE AND SMALL GROUPS, SELF-INSURED, AND MEWA'S

1. Group health plans shall not deny, limit, or condition coverage or benefits for an individual, nor charge higher premiums, based on the health status or past claims experience of the individual, except that plans may impose a preexisting conditions exclusion of up to 6 months for conditions present during the previous 3 months if the person has not had health insurance within the previous 3 months. [Effective 1/1/93]

2. Insurers shall not offer group health plans that vary the rates charged to employers based on employee health status or past claims experience. [1/1/94]

INDIVIDUAL INSURANCE

3. For individuals who were previously covered for at least 2 years by a group or individual health plan and applied for individual insurance within 3 months of the termination of such coverage, insurers shall not deny, limit, or condition coverage or benefits, nor charge higher premiums, based on

the health status or past claims experience of the individual. Premiums may continue to vary based on age, sex, and geographic area. [1/1/94]

4. For individuals who were not previously covered for at least 2 years, the same apply, except that insurers may impose a preexisting conditions exclusion of up to 2 years for conditions present during the previous 1 year. This 2-year waiting period shall be reduced by the number of months of continuous previous coverage, if any. An insurer may offer to waive the exclusion in exchange for a higher premium during the waiting period, but the individual may reject this offer and take the coverage at the normal premium with the exclusion. [1/1/94]

ADDITIONAL SMALL-GROUP INSURANCE REFORMS (2–50 EMPLOYEES)

5. Insurers shall not exclude any specific employees, or their dependents if dependent coverage is offered. (Guaranteed eligibility) [1/1/94]

6. If an insurer offers a plan to a small-group employer in an area, the insurer must offer the same plan to all small-group employers in that area, except that a state may implement an alternative approach for assuring the availability of private health insurance for all small employers if the alternative approach is certified by HHS as providing the same level of benefits and premiums. (Guaranteed issue) [1/1/94]

7. Insurers shall not terminate or refuse to renew a small-group plan unless the employer fails to pay premiums, commits fraud or misrepresentation, fails to maintain minimum participation of its employees in the plan, or leaves the geographic service area of the plan if it is a managed care plan. (Guaranteed renewability) [1/1/94]

8. Insurers shall not impose rate variations based on industry and occupation; and may only impose rate variations based on age, sex, and geographic area within specified limits (which follow the limits in Ways and Means Committee Chairman Rostenkowski's H.R. 3626). [1/1/95]

THE UNIVERSAL STUDENT NUTRITION ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. MILLER of California. Mr. Speaker, I am introducing today for discussion purposes legislation that would give every school in the country the option of providing a universal school lunch and school breakfast program to each child in the school by the year 2000.

A universal school lunch and breakfast program would benefit the child, the family, the school, and the Nation. Such a program would—

Prepare children for learning;

Fight childhood hunger;

Reallocate resources from paperwork to implementing the dietary guidelines for Americans;

Promote program quality and increase student participation;

Enhance the long-term health of Americans;

Provide an incentive for children to go to and to stay in school; and

Eliminate the identification of low-income students, as well as the welfare stigma of the school lunch and breakfast programs.

The current school nutrition program is at a major crossroads. Since 1980, we have seen a very disturbing trend with regard to school nutrition programs. In the last decade, Federal subsidies for school nutrition programs have been reduced; bonus USDA commodities have essentially vanished; the administrative complexity and cost of administering the school nutrition program has increased dramatically; and indirect cost assessments made by local school administrators are draining the financial resources of the school food service authorities.

According to the American School Food Service Association, as a result of these developments, well over 100 schools have dropped out of the National School Lunch Program since 1989. This number does not include schools that have merged or closed. While this number is a small percentage of the total number of schools participating in the School Lunch Program, it is a warning signal that we should pay attention to if we are to avert a major disintegration of the program.

Indeed, it is not enough for us simply to protect the status quo, we need to do better. In the United States we serve approximately 60 percent of our students a school lunch. In Japan they serve approximately 98.2 percent of their elementary school children a school lunch. If we are going to meet our education goals for the United States by the year 2000 and prepare our children to learn, we must establish a school nutrition program that is consistent with out education objectives.

In the last decade, we have treated the National School Lunch and Breakfast Programs as a welfare program, emphasizing the income of the child participating in the program. We are hampering the administration of the program with more and more paperwork trying to document the income of the children's families. Students and schools are rebelling against this trend. According to a study done for USDA, there are approximately 4 million poor children eligible for free and reduced price meals who are not currently participating in the program. In addition, as I mentioned, schools are beginning to drop out of the School Lunch Program.

The National School Lunch and Breakfast Programs should be treated as part of the education day—a support service like textbooks and school buses. Schools throughout the United States should not be asked to duplicate that which is already being done by State welfare departments and the Federal Internal Revenue Service. Schools should not have to spend their limited resources on trying to document the income of children. We must find a better way for structuring the National School Lunch and Breakfast Programs.

The legislation I am introducing today would give each school in America the option—and it is only an option—of administering a Universal School Lunch and Breakfast Program. Under this legislation, schools exercising the universal option would receive a reimbursement from USDA for each meal served that was not dependent on the income of the child. Schools would not have to seek income information or spend their time and money trying to verify income information. All students would be treated alike. Poor students would not be identified as poor and nonpoor children would not have to be concerned about the image of participating in the National School Lunch program.

I fully appreciate, Mr. Speaker, that there will be those who say this is a great idea but it is one we cannot afford, given the size of our deficit. I am certainly not oblivious to the very real economic challenge we face as a country. To those individuals, I would answer as follows:

First, the effective date on this legislation would be the year 2000, to coincide with our education goals for the Nation giving us time to address the funding question.

Second, before this legislation can be brought to the floor of the House, we must identify how to fund such a program. One possibility which has been suggested by some, and which I am willing to explore, is the possibility of collecting the cost of the meal from the same parents who currently pay for the school lunches on a daily or weekly basis, but collect the fee annually through the IRS. The Internal Revenue Service is aware of each household's income, and is also aware of the age of dependent children. This use of the IRS may well be justified if we are to reach the important public policy objective of feeding our children. If we were to proceed through the IRS, the cost of my universal legislation would be zero.

The National School Lunch Program currently serves approximately 25 million children a day and the National School Breakfast Program currently serves approximately 4 million children a day. These programs have been enormously successful and are an important part of our social fabric. It is important that we not let these programs unravel. It is important that we reach all children in America with a school lunch and school breakfast so that we might truly prepare them for learning.

I would like to bring to your attention Senate Resolution 303, recently introduced by Senator MITCHELL, which calls upon the USDA to study the implementation of a Universal Breakfast and Lunch Program. I commend Senator MITCHELL for introducing this resolution and look forward to working with my Senate colleague on this endeavor.

I look forward to working with all members on the House Education and Labor Committee and all members on the House Ways and Means Committee so that we might identify how we can achieve this objective.

LEGISLATIVE SERVICE ORGANIZATION CLARIFICATION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. WEISS. Mr. Speaker, in considering the Legislative Branch Appropriations Act of 1993 last night, the House debated an amendment to eliminate legislative service organizations. While this amendment was defeated, I must clarify an assertion that was made in regard to the Congressional Arts Caucus, of which I am Chairman.

Mr. Roberts, the author of the amendment, referred to "the Art Institute, the Arts Caucus

Institute which does fine work." Simply put, Mr. Speaker, there is no such institute.

While I cannot speak to the work of an organization that does not exist, certainly, the Arts Caucus itself does fine work.

SAN DIEGO'S KPBS CELEBRATES ITS SILVER ANNIVERSARY

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1992

Mr. LOWERY of California. Mr. Speaker, On June 25, 1967, public television station KPBS was created in San Diego to be a leading public telecommunications provider, serving San Diego and representing the community regionally, nationally and worldwide. In the ensuing 25 years, the station has produced and broadcast high-caliber programming which educates, enlightens, and enriches.

Public broadcasting carries with it a responsibility to illuminate issues of social concern, to showcase the arts, to furnish educational services, and to facilitate and promote human understanding. I salute KPBS for adhering to these goals and for providing an invaluable service to the people of San Diego.

HOUSE OF REPRESENTATIVES—*Friday, June 26, 1992*

The House met at 10 a.m.

Rev. Donald R. Allen, Capitol Hill Presbyterian Church, Washington, DC, offered the following prayer:

Let us unite our hearts and minds in God. Spirit of the living God, Creator of goodness and overseer of nations, be present once again in this assembly.

Convict us by our common humanity—that our wills transcend the center aisle and our vision and courage be renewed for the common good.

When we are storm-tossed, buffeted by the winds of the moment, help us to steer by the stars and maintain the course for which we are appointed.

May our votes be by the heart as well as the head.

Humble us to consider the truth which may be on the other side.

And, O Lord, support us all the day long that we may retire having a clear conscience and the peace that comes from Your "well done." Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. The Chair will recognize the gentleman from Florida [Mr. GOSS] to lead us in the Pledge of Allegiance.

Mr. GOSS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
June 26, 1992.

HON. THOMAS S. FOLEY,
The Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in clause 5 of rule III of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on Friday, June 6, 1992 at 12:08 a.m.: That the Senate passed without amendment H.J. Res. 517.

With great respect, I am
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled joint resolution on Friday, June 26, 1992:

H.J. Res. 517. Joint resolution to provide for a settlement of the railroad labor-management disputes between certain railroads and certain of their employees.

SUMMER YOUTH JOBS

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, it is my habit to go home just about every single weekend and, when I am home in Louisville, to walk around and sort of check with the neighborhoods and see how things are going.

I recently made exactly such a trip and such a visit and came away with the great feeling that we do have an important responsibility to create jobs in the urban parts of America, and particularly for the young people of urban America.

Mr. Speaker, I was therefore very pleased last week when this body passed the bill that basically aided the city of Los Angeles and the city of Chicago, and also had in it over $500 million for summer jobs for our youth across the country.

With respect to my community, I am told that translates into about $1.5 million in Louisville and Jefferson County to create jobs for young people this summer. In total, some $7 million comes into the Commonwealth of Kentucky for the purpose of creating jobs.

Mr. Speaker, I applaud that work. It certainly should help. It may not be nearly enough, but it does respond to the very concerns and the very anxieties which were expressed to me just a couple of weeks ago by the people of Louisville.

Mr. Speaker, we do have to have something for our young people to do, and this is one step in that direction.

CONGRESS MUST DEAL WITH BUDGET CRISIS

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, yesterday this House proved that it was capable of reacting swiftly and responsibly to a national crisis. We were faced with the challenge of a labor dispute that disrupted nationwide travel and commerce, and we met it head on and successfully.

This country currently faces a crisis the scale of which is several thousand times greater than that of a nationwide railroad strike. I'm speaking of our national debt—every citizen of the United States has a five-figure debt hanging over his or her head today thanks to the prolific spending habits of Congress. Instead of meeting this crisis head on, we seem to find it more convenient to look the other way and run up a record $400 billion deficit.

Mr. Speaker, it was Congress who saddled the country with this burden, and we are the only ones who have the power to remove it. The People of my southwest Florida district want to know why it is that we can't deal with our fiscal crisis with the same speed and determination with which we addressed the rail strike. Mr. Speaker, so do I.

OPPOSING HOUSE CONCURRENT RESOLUTION 192, CONGRESSIONAL REFORM

The SPEAKER. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, I want to register my strong dissent to the recently approved House Concurrent Resolution 192, congressional reform.

First, my objections are based on timing. We are facing a 25- to 33-percent turnover in the House in 6 months. It is wholly inappropriate for us to study, analyze, and make recommendations to change in substantial ways the way the House operates when many Members will not be around to implement or be affected by those changes. By appointing committee members now, the new Members will not be allowed any input. Instead, we should let the new membership of the House study, analyze, and make recommendations for changes they deem necessary—don't saddle them with our prejudices. More importantly, don't saddle the voters who will be electing new Members with what we think might be needed—let them express their views at the polls in November and then let their elected Representatives be a part of the process of determining the direction this Chamber takes during the next 2 years.

Second, my objections are based on substantive considerations of the history of this

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Chamber, the intent of those who designed our form of government, and the provisions of the U.S. Constitution.

In the past few weeks, with the matter of the House bank subpoena, the House post office subpoena, and various other so-called scandals that have been discussed, the House has surrendered its independence, coequality, and separateness as it never has since the founding of Congress in 1789 pursuant to the adoption of the Constitution. Even during times of great stress such as the Civil War, the House and Senate upheld the independence of the legislative branch of the Government. Now, we are actually undergoing a new form of McCarthyism, and it is most dangerous to the well-being of the national interest.

The separation of powers is the basis for our Government—it is what makes us unique, and it is what has given stability to our Nation for over 200 years. We cannot simply deny our duty to defend the first principle of the Constitution which is an independent and free legislature. These constitutional principles are far more important than any particular complaint or any current scandal because they underlie and give authority to our form of government. Sacrifice them today for expediency and they will be gone when they are needed most desperately to retain the moral authority and the integrity of the Congress as one of the three branches of this Government.

Indeed, the American system is an elaborate system of checks and balances. John Adams described them as follows: First, the States are balanced against the Federal Government; second, the House of Representatives is balanced against the Senate and the Senate against the House; third, the executive authority is balanced against the legislature; fourth, the judiciary is balanced against the legislature, the executive, and the State governments; fifth, the Senate is balanced against the President and all appointments to office and in all treaties; sixth, the people hold in their own hands the balance against their own representatives by periodic elections; seventh, the legislatures of the several States are balanced against the Congress; and eighth, the President and Vice President are balanced by votes of the people.

These checks and balances have been undermined in recent months and years. It was bad enough when Congress was under attack by the President—especially by President Reagan and now President Bush. But now we ourselves are undermining constitutional principles of separateness, independence, and equality. It is fratricidal and suicidal. And if the perception among Members is that making reforms is necessary now because the public has a low opinion of Congress, I suggest that it is not because we have a certain committee structure, a certain number of staff, and a certain salary level, but because we have lost our identity. We have relinquished our rights—our warmaking rights, our budgetmaking rights, our legislative rights—because we no longer stand up for ourselves as a coequal branch of this Government. We seem to act more and more like a sub-Cabinet, willing to let the President set the agenda and even more willing to help him carry it out—whether or not it is wise, constitutional, or reflective of the wishes and needs of the American people. In relinquishing our rights, what we have actually done is relinquish the rights of the American public.

Rearranging committees, changing rules, reducing the number of staff members we have—these will be about as effective as rearranging the chairs on the deck of the *Titanic* would have been for those who perished in that disaster. We are going down fast—and all the reforms in the world won't keep us afloat; neither will they keep alive our rights and the rights of the American people under the Constitution.

I offer today the notion that if we remember that we Members of Congress are transitory and that the only constant is the Constitution we will find the direction to take to restore effectiveness in a truly representative government. Our oath of office is to the Constitution—not to the President, not to Congress or the House or the Senate, not to the leadership, not to each other, and not even to the American public. We certainly are not sworn to concern ourselves with perceptions and polls and media. Yet, the proposals to reform Congress are addressed to perceptions and polls and media—not to the Constitution. Here we have relinquished in recent weeks and months our rights to act independently, to declare war, to control the Nation's budget, and to otherwise legislate according to the Nation's needs. Yet, these matters of tremendous national importance are not being addressed in reform legislation—and they will not be restored one iota if all the proposed reforms are adopted.

A rededication to the strength inherent in the Constitution—to the strengths based on separation, independence, coequality, and leadership through representation—is the only true reform that is needed or that will make any real difference.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GEKAS (at the request of Mr. MICHEL), for after 8 p.m. on June 25, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GOSS) to revise and extend his remarks and include extraneous material:)

Mr. RIGGS, for 60 minutes, today.

(The following Members (at the request of Mr. MONTGOMERY) to revise and extend his remarks and include extraneous material:)

Mr. STARK, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GOSS) and to include extraneous matter:)

Mr. BROOMFIELD.

(The following Member (at the request of Mr. MONTGOMERY) and to include extraneous matter:)

Mr. STARK in two instances.

ENROLLED JOINT RESOLUTION SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 517. Joint resolution to provide for a settlement of the railroad labor-management disputes between certain railroads and certain of their employees.

ADJOURNMENT

Mr. MONTGOMERY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 7 minutes a.m.), under the previous order the House adjourned until Monday, June 29, 1992, at 12 noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 5429. A bill to establish the Social Security Administration as an independent agency, which shall be headed by a Social Security Board, and which shall be responsible for the administration of the old-age, survivors, and disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act; with an amendment (Rept. 102–621). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 5192. A bill to amend title 38, United States Code, to make improvements to veterans health programs; with amendments (Rept. 102–622). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STARK (for himself, Mr. GEPHARDT, Mr. DONNELLY, Mr. COYNE, Mr. LEVIN of Michigan, and Mr. CARDIN):

H.R. 5502. A bill to establish the framework for a health care system that will bring about universal access to affordable, quality health care by containing the growth in health care costs, by improving access to and simplifying the administration of health insurance, by deterring and prosecuting health care fraud and abuse, by expanding benefits under the Medicare Program, by expanding eligibility and increasing payment levels under the Medicaid Program, and by making health insurance available to all children; jointly, to the Committees on Ways and Means, Energy and Commerce, and Education and Labor.

By Mr. BONIOR (for himself, Mr. HAMILTON, Mr. RAHALL, and Ms. OAKAR):

H. Con. Res. 339. Concurrent resolution expressing continued support for the Taif Agreement which brought a negotiated end to the civil war in Lebanon, and for other purposes; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 993: Mr. GUARINI, Mr. SKEEN, Mr. PURSELL, Mr. JOHNSON of South Dakota, Mr. GILLMOR, Mr. EVANS, and Mr. ATKINS.

H.R. 3561: Mr. JOHNSON of South Dakota, Mr. BILIRAKIS, and Mr. SMITH of Oregon.

H.R. 5208: Mr. SOLARZ.

H.R. 5496: Mr. FROST.

SENATE—*Friday, June 26, 1992*

(Legislative day of Tuesday, June 16, 1992)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable JOSEPH I. LIEBERMAN, a Senator from the State of Connecticut.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Gracious Father in heaven, sometimes I do not know how to pray or what to pray for. I sense the tremendous burden that weighs on the Senate, especially the leadership, but I am unable to verbalize what I feel. I ask for a special dispensation of Your grace and love and power this morning. You have said in Your Word, "cast your burden on the Lord and He will substain you." Give grace to our leader, to all Senators and their staffs, that they may work through these difficult hours and accomplish every needful matter for the sake of their families, the Nation, and to Your glory and praise. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, DC, June 26, 1992.*
>
> *To the Senate:*
>
> Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOSEPH I. LIEBERMAN, a Senator from the State of Connecticut, to perform the duties of the Chair.
>
> ROBERT C. BYRD,
> *President pro tempore.*

Mr. LIEBERMAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senate majority leader.

QUORUM CALL

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll and the following Senators entered the Chamber and answered to their names.

[Quorum No. 2]

Adams
Baucus
Bryan
Burdick
Conrad
Daschle
Kasten
Lautenberg
Lieberman
Mitchell
Pell
Riegle
Rockefeller
Simon
Simpson
Stevens
Thurmond

The ACTING PRESIDENT pro tempore. A quorum is not present. The clerk will now call the names of the absent Senators.

The assistant legislative clerk resumed the call of the roll.

Mr. MITCHELL. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators, and I request the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the majority leader. The yeas and nays were ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Oklahoma [Mr. BOREN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Arkansas [Mr. BUMPERS], the Senator from Hawaii [Mr. INOUYE], the Senator from Maryland [Ms. MIKULSKI], and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Kansas [Mr. DOLE], the Senator from Oregon [Mr. HATFIELD], the Senator from Pennsylvania [Mr. SPECTER], and the Senator from Wyoming [Mr. WALLOP] are necessarily absent.

I further announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

The ACTING PRESIDENT pro tempore. Are there any other Senators in the Chamber who desire to vote?

The result was announced, yeas 78, nays 10, as follows:

[Rollcall Vote No. 132 Leg.]

YEAS—78

Adams
Akaka
Baucus
Bentsen
Biden
Bingaman
Breaux
Brown
Bryan
Burdick
Burns
Byrd
Chafee
Coats
Cochran
Cohen
Conrad
Cranston
Danforth
Daschle
DeConcini
Dixon
Dodd
Domenici
Durenberger
Exon
Ford
Fowler
Garn
Glenn
Gore
Gorton
Graham
Grassley
Harkin
Hatch
Heflin
Hollings
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mack
McConnell
Metzenbaum
Mitchell
Moynihan
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Rudman
Sarbanes
Sasser
Seymour
Shelby
Simon
Simpson
Stevens
Thurmond
Warner
Wellstone
Wirth
Wofford

NAYS—10

Bond
Craig
D'Amato
Gramm
Kasten
Lott
McCain
Murkowski
Smith
Symms

NOT VOTING—12

Boren
Bradley
Bumpers
Dole
Hatfield
Helms
Inouye
Mikulski
Roth
Sanford
Specter
Wallop

So the motion was agreed to.

The ACTING PRESIDENT pro tempore. With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

RECESS SUBJECT TO THE CALL OF THE CHAIR

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now stand in recess subject to the call of the Chair.

Thereupon, at 9:57 a.m., the Senate recessed subject to the call of the Chair.

The Senate reassembled at 1:19 p.m. when called to order by the Presiding Officer [Mr. KOHL].

ORDER OF PROCEDURE

The PRESIDING OFFICER. The Chair recognizes Senator REID of Nevada.

Mr. REID. May I ask the Chair what the parliamentary situation is now? What is before the Senate?

The PRESIDING OFFICER. The regular order is to lay back down the pending business unless morning business is requested.

Mr. REID. I ask unanimous consent that I be allowed to speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

KASHMIR

Mr. REID. Mr. President, I wish to bring to the attention of the Senate

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

today the plight of the people of Kashmir. Little is ever heard of this tiny state, located thousands and thousands of miles from where we stand. But it is a tiny state embroiled in a tragic conflict.

Jammu and Kashmir, as it is officially called, is the northernmost state of India, surrounded by India, Pakistan, Afghanistan, and China. With an area of only 86,000 square miles, Kashmir, even though it is this small, has a population of about 12 million. It is a beautiful land—or I should say, Mr. President, it was a beautiful land. Prior to the current crisis, it was India's premier tourist attraction. The Vale of Kashmir has been the subject of many pastoral poems. Today, though, Kashmir is a tragic land.

Kashmir is roughly 80 percent Muslim—the only predominantly Muslim state in India. But only two-thirds of Kashmir is actually under the control of the Indian Government. The other third is controlled by Pakistan. In fact, the Indian portion of Kashmir is occupied by as many as 200,000 troops. That is approximately 1 soldier for every 40 Kashmiris in that region.

How did Kashmir get into this situation? The status of Kashmir goes back to the partition of British India in 1947. The basis for partitioning Pakistan from India was religion. Pakistan was predominately Moslem, and India was predominantly Hindu. So how did Kashmir, also predominately Moslem, end up remaining with India? After all, the "k" in Pakistan, which is a name contrived of the first letters of the provinces it encompasses, stands for Kashmir. I repeat, the "k" in Pakistan stands for Kashmir.

The two newly independent countries, India and Pakistan, were created by combining the British provinces with the princely states. The British gave the rulers of the princely states authority to choose among acceding to India, acceding to Pakistan, or remaining independent. The ruler of Kashmir at the time was a Hindu, and he sought to remain independent.

Faced with an insurgency that had the support of Pakistan, the Maharajah fled the capital, and sought aid from India to help crush the rebellion. In return for armed intervention, India made the Maharajah sign an instrument of accession to India.

The fighting continued, and one-third of Kashmir was freed from Indian control. India then brought the issue to the United Nations in January 1948. India urged the United Nations to call upon Pakistan to withdraw its troops. Once this was accomplished, India would agree to a plebiscite on the future of Kashmir. Pakistan agreed that a plebiscite should take place.

The Security Council then adopted a resolution and developed a plan that would lead to a plebiscite. The U.N. Commission for India and Pakistan [UNCIP] was created. The Commission drew up a plan that called for a withdrawal of armies in a manner and sequence that would not cause disadvantage to either side or imperil the plebiscite.

India refused to accept this step-by-step demilitarization. India's stance was hardened by Pakistan's signing a military pact with the United States. From 1955, India has taken the position, in view of this alliance, that it could no longer countenance the withdrawal of its forces from Kashmir. India found support on the U.N. Security Council from the Soviet Union, and any further efforts by the Council were blocked. Not even two full-scale wars between India and Pakistan in 1965 and 1971 have shaken the stalemate.

There have been many uprisings by the Kashmiri people. All have been met with unrelenting and oppressive force by the Indian Government. To get a sense of the oppression in Kashmir, I want to quote from an Asia Watch report on human rights in India, dated May 1991:

> In their efforts to crush the militant separatist movement in Kashmir, Indian government forces have acted without regard for international human rights law and have violated the laws of war protecting civilians in situations of armed conflict. Indian army soldiers and federal paramilitary troops of the Central Reserve Police Force and the Border Security Force have used lethal force against peaceful demonstrators, shooting scores of unarmed civilians. Following militant attacks, government forces have also engaged in the summary execution of suspected militants and reprisal killings of civilians. During such operations, the security forces have opened fire in crowded markets and residential areas. They have also conducted warrantless house-to-house searches, seizing young men and beating them, threatening and, in some cases, raping family members, and burning down entire neighborhoods.
>
> Torture is widespread, particularly in the temporary detention centers, [where untold numbers are being held, estimated to be in the thousands]. Security legislation in effect in Kashmir has suspended safeguards against torture, including the requirement that all detainees be seen by a judicial authority. These laws also suspend prohibitions against the use of confessions obtained under torture and permit incommunicado detention.

The report I just quoted is about a year old. Current information on the situation in Kashmir is hard to get. India has clamped strict censorship on the news and barred the entry of all foreign reporters into the occupied area. The only press dispatches India allows are those filed by Indian correspondents after official briefings.

Mr. President, something has to be done. The Kashmiri people have suffered hardship, including torture, rape, and untold numbers of deaths, not to mention the destruction of their country and their economy. We here in the Senate must urge India to allow international humanitarian groups into Kashmir; we must urge India to allow foreign reporters into the area; and we must urge India to allow a plebiscite so that the people of Kashmir may determine their own destiny—union with India, which is doubtful because of the heavy Muslim population, union with Pakistan or independence.

It is time the Senate took a second look at our relations with India—our aid, our commerce, our general outlook to India. Unless human rights standards are upheld in the tiny area we call Kashmir, we should not be dealing with the country of India, in my opinion.

Yesterday the House looked at this, debated this. They cut India's aid not just because of human rights violations in Kashmir, but also because of human rights violations in the Punjab and elsewhere in India.

It is time to settle this conflict. But it cannot be settled without outside pressure. And there will be no outside pressure unless people know about it. That is my purpose here today. My purpose is to bring this issue to the attention of the Senate, in hope and in anticipation that we will take some action to ease the over 40 years of suffering in a small corner of the world.

Mr. President, Kashmir was one of the world's paradises. It is now one of the world's hells.

MORNING BUSINESS

Mr. REID. Mr. President, I now ask unanimous consent that there be a period of morning business with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado [Mr. BROWN].

Mr. BROWN. Mr. President, I ask unanimous consent to proceed as if in morning business for a period of 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWN. I thank the Chair.

BALANCED BUDGET AMENDMENT

Mr. BROWN. Mr. President, last night a very distinguished Member of this body, a senior Senator, had given remarks that I had made earlier in the day some personal attention. In this distinguished Senator's remarks, he implied that the statements I had made were "extreme statements," implied that they might be made without thinking clearly before one speaks, implied that some let foolish ideas get the best of their good judgments.

Mr. President, I thought it was worthwhile to set the record straight. I believe the distinguished Senator did not intend to misstate my position. I would like to make clear one point which I believe is critical in our debate over the balanced budget amendment; that is, the responsibility of this Congress.

Mr. President, specifically this Member indicated to this body that I had said that this was the "worst" Appropriations Committee and the "worst" Congress in our history.

Mr. President, that was not my statement. That was never my statement. That language "the worst Appropriations Committee and "the worst Congress" was repeated eight times in those remarks. That is simply inaccurate.

In addition, my remarks were described as having said that we had a "lousy committee," Mr. President. That was not in my remarks. It is not my feeling, and it is inaccurate.

I certainly do not mean to suggest the distinguished Senator intended these misstatements. We are busy, we have demanding schedules, and I believe the distinguished Senator states specifically that he may not be quoting precisely. So I welcome the opportunity to set the record straight and to make my intentions clear.

Mr. President, I am concerned about the debt of this Nation. I believe this Congress is the most irresponsible Congress in the history of our Republic. Those were my comments. That is what I believe. I will stand by it.

But, Mr. President, I want to do more than simply stand by it. I want to be specific, because it is a serious charge, and it is one that calls for some reflection.

Mr. President, this is a chart of the amount of money that the American people owe. It is a depiction of the amount we go into the marketplace and borrow every day. I believe that the fiscal policy of this Government is irresponsible, is dramatically fiscally irresponsible.

The number one exhibit is the national debt, which is fast approaching $4 trillion. Mr. President, that is irresponsible. The deficit this year will be $399.7 billion. Mr. President, I consider that fiscally irresponsible. That is the estimate of OMB. Perhaps it will be less than that. I certainly hope it will be. That is an incredibly irresponsible fiscal policy that threatens the vitality of our American experience.

Mr. President, the deficit this year exceeds Congress' own budget. It breaks the President's budget. That is fiscally irresponsible. The deficit this year, is $118 billion more than what the President recommended to this Congress for fiscal year 1992. This Member believes that is fiscally irresponsible.

Mr. President, $118 billion is the same amount of money that this Nation spent in 1965, for every purpose—for the buildup of the Vietnam war which began earlier that year. It is more than the entire cost of defense, the entire cost of Social Security, for all Federal programs. In this fiscal year it is estimated that we will exceed the President's deficit more than the entire budget of 1965. Mr. President, that is fiscally irresponsible.

The deficit estimate for this fiscal year is $48.5 billion over what Congress passed as its deficit for this fiscal year. That is fiscally irresponsible.

Mr. President, 7 of the 12 fiscal year 1992 appropriations bills that have come out of the Appropriations Committee and have passed on this floor have been over budget. I believe that is fiscally irresponsible. There is a reason we have this burden of debt draining the American people. This is the reason our economy is becoming stagnant. It is because of the fiscal irresponsibility of this Congress.

I want to be specific because I think in any honest debate we ought to be specific. It allows Members to share views, to correct misimpressions, and I think that is the essence of a democratic exchange.

Mr. President, according to figures from the Office of Management and Budget, the fiscal year 1992 Interior appropriation bill was $505 million over budget. That is $505 million over the revised 602(b) allocation. I believe that is irresponsible.

The fiscal year 1992 Labor-HHS Education appropriation bill was $732 million over budget. That is fiscally irresponsible.

The fiscal year 1992 legislative branch appropriation bill was $27 million over budget. That is irresponsible.

The fiscal year 1992 Rural development and agricultural appropriation bill was $48 million over budget. I believe that is fiscally irresponsible.

The fiscal year 1992 Transportation appropriation bill was $6 million over budget. That is fiscally irresponsible.

The fiscal year 1992 Treasury and Postal Service appropriation bill was $195 million over budget. I believe that is irresponsible.

The fiscal year 1992 VA-HUD and Independent Agencies appropriation bill was $224 million over budget. I believe that is irresponsible.

The total of these appropriations bills was $1,419,000,000 over budget, our own budget that called for huge increases in spending. We exceeded even our own budget that was billions of dollars over what the President recommended. I believe that is fiscally irresponsible.

My charge of fiscal irresponsibility for this Congress was based on solid facts that are documented by the obligations for which every American is liable.

Mr. President, the staff of this Congress is nine times larger than the staff of any deliberative body in the world. That figure is from the latest study conducted by our own staff at CRS.

I must say speaking personally that for us to have a staff that is nine times larger than any country in the world is not just fiscally irresponsible, it is an embarrassment to this Nation, and it sets a bad example. It sets an example of irresponsibility that is mimicked in every appropriation bill that comes to the floor. If we are not willing to do our part, if we are not willing to stand up to the problems, if we are not willing to demonstrate some leadership in our own budget, how can we expect anyone in this country to bite the bullet.

Mr. President, earlier in the year I offered an amendment to the Senate rescission bill, S. 2403. My amendment would have saved $61 million. These were rescissions that the President had proposed. These were projects that by and large had not been subject to hearings, were not authorized and were not competitively awarded. The projects involved things like mink research, mesquite and prickly pear program, low bush blueberry research, research and training facilities—a wide variety of programs totaling $61 million.

When I offered that amendment, I do not recall a single Member coming to the floor to say these were great projects, that they would benefit the Republic and help our Nation, or would make us more productive and creative. Perhaps they did. But I did not hear any Member come and defend this spending. This spending is fiscally irresponsible.

The amendment was defeated, not by a huge vote, but it was defeated. To fund projects that are an embarrassment, that Members will not even defend on the floor of this body, now that is fiscally irresponsible.

Mr. President, we did not create this mountain of debt, this awesome debt that threatens the future of our very Nation because Members of this body did their job. We created it because they did not do their job. This terrible burden for our children and our grandchildren came about because people vote for overspending, for breaking the budget, for embarrassing programs in huge legislative appropriations bills—programs that cannot stand the light of day.

I have yet to hear a Member come to this floor and tell me why it makes sense for us to have a $1 billion loan program to subsidize tobacco farmers—and we still have it—while at the same time, we have a program at Government taxpayer expense to urge people not to use a product we have subsidized. I believe that is irresponsible.

Mr. President, I speak for myself only. I want to see Israel survive. I favor the aid to Israel, but I do not see how anybody can justify aiding both sides. We buy weapons for Egypt to counter the weapons we bought for Israel, which were meant to counter the weapons we bought for Egypt. If we picked a side, we would have a couple of billion dollars. That is fiscally irresponsible. It is a function of trying to please everybody, of trying to acquire votes by handing out the public treasury. I believe that is fiscally irresponsible.

Others may object, they may disagree but, Mr. President, as artfully as the message is worded on my part, the solution is not to shoot the messenger or to misrepresent what that messenger said. The solution is to look at the problem itself.

Mr. President, much has been said on this floor about who is responsible for this, and I want to discuss the details because I think it is an integral part of saying who is and is not responsible.

The Constitution of the United States is very clear. Its preamble provides the following:

> We the people of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.

The blessings of liberty to ourselves and our posterity, Mr. President. Are the blessings of liberty to our children, our grandchildren, our great grandchildren, and our great-great-grandchildren, going to be a $4 trillion debt or an $8 trillion debt, or a $20 trillion debt?

The very purpose for which we established the Constitution cries out in shame that we would burden generations with what we have done. How can we secure the blessings of liberty to our children and grandchildren when we have left them a heritage of this kind?

Mr. President, the responsibility and the authority under the Constitution could not be more clear. Let us take a look at article I, section 1. It provides specifically:

> All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and a House of Representatives.

Mr. President, the Constitution is clear that we are the ones responsible. This provision of the Constitution could not be more clear. It grants Congress the exclusive power to legislate. The President, indeed, has the power to recommend legislation and he has the power to veto, but the authority to legislate is exclusively Congress'.

The Constitution, more specifically than that, in article I, section 9, clause 7, provides that:

> No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.

Mr. President, the Constitution is not vague on this subject. It is our responsibility. No money can be spent except by appropriations made by law. That is what the Constitution clearly states.

It is not by the President, it is not by the Supreme Court, it is not by all of the people we blame. It is by us, the Congress. This is an exclusive power.

The Constitution provides specifically that we have "the Power to lay and collect Taxes, Duties, Imposts and Excises." It is in article I, section 8, clause 1. It is there specifically and clearly.

We are the ones with the ability to raise taxes and oppose them. Article I, section 8, clause 1 states this.

The PRESIDING OFFICER. The time of Senator has expired.

Mr. BROWN. Mr. President, I ask unanimous consent for an additional 10 minutes to complete my statement.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. I will not object, but I ask unanimous consent for an equal amount of time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I also ask unanimous consent for an amount of time equal to the time that the Senator has already used.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWN. Article I, section 8, clause 2 of the Constitution says we have the power "To borrow money on the credit of the United States." That power is not with the President or the Court, but with the Congress.

Some in this Chamber may blame others. But, Mr. President, it is not the people who got us into this. It is not the President who got us into this. It is us. It is Congress. it is the House and the Senate who specifically have the power and who have done this to our people.

Mr. President, the question that is before us is quite simply this: What are we going to do about it? I have proposed specific changes in our spending patterns that I stand behind. They are tough, but I believe we can do it.

And most importantly, I advocate a balanced budget amendment to the Constitution. It is very simple and very direct. The amendment states that you cannot spend more than you bring in. I do not mean to oversimplify it. It is going to be difficult, but I think this country can do it. If we are going to have a future for our children and grandchildren, we can do it.

Some have suggested that Congress is the one that ought to do it, ought to be the ones to handle it. But, Mr. President, we have tried that. That is how this mountain of debt came about—it is Congress' doing. Congress cannot help itself. It cannot change. Some have suggested that it takes experience to find the right way to lead this country.

Mr. President, experience is one thing, but the truth is that we need a change. Changing the fundamental rules of the game is quite simply a constitutional amendment for a balanced budget. There is no real option. The only other option is to destine this country and our children and grandchildren to economic oblivion—with a runaway, wasteful public spending—which this Congress has engaged in.

A great historian, Sir Alex Fraser Tytler, a Scottish professor who lived from 1742 to 1813, wrote these words in 1801 as part of a lecture:

> A democracy cannot exist as a permanent form of government. It can exist only until the voters discover that they can vote themselves largesse from the public treasury. From that time on, the majority always votes for the candidates promising the most benefits from the public treasury, with a result that a democracy always collapses over loose fiscal policy, always followed by a dictatorship.

Mr. President, the issue before us is quite clear: Are we going to bring an end to the runaway deficit spending that threatens our very future?

This Senator did not come to this Chamber to be intimidated. This Senator did not come to this Chamber to trade votes. This Senator did not come to this Chamber to sell out the future of this Nation for more deficit spending.

The future of the Nation is more important than that. We are either going to get this deficit giant under control with a balanced budget amendment or we are going to see the future of economic enterprise in America go down the drain. That is what is before us today. That is what is in this constitutional amendment.

I believe that is more important than anyone's career. I believe it is more important, much more important, than any reason any of us are here. It is more important than any special spending you can have for your own State. It is the very future of our country, our economy, and our democracy.

I do not intend to be silenced. I do not intend to back down. I do not plan to give up my right to stand up and fight.

Mr. President, I do not think the people of Colorado or the people of this Nation want us to. I think right now the electorate, the people of the State of Colorado, and the people of this Nation, want a U.S. Senate that will stand up to the issue and correct the problems. They are tired of the old politics. They are tired of log rolling. They are tired of the runaway spending. They want answers and a solution. That is why I support the balanced budget amendment to the Constitution.

Mr. President, that is why I am going to stay here and fight for it.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia [Mr. BYRD].

Mr. BYRD. Mr. President, I thank the Chair.

Mr. President, I thank the distinguished Senator from Colorado. He gave me a call about 5 minutes before he came to the floor and said he was coming to the floor to respond to my remarks, and obviously he has put a good deal of preparation into his response.

I welcome the opportunity to hear his response.

Mr. President, the distinguished Senator implies that I misrepresented what he said on yesterday. I did not misrepresent what he said. I indicated in the RECORD last night that what I was saying was not precisely what he said, but essentially that he was saying that this is the worst Congress in history and the worst Appropriations Committee in history. I did not claim that I was precisely quoting the Senator. He knows that. He read that in the RECORD this morning. He knows that. He now says that he did not say yesterday that it was the "worst" Appropriations Committee in history, but rather that it is the most "irresponsible" Appropriations Committee in history. Is that right?

That is even worse. It is one thing to say that this is the "worst" Appropriations Committee in history. But when he says it is the most "irresponsible" Appropriations Committee in history, that is even worse.

I should think that the Republican Members—and there are 13 of them on that committee—ought to take umbrage with that statement. They may not say so, but those Republican Members on that committee work hard and they think they do a good job, and they do, and I am sure they think that the committee does a good job.

We have a nice audience now in the Press Gallery. I am glad that we do have a good audience. I wish we would have had it all day long yesterday when we were talking about something that was much more important than this little bit of tit for tat that is going on here, apparently. But anyhow, that is not for me to tell the press what to listen to or what not.

May I say to the distinguished Senator I think that the statement that the Senator has made—I have been in this Senate 34 years and in the House 4 years. I think that is as irresponsible a statement as I have ever heard in my 34 years in the Senate. I think that it is absolutely irresponsible to stand and make that kind of a charge against the Appropriations Committee.

So I say that to the distinguished Senator from Colorado. That is the most irresponsible statement that I can remember ever having heard in my 34 years in the Senate.

He says that nobody is going to make him back down. I do not expect the Senator to back away from his position on the balanced budget amendment. He has a right to that position. I admire Senators who stand up for what they believe with respect to the balanced budget amendment to the Constitution. I believe differently.

I know that there are Senators in this body who sincerely believe, and I do not question the Senator's sincerity in believing that such an amendment is the answer. There are others who, I do not believe, are as sincere as that. I think they know better for one reason or another but that they will support it anyhow. That is neither here nor there at the moment.

Last night I said I might put the Senator's letter in the RECORD. I did not do it. But now that he continues down this path in talking about the Appropriations Committee in such terms, I will read his letter into the RECORD.

> Senator ROBERT C. BYRD:
>
> DEAR ROBERT: As you review requests for funding during the formulation of the FY93 Interior Appropriations bill, I would appreciate your consideration of two Colorado projects.

These are not "irresponsible" projects at all, and I said last night they would be considered. They will be.

> The Forest Service has the opportunity to purchase 18,761 acres of inholdings within the Roosevelt National Forest from Union Pacific. Total cost of the acquisition is $3.5 million. This acquisition is the number one priority of the Rocky Mountain Region of the U.S. Forest Service and is included in the President's budget.
>
> Union Pacific's holdings are intermixed in a checkerboard pattern with sections of National Forest land which has made management of the Roosevelt National Forest difficult at best.

He goes on in support of that request.

> The second project which I'd like to bring to your attention would add 5,014 acres to the Arapaho—

I hope I am pronouncing that word correct; if I am not, the Senator can correct me—

> National Wildlife Refuge. $1,145,000 is needed to purchase 2 properties that are part of the Stelbar Ranches in Jackson County, Colorado.

I will not read further. I will at the end of my remarks ask that the letter be put in the RECORD.

The Senator also, as I said last night, cosigned other letters requesting appropriations which do not benefit Colorado only but which also benefit other States in the region. And those requests would add to a total increase of $13.245 million above the budget.

I do not know what requests the Senator has made of other subcommittee chairmen, but I assume he will make other requests as well.

I merely say these things to point out that the Senator himself is not above making requests of this "irresponsible" Senate Appropriations Committee.

But, Mr. President, it seems to me it comes with poor grace to refer to the Appropriations Committee as the most irresponsible Appropriations Committee in history and then come to the Appropriations Committee and want appropriations. If I felt that way about this "irresponsible" Appropriations Committee I would not ask it for anything.

The Senator said he will not back down in supporting a constitutional amendment. Of course he will not. Why should he back down if he believes in a constitutional amendment on a balanced budget? Nobody would expect him to back down in his support. No one is talking about his backing down. I hope we have not gotten to that point.

If we have, I say, "Lay on, Macduff, and damn be him who first cries out enough."

Mr. D'AMATO. Mr. President, point of order.

Mr. President, let me say, I do cry out "enough." I will tell you why. I have great respect for my colleagues here. I understand, and I get emotional and carried away. And we fight for things that we think are important, and we should.

But let me refer to the Standing Rules of the Senate, page 18, Senate Manual, October:

> No Senator in debate shall, directly or indirectly, by any form of word, impute to another Senator or to other Senators any conduct or motive unworthy or unbecoming of a Senator.

I am simply going to make a point that this is out of order, and that we are not doing this body any good by this.

Mr. BYRD. Mr. President, I ask for the regular order. I know enough about——

Mr. D'AMATO. I raise a point of order——

Mr. BYRD. I know enough about the Senate rules that I have not violated rule XIX.

Mr. D'AMATO. I ask the——

Mr. BYRD. The Senator can just——

Mr. D'AMATO. I have raised a point of order. I want a ruling from the Chair, because I think the Senator now has gone beyond what is provided for by the rules.

The PRESIDING OFFICER. Regular order——

Mr. BYRD. Well, the Senator should let the Chair rule——

Mr. D'AMATO. I would ask the Senator not refer in that manner to this Senator.

Mr. SASSER. Regular order, Mr. President.

The PRESIDING OFFICER. The Senator has a right to raise a point of order. The point of order is not sustained. From now on, Senators will confine their debate to the rules, and I will read from the rules:

> No Senator in debate shall, directly or indirectly, by any form of words impute to another Senator or to other Senators any conduct or motive unworthy or unbecoming of a Senator.

The Senator from West Virginia has the floor.

Mr. BYRD. Mr. President, I thank the Chair.

In my service in 34 years here, this is the first time that any Senator has attempted to call me out of order on the basis of rule XIX. I very well know what rule XIX says and what it means. I did not impute to the Senator from Colorado any conduct unworthy of the Senator. I said that his statement was the most irresponsible statement—and I say it again—that I have heard in my 34 years in the Senate. If that is the imputing of conduct unworthy of a Senator, then what about his statement concerning 29 Members of the Senate on the Appropriations Committee of whom——

Mr. BROWN. Will the distinguished Senator yield for a moment?

Mr. BYRD. Of whom 13 are Republicans?

No, I do not yield at the moment. I did not interrupt the Senator. I do not yield at this point. I will be glad to later.

Mr. President, I regret that it has come to this. The Senator also today, I think, indicated that I said that he said that it was a "lousy" committee. I did not use that word in quoting the Senator. I said last evening in a facetious manner, that he should invite into his office the Republican members of the committee, offer them some coffee, perhaps some tea and cookies, and tell them what a lousy committee they serve on.

That was not his word. The Senator did not use the word "lousy." I did. I said, "Tell the Senator I smiled when I spoke."

I am sorry that this has deteriorated into this kind of debate. I do know if I had said that about the Appropriations Committee, I would not ask it for anything. Furthermore, I would apologize to that committee. I am not asking the Senator to apologize. I doubt that he feels that he ought to. I doubt that he would apologize. But I would, if I said that about any committee.

I still stand by my statement, just as well, that that is the most irresponsible statement that I have heard in 34 years in the Senate.

Now, let me say to the distinguished Senator that I think the committee has done a pretty good job. I think Senator DOMENICI, who is a member of that committee, feels it has done a pretty good job. I think the other members do. Here we have only 13 percent of the total budget, other than defense, that that committee has control over.

Counting the mandatory items and the entitlements, and interest on the public debt, all of which constitute about 68 percent of the total budget; of the remaining 32 percent over which the Appropriations Committee has control, only about one-eighth of the total budget is domestic discretionary. That is all we have.

Here is the chart. Net interest, 13.2 percent; Medicare, 5.4 percent; Social Security, 22.99 percent; deposit insurance, 3.2 percent; "all other," 8.22 percent; mandatory and entitlements, 15.2 percent. And then the rest is discretionary spending, domestic, and defense. And those two total 12.7 and 19.2, respectively, which is 31.9 percent.

That is all we have. And then taking defense away, as I say, we have only 12.7 percent. Now, that is our part of the budget. That is where we get our moneys for parks and to buy additional lands and to fund welfare and education and water and sewer projects, and so on—all of those items that are glibly called "pork." However, they really constitute infrastructure—that is what has been starved in this budget for many years.

Now, the Senator said that Congress is responsible for the deficit. Let us talk about Mr. Bush and his responsibility. I quoted last night the total amounts requested by the Presidents of the United States from 1945 through 1991. I can quote them again here, but I will not take the time.

Suffice it to say that, including all of the regular annual, supplemental, and deficiency appropriation acts, a comparison of the Presidents' budget requests with the enacted appropriations over those years, 46 years, the Congresses have appropriated $188,769,229,364 less than all of the Presidents combined have requested during those years. That looks pretty good, I would say. I would say Congress has done very well.

And if we want to just refer to the 8 years under Mr. Reagan, Congress appropriated $16,147,670,001 less than Mr. Reagan requested in 8 years.

What I am saying is, the Congress has appropriated moneys less in total amounts than the Presidents have requested. And here is the entire—here is the chart blow up.

So, under Mr. Reagan—let me make sure I got that right—$16,147,670,001.

Now, the distinguished Senator quoted the Constitution and he quoted it accurately. But Senators should also know that we have the 1921 Budget and Accounting Act. What does it say?

Title II, The Budget. And I read therefrom:

> Section 201. The President shall transmit to Congress, on the first day of each regular session, the budget, which shall set forth in summary and in detail estimates of the expenditures and appropriations necessary, in his judgment, for the support of the Government for the ensuing fiscal year, except that the estimates for such year for the legislative branch of the Government and the Supreme Court of the United States shall be transmitted to the President on or before October 15 of each year.

So on and so on.

Let us get down now to section 202(a):

> If the estimated receipts for the ensuing fiscal year contained in the budget on the basis of laws existing at the time the budget is transmitted plus the estimated amounts in the Treasury at the close of the fiscal year in progress available for expenditures in the ensuing fiscal year are less than the estimated expenditures for the ensuing fiscal year contained in the budget, the President, in the budget, shall make recommendations to Congress for new taxes, loans, or other appropriate action to meet the estimated deficiency.

Now, there is a responsibility that the President has, as spelled out in the 1921 Budget and Accounting Act. That act has been brought up to date—there is a reprinting, it has been updated, as amended.

But, clearly, the President has a clear responsibility here. The 1921 Budget and Accounting Act requires the President to submit a budget every year. And I have just read to Senators the requirement in that act which places the burden on the President to make recommendations to Congress for new taxes, loans, or other appropriate action to meet the estimated deficiencies where the estimated receipts for the ensuing fiscal year are less than the estimated expenditures.

That is the President's responsibility. Why does he not send up a budget that is balanced? Why does he not make those recommendations? It is in the law. Where does his responsibility begin and end? He submits the budget and should make the recommendations required by the act.

There is enough blame to go around. I am not saying that Congress is not wasteful. I am not saying that it does not appropriate moneys that are sometimes wasted. But let us also include the President—include the Presidents, plural. It is not just the Congress. And that is what I am saying with respect to the balanced budget amendment. If we adopt the balanced budget amendment, the buck does not stop down at the President's desk. Constitutional amendments do not go to the President's desk. He does not have the opportunity to veto or to sign them. They go right by his desk. They do not stop and salute.

So we let him off the hook with a constitutional amendment. The President who, under the Budget and Accounting Act of 1921, has a responsibility to send up a budget and if the estimated receipts are not up to the estimated expenditures, he, the President, has a responsibility to make recommendations to Congress for new taxes or loans or other appropriate actions necessary to meet the estimated deficiencies. That is what I am saying.

Let us not adopt a constitutional amendment here which will be a mere piece of paper and which, at best, would not take effect until the second fiscal year after its ratification, or 1998, whichever is later, which means it will be 1998 or 1999 or the year 2000, possibly even 2001 before becoming effective.

The PRESIDING OFFICER (Mr. ROCKEFELLER). The Chair must point out the time of the Senator has expired.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senator may have, if he wishes, 2 additional minutes and that I may have 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWN. Mr. President, I want to thank the distinguished Senator from West Virginia for the 2 minutes and for his remarks.

There are a few quick points I would like to make. No. 1, I must say I agree wholeheartedly with the distinguished Senator's evaluation of Senator DOMENICI from New Mexico. I believe he is not only a great asset to his State but to this Senate and has played an outstanding role in trying to bring reason to this budget process. We agree on that.

No. 2, Mr. President, I think I ought to note also that it is not I who have brought names into this. As I read the Senate rules, they do not permit you to specifically name Senators, and I have not. None of the names of members on the Appropriations Committee that have been mentioned were mentioned by me. I would not do so because I do not believe, one, that many of them bear responsibility here, or two, that it is appropriate.

No. 3, Mr. President, as I read the Senate Appropriations Committee report on the 602(b) allocations, it indicates an estimated $527.5 billion in discretionary outlays in fiscal 1992. That is more money than the Appropriations Committee has ever had to spend in discretionary outlays in the history of this country. It has not decreased. It has increased.

It is, incidentally, five and a half times as much as the entire Federal budget outlays in 1945, when we hit the peak of World War II spending.

Last, Mr. President, I would merely point out I believe the time has come to talk about answers. Indeed, the distinguished Senator from West Virginia is right that there is enough blame to go around for everyone. I think what we have to do is face up to the fact that Congress has not done its job, is unable to do its job, and we need a balanced budget amendment to the Constitution.

Mr. BYRD. Mr. President, I will not belabor this argument. It gets down to splitting hairs.

The Appropriations Committee and every subcommittee thereof, every year since I have been chairman of that committee, has stayed within the allocations to the committee and to the subcommittees as required in the budget resolutions. The Senator from Colorado votes on the budget resolution. The Senator from Colorado votes on the appropriations bills that come to the floor. He has an opportunity to vote for or against those bills. He has an opportunity to offer amendments to those bills.

When the rescissions bill was brought to the floor recently, the junior Senator from Colorado voted against that bill, the bill rescinding earlier appropriations. My examination of the RECORD shows he voted against it. He voted for the conference report, but he voted against the Senate bill. That was the opportunity to vote for spending cuts which the Senate made in excess of those that were requested by this President.

Mr. President, with respect to the Senator's reference to the floor remarks he made on February 26 when he introduced S. 2265 during which remarks he claimed that he was identifying 642 projects, "all of which"—and I am quoting the Senator—

> * * * failed to follow the budget process, yet Congress funded them. * * * The projects included in this bill met at least three of the following seven criteria:
>
> Spending appropriated by Congress was never the topic of a congressional hearing;
>
> Spending was not authorized;
>
> Spending was added in conference;
>
> Spending was not awarded on a competitive basis;
>
> Appropriations does not relate to the legislation which funds it or the agency which administers the project;
>
> Appropriation earmarked in violation of established congressional procedure or the process prescribed by law; and
>
> Appropriation was for projects of purely local interest, without national or regional importance.

The Senator from Colorado said that "the three criteria most often met were that the projects were not authorized, not subject to an authorization hearing, and not competitively awarded."

Well, Mr. President, I instructed the Appropriations Committee staff to examine each title of the bill that the Senator offered, S. 2265, and I found that the claims made by the distinguished Senator from Colorado were just not accurate; not accurate.

The analysis goes on to explain in detail why they are not accurate.

I ask unanimous consent to print in the RECORD the analysis made by the Appropriations Committee staff in response to the remarks by Mr. BROWN in his statement on February 26, 1992, and I invite him to take a careful look. I hope that the statement that I am including in the RECORD will be very informative. I am sure he is sincere and concerned about the points that he raised and I am just as sincere and concerned in responding to the points that he raised.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, Senator Brown's Floor remarks on the day he introduced S. 2265, February 26, 1992 (page 3583 in the CONGRESSIONAL RECORD) included the following statements:

"Mr. President, common sense tells us Congress should at least review a project before it is funded. The bill I am introducing today, the Spending Priority Reform Act of 1992, identifies 642 projects totaling more than $1.5 billion from the fiscal year 1992 appropriations bills. All these projects failed to follow the budget process, yet Congress funded them. . . .

"The projects included in this bill met at least three of the following seven criteria:

"Spending appropriated by Congress was never the topic of a congressional hearing;

"Spending was not authorized;

"Spending was added in conference;

"Spending was not awarded on a competitive basis;

"Appropriations does not relate to the legislation which funds it or the agency which administers the project;

"Appropriation earmarked in violation of established congressional procedure or the process prescribed by law; and

"Appropriation was for projects of purely local interest, without national or regional importance.

"The three criteria most often met were that the projects were not authorized, not subject to an authorization hearing, and not competitively awarded. This says something about the way Congress spends the taxpayers' money. It is time to curb the number of federally funded projects which receive funding although they do not follow the budget rules and procedures."

Mr. President, I have examined each title of S. 2265, and I find that the claims made by the distinguished Senator from Colorado are just not accurate. First, the Senator's statement that "all these projects failed to follow the budget process . . ." is just not correct. The Senator did not specify what part of the budget process all of these projects failed to meet. Perhaps he would see fit to enlighten the Senate by providing more specificity as to what he meant. If the Senator meant that these projects failed to follow the budget process because they were not authorized, I disagree. In the first place, many of these projects were, in fact, authorized. I will lay in the Record, title by title, which of these projects were authorized and I will include the statutory authorization for them.

On this issue of "lack of authorization," as Senators are aware there are many programs each year which lack authorization, but for which funding must be provided. In fact, for Fiscal Year 1992, the following programs are among those that had no authorization. The President requested appropriations and the Congress responded, yet the Senator from Colorado does not include them in his proposed legislation. In the majority of the cases appropriations were required for the orderly functioning of the government:

Salaries and expenses for the Department of the Treasury:

The Federal Law Enforcement Training Center;

The Bureau of Alcohol, Tobacco and Firearms;

The United States Mint;

The United States Secret Service;

Within the Internal Revenue Service: Administration and management, Processing returns, Tax law enforcement, and Information systems.

Many offices within the Executive Office of the President—including the Executive Residence at the White House, Special Assistance to the President, the Council of Economic Advisors, and the Office of Management and Budget

The National Archives;

The Federal Trade Commission;

The Federal Communications Commission;

The Securities and Exchange Commission;

The Minority Business Development Agency;

The United States Travel and Tourism Agency;

The Export Administration;

The International Trade Administration;

The Federal Bureau of Investigation;

The Drug Enforcement Agency;

Salaries and expenses for the U.S. Attorneys; and,

The Immigration and Naturalization Service.

Paragraph 7 of Senate Rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill "which proposes an item or appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session."

Appropriations Committee reports are required to comply with paragraph 7 of rule XVI. In so doing, Committee reports on all 13 regular appropriation bills identify unauthorized appropriations. Members were then able to determine for themselves whether to offer amendments to modify or to strike such unauthorized items from each appropriation bill.

In addition, paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include "(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee."

The point I am making is that the Senate Rules recognize that appropriations bills which come before the Senate may contain unauthorized items and may contain provisions which have the effect of repealing or modifying existing statutes. The Committee reports accompanying these appropriations bills are required to set out such provisions for Senators to see. All Senators had available to them, prior to Senate consideration, the Committee reports on every Fiscal Year 1992 appropriation bill and had an opportunity to offer amendments to strike the items contained in S. 2265 during Senate debate on each bill.

An amendment was offered, for example, on the Fiscal Year 1992 Transportation Appropriation Bill by Senator Smith, the distinguished Senator from New Hampshire, to strike the highway studies and demonstrations contained in the Committee-reported bill and then redistribute the funds to the states by formula. His amendment was tabled by a vote of 84 yeas to 14 nays.

The proponents of S. 2265 could say—yes, I do have a chance to offer amendments during Senate debate on the Senate bill as reported by the Appropriations Committee, but when the bill comes out of conference, it often contains items which were not in the Senate-reported bill but were added in conference. To that argument, my response is that this is always the case on any legislation—not just appropriation bills. In conferences, the House insists on its positions and those issues in conference are worked out. Compromises are reached, and the House position prevails on some issues and the Senate position prevails on others. But, *unlike* conference agreements on most authorization bills, appropriation conference agreements almost always include amendments in disagreement which are taken up separately by the Senate and which, therefore, offer Senators an opportunity to offer amendments. Such amendments can be crafted to reach any item in the conference agreement.

Of the rescissions proposed in S. 2265, all except the DOD conference agreement were reported to the Senate with amendments in disagreement. Therefore, any Senator could have amended the conference agreements on Agriculture, Commerce/Justice/State, Energy and Water, Interior, Transportation, Treasury/Postal Service, and VA/HUD.

Contrary to the statements made by the distinguished Senator from Colorado, Mr. Brown, the budget process was followed for the items contained in S. 2265. Senate Rules XVI and XXVI regarding lack of authorization or changes to authorizations were followed. Senators had available to them all of these projects and programs prior to Senate consideration of each of these appropriation bills and amendments could have been offered to all of these conference agreements, except defense, to strike any or all of these items.

Let us now look more closely at each of the titles of S. 2265.

Title I—Agriculture Appropriations. Pages 3 through 7 of S. 2265 list a large number of special research grants for which funds were provided in the conference agreement for Fiscal Year 1992. At the bottom of page 3, S. 2265 states that "the amounts listed in subsection (c) are set aside for special research."

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BYRD. Mr. President, I ask for 1 more minute and then I will not delay the Senator further.

Mr. DOMENICI. Was I recognized? I would just like to yield to the Senator so I will get the floor.

Mr. BYRD. Yes.

Mr. DOMENICI. I yield a minute to my friend.

Mr. BYRD. I thank the Senator. The distinguished Senator from Colorado spoke of the staff resources of the Senate. I do not recall his exact words. It was something to the effect that we have a larger staff than does any other industrialized nation in the world, or some such.

Let me just say this in response thereto.

In the Senate, let us compare with the staff resources available to the executive branch, and that comparison might prove to be instructive. In the Senate, for example, we have approximately 150 staff on the Appropriations and Budget Committees. In the executive branch, there are 12,442 budget personnel, with 561 in OMB alone. In 1985, the last year for which data are available, according to the General Accounting Office, there were about 6,000 public affairs personnel and about 2,000 staff in congressional affairs offices in the executive branch. And we have only 82 in the Senate Appropriations Committee.

These are our little staffs compared with the army of staffs in the executive branch with which our staffs and we in the Congress have to deal. Imagine an appropriations staff of 82 that has to think about all of our appropriations items when they have to face up against the thousands of budget personnel in the executive branch. The comparison shows quite a contrast, Mr. President.

There being no objection, the comparison was ordered to be printed in the RECORD, as follows:

grants provided by the Secretary of Agriculture under section 2(c) of the Act of August 4, 1965 (7 U.S.C. 450i(c))." The top of page 4 of S. 2265 states that "the grants were (A) not authorized; (B) not awarded on a competitive basis and (C) not the subject of congressional committee or subcommittee hearings".

What I have just read is internally contradictory. The proposed legislation cites the authorizing statute in Section 101(a)(1) and then in Section 101(a)(2)(A) states that the programs are not authorized. To the contrary, these research grants *are authorized*—by the provisions of 7 U.S.C. 450i(c), which reads as follows:

"(c) SPECIAL GRANTS.—(1) The Secretary of Agriculture is authorized to make grants, for periods not to exceed five years—

"(A) to State agricultural experiment stations, all colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals for the purpose of conducting research to facilitate or expand promising breakthroughs in areas of the food and agricultural sciences of importance to the United States; and

"(B) to State agricultural experiment stations, land-grant colleges and universities, research foundations established by land-grant colleges and universities, colleges and universities receiving funds under the Act of October 10, 1962 (16 U.S.C. 582a et seq.) and accredited schools or colleges of veterinary medicine for the purpose of facilitating or expanding ongoing State-Federal food and agricultural research programs that—

"(i) promote excellence in research on a regional and national level;

"(ii) promote the development of regional research centers;

"(iii) promote the research partnership between the Department of Agriculture, colleges and universities, research foundations, and State agricultural experiment stations for regional research grants; and

"(iv) facilitate coordination and cooperation of research among States through regional research grants."

Furthermore, there is no requirement in the authorization statute that these special research grants be awarded on a competitive basis. Section 450i(b) authorizes competitive grants but subsection (c), which authorizes special grants, contains no such requirement.

Finally, the amendment which appropriated the funds for *all* of these special research grants came out of conference as an amendment in disagreement. It was there for all to see; it was available for any Senator to move to strike any or all of these projects. Where was the Senator from Colorado when the Agriculture conference agreement was taken up and passed by the Senate? Why didn't he move to strike these projects at that time?

Title II—Commerce/Justice Appropriation—Subtitle A. This subtitle contains rescissions of two items under the heading "State and Local Law Enforcement Assistance Grants". One item is a $500,000 one-time grant to the National College of District Attorneys which will allow them to move into a permanent facility with the latest technology.

The other item in subtitle A of Title II is a $700,000 rescission of an appropriation for a grant to SEARCH Group, Inc. for continued support to state and local criminal justice agencies to improve their use of computers and information technology.

The first item, namely the $500,000 appropriation for the National College of District Attorneys, came out of conference as an amendment in disagreement. Therefore, any Senator could have moved to strike this appropriation. The SEARCH grant was contained in the Senate Committee-reported bill and was subject to amendment.

Subtitle B—Department of Commerce Appropriations. Pages 9–19 of S. 2265 contain a list of rescissions for various projects for which appropriations were provided to NOAA, to the National Ocean Service, the National Marine Fisheries Service, for oceanic and atmospheric research, etc. Without going over each item in this list, it should be noted that all items were reported out of conference as amendments in disagreement and, therefore, were subject to further amendment during Senate consideration of the conference agreement.

It is interesting to note that the distinguished Senator from Colorado, Mr. Brown, did not include in his list of NOAA rescissions the $600,000 unbudgeted earmark which is set forth on page 43 of the Statement of Managers for the support of the NOAA "PROFS" weather research and development laboratory in Boulder, Colorado. Similarly, the conference agreement contained a $3.4 million add-on for the NOAA wind profiler radar network. This program is managed in Boulder, Colorado. That item is also listed on page 43 of the Statement of Managers.

Both of these unbudgeted increases which go to Colorado are set forth in the Statement of Managers on the same page as are the items that S. 2265 would rescind. Yet, these two items which benefit Colorado are not listed for rescission.

Subtitle C of Title II of S. 2265 lists a number of rescissions of SBA grants, five of which first appeared in the Senate Committee reported bill. The others were included in conference at the insistence of House conferees. All of these items came out of conference as an amendment in disagreement and, therefore, were subject to amendment by any Senator.

Title III—Department of Defense Appropriations. Title III of S. 2265 contains rescissions of items which were funded in the Fiscal Year 1992 Department of Defense Appropriation Act. Since the DoD conference agreement included no amendments in disagreement, Senators had no opportunity to strike these items. The Senate did, however, debate at some length these same items during the debate on the adoption of the conference report, which ultimately passed by a vote of 66–29. So the Senate, in fact, worked its will on the Department of Defense conference report after having fully debated the issues.

Title IV—Energy and Water Development Appropriations. Title IV of S. 2265 lists a number of rescissions of appropriations funded by the Fiscal Year 1992 Energy and Water Development Appropriation Act. A number of these projects were, in fact, authorized and all of them came out of conference in a form that allowed any Senator to offer an amendment to strike them.

Title V—Interior and Related Agencies Appropriations. Title V of S. 2265 lists rescissions of projects and activities funded in the Fiscal Year 1992 Interior and Related Agencies Appropriation Act.

Section 501(a) reads as follows:

"FINDINGS.—Congress finds that—

(1) the amounts listed in subsection (c) are set aside for projects for operation of, and construction in, the National Park system; and

"(2) the projects were—

"(A) not authorized;

"(B) not awarded on a competitive basis;

"(C) not the subject of congressional committee or subcommittee authorization hearings;. . . ."

Contrary to the language just read, the projects identified in Section 501(c)(1) as items (A) through (K) are for technical and cooperative assistance to various organizations throughout the country. The National Park Service is generally authorized to provide technical assistance to non-Federal entities for the purposes of enhancing historic preservation, recreation, tourism, and other matters. Consequently these specific studies are not required to be authorized. Much of the work is done cooperatively by the Park Service in conjunction with local sponsors.

In addition, items A, E, M, N, O, Q, R, S, T, U, V, and W are all either on the national register or are included in a historic district. That being the case, they are authorized by the Historic Sites, Buildings, and Antiquities Act of 1935. Section 2(f) of that Act authorizes the Secretary of the Interior to ". . . restore, rehabilitate, preserve, and maintain historic or prehistoric sites, buildings, objects, and properties of national historical or archaeological significance", and where deemed desirable, establish and maintain museums in connection therewith.

With respect to the Fish and Wildlife Service projects identified in section 502, similar criticisms as used against the section 501 projects are levied. Namely, that the projects were not authorized, awarded on a competitive basis, the subject of hearings, or were first added in conference. The authorization for the FWS is rather broad, and construction of facilities, which is what all four projects in section 502 involve, is authorized ". . . for facilities required in the conservation, management, investigation, protection and utilization of sport fishery and wildlife resources . . .". The National Wetlands Center funds are to equip a newly-constructed replacement FWS building (funded in prior appropriation acts) and conduct the move into the building.

Section 503 proposes to rescind funding earmarked for three different programs—one in Vermont for $100,000, one in Idaho for $90,000, and one in West Virginia for $150,000. All three earmarks are associated with the Forest Service's fulfillment of its statutory responsibilities under the National Forest Management Act, the Multiple Use Act, and the National Environmental Policy Act. Specific authorization is not needed on a study-by-study, or program-by-program basis.

The Fiscal Year 1992 Interior Conference came to the Senate with 97 amendments in disagreement, any one of which could have been amended by any Senator to strike items or to modify the conference agreement.

Title VI—Transportation Appropriations. Title VI of S. 2265 contains rescissions of funds provided in the Fiscal Year 1992 Transportation Act. It should be pointed out that all of the Senate highway projects which S. 2265 would rescind were included in the Senate Committee-reported bill and report and, therefore, were subject to Floor amendments to strike them. In fact, as I stated earlier, Senator Smith of New Hampshire offered an amendment to strike the funding for all highway demonstrations and studies and redistribute those funds to the states by formula. His amendment was tabled by a vote of 84 yeas to 14 nays.

Title VII—Treasury/Postal Service Appropriations. Title VII of S. 2265 contains rescissions of funds provided by the Fiscal Year 1992 Treasury/Postal Service Appropriation Act. All of these items identified in Title VII came back outside the conference report as one entire amendment in disagreement on GSA building projects and could have been further amended by any Member on the Senate Floor. In addition, Amendment Number 81, which also came back in disagreement, subject to amendment, contained legislative language exempting all of these projects from the prospectus approval process which is currently done by the authorizing committees. Therefore, an argument could be made that any Senator could have amended these provisions when the conference report was considered by the Senate.

Title VIII—VA/HUD and Independent Agencies Appropriations. Title VIII of S. 2265 proposes rescissions of items funded by the Fiscal Year 1992 VA/HUD and Independent Agencies Appropriation Act. Of these items, 127 are rescissions of appropriations for assisted housing. All of these items were set forth in the Statement of Managers and were incorporated by reference into the Fiscal Year 1992 VA/HUD Appropriation Act (P.L. 102–139). This was done by Amendment Number 35, which was reported out of conference as an amendment in disagreement. This made it possible for the distinguished Senator from Colorado or for any other Senator to propose the elimination of these projects.

In closing, Mr. President, I urge the Senator from Colorado, Mr. Brown, to use a little more care in his preparation of rescission bills such as this one. The state that these programs and projects were not authorized is for the most part not accurate; to state that the budget process was not followed is not accurate; and as I have pointed out, the Senator for Colorado had ample opportunity to offer amendments to all of these Conference Agreements (except defense) to strike these items.

REGULAR ANNUAL, SUPPLEMENTAL, AND DEFICIENCY APPROPRIATION ACTS COMPARISON OF BUDGET REQUESTS AND ENACTED APPROPRIATIONS

Calendar year	Administration requested	Enacted appropriations	Difference under (−)/over (+)
1945	$62,453,310,868	$61,042,345,331	−$1,410,965,537
1946	30,051,109,870	28,459,502,172	−1,591,607,698
1947	33,367,507,923	30,130,762,141	−3,236,745,782
1948	35,409,550,523	32,699,846,731	−2,709,703,792
1949	39,545,529,108	37,825,026,214	−1,720,502,894
1950	54,316,658,423	52,427,926,629	−1,888,731,794
1951	96,340,781,110	91,059,713,307	−5,281,067,803
1952	83,964,877,176	75,355,434,201	−8,609,442,975
1953	66,568,694,353	54,539,342,491	−12,029,351,862
1954	50,257,490,985	47,642,131,205	−2,615,359,780
1955	55,044,333,729	53,124,821,215	−1,915,512,514
1956	60,892,420,237	60,647,917,590	−244,502,647
1957	64,638,110,610	59,589,731,631	−5,048,378,979
1958	73,272,859,573	72,653,476,248	−619,383,325
1959	74,859,472,045	72,977,957,952	−1,881,514,093
1960	73,845,974,490	73,634,335,992	−211,638,498
1961	91,597,448,053	86,606,487,273	−4,990,960,780
1962	96,803,292,115	92,260,154,659	−4,543,137,456
1963	98,904,155,136	92,432,923,132	−6,471,232,004
1964	98,297,358,556	94,162,918,996	−4,134,439,560
1965	109,448,074,896	107,037,566,896	−2,410,508,000
1966	131,164,926,586	130,281,568,480	−883,358,106
1967	147,804,557,929	141,872,346,664	−5,932,211,265
1968	147,908,612,996	133,339,868,734	−14,568,744,262
1969	142,701,346,215	134,431,463,135	−8,269,883,080

REGULAR ANNUAL, SUPPLEMENTAL, AND DEFICIENCY APPROPRIATION ACTS COMPARISON OF BUDGET REQUESTS AND ENACTED APPROPRIATIONS—Continued

Calendar year	Administration requested	Enacted appropriations	Difference under (−)/over (+)
1970	147,765,358,434	144,273,528,504	−3,491,829,930
1971	167,874,624,937	165,225,661,865	−2,648,963,072
1972	185,431,804,552	178,960,106,864	−6,471,697,688
1973	177,959,504,255	174,901,434,304	−3,058,069,951
1974	213,667,190,007	204,012,311,514	−9,654,878,493
1975	267,224,774,434	259,852,322,212	−7,372,452,222
1976	282,142,432,093	282,536,694,665	+394,262,572
1977	364,867,240,174	354,025,780,783	−10,841,459,391
1978	348,506,124,701	337,859,466,730	−10,646,657,971
1979	388,311,676,432	379,244,865,439	−9,066,810,993
1980	446,690,302,845	441,290,587,343	−5,399,715,502
1981	541,827,827,909	544,457,423,541	+2,629,595,632
1982	507,740,133,484	514,832,375,371	+7,092,241,887
1983	542,956,052,209	551,620,505,328	+8,664,453,119
1984	576,343,258,980	559,151,835,986	−17,191,422,994
1985	588,698,503,939	583,446,885,087	−5,251,618,852
1986	590,345,199,494	577,279,102,494	−13,066,097,000
1987	618,268,048,956	614,526,518,150	−3,741,530,806
1988	621,250,663,756	625,967,372,769	+4,716,709,013
1989	652,138,432,359	666,211,680,769	+14,073,248,410
1990	704,510,961,506	697,257,739,756	−7,253,221,750
1991	756,223,264,591	748,262,835,695	−7,960,428,896
Total	11,710,201,833,552	11,521,432,604,188	−188,769,229,364

Source: House Committee on Appropriations.

Mr. BYRD. Mr. President, I yield the floor and I also thank the Senator.

The PRESIDING OFFICER. The Senator from New Mexico has the floor and is recognized for 10 minutes.

Mr. DOMENICI. I thank the Chair.

(The remarks of Mr. DOMENICI pertaining to the introduction of S. 2900 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

A LONG AND LOYAL CAREER

Mr. BYRD. Mr. President, the question of Senate longevity usually focuses on the tenure of Senators themselves.

But in my more than 34 years as a U.S. Senator, I have often been impressed by the longevity reached and, more important, the loyal service provided, by a number of Senate staff members—men and women whose love for the institution of the Senate and expertise in their fields of responsibility contributes immeasurably to the efficient and effective functioning of the Senate.

One such of these staff members is currently celebrating the 40th anniversary of his appointment, and 39 years of cumulative service, to the Senate staff.

I refer specifically to Mr. Robert C. Louthian, senior counsel in the Office of the Legislative Counsel of the U.S. Senate.

Mr. Louthian is a native of Roanoke, VA, and following service in the U.S. Navy during World War II, he earned his college degree at Roanoke College.

Subsequently, Robert Louthian matriculated at the Washington and Lee School of Law in Lexington, VA, from which he graduated with his juris doctor degree in 1952.

Almost immediately, Mr. President, Robert Louthian, on July 14, 1952, won appointment as a law assistant in the Office of the Legislative Counsel of the U.S. Senate.

In 1954, Mr. Louthian was promoted to assistant counsel and in 1973, to senior counsel.

From September 1, 1980, to August 31, 1981, Robert Louthian was in private practice, but he was reappointed senior counsel here in the Senate as of September 1, 1981.

Consequently, Robert Louthian holds the admirable record of having served longer than any other individual in the history of the Office of the Legislative Counsel.

On the 40th anniversary of Robert Louthian's original appointment to the Office of the Legislative Counsel, I know that I speak for all of our colleagues in offering congratulations to him for achieving such an enviable record. I also offer to Mr. Louthian my appreciation and gratitude for the years of capable, selfless, expert, and professional service that he has rendered to this institution, to all of the Senators who have held office during his watch, and to his fellow citizens. Robert Louthian has compiled a patriotic and skillfully crafted record here on the Senate staff, and he is entitled to feel particular pride in reaching the milestone that he is now celebrating.

TODAY'S "BOXSCORE" OF THE NATIONAL DEBT

Mr. CRAIG. Mr. President, Senator HELMS is in North Carolina recuperating following heart surgery, and he has asked me to submit for the RECORD each day the Senate is in session what the Senator calls the "Congressional Irresponsibility Boxscore."

The information is provided to me by the staff of Senator HELMS. The Senator from North Carolina instituted this daily report on February 26.

The Federal debt run up by the U.S. Congress stood at $3,941,032,496,636.62, as of the close of business on Wednesday, June 24, 1992.

On a per capita basis, every man, woman, and child owes $15,343.17—thanks to the big spenders in Congress for the past half century. Paying the interest on this massive debt, averaged out, amounts to $1,127.85 per year for each man, woman, and child in America—or, to look at it another way, for each family of four, the tab—to pay the interest alone—comes to $4,511.40 per year.

DEATH OF JENNIFER HODGES

Mr. LIEBERMAN. Mr. President, I rise today to express my sorrow over the tragic death of one of Connecticut's bravest citizens, Jennifer Hodges.

Jennifer Hodges was the assistant chief flight nurse on the Hartford Hospital Life Star helicopter. On June 20, while on a mission to rescue the victim of a motorcycle accident, Jennifer was killed when the helicopter crashed to the ground.

I am deeply saddened by this death and my heart goes out to Jennifer's family, friends, and coworkers. I know I speak for all the people of Connecticut when I say that we appreciate Jennifer's courage and selflessness. We know that her remarkable skill, fearlessness, and composure saved numerous accident victims from injury and death. Jennifer was an angel of mercy for so many people, we only wish another angel could have been there to save Jennifer.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

JENNIFER HODGES, A SOLDIER IN THE COMBAT ZONE OF DAILY LIFE

(By Eric H. Gottfried)

I know that investigators are painstakingly probing the cause of the Life Star Helicopter accident that killed flight nurse Jennifer Hodges. I also know that her family, friends and co-workers are embarking on that painful inward journey pychiatrists refer to as stages of grief. And I know that other residents of Connecticut are doing what I've been doing—shedding tears over the tragic death of a woman we didn't know.

But Hodges was not a stranger. She belonged to that army of familiar, yet often nameless, soldiers who persevere in the combat zone of daily life. She was one of many people we call upon to sustain or enhance our lives. But in doing so, we also ask them to put their own lives in peril.

Do these special people understand the risk? Absolutely. But they accept the challenge anyway. Unfortunately, we sometimes get to show our appreciation of their efforts only in the form of a eulogy.

Every day, another Jennifer Hodges puts on a police uniform and fulfills our request to protect us. Around the clock another Jennifer Hodges boards a fire engine to shield us from catastrophe. Day in and day out another Jennifer Hodges enters a rescue vehicle and races against a clock that always ticks faster in emergencies. Season to season, in the midst of unpredictably merciless weather, another Jennifer Hodges scales a utility pole to untangle twisted cables so that our electricity or telephone service can be restored.

These valorous women and men who serve us represent no single race, religion, ethnic group, lifestyle or economic class. Their diversity demonstrates to us, along with the constant danger they face on the job, that every life is a precious thread in the rich fabric of society.

Hodges devoted her life to the support of all life. Her equally courageous colleagues will undoubtedly experience a renewal of their own strength and dedication through personal remembrances of her and her kind deeds. The most fitting tribute to Hodges will be her peers' continuous, compassionate service to others. People such as Hodges leave legacies of inspiration, not accumulation.

For many of us, driving across Connecticut's highways and hearing the unmistakable sound of Life Star helicopter whizzing by on a life-affirming mission will never be the same.

Because now, when we look up, instead of glancing at gleaming metal, we'll recall the face of an angel.

AFTER TRAGEDY, LIFE STAR CARRIES ON

After seven years and 9,800 hours of flight time, the odds tragically caught up with

Hartford Hospital's remarkably successful Life Star helicopter service. But true to its mission of saving lives, the program didn't falter after Saturday night's fog-shrouded fatal crash. The remaining blue and white aircraft flew missions Sunday.

Since its launching, Life Star has been requested 7,300 times and has completed more than 5,100 missions. For 96 percent of those flights, the need for what amounts to a flying emergency room was medically justified, according to state and national follow-up studies.

Further, for accident victims picked up at the scene by Life Star, hospital lengths-of-stay and hence total treatment expenses have been lower than for other severely injured people who were not evacuated by helicopter.

One of the hardest things for the Life Star crews will be to take time to mourn for flight nurse Jennifer Hodges of Rocky Hill, who died, and her two severely injured colleagues. The Life Star team, like all emergency crews, is trained and practiced to deal with other people's tragedies. The members have steeled themselves to stay calm and detached, to work on instinct, to serve the injured and not think of themselves.

And Life Star will face second-guessers.

Was that flight to Meriden necessary? Life Star depends on people on the ground to evaluate the casualties and ask for help. Few such calls are wasted. In fact, it's more common—but also rare—not to call Life Star when it might be of help than to call it needlessly.

Should the aircraft have tried to land? Life Star had used that I-81 highway rest area before. Life Star had not had even minor accidents until Saturday.

An investigation by state and federal experts may uncover faults in the program or point to ways to improve it. Meanwhile, arrangements are being made for a replacement aircraft. Summer is the busiest time for saving accident victims and the state needs two Hartford-based helicopters to cover Connecticut completely.

And the family and friends of Miss Hodges, who was a member of the Life Star program's original flight crew and recently had been named assistant chief flight nurse, have set up a fund in her memory and for a job she loved. Donations may be sent to the Flight Nurse Education Program, c/o Hartford Hospital, 30 Seymour St., Hartford 06115.

BALANCED BUDGET AMENDMENT

Mr. McCAIN. Mr. President, I have been an ardent supporter of a balanced budget amendment to the Constitution. I would like to thank Senators GRAMM, NICKLES, and SEYMOUR for bringing this important issue before the Senate for debate.

It has been an issue that has been debated since the founding of our Nation. In fact, in 1798, Thomas Jefferson raised some concerns about the Constitution. He succinctly stated:

> If there is one omission I fear in the document called the Constitution, it is that we did not restrict the power of government to borrow money.

After years of deficit spending by Congress, Jefferson's prescient thought is more compelling now than it ever has been. Something must be done if we expect our children to have a future. I feel the passage of this constitutional amendment will focus the Nation's attention on deficit reduction.

Our massive budget deficit of $340 billion this year and a debt approaching $4 trillion is the single most important problem facing the American people.

Four trillion dollars of debt is an impediment to a prosperous future for our children, a threat to the health and vitality of our economy, and it undermines the long-term soundness of the Social Security trust fund. Balancing the budget would mean an end to additional Government borrowing that threatens the future of Social Security and all Government programs.

Mr. President, we cannot borrow our way to prosperity.

Balancing the budget is a question of responsibility. This responsibility is not limited to mere fiscal responsibility which is extremely important in its own right.

It is more a question of responsibility as parents, grandparents, adults, leaders, and role models for our children and ourselves. Four trillion dollars of irresponsibility is a terrible legacy to leave our children. And, that legacy grows exponentially every day we as a nation continue on our dissolute way.

It is unconscionable to deny our children a prosperous future. The present generation of Americans may be the first generation to realize a declining standard of living through no fault of their own. We bequeathed it to them. Every child born today inherits a terrible legacy—a $16,000 share in our debt, not to mention a dysfunctional educational system and crumbling infrastructure. It is not a legacy Americans should be proud to leave.

Mr. President, a constitutional balanced budget amendment is the first step we can take to end deficit spending, eliminate the debt, and give our children a chance for a prosperous future.

While it is clear that a balanced budget amendment is an urgent national priority, how Congress acts to restrain spending to balance the budget at this point is an open question. The question before the Senate and the Nation is:

Should we constitutionally require that the budget be balanced?

Mr. President, I feel that we must constitutionally require a balanced budget. If we do not balance the budget, all programs are threatened.

Let me take this opportunity to discuss proposals that I have supported that will help reduce the deficit. First, I am the main proponent of the line-item veto. Alone, a line-item veto will not balance the budget, but we must cut the waste first. A recent GAO study estimated that a President armed with a line-item veto could have saved $70 billion between 1984 and 1989. The line-item veto is not the answer to all our fiscal problems, but it is clearly a step in the right direction.

I also strongly support a tax limitation amendment to the Constitution. I have worked arduously to enact statutory tax limitation, but have been unable to convince enough Members of this body to adopt my tax limitation proposal. It is crucial that the Government's ability to tax is limited so that we can focus on the real problem—excessive spending. In the last 30 years, Congress has raised taxes 56 times and balanced the budget once. Raising taxes for the 57th time will not reduce the deficit or balance the budget.

Mr. President, we must focus our attention on Government spending if we expect to balance the budget. We must first eliminate wasteful spending. Then we must look at ways of making Government more efficient in the delivery of vital services. Finally, we must examine every program, and determine national priorities. If we are unwilling to do this as a nation, we will fail as a nation as our political liberties and a prosperous future are smothered by debt.

We can begin down the road to fiscal salvation by controlling the explosive growth in entitlement spending. In the view of this Senator, the major driving force behind the growth in entitlement spending has been the hyperflation present in our Nation's health care delivery system. The answer to the explosion in entitlement costs does not have to pose a threat to the benefits of the most needy Americans. Rather, Congress must take seriously the need for reform of our Nation's health care delivery system in a way that brings cost growth under control and increases access to services.

In short, the amendment we are discussing today will force us to set priorities and tackle the difficult issues—such as health care reform. The only threat to critical programs such as Medicare is a Congress unwilling to tackle the tough issues and accomplish meaningful reform.

We can make substantial progress on deficit reduction without harming vital services. If we do not make progress on deficit reduction, those same services will remain in jeopardy. No one wants an IOU instead of their Social Security check. To ensure that does not happen in the future, we must put our fiscal house in order. That is why I so strongly support a balanced budget amendment to the Constitution.

Mr. President, in the preamble to the Constitution, it states that "We the People" have the responsibility to "secure the Blessings of Liberty to ourselves and our Posterity." We have been in dereliction of duty to ourselves and to our children. It is time we do something good for ourselves and our children.

Let's adopt a balanced budget amendment to the Constitution.

The PRESIDING OFFICER. The Senator from Nebraska.

BALANCED BUDGET AMENDMENT

Mr. EXON. Mr. President, I believe this is the fourth or fifth time in the last few days this Senator has spoken on this subject, and I am forced to speak on it again.

We have had a further demonstration today of the clash of ideas, of personalities, of words on the proposed balanced budget amendment.

As the distinguished Member of this body who occupies the Chair knows, this Senator was formerly a Governor of my State. In my State, as in most States, we have a constitutional amendment that requires a balancing of the budget, and I have long supported a constitutional amendment for the Federal Constitution. While I am not sure that would solve the runaway deficit and debt problem we are going, unfortunately, maddeningly forward with, I think most would agree it certainly could not hurt and I think most would agree in all probability it might do a great deal to help.

Therefore, I have been active for many years in trying to enact a constitutional amendment for a balanced budget. But the first time I rose on the floor on this matter, I said very forthrightly that with the action in the House of Representatives to eliminate, or forestall, or at least now fail to enact a constitutional amendment by the required number of two-thirds votes, the matter was obviously dead as a doornail as far as this session of the Congress is concerned. I think personally we should try next year.

I simply say, Mr. President, that the exercise we are going through is meaningless. It is driven by politics. It is not constructive. It is not going to do anything. It is not going to accomplish anything except, unfortunately, further divisions among friends I have on both sides of the aisle who get wrapped up in the rhetoric.

I would simply say that if there has been any discussion about our Appropriations Committee being irresponsible, I do not agree with it. I am not on the Appropriations Committee, and I have disagreed from time to time with actions of the Appropriations Committee, but I believe that anyone who says their actions have been irresponsible does not understand either the process or the actions of the Appropriations Committee.

I would simply point out that if they took actions which could be described as irresponsible, regardless of whether they were irresponsible or not, they are not the final authority. The final authority rests with the Senate, which accepts the actions, the recommendations from the Appropriations Committee. So even if they are irresponsible, which I think they have not been, then that irresponsibility has to lie with the whole body.

Likewise, I heard within the last hour-and-a-half a Senator from the State of Colorado, in whom I have a great deal of confidence, who is a Member of the Budget Committee, say on the floor of the Senate that it is solely the responsibility of the Congress of the United States we are in the mess of approaching a $4 trillion deficit.

Now, I hope Senators would know better than that. The facts are, you can cite the Constitution and you can read from it, you can read from the laws that are part and parcel of how we do or do not do business here, depending on your point of view, but you would have to recognize, as I knew as a Governor for 8 years when I was chief executive, you have a responsibility to recommend a balanced budget and to enforce a balanced budget, which I did for 8 years.

So there are some of us who have had some experience with balanced budgets in our businesses before we were involved in the political structure, as Governors of States where they were required, who may have a little bit more experience in some of these things; that others, unfortunately, did not have that experience and background.

I guess most of all, Mr. President, I hope that once and for all we could agree, all 100 Members of the Senate, regardless of political affiliation—because I do not think it has anything directly to do with politics or political affiliation—the mess we are in financially in our great Nation is a shared responsibility. For the sake of discussion, we might say it is half the fault of the Congress and it is half the fault of the President of the United States, or it is 60 percent the fault of the Congress and 40 percent the President, or 90 percent the fault of the Congress and 10 percent of the President's fault, or 80 percent of the President's fault and 20 percent of the fault of the Congress?

The facts of the matter are if anyone understands our form of government, they would know that that obviously is the case. There have been lots of discussions here today about how the Congress is solely responsible for the fiscal mess that we are in. And I read this in the newspapers from time to time. I see editorial writers that I assume are editorial writers because they have had some experience in understanding matters, and in addition to being able to put it in written form that most people can understand.

Time and time again I have heard and read articles and listened to talks, and I have seen replete in the public postcard of the newspapers, and in many of the other types of publications that the President of the United States, whoever that is, is not responsible for the fiscal mess that we are in, that it is strictly Congress. And I unfortunately feel that that is the thrust of some of the comments that have been made this afternoon on the floor of the Senate.

One overlooks that, that even if the Congress passes irresponsible pieces of legislation as so described here, or irresponsible appropriations as have been alleged here, none of that can become active or activated until the President of the United States signs the law, whether it is an authorization matter or whether it is an appropriations matter. It does not become law without the concurrence, without the signature and, therefore, the approval of whoever happens to be President of the United States.

I just wish that once and for all as the distinguished chairman of the Appropriations Committee has said and others have said over the years that this is a shared responsibility, that we have not done our job.

When I say "we," I mean those of us in the Congress and the individuals that have served in the last few years as President of the United States. Unfortunately, all too often we get bogged down in political demagoguery here trying to foster the concept back home, that it is not my fault, it is somebody else's fault. I take my share of the responsibility for this matter.

But for once and for all, I hope we could quit misinforming the people about this process we are in, and the deficit that we have had is a joint responsibility. The President cannot escape his responsibility, nor can any of us collectively or individually.

If nothing else happened, I wish that we could drive that point home.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. EXON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOREIGN INFLUENCE IN THE BUSH CAMPAIGN

Mr. BAUCUS. Mr. President, I rise today to provide yet another example of the ongoing scandal which afflicts Washington. The scandal of top Washington officals signing on to promote the interests of foreign governments and companies at the expense of the American people.

On January 9, 1992, James Lake—longtime Republican campaign official and onetime administration official—took a top job in the Bush campaign. Mr. Lake assumed the post of senior communications advisor.

On February 4, 1992, a month after assuming his post with the Bush campaign, Mr. Lake's lobbying firm of Robinson, Lake & Associates took the Canadian Forest Industries Council as a client. As he had done a number of times before, Mr. Lake had become a registered foreign agent under the Foreign Agents Registration Act.

I will ask that papers filed by Mr. Lake with the Department of Justice be entered into the RECORD.

According to these papers, the Canadian Forest Industries Council provides a vehicle through which the forest industries of Canada may actively support and promote the Canadian forest industry's national or regional goals.

The Canadian lumber industry hired Mr. Lake and his firm to lobby the Government against imposing a duty on subsidized Canadian lumber imports. Apparently, Mr. Lake's recent appointment to the Bush campaign increased his marketability as a lobbyist for foreign interests. Indeed, Mr. Lake's own papers indicate that he would explain to the news media and Government officials, if necessary, through written and oral communications, the nature of the Canadian forest industry's interests. He was paid $400 per hour for his services.

But on March 6, 1992, the U.S. Commerce Department decided to impose a 14.5-percent duty on lumber imports from Canada.

At this point Mr. Lake swung into action. By his own admission, Mr. Lake used his influence as a top campaign official to arrange meetings between Canadian representatives and senior administration officials.

Approximately 1 month later on May 15, 1992, the Commerce Department cut the duty on Canadian lumber from 14.5 percent to 6.5 percent. These unfairly subsidized lumber imports continue to threaten the jobs of lumber mill workers in Oregon, Washington, Montana, and many other States.

Did James Lake influence the administration to cut the duty and endanger American workers? We will never know for sure what was said in personal phone calls and backroom conversations. But there is at least a very strong appearance of impropriety.

I suspect most Americans will view Mr. Lake's activities as a scandal. And it is a scandal. But the sad truth is that he apparently broke no law and he is not the first campaign official to peddle influence to the highest bidder.

Hard as it is to believe, it is perfectly legal for senior Presidential campaign officials to sell out to foreign interests. They are perfectly free to use the access and privilege that goes with their job to promote foreign interests at the expense of American workers. It is absolutely legal—it is also absolutely wrong.

This is yet another seedy anecdote from the long saga of foreign influence in Washington.

I recently spoke on this floor about the scandal of foreign interest, and called for tighter laws to prevent Government officials from going through the revolving door from serving the U.S. Government to serving foreign interests. I also called for tighter regulation of foreign lobbying.

But today I call upon all Presidential candidates to ensure that their campaigns are not used to unfairly promote foreign interests. At the very least, there must be a strict rule that a Presidential campaign official cannot promote foreign interests after having joined the campaign.

We cannot allow senior campaign officials to peddle their influence while they are participating in a Presidential election.

I also specifically call upon President Bush to immediately dismiss Mr. Lake from the Presidential campaign. I know of no more egregious example of influence peddling. Strong and decisive action is called for, top campaign officials should not be using their influence to line their pockets at the expense of American workers.

This is not a question of partisan politics. Both parties must take a strong stand against foreign influence peddling. We must ensure that Government officials and campaign officials are promoting American interests, not foreign interests.

Mr. President, I ask unanimous consent that papers filed by Mr. Lake with the Department of Justice, and a number of supporting documents including Mr. Lake's bio and his Foreign Agents Registration Act filing on behalf of the Canadian Government, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JAMES HOWARD LAKE

b Fresno, Calif., Aug 16, 37;s Howard Benton Lake & Maryetta McPherson L: m in 1973 to Bobbie Jean Crider; c James Charles, Michael Benton & Garrett Douglas Educ: Bakersfield Col. AA. 57; Univ Calif. Los Angeles, BS. 59. Polit & Govt Pos: Rep asst secy, US Dept Agr, 73–74; govt rels consult, Agr Bus Firms, Washington, DC, 74–79; dir communications & press secy, Reagan-Bush, 84; dir communications, Pres Inaugural Comt, 85, Rep Nat Conv, 88; sr communications adv, Bush-Quayle Campaign, 88. Bus & Prof Pos: Chmn, Robinson, Lake, Lerer & Montgomery Strategic Communications Firm. Mem: Mason. Legal Res: Rte One PO Box 225 Toms Brook VA 22660 Mailing Add: 1667 K St NW Washington DC 20006–1061

[From the U.S. Department of Justice, Washington, DC]

EXHIBIT A

TO REGISTRATION STATEMENT UNDER THE FOREIGN AGENTS REGISTRATION ACT OF 1938, AS AMENDED

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement exhibit, amendment, dissemination report, copy of political propaganda or other document or information filed with the Attorney General under this act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, D.C. One copy is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of such documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. Finally, the Attorney General transmits an annual report to the Congress on the Administration of the Act which lists the names of all agents and the nature, sources and content of the political propaganda disseminated or distributed by them. This report is available to the public.

Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .49 hours per response, including the time for reviewing instructions, searching data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or an other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division. U.S. Department of Justice, Washington, D.C. 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

Furnish this exhibit for each foreign principal listed in an initial statement and for each additional foreign principal acquired subsequently.

1. Name and address of registrant: Robinson, Lake, Lerer & Montgomery, 1667 K Street, N.W., #900, Washington, D.C. 20006.

2. Registration No.: 3911.

3. Name of foreign principal: Canadian Forest Industries Council.

4. Principal address of foreign principal: 1200–555 Burrard Street Vancouver, British Columbia, Canada V7X1S7.

5. Indicate whether your foreign principal is one of the following type:

Foreign or domestic organization: If either, check one of the following:

Other (specify) Council.

6. If the foreign principal is a foreign government, state: N/A.

7. If the foreign principal is a foreign political party, state: N/A.

8. If the foreign principal is not a foreign government or a foreign political party.

a) State the nature of the business or activity of this foreign principal.

The foreign principal provides a vehicle through which the forest industries of Canada may actively support and promote common national or regional goals. In the United States, the foreign principal is concerned with U.S. trade laws and provisions of the U.S.-Canada Free Trade Agreement which would affect imports of Canadian softwood lumber and other related products.

b) Is this foreign principal:

Owned by a foreign government, foreign political party, or other foreign principal, Yes.

Directed by a foreign government, foreign political party, or other foreign principal, Yes.

Controlled by a foreign government, foreign political party, or other foreign principal, Yes.

Financed by a foreign government, foreign political party, or other foreign principal, Yes.

Subsidized in whole by a foreign government, foreign political party, or other foreign principal, Yes.

Subsidized in part by a foreign government, foreign political party, or other foreign principal, Yes.

9. Explain fully all items answered "Yes" in Item 8(b).

Alberta Forest Products Association.
Canadian Lumbermen's Association.
Canadian Pulp and Paper Association.
Canadian Wood Council.
Cariboo Lumber Manufacturer's Association.
Central Forest Products Association, Inc.
Council of Forest Industries of British Columbia.
COFI-Northern Interior Lumber Sector.
Interior Lumber Manufacturer's Association.
Maritime Lumber Bureau.
New Brunswich Forest Products Association.
Nova Scotia Forest Products Association.
Ontario Forest Industries Association.
Ontario Lumber Manufacturers Association.
Quebec Forest Industries Association.
Quebec Lumber Manufacturers Association.
The Western Plywood Manufacturers Association.

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it. N/A.

Date of Exhibit A: 2/3/92.

Name and Title: Mark Helmke, Executive Vice President and General Manager.

[From the U.S. Department of Justice, Washington, DC]

EXHIBIT B

TO REGISTRATION STATEMENT UNDER THE FOREIGN AGENTS REGISTRATION ACT OF 1938, AS AMENDED

Instructions: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in triplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, dissemination report, copy of political propaganda or other document or information filed with the Attorney General under this act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, D.C. One copy is automatically provided to the Secretary of State pursuant to section 6(b) of the Act, and copies of such documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. Finally, the Attorney General transmits an annual report to the Congress on the Administration of the Act which lists the names of all agents and the nature, sources and content of the political propaganda disseminated or distributed by them. This report is available to the public.

Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .33 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, D.C. 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

Name of Registrant: Robinson, Lake, Lerer & Montgomery.

Name of Foreign Principal: Canadian Forest Industries Council.

Check Appropriate Boxes:

3. The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and expenses, if any, to be received.

Duration of representation is indeterminate at this time. Fees will be billed on an hourly basis. Robinson, Lake, Lerer & Montgomery's rates range from $80.00 per hour to $400.00 per hour, dependent on level of participation.

4. Describe fully the nature and method of performance of the above indicated agreement of understanding.

(1) Monitor the news media.

(2) Explain to the news media and government officials, if necessary, through written and oral communications, the nature of the principal's interests.

5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

(1) Monitor the news media.

(2) Explain to the news media and government officials, if necessary, through written and oral communications, the nature of the principal's interests.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act? Yes.

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

Various federal agencies could possibly take action on matters related to the Canadian Forest Industries Council's interests. Consequently, our activities would explain the Council's attitude toward any such activities and further explain the possible impact any such government decisions might have on the Council.

Date of Exhibit B: 2/3/92.

Name and Title: Mark Helmke, Executive Vice President and General Manager.

Mr. BAUCUS. Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WASHINGTON STATE TRAILS PLAN

Mr. GORTON. Mr. President, the State of Washington is endowed with some of the Nation's most powerful and magnificent natural resources. From the jagged peaks of the Olympic Peninsula to the rolling Palouse in the southeast corner of the State, Washington is the ideal destination recreation stop. But the State's population is growing and with it, the intensity of recreational usage in our forests and parks. This growth in recreational usage has its greatest impact on the health and stability of trails. While the population of the State has grown from just over 1.5 million in 1950 to more than 5 million today, the number of miles of trails in the State has dropped during the same period from about 15,000 to about 11,000. Before the year 2000, trail use in Washington State is expected to grow by 34 percent. The use of trails has surpassed the supply and will only continue to grow.

The Interagency Committee for Outdoor Recreation has recognized this trend and, with great foresight, developed the Washington State trails plan. This plan recognizes the growing use of Washington's trail system and seeks to make a significant expansion of the system, on local, State and Federal land, between now and the year 2000. According to a study conducted in 1986–87, 76 percent of all State households walk or hike for recreation, 46 percent of households day hike on trails and 19 percent hike or backpack overnight along trails.

The Washington State trails plan calls for 158 miles of new urban trails, 509 miles of new county and State trails, and 1,939 miles of new Forest Service, nonwilderness trails. I fully endorse the Washington State trails plan and I will work to see that a strong Federal contribution to the plan is made this year and into the next century.

An investment in trails, Mr. President, is not only an investment in the health and happiness of people, but also an investment in the economy. Trail users in Washington State hold a current investment of $3.4 billion in outdoor equipment. This investment translates into annual sales of $345 million and annual sales tax revenues of $27.6 million.

The most important economic benefit of the Washington State trails plan is the creation of jobs for Washingtonians. Building trails will help resolve the current unemployment crisis in the State. Although trails construction will not return unemployment to stable levels, the construction of urban, county, and State trails will create an estimated 1,750 jobs and the construction of Federal trails and the anticipated maintenance of existing trails will create an estimated 4,500 jobs. Together, the construction of trails on all land ownerships under this plan will create 6,250 jobs. And these are not low-paying jobs: A trail crew member might earn $10 to $12 an hour and the crew's foreman might earn $15 an hour.

The trails plan will require a Federal contribution of $39.6 million from the Forest Service and $1 million per year from the National Park Service between now and the year 2000. This Federal commitment will not go unmatched; cities, counties, and the State of Washington are called upon to contribute a total of $70 million before the year 2000 at $8.75 million per year. This Federal, State, and local partnership will go a long way in ensuring that Washington State's trail system at least matches the standard set by the magnificent beauty of the region.

Mr. President, I am committed to the Washington State trails plan and I have made this a priority for appropriations this year. I have asked the Interior Appropriations Committee to add language to the fiscal year 1993 Interior Appropriations bill making clear that the intent of Congress is to see the Washington State trails plan is fully funded. I will work to see that the Forest Service commits to its $5 million portion of the overall budget for the plan and that the projected 250 miles of trails on Forest Service land in Washington State are constructed. I will also work to see that the National Park Service understands its role in implementing the plan. The Park Service should spend an additional $1 million this year for trail rehabilitation in national parks in the State of Washington.

As far as I know, this is the first comprehensive trails plan of its kind ever produced. I commend the hard work of the Interagency Committee for Outdoor Recreation. I hope that its work on the Washington State trails plan is not ignored and that Congress, the State of Washington, and local governments can find the resources to fund this important project.

A TRIBUTE TO FBI SPECIAL AGENTS JACK COLER AND RON WILLIAMS

Mr. PRESSLER. Mr. President, today, June 26, 1992, marks the anniversary of the death of two American heroes. On this day, 17 years ago, on the Pine Ridge Indian Reservation near the small town of Oglala, SD, two special agents of the Federal Bureau of Investigation, Jack Coler and Ron Williams, were murdered in the line of duty.

Special Agents Coler and Williams were in the service of the U.S. Government, doing a job the Congress of the United States authorized them to do. They were at the very beginning of promising careers with a Federal law enforcement agency in which each took a great deal of pride. Jack was 28 years old. Ron was 27.

Ron liked South Dakota and particularly enjoyed the Black Hills. After coming to my State in 1975, he had purchased a home in a quiet section of Rapid City, my State's second largest city. Jack was a guest in South Dakota, coming to my State from Colorado. He was halfway through a 60-day temporary duty assignment in the Rapid City FBI office when he was killed.

Revisionist authors, moviemakers, and investigative journalists recently have attempted to cast doubt on the distinguished service these fine agents rendered their country. They have chosen to do so by the most insensitive of devices; namely the elevation of their murderer to near martyrdom. Such attempts betray a profound ignorance of the facts of the case and an inhuman disregard for those who loved Jack Coler and Ron Williams.

Someday, we may hear more from the prosecutors who tried the case, the FBI agents who investigated it, the families of the slain agents, and the native Americans who were put through sheer terror by the same people who took the lives of Jack Coler and Ron Williams. I thank God for individuals like these two fine young men, who gave their lives fulfilling a congressional mandate to enforce the law and bring lawbreakers to justice. I also am thankful our country has a system of justice which justly prosecuted those responsible for this heinous crime and protects law-abiding people from those who callously take the lives of others.

To the families of Jack Coler and Ron Williams—my heart goes out to you on this mournful anniversary. I hope you take comfort in the knowledge that many people still carry with them the memory of Ron and Jack and will never forget the tremendous sacrifice they made so that the rest of us can live in peace. May God be with you.

EPA RELEASE OF FINAL PERMITS RULE

Mr. BAUCUS. Mr. President, the Clean Air Act instructed EPA to issue rules requiring all sources of air pollution to have operating permits. Yesterday the White House finally released the permits rule, after holding it hostage for more than a year.

And while the final rule is somewhat improved over the draft version, it still fails to live up to the mandate of the Clean Air Act.

When will the White House get it right?

Despite the clear intent of the Clean Air Act, the rule gives the public no notice or opportunity to comment on permit modifications requested by industry.

For some reason, the President wants to keep the public in the dark.

I guess this should be no surprise. After all, this is the same administration that set up the Council on Competitiveness to give business a secret, back door entrance to the White House regulatory process. Access denied to the public.

But that's not all. The rule also implies that the permit program for nonmajor sources may be indefinitely delayed. EPA promises to promulgate regulations for these sources in 5 years. But the recent history suggests that we may wait much longer.

There is no authority in the act for such a deferral.

And even worse, sources are allowed to seek State and EPA review of any changes in their operations after they are made. Again, the Clean Air Act does not authorize any such process.

Were this the only instance in which the administration has subverted the intent of Congress in passing the Clean Air Act, I might feel differently.

But the permits rule issued today is but another example of how the administration undermines the Clean Air Act.

Important regulations, such as the permits rule, are stalled for months, as the States and industry are left without guidance.

Legislative language is ignored or distorted beyond all common meaning of words.

Ultimately, the public health is threatened and jobs are lost.

For instance, delay in issuing regulations on hazardous chemicals means that 1 billion pounds per year of toxic emissions will continue to spew out.

And when it comes to controlling sources of air toxics, the White House has been studying the schedule for 3 months.

What are they doing at the White House?

Well, they certainly are not implementing the Clean Air Act.

They are not protecting public health or creating jobs.

They are not responding to the real needs of Americans.

A majority of Americans continue to live in areas where it is unsafe to breathe the air. The President promised us clean air by the year 2000.

But he is giving us more delay and more pollution.

Without timely implementation of the Clean Air Act, air pollution control companies cannot expand or even plan.

Environmental protection can mean good jobs. But this administration remains mired in an ideological anachronism, refusing to acknowledge the new reality.

Mr. President, I am deeply disappointed and frustrated that the White House refuses to keep its word on clean air. Unless it begins to do so soon, the environment—and all of us—will only continue to suffer.

NO MORE BILLIONS TO THE IMF

Mr. DECONCINI. Mr. President, in the wake of the recent visit to the United States of Russian President Boris Yeltsin, I feel that it is an appropriate time to discuss the issue of the

International Monetary Fund [IMF] and the proposed aid package for the Commonwealth of Independent States [CIS]. While I agree that it is important to see that the dramatic changes now occurring within the former Soviet Union come to a peaceful fruition, I cannot help but feel that extending these loans under these conditions would be an error of gigantic proportions.

While I am generally not opposed to limited assistance to the Commonwealth of Independent States, providing it is carefully targeted, I am adamantly opposed to the proposed United States contribution of $12 billion to recapitalize the IMF. Giving aid via the IMF is not the appropriate approach in my view. I cannot help but think that if the Commonwealth of Independent States begins to rely on the IMF now, it will only continue to rely on these loans in the future. As so many other nations around the world know only too well, the new republics could possibly become addicted to these IMF loans. In the long run, this could be more detrimental to the Commonwealth of Independent States than any future military scenario.

Nations that have been backed by the IMF in the past have had a hard time weaning themselves of this reliance. In a recent opinion piece in the New York Times, Doug Bandow cited Chile, Egypt, Turkey, Sudan, India, and Yugoslavia as being IMF borrowers for more than 30 years. For example, Egypt has owned the IMF money since 1957. Some of these nations have vibrant economies, but they tend to remain dependent on the IMF nevertheless.

Mr. Bandow also stated that once an IMF lending program for the Commonwealth of Independent States is initiated, the probability remains very strong that the IMF will be pressured—primarily by the Europeans—to continue to provide loans; even bad loans. The IMF should not be forced to do this. If necessary, the IMF spigot must be able to be turned off, and the United States must be able to be the plumber relied upon to turn it off.

In the past, IMF loans have been looted by lender nations. While I am not suggesting that President Yeltsin or President Nazarbayev will do this, we need to be assured that circumstances such as this will not reoccur.

Futhermore, the Heritage Foundation has written that policies enacted by the IMF do not necessarily target assistance to the neediest areas. We have already seen examples of this waste. First, the United States, and our Western allies provided $44 billion dollars to the Soviet Union that yielded few positive results. Then there was the much celebrated Operation Hope. This great donation of aid and supplies resulted in the historic delivery by United States military aircraft of 3 tons of size 48 pajama bottoms—but not tops—to Kiev, ham to Muslim Azerbaijan, facial razors to a women's prison, and tampons to a men's prison. How much longer will we allow our assistance to be wasted? Supporters of this aid package argue that the IMF will ensure that the money is put to good use, but I have my doubts. If I have doubts, how can I gamble with the American taxpayer's money?

The IMF is currently more concerned with guaranteeing a payback on their loans. While this may be admirable, it is being done at the expense of the people whom the IMF is trying to help. Recipient governments are forced to raise taxes to extreme levels in order to pay back the loans. Through taxes, people's incomes are transferred from where they are needed—at home and in the business place—out of the country and back into the hands of the IMF to repay an old loan. The IMF then uses this for a future loan whereby the process repeats itself. What we should be asking is how can the Commonwealth of Independent States best get itself on its feet so that loans will not be necessary?

An additional concern that I have is how to ensure that this aid is effectively distributed to the neediest areas. Once the IMF provides a loan, how will the individual Commonwealth of Independent States be held accountable for those funds? To date, this Senator has not had sufficient answers to these basic and vital and far-reaching questions.

Ideally, any assistance which we extend should be targeted to develop a proper infrastructure, and stabilize the economy. Equally important however, is to ensure that these loans are responsibly handled so that the nations of the Commonwealth of Independent States eventually will reach the point where they are no longer dependent on outside aid. Many comparisons have been and will continue to be made on the impact of the Marshall plan on rebuilding Europe after World War II. Under this farsighted program, which was initially resisted by many in Congress, Germany and the rest of Western Europe were rebuilt to the point where they are almost entirely independent of any foreign aid programs and, in fact, have become formidable competitors in the world economy. That has not, however, been the track record of the many new recipients of foreign assistance during the postcolonial independence era. We will not accept a return to the good old days when the IMF expanded its activities to the rest of the developing world, which led to useless squandering of these limited resources. But I am not reassured that the IMF has the necessary structures in place to guarantee that these funds will not be squandered.

The IMF also does not have a strong track record when it comes to encouraging nations to privatize state-owned industries. Privatization should be a cornerstone of any new assistance program to the CIS. Private ownership of farms, forcibly collectivized in the 1930's, should be major program goal. By decollectivizing the farm system, we will be able to move these nations a few steps further down the road to a privatized, market economy. The IMF needs to assist in the transfer of resources and businesses from the state to the people. Until natural resources and industries are placed in the hands of the people, the economy of the CIS will not be able to grow and flourish.

Unfortunately, IMF loans in the past have been used to slow down the privatization process as the governments of several developing nations diverted the loans to resolve short-term problems. Only later, when the governments realized that this aid was not endless, did the governments proceed with privatization. Privatization is not an easy process. It is difficult and can only be achieved by near-term sacrifice and pain in order to obtain long-term benefits and gain.

Finally, I am struck by the lack of any meaningful debt relief program in any of these assistance packages being put forth by the IMF, the World Bank, and other nations of the world. Why should we throw more credits and loans down the same hole that earlier credits and loans have been thrown, when we know that they will never be recovered? I first raised the concept of debt relief this spring with Yegor Gaidar, then the head of President Yeltsin's economic team and now Russia's acting Prime Minister. He sought me out during his visit to Washington when President Yelstin was meeting with President Bush at Camp David. He expressed keen interest in the prospects of debt relief as a means of getting the economic engine going immediately—even though he knew that the United States did not hold as much of the Russian debt as did Germany and others in Europe. Some say that it would be cynical for the United States to call for debt relief when it has been a reluctant party to the new CIS aid package. I believe the United States must take the lead in promoting debt relief as a realistic first step in resolving the CIS' economic problems.

Mr. President, like most of my colleagues in this body, I was caught up in the historic speech delivered by the Russian President on June 17. It was truly a significant occasion as the first democratically elected Russian President came to address a joint meeting of the Congress. But we must not get caught up in the emotion of the event. Emotion would have us go ahead and pass this bill without much debate, send aid to the CIS, then sit back and hope everything easily resolves itself in Russia, Ukraine, Kazahkstan, and the other newly independent States. If only things were so simple.

In closing, I cannot in good conscience commit the American taxpayer to these loans over which the United States has little to no control. It is the responsibility of the American Government to ensure that any financial assistance extended to the CIS is provided properly and effectively. The IMF cannot guarantee this. It is for this reason that I have opposed IMF loans in the past. And it is this reason I will continue to oppose them on this, or any other bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WELLSTONE). Without objection, it is so ordered.

THE RECENT DECISION OF BMW-AG TO LOCATE A NEW FACILITY IN SOUTH CAROLINA

Mr. THURMOND. Mr. President, this week, I had the great pleasure of attending an announcement of very good news for my home State of South Carolina. The board of BMW-AG, makers of the car they call the ultimate driving machine, has decided to locate their first overseas facility in upstate South Carolina.

Mr. President, I would like to take this opportunity to congratulate BMW on making such a wise choice for their new facility's location. Among our State's many positive attributes are an ideal climate, excellent highways and airports, and access to one of the Nation's finest international ports. In addition, our State is friendly to business, with a State government and congressional delegation, who strongly support industry.

Our best resource, however, is our people. South Carolinians have a strong work ethic and are eager for opportunities to demonstrate their ability. It is no secret that we have been hard hit in recent years by the loss of many textile jobs, and I know the people of the upstate will welcome this chance to show what they are made of. I think I can promise our German friends that they are about to learn the definition of southern hospitality.

Tuesday's announcement was attended via satellite by Mr. Eberhard von Kuenheim, BMW's chairman of the board; and in person by Mr. Bernd Pischetsrieder, member of the board responsible for manufacturing; Dr. Helmut Panke, director of corporate planning; Mr. Karl H. Gerlinger, president and CEO of BMW of North America; and Mr. Craig R. Helsing, vice president for corporate affairs at BMW of North America.

Mr. President, I would like to commend the many people in South Carolina who worked to make this wonderful event possible, especially Gov. Carroll Campbell. Governor Campbell's vision in attracting new business to South Carolina will benefit the people of our State for many years.

Again, I congratulate BMW on making an excellent choice, and I commend all those involved for their success in forming this new partnership between Germany and South Carolina. I am confident that South Carolina-made BMW's will set a new standard for excellence.

TRIBUTE TO GEN. JOHN R. GALVIN, SUPREME ALLIED COMMANDER EUROPE AND COMMANDER IN CHIEF, U.S. EUROPEAN COMMAND

Mr. THURMOND. Mr. President, I rise today to recognize one of this country's most distinguished soldiers, Gen. John R. Galvin, who is retiring after 44 distinguished years in the service of our Nation. General Galvin's career began with the dawn of the cold war and most appropriately closes with the end of the cold war. He participated in this war on the plains of Europe, in the jungles of Vietnam and South America and, finally, as NATO's supreme commander. Throughout this period, he distinguished himself with glory, most prominently in his position as the Supreme Commander Allied Forces in Europe.

Mr. President, our Nation and European Allies will miss General Galvin's political acumen and military expertise. These traits, coupled with his leadership, were the key to NATO's successful transition from cold war confrontation with the former Soviet Union to a benefactor relationship with this former enemy. General Galvin's dedication toward this goal will be remembered in the annals of history and will contribute to peace in Europe for the next generation.

Mr. President, General Galvin began his military career, as did many of our Nation's distinguished soldiers, as an enlisted man in the Massachusetts National Guard. This foundation as a citizen soldier served him well throughout his distinguished career. He never forgot his roots in the enlisted ranks. This was evident during his many appearances before the Armed Services Committee, at which he always expressed his concern for the men and women and their families under his command.

Mr. President, our Nation, and the Congress will miss General Galvin's wise counsel and personal diplomacy on behalf of our soldiers and NATO. I wish him and his wife, Jinny, continued success in the new challenges that retirement will bring.

Mr. President, I yield the floor.

BALANCED BUDGET AMENDMENT

Mr. SIMPSON. Mr. President, I rise to say a few words of support for the balanced budget amendment we are considering today.

As a supporter and original cosponsor of the balanced budget amendment introduced by Senators SIMON and THURMOND, I was very disappointed to see the amendment fail in the House of Representatives. It was an example of exactly the sort of special interest politics which continues to prevail in this country at the expense of the national interest.

When I say that, I do not impugn the motives of anyone on either side of this issue. But what happened over there in the House was understood by all of us—especially those of us who have been carefully reading our mail on this issue. It is very apparent what had happened, considering that the balanced budget had—until just shortly before the vote—enough votes to pass in the other Chamber. We had actually thought that the Senate would be the difficult vote for this amendment. When original cosponsors of a bill turn around and vote against it, as happened in the House, you know something extraordinary has occurred. You know the political heat was turned up higher than some Members of Congress could ever bear and they did not bear up.

In public service we have a gentle habit of using code words to disguise what we really mean. When we read what we consider to be arguments that are deceptive or intentionally misleading, we talk about sophistry. We talk about misrepresentation. That takes the edge off of it—we do not like to talk about lies.

I have received mail telling me that this balanced budget amendment would result in substantial and punitive cuts in Social Security—they even have the figures calculated for us. The projected monthly cuts in Social Security range from $52 to $90. I do not know what else to call that but a lie—a damnable lie. There are no projected cuts in this amendment—and we all know that, all of us except those who depend on these groups for their twisted and distorted information.

In fact, that's the rap on this amendment. I am a cosponsor of the Kasten amendment which would ensure that the budget would be balanced through spending restraint, not through tax increases. We are not likely to pass that one. Indeed, the one reason this amendment stood a chance of passage is precisely because it did not mandate cuts. All this amendment does is to declare Congress' obligation to balance the Federal books.

Mr. President, I never thought I would see the day that my good friend and colleague—a man I have known and admired for over 20 years, Senator SIMON of Illinois, would be labeled as the enemy of the poor and the elderly. It might be only an amusing election year development if it were not part of a very real crisis.

I do not know whether these activist groups will be able to convince our seniors that they are their friends, and that Senator SIMON is their enemy. What trash talk. In 1992, perhaps that ridiculous idea can gain some currency. I do know this, though—if someday the seniors of 2015 look back and study this debate—or the seniors of 2030, or the seniors of 2100—they will definitely and clearly know better.

This is an extraordinary new standard in special interest lobbying. This is a lobbying effort, not against a particular set of cuts, nor against a particular tax action. It is not against a particular way of balancing the budget. It is a lobbying effort against a balanced budget itself. Often around here we have constituents come in to our office and say—give us this. Fund this program, do not raise my taxes—and, oh yes, balance the budget. But this lobbying campaign is fundamentally different—it is very simply—do not balance the budget. Stick it to our children and to our grandchildren. Let them pay all our bills—even if they are broke.

That really is what this is all about. The amendment before us does not prescribe the method by which the budget should be balanced. It does not even eliminate Congress' ability to run a deficit—a three-fifths majority is all it would take to continue to do that. It merely erects some procedural hurdles against deficit spending, and more importantly, elevates our obligation to future generations to the level of a constitutional duty.

Mr. President, I have heard it said that a constitutional balanced budget amendment would infringe upon Congress' constitutionally granted power of the purse.

Of what does that power consist? It consists of the right to set national spending priorities, to tax, to spend, to decide what proportion of national resources will be spent by the Federal Government.

This amendment would not take away any of that. It would not even completely eliminate the ability to deficit-spend.

Mr. President, I also have some very definite ideas concerning what the power of the purse is not. It is not the right to bankrupt our country. It is not the right to steal from future generations in order to give to present ones—regardless of their net worth or their income.

There is no power granted to any branch of this Government which is unlimited to the extent of destroying our ability to pass the blessings of liberty, undiminished, to our posterity. Yet, we have not conducted our national fiscal and monetary affairs in a way that recognizes that obligation. It is highly appropriate that the Constitution be amended if for no other reason to remind us that it exists, and then to hold us tightly accountable to it.

I thank my colleagues and I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

UNANIMOUS-CONSENT AGREEMENT—S. 2532, S. 2733

Mr. MITCHELL. Mr. President, I ask unanimous consent that Senator BYRD be recognized immediately following the attainment of this consent request in order to vitiate the modification of his amendments Nos. 2448 and 2449; that the Senate proceed to the consideration of Calendar No. 476, S. 2532, the Freedom for Russia and the Other European Emerging Democracies Act, at 3 p.m., on Monday, June 29, for debate only;

That on Tuesday, June 30, at 2:15 p.m., the Senate resume consideration of S. 2733, the bill to reform Government-sponsored enterprises, at which time Senator KASTEN be recognized to offer a perfecting amendment to the Seymour amendment, relating to requiring a three-fifths vote of the whole membership of both Houses of Congress to enact a revenue increase; that no amendment to this amendment be in order; that there be 2 hours for debate on the Kasten amendment, equally divided and controlled in the usual form; and at the conclusion or yielding back of time on the Kasten amendment, the Senate proceed to vote on the Kasten amendment;

That upon the disposition of the Kasten amendment there be a time limitation of 2 hours for debate on both the Byrd amendments Nos. 2449 and 2448 inclusive, equally divided in the usual form; that at the conclusion, or yielding back of time, the Senate vote immediately on the Byrd substitute amendment No. 2449; to be followed immediately by a vote on the Byrd substitute No. 2448, as amended, if amended;

That if the Byrd amendment No. 2448, as amended, if amended, is agreed to, Senator SEYMOUR then be immediately recognized to withdraw his amendment No. 2447; and the Senate then proceed to have S. 2733 read for the third time and vote on passage of the bill, with each of these steps in relation to both the Byrd and the Seymour amendments and passage of S. 2733 occurring without any intervening action or debate;

Provided further, that if the Byrd amendment No. 2448, as amended if amended, is not agreed to, there then be 2 hours of debate preceding a vote on a motion to invoke cloture on the Seymour amendment No. 2447, as amended, if amended, with the live quorum mandated by rule XXII, being waived and with all the preceding actions being taken without any intervening action or debate; that

If cloture is not invoked on the Seymour amendment, no further actions in relation to the bill be in order for the balance of the day other than debate; that the Senate resume consideration of this bill at 9 a.m. on Wednesday, July 1; that there then be 1 hour for further debate prior to a second vote on a motion to invoke cloture on the Seymour amendment No. 2447, equally divided and controlled between Senators SEYMOUR and BYRD, or their designees; and that at 10 a.m. the Senate proceed to vote, without any intervening action or debate, on this second motion to invoke cloture, with the live quorum having been waived;

That if cloture is not then invoked on the Seymour amendment, Senator SEYMOUR then be recognized to withdraw his amendment; that the bill, S. 2733 be read for the third time and a vote occur on passage of the bill, with each of these steps occurring without any intervening action or debate; and

That the cloture motions referred to in this consent be considered as having been timely filed if they are filed at any time prior to the cloture votes; and that it then not be in order to offer any amendment relative to a constitutional amendment to balance the budget to any bill or joint resolution for the balance of this session of Congress.

Mr. President, I want to make clear in the event it is not, that with respect to the Kasten amendment the vote on the Kasten amendment occur at the conclusion or yielding back of time, without any intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. SIMPSON. The insertion with regard to "other than debate," that has been taken care of, and the provision on the issue of further activity?

Mr. MITCHELL. Right.

Mr. SIMPSON. No, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 640

Mr. MITCHELL. Mr. President, I now ask unanimous consent that S. 640, the product liability bill, be referred to the Judiciary Committee until August 12; that if the Judiciary Committee has not reported the bill by that time the committee be discharged from further consideration of the bill and the bill be placed on the calendar.

I further ask unanimous consent that on Tuesday, September 8, upon the conclusion of morning business, I be recognized, and that it be in order, to move to proceed to S. 640, notwithstanding the provisions of rule XXII or any other rule of the Senate; that the managers of the bill shall be Senators HOLLINGS and DANFORTH or their designees; and that no other motion or amendment relating to the subject of S. 640 be in order either prior to September 8 or for the remainder of the Congress thereafter, other than those offered in relation to my motion or to the bill itself.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The text of the agreements is as follows:

Ordered, That at 3 p.m. on Monday, June 29, 1992, the Senate proceed to the consideration of S. 2532, the Freedom for Russia and the Other European Emerging Democracies Act, for debate only.

Ordered further, That on Tuesday, June 30, 1992, at 2:15 p.m. the Senate resume consideration of S. 2733, the Bill to Reform Government Sponsored Enterprises, at which time the Senator from Wisconsin (Mr. Kasten) be recognized to offer a perfecting amendment to the Seymour amendment, relating to requiring a 3/5's vote of the whole membership of both Houses of Congress to enact a revenue increase, and that no amendment to this amendment be in order.

Ordered further, That there be 2 hours for debate on the Kasten amendment, to be equally divided and controlled in the usual form.

Ordered further, That at the conclusion or yielding back of time on the Kasten amendment, the Senate proceed to vote on the Kasten amendment, without any intervening action or debate.

Ordered further, That upon the disposition of the Kasten amendment, there be a time limitation of 2 hours for debate on both the Byrd amendments, No. 2449 and 2448, inclusive, to be equally divided in the usual form.

Ordered further, That at the conclusion, or yielding back of time, the Senate vote immediately on the Byrd substitute, No. 2448, as amended, if amended.

Ordered further, That if the Byrd amendment, No. 2448, as amended, if amended, is not agreed to, the Senator from California (Mr. Seymour) then be immediately recognized to withdraw his amendment, No. 2447, and the Senate then proceed to have S. 2733 read for the third time, and vote on passage of the bill, with each of these steps in relation to both the Byrd and the Seymour amendments occurring without any intervening action or debate.

Ordered further, That if the Byrd amendment, No. 2448, as amended, if amended, is not agreed to, there then be 2 hours of debate preceding a vote on a motion to invoke cloture on the Seymour amendment, No. 2447, as amended, if amended, with the live quorum mandated by Rule XXII being waived, and with all the preceding actions being taken without any intervening action or debate.

Ordered further, That if cloture is not invoked on the Seymour amendment, no further actions in relation to the bill be in order for the balance of the day, other than debate.

Ordered further, That at 9 a.m. on Wednesday, July 1, 1992, the Senate resume consideration of S. 2733, and that there then be 1 hour for further debate prior to a second vote on a motion to invoke cloture on the Seymour amendment, No. 2447, to be equally divided and controlled between the Senator from California (Mr. Seymour) and the Senator from West Virginia (Mr. Byrd), or their designees.

Ordered further, That at 10 a.m. on Wednesday, July 1, 1992, the Senate proceed to vote, without any intervening action or debate, on this second motion to invoke cloture, with the live quorum having been waived.

Ordered further, That if cloture is not then invoked on the Seymour amendment, the Senator from California (Mr. Seymour) then be recognized to withdraw his amendment, that the bill, S. 2733, be read for the third time and a vote occur on passage of the bill, with each of these steps occurring without any intervening action or debate.

Ordered further, That the cloture motions referred to in this consent agreement be considered as having been timely filed if they are filed at any time prior to the cloture votes, and that it then not be in order to offer any amendment relative to a Constitutional amendment to balance the budget to any bill or joint resolution for the balance of this session of Congress.

Ordered further, That first degree amendments in relation to the first cloture motion may be filed until 4 p.m. on Monday, June 29, 1992, and first degree amendments in relation to the second cloture motion may be filed until 12:30 p.m. on Tuesday, June 30, 1992.

Ordered, That S. 640, the Product Liability Bill, be referred to the Judiciary Committee until August 12, 1992, and that if the Judiciary Committee has not reported the bill by that time the committee be discharged from further consideration of the bill and the bill be placed on the Calendar.

Ordered further, That on Tuesday, September 8, 1992, upon the conclusion of Morning Business, the Majority Leader be recognized and that it be in order to move to proceed to S. 640, notwithstanding the provisions of Rule XXII or any other Rule of the Senate.

Ordered further, That the managers of the bill shall be the Senator from South Carolina (Mr. Hollings) and the Senator from Missouri (Mr. Danforth), or their designees.

Ordered further, That no other motion or amendment relating to the subject of S. 640 be in order either prior to September 8, 1992, or for the remainder of the Congress thereafter, other than those offered in relation to the Majority Leader's motion or to the bill itself.

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia is recognized.

FEDERAL HOUSING ENTERPRISES REGULATORY REFORM ACT

The Senate continued with the consideration of the bill.

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD. Mr. President, I ask unanimous consent that the modifications which I made last evening in accordance with the rules and precedents of the Senate to my two amendments, on page 3 line 4 of each, be vitiated; and that the word "may" which appeared in the modification revert to the original word, "shall," in each of the amendments.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I thank my colleagues for their patience with respect to this matter. This agreement is the product of many hours of intensive discussion between myself and the distinguished Republican leader and the distinguished assistant Republican leader, the chairman of the Appropriations Committee, and many other interested Senators. And I thank them all for their courtesy. I especially thank my friend, Senator SIMPSON, for his courtesy throughout this process.

PROGRAM

Mr. MITCHELL. Mr. President, there will be no further rollcall votes today. Under this order, the Senate will take up the Freedom for Russia Act on Monday, beginning at 3 p.m., for debate only. There will be no votes on that bill on that day. There will be no votes of any kind on Monday.

On Tuesday, beginning at 2:15 p.m., following the party caucuses, the Senate will return to consideration of S. 2733 and Senator KASTEN will be recognized to offer his amendment. If the full time is used on the Kasten amendment, a vote will occur on that at approximately 4:15 p.m. Of course, if the time is not used the vote will occur before then, so Senators should be aware that the next vote will occur not prior to 2:15 p.m. next Tuesday and not later than 4:15 p.m. next Tuesday. The remainder of the agreement is, of course, self explanatory.

In any event, we will complete action on these measures, hopefully being able to dispose of them, finally, both the balanced budget amendment debate, S. 2733, the Government-sponsored enterprises bill, and then take up the Freedom for Russia Act in earnest on Wednesday, following the second cloture vote, if a second cloture vote occurs. In that event, I expect that we will have a busy time on Tuesday, Wednesday, and Thursday. It remains my hope Mr. President, that we can complete action on the freedom for Russia bill prior to the onset of the Fourth of July recess.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

APPRECIATION TO ALL FOR ASSISTANCE

Mr. SIMPSON. Mr. President, I want to thank sincerely the majority leader, Senator MITCHELL, for his courtesies and his fairness, all exemplary, his extraordinary patience which is quite beyond measure, at least to this Senator. And he does that superbly.

We were able to arrive at this and it could not have been done without the assistance of Senator BYRD. I thank him. The amendment which he so vigorously pursued was somewhat disabling for a time to some on our side, and that has been taken care of.

And to Senator NICKLES, particularly, feeling great passion for his cause, and Senator SEYMOUR, my appreciation to them, and to Senator GRAMM who tenaciously and passionately held to his course, which is his nature, and I thank him.

This will give Senator KASTEN an opportunity to have an up or down vote, and for Senator BYRD to have that same courtesy.

And to Senator KASTEN my appreciation; Senator DOMENICI, Senator COCHRAN, and others on this side of the aisle and the other side of the aisle, and staff, who were so diligent in assisting in resolving what could have been a very tumultuous activity, which would have prevented the majority leader from going to the Russian aid bill, something the President deeply desires, something the Secretary of State desires, and something our leader, BOB DOLE, is most interested in. I am pleased we were able to resolve this issue.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Calendar Nos. 665, 666, 667, 668, 669, 670, 671, 672, and James P. Huff, Sr., to be Administrator of the Rural Electrification Administration, reported earlier today by the Committee on Agriculture, Nutrition, and Forestry.

I further ask unanimous consent that the nominees be confirmed en bloc; that any statements appear in the RECORD as if read; that the motions to reconsider be laid upon the table en bloc; that the President be immediately notified of the Senate's action; and the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

Stephanie Duncan-Peters, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia.

Ann O'Regan Keary, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia.

Judith E. Retchin, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia.

William M. Jackson, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia.

THE JUDICIARY

Norman H. Stahl, of New Hampshire, to be U.S. circuit judge for the First Circuit.

Thomas K. Moore, of the Virgin Islands, to be a judge of the District Court of the Virgin Islands for a term of 10 years.

Eduardo C. Robreno, of Pennsylvania, to be U.S. district judge for the Eastern District of Pennsylvania.

Gordon J. Quist, of Michigan, to the U.S. district judge for the Western District of Michigan vice a new position created by Public Law 101-650, approved December 1, 1990.

RURAL ELECTRIFICATION ADMINISTRATION

James B. Huff, Sr., to be Administrator of the Rural Electrification Administration.

STATEMENT ON THE NOMINATION OF JAMES HUFF, SR.

Mr. COCHRAN. Mr. President, I take this time simply to express my appreciation and gratitude to the distinguished chairman of the Agriculture Committee, Senator LEAHY, and all the members of the Agriculture Committee for the expeditious consideration of the nomination of James Huff to be Administrator of the Rural Electrification Administration. Mr. Huff has just been confirmed as Administrator, and I predict that he will render distinguished service in that capacity. He has been serving as State Director of the Farmers Home Administration in my State of Mississippi, and he has done so with a great deal of skill and has distinguished himself as a person who has a unique ability to get along with others but to do a job that sometimes is very difficult.

He has had experience in management in an executive position with Masonite Corp., headquartered at Merrill, MS. He has been looked to in his community, city, and county for leadership on a wide variety of civic and political issues, and he has been called upon to serve in many positions of responsibility in his area. I am very happy the Senate has acted today to confirm him as head of the Rural Electrification Administration. I congratulate him on his confirmation and wish for him every success and satisfaction in his years ahead in his service in this capacity to the United States of America.

STATEMENT ON THE NOMINATION OF JAMES B. HUFF, SR.

Mr. KERREY. Mr. President, I oppose the nomination of James B. Huff, Sr., to be Administrator of the Rural Electrification Administration.

During the early part of the Reagan administration, the Rural Electrification Administration [REA] imposed a policy that allows rural electric cooperatives to prepay their REA loans only if the borrowers agree to forfeit all future eligibility for REA financing of any type. Under that policy, the only way that an electric cooperative can reestablish its eligibility for REA loans is by agreeing to repay the Federal Government all of the interest costs, for the entire original life of the loan, that the REA borrower saved by prepaying the loan. That policy is still in effect today. If there was ever a more transparent, but back-door attempt to gut REA programs by people who are fundamentally hostile to the REA mission, I have not seen it.

Because of the economic necessity of refinancing REA loans obtained when interest rates were much higher, at least 29 rural electric cooperatives and public power districts—including 14 in my own State of Nebraska—have been driven by this draconian policy from all REA lending programs in the future, including REA's rural development program.

When Mr. Huff's nomination was considered by the Committee on Agriculture, Nutrition, and Forestry, I asked him whether or not he agreed with the REA policy imposing sanctions on those who prepay their loans. His answer was disturbing for two reasons.

First, he stated his intention to continue that policy, if confirmed.

Second, I regret to say, his response rather disingenuously traces the origin of the policy and its implementation over the past several years. In short, his answer explains that it was Congress which passed legislation in the early 1980's to authorize REA borrowers to prepay their loans, thus implying that Congress is to blame for this policy when, in fact, it was the administration that subsequently decided to force borrowers to exit the REA lending program if they exercised the prepayment option.

Mr. President, I expect to see nominees from this administration with whom I have basic policy disagreements. What I do not expect, and will not accept, are attempts to distort the record on the origin of those policies.

I will not delay this nomination, however, primarily because of my belief that the nominee's tenure in the position, like the duration of the administration itself, is likely to be brief, thanks to the very policies they espouse.

The text of my question to Mr. Huff and his response follows:

QUESTIONS FROM SENATOR ROBERT KERREY

Question. During the Reagan Administration, the REA imposed a policy, apparently still in effect, that allows rural electric cooperatives to pre-pay their REA loans only if the borrowers agree to forego all REA financing in the future. Because of the economic necessity of refinancing REA loans obtained when interest rates were much higher, at least 29 rural electric cooperatives and public power districts (including 14 in Nebraska) have been driven, by this condition, from all future REA lending programs.

Do you agree with this policy, and if so, why? Why should REA borrowers be penalized for pre-paying their high-interest rate loans—a sanction not imposed on homeowners or businesses?

Answer. It is my understanding that during the Reagan Administration, Congress enacted legislation to permit REA electric and telephone borrowers to prepay their low interest REA insured loans at a discount and that twenty-nine rural electric borrowers did repay their REA loans. REA regulations do permit these borrowers to obtain additional loans from REA if the borrower makes the Government "whole" again by repaying the amount of the discount plus interest. I shall of course implement those policies set forth in legislation.

There are REA power supply borrowers that do have high interest rate Federal Financing Bank (FFB) loans which are guaranteed by REA. It is my understanding that the FFB is approving requests from many of these borrowers to "reprice" certain of their high interest notes at the current lower FFB interest rates.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume legislative session.

MESSAGES FROM THE HOUSE

At 11:20 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker announces the following modification in the appointment of conferees in the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2194) entitled "An act to amend the Solid Waste Disposal Act to clarify provisions concerning the application of certain requirements and sanctions to Federal facilities":

In the panel from the Committee on Energy and Commerce, Mr. BILIRAKIS is appointed in lieu of Mr. SCHAEFER for consideration of that portion of section 2(b) of the House bill which adds section 6001(c) to the Solid Waste Disposal Act.

The message also announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 5427. An act making appropriations for the Legislative Branch for the fiscal year ending September 30, 1993, and for other purposes; and

H.J. Res. 459. Joint resolution designating the week beginning July 26, 1992, as "Lyme Disease Awareness Week."

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 5427. An act making appropriations for the Legislative Branch for the fiscal year ending September 30, 1993, and for other purposes; to the Committee on Appropriations.

MEASURES PLACED ON THE CALENDAR

The following joint resolution was read the first and second times by unanimous consent, and placed on the calendar:

H.J. Res. 459. Joint resolution designating the week beginning July 26, 1992 as "Lyme Disease Awareness Week."

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–415. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Agriculture, Nutrition, and Forestry.

"SENATE CONCURRENT RESOLUTION NO. 64

"Whereas, the Imported Red Fire Ant has entered the United States and spread to all the southeastern United States; and

"Whereas, the food of the Imported Red Fire Ant is primarily insects, ticks, spiders and earthworms and the ants damage crops and tree seedlings; and

"Whereas, new mounds are usually established on moist soil and tunnels have been traced over 80 feet from the mound and as deep as four feet under the mound; and

"Whereas, there may be as many as 300,000 ants per mound and reproduce from egg to adult in 22 to 28 days; and

"Whereas, Louisiana being a very wet state, creates the perfect habitat for the fire ants, which have become uncontrollable.

"*Therefore, be it resolved*, That the Legislature of Louisiana memorializes Congress to provide assistance in combatting the current destruction and further spreading of the Imported Red Fire Ant.

"*Be it further resolved*, That a copy of this Resolution shall be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM–416. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Appropriations:

"HOUSE CONCURRENT RESOLUTION 86

"Whereas, according to a 1990 report by the State Department of Business, Economic Development, and Tourism, between 1980 and 1989, the number of households in Hawaii increased by 22.8 percent, while the total housing supply grew by only 17.7 percent; and

"Whereas, this disparity between housing supply and demand is just one factor of the deepening housing shortage in the State; and

"Whereas, not only local residents, but military personnel stationed or homeported in Hawaii are also feeling the pressures of finding a place to live; and

"Whereas, the need for more affordable rentals and housing units has never been more critical than before for both the military and the civilian sectors; and

"Whereas, as the military competes with Hawaii's resident population for the limited number of rentals statewide, the housing crisis continues to deepen; and

"Whereas, increased governmental effort and action to provide for the housing needs of the armed forces in Hawaii is immediate, as the military undergoes scrutiny and pressure to downsize its presence locally, nationally, and internationally; and

"Whereas, future military activity in Hawaii may depend on the availability and affordability of housing in the State; and

"Whereas, shortages of military funds for housing and the lack of military housing units in the State demand that new military housing be funded and supported by congressional appropriations and federal funding; and

"Whereas, federal housing impact aid funds would compensate the resident community in Hawaii for the cost of providing sufficient housing facilities and units for federally-connected personnel; and

"Whereas, furthermore, these funds would be used to develop, construct, and maintain much-needed housing units and facilities for military personnel stationed in the State; now, therefore, be it

"*Resolved by the House of Representatives of the Sixteenth Legislature of the State of Hawaii, Regular Session of 1992, the Senate concurring*, That the Congress of the United States is requested to provide federal housing impact aid funds for infrastructure development, construction, and maintenance of housing units and facilities for military dependents; and be it further

"*Resolved*, That certified copies of this Concurrent Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, members of Congress, the Secretary of the United States Department of Housing and Urban Development, Secretary of Defense, the Commander in Chief of the Pacific, the Commander of the Oahu Consolidated Family Housing Office, the Military Affairs Council of the Chamber of Commerce of Hawaii, and each member of Hawaii's Congressional Delegation."

POM–417. A resolution adopted by the Senate of the Legislature of the Commonwealth of Virginia; to the Committee on Commerce, Science, and Transportation:

"SENATE RESOLUTION NO. 4

"Whereas, federal law provides that during the period commencing at 2 o'clock antemeridian on the last Sunday of April of each year and ending at 2 o'clock antemeridian on the last Sunday of October of each year, the standard time of each zone shall be advanced one hour and shall be known as the daylight saving time of such zone during that period; and

"Whereas, the period commencing at 2 o'clock antemeridian on the last Sunday of October of each year and ending at 2 o'clock antemeridian on the last Sunday of April of each year is known as the standard time during that period; and

"Whereas, any state or Commonwealth that lies entirely within one time zone may by law exempt itself from the federal law providing for the advancement of time; now, therefore, be it

"*Resolved by the Senate*, That the Senate hereby express support of extending the period of daylight saving time from 2 o'clock antemeridian on the last Sunday of October of each year to 2 o'clock antemeridian on the first Sunday of November of each year."

POM–418. A concurrent resolution adopted by the Legislature of the State of Michigan; to the Committee on Energy and Natural Resources:

"SENATE CONCURRENT RESOLUTION NO. 342

"Whereas, The Michigan Legislature has long recognized the merits of historic preservation and interpretation as an integral function of educational and economic development and expressed such conviction by the establishment of such sites as the Mackinac Island State Park, the Fayette State Park, and Fort Wilkins State Park. Moreover, the Michigan Legislative has invested in projects to undergird such preservation and interpretation through equity grants in facilities such as the Quincy Mine Hoist, the Calumet Historic Theatre, and the Iron County Historical Museum; and

"Whereas, The Michigan Bureau of History has recognized the importance of regional landscapes which distinguish one region from another through their natural, cultural, recreational, and economic attributes which stimulate the local economy and improve the quality of life. The Michigan Bureau of History has also encouraged the concept of a regional heritage area in the Western Upper Peninsula of Michigan by securing funds from the United States Department of Interior along with donations from many local organizations which were invested in the preparation of a regional historic resources management plan; and

"Whereas, The United States Department of Interior has recognized the national significance of the copper mining and processing industry in the Keweenaw Peninsula by designating both the Quincy and Calumet areas as national historic landmark districts. National legislation has been introduced jointly by Congressman Robert Davis and Senator Carl Levin to make these landmarks part of the national park system with the title "The Keweenaw National Historical Park"; and

"Whereas, The Michigan Legislature endorses the concept of the Keweenaw National Historical Park, which celebrates the national significance of Michigan's copper mining district and recognizes the importance of historic resources and their economic contribution to the regional landscape, by supporting the concept of a regional heritage reserve in the Western Upper Peninsula of Michigan; now, therefore, be it

"*Resolved by the Senate (the House of Representatives concurring)*, That we hereby memorialize the Congress of the United States to designate the Quincy and Calumet areas of Copper Country in the Keweenaw Peninsula of Michigan's Upper Peninsula part of the national park system with the title, "The Keweenaw National Historic Park"; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation."

POM-419. A concurrent resolution adopted by the Legislature of the Commonwealth of Massachusetts; to the Committee on Environment and Public Works:

"RESOLUTION

"Whereas, the solid waste management crisis in the United States has reached epic proportions and needs to be addressed aggressively on a national level; and

"Whereas, Americans generate one hundred and eighty million tons of solid waste annually which will cause seventy percent of all existing land-fills filled are closed by the year 2001; and

"Whereas, our continued reliance on landfills and incinerators will cause taxes and consumer costs to escalate and also can cause costly and irreparable damage to the environment; and

"Whereas, the well-managed reduction, reuse, composting, and recycling of solid waste has the potential to protect the environment, conserve resources, reduce solid waste disposal costs, boost the economy, and create jobs; and

"Whereas, recognizing the significance of Earth Day, we must ensure future generations a safe, clean, and hospitable world by addressing pressing problems such as solid waste management; therefore be it

"*Resolved*, That the Massachusetts General Court respectfully urges the Congress of the United States to enact an environmentally sound reauthorization of the Federal Resource Conservation and Recovery Act; and be it further

"*Resolved*, That the General Court of Massachusetts also respectfully urges Congress to include in its reauthorization of RCRA measures such as requiring a minimum content of recycled material in packaging; providing tax credits for businesses to promote recycling and the use of recycled materials in manufacturing; assisting cities and towns in the development of composting and recycling programs; encouraging the recycling of waste oil; ensuring that foreign countries manage their waste exports from the United States under strict environmental laws; reducing our dependence on incineration; granting citizens the right-to-know what toxic chemicals are being burned in and emitted from incinerators; and developing an environmentally sound Federal Government procurement policy; and be it further

"*Resolved*, That copies of these resolutions be transmitted by the clerk of the Senate to the President of the United States, the Presiding Officer of each branch of Congress and the Members thereof from this Commonwealth."

POM-420. A concurrent resolution adopted by the Legislature of the Commonwealth of Massachusetts; to the Committee on Environment and Public Works:

"RESOLUTION

"Whereas, virtually every water utility will have to finance capital improvements and improved operation, maintenance, and laboratory support without Federal help for complying with an explosion of new Safe Drinking Water Act (SDWA] regulations during the next ten years. By the year two thousand, the SDWA will:

"Substantially increase the number of regulated contaminants that must be tested (from sixty-three today to approximately two hundred);

"Require the monitoring of many yet unregulated contaminants;

"Establish regulatory benchmarks for treatment technologies;

"Require filtration for nearly all surface water supplies and disinfection for all public water system and;

"Ensure that a ban on lead-based solder, pipe, and flux materials is properly implemented;

"Will take action in response to newly bolstered enforcement powers; and

"Whereas, remaining in compliance with the Federal Safe Drinking Water Act Amendments of 1986 will severely affect the economic viability of public water systems; especially those serving a population of less than ten thousand; and

"Whereas, these Federal requirements affect all water suppliers, small (those serving as few as twenty-five people or with fifteen service connections) and large; and

"Whereas, a recent Massachusetts Department of Environmental Protection study has determined that the commonwealth's five hundred and six community systems will require an additional $1.1 billion for new Safe Drinking Water Act mandated facility improvements and additions, and this estimate will not cover the needs of the noncommunity community systems (such as schools, day care centers, restaurants, camp grounds, mobile home parks, and businesses) which make up sixty-six percent of the commonwealth's one thousand four hundred and eighty-six water systems nor the engineering and design work and the hiring of certified operators for the proposed facilities; and

"Whereas, a recent New England Water Works Association study group has estimated approximately $3.6 billion will be required in the next 20 years for community and noncommunity capital improvements that will be required to meet compliance requirements; and this estimate does not include increased monitoring, hiring of new operators, operation and maintenance, and increased monitoring costs; and

"Whereas, in the Commonwealth of Massachusetts, small water systems will bear the highest burden because their relatively small service populations will not allow for economies of scale as larger systems where the costs are spread over a larger ratepayer base; according to the U.S. Environmental Protection Agency, the annual household cost for the required capital improvements for all systems large and small is expected to range from one hundred and two dollars (for systems serving greater than a million people) to twelve hundred dollars (for systems serving less than one hundred people); in Massachusetts this means that the ratepayers and owners for eighty-nine percent of the water utilities will undergo a substantial and devastating economic hardship in the years ahead because they serve only fourteen and three-tenths percent of the commonwealth's population. Collectively, noncommunity water systems and small community systems represent eighty-nine percent of all water utilities and provide water for ten percent of the Commonwealth's population; and

"Whereas, all water utilities large and small must comply by these requirements or if they delay or do not take action to comply face the possibility of administrative penalties that could cost twenty-five thousand dollars per day: Now, therefore be it

"*Resolved*, That the Massachusetts General Court respectfully urges the United States Congress to reinstate a grant and/or revolving loan fund for its mandate to protect public health from water-borne contaminants for the purpose of assisting small water systems in paying for their capital improvements. Without financial assistance the Commonwealth's small water utilities who provide water to populations of less than ten thousand will be unable to meet the Federal compliance requirements. These systems can least afford to pay for the SDWA treatment compliance requirements and may be forced to shut down if provisions are not made to assist them. Currently the populations served by these small systems, especially those on Cape Cod and in western Massachusetts, are also the most affected with economic hardship and an unemployment rate approaching ten percent: And be it further

"*Resolved*, That Federal mandates for protecting public health from environmental contaminants should not be set at overly conservative levels that overly protect public health. At the national level the new standards will cost ratepayers hundreds of billions of dollars for saving about one hundred and fifty lives annually. It is not a reasonable assumption that the public is willing to pay for water treatment facilities at any cost: And be it further

"*Resolved*, That a copy of these resolutions be transmitted forthwith by the clerk of the Senate to the President of the United States, the presiding officers of each branch of Congress and to the Members thereof from this Commonwealth."

POM-421. A concurrent resolution adopted by the legislature of the State of Minnesota; to the Committee on Environment and Public Works:

"RESOLUTION NO. 10

"Whereas, the Tenth Amendment to the U.S. Constitution, part of the original Bill of Rights, reads as follows, 'The powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people'; and

"Whereas, the limits of Congress' authority to regulate state activities prescribed by the Tenth Amendment have gradually been eroded and federal mandates to the states in these protected areas have become almost commonplace; and

"Whereas, the regulation of traffic and motor vehicle safety laws are constitutionally the province of state, not congressional, authority; and

"Whereas, a recently proposed federal mandate would reduce the apportionment of federal highway funds to states which do not enact statutes requiring the use of helmets by motorcyclists and the use of safety belts and child restraint systems by drivers and front seat passengers in automobiles by July 1, 1992; and

"Whereas, while the stated goals of this federal mandate, to reduce highway fatalities and injuries through increased use of motorcycle helmets and safety belts, are certainly praiseworthy, it is the opinion of this body that the passage of such legislation by the U.S. Congress would be a blatant transgression upon the state's regulatory authority under the Tenth Amendment: Now, therefore be it

"*Resolved by the Legislature of the State of Minnesota*, That it urges the Congress to refrain from imposing upon the states' constitutional authority to regulate traffic and motor vehicle safety within their respective boundaries, and specifically, to refrain from mandating the passage of state laws requiring the use of motorcycle helmets, safety belts, and child restraint systems: be it further

Resolved, That the Secretary of State of the State of Minnesota is directed to prepare certified copies of this memorial and transmit them to the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the United States House of Representatives, and Minnesota's Senators and Representatives in Congress."

POM-422. A resolution adopted by the Senate of the Legislature of the State of Colorado; to the Committee on Environment and Public Works:

"SENATE MEMORIAL 92-1

"Whereas, We, the members of the Fifty-eighth General Assembly, recognize the importance of a state-federal partnership to achieve a comprehensive and effective solid waste management program; and

"Whereas, Members of Congress are currently considering H.R. 3865, the "National Waste Reduction, Recycling, and Management Act," and amendments thereto, which addresses the development of a solid waste management program and includes provisions for the protection of human health and the environment; the encouragement of source reduction, source separation, reuse, and recycling; and the encouragement of markets for recycled goods; and

"Whereas, H.R. 3865 grants authority to the Environmental Protection Agency to give final approval or disapproval of any state solid waste management plan, after the governor of a state has certified the plan's completeness, thereby constraining a state's ability to design and implement its own solid waste management plan; and

"Whereas, H.R. 3865 confers on local governments full discretionary authority to accept or reject out-of-state waste at new facilities and would allow a municipality the choice of not participating in the limitation of importation of waste from another state, which could interfere with a state's ability to comply with its own solid waste management plan and could lead to disapproval of such plan by the Environmental Protection Agency; and

"Whereas, H.R. 3865 requires states to import waste from other states and permits states to charge a greater fee for imported waste than is charged for in-state waste, earmarking the fees so that one-half of the fees will go to localities where facilities accepting out-of-state waste are located, with the remaining one-half of the fees to be distributed to localities to operate municipal solid waste management programs, thereby removing from states the flexibility to decide how such fees are used; and

"Whereas, H.R. 3865 does not ensure adequate funding for states and the Environmental Protection Agency to implement their new responsibilities; and

"Whereas, The National Conference of State Legislatures opposes the grant of authority to the Environmental Protection Agency to disapprove of any state solid waste management plan after the governor of a state has certified its completeness and believes that the role of the Environmental Protection Agency should be limited to reviewing plans, setting standards, providing technical assistance, and working with each state throughout the development process so that each state's plan signed by its governor is final; and

"Whereas, The National Conference of State Legislatures is in favor of retaining state authority in accepting or rejecting out-of-state waste and is opposed to allowing municipalities the choice of participation in the limitation of waste from another state; and

"Whereas, The National Conference of State Legislatures opposes any earmarking of state revenues earned through the imposition of fees for out-of-state waste and believes that such fees should be expended as determined by state legislatures, based on each state's individual needs; and

"Whereas, The National Conference of State Legislatures has taken the position that any mandated activities, such as the development of a state solid waste management plan, should be sufficiently funded to meet all state and federal administrative and programmatic costs; now, therefore, be it

"*Resolved by the Senate of the Fifty-eighth General Assembly of the State of Colorado:*

"That the members of the Congress of the United States are hereby memorialized to support the National Conference of State Legislature's recommendations on H.R. 3865 and to refrain from adopting any legislation which would impinge on a state's ability to manage solid waste in an environmentally and economically acceptable manner; be it further

"*Resolved*, That copies of this Memorial be sent to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the United States Congress, and each member of the Congressional delegation representing the state of Colorado."

POM-423. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Finance:

"SENATE JOINT MEMORIAL 92-2

"Whereas, In both the 2nd Session of the 99th and the 2nd Session of the 101st Congress of the United States, measures were approved which resulted in an increased tax burden on the people of the United States; and

"Whereas, Additional taxes have a negative impact on state economics; and

"Whereas, The people of Colorado need a revitalization of their economy to allow them to get back on their feet; and

"Whereas, The people of Colorado feel that increased economic growth can only be hampered by tax increases; now, therefore, be it

"*Resolved by the Senate of the Fifty-eighth General Assembly of the State of Colorado, the House of Representatives concurring herein:*

"That the members of the Congress of the United States are hereby memorialized to refrain from adopting any legislation which will result in increased taxation of the people of Colorado in order to enhance the revitalization and recovery that this state desperately needs. Be it further

"*Resolved*, That copies of this Memorial be sent to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to each member of the Congressional delegation representing the state of Colorado in Congress."

POM-424. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Finance:

"SENATE JOINT MEMORIAL 92-4

"Whereas, The Family Support Act of 1988 established Job Opportunities and Basic Skills (JOBS), a new employment, education, and training program for recipients of Aid to Families With Dependent Children (AFDC); and

"Whereas, This program provides one billion dollars in 1992 for partial reimbursement of the costs of state programs; and

"Whereas, Under JOBS, the state of Colorado is required to offer education activities, job skills training, job readiness activities, job development and job placement services, and support services, including child care, on a statewide basis by October 1, 1992; and

"Whereas, If the participation rates established under JOBS are not met in the state, the amount of federal matching money available to the state will be reduced; and

"Whereas, Under JOBS, the state is required to contribute an amount equal to the state contribution for medicaid or sixty percent of the cost, whichever is greater; and

"Whereas, The general fund does not allow the state to contribute enough to fully access its share of the one billion dollar federal appropriation for the JOBS program; and

"Whereas, The members of the general assembly of the state of Colorado recognize that waivers from participation in federal mandated programs, including AFDC, are of benefit and should be supported; now, therefore,

"*Be It Resolved by the Senate of the Fifty-eighth General Assembly of the State of Colorado, the House of Representatives concurring herein:*

"That the Congress of the United States is hereby memorialized to adopt legislation which would accomplish the following:

"(1) Temporarily reduce or eliminate the requirements regarding state contributions to obtain federal matching funds for the JOBS program;

"(2) Facilitate AFDC waiver authority for the states; and

"(3) Maintain the mandatory participation rates in the JOBS program at the 1991 fiscal year level and modify JOBS regulations to accommodate enhanced use of education as a JOBS component.

"*Be it Further Resolved*, That copies of this Memorial be sent to the President of the United States, to the President of the Senate, Speaker of the House of Representatives, and Chairpersons of the Senate Finance and the House Ways and Means Committees of the Congress of the United States, and to each member of Congress from the State of Colorado."

POM-425. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Finance:

"SENATE JOINT MEMORIAL 92-5

"Whereas, The federal Low-Income Housing Tax Credit program creates an estimated fifty-five thousand jobs annually in real estate, construction, and related industries and through 1991 supported the production of over four hundred fifteen thousand units of rental housing for low and moderate-income households; and

"Whereas, The federal Mortgage Revenue Bond Exemption program produces an estimated forty thousand jobs per year in new construction and has assisted more than one million four hundred thousand households, including eighty-nine thousand households in 1991, in buying homes; and

"Whereas, The Federal Targeted Jobs Tax Credit program provides tax credits to employers who hire and retain economically disadvantaged youth, welfare recipients, and the handicapped and has resulted in the certification of over four and one-half million individuals under the program since its initiation and an estimated $4.5 billion in tax credits claimed by employers over the past ten years; and

"Whereas, Since the current authorization therefor is due to expire by July 1, 1992, the House Ways and Means Committee and the Senate Finance Committee will be considering whether to terminate or extend permanently these three important state-federal programs;

"Whereas, The continued uncertainty about the future of these programs undermines their effectiveness and could be alleviated by federal legislation extending the programs permanently; now, therefore,

"*Be It Resolved by the Senate of the Fifty-eighth General Assembly of the State of Colorado, the House of Representatives concurring herein:*

"That the Congress of the United States is hereby memorialized to adopt legislation which extends permanently the Low-Income Housing Tax Credit, Mortgage Revenue Bond Exemption, and the Targeted Jobs Tax Credit programs.

"*Be It further Resolved*, That copies of this Memorial be sent to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of Colorado's congressional delegation."

POM-426. A resolution adopted by the House of Representatives of the Legislature of the State of Arkansas; to the Committee on Governmental Affairs:

"HOUSE RESOLUTION 1005"

"Whereas, the painful and unsettling discussion of sexual harassment stemming from the confirmation hearings of Judge Clarence Thomas before the Judiciary Committee of the United States Senate has made the entire country more aware of the widespread nature of the problem of sexual harassment; and

"Whereas, while millions of Americans are afforded some measure of legal protection by federal law, employees of the Congress are not afforded this protection because of congressional exemptions from federal law dealing with sexual harassment and other types of discrimination; and

"Whereas, for more than two hundred years, the Congress has been a source of leadership for the people of this country, our elected voices representing the trust of the people of this country. As a result, the Congress, in addition to its direct influence in making laws, provides the source of inspiration as a symbol of self-government. Symbolic actions like the exemption that members of Congress have from sexual harassment laws, other types of discrimination, and all other laws from which they exempt themselves, strike a serious blow to the integrity of our government; and

"Whereas, while no sexual harassment or other violation of the law can be tolerated, it is especially important for our lawmakers and their staffs to operate in an atmosphere of equality, mutual respect, and dignity. Our system is still served by special considerations that are not only inconsistent, but an affront to the sense of justice of the American people.

"*Now therefore, be it resolved by the House of Representatives of the First Extraordinary Session of the Seventy-Eighth General Assembly of the State of Arkansas:* That the Congress of the United States is hereby urged to amend federal law to remove the congressional exemption from sexual harassment statutes and all other laws from which they exempt themselves; and

"*Be it further Resolved*, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the House of the United States House of Representatives, and the members of the Arkansas congressional delegation."

POM-427. A concurrent resolution adopted by the legislature of the State of Hawaii; to the Select Committee on Indian Affairs:

"HOUSE CONCURRENT RESOLUTION 300

"Whereas, prior to the arrival of Captain Cook, the Hawaiian people led self-sufficient lives in a fully realized society; and

"Whereas, only recently has the extent of advancement of the Hawaiian culture, especially with its values and concepts regarding the environment and folk arts, been fully understood and appreciated; and

"Whereas, for centuries the native culture existed in communal lifestyle while its traditions and practices flourished, without any outside influences; and

"Whereas, with the introduction of Western culture after Captain Cook's discovery and the subsequent European and American settlement of the then-called Sandwich Islands, Hawaiian society eventually became displaced; and

"Whereas, this displacement resulted from the abrupt invalidation of native traditions, the often fraudulent taking of land and other natural resources by outsiders, the overthrow, with the assistance of the United States Marines, of the Hawaiian monarchy, and the subsequent annexation of the islands to the United States of America; and

"Whereas, American attempts to erode Hawaiian sovereignty began in 1887, when American sugar planter interests in Hawaii organized a coup d'etat against King Kalakaua, forcing him to sign a new constitution which severely limited the powers of the monarchy and reduced him to a virtual puppet of a new cabinet to be composed of the leaders of the coup; and

"Whereas, the King could make no decision or take any action without the advice and consent of the cabinet, which could only be removed by a two-thirds vote of the legislature; and

"Whereas, in order to reduce Hawaiian dominance in the legislature, the King's power to appoint nobles was taken away; nobles were to be elected by voters who met property and income qualifications which excluded a majority of Hawaiians, and the number of nobles was increased to equal that of the popularly elected representatives; and

"Whereas, Asians were completely excluded from voting, while all Americans and Europeans, regardless of citizenship, were enfranchised, provided they signed an oath of allegiance to the new constitution; and

"Whereas, this "Bayonet Constitution" kept the monarchy under strict constraints for five and a half years during which the Hawaiian people used various means to get rid of that instrument of rule; and

"Whereas, in January 1891, Lili'uokalani became Queen upon the death of her brother, King David Kalakaua; and

"Whereas, by January 1892, the American sugar planter interests were convinced that the Queen would be antagonistic, obstinate and uncooperative with their interests, and, moreover, were faced with a new crisis when the United States passed the McKinley Tariff in 1891 and they lost $4,000,000 in sugar revenues during the first seven months after it went into effect; and

"Whereas, in January 1892, American planter interests put out feelers in Washington, D.C., about American willingness to annex Hawai'i; when the response from President Benjamin Harrison through the Secretary of the Navy was supportive, the secret, insurgent Annexation Club and Honolulu Rifles began to make preparations and awaited the ideal moment to overthrow the monarchy, establish a provisional government and seek annexation to the United States; and

"Whereas, that moment came on January 14, 1893, when the Queen announced her intention to abrogate the 1887 Bayonet Constitution and to sign a new one similar to the Constitution of 1864 in response to petitions submitted by two-thirds of the registered voters; by the end of that fateful day in January, plans were in motion to dethrone the Queen and establish a provisional government with the backing of the United States minister and United States naval forces; and

"Whereas, on January 16, 1863, one hundred sixty-two United States marines and sailors landed in Honolulu and positioned themselves near the Hawaiian government buildings and palace in violation of five treaties between the United States and the Hawaiian nation, and of international law; and

"Whereas, on the afternoon of January 17, 1893, a Committee of Safety representing American and European planters, missionaries, and financiers proclaimed that abrogation of the Hawaiian monarchy and the establishment of a Provisional Government from the steps of the Hawaiian Government Building, declared martial law, and demanded surrender of the police station. Immediately, John L. Stevens, American Minister to Hawai'i, granted diplomatic recognition to this Provisional Government; and

"Whereas, soon thereafter, when informed of the risk of bloodshed with resistance, Queen Lili'uokalani issued the following statement yielding her authority to the United States government rather than to the Provisional Government:

"'I Lili'uokalani, by the Grace of God and under the Constitution of the Hawaiian Kingdom, Queen, do hereby solemnly protest against any and all acts done against myself and the Constitutional Government of the Hawaiian Kingdom by certain persons claiming to have established a Provisional Government of and for this Kingdom.

"'That I yield to the superior force of the United States of America whose Minister Plenipotentiary, His Excellency John L. Stevens, has caused United States troops to be landed at Honolulu and declared that he would support the Provisional Government.

"'Now to avoid any collision of armed forces, and perhaps the loss of life, I do this under protest and impelled by said force yield my authority until such time as the Government of the United States shall, upon the facts being presented to it, undo the action of its representatives and reinstate me in the authority which I claim as the Constitutional Sovereign of the Hawaiian Islands.

"Done at Honolulu this 17th day of January, A.D. 1893';" and

"Whereas, on February 1, 1893, Minister John L. Stevens raised the American flag and proclaimed Hawai'i to be a protectorate of the United States; he wrote to the State Department, "The Hawaiian pear is now fully ripe and this is the golden hour for the United States to pluck it"; and

"Whereas, the Provisional Government's commissioners arrived in Washington, D.C., on February 3, 1893, and were well-received by the Harrison administration. Unfortunately for the Provisional Government, the pro-annexationist, President Harrison, was about to be succeeded by anti-annexationist, Grover Cleveland, on March 4, 1893. Although President Harrison had submitted a treaty of annexation on February 15 to the United States Senate for approval and it received support from the Senate Committee on Foreign Relations, it was impossible to schedule discussion of the treaty before Congress adjourned for Cleveland's presidential inauguration; and

"Whereas, on March 9, 1893, President Cleveland withdrew the treaty from the Senate. On March 11 he dispatched his own commissioner, James H. Blount, to investigate and report to him all that he could learn "respecting the conditions of affairs in the Hawaiian Islands, the causes of the revolution by which the Queen's Government was overthrown, the sentiment of the people toward existing authority, and, in general, all that can fully enlighten the President touching the subject." Blount left Washington, D.C., on March 14 and arrived in Hawai'i on March 29. Two days later, he ordered the American flag lowered and the American troops on the shore to return to their ships. Minister Stevens was relieved of his post and left Hawai'i on May 24, 1893; and

"Whereas, commissioner Blount completed his investigation on August 1, 1893, and submitted his report to Secretary of State William Gresham who, in turn, reported to President Cleveland. On December 18, 1893, President Cleveland provided Congress with a full report that condemned the role of the American minister and the United States marines in the overthrow of the Hawaiian monarchy and called for the restoration of Queen Lili'uokalani. The following are significant excerpts from his statement:

"'The lawful Government of Hawai'i was overthrown without the drawing of a sword or the firing of a shot by a process every step of which, it may safely be asserted, is directly traceable to and dependent for its success upon the agency of the United States acting through its diplomatic and naval representatives * * *.

"'But for the landing of the United States forces upon false pretexts respecting the danger to life and property the committee would never have exposed themselves to the pains and penalties of treason by undertaking the subversion of the Queen's Government * * *.

"'Believing, therefore, that the United States could not, under the circumstances disclosed, annex the islands without justly incurring the imputation of acquiring them by unjustifiable methods. I shall not again submit the treaty of annexation to the Senate for its consideration * * *

"'By an act of war, committed with the participation of a diplomatic representative of the United States * * * the Government of a feeble but friendly and confiding people has been overthrown. A substantial wrong has thus been done which a due regard for our national character as well as the rights of the injured people requires we should endeavor to repair * * *. If a feeble but friendly state is in danger of being robbed of its independence and its sovereignty by a misuse of the name and power of the United States, then the United States cannot fail to vindicate its honor and its sense of justice by an earnest effort to make all possible reparation * * *. I mistake the American people if they favor the odious doctrine that there is no such thing as international morality, that there is one law for a strong nation and another for a weak one, and that even by indirection a strong power may with impunity despoil a weak one of its territory * * *. The Provisional Government has not assumed a republican or other constitutional form, but has remained a mere executive council or oligarchy, set up without the assent of the people. It has not sought to find a permanent basis of popular support and has given no evidence of intention to do so. Indeed, the representatives of that government assert that the people of Hawai'i are unfit for popular government and frankly avow that they can be best ruled by arbitrary or despotic power * * *. It would lower our national standard to endorse a selfish and dishonorable scheme of a lot of adventurers;" and

"Whereas, the Provisional Government protested President Cleveland's call for the restoration of the monarchy and continued to hold state power and pursue annexation to the United States. It successfully lobbied the Senate Foreign Relations Committee to conduct a new investigation into the events surrounding the overthrow to the monarchy. The committee, headed by Senator John Morgan, conducted hearings in Washington, D.C., from December 27, 1893, through February 26, 1894, in which they justified and condoned the actions of Minister Stevens and recommended the annexation of Hawai'i; and

"Whereas, although the committee was able to obscure the role of the United States in the overthrow of the Hawaiian monarchy, it was unable to rally the support from two-thirds of Senate needed to ratify a treaty of annexation. Nevertheless, President Cleveland and Congress staked out a special claim on Hawai'i and warned all foreign states that intervention in the political affairs of the islands would be considered an act unfriendly to the United States itself; and

"Whereas, in Hawai'i, the royalists continued their opposition to the Provisional Government and to annexation. Although they challenged the Provisional Government to hold elections the royalists decided to boycott the elections for a Constitutional Convention rather than sign an oath of allegiance to uphold the government that they despised. Only seven hundred forty-five Hawaiians voted in the elections for representatives to the Constitutional Convention for the Republic, although a total of 9,931 Hawaiians had voted in the 1892 elections, the last held under the monarchy; and

"Whereas, on July 4, 1894, the Provisional Government declared itself to be the Republic of Hawai'i. Only 1,126 Hawaiians took the oath of allegiance to the Republic's constitution and actually voted in the 1897 elections for representatives to the Republic's legislature. The figures clearly indicate that the Republic could not rightfully claim to represent the indigenous Hawaiian people; and

"Whereas, on January 7, 1895, the royalists organized an armed insurrection aimed at restoring the Queen to the throne; however, despite months of planning and amassing of arms smuggled in from the west coast of the United States, the restoration effort was crushed just as it was about to be launched; and

"Whereas, the Queen herself was arrested, tried, and found guilty for misprision or concealment of treason. She was sentenced to five years of hard labor and fined $5,000. The Republic held her prisoner at 'Iolani Palace for eight months and then held her under house arrest at Washington Place for five months. They then restricted her to O'ahu for another eight months; and

"Whereas, on January 24, 1895, while prisoner in 'Iolani Palace and just prior to being brought to trial, Queen Lili'uokalani was forced to sign a statement of abdication in favor of the Republic Hawai'i. However, in 'Hawaii's Story by Hawaii's Queen,' the Queen renounced her abdication, contending that she had been coerced to sign the statement. She described her plight as follows:

"'For myself, I would have chosen death rather than to have signed it; but it as represented to me that by my signing this paper all the persons who had been arrested, all my people now in trouble by reason of their love and loyalty towards me, would be immediately released. Think of my position, sick, a lone woman in prison, scarcely knowing who was my friend, or who listened to my words only to betray me, without legal advice or friendly counsel, and the stream of blood ready to flow unless it was stayed by my pen';" and

"Whereas, the arrests, trials, and imprisonment of the royalists suppressed the Hawaiian nationalist movement for a time; after 1895, there was never any organized armed effort to restore the monarchy or to assert Hawaiian sovereignty; and

"Whereas, in the election of 1896, William McKinley replaced Grover Cleveland as President of the United States of America. On May 4, 1898, after the outbreak of the Spanish-American War, the Newlands Joint Resolution for annexation of Hawai'i was introduced. On June 15, the House passed the resolution by a vote of 209 to 91, with 49 abstaining. On July 6, three days after the U.S. naval victory at Manila, the Senate passed the Newlands Resolution, 42 to 21, with 26 abstaining. President McKinley signed the Joint Resolution of Annexation on the following day; and

"Whereas, the formal transfer of sovereignty occurred in ceremonies on August 12, 1989 at the 'Iolani Palace; while most Hawaiians stayed home that day, there was widespread weeping, by those who did attend, when the Hawaiian flag was lowered and the American flag raised; and

"Whereas, the illegal annexation of Hawai'i to the United States through the Newlands Resolution was one of only two instances in American history that a territory was annexed through a joint resolution rather than through Senate ratification of a treaty. The other occasion was in 1845, when Congress directly annexed Texas into the United States as a state. In both cases, a joint resolution was used because the proponents of annexation lacked the support of two-thirds of the members of the Senate. It has been questioned whether the United States Congress has the authority to admit territory into the union by joint resolution, for it is not specified that Congress has the power to acquire territory through any means other than conquest or treaty; and

"Whereas, an additional illegality of annexation was the absence of the expressed consent of the indigenous Hawaiians and proper compensation to them for the taking of their nationhood, lands, and ocean and financial resources; and

"Whereas, through the Newlands Resolution, the illegal Republic of Hawai'i ceded its self-declared right of sovereignty over the Hawaiian Islands to the United States. The Republic also ceded and transferred to the United States the stolen public, Government and Crown lands, including buildings and other public property. On its part the Congress of the United States, through the Newlands Resolution, accepted, ratified, and confirmed the cession, annexed Hawai'i as a part of the United States, and vested the property and sovereignty rights over Hawai'i to its own government; and

"Whereas, the Joint Resolution further directed the President of the United States to appoint five commissioners, including at least two residents of Hawai'i, to recommend legislation to Congress concerning the Hawaiian Islands and its governance. United States laws regarding the homesteading of public lands were not to apply to Hawai'i. Instead, the Resolution stipulated that Congress would have to enact special laws for the management and disposition of the public lands and that any revenues derived from them would be "solely for the benefit of the inhabitants of the Hawaiian Islands for educational and other public purposes"; and

"Whereas, the resolution also specified that existing treaties between Hawai'i and foreign nations were to immediately cease and be replaced by United States Treaties with those nations; furthermore, all immigration of Chinese into Hawai'i was to stop and no Chinese would be allowed to enter the United States from the Hawaiian Islands; and

"Whereas, the Newlands Resolution effected a transaction between the Republic of Hawai'i and the United States Government. The indigenous Hawaiian people never directly relinquished their claims to their inherent sovereignty as a people or over their national lands to the United States, either through their monarchy or through a plebiscite or referendum. It should also be noted that most native American peoples did not relinquish their sovereign claims to the United States government when their national lands were absorbed into the United States; and

"Whereas, in 1898, President McKinley appointed a commission to draft legislation for Hawai'i to be governed as a Territory of the United States. He selected Sanford B. Dole, President of the Republic of Hawai'i; Walter F. Frear, who became the first chief justice of the Territory's Supreme Court and was later appointed governor of the Territory of Hawaii; Senator Cullom of Illinois; Senator J.T. Morgan of the Foreign Relations Committee whose hearings in 1894 had exonerated Minister Stevens and United States troops of any wrongdoing for their role in the overthrow of the monarchy; and Representative R.R. Hitt who had previously served in the diplomatic corps; and

"Whereas, these men drafted an act to provide a government for the Territory of Hawai'i, called the Organic Act, which was passed by the 56th Congress of the United States on April 27, 1900, and was signed by the President on April 30, 1900. The Organic Act defined the political structure and powers of the Territorial Government and its relationship to the United States government; and

"Whereas six decades later, on August 21, 1959, Hawai'i became the fiftieth state of the United States of America, again without the expressed consent of the indigenous Hawaiians nor compensation to them; and

"Whereas, the 1959 removal of Hawai'i from the United Nations list of non-self-governing territories, at the request of the United States, again violated the indigenous Hawaiians' right to self-determination and decolonization as stated in the United Nations Charter and other United Nations policy documents. At no time did the United States, on behalf of the indigenous Hawaiians, attempt "to develop self-government", or "to assist them in the progressive development of their free political institutions"; instead, federal, territorial, and state policies promoted Western assimilation resulting in indigenous Hawaiians who suffer the worst health, social, and economic profiles of any ethnic group in their homeland; and

"Whereas, in the century since the 1893 armed invasion of Hawai'i and the 1898 annexation, many other illegal actions have been committed; and

"Whereas, the 1898 annexation resolution imposed a unique ceded lands trust of about two million acres, with "all revenues from these lands to be used solely for the benefit of the inhabitants of the Hawaiian Islands", that is, indigenous Hawaiians. The self-declared "trustees", the United States, state, and territorial governments, have continued to violate their own invented "trust", for no pledged benefits have reached the indigenous Hawaiian "beneficiaries"; and

"Whereas, also unilaterally imposed, the Hawaiian Homes Commission Act of 1920 created a "second land trust" of about two hundred thousand acres from the ceded lands trust for those of half or more indigenous Hawaiian ancestry, but with no provision for other indigenous Hawaiians. Thus, native people were divided against themselves; and

"Whereas, the State of Hawaii accepted the trust responsibility for the Hawaiian Homes Commission Act of 1920, as amended, as a compact with the United States; and

"Whereas, this trust responsibility is acknowledged in the State Constitution, Article XII, Sections 1 and 2, with the declaration that "the spirit of the Hawaiian Homes Commission Act looking to the continuance of the Hawaiian homes projects for the further rehabilitation of the Hawaiian race shall be faithfully carried out"; and

"Whereas, the ceded lands and the Hawaiian Home Lands were originally Government and Crown lands under the Hawaiian monarchy, and were held for the benefit of the Hawaiian community at large; and

"Whereas, the 1959 United States Admission Act further diminished indigenous Hawaiians' original and vested interest in their "ceded public" lands by creating five purposes for the ceded lands trust, only one of which was for indigenous Hawaiians, and then only for those of half or more Hawaiian ancestry. Again, no pledged revenues have reached the beneficiaries as required by federal and state statutes; and

"Whereas, many abuses of these trusts were already occurring during Hawaii's territorial days, abuses which persisted and remained unaddressed for decades after Hawaii achieved statehood status; and

"Whereas, such abuses in the case of Hawaiian Home Lands included the withdrawal of 13,574 acres by territorial governors and 2.36 acres by state governors through executive orders, the set aside of 16,586 acres for forest reserves by gubernatorial proclamation during the territorial period, and the use of these lands by state, county, and federal agencies without adequate compensation or record of transaction or formal conveyance; and

"Whereas, the inability and failure of the State of Hawaii to allocate adequate resources to properly administer the Hawaiian Lands program, as mandated by the 1978 constitutional amendment on legislative funding toward the full implementation of the Hawaiian Homes Commission Act, has resulted in valuable homestead lands being leased to non-beneficiaries in order to pay for administrative and program costs; and

"Whereas, the federal government has not provided sufficient funding over the years to assist the State of Hawaii in managing the Hawaiian Home Lands program, causing the State's managing agency, the Department of Hawaiian Home Lands, to struggle constantly with administrative problems, including the lack of an accountable system to prevent lost and misfiled homestead applications; and

"Whereas, in the seventy years since passage of the Hawaiian Homes Commission Act, there are fewer than 3,800 native Hawaiian families residing, farming, or ranching on only 17.5 per cent of the lands originally set aside for homesteading, with another 20,000 beneficiaries on the waiting list, some of whom have waited forty years or longer; and

"Whereas, the Department of Land and Natural Resources, charged since 1959 with the administration of the state ceded lands trust, had a 1979 audit conducted which revealed that the department had no public lands inventory and was unable to distinguish between ceded trust lands and non-ceded public lands; and

"Whereas, the audit further revealed that funds generated from the state ceded lands trust had been commingled with funds generated from non-ceded public lands and that trust funds may have been used for non-trust purposes; and

"Whereas, the 1978 state constitutional amendments provided for the creation of the Office of Hawaiian Affairs and, on behalf of the Hawaiian community for the betterment of the conditions of native Hawaiian, its entitlement of the pro rata sharing of income and proceeds derived from various categories of ceded lands; and

"Whereas, despite this constitutional mandate, many questions and problems still abound as to the native Hawaiian entitlement to a pro rata portion from ceded lands trust income and proceeds, as well as to whether certain lands are included in the trust; and

"Whereas, native Hawaiians have little or no say in the ultimate management and control of the state ceded lands trust while such lands continue to be used for purposes which clearly do not improve the conditions of these people;

"Whereas, the ultimate responsibility for the proper implementation of the intent of the Admission Act and the Hawaiian Homes Commission Act of 1920, as amended, with regard to the betterment of native Hawaiians, lies with the United States Congress and the federal government; and

"Whereas, throughout the decades of coping with problems over the management of ceded and Hawaiian Home Lands, the United States Congress and the federal government have been conspicuously reluctant and silent in their leadership roles to provide sufficient funds and resources to the State of Hawaii in its role as trustee of ceded lands and Hawaiian Home Lands; and

"Whereas, both the United States and government "trustees" in Hawai'i have failed to provide adequate funds for promised water and other basic infrastructure to eligible indigenous Hawaiians. In December 1991, the Hawai'i Advisory Committee to the United States Commission on Civil Rights' report labeled these violations 'A Broken Trust: 70 Years of Failure of the Federal and State Governments to protect the Civil Rights of Native Hawaiians'; and

"Whereas, the legacy for native Hawaiians of decades of neglect and minimal governmental support has been the dashed hopes of many desiring to make homes for their families, the disproportionately high incidence of incarceration, infant mortality, substance abuse, domestic violence, and other health and socio-economic problems, the extreme frustration, anger, and despair in seeing a future of little promise, and the lack of confidence in a government that has consistently ignored the inherent rights of the Hawaiian people; and

"Whereas, the insensitivity of government to the Hawaiian people is a grave injustice to one of America's indigenous races; and

"Whereas, it has only recently been under the administration of Hawaii's first native Hawaiian governor that sincere efforts were initiated to rectify the serious wrongs occurring under both federal Acts; and

"Whereas, the most appropriate and effective way to reverse the suffering of their people is for the indigenous Hawaiians to regain control of their lands and other resources; and

"Whereas, the citizens of the State of Hawai'i renew their recognition of the inherent sovereignty of indigenous Hawaiians and commit themselves to assist the process of indigenous Hawaiians re-establishing their sovereign Hawaiian government as requested by the Hawaiian people, with such powers, duties, and land, ocean, and financial resources as decided by the Hawaiian people. The governor and legislature, in this endeavor, must act within the full context of the Constitution of the United States of America. This renewed recognition in no way prejudices the full expression of sovereignty and self-determination by the Hawaiian people as is recognized by international law, including the United Nation's policy on decolonization and the special rights of indigenous peoples; now, therefore,

"Be it resolved by the House of Representatives of the Sixteenth Legislature of the State of Hawai'i, Regular Session of 1992, the Senate concurring, that the Legislature recognizes the breaches of trust responsibility between the State of Hawai'i and the Hawaiian people, to the extent that the State's executive and legislative branches of government did not advocate strongly enough on behalf of the Hawaiian community and therefore directly or inadvertently perpetuated abuses of the intent of the Admission Act and the Hawaiian Homes Commission Act of 1920, as amended; and

"Be it further resolved that the Legislature hereby extends a formal and sincere apology to the Hawaiian people for the subsequent suffering and pain of all Hawaiians adversely affected by such breaches of trust responsibility; and

"Be it further resolved that the citizens of the State of Hawai'i recognize the inherent right of the indigenous Hawaiian people to sovereignty and self-determination; and

"Be it further resolved that the citizens of the State of Hawai'i call upon the President and the Congress of the United States of America to renew the recognition of and assist the re-establishment of a sovereign indigenous Hawaiian government, as requested by the Hawaiian people. As an initial step, redress requires recognition of indigenous Hawaiian rights of self-determination to a degree at least equal to those exercised by native American Indian and Alaskan tribes or nations. Redress requires confirmation of the United States' land trust obligations to the indigenous Hawaiian people. Such renewed recognition, re-establishment, and trust obligation confirmation shall be without prejudice to the indigenous Hawaiian people's inherent right to the full exercise of sovereignty, which they have never surrendered; and

"Be it further resolved that certified copies of this Concurrent Resolution be transmitted to the Chairperson of the Office of Hawaiian Affairs, the President of the Association of Hawaiian Civic Clubs, the Chairperson of the Hawaiian Homes Commission, the Chairperson of the Board of Land and Natural Resources, the Governor of Hawaii, members of Hawaii's congressional delegation, the President of the United States Senate, the Speaker of the United States House of Representatives, the Secretary of the United States Department of the Interior, the President of the United States, and the Secretary General of the United Nations."

POM-428. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on the Judiciary:

"SENATE JOINT MEMORIAL 92-3

"Whereas, State revenue growth has diminished dramatically, forcing budget reductions and tax increases in order to maintain federal services and programs; and

"Whereas, Rising costs and declining fiscal conditions of the states have resulted in financial difficulty for the states in financing federal programs; and

"Whereas, Immediate measures must be taken to ensure that the states will be given adequate funding and flexibility to carry out the federal programs that are turned over to them; and

"Whereas, Under article V of the constitution of the United States, amendments to the federal constitution may be proposed by the Congress whenever two-thirds of both houses deem it necessary or on the application of the legislatures of two-thirds of the several states that the Congress shall call a constitutional convention for the purpose of proposing amendments which shall be valid to all intents and purposes when ratified by the legislatures of three-fourths of the several states; now, therefore, be it

"*Resolved by the Senate of the Fifty-eighth General Assembly of the State of Colorado, the House of Representatives concurring herein:*

"That the Congress of the United States is hereby memorialized to call a limited constitutional convention pursuant to article V of the constitution of the United States for the specific and exclusive purpose of proposing an amendment to the federal constitution prohibiting the federal government from reducing the federally financed proportion of the necessary costs of any existing activity or service required of the states by federal law, or from requiring a new activity or service, or an increase in the level of an activity or service beyond that required of the states by existing federal law, unless the federal government pays for any necessary increased costs. Be it further

"*Resolved*, That this application and request be deemed null and void, rescinded, and of no effect in the event that such convention not be limited to such specific and exclusive purpose. Be it further

"*Resolved*, That copies of this Memorial be sent to the President of the United States Senate, to the Speaker of the United States House of Representatives, to each member of Colorado's congressional delegation and to each house of each state's legislature in the United States."

POM-429. A joint resolution adopted by the Legislature of the State of California; to the Committee on Armed Services:

"SENATE JOINT RESOLUTION NO. 21

"Whereas, The Department of the Army has announced a reduction in the size of the reserve forces, including the National Guard, and

"Whereas, The California Army National Guard would be required to reduce in size by 32 percent, a loss of about 7,000 soldier positions; and

"Whereas, The California Army National Guard is the sole and irreplaceable military force legally available and equipped to respond immediately to natural disasters and other emergencies at the direction of the Governor; and

"Whereas, The planned reduction will drastically and dangerously impair the capability of the state to respond quickly to the large numbers of emergencies which occur annually in California and the constant potential for wildfires, floods, and earthquakes of catastrophic proportion; and

"Whereas, The State of California is projected to dramatically increase in population in the next decade, increasing the potential magnitude of human risk from natural disaster; and

"Whereas, The state supports the reduction of the federal Armed Forces and of the costs to maintain them in time of peace; and

"Whereas, Reserve forces can be maintained in peacetime at about one-third the cost of active duty forces, and can be maintained combat ready and deployable on short notice as demonstrated in Operation Desert Storm; and

"Whereas, The citizens of the State of California object to a reduction in the California Army National Guard force structure; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California, jointly*, That the Legislature and the citizens of the State of California strongly urge the President of the United States, the Secretary of Defense, the Secretary of the Army, and the Congress of the United States to direct that the authorized strength of the force structure of the California Army National Guard shall not be reduced; and be it further

"*Resolved*, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the Secretary of Defense of the United States, and to the Governor and the Adjutant General of the State of California."

REPORTS OF COMMITTEES

The following reports of committees were submitted.

By Mr. BENTSEN, from the Committee on Finance, with an amendment in the nature of a substitute:

S. 33. A bill to establish the Social Security Administration as an independent agency, and for other purposes (Rept. No. 102-304).

• Mr. BENTSEN. Mr. President, S. 33, the Social Security Administration Independence Act of 1992, was ordered reported by the Finance Committee on June 11. It would make a fundamental change in the structure for administering the Social Security programs. The bill removes the Social Security Administration from the jurisdiction of the Department of Health and Human Services and establishes it as an independent agency.

This independent agency proposal is almost identical to the proposal Senator MOYNIHAN and I introduced last year as S. 33. The differences are adjustments in effective dates and other minor, perfecting changes.

The proposal follows the recommendations made by the Staats Panel in 1985. This was a panel created by the Congress as part of the Social Security reform amendments in 1983. After thorough study, this panel of experts, headed by former Comptroller General Elmer Staats, recommended that an independent Social Security Agency should have a strong single administrator and a permanent bipartisan advisory board.

The bill provides that the Agency would be headed by a single Commissioner, appointed by the President and confirmed by the Senate. The Commissioner's 4-year term would coincide with that of the President.

The creation of an independent agency with a single administrator should produce the kind of strong leadership that is needed to protect the long-term interests of the Social Security program. The bill elevates the status of the Agency, which is now buried in the bureaucracy of the Department of Health and Human Services, and makes the position of Commissioner comparable in status and pay to the heads of other executive departments. These changes should make it possible to attract highly qualified individuals to the job of Commissioner by providing them with the stature and authority needed to manage what is one of the most important and complex organizations in our Government.

The Agency would have a seven member, bipartisan Advisory Board. Three members, including the chairman, would be appointed by the President, and two each would be appointed by the Senate and the House of Representatives. The Board would meet periodically during the year to advise the Commissioner on policy. It would not be involved in the day-to-day operational management of the Agency. The Board is intended to help produce a more deliberative and balanced decisionmaking process on important Social Security policy issues, and to deter actions that might undermine the integrity and stability of the Social Security system.

I believe that making the Social Security Administration an independent Agency is a necessary step in assuring public confidence in the long-term viability of the Social Security program, and in improving the quality of service to more than 41 million beneficiaries and 132 million workers who pay Social Security taxes.

In my view, Mr. President, and in the view of the Finance Committee, it is time—in fact, long past time—to make Social Security an independent Agency. I hope that the committee's proposal to accomplish this, S. 33, will be approved by the 102d Congress.

I ask unanimous consent that the full text of S. 33 be printed in the RECORD immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 33

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled:

SECTION 1. SHORT TITLE; AMENDMENT OF SOCIAL SECURITY ACT; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Social Security Administration Independence Act of 1992".

(b) AMENDMENT OF SOCIAL SECURITY ACT.—Except as otherwise expressly provided, whenever in this Act an amendment is expressed in terms of an amendment to or repeal of, a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(c) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; amendment of Social Security Act; table of contents.

TITLE I—ESTABLISHMENT OF NEW INDEPENDENT AGENCY

Sec. 101. Establishment of Social Security Administration as a separate, independent agency.
Sec. 102. Commissioner of Social Security and other officers.
Sec. 103. Social Security Advisory Board.
Sec. 104. Personnel; budgetary matters; facilities and procurement; seal of office.
Sec. 105. Transfers to the new Social Security Administration.
Sec. 106. Transitional rules.
Sec. 107. Effective dates.

TITLE II—CONFORMING AMENDMENTS

Sec. 201. Amendments to titles II and XVI of the Social Security Act.
Sec. 202. Other amendments.
Sec. 203. Rules of construction.
Sec. 204. Effective dates.

TITLE I—ESTABLISHMENT OF NEW INDEPENDENT AGENCY

SEC. 101. ESTABLISHMENT OF SOCIAL SECURITY ADMINISTRATION AS A SEPARATE, INDEPENDENT AGENCY.

Section 701 (42 U.S.C. 901) is amended to read as follows:

"SOCIAL SECURITY ADMINISTRATION

"SEC. 701. There is hereby established, as an independent agency in the executive branch of the Government a Social Security Administration (hereafter in this title referred to as the 'Administration'). It shall be the duty of the Administration to administer the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI.".

SEC. 102. COMMISSIONER OF SOCIAL SECURITY AND OTHER OFFICERS.

(a) IN GENERAL.—Section 702 (42 U.S.C. 902) is amended to read as follows:

"COMMISSIONER AND OTHER OFFICERS

"Commissioner of Social Security

"SEC. 702. (a)(1) There shall be in the Administration a Commissioner of Social Security (hereafter in this title referred to as the 'Commissioner') who shall be appointed by the President, with the advice and consent of the Senate.

"(2) The Commissioner shall be compensated at the rate provided for level I of the Executive Schedule.

"(3) The Commissioner shall be appointed for a term of 4 years coincident with the term of the President, or until the appointment of a qualified successor.

"(4) The Commissioner shall be selected on the basis of proven competence as a manager.

"(5) The Commissioner shall be responsible for the exercise of all powers and the discharge of all duties of the Administration, and shall have authority and control over all personnel and activities thereof.

"(6) The Commissioner may prescribe such rules and regulations as the Commissioner determines necessary or appropriate to carry out the functions of the Administration. The regulations prescribed by the Commissioner shall be subject to the rulemaking procedures established under section 553 of title 5, United States Code.

"(7) The Commissioner may establish, alter, consolidate, or discontinue such organizational units or components within the Administration as the Commissioner considers necessary or appropriate, except that this paragraph shall not apply with respect to any unit, component, or provision provided for by this Act.

"(8) The Commissioner may assign duties, and delegate, or authorize successive redelegations of, authority to act and to render decisions, to such officers and employees of the Administration as the Commissioner may find necessary. Within the limitations of such delegations, redelegations, or assignments, all official acts and decisions of such officers and employees shall have the same force and effect as though performed or rendered by the Commissioner.

"(9) The Commissioner and the Secretary of Health and Human Services (hereafter in this title referred to as the 'Secretary') shall consult, on an ongoing basis, to ensure—

"(A) the coordination of the programs administered by the Commissioner, as described in section 701, with the programs administered by the Secretary under titles XVIII and XIX of this Act; and

"(B) that adequate information concerning benefits under such titles XVIII and XIX shall be available to the public.

"Deputy Commissioner of Social Security

"(b)(1) There shall be in the Administration a Deputy Commissioner of Social Security (hereafter in this title referred to as the 'Deputy Commissioner') who shall be appointed by the President, with the advice and consent of the Senate.

"(2) The Deputy Commissioner shall be appointed for a term of 4 years coincident with the term of the Commissioner, or until the appointment of a qualified successor.

"(3) The Deputy Commissioner shall be compensated at the rate provided for level II of the Executive Schedule.

"(4) The Deputy Commissioner shall perform such duties and exercise such powers as the

Commissioner shall from time to time assign or delegate. The Deputy Commissioner shall be Acting Commissioner of the Administration during the absence or disability of the Commissioner and, unless the President designates another officer of the Government as Acting Commissioner, in the event of a vacancy in the office of the Commissioner.

"Solicitor

"(c)(1) There shall be in the Administration a Solicitor, who shall be appointed by the Commissioner. The Solicitor shall be the principal legal officer in the Administration.

"(2) The Solicitor shall be compensated at the rate provided for level IV of the Executive Schedule.

"(3) The Solicitor shall be responsible for managing the litigation of the Administration.

"Inspector General

"(d)(1) There shall be in the Administration an Office of the Inspector General. Such Office shall be headed by an Inspector General appointed in accordance with the Inspector General Act of 1978.

"(2) The Inspector General shall be compensated at the rate provided for level IV of the Executive Schedule.

"Beneficiary Ombudsman

"(e)(1) There shall be in the Administration an Office of the Beneficiary Ombudsman, to be headed by a Beneficiary Ombudsman appointed by the Commissioner.

"(2) The Beneficiary Ombudsman shall be appointed for a term of 5 years. An individual appointed to a term of office as Beneficiary Ombudsman after the commencement of such term may serve under such appointment only for the remainder of such term. An individual may, at the request of the Commissioner, serve as Beneficiary Ombudsman after the expiration of the term of such individual for not more than 1 year until a successor has taken office. An individual may be appointed as Beneficiary Ombudsman for additional terms.

"(3) The duties of the Beneficiary Ombudsman are as follows:

"(A) to represent within the policy-making process of the Administration the interests and concerns of beneficiaries (and potential beneficiaries) under the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI;

"(B) to review the policies and procedures of the Administration for possible adverse effects on such beneficiaries and potential beneficiaries;

"(C) to recommend within the policy-making process of the Administration changes in policies which have caused problems for such beneficiaries and potential beneficiaries;

"(D) to help resolve the problems under such programs of individual beneficiaries and potential beneficiaries in unusual or difficult circumstances as determined by the Commissioner; and

"(E) to represent within the policy-making process of the Administration the views of beneficiaries in the design of forms, the preparation of beneficiary notices, and the issuance of instructions.

"(5) The Commissioner shall ensure that the Office of the Beneficiary Ombudsman has staff sufficient to enable the Beneficiary Ombudsman to efficiently carry out the duties of the Office.

"(6) The annual report of the Commissioner under section 705 shall include a description of the activities of the Beneficiary Ombudsman.

"Chief Administrative Law Judge

"(f)(1) There shall be in the Administration an Office of the Chief Administrative Law Judge (hereinafter referred to as the "Office"). The Office shall be headed by a Chief Administrative Law Judge. All functions in the Administration relating to hearings before an administrative law judge conducted in the Administration shall be under the operational control of the Chief Administrative Law Judge.

"(2) Notwithstanding any provision of title 5, United States Code, the Chief Administrative Law Judge described in paragraph (1) shall be appointed by the Commissioner in accordance with the procedures under this subsection, and shall oversee the activities of administrative law judges that conduct business in the Administration to ensure that such administrative law judges conduct hearings and any other administrative activities for the Administration in accordance with applicable laws and regulations.

"(3) To be eligible for appointment as Chief Administrative Law Judge, an individual shall have completed not less than 3 years of employment as an administrative law judge.

"(4) Prior to the appointment of a Chief Administrative Law Judge under this subsection, the Commissioner shall appoint a Nominating Panel (hereinafter referred to as the 'Panel') not less than 90 days before such appointment. Each Panel shall be comprised of such individuals as the Commissioner determines to be appropriate and the Commissioner shall offer an appointment to the Panel to each of the following:

"(A) The Chairman of the Administrative Conference of the United States, or an individual representing the interests of the Administrative Conference of the United States.

"(B) The President of the American Bar Association, or an individual representing the interests of the American Bar Association.

"(C) The President of the Federal Bar Association, or an individual representing the interests of the Federal Bar Association.

"(D) Other individuals whom the Commissioner determines to be appropriate.

"(5) Members of the Panel shall be appointed for a term which shall terminate as specified under paragraph (13). A vacancy on the Panel shall be filled in the same manner as the initial appointment was made.

"(6) Members of the Panel who are not full-time Federal employees shall, while engaging in the business of the Panel (including travel time) be entitled to receive compensation at a rate fixed by the Commissioner, but not exceeding the daily rate specified at the time of such service for level IV of the Executive Schedule.

"(7) While away from their homes or regular places of business on the business of the Panel, such members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in Government service.

"(8) To the extent allowed by law, the head of each department and agency of the United States Government shall, upon the request of the Commissioner, provide information, assistance, and support to assist the functions of the Panel.

"(9) The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Panel.

"(10) The Commissioner shall supply such office facilities, office supplies, support services, and related expenses as necessary to carry out the functions of the Panel.

"(11) The Panel shall submit to the Commissioner a list of 3 individuals who meet the requirements under paragraph (3) and whom the Panel determines to be qualified to serve as Chief Administrative Law Judge. Such list shall be submitted to the Commissioner as follows:

"(A) For the initial appointment of the Chief Administrative Law Judge, such list shall be submitted within 60 days after the appointment of the Panel under paragraph (4) and, notwithstanding the 90-day time period described in paragraph (4), such initial appointment may be made at any time thereafter.

"(B) For an appointment to fill a vacancy that occurs before the completion of a term of the office of the Chief Administrative Law Judge, such list shall be submitted not more than 60 days after the Panel receives notice from the Commissioner of such vacancy.

"(C) For an appointment upon the expiration of a term of office of the Chief Administrative Law Judge, such list shall be submitted not less than 60 days before the date of expiration of such term of office.

"(12) The Commissioner may accept or reject a list submitted under paragraph (11). If the Commissioner rejects such list, the Commissioner shall appoint a Chief Administrative Law Judge, and send to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a written explanation of such decision to select an individual not included on such list to serve as Chief Administrative Law Judge.

"(13) A Panel appointed under this subsection shall cease to exist upon the selection by the Commissioner of an individual for appointment as Chief Administrative Law Judge.

"(14) For purposes of a reappointment of a Chief Administrative Law Judge by the Commissioner, paragraphs (4), (11), and (12), of this subsection shall not apply.

"(15) The Chief Administrative Law Judge shall report directly to the Commissioner, and shall serve for a term of 5 years, or until the reappointment of such Judge, or the appointment of a qualified successor.

"(16) Except as provided in paragraph (17), such Chief Administrative Law Judge shall not be removed from office by the Commissioner before the completion of the term of the appointment.

"(17) The Chief Administrative Law Judge may be removed from office by the Commissioner before completing the term of appointment if—

"(A) the Commissioner makes a finding, with respect to the Chief Administrative Law Judge, of neglect of duty or malfeasance in conducting the duties of the office; and

"(B) the Commissioner transmits such finding to the Speaker of the House and to the President pro tempore of the Senate.

"(18) The Chief Administrative Law Judge shall be compensated at the rate provided for level V of the Executive Schedule.

"Chief of Computer Systems Operations

"(g)(1) There shall be in the Administration a Chief of Computer Systems Operations, who shall be appointed by the Commissioner.

"(2) The Chief of Computer Systems Operations shall be compensated at the rate provided for level IV of the Executive Schedule.

"Director of Research

"(h)(1) There shall be in the Administration a Director of Research, who shall be appointed by the Commissioner.

"(2) The Director of Research shall be compensated at the rate provided for level V of the Executive Schedule.

"(3) The Director of Research shall plan and oversee the conduct of the major research and evaluation activities of the Administration.

"Chief Actuary

"(i)(1) There shall be in the Administration a Chief Actuary, who shall be appointed by the Commissioner.

"(2) The position of Chief Actuary shall be a Senior Executive Service Position under the provisions of subchapter 2 of chapter 31 of title V, United States Code, and shall be compensated at the highest rate of basic pay provided for the Senior Executive Service.

"(3) The Chief Actuary shall consult, on an ongoing basis, with the following:

"(A) the Commissioner;

"(B) the Chairman of the Committee on Finance in the Senate; and

"(C) the Chairman of the Committee on Ways and Means in the House of Representatives, concerning the financial status of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

(b) CHIEF FINANCIAL OFFICER.—Section 901(b)(2) of title 31, United States Code, is amended by adding at the end thereof the following new subparagraph:

"(H) The Social Security Administration.".

SEC. 103. SOCIAL SECURITY ADVISORY BOARD.

Section 703 (42 U.S.C. 903) is amended to read as follows:

"SOCIAL SECURITY ADVISORY BOARD

"Establishment of Board

"SEC. 703. (a) There shall be established a Social Security Advisory Board (hereinafter referred to as the 'Board').

"Functions of the Board

"(b) The Board shall advise the Commissioner on policies related to the old-age, survivors, and disability insurance program under title II, the supplemental security income program under title XVI, and on operations in the Administration. Specific functions of the Board shall include—

"(1) studying and making recommendations as to the most effective methods of providing economic security through Federal old-age, survivors, and disability insurance benefits under title II and supplemental security income benefits under title XVI;

"(2) studying and making recommendations relating to the coordination of other programs that provide economic and health security with programs described in paragraph (1);

"(3) making an independent assessment of the annual report issued by the Board of Trustees, as described in section 201, and issuing a report to the President and to the Congress summarizing such assessment;

"(4) making recommendations to the President of candidates to consider in selecting nominees for the position of Commissioner and Deputy Commissioner;

"(5) reviewing and assessing the quality of service that the Administration provides to the public;

"(6) making periodic assessments of the adequacy of computer technology of the Administration for support of program operations;

"(7) reviewing and assessing the progress of the Administration in developing needed improvements in the management of programs;

"(8) increasing public understanding of the social security system;

"(9) in consultation with the Commissioner, reviewing the development and implementation of a long-range research and program evaluation plan for the Administration;

"(10) reviewing and assessing any major studies of social security as may come to the attention of the Board; and

"(11) conducting such other reviews and assessments that the Board determines to be appropriate.

"Structure and Membership of the Board

"(c) The Board shall be composed of 7 members who shall be appointed as follows:

"(1) 3 members shall be appointed by the President, with the advice and consent of the Senate. Not more than 2 of such members shall be from the same political party.

"(2) 2 members (each member from a different political party) shall be appointed by the President pro tempore of the Senate with the advice of the Chairman and the Ranking Minority Member of the Senate Committee on Finance.

"(3) 2 members (each member from a different political party) shall be appointed by the Speaker of the House of Representatives, with the advice of the Chairman and the Ranking Minority Member of the House Committee on Ways and Means.

"Terms of Appointment

"(d) Each member of the Board shall serve for a term of 6 years, except that—

"(1) a member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed, shall be appointed for the remainder of such term; and

"(2) the terms of service of the members initially appointed under this section shall expire as follows:

"(A) The terms of service of the members initially appointed by the President shall expire as designated by the President at the time of nomination, 1 each at the end of—

"(i) 2 years;

"(ii) 4 years; and

"(iii) 6 years.

"(B) The terms of service of members initially appointed by the President pro tempore of the Senate shall expire as designated by the President pro tempore of the Senate at the time of nomination, 1 each at the end of—

"(i) 4 years; and

"(ii) 6 years.

"(C) The terms of service of members initially appointed by the Speaker of the House of Representatives shall expire as designated by the Speaker of the House of Representatives at the time of nomination, 1 each at the end of—

"(i) 3 years; and

"(ii) 5 years.

"Chairman

"(e) A member of the Board shall be designated by the President to serve as Chairman for a term of 4 years, coincident with the term of the President, or until the designation of a successor.

"Compensation

"(f) Members of the Board shall be compensated as follows:

"(1) Members shall be paid at a rate equal to 25 percent of the rate for level III of the Executive Schedule.

"(2) For days when the Board or any authorized subcommittee of the Board meets, members who attend meetings on such days shall receive additional compensation in an amount equal to the daily equivalent of the rate for level III of the Executive Schedule.

"(3) Service on the Board shall not be treated as Federal service or employment for purposes of receiving any benefits under chapters 83, 84, and 87 of title 5, United States Code.

"Meetings

"(g) The Board shall meet not less than 6 times each year to consider a specific agenda of issues, as determined by the Chairman in consultation with the other members of the Board.

"Federal Advisory Committee Act

"(h) The Board shall be exempt from the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).

"Personnel

"(i)(1) The Board shall, without regard to title 5, United States Code, appoint a Staff Director who shall be paid at a rate equivalent to a rate for the Senior Executive Service.

"(2) The Board is authorized, without regard to title 5, United States Code, to appoint and fix the compensation of such additional personnel as the Board determines to be necessary to carry out the functions of the Board.

"(3) In fixing the compensation of additional personnel under paragraph (2), the Board shall not authorize that any individual appointed under such paragraph be compensated at a rate that is greater than the rate of compensation of the Staff Director described in paragraph (1)."

"Authorization of Appropriation

"(j) There are authorized to be made available for expenditure, out of the Federal Disability Insurance Trust Fund, the Federal Old Age and Survivors Insurance Trust Fund, and the general fund of the Treasury, such sums as the Congress may deem appropriate to carry out the purposes of this section.

SEC. 104. PERSONNEL; BUDGETARY MATTERS; FACILITIES AND PROCUREMENT; SEAL OF OFFICE.

(a) IN GENERAL.—Title VII is amended by redesignating sections 704 through 711 as sections 705 through 712, respectively, and by inserting after section 703 the following new section:

"ADMINISTRATIVE DUTIES OF THE COMMISSIONER

"Personnel

"SEC. 704. (a)(1) The Commissioner shall appoint such additional officers and employees as the Commissioner considers necessary to carry out the functions of the Administration under this Act. Except as otherwise provided in any other provision of law, such officers and employees shall be appointed, and their compensation shall be fixed, in accordance with title 5, United States Code.

"(2) The Commissioner may procure the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

"(3) Notwithstanding any requirements of section 3133 of title 5, United States Code, the Director of the Office of Personnel Management shall authorize for the Administration a total number of Senior Executive Service positions which is substantially greater than the number of such positions authorized in the Social Security Administration in the Department of Health and Human Services as of immediately before the date of the enactment of the Social Security Administration Independence Act of 1992 to the extent that the greater number of such authorized positions is specified in the comprehensive work force plan as established and revised by the Commissioner under subsection (b)(1). The total number of such positions authorized for the Administration shall not at any time be less than the number of such authorized positions as of immediately before such date.

"(4) The authority and functions of the Office of Personnel Management under section 4703 of title 5, United States Code (relating to demonstration projects), to the extent such section relates to the demonstration project described in subsection (b) of section 104 of the Social Security Administration Independence Act of 1992, shall be exercised jointly by the Commissioner and the Director of the Office of Personnel Management.

"Budgetary Matters

"(b)(1) Appropriations requests for staffing and personnel of the Administration shall be based upon a comprehensive work force plan, which shall be established and revised from time to time by the Commissioner.

"(2) Appropriations for administrative expenses of the Administration are authorized to be provided on a biennial basis.

"(3) Funds appropriated for the Administration to be available on a contingency basis shall be apportioned upon the occurrence of the stipulated contingency, as determined by the Commissioner and reported to the Congress.

"Employment Restriction

"(c) The number of positions in the Administration which may be excepted from the competitive service, on a temporary or permanent basis, because of the confidential or policy-determining character of such positions, may not exceed at any time the equivalent of 5 full-time positions.

"Seal of Office

"(d) The Commissioner shall cause a seal of office to be made for the Administration of such

design as the Commissioner shall approve. Judicial notice shall be taken of such seal.''.

(b) DEMONSTRATION PROJECTS RELATING TO PERSONNEL MATTERS.—As soon as practicable after September 30, 1993, the Commissioner of Social Security and the Director of the Office of Personnel Management shall jointly implement one or more demonstration projects under this subsection. Under each such project, for the period of its duration (which shall not exceed 6 years)—

(1) the Commissioner of Social Security may appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, such technical and professional employees who possess specific knowledge in the field of computer systems and such other fields as the Commissioner and the Director of the Office of Personnel Management consider appropriate whose compensation may be fixed by the Commissioner without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that such employees may not be paid at a rate in excess of the rate payable for level IV of the Executive Schedule;

(2) the Director of the Office of Personnel Management shall delegate to the Commissioner of Social Security (pursuant to section 1104 of title 5, United States Code, and subject to applicable limitations under such title relating to delegations under such section) functions relating to—

(A) recruitment and examination programs for entry level employees; and

(B) classification and standards development systems and pay ranges for those job categories identified by the Commissioner in assuming such delegation; and

(3) the Commissioner may increase the rates of pay under the General Schedule for certain employment positions in the Administration in certain geographic regions if the Commissioner determines that in such geographic regions, with respect to the national average for the Administration—

(A) the level of difficulty of recruiting qualified individuals to fill such employment positions is higher than average; and

(B) the rate of retention of such qualified individuals is lower than average.

The Comptroller General of the United States, the Director of the Office of Personnel Management, and the Commissioner of Social Security shall each issue an interim report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate concerning such demonstration projects not later than December 31, 1997, and a final report, together with any recommendations, not later than December 31, 1999. Such reports shall include an evaluation of the readiness of the Commissioner of Social Security to assume permanent and full authority over the functions described in paragraphs (1), (2), and (3).

(c) DEMONSTRATION PROJECTS RELATING TO DELEGATIONS FROM ADMINISTRATOR OF GENERAL SERVICES.—As soon as practicable after September 30, 1993, the Commissioner of Social Security and the Administrator of General Services shall jointly implement one or more demonstration projects under this subsection. Under each such project, for the period of its duration (which shall not exceed 6 years), the Commissioner of Social Security shall have—

(1) all authorities permitted to be delegated under the provisions of Federal law codified under title 40 of the United States Code, relating to the acquisition, operation, and maintenance of the facilities needed for the administration of programs for which the Commissioner is given responsibility under the Social Security Act;

(2) all authorities permitted to be delegated under section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759), relating to the lease, purchase, or maintenance of automated data processing equipment; and

(3) the authority to contract for any automated data processing equipment or services which the Commissioner considers necessary for the efficient and effective operation of such programs.

The Comptroller General of the United States, the Administrator of General Services, and the Commissioner of Social Security shall each issue an interim report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate concerning such demonstration projects not later than December 31, 1997, and a final report, together with any recommendations, not later than December 31, 1999. Such reports shall include an evaluation of the readiness of the Commissioner of Social Security to assume permanent and full authority over the functions described in paragraphs (1), (2), and (3).

SEC. 105. TRANSFERS TO THE NEW SOCIAL SECURITY ADMINISTRATION.

(a) FUNCTIONS.—There are transferred to the Social Security Administration all functions carried out by the Secretary of Health and Human Services with respect to the programs and activities the administration of which is vested in the Social Security Administration by reason of this title and the amendments made thereby. The Commissioner of Social Security shall allocate such functions in accordance with sections 701, 702, 703, and 704 of the Social Security Act.

(b) PERSONNEL, ASSETS, ETC.—(1) There are transferred from the Department of Health and Human Services to the Social Security Administration, for appropriate allocation by the Commissioner of Social Security in the Social Security Administration—

(A) the personnel employed in connection with the functions transferred by this title and the amendments made thereby; and

(B) the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, or used in connection with such functions, arising from such functions, or available, or to be made available, in connection with such functions.

(2) Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.

(3) Any individual who is an employee of the Department and who was not employed on the date of the enactment of this title, in connection with functions transferred by this title to the Administration, but who was so employed on September 30, 1993, may be transferred from the Department of Health and Human Services to the Social Security Administration by the Commissioner under subparagraph (A) of paragraph (1), after consultation with the Secretary of Health and Human Services, if the Commissioner determines such transfer to be appropriate.

(4) Any individual who is an employee of the Department and who was employed on the date of the enactment of this title, in connection with functions transferred by this title to the Administration, and who was so employed on September 30, 1993, shall be transferred from the Department of Health and Human Services to the Social Security Administration.

(c) ABOLISHMENT OF OFFICE OF COMMISSIONER IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Effective upon the appointment of a Commissioner of Social Security pursuant to section 702 of the Social Security Act (as amended by this title)—

(1) the position of Commissioner of Social Security in the Department of Health and Human Services is abolished; and

(2) section 5315 of title 5, United States Code, is amended by striking the following:

"Commissioner of Social Security, Department of Health and Human Services.".

SEC. 106. TRANSITIONAL RULES.

(a) INTERIM AUTHORITY FOR APPOINTMENT AND COMPENSATION.—At any time on or after the date of the enactment of this title—

(1) any of the officers provided for in sections 702 and 703 of the Social Security Act (as amended by this title) may be nominated and appointed, as provided in such section;

(2) the Advisory Council on Social Security provided for in section 707 of the Social Security Act (as amended by this title) may be appointed, as provided in such section; and

(3) the Commissioner of Social Security may prescribe regulations providing for the orderly transfer of proceedings before the Secretary of Health and Human Services to the Commissioner of Social Security.

Funds available to any official or component of the Department of Health and Human Services, functions of which are transferred to the Commissioner of Social Security or the Social Security Administration by this title, may with the approval of the Director of the Office of Management and Budget, be used to pay the compensation and expenses of any officer appointed pursuant to this section until such time as funds for that purpose are otherwise available.

(b) CONTINUATION OF ORDERS, DETERMINATIONS, RULES, REGULATIONS, ETC.—All orders, determinations, rules, regulations, permits, contracts, collective bargaining agreements (and ongoing negotiations relating to such collective bargaining agreements), recognitions of labor organizations, certificates, licenses, and privileges—

(1) which have been issued, made, promulgated, granted, or allowed to become effective, in the exercise of functions (A) which were exercised by the Secretary of Health and Human Services (or the Secretary's delegate), and (B) which relate to functions which, by reason of this title, the amendments made thereby, and regulations prescribed thereunder, are vested in the Commissioner of Social Security; and

(2) which are in effect immediately before October 1, 1993,

shall (to the extent that they relate to functions described in paragraph (1)(B)) continue in effect according to their terms until modified, terminated, suspended, set aside, or repealed by such Commissioner, except that any collective bargaining agreement shall remain in effect until the date of termination specified in such agreement.

(c) CONTINUATION OF PROCEEDINGS.—The provisions of this title (including the amendments made thereby) shall not affect any proceeding pending before the Secretary of Health and Human Services immediately before October 1, 1993, with respect to functions vested (by reason of this title, the amendments made thereby, and regulations prescribed thereunder) in the Commissioner of Social Security, except that such proceedings, to the extent that such proceedings relate to such functions, shall continue before such Commissioner. Orders shall be issued under any such proceeding, appeals taken therefrom, and payments shall be made pursuant to such orders, in like manner as if this title had not been enacted, and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or repealed by such Commissioner, by a court of competent jurisdiction, or by operation of law.

(d) CONTINUATION OF SUITS.—Except as provided in this subsection—

(1) the provisions of this title shall not affect suits commenced prior to October 1, 1993; and

(2) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this title had not been enacted.

No cause of action, and no suit, action, or other proceeding commenced by or against any officer in such officer's official capacity as an officer of the Department of Health and Human Services, shall abate by reason of the enactment of this title. Causes of action, suits, actions, or other proceedings may be asserted by or against the United States and the Social Security Administration, or such official of such Administration as may be appropriate, and, in any litigation pending immediately before October 1, 1993, the court may at any time, on the court's own motion or that of a party, enter an order which will give effect to the provisions of this subsection (including, where appropriate, an order for substitution of parties).

(e) CONTINUATION OF PENALTIES.—This title shall not have the effect of releasing or extinguishing any criminal prosecution, penalty, forfeiture, or liability incurred as a result of any function which (by reason of this title, the amendments made thereby, and regulations prescribed thereunder) is vested in the Commissioner of Social Security.

(f) JUDICIAL REVIEW.—Orders and actions of the Commissioner of Social Security in the exercise of functions vested in such Commissioner under this title (and the amendments made thereby) shall be subject to judicial review to the same extent and in the same manner as if such orders had been made and such actions had been taken by the Secretary of Health and Human Services in the exercise of such functions immediately before October 1, 1993. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function so vested in such Commissioner shall continue to apply to the exercise of such function by such Commissioner.

(g) EXERCISE OF FUNCTIONS.—In the exercise of the functions vested in the Commissioner of Social Security under this title, the amendments made thereby, and regulations prescribed thereunder, such Commissioner shall have the same authority as that vested in the Secretary of Health and Human Services with respect to the exercise of such functions immediately preceding the vesting of such functions in such Commissioner, and actions of such Commissioner shall have the same force and effect as when exercised by such Secretary.

(h) REPORT.—Within 6 months of the date of the enactment of this title, the Commissioner of Social Security and the Comptroller General of the United States shall each advise the chairmen and ranking minority members of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the status of the transition to an independent Social Security Administration, including information as to timeliness in filling appointments, cooperation encountered in relationships with the Department of Health and Human Services and other agencies, and any technical problems resulting from the provisions of, and amendments made by, this title.

SEC. 107. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), this title, and the amendments made by such title shall take effect October 1, 1993.

(b) TRANSITIONAL RULES.—Section 106 shall take effect on the date of the enactment of this title.

TITLE II—CONFORMING AMENDMENTS

SEC. 201. AMENDMENTS TO TITLES II AND XVI OF THE SOCIAL SECURITY ACT.

(a) IN GENERAL.—Title II (42 U.S.C. 401 et seq.) (other than section 201, section 218(d), section 231(c), section 226, and section 226A) and title XVI (42 U.S.C. 1382 et seq.) (other than sections 1614(f)(2)(B) and 1616(e)(3)) are each amended—

(1) by striking, wherever it appears therein, "Secretary of Health and Human Services" and inserting "Commissioner of Social Security";

(2) by striking, wherever it appears therein, "Department of Health and Human Services" and inserting "Social Security Administration";

(3) by striking, wherever it appears therein, "Department" (but only if it is not immediately succeeded by the words "of Health and Human Services", and only if it is used in reference to the Department of Health and Human Services) and inserting "Administration";

(4) by striking, wherever it appears therein, each of the following words (but, in the case of any such word only if such word refers to the Secretary of Health and Human Services): "Secretary", "Secretary's", "his", "him", "he", "her", and "she", and inserting (in the case of the word "Secretary") "Commissioner of Social Security", (in the case of the word "Secretary's") "Commissioner's", (in the case of the word "his") "the Commissioner's", (in the case of the word "him") "the Commissioner", and (in the case of the words "she" or "he") "the Commissioner"; (in the case of the word "her") "the Commissioner" or "the Commissioner's", as may be appropriate; and (in the case of the words "she" or "he") "the Commissioner"; and

(5) by striking, wherever it appears therein, "Internal Revenue Code of 1954" and inserting "Internal Revenue Code of 1986".

(b) AMENDMENTS TO SECTION 201.—(1)(A) Sections 201(a)(3), 201(a)(4), 201(b)(1), and 201(b)(2) (42 U.S.C. 401(a)(3), 401(a)(4), 401(b)(1), and 401(b)(2), respectively) are each amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security"; and

(B) Sections 201(a)(3) and 201(b)(1) (42 U.S.C. 401(a)(3) and 401(b)(1), respectively) are each amended by striking "such Secretary" and inserting "such Commissioner".

(2) Section 201(c) (42 U.S.C. 401(c)) is amended—

(A) in the first sentence, by striking "shall be composed of" and all that follows down through "ex officio" and inserting the following: "shall be composed of the Commissioner of Social Security, the Secretary of the Treasury, and the Secretary of Health and Human Services, all ex officio"; and

(B) by striking "The Commissioner of Social Security shall serve as Secretary of the Board of Trustees.".

(3) Section 201(g)(1)(A) (42 U.S.C. 401(g)(1)(A)) is amended—

(A) in clause (i), by striking "by him and the Secretary of Health and Human Services" and inserting "by him, the Commissioner of Social Security, and the Secretary of Health and Human Services", and by striking "by the Department of Health and Human Services and the Treasury Department" and inserting "by the Social Security Administration, the Department of Health and Human Services, and the Department of the Treasury";

(B) in clause (ii), by striking "method prescribed by the Board of Trustees under paragraph (4)" and inserting "applicable method prescribed under paragraph (4)", by striking "the Secretary of Health and Human Services" and inserting "the Commissioner of Social Security and the Secretary of Health and Human Services", and by striking "the Department of Health and Human Services" and inserting "the Social Security Administration and the Department of Health and Human Services"; and

(C) by striking the last sentence and inserting the following: "There are hereby authorized to be made available for expenditure, out of any or all of the Trust Funds, such amounts as the Congress may deem appropriate to pay the costs of the part of the administration of this title and title XVI for which the Commissioner of Social Security is responsible, the costs of title XVIII for which the Secretary of Health and Human Services is responsible, and the costs of carrying out the functions of the Social Security Administration, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 other than those referred to in clause (i) of the first sentence of this subparagraph.".

(4) Section 201(g)(1) (42 U.S.C. 401(g)(1)) is further amended by striking subparagraph (B) and inserting the following new subparagraphs:

"(B) After the close of each fiscal year—

"(i) the Commissioner of Social Security shall determine (I) the portion of the costs, incurred during such fiscal year, of administration of this title and title XVI and of carrying out the functions of the Social Security Administration, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 (other than those referred to in clause (i) of the first sentence of subparagraph (A)), which should have been borne by the General Fund in the Treasury, (II) the portion of such costs which should have been borne by the Federal Old-Age and Survivors Insurance Trust Fund, and (III) the portion of such costs which should have been borne by the Federal Disability Insurance Trust Fund, and

"(ii) the Secretary of Health and Human Services shall determine (I) the portion of the costs, incurred during such fiscal year, of administration of title XVIII which should have been borne by the General Fund in the Treasury, (II) the portion of such costs which should have been borne by the Federal Hospital Insurance Trust Fund, and (III) the portion of such costs which should have been borne by the Federal Supplementary Medical Insurance Trust Fund,

except that the determination of the amounts to be borne by the General Fund in the Treasury with respect to expenditures incurred in carrying out such functions specified in section 232 shall be made pursuant to the applicable method prescribed under paragraph (4) of this subsection.

"(C) After the determinations under subparagraph (B) have been made for any fiscal year, the Commissioner of Social Security and the Secretary of Health and Human Services shall each certify to the Managing Trustee the amounts which should be transferred from each of the Trust Funds to the General Fund in the Treasury and from the General Fund in the Treasury to each of the Trust Funds, in order to ensure that each of the Trust Funds and the General Fund in the Treasury have borne their proper share of the costs, incurred during such fiscal year, for (i) the part of the administration of this title and title XVI for which the Commissioner of Social Security is responsible, (ii) the part of the administration of this title and title XVIII for which the Secretary of Health and Human Services is responsible, and (iii) carrying out the functions of the Social Security Administration, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 (other than those referred to in clause (i) of the first sentence of subparagraph (A)). The Managing Trustee shall transfer any such amounts in accordance with any certification so made.".

(5) Section 201(g)(2) (42 U.S.C. 401(g)(2)) is amended, in the second sentence, by striking "established and maintained by the Secretary of Health and Human Services" and inserting "maintained by the Commissioner of Social Security", and by striking "Secretary shall furnish" and inserting "Commissioner of Social Security shall furnish".

(6) Section 201(g)(4) (42 U.S.C. 401(g)(4)) is amended to read as follows:

"(4) The Commissioner of Social Security shall utilize the method prescribed pursuant to this paragraph, as of immediately before the date of the enactment of the Social Security Administration Independence Act of 1992 for determining the costs which should be borne by the General Fund in the Treasury of carrying out the functions of the Social Security Administration, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 (other than those referred to in clause (i) of the first sentence of paragraph (1)(A)). If at any time or times thereafter the Board of Trustees considers such action advisable, the Board of Trustees may modify the method of determining such costs.".

(7) Section 201(i)(1) (42 U.S.C. 401(i)(1)) is amended to read as follows:

"(i)(1) The Managing Trustee may accept on behalf of the United States money gifts and bequests made unconditionally to the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, or the Federal Supplementary Medical Insurance Trust Fund or to the Social Security Administration, the Department of Health and Human Services, or any part or officer thereof, for the benefit of any of such Funds or any activity financed through such Funds.".

(8) Subsections (j) and (k) of section 201 (42 U.S.C. 401) are each amended by striking "Secretary" each place it appears and inserting "Commissioner of Social Security".

(9) Section 201(l)(3)(B)(iii)(II) (42 U.S.C. 401(l)(3)(B)(iii)(II)) is amended by striking "Secretary" and inserting "Commissioner of Social Security".

(10) Section 201(m)(3) (42 U.S.C. 401(m)(3)) is amended by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(11) Section 201 (42 U.S.C. 401) is amended by striking "Internal Revenue Code of 1954" each place it appears and inserting "Internal Revenue Code of 1986".

(c) AMENDMENTS TO SECTION 218.—Section 218(d) (42 U.S.C. 418(d)) is amended by striking "Secretary" each place it appears in paragraphs (3) and (7) and inserting "Commissioner of Social Security".

(d) AMENDMENT TO SECTION 231.—Section 231(c) (42 U.S.C. 431(c)) is amended by striking "Secretary determines" and inserting "Commissioner of Social Security and the Secretary jointly determine".

SEC. 202. OTHER AMENDMENTS.

(a) AMENDMENTS TO TITLE VII.—(1) Section 705, as redesignated by section 104(a), is amended to read as follows:

"REPORTS

"SEC. 705. The Secretary and the Commissioner of Social Security shall make full reports to Congress, not less than 120 days after the beginning of each regular session, of the administration of the functions with which they are charged under this Act. In addition to the number of copies of such reports authorized by other law to be printed, there is hereby authorized to be printed not more than 5,000 copies of each such report for use by the Secretary and the Commissioner of Social Security for distribution to Members of Congress and to State and other public or private agencies or organizations participating in or concerned with the programs provided for in this Act.".

(2) Section 710(b)(2), as redesignated by section 104(a), is amended by striking "(as estimated by the Secretary)" and inserting ", as estimated by the Commissioner of Social Security or the Secretary (whichever administers the program involved),".

(3) Title VII (42 U.S.C. 701 et seq.) is amended by adding at the end thereof the following new section:

"DUTIES AND AUTHORITY OF SECRETARY

"SEC. 713. (a) The Secretary shall perform the duties imposed upon the Secretary by this Act. The Secretary is authorized to appoint and fix the compensation of such officers and employees, and to make such expenditures as may be necessary for carrying out the functions of the Secretary under this Act".

(4) Section 707, as redesignated by section 104(a), is amended to read as follows:

"ADVISORY COUNCIL ON SOCIAL SECURITY

"SEC. 707. (a) During 1993 (but not before February 1, 1993) and every fourth year thereafter (but not before February 1 of such fourth year), the Commissioner shall appoint an Advisory Council on Social Security for the purposes of reviewing—

"(1) the status of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund in relation to the long-term commitments of the old-age, survivors, and disability insurance program; and

"(2) such programs, including the scope of coverage and the adequacy of benefits under such programs, and the relationship of such programs to other programs providing income security, health benefits, and social services.

"(b) Each such Council shall consist of a Chairman and 12 other individuals, appointed by the Commissioner without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

"(c) Members appointed to each such Council under this section shall, to the extent possible, represent organizations of employers and employees in equal numbers, and represent self-employed persons and the public.

"(d)(1) Members of each such council who are not full-time Federal employees, while serving on business of the Council (including traveltime), shall receive compensation at rates fixed by the Commissioner, but not to exceed the daily rate specified at the time of such service for level IV of the Executive Schedule.

"(2) While serving on business of the Council away from their homes or regular places of business, such members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

"(e) Each such Council shall submit reports (including any interim reports such Council may have issued) of the findings and recommendations of such Council to the Commissioner not later than January 1 of the second year after the year in which such Council is appointed. The Commissioner shall thereupon transmit such reports and recommendations to the Congress and to the Board of Trustees of each of the Trust Funds described in subsection (a).

"(f) A Council appointed under this section shall cease to exist on the date immediately following the date prescribed for the transmittal to the Commissioner on the reports described in subsection (e).".

(5) Title VII is amended by inserting after section 707, as redesignated by section 104(a), the following new section:

"ADVISORY COUNCIL ON HOSPITAL AND SUPPLEMENTARY MEDICAL INSURANCE

"SEC. 707A. (a) During 1993 (but not before February 1, 1993) and every fourth year thereafter (but not before February 1 of such fourth year), the Secretary shall appoint an Advisory Council on Hospital and Supplementary Medical Insurance for the purposes of reviewing—

"(1) the status of the Federal Hospital Insurance Trust Fund, and the Federal Supplementary Medical Insurance Fund in relation to the long-term commitments of the programs under parts A and B of title XVIII; and

"(2) such programs, including the scope of coverage and the adequacy of benefits under such programs, and the relationship of such programs to other programs providing income security, health benefits, and social services.

"(b) Each such Council shall consist of a Chairman and 12 other individuals, appointed by the Commissioner without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

"(c) Members appointed to each such Council under this section shall, to the extent possible, represent organizations of employers and employees in equal numbers, and represent self-employed persons and the public.

"(d)(1) Members of each such council who are not full-time Federal employees, while serving on business of the Council (including travel time), shall receive compensation at rates fixed by the Commissioner, but not to exceed the daily rate specified at the time of such service for level IV of the Executive Schedule.

"(2) While serving on business of the Council away from their homes or regular places of business, such members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

"(e) Each such Council shall submit reports (including any interim reports such Council may have issued) of the findings and recommendations of such Council to the Commissioner not later than January 1 of the second year after the year in which such Council is appointed. The Commissioner shall thereupon transmit such reports and recommendations to the Congress and to the Board of Trustees of each of the Trust Funds described in subsection (a).

"(f) A Council appointed under this section shall cease to exist on the date immediately following the date of the transmittal to the Congress of the reports described in subsection (e).".

(6) Paragraph (2) of section 710(b), as redesignated by section 104(a), is amended by striking "(as estimated by the Secretary)" and inserting "(for amounts which will be paid from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, as estimated by the Commissioner, and for amounts which will be paid from the Federal Hospital Insurance Trust and the Federal Supplementary Medical Insurance Trust Fund, as estimated by the Secretary)".

(7) Sections 710 and 711, as redesignated by section 104(a), are amended by striking "Internal Revenue Code of 1954" each place it appears and inserting "Internal Revenue Code of 1986".

(b) AMENDMENTS TO TITLE XI.—(1) Section 1101(a) (42 U.S.C. 1301(a)) is amended by adding at the end thereof the following new paragraph:

"(10) The term 'Administration' means the Social Security Administration, except where the context requires otherwise.".

(2) Section 1106(a) (42 U.S.C. 1306(a)) is amended—

(A) by inserting "(1)" after "(a)";

(B) by striking "Department of Health and Human Services" each place it appears and inserting "applicable agency";

(C) by striking "Secretary" each place it appears and inserting "head of the applicable agency"; and

(D) by adding at the end thereof the following new paragraph:

"(2) For purposes of this subsection and subsection (b), the term 'applicable agency' means—

"(A) the Social Security Administration, with respect to matter transmitted to or obtained by such Administration or matter disclosed by such Administration, or

"(B) the Department of Health and Human Services, with respect to matter transmitted to or obtained by such Department or matter disclosed by such Department.".

(3) Section 1106(b) (42 U.S.C. 1306(b)) is amended—

(A) by striking "Secretary" each place it appears and inserting "head of the applicable agency"; and

(B) by striking "Department of Health and Human Services" and inserting "applicable agency".

(4) Section 1106(c) (42 U.S.C. 1306(c)) is amended—

(A) by striking "the Secretary" the first place it appears and inserting "the Commissioner of Social Security or the Secretary"; and

(B) by striking "the Secretary" each subsequent place it appears and inserting "such Commissioner or Secretary".

(5) Section 1107(b) (42 U.S.C. 1307(b)) is amended by striking "the Secretary of Health and Human Services" and inserting "the Commissioner of Social Security or the Secretary".

(6) Section 1110 (42 U.S.C. 1310) is amended—

(A) in subsection (a)(2), by inserting "(or the Commissioner, with respect to any jointly financed cooperative agreement or grant concerning titles II or XVI)" after "Secretary";

(B) in subsection (b)—

(i) by striking "Secretary" each place it appears and inserting "Commissioner", and

(ii) by striking "the Secretary's" each place it appears and inserting "the Commissioner's"; and

(C) by striking "he", "his", "him", and "himself" each place they appear (except in subsection (b)(2)(A)) and inserting "the Commissioner", "the Commissioner's", "the Commissioner", and "himself or herself", respectively.

(7) Subsections (b) and (c) of section 1127 (42 U.S.C. 1320a–6) are each amended by striking "Secretary" and inserting "Commissioner of Social Security".

(8) Section 1128(f) (42 U.S.C. 1320a–7(f)) is amended by inserting after "section 205(g)" the following: ", except that, in so applying such sections and section 205(l), any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively".

(9) Section 1131 (42 U.S.C. 1320b–1) is amended—

(A) by striking "Secretary" each place it appears and inserting "Commissioner of Social Security";

(B) in subsection (a)(1)(A), by adding "or" at the end thereof;

(C) in subsection (a)(1)(B), by striking "or" at the end thereof;

(D) by striking subsection (a)(1)(C);

(E) by redesignating subsection (a)(2) as subsection (a)(3);

(F) by inserting after subsection (a)(1) the following new paragraph:

"(2) the Secretary makes a finding of fact and a decision as to the entitlement under section 226 of any individual to hospital insurance benefits under part A of title XVIII, or"; and

(G) by striking "he" in the matter in subsection (a) following paragraph (3) (as so redesignated) and inserting "the Commissioner of Social Security".

(10) Section 1155 (42 U.S.C. 1320c–4) is amended by striking "(to the same extent as is provided in section 205(b))" and all that follows and inserting "(to the same extent as beneficiaries under title II are entitled to a hearing by the Commissioner of Social Security under section 205(b)). For purposes of the preceding sentence, subsection (l) of section 205 shall apply, except that any reference in such subsection to the Commissioner of Social Security or the Social Security Administration shall be deemed a reference to the Secretary or the Department of Health and Human Services, respectively. Where the amount in controversy is $2,000 or more, such beneficiary shall be entitled to judicial review of any final decision relating to a reconsideration described in this subsection.".

(11) Sections 1101, 1106, 1107, and 1137 (42 U.S.C. 1301, 1306, 1307, and 1320b–7, respectively) are amended by striking "Internal Revenue Code of 1954" each place it appears and inserting "Internal Revenue Code of 1986".

(c) AMENDMENTS TO TITLE XVIII.—(1) Subsections (a) and (f) of section 1817 (42 U.S.C. 1395i) are amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(2) Section 1840(a) (42 U.S.C. 1395s(a)) is amended—

(A) in paragraph (1), by striking "Secretary" and inserting "Commissioner of Social Security", and by adding at the end thereof the following new sentence: "Such regulations shall be prescribed after consultation with the Secretary."; and

(B) in paragraph (2), by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(3) Section 1872 (42 U.S.C. 1395ii) is amended by inserting after "title II" the following: ", except that, in applying such provisions with respect to this title, any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively".

(4) Section 1869(b)(1) (42 U.S.C. 1395ff(b)(1)) and the last sentence of section 1876(c)(5)(B) (42 U.S.C. 1395mm(c)(5)(B)) are amended by inserting after "section 205(g)" the following: ", except that, in so applying such sections and section 205(l), any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively".

(5) Sections 1817, 1862, and 1886 (42 U.S.C. 1395i, 1395y, and 1395ww, respectively) are amended by striking "Internal Revenue Code of 1954" each place it appears and inserting "Internal Revenue Code of 1986".

(d) AMENDMENTS TO TITLE XIX.—

(1) Section 1905(q)(2) (42 U.S.C. 1396d(q)(2)) is amended by striking "Secretary" and inserting "Commissioner of Social Security".

(2) Section 1910(b)(2) (42 U.S.C. 1396i(b)(2)) is amended, in the first sentence, by inserting after "section 205(g)" the following: ", except that, in so applying such sections and section 205(l), any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively".

(e) AMENDMENT TO TITLE XX.—Section 2002(a)(2)(B) (42 U.S.C. 1397a(a)(2)(B)) is amended by striking "Internal Revenue Code of 1954" and inserting "Internal Revenue Code of 1986".

(f) AMENDMENTS TO TITLE 5, UNITED STATES CODE.—Title 5, United States Code, is amended—

(1) by adding at the end of section 5311 the following new item:

"Commissioner, Social Security Administration.

(2) by adding at the end of section 5313 the following new item:

"Deputy Commissioner, Social Security Administration.

(3) by adding at the end of section 5315 the following new items:

"Solicitor, Social Security Administration.

"Inspector General, Social Security Administration.

"Chief of Computer Systems Operations, Social Security Administration.";

(4) by adding at the end of section 5316 the following new items:

"Chief Administrative Law Judge, Social Security Administration.

"Director of Research."; and

(5) by striking "Secretary of Health Education, and Welfare" each place it appears in section 8141 and inserting "Commissioner of Social Security".

(g) AMENDMENTS TO FOOD STAMP ACT OF 1977.—

(1) Sections 6(c)(3) and 8(e)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(3) and 2017(e)(6)) are each amended by inserting "the Commissioner of Social Security and" before "the Secretary of Health and Human Services".

(2) Sections 6(g), 11(j), and 16(e) of such Act (7 U.S.C. 2015(g), 2020(j), and 2025(e)) are each amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(3) Section 11(i) of such Act (7 U.S.C. 2020(i)) is amended by adding ", the Commissioner of Social Security" after "the Secretary".

(h) AMENDMENT TO TITLE 14, UNITED STATES CODE.—Section 707 of title 14, United States Code, is amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(i) AMENDMENTS TO INTERNAL REVENUE CODE OF 1986.—(1) Subsections (c)(1), (c)(2)(E), (g)(1), (g)(2)(A), and (g)(2)(B) of section 1402 of the Internal Revenue Code of 1986 (26 U.S.C. 1402) are amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(2) Section 3121(b)(10)(B) of such Code (26 U.S.C. 3121(b)(10)(B)) is amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(3) Subsections (d) and (f) of section 6057 of such Code (26 U.S.C. 6057) are amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(4) Section 6103(l)(5) of such Code (26 U.S.C. 6103(l)(5)) is amended—

(A) by striking "Department of Health and Human Services" and inserting "Social Security Administration"; and

(B) by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(5) Section 6511(d)(5) of such Code (26 U.S.C. 6511(d)(5)) is amended by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(j) AMENDMENTS TO TITLE 38, UNITED STATES CODE.—Section 3005 of title 38, United States Code, is amended by striking "Secretary of Health and Human Services" and "Secretary" each place they appear and inserting "Commissioner of Social Security".

(k) AMENDMENTS TO INSPECTOR GENERAL ACT OF 1978.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in section 9(a)(1), by striking "and" at the end of subparagraph (U), and by adding at the end thereof the following new subparagraph:

"(V) of the Social Security Administration (to the extent provided in the Social Security Administration Independence Act of 1992), the functions of the Inspector General of the Department of Health and Human Services relating to the administration of the old-age, survivors, and disability insurance program under title II of the Social Security Act and of the sup-

plemental security income program under title XVI of such Act; and";

(2) in section 11(1), by striking "or" after "Commission" and inserting a semicolon, and by inserting after "Board;" the following: "or the Commissioner of Social Security;"; and

(3) in section 11(2), by striking "or" after "Information Agency,", and by inserting after "Veterans' Administration" the following: ", or the Social Security Administration;".

SEC. 203. RULES OF CONSTRUCTION.

(a) REFERENCES TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Whenever any reference is made in any provision of law (other than this Act or a provision of law amended by this Act), regulation, rule, record, or document to the Department of Health and Human Services with respect to such Department's functions under the old-age, survivors, and disability insurance program under title II of the Social Security Act or the supplemental security income program under title XVI of such Act, such reference shall be considered a reference to the Social Security Administration.

(b) REFERENCES TO THE SECRETARY OF HEALTH AND HUMAN SERVICES.—Whenever any reference is made in any provision of law (other than this Act or a provision of law amended by this Act), regulation, rule, record, or document to the Secretary of Health and Human Services with respect to such Secretary's functions under the old-age, survivors, and disability insurance program under title II of the Social Security Act or the supplemental security income program under title XVI of such Act, such reference shall be considered a reference to the Commissioner of Social Security.

(c) REFERENCES TO OTHER OFFICERS AND EMPLOYEES.—Whenever any reference is made in any provision of law (other than this Act or a provision of law amended by this Act), regulation, rule, record, or document to any other officer or employee of the Department of Health and Human Services with respect to such officer or employee's functions under the old-age, survivors, and disability insurance program under title II of the Social Security Act or the supplemental security income program under title XVI of such Act, such reference shall be considered a reference to the appropriate officer or employee of the Social Security Administration.

SEC. 204. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the provisions of this title shall take effect October 1, 1993.

(b) EXCEPTIONS.—Subsections (a)(4), (f)(1), (f)(2), (f)(3), (f)(4), and (k) of section 202 shall take effect on the date of the enactment of this title.●

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LEAHY, from the Committee on Agriculture, Nutrition, and Forestry:

James B. Huff, Sr., of Mississippi, to be Administrator of the Rural Electrification Administration for a term of ten years.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. NUNN, from the Committee on Armed Services:

The following named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Lt. Gen. Thomas J. McInerney, xxx-xx-xxxx U.S. Air Force.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOMENICI (for himself, Mr. BROWN, and Mr. NICKLES):

S. 2900. A bill to establish a moratorium on the promulgation and implementation of certain drinking water regulations promulgated under title XIV of the Public Health Service Act (commonly known as the Safe Drinking Water Act) until certain studies and the reauthorization of the Act are carried out, and for other purposes; to the Committee on Environment and Public Works.

By Mr. SASSER (for himself and Mr. GORE):

S. 2901. A bill to direct the Secretary of Health and Human Services to extend the waiver granted to the Tennessee Primary Care Network of the enrollment mix requirement under the medicaid program; considered and passed.

Mr. SIMPSON (for Mr. WARNER (for himself and Mr. ROBB)):

S.J. Res. 324. A joint resolution to commend the NASA Langley Research Center on the celebration of its 75th Anniversary on July 17, 1992; considered and passed.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI (for himself, Mr. BROWN, and Mr. NICKLES):

S. 2900. A bill to establish a moratorium on the promulgation and implementation of certain drinking water regulations promulgated under title XIV of the Public Health Service Act (commonly known as the Safe Drinking Water Act) until certain studies and the reauthorization of the act are carried out, and for other purposes; to the Committee on Environment and Public Works.

MORATORIUM ON CERTAIN DRINKING WATER REGULATIONS

Mr. DOMENICI. Mr. President, today I am introducing legislation—along with the Senator from Colorado, Senator BROWN—to address the concerns that are being expressed by the Governors of this Nation, the municipalities of this country, and the citizens of this Nation regarding the Safe Drinking Water Act.

The last time Congress reauthorized the Safe Drinking Water Act was in 1986. During that process, the act was significantly changed to incorporate a list of contaminants to be controlled over a 10-year period. Presently, 35 contaminants are controlled under the act. That number will jump to 62 by the end of the year and to 84 by November 1993. By 1997, the number will grow still further to a total of 111 contaminants.

I might indicate, Mr. President, that many of these contaminants do not even exist in certain systems, in most of the systems, yet they have to be tested rather frequently under the current regulations.

In addition to the number of contaminants to be addressed, the number of systems covered under the program has increased from 40,000 systems at the time the original law was passed to over 220,000 systems today.

That means the very smallest systems in the United States, little tiny communities, are now covered by these rather large impositions, some of which make no sense at all.

Mr. President, I do not believe that there is anyone in this country who would support legislation that would endanger the health of our citizenry. However, there is a growing concern being raised that this act is placing a tremendous financial burden on our States and municipalities without providing a corresponding benefit; namely, there is no safety and health problem with most of these.

I have been inundated with letters from my State of New Mexico, my constituents, from both the State government and the municipalities who support changes to this program.

As a result of the concerns that have been raised, 18 months ago, I set up a task force of New Mexicans because I saw this train coming—including representatives from the State Environment Department and water systems throughout the State.

While the group is still refining their recommendations because the regulations are cumbersome and complicated and, I might say, very, very large in number, these recommendations will primarily be found in a proposal to approve a 4-year extension of the deadlines mandated in that act while EPA has an opportunity to review the programs.

A similar recommendation has just been endorsed by a bipartisan, regionally diverse group of Governors. These Governors have been meeting—at the request of the EPA—to review the program and to make appropriate recommendations on what changes need to be made. The Governors who participated in the review have recommended that until the Safe Drinking Water Act is reauthorized, States and localities should not be required to implement new regulatory requirements unless the regulations are necessary to address significant risks and unless resources are made available to help implement them.

Because of the serious concerns that are being raised by States all over the country, the bill I am introducing stops any further regulations from being implemented—beyond the 35 existing standards—until the Congress reviews and reauthorizes the act.

However, the bill which I am introducing, along with my friend from Colorado, Senator BROWN, provides the Administrator of the Environmental Protection Agency with the authority to implement additional regulations, after consultation with the States, if such action is justified because of the risks associated with a contaminant, taking into consideration the available resources for managing risks associated with drinking water.

In addition, the bill requires that EPA undertake a comprehensive review of the program and report back to the Congress within 12 months with specific recommendations on what changes are necessary.

Let me repeat, in addition to providing that if the EPA finds there are risks associated with a contaminate, they can continue to insist on the regulatory schemes. And in addition, the bill requires that EPA undertake a comprehensive review and report back to the Congress within 12 months with specific recommendations on what changes are necessary.

Mr. President, I do not pretend to know exactly how this program needs to be changed. I do know, however, that we are already controlling the most significant contaminants that need to be regulated to address the most significant health concerns. It is time for Congress to acknowledge that the law needs to be reviewed; that there just possibly is the chance we were wrong when we passed these 1986 amendments.

I am firmly convinced that we were, and that the scheme we implemented we either did not understand or, if we did, there is no way we could have understood the results on small municipalities across this country and taken into consideration the minor health and safety aspects of this matter.

So I encourage the authorizing committee to move. I also encourage Congress to acknowledge the need to stop any additional regulations until Congress does its job in reviewing and reauthorizing this program.

I would like to put the body on notice that I intend to try to move this legislation by way of an amendment at the earliest possible date, and I urge my colleagues to join in this effort. I believe, when they receive this bill and my request that Senators join me in this, scores of Senators from both sides of the aisle after hearing from their Governors and their municipalities, principally the smaller ones, will join and they will not be fearful that they are going to do anyone any harm because if there is harm involved we leave the EPA with the authority to continue regulation of those kinds of contaminants.

I sent the bill to the desk. I am very pleased that Senator BROWN of Colorado is my cosponsor. I ask unanimous consent that the bill be referred to the appropriate committee.

ADDITIONAL COSPONSORS

S. 194

At the request of Mr. MCCAIN, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 194, a bill to amend title II of the Social Security Act to eliminate the earnings test for individuals who have attained retirement age.

S. 290

At the request of Mr. MCCAIN, the name of the Senator from Florida [Mr. GRAHAM] was withdrawn as a cosponsor of S. 290, a bill to establish an Indian Substance Abuse Program, and for other purposes.

S. 405

At the request of Mr. SPECTER, his name was added as a cosponsor of S. 405, a bill to amend the Harmonized Tariff Schedule of the United States to exclude certain footwear assembled in beneficiary countries from duty-free treatment.

S. 574

At the request of Mr. CRANSTON, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 574, a bill to amend the Civil Rights Act of 1964 to prohibit discrimination on the basis of affectional or sexual orientation, and for other purposes.

S. 757

At the request of Mr. LEAHY, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 757, a bill to amend the Food Stamp Act of 1977 to respond to the hunger emergency afflicting American families and children, to attack the causes of hunger among all Americans, to ensure an adequate diet for low-income people who are homeless or at risk of homelessness because of the shortage of affordable housing, to promote self-sufficiency among food stamp recipients, to assist families affected by adverse economic conditions, to simplify food assistance programs' administration, and for other purposes.

S. 1381

At the request of Mr. GRAHAM, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1381, a bill to amend chapter 71 of title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability to receive military retired pay concurrently with disability compensation.

S. 1423

At the request of Mr. DODD, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 1423, a bill to amend the Securities Exchange Act of 1934 with respect to limited partnership rollups.

S. 1901

At the request of Mr. DASCHLE, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 1901, a bill to amend title 5, United States Code, to make election day a legal public holiday, with such holiday to be known as "Democracy Day."

S. 2560

At the request of Mr. SIMON, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 2560, a bill to reclassify the cost of international peacekeeping activities from international affairs to national defense.

S. 2606

At the request of Mr. WIRTH, the name of the Senator from Pennsylvania [Mr. WOFFORD] was added as a cosponsor of S. 2606, a bill to further clarify authorities and duties of the Secretary of Agriculture in issuing ski area permits on National Forest System lands.

S. 2667

At the request of Mr. HEFLIN, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 2667, a bill to amend the Federal Food, Drug, and Cosmetic Act to clarify the application of the Act with respect to alternate uses of new animal drugs and new drugs intended for human use.

S. 2682

At the request of Mr. BUMPERS, the names of the Senator from Virginia [Mr. ROBB], the Senator from New Mexico [Mr. BINGAMAN], and the Senator from Kentucky [Mr. FORD] were added as cosponsors of S. 2682, a bill to direct the Secretary of the Treasury to mint coins in commemoration of the 100th anniversary of the beginning of the protection of Civil War battlefields, and for other purposes.

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 2682, supra.

S. 2873

At the request of Mr. BREAUX, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 2873, a bill to amend the Internal Revenue Code of 1986 to establish medical care savings benefits.

S. 2877

At the request of Mr. BAUCUS, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 2877, a bill entitled the "Interstate Transportation on Municipal Waste Act of 1992."

S. 2883

At the request of Mr. RIEGLE, the names of the Senator from Michigan [Mr. LEVIN] and the Senator from Washington [Mr. ADAMS] were added as cosponsors of S. 2883, a bill to amend title VII of the Tariff Act of 1930 to include interim processors within industries producing processed agricultural products, and for other purposes.

S. 2887

At the request of Mr. MCCONNELL, the name of the Senator from Arizona

[Mr. DECONCINI] was added as a cosponsor of S. 2887, a bill to amend title IV of the Social Security Act to provide that the Secretary of Health and Human Services shall enter into an agreement with the Attorney General of the United States to assist in the location of missing children.

SENATE JOINT RESOLUTION 238

At the request of Mr. RIEGLE, the names of the Senator from Indiana [Mr. COATS] and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of Senate Joint Resolution 238, a joint resolution designating the week beginning September 21, 1992, as "National Senior Softball Week."

SENATE JOINT RESOLUTION 270

At the request of Mr. THURMOND, the names of the Senator from Delaware [Mr. BIDEN], the Senator from Nevada [Mr. BRYAN], the Senator from West Virginia [Mr. BYRD], the Senator from Idaho [Mr. CRAIG], the Senator from California [Mr. CRANSTON], the Senator from Nebraska [Mr. EXON], the Senator from Kentucky [Mr. FORD], the Senator from Georgia [Mr. FOWLER], the Senator from Florida [Mr. GRAHAM], the Senator from Texas [Mr. GRAMM], the Senator from Iowa [Mr. GRASSLEY], the Senator from Alabama [Mr. HEFLIN], the Senator from Wisconsin [Mr. KASTEN], the Senator from Massachusetts [Mr. KERRY], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Florida [Mr. MACK], the Senator from Arizona [Mr. MCCAIN], the Senator from Maine [Mr. MITCHELL], the Senator from Oklahoma [Mr. NICKLES], the Senator from Georgia [Mr. NUNN], the Senator from Arkansas [Mr. PRYOR], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Maryland [Mr. SARBANES], the Senator from Tennessee [Mr. SASSER], the Senator from California [Mr. SEYMOUR], the Senator from Wyoming [Mr. SIMPSON], the Senator from New Hampshire [Mr. SMITH], the Senator from Pennsylvania [Mr. SPECTER], and the Senator from Colorado [Mr. WIRTH] were added as cosponsors of Senate Joint Resolution 270, a joint resolution to designate August 15, 1992, as "82d Airborne Division 50th Anniversary Recognition Day."

SENATE JOINT RESOLUTION 311

At the request of Mr. SEYMOUR, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of Senate Joint Resolution 311, a joint resolution designating February 21, 1993, through February 27, 1993, as "American Wine Appreciation Week," and for other purposes.

SENATE JOINT RESOLUTION 319

At the request of Mrs. KASSEBAUM, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of Senate Joint Resolution 319, a joint resolution to designate the second Sunday in October 1992 as "National Children's Day."

AMENDMENTS SUBMITTED

FEDERAL HOUSING ENTERPRISES REGULATORY REFORM ACT

KASTEN (AND OTHERS) AMENDMENT NO. 2453

(Ordered to lie on the table.)

Mr. KASTEN (for himself, Mr. BROWN, Mr. LOTT, Mr. COATS, Mr. SYMMS, Mr. BURNS, Mr. SMITH, Mr. HELMS, Mr. D'AMATO, Mr. SPECTER, Mr. MACK, Mr. GARN, Mr. MURKOWSKI, Mr. MCCAIN, Mr. PRESSLER, Mr. ROTH, Mr. SEYMOUR, Mr. NICKLES, Mr. GRASSLEY, Mr. DOLE, Mr. GRAMM, Mr. MCCONNELL, Mr. WALLOP, Mr. SIMPSON, and Mr. COCHRAN), proposed an amendment to amendment No. 2447 proposed by Mr. NICKLES to the bill (S. 2733) to improve the regulation of Government-sponsored enterprises, as follows:

Strike section 4 of the proposed amendment to the Constitution and insert the following:

"SEC. 4. Total receipts for any fiscal year shall not increase by a rate greater than the rate of increase in national income in the second prior fiscal year, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific additional receipts and such bill has become law.".

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY AND SPACE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Science, Technology and Space Subcommittee, of the Committee on Commerce, Science and Transportation, be authorized to meet during the session of the Senate on June 26, 1992, at 9:30 a.m. new technologies for sustainable world.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate, Friday, June 26, 1992, at 10:30 a.m. to conduct a hearing on the report of the council on competitiveness entitled "Capital Choices:.Changing the Way America Invests in Industry."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Friday, June 26, 1992, at 9:30 a.m., in open session, to receive a report from the Department of Defense on the review of pending, Navy and Marine Corps nominations, and to consider certain pending military nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON GOVERNMENT INFORMATION AND REGULATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Government Information and Regulation be authorized to meet on Friday, June 26, 1992, at 11 a.m. on the subject: 2000 census.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, June 26, at 10 a.m. to hold hearings on Treaty Doc. 102-20, treaty between the United States and the U.S.S.R. on the reduction and limitation of strategic offensive arms—the START Treaty—and protocol thereto dated May 23, 1992, Treaty Doc. 102-32.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TRIBUTE TO BRADLEY NASH

• Mr. ROCKEFELLER. Mr. President, I rise today to recognize one of West Virginia's distinguished citizens, Bradley Nash.

Mr. Nash—banker, decorated officer, philanthropist, mayor, advisor to Presidents, naturalist, historian, and author—has donated 65 acres of historically and culturally significant land to the Harpers Ferry National Historical Park in West Virginia. His latest donation, the High Acres Farm, has been his home since 1956.

Born in 1900, Bradley began a long and dignified career in public service in 1927 when he served as personal secretary to President Herbert Hoover. After working as a banker in New York for several years, Bradley spent time with the Reconstruction Finance Corp., working on such projects as the Oakland Bay Bridge.

From 1941-42, Bradley worked on the War Production Board, establishing the Smaller War Plant Corporation, which later became the Small Business Administration.

During the Second World War, he served in the Italian and North African campaigns. Lieutenant Colonel Nash earned a Bronze Star for meritorious service, and later a commendation medal from the War Department.

Bradley then served as a consultant to President Dwight D. Eisenhower, where his analysis of the Presidency led to the publication of his book, "Organizing and Staffing the Presidency."

He went on to serve as Deputy Undersecretary of Transportation at the Department of Commerce, and Deputy Assistant Secretary for the Air Force. He also served as mayor of Harpers Ferry, WV for 12 years.

Much of the land donated by Bradley has historical significance dating back to the Civil War. A Confederate encampment and battery position in the spring of 1861, Col. Thomas Jackson built the foundation of his Stonewall brigade on the former property of Bradley Nash.

On June 13, Bradley and his wife Ruth were honored by the National Park Service for their generous contributions to Harpers Ferry National Historical Park and for their "inspirational efforts in protecting our cultural and national heritage." I wish to extend him my best wishes and thanks for his contributions and service to the State of West Virginia and the United States.●

WHAT MY HOME MEANS TO ME

● Mr. CHAFEE. Mr. President, I rise today to recognize a group of youngsters who were awarded prizes as part of a "What My Home Means to Me" essay contest conducted by the Rhode Island Housing and Mortgage Finance Corp. [RIHMFC], my State's housing agency. These children, whose ages range from 12 to as young as 4, certainly merit commendation for their well-written and creative essays. In addition, these essays reflect the importance of quality housing for the well-being and happiness of our children.

I am a strong supporter of the Mortgage Revenue Bond Program, which I believe should be extended permanently. Under the program, RIHMFC and similar agencies across the country have been able to address the needs of citizens for safe and affordable housing. The thoughts and remarks of these youngsters contained in their award-winning essays serve as manifest proof of the success of the Mortgage Revenue Bond Program and the benefits of secure homes for our children and families.

Mr. President, I am including with my remarks copies of the winning essays, which I hope my colleagues will find enjoyable.

The essays follow:

WHAT MY HOME MEANS TO ME

(By Sokunthea Sa)

My home means a lot to me. It means that I am protected from the bitter wind, rain, and snow in the winter. And it also protects me from the scorching sun in the summer. It gives me shelter, so I can come home from school everyday and find a warm house filled with love. I am very fortunate to have a home, with all the homeless people in the world. I love my home.

WHAT MY HOME MEANS TO ME

(By David Woisard, age 9)

My home means a lot to me because now I can have a better life. When I used to live with my mom in different apartments. Sometimes I would see and hear a lot of bad stuff. Now I live with my dad, my stepmother and my brother and sister. They help me study and learn and play. They stuff my tummy really good. My home means having a real family forever. Thank you, Rhode Island Housing.

WHAT MY HOME MEANS TO ME

(By Jessica Pierno, age 11)

My home means the world to me. When I first heard we would be moving into a new house, I was dissapointed. I didn't want to leave the only apartment we ever had. Once the move was made everything was fine. It didn't take long and my brother an I had a lot of new friends.

After being here only for two months, we had our first money problem. Dad had lost his job. Lucky for us, my parents had enough money in their savings to make the mortgage payments for the next six months. The pressure in our house for those six months was unbelievable. But my family's strong foundation kept everything together. Dad has a good job now and everything seems to be fine.

WHAT MY HOME MEANS TO ME

(By Patricia Dorvil, age 12)

My house is a caring and warm house's. When it is raining or there's a storm it allways keep me warn. It is a fresh clean house. I have my own room. The color of the outside of the house is yellow. We have a big yard. The yard has grapes and pears. We have allso nice flowers in the summer. The grass is nice and green. My mother hates animals we don't have any pets only fishes. My school is near me I am so lucky. I have lots of friends in my school and my neighborhood. When my mother first bought the house she was happy. I was happy too. I felt great! My mother likes when the house is clean so every time when she sees some thing dirty she cleans it and I help her too. I like my house because it protects me I am happy that I live in a nice comfortable place. My home means lots of things.

WHAT MY HOME MEANS TO ME

By Jessica Monteiro, Age 10)

I like to live in my new house, because I get to bring my friends over to play with me, and my sisters. Im happy with my new house because I feel safe and not afraid. That someone, will tell me to stop playing or that, Im making a lot of noise. I thank God every day for my daddy and the people that help him to buy this wonderfull house for me.

WHAT MY HOUSE MEANS TO ME

(By Sam Coren, age 11)

I appreciate my house because there's plenty of space and the yard isn't cluttered. I'm also allowed to have pets now and turn the music up higher. Another advantage is there are no barking dogs or rowdy neighbors. My mother also has the opportunity to plant flowers and my brother, Greg has a swingset so we don't have to take anymore trips to the playground!

WHAT MY HOUSE MEANS TO ME

(By Harmonie L. Arcisz, age 11)

My house means a lot to me. My new house is better than the old one. It has more rooms and a clean pool. It also has a yard. I have my own bedroom and a playroom. My cellar is big enough for me to rollar skate in it. I like my new house because my brother has his own playroom so he won't bother me. My house is great, I really like it.

WHAT MY HOME MEANS TO ME

(By Gregory Coren, age 4)

I like you—Mom, I like my food and I like my cat.

I like my swingset. I like my toys. I like my Brother Sam.

I like my Father to visit and to play and to listen to music and to cook.

WHAT MY HOME MEANS TO ME

(By Wesphal Francois)

My house mean everything to me, because this is where I live and I have all my freedom.

WHAT MY HOME MEANS TO ME

(By David Stolarski)

My home to me means comfort, ease, leisure, liberty, relief, recreation, rest, quiet, alleviation, well-being, cheer, snugness, abundance, gratification, luxury, warmth, coziness, pleasure, happiness, peacefulness, and freedom. Freedom to do what I wish in my own house, freedom to have any pet I wish for in my own house. My own house is a special place to me a place where after a school day I can go and do whatever I wish, that is freedom.

WHAT MY HOME MEANS TO ME

(By Adam Couture)

What my home means to me is a chance to have a yard. A chance to have two dogs which I have. Also having a home means you have your own room. When you have a home you are more free because in an apartment people live and below you but the best thing about a home is having a bigger place to love your parents.

WHAT MY HOME MEANS TO ME

(By Brandon Riley)

My home is the most important to me. It a place where I can come after school. I can do my homework. It's a place where I can eat. I can be sheltered by my home for sleeping. I have a home for when it snows, rains, hails, or sleets so I won't get a cold. When it's warm I can go in my backyard and go in the pool. I love my home the most is for my families safety.

I am the twelve year old son of Mr. Mrs. Richard Riley of 16 Nathanael Ave. Pawt.

WHAT MY HOUSE MEANS TO ME

(By Lauren Garlick)

My mom and dad saved a lot of money to buy this house. Now my brother and I have our own room. It was a little scarry at first, because we where upstairs all by our selves. After a few days we got used to it. We have a nice backyard to play in. My dad bought a picnictable last summer. We ate out side alot. We could not do that at our apartment.

WHAT MY HOME MEANS TO ME

(By Matthew Beaulieu, age 9)

My house is the best and I would never trade it for anything in the world. My house is special because I can play with my friends. I like my house because everyone can come to visit me at my house. I am lucky to have a home.

WHAT MY HOME MEANS TO ME

(By Steven Beaulieu)

My home means the happiest place on the whole wide world to me. My home means a place to go when you're tierd. A place that always brings happiness to me and my family. I can always go home if there is nothing to do. I can watch TV in my home, play all kinds of games, read a book, and write this letter. I love my home and I think its great.

What My Home Means to Me

(By Emily Lawrence)

I love my home. I'm glad to have it. My parents worked hard for it. So I should apriciate what they do for it. I like what my home looks like. The people who lived here took good care of it. I like to have my own room. The home I live in now is a lot better then my other home.

What My Home Means to Me

(By Jessica Cooney)

When I lived in the old apartment there was a mean lady named Sherry. We wanted to move because she was mean and scary. She and daddy had fights and it made me and mommy scared. That is why we like it here in our new house.

What My Home Means to Me

(By Viveka Ayala)

To me my home means safety. My home is safe because if I didn't have a home I'd be in the streets without a home that would mean I'd be wondering in the streets, and there'd be a big possibility that I'd use drugs. I wouldn't be going to school. If I was, the kids wouldn't like me and they'd call me names. I'd be alone having nowhere to go. No family and future.

What My Home Means to Me

(By Nicole Coviello)

I glad my mom bought this house because I get my own room to myself. I like my room a lot because I get to closet and one of them is my playroom. I see my friends through my window. Then I go outside and play tag outside my room I practice acrobats out in the hall upstairs.

What My House Means to Me

(By Jamie Odone)

My house means a place to live with my family. I don't have to be cold at night, when times are tough I know I have a place to go. Our house has a lot of space. It's in a nice erea; we all have land to share. It gives me a place to study so I can get a good education. I'm very greatful to have a house, I love and appreciate our homestead.

What My Home Means to Me

(By Kimberly Mitchell)

My home means a whole lot to me. Because when I was born the neighborhood I was born in was very rough. Where a lot of fighting went on. When I was three years old I thought I was moving and I was. I was so happy but I didn't know I was moving into a neighborhood worser then the one I was already living at. So on Dec. 1, 1990 I moved into this wonderful house. Thanks to the Rhode Island Housing my family, life and most of all home is super, super wonderful. You can imagine what my home means to me and it's all thanks to Rhode Island Housing.•

LEONARD PELTIER

• Mr. ADAMS. Mr. President, 116 years ago today, June 25, 1876, nearly half the members of the U.S. Army's 7th Cavalry, under the direction of George Armstrong Custer perished in a famous battle along the Little Big Horn River. The aftermath of that battle had consequences for our Nation, for other Indian tribes and bands, and for many of the descendents and survivors for the rest of their lives.

The following year, the remaining members of the 7th Cavalry, under the leadership of Col. Samuel Sturgis, whose own son, Lt. James G. Sturgis had perished with Custer, intercepted the band of Nez Perce Chief Joseph in the Bear Paw Mountains of Montana. Thus ended an epic flight for survival toward Canada, where the surviving 79 men, 178 women, and 174 children of the Joseph Band of Nez Perce hoped to join the Huncpapa Sioux leader Sitting Bull, then living in exile.

Following the Little Big Horn Battle, Sitting Bull and his band had retreated to Canada, where they remained until 1881, when he surrendered, through the mediation of the Canadian authorities, on a promise of a pardon. Upon returning to the United States, Sitting Bull was confined as a prisoner of war until 1883, after which he took up residence along the Grand River, in present day South Dakota. On December 15, 1890, Sitting Bull was murdered at his camp while allegedly resisting arrest.

On December 29, 1890, more than 300 men, women, and children from a traditional Sioux band led by Big Foot were slaughtered by the 7th Cavalry near the village of Pine Ridge, at a place called Wounded Knee.

There are many who would argue that each of those events in the history of the Federal Government's relations with the last of the native American tribes who resisted the effort to destroy their way of life are unconnected and unrelated episodes. However, a thoughtful reading of the events leading up to the Little Big Horn battle and its aftermath suggests that a basic failure to understand the unique culture, tradition, religion, and aspirations of native Americans in present-day South Dakota, and in the Pacific Northwest, led our Nation on a course that had tragic consequences. The memory of those tragic chapters in American history still endure for the descendents of those who perished at the Little Big Horn, in the Bear Paw Mountains, and at Wounded Knee.

Tomorrow, June 26, 1992, marks the 17th anniversary of a modern American tragedy, the consequences of which remain with us to the present time. On that summer day in June 1975, near Wounded Knee on the Pine Ridge Indian Reservation in South Dakota, three young men met their deaths in a shootout that took place in a camp on property owned by an Oglala elder named Harry Jumping Bull.

The three young men who lost their lives that day were 27-year-old Ronald Williams, 28-year-old Jack Coler, and 20-year-old Joe Stuntz. Ronald Williams and Jack Coler were both special agents of the Federal Bureau of Investigations. Joe Stuntz was a member of the Coeur d'Alene Indian Tribe. Agent Coler and Mr. Stuntz each left a widow and two small children; Mr. Williams was a bachelor, survived by his parents and a sister. For the families and friends of those three individuals, the passage of time will never eliminate the sense of tragic loss that remains whenever they consider what might have been had the shootout not occurred.

No effort was ever undertaken to bring criminal charges relating to the death of Joe Stuntz. However, the death of these two agents on the Pine Ridge Indian Reservation triggered the biggest manhunt in FBI history. Four American Indians were later indicted and charged with murder. Charges against one of them were dismissed by the Government, and two others were tried and acquitted by a jury. In that case, considerable evidence was introduced tracing the recent history of Federal law enforcement activities against activists in various native American communities, most notably, the American Indian Movement [AIM], which was founded in Minneapolis, MN, in 1968.

The fourth native American implicated in the death of the Federal agents, Leonard Peltier, fled to Canada seeking political asylum, and was not tried by the jury that acquitted his two companions in July 1976. Following a controversial extradition, Mr. Peltier was tried the following year by a separate judge and jury in a different location, where evidence that had been admitted in the previous trial was excluded. He was found guilty of two counts of premeditated murder, and sentenced to serve two consecutive life terms in prison. After more than 15 years, the case of United States of America versus Peltier is still being litigated in our Federal court system.

Numerous appellate court decisions and law review articles have examined the unaddressed issues and unanswered questions that accompanied the arrest, prosecution, conviction, and incarceration of Leonard Peltier. A recent documentary film entitled "Incident at Oglala" has rekindled public interest in the case. And our distinguished colleague, the senior Senator from Hawaii [Mr. INOUYE], in his capacity as chairman of the Senate Select Committee on Indian Affairs wrote to President Bush more than a year ago requesting an opportunity to meet and discuss this case. I wrote to President Bush in January of this year, urging that he grant Chairman INOUYE's request for a meeting. I regret to note that Chairman INOUYE's request remains unanswered.

Perhaps the most compelling arguments supporting Presidential consideration of the case of Leonard Peltier were supplied by the Honorable Gerald W. Heaney of the U.S. Court of Appeals for the Eighth Circuit. Judge Heaney was much more than a casual observer of the underlying facts and legal issues involved in Mr. Peltier's case. He authored the 1986 opinion denying Leonard Peltier a new trial, and sat as a member of the court during a 1984 appeal. In his letter to Senator INOUYE, Judge Heaney stated:

> First, the United States government overreacted at Wounded Knee. Instead of carefully considering the legitimate grievance of the Native Americans, the response was essentially a military one which culminated in a deadly firefight on June 26, 1975 between the Native Americans and the FBI agents and the United States marshals.
>
> Second, the United States government must share the responsibility with the Native Americans for the June 26 firefight. It was an intense one in which both government agents and Native Americans were killed. While the government's role in escalating the conflict into a firefight cannot serve as a legal justification for the killing of the FBI agents at short range, it can properly be considered as a mitigating circumstance.
>
> Third, the record persuades me that more than one person was involved in the shooting of the FBI agents. Again, this fact is not a legal justification for Peltier's actions, but it is a mitigating circumstance.
>
> Fourth, the FBI used improper tactics in securing Peltier's extradition from Canada and in otherwise investigating and trying the Peltier case. Although our court decided that these actions were not grounds for reversal, they are, in my view, factors that merit consideration in any petition for leniency filed.
>
> Fifth, Leonard Peltier was tried, found guilty, and sentenced. He has now served more than fourteen years in the federal penitentiary. At some point a healing process must begin. We as a nation must treat Native Americans more fairly. To do so, we must recognize their unique culture and their great contributions to our nation. Favorable action by the President in the Leonard Peltier case would be an important step in this regard. I recognize that this decision lies solely within the President's discretion. I simply state my view based on the record presented to our court. I authorize you to show this letter to the President if you desire to do so.

I believe that Judge Gerald W. Heaney, in simply stating his views based on the record presented before the Eighth Circuit Court of Appeals, has performed a significant act of public service. Implicit in his reasoned analysis of this complex case is the recognition that, while the verdict in this case may remain sustainable under restrictive standards of review dictated by previous court decisions, for justice to be done in the case of Leonard Peltier, a wise and compassionate understanding of all the facts and circumstances that led up to this tragedy need to be understood.

There is a broader historical context through which the lives of hundreds of Federal authorities and Native Americans intersected on the Pine Ridge Indian Reservation 17 years ago. I believe our failure to understand that context, and the Federal Government's continuing refusal to, in the words of Judge Heaney, "share the responsibility with the Native Americans for the June 26 firefight(,)" are the primary reasons why international attention, and renewed public interest in the matter here at home, will not allow this case to fade from view.

In the years leading up to the founding of the American Indian Movement in 1968, many of the significant public controversies involving Indian rights were played out in the Pacific Northwest, and particularly in the State of Washington, over treaty fishing rights. Places like Franks Landing on the Nisqually River, and Cooks Landing on the Columbia River took on historical significance comparable to Selma, AL, and Little Rock, AR, in the struggle for basic human rights. The actions of various State law enforcement agencies, and state officials, were later described by the Ninth Circuit Court of Appeals:

> Except for some desegregation cases [citations omitted] the district court has faced the most concerted official and private efforts to frustrate a decree of a federal court witnessed in this century.

Reacting to the violence being inflicted upon them during fish-ins, many American Indians in the Pacific Northwest embraced a militancy similar to that being adopted by other minorities at that time, including the Black Panthers in the African-American community and the Brown Berets in the Chicano community. Following the takeover of Alcatraz Island by native American activists in 1969, a similar occupation occurred in Seattle at Fort Lawton in 1970, under the direction of a group calling itself "the United Indians of All Tribes."

The boarded up Beacon Hill School was later occupied in early October 1972, claimed as a center for Seattle's growing Hispanic population, and named El Centro de la Raza. The growing movement to assert minority rights in Seattle drew the attention of law enforcement agencies from the local and Federal level, who too often viewed their activities as akin to the unpatriotic and subversive antiwar activities being mounted against United States involvement in Vietnam.

Leonard Peltier spent a number of his formative years as part of Seattle's urban Indian community. In the late 1960's, he owned an automotive repair shop, above which was located an informal drop in center for native Americans recently arrived in the city. His personal interest, and later involvement, in the reawakened struggle to protect Indian rights was a direct result of witnessing the clashes between treaty fishermen and State authorities at Franks Landing and Cooks Landing during those years.

Mr. Peltier was one of those arrested during the takeover at Fort Lawton. He later took part in the Trail of Broken Treaties in October and November 1972. That highly publicized, cross-country protest march from Seattle to Washington, DC, culminated in the takeover and occupation of the Bureau of Indian Affairs headquarters in Washington, DC, just before Election Day. Following a 5-day occupation of the BIA headquarters, the American Indian Movement was classified an extremist organization by the FBI, and on January 8, 1973, the leaders of the Trail of Broken Treaties were added to the Bureau's list of key extremists. Though later restored through court ruling, Federal antipoverty funds were withdrawn from AIM schools in St. Paul, Minneapolis, and Milwaukee.

Beginning in 1972, the lives of Agent Ronald Williams and Leonard Peltier were already moving along curiously parallel paths that would intersect at the Jumping Bull Compound on June 26, 1975. Following graduation from the California State College at Los Angeles, Mr. Williams entered the FBI in a clerical capacity in 1965 and subsequently joined the U.S. Army, where he served as a communications specialist from 1966 to 1969, attaining the rank of sergeant. Upon completion of military duty, Mr. Williams returned to Bureau service in Los Angeles, and became a special agent in April 1972. He was assigned in 1972 to the FBI field office in Seattle, was transferred to Minneapolis in 1973, and was serving as resident agent in Rapid City, SD, at the time of his death.

The extent to which the Seattle, Minneapolis, and Rapid City offices of the Federal Bureau of Investigation were actively taking note of the activities of members of the American Indian Movement, and the increasingly militant treaty rights activities of other native Americans in those locales during the late 1960's and early 1970's has never been fully examined. Unfortunately, our Federal Government continues to this day in resisting the release of thousands of pages of documents requested by the defense in the Peltier case. Many of those documents might well shed additional light as to why, in Judge Heaney's opinion:

> * * * the United States government overreacted at Wounded Knee. Instead of carefully considering the legitimate grievances of the Native Americans, the response was essentially a military one which culminated in a deadly firefight on June 26, 1975 between the Native Americans and the FBI agents and the United States marshals.

If President Bush is not moved to meet with Chairman INOUYE and consider granting some broader and more general relief in this matter, I certainly hope he will instruct Attorney General Barr and FBI Director Sessions to release all documents pertaining to the so-called RESMURS investigation, and all documents relating to the American Indian Movement from 1968 up to the date of the trial of Leonard Peltier.

The current Government appeal of a lower court ruling directing the release of a 54-page transcript received by the

FBI from South Dakota authorities is a good case in point. The destruction of various tapes and computer indexes and the assertion of national security grounds for refusing to release documents, 17 years after the event, raise serious questions about the Government's willingness to ever allow the full story of the incident at Oglala to be told. I hope that the Senate Judiciary Committee will consider holding hearings to examine the full range of Government conduct with respect to the American Indian Movement before, during, and after the trial of Leonard Peltier.

Bluntly stated, a growing public interest in learning all the facts regarding the case of Leonard Peltier will not go away. Amnesty International considers Mr. Peltier a political prisoner, and nearly 20 million Europeans, including many Russians, have signed petitions supporting clemency. Respected world leaders including the Archbishop of Canterbury and South African Archbishop Desmond Tutu have taken up his cause, and the Spanish Human Rights Commission awarded Leonard Peltier its 1986 International Human Rights Prize. When representatives of our Government raise the question of human rights abuses with their counterparts from other countries, they are frequently asked, "But what of the case of Leonard Peltier in your own country?"

For the families, friends, and agents of the Federal Bureau of Investigation who still mourn the loss of Special Agent Ronald A. Williams and Special Agent Jack R. Coler, their deaths in the line of duty have earned them respect and continuing remembrance as FBI service martyrs.

And those who honor the memory of Joe Stuntz will always remember him as a young native American who was willing to risk his life in support of the rights of traditional people on the Pine Ridge Indian Reservation, far from his own lands in the Pacific Northwest.

The author Peter Matthiessen, in his book "In the Spirit of Crazy Horse," well stated the dilemma many of us face in examining the underlying causes, the uncontested facts, and the unanswered questions that haunt this episode in American history, when he wrote:

> With the passage of time, the events of June 26, 1975, were being portrayed in the bright proud colors of Crazy Horse and the days of Lakota glory, when what has happened at Oglala was not glorious at all but sad and ugly. Three young men had lost their lives and the death list was still growing, quite apart from the many surviving victims whose lives had been contaminated and stained.
>
> On the other hand, the Peltier case, like that of Sacco and Vanzetti, had historic reverberations that went far beyond what happened at Oglala. The federal agencies had encouraged the conflict between Indian factions, and the traditional Indians had been fighting for survival, and in the stark light of those medieval years down on Pine Ridge, talk of guilt or innocence in the inevitable shoot-out seemed beside the point: whether or not he killed the agents, Leonard Peltier deserved a new trial, not only because of dishonest proceedings at Vancouver and Fargo and Los Angeles but because of accumulating evidence that the authorities had wanted him out of the way whether he was guilty or not.

In concluding my remarks here in the Senate today, I return once again to the thoughtful commentary of Judge Heaney, who stated:

> At some point, a healing process must begin. We as a nation must treat Native Americans more fairly. To do so, we must recognize their unique culture and their great contributions to the nation.

I am pleased to inform the U.S. Senate, that in the Pacific Northwest, and particularly in my own State of Washington, that healing has begun.

At Franks Landing on the Nisqually, an old dugout cedar canoe has a place of honor on the river bank. Confiscated in the early 1970's during a fish-in, the canoe was returned to its rightful owner by the Washington State Game Department several years ago. No longer being harassed, arrested, and jailed, or called a renegade by law enforcement, the canoe's owner, Bill Frank, Jr., is now a nationally recognized leader in the cooperative effort to restore salmon runs for all citizens of the State. In recognition of his work, Bill Frank was recently chosen to receive the prestigious Albert Schweitzer Award from the Johns Hopkins University.

On the land once known as Fort Lawton, where Leonard Peltier and more than 100 other native Americans were arrested, a magnificent building, the Daybreak Star Indian Cultural Center now stands. Bernie Whitebear, a Colville Indian who led the earlier takeover, now serves as executive director of the United Indians of All Tribes Foundation, one of several outstanding organizations providing services to Seattle's nearly 20,000-member American Indian and Alaskan Native community.

And on Seattle's Beacon Hill, El Centro de la Raza has earned an impressive list of honors for its work, including recent designation as one of President Bush's own "thousand points of light." The Seattle Municipal League last week honored El Centro's executive director Roberto Maestas with its prestigious Outstanding Citizen of the Year Award. For the last 15 years, a Leonard Peltier support group has had an office at El Centro de la Raza, continuing the effort to secure his freedom.

Perhaps the greatest example of the kind of healing to which Judge Heaney refers occurred when Gov. Booth Gardner of Washington State met with representatives of all the State's treaty tribes to sign a centennial accord, pledging a new era of government-to-government cooperation between the State and the tribes.

Despite those examples of healing the wounds of this Nation's historical dealings with native Americans, the case of Leonard Peltier remains unresolved and without closure. That is one of the primary reasons why I wrote to President Bush on January 17, 1992, in support of Chairman INOUYE's request for a meeting to discuss this case. I advised the President,

> Our country has embarked upon a year of recognition and reflection upon the 500th anniversary of the voyage of Christopher Columbus. I know that many native Americans, together with thousands of Americans whose ancestors followed the voyage of Columbus to this land, would appreciate your attention to the case of Leonard Peltier.

It is my hope that the views of Judge Gerald Heaney, coupled with the thoughtful advice of Senator INOUYE, might well bring President Bush to consider the views of millions of people from around the world who feel now is the time to free Leonard Peltier, and to let the healing begin.•

THE CONTINUING VIOLENCE IN SOUTH AFRICA

• Mr. SIMON. Mr. President, political violence in South Africa's townships has claimed the lives of 5,000–6,000 people since the release of Nelson Mandela from prison in 1990. I strongly condemn the continuing destruction of innocent lives. Just last week, there was a terrible massacre of over 40 residents of Boipatong, South Africa, many of them children, by gangs from a nearby workers' hostel.

It is even more appalling that according to details in Western media reports, the South African police seem to have done nothing to stop the attacks, have been accused of escorting the killers to and from the hostel, and have now relaxed their cordon around the hostel. Demonstrators protesting the massacre and the visit of President de Klerk to the area were fired upon by police, with at least three people killed in front of a foreign reporter.

Several weeks ago, I introduced in the Senate a resolution condemning the ongoing violence, warning that its continuation would surely destroy prospects for peaceful dialog leading to a democratic transition. I am sorry to say that this is becoming a reality. The ANC National Executive Council has now withdrawn from bilateral negotiations with the government.

To return South Africa to the path toward democracy, the de Klerk government must act decisively to regain people's confidence. Citizens must be able to count on their government for protection and for justice. Threats to reimpose the state of emergency, which gave police sweeping powers for so many years, are counterproductive to the needed spirit of justice and reconciliation.

It goes without saying that the Government should immediately undertake an independent investigation of the conduct of the police before, during, and after the massacre on Wednesday, and of the circumstances under which the protesters were shot on Saturday. Those responsible for violations should be prosecuted. The Government should find ways to address the needs of victims of political violence and their families. The security forces need to be restructured and put under more democratic control. Another positive step would be to close the workers' hostels, longstanding breeding grounds for violence.

The United States should also investigate the nature of the violence in South Africa and the roles of various participants in its continuation. The United States needs to assure South Africans that we are committed to an end to the violence and a resumption of the democratic transition process.

It is commendable that the State Department has announced plans to grant $250,000 for the assistance of victims of violence in South Africa. Continued support of victims' relief funds will help to heal the terrible legacy of the violence.

The international community should make every effort to help ensure the resumption of the peaceful negotiations process. Nelson Mandela has asked the U.N. Security Council to help mediate the conflict. The Council should consider all possibilities of providing assistance, including the option of sending U.N. observers to monitor the situation, as Archbishop Tutu has recommended.●

DR. CHARLES J. BENSMAN

● Mr. McCONNELL. Mr. President, I rise today to recognize an outstanding Kentucky educator, who has dedicated 30 years to improving education in this country. Dr. Charles J. Bensman will retire from his position as president of Thomas More College on August 1, 1992, ending a tenure that has been filled with honor and success.

Dr. Bensman began his commitment to education many years before coming to Thomas More College. He began his career in higher education in 1962 as the assistant director of admissions at the University of Dayton where he helped redesign the marketing effort to high schools, thereby improving the visibility and efficiency of their recruiting process. He also was dean of academics and student services at West Shore Community College in Scottsville, MI, and the president of Nebraska Western College. He improved Nebraska Western's standing by increasing ties with the community and other educational institutions. More recently, Dr. Bensman served as president of Briar Cliff College in Sioux City, IA, from 1977 to 1986. At Briar Cliff, he was instrumental in securing national grants and gifts in the amount of $3.5 million. He also established the first diocesan pastoral scholarship program and expanded the curriculums offered including music, computer science, and mass communications.

Since Dr. Bensman became the 10th president of Thomas More College in August 1986, the college has obtained financial security, academic excellence, increased enrollment, and enhanced recreational facilities. He is credited with raising it from a small liberal arts school to a nationally respected college. For the last 3 years, the school has been listed in U.S. News & World Report's top 100 liberal arts schools.

Thomas More benefited from Dr. Bensman's experience in finding and applying for grants. The college secured over $3 million from national grants and was able to expand their facilities to include a convocation/athletic center. An outreach of the main campus to learning sites in Ohio, Indiana, and Kentucky has been established, and this would not have been possible without the funds that Dr. Bensman helped procure.

Dr. Bensman has always been concerned with the quality of life for students and has dedicated his life to the improvement of Thomas More every day of his tenure. Without his guidance the college would not be where it is today.

Dr. Charles J. Bensman has certainly made an enormous contribution to the students, faculty, administration, and staff at Thomas More College, as well as the surrounding community. He is a dedicated professional who will undoubtedly continue to have a significant presence in Kentucky long after his official retirement. I congratulate Dr. Bensman on his many years of educational and community service, and wish him all the best in the future.

Mr. President, please include the following article from the Cincinnati Post into today's CONGRESSIONAL RECORD.

The article follows:

[From the Cincinnati Post, June 11, 1992]

THOMAS MORE LOSING LEADER

(By Jeannie Houck and Debra Ann Vance)

Charles J. Bensman, the president of Thomas More College for the past six years, is resigning effective Aug. 1.

Bensman, 58, said in a press release he has concluded now is the "most opportune time to transfer the mantle of responsibility to a new and energetic individual."

Wednesday night, he said health problems also are a factor in his resignation. He declined to elaborate.

Bensman said he expects within 60 days to be able to say what his next career move will be.

"I have several things that I am considering at this point, and I've made no definite decision, but I'm looking at a variety of things," he said.

Bensman said he could not detail the alternatives "because of the confidential nature of it." He said he will remain available to Thomas More "in an advisory capacity."

Robert Ruberg, a member of the college's board of trustees, said he expects a national search for Bensman's replacement to take six to eight months.

In the interim, Father William Cleves, dean of arts and sciences, will serve as acting president of the Crestview Hills college, Ruberg said.

"We're all saddened to see (Dr. Bensman) resign," Ruberg said. "We feel he did an excellent job for the college, and we wish him the very best."

Bishop William Hughes said Thomas More will miss the enthusiastic leadership of Bensman.

"Since coming to this college in 1946, he has dedicated himself wholeheartedly to the improvement of the college." Hughes said in a prepared statement.

"He has endeared the college to the leadership of the Greater Cincinnati metropolitan area in a way that has engendered strong community support for Thomas More."

Hughes praised Bensman's fund-raising ability and the physical improvements he has made on the campus.

He also said Bensman was instrumental in developing a strong and diverse board of trustees.

Bensman became president of the college in August 1986. He said in the press release that he embarked upon a program to bring financial stability and academic excellence to the school while increasing enrollment and improving recreational facilities.

"I am pleased to report significant successes on each of these goals," he said.

"The college will have a balanced budget for the 1992–93 year. The graduates of Thomas More consistently gain acceptance to the law schools, medical schools and graduate schools of their choice.

"The U.S. News and World Report has ranked Thomas More in the top 100 liberal arts colleges in the United States for the past three years.

"Enrollment for 1992–1993 is up 4 percent. The Four Seasons Sports facility was added in 1987, and the convocational center was added in 1989."

Bensman said Wednesday night there was another accomplishment of which he is proud.

"Along with all the academic things, two years ago we inaugurated Division III football, and last year the team went undefeated."

Bensman served as president of Brair Cliff College in Sioux City, Iowa, for nine years before accepting the position at Thomas More.

Bensman also was president of Nebraska Western College in Scottsbluff, Neb., from 1974 to 1976.

He was academic dean at West Shore Community College in Ludington, Mich., from 1970 to 1974 and superintendent of the Marion Local School District in Maria Stein, Ohio, from 1964 to 1970.●

HONORING BUDDY MELGES

● Mr. KASTEN. Mr. President, I rise today to recognize the achievement of one of my most distinguished constituents—Buddy Melges of Zenda, WI.

Buddy is a personal friend of mine. My family and I have fond memories of sailing with Buddy on Big Cedar Lake in Wisconsin. I can certainly attest to the unique style and vigor he brings forth as one of America's most celebrated sailors.

According to the New York Times:

> Melges is sailing's closest thing to a folk hero. His conversation is peppered with glib remarks that often come on the heels of laughter. But he has a serious and accomplished side, too. He has won two Olympic medals and numerous world championships.

Buddy has long been known as the "Wizard of Zenda" because of the Olympic Gold Medal he won for yachting in 1972, using sails and gear from Melges Boat Works in his hometown.

Buddy Melges was coskipper of the America's Cup winner—*America3*. He served as coskipper with owner Bill Koch of the America's Cup winner—*America3*.

At 62, after winning U.S. Yachtsman of the Year three times, and two Olympic gold medals, there isn't much more he could do; and now he takes home an America's Cup victory. This victory of Buddy Melges and his squad was well deserved, and it is a source of pride to all Wisconsinites.

Mr. President, I ask my Senate colleagues to join me in saluting the championship of Buddy Melges and the rest of the America's Cup team. They have done us proud.•

ILLINOIS STATE UNIVERSITY EARTH DAY CELEBRATION

• Mr. SIMON. Mr. President, last April I had the opportunity to speak to a group of students at Illinois State University at Bloomington/Normal in observance of Earth Day. I was impressed that so many students braved what turned out to be a rather cold Illinois April day. I was recently reminded of the ISU Earth Day Committee's efforts when I received articles about that well-executed event.

Mr. President, the responsibility to preserve and protect our natural resources for the enjoyment of future generations should be one of our highest priorities. I commend the students at Illinois State University, particularly David DeRousse and Archna Mathur, the ISU Earth Day '92 chairpersons, for their commitment, vision and leadership on behalf of the environment.

Every week I receive letters from students who are concerned about our environment. They are idealistic. They want to start recycling programs in their communities; they offer me advice on preserving the rainforests; they tell me what they and their families are doing in their homes. This is very encouraging. These students are our future, and I, for one, am confident that they will continue to work toward preserving our fragile environment.

Mr. President, I would like to insert into the RECORD an article from the ISU student newspaper, the Daily Vidette, entitled "Students Link Hands for Diversity." Again, I offer my congratulations and my appreciation to these students for their good works.

The article follows:

STUDENTS LINK HANDS FOR DIVERSITY

(By Kendra Casey)

ISU students joined hands on the Quad Wednesday afternoon to emphasize the importance of supporting cultural diversity.

As part of the ISU Earth Day celebration, approximately 175 students gathered to express their support of cultural diversity for the third annual "Hands Across Campus," sponsored by Public Relations Students Society of America.

David DeRousse, student body vice president, participated in "Hands Across Campus."

He said he believes the event "can be beneficial to get people together and make them think about these issues. 'Hands Across Campus' serves as a reminder for those who do not think about cultural diversity every day."

He said he believes cultural diversity is a good cause.

"It is a celebration of diversity and I think it is really important," he said. "I do realize that many people view 'Hands Across Campus' as ineffective, but I believe it makes a difference."

To protest the event, one student stood in front of the main stage and held up a sign which read, "Holding hands is not enough,"

John Cain, ISU senior, said he is protesting the event for three reasons.

"Reason No. 1, this is just another example of white men trying to dictate what actions are appropriate for people of color. No. 2, this is an empty gesture, it does not encourage people to challenge their own racism. No. 3, it says nothing about other forms of racism that exist in this white, male-dominated society," he explained.

Cain did not join hands for the demonstration. He held his protest sign high for the entirety of "Hands Across Campus," which lasted approximately 15 minutes.

He remained in front of the main stage during the proceeding 15-minute speech by Gloria-Jeanne Davis, assistant to the president of minority affairs.

To begin her speech, Davis instructed the students present to join hands.

"Do not be discouraged. You have done something great here," Davis said.

She said although not many students joined hands, hundreds of students passed by during the demonstration and the message was successfully communicated."

"I am an advocate of a bias-free environment, one that practices what it preaches," she said.

Davis said a bias-free environment is not a responsibility of one particular group, such as the government.

"It is a responsibility of each of us," she said.

She gave several suggestions for creating a bias-free environment.

She said communicators should use gender-neutral words, select pronouns which include both sexes and mention age only when relevant.

"Most Americans claim not to be prejudice, yet most people behave in prejudicial ways," she said.

She said by choosing bias-free words, a neutral environment can be created.

Davis said she believes it is appropriate that diversity is celebrated on Earth Day.

"The belief that culture is only associated with race and color is false," she said. "We must include not only people of color, but also groups of individuals with similar characteristics. We are also talking about groups of individuals who share similar values."

Davis said many believe treating everyone the same brings justice.

"Treating everyone the same doesn't mean treating everyone fairly," she said.

Davis said she does not subscribe to the melting-pot theory.

"I like the tossed salad theory, which allows each of us to bring unique qualities. I don't mind being the cheddar cheese and you being the croutons," she said.

"I would hate to have the same dish every day," she added. "I think different ingredients can make for a tasty meal."

Graduate student Janine Stoemer told the Daily Vidette she joined hands Wednesday in hopes that communication about cultural diversity at ISU can be improved.

"I am a strong proponent of cultural diversity," she said.

She said she believes ISU has a problem with communicating about this topic and hopes joining hands will be a successful way to begin the communication process.

She said it is time for people to stop trying to understand cultural diversity and begin accepting it.

"Diversity should not just be celebrated on one day of the year, but every day," Davis concluded.•

REFORM OF THE 1872 MINING LAW

• Mr. BUMPERS. Mr. President, there has been a lot of talk recently from President Bush about the importance of amending the Constitution to require a balanced Federal budget. However, when it comes down to actually doing something that will help alleviate the budget deficit by preventing the transfer of thousands of acres and billions of dollars' worth of hardrock minerals located on federally owned land every year for virtually nothing under the 1872 mining law, we hear nothing. Instead, the President continues to support these taxpayer giveaways of billions each year to the hardrock mining companies, many of which aren't even U.S.-owned.

Under the 1872 mining law, any person who discovers what he thinks to be a valuable mineral deposit on Federal land can locate a claim by posting a notice and recording the claim with the BLM. Simply by filing and recording, the miner receives free access to his claim and use of the surface for mining and development. Rights to a claim may be maintained indefinitely if, the miner demonstrates that he has performed at least 100 dollars' worth of work on the claim annually.

A miner with a valid claim can gain ownership of the land by obtaining a patent by showing that he has found a valuable deposit and that a total of $500 has been spent working on the claim. The patent may then be purchased for the same fee as in 1872: $5 an acre for a lode claim and $2.50 an acre for a placer claim.

These miners, whether they obtain patents or continue to mine pursuant to their claims, pay the U.S. Government absolutely nothing in royalties for the right to recover valuable hardrock minerals, such as gold, silver, and copper. These companies argue that if they are forced to pay a royalty, even a modest 5-percent rate, to the Government for mineral production on public land, it will bankrupt them. However, many of these same companies find themselves capable of paying royalties of 12.5 percent or more to private landowners and still make a profit. Meanwhile, every other industry which uses public lands or extracts resources from them pay the Government for such use. However, mining companies don't pay a single red cent regardless of the value of the minerals they extract.

In a statement I recently made on this floor, I described one of the most egregious examples of the problems with the 1872 mining law. The Stillwater Mining Co., in Stillwater, MT, has applied for patents on more than 2,000 acres of public land containing—by the company's own estimates—32 billion dollars' worth of platinum and palladium. Including Government survey and processing fees, Stillwater will pay a mere $20 an acre for this land and absolutely nothing for the minerals. If the Government were to charge a royalty of 12½ percent for this mine, we would recover approximately $4 billion. Even a 5-percent royalty would bring in $1.6 billion, enough to make at least a small dent in the deficit.

Mr. President, not only is it an outrage that we are giving away valuable public land and minerals for nothing, but we are giving much of it away to foreign countries. A recent survey by the Mineral Policy Center found that out of the 25 largest gold mines in the United States, 15 were foreign owned and three others were 40 to 90 percent foreign owned. The biggest gold company, the Newmont Gold Co. in Nevada, is 49 percent owned by Sir James Goldsmith of Great Britain. As Congressman BEN NIGHTHORSE CAMPBELL of Colorado so aptly put it: "They—the foreign companies—get the gold, and we get the shaft."

Recently it was suggested on the floor of the Senate that the 1872 mining law has been amended numerous times and has sufficiently kept up with the times. However, Mr. President, while some changes have been made over the years, the basic structure of the law has remained unchanged since the days of Ulysses S. Grant.

Land is sold for $2.50 and $5 per acre—the same prices as set in 1872.

Mining companies are charged no royalties for the minerals they extract from Federal lands—the same as in 1872.

People are receiving patents for public land which they have no intent of using for mining—just as in 1872.

Mr. President, it is time that we put an end to this anachronistic process. It is time that we finally enact meaningful mining law reform. It is time that we stop subsidizing foreign mining companies. It is time that the administration end its demagoguery about constitutional amendments and instead ensure that the taxpayers receive a fair return for our public lands.

Mr. President, I understand that over the next several weeks opponents of substantive reform of the 1872 mining law will be informing us about how well the 1872 mining law has worked. I intend to follow these discussions closely and look forward to participating in the debate. I anticipate that we will attempt to address these issues in a comprehensive manner in the Energy Committee shortly and report a bill to the floor for the full Senate to consider this year.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. SANFORD. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee received a request for a determination under rule 35 for David Steele, a member of the staff of Senator DECONCINI, to participate in a program in China, sponsored by the Far East Studies Institute and the Chinese People's Institute of Foreign Affairs, from July 4 to 19, 1992.

The committee has determined that participation by Mr. Steele in this program, at the expense of the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.●

PRACTICAL WAY OF PREVENTING ILLITERACY

● Mr. SIMON. Mr. President, I was at a meeting where there were some literacy graduates. It was a function sponsored by the Coors Brewing Co. I do not always agree with the Coors people on some of their stands, but their contribution and leadership in this field is greatly appreciated.

While there, I was handed a letter by Lynn Futrell. She also handed it to several others.

Here is a person who, no too long ago, was functionally illiterate, but now is interested in helping others, is attending college, and tells a story about how we can help others.

I really believe there is a huge resource of good will out there in the public, people who are willing to participate in giving a helping hand to others.

We have not done a very effective job of encouraging that.

I am grateful to Lynn Futrell, but I'm also grateful to the people who gave Lynn Futrell a helping hand.

I ask that her statement be printed in the RECORD at this point.

MARIETTA, SC.

To Whom It May Concern:

I would like to give you my idea of ways to help prevent illiteracy. And, hopefully, it can help with some other problems as well: high school drop outs, poverty and adult illiteracy. I feel that undereducation is the root source of most, if not all, of lifes problems.

I see no reason for children to grow up and become illiterate adults. In fact, I happen to feel that we are pushing illiterate children through the "system" every year. Most children go through school and do fairly well, but there are always 2 or 3 children who just cannot quite keep up with the rest of the class for whatever reason. There may be several factors that contribute to the child's faltering; trouble at home, bad hearing, poor eye sight, learning problems, or labeling, just to name a few.

Whatever the reason for the lagging behind, the fact remains that the child will eventually fall through the cracks of the "system." This same child may be able to make something good of his life, or maybe not.

I think we have the resources to change the outcome of these future lives. If we get the community and parents to volunteer to tutor the "at risk" kids we can change this.

There would be no need to raise taxes or anything like that. If you show the people the problem and then give them the solution, they will help. If we could just organize so that the program worked like the literacy programs do, one on one teachng with tutors, the program would work. Even if the tutor just helped the student with his homework or gave extra help, there would be a great difference in that child's life. Just to know that someone really cares can make a world of difference to a failing child.

There is so much more I could say but it would take so much time to write it out. I think we can stop this problem if someone with power will help. I am only one person. I cannot do it by myself, but if you will help, we can make a difference. The children need someone to take the time to care.

If someone had not taken time to care about me, I would still be functionally illiterate, but thanks to some very special people I am now a college student studying to be a teacher. If you are interested in helping, please write to me.

LYNN FUTRELL.●

COMMENDING NASA LANGLEY RESEARCH CENTER'S 75TH ANNIVERSARY

Mr. SIMPSON. Mr. President, I send the enclosed joint resolution to the desk on behalf of Senator WARNER and Senator ROBB, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the resolution.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 324) to commend the NASA Langley Research Center on the celebration of its 75th anniversary on July 17, 1992.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which was read the third time and passed.

The preamble was agreed to.

The joint resolution (S.J. Res. 324), with its preamble, reads as follows:

S.J. RES. 324

Whereas, in 1917, the first civilian aeronautical research laboratory of the National Advisory Committee for Aeronautics (NACA) was established in Hampton, Virginia;

Whereas such laboratory, now called the NASA Langley Research Center (hereafter referred to in this Resolution as the "Center"), occupies 787 acres of government-owned land;

Whereas the official groundbreaking ceremonies for the Center were held on July 17, 1917;

Whereas the Center is the United States Government's oldest, most prolific and most honored aerospace laboratory;

Whereas the Center supports the Nation by studying the basic problems of flight, selecting certain of those problems for investigation, and following up with practical solutions to such problems through long-term research and test programs;

Whereas the first United States manned space program, Project Mercury, began at the Center in 1958;

Whereas the Center supports investigations and research in space technology and advanced space transportation systems, designs concepts for large space structures, and develops research hardware and conducts experiments in space;

Whereas the Center makes major contributions to national atmospheric research such as developing satellite experiments, modeling the atmosphere and analyzing climate observations;

Whereas from the beginning, people have been the most important resource of the Center with over 3,000 civil servants and over 2,200 contract personnel university researchers and United States Army helicopter research personnel currently working at NASA Langley;

Whereas the Center is comprised of many facilities unique in the world of aerospace research, five of which have been designated as National Historic Landmarks by the Department of the Interior; and

Whereas the Center is one of the leading aerospace research laboratories in the world and has consistently been a source of technology that has made aerospace a major factor in commerce and national defense: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress does commend the NASA Langley Research Center as it celebrates its 75th anniversary on July 17, 1992, and as it continues expanding the frontiers of flight.

Mr. WARNER. Mr. President, I rise today to commend the NASA Langley Research Center on the celebration of its 75th anniversary which will occur on July 17, 1992.

In 1917, the country's first civilian aeronautical research laboratory was established in Hampton, VA. Today, that lab, now called the NASA Langley Research Center, is the U.S. Government's oldest, most prolific and most honored aerospace facility. This national resource has had a profound impact on man's journey into air and space.

NASA Langley helped establish the foundation and infrastructure for aeronautics and space technology in this country. Researchers at the Center helped create the tools and train the scientists, engineers, managers, and leaders who have made aerospace history throughout this century.

NASA Langley supports the Nation by studying the basic problems of flight, selecting certain problems for investigation and developing solutions through long-term research and test programs. As a result, NASA Langley has had a major influence on nearly every aircraft in service.

In addition, NASA Langley supports research in space technology, advanced space transportation systems and concepts for large space structures. The first U.S.-manned space program, Project Mercury, began at Langley and Langley was the training site for the original seven astronauts. Later, Langley managed such programs as Lunar Orbiter, which mapped the surface of the Moon for the Apollo landings, and the Viking mission to Mars. NASA Langley is also a major contributor to national atmospheric research.

Occupying almost 800 acres of Government-owned land, the NASA Langley Research Center is comprised of many facilities unique in the world of aerospace research, five of which have been designated national historic landmarks by the Department of the Interior.

For 75 years, the people at NASA Langley have built new research tools, invented new technologies, provided practical solutions to aerospace problems and developed leaders for the aerospace industry. The Center has consistently been a source of technology that has made aerospace a major factor in commerce and national defense.

The U.S. Senate salutes the NASA Langley Research Center as it celebrates its 75th anniversary July 17, 1992. May it continue expanding the frontiers of flight.

Mr. SIMPSON. Mr. President, I move to reconsider the vote.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LYME DISEASE AWARENESS WEEK

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 517, House Joint Resolution 459, designating "Lyme Disease Awareness Week"; that the joint resolution be deemed read three times, passed and the motion to reconsider be laid upon the table, and the preamble agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the joint resolution (H.J. Res. 459) was deemed read three times and passed.

THE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed en bloc to the immediate consideration of Calendar Nos. 500 through 514; that the committee amendments where appropriate be agreed to; that the joint resolutions be deemed read three times and passed and the motion to reconsider the passage of these joint resolutions be laid upon the table en bloc; that the preambles be agreed to en bloc and the amendments to the preamble where appropriate be agreed to; that the amendment to the title, where appropriate, be agreed to; and further that the consideration of these items appear individually in the RECORD and any statements appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

BATTLE OF GUADALCANAL REMEMBRANCE DAY

The joint resolution (S.J. Res. 248) designating August 7, 1992, as "Battle of Guadalcanal Remembrance Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 248

Whereas the allied forces military campaign in the Solomon Islands of the South Pacific was the first American offensive action of World War II in the Pacific;

Whereas the focus of that campaign was the island of Guadalcanal;

Whereas the American military invasion of Guadalcanal began on August 7, 1942, with the amphibious landing of Major General Alexander A. Vandegrift's 1st Marine Division;

Whereas, on October 13, 1942, the commitment of United States Army ground forces to the Battle of Guadalcanal began with the landing of the 164th Infantry Regiment of the American Division, a unit of the North Dakota Army National Guard, making that Army unit the first to engage in offensive combat action in the Pacific theater during World War II;

Whereas throughout the campaign the United States Navy, particularly the South Pacific Naval Task Force under the command of Vice Admiral William F. Halsey which was the principal naval force during the Naval Battle of Guadalcanal in November of 1942, provided the naval support that was critical to the victory of American forces on Guadalcanal;

Whereas during the 6-month campaign on Guadalcanal there were over 9,000 Army, Marine, and Navy casualties;

Whereas on August 7, 1992, the United States Marine Corps will conduct a ceremony at the Iwo Jima Memorial in Washington, D.C., to commemorate the landing of Marines on Guadalcanal; and

Whereas, as part of its commemoration of the 50th anniversary of World War II, the Department of Defense will recognize the contributions made by all American military personnel during the operations on Guadalcanal: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That August 7, 1992, is designated as "Battle of Guadalcanal Remembrance Day". The President of the United States is authorized and requested to call upon the people of the United States to celebrate the day with appropriate ceremonies and activities.

MENTAL ILLNESS AWARENESS WEEK

The joint resolution (S.J. Res. 287) to designate the week of October 4, 1992, through October 10, 1992, as "Mental Illness Awareness Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 287

Whereas mental illness is a problem of grave concern and consequence in the United States and it is widely, but unnecessarily, feared and misunderstood;

Whereas on an annual basis 40,000,000 adults in the United States suffer from clearly diagnosable mental disorders, including mental illness, alcohol abuse, and drug abuse, which create significant disabilities with respect to employment, school attendance, and independent living;

Whereas more than 17,000,000 United States citizens are disabled for long periods of time by schizophrenia, manic depressive disorder, and major depression;

Whereas 33 percent of homeless persons suffer serious, chronic forms of mental illness;

Whereas alcohol, drug, and mental disorders affect almost 22 percent of adults in the United States in any 1-year period;

Whereas mental illness interferes with the development and maturation of at least 12,000,000 of our children;

Whereas a majority of the 29,000 American citizens who commit suicide each year suffer from a mental or an addictive disorder;

Whereas our growing population of elderly persons faces many obstacles to care for mental disorders;

Whereas 20 to 25 percent of AIDS patients will develop AIDS-related cognitive dysfunction and as many as two-thirds of AIDS patients will show neuropsychiatric symptoms before they die;

Whereas mental illnesses, alcohol abuse, and drug abuse result in staggering costs to society, estimated to be in excess of $249,000,000,000 in direct treatment and support and indirect costs to society, including lost productivity;

Whereas the Federal research budget committed to the Alcohol, Drug Abuse, and Mental Health Administration represents only about 1 percent of the direct treatment and support costs of caring for persons with alcohol, drug, and mental disorders;

Whereas mental illnesses are increasingly treatable disorders with excellent prospects for amelioration when properly recognized;

Whereas mentally ill persons and their families have begun to join self-help groups seeking to combat the unfair stigma of mental illness, to support greater national investment in research, and to advocate an adequate continuum of care from hospital to community;

Whereas in recent years there have been unprecedented major research developments bringing new methods and technology to the sophisticated and objective study of the functioning of the brain and its linkages to both normal and abnormal behavior;

Whereas research in recent decades has led to a wide array of new and more effective modalities of treatment (somatic, psychosocial, and service delivery) for some of the most incapacitating forms of mental illness, including schizophrenia, major affective disorders, phobias, and phobic disorders;

Whereas appropriate treatment of mental illness has been demonstrated to be cost effective in terms of restored productivity, reduced use of other health services, and lessened social dependence; and

Whereas recent and unparalleled growth in scientific knowledge about mental illness has generated the current emergence of a new threshold of opportunity for future research advances and fruitful application to specific clinical problems: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 4, 1992, through October 10, 1992, is designated as "Mental Illness Awareness Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate programs, ceremonies, and activities.

LYME DISEASE AWARENESS WEEK

The joint resolution (S.J. Res. 288) designating the week beginning July 26, 1992, as "Lyme Disease Awareness Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 288

Whereas Lyme disease (borreliosis) is spread primarily by the bite of four types of ticks infected with the bacteria Borrelia burgdorferi;

Whereas Lyme disease-carrying ticks can be found across the country—in woods, mountains, beaches, even in our yards, and no effective tick control measures currently exist;

Whereas infected ticks can be carried by animals such as cats, dogs, horses, cows, goats, birds, and transferred to humans;

Whereas our pets and livestock can be infected with Lyme disease by ticks;

Whereas Lyme disease was first discovered in Europe in 1883 and scientists have recently proven its presence on Long Island as early as the 1940's;

Whereas Lyme disease was first found in Wisconsin in 1969, and derives its name from the diagnosis of a cluster of cases in the mid-1970's in Lyme, Connecticut;

Whereas forty nine states reported more than forty thousand cases of Lyme disease from 1982 through 1991;

Whereas Lyme disease knows no season—the peak west coast and southern season is November to June, the peak east coast and northern season is April to October, and victims suffer all year round;

Whereas Lyme disease, easily treated soon after the bite with oral antibotics, can be difficult to treat (by painful intravenous injections) if not discovered in time, and for some may be incurable;

Whereas Lyme disease is difficult to diagnose because there is no reliable test that can directly detect when the infection is present;

Whereas the early symptoms of Lyme disease may include rashes, severe headaches, fever, fatigue, and swollen glands;

Whereas if left untreated Lyme disease can affect every body system causing severe damage to the heart, brain, eyes, joints, lungs, liver, spleen, blood vessels, and kidneys;

Whereas the bacteria can cross the placenta and affect fetal development;

Whereas our children are the most vulnerable and most widely affected group;

Whereas the best cure for Lyme disease is prevention;

Whereas prevention of Lyme disease depends upon public awareness; and

Whereas education is essential to making the general public, health care professionals, employers, and insurers more knowledgeable about Lyme disease and its debilitating side effects: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning July 26, 1992 is designated as "Lyme Disease Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate programs, ceremonies, and activities.

NATIONAL RADON ACTION WEEK

The joint resolution (S.J. Res. 294) to designate the week of October 18, 1992, as "National Radon Action Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are a follows:

S.J. RES. 294

Whereas exposure to radon poses a serious threat to the health of the people of this Nation;

Whereas the Environmental Protection Agency estimates that lung cancer attributable to radon exposure causes approximately 20,000 deaths a year in the United States;

Whereas the United States has set a long-term national goal of making the air inside buildings as free of radon as the ambient air;

Whereas excessively high levels of radon in homes and schools can be reduced successfully and economically with appropriate treatment;

Whereas only about 2 percent of the homes in the Nation have been tested for radon levels;

Whereas the people of this Nation should be educated about the dangers of exposure to radon; and

Whereas people should be encouraged to conduct tests for radon in their homes and schools and to make the repairs required to reduce excessive radon levels: Now, therefore, be it.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 18, 1992, through October 24, 1992, is designated as "National Radon Action Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

NATIONAL D.A.R.E. DAY

The joint resolution (S.J. Res. 295) designating September 10, 1992, as "National D.A.R.E. Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 295

Whereas D.A.R.E. (Drug Abuse Resistance Education) is the largest and most effective drug-use prevention education program in the United States, and is now taught to twenty million youths in grades K–12;

Whereas D.A.R.E. is taught in more than two hundred thousand classrooms reaching all fifty States, Australia, New Zealand, American Samoa, Puerto Rico, Costa Rica, Mexico and Department of Defense Dependent Schools worldwide;

Whereas the D.A.R.E. core curriculum, developed by the Los Angeles Police Department and the Los Angeles Unified School District, helps prevent substance abuse among school-age children by providing students with accurate information about alcohol and drugs, by teaching students decision-making skills and the consequences of their behavior and by building students' self-esteem while teaching them how to resist peer pressure;

Whereas D.A.R.E. provides parents with information and guidance to further their children's development and to reinforce their decisions to lead drug-free lives;

Whereas the D.A.R.E. Program is taught by veteran police officers who come straight from the streets with years of direct experience with ruined lives caused by substance abuse, giving them unmatched credibility;

Whereas each police officer who teaches the D.A.R.E. Program completes eighty hours of specialized training in areas such as child development, classroom management, teaching techniques, and communication skills; and

Whereas D.A.R.E., according to independent research, substantially impacts students' attitudes toward substance use and contributes to improved study habits, higher grades, decreased vandalism and gang activity, and generates greater respect for police officers: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 10, 1992, is designated as "National D.A.R.E. Day", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe that day with appropriate ceremonies and activities.

NATIONAL LITERACY DAY

The joint resolution (S.J. Res. 301) designating July 2, 1992, as "National Literacy Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 301

Whereas literacy is a necessary tool for survival in our society;

Whereas seventeen million Americans today cannot read;

Whereas there are twenty-three to twenty-seven million adults in the United States who cannot read, whose resources are left untapped, and who are unable to offer their full contribution to society;

Whereas the annual cost of illiteracy to the United States in terms of resulting welfare expenditures, crime, prison expenses, lost revenues, and industrial and military accidents has been estimated by the American Library Association at $224,000,000,000;

Whereas the competitiveness of the United States is eroded by the presence in the workplace of millions of Americans who are functionally or technologically illiterate;

Whereas the number of illiterate adults unable to perform at the standard necessary for available employment is related to and the money allocated to child welfare and unemployment compensation;

Whereas the percentage of illiterates in proportion to population size is higher for blacks and Hispanics, and resulting in increased barriers to economic enhancement by these minorities;

Whereas almost 60 per centum of the prison population cannot read;

Whereas as many as 75 per centum of the unemployed may be illiterate;

Whereas the number of functional illiterates is expected to grow by two million three hundred thousand a year;

Whereas the cycle of illiteracy continues because the children of illiterate parents are often illiterate themselves because of the lack of support they receive from their home environment;

Whereas federal, State, municipal, and private literacy programs have only been able to reach 9 per centum of the total illiterate population;

Whereas it is vital to call attention to the problem of illiteracy, to understand the severity of the problem and its detrimental effects on our society, and to reach those who are illiterate and unaware of the free services and help available to them; and

Whereas it is also necessary to recognize and thank the thousands of volunteers who are working to promote literacy and provide support to the millions of illiterates in need of assistance: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 2, 1992, is designated as "National Literacy Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

NATIONAL BREAST CANCER AWARENESS MONTH

The joint resolution (S.J. Res. 303) to designate October 1992, as "National Breast Cancer Awareness Month," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 303

Whereas breast cancer will strike an estimated 180,000 women and 1,000 men in the United States in 1992;

Whereas assuming an average life expectancy of 85 years, a woman's lifetime risk of developing breast cancer is 1 in 9;

Whereas the risk of developing breast cancer increases as a woman grows older;

Whereas breast cancer is the second leading cause of cancer death in women, and will kill an estimated 46,000 women and 300 men in 1992;

Whereas the 5-year survival rate for localized breast cancer has risen from 78 percent in the 1940s to over 90 percent today;

Whereas most breast cancers are detected by the woman herself;

Whereas educating both the public and health care providers about the importance of early detection will result in reducing breast cancer mortality;

Whereas appropriate use of screening mammography, in conjunction with clinical examination and breast self-examination, can result in the detection of many breast cancers early in their development and increase the survival rate to nearly 100 percent;

Whereas data from controlled trials clearly demonstrate that deaths from breast cancer are significantly reduced in women over the age of 40 by using mammography as a screening tool;

Whereas many women are reluctant to have screening mammograms for a variety of reasons, such as the cost of testing, lack of information, or fear;

Whereas access to screening mammography is directly related to socioeconomic status;

Whereas increased awareness about the importance of screening mammography will result in the procedure being regularly requested by the patient and recommended by the health care provider; and

Whereas it is projected that more women will use this lifesaving test as it becomes increasingly available and affordable: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 1992 is designated as "National Breast Cancer Awareness Month", and the President is authorized and requested to issue a proclamation calling upon the people of the United Sates to observe the month with appropriate programs and activities.

NATIONAL LAW ENFORCEMENT TRAINING WEEK

The joint resolution (S.J. Res. 304) designating January 3, 1993, through January 9, 1993, as "National Law Enforcement Training Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 304

Whereas law enforcement training and the sciences related to law enforcement are critical to the immediate and long-term safety and well-being of this Nation because law enforcement professionals provide service and protection to citizens in all sectors of society;

Whereas law enforcement training is a critical component of national efforts to protect the citizens of this Nation from violent crime, to combat the malignancy of illicit drugs, and to apprehend criminals who commit personal, property, and business crimes;

Whereas law enforcement training serves the hard working and law abiding citizens of this Nation;

Whereas it is essential that the citizens of this Nation be able to enjoy an inherent right of freedom from fear and learn of the significant contributions that law enforcement trainers have made to assure such right;

Whereas it is vital to build and maintain a highly trained and motivated law enforcement work force that is educated and trained in the skills of law enforcement and the sciences related to law enforcement in order to take advantage of the opportunities that law enforcement provides;

Whereas it is in the national interest to stimulate and encourage the youth of this Nation to understand the significance of law enforcement training to the law enforcement profession and to the safety and security of all citizens;

Whereas it is in the national interest to encourage the youth of this Nation to appreciate the intellectual fascination of law enforcement training; and

Whereas it is in the national interest to make the youth of this Nation aware of career options available in law enforcement and disciplines related to law enforcement: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That January 3, 1993, through January 9, 1993, is designated as "National Law Enforcement Training Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate exhibits, ceremonies, and activities, including programs designed to heighten the awareness of all citizens, particularly the youth of this Nation, of the importance of law enforcement training and related disciplines.

POLISH AMERICAN HERITAGE MONTH

The joint resolution (S.J. Res. 305) to designate October 1992, as "Polish American Heritage Month," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 305

Whereas the first Polish immigrants to North America were among the first settlers of Jamestown, Virginia, in the seventeenth century;

Whereas Kazimierz Pulaski, Tadeusz Kosciuszko, and other Poles came to the British colonies in America to fight in the Revoluntary War and to risk their lives and fortunes for the creation of the United States;

Whereas Poles and Americans of Polish descent have distinguished themselves by contribution to the development of arts, sciences, government, military service, athletics, and education in the United States;

Whereas the Polish Constitution of May 3, 1791, was modeled directly on the Constitution of the United States is recognized as the second written constitution in history, and is revered by Poles and Americans of Polish descent;

Whereas Poles and Americans of Polish descent take great pride and honor in the greatest son of Poland, his Holiness Pope John Paul the Second;

Whereas Poles and Americans of Polish descent and people everywhere applauded the efforts of Solidarity's leader and now President in fighting for freedom, human rights, and economic reform in Poland;

Whereas the Polish American Congress is observing its forty-eighth anniversary this year and is celebrating October 1992 as "Polish-American Heritage Month": Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled," That October 1992 is designated "Polish-American Heritage Month", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such a month with appropriate ceremonies and activities.

NATIONAL WOMEN VETERANS RECOGNITION WEEK

The joint resolution (S.J. Res. 309) designating the week beginning November 8, 1992, as "National Women Veterans Recognition Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 309

Whereas 1992 marks the 50th anniversary of the establishment of the Women's Army Auxiliary Corps, the Women Accepted for Voluntary Emergency Service, the Women Air Force Service Pilots, and the Women's Reserve of the Coast Guard, in which more than 400,000 women served during World War II;

Whereas there are more than 1,200,000 women veterans in the United States representing 4.6 percent of the total veterans population;

Whereas the number of women serving in the United States Armed Forces and the number of women veterans continue to increase;

Whereas women veterans have contributed greatly to the security of the United States through honorable military service, often involving great hardship and danger;

Whereas women are performing a wider range of tasks in the United States Armed Forces, as demonstrated by the participation of women in the military actions taken in Panama and the Persian Gulf region;

Whereas the special needs of women veterans, especially in the area of health care, have often been overlooked or inadequately addressed by the Federal Government;

Whereas the lack of attention to the special needs of women veterans has discouraged or prevented many women veterans from taking full advantage of the benefits and services to which they are entitled; and

Whereas designating a week to recognize women veterans will help both to promote important gains made by women veterans and to focus attention on the special needs of women veterans: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning November 8, 1992, is designated as "National Women Veterans Recognition Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

NATIONAL WOMEN VETERANS RECOGNITION WEEK

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I thank my colleagues for giving their unanimous approval to the resolution, Senate Joint Resolution 309, a joint resolution establishing November 8–14 as National Women Veterans Recognition Week. Representative MICHAEL BILIRAKIS has recently introduced a companion resolution, House Joint Resolution 495. I am delighted that 54 Senators have joined as cosponsors of this joint resolution, and I am grateful to the chairman, Mr. BIDEN, and the ranking Republican member, Mr. THURMOND, and other members of the Judiciary Committee for the prompt action taken in reporting this resolution to the full Senate.

For the past 8 years, I have sponsored legislation designating a week near Veterans' Day as National Women Veterans Recognition Week. I am proud to have sponsored this legislation for so many years and am gratified by the strong support it has received from my colleagues in this body.

Once, Mr. President, people used to think of our Nation's Armed Forces as a man's army. Many of the women who so selflessly contributed to our defense often found themselves underestimated, forgotten, or ignored. The principal goals of designating a week to recognize women veterans are twofold: To increase the public's awareness of the accomplishments of women in the Armed Forces and to make women veterans more aware of the many benefits available to them because of their service.

This year holds particular significance for women veterans, as it marks the 50th anniversary of the establishment of the Women's Army Auxiliary Corps/Women's Army Corps [WAAC, WAC], Women Accepted for Volunteer Emergency Service [WAVES], Women Airforce Service Pilots [WASPS], and Women's Reserve of the Coast Guard [SPAR]. The 400,000 women who served in these operations, as well as the Women Marines Reserve, which was established in 1943, made courageous efforts on our Nation's behalf in World War II.

More recently, over 30,000 women served in the Persian Gulf war last year, performing a wide range of tasks vital to the Armed Forces. Everincreasing numbers of women soldiers are performing tasks traditionally performed by men, such as maintaining vehicles and transporting weapons and supplies. Women veterans currently comprise 4.6 percent of the veteran population, a percentage which is sure to increase as the percentage of military personnel who are women, now 12 percent, continues to rise.

Various forms of transitional assistance, for both men and women, have been established in recent years to ensure that those being discharged from active duty receive information about the various services and benefits to which they may be entitled, such as health care, disability compensation, vocational rehabilitation, education, employment assistance, and home loan guarantees. Unfortunately, no transition programs reach everyone. Moreover, many women veterans of earlier conflicts are unaware of the benefits and services available to them and often do not apply for them.

Partly because of this lack of awareness and the small number of women seeking VA care, VA was slow to remodel its existing facilities and provide gender-specific services to women veterans. At my request, the General Accounting Office recently reviewed women veterans' access to VA health care services and the quality of the services furnished to them. The review revealed that, although VA has made important advances in this area, more needs to be done, especially with regard to outreach efforts to new women veterans.

In order to better ascertain VA's ability to respond to women's veterans health care needs, the Committee on Veterans' Affairs will hold two hearings next week dealing specifically with such concerns. The first hearing, on June 30, 1992, will focus on VA's ability to meet the needs of women who were sexually assaulted or sexually harassed while serving in the military. The second hearing, on July 2, will address that issue and a broader spectrum of women's health issues, including gynecological care, preventive screening for breast and other gender-specific cancers, and VA research into women veteran's health care concerns.

Mr. President, this resolution designating the week of November 8 as National Women Veterans Recognition Week will continue the momentum built over the last 8 years to call attention to this important but often overlooked group of veterans. We must recognize the historical and growing contributions of women to our national defense. I urge my colleagues to join me in supporting this joint resolution of vital significance to these women to whom we owe our gratitude and admiration.

NATIONAL MUSCULAR DYSTROPHY AWARENESS MONTH

The joint resolution (S.J. Res. 307) designating the month of July 1992, as "National Muscular Dystrophy Awareness Month," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 307

Whereas approximately 250,000 Americans are affected by muscular dystrophy, a progressive, disabling disease which causes muscles to weaken and waste away irreversibly and which is often fatal;

Whereas muscular dystrophy can strike persons of any age, sex, race, economic level, or geographical region and thousands of Americans will be diagnosed this year as having muscular dystrophy;

Whereas nine forms of muscular dystrophy have been identified, namely, Duchenne, myotonic, Becker, limb-girdle, congenital, facioscapulohumeral, oculopharyngeal, distal, and Emery-Driefuss muscular dystrophies;

Whereas Duchenne muscular dystrophy, the most common and fatal form of the disease strikes boys between ages 2 and 6 and eventually affects all voluntary muscles;

Whereas myotonic muscular dystrophy, the most common form of the disease striking adults, has a variety of symptoms and can shorten life span;

Whereas there are no proven cures or treatments for any form of muscular dystrophy and a large proportion of people affected by the disease become mobility impaired or ventilator-dependent;

Whereas thousands of young people and adults affected by muscular dystrophy have become productive, successful citizens;

Whereas recent advances in genetic research have enabled scientists to locate the genes responsible for the two most common forms of muscular dystrophy and the chromosome areas for other forms;

Whereas knowledge about the causes of muscular dystrophy will have an impact on developing cures not only for muscular dystrophy but also for other neuromuscular diseases and disorders such as heart disease;

Whereas finding the causes of, and the cures for, all forms of muscular dystrophy will prevent the disease from robing hundreds of thousands of Americans of full mobility and their lives; and

Whereas raising public awareness of muscular dystrophy will facilitate the discovery of a cure: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of July 1992 is designated as "National Muscular Dystrophy Awareness Month". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the month with appropriate programs, ceremonies, and activities.

VIETNAM VETERANS MEMORIAL 10TH ANNIVERSARY DAY

The joint resolution (S.J. Res. 318) designating November 13, 1992, as "Vietnam Veterans Memorial 10th Anniversary Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 318

Whereas on November 13, 1982, the Vietnam Veterans Memorial was dedicated in honor and recognition of the men and women of the Armed Forces of the United States who served in the Vietnam War, particularly those who gave their lives or who remain missing;

Whereas the Vietnam Veterans Memorial, located on a site in West Potomac Park in the District of Columbia near the Lincoln Memorial as authorized by Public Law 96-297, was constructed with funds raised entirely from private sources;

Whereas this memorial, bearing the names of 58,183 men and women, has become the most visited memorial in the Nation's capital;

Whereas November 13, 1992, marks the 10th anniversary of the Vietnam Veterans Memorial, a milestone which will be observed during 1992 through educational seminars, a reading of the names on the Wall, veterans reunions, and other appropriate events;

Whereas this anniversary offers an opportunity for the entire country to reflect on the Vietnam Veterans Memorial and its role in healing the Nation's wounds from the Vietnam era; and

Whereas the anniversary will enable new generations to discuss lessons learned in the decade since the Memorial's dedication: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That November 13, 1992, is designated as "Vietnam Veterans Memorial 10th Anniversary Day", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.

NATIONAL CHILDREN'S DAY

The joint resolution (S.J. Res. 319) to designate the second Sunday in October 1992, as "National Children's Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 319

Whereas the people of the United States should celebrate children as the most valuable asset of the Nation;

Whereas children represent the future, hope, and inspiration of the United States;

Whereas the children of the United States should not be allowed to feel that their ideas and dreams will be stifled because adults in the United States do not take time to listen;

Whereas many children face crises of grave proportions, especially as they enter adolescent years;

Whereas it is important for parents to spend time listening to their children on a daily basis;

Whereas modern societal and economic demands often pull the family apart;

Whereas encouragement should be given to families to set aside a special time for all family members to remain at home;

Whereas adults in the United States should have an opportunity to reminisce on their youth to recapture some of the fresh insight, innocence, and dreams that they may have lost through the years;

Whereas the designation of a day to commemorate the children of the United States will provide an opportunity to emphasize to children the importance of developing an ability to make the choices necessary to distance themselves from impropriety;

Whereas the designation of a day to commemorate the children of the Nation will emphasize to the people of the United States the importance of the role of the child within the family;

Whereas the people of the United States should emphasize to children the importance of family life, education, and spiritual qualities; and

Whereas parents, teachers, and community and religious leaders should celebrate the children of the United States, whose questions, laughter, and tears are important to the existence of the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the second Sunday in October of 1992 is designated as "National Children's Day" and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the day with appropriate ceremonies and activities.

NATIONAL CREDIT EDUCATION WEEK

The Senate proceeded to consider the joint resolution (S.J. Res. 252) designating the week of April 19 through April 25, 1992, as "National Credit Education Week," which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert in lieu thereof other language.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The amendment to the preamble was agreed to.

The preamble, as amended, was agreed to.

The joint resolution, as amended, and the preamble, as amended, are as follows:

S.J. RES. 252

Whereas consumer credit is an integral part of the free enterprise economy of the United States;

Whereas the vast array of credit products has increasingly complicated the problems and opportunities for consumers;

Whereas the benefits consumers receive from using credit depend upon the prudent use of credit and the prompt discharge of credit obligations;

Whereas educated consumers who know their choices, rights, and responsibilities are better able to use credit wisely, thus increasing economic stability and marketplace competition;

Whereas the increasing sophistication and complexity of the financial marketplace necessitates that consumers be given simple and understandable information about financial products in order to make informed decisions; and

Whereas businesses, schools, community organizations, and individuals should educate the people of the United States concerning consumer credit: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning April 18, 1993, is designated as "National Credit Education Week", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

The title was amended so as to read: "Joint resolution designating the week of April 18 through April 24, 1993, as 'National Credit Education Week'."

NATIONAL SMALL INDEPENDENT TELEPHONE COMPANY WEEK

The Senate proceeded to consider the joint resolution (S.J. Res. 281) designating the week of September 14 through September 20, 1992, as "National Small Independent Telephone Company Week," which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and inserting in lieu thereof other language.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The amendment to the preamble was agreed to.

The preamble, as amended, was agreed to.

(The text of the joint resolution, as passed, will appear in a future edition of the RECORD.)

S.J. RES. 281

Whereas for more than 100 years, dedicated individuals have worked to bring telecommunications services to rural areas that otherwise might not have had telephone service, overcoming the obstacles of difficult terrain and sparse population;

Whereas these rural areas have available state-of-the-art telecommunications services, linking them to the Nation's public network to the benefit of all Americans, both rural and urban, and contributing to the overall competitiveness of our Nation;

Whereas the availability of telecommunication services provides jobs in the local communities and contributes significantly to rural development efforts; and

Whereas designating a week to raise awareness of rural telecommunications services will help promote the important role that such services, as well as the dedicated individuals providing them, have played in the continued development of the Nation's telecommunications infrastructure, as well as their local communities: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning September 14, 1992 and ending on September 20, 1992, is designated as "National Rural Telecommunications Services Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate programs and activities.

EXTENSION OF MEDICAID WAIVER

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2901, a bill to provide a 19-month extension of a waiver for the Tennessee Primary Care Medicaid HMO, introduced earlier today by Senator SASSER; that bill be deemed read three times and passed, and the motion to reconsider laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 2901), which was deemed to have been read three times and passed, is as follows:

S. 2901

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF MEDICAID WAIVER FOR TENNESSEE PRIMARY CARE NETWORK.

Section 6411(f) of the Omnibus Budget Reconciliation Act of 1989 is amended by striking "June 30, 1992" and inserting "January 31, 1994".

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLARIFICATION OF INTENT OF REMARKS ON IMMIGRATION

Mr. BYRD. Mr. President, on yesterday, during comments concerning the Russian aid bill, I made extemporaneous remarks which could be interpreted in a way that I did not intend. I was referring to a provision in the bill that extends a special status to immigrants from the former Soviet Union, Vietnam, Cambodia, and Laos that would allow entrance to these immigrants beyond the normal United States standards for refugees or those seeking asylum.

That special status, which has already been granted until September 30, 1992, would be extended for 2 additional years under this Russian aid legislation. This provision has concerned me because especially it could mean the migration of unknown numbers of new immigrants to our shores.

As chairman of the Appropriations Committee, I know firsthand of the extreme shortage of money to meet the needs of our own population. I have wrestled mightily every year since becoming chairman with trying to provide enough money to educate our children, meet the needs of our cities, battle crime in our streets, provide transportation to our population, meet our health care needs, and on and on and on.

I am very concerned that a very open immigration policy only makes it more difficult to adequately meet these needs. I have found the attempt to fund critical needs for America to be among the most frustrating challenges that I have ever undertaken. I have implored this administration to take into account these critical needs, and I have done this in budget summits, in meetings and in letters, all to no avail.

I fear that on yesterday those frustrations were expressed in a way that might offend many immigrants and the descendants of many immigrants. This Nation is remarkable precisely because of this diversity.

For generations, the United States of America has had the good fortune to have been able to draw not only upon the talents of native-born Americans, but also upon the talents of foreign-born citizens. Immigrants from many nations built our railroads, worked in our factories, mined our coal and made our steel, advanced our scientific and technological capabilities, and added literature, art, poetry, and music to the fabric of American life. Of course, many of these new Americans had trouble with our language and customs when they first arrived, but they learned our language, they grasped our constitutional principles, they abided by our laws and contributed in a mighty way to our success as a nation.

Indeed, I believe that particularly in the case of those who came fleeing tyranny, there is a unique appreciation for the freedom and opportunity available in this country which makes those special Americans among our most patriotic citizens.

I meant to express that at a time when we have a shortage of jobs, a lack of adequate health care, a problem with adequately educating our people, and an administration entirely opposed and unsympathetic to these needs, we cannot afford to take on more. Although I understand how much we would like to help the millions of people in the world who crave the blessings of freedom, at this time in our history I do not know how we are going to afford to provide for additional people who may need special assistance with education and job skills. If we invite these people to come, we have an obligation to adequately take care of them. My frustration stems from our present inability to provide for even those who have already come and those who are born in this country.

Again, I regret that in the heat of the moment, I spoke unwisely. I hope that these comments will serve to clarify my intent.

ORDERS FOR MONDAY, JUNE 29, 1992

Mr. BYRD. Mr. President, on behalf of the distinguished majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 2 p.m. on Monday, June 29; that following the prayer, the Journal of proceedings be deemed approved to date; that following the time for the two leaders, there be a period for morning business not to extend beyond 3 p.m., with Senators permitted to speak therein for up to 5 minutes each; that Senator SYMMS be recognized to speak for up to 40 minutes; that on Monday, June 29, first-degree amendments may be filed until 4 p.m. and first-degree amendments must be filed by 12:30 p.m. on Tuesday, June 30.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, JUNE 29, 1992, AT 2 P.M.

Mr. BYRD. Mr. President, if there be no further business to come before the Senate, I now move, in accordance with the previous order, that the Senate stand in recess until 2 p.m. on Monday, June 29.

The motion was agreed to, and at 3:44 p.m., the Senate recessed until Monday, June 29, 1992, at 2 p.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 26, 1992:

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

STEPHANIE DUNCAN-PETERS, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR TERM OF 15 YEARS.

ANN O'REGAN KEARY, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR TERM OF 15 YEARS.

JUDITH E. RETCHIN, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR TERM OF 15 YEARS.

WILLIAM M. JACKSON, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR TERM OF 15 YEARS.

DEPARTMENT OF AGRICULTURE

JAMES B. HUFF, SR., OF MISSISSIPPI, TO BE ADMINISTRATOR OF THE RURAL ELECTRIFICATION ADMINISTRATION FOR A TERM OF 10 YEARS.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

THE JUDICIARY

THOMAS K. MOORE, OF THE VIRGIN ISLANDS, TO BE A JUDGE OF THE DISTRICT COURT OF THE VIRGIN ISLANDS FOR A TERM OF 10 YEARS.

EDUARDO C. ROBRENO, OF PENNSYLVANIA, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF PENNSYLVANIA.

GORDON J. QUIST, OF MICHIGAN, TO BE U.S. DISTRICT JUDGE FOR THE WESTERN DISTRICT OF MICHIGAN.

NORMAN H. STAHL, OF NEW HAMPSHIRE, TO BE U.S. CIRCUIT JUDGE FOR THE FIRST CIRCUIT.

EXTENSIONS OF REMARKS

A SPECIAL TRIBUTE TO FRED RZEPKA

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 26, 1992

Mr. STOKES. Mr. Speaker, I am pleased to rise today to pay tribute to a distinguished member of the Cleveland business community, Mr. Fred Rzepka. Mr. Rzepka is president and chief executive officer of TransCon Builders, Inc. In addition, he served as Metroparks commissioner.

Fred Rzepka grew up in a small town near Warsaw. However, his travels through life have taken him to Siberia, Australia and finally, Cleveland, where he has lived since 1960. Just recently, Fred reflected back on his journey over the years.

He recalled relatives who lost their lives in Poland during the German invasion. He remembered his family's journey to Siberia which took 30 days by train and 250 miles on a riverboat. He also recalled the courage of his father who was blackballed by the British Government for helping the emerging State of Israel. Since his arrival in Cleveland, Fred has built a successful business venture. He is respected by his associates for his honesty and integrity.

Mr. Speaker, Fred Rzepka is a man of uncommon courage and determination. I want to share with my colleagues this unique interview which appeared in the June 22, 1992, edition of the Cleveland Plain Dealer. I also take this opportunity to extend my best wishes to Fred. He is a good friend who is admired by all.

[From the Cleveland Plain Dealer, June 22, 1992]

MAJOR BACKER OF RAINFOREST RECALLS ORIGINS

(By Karen Farkas)

Fred Rzepka's travels through life have taken him to Siberia by force, Australia by choice and the Cleveland Metroparks RainForest by obligation.

A man who wields his power quietly, Rzepka relishes a good battle—even when it is not one he initiated. And the president and chief executive officer of TransCon Builders Inc. and Metroparks commissioner can be found almost daily at the RainForest, which has been marred by numerous delays, cost overruns and alleged illegal acts of former Metroparks administrators.

"In business, the financial result is the ultimate reward, but if it is a product I can be proud of, that is just as gratifying," he said.

But Rzepka, 60, had other things on his mind the morning after the June 2 primary. An admitted politics junkie, he was reviewing the fate of Democratic candidates. "Some horses came in, others didn't," he said philosophically as he leaned back in a chair in the plainly decorated conference room at his company offices in Bedford Heights.

But as he dipped his hand into a glass bowl filled with fresh fruit, his mind traveled back to the journeys of his childhood a half-century ago, which honed the resolve and sense of decency that friends say exist today.

Rzepka grew up in a little town near Warsaw. His father, Nathan, made plows, hoes and other non-mechanical agricultural machinery.

He was 8 when Germany's attack on Poland started World War II. The Soviet Union, in a deal with Hitler, occupied eastern Poland. Rzepka's parents, especially his mother, Esther, felt strongly that she did not want to become a Russian citizen.

"We were so-called 'enemies of the state,'" he said.

His family, including brothers Peter and Henry, had to move from their home. "One August morning in 1940, at 4 or 5 a.m. some people, who were very polite and did not have guns, told us we were going," he said. "We had no idea where."

His family, including a grandmother, gathered anything they could carry and were led to a train. "We were on the train for 30 days and a riverboat for 250 miles," he said. "We ended up in a barracks in Siberia."

He said his parents agonized at the time over whether they had made the right decision. "It was such an upheaval, and we were never sure if what we were doing was the right thing or wrong thing," he said.

But his eyes clouded as he recounted how the Jewish family's apparent misfortune was fortunate.

"We left behind many relatives who took citizenship," he said. "It cost them their lives." In 1941, when Germany attacked the Soviet Union, the Nazis ordered extermination of all Polish Jews.

Although the family lived in Siberia with about 30 others in barracks with no windows and no heat other than that provided by a wood stove, Rzepka said, he had "kind of a fond memory" of that time.

"My memories of the period are not that bitter," he said. "We received an education and were cold and hungry but everyone else was and did not know there was anything different." He became fluent in Russian and still is today.

After Germany's attack, the refugees from the barracks in Siberia were almost immediately freed, but there was nowhere to go, since they were 100 miles from the nearest train, he said.

Food became a little less plentiful, and the family traded pillows and clothes for potatoes and bread.

His family left in 1942 and began traveling west through central Russia. "It was just our family and we wanted to finish up in Poland because it seemed to us the most wonderful country," he said. His grandmother, in her 80s, had died at the barracks.

The family stayed in various parts of Russia until 1946, a year after the war ended. They were told they could return to Poland, which by then was under Soviet control. But when they arrived by train near Krakow they learned of the atrocities of the death camps.

"We had heard rumors, but once we heard of Auschwitz and what had happened, there was no way we could remain in a country that one way or another had totally annihilated our people."

The family began to move toward Czechoslovakia, and one night crossed the mountains from southern Poland into that country. They then spent four days walking across Czechoslovakia into the American zone in Austria.

Rzepka said threats against the family were subtle, but they did not feel safe until they were at the border.

The family remained for three years at a camp operated by the Joint District Committee, a Jewish organization in the United States.

He attended high school and his brother, Peter, studied engineering at a university.

But the wanderlust hit in 1949. "I was 18 and Peter was 20 and we left for Australia," he said. "We couldn't go to the United States because it was past the point in time when it was accepting mass immigration. We tried England, but it was closed, and South Africa, where we had an uncle, said it did not want Jews."

It was the first time the close family was split. "My father was black-balled by the British government for being Zionist and helping the emerging state of Israel," Rzepka said. "He was chief of staff of the displaced persons camp in Austria."

Rzepka and his brother moved to Perth, Australia, and worked in a lumber mill. "The wages were meager but it was beautiful living," he said. "For the first time we saw freedom and comfort. There was no prejudice and the stores were fully stocked."

In 1951 his parents and other brother were able to immigrate to the United States. "New York was over-filled and they thought Chicago was a gangster city," he said, explaining why they chose Cleveland.

He and his brother remained in Australia. They each married and worked together, buying wool from farmers to sell to manufacturers.

But the family ties were too strong. "My mother came to my wedding in 1954, and I saw how quickly you grow apart," he said. His brother moved to Cleveland a few years later and he and his wife, Anne, followed in 1960.

The move was difficult for his wife, but her family later moved to Cleveland.

When Rzepka arrived in Cleveland, he joined his brother in construction. They initially built small starter homes in Cleveland, Parma and Brook Park.

"It was a wonderful time," he said. "A blue collar or white collar worker from the Chevy plant could buy a home that cost $16,990 with $500 or $600 down or sweat equity, such as painting the house on installing cabinets. You can't do that now."

The brothers also built and managed apartment buildings. "We were upstart kids, and doing that is almost impossible now because you need so much in equity," he said.

In recent years, the company has built condominiums, handled land development and manages its 4,500 apartment units and other properties in Ohio and several other states.

His friends say he is an honorable businessman.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

"Fred is a very straight, nice guy with no inflated self-importance," said Steve Hoffman, executive vice president of the Jewish Community Federation. "He is a regular guy.

"Everyone likes Fred, but he is not a wallflower," Hoffman added. "He assimilates information quickly and has opinions and he is driven by the desire to do the right thing and straighten situations out. The only comfort I have in the RainForest is knowing Fred is there, because it means it is going to be finished. He will not tolerate hanky-panky.

Sam Miller, vice chairman of the board and chief operating officer of Forest City Enterprises Inc., said, "He has a great deal of empathy for everybody and everything and in my business I consider him an easy touch. You have to keep in mind that it has also been a policy of my own that power and visibility should always be strangers.

Rzepka has quietly supported the Metroparks, where he has been a commissioner for five years. He buys a table at the annual fund-raiser and recently paid $45,000 of the $60,000 cost of a half-hour television program and 10-minute video for the RainForest.

Rzepka is also active with Jewish organizations and politics.

He was an alternate delegate to the 1968 Democratic convention in Chicago and said he is closer friends with U.S. senators and representatives than many local politicians.

While detailing his political activity, he said highlights have been a ride on air Force One with former President Jimmy Carter during his re-election campaign and a landing and takeoff on the USS America with U.S. Sen. John Glenn, D-O.

Rzepka lived in South Euclid until recently, when he moved into an apartment building in Shaker Heights. His brother, Peter, also lives in the building.

"I have no need for a large house or any desire, and maybe that sounds snobbish," he said with a laugh.

He handles the daily business of the company operations and his brother, the chairman of the company, is the long-term planner. He has three children, Rosyln, Elana, and David, who works for the company. Another brother, Harry, is a dentist.

In recent years, Rzepka has been rediscovering his past. Three yeas ago he returned to Poland. "It was really incredible and I recognized areas not rebuilt since the war,' he said. "I met a lady, 95, who remembered my grandfather." He plans a trip to Moscow this year. He said he has fond memories of the Russians. "They let us survive," he said simply.

When asked what the biggest risk in his life has been, Rzepka paused. "I do not think of it in those terms," he said. "It is always more of a challenge than a risk."

WESTERN NEW YORK MOURNS LOSS OF CYCLING CHAMPION

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 26, 1992

Mr. NOWAK. Mr. Speaker, I would like to take the opportunity to express my condolences to the family and friends of the late Ted Smith of Cheektowaga, NY, former member of the 1945 U.S. Olympic Bicycling Team and 1991 inductee into the Bicycling Hall of Fame in Somerville, NY. Mr. Smith was active in western New York as a competitor in his younger days and later as a coach for the University at Buffalo cycling club team. He was a great representative of the community and his beloved sport and he will be deeply missed.

In 1945, at the age of 16, Ted became the U.S. National Cycling Champion, the youngest person ever to do so. Ted continued his reign of the American cycling world for the next 3 years and he reached his pinnacle when he represented the United States in the 1948 Olympic Games.

After competing in the United States for several years, Ted took his racing skills to the professional courses in Europe and became the first American not only to compete but to win a European road event.

When Ted was unable to compete successfully, he turned his attention to helping others share his love for cycling. Until his untimely death at the age of 62, Ted Smith continued to coach at the University of Buffalo and was recognized for his efforts to his sport when he was inducted last year into the Bicycling Hall of Fame.

In August, Ted will be honored with an exhibit by the Cheektowaga Historical Society at the Erie County Fair at the Hamburg (NY) Fairgrounds. I would like to take the opportunity to thank Myra Gittere, curator of the Cheektowaga Historical Association, who brought the event to my attention. At this time I would like to insert into the Record an article on Ted Smith that appeared on July 3, 1991, in the Buffalo News headlined:

Ted Smith Rolls Into Bycycling Hall of Fame—Buffalonian Was National Champ at 16, Made Olympics in 1948

(By Michael Levy)

He moves and talks slowly, the aftermath of a stroke, but Ted Smith once was considered the great hope of American cycling. Now, at age 62, he has been inducted into the Bicycling Hall of Fame in Somerville, N.J.

The time was 1945 and Smith had just claimed his first national cycling championship at age 16—the youngest person ever to do so.

He learned his skills in 50- and 100-mile distance races and sprints around Humboldt Park, at the old Memorial Aud on Broadway near Madison street and in the Connecticut Street Armory.

Smith made the 1948 U.S. Olympic team, then tried to become a professional.

He says promoters here, and in Chicago and Cleveland, "promised the world" to him while trying to revive six-day bike races after World War II and recapture the popularity professional cycling enjoyed in this country through the 1920s and '30s.

When that fell through, Smith tried professional road racing in Europe, the first American to try that aspect of the sport. Others had fared well on tracks since the infancy of the sport. Teddy was the first American to actually win a European road event—a 140-mile torture test over cobblestone roads in Belgium in 1950.

"I won $100," he recalled. "Today, you'd win $40,000 for a race like that."

His recent Hall of Fame induction ceremony was linked to the famous "Tour of Somerville" that brings the top 200 riders to that central Jersey town for a 50-mile criterium lapping city streets every Memorial Day.

"I never won that race, but I finished second three times," Smith says, recalling his glory years as one of the country's top senior amateur riders.

"I wanted to become a professional," he said, "but there was no money in this country—and no backing for a guy trying to race in Europe either in those days. Those were the years when road racing over there was done by national teams, not commercially sponsored teams like today.

"And to tell the truth, I doubt we could have found five guys in America to make up a competitive team in 1950. We sure couldn't find the money to pay for our travel, bikes, food and expenses over there."

When the Korean War broke out, Ted went into the service.

He left in 1952 to start barbering and to wait out a five-year mandatory "rest period" before he could legally return to amateur ranks.

But although cycling was a little-known sport in most of the country, that 1948 Olympic team got pretty fair coverage in Western New York.

Besides Smith, it contained Tom Montemage, 64, of Williamsville—one of two persons to make three Olympic cycling teams (1948, 1952 and 1964).

The other man to achieve that feat was Dick Cortwright of Cheektowaga, who made the 1952, 1956 and 1960 Olympic teams.

"That era saw Buffalo produce some top cyclist," Montemage says. "Teddy and Dick and Ray Castilloux of Lackawanna, who made the Olympic road team in 1964.

"Although Ted only made the Olympic team once, he was three times national cycling champion and the youngest ever, in 1945. He was champ again in '46 and '47.

"And those were the days." Montemage said, "when you got that title by being good at everything, sprints and pursuits on the track and road racing, too. They didn't start specializing on the national teams until the 1960s.

"After the mid-1950s, Teddy and I just had fun with cycle racing." Montemage adds. "He went to Somerville four times and made second or third each time. And that's pretty damn good when you come down to it."

Professional cycling is no longer totally ignored today, although Smith says, "Americans don't understand it, really."

Not even after Greg LeMond put cycling into the headlines.

"I saw Greg win his first Tour de France on television and all I could say was "Wow!" Up till then, we toyed with cycling in this country" Smith says. "But with Greg LeMond—well, things will get better for the kids interested in the sport. There's a better chance today: better food, better equipment and better money. That's around too. And it still takes money to become a world-class cyclist."

Even given ample backing and even with the solid training available today for those who seek it, cycling is not an easy sport.

"And it's nothing instant," says Smith, who still coaches the University at Buffalo cycling club team and observes and offers tips to Buffalo Bicycling Club racers when they go to the track.

"Kids today expect instant success," he said. "If you've got it, you'd know in about eight years if you were going to be good."

"I could have chosen anything when I was a kid," he said. "Speed skating, running, hockey. But cycling was great because you weren't tied to a rink, you were free.

In middle age, Smith decided to take up marathon running for much of the same reason.

"All I wanted to do was finish a marathon," Smith said.

"I never did that, because as I built up to 15 miles a day I'd start feeling faint. So I went to a cardiologist. That's when I found out about the hole in my heart. Apparently I was born that way."

That birth defect had not hampered him in those years as a top competitive cyclist, but at 50 it threatened to shorten his life.

Ten years ago, he had successful open heart surgery to repair the damage. But while recovering, he got a blood clot that caused a stroke, which today limits his cycling to a chair. And from that seat, he coaches newcomers to the sport, potential sprint stars and tries "to help out the guys any way he can."

MEMORIAL DAY 1992

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 26, 1992

Mr. BENNETT. Mr. Speaker, I had the great pleasure to hear an excellent Memorial Day address earlier this year and it is my pleasure at this point to include it in the RECORD. This address was made by Maj. Gen. Earl G. Peck, the executive director of the Florida Department of Veterans' Affairs and a leader of many important activities in the State of Florida.

MEMORIAL DAY, 1992, EVERGREEN NATIONAL CEMETERY, JACKSONVILLE

(Address by Earl G. Peck, MGen, USAF (Ret.), Executive Director, Florida Department of Veterans' Affairs)

Good afternoon, ladies and gentleman. It is a signal honor for me to be here on this occasion—Memorial Day, 1992—on behalf of all the veterans of Florida, their families, and your Department of Veterans' Affairs.

To my way of thinking, this is not a time for sorrow, but, rather, for rejoicing. We should rejoice that our nation has been able to produce the magnificent men and women who have responded to the call to defend the United States and its values against the enemies of freedom and democracy.

Today we especially honor the 1.1 million American warriors who fell in all of our wars since the birth of the Republic.

But we should also honor the cold warriors who have manned the ramparts for the last forty years and whose resolve and dedication have made it possible for us to see the end of the Iron Curtain and the dissolution of the Communist empire.

In keeping with the spirit of Memorial Day, we honor not only those resting here but all Americans—from all of our wars—who have given the last full measure of devotion to secure the blessings of liberty for all of us and for posterity.

In the two-hundred years since the beginning of our Republic, our nation has frequently asked her sons and daughters to assume the awesome burden of defending the principles upon which this noble experiment was founded. They have responded with uncommon valor and often made the ultimate sacrifice.

We honor the memory of those brave men and women today. We honor those who took up arms for our nation and carried the fight to foreign lands, alien seas, and hostile skies.

The memorable battle scenes grace the pages of American history with honor: Bunker Hill, Trenton, and Yorktown in the Revolution; Fort McHenry and New Orleans in the first challenge to the fledgling Republic; San Jacinto and the Alamo in those skirmishes of the Southwest; Bull Run, Vicksburg, and Gettysburg in the tragic War Between the States—tragic, yet a defining period in our nation's history; the Maine, Manilla Bay, and San Juan Hill where Teddy Roosevelt exemplified the American spirit; the Marne, Chateau-Thierry, and the Argonne in the First Great War to end all wars; Pearl Harbor, Normandy, Ploesti, and Iwo Jima in the 2nd Great War to end all wars; Inchon, the Chosen Reservoir, and Mig Alley in the Korean "Conflict"; Southeast Asia: Tet, Monkey Mountain, Khe Sanh, and the 10-day bombing of December 1972; and most recently, Baghdad, Basra, Khafji, and the Persian Gulf. In all of these and many others, Americans gave that last full measure of devotion and nourished the tree of liberty with the blood of patriots.

Over at Bushnell, in the Florida National Cemetery, one of my compatriots lies after a full career of defending our nation. A fighter pilot, Dave Rippetoe, flew F-86's in Korea, F-4's in Vietnam, and, in between, served with distinction in the cold war. Dave, you and your fellow warriors, here, in Arlington, Barancas, Flanders, St. Augustine, and elsewhere, will live in our memories forever.

Today we salute you and rededicate ourselves to the proposition that these honored dead will not—will not—have served and died in vain.

Our obligation is to perpetuate the memory of these brave men and women and their sacrifices. There is an inscription on a war memorial in Arlington National Cemetery that reads: "Not for fame or reward, not for place or for rank, not lured by ambition or goaded by necessity, but in simple obedience to duty as they understood it."

We, the survivors, have a duty as well. To teach the children. To shirk this responsibility would be to surrender their heritage to the winds and to relinquish their future to uncertainty.

Let us here today resolve that our children will always be able to say, I know why I'm free, and I know who gave me freedom.

MAILING COSTS

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 26, 1992

Mr. RAY. Mr. Speaker, I rise today to publicly release the cost of Federal mailings from my office in 1991. I want my colleagues and the American public to know exactly how much I spent on official correspondence last year.

The cost of mail from all of my Federal offices was $37,176.07.

Mr. Speaker, as you know, my office was allocated $195,226 to spend on mailing. I am proud to say that I only used 19 percent of my mailing allowance, and returned the $158,049.93 of this allocation that I did not use.

Mr. Speaker, I respond to every letter that comes into my office. The constituents of the Third District who go to the trouble of giving me their input on legislative issues deserve to hear from me.

They also deserve to have me represent them personally and through correspondence when they encounter problems with the Federal bureaucracy.

These mailings cost money. However, since being elected to Congress I have tried to keep my mailing costs as low as possible. I have made it a personal practice not to mail out newsletters, and I have tried to reduce the number of mailings all Members of Congress can mail out.

Additionally, I have refused to accept the Congressional Historical Calendars which are expensive to print and which cost $1.25 each to mail.

Mr. Speaker, I appreciate the opportunity to put this information in the RECORD. It's important to keep the public informed of our expenses here in Washington.

THE MAN WITH THE GIANT HEART—IN MEMORY OF JEROME BROWN

HON. LUCIEN E. BLACKWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 26, 1992

Mr. BLACKWELL. Mr. Speaker, I rise today to bring to the attention of my colleagues the most tragic and untimely passing of Jerome Brown. Mr. Brown was best known as an all-pro defensive lineman for the Philadelphia Eagles of the National Football League, but he will be remembered by family and friends as a man who truly loved life, and constantly sought to spread his joy to all those around him.

Jerome Brown was born in the small town of Brooksville, FL, on February 4, 1965. His athletic skills were evident at an early age, and Jerome went on to earn varsity letters in football, basketball, and baseball at Hernando High School in Brooksville.

As a student at the University of Miami, Jerome continued to develop and refine his defensive skills. In his freshman year, Jerome played on Miami's 1983 national championship team, and during his senior year, Jerome was named a first-team all-American. Even more significant perhaps, was the award that Jerome won from his teammates for his exemplary leadership qualities.

Mr. Speaker, these leadership qualities were immediately evident when Jerome was selected as the Philadelphia Eagles first draft pick in 1987. Named defensive rookie of the year in 1987, Jerome would receive numerous honors such as being named to the Pro Bowl twice. In his final and most remarkable season of play last year, Jerome registered a phenomenal 9 quarterback sacks, and 88 solo tackles.

But football is merely a game, and though it was a major part of Jerome Brown's life, I wish to convey to my colleagues the warm spirit and gracious soul that this hulking giant of a man possessed. Described by one local newspaper as a "magnet to children" who "made it a point to share his love of football with them," Jerome Brown was always ready to give himself to the community. Just last month, Jerome sponsored a free summer football camp in his hometown of Brooksville for more than 300 children, and brought his teammates down to the rural town to provide these children with an experience they would never forget. When a distant friend's child became severely ill, Jerome and his Eagle teammates raised thousands of dollars to pay for the family's hefty hospital bills. Although he may have been one of the most feared players on the football field, off the field, Jerome's every action reflected a tremendous sense of kindness and compassion.

Mr. Speaker, in a day and age when many athletes are content to take their massive pay checks home with them and lock out the rest of the world, Jerome Brown realized that a man of his stature and prominence really could work to make the world a better place. I ask my colleagues to rise and pay tribute to the memory of this man who touched the lives of so many. Goodbye and God bless you Jerome, you will be sorely missed.

EXTENDING RADIO FREE EUROPE TO FORMER YUGOSLAVIA

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 26, 1992

Mr. BROOMFIELD. Mr. Speaker, yesterday, I joined my friend and colleague, Chairman DANTE FASCELL of the Foreign Affairs Committee, in introducing a resolution authorizing Radio Free Europe to commence broadcasting to the successor states of Yugoslavia. We can only hope that this legislative initiative will help to resolve the horrible conflict in that region.

The ongoing tragedy in former Yugoslavia has shocked us all and generated a worldwide effort to find a solution short of armed intervention. Europe has not experienced destruction on this massive a scale since World War II. Already the fighting has killed 20,000 people, displaced 1.5 million, wounded thousands, and left thousands more unaccounted for. The damage to infrastructure exceeds $100 billion.

In his effort to build a "Greater Serbia," Serbian strongman Slobodan Milosevic has waged a war of aggression against Slovenia, Croatia, and now Bosnia. He has cleverly played upon Serbian nationalism and generated fears of genocide in order to gain political prominence in Serbia. The state-controlled media disseminates propaganda that glorifies him, while ignoring the fact that he has essentially destroyed the once-prosperous federation and instituted catastrophic economic policies.

Milosevic is widely known as a madman and the last Communist dictator in Europe. Because of him, Serbia has become an international pariah. Recently imposed international sanctions are now taking effect, and Serbia is being strangled economically.

A fledgling democratic movement is slowly trying to establish itself in Serbia against tremendous odds. The Milosevic government expertly employs the techniques of totalitarian government to stay in power by controlling and managing information. While under the Serbian-led siege, other governments in former Yugoslavia have also used their media to unify and motivate their populations with nationalist messages. We must do all that we can to ensure that the democratic movement, which is committed to a negotiated solution to the conflict, survives and flourishes.

The proposed Radio Free Europe surrogate service would counter the propaganda disseminated by the Milosevic-controlled media. It would also provide a platform for moderate, but isolated Serbian political groups by assisting them in building an agenda for reconciliation and democratization. The service will also hopefully bring together moderates from the Serbian and Croatian communities, as well as representatives from other ethnic groups, for the purpose of publicly exploring the means of eventual reconciliation.

Let us hope that by authorizing the broadcasting of truthful information to the former states of Yugoslavia, this legislation can help bring about a peaceful and negotiated resolution to that tragic conflict. I know that many Members share my deep concerns about the ongoing carnage in Bosnia and other states; I encourage them to join me in supporting this legislative initiative.

ENERGY AND COMMERCE COMMITTEE'S BILL TO ADDRESS RECENT RAIL DISPUTES AND CONSEQUENT NATIONAL EMERGENCY

HON. C. THOMAS McMILLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, June 26, 1992

Mr. MCMILLEN of Maryland. Mr. Chairman, the Energy and Commerce Committee has reported to the full House, a bill that addresses the labor dispute which has resulted in what is clearly a national emergency. While I am disturbed that the draft also addresses the disputes which have not yet resulted in self-help by either management or labor, I realize that these matters must be dealt with pragmatically for the sake of our Nation's commerce. I am hopeful that the cooling off period provided in the draft will be ample time for both sides in all of the disputes to agree on a solution.

I am very sympathetic to the unions' concerns that congressional mandate is inappropriate. While this should not be viewed as a partisan issue, the administration could have acted rapidly to require the carriers to provide common carrier service. It seems clear that the recent lockouts represent intentional action on the part of the carriers involved to make the local strike of the International Association of Machinists [IAM] against CSX a matter of national emergency. There can be no doubt that the discontinuance of rail service and consequent necessity for congressional action lie solely in the hands of the carriers. The IAM has only struck one carrier.

It appears clear that the unions and the carriers involved have taken congressional action into account as part of their negotiation strategies. I have, over the last several months, worked to communicate to all parties involved in the disputes, that congressional intervention should under no circumstances be considered part of the negotiation equation.

While this solution is not a perfect one, I agree with my colleague Mr. ECKART that one reason these disputes have not been resolved by the mechanism provided by the Railroad Labor Act is that an emergency board, and the appointment of the Members thereon is inherently political in nature. The Emergency Board is inevitably looked at as taking sides with one party or the other. I am hopeful that the mechanism provided in this bill will allow the opportunity for a solution which is equitable for both sides in each dispute. More importantly, it will force all parties to think long and hard about real compromise.

TRIBUTE TO MARY TSUKAMOTO

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 26, 1992

Mr. MATSUI. Mr. Speaker, I rise today to salute Mrs. Mary Tsukamoto, this year's winner of the National Education Association's Ellison S. Onizuka Award. On July 6, 1992, the NEA will present this award at an event honoring Mary and other outstanding educators around the country.

The Ellison Onizuka Award is presented to an individual whose activities have made a significant impact on increasing the opportunities for Asians and Pacific Islanders. Mary is an individual who has worked tirelessly for Japanese-American civil liberties, playing a crucial role in the grassroots effort that led to the enactment of the Civil Liberties Act of 1988. She is the author of "We the People: A Story of Internment in America," lest Americans should forget the lessons learned during this dark chapter of racism against Japanese-Americans. Finally, her commitment to education is reflected in her 26-year teaching career and an ongoing effort to educate students and community groups on Japanese-American history.

Mary's strength of character and her dedication to educating students has been reflected throughout her life. As the daughter of an immigrant strawberry farmer in Florin, CA, Mary attended segregated schools for children of Japanese immigrants and, despite her academic excellence, was discouraged from pursuing a career in teaching because of her ancestry.

In 1942, the indignities suffered by Japanese-Americans in World War II culminated with the issuance of Executive Order 9066. Along with over 115,000 other Japanese-Americans, Mary, her husband Al and daughter Marielle were forced to leave their home with whatever possessions they could carry and relocate to a Jerome, AR, internment camp. It wasn't until 1945 that Mary and her family were able to return to California and pick up the pieces of their lives in an atmosphere that was still charged with racial prejudices against Japanese-Americans. It is testimony to her courage and perseverance that she continued to pursue her desire to teach and became one of California's first Japanese-American teachers.

At age 77, Mary continues to educate others, working with communities and schools to bring people of all races and ethnic backgrounds together. Each year Mary organizes a

"Time of Remembrance" program on Japanese-Americans in America. During the program, which focuses on a mock backdrop of a World War II internment barrack, Mary teaches the public about what it means to be an American citizen drawing on her own experiences to illustrate the importance of our civil rights. She emphasizes that, "Students today need to realize that freedom isn't something that is just always going to be there." In a time of increasing racial conflict, individuals like Mary play a vital role in stressing the importance of civil liberties for all Americans.

Mr. Speaker, it is with great pleasure that I rise to recognize Mary Tsukamoto. I cannot think of a more deserving recipient of the Ellison Onizuka Memorial Award, and I invite my colleagues to join me in congratulating her.

SENATE—*Monday, June 29, 1992*

(Legislative day of Tuesday, June 16, 1992)

The Senate met at 2 p.m., on the expiration of the recess, and was called to order by the Honorable HOWARD M. METZENBAUM, a Senator from the State of Ohio.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

"And ye shall know the truth, and the truth shall make you free."—John 8:32.

Eternal God, perfect in truth, justice, righteousness, and love, at a time when, to many, truth is a matter of opinion, help us to appreciate the indispensable value of truth. Help us to appreciate the security of truth in contrast to the vulnerability of error, the power of truth in contrast to error which is fragile, the perseverance of truth, whereas error is temporary. Help us to see truth as a fortress, error a house of cards; truth as immutable, error as capricious; truth as inexorable, error as impotent. We are thankful that truth prevails when error capitulates, truth edifies when error destroys. Truth is eternal, error is transitory.

God of truth, give us the grace to pursue the way of truth and forsake the way of false. In the name of Him who is the Truth. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 29, 1992.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOSEPH I. LIEBERMAN, a Senator from the State of Connecticut, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. LIEBERMAN thereupon assumed the chair as Acting President pro tempore.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 3 p.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

Mr. CRANSTON addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from California [Mr. CRANSTON] is recognized.

THE FREEDOM OF CHOICE ACT

Mr. CRANSTON. Mr. President, today is a dark day for Americans. The Supreme Court has given Government a continued go-ahead to intrude into the personal, private lives of American citizens.

The most fundamental right of privacy—the freedom of choice to determine whether to bear a child—has little meaningful constitutional protection.

The consequences of today's decision will be devasting to millions. In many States, cruel bureaucratic obstacles will deliberately be placed in the path of women seeking to terminate a pregnancy. The real life results of today's decision will be to impose undue delays for women seeking abortions, making it more difficult and more costly.

Although the Court has stopped short of overturning Roe, it has continued to whittle away at these fundamental rights until they have become a hollow shell. America will become a patchwork of conflicting State laws, where freedom of choice will depend upon where a woman happens to reside.

Since America's women no longer can look to the Supreme Court to safeguard their rights, Congress must act on their behalf. We have the legitimate power to restrain State governments from interfering with the freedom of women to terminate a pregnancy.

We can implement that by passing national protections, specifically the Freedom of Choice Act which I authored. It is now in a new form with a substitute measure authored by Senator MITCHELL, myself, Senator METZENBAUM, who is on the floor, Senator KENNEDY, and many others. And I am glad to know that the committee handling that measure will report it favorably day after tomorrow, Wednesday, to the Senate floor. The Senate will therefore be able to take it up very soon.

We must enact the Freedom of Choice Act to protect the rights of America's women.

I yield the floor.

Mr. METZENBAUM addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Ohio [Mr. METZENBAUM] is recognized.

Mr. METZENBAUM. Mr. President, I join Senator CRANSTON speaking out upon this subject today. The Supreme Court has, indeed, acted by a 5-to-4 decision.

Even though *Roe* v. *Wade* has not been overturned—the Supreme Court decision makes it clear that Congress—not the Court—is the place where a woman's right to choose will be protected. I was relieved that five Justices did not declare *Roe* v. *Wade* dead law, but the decision today sapped Roe of all its meaning.

When *Roe* v. *Wade* was the law of the land one thing was clear, a woman, and only a woman, decided whether to terminate a pregnancy before viability. This new decision puts the Government between a woman and her doctor, allowing Government to decide if, when, and how she may exercise her right. It overturns earlier decisions that prohibited Government from burdening the woman's right to choose.

Congress cannot let a woman's fundamental right to choose hinge on a single vote in the Supreme Court or on the whim of a runaway State legislature. Every woman in every State must have the same right to choose.

Women should not be put back into the position they were in yesteryear where they had to choose which State they could go to in order to obtain an abortion. The Freedom of Choice Act will guarantee women's rights in all 50 States.

On Wednesday, the Senate Labor and Human Resources Committee on which I serve will send this legislation to the full Senate. It is the duty, and responsibility, of the full Congress to act now to protect a woman's right to choose, and I predict that this Congress will act and send this measure to the President.

Mr. President, I yield the floor.

Mr. BRYAN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Nevada [Mr. BRYAN].

Mr. BRYAN. I thank the Chair.

YUCCA MOUNTAIN, NV

Mr. BRYAN. Mr. President, this weekend Mother Nature sent a wake-up call to America's policymakers. As reported in the Washington Post, two huge earthquakes rocked southern Californians. One registered 7.4 on the Richter scale, the largest earthquake reported in the United States in nearly 30 years; 3 hours after, a second earthquake struck southern California reg-

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

istering 6.5 on the Richter scale. Two lives have been lost and extensive property damage has been sustained. The Governor of California has declared that a disaster area, and the President will most surely respond.

Tragic as that is for all of those victims, both those whose families have lost their loved ones as well as the many families which have suffered devastating property damage, the most profound implications lie elsewhere. And that is that Yucca Mountain, NV, the site for the proposed high-level nuclear waste dump.

This morning, Mr. President, in the early morning hours a third earthquake, an earthquake whose epicenter was some 30 miles from Yucca Mountain registering 5.6 on the Richter scale, causing some damage at the site, including broken glass, and power lines that are down.

The most disturbing and troublesome aspect of this is that this region, which is the third most earthquake-prone region in America, with 32 separate active faults running through Yucca Mountain, is proposed as the high-level nuclear waste dump in America where 70,000 metric tons of the most dangerous material known to mankind is to be impounded.

The decision to locate a high-level nuclear waste dump in an area where 32 active earthquake faults traverse the area, in an area that has one of the most active earthquake zones in America, defies common sense and logic.

The U.S. Technical Review Board recently advised and informed the Department of Energy that the Department should place far greater emphasis on the seismic activity around Yucca Mountain. Unfortunately, science and technology have not yet advanced to the stage of being able to provide advance warning of earthquakes. Not only will we not know when an earthquake will hit near or in Yucca Mountain, but we will not know the intensity or the damage an earthquake is likely to inflict.

The risks the Department of Energy are prepared to run are not simply at Yucca Mountain but also along the roads and rail routes leading through Nevada and the rest of the American West, as high-level nuclear waste pours in from every point on the compass. As we look at the film footage of the California earthquake's revealing structural damages, roads ripped up, bridges and railroads damaged, we should reflect upon the impact this earthquake could have if the trucks or trains had been caught on the move during this earthquake.

Despite this appeal to reason and common sense, Department of Energy officials have been sending out soothing and reassuring comments designed to quiet the public's concerns and fears about the location of the proposed high-level nuclear waste dump. It is as if the captain of the *Titanic* indicated that while he fully understood there was extensive iceberg activity in the area, the passengers aboard should not be unduly alarmed.

These earthquakes come at a time when the Department of Energy is now advocating taking significant shortcuts in health and safety regulations to accelerate the program. There is also pressure building to speed up this program in the Congress in an effort to reduce the massive costs to the program. These political pressures to take shortcuts should be evaluated in light of the tremendous seismic activity we have witnessed this weekend. Earthquakes of intense and damaging consequences to transportation and storage facilities can happen with little or no warning, and I remind my colleagues, with devastating implications for the health and safety of my fellow Nevadans.

I yield the floor.

Mr. BYRD. Mr. President, I ask unanimous consent that I may speak for not to exceed 12 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ANOTHER STEP TOWARD OFFICIAL STATE ATHEISM

Mr. BYRD. Mr. President, with many of our colleagues and millions of concerned Americans, I was disturbed by Wednesday's Supreme Court decision holding that nonsectarian invocations and benedictions at primary and secondary school graduations are unconstitutional.

The case in question involved the uttering 3 years ago by a Rhode Island rabbi of an innocuous but uplifting nonsectarian benediction at a public middle school graduation ceremony.

Mr. President, I would like to share with our colleagues this heinous and subverting prayer that the Court majority found so offensive and oppressive:

> O God, we are grateful to You for having endowed us with the capacity for learning which we have celebrated on this joyous commencement.
>
> Happy families give thanks for seeing Your children achieve an important milestone. Send Your blessings upon the teachers and administrators who helped prepare them.
>
> The graduates now need strength and guidance for the future; help them to understand that we are not complete with academic knowledge alone. We must each strive to fulfill what You require of us all: to do justly, to love mercy, to walk humbly.
>
> We give thanks to You, Lord, for keeping us alive, sustaining us and allowing us to reach this special, happy occasion. Amen.

According to the 5-4 majority opinion, the public pronouncement of those words by a clergyman of any faith constituted an infringement on the rights of any child objecting and "* * *places public pressure, as well as peer pressure, on attending students to stand as a group or, at least, maintain respectful silence during the Invocation and Benediction. This pressure, though subtle and indirect, can be as real as any overt compulsion.* * *"

Mr. President, since the earliest European settlements on this continent, religion has been a vital element in American life.

Since the founding of the earliest American public schools, prayer has been a dimension of school life.

But now the Supreme Court has decided that prayers in the presence of children 18 years old and younger can somehow scar their psyches or otherwise psychologically damage them.

The first amendment states, "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof;* * *."

Historically, that passage was explicitly written into our Bill of Rights at the insistence of James Madison. Its roots were in an appeal directly to Madison by Baptist ministers in Madison's Virginia who had suffered overtly from the establishment in Virginia during the Colonial era of an official Anglican state church, to which tax moneys had been paid—tax moneys that had been coercively collected from all Virginians—Anglicans, Baptists, Catholics, or whomever. Out of those taxes, Anglican churches had been maintained, and none other, and Anglican clergy paid, and none other. That, Mr. President, is the meaning of "an establishment of religion."

But from that understandable caveat in the Bill of Rights, opponents of all religion—opponents even of philosophic theism—have fashioned "the wall of separation between church and state." Using that doctrine as a club, these haters of religion in any form have sought persistently to drive any expression of religious faith out of American public life. Paradoxically, in that effort, these most intolerant of all people have used our courts to violate the latter half of the Constitution's utterance on religion, which reads," * * * or prohibiting the free exercise thereof. * * * "

How ironic that, as the officially atheistic Soviet Union disintegrates and, after 74 years, Orthodox priests are again participating in official public ceremonies in Russia; Russian and Ukrainian and Baltic churches long in state hands are being returned to Orthodox, Catholic, and Protestant congregations; and American ministers are being allowed to purchase time on Russian state television—how ironic it is that the U.S. Supreme Court, in alliance with religious denigrators in this country, have succeeded in erecting another pillar of state atheism in the United States.

One must wonder, Mr. President, with some sense of the sardonic, how many more symbols of public religion the Supreme Court will find to outlaw.

The Pledge of Allegiance contains the phrase "* * * one Nation, under God, * * *." Perhaps that, too, will be found to corrupt young minds and will have to go.

Some people across the country have complained about the daily invocation here in the Senate and in the House of Representatives. Perhaps congressional invocations will be the next targets for obliteration in this struggle to stamp religion out of our national life.

In courtrooms from coast to coast, witnesses regularly affirm the truthfulness of their oaths with a hand on the Judaeo-Christian Bible and the words "* * * so help me, God." Will that formula be ruled oppressive and unconstitutional, also?

Or perhaps someone will take drastic and psychological offense at being forced to carry in their wallets currency—paper and coin alike—on which one reads the words "In God We Trust."

Or are we to face a day when the inaugurations of all of our Presidents since George Washington will all be declared in violation of the Constitution—"an establishment of religion"—because clerics invoked and blessed the ceremonies and the Presidents took their oaths with a hand on the Bible and also spoke the phrase "* * * so help me, God"?

Mr. President, if I may be forgiven for quoting Scripture here on the floor of the U.S. Senate, the New Testament carries the phrase "straining at gnats and swallowing camels." Is that not a characterization of much of the Supreme Court's attitude toward religion and morality? Obscenity, pornography, flag-burning, and the public funding of antireligious art have been respectively declared by past Supreme Court rulings to be constitutionally protected, while other Supreme Court rulings have sought—as in last week's ruling—to protect the innocent minds and hearts of children and teenagers in our public schools from the perverting influences of the least mention of the Deity or the offering of words of gratitude to any Transcendent Person.

Throughout our history, Mr. President, Congress has held itself, or had itself held, free from establishing or prohibiting religion.

Perhaps the Supreme Court should examine its own biases and determine whether or not it is guilty, by its lopsided rulings, of prohibiting, oppressing, and persecuting the free exercise of religion, even in the least offensive cases to come before it.

I hope that the Supreme Court's twisted casuistry on state-church questions will cease before history records finally that the United States of America, once founded on principles of religion and by largely religious immigrants, eventually evolved by court fiat into the world's most oppressive and most intolerant officially atheistic state.

Mr. President, I thank the distinguished Senator, Mr. SYMMS, for his courtesy in allowing me to go forward with these remarks.

I yield the floor.

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from Idaho, [Mr. SYMMS] is now recognized to speak for up to 40 minutes.

Mr. SYMMS. Mr. President, I thank you very much.

A TRIBUTE TO SENATOR JESSE HELMS

Mr. SYMMS. Mr. President, Boris Yeltsin's recent address to the joint session was historic, not just because he was the first Russian Federation President to address the Congress, but because he proposed for the first time to build the relationship between our two countries on the basis of truth.

Mr. President, I regret that one of our colleagues, the distinguished senior Senator from North Carolina [Mr. HELMS], was not present to hear that address because of his recent surgery; yet the breakthroughs achieved by Mr. Yeltsin—an end to lies, an end to communism, arms control with real reductions, the opening of former Soviet archives on POW/MIA's and on the shootdown of Korean Airlines flight KAL 007—were goals for which the Senator has worked throughout his career. Indeed, the Senator deserves credit for urging Mr. Yeltsin to adopt these goals.

When Gorbachev was President of the U.S.S.R. he talked about glasnost, or openness; but Gorbachev's glasnost was really a program of deceit. It remained for Mr. Yeltsin to put the lie to Gorbachev and to demand truth as his standard.

Last week, Mr. Yeltsin said:

> It is Russia that once and for all has done away with double standards in foreign policy. We are firmly resolved not to lie any more, either to our negotiating partners, or to the Russian or American or any other people.
>
> There will be no more lies—ever.
>
> The same applies to biological weapons experiments, and the facts that have been revealed about American prisoners of war, the KAL 007 flight, and many other things. That list could be continued.
>
> The archives of the KGB and the Communist Party central committee are being opened.

Mr. President, those of us who have consistently worked hard to expose the fact that deception after deception has characterized Soviet policy are not only heartened by President Yeltsin's forthright declaration, but vindicated.

That is why, I think it is unfortunate that our distinguished colleague, Mr. HELMS, was not able to attend Mr. Yeltsin's address, as I already mentioned.

As we all know Senator HELMS is recovering from major surgery and, I might add, recovering very well. And I might say, for the interest of my colleagues, that I had the opportunity to visit with him by telephone this morning and he is out of the hospital. He is recovering. He is walking. He says he often gets tired, but he is making a speedy recovery and looks forward to his return here to this body.

So I think, Mr. President, that it is time and it is appropriate in view of the Yeltsin address to the joint session, and in view of the fact that while Senator HELMS could not be with us, that he was there in spirit, that we do pay tribute to this distinguished senior Senator from North Carolina.

It is one of life's ironies that he was not able to be present for Mr. Yeltsin's declaration. That declaration represented the fruition of so much of the work that JESSE HELMS has done in foreign policy during the past 20 years. No one has done more to bring about the Yeltsin-style glasnost than JESSE.

I would like to be more specific.

The very agenda of Mr. Yeltsin's visit—truth, not deception, the end of communism, real arms control with real reductions, and the opening of the KGB archives on POW/MIA's and KAL 007—are the very issues that have had the highest priority in the work of the distinguished Senator from North Carolina. Indeed, the Senator has been a vocal supporter of Mr. Yeltsin from the moment that the Russian leader arrived on the international scene. At a time when the administration and the experts were enamored over Gorbachev's diehard reform communism, the Senator from North Carolina argued that the future lay with Mr. Yeltsin, who represented the only democratic hope of the Russian people.

And, in fact, it is probably Mr. HELMS who has worked the hardest with Mr. Yeltsin to persuade him to open KGB archives in a collaboration that has extended over many months. Mr. Helms sent letters to Mr. Yeltsin last December asking for his cooperation on both topics, and had his Senate staff work very closely with counterparts on Mr. Yeltsin's staff to find the documents upon which Mr. Yeltsin's comments and his letter to the Senate on pilots downed in the U.S.S.R. were based. I shall shortly lay this cooperation upon the record. But first I want to put it in the broader context of Senator HELMS' record in the Senate.

HELMS' SUCCESS RECORD

As usual, Senator HELMS was ahead of some of the rest of us in this body, and ahead of the administration, that he has been privileged to work with during his time in the Senate.

However, it is not unusual for Senator HELMS to be ahead of his time. We all know JESSE to be a man of principle. He knows that in the long run, the most pragmatic men are men of principle. While so many public leaders get enmeshed in stupid orthodoxies, dictated by passing fancies, or some internal need to be perceived as part of the consensus, the man of principle looks behind the process to the underlying causes. In the long run, the long-term principle wins out. In short, principled positions equate commonsense pragmatics.

Although the liberal media try to portray our colleague as a man out of step, the media is actually a step or two behind him, because they lack his vision. Let me give a few examples.

Not long after he entered the Senate, the distinguished Senator from North Carolina befriended a British politician named Margaret Thatcher, and showed her around town when she came to Washington. That was in 1974. The official powers-that-be did not want to visit with her. She was not yet Prime Minister then. The press and the State Department said she was too far on the fringe and would never amount to much. But JESSE thought otherwise.

Another example: When Alexandr Solzhenitsyn was suddenly expelled from the Soviet Union, Mr. HELMS was already on the phone to him in Zurich while he was still en route to the United States. The Senator from North Carolina put together a broad coalition to assure passage in the Senate of a bill for honorary citizenship for Mr. Solzhenitsyn.

In fact, Mr. President, one of the first people that Alexandr Solzhenitsyn visited in the United States was Senator JESSE HELMS at his house in Alexandria, VA, on his first arrival here in this city. For JESSE had read about him, he had read the book "The Gulag Archipelago," and had seen that it contained the essential truth about the Soviet Union and the essential truth about communism. Although there was a lot of sympathy generated because of the brutal treatment of Solzhenitsyn the dissenter, it was not politically correct to accept the content of the Solzhenitsyn message. But Solzhenitsyn's trumpet was not an uncertain one; it cracked the walls of the Communist Jericho. When the walls fell a year ago, everyone saw that Solzhenitsyn—and Senator HELMS—had been right all along.

Mr. President, I might also say, so had Ronald Reagan when he called the Soviet Union the Evil Empire. In fact, he understated the case.

Mr. President, let us choose another illustration: When President Carter and the whole establishment urged the approval of the Panama Canal Treaties, Senator HELMS was at the center of the opposition. He said that the surrender of the canal would be perceived as a sign of weakness, and that the Government of Panama was so small and so weak that it would fall prey to powerful forces that wanted to control the canal. He specifically pinpointed the problem of corruption and narcotics trafficking and the involvement of Torrijos and Noriega in drugs.

And a few months after President Carter ratified the canal treaties, Fidel Castro noted the power vacuum which the giveaway of the Canal created. He called together the rival factions of the Sandinista guerrillas, and gave them the direction, the funds, and the arms to overthrow the Government of Nicaragua. Castro's plan succeeded. Yet several times the Congress of the United States voted to provide foreign aid to the Communist Sandinista government of Nicaragua; and each time Senator HELMS opposed such aid, saying that it would only consolidate the power of the Sandinistas—which is exactly what it did, and Nicaragua became a threat to the peace and freedom of the Western Hemisphere for a decade.

Mr. President, when Senator HELMS returned to the subject of Panama, he was the first to draw attention to the further role of Noriega as a big-time drug trafficker and a dictator oppressing the people of Panama. Many Senators were unaware who Noriega was, much less what he was, but the Senator from North Carolina knew and patiently explained Noriega's role with the drug king-pins, his violations of human rights, his murder of Hugo Spadafora. These explanations received nothing but denials and ridicule from the media and the administration. But eventually President Bush had to send United States troops to rescue Panama from Noriega's clutches, and Noriega himself stands convicted in the United States Federal court in Miami. Of course this was not a surprise to Senator HELMS, as he had spoken about it repeatedly on this floor over a period of years prior to this event.

Let us take a look at China, another area of interest to the world, to this body and to the United States in general: The distinguished Senator has also been an articulate supporter of freedom for the people of China. He has always been a warm friend of the Republic of China on Taiwan, which held aloft the torch of freedom for the people on the mainland. And although the Republic of China never became the military liberator of the mainland, as some had imagined, the example it provided of economic growth through the private sector eventually became even more subversive of the regime in Peking than a military invasion ever could have been. The demand for economic rights spilled over into the demand for political rights.

Senator HELMS could see this would happen. He had long believed that the way to win over the Communists' hearts and minds and souls is bomb them with Sears catalogs, Mr. President, because that is a way for them to see the message.

Senator HELMS kept in close touch with the student groups on the mainland at a time when the experts in the State Department would support only those dissidents who wanted to reform rather than overthrow communism. I have learned that Senator HELMS' statements on behalf of the students were faxed to Peking by students here, and were passed around Tiananmen Square by hands eager not only for English, but for freedom. When the old regime at last passes, it will pass quickly, and in some part it will be thanks to Senator HELMS and his efforts.

Mr. President, it is also noteworthy that Senator HELMS was the first person in this body to pinpoint the use of slave labor by the Chinese Communist regime to produce articles for export. Think of that, Mr. President: not only did the Communists enslave persons to work for nothing, but they used that labor to produce goods for export to undercut the jobs of hard-working Americans. As usual, the experts scoffed at these claims, and asserted that there was no way to prove the case. So the Senator brought real experts to testify before the Senate—real experts who had actually been in the slave labor camps. One of these former inmates was courageous enough to go back to the slave camps in China, posing as a United States importer, and make secret videotapes which millions of Americans saw on CBS' "Sixty Minutes." This so shamed the administration that I see an antislave labor treaty has just been concluded with China.

Again thanks to Senator HELMS' persistence to principle, he ended up being the most pragmatic of all.

Similarly, Senator HELMS was a bold supporter of the Baltics at a time when the State Department recognized the Baltics at best to be an embarrassment. The Senator had his staff comb the United States Archives, as well as archives in Great Britain and Germany, for authenticated copies of the secret protocols to the Molotov-Ribbontrop pact which delivered the Baltics to the Soviet Union. Senator HELMS inserted these authenticated copies in the CONGRESSIONAL RECORD, where they were published for the first time in the world in complete form. Just as in Tiananmen Square, the Helms Baltics speeches were passed hand to hand as the brave people of Lithuania rallied to throw off their Soviet oppressors.

Finally, I might note that Senator HELMS has been a voice of conscience on Iraq. He was a strong supporter a few years ago of the amendment to put Iraq on the list of terrorist nations. He then opposed the increase of trade and credits with Iraq, particularly items that might have a strategic military purpose. Long before the gulf war, he was calling for sanctions against Western business firms that were selling to Iraq materials to make weapons of mass destruction, including poison gas. United States diplomats made ever-so-soft objections to the chief offender, our friend and ally, West Germany. Not Senator HELMS. He objected.

However, when the Senator publicized the names of corporations making money out of the death trade in statements which were reproduced in many countries throughout the world, Germany was forced into a crackdown. Last year, the Senator succeeded in pushing through legislation with tough sanctions—over the determined opposition of financial and business interests who wanted no constraints on their right to sell poison gas.

Eventually the Iraq situation deteriorated. Saddam Hussein became a threat to the region, exactly as Senator HELMS had feared. President Bush unleashed Operation Desert Storm, which the Senator strongly supported. But Operation Desert Storm would have been unnecessary had the experts in town listened to our colleague during the preceding years.

Mr. President, this is just a partial list of important positions which Mr. HELMS has taken in foreign policy issues over the years where his stand on principle, lonely at the time, has eventually been vindicated by the passage of time. Of course, you do not make friends when you stand on principle, and especially when you stand on principle and turn out to be right. A stand on principle can be forgiven around this town, but being proved right can never be forgiven. So in every administration, people who were about to be proved wrong would get upset with Senator HELMS. They did not like his habit of blowing the whistle when they were wearing no clothes. Nevertheless, this is the kind of opposition that one must cherish, wearing it as a badge of honor, and flaunting it in the face of the consensus builders.

Of course Senator HELMS is known as a courtly gentleman, and not one to attack his opponents on a personal basis. I examined the records and found that 88 percent of the time his votes have supported the administration. Yet, from time to time, now a Secretary of State, now a Secretary of Defense, now a National Security Adviser would have some reason to get upset with the Senator.

This almost always happened when he deemed that they were doing something that they would live to regret, that would turn out to put egg on their face, so to speak, and the Senator had not hesitated to point that out. In doing so, the policy either was changed, or modified, or the Senator's prediction of failure was borne out.

On more than one such occasion, the Senator in doing so has performed a stunning public service. His success record shows that he has served the American people well. His fretful opponents should be grateful when they have such an astute critic as the distinguished Senator from North Carolina.

Mr. President, I would like to address Senator HELMS' actions on arms control.

Mr. Yeltsin is determined that there will be no more lies in the relationship between the United States and the Federated Russian Republic. Indeed, he has said that arms control in particular has been based on deception for more than 40 years.

Now that is exactly what Senator HELMS has been saying since he came to the Senate. Down through the years, he missed no opportunity to expose Soviet cheating and violations in arms control. At a time when it was unfashionable to believe that arms control really meant control of arms, and not some fancy dance with smoke and mirrors, Senator HELMS did not hesitate to press various administrations to reveal specific Soviet violations.

When most experts were willing to conceal outrageous, bad behavior on the part of the Soviets, and to overlook the ambiguities in arms control treaties that allowed the Soviets to drive whole new classes of ICBM's straight through, Senator HELMS called for real reductions in levels, real definitions on constraints, and real compliance.

In the 1987 INF Treaty debate, Senator HELMS played one of the most constructive roles of all the Senators then in this body. His probing questions raised issues that took several months to debate and to answer, when the plan had been to push the treaty through in a few weeks without question.

During the hearings before the Senate Foreign Relations Committee he systematically went through the treaty line by line. He pointed out that the treaty did not require the destruction of any nuclear warheads, which the proponents attempted to deny. He said that the loss of the Pershings would make NATO useless. He said that the Soviets were lying about the number of SS-23's they had, and that they could very well conceal an undestroyed fleet. He pointed out that the Soviet repression of ethnic and religious groups meant that the Soviet Union might come apart, making the treaty worthless or hard to enforce.

It was interesting that 72 SS-23's banned by the INF treaty have since been detected in Eastern Europe. President Bush has confirmed in two Presidential reports to Congress that the former Soviets negotiated in bad faith on the INF Treaty and these banned SS-23's under Soviet control in Eastern Europe violated—or probably violated—the INF Treaty.

During the hearings—and I might say because of his persistence, what would have passed in a few weeks took several months to come through, and a great deal was exposed during the hearing process—he systematically went through the treaty, line by line. He pointed out the treaty did not require the destruction of those weapons.

He was very successful, in my view, in pointing out that we were still being deceived by Gorbachev at the close of his time in office with respect to arms control treaties. It was just the U.S.S.R.'s modus operandi. In the way they did business; there were no real reductions in nuclear weapons.

When we look at NATO, we see that it has collapsed as a significant military institution, just as Senator HELMS predicted. When the Berlin Wall fell we found out the Soviets did have a secret fleet of undisclosed SS-23's and those illegal SS-23's are still in Eastern Europe. We do not know what to do about them. And of course now we see the Soviet Union has collapsed because of the ethnic and religious rebellion.

Mr. President, it was the same thing with the CFE Treaty. Senator HELMS was aware of the fact that the Soviets had falsely reported the numbers of treaty-limited equipment—and continued to press the administration on this and other problems. The administration knew that it could never get a treaty approved based upon such bad faith action by the Soviets as long as Senator HELMS stood at the Senate gate, and the result was that the treaty was delayed for over a year, by which time it was largely overtaken by events. As it was, the Senate accepted two important conditions to make the Soviets own up to the truth. Now, with President Yeltsin's admissions that Soviet arms control was based on deception, and his declarations that the truth shall be known, Senator HELMS is vindicated.

Similarly with START. When President Yeltsin made an informal visit to the Senate last year, and, for the first time, admitted that Soviet policy in arms control had been based on deceit and deception for 40 years, Senator HELMS applauded. But long before the treaty was sent to the Senate, Senator HELMS made known to the administration the problems he saw in the way the negotiations were going.

It was clear that the Soviet military hardliners were walking back the negotiators from positions already agreed to, and demanding new loopholes which they got. He pointed out that there was no hard capability to destroy either nuclear warheads or delivery vehicles—just launchers. Senator HELMS noted that there was no real reduction in capability in the SS-18 class, the Soviet first-strike superweapon; despite the cutback in numbers of launchers, the Soviets were to be allowed to upgrade the number and accuracy of MIRV'd warheads, giving them a better bang for the same buck, or perhaps I should say a better rumble for the ruble. Senator HELMS said that unless there were real reductions in SS-18—that is to say—a massive shift away from a first-strike posture—there was no change in Soviet nuclear doctrine.

Some argued that as long as the United States retained a sufficient number of nuclear weapons to respond to a first strike, that is so-called minimal deterrence, it didn't matter how many weapons the Soviet had, even if they cheated. However, that is not a strategic doctrine, not even a military doctrine. It is a head-in-the-sand doctrine.

Of course, a massive change in nuclear doctrine is just what President Yeltsin promised last week, again vindicating the past criticism of START by the senior Senator from North Carolina.

Signing the START Treaty on July 31, 1991, was the last significant act of Mr. Gorbachev. He was the front man with the smiling face doing the bidding of the hard-nosed hard-liners who refused to change their strategic doctrine even in the face of economic disaster. They hoped that smiling-face Gorbachev would rescue the military-based economy with hand-outs from the West. So when Gorbachev returned from the London economic summit without any cash in hand, his usefulness was at an end, his perestroika was an internal liability, and he was overthrown a few days later.

Surprisingly enough, despite the fact that the START Treaty had been signed, it was still incomplete. The administration claimed that they were working out some minor technical problems, but in arms control technical definition is all. It was months before the START Treaty was sent to the Senate, an unprecedented delay.

In the meantime, the disintegration of the Soviet Union, and the stillborn status of the Commonwealth of Independent States left a real problem: Who was the START Treaty with, anyway? The nuclear weapons covered by START were in four independent nations, which were not ready to cooperate with each other. Nor was Russia the legal successor to the Soviet Union. The State Department advised making a deal with Russia alone. But Senator HELMS sent a letter to the administration insisting that there be a new protocol assuring the compliance of all four countries, before the START Treaty is taken up. Secretary Baker overruled the State Department experts and came back with such a protocol. Once again Senator HELMS was ahead of everybody else.

Mr. President, we should not be surprised that Senator HELMS is so in tune with the events which unfolded during Mr. Yeltsin's visit last week. The Senator was an early supporter of Mr. Yeltsin at a time when the sophisticates in the administration were attempting to portray the Russian leader as incapable, unkempt, and an alcoholic.

But our colleague urged support not only for Mr. Yeltsin, but for the independence movements in the Baltics, the Ukraine, Georgia, and other Republics. He believed then, and still does, the only way for there to be real progress is to bring an end not just to the Communist Party, but to the Communist system under whatever name. But who was listening? Russia was the first country to recognize the independence of the Baltics; the United States was the last.

Mr. President, it is highly significant that the reason President Yeltsin gave for agreeing to the unprecedented cuts in nuclear strategic deployment, including the elimination of the massive SS-18s, was the fact that Russia was broke and could no longer afford to maintain them.

It is not surprising that Senator HELMS was one of the first to pinpoint the fact that Soviet military spending was not only outstripping United States military spending, but outstripping the ability of the Soviet economy to sustain itself. The academic experts were still predicting that the Soviet economy was strong, and asserting that the Soviet people still strongly supported the system, when a staff study by the minority staff of the Senate Foreign Relations Committee in 1989 showed that Soviet military spending under Gorbachev was 26 percent of the Soviet GNP, a far higher level even than the CIA had estimated. Unfortunately for the CIA's analysis, Gorbachev a few months later confirmed the exact levels that Senator HELMS' minority staff on the Foreign Relations Committee had said in 1989.

If United States START negotiators had listened to Mr. HELMS in 1990 and agreed with the levels of Soviet military spending his report indicated, they would have had much stronger leverage against their Soviet counterparts. Instead of giving in to the Soviet hard-liners, United States negotiators should have demanded more. So the unprecedented reductions announced by President Bush and President Yeltsin could very well have come much sooner if the United States had listened to Senator HELMS' advice.

POW/MIA'S HELMS AND YELTSIN

Now, Mr. President, let us turn to the next item on Mr. Yeltsin's list of dramatic surprises, the announcement that United States POW's from Korea and Vietnam had been taken to the Soviet Union and kept in work camps, and his offer to open KGB and Central Committee files to joint teams of investigators. In this regard I am pleased to note the remarks delivered in this Chamber last Thursday by the senior Senator from Iowa [Mr. GRASSLEY], and the article from the Richmond Times-Dispatch of June 21 entered into the RECORD by my distinguished colleague. Senator GRASSLEY emphasized the critical role of Senator HELMS in calling attention to this issue, and frankly, Mr. President, none of these revelations might have come to light, had not Senator HELMS so tenaciously pursued this issue. It is certainly clear that, although Mr. Yeltsin did not say that United States POW/MIA's are still alive in Russia, his unprecedented offer of cooperation indicates a complete change of heart in the approach of the leadership of Russia on this issue.

This offer quite obviously stunned the American foreign policy establishment. The bureaucratic operatives have been trying desperately to put major spin control on Yeltsin's statements. First they said that President Yeltsin must have misunderstood the question, or that the interpreters mistranslated what he said, or that he was misinformed. Finally, I am told that, in desperation, some spokesmen were saying privately that Yeltsin must have been drunk.

Mr. President, Mr. Yeltsin knew very well what he was doing. He knew how to get around the bureaucracy and go straight to the hearts and minds of the American people. He had already begun a preliminary search of the KGB files that indicated the possibilities of what he said.

Mr. President, I doubt that Mr. Yeltsin would have adopted this attitude of openness and cooperation had not JESSE HELMS specifically urged him to address himself to this question. For Senator HELMS himself had in hand a study of United States archives, and wanted to study the Soviet side of the same story.

As ranking minority member of the Foreign Relations Committee, Senator HELMS secured the signatures of 92 Members of this body on a letter to President Yeltsin last December asking for his cooperation in opening the KGB files on the POW/MIA question. We see a lot of letters around here, but seldom do we see such unanimity on a controversial issue. Senator HELMS saw to it that a member of his committee staff hand-delivered the letter directly to Moscow as soon as it was signed, and established a working relationship. For the staffer took not only the letter, but the staff report on POW/MIA's which the Senator had distributed to his colleagues.

Mr. President, as we all know, Senator HELMS, as ranking minority, directed this staff more than 2 years ago to explore the vexing issue of POW/MIA's. The staff interviewed scores of MIA families and friends, went through thousands of declassified documents in the U.S. archives, and even got a change to go through hundreds of MIA cases in DOD classified files.

What they found was appalling. The official Government position for years has been that there was "no evidence" that any MIA's were alive. The appalling part is that the bureaucracy seemed to make sure that there was no evidence by adopting rules of procedure aimed more at discrediting and discounting every live sighting report rather than following it up.

Mr. President, I am not one who buys on to the conspiracy theory that it was planned deception. It is simply, in my view, a result of a country, the United States of America, that wanted out of Korea, wanted out of Vietnam as quickly as possible when those wars ended, when they could be brought to an end. Moreover, the compartmentalized intelligence was uncoordinated. So it appears that the one hand sometimes did not know what the other hand was doing.

Mr. President, we certainly do not know all the facts on the POW/MIA situation. We do not know whether there are any alive or not. But the staff report presented to his colleagues by Senator HELMS has at least established a few facts:

The fact is that we left our men behind in all wars in this century.

The fact is that we knew we left our men behind.

The fact is that we knowingly left our men behind because there seemed to be other reasons of policy more important than the lives of our heroes.

Mr. President, when the magnitude of this becomes clear, the American people will demand justice. There are some people who believe that such actions should be hidden "for the good of the country." There are some people who claim that politics should not be involved in foreign affairs, as though foreign policy actions took place on some ethereal level above the hurley-burley of political decisionmaking.

But persons with those views have betrayed their country, betrayed the Constitution, betrayed the American people. Only on the political level can these outrages be ended.

That is why President Yeltsin's statements are so important. I hope that we find some of our men alive in Russia. But even if we do not, at least we will be able to know whether there are Soviet documents which take up where the United States documents leave off suggesting that United States POW/MIA's were taken to the Soviet Union. That is why the spin-doctors are rushing to discredit Mr. Yeltsin's statements.

However, Senator HELMS has already seen to it that Mr. Yeltsin cannot be discredited. The minority staff report already shows enough evidence on the United States side that the U.S. Government had plenty of clues pointed toward the conclusion that U.S. POW/MIA's were still being held after official statements that all had been returned. It was not only the case with Vietnam; it was with Korea, World War II, and even World War I. In every case, the U.S. Government knew that the Soviets were holding Americans, or had evidence they did not act upon.

Mr. President, allow me to recapitulate just a few of the facts that are carefully documented from U.S. Government files in the minority staff report.

WORLD WAR I

World War I: the American Expeditionary Force sent 5,000 soldiers into action against the Red army in 1918–19, to protect Allied storage depots at Archangel, in Siberia. According to the official history of the AEF, hundreds were missing in 1919. On the other hand, the official U.S. casualty lists reported that 144 were killed in action. But of the 144, nearly 90 percent were either MIA's declared dead, or declared killed in action, body not returned. As late as 1927, a defector met some of these MIA's in Lubianka and Solovetz Island Prison, identifying them by name to U.S. authorities in 1930.

Meanwhile, the Bolshevik regime sought U.S. recognition and assistance. In 1921, President Harding concluded the Riga Agreement, promising to provide food and medical assistance to 1 million Russian children, provided that all United States soldiers held prisoner by the Bolsheviks would be turned over. This was the basis of the Herbert Hoover mission. Even so, the U.S. Government had attempted to minimize the idea that MIA's might be held. Hoover later wrote in his memoirs that the U.S. Government was expecting 20 prisoners, but that the Bolsheviks turned over 100. Even so, as already noted, reports continued to be received that American POW's continued to be held in secret.

WORLD WAR II

World War II: 76,000 American prisoners taken by the Germans were in camps seized by Soviet forces. The Soviets placed every possible obstacle in the way of United States officials seeking a true accounting and release of these prisoners. Ambassador Harriman sent anguished cables to President Roosevelt not only about the refusal of the Soviets to live up to their obligations, but about the treatment the American GI's received. Harriman and John R. Deane, commanding general of United States Military Mission in Moscow, told Secretary of State Stettinius that no arguments would induce the Russians to live up to the Yalta Agreement, "except retaliatory measures which affect their interests." Among other things, they proposed that the press interview liberated U.S. POW's on the brutal treatment they had received.

However, Roosevelt accepted Stalin's assurances, and the opposite course was taken. U.S. Chief of Staff, Gen. George Marshall, issued orders as follows: "Censor all stories. Delete criticism Russian treatment." Despite plenty of Soviet noncooperation on POW's, the order went out "that no repeat no retaliatory action will be taken by U.S. forces at this time for Soviet refusal to meet our desires with regard to American contact teams and aid for American personnel liberated by Russian forces."

Once-secret cables and letters in the United States Archives show that on May 19, 1945, 25,000 Americans were estimated to be under Soviet control; on May 30, General Eisenhower's headquarters reported 20,000; on May 31, General Marshall reported 15,597 under the control of just 1 Soviet command.

The discrepancies here are not of great consequence; clearly there were thousands still being held on May 31. But on June 1, General Eisenhower signed a cable estimating that "only small numbers of United States prisoners of war still remain in Russian hands." This statement was immediately leaked to the press, and became public policy. Under Secretary of War Robert P. Patterson said: This means that it is not expected that many of those who are still being carried as missing in action will appear later as having been prisoners of war.

Secretary Patterson was right; very few did come back, but those who did reported seeing many hundreds—perhaps thousands—of America POW's in various Soviet gulags.

THE KOREAN WAR

The Korean war: In 1953, North Korea agreed to a prisoner exchange known as Operation Big Switch, based upon the principle of voluntary repatriation—14,200 Chinese POW's held by U.N. forces refused to return to Communist China; 21 U.S. POW's refused to return to the United States. But at the time of Big Switch, Gen. James A. Van Fleet, the former commander in Korea, estimated that "a large percentage of the 8,000 soldiers listed as missing in Korea were alive." Van Fleet's statement was apparently based on a U.N. reconnaissance command estimate, which also stated that many POW's had been transferred to Manchuria and the Soviet Union.

In Hong Kong, a defector was interviewed who reported that "several hundred" American POW's were seen being transferred from Chinese trains to Russian trains at Manchouli, near the border of Manchuria and Siberia on two occasions in late 1951 and 1952. Upon further interrogation, the informant was able to give many specific corroborating details, including the fact that each train consisted of at least seven passenger cars, and that a large number of the U.S. POW's were blacks, a fact which struck him because he had seen so few blacks before.

But by January 1954 a secret memorandum of the Secretary of the Army spoke only of 954 personnel believed to be held illegally, and complained it was costing over $1 million per year to carry them on the rolls as "missing." To avoid this expense, the memo argued, "it may become necessary at some future date to drop them from our records as "missing and presumed dead."

A DOD report of June 1955 on recovery of MIA's was even more blatant in its disregard of moral feeling:

> If we are "at war" * * * casualties and losses must be expected and perhaps we must

learn to live with this type of thing . . . we may be forced to adopt a rather cynical attitude on this for a political course of action.

In May 1954 an official United States diplomatic note to the Soviet Union demanded an explanation of the persistent reports of United States POW's having been sent to the Soviet Union. The Soviets coolly replied that the American assertion "is devoid of any foundation whatsoever, and is clearly far-fetched."

VIETNAM WAR

Vietnam war: At the Paris peace accords of January 1973 both North Vietnam and the United States agreed that the exchange of POW's on both sides would be carried out at approximately the same time as the troop withdrawals. That exchange, called Operation Homecoming took place between February 12, 1973, and March 29, 1973. A grand total of 591 U.S. servicemen were repatriated.

Only nine of the men returned had been captured in Laos, all of them prisoners of the North Vietnamese rather than of the Pathet Lao. Yet United States officials believed that as many as 100 men were missing in Laos, and possibly still alive, based on inspections of crash sites and intelligence reports. Indeed, the Pathet Lao announced during Operation Homecoming that it had a detailed accounting of United States POW's captured in Laos, and that they would be returned in Laos, after the cease-fire. Dr. Kissinger in his memoirs speaks of 80 United States prisoners captured by North Vietnam who were identified as living through intercepted radio intelligence. Yet 2 weeks after Operation Homecoming, the U.S. Government stated that "There are no more prisoners in Southeast Asia. They are all dead."

Mr. President, Senator HELMS distributed the staff report a year ago. Even though it was a critique of policy, and made no attempt to resolve individual cases, it had a profound impact on the thinking of the major veterans' groups and on many Senators. One result was the creation of the Senate Select Committee on POW/MIA Affairs with the resources to examine some individual cases. And as the Soviet Union began to come apart, with the democratic election of Yeltsin, and the fall of Gorbachev, hope grew that the Soviet Union itself might help in these matters.

That is why Senator HELMS sent the letter signed by the 92 Senators to Moscow, where Yeltsin immediately understood the significance. The committee staffer who hand-carried the letter, a Soviet expert, was sent to Gen. Dmitri Volkogonov, a key military adviser to Yeltsin and a distinguished historian who had high-ranking access to the KGB secret archives. Indeed, General Volkogonov provided the access for the Soviet secret documents which have just gone on exhibit at the Library of Congress.

From these meetings grew a close collaboration, and Volkogonov's search of the KGB archives for POW/MIA material. What he found was the basis for the letter Yeltsin sent to the Senate just before his trip, and for Yeltsin's positive statements in Washington last week.

Mr. President, I ask unanimous consent that the letter to President Yeltsin, with a list of the 92 signatories in the Senate, be printed in the Record at the conclusion of my remarks, are attachment "A."

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SYMMS. Mr. President, no one knows what will be the result of the search of the KGB files. It may be that no living prisoners will be found. But if even one living American POW/MIA emerges from captivity, Yeltsin—and President Bush—will earn the undying gratitude of the American people.

I could go on and on and on about our great Senator from North Carolina, Mr. President, praising him for the things which he has seen before the rest of us. I would say again that oftentimes Senator HELMS is criticized in this body as an ideologue and not a pragmatist. But I have often said to Senator HELMS, "JESSE, you are the most pragmatic person in the Senate because if you adhere and stick to principle, in the end you will be proven right and that means you were practical and pragmatic all the way through." I think that is the case with Senator HELMS. Let me give an example with what President Yeltsin stated about KAL 007.

Mr. President, during his address to the joint session, President Yeltsin also stated several times that he was making a special search for documents relating to the shootdown of KAL 007, and had already found a memorandum suggesting that more might be found if they were not destroyed during the hardliners' coup last year.

Once again, I do not think that President Yeltsin would have addressed this issue had not Senator HELMS sent him a private letter on this topic. This second letter was hand-carried to Moscow at the same time as the POW/MIA letter.

Mr. President, I cannot think of another topic which has been more important to Senator HELMS than the KAL 007 matter. For 269 innocent people in that airplane are dead because of the Soviet rockets, 67 of those victims Americans, 1 of them the distinguished Congressman Larry McDonald. On September 1, 1983, Senator HELMS was standing in Kimpo Airport in Seoul waiting for flight 007. And I was standing next to him.

We had gone to Korea for a symposium at Seoul University to discuss the anniversary of the United States-Korea Mutual Defense Treaty. We had arrived at Kimpo on KAL 015 and had mingled with the passengers of KAL 007 in the transit lounge in Anchorage, AK, the two planes leaving within a few minutes of each other. We wondered why 007 was late, and it was not long before the whole world was wondering.

Many questions about this flight were never cleared up.

Why is that, despite an intensive search, no significant parts of the wreckage were ever found.

Why is it that no bodies were ever found when bodies from similar tragedies at sea have always been found scattered over the area?

Why is that no luggage was ever found when in similar tragedies luggage has always been found scattered?

Did the plane explode in a mid-air catastrophe, and if so, why, when other severely crippled 747's have remained at least partially under control?

Why did some radar reports say that the descent took 13 minutes after impact, when the pieces resulting from a mid-air catastrophe would have plummeted in less than 2 minutes.

Why did the U.S. Government fail to make an official investigation of the disappearance when the flight left a U.S. port and had as passengers 67 U.S. citizens, including a Member of Congress?

Mr. President, there are many, many questions about KAL 007 that were never answered. It was a key episode in our relations with the Soviet Union. Unless the truth behind these events could be obtained, there could be no reasonable basis for conducting intelligent policy. The failure of the U.S. Government to probe into these questions was a failure of U.S. Intelligence and U.S. policy.

Moreover many of those same questions began to be raised in the Soviet Union itself, even before the breakup of the empire. Almost 20 articles appeared in Izvestia purporting to give facts which contradicted the official Soviet account given in 1983, and Soviet immigrants came out of the country with first and second-hand accounts.

For these reasons, the distinguished Senator from North Carolina ordered his staff to make a review of the information in the possession of the United States Government, to analyze the Izvestia articles, and to debrief Soviet refugees who claimed to have knowledge. Once again he was a couple of years ahead of everybody else.

Although the results of KAL 007 staff study produced significant new information about the manner in which both the United States and Soviet Governments handled the situation, the study was not yet ready to be released. Some pieces of the puzzle were still missing, and they could come only from the Soviet Union. It was clear that a massive Soviet deception took place, a deception so significant that even some elements of the Soviet power structure were kept in the dark. Even the highest Soviet officials were afraid to touch the topic. When Eduard Shevardnadze came to Washington, Senator HELMS sought his help; but no help was forthcoming.

The fall of Gorvachev, the possibility that the Soviet archives might be opened, and the dissolution of the Soviet Union then set for the end of December caused Senator HELMS to send the separate letter on KAL 007 to President Yeltsin. Clearly, President Yeltsin saw the opportunity to expose a festering sore covered up by Gorbachev and his predecessors, and to make honest relations with the United States possible.

Senator HELMS was there early on asking hard questions and he was vindicated once again when President Yeltsin addressed the joint session.

Mr. President, I congratulate Senator HELMS once more for his astute perception of the issues underlying our relationship with the United States.

Mr. President, I ask unanimous consent that the letter sent by Senator HELMS to President Yeltsin last December be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 2.)

Mr. SYMMS. Mr. President, finally it is appropriate at this time to make some mention of the fine staff work that went into the minority staff report on POW/MIA's.

I would like to mention first Mr. Tracy Usry, the chief investigator. Mr. Usry is a topnotch professional who spent many years with the Criminal Investigative Division [CID] of the U.S. Army before retiring. Much of that time he spent working in Korea, Vietnam, and Thailand on POW/MIA issues for the military. He brought those skills to his interviews with POW families and those who claimed sighting or other firsthand information. His knowledge and experience permeate every page of the report.

Second, I must mention Mr. Daniel Perrin, the project editor and writer, who brought dogged determination and a penchant for detail, as well as his significant writing skills, to see the study through to a conclusion.

Last, it is appropriate to single out Dr. James P. Lucier, who was staff director to the minority, until his retirement early this year after 25 years of service on the Senate staff to seek other interests. I have known Jim and had the pleasure of working with him informally ever since I came to the Senate. There was hardly ever a project around the Senate to be undertaken for the good of the country that Jim was not involved in. He was never one to seek the limelight—low key, effective, with a powerful punch. He organized a highly efficient, flexible staff of experts whose clout literally reached around the world. Jim Lucier served the distinguished Senator from North Carolina well. Indeed, he served the Senate well, and all of his friends with dedication.

Mr. President, Senator HELMS has upheld the tradition of good staff work with the addition of retired Adm. Bud Nance as the staff director for the minority, working with David Sullivan and others who today carry on this important work for this important Senator.

EXHIBIT 1

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, December 5, 1991.

His Excellency BORIS YELTSIN,
The President of the Russian Republic, The Kremlin, Moscow, U.S.S.R.

[Hand Delivered]

DEAR MR. PRESIDENT: The status of the thousands and thousands of American servicemen who were held by Soviet and other Communist forces, and who were never repatriated after every major war this century, is of grave concern to the American people.

As you may be aware, the United States Senate recently created a Select Committee on POW/MIA Affairs. The entire POW/MIA issue has been given impetus by extensive media coverage of photographs purporting to show U.S. servicemen alive and still held in captivity in Southeast Asia.

The recent publication of previously highly classified U.S. government documents has heightened the concerns of the American people. One of these documents, a memorandum circulated at the highest levels of the Supreme Headquarters of the Allied European Forces, stated that three weeks after the conclusion of World War II, the Stalin government still held 20,000 American soldiers. These men were being held in Nazi prison camps in Eastern Germany when the camps were overrun by what were then Red Army forces. These Americans were never repatriated.

Similarly, previously classified U.S. government documents stated that 954 U.S. soldiers were not repatriated by Communist forces after the Korean War. Other evidence exists that all U.S. personnel in the custody of Communist forces in Southeast Asia were not repatriated.

Please use your good offices, and your influence with the new Minister of Defense, Mr. Shaposhnikov, and the new head of the MSB, Mr. Bakatin, to facilitate the release of any GRU of MSB intelligence reports, files of information that may ease the pain for thousands of American families who have never learned the fate of their loved ones.

The United States must resolve this sensitive issue to restore its honor. In working with you towards this goal, we hope to forge a closer, democratic relationshp with Russia. Your assistance will be remembered by all Americans.

Sincerely,

Jesse Helms, Chuck Grassley, Bob Smith, Al Gore, Arlen Specter, Daniel Inouye, Paul Wellstone, Larry E. Craig, John F. Kerry, Richard Shelby, Larry Pressler, Herb Kohl, Connie Mack, Alan J. Dixon, Ernest Hollings, Bob Graham, Slade Gorton, Alfonse D'Amato, David L. Boren, Malcolm Wallop, Harry Reid, Chris Dodd, Strom Thurmond, Trent Lott, John McCain, Steve Symms. Nancy Landon Kassebaum, Bob Dole, Jake Garn, Orrin Hatch, Bob Kasten, Mitch McConnell, Frank H. Murkowski, John Warner, Jim Jeffords, Don Nickles, Conrad Burns, Dan Coats, Al Simpson, Dick Lugar, Wendell Ford, Mark Hatfield, Claiborne Pell, Pete Domenici, Hank Brown, Bill Cohen, Phil Gramm, Thad Cochran, Dave Durenberger, Jack Danforth, Kit Bond, Bill Roth, Ted Stevens, John Seymour.

Tom Daschle, Bill Bradley, Jim Sasser, Chuck Robb, John Breaux, Daniel K. Akaka, Brock Adams, Kent Conrad, John Glenn, Dan Riegle, Patrick Leahy, Joe Biden, Quentin Burdick, Dale Bumpers, John D. Rockefeller IV, D. Patrick Moynihan, Barbara Mikulski, Lloyd Bentsen, Dennis DeConcini, Bob Packwood, Richard H. Bryan, J. Bennett Johnston, Howell Heflin, Harris Wofford.

Alan Cranston, Ted Kennedy, J.J. Exon, Sam Nunn, Frank R. Lautenberg, Wyche Fowler, Jr., Tom Harkin, Jeff Bingaman, Max Baucus, Terry Sanford, Carl Levin, J. Lieberman, Howard M. Metzenbaum, Paul Sarbanes.

EXHIBIT 2

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, December 10, 1991.

His Excellency, BORIS YELTSIN,
The President of the Russian Republic, The Kremlin, Moscow, U.S.S.R.

DEAR MR. PRESIDENT: One of the greatest tragedies of the Cold War was the shootdown of the Korean Airlines flight KAL–007 by the Armed Forces of what was then the Soviet Union on September 1, 1983.

This event had elements of a personal catastrophe for me, since I was on the parallel flight that night of KAL–015, which departed Anchorage, Alaska about fifteen minutes after KAL–007. Both flights stopped in Anchorage for refueling. I shall never forget mingling with the doomed passengers of KAL–007 in the transit lounge, including two sweet young girls who waved goodby to me when they were called to return to their fatal flight.

The KAL–007 tragedy was one of the most tense incidents of the entire Cold War. However, now that relations between our two nations have improved substantially, I believe that it is time to resolve the mysteries surrounding this event. Clearing the air on this issue could help further to.improve relations.

Accordingly, I respectfully request that the government of the Russian Republic gain access to the files of the former KGB and of the Ministry of Defense in order to resolve the attached questions. I hope that you will personally intervene with the relevant authorities of the former Soviet Union in order to provide answers to these questions.

The American people, indeed, the families of all passengers on KAL–007, will be deeply grateful for your efforts.

Sincerely,

JESSE HELMS.

QUESTIONS ON KOREAN AIRLINES FLIGHT KAL–007

I. KAL–007 LANDING

1. Please provide depositions or accounts from eye witnesses who saw KAL–007's landing.

2. Please provide the geographical coordinates of the location of where KAL–007 landed.

II. EYE WITNESS ACCOUNTS FROM SOVIET MILITARY RADAR TRACKING STATIONS

1. Please provide depositions or accounts from eye witnesses from Soviet military tracking stations who saw the track of KAL-007's descent.

2. Please provide the exact locations of these military radar tracking stations, and a map showing their disposition.

3. What was the ground and air tracking range of these military tracking stations?

4. How far away from the KAL-007 landing site were these tracking stations and their command posts?

III. SOVIET AND JAPANESE RADIO TRANSMISSIONS RELATED TO KAL-007

1. Please provide transcripts of all available Soviet civil and military radio transmissions related to the entire flight of KAL-007.

2. Please provide transcripts of all available Soviet intercepts of non-Soviet radio transmissions related to the flight of KAL-007.

IV. KAL-007 PASSENGERS AND CREW

1. From Soviet reports on the incident, please provide:

(a) A list of the names of any living passengers and crew members removed from the airplane;

(b) A list of missing passengers and crew;

(c) A list of dead passengers and crew;

(d) A list and explanation of what happened to the bodies of any dead passengers and crew;

(e) A list of items of luggage and other items removed from the plane;

(f) A list and description of the disposition of the luggage recovered and any other recovered items, and where such material is now kept;

(g) A description and disposition of any other recovered cargo.

V. SOVIET SEARCH AND RESCUE EFFORTS

Please provide a copy of the reports of all Soviet search and rescue operations, and the military and KGB "after action" reports.

VI. INFORMATION ON CONGRESSMAN LARRY MCDONALD

1. Please provide detailed information on the fate of U.S. Congressman Larry McDonald.

VII. KAL-007 PASSENGERS AND CREW

1. How many KAL-007 family members and crew are being held in Soviet camps?

2. Please provide a detailed list of the camps containing live passengers and crew, together with a map showing their location.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER (Mr. AKAKA). The Senator from Delaware [Mr. BIDEN] is recognized.

ORDER OF PROCEDURE

Mr. BIDEN. Mr. President, I ask unanimous consent that the time for morning business be extended; that I be recognized for not to exceed 60 minutes; and, that, at the conclusion of my remarks, the Senate then proceed to the consideration of S. 2532.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE THRESHOLD OF THE NEW WORLD ORDER: THE WILSONIAN VISION AND AMERICAN FOREIGN POLICY IN THE 1990'S AND BEYOND

Mr. BIDEN. Mr. President, I will this week, on three separate occasions, seek the indulgence of the Senate to speak for the better part of an hour on each occasion. The reason is that I believe we are on the threshold of a new world order, and the present administration is not sure what the order is. But I would like to suggest how we might begin to reorganize our foreign policy in order to realize the full potential embodied in the phrase "new world order."

Two years ago, an act of aggression by an Arab despot against a tiny Arab sheikdom led the President of the United States to invoke a magisterial phrase.

He spoke, in rare visionary terms, of a "new world order" in which wrongs would be put right through collective action.

My purpose today is to examine that phrase and to elaborate on the immense potential—and still more, the imperative—I believe it holds for American foreign policy in the 1990's and beyond.

AN UNCERTAIN BEGINNING

Although President Bush called the new world order a "big idea," circumstances surrounding his proclamation of this august concept were less than auspicious.

Indeed the crisis that occasioned the President's use of the phrase resulted from a sustained act of appeasement constituting a colossal foreign policy blunder—

Having propped up Saddam Hussein with loans;

Having disregarded evidence that Saddam illegally used American aid to buy arms;

Having ignored Saddam's genocidal slaughter of his own Kurdish citizens;

Having fostered trade with Iraq even as Saddam provided safe haven for the world's most infamous terrorists;

Having overlooked Saddam's manifest quest for chemical and nuclear weapons;

Having supplied Saddam with military intelligence almost until the eve of his invasion; and

After first responding that the United States contemplated no military action—

The Bush administration suddenly summoned itself to assemble a multinational coalition under U.N. auspices to evict Saddam from Kuwait and restore the Kuwaiti Emir to his royal throne.

Unfortunately, as it basked in the heroic light cast by men and women of the American Armed Forces, who performed the assigned task with gallantry and pride,

The administration failed to realize the fruits of their brave endeavor in two critical respects.

First captivated by a bizarre concern to maintain Iraq's territorial integrity, the President failed to drive Saddam from power, instead ordering our forces to stand idle while Saddam—whom the President had equated to Hitler—regrouped his defeated army to massacre tens of thousands of Kurds and Shiites who had been inspired by our President's rhetoric to rise in rebellion.

The administration then failed further, and far more sweepingly by doing nothing in the many months thereafter to give even preliminary meaning to the grand concept of a new order, which it had used so fervently as a rallying cry for war.

One may surmise that the President did not follow through with the concept of a new world order because he had not thought it through—just as the administration has consistently lacked any guiding principle that would give coherence to its policy toward Iraq.

The new order may have been characteristically no more than an expedient slogan—a rhetorical device as useful and expendable as a Willie Horton Commercial.

Nonetheless as a consequence of its double failure, the Bush administration has betrayed its own express policies and achieved, in each case a result opposite to what is both possible and necessary.

Saddam's heinous and still-dangerous regime lives on while the promise of breathing new life into world institutions of collective action has been allowed to wither.

Both failures must eventually be reversed. But my focus today is on the larger question of American purpose in the world.

It is I believe, imperative that the gulf war's ambiguous outcome not be allowed to jeopardize the momentous concept the President associated with the war.

Instead, I shall urge that we revive the concept of a new world order, rescue the phrase from cynicism, and invest in it a vision that should become the organizing principle of American foreign policy in the 1990's and into the next century.

AN AMERICA READY FOR RENEWAL AND CHANGE

To be more than merely utopian the American agenda for a new world order must not only aspire to realistic goals internationally;

It must also be grounded in the only feasible foundation for the foreign policy of our democracy, a sound base of public support.

We must begin, therefore, by asking do we have a base of public understanding that will with resolute leadership sustain such a policy?

My answer is emphatically in the affirmative;

Indeed, I believe the American people stand ready today for far more visionary change than the current administration is capable of providing.

With the end of the cold war, a great awareness has swept the United States: A powerful, national realization that a time of decision is upon us and that profound change is both possible and essential.

The American people recognize that we are poised at a great turn in history and that we are urgently in need of renewal, both in our domestic life and our international role.

On the one hand, the end of superpower rivalry—through the swift collapse of our superpower rival—has inspired hope for a less dangerous and burdensome era in world affairs.

But more deeply and less optimistically, Americans share a painful recognition that the path they once assumed our Nation to be upon—a path of ever-broadening prosperity, of ever-increasing cultural harmony and racial unity, of unchallenged supremacy on the world stage—has not carried us to the expected destination.

Thus, for reasons both grim and hopeful, Americans today understand that we must chart a new direction at home and abroad.

Victory in the cold war has freed us to see our current plight more clearly.

Beset by foreign competition and our own economic mismanagement, the American standard of living has stagnated.

Despite White House efforts to divert us, we can no longer ignore mounting evidence of the multiple, menacing stresses that our own Nation and others are placing on the natural environment.

Despite major strides, we have failed to reconcile the seething differences among our own people.

Rather than narrowing, income disparities and racial divisions have widened over more than a decade in which selfishness and social neglect became implied themes of Presidential leadership.

But most worrying, we seem paralyzed in taking necessary political decisions within a democratic system that has long been our pride.

Many among the American people now share the harsh judgment of Walter Lippmann, who in his 1955 book, "The Public Philosophy," observed that:

> With exceptions so rare that they are regarded as miracles and freaks of nature, [our] politicians are insecure and intimidated men.
>
> They advance politically once as they placate, appease, bribe, seduce, bamboozle or otherwise manage to manipulate the demanding and threatening elements in their constituencies.

Perhaps, in recalling that such observations have a long American lineage, we can draw mild consolation. A healthy skepticism about politicians is an American strength, ingrained in our people.

It is a skepticism embodied by our Constitution in a system that is intended to grind slowly, precisely in order to protect us against the foibles of both our leaders and our led.

But prolonged inaction in the face of clearly needed change—still worse, a prolonged failure of our Nation's Chief Executive to articulate even a compelling set of goals, much less a path to their attainment has today carried skepticism to the brink of despair. We have reached a national crisis of confidence.

To surmount this crisis, and launch a new era of American success, will require both a vision of renewal and the will to bring concept to reality.

Central to this vision of renewal, I submit, is a clear conception of a new world order, though not because foreign policy is our preeminent concern—domestic renewal must be the highest American priority.

But the purpose of foreign policy is to promote an international environment in which our Nation may conduct its affairs in security and in harmony, and without unnecessary diversion of scarce and vital resources.

When circumstances change dramatically as they now have, we must reconsider, and revise, how best to advance our interests in the world arena.

For the past half-century, American foreign policy has been dominated by a single imperative: the containment of an expansionist, antidemocratic ideology centered in Moscow and Beijing—the one, headquarters of the world's last empire; the other, capital of the world's largest Nation.

The containment strategy shaped the lives of two generations of Americans and its success will remain a source of legitimate national pride. We did what had to be done, and for the most part well and honorably.

But a half-century of anticommunism has taken its toll. It gave us the Korean war; at least one brush with Armageddon in the Cuban missile crisis; the Vietnam war with its searing divisions and pain; a myriad of costly overseas commitments; and, still today an enormous nuclear and conventional arsenal sustained by a vast military-industrial complex that we will convert to civilian ends only after severe economic and social dislocation.

The cold war also extracted a domestic cost in eroding political civility and skewing our politics, sometimes to the point of perversity.

This distortion appeared not just in the excesses of McCarthyism, but more pervasively.

After the Vietnam war, conservatives devised a demonology of liberal pacifism that allegedly reposed in the democratic party.

For their part, liberals looked to their right and saw a dubious interventionism, fervidly advocated with what Hemingway called "that beautiful detachment and devotion to stern justice of men dealing in death without being in any danger of it."

Over time, as the lines of domestic battle hardened, support for a particular weapon system or the dispatch of United States troops to a Caribbean Island came to be portrayed as definitive litmus tests of American patriotism.

So fundamentally did cold war politics deform our priorities that eventually we found ourselves consumed in debt and still placing greater budgetary priority on the fantasy of an antinuclear umbrella called star wars than on salvaging our desperate cities or housing our Nation's poor.

Today, as we look to a new era, our pundits and pollsters tell us that the American people seem weary of international involvement and are tempted by a so-called neo-isolationism.

But this is a false construct. The slogan "America first" no doubt holds appeal—it does to me. But, as most Americans well understand, we could not hide from the world if we tried.

The last 50 years have yielded a technological revolution in information, communication, transportation, medicine, manufacturing, and world trade.

For better or for worse, this revolution has transformed the elemental character of civilization on our planet.

Within and among nations, people today are interconnected by fast and affordable travel, instant electronics, shared images, and standardized products.

All of us, meanwhile, encounter an overwhelming flood of data—news, facts, opinions, advertising, and entertainment which we must struggle to interpret with an unchanged allotment of human wisdom and judgment.

For Americans, who for much of our history enjoyed a sense of separateness from the world, global interdependence is no longer an academic abstraction; we experience it daily.

The imperative America learned from World War II—that we cannot preserve our own well-being in isolation from the world's—has now been compounded by technology.

No longer is it sufficient to band together with other nations solely to resist the designs of an expansionist dictator.

The full panoply of threats to our future security and prosperity, the proliferation of deadly high-tech weapons, the accelerating degradation of our planetary environment, economic protectionism and unfair competition, overpopulation and migration, narcotics and AIDS all require global solutions.

Fortunately, the American people comprehend the reality; and precisely for that reason, they expect to see the strong hand of American leadership in world affairs.

The great choice facing us then is not between isolationism and internationalism. Our challenge is to determine the nature of American internationalism.

Must we continue to relate to the world as we recently have with a stumbling myopia, a denial of real and looming problems and a fear of bold commitment?

Or can we, with the cold war behind us, discern a coherent and principled new agenda that will guide our conduct, and successfully serve our Nation's global interests, as we move toward the third millennium?

My answer is that the moment is upon us to define a compelling concept of a new world order to commit ourselves to it, and to lead the world in its realization.

AMERICA AND "NEW ORDERS"

The founding of a new order is daring business, no doubt. But it is hardly an unfamiliar role for the American people.

It is in fact the very role by which, for more than two centuries, we have defined ourselves as a nation.

It is a role which traces to our national origins and in which we have an illustrious, though still incomplete, record in this century.

To this generation of Americans it now falls to build upon that legacy of our forefathers by leading the world once again in a constructive reordering of human affairs.

The first new order was the revolution of American democracy.

Our Founders were assuredly modest in their expectations of human nature, but there was nothing meek in their aspiration for the democratic nation they envisaged.

The great seal of the United States declared our goal: E Pluribus Unum, the creation, from diverse peoples, of a nation in unity.

Our great seal announced, too, the unprecedented means by which the Founders determined to pursue that goal: Novus Ordo Seclorum, "a new order for the ages."

The new order proclaimed by the American Constitution concerned nothing less than the cardinal principles on which a nation should be founded. The essence of this new order was liberty:

Political liberty to protect men and women against the abuse of power;

Economic liberty to unleash human creativity;

Spiritual liberty to permit man's moral fulfillment.

Looking back to 1787, we find a remarkable, though unremarked coincidence that captures exquisitely just what this new order meant.

It was in that year that the dominant statesman of imperial Russia, Prince Potemkin, decreed that thousands of serfs be conscripted for forced labor.

Potemkin's purpose was to erect false but impressive facades to adorn towns that Catherine the Great and visiting European royalty would pass during a boating excursion into the Crimea.

With this act of supreme monarchial arrogance Potemkin gave birth to a perfect metaphor for Europe's old order of privilege, illusion, brutality, and deceit.

He created too a powerful symbol of contrast for at that very moment in history the American framers were assembled in Philadelphia to found a new order of democratic freedom based upon the principles of human equality and inalienable human rights.

Two years later as George Washington took office with the simple title "President," the French Revolution sent the first tremors through Europe's old order.

And in the ensuing two centuries that order would crumble and succumb to the democratic ideals the American Constitution had enshrined.

In Russia where czar gave way to commissar the democratic revolution would come slowest.

There in a new form arose the Potemkin villages of Soviet Communist utopia and not until Christmas of 1991 would a man named Boris Yeltsin finally proclaim a Russian democracy.

When this son of peasants and communism came before the U.S. Congress 6 months later to extend the hand of democratic partnership his outstretched arm represented the closing of a great circle of history.

Americans in the 19th century felt no need for a new world order holding instead to a proud but limited concept of world purpose. In the words of Daniel Webster America's "true mission" was:

> Not to propagate our opinions or impose upon other countries our form of Government by artifice or force, but to teach by example and show by our success, moderation and justice, the blessings of self-government and the advantages of free institutions.

Such world order as did exist was shaped by two seminal events in Europe.

The first, in 1805, was Britain's naval victory over the French and Spanish fleets at Trafalgar. Lord Nelson's triumph gave Britain an unchallenged supremacy on the seas that was to last a century.

During this period of relative calm among the major nations—the "Pax Britannica" which followed the Napoleonic wars—the British empire became the largest in history comprising one-quarter of the world's land surface and one-quarter of its population.

The second seminal event resulted from Napoleon's defeat at Waterloo in 1815. Led by Austria's Metternich the ensuing Congress of Vienna served to delineate on the European Continent a landscape of nation-states.

That would, for the most part, hold for 99 years—until the fateful events of 1914.

But if this was a world order, it was a tenuous one. The continental balance of power, from which Britain stood aloof in "splendid isolation" offered far less than a guarantee of full tranquility.

It could not suppress the domestic revolutions of 1848, which heralded an end to rule by monarchs and forced Metternich himself to flee his country.

Nor could it suppress major war. In 1871, as Otto Von Bismarck headquartered in the Hall of Mirrors at Versailles while German guns pounded Paris into submission, no Frenchman could have vouched for the "balance of power."

To be sure, Europe's two alliances—Germany, Austria-Hungary and Italy counterpoised against France and Russia—gave Europe some semblance of stability.

But the interlocking gears of these alliance systems also held the potential for a grim and terrible momentum.

In August 1914 those gears went into motion. Four years later, the old order—the "proud tower" of the European monarchs—lay in blood-soaked ruin.

Throughout the 19th century, America had concerned itself primarily with westward expansion, fulfilling what many saw as our "manifest destiny."

We had paused but once: to wage, among ourselves, the first modern war—as the devastating price of purification from the Nation's original sin of slavery.

Only at the century's end had we surged briefly into overseas adventure, in an exuberant but minor war with Spain.

But Europe's monumental act of self-annihilation drew America fully and inexorably onto the world stage.

Now grown to continental size, and possessed of commensurate strength and rising confidence, the United States came to the war in Europe reluctantly. But eventually with strong purpose.

At war's end the American President Woodrow Wilson, was determined that the grievous failings of the past—the system of international rivalry that had turned Europe into a sprawling graveyard should never be allowed to recur.

When the peace conference convened at Versailles in 1919, Woodrow Wilson presented, to a world desperately eager to hear it, America's second vision of a new order.

The first American vision—the Founders' vision—had concerned the establishment of a just new order within nations through institutions of democracy.

The second American vision—Wilson's vision—concerned the establishment of a just new order among nations through institutions of cooperation.

Wilson's vision of involvement diverged from America's prevailing philosophy of the 19th century, but was not at odds with the vision of the Founders. Rather, the two visions were harmonious.

The Constitution had affirmed the law of nations as integral with American law. Now, in Wilson's view, it was imperative that the United States embrace new commitments under the law of nations.

In building upon the vision of the Founders, Wilson's vision was no less revolutionary.

To Wilson and the millions of Americans who supported him, it was clear that the growth of nations and technology, and the shattering horror of the great war, had ended any reasonable belief that the world's nation-states could live separately and securely in isolation.

George Washington's warning against entangling alliances still held—if alliances meant nothing more than American participation in a cynical game of nations.

But Wilson and his followers recognized that if a nation wished to protect itself and its way of life in the 20th century, its defenses must consist not merely in its own armed strength but also in reliable mechanisms of international cooperation and joint decision.

For a world in dire need of a new order, the Wilsonian promise was sweeping:

That rationality might be imposed upon chaos and that principles of political democracy, national self-determination, economic cooperation, and collective security might prevail over repression and carnage in the affairs of mankind.

This was, it seemed, an idea whose time had come.

When Woodrow Wilson went to Paris in 1919, the tens of thousands who cheered him represented the millions worldwide for whom America's President embodied a transcendent hope.

For one extended and luminous moment, he became the best known most popular leader the world had ever seen ascending to a political stature attained by no other person before or since.

A future Republican President, Herbert Hoover, described it thus:

> For a moment at the time of the armistice Mr. Wilson rose to intellectual domination of most of the civilized world.
>
> With his courage and eloquence he carried a message of hope for the independence of nations the freedom of men and lasting peace.

Never since his time has any man risen to the political and spiritual heights that came to Woodrow Wilson.

Modern-day conservatives who are instinctively frightened by the Wilsonian vision have propounded a mythical image of Woodrow Wilson as a dangerously naive idealist.

Idealist he was. But there was no naivete in the Wilsonian vision. As history soon proved the danger lay in a failure to implement what Wilson proposed.

Summarizing the aspirations Woodrow Wilson embodied for the world, William Butler Yeats wrote these words in a poem called 1919:

> We pieced our thoughts into a philosophy
> and tried to bring the world under rule.

Wilson himself spoke similarly to the nations assembled at the Paris Peace Conference, when he said:

> What we seek is the reign of law based upon the consent of the governed and sustained by the organized opinion of mankind.

How is it, then, that the United States failed so conspicuously and so fatefully to join the Leage of Nations that woodrow Wilson himself had designed and advanced as the ultimate protection against future cynicism and future cataclysm?

This question is distinctly pertinent today as we confront a comparable test of world leadership.

Some attribute the failure to Wilson's unwillingness to compromise but this is misleading because Woodrow Wilson did compromise.

He compromised with allied leaders on many issues, boundaries, colonies and even reparations, which he rightly feared could prove excessive.

He compromised with critics at home, obtaining changes in the draft document that former President Taft assured him would make Senate approval certain.

Where Wilson could not compromise was on the most fundamental question embodied in article 10 of the convenant of the League of Nations.

This was the commitment to collective security: A commitment by all parties to defend the territorial integrity of each. It was an obligation the United States would eventually accept but not until 30 years later in NATO.

Wilson called this commitment the backbone of the whole covenant. Without it he said, the League of Nations would be hardly more than an influential debating society.

Wilson's defense of article 10 was born of intellectual conviction and something more.

He felt a powerful moral obligation—in his words, "eternal bonds of fidelity"—to those whom he had sent to war. He had told them they were fighting not just for peace but for a certain kind of peace.

What later would seem a cliche tinged with irony—a war to make the world safe for democracy, was for that American President no mere slogan.

If this was moralism it was far from pacifism—in fact the opposite. Woodrow Wilson was convinced that a collective security system must be backed by a willingness to use military force.

In the abscence of a system that would reliably employ that ultimate sanction he believed that another great war would follow.

That is why he could not accept the so-called Lodge reservations proposed in the Senate, of which the most important was the removal of any American commitment to act against aggression.

One of history's most compelling questions is what might have happened had Woodrow Wilson not, in the fall of 1919, suffered a paralytic stroke. We know only what did happend.

Warren Harding ran for President in 1920 on a Republican platform that favored American membership in some kind of association of nations for the maintenance of peace.

This pledge was formally endorsed by the major Republican leaders of the day, including Herbert Hoover, who asserted that carrying through on that promise was nothing less, in his words, than "the test of the entire sincerity, integrity and statesmanship of the Republican Party."

And yet, when elected, Harding interpreted the result as a mandate against any league membership.

His administration, and the two that followed, would carry America backward—from bold commitment to dangerous complacency.

With that turn of history, the League of Nations was doomed, a new world was born, but not a new world order.

Within two decades, the nations had descended again—this time into an even greater conflagration that spanned the entire globe, produced the ultimate horror of the Holocaust, and ended at Hiroshima in the inferno of a mushroom cloud.

Mr. President, I believe history summons us to dwell on the events of 1919.

For it was then that the United States faltered as it must never again at a crucial moment of world challenge and responsibility.

As we reflect on that moment I believe we can see today a clear and present mission: to finish the job that Woodrow Wilson began for America and the world three-quarters of a century ago.

The first steps toward fulfillment of the Wilsonian dream came 25 years later.

By then, President Franklin Roosevelt, a giant in his own right and a Wilsonian in world view, had revived and nurtured among the American people a widening acceptance of the concepts of collective security and collective responsibility.

As America emerged from the Second World War, the supreme legacy of Franklin Delano Roosevelt was an economic and military superpower with a will to lead.

Those in the Truman years who sought to resume Wilson's work the work of building a true world order brought historic statesmanship to the task—the United Nations, the World Bank, the International Monetary fund, the General Agreement on Tariffs and Trade, the Marshall plan, the World Health Organization and a host of other worthy U.N. agencies, the Fulbright Exchange Program, the North Atlantic Treaty Organization, the Organization of American States, and later the European community—became their monuments.

But the founders of these postwar structures succeeded in realizing the Wilsonian promise only in partial measure because Europe, much of the rest of the world and even the new institutions of multilateral cooperation, feel prey to the polarizing effects of the cold war.

For two full generations, international cooperation has been weakened by a global clash of ideologies that brought with it a militarist orientation and a steady drain on precious human and material resources.

As we emerge from this period of history, we need allow no implication that its travail was somehow the result of a grand misunderstanding, as recently suggested by Mikhail Gorbachev.

Whose contribution to history—in ending the Soviet empire—must be respected more than his contribution to historical analysis.

In the great test between communism and free-market democracy, there never was moral symmetry between the adversaries.

Nor, one must add, was there every in America a common view to that effect, notwithstanding the persistent distortions of our assiduous conservative myth makers.

The nations of the west had no sound alternative other than to stand together against the power and ambition of the Soviet empire until inevitably, it disintegrated under the accumulated weight of the human depredations it so brutally imposed.

That collapse came slowly, painfully and then in a pent-up rush to freedom.

Our task today—the duty of the western democracies, led by the United States—is to see, and seize upon, the implications of that collapse.

For with the dissolution of Soviet communism. And as the Chinese Communist leadership counts its numbered days, we see evaporating before us what should be the final barrier to the Wilsonian dream.

This opportunity, thought it has arrived more quickly than any of us could have imagined, comes none to soon.

For across the planet today, we find ourselves confronted not by an ideological threat or the expansionist designs of a military power.

By a rising tide of global problems that threaten mankind's very survival.

We face a tidal change we can hope to manage only through the spirit, and mechanisms, of international cooperation that Woodrow Wilson first urged upon the world.

We stand now at this century's third Wilsonian moment, inspired by the legacy of Woodrow Wilson's vision; warned by the consequences of our earlier failures to realize that vision and the dangers if we should fail again; strengthened by the work of latterday Wilsonians, who in the wake of the Second Great war, struggled to lay foundations for international cooperation; and sobered, as we look to the future, by the gravity and complexity of the problems that loom before us.

We stand challenged to resume, and this time to complete, the building of a world in which cooperating democracies will face their problems together.

Our challenge demands that we conceive a new world order that encompasses, and builds upon, the concept of collective security that Woodrow Wilson first advanced to a nation and a world not yet ready to comprehend its necessity.

Our circumstances today leave no choice: America must propound a new and expansive form of the Wilsonian vision and then lead the world in bringing that vision to reality.

Tomorrow, I shall outline what I conceive to be a sound and compelling American agenda for this new world order.

Mr. CRANSTON. Will the Senator yield?

Mr. BIDEN. I will be happy to yield to my friend from California.

A BETTER WORLD ORDER

Mr. CRANSTON. Mr. President, I rise to compliment my friend from Delaware for a very fine and thoughtful address. It is, I think, an inspirational guidepost for the leadership that our country must now provide in seeking to establish a better world order that slipped through our fingers at the end of World War I and was never fully established, tragically, at the end of World War II.

The Senator's words provide a very fine basis for the consideration that must be given in this body, and in this Capitol, and in this country to the effort to provide a more peaceful, stable world with America helping lead the way but not seeking to dominate the decisionmaking process.

Twenty-five years, and more, before I came to the Senate, I wrote a book about Woodrow Wilson and the struggle that he had in this body to get the Versailles Treaty and the League of Nations supported in this body. Unfortunately, that effort failed and the result, as Woodrow Wilson predicted, was World War II. We are about, in this body, to enter a discussion of a very important measure that, if successful in moving through this body and through the House, and if it is signed by the President, can help bring stability to the former Soviet Union and the new republics—Russia, and others—that now are seeking stability and peace and a sound economy in that part of the world.

The battle we are about to enter, starting very soon—in a matter of minutes in this body—is an important part of the task that faces us that was spelled out by the Senator from Delaware.

I yield the floor.

BUDGETARY STRAW MEN

Mr. BYRD. Mr. President, there is a rhetorical device in debate known as the "straw man" argument. Under this approach, advocates of a proposition create an artificial, and false, opponent against which to argue. Rhetorical straw men, like their cousin the scarecrow, are most effective if they closely resemble the real thing. Unlike the scarecrow, they are designed only to be displayed and then to be publicly torn apart.

I believe that we have seen many straw men in the debate on the efficacy and advisability of a constitutional amendment to require a balanced Federal budget. One of the most egregious of these devices, and one of the most cunningly crafted, is the argument that the Congress and the American people are driven to amend the Constitution in this fashion due to the absolute failure of statutory approaches to the problem.

This argument appeals to us on many levels. It panders to the current popular prejudice that all elected officials are incompetent and corrupt and will only do their jobs if forced to do so by constitutional fiat. It implies that the Congress has voted to spend money with regard to the limits of public law and the rules of the House and Senate. It suggests that the President is the innocent and powerless victim of a King Kong Congress bent on spending every dime it can borrow. And it gives rein to the frustration that all of us have felt in dealing with this monster, the budget deficit.

The argument even has a sort of *post hoc, ergo propter hoc* appeal to it: we have had laws dealing with the budget, we still have large deficits, therefore the law must have caused the deficits.

Straw men arguments are frowned upon in formal debate because they are not probative. Unfortunately, the rules of the Senate do not prohibit them; in fact, they are often heard in this Chamber. Therefore, we must take it upon ourselves to examine this scarecrow and disassemble it piece by piece.

Let us begin by looking at the truth. The proposed constitutional amendment is a very close relative to recent laws such as Gramm-Rudman-Hollings and the 1990 Budget Enforcement Act. Both the constitutional amendment and the statutory approaches seek to eliminate deficits by proscription rather than the enactment of specific spending cuts and revenue increases.

Close relatives are known to share certain traits, both good and bad. An examination of the history of the past decade and one-half as well as an analysis of the theory and practice of the Federal budget process yields the unmistakable conclusion that the proposed constitution amendment is flawed with the same characteristics that have led to the failure of statutory proscriptions of the deficit. Unlike the statutory approaches, however, the constitution amendment poses grave threats to the welfare of the Republic due to consequences unforeseen and unheralded by its sponsors.

If experience is a great teacher, then some of us have failed to absorb the lessons of the past years in regard to the budget. Eleven years ago we set our course on the Federal budget by adopting President Reagan's mistaken economic and budgetary policies. That theory said that if we cut taxes deeply enough, we could double defense spending and still balance the budget by 1984. Of course, we did not balance the budget by that date.

That failure was due not to any inaction or adverse action on the part of Congress. We implemented the Reagan policies almost unchanged. The other body passed a bill of more than 800 pages, written by the administration and its allies in the Congress and containing every conceivable budget proposal supported by them. That action was taken despite the fact that few Members of that body had been availed the opportunity of reading the bill, that the bill was not even paginated and that it contained the telephone number of a staff member in its margins. The Senate, in the words of a distinguished former Member of this body, took a "river-boat gamble" and passed a similar bill. We enacted Reaganomics. And in doing so we lost the gamble and created the present budget mess.

Reaganomics, implemented by Gramm-Latta I and II, failed because it was based on a faulty economic foundation. I am not comforted to hear supporters of the balanced budget amendment continue to spout those same phony economic theories. "You can balance the budget if you only cut capital gains or some other tax. You can balance the budget without seriously cutting any important programs. You can balance the budget without breaking into a sweat."

In 1985 we tried another approach. We enacted the Gramm-Rudman-Hollings deficit reduction law, described by one of its supporters as "a bad idea whose time has come." Gramm-Rudman-Hollings was to have produced a series of deficit reductions that were to result in a balanced budget by fiscal year 1991.

The notion behind this law is quite similar to that underlying the balanced budget amendment: Create a motive force strong enough to require Congress and the administration to make hard choices on taxes and spending. To some extent the law was successful. Certainly, it restrained new spending in the appropriations and entitlement committees. During the period of this legislation, reconciliation bills were enacted that saved billions of dollars.

But once again the seductive siren Rosy Scenario entered the scene. The administration flinched at the hard choices necessary to make real headway on the deficit and yielded to the temptation to paper over the problem with overly optimistic economic assumptions. Congress assented to this choice and adopted budget resolutions characterized by unrealistic expectations on the performance of the economy.

What happened to Gramm-Rudman-Hollings? In a word: reality. Overly optimistic estimates, based on unrealistic economic assumptions, ran head on into hard budget figures. As fiscal year 1988 approached, it became apparent that the budget deficit target for that year ($108 billion) was far out of reach. In 1987, Congress and President Reagan agreed to modify Gramm-Rudman-Hollings, taking into account the impact of a Supreme Court decision and setting new, more lenient targets. Under the revised procedures, the budget was to be in balance by fiscal year 1993.

The revised Gramm-Rudman-Hollings procedure carried us through the 1988 elections, during which President Bush made an unfortunate campaign pledge that drastically reduced his ability to deal with the budget deficit problem. Hamstrung by that pledge, and unwilling to advocate the kind of drastic spending cuts needed to meet the revised budget targets, the President and his budget director put forward a series of budget documents with unrealistic economic assumptions, accounting gimmicks, and other chicanery that even shocked those of us made somewhat cynical by the abuses of the Reagan years.

In 1990 Congress and the administration were again forced to resort to summitry in order to cobble together a budget deal. The resulting legislation attempted to eliminate the inducement to gimmickry that had been present in the earlier budget procedures, wherein questionable estimates and assumptions could be used to appear to hit the required deficit target. Instead, the Budget Enforcement Act of 1990 ignored the deficit figure entirely and focussed its attention on limiting spending, and controlling the creation of new entitlements and tax cuts.

In my judgment, the 1990 act has had reasonable success in achieving those goals. As chairman of the Committee on Appropriations, I can certainly tell you that the restraints in that legislation are keenly felt in the discretionary accounts.

However, three factors have sent the deficit soaring subsequent to the enactment of the Budget Enforcement Act: First, the recession and slow growth in the economy; second, the failure of financial institutions and the concomitant need to provide assistance to them; and third, the fact that surpluses in the Social Security trust fund are no longer counted as offsetting the deficit in the remainder of the budget.

At this point, it may be useful to look at the past decade or so from a slightly different perspective, that of an analysis of the budget figures themselves. Proponents of the constitutional amendment point to that period as one characterized by Congress repeatedly overspending budget limits. In fact, the Congressional Budget Office has studied budgets from the period 1980–91 in order to compare the figures in budget resolutions with actual budget outlays, receipts, and deficits. The CBO found that the discrepancy between budget targets and actual deficit, spending, and revenue amounts arise largely from economic and technical errors in budget estimates rather than policy changes made by the Congress.

In budget jargon, "economic errors" are those errors which result from the difference between estimates of economic factors, for example, employment, inflation, and interest rates, and the actual values for those economic factors. "Technical errors" include those errors which result from mistakes about other factors that influence the budget such as participation rates in Government benefit programs, the size of populations eligible for certain Government programs, and the financial health of certain financial institutions. For example, the failure of federally insured financial institutions led to massive and unexpected claims on the Federal Treasury. In fiscal year 1990, these claims added almost $60 billion to Federal outlays. Because they result from claims made under current law and because they were not reflected in the budget baseline, they constitute a massive, but technical, error. "Policy errors" reflect differences between what was expected to be enacted into law by the Congress and the Executive and what was actually enacted. These policy differences, like sins, can be errors of omission or of commission.

The Reagan and Bush administrations provide stark examples of economic errors. The rosy economic scenarios of this period present an almost unbroken chain of unrealistic and often cynical budget projections designed to promise budget balance sometime in the future without the pain of spending cuts or tax increases.

In its January 1990 report "The Economic and Budget Outlook: Fiscal Years 1991–1995" the Congressional Budget Office reviewed the accuracy of budget resolution assumptions during the 1980's. For that period, the CBO found:

> In every single year of the 1980s, the actual deficit exceeded the budget resolution target. The excess ranged from $3.7 billion in 1984 to $91.5 billion in 1983 * * * and averaged $40.2 billion.

The CBO went on to say:

> Use of optimistic economic assumptions accounts for $17.2 billion, or 43 percent, of the average error in budget resolution estimates during the 1980s. The remaining difference is about equally divided between policy and technical assumptions.

I note with great interest that the proponents of the balanced budget amendment have added a new provision to their proposal: "Section 6. Congress shall enforce and implement this article by appropriate legislation, which may rely on *estimates* of outlays and receipts (emphasis added)." By this device, the sponsors of the amendment ensure that the flaws of the various statutory approaches to budget control will also be found in the constitutional provision. Human frailties—including both the inability to predict the future and the temptation to succumb to wishful thinking—doom any process of estimating matters as complex as the national budget.

In fact, I believe that any method of budget control, be it constitutional or statutory, that seeks to balance the budget by fiat will be doomed to failure. They will fail, not because Senators and Representatives are inattentive to public law or the Constitution. They fail because they replace substance with symbol and practice with procedure.

The President and his predecessor have exercised the major role in creating and sustaining huge and unprecedented deficits. They have done so, all the while proclaiming their allegiance to a balanced budget. Although we in the Congress must bear our share of the blame in not protesting vigorously enough the mistakes of the past two administrations, Reaganomics got us here and the dithering of the Bush administration has prevented us from confronting and overcoming the present serious threat to our national wellbeing.

We must not be confused by the false arguments and straw men tossed out by the proponents of the constitutional amendment. Remember that the devil is in the details. The budget deficit has grown not because of the lack of prohibition in the Constitution, but because our leaders advanced mistaken and ill-founded policies. Let us not enshrine those mistakes in our national charter.

GENERAL EDUCATION FOR GLOBAL INTERDEPENDENCE

Mr. DODD. Mr. President, when I delivered the convocation address at Connecticut College last year, I pointed out that "if we are to be the world's leader in global influence, we cannot be the world's laggard in global education." I referred to a survey of American corporations showing that 30 percent of the respondents said their global expansion had been held back by a lack of internationally capable employees.

The president of Connecticut College, Dr. Claire Guadiani, recently gave these issues a practical focus by incorporating them into proposals for a new set of course requirements for liberal arts students. In an essay discussing the need for educational reform in light of significant and continuing changes in our global environment, Dr. Gaudiani lays out a blueprint for educational reform and improvement in our Nation's colleges and universities.

Her approach would divide a core curriculum into six general categories—knowledge, communication and quantitative skills, public speaking, negotiating skills, foreign language proficiency, and synthesis themes.

The knowledge category includes both required and elective courses. Those required focus on human culture, ethics and values, the natural environment, and the emergence of the world's present economic, political, and social structures. The elective courses include study of natural or physical sciences, world area studies, U.S. cultural studies, and creative expression.

The second major category of the core curriculum is labeled communication and quantitative skills. These courses would ensure that students become skilled writers by requiring the creation of a writing portfolio, and necessitate that they gain proficiency in mathematics.

The third major category of the core curriculum focuses on public speaking skills. As Dr. Gaudiani points out:

> A citizen who will cooperate and compete effectively in the 21st century will be able to speak convincingly in a variety of settings. In the current environment, the importance of media creates an even greater demand for well-educated people to develop public speaking skills.

Negotiating skills constitutes the fourth major category of the core curriculum. The ability to constructively solve differences in an increasingly fragmented world will surely be an asset to any student entering the modern global market.

The fifth major category of Dr. Gaudiani's core curriculum require students to gain proficiency in a foreign language. The importance of competence in foreign languages in the modern world is immeasurable. A global market demands multilingual participants. It is that simple.

Finally, Dr. Guadiani's plan includes a set of overarching questions posed to students in their freshman year. The faculty devise these questions, refer to them from time to time in and outside of courses, and then ask students to write about them in the beginning of their last semester. Such an approach encourages students to see beyond particulars and comprehend patterns and contexts of learning that unite the various strands of their educational curriculum.

Dr. Gaudiani's work not only reflects the increasing influence of Connecticut College as a leader in liberal arts education, it offers significant insights into one of the most important issues facing our country—the need to compete successfully in an emerging global market. I can think of no better way to insure that we succeed in this global market than to prepare our Nation's young people for the demands of the future. Therefore, I ask unanimous consent to have excerpts from Dr. Guadiani's essay included in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM DR. CLAIRE L. GAUDIANI, "WORLD CULTURES, ETHICS TRANSFORMATIONS, SCIENCE * * * AND A TOUCH OF PUBLIC SPEAKING: GENERAL EDUCATION FOR GLOBAL INTERDEPENDENCE"

The curriculum assembled for the Age of Aquarius may have run its course. The loose general education requirements developed in the late sixties presumed that left to their own devices, students will make coherent choices. This approach has been under attack, now, for fifteen years because its results have proved disappointing, even to many of those educated in that mode.

The end of the Cold War should propel academia toward a new vision of general education. Now more than ever, we need a curriculum designed to prepare Americans for citizenship in an interdependent science-oriented world community. In a recent article in *Foreign Affairs*, Zbigniew Brzezinski notes, "The end of the cold war marks this country's third grand transformation of the organizing structure and motivating spirit of global politics. The first two great transformations (World War I and World War II) did not enhance international security. The question now is, will the third?"

The collapse of the Soviet Union marks the beginning of this third global transformation. With the failure of Soviet communism, the ideology of the third global transformation appears to be some form of democracy and a free market economic system. In a period when Western ideas of democracy and the rights and responsibilities of the individual have become the standard many other world peoples are aiming toward, Americans are likely to have new responsibilities.

In light of the challenges of this new period, how might education of American citizens enhance the chances for international justice and security as well as improving the quality of life for the people of the earth? Can a faculty devise a structure for general education with the intent of shaping knowledgeable, competent, imaginative citizens who can live and work in ways that will promote and help secure the blessings of liberty for others and themselves? Can this, indeed, be the aim of a liberal arts education in an age of global interdependence?

Faculty and administrators often voice disappointment with the disjointed and diffuse general education requirements of the 70s and 80s. In many institutions one third or more of the courses offered in any year manage to make the list of courses from which students may select their idea of general education. These are grouped under academic headings that resemble the equivalent of the four major food groups. That cafeteria style general education requirements are still around is due largely to the political difficulties faculties encounter when trying to change them.

In a recent report on the undergraduate curriculum in general education, Lewis B. Mayhew says that, "Little substantive agreement exists among administrators, faculty, and national reports about the changes that need to be made, but little actual movement has taken place." The obstacle, Mayhew explains, appears to be more political than philosophical. "For over two decades, departments have shoehorned courses into distribution systems of general education in order to (1) ensure credit hour production that will justify faculty positions in the department, (2) expand the requirements for the major and/or (3) to expose more freshmen to the subject matter so that more can be recruited into their specific major. To date, most curricular committees and faculty senates have not given up the perceived benefits of the current general education systems."

So here we are, despite more than a decade of studies and reports noting the weaknesses of higher education and/or American education in general. Each suggests that faculties rethink the curriculum agreed upon in the aftermath of the student revolution in 1968.

If these reports have not succeeded in provoking serious reforms, maybe the opportunity to respond to the third global transformation can. Education for global independence will require a broad set of skills and special kinds of knowledge. Students will need a common base of information about the world and human cultures. They will need to know theories and approaches to building community knowledge in diverse fields.

Whether or not colleges participated in the first wave of reform of general education which began in the early 1980s and continued under the pressures of the reports spawned annually through the years of "education" presidents, this is the time to initiate a more profound and thoroughgoing rethinking of the role of general education for Americans. We can redesign the curriculum based on the role that education must play if this third global transformation is indeed to bring about, at long last, a more safe, free and just world.

TRIBUTE TO ADAM CONDO

Mr. McCONNELL. Mr. President, I rise today to express my sadness over the tragic and unexpected loss of a member of Kentucky's Washington, DC based press. Adam Condo, Washington correspondent for the Cincinnati Post and the Kentucky Post died yesterday after collapsing at his Alexandria, VA, home.

Adam Condo began his career in journalism in 1965 as a reporter for the Marietta, Ohio Daily Times, after graduating from the University of Missouri. He then worked for the Columbus, OH Citizen-Journal from 1971 to 1980. In 1980, he joined the Washington Bureau of Scripps Howard News Service.

Mr. Condo consistently provided the people of northern Kentucky with first-hand, balanced reporting on the events and activities which affected them in the Nation's Capital. My personal experiences with him were friendly, and I always found him to be a fair and competent journalist. Mr. Condo's years of experience as a Washington correspondent provided him with insight and information for which the readers of the Cincinnati Post and Kentucky Post greatly benefited. His keen understanding of the many complex elements involved in Washington politics was truly reflected in his reporting, as was his professionalism and close attention to details and facts.

Mr. Condo's accomplishments extend beyond his role in the Washington press community. He was recently retired as a master sergeant from the National Guard, following 20 years of service in Maryland, West Virginia, Ohio, and Virginia. He was active in the Knights of Columbus Council at St. Lawrence Catholic Church in Alexandria and the Boy Scouts of America. Mr. Condo also did volunteer work at Bishop Ireton High School in Alexandria.

I extend my heartfelt sympathies to Mr. Condo's family, including his wife, two children, parents and two brothers. I, along with members of my staff, will truly miss his presence in the Washington press community, as will many of his colleagues at Scripps Howard and in the Press Gallery.

Mr. President, please enter my comments, along with the following article from the Kentucky Post, into the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Kentucky Post, June 29, 1992]

WASHINGTON REPORTER ADAM CONDO, 50, DIES

(By Connie Remlinger)

Kentucky Post Washington correspondent Jerome Adam Condo, who mixed a sense of humor with an unflinching dedication to journalism, died Sunday.

A gardening enthusiast, Condo collapsed at his home in Alexandria, Va., after working in his yard. Condo, 50, had a history of heart trouble.

Condo was a native of Ft. Wayne, Ind. He grew up in Memphis, Tenn., where he first showed an interest in the newspaper business at the tender age of seven.

"He had a little letter stamp that he could use to print newspapers," his wife, Antoinette Jordan Condo said this morning.

"Every day he would run down to the corner grocery store, look at the headlines for the day, then go back home and print his paper. He had it waiting for his father when he got home from work."

Condo joined The Kentucky Post in 1988, covering the Kentucky congressional delegation and such state issues as coal and tobacco in Washington. Condo also was Washington correspondent for The Cincinnati Post.

"Adam Condo was a diligent reporter who worked hard to find information he needed for a story," Managing Editor Mike Farrell said.

"Despite his health problems, he worked as if every story were the most important of his career.

"But most of all, we will remember Adam as an extraordinary human being, a kind man who loved his family."

Before joining The Post, Condo had worked for eight years as a correspondent for the now-defunct Cleveland Press and the Columbus Citizen-Journal.

"He enjoyed working on Capitol Hill," Mrs. Condo said, "A lot of young people—staffers for the legislators—asked him for advice. He enjoyed being the mentor."

Condo also loved putting the heat on some legislators.

"The mayor of Columbus hated him. I remember the mayor once asked me how I could stand to live with him. He loved it when he got someone's goat and they got after him," Mrs. Condo said.

In Washington for The Kentucky Post, Condo was responsible primarily for covering Northern Kentucky's congressman, Rep. Jim Bunning, R-Southgate.

"We had our differences with Adam Condo, as is the case with any reporter. But Adam was a unique character and you couldn't help but like him," Bunning said.

"I think everyone who dealt with him in Washington developed a grudging respect for Adam. One of the things Adam and I talked about in between interviews, was moral values. Adam was very concerned about what he saw as a national deterioration of morality in the country. He always joked that he was a bit of prude, but you had to love him for it. He was a serious man who didn't take himself too seriously."

Condo was always in a hurry. Just talking to him could leave you breathless. Condo's trademark response to any tip was quick and straightforward: "Want me to get something on that. OK. Call you back." Then, whatever the deadline was, he'd meet it.

His speed and intensity aside, Condo always took the time to say something personal to his colleagues and to those he covered. Sometimes he'd ask about family. Other times he'd tell a joke.

"Adam was always in a hurry to get the story," Bunning's administrative assistant David York said.

"Then all of a sudden, out of nowhere, he would spit out one of the corniest jokes you ever heard. He was a genuinely gentle, good-hearted human being."

Although he worked 500 miles away and rarely was able to visit the newsroom in person, he made it a point to know everyone at the newspaper. If a new voice answered the telephone when he called the office, he'd introduce himself and make a friend.

"We're going to miss him a great deal," said City Editor Mark Neikirk, who was Condo's editor for two years.

"Adam was what we all aim to be: Fair, fast, religiously unbiased and fearless when a tough story needed to be done. Into that he mixed a sense of humor and rare humanity."

Condo particularly made it a point to tell readers where members of Congress were getting campaign money. His weekly column in The Kentucky Post was often a forum for his appeal to the powerful to remember that they represent people, not PACS.

One recent column took Bunning to task for spending thousands of dollars of taxpayers' money to send mass mailings under the government franking privilege to residents who live in the 13 Kentucky counties that were shifted into the state's 4th congressional district as a result of redistricting.

Bunning responded in a letter to the editor that it was a cheap shot and that Condo knew the mailings were totally legitimate. Condo was proud of the letter, believing it was confirmation that he'd done his job well.

Condo was indispensable to Kentucky journalism. His stories frequently were picked up for statewide distribution by The Associated Press, whose managers commended him time and again for contributing more news about Kentucky's House and Senate delegations than any other journalist working in Washington.

Dale McFeatters, managing editor of Scripps Howard News Service, said Condo was one of the best tutors of younger reporters he had encountered.

Condo was a doting father to his children, Mary, 15, and Jordan, 16. He was a parent adviser at Bishop Ireton High School in Alexandria, where his two children attended school.

A 1965 journalism graduate of the University of Missouri, Condo was a reporter for the Marietta, Ohio, Daily Times from 1965 to 1970, and joined the Columbus Citizen-Journal in 1970. He joined the Washington bureau of Scripps Howard News Service in 1980.

As a general assignment reporter in Marietta, he was one of the first people on the scene of a tragic nursing home fire.

"He was pulling people out of the smoke-filled building at the same time he was gathering information for the news story," Mrs. Condo said.

The International Association of Firefighters cited Condo for his heroism.

Condo recently retired as a master sergeant from the National Guard, having served for 20 years in West Virginia, Ohio, Maryland and Virginia.

And he was a devoted, sentimental husband. "He had the most character of any person I've known," Mrs. Condo said. "You could always depend on him to do what he thought was right. He was perfectly honest. He took no shortcuts. I admired him for that."

As a journalist he garnered many awards.

Other survivors include his parents, Mr. and Mrs. Adam F. Condo of Memphis, and two brothers, Robert and Thomas, both of Memphis.

TODAY'S BOXSCORE OF THE NATIONAL DEBT

Mr. CRAIG. Mr. President, Senator HELMS is in North Carolina recuperating following heart surgery, and he has asked me to submit for the RECORD each day the Senate is in session what the Senator calls the Congressional Irresponsibility Boxscore.

The information is provided to me by the staff of Senator HELMS. The Senator from North Carolina instituted this daily report on February 26.

The Federal debt run up by the U.S. Congress stood at $3,944,282,382.80, as of the close of business on Thursday, June 25, 1992.

On a per capita basis, every man woman, and child owes $15,355.83—Thanks to the big spenders in Congress for the past half century. Paying the interest on this massive debt, averaged out, amounts to $1,127.85 per year for each man, woman, and child in America—or, to look at it another way, for each family of four, the tab—to pay the interest alone—comes to $4,511.40 per year.

MR. AND MRS. LOUIS PAUL KASSOUF—50TH ANNIVERSARY CELEBRATION

Mr. HEFLIN. Mr. President, I was honored to be present for the golden anniversary celebration of the marriage of Paul and Naomi Kassouf. I deeply appreciate Paul and Naomi's wonderful family for including me in the surprise celebration of their 50 years together. Being with them on that occasion was especially gratifying to me since I was also there when it all began on June 16, 1942.

Paul and Naomi Kassouf have spent a virtual lifetime together, forging a union that really does exemplify all the best things about the institution of marriage. Their recipe for a successful and happy marriage—one that is a true partnership—one that cannot hardly be improved upon. I could see the pride on the faces of their children—Beverly, David, Gerard, and Gayle. They and the 11 grandchildren are lucky to have such an ideal couple to emulate as they grow older and have families of their own. The Kassoufs are definitely a pair who have an abiding commitment to marriage and family.

Naomi Kassouf was born in Logan, WV, but had the good fortune to be raised in Birmingham, where she attended Ramsey High School. In addition to being a loving and dedicated mother to her four children, Naomi has been an active volunteer in civic organizations and in her church. She is currently the president of the Catalina Point Woman's Association and is an active member in the St. Elias Catholic Church. She has also volunteered at St. Vincent's Hospital. Naomi has always given 100 percent to her marriage, family, and community.

Paul, chairman of the board of the L. Paul Kassouf and Co. Professional Corp., was born in Birmingham on October 14, 1921. We attended Birmingham-Southern College together. At Southern, he was a member of Phi Beta Kappa, Omicron Delta Kappa, and Delta Gamma Sigma. He currently sits on our alma mater's board of trustees. He served in the Army during World War II, and received his master of business administration degree at the University of Chicago shortly thereafter, in 1949. He has enjoyed a long and tremendously successful career as a CPA, and has been an active leader within the field. He has served as president of the Alabama Society of CPA's, as well as being a member of the Alabama State Board of Public Accountancy, the American Institute of Certified Public Accountants, and chairman of the long-range planning committee of the Alabama Society of CPA's. You know, the Budget, Finance, and Appropriations Committees in Congress could sure use Paul's expertise in getting the Federal deficit under control.

It seems we hear a great deal these days about marriage being old-fashioned and archaic, that it is ill-suited for the rigors and demands of this busy age we live in. But, when we look at Paul and Naomi, together with their children and grandchildren, it renews our faith in society's greatest institution. It reminds us again of the unique level of love that only a husband and wife can achieve, and of the great accomplishments they can have together.

No, the institution of marriage is not out-of-date. Indeed, we know that it is timeless. It is a statement of the times we live in that some would consider marriage an unsuitable alternative to human relationships. But, I am confident that such attitudes will not prevail, for there is no more proven arrangement, as shown so splendidly by the Kassoufs.

Again, I was honored to be a part of that happy occasion. I congratulate and commend Naomi and Paul on 50 glorious years together, and offer my sincerest wishes for many more happy years together. As good as these past five decades have been, I hope that their best years lie ahead.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT OF 1992

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 2532, which the clerk will report.

The legislation clerk read as follows:

A bill (S. 2532) entitled the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act."

The Senate proceeded to consider the bill (S. 2532) entitled the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act," which had been reported from the Committee on Foreign Relations, with an amendment.

On page 3, strike line 13, through the end of the bill, and insert in lieu thereof the following:

SEC. 4. AUTHORITY TO CONDUCT ACTIVITIES.

With regard to activities authorized by the Support for East European Democracy (SEED) Act of 1989 (Public Law 101–179) (the "SEED Act") to be conducted in and for any of the Central or East European states, the President may conduct similar activities in and for any of the independent states of the former Soviet Union, including any of the activities described *in sections 7 and 8 of this Act, and may make available funds authorized to be appropriated by this Act for such activities, except that assistance may be provided for the government of such state under this Act only if—*

(1) such state is developing democratic institutions and policies based on internationally recognized human rights; and

(2) such state is undertaking economic reform based on private enterprise and market principles.

In furtherance of the objectives of this Act, the President may authorize any United States Government agency that has authority to conduct activities under the SEED Act to make available any funds available to it for activities related to international affairs outside Eastern Europe to conduct activities authorized in this section.

SEC. 5. USE OF AUTHORITY.

(a) CONSIDERATIONS.—In providing assistance under section 4 for the government of any of the independent states of the former Soviet Union, the President shall take into account not only relative need but also the extent to which states assisted are acting to—

(1) institutionalize the rule of law to protect individual freedoms and rights;

(2) enact the legal and policy frameworks necessary for the conduct of private business activities and the privatization of state-owned enterprises;

(3) demonstrate respect for international law and obligations and adherence to the principles of the Helsinki Final Act and the Charter of Paris, including those related to the right of emigration; and

(4) implement responsible security policies, including the avoidance of excessive defense expenditures, full compliance with international arms control agreements, and active participation in international efforts to prevent the proliferation of destabilizing weapons for the technology to develop such weapons.

(b) INELIGIBILITY FOR ASSISTANCE.—The President shall not provide assistance under this Act for the government of any state which he determines—

(1) engages in a consistent pattern of gross violations of internationally recognize human rights or of international law;

(2) is engaged in a pattern of unlawful military action against a country which is friendly to the United States;

(3) has failed to take constructive actions to facilitate the effective implementation of applicable arms control obligations of the former Soviet Union, including those under the CFE, INF, NPT, ABM, TTBT, PNE, and START Treaties;

(4) has knowingly transferred, on or after the date of enactment of this Act, to another country—

(A) missiles or missile technology inconsistent with the guidelines and parameters of the Missile Technology Control Regime; or

(B) any material, equipment, or technology to another country that would contribute significantly to the ability of such country to manufacture any weapon of mass destruction, including nuclear, chemical, and biological arms, if the President determines that the material, equipment, or technology was to be used by such country in the manufacture of such weapon; or

(5) has detonated a nuclear explosive device on its territory on or after the date of enactment of this Act and is not a nuclear weapon State Party to the Non-Proliferation Treaty of 1970.

The President may waive the requirement of ineligibility under this subsection if he certifies and justifies in writing to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate that doing so would serve the objectives of this Act.

(c) ASSISTANCE TO AZERBAIJAN.—The President may not provide assistance or other benefits authorized by this Act to the Government of the Republic of Azerbaijan until he determines and so reports to Congress that the Republic of Azerbaijan—

(1) has ceased all blockades and other offensive uses of force against the Republic of Armenia and the autonomous region of Nagorno-Karabakh;

(2) is respecting the internationally recognized human rights of Armenians and other minorities living within its borders; and

(3) is participating constructively in international efforts to resolve peacefully and permanently the conflict in Nagorno-Karabakh.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for fiscal years 1992 and 1993 such sums as may be necessary to carry out this Act, in addition to amounts otherwise available for such purposes. Funds authorized pursuant to this Act are authorized to remain available until expended.

SEC. 7. TYPES OF ACTIVITIES.

Funds authorized to be appropriated by this Act may be used for the independent states of the former Soviet Union—

(1) to support the development of democratic institutions and policies based on internationally recognized human rights, including through—

(A) such existing agencies and organizations as the United States Information Agency, the National Endowment for Democracy, and the Citizens Democracy Corps;

(B) the operation of new American Democracy Centers or America Houses; and

(C) administration of justice programs;

(2) to support creation and development of private enterprise and free market systems, with special emphasis on initiatives designed to encourage United States small business and medium-sized business participation, including through—

(A) technical assistance to support the necessary legal frameworks, such as commercial codes, private property codes including homesteading policies, banking codes, tax codes, and foreign investment codes;

(B) technical assistance to support the necessary policy frameworks, such as privatization laws, agricultural policy laws, and energy policy laws;

(C) technical assistance, such as with the assistance of private and voluntary organizations, to promote privatization and increased efficiency in the agricultural sector, including in food distribution and transportation systems, and to enhance the ability of the independent states of the former Soviet Union to use their own resources to meet basic human needs, such as through—

(i) training programs;

(ii) exchanges;

(iii) the export of United States machinery and farm animals; and

(iv) loans for entrepreneurs in food production and distribution;

(D) technical assistance to promote investment in, increased efficiency of, and privatization of the energy sector;

(E) support, which may include contributions to endowments, for the establishment and activities of organizations such as—

(i) Enterprise Funds; and

(ii) a Eurasia Foundation to assist with management and economics training, democratic institutions and related activities, and activities such as those conducted by the Inter-American Foundation to assist private enterprise at the "grass roots" level; and

(F) training in business and financial practices, public administration, commercial law, and the rules of international trade, including programs to send active American businessmen as volunteers to provide on-site advice and concrete problem solving to private enterprises in the independent states of the former Soviet Union;

(3) to provide support in addressing emergency and other humanitarian needs, including through private and voluntary organizations, to improve health care facilities by providing medical training, equipment and supplies, and to continue efforts to rebuild from the earthquake in Armenia;

(4) to support expanded trade and investment relations with United States businesses, including through the operation of information networks and the establishment of additional American Business Centers, pursuant to the provisions of section 10 of this Act, and including other activities to provide "business incubator" services to—

(A) United States firms engaged in evaluating trade and investment opportunities; and

(B) United States state development agencies engaged in promoting mutually beneficial trade;

(5) to support educational and cultural exchange programs and to promote, with the assistance of private and voluntary organizations, broad-based educational reform at all school levels in areas such as history, social sciences, political studies, economics, and English-language, including—

(A) assistance in the development of curricula;

(B) exchange programs involving educators; and

(C) the supply of textbooks and other educational materials;

(6) to enhance the human and natural environment and to conserve shared environmental resources, including through technical assistance to facilitate environmental restoration and the adoption of environmentally-sound policies and technologies—

(A) to control the discharge of pollutants damaging to the Earth's atmosphere;

(B) to map, monitor and contain environmental threats to the United States or the Arctic/subarctic ecosystem;

(C) to clean up rivers, lakes, and Arctic waters;

(D) to protect endangered species; and

(E) to promote nuclear reactor safety;

(7) to support American Schools and Hospitals Abroad that have been or may be established in the independent states of the former Soviet Union, such as the American University of Armenia;

(8) to support development of children's educational television, pursuant to the provisions of section 9 of this Act; and

(9) to finance cooperative development projects, such as the Cooperative Development Program and cooperative development research programs, among the U.S., Israel, and the former Soviet Union, and the U.S., Israel, and Eastern Europe.

SEC. 8. ADDITIONAL ACTIVITIES.

(a) The President may use funds made available to carry out the provisions of section 23 of the Arms Export Control Act, as well as funds authorized to be appropriated by this Act, in order to conduct activities in and for the independent states of the former Soviet Union that would help—

(1) promote demilitarization, the conversion of defense-related industry and equipment to civilian purposes and uses, the absorption of defense-related industry personnel into the civilian sector (including through the establishment of Science and Technology Centers), and the withdrawal and relocation of military forces of the former Soviet Union;

(2) prevent the diversion of weapons-related scientific expertise to terrorist groups or third countries; and

(3) establish safeguards against the proliferation of nuclear, chemical, biological and other weapons; assist in the safe storage, transportation, safeguarding and disabling of such weapons and other measures to prevent their proliferation, including by purchasing, bartering, or otherwise acquiring such weapons or materials derived from such weapons; and promote other efforts designed to reduce with the goal of eventually eliminating the nuclear threat from the former Soviet Union.

(b) In recognition of the importance of establishing an effective official United States Government presence in the independent states of the former Soviet Union—

(1) of the funds authorized to be appropriated by this Act, up to $5 million may be used by the Department of State for costs of personnel and other expenses for new posts in such states; and

(2) section 101 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (Public Law 102–138) is amended by adding at the end the following—

"(d) POSTS IN THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—In addition to amounts otherwise available for such purposes, there are authorized to be appropriated for fiscal year 1993 such sums as may be necessary for costs of personnel and other expenses for posts in the independent states of the former Soviet Union.".

(c) In addition to amounts otherwise available to the United States Information Agency to carry out international information, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan Number 2 of 1977, for fiscal year 1993, there are authorized to be appropriated such sums as may be necessary to carry out the authorities of this Act that relate to international information, educational, cultural, and exchange programs.

SEC. 9. DEVELOPMENT OF CHILDREN'S EDUCATIONAL TELEVISION.

(a) FINDINGS.—Congress finds that—

(1) children's educational television can be a highly effective means of instruction both in basic skills and in the human values associated with a democratic society;

(2) certain organizations in the United States are internationally recognized as uniquely creative and proficient in the production of such programming and have a record of achievement in assisting other countries in developing similar programming of their own; and

(3) assistance under this Act to the independent states of the former Soviet Union in the development of such programming could be a highly cost-effective element in the overall program of bilateral United States assistance aimed at promoting and sustaining the transformation to democracy.

(b) AUTHORITY.—The President is authorized and encouraged to utilize funds authorized to be appropriated by this Act to support any appropriate nonprofit corporation of the United States in assisting the independent states of the former Soviet Union in developing the skills necessary to produce children's educational programs aimed at promoting basic skills and the human values associated with a democratic society. Such assistance—

(1) should to the extent possible be used to support the development of programming rather than to support broadcasting;

(2) should not be used to pay for real estate, equipment, and personnel costs that could appropriately be born by the recipient country in its own currency; and

(3) should be aimed at yielding self-sufficiency in the production of children's educational television programming within approximately a two-year period.

SEC. 10. AMERICAN BUSINESS CENTERS.

(a) FINDINGS.—Congress finds that—

(1) United States economic assistance to the independent states of the former Soviet Union is aimed at promoting their transition to market-oriented economies fully integrated with the international community;

(2) trade and investment by United States companies in those states would serve not only the United States interest in their successful transition but also the broader economic interests of the United States; and

(3) to promote these interests, the United States has established an American Business Center in Warsaw to facilitate efforts by the United States to evaluate trade and investment opportunities.

(b) AUTHORITY.—The President is authorized and encouraged to establish additional American Business Centers in countries being assisted under this Act and the SEED Act of 1989 where the President determines that such Centers can be cost-effective in promoting the objectives of this Act and United States economic interests. To the maximum extent possible, the President should direct—

(1) that host countries be asked to make appropriate contributions of real estate and personnel for the establishment and operation of such Centers;

(2) that such Centers offer office space, business facilities, and market analysis services to United States firms and state economic development offices on a user-fee basis that minimizes the cost of operating such Centers while offering economies of time and cost to users; and

(3) that such Centers be established in several sites among the various independent states of the former Soviet Union and the countries of Eastern and Central Europe.

SEC. 11. INTERNATIONAL FINANCE CORPORATION.

The United States Governor of the International Finance Corporation may vote for any increase of capital stock of the Corporation that may be needed to accommodate the requirements of the independent states of the former Soviet Union.

SEC. 12. SUPPORT FOR MACROECONOMIC STABILIZATION.

(a) IN GENERAL.—In order to promote macroeconomic stabilization and the integration of the independent states of the former Soviet Union into the international financial system, the United States should in appropriate circumstances take a leading role in organizing and supporting multilateral efforts at macroeconomic stabilization and debt rescheduling, conditioned on the appropriate development and implementation of comprehensive economic reform programs.

(b) CURRENCY STABILIZATION.—In furtherance of the purposes and consistent with the conditions described in subsection (a), the Congress expresses its support for United States participation, in sums of up to $3,000,000,000, in a currency stabilization fund or funds for the independent states of the former Soviet Union.

SEC. 13. ADMINISTRATIVE AUTHORITIES.

(a) ADMINISTRATIVE EXPENSES.—Of the funds authorized to be appropriated by this Act, such sums as may be necessary may be used for administrative expenses of United States Government agencies in connection with administering programs in furtherance of the objectives of this Act.

(b) EXTENSION OF FOREIGN ASSISTANCE ACT AUTHORITIES.—In making available funds authorized to be appropriated under this Act, the President may utilize any of the authorities applicable to the provision of assistance under the Foreign Assistance Act of 1961, as amended, and to programs for which appropriations are made in annual foreign operations, export financing, and related programs appropriations Acts.

(c) WAIVER AUTHORITY.—Assistance may be provided and authorities may be exercised for the objectives of this Act notwithstanding any other provision of law, except the Antideficiency Act, title 31 of the United States Code, the Congressional Budget and Impoundment Control Act of 1974, the Balanced Budget and Emergency Deficit Control Act of 1985, and the Budget Enforcement Act of 1990. In any fiscal year, amounts made available for assistance under this Act shall not exceed amounts appropriated in advance in appropriations Acts, and assistance under this Act shall not exceed the limitations in such appropriations Acts.

(d) AUTHORITY TO USE FUNDS AVAILABLE UNDER THE FOREIGN ASSISTANCE ACT.—For programs for the independent states of the former Soviet Union, the President is authorized to utilize funds made available to carry out the Foreign Assistance Act of 1961. Any funds made available under chapter 4 of part II of that Act may be utilized on the same basis as funds authorized to be appropriated by this Act.

(e) DIRECT LOAN AND GUARANTEE AUTHORITIES.—Funds authorized to be appropriated by this Act may be utilized to cover the cost, including the cost of modifying such loans, of direct loans and loan guarantees with respect to the independent states of the former Soviet Union, including loan guarantees provided consistent with the provisions of section 108 of the Foreign Assistance Act of 1961, as amended, Title IV of chapter 2 of part I of that Act, and the Export-Import Bank Act of 1945, as amended, and to cover the administrative expenses for such direct loans and loan guarantees.

SEC. 14. NOTIFICATIONS TO CONGRESS.

The notification requirements applicable to reprogramming under section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394–1) and the comparable notification requirements contained in sections of annual foreign operations, export financing, and related appropriations Acts apply with respect to obligations of funds made available to carry out this Act, notwithstanding any other provision of this Act.

SEC. 15. ANNUAL REPORT.

The President shall include in the Annual SEED Program Report required by section 704(c) of the SEED Act a similarly detailed account of activities under this Act. Each such report shall describe the extent to which statutory prohibitions and restrictions on the provision of assistance for types of programs and activities have been waived under the authority of section 13(c) of this Act.

SEC. 16. QUOTA INCREASE FOR INTERNATIONAL MONETARY FUND.

(a) The Bretton Woods Agreements Act is amended by adding at the end thereof the following new sections:

"SEC. 56. QUOTA INCREASE.

"The United States Governor of the Fund is authorized to consent to an increase in the quota of the United States in the Fund equivalent to 8,608,500,000 Special Drawing Rights, limited to such amounts as are appropriated in advance in appropriations Acts.

"SEC. 57. ACCEPTANCE OF AMENDMENTS TO THE ARTICLES OF AGREEMENT OF THE FUND.

"The United States Governor of the Fund is authorized to consent to the amendments to the Articles of Agreement of the Fund approved in resolution numbered 45–3 of the Board of Governors of the Fund.

"SEC. 58. APPROVAL OF FUND PLEDGE TO SELL GOLD TO PROVIDE RESOURCES FOR THE RESERVE ACCOUNT OF THE ENHANCED STRUCTURAL ADJUSTMENT FACILITY TRUST.

"The Secretary of the Treasury is authorized to instruct the United States Executive Director of the Fund to vote to approve the Fund's

pledge to sell, if needed, up to 3,000,000 ounces of the Fund's gold, to restore the resources of the Reserve Account of the Enhanced Structural Adjustment Facility Trust to a level that would be sufficient to meet obligations of the Trust payable to lenders which have made loans to the Loan Account of the Trust that have been used for the purpose of financing programs to Fund members previously in arrears to the Fund.".

(b) Recognizing the need for the independent states of the former Soviet Union to adopt policies to stabilize and reform their economies on the basis of market principles, the United States Governor of the Fund is authorized to instruct the United States Executive Director of the Fund to vote to disapprove a Fund program for any such State that has not enacted or taken substantial steps to enact the legal and policy frameworks necessary for the private ownership of property, the conduct of private business activities, and the privatization of state-owned enterprises.

SEC. 17. STATUTORY LISTS OF COMMUNIST COUNTRIES AND SOVIET-SPECIFIC RESTRICTIONS.

(a) FOREIGN ASSISTANCE ACT OF 1961.—Section 620(f)(1) of the Foreign Assistance Act of 1961 is amended by striking from the list at the end thereof "Czechoslovak Socialist Republic.", "Estonia.", "German Democratic Republic.", "Hungarian People's Republic.", "Latvia.", "Lithuania.", "People's Republic of Albania.", "People's Republic of Bulgaria.", "Polish People's Republic.", "Socialist Federal Republic of Yugoslavia.", "Socialist Republic of Romania.", and "Union of Soviet Socialist Republics (including its captive constituent republics).".

(b) EXPORT-IMPORT BANK ACT OF 1945.—The Export-Import Bank Act of 1945 is amended in section 2(b)(2)(B)(ii), by striking from the list at the end thereof "Czechoslovak Socialist Republic.", "Estonia.", "German Democratic Republic.", "Hungarian People's Republic.", "Latvia.", "Lithuania.", "People's Republic of Albania.", "People's Republic of Bulgaria.", "Polish People's Republic.", "Socialist Federal Republic of Yugoslavia.", "Socialist Republic of Romania.", and "Union of Soviet Socialist Republics (including its captive constituent republics).".

(c) JOHNSON ACT.—Section 955 of title 18, United States Code, shall not apply with respect to any obligations of the former Soviet Union, or any of the independent states of the former Soviet Union, or any political subdivision, organization, or association thereof.

(d) WAIVER AUTHORITY.—

(1) With respect to any of the independent states of the former Soviet Union, the President is authorized to waive the application of any provision of law that restricted the eligibility of the Soviet Union, as in existence before December 25, 1991, regarding any program, benefit, or other treatment.

(2) Paragraph (1) shall not apply to the provisions of title IV or title V of the Trade Act of 1974, except as otherwise provided in such titles.

SEC. 18. ADDITIONAL STATUTORY PROVISIONS.

(a) OVERSEAS PRIVATE INVESTMENT CORPORATION.—Section 234(g)(2) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "or" and inserting a comma in lieu thereof; and

(2) inserting ", and the independent states of the former Soviet Union" after the word "Act".

(b) AMENDMENTS TO FOOD SECURITY ACT OF 1985.—Section 1110(b) of the Food Security Act of 1985 is amended by—

(1) by striking out "or cooperatives" and inserting in lieu thereof "cooperatives, or other private entities"; and

(2) inserting after "such countries" the phrase ", including the independent states of the former Soviet Union".

(c) FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended—

(1) in subsection (b), by inserting ", services, and agricultural goods and materials" after the word "facilities";

(2) in subsection (d)(1)(B)(i), by inserting ", farmers, other persons from the private sector," after "agricultural consultants"; and

(3) by amending subsection (d)(1)(D) to read as follows:

"(D) TECHNICAL ASSISTANCE.—The President is authorized to provide, or pay the necessary costs for, technical assistance to enable individuals or other entities to implement the recommendations, or to carry out the opportunities and projects identified under, paragraph (1)(A).".

(d) OTHER PROVISIONS APPLICABLE TO AGRICULTURE PROGRAMS.—

(1) FOOD SECURITY ACT OF 1985.—The ceiling limitation contained in section 1110(g) of the Food Security Act of 1985 shall not apply with respect to commodities furnished from stocks of the Commodity Credit Corporation during fiscal years 1992 and 1993 to the independent states of the former Soviet Union.

(2) AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.—For fiscal years 1992 and 1993, the ceiling limitation contained in section 202(e)(1) of the Agricultural Trade Development and Assistance Act of 1954 shall not apply with respect to programs for the independent states of the former Soviet Union. Any funds made available under that Act may be made available under section 202(e)(1) to assist private voluntary organizations and cooperatives in establishing new food assistance programs for those states under provisions of law other than title II of that Act, as well as for the purposes described in paragraphs (A) and (B) of that section.

(3) AGRICULTURAL TRADE ACT OF 1978.—The Secretary of Agriculture, in carrying out his responsibilities under section 202(f) of the Agricultural Trade Act of 1978, shall take into account the major economic reforms that have been and are occurring in the independent states of the former Soviet Union and the substantial enhancement in the international financial standing of those states to which such reforms can be expected to lead, as well as the contribution that guarantee programs of the Commodity Credit Corporation for these states can be expected to make in these circumstances to the purposes described in sections 202(c) and 202(d) of that Act, with a view toward maintaining a substantial guarantee program to promote the export of United States agricultural commodities in those states.

SEC. 19. TECHNICAL AMENDMENTS TO SEED ACT.

The SEED Act is amended by inserting the following after section 2—

"SEC. 3. DEFINITION.

"As used in this Act, the term 'Central and East European states' shall include Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, and states that have been part of Yugoslavia.

"SEC. 4. SCOPE OF AUTHORITY.

"With regard to any activities authorized by this Act to be conducted in Poland or Hungary, the President may conduct similar activities for any of the other Central and East European states if such similar activities would cost-effectively promote a transition to market-oriented democracy.

"SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

"In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the President for fiscal years 1992 and 1993 such sums as may be necessary to carry out this Act. Funds authorized pursuant to this Act are authorized to remain available until expended.".

SEC. 20. CORRECTION OF REFERENCE TO SOVIET UNION AND EXTENSION OF CERTAIN PROVISIONS.

(a) Section 599D of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, is amended—

(1) in subsection (b)—

(A) in paragraphs (1)(A), (2)(A), and (2)(B), by striking "of the Soviet Union" each place it appears and inserting "of an independent state of the former Soviet Union or of Estonia, Latvia, or Lithuania",

(B) in paragraph (1)(A), by striking "in the Soviet Union" and inserting "in that state", and

(C) in paragraph (3), by striking "and 1992" and inserting "1992, 1993, and 1994";

(2) in subsection (e), by striking "October 1, 1992" each place it appears and inserting "October 1, 1994"; and

(3) by striking subsection (f).

(b) Section 599E(b) of such Act is amended—

(1) in paragraph (1), by striking "of the Soviet Union," and inserting "of an independent state of the former Soviet Union, Estonia, Latvia, or Lithuania, or", and

(2) in paragraph (2), by striking "September 30, 1992" and inserting "September 30, 1994".

So as to make the bill read:

S. 2532

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TITLE.

This Act may be cited as the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992".

SEC. 2. FINDINGS.

The Congress finds that—

(1) recent developments in Russia and the other independent states of the former Soviet Union present an historic opportunity for a transition to a peaceful and stable international order and the integration of the independent states of the former Soviet Union into the community of democratic nations;

(2) the entire international community has a vital interest in the success of this transition, and the dimension of the problems now faced in the independent states of the former Soviet Union makes it imperative for donor countries and institutions to provide the expertise and support necessary to ensure continued progress on economic and political reforms;

(3) the United States is especially well-positioned because of its heritage and traditions to make a substantial contribution to this transition by building on current technical cooperation, medical and food assistance programs, and by fostering conditions that will encourage the United States business community to engage in trade and investment; and

(4) failure to meet the opportunities presented by these developments could threaten United States national security interests and jeopardize substantial savings in United States defense that these developments have made possible.

SEC. 3. DEFINITION.

As used in this Act, except where the context indicates otherwise, the term "independent states of the former Soviet Union" shall include the independent states that formerly were part of the Soviet Union. It includes Armenia, Azerbaijan, Byelarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and

Uzbekistan; it does not include Estonia, Latvia, or Lithuania.

SEC. 4. AUTHORITY TO CONDUCT ACTIVITIES.

With regard to activities authorized by the Support for East European Democracy (SEED) Act of 1989 (Public Law 101-179) (the "SEED Act") to be conducted in and for any of the Central or East European states, the President may conduct similar activities in and for any of the independent states of the former Soviet Union, including any of the activities described in sections 7 and 8 of this Act, and may make available funds authorized to be appropriated by this Act for such activities, except that assistance may be provided for the government of such state under this Act only if—

(1) such state is developing democratic institutions and policies based on internationally recognized human rights; and

(2) such state is undertaking economic reform based on private enterprise and market principles.

In furtherance of the objectives of this Act, the President may authorize any United States Government agency that has authority to conduct activities under the SEED Act to make available any funds available to it for activities related to international affairs outside Eastern Europe to conduct activities authorized in this section.

SEC. 5. USE OF AUTHORITY.

(a) CONSIDERATIONS.—In providing assistance under section 4 for the government of any of the independent states of the former Soviet Union, the President shall take into account not only relative need but also the extent to which states assisted are acting to—

(1) institutionalize the rule of law to protect individual freedoms and rights;

(2) enact the legal and policy frameworks necessary for the conduct of private business activities and the privatization of state-owned enterprises;

(3) demonstrate respect for international law and obligations and adherence to the principles of the Helsinki Final Act and the Charter of Paris, including those related to the right of emigration; and

(4) implement responsible security policies, including the avoidance of excessive defense expenditures, full compliance with international arms control agreements, and active participation in international efforts to prevent the proliferation of destabilizing weapons for the technology to develop such weapons.

(b) INELIGIBILITY FOR ASSISTANCE.—The President shall not provide assistance under this Act for the government of any state which he determines—

(1) engages in a consistent pattern of gross violations of internationally recognize human rights or of international law;

(2) is engaged in a pattern of unlawful military action against a country which is friendly to the United States;

(3) has failed to take constructive actions to facilitate the effective implementation of applicable arms control obligations of the former Soviet Union, including those under the CFE, INF, NPT, ABM, TTBT, PNE, and START Treaties;

(4) has knowingly transferred, on or after the date of enactment of this Act, to another country—

(A) missiles or missile technology inconsistent with the guidelines and parameters of the Missile Technology Control Regime; or

(B) any material, equipment, or technology to another country that would contribute significantly to the ability of such country to manufacture any weapon of mass destruction, including nuclear, chemical, and biological arms, if the President determines that the material, equipment, or technology was to be used by such country in the manufacture of such weapon; or

(5) has detonated a nuclear explosive device on its territory on or after the date of enactment of this Act and is not a nuclear weapon State Party to the Non-Proliferation Treaty of 1970.

The President may waive the requirement of ineligibility under this subsection if he certifies and justifies in writing to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate that doing so would serve the objectives of this Act.

(c) ASSISTANCE TO AZERBAIJAN.—The President may not provide assistance or other benefits authorized by this Act to the Government of the Republic of Azerbaijan until he determines and so reports to Congress that the Republic of Azerbaijan—

(1) has ceased all blockades and other offensive uses of force against the Republic of Armenia and the autonomous region of Nagorno-Karabakh;

(2) is respecting the internationally recognized human rights of Armenians and other minorities living within its borders; and

(3) is participating constructively in international efforts to resolve peacefully and permanently the conflict in Nagorno-Karabakh.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for fiscal years 1992 and 1993 such sums as may be necessary to carry out this Act, in addition to amounts otherwise available for such purposes. Funds authorized pursuant to this Act are authorized to remain available until expended.

SEC. 7. TYPES OF ACTIVITIES.

Funds authorized to be appropriated by this Act may be used for the independent states of the former Soviet Union—

(1) to support the development of democratic institutions and policies based on internationally recognized human rights, including through—

(A) such existing agencies and organizations as the United States Information Agency, the National Endowment for Democracy, and the Citizens Democracy Corps;

(B) the operation of new American Democracy Centers or America Houses; and

(C) administration of justice programs;

(2) to support creation and development of private enterprise and free market systems, with special emphasis on initiatives designed to encourage United States small business and medium-sized business participation, including through—

(A) technical assistance to support the necessary legal frameworks, such as commercial codes, private property codes including homesteading policies, banking codes, tax codes, and foreign investment codes;

(B) technical assistance to support the necessary policy frameworks, such as privatization laws, agricultural policy laws, and energy policy laws;

(C) technical assistance, such as with the assistance of private and voluntary organizations, to promote privatization and increased efficiency in the agricultural sector, including in food distribution and transportation systems, and to enhance the ability of the independent states of the former Soviet Union to use their own resources to meet basic human needs, such as through—

(i) training programs;

(ii) exchanges;

(iii) the export of United States machinery and farm animals; and

(iv) loans for entrepreneurs in food production and distribution;

(D) technical assistance to promote investment in, increased efficiency of, and privatization of the energy sector;

(E) support, which may include contributions to endowments, for the establishment and activities of organizations such as—

(i) Enterprise Funds; and

(ii) a Eurasia Foundation to assist with management and economics training, democratic institutions and related activities, and activities such as those conducted by the Inter-American Foundation to assist private enterprise at the "grass roots" level; and

(F) training in business and financial practices, public administration, commercial law, and the rules of international trade, including programs to send active American businessmen as volunteers to provide on-site advice and concrete problem solving to private enterprises in the independent states of the former Soviet Union;

(3) to provide support in addressing emergency and other humanitarian needs, including through private and voluntary organizations, to improve health care facilities by providing medical training, equipment and supplies, and to continue efforts to rebuild from the earthquake in Armenia;

(4) to support expanded trade and investment relations with United States businesses, including through the operation of information networks and the establishment of additional American Business Centers, pursuant to the provisions of section 10 of this Act, and including other activities to provide "business incubator" services to—

(A) United States firms engaged in evaluating trade and investment opportunities; and

(B) United States state development agencies engaged in promoting mutually beneficial trade;

(5) to support educational and cultural exchange programs and to promote, with the assistance of private and voluntary organizations, broad-based educational reform at all school levels in areas such as history, social sciences, political studies, economics, and English-language, including—

(A) assistance in the development of curricula;

(B) exchange programs involving educators; and

(C) the supply of textbooks and other educational materials;

(6) to enhance the human and natural environment and to conserve shared environmental resources, including through technical assistance to facilitate environmental restoration and the adoption of environmentally-sound policies and technologies—

(A) to control the discharge of pollutants damaging to the Earth's atmosphere;

(B) to map, monitor and contain environmental threats to the United States or the Arctic/subarctic ecosystem;

(C) to clean up rivers, lakes, and Arctic waters;

(D) to protect endangered species; and

(E) to promote nuclear reactor safety;

(7) to support American Schools and Hospitals Abroad that have been or may be established in the independent states of the former Soviet Union, such as the American University of Armenia;

(8) to support development of children's educational television, pursuant to the provisions of section 9 of this Act; and

(9) to finance cooperative development projects, such as the Cooperative Development Program and cooperative development research programs, among the U.S., Israel,

and the former Soviet Union, and the U.S., Israel, and Eastern Europe.

SEC. 8. ADDITIONAL ACTIVITIES.

(a) The President may use funds made available to carry out the provisions of section 23 of the Arms Export Control Act, as well as funds authorized to be appropriated by this Act, in order to conduct activities in and for the independent states of the former Soviet Union that would help—

(1) promote demilitarization, the conversion of defense-related industry and equipment to civilian purposes and uses, the absorption of defense-related industry personnel into the civilian sector (including through the establishment of Science and Technology Centers), and the withdrawal and relocation of military forces of the former Soviet Union;

(2) prevent the diversion of weapons-related scientific expertise to terrorist groups or third countries; and

(3) establish safeguards against the proliferation of nuclear, chemical, biological and other weapons; assist in the safe storage, transportation, safeguarding and disabling of such weapons and other measures to prevent their proliferation, including by purchasing, bartering, or otherwise acquiring such weapons or materials derived from such weapons; and promote other efforts designed to reduce with the goal of eventually eliminating the nuclear threat from the former Soviet Union.

(b) In recognition of the importance of establishing an effective official United States Government presence in the independent states of the former Soviet Union—

(1) of the funds authorized to be appropriated by this Act, up to $5 million may be used by the Department of State for costs of personnel and other expenses for new posts in such states; and

(2) section 101 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (Public Law 102–138) is amended by adding at the end the following—

"(d) POSTS IN THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—In addition to amounts otherwise available for such purposes, there are authorized to be appropriated for fiscal year 1993 such sums as may be necessary for costs of personnel and other expenses for posts in the independent states of the former Soviet Union.".

(c) In addition to amounts otherwise available to the United States Information Agency to carry out international information, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan Number 2 of 1977, for fiscal year 1993, there are authorized to be appropriated such sums as may be necessary to carry out the authorities of this Act that relate to international information, educational, cultural, and exchange programs.

SEC. 9. DEVELOPMENT OF CHILDREN'S EDUCATIONAL TELEVISION.

(a) FINDINGS.—Congress finds that—

(1) children's educational television can be a highly effective means of instruction both in basic skills and in the human values associated with a democratic society;

(2) certain organizations in the United States are internationally recognized as uniquely creative and proficient in the production of such programming and have a record of achievement in assisting other countries in developing similar programming of their own; and

(3) assistance under this Act to the independent states of the former Soviet Union in the development of such programming could be a highly cost-effective element in the overall program of bilateral United States assistance aimed at promoting and sustaining the transformation to democracy.

(b) AUTHORITY.—The President is authorized and encouraged to utilize funds authorized to be appropriated by this Act to support any appropriate nonprofit corporation of the United States in assisting the independent states of the former Soviet Union in developing the skills necessary to produce children's educational programs aimed at promoting basic skills and the human values associated with a democratic society. Such assistance—

(1) should to the extent possible be used to support the development of programming rather than to support broadcasting;

(2) should not be used to pay for real estate, equipment, and personnel costs that could appropriately be born by the recipient country in its own currency; and

(3) should be aimed at yielding self-sufficiency in the production of children's educational television programming within approximately a two-year period.

SEC. 10. AMERICAN BUSINESS CENTERS.

(a) FINDINGS.—Congress finds that—

(1) United States economic assistance to the independent states of the former Soviet Union is aimed at promoting their transition to market-oriented economies fully integrated with the international community;

(2) trade and investment by United States companies in those states would serve not only the United States interest in their successful transition but also the broader economic interests of the United States; and

(3) to promote these interests, the United States has established an American Business Center in Warsaw to facilitate efforts by the United States to evaluate trade and investment opportunities.

(b) AUTHORITY.—The President is authorized and encouraged to establish additional American Business Centers in countries being assisted under this Act and the SEED Act of 1989 where the President determines that such Centers can be cost-effective in promoting the objectives of this Act and United States economic interests. To the maximum extent possible, the President should direct—

(1) that host countries be asked to make appropriate contributions of real estate and personnel for the establishment and operation of such Centers;

(2) that such Centers offer office space, business facilities, and market analysis services to United States firms and state economic development offices on a user-fee basis that minimizes the cost of operating such Centers while offering economies of time and cost to users; and

(3) that such Centers be established in several sites among the various independent states of the former Soviet Union and the countries of Eastern and Central Europe.

SEC. 11. INTERNATIONAL FINANCE CORPORATION.

The United States Governor of the International Finance Corporation may vote for any increase of capital stock of the Corporation that may be needed to accommodate the requirements of the independent states of the former Soviet Union.

SEC. 12. SUPPORT FOR MACROECONOMIC STABILIZATION.

(a) IN GENERAL.—In order to promote macroeconomic stabilization and the integration of the independent states of the former Soviet Union into the international financial system, the United States should in appropriate circumstances take a leading role in organizing and supporting multilateral efforts at macroeconomic stabilization and debt rescheduling, conditioned on the appropriate development and implementation of comprehensive economic reform programs.

(b) CURRENCY STABILIZATION.—In furtherance of the purposes and consistent with the conditions described in subsection (a), the Congress expresses its support for United States participation, in sums of up to $3,000,000,000, in a currency stabilization fund or funds for the independent states of the former Soviet Union.

SEC. 13. ADMINISTRATIVE AUTHORITIES.

(a) ADMINISTRATIVE EXPENSES.—Of the funds authorized to be appropriated by this Act, such sums as may be necessary may be used for administrative expenses of United States Government agencies in connection with administering programs in furtherance of the objectives of this Act.

(b) EXTENSION OF FOREIGN ASSISTANCE ACT AUTHORITIES.—In making available funds authorized to be appropriated under this Act, the President may utilize any of the authorities applicable to the provision of assistance under the Foreign Assistance Act of 1961, as amended, and to programs for which appropriations are made in annual foreign operations, export financing, and related programs appropriations Acts.

(c) WAIVER AUTHORITY.—Assistance may be provided and authorities may be exercised for the objectives of this Act notwithstanding any other provision of law, except the Antideficiency Act, title 31 of the United States Code, the Congressional Budget and Impoundment Control Act of 1974, the Balanced Budget and Emergency Deficit Control Act of 1985, and the Budget Enforcement Act of 1990. In any fiscal year, amounts made available for assistance under this Act shall not exceed amounts appropriated in advance in appropriations Acts, and assistance under this Act shall not exceed the limitations in such appropriations Acts.

(d) AUTHORITY TO USE FUNDS AVAILABLE UNDER THE FOREIGN ASSISTANCE ACT.—For programs for the independent states of the former Soviet Union, the President is authorized to utilize funds made available to carry out the Foreign Assistance Act of 1961. Any funds made available under chapter 4 of part II of that Act may be utilized on the same basis as funds authorized to be appropriated by this Act.

(e) DIRECT LOAN AND GUARANTEE AUTHORITIES.—Funds authorized to be appropriated by this Act may be utilized to cover the cost, including the cost of modifying such loans, of direct loans and loan guarantees with respect to the independent states of the former Soviet Union, including loan guarantees provided consistent with the provisions of section 108 of the Foreign Assistance Act of 1961, as amended, Title IV of chapter 2 of part I of that Act, and the Export-Import Bank Act of 1945, as amended, and to cover the administrative expenses for such direct loans and loan guarantees.

SEC. 14. NOTIFICATIONS TO CONGRESS.

The notification requirements applicable to reprogramming under section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394–1) and the comparable notification requirements contained in sections of annual foreign operations, export financing, and related appropriations Acts apply with respect to obligations of funds made available to carry out this Act, notwithstanding any other provision of this Act.

SEC. 15. ANNUAL REPORT.

The President shall include in the Annual SEED Program Report required by section

704(c) of the SEED Act a similarly detailed account of activities under this Act. Each such report shall describe the extent to which statutory prohibitions and restrictions on the provision of assistance for types of programs and activities have been waived under the authority of section 13(c) of this Act.

SEC. 16. QUOTA INCREASE FOR INTERNATIONAL MONETARY FUND.

(a) The Bretton Woods Agreements Act is amended by adding at the end thereof the following new sections:

"SEC. 56. QUOTA INCREASE.

"The United States Governor of the Fund is authorized to consent to an increase in the quota of the United States in the Fund equivalent to 8,608,500,000 Special Drawing Rights, limited to such amounts as are appropriated in advance in appropriations Acts.

"SEC. 57. ACCEPTANCE OF AMENDMENTS TO THE ARTICLES OF AGREEMENT OF THE FUND.

"The United States Governor of the Fund is authorized to consent to the amendments to the Articles of Agreement of the Fund approved in resolution numbered 45-3 of the Board of Governors of the Fund.

"SEC. 58. APPROVAL OF FUND PLEDGE TO SELL GOLD TO PROVIDE RESOURCES FOR THE RESERVE ACCOUNT OF THE ENHANCED STRUCTURAL ADJUSTMENT FACILITY TRUST.

"The Secretary of the Treasury is authorized to instruct the United States Executive Director of the Fund to vote to approve the Fund's pledge to sell, if needed, up to 3,000,000 ounces of the Fund's gold, to restore the resources of the Reserve Account of the Enhanced Structural Adjustment Facility Trust to a level that would be sufficient to meet obligations of the Trust payable to lenders which have made loans to the Loan Account of the Trust that have been used for the purpose of financing programs to Fund members previously in arrears to the Fund.".

(b) Recognizing the need for the independent states of the former Soviet Union to adopt policies to stabilize and reform their economies on the basis of market principles, the United States Governor of the Fund is authorized to instruct the United States Executive Director of the Fund to vote to disapprove a Fund program for any such State that has not enacted or taken substantial steps to enact the legal and policy frameworks necessary for the private ownership of property, the conduct of private business activities, and the privatization of state-owned enterprises.

SEC. 17. STATUTORY LISTS OF COMMUNIST COUNTRIES AND SOVIET-SPECIFIC RESTRICTIONS.

(a) FOREIGN ASSISTANCE ACT OF 1961.—Section 620(f)(1) of the Foreign Assistance Act of 1961 is amended by striking from the list at the end thereof "Czechoslovak Socialist Republic.", "Estonia.", "German Democratic Republic.", "Hungarian People's Republic.", "Latvia.", "Lithuania.", "People's Republic of Albania.", "People's Republic of Bulgaria.", "Polish People's Republic.", "Socialist Federal Republic of Yugoslavia.", "Socialist Republic of Romania.", and "Union of Soviet Socialist Republics (including its captive constituent republics).".

(b) EXPORT-IMPORT BANK ACT OF 1945.—The Export-Import Bank Act of 1945 is amended in section 2(b)(2)(B)(ii), by striking from the list at the end thereof "Czechoslovak Socialist Republic.", "Estonia.", "German Democratic Republic.", "Hungarian People's Republic.", "Latvia.", "Lithuania.", "People's Republic of Albania.", "People's Republic of Bulgaria.", "Polish People's Republic.", "Socialist Federal Republic of Yugoslavia.", "Socialist Republic of Romania.", and "Union of Soviet Socialist Republics (including its captive constituent republics).".

(c) JOHNSON ACT.—Section 955 of title 18, United States Code, shall not apply with respect to any obligations of the former Soviet Union, or any of the independent states of the former Soviet Union, or any political subdivision, organization, or association thereof.

(d) WAIVER AUTHORITY.—

(1) With respect to any of the independent states of the former Soviet Union, the President is authorized to waive the application of any provision of law that restricted the eligibility of the Soviet Union, as in existence before December 25, 1991, regarding any program, benefit, or other treatment.

(2) Paragraph (1) shall not apply to the provisions of title IV or title V of the Trade Act of 1974, except as otherwise provided in such titles.

SEC. 18. ADDITIONAL STATUTORY PROVISIONS.

(a) OVERSEAS PRIVATE INVESTMENT CORPORATION.—Section 234(g)(2) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "or" and inserting a comma in lieu thereof; and

(2) inserting ", and the independent states of the former Soviet Union" after the word "Act".

(b) AMENDMENTS TO FOOD SECURITY ACT OF 1985.—Section 1110(b) of the Food Security Act of 1985 is amended by—

(1) by striking out "or cooperatives" and inserting in lieu thereof "cooperatives, or other private entities"; and

(2) inserting after "such countries" the phrase ", including the independent states of the former Soviet Union".

(c) FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended—

(1) in subsection (b), by inserting ", services, and agricultural goods and materials" after the word "facilities";

(2) in subsection (d)(1)(B)(i), by inserting ", farmers, other persons from the private sector," after "agricultural consultants"; and

(3) by amending subsection (d)(1)(D) to read as follows:

"(D) TECHNICAL ASSISTANCE.—The President is authorized to provide, or pay the necessary costs for, technical assistance to enable individuals or other entities to implement the recommendations, or to carry out the opportunities and projects identified under, paragraph (1)(A).".

(d) OTHER PROVISIONS APPLICABLE TO AGRICULTURE PROGRAMS.—

(1) FOOD SECURITY ACT OF 1985.—The ceiling limitation contained in section 1110(g) of the Food Security Act of 1985 shall not apply with respect to commodities furnished from stocks of the Commodity Credit Corporation during fiscal years 1992 and 1993 to the independent states of the former Soviet Union.

(2) AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.—For fiscal years 1992 and 1993, the ceiling limitation contained in section 202(e)(1) of the Agricultural Trade Development and Assistance Act of 1954 shall not apply with respect to programs for the independent states of the former Soviet Union. Any funds made available under that Act may be made available under section 202(e)(1) to assist private voluntary organizations and cooperatives in establishing new food assistance programs for those states under provisions of law other than title II of that Act, as well as for the purposes described in paragraphs (A) and (B) of that section.

(3) AGRICULTURAL TRADE ACT OF 1978.—The Secretary of Agriculture, in carrying out his responsibilities under section 202(f) of the Agricultural Trade Act of 1978, shall take into account the major economic reforms that have been and are occurring in the independent states of the former Soviet Union and the substantial enhancement in the international financial standing of those states to which such reforms can be expected to lead, as well as the contribution that guarantee programs of the Commodity Credit Corporation for these states can be expected to make in these circumstances to the purposes described in sections 202(c) and 202(d) of that Act, with a view toward maintaining a substantial guarantee program to promote the export of United States agricultural commodities in those states.

SEC. 19. TECHNICAL AMENDMENTS TO SEED ACT.

The SEED Act is amended by inserting the following after section 2—

"SEC. 3. DEFINITION.

"As used in this Act, the term 'Central and East European states' shall include Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, and states that have been part of Yugoslavia.

"SEC. 4. SCOPE OF AUTHORITY.

"With regard to any activities authorized by this Act to be conducted in Poland or Hungary, the President may conduct similar activities for any of the other Central and East European states if such similar activities would cost-effectively promote a transition to market-oriented democracy.

"SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

"In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the President for fiscal years 1992 and 1993 such sums as may be necessary to carry out this Act. Funds authorized pursuant to this Act are authorized to remain available until expended.".

SEC. 20. CORRECTION OF REFERENCE TO SOVIET UNION AND EXTENSION OF CERTAIN PROVISIONS.

(a) Section 599D of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, is amended—

(1) in subsection (b)—

(A) in paragraphs (1)(A), (2)(A), and (2)(B), by striking "of the Soviet Union" each place it appears and inserting "of an independent state of the former Soviet Union or of Estonia, Latvia, or Lithuania",

(B) in paragraph (1)(A), by striking "in the Soviet Union" and inserting "in that state", and

(C) in paragraph (3), by striking "and 1992" and inserting "1992, 1993, and 1994";

(2) in subsection (e), by striking "October 1, 1992" each place it appears and inserting "October 1, 1994"; and

(3) by striking subsection (f).

(b) Section 599E(b) of such Act is amended—

(1) in paragraph (1), by striking "of the Soviet Union," and inserting "of an independent state of the former Soviet Union, Estonia, Latvia, or Lithuania, or", and

(2) in paragraph (2), by striking "September 30, 1992" and inserting "September 30, 1994".

The PRESIDING OFFICER. The Senator from Rhode Island [Mr. PELL] is recognized.

Mr. PELL. Mr. President, today, the Senate begins consideration of S. 2532, the Freedom Support Act, which is the administration's request for authorization of assistance to the States of the former Soviet Union. Having heard President Yeltsin's compelling address on the urgent need for U.S. assistance and cooperation, there is no need to elaborate further on the necessity of swift congressional action on this bill. I would like to add, however, that even though we are considering this bill in the wake of Russian President Yeltsin's visit, the scope of the bill extends far beyond the Russian Federation. It authorizes United States assistance to all of the countries of the former Soviet Union.

The Foreign Relations Committee reported the Freedom Support Act on June 2. Although the committee changed the format of the administration bill, the bill as reported contains virtually all of the authorities requested by the administration, and is supported by the administration. The vote in committee was 15-4.

The original administration bill contained sections in the jurisdiction of several other committees, and the bill reported by the Foreign Relations Committee is the product of a closely coordinated effort among the relevant committees.

Specifically, sections proposed by the administration that are within the jurisdiction of the Agriculture and Banking Committees are in the bill, but it was agreed that those committees would offer amendments to their sections on the floor if they felt it necessary. It is my understanding that the Agriculture Committee will offer amendments. With regard to the Banking Committee, I ask unanimous consent that an exchange of letters that I entered into with the chairman of that committee be printed at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PELL. Mr. President, revenue provisions within the jurisdiction of the Finance Committee were deleted at that committee's request and will be addressed separately on one or more revenue bills in order to avoid a House blue slip problem. A section within the jurisdiction of the Intelligence Committee was also deleted at that committee's request, but I understand that it will not be the subject of an amendment on the floor. I further understand that the Intelligence Committee would prefer that the administration use existing authorities to accomplish the purpose of the deleted section.

The Foreign Relations Committee modified the administration's bill to protect the prerogatives of the appropriations and budget processes. Several concerns that relate to the cost associated with the bill will be addressed in amendments that Senator LUGAR and I will offer shortly.

Finally, with regard to the Armed Services Committee, there was insufficient time to address a proposal on defense conversion from that committee in our markup; so it was deferred. Members of the two committees recently met to resolve jurisdictional overlaps, and the resulting amendment will be embodied in an amendment to be offered by the chairman and ranking minority member of the Armed Services Committee.

Mr. President, I am often asked how much money is in this bill. With respect to funds authorized for bilateral foreign assistance programs for the former Soviet Union, the bill as reported by the committee does not specify dollar amounts. Instead, at the request of the administration, the committee approved language authorizing "such sums as may be necessary" to carry out aid programs for the former Soviet Union. The Congressional Budget Office estimates that this authority will result in new appropriations of $150 million in fiscal year 1992 and $531 million for fiscal year 1993.

The bill also authorizes the U.S. Governor of the International Monetary Fund to consent to an increase of the U.S. quota in the Fund, an amount estimated to be $12.3 billion. I would emphasize to my colleagues that transactions between the U.S. Treasury and the IMF are monetary exchanges through which the U.S. receives an international reserve asset, and the exchanges are not budgetary receipts or expenditures. There are thus no net budgetary outlays associated with the IMF quota increase.

In addition, the bill authorizes "such sums as may be necessary for the East European SEED Program for fiscal years 1992 and 1993." The Congressional Budget Office estimates a $450 million appropriation under this authority for fiscal year 1993, the same amount as the administration's request.

Thus, for fiscal year 1992, the total cost estimate for programs in the former Soviet Union and Eastern Europe authorized in the bill is $12.464 billion, of which $12.314 billion results in no net budgetary outlays. For fiscal year 1993, the total cost estimate for these programs is $981 million; $400 million has already been appropriated for fiscal year 1992.

Because of concerns expressed to us that the lack of authorization ceilings constituted an open-ended authorization, Senator LUGAR and I have agreed to offer an amendment replacing the "such sums as may be necessary" language with the specific authorizations requested by the administration. The total of these authorizations will be approximately $28 million below the original CBO cost estimate.

In addition to authorizing appropriations, the bill reported by the Foreign Relations Committee removes country-specific restrictions and prohibitions on all forms of assistance, including existing credit programs, for activities in the former Soviet Union.

The bill also authorizes the President to conduct the kinds of activities authorized by the SEED Act of 1989 for the countries of the former Soviet Union. It grants any United States Government Agency that has administrative authorities under SEED the same administrative authorities with respect to the newly independent States of the former Soviet Union.

I share the administration's view that it is important to have a comprehensive legislative framework for activities in the former Soviet Union, and that is just what the Freedom Support Act seeks to achieve. This framework commits the legislative and executive branches to work together to advance important U.S. interests.

In light of the extensive coordination process among the relevant committees, I hope that amendments can be held to a minimum. Moreover, Senator LUGAR and I have agreed to oppose all amendments unrelated to assistance for the former Soviet Union without prejudice to their subject matter. This is not a general foreign policy bill, and accordingly, Senator LUGAR and I will move to table all amendments that do not directly relate to aiding the former Soviet Union. It is my hope that by taking this approach, the Senate can complete its work on the bill in a timely and constructive fashion.

Finally, I would like to add that the committee's efforts on this bill would not have been possible without the cooperation of the ranking minority member, Senator HELMS, who, regrettably, cannot be with us during floor consideration of the bill. Our thoughts are with him.

I look forward to working once again with Senator LUGAR, who has been designated by HELMS as acting ranking member of the committee. Senator LUGAR and I have a good working relationship. Our staffs have been cooperating closely to prepare this bill for the floor, and I believe that we can proceed expeditiously and smoothly to final passage of this bill.

EXHIBIT 1

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, April 7, 1992.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to request your assistance in connection with the Foreign Relations Committee's consideration of legislation proposed by the Administration authorizing assistance to the states of the former Soviet Union. The items contained in the Administration's proposal are largely in the jurisdiction of the Foreign Relations Committee; however several sections amend legislation originating from other committees or otherwise fall within the jurisdiction of other committees.

I would like to accommodate the Administration's desire to have a single comprehensive bill enacted. At the same time, I want to respect the jurisdictional interests of other committees. Consequently, I would appreciate your advising me, by the end of this week if possible, how you would like the Foreign Relations Committee to proceed with respect to ExIm Bank portions of Section 7(c)(4), Section 12 and Section 14(b), which are within the jurisdiction of the Banking Committee, and the waivers in Section 14(d) relevant to your Committee.

As I see it, there are three options. The first would be for the Foreign Relations Committee to delete items in your jurisdiction from the bill when it is reported, thus deferring consideration of such items to the amendment process on the Floor. The second option would be to convey to me whatever revised language you would like the Foreign Relations Committee to include when the bill is reported. The third option would be for the Foreign Relations Committee to include items in your jurisdiction in their present form when the bill is reported.

These options were discussed at yesterday's weekly meeting of committee staff directors, and copies of the bill along with other relevant materials were circulated. If you have any questions or comments, please let me know or have a member of your staff contact Jerry Christianson, the Staff Director of the Foreign Relations Committee. His direct extension is 4-2518.

With every good wish.

Ever sincerely,

CLAIBORNE PELL,
Chairman.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC, April 10, 1992.

Hon. CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter of April 7 regarding the Foreign Relations Committee's consideration of legislation proposed by the Administration authorizing assistance to the states of the former Soviet Union.

Your letter requested advice on how the Foreign Relations Committee should proceed on provisions of the legislation which fall within the jurisdiction of the Banking Committee. The provisions you cited were: Section 7(c)(4), which authorizes the use of funds to support Export-Import Bank loans and guarantees to the former Soviet Union; Section 12, which is a sense of the Congress resolution urging continuation of efforts to reduce the number of exports restricted under COCOM procedures; Section 14(b), which deletes from the list of Marxist-Leninist countries in the Export-Import Bank Charter the countries of Eastern Europe and the former Soviet Union; and Section 14(d), which provides the President a national interest waiver of the application of any provision of law restricting benefits to the independent states of the former Soviet Union.

One procedure suggested in your letter was that the Foreign Relations Committee defer consideration of those items in your Committee and that they be addressed in the amendment process on the floor. This strikes us as a good approach. We would hope to work closely with you in fashioning a set of Banking Committee amendments on those matters that we would offer on the floor and that would be mutually acceptable to both of our Committees.

We would also like to draw your attention to two provisions in the legislation which appear to us to fall within jurisdiction shared by the Foreign Relations Committee and the Banking Committee. Section 9 of the legislation authorizes the U.S. contribution of the quota increase for the International Monetary Fund. Under Rule 25(i)(10) of the Standing Rules of the Senate, the Banking Committee has the right to request a sequential referral of such legislation. In addition, Section 10 of the legislation, regarding U.S. support for multilateral efforts at macroeconomic stabilization and debt rescheduling, as well as U.S. support for a currency stabilization fund for the independent states of the former Soviet Union, would also seem to fall within jurisdiction shared by the Foreign Relations and Banking Committees.

In order to facilitate swift consideration of this legislation we would not request a sequential referral of those provisions but would hope to work out an exchange of letters similar to those we exchanged last year during consideration of the IMF quota increase as part of the foreign aid bill.

If the procedures suggested in this letter are acceptable to you, please let us know and we will direct our staff to work with yours to meet your desired timeframe for dealing with this legislation.

Sincerely,

DONALD W. RIEGLE, Jr.,
Chairman.
JAKE GARN,
Ranking Republican Member.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, June 22, 1992.

Hon. DONALD W. RIEGLE, JR.,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: On April 7 I wrote to you requesting your assistance in connection with the Foreign Relations Committee's consideration of legislation proposed by the Administration authorizing assistance to the states of the former Soviet Union. In the letter I noted that items contained in the Administration's proposal were largely within the jurisdiction of the Foreign Relations Committee but added that several sections dealt with matters within the jurisdiction of other Committees, including the Banking Committee.

In my earlier letter, one procedure I suggested for handling matters within your Committee's jurisdiction was that the Foreign Relations Committee defer consideration of those items in our Committee mark up, but that they be addressed in the amendment process on the floor. You and Senator Garn in your reply letter of April 10 favored that procedure and offered to develop a set of Banking Committee amendments on those matters that would be mutually acceptable to our two Committees that you would then offer on the floor.

Subsequent to that earlier exchange of letters, the Foreign Relations Committee, working with the Administration, decided that the most expeditious way to move the former Soviet Union aid package was for the Foreign Relations Committee to mark up the entire package. Your Committee was consulted and agreed to that approach provided you would have an opportunity to make changes to any items in the bill within your Committee's jurisdiction during floor consideration and provided further that we would appoint Banking Committee conferees on those provisions. Our Committee agreed to that and reported out legislation authorizing assistance to the former Soviet Union on May 13. We hope for full Senate consideration of that legislation this month.

I am writing this letter to confirm our understanding on these issues and to make clear my intention to include our correspondence on this matter in the CONGRESSIONAL RECORD during floor debate on the reported bill.

Thank you for your cooperation on this important matter.

With every good wish.

Ever sincerely,

CLAIBORNE PELL,
Chairman.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC, June 29, 1992.

Hon. CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This is to confirm receipt of your letter of June 22 and to indicate that it confirms the understanding we reached for handling portions of the legislation authorizing assistance to the former Soviet Union that fall within the jurisdiction of the Banking Committee. We hope our full exchange of letters on this matter will be included in the CONGRESSIONAL RECORD during floor consideration of that bill and look forward to working closely with you on any Conference with the House that is needed to iron out differences between legislation passed by Houses that falls within Banking Committee jurisdiction.

Thank you for your continued cooperation on these important matters.

Sincerely,

DONALD W. RIEGLE, Jr.,
Chairman.
JAKE GARN,
Ranking Republican.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER (Mr. KERREY). The Senator from Indiana [Mr. LUGAR] is recognized.

Mr. LUGAR. Mr. President, I am deeply pleased to share management responsibilities for the Freedom Support Act with my colleague, Senator CLAIBORNE PELL, of Rhode Island, and the chairman of the Committee on Foreign Relations. Senator PELL has demonstrated leadership in putting the administration's request for legislation before the committee, first of all, then in holding a series of succinct hearings and bringing the other relevant committees with jurisdictional interest with the bill into the process, and finally leading to a successful markup, reporting out the committee's product to the full Senate.

I share enthusiasm for working with him and leadership of this legislation and am most hopeful that our colleagues will share our enthusiasm for this important legislation.

Mr. President, this bill is the product of a long and sometimes laborious process that preceded its arrival before the Committee on Foreign Relations. It was a process that involved negotiations among the states of the former Soviet Union and the international community, between the administration and various international financial institutions, between various elements of the executive branch, between the administration and elements of the Congress, but it is also the product of an educational experience with the American people who we serve.

Despite economic difficulties and hardships at home, the American people have demonstrated in poll after poll a sense of responsibility in assisting the peoples of the former Soviet Union in making the transition from totalitarianism to democracy. In this respect, the American people have been further ahead of the power curve than many elements in the executive and legislative branches of our Government.

Mr. President, what is this Freedom Support Act and what is it not. It is not charity; it is not a foreign aid giveaway. This is a bill crafted with American national interests at its heart, and its passage is designed to further those interests. But even more specifically, this bill is in the national security interests of the United States; it is an investment in political, economic and social reform in these new states that will pay dividends many times over in new American exports and the savings generated in our defense budget. While success cannot be guaranteed, it is a wise and prudent investment in our country's future as well as that of the states of the former U.S.S.R.

To be sure, this bill is about money, about resources that are not easy to come by. But it is more importantly a political statement concerning America's willingness to enter into a new strategic partnership with the newly independent states. In his address before a joint session of the Congress, Russian President Boris Yeltsin said on two occasions: "I don't understand you." He was referring to potential road blocks to assistance to his country. This bill is our answer; we do understand that the transformation of these States to democracy and market economics is in our interests; this bill is our contribution to their democracy manifesto—we will help, we will do so enthusiastically; we will do so, not as victors in the cold war, but as partners in the difficult trek toward democracy.

We could set up any number of impossible preconditions to implementation of this bill's provisions. Indeed, we have had to overcome many obstacles just to get this bill to the floor. We have sought to find a middle ground between the administration's desire for broad flexibility and authority in implementing the assistance package and the desire of various members to micro-manage the assistance process by inserting detailed program elements in the legislation, some of them mutually exclusive.

Mr. President, this bill is not a blank check—either to the governments of the former Soviet Union or to the administration. Nor is it a bill predicted on an endless series of government-to-government programs. Indeed, the bill is very clear on the need for the American private sector to take a leading role in assisting the new states, and many of the programs to be carried out under this legislation are designed to encourage and to provide incentives to American firms to become more fully engaged in these states. It is the American private sector that is the cutting edge in any new strategic partnership with the states of the former Soviet Union.

Thus, I would call upon my colleagues to demonstrate restraint with regard to amendments that seek to condition implementation of the bill's provisions on actions either by the governments of the new states or the U.S. Government that are impossible to meet. I repeat: it would be easy to condition this bill right out of existence. But I would maintain that passage of this bill will allow us a greater degree of influence over the process of transformation in these new states than any impossible conditions or reservations. This bill is predicated on a new Russia while any onerous conditions would merely reflect an approach more reminiscent of policy toward the old Russia.

Mr. President, this body does not need to seek political cover from this bill, either in the form of conditions to its implementation or procedural linkages to domestic legislation. Passage of this bill will not be a substitute for difficult decisions by the governments of these new states. We can assist; we cannot do it for them. By the same token, we should not fool ourselves that the outcome of the transition process does not matter to us. The results of the democratic and market-economics experiments in these states will have a profound, even decisive impact on the size and shape of the American Federal budget for years to come. We can make a modest investment now or run the risk of a return to defense budgets reminiscent of the heights of the cold war.

What we need from the Congress and the administration is not a run for political cover with respect to this bill but rather a demonstration of political responsibility and leadership grounded in America's national interests. There will be no political advantage to anyone if this bill fails, except perhaps reactionary forces lurking in the wings in these new states.

More specifically, Mr. President, Members of the Congress need to understand that near-term assistance to the former Soviet Union is also an investment in increased access by American business to a lucrative market. Paradoxically, the former Soviet Union is enormously wealthy both in natural and human resources, even though these States are presently experiencing severe economic problems. Appropriately facilitated by the U.S. Government, the American private business sector can realize a fair profit from investment in the former U.S.S.R. that will repay our near-term assistance many times over.

Consider, for instance, the match between the enormous oil and gas technology needs of Russia, Kazakhstan, and other countries in the area, and the unparalleled capabilities of the American private sector in this field. One manifestation of this potential is the just-concluded agreement between Chevron and the Republic of Kazakhstan on a joint venture to develop the vast Tengiz oil fields.

Another example involves the roughly 20,000 oil wells that presently stand idle in the former Soviet Union because of defective equipment and outmoded technology. American industrial specialists have indicated that a one-time investment of about $1 billion in American equipment and know-how would bring these wells back into production. Repayment could take the form of crude oil, valued at world prices and, to the extent that U.S. Government funds are involved, perhaps delivered to the U.S. strategic petroleum reserve. The United States would benefit from the sale of equipment and expertise. The participating countries of the former Soviet Union could realize rapid and comparatively inexpensive oil production gains that would boost their economies as a whole. In addition, such a venture could develop oil resources in an area removed from the volatile Persian Gulf, which would serve our national interests by diversifying world energy supplies.

A second source of wealth consists of the world-class human and material resources of the old U.S.S.R.'s huge defense complex. In the words of Anatoliy Rakitov, a Yeltsin adviser:

> Over the last six decades, 80–90% of our national resources—raw material, technical, financial, and intellectual—have been used to create the military-industrial complex. Essentially, the military-industrial complex has absorbed everything good and dynamic that Russia has to offer, including its basic economic capacity and its best technology, materials, and specialists.

Many of these resources can be converted from making weapons to providing desperately needed consumer goods and services. To date, however, conversion programs in the former Soviet Union have made minimal progress of continued emphasis on centralized planning and the lack of appropriate legal and financial practices as well as the requisite political and economic stability needed to attract Western investors.

The essence of a viable United States program for assisting defense conversion in the former Soviet Union is improvement in the climate for United States private sector investment. The United States Government should actively encourage and promote private sector investment in conversion of former Soviet defense enterprises. Many of the needed programs—such as political risk insurance, Eximbank financing, improved staffing of our embassies, private enterprise funds—are included in the aid package before the Senate. What is also included in the package is the clear message to governmental authorities in the new States that an improved climate for U.S. investment will require significant changes in strategy on their part, from central planning to privatization and the promotion of joint ventures with Western firms.

These programs in the aid package need to form the core of a policy emphasis on defense conversion that pulls together the essential components into an integrated, high-priority strategy. This will reduce the military threat from the former Soviet Union. It will provide jobs and profits for American business. And it will assist the economic and democratic reform process in the former Soviet Union. As Yeltsin adviser Rakitov has pointed out:

> * * * conversion of the military-industrial complex is synonymous with our economic reform * * * Sensible conversion of the defense industry is the only possible basis for our market economy and guarantee of our future programs and prosperity.

Mr. President, this aid package does not contain the final answers to the complex, deeply rooted problems faced by the successor states of the Soviet Union. However, common sense tells us that we will serve our interests, as well as those of the peoples of the former Soviet Union, by concentrating our efforts on helping them to utilize the riches that are locked underground in their vast reserves of oil and gas and in their enormous defense complex, and by helping them to retrain their professional scientific and military corps.

Mr. President, the administration has rightly highlighted the importance of assistance to the countries of the former Soviet Union by characterizing it as "the opportunity of the century." The aid bill before the Senate is part of our proposed response to that opportunity. The political statement provided by passage of this bill is probably more important than the dollar amounts contained in it.

In this regard, the experience with the Nunn-Lugar amendment of last November is instructive. Even though few of the funds provided by that amendment have actually been spent, the amendment has served to focus the attention of officials in the newly independent States on U.S. goals and objectives, particularly with respect to nuclear weapons, defense conversion, and nonproliferation. The tools provided by that amendment have served to complement and reinforce the administration's diplomatic and negotiating efforts to promote U.S. security interests by assisting in the movement, safe storage, and disablement of nuclear and other weapons of mass destruction.

In short, the mere existence of the Nunn-Lugar amendment and the statement of political purpose it sent, not a particular dollar amount, have played an important role. It has served as that mechanism or prism through which much of the U.S. working relationship with the newly independent States of the former Soviet Union has been filtered over the last 6 months. It has served as a mind-focusing incentive for many of the new leaders in these successor States who are inexperienced in military affairs, particularly nuclear affairs. Indeed, a member of Boris Yeltsin's staff who accompanied him to the recent Washington summit, indicated that the Lisbon protocol to the START Treaty and the deeper cuts announced by Presidents Bush and Yeltsin at that summit would have been impossible without the Nunn-Lugar amendment.

The new leaders of these States are necessarily preoccupied with establishing and organizing their new governments, stabilizing their economies even as they undertake drastic economic reforms, and consolidating the support of their peoples. Herein lies the importance of the aid package. It can provide them with some of the tools to accomplish these objectives; it can focus their attention as well on supportive, nonthreatening U.S. objectives and goals.

The Freedom Support Act will serve as that primary mechanism or vehicle through which much of the United States working relationship with these new States will be filtered over the remainder of this century.

There are times when our country's national security interests must transcend narrow political agenda and partisan political differences. This is such a time. The Senate has the opportunity to lead the way in responding to the challenges and opportunities presented by the transformations currently underway in the former Soviet Union. It should seize that opportunity by passing the Freedom Support Act.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. CRANSTON. Mr. President, I want to compliment the two Senators who are handling this measure, the chairman and ranking member of the Foreign Relations Committee, for their leadership in handling this measure so effectively in the committee, and now in presenting it on the floor of the Senate.

I think this is one of the most important measures that we will deal with during this session of Congress for many, many reasons.

FREEDOM SUPPORT ACT: A RESOUNDING "NYET" TO A RETURN TO THE BAD OLD DAYS

Mr. President, Will Rogers used to say that Americans were great at winning wars, but markedly less successful in keeping the peace.

Today we are faced with an opportunity to show that we have learned something in the nearly six decades after the famous Oklahoman humorist's death.

A world war, two nondeclared wars—Korea and Vietnam—and scores of brutal police actions that came after Rogers' sage observation are too high a price to have paid for us now to shirk our responsibilities as peacemakers today, in the vespers of the 20th century.

I know from whereof I speak.

As a young correspondent in Germany in the interwar period, I saw Adolf Hitler feed upon the seething resentment of a tired, hungry, and defeated people.

The lessons of the "war to end all wars"—which Senator BIDEN first spoke about—were forgotten as Europe and much of the rest of the world prepared for yet another conflagration. Then, as now, there were people in the United States who claimed, as America was slowly climbing out of the Great Depression, that our priorities were "America First," as if what happened in Europe and in Asia had nothing to do with us.

Within a decade, tens of millions of people had died in the war, and a new age of weapons—first tested upon the civilian populations of Hiroshima and Nagasaki—instilled an unthinkable form of dread, a sense that humankind was treading dangerously close to its own suicide by nuclear holocaust.

In the aftermath of World War II there were again those who said we must turn inward, leaving a ruined and shattered Europe to fend for itself. Foreign aid was as unpopular then as it is today, and President Truman enjoyed no more support in the polls than President Bush does today.

We persisted, and so did our country. And half of Europe lived free as a result.

Mr. President, in this debate today, I ask my colleagues: How often have we met on this floor to approve many times more of our treasure to prop up some brutal anti-Communist regime in some forgotten hellhole in some far-flung corner of the world?

How often have we voted billions for weapons with names like "B-2 Stealth Bomber" or "The Peacemaker," whose sole purpose was to add muscle to our arsenal of death, a surfeit our geostrategists told us was necessary to cope with the threats and the weaponry of our ideological enemies?

Today we have an opportunity to make a small investment for peace.

Not the $10 billion plus some of the critics have cried out against, perhaps more out of ignorance than out of malice.

Mr. President, I ask our colleagues not to be misled by the rhetoric surrounding opposition to this effort. The budget outlay is, in today's terms, quite modest—just a little more than $600 million, less than the cost of one B-2 bomber.

In this era of uncertain political leadership, let us be leaders.

Let us talk sense to the American people, and let them know that those of us who cheered Boris Yeltsin just 2 weeks ago will not this week abandon him, leaving it to him to carry on a fight that is ours just as surely as it is that of the Russian and other republics.

Who can quarrel, who here has the standing to deny, the truth of Yeltsin's claim, when he said:

> It is in Russia that the future of freedom in the 21st century is being decided. We are upholding your freedom as well as ours.

Mr. President, I am particularly pleased that this legislation encompasses several of the concerns about which I have been most vocal over the past several years.

I am very pleased that the Freedom Support Act contains provisions to provide support in the areas of administration of justice and the rule of law. Although the administration has been slow to awaken to the need for this type of assistance, there is a growing recognition that without strong justice institutions, democratic governance is virtually impossible.

I would also like to point to the fact this legislation contains authorization to expand financing of the highly-successful cooperative development research and cooperative development projects carried out by the United States and Israel to the newly independent republics of the former Soviet Union.

USAID and Israeli universities have been conducting these programs, with their state of the art technology in agricultural development, in Africa, Asia, and elsewhere for the past 20 years. Israel, as a young democracy, can provide an important role model for these emerging democracies of the FSU.

I am also very pleased that the committee has, in providing for the "purchase, bartering or otherwise acquiring" of ex-Soviet special nuclear materials [SNM], adopted the central concept of the nuclear weapons security and plowshares bill I introduced, together with the distinguished chairman of the Foreign Relations Committee and others, late last year.

The potential uncontrolled release of some 500 tons of high-enriched uranium and 100 tons of plutonium currently held by the Russian Republic is a clear proliferation risk for the future.

Although existing legislation provides for the indefinite storage of these special nuclear materials [SNM], in Russia, and there is now a growing debate in the National Security Council and elsewhere in the administration about what needs to be done, the ultimate disposition of special nuclear materials is still unresolved as a matter of policy.

The committee report correctly observed that:

> Current arms control agreements provide for the elimination of delivery systems, but do not address the issue of the dangerous and growing stockpile of weapons-usable fissile materials in retired nuclear warheads. * * * The committee believes that United States efforts to provide agricultural and other essential commodities to the Republics of the former Soviet Union in exchange for special nuclear materials can significantly reduce the proliferation of these materials.

In the same vein, I am also very pleased that we were able to agree in the committee markup to provide the authority to improve nuclear power plant safety.

Mr. President, we know from our own experience that democracies are not born overnight. Nor can we expect that totalitarian, command economies can be instantly transformed into competitive, market-oriented systems.

Though we have not yet perfected our own system—the riot in Los Angeles is manifest evidence of that—we can offer valuable assistance and support.

Indeed, if the citizens of these new democracies see only hunger, shortage, and chaos, they may very well turn away from democracy, as they see it, and reach out to anyone who is offering them anything.

We have all read the heartwrenching reports of hunger, cold and illness in the republics, and can understand the difficulties their citizens are facing today. In fact, I have been over there several times in recent months, and am overwhelmed, yet inspired, by all the tasks that lie ahead of them—and us.

Few times in my Senate career, now nearly 24 years long, have I felt that the issue before us was as momentous as that before us today.

History tells us that we are being offered a chance which we would be foolish to ignore. Let us not turn our backs on democrats, in Russia and elsewhere in the former Soviet Union, who have made us proud of our heritage and our sacrifices.

Let us promote in peace our values of pluralism and democracy.

If we stand on the sidelines, and these besieged and struggling democracies fail—in Russia, the Ukraine, Georgia, and elsewhere—we will face not only the awful judgment of history, but also a world that is a much more dangerous place than we find today in this year 1992.

This measure, Mr. President, would cost only $620 million in cash outlays, along with support for sizable International Monetary Fund credits. Compare that to the trillions of dollars we spent over past decades on military measures designed to defend us against Soviet Communism. We spilled American blood in costly wars in Korea and Vietnam, splitting our country wide open, in an effort to contain Communism and prevent the spread of Soviet influence.

If Boris Yeltsin's democratic government in Russia falters, fails, and falls because we fail to give him a modest helping hand, we could face grave, grave dangers, all over again. A new hostile Communist, fascist, or military regime could replace Yeltsin's democracy, armed with a huge arsenal of nuclear weapons, threatening our security and the stability and the peace of the world all over again.

Mr. President, if we are successful and they are successful over there, military spending can be dramatically decreased in coming times. We can achieve a peace dividend to begin to do many things we cannot now afford to do to lift the living standards of our people in this country; we can deal with the deficit that was, in part, caused by this vast military spending, deal with the unbalanced budget caused in part by this vast military spending, deal with the huge national debt, caused in part by this vast military spending.

We have an opportunity to move toward a time when we will have far better priorities for our investments and for the people of our country and indeed the people of the world. But a first small step is to pass the measure now before us.

Mr. GORTON. Mr. President, the collapse of the Soviet empire and the emergency of its successor states in Eastern Europe and in Asia are clearly the most dramatic and profound political and economic events since the end of World War II.

In an historic manner, the independent nations in Eastern Europe—Poland, Hungary, Czechoslovakia, and others—have simply sloughed off Communist regimes and took up where they left off 40 or 50 years ago—perhaps 40 or 50 years further behind Western Europe than they would have been had that Communist regime not intervened. Nonetheless, with an even greater commitment toward free political institutions and free markets, they approach their future with great difficulties but also with great enthusiasm.

Other more integral elements of the Soviet empire such as the three Baltic Republics regained a total independence which had been theirs only for brief periods in the history of the last several centuries. Facing considerably more difficult challenges since their economies and their currencies had been integrated with that of the Soviet Union, the challenges facing them were and are even greater than those which faced nations like Poland and Hungary.

Nevertheless, they shared the dream of those other nations of an orientation toward the West both with respect to political and economic philosophy, and they have at least begun that long and difficult road.

Finally, the various integrated Soviet Republics have declared their independence but still search for a way to retain some association reflecting their almost complete interdependence with the states of the former Soviet Union.

Through all of these epochal events in the history of the world during the late 1980's and early 1990's, the Soviet Union was presided over by Mikhail Gorbachev, the last of the unelected Communist leaders of that nation and that empire.

Mikhail Gorbachev is of course a seminal political individual in this history, the man who opened Pandora's box in order, in his own views, to reform communism and to preserve the Soviet Union. He consistently asked for aid from the United States in securing those two goals. He pointed out with some accuracy that his attitudes toward the United States were profoundly different and far more peaceful than were those of his predecessors. Nevertheless, he asked for our aid in order to attain goals which turned out to be impossible and clearly undesirable.

That aid was not proffered by this Congress or by either of the administrations from which it was requested. Some Members of this body wanted to offer that aid, but that group never approached a majority in the Senate or in the House, much less in the administration. It never, incidentally, received the approval or the support of this Senator.

Only Boris Yeltsin, during the course of this phenomenal transition, had the courage to understand the total and complete both moral and economic failure of the Communist regime. Only Boris Yeltsin had the courage and the willingness to put his name before the people of Russia in a truly free election and to become a properly elected leader of that most significant of all of the successor states to the Soviet Union. Only Boris Yeltsin in those difficult days had the willingness, the intelligence, and the foresight as well as the courage to say that Russia's future was in a total repudiation of its past and would require the adoption of the very Western institutions against which his predecessors had struggled and for which the rest of the Soviet empire yearned.

Now he and Russia and the other successor states are engaged in an adventure comparable perhaps to the beginning of our own Republic, both as promising as that was in 1787 and as uncertain.

Boris Yeltsin's request for aid from the United States and from the West is profoundly different from the request which we received from Mikhail Gorbachev. They should be met as a result and because of their different goals openly, graciously, and generously. They should be met affirmatively by this body during the course of the debate for three reasons. First, and perhaps least important, they are modest. This is no Marshall plan in which we are asked to engage. It is a very modest set of proposals designed to strengthen the forces for reform in Russia and in some of the other successful states as well.

Second, responding affirmatively to this request will be wise. Boris Yeltsin proposes to implement a set of ideas both as to politics and economics identical to those for which we have stood during the almost half century of the cold war, identical to those which we have proposed even at times in which there seemed no possible change they would be accepted. Boris Yeltsin's speech to a joint session of Congress some 2 weeks ago illustrates the breadth of the victory of the ideals for which the United States stands and therefore the necessity for our investing in the success of those ideas.

Finally, Mr. President, providing aid as outlined in the bill will increase rather than decrease the ability of this country to deal with its own domestic agenda, first, of course, because a prosperous Soviet Union will end up being a productive trade partner with the United States and will help improve our own economy and create jobs, but even more significantly, because it is the belief of this Senator, Mr. President, that $1 of support now through these methodologies is likely to save us $100 in investments and further national defense in the future should the Yeltsin experiment fail and should Russia relapse into the situation and attitudes which it exhibited for so many years before Boris Yeltsin came to power.

This is a modest and a wise proposal, wise for the United States as it is necessary for Russia and for the other republics, and, Mr. President, I believe that without significant change we should adopt it.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. McCONNELL. Mr. President, what the people in Russia are trying to do now is a good deal more difficult than what our Founding Fathers did. The task before us 200 years ago was to build on freedoms which began to evolve with the Magna Carta and to continue to expand the capitalist system that went back at least to Adam Smith.

So it could be argued that the Founding Fathers of this country did not start exactly from scratch. The contrary is the case in Russia. What Boris Yeltsin and his colleagues are trying to achieve has never been achieved before. It is much more difficult than anything we have been able to do here.

Mr. President, obviously, we ought to help. As a matter of fact, the piece of legislation before us today is the one piece of legislation I can think of that we may actually pass this year that will do somebody some good. And it may well be done on a bipartisan basis, which will certainly distinguish it from everything else we have done here this year.

Thanks in large measure to the speech that Boris Yeltsin made to a joint session 2 weeks ago, I find that Members of Congress are now crawling out from under their desks and willing to rise to the challenge that has been presented to us, which is to pass a piece of legislation which in many ways is relatively modest, but is so important symbolically at this particular juncture in the history of this world.

So this is an enormously important piece of legislation, and I hope we will act with dispatch here in the Senate to approve it.

Mr. President, I was recently talking to the President's coordinator for assistance to Russia and the Republics. I put the question to Rich Armitage: What exactly are we trying to do? What is this bill about? As always, he summed it up simply and, in my view, rather brilliantly by saying, this bill is about brains, not big bucks. What we are trying to offer is our expertise in banking, and in business, in farming, and in housing, the environment, energy, health care, and education.

We are offering expertise, Mr. President, because as we heard from President Yeltsin, we have learned over the months since the coup, the Republics are facing unprecedented challenges. Yeltsin spoke to the problems in every Republic when he said that to survive, each Republic must carry out reforms in an "economy stripped over seven decades of all market infrastructure," assuming any kind of market infrastructure existed even before that.

They must "lay the foundations for democracy and restore the rule of law in a country * * * poisoned with social strife and political oppression." And that is just the beginning. The Freedom Support Act is our first step to help with this remarkable transition.

This is not foreign aid as we have come to know it. It is not building big dams at the taxpayers' expense; it is offering big ideas. The United States is taking a leadership role, without—I repeat, without—footing the bill. For the Republics to thrive, it will require a global effort. Today, the Senate has the opportunity to make a bipartisan commitment to that ambitious agenda. We are sharing in establishing historic policies and priorities. As Ambassador Strauss has so forcefully testified, "democracy and freedom are on trial * * * these Republics need help; they do not need charity."

A few weeks ago, I had a chance to meet with a delegation of Russian scientists. By their account, and certainly others who have appeared before the Foreign Relations Committee, this legislation is viewed as an important declaration of intent—our intent to support democracy and its defenders, free markets, and entrepreneurs with a delegation of Russian scientists. By their account, and certainly others who have appeared before the Foreign Relations Committee, this legislation is viewed as an important declaration of intent—our intent to support democracy and its defenders, free markets and entrepreneurs. President Yeltsin and the citizens who had the courage to counter the coup, President Kravchuk, the citizens in every Republic wondering, "what next?" should know we have issued this declaration of our intentions, this declaration of our support.

I believe we can meet the challenges presented in the new Republics by priming the pump—not flooding it. A little seed capital to encourage our private sector, American volunteers and the business community alike, can go a long way to foster free markets, secure democracy, and meet urgent humanitarian needs.

The administration's request does not represent a transfer or give-away of dollars to the Republics. Virtually all spending is on Americans who will provide technical expertise and services to facilitate the development of democratic institutions and free markets. We should benefit from that here.

I believe this bill lays out important priorities and programs in a way that will stand the tests of time and rapidly changing circumstances. It offers flexibility for the President without forfeiting congressional interests or opportunities to influence the shape of our bilateral relations with the Republics.

As I was considering the significance of this legislation, I asked my staff to add up what the cold war has cost us. Give or take a few billion, we have spent over $5 trillion since 1946 securing peace and advancing freedom and democracy. The time has come to show the American public and the world that we can rise to new challenges—that we are willing to make a commitment to reduce the global military and nuclear threat, generate new, prosperous free markets, and support struggling democratic institutions and civil liberties.

Two weeks ago, President Yeltsin stood before the Congress and called for a new partnership between the United States and Russia. In his words, that partnership, "is not at all a wasteful endeavor; on the contrary it will put an end to the meaningless waste of enormous resources; it will be truly beneficial to the American and Russian people. Such cooperation would promote a more efficient solution of your problems as well as ours primarily by creating jobs."

We have an opportunity to answer that call with the Freedom Support Act.

Historians tell us that the United States initially engaged in international affairs by engaging in the Spanish-American War. As we turned the corner on the 20th century, we turned to conflict. World War I and II, Korea, Vietnam—the list goes on. We opened the century with war—we must join President Bush and President Yeltsin, and the international community, to close the century with a commitment to advance freedom and secure peace.

In conclusion, Mr. President, this is a fine piece of legislation. It is not very costly. It is enormously important not just to the Russians but to us. This is not a bill that is just to benefit the Russians. This is about our interest, the interest of the United States and seeing our biggest threat for the last 45 years essentially disappear and become an ally. And beyond that, it is good business, because someday it is going to be a thriving, prosperous country; it is going to be a great market for American markets. It has been to a limited extent already and it will be much more so in that case in the future.

So, Mr. President, I hope that we will pass this legislation in short order.

I commend Senator LUGAR for his leadership in this issue and the chairman as well and look forward to participating in the debate as it proceeds.

Mr. President, I yield the floor

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, I would like to rise not only in a fashion of my learned friend from Kentucky and others who have come to the floor to support this legislation but also to note the epic nature of events which brought us to this point and to express our gratitude to the Senator from Indiana, the Senator from Rhode Island, the chairman and acting ranking member, of our committee for bringing this bill to the floor.

There are going to be a number of people who will speak and have already done so with great emphasis of the details of the legislation and its importance to our Nation.

Instead, with the beginning of debate, I would like to tell a story. I see my friend from California is here. It is a story he likes.

Senator CRANSTON was one of the persons who brought home to the United States the nature of totalitarianism in Europe, that dark night that was just ended. We sometimes wonder how it would end. And for the longest while there were those in Washington who did not want to think of the cold war as ending. We do not quite understand yet how it came about.

But there is one little event that may help us understand. About a year ago, on June 19, 1991, Mr. Yeltsin came to the Senate to have coffee with us. We met him in the Mansfield room off the Senate floor. And as he came in, he was accompanied by the still Soviet Ambassador, but it was not quite clear what his role was, and other persons. We formed an informal receiving line, and we welcomed people thinking most of them were from the Soviet Embassy.

Finally, a gentleman in his early forties came along, and I shook hands. And he said in a manner with which all of us in public life have learned to deal in one way or another, "Do you remember me?"

And I said, "Well, yes."

And he said, "Oh, surely you remember; I was a member of the Soviet delegation to the United Nations General Assembly, the 30th General Assembly in 1975, when you were the Permanent United States Representative."

I said, "Oh, yes, yes, of course."

And then we exchanged comments. And he said, "You did not think any of us were listening, did you?" And he remarked—he will not mind my telling this story—of some of the great Americans we had on that delegation. The public member of the delegation was Clarence M. Mitchell, Jr., who was the legislative director of the National Association for the Advancement of Colored People, and he was, I think, affectionately known around here as the 101st Senator. Also present were Leonard Garment, Representative Fraser of Minnesota, and Representative Burke of Florida. It was a tumultuous General Session. It was during that time that the Portuguese Government collapsed in Lisbon and Angola and Mozambique were on their own. Suddenly the Soviets dispatched a Cuban force to Angola, and their own force. They invaded Africa. It was a very turbulent time, the time of the Soviet initiative that declared Zionism to be a form of racism.

It seemed like they were the most adamant, almost Stalinist in their aggression they had ever been.

He said, "You thought nobody was listening to any of the things you said in response, did you?"

Well, you sort of say, "Well, yes. Tell me, what are you doing now?" And he handed me this card, Mr. President, a simple card that said Andrei Kozyrev, Minister of Foreign Affairs of the Russian Soviet Federative Socialist Republic. He was Foreign Minister of Russia. And he was quite willing to say, "You know, we were listening to you all that time, even if we were not applauding." It was not, obviously, going to help anyone's career to sit over there in the Soviet delegation and applaud when the French or the Danes or the Americans spoke about what was going on.

But the fact is that they had begun to see how corrosive and evil and destructive that regime had been. They knew how hollow it was. It was during that time that Arkady N. Shevchenko, who was the No. 1 Soviet representative at the U.N. Secretariat, decided to defect.

There is always an American who is the Under Secretary General for General Assembly Affairs, and a Soviet Under Secretary General for Political and Security Council Affairs. At that time, Shevchenko defected to us. He came over. And in the cruel way of these affairs during the cold war, he was kept as an "agent in place" for a couple of years. That was a man on the short list to succeed Gromyko. Anybody's list of five people who would succeed Gromyko included Shevchenko. And he defected to us.

I mean they were listening. They were saying they knew how awful things were at home, and they were willing to put their lives at risk. Shevchenko's wife is dead. They were willing to put their entire careers at risk. They were listening to us.

Now I would simply ask, Mr. President, can we not listen to them?

The Foreign Minister, Andrei Kozyrev, was here 2 weeks ago when Mr. Yeltsin was here. We were talking in the corridor where Senator DOLE introduced him to a group of us, and I said, "Hello, Andrei." He was very concerned that we not get wrong this business of prisoners of war which I know the Presiding Officer, gallant Presiding Officer, would be very sensitive to.

He said, "We don't know if we are right, but we are trying to be a democracy. We are trying to change all those things from the past. We are trying not to lie anymore."

Now it is not easy to talk that way in the capital of a nation that seemed an adversary for two generations. But they do. And I hope we would listen. I hope that we all see an opportunity for reconciliation here. I mean, it is an opportunity none of us could ever have dreamed would come, and here it is. It is a moment not to be missed.

Mr. President, I see Senator DOMENICI is here, and I want to hear from him.

Before I close, may I just say that I hope that—and I am sure Senator LUGAR agrees—that our dear colleague, Senator HELMS, is recovering. Were it possible for him, he would be here today, I think, with the same sense of wonderment at the Lord's work, and would welcome this legislation as did I, with great respect and gratitude to the managers of the bill.

Mr. President, I see my colleague is here, and I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I have not been present for a while. Might I inquire, is there a time limit on the matter now?

The PRESIDING OFFICER. There is not.

Mr. DOMENICI. I might say to the managers, they clearly do not want to be here late tonight. This is just the opening round. I do not want to keep you a long time.

I yield myself 10 minutes at this time, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FREEDOM SUPPORT ACT; A NECESSARY SYMBOL

Mr. DOMENICI. Mr. President, the enactment of this legislation surely will not guarantee a democratic, prosperous Russia and Ukraine. Only the peoples of the former Soviet Republics can determine their own future. We should not forget that fact.

On the other hand, as economists like to say, Senate failure to pass the Freedom Support Act would gravely weaken the forces of free Russia and Ukraine. It would embolden those who want to return to the old ways there, the days of central economic control backed by terror and fear. They would say, "America wants the cold war to continue."

Our own self-interest is at stake here, too. A reversion to old ways in Russia would hurt our economy in two ways: It would drive up the cost of defense spending, and it would close off a great potential market for American goods and services. It could be the biggest market of all in our energy sector and for our farmers.

The authorization of appropriations, which I will talk about in a minute, is not the main point of the Freedom Support Act. This bill is a necessary symbol for something much more important—the bipartisan support of the American people for a program of action endorsed by Congress and the President.

This bill, incidentally, is endorsed by the Democratic nominee, or soon-to-be the Democratic nominee for President, Governor Clinton. And Mr. Perot also appears to support help for Russia and the Ukraine, if not this specific bill.

As a leader of the Western industrialized countries, only the United States can mobilize international support for President Yeltsin and the forces of freedom in Russia and the other new republics. Without this national commitment by the American people and by America, I am certain that the Japanese, who are already reluctant to do their share because of territorial disputes with Russia, would abandon the common effort.

This is a chance to demonstrate what unites us during a year when there is much to divide us. The process now underway in Russia and her neighbors is too fragile and too important to our own future for us to postpone this legislation until November. Already the President and Congress have dallied too long. It is past time for us to act on this matter.

Now, Mr. President, let me address the cost of this bill. I choose to call this part of my discussion with Members of the Senate "cost of the bill, the 5-percent solution."

COST OF THE BILL: THE 5-PERCENT SOLUTION

There have been many attempts to account for the cost of aid for the new republics of the Soviet Union. I have heard numbers rank from zero to $36 billion. As someone with experience with budgets and costs, I will attempt to cut through some of this rhetoric about costs.

The Congressional Budget Office has prepared a detailed cost estimate for the Freedom Support Act. It is included in the committee report which is already filed. There is a lot of detail, including the fact that this bill, as reported, could result in direct spending, and Budget Act points of order.

But I understand that these two provisions will be stricken from the bill at the earliest opportunity—and I note the chairman and the Republican manager are nodding in the affirmative.

The relevant costs estimate in the CBO estimate is $620 million.

Might I repeat, because I am certain the American people will not hear this as I describe it. Last weekend, I heard it discussed on three networks, and the lowest figure was $25 billion.

So let me repeat. The relevant cost estimates—not according to the Republican Budget Committee, but the Congressional Budget Office—is $620 million. That is the President's request for aid to Russia, Ukraine, and other republics over a 2-year period, 1992 and 1993.

CBO accepts that as the primary amount authorized to be appropriated by this bill for the former Soviet republics. And I might indicate to Senators who are wondering about it, remember, this is just authorization to be appropriated. We still have to go through an appropriations bill, match up these needs with the other needs under appropriations, and—yes—with the caps that are in the 5-year agreement, I say to my friend from California, for foreign assistance and foreign aid.

This is not breaking any caps, this is acknowledging and living with them.

By far, the major authorization in the Freedom Support Act is basically unrelated to Russia. That is the authorization for the $12 billion appropriations request for the International Monetary Fund. The IMF request has been pending since February 1991, long before the Freedom Support Act was proposed. Had we passed it then, or 6 months after that time, that items would not be in this bill.

I do not think we could have any further proof that the $12 billion is not for the successor republics to the Soviet Union. Had we passed the IMF replenishment, it would be there and it would already be part of the implementation worldwide of America's contribution to the IMF fund.

We always ask why do other countries not help. This is one way that all countries help. There are many countries that contribute. We contribute our proportionate share about 20 percent.

So, the IMF is going to be helping Russia without waiting for this $12 billion authorization. Could I state that again? If we do not authorize the replenishment of the IMF, the IMF will be helping the successor republics to the Soviet Union, whether we do or not, because it is part of their global program.

Although as much as 5 percent of this $12 billion could eventually be lent to Russia, 95 percent of this fund—if we could trace it carefully—would be used elsewhere. If the IMF money is appropriated, it will not count against the discretionary caps, nor will it result in net budget outlays.

That is because when you put money in the IMF, it is like a revolving fund. We do not expect to lose the money. We expect to broaden the resources available to help us and other countries that are entitled to IMF help that has been going on for years.

Most of what I understand the President to be undertaking in Russia and the other Republics has already been authorized or appropriated. Could I repeat? Most of the programs the President plans to undertake in the former Soviet Union are already available without this legislation. Altogether the effort over there, including the funds authorized by the Freedom Support Act—the one we are considering now; the 1990 farm bill; the 1991 Nunn-Lugar defense supplemental, and so on—would be a total of $2.5 billion over the 1992–93 period.

Might I say again, if we do not pass this bill, most of that is available. The Nunn-Lugar money was appropriated and is waiting to be spent, out of defense funds, for American assistance in dismantling Soviet nuclear weapons—finding out a safe way, helping them with storage and the like. It is included in the parlance of this bill, so we talk about the entire package. But in all respects it is already paid for.

So that $2.5 billion which is the sum total over 2 years that would be going to the Soviet Union, that includes the $620 million authorized in this bill, $470 million of which has not yet been appropriated; the other $1.9 billion has been or will be made available in other legislation.

I cannot say it any clearer. I cannot put it any more forthrightly. When we speak of what we are doing in this bill, we are doing $620 million of brandnew foreign aid. The rest is provided elsewhere. And the total is not $24 billion, not $36 billion—it is $2.5 billion over 2 years, including the $620 million.

I have just provided, attached to these remarks, a detailed series of budget costs of the Freedom Support Act. It is questions and answers, where we break it into three parts and answer questions just as I have discussed them here with the U.S. Senate.

For instance: What is the budgetary cost for the Freedom Support Act for aid to the peoples of the former Soviet Union?

Answer: Approximately $620 million in 1992–93 aid.

This bill provides such sums as are necessary. But the managers will modify it by inserting the precise dollar amounts which become outer limits for the appropriators—$18 million would be authorized for use in diplomatic expenses and $7 million for USIA posts in the former Soviet Union. Some of the $620 million authorized by this bill is already available as shown below, and I describe it in detail.

Then there are two other parts to it, and we answer them with reference to the IMF, as I have just indicated, and with reference to the total budgetary cost, which is $2.5 billion with already authorized and appropriated funds broken out for the 2 years, including the $620 million in this bill.

Let me continue for just a moment. Frankly, as I view this, I am astonished that the President and Congress are planning to spend no more than 5 percent of the global foreign aid in the former Soviet Union. None of this money is coming from domestic spending. And we are protecting 95 percent of the other foreign aid recipients. That is why I call this the 5-percent solution; 5 percent of what we are going to spend on foreign aid, with no change in the outer limits of what we will spend; 5 percent is the American commitment to the successors to the Soviet Union led by Russia.

I opened these remarks by saying I am astonished that we are only allocating 5 percent of this monumental experiment in trying to be like the United States by our former superpower enemy.

DOMESTIC SPENDING NOT AFFECTED

I absolutely agree with the President that no help for Russia and the Ukraine should be taken from domestic accounts. Frankly, let me suggest there will be Senators, I am certain, who will come to the floor and talk about domestic needs. There are some who will say do not do a thing for the Soviet Union because we have problems at home. I do not want to talk about that philosophically, nor do I want to talk about it from the standpoint of what is best for America in the long run. I merely say if we do not do this, none of the money that is going here can be spent for domestic purposes under the 5-year agreement that is in place.

We have not broken that 1990 budget agreement one single time. We even tried to change it to let us spend some defense money—I say to my friend, Senator LUGAR let us spend some on domestic programs that are in need. What did the Senate do? By an overwhelming margin they said if you do not spend it for defense, put it on the deficit; do not spend it for domestic programs; stick to the budget agreement.

What I am getting at is the 5-percent solution could not be spent on domestic programs if we wanted to, unless you can muster up a supermajority here who would break the caps, that is the 5-year caps. And right now we are only in the third year with a firm cap on international spending at something like $20 billion, I think—slightly over it—out of a budget of $1.5 trillion.

If Americans are wondering how prolifigate we are on foreign assistance as leaders in the free world, $20 billion out of a budget of $1.5 trillion seems to me to be just about the minimum amount that a world leader would want to spend on a world that we are so delighted is moving in the direction of freedom and capitalism. But that is the story.

So, none of it will come out of domestic programs, as the President said. It will come from no other allocation but foreign aid. And the amazing fact to me is that we are willing to use only 5 percent of our foreign aid in the former Soviet Union at this time. That is the 5-percent solution.

That is why, it seems to me, that the long delay in bringing this American commitment to the floor borders on being ridiculous.

Why would we not have it here? We will not spend the money anywhere else. It will go to some other foreign country, maybe, if we spend the cap, and we normally come close, within a billion dollars. So we would come very close this year to spending it on foreign aid for our friends around the world, for those troubled spots desperately in need of foreign assistance because of one problem or another. That is point No. 1.

But we are putting 5 percent of that entire amount for aid to the former Soviet Union, which is presently struggling to become republics with democratic forms of government and marketplace-oriented economic principles.

So I close today simply congratulating the committee, congratulating the President, and certainly the majority leader who has now brought the bill before us; let us bring it here. I hope we do not dillydally. But I am sure there will be a number of amendments, and in due course they will be handled. I might even join one myself on nuclear reactor safety in the Soviet Union, which I think is a huge problem that could make this entire relationship and the new republics' movement toward freedom and capitalism go up with a couple of additional Chernobyls.

I think maybe some portion of our resources ought to be joined with those of the free world in a program of safety for those reactors. If I do, I might suggest, however—if I recommend the Nuclear power plant safety amendment to the Senate, it will require no increase in funding. It will evidently come out of defense or foreign assistance within the limits we already have. I will show that amendment to the managers on the floor before I pursue it. But it seems to me to be a very desperate situation that we ought to attend to, and it is not adequately covered in the bill.

I thank the managers for listening to my remarks. I plan to be here a couple of more times as we move through the bill.

Mr. President, I ask unanimous consent that an attachment that encapsulates by assessment of the costs of this bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BUDGET COSTS OF FREEDOM SUPPORT ACT

Question: What is the budgetary cost of the Freedom Support Act for aid to peoples of the former Soviet Union (FSU)?

Answer: Approximately $620 million in 1992-93 for aid. The bill now authorizes "such sums as are necessary," but the managers will modify the bill by inserting precise dollar amounts. (Also, $18 million would be authorized for US diplomatic expenses and $7 million for USIA posts in the FSU.) Some of the $620 million authorized by this bill is already available, as shown below:

FY 1992—$150 million (OMB estimate of): Available by transfer under the Continuing Resolution.

FY 1993—$470 million: Would be funded in FY 1993 appropriations bills.

Question: What monies are authorized to be appropriated for the International Monetary Fund in this bill? What for? How much is for Russia?

Answer: The bill also authorizes a $12.3 billion appropriations request for the IMF that was submitted to Congress in February 1991. IMF appropriations do not result in net budget outlays or costs.

The $12.3 billion is for a routine, periodic increase in IMF global resources. The IMF may extend loans to Russia without the $12.3 billion US appropriation, but it expects to use $600 million of the $12.3 billion to lend to Russia. No net outlays or budget costs will result.

Question: What is the budgetary cost of the President's overall plan to aid the peoples of the FSU, including this bill and any previous legislation and aid that Congress and the President have approved?

Answer: Approximately $2.5 billion in 1992-93, including credit subsidies for export guarantees. The exact total will depend upon the amount of agricultural credits extended in 1993.

The SBC Republican staff estimate of $2.5 billion includes the following items, most of which were authorized or appropriated separately:

$620 million in the Freedom Support Act; $500 million from DoD provided under the 1991 Nunn-Lugar amendments; $450 million in other DoD, USDA, and AID grants; $390 million for actual FY 1992 USDA credit subsidies; $235 million for estimated FY 1993 USDA credit subsidies related to CCC guarantees; and $260 million in Eximbank and OPIC credit subsidies.

Mr. DOMENICI. I yield the floor.

The PRESIDING OFFICER (Mr. ROBB). The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, I thank my colleague very much indeed. I thank the ranking Republican Member for his support.

I will add here that democracy is a very fragile quality. We have known it for a couple hundred years. We are in a situation where Russia, the former Soviet Union, has known it for 6 months, and in 1917, and otherwise has never known it.

We could very easily kill that democracy if we do not lend a shoulder to ensuring that the march for democracy on the part of the Russians continues. If we do not pass this legislation, we should well put that march to democracy off the rails.

The PRESIDING OFFICER. The Senator from Indiana [Mr. LUGAR] is recognized.

Mr. LUGAR. Mr. President, I concur in the remarks of the distinguished chairman. While the distinguished Senator from New Mexico is on the floor, I simply want to commend to all Senators the essential arguments which he had made, to which I suspect we will return many times in explanation of this bill.

The Senator is correct that frequently the Freedom Support Act has been characterized as an expenditure bill of $24 billion upward, and the Senator from New Mexico, precise and astute in the budget process, has pinned this down to exactly $620 million of moneys that are already under the cap of the foreign aid provision of the budget accord which the administration and both parties have come to.

This will not be money in addition to that which the accord caps off. And, as a matter of fact, as the distinguished Senator from New Mexico has pointed out, it could not be money that would have been spent on domestic needs or on defense. It is strictly in the foreign assistance category, and if it was not spent, of course, it would revert simply back to the treasuries in decrease of the deficit.

The question that the Senator poses is, given the monumental nature of our relationship now, and the fact that an estimated $5 trillion to $7 trillion has been spent by this country to contain the menace of the Soviet Union for four decades, it is a worthwhile proposition to spend 5 percent of the foreign aid budget on a situation of grave significance to our country and to the world?

I think Senators will come to the conclusion that it is. But I think the Senator from New Mexico has phrased this in a remarkably cogent way that gives us at least something to shoot at, some facts to deal with.

I say, at least on my part, to the distinguished Senator from New Mexico: Sure, we want to quantify specifically the numbers. That was a question raised. This is $620 million, and it is specified in precisely the terms that the Senator enumerated in his remarkable exposition.

I thank the Senator. I thank the distinguished Senators from California and from New York and from Kentucky for the remarkable statements they have made at the outset of this debate, and for the strong bipartisan leadership that is evident on the floor.

FOREIGN AID FOR THE FORMER SOVIET UNION

Mr. PRESSLER. The Senate is now considering S. 2532, to authorize additional foreign aid to the new States of the former Soviet Union. As a member of the Senate's official escort committee for President Yeltsin's recent speech to Congress, I was impressed by his obvious abilities. I believe he wants to make Russia a democratic country for the first time in 1,000 years.

Mr. President, I want Russia to succeed. I also want democracy to come to Belarus, Ukraine, Moldova, Georgia, Azerbaijan, Armenia, Turkmenistan, Tajikistan, Kyrgyzystan, Kazakhstan, and Uzbekistan. I believe strongly that the American people would also like these 12 countries to succeed and be free and prosperous.

However, the historic record on U.S. foreign aid provided since World War II is clear: except for emergency humanitarian assistance, most foreign assistance either has been wasted or has actually delayed economic growth.

Americans have a right to ask the Senate whether any United States foreign aid provided to the 12 countries of the former Soviet Union—except for emergency food—has done any good or whether any of the new loans and assistance authorized by S. 2532 will make a positive difference.

Mr. President, the honest answer is that we do not know. Senators do know the pathetic record of foreign aid failures. Worse yet, a good portion of the emergency assistance the United States has provided has been absorbed by former Communists for their own profit—by the so-called Mafia—or donated goods have been sold on the streets.

All in all, I am compelled to observe that most of the programs authorized in S. 2532 could be wasted. In addition, there is no reason to believe that generous loans to the 12 governments of the former Soviet Union will produce positive changes—except possibly in the balances of some Swiss bank accounts or on the balance sheets of German and other creditors who lent money to these countries earlier.

Mr. President, I must also observe that every dime authorized in this legislation that eventually is appropriated will have to be borrowed by the American people. No effort has been undertaken to reduce other foreign aid programs to shift priorities to the former Soviet Union. Is this legislation fiscally responsible? I think all Senators know how their constituents would answer that question.

For these and other reasons, I believe the Senate should be very careful as it begins consideration of S. 2532, the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act.

As ranking member of the Foreign Relations Committee's Subcommittee on European Affairs, I know that the people of the former U.S.S.R. have suffered for generations under the burdens of socialism and communism. Neither in Russia nor in most other parts of what was the Soviet Union is there any history of independent initiative, property ownership, profit, or political freedom.

Mr. President, it is probable that many of the political and social arrangements in the new states of the former Soviet Union will change many times over the course of the next few years. What seems to be reality today can change in an instant. This already has been demonstrated in the fact that the Commonwealth of Independent States seems to have collapsed in a matter of months.

In S. 2532, more than $15 billion is authorized for increased U.S. contributions to international financial institutions. This $15 billion could make a dent in our bloated national debt. Already it is clear that the appetite for foreign lending will be much greater than the amount provided in the legislation before the Senate today. Where will this money go?

Mr. President, S. 2532 liberates the executive branch—especially the State Department—from normal congressional restrictions and consultations. I am not sure this is a responsible course. This new blank check approach means the executive branch can, if it chooses, bypass Congress on most decisions.

I am also concerned that the bill, as reported, undermines the role of the Foreign Relations Committee in its capacity to authorize funds. At the moment, the only predictable, effective two-way dialog will occur between the executive branch and Appropriations Committees. Mr. President, the Foreign Relations Committee held only one routine hearing on this legislation before it was marked up and reported. That was with Secretary of State Baker.

Mr. President, at the conclusion of markup, I voted against reporting S. 2532, along with Senators DODD, HELMS, and BROWN. I believe that was the most responsible course of action on May 13. It remains to be seen whether this legislation can be repaired enough by the Senate and in conference to make it worth the gamble.

I believe a substantially improved bill can be constructed on the Senate floor. For this to happen, Senators should have sufficient time to consider a number of substantive and policy amendments.

Mr. President, Congress and the administration also should guard against thinking of S. 2532 as a Russian aid bill. Doing so risks putting Congress on record as giving the Government of the Russian Federation primacy over the states of the former Soviet Union.

By the same token, we should avoid the same cult of personality regarding President Yeltsin that was bestowed on Mikhail Gorbachev, Leonid Brezhnev, and—in their times, Stalin and Lenin. If Russia is to have any hope of developing free political and economic institutions, the notion of strongman leadership must be abandoned. Yet; the same frenzied effort has been devoted to preserving Yeltsin as to preserving Gorbachev.

Yeltsin's Communist opponents, who yearn for a return to a Russian empire with Soviet trappings, are real. I wish President Yeltsin many years of life and political leadership on the road to democracy and prosperity. But we do Russia a great disservice to tie its future to one man.

During markup of S. 2532, the committee adopted my amendment to highlight the vital role of U.S. small- and medium-sized businesses in our technical assistance programs in the former Soviet Union. The best United States contribution to the former Soviet empire encourages active involvement of the United States private sector. In this country, most jobs are created in small- and medium-sized businesses. It could be that the only way the United States can promote economic growth is by encouraging direct involvement of smaller concerns. The U.S. private sector can provide both the products and the know-how.

My amendment was designed to encourage United States technical assistance to help Russians and others help themselves by using United States exports—products, services, and know-how—to develop these new markets. Its purpose is to overcome several specific problems smaller companies face when attempting to enter new markets.

Mr. President, several conditions ought to be imposed on assistance to the ex-Soviet Republics that are not yet contained in S. 2532. I referred to S. 2532 as a gamble as well as a symbol. Matters could take a turn for the worse in the former Soviet Union at any time—massively and quickly. Powerful armed forces of the former Soviet Union are still drafting soldiers. Huge numbers of ex-Soviet troops continue to be garrisoned and maintain bases where they are not wanted.

The gigantic Soviet military-industrial complex continues to produce weapons of destruction—including in bases in now-independent States such as Latvia, Lithuania, and Estonia. Ninety-one percent of Lithuanians have endorsed getting the Russian troops out. Thirty-two Senators joined me in writing President Bush, asking that he raise this vital subject when he met with President Yeltsin. The greatest single threat to democratic development in the former Soviet Union, and therefore the greatest threat to President Boris Yeltsin, is the ex-Soviet conventional military establishment.

I am gratified that a number of Senators are joining my effort with the Senator from Arizona, DENNIS DECONCINI, to condition assistance provided in this bill on the negotiation and implementation of a reasonable timetable for withdrawal of Russian military forces from the Baltic States. The specious defense that Russian troops should remain on Baltic soils to defend ethnic Russians needs to be strongly opposed. After all, this is the same excuse used in the former Yugoslavia for Serbian aggression. This argument is also being used by the Communist government of Transdniestria in Moldova.

In addition, the entire ex-Soviet military machine is a potentially grave problem. Consider the chilling comments of Yegor Gaidar, President Yeltsin's chief deputy, in the Economist of April 25, 1992. He said:

> We also have some branches [of the economy] that can be very profitable. Fortunately, some of these are to be found in our military-industrial complex. We face a problem there, because of drastic cuts in arms purchases. But we have also opened up new market opportunities, not just for arms supplies but for high-tech goods in general.

If economic development in the Russian Republic is to be built on the sale of weapons, S. 2532 is worse than a gamble.

Mr. President, on another topic, I note with satisfaction that there is a good deal of report language inspired by my efforts and those of other Senators to make safe or shut down outmoded nuclear reactors built around the world by the former Soviet Union. They are a deadly threat to people and the environment. Reactor safety concerns in this country pale in significance when considered against those with Soviet-designed reactors.

On July 24, 1991, the Senate adopted my amendment to condition assistance to the then Soviet Union on radical structural change, including a commitment by the Soviet leadership to begin the rehabilitation of unsafe nuclear reactors. It also required the termination of technology exports that could assist in the production of any WERS nuclear reactor, including the one in Cienfuegos, Cuba.

The concerns that prompted my amendment are even more timely today. I support the President's proposal to promote investments by United States companies in the energy field in the former Soviet Union. There are unique opportunities for the United States business community to play a significant role in the modernization of the energy sector of the former Soviet Union and Eastern Europe.

Currently, the United States is hindered from exporting nuclear technology by section 510 of the Foreign Operations Appropriations Act. This includes feasibility studies and safety surveys that can provide information U.S. companies need if they are to export nuclear equipment or safe technology to these countries. Congress should delete this counterproductive prohibition as soon as possible

Mr. President, I do take issue with some report language that takes a stand against nuclear power generation. New governments cannot afford to close down the reactors which supply most of their energy. In Eastern Europe and the Baltic States, the only alternatives are oil or coal, bought at world market prices they cannot afford. These carry their own associated high costs and environmental risks.

I mentioned earlier the fallacy of considering S. 2532 a Russian aid bill and giving the Russian Federation a central role to the exclusion of other countries. Socialism and communism have made the ruble a worthless currency. Trade experts believe the West must assist the Russian Government in its efforts to make the ruble convertible.

I am concerned that the administration inadvertently may be overlooking concerns of other countries of the former Soviet empire on this score. For example, many countries—notably Ukraine and the Baltic states—have no intention of relying on the ruble. In fact, last week, Estonia introduced its own currency—the kroon. Assistance authorized for ruble stabilization and convertibly must also be made available to states which want to create convertible currencies not based on the ruble. I have been consulting with appropriate officials to prepare an amendment that deals with this oversight.

I also am convinced that the Russian Government must agree to article IV, section 1, subsection iii of the IMF Articles of Agreement and not interfere in the economies of its smaller neighbors. There must be an enforceable standard that there will be no beggar thy neighbor approaches or discriminatory trade policies under the aegis of the IMF. In other worlds, Russia must not blackmail countries with the nondelivery of goods, such as energy, that have been paid for or otherwise promised. In addition, Russia must agree that it will not manipulate neighboring economies—including through exchange rate policy—for unfair trade advantage in the independent states by virtue of its control over monetary policy.

Due to the interrelated nature of the former Soviet Union, the 14 other nations emerging from the rubble of the former Soviet Union are tied to Moscow. They are trying to continue trade relations on the basis of the free market yet they are trying to gain control of their own fiscal and monetary policies, including the establishment of a commercial banking system and a central bank. In other words, they are trying to follow the recommendations of the IMF. For Russia, this part was easy. Russia inherited the central Gosbank and the Vneshekonombank from the defunct Soviet Union.

The amendment I plan to offer on the floor will put the United States Government on record that it will take into account the results of a ruble stabilization fund on neighboring economies and will, with the agreement of Russia and its neighboring states, emphasize the importance of coming to an agreement regarding the period of transition among their interrelated economies.

This could include separate funds for their currencies, as is most likely in the case of Ukraine, or in loans to stabilize the currencies of the Baltic States. These governments do not want to be blackmailed into adopting the Russian ruble. Several plan to introduce separate currencies this fall—perhaps several months after the IMF-stated goal for stabilizing the ruble.

Stabilizing of the Russian ruble may be much further down the road than the IMF imagines. For example, the Russian Government has backtracked on IMF guidelines. Yet, unfortunately, the IMF is ready to continue the Russian salvation package and has already issued $1 billion as an advance without the necessary Russian policy reform.

Finally, Mr. President, I long have been concerned over the issue of nuclear weapons proliferation. I stand behind the importance of a missile control regime and also multilateral efforts to prohibit the export of nuclear materials and technologies. For this reason, I am pleased that the committee markup makes agreement to previous arms control agreements signed by the former Soviet Union and to the Nuclear Nonproliferation Treaty conditions of assistance to Russia and the other states with nuclear weapons on their territory.

All in all, S. 2532 can become a more helpful, practical piece of legislation with the efforts of Senators during floor consideration and in conference. I look forward to a full, free discussion as this legislation in considered.

AID TO THE FORMER SOVIET UNION

Mrs. KASSEBAUM. Mr. President, the attention of this Nation and, consequently, the attention of most of this body, has been focused, and rightly so, on domestic problems this year. The end of the cold war has sharply diminished our concern about the looming threats to our survival. With it has gone any strong sense of consensus or concern about the world beyond our borders and why it is in our own best interest to stay engaged.

Unfortunately, I believe we are not seeing what is clearly before us—an opportunity for a more stable world, and perhaps most importantly, an opportunity for a more prosperous world. This opportunity will not flourish without the clear help and direction of the already democratic, industrialized nations.

We must not forget that we won the cold war by assembling an international alliance that worked toward the common goal of containing communism in order to defend our common interests in democracy and market economies. If we are now to win the peace, we must draw together an international alliance to work toward the common goal of expanding global economic growth in order to promote our common interests in building stable, healthy, prosperous societies.

This is what President Bush is trying to achieve with this package and with the combined commitments of the G-7 to support bilateral and multilateral aid for the new states of the former Soviet Union.

Obviously, there are a lot of problems in moving in this direction. One is that the very idea of foreign aid is viewed with great skepticism. But what we must not forget is that every expansion of the world economy leads, one way or another, to an expansion of the American economy.

Helping other nations, particularly helping other nations in their effort to establish free market economies, is not only the right thing to do it is the smart thing to do. All politics is local but, in the 1990's, all economics are global. That means that each of us now is tied to the world economy. We can neither help nor hurt others without helping or hurting ourselves.

In assessing the value of any effort to help the former Soviet Union, we must also remember that we invested heavily in containing communism. In looking toward the future, I believe we face extreme danger if we assume Russia will peacefully starve. Russia has a long and dark tradition of trading freedom for bread. We must not test that tradition.

Instead, we must recognize that it is in our interest to make sure that the reforms now taking place are irreversible. In the long run, this is the least costly route. President Boris Yeltsin, in his recent visit, told us he would not cry uncle until the reforms were solidly in place. He made his commitment and asked for our help.

This package, which is an authorization bill, is the first important step in providing that help. It is not just a bilateral effort. All of the industrialized Western economies have pledged similar support. The aid is also directly linked to economic reform because we and the other industrialized nations have agreed to centralize the role of the International Monetary Fund in constructing a reform program for the new republics.

Our aid will not be provided if reforms are not in place. The cornerstone of the package is the authorization for the IMF quota increase and our support for the U.S. participation in the establishment of a stabilization fund for the ruble. Both these efforts require reform before any money can be expended. It is also important to point out that, in fact, the IMF quota increase is budget neutral, since we set up a liquid, interest bearing account with our contribution. Money for the stabilization fund will come from funds already allocated in the IMF.

Our bilateral technical assistance, provided for in this package, also aims to build on our experience in Eastern Europe by focusing on those efforts that have already proven successful in helping the transition to democratic institutions and free market economies. We are not establishing new bureaucracies and administrative structures, but working through existing programs, such as the Peace Corps, the National Endowment for Democracy, and the Citizens Democracy Corps, and reshaping them to meet the needs in the former Soviet Union.

As Russian President Yeltsin is so keenly aware, the key to success in the former Soviet Union is not foreign aid dollars but support for economic restructuring, investment, and trade. The private sector is, consequently, key to this transformation. In this regard, I believe organizations, such as the Citizens Democracy Corps, deserve special notice. CDC is an innovative program which is receiving funding from both the U.S. Government and the private sector. Its purpose is to mobilize the efforts of the United States private sector to assist the nations of Eastern Europe and the former Soviet Union in their efforts to build free market economies and democratic institutions.

In Eastern Europe, for example, under the aegis of the CDC, the Upjohn Co. has launched a pharmaceutical project helping to restructure the pharmaceutical industry in Bulgaria. Union Pacific has provided one of its top executives pro bono to Poland to help reorganize the railroad to help it become for-profit. Union Pacific plans to provide similar aid to Russia. RJR Nabisco is focusing its technical assistance on a large food processing cooperative in southeast Poland.

The Citizens Democracy Corps has complemented its corporate program with two other very important initiatives. The first is the Business Entrepreneur Program which matches United States entrepreneurs who have experience building and operating small and medium companies with enterprises in Eastern Europe and the former Soviet Union. CDC also runs the Volunteer Registry which is a central clearinghouse for individuals looking for volunteer opportunities in these countries.

It is programs like these, which are very different from our traditional form of aid both in funding and direction, which I believe can and will make a difference in these countries' efforts to transform their economic and government structures.

We are clearly in this bill, not providing aid for aid's sake. The aid has a direct purpose, it has the support of the international community, and it clearly seeks to link reform to aid in order to assure that we are setting these countries on the path to self-sufficiency, not to further dependency. I urge my colleagues to join in support of this very important piece of legislation.

Mr. DOMENICI. Mr. President, I wonder if we are waiting for another Senator to speak on this bill. If we are, I wonder if I could make a couple remarks on another matter, or if we could have a morning business consent agreement at some point.

MORNING BUSINESS

Mr. PELL. Mr. President, there being no other Senators seeking to speak on this subject, I now ask unanimous consent there be a period for morning business, with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico is recognized for up to 10 minutes.

WHY NUCLEAR WEAPONS TESTING?

Mr. DOMENICI. Mr. President, on June 26, a few short days ago, I sent a letter to my colleagues in the Senate in which I said to them: If you have not committed on the issue of whether we should have a moratorium on U.S. nuclear weapons testing, I urge that you wait so that we will have an opportunity to present to you the facts regarding what a moratorium might do to harm the safety and dependability of our nuclear arsenal.

And if you have made up your mind, I urge that you open your mind to the thought and the concept that we need nuclear weapons testing. It might very well have to be tailored downward, both in number and in size. Nuclear weapons testing is not needed to develop new weapons; but it is needed to perfect the weapons we have as far as their safety and their reliability are concerned.

This is not Senator Domenici mouthing the jargon of the Department of Defense. Obviously, I tend to listen to the Department of Defense. I think that is why we have them. I do not assume that because they are the Department of Defense, they are wrong on matters such as this.

But I have reached this conclusion from reading material presented by those who are familiar with nuclear testing and our nuclear arsenal, and in particular, those who are familiar with the safety risks attendant with our current inventory of nuclear weapons.

I have also read the report of the Drell panel. That was a panel in 1990 on nuclear weapons safety, chaired by Sidney Drell. They made it quite clear—and this was part of their mission—that when it comes to the safety of nuclear weapons—one must understand that we frequently have 35-year-old nuclear weapons, Mr. President. We are now contemplating, even in the diminished status, 50-year-old nuclear weapons. Do we want them to be as safe as our great scientists say they can be? Or do we want to say we have won the cold war; we are building down dramatically, but we do not care about safety when we are talking about nuclear weapons?

So I urge my colleagues to seriously consider an alternative or another solution other than the absolute moratorium. I am certain that the White House, Defense Department, the Energy Department, and others will be presenting some serious recommendations in this regard, because the scientists are clear that you begin to take real risk in safety and dependability without certain nuclear testing. Mr. President, the cadre of scientists, engineers, the best in the world, who do the work on these nuclear weapons, who reside in the bowels of the national laboratories that do this kind of evaluation have made their position very clear. We are being told that if you do no testing, that you take not only a risk with the weapons, both as to safety and reliability, both of which I think would be important, you also put at risk the retention of the scientists and engineers who made this possible and who keep it safe and reliable, for they know, Mr. President, that they are being asked to attest to safety and attest to reliability when less than the best evidence is being made available to them. They will not stay around. In fact, I have been told if you do this for a while, you will lose the very best, for they do not want to be in the national laboratories as signators either in person or by implication to safety and dependability of the most difficult of all weapons when they are being denied what they know is the right kind of science evidence to do their predicting and to do their safety and reliability recommendations.

It is that simple, and we ought to listen to them. If we really do not want to buy what Secretary Cheney says or the Chairman of the Joint Chiefs, then get the scientists, get the lab directors from Livermore, from Los Alamos and let them bring the great scientists in a closed session and ask them if they need testing to be able to attest to safety and reliability or is this just some kind of hoax that they want to perpetuate because they like to do nuclear testing.

I believe we would get some answers. We owe this situation nothing less than that. Do we want real safety and reliability and an assertion to it by the best scientists we have, or do we want to say we do not need the best; we can just say we will get what we can get?

But this moratorium idea is more important than anything. Why is it more important? We are building the stockpile down. We already have a handle on it. We are not building any new and more powerful and sophisticated weapons. We have already stated that. The world knows that. So if you are worried that the tests are going to result in the United States building more weapons, we have already said we are not doing that.

But what else are we going to do? We ought to ask. We ought to listen attentatively. This situation demands no less, it seems to me.

Now, Mr. President, I ask unanimous consent to have printed in the RECORD a letter that I have sent to my fellow colleagues, dated June 26. This particular one is directed to my fellow Senator from New Mexico, not that he necessarily needed one, but I sent it to each Senator, and I thought my friend from New Mexico should get one, also. It merely states in brevity what I have just said.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC., June 26, 1992.

Senator JEFF BINGAMAN,
U.S. Senate, Washington, DC.

DEAR JEFF: I write to you today in opposition to a proposed moratorium on U.S. nuclear weapons testing. If you have not committed, I urge that you wait and let some of us share information with you. If you have committed, I hope you will look at testing that will give us requisite safety and reliability information, because these are imperative—even with fewer nuclear weapons.

The Drell Panel (a 1990 panel on nuclear weapons safety, chaired by Sidney D. Drell) was quite clear in its conclusions and recommendations. To paraphrase the report, we need to make sure that our enduring stockpile of nuclear weapons—those 3500 that will remain in the stockpile under the recent Bush—Yeltsin agreement—is "as safe as is practically achievable." Testing is necessary to assure that safety. Testing is also necessary to assure the reliability of our nuclear weapons.

Nuclear weapons successfully maintained the peace between the former Soviet Union and the United States because both sides knew their arsenal of nuclear weapons would work. Of the nuclear weapons designs fielded since 1958, one out of three has required nuclear testing to resolve problems arising after deployment. Testing ensures the reliability of nuclear weapons. A lack of testing provides no assurances.

Because the world has changed, I do believe we need to re-think our nuclear weapons testing program. I believe there is certainly room for reductions and other modifications to our past testing programs. However, to blindly adopt a testing moratorium—without full consideration of all its ramifications—would be imprudent.

Thank you.

Sincerely,

PETE V. DOMENICI.

Mr. DOMENICI. I might add one thought. Perhaps some serious thinking ought to be given on this nuclear moratorium issue to the whole concept of what brings us to this and what should we be thinking about. There is one recommendation by a rather stalwart scientist that perhaps the time has come for a very high-powered blue ribbon commission to look, not only at the issue of moratoriums, but at the issue of, in the builddown phase, what are the recommendations about making sure we are doing things right, what are the recommendations in terms of safety and reliability during that period, what should we be doing. What about some recommendations on the basic science and engineering capability that we have to have in order to be able to do that? Maybe the time has come for that kind of proposal. I do not make it today. But I say if it would help those who are confused or who wonder what do we do next, perhaps this idea built into a schedule that is more attendant to our times in terms of the size of the testing and the nature of the testing, the numbers, along with a commission to study it and recommend to us so we do not make foolish mistakes in a hurry as we build down and in the euphoria of the builddown. In that regard, I merely remember that somebody told me General Eisenhower, who has been given so much attribution for statements about the defense industrial complex on another issue once said, "Don't make mistakes in a hurry."

That is a very interesting, simple concept and, perhaps—perhaps—that applies more than ever to what we do in terms of the care and treatment of the nuclear stockpile as we build it down.

UPWARD MOBILITY IS ALIVE AND WELL

Mr. DOMENICI. Now, Mr. President, I have some remarks regarding the upward mobility of the American people, and I couch my remarks in a speech that is styled by me, "Upward Mobility Is Alive and Well, New Information for the Debate on Income Distribution."

Frankly, I have really been absolutely amazed at how much evidence has been given to the American people on the subject of the distribution of wealth in the United States. Most of this distribution of information has been of a partisan nature, I regret, and its basic building blocks have come from the Ways and Means Committee of the House in a seminal book that they call a greenbook or the bluebook where they attempt to put all these statistical things in place.

Needless to say, they pick and choose. They are pretty good at it. Nobody did a very good job of rebutting them, so their history seems to have become the reality.

Well, I did not think I would ever be able to refute the reality because I am supposedly partisan on the subject. But let me suggest that the Urban Institute is not partisan on the issue, and the Urban Institute is not conservative, and the Urban Institute has some economists who like to tell the truth. And in this case Isabel Sawhill and Mark Condon wrote a report, and they called it, "Is U.S. Income Inequality Really Growing? Sorting Out the Fairness Issue."

Now, Mr. President, you know and I know that what I am going to say here tonight that they said and what I say in my remarks is not going to be reported, but let me submit that in due course we are going to see that these kinds of objective findings are submitted to the American people. Let me just read one paragraph in this report, "Is U.S. Income Inequality Really Growing?"

"Policy bites," The Urban Institute.

"The poor grew much richer, by 72 to 77 percent."

"The rich * * * grew a little richer, by 5 to 6 percent."

These figures say the institute will not surprise the experts. Continuing to quote:

> This pattern, however, may be surprising to the general public, which has been led to believe that the poor were literally getting poorer over the last decade or two, and that the incomes of the rich were skyrocketing. This is simply not true.

I have analyzed it in more detail and am very complimentary of the way they did this.

I ask unanimous consent that the Policy Bites issue which I have alluded to, a four-page document, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Policy Bites, June 1992]

IS U.S. INCOME INEQUALITY REALLY GROWING

(By Isabel V. Sawhill and Mark Condon)

It is widely believed that U.S. incomes have become more unequal since the early 1970s. This conclusion is based on studies by the Ways and Means Committee, the Congressional Budget Office, a variety of think tanks, and countless academics. Each has used Census data on incomes to measure how different income groups have fared over the past decade or two.

Liberal politicians cite these studies as evidence that American society is becoming more stratified, that the rich are getting richer and the poor poorer. Conservatives respond that these analyses are flawed—arguing that they fail to recognize the tremendous individual mobility hidden within the averages.

This debate on what has been happening to the distribution of income is not new. At issue is not just the facts but how to interpret the facts. Here we seek to clarify the debate by looking at data on a sample of individuals whose incomes were tracked between 1967 and 1986. Based on our analysis to date, the story is as follows:

1. If we rank all the jobs or other income-producing opportunities in society from highest to lowest, we find a growing gap between the top and the bottom. The rewards

for success or good fortune have gotten larger and the penalties for failure or bad luck have grown correspondingly.

2. When society's reward structure is highly unequal it puts a big premium on individual income mobility. As long as there is a lot of mobility, an unequal reward structure is not necessarily a problem. If there is little mobility, then it is. Individual mobility in the United States falls somewhere between "a lot" and "a little." Many people do move from one income stratum to another. When one follows individuals rather than statistical groups defined by income, one finds that, on average, the rich got a little richer and the poor got much richer over both the decades for which we have data.

3. Lifetime incomes may still be getting more unequal, however. If the reward structure is getting more unequal, lifetime incomes are going to be more unequal unless growing wage inequality is offset by more mobility between jobs or other income-earning opportunities. We find no evidence that individual mobility increased between the 1970s and the 1980s.

THINKING ABOUT FAIRNESS

Joseph Schumpeter, a famous economic historian, once likened the distribution of income to rooms in a hotel—always full but of different people. In a hotel in which all the rooms are alike it doesn't matter which one you occupy. But in most hotels, as in most societies, some rooms are exceedingly luxurious, others are quite shabby, and which room you end up in matters a lot. Fairness requires that you have an opportunity to change rooms. For example, if you started our occupying a shabby room when you were young but graduated to increasingly more luxurious rooms as you got older, this could be considered perfectly fair. Or if everyone took turns spending a few nights in the room with the bedbugs and the lousy mattress, no one would complain. Over a sufficiently long period of time (say, a lifetime) everyone's experience would be the same. But, if the best rooms were always reserved for the privileged few and the shabby ones for the unfortunate many, some might question the fairness of the arrangements. What about the hotel we call the U.S. economy?

HOW INEQUALITY IS USUALLY MEASURED

To measure inequality, the U.S. Census Bureau each year looks at the hotel registry to see how many people are occupying each type of room. It ranks all families by their annual incomes from highest to lowest and sorts them into statistical groups. The 20 percent of all families with the lowest incomes are called the bottom quintile, the next 20 percent of families are called the second quintile, and so on . . . until all families are sorted into one of five quintiles. Later this year, the Census will re-rank all these families (as well as any new ones) according to their 1991 incomes. To test whether economic inequality has risen, the average income of each quintile in 1990 will be compared to the average income of that same quintile in 1991, even though each quintile may now contain a different set of individuals. These are the kinds of calculations that have been used to conclude that "the rich are getting richer and the poor poorer" over the last decade or two.

We need other data to track the process of who is changing rooms or quintiles. The University of Michigan's Panel Study of Income Dynamics (PSID) has followed a representative group of households since 1967. From this survey, we have selected all individuals, ages 25 to 54, in two years, 1967 and 1977, and then calculated what happened to their incomes over the subsequent decade (1967–76 and 1977–86, respectively).

THE HOTEL NOW HAS A GREATER VARIETY OF ROOMS

If, following the standard method of measuring inequality, we rank all these PSID individuals into income quintiles in each year and then calculate the percentage increase in average income for each quintile, we get a similar pattern to what one sees in Census data. Like the Census data, the PSID data suggest that after growing between 1967 and 1976, the average income of the bottom quintile declined between 1977 and 1986. In both periods, the average income of the top quintile grew rapidly.

What has caused this growth in income inequality as conventionally measured? Most analyses have shown that the main cause is the growing inequality of earnings. Although the tax system is a little less progressive than it was in the past and the safety net somewhat frayed, these changes have not been as important as the increasing gap between the wages of higher-paid and lower-paid workers.

Put simply, the economy now offers people jobs that vary more widely in terms of quality and pay. The economy increasingly resembles a hotel with luxury suites for some and substandard rooms for others, rather than a roadside motel with rooms of uniform quality. The less equal distribution of earnings, in turn, appears to be related to technological changes and international competition, which have put a high premium on education and experience. The rewards for both have been increasing since the late 1970s. Unless income mobility has increased in ways that offset these structural changes in the economy, lifetime earnings may becomes increasingly unequal.

PEOPLE SWAP ROOMS OFTEN

Individual mobility in the United States is substantial (Table 1). The white cells in the table show the proportions who did not change quintiles. For example, the number in the top left hand cell of the table represents the proportion (11.2/20 or 56 percent) of individuals in the bottom quintile in 1967 who were still in that quintile in 1976.

In both decades, some three out of five adults changed income quintiles. A little less than half the members of the bottom quintile moved up into a higher quintile, and about half the members of the top quintile fell out of that quintile. In both periods, more than two-thirds of those who started out in the middle quintile had moved up or down into a different quintile by the end of the period.

If mobility between income classes is a glass that is half full, it is also half empty. A little more than half the occupants of the bottom quintile had not risen out of that quintile ten years later, and half of the occupants of the top quintile remained there ten years later.

Nonetheless, the mobility that did occur ensured that over both decades, on average, the poor (here defined as those in the bottom quintile at the beginning of each decade) grew much richer, by 72–77 percent. The rich (defined as those in the top quintile at the beginning of the decade) grew a little richer, by 5–6 percent. (See Table 2).

These figures will not surprise the experts. Any significant mobility should lead to the same pattern. People who start at the bottom have nowhere to move but up, and are likely to do so as they become older, gain work seniority, and earn higher incomes. People who start at the top, some of whom may be there because of temporary sources of income like capital gains, have nowhere to go but down. This pattern, however, may be surprising to the general public, which has been led to believe that the poor were literally getting poorer over the last decade or two, and that the incomes of the rich were skyrocketing. This is simply not true.

PEOPLE DO NOT SWAP ROOMS MORE OFTEN THAN IN THE PAST

While mobility was substantial in both periods, U.S. mobility has not been increasing over time (see Table 1 again). In fact, there is little discernible trend in mobility at all. The slight changes between decades are too small to be meaningful, and depend to some extent on the age limitations of our sample.

The absence of any upward trend in income mobility suggests to us that lifetime incomes are becoming more unequal. The reasoning is straightforward. The bad jobs in our economy are now paying less in real terms than they did in the early 1970s and the people who hold them aren't moving out of them with any more frequency than before. We can expect their lifetime incomes to be lower than those of people who held these jobs in the past.

The good jobs in our economy are now paying a lot more than they used to and the people who hold them don't appear to be moving out of them with any more frequency than before. Their lifetime incomes will be a lot higher than the lifetime incomes of their earlier counterparts. The result, then, of higher pay at the top and lower pay at the bottom is greater lifetime income inequality.

To partially test this hypothesis, we averaged the total income of each individual in our sample over two ten-year periods, 1967–76 and 1977–86, and then ranked all individuals into five quintiles in both periods (Table 3). By averaging income over a ten-year period, we take account of each person's mobility over that period and get a more permanent measure of income. Looked at over a 10-year period, the average person had a family income of $46,260 in the first decade and $52,125 in the second decade. In the second period, however, there was greater inequality. This finding suggests that lifetime incomes are becoming more unequal. So, while the annual income distributions may mislead the public about how much mobility occurs, they do accurately reflect an increase in inequality in the U.S.

A ROOM OF ONE'S OWN IS NOT NECESSARILY A ROOM WITH A VIEW

While many individuals swap rooms over time, the degree of mobility in the U.S. economy is not sufficient to ensure everyone a room with a view. Although the poor can "make it" in America, and the wealthy can plummet from their perches, these events are neither very common nor more likely to occur today than in the 1970s.

Indeed, since the rooms at the top have an increasingly nice view, while the ones at the bottom have deteriorated, some will conclude that the hotel we call the U.S. economy has become a more class-stratified place to live. Others will argue that the lure of a better view is what induces people to try to change rooms in the first place.

TABLE 1.—DISTRIBUTION OF INDIVIDUALS IN FINAL YEAR BY QUINTILE LOCATION IN STARTING YEAR

Family income quintile in 1967	Family income quintile in 1976					
	Bottom	Second	Third	Fourth	Top	All
Bottom	11.2	5.2	2.0	1.3	0.3	20.0

TABLE 1.—DISTRIBUTION OF INDIVIDUALS IN FINAL YEAR BY QUINTILE LOCATION IN STARTING YEAR—Continued

Family income quintile in 1967	Family income quintile in 1976					
	Bottom	Second	Third	Fourth	Top	All
Second	4.1	6.0	5.0	3.0	1.7	19.8
Third	2.5	4.2	6.0	4.9	2.4	20.1
Fourth	1.3	2.9	4.7	5.9	5.2	20.0
Top	0.9	1.8	2.1	4.8	10.4	20.0
All	20.0	20.0	19.9	20.0	20.0	100.0

Family income quintile in 1977	Family income quintile in 1986					
	Bottom	Second	Third	Fourth	Top	All
Bottom	10.6	5.0	2.2	1.3	0.8	20.0
Second	4.3	6.0	5.1	2.9	1.7	20.1
Third	2.9	3.8	5.9	4.8	2.6	20.0
Fourth	1.0	2.9	4.3	6.8	5.0	20.0
Top	1.2	2.2	2.5	4.1	10.0	20.0
All	20.0	20.0	20.0	20.0	20.0	100.0

Note.—Sample limited to adults, ages 25 to 54 in starting year.

Source: Urban Institute.

TABLE 2.—AVERAGE FAMILY INCOMES OF INDIVIDUALS BY THEIR QUINTILE POSITION IN STARTING YEAR (1991 DOLLARS.)

Quintile	Average family income of:		Percent change
	1967 quantile members in 1967	1967 quintile members in 1976	
Bottom	$14,544	25,082	72
Second	26,979	41,018	52
Third	35,900	48,492	35
Fourth	46,115	57,839	25
Top	72,772	76,915	6
All	39,262	49,869	27

Quintile	Average family income of:		Percent change
	1977 quantile members in 1977	1977 quintile members in 1986	
Bottom	$15,853	27,998	77
Second	31,340	43,041	37
Third	43,297	51,796	20
Fourth	57,486	63,314	10
Top	92,531	97,140	5
All	48,101	56,658	18

Note.—Sample eliminated to adults, ages 25 to 54 in starting year.

Source: Urban Institute.

TABLE 3.—REAL FAMILY INCOMES OF INDIVIDUALS AVERAGE OVER 10 YEARS (1991 DOLLARS.)

Quintile	Average annual family income.		Percent change
	1967–76	1977–86	
Bottom	$18,293	18,579	2
Second	32,785	34,064	4
Third	42,636	46,062	8
Fourth	54,100	60,594	12
Top	83,486	101,286	21
All	46,260	52,125	13

Note.—Sample eliminated to adults, ages 25 to 54 in starting year.

Source: Urban Institute.

Whether the notion of class is half full or half empty depends on your perspective.

Mr. DOMENICI. Mr. President, Arthur Hays Sulzberger, the renowned former publisher of the New York Times, once noted that "a man's judgment cannot be better than the information on which he has based it."

It is with this thought in mind that I address you here today.

We have been hearing for some time now that over the course of the past two decades—and especially during the 1980's—the rich in America have grown richer, while the poor in America have grown poorer. This argument has been propounded and sustained by what the Wall Street Journal has termed "tortured statistics." And that is pretty much what they are.

Traditional studies have divided the American population, based on annual family income, into one of five quintiles. The average income of each quintile has been tracked from year to year, from decade to decade, and compared with the average incomes of the other four quintiles.

When the difference between the top and bottom quintiles grows, we are told with false certainty that the rich are getting richer and the poor are getting poorer.

But as many of you here are well aware, this methodology is seriously flawed.

The problems with this approach are threefold:

First, it tracks statistical groups rather than individuals;

Second, it presupposes that those populating the bottom quintile in year 1 are the same individuals populating it in year 10; and

Third, it fails to account for individual mobility both up and down the income ladder.

Fortunately, this past month has witnessed the release of two new studies that go a long way toward clarifying this debate.

One is from the Treasury's Office of Tax Analysis; the other is from the nonpartisan Urban Institute. I believe their combined conclusion is that the 1980's represented opportunity and income mobility for a vast majority of the population at all income levels.

Some may choose to discount the Treasury study, noting that it tracks taxpaying families only, or claiming that it represents an administration point of view—but keep in mind that both studies reached essentially the same conclusions.

Each of the two studies tracked individual family incomes over a period of one to two decades. That's not quintile averages—that's individual families. Actual people.

And the results are clear: In the words of the Urban Institute:

> When one follows individuals rather than statistical groups defined by income, one finds that, on average, the rich got a little richer and the poor got much richer.

In other words, upward mobility was the norm in America over the past 20 years. And it was most pronounced for those in the bottom quintile.

Consider that from 1977 to 1986, the incomes of the individuals in the top quintile rose an average of 5 percent. For those in the bottom quintile, it rose 77 percent.

During that same period of time, according to the Urban Institute study, three out of six people in the bottom quintile moved up to a higher quintile. According to the Treasury study, this figure could be as high as five out of six.

In short, John Doe and Jane Smith started out in the bottom quintile in 1977. But through hard work and possibly some good luck, they pulled themselves up to a higher quintile. Now they have been replaced by others, the majority of whom—like John and Jane before them—will themselves climb to a better life.

In the 1980's Americans had improved opportunities to learn, to gain experience in the work place, to become more productive and valued employees, and to take entrepreneurial risks.

They also had the opportunity to fall. But on average in the 1980's, individuals did not fall—they prospered.

A fair economic system should not be judged by where one starts, or even by where one finishes. Instead, it should be judged by whether one has the opportunity to advance.

Significant income mobility in the 1980's translated into a decade of economic opportunity and helped produce 18 million jobs and rising national prosperity.

If these two studies make one common point, it is that individual effort produced increasing rewards in the 1980's.

Our rapidly evolving economy, driven by technological change and the globalization of markets, offered the highest rewards for those with the skills and education to adapt and contribute.

Upward mobility is an American strength. We should celebrate it.

Our goal should be to provide the tools, the incentives, and the rewards that encourage people to build their own futures.

We should not blunt the rewards of the American system by redistributing income. Instead, we must continue to foster the skills, education, and values that will lift the income of the American family.

Helping to build individual futures will improve the economic growth of our Nation and eventually benefit all.

As Arthur Hays Sulzberger might have pointed out, we now have new information upon which to base our judgments.

Let us make them accordingly.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition? The Chair recognizes the Senator from Alaska [Mr. MURKOWSKI].

Mr. MURKOWSKI. Mr. President, I thank the Chair. Good afternoon.

THE FREEDOM SUPPORT ACT

SUPPORTING THE NEW DEMOCRACIES

Mr. MURKOWSKI. Mr. President, I rise today to add my support to the passage of the Freedom Support Act, and to the bipartisan effort which has brought this bill to the floor. Passage of this legislation will help ensure that the emergence of democracy and free markets in the states of the former Soviet Union will have United States support. Americans must seize this opportunity to make friends out of a former enemy.

Mr. President, I believe that this is the most important thing at this moment that we could do. The nearly bloodless demise of communism in the Soviet Union is known to all of us, and it has really brought us an opportunity we cannot afford to pass up.

As this bill worked its way through the Foreign Relations Committee, we enjoyed a bipartisanship that is rarely seen in this body. Not only did Members from both sides of the aisle work together to perfect and pass the Freedom Support Act, but the administration has also been very helpful in drafting, supporting, and promoting it. I look forward to the continuation of this cooperative effort.

Many critics of U.S. assistance to the newly independent states claim that we can ill afford to be spending money abroad at a time when we have so many needs at home. I would say, Mr. President, that we can ill afford not to assist these emerging democracies struggling to join the nations of the free world. All our efforts of the cold war years were aimed exactly at this goal: to bring down communism in the U.S.S.R. and to free the citizens of those nations from the oppression brought upon them by the Communist dictatorship. We must be there for them now, at this critical time when the transition to democracy and free markets will be difficult at best.

CARGO PREFERENCE

Mr. President, in line with that I would like to turn now to an aspect of the Freedom Support Act which does need our attention. During the long years of the cold war, we built up a body of legislation that restricted and prohibited many ties with the Soviet states. These actions were appropriate at the time, but have outlived their purpose. To remedy this, the Freedom Support Act has a broad waiver provision, authorizing the President to disregard leftover cold war legislation that inhibits our attempts to assist the new democracies.

I would like to make clear that this waiver provision cannot be used as a blank check for sidestepping laws meant to protect and benefit Americans. I am referring specifically to U.S. cargo preference laws that are part of the Merchant Marine Act of 1936.

Mr. President, I have received assurances from the State Department, and specifically from AID, that cargo preference laws will be adhered to under this Act. There is a precedent in our SEED aid package to the eastern European nations, and I expect this precedent to be followed. Additionally, in testimony before the Merchant Marine Subcommittee on June 17, 1992, Secretary of Transportation Andrew Card stated, and I quote, "Existing cargo preference requirements should continue to be enforced."

I want to go firmly on record today in strong support of U.S. cargo preference requirements, and make clear my understanding that these requirements will be adhered to as a result of the passage of this bill. These laws were designed to protect our Merchant Marine, and even though the actual amount of commodity aid being sent to the newly independent states is minimal, in the shipping business every little bit counts.

CONCLUSION

Mr. President, Americans have won an outstanding victory, we have all, together as a nation of individuals, won the cold war. We need to remain present, in the immediate future, to offer our hands to those who have benefited most directly from our victory. We here in America unquestionably reap substantial economic, security, and moral benefits from the demise of the Communist Soviet Union.

(The remarks of Mr. MURKOWSKI pertaining to the introduction of S. 2904 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. KERREY. Mr. President, are we in morning business?

The PRESIDING OFFICER. The Senator is correct.

HEALTH CARE REFORM AND THE DEFICIT

Mr. KERREY. Mr. President, last week I came to the floor to talk about the connection between health care reform and this Nation's deficit. This evening, I would like to continue that discussion. In the past, most of us, I believe, have recognized that deficits reduce national savings, that they leave less capital for investment in plants and equipment than otherwise would be necessary, less capital for education and training, and almost everything else that we need to get our economy growing.

The problem of the deficit is that it pulls resources away from needed investment. We have been able to make that argument in a fairly general fashion, and it is compelling for me on the surface.

However, Mr. President, it is always difficult to an audience to make it so compelling that the audience is prepared to actually act. It seems to me that is the gap between what we know in our heads and what we should do and what we are willing to do. The American people are not quite ready to make the leap.

Recently two economists provided some information for a GAO study that was debated or offered in the balanced budget debate. The two economists are Nathan Harris and Charles Skindell, and they have developed a model that enables us to quantify the impact of our fiscal deficit upon per capita income for Americans, essentially the per capita GNP for Americans, what happens if we continue with current policy with no change, what happens if we muddle through and do a few things but do essentially nothing to really reduce the deficit dramatically, what happens if we get the budget balanced in 2001 and what happens if we get the budget in 2-percent surplus in 2001.

The numbers are dramatic. It shows by the year 2020, those who are 48 and have 28 years until 76, which is a painful exercise to go through. We hope we are still alive at 76. We would like to have the people in the year 2020 to say, "Senator KERREY, you were around in 1992. Did you do anything constructive to improve life? Was your service to America truly useful?"

This study shows that whatever the reduction we would like to arrive at that point and answer the question, "Yes." We would like be able to answer that we did something constructive and had a real long-term impact.

The study shows under current policy per capita GNP by the year 2020 would be $23,825. If we can get the budget in balance by the year 2000, we would be able to say to people then that the reason that your per capita portion of GNP is $32,355 or a full third more, that about $9,000 is a consequence of our balancing our budget. We would be able in my judgment to actually say we did something relatively constructive.

The study goes on to show if the budget is in surplus there would be another approximately $800 per capita of GNP.

Mr. President, this is no small matter. Very often we are faced with people who ask us what can we do to get incomes up, how can we reverse the particularly apparent decline in the standard of living for younger Americans? What do we do? How do we reverse this decline of productivity going on since the early 1970's?

Mr. President, here is a hard answer for us, hard in that it is concrete, and hard in that it is difficult for us to face what we indeed need to do in order to get the budget either into balance by the year 2001 or get it into surplus.

Mr. President, last October Congressman LEON PANETTA, the chairman of the House Budget Committee, at the request of the Congressional Budget Office, released a 10-year forecast that showed the Federal deficit after dropping in the mid-1990's begins soaring again. He shows we could be at $400 billion a year by the late 1990's or early 21st century. The single biggest culprit, according to chairman PANETTA, is an exploding Medicare and Medicaid Program; and all of us who look at the budget know that. We see this year, for example, we are silently, in fact, authorizing an increase of about $20 billion in the Medicaid Program alone. I say it is silent, because those of you who are on the Budget Committee, the distinguished occupant of the chair is, have not been involved in debate, because it is an entitlement program; it goes up automatically. More importantly, unlike the States when they face increases in the Medicaid Program they have to pay for it; we do not have to pay for it. We can fund some of it with current tax money and whatever we do not fund with current tax money we will fund with a bond sale with additional deficit financing.

I am going to show as I did last week again the impact of the pay-as-you-go system. Recently, the Office of Management and Budget released a forecast. First, it was to just a few of us here on the Hill. Then they did it to everyone after the figures appeared in a few news stories. This showed that the deficit could approach $600 billion by the year 2005 if the economy performed modestly and actually exceed $1 trillion if it grows more solidly.

Again, Mr. Darman, the head of the Office of Management and Budget, identifies fiscal health care cost increases as being the No. 1 culprit in the deficit.

So we have Congressman PANETTA showing that our budget deficits could reach $400 billion by the end of the decade and Mr. Darman saying it could be $600 billion by the end of the decade, both of them concluding it is health care cost increases that are driving the deficit. And I would like to show once again the ingredients of how health care is producing deficit financing.

I say this not only to my colleagues here but to the American people. This indeed is a contract between us and you. It is not just us and Congress making this decision. It is our contract with you. We are attempting to represent the people themselves. I am just suggesting there is something going on here that most of us do not know about and that in the knowing of it we have a critical decision to make.

Mr. President, this pie chart again shows the approximate arrangements of the expenditures for health care. I would argue they are larger than most people realize. The charge in the white area there is for Medicare. We spend another $21, $131 billion for Medicare, $21 billion this year for Federal agencies making a variety of expenditures, National Institutes of Health, Centers for Disease Control communities health care programs, block grants back to the States. We spend a surprising $14 billion on the Department of Defense, Army, Air Force, Marine, and Navy.

I got some recent care in Germany myself after being injured in an automobile accident in Vilnius, Lithuania. I had a good orthopedic surgeon, a member of the United States Air Force. He sewed and cleaned me up so I did not get an infection.

There is $14 billion approximately that goes to the Veterans' Administration. We have the Federal Employee Health Benefit Program which not only covers Members of Congress, it covers all Federal employees, active and retired. That is $11 billion, and then the program known as Medicaid is $72 billion.

In addition, we make indirect expenditures through our tax system; that is the tax deduction for people who received health care in the work force, and there is a FICA deduction for businesses that are providing health care.

The total direct and indirect expenditures for health care in this year ending September 30 will be $328 billion; $328 billion, Mr. President, is the amount of expenditures that we are making on behalf of the people. We are making these expenditures on behalf of the American people.

The next question ought to be, for those of us who kind of worry about cash flow from time to time, what kind of revenues are we receiving, and where are we getting the money?

Mr. President, we are taking in from Medicare part A, and we are taking in from Medicare part B approximately $105 billion. We have $92 billion that comes from Medicare part A. We have $13 billion coming in from Medicare part B. So $105 billion is all the premiums. Those are tax premiums that we are collecting from the American people. What we are giving the American people is $328 billion worth of benefits.

So the question is where do we get the rest of it? Sad to say, Mr. President, we are getting some of it in current dollars and some of it we are getting by selling bonds by going deeper into debt. We are getting $154 billion by my calculation from the taxpayers in the current year and going to sell bonds for $69 billion.

The reason I come up with this number, Mr. President, and my colleagues may have some disagreement on this, we have set Social Security off budget. One of the things that needs to be declared is our retirement accounts are really on a pay-as-you-go basis and they are current. I would support some reform of the retirement act, and I talked about that before. But as far as cash flow goes, we have a very large surplus in retirement right now. That is not the cash flow problem. The problem is in health care, where, because we set Social Security off budget, it is fair to say that of every dollar expenditure for anything that we spend at the Federal level 31 cents of it is done with additional debt.

So, Mr. President, I calculate that of that approximately $208 billion that we are looking for that we are funding $69 billion of it with additional debt. We are debt financing $69 billion worth of our health care expenditures.

Mr. DASCHLE. Mr. President, will the Senator yield?

Mr. KERREY. Of course I yield, and I am glad to yield.

Mr. DASCHLE. Mr. President, I just have had the good fortune to hear the distinguished Senator from Nebraska talk about this issue, and frankly I do not believe that our colleagues fully appreciate the magnitude of what the distinguished Senator is addressing here.

I commend him for it. There is no one in the Senate who has spent more time and has put more effort into understanding this issue and in such eloquent ways and in such easily understood ways and is now able to describe it for his colleagues and for the American people.

This is just another illustration of the Senator's leadership in this regard, and I commend him for it.

What I think I understand the Senator to say is that we are now spending, out of the entire health care budget for this country, 40 percent of all of that money we are spending is spent out of Government revenues. Is that what the Senator is telling us? Roughly, he is saying, $328 billion out of $800 billion is funded through the Government, so 60 percent, as I understand what the Senator is telling us, is spent in the private sector, but 40 percent today is spent out of Government; is that correct?

(Mr. BRYAN assumed the chair.)

Mr. KERREY. That is correct. Actually the $328 billion is what the Federal Government spent. State and local governments spend about $135 billion on top of that, roughly $180 billion private insurance, and the balance is out of pocket; that is correct.

Mr. DASCHLE. So what the Senator is saying is Government already spends more than half of all this country spends on health care; is that a correct statement?

Mr. KERREY. That is correct.

Mr. DASCHLE. Oftentimes, I go home or I talk around the country to various groups who have come to me and said, of all things, I hope you will preserve the private sector's role in our health care system. And I agree that, to the maximum degree possible, we should.

But I do not think people fully appreciate what a limited role that is, given the fact that when we look at the overall financing package, as the distinguished Senator has indicated, that package now constitutes a significant role for Government at the State and local level.

Now the thing I am most surprised at, and I would like the Senator to elaborate on it a little bit, is, as I understand what he said, one out of every 3 or 30 cents out of every dollar that we are committing to the health care system today at the Federal level is borrowed; is that what the Senator is telling us?

Mr. KERREY. Yes. Every dollar that we spend at the Federal level, other than retirement programs, which we have now set off budget, every dollar that we spend, if you are a Federal employee, if you are in agriculture, if you work for the Department of Defense out there building roads, whatever, we are spending—for every dollar we spend, we must sell 31 cents worth of bonds to pay for it. We are deficit financing approximately 30 percent of everything we spend.

Mr. DASCHLE. So, again, going back to your chart because it is so critical that we understand the financing, as we try to begin considering alternatives, financing is a very significant part of it. What I hear the Senator telling us is that approximately, then, 15 percent of our entire health care system would be spent by borrowing, taking from future generations in order to accommodate the tremendous proliferation of costs we have seen over the last several years.

Mr. KERREY. That is correct. And it touches everybody. If you get a tax deduction, understand that is an expenditure, it is indirect, and we have to deficit finance to do that as well. So it is not as if you are able to say we are deficit financing for poor people, we are deficit financing for elderly people, Medicare is the only thing we are receiving direct premiums for; everybody is participating in what is essentially a free ride.

Mr. DASCHLE. So in a way you are saying that those children, those who are most detrimentally affected by the current system, mothers who are not getting prenatal care, children who do not have access to primary care, are not only hurt by the fact that they have no access to the system, now we are being told by the distinguished Senator from Nebraska that they are also being hurt very significantly by the fact that they are ultimately paying for a system to which they do not have access.

Mr. KERREY. That is quite right.

Mr. DASCHLE. They are paying a lot, maybe 15 percent, into the current system and they do not have access to it.

Mr. KERREY. That is quite right. We are spending the dollars, as the distinguished Senator from South Dakota knows, because I have heard him talk very eloquently about it, we spend health care dollars in a pyramid fashion; that is to say, almost no incentives at all for prevention. We basically have a system that says when you get sick we will pay the bills, but if you are not sick you are going to have a difficult time getting expenditures; that means prenatal care, well baby care.

Our system of providing continuous health care for children is appallingly inadequate. The consequence of that underfunding is not only do you spend more money later on but you are underfunding, as the Senator quite rightly says, that very group that is going to suffer most because we are deficit financing the current expenditures.

If you think about it, if we say we are going to give $10,000 a year, $9,000 a year, roughly, and these are hard numbers now, one does not have to guess anymore. One thing about our debate today is we no longer have to talk in generalities about what the deficit is doing to us. We can look out in the future and say if we get in balance in the year 2001—and I am going to show how we can do that—we will add another $9,000 of per capita GNP to every single American in the year 2020. Failing to do that, they will have $9,000 less per capita.

The Senator is quite right. The very people we are underfunding today with our health care proposals will be the ones that will have to pay for it 28 years from now.

Mr. DASCHLE. I know the Senator has a presentation and I do not want to interrupt him any further.

But I think the other hidden cost that the Senator has addressed and needs to be emphasized is that if 15 percent of all of the money that we are spending this year is borrowed, when one takes the cumulative costs year after year of the borrowed dollars, that ultimately adds up to a lot more than the 15 percent we are paying now. It could exceed the current cost per year in a very short number of years.

Certainly by the time these young people, who do not have access and who are now paying because we are borrowing, come to the point when they do have some access, the overall cost is going to be far greater simply because we borrow the money and they will then be paying the cumulative interest and that debt will be larger.

Mr. KERREY. That is quite right.

Mr. DASCHLE. I think the Senator is making a very important point and I hope that our colleagues will have the opportunity to listen carefully.

Mr. KERREY. It is one of the reasons I objected in January, not just because I was out on the Presidential campaign trail myself, but when the President introduced his health care proposal, it was essentially additional tax expenditures with no identification of where he was going to get the money. He just wanted to spend some additional money to try to solve the problem.

The proposal of the distinguished Senator from South Dakota takes cost containment head-on, and we have to do that. Unless cost containment is our top priority with health care, we are merely reinforcing all the very bad things that we are currently doing and making them worse. We may provide some additional access but at a considerable cost to taxpayers and particularly the young people who will in the end have to pay the bill.

Mr. President, I am just going to try to in brief form lay out three things that we could do if we as a body would like, as old men and women, to stand out there at sometime in the future and be able to say that indeed we did add to the per capita GNP of young Americans who today are looking in the future, expecting to be working out there in that year. Three things, and they are relatively simple to say and relatively difficult to do.

The first is just to declare that we will take all of our health care expenditures and put them into one account. And that does not mean we shut down the VA. It does not mean we consolidate the VA into some other organization, or the Department of Defense. We can leave all the agencies as they are. We will, simply for budgetary purposes, consider them as one account, including the tax expenditures that we make that I indicated earlier. So now we have one account.

I am arguing the first thing we should do is operate on a pay-as-you-go basis. If we want to provide a benefit, whether it is a benefit to people who are buying private health insurance or people getting their health care through the Veterans' Administration or Medicaid or Medicare, we should raise the money and pay for it, close this $69 billion gap that we have this year that will be larger next year.

The second thing that I propose we do, Mr. President, is agree that the cost increases and cost increases of all of our health care expenditures will not exceed 5 percent a year. Maybe we said it was going to be 4 or 3. I am pegging it at 5 percent. That is still in excess of the rate of inflation. It still exceeds the increase in our gross national product. It should be reasonable for us to fund our program.

The third thing we need to do is to find approximately by my guess—I will fill that blank in—find an additional $15 billion or so of spending reductions in defense and other areas.

We have, according to the distinguished Senator from Arkansas [Mr. PRYOR] in talking to him earlier, we have a huge increase in the amount of outside contracting we are doing. We ought to be able to find an additional $10 or $15 billion in reduction.

If we did those three things in fiscal year 1993, here is what would happen, Mr. President. The red line shows the reduction that occurs as a consequence of operating on a pay-as-you-go basis. It is a huge reduction in the deficit in the first year, continuing down in the outer years. The orange line merely accumulates what happens if we operate with a 5-percent increase.

By the year 1997, we have moved the deficit down to $23 billion. It does not take a magician to figure out that a relatively steep reduction in defense and other items in our early years would put us in the position where we would get into surplus.

One of the things that needs to be said at this point, Mr. President, and why I like this approach, is that under the current environment what we are doing is shortchanging the very kinds of investments we need to be making from the Federal level that will promote even more economic growth.

This really shows up at the States, where States cannot deficit finance. States cannot sell bonds, as the distinguished occupant of the chair knows, having been a Governor of the great State of Nevada. We cannot sell bonds, typically at the State level, if we run short.

The State of Nebraska is about $25 million short with Medicaid, and that is about the size of the increase with Medicaid. As I indicated earlier, the Federal Government has a $20 billion increase in Medicaid. I do not recall anyone coming to the floor, saying we have a terrible crisis with Medicaid. The reason it is not a terrible crisis is because we know if we are running a little short, we just sell bonds. For our $20 billion, we will sell approximately $6 billion of bonds to pay the difference.

At the State level, what we see is they have to cut back on higher education; they have to cut back on primary and secondary education; they have to cut back on current investments. All we see is those current investments as domestic discretionary expenditures; they have to cut back current investments that will produce long-term economic growth.

Health-care cost increases at the Federal level are doing the same thing. Even though we are selling bonds and we mask the impact of it, we are still doing the same thing. What we are rushing to do under the current arrangements, without addressing this cost increase of health care, is that we are cutting back on those very things we need to put our money into to promote additional economic growth and prosperity for our people.

This morning I had the distinction of following President Bush's domestic policy adviser, I believe he is—I do not know what his exact title is—former Secretary of Agriculture, Clayton Yeutter, who is also from the State of Nebraska. As I told the Agriculture people, I was pleased. We are proud that former Secretary Yeutter now is the head of this domestic policy council. As a Democrat, I said, I wish he were still Secretary of Agriculture. But he is over there, and proud of what he is doing.

He came before this group to defend the free trade agreement with Mexico. And as he defended that free trade agreement, which I voted for—fast track; I think it could be good—he said the key part—the key part of making that trade agreement work if it is going to work is to invest in job training for our people. Because, the President's adviser said, there is no question that lower-income Americans will have their jobs destroyed; there will be job displacement as a consequence of this action.

By the way, Mr. President, even if we do not get a free trade agreement, that is happening anyway. We are seeing jobs move offshore as a consequence of being in a global environment. We have at least 40 million of our people—by a recent Department of Labor study—in the work force today who are undertrained. We need to be investing in their training.

It is going to take money. Yes; they will have to make an effort. Yes; they will have to work harder. But, Mr. President, we will have to make an investment in our community colleges, an investment in our private-sector training efforts. We need to get started making the kind of investments in our people that Governor Clinton has been talking about, frankly.

We are not going to be able to do that unless we get this deficit under control, and unless we get the deficit under control in a manner that has us facing head on public enemy No. 1.

Again, for emphasis, we only need to do three things. One, pay-as-you-go health care expenditures. If the American people want health care benefits, we will collect the tax revenue to pay for it. If they do not want the $65 billion they are getting for nothing right now, let us cut the $69 billion and get current.

The second thing we should do is declare we are going to allow health-care growth not to exceed 5 percent a year. It can be 4 percent; it can be 3 percent. If we decide it is going to be 6 percent then, the third area of action will have to be even larger.

The third area of action is we have a package, a relatively small amount of reductions in defense and other items. Again, the distinguished Senator from Arkansas earlier was talking to me about some contracts that are possible. We can surely find $10 billion to $15 billion worth of expenditures in these areas.

Mr. President, if we do those three things, we will be in surplus by the year 1997.

If we get this surplus, we will add at least $9,000 per capita by the year 2020 for every single American, and we will be able to turn our attention to making investments in education, making investments in job training, making investments in the kinds of things that will increase American productivity and increase our standard of living and give Americans a sense that we can restore the economic health of this country.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. DASCHLE. Mr. President, let me again compliment the distinguished Senator from Nebraska for his leadership in this area, and for enlightening all of us, who can learn so much from his study and from his dedication to this issue.

He has served this Senate well. He certainly has been a major contributor to the debate about health care reform and the need to make significant change in the coming months.

I commend the Senator and I appreciate his interest and his leadership on the issue.

Mr. KERREY. Mr. President, I should add my thanks, as well, to the distinguished Senator from South Dakota. He has made a very comprehensive commitment to people. He and Senator WOFFORD campaigned on health care. It was an exciting proposal, one indeed that incorporates the elements that are described here.

I should say for emphasis, to my colleagues who have not, in their own minds, resolved as to what we ought to do with health care—I have. There are some details I am willing to debate. These two things can be done without necessarily reforming in a comprehensive way our health care system. These are just fiscal conditions, fiscal conditions that I believe should be incorporated in comprehensive health care reform.

Indeed, in order to make the 5-percent growth limitation on health care expenditures truly work without having the cost shift that again I heard the distinguished Senator from South Dakota describe very eloquently, one must move to comprehensive health care reform to get the job done. Anyone who has really looked at the numbers of health care growth in America, government and private sector, knows that we cannot continue at this pace. We are going to have to change in a fundamental way the way we are financing health care.

It does not mean the way we deliver health care has to change. We can still have private health care in America. We can still have very high-quality health care in America.

I heard the distinguished Senator from Minnesota [Mr. DURENBERGER] the other day on the floor complimenting, as he should, the Mayo Clinic in Rochester, MN, for being identified as one of the lowest-cost hospitals in America. No one would argue the fact that Mayo is also one of the best hospitals in America, demonstrating that cost control and quality are not mutually exclusive. Indeed, cost control can force us to make sure we are doing accurate and up-front qualitative analyses.

Mr. President, I believe cost reduction, economic growth, and providing an environment where Americans no longer fear they are going to have their health care taken away from them. And I, for the record, want to compliment, as well, the Senator from South Dakota, who has not only been a leader on this issue, but has managed as only he can to pull people that are apparently of different minds together to move toward consensus, Republican and Democrat, as we need to do on behalf of the American people.

Mr. DASCHLE. Mr. President, I thank the distinguished Senator from Nebraska. I appreciate so much the cooperation and all of the effort he has put forth.

He made the point I was going to make tonight, that no one ought to be wedded to a specific proposal. He said there are a set of principles here that should be incorporated into any reform proposal. I think that really is something we need to concentrate on more. There ought to be a set of principles on which we agree and with which we begin to base a comprehensive health care delivery system in this country.

Obviously, as we try to put those principles together, one of the key questions is, to what degree do those principles address the problems that are besetting this country today with regard to health care?

I have addressed that series of problems in previous remarks, and I will not elaborate, but I think for review, they are important to mention again, to appreciate the magnitude of the problem. It is not just a cost problem; it is not just a problem of access. In my view, it is also a problem with the way we allocate our resources.

The fact that we are misallocating resources is becoming much more clear. And I think, as it becomes clear, we begin to address this series of problems in a much more comprehensive way. We are misallocating resources to administrative costs; we are misallocating resources to expensive health care delivery methods that could be reallocated to save substantial resources committed now unnecessarily.

Another problem, that I certainly have addressed, and others have, as well, is that we spend far too much on unnecessary care. Some will tell us that that unnecessary care could be as much as 30 percent of all the care delivered today, for a lot of different reasons which we have outlined in the past.

Finally, of course, the hassle factor, the fact that doctors and administrators are spending far too much time filling out forms, dealing with bureaucracy, and not providing health care. Experts have told us that as much as the equivalent of 2 work weeks are spent each month by doctors who have to spend an incredible amount of work and time and effort filling out these bureaucratic, nightmarish forms to a point that they never dreamed possible when they were in medical school.

So we have all of these problems. There is no single bullet with which to solve them. Some would say all we have to do is revise our current health care delivery system, adopt what many people call managed care; managed care will take care of the problem.

There was an interesting article in the paper just in the last couple of days which indicated that, while managed care can contribute, managed care, in and of itself, will not solve the problem. Businesses and corporations of all kinds are coming before the Congress and are reiterating that managed care is not meeting their expectations. So managed care is no silver bullet.

There is no single bullet. There is no easy answer. There is no incremental approach that will softly and gently move us into a new arrangement whereby we could resolve all of the five problems.

But what ought we to consider as a basic core set of principles that can begin creating this comprehensive health care plan? I think there are a number of them. I very briefly want to touch on those principles today. They can be incorporated into any one of a number of different comprehensive health care reform proposals. But I think, for a comprehensive approach to health care reform to be successful, they ought to include in some form some of the principles that I am about to mention.

The first would be preventive care. Today we had a major decision from the Supreme Court about abortion and, whether one is pro-life or pro-choice, there is no argument about one thing. Regardless from which philosophical perspective you may come, the fact is that we can save the lives, the livelihoods, the health, the ultimate welfare and well-being of those children much more effectively if we provide universal access to health care delivery; for pregnant mothers, more opportunities to give that new child an opportunity to live in good health; for that fetus an opportunity to grow and be nurtured under the guidance of a health care provider.

For all of those who are so concerned about the issue either way, I challenge them to come forth and to join with us in the realization that we must provide extensive prenatal care and neonatal care to every single child in this country. You cannot have a health care delivery system unless you start with that. I do not care what it is, I do not care what kind of a plan you put forth, it has to start with that. Primary care, wellness promotion, preventive care starts with the child, starts with the pregnancy, starts with access for that pregnant mother, who for the first time, would have hope that she and her child could be healthy. What is more fundamental than that? What is more sensible than that? What could be more economically efficient than to provide access to health care with the cheapest and most inexpensive approach rather than to wait until complications develop? I am told that the cost-effectiveness ratio of prenatal care could be 100 to 1 to one. That is, you save $100 for every $1 you put into a prenatal care program. If it is that extraordinary, then why are we not doing it today?

The second principle, it seems to me, is pretty simple as well. You have to have a budget. If there is one thing I hear every time I return home, and I return home often, it is people who walk up and say, "Tom, the thing you ought to do is run Government like a business or a family. We all have a budget, why do you not? You have to run it like a business. You have to run it like a family. You have to live within some confines; you just cannot go out there and spend until you get blue in the face."

I think they are right. I am not sure families and businesses always do it as well as we would like, as well as they would like, but certainly you have to give them extraordinarily high marks for effort.

But what are the marks when it comes to health care in this country? Where is the budget? Where is this notion of running a government entity like a business or a family when it comes to health care? We spend as if there is no tomorrow. We do not have any limits, either in the private sector or in the Government sector, when it comes to health care. And the results are economically cataclysmic.

The distinguished Senator from Nebraska made it very clear: We are spending extraordinary amounts of money unnecessarily and with costs that we have not even begun to realize simply because we do not have a budget. We have to begin appreciating the need for a budget if we are going to deal with health care costs.

A couple of months ago we had a very vigorous debate about capping Medicare and Medicaid, and there were those on the other side who said we have to cap them because that is the only way we are going to control them. And, to a certain extent, I can subscribe to that argument. But if we are, indeed, going to cap Medicare and Medicaid, are we not then acknowledging the need for a budget? I would argue we are, and I would argue that it is time we not only cap Medicare and Medicaid but that we cap every other part of health care spending and realize that our resources are limited and, if they are limited, come to some better approach to how we allocate those resources.

The third principle: Let us also acknowledge that we have way too many payers in the system today. The General Accounting Office has indicated to the Congress that a big reason why we see fraud in the current system—and that fraud was $70 billion last year—is tied directly to the fact that with our multipayer system, there is no one minding the store. There is no way to ensure that all of this money does not fall down an ever increasing rat hole because of fraud. And they said of all of the reasons why fraud exists, the biggest is the hundreds and hundreds of payers in our current system, 1,200 to 1,400 payers today. And the duplication not directly related to fraud is equally as expensive.

The plethora of payers is driving administrative costs sky high. We are told administrative costs alone could be 20 to 25 percent of the overall health care budget. Twenty-five percent, Mr. President, is over $200 billion that we are spending on paperwork, that we are spending on administration and all of those other costs not directly related to health care, and that is wrong.

Small businesses are among the biggest victims of all. Their costs are substantially higher than those of large corporations; 40 percent of the premiums small businesses pay today go to insurers' administrative costs, 40 percent. So we have a gas-guzzler system, a system that takes too much to get from here to there in providing the health care we all want.

The fourth principle: some kind of decisionmaking entity. A Federal health board is essential. The one real encouragement I have received in recent months in talking about this issue on both sides of the aisle is the realization that there has to be some decisionmaking authority, some way for us to start making better allocation decisions, better cost-containment decisions, better decisions relating to where the dollars go in primary care. Those kinds of issues have to be decided by someone, and a health care delivery mechanism that includes a decisionmaking authority is absolutely essential.

The fifth principle is one about which I feel very strongly. I know that it is somewhat controversial, but I do believe that as we continue to evolve into a more realistic health care delivery mechanism, that new mechanism, that new reform movement is going to at long last delink health-care insurance from employment.

For the life of me, I do not understand how it was that it got to this point in the first place. Employers do not take care of our housing; they do not take care of our education; they do not take care of our clothing or our other necessities in life. Why and through what method was it that we came to the conclusion they are responsible for our health care? They are not responsible in any other country. So if they are not in any other country, why would they be in this country, which proclaims its competitiveness and its ability to compete anywhere in the world with the most competitive features of our capitalistic system?

What is competitive about requiring employers pay up to $500 to $700 a month in insurance costs? That cost, Mr. President, is driving our employers to a position which is not competitive and is having a devastating effect on their ability to compete internationally. An economist told us, candidly, a couple of months ago that one of two things is going to happen within 20 years: either we will have come to our senses and broken that link between employment and health care delivery or our large employers will have left the country to evade that responsibility.

I think he is right. It is the most inefficient and complex way of providing insurance there can be. General Motors estimates that its obligation for retirees' health benefits exceeds its total assets today.

So let there be no mistake; the cost of continuing to require employers to pay health care is wrong, uncompetitive, extremely inefficient, expensive, and an anachronism.

I do think employers ought to have the opportunity, should they so choose, for whatever reason—recruitment, retention, whatever reason it may be—to provide health care. That ought to be their choice. But to require under law that an employer does so, to me, ought to be changed.

Those are the principles, Mr. President: Breaking the link between employment and health care, having some kind of a decisionmaking authority, reducing the number of payers, having a budget, ensuring that we have preventive care, are principles that I hope Democrats and Republicans alike could support and could use as the basis upon which to build comprehensive health care reform.

Mr. President, there is one other point that I would like to make before I yield the floor. It has to do with some comments made by the Secretary of Health and Human Services a couple of weeks ago before the Senate Finance Committee. The Secretary indicated that a new study had just been released by Dr. Robert Blenden of the Harvard School of Public Health. It was presented at a recent meeting of the Association of Health Services Research. He stated that in that study physicians found the Canadian system virtually unacceptable.

I do not want to paraphrase inaccurately the Secretary's remarks. I ask unanimous consent that his remarks be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Canadian doctors, according to a recent report, are deeply concerned about their ability to get access for their patients to special care and medical technology.

In addition, let me report, a large majority of doctors in Canada and Germany also believe their systems require major overhaul.

And also, Senator CHAFEE, the source for that citation of the Canadian doctors is a study by Dr. Robert Blenden of the Harvard School of Public Health.

And there was an article citing the study in the Wall Street Journal on June 9, just a few days ago. And this was a study funded by the Robert Johnson Foundation.

Mr. DASCHLE. The reason I raise the issue, Mr. President, is because it goes to a larger point. The larger point is, regardless of whether or not we subscribe to a Canadian system or a German system or any one of the foreign systems, I happen to believe that the adoption of a foreign system is wrong; that we can adapt American principles and American health care reform standards and American health care practices to a comprehensive health care reform system that has little to do with what is done in Canada or what is done in Germany or what is done in Britain or Japan.

But just because I do not subscribe to a Canadian system or a German system does not mean I believe we cannot learn from a German system or a Canadian system. And if we are going to learn from one of these systems, it seems to me we ought to get our facts straight and not, for whatever reason, distort the facts to make a point, only to obfuscate the issue and not learn at all.

Oftentimes that seems to be the case as we debate health care reform. Outrageous claims or accusations are made about other systems that so undermine our ability to understand, undermine our ability to debate the issue in an objective and enlightened way I think the purposes are defeated. And so it is in that interest I would attempt to lay the record straight with just a few points made in the very study the Secretary cited in his testimony 2 weeks ago.

Point No. 1, "Canadian and West German physicians were found to be more satisfied with their system than were U.S. physicians"—more satisfied. That was not the impression left by the Secretary, but that is what the study says.

Second, "physicians in the U.S. were unique among the three countries in reporting a serious problem with obtaining care for patients who could not afford treatment."

The Secretary made quite a point of saying that there are long waiting lines in Canada, that certain kinds of care were not provided, and he cited this study as his basis for making that claim. Now we find that the study is very clear. It says physicians in the United States were unique in pointing out that our system presented serious problems for obtaining care for patients who could not afford treatment.

The third point, "U.S. physicians reported more patients who should have sought care earlier.

"U.S. physicians reported the most external interference from third-party payers in their medical practice decision making."

We are seeing that today with the managed care concept. External interference from third-party payers. How much more can we expect in the future by an employer or someone who says we are not going to pay that for you; you are not going to get it. As a result, it is up to you. External interference may or may not be a good thing. But if it is haphazard, if it is done without standards, then I would argue, Mr. President, we are making a mistake. And the United States has more external interference than that of other countries.

"Only 23 percent of United States doctors believe the system works pretty well as compared to 33 percent of doctors in Canada and 48 percent of German physicians."

And then finally, "More than two-thirds of American physicians said they thought fundamental changes are needed to make the system work better."

I think that is a phenomenal figure. Two-thirds of American physicians said they thought fundamental changes are needed to make the system work better. We are not talking about patients here. We are not talking about rank and file American workers. We are talking about people on the front lines, those in the surgical suites, those in the emergency rooms, those who ought to know the system best. Those people are saying by two-thirds that fundamental changes, not tinkering around the edges, are needed in the current system.

Dr. Ted Marmor of Yale University may have summed it up best at the end of the hearing, referring to the incredible array of misguided and absolutely inaccurate information broadcast about the Canadian system, when he said, "I think I've heard the intellectual equivalent of acid rain." We're sending unwanted verbal pollution across the Canadian border.

I think there is a lot of intellectual acid rain when it comes to health care delivery. We have to separate fiction from fact. We have to understand what the real facts are so that we can make objective decisions about what it is we need and what it is we want. I hope over the course of the next several months we will have that opportunity in committees and on the floor.

I appreciate very much the attention of my colleagues to this issue this evening.

Mr. President, I yield the floor.

THE SUPREME COURT'S DECISION IN THE ABORTION CASE

Mr. KENNEDY. Mr. President, today's decision by the Supreme Court in the Pennsylvania abortion case severely undermines the right of a woman to choose to terminate her pregnancy. The Court has clearly abandoned large parts of the protection that Roe versus Wade provided. Today's decision is a signal to the States that a wide range of previously unconstitutional restrictions on a woman's right to choose will now be held valid by the Court.

The decision is little more than an invitation to the States to impose additional burdensome restrictions on abortion. The inevitable result is massive uncertainty in the law and endless litigation to try to clarify it.

In this situation, the only responsible course is for Congress to act as soon as possible to pass the Freedom of Choice Act, and restore to all the women of America what the Supreme Court today has taken from them.

I intend to ask the Senate Labor Committee to act on this legislation on Wednesday, so that the full Senate will be able to pass this essential measure as soon as possible.

It is a sad commentary on the State of constitutional law in America in 1992 that the Supreme Court of the United States is willing to cut back on the fundamental constitutional guarantee that the Court upheld in Roe versus Wade in 1973.

Restrictions on abortion of the sort approved by the Court today are all too likely to cause large numbers of women to sacrifice their dignity, their health, and often their lives, to terminate their pregnancies.

In recent hearings before the Senate Labor and Human Resources Committee, we heard the eloquent and brutal testimony of a woman who underwent an illegal first trimester abortion in the mid-1950's. Another witness, too poor to afford an illegal abortion, described the desperation that led her to try to perform an abortion on herself. Finally, we heard the heartbreaking story of a son who, more than 60 years later, was brought to tears again as he described his mother's death from an attempted abortion on herself.

No woman in America and no family in America should be placed in these tragic circumstances. The decision whether to terminate a pregnancy is a private and deeply personal and anguishing decision that should be made by a woman and her doctor, not by the Federal Government, and not by State and local governments.

We should all work to reduce the need for abortions in America through more effective family planning, contraception research, and adoption services. But we must also safeguard a woman's right to make this deeply personal choice to terminate a pregnancy, and we must assure that she can safely implement her choice without governmental interference.

I hope that my colleagues will read the shocking testimony of these victims to whom I have referred. I ask unanimous consent that excerpts from their testimony may be printed in the RECORD. I also ask unanimous consent that the headnote from today's Supreme Court decision may be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TESTIMONY BEFORE THE COMMITTEE ON LABOR AND HUMAN RESOURCES ON S. 1912, MARCH 27, 1990

A DARK, DIRTY OLD BUILDING

* * * I entered this dark, dirty old building with my hands shaking and my heart in my throat, when I walked up those three flights of pitchy stairs and got to the door at the top of them, it cost me $1,000 to get through that door—$1,000 made up of pennies and nickels and dimes saved up over a very long period of time, money that I had attempted to scrape together to put away for a down payment on a home for my family—and every bit of it gone to pay for a dirty knife.

This was in 1954, gentlemen, a time when a dollar was worth probably three to four times what it is today, and I was about two and a half months into the pregnancy. Today an abortion at that stage, done safely, would cost about $250. But in 1954, I had to hand this drunken old butcher four times that amount, and it bought me the most painful and degrading experience of my life.

After I had been given two aspirin, which was the anesthetic, I was led down a hall to a filthy little room with cobwebs hanging from the ceiling and a slop bucket placed at the end of what resembled a dirty old kitchen table. The abortionist was pouring himself a drink of whiskey as I went into the room and the first thing he said to me was: "You can take your pants down now, but you should have—ha, ha—left them on before."

Then he told me to lie down on the table. And when I did, what I saw coming toward me was a man with a whiskey glass in one hand and a sharp instrument in the other and both hands shaking.

After he had downed his drink, he doubled his fist over my face, held it about two inches from my face and said: "This is going to hurt—and you'd better keep your mouth shut or I'll shut it for you."

I didn't doubt him at all, not for a minute, and I did keep my mouth shut—through about 15 minutes of the most eyeball-popping pain you could ever imagine.

I BECAME A LITTLE CRAZY

At the age of 20 years old, I was living in White Plains, New York. I was working as a domestic. And as I said, I found myself pregnant.

I really and truly at that time became a little crazy. I could not think of how I was going to terminate this pregnancy. I did all kinds of things to self-abort, from taking quinine and turpentine, to taking black draft, to taking epsom salts, to taking all kinds of laxatives, to taking hot baths where I literally cooked myself, to eventually coming to the conclusion that the only thing that I could do was to do what other friends had done, which was to resort to knitting needles.

I bought a pair of knitting needles in F.W. Woolworth's in White Plains, New York. I did not buy the little fat kind; I bought the long, thin kind. I then proceeded to buy a flashlight and a mirror. The flashlight was so that I could see exactly what I was doing and so that I would have a mirror so I would be able to look.

I had a pail, I had a flashlight, I had a mirror, and for two consecutive days, I tried to induce a period that was a month late.

It is a horrendous experience to try to self-abort. It is something that most women have done if they have found themselves pregnant and have no money, and that was what I did.

I was eventually successful, and I did self-abort.

I would like to say that after the procedure, I hemorrhaged; I did not go to the hospital because of fear.

I GREW UP BELIEVING OUR MOTHER DIED FROM PTOMAINE POISONING

During 1929, a gifted soprano, 28-year-old Denver mother, and adored wife of two toddlers two and four years old, desperately faced a new and life-threatening pregnancy, unknown to her husband and her parents. She telephoned her desperate circumstances to her sister-in-law, married to a country doctor in Idaho, and begged her to get "Doc" to perform an abortion.

"My aunt gently and sorrowfully told her that she could not ask "Doc" to forget his Hippocratic Oath and professional license to perform an illegal operation, even for one so dear as his young sister-in-law, and "Doc" never heard of her pleas before she died.

My cornered, frantic mother turned to back alley means and illegally obtained a quantity of a controlled drug, ergot apiol, which she secretly and ineptly overdosed at home.

At the dinner table that night, she went into convulsions and died on the floor, before the terrified eyes of her husband and tots.

* * *

My sister and I grew up believing our mother died from ptomaine poisoning caused by home-canned sweet corn—understandably, an equally painful and horrible death, but socially acceptable to the pro-lifers of 1929 and 1990.

We never had a chance to ask our Dad, his sister and our uncle "Doc" for the facts, which we learned only 2 years ago, when my sister, a retired nurse, researched and obtained a copy of my mother's death certificate, which is attached: "Cause of death, determined by an autopsy, overdose of ergot taken to produce an abortion."

[Supreme Court of the United States]

PLANNED PARENTHOOD OF SOUTHEASTERN PENNSYLVANIA v. CASEY

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

No. 91-744 together with No. 91-902, CASEY v. PLANNED PARENTHOOD OF SOUTHEASTERN PENNSYLVANIA); Argued April 22, 1992—Decided June 29, 1992

At issue are five provisions of the Pennsylvania Abortion Control Act of 1982: §3205, which requires that a woman seeking an abortion give her informed consent prior to the procedure, and specifies that she be provided with certain information at least 24 hours before the abortion is performed; §3206, which mandates the informed consent of one parent for a minor to obtain an abortion, but provides a judicial bypass procedure; §3209, which commands that, unless certain exceptions apply, a married woman seeking an abortion must sign a statement indicating that she has notified her husband; §3203, which defines a "medical emergency" that will excuse compliance with the foregoing requirements; and §§3207(b), 3214(a), and 3214(f), which impose certain reporting requirements on facilities providing abortion services. Before any of the provisions took effect, the petitioners, five abortion clinics and a physician representing himself and a class of doctors who provide abortion services, brought this suit seeking a declaratory judgment that each of the provisions was unconstitutional on its face, as well as injunctive relief. The District Court held all the provisions unconstitutional and permanently enjoined their enforcement. The Court of Appeals affirmed in part and reversed in part, striking down the husband notification provision but upholding the others.

Held; The judgment in No. 91-902 is affirmed; the judgment in No. 91-744 is affirmed in part and reversed in part, and the case is remanded.

947 F. 2d 682: No. 91-902, affirmed; No. 91-744, affirmed in part, reversed in part, and remanded.

JUSTICE O'CONNOR, JUSTICE KENNEDY, and JUSTICE SOUTER delivered the opinion of the Court with respect to Parts I, II, and III, concluding that:

1. Consideration of the fundamental constitutional question resolved by *Roe* v. *Wade*, 410 U.S. 113, principles of institutional integrity, and the rule of *stare decisis* require that *Roe*'s essential holding be retained and reaffirmed as to each of its three parts: (1) a recognition of a woman's right to choose to have an abortion before fetal viability and to obtain it without undue interference from the State, whose previability interests are not strong enough to support an abortion prohibition or the imposition of substantial obstacles to the woman's effective right to elect right to elect the procedure; (2) a confirmation of the State's power to restrict abortions after viability, if the law contains exceptions for pregnancies endangering a woman's life or health; and (3) the principle that the State has legitimate interests from the outset of the pregnancy in protecting the health of the woman and the life of the fetus that may become a child. Pp. 1–27.

(a) A reexamination of the principles that define the woman's rights and the State's authority regarding abortions is required by the doubt this Court's subsequent decisions have cast upon the meaning and reach of *Roe*'s central holding, but the fact that THE CHIEF JUSTICE would overrule *Roe*, and by the necessity that state and federal courts and legislatures have adequate guidance on the subject. Pp. 1–3.

(b) *Roe* determined that a woman's decision to terminate her pregnancy is a "liberty" protected against state interference by the substantive component of the Due Process Clause of the Fourteenth Amendment. Neither the Bill of Rights nor the specific practices of States at the time of the Fourteenth Amendment's adoption marks the outer limits of the substantive sphere of such "liberty." Rather, the adjudication of substantive due process claims may require this Court to exercise its reasoned judgment in determining the boundaries between the individual's liberty and the demands of organized society. The Court's decisions have afforded constitutional protection to personal decisions relating to marriage, see, *e.g., Loving* v. *Virginia*, 388 U.S. 1, procreation, *Skinner* v. *Oklahoma*, 316 U.S. 535, family relationships, *Prince* v. *Massachusetts*, 321, U.S. 158, child rearing and education, *Pierce* v. *Society of Sisters*, 268 U.S. 510, and contraception, see *e.g., Griswold* v. *Connecticut*, 381 U.S. 479, and have recognized the right of the individual to be free from unwarranted governmental intrusion into matters so fundamentally affecting a person as the decision whether to bear or beget a child, *Eisenstadt* v. *Baird*, 405 U.S. 438, 453. *Roe*'s central holding properly invoked the reasoning and tradition of these precedents. Pp. 4–11.

(c) Application of the doctrine of *stare decisis* confirms that *Roe*'s essential holding should be reaffirmed. In reexamining that holding, the Court's judgment is informed by a series of prudential and pragmatic considerations designed to test the consistency of overruling the holding with the ideal of the rule of law, and to gauge the respective costs of reaffirming and overruling. Pp. 11–13.

(d) Although *Roe* has engendered opposition, it has in no sense proven unworkable, representing as it does a simple limitation beyond which a state law is unenforceable. P. 13.

(e) The *Roe* rule's limitation on state power could not be repudiated without serious inequity to people who, for two decades of economic and social developments, have organized intimate relationships and made choices that define their views of themselves and their places in society, in reliance on the availability of abortion in the event that contraception should fail. The ability of women to participate equally in the economic and social life of the Nation has been facilitated by their ability to control their reproductive lives. The Constitution serves human values, and while the effect of reliance on *Roe* cannot be exactly measured, neither can the certain costs of overruling that case be dismissed. Pp. 13–14.

(f) No evaluation of legal principle has left *Roe*'s central rule a doctrinal anachronism discounted by society. If *Roe* is placed among the cases exemplified by *Griswold, supra*, it is clearly in no jeopardy, since subsequent constitutional developments have neither disturbed, nor do they threaten to diminish, the liberty recognized in such cases. Similarly, if *Roe* is seen as stating a rule of personal autonomy and bodily integrity, akin to cases recognizing limits on governmental power to mandate medical treatment or to bar is rejection, the Court's post-*Roe* decisions accord with *Roe*'s view that a State's interest in the protection of life falls short of justifying any plenary override of individual liberty claims. See, *e.g. Cruzan* v. *Director, Missouri Dept. of Health*, 497 U.S. ——, ——. Finally, if *Roe* is classified as *sui generis*, there clearly has been no erosion of its central determination. It was expressly reaffirmed in *Akron* v. *Akron Center for Reproductive Health*, 462 U.S. 416 (*Akron I*), and *Thornburgh* v. *American College of Obstetricians and Gynecologists*, 476 U.S. 747; and, in *Webster* v. *Reproductive Health Services*, 492 U.S. 490, a majority either voted to reaffirm or declined to address the constitutional validity of *Roe*'s central holding. Pp. 14–17.

(g) No change in *Roe*'s factual underpinning has left its central holding obsolete, and none supports an argument for its overruling. Although subsequent maternal health care advances allow for later abortions safe to the pregnant woman, and post-*Roe* neonatal care developments have advanced viability to a point somewhat earlier, these facts go only to the scheme of time limits on the realization of competing interests. Thus, any later divergences from the factual premises of *Roe* have no bearing on the validity of its central holding, that viability marks the earliest point at which the State's interest in fetal life is constitutionally adequate to justify a legislative ban on nontherapeutic abortions. The soundness or unsoundness of that constitutional judgment is no sense turns on when viability occurs. Whenever it may occur, its attainment will continue to serve as the critical fact. Pp. 17–18.

(h) A comparison between *Roe* and two decisional lines of comparable significance—the line identified with *Lochner* v. *New York*, 198 U.S. 45, and the line that began with *Plessy* v. *Ferguson*, 163 U.S. 537—confirms the result reached here. Those lines were overruled—by, respectively, *West Coast Hotel Co.* v. *Parrish*, 330 U.S. 379, and *Brown* v. *Board of Education*, 347 U.S. 483—on the basis of facts, or an understanding of facts, changed from those which furnished the claimed justifications for the earlier constitutional resolutions. The overruling decisions were comprehensible to the Nation, and defensible, as the Court's responses to change circumstances. In contrast, because neither the factual underpinnings of *Roe*'s central holding nor this Court's understanding of it has changed (and because no other indication of weakened precedent has been shown), the Court could not pretend to be reexamining *Roe* with any justification beyond a present doctrinal disposition to come out differently from the *Roe* Court. That is an inadequate basis for overruling a prior case. Pp. 19–22.

(i) Overruling *Roe*'s central holding would not only reach an unjustifiable result under *stare decisis* principles, but would seriously weaken the Court's capacity to exercise the judicial power and to function as the Supreme Court of a Nation dedicated to the rule of law. Where the Court acts to resolve the sort of unique, intensely divisive controversy reflected in *Roe*, its decision has a dimension not present in normal cases and is entitled to rare precedential force to counter the inevitable efforts to overturn it and to thwart its implementation. Only the most convincing justification under accepted standards of precedent could suffice to demonstrate that a later decision overruling the first was anything but a surrender to political pressure and an unjustified repudiation of the principle on which the Court staked its authority in the first instance. Moreover, the country's loss of confidence in the Judiciary would be underscored by condemnation for the Court's failure to keep faith with those who support the decision at a cost to themselves. A decision to overrule *Roe's* essential holding under the existing circumstances would address error, if error there was, at the cost of both profound and unnecessary damage to the Court's legitimacy and to the Nation's commitment to the rule of law. Pp. 22–27.

JUSTICE O'CONNOR, JUSTICE KENNEDY, and JUSTICE SOUTER concluded in Part IV that an examination of *Roe* v. *Wade*, 410 U.S. 113, and subsequent cases reveals a number of guiding principles that should control the assessment of the Pennsylvania statute:

(a) To protect the central right recognized by*Roe* while at the same time accommodating the State's profound interest in potential life, see, *id.*, at 162, the undue burden standard should be employed. An undue burden exists, and therefore a provision of law is invalid, if its purpose or effect is to place substantial obstacles in the path of a woman seeking an abortion before the fetus attains viability.

(b) *Roe's* rigid trimester framework is rejected. To promote the State's interest in potential life throughout pregnancy, the State may take measures to ensure that the woman's choice is informed. Measures designed to advance this interest should not be invalidated if their purpose is to persuade the woman to choose childbirth over abortion. These measures must not be an undue burden on the right.

(c) As with any medical procedure, the State may enact regulations to further the health or safety of a woman seeking an abortion, but may not impose unnecessary health regulations that present a substantial obstacle to a woman seeking an abortion.

(d) Adoption of the undue burden standard does not disturb *Roe's* holding that regardless of whether exceptions are made for particular circumstances, a State may not prohibit any woman from making the ultimate decision to terminate her pregnancy before viability.

(e) *Roe's* holding that "subsequent to viability, the State in promoting its interest in the potentiality of human life may, if it chooses, regulate, and even proscribe, abortion except where it is necessary, in appropriate medical judgment, for the preservation of the life or health of the mother' is also reaffirmed. *Id.*, at 164–165. Pp. 27–37.

JUSTICE O'CONNOR, JUSTICE KENNEDY, and JUSTICE SOUTER delivered the opinion of the Court with respect to Parts V–A and V–C, concluding that:

1. As construed by the Court of Appeals, §3203's medical emergency definition is intended to assure that compliance with the State's abortion regulations would not in any way pose a significant threat to a woman's life or health, and thus does not violate the essential holding at *Roe, supra*, at 164. Although the definition could be interpreted in an unconstitutional manner, this Court defers to lower federal court interpretations of state law unless they amount to "plain" error. Pp. 38–39.

2. Section 3209's husband notification provision constitutes an undue burden and is therefore invalid. A significant number of women will likely be prevented from obtaining an abortion just as surely as if Pennsylvania had outlawed the procedure entirely. The fact that §3209 may affect fewer than one percent of women seeking abortions does not save it from facial invalidity, since the proper focus of constitutional inquiry is the group for whom the law is a restriction, not the group for whom it is irrelevant. Furthermore, it cannot be claimed that the father's interest in the fetus' welfare is equal to the mother's protected liberty, since it is an inescapable biological fact that state regulation with respect to the fetus will have a far greater impact on the pregnant women's bodily integrity than it will on the husband. Section 3209 embodies a view of marriage consonant with the common-law status of married women but repugnant to this Court's present understanding of marriage and of the nature of the rights secured by the Constitution. See *Planned Parenthood of Central Mo.* v. *Danforth*, 428 U.S. 52, 69. Pp. 46–58.

JUSTICE O'CONNOR, JUSTICE KENNEDY, and JUSTICE SOUTER, joined by JUSTICE STEVENS, concluded in Part V–E that all of the statute's recordkeeping and reporting requirements, except that relating to spousal notice, are constitutional. The reporting provision relating to the reasons a married woman has not notified her husband that she intends to have an abortion must be invalid because it places an undue burden on a woman's choice. Pp. 59–60.

JUSTICE O'CONNOR, JUSTICE KENNEDY, and JUSTICE SOUTER, concluded in Parts V–B and V–D that:

1. Section 3205's informed consent provision is not an undue burden on a woman's constitutional right to decide to terminate a pregnancy. To the extent *Akron I*, 462 U.S., at 444, and THORNBURGH, 476 U.S., at 762, find a constitutional violation when the government requires, as it does here, the giving of truthful, nonmisleading information about the nature of the abortion procedure, the attendant health risks and those of childbirth, and the "probable gestational age" of the fetus, those cases are inconsistent with *Roe's* acknowledgement of an important interest in potential life, and are overruled. Requiring that the woman be informed of the availability of information relating to the consequences to the fetus does not interfere with a constitutional right of privacy between a pregnant woman and her physician, since the doctor-patient relation is derivative of the woman's position, and does not underlie or override the abortion right. Moreover, the physician's First Amendment rights not to speak are implicated only as part of the practice of medicine, which is licensed and regulated by the State. There is no evidence here that requiring a doctor to give the required information would amount to a substantial obstacle to a woman seeking abortion.

The premise behind *Akron I*'s invalidation of a waiting period between the provision of the information deemed necessary to informed consent and the performance of an abortion, *id.*, at 450, is also wrong. Although §3205's 24-hour waiting period may make some abortions more expensive and less convenient, it cannot be said that it is invalid on the present record and in the context of this facial challenge. Pp. 39–46.

2. Section 3206's one-parent consent requirement and judicial bypass procedure are constitutional. See, *e.g.*, *Ohio* v. *Akron Center for Reproductive Health*, 497 U.S. ——, ——. Pp. 58–59.

JUSTICE BLACKMUN concluded that application of the strict scrutiny standard of review required by this Court's abortion precedents results in the invalidation of all the challenged provisions in the Pennsylvania statute, including the reporting requirements, and therefore concurred in the judgment that the requirement that a pregnant woman report her reasons for failing to provide spousal notice is unconstitutional. Pp. 10, 14–15.

THE CHIEF JUSTICE, joined by JUSTICE WHITE, JUSTICE SCALLA, and JUSTICE THOMAS, concluded that:

1. Although *Roe* v. *Wade*, 410 U.S. 113, is not directly implicated by the Pennsylvania statute, which simply regulates and does not prohibit abortion, a reexamination of the "fundamental right" *Roe* accorded to a woman's decision to abort a fetus, with the concomitant requirement that any state regulation of abortion survive "strict scrutiny," *id.*, at 154–156, is warranted by the confusing and uncertain state of this Court's post-*Roe* decisional law. A review of post-*Roe* cases demonstrates both that they have expanded upon *Roe* in imposing increasingly greater restrictions on the States, see *Thornburgh* v. *American College of Obstetricians and Gynecologists*, 476 U.S. 747, 783 (Burger, C.J., dissenting), and that the Court has become increasingly more divided, none of the last three such decisions having commanded a majority opinion, see *Ohio* v. *Akron Center for Reproductive Health*, 497 U.S. 502, *Hodgson* v. *Minnesota*, 497 U.s. 417, *Webster* v. *Reproductive Health Services*, 492 U.S. 490. This confusion and uncertainty complicated the task of the Court of Appeals, which concluded that the "undue burden" standard adopted by JUSTICE O'CONNOR in *Webster* and *Hodgson* governs the present cases, Pp. 1–8.

2. The *Roe* Court reached too far when it analogized the right to abort a fetus to the rights involved in *Pierce* v. *Society of Sisters*, 268 U.S. 510; *Meyer* v. *Nebraska*, 262 U.S. 390; *Loving* v. *Virginia*, 388 U.S. 1; and *Griswold* v. *Connecticut*, 381 U.S. 479, and thereby deemed the right to abortion to be "fundamental." None of these decisions endorsed an all-encompassing "right of privacy," as *Roe, supra*, at 152–153, claimed. Because abortion involves the purposeful termination of potential life, the abortion decision must be recognized as *sui generis*, different in kind from the rights protected in the earlier cases

under the rubric of personal or family privacy and autonomy. And the historical traditions of the American people—as evidenced by the English common law and by the American abortion statutes in existence both at the time of the Fourteenth Amendment's adoption and *Roe*'s issuance—do not support the view that the right to terminate one's pregnancy is "fundamental." Thus, enactments abridging that right need not be subjected to strict scrutiny. Pp 8–11.

3. The undue burden standard adopted by the joint opinion of Justices O'Connor, Kennedy, and Souter has no basis in constitutional law and will not result in the sort of simple limitation, easily applied, which the opinion anticipates. To evaluate abortion regulations under that standard, judges will have to make the subjective, unguided determination whether the regulations place "substantial obstacles" in the path of a woman seeking an abortion, undoubtedly engendering a variety of conflicting views. The standard presents nothing more workable than the trimester framework the joint opinion discards, and will allow the Court, under the guise of the Constitution, to continue to impart its own preferences on the States in the form of a complex abortion code. Pp. 22–23.

4. The correct analysis is that set forth by the plurality opinion in *Webster*, *supra*. A woman's interest in having an abortion is a form of liberty protected by the Due Process Clause, but States may regulate abortion procedures in ways rationally related to a legitimate state interest. P. 24.

5. Section 3205's requirements are rationally related to the State's legitimate interest in assuring that a woman's consent to an abortion be fully informed. The requirement that a physician disclose certain information about the abortion procedure and its risks and alternatives is not a large burden and is clearly related to maternal health and the State's interest in informed consent. In addition, a State may rationally decide that physicians are better qualified than counselors to impart this information and answer questions about the abortion alternatives' medical aspects. The requirement that information be provided about the availability of paternal child support and state-funded alternatives is also related to the State's informed consent interest and furthers the State's interest in preserving unborn life. That such information might create some uncertainty and persuade some women to forgo abortions only demonstrates that it might make a difference and is therefore relevant to a women's informed choice. In light of this plurality's rejection of *Roe*'s "fundamental right." approach to this subject, the Court's contrary holding in *Thornburgh* is not controlling here. For the same reason, this Court's previous holding invalidating a State's 24-hour mandatory waiting period should not be followed. The waiting period helps ensure that a woman's decision to abort is a well-considered one, and rationally furthers the State's legitimate interest in maternal health and in unborn life. It may delay, but does not prohibit, abortions; and both it and the informed consent provisions do not apply in medical emergencies. Pp. 24–27.

6. The statute's parental consent provision is entirely consistent with this Court's previous decisions involving such requirements. See *e.g.*, *Planned Parenthood Association of Kansas City, Missouri, Inc.* v. *Ashcroft*, 462 U.S. 476. It is reasonably designed to further the State's important and legitimate interest "in the welfare of its young citizens, whose immaturity, inexperience, and lack of judgment may sometimes impair their ability to exercise their rights wisely," *Hodgson*, *supra*, at 444. Pp. 27–29.

7. Section 3214(a)'s requirement that abortion facilities file a report on each abortion is constitutional because it rationally furthers the State's legitimate interests in advancing the state of medical knowledge concerning material health and prenatal life, in gathering statistical information with respect to patients, and in ensuring compliance with other provisions of the Act, while keeping the reports completely confidential. Public disclosure of other reports made by facilities receiving public funds—those identifying the facilities and any parent, subsidiary, or affiliated organizations, §3207(b), and those revealing the total number of abortions performed, broken down by trimester, §3214(f)—are rationally related to the State's legitimate interest informing taxpayers as to who is benefiting from public funds and what services the funds are supporting; and records relating to the expenditure of public funds are generally available to the public under Pennsylvania law. Pp. 34–35.

Justice Scalia, joined by "The Chief Justice, Justice White, and Justice Thomas, concluded that a woman's decision to abort her unborn child is not a constitutionally protected "liberty" because (1) the Constitution says absolutely nothing about it, and (2) the longstanding traditions of American society have permitted it to be legally proscribed. See, *e.g.*, *Ohio* v. *Akron Center for Reproductive Health*, 497 U.S.——, —— (Scalia, J., concurring). The Pennsylvania statute should be upheld in its entirety under the rational basis test. Pp. 1–3.

O'Connor, Kennedy, and Souter, JJ., announced the judgment of the Court and delivered the opinion of the Court with respect to Parts I, II, III, V–A, V–C, and VI, in which Blackmun and Stevens, JJ., joined, an opinion with respect to Part V–E, in which Stevens, J., joined, and an opinion with respect to Parts IV, V–B, and V–D. Stevens, J., filed an opinion concurring in part and dissenting in part. Blackmun, J., filed an opinion concurring in part, concurring in the judgment in part, and dissenting in part. Rehnquist, C. J., filed an opinion concurring in the judgment in part and dissenting in part, in which White, Scalia, and Thomas, JJ., joined. Scalia, J., filed an opinion concurring in the judgment in part and dissenting in part, in which Rehnquist, C.J., and White and Thomas, JJ., joined.

A BALANCED BUDGET

Mr. PELL. Mr. President, I will vote for the proposal by the distinguished President pro tem of the Senate, Senator Byrd, requiring the President of the United States to submit to the Congress by September a plan to reduce the Federal Government deficits and balance the Federal budget over the next 5 years. I have in the past voted for a constitutional amendment requiring a balanced budget and I intend to vote again for such an amendment if in my view it is properly drafted.

It is clear, however, that the current effort to attach a constitutional amendment to another bill in the Senate as a rider, after it has been rejected by the House of Representatives is pure politics and will result in little more than delaying other legislation. The American people are tired of budget deficits, but I think they are even more tired of legislative gridlock that prevents the Congress from acting. Bringing up the constitutional amendment now, under these circumstances, just adds to legislative gridlock. For that reason and because Senator Byrd's proposal is entirely reasonable and constructive, I will vote for it.

TEMPORARY EXTENSION OF THE TRANSITION RULE FOR SEPARATE CAPITALIZATION OF SAVINGS ASSOCIATIONS' SUBSIDIARIES

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2905, a bill to provide a 4-month extension of the transition rule for separate capitalization of savings associations' subsidiaries, introduced earlier today by Senators Riegle and Garn, that the bill be deemed read three times; passed; the motion to reconsider be laid upon the table; and that any statements thereupon appear at the appropriate place in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 2905) was deemed read the third time and passed.

The preamble was agreed to.

The bill with its preamble is as follows:

S. 2905

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(t)(5)(D)(ii) of the Home Owners' Loan Act (12 U.S.C. 1464(t)(5)(D)(ii)) is amended—

(1) by striking "June 30, 1992" and inserting "October 31, 1992"; and

(2) by striking "July 1, 1992" and inserting "November 1, 1992".

Mr. RIEGLE. Mr. President, under present law, if a federally insured savings association engages through a subsidiary in activities not permissible for a national bank, the savings association cannot count its investments in and extensions of credit to the subsidiary as part of its own capital. Congress adopted this rule in 1989 because of the record of significant losses by the thrifts making direct investments through subsidiaries. Principally, these nonconforming subsidiaries were engaged in real estate development.

Present law includes a transition rule permitting a savings association to include in its capital until July 1, 1992, 75 percent of its investments in and extensions of credit to a nonconforming subsidiary. That percentage will decline to 60 percent on July 1, 1992, 40 percent on July 1, 1993, and zero percent on July 1, 1994. The deduction of capital for purposes of this transition rule is in addition to the obligation of the institution to establish all appropriate reserves pursuant to general accepted accounting principles to fully reflect any losses incurred at the subsidiary.

In the RTC funding bill passed in March of this year by the Senate, at the request of the Director of the Office of Thrift Supervision who pointed to the nationwide drop in the commercial real estate values, there was a provision included to allow thrifts additional time to divest their real estate or otherwise comply with the provisions of section 5(t)(5) of the Home Owners' Loan Act. Among other things, the Senate RTC bill includes a provision that would postpone the effective date of the 60-percent rule from July 1, 1992, to October of 1992. At the time of the Senate's passage of this extension, it was anticipated that the House would have acted on RTC funding before the July 1, 1992, date which would be the date that the 60-percent rule otherwise becomes effective. The House, however, has not acted on a RTC bill and likely will not do so before July 1, 1992. Thus, this bill simply extends the time period under the transition rule in present law so that a savings association could include in its capital until October 31, 1992, 75 percent of its investments in and extensions to a nonconforming subsidiary. The 60-percent rule would become effective on November 1, 1992.

Mr. METZENBAUM. May I ask my friend, the Senator from Michigan, a question about his intentions on this extension of the effective date for the increased capital requirement for certain subsidiaries of savings associations? My understanding is that the rationale for this extension is that the poor state of the economy has made it more difficult for savings associations to sell their subsidiaries engaged in real estate development. However, I would hope and expect that the Senator from Michigan would not intend to support a further extension of the effective date in the future.

Mr. RIEGLE. I thank my friend for his interest in this issue, and commend him for all the efforts that he has made on the capital standards question since we worked together on FIRREA to put into place tough, real capital standards. It would not be my intention to seek a further extension of this transition rule, which requires thrifts to increase their capital deduction from 25 to 40 percent for investments in subsidiaries engaged in real estate development and other nonconforming activities.

However, as the Senator may recall, in the RTC funding bill that was passed this March by the Senate, one section of that bill gave the OTS Director the authority to grant certain well-run thrifts, on a case-by-case basis, the authority to continue to deduct only 25 percent of their investment in real estate subsidiaries through no later than July 1, 1994. I continue to support the adoption of that provision, and in a conference with the Members from the other body, will work to include it in a conference report.

Mr. METZENBAUM. I thank the Senator for his explanation.

MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on June 26, 1992, during the recess of the Senate, received a message from the President of the United States transmitting sundry nominations which were referred to the appropriate committees.

(The nominations received on June 26, 1992 are printed in today's RECORD at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 5:36 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills and joint resolutions, in which it requests the concurrence of the Senate:

H.R. 5099. An act to provide for the restoration of fish and wildlife and their habitat in the Central Valley of California, and for other purposes;

H.R. 5368. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1993, and for other purposes;

H.J. Res. 433. Joint resolution designating October 1992 as "National Domestic Violence Awareness Month";

H.J. Res. 457. Joint resolution designating January 16, 1993, as "Religious Freedom Day"; and

H.J. Res. 499. Joint resolution designating July 2, 1992, as "National Literacy Day."

MEASURES REFERRED

The following bills and joint resolutions were read the first and second times by unanimous consent, and referred as indicated:

H.R. 5099. An act to provide for the restoration of fish and wildlife and their habitat in the Central Valley of California, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 5368. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1993, and for other purposes; to the Committee on Appropriations.

H.J. Res. 433. Joint resolution designating October 1992 as "National Domestic Violence Awareness Month"; to the Committee on the Judiciary.

H.J. Res. 457. Joint resolution designating January 16, 1993, as "Religious Freedom Day"; to the Committee on the Judiciary.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3489. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the annual Animal Welfare Enforcement Report for fiscal year 1991; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3490. A communication from the Comptroller of the Department of Defense, transmitting, pursuant to law, notice of the intention of the Department to obligate certain funds pursuant to an agreement between the Department of Defense and the Russian Federation concerning chemical weapons destruction; to the Committee on Appropriations.

EC-3491. A communication from the Assistant Secretary of the Army (Financial Management), transmitting, pursuant to law, a report on the value of property, supplies, and commodities provided by the Berlin magistrate for the quarter ended March 31, 1992; to the Committee on Armed Services.

EC-3492. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, notice that the President has determined that it is in the national interest to remove Albania, Armenia, Azerbaijan, Bulgaria, Byelarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Romania, Russia, Ukraine, and Uzbekistan from the application of certain provisions of the Trade Act; to the Committee on Banking, Housing, and Urban Affairs.

EC-3493. A communication from the President and Chairman of the Import-Export Bank of the United States, transmitting, pursuant to law, the semiannual report on tied aid credits dated June 1992; to the Committee on Banking, Housing, and Urban Affairs.

EC-3494. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report on the effectiveness of international fishery agreements for highly migratory species; to the Committee on Commerce, Science, and Transportation.

EC-3495. A communication from the Secretary of Transportation, transmitting, pursuant to law, notice of his determination that the security problems that existed at Ezeiza International Airport, Buenos Aires, Argentina, have been corrected; to the Committee on Commerce, Science, and Transportation.

EC-3496. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, notice of the waiver of certain provisions of the Trade Act with respect to Tajikistan and Turkmenistan; to the Committee on Finance.

EC-3497. A communication from the Administrator of the Agency for International Development, transmitting, pursuant to law, the country allocation report for Development Assistance, Special Assistance Initiatives and International Organizations and Programs; to the Committee on Foreign Relations.

EC-3498. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to June 18, 1992; to the Committee on Foreign Relations.

EC-3499. A communication from the Secretary of the Treasury as Chairman of the National Advisory Council on International

Monetary and Financial Policies, transmitting, pursuant to law, the annual report of the Council for fiscal year 1990; to the Committee on Foreign Relations.

EC-3500. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 9-224 adopted by the Council on June 2, 1992; to the Committee on Governmental Affairs.

EC-3501. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 9-225 adopted by the Council on June 2, 1992; to the Committee on Governmental Affairs.

EC-3502. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 9-226 adopted by the Council on June 2, 1992; to the Committee on Governmental Affairs.

EC-3503. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 9-227 adopted by the Council on June 2, 1992; to the Committee on Governmental Affairs.

EC-3504. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 9-228 adopted by the Council on June 2, 1992; to the Committee on Governmental Affairs.

EC-3505. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 9-229 adopted by the Council on June 2, 1992; to the Committee on Governmental Affairs.

EC-3506. A communication from the Assistant Vice President of the Western Farm Credit Bank (Human Resources), transmitting, pursuant to law, the annual pension report of the Sacramento Farm Credit Employee's Retirement Plan for 1991 and the financial statements of the Eleventh Farm Credit District Employees' Retirement Plan for plan years 1990 and 1991; to the Committee on Governmental Affairs.

EC-3507. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the semiannual report of the Office of Inspector General, Environmental Protection Agency, for the period ended March 31, 1992; to the Committee on Governmental Affairs.

EC-3508. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of Council Resolution 9-274 agreed to by the Council on June 23, 1992; to the Committee on Governmental Affairs.

EC-3509. A communication from the Acting General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 5, United States Code, to encourage the voluntary separation of civilian employees of the Department of Defense, and for other purposes; to the Committee on Governmental Affairs.

EC-3510. A communication from the Assistant Secretary of the Interior (Indian Affairs), transmitting, pursuant to law, a report on the conference held in Tucson, Arizona relative to the Self-Governance Demonstration Program; to the Select Committee on Indian Affairs.

EC-3511. A communication from the Assistant Secretary of the Interior (Indian Affairs), transmitting, pursuant to law, the semiannual report on the Tribal Self-Governance Demonstration Project; to the Select Committee on Indian Affairs.

EC-3512. A communication from the Assistant Attorney General (Legislative Affairs), transmitting a draft of proposed legislation to reauthorize the Office of Justice Programs, the Bureau of Justice Assistance, the Bureau of Justice Statistics, the National Institute of Justice, the Office of Juvenile Justice and Deliquency Prevention, and for other purposes; to the Committee on the Judiciary.

EC-3513. A communication from the Attorney for the National Council on Radiation Protection and Measurements, transmitting, pursuant to law, the annual audit report of the Council for calendar year 1991; to the Committee on the Judiciary.

EC-3514. A communication from the Secretary of Education, transmitting, pursuant to law, notice of final funding priority—Technology, Educational Media, and Materials for Individuals With Disabilities Program; to the Committee on Labor and Human Resources.

EC-3515. A communication from the President of the United States Institute for Peace, transmitting, pursuant to law, the third Biennial Report of the United States Institute of Peace; to the Committee on Labor and Human Resources.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BURDICK:

S. 2902. An original bill to authorize research into the desalinization of water and water reuse and to authorize a program for states, cities, or any qualifying agency which desires to own and operate a desalinization or water reuse facility to develop such facilities; from the Committee on Environment and Public Works; placed on the calendar.

By Mr. DURENBERGER (by request):

S. 2903. A bill to extend and amend the Rehabilitation Act of 1973, to improve Rehabilitation Act of 1973, to improve rehabilitation services for individuals with disabilities to modify certain discretionary grant programs providing essential services and resources specifically designed for individuals with disabilities, to change certain technology, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MURKOWSKI:

S. 2904. A bill to amend the Internal Revenue Code of 1986 to permit rollovers into individual retirement accounts of separation pay from the Armed Forces; to the Committee on Finance.

By Mr. RIEGLE (for himself and Mr. GARN):

S. 2905. A bill to provide a 4-month extension of the transition rule for separate capitalization of savings associations' subsidiaries; considered and passed.

By Mr. PELL:

S. 2906. A bill to promote and encourage alternative nondefense uses of defense industrial facilities, to create a Defense Economic Adjustment Trust Fund, to provide assistance for the retraining of currently employed defense workers, and to assist in providing continuity of certain benefits for defense workers whose employment is terminated; to the Committee on Armed Services.

By Mr. KERRY (for himself and Mr. CRANSTON):

S. 2907. A bill to reform the National Flood Insurance Program; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SIMON:

S. 2908. A bill to amend the Public Health Service Act to provide reasonable assurances that human tissue intended for transplantation is safe and effective, and for other purposes; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURENBERGER (by request):

S. 2903. A bill to extend and amend the Rehabilitation Act of 1973, to improve rehabilitation services for individuals with disabilities, to modify certain discretionary grant programs providing essential services and resources specifically designed for individuals with disabilities, to change certain terminology, and for other purposes; to the Committee on Labor and Human Resources.

REHABILITATION ACT AMENDMENTS

• Mr. DURENBERGER. Mr. President, I am introducing this bill to reauthorize and revise the Rehabilitation Act of 1973 at the request of the administration.

I want to commend President Bush, Secretary Alexander, Assistant Secretary of Special Education and Rehabilitative Services, Robert Davilla, and Commissioner of Rehabilitative Services, Nell Carney, for the hard work that they have put into this document.

Although this bill is not as far reaching in scope as the bill that Senator HARKIN and I plan to introduce later this month, there are many thoughtful provisions in it that we plan to adopt, and we appreciate the administration's prompt effort in coming forth with legislation.

In the reauthorization thus far we have been in close consultation with the Office of Rehabilitative Services, and we look forward to continuing our productive working relationship through the end of the reauthorization process.

Mr. President, I ask unanimous consent that a section-by-section analysis be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF THE REHABILITATION ACT AMENDMENTS OF 1991

TITLE I—TERMINOLOGY

Section 2. Section 2 of the bill would amend the Rehabilitation Act of 1973 (the "Act") throughout to replace the term "handicap," in all its various forms, where it is used as a synonym for "disability" or to describe an individual or individuals. This change is in conformance with the nomenclature used in the Americans with Disabilities Act and in other Federal statutes. Similarly, section 2 would replace the terms "the blind" and "the deaf", with "individuals who are blind" or "individuals who are deaf", where they are used to describe an individual.

Section 3. Section 3 of the bill would amend the Act in various places to replace the term "rehabilitation engineering services," where appropriate, with "assistive technology devices and services" in order to reflect the changed nomenclature of the Technology-Related Assistance for Individuals with Disabilities Act of 1988. Section 3 would also add the definition "assistive technology devices and services" to section 7 of the Act, and would also alphabetize the listed terms in section 7.

Section 4. Section 4 of the bill would amend section 502 of the Act (Architectural and Transportation Barriers Compliance Board) to change the reference to the agency from the "Board" to the "Access Board." The designation "Access Board" more appropriately identifies the agency's statutory mandate and commitment to accessibility.

TITLE II—PROGRAM AMENDMENTS

Section 11. Section 11 of the bill would amend section 7(10) of the Act, as redesignated, to simplify and slightly decrease the Federal share of the costs of the basic State vocational rehabilitation grant. There would be no change for FY 1993 from current law (the approximate overall Federal share for FY 1993 would be 78.7 percent). The Federal share would be 78 percent for fiscal years 1994 and 1995, and 77 percent for fiscal years 1996 and 1997. (The State match for FY 1993 would be approximately 21.3 percent. It would be 22 percent for fiscal years 1994 and 1995, and 23 percent for fiscal years 1996 and 1997.)

Section 12. Section 12(a)(1) of the bill would amend section 101(a)(11) of the Act to update the current reference to the "Education of the Handicapped Act" to the "Individuals with Disabilities Education Act", and the reference to the "Carl D. Perkins Vocational Education Act" to the "Carl D. Perkins Vocational and Applied Technology Education Act". Section 12(a)(2) of the bill would amend section 101(a)(24) of the Act to make it clear that each State's plan requirement for plans and policies to assist in the transition from education to employment services shall include specific plans for coordination with educational agencies.

Section 12(b) of the bill would amend section 103(a)(3) of the Act to clarify that services to assist students in the transition from school to employment are within the scope of the vocational and other training services authorized under the Act.

Section 12(c)(1) of the bill would amend section 311(e) of the Act to make demonstration grants for model statewide transitional planning services discretionary, rather than mandatory. Section 12(c)(2) would repeal sections 311(e) (3) and (4) of the Act, which require that a certain number of these demonstration grants be made to agencies in New England and to rural Western States. These one-time mandated grants have been awarded.

Section 13. Section 13 of the bill would amend section 102(b)(1) of the Act to emphasize the client's role in the rehabilitation process and to ensure full client participation in the individualized written rehabilitation program (IWRP) process, particularly in regard to the selection of the vocational objective to be attained and the services to be provided. Section 102(a) of the Act requires an IWRP to be developed jointly by the vocational rehabilitation counselor and the individual with disabilities (or, in appropriate cases, the individual's parents and guardians). Section 102(b) of the Act does not, however, contain any specific IWRP requirements that ensure the client's involvement as a full partner in the rehabilitation process. The program regulations (34 C.F.R. 361.41(a)(8)) implementing this provision require only that the IWRP contain the views of the individual with handicaps concerning the individual's goals, objectives, and the vocational rehabilitation services to be provided under the IWRP. The amendment would require documentation of the involvement of the individual with a vocational disability.

Section 14. Section 14 of the bill would amend Title I of the Act to add a new section 105, requiring the development and implementation of evaluation standards and performance indicators for the Title I vocational rehabilitation program. The standards and indicators would include outcome and other related measures of program performance. The standards and indicators would be developed with input from State vocational rehabilitation agencies, related professional and consumer organizations, and recipients of vocational rehabilitation services. The standards and indicators would be used to evaluate program performance and would provide information to assist State VR agencies to improve their Title I vocational rehabilitation program.

The amendment would provide for a process (based on the process currently in place for Chapter I of Title I of the Elementary and Secondary Education Act of 1965) of monitoring and enforcing the standards and indicators. This process would require any non-complying State to enter into a program improvement plan, and would permit the Secretary to reduce or withhold funds only if the State fails to enter into a program improvement plan or fails to comply substantially with the terms and conditions of the program improvement plan. As long as the State is carrying out its improvement plan and making progress toward meeting the performance standards, there would be no need to assess penalties or withhold funds. This approach would ensure that a cooperative and collaborative relationship exists between the State and the Department with respect to program improvement.

The Department intends to publish the proposed indicators for public comment and to publish the results, including an analysis of program performance based on the standards and indicators, in its annual report to Congress under section 13 of the Act.

Section 15. Section 15 of the bill would amend section 110 of the Act to make uniform the references to the authorization of appropriations in section 100(b), and to delete provisions in paragraph (a)(4) and subsection (b) that are no longer necessary.

Section 16. Section 16 of the bill would amend section 111(a)(2)(B) of the Act to provide that expenditures from non-Federal sources under the State plan for fiscal year 1993 and succeeding fiscal years shall be no less than 100 percent of the non-Federal expenditures of the second prior fiscal year.

Section 17. Section 17(a) of the bill would add a new section 19 to the Act to require that any project, program, or facility that provides services to individuals with disabilities under the Act shall advise such individuals, or their guardians or legal representatives, of the availability and purposes of the Client Assistance Program under section 112 of the Act. Section 17(*b*) of the bill would change section 102(b)(1)(I) of the Act to correct a reference to the Client Assistance Program.

Section 17(c) of the bill would amend section 112(e)(1)(D) of the Act to correct a subsection reference and to eliminate the use of the percentage increase in the Consumer Price Index published monthly by the Bureau of Labor Statistics in determining whether the Commissioner may increase the minimum allotment to States and territories for this program for any fiscal year. Section 17(c)(2) of the bill would eliminate reference to a reporting requirement that has already been met by the Department.

Section 18. Sections 18(a), (b), and (c) of the bill would amend section 7(9), as redesignated, and section 101(a)(5)(B) of the Act to ensure the incorporation of supported employment services into the State vocational rehabilitation delivery system. Section 18(a) of the bill would amend section 7(9), as redesignated, to include within the meaning of the term "evaluation of rehabilitation potential" an assessment of an individual's potential for supported employment.

Section 18(b) of the bill would amend sections 101(a)(5)(B) (State plan assurances on services to individuals with the most severe disabilities) and section 101(a)(25) (assurance that the State has an acceptable plan for Title VI–C) of the Act, respectively, to make clear that Title VI–C funds are to be used to supplement Title I funds for the cost of services leading to supported employment.

Section 18(c) of the bill would amend section 103(a)(1) of the Act to clarify that an assessment of an individual's potential for supported employment is within the scope of vocational rehabilitation services in evaluating rehabilitation potential.

Section 18(d) of the bill would eliminate section 311(d)(1)(B) of the Act, which requires that at least one demonstration supported employment grant be nationwide in scope. Section 18(d) would also eliminate section 311(d)(2)(B) of the Act which requires that at least one technical assistance grant implementing the supported employment program be nationwide in scope. These one-time mandated grants have been awarded.

Section 18(e) of the bill would make a technical change to section 631 of the Act by striking out the phrase "training and traditionally time-limited post-employment," in order to eliminate confusion relating to the term "post-employment services" used in Title I.

Section 18(f) of the bill would make technical changes to section 633(a)(2)(B) of the Act and eliminate outdated section 633(c) of the Act, which authorizes planning grants in lieu of an allotment in the first fiscal year in which appropriations were made pursuant to section 638 of the Act.

Section 18(g) of the bill would make technical changes to sections 634(a)(1) and (b)(3) of the Act by striking out the phrase "training and traditionally time-limited post-employment", in order to eliminate confusion relating to the term "post-employment services" used in Title I. Section 18(g)(4)(E) would amend section 634(b)(3) of the Act to add a new subparagraph (G) to that section of the Act, which would require an assurance that funds received under the supported employment program would be used to supplement Title I funds. Section 18(g) would also amend sections 634(b)(2)(B), (b)(3)(D), and (b)(4) of the Act to make several technical and conforming changes.

Section 18(h) of the bill would amend section 635(b) of the Act to make a number of technical and conforming changes, including striking out the phrase "training and traditionally time-limited post employment".

Section 18(i) of the bill would amend section 637 to make several technical and conforming changes, including striking out the phrase "training and traditionally time-limited post-employment."

Section 19. Section 19 of the Act would repeal section 131 of the Act, which requires a study of the special problems and needs of Indians with disabilities. This one-time mandated study has been done.

Section 20. Section 20(a)(1)(A) of the bill would amend section 202(d) of the Act to emphasize NIDRR's authority to award research fellowships to individuals with disabilities. Section 20(a)(1)(B) would amend section 202(f) of the Act to allow up to ten percent of appropriated funds in any fiscal year to be expended directly for carrying out the Director's authorities under section 202. Section 20(a)(1)(C) would eliminate one-time mandated requirements in sections 202(j), (l), and (m) of the Act.

Section 20(a)(2)(A)(i) of the bill would amend sections 204(b)(1) and (2) of the Act to require that Rehabilitation Research and Training Centers (RRTCs) and Rehabilitation Engineering Research Centers, renamed Rehabilitation Technology Research Centers (Tech Centers), be affiliated with institutions of higher education. Section 20(a)(2)(B) would amend section 204(b)(2) of the Act to require the provision of training in rehabilitation research by Tech Centers. The revised language eliminates the outdated requirement that two specific Tech Centers be established in fiscal year 1987.

Section 20(a)(2)(D) of the bill would amend section 204(b)(3) of the Act by transferring the authority for spinal cord injury projects and demonstrations, currently under section 311 of the Act, to NIDRR, under its related spinal cord injury program authority in section 204(b)(3) of the Act. The section 311 authority would be deleted. Although NIDRR administers the spinal cord injury program, funds have historically been appropriated under section 311.

Section 20(b) of the bill would amend section 7 of the Act to add a definition of "affiliation". For the purposes of sections 204(b)(1) and (2) of the Act, affiliation would mean a written agreement between a Center and one or more institutions of higher education that describes procedures for provision of the research training required for such Center under such section. The agreement could also include other activities that the Center determined might be needed to improve the effectiveness and quality of its program.

Section 21. Section 21(1) of the bill would amend section 304(b)(3)(A) of the Act to require scholarship recipients to complete their employment obligation within the required number of years plus two years after completing their training, and to allow part-time employment to count toward satisfying their employment obligation. Section 21(2)(A) would amend section 304(d)(1) of the Act to eliminate the cap of not more than 12 programs established or assisted by grants to train interpreters. Section 21(2)(B) would eliminate section 304(d)(2)(D) of the Act, which requires applicants for grants to assure to the Secretary that, to the extent appropriate, they will provide for the training and retraining of teachers who are not certified as teachers of individuals who are deaf. This activity is more appropriately conducted under the Individuals with Disabilities Education Act.

Section 22. Sections 22(1) and (2) of the bill would amend section 311 of the Act, Special Demonstration Programs, to remove the NIDRR authority for special projects and demonstrations for spinal cord injuries, so that it can be consolidated, in section 20(a)(2)(D) of the bill, with a related NIDRR spinal cord program authority under section 204(b)(3) of the Act.

Section 22(2) of the bill would also add a new subsection to section 311 of the Act, authorizing the Commissioner to make grants to States and public and nonprofit agencies and organizations, including vocational rehabilitation agencies, to demonstrate ways to increase client choice in the rehabilitation process. The funds awarded under this subsection would be used only for new projects to support activities directly related to planning, operating, and evaluating such demonstrations.

Section 23. Section 23(1)(A) of the bill would amend section 316(a)(1) of the Act to remove the authority of the Commissioner to pay all of the costs of special recreation programs, to expand the program purpose to include activities that further the employment of individuals with a vocational disability, and to specifically identify vocational skills development as an authorized program activity. Section 23(1)(B) would limit grants to three years, after which they would not be renewable. Section 23(1)(C) would amend section 316(a)(3) of the Act to eliminate the reference to children and school hours. Section 23(1)(D) would add new paragraph (4) to section 316(a) of the Act to require applications to contain a description of how the service program will continue after Federal assistance ends.

Section 23(3) would add new subsections (b) and (c) to section 316 of the Act to require that projects, at a minimum, maintain the same level of service over the entire project period and to provide for the Federal share of program costs to decrease over a three year period (80 percent the first year, 60 percent the second year, and 40 percent the third year).

Section 24. Section 24 of the bill would amend Title V of the Act to change the name of the title from "Miscellaneous" to the more appropriate "Access", repeal outdated section 500, and make technical changes.

Section 24(3) would amend section 501(a) of the Act to include the Director of the Office of Personnel Management (the "Director") on the Interagency Committee on Handicapped Employees (the "Committee") and to replace the Secretary of Education with the Director as a co-chairperson of the Committee.

Section 25. Section 25 of the bill would amend section 502 of the Act as follows:

Section 25(1) would amend section 502(a) to add an additional federal agency, the Department of Commerce, to this list, which would then provide for representation by twelve federal agencies. The addition of the Department of Commerce would allow for representation of a broad spectrum of business interests.

Section 25(1) would provide for an increase in the number of presidential appointees to the Board from among the general public. This would maintain the current ratio of members appointed by the President from the general public to those members designated as a result of federal agency representation.

Section 25(1) would provide that at least one half, rather than the current six, of the members of the Board appointed by the President will be individuals with disabilities. This would allow for Board expansion.

Section 25(1) would increase the length of the term for each Board member to a term of four years, rather than the currently mandated three, and to provide that the terms of at least three members will expire each year. Section 25(1) would also provide for four year terms for the members as opposed to three year terms which would strengthen the agency through continued participation, by experienced members of the Board, in the goals and objectives of the agency.

Section 25(2) would amend section 502(b) to reorganize this series of functions in section 502(b). Also, the agency's mandate to provide technical assistance in current subparagraph (d)(3) would be moved to current subparagraph (b)(2), and the provision regarding technical assistance would be further revised to include the agency's mandate to provide technical assistance under the Americans with Disabilities Act. The bill further clarifies that the agency will establish and maintain the guidelines (as opposed to standards) issued under both the Architectural Barriers Act and Titles II and III of the Americans with Disabilities Act.

Section 25(2) would provide that, as a part of its mandate, the Board will promote accessibility throughout all segments of society. Currently, the mission of the Board includes providing technical assistance and proposing alternative solutions to barriers which disabled individuals face in housing, transportation, communication, education, recreation and attitudes. The Board is a major source for accessibility solutions, material and information. The agency is charged with the duty to promote the International Accessibility Symbol in all public facilities that are in compliance with the standards adopted by the four standard setting agencies. With the passage of the Americans with Disabilities Act, the Access Board will develop and maintain guidelines for accessibility which will be the basis for standards which will directly impact the general business community and public. Heretofore, the guidelines issued by the agency were limited to those facilities covered by the Architectural Barriers Act. The addition of the function to promote accessibility proposed in the bill recognizes the role of the Access Board as a lead agency in providing technical assistance to a broad spectrum of public individuals and entities and promoting accessibility throughout all segments of society.

Section 25 (3) and (4) would amend sections 502 (d) and (f) to move the remainder of the current provisions contained in subparagraph (d)(3) relating to interagency agreements and technical assistance to subparagraph (f)(1) and make a number of technical and editorial changes.

Section 25(4)(C)(ii) would eliminate the reference to Secretary in (f)(2) and inserting in lieu thereof Chairperson. With the independent status of the Board, the Secretary is no longer the appropriate figure to determine compensation rates for technical experts.

Section 25(5) would amend section 502(g) to eliminate two provisions relating to reports which were to have been submitted in 1975 and 1988. These requirements are being deleted as they are outdated.

Section 25(6) would amend section 502(h) to eliminate provisions regarding and referencing a report previously required and which has been submitted. Also, section 25(6) would authorize gift acceptance authority for the Board in limited instances. The language of the bill limits the application of funds or gifts received pursuant to the authority in that the funds would not be available to or utilized for the compliance and enforcement function of the agency. This limitation is in strict compliance with the requirement of subparagraph (d)(3) of the section that the Board will establish a procedure to ensure separation of its compliance and technical assistance responsibilities. The authority to accept funds from outside the agency's fiscal authorization through private sector initiatives would provide an excellent vehicle to better achieve the mandate of the Board in promoting accessibility and providing technical assistance.

Section 25 would also make a number of technical and editorial changes.

Section 26. Section 26 of the bill would update section 508 of the Act. Current law refers to dates and deadlines that have already been met, and fails to take into account technological changes that have occurred and that are likely to occur in the future. It focuses on hardware, while the issues regarding electronic accessibility have shifted to software, interface systems, and operating systems. Updating section 508 would help ensure that persons with disabilities have comparable access to electronic information and data.

Section 27. Section 27 of the bill would amend section 621 of the Act, the Projects With Industry Program, to eliminate certain outdated provisions, including, in section 621(d)(1), the 1985 date for developing and publishing program evaluation standards; section 621(d)(2), which requires a comprehensive evaluation of the Projects With Industry Program by 1986; section 621(d)(3), which requires the Commissioner to obtain and consider certain recommendations in developing program evaluation standards; in section 621(f)(1), the provision requiring publication of minimum compliance indicators in the Federal Register; in section 621(f)(3), the provision requiring the Commissioner to have conducted certain on-site compliance reviews by the end of fiscal year 1991; section 621(h), which establishes certain funding requirements for fiscal year 1990, and requires the Secretary to continue to fund, for four more years, grantees that received program assistance in 1986, provided they comply with their approved grant applications and program evaluation standards.

Section 27(2) would amend section 621(e)(1), which allows grants awards to be made for a period of five years and to require the Commissioner to use compliance indicators that are consistent with program evaluation standards to assess minimum project performance for purposes of making continuation awards in the third, fourth, and fifth years.

Section 27(6) of the bill would amend section 621 of the Act, Projects With Industry, to authorize the Commissioner to make grants to a partnership or consortium that includes a private business concern or industry to develop three-year, model demonstration projects that give underemployed workers with disabilities, whether employed part-time or full-time, the opportunity to acquire the knowledge and skills needed to adapt to emerging new technologies, work methods, and markets. The Projects With Industry (PWI) program provides persons with vocational disabilities training and experience in realistic work settings to prepare them for employment in the competitive labor market. Although this program has been successful in placing disabled persons into employment, current statutory requirements limit the programs ability to serve disabled workers, already employed, who need new or upgraded skills to compete and advance in employment. Underemployment contributes to the low economic status of many workers with disabilities. This new subsection would help to meet the National Education Goal of life-long learning through the development of model demonstration projects targeted at upgrading the skills of underemployed workers with disabilities.

Section 28. Section 28 of the bill would amend Title VII (Comprehensive Services for Independent Living) of the Act in the following ways:

Section 28(1) would repeal sections 701 (the purpose provisions) and section 706 (State Independent Living Council) of the Act. New purpose provisions would be added by section 28(2) of the bill, and a new section requiring State Independent Living Councils would be added by section 28(8) of the bill.

Section 28(2) would add a new purpose provision before the Part A designation in order to clarify that such purposes apply to the whole Title and not just to the State grant program for comprehensive services for independent living. Section 28(2) would also revise the purposes provision to authorize grants for independent living services; promote the independence of individuals with severe disabilities; and promote consumer control, equal access, self-help, and self advocacy for such individuals.

Section 28(3)(A) would amend section 702(a) of the Act to revise the first sentence to clarify that independent living services under part A are to be provided to individuals with severe disabilities, as defined in section 7(14) of the Act, as redesignated.

Section 28(3)(B) would amend section 702(b) of the Act to provide that the term "comprehensive services for independent living" includes, at a minimum, independent living skills training, information and referral services, peer counseling, and individual advocacy training and may include any of the independent living services specified in current sections 702(b) and 711(c)(2).

Section 28(4)(A) would eliminate current section 705(a)(4) of the Act, which requires that State plans for independent living will assure that an individualized written rehabilitation program be developed for each individual eligible for services under this part. Section 28(8) of the bill would add a new section of the Act that would require an individualized written independent living rehabilitation plan for all individuals who receive services under parts A, B, and C of Title VII.

Sections 28(4) (A) and (B) of the Act would revise section 705(a)(5) of the Act to require a State, in its plan, to respond to, rather than to assure it will consider, the recommendations made by the State Independent Living Council (SILC) and to describe how services provided under Part A of the title will be coordinated with, or complement, services provided under Parts B and C; and would redesignate paragraph (5), as amended, as paragraph (4).

Section 28(4)(D) would add a new section 705(a)(9) of the Act, as redesignated by the bill, requiring an application for assistance under Part A to contain an assurance that the State will compile and maintain statistical data and information for each fiscal year for each program and project it operates or administers under the part, whether directly or through subgrants and contracts. The data would include information on the number and types of individuals with a severe disability receiving services; the types of services provided and the number of individuals with a severe disability receiving each type of service; the amounts and percentages of resources committed to each type of service provided; actions taken to employ, and advance in employment, qualified individuals with a severe disability; and a comparison, when appropriate, of prior year(s) activities with the most recent year's activities.

Section 28(4)(F) of the bill would redesignate section 705(a)(10) of the Act as section 705(a)(11). Section 28(4)(F) would add a new section 705(a)(10) of the Act, requiring an application for assistance under Part A to provide assurances that the State will provide services that contribute to the maintenance of or the increased independence of individuals with a severe disability; engage in capacity-building activities, activities to promote community awareness, involvement, and assistance, and outreach efforts; other information will be submitted in such form and in accordance with such procedures as the Commissioner may require; and seek to incorporate any new methods and approaches relating to services into its State plan. Section 28(4)(G) of the bill would amend section 705(a)(11) of the Act, as redesignated by the bill, to require such other assurances as the Commissioner may require.

Section 28(5)(A) would amend section 711(a) of the Act to specify that services may be provided under Part B to any individual with a severe disability, as defined in section 7(14)(B) of the Act, as redesignated.

Section 28(5)(B)(ii) would amend section 711(b)(3) of the Act to require applications for Part B assistance to contain assurances that each Center for Independent Living (CILs) will have a board that functions as its principal governing body and that is composed of a majority of individuals with severe disabilities.

Section 28(5)(B)(iii) would amend section 711(b) of the Act to add new paragraphs (4) and (5) requiring applications for Part B assistance, respectively, to contain a description of how each CIL's proposed activities are consistent with the most recent three-year State plan for providing comprehensive independent living services and contain assurances that each CIL will provide services for individuals with different types of severe disabilities and that eligibility for services at any CIL will not be based upon the presence of any one or more specific disability.

Section 28(5)(C) would revise section 711(c) of the Act, requiring certain application assurances, to require an application by a public or nonprofit agency or organization for a part B grant to contain assurances that each center will provide independent living skills training, information and referral services, peer counseling, and individual advocacy training for individuals with a severe disability to enhance their independence. Assurances would also be required that each center would provide a combination of any other independent living services specified in current sections 702(b) and 711(c)(2) of the Act, as appropriate; and assurances that the grantee will submit a report, at the end of each fiscal year, for each program and project it operates or administers under this part, whether directly or through subgrants and contracts, that contains, at a minimum, certain information and assurances similar to that required by section 28(4) (D) and (F) of the bill under section 705(a) of the Act.

Sections 28(5) (D) and (E) would redesignate section 711(e) through (h) of the Act and add a new subsection (e) to require that centers funded under Part B submit copies of their approved grant applications and annual reports required under paragraph (g)(1) to their respective State Independent Living Councils.

Section 28(5)(F) would amend section 711(f) of the Act, as redesignated (current section 711(e)) to eliminate paragraph (1), which requires the Commissioner to develop and publish program evaluation standards by 1985, and paragraph (2), which requires the Commissioner to conduct a comprehensive evaluation of the CIL program by 1986. Section 28(5)(F)(i) would add a new paragraph (1) requiring the Commissioner to develop and publish in the Federal Register such standards and indicators of what constitutes minimum compliance with such standards as may be necessary to evaluate each center's performance, consistent with the requirements of section 711(c)(2) of the Act. Section 28(5)(F) would also make a number of additional conforming amendments.

Section 28(5)(G) would also revise sections 711(g) and (h) of the Act, as redesignated (current sections 711(f) and (g)) in the following ways:

Current paragraph (f) requires publication in the Federal Register of indicators of minimum compliance by centers, requires grantees to report to the Commissioner on compliance with evaluation standards, requires certain on-site compliance reviews, and requires compliance analysis in the annual report to Congress. As amended in section 28(5)(F) of the bill, subsection (g), as redesignated, would require: (1) grantees to provide a report to the Commissioner at the end of each fiscal year that contains, for each center operated or administered by the grantee, the data described in section 711(c)(2) of the Act and the extent to which it is in compliance with the evaluation standards developed under subsection (f)(1), as redesignated; (2) the Commissioner to annually conduct, on a random basis, on-site compliance reviews of at least 15 percent of the centers that receive funds under this part; and (3) the Commissioner, in the annual report required under section 13 of this Act, to include an analysis of the data required in subsection (g)(1) and the extent to which centers receiving funds under this part have complied with the evaluation standards. The Commissioner may identify individual centers in the analysis. The Commissioner shall report the results of on-site reviews, identifying individual grantees and centers. The subsection would retain the provision that at least one member of an on-site compliance review team shall be a non-Federal employee with experience or expertise in the provision of independent living services.

Current paragraphs (g)(1), (2), and (4) contain outdated requirements which would be removed. As amended in section 28(5)(F) of the bill, paragraph (h), as redesignated by the bill, would, in essence, retain the current paragraph (g)(3) requirement that new grant awards be made on a competitive basis, to include, if appropriate, consideration of past performance.

Section 28(6)(A) would amend section 721(a) to require grants for independent living services for older individuals who are blind to include independent living skills training, information and referral services, peer counseling, and individual advocacy training and authorize any other independent living services listed in current sections 702(b) and 711(c)(2).

Section 28(6)(B) would amend section 721(b) to require that applications for grants under this section contain assurances that the grantee will submit a report, at the end of each fiscal year, for each project or program it operates or administers under this part, whether directly or through subgrants and contracts, that contains, at a minimum, certain information and assurances similar to that required by sections 28(4)(D) and (F) and (5)(B) of the bill for sections 705(a) and 711(c) of the Act, respectively; that the application is consistent with the three-year State plan for providing comprehensive services for independent living required by section 705 of this title; and such other information and assurances, submitted in such form and in accordance with such procedures, as the Commissioner may require. Section 28(B) would also require grantees to submit copies of their approved applications and annual reports to their State Independent Living Councils.

Section 28(7) would amend Part D of the title (General Provisions) to change its part heading to "Protection and Advocacy" and to repeal section 732 of the Act. Section 732 of the Act (Employment of Individuals with Handicaps) would be moved, under section 27(8) of the bill, to a new part E (General Provisions) of the Act.

Section 28(8) of the bill would make part E (Authorizations) part F and make conforming changes.

Section 27(9) of the bill would add a new part E to Title VII. New part E would contain the following:

New section 741 of the Act would incorporate current section 706, the State Independent Living Council, but expand its role in the planning process and broaden the scope of its activities to include Parts B and C. It would also change the time period for the plan from five years to three years and require the Councils to provide an opportunity for public comment.

New section 742 of the Act would require recipients of grant assistance under parts A, B, and C of this title to ensure that an individualized written independent living rehabilitation plan be developed for each individual they served. This requirement broadens the provisions currently in section 705(a)(4) of the Act. Such plan would be required to address the individual's need for independent living skills training, peer counseling, and individual advocacy training, and must be coordinated with any program or plan for the individual under section 102 of the Act, the Developmental Disabilities Assistance and Bill of Rights Act, and Part B of the Individuals with Disabilities Education Act.

New section 743 of the Act would make available to individuals served under Parts A, B, and C of Title VII due process protection consistent with the requirements and procedures established under section 102(d) of the Act, that would provide to applicants and recipients of independent living services under this title an opportunity for review of determinations made concerning the provision or denial of services.

New section 744 of the Act (Employment of Individuals with a Severe Disability) would retain the requirements of current section 732 of the Act.

New section 745 of the Act (Priority of Service) would require that priority of services under the title to be given to individuals not served by other provisions of the Act.

Section 29. Section 29 of the bill would amend various sections of the Act to provide authorizations of appropriations for programs under the Act.

Section 29(a)(1) would amend section 100(b) of the Act to authorize $1,839,852,000 to be appropriated for the Title I basic State grant program (other than grants under section 112 of the Act) for fiscal year 1993, and such sums as may be necessary for each of the four succeeding fiscal years; and to require that the amount of the appropriation be at least the amount of the prior year appropriation, plus the amount of the Consumer Price Index addition determined under section 100(c) for the immediately preceding fiscal year. This amendment would also clarify the distinction between the mandated level and the authorized level of funding for this program. Section 29(a)(3) would also update the automatic year extension requirement in section 100(d) of the Act.

Section 29(b) of the bill would amend section 112(h), as redesignated, of the Act to authorize appropriations of $9,434,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years for the Client Assistance Program.

Section 29(c) of the bill would amend section 201 of the Act to authorize appropriations of $68,440,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years for the research and training programs of the National Institute on Disability and Rehabilitation Research.

Section 29(d) of the bill would eliminate an unused and outdated authorization of appropriations for construction in section 301(a) of the Act.

Section 29(e) of the bill would amend section 304(f) of the Act to authorize appropriations of $36,688,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years for training programs under the section.

Section 29(f) of the bill would repeal section 310 of the Act, which contains the authorization of appropriations for the special demonstration programs and for the migrant workers setaside. Because of the structure of the authorizing language, special appropriation language has been necessary in the past to carry out congressional intent for these programs. Separate authorizations of appropriations for these programs would be added by sections 29 (g) and (h) of the bill.

Section 29(g)(1) of the bill would amend section 311(d)(4) of the Act to authorize appropriations of $10,980,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years for supported employment projects and demonstrations. Section 29(g)(2) would add a new section 311(f) of the Act to authorize appropriations of $20,103,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years for the remaining special demonstration programs.

Section 29(h) of the bill would amend section 312 of the Act to authorize appropriations of $1,300,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years for the migrant workers programs.

Section 29(i) of the bill would amend section 316(d) of the Act to authorize appropriations of $2,617,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years for special recreational programs.

Section 29(j) of the bill would amend section 502(i) of the Act to authorize appropriations of $3,500,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years for the Access Board.

Section 29(k) of the bill would amend section 623 of the Act to authorize appropriations of $23,100,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years for the projects with industry program.

Section 29(l) of the bill would amend section 638 of the Act to authorize appropriations of $32,059,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years for the supported employment program.

Section 29(m) of the bill would amendment section 741 of the Act to authorize appropriations for the independent living programs under Title VII. Section 32(1) would amend section 741 of the Act to authorize $14,654,000 for the comprehensive services program for fiscal year 1993, $29,000,000 for the Centers for Independent Living program for fiscal year 1993, $6,505,000 for the independent living services for the older individuals who are blind program for fiscal year 1993, $1,074,000 for protection and advocacy for fiscal year 1993, and such sums as may be necessary for each of the four succeeding fiscal years for all these programs.

TITLE III—AMENDMENTS TO THE HELEN KELLER NATIONAL CENTER ACT

Section 31. Section 31 of the bill would amend the Helen Keller National Center Act (29 U.S.C. 1901 *et seq.*) in the following manner:

Sections 31 (1) through (3) would amend the Act throughout to replace the terms "deaf-blind youths and adults," "deaf-blind individuals," and "deaf-blind individual" with terms denoting individual(s) or persons who are deaf-blind. These changes are made to update terminology and are in conformance with the redesignation of terms in sections 2, 3, and 4 of the bill.

Section 31(4) would amend section 202(5) of the Act to make a technical correction in the original congressional findings.

Section 31(5) would amend section 203(c) of the Act to add as a new purpose the training of family members of individuals who are deaf-blind. This change would assist family members in providing and obtaining appropriate services for the individual who is deaf-blind.

Section 31(6) would amend section 204 of the Act to require that the annual audit be submitted to the Secretary within 15 days following the completion of the audit and acceptance of the audit by the Center. This is a technical change.

Section 31(7) would amend section 205 of the Act to authorize appropriations of $6,057,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years to carry out the program.

Section 31(8) would amend section 206(2) of the Act to add a new subparagraph to permit the use of alternative criteria for persons who, despite the inability to be measured accurately for hearing and vision loss due to cognitive or behavioral constraints, can be determined through functional and performance assessment to have severe visual and hearing disabilities that cause extreme difficulty in attaining independence in daily life activities, achieving psychosocial adjustment, or obtaining vocational objectives. This would help eliminate the possibility that persons with very severe or multiple disabilities may be inadvertently excluded from services due to the existing requirements that are based exclusively on medical testing.

TITLE IV—AMENDMENTS TO THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT

Section 41. Section 41 of the bill would amend section 631(a) of the Individuals with Disabilities Education Act to authorize grants for training regular education teachers who are involved in providing instruction to individuals who are deaf.

TITLE V—AMENDMENTS TO THE TECHNOLOGY-RELATED ASSISTANCE FOR INDIVIDUALS WITH DISABILITIES ACT OF 1988

Section 51. Section 51 of the bill would amend sections 221(a)(1), 222(a), and 231(a) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (P.L. 100-407) to make public agencies and organizations, including State and local governments and institutions of higher education, eligible for technology training and public awareness awards under Part C and innovation and demonstration awards under Part D of Title II of that Act. Current law, which prohibits funding for public agencies and organizations, has significantly limited the pool of eligible applicants and created inequities regarding eligibility that cannot be justified, since many public as well as private entities have the capacity to develop and implement projects of national significance in these areas. This group of amendments would improve the quality of applications and the resulting projects by broadening the scope of eligible applicants.

TITLE VI—OTHER AMENDMENTS

Section 61. Section 61(a) of the bill would amend section 503(a) of the Act to eliminate the phrase "in employing persons to carry out such contract." Under current law, section 503(a) requires government contractors and subcontractors with contracts in excess of $2,500 to take affirmative action to employ and advance in employment qualified individuals with a disability. The effect of the amendment would be to apply the requirements of section 503(a) to all of a covered contractor's work force.

A recent decision by a U.S. District Court in *Washington Metropolitan Area Transit Authority* v. *DeArment*, 55 EPD ¶40,507 (D.C. 1991), limited the protection of section 503(a) only to those employees and potential employees who would perform work to carry out the government contract. Consequently, the court ruled that a Department of Labor (DOL) regulation subjecting all the employer's work force to section 503 obligations was inconsistent with the provisions of the statute. The other equal opportunity programs administered by DOL do not include the "carry out" language and apply to all operations of the firm that has contracted with the Federal government. Enactment of this provision will ensure a fair and a consistent application of these programs to Federal contractors.

Section 61(b) of the bill would amend section 7(13) of the Act, as redesignated, to state that for purposes of section 503, homosexuality and bisexuality are not impairments, as that term is used in section 7(13)(B) of the Act, and therefore not disabilities, and that the term "disability" would not include a number of other conditions (e.g., pedophilia and compulsive gambling). This amendment would facilitate the consistent application of section 503 of the Act with the ADA, as is required by section 107(b) of the ADA.

Section 62. Section 62 of the bill would

TITLE VII—EFFECTIVE DATE

Section 71. Section 61 of the bill would provide that the provisions of this Act would become effective on the date of enactment of the bill, except that the amendments made in section 51(a) of the bill would not be applied retroactively to any matter pending in the Department of Labor prior to that date.•

By Mr. MURKOWSKI:

S. 2904. A bill to amend the Internal Revenue Code of 1986 to permit rollovers into individual retirement accounts of separation pay from the Armed Forces; to the Committee on Finance.

MILITARY SEPARATION RETIREMENT BENEFITS ACT

Mr. MURKOWSKI. Mr. President, I rise today to introduce important legislation for the men and women of America's Armed Forces. This bill, the Military Separation Retirement Benefits Act of 1992, would allow those servicepeople who have responded to their country's request to leave the military before they had planned the ability to roll their departure incentives into eligible retirement plans.

THE SEPARATION INCENTIVES

Mr. President, the events of the last several years have led to a fundamental restructuring of the U.S. military. This restructuring, which will continue for some time, has included the downsizing of the Armed Forces. In order to facilitate the downsizing, the military has offered its personnel certain financial benefits for leaving the military prior to their expected dates of departure. These incentives include the voluntary separation incentives, the VSI, and the special separation benefit, the SSB. The amount of the incentive is based on the number of years served by and the rank at departure of the serviceperson.

The VSI operates as an annuity paid out to the departing serviceperson by the Government over a period of years while the SSB is paid out as a lump sum. Mr. President, as of June 5, 1992, 85 percent of those applying for the incentives are applying for the SSB. Moreover, as the Department of Defense points out, most of those taking the SSB are junior enlisted officers.

THE DEPARTING MEN AND WOMEN

Mr. President, the SSB is taxed in the year it is received as ordinary income. Many of those taking advantage of the SSB are men and women who had planned to make the military their career and were willing to make extraordinary sacrifices for the United States. Now that their country needs them to leave the service, they are voluntarily doing so, but it should not be forgotten that in so doing they are entering a time of some economic difficulty and are sacrificing the security they had in the military.

THE ROLLOVER

Mr. President, the SSB Program is a good idea, but something more needs to be done to protect departing service people. The bill which I am introducing today would allow those men and women taking the SSB to roll their SSB's into an eligible retirement account. It is simply not fair that the benefit paid to those in the Armed Forces who are helping this country out is presently taxed as ordinary income. It is not fair because that amount is totally disproportionate to what those men and women have been making or, in all likelihood, will be making in the immediate future. To tax these men and women on that amount as if it actually was, in fact, what they could expect to make is, on the face of it, absurd.

Further, by encouraging these men and women to put their money into eligible retirement accounts, we can help them plan for their futures. As I noted above, these men and women are voluntarily leaving careers, careers which would have provided them with excellent retirement benefits. Allowing them the right to invest in eligible retirement accounts simply returns to them something of what they are giving up, a secure future. The program I am proposing would encourage these young Americans to save for their futures and invest in their country. In that way, they can continue to make important contributions to us all.

CONCLUSION

In conclusion, Mr. President, my bill would also retroactively apply to those who have already left the service under the SSB plan and, importantly, would apply if the military reached the point where it forced people to leave the service with a separation benefit. Mr. President, this is a bill to help those willing to serve and those who were serving; those whose plans have been changed by the greatest victory this Nation has ever won. Mr. President, let us give them a break, and help American investment at the same time.

By Mr. PELL:

S. 2906. A bill to promote and encourage alternative nondefense uses of defense industrial facilities, to create a Defense Economic Adjustment Trust Fund, to provide assistance for the retraining of currently employed defense workers, and to assist in providing continuity of certain benefits for defense workers whose employment is terminated; to the Committee on Armed Services.

DEFENSE INDUSTRIAL DIVERSIFICATION AND ADJUSTMENT ACT

Mr. PELL. Mr. President, I am introducing today the Defense Industrial Diversification Act of 1992, a bill to promote defense adjustment and to encourage the use of defense industrial facilities for the production of nondefense goods and services.

The basic premise of this bill is that defense contractors have a distinct public responsibility and obligation to plan for changes in defense spending and to provide for continuity of economic activity.

This special responsibility results, in my view, from the fact that defense contractors, by their nature, occupy a quasi-public position. Most of them have prospered substantially from public outlays over the past 40 years, and they have done so as a consequence of public policies over which the contractors themselves often have exerted an inherent influence.

Many defense contractors, especially small businesses, already are making strenuous and successful efforts to convert to nondefense activity, and in the process are preserving the jobs and welfare of their employees. But others, especially prime contractors grown accustomed to a steady diet of Government contracts, are content to take their winnings off the table, as it were, and let the public assume the full burden of adjustment.

One extreme example touches my own State, although I hasten to say that the legislation I am introducing is designed to address the generic problem rather than target any particular corporation or corporate policy.

The widely publicized case in point is that the General Dynamics Corp., which over the years has maintained a policy of disinterest in diversification to nondefense activity, a policy which, I am happy to note, may currently be undergoing modification.

But in recent months, the announced policy of the corporation has been to maximize its cash on hand from sale of nondefense and nonprofitable divisions, resulting in a cash surplus of $1.2 billion, some of which will be used to buy back stock from stockholders on favorable terms.

While this is good management from the perspective of stockholders and senior executives, it must seem otherwise from the perspective of more than 2,000 employees of General Dynamics' Electric Boat Division in Rhode Island and Connecticut who were recently laid off because of the curtailment of the Seawolf Submarine Program, with no corporate strategy in place for diversification to take up the slack.

The legislation I am introducing today would address such situations by requiring each defense contractor, as a condition to any future contract, to make a very modest set-aside of annual revenues each year to support corporate planning for diversification to nondefense production. Upon compliance with this requirement and with an additional requirement to contribute to a self-financing mechanism, the contractor becomes eligible for certain benefits and incentives:

Grants from the fund to support retraining of its current workforce to enable it to engage in nondefense production

Exemption from payment of statutory recoupment fees for defense R&D subsequently used for nondefense production

Preferred standing for nondefense Federal procurements.

As indicated, the bill would be self-financing by virture of a defense adjustment trust fund, financed by contributions from contractors of 1 percent of the gross amount of new contracts, as a condition of the award of those contracts.

In addition to funding in-house worker retraining for diversified production, the trust fund would also finance another provision of the bill which would provide for a 50-percent subsidy of health insurance premiums of laid-off workers for a period of 1 year, for continued coverage under their former employer's health plan, as provided by the Consolidated Omnibus Budget Reconciliation Act of 1985 [COBRA].

This provision is a variation of S. 2690, which I introduced on May 12 and which would authorize a larger COBRA subsidy paid from appropriated funds. My intention in this legislation is to solve the same problem—which is universally regarded as the most serious one facing laid-off workers—but to do so by shifting the burden to the employers who bear a special responsibility for this particular group of unemployed persons.

Finally, the legislation I am introducing today establishes a new Office of Defense Industrial Diversification and Adjustment in the Office of the President, vested with executive authority, including responsibility to monitor the trust fund and to authorize payments from that fund. I believe such an office is required to achieve interdepartmental coordination and to assure energetic action.

For these reasons, the existing interdepartmental Economic Adjustment Committee would be disestablished and the duties assigned to it by the Fiscal Year 1991 Defense Authorization Act would be transferred to the new Office. The bill would require the new Office to coordinate its activities fully with the existing Office of Economic Adjustment of the Department of Defense.

I would note that several aspects of this bill correspond with the recommendations of the Senate Democratic Task Force on Defense/Economic Conversion, chaired so ably by the distinguished Senator from Arkansas [Mr. PRYOR].

The task force supports the concept of diversification of defense industry and the preservation of existing jobs or creation of comparable alternative jobs, which are the main objectives of my bill.

The task force supports increased job retraining for dislocated defense workers through existing programs, which focus on workers who have already lost their jobs. My bill expands the population of potential trainees to include a new category, namely those who are still employed but who need retraining to enable the contractor to shift to nondefense activity.

The task force recognized the critical problem of assuring continuity of medical insurance for the unemployed, but its recommendations were constrained by the high cost of providing a public remedy. My bill provides a nonpublic funding mechanism for limited subsidy of premiums.

And the task force recommended revision of Department of Defense policy requiring recoupment of Government investment in R&D which is subsequently used for commercial production. While the President has wisely moved to terminate that part of recoupment policy mandated by regulation, there remain in force statutory recoupment requirements in the Arms Export Control Act. My bill would authorize a waiver of those statutory requirements when a contractor complies with the planning and funding requirements of the bill.

Finally, Mr. President, I would note that the planning and funding requirements of this bill were proposed in somewhat similar form in a bill I introduced in the 101st Congress, S. 2097, the Defense Diversification and Adjustment Act of 1990. The adjustment provisions of S. 2097, dealing with worker training and community adjustment, were in fact enacted in 1990 as part of the DOD authorization bill for fiscal year 1991, providing $200 million for these purposes.

The time has now come to focus on diversification, so I am submitting a new bill which restates the planning and funding requirements and incorporates certain benefits and incentives to encourage corporate compliance. The bottom line, as I see it, is that a new era and new circumstances require a new sense of corporate responsibility. In view of the human costs involved, we could hardly ask for less.

By Mr. KERRY (for himself and Mr. CRANSTON):

S. 2907. A bill to reform the National Flood Insurance Program; to the Committee on Banking, Housing, and Urban Affairs.

NATIONAL FLOOD INSURANCE REFORM ACT

• Mr. KERRY. Mr. President, today I am introducing legislation which would address the chronic problems that plague the National Flood Insurance Program; problems that threaten not only life and property along our Nation's floodplains and shores, but problems that also threaten the Nation's pocketbook.

I have been concerned about the Federal Flood Insurance Program for many years—on fiscal grounds, on environmental grounds, and in terms of increased risk to human life. And as our coastal populations have grown, my concerns have grown. Undeniably, our coasts attract millions of people to live, to work, to recreate, and to retire. However, depending on exactly where you settle and where you choose to live, you may also be exposing yourself to some of the less pleasant aspects of the coastal environment—hurricanes, floods, and property-destroying coastal erosion.

The National Flood Insurance Program was created to alleviate the taxpayer burden of paying for disaster relief in areas damaged, often repeatedly, by floods. In exchange for the insurance, communities were required to plan in order to reduce future flood losses. Unfortunately, this mandate to plan has never been adequately carried out. Communities have been allowed to develop in ill-advised areas, almost as if hurricanes, floods, and erosion won't occur. Consequently, the program has become an increasingly large financial liability.

The last thing that this country needs is another S&L style Federal bailout. But that is exactly where we are headed with this program.

Several factors contribute to this looming economic risk. Subsidized premium rates—far below actuarial rates—still remain today, disguising the true risk and market cost for insurance. Furthermore, coastal erosion, a powerful and predictable hazard, and a risk that can devastate property, amazingly has never been factored into the actuarial process for setting flood insurance premium rates. I know of no other insurance program that so casually dismisses a known risk of this magnitude.

Also undercutting the financial integrity of the flood insurance fund is the abysmal compliance shown by lenders and borrowers to abide by the mandatory purchase requirement to carry flood insurance for mortgages located in special flood hazard areas.

Noncompliance is rampant. Of the 11 million properties that are required to carry flood insurance for their own protection, only 1.9 million—or roughly 17 percent—actually carry insurance in force. It is clear that even if flood insurance is purchased at origination of a mortgage, the present process simply does not ensure that flood insurance is retained at renewal, or that insurance coverage is checked and maintained before future sales and transfers of mortgages.

Such noncompliance cripples the stability of the flood insurance fund, dramatically expands the exposed risk to the Federal Government, and ultimately results in Government spending more dollars on disaster relief than should otherwise occur. With over $215 billion of policies in force, but less than $290 million in reserve, the fund is overinsured and undercapitalized, leaving it completely vulnerable to a catastrophic storm where estimated losses could run anywhere between $2 and $4 billion.

And who will make up the difference if the flood insurance fund runs short? The answer, of course, is your constituents and mine—the taxpayers. The Federal Government no longer can afford to ignore the fact that we are at the edge of the cliff.

Last year I introduced the National Flood Insurance, Mitigation and Erosion Management Act of 1991, S. 1650, a companion bill to similar legislation that passed the House of Representatives by a vote of 388 to 18. My intention was to improve the flood insurance program through a balanced approach of hazard identification, risk reduction, increased compliance, and community incentives to encourage participation in the flood insurance program.

As other Senators are aware, debate over this legislation, particularly sections pertaining to the identification and management of coastal erosion hazard areas, has been spirited. We have invested an extraordinary effort in an attempt to address all concerns and to develop a new compromise approach which responsibly addresses the needs for flood insurance reform while accounting for potential social and economic impacts.

While I continue to prefer the bill I orginally introduced, and would prefer not to make some of the compromises, I recognize that is the nature of the process, and, in view of the critical importance of enacting changes to this program, I have concluded that this is a necessary step.

Today, with Senator ALAN CRANSTON, whose help and support I greatly appreciate and commend, I am introducing the National Flood Insurance Reform Act of 1992. This new bill retains several of the essential items needed for a substantive reform effort.

It would make sure that lenders and borrowers comply with the mandatory purchase requirement, not only at origination but also during sales, transfers, and policy renewals. It also would require lenders to escrow for flood insurance and establish fees for noncompliance. Importantly, FEMA would be required to update all floodplain maps to make flood determinations easier and more efficient.

This bill also would establish a community rating system to reward communities that implement progressive floodplain management programs by granting these communities lower premium rates. Also, the bill would provide mitigation assistance—activities such as elevation of buildings, relocation, demolition, floodproofing—as a method of risk reduction. Under this program, States and communities would be able to reduce future flood losses. In addition, such assistance should attract new communities to participate in the flood insurance program.

Importantly, this bill restructures the erosion management section, creating a voluntary community erosion management program. If communities choose to manage for erosion hazard areas identified by FEMA, they will be eligible for reduced premium rates and Jones-Upton relocation and demolition assistance. Controversial items including erosion setbacks, Federal construction standards, and cancellation of existing flood insurance are absent from this voluntary program.

More importantly, because of the controversy and misinformation that surrounded S. 1650, I am compelled to point out that this bill would not take private property; that it would not mandate Federal land-use requirements; that it would not prohibit building along eroding shorelines; that it would not preempt existing State erosion management; and, that it would not render erosion-prone lands worthless.

What this bill would do is restore common sense to the Flood Insurance

Program. It would restore the original quid pro quo relationship whereby the Federal Government makes available to communities affordable flood insurance in exchange for those same communities implementing hazard management plans in order to reduce future losses due to flooding and erosion. It would provide a sensibly balanced program that reestablishes two essential elements into our decisions on where to build, and what to insure: Personal responsibility and public accountability.

Now is the time to act, before hurricane season arrives. I urge my colleagues to acknowledge the gravity of the economic risk we are all facing. I ask you to recognize that the Flood Insurance Program not only can be, but must be improved—improved not only to reduce the taxpayer's liability of having to fund another Federal bailout, but improved to better insure, manage, and cope with the hazards found along our coasts. I ask you to support this new compromise bill.•

• Mr. CRANSTON. Mr. President, I commend my colleague, Senator KERRY, for his new bill, the National Flood Insurance Reform Act of 1992. This legislation is a significantly revised version of the original S. 1650, the Flood Insurance, Mitigation and Erosion Management Act. The Senator deserves high praise for taking a complicated and controversial issue and developing the beginnings of a workable package. As an original cosponsor of both bills, I strongly support the purpose of this legislation to improve the health of the national flood insurance fund. This legislation makes several important changes to the National Flood Insurance Program.

First, it increases lender compliance to ensure that flood-prone homes are adequately insured against potential flood damage. Currently, only 2.5 million property owners maintain flood insurance policies, though there may be anywhere from 8 to 11 million insurable households exposed to flood risks.

Second, the bill recognizes the importance of flood mitigation activities. It would provide a dedicated source of funds for structural improvements, relocation, and other mitigation activities.

Third, the bill would authorize the community rating system to provide communities that reduce potential flood hazards lower insurance premiums.

The most controversial provision in the original bill was the erosion management program. I understand that substantial revisions have been made to this section and that these changes are included in the new bill. The erosion management section now would be extremely limited. It would require the Federal Emergency Management Agency to identify erosion-prone communities for insurance purposes. Within these erosion-prone communities, Federal flood insurance would be denied for new construction. Communities that choose to manage erosion risks would be eligible for lower insurance premiums. And, properties located in erosion-prone areas that do not manage the risk would be subject to premium surcharges for each subsequent claim.

Many of us have heard from coastal property owners, developers, and realtors regarding the erosion management provision. Much of their concerns and criticisms have been addressed in this new legislation. The Senator has done an outstanding job and has gone beyond the call of duty in making significant revisions to address these concerns.

I intend to continue to work closely with the Senator toward passage of this legislation. Again, I praise the Senator for his dedication and commitment to this important bill to reform the National Flood Insurance Program.•

By Mr. SIMON:

S. 2908. A bill to amend the Public Health Service Act to provide reasonable assurances that human tissue intended for transplantation is safe and effective, and for other purposes; to the Committee on Labor and Human Resources.

HUMAN TISSUE TRANSPLANTATION ACT

• Mr. SIMON. Mr. President, in the past several months two events have occurred that have demonstrated the need for the establishment of standards for tissue banks and for human tissue itself.

Recently, attention has been focused on the need for standards in the recovery and distribution of tissue as a result of the transmission of the HIV virus from a tissue donor in Virginia to three recipients of that donor's tissue. In addition, in June 1991, the Food and Drug Administration [FDA] announced its intention to classify replacement human heart valves as medical devices and require the filing of an investigational device exemption [IDE] and of a premarket approval application [PMA] for this human product. For reasons set forth in a letter I directed last Friday to FDA Commissioner David Kessler, which I will submit for the RECORD, this is regulatory overkill that threatens the ability of nonprofit tissue banks to continue to process human tissue.

Mr. President, these events demonstrate that the tissue banking and transplantation community should be guided by new legislation that provides an effective, workable and relatively quick standard-setting process for human tissue intended for transplantation. It is my strongly held view that the current authority of the Food and Drug Administration is both inadequate and inappropriate to protect the public health against concerns over safety and effectiveness of human tissue intended for transplantation. There is no uniform scheme designed to assure that donor tissue is properly tested; nor is there a mechanism to trace transplanted tissue. There is no oversight of tissue banks themselves. No national standards for processing of human tissue exist. Perhaps most important, recent regulatory efforts taken by the FDA regarding human tissue involve the imposition of premarket approval activities costing nonprofit tissue banks hundreds of thousands of dollars to demonstrate, through clinical reports, that a "product" that man did not design is safe and effective.

I have spent the last several months working with those who understand the existing regulatory mechanism for human tissue and who could guide us in developing legislation to ensure rational and effective regulation of tissue banks and human tissue itself. In so doing, my staff has analyzed the report of the Public Health Service Workgroup on organ and tissue transplantation; we have consulted informally with several organizations with expertise in tissue procurement, banking and transplantation; and we have relied on the expertise of the National Tissue Bank Council, an organization of 18 of the largest and oldest tissue banks in the country that process the majority of human tissue intended for transplantation. More recently, our efforts have been guided by the United Network for Organ Sharing [UNOS], the organization selected by the Department of Health and Human Services [HHS] to develop criteria for the allocation of human organs in the United States. Both the NTBC and UNOS support this legislation. An explanation of UNOS' functions and its position on standards for human tissue accompanies this statement.

Mr. President, existing regulation of human tissue by FDA reflects a crazy quilted scheme, predicated upon few, if any, guiding principles. The FDA currently regulates certain cell therapies under IND's and intends to require the approval of a product license application for these cell therapies as biological products under the Public Health Service Act. However, unprocessed bone marrow is excluded from the FDA requirements—although bone marrow registries and centers may shortly be subject to National Institutes of Health [NIH] regulation. Similarly, the FDA requires establishments that ship blood products interstate to be licensed as a producer of biologic products. Further, blood establishments must register and list all products they produce, and comply with regulations setting forth good manufacturing practice requirements for blood products.

In contrast, dura mater, corneal lenticules, umbilical veins, allograft cultured skin and, now, allograft human heart valves are, or are proposed to be, regulated by FDA as medical devices. The type of regulation varies considerably according to the type of tissue regulated. Some tissues, classified as medical devices, are subject only to general controls, such as good manufacturing practice requirements, including requirements related to infectious disease transmission and periodic establishment inspection. Others, such as corneal lenticules and human heart valves are required to undergo premarket approval. The PMA for corneal lenticules was submitted to FDA several years ago but has not yet been approved.

The National Heart, Lung, and Blood Institute of NIH is currently preparing regulations setting forth criteria, standards, and procedures for bone marrow donor registries, bone marrow donor centers, marrow collection centers, and marrow transplant centers. In addition, the Public Health Service and the Centers for Disease Control have published periodic recommendations and guidelines relating to the transmission of communicable disease through transplantation.

Mr. President, proposed legislation I have developed is based upon three general principles.

First, both the tissue bank community and the Federal Government have the responsibility to the public to assure the safety of human tissue. Thus, my bill immediately sets in motion a collaborative relationship between the tissue bank community and HHS to establish and ensure compliance with standards for tissue banks and for human tissue itself.

Second, human tissue should not be regulated as if it is an artificial product designed by man. There is no medical or scientific evidence that demonstrates a need that implantable human tissue be shown to be safe and effective through the traditional way of regulating drugs and medical devices on a product-by-product basis. The FDA was, in effect, backed into this position in the process of regulating artificial heart valves—perhaps without sufficient thought as to the medical and social consequences of such a decision. As I indicate in my letter to Commissioner Kessler, treating human tissue as a "product" under the medical device law is not only unnecessary to ensure safety and effectiveness, it has significant negative results for the potential availability of tissue to patients. It has severely taxed the ability of the six existing nonprofit heart valve processors to continue to process human cardiovascular tissue, and makes it unlikely that additional nonprofit banks will be able to meet the expensive and time-consuming requirements involved in preparing IDE's and PMA's for human tissue that they process. In addition, placing human tissues under investigational status threatens reimbursement under public and private programs for the costs associated with the tissue itself, as well as for the surgical procedures involved in transplantation. I am pleased that at the urging of Commissioner Kessler, the Health Care Financing Administration [HCFA] has agreed to continue coverage of heart valve transplantation procedures under Medicare. However, if private insurance companies do not pay for human tissue under experimental status or for transplantation procedures to implant it, the availability of tissue transplantation may be severely restricted.

Third, regulation of human tissue should be by a single regulatory mechanism developed by Congress. There is no reason, in my view, why some human tissue should undergo clinical trials under a mechanism designed for drugs and sophisticated medical devices—and under which tissue banks receive a private license to process it—while other transplanted tissue is subject to standards applicable to all processors, and much of tissue is not subject to any standards at all. In my view the entire field of tissue procurement, processing, and distribution should fall under a standardized approach that does not involve regulation of one tissue product at a time, but rather establishes standards for types of human tissue for clinical use. Under the current approach, it would take decades for the FDA to give scrutiny to all of the many tissues that are processed by tissue banks. There is no real utility to this approach.

A principal theme that grew out of discussions with UNOS is the desirability of significant contribution by the tissue transplant community in the development of voluntary professional standards for tissue banks and for human tissue itself. This is partially because of the fact that, at present, the majority of experience with human tissue lies outside of government. With oversight by HHS, professionals in the tissue transplant community can identify problems, establish priorities, and develop standards quickly and efficiently. In addition, there is need to ensure that Federal funds not be diverted to the regulation of human tissue from other important public health efforts currently under way at the FDA.

Mr. President, let me briefly describe my proposal for new legislation. Before doing so, I want to emphasize that under the proposal, more tissue becomes subject to safety and effectiveness oversight more quickly than under the current FDA premarket approval approach. Unquestionably, therefore, the public health will be protected to a far greater extent under my proposed legislation than under the piecemeal approach with which the FDA is forced to live.

The thrust of my legislation may be summarized as follows:

First, the legislation proposes establishment of a National Council on Tissue Transplantation—the Council—with many responsibilities similar to that of the Organ Procurement Transplant Network [OPTN] established under the 1984 National Organ Transplant Act, now carried out by UNOS under government contract. The primary responsibility of the Council will be to develop voluntary professional standards applicable to human tissue banks and to human tissue itself. All tissue banks—nonprofit and for-profit—are eligible to join the Council; a condition of membership is to be in compliance with the Council's standards.

Second, tissue banks may become subject to requirements promulgated by the Department of Health and Human Services concerning requirements for good processing standards; requirements assuring the safe distribution of human tissue; procurement standards; maintenance of a serialized inventory system; requirements for a licensed medical director; and other requirements. Compliance with these requirements would be assured through licensure of tissue banks that process or distribute human tissue. Prior to development of mandatory regulation, however, the Secretary is to take into account whether the Council's standards provide the public with reasonable assurance of safety and effectiveness.

The third piece of the proposed legislation would address the current requirements by FDA to subject some human tissue to premarket approval requirements under the medical device law. In lieu of applying this regulatory scheme to human tissue—which, I might add, was never in my mind when, as a member of the other body, I voted for the Medical Device Amendments of 1976—the bill proposes a public standard system applicable to types or classes of human tissue. Thus, rather than reviewing individual products for safety and effectiveness, public standards for types or classes of tissue must be developed by the Council, and may be required by HHS. Standards would thus replace the current system of IDE's and PMA's. It is for this reason that I am confident that under my bill, more tissue will be subject to appropriate scrutiny in less time than under the current piecemeal approach.

In sum, Mr. President, I propose legislation that I believe better assures the public of the safety of human tissue and treats human tissue as, in effect, owned by the public—not by individual tissue banks—by subjecting it to voluntary and public standards applicable and available to all processors.

I ask unanimous consent that my letter to Commissioner Kessler, a statement prepared by UNOS describing its important role in organ transplantation, as well as a section-by-section analysis of the Human Tissue Transplantation Act of 1992, be inserted into the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, June 26, 1992.

DAVID A. KESSLER, M.D.,
Commissioner, Food and Drug Administration,
Rockville, MD.

DEAR COMMISSIONER KESSLER: I wanted to let you know that I today introduced the Human Tissue Transplantation Act of 1992, which will provide direction to the Food and Drug Administration in the regulation of human tissue.

I look forward to working with you on this important legislation and believe its enactment will provide your agency more appropriate and flexible tools with which to assure the American public of the safety and effectiveness of human tissue intended for transplantation. I have asked Senator Kennedy to schedule hearings on the proposed legislation in the next few weeks.

As you know, on several occasions I have expressed my concern over the implications of FDA's decision to regulate human heart valves as class III medical devices. While I take no position on the legality of this action, it is my view that requiring clinical trials for products made from human tissue was never contemplated by Congress, and this action poses immense problems related to costs. You efforts in securing continued Medicare coverage for heart valve replacement surgery are commendable, but these efforts do not guarantee coverage by private insurance plans, which typically exclude "investigational" products from coverage.

In addition, I am advised that the current expense of compliance with the requirement to hold investigational device exemptions (IDEs) by nonprofit tissue banks is well in excess of $10,000 per month, per tissue bank. These increased costs, I am told, have been passed on to recipients, with the result that the cost of a human heart valve today is at least 50 percent greater than the cost one year ago.

Moreover, one of the six tissue banks that processes human heart valves has, for financial reasons, dropped out of the consortium of tissue banks pursuing a common IDE. It is entirely possible that, if the requirement to conduct clinical trials is continued, several nonprofit tissue banks will abandon the field to existing for-profit processors. Clearly, the action requiring premarket approval is inconsistent with the spirit of the 1984 National Organ Transplant Act, which prohibits the commercialization of human organs and tissue.

My legislation would authorize the FDA, after consideration of voluntary professional standards developed by a National Council on Tissue Transplantation, to develop public standards for human tissue, as well as standards for licensure of tissue banks. In my view, this approach would result in the application of standards, either voluntary or prescribed by the FDA, in a relatively short period of time—certainly much shorter than an approach involving the application of clinical trials on a tissue-by-tissue basis. Because the legislation adopts an approach to the deregulation of human tissue most consistent with that required by human blood and other biological products, it precludes regulation of any human tissue as either a medical device or a new drug.

I have serious doubts that requiring clinical trials yields any greater protection of the public health than would well-designed standards. As stated by Richard Hopkins, M.D., Director of Pediatric Cardiac Surgery, Georgetown University Medical Center, "allograft valves were made and designed by God. From an engineering standpoint, they are the most perfect we have." Your own letter to Acting HCFA Administration Toby acknowledges that "FDA has no evidence of significant safety problems involving the current use of these devices. . . ." Statements such as these clearly call into question the need for expensive and time-consuming clinical trials.

Because of the pendency of the proposed legislation, any my commitment to its enactment, I believe it would be wholly appropriate for FDA to suspend its decision to regulate human heart valves as class III medical devices, and I urge you to take action to do so. It may be that this action could be accompanied by assurances by the tissue banks that they will continue to comply with processing protocols that are now required under the IDE.

I am eager to learn of your response to this suggestion, and await your reply.

My best wishes.

Cordially,

PAUL SIMON,
U.S. Senator.

STATEMENT OF THE UNITED NETWORK FOR ORGAN SHARING CONCERNING THE HUMAN TISSUE ACT OF 1992

Organ donation and tissue donation depend on public support and confidence. In many cases, organs and tissues are donated at the same time. Donated organs were designated as a public resource by the National Organ Transplant Act of 1984. Donated tissues must be treated as a public resource in order to protect the integrity of organ and tissue donation and transplantation in the United States.

Transplantable human organs are in short supply. Patients are dying at an accelerating rate while waiting for an organ transplant. National efforts to educate the public and medical professionals on the merits of organ donation are underway. Since organ and tissue donation are so closely linked, both functionally and in the eyes of the public, care must be taken to coordinate organ donation with tissue donation.

The National Organ Procurement and Transplantation Network (OPTN), with all United States organ transplant centers and organ procurement organizations (OPOs) as members, establishes voluntary policies for organ procurement, organ allocation and other essential aspects of organ transplantation. The OPTN has been in operation since September 30, 1986, and is operated by the United Network for Organ Sharing (UNOS), a not-for-profit corporation, under contract with the Department of Health and Human Services. UNOS operates a self-regulating professional organization that depends primarily on the volunteer efforts of members, with support from a full-time staff. UNOS is also the contractor for the organ transplantation scientific registry.

Organ procurement organizations designated by the Health Care Financing Administration, of which there were 68 as of June 1, 1992, handle all organ procurements and a substantial portion of all tissue procurements. All OPOs are members of the OPTN and adhere to its organ procurement and allocation policies. As efforts are made to increase the rate of organ donation and to expand the traditional donor pool to help solve the organ shortage, organ procurement becomes more complex and demanding. Unless tissue procurement is governed in a manner similar to, and compatible with, organ procurement, there will be inevitable damage to organ procurement.

Tissue transplantation has been allowed to develop without significant federal regulatory involvement. The discovery of the human immunodeficiency virus (HIV) and its increasing incidence in the population has focused much greater attention on testing both organ donors and tissue donors for HIV. It is now time for Congress and the Department of Health and Human Services to bring tissue procurement under federal government oversight. Borrowing significantly from the experience of the OPTN, the Human Tissue Act of 1992 would bring tissue procurement, processing and distribution under the control of the Department of Health and Human Services through a contract relationship with a private not-for-profit entity for operation of the National Council on Tissue Transplantation (NCTT). The NCTT will be a membership organization that sets voluntary standards for tissue procurement, processing and distribution; collects and publishes scientific information; and collects data concerning tissue transplantation. If the experience of the NCTT parallels that of the OPTN, compliance with voluntary standards will become pervasive and effective. Voluntary standards will keep pace efficiently with scientific and technological advances and will assure safety and effectiveness without the necessity for promulgation of mandatory regulations, if the tissue transplantation community works together within the framework of the National Council on Tissue Transplantation. If volunteer standard-setting is not effective, the Act authorizes HHS to adopt regulations to require registration, licensing and inspection of tissue banks, tissue processors, and tissue distributors as needed.

The NCTT will also be able to address problems that relate to a scientific type of human tissue, such as human heart valves, by adoption of voluntary standards. If HHS finds that these voluntary standards are not effective to solve the problems, it may promulgate mandatory public standards relating to that type of tissue.

There have thus far been relatively few concerns with the safety and effectiveness of human tissue transplantation or of organ transplantation. It is hoped that the establishment of a voluntary standard-setting organization for human tissue, to work in cooperation with the existing organ network, will allow both organ and tissue transplantation to continue to operate safely and effectively under government oversight, but without the need for significant government effort or expense.

SECTION-BY-SECTION ANALYSIS OF THE HUMAN TISSUE ACT OF 1992

Section 1 of the bill contains the short title (Human Tissue Transplantation Act of 1992) and technical references.

Section 2 of the bill would add several new sections to the Public Health Service Act to provide a new regulatory mechanism for human tissue and tissue banks.

GENERAL RULES

New section 354 of the Public Health Service Act would state the general rules applicable to human tissue. Under the approach of the bill, as stated in this section, human tissue intended for transplantation may not be procured, processed or distributed unless:

If the Secretary of Health and Human Services (HHS) promulgates regulations under new section 356, it is processed and distributed by one or more tissue banks that is licensed under such section 356; and

If it is human tissue subject to public standards promulgated under section 358 of the new bill, it meets such standards.

Human tissue that (1) is intended for transplantation in the same patient; or (2) is not frozen after procurement and is intended to be transplanted within 72 hours of procurement, is exempt from the new law.

NATIONAL COUNCIL ON TISSUE TRANSPLANTATION

New section 355 would require the Secretary of the U.S. Department of Health and Human Services (the Secretary) to contract with a nonprofit entity, which is not engaged in any significant activity unrelated to tissue banking, to establish the National Tissue Bank Council. This section, patterned after the 1984 law that established a national Organ Procurement and Transplantation Network, would insure that government gain the expertise of the Council prior to undertaking regulatory activities. Specifically, the Council would be required to advise the Secretary on the state of human tissue procurement, transportation, processing, storage and distribution, and prepare a comprehensive report to the Secretary on such issues. In addition, the Council is to develop and disseminate voluntary professional standards meeting the requirements of the new law and submit to the Secretary recommended standards relating to the procurement of human tissue, the processing and distribution of human tissue by tissue banks, and standards for tissue itself (including, on an expedited basis, standards for human heart valves).

Under the proposed law, the National Council on Tissue Transplantation must consist of tissue banks and other nonprofit and for-profit entities and persons who procure, process, distribute or transplant human tissue. It must have a governing body of not less than 12 members, of which a majority must be representatives of tissue banks, and that includes representation from organ procurement organizations, voluntary health organizations, physicians and the general public.

REGISTRATION

New section 355A authorizes the Secretary to require, by regulation, that each tissue bank in the United States, as well as an entity other than a tissue bank that procures human tissue, register with the Secretary on an annual basis. Regulations must require that every tissue bank (or other entity) must register upon first engaging in the procurement, processing, or distribution of human tissue. Information required under the registration includes the name of the tissue bank and other identifying information. This provision is patterned after comparable requirements for manufacturers of drugs and medical devices under section 510 of the Federal Food, Drug, and Cosmetic Act.

LICENSURE OF TISSUE BANKS

New section 356 authorizes the Secretary, after taking into consideration voluntary professional standards developed by the Council, to require all tissue banks to promulgate regulations prohibiting a tissue bank from processing or distributing human tissue intended for transplantation, unless the tissue bank holds a valid license once requirements to do so become applicable. The new legislation makes it clear that licenses for tissue banks are to be issued by the Secretary, upon application, either if the Secretary determines that a tissue bank meets standards promulgated for such tissue bank, or the tissue bank is accredited by a nonprofit accrediting body designated by the Secretary for this purpose. In addition, this section authorizes the Secretary, as well as the accrediting body, to require payment of fees by a tissue bank based upon the costs of federal inspection and licensure or the costs of accreditation. In this way, costs to the federal government are minimized.

Under new section 356, regulations promulgated by the Secretary concerning licensure of tissue banks must be designated to provide reasonable assurance that tissue procured by the tissue bank does not transmit disease. If a tissue bank receives human tissue procured by an entity other than a tissue bank, it must gain written assurance that the procuring entity meets such procurement standards. In addition, they must include, among other things, requirements that tissue be processed and distributed in accordance with good tissue banking procedures designed to provide reasonable assurance that human tissue processed or distributed by the tissue bank does not transmit disease. These procedures are intended to be comparable to good manufacturing practice procedures presently required of manufacturers of drugs and medical devices. In addition, the regulations must set forth qualifications for tissue bank personnel, including a requirement that each tissue bank have a medical director who is a physician licensed to practice medicine.

ACCREDITATION

New section 356A of the Public Health Service Act would authorize a tissue bank to be accredited for the purposes of obtaining a license if it meets the standards of an accreditation body designated by the Secretary. The new section also authorizes the Secretary to designate a nonprofit organization to be an accreditation body if it agrees to inspect tissue banks for purposes of federal licensure, and if its standards are equal to, or more stringent than, the standards issued by the Secretary for licensure of tissue banks. The accrediting body may, but need not, be the entity that contracts with the Secretary to establish the National Council on Tissue Transplantation.

This section is patterned after comparable provisions of the Clinical Laboratory Improvement Act of 1988.

INSPECTIONS

New section 357 authorizes the Secretary to inspect tissue banks subject to licensure requirements for the purpose of licensing such tissue banks, determining the performance of an accrediting body, or inspecting accredited facilities upon a determination that inspection is necessary for the protection of the public health. Certain limitations are placed upon the authority of the Secretary to inspect certain types of records. The limitations are imposed on the accrediting body as well.

PUBLIC STANDARDS FOR HUMAN TISSUE

New section 358 requires the Secretary, following receipt of a voluntary professional standard from the National Council on Tissue Transplantation, to publish the voluntary standards in the Federal Register and provide for comments on whether compliance with it is sufficient to provide patients with reasonable assurances of the safety and effectiveness of the type of tissue that is the subject of the voluntary standard. If the Secretary determines that compliance is insufficient to provide patients with such assurances, the Secretary is to promulgate a regulation establishing a public standard for such type of human tissue.

Public standards may be based on evidence from well controlled investigations, partially controlled studies, or other scientific evidence. Public standards must be designed to provide reasonable assurance of safe and effective performance of the type or types of human tissues specific by the standards. Such standards must specify processing standards; where appropriate, specify physical and biological properties of the tissue; and specify required labeling of the tissue.

In general, a public standard is not to take effect until one year after its enactment. The Secretary is to amend a public standard on an expedited basis to reflect new technology or for other reasons.

ENFORCEMENT

New section 359 would authorize the imposition of civil penalties as follows:

For failure of a tissue bank (or other entity) to register, $10,000;

For failure of a tissue bank to have a license; $25,000;

For procurement of human tissue in violation of procurement standards, and after appropriate notice, $25,000; and

For any person who introduces or delivers for introduction in interstate commerce human tissue in violation of a public standard, $50,000.

In all instances, the violator is to be provided written notification and opportunity to correct the violation before the civil penalty is imposed.

For the latter three violations, the Secretary may not impose a civil penalty without affording the opportunity for an informal hearing to the alleged violator. A civil penalty may be remitted or mitigated by the Secretary.

Section 359 also authorizes the suspension of a license for a tissue bank by the Secretary if, after an opportunity for an informal hearing, the Secretary determines that the owner or operator of the tissue bank has been guilty of misrepresentation or an omission of fact in obtaining the license, has failed to comply with licensure requirements, or has failed to comply with reasonable requests of the Secretary in determining whether or not a violation has occurred. The suspension of a license will continue in effect until the tissue bank, through written submission to the Secretary, demonstrates that it has corrected the conditions given rise to the suspension. In addition, the Secretary is authorized, in lieu of suspension actions, to require a tissue bank to engage in a directed plan of correction or pay for costs of onsite monitoring.

Finally, section 359 specifies that human tissue that violates an applicable public standard, or is procured in violation of procurement standards, may be seized in accordance with the provisions of section 304 of the Federal Food, Drug, and Cosmetic Act.

JUDICIAL REVIEW

New section 360 authorizes judicial review of actions by the Secretary affecting substantive rights to be in accordance with the procedures established under section 517 of the Federal Food, Drug, and Cosmetic Act.

EFFECT ON STATE LAWS

New section 360A authorizes state laws with respect to tissue banks to continue in effect unless they are inconsistent with the provisions of the new Federal legislation. In addition, the new legislation requires that any requirement of a state with respect to human tissue intended for transplantation which is different from, or in addition to, Federal requirements, may not be established or continued in effect.

The draft legislation makes it clear that no provision of state law treating the procurement, processing, storage, distribution or transplantation of human tissue as a service is to be affected by the legislation. Thus, state product liability laws applicable to human tissue are not to be affected by the new Federal requirements.

Section 3 of the bill adds a new section 399B to the Public Health Service Act which authorizes the Secretary, after consultation with the Council, to prescribe regulations requiring that providers of services under the Medicare or Medicaid programs to establish and maintain records of transplantation of tissue in a manner that facilitates the identification of transplant patients, donors, and the distributor of such tissue.

Section 4 of the bill includes definitions of "human tissue," "tissue bank," "distribute,"and specifies that the term "informal hearing" means a hearing described in section 201(y) of the Federal Food, Drug, and Cosmetic Act.

Section 5 of the bill amends existing section 351(d)(2)(A) of the Public Health Service Act, which authorizes the Secretary to order the recall of a biological product that presents an imminent or substantial hazard to the public health. The amendment would extend this provision to human tissue that presents an imminent or substantial danger to the public health.

Section 6 of the bill makes it clear that the definitions of "drug" and "device" under the Food, Drug, and Cosmetic Act do not include human tissue, as defined under the new bill. Thus, once the proposed legislation is enacted human tissue may not be regulated as a drug or medical device, but as a biological product.

This section also makes it clear that a tissue bank licensed under the provisions of the new legislation is, with respect to activities regarding human tissue, not required to be licensed under section 353 of the Public Health Service Act (relating to a licensure of clinical laboratory).

Section 7 of the bill includes transitional provisions for the regulation of human heart valves. This section specifies that the Secretary is not authorized to enforce existing regulations that treat human heart valves as medical devices subject to premarket approval, and rescinds the determination by the Secretary that human heart valves must undergo premarket approval.

Section 8 of the bill requires an expedited proceedings applicable to human heart valves. It requires that within 60 days after the development of a voluntary public standard for human heart valves by the National Council on Tissue Transplantation, the Secretary is to initiate a proceeding to determine whether a public standard for human heart valves should be developed. In addition, this section specifies that the regulation is to be expedited.

ADDITIONAL COSPONSORS

S. 1111

At the request of Mr. MITCHELL, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1111, a bill to protect the public from health risks from radiation exposure from low-level radioactive waste, and for other purposes.

S. 1175

At the request of Mr. KERRY, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 1175, a bill to make eligibility standards for the award of the Purple Heart currently in effect applicable to members of the Armed Forces of the United States who were taken prisoners or taken captive by a hostile foreign government or its agents or a hostile force before April 25, 1962, and for other purposes.

S. 1361

At the request of Ms. MIKULSKI, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 1361, a bill to remedy the serious injury to the United States shipbuilding and repair industry caused by subsidized foreign ships.

S. 1777

At the request of Mr. ADAMS, the names of the Senator from Nevada [Mr. REID] and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of S. 1777, a bill to amend the Public Health Service Act to establish the authority for the regulation of mammography services and radiological equipment, and for other purposes.

S. 2028

At the request of Mr. SPECTER, the names of the Senator from Mississippi [Mr. COCHRAN], the Senator from Vermont [Mr. JEFFORDS], the Senator from Alabama [Mr. SHELBY], and the Senator from Arizona [Mr. MCCAIN] were added as cosponsors of S. 2028, a bill to amend title 38, United States Code, to improve and expand health care and health-care related services furnished to women veterans by the Department of Veterans Affairs.

S. 2064

At the request of Mr. HATFIELD, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of S. 2064, a bill to impose a 1-year moratorium on the performance of nuclear weapons tests by the United States unless the Soviet Union conducts a nuclear weapons test during that period.

S. 2113

At the request of Mr. SMITH, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 2113, a bill to restore the second amendment rights of all Americans.

S. 2236

At the request of Mr. SIMON, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 2236, a bill to amend the Voting Rights Act of 1965 to modify and extend the bilingual voting provisions of the act.

S. 2484

At the request of Mr. KASTEN, the names of the Senator from Missouri [Mr. BOND] and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of S. 2484, a bill to establish research, development, and dissemination programs to assist State and local agencies in preventing crime against the elderly, and for other purposes.

S. 2704

At the request of Mr. BYRD, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 2704, a bill to prevent any foreign person from purchasing or otherwise acquiring the LTV Aerospace and Defense Company.

S. 2789

At the request of Mr. MCCAIN, his name was added as a cosponsor of S. 2789, a bill to encourage the growth and development of commercial space activities in the United States, and for other purposes.

S. 2792

At the request of Mr. KOHL, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 2792, a bill to amend and authorize appropriations for the continued implementation of the Juvenile Justice and Delinquency Prevention Act of 1974.

S. 2794

At the request of Mr. DOLE, the names of the Senator from Wisconsin [Mr. KASTEN] and the Senator from Montana [Mr. BURNS] were added as cosponsors of S. 2794, a bill to relieve the regulatory burden on depository institutions, particularly on small depository institutions, and for other purposes.

S. 2839

At the request of Mr. SHELBY, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 2839, a bill to prohibit the transfer under foreign assistance or military sales programs of construction or fire equipment from Department of Defense stocks.

S. 2870

At the request of Mr. RUDMAN, the names of the Senator from Illinois [Mr. SIMON], the Senator from Rhode Island [Mr. PELL], and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of S. 2870, a bill to authorize appropriations for the Legal Services Corporation, and for other purposes.

S. 2887

At the request of Mr. MCCONNELL, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 2887, a bill to amend title IV of the Social Security Act to provide that the Secretary of Health and Human Services shall enter into an agreement with the Attorney General of the United States to assist in the location of missing children.

S. 2900

At the request of Mr. DOMENICI, the name of the Senator from Idaho [Mr. SYMMS] was added as a cosponsor of S. 2900, a bill to establish a moratorium on the promulgation and implementation of certain drinking water regulations promulgated under title XIV of the Public Health Service Act (commonly known as the Safe Drinking Water Act) until certain studies and the reauthorization of the act are carried out, and for other purposes.

SENATE JOINT RESOLUTION 308

At the request of Mr. GORE, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of Senate Joint Resolution 308, a joint resolution adopting certain principles on general rights and obligations with respect to the environment, to be known as the "Earth Charter," and urging the United Nations Conference on Environment and Development, meeting in June 1992, to adopt the same.

SENATE CONCURRENT RESOLUTION 81

At the request of Ms. MIKULSKI, the names of the Senator from Oklahoma [Mr. BOREN] and the Senator from Ohio [Mr. GLENN] were added as cosponsors of Senate Concurrent Resolution 81, a concurrent resolution expressing the sense of the Congress regarding visionary art as a national treasure and regarding the American Visionary Art Museum as a national repository and educational center for visionary art.

SENATE CONCURRENT RESOLUTION 126

At the request of Mr. SHELBY, the name of the Senator from Georgia [Mr. FOWLER] was added as a cosponsor of Senate Concurrent Resolution 126, a concurrent resolution expressing the sense of the Congress that equitable mental health care benefits must be included in any health care reform legislation passed by the Congress.

SENATE RESOLUTION 316

At the request of Mr. D'AMATO, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of Senate Resolution 316, a resolution in support of foreign controlled corporations (FCC's) paying their fair share of Federal income taxes.

AMENDMENTS SUBMITTED

FEDERAL HOUSING REGULATORY REFORM ACT

MITCHELL (AND SASSER) AMENDMENT NOS. 2454 THROUGH 2518

(Ordered to lie on the table.)

Mr. MITCHELL (for himself and Mr. SASSER) submitted 66 amendments intended to be proposed by them to amendment No. 2447 proposed by Mr. SEYMOUR to the bill (S. 2733) to improve the regulation of Government-sponsored enterprises, as follows:

AMENDMENT NO. 2454

On page 1, in the first paragraph of the amendment, strike "seven" and insert "six".

AMENDMENT NO. 2455

On page 1, in the first paragraph of the amendment, strike "seven" and insert "five".

AMENDMENT NO. 2456

On page 1, in the first paragraph of the amendment, strike "seven" and insert "four".

AMENDMENT NO. 2457

On page 1, in the first paragraph of the amendment, strike "seven and insert "three".

AMENDMENT NO. 2458

On page 1, in the first paragraph of the amendment, strike "seven" and insert "two".

AMENDMENT NO. 2459

On page 1, in the first paragraph of the amendment, strike "seven" and insert "one".

AMENDMENT NO. 2460

On page 1, strike all from the first word of the text proposed to be inserted through "Article—.

AMENDMENT NO. 2461

On page 1, in section 1 of the amendment, strike "of the whole number".

AMENDMENT NO. 2462

On page 1, in section 1 of the amendment, strike "law" and insert "concurrent resolution".

AMENDMENT NO. 2463

On page 1, in section 2 of the amendment, strike "of the whole number".

AMENDMENT NO. 2464

On page 1, strike all of section 2 of the amendment.

AMENDMENT NO. 2465

On page 1, in section 2 of the amendment, strike "law" and insert "concurrent resolution".

AMENDMENT NO. 2466

On page 2, in section 3 of the amendment, strike "Prior to each fiscal year" and insert "Not later than the first Monday in February in each calendar year."

AMENDMENT NO. 2467

On page 2, stike all of section 4 of the amendment.

AMENDMENT NO. 2468

On page 2, in section 4 of the amendment, strike "of the whole number".

AMENDMENT NO. 2469

On page 2, in section 5 of the amendment, strike "joint resolution; adopted by a majority of the whole number of each House, which becomes law" and insert "concurrent resolution".

AMENDMENT NO. 2470

On page 2, in section 5 of the amendment, strike "joint resolution"; adopted by a majority of the whole number of each House, which becomes law" and insert "concurrent resolution adopted by a majority of the whole number of each House".

AMENDMENT NO. 2471

On page 2 of the amendment, at the end of section 7, insert the following "Receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, and any successor fund, shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2472

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the Unemployment Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2473

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the highway and airport trust funds, and any successor fund, shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2474

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the highway trust fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2475

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the airport trust fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2476

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the Military Retirement Trust Fund, the Civil Service Retirement and Disability Trust Fund, the Foreign Service Retirement and Disability Trust Fund, and the Judicial Officers' Retirement Trust Fund, and any successor fund, shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2477

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the Military Retirement Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2478

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the Civil Service Retirement and Disability Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2479

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the Judicial Officers' Retirement Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2480

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the Foreign Service Retirement and Disability Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2481

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the Postal Service shall not be counted as receipts or outlays of the United States."

AMENDMENT No. 2482

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the Federal Hospital Insurance Trust Fund, the Federal Supplementary Medical Insurance Trust Fund, and any successor fund, shall not be counted as receipts or outlays of the United States."

AMENDMENT No. 2483

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the Black Lung Disability Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT No. 2484

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of Federal emergency disaster relief funds shall not be counted as receipts or outlays of the United States."

AMENDMENT No. 2485

On page 2, in section 7 of the amendment, strike "principle".

AMENDMENT No. 2486

On page 2, in section 7 of the amendment, strike "principal".

AMENDMENT No. 2487

On page 1 of the amendment, strike all of section 7 and insert the following:

"SEC. 7. Total receipts shall include all receipts of the United States except those derived from borrowing or those of trust funds. Total outlays shall include all outlays of the United States except those for repayment of debt and those of trust fund.".

AMENDMENT No. 2488

On page 1, in section 1 of the amendment, strike "Total outlays for any fiscal year shall not exceed total receipts for that fiscal year" and insert "Outlays from Federal funds of the United States for any fiscal year shall not exceed receipts to Federal funds of the United States for that fiscal year".

AMENDMENT No. 2489

On page 2, after section 5 of the amendment, insert the following new section:

"SEC. 6. There shall be a Chief Financial Officer of the United States, who shall determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with. This Officer shall be appointed by the Speaker of the House and the President Pro Tempore of the Senate and shall hold office during the term of four years. This Officer shall by December 15 of every year transmit to the President and the Congress the economic assumptions that this officer views as appropriate for calculation of the budget during the fiscal year beginning in the following calendar year. The President and the Congress shall use these economic assumptions in the preparation of the budget for that fiscal year. The Congress may, by appropriate legislation, delegate to this officer the power to order uniform cuts in funding for specified Government programs.".

AMENDMENT No. 2490

On page 2, after section 5 of the amendment, insert the following new section:

"SEC. 6. The Congress may by concurrent resolution appoint an officer who shall have sole authority to determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with.".

AMENDMENT No. 2491

On page 2, at the end of section 6 of the amendment, insert the following: "The Congress may by appropriate legislation designate who shall have sole authority to determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with.".

AMENDMENT No. 2492

On page 2, after section 5 of the amendment, insert the following new section:

"SEC. 6. There shall be a Comptroller General appointed by the President, by and with the advice and consent of the Senate, who shall determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with.

When a vacancy occurs in the office of Comptroller General, the Speaker of the House of Representatives and the President pro tempore of the Senate shall recommend at least three individuals to the President for appointment to the vacant office. The President may ask the Speaker and the President pro tempore to recommend additional individuals.

Except as otherwise provided in this section, the term of the Comptroller shall be 15 years. The Comptroller General may not be reappointed.

A Comptroller General may be removed at any time by joint resolution of Congress, after notice and an opportunity for a hearing, only for permanent disability, inefficiency, neglect of duty, malfeasance, or a felony or conduct involving moral turpitude; or by impeachment. A Comptroller General removed from office under this section may not be reappointed to the office.".

AMENDMENT No. 2493

On page 2, at the end of section 6 of the amendment, insert the following: "The Comptroller General shall determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with.".

AMENDMENT No. 2494

On page 2, in section 5, strike the first sentence and insert the following: "This article shall be suspended for any fiscal year and the first fiscal year thereafter if a declaration of war is in effect or if the Chief Financial Officer estimates that the Nation will be in a period of recession during that fiscal year.".

AMENDMENT No. 2495

On page 2, strike section 5 of the amendment, and insert the following:

"SEC. 5. This article shall be suspended for any fiscal year and the first fiscal year thereafter if a declaration of war is in effect or if the President, the Comptroller General, or the Congressional Budget Office estimates that real economic growth will be less than one percent for two consecutive quarters during the period of those two fiscal years. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and it is so declared by a joint resolution, adopted by a majority of the whole number of each House of Congress, that becomes law.".

AMENDMENT No. 2496

On page 2, strike section 5 of the amendment, and insert the following:

"SEC. 5. This article shall be suspended for any fiscal year and the first fiscal year thereafter if a declaration of war is in effect or if the Congress by concurrent resolution or the President finds that real economic growth will be less than one percent for two consecutive quarters during the period of these two fiscal year.".

AMENDMENT No. 2497

On page 2, in section 5 of the amendment, after "effect", insert the following "or when necessary to prevent the rate of unemployment from exceeding 10 percent".

AMENDMENT No. 2498

On page 2, in section 5 of the amendment, after "effect", insert the following "or when necessary to prevent the rate of unemployment from exceeding 15 percent".

AMENDMENT No. 2499

On page 2, in section 5 of the amendment, after "effect", insert the following "or when necessary to prevent the rate of unemployment from exceeding 20 percent".

AMENDMENT No. 2500

On page 2, strike section 6 of the amendment and insert the following:

"SEC. 6. This article shall be enforced only in accordance with appropriate legislation enacted by Congress.".

AMENDMENT No. 2501

On page, 2, strike section 6 of the amendment and insert the following:

"SEC. 6. This article shall be enforced only in accordance with the exercise of congressional and executive powers under the first and second articles.".

AMENDMENT No. 2502

On page 2 of the amendment, after section 4, insert the following new section:

"SEC. 3. Congress may not decrease below current services levels the disbursements of the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, or any successor fund, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approved specific decreases and such bill has become law."

AMENDMENT No. 2503

On page 2 of the amendment, after section 4, insert the following new section:

"SEC. 3. Congress may not decrease below current services levels the disbursements of the Unemployment Trust Fund unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT No. 2504

On page 2 of the amendment, after section 4, insert the following new section:

"SEC. 3. Congress may not decrease below current services levels the disbursements of veterans' compensation benefits unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT No. 2505

On page 2 of the amendment, after section 4, insert the following new section:

"SEC. 3. Congress may not decrease below current services levels the disbursements veterans' pensions unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2506

On page 2 of the amendment, after section 4, insert the following new section:

"SEC. 3. Congress may not decrease below current services levels the disbursements of the Federal Hospital Insurance Trust Fund, the Federal Supplementary Medical Insurance Trust Fund, or any successor fund, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2507

On page 2 of the amendment, after section 4, insert the following new subsection:

"SEC. 3. Congress may not decrease below current services levels the disbursements of the Highway Trust Fund, the Airport and Airway Trust Fund, or any successor trust fund, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2508

On page 2 of the amendment, after section 4, insert the following new section:

SEC. 3. Congress may not decrease below current services levels the disbursements of the Military Retirement Trust Fund, the Civil Service Retirement and Disability Trust Fund, the Foreign Service Retirement and Disability Trust Fund, the Judicial Officers' Retirement Trust Fund, or any successor trust fund unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2509

On page 2 of the amendment, after section 4, insert the following new section:

SEC. 3. Congress may not decrease below current services levels the disbursements of the Black Lung Disability Trust Fund or any successor trust fund unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2510

On page 2 of the amendment, after section 4, insert the following new section:

SEC. 3. Congress may not decrease below current services levels the disbursements for Medicaid unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2511

On page 2 of the amendment, after section 4, insert the following new section:

SEC. 3. Congress may not decrease below current services levels the disbursements for farm price supports unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2512

On page 2 of the amendment, after section 4, insert the following new section:

"SEC. 3. Congress may not decrease below current services levels the disbursements for food stamps unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2513

On page 2 of the amendment, after section 4, insert the following new section:

"SEC. 3. Congress may not decrease below current services levels the disbursements for Aid to Families with Dependent Children unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2514

On page 2 of the amendment, after section 4, insert the following new section:

"SEC. 3. Congress may not decrease below current services levels the disbursements for child nutrition unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2515

On page 2 of the amendment, after section 4, insert the following new section:

"SEC. 3. Congress may not decrease below current services levels the disbursements for Supplemental Security Income unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2516

On page 2, after section 4 of the amendment, insert the following new section:

"SEC. 5. If reductions in spending (other than reductions ordered by law) are required by virtue of this article, then such reductions shall first be made in payments to foreign states or persons.".

AMENDMENT NO. 2517

On page 2, after section 4 of the amendment, insert the following:

"SEC. 5. Congress may provide for payments to foreign states or persons only with the concurrence of three fifths of the Members of the House of Representatives and the Senate, duly chosen and sworn.".

AMENDMENT NO. 2518

On page 2 of the amendment, strike section 8 and insert the following:

"SEC. 8. This article shall take effect beginning with the first fiscal year beginning in the calendar year after its ratification.".

DANFORTH AMENDMENT NOS. 2519 AND 2520

(Ordered to lie on the table.)

Mr. DANFORTH submitted two amendments intended to be proposed by him to the bill S. 2733, supra, as follows:

AMENDMENT NO. 2519

At the appropriate place, insert the following:

SEC. 9. The Judicial Power of the United States shall not extend to any case or controversy arising under this article except for cases or controversies directed exclusively at implementing legislation adopted pursuant to section 6.

AMENDMENT NO. 2520

At the appropriate place, insert the following:

SEC. 9. The judicial power of the United States shall not extend to any case or controversy arising under this article except for cases or controversies seeking to define the terms used herein, or directed exclusively at implementing legislation adopted pursuant to section 6.

NOTICES OF HEARINGS

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. NUNN. Mr. President, I would like to announce for the information of the Senate and the public that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, will hold a hearing on Efforts to Combat Fraud and Abuse In the Insurance Industry: Part 6.

This hearing will take place on Thursday, July 2, 1992, at 9:30 a.m. in Room 342 of the Dirksen Senate Office Building. For further information,please contact Eleanore Hill of the Subcommittee staff at 224–3721.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Monday, June 29, at 4:30 p.m. to hold State Department nominations hearings.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

HATE CRIMES

• Mr. SIMON. Mr. President, I want to bring the Senate's attention to the increase in our Nation of violent crimes motivated by bigotry and racial hatred. Today, I address the disturbing increase in bias related incidents affecting our Nation's school children.

Bias related incidents in public schools have been reported in 27 States across a wide range of U.S. communities. The National Center for Immigrant Students identified reports of more than 100 separate incidents in 76 schools in a recent 2-month survey of major newspapers. These incidents included interethnic fighting, racial attacks and harassment, racist graffiti, and the distribution of racist publications. A majority of the reported incidents occurred in rural or suburban school districts. Here are just a few examples of these reprehensible incidents:

At a Boise, ID, high school, a skinhead group's appearance coincided with the distribution of racist and anti-Semitic literature.

In a middle school in Maryland, two white seventh graders sprayed an African-American girl with Lysol.

The Los Angeles County Public School System reported in an October 1989 survey that one-third of crimes against Latino students during the 1988 school year were anti-immigrant in nature. One-half of the 309 incidents against Asians and Pacific Islanders were also motivated by bigotry against immigrant students.

One troubling aspect of this terrible rise in hate incidents in our Nation's school system is the apparent lack of action taken by some school administrators and parents to address them. One study reports that over 15 percent of schools failed to respond to racial and ethnic incidents of violence. In one case, a school principal refused to respond to racist graffiti until students circulated a petition in protest. Also, in one case where disciplinary action was taken, no attention was given to the victim or the impact of the incident on the school community as a whole.

In many schools, administrators have taken swift and comprehensive action to address this type of hatred. In a high school in Eugene, OR, teachers and administrators responded to racial conflict by training staff on racial sensitivity, holding a school wide assembly to reinforce a strong stand against racial harassment, instituting support groups for minority students and counseling and disciplining the offending students.

Our Nation's schools must be dedicated to teaching tolerance, love and respect for people of all backgrounds and fair treatment of all. In Chicago, the Anti-Defamation League has sponsored a World of Difference Program for the last 2 years. This program seeks to reduce prejudice through workshops for teachers and students at all grade levels, K–12. The programs are interactive and address issues of prejudice, stereotyping, and personal biases. Teachers participate in discussion programs and in participatory workshops to learn how to react to racial incidents. Through model programs like this one, schools learn how to address incidents of bias related hatred swiftly and to prevent such incidents from occurring at all so that we can assure a future of racial harmony.●

TRIBUTE TO WILLIAM McANULTY, JR., CHAIRMAN OF LOUISVILLE METRO UNITED WAY

● Mr. McCONNELL. Mr. President, I rise today to pay tribute to a wonderful man and outstanding community leader, Mr. William McAnulty, Jr. Bill McAnulty is a living example of the kind of values and work ethic that make America the strongest Nation in the world.

Mr. McAnulty is a former Jefferson County circuit court judge and current partner in the Louisville law firm of Greenebaum, Doll & McDonald. He now heads one of the largest Metro United Way chapters in the Nation. In a time when the United Way is undergoing tremendous change and public scrutiny, Mr. McAnulty has the chapter contributing 88 cents of every dollar raised to support human services agencies in Jefferson and seven other Kentucky and Indiana counties. This Mr. President, makes his chapter one of the most effective in the Nation. In addition, the Louisville chapter has raised approximately $20 million annually in recent years.

It takes a special breed of person to lead this type of organization Mr. President, and Bill McAnulty is just that type of person. Born and raised in Indianapolis, he received his masters in arts and education from the University of Louisville. While studying in Louisville he found that he, like every one who visits the city, had fallen in love with the town. He stayed at U of L and obtained his law degree in 1972. Since that time he has served his community admirably.

As a circuit court judge in Kentucky's largest county, he served with distinction for many years. He had the unenviable task of presiding over one of the most publicized cases in Louisville's history, the double murder of two high school boys. In a case fused with racial tension and public horror, Mr. McAnulty saw it through to the end and earned praise for his management of the potentially explosive matter. In the age of Rodney King and the L.A. riots this issue is no small feat. Overall, his opinions were upheld in the appeal process over 90 percent of the time, a record which any jurist would envy.

As for his current job, Mr. McAnulty admits that it is rife with peaks and valleys. Due to the current scandal in the national United Way office, public sentiment is waning. But this challenge is nothing to a man like Bill McAnulty. In fact, he says that "In the early days I was like Don Quixote. I wanted to change things for the better. I haven't lost that." Let us hope that for the city of Louisville and all those whose lives he touches, he never does.

Mr. President, I ask my colleagues to join me in recognizing this marvelous individual and example to all. In addition, I ask that an article from the June 1, 1992, edition of Business First be included in the RECORD.

The article follows:

WILLIAM MCANULTY TAKES CONTROVERSY HEAD ON

(By Rachael Kamuf)

William McAnulty Jr. and controversy are not strangers. After all the former Jefferson Circuit Court judge has dealt with sometimes heartwrenching disputes on almost a daily basis in the 18 years since he graduated from law school.

The experiences of the 44-year-old attorney, who presided in 1986 over the most publicized capital murder trial of that decade, have served him well in the early days of his two-year stint as chairman of the Metro United Way.

Normally, McAnulty would be concerning himself with the usual board duties involved with overseeing the agency. Metro United Way is considered to be one of the most effective United Way operations—88 cents of every dollar raised goes to support human-services agencies in Jefferson and seven other Kentucky and Indiana counties—in the country.

The job has been anything but routine, however, since the March disclosures that William Aramony had abused his position as president of United Way of America, enjoying a salary and benefits of almost $500,000, plus expensive perks.

Instead of handling requests from social-service groups for financial assistance and preparing for this year's fund-raising campaign, the Metro United Way staff, directors and other volunteers have spent most of their time and efforts dealing with the sometimes virulent reaction to the reports.

Only a handful of people have withdrawn their pledges—about $5,000 worth—to the Metro United Way, which has raised approximately $20 million annually in recent years. But questions have been asked about the agency's management, and concern exists about the impact of the national scandal on the local 1992 fall campaign.

"It has been a very difficult time," says McAnulty, an ardent defender of the Metro United Way and its president, Rob Reifsnyder. "This was not in my script when I signed on."

In the plan or not, McAnulty, a partner at Greenbaum, Doll & McDonald, has not backed away from his commitment to the organization.

Reifsnyder, who was named to the national search committee looking for Aramony's replacement, says of McAnulty:

"He has been amazing. He has been there whenever we have needed him. He could easily have said, 'I didn't bargain for this.' But he didn't. He said, 'The local United Way is strong. I need to be there.'"

United Way director Dan Lynch says the chairman responded quickly to the reports about the national operation. "Bill feels personally responsible for the effectiveness of the United Way. He has poured his heart and soul into it."

The Louisville board issued a statement condemning Aramony and chiding the national executive board for its failure to monitor the day-to-day activities and expenses of United Way of America.

The group also voted to withhold a portion of its second-quarter dues until an evaluation of the new management practices of United Way of America is completed. And looking ahead, Metro United Way officials began a public relations campaign to nullify the controversy's effect on this year's local fund-raising efforts.

Those who have worked with McAnulty on civil projects, or have watched him in action as a lawyer and judge, have no doubts about his ability to lead the Metro United Way through what is considered to be the most difficult period in its 75-year history.

"I don't think it will be a terrible challenge for him," says attorney Frank Haddad Jr. "He has the ability to build consensus and congeal a group."

Judge Ellen Ewing says her former colleague is "up for anything he undertakes."

McAnulty compares the position he finds himself in as Metro United Way chairman to his legal practice. 'Crisis management—as a lawyer, this is what I do every day. This is that I do for a living."

Meanwhile, McAnulty's law firm has encouraged him to do whatever it takes to protect the United Way organization—no matter how long it takes.

"If it takes time, so be it," says Laramie Leatherman, managing partner of Greenebaum, Doll & McDonald. "He is asked to do things because he is respected. That spills over to the firm. It indicates there are people at Greenebaum, Doll & McDonald who are concerned about their community."

Although he is the product of an Indianapolis middle-class home, has been a success professionally and enjoys a comfortable lifestyle with his family, McAnulty can empathize with many of the people aided by the social-service groups supported by the United Way.

His mother suffers from schizophrenia. She no longer needs medication, but her condition was incorrectly diagnosed when McAnulty, the youngest of three children, was 12 years old. The result was ineffective treatment for her and long periods of hospitalization. "It made me an adult a lot earlier than I wanted to be," McAnulty says.

Ann McAnulty's condition also was a factor in her son earning a teaching degree at Indiana University in 1970. McAnulty said he always wanted to work in a field where he could "make a difference," and had a goal of becoming a special-education teacher.

After graduation, he and his bride Brenda headed south when he received a fellowship to study for the master's of arts and education degree at the University of Louisville. McAnulty says he intended to complete the fellowship and return to IU to study for a doctorate in education.

Along the way, though, two things happened; he fell in love with Louisville and decided to become a lawyer.

"I felt, politically and otherwise, lawyers can have an impact. And I felt as a lawyer, I could have an impact in more areas. . . . In the early days I was like Don Quixote. I wanted to change things for the better. I haven't lost that."

He was accepted at both the IU and U of L law schools. McAnulty says he chose to remain here because, "I decided this is where I wanted to spend the rest of my days."

McAnulty hasn't abandoned teaching altogether, however. He has taught classes at the U of L School of Law, and now spends time training young Greenebaum, Doll & McDonald associates.

The best lesson he can give is himself, Brenda McAnulty says of her husband. "He is a role model for young African-Americans," she says, mentioning that he takes advantage of any opportunity to demonstrate that race need not be a barrier to success in talks to youth and educational groups.

Eric Ison, head of the litigation division at Greenebaum, Doll & McDonald, says McAnulty has taught him and others the nuances of stereotyping.

"He will confront you in a kind way, if you use words that are not meant to be derogatory or show prejudice. It makes you wipe out certain words from your vocabulary," Ison says. "He asks you to step in the shoes of a black child who would hear such a comment."

Over the years, McAnulty has been involved in a wide variety of professional, civic and charitable organizations, ranging from the Kidney Foundation to the committee that hired Thomas Boysen to spearhead education reform in Kentucky. But children hold a special appeal to the father of two: Patrick, 16, and Kathryn, 11.

"He has always been interested in kids," says Brenda McAnulty, a professor and director of academic counseling at the Speed Scientific School.

Her husband, who spent three years as a juvenile court judge, says, "Children are truly the disenfranchised individuals in our society."

McAnulty speaks passionately about the pain that neglected and abused children carry over into adulthood, and of how inadequate medical care, housing and education affects society as a whole and individuals.

"We expect children abused as children to wipe away those memories when they become adults. We are not entitled to that expectation.

"If we divert resources we are now using for punitive uses and put it into prenatal care, preschool education and housing, we would not need so many juvenile facilities and prisons.

"We know that if kids written off as nonlearners to accommodate our failures are given the commitment they deserve, they can learn. (Educator) Marva Collins has proven that in Chicago. If such programs are funded and expanded, we can change our society dramatically."

Bigotry is another area that draws McAnulty's ire. "I don't countenance ignorance very well, I don't tolerate it, I deal with it."

Still, he admits that going up against someone who can only see the color of his skin "sometimes takes the air out of your balloon. But if you allow it to get the better of you, you're lost. And I would rather win."

McAnulty once said he was convinced that he was elected circuit judge in 1984 because most of the voters believed he was a "nice Irish-Catholic boy who grew up in the West End of Louisville."

The Presbyterian from Indianapolis admits he did not try to dispel that image. He also did not put his picture on campaign materials, which were printed in green ink. "I used to lot of green ink. With a name like McAnulty, people might think they were voting for a leprechaun."

He defends the tactic saying, "If you are not given an opportunity to prove yourself, it doesn't matter. There are some people who have preconceptions."

Judge Martin Johnstone, who served with McAnulty in both juvenile and circuit courts recalls how an opponent tried to use McAnulty's race against him and how his friend won over a potentially hostile group.

Johnstone said the meeting was held in "a pretty rough-looking, dark place. You could barely make out individual forms in the crowd. No one noticed Bill until he came out of the crowd and the spotlight was on him. You could hear a pin drop. And he said, 'I understand there is a rumor going around about me. As you can see it is true.' Everyone broke up. When it was all over everyone crowded around him."

Johnstone echoes others when he says voters won when they elected McAnulty to the bench.

Haddad, who appeared before Judge McAnulty on numerous occasions, says: "I found Bill to be a very highly qualified, moral, intelligent judge. He allowed everyone to make their points, ruled quickly and very competently, He was a judge's judge."

William McAnulty the judge will always be remembered as the person who presided in the trials of two inner-city youths accused of the kidnapping and gruesome murder of two Trinity High School students in 1984.

The case, which eventually was transferred to Lexington because of publicity, had racial overtones because the victims where white and accused, George Ellis Wade and Victor Dewayne Taylor, black.

McAnulty was not chosen to hear the case; his name came up in a routine draw for assignments by the chief judge. Johnstone refers to it as the "unluck of the draw."

McAnulty could have stepped down, though, when the defendants were granted a change in venue. He says he stayed on, because after going through the pretrial proceeding for 1½ years, it would have been unfair to another judge and the people involved to bring in someone unfamiliar with the case.

In retrospect, Johnstone says, McAnulty may have been the best candidate for the job because of his skin colar, and judicial temperament and abilities. "He conducted a fair trial for all involved."

A low point in the proceedings for McAnulty was listening to a radio call-in show after Wade, who testified against Taylor and stood trial first, was sentenced to life in prison. The caller said the reason Wade didn't receive the death penalty was because the judge and prosecutor (Ernie Jasmin) were black.

Taylor, however, was sentenced to die in the electric chair for shooting Scott Christopher Nelson and Richard David Stephenson.

The Taylor sentencing was especially difficult for McAnulty, who personally opposes the death penalty. He could have ignored the jury's recommendation and sentenced Taylor to life imprisonment, but McAnulty says:

"I took an oath when I agreed to sit on the bench to uphold the laws of this commonwealth. After considering the alternatives available and the circumstances involved, that particular punishment was necessary."

The Wade verdict, in McAnulty's opinion, was also correct.

"I think he aged 10 years going through those trials," Brenda McAnulty says.

Earlier this year, Taylor's conviction and death penalty were upheld by the U.S. Supreme Court without comment.

The stress of those trials was a factor in McAnulty's decision to step down from the bench when his term expired at the end of 1989.

"I sort of lost the freshness I felt was needed for undertaking that kind of a job. It is not exactly a pleasant job," says McAnulty, who was the judge in 13 murder cases. The jury in the Taylor proceeding was the only one that recommended the death penalty.

In the years since his 1974 graduation from the U of L law school, McAnulty—a former secretary of the Kentucky Department of Justice—had worked for the city, been a judge and a consultant for the Arthur D. Little Co., but had never been in private practice.

In addition to the experience, McAnulty says he was looking for financial security for his family when he decided to join a law firm. "It sounds insensitive and obnoxious when you say you can't raise and educate your children on $61,200," the salary for a circuit judge in 1989. "But I want to provide for my children without mortgaging myself out of existence."

Robert Doll, retired managing partner of Greenebaum, Doll & McDonald, said McAnulty was offered a partnership there because "we had been impressed by his legal ability as well as his personality. He studies the law. He is a good listener and a careful thinker. When he takes a position, he is well-prepared."

During his years as a judge, appellate courts affirmed McAnulty in more than 90 percent of the cases he heard. He is proud of that record, but says there were instances when he looked at reversal rulings, "slapped myself and said, 'You dummy.'

"Law is not a science. It is not a simple thing," McAnulty says.

Still, he says, nothing is worse than being around a judge who has been overturned. He then goes into a pantomime to describe how a judge opens the telltale letter from an appellate court, looking for the words "affirmed" or "reversed."

McAnulty's sense of humor, whether aimed at himself or others, is a great source of fun for his friends.

"He is a funny man. He could roll into the Comedy Club and be a stand-up comic," says Lynch, general manager of Philip Morris USA. "Reverence is not Bill's strong suit."

Almost everyone has a favorite story about McAnulty, whether it be the one about the campaign posters—depicting Judge Ewing as an elderly woman with no teeth smoking a corncob pipe—that he distributed throughout the Hall of Justice, or the times he left telephone messages, purportedly from the governor or other elected officials, for an unsuspecting Johnstone.

Another often repeated anecdote involves the "Things Are Well in Fairdale" bumper sticker that McAnulty did not discover for two weeks after Johnstone put it on his old BMW.

"He couldn't understand why all these strangers were honking and waving," says Johnstone, who grew up in the Fairdale area.

No Bill McAnulty story would be complete without a report on his prowess, or lack thereof, on the golf course. "He lives up to his (high) handicap," is Reifsnyder's evaluation.

Lynch, who plays with McAnulty almost every Saturday, refers to him as "my personal annuity. I have to give him strokes just to keep it even."

McAnulty, according to Lynch, spends almost every Saturday trying to antagonize a Golden Retriever who lives near the 15th hole of the Standard Country Club. Whenever they approach the spot, he says, the dog begins barking. McAnulty barks back. "I have trouble concentrating. I'm trying to play, and here is this dog barking his head off. I think Bill is trying to screw me up."

Reifsnyder says McAnulty uses golf to help break the tension at points when he is feeling particularly down because of the problems the Metro United Way is facing. "He says something that gets me laughing."

Such as the first time they hit the links together. They were at the last hole, and as Reifsnyder was sizing up the putt that could win him the match, he says McAnulty said: "'Don't let the fact that I chaired the committee that hired you, or that I will have a great effect on your future here bother you.'"

Reifsnyder sank the putt, and said, "I won't."

Helping him to smile during a difficult period is one of the reasons Reifsnyder says he has "been blessed" to have McAnulty as chairman during the current crisis.

"I value him as a friend as well as a boss," Reifsnyder says. "Every chairman we have had was right for the time, and Bill is no exception. He has reminded us that we must deal with our normal functions as well. That has helped us keep the organization on track and not sidetracked by what is happening elsewhere."

BIO: William McAnulty, Jr.,
Title: Chairman, Metro United Way.
Age: 44.
Hometown: Indianapolis.
Education: Bachelor's degree, Indiana University, master's and law degrees, University of Louisville.
Family: Wife, Brenda, Children: Patrick, 16, and Kathryn, 11.•

COLUMBUS, NY, QUINCENTENNIAL

• Mr. D'AMATO. Mr. President, I rise today in support of the quincentennial celebration of Columbus, NY. The town of Columbus, NY, will be hosting the Mount Rushmore Flag Raising Ceremony and procession of nine peace flags on Saturday, July 4, 1992, to commemorate the landing of Christopher Columbus 500 years ago.

Christopher Columbus had a lifelong dream, "the enterprise of the east." His persistence in living out that dream is testimony to the bold vision of a great man who was willing to overcome any obstacle in the way of his great goal. During Columbus' four voyages, he discovered many lands which opened the way to a new world. His quest later spurred the immigration that made America the great Nation that it is today. We are all the beneficiaries of the legacy of Columbus.

This year marks the 500th anniversary of Christopher Columbus' voyage to the new world. This weekend will witness a whole host of celebrations which will be part of a national celebration of this quincentennial. One special town in America will register this particular anniversary with, perhaps, a little more significance than some others, and that town is Columbus, NY.

New York is 1 of 24 States to have a community named for Christopher Columbus. Columbus, NY, is recognized as the oldest Columbus in the United States by Discovery 92. As such, it is only right that we recognize Columbus, NY, as a historic location for quincentennial activities. This very appropriate community will embody our desire for a meaningful commemoration of half of a millennium with cultural, historical, educational, and recreational activities and events during the quincentennial period.

Mr. President, I ask my colleagues to join me in supporting the quicentennial celebration of Columbus, NY, this weekend.•

MAKING A LIVING OFF THE DYING

• Mr. SIMON. Mr. President, recently, I read an article that appeared in the New York Times written by a physician titled, "Making a Living Off the Dying."

It is a disconcerting article, both from the viewpoint of simple humanitarianism and from the viewpoint of sound use of dollars.

There is no question that we waste far too much money on those who are dying, who would prefer to die in simple dignity, and we do not give them that dignity.

This article appeared in April. Ordinarily, I see the New York Times each day but somehow missed this article, and my brother Arthur Simon sent it to me. I am grateful to him for doing it.

I am also grateful to Dr. Norman Paradis, the courageous author of this article, who also is director of emergency medicine research at New York University-Bellevue Hospital.

I urge my colleagues to read the article, and I urge our friends at the Medicare office to reexamine what we are doing in this field.

I am sending a copy of my remarks to the Social Security Commissioner and will insert into the Record the response of the Commissioner when I receive it.

I ask to insert Dr. Paradis' article into the Record at this point.

The article follows:

[From the New York Times, Apr. 25, 1992]

Making a Living Off the Dying

(By Norman Paradis)

It has been more than a year since my father died, and I have come to believe that the circumstances of his death demonstrate much of what is wrong with our medical system.

As I grew up, I heard so much about what a good and gentle physician my father was that at first I ran from the idea of becoming a physician myself. But at 35, I was well along in my own medical career and with pride brought him to Britain to hear me deliver a paper. He had trained there and wanted to find out what had become of his classmates. He seemed to lose some vitality when he heard they were all dead. In perfect health his whole life, he began to complain of back pain.

In the United States, he was examined by several internists. All his blood tests were normal, and they declared him healthy. Yet the pain persisted. We felt it might be spinal irritation and arranged for a neurologist to see him. This doctor said his CAT scan was normal, and he was reassuring; it may just be a pinched nerve, he said. "Your father is 75 years old, but doesn't look a day over 50." How could he know that just months earlier he had looked 40?

My mother called regularly. "He doesn't look well and has no appetite." Relatives agreed. His physicians did not. Then he developed a blood clot and was admitted to the university hospital. Blood clots are a sign of cancer, and I insisted that they work him up from head to toe. Another CAT scan showed a lesion in the pancreas, and others in the liver. Waves of pain passed over me as I realized that back pain, weight loss and bloods clots were the classic triad of pancreatic cancer.

I flew to his home to see him. Years of training did not prepare me to see my father ill. He looked old and frail. I went to radiology to see the CAT scan. When I put it in the light box, I knew that my father would soon die.

I asked the rest of the family to step outside so he and I could be alone. I could not stop my tears. He held me and whispered that everything would be O.K. "Norman, I have been a surgeon for almost 50 years," he said. "In that time, I have seen physicians torture dying patients in vain attempts to prolong life. I have taken care of you most of your life. Now I must ask for your help. Don't let them abuse me. No surgery, no chemotherapy."

I assured him I would take care of everything. Before returning to New York, I thought I had made our wishes clear to his doctors: treat the clot, get a biopsy if possible, but, above all, make him comfortable. Almost immediately, a series of surgical and radiological procedures started.

When hysterical phone calls from my mother began, I quickly realized what was going on. Consulting surgeons get paid thousands of dollars an hour when they "decide" to operate. So that was what they were deciding to do. It's an old story of inflated fees charged by sub-specialists with procedure-based practices.

When I finally got my father's physicians on the phone, I insisted that he be cared for only by internists who had no incentive to do anything but make him comfortable. They assured me they understood my concerns and would keep in close contact. I never heard from them again.

My mother continued to describe procedures that were draining his energy. When my brother, a lawyer, arrived, he found our father in a hallway where he had been left after "a test." He pleaded: "They are treating me like an animal. Please get me out of here."

With difficulty, my brother contacted the physicians in charge and was assured things would improve. We said legal things about performing procedures without consent, and thought the problem was solved.

I can't describe the anger I felt when my mother called to say that they had continued the endless procedures as soon as we left. My father had been in the hospital for two weeks. He had spent most of that time receiving unnecessary "bilable" high-tech therapy that could not possibly cure him or relieve his pain. Many things had been done to correct problems caused by earlier "therapies." When my mother put him on the phone, he was incoherent.

We arranged a conference call with the hospital administrator and chief of staff. The surgeons were "too busy" to come to the phone. "Despite our clear instructions, you have continued to perform invasive procedures on our father," my brother said. "He is now incompetent, so we are invoking our power of attorney and explicitly forbidding you from doing anything that is not directed at relieving his suffering."

After my mother called the next morning to say he had again spent the night undergoing surgery, I called almost every other hospital in his state trying to arrange a transfer. Again and again, I was assured that he was "in the best of hands" and that I must be mistaken in describing his therapy as unacceptable. Each time we arranged to move him home or to a hospice, a test or procedure would be performed, making him temporarily too unstable to be transported.

When I again flew down, I found my father alone in a hallway after an ultra-sound exam. He was skeletal and barely arousable. I moved him back to his room. Within hours, my sister and I had him moved to a nearby hospice. He died the next morning.

For months, I lay awake trying to understand what had gone wrong. If a doctor and a lawyer could not get decent care for a doctor, what chance does the public have?

When I asked by mother if the hospital bills were a hardship, she said Medicare had paid for the whole thing—more than $150,000 on a patient who needed only a bed and some morphine. I called the Medicare inspector general's office. It agreed that if the hospital had billed for unauthorized procedures it was possibly a violation. "In that state, we have so many fraud cases over a million dollars that we wouldn't even investigate one involving only $150,000," I was told.

Our health care system is structured to meet reimbursement rather than patients' needs. Tremendous amounts of money are spent prolonging death, not life. If the story of my father's suffering can help improve our medical system, it will have been worth telling. Though I was unable to get him the care he deserved. I believe he would forgive me.•

THE 90TH ANNIVERSARY OF SURPRISE LAKE CAMP

• Mr. MOYNIHAN. Mr. President, this October 24, the New York Jewish community will celebrate the 90th anniversary of Surprise Lake Camp. Manhattan Borough President Ruth Messinger, herself an alumna of this dynamic program, will be the keynote speaker on this special occasion. Even the Members of the Senate who have not heard of Surprise Lake Camp are familiar with some of its famous graduates, including entertainer Eddie Cantor, playwright Neil Simon, and New York Attorney General Robert Abrams.

Mr. President, I ask that a brief history of Surprise Lake Camp be printed in the CONGRESSIONAL RECORD. I am sure my colleagues will join me in saluting this exciting camp on its 90th anniversary.

The history follows:

SURPRISE LAKE CAMP

Surprise Lake Camp was founded in 1902 by the Educational Alliance to provide fresh air and outdoor recreation for young boys from the teeming, congested tenements of the Lower East Side. "They scooped us up off the parched summer streets of New York and sent us to heaven," wrote Eddie Cantor who spent several weeks at the camp in 1903 and 1904.

"I became a camp clown in the hope that I'd be held over for more than the two weeks. It worked." After he became famous, Cantor lent his name and devoted a great deal of energy to fund-raising efforts on behalf of the camp. A 1000-seat outdoor amphitheater was named in his honor, and the story of his relationship to Surprise Lake Camp is still told at the end of each camping session.

PROUD HISTORY AND TRADITION

In its ninety years, Surprise Lake Camp has grown from an initial six tents for 25 campers and five counselors to over 200 structures for 450 campers and a staff of 200. Located on 750 wooded acres near Cold Spring, New York, the camp features a sliding fee scale based on family size and income. Last year it provided over $450,000 in fee reductions, which it believes makes it the most generous Jewish scholarship camp in the country.

Surprise Lake Camp has a special tradition for providing assistance to Jewish immigrants. It began in the early 1900's, and it still persists today as emigres from the former Soviet Union now comprise nearly 20% of the camp population.

But it doesn't just serve children in need. Approximately a third of its families pay full fee, and most of them choose Surprise Lake Camp over more expensive private camps because of its outstanding reputation and special emphasis on helping children achieve personal growth and character development.

Its size, diversity, and longevity have given this agency an unusual opportunity to impact New York's Jewish community. "Although they may not realize it, virtually everybody knows someone who went to Surprise Lake Camp," says Executive Director Jordan Dale. "When new staff members start telling friends and family where they'll be working for the summer, they inevitably hear: "That's the camp so-and-so went to."

Some of the "so-and-so's" who are included among those who went to the camp include singer Neil Diamond, comedian Jerry Stiller, playwright Neil Simon, and New York Attorney General Robert Abrams. "We are proud of how successful so many of our alumni have become," says Dale, "not only the ones who make headlines, but also the businessmen and professionals who are productive, hard-working members of the community and who epitomize the kind of character and values camp seeks to instill."

BOARD MEMBERS RUTH MESSINGER AND LEONARD MARX

The agency is also proud of its Board of Directors, which counts Borough President Messinger among its ranks. Indeed, not only is Ms. Messinger a Board member, but so is her mother and so was her grandfather before her. Both have served terms as Board President.

This kind of multigenerational affiliation is not unique on the Surprise Lake Camp Board. Ms. Messinger is one of eight current members who had a parent on the Board before them. She is also one of 26 members who have served for more than ten years. Eight of these senior members are also Past Presidents.

This unprecedented continuity of leadership is exemplified by the Ninetieth Anniversary's Honorary Chairperson, Leonard Marx. Originally a counselor at Surprise Lake Camp himself, Mr. Marx has gone on to achieve extraordinary success in real estate. His tenure on the Board spans some 45 years, including a term as President. His outstanding financial leadership during this period is the foundation that has made it possible for the camp to enter its 90th year with a balanced budget, an achievement few nonprofits can match in this era of recession and runaway cuts in government funding.

STAFF MEMBERS TO BE HONORED

At its 90th Anniversary event, the camp will honor two men who have made outstanding contributions as staff members. One is Asher Melzer, a former Director of Surprise Lake Camp for over 20 years and currently the Director of Camping Services for UJA-Federation. During his years at Surprise Lake, Mr. Melzer supervised the complete rebuilding of the camp, which included the original construction of the Eddie Cantor Theater. He also pioneered many innovations, including the hiring of Israelis as counselors, a practice since adopted throughout the Jewish camping field. He is currently recognized as a top authority on Jewish camping both at home and abroad. Two years ago, in fact, he assisted with the formation of a new children's camp for the Jewish community of Hungary.

The other honoree is Harry Vogel, a member of the current staff who has worked at the camp for an incredible forty consecutive summers. "Harry is destined to become one of camp's legends," says Dale. "After 40 years, he still works harder and gives more of himself than anyone else on the staff." Known simply as "Harry" to everyone connected with camp, this remarkable man takes only one hour off a day throughout the summer during which he can usually be found windsurfing on the lake with his favorite passenger—the camp dog, Bear, who rides gamely alongside him on the board.

The Ninetieth Anniversary Dinner Dance will be filled with many stories and special memories about Surprise Lake Camp as it proudly celebrates its long and colorful history of service to the New York City Jewish Community. The event will take place on Saturday evening, October 24th at the Holiday Inn, Crowne Plaza in mid-town Manhattan, and it will be attended by hundreds of alumni as well as many leaders from organized camping, Jewish Communal Services, and the community at large.•

IGNACY JAN PADEREWSKI'S RETURN TO POLAND

• Mr. SIMON. Mr. President, on July 5, 1992, the remains of Ignacy Jan Paderewski will be placed in a crypt at the St. John Cathedral in Warsaw, Poland. Today, June 29, his remains will be removed from his burial site of 51 years, from the mast of the U.S.S. *Maine* at Arlington National Cemetery. The return of his remains will fulfill the final wishes of Paderewski and his sister, Antonia Wilkonska, and will also represent an important day for all Poles and Polish-Americans alike.

Ignacy Jan Paderewski was a great composer and an equally great statesman. Mr. Paderewski raised a great amount of money for Polish relief, helped to recruit over 22,000 Poles in America who were not U.S. citizens to fight for the Allies in World War I, and signed the Treaty of Versailles for Poland. Paderewski even convinced President Woodrow Wilson to include a point in the Treaty of Versailles that stated Poland should be a free and independent nation. He died June 29, 1941, unable to be buried in a free Poland. As President Roosevelt directed, Mr. Paderewski's body was to be entombed at Arlington National Cemetery only until Poland was free. Little did we know in 1941 that Jan Paderewski would have to wait so long. Now, after years of Nazi and Soviet domination, Poland is a free and democratic country.

As Paderewski had wanted, his heart will remain where his life was, in the United States. As is customary in the old European tradition, his heart will be enshrined at Our Lady of Czestochowa in Doylestown, PA. In this sense, although Paderewski is finally going home, a part of him will remain in the country that he adopted as his home.

Ignacy Jan Paderewski did great work to help Poland what it is today. Through his music, he has also enriched the lives of countless other people. Poles all over the world are proud of compatriots such as Paderewski. Throughout Poland they are now able to experience the freedom that Paderewski had worked for during his lifetime. We share the Polish people's love of freedom and their great admiration for Paderewski. This honor is truly deserved.•

U.N. SECRETARY GENERAL ON PAYING FOR PEACEKEEPING

• Mr. SIMON. Mr. President, on June 17, 1992, Mr. Boutros Boutros-Ghali, the U.N. Secretary General, sent a remarkable report to the General Assembly and Security Council entitled "An Agenda for Peace." It is well worth the time of each Member of this body to read his address.

Boutros-Ghali covers a number of topics, from peacekeeping to peacemaking to peacebuilding, with some intriguing ideas about financing U.N. operations in these areas, such as a U.N. Peace Endowment Fund of $1 billion to finance the initial costs of authorized peacekeeping operations and other activities to resolve conflict.

But I want to highlight here one area in particular. Some of my colleagues have heard me speak of the need to find a way to pay for the increasing number of U.N. peacekeeping operations that have multiplied in the past few years, and promise to grow still further. I have introduced a bill, S. 2560, that would pay for our contributions to international peacekeeping out of national defense funds, instead of our current procedure where the money comes from international affairs funds. The money for peacekeeping for next year is about one-tenth of 1 percent of the defense budget functions, 050. Compare that to the State Department budget, which is part of the international affairs budget function, 150, where the expenditure for peacekeeping would equal about 10 percent of that agency's budget. That is quite a difference.

In his report, Mr. Boutros-Ghali says:

> I strongly support proposals in some Member States for their peacekeeping contributions to be financed from defense, rather than foreign affairs, budgets and I recommend such action to others. I urge the General Assembly to encourage this approach.

Mr. President, I ask that U.N. Secretary-General Boutros-Ghali's report be printed in the RECORD in full, and I commend his wisdom to my colleagues.

The report follows:

AN AGENDA FOR PEACE: PREVENTIVE DIPLOMACY, PEACEMAKING AND PEACE-KEEPING

(Report of the Secretary-General pursuant to the statement adopted by the Summit Meeting of the Security Council on 31 January 1992)

INTRODUCTION

1. In its statement of 31 January 1992, adopted at the conclusion of the first meeting held by the Security Council at the level of Heads of State and Government, I was invited to prepare, for circulation to the Members of the United Nations by 1 July 1992, an "analysis and recommendations on ways of strengthening and making more efficient within the framework and provisions of the Charter the capacity of the United Nations for preventive diplomacy, for peacemaking and for peace-keeping."[1]

2. The United Nations is a gathering of sovereign States and what it can do depends on the common ground that they create between them. The adversarial decades of the cold war made the original promise of the Organization impossible to fulfill. The January 1992 Summit therefore represented an unprecedented recommitment, at the highest political level, to the Purposes and Principles of the Charter.

3. In these past months a conviction has grown, among nations large and small, that an opportunity has been regained to achieve the great objectives of the Charter—a United Nations capable of maintaining international peace and security, of securing justice and human rights and of promoting, in the words of the Charter, "social progress and better standards of life in larger freedom". This opportunity must not be squandered. The Organizations must never again be crippled as it was in the era that has now passed.

4. I welcome the invitation of the Security Council, early in my tenure as Secretary-General, to prepare this report. It draws upon ideas and proposals transmitted to me by Governments, regional agencies, non-governmental organizations, and institutions and individuals from many countries. I am grateful for these, even as I emphasize that the responsibility for this report is my own.

5. The sources of conflict and war are pervasive and deep. To reach them will require our utmost effort to enhance respect for human rights and fundamental freedoms, to promote sustainable economic and social development for wider prosperity, to alleviate distress and to curtail the existence and use of massively destructive weapons. The United Nations Conference on Environment and Development, the largest summit ever held, has just met at Rio de Janerio. Next year will see the second World Conference on Human Rights. In 1994 Population and Development will be addressed. In 1995 the World Conference on Women will take place, and a World Summit for Social Development has been proposed. Throughout my term as Secretary-General I shall be addressing all these great issues. I bear them all in mind as, in the present report, turn to the problems that the Council has specifically requested I consider: preventive diplomacy, peacmaking and peace-keeping—to which I have added a closely related concept, post-conflict peace-building.

6. The manifest desire of the membership to work is a new source of strength in our common endeavour. Success is far from certain, however. While my report deals with ways to improve the Organization's capacity

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Footnotes at end of article.

to pursue and preserve peace, it is crucial for all Member States to bear in mind that the search for improved mechanisms and techniques will be of little significance unless this new spirit of commonality is propelled by the will to take the hard decisions demanded by this time of opportunity.

7. It is therefore with a sense of moment, and with gratitude, that I present this report to the members of the United Nations.

I. THE CHANGING CONTEXT

8. In the course of the past few years the immense ideological barrier that for decades gave rise to distrust and hostility—and the terrible tools of destruction that were their inseparable companions—has collapsed. Even as the issues between States north and south grow more acute, and call for attention at the highest levels of government, the improvement in relations between States east and west affords new possibilities, some already realized, to meet successfully threats to common security.

9. Authoritarian regimes have given way to more democratic forces and responsive Governments. The form, scope and intensity of these processes differ from Latin America to Africa to Europe to Asia, but they are sufficiently similar to indicate a global phenomenon. Parallel to these political changes, many States are seeking more open forms of economic policy, creating a world-wide sense of dynamism and movement.

10. To the hundreds of millions who gained their independence in the surge of decolonization following the creation of the United Nations, have been added millions more who have recently gained freedom. Once again new States are taking their seats in the General Assembly. Their arrival reconfirms the importance and indispensability of the sovereign State as the fundamental entity of the international community.

11. We have entered a time of global transition marked by uniquely contradictory trends. Regional and continental associations of States are evolving ways to deepen cooperation and ease some of the contentious characteristics of sovereign and nationalistic rivalries. National boundaries are blurred by advanced communications and global commerce, and by the decisions of States to yield some sovereign prerogatives to larger, common political associations. At the same time, however, fierce new assertions of nationalism and sovereignty spring up, and the cohesion of States is threatened by brutal ethnic, religious, social, cultural, or linguistic strife. Social peace is challenged on the one hand by new assertions of discrimination and exclusion and, on the other, by acts of terrorism seeking to undermine evolution and change through democratic means.

12. The concept of peace is easy to grasp; that of international security is more complex, for a pattern of contradictions has arisen here as well. As major nuclear Powers have begun to negotiate arms reduction agreements, the proliferation of weapons of mass destruction threatens to increase and conventional arms continue to be amassed in many parts of the world. As racism becomes recognized for the destructive force it is and as apartheid is being dismantled, new racial tensions are rising and finding expression in violence. Technological advances are altering the nature and the expectation of life all over the globe. The revolution in communications has united the world in awareness, in aspiration and in greater solidarity against injustice. But progress also brings new risks for stability: Ecological damage, disruption of family and community life, greater intrusion into the lives and rights of individuals.

13. This new dimension of insecurity must not be allowed to obscure the continuing and devastating problems of unchecked population growth, crushing debt burdens, barriers to trade, drugs and the growing disparity between rich and poor. Poverty, disease, famine, oppression and despair abound, joining to produce 17 million refugees, 20 million displaced persons and massive migrations of peoples within and beyond national borders. These are both sources and consequences of conflict that require the ceaseless attention and the highest priority in the efforts of the United Nations. A porous ozone shield could pose a greater threat to an exposed population than a hostile army. Drought and disease can decimate no less mercilessly than the weapons of war. So at this moment of renewed opportunity, the efforts of the Organization to build peace, stability and security must encompass matters beyond military threats in order to break the fetters of strife and warfare that have characterized the past. But armed conflicts today, as they have throughout history, continue to bring fear and horror to humanity, requiring our urgent involvement to try to prevent, contain and bring them to an end.

14. Since the creation of the United Nations in 1945, over 100 major conflicts around the world have left some 20 million dead. The United Nations was rendered powerless to deal with many of these crises because of the vetoes—279 of them—cast in the Security Council, which were a vivid expression of the divisions of that period.

15. With the end of the cold war there have been no such vetoes since 31 May 1990, and demands on the United Nations have surged. Its security arm, once disabled by circumstances it was not created or equipped to control, has emerged as a central instrument for the prevention and resolution of conflicts and for the preservation of peace. Our aims must be:

To seek to identify at the earliest possible stage situations that could produce conflict, and to try through diplomacy to remove the sources of danger before violence results;

Where conflict erupts, to engage in peacemaking aimed at resolving the issues that have led to conflict;

Through peace-keeping, to work to preserve peace, however fragile, where fighting has been halted and to assist in implementing agreements achieved by the peacemakers;

To stand ready to assist in peace-building in its differing contexts: rebuilding the institutions and infrastructures of nations torn by civil war and strife; and building bonds of peaceful mutual benefit among nations formerly at war;

And in the largest sense, to address the deepest causes of conflict: economic despair, social injustice and political oppression. It is possible to discern an increasingly common moral perception that spans the world's nations and peoples, and which is finding expression in international laws, many owing their genesis to the work of this Organization.

16. This wider mission for the world Organization will demand the concerted attention and effort of individual States, of regional and non-governmental organizations and of all of the United Nations system, with each of the principal organs functioning in the balance and harmony that the Charter requires. The Security Council has been assigned by all Member States the primary responsibility for the maintenance of international peace and security under the Charter. In its broadest sense this responsibility must be shared by the General Assembly and by all the functional elements of the world Organization. Each has a special and indispensable role to play in an integrated approach to human security. The Secretary-General's contribution rests on the pattern of trust and cooperation established between him and the deliberative organs of the United Nations.

17. The foundation-stone of this work is and must remain the State. Respect for its fundamental sovereignty and integrity are crucial to any common international progress. The time of absolute and exclusive sovereignty, however, has passed; its theory was never matched by reality. It is the task of leaders of States today to understand this and to find a balance between the needs of good internal governance and the requirements of an ever more interdependent world. Commerce, communications and environmental matters transcend administrative borders; but inside those borders is where individuals carry out the first order of their economic, political and social lives. The United Nations has not closed its door. Yet if every ethnic, religious or linguistic group claimed statehood, there would be no limit to fragmentation, and peace, security and economic well-being for all would become ever more difficult to achieve.

18. One requirement for solutions to these problems lies in commitment to human rights with a special sensitivity to those of minorities, whether ethnic, religious, social or linguistic. The League of Nations provided a machinery for the international protection of minorities. The General Assembly soon will have before it a declaration on the rights of minorities. That instrument, together with the increasingly effective machinery of the United Nations dealing with human rights, should enhance the situation of minorities as well as the stability of States.

19. Globalism and nationalism need not be viewed as opposing trends, doomed to spur each other on to extremes of reaction. The healthy globalization of contemporary life requires in the first instance solid identities and fundamental freedoms. The sovereignty, territorial integrity and independence of States within the established international system, and the principle of self-determination for peoples, both of great value and importance, must not be permitted to work against each other in the period ahead. Respect for democratic principles at all levels of social existence is crucial: in communities, within States and within the community of States. Our constant duty should be to maintain the integrity of each while finding a balanced design for all.

II. DEFINITIONS

20. The terms preventive diplomacy, peacemaking and peace-keeping are integrally related and as used in this report are defined as follows:

Preventive diplomacy is action to prevent disputes from arising between parties, to prevent existing disputes from escalating into conflicts and to limit the spread of the latter when they occur.

Peacemaking is action to bring hostile parties to agreement, essentially through such peaceful means as those foreseen in Chapter VI of the Charter of the United Nations.

Peace-keeping is the deployment of a United Nations presence in the field, hitherto with the consent of all the parties concerned, normally involving United Nations military and/or police personnel and frequently civilians as well. Peace-keeping is a technique that expands the possibilities for both the prevention of conflict and the making of peace.

21. The present report in addition will address the critically related concept of post-conflict peace-building—action to identify and support structures which will tend to strengthen and solidify peace in order to avoid a relapse into conflict. Preventive diplomacy seeks to resolve disputes before violence breaks out; peacemaking and peacekeeping are required to halt conflicts and preserve peace once it is attained. If successful, they strengthen the opportunity for post-conflict peace-building, which can prevent the recurrence of violence among nations and peoples.

22. These four areas for action, taken together, and carried out with the backing of all Members, offer a coherent contribution towards securing peace in the spirit of the Charter. The United Nations has extensive experience not only in these fields, but in the wider realm of work for peace in which these four fields are set. Initiatives on decolonization, on the environment and sustainable development, on population, on the eradication of disease, on disarmament and on the growth of international law—these and many others have contributed immeasurably to the foundations for a peaceful world. The world has often been rent by conflict and plagued by massive human suffering and deprivation. Yet it would have been far more so without the continuing efforts of the United Nations. This wide experience must be taken into account in assessing the potential of the United Nations in maintaining international security not only in its traditional sense, but in the new dimensions presented by the era ahead.

III. PREVENTIVE DIPLOMACY

23. The most desirable and efficient employment of diplomacy is to ease tensions before they result in conflict—or, if conflict breaks out, to act swiftly to contain it and resolve its underlying causes. Preventive diplomacy may be performed by the Secretary-General personally or through senior staff or specialized agencies and programs, by the Security Council or the General Assembly, and by regional organizations in cooperation with the United Nations. Preventive diplomacy requires measures to create confidence; it needs early warning based on information gathering and informal or formal fact-finding; it may also involve preventive deployment and, in some situations, demilitarized zones.

Measures to build confidence

24. Mutual confidence and good faith are essential to reducing the likelihood of conflict between States. Many such measures are available to Governments that have the will to employ them. Systematic exchange of military missions, formation of regional or subregional risk reduction centers, arrangements for the free flow of information, including the monitoring of regional arms agreements, are examples. I ask all regional organizations to consider what further confidence-building measures might be applied in their areas and to inform the United Nations of the results. I will undertake periodic consultations on confidence-building measures with parties to potential, current or past disputes and with regional organizations, offering such advisory assistance as the Secretariat can provide.

Fact-finding

25. Preventive steps must be based upon timely and accurate knowledge of the facts. Beyond this, an understanding of developments and global trends, based on sound analysis, is required. And the willingness to take appropriate preventive action is essential. Given the economic and social roots of many potential conflicts, the information needed by the United Nations now must encompass economic and social trends as well as political developments that may lead to dangerous tensions.

(a) An increased resort to fact-finding is needed, in accordance with the Charter, initiated either by the Secretary-General, to enable him to meet his responsibilities under the Charter, including Article 99, or by the Security Council or the General Assembly. Various forms may be employed selectively as the situation requires. A request by a State for the sending of a United Nations fact-finding mission to its territory should be considered without undue delay.

(b) Contacts with the Governments of Member States can provide the Secretary-General with detailed information on issues of concern. I ask that all Member States be ready to provide the information needed for effective preventive diplomacy. I will supplement my own contacts by regularly sending senior officials on missions for consultations in capitals or other locations. Such contacts are essential to gain insight into a situation and to assess its potential ramifications.

(c) Formal fact-finding can be mandated by the Security Council or by the General Assembly, either of which may elect to send a mission under its immediate authority or may invite the Secretary-General to take the necessary steps, including the designation of a special envoy. In addition to collecting information on which a decision for further action can be taken, such a mission can in some instances help to defuse a dispute by its presence, indicating to the parties that the Organization, and in particular the Security Council, is actively seized of the matter as a present or potential threat to international security.

(d) In exceptional circumstances the Council may meet away from Headquarters as the Charter provides, in order not only to inform itself directly, but also to bring the authority of the Organization to bear on a given situation.

Early warning

26. In recent years the United Nations system has been developing a valuable network of early warning systems concerning environmental threats, the risk of nuclear accident, natural disasters, mass movements of populations, the threat of famine and the spread of disease. There is a need, however, to strengthen arrangements in such a manner that information from those sources can be synthesized with political indicators to assess whether a threat to peace exists and to analyse what action might be taken by the United Nations to alleviate it. This is a process that will continue to require the close cooperation of the various specialized agencies and functional offices of the United Nations. The analyses and recommendations for preventive action that emerge will be made available by me, as appropriate, to the Security Council and other United Nations organs. I recommend in addition that the Security Council invite a reinvigorated and restructured Economic and Social Council to provide reports, in accordance with Article 65 of the Charter, on those economic and social developments that may, unless mitigated, threaten international peace and security.

27. Regional arrangements and organizations have an important role in early warning. I ask regional organizations that have not yet sought observer status at the United Nations to do so and to be linked, through appropriate arrangements, with the security mechanisms of this Organization.

Preventage deployment

28. United Nations operations in areas of crisis have generally been established after conflict has occurred. The time has come to plan for circumstances warranting preventive deployment, which could take place in a variety of instances and ways. For example, in conditions of national crisis there could be preventive deployment at the request of the Government or all parties concerned, or with their consent; in inter-State disputes such deployment could take place when two countries feel that a United Nations presence on both sides of their border can discourage hostilities; furthermore, preventive deployment could take place when a country feels threatened and requests the deployment of an appropriate United Nations presence along its side of the border alone. In each situation, the mandate and composition of the United Nations presence would need to be carefully devised and be clear to all.

29. In conditions of crisis within a country, when the Government requests or all parties consent, preventive deployment could help in a number of ways to alleviate suffering and to limit or control violence. Humanitarian assistance, impartially provided, could be of critical importance; assistance in maintaining security, whether through military, police or civilian personnel, could save lives and develop conditions of safety in which negotiations can be held; the United Nations could also help in conciliation efforts if this should be the wish of the parties. In certain circumstances, the United Nations may well need to draw upon the specialized skills and resources of various parts of the United Nations system; such operations may also on occasion require the participation of non-governmental organizations.

30. In these situations of internal crisis the United Nations will need to respect the sovereignty of the State; to do otherwise would not be in accordance with the understanding of Member States in accepting the principles of the Charter. The Organization must remain mindful of the carefully negotiated balance of the guiding principles annexed to General Assembly resolution 46/182 of 19 December 1991. Those guidelines stressed, inter alia, that humanitarian assistance must be provided in accordance with the principles of humanity, neutrality and impartiality, that the sovereignty, territorial integrity and national unity of States must be fully respected in accordance with the Charter of the United Nations; and that, in this context, humanitarian assistance should be provided with the consent of the affected country and, in principle, on the basis of an appeal by that country. The guidelines also stressed the responsibility of States to take care of the victims of emergencies occurring on their territory and the need for access to those requiring humanitarian assistance. In the light of these guidelines, a Government's request for United Nations involvement, or consent to it, would not be an infringement of that State's sovereignty or be contrary to Article 2, paragraph 7, of the Charter which refers to matters essentially within the domestic jurisdiction of any State.

31. In inter-State disputes, when both parties agree, I recommend that if the Security Council concludes that the likelihood of hostilities between neighboring countries could be removed by the preventive deployment of a United Nations presence on the territory of

each State, such action should be taken. The nature of the tasks to be performed would determine the composition of the United Nations presence.

32. In cases where one nation fears a cross-border attack, if the Security Council concludes that a United Nations presence on one side of the border, with the consent only of the requesting country, would serve to deter conflict, I recommend that preventive deployment take place. Here again, the specific nature of the situation would determine the mandate and the personnel required to fulfill it.

Demilitarized zones

33. In the past, demilitarized zones have been established by agreement of the parties at the conclusion of a conflict. In addition to the deployment of United Nations personnel in such zones as part of peace-keeping operations, consideration should now be given to the usefulness of such zones as a form of preventive deployment, on both sides of a border, with the agreement of the two parties, as a means of separating potential belligerents, or on one side of the line, at the request of one party, for the purpose of removing any pretext for attack. Demilitarized zones would serve as symbols of the international community's concern that conflict be prevented.

IV. PEACEMAKING

34. Between the tasks of seeking to prevent conflict and keeping the peace lies the responsibility to try to bring hostile parties to agreement by peaceful means. Chapter VI of the Charter sets forth a comprehensive list of such means for the resolution of conflict. These have been amplified in various declarations adopted by the General Assembly, including the Manila Declaration of 1982 on the Peaceful Settlement of International Disputes[2] and the 1988 Declaration on the Prevention and Removal of Disputes and Situations Which May Threaten International Peace and Security and on the Role of the United Nations in this Field.[3] They have also been the subject of various resolutions of the General Assembly, including resolution 44/21 of 15 November 1989 on enhancing international peace, security and international cooperation in all its aspects in accordance with the Charter of the United Nations. The United Nations has had wide experience in the application of these peaceful means. If conflicts have gone unresolved, it is not because techniques for peaceful settlement were unknown or inadequate. The fault lies first in the lack of political will of parties to seek a solution to their differences through such means as are suggested in Chapter VI of the Charter, and second, in the lack of leverage at the disposal of a third party if this is the procedure chosen. The indifference of the international community to a problem, or the marginalization of it, can also thwart the possibilities of solution. We must look primarily to these areas if we hope to enhance the capacity of the Organization for achieving peaceful settlements.

35. The present determination in the Security Council to resolve international disputes in the manner foreseen in the Charter has opened the way for a more active Council role. With greater unity has come leverage and persuasive power to lead hostile parties towards negotiations. I urge the Council to take full advantage of the provisions of the Charter under which it may recommend appropriate procedures or methods for dispute settlement and, if all the parties to a dispute so request, make recommendations to the parties for a pacific settlement of the dispute.

36. The General Assembly, like the Security Council and the Secretary-General, also has an important role assigned to it under the Charter for the maintenance of international peace and security. As a universal forum, its capacity to consider and recommend appropriate action must be recognized. To that end it is essential to promote its utilization by all Member States so as to bring greater influence to bear in pre-empting or containing situations which are likely to threaten international peace and security.

37. Mediation and negotiation can be undertaken by an individual designated by the Security Council, by the General Assembly or by the Secretary-General. There is a long history of the utilization by the United Nations of distinguished statesmen to facilitate the processes of peace. They can bring a personal prestige that, in addition to their experience, can encourage the parties to enter serious negotiations. There is a wide willingness to serve in this capacity, from which I shall continue to benefit as the need arises. Frequently it is the Secretary-General himself who undertakes the task. While the mediator's effectiveness is enhanced by strong and evident support from the Council, the General Assembly and the relevant Member States acting in their national capacity, the good offices of the Secretary-General may at times be employed most effectively when conducted independently of the deliberative bodies. Close and continuous consultation between the Secretary-General and the Security Council is, however, essential to ensure full awareness of how the Council's influence can best be applied and to develop a common strategy for the peaceful settlement of specific disputes.

The World Court

38. The docket of the International Court of Justice has grown fuller but it remains an under-used resource for the peaceful adjudication of disputes. Greater reliance on the Court would be an important contribution to United Nations peacemaking. In this connection, I call attention to the power of the Security Council under Articles 36 and 37 of the Charter to recommend to Member States the submissions of a dispute to the International Court of Justice, arbitration or other dispute settlement mechanisms. I recommend that the Secretary-General be authorized, pursuant to Article 96, paragraph 2, of the Charter, to take advantage of the advisory competence of the Court and that other United Nations organs that already enjoy such authorization turn to the Court more frequently for advisory opinions.

39. I recommend the following steps to reinforce the role of the International Court of Justice:

(a) All Member States should accept the general jurisdiction of the International Court under Article 36 of its Statute, without any reservation, before the end of the United Nations Decade of International Law in the year 2000. In instances where domestic structures prevent this, States should agree bilaterally or multilaterally to a comprehensive list of matters they are willing to submit to the Court and should withdraw their reservations to its jurisdiction in the dispute settlement clauses of multilateral treaties;

(b) When submission of a dispute to the full Court is not practical, the Chambers jurisdiction should be used;

(c) States should support the Trust Fund established to assist countries unable to afford the cost involved in bringing a dispute to the Court, and such countries should take full advantage of the Fund in order to resolve their disputes.

Amelioration through assistance

40. Peacemaking is at times facilitated by international action to ameliorate circumstances that have contributed to the dispute or conflict. If, for instance, assistance to displaced persons within a society is essential to a solution, then the United Nations should be able to draw upon the resources of all agencies and programmes concerned. At present, there is no adequate mechanism in the United Nations through which the Security Council, the General Assembly or the Secretary-General can mobilize the resources needed for such positive leverage and engage the collective efforts of the United Nations system for the peaceful resolution of a conflict. I have raised this concept in the Administrative Committee on Coordination, which brings together the executive heads of United Nations agencies and programmes; we are exploring methods by which the inter-agency system can improve its contribution to the peaceful resolution of disputes.

Sanctions and special economic problems

41. In circumstances when peacemaking requires the imposition of sanctions under Article 41 of the Charter, it is important that States confronted with special economic problems not only have the right to consult the Security Council regarding such problems, as Article 50 provides, but also have a realistic possibility of having their difficulties addressed. I recommend that the Security Council devise a set of measures involving the financial institutions and other components of the United Nations system that can be put in place to insulate States from such difficulties. Such measures would be a matter of equity and a means of encouraging States to cooperate with decisions of the Council.

Use of military force

42. It is the essence of the concept of collective security as contained in the Charter that if peaceful means fail, the measures provided in Chapter VII should be used, on the decision of the Security Council, to maintain or restore international peace and security in the face of a "threat to the peace, breach of the peace, or act of aggression". The Security Council has not so far made use of the most coercive of these measures—the action by military force foreseen in Article 42. In the situation between Iraq and Kuwait, the Council chose to authorize Member States to take measures on its behalf. The Charter, however, provides a detailed approach which now merits the attention of all Member States.

43. Under Article 42 of the Charter, the Security Council has the authority to take military action to maintain or restore international peace and security. While such action should only be taken when all peaceful means have failed, the option of taking it is essential to the credibility of the United Nations as a guarantor of international security. This will require bringing into being, through negotiations, the special agreements foreseen in Article 43 of the Charter, whereby Member States undertake to make armed forces, assistance and facilities available to the Security Council for the purposes stated in Article 42, not only on an ad hoc basis but on a permanent basis. Under the political circumstances that now exist for the first time since the Charter was adopted, the long-standing obstacles to the conclusion of such special agreements should no longer prevail. The ready availability of armed forces on call could serve, in itself, as a means of deterring breaches of the peace

since a potential aggressor would know that the Council had at its disposal a means of response. Forces under Article 43 may perhaps never be sufficiently large or well enough equipped to deal with a threat from a major army equipped with sophisticated weapons. They would be useful, however, in meeting any threat posed by a military force of a lesser order. I recommend that the Security Council initiate negotiations in accordance with Article 43, supported by the Military Staff Committee, which may be augmented if necessary by others in accordance with Article 47, paragraph 2, of the Charter. It is my view that the role of the Military Staff Committee should be seen in the context of Chapter VII, and not that of the planning or conduct of peace-keeping operations.

Peace-enforcement units

44. The mission of forces under Article 43 would be to respond to outright aggression, imminent or actual. Such forces are not likely to be available for some time to come. Cease-fires have often been agreed to but not complied with, and the United Nations has sometimes been called upon to send forces to restore and maintain the cease-fire. This task can on occasion exceed the mission of peace-keeping forces and the expectations of peace-keeping force contributors. I recommend that the Council consider the utilization of peace-enforcement units in clearly defined circumstances and with their terms of reference specified in advance. Such units from Member States would be available on call and would consist of troops that have volunteered for such service. They would have to be more heavily armed than peace-keeping forces and would need to undergo extensive preparatory training within their national forces. Deployment and operation of such forces would be under the authorization of the Security Council and would, as in the case of peace-keeping forces, be under the command of the Secretary-General. I consider such peace-enforcement units to be warranted as a provisional measure under Article 40 of the Charter. Such peace-enforcement units should not be confused with the forces that may eventually be constituted under Article 43 to deal with acts of aggression or with the military personnel which Governments may agree to keep on stand-by for possible contribution to peace-keeping operations.

45. Just as diplomacy will continue across the span of all the activities dealt with in the present report, so there may not be a dividing line between peacemaking and peace-keeping. Peacemaking is often a prelude to peace-keeping—just as the deployment of a United Nations presence in the field may expand possibilities for the prevention of conflict, facilitate the work of peacemaking and in many cases serve as a prerequisite for peace-building.

V. PEACE-KEEPING

46. Peace-keeping can rightly be called the invention of the United Nations. It has brought a degree of stability to numerous areas of tension around the world.

Increasing demands

47. Thirteen peace-keeping operations were established between the years 1945 and 1987; 13 others since then. An estimated 528,000 military, police and civilian personnel had served under the flag of the United Nations until January 1992. Over 800 of them from 43 countries have died in the service of the Organization. The costs of these operations have aggregated some $8.3 billion till 1992. The unpaid arrears towards them stand at over $800 million, which represent a debt owed by the Organization to the troop-contributing countries. Peace-keeping operations approved at present are estimated to cost close to $3 billion in the current 12-month period, while patterns of payment are unacceptably slow. Against this, global defence expenditures at the end of the last decade had approached $1 trillion a year, or $2 million per minute.

48. The contrast between the costs of United Nations peace-keeping and the costs of the alternative, war—between the demands of the Organization and the means provided to meet them—would be farcical were the consequences not so damaging to global stability and to the credibility of the Organization. At a time when nations and peoples increasingly are looking to the United Nations for assistance in keeping the peace—and holding it responsible when this cannot be so—fundamental decisions must be taken to enhance the capacity of the Organization in this innovative and productive exercise of its function. I am conscious that the present volume and unpredictability of peace-keeping assessments poses real problems for some Member States. For this reason, I strongly support proposals in some Member States for their peace-keeping contributions to be financed from defence, rather than foreign affairs, budgets and I recommend such action to others. I urge the General Assembly to encourage this approach.

49. The demands on the United Nations for peace-keeping, and peace-building, operations will in the coming years continue to challenge the capacity, the political and financial will and the creativity of the Secretariat and Member States. Like the Security Council, I welcome the increase and broadening of the tasks of peace-keeping operations.

New departures in peace-keeping

50. The nature of peace-keeping operations has evolved rapidly in recent years. The established principles and practices of peace-keeping have responded flexibly to new demands of recent years, and the basic conditions for success remain unchanged: a clear and practicable mandate; the cooperation of the parties in implementing that mandate; the continuing support of the Security Council; the readiness of Member States to contribute the military, police and civilian personnel, including specialists, required; effective United Nations command at Headquarters and in the field; and adequate financial and logistic support. As the international climate has changed and peace-keeping operations are increasingly fielded to help implement settlements that have been negotiated by peacemakers, a new array of demands and problems has emerged regarding logistics, equipment, personnel and finance, all of which could be corrected if Member States so wished and were ready to make the necessary resources available.

Personnel

51. Member States are keen to participate in peace-keeping operations. Military observers and infantry are invariably available in the required numbers, but logistic units present a greater problem, as few armies can afford to spare such units for an extended period. Member States were requested in 1990 to state what military personnel they were in principle prepared to make available; few replied. I reiterate the request to all Member States to reply frankly and promptly. Stand-by arrangements should be confirmed, as appropriate, through exchanges of letters between the Secretariat and Member States concerning the kind and number of skilled personnel they will be prepared to offer the United Nations as the needs of new operations arise.

52. Increasingly, peace-keeping requires that civilian political officers, human rights monitors, electoral officials, refugee and humanitarian aid specialists and police play as central a role as the military. Police personnel have proved increasingly difficult to obtain in the numbers required. I recommend that arrangements be reviewed and improved for training peace-keeping personnel—civilian, police, or military—using the varied capabilities of Member State Governments, of non-governmental organizations and the facilities of the Secretariat. As efforts go forward to include additional States as contributors, some States with considerable potential should focus on language training for police contingents which may serve with the Organization. As for the United Nations itself, special personnel procedures, including incentives, should be instituted to permit the rapid transfer of Secretariat staff members to service with peace-keeping operations. The strength and capability of military staff serving in the Secretariat should be augmented to meet new and heavier requirements.

Logistics

53. Not all Governments can provide their battalions with the equipment they need for service abroad. While some equipment is provided by troop-contributing countries, a great deal has to come from the United Nations, including equipment to fill gaps in under-equipped national units. The United Nations has no standing stock of such equipment. Orders must be placed with manufacturers, which creates a number of difficulties. A pre-positioned stock of basic peace-keeping equipment should be established, so that at least some vehicles, communications equipment, generators, etc., would be immediately available at the start of an operation. Alternatively, Governments should commit themselves to keeping certain equipment, specified by the Secretary-General, on stand-by for immediate sale, loan or donation to the United Nations when required.

54. Member States in a position to do so should make air- and sea-lift capacity available to the United Nations free of cost or at lower than commercial rates, as was the practice until recently.

VI. POST-CONFLICT PEACE-BUILDING

55. Peacemaking and peace-keeping operations, to be truly successful, must come to include comprehensive efforts to identify and support structures which will tend to consolidate peace and advance a sense of confidence and well-being among people. Through agreements ending civil strife, these may include disarming the previously warring parties and the restoration of order, the custody and possible destruction of weapons, repatriating refugees, advisory and training support for security personnel, monitoring elections, advancing efforts to protect human rights, reforming or strengthening governmental institutions and promoting formal and informal processes of political participation.

56. In the aftermath of international war, post-conflict peace-building may take the form of concrete cooperative projects which link two or more countries in a mutually beneficial undertaking that can not only contribute to economic and social development but also enhance the confidence that is so fundamental to peace. I have in mind, for example, projects that bring Skates together to develop agriculture, improve transpor-

tation or utilize resources such as water or electricity that they need to share, or joint programmes which barriers between nations are brought down by means of freer travel, cultural exchanges and mutually beneficial youth and educational projects. Reducing hostile perceptions through educational exchanges and curriculum reform may be essential to forestall a re-emergence of cultural and national tensions which could spark renewed hostilities.

57. In surveying the range of efforts for peace, the concept of peace-building as the construction of a new environment should be viewed as the counterpart of preventive diplomacy, which seeks to avoid the breakdown of peaceful conditions. When conflict breaks out, mutually reinforcing efforts at peacemaking and peace-keeping come into play. Once these have achieved their objectives, only sustained, cooperative work to deal with underlying economic, social, cultural and humanitarian problems can place an achieved peace on a durable foundation. Preventive diplomacy is to avoid a crisis; post-conflict peace-building is to prevent a recurrence.

58. Increasingly it is evident that peace-building after civil or international strife must address the serious problem of land mines, many tens of millions of which remain scattered in present or former combat zones. De-mining should be emphasized in the terms of reference of peace-keeping operations and is crucially important in the restoration of activity when peace-building is under way: agriculture cannot be revived without de-mining and the restoration of transport may require the laying of hard surface roads to prevent re-mining. In such instances, the link becomes evident between peace-keeping and peace-building. Just as demilitarized zones may serve the cause of preventive diplomacy and preventive deployment to avoid conflict, so may demilitarization assist in keeping the peace or in post-conflict peace-building, as a measure for heightening the sense of security and encouraging the parties to turn their energies to the work of peaceful restoration of their societies.

59. There is a new requirement for technical assistance which the United Nations has an obligation to develop and provide when requested: support for the transformation of deficient national structures and capabilities, and for the strengthening of new democratic institutions. The authority of the United Nations system to act in this field would rest on the consensus that social peace is as important as strategic or political peace. There is an obvious connection between democratic practices—such as the rule of law and transparency in decision-making—and the achievement of true peace and security in any new and stable political order. These elements of good governance need to be promoted at all levels of international and national political communities.

VII. COOPERATION WITH REGIONAL ARRANGEMENTS AND ORGANIZATIONS

60. The Covenant of the League of Nations, in its Article 21, noted the validity of regional understandings for securing the maintenance of peace. The Charter devotes Chapter VIII to regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action and consistent with the Purposes and Principles of the United Nations. The cold war impaired the proper use of Chapter VIII and indeed, in that era, regional arrangements worked on occasion against resolving disputes in the manner foreseen in the Charter.

61. The Charter deliberately provides no precise definition of regional arrangements and agencies, thus allowing useful flexibility of undertakings by a group of States to deal with a matter appropriate for regional action which also could contribute to the maintenance of international peace and security. Such associations or entities could include treaty-based organizations, whether created before or after the founding of the United Nations, regional organizations for mutual security and defense, organizations for general regional development or for cooperation on a particular economic topic or function, and groups created to deal with a specific political, economic or social issue of current concern.

62. In this regard, the United Nations has recently encouraged a rich variety of complementary efforts. Just as no two regions or situations are the same, so the design of cooperative work and its division of labour must adapt to the realities of each case with flexibility and creativity. In Africa, three different regional groups—the Organization of African Unity, the League of Arab States and the Organization of the Islamic Conference—joined efforts with the United Nations regarding Somalia. In the Asian context, the Association of the South-East Asian Nations and individual States from several regions were brought together with the parties to the Cambodian conflict at an international conference in Paris, to work with the United Nations. For El Salvador, a unique arrangement—"The Friends of the Secretary-General"—contributed to agreements reached through the mediation of the Secretary-General. The end of the war in Nicaragua involved a highly complex effort which was initiated by leaders of the region and conducted by individual States, groups of States and the Organization of American States. Efforts undertaken by the European Community and its member States, with the support of States participating in the Conference on Security and Cooperation in Europe, have been of central importance in dealing with the crisis in the Balkans and neighboring areas.

63. In the past, regional arrangements often were created because of the absence of a universal system for collective security; thus their activities could on occasion work at cross-purposes with the sense of solidarity required for the effectiveness of the world Organization. But in this new era of opportunity, regional arrangements or agencies can render great service if their activities are undertaken in a manner consistent with the Purposes and Principles of the Charter, and if their relationship with the United Nations, and particularly the Security Council, is governed by Chapter VIII.

64. It is not the purpose of the present report to set forth any formal pattern of relationship between regional organization and the United Nations, or to call for any specific division of labour. What is clear, however, is that regional arrangements or agencies in many cases possess a potential that should be utilized in serving the functions covered in this report: preventive diplomacy, peace-keeping, peacemaking and post-conflict peace-building. Under the Charter, the Security Council has and will continue to have primary responsibility for maintaining international peace and security, but regional action as a matter of decentralization, delegation and cooperation with United Nations efforts could not only lighten the burden of the Council but also contribute to a deeper sense of participation, consensus and democratization in international affairs.

65. Regional arrangements and agencies have not in recent decades been considered in this light, even when originally designed in part for a role in maintaining or restoring peace within their regions of the world. Today a new sense exists that they have contributions to make. Consultations between the United Nations and regional arrangements or agencies could do much to build international consensus on the nature of a problem and the measures required to address it. Regional organizations participating in complementary efforts with the United Nations in joint undertakings would encourage States outside the region to act supportively. And should the Security Council choose specifically to authorize a regional arrangement or organization to take the lead in addressing a crisis within its region, it could serve to lend the weight of the United Nations to the validity of the regional effort. Carried forward in the spirit of the Charter, and as envisioned in Chapter VIII, the approach outlined here could strengthen a general sense that democratization is being encouraged at all levels in the task of maintaining international peace and security, it being essential to continue to recognize that the primary responsibility will continue to reside in the Security Council.

VIII. SAFETY OF PERSONNEL

66. When United Nations personnel are deployed in conditions of strife, whether for preventive diplomacy, peacemaking, peace-keeping, peace-building or humanitarian purposes, the need arises to ensure their safety. There has been an unconscionable increase in the number of fatalities. Following the conclusion of a cease-fire and in order to prevent further outbreaks of violence, United Nations guards were called upon to assist in volatile conditions in Iraq. Their presence afforded a measure of security to United Nations personnel and supplies and, in addition, introduced an element of reassurance and stability that helped to prevent renewed conflict. Depending upon the nature of the situation, different configurations and compositions of security deployments will need to be considered. As the variety and scale of threat widens, innovative measures will be required to deal with the dangers facing United Nations personnel.

67. Experience has demonstrated that the presence of a United Nations operation has not always been sufficient to deter hostile action. Duty in areas of danger can never be risk-free; United Nations personnel must expect to go in harm's way at times. The courage, commitment and idealism shown by United Nations personnel should be respected by the entire international community. These men and women deserve to be properly recognized and rewarded for the perilous tasks they undertake. Their interests and those of their families must be given due regard and protected.

68. Given the pressing need to afford adequate protection to United Nations personnel engaged in life-endangering circumstances, I recommend that the Security Council, unless it elects immediately to withdraw the United Nations presence in order to preserve the credibility of the Organization, gravely consider what action should be taken towards those who put United Nations personnel in danger. Before deployment takes place, the Council should keep open the option of considering in advance collective measures, possibly including those under Chapter VII when a threat to

international peace and security is also involved, to come into effect should the purpose of the United Nations operation systematically be frustrated and hostilities occur.

IX. FINANCING

69. A chasm has developed between the tasks entrusted to this Organization and the financial means provided to it. The truth of the matter is that our vision cannot really extend to the prospect opening before us as long as our financing remains myopic. There are two main areas of concern: the ability of the Organization to function over the longer term; and immediate requirements to respond to a crisis.

70. To remedy the financial situation of the United Nations in all its aspects, my distinguished predecessor repeatedly drew the attention of Member States to the increasingly impossible situation that has arisen and, during the forty-sixth session of the General Assembly, made a number of proposals. Those proposals which remain before the Assembly, and with which I am in broad agreement, are the following:

Proposal one. This suggested the adoption of a set of measures to deal with the cash flow problems caused by the exceptionally high level of unpaid contributions as well as with the problem of inadequate working capital reserves:

(a) Charging interest on the amounts of assessed contributions that are not paid on time;

(b) Suspending certain financial regulations of the United Nations to permit the retention of budgetary surpluses;

(c) Increasing the Working Capital Fund to a level of $250 million and endorsing the principle that the level of the Fund should be approximately 25 per cent of the annual assessment under the regular budget;

(d) Establishment of a temporary Peacekeeping Reserve Fund, at a level of $50 million, to meet initial expenses of peace-keeping operations pending receipt of assessed contributions;

(e) Authorization to the Secretary-General to borrow commercially, should other sources of cash be inadequate.

Proposal two. This suggested the creation of a Humanitarian Revolving Fund in the order of $50 million, to be used in emergency humanitarian situations. The proposal has since been implemented.

Proposal three. This suggested the establishment of a United Nations Peace Endowment Fund, with an initial target of $1 billion. The Fund would be created by a combination of assessed and voluntary contributions, with the latter being sought from Governments, the private sector as well as individuals. Once the Fund reached its target level, the proceeds from the investment of its principal would be used to finance the initial costs of authorized peace-keeping operations, other conflict resolution measures and relative activities.

71. In addition to these proposals, others have been added in recent months in the course of public discussion. These ideas include: a levy on arms sales that could be related to maintaining an Arms Register by the United Nations; a levy on international air travel, which is dependent on the maintenance of peace; authorization for the United Nations to borrow from the World Bank and the International Monetary Fund for peace and development are interdependent; general tax exemption for contributions made to the United Nations by foundations, businesses and individuals; and changes in the formula for calculating the scale of assessments for peace-keeping operations.

72. As such ideas are debated, a stark fact remains: the financial foundations of the Organization daily grow weaker, debilitating its political will and practical capacity to undertake new and essential activities. This state of affairs must not continue. Whatever decisions are taken on financing the Organization, there is one inescapable necessity: Member States must pay their assessed contributions in full and on time. Failure to do so puts them in breach of their obligations under the Charter.

73. In these circumstances and on the assumption that Member States will be ready to finance operations for peace in a manner commensurate with their present, and welcome, readiness to establish them, I recommend the following:

(a) Immediate establishment of a revolving peace-keeping reserve fund of $50 million;

(b) Agreement that one third of the estimated cost of each new peace-keeping operation be appropriated by the General Assembly as soon as the Security Council decides to establish the operation; this would give the Secretary-General the necessary commitment authority and assure an adequate cash flow; the balance of the costs would be appropriated after the General Assembly approved the operation's budget;

(c) Acknowledgement by Member States that, under exceptional circumstances, political and operational considerations may make it necessary for the Secretary-General to employ his authority to place contracts without competitive bidding.

74. Member States wish the Organization to be managed with the utmost efficiency and care. I am in full accord. I have taken important steps to streamline the Secretariat in order to avoid duplication and overlap while increasing its productivity. Additional changes and improvements will take place. As regards the United Nations system more widely, I continue to review the situation in consultation with my colleagues in the Administrative Committee on Coordination. The question of assuring financial security to the Organization over the long term is of such importance and complexity that public awareness and support must be heightened. I have therefore asked a select group of qualified persons of high international repute to examine this entire subject and to report to me. I intend to present their advice, together with my comments, for the consideration of the General Assembly, in full recognition of the special responsibility that the Assembly has, under the Charter, for financial and budgetary matters.

X. AN AGENDA FOR PEACE

75. The nations and peoples of the United Nations are fortunate in a way that those of the League of Nations were not. We have been given a second chance to create the world of our Charter that they were denied. With the cold war ended we have drawn back from the brink of a confrontation that threatened the world and, too often, paralysed our Organization.

76. Even as we celebrate our restored possibilities, there is a need to ensure that the lessons of the past four decades are learned and that the errors, or variations of them, are not repeated. For there may not be a third opportunity for our planet which, now for different reasons, remains endangered.

77. The tasks ahead must engage the energy and attention of all components of the United Nations system—the General Assembly and other principal organs, the agencies and programmes. Each has, in a balanced scheme of things, a role and a responsibility.

78. Never again must the Security Council lose the collegiality that is essential to its proper functioning, an attribute that it has gained after such trial. A genuine sense of consensus deriving from shared interests must govern its work, not the threat of the veto or the power of any group of nations. And it follows that agreement among the permanent members must have the deeper support of the other members of the Council, and the membership more widely, if the Council's decisions are to be effective and endure.

79. The Summit Meeting of the Security Council of 31 January 1992 provided a unique forum for exchanging views and strengthening cooperation. I recommend that the Heads of State and Government and the members of the Council meet in alternate years, just before the general debate commences in the General Assembly. Such sessions would permit exchanges on the challenges and dangers of the moment and stimulate ideas on how the United Nations may best serve to steer change into peaceful courses. I propose in addition that the Security Council continue to meet at the Foreign Minister level, as it has effectively done in recent years, whenever the situation warrants such meetings.

80. Power brings special responsibilities, and temptations. The powerful must resist the dual but opposite calls of unilateralism and isolationism if the United Nations is to succeed. For just as unilateralism at the global or regional level can shake the confidence of others, so can isolationism, whether it results from political choice or constitutional circumstance, enfeeble the global undertaking. Peace at home and the urgency of rebuilding and strengthening our individual societies necessitates peace abroad and cooperation among nations. The endeavors of the United Nations will require the fullest engagement of all of its Members, large and small, if the present renewed opportunity is to be seized.

81. Democracy within nations requires respect for human rights and fundamental freedoms, as set forth in the Charter. It requires as well a deeper understanding and respect for the rights of minorities and respect for the needs of the more vulnerable groups of society, especially women and children. This is not only a political matter. The social stability needed for productive growth is nurtured by conditions in which people can readily express their will. For this, strong domestic institutions of participation are essential. Promoting such institutions means promoting the empowerment of the unorganized, the poor, the marginalized. To this end, the focus of the United Nations should be on the "field", the locations where economic, social and political decisions take effect. In furtherance of this I am taking steps to rationalize and in certain cases integrate the various programmes and agencies of the United Nations within specific countries. The senior United Nations official in each country should be prepared to serve, when needed, and with the consent of the host authorities, as my Representative on matters of particular concern.

82. Democracy within the family of nations means the application of its principles within the World Organization itself. This requires the fullest consultation, participation and engagement of all States, large and small, in the work of the Organization. All organs of the United Nations must be accorded, and play, their full and proper role so that the trust of all nations and peoples will be retained and deserved. The principles of the Charter must be applied consistently, not selectively, for if the perception should be of the latter, trust will wane and with it

the moral authority which is the greatest and most unique quality of that instrument. Democracy at all levels is essential to attain peace for a new era of prosperity and justice.

83. Trust also requires a sense of confidence that the World Organization will react swiftly, surely and impartially and that it will not be debilitated by political opportunism or by administrative or financial inadequacy. This presupposes a strong, efficient and independent international civil service whose integrity is beyond question and an assured financial basis that lifts the Organization, once and for all, out of its present mendicancy.

84. Just at it is vital that each of the organs of the United Nations employ its capabilities in the balanced and harmonious fashion envisioned in the Charter, peace in the largest sense cannot be accomplished by the United Nations system or by Governments alone. Non-governmental organizations, academic institutions, parliamentarians, business and professional communities, the media and the public at large must all be involved. This will strengthen the world Organization's ability to reflect the concerns and interests of its widest constituency, and those who become more involved can carry the word of United Nations initiatives and build a deeper understanding of its work.

85. Reform is a continuing process, and improvement can have no limit. Yet there is an exception, which I wish to see fulfilled, that the present phase in the renewal of this Organization should be complete by 1995, its fiftieth anniversary. The pace set must therefore be increased if the United Nations is to keep ahead of the acceleration of history that characterizes this age. We must be guided not by precedents alone, however wise these may be, but by the needs of the future and by the shape and content that we wish to give it.

86. I am committed to broad dialogue between the Member States and the Secretary-General. And I am committed to fostering a full and open interplay between all institutions and elements of the Organization so that the Charter's objectives may not only be better served, but that this Organization may emerge as greater than the sum of its parts. The United Nations was created with a great and courageous vision. Now is the time, for its nations and peoples, and the men and women who serve it, to seize the moment for the sake of the future.

NOTES

[1] See S/23500, statement by the President of the Council, section entitled "Peacemaking and peace-keeping".

[2] General Assembly resolution 37/10, annex.

[3] General Assembly resolution 43/51, annex.•

ORDER OF PROCEDURE

Mr. DASCHLE. Mr. President, I ask unanimous consent that Senators GORTON, JEFFORDS, and WOFFORD be recognized to address the Senate, and that at the conclusion of their remarks the Senate then stand in recess as ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Let me again reiterate my gratitude to the distinguished Senator from Washington.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington [Mr. GORTON] is recognized.

CONSTITUTIONAL AMENDMENT TO BALANCE THE BUDGET

Mr. GORTON. Mr. President, during the course of the business tomorrow and on Wednesday there will be as many as four recorded votes cast by the Senate in relation to the debate over an amendment to the Constitution of the United States mandating a balanced budget under certain circumstances.

That set of votes will not include a direct vote on the constitutional amendment unless one of the two cloture motions receives the requisite 60 votes, either tomorrow or on the next day.

Since this will be the climax and perhaps the termination of the debate over this vitally important issue, it seemed appropriate to this Senate at least at least to speak once again in favor of that amendment to the Constitution, and to do so tonight by examining the arguments which have been so forcefully stated at such length by the distinguished President pro tempore of this body, and by the chairman of the Senate Budget Committee.

The debate has been long and has been detailed, but I believe that as we approach its climax, Mr. President, we can summarize the objections to proposing such an amendment to the Constitution to the Senate under six hearings.

I should like briefly to go through each of those six headings, and make a few remarks on each of them, since it is the view of this Senator, who, as the President may remember, previously voted against such a constitutional amendment, believes that none of the arguments today are valid and that the situation which we are faced in this country demands that we propose such a constitutional amendment to the States.

The first set of arguments really could perhaps be titled "It Is the President's Fault, Not Ours." The Senators who have argued against this constitutional amendment have pointed out I suppose correctly that no President for well over a decade has so much as proposed a balanced budget in any given year, that under most circumstances Congress votes slightly less money in discretionary programs than the President has asked for, albeit for rather profoundly different sets of priorities and, therefore, this is not a matter with which we should be concerned, or certainly is not a matter about which we should propose a constitutional amendment.

In fact, Mr. President, if that criticism is correct, if, in fact, Presidents of the United States have been as cavalier as has been the Congress about the necessity to balance the budget, it not only does not undercut the necessity for such an amendment to the Constitution, but it illustrates and reinforces it.

It is obvious that the requirement in the Constitution that we balance our budget under all except extraordinary circumstances will be as binding on the President as it is on Members of Congress. It is the failure of the Government of the United States as a whole without allocating responsibility that has brought us to the point where we need this discipline.

One need not agree entirely with the argument of the opponents that it is all the President's fault to illustrate or to stand for the proposition that whosoever fault it is, it is time for a dramatic and considerable change.

Moreover, Mr. President, while it may be true in the most narrow sense that Presidents recently have not directly proposed a balanced budget, in the budget itself, the current President, President Bush, did, in fact, in the budget which is before us right now point out a way, a direction and a policy recommendation which would, in fact, balance the budget no later than the end of this decade.

It was a proposal which would have controlled the growth in the entitlement spending, would have allowed that spending to grow by the rate of inflation, plus the growth in caseload, plus between 1 and 2 percent over and above that figure.

That proposal was brought up on the floor of the U.S. Senate in April. It was debated very seriously for the better part of a day. That proposal in its single test vote got 26 favorable votes and 66 negative votes, illustrating once again that it really does not matter whether the President of the United States proposes a balanced budget or even a method by which we will reach a balanced budget. This Congress without some outside discipline simply is not going to reach that goal.

The second argument which goes through the long weeks of debate on this issue which is placed against a balanced budget constitutional amendment is that the change in the Constitution cannot create the will or the consensus to balance the budget in and of itself.

Again, Mr. President, that argument, narrowly taken, is probably true. A constitutional amendment, a change, the addition of a page to the Constitution of the United States, will not automatically create that consensus. It will, however, do something more significant. It will require that consensus.

We will be required to take an oath to support and defend the Constitution of the United States. We will find it much more difficult, even from the point of view of votes in this Chamber, to support an unbalanced budget, and the moral suasion of the people's adopting such a constitutional amendment will, in my view, require a consensus to take place, which seems, to this Senator at least, to be highly unlikely in any other event.

The third argument which I heard as a threat, through the remarks of almost all of those who oppose this proposal to amend the Constitution, is that it will relieve the pressure which is presently imposing itself on Congress because by the very nature of the ratification process together with the mechanism included in the proposal which is before us at the present time, it would be 1997 or 1998 before a balanced budget would be required; and in the meantime, presumably, the lambs in the Congress would frolic, Presidents would ignore the requirements, and nothing would be done.

There is an implication in that argument, Mr. President, that not only of the responsibility on Members of the Congress, there is an implication that somehow or other there will be a sufficient degree of pressure on Members of Congress, without such a constitutional amendment, to cause them to do something before 1997 or 1998. To see the fallacy of that argument, one need only look at the statutory attempts to cause a balanced budget to take place, which have been considered or passed by this Congress during the course of the last decade or so. The most famous was Gramm-Rudman-Hollings.

The second effort was the 1990 budget agreement. The third was the approach to which I have already referred, which got only 28 votes earlier this year. Each of them, however, had one feature in common. Each of them recognized the truth that you do not go from a $200 billion deficit or a $400 billion deficit to a balance in a single year. Each came with the promise that it would take a 3- or 4- or 5-year period to reach a balanced budget. Each of those statutory approaches has failed and has failed utterly.

Gramm-Rudman did arrest the increase of budget deficits, did, in fact, cause budget deficits to decrease, at least modestly, during the period of time it was in effect. But when it really began to pinch in 1990, it was almost immediately abandoned by the Congress, and the 1990 budget summit agreement was substituted for it, also with the promise that within 4 or 5 years, it would bring a balanced budget. It did not even have the modest initial success that Gramm-Rudman did, and it has led us directly to the position in which we find ourselves today with a budget deficit of almost $400 billion staring us in the face.

Finally, of course, the effort early this year to put in place even modest controls on entitlement spending failed to get much more than the vote of a quarter of the Members of this body. So to say that to pass this constitutional amendment would take the pressure off, and that we should continue to keep the pressure on is a contradiction in terms, Mr. President. The pressure had been on for a decade or a decade and a half, and that pressure has had no impact whatsoever. It is time to try something really quite different.

The fourth argument against the constitutional amendment is that present deficits are caused very largely by the skyrocketing increase in the health care costs. Each of the two distinguished Senators who preceded me on the floor this evening have given thoughtful and detailed prescriptions with respect to health care costs. Each of them has made points which I think are important for consideration by every Member of this body. Neither of them—and others including this Senator fall into the same category—had a proposal which was a cure-all, which was comprehensive in nature, which was guaranteed to work by any stretch of the imagination. Each of them also, it seems to me, did reflect the views of a vast majority of the Members of this body, and for that matter, of the House of Representatives, that health care costs are at the center, not only of a crisis with respect to health care, but with respect to the deficit.

It is imperative that the Congress work diligently on as broad a base as possible to meet those requirements. Nevertheless, to say that we should not deal with a constitutional amendment mandating a balanced budget until we have solved the health care crisis puts the carts before the horse, in the view of this Senator.

Once again, passing and submitting this constitutional amendment would not decrease the demand of the country and in this body for comprehensive health care reform. It would put a very clear deadline on its accomplishment, and I think it would hasten the time of the date which the issue would be taken up, and not only taken up but dealth with successfully.

The fifth argument, one that I can deal with in passing relatively quickly, is that this constitutional amendment would inhibit or even prevent Congress from dealing with passing countercyclical spending programs such as dealing with recessions, like the one which we are, one hopes, just emerging from at the present time.

Mr. President, that argument misstates entirely the nature of this constitutional amendment. It is perhaps overadvertising to say that it mandates a balanced budget. It does not do so. It simply requires a 60-percent super majority on the part of both Houses of Congress to unbalance the budget. If the economists of the United States, and Members of this body, believe that additional deficits and countercyclical spending is necessary during the course of a recession, they are easily able to meet that 60 vote requirement. We have demonstrated that in connection with at least a couple or three of the bills which have gone through this Congress in the course of the last year.

The real problem, Mr. President, is that we seem to have been in a countercycle with respect to spending for the last 20 years. In good times and bad, recession and boom, we continue to spend beyond our means.

The real reason, the overwhelming reason for such a constitutional amendment is to allow exactly that kind of sophisticated response to the various economic cycles through which we pass.

That leads me to the last, but I think the most important of the arguments against this proposal, eloquently stated by the President pro tempore and by other opponents to it. It comes down to this proposition: A constitutional amendment mandating a balanced budget would alter the status quo. It would change the dynamics which move both Congress and the national administration at the present time. It would lessen the power of some interest groups and some Members of Congress and some members of the administration. It would increase that of others.

And to that proposition that this constitutional amendment would alter the status quo, I say right on. Those of you who oppose are absolutely correct. The status quo would indeed be altered and it would be altered significantly. And, Mr. President, that is exactly what this country requires. It is business as usual, it is the status quo that leaves us this year with a $350 to $400 billion deficit. It is the status quo that for one reason or another gives overwhelming influence to those interest groups in the United States which call for increased spending, whether discretionary or mandatory. It is the status quo which stifles the voice for the general interest for those who feel that we are eating our seed corn.

One statistic I saw recently was a count of witnesses before committees of the Congress with something like 17 to 19 witnesses asking for new spending programs for every witness who advised caution and spoke for the general interest in restraining the growth of spending.

The status quo needs to be changed again, Mr. President. There needs to be a greater balance in favor of the general interest. When one group, by a change in spending programs, can gain $10 at the expense of 10 cents to every Member of the general public, those who will gain the $10 will be before the Congress, they will form political action committees, they will involve themselves in the political election process. Those who will lose the 10 cents will not.

It is for exactly that reason that an amendment which requires a 60-percent majority in both the House and the Senate will provide a greater degree of balance and anchor to windward which will cause the fiscal policies of the United States to be better balanced.

So the principal argument against the constitutional amendment, that it alters the power structure, that it changes the dynamics of the way in which we set public policy, that it makes it more difficult to spend, is perhaps the greatest argument in favor of that constitutional amendment.

It is possible—it may be unlikely—but it is still possible, Mr. President, that during the course of the debate tomorrow we will reject the Byrd amendment, which of course is designed to and will kill the proposed constitutional amendment to mandate a balanced budget and that we will find the 60 votes for cloture so that we can move on to a vote here in the Senate, which I suspect will be replicate in the House, under its rules it must come up again and gives the people of the United States to make the profound and dramatic change which it seems to me quite obvious they wish to make.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. WOFFORD] is recognized.

A REPORT FROM PENNSYLVANIA

Mr. WOFFORD. Mr. President, the Senator from Vermont has kindly offered to let me have 3 or 4 minutes before I have the privilege of replacing you and hearing his remarks here to just report at the end of the colloquy on the balanced budget and the probable health care, a report from Pennsylvania.

I just returned on an airplane with the Secretary of Health and Human Services, Dr. Sullivan, and I refrained, I restrained myself from taking issue from the study that the Senator from South Dakota talked about or the other matters in which he has been hard put to defend the administration's programs in health care, because he looked tired. And I think one of the reasons he was tired is that it has been very hard to defend the inadequate proposals from this administration on either the matter of controlling costs or extending access to everyone.

This morning I was with the borough leaders, the local government officials from all over Pennsylvania, and if there was one thing that they responded to and made clear to me that they have at the top of their agenda is controlling health care costs. They feel it every day. They want in some way for us to take action.

I cannot say how they would vote on a constitutional amendment to balance the budget. But I can say that there would be no effective action to deal with the problem of the deficit that we could take that would show that we want action and not promises than to deal comprehensively with the question of health care reform and health care costs.

This afternoon I spent 2 hours plus with a dozen business, labor, educational, and county leaders in Bainbridge, PA, on the question of competitiveness and what we can do to help our small business and our manufacturers in this country become competitive and world class in the world market. And again, every one of them at that table today had their own vivid stories as to what the costs of health care are doing to their companies, their unions, the labor disputes. The United Steelworker representative there said most of their disputes in recent times have turned on the question of health care costs.

So I come back here with a sense that we must find a way to break the gridlock in Government. We must show that we can move from the sense of this basic health care being a fundamental right for every American, which is I think now more and more a self-evident truth, to the next stage of turning that into a reality. And I asked those who were pressing for us to deal with the deficit to show that we mean business and deal this session in this body across the lines of party with the problem of comprehensive health care reform, the lack of which, the rising costs that come from a lack of which is the fastest growing part of our deficit. That I think is the test for action, and I hope we will pass that test.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Vermont [Mr. JEFFORDS] is recognized.

PRIVILEGE OF THE FLOOR—S. 2532

Mr. JEFFORDS. Mr. President, first I ask unanimous consent that floor privileges be extended to Mary E. Daley during the duration of the Senate consideration of S. 2532, the Freedom of Support Act. She is a Department of State fellow assigned to my staff this year and she is doing an incredibly fine job.

The PRESIDING OFFICER (Mr. WOFFORD). Without objection, it is so ordered.

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT OF 1992

Mr. JEFFORDS. Mr. President, we have before us today an opportunity not one of us expected to experience in our lifetime. Where Stalinist terror once raged, where the gulag symbolized entire nations held in bondage, and where expressing one's views could be fatal, there have now emerged 15 states, free from communism. These 15 countries—rich in resources and at last free—can become our partners in peace and trade, a vast new market for the goods and services American workers produce. Coming from the State of Vermont, the adopted home of Alexander Solzhenitsyn, I am acutely aware of the sea of change that has occurred. We must seize this opportunity and make the experience of being the world leader a positive thing back home.

Our greatest domestic problem is that the U.S. standard of living is stagnant. With real wages remaining flat for two decades, American parents fear that their children may not be able to achieve the same standard of living. If we are going to pass the American dream on to our children, we are going to have to boost productivity. Long-term growth and labor productivity slowed in the early 1970's from more than 2.5 percent per year since World War II to only 0.7 per year from 1973–79.

Since 1979, it has been stuck at 1 percent. To boost productivity, we are going to have to maintain our edge in technology. We are going to have to make sure that American workers have access to the best education and health care in the world. And we are going to have to create new markets for American goods and services.

There is no better new market for us than the countries of Eastern Europe and the former Soviet Union. These countries are rich in natural resources; they are the new frontier. When they get on their feet, they could be the largest new consumer market we have ever had. If the United States is going to tap that market, it is going to have to get plugged in now.

Right now, these countries are begging for U.S. assistance to help them create democracy and free market economies. If we help them now, if we answer their request for technical assistance in agriculture, business, health care, and the environment, we will establish connections that will pay off later, boosting U.S. industrial manufacturing and raising the standard of living for American families. But if we ignore the former Soviet Union, we will lose this vast market to other nations. Now is the time to become engaged, to make contacts and to get these countries hooked on American goods and services. Foreign aid in the case of the former Soviet Union is not altruism. It is self-interest.

After World War II, we found the wisdom and heart to help rebuild Western Europe. These countries are now our strongest allies and partners in trade. Had we left them unattended as some wanted, Europe's poverty, despair, and bitterness could have led again to war, just as Versailles was prelude to Vichy. Just so, we must not turn inward now. Our ability to address domestic problems, from health care and education to infrastructure and job creation, depends on a peaceful world and on turning Eastern Europe and the former Soviet Union into a market for our goods.

I believe the American people are looking for courageous leadership from us. With vigor, let us meet that challenge on both the domestic and international fronts.

My concern about the former Soviet Union and the impact the situation there will have on Americans increased during my trip there in April. With Senator DECONCINI, cochairman of the Helsinski Commission, I traveled to 6 of the 15 former Soviet Republics. Clearly, all is not well in these Republics. During consideration of this bill in the Foreign Relations Committee, I did my best to ensure a commitment to technical assistance. I believe strongly that the most effective technical assistance programs are those that draw from the talents of private American citizens, from farmers to health care workers, environmental experts and business people.

In that spirit, I amended the bill in the Foreign Relations Committee. The bill now stresses the importance of drawing on the talents of the U.S. business community. Such programs give the American business community the chance to see firsthand the potential benefits and pitfalls of doing business in the former Soviet Union. My amendment is one concrete example of how helping the former Soviet Union can help the United States economy.

There is another aspect to business investment that I want to raise today. During my trip to Central Asia, I was disturbed by the potential for those countries to veer down the path of Central American nations, rather than adopt the kind of free market system we enjoy. The stability of Central Asia, and therefore of United States business in the region, depends on the ability of these new nations to create societies of broad opportunity, not narrow exploitation. This possibility is threatened as the old Communist leaders rush to grab the most profitable sectors of the economies for themselves. While we cannot control political evolution, we can affect it. Section 7 of this bill discusses the importance of developing a legal framework that will promote democracy and the rule of law, protect private ownership and worker safety and rights, and establish regulations to protect the environment and guide natural resource utilization.

Technical assistance of this type is absolutely essential. Otherwise, we may become accomplices in the exploitation of the environment and people. Moreover, American workers are concerned about losing their jobs to countries that cut their costs of production by underpaying their employees. Such distortions of the labor market hurt American workers. In contrast, the growth of healthy democracies in the former Soviet Union, with healthy economies in which workers earn wages comparable to ours, will create markets for our goods and safeguard American jobs.

Just as we impress upon the new states the importance of laws protecting private property, the environment and workers, we should also ensure that Western investment in the area does not inadvertently become the dupe of those former Communists who want to grab all the resources for themselves, with no regard for equity, political stability, or the environment.

I am reminded of a scene from Solzhenitsyn's classic novel of life in a Soviet prison camp, "One Day in the Life of Ivan Denisovich." Solzhenitsyn describes the effort a squad leader put into work reports. As Solzhenitsyn writes, the squad leader "had to prove that work which hadn't been done had been done." This ensured that the camp got "thousands of extra rubbles * * * and so could give higher bonuses to its guard-lieutenants, such as to Volkovoi for using his whip." And the prisoners? All they got, according to Solzhenitsyn, was an "extra six ounces of bread. * * *"

This scene is a suitable metaphor for what can happen as former Communist bosses grab hold of assets. We must ensure that Western investors do not inadvertently become party to such enterprises. I believe it would be helpful to devise a list of principles to guide businesses as they invest in the new states. These principles would be drawn up in concert with American business, and would be adopted by all nations doing business in the former Soviet Union. The time has come to establish guidelines for doing business in the former Soviet Union, to establish guidelines to ensure the creation of a strong democracy, a healthy economy, to a large stable affluent middle class to purchase our commodities.

Let me turn now to agricultural issues. When Ambassador Armitage testified this spring, he discussed how the international community is sharing responsibility for aiding the former Soviet Union and pointed out that agriculture is an area where the United States can be very effective. We have a competitive advantage here which we should press. This comes as no surprise to a Senator from a rural State: I know that U.S. agriculture is the best in the world. The needs of the new states in this area are immense and we have got to find ways to match our skills and products with their needs. Our suppliers and our agribusiness can reap great benefit to supplying their developing agribusiness.

With authorities the U.S. Department of Agriculture already has, and with the technical assistance and additional authorities provided in this bill, the United States can mobilize the agricultural sector of the economies in these new states. We must do so. Nothing destabilizes a fragile government more than dashed hopes and empty stomachs. By improving their agricultural sector, we bolster their drive to freedom and democracy and hence our own security. At the same time, as I will say over and over again, helping them helps us economically. American farmers need new markets for their products. We have the dairy products, grains, meats, tractors, and know-how they need. Even so, we may lose this opportunity to the EC and others if USDA does not use the authorities it already has to make our products competitive.

Let me give you one example. The Prime Minister of Kazakhstan has written to the Senate Agriculture Committee for help in buying United States heifers. Our heifers are three times more productive than those in the former Soviet Union, and Kazakhstan is willing to pay more per head for them. But the sale has not gone through because USDA refuses to put its heifer export program in gear. As USDA dithers, other countries are offering heifers at prices Kazakhstan may not be able to turn down. I call on USDA to use the authority it already has through the Export Enhancement Program to run a heifer export program with the newly independent states. The sense of Congress is clear on this point. Section 7 of this bill stresses that the export of farm animals should be a central part of our assistance to the former Soviet Union. The point is underscored again in the technical amendments to this bill where the current definition of agricultural commodities is expanded to include livestock. Let us get on the stick. Let us not lose a sale, and potentially an entire market for U.S. farm animals, by being late off the block. A heifer export program is a prime way to make foreign aid advantageous to American people.

Mr. President, let me turn now to another way this bill can help America's farmers. In November of 1991, I introduced the Food for Enterprise Act, an innovative way to get two bangs for every buck of food aid we provide the new states. This program was inspired by the testimony of Jack Matlock, former United States Ambassador to the Soviet Union. Under the Food for Enterprise Act, the new states would be required to establish a revolving loan fund in exchange for food from the Commodity Credit Corporation [CCC] stocks of dairy and other products. Enterpreneurs could borrow from the fund, the preference given to those in food distribution or production. When the term of the CCC loan expires, the new states would be required to repay the United States, either in real dollars or in an equivalent amount of a marketable commodity such as oil or gold. Food for Enterprise thus feeds the people and helps establish private agriculture, without any dollars leaving the United States. At the same time, American farmers get a break.

I am pleased to see that the objectives of Food for Enterprise can be achieved through this bill. One of the technical amendments to this bill allows the Commodity Credit Corporation to monetize the sale of commodities for development purposes. I urge

USDA to use this authority immediately. It simply makes sense. Why give away what we can loan, and why provide just food when we can use this food as capital for development?

This is a time for creativity, for boldness, for courage, and for celebration. Freedom has triumphed over tyranny. Yet, the confidence the Nation should have after such a victory seems strangely tempered by uncertainty. With this bill today, we have the opportunity to be the wise men of our generation. Like George Kennan, Dean Atcheson, Charles Bohlen, and the other wise men of the postwar period, we must begin to stir hope here at home by creating concrete plans of action. At this turning point in history, we must let America and the world know where we stand, what we believe in and where we are going. We must declare what we know to be true: that the health of these great United States is linked inextricably to the state of the world. The choice is not whether to focus on domestic issues or international ones; not whether to rebuild Los Angeles or provide technical assistance to the newly independent states of Europe. The question is only how to aid the newly independent states of our former adversary in a way that directly benefits the United States: politically, militarily, and economically. The decision today is whether we choose to be leaders.

Mr. President, I thank you for your patience and I yield the floor.

ORDERS FOR TOMORROW

Mr. DASCHLE. I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m., Tuesday, June 30; that following the prayer, the Journal of proceedings be deemed approved to date; that the time for the two leaders be reserved for their use later in the day; that there then be a period for morning business, not to extend beyond 12:30 p.m., with Senators permitted to speak therein for up to 5 minutes each; that immediately following the Chair's announcement Senator BIDEN be recognized to speak for 1½ hours, with Senators ADAMS, HEFLIN, and GORTON recognized for up to 10 minutes each; Senator WARNER or his designee for up to 30 minutes; and Senator LEAHY for up to 15 minutes; that on Tuesday, the Senate stand in recess from 12:30 to 2:15 p.m., in order to accommodate the respective party conferences.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 9:30 a.m. tomorrow.

Whereupon, the Senate, at 7:20 p.m., recessed until Tuesday, June 30, 1992 at 9:30 a.m.

NOMINATIONS

Executive Nominations received by the Secretary of the Senate after the recess of the Senate on June 26, 1992, under authority of the order of the Senate of January 3, 1991:

DEPARTMENT OF ENERGY

HUGO POMREHN, OF CALIFORNIA, TO BE UNDER SECRETARY OF ENERGY, VICE JOHN CHATFIELD TUCK, RESIGNED.

DEPARTMENT OF JUSTICE

JOHN A. MENDEZ, OF CALIFORNIA, TO BE U.S. ATTORNEY FOR THE NORTHERN DISTRICT OF CALIFORNIA FOR THE TERM OF 4 YEARS VICE JOSEPH P. RUSSONIELLO, RESIGNED.

STATE JUSTICE INSTITUTE

TERRENCE B. ADAMSON, OF GEORGIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE STATE JUSTICE INSTITUTE FOR A TERM EXPIRING SEPTEMBER 17, 1994. (REAPPOINTMENT)

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

KATHRYN D. SULLIVAN, OF CALIFORNIA, TO BE CHIEF SCIENTIST OF THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, VICE SYLVIA ALICE EARLE, RESIGNED.

FEDERAL DEPOSIT INSURANCE CORPORATION

C. C. HOPE, JR., OF NORTH CAROLINA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE FEDERAL DEPOSIT INSURANCE CORPORATION FOR A TERM EXPIRING FEBRUARY 28, 1993. (REAPPOINTMENT)

HOUSE OF REPRESENTATIVES—*Monday, June 29, 1992*

The House met at 12 noon.

The Reverend Dr. Ronald F. Christian, office of the bishop, Evangelical Lutheran Church in America, Washington, DC, offered the following prayer:

Our Father and our God:

Lord of all nations, we call upon Your name, O God, and ask—

That You guide Your people in paths of peace;

That You direct Your people in ways of truth; and

That You lead us all in the ways of justice.

Lord of all goodness, we use Your name, O God, to offer our thanksgiving—

For home and country;

For health and hope, and

For family and friends.

Lord of all compassion, we remember, O God, all those it would be so easy to forget: the tired of heart and the sick of mind, the lost, the old, the weak, and the poor.

May we, each one, this day, dedicate ourselves again to the task of doing just and right deeds, and walking humbly before You. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Kentucky [Mr. MAZZOLI] please come forward and lead the House in the Pledge of Allegiance.

Mr. MAZZOLI led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 459. Joint resolution designating the week beginning July 26, 1992, as "Lyme Disease Awareness Week."

The message also announced that the Senate had passed a bill and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 2901. An act to direct the Secretary of Health and Human Services to extend the waiver granted to the Tennessee Primary Care Network of the enrollment mix requirement under the medicaid program;

S.J. Res. 248. Joint resolution designating August 7, 1992, as "Battle of Guadalcanal Remembrance Day";

S.J. Res. 252. Joint resolution designating the week of April 18 through 24, 1993, as "National Credit Education Week";

S.J. Res. 287. Joint resolution to designate the week of October 4, 1992, through October 10, 1992, as "Mental Illness Awareness Week";

S.J. Res. 288. Joint resolution designating the week beginning July 26, 1992, as "Lyme Disease Awareness Week";

S.J. Res. 294. Joint resolution to designate the week of October 18, 1992, through October 24, 1992, as "National Radon Action Week";

S.J. Res. 295. Joint resolution designating September 10, 1992, as "National D.A.R.E. Day";

S.J. Res. 301. Joint resolution designating July 2, 1992, as "National Literacy Day";

S.J. Res. 303. Joint resolution to designate October 1992 as "National Breast Cancer Awareness Month";

S.J. Res. 304. Joint resolution designating January 3, 1993, through January 9, 1993, as "National Law Enforcement Training Week";

S.J. Res. 305. Joint resolution to designate October 1992 as "Polish American Heritage Month";

S.J. Res. 307. Joint resolution designating the month of July 1992 as "National Muscular Dystrophy Awareness Month";

S.J. Res. 309. Joint resolution designating the week beginning November 8, 1992, as "National Women Veterans Recognition Week";

S.J. Res. 318. Joint resolution designating November 13, 1992, as "Vietnam Veterans Memorial 10th Anniversary Day";

S.J. Res. 319. Joint resolution to designate the second Sunday in October of 1992 as "National Children's Day"; and

S.J. Res. 324. Joint resolution to commend the NASA Langley Research Center on the celebration of its 75th anniversary on July 17, 1992.

THE FREEDOM OF CHOICE ACT

(Mrs. BOXER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOXER. Mr. Speaker, in its decision on the Pennsylvania case, the Supreme Court has issued an open invitation to every politician in this country, an invitation to restrict a woman's right to choose.

Never before in our Nation has the Supreme Court granted a right and then taken away that right, but they have done so in this case. And it is a very sad day for those who believe that the people in our country should be free to make personal and private decisions.

The lines are drawn, and they are clear. Congress must act to restore the right to choose, and we will do that. We will pass the Freedom of Choice Act and, of course, I believe the President will veto that act.

Then the American voters must decide this issue in November. In order to ensure that a woman has the right to choose, we must elect a pro-choice President or a two-thirds pro-choice House and Senate. Freedom lies at the ballot box. America must awaken and vote for their freedom this November.

GRAZING FEES

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS of Wyoming. Mr. Speaker, I rise to talk about an issue that comes up each year. We have an annual dance on grazing fees in the West. This week we will be talking about the Interior appropriations, and that will be one of the areas for debate.

There are some in this House who have made this a career, to seek to raise the grazing fees in the West. Basically a regional issue, I am sorry to say, in which most folks in this House do not have any particular interest. So it is an easy throwaway vote.

We do not want an Appalachian Commission in our region in the 17 western public-land States. We do not want $55 billion for cities. We would like, however, to be able to manage the lands that we have, one-half of which belong to the Federal Government in my State, in a way which gives optimum development to natural resources. We would like to have hunting. There is better hunting there than there was before ranchers came because they provide water, they provide winter feed.

We would like to have recreation. We would like to have jobs, and an economy.

So, Mr. Speaker, I hope that when we deal with this issue again, we will say, let us use those resources to an optimum of multiple use and not get ranchers off by raising fees too much for us to be able to operate.

THE REVENUE ACT OF 1992 INCLUDES ENTERPRISE ZONES AND OTHER PROVISIONS IMPORTANT TO URBAN AREAS

(Mr. MAZZOLI asked and was given permission to address the House for 1

□This symbol represents the time of day during the House proceedings, e.g., □1407 is 2:07 p.m.

Matter set in this typeface **indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.**

minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, later in the week we will take up the Revenue Act of 1992, which has in it some provisions I would like to briefly address and to urge our colleagues to adopt these matters. One is the Federal Enterprise Zone Act. This would allow cities like mine, of Louisville, to provide special tax preferences and advantages to businesses which locate in areas of high poverty and high unemployment or which would expand their businesses in those districts.

The bill we will take up will provide some 50 enterprise zones over a 3-year period, half in the cities and half in the rural areas. I hope that that ratio could be revisited because I think it should be more in the favor of the cities, but that is for a later date.

The bill also, Mr. Speaker, extends permanently low-income housing tax credits, mortgage revenue bonds, and what we call the targeted jobs tax credit. I think this is a very salutary bill. I think it is one that all of us can support.

I think it would make a very strong move in the direction that the mayors of the country have talked about, which is to put the cities of America in a setting in which the lives of people who live there can be improved.

SUPPORT URGED FOR THE FREEDOM OF CHOICE ACT

(Mrs. MORELLA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MORELLA. Mr. Speaker, the Supreme Court today has significantly eroded the fundamental right of a woman to choose. While the Court ruled to uphold Roe versus Wade, it also agreed that the States have the right to intrude in that decision. We now face years of fights in the courts over State efforts to further restrict abortion. Roe may still stand, but it has been substantially weakened today.

Now more than ever, it is clear that Congress needs to approve H.R. 25, the Freedom of Choice Act. This legislation codifies the Roe decision, thereby protecting women's reproductive choice. A number of polls have indicated the overwhelming support of the American people for the preservation of reproductive rights; a majority of Americans recognize that to be prochoice is not to be pro-abortion.

Mr. Speaker, although Roe still stands, the Supreme Court has changed the criteria by which reproductive decisions can be made. It is clear that this right will be further eroded by other States. We in this body must immediately take action to protect this freedom. I urge my colleagues to vote for the Freedom of Choice Act.

□ 1210

LET US INSIST UPON EQUAL RIGHTS FOR MEN AND WOMEN

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, today the Supreme Court has said that adult women in America are incapable of really having a fundamental right, standing free and clear. What did they say? They said that if any women had decided that it might be necessary for her to have an abortion, whether it was for her health or for whatever reason, when she went to a doctor she still could not be trusted. She has to listen to a 30-minute lecture written by the State and given by the doctor, but written by the State, whoever that could be. Then she still cannot make that decision, she must return home and can come back no earlier than 24 hours later, and there are all sorts of other restrictions in there.

If we put those restrictions on any other fundamental right, such as voting or speech, this Court would have dumped them instantly. I find it very, very, very heartbreaking that this Court is saying that my son can have fundamental rights, but my daughter cannot be trusted to really judge them. That is a sad day for me, and I certainly hope we move vigorously tomorrow to push out the freedom of choice bill and say this House and this Senate will insist upon having equal rights for men and women in the Constitution, as has been our heritage for a long time, and overrule the decision today.

INTRODUCTION OF THE HEALTH CARE REFORM ACT

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, our health care delivery system is collapsing. The number of uninsured is mounting, 34 million last year, an estimated 35 to 40 million this year. The families of this country spent an average of $4,296 per family on health care last year and, if current trends continue, will spend more than twice that, $9,397, on health care in the year 2000. Doing nothing is no longer an option: The statistics are getting worse by the day.

Mr. Speaker, I rise today not to bemoan our situation, but to propose a solution. The Republican leader's task force on health care has made some tough choices and submitted for consideration H.R. 5325, the Action Now Health Care Reform Act. We cannot afford to ignore the trends any longer. As a resident of my district says, "People are dying every day because they can't afford to live." I am challenging my colleagues on both sides of the aisle, join more than 90 of us in cosponsoring H.R. 5325, the health care reform bill with the largest number of cosponsors. We are building consensus, and we need your help.

CONGRESS MUST PASS THE FREEDOM OF CHOICE ACT

(Ms. PELOSI asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PELOSI. Mr. Speaker, today when the Supreme Court decision was announced a cheer went up from the antichoice forces standing before the Supreme Court Building. Why? Because the Supreme Court's decision today significantly eroded a woman's right to reproductive choice, and of course is a victory for antichoice forces. By allowing States to limit access and availability, they have effectively, if not specifically, denied women their constitutional right to privacy.

Now Congress must act. Congress must act to pass the Freedom of Choice Act. As chairman of the Platform Committee for the Democratic Party, I am very proud to read to my colleagues the language that we have in our platform about a woman's right to choose:

> Democrats stand behind the right of every woman to choose, consistent with *Roe* v. *Wade*, regardless of ability to pay, and support a national law to protect that right.
>
> It is a fundamental constitutional liberty that individual Americans, not government, can best take responsibility for making the most difficult and intensely personal decisions regarding reproduction. The goal of our nation must be to make abortion less necessary, not more difficult or more dangerous.
>
> We pledge to support contraceptive research, family planning, comprehensive family life education, and policies that support healthy childbearing and enable parents to care more effectively for their children.

Mr. Speaker, I believe that it is necessary for us to pass the Freedom of Choice Act and urge my colleagues to do so.

THE SUPREME COURT RULING: A VICTORY FOR MOTHERS AND BABIES

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, the U.S. Supreme Court today wisely upheld major portions of Pennsylvania's very modest safeguards that are designed to protect mothers and at least some unborn babies from the violence of abortionists. But the imposition of the so-called undue burden test to determine the constitutionality of abortion laws is of deep concern and is likely in Justice Scalia's words to prove "hopelessly unworkable." The affirmation of Roe was just plain wrong.

Nevertheless, today's ruling gives us cause for some hope that the day will dawn when unborn children are protected.

Let me point out that lost in the angry denunciations by the proabortion side is the substance of what was specifically affirmed.

The Court majority said yes to informed consent—a view backed by 86 percent of the American people according to a Gallup poll—January 1992.

The Court majority said yes to a 24-hour waiting period—a view backed by 75 percent of the American people—Gallup, 1992.

The Court said yes to parental consent—a view backed by 70 percent of the American people—Gallup, 1992.

In all candor I am disappointed that the Court struck the spousal notification requirement. Informing the husband that his wife intends to abort their child is a position backed by 73 percent of Americans—Gallup, 1992.

That the proabortion side is going ballistic over this ruling underscores just how extreme and radical they are. They demand nothing less than abortion on demand, a position that treats the baby as mere property, to be cut, dismembered or chemically poisoned at will. Such a view is clearly out of the mainstream of American thought and opinion.

In opposing the Pennsylvania law, the proabortionists are telling American women that they prefer that women be uninformed and inadequately briefed on the medical risks of abortion and information concerning the child.

The proabortionists opposing today's decision are telling American women that a minimum of 1 day reflection time before procuring an abortion is excessive.

The proabortionists are telling the parents of America that their teenage daughters have a right to a secret abortion without parental involvement.

Today's ruling continues the incremental progress we have made over the past two decades in reestablishing basic protections for the weakest and most vulnerable among us—unborn babies. Today's ruling rejects the extremism of the abortion industry and is a modest victory for both mothers and their children.

CONGRESS MUST PASS THE FREEDOM OF CHOICE ACT

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEFAZIO. Mr. Speaker, with today's Supreme Court decision the fundamental constitutional right of a woman to control her own body is no more. The empty shell of *Roe* v. *Wade* stands with a scant 5 to 4 majority. The Court would have been more honest had it eliminated *Roe* v. *Wade*. For with this decision, the Supreme Court has freed the 50 State legislatures to manipulate America's women through a labyrinth of rules and regulations that will effectively preclude legal abortion for many.

Abortion policy in the United States will become as Balkanized as the former nation of Yugoslavia, complete with chaos, suffering, and loss of life. The House of Representatives can no longer straddle the fence on this issue.

We must promptly begin debate and vote to pass the Freedom of Choice Act to restore this most private and fundamental right to America's women.

A LEGISLATIVE ALTERNATIVE FOR EARTHQUAKE DEVASTATION CLEAN UP

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, just over 2 hours ago southern Californians felt a very serious aftershock from the major quake from yesterday morning. Clearly our thoughts and prayers go out to those who were victimized by this tragic development.

Mr. Speaker, it seems to me that as we look at the fact that when tragedies occur, such as earthquakes, those victims look to one source, the Federal Government, and our Federal Emergency Management Agency and the Small Business Administration as their source of relief.

We in the Congress must look at an alternative. We have bipartisan legislation which is designed to get the private insurance industry involved in meeting the devastation caused in the aftermath of an earthquake. Many people think that earthquakes are a California or Alaska or Western phenomenon, but frankly, we have to recognize that 39 States have a propensity to suffer from earthquakes, so we must move ahead with this legislation so that we can try to meet this very serious concern and problem that confronts us.

URGING CONGRESS TO PASS THE FREEDOM OF CHOICE ACT

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, this is a sad day for our Nation. With today's decision, the Supreme Court has seriously undermined our fundamental right to choose and the fundamental right to privacy. By upholding most of the Pennsylvania statute, today's decision has given license to States to impose wide-ranging and extreme restrictions on freedom of choice. The Court has ignored legal precedent, reversing its previous ruling that these same restrictions are unconstitutional. The Court has attempted to hide the true effect of its decision by stating that it has upheld Roe, but American women will not be fooled. With this one decision the Court has placed women at risk and stripped from all of us the right to privacy, which should be a fundamental tenet of our Constitution.

The right to choose that women have had under *Roe* v. *Wade* cannot be relinquished, and certainly not by a decision from a Court directed more by politics than by respect for our Constitution or women's rights. The Court's decision moves this fight for our Constitution and for women's rights to the Congress, and makes it more important than ever to enact the Freedom of Choice Act.

I urge my colleagues to support the Freedom of Choice Act.

□ 1220

RUSSIA AND PRAYER IN SCHOOLS

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, recently it was reported in the Washington Times that a senior superintendent of Moscow Public Education has advocated the introduction of religion into the public schools of the former Communist world capital. And why is this being done?

"There are no values in our society," said the Moscow councilman, Valentin Yefremov. Another high official said, "The biggest question for education is the moral education of young people."

The moral wreckage in the former Soviet Union probably eclipses, in size and weight, its economic wreckage.

Let's view this action by the former Soviet Union in light of the recent denial of prayer in our schools by the Supreme Court. The great teaching institutions of any great society are the family, the church, and the school.

We cannot continue moral neutrality. It's time to change and provide moral instruction and the Judeo-Christian ethics as a value code for all American schools.

Our schools represent the only institution common to the vast majority of Americans where we need this instruction now.

THE DENIAL OF A WOMAN'S RIGHT TO CHOOSE

(Ms. NORTON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. NORTON. Mr. Speaker, the Freedom of Choice Act has now become an act of necessity for this House. This morning three Justices upheld Roe but only on a de facto basis. This must not obscure the reality that there is no constitutional majority for *Roe* v.

Wade as we knew it and that Roe is dead.

A fundamental right cannot be redefined to mean anything that happens to cross the minds of Justices. It is defined by the Constitution. It is virtually absolute. It is not absolute today, and so we must act.

Today's decision hurts two groups of women. First, all women, and then the most vulnerable women. The Casey decision hurts all women not only because of specific limitations approved, but because in point of fact it leaves no limitation on a State's right to restrict abortion over a woman's right to choose. The door has been opened. The Court has not indicated that it can be closed. Perhaps it can be closed in the event of criminalization. We have seen three attempts in that direction. But surely there is doubt that it won't easily be closed apart from a criminal prohibition.

This decision hurts the most vulnerable women, poor women, of course, because it restricts their already limited options, and it hurts women of color who use abortion at a rate twice that of other women.

Mr. Speaker, the ball is now in our court, not in the Supreme Court.

RESPONDING TO THE CALIFORNIA EARTHQUAKE

(Mr. LEWIS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of California. Mr. Speaker, disaster has struck my district in southern California with a series of earthquakes and aftershocks. The loss of life and property and human injury creates an environment of crisis.

Over the weekend I spent hours on the telephone, Sunday talking with the Governor, with his people at the State agencies that are appropriate, the Federal Emergency Management Agency. We joined together to urge the President to declare the area a disaster area. Just this morning I addressed the full Appropriations Committee in which essentially we put the House on notice that there will be emergency assistance needed.

Currently there are some 245 injuries that have occurred, the loss of one life, a tragedy that struck that family, over 1,100 homes damaged or destroyed. some 33 businesses similarly damaged or destroyed. The cost, the current guesstimate is in excess of $16 million. The assessment will go forward.

In the meantime, the Federal Government is responding as quickly as possible. We urge all of the agencies involving the Federal Government to cooperate with one another. Let us not put numbers on the foreheads of these people who are affected by this crisis, but rather respond to each citizen in every way as though he or she were a part of our own family.

SUPREME COURT CASEY DECISION

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, many Americans are surprised. They did not know the view of many of our Supreme Court members on abortion.

The reason is simple, ladies and gentleman. The President nominates a candidate that never took a position on choice, never did any writing on the issue, and in fact never even publicly stated a position on a woman's right to choose. The truth is that the Supreme Court is being filled up with what I call stealth candidates. They cannot be seen, they cannot be heard, and they cannot even be detected by political radar.

The problem in America today, and one of the sad facts is more Americans know more about Judge Wapner than they do about the powerful Supreme Court.

INTERVENING TO STOP THE HOSTILITIES IN FORMER REPUBLICS OF YUGOSLAVIA

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, the headline on the front page of the Columbus Dispatch today reads, "Frantic Bosnians Hail Visiting Mitterrand." I want to commend President Mitterrand for his personal attention to an intolerable situation in Yugoslavia which should incur the anger of the people in every other nation of the world.

The New York Times of June 21 had a story headlined, "Nazi Deeds Mirrored in Bosnian Account of Grisly Executions." The account said that witnesses told of children being executed and nailed to trees, and of people eating weeds to avoid starving to death.

Before the civil war broke out, my wife, Marjorie, went to Yugoslavia. Our daughter, Jacquelyn Poston, has been there three times. While they were there they met with Father Philip Pavich who has been in the United States seeking help for the people of Croatia and Bosnia.

The Senate has passed a resolution identical to one which I have introduced in the House, House Resolution 490, calling on the U.N. Security Council to direct the Secretary General of the United Nations to provide a plan for such intervention as may be necessary to enforce the Security Council resolution seeking cessation of hostilities in the former republics of Yugoslavia. To date, I have over 30 cosponsors. I think the House should follow the lead of the Senate by passing House Resolution 490, and I ask the Members' help by agreeing to be a cosponsor.

NATIONAL VOTER REGISTRATION ACT AWAITS PRESIDENT'S SIGNATURE

(Mr. SWIFT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SWIFT. Mr. Speaker, on June 17, for the second straight Congress, the House passed the National Voter Registration Act. This legislation is now at the White House awaiting the President's signature. This bill is a major reform and will have a significant and positive effect on improving citizen participation in our electoral process.

Last week, one of our colleagues stated in a radio debate on this measure that the President was going to try to pull off a pocket veto, quietly, over the July 4 recess.

While the constitutionality of such a veto in this situation is doubtful, the suggestion that the President is not only afraid of promoting full citizen participation in our political process, but is also afraid of a veto override debate and vote—that is a sorry indictment of this administration.

I trust our colleague was misled and that the President is not afraid of the people and that he will eagerly sign this legislation, and boast about it, again underscoring to the world our commitment to full democracy.

PROPOSAL FOR CREATION OF RIO COMMISSION ON THE WORLD ENVIRONMENT

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, the President said at the Earth summit at Rio de Janiero that as important as the road to Rio has been, the road from Rio is even more important.

He is right and for that reason we clearly need to institutionalize our commitment and that of other nations to the agreements, recommendations, and spirit of the UNCED conference to ensure they do not languish.

At the time the United States signed with the Soviet Union and 33 other European nations the Helsinki accords, we institutionalized our commitments and theirs in the Helsinki Commission, on which I serve, which has been extremely effective in promoting the treaty, with special emphasis on human rights.

Mr. Speaker, I am proposing the creation of the Rio Commission on this same model, with four House Members, four Senate Members, and three from the executive branch, including the EPA, CEQ, and State Department. I respectfully request the cosponsorship of Members. Marking his strong words, I trust the President will also be supportive.

□ 1230

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MAZZOLI). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered or on which the vote is objected to under clause 4 of rule XV. Such rollcall votes, if postponed, will be taken at the end of legislative business today.

SOCIAL SECURITY ADMINISTRATION INDEPENDENCE ACT

Mr. ROSTENKOWSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5429) to establish the Social Security Administration as an independent agency, which shall be headed by a Social Security Board, and which shall be responsible for the administration of the old-age, survivors, and disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act, as amended.

The Clerk read as follows:

H.R. 5429

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

This Act may be cited as the "Social Security Administration Independence Act of 1992".

TABLE OF CONTENTS

Sec. 1. Short title and table of contents.
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Sec. 103. Personnel; budgetary matters; facilities; and procurement; seal of office.
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TITLE II—CONFORMING AMENDMENTS AND RULES OF CONSTRUCTION
Sec. 201. Amendments to titles II and XVI of the Social Security Act.
Sec. 202. Other conforming amendments.
Sec. 203. Rules of construction.
Sec. 204. Effective dates.

SEC. 2. DECLARATION OF PURPOSES.

The purposes of this Act are as follows:

(1) to establish the Social Security Administration as an independent agency, separate from the Department of Health and Human Services;

(2) to charge the Social Security Administration with administration of the old-age, survivors, and disability insurance program and supplemental security income program;

(3) to establish a Social Security board as head of the Social Security Administration and define the powers and duties of such Board;

(4) to establish an Executive Director of the Administration and define the powers and duties of the Executive Director; and

(5) to provide for delegating major authorities to the Board and the Executive Director.

TITLE I—ESTABLISHMENT OF THE SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY

SEC. 101. ESTABLISHMENT OF THE SOCIAL SECURITY ADMINISTRATION AS A SEPARATE, INDEPENDENT AGENCY; RESPONSIBILITIES OF THE AGENCY.

Section 701 of the Social Security Act (42 U.S.C. 901) is amended to read as follows:

"SOCIAL SECURITY ADMINISTRATION

"SEC. 701. There is hereby established, as an independent agency in the executive branch of the Government, a Social Security Administration. It shall be the duty of the Administration to administer the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI.".

SEC. 102. SOCIAL SECURITY BOARD, EXECUTIVE DIRECTOR, DEPUTY DIRECTOR, BENEFICIARY OMBUDSMAN; OTHER OFFICERS.

(a) IN GENERAL.—Section 702 of the Social Security Act (42 U.S.C. 902) is amended to read as follows:

"SOCIAL SECURITY BOARD; EXECUTIVE DIRECTOR; OTHER OFFICERS

"Social Security Board

"SEC. 702. (a)(1)(A) The Administration shall be governed by a Social Security Board. The Board shall be composed of three members appointed by the President, by and with the advice and consent of the Senate. The members shall be chosen on the basis of their integrity, impartiality, and good judgment, and shall be individuals who are, by reason of their education, experience, and attainments, exceptionally qualified to perform the duties of members of the Board.

"(B)(i) Except as provided in clauses (ii) and (iii), members of the Board shall be appointed for terms of six years. A member of the Board may be removed only pursuant to a finding by the President of neglect of duty or malfeasance in office. The President shall transmit any such finding to the Speaker of the House of Representatives and the majority leader of the Senate not later than five days after the date on which such finding is made.

"(ii) Of the members first appointed—

"(I) one shall be appointed for a term ending June 30, 1997,

"(II) one shall be appointed for a term ending June 30, 1999, and

"(III) one shall be appointed for a term ending June 30, 2001,

as designated by the President at the time of appointment. Such members shall be appointed after active consideration of recommendations made by the chairman of the Committee on Ways and Means of the House of Representatives and of recommendations made by the chairman of the Committee on Finance of the Senate.

"(iii) The President may not nominate an individual for appointment to a term of office as member of the Board before the commencement of the President's term of office in which the member's term of office commences. Any member appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term. A member may, at the request of the President, serve for not more than one year after the expiration of his or her term until his or her successor has taken office. A member of the Board may be appointed for additional terms.

"(C) Not more than two members of the Board shall be of the same political party.

"(D) A member of the Board may not, during his or her term as member, engage in any other business, vocation, profession, or employment. A member of the Board may continue as a member of the Board for not longer than the 30-day period beginning on the date such member first fails to meet the requirements of the preceding sentence.

"(E) Two members of the Board shall constitute a quorum, except that one member may hold hearings.

"(F) A member of the Board shall be designated by the President to serve as Chairperson of the Board for a term of 4 years.

"(G) The Board shall meet at the call of the Chairperson or two members of the Board.

"(2) Each member of the Board shall be compensated at the rate provided for level II of the Executive Schedule.

"(3) The Board shall—

"(A) govern by regulation the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI,

"(B) establish the Administration and oversee its efficient and effective operation,

"(C) establish policy and devise long-term plans to promote and maintain the effective implementation of programs referred to in subparagraph (A),

"(D) appoint an Executive Director of the Administration, as described in subsection (b), to act as the chief operating officer of the Administration responsible for administering the programs referred to in subparagraph (A),

"(E) constitute three of the members of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, with the Chairperson of the Social Security Board serving as Chairperson of such Board of Trustees,

"(F) prepare an annual budget, which shall be presented by the President to the Congress without revision, together with the President's annual budget for the Administration,

"(G) study and make recommendations to the Congress and the President as to the most effective methods of providing economic security through social insurance, supplemental security income, and related programs and as to legislation and matters of administrative policy concerning the programs referred to in subparagraph (A),

"(H) provide the Congress and the President with the ongoing actuarial and other analysis undertaken by the Administration with respect to the programs referred to in subparagraph (A) and any other information relating to such programs, and

"(I) conduct policy analysis and research relating to the programs referred to in subparagraph (A).

"(4)(A) The Board may prescribe such rules and regulations as the Board determines necessary or appropriate to carry out the functions of the Administration. The regulations prescribed by the Board shall be subject to the rulemaking procedures established under section 553 of title 5, United States Code.

"(B) The Board may establish, alter, consolidate, or discontinue such organizational units or components within the Administration as the Board considers necessary or appropriate to carry out its functions, except that this subparagraph shall not apply with respect to any unit, component, or position provided for by this Act.

"(C) The Board may, with respect to the administration of the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI, assign duties, and delegate, or authorize successive redelegations of, authority to act and to render decisions, to such officers and employees as the Board may find necessary. Within the limitations of such delegations, redelegations, or assignments, all official acts and decisions of such officers and employees shall have the same force and effect as though performed or rendered by the Board.

"Executive Director

"(b)(1) There shall be in the Administration an Executive Director who shall be appointed by the Social Security Board.

"(2)(A) The Executive Director shall be appointed for a term of four years, except that the individual first appointed to the office of Executive Director shall be appointed for a term ending September 30, 1997. An individual appointed to a term of office as Executive Director after the commencement of such term of office as Executive Director after the commencement of such term may serve under such appointment only for the remainder of such term. An individual may, at the request of the Chairperson of the Board, serve as Executive Director after the expiration of his or her term for not more than one year until his or her successor has taken office. An individual may be appointed as Executive Director for additional terms.

"(B) An individual may be removed from the office of Executive Director before completion of his or her term only for cause found by the Board.

"(3) The Executive Director shall be compensated at the rate provided for level II of the Executive Schedule.

"(4) The Executive Director shall—

"(A) constitute the chief operating officer of the Administration, responsible for administering, in accordance with applicable statutes and regulations, the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI,

"(B) maintain an efficient and effective operational structure for the Administration,

"(C) implement the long-term plans of the Board to promote and maintain the effective implementation of such programs,

"(D) report annually to the Board on program costs under titles II and XVI, make annual budgetary recommendations to the Board for the ongoing administrative costs of the Administration under this Act, and defend the recommendations before the Board,

"(E) advise the Board and the Congress on the effect on the administration of such programs of proposed legislative changes in such programs,

"(F) serve as Secretary of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund,

"(G) report in December of each year to the Board for transmittal to the Congress concerning the administrative endeavors and accomplishments of the Administration, and

"(H) carry out such additional duties as are assigned by the Board from time to time. Any reference to the Board in this Act or any other provision of law in connection with the exercise of a function of the Board which is delegated to the Executive Director pursuant to this section shall be considered a reference to the Executive Director.

"Deputy Director of Social Security

"(c)(1) There shall be in the Office of the Executive Director a Deputy Director, who shall be appointed by and serve at the pleasure of the Executive Director.

"(2) The Deputy Director shall be compensated at the rate provided for level III of the Executive Schedule.

"(3) The Deputy Director shall perform such duties and exercise such powers as the Executive Director shall from time to time assign or delegate. The Deputy Director shall be Acting Executive Director of the Administration during the absence or disability of the Executive Director and, unless the Board designates another officer of the Government as Acting Executive Director, in the event of a vacancy in the office of the Executive Director.

"General Counsel

"(d)(1) There shall be in the Administration a General Counsel, who shall be appointed by and serve at the pleasure of the Board. The General Counsel shall be the principal legal officer in the Administration.

"(2) The General Counsel shall be compensated at the rate provided for level IV of the Executive Schedule.

"Inspector General

"(e)(1) There shall be in the Administration an Office of the Inspector General. Such Office shall be headed by an Inspector General appointed in accordance with the Inspector General Act of 1978.

"(2) The Inspector General shall be compensated at the rate provided for level IV of the Executive Schedule.

"Beneficiary Ombudsman

"(f)(1) There shall be in the Administration an Office of the Beneficiary Ombudsman, to be headed by a Beneficiary Ombudsman appointed by the Board.

"(2)(A) The Beneficiary Ombudsman shall be appointed for a term of five years, except that the individual first appointed to the Office of Beneficiary Ombudsman shall be appointed for a term ending September 30, 1996. An individual appointed to a term of office as Beneficiary Ombudsman after the commencement of such term may serve under such appointment only for the remainder of such term. An individual may, at the request of the Chairperson of the Board, serve as Beneficiary Ombudsman after the expiration of his or her term for not more than one year until his or her successor has taken office. An individual may be appointed as Beneficiary Ombudsman for additional terms.

"(B) An individual may be removed from the office of Beneficiary Ombudsman before completion of his or her term only for cause found by the Board.

"(3) The Beneficiary Ombudsman shall be compensated at the rate provided for level V of the Executive Schedule.

"(4) The duties of the Beneficiary Ombudsman are as follows:

"(A) to represent within the Administration's decisionmaking process the interests and concerns of beneficiaries under the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI;

"(B) to review the Administration's policies and procedures for possible adverse effects on such beneficiaries;

"(C) to recommend within the Administration's decisionmaking process changes in policies which have caused problems for such beneficiaries;

"(D) to help resolve the problems under such programs of individual beneficiaries in unusual or difficult circumstances, as determined by the Administration; and

"(E) to represent within the Administration's decisionmaking process the views of beneficiaries in the design of forms and the issuance of instructions.

"(5) The Board shall assure that the Office of the Beneficiary Ombudsman has staff sufficient to enable the Beneficiary Ombudsman to efficiently carry out his or her duties. Such staff shall be located in the regional offices, program centers, and central office of the Administration.

"(6) The annual report of the Board under section 704 shall include a description of the activities of the Beneficiary Ombudsman.

"Administrative Law Judge

"(g)(1) There shall be in the Administration an Office of the Chief Administrative Law Judge, who shall be appointed by the Board. The duty of the Chief Administrative Law Judge shall be to administer the affairs of the administrative law judges serving in the Administration in a manner so as to ensure that hearings and other business are conducted by the administrative law judges in accordance with applicable law and regulations.

"(2) The Chief Administrative Law Judge shall report directly to the Board.".

(b) CONFORMING AMENDMENTS RELATING TO COMPOSITION OF BOARD OF TRUSTEES OF OASDI TRUST FUNDS.—Section 201(c) of such Act (42 U.S.C. 401(c)) is amended—

(1) in the first sentence, by striking "shall be composed of" and all that follows down through "ex officio" and inserting the following: "shall be composed of the members of the Social Security Board, the Secretary of Health and Human Services, all ex officio";

(2) by inserting after the first sentence the following new sentence: "The Chairperson of the Social Security Board shall be the Chairperson of the Board of Trustees."; and

(3) by striking "Commissioner of Social Security" and inserting "Executive Director of the Social Security Administration".

(c) INTERIM AUTHORITY OF THE COMMISSIONER.—The President shall nominate for appointment the initial members of the Social Security Board not later than April 1, 1993. In the event that, as of July 1, 1993, all members of the Social Security Board have not entered upon office, until all members of the Board have entered upon office, the officer serving on July 1, 1993, as Commissioner of Social Security in the Department of Health and Human Services (or Acting Commissioner, if applicable), or such officer's successor, shall, while continuing to serve as Commissioner of Social Security (or Acting Commissioner) in such Department, serve as head of the Social Security Administration established under section 701 of the Social Security Act (as amended by this Act) and shall assume the powers and duties of such Board and of the Executive Director under such Act (as amended by this Act).

SEC. 103. PERSONNEL; BUDGETARY MATTERS; FACILITIES; AND PROCUREMENT; SEAL OF OFFICE.

Section 703 of the Social Security Act (42 U.S.C. 903) is amended to read as follows:

"ADMINISTRATIVE DUTIES OF THE SOCIAL SECURITY BOARD

"Personnel

"SEC. 703. (a)(1) The Social Security Board shall appoint such additional officers and employees as it considers necessary to carry out its functions. Except as otherwise provided in any other provision of law, such officers and employees shall be appointed, and their compensation shall be fixed, in accordance with title 5, United States Code.

"(2) The Board may procure the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

"(3) The Director of the Office of Personnel Management shall authorize for the Administration a total number of Senior Executive Service positions which is greater than the number of such positions authorized in the Social Security Administration in the Department of Health and Human Services as of immediately before the date of the enactment of the Social Security Administration Independence Act of 1992, to the extent that the greater number of such authorized positions is specified in the comprehensive workforce plan as established and revised by the Board under subsection (b)(1). The total number of such positions authorized for the Administration pursuant to such section 3133 shall not at any time be less than the number of such authorized positions as of immediately before such date.

"(4) In addition to the positions of the Administration in the Executive Schedule specified in section 702, the Administration is authorized six additional positions at level IV of the Executive Schedule and six additional positions at level V of the Executive Schedule.

"Budgetary Matters

"(b)(1) Appropriations requests for staffing and personnel of the Administration shall be based upon a comprehensive workforce plan, which shall be established and revised from time to time by the Board. The entire amount of appropriations provided for the administrative costs of the Administration shall be apportioned in the time period provided in title 31, United States Code, for apportionment and shall be apportioned for the entire period of availability without restriction or deduction by the apportioning officer or employee of the Office of Management and Budget or any other entity within the executive branch of the Federal Government, except as otherwise provided in this subsection.

"(2) The report submitted pursuant to section 704 shall include a section reflecting the use of budget authority provided to the Administration by quarters.

"(3)(A) The authority of the Administration for facilities construction, and any authority of the Administration for automated data processing procurement which is delegated thereto, shall be provided in the form of contract authority covering the total costs thereof, to be available until expended.

"(B) Amounts necessary for the liquidation of contract authority provided pursuant to this paragraph are hereby made available from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund to the extent that the Board, with the concurrence of the Secretary of the Treasury, determines that such amounts are not necessary to meet the current obligations for benefit payments from the Trust Funds.

"(C) Funds appropriated for the Administration to be available on a contingency basis shall be apportioned only upon the occurrence of the stipulated contingency, as determined by the Board and reported to each House of the Congress.

"Seal of Office

"(c) The Board shall cause a seal of office to be made for the Administration of such design as the Board shall approve. Judicial notice shall be taken of such seal.".

SEC. 104. TRANSFERS TO THE NEW SOCIAL SECURITY ADMINISTRATION.

(a) FUNCTIONS.—There are transferred to the Social Security Administration all functions carried out by the Secretary of Health and Human Services with respect to the programs and activities the administration of which is vested in the Social Security Administration by reason of this Act and the amendments made thereby. The Social Security Board shall allocate such functions in accordance with sections 701, 702, and 703 of the Social Security Act (as amended by this Act).

(b) PERSONNEL, ASSETS, ETC.—(1) There are transferred from the Department of Health and Human Services to the Social Security Administration, for appropriate allocation by the Social Security Board in the Social Security Administration—

(A) the personnel (other than administrative law judges) employed in connection with the functions transferred by this Act and the amendments made thereby, as considered appropriate by the Board in consultation with the Secretary of Health and Human Services,

(B) such number of administrative law judges as are necessary to carry out the functions transferred by this Act and the amendments made thereby, as determined by the Board in consultation with the Secretary of Health and Human Services, and

(C) the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, or used in connection with such functions, arising from such functions, or available, or to be made available, in connection with such functions.

(2) Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.

(3) The Secretary of Health and Human Services shall terminate—

(A) six positions in the Department of Health and Human Services placed in level IV of the Executive Schedule (or equivalent positions) other than positions specifically required under section 5315 of title 5, United States Code, or any other provision of law, and

(B) six positions in such Department placed in level V of the Executive Schedule (or equivalent positions) other than positions specifically required under section 5316 of such title or any other provision of law.

(4) The transfer pursuant to this section of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employees to be separated or reduced in grade or compensation for 1 year after such transfer or July 1, 1993, whichever is later.

(c) ABOLISHMENT OF OFFICE OF COMMISSIONER IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Effective upon the entry upon office of all initial members of the Social Security Board pursuant to section 702 of the Social Security Act (as amended by this Act), the position of Commissioner of Social Security in the Department of Health and Human Services is abolished.

SEC. 105. TRANSITIONAL RULES.

(a) INTERIM AUTHORITY FOR APPOINTMENT AND COMPENSATION.—At any time on or after the date of the enactment of this Act—

(1) any of the officers provided for in section 702 of the Social Security Act (as amended by this Act) may enter upon office, as provided in such section, and

(2) the Social Security Board, upon entry upon office of all of the members thereof, may prescribe regulations providing for the orderly transfer of proceedings before the Secretary of Health and Human Services to the Social Security Board.

Funds available to any official or component of the Department of Health and Human Services, functions of which are transferred to the Social Security Board or the Social Security Administration by this Act, may be used, with the approval of the Director of the Office of Management and Budget, to pay the compensation and expenses of any officer entering upon office pursuant to this section until such time as funds for that purpose are otherwise available.

(b) CONTINUATION OF ORDERS, DETERMINATIONS, RULES, REGULATIONS, ETC.—All orders, determinations, rules, regulations, permits, contracts, collective bargaining agreements, recognitions of labor organizations, certificates, licenses, and privileges—

(1) which have been issued, made, promulgated, granted, or allowed to become effective, in the exercise of functions (A) which were exercised by the Secretary of Health and Human Services (or his delegate), and (B) which relate to functions which, by reason of this Act, the amendments made thereby, and regulations prescribed thereunder are vested in the Social Security Board, and

(2) which are in effect immediately before July 1, 1993,

shall (to the extent that they relate to functions described in paragraph (1)(B)) continue in effect according to their terms until modified, terminated, suspended, set aside, or repealed, in accordance with law, by such Board.

(c) CONTINUATION OF PROCEEDINGS.—The provisions of this Act (including the amendments made thereby) shall not affect any proceeding pending before the Secretary of Health and Human Services immediately before July 1, 1993, with respect to functions vested (by reason of this Act, the amendments made thereby, and regulations prescribed thereunder in the Social Security Board, except that such proceedings, to the extent that they relate to such functions, shall continue before such Board. Orders shall be issued under any such proceeding, appeals taken therefrom, and payments shall be made pursuant to such orders, in like manner as if this Act had not been enacted, and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or repealed by such Board, by a court of competent jurisdiction, or by operation of law.

(d) CONTINUATION OF SUITS.—Except as provided in this subsection—

(1) the provisions of this Act shall not affect suits commenced prior to July 1, 1993; and

(2) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted. No cause of action, and no suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of the Department of Health and Human Services, shall abate by reason of the enactment of this Act. Causes of action, suits, actions, or other proceedings may be asserted by or against the United States and the Social Security Administration, or such official of such Administration as may be appropriate, and, in any litigation pending immediately before July 1, 1993, the court may at any time, on its own motion or that of a party, enter an order which will give effect to the provisions of

this subsection (including, where appropriate, an order for substitution of parties).

(e) CONTINUATION OF PENALTIES.—This Act shall not have the effect of releasing or extinguishing any criminal prosecution, penalty, forfeiture, or liability incurred as a result of any function which (by reason of this Act), the amendments made thereby, and regulations prescribed thereunder is vested in the Social Security Board.

(f) JUDICIAL REVIEW.—Orders and actions of the Social Security Board in the exercise of functions vested in such Board under this Act (and the amendments made thereby) shall be subject to judicial review to the same extent and in the same manner as if such orders had been made and such actions had been taken by the Secretary of Health and Human Services in the exercise of such functions immediately before July 1, 1993. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function so vested in such Board shall continue to apply to the exercise of such function by such Board.

(g) EXERCISE OF FUNCTIONS.—In the exercise of the functions vested in the Social Security Board under this Act, the amendments made thereby, and regulations prescribed thereunder, such Board shall have the same authority as that vested in the Secretary of Health and Human Services with respect to the exercise of such functions immediately preceding the vesting of such functions in such Board, and actions of such Board shall have the same force and effect as when exercised by such Secretary.

(h) OPERATION OF TRANSITIONAL RULES IN THE EVENT OF INTERIM AUTHORITY IN THE COMMISSIONER.—For purposes of this section, in any case in which the powers and duties to be transferred to the Social Security Board are transferred to the Commissioner of Social Security (or acting Commissioner) in the Department of Health and Human Services for an interim period pursuant to section 102(c), the preceding provisions of this section shall apply with respect to the transfer of such powers and duties to and from such Commissioner (or acting Commissioner) pursuant to section 102(c) in the same manner and to the same extent as they would have applied to a direct transfer from the Secretary of Health and Human Services to the Social Security Board if all members of the Board had entered upon office.

SEC. 106. EFFECTIVE DATES.

(a) IN GENERAL.—Sections 101, 102(a), 103, and 104 of this Act shall take effect July 1, 1993.

(b) EXCEPTIONS.—Section 102(b) of this Act shall take effect upon the entry upon office of all initial members of the Social Security Board. Sections 102(c) and 105 of this Act shall take effect on the date of the enactment of this Act.

(c) NEW SPENDING AUTHORITY.—Any new spending authority provided by this title shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance in appropriation Acts.

TITLE II—CONFORMING AMENDMENTS AND RULES OF CONSTRUCTION

SEC. 201. AMENDMENTS TO TITLES II AND XVI OF THE SOCIAL SECURITY ACT.

(a) IN GENERAL.—Title II of the Social Security Act (other than section 201, section 218(d), section 226, section 226A, and section 231(c)) and title XVI of such Act are each amended—

(1) by striking, wherever it appears therein, "Secretary of Health and Human Services" and inserting "Social Security Board";

(2) by striking, wherever it appears therein, "Department of Health and Human Services" and inserting "Social Security Administration";

(3) by striking, wherever it appears therein, "Department" (but only if it is not immediately succeeded by the words "of Health and Human Services", and only if it is used in reference to the Department of Health and Human Services) and inserting "Administration";

(4) by striking, wherever it appears therein, each of the following words (but, in the case of any such word only if such word refers to the Secretary of Health and Human Services): "Secretary", "Secretary's", "his", "him", and "he", and inserting (in the case of the word "Secretary") "Social Security Board", (in the case of the word "Secretary's") "Board's", (in the case of the word "his") "the Board's", (in the case of the word "him") "the Board", and (in the case of the word "he") "the Board"; and

(5) by striking, wherever it appears therein, "Internal Revenue Code of 1954" and inserting "Internal Revenue Code of 1986".

(b) AMENDMENTS TO SECTION 218.—Section 218(d) of such Act (42 U.S.C. 418(d)) is amended by striking "Secretary" each place it appears in paragraphs (3) and (7) and inserting "Social Security Board".

(c) AMENDMENTS TO SECTION 222.—Section 222(d) of such Act (42 U.S.C. 422(d)) is amended—

(1) in the last sentence of paragraph (1), by striking "Commissioner of Social Security" and inserting "Executive Director of the Social Security Administration"; and

(2) in the first sentence of paragraph (2), by striking "Commissioner of Social Security" and inserting "Executive Director of the Social Security Administration".

(d) AMENDMENT TO SECTION 231.—Section 231(c) of such Act (42 U.S.C. 431(c)) is amended by striking "Secretary determines" and inserting "Social Security Board and the Secretary jointly determine".

(e) AMENDMENT TO SECTION 1615.—Section 1615(d) of such Act (422 U.S.C. 1832d(d)) is amended by striking "Commissioner of Social Security" and inserting "Executive Director of the Social Security Administration".

SEC. 202. OTHER CONFORMING AMENDMENTS.

Title VII of the Social Security Act is amended—

(1) by striking section 704 (42 U.S.C. 904) and inserting the following new section:

"REPORTS

"SEC. 704. The Secretary and the Social Security Board shall make full reports to Congress, within 120 days after the beginning of each regular session, of the administration of the functions with which they are charged under this Act. In addition to the number of copies of such reports authorized by other law to be printed, there is hereby authorized to be printed not more than 5,000 copies of each such report for use by the Secretary and Social Security Board for distribution to Members of Congress and to State and other public or private agencies or organizations participating in or concerned with the programs provided for in this Act.";

(2) in section 709(b)(2) (42 U.S.C. 910(b)(2)), by striking "(as estimated by the Secretary)" and inserting ", as estimated by the Social Security Board or the Secretary (whichever administers the program involved),"; and

(3) by adding at the end thereof the following new section:

"DUTIES AND AUTHORITY OF SECRETARY

"SEC. 712. (a) The Secretary shall perform the duties imposed upon him by this Act and shall also have the duty of studying and making recommendations as to the most effective methods of providing economic security and as to legislation and matters of administrative policy concerning the programs administered by the Secretary and related subjects; except that nothing in this section shall be construed to require the Secretary to make studies or recommendations with respect to programs administered by the Social Security Administration.

"(b) The Secretary is authorized to appoint and fix the compensation of such officers and employees, and to make such expenditures, as may be necessary for carrying out the Secretary's functions under this Act. Appointments of attorneys and experts may be made without regard to the civil service laws.".

SEC. 203. RULES OF CONSTRUCTION.

(a) REFERENCES TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Whenever any reference is made in any provision of law (other than this Act or a provision of law amended by this Act), regulation, rule, record, court order, or other document to the Department of Health and Human Services with respect to such Department's functions under the old-age, survivors, and disability insurance program under title II of the Social Security Act or the supplemental security income program under title XVI of such Act, such reference shall be considered a reference to the Social Security Administration.

(b) REFERENCES TO THE SECRETARY OF HEALTH AND HUMAN SERVICES.—Whenever any reference is made in any provision of law (other than this Act or a provision of law amended by this Act), regulation, rule, record, court order, or other document to the Secretary of Health and Human Services with respect to such Secretary's functions under such programs, such reference shall be considered a reference to the Social Security Board.

(c) REFERENCES TO OTHER OFFICERS AND EMPLOYEES.—Whenever any reference is made in any provision of law (other than this Act or a provision of law amended by this Act), regulation, rule, record, or document to any other officer or employee of the Department of Health and Human Services with respect to such officer's or employee's functions under such programs, such reference shall be considered a reference to the appropriate officer or employee of the Social Security Administration.

SEC. 204. EFFECTIVE DATES.

(a) IN GENERAL.—The preceding provisions of this title shall take effect July 1, 1993.

(b) NEW SPENDING AUTHORITY.—Any new spending authority provided by this title shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance in appropriation Acts.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 20 minutes and the gentleman from Kentucky [Mr. BUNNING] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 5429, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 5429, the Social Security Administration Independence Act of 1992, which would make the Social Security Administration an independent agency governed by a bipartisan Social Security Board, with responsibility for the Social Security and SSI programs.

The Federal Government has no greater obligation to the American work force than to protect and strengthen the Social Security system. Today 9 out of 10 workers contribute payroll taxes to the Social Security trust fund, entitling them to benefit payments when they retire or become disabled. We must ensure that the Federal Government's promise to pay these benefits is a good one by managing the Social Security trust funds wisely.

It was with this obligation in mind that Congress removed the Social Security trust fund from the Federal budget in 1990: We wanted to shield Social Security from short-term political pressures. The House was nearly unanimous in taking this action, excluding Social Security from the budget by a vote of 413 to 15.

Yet, in spite of this budgetary reform, it is clear that the Government agency that administers Social Security continues to be vulnerable to political pressures. Over the past decade, these pressures have been highly destabilizing:

During the early 1980's, the Reagan administration ordered a sharp acceleration of SSA's continuing disability reviews, removing thousands of disabled Americans from the Social Security rolls—and eventually prompting legislative action to reverse the policy.

During the mid-1980's the Reagan administration reduced SSA's staff by more than 20 percent. In the wake of this reduction, benefit payment errors have risen sharply, agency telephones have gone unanswered, and office waiting times have increased.

During the 1990's, SSA has been overwhelmed with disability applications, largely because—under pressure from OMB—it has failed to ask Congress for the administrative funding it needs to process them. As a result, disabled Americans must now wait more than 3 months for an initial decision from SSA; and those who appear must wait a full year.

Mr. Speaker, it is the responsibility of this body to remove the pressures on SSA that are causing these problems—and I believe that the legislation before us would do just that. Under H.R. 5429, SSA would be separated from the Department of HHS and placed under the leadership of a Social Security Board. The Board would be independent and bipartisan, and its members would serve staggered 6-year terms. Such a Board would strengthen public confidence in the Social Security system and free its operations from short-term political pressure. This administrative structure would also emphasize the fact that the Government is acting as a trustee, protecting the investment of workers who have built up rights under the system.

As an enthusiastic cosponsor of independent agency legislation for the past 4 years and its principal sponsor during this Congress, I see this vote as an opportunity to do something tangible this year to strengthen the Social Security system—not only for today's seniors but for generations of retirees yet to come. I urge my colleagues to give H.R. 5429 their strong support.

Mr. Speaker, I reserve the balance of my time.

Mr. BUNNING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5429 is a bill whose time has come. It proposes to make the Social Security Administration independent from the Department of Health and Human Services, and the bill received strong bipartisan support from the Ways and Means Committee. Of all the Federal agencies, the Social Security Administration is one that needs to be above politicization. This bill does that.

Specifically, H.R. 5429 provides that a three-member Social Security Board be appointed by the President—with no more than two from the same political party—and the Senate would confirm them for staggered 6-year terms. The Board would, in turn, appoint an Executive Director to handle its day-to-day affairs.

I can appreciate why the administration would be opposed to this bill since it means that one of the largest Federal agencies would be operating outside the cabinet structure. However, over the years, the Social Security Subcommittee has heard reams of persuasive testimony from a wide range of groups, including actual employees at SSA, senior citizens and advocacy groups for seniors, and the disabled. All of whom have pointed out that the bureaucratic redtape that Social Security has to go through would be considerably less if the agency could act on its own.

In my opinion, many of the problems I've witnessed and heard about stem from the fact that SSA has had nine Commissioners in 15 years, with four who lasted less than 18 months. During that same time, the average tenure of the Secretary of Health and Human Services—the Department within which Social Security is located—has been about 2 years.

I'm not saying that the Secretaries and Commissioners haven't been capable or well-intentioned, but it is obvious that each person has brought different management styles, priorities, and organizational concepts. With that many turnovers, the result has been weakened public confidence and lowered employee morale.

By making Social Security an independent agency, continuity and stability can be achieved for the 46 million beneficiaries who rely on SSA and its programs. I hope the administration will reconsider its opposition to H.R. 5429 because our best hope for the Social Security Administration is to make it a separate agency. I urge the bill's enactment.

Mr. Speaker, I reserve the balance of my time.

Mr. JACOBS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Illinois [Mr. ROSTENKOWSKI], our chairman, and the ranking member of the subcommittee, the gentleman from Kentucky [Mr. BUNNING], have made eloquent statements about the purpose of this legislation.

I might say that the last time the legislation was on the floor of the House it passed 401 to zip, zero.

I might also say for the record an example of the organizations who are supporting this legislation, mainly for the reasons mentioned by the gentleman from Kentucky [Mr. BUNNING] and the gentleman from Illinois [Mr. ROSTENKOWSKI]. They include the American Association of Retired Persons—and I prefer People—but that is what they call themselves, National Council of Senior Citizens, Older Women's League, Families U.S.A., National Committee to Preserve Social Security and Medicare, Gray Panthers, National Council on the Aging, National Hispanic Council on the Aging, National Caucus and Center for Black Aged, Inc., National Association of Area Agencies on Aging, American Federation of Government Employees, National Treasury Employees Union, National Association of Retired Federal Employees, and the National Association of Disability Examiners.

Mr. Speaker, in a nutshell, this legislation allows Social Security to fully become what it was meant to be, an agency of independence. In short, it allows the Social Security system to mind its own business, and requires the U.S. Government, the rest of the U.S. Government, to mind its own business, no subterfuge about surpluses to cover up actual deficits and all the rest.

It is an idea whose time surely came a long time ago, but at long last I think we are moving toward fruition.

Mr. Speaker, I yield 3 minutes to the gentleman from Maryland [Mr. CARDIN].

□ 1240

Mr. CARDIN. Mr. Speaker, I want to thank my Social Security Committee chairman, the gentleman from Indiana [Mr. JACOBS], for yielding me this time, and I want to congratulate him and the gentleman from Kentucky [Mr. BUNNING] for bringing this bill forward.

I have a special interest in this legislation in that I not only serve on the Subcommittee on Social Security in the Ways and Means Committee, but it is my region of Maryland in which the Social Security Administration is located.

We have very dedicated employees and we have an outstanding leader in Gwen King. It is particularly important, I think, that we pass this legislation that will establish Social Security as an independent agency.

The Social Security Administration basically administers a trust. Most of its revenues come from a trust. The elderly, the disabled, and many millions of Americans depend upon the ability of this agency to carry out that trust.

In 1990, we recognized that the revenue was special and not to be used to mask the size of the Federal deficit.

It is important now that we take the next step and recognize the Social Security Administration as an independent agency.

In spite of the fact that the number of elderly are increasing in our society and the work of the Social Security Administration is increasing in our society, when we look at the type of budget support that the Social Security Administration has received from the administration, we know full well that this agency needs better consideration.

Since 1984, the number of employees has declined by 21 percent, despite the fact that the work of this agency has increased. If we adjust their budget for inflation, we find that since 1985 it has been actually reduced by about 16 percent.

The most important reason to pass this bill, though, is to remove the SSA from the political intervention that we have seen by past administrations. All we need to do is look at disability determinations and see what has happened in regard to the ability of the SSA to handle disability determinations. By its own estimates, if the fiscal year 1993 budget were passed by Congress as recommended by the administration, we would see the backlog increase by 70 percent, and the number of people waiting for disability determinations increase from 800,000 of our constituents to 1.3 million. The average length of time it would take for a person to receive disability benefits would increase from 3 months to 7 months.

Mr. Speaker, I urge my colleagues to take the step that is badly needed to make the Social Security Administration an independent agency so that it can carry out its purpose.

Mr. BUNNING. Mr. Speaker, I yield 4 minutes to the gentleman from South Carolina [Mr. RAVENEL].

Mr. RAVENEL. Mr. Speaker, I would like to ask the gentleman from Indiana several questions about the legislation under consideration.

We all know that as the excess comes into the trust fund, we know that the people who pay the payroll taxes, you have an excess there with the outgo and income. Historically, as the excess has been coming in, that money has been loaned to the Treasury. In other words, the Treasury takes the money that comes in on Monday to cover those bills of the Nation, the checks that have been written the previous week. The Treasury then gives the trust fund bonds, short-term securities, debt securities of the U.S. Government and those are what go into the trust fund.

So the criticism of what has been going on with the trust fund is valid. There is no money, no cash in the sense that we have cash in our trust funds in South Carolina with the moneys deposited and it is real money. The Treasurer of the State can write a check on the trust fund and, of course, that check will be good because he is not writing on an IOU or a State bond or what have you. He is writing against real cash.

Now, of course, that is the situation, as we all know, as it involves the trust fund, the Social Security trust fund, as it is operated by the Federal Government.

Now, my question is, there will be no change in this procedure if this legislation is passed and, of course, the President signs it. Of course, he has threatened to veto it.

I am inclined to vote for it, but there will be no change in the way the moneys, the excess that comes into the trust fund is handled, will there?

Mr. JACOBS. Mr. Speaker, if the gentleman will yield, there will be no change. I am not sure I agree precisely with the gentleman's prescription. Since the inception of the Social Security system there has been a requirement by law that any surplus in the trust fund be invested as conservatively as possible.

There is a strange convolution that has grown up around this whole issue, and that is if my wife and I want to invest our money, our savings, as safely as possible, Jane Bryant Quinn and everybody else will tell you the U.S. securities are the safest, but when it comes to Social Security somehow or another those same securities become worthless IOU's.

I have never been smart enough to understand, since it is exactly the same obligation, exactly the same interest payments, where there is any difference.

I might say to the gentleman, a few years ago a bill was before Congress to allow the trustees to invest the surplus funds in high yield private interest. One of them, I believe, was the WPPSS bonds out in the Northwest. Congress wisely decided to stay on the conservative course, and that is exactly what this legislation would not interfere with.

Mr. RAVENEL. Well, I see. Tell me this. The gentleman talks about the safety of U.S. Government securities. Would the gentleman say with our deficit, the annual debt now being substantially in excess of $3 trillion and this year for the first time the annual deficit approaching $400 billion and continuing to grow, and in the light of what occurred here just a few days ago when this House failed by either 9 or 10 votes to pass the balanced budget amendment, would the gentleman say that the debt securities of the U.S. Government, given the fact that the annual deficit is as large as it is and is continuing to rapidly grow, would the gentleman say that the debt securities of the Federal Government are still the safest securities to be found in this country? Does the gentleman feel it is safer than cash on deposit?

The SPEAKER pro tempore (Mr. MAZZOLI). The time of the gentleman from South Carolina [Mr. RAVENEL] has expired.

Mr. JACOBS. Mr. Speaker, I yield 3 additional minutes to the gentleman from South Carolina.

Mr. RAVENEL. Mr. Speaker, I thank the gentleman for yielding this additional time.

Mr. JACOBS. Mr. Speaker, let me preface my response by telling the gentleman that I happen to be the one who began the balanced budget amendment to the Constitution movement here in the House of Representatives in 1976. At that time there were just two groups who opposed the proposal. They were the Democrats and the Republicans. A lot of people have changed their minds about that since.

Now, to answer the gentleman's question, yes, I would say and so would any leading economists say that it remains the safest investment, for this reason: the Whiskey Rebellion. The U.S. Government was badly in debt at the time the Continentalist Papers were issued, and Alexander Hamilton, the first Secretary of the Treasury, insisted that the U.S. Government pay off its debt. In order to do so, they put a whiskey tax on some people way out west in Pennsylvania. We can recall General Washington had to hop back on his horse and enforce that tax.

The reason is the U.S. Government, for all its profligacy, for all the waste, remains the safest bet in that it has the means by which to enforce its taxes and private parties who go out and have big parties do not. That is the reason.

Mr. RAVENEL. Well, I thank the gentleman very much, but I would just remind the gentleman and remind those who may be interested——

Mr. JACOBS. The gentleman does not need to remind me. It is much on my mind. I am the father of this effort.

Mr. RAVENEL. Well, for that the gentleman should be commended.

The gentleman knows that if he had a thousand dollars and he put it in the bank of his choice and he wrote a check on that thousand dollars for the thousand dollars, took the cash and spent it and sent the bank an IOU for the thousand dollars, if the gentleman tried to write a check against that IOU, I think the gentleman would experience some problems.

Given the financial problems the U.S. Government is experiencing, it would seem to me that the moneys from the trust fund would be better invested in the banks of the Nation around the country than in the IOU's of the Government.

Mr. JACOBS. Mr. Speaker, if the gentleman will continue to yield, all I can say to the gentleman on behalf of my wife and myself is that I hope the gentleman is mistaken, because most of our life savings are tied up in U.S. securities.

Mr. RAVENEL. Mr. Speaker, I hope the gentleman is correct.

Mr. JACOBS. Mr. Speaker, I yield 3 minutes to the gentleman from Washington [Mr. MCDERMOTT], a member of the subcommittee.

□ 1250

Mr. MCDERMOTT. Mr. Speaker, I rise in support of the Social Security Administration Independence Act. This agency is the custodian of a solemn promise by our Government to our people—that after you have worked all your life, or if disability keeps you from working, you can depend on a source of retirement income. That promise has been kept for half a century.

But more and more Americans are questioning that promise. They see a Social Security system held hostage to the deficit, subordinated to the President's political agenda. The Social Security Administration should have only one purpose—to administer, fairly, and efficiently, the benefit programs all Americans pay for. That is what the people are entitled to expect for the taxes they pay.

But that is not what they get. OMB routinely cuts the SSA budget before it comes to us. President Reagan presided over a wholesale purge of the disability rolls that did untold harm to thousands of vulnerable citizens. President Bush has presided over a systematic reduction of service in local offices, starting with a cutoff of telephone access.

If you do not speak English, you cannot get an interpreter when you talk to Social Security. The new system for approving representation fees has been delayed more than a year. The President's budget would double the delay in disability decisions. SSA disability standards discriminate against women and children with HIV infection. Twenty percent of supervisors have no training.

This agency has been systematically starved for over a decade. Thousands of Social Security employees, including the present Commissioner, work very hard to maintain and improve services. They deserve better. They deserve the independence this bill would give them, the power to speak for themselves. Millions of Americans who depend on Social Security programs deserve an agency that is independent and accountable to them.

This legislation will not solve all the problems of Social Security. But it will help. It is needed. I urge my colleagues to support it today.

Mr. JACOBS. Mr. Speaker, I yield 2 minutes and 45 seconds to the gentleman from New Jersey [Mr. HUGHES].

Mr. BUNNING. Mr. Speaker, I yield the additional 15 seconds to the gentleman from New Jersey [Mr. HUGHES].

The SPEAKER pro tempore. The gentleman from New Jersey [Mr. HUGHES] in recognized for 3 minutes.

Mr. HUGHES. First, Mr. Speaker, let me congratulate the gentleman from Indiana [Mr. JACOBS] and his colleague, the ranking Republican, the gentleman from Kentucky [Mr. BUNNING], for moving H.R. 5429 forward, a bill that would create an independent Social Security Administration.

In my judgment it will not solve all the problems of Social Security, but it is a giant step forward.

Mr. Speaker, I chair a subcommittee on the Select Committee on Aging which is looking at some of the problems that have been created in some of the areas such as a disability review. It is rather apparent that, unfortunately, the Social Security laws and the fund, the tremendous sums that are there for future beneficiaries, have been manipulated for other than Social Security purposes.

Mr. Speaker, we just took some testimony recently on disability reviews. These are cases of people on disability, people who have applied for disability, where in many instances they are entitled to disability, and the Social Security Administration is not reaching some of these cases before the beneficiary actually dies.

So up front we are not processing cases expeditiously. It is taking us too long to reach those who are seriously disabled, who are entitled to those funds which they contributed for a number of years; and on the back end people who have been on Social Security for years we are not reaching, we are not taking those off the Social Security rolls who are no longer entitled to Social Security disability. We are actually losing tens of millions of dollars every year. The estimates are as high as $100 to $150 million that we are losing because people are collecting disability who should not be but because we have so few staff persons who are, in fact, looking at these ongoing disability cases that we are losing those moneys.

So on the front end we are not reaching those who are entitled to it and on the back end we are not reaching those who are not entitled to those funds.

My other point is that Social Security should be administered honestly, without ulterior motives. We should not be determining Social Security matters just because we want to cloak the Federal deficit, or keep administrative costs down. Yet that is what we are doing. If the Social Security Administration costs a lot of money, that would be one thing, but the estimates are that Social Security costs about 1 percent of the moneys coming in to administer. We are not really spending a lot on administrative costs, but we are wasting tens of millions of dollars because we are not committing resources so that those who administer the Social Security programs can do a decent job.

Mr. Speaker, I think that an independent agency is the right way to go and that is what this legislation would do, and I congratulate and commend my colleagues once again for moving this bill forward.

Mr. BUNNING. Mr. Speaker, I yield myself 2 minutes to respond to some of the things that have been said.

First of all, in a bipartisan bill—and this is a bipartisan bill—it serves little purpose to bash the administration in the way they have handled the Social Security Administration. The Congress of the United States could have appropriated at any time more money for the administration of Social Security if they so chose. It was not the administration that did that; the Congress of the United States did that.

So it serves little purpose to beat up on the Bush and Reagan administrations because we hold the ultimate purse strings as the Congress, in allocating to the Social Security Administration the amount of money needed to run that agency.

So the gentleman from Washington [Mr. MCDERMOTT], who spent time in saying that the Bush and Reagan administrations systematically cut back on the administrative costs of Social Security by withholding money, well, the Congress of the United States could have at any time appropriated more money if they so chose.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. JACOBS. Mr. Speaker, I yield myself 15 seconds.

Mr. Speaker, I just wanted to add to the response that I gave earlier to the questions about the Social Security funds that many States and many pension funds are invested in U.S. securities for the same reason.

Mrs. LLOYD. Mr. Speaker, over the past decade, the Social Security Administration has been overwhelmed with disability claims. Consequently, disabled Americans now wait more than 3 months for an initial decision and those who appeal are expected to wait up to a full year for a final decision to be rendered on their claim. Needless to say, this is one of the most telling symptoms of the Social Security Administration's problems.

I am pleased to lend my support to H.R. 5429, legislation which would make the Social Security Administration an independent agency. Such legislation would help ensure that the agency is run in a stable and professional manner by reducing the potential for political intervention in agency decisionmaking. It is clear that the Social Security Administration has become vulnerable to both budget problems and to political manipulation.

Like many of you, when I return home to my district, I am often confronted with compelling complaints of service problems within the agency. In 1984, the Office of Management and Budget ordered a 6-year, more than 20 percent staff reduction, which the Social Security Administration implemented through attrition. The reductions contributed to a serious decline in service. Although those beneficiaries who lost their Social Security disability benefits were eventually reinstated, they suffered needlessly. SSA's fiscal year 1993 budget request projects that even if the agency's funding request is fully honored, the agency will have a backlog of almost 1.5 million disability applications by the end of 1993. It can take up to 7 months to process applications. Although this bill does not solve all of the budgetary and staffing problems at SSA, I believe that it would help to build confidence in the program. It provides SSA with greater autonomy from the Office of Management and Budget [OMB]. This will allow SSA to implement the necessary reforms to get their job done well for our Social Security recipients.

In the 101st Congress, we responded to public concern over the alleged use of Social Security trust funds to mask actual Federal deficits. In essence we made the Social Security trust funds independent of the regular Federal budget. Accordingly, the SSA should become an independent agency in order to ensure that its operations reflect the needs of those the program was designed to serve.

Ms. SNOWE. Mr. Speaker, I rise today in support of H.R. 5429, legislation to establish the Social Security Administration as an independent government agency.

Today the Social Security Administration pays benefits to over 40 million individuals and covers 133 million workers. This enormous responsibility will only increase as our Nation continues to age. Therefore, it is more necessary today than ever before that the Social Security Administration be sound and financially secure.

As Representatives, we have a responsibility to our retired constituents. We must ensure that a secure retirement income in the form of Social Security is available to both current and future retirees. We can and we should ensure this security by recognizing the uniqueness of the Social Security Administration. Already, the Social Security Administration accounts for 54 percent of the Department of Health and Human Services employees and 60 percent of its expenditures. It is critical that we separate the Social Security Administration from its current position in the Department of Health and Human Services.

Mr. Speaker, last week the House debated the issue of a constitutional amendment to balance the Federal budget. Many of the opponents of this bill used tactics to scare seniors into believing that an amendment of this type would also legislate reductions in their Social Security benefits. Unfortunately, this is not the first time Social Security recipients have been made to fear that the Federal budget would be balanced at the expense of seniors. I believe that this ritual must come to an end.

The Social Security Program is built upon a solemn agreement between the Federal Government and the people, whereby individuals pay into the system during their working years and are assured benefits after their retirement. To threaten Social Security benefits would be to jeopardize the bond between the Government system they supported throughout their working years.

Seniors who are living on fixed incomes already worry about making ends meet. They should not have to add to these worries every time the Congress talks seriously about balancing the Federal budget. Establishing the Social Security Administration as a separate agency is a fundamental way in which the Congress can ensure that the Federal budget will be balanced responsibly, without arbitrary reductions in domestic programs.

It is time to make the Social Security Administration a separate, independent agency. We have waited and we have been patient, thinking that the issue of creating a secure Social Security Program could be addressed in other ways but, Mr. Speaker, we cannot afford to wait any longer.

Mr. GILMAN. Mr. Speaker, I rise in support of H.R. 5429, establishing the Social Security Administration as an independent agency. I commend the gentleman from Indiana [Mr. JACOBS] for introducing this important measure.

H.R. 5429 establishes the Social Security Administration as an independent agency, separate from the Department of Health and Human Services. Additionally, this measure establishes a new management of the agency. More specifically, a three member Social Security Board will be appointed by President and approved by the Senate, and Board Members will serve for overlapping 6-year terms.

Mr. Speaker, our Nation's seniors are concerned about the state of our Social Security system, especially the Social Security trust fund. It is time for Congress to take the necessary steps needed to make the Social Security Administration an independent agency, in order to enhance and protect our Nation's Social Security programs.

Accordingly, Mr. Speaker, I urge my colleagues to send a clear message to our Nation's seniors and disabled that we are concerned about the state of our Nation's Social Security trust fund and that we are undertaking significant steps to protect the future of the Social Security system by supporting H.R. 5429.

Mr. JACOBS. With that, Mr. Speaker, we have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Illinois [Mr. ROSTENKOWSKI] that the House suspend the rules and pass the bill, H.R. 5429, as amended.

The question was taken.

Mr. JACOBS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

MEMBRANE PROCESSES RESEARCH ACT OF 1992

Mr. BOUCHER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3673) to authorize a research program through the National Science Foundation on the treatment of contaminated water through membrane processes, as amended.

The Clerk read as follows:

H.R. 3673

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Membrane Processes Research Act of 1992".

SEC. 2. FINDINGS.

The Congress finds that—

(1) there is an increasing threat of impairment to the quantity and quality of the Nation's water resources due to, among other things, growing national needs, recurring drought in the western states, point and nonpoint source pollution, and salt-water intrusion into existing groundwater supplies;

(2) many communities in the United States have water supplies containing high salinity levels or contaminants which pose health risks;

(3) the Nation needs to develop economical processes to treat existing water supplies that are contaminated;

(4) it is necessary to provide for research into new techniques to reclaim wastewater and to convert saline and other contaminated waters to a quality suitable for municipal, industrial, agricultural, recreational, and other beneficial uses;

(5) there is very little Federal funding being applied to basic research in the field of treatment of contaminated water through membrane processes; and

(6) the treatment of contaminated water through membrane processes will solve a wide variety of water treatment problems, including compliance with the Federal Water Pollution Control Act and the Safe Drinking Water Act.

SEC. 3. RESEARCH PROGRAM.

The Director of the National Science Foundation shall establish a basic research program on membranes and membrane processes. Such program may be carried out through awarding grants, entering into contracts or cooperative agreements, or direct research.

SEC. 4. GOALS OF RESEARCH PROGRAM.

The goals of the research program established under section 3 shall be—

(1) the development of membranes resistant to degradation, bacterial or otherwise, thereby extending the life of such membranes;

(2) the development of membranes useful for the efficient and cost effective treatment of contaminated water; and

(3) the development of innovative technologies for membrane processes.

SEC. 5. COORDINATION WITH OTHER RESEARCH.

The research program established under section 3 shall be carried out in coordination with any other related Federal research efforts.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Director of the National Science Foundation, from sums otherwise authorized to be appropriated, $2,500,000 for fiscal year 1993, for carrying out this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia [Mr. BOUCHER] will be recognized for 20 minutes and the gentleman from California [Mr. PACKARD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Virginia [Mr. BOUCHER].

(Mr. BOUCHER asked and was given permission to revise and extend his remarks.)

Mr. BOUCHER. Mr. Speaker, H.R. 3673, entitled the Membrane Processes Research Act, directs the National Science Foundation to conduct research in new and less costly ways to purify water through the expanded use of membranes.

Mr. Speaker, I want to commend the ranking Republican member of our Subcommittee on Science of the Committee on Science, Space, and Technology, the gentleman from California [Mr. PACKARD] for his foresight in suggesting that this was an area in which the subcommittee should direct time and attention and also suggesting the legislation which the House is considering today.

□ 1300

This bill is brought before the body at the request, and with the assistance and cooperation, of the gentleman from California [Mr. PACKARD].

Mr. Speaker, recent years of drought in the Western States have underscored the need for new approaches to assuring an adequate supply of freshwater, both for municipal and for industrial purposes. The desalinization of seawater through the use of membranes is one promising means of meeting that need.

In fact, throughout the Nation, a growing demand is being placed on our limited freshwater supplies. One of the largest public policy debates that is occurring in my State of Virginia today is the appropriate means for meeting the need of the growing Tidewater area for freshwater, and various aspects of the citizenry of Virginia are involved in that public policy debate. Similar challenges are facing literally hundreds of other localities across the United States.

The development of new membrane technology is clearly a step in the right direction in meeting that growing need for freshwater. Membranes act as screens through which water containing salt and other impurities is pumped and, therefore, clarified.

In addition to providing salt-free drinking water, membranes can also be used to return purified water to the environment following industrial use. In the 1970's, the National Science Foundation took the lead in developing the technology for membrane use and water purification, but since that time very little has been accomplished in the way of new innovation, and new improvements and new technology in that basic design.

Given the scope of the national need that we now confront for freshwater, a renewed focus on membrane research is appropriate, and H.R. 3673 is the correct way to provide that focus.

Mr. Speaker, that concludes my opening remarks.

Mr. Speaker, I reserve the balance of my time.

Mr. PACKARD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my thanks to both Mr. BROWN and Mr. WALKER, the chairman and ranking Republican of the Science, Space, and Technology Committee for their support of my bill—H.R. 3673, the Membrane Processes Research Act of 1992.

A special thanks goes to the gentleman from Virginia [Mr. BOUCHER], the chairman of the Science Subcommittee, for his cooperation and valuable input in shaping this bill.

PURPOSE OF THE BILL

One of the main purposes of H.R. 3673 is to spur innovative ideas and research in a field that is ripe with potential—treating contaminated water through a specific desalination technique. This bill authorizes a research program to be administered by the National Science Foundation. The program is authorized at $2.5 million for fiscal year 1993 out of existing authorizations. No New Money.

The goal of the bill is to provide cost effective, viable alternatives to current water treatment systems. Treating contaminated water through membrane processes, such as reverse osmosis, will have broad applications from desalting seawater and brackish water to reclaiming wastewater.

The future market for this type of technology will be driven by the continuing development of increasingly stringent standards for drinking water, industrial wastewater discharges, and hazardous waste disposal.

EXPLANATION OF MEMBRANES

The focus of H.R. 3673 is research on membranes and membrane processes. Reverse osmosis, which is the most widely used desalination technology in the United States, uses pressure to force water through membranes in order to separate dissolved salts and minerals from freshwater.

Due to the fact that these membranes have a short life expectancy and are easily fouled, the cost of reverse osmosis is too high for widespread use in decontaminating water.

H.R. 3673 directs the National Science Foundation to establish a basic research program on these desalination technologies. The goals of the bill include developing membranes resistant to degradation and developing membranes useful for the efficient and cost-effective treatment of contaminated water.

NEED FOR THE LEGISLATION

Federal funding into this type of research is needed in order to continue development of this relatively new technology. Federal funding of research and development for converting saline and brackish water into usable water began with the passage of the Saline Water Act of 1952.

This research, which was essentially discontinued in 1982, was instrumental in the development of reverse osmosis and advances in distillation techniques. Due to the dramatic scaling-back of the program, cost savings and technological developments since 1982 have resulted primarily from refinements of existing technology.

The research that is to be conducted under H.R. 3673 is narrowly focused on a process that has applications that range from desalination to reclamation. And it is particularly well-suited for being carried out by the National Science Foundation.

Last year, Chairman BOUCHER and I heard testimony from the administration as well as industry and university representatives who were all very supportive of increased Federal attention on desalination research.

My interest in desalination research is no doubt obvious—drought continually plagues the Southwest, and in particular southern California.

It has become apparent to those in California and the Southwest that conservation, by itself, will not provide the ultimate solution to the desperate situation that exists in that part of the country.

What is probably less obvious is the benefit that this research program can have for the rest of the country. Critical water shortages have become a fact of life for numerous communities along the east coast as well as many communities in the heartland of this Nation.

Saltwater intrusion into existing freshwater supplies as well as the lack of adequate freshwater supplies require that many communities desalt brackish ground water before it can be used for drinking water.

Florida, alone, has the most number of desalination plants in the United States that are dedicated to producing municipal drinking water supplies.

SUMMARY

It is imperative that, we as a nation, develop efficient, cost-effective alternatives to current water treatment technologies so that water will be available for municipal, industrial, agricultural, and recreational uses.

Since 1982, investment in basic research for new and improved water treatment technologies has held a lower priority than many other research activities. It is obvious that numerous benefits could be realized from cost-effective, viable water treatment technologies.

Mr. Speaker, it is time for basic research to generate innovative ideas on how to treat contaminated water. My bill moves the country in this direction by providing for a modest research program on a specific desalination technology.

I urge its passage.

Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, I thank the gentleman from California [Mr. PACKARD], my friend, for yielding this time to me, and I thank the gentleman from Virginia [Mr. BOUCHER] for this legislation.

I rise in strong support of H.R. 3673, and it is imperative that we, in southern California, continue to research new and various means for increasing our water supplies. We are in a 6-year drought in southern California, and most of the people around the country have heard recently that we just had two major earthquakes, and even a third this morning. All of the water supply that we import from San Diego comes across the San Andreas Fault, and that severely threatens the capability of California to receive any kind of water. Population growth has been expansive in California, by nearly 40 percent over the last 10 years. That is one reason we are picking up seven congressional seats, is the population, and, of course, there are demands on housing, on schools, and everything else which has impacted the water demands for southern California.

Mr. Speaker, that is why the Membrane Process Research Act of 1992 has got my support. It is imperative that both in quantity and quality that the water supplies in southern California, and all of California for that matter of fact, through the desalinization technologies. Can my colleagues imagine, here last week we had a pretty good rainfall in Virginia. Imagine only having that once every 6 years, and it has been disastrous. General Atomics in San Diego is looking at fusion-fission for desalinization. Kuwait desalts water at hundreds of millions of gallons per day, but their fuel is unlimited.

□ 1310

We do not have that advantage here in the United States.

These goals can be attained through cooperative effects by both the State governments and the Federal Government.

Finally, Mr. Speaker, we are also looking at other areas in California for doing the job. Under the leadership of Secretary Lujan, we are looking at how to increase the snowpack in the mountains to have storage, in light of the environmental concerns of endangered species, and how to collect water, all to the benefit of California. And it is not just California that will benefit from this study; it will be all of the Nation once we find out how to desalt water.

Finally, Mr. Speaker, I would like again to thank the chairman of the subcommittee, the gentleman from Virginia [Mr. BOUCHER], and my friend, the gentleman from California [Mr. PACKARD]. I would also like to recognize the staff of the Committee on Science, Space, and Technology for their hard work to see that we find alternative methods to meet our growing demand for freshwater in this country.

Mr. PACKARD. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. LEWIS], a member of the committee.

Mr. LEWIS of Florida. Mr. Speaker, I thank the gentleman for yielding time to me.

I rise in strong support of the Membrane Processes Research Act of 1992, H.R. 3673.

I want to congratulate the subcommittee chairman, Mr. BOUCHER, and the ranking member, Mr. PACKARD, for bringing forward this important legislation.

On a global basis, one of the most limited natural resources is drinkable water. In my own State of Florida, fresh water is becoming more and more scarce. In fact, several coastal regions are experiencing severe salt water intrusion problems.

Desalination is one of the procedures that could lead to unlimited supplies of fresh water and reverse the salt water intrusion problem. Unfortunately, the current technology is too expensive for widespread use.

The research called for in this legislation will lead to the development of the next-generation desalination technology. Hopefully, the drinking water prepared from sea water will be cheaper and more efficiently produced.

With increasing population and industrial demands, this research program could have one of the highest payoffs of any Federal research program.

I want to commend the gentleman from California for introducing this legislation. The bill addresses an issue of great concern to California and many other sections of the country—converting salt water to fresh water.

I urge my colleagues to support this important legislation, H.R. 3673.

Mr. PACKARD. Mr. Speaker, I yield myself one minute.

Mr. Speaker, I would simply like to say that we on our committee are looking at many different ways to do research to recapture and better manage our water supplies.

I serve on the Committee on Public Works and Transportation, which also has jurisdiction over much of our water supply. Certainly we must do a better job of managing this life-saving commodity in our country. This bill is one effort in that direction, combined with several other efforts to try to better govern and better use water and find new sources of clean, pure, and drinkable water.

Mr. BROWN. Mr. Speaker, I rise in support of H.R. 3673, the Membrane Processes Research Act of 1992. The research program established by this legislation will fund basic research to develop membranes that are longer lasting and more resistant to fouling than those currently available to industry.

Membranes are essential to many chemical processes, including the most widely used methods to desalinate seawater and brackish groundwater. Better membranes will greatly reduce the costs of water treatment to U.S. industries and municipalities.

I congratulate Mr. BOUCHER and Mr. PACKARD for initiating this important legislation, and I urge my colleagues to support this important measure.

Mr. PACKARD. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BOUCHER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Virginia [Mr. BOUCHER] that the House suspend the rules and pass the bill, H.R. 3673, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BOUCHER. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the legislation just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

NATIONAL SCIENCE FOUNDATION COMPUTER NETWORK

Mr. BOUCHER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5344) to authorize the National Science Foundation to foster and support the development and use of certain computer networks.

The Clerk read as follows:

H.R. 5344

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ADMINISTRATIVE AMENDMENT.

Section 3 of the National Science Foundation Act of 1950 (42 U.S.C. 1862) is amended by adding at the end the following new subsection:

"(g) In carrying out subsection (a)(4), the Foundation is authorized to foster and support the development and use of computer networks which may be used substantially for purposes in addition to research and education in the sciences and engineering, if the additional users will tend to increase the overall capabilities of the networks to support such research and education activities.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia [Mr. BOUCHER] will be recognized for 20 minutes, and the gentleman from California [Mr. PACKARD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Virginia [Mr. BOUCHER].

Mr. BOUCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5344, a bill to amend the NSF Act of 1950. H.R. 5344 provides additional flexibility to NSF in establishing policies for access to and use of computer networks supported by the Foundation.

I want to acknowledge the able assistance of the ranking Republican member of the Subcommittee on Science, Mr. PACKARD, regarding the subcommittee's consideration of this legislation.

The purpose of H.R. 5344 is to speed development of the National Research and Education Network—the so called NREN—which will be created pursuant to the High-Performance Computing Act of 1991.

By means of this powerful tool, scientists will be as close as their personal computers to collaboration with colleagues throughout the Nation, to access to remote data bases or libraries, and to use of specialized scientific facilities or instruments. The NREN will truly change the way research is done and will create access to critical resources for all researchers, regardless of geographic location.

But beyond scientific and technical applications, the NREN is a major step on the road to the future information infrastructure of the Nation. This future, ubiquitous network for voice, video and data communications of all kinds, will connect homes, schools and workplaces. It will constitute an essential ingredient for our future economic competitiveness and will open new worlds of information and services for all of our citizens.

The NREN will not be a network in the traditional sense. It will not be a collection of wires and cables. Rather, it will be a new generation of software and switches, and uniform standards to facilitate the transmission of data at high rates through existing fiber optic cables. The goal is to achieve a hundred fold increase in data transmission speed on user-friendly, widely accessible network.

The first steps toward the NREN are represented by the NSFNet, a national backbone computer network supported by NSF, which provides connections to more than 4,000 research and education institutions through the Nation. In the past 5 years, NSFNet has advanced from serving few supercomputer centers in a narrow research mission to serving millions of scholars and researchers in scores of industrial labs and in most universities and Federal labs in the United States. It also connects thousands of high schools and hundreds of libraries.

The success of NSFNet can be measured by its rate of growth of 11 percent per month. Overall, the Federal investment in NSFNet Mr. President, has leveraged by 30 to 1 the investment by States, industry and universities in developing the network infrastructure in the United States.

The policies of management and operation of NSFNet are of particular importance since the NREN will evolve as an outgrowth of this current backbone network and will be influenced by current practices. The purpose of H.R. 5344 is to ensure that the strong growth of NSFNet continues and to stimulate access via the network to new information resources.

At present, NSF provides NSFNet backbone services only to non-proprietary research and education activities. Electronic traffic for research and education purposes may travel on NSFNet at no cost while the cost of other traffic must be recovered. The rule imposing this requirement is known as the acceptable use policy.

At a March oversight hearing of the Science Subcommittee on management and operation of the NSFNet, representatives of network users and network service providers, as well as NSF, all recommended relaxing or eliminating the acceptable use policy.

Concerns were raised that some commercial network service providers have refrained from providing access to their services via the NSFNet because of uncertainties about the application of the current policy. Such constraints on use of NSFNet reduce the rate of growth that would otherwise be possible. The effect of slower growth ultimately is to increase the cost per message of network traffic and to raise the overall cost of network operation to the disadvantage of commercial and noncommercial user alike.

H.R. 5344 modifies a provision of the NSF Act of 1950, which NSF has cited as requiring imposition of the current acceptable use policy. The amendment authorizes NSF to support the development and use of computer networks, which may carry a substantial volume of traffic that does not conform to the acceptable use policy. I would stress that this new authority is subject to the condition that any changes to the acceptable use policy must increase the overall capability of the network to support research and education activities. Accordingly, the legislation does not alter the basic mission of NSF regarding support for networks but allows the Foundation to institute more effective policies necessary to achieve the long-term goals for the NREN.

Mr. Speaker, this legislation will allow for accelerated growth of the NREN, while reducing costs to the Government and increasing network services available for network users. H.R. 5344 will give NSF additional flexibility for developing, in concert with the private sector, a highly capable computer network for meeting critical national needs in support of research and education. The bill will help advance the goals of the High-Performance Computing Act and, ultimately provide the technology base for a modern information infrastructure for the Nation.

I am pleased to commend this bill to the House for its approval.

□ 1320

Mr. Speaker, I reserve the balance of my time.

Mr. PACKARD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my colleague the gentleman from Virginia, [Mr. BOUCHER], who is the chairman of the Science Subcommittee has explained exactly what this bill is intended to do—namely, the intent of the bill is to provide flexibility to the National Science Foundation to change the access requirements for its national computer network.

H.R. 5344 amends a provision of the NSF Act of 1950 by authorizing NSF to support the development of a computer network which carries a substantial volume of traffic not associated with research and education purposes. This new authority is subject to the condition that the presence of the nonconforming traffic would increase the overall capability of the network to support research and education activities.

This issue of changing current access requirements was raised before the Science Subcommittee in an oversight hearing which reviewed NSF policies on management and operation of NSFNet. In drafting this bill, the idea was to try and correct a situation that appeared to be hampering the evolution of the NSFNet to the National Research and Education Network.

We have just received a statement from the administration stating that the legislation could be unnecessary because NSF has recently devised a technical solution to this problem.

I would note, however, that the science adviser to the President is still concerned about federally subsidizing commercial use of this network.

If this bill moves to conference, I am committed to addressing any remaining concerns of the administration.

Mr. BROWN. Mr. Speaker, H.R. 5344 amends, the National Science Foundation Act of 1950 for the purpose of assisting the foundation in its role of advancing computer network technologies and operational capabilities. In particular, the amendment provides additional flexibility to NSF in its activities to support development of the National Research and Education Network, referred to as the NREN.

I want to congratulate Mr. BOUCHER, the Science Subcommittee chairman, for initiating this legislation and Mr. PACKARD, the ranking Republican member of the subcommittee, for his assistance during all the committee proceedings.

This legislation arose from the oversight activities of the science subcommittee regarding NSF network programs. The purpose is to allow exploration of policies for use of NSF sponsored networks that will lead to better networking services for scientists, educators, and students throughout the Nation.

The NREN will provide a resource to stimulate the creative imaginations of the scientists, engineers and educators. In addition, it is a key component for developing the technologies and operational experience essential for putting in place the future information infrastructure of the Nation.

Mr. Speaker, H.R. 5344 will remove a potential impediment to maintaining progress toward the goals of the NREN. I urge my colleagues to support this important measure.

Mr. PACKARD. Mr. Speaker, I have no additional requests for time, and I yield back the balance of my time.

Mr. BOUCHER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Virginia [Mr. BOUCHER] that the House suspend the rules and pass the bill H.R. 5344.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BOUCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

TECHNICAL AMENDMENTS TO THE AMERICAN TECHNOLOGY PREEMINENCE ACT OF 1991

Mr. VALENTINE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5343) to make technical amendments to the American Technology Preeminence Act of 1991 and the Fair Packaging and Labeling Act with respect to their treatment of the SI metric system, as amended.

The Clerk read as follows:

H.R. 5343

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TECHNICAL AMENDMENTS.

The Fair Packaging and Labeling Act (15 U.S.C. 1451 et seq.) is amended—

(1) in sections 4(a)(2), (4), and (5), 4(b), and 5(c)(1), by striking "weight" and inserting in lieu thereof "weight or mass";

(2) in sections 4(a)(5) and 5(d), by striking "weights" and inserting in lieu thereof "weights or masses";

(3) in section 4(a)(2), by inserting ", using the most appropriate units of both the customary inch/pound system of measure, as provided in paragraph (3) of this subsection, and, except as provided in paragraph (3)(A)(ii) or paragraph (6) of this subsection, the SI metric system" after "panel of that label";

(4) in section 4(a)(3)(A)—

(A) by striking "containing less than four pounds" and all that follows through "pounds for weight units" in clause (i) and inserting in lieu thereof "labeled in terms of weight, shall be expressed in pounds";

(B) by striking "two" in clause (ii) and inserting in lieu thereof "three";

(C) by inserting "and is not required to, but may, include a statement in terms of the SI metric system carried out to not more than three decimal places" after "decimal places" in clause (ii);

(D) by striking "both in terms of inches and" in clause (iii) and inserting in lieu thereof "in terms of"; and

(E) by striking "both in terms of square inches and" in clause (iv) and inserting in lieu thereof "in terms of"; and

(5) in section 4(a), by adding at the end the following new paragraph:

"(6) The requirement of paragraph (2) that the statement of net quantity of contents include a statement in terms of the SI metric system shall not apply to foods that are packaged at the retail store level.".

SEC. 2. EFFECTIVE DATE.

The amendments made by section 1 shall take effect on February 14, 1994. The amendments made by section 1 shall have no effect on the sale or distribution of products whose labels have been printed before such effective date. Nothing in the amendments made by section 1 shall apply to unit pricing, advertising, recipe programs, nutrition labeling, or other general pricing information. Nothing in the amendments made by section 1 shall be construed to require changes in package size or to affect in any way the size of packages.

SEC. 3. REPEAL.

Section 107 of the American Technology Preeminence Act of 1991 is repealed.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina [Mr. VALENTINE] will be recognized for 20 minutes and the gentleman from Florida [Mr. LEWIS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. VALENTINE].

Mr. VALENTINE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5343, which seeks to clarify the Fair Packaging and Labeling Act amendments found in section 107 of the American Technology Preeminence [ATP] Act of 1992.

H.R. 5343 was introduced to end the food industry's concerns regarding the scope of the metric requirements contained in that section.

I would like to take this opportunity to congratulate our chairman, Mr. BROWN on his authorship of this bill and to thank Congressman WALKER and Congressman LEWIS, the Republican leaders of our committee and subcommittee, for their cooperation in moving the legislation forward in an expeditious manner. I would also like to thank Chairman DINGELL for his help in expediting consideration of the legislation.

The Fair Packaging and Labeling Act [FPLA] traditionally has required use of the inch/pound system on all consumer product labels. Section 107 of the ATP Act, which was signed into law February 14, 1992, amends this provision of the FPLA.

It gives packagers 2 years within which to redesign their labels to include metric measurements, and gives packagers the option to also continue use of customary english measurement.

The purpose of section 107 is to conform U.S. labeling to the emerging worldwide metric standard which is being required to do business in more and more countries.

Section 107 was drafted to affect the labeling of packages, but not the customary sizing of products.

However, section 107's characterization of metric as the primary system of measurement caused concern in the food industry that the section might be interpreted to require expensive conversion to metric sizing in the packaging of goods.

H.R. 5343 puts metric and inch/pound measurement on an equal footing by requiring the use of both on consumer packages. It eliminates mention of the SI metric system as the primary system for measuring quantity and makes clear that no changes are required in package sizing.

In addition, the bill clarifies that metric labeling applies only to prepackaged goods and not to food products measured at the retail store level. Other minor changes, suggested by the food industry, simplify the way english units are displayed on packages.

H.R. 5343 has satisfied the concerns of the critics of section 107 as can be seen from letters from the Food Marketing Institute and International Dairy Foods Association.

Mr. Speaker, I include for the RECORD at this point the letters to which I just referred:

INTERNATIONAL DAIRY FOOD ASSOCIATION,
Washington, DC, June 24, 1992.

Hon. GEORGE BROWN,
Chairman, House Committee on Science, Space, and Technology, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of the members of the Milk Industry Foundation, National Cheese Institute and International Ice Cream Association we thank you for your assistance in correcting problems presented to these industries by the metric provisions of the American Technology Preeminence Act of 1991. Your leadership in the recent introduction and approval by your Committee of H.R. 5343, to make technical corrections to the American Technology Preeminence Act in that regard, are most appreciated.

Without passage of this technical correction, dairy product processors, manufacturers and retailers will be faced with extensive and costly changes in their product packaging and distribution systems. It is important that the intent of the Committee be clarified so that the addition of metric measurement information on the label of products will not be misinterpreted to mean a more extensive conversion of packaging, etc. H.R. 5343, if passed, will make this clarification.

We urge swift action by the House of Representatives in adopting your amendment so that dairy foods companies and other businesses across America will not be unnecessarily burdened by conversion of packages to metric sizes. Our member companies and our staff here in Washington stand ready to help propel this needed technical correction.

Sincerely,

E. LINWOOD TIPTON,
President and CEO.

FOOD MARKETING INSTITUTE,
Washington, DC, June 18, 1992.

DEAR MEMBER OF CONGRESS: The Food Marketing Institute (FMI), on behalf of our nation's food retailers and wholesalers, strongly supports H.R. 5343 which repeals section 107 of the American Technology Preeminence Act of 1991 (P.L. 102-245) and makes technical amendments to the metric provisons in the Fair Packaging and Labeling Act. It is our understanding that H.R. 5343 will soon be placed on the Suspension Calendar and we urge you to vote in favor of this important legislation when that occurs.

FMI strongly supports this non-controversial legislation because it makes several important clarifications to the metric law. First and foremost, H.R. 5343 eliminates the requirement that metric units are to be the primary system of measurement on affected products. By providing for a dual system of English Units and Metric measurement declaration, H.R. 5343 avoids significant compliance and conversion costs to the food distribution industry and consumers. Additionally, the legislation clarifies that changes in packaging sizes are not required, and that only pre-packaged food items must display metric measurements on their labels. Thirdly, the technical amendments make it clear that unit pricing, advertising, nurition information, consumer recipe programs and general pricing information are not subject to metric requirements.

Finally, the technical amendments reaffirm that metric measurements shall appear on the label of a wide range of consumer products in order to enhance our nation's ability to compete in the global market place as we continue our efforts to educate American consumers about the metric system. For all these reasons, FMI endorses H.R. 5343 sponsored by Congressman George Brown (D-Calif.), Chairman of the House Science, Space, and Technology Committee, and we request your support for this bill.

Sincerely,

GEORGE GREEN,
Vice President, Assistant General Counsel.

Mr. Speaker, in my judgment, the amendments contained in H.R. 5343 are largely technical in nature; they change the wording of the statute to match our committee's intent in the American Technology Preeminence Act.

To make H.R. 5343 more consistent with House committee jurisdiction, the House Energy and Commerce Committee requested that we rewrite H.R. 5343 to repeal section 107 and to amend the FPLA directly.

This restructuring does not change the substance of H.R. 5343, but it does make it clear that the ATP Act is within the sole jurisdiction of the House Science Committee.

Likewise, the Committee on Energy and Commerce retains sole jurisdiction over the FPLA except for the limited overlap with Science Committee jurisdiction for those provisions that specify measurement systems.

At this point, I submit for the RECORD an exchange of letters between Chairmen BROWN and DINGELL which elaborate further on this jurisdictional point.

Mr. Speaker, I include for the RECORD the correspondence to which I referred:

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY,
Washington, DC, June 17, 1992.

Hon. JOHN DINGELL,
Chairman, Committee on Energy and Commerce, House of Representatives, Washington, DC.

DEAR JOHN: On June 9, 1992, I introduced H.R. 5343 which was referred to the House Committees on Science, Space, and Technology, and Energy and Commerce. H.R. 5343 replaces amendments to the Fair Packaging and Labeling Act (FPLA) which were made in Section 107 of the American Technology Preeminence (ATP) Act of 1991 (Public Law 102-245).

Section 107 of the ATP Act amended the FPLA to make the SI metric system the primary system of measuring quantity on labels covered by that Act while permitting dual measurement in English units. The change was meant to be a "soft" metric conversion and to affect labels only. However, some packagers have interpreted Section 107 as requiring an expensive "hard" metric conversion leading to changes in the size of packaged goods, and requiring retailers to make costly changes. H.R. 5343 clarifies the amended FPLA by requiring use of both English and metric units on labels and by listing those measurements which are not covered by the Act.

On June 10, 1992, the Science, Space, and Technology Committee marked up H.R. 5343, and at your Committee's request, recast the amendment, without changing the substance, as an amendment solely to the Fair Packaging and Labeling Act in recognition of the Energy and Commerce Committee's jurisdiction over that Act. As you know, provisions dealing with the metric system of measurement are expressly within the Science Committee's jurisdiction, and our interest in the FPLA goes no further. In light of these assurances, I would appreciate your agreement to permit the scheduling of H.R. 5343 on the suspension calendar next week. Thank you for your cooperation.

Sincerely,

GEORGE E. BROWN, Jr.,
Chairman.

COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, June 17, 1992.

Hon. GEORGE E. BROWN, Jr.,
Chairman, Committee on Science, Space, and Technology, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter of June 17, 1992 concerning H.R. 5343. As you indicated, H.R. 5343 replaces amendments to the Fair Packaging and Labeling Act (FPLA) which were made in Section 107 of the American Technology Preeminence (ATP) Act of 1991 (Public Law 102-245).

As you will recall from last year, our Committee did not request a sequential referral of the ATP Act because of the leadership's desire to move the bill expeditiously. However, Section 107 of that Act did amend the Fair Packaging and Labeling Act, a statute that falls within the sole jurisdiction of this Committee. We have no substantive objection to H.R. 5343, and appreciate your Committee's recognition of our jurisdiction over this legislation. With that agreement, we have no objection to your placing H.R. 5343 on the suspension calendar and request that you place this exchange of letters in the CONGRESSIONAL RECORD during floor consideration of the bill.

Thank you for your cooperation.

Sincerely,

JOHN D. DINGELL,
Chairman.

Mr. Speaker, I feel that H.R. 5343 is a very important clarification regarding measurement on labels and I urge my colleagues to support its enactment.

□ 1330

Mr. Speaker, I reserve the balance of my time.

Mr. LEWIS of Florida. Mr. Speaker, I yield myself such time as I may consume. The bill, technical amendments to the American Technology Preeminence Act of 1991 and the Fair Packaging and Labeling Act, clarifies a metric provision in Public Law 102-245.

Currently, the law requires packaged goods to be labeled in both English and metric units. The wording in the existing law could be interpreted to require the use of metric units, for example, in produce in grocery stores.

The changes made by H.R. 5343 make it clear that stores would not be forced to sell grapes or green beans by the kilogram.

The intent of the metric provision in current law is to provide a gentle push to simply include metric units on packaging labels. It is not the legislative intent to force the United States industry into abandoning the English units.

Many people will remember that in the 1970's an attempt to force conversion to metric units was met with great resistance by the American public.

The sentiment was illustrated in the comic strip "Peanuts." When faced with learning unfamiliar metric units, Sally responded by saying, "If I saw a centimeter, I would step on it."

We do not wish to repeat the mistakes of the past and therefore the Committee brings to the House for consideration H.R. 5343.

I want to thank Chairman BROWN and ranking member WALKER for their leadership in moving this legislation through the committee and bringing it before the House in such an expeditious manner.

I also want to thank the subcommittee chairman, Mr. VALENTINE, for his willingness to forge this bipartisan legislation to clarify the current law before it caused a negative impact on the American people.

Mr. Speaker, I would like to engage in a colloquy with the gentleman from North Carolina [Mr. VALENTINE], the chairman of the subcommittee.

H.R. 5343 makes some important and necessary changes to rationalize the requirement of metric labeling. It clarifies that the metric requirement is intended only to cover labeling, and not to require packaging in metric units. It also specifically exempts food packaged at the retail level. Of course, there may be other businesses adversely affected. So I'd just like to note that section 1454(b) of Chapter 39 of the United States Code, Exemption of Commodities From Regulations, allows the Secretary of HHS to exempt others from the metric labeling requirement if impracticable. Certainly if the requirement will result in economic hardship or significant cost to an affected part it should be deemed impracticable. After all, since the goal of metric labeling is competitiveness, we should be sure to avoid any anticompetitiveness effects.

Does this reflect the gentleman's understanding?

Mr. VALENTINE. Mr. Speaker, will the gentleman yield?

Mr. LEWIS of Florida. I yield to the gentleman from North Carolina.

Mr. VALENTINE. The gentleman is correct. The exceptional circumstances exemption to the Fair Packaging and Labeling Act requirements in section 1454(b) will apply to these amendments as well as the underlying act.

Mr. BROWN: Mr. Speaker, the SI metric system of measurement very rapidly is becoming a worldwide commercial standard. In the past 20 years, virtually every nation has taken major steps to adopt this system. By the time of the Omnibus Trade and Competitiveness Act of 1988, the United States was alone among its trading partners in having failed in its conversion attempt. In 1975, the United States passed the Metric Conversion Act, a bill designed to facilitate voluntary U.S. conversion to metric measurement. Yet infighting on the Metric Board which was set up to promote volun'tary conversion to metric and some unfortunate choices, in initial conversion targets meant very little progress occurred during the 1970's. When President Reagan was elected in 1981 on a pledge to eliminate unnecessary Government agencies, the Metric Board was an easy target for consolidation. So President Reagan abolished the Metric Board and assigned its functions to a tiny, underfunded office in the Department of Commerce.

Section 5164 of the Ominbus Trade and Competitiveness Act took a different approach to meteric conversion. It declared metric to be the preferred U.S. system of measurement and focused on Government procurement and other business-related activities. Section 5164 mandated that these activities be conducted in metric to the extent feasible by the end of the current fiscal year. Although the effort had a slow start, conversion activities picked up significantly after the issuance of a Presidential Executive order last summer. The Japanese Government's identification as a nontariff trade barrier of the United State failure to convert to metric and the European Community's rapid movement towards metric in unified European commercial standards also have made it clear that inability to export in metric will hurt United States businesses dearly.

The Congress, when it required use of metric measure in the Fair Packaging and Labeling Act through section 107 of the American Technology Preeminence Act, removed one of the last vestiges of statutory language which discriminated against metric. To me, changing the Fair Packaging and Labeling Act to require metric on consumer product labels was a conforming amendment to bring that statute in line with the overall Government policy as set forth in the Ominbus Trade and Competitiveness Act. Our debate in the Science Committee focused exclusively on labels. This provision was meant to require a soft metric conversion. To comply, a business was not required to redesign its products in hard metric measurements however desirable that may be in the long term. Rather, it was required to state on its labels the metric equivalent of the inch-pound measurements. Furthermore, nothing in the statute was intended to stop packagers from also using inch-pound units and putting those units first if the packager so desired. However, the wording of the statute caused fear among certain members of the food industry that regulations promulgated under this section would be considerably less flexible than the statute itself.

Therefore, I introduced H.R. 5343 to clarify what is required of labelers and to end controversy surrounding section 107. H.R. 5343 repeals section 107 and replaces it with a requirement that by February 14, 1994, labels contain both metric and inch-pound measurements. H.R. 5343, by listing what is not covered by this requirement, also makes clear that the change applies only to labels and not to the sizing of packages. Packagers are free to use either metric or English units in creating their packages so long as the equivalent measure in the other system also appears on the package.

Mr. Speaker, this is a sensible, clarifying change which is worthy or our colleague's support. The change is also supported by those in the food industry who were disturbed by section 107 of the American Technology Preeminence Act. Therefore, I urge its passage so that we can get on with the more important matter of revamping our system of measurement to permit ease of trade with the rest of the industrial world.

Mr. LEWIS of Florida. Mr. Speaker, I thank the gentleman for his response.

Mr. Speaker, I yield back the balance of my time.

Mr. VALENTINE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER, pro tempore (Mr. MAZZOLI). The qestion is on the motion offered by the gentleman from North Carolina [Mr. VALENTINE] that the House suspend the rules and pass the bill, H.R. 5343, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to make technical amendments to the Fair Packaging and Labeling Act with respect to its treatment of the SI metric system, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VALENTINE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

ALZHEIMER'S DISEASE AND RELATED DEMENTIAS RESEARCH AMENDMENTS OF 1992

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3082) to amend the Alzheimer's Disease and Related Dementias Services Research Act of 1986 to reauthorize the act, and other purposes, as amended.

The Clerk read as follows:

H.R. 3082

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Alzheimer's Disease and Related Dementias Research Amendments of 1992".

SEC. 2. SHORT TITLE OF ACT.

(a) IN GENERAL.—Section 901 of the Alzheimer's Disease and Related Dementias Services Research Act of 1986 (42 U.S.C. 11201 note) is amended by striking "Services Research Act of 1986" and inserting "Research Act of 1992".

(b) CONFORMING AMENDMENT.—Public Law 99-660 is amended in the heading for title IX by striking ***"SERVICES"***.

SEC. 3. REFERENCES.

Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to that section or other provision of the Alzheimer's Disease and Related Dementias Research Act of 1992, as designated pursuant to the amendment made by section 2 of this Act.

SEC. 4. FINDINGS.

Section 902 (42 U.S.C. 11201) is amended—

(1) by redesignating paragraphs (7) through (12) as paragraphs (9) through (14);

(2) by striking paragraphs (4), (5), and (6); and

(3) by inserting after paragraph (3) the following new paragraphs:

"(4) the cost of caring for individuals with Alzheimer's disease and related dementias is great, and conservative estimates range between $38,000,000,000 and $42,000,000,000 per year solely for direct costs;

"(5) progress in the neurosciences and behavioral sciences has demonstrated the interdependence and mutual reinforcement of basic science, clinical research, and services research for Alzheimer's disease and related dementias;

"(6) programs initiated as part of the Decade of the Brain are likely to provide significant progress in understanding the fundamental mechanisms underlying the causes of, and treatments for, Alzheimer's disease and related dementias;

"(7) although substantial progress has been made in recent years in identifying possible leads to the causes of Alzheimer's disease and related dementias, and more progress can be expected in the near future, there is little likelihood of a breakthrough in the immediate future that would eliminate or substantially reduce—

"(A) the number of individuals with the disease and dementias; or

"(B) the difficulties of caring for the individuals;

"(8) the responsibility for care of individuals with Alzheimer's disease and related dementias falls primarily on their families, and the care is very often financially and emotionally devastating;".

SEC. 5. COUNCIL ON ALZHEIMER'S DISEASE.

(a) ESTABLISHMENT.—Section 911 (42 U.S.C. 11211) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by striking "Surgeon General of the United States" and inserting "Surgeon General of the Public Health Service";

(B) in paragraph (6), by striking "and Communicative Diseases" and inserting "Disorders";

(C) by striking paragraphs (10), (11), and (12); and

(D) by adding at the end the following new paragraphs:

"(10) the Administrator for Health Care Policy and Research;

"(11) the Administrator of the Health Resources and Services Administration;

"(12) the Director of the National Center for Nursing Research;

"(13) the Chief Medical Director of the Department of Veterans Affairs;

"(14) the Director of the National Center for Health Statistics; and

"(15) such additional members as the Secretary of Health and Human Services (hereinafter referred to as the 'Secretary') considers appropriate.";

(2) by striking subsection (b) and inserting the following new subsection:

"(b) The Assistant Secretary for Health shall serve as the Chairman of the Council."; and

(3) in subsection (d), by striking "twice" and inserting "once".

(b) FUNCTIONS.—Section 912 (42 U.S.C. 11212) is amended—

(1) in subsection (a)—

(A) by adding "and" at the end of paragraph (3);

(B) by striking "; and" at the end of paragraph (4) and inserting a period; and

(C) by striking paragraph (5); and

(2) by striking subsection (b) and inserting the following new subsection:

"(b)(1) The Chairman of the Council shall annually submit to the committees listed in paragraph (2) a report containing information on—

"(A) progress made by research, sponsored by the Federal Government, on Alzheimer's disease and related dementias; and

"(B) new directions that the Council considers potentially important in research on Alzheimer's disease and related dementias.

"(2) The Chairman of the Council shall submit the report described in paragraph (1) to—

"(A) the Committee on Energy and Commerce of the House of Representatives;

"(B) the Committee on Ways and Means of the House of Representatives;

"(C) the Committee on Veterans' Affairs of the House of Representatives;

"(D) the Select Committee on Aging of the House of Representatives;

"(E) the Committee on Labor and Human Resources of the Senate;

"(F) the Committee on Finance of the Senate;

"(G) the Committee on Veterans' Affairs of the Senate; and

"(H) the Special Committee on Aging of the Senate.".

SEC. 6. ADVISORY PANEL ON ALZHEIMER'S DISEASE.

(a) ESTABLISHMENT.—Section 921 (42 U.S.C. 11221) is amended—

(1) in subsection (a)(2), by striking "the Director of the National Center for Health Services Research and Health Care Technology Assessment" and inserting "the Administrator for Health Care Policy and Research";

(2) in subsection (d), to read as follows:

"(d)(1)(A) Except as provided in subparagraph (B), members of the Panel appointed under subsection (a)(1) shall each serve for a term of 3 years.

"(B) Of the members appointed under subsection (a)(1) that are serving on the Panel on the day before the date of the enactment of this subsection—

"(i) five shall serve for a term that expires on such date;

"(ii) five shall serve for a term that expires 1 year after such date; and

"(iii) five shall serve for a term that expires 2 years after such date.

"(2) A vacancy on the Panel shall be filled in the same manner as the original appointment was made, and not later than 90 days after the date on which the vacancy first arises. A vacancy on the Panel shall not affect the powers of the Panel.";

(3) in subsection (f), by striking "twice" and inserting "once";

(4) in subsection (h), by striking "of $100 per day" and inserting "at the daily equivalent of the maximum rate specified for GS–15 of the General Schedule under section 5332 of title 5, United States Code,"; and

(5) by adding at the end the following new subsection:

"(i) Notwithstanding section 14 of the Federal Advisory Committee Act (5 U.S.C. App.), on September 30, 1994, the Panel shall be abolished and all programs established under this part shall terminate.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 923 (42 U.S.C. 11223) is amended to read as follows:

"SEC. 923. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this part such sums as may be necessary for each of the fiscal years 1992 through 1996.".

SEC. 7. RESEARCH RELATING TO SERVICES FOR INDIVIDUALS WITH ALZHEIMER'S DISEASE AND RELATED DEMENTIAS AND FAMILIES OF THE INDIVIDUALS.

(a) RESPONSIBILITIES OF THE NATIONAL INSTITUTE OF MENTAL HEALTH.—

(1) GRANTS.—Section 931 (42 U.S.C. 11251) is amended—

(A) by striking subsections (b)(2) and (c);

(B) in subsection (a), by inserting "and specialized care" after "services"; and

(C) in subsection (b)(1)—

(i) by striking "Within 6 months" and all that follows through "plan shall" and inserting "The Director of the National Institute of Mental Health shall";

(ii) in subparagraph (A)—

(I) by striking "provide for" and inserting "ensure that the research conducted under subsection (a) includes";

(II) by striking clause (iii) and inserting the following new clause:

"(iii) the optimal range, types, and cost-effectiveness of services and specialized care for individuals with Alzheimer's disease and related dementias and for their families, in community, residential, and institutional settings, particularly with respect to—

"(I) the design of the services and care;

"(II) appropriate staffing for the provision of the services and care;

"(III) the timing of the services and care during the progression of the disease or dementias; and

"(IV) the appropriate mix and coordination of the services and specialized care;";

(III) in clause (iv), by inserting "the evaluation of best practices for the development of" before "appropriate"; and

(IV) in clauses (v) and (vii), by striking "and nursing home services" and inserting "nursing home services, and other residential services and care"; and

(iii) in subparagraph (B), by striking "research carried out under the plan" and inserting "the research".

(2) CONFORMING AMENDMENTS.—Section 931(b), as amended by paragraph (1) of this subsection, is amended—

(A) by striking "(1)";

(B) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively;

(C) in paragraph (1) (as so redesignated), by redesignating clauses (i) through (vii) as subparagraphs (A) through (G), respectively; and

(D) in paragraph (1)(C) (as so redesignated), by redesignating subclauses (I) through (IV) as clauses (i) through (iv), respectively.

(3) AUTHORIZATION OF APPROPRIATIONS.—Section 933 (42 U.S.C. 11253) is amended to read as follows:

"SEC. 933. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this subpart such sums as may be necessary for each of the fiscal years 1992 through 1996.".

(b) RESPONSIBILITIES OF THE AGENCY FOR HEALTH CARE POLICY AND RESEARCH.—

(1) RESEARCH PROGRAM AND PLAN.—Subpart 2 of part D (42 U.S.C. 11261 et seq.) is amended—

(A) in the heading for the subpart, by striking "National Center" and all that follows and inserting the following: "Agency for Health Care Policy and Research"; and

(B) by amending section 934 to read as follows:

"SEC. 934. RESEARCH PROGRAM.

"(a) GRANTS FOR RESEARCH.—The Administrator for Health Care Policy and Research shall conduct, or make grants for the conduct of, research relevant to appropriate services for individuals with Alzheimer's disease and related dementias and for their families.

"(b) RESEARCH SUBJECTS.—The Administrator for Health Care Policy and Research shall ensure that research conducted under subsection (a) shall include research concerning—

"(1) improving the organization, delivery, and financing of services for individuals with Alzheimer's disease and related dementias and for *their families, including research on the design, staffing, and operation of special care units for the individuals in institutional settings;*

"(2) the costs incurred by individuals with Alzheimer's disease and related dementias and by their families in obtaining services, particularly services that are essential to the individuals and that are not generally required by other patients under long-term care programs; and

"(3) the costs, cost-effectiveness, and effectiveness of various interventions to provide services for individuals with Alzheimer's disease and related dementias and for their families."

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 936 (42 U.S.C. 11263) is amended to read as follows:

"SEC. 936. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this subpart such sums as may be necessary for each of the fiscal years 1992 through 1996.".

SEC. 8. TECHNICAL CORRECTION.

Section 782(g)(1)(A) of the Public Health Service Act (42 U.S.C. 295g–2(g)(1)(A)) is amended by inserting "a school of osteopathic medicine," after "a school of medicine,".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes, and the gentleman from California [Mr. DANNEMEYER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3082, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3082, as amended, to revise and extend various authorities established under the 1986 Alzheimer's Disease and Related Dementias Research Act. This legislation was introduced by two champions of research on Alzheimer's disease—our subcommittee colleague, Mr. BRUCE, and our House colleague, Ms. SNOWE. It enjoys broad bipartisan support and was reported out of both the Health Subcommittee and the full Energy and Commerce Committee without dispute.

The purpose of the legislation. Mr. Speaker, is to reauthorize and improve a number of sections to the 1986 research law which established—for the first time—a comprehensive Alzheimer's disease research program.

Among the most important elements of this program is the Advisory Panel on Alzheimer's Research. This group has published a number of significant reports that include recommendations on appropriate action by both the Congress and the Department of Health and Human Services on Alzheimer's disease and other dementias. It continues to work on additional studies and recommendations for our consideration. H.R. 3082 would reauthorize the Panel for a number of years so that it may be able to pursue this and other important matters.

H.R. 3082 also includes several minor changes and technical corrections to the 1986 statute. Together, these amendments will serve to improve the basic authority and operation of the Alzheimer's disease research program.

Again, Mr. Speaker, this legislation enjoys strong bipartisan support. I urge my colleagues to support this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. DANNEMEYER. Mr. Speaker, I rise in support of this legislation.

Mr. Speaker, I yield 2½ minutes to my colleague, the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I rise in support of H.R. 3082, the Alzheimer's disease and related dementia's research amendments. I commend the gentlewoman from Maine [Ms. SNOWE] and the gentleman from Illinois [Mr. BRUCE] for introducing this important measure. I also commend the distinguished chairman of the Subcommittee on Health and the Environment of the Committee on Energy and Commerce, the gentleman from California [Mr. WAXMAN], and the subcommittee's ranking minority member, the gentleman from California [Mr. DANNEMEYER], for bringing this important measure to the floor at this time.

The Alzheimer's Disease and Related Dementias Services Research Act was enacted in 1986 to establish a council on Alzheimer's disease to coordinate programs and help agencies to share information, establish an advisory council on Alzheimer's disease made up of experts to provide advice to the Department of Health and Human Services on priority research and treatment, requiring the National Institute of Mental Health and the National Center for Health Services Research and Health Care Technology Assessment to support research into Alzheimer's disease and related dementias, and to develop a plan to conduct this research.

H.R. 3082 reauthorizes such sums as necessary for the 1967 act through fiscal year 1994 and makes technical changes to some of its programs.

Mr. Speaker, an estimated 4 million older Americans suffer from Alzheimer's disease and this figure may double or triple in the next century. More specifically, there are an estimated 16,000 Alzheimer's disease victims in my district. We need to find ways to help our families cope with this devastating disease.

We need to continue to address our concerns for our Nation's health care system as well as support for its improvement in order to ensure all Americans the best health care possible, especially those who suffer from long-term diseases such as Alzheimer's disease. We need to find solutions which continue to allow our citizens access to the finest therapies, most capable providers, and which preserves individual choice and responsibility. Our society must make certain that every American has access to our quality health care system without discriminating against the elderly and disabled.

Accordingly, I urge my colleagues to continue to advocate and support the needs of Alzheimer's patients, and to maintain their concerns as a high priority in Congress by supporting H.R. 3082.

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Mr. DANNEMEYER. Mr. Speaker, I yield 2 minutes to our colleague, the gentleman from Florida [Mr. LEWIS].

Mr. LEWIS of Florida. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, as a cosponsor of H.R. 3082, the Alzheimer's disease and related dementias research amendments, I rise in strong support for this much needed legislation.

H.R. 3082 extends our research efforts to find a cure for this tragic illness. Approximately 4 million Americans are afflicted with Alzheimer's.

Unless we find a cure or means of prevention, it is estimated that 14 million Americans could fall victim to the disease by the middle of the next century.

I congratulate my colleague, Ms. SNOWE, for her continued dedication to this cause, and her hard work in bringing this legislation before us.

I strongly believe that medical advances and improvements in the health of our citizens are heavily dependent on Federal medical research programs. These programs have resulted in steady progress on Alzheimer's, but much more must be done.

I urge all Members to support this bill so that our research scientists can continue their vital work to understand and treat Alzheimer's and related disorders.

Mr. DANNEMEYER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3082, legislation designed to promote and coordinate Federal research into treatment and services for patients suffering from Alzheimer's disease and for their families.

Alzheimer's disease currently affects an estimated 4 million Americans. This devastating disease is manifested initially by mild forgetfulness and eventually erodes all cognitive and functional abilities, leading to total dependence on caregivers and ultimately results in death.

The prevalence of this disease increases with age. Persons in the 65 to 74 year age range have a 1 in 25 chance of developing Alzheimer's disease; for those 85 and older, this likelihood rises to a nearly 1 in 2 chance. As we all know, this 85-plus age group is the most rapidly growing sector of the American population. Thus, it appears that our country may be facing a dramatic increase in the overall number of individuals suffering from this disease in the coming century.

I commend Representatives SNOWE and BRUCE for their leadership on this issue and I urge my colleagues to join me in supporting this bill.

Ms. SNOWE. Mr. Speaker, I rise in support of H.R. 3082, the Alzheimer's Disease and Related Dementias Research Amendments of 1991. First, I would like to commend Subcommittee Chairman WAXMAN for addressing the need for expanded Federal research funding on Alzheimer's disease.

This bill extends the Advisory Panel on Alzheimer's Disease, and research relating to services for individuals with Alzheimer's disease and related dementias, and their families, as originally authorized in Public Law 99–660. This is legislation which Senator GRASSLEY and I introduced in 1986, and in which Senator METZENBAUM also played a leading role.

For many years, I have been concerned about the physical, emotional, and financial devastation which Alzheimer's disease inflicts upon its victims, including the hidden victim, the family caregiver. As an early leader in Congress on behalf of families affected by Alzheimer's disease, I have sponsored legislation and held forums and hearings in support of Alzheimer's disease research and supportive services for caregivers since 1983.

As you are probably aware, recent research indicates that the prevalence of Alzheimer's disease is considerably higher than previously estimated. The increasing prevalence of Alzheimer's disease is a result of our rapidly aging population. Consequently, the number of Alzheimer's patients may reach 14 million by the middle of the next century if biomedical research does not soon find the cause and ways to treat and eventually cure this dreaded disease. Certainly the projected increase in people with Alzheimer's disease will have a staggering impact on the need and costs of long-term care for families, communities, and State and Federal Government.

Although Federal funding for biomedical research on Alzheimer's disease has more than doubled in the past few years, it is still far short of what is needed to follow promising leads and conquer this dreaded disease. It is imperative that the Federal Government continue to fund research that may provide insight into all aspects of Alzheimer's disease.

The Advisory Panel on Alzheimer's Disease, which this bill reauthorizes, was established by the Alzheimer's Disease and Related Dementias Services Act of 1986 to advise Congress and the executive branch about emerging issues and priorities in research and service delivery regarding Alzheimer's disease and related dementias. In its two published reports, this panel of outstanding experts evaluated the current status of, and made recommendations for legislative and administrative action in, four mandated areas: biomedical research, research relating to services for individuals with Alzheimer's disease and their families, systems of home and community-based services, and health care and social services financing. The Panel has fulfilled its mandates most effectively. However, given the magnitude of the disorder, the number of still unanswered questions and the need for further advice to Congress and the executive branch about new directions in research and the provisions of care, the Panel needs to be reauthorized.

Likewise, the Council on Alzheimer's Disease was established to coordinate continuing research on Alzheimer's disease within the Department of Health and Human Services [DHHS], to establish a mechanism for the sharing of information, to identify the most promising areas of research, and to establish mechanisms to use the results of research. The Council has been very effective in this mandate among numerous DHHS programs and agencies, within a broad-based research framework. As a result, the need to extend the Council is clear.

Until more progress is made in biomedical research, it is imperative to enhance focusing on finding the best ways to care for people with Alzheimer's disease, and to alleviate the stress of and strengthen and support family caregivers. Studies being funded by the National Institutes of Mental Health have found evidence that the chronic impact of caregiving affects immune functioning, thus increasing the incidence of infectious diseases. The need for services research is clear.

Until the cause, cure, and treatment are found, the human and fiscal costs of Alzheimer's and related diseases will accelerate precipitously with our rapidly aging population. The reauthorization of the Advisory Panel and Council on Alzheimer's disease, and of services research, will help to coordinate and give expert guidance to ensure a stronger and more coherent, focused Federal response to this devastating disease.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WAXMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and pass the bill, H.R. 3082, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

FERTILITY CLINIC SUCCESS RATE AND CERTIFICATION ACT OF 1992

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4773) to provide for reporting of pregnancy success rates of assisted reproductive technology programs and for the certification of embryo laboratories, as amended.

The Clerk read as follows:

H.R. 4773

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fertility Clinic Success Rate and Certification Act of 1992".

SEC. 2. ASSISTED REPRODUCTIVE TECHNOLOGY PROGRAMS.

(a) IN GENERAL.—Effective 2 years after the date of the enactment of this Act, each assisted reproductive technology (as defined in section 7) program shall annually report to the Secretary through the Centers for Disease Control—

(1) pregnancy success rates achieved by such program through each assisted reproductive technology, and

(2) the identity of each embryo laboratory (as defined in section 7) used by such program and whether the laboratory is certified under section 3 or has applied for such certification.

(b) PREGNANCY SUCCESS RATES.—

(1) IN GENERAL.—For purposes of subsection (a)(1), the Secretary shall, in consultation with the organizations referenced in subsection (c), define pregnancy success rates and shall make public any proposed definition in such manner as to facilitate comment from any person (including any Federal or other public agency) during its development.

(2) DEFINITION.—In developing the definition of pregnancy success rates, the Secretary shall take into account the effect on success rates of age, diagnosis, and other significant factors and shall include in such rates—

(A) the basic live birth rate calculated for each assisted reproductive technology performed by an assisted reproductive technology program by dividing the number of pregnancies which result in live births by the number of ovarian stimulation procedures attempted by such program, and

(B) the live birth rate per successful oocyte retrieval procedure calculated for each assisted reproductive technology performed by an assisted reproductive technology program by dividing the number of pregnancies which result in live births by the number of successful oocyte retrieval procedures performed by such program.

(c) CONSULTATION.—In developing the definition under subsection (b), the Secretary shall consult with appropriate consumer and professional organizations with expertise in using, providing, and evaluating professional services and embryo laboratories associated with assisted reproductive technologies.

SEC. 3. CERTIFICATION OF EMBRYO LABORATORIES.

(a) IN GENERAL.—

(1) DEVELOPMENT.—Not later than 2 years after the date of the enactment of this Act, the Secretary, through the Centers for Disease Control, shall develop a model program for the certification of embryo laboratories (referred to in this section as a "certification program") to be carried out by the States.

(2) CONSULTATION.—In developing the certification program under paragraph (1), the Secretary shall consult with appropriate consumer and professional organizations with expertise in using, providing, and evaluating professional services and embryo laboratories associated with the assisted reproductive technology programs.

(b) DISTRIBUTION.—The Secretary shall distribute a description of the certification program to—

(1) the governor of each State,

(2) the presiding officers of each State legislature,

(3) the public health official of each State, and

(4) the official responsible in each State for the operation of the State's contract with the Secretary under section 1864 of the Social Security Act

and shall encourage such officials to assist in the State adopting such program.

(c) REQUIREMENTS.—The certification program shall include the following requirements:

(1) ADMINISTRATION.—The certification program shall be administered by the State and

shall provide for the inspection and certification of embryo laboratories in the State by the State or by approved accreditation organizations.

(2) APPLICATION REQUIREMENTS.—The certification program shall provide for the submission of an application to a State by an embryo laboratory for certification, in such form as may be specified by the State. Such an application shall include—

(A) assurances satisfactory to the State that the embryo laboratory will be operated in accordance with the standards under subsection (d),

(B) a report to the State identifying the assisted reproductive technology programs with which the laboratory is associated, and

(C) such other information as the State finds necessary.

An embryo laboratory which meets the requirements of section 353 of the Public Health Service Act shall, for the purposes of subparagraph (A) be considered in compliance with the standards referred to in such subparagraph which are the same as the standards in effect under such section 353.

(d) STANDARDS.—The certification program shall include the following standards developed by the Secretary:

(1) A standard to assure consistent performance of procedures by each embryo laboratory certified under the certification program or by an approved accreditation organization in a State which has not adopted the certification program.

(2) A standard for a quality assurance and a quality control program to assure valid, reliable, and reproducible procedures in the laboratory.

(3) A standard for the maintenance of records (on a program by program basis) on laboratory tests and procedures performed, including the scientific basis of, and the methodology used for, the tests, procedures, and preparation of any standards or controls, criteria for acceptable and unacceptable outcomes, criteria for sample rejection, and procedures for safe sample disposal.

(4) A standard for the maintenance of written records on personnel and facilities necessary for proper and effective operation of the laboratory, schedules of preventive maintenance, function verification for equipment, and the release of such records to the State upon demand.

(5) A standard for the use of such personnel who meet such qualifications as the Secretary may develop.

(e) CERTIFICATION UNDER STATE PROGRAMS.—A State may qualify to adopt the certification program if the State has submitted an application to the Secretary to adopt such program and the Secretary has approved the application. Such an application shall include—

(1) assurances by the State satisfactory to the Secretary that the certification program within the State meets the requirements of this section,

(2) an agreement to make such reports as the Secretary may require, and

(3) information about any proposed use of accreditation organizations under subsection (g).

(f) USE OF ACCREDITATION ORGANIZATIONS.—A State which has adopted the certification program may use accreditation organizations approved under section 4 to inspect and certify embryo laboratories.

(g) INSPECTIONS.—

(1) IN GENERAL.—A State which qualifies to adopt the certification program within the State shall conduct inspections in accordance with paragraph (2) to determine if laboratories in the State meet the requirements of such program. Such inspections shall be carried out by the State or by accreditation organizations used by the State under subsection (g).

(2) REQUIREMENTS.—Inspections carried out under paragraph (1) shall—

(A) be periodic and unannounced, or

(B) be announced in such circumstances as the Secretary determines will not diminish the likelihood of discovering deficiencies in the operations of a laboratory.

Before making a determination under subparagraph (B), the Secretary shall make public, in such manner as to facilitate comment from any person (including any Federal or other public agency), a proposal indicating the circumstances under which announced inspections would be permitted.

(3) RESULTS.—The specific findings, including deficiencies, identified in an inspection carried out under paragraph (1) and any subsequent corrections to those deficiencies shall be announced and made available to the public upon request beginning no later than 60 days after the date of the inspection.

(h) VALIDATION INSPECTIONS.—

(1) IN GENERAL.—The Secretary may enter and inspect, during regular hours of operation, embryo laboratories—

(A) which have been certified by a State under the certification program, or

(B) which have been certified by an accreditation organization approved by the Secretary under section 4

for the purpose of determining whether the laboratory is being operated in accordance with the standards in subsection (d).

(2) ACCESS TO FACILITIES AND RECORDS.—In conducting an inspection of an embryo laboratory under paragraph (1), the Secretary shall have access to all facilities, equipment, materials, records, and information which the Secretary determines is necessary to determine if such laboratory is being operated in accordance with the standards in subsection (d). As part of such an inspection, the Secretary may copy any material, record, or information inspected or require it to be submitted to the Secretary. Such an inspection may be made only upon the presentation of identification to the owner, operator, or agent in charge of the laboratory being inspected.

(3) FAILURE TO COMPLY.—If the Secretary determines as a result of an inspection under paragraph (1) that the embryo laboratory is not in compliance with the standards in subsection (d), the Secretary shall—

(A) notify the State in which the laboratory is located and, if appropriate, the accreditation organization which certified the laboratory,

(B) make available to the public the results of the inspection,

(C) conduct additional inspections of other embryo laboratories under paragraph (1) to determine if—

(i) such State in carrying out the certification program is reliably identifying the deficiencies of such laboratory, or

(ii) the accreditation organization which certified such laboratories is reliably identifying such deficencies, and

(D) if the Secretary determines—

(i) that such State in carrying out the certification program has not met the requirements applicable to such program, or

(ii) the accreditation organization which certified such laboratory has not met the requirements of section 4,

the Secretary may revoke the approval of the State certification program or revoke the approval of such accreditation organization.

(i) LIMITATION.—

(1) SECRETARY.—In developing the certification program, the Secretary may not establish any regulation, standard, or requirement which has the effect of exercising supervision or control over the practice of medicine in assisted reproductive technology programs.

(2) STATE.—In adopting the certification program, a State may not establish any regulation, standard, or requirement which has the effect of exercising supervision or control over the practice of medicine in assisted reproductive technology programs.

(j) TERM.—The term of a certification issued by a State or an accreditation organization in a State shall be prescribed by the Secretary in the certification program and shall be valid for a period of time to be defined by the Secretary through the public comment process described in subsection (h)(2). The Secretary shall provide an application for recertification to be submitted at the time of changes in the ownership of a certified laboratory or changes in the administration of such a laboratory.

SEC. 4. ACCREDITATION ORGANIZATIONS.

(a) APPROVAL OF ACCREDITATION ORGANIZATIONS.—Not later than 2 years after the date of the enactment of this Act the Secretary, through the Centers for Disease Control, shall promulgate criteria and procedures for the approval of accreditation organizations to inspect and certify embryo laboratories. The procedures shall require an application to the Secretary by an accreditation organization for approval. An accreditation organization which has received such an approval—

(1) may be used by States in the certification program under section 3 to inspect and certify embryo laboratories, or

(2) may certify embryo laboratories in States which have not adopted such a certification program.

(b) CRITERIA AND PROCEDURES.—The criteria and procedures promulgated under subsection (a) shall include—

(1) requirements for submission of such reports and the maintenance of such records as the Secretary or a State may require, and

(2) requirements for the conduct of inspections under section 3(h).

(c) EVALUATIONS.—The Secretary shall evaluate annually the performance of each accreditation organization approved by the Secretary by—

(1) inspecting under section 3(i) a sufficient number of embryo laboratories accredited by such an organization to allow a reasonable estimate of the performance of such organization, and

(2) such other means as the Secretary determines to be appropriate.

(d) TRANSITION.—If the Secretary revokes approval under section 3(i)(3)(D) of an accreditation organization after an evaluation under subsection (c), the certification of any embryo laboratory accredited by the organization shall continue in effect for 60 days after the laboratory is notified by the Secretary of the withdrawal of approval, except that the Secretary may extend the period during which the certification shall remain in effect if the Secretary determines that the laboratory submitted an application to another approved accreditation organization for certification after receipt of such notice in a timely manner.

SEC. 5. CERTIFICATION REVOCATION AND SUSPENSION.

(a) IN GENERAL.—A certification issued by a State or an accreditation organization for an embryo laboratory shall be revoked or suspended if the State or organization finds, on the basis of inspections and after reasonable notice and opportunity for hearing to the owner or operator of the laboratory, that the owner or operator or any employee of the laboratory—

(1) has been guilty of misrepresentation in obtaining the certification,

(2) has failed to comply with any standards under section 3 applicable to the certification, or

(3) has refused a request of the State or accreditation organization for permission to inspect the laboratory, its operations, and records.

(b) EFFECT.—If the certification of an embryo laboratory is revoked or suspended, the certifi-

cation of the laboratory shall continue in effect for 60 days after the laboratory receives notice of the revocation or suspension. If the certification of an embryo laboratory is revoked or suspended, the laboratory may apply for recertification after one year after the date of the revocation or suspension.

SEC. 6. PUBLICATION.

The Secretary, through the Centers for Disease Control, shall not later than 3 years after the date of the enactment of this Act and annually thereafter publish and distribute to the States and the public—

(1)(A) pregnancy success rates reported to the Secretary under section 2(a)(1) and, in the case of an assisted reproductive technology program which failed to report one or more success rates as required under such section, the name of each such program and each pregnancy success rate which the program failed to report, and

(B) from information reported under section 2(a)(2)—

(i) the identity of each embryo laboratory in a State which has adopted the certification program under such program and whether such laboratory is certified under section 3,

(ii) the identity of each embryo laboratory in a State which has not adopted such certification program and which has been certified by an accreditation organization approved by the Secretary under section 4, and

(iii) in the case of an embryo laboratory which is not certified under section 3 or certified by an accreditation organization approved by the Secretary under section 4, whether the laboratory applied for certification.

SEC. 7. FEES.

The Secretary may require the payment of fees for the purpose of, and in an amount sufficient to cover the cost of, administering this Act. A State operating a program under section 3 may require the payment of fees for the purpose of, and in an amount sufficient to cover the costs of, administering its program.

SEC. 8. DEFINITIONS.

For purposes of this Act:

(1) ASSISTED REPRODUCTIVE TECHNOLOGY.—The term "assisted reproductive technology" means all treatments or procedures which include the handling of human oocytes or embryos, including in vitro fertilization, gamete intrafallopian transfer, zygote intrafallopian transfer, and such other specific technologies as the Secretary may include in this definition, after making public any proposed definition in such manner as to facilitate comment from any person (including any Federal or other public agency).

(2) EMBRYO LABORATORY.—The term "embryo laboratory" means a facility in which human oocytes are subject to assisted reproductive technology treatment or procedures based on manipulation of oocytes or embryos which are subject to implantation.

(3) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

SEC. 9. EFFECTIVE DATE.

This Act shall take effect upon the expiration of 2 years after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes, and the gentleman from California [Mr. DANNEMEYER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4773, as amended. This legislation was introduced by two of our colleagues on the Health Subcommittee, Mr. WYDEN and Mr. LENT. It enjoys broad bipartisan support and was reported out of both the Health Subcommittee and the full Energy and Commerce Committee without dispute.

The purpose of H.R. 4773, Mr. Speaker, is to require infertility programs to report pregnancy success rates to the Secretary of Health and Human Services, and to direct the Secretary to develop a model program for State certification of embryo laboratories.

During hearings conducted by our subcommittee, we learned that significant advancements in assisted reproductive technologies have made it possible for thousands of couples to conceive a child. In 1990, almost 20,000 women underwent in vitro fertilization procedures resulting in nearly 4,000 live births.

Unfortunately, the costs of these programs are high—fees in excess of $10,000 per month have been reported—and the information available to consumers is often incomplete and misleading. Many couples have been misled by success claims that are distorted and inflated.

As a result of these problems, infertility experts, consumers, and the Government have been working together to improve the performance of these programs, and to provide for better public information and accountability.

As I noted previously, our subcommittee colleague, Congressman WYDEN, has been a leader in these efforts. He has held a number of hearings in his own Small Business Subcommittee and has worked with professional and consumer groups to fashion the bill before us today. I want to commend both him, and Mr. LENT, for their efforts to address these problems, and to develop a bill which has broad support.

I urge my colleagues to support this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. DANNEMEYER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this legislation to encourage the accreditation of infertility laboratories to ensure that the growing market for highly sophisticated infertility services is appropriately monitored.

I want to commend the gentleman from Oregon [Mr. WYDEN], and the gentleman from New York [Mr. LENT] for working out the concerns that have been raised about this proposal, and I urge colleagues to support this bill.

Mr. WAXMAN. Mr. Speaker, I am pleased to yield such time as he may consume to the gentleman from Oregon [Mr. WYDEN], the author of this legislation who has done the preliminary work and the legislative work to bring this bill before us today.

Mr. WYDEN. Mr. Speaker, I thank the gentleman for yielding me the time.

First of all, Mr. Speaker, I want to thank both the ranking minority member and the chairman of the subcommittee, Chairman WAXMAN and Mr. DANNEMEYER, as well as the majority and minority staff for putting in a tremendous amount of time with the gentleman from New York [Mr. LENT], and myself to try to perfect this legislation. This has been truly a bipartisan bill. And I think it is especially important at this time to note the role of the administration as well. Both Dr. Roper and Dr. Sullivan have over the last year or year-and-a-half spent a considerable amount of time discussing this issue with me. They have contributed in a very positive and significant way to getting this bill to the floor, and I want to extend my thanks to Dr. Sullivan and to Dr. Roper for their support and the time that they have given to this Member.

Mr. Speaker, almost 1 in 10 couples in our country are infertile.

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This number is expected to rise in the years ahead as more and more couples wait until later in life to have children, and our country faces the increased incidence of sexually transmitted diseases, which can cause infertility problems.

Almost $1 billion was spent on infertility services last year. In vitro fertilization, which this bill deals with specifically, is one of the fast-growing areas of our health care system.

As the gentleman from California [Mr. WAXMAN], the chairman, noted, extraordinary sums of money can be spent by vulnerable couples on these services. Our committee heard that it is not uncommon for a couple to spend $30,000 to $40,000 for these services.

Yet, with what we see in this very fast-growing area of health care is that infertility services are completely unregulated, and infertile couples have been exploited, and continue to be exploited. This has been seen most recently in a major case here in the Virginia area.

What we face in our Nation now is millions of couples reaching out to use these services, couples who want a baby more than anything else in their life. You have innovative technologies many citizens are unfamiliar with, together with a completely unregulated health care environment. This combustible mix has created a field that is just ripe for exploitation.

For years now, leaders in the infertility field have sounded the alarm bell about the exploitation of consumers. For example, in the November 1987 issue of "Fertility and Sterility," appeared an editorial entitled "Are We Exploiting the Infertile Couple?" This landmark statement of professional principles was authored by 11 of the most distinguished fertility specialists in the United States.

They stated that "the lack of standards and absence of a credentialing process with [In Vitro Fertilization is] disturbing," and expressed concern that "the motive for establishing [some infertility] programs may be [little more than] * * * an attempt by a hospital corporation to increase its market share."

But these whistleblowing experts reserved their most scathing criticism for their colleagues who exaggerated pregnancy success rates and misled couples seeking help at infertility clinics. They stated that:

> Infertile patients often develop unrealistically high expectations regarding specific therapies. The medical community is partly responsible for these inflated expectations when practitioners claim pregnancy rates that far exceed those found in the current literature. * * *
>
> [For example,] patients are often not told that the practitioner has limited experience or success with this operative procedure or is quoting another surgeon's statistics * * * we strongly advise that each surgeon present his or her own pregnancy rates in talking with patients.

In an effort to remedy this situation, Mr. LENT and I drafted this legislation that stipulates the following:

First, all fertility clinics would be required to report their pregnancy success rates, in line with the uniform definitions worked out by the Secretary in consultation with the Centers for Disease Control.

Second, the Federal Government would annually publish these pregnancy success rates in a consumer guide booklet, noting where appropriate the clinics which had failed to report some or all of their success rates.

Third, all fertility clinics would be required to identify the embryo laboratories that they rely on for labwork. This information would also be published in the Secretary's annual consumer guide.

Fourth, the HHS Secretary would develop a model program for the inspection and certification of embryo labs, and promulgate this model certification program to every State for their consideration and voluntary adoption.

Fifth, States may implement the model lab certification program in either of two ways: Either directly through a State inspection program, or through a private accreditation organization approved by the HHS Secretary.

If a State fails to implement this model certification program, the Federal Government would simply report this fact to the public in its annual consumer guide. Also, under our bill, embryo labs operating in a State that did not adopt the model certification program would still get certified by an accreditation organization which has been approved by the Secretary, and have their certification status published in the annual consumer guide.

This legislation would empower infertile couples by giving them a consumer guide in which the clinics with low success rates, or those that don't report, will be exposed. Couples will for the first time have the tools to be informed consumers, and can either avoid these clinics, or ask the clinic administrators to supply them with unreported success rate information.

Mr. Speaker, this whole bill is predicated on the well-accepted idea that consumers, empowered with sound information about patient outcomes, can reward the best fertility clinics by taking their business to those clinics, and avoid those with poor success rates or those that use uncertified embryo labs to perform critical procedures, or which simply fail to report their success rate experience.

The legislation involves no unfunded Federal or State costs. The States and the Federal Government would be authorized to assess fees so that clinics would pay for the quality assurance program.

In closing, Mr. Speaker, there are many honorable and compassionate health care professionals working in the fertility field. But the infertility business is booming, and the lure of deep pockets has already attracted entrepreneurs less interested in health care than in cashing in on hopeful couples' willingness to pay huge sums for a chance to have a family. The legislation we are considering today will establish a meaningful set of consumer protections to help these couples get what they want most—a child.

A number of professional groups, as the gentleman from California [Mr. WAXMAN], the chairman, and the gentleman from California [Mr. DANNEMEYER], have noted, have worked hard to try to address these concerns. In particular, I would like to single out the excellent work of the American Fertility Society, both in terms of their voluntary guidelines and the cooperation they have shown the majority and the minority of our committee in working on this legislation. I think they have a very fine program, and they are to be commended for it.

The problem, however, is that any professional society can, at best, have a voluntary program. We know that perhaps 15 percent of the clinics, those that probably cause the most problems in terms of exploitation of families and the consumers, are the ones where couples are not getting voluntary success-rate information, and where we are not seeing them follow the sensible guidelines of the American Fertility Society. That is why it is time for government to step in and set some basic ground rules to protect consumers and families in this area. That is what this legislation does.

It provides for the Department of Health and Human Services to ensure uniform reporting of pregnancy success rates, and to develop a model program that all States could adopt. This will allow consumers to determine, first, whether a clinic had success rates that were acceptable to them and, second, whether a State and a program was in compliance with these model guidelines. That seems to me to be a responsible way to address the growing consumer concerns about infertility services.

I would just like to thank my colleagues again and also the staff of the minority, Howard Cohen and Mary McGrane, who I understand we are going to be losing shortly to another assignment. She has been awfully helpful to this Member, and I know Members on both sides of the aisle. Thanks also to Ruth Katz and Michael Hash and Karen Nelson on the majority staff who were very helpful, and finally my friend and chairman, the gentleman from California [Mr. WAXMAN]. Somehow he always makes time for the kinds of consumer concerns that this Member has, even when he has a full plate of legislation. I want to thank the chairman, the gentleman from California [Mr. WAXMAN].

Mr. DANNEMEYER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to announce to my colleagues that Mary McGrane's achievements and abilities have been recognized. She is soon to become next Monday, I am told, Deputy Assistant Secretary of the Department of Agriculture for Marketing and Inspection Services. I think we would all like to congratulate her. We are sorry to see her leave. She tells me she will no longer have to put up with me, and so she is happy about that. Other than that, we wish you well, Mary. You have been a real pleasure to serve with in serving the Members of the subcommittee and the full committee.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I also want to join in saluting the very able staff person of our committee and wish her the very best in the future. I am sure my colleagues, the gentleman from California [Mr. DANNEMEYER], leaving had a lot to do with her decision, but we are going to miss, in fact, both of you.

Mr. Speaker, I do want to commend the gentleman from Oregon for his legislation and thank him for his kind words. He is a most productive member of our subcommittee and of this House. There are many statutes on the books that will reflect his diligent efforts, and this will be added among them all to the benefit of trying to protect the consumers so that they will be able to accomplish what they want to accomplish, and to know the success rates of fertility clinics will allow them to make a better decision to have a family and to try to do what they so very much desire.

Mr. LENT. Mr. Speaker, I rise in support of H.R. 4773, the Fertility Clinic Success Rate and Certification Act of 1992 which I joined with my colleague, Mr. WYDEN, in cosponsoring. Currently, there are an estimated 2.4 million married American couples who are infertile. Among infertile couples seeking treatment, 85 to 90 percent are treated with conventional medical or surgical therapy. Unfortunately, as many as half the couples seeking treatment remain unsuccessful and some of these couples seek help through another category of techniques, known as assisted reproductive technologies such as in vitro fertilization. It is this category of treatments that H.R. 4773 addresses.

H.R. 4773 will encourage the accreditation of infertility laboratories to ensure that the fast-growing market for infertility services is monitored and regulated by the appropriate private sector accrediting bodies.

The two main features of this bill provide that infertility clinics report their pregnancy success rates to the Secretary for publication in an annual consumer guide and that the Secretary must develop a model program for the State certification of embryo laboratories. Any costs incurred by these programs would have to be paid for by user fees.

I urge my colleagues to join me in supporting this legislation.

Mr. WAXMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. DANNEMEYER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and pass the bill, H.R. 4773, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

PORT CHICAGO NATIONAL MEMORIAL ACT OF 1992

Mr. VENTO. Mr. Speaker, I move that the House suspend the rules and pass the joint resolution (H.J. Res. 306) to designate the Port Chicago Naval Magazine as a national memorial, as amended.

The Clerk read as follows:

H.J. RES. 306

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be referred to as the "Port Chicago National Memorial Act of 1992".

SEC. 2. FINDINGS.

The Congress hereby finds that—

(1) the Port Chicago Naval Magazine, located in Contra Costa County, California, served as the major West Coast munitions supply facility during World War II, during which time the facility played a critical role in the success of the war effort;

(2) on July 17, 1944, an explosion at Port Chicago, the origin of which has never been determined, resulted in the deaths of 320 officers and sailors, the largest domestic loss of life during World War II, and the injury of many others; and

(3) it is fitting and appropriate that the site of the Port Chicago Naval Magazine, which is currently included in the Concord Naval Weapons Station, be designated as a National Memorial to commemorate the role of the facility during World War II, to recognize those who served at the facility, and to honor the memory of those who gave their lives and were injured in the explosion on July 17, 1944.

SEC. 3. PORT CHICAGO NATIONAL MEMORIAL.

(a) DESIGNATION.—In order to recognize the critical role Port Chicago, located at the Concord Naval Weapons Station in Contra Costa County, California, played in the Second World War by serving as the main facility for the Pacific Theater and the historic importance of the explosion which occurred at the Port Chicago Naval Magazine on July 17, 1944, such Naval Magazine is hereby designated as a National Memorial, to be known as the Port Chicago Naval Magazine National Memorial. The Secretary of the Interior shall take appropriate action to assure that the Memorial is announced in the Federal Register and that official records and lists are amended, in due course, to reflect the inclusion of this memorial along with other national memorials established by an Act of Congress.

(b) MARKER.—The Secretary of the Interior, with the concurrence of the Secretary of Defense, is authorized and directed to place at the site of the Port Chicago Naval Magazine National Memorial, as designated under subsection (a), an appropriate plaque or marker commemorating the critical role Port Chicago played in the Second World War and the historic importance of the explosion which occurred at that location on July 17, 1944. The plaque or marker shall include a listing of the names of those who lost their lives during the explosion.

(c) PUBLIC ACCESS.—The Secretary of the Interior shall enter into a cooperative agreement with the Secretary of the Navy to provide for public access to the Memorial.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentlewoman from Nevada [Mrs. VUCANOVICH] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 306, the joint resolution now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume. House Joint Resolution 306 designates the site of the Port Chicago Naval Magazine a national memorial. Chairman MILLER of California introduced House Joint Resolution 306 on July 17, 1991, and the bill was approved by the Committee on Interior and Insular Affairs on June 3, 1992.

The Port Chicago Naval Magazine was the site of the U.S. Navy's major west coast munitions supply facility during World War II. On July 17, 1944, an explosion killed 320 sailors and officers, "the largest domestic war-related loss of life" during World War II. Another 390 men were injured. The U.S. Navy continues to operate a munitions facility at the site in Contra Costa County, CA, and provides escorts for visitors who wish to view the scene of the explosion. The Navy also holds a memorial service annually in memory of those who died as a result of the explosion.

House Joint Resolution 306 would designate the site of the Port Chicago Naval Magazine, currently included in the Concord Naval Weapons Station, a national memorial. A plaque or marker would be placed at the site commemorating the role Port Chicago played in the Second World War and the historic importance of the explosion and resulting loss of life which occurred at that location on July 17, 1944.

The Committee on Interior and Insular Affairs adopted an amendment to House Joint Resolution 306 which states that the Secretary of the Interior shall enter into a cooperative agreement with the Secretary of the Navy to provide for public access to the site. During the hearing on House Joint Resolution 306, the Navy expressed concerns about public safety at the Memorial given the site's current use as an active naval weapons station; the need for controlled, escorted visits was clearly indicated. The U.S. Navy currently provides escorts and tours of the site upon request; this provision simply affirms the existing arrangement.

The eloquent and moving testimony given at the hearing on this bill indicates the importance of this memorial to the survivors of the explosion and the families of those who were killed at Port Chicago. I believe this memorial is an appropriate recognition of the sacrifices made by those who served at Port Chicago, and I urge my colleagues to support House Joint Resolution 306.

Mr. Speaker, I reserve the balance of my time.

Mrs. VUCANOVICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to be recognized on the Port Chicago National Memorial

Establishment Act. Mr. VENTO has already explained the historical events which took place here on July 7, 1944, and the tragic loss of life. I agree with the author of the bill, the gentleman from California, that the events which occurred here are worthy of recognition. Therefore, I support his intent to erect a plaque on the site to commemorate the loss of life which occurred here.

However, this bill goes much further than needed, by establishing this area as an affiliated area of the National Park System and by requiring the Secretary of the Interior to become involved in public use at an active naval munitions base. These provisions are not only totally unnecessary, but are simply wrong. The Department of the Navy has been providing appropriate public access to this restricted site for some time and does not need interference of the Secretary of the Interior in base operations as proposed in this bill.

I note that the administration opposes this bill for that reason. I hope that if the Senate takes this measure up, they will resolve these problems.

Mr. Speaker, I reserve the balance of my time.

□ 1400

Mr. VENTO. Mr. Speaker, as I said, I spoke in favor of the joint resolution. I think it is a modest measure to recognize a very important event in our history with the loss of hundreds of American soldiers and sailors lives, nearly 400 American soldiers and sailors and officers wounded. It is an important measure, I think, to recognize in our Nation's history this event during World War II.

I might add that many of those who died in this blast were African-American soldiers and sailors—people of color. I think for a long time there was not the recognition of the fact that these individuals, many of them had to go back or were forced to go back to work in the same types of conditions where such risk continued to exist. This was a very traumatic experience at that time in our history. As occurs very often, various allegations of activity or negligence of that led to this explosion were advanced. Unfavorable working conditions and circumstances that existed today are clear. I can only imagine the type of trauma and anxiety that occurred in the minds and the spirit of those who were working in this environment when our Nation was really under siege and the frenzied work that had to go on to keep those hundreds of battleships and other vessels in the Pacific armed that were so essential to our Nation's defense in World War II. All too often, I think, the unsung service of those working in this type of hazardous duty, not on the front lines, but certainly at risk to their life, to make certain that U.S. vessels were armed and ready to effectively engage in combat.

Mr. Speaker, I commend the gentleman from California [Mr. MILLER], the committee chairman who introduced this legislation, and I urge my colleagues to support this measure.

Mr. MILLER of California. Mr. Speaker, today the House is considering the Port Chicago Memorial Act, a bill I introduced to honor the memory and contributions of those who served at the Port Chicago Naval Magazine. By designating the Port Chicago National Memorial, we will pay homage to the 320 men who died in a cataclysmic explosion that caused the greatest domestic loss of life during World War II.

Today, Port Chicago is the home of the Concord Naval Weapons facility in my district. But during World War II, Port Chicago was a major weapons shipping facility. Most of the liberty ships carrying munitions and supplies to those fighting the Japanese in the Pacific came from Port Chicago.

On July 17, 1944, two ships—the *E.A. Bryan* and the *Quinalt Victory*—exploded. The blast was equivalent to five kilotons of TNT, on the same order of magnitude as the atomic bomb dropped a year later on Hiroshima, Japan.

Everyone on the pier and aboard the ships was killed instantly. Locomotives and rail cars, large portions of the pier, and the ships themselves, and hundreds or men were vaporized. Of the 320 deaths, more than 200 were black Americans who exclusively had the responsibility to load the dangerous munitions onto the ships, generally with little if any training.

This disaster alone accounted for over 15 percent of the total black American naval casualties during the war. Another 390 military civilians were blinded, disabled, and otherwise injured. The cause of the explosion remains unanswered today.

By establishing a national memorial at Port Chicago, we will mark the historic significance of the base itself to winning the war in the Pacific. We also will give national recognition to those hundreds who gave their lives or were injured on the home front while serving our country in the battle for peace.

The Port Chicago National Memorial will especially commemorate the sacrifice of hundreds of black Americans who served, fought, and died for rights they were denied at home.

This will be a simple memorial, and will include a list of the names of those killed during the explosion.

House Joint Resolution 306 will remind future generations of the contributions made by the Port Chicago sailors and by many others who served and sacrificed at home during World War II. I encourage my colleagues to support this legislation.

Mr. SERRANO. Mr. Speaker, I rise today in strong support of House Joint Resolution 306 to designate the Port Chicago Naval Magazine as a national memorial. The significance of this military facility during World War II was incomparable and, after nearly five decades, it is more than time that the valor and dedication of those individuals who served at the Port Chicago Naval Magazine be acknowledged and properly commemorated.

The Port Chicago Naval Magazine's contributions to the military efforts in the Pacific theater during World War II were of inestimable value since the facility served as the major west coast munitions supply during World War II. On July 17, 1944, there was an explosion at the port which resulted in the deaths of 320 officers and sailors, the largest domestic casualty during World War II.

Let us take this opportunity to join together in expressing our deep respect and gratitude to a group of exceptional Americans by designating the Port Chicago Naval Magazine as a national memorial in recognition of the invaluable role this facility played in our history.

Mrs. VUCANOVICH. Mr. Speaker, I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the joint resolution, House Joint Resolution 306, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution, as amended, was passed.

A motion to reconsider was laid on the table.

DISPOSING OF SENATE AMENDMENTS TO H.R. 2032, NEZ PERCE NATIONAL HISTORICAL PARK ADDITIONS ACT OF 1991

Mr. VENTO. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 504) to dispose of Senate amendments to H.R. 2032.

The Clerk read as follows:

H. RES. 504

Resolved, That upon adoption of this Resolution the House will be considered to have concurred in the Senate amendments to H.R. 2032 numbered (1), (2), and (3) and to have concurred in Senate amendment numbered (4) with an amendment as follows:

On page 1 of the Senate amendments, strike line 6 and all that follows down through line 2 on page 2 (the entire text of Senate amendment number 3) and insert:

(3) In section 3, strike the proviso in the first sentence and insert in lieu thereof the following: "Lands or interests therein owned by a State or political subdivision of a State may be acquired under this section only by donation or exchange. In the case of sites designated as components of the Nez Perce National Historical Park after November 1, 1991, the Secretary may not acquire privately owned land or interests in land without the consent of the owner unless the Secretary finds that—

"(1) the nature of land use has changed significantly or that the landowner has demonstrated intent to change the land use significantly from the condition which existed on the date of the enactment of the Nez Perce National Historical Park Addition Act of 1991;

"(2) the acquisition by the Secretary of such land or interest in land is essential to assure its use for purposes set forth in this Act; and

"(3) such lands or interests are located:

"(A) within an area depicted on Sheet 3, 4, or 5 of the map entitled 'Nez Perce Additions,' numbered 429-20018, and dated September 1991, or

"(B) within the 8-acre parcel of Old Chief Joseph's Gravesite and Cemetery, Oregon, depicted as 'Parcel A' on Sheet 2 of such map.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentlewoman from Nevada [Mrs. VUCANOVICH] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on House Resolution 504, the resolution now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2032 is legislation introduced by Representative PAT WILLIAMS to make additions to the Nez Perce National Historical Park.

The Nez Perce National Historical Park was established in 1965 to preserve and interpret the history and culture of the Nez Perce Indian country. H.R. 2032 would add 14 sites to the park in the States of Idaho, Oregon, Washington, and Montana that are critical to telling the story of Chief Joseph and the 1877 war.

The House of Representatives passed H.R. 2032 last October by a margin of 402-21. The strong bipartisan support for this bill was evidence of the hard work which went into crafting the legislation. The bill, as passed by the House, was developed with the close cooperation of the National Park Service, the Nez Perce Tribe, the bill's sponsor—Representative WILLIAMS—the ranking member of the subcommittee—Mr. LAGOMARSINO—and Mr. SMITH of Oregon. (H.R. 2032, as adopted by the House significantly scaled back the eminent domain authority of the bill as introduced by allowing it only at four specific sites.)

The Senate added several amendments to the House bill and passed it on November 27, 1991. Senate amendments 1, 2, and 3, which provide for the addition of the Hasotino village site in Idaho, are worthwhile amendments which merit our support. However, Senate amendment 4 adds language which upsets the careful compromise of the House passed bill and leaves the National Park Service with no ability to protect the most significant sites added to the park by this bill. Under the Senate language, there would be no way to protect nationally significant cultural and archaeological sites from being damaged or destroyed by development pressures. This is particularly true for the old Chief Joseph gravesite in Oregon, where a developer is planning a condominium complex adjacent to the gravesite.

Since the Senate action, we have worked with interested Members from both sides of the aisle to fashion a new bipartisan compromise to the land acquisition provisions of H.R. 2032. The House amendment to the bill before us today is the result of these efforts. The amendment provides that eminent domain authority can only be exercised if three conditions are met. First, the lands must be located within the four sites previously identified where the landowners are willing sellers; second, the Secretary of the Interior must find that the nature of the land use has changed or is proposed to be changed significantly from its existing use; and third, the acquisition of land must be essential to assure its use for purposes set forth in this act. All of these conditions must be met before the Secretary can exercise any eminent domain authority. I would remind my colleagues that in the 26-year history of the park, condemnation authority has never been used, nor does the National Park Service intend to use it now. Nevertheless, it is a necessary management tool if we are to adequately protect the resources of the park.

The amendment before us is reasonable and balanced. It respects private property rights while still providing protection for nationally significant cultural and archaeological resources. I urge Members to support H.R. 2032, as amended.

Mrs. VUCANOVICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of these amendments to the Nez Perce National Historical Park expansion bill. Mr. Speaker, the gentleman from Minnesota has already explained these amendments.

Let me just say that I believe that these amendments are a reasonable attempt to ensure that private property owners within the new park boundary will be able to continue to productively utilize their lands with only limited fear of intervention or harassment by Federal bureaucrats. That has clearly not been the case at some recently established park areas. For example, at Glorietta Battlefield in New Mexico, the National Park Service has issued draft guidelines which require private property owners to get permission of the park superintendent before they cut vegetation or plant a garden on their private land. This level of governmental interference is unwarranted. If the Federal Government wants to take away private property rights, they should pay for them, not attempt to erase them through regulation.

Let me just say that while I support this language as a reasonable attempt to preclude Government intervention, I also note that the Senate sponsors have indicated their interest to limit all future Federal acquisition at this park to willing sellers only. I would certainly defer to them with respect to how this measure should address the interests of their constituents.

Mr. Speaker, I hope my colleagues will join with me in supporting this bill.

Mr. VENTO. Mr. Speaker, again I want to thank Congressmen WILLIAMS, LAROCCO, SMITH of Oregon, and LAGOMARSINO for their work on this measure. It is a good bill. We have got maps. I think we have advanced some good policy and procedures in acting on the Nez Perce designation measure. This will add to the existing sites that have composed a successful park resource. I commend my colleagues for their work and action here and urge the House to act positively on the measure before us.

Mrs. VUCANOVICH. Mr. Speaker, I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and agree to the resolution, House Resolution 504.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

☐ 1410

ASSATEAGUE ISLAND NATIONAL SEASHORE

Mr. VENTO. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the House amendment to the Senate bill (S. 1254) to increase the authorized acreage limit for the Assateague Island National Seashore on the Maryland mainland, and for other purposes.

The Clerk read as follows:

Senate amendment to House amendment: Page 2, strike out all after line 22 over to and including line 8 on page 3 of the House engrossed amendment, and insert:

"(c) The Secretary is authorized to enter into cooperative agreements with local, State, and Federal agencies and with educational institutions and nonprofit entities to coordinate research designed to ensure full protection of the natural and cultural resources of the seashore, consistent with the purposes for which the seashore was established, and other applicable law. The Secretary is also authorized to provide technical assistance to local, State, and Federal agencies and to educational institutions and nonprofit entities in order to further such purposes. The Secretary shall submit a report every two years to the Congress on the results of the coordinated research program authorized by this section and plans to implement the recommendations arising from such research.".

The SPEAKER pro tempore (Mr. MAZZOLI). Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentlewoman from Nevada [Mrs. VUCANOVICH] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the measure presently being considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 1254, as amended, increases the authorized acreage limit for the Assateague Island National Seashore.

The legislation was initially considered and passed by the Senate on October 16, 1991. The House passed S. 1254, with an amendment, on March 24, 1992. Subsequently the Senate considered S. 1254 on April 9, 1992, and returned the measure to the House with an amendment to the House amendment.

The Senate amendment, which is acceptable to me, alters somewhat the provisions of the bill regarding the national seashore's comprehensive research program. More parks should have such programs so that park managers and the public will be better able to understand park resources, their needs and their appropriate management. In order to be effective, Assateague's research program needs to continue to be cooperative and comprehensive as well as encompass both the specific purposes of Assateague Island National Seashore and the requirements of the 1916 Organic Act that established the National Park Service.

Mr. Speaker, concurrence by the House today will complete legislative action on S. 1254. I support passage of the bill, as amended, and urge its adoption.

Mr. Speaker, I reserve the balance of my time.

Mrs. VUCANOVICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to be recognized on S. 1254, a bill to expand Assateague Island National Seashore. Mr. Speaker, I agree with the basic premise of this bill, that additional lands should be added to this park in the vicinity of the proposed visitor center. However, the new park boundary proposed in this bill includes lands which have no legitimate justification for inclusion within the park. Further, I am concerned that elimination of current limitations on acquiring lands on the mainland could lead to significant, unnecessary Federal acquisitions in the future.

Despite repeated questioning of the administration, we were unable to get any solid information on why these specific boundaries were being proposed. The language of this bill authorizing inclusion within the park of a 224-acre scenic easement on soybean fields up to a mile from the park visitor center is totally unnecessary from a resource preservation standpoint.

Finally, it is my understanding that the Trust for Public Lands is involved in the acquisition of this property. According to a recent Interior inspector general report, involvement of land trusts in Federal acquisition is costing the taxpayers millions of dollars. The IG found that the NPS and other Interior agencies paid more than the fair market value for properties around the country and that the Trust for Public Lands was one of the major beneficiaries of these practices. I hope that Congress will more thoroughly review proposed acquisitions in the future when involvement of these groups is known.

While amendments adopted in the Senate do address another problem in the original House-passed bill which could have been read to direct the Secretary to implement resource protection actions outside of his current area of jurisdiction, those amendments do not address most of my concerns. Therefore, I cannot support this measure.

Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. GILCHREST].

Mr. GILCHREST. I thank the gentlewoman for yielding this time to me.

Mr. Speaker, I would like to speak in favor of the bill and maybe I can address some of the concerns which have been put forward today.

The expansion of the national park is a direct result of the number of people who visit the park. Well over a million people visit the park annually.

It has been concluded that in the coming years there are going to be an additional 250,000 people who will visit the national park. The land for a visitors center has been donated by the State. The visitors center is to be used to accommodate the visitors, educate the people in the particular area, especially students, as to the importance of a barrier reef as far as habitat is concerned, shoreline erosion, and a whole host of other things.

So the expansion of the park, the extra acreage, is essential for that.

No. 2, the soybeans that are about a mile away from the visitors center are parallel with Assateague Bay and the ocean. So it is not unwise to take into consideration the amount of soil erosion or pesticide or herbicide or other runoff problems that pollute Assateague Bay.

Now, with proper management and buffer zones, this can result in good agriculture, but the easements are for future use and the idea that we can protect this natural resource is pretty important.

Fair market value from around the country: It might be higher around Assateague than it is in other areas of the country, but when you look at the high, high cost of oceanside property, it is rather enormous. And I think the amount of money spent for this particular property was fair market value for the particular region, and I think that goes along with the few other things that I mentioned heretofore, that is expansion of the national park being essential for the integrity of the national park. It is essential also for habitat, for wildlife, and it is also essential for holding onto the critical areas of the seashore.

The final point I want to make is the Chesapeake Bay program protects the Chesapeake Bay. If we can reflect that type of program in those regional efforts to ensure quality of water on the oceanside, we go a long way toward doing that.

Mrs. VUCANOVICH. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I want to commend Congressman GILCHREST for his statement and point out that he is joined in support of his position by the other Member from Maryland, Congressman MCMILLEN, both of whom support this measure.

Of course Senator SARBANES testfied before the committee in the House and answered numerous questions. I think the expansion is a necessary and appropriate addition to the park, and the research center language changes, which are really the difference between the House and the Senate bill, are acceptable to us. I hope we can move forward and offer strong support for this important unit of the National Park System.

Mr. MCMILLEN of Maryland. Mr. Speaker, I rise in support of S. 1254, a bill to increase the authorized acreage limit for the Assateague Island National Seashore.

This legislation was passed by the House in March, since which time the Senate has made some minor changes to the bill.

S. 1254, introduced by Senators SARBANES and MIKULSKI, seeks to expand the boundaries of the Assateague Island National Seashore to include 96 of the 320-acre tract of privately owned land adjacent to the southern border of the park.

Congress first created the national seashore in 1965.

The legislation we are considering today is crucial to protecting this pristine coastal area which is an important natural resource as well as of great historic value.

Without this legislation, there is an imminent danger that the privately owned land directly adjacent to, and within the viewshed of, Assateague will be consumed by commercial development. S. 1254 will prevent this by authorizing the purchase of the most critical portion of this land for inclusion in the national seashore.

This park should be protected not just for the benefit of the State of Maryland, but for the 2 million people who visit the park each year. It is truly a national treasure. I strongly encourage my colleagues to support its passage.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and concur in the Senate amendment to the House amendment.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment to the House amendment was concurred in.

A motion to reconsider was laid on the table.

□ 1420

NATIONAL UNDERSEA RESEARCH PROGRAM ACT OF 1992

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 487 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 487

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3247) to establish a National Undersea Research Program within the National Oceanic and Atmospheric Administration, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and which shall not exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be considered for amendment under the five-minute rule. In lieu of the amendment now printed in the bill, it shall be in order to consider an amendment in the nature of a substitute consisting of the text of the amendment printed in the report of the Committee on Rules accompanying this resolution as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered by title instead of by section and each title shall be considered as having been read. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text by this resolution. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. MAZZOLI). The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], and pending that, I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 487 is an open rule for the consideration of the bill, H.R. 3247, which will establish the National Undersea Research Program.

The resolution provides 1 hour of general debate to be equally divided between the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries.

The rule also makes in order an amendment in the nature of a substitute now printed in the Rules Committee report accompanying House Resolution 487.

Mr. Speaker, H.R. 3247 reauthorizes funding for the National Undersea Research Program or NURP. This important program falls under the jurisdiction of the National Oceanic and Atmospheric Administration.

Since its beginning in 1980, this program has provided an integrated approach to research of the world's large lakes and oceans.

This research is centered at five coastal locations in the United States, each of which is responsible for a specific geographical location.

Mr. Speaker, these centers conduct research on marine habitats, mineral resources, and many other facets of the marine environment.

These centers also conduct critical research in the area of submersibles and specialized scuba systems.

Since 1983 the administration has requested no funding for this program.

However, Congress has always affirmed its support of the important research done at these institutions by appropriating funds each year.

Mr. Speaker, as I am sure you recall, this legislation fell just a few votes short of passing under the suspension of the rules on May 6 of this year.

Since that time the committee of jurisdiction has gotten together and worked out a fair compromise that will allow these research centers to continue their important work.

This open rule will allow any germane amendments to the bill and I urge its adoption and the adoption of the bill.

Mr. HUGHES. Mr. Speaker, I rise in support of the rule and of H.R. 3247 a bill to establish the National Undersea Research Program [NURP]. I have had a strong interest in NURP for several years and am very pleased that we are voting on the formal establishment of this program today.

The NURP program has been in effect for over a decade, yet, year after year, the administration either reduces or entirely eliminates the program from the budget and Congress is charged with the task of restoring funding through the appropriations process.

This program has consistently proven its important role in providing opportunities for the scientific community to conduct research not possible within the limits of traditional ship-based research and laboratories.

NURP assists leading scientists with research in the Great Lakes, the oceans, and on the sea floor using the most modern technology and undersea habitats. Undersea research has enhanced our knowledge of the dynamic processes governing our oceans, increased our understanding of recruitment to fisheries, and expanded our general knowledge of the deep sea environment.

NURP has also contributed to advances in biotechnology and gear design, advanced underwater technology, and fostered the development of small businesses.

I am pleased that this legislation expands the existing NURP program. Specifically, the bill defines 10 undersea regions and requires NOAA in consultation with a steering committee to designate the responsibility for conducting undersea research in these regions to individual national undersea research centers.

Today there are six centers in existence, including one at Rutgers University in New Jersey. Although it was created as the New York Bight Center, clearly the intent is that the Rutgers NURP Center retain the responsibility for the entire mid-Atlantic region as defined in H.R. 3247.

For the past decade, Rutgers has been conducting undersea research in the mid-Atlantic region supported through various NURP centers or directly through the national office. Therefore, the establishment of the Center at this time is a formality, yet essential to, among other purposes, continue the monitoring of ocean dumping at the 106-mile site.

Indeed, Rutgers has been very active in undersea research. Currently, they are preparing to lay a fiber-optic cable out to a long-term ecosystem observatory site in Little Egg Inlet, NJ. This cable will be connected to classrooms and give children throughout the entire State the opportunity to view and learn about the seafloor.

I am also pleased that the bill calls for outside peer review of research proposals and the appointment of an independent science adviser to the program director. In addition, I believe that the nine member steering committee is appropriate to conduct oversight and periodic review of the undersea research centers throughout the country as long as the membership maintains objectivity and a representative balance between the priority research areas.

The NURP program provides the opportunity to study the processes governing our oceans and Great Lakes so that we may make the appropriate decisions regarding proper management and protection of these valuable resources.

The statutory establishment of the National Undersea Research Program within the Department of Commerce is essential to demonstrate not only the value and importance of the undersea research program, but our intention to strengthen and expand it as well. I strongly urge my colleagues' support for this very important legislation.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the chairman of the Rules Committee, the gentleman from Massachusetts [Mr. MOAKLEY], has ably explained the provision of the rule, and I am pleased to be handling this completely open rule because they are so rare anymore.

In 1980, Mr. Speaker, the National Undersea Research Program was administratively established within NOAA to seek a better understanding of the process in the world's oceans and large lakes. It currently has five national undersea research centers, as the gentleman from Massachusetts [Mr. MOAKLEY] has pointed out, which are located throughout the United States. The centers fund research through a competitive peer-review grant process and provide scientists with underwater research systems.

H.R. 3247 statutorily establishes the National Undersea Research Program within NOAA, and sets forth administrative procedures for operation of the program.

Mr. Speaker, I would like to point out that the administration opposes this bill. The President's advisers find that this program has been handled administratively by NOAA since 1980 and that statutory establishment of a new program is unnecessary. They also believe that the program growth authorized by the bill would place higher priority NOAA programs in direct competition for increasingly scarce resources.

Mr. Speaker, under this open rule any problems with the bill can be addressed. I urge adoption of this rule so that the House can get down to the business at hand.

Mr. Speaker, I have no requests for time.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to House Resolution 487 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 3247.

□ 1427

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3247) to establish a National Undersea Research Program within the National Oceanic and Atmospheric Administration, with Mr. PENNY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from New Jersey [Mr. HUGHES] will be recognized for 30 minutes, and the gentleman from New Jersey [Mr. SAXTON] will be recognized for 30 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. Mr. Chairman, the House is considering the National Undersea Research Program Act of 1992. This bill was introduced on August 2, 1991, and referred to the Merchant Marine and Fisheries Committee.

The Subcommittee on Oceanography, Great Lakes and the Outer Continental Shelf has jurisdiction over civilian undersea research activities conducted through the National Oceanic and Atmospheric Administration [NOAA]. The subcommittee held a hearing on this legislation on October 5, 1991. At that hearing, the subcommittee reviewed current civilian undersea research projects and received recommendations for a variety of statutory changes to improve coordination between NOAA and academic users, undersea research program directors, and the research community in general.

Several recommendations from our witnesses were incorporated into H.R. 3247 as reported by the full Committee on Merchant Marine and Fisheries on January 29, 1992.

A substitute amendment was brought to the House floor for consideration on May 6, 1992, under suspension of the rules. Following the Merchant Marine Committee's markup of H.R. 3247, I received correspondence from the chairman of the Subcommittee on the Environment of the Committee on Science, Space, and Technology concerning two provisions of the bill. A substitute amendment resolved these concerns, and it appeared the bill would support ongoing research without controversy or substantial change. However, due to primary elections on May 6, the absence of 46 Members of the House, and perhaps the unfamiliarity of some with the merits of the National Undersea Research Program, the substitute amendment fell short of the necessary two-thirds vote for passage.

Under the open rule provided today, the House has the opportunity to review the provisions of H.R. 3247 and to examine the three modifications made to the bill supported by the Merchant Marine and Fisheries Committee and the majority of the Science, Space, and Technology Committee. With these three changes, I believe the bill is worthy of adoption today.

The first change establishes 10 research regions for undersea research. It provides a procedure for assigning one or more regions to the six existing centers, with the activities of each subject to a 5-year evaluation cycle.

The second change provides a 3-year trial time for researchers to respond to comments by research proposal reviews so necessary for adequate and responsible peer-reviewed research.

The third change eliminates the specific designation of the Mid-Atlantic Bight Research Center. This center was formally established by the administration since the bill was reported in January, making this designation superfluous.

Mr. Chairman, I would now like to briefly summarize the effect of this legislation. H.R. 3247 authorizes by Federal statute the administrative framework for civilian undersea research. The Federal Government has engaged in undersea research since the early 1970's, and NOAA received its first appropriation for underwater research programs in 1976. Since 1980, the National Undersea Research Program has been credited with a broad array of successful projects. Studies of the sea and seafloor are conducted in cooperation with academic centers throughout the United States.

However, during this time, there has never been a formal congressionally approved mechanism for coordinating undersea research. H.R. 3247 provides such a mechanism by establishing the Office of Undersea Research within NOAA, giving it responsibility for implementing projects based on seven specific national research priorities and selecting project proposals based on merit and optimal results. These priority areas include: oceanfloor and mineral resource studies; undersea exploration technologies; coastal ecosystems research; ocean and lake monitoring; and studies of processes affecting climate changes. Under the bill, research projects will be selected and coordinated by the National Undersea Research Program Director appointed to administer the program with the advice of a non-Federal scientific advisor and steering committee.

The 10 undersea regions established by the bill will be served by the existing 6 National Undersea Research Centers. These centers are located at several universities and institutions in the following regions:

Rutgers University—mid-Atlantic Bight region;

The University of Connecticut—North Atlantic and Great Lakes regions;

The University of North Carolina—the South Atlantic and Gulf of Mexico regions;

The University of Alaska—Alaska and the west coast regions:

The University of Hawaii—the Western Pacific region; and

The Caribbean Marine Research Center—Caribbean region.

The bill allows for new centers in the four expansive regions now coupled at existing centers. The authorization levels provided takes into account that funds for on-going research at existing centers may not be diminished to start a new center. To ensure that only quality research programs are in effect, all centers, old and new, will be subject to a 5-year review, evaluation, and potential sunset.

Research centers may be established at institutions of higher education or oceanographic research only in States bordering one of the designated regions. Grants procedures are standardized, and at least 60 percent of the funds appropriated must go for actual research projects under grants or contracts. The bill provides for an authorization of appropriations through fiscal year 1996. The amounts provided for each year are as follows: for 1992, $24 million; for 1993, $29.2 million; for 1994, $34.4 million; for 1995, $39.6 million; and for 1996, $44.8 million. The amounts ensure that appropriate equipment and the variety of research projects underway, and in the planning stages, can continue.

Given that this legislation provides a fair and balanced structure for competitive, peer-reviewed undersea research, I urge its adoption.

□ 1530

Mr. Chairman, I reserve the balance of my time.

Mr. SAXTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today I rise in support of H.R. 3247, the National Undersea Research Program Act of 1992. This program and the technologies which it has inspired has allowed us to expand beyond conventional research methods in understanding the dynamics of the Earth's oceans and the marine resources on which the world depends.

Whether we are discussing ecology, economics, technological advancement, or sustainable management of marine resources, the National Undersea Research Program has proven to be vital on all four fronts.

Two of the most fundamental advances provided through NURP technology has been the ability to determine the impacts of man's activities first hand, and to understand the dynamics and habitats of marine resources which we commercially depend on.

Currently, undersea research is being conducted at the 106-mile sewage sludge dumpsite. Conventional wisdom historically claimed that the 8 million tons of sewage sludge dumped annually off the Atlantic coast never reached the bottom or affected living marine resources.

Because of the Undersea Research Program—today we know that sewage sludge, and the contaminants it contains not only accumulate on the ocean floor, but also impact the creatures which live in that environment. How this has affected commercial fisheries, human health, and other living marine resources is dependent on further research.

In addition, the prospects offered by NURP for internationally managing marine resources in a sustainable manner is an issue of increasing importance.

Whether we are discussing highly migratory species prized by the many nations of the world, or the extraction and discovery of new mineral resources for energy and technological advancements, undersea research will play the pivotal role in understanding these resources, their abundance and their management.

Last, Mr. Chairman, the technology of undersea research is in itself an economic frontier vital for U.S. competitiveness in the emerging global economy.

A primary factor for any healthy economy will depend on its technological and scientific ability to address ecological issues and resource sustainability. Increasing clusters of private enterprise emerging around sciences such as undersea technology and pollution mitigation are evidence of this trend.

Although the prospects of space exploration may be exciting and hold new frontiers for the future—the fact is that two-thirds of the Earth is covered by ocean and we have only begun to understand that frontier.

Mr. Chairman, this is a valuable and vitally important program and I urge my colleagues to support its passage.

Mr. Chairman, I reserve the balance of my time.

Mr. HUGHES. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina [Mr. JONES], the distinguished chairman of the full Committee on Merchant Marine and Fisheries.

Mr. JONES of North Carolina. Mr. Chairman, I rise today in support of H.R. 3247, the National Undersea Research Program Act. This bill establishes the National Undersea Research Program [NURP] by law. H.R. 3247 also sets out procedures for the establishment and operation of undersea research centers as well as procedures for reviewing and funding undersea research.

As Members may recall, this bill was brought up under suspension of the rules on May 6, 1992, but even though 255 Members voted for it, the bill failed to receive the two-thirds majority necessary for passage. I would like to address some of the criticisms raised during the floor debate on May 5.

First, why should we be spending our scarce Federal resources on undersea research? The answer lies in the sheer size of the world's oceans. Approximately 70 percent of the surface of the Earth is covered by water. If we look at the volume of the Earth, we see that 99 percent of the Earth's volume is water. How can we afford to ignore this much of our planet? What undiscovered chemical and biological resources lie in this vast area?

In the wake of the Rio Conference, I'm sure that many Members have an increased appreciation for biodiversity and the importance of cataloging and preserving it. What Members probably don't know is that the diversity of life in the oceans is far greater than the diversity on land. This point is illustrated by a recent article in the New York Times which reported that researchers at Rutgers University had collected 90,677 creatures at a site the size of two tennis courts off the New Jersey coast. That same sample yielded 798 species, 460 of which were previously undiscovered. Just imagine how many more undiscovered species there are in the rest of the world's oceans. What undiscovered medical agents lie in this vast area?

Second, why can't we use surface vessels to investigate the deep ocean, instead of scuba or submersibles? The simple answer is that being able to see what is being collected vastly improves the quality of the samples, and allows samples to be collected carefully at precise locations. Additionally, there are many organisms that, because of their delicate makeup, can only be sampled using submersibles or scuba.

Third, why should the Federal Government run a National Undersea Research Program? Witnesses at the October 15, 1991, hearing by the Subcommittee on Oceanography, Great Lakes and the Outer Continental Shelf on H.R. 3247, specifically addressed this question. Every witness testified that NURP provides scientists with unique equipment which is essential for the conduct of undersea research. They stated that NURP is often the only source scientists have for state-of-the-art underwater equipment. One witness compared NURP's mission of facilitating access to inner space—our oceans and large lakes—with NASA's mission to provide access to outer space.

Fourth, opponents of H.R. 3247 called NURP a pork-barrel program which should be eliminated. Unfortunately NURP has had this reputation since it was established in 1980, because several of the existing centers were established through earmarks in appropriations bills without competition. This is precisely why Members should vote for H.R. 3247. This bill will set in place procedures for competitively awarding new NURP centers. H.R. 3247 also sets up a procedure for the periodic evaluation of existing centers and authorizes the closure of nonperforming centers. In my opinion, this bill will ensure that the American taxpayer gets the biggest bang for its research buck.

Finally, I found it very ironic that on the same day last month that H.R. 3247 was considered, the House voted to spend $2.25 billion for the space station in fiscal year 1993, but some of the same Members who supported the space station were balking at spending a tiny fraction of that on exploration of the oceans. I am not criticizing support for the space station, but I do think that the same arguments for exploring outer space hold true for exploring our oceans.

The National Undersea Research Program is a good program which serves national interests. H.R. 3247 will provide a statutory basis for NURP, as well as a framework for its operation. I urge all Members to support it.

Mr. HUGHES. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. HERTEL], chairman of the Subcommittee on Oceanography, Great Lakes and the Outer Continental Shelf, and I congratulate him on moving this legislation forward. It is a good bill.

□ 1440

Mr. HERTEL. Mr. Chairman, I would like to provide an example for the RECORD of how the National Undersea Research Program has assisted scientists in the Great Lakes with the plaguing problem of the zebra mussel. Although the Great Lakes region does not have an existing research center, scientists there have benefited from the help of the NURP Program in achieving expert training and diving certification necessary to conduct research that, hopefully, will soon eradicate the zebra mussel.

Scientists at NOAA's Great Lakes Environmental Research Laboratory in Ann Arbor, MI, are now looking at the ecological changes in Lake Huron's Saginaw Bay following the spread of zebra mussels to this area. Part of the sampling required is best accomplished by direct collection by scuba divers of sediments and biota.

In late April 1992, the Great Lakes Laboratory arranged to send one of its biological technicians out to Seattle, WA for an intensive 3-week course in research diving sponsored by NURP. Prior to the training, the technician had no diving experience, but 3 weeks later, he returned as a fully qualified NOAA diver after logging some 27 dives. This research scientist will be working in Saginaw Bay with a diver from the University of Michigan's Cooperative Institute for Limnology and Ecosystem Research, and the two will carry out sampling operations throughout the rest of this year.

This added scuba sampling capability will provide for highly reliable and cost-effective data collection and was made possible by access to NURP.

Mr. HUGHES. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Chairman, I rise today to express my strong support for H.R. 3247, legislation to authorize the National Undersea Research Program within the National Oceanic and Atmospheric Administration. I would also like to take this opportunity to commend Chairman WALTER JONES of the full Merchant Marine and Fisheries Committee and Chairman HERTEL of the Oceanography Subcommittee for their diligent work in bringing this important bill to the floor.

Mr. Chairman, the oceans of this planet make up more than 317 million cubic miles or 71 percent of the surface of the planet. Oceans have a significant impact on global temperature and weather patterns, yet we know very little about this resource. Enactment of this legislation will enable our scientists to more fully understand the mysteries of the oceans and help us to protect the ocean and freshwater resources more effectively.

For several years, under the National Oceanic and Atmospheric Administration, National Undersea Research Centers, including one at the University of Connecticut, have been sponsoring and conducting research to help us to understand the mysteries of the oceans. This legislation will recognize the importance of that work to our planet and will establish a clear administrative framework for those centers to operate. It is my belief that passage of this legislation will show that we are committed to understanding the oceans and managing the resources of this planet more effectively.

As I mentioned, one of the existing NURP centers is based in my district at the University of Connecticut [NURC–UCAP]. For the past several years, it has been my good fortune to know and work with Dr. Richard Cooper, Director of NURC–UCAP. Dick Cooper, Lance Stewart, Ivar Babb, Douglas Lee, and the other scientists at NURC–UCAP have been extremely important resources for me and my staff in understanding environmental and economic issues related to ocean dumping, sewage sludge, fisheries management, the Long Island Sound and the Georges Bank off the coast of Massachusetts, one of the richest fisheries in the world.

But more important than the advice they have provided me are the research and educational programs that NURP and NURC–UCAP have sponsored and will continue to initiate and expand with passage of this legislation.

Since their inception in 1983, NURC–UCAP's research efforts have focused on both basic and mission-oriented activities providing a greater understanding of some of the most crucial environmental and economic issues facing our Nation's coastal areas. In particular, NURC–UCAP provides oceanic and freshwater researchers the opportunity to use some of the most advanced underwater research technology that has been developed. A recent NOAA study reported that the biggest gaps in our understanding of oceanic processes are defined by the biases in traditional surface-based research techniques. NURC–UCAP is one of the world leaders in developing innovative undersea dive systems, including manned submersibles and unmanned undersea robotic vehicles that will help scientists to fill the gaps in our understanding. Passage of this legislation will enable that effort to move forward.

In 1984, NURC–UCAP conducted its first diving operation. Since that time, the robotic and manned submersible dive systems have provided support to more than 300 scientists from 16 States, 18 universities, numerous government agencies, and at least 6 countries.

In particular, their efforts on ocean dumping, zebra mussels in the Great Lakes, aquatic pollution, and fisheries management issues have been extremely timely, considering the economic importance of the management and protection of commercial and recreational fisheries of the Great Lakes and northwestern Atlantic Ocean. These resources are estimated to be valued at more than $6 billion annually.

NURC–UCAP scientists have been studying the ocean disposal of sewage sludge, particularly at the 106-mile site off the coast of New Jersey. By taking core samples from the ocean floor, NURP scientists will be able to get a better understanding of the effects of ocean dumping and can advise policymakers at the Environmental Protection Agency, NOAA, and in Congress on the effects of this dumping method and whether better alternatives exist.

NURC–UCAP scientists have undertaken a number of projects in the Long Island Sound to improve our understanding of the sound. In addition to increasing our understanding of the marine environment, their work will help resource managers to more effectively address the pollution problems, cleanup, and fisheries management issues that we are facing.

NURC–UCAP scientists, through the use of traditional methods and submersibles, have been conducting extensive multidisciplinary research throughout the Great Lakes and the North Atlantic Ocean on fisheries habitat and the impacts of gillnets, lobster traps, trawls, and scallop drag gear. This will provide much needed information on fisheries productivity that will help to make more realistic estimations of fisheries productivity, improve the efficiency of fishing practices, and more effectively manage our fisheries resources.

Mr. Chairman, in addition to their research efforts, NURC–UCAP has established the High School Aquanauts Program, which is an innovative marine sciences education program. As the first such program of its kind in the nation, the Aquanauts Program provides students the opportunity to experience the real scientific process. Scientists and educators develop specially designed marine sciences curriculum, the students then develop their own research project, and during the summer have an opportunity to make deep sea and Great Lakes dives in a sophisticated submersible or work with unmanned underwater robots in the Long Island Sound. This program not only provides potential future scientists with some true hands on experience, it also promotes a greater understanding and appreciation for the ocean and for the need to protect it.

Mr. Chairman, the scientists working through the National Undersea Research Program, whether it be at NURC-UCAP or the NURP center in Hawaii or in North Carolina, or Alaska, do extremely important research on probably the least well understood part of the Earth, the oceans. Passage of this legislation will enable not only current marine scientists but future scientists to unlock mysteries of the oceans. The potential for new discoveries in the seas and more sustainable management practices are tremendous. However, in order to move in that direction, it will take new technologies, new research systems like those being developed at NURC-UCAP, and a greater commitment to that effort to enable us to more fully understand, utilize, and manage the aquatic resources that are there.

Mr. HUGHES. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, this is a very good bill. It probably would be here under suspension of the rules if we had a few more votes.

Mr. Chairman, I have a simple amendment that I will be bringing up to the bill. It requires that all those who are involved in participating in any funds available under this bill comply with the buy-American laws that we do have on the books now. Although we have these laws, it seems that people forget about them and Congress does not necessarily provide the oversight to ensure that the buy-American law is ever really adhered to.

This amendment reminds people of that compliance, No. 1. It provides for a notice to be made for anybody who will be participating in funding under the program to buy American-made goods and products. I think that it should be a consistent procurement policy that our Congress should support.

Mr. Chairman, I would also like to say this: Being here 8 years, being seated nearly every week next to the distinguished gentleman from North Carolina [Mr. JONES], the chairman of the Committee on Merchant Marine and Fisheries, any time the gentleman is involved in a bill I think the bill is readily dispatched and met with favor.

Mr. Chairman, I appreciate this time. The amendment is not controversial and I appreciate the support that has been granted from both sides of the aisle.

Mr. SAXTON. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, we have been told on numerous occasions on the floor in the last few weeks about the size of the budget deficit that we have, the size of the debt we have, the problem that we have with Government spending, the problem that we have with too many Government programs. The problem is that we do not have the votes to get a balanced budget amendment to the Constitution because what we are told is what we ought to do is summon up the courage in the House to do something about these problems without modifying the Constitution.

Well, here is a program where we ought to take a look. Let me tell you why.

First of all, this is a program that the administration does not want to fund, period. They have zeroed it out of their budget. Since 1983, this is a program that the administration has said they do not want to fund.

Congress, in its infinite wisdom, has said no, you can't end the program; you have got to fund it.

Now, what has Congress done about the funding in this program? Since 1980, when this program was brought into being, the funding for this program has gone up by more than 500 percent. In a 12-year program, this is a program that Congress not only said we have got to keep, but we have got to keep spending at ever increasing levels.

So in a 10-year period it has gone up by over 500 percent. Understand, that averages a 50-percent-a-year increase in spending—well, not quite. Not quite. Forty percent a year. Let us make it 40 percent a year since it is a 12-year period, not a 10-year period. Forty percent a year.

One wonders why we are in trouble. How long can you go on piling up debt and deficit at the rate where programs grow 40 percent a year?

Right here is a problem. Understand, this is a program that the administration does not want to fund at all. Congress over the last decade has increased the spending 40 percent a year.

Now we have the reauthorization before us. The reauthorization is interesting. What this does is takes a program that up until now has been a program operated within the Department as kind of an administratively oriented agency, and what we do is officially create a new bureaucracy here and add some more bureaucrats. We add a director, and we add a deputy director.

We are going to go hog wild. So we are now establishing a brandnew bureaucracy. And we are going to hold down the spending?

Well, as the bill comes before us, over the next 5 years the bill goes up 260 percent. So we are going to continue to spend at a 50-percent-a-year increase in the spending.

This is not what I am saying. This is what the bill says. The bill says that for the next 5 years we are going to see the program increase by a percentage, 50 percent a year, for a 260-percent increase over the next 5 years.

Now, I think perhaps this is a program that is useful. We ought to do something in this area. The gentlemen who have spoken before me make a case that this is some useful research for the Government to be doing.

But is it something that we have to do to the tune of 50-percent increases every year? I do not think so. I think what we ought to do is take a look at this program and decide that the administration may be wrong in wanting to zero it out, but, at the very least, what Congress could do is freeze the spending.

A program that has grown at 40 percent a year for a 12-year period is now at a level that you could freeze the program very easily. I will have an amendment later on that simply calls for that. Let us take these 40-percent increases that have gone up every year for the last 12 years and live with that. Let us freeze the level at $17.2 million, where it is right now—$17.2 million ought to be enough. Just freeze it there and hold it there for the next several years.

Mr. Chairman, that is the way you begin to get budgets under control. I would suggest that this is a good place to start the business of getting budgets under control.

Mr. SAXTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would just like to respond to the gentleman from Pennsylvania [Mr. WALKER], who makes some very good points, a gentleman with whom I very often agree.

Mr. Chairman, I believe that the gentleman describes the situation here in which I find him making some very meritorious points. However, at the same time, I also heard the gentleman say some things which I believe the gentleman and I agree on with regard to this bill. Namely, first, that this is a bill which for the first time publicly, legislatively, statutorily, will authorize the National Undersea Research Program to take place.

The Congress has been appropriating money to it every year since 1976 or 1980, depending on which year you use, and this bill will provide for the statutory provisions that should be in place for the program to operate.

□ 1450

Second, the gentleman probably recognzies that the gentleman from New Jersey [Mr. HUGHES] and I and others on the Committee on Merchant Marine and Fisheries are interested in this bill dealing with issues on an ongoing basis, which are very, very difficult issues. And we find ourselves in the situation very often of making decisions based on less than perfect science, to say the least.

The research that is ongoing through this program and that will be ongoing through this program will be a tremendous help in aiding us in our efforts to come to grips with many of the problems that we, as human beings, have created with regard to the ocean environment over the years. We deal with issues that have to do with fisheries, how to protect fisheries, how to keep fisheries healthy and growing so that we can harvest them and benefit from them, how to harvest other ocean resources. And all of those issues that we deal with we believe are very, important.

I know the gentleman from Pennsylvania agrees with much of what I say because he is not for zeroing out the authorization. He is for confining it to something that he thinks is an appropriate level.

I do not know whether the numbers that are written in the bill are the right numbers, the most appropriate numbers, or whether the gentleman's suggestion that we freeze this program is appropriate. But I do know that it is a very meritorious program and one which should continue, and I suspect that we will arrive at some agreement here during the day.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. SAXTON. I yield to the gentleman from Pennsylvania.

Mr. WALKER. As I said in my statement, I think that there is a reason for doing the program and getting the research, as the gentleman points out. It does make some sense to have a good research base on which to act.

On the other hand, we really do have to take a look at what we are doing as we bring bills to the floor. This bill that the gentleman has brought here literally is a 260-percent increase in spending over the next 5 years. I am telling the gentleman that no reasonable person believes that we can control debt and deficits in this country if we are going to authorize spending levels that grow 250 percent in just a 5-year period. That just is totally out of the realm of good sense when we are faced with $4 trillion in debt and a growing Federal deficit that is funding that debt.

So it seems to me that the reasonable thing to do here is to freeze the program, get the research base which is useful and move on from there, but not give massive increases that in my mind are not justifiable.

I think most working families in this country would love to think that they are going to get a 250-percent increase in their pay over the next 5 years. I think most of them realistically expect that it will be more like a 10-percent increase in their pay over the next 5 years. And a 250-percent increase versus their 10 percent, I think most of them are going to regard as unreasonable.

Mr. HUGHES. Mr. Chairman, I yield myself such time as I may consume.

I do not understand the arithmetic of the gentleman from Pennsylvania. When I went to school, a $5 million increase, and that is what it is, in the bill is not 50 percent of the $20 million or $24 million.

But be that as it may, most importantly, we are talking about $24 million for ocean research. The gentleman does not think anything of spending $2.2 billion for space research. The oceans and ocean research is one of the things we have neglected for too many years.

One of the reasons why we are attempting to expand the program modestly is because we do not have research centers throughout the country. This legislation does a number of things, as I tried to indicate in my opening statement.

No. 1, we attempt to formalize what has been done heretofore by Executive order. We try to develop some criteria so that we can measure projects up against specific criteria. We try to make the organization within NOAA more orderly by trying to set up a director who is responsible for the program. The gentleman from Pennsylvania is the first one to criticize when we cannot hold anybody accountable in the bureaucracy. We tried to do that by holding somebody responsible for this particular program.

The work that is being performed in these NURP centers is outstanding. We are talking about research.

I have heard the gentleman from Pennsylvania and others on this floor argue about how it is important for us to increase our basic research in this country, and that is what this bill does. It increases basic research. These are universities, other centers of learning around the country that are doing basic research on ocean policy, ocean issues.

It seems to me that that is what we need to do, if we are going to try to expand this economy, make ourselves more competitive. We have to better understand the waters around the world. They comprise most of the globe, and yet we have neglected ocean policy in years past.

This is a movement forward. Modestly, I grant my colleagues, but it is a movement forward in trying to develop better research centers.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding to me.

He understands that this bill goes to $45 million over the next 5 years. That is where I get the 260-percent increase. But the gentleman's bill takes it from the 1992 funding, where there is $17 million, he takes it to $24 million. That is a 40-percent increase this year.

Mr. HUGHES. Mr. Chairman, reclaiming my time, it is $5 million a year. It is a 5-year authorization. It is an authorization bill.

I say to my colleague, we are attempting to develop new centers around the country. That was the consensus of the Committee on Merchant Marine and Fisheries, that we needed to expand modestly these centers so that we could do a far better job in all parts of this country: Great Lakes, gulf, east coast, North Atlantic, Pacific coast.

And frankly, that is exactly what we are doing. It is for the first time we develop criteria in this legislation. That is not increasing bureaucracy. We are talking about the same people administering the program that have been administering the program. And the administration created the program.

All we are doing is formalizing in organic law what we have been doing and trying to streamline it and hold somebody accountable for the programs. It seems to me that is exactly what the gentleman has argued for in past bills.

Mr. Chairman, I reserve the balance of my time.

Mr. SAXTON. Mr. Chairman, I yield 3 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Chairman, I rise in strong support of H.R. 3247, the underwater research authorization bill. I believe our long-term national goal as a maritime nation and as a world leader is to focus on the world's oceans as we have focused on space many years ago. Just as we have pursued an aggressive strategy on space exploration and have benefited greatly from our increased understanding of the universe, we need now to pursue an aggressive strategy as we address the little-understood resource, the oceans.

H.R. 3247 will provide us with the tolls necessary to accomplish this goal.

We are just beginning to realize the vast mineral and food resources that lie in the depths of the sea. Advances in biotechnology, especially improved larvae development, will enhance man's ability to cultivate the oceans and enable us to rely more heavily on them to feed the world's hungry.

Likewise, advances in ocean thermal energy conversion [OTEC] will lessen our Nation's dependence on oil as an energy source. The differences between Sun-heated surface waters and the underlying polar currents, if successfully harnessed, can be put to use generating electricity by utilizing low-boiling liquids like ammonia to drive turbines in closed systems. Large floating power-generating plants could be moored in warm seas and the resulting electricity transferred via submarine cable to land. The beauty of this form of energy is, unlike fossil fuels, it is virtually pollution-free and renewable.

Finally, as nations run out of space for waste storage on land and recycling efforts peak, scientists have concluded that the deep, barren, ocean floor contains stable crust areas where waste can be implanted far from human populations and with less opportunity to contaminate the rich food and marine resources found in coastal waters.

H.R. 3247 will promote scientific advances in all of these areas and will allow our technologically advanced submarine industrial base to use its engineering experience to develop new subs to assist in research in these areas. Electric Boat has spent years developing the most highly advanced submarines in the world. This brain trust, which helped to win the cold war, should now be used to help us achieve our undersea exploration goals by building research subs equipped to collect data on underwater ecology and energy resources.

Mr. DAVIS. Mr. Chairman, I commend Chairmen JONES and HERTEL for developing this legislation, which provides a structure for the existing NOAA National Undersea Research Program. I am especially pleased that while the program is called the National Undersea Research Program, the Great Lakes are part of it.

I voice my support for this measure and urge my colleagues to add theirs. Again, I commend subcommittee Chairman HERTEL for reminding NOAA that the continental United States does enjoy four coastal areas.

Mr. HUGHES. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. SAXTON. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

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The CHAIRMAN. Pursuant to the rule, the amendment in the nature of a substitute now printed in House Report 102–573 shall be considered by title as an original bill for the purpose of amendment, and each title is considered as read.

Mr. HUGHES of New Jersey. Mr. Chairman, I ask unanimous consent that the bill be printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from new Jersey?

There was no objection.

The text of the amendment in the nature of a substitute is as follows:

H.R. 3247

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—NATIONAL UNDERSEA RESEARCH PROGRAM

SEC. 101. SHORT TITLE.

This title may be cited as the "National Undersea Research Program Act of 1992".

SEC. 102. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) The world's oceans occupy 317,000,000 cubic miles, and constitute 71 percent of the surface of the earth.

(2) The Great Lakes comprise 20 percent of the world's freshwater and are a valuable, international, commercial, and recreational resource.

(3) The oceans and Great Lakes are inextricably linked to many important global processes, such as global temperature, weather patterns, and nutrient cycling.

(4) The oceans and Great Lakes hold many undiscovered or unexploited mineral and biological resources.

(5) A majority of invertebrate phyla and over half the vertebrate species inhabit the oceans.

(6) The genetic diversity of marine organisms makes the oceans a potentially important source of undiscovered medical agents.

(7) Understanding of the physical, chemical, geological, and biological processes which govern dynamics in the oceans and Great Lakes, particularly the deep ocean, is limited.

(8) Oceanic and limnological researchers require increasingly more advanced technologies and methodologies to accomplish complex research goals.

(9) Advanced underwater technology, including diving, underwater laboratories, research submersibles, and remotely operated vehicles, must be an integral part of the Nation's efforts to study, understand, utilize, conserve, and wisely manage the aquatic environment.

(b) PURPOSE.—The purpose of this title is to establish a program of research to better understand ocean and large lakes ecosystems and their role in global systems.

SEC. 103. DEFINITIONS.

For the purposes of this title, the term—

(1) "Administration" means the National Oceanic and Atmospheric Administration;

(2) "Center" means any National Undersea Research Center in existence prior to the date of enactment of this Act or established pursuant to section 106;

(3) "Center Director" means the Director of any National Undersea Research Center;

(4) "Committee" means the National Undersea Research Steering Committee established pursuant to section 105;

(5) "Office" means the Office of Undersea Research established under section 104(c)(1);

(6) "priority research area" means any of the priority research areas under section 104(f), as those areas may be revised by the Under Secretary under section 104(f)(2).

(7) "Program" means the National Undersea Research Program established under section 104;

(8) "Program Director" means the Director of the National Undersea Research Program appointed pursuant to section 104(c)(2);

(9) "undersea region" means each of—

(A) the North Atlantic region, comprised of the coastal and oceanic waters north of Montauk, New York, and off Maine, New Hampshire, Massachusetts, Rhode Island, and Connecticut;

(B) the Mid-Atlantic region, comprised of the coastal and oceanic waters south of Montauk, New York, and off New York, New Jersey, Delaware, Maryland, and Virginia;

(C) the South Atlantic region, comprised of the coastal and oceanic waters off North Carolina, South Carolina, Georgia, and the Atlantic coast of Florida (including the Florida Keys);

(D) the Gulf of Mexico region, comprised of the coastal and oceanic waters of the Gulf of Mexico off Florida, Alabama, Mississippi, Louisiana, and Texas;

(E) the Great Lakes region, comprised of the waters of the Great Lakes;

(F) the Southern Pacific region, comprised of the coastal and oceanic waters off California;

(G) the Northern Pacific region, comprised of the coastal and oceanic waters off Oregon and Washington;

(H) the Western Pacific region, comprised of the coastal and oceanic waters off Hawaii, Guam, American Samoa, and the Northern Mariana Islands;

(I) the Alaskan region, comprised of the coastal and oceanic waters off Alaska;

(J) the Caribbean region, comprised of the coastal and oceanic waters off Puerto Rico and the United States Virgin Islands; and

(K) any other undersea region resulting from an establishment, modification, or merger under section 106(f)(2);

(10) "undersea research" means scientific research carried out in the oceans or large lakes of the world, using underwater vehicles or techniques; and

(11) "Under Secretary" means the Under Secretary of Commerce for Oceans and Atmosphere.

SEC. 104. ESTABLISHMENT AND ADMINISTRATION OF NATIONAL UNDERSEA RESEARCH PROGRAM.

(a) PROGRAM ESTABLISHMENT AND MAINTENANCE.—The Under Secretary shall establish and maintain within the Administration a program to be known as the "National Undersea Research Program".

(b) PROGRAM PURPOSE.—The Program shall, for the purpose of enhancing scientific understanding of processes in the oceans and large lakes of the world—

(1) develop, maintain, and conduct scientific and engineering undersea research programs; and

(2) investigate, develop, and apply technology for undersea research.

(c) OFFICE OF UNDERSEA RESEARCH.—

(1) ESTABLISHMENT.—There is established in the Administration the Office of Undersea Research, which shall conduct the Program.

(2) PROGRAM DIRECTOR.—The head of the Office shall be the Director of the National Undersea Research Program, who shall be appointed by the Under Secretary from among individuals with extensive knowledge and expertise in undersea research, and having appropriate administrative experience.

(d) DUTIES OF PROGRAM DIRECTOR.—The Program Director shall administer the Program subject to the supervision of the Under Secretary. In addition to any other duty prescribed by law or assigned by the Under Secretary, the Program Director shall—

(1) establish and maintain a list for each priority research area of scientists who are actively conducting research in that area, for the purpose of—

(A) providing peer reviews of individual research proposals under the Program; and

(B) participating in site visits pursuant to section 107(c)(2); and

(2) develop guidelines for the submission and review of proposals from Centers and individual researchers for research under the Program.

(e) SCIENCE ADVISOR.—

(1) APPOINTMENT.—The Under Secretary shall, pursuant to the Intergovernmental Personnel Act of 1970 (42 U.S.C. 4701 et seq.) and by not later than 6 months after the date of the enactment of this Act, appoint to serve as a science advisor to the Director on the scientific needs of the Program, an individual who—

(A) is a scientist active in one or more priority research areas;

(B) is not employed by the Federal Government; and

(C) during the period of such service, is on leave of absence from an institution of higher education or oceanographic research.

(2) TERMS.—

(A) IN GENERAL.—The term of an individual as a science advisor under this subsection shall be one year.

(B) LIMITATION.—An individual may serve not more than 2 terms as a science advisor under this subsection.

(f) PRIORITY RESEARCH AREAS.—

(1) IN GENERAL.—The Under Secretary may use amounts appropriated for the Program to fund research, including long-term studies, within the following priority research areas:

(A) Oceanic, coastal, estuarine, and limnological processes.

(B) Pathways and fates of materials in the oceans and large lakes.

(C) Diversity, distribution, productivity, and recruitment of organisms with respect to habitat characteristics in the oceans and large lakes.

(D) Global change processes.

(E) Ocean lithosphere processes and mineral resources.

(F) Undersea research platform and instrument technology.

(G) Diving safety, physiology, and technology.

(2) REVISION OF PRIORITY AREAS.—Upon the recommendation of the Committee, the Under Secretary may, after public comment, revise the priority research areas under paragraph (1).

SEC. 105. STEERING COMMITTEE.

(a) ESTABLISHMENT OF COMMITTEE.—The Under Secretary shall establish an independent steering committee to be known as the "National Undersea Research Steering Committee".

(b) COMPOSITION.—

(1) IN GENERAL.—The Committee shall consist of 9 members appointed by the Under Secretary from individuals who are professional scientists or engineers and active in at least one priority research area, of whom 2 members shall be appointed from individuals nominated by Center Directors. The Under Secretary shall complete appointments under this paragraph by not later than 6 months after the date of the enactment of this Act.

(2) BALANCE.—In appointing members of the Committee, the Under Secretary shall seek to ensure balanced representation of priority research areas, disciplines related to those research areas, and geographic regions of the United States.

(3) PROHIBITION ON APPOINTMENT OF FEDERAL EMPLOYEES.—No member of the Committee may be an employee of the Federal Government, except the Chief Scientist of the Administration.

(4) EX OFFICIO MEMBER.—The Chief Scientist of the Administration shall be a nonvoting ex officio member of the Committee.

(c) DUTIES.—The Committee shall advise the Under Secretary and the Program Director concerning—

(1) the quality of research performed with grants awarded under section 108, including the applicability of such research to the priority research areas;

(2) the designation, establishment, merger, and operation of Centers;

(3) the modification and merger of undersea regions;

(4) the need to revise the priority research areas;

(5) the process of responding to research proposal reviews, including making determinations and recommendations under section 107(a)(3)(B).

(6) any other matters the Under Secretary refers to the Committee for review and advice or the Committee considers appropriate.

(d) TERM OF MEMBERSHIP.—

(1) IN GENERAL.—Subject to paragraph (2), the term of membership on the Committee shall be 3 years.

(2) INITIAL APPOINTMENTS.—Of the members first appointed to the Committee—

(A) 3 members shall serve a term of one year;

(B) 3 members shall serve a term of 2 years; and

(C) 3 members shall serve a term of 3 years; as specified by the Under Secretary at the time of appointment.

(3) TERM LIMITATION.—No Committee member may serve consecutive terms as a member of the Committee.

(e) COMPENSATION.—Members of the Committee, while performing official duties as members of the Committee, are entitled to receive compensation for travel and transportation expenses under section 5703 of title 5, United States Code.

(f) CHAIRPERSON.—The members of the Committee shall select annually from among themselves an individual who shall serve as Chairperson of the Committee. No member of the Committee may serve more than 2 annual terms as a chairperson.

(g) CONDUCT OF BUSINESS.—The Committee shall conduct its business according to the majority vote of those members present at a meeting of the Committee.

(h) EXEMPTION.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Committee.

SEC. 106. ESTABLISHMENT OF NATIONAL UNDERSEA RESEARCH CENTERS.

(a) ASSIGNMENT AND ESTABLISHMENT OF CENTERS.—

(1) ASSIGNMENT OF REGIONS TO EXISTING CENTERS.—The Under Secretary shall, in consultation with the Committee, assign one or more undersea regions to each Center in existence on the date of the enactment of this Act, by not later than 6 months after that date.

(2) ESTABLISHMENT OF NEW CENTERS.—The Under Secretary may establish a new Center to implement the Program for any undersea region at an institution of higher education or oceanographic research located in a State bordering the region—

(A) if there are adequate funds available for the establishment of the Center;

(B) after reviewing each proposal submitted under subsection (b) with respect to that region; and

(C) if the Committee concurs in the selection of that institution.

(3) LIMITATION.—The Under Secretary may not establish a new Center for an undersea region if the expenditure of amounts for that Center would result in any reduction of amounts available for expenditure for any existing Center.

(b) SOLICITATION OF PROPOSALS FOR NEW CENTERS.—

(1) IN GENERAL.—The Under Secretary may solicit proposals for the establishment of a new Center under subsection (a)(2) from institutions of higher education or oceanographic research.

(2) PROPOSAL REQUIREMENTS.—A proposal under this subsection shall consist of—

(A) a proposed science program;

(B) a program management plan;

(C) a description of the facilities of the institution submitting the proposal;

(D) a description of relevant institutional capabilities;

(E) an operational safety plan;

(F) mechanisms for information transfer;

(G) a budget for the Center; and

(H) any other information the Under Secretary considers necessary.

(c) REVIEW OF PROPOSALS.—The Under Secretary and the Committee shall review each proposal submitted under subsection (b) on the basis of—

(1) relevance of the proposal to priority research areas; and

(2) the capability of the applicant institution to administer and direct research in those areas.

(d) CENTER DIRECTOR.—Each institution at which a Center is established under this section may select an individual who shall be the Director for that Center.

(e) 5-YEAR REVIEW OF CENTERS.—

(1) IN GENERAL.—The Under Secretary and the Committee shall jointly review the operation of each Center every 5 years. The first review of a Center shall be completed—

(A) in the case of a Center in existence on the day before the date of the enactment of this Act, by not later than the date which is 5 years after that date of enactment; and

(B) in the case of a Center established on or after that date of enactment, by the date which is 5 years after the date of the establishment of the Center.

(2) CONTENT OF REVIEW.—A review under this subsection shall consist of—

(A) an evaluation of the quality of the research conducted at the Center under the Program and the applicability of the research to the priority research areas, including consideration of the annual reviews and site visits conducted under section 107(c);

(B) recommendations for changes in the scientific research program and operations of the Center, that are considered beneficial by the Committee and the Under Secretary; and

(C) a determination of whether the continued operation of the Center will increase knowledge in the priority research areas.

(3) ESTABLISHMENT OF NEW CENTER AT DIFFERENT INSTITUTION.—If the Under Secretary and the Committee determine as a result of a review under this subsection that continued operation of a Center is not warranted, the Under Secretary shall—

(A) provide notification of that determination to the Center, including a description of any changes in the operations of the Center the Under Secretary considers necessary for continued operation of the Center;

(B) after 18 months after providing that notice, and not later than 2 years after providing that notice, review the implementation of those changes by the Center; and

(C) establish, at a different institution of higher education or oceanographic research, a new Center for the same undersea region in accordance with this section, if the Under Secretary determines as a result of that review that those changes are not implemented.

(f) 5-YEAR REVIEW OF UNDERSEA REGIONS.—

(1) REVIEW BY COMMITTEE.—The Committee shall—

(A) review the configurations of undersea regions every 5 years following the date of the enactment of this Act to determine whether those regions meet scientific needs for research in priority research areas; and

(B) provide to the Under Secretary appropriate recommendations for meeting those needs, regarding—

(i) any modification or merger of existing undersea regions, or establishment of new undersea regions, and

(ii) the establishment of new Centers or merger of existing Centers for any undersea regions recommended to be established or merged.

(2) MODIFICATION, MERGER, OR ESTABLISHMENT OF REGIONS.—The Under Secretary may establish a new undersea region or modify or merge any existing undersea region or regions if, based on a recommendation by the Committee under paragraph (1)(B), the Under Secretary determines there is a scientific need for that establishment, modification, or merger.

(3) ESTABLISHMENT OR MERGER OF CENTERS.—If the Under Secretary establishes or merges any undersea region under paragraph (2), the Under Secretary may, in accordance with section 106 and any recommendations provided by the Committee under paragraph (1)(B), establish a new Center or merge existing Centers for the resulting undersea region.

(g) PROHIBITION.—Except as provided in subsections (a) and (f)(3), the Under Secretary may not establish or merge any Centers.

SEC. 107. NATIONAL UNDERSEA RESEARCH CENTER RESEARCH PROGRAMS.

(a) INDIVIDUAL RESEARCH PROPOSALS.—

(1) SOLICITATION.—Each Center Director shall annually solicit individual proposals from the scientific community for research to advance the priority research areas of the Program. Research under each proposal shall be primarily conducted within the undersea region of the Center, but may be conducted in another undersea region in cooperation with the Center for that region, or other geographic areas with the approval of the Program Director. Individual proposals shall adhere to guidelines established by the Program Director pursuant to section 104(d)(2). Proposals under this paragraph may be for multi-year research.

(2) INDIVIDUAL PROPOSAL REVIEW PROCESS.—Each individual proposal shall be reviewed by the Center Director or his or her designees and not less than 3 anonymous mail reviewers from the list of reviewers maintained by the Program Director pursuant to section 104(d)(1). Each review shall consider—

(A) the scientific merit of the proposal;

(B) the applicability of the proposal to the priority research areas; and

(C) the capability of the principal investigator to carry out the proposed research.

(3) ALLOWANCE FOR RESPONSE.—

(A) IN GENERAL.—Subject to any regulation that is issued by the Program Director under subparagraph (C), a Center Director shall provide to each person who submits a proposal under this section to the Center copies of all written reviews of the proposal conducted by the Center Director, his or her designees, and anonymous reviewers, and shall give the person not less than 14 days to respond to those reviews before rendering any final decision regarding funding for the proposal.

(B) REVIEW OF PROCESS BY COMMITTEE.—Not later than 3 years after the date of the enactment of this Act, the Committee shall—

(i) determine whether all Centers are implementing subparagraph (A);

(ii) determine whether the opportunity of persons who submit proposals to respond to reviews pursuant to subparagraph (A) has been utilized by those persons;

(iii) determine whether those responses have been effective in ensuring full and fair consideration of those proposals; and

(iv) recommend to the Program Director that the procedures established by subparagraph (A) be continued, terminated, or modified (including the specific modifications which should be made).

(C) ISSUANCE OF REGULATION.—Notwithstanding subparagraph (A), the Program Director may issue a regulation implementing any recommendation made by the Committee under subparagraph (B)(iv).

(b) PROPOSED CENTER PROGRAM.—Not later than October 31 of each year, each Center Director shall submit to the Program Director—

(1) a proposed program for the Center for that fiscal year, which shall adhere to guidelines established by the Program Director pursuant to section 104(d)(2) and shall include—

(A) a description of the activities performed and research funded by the Center in the previous fiscal year;

(B) those individual research proposals submitted under subsection (a) that the Center Director determines to be meritorious based on reviews conducted under that subsection;

(C) a proposed budget for operation of the Center for the current fiscal year; and

(D) any other materials requested by the Program Director to clarify the proposed program; and

(2) reviews (including responses under subsection (a)(3) to the reviews) of all individual research proposals submitted to the Center Director for the current fiscal year, including those research proposals not selected for inclusion in the proposed program of the Center.

(c) REVIEW OF PROPOSED CENTER PROGRAM.—

(1) IN GENERAL.—The Program Director, in consultation with the Committee, shall review the proposed program for the current fiscal year submitted by each Center Director under subsection (b).

(2) SITE VISITS.—At least once every 2 years, the review of a proposed program of a Center under this subsection shall include a formal inspection of the Center by a site visit team. The site visit team shall—

(A) be composed of not less than 4 individuals appointed by the Program Director with experience in undersea research, at least one of whom shall be a member of the Committee and 2 of whom are selected from the list maintained under section 104(d)(1);

(B) assess the quality of the individual research proposals included in the proposed program; and

(C) assess the ability of the Center to oversee the research included in the proposed program.

(d) REQUIRING ADDITIONAL PROPOSED PROGRAMS PROHIBITED.—Except as provided in this section, a center shall not be required to submit to the Program Director or the Under Secretary any program proposal.

(e) GIFTS, DEVISES, AND BEQUESTS.—Each Center may accept, solicit, and use the services of volunteers, and may accept, receive, hold, administer, and use gifts, devises, and bequests, to carry out the research program of the Center.

SEC. 108. REGIONAL UNDERSEA RESEARCH CENTER PROGRAM GRANTS.

(a) AUTHORIZATION.—The Under Secretary may use amounts appropriated to carry out the Program to make grants and enter into contracts under this subsection to fund any Center program if the Under Secretary finds that the program will advance knowledge in the priority research areas.

(b) ALLOCATION OF FUNDING.—

(1) IN GENERAL.—Not later than April 1 of each year and based on the reviews under section 107(c) of proposed programs, the Under Secretary shall—

(A) allocate among the Centers, in such manner as will best advance knowledge in the priority research areas, all amounts available for the current fiscal year for research to be conducted by, and administration of, the Centers; and

(B) notify each Center Director of the amount allocated to that Center under subparagraph (A) for the current fiscal year.

(2) LIMITATION ON ALLOCATION PER CENTER.—The total amount which may be allocated for any fiscal year for activities conducted by any one Center shall not exceed 20 percent of the total amounts available for the Program for that fiscal year, except that the Under Secretary may allocate a greater amount for a Center for the purpose of making major capital expenditures for the Center.

(c) TERMS AND CONDITIONS.—

(1) IN GENERAL.—Any grant made, or contract entered into, under this section shall be subject to paragraphs (2) and (3), and to any other terms, conditions, and requirements the Under Secretary considers necessary.

(2) LIMITATIONS ON USES.—

(A) LAND AND BUILDINGS.—No payment under any grant or contract under this section may be applied to—

(i) the purchase of any land; or

(ii) the purchase or construction of any building.

(B) ADMINISTRATION.—At least 60 percent of the amount of a grant or contract under this section shall be used to fund individual research proposals carried out with the grant or contract.

(3) MAINTENANCE OF RECORDS.—Any person who receives or utilizes any proceeds of any grant or contract under this section shall keep any records the Under Secretary prescribes as necessary to facilitate effective audit and evaluation, including reports which fully disclose the amount and disposition of funds received under this title, the total cost of activities for which those funds were used, and the amount, if any, of costs which were provided through other sources. The records shall be maintained for 3 years after the completion of the activity. The Under Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access, for the purpose of audit and evaluation, to any books, documents, papers, and records of receipts which, in the opinion of the Under Secretary or of the Comptroller General, may be related or pertinent to the grants and contracts.

SEC. 109. FINANCIAL ASSISTANCE REVIEW BOARD.

After the date of the enactment of this Act, grants and contracts under the Program shall not be subject to review by the board in the Department of Commerce known as the Financial Assistance Review Board.

SEC. 110. AUTHORIZATION OF APPROPRIATIONS.

(a) CENTER PROGRAM FUNDING.—There is authorized to be appropriated to the Under Secretary for use for grants and contracts under section 108, to remain available until expended—

(1) $20,000,000, for fiscal year 1992,

(2) $25,000,000 for fiscal year 1993,

(3) $30,000,000 for fiscal year 1994,

(4) $35,000,000 for fiscal year 1995, and

(5) $40,000,000 for fiscal year 1996.

(b) MANAGEMENT, ADMINISTRATION, AND STUDIES.—There are authorized to be appropriated to the Under Secretary for management and administration of the Program (including administration of grants and contracts under section 108, the development of undersea research technology, and the conduct of studies of underwater diving techniques and equipment under section 21(e) of the Outer Continental Shelf Lands Act (43 U.S.C. 1347(c)), to remain available until expended—

(1) $4,000,000 for fiscal year 1992;

(2) $4,200,000 for fiscal year 1993;

(3) $4,400,000 for fiscal year 1994;

(4) $4,600,000 for fiscal year 1995; and

(5) $4,800,000 for fiscal year 1996.

(c) LIMITATION ON USE.—Amounts appropriated under the authority of subsection (a) shall not be available for administration of this Act by the Office, or for program or administrative expenses of the Administration.

(d) REVERSION OF UNOBLIGATED AMOUNTS.—The amount of any grant, contract, or portion of a grant or contract, made under section 108 that is not obligated before the end of the third fiscal year in which it is authorized to be obligated shall revert to the Under Secretary. The Under Secretary shall add that reverted amount to the funds available for grants under section 108.

TITLE II—MISCELLANEOUS

SEC. 201. GREAT LAKES UNDERSEA RESEARCH CENTER.

(a) IN GENERAL.—Subject to the limitations in subsections (a)(2)(A) and (a)(3) of section 106, and not later than December 31, 1993, the Under Secretary of Commerce for Oceans and Atmosphere shall establish a National Undersea Research Center for the Great Lakes region in accordance with section 106 to implement the National Undersea Research Program established under section 104 for that region, at a qualified institution.

(b) DEFINITIONS.—For purposes of this section—

(1) "qualified institution" means an institution of higher education—

(A) located directly on the shoreline of one of the Great Lakes;

(B) with strong undergraduate and graduate programs in engineering, science, and technology as they may apply to undersea research;

(C) with facilities for maintaining research vessels appropriate for deployment of equipment necessary to conduct undersea research;

(D) with faculty and other personnel with expertise in undersea research;

(E) which has received funding from the National Undersea Research Program in the past; and

(F) which maintains cooperative institutional relationships with Federal agencies responsible for research work on the Great Lakes; and

(2) "undersea research" has the meaning that term has in section 103(10).

SEC. 202. PROCEDURES FOR JOINT REVIEW OF RESEARCH PROPOSALS.

The Under Secretary, in consultation with the Program Director, and jointly with the Director of the National Science Foundation and the Secretary of the Navy, shall—

(1) develop procedures for the submittal and joint review of proposals for research in priority research areas to be carried out with assistance from 2 or more agencies within the Department of Commerce, the National Science Foundation, or the Department of Defense; and

(2) issue final rules establishing those procedures by not later than 1 year after the date of the enactment of this Act.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT:

At the end of the bill, add the following new sections:

SEC. . COMPLIANCE WITH BUY AMERICAN ACT.

No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c, popularly known as the "Buy American Act").

SEC. . SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the Under Secretary of Commerce for Oceans and Atmosphere shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, I support the efforts of the committee and the subcommittee in furthering our research into the oceans, the seas, and our Great Lakes as well. I believe this, my amendment, calls for an adherence of those participating in funds under this bill to abide by the buy American laws in effect.

In addition, it has a sense of the Congress that encourage those involved to purchase American-made goods and products. I would just like to say this: If we are going to become the leader in research, our research community is going to be, in my opinion, under the necessity to purchase American-made goods, so the infrastructure that supports that research will have an American presence.

The bill does not handcuff anybody to mandatory provisions, but it does in fact encourage those providers out there receiving funds to keep in mind we have a buy American law. It is good for the country and it is good for the infrastructure of research. It is a gift that keeps on giving.

With that, Mr. Chairman, I yield to the chairman, the distinguished gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, the Chair is prepared to accept the gentleman's amendment. It is a good amendment. It is a buy American amendment. We should be encouraging the purchase of American equipment.

I congratulate the gentleman from Ohio [Mr. TRAFICANT] on his leadership in ensuring that we put America back to work.

Mr. TRAFICANT. Mr. Chairman, I yield to the gentleman from Michigan [Mr. HERTEL].

Mr. HERTEL. Mr. Chairman, we do support the amendment. We think it is well-drawn, and the subcommittee supports it also.

Mr. TRAFICANT. I appreciate that very much.

Mr. SAXTON. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from New Jersey.

Mr. SAXTON. Mr. Chairman, I thank the gentleman for yielding.

I, too, commend the gentleman from Ohio [Mr. TRAFICANT] for the amendment which he has offered with regard to buy American. Just this morning I spent an hour and a half back in the district with a business person who brought to my attention many facts with regard to this type of an issue, and certainly one of the things that will go to make our economy more competitive is when we start doing more business at home, and perhaps recognizing the importance of doing that. So I commend the gentleman, and I am in full support of his amendment.

Mr. TRAFICANT. I appreciate the gentleman's support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: Page 25, strike line 24 and all that follows through page 26, line 4 and insert the following: "available until expended, $14,409,000 for each of the fiscal years 1992, 1993, 1994, 1995, and 1996.".

Page 26, beginning at line 13, strike "expended—" and all that follows through page 26, line 18, and insert the following: "expended, $2,793,000 for each of the fiscal years 1992, 1993, 1994, 1995, and 1996.".

Mr. WALKER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALKER. Mr. Chairman, across America people are demanding that Congress get its house in order and do something about the Federal debt. People are concerned when they understand that their children and themselves are burdened with thousands, in fact tens of thousands of dollars of debt that has been piled up in their name based upon Federal spending.

Mr. Chairman, here is a bill where we could at least begin to take the right kind of steps. I have heard a couple of arguments as I have raised some figures on the floor here earlier.

First of all, I heard the argument that we care about space spending, that I personally care about space spending, not national underseas research. I would remind the people who want to make that argument, and I am sure I am going to hear it here again, I cut the NASA budget on the floor because I think there are places that we can do that, too. I offered the amendment that cut the NASA budget here on the floor. There is no reason why we cannot cut this one, too. In the NASA budget we found some places that it could be trimmed. We will find some places here that can be trimmed. We ought to get our house in order. We ought to begin the process of doing something real about spending in this House.

I also heard the argument that we do not have to be responsible in authorization bills because this is not the real appropriation, this is only an authorization. How do the Members think such spending gets started? When we authorize too much money, we appropriate too much money. I think it is ludicrous argument to suggest that somehow we ought to be irresponsible in authorization bills in hopes that it will not catch up with us at some point in the future.

Now, understand what the spending in this bill does. The spending in this bill says in 1992, that is the current fiscal year, when we are actually spending $17 million, this bill would say we ought to spend $24 million. Are we going to look for a supplemental? We are authorizing far more than is in the bill. Is this going to be part of the supplemental?

The bill also then calls for the $17 million next year to become $29 million. If my math is not too far off, that is a major increase, about a 60-percent increase in 1 year in this bill. That is a lot of money.

Then if we look out over the period of 5 years in the bill, we find in 5 years the spending is going to go from $17.2 million to $48.5 million or $44.5 million. This is a 260-percent increase in spending. These are not small figures.

The gentleman says "It is just $5 million a year. It is peanuts, just $5 million a year." Five million a year is big money. It is big money in his district, and it is big money in my district, and it adds up percentage-wise to major spending.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I was just correcting the gentleman's arithmetic, that is all I was doing. Five million is a lot of money, but when we are trying to create new nerve centers, let us be honest, when we are trying to create new nerve centers to try to be a little more comprehensive, to try to cover ocean research throughout this country, and we do not have research centers in many parts of the country——

Mr. WALKER. I do not understand what the gentleman says is wrong with my figures. It is a 260-percent increase over 5 years, is it not?

Mr. HUGHES. If the gentleman will continue to yield, the gentleman was saying cumulative. We were talking about increases each and every year. The gentleman's arithmetic indicated it was——

Mr. WALKER. It is about 40 percent a year.

Mr. HUGHES. The gentleman said 60 percent a year.

Mr. WALKER. 260 percent over 5 years.

Mr. HUGHES. When I went to school that was not 50 percent.

Mr. WALKER. 260 percent over 5 years is an average of 50 percent a year, I would say to my colleague. In the first year in the program when we go from 17 to 29, that is over 60 percent in 1 year. So these are not mistaken figures. This is absolutely factual.

All the amendment that we have before us now says is, "Let us freeze the program. Let us not do what the administration says should be done and absolutely eliminate the program, let us just freeze the program."

What kind of a program are we freezing? We are going to freeze a program that has gone up by 500 percent in 12 years, so it has had a pretty steep growth curve. So what we are saying is, given the situation that we are in financially, having had this very, very steep growth curve, why do we not just flatten it off for a period of time and say that we will live with $17.2 million for a while and save some money? I do not think that that is terribly irresponsible to contemplate.

There are a couple of other things that need to be understood, the reasons for doing this. First of all, the administration that opposes the bill that is before us will probably veto it, will probably have its veto sustained, unless we do something with it. We already showed on a vote earlier this year that there were more than a third of the Members of the House who were willing to vote against this bill, so if we do not make it responsible, the administration is probably going to veto the bill and it will be lost anyway. So why not take the responsible step right now, knowing that they oppose the bill?

Finally, they say the beneficiaries of all these specialized results that I have heard people discuss here today—maybe the private industries and the States ought to contribute something for the work that is being done. The question here is whether or not this is a time to be deficit spending on submarines, robots, and scuba equipment. That is in large part what we are doing.

If we would hold the line with the amendment that I have before us, it would be a vote not to spend $86 million over a period of 5 years. That is some real money. I would also point out one other reason for supporting my bill. The administration states, and I quote:

> The program growth authorized by the bill would place higher priority NOAA programs in direct competition for increasingly scarce resources.

(By unanimous consent, Mr. WALKER was allowed to proceed for 2 additional minutes.)

Mr. WALKER. Understand what that statement means. It means that the moneys in this bill are in direct competition with the new weather technology and with the new weather offices, the Global Change Research Program and the Fisheries Management Program.

The way this bill is structured, it puts it in direct competition with each of those things. So let me tell my colleagues, if they have a weather office that they are trying to keep open or they have a new one to come on line, this is a bill to take money out of that program and put it in this priority instead of that one.

If they are concerned about global change research, this is to take money out of global change and put it into this program.

□ 1510

If you are concerned about fisheries management, this is to take money out of that program and put it in this one, because that is the way the priorities end up being skewed when you take what the language of this bill says.

Let me repeat again, the amendment before us does not kill the NURP program, it does not even cut it. All it does is freeze it at the $17.2 million level, the 500-percent increase level of the program over the last 10 or 12 years.

In light of all of the speeches that we have heard about balanced budgets, in light of all of the discussion we have heard about courage, in light of all of the Members that have come to the floor and said the buck has to stop here, we have to begin to belly up to the bar and do the right thing. I think the very least we could do on a program that has grown as astronomically, and which the committee wants to have continue to grow astronomically, is to begin to trim it.

Let us do the same thing here we did with the NASA budget on the floor. Let us cut spending. I offered the amendment then, and I offer the spending cut amendment now. I hope it will be supported in the same way the NASA bill was.

AMENDMENT OFFERED BY MR. HUGHES TO THE AMENDMENT OFFERED BY MR. WALKER

Mr. HUGHES. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. HUGHES to the amendment offered by Mr. WALKER: in the first paragraph of the Walker amendment,

after "expended," strike the remainder of the paragraph, and insert:

"$20,000,000 for fiscal year 1993, $22,000,000 for fiscal year 1994, $24,000,000 for fiscal year 1995; $26,000,000 for fiscal year 1996; and $28,000,000 for fiscal year 1997."

In the second paragraph of the Walker amendment, strike out all after "expended," and insert:

"$3,000,000 for fiscal year 1993, $3,100,000 for fiscal year 1994, $3,200,000 for fiscal year 1995; $3,300,000 for fiscal year 1996, and $3,400,000 for fiscal year 1997."

Mr. HUGHES. Mr. Chairman, this amendment modifies the fiscal years of the authorization from 1992 to 1996, to 1993 to 1997. It makes sense to have a 5-year authorization in the bill since the centers are on a 5-year cycle of review for continuation, sunset, or relocation.

The amendment scales down the authorization in H.R. 3247 by $36 million from that the committee reported. The amendment still augments the authorization for each year by about $2 million, because it is necessary to provide inflationary adjustments and to allow for the potential establishment of new centers in any of the four currently underserved, coupled-up regions.

The amendment is modest, and demonstrates reasonableness in the face of austere budget times, without sacrificing our national investment and the benefits of undersea research in improving our lives.

Mr. HERTEL. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I am happy to yield to my colleague from Michigan, the distinguished chairman of the subcommittee.

Mr. HERTEL. Mr. Chairman, I support the Hughes amendment. I think it is a reduction but a responsible reduction, and I ask my colleagues to vote yes.

Mr. JONES of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the distinguished chairman of the full committee, the gentleman from North Carolina.

Mr. JONES of North Carolina. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New Jersey [Mr. HUGHES]. The Hughes amendment reduces the total 5-year authorization for NURP by $36 million. While these are barebones authorization levels, they will allow the program to grow. Growth is very important for scientists conducting research in the Great Lakes, the Gulf of Mexico, California, and the Pacific Northwest, because the current program is concentrated on the east coast of the United States. Expansion into the Great Lakes, the Gulf of Mexico, and the Pacific Ocean is essential for NURP to truly become a national program.

I urge all Members to support the Hughes amendment, because it significantly reduces the authorization levels, but sill allows for the program to grow.

Mr. SAXTON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, what we are faced with here is something that goes on in the normal course of our deliberations in the House, and that is what is it that we want to prioritize, what is it that we think is important, and perhaps what is it in some cases that we do not think is important.

What the gentleman from New Jersey [Mr. HUGHES] has suggested here I believe is a very well-thought-out compromise. It is a compromise between what my friend from Pennsylvania would do, and that is to provide for no increase in this funding whatsoever for the NURP program, to one that is an increase of much less than was originally written in the bill, but still would permit the program to go forward in the face of inflation.

Let me talk about setting priorities. Not long ago here on the House floor my good friend from Pennsylvania [Mr. WALKER] and I agreed with him on the issue, suggested, and very skillfully provided for a bill or helped to provide for the passage of a bill that spent $2 billion on space exploration. There was good logic to that, there are reasons that we need to know about space, there are things in space that we can use for the betterment of mankind. And so the House, in its collective wisdom, decided to support that $2 billion authorization bill.

This bill provides for an authorization of 1 percent of that, 1 percent of the amount of money that we are spending to explore space, with the space station, to try to learn more about two-thirds of the Earth. That sounds like a pretty good expenditure of money to me.

We deal with issues on an ongoing basis that have to do with the ocean that we do not understand. Perhaps somebody could explain to us why just a couple of years ago we found out in dolphin's meat that there were 16,000 parts per million of PCB's. Does anybody know why? Does anybody want to explain how that is good to be in the food chain?

Not long after that we were doing some research that had to with the 106-mile dump site, and we found that crustaceans, lobsters had boils on them, were diseased. Why? Was it because of the dump site or was it because of something else that is happening in the ocean?

The migratory fish population, swordfish are in diminished supply. Fishermen have spent hundreds of thousands of dollars equipping themselves to catch swordfish, and today they are faced with the possibility, the real possibility that we are going to close down the fishery, or at least diminish it to the point where they cannot make a living. Do we understand why the swordfish population has diminished?

So, as was said during 1987 and 1988 when dolphins were washing up on the New Jersey coast, the South Carolina coast and the Connecticut coast, when it was said that the dolphins are dying and trying to tell us something, what this bill moves to do is to spend one-one hundredths of what we want to spend to establish the space station and run it, one-one hundredths, 1 percent of that amount to try to learn about solutions to the problems that we face in the ocean environment.

So, I generally agree with my colleague from Pennsylvania [Mr. WALKER] when he suggests that spending is out of control. I voted for the balanced budget amendment. I have voted with the gentleman from Pennsylvania on 90 percent of his amendments. But in this case, this is an important issue. It is important that we understand these issues and problems so that we can intelligently develop solutions to them.

So I will support the Hughes amendment to the amendment of the gentleman from Pennsylvania and ask my colleagues to do the same.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. SAXTON. I am happy to yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I do not know whether the gentleman saw this current edition of U.S. News & World Report. It is titled "The Rape of the Oceans. The Growing Threat to the Nation's Last Frontier," a major cover story.

□ 1520

And that probably says it better than anything. We are spending $24 million, as the gentleman very eloquently has indicated, less than 1 percent basically of what we are spending in exploring space and trying to understand space, and yet we have serious problems with the oceans.

We always thought we could do anything to the oceans and it would not come back to haunt us, but it has, and this is a modest effort to try to deal with the rape of the oceans.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first of all, to again clarify the space issue, when we brought the NASA bill, primarily because of my insistence in committee, we brought the NASA bill to the floor at a freeze level. Now, knowing that not only did we do that, but then when we came to the floor, I offered an amendment where we cut $500 million out of the program here on the floor.

This amendment cuts $86 million out.

So, I mean, I am taking the same action here that I did on others, because I think that we have got to get responsible about some of these programs.

Now, let me tell you what the committee parades here as responsibility. I said before that they had a 260-percent increase. They do not like the figure. They argue about it. It is, in fact, the figure. This one is 180-percent increase. They have gone from 260- to 180-percent increase over the 5-year period.

It is interesting what they have done is eliminate the 1992 authorization figure in the bill, and then they have added in a 1997 authorization, and so they really, with this amendment, they have added $31.4 million that was not in the original bill, by taking out the 97, and so when you put the whole thing together, they are calling for an increase in spending of 180 percent over the 5-year period. That does not strike me as being the responsible action that they have talked about.

The difference between my amendment and this amendment is about $50 million. If you adopt this substitute, what you will do is eliminate the chance to do something about $50 million in spending.

I would simply suggest that if you want to get serious about spending, let us start by freezing some of these budgets. Here is one where we can freeze it. I would hope that we might. It certainly is in line with our responsibility.

Obviously, it is something where we ought to do the research. This gentleman has not argued against doing the research. All I am arguing is at some point we have got to get a grip on what we are doing.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, is the gentleman calculating, and I am trying to understand the gentleman's figures, is the gentleman calculating on the basis of the $17 million appropriation?

Mr. WALKER. Yes, that is what we are now spending.

Mr. HUGHES. Yes, but we are talking about authorization.

Mr. WALKER. I realize that. One of the things the American people find a little confusing is we have money we actually spend, and then we have money we think we would like to spend. All I am saying is that the difference between what we are spending now and what we think we would like to spend is 180 percent.

Mr. HUGHES. If the gentleman will yield further, the gentleman is speaking about bananas and oranges. If you talk in terms of the $24 million authorization, you do not get anywhere near those figures. We accept the $24 million authorization for 1992. 1993, under my amendment, is $23 million. The authorization for 1994 is $25.1 million. The authorization for 1995 is $27.2 million. They are modest increases. Each and every year they are modest increases.

If the gentleman wants to compare that to what is appropriated at $17 million, you are not being fair.

Mr. WALKER. I am being fair, because if we talk about freezing, what we are really talking about is what we are actually spending.

You know, if we passed authorizations, why do we not pass an authorization for $200 million here, and then freeze it at that level? And somehow we can go back to the public and say we are freezing.

We have got to take what we are spending and decide whether or not that is an appropriate amount of money to spend, and then look at our increases beyond that, and that is all this gentleman is doing. I am saying we are spending $17 million. That is where we freeze.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Connecticut.

Mr. GEJDENSON. Mr. Chairman, the gentleman is not incorrect in his basic facts as he lays them out there. But what happens is the way the gentleman manipulates those facts, he ends up distorting the picture. I know the gentleman does not want to do that.

Mr. WALKER. I am not manipulating any facts. I am simply taking the spending that we are doing this year and I am looking at the add-ons that the committee wants to bring about.

Mr. GEJDENSON. However, if the gentleman wanted to take this argument before the Congressional Reform Committee, which the House has passed, and argue that in the future authorizations should simply be authorizations without dollar figures, and then Appropriations would set the spending limits, that might be a valuable argument and statement.

Mr. WALKER. That would be a ridiculous argument, if I may reclaim my time.

Mr. GEJDENSON. There are a lot of options you could look at.

Mr. WALKER. I will be happy to yield, but let me reclaim my time, and then I will be happy to yield back to the gentleman.

The idea behind the authorization is we set ceilings on spending over which the appropriators are not supposed to go. This is the responsibility of controlling spending. If what we do is artificially push authorizations up with the idea that somehow the responsibility will come in the appropriations process——

The CHAIRMAN pro tempore (Mr. PASTOR). The time of the gentleman from Pennsylvania [Mr. WALKER] has expired.

(At the request of Mr. HUGHES and by unanimous consent, Mr. WALKER was allowed to proceed for 2 additional minutes.)

Mr. WALKER. Mr. Chairman, I think you have got to get control both places. You should begin to get some control here simply by freezing the spending at this year's spending level. We certainly can do that.

Mr. HUGHES. If the gentleman will yield further, is the gentleman saying that if in fact we have not embarked on any research programs, what we should fund is zero? Frankly, this is the gentleman's argument.

Mr. WALKER. No.

Mr. HUGHES. Frankly, I think the only way we are going to work ourselves out of the dilemma we are in is to start to fund research programs that will have a payback for us.

Mr. WALKER. I am all for research programs, but we need to fund research programs within the context of a $4 trillion debt.

Mr. HUGHES. If the gentleman will yield further, what the gentleman is saying though is that if we have not funded programs in the past, then we should not fund any of them.

Mr. WALKER. No. What this gentleman would tell you is that if we have not funded programs in the past and they are needed, let us find some other cuts then. Let us find some places where we can cut spending in order to fund research. That is what we have been unwilling to do as a Congress. Congress has been unwilling to make real priority decisions. Here is a chance to do that. That is all I am saying.

Mr. HUGHES. If the gentleman will yield further, the gentleman is shifting on me now. Frankly, what we are saying is here is an area, ocean policy, that has been neglected. Here is an opportunity to increase modestly a research program, a research program.

Mr. WALKER. Here is a program, I say to the gentleman, that started off as a $3 million effort in 1980. We have already pumped it up to $17.2 million. That is over 500 percent in a 12-year period. That is a pretty healthy growth rate. All this gentleman is saying, fine, you have had a healthy increase; now is the good time to freeze it. And let us see whether or not we cannot live with that.

This is not a program that has been starved. This is a program that has increased much faster than, for instance, the space program has. This is a program that has increased enormously in the decade of the 1980's.

Mr. HUGHES. If the gentleman will yield further, the gentleman is in a position all of a sudden of being the expert on ocean policy here. We have a committee that spent a lot of time trying to develop legislation that would provide for basic research and develop rational ocean policy, forward-looking ocean policy. It came out of committee on a very strong bipartisan vote.

Mr. WALKER. And it was defeated on the floor.

Mr. HUGHES. It was defeated for any number of reasons, not the least of which there were a lot of Members here in the Congress on the day.

Mr. WALKER. The fact is what happened was that there were enough votes against it to sustain a veto, and so if the administration is bound to veto this program anyhow, you are going to lose it even so. Why not accept the responsible amendment to freeze it?

Mr. HUGHES. It received 255 votes on the floor, as I recall, 255 votes.

Mr. WALKER. Yes. That is not enough to override a veto.

Mr. HUGHES. It was noncontroversial, on the noncontroversial Suspension Calendar, but it did not receive a two-thirds vote, and that is why we are back here, but it enjoys bipartisan, widespread support in the Congress.

Mr. WALKER. Sure it does. But we have enough to sustain a veto, and you do not have enough to override. Why not do what the administration has been asking the Congress to do? And why not do what we said we were going to do here on the floor when we were debating things like the balanced-budget amendment to the Constitution? Why not get responsible now? Why not just adopt a freeze level?

I would agree that there are probably wonderful things that could be done if we could do that, but my guess is that we will figure out ways to do good research within a $17 million budget. That is all I am asking that we do.

Oppose the substitute.

□ 1530

Mr. GEJDENSON. Mr. Chairman, I rise in support of the Hughes amendment.

I think it is important for our colleagues to recognize that this is the first authorization bill for this critically important area, and to somehow pick an arbitrary freeze that will affect us 5 years out just does not answer the critical questions that are affecting our oceans and waters in general.

It seems to me that the Hertel amendment is a responsible step in lowering the ceiling, but at the same time giving us an opportunity to meet the challenges that are before us.

There are places to freeze and cut spending. This Congress is arguing over whether we should spend $17 million or $23 million on science research in 1993.

We are going to spend $28 billion subsidizing the defense of Western Europe in just the bases, the operation and maintenance of bases.

We will spend another $80 billion, roughly $70 to $80 billion housing our troops and paying for our troops that are defending Western Europe from what was the Soviet Union, but when it comes time to take a look at some basic science, some of the things that will help us save the sounds and the waters off our Nation, guarantee that we have some rational policies that will not damage the oceans and our children and their children, suddenly that is the one place that we have got to lower the boom.

It seems to me that the committee is recognizing the fiscal crisis this country is in. There are places we ought to be cutting. We ought to bring those troops home. We ought to spend the $28 billion reducing the deficit and dealing with the issues that are before this country, but not take a small program like this and cripple it so that we can appear to be having some grant impact on the deficit.

We are going to have a water amendment back on this floor that can save tens of millions of dollars going to farmers who are selling surplus crops already.

Let us have the gentleman support us there. Let us not devastate this project.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. GEJDENSON. I am happy to yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I thank the gentleman for yielding to me, and I take this time just to ask my colleague, the gentleman from New Jersey, a question. The gentleman serves on the committee. Am I not correct that where the Walker amendment would take us, those proposals for additional undersea research, deep water research in the gulf, in the Pacific in particular would be cut, and that is where the under service programs would be cut in all probability.

Mr. SAXTON. Mr. Speaker, will the gentleman yield?

Mr. GEJDENSON. I yield to the gentleman from New Jersey.

Mr. SAXTON. Mr. Chairman, that is right. The gentleman from New Jersey has a good point.

What we are looking at here are some of the programs that affect us coastwise all around the United States. We are looking at issues that have to do with perhaps Outer Continental Shelf issues off the west coast and in the Gulf of Mexico that have to do with oil exploration in those areas, issues that are very important to the ecology and the environment of all those coastal areas.

Mr. HUGHES. But if the gentleman will yield further, Mr. Chairman, the areas that are under serviced that would be hurt by the Walker proposal would be the gulf and the Pacific.

Mr. SAXTON. That is correct.

Mr. GEJDENSON. Reclaiming my time, Mr. Chairman, we are talking about billions of dollars of economic activity from recreational uses, to the food that we eat, and it seems to me to be incredibly shortsighted to shackle that terrible important program.

What I would hope is that we would accept the Hertel amendment that would have some reductions and then hope we can get our friends to join us in closing those bases in Europe and bring that almost $30 billion home, rather than attacking this well-needed program.

Mr. Chairman, I yield back the balance of my time and hope my colleagues will support the Hertel amendment.

The CHAIRMAN pro tempore (Mr. PASTOR). The question is on the amendment offered by the gentleman from New Jersey [Mr. HUGHES] to the amendment offered by the gentleman from Pennsylvania [Mr. WALKER].

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not a present.

The CHAIRMAN pro tempore. Evidently a quorum is not present.

Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 237]

Allard
Allen
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Armey
Aspin
Atkins
AuCoin
Baker
Ballenger
Barnard
Barrett
Bateman
Bennett
Bentley
Bereuter
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Borski
Boucher
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Cardin
Carper
Chapman
Clay
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Cooper
Costello
Cox (IL)
Coyne
Cramer
Crane
Cunningham
Dannemeyer
Davis
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Doolittle
Dorgan (ND)
Dornan (CA)
Dreier
Durbin
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
English
Erdreich
Espy
Evans
Ewing
Fascell
Fawell
Fazio
Fields
Fish
Foglietta
Ford (MI)
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Henry
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Horn
Horton
Houghton
Hoyer
Hubbard
Hughes
Hunter
Hutto
Hyde
Inhofe
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennelly
Kildee
Kleczka
Klug
Kolter
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Leach
Lehman (FL)
Levin (MI)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski

Long
Lowery (CA)
Lowey (NY)
Machtley
Manton
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McDade
McDermott
McEwen
McHugh
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Mink
Moakley
Mollohan
Montgomery
Moody
Moorhead
Moran
Mrazek
Murtha
Myers
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oberstar
Obey
Olin
Ortiz
Orton
Owens (UT)
Packard
Pallone
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Porter
Poshard
Price
Pursell
Quillen
Ramstad
Rangel
Ravenel
Reed
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Roe
Roemer
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stallings
Stark
Stearns
Stokes
Swett
Swift
Synar
Tallon
Tauzin
Taylor (MS)
Thomas (GA)
Thomas (WY)
Thornton
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Washington
Waters
Waxman
Weber
Weldon
Wheat
Whitten
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zimmer

☐ 1557

The CHAIRMAN. Three hundred twenty-six Members have answered to their names, a quorum is present, and the committee will resume its business.

RECORDED VOTE

The pending business is the demand of the gentleman from Pennsylvania [Mr. WALKER] for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 245, noes 86, not voting 103, as follows:

[Roll No. 238]

AYES—245

Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Bateman
Bennett
Bentley
Bilbray
Bilirakis
Blackwell
Boehlert
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bustamante
Byron
Callahan
Camp
Cardin
Carper
Carr
Chapman
Clay
Clinger
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Cooper
Costello
Cox (IL)
Coyne
Cramer
Davis
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Durbin
Early
Edwards (CA)
Edwards (TX)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fazio
Fields
Foglietta
Frost
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Glickman
Gonzalez
Gordon
Goss
Green
Guarini
Hall (OH)
Hamilton
Harris
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Henry
Hertel
Hoagland
Hochbrueckner
Horn
Horton
Hoyer
Hubbard
Hughes
Hutto
Jacobs
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
Lehman (FL)
Levin (MI)
Lewis (FL)
Lipinski
Long
Lowey (NY)
Machtley
Manton
Markey
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McDade
McDermott
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mink
Moakley
Mollohan
Moody
Moran
Mrazek
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oberstar
Obey
Olin
Ortiz
Orton
Owens (UT)
Pallone
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Poshard
Price
Pursell
Rangel
Ravenel
Reed
Rhodes
Richardson
Ridge
Rinaldo
Roe
Roemer
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sanders
Sangmeister
Sarpalius
Sawyer
Saxton
Schaefer
Scheuer
Schroeder
Schumer
Serrano
Sharp
Shaw
Shays
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Snowe
Spence
Spratt
Stallings
Stark
Stokes
Swift
Synar
Tallon
Tauzin
Taylor (MS)
Thomas (GA)
Thornton
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Washington
Waters
Waxman
Weldon
Wheat
Whitten
Wolpe
Wyden
Yates
Yatron
Young (AK)
Young (FL)

NOES—86

Allard
Allen
Archer
Armey
Baker
Ballenger
Barrett
Bereuter
Bliley
Bunning
Burton
Coble
Combest
Condit
Crane
Cunningham
Dannemeyer
DeLay
Doolittle
Dorgan (ND)
Dornan (CA)
Dreier
Eckart
Edwards (OK)
Ewing
Fawell
Fish
Gallegly
Goodling
Gradison
Grandy
Gunderson
Hall (TX)
Hancock
Hastert
Hobson
Holloway
Houghton
Hunter
Hyde
Inhofe
James
Johnson (TX)
Klug
Kyl
Lagomarsino
Leach
Lightfoot
Lowery (CA)
McCandless
McCrery
McEwen
Meyers
Michel
Miller (OH)
Montgomery
Moorhead
Myers
Nichols
Nussle
Packard
Parker
Patterson
Petri
Porter
Quillen
Ramstad
Regula
Ritter
Roberts
Roth
Santorum
Schiff
Sensenbrenner
Shuster
Smith (OR)
Smith (TX)
Solomon
Stearns
Swett
Thomas (WY)
Walker
Weber
Wolf
Wylie
Zimmer

NOT VOTING—103

Abercrombie
Ackerman
Alexander
Anderson
Bacchus
Barton
Beilenson
Berman
Bevill
Boehner
Bonior
Bryant
Campbell (CA)
Campbell (CO)
Chandler
Clement
Conyers
Coughlin
Cox (CA)
Darden
de la Garza
Dickinson
Dooley
Downey
Duncan
Dwyer
Dymally
Engel
Feighan
Flake
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Gaydos
Gekas
Gillmor
Gingrich
Hammerschmidt
Hansen
Hefner
Herger
Hopkins
Huckaby
Ireland
Johnston
Jones (GA)
Kasich
Kennedy
Kolbe
LaRocco
Laughlin
Lehman (CA)
Lent
Levine (CA)
Lewis (CA)
Lewis (GA)
Livingston
Lloyd
Luken
Marlenee
McCurdy
McGrath
McMillan (NC)
Miller (WA)
Mineta
Molinari
Morella
Morrison
Murphy
Oakar
Olver
Owens (NY)
Oxley
Panetta
Perkins
Pickle
Rahall
Ray
Riggs
Rogers
Sabo
Savage
Schulze
Sikorski
Smith (FL)
Solarz
Staggers
Stenholm
Studds
Stump
Sundquist
Tanner
Taylor (NC)
Thomas (CA)
Torres
Torricelli
Traxler
Weiss
Williams
Wilson
Wise
Zeliff

☐ 1605

Mr. GOODLING changed his vote from "aye" to "nay."

Mr. PAXON and Mrs. ROUKEMA changed their vote from "nay" to "aye."

So the amendment to the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALKER], as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 350, noes 0, not voting 84, as follows:

[Roll No. 239]

AYES—350

Abercrombie
Allard
Allen
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Baker
Ballenger
Barnard
Barrett
Bateman
Bennett
Bentley
Bereuter
Berman
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Cardin
Carper
Carr
Chapman
Clay
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Cooper
Costello
Coughlin
Cox (IL)
Coyne
Cramer
Crane
Cunningham
Dannemeyer

Davis
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
English
Erdreich
Espy
Evans
Ewing
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Foglietta
Ford (MI)
Frost
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Henry
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Horn
Horton
Houghton
Hoyer
Hubbard
Hughes
Hunter
Hutto
Hyde
Inhofe
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennelly
Kildee
Kleczka
Klug
Kolter
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Leach
Lehman (FL)
Levin (MI)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McDade
McDermott
McEwen
McHugh
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mink
Moakley
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Ortiz
Orton
Owens (UT)
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Porter
Poshard
Price
Pursell
Quillen
Ramstad
Rangel
Ravenel
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roe
Roemer
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stallings
Stark
Stearns
Stokes
Stump
Sundquist
Swett
Swift
Synar
Tallon
Tauzin
Taylor (MS)
Thomas (GA)
Thomas (WY)
Thornton
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Waxman
Weber
Weldon
Wheat
Whitten
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zimmer

NOES—0

NOT VOTING—84

Ackerman
Alexander
Anderson
Bacchus
Barton
Beilenson
Bevill
Bonior
Bryant
Campbell (CA)
Campbell (CO)
Chandler
Clement
Conyers
Cox (CA)
Darden
de la Garza
Dickinson
Dooley
Dwyer
Dymally
Engel
Flake
Ford (TN)
Frank (MA)
Franks (CT)
Gaydos
Gekas
Gillmor
Gingrich
Hammerschmidt
Hansen
Hefner
Herger
Hopkins
Huckaby
Ireland
Johnston
Jones (GA)
Kennedy
Kolbe
LaRocco
Laughlin
Lehman (CA)
Lent
Levine (CA)
Lewis (GA)
Livingston
Lloyd
Marlenee
McCurdy
McGrath
McMillan (NC)
Mineta
Molinari
Morrison
Murphy
Olver
Owens (NY)
Oxley
Perkins
Pickle
Rahall
Ray
Rogers
Sabo
Savage
Sikorski
Smith (FL)
Solarz
Staggers
Stenholm
Studds
Tanner
Taylor (NC)
Thomas (CA)
Torres
Torricelli
Traxler
Washington
Weiss
Williams
Wilson
Zeliff

□ 1623

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there other amendments to the bill? If not, the question is on the amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. MCNULTY) having assumed the chair, Mr. PENNY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 3247) to establish a National Undersea Research Program within the National Oceanic and Atmospheric Administration, pursuant to House Resolution 487, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HUGHES. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 265, nays 86, not voting 83, as follows:

[Roll No. 240]

YEAS—265

Abercrombie
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bacchus
Barnard
Bateman
Bennett
Bentley
Berman
Bilbray
Bilirakis
Blackwell
Boehlert
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bustamante
Byron
Callahan
Camp
Cardin
Carper
Carr
Chapman
Clay
Clinger
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Cooper
Cox (IL)
Coyne
Cramer
Davis
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Early
Eckart
Edwards (CA)
Edwards (TX)
English
Erdreich
Espy
Fascell
Fazio
Feighan
Fields
Fish
Foglietta
Ford (MI)
Frost
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Goss
Gradison
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Harris
Hatcher
Hayes (IL)
Hayes (LA)
Henry
Hertel
Hoagland
Hobson
Hochbrueckner
Horn
Horton
Houghton
Hoyer
Hubbard
Hughes
Hutto
Hyde
Jacobs
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennelly
Kildee
Kleczka
Klug
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
Lehman (FL)
Levin (MI)
Lewis (CA)
Lewis (FL)
Lipinski
Lloyd
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McDade
McDermott
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Miller (WA)
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Morella
Mrazek
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Pallone
Panetta
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Porter
Poshard
Price
Pursell
Rangel
Ravenel
Reed
Regula
Richardson
Riggs
Rinaldo
Roe
Roemer
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sanders
Sangmeister
Sawyer
Saxton
Scheuer
Schiff
Schroeder
Schulze
Schumer
Serrano
Sharp
Shaw
Shays
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Snowe
Spence
Spratt
Stallings
Stark
Stokes
Swett
Swift
Synar
Tallon
Tauzin
Taylor (MS)
Thomas (GA)
Thornton
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Washington
Waters
Waxman
Weldon
Wheat
Whitten
Wise

Wolpe
Wyden
Yates
Yatron
Young (AK)
Young (FL)

NAYS—86

Allard
Allen
Archer
Armey
Baker
Ballenger
Barrett
Bereuter
Bliley
Boehner
Bunning
Burton
Coble
Combest
Condit
Coughlin
Crane
Cunningham
Dannemeyer
DeLay
Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Ewing
Fawell
Gallegly
Goodling
Grandy
Hall (TX)
Hancock
Hastert
Hefley
Holloway
Hunter
Inhofe
James
Johnson (TX)
Kasich
Kyl
Lagomarsino
Leach
Lightfoot
McCandless
McCrery
McEwen
Meyers
Michel
Miller (OH)
Moorhead
Myers
Nichols
Nussle
Orton
Packard
Parker
Patterson
Petri
Quillen
Ramstad
Rhodes
Ridge
Ritter
Roberts
Roth
Santorum
Sarpalius
Schaefer
Sensenbrenner
Shuster
Smith (OR)
Smith (TX)
Solomon
Stearns
Stump
Sundquist
Thomas (WY)
Vucanovich
Walker
Walsh
Weber
Wolf
Wylie
Zimmer

NOT VOTING—83

Ackerman
Alexander
Anderson
Barton
Beilenson
Bevill
Bonior
Bryant
Campbell (CA)
Campbell (CO)
Chandler
Clement
Conyers
Costello
Cox (CA)
Darden
de la Garza
Dickinson
Dooley
Dwyer
Dymally
Engel
Evans
Flake
Ford (TN)
Frank (MA)
Franks (CT)
Gaydos
Gekas
Gingrich
Hammerschmidt
Hansen
Hefner
Herger
Hopkins
Huckaby
Ireland
Johnston
Jones (GA)
Kennedy
Kolbe
LaRocco
Laughlin
Lehman (CA)
Lent
Levine (CA)
Lewis (GA)
Livingston
Lowery (CA)
Marlenee
McCurdy
McGrath
McMillan (NC)
Mineta
Molinari
Morrison
Murphy
Olver
Owens (NY)
Oxley
Perkins
Pickle
Rahall
Ray
Rogers
Sabo
Savage
Sikorski
Smith (FL)
Solarz
Staggers
Stenholm
Studds
Tanner
Taylor (NC)
Thomas (CA)
Torres
Torricelli
Traxler
Weiss
Williams
Wilson
Zeliff

□ 1644

The Clerk announced the following pair:

On this vote:

Mr. Mineta for, with Mr. Thomas of California against.

Mr. CONDIT changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HUGHES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3247, the bill just passed.

The SPEAKER pro tempore (Mr. MCNULTY). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PERSONAL EXPLANATION

Mr. TANNER. Mr. Speaker, during rollcall vote Nos. 237, a quorum call, 238, 239, and 240 on H.R. 3247 I was unavoidably detained. Had I been present I would have voted "aye."

REPORT ON H.R. 5503, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1993

Mr. YATES, from the Committee on Appropriations, submitted a privileged report (Rept. No. 102-626) on the bill (H.R. 5503) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1993, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

Mr. REGULA reserved all points of order on the bill.

REPORT ON H.R. 5504, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1993

Mr. MURTHA, from the Committee on Appropriations, submitted a privileged report (Rept. No. 102-627) on the bill (H.R. 5504) making appropriations for the Department of Defense for the fiscal year ending September 30, 1993, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

Mr. McDADE reserved all points of order on the bill.

APPOINTMENT OF CONFEREES ON H.R. 5260, UNEMPLOYMENT COMPENSATION AMENDMENTS OF 1992

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5260) to extend the emergency unemployment compensation program, to revise the trigger provisions contained in the extended unemployment compensation program, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to a conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

MOTION TO INSTRUCT OFFERED BY MR. ARCHER

Mr. ARCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ARCHER moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H.R. 5260) be instructed not to agree to include section 601 of the House bill in the Conference Agreement. The managers are further instructed to agree to no provisions exempting H.R. 5260 from the Balanced Budget and Emergency Deficit Control Act of 1985.

The SPEAKER pro tempore. The gentleman from Texas [Mr. ARCHER] will be recognized for 30 minutes, and the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. ARCHER.]

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, for well over a year now, Congress has been considering and reconsidering legislation to extend unemployment compensation benefits.

The principal reason we keep coming back has been Congress' insistence that we pass legislation which is unacceptable to the President. Not surprisingly, he has vetoed or has not let go into effect, some of our earlier efforts. Regardless of what Members think of the President's position on unemployment legislation, it serves nothing but petty political interests to send to the President legislation that is clearly unacceptable to him.

We must have a compromise with the President or no unemployment legislation will become law. The Democrat leadership has decided, however, to seek confrontation, not compromise, once again. I would remind my colleagues that the Emergency Unemployment Compensation Program expires this weekend, and extending this program is the principal intention of H.R. 5260. It surely does not serve the interests of the unemployed if we send to the President a bill we know he will not sign.

In 1990, the President and the Congress made an agreement intended to bring some form of control to our budget process and reduce the deficit. The Budget Enforcement Act of 1990 was passed as part of that agreement. It required that any new legislation proposing to increase entitlement spending must be paid for by entitlement reductions or revenue increases that fully cover the increased spending in each year through 1996.

The President has consistently objected to any legislation breaching this agreement because it is the only restraint we have right now against expanding the Federal deficit.

His principal reason for vetoing unemployment legislation in the past is that it blithely violated the pay-as-you-go requirements of the Budget Act. I am certain this bill will be unacceptable if it does not meet with demands of that budget agreement.

Neither the House nor Senate versions of H.R. 5260 meet the pay-as-you-go requirements. In addition, the House-passed version specifically exempts the legislation from the pay-as-you-go requirements of the Budget Act. This will clearly be unacceptable to the President, and should be unacceptable to the people of this country.

My motion is a simple one. It instructs conferees to recede from the House position on whether any budget authority, outlays or receipts from the provisions of this bill should be considered for the purpose of complying with the Balanced Budget and Emergency Deficit Control Act of 1985.

In layman's terms that simply means the bill would not be exempt from the pay-as-you-go provisions of the budget law.

I urge my colleagues to support this motion to instruct conferees. Show that you care about fiscal discipline. More importantly, show that you care about the Nation's unemployed by insisting that conferees bring back a bill the President can sign into law.

☐ 1650

Mr. DOWNEY. Mr. Speaker, I yield myself such time as I may consume.

I think it would probably be more truth in labeling if we called this a motion to obstruct conferees, as opposed to instructing them. The sordid history of the minority involvement on unemployment is quite clear. They have been historically opposed to every single effort that we have made to try to extend benefits to the unemployed. The President has vetoed one bill, not signed another. They have been lax in every attempt to offer serious alternatives, and now on the eve of attempting to get an agreement with the other body they offer this motion that would require year by year compliance with the Budget Act.

The simple problem with that is that during a period of recession or downturn in an economy, it is inimicable to the interests of recovery to raise taxes or to try to do anything that would dampen aggregate demand, if that is what they propose.

For people who did not agree there was a recession, it is probably not too far a cry to expect them to want to raise revenue in the middle of a recession or in the early stages of a recovery.

I would hope that our colleagues would understand that over the 5-year period of time the permanent changes in the unemployment law are fully paid for and that the extension of benefits is as well fully paid for in the later years which is when it would be appropriate to pay for them, not during this early and delicate stage of recovery.

Mr. Speaker, I would urge a strong no vote on this motion to obstruct.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

It is interesting, the terminology the gentleman uses, because it is by creating a bill that does not comply with the Budget Enforcement Act that the gentleman himself is obstructing the ability of the unemployed to get unemployment compensation. There is no question about it. It is an irresponsible act on the past of this Congress to once again launch into a spend and borrow program that is in clear violation of the Budget Act, and that is the point that the conferees should be instructed on. It is the point we must insist on and it is the point that the President must have if he is to sign this bill into law.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. DOWNEY. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. McNULTY). Without objection, the previous question is ordered on the motion to instruct.

The was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. ARCHER].

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. ARCHER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 180, nays 170, not voting 84, as follows:

[Roll No. 241]

YEAS—180

Allard
Allen
Archer
Armey
Aspin
Baker
Ballenger
Barnard
Barrett
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Brewster
Browder
Bunning
Burton
Byron
Callahan
Camp
Carper
Carr
Clinger
Coble
Coleman (MO)
Combest
Condit
Coughlin
Cramer
Crane
Cunningham
Dannemeyer
Davis
DeLay
Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
English
Erdreich
Ewing
Fawell
Fields
Fish
Gallegly
Gallo
Geren
Gilchrest
Gillmor
Gilman
Goodling
Goss
Gradison
Grandy
Gunderson
Hall (TX)
Hancock
Harris
Hastert
Hayes (LA)
Hefley
Henry
Hobson
Holloway
Hopkins
Horton
Houghton
Hunter
Hutto
Hyde
Inhofe
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Kasich
Klug
Kyl
Lagomarsino
Lancaster
Leach
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lloyd
Lowery (CA)
Machtley
Martin
McCandless
McCollum
McCrery
McDade
McEwen
McMillen (MD)
Meyers
Michel
Miller (OH)
Miller (WA)
Montgomery
Moorhead
Morella
Myers
Neal (NC)
Nichols
Nussle
Olin
Orton
Owens (UT)
Packard
Parker
Pastor
Paxon
Payne (VA)
Penny
Petri
Pickett
Porter
Pursell
Quillen
Ramstad
Ravenel
Regula
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roemer
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Rowland
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Schulze
Sensenbrenner
Shaw
Shays
Shuster
Sisisky
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Swett
Tauzin
Taylor (MS)
Thomas (GA)
Thomas (WY)
Upton
Valentine
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Weldon
Wolf
Wylie
Young (AK)
Young (FL)
Zimmer

NAYS—170

Abercrombie
Andrews (ME)
Andrews (TX)
Annunzio
Anthony
Applegate
Atkins
AuCoin
Bacchus
Bennett
Berman
Bilbray
Blackwell
Borski
Boucher
Boxer
Brooks
Brown
Bruce
Bustamante
Cardin
Chapman
Clay
Clement
Coleman (TX)
Collins (IL)
Collins (MI)
Cooper
Costello
Cox (IL)
Coyne
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Early
Eckart
Edwards (CA)
Edwards (TX)
Espy
Evans
Fascell
Fazio
Feighan
Foglietta
Frost
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gordon
Hall (OH)
Hamilton
Hatcher
Hayes (IL)
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Hubbard
Hughes
Jacobs
Jefferson
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennelly
Kildee
Kleczka
Kopetski
Kostmayer
LaFalce
Lantos
Levin (MI)
Lipinski
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McDermott
McHugh
McNulty
Mfume
Miller (CA)
Mink
Moakley
Mollohan
Moody
Moran
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Nowak
Oakar
Oberstar
Obey
Ortiz
Pallone
Panetta
Patterson
Payne (NJ)
Pease
Pelosi
Peterson (FL)
Peterson (MN)
Poshard
Price
Rangel
Reed
Richardson
Roe
Rose
Rostenkowski
Roybal
Russo
Sanders
Sangmeister
Sawyer
Scheuer
Schroeder
Schumer
Serrano
Sharp
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spratt
Stallings
Stark
Stokes
Swift
Synar
Tallon
Tanner
Thornton
Towns
Traficant
Vento
Visclosky
Volkmer
Washington
Waters
Wheat
Whitten
Wise
Wolpe
Wyden
Yates
Yatron

NOT VOTING—84

Ackerman
Alexander
Anderson
Andrews (NJ)
Barton
Beilenson
Bevill
Bonior
Broomfield
Bryant
Campbell (CA)
Campbell (CO)
Chandler
Conyers
Cox (CA)
Darden
de la Garza
Dickinson
Dooley
Dwyer
Dymally
Engel
Flake
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Gaydos
Gekas
Gingrich
Green
Guarini
Hammerschmidt
Hansen
Hefner
Herger
Huckaby
Ireland
Johnston
Jones (GA)
Kennedy
Kolbe
Kolter
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Levine (CA)

Lewis (GA)
Livingston
Marlenee
McCurdy
McGrath
McMillan (NC)
Mineta
Molinari
Morrison
Olver
Owens (NY)
Oxley
Perkins
Pickle
Rahall
Ray
Rogers
Sabo
Savage
Sikorski
Smith (FL)
Solarz
Staggers
Stenholm
Studds
Taylor (NC)
Thomas (CA)
Torres
Torricelli
Traxler
Unsoeld
Waxman
Weiss
Williams
Wilson
Zeliff

□ 1715

Messrs. MILLER of Ohio, ROTH, HAYES of Louisiana, NEAL of North Carolina, SISISKY, OLIN, and PICKETT changed their vote from "nay" to "yea."

So the motion to instruct was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. The Speaker will appoint conferees upon his return to the chair.

PERSONAL EXPLANATION

Mr. OXLEY. Mr. Speaker, I was unavoidably absent from the House Chamber during rollcall votes Nos. 238 through 241.

If I were present during rollcall No. 238, I would have voted "nay."

If I were present for the rollcall No. 239, I would have voted "yea."

If I were present for rollcall No. 240, the final passage of the National Underseas Research Program Act of 1991, I would have voted "nay."

Had I been present for rollcall No. 241, the appointment of conferees on H.R. 5260, Unemployment Compensation Amendments of 1992, I would have voted "yea."

SOCIAL SECURITY ADMINISTRATION INDEPENDENCE ACT OF 1992

The SPEAKER pro tempore (Mr. McNULTY). The pending business is the question of suspending the rules and passing the bill, H.R. 5429, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. ROSTENKOWSKI] that the House suspend the rules and pass the bill, H.R. 5429, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 350, nays 8, not voting 76, as follows:

[Roll No. 242]

YEAS—350

Abercrombie
Allard
Allen
Andrews (ME)
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Bacchus
Baker
Ballenger
Barnard
Barrett
Bateman
Bennett
Bentley
Bereuter
Berman
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Borski
Boucher
Boxer
Brewster
Brooks
Browder
Brown
Bruce
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Cardin
Carper
Carr
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Cooper
Costello
Coughlin
Cox (IL)
Coyne
Cramer
Crane
Cunningham
Dannemeyer
Davis
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Early
Eckart
Edwards (OK)
Edwards (TX)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Foglietta
Ford (MI)
Frost
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Gonzalez
Goodling
Gordon
Goss
Grandy
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Henry
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Hughes
Hunter
Hutto
Hyde
Inhofe
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennelly
Kildee
Kleczka
Klug
Kopetski
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach
Lehman (FL)
Lent
Levin (MI)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McDade
McDermott
McEwen
McHugh
McMillen (MD)
McNulty
Meyers
Mfume
Miller (CA)
Miller (WA)
Mink
Moakley
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Ortiz
Orton
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Porter
Poshard
Price
Pursell
Quillen
Ramstad
Rangel
Ravenel
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roe
Roemer
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stallings
Stark
Stearns
Stokes
Stump
Sundquist
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Thomas (GA)
Thomas (WY)
Thornton
Torricelli
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Washington
Waters
Waxman
Weber
Weldon
Wheat
Whitten
Wise
Wolf
Wolpe
Wyden
Yates
Yatron
Young (AK)
Young (FL)
Zimmer

NAYS—8

Ewing
Gradison
Hammerschmidt
Kyl
Michel
Miller (OH)
Walker
Wylie

NOT VOTING—76

Ackerman
Alexander
Anderson
Andrews (NJ)
Barton
Beilenson
Bevill
Bonior
Broomfield
Bryant
Campbell (CA)
Campbell (CO)
Chandler
Conyers
Cox (CA)
Darden
de la Garza
Dickinson
Dooley
Dwyer
Dymally
Edwards (CA)
Engel
Flake
Ford (TN)
Frank (MA)
Franks (CT)
Gaydos
Gekas
Gingrich
Green
Hansen
Hefner
Herger
Huckaby
Ireland
Johnston
Jones (GA)
Kennedy
Kolbe
Kolter
LaRocco
Lehman (CA)
Levine (CA)
Lewis (GA)
Livingston
Marlenee
McCurdy
McGrath
McMillan (NC)
Mineta
Molinari
Morrison
Olver
Owens (NY)
Perkins
Pickle
Rahall
Ray
Rogers
Sabo
Savage
Sikorski
Smith (FL)
Solarz
Staggers
Stenholm
Studds
Taylor (NC)
Thomas (CA)
Torres
Traxler
Weiss
Williams
Wilson
Zeliff

□ 1738

Mr. HAMMERSCHMIDT changed his vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. TAYLOR of North Carolina. Mr. Speaker, I was unavoidably detained in my district. Had I been present, however, I would have voted "no" on rollcall vote 238, "yes" on rollcall vote 239, "no" on rollcall vote 240, "yes" on rollcall vote 241, and "yes" on rollcall vote 242.

PERSONAL EXPLANATION

Mr. HAMMERSCHMIDT. Mr. Speaker, official business required me to be in Arkansas for the investiture of Judge Morris "Buzz" Arnold to the Eighth Circuit Court of Appeals.

Since he was my nominee to the President, I felt it incumbent that I be present on that auspicious occasion.

Therefore, I missed several votes, including rollcall vote No. 237, a quorum call. Had I been here I would have voted the following: rollcall vote No. 238, I would have voted "no"; on rollcall vote No. 239, I would have voted "aye"; on rollcall vote No. 240, I would have voted "no"; and on rollcall vote No. 241, I would have voted "aye."

PERSONAL EXPLANATION

Mr. ZELIFF. Mr. Speaker, I was absent from the session due to important legislative business in my district. I request unanimous consent that I be granted a leave of absence for the day.

As a result of my absence I missed the rollcalls 238 through 242. If I had been present for those rollcalls I would have voted "no" on rollcalls 238 and 240 and "yes" on rollcalls 239, 241, and 242.

PERSONAL EXPLANATION

Mr. WEISS. Mr. Speaker, I was unavoidably detained during House proceedings. Had I been present, I would have voted "present" on rollcall vote No. 237, and "yea" on rollcalls 238, 239, and 240.

On rollcall No. 241, I would have voted "nay."

On rollcall No. 242 on H.R. 5429, to establish the Social Security Administration as an independent agency, I would have voted "yea." This legislation is a positive step in elevating the Social Security Administration above the political pressures which currently hamper its effectiveness. Most significantly, passage of H.R. 5429 will help eliminate the current backlog of claims and thus make the agency more responsive to our constituents.

PERSONAL EXPLANATION

Mr. TORRES. Mr. Speaker, I was unavoidably absent on official business for rollcall vote Nos. 238 through 242. Had I been present on the House floor I would have cast my votes as follows:

Rollcall No. 238—"Aye" on Mr. HUGHES' amendment to Mr. WALKER'S amendment to H.R. 3247, the National Undersea Research Program Act.

Rollcall No. 239—"Aye" on Mr. WALKER'S amendment as amended to H.R. 3247, the National Undersea Research Program Act.

Rollcall No. 240—"Yea" on H.R. 3247, the National Undersea Research Program Act.

Rollcall No. 241—"No" on Mr. ARCHER'S motion to instruct House conferees on H.R. 5260, the Unemployment Compensation Amendments of 1992.

Rollcall No. 242—"Yea" on suspending the rules and passing H.R. 5429, the Social Security Administration Independence Act of 1992.

□ 1740

PERMISSION TO FILE CONFERENCE REPORT ON S. 1150, HIGHER EDUCATION AMENDMENTS OF 1992

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight, June 29, 1992, to file the conference report on the Senate bill (S. 1150) to reauthorize the Higher Education Act of 1965, and for other purposes.

The SPEAKER pro tempore (Mr. MCNULTY). Is there objection to the request of the gentleman from Michigan?

There was no objection.

HOUR OF MEETING ON TOMORROW

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 a.m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PROVIDING FOR JOINT CONGRESSIONAL COMMITTEE ON INAUGURAL CEREMONIES

Mr. GEPHARDT. Mr. Speaker, I send to the desk a privileged Senate concurrent resolution (S. Con. Res. 102) to provide for a Joint Congressional Committee on Inaugural Ceremonies, and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the Senate concurrent resolution.

The Clerk read the Senate concurrent resolution as follows:

S. CON. RES. 102

Resolved by the Senate (the House of Representatives concurring), That a Joint Congressional Committee on Inaugural Ceremonies consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President-elect and Vice President-elect of the United States on the 20th day of January 1993.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

AUTHORIZING USE OF CAPITOL ROTUNDA FOR PROCEEDINGS AND CEREMONIES FOR INAUGURATION OF PRESIDENT-ELECT AND VICE PRESIDENT-ELECT OF THE UNITED STATES

Mr. GEPHARDT. Mr. Speaker, I send to the desk a privileged Senate concurrent resolution (S. Con. Res. 103) authorizing the rotunda of the U.S. Capitol to be used on January 20, 1993, in connection with the proceedings and ceremonies for the inauguration of the President-elect and the Vice President-elect of the United States, and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the Senate concurrent resolution.

The Clerk read the Senate concurrent resolution as follows:

S. CON. RES. 103

Resolved by the Senate (the House of Representatives concurring), That the rotunda of the United States Capitol is hereby authorized to be used on January 20, 1993, by the Joint Congressional Committee on Inaugural Ceremonies in connection with the proceedings and ceremonies conducted for the inauguration of the President-elect and the Vice President-elect of the United States. Such Committee is authorized to utilize appropriate equipment and the services of appropriate personnel of departments and agencies of the Federal Government, under arrangements between such Committee and the heads of such departments and agencies, in connection with such proceedings and ceremonies.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

CONTINUED DISCRIMINATION AGAINST WOMEN ATHLETES AT AMERICAN COLLEGES AND UNIVERSITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, this month, as many of us observe the 20th anniversary of title IX of the Education Amendment of 1972, I am sad to report that this landmark law intended to assure equal athletic opportunities for girls and women, has not been enforced to the extent that Congress intended.

Twenty years after passage of title IX, women are still playing on an unlevel field. Inadequate enforcement of title IX by the Department of Education's Office of Civil Rights has resulted in continued discrimination against women athletes at our colleges and universities.

The National Collegiate Athletic Association, the largest governing body regulating intercollegiate athletics, recently published a gender-equity survey of its member institutions. The findings can only be described as dismal.

According to the NCAA, for every $1 spent on operating woman's programs, an average of $2.75 is spent to operate men's programs. For every $1 allocated to recruit female basketball players, an average of $3.21 is spent to recruit men. As a result, men's participation in intercollegiate sports exceeds women's participation by a 2-to-1 ratio.

Unfortunately, the disparity in spending exists not just in the major revenue sports like basketball, but in other sports. NCAA member institutions spend twice as much on men's lacrosse as women's lacrosse; 50 percent more on men's fencing then on women's fencing; and 20 percent more on men's indoor/outdoor track. I find this totally unacceptable.

Women are not just shortchanged on the playing field. Coaches in the men's programs typically earn over 80 percent more than coaches in the women's programs. While 40 percent of the coaches in the women's programs are men, there are virtually no women coaches in the men's programs. The percentage of women coaching women's programs dropped from 90 percent in 1972 to 48 percent in 1992.

In spite of the facts I have just cited, Mr. Speaker, some progress is being made, and women again are beginning to make some inroads. Women's sports continues to gain in popularity. Last year, nearly 400,000 sports fans paid to see 7,756 women student-athletes on 1,120 teams participate in 33 championships.

While we observe the 20th anniversary of title IX, Mr. Speaker, I will continue to talk about the problems of equal opportunities for girls and women in sports.

THE HEALTH CARE COST CONTAINMENT AND REFORM ACT OF 1992

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, today I am pleased to join the majority leader, Mr. GEPHARDT, and Mr. DONNELLY, Mr. COYNE, Mr. LEVIN of Michigan, and Mr. CARDIN, in introducing H.R. 5502, the Health Care Cost Containment and Reform Act of 1992.

H.R. 5502 addresses the three critical issues in health care today. It controls skyrocketing health care costs, reforms the health care system, and provides health coverage to millions of uninsured Americans.

The bill would achieve these three objectives with no new taxes. Savings achieved from cost containment would be used to expand health insurance coverage and benefits.

I must say that I would prefer to move forward with a comprehensive health plan. For many years, I have been an advocate of Medicare-for-all, as outlined in my bill, H.R. 650, the MediPlan Act of 1991. Unfortunately, a comprehensive plan like MediPlan cannot be enacted without effective leadership from the White House.

While the Health Care Cost Containment and Reform Act of 1992 does not provide universal coverage, it does provide effective cost containment, meaningful reform of the health care system, and a substantial increase in health insurance coverage.

H.R. 5502 establishes a framework for universal health insurance coverage. It is an important first step. It does not prejudice future comprehensive reform plans such as a Canadian-style single payer system, Medicare-for-all, a pay-or-play plan, or other proposals that are currently being discussed.

COST CONTAINMENT

The centerpiece of this plan is cost containment.

The rising cost of health care has become the No. 1 health concern of the American people. In town meeting after town meeting, our constituents have expressed their fears about the ever higher cost of medical care.

Health care costs are out of control, increasing at more than 6 percent a year higher than the rate of general inflation.

Increasing costs are driving up health insurance premiums by more than 15 percent each year. At the current rate of increase, health insurance premiums will double every 4 years.

This rate of increase has taken its toll on middle class families, and it is robbing our economy of resources that could be used to expand our productive capacity and ultimately to improve the standard of living of American workers.

American workers feel that cutbacks in their health benefits will limit protection for their families. All too frequently, workers are told that productivity gains must be spent on maintaining their health benefits, and not on increasing take-home pay. Health care costs and coverage have become the No. 1 factor leading to strikes.

Ever-increasing costs are the No. 1 reason small businesses are not providing health insurance to their employees.

Large employers also feel the effects of rising health costs. Employers now pay as much as $4,800 per year per employee for health insurance benefits. For every car sold by General Motors, more than $1,000 goes toward health coverage for employees.

Rising costs affect our ability to compete in international markets. The United States spends more on health care as a percent of its gross domestic product [GDP] than any of our major trading partners.

The United States spends 13 percent of our GDP for health, whereas Canada is at 9 percent, Germany is at 8 percent, and Japan is at 6 percent. While health as a portion of the GDP remains relatively constant for many countries, in the United States health is expected to continue to grow to 18 percent of the GDP by the end of the decade.

H.R. 5502 places effective limits on rising health care costs. It is not a blue-smoke-and-mirrors strategy. The cost containment in the bill is based on proven approaches which have been shown to work. Other approaches have been tried in the past, but they simply do not work.

A national health budget would be set for 1994, to reflect current spending plus 1 percent less than the projected increase. The annual increase would phase down over 5 years to equal the increase in the nominal GDP.

Total payments to hospitals and physicians would not be reduced. Under the limits on growth proposed in this bill, hospital and physician payments would grow at the rate of increase of the economy as a whole, about 6 percent a year.

The annual increase in national health spending would be held to preset levels through a three-part system of State programs, qualified HMO's, and national maximum payment rates.

Under this bill, States establish their own payment programs for hospital and/or physician services. The total cost of services covered by a State program could not exceed the projected total costs for such services under the national rates.

It is anticipated that over several years, most States would establish State payment programs. The national payment rates would not apply to providers in States with approved programs.

Qualified HMO plans would be free to negotiate rates with hospitals and physicians, as they would be exempt from all of the provisions of the national payment rates program.

National maximum payment rates for hospitals, physicians, and other health services would be set annually following Medicare methods. The rates would be the maximum which providers could charge for services payable by insurers or individuals. Insurers and employer plans, including PPO's and other managed care plans, would be free to negotiate lower rates from hospitals, physicians, and other providers.

The maximum rates would not apply in States with State payment programs or to qualified HMO's.

HEALTH SYSTEM REFORMS

The second area addressed by H.R. 5502 is health system reforms.

H.R. 5502 would provide for significant reforms of the private health insurance system, bringing fairness and reliability to the private market. It would greatly simplify the administration of the health care system, saving tens of billions of dollars in paperwork costs each year. It would set up tough Federal standards to combat fraud and abuse in the private sector.

Health insurance reform: It is not surprising that Americans are demanding a response to the problem of health insurance coverage. Our constituencies are worried that they will lose their health insurance when they need it most, or that their insurance will not be adequate to cover their medical expenses.

There is great fear about job lock, not being able to change jobs because preexisting condition exclusions at a new employer will curtail coverage for an existing illness.

The health insurance reforms of this proposal provide for real, comprehensive reform of the health insurance system. The reforms will apply to all insurers, not just those in the small group market.

The plan would impose non-discrimination requirements for all employer groups, including self-insured groups. Discrimination based upon health status or medical condition would be prohibited.

Health insurers, other than self-insured employer groups, would be required to provide year-round open enrollment for groups and individuals within a geographical area. Premiums would be based on community rates phased in over 3 years. Renewals of policies would be guaranteed.

Under the proposal, workers would be protected from job lock. Preexisting condition exclusions would be limited to the first six months a worker is employed. Any worker changing jobs with less than a 3-month break in employment-based health insurance coverage, including coverage under COBRA, could not have a new exclusion period applied. Preexisting exclusions would otherwise be limited to a 6-month period.

Administrative simplification: The United States health care system is severely crippled by unnecessary paperwork. Billions of dollars are spent complying with multiple layers of rules imposed by 1,500 health insurance companies and by thousands of self-insured plans.

The administrative simplification proposed in this bill would virtually eliminate costly paperwork. Under the proposal, there would be uniform, electronic billing for all health insurance claims. Electronic billing will save doctors, hospitals, and payers billions of dollars in claims processing costs.

A national system for processing claims would assure that all claims are processed exactly the same way. Uniformity in processing will allow doctors and hospitals to reduce their current staff assigned to billing by more than 60 percent. This would also have the benefit of assisting providers in meeting the cost containment targets of the bill.

The plan calls for universal health insurance identification cards. Coupled with computerized verification of eligibility and benefits, this reform will allow doctors and hospitals to know up front who to bill for services.

Fraud and abuse: In addition to insurance reform and administrative simplification, the plan would impose tough Federal standards to squeeze fraud and abuse from the health care system.

Currently, only Medicare and Medicaid fraud are subject to Federal prosecution. The U.S. General Accounting Office recently found that up to $100 billion each year is lost to fraud and abuse by payers others than Medicare and Medicaid. The report found there to be a general failure on the part of private payers to develop effective systems to control fraud.

The plan would establish a coordinated program to combat health care fraud and abuse, and it would apply Medicare's proven, effective fraud and abuse policies to all purchasers of health care.

EXPANSION OF BENEFITS

Coverage for the uninsured: In my view, comprehensive health care is a basic right of all Americans. It is a national disgrace that we continue to tolerate a system in which over 35 million of our fellow Americans are without health insurance.

This bill is a significant downpayment on universal coverage.

I would, of course, prefer that the bill go further in this area. Unfortunately, as I noted earlier, we are working in the shadows of the "read-my-lips-no-new-taxes" President. This bill package is designed to maximize benefits with the on-budget savings achieved from cost containment.

H.R. 5502 provides health insurance coverage to millions of low-income Americans under an improved Medicaid Program. The plan would provide Medicaid coverage for more than half of the uninsured within the decade.

Under the plan, all pregnant women and children to age 6 with income up to 200 percent of the Federal poverty line would be covered by 1998. Children to age 19 up to 200 percent poverty would be covered by 1999. All low-income adults below 100 percent poverty would be covered by the year 2000, and adults up to 133 percent poverty would be covered by the year 2002.

The new benefits provided by this plan would be fully funded with Federal dollars, preventing further burdens on State budgets.

All of the Medicaid provisions of the bill are, or course, under the jurisdiction of the Committee on Energy and Commerce, and would be considered by that committee.

Federal health insurance program for children: H.R. 5502 would establish a new, voluntary health insurance program for children to age 19. Parents would be able to buy into the public plan in order to purchase reasonably priced health insurance for their children.

The plan would provide coverage for newborn, well-baby, and well-child care without copayments or deductibles. In addition, it would cover the usual Medicare-type services.

Medicare coverage of prescription drugs: A second benefit funded with savings achieved from cost containment would be prescription drugs for the elderly.

H.R. 5502 would restore what many considered to be the single most important benefit included in the Medicare Catastrophic Coverage Act of 1988. It would provide enormous assistance to millions of Medicare beneficiaries.

Unlike most other health expenses, prescription drugs are neither covered by Medicare nor by most private Medicare supplemental insurance—Medigap—policies. Many seniors require multiple prescriptions each year in order to manage chronic conditions and to treat numerous acute health problems. Without adequate insurance, seniors are forced to pay substantial sums out-of-pocket to buy the medications they need to survive.

Under this bill, coverage for outpatient prescription drugs would become a Part B benefit. It would be subject to a deductible—$800 in 1996—and would be funded with the usual 25 percent premium.

In addition, the plan would establish special coverage for low-income senior citizens. Beneficiaries with income below 100 percent poverty, known as Qualified Medicare Beneficiaries, would be entitled to prescription drug benefits under the State Medicaid Program, and would not be subject to the Medicare prescription drug copayments.

Medicare prevention benefits: Health professionals have recognized the value of prevention services for many years. Some prevention services, such as vaccinations, prevent the occurrence of diseases.

Others, such as mammography screening enacted in 1990, allow early detection and treatment of serious illness. For diseases like cancer, early detection and treatment may offer the best chance of preventing mortality and reducing the duration of illness.

The bill would improve Medicare coverage of essential preventive health services. It would provide Medicare coverage under Part B for annual mammography screening, colorectal cancer screening, and annual influenza and tetanus vaccinations.

Health insurance deduction for the self-employed: Unlike employers that provide health insurance to Americans under group health plans, self-employed individuals are unable to deduct the full cost of health insurance benefits.

This plan would help self-employed farmers and others who purchase health insurance on their own. It would allow such individuals to deduct up to 100 percent of their health insurance expenses effective January 1, 1993.

CONCLUSION

H.R. 5502 will control the growth in the health care costs, greatly simplify the health care system, and provide coverage to more than half of the uninsured Americans.

Health care costs in the U.S. must be limited someday. We cannot afford to spend 18 percent of our economy for health care in the year 2000—or 30 percent by 2020—when our major trading partners like Canada spend 9 percent or, in the case of Japan, only 6 percent.

The costs to our society and to our economy as a whole of spending hundreds of billions of additional dollars on health care are too high.

Every dollar that is spent on health care cannot be spent on education, or highways and bridges, or industrial research and development. Dollars spent by employers for health benefits cannot be paid to employees as cash wages.

How long will we let our health care system continue to siphon funds from the remainder of the economy at the rate of one-half of a percent of GNP each year? When will costs be contained?

I believe that now is the time, and H.R. 5502 is the answer. Fifteen percent of the economy for health is enough.

I urge all my colleagues to join the support for the Health Care Cost Containment and Reform Act of 1992.

PLANNED PARENTHOOD VERSUS CASEY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York [Mrs. LOWEY] is recognized for 5 minutes.

Mrs. LOWEY of New York. Mr. Speaker, today, the Reagan-Bush Supreme Court sent the clock turning backward toward the days of back-alley abortions. It threatens to make women second-class citizens. In spite of the rhetoric of the majority opinion, this decision continues to destroy the right to choose.

Their strategy is clear. It is to chip away at Roe versus Wade bit by bit and restriction by restriction, until abortion services are unavailable, and the Government controls this most personal of decisions.

Make no mistake about it. This decision sounds the death snell for abortion rights in America. Let me remind you of some of the barriers to choice upheld by the Court today:

A forced 24 hour waiting period after a woman visits her doctors and makes the decision to have an abortion;

A mandate on physicians to counsel women seeking abortions with biased information developed by the State;

Written parental consent for minors;

No confidentiality in the medical files of women who have obtained abortion services—such files would be open to public scrutiny.

Although the impulse of right-wing justices to overturn Roe outright was held in check, the long-term implications of this decision are just as fearsome and far-reaching.

Women's fundamental rights are being eroded, their lives are being endangered by a Supreme Court that is radically out of touch with the American people.

But American women are not going to stand idly by as the Reagan-Bush court pursues this reckless and regressive course.

Rather, today will mark the beginning of a nationwide uprising, from the grassroots, to the statehouse, to the Congress.

The pro-choice movement is a majority movement, a large majority—and a powerful majority. We are going to hold leaders responsible on this issue, including ringleader of the anti-abortion forces, George Bush.

Tonight, in my district, a massive pro-choice march is taking place in White Plains, NY. The participants in this march and many others will go the distance to protect the right to choose. They will not be alone. I am sure that, in the days ahead, pro-choice voters around the Nation will rally in anger to speak out against this decision. More importantly, in the months ahead, pro-choice Americans will join together to organize a strong coalition to go to the ballot box this fall to make sure that elected officials at every level understand that this fundamental right will be crucial to their votes.

But those of us who are committed to protecting the right to choose will not wait. Tomorrow, the Judiciary Committee will act on the Freedom of Choice Act—to reverse the damage of today's ruling and to reaffirm the fundamental principles of Roe versus Wade . . . to protect the Constitution of this Nation legislatively where the Supreme Court refused to do so.

This legislation will be approved by Congress and sent to the President for his signature. And then George Bush will have to face the question. Will he continue pandering, or will he join with the majority in this country in affirming the fundamental constitutional rights that Roe protects?

I would say to the President, beware. You can cling to the dangerous policies of the past and turn the clocks backward, but history is on our side. The historical expansion of justice and personal liberties cannot be stopped.

And in the end, respect for the Constitution and respect for the fundamental rights of women in this Nation will prevail.

□ 1750

CALLING FOR A CONSTITUTIONAL AMENDMENT TO ABOLISH THE DEATH PENALTY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, I am here today to introduce a resolution, House Joint Resolution 518, proposing a constitutional amendment to prohibit capital punishment within the United States. I believe that the death penalty is an act of vengeance veiled as an instrument of justice. Not only do I believe that there are independently sufficient moral objections to the principle of capital punishment to warrant its abolition, but I also know that the death penalty is meted out to the poor, to a disproportionate number of minorities, and does not either deter crime or advance justice.

Violent crimes have unfortunately become a constant in our society. Every day people are robbed, raped, and murdered. We are surrounded by crime and yet feel helpless in our attempt to deter, to control, and to punish. The sight of any brutal homicide excites a passion within us that demands retributive justice. We have difficulty comprehending that which cannot be understood. Mr. Speaker, we who dedicate our lives to creating a better and safer nation will never comprehend the rationale of violent crime. But the atrocity of the crime must not cloud our judgment, and we must not let our righteous anger undermine the wisdom of our rationality. We cannot allow ourselves to punish an irrational action with an equally irrational retaliation—murder is wrong, whether it is committed by an individual or by the State.

The U.N. Universal Declaration of Human Rights states that "No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment." The death penalty is torture, and numerous examples exist emphasizing the cruelty of the execution. Witness Jimmy Lee Gray, who was executed in 1983 in the Mississippi gas chamber. During his execution he struck his head repeatedly on a pole behind him and had convulsions for 8 minutes. The modernization to lethal injection serves only as an attempt to conceal the reality of cruel punishment. Witness the execution by lethal injection of James Autry in 1984. He took 10 minutes to die, and during much of that period he was conscious and complaining of pain.

Despite the obvious mental and physical trauma resulting from the imposition and execution of the death penalty, proponents insist that it fulfills some social need. This simply is not true. Studies fail to establish that the death penalty either has a unique value as a deterrent or is a more effective deterrent than life imprisonment. We assume that perpetrators will give greater consideration to the consequences of their actions if the penalty is death, but the problem is that we are not always dealing with rational actions. Those who commit violent crimes often do so in moments of passion, rage, and fear—times where irrationality reigns.

Rather than act as a deterrent, some studies suggest that the death penalty may even have a brutalizing effect on society. For example, Florida and Georgia, two of the States with the most executions since 1979, had an increase in homicides following the resumption of capital punishment. In 1984 in Georgia, the year after executions resumed, the homicide rate increased by 20 percent in a year when the national rate decreased by 5 percent. There can be no disputing the other evidence—murders have skyrocketed in recent years, as have State executions. The Government cannot effectively preach against violence when we practice violence.

The empty echo of the death penalty asks for simple retribution. Proponents advocate that some crimes simply deserve death. This argument is ludicrous. If a murderer deserves death, I ask you why then do we not burn the arsonist or rape the rapist? Our justice system does not provide for such punishments because society comprehends that it must be founded on principles different from those it condemns. How can we condemn killing while condoning execution?

In practice, capital punishment has become a kind of grotesque lottery. It is more likely to be carried out in some States than others—in recent years more than half of the Nation's executions have occurred in two States—Texas and Florida. It is far more likely to be imposed against blacks than whites—the U.S. Supreme Court has assumed the validity of evidence that in Georgia those who murder whites were 11 times more likely to receive the death sentence than those who kill blacks, and that blacks who kill whites were almost 3 times as likely to be executed as whites who kill whites. It is most likely to be imposed upon the poor and uneducated—60 percent of death row inmates never finished high school. And even among those who have been sentenced to die, executions appear randomly imposed—in the decade since executions resumed in this country, well under 5 percent of the more than 2,500 death row inmates have in fact been put to death.

It cannot be disputed that most death row inmates came from poverty and that there is a definite racial and ethnic bias to the imposition of the death penalty. The statistics are clear, as 92 percent of those executed in this country since 1976 killed white victims, although almost half of all homicide victims during that period were black; further, black defendants are many times more likely to receive the death sentence than are white defendants. A 1990 report of the General Accounting Office found that there exists "a pattern of evidence indicating racial disparities in the charging, sentencing, and imposition of the death penalty. * * * In 82 percent of the studies, race of victim was found to influence the likelihood of being charged with capital murder or receiving the death penalty." Similar statistics can be found in my area of the country with regard to individuals of Mexican-American descent; in fact, similar practices once prevailed with regard to women. The practice was to tell the murderer to leave town if he killed a Mexican-American or a woman, as the feeling was that the murder must have been justified. We may have moved beyond that point, but not by much. It is as much a bias in favor of the haves and at the expense of the have-nots as anything else.

Racial and ethnic bias is a part of our Nation's history, but so is bias against the poor. Clearly, the ability to secure legal assistance and to avail oneself of the best that the legal system has to offer is based on one's financial status. The National Law Journal stated in 1990, "Indigent defendants on trial for their lives are being frequently represented by ill-trained, unprepared court-appointed lawyers so grossly underpaid they literally cannot afford to do the job they know needs to be done." The American Bar Association has admitted as much.

The legal process has historically been replete with bias, as well. We have a history of exclusion of jurors based on their race; now, the Supreme Court has sanctioned the exclusion of multilingual jurors if witnesses' testimony will be translated—this is particularly significant in my area of the country, in San Antonio. Further, we have executed juveniles—children, actually, as well as those with limited intelligence. Only five countries besides the United States are known to have executed juvenile offenders in the past decade: Bangladesh, Barbados, Pakistan, Iraq, and Iran. That is some company to be in, particularly in light of the billions of dollars we just spent to stop brutalization by the leader of Iraq.

There are moves on in Congress to speed up the execution process by limiting and streamlining the appeals process. But when the statistics show how arbitrarily the death penalty is applied, how can we make any changes without first assuring fairness? If the death penalty is a fair means of exacting retribution and punishment, then is fairness not a necessary element of the imposition of capital punishment? There are no do-overs in this business when mistakes are made.

The imposition of the death sentence in such an uneven way is a powerful argument against it. The punishment is so random, so disproportionately applied in a few States, that it represents occasional retribution, not swift or sure justice. My colleagues, I implore you to correct this national disgrace. Nearly all other Western democracies have abolished the death penalty without any ill effects; let us not be left behind. Let us release ourselves from the limitations of a barbaric tradition that serves only to undermine the very human rights which we seek to uphold.

Can we continue to condone the sad part of our Nation's history that has been replete with injustice based on the color of one's skin, the accent in one's speech, or the amount of money in one's pocket? Regardless of one's view in favor or against imposition of the death penalty, we must all reaffirm our commitment to the fair and equal treatment of all men and women under the laws of this Nation. It is time that the words of the Declaration of Independence be words of action, not of mere rhetoric. "We hold these Truths to be self evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness."

THE SITUATION IN SARAJEVO

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, there is finally a light at the end of the tunnel regarding the opening of the airport in Sarajevo to relief flights.

According to Reuters this afternoon,

> The United Nations took control of Sarajevo airport Monday after Serbian forces lifted a two-month siege, and within hours a French military plane laden with relief supplies landed.
>
> The blue-and-white U.N. flag was raised over the airport with the agreement of the opposing sides in a war that has left more than 7,000 dead across the republic and another 300,000 in Sarajevo on the verge of starvation.

In New York this afternoon, the U.N. Security Council gave authorization for a battalion of 1,000 Canadian soldiers to be sent to Sarajevo to help in opening the airport.

This battalion is on standby in Daruvar, Croatia, and should be enroute by midnight Sarajevo time this evening.

According to Reuters, the Security Council, "also threatened further unspecified actions if combatants did not cooperate fully with the U.N. Protection Force in its efforts to deliver humanitarian assistance."

The threat of disruption of the vital and important effort to open Sarajevo airport is very real. But this time, the heavy burden has been placed on the Government of Bosnia-Hercegovina and its forces, who stand as the biggest threat to current efforts in securing the airport.

Bosnian Government forces fired on a U.N. convoy on Friday, and also were condemned by U.N. Secretary General Boutros Boutros-Ghali on Saturday for violating the latest U.N. cease-fire.

On Saturday, U.N. Secretary Boutros Boutros-Ghali, in an official statement on the situation in Bosnia-Hercegovina commented on efforts to open Sarajevo airport for humanitarian aid, "While the Serb side, in response to appeals of UNPROFOR, exercised self restraint in refraining from retaliation, the persistence of military attacks by the Territorial Defense forces of the government risks renewed destruction and suffering for the people of Sarajevo."

On Sunday, French President Francois Mitterand's entourage was fired upon by Moslem-Croat forces at Sarajevo airport. President Mitterand was forced to don a flak-jacket and take cover in the terminal.

Regardless of the actions of the various players in the Bosnian situation, one thing is clear: humanitarian aid must reach the embattled city of Sarajevo, a goal which a number of us are striving to achieve.

At the request of the State Department today, I have been involved with Milan Panic, a Serbian-American who has been nominated as a possible candidate for Prime Minister of Yugoslavia, in trying to open up the road from Split to Sarajevo and other highways to Sarajevo to allow convoys of humanitarian aid to reach that city. In a letter received this afternoon we received a guarantee of safe passage for U.N. convoys from Radovan Karadzic, head of the Serbs in Bosnia-Hercegovina.

Mr. Speaker, as I said earlier today, let's not be so quick to point the finger at just one group as the root of this problem. It is obvious from these reports that all groups are contributing to the current hostilities.

And while all of this had been happening in Sarajevo, a lot of other things have been happening in other areas of Bosnia, and in Croatia, that have not been receiving much attention.

Over the past month, Croatian forces have been on the offensive in western Hercegovina, and have recaptured the town of Mostar. According to AP reporter Tony Smith on Saturday, in rural Bosnia, "reports of mass killings and retaliations against Serbs have surfaced."

Along the Adriatic coast, retreating Serbian forces have been subject to attack by Croatian forces, and have responded in kind with shelling of their own.

In the Republic of Croatia, U.N. protection zones have been subject to attack by Croatian forces. According to the AP today, Knin, an area currently under U.N. protection in Croatia, "was shelled June 21, during a Croatian advance from the Adriatic coast that derailed a U.N. demilitarization program."

According to the same article, "Commander of the U.N. peacekeeping force, Brig Gen. J.K. arap Rob of Kenya, said the Croatians blatantly violated the cease-fire agreement, capturing a large area near the Serb town of Drnis, about 12 miles from Knin."

Mr. Speaker, all this has been happening in conjunction with the situation in Sarajevo. If anything is clear, it is that all sides—Moslems, Croats, Serbs—are guilty in fomenting the ongoing violence in former Yugoslavia.

And it is also clear that the fighting must stop. Thousands have been killed, and thousands more will be without an end to the hostilities. The threat of the current fighting expanding to encompass the whole of the Balkans is very real.

But, Mr. Speaker, let us at least draw some optimism from the current efforts of the United Nations to open Sarajevo airport, a hopeful first step on the road to peace and stability in former Yugoslavia.

Mr. Speaker, I include in the RECORD two Reuters articles with my remarks, as follows:

U.N. FLAG FLIES OVER SARAJEVO AIRPORT

(By Bojan Stojanovic)

SARAJEVO, BOSNIA-HERZEGOVINA, Reuter.—the United Nations flag was raised over Sarajevo airport Monday after Serbian forces ended their two-month siege, the U.N. chief negotiator in the Bosnian capital said.

Gen. Lewis MacKenzie told Reuters his forces had assumed control of the airport with agreement from both sides in the conflict to respect the U.N. command, backed at present by a force of only 34 men.

He said it would be at least two more days before the airport was opened for relief supplies to the city's 300,000 civilians.

The Serb forces, who have been besieging Sarajevo and battling mainly Moslem and Croat units in resistance to Bosnia-Herzegovina's newly won independence from Yugoslavia, agreed three days ago to leave the airport.

In New York the U.N. Security Council Monday authorized a battalion of Canadian soldiers to be sent to Sarajevo to help reopen the airport.

The council also threatened further unspecified actions if combatants did not cooperate fully with the U.N. Protection Force in its efforts to deliver humanitarian assistance.

MacKenzie has said the extra troops, on 24-hour standby in neighboring Croatia, must be in place to ensure military control of the airport before airlifts can be authorized.

Capt. Douglas Martin, spokesman for the Canadian troops, said they would leave the Croatian town of Daruvar Tuesday night.

"We'll start lining up at 10 p.m and the first vehicle will start moving at the stroke of midnight," he said. "The mood is very positive. I can't say we are excited, but we are very happy not to be waiting anymore."

Serb paramilitary forces seized Butmir airfield on the outskirts of Sarajevo almost three months ago in fighting that has killed more than 7,400 people across the republic.

The airport is considered crucial to their campaign to take the city and military experts say losing it is a big blow.

Trapped civilians with little food, water, medicine or electricity have pinned their hopes on the U.N. peacekeeping forces opening the airstrip for humanitarian aid.

A tense cease-fire held in Sarajevo for most of Monday, but heavy artillery fire erupted shortly before the Serb paramilitary forces began their withdrawal.

"There is heavy shooting in the old town. There are hundreds of mortar blasts," Sarajevo radio editor Zoran Pirolic said.

He said the city streets had emptied as fighting worsened.

Sarajevo radio said 38 people had been killed and 150 wounded in Bosnia in the last 24 hours. Four of those were killed and 32 wounded in Sarajevo.

The 12-nation European Community said over the week end it would support the use of force by the United Nations if necessary to get humanitarian aid through to the city.

President Bush also said he could not rule out the use of force.

But MacKenzie said the U.N. peace troops could not use force to open the airport unless their mandate was changed.

"We are armed for self-defense and we are certainly not going to take anything on by force, nor would anyone expect us to do so," he said.

The United Nations has imposed trade sanctions on Serb-led Yugoslavia and increased pressure on Serbian President Slobodan Milosevic, but he has ignored all demands to quit.

U.N. TAKES CONTROL OF SARAJEVO AIRPORT AS SERBS LIFT SIEGE

(By Bojan Stojanovic)

SARAJEVO, BOSNIA-HERZEGOVINA, Reuter.—The United Nations took control of Sarajevo airport Monday after Serbian forces lifted a two-month siege, and within hours a French military plane laden with relief supplies landed.

The blue-and-white U.N. flag was raised over the airport with the agreement of the opposing sides in a war that has left more than 7,000 dead across the republic and another 300,000 in Sarajevo on the verge of starvation.

A token 34-man U.N. force escorted Serb armored cars along the runway and back to their barracks southwest of the Bosnian capital and began monitoring Serb gun emplacements surrounding the airport to ensure the weapons were not turned on it again.

Gen. Lewis MacKenzie, the U.N. chief negotiator in Sarajevo, said the airport was not technically open and that establishing full military control would take a little longer.

But the French, who had stationed two air force Transall cargo planes on the tarmac at the Adriatic port of Split only 100 miles away, decided to risk sending in the first flight before the logistics were arranged.

French President Francois Mitterrand made a dramatic visit to Sarajevo Sunday. Each Transall carriers 6.5 tons of food or medicine, but once the airport is secured, the trickle of relief should rapidly become a flood.

Radan Karadzic, leader of the Bosnian Serbs who had besieged the airport for the past two months, warned on Belgrade radio that his troops would not permit planes to land if there were any sign that the opposing Moslem and Croat forces were trying to take back control.

In New York, the U.N. Security Council authorized a battalion of Canadian soldiers to be sent to Sarajevo to help reopen the airport.

The council also threatened further unspecified actions if combatants did not cooperate fully with the U.N. Protection Force in its efforts to deliver humanitarian assistance.

The Canadians at first said they would start moving Tuesday night, but later advanced their plans by 24 hours and were getting ready to move out of their base in the Croatian town of Daruvar at midnight Monday.

A U.N. spokeswoman said a huge convoy stretching some 30 miles would head down to Sarajevo with 80 armored personnel carriers, 1,000 troops and large quantities of equipment.

But she said it might take as long as 48 hours to arrive.

Serb paramilitary forces seized Butmir airfield on the outskirts of Sarajevo in April in fighting that has killed more than 7,400 people across the republic.

Heavy artillery fire erupted in Sarajevo Monday shortly before the Serb paramilitary forces begin their withdrawal.

But the guns later fell silent, and Envera Selimovic, an editor at Sarajevo radio, told Reuters by telephone the city center was completely peaceful.

She said the people in the city were relieved to hear of the airport agreement but were not yet confident that relief supplies would be pouring in.

"The humanitarian aid will stay blocked at the airport unless the U.N. takes control of the whole town," she said.

"If not, the people here will see water, water everywhere, and not a drop to drink."

The 12-nation European Community said over the weekend it would support the use of force by the United Nations if necessary to get humanitarian aid through to the city.

President Bush also said he could not rule out the use of force.

But MacKenzie said the U.N. peace troops could not use force to open the airport unless their mandate was changed.

"We are armed for self-defense and we are certainly not going to take anything on by force, nor would anyone expect us to do so," he said.

The United Nations has imposed trade sanctions on Serb-led Yugoslavia and increased pressure on Serbian President Slobodan Milosevic, but he has ignored all demands to quit.

□ 1800

TRIBUTE TO THE CITIZENS OF BROWNWOOD, TX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. EDWARDS] is recognized for 60 minutes.

Mr. EDWARDS of Texas. Mr. Speaker, last Friday, a group of hoodlums hiding under the sheets of the Ku Klux Klan chose a kind and good community in my district, Brownwood, TX, in which to hold a Klan rally.

On the other side of our community were people of all backgrounds and all ages and all races, together exercising their rights and their beliefs in an anti-Ku Klux Klan rally.

So I come today to the House of Representatives, Mr. Speaker, to speak out in tribute to those good citizens of Brownwood who stood up to the hoodlums under the sheets of the Ku Klux Klan. The anti-Klan rally was a very special occasion, not only for what they were rallying against, but for what these good people stood for. They were celebrating the brotherhood of all people. They were celebrating the true strength of America, people of good will of all races, colors, and creeds coming together as neighbors and friends. They were celebrating our commitment to that high ideal expressed so eloquently in Gettysburg 130 years ago that we are a new nation conceived in liberty and dedicated to the proposition that all men are created equal.

On this occasion, the people of Brownwood were celebrating the universal truth expressed by John Donne some 300 years ago that no man is an island unto himself. We are all a piece of the continent of mankind.

It is for these positive reasons that I pay tribute to the citizens of Brownwood.

I have very little to say about the Ku Klux Klan. Their own actions say more about themselves than anything that I could ever say. They are nothing more than a sad, pitiful bunch of bigots, mired in the prejudices of the past. They are not to be feared; rather, they are simply a small nuisance, little more than a tiny ant at a family picnic. I do not hate the Ku Klux Klan, Mr. Speaker. I simply feel sorry for their sad existence, having to hide their bigotry behind the white sheets like cowards in the night.

When we think of Gen. Colin Powell, who has brilliantly, brilliantly led American armed forces to defend our liberty, America knows who is a hero and who is a coward. When I drive by the rolling hills of Arlington National Cemetery and see thousands of crosses marking the grave sites of Americans from all races and all colors who gave their lives for our country, I realize that America knows who is a hero and who is a coward.

As President John F. Kennedy once said, "No one has been barred on account of his race from fighting or dying for America. There are no white or colored signs on the foxholes or graveyards of battle."

Because of the bravery of all citizens, black, brown, and white, people of may colors and backgrounds, we are blessed today to live in a Nation with the sacred freedoms of speech and religion and association, and, yes, in America you even have the right to be stupid, and last Friday, my friends, the Ku Klux Klan clearly exercised that right in Brownwood, TX.

Mr. Speaker, I will not condemn the Ku Klux Klan today I will pray for them, because in my family a cross is to be revered and not burned.

So how do we respond as Americans to the Klan? Listen with me to the wonderful words of Dr. Martin Luther King, Jr.:

> When evil men plot, good men must plan. When evil men burn and bomb, good men must build and bind. When evil men shout ugly words of hatred, good men must commit themselves to the glories of love. Where evil men would seek to perpetuate an unjust status quo, good men must seek to bring into being a real order of justice. Hatred and bitterness can never cure the disease of fear," he said. "Only love can do that. Hatred paralyzes life. Love releases it. Hatred confuses life. Love harmonizes it. Hatred darkens life, and love illuminates it.

Mr. Speaker, all Americans should speak out against the Ku Klux Klan and everything that they stand for. We should speak out not as an expression of hatred but as a commitment to plan to build and to bind our communities and our country with bonds of justice.

With love in our hearts as our moral compass, we shall overcome.

WAIVING CERTAIN POINTS OF ORDER DURING CONSIDERATION OF H.R. 5488, TREASURY DEPARTMENT, U.S. POSTAL SERVICE, THE EXECUTIVE OFFICE OF THE PRESIDENT, AND CERTAIN INDEPENDENT AGENCIES APPROPRIATIONS ACT 1993

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 102–629) on the resolution (H. Res. 505) waiving certain points of order during consideration of the bill (H.R. 5488) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1993, and for other purposes, which was referred to the House Calendar and ordered to be printed.

CONFERENCE REPORT ON S. 1150

Mr. FORD of Michigan submitted the following conference report and statement on the bill (S. 1150) to reauthorize the Higher Education Act of 1965, and for other purposes:

CONFERENCE REPORT (H. REPT. 102–630)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1150), to reauthorize the Higher Education Act of 1965, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

SECTION 1. SHORT TITLE; REFERENCES; DEFINITIONS; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Higher Education Amendments of 1992".

(b) REFERENCES.—References in this Act to "the Act" are references to the Higher Education Act of 1965.

(c) DEFINITIONS.—Unless otherwise provided therein, terms used in titles XIII, XIV, and XV shall have the same meaning given to such terms in section 1201 of the Higher Education Act of 1965.

(d) TABLE OF CONTENTS.—

Sec. 1. Short title; references; table of contents.
Sec. 2. General effective date.

TITLE I—PARTNERSHIPS FOR EDUCATIONAL EXCELLENCE

Sec. 101. Revision of title I.

"TITLE I—PARTNERSHIPS FOR EDUCATIONAL EXCELLENCE

"PART A—SCHOOL, COLLEGE, AND UNIVERSITY PARTNERSHIPS

"Sec. 101. Purpose.
"Sec. 102. Agreement.
"Sec. 103. Grants.
"Sec. 104. Grant application.
"Sec. 105. Peer review.
"Sec. 106. Authorization of appropriations.

"PART B—ARTICULATION AGREEMENTS

"Sec. 121. Findings and purpose.
"Sec. 122. Authorization of grants.
"Sec. 123. State application.
"Sec. 124. Local applications.
"Sec. 125. Articulation agreement.
"Sec. 126. State administration.
"Sec. 127. Priority.
"Sec. 128. Reports.
"Sec. 129. Authorization of appropriations.

"PART C—ACCESS AND EQUITY TO EDUCATION FOR ALL AMERICANS THROUGH TELECOMMUNICATIONS

"Sec. 131. Program established; authorization of appropriations; eligibility.
"Sec. 132. Application.
"Sec. 133. Authorized activities.
"Sec. 134. Definition.
"Sec. 135. Report.

TITLE II—ACADEMIC LIBRARY AND INFORMATION TECHNOLOGY ENHANCEMENT

Sec. 201. Revision of title II.

"TITLE II—ACADEMIC LIBRARIES AND INFORMATION SERVICES

"Sec. 201. Purpose; authorization.
"Sec. 202. Notification of State agency.
"Sec. 203. Library experts.

"PART A—COLLEGE LIBRARY TECHNOLOGY AND COOPERATION GRANTS

"Sec. 211. College library technology and cooperation grants.

"PART B—LIBRARY EDUCATION, RESEARCH, AND DEVELOPMENT

"Sec. 221. Grants authorized.
"Sec. 222. Library education and human resource development.
"Sec. 223. Research and demonstration.
"Sec. 224. Consultation requirements.

"PART C—IMPROVING ACCESS TO RESEARCH LIBRARY RESOURCES

"Sec. 231. Research library resources.
"Sec. 232. Geographical distribution of grants.

"PART D—STRENGTHENING LIBRARY AND INFORMATION SCIENCE PROGRAMS AND LIBRARIES IN HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND OTHER MINORITY-SERVING INSTITUTIONS

"Sec. 241. Strengthening library and information science programs and libraries in historically black colleges and universities and other minority-serving institutions.".

TITLE III—INSTITUTIONAL AID

Sec. 301. Findings.
Sec. 302. Amendments to part A.
Sec. 303. Amendments to part B.
Sec. 304. Amendments to part C.
Sec. 305. Amendments to part D.

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

Sec. 401. Federal Pell Grant program.
Sec. 402. Federal early outreach and student services programs.

"Subpart 2—Federal Early Outreach and Student Services Programs

"CHAPTER 1—FEDERAL TRIO PROGRAMS

"Sec. 402a. Program authority; authorization of appropriations.
"Sec. 402b. Talent search.
"Sec. 402c. Upward Bound.
"Sec. 402d. Student support services.
"Sec. 402e. Postbaccalaureate achievement program authority.
"Sec. 402f. Educational opportunity centers.
"Sec. 402g. Staff development activities.
"Sec. 402h. Evaluation for project improvement.

"CHAPTER 2—NATIONAL EARLY INTERVENTION SCHOLARSHIP AND PARTNERSHIP PROGRAM

"Sec. 404a. Early intervention program authorized.
"Sec. 404b. State eligibility and State plan.
"Sec. 404c. Early intervention.
"Sec. 404d. Scholarship component.
"Sec. 404e. Distribution of funds.
"Sec. 404f. Evaluation and report.
"Sec. 404g. Appropriations.

"CHAPTER 3—PRESIDENTIAL ACCESS SCHOLARSHIPS

"Sec. 406a. Scholarships authorized.
"Sec. 406b. Scholarship program requirements.
"Sec. 406c. Eligibility of scholars.
"Sec. 406d. Eligible early intervention programs.
"Sec. 406e. Student eligibility.
"Sec. 406f. Early intervention scholarship agreement.
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"CHAPTER 4—MODEL PROGRAM COMMUNITY PARTNERSHIP AND COUNSELING GRANTS

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"Sec. 409b. Early awareness information program.
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"CHAPTER 6—NATIONAL STUDENT SAVINGS DEMONSTRATION PROGRAM

"Sec. 410a. National student savings demonstration program.

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"Sec. 410b. Information on eligibility for assistance.

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Sec. 404. State student incentive grants.
Sec. 405. HEP/CAMP.
Sec. 406. Byrd Honors Scholarship Program.
Sec. 407. Payments to institutions of higher education.
Sec. 408. Veterans outreach.
Sec. 409. Child care.
Sec. 410. Effective dates for amendments to part A.

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Sec. 414. Eligibility of student borrowers and terms of federally insured student loans.
Sec. 415. Applicable interest rates.
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Sec. 423. Default rates.
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"Sec. 458. Reports.
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"Sec. 459A. Funds for administrative expenses.".
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Sec. 463. Agreements with institutions of higher education.
Sec. 464. Amounts and terms of loans.
Sec. 465. Cancellation of loans for certain public service.
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Sec. 467. Excess capital rule.
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PART F—NEED ANALYSIS

Sec. 471. Revision of part F.

"PART F—NEED ANALYSIS

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"Sec. 472. Cost of attendance.
"Sec. 473. Family contribution.
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"PART H—PROGRAM INTEGRITY TRIAD

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"TITLE V—EDUCATOR RECRUITMENT, RETENTION, AND DEVELOPMENT

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"TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

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"TITLE VIII—COOPERATIVE EDUCATION

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"TITLE IX—GRADUATE PROGRAMS

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PART C—SCHOOL-BASED DECISIONMAKERS

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Sec. 1559. Special projects for 2-year schools.

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SEC. 2. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this Act (20 U.S.C. 1001 et seq.), the amendments made by this Act shall take effect on October 1, 1992.

TITLE I—PARTNERSHIPS FOR EDUCATIONAL EXCELLENCE

SEC. 101. REVISION OF TITLE I.

Title I of the Act (20 U.S.C. 1001 et seq.) is amended to read as follows:

"TITLE I—PARTNERSHIPS FOR EDUCATIONAL EXCELLENCE

"PART A—SCHOOL, COLLEGE, AND UNIVERSITY PARTNERSHIPS

"SEC. 101. PURPOSE.

"It is the purpose of this part to encourage partnerships between institutions of higher education or State higher education agencies and secondary schools serving low-income and disadvantaged students, to support programs that—

"(1) improve the retention and graduation rates at such secondary schools;

"(2) improve the academic skills of public and private nonprofit secondary school students;

"(3) increase such students' opportunities to continue a program of education after secondary school; and

"(4) improve such students' prospects for employment after secondary school.

"SEC. 102. AGREEMENT.

"(a) AGREEMENT.—To be eligible for a grant under this part, an institution of higher education, a State higher education agency, or a consortium consisting of any of the preceding entities thereof shall enter into a written partnership agreement with a local educational agency. Such partnership may include businesses, labor organizations, professional associations, community-based organizations, public television stations or other telecommunications entities, or other public or private agencies or organizations. Each entity participating in the partnership shall sign the agreement.

"(b) CONTENTS OF AGREEMENT.—The agreement shall include—

"(1) a listing of all participants in the partnership, including a designation of the official representatives of each entity participating in the partnership;

"(2) a description of the responsibilities of each participant in the partnership; and

"(3) a listing of the resources to be contributed by each participant in the partnership.

"SEC. 103. GRANTS.

"(a) DIVISION BETWEEN SCHOOL-YEAR AND SUMMER PROGRAMS.—From the funds appropriated to carry out this part pursuant to section 106, the Secretary shall reserve 65 percent of such funds to carry out programs operating during the regular school year and 35 percent of such funds to carry out programs operating during the summer.

"(b) AMOUNT AND USE OF GRANTS.—

"(1) AMOUNT.—The Secretary shall make grants under this part in amounts which are not less than $250,000 and not more than $1,000,000.

"(2) PERMITTED USES OF FUNDS.—Grants under this part may be used by the partnership for programs that—

"(A) use college students to tutor secondary school students and improve their basic academic skills or to involve secondary school students in community service-learning projects;

"(B) are designed to improve the basic academic skills of secondary school students;

"(C) are designed to increase the understanding of specific subjects of secondary school students;

"(D) are designed to improve the opportunity to continue a program of education after graduation for secondary school students; and

"(E) are designed to increase the prospects for employment after graduation of secondary school students.

"(c) PREFERENCES.—In making grants under this part, the Secretary shall give a preference to—

"(1) programs which will serve predominantly low-income communities;

"(2) partnerships which will run programs during the regular school year and summer;

"(3) programs which will serve educationally disadvantaged students; students with disabilities; potential dropouts; pregnant adolescents and teenage parents; children of migratory agricultural workers or of migratory fishermen; or students whose native language is other than English; and

"(4) programs designed to encourage women and minorities who are underrepresented in the fields of science and mathematics to pursue these fields.

"(d) DURATION.—Each grant awarded under this part may be awarded for a period not to exceed 5 years.

"(e) EQUITABLE GEOGRAPHIC DISTRIBUTION.—The Secretary shall award grants under this part in a manner that achieves an equitable geographic distribution of such grants.

"SEC. 104. GRANT APPLICATION.

"(a) APPLICATION REQUIRED.—A partnership desiring to receive a grant under this part shall submit an application to the Secretary, in such form and providing such information as the Secretary, by regulation, shall require.

"(b) CONTENTS OF APPLICATION.—The application shall include—

"(1) the partnership agreement described in section 102;

"(2) a listing of the public and private nonprofit secondary school or schools to be involved in the program;

"(3) a description of the activities and services for which assistance is sought;

"(4) a description of the programs to be developed and operated by the partnership; and

"(5) assurances to the Secretary that—

"(A) the partnership will establish a governing body including one representative of each participant in the partnership;

"(B) Federal funds will provide no more than 70 percent of the cost of the project in the first year, 60 percent of such costs in the second year, and 50 percent of such costs in the third year and any subsequent year;

"(C) a local educational agency or institution of higher education receiving funds under this subpart shall not reduce its combined fiscal effort per student or its aggregate expenditure on education;

"(D) a local educational agency or institution of higher education participating in this partnership shall utilize any Federal funds it shall receive from a grant under this part to supplement, and, to the extent practicable, increase the resources that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of students described in this part; and

"(E) in no case shall funds under such a grant be used to supplant non-Federal funds already available.

"(c) SPECIAL RULE.—The non-Federal share of grants awarded under this part may be in cash or in kind fairly evaluated, including services, supplies or equipment.

"(d) WAIVER.—The Secretary may waive the matching requirement described in paragraph (5)(B) for any eligible partnership that demonstrates to the satisfaction of the Secretary a unique hardship that prevents compliance with such matching requirement.

"SEC. 105. PEER REVIEW.

"The Secretary shall designate a peer review panel to review applications submitted under this part and make recommendations for funding to the Secretary. In selecting the peer review panel, the Secretary shall consult with officials of the other Federal agencies and with non-Federal organizations to ensure that the panel membership shall be geographically balanced and be composed of representatives from public and private institutions of elementary, secondary, and higher education, labor, business, and State and local governments, who have expertise in community service or in education.

"SEC. 106. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $20,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this part.

"PART B—ARTICULATION AGREEMENTS

"SEC. 121. FINDINGS AND PURPOSE.

"(a) FINDINGS.—The Congress finds that—

"(1) because more than one-half of all first-time first-year students attending postsecondary institutions attend community or junior colleges, and because almost one-half of minority students enrolled in higher education attend 2-year institutions, community and junior colleges represent a substantial and an important educational resource;

"(2) declining participation rates for low-income students and minorities at institutions of higher education is of growing concern to the higher education community and Congress; and

"(3) there is growing awareness of the need to assist low-income, minority and other nontraditional students in bridging the gap between 2-year to 4-year institutions, enabling such students to reach their individual potential, as well as contribute to the larger society.

"(b) PURPOSE.—The purpose of this part is to improve the educational opportunities of this Nation's postsecondary students by creating comprehensive articulation agreements and planning between partnerships of 2-year and 4-year institutions of higher education.

"SEC. 122. AUTHORIZATION OF GRANTS.

"(a) ASSISTANCE FOR ARTICULATION PARTNERSHIPS.—From amounts appropriated for this part, the Secretary shall make grants to States to enable States to make awards, either on a competitive basis or on the basis of a formula determined by the State, to articulation partnerships between—

"(1) a qualified 2-year institution; and

"(2) a qualified 4-year institution.

"(b) QUALIFIED INSTITUTIONS.—For purposes of this part—

"(1) a qualified 2-year institution is an institution of higher education (as determined under section 481(a)) that is an eligible institution under section 435(a) and that—

"(A) is a nonprofit institution that offers a 2-year associate degree or a 2-year certificate program; or

"(B) is a proprietary institution that offers a 2-year associate degree program; and

"(2) a qualified 4-year institution is an institution of higher education (as determined under section 481(a)) that is an eligible institution under section 435(a) and that offers a baccalaureate degree program.

"(c) ALLOCATION AND STATE GRANTS.—

"(1) FORMULA ALLOCATION.—In any fiscal year for which the amount made available under section 129 to carry out the provisions of this part equals or exceeds $50,000,000, the Secretary shall allot an amount that bears the same ratio to the amount appropriated under section 129 for such fiscal year as the total amount received under title IV by students attending institutions of higher education in that State for such fiscal year bears to the total amount received under title IV by all students for such fiscal year, based on the most recent year for which such data are available.

"(2) COMPETITIVE GRANTS.—In any fiscal year for which the amount made available under section 129 to carry out the provisions of this part do not equal or exceed $50,000,000, the Secretary is authorized, in accordance with the provisions of this part, to make grants to States to carry

out articulation agreements under sections 124 and 125.

"SEC. 123. STATE APPLICATION.

"Each State that desires to receive a grant under this part shall submit an application to the Secretary in such form and containing or accompanied by such information as the Secretary may require. Such application shall—

"(1) after consultation with the State agencies responsible for supervision of community colleges, technical institutes, or other 2-year postsecondary institutions, designate a sole State agency as the State agency responsible for the administration and supervision of activities carried out with assistance under this part;

"(2) describe how funds will be allocated in a manner consistent with section 124;

"(3) contain assurances that the State will comply with the requirements of this part;

"(4) provide for an annual submission of data concerning the use of funds and students served with assistance under this part; and

"(5) provide that the State will keep such records and provide such information to the Secretary as may be required for purposes of financial audits and program evaluation.

"SEC. 124. LOCAL APPLICATIONS.

"Any articulation partnership comprised of qualified institutions that desires to receive a grant from a State under this part shall submit an application to the State in such form and containing or accompanied by such information as the State may require and shall—

"(1) include in the articulation agreement—

"(A) assurances that academic credit earned at the qualified institution described in section 122(b)(1) will be transferable to the qualified institution or institutions as described in section 122(b)(2);

"(B) development of articulation agreement programs and services appropriate to the needs of the partnership participants;

"(C) activities that facilitate the development of programs and services appropriate to the needs of the students attending courses covered by the articulation agreement;

"(D) inservice training for faculty designed to implement effective articulation agreements;

"(E) counseling services; and

"(F) information concerning programs contained in the articulation agreement;

"(2) include assurances that the articulation partnership has the qualified personnel required—

"(A) to develop, administer, and implement the program required by this part; and

"(B) to provide special training necessary to prepare staff for the program; and

"(3) include a plan of operation for the program which includes a description of—

"(A) the program goals;

"(B) the uses of funds as required by paragraph (2);

"(C) the activities and services which will be provided under the program (including training and preparation of staff); and

"(D) the subject areas to be included in the articulation agreement.

"SEC. 125. ARTICULATION AGREEMENT.

"(a) LENGTH OF GRANT.—Each recipient of a grant from a State shall use the amounts provided under the grant to develop and operate articulation agreements for 6 years.

"(b) USE OF FUNDS.—Funds provided to an articulation partnership under this part may be used—

"(1) to perform any activity or program required by section 124;

"(2) as part of the program's planning activities, to acquire technical assistance from Federal, State, or local entities that have successfully designed, established, and operated articulation programs;

"(3) to provide workshops with students and teachers, counseling for students to continue their education to a bachelors degree, orientation visits at institutions participating in the partnerships;

"(4) to develop agreements with local educational agencies for vocational course equivalency approval procedures for purposes of satisfying entrance requirements to qualified institutions; and

"(5) to provide outreach to potential students.

"SEC. 126. STATE ADMINISTRATION.

"A State may reserve not more than 3 percent of the amounts available under this part for any fiscal year for State administrative costs including monitoring and technical assistance.

"SEC. 127. PRIORITY.

"The State shall give priority to grant applications for programs which—

"(1) encourage teacher education;

"(2) have, as one of the partners participating in an articulation agreement, an entity participating in an articulation agreement described in section 344(b)(1) of the Carl D. Perkins Vocational and Applied Technology Education Act.

"(3) contribute their own institutional resources;

"(4) are not subject to a default reduction agreement under section 428F;

"(5) encourage technology education; or

"(6) encourage articulation in subject areas of national importance as determined by the Secretary.

"SEC. 128. REPORTS.

"(a) STATE REPORTS.—Each State shall submit to the Secretary an annual report on the operation of the program under this part in such State during the preceding year. Such report shall include such information as the Secretary may require by regulation.

"(b) EVALUATION AND DISSEMINATION.—

"(1) EVALUATION.—The Secretary shall, on the basis of the reports submitted under subsection (a), evaluate all or a sample of the programs conducted under this part for the purposes of—

"(A) determining the success or failure of such programs in increasing access and entry of students from 2-year institutions to 4-year institutions; and

"(B) identifying the most successful programs under this part and the causes for such success.

"(2) DISSEMINATION.—The Secretary shall, not later than January 31, 1996, submit a report to the Congress on the results of the evaluation described in paragraph (1). The Secretary shall disseminate the findings made pursuant to subparagraph (B) through appropriate agencies and organizations.

"(3) RESERVATION.—The Secretary may reserve up to 3 percent of the amount appropriated under section 129 to carry out this subsection.

"SEC. 129. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this part, $25,000,000 for fiscal year 1993, and such sums as may be necessary for each of the 4 succeeding fiscal years.

"PART C—ACCESS AND EQUITY TO EDUCATION FOR ALL AMERICANS THROUGH TELECOMMUNICATIONS

"SEC. 131. PROGRAM ESTABLISHED; AUTHORIZATION OF APPROPRIATIONS; ELIGIBILITY.

"(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants to eligible partnerships to enable such partnerships to pay the Federal share of the cost of the activities described in the application submitted pursuant to section 132.

"(b) AUTHORIZATIONS OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated to carry out this part $10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(2) AVAILABILITY.—Funds appropriated pursuant to the authority of paragraph (1) shall remain available until expended.

"(c) ELIGIBLE PARTNERSHIP.—For the purpose of this part the term 'eligible partnership' means a partnership which—

"(1) shall consist of—

"(A) a public broadcasting entity or a consortium thereof; and

"(B) an institution of higher education or a consortium thereof; and

"(2) may also include a State, a unit of local government, or a public or private nonprofit organization.

"(d) FEDERAL SHARE.—The Federal share shall be 50 percent.

"SEC. 132. APPLICATION.

"(a) IN GENERAL.—Each eligible partnership desiring to receive a grant under this part shall submit an application to the Secretary at such time, in such manner and containing or accompanied by such information as the Secretary may reasonably require.

"(b) CONTENTS.—Each application submitted pursuant to paragraph (1) shall—

"(1) describe the education telecommunications activities or services to be assisted;

"(2) describe the administrative and management structure supporting such activities or services;

"(3) provide assurances that the financial interests of the United States in the telecommunications equipment, software and other facilities shall be protected for the useful life of such equipment, software or facilities;

"(4) describe the manner in which nontraditional postsecondary education students will benefit from the activities and services supported;

"(5) describe the manner in which special services, including captioned films, television, descriptive video and education media for individuals with disabilities, shall be supported; and

"(6) provide assurances that the eligible partnership will provide the non-Federal share of assistance under this part.

"(c) APPROVAL OF APPLICATIONS.—

"(1) IN GENERAL.—The Secretary shall, in approving applications under this part, give priority to applications which describe programs that—

"(A) include support for services to make captioned films, descriptive video and educational media available to individuals with disabilities who otherwise lack access to such educational materials;

"(B) will provide, directly or indirectly, activities or services to a significant number of postsecondary institutions;

"(C) improve access to accredited telecommunications coursework for individuals with disabilities otherwise denied such access;

"(D) will be available in a multistate area;

"(E) include evidence of significant support for the program from the business community; or

"(F) provide matching funds, in an amount which exceeds the required non-Federal share.

"(2) EQUITABLE GEOGRAPHIC DISTRIBUTION OF ASSISTANCE.—In approving applications under this part the Secretary shall ensure the equitable geographic distribution of grants awarded under this part.

"SEC. 133. AUTHORIZED ACTIVITIES.

"Grants awarded under this part shall be used for one or more of the following activities:

"(1) The acquisition of site equipment to provide the technical ability to receive diverse education services at schools, campuses, and work site locations.

"(2) Satellite, fiber optic and other distribution systems, and for local broadcast or other local distribution capability.

"(3) Pre-service or in-service education and training for kindergarten through 12th grade

teachers through interactive television conferencing.

"(4) Preparation of telecommunications programs and software that support national, regional or statewide efforts to provide teaching and learning materials not otherwise available for local use.

"(5) A loan service of captioned films, descriptive video and educational media in order to make such materials available, in accordance with regulations issued by the Secretary, in the United States for nonprofit purposes to individuals with disabilities, parents of individuals with disabilities, and other individuals directly involved in activities for the advancement of individuals with disabilities, including addressing problems of illiteracy among individuals with disabilities.

"SEC. 134. DEFINITION.

"For the purpose of this part, the term 'public broadcasting entity' has the same meaning given to such term by section 397(11) of the Communications Act of 1934.

"SEC. 135. REPORT.

"(a) IN GENERAL.—Each recipient of a grant under this part shall submit a report to the Secretary not later than 30 days after the conclusion of the grant period.

"(b) CONTENTS.—Each report described in subsection (a) shall include—

"(1) a description of activities and services assisted under this part;

"(2) a description of the population served by the program; and

"(3) an assessment of the ability of private sector entities participating in the eligible partnership to continue the support of the activities and services in the absence of Federal funding.

"(c) DISSEMINATION.—The Secretary shall select reports received under this subsection that are appropriate for dissemination to the education community and shall make such reports available through the National Diffusion Network.".

TITLE II—ACADEMIC LIBRARY AND INFORMATION TECHNOLOGY ENHANCEMENT

SEC. 201. REVISION OF TITLE II.

Title II of the Act (20 U.S.C. 1021 et seq.) is amended to read as follows:

"TITLE II—ACADEMIC LIBRARIES AND INFORMATION SERVICES

"SEC. 201. PURPOSE; AUTHORIZATION.

"(a) PURPOSE.—The Secretary shall carry out a program to assist—

"(1) college and university libraries in acquiring technological equipment and in conducting research in information technology in accordance with part A;

"(2) in the education and training of persons in library and information science and to encourage research and development relating to improvement of libraries (including the promotion of economical and effective information delivery, cooperative efforts, and developmental projects) in accordance with part B;

"(3) the Nation's major research libraries, in maintaining and strengthening their collections, and in making information resources available to other libraries whose users have need for research materials in accordance with part C; and

"(4) historically black colleges and universities and other minority-serving institutions with programs in library and information sciences to train and educate African-Americans and other underrepresented racial, national origin, and ethnic minorities in such programs in accordance with part D.

"(b) AUTHORIZATION OF APPROPRIATIONS.—

"(1) PART A.—There are authorized to be appropriated to carry out part A $20,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(2) PART B.—There are authorized to be appropriated to carry out part B $10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(3) PART C.—There are authorized to be appropriated to carry out part C $20,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(4) PART D.—There are authorized to be appropriated to carry out part D $15,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"SEC. 202. NOTIFICATION OF STATE AGENCY.

"Each institution of higher education which receives a grant under this title shall annually inform the State agency designated pursuant to section 1203 of its activities under this title.

"SEC. 203. LIBRARY EXPERTS.

"The Secretary shall make every effort to ensure that programs under this title are administered by appropriate library experts.

"PART A—COLLEGE LIBRARY TECHNOLOGY AND COOPERATION GRANTS

"SEC. 211. COLLEGE LIBRARY TECHNOLOGY AND COOPERATION GRANTS.

"(a) GRANTS AUTHORIZED.—The Secretary is authorized to make grants for technological equipment, networking, and other special purposes to—

"(1) institutions of higher education which demonstrate a need for special assistance for the planning, development, acquisition, maintenance, or upgrading of technological equipment necessary to organize, access or utilize material in electronic formats and to participate in networks for the accessing and sharing of library and information resources;

"(2) combinations of institutions of higher education which demonstrate a need for special assistance in establishing and strengthening joint-use library facilities, resources, or equipment for the accessing and sharing of library and information resources;

"(3) other public and private nonprofit organizations which provide library and information services to institutions of higher education on a formal, cooperative basis for the purpose of establishing, developing, or expanding programs or projects that improve the services provided by such organizations to institutions of higher education; and

"(4) institutions of higher education conducting research or demonstration projects that improve information services to meet special national or regional needs by utilizing technology to enhance library or information services such as through the National Research and Education Network.

"(b) AWARDS REQUIREMENTS.—From funds appropriated for this part, the Secretary shall make competitive awards to institutions, combinations of institutions, or organizations in each of the categories described in paragraphs (1) through (4) of subsection (a).

"(c) AMOUNT.—

"(1) IN GENERAL.—The Secretary shall award grants under this section in an amount which is not less than $25,000.

"(2) SPECIAL RULE.—The Secretary shall award grants pursuant to paragraph (1) of subsection (a) in an amount which is not more than $50,000 for each institution of higher education.

"(d) PRIORITY.—In awarding grants pursuant to paragraph (1) of subsection (a), the Secretary shall give priority to institutions of higher education seeking assistance for projects which assist developing institutions of higher education in linking one or more institutions of higher education to resource sharing networks.

"(e) DURATION.—The Secretary shall award grants under this section for a period not to exceed 3 years.

"(f) APPLICATION.—

"(1) IN GENERAL.—Each institution of higher education or combination thereof desiring a grant under this section shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

"(2) CONTENT.—Each application submitted pursuant to paragraph (1) shall—

"(A) describe the activities and services for which assistance is sought; and

"(B) contain assurances that the applicant will expend during the period for which the grant is sought (from funds other than funds received under this title), for the same purpose as such grant, an amount from such other sources equal to not less than one-third of such grant.

"(3) CRITERIA.—The Secretary shall prescribe by regulation criteria for the approval of applications submitted under this section.

"PART B—LIBRARY EDUCATION, RESEARCH, AND DEVELOPMENT

"SEC. 221. GRANTS AUTHORIZED.

"(a) GRANTS.—From the amounts appropriated for this part for any fiscal year, the Secretary shall make grants in accordance with sections 222 and 223.

"(b) RESERVATION.—Of the amount appropriated for this part for any fiscal year, the Secretary shall make available two-thirds of such amount for the purpose of section 222 and one-third of such amount for the purpose of section 223.

"SEC. 222. LIBRARY EDUCATION AND HUMAN RESOURCE DEVELOPMENT.

"(a) PURPOSE AND GRANT CRITERIA.—The Secretary is authorized to make grants to, and enter into contracts with, institutions of higher education and library organizations or agencies to assist such institutions, library organizations, or agencies in educating and training persons in library and information science, particularly in areas of critical needs, such as recruitment and retention of minorities. Such grants or contracts may be used by such institutions, library organizations, or agencies to—

"(1) assist in covering the cost of courses of study or staff development (including short term or regular session institutes),

"(2) establish and maintain fellowships or traineeships with stipends (including allowances for travel, subsistence, and other expenses) for fellows who demonstrate need and who are working toward a graduate degree (and their dependents), not in excess of such maximum amounts as may be determined by the Secretary, and

"(3) establish, develop, or expand programs of library and information science, including new techniques of information transfer and communication technology.

"(b) ADDITIONAL REQUIREMENTS.—Not less than 50 percent of the grants made under this section shall be for the purpose of establishing and maintaining fellowships or traineeships under subsection (a)(2).

"SEC. 223. RESEARCH AND DEMONSTRATION.

"The Secretary is authorized to make grants to, and enter into contracts with, institutions of higher education and other public and private agencies, institutions, and organizations for research and development projects related to the improvement of libraries, education in library and information science, the enhancement of library services through effective and efficient use of new technologies, and for the dissemination of information derived from such projects.

"SEC. 224. CONSULTATION REQUIREMENTS.

"The Secretary shall consult with the appropriate library and information science professional bodies in the determination of critical needs under section 222 and in the determination of priorities under section 223.

"PART C—IMPROVING ACCESS TO RESEARCH LIBRARY RESOURCES

"SEC. 231. RESEARCH LIBRARY RESOURCES.

"(a) GRANTS.—

"(1) General authority.—From the amount appropriated for this part, the Secretary shall make grants to institutions with major research libraries.

"(2) Major research library.—For the purposes of this part, the term 'major research library' means a public or private nonprofit institution (including the library resources of an institution of higher education), an independent research library, or a State or other public library, having a library collection which is available to qualified users and which—

"(A) makes a significant contribution to higher education and research;

"(B) is broadly based and is recognized as having national or international significance for scholarly research;

"(C) is of a unique nature, and contains material not widely available; and

"(D) is in substantial demand by researchers and scholars not connected with that institution.

"(b) Eligibility.—In determining eligibility for assistance under this part, the Secretary shall permit institutions that do not otherwise qualify to provide additional information or documents to demonstrate the national or international significance for scholarly research of the particular collection described in the grant proposal.

"SEC. 232. GEOGRAPHICAL DISTRIBUTION OF GRANTS.

"In making grants under this part, the Secretary shall endeavor to achieve broad and equitable geographical distribution throughout the Nation.

"PART D—STRENGTHENING LIBRARY AND INFORMATION SCIENCE PROGRAMS AND LIBRARIES IN HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND OTHER MINORITY-SERVING INSTITUTIONS

"SEC. 241. STRENGTHENING LIBRARY AND INFORMATION SCIENCE PROGRAMS AND LIBRARIES IN HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND OTHER MINORITY-SERVING INSTITUTIONS.

"(a) Eligible Institutions.—For the purposes of this section, the term 'eligible institution' means—

"(1) an historically black college or university; or

"(2) an institution of higher education which—

"(A) serves a large number or high percentage of minority students; and

"(B) enrolls and graduates minority students in library and information service programs.

"(b) General Authority.—

"(1) Authority of Secretary.—The Secretary is authorized to make grants to, and enter into contracts with—

"(A) eligible institutions to assist such institutions in strengthening their library and information science programs and library resources; and

"(B) eligible institutions, and library organizations or agencies which have nationally approved programs in library and information science, to assist such institutions and organizations in the education and training of African Americans and other underrepresented racial, national origin, and ethnic minorities, particularly in areas of critical needs of library and information science.

"(2) Use of funds.—Such grants or contracts may be used by such institutions, library organizations, or agencies to—

"(A) establish, develop, or strengthen libraries and library and information science programs, including new techniques of information transfer and communication technology;

"(B) assist in covering the cost of courses of study or staff development (including short-term or regular session institutes); and

"(C) establish and maintain fellowships or traineeships with stipends (including allowances for travel, subsistence, and other expenses) for fellows who demonstrate need and who are working toward a graduate degree (and their dependents), not in excess of such maximum amounts as may be determined by the Secretary.

"(c) Traineeships.—Not less than 50 percent of the grants made under this section shall be for the purpose of establishing and maintaining fellowships or traineeships under subsection (a)(2).

"(d) Funding Prohibition.—Notwithstanding any other provision of law, no funds are authorized to be appropriated to carry out this part for any fiscal year unless the amount appropriated to carry out each of parts A, B, and C for such fiscal year equals or exceeds the amount appropriated for such parts, respectively, for fiscal year 1992.".

TITLE III—INSTITUTIONAL AID

SEC. 301. FINDINGS.

Section 301(a) of the Act (20 U.S.C. 1051(a)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) there are a significant number of institutions of higher education serving high percentages of minority students and students from low-income backgrounds, that face problems that threaten their ability to survive;".

(2) in paragraph (2), by striking "recruitment activities,"; and

(3) by amending paragraph (5) to read as follows:

"(5) providing assistance to eligible institutions will enhance the role of such institutions in providing access and quality education to low-income and minority students;".

SEC. 302. AMENDMENTS TO PART A.

(a) Eligible Institutions.—Section 312(b) of the Act (20 U.S.C. 1058(b)) is amended—

(1) in paragraph (1)—

(A) by inserting "and" after the semicolon at the end of subparagraph (D):

(B) by striking subparagraph (E);

(C) by redesignating subparagraph (F) as subparagraph (E); and

(D) by inserting "and" after the semicolon at the end of subparagraph (E) (as redesignated in subparagraph (C));

(2) by striking the semicolon at the end of paragraph (2) and inserting a period; and

(3) by striking paragraphs (3), (4), and (5).

(b) Enrollment of Needy Students.—Section 312(c)(2) of the Act is amended by striking "second preceding fiscal year" and inserting "second fiscal year preceding the fiscal year for which the determination is made".

(c) Award Limitations.—Subsections (a) and (b) of section 313 of the Act (20 U.S.C. 1059(a) and (b)) are amended to read as follows:

"(a) Award Period.—The Secretary may award a grant to an eligible institution under this part for 5 years.

"(b) Limitations.—In awarding grants under this part the Secretary shall give priority to applicants who are not already receiving a grant under this part.".

(d) Program Goals and Hispanic-Serving Institutions Program.—

(1) In general.—Part A of title III of the Act (20 U.S.C. 1057 et seq.) is further amended by inserting after section 314 the following new sections:

"SEC. 315. GOALS FOR FINANCIAL MANAGEMENT AND ACADEMIC PROGRAM.

"(a) Goals.—Any application for a grant under this part shall describe measurable goals for the institution's financial management and academic programs, and include a plan of how the applicant intends to achieve those goals.

"(b) Continuation Requirements.—Any continuation application shall demonstrate the progress made toward achievement of the goals described pursuant to subsection (a).

"SEC. 316. HISPANIC-SERVING INSTITUTIONS.

"(a) Program Authorized.—The Secretary shall provide grants and related assistance to Hispanic-serving institutions to enable such institutions to improve and expand their capacity to serve Hispanic and other low-income students.

"(b) Definitions.—For the purpose of this section—

"(1) the term 'Hispanic-serving institution' means an institution of higher education which—

"(A) is an eligible institution under section 312(b);

"(B) at the time of application, has an enrollment of undergraduate full-time equivalent students that is at least 25 percent Hispanic students;

"(C) provides assurances that—

"(i) not less than 50 percent of its Hispanic students are low-income individuals who are first generation college students; and

"(ii) another 25 percent of its Hispanic students are either low-income individuals or first generation college students;

"(2) the term 'first generation college student' means—

"(A) an individual both of whose parents did not complete a baccalaureate degree; or

"(B) in the case of any individual who regularly resided with and received support from only one parent, an individual whose only such parent did not complete a baccalaureate degree; and

"(3) the term 'low-income individual' means an individual from a family whose taxable income for the preceding year did not exceed 150 percent of an amount equal to the poverty level determined by using criteria of poverty established by the Bureau of the Census.

"(c) Authorized Activities.—

"(1) Types of activities authorized.—Grants awarded under this section shall be used by Hispanic-serving institutions of higher education to assist such institutions to plan, develop, undertake, and carry out programs. Such programs may include—

"(A) purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

"(B) renovation and improvement in classroom, library, laboratory, and other instructional facilities;

"(C) support of faculty exchanges, and faculty development and faculty fellowships to assist in attaining advanced degrees in their field of instruction;

"(D) curriculum development and academic instruction;

"(E) purchase of library books, periodicals, microfilm, and other educational materials;

"(F) funds and administrative management, and acquisition of equipment for use in strengthening funds management;

"(G) joint use of facilities such as laboratories and libraries; and

"(H) academic tutoring and counseling programs and student support services.

"(d) Application Process.—

"(1) Institutional eligibility.—Each Hispanic-serving institution desiring to receive assistance under this Act shall submit to the Secretary such enrollment data as may be necessary to demonstrate that it is a Hispanic-serving institution as defined in paragraph (1) of subsection (b), along with such other information and data as the Secretary may by regulation require.

"(2) Applications.—Any institution which is determined by the Secretary to be a Hispanic-

serving institution (on the basis of the information and data submitted under paragraph (1)) may submit an application for assistance under this section to the Secretary. Such application shall include—

"(A) a 5-year plan for improving the assistance provided by the Hispanic-serving institution to Hispanic and other low-income students; and

"(B) such other information and assurance as the Secretary may require.

"(3) PRIORITY.— The Secretary shall give priority to applications that contain satisfactory evidence that such institution has entered into or will enter into a collaborative arrangement with at least one local educational agency to provide such agency with assistance (from funds other than funds provided under this part) in reducing Hispanic dropout rates, improving Hispanic rates of academic achievement, and increasing the rates at which Hispanic high school graduates enroll in higher education.

"(e) SPECIAL RULE.—For the purposes of this section, no Hispanic-serving college or university which is eligible for and receives funds under this section may concurrently receive other funds under this part or part B.".

SEC. 303. AMENDMENTS TO PART B.

(a) USES OF FUNDS.—Section 323(a) of the Act (20 U.S.C. 1062(a)) is amended—

(1) in paragraph (2), by inserting ", including purchase or rental of telecommunications technology equipment or services" after "facilities";

(2) in paragraph (5), by inserting ", including telecommunications program materials" after "materials"; and

(3) by inserting at the end thereof the following new paragraphs:

"(9) Establishing or improving a development office to strengthen or improve contributions from alumni and the private sector.

"(10) Establishing or enhancing a program of teacher education designed to qualify students to teach in a public elementary or secondary school in the State that shall include, as part of such program, preparation for teacher certification.

"(11) Establishing community outreach programs which will encourage elementary and secondary students to develop the academic skills and the interest to pursue postsecondary education.

"(12) Other activities proposed in the application submitted pursuant to section 325 that—

"(A) contribute to carrying out the purposes of this part; and

"(B) are approved by the Secretary as part of the review and acceptance of such application.".

(b) LIMITATIONS.—Section 323(b) of the Act (20 U.S.C. 1062(b)) is amended by inserting at the end thereof the following new paragraph:

"(3) The Secretary shall not award a grant under this part for telecommunications technology equipment, facilities or services, if such equipment, facilities or services are available pursuant to section 396(k) of the Communications Act of 1934.".

(c) ALLOTMENT.—Section 324(c) of the Act (20 U.S.C. 1063(c)) is amended by inserting ", within 5 years of graduation with a baccalaureate degree," after "who are admitted to and in attendance at".

(d) MINIMUM ALLOTMENTS.—Section 324(d) of the Act is amended by striking "$350,000" and inserting "$500,000".

(e) GOALS FOR FINANCIAL MANAGEMENT AND ACADEMIC PROGRAMS.—Section 325 of the Act (20 U.S.C. 1063a) is amended by adding at the end the following new subsection:

"(c) GOALS FOR FINANCIAL MANAGEMENT AND ACADEMIC PROGRAMS.—Any application for a grant under this part shall describe measurable goals for the institution's financial management and academic programs and include a plan of how the applicant intends to achieve those goals.".

(f) PROFESSIONAL OR GRADUATE INSTITUTIONS.

(1) ELIGIBLE INSTITUTIONS.—Section 326(e) of the Act (20 U.S.C. 1063b(e)) is amended to read as follows:

"(e) ELIGIBILITY.—

"(1) IN GENERAL.—Independent professional or graduate institutions and programs eligible for grants under subsection (a) include—

"(A) Morehouse School of Medicine;

"(B) Meharry Medical School;

"(C) Charles R. Drew Postgraduate Medical School;

"(D) Clark-Atlanta University;

"(E) Tuskegee University School of Veterinary Medicine;

"(F) Xavier University School of Pharmacy;

"(G) Southern University School of Law;

"(H) Texas Southern University School of Law and School of Pharmacy;

"(I) Florida A&M University School of Pharmaceutical Sciences;

"(J) North Carolina Central University School of Law;

"(K) Morgan State University qualified graduate program;

"(L) Hampton University qualified graduate program;

"(M) Alabama A&M qualified graduate program;

"(N) North Carolina A&T State University qualified graduate program;

"(O) University of Maryland Eastern Shore qualified graduate program; and

"(P) Jackson State qualified graduate program.

"(2) QUALIFIED GRADUATE PROGRAM.—For the purposes of this section, the term 'qualified graduate program' means a graduate or professional program that—

"(A) provides a program of instruction in the physical or natural sciences, engineering, mathematics, or other scientific discipline in which African Americans are underrepresented;

"(B) has been accredited by a nationally recognized accrediting agency or association or has been approved by a nationally recognized approving agency; and

"(C) has students enrolled in such program at the time of application for a grant under this section.

"(3) SPECIAL RULE.—Graduate institutions that were awarded grants under this section prior to October 1, 1992 shall continue to receive such grant payments, regardless of the eligibility of the graduate institutions described in subparagraphs (F) through (P), until such grant period has expired or September 30, 1993, whichever is later.

"(4) ONE GRANT PER INSTITUTION.—The Secretary shall not award more than 1 grant under this section in any fiscal year to any institution of higher education or university system.".

(g) FUNDING RULES FOR GRADUATE AND PROFESSIONAL INSTITUTIONS.—Section 326 of the Act is further amended by adding at the end the following new subsection:

"(f) FUNDING RULE.—Of the amount appropriated to carry out this section for any fiscal year—

"(1) the first $12,000,000 (or any lesser amount appropriated) shall be available only for the purposes of making grants to institutions or programs described in subparagraphs (A) through (E) of subsection (e)(1);

"(2) any amount appropriated in excess of $12,000,000 shall be available—

"(A) for the purposes of making grants, in equal amounts not to exceed $500,000, to institutions or programs described in subparagraphs (F) through (P) of subsection (e)(1); and

"(B) secondly, for the purposes of making grants to institutions or programs described in subparagraphs (A) through (P) of subsection (e)(1).".

SEC. 304. AMENDMENTS TO PART C.

(a) PROGRAM CONSOLIDATION.—Part C of title III of the Act (20 U.S.C. 1064 et seq.) is amended—

(1) by amending the heading of such part to read as follows:

"PART C—ENDOWMENT CHALLENGE GRANTS FOR INSTITUTIONS ELIGIBLE FOR ASSISTANCE UNDER PART A OR PART B";

(2) by striking section 331; and

(3) by redesignating section 332 as section 331.

(b) ENDOWMENT CHALLENGE GRANTS.—Section 331 of the Act (20 U.S.C. 1065) (as redesignated in subsection (a)(3)) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking "of higher education"; and

(B) in paragraph (2), by inserting at the end thereof the following new subparagraph:

"(D)(i) The term 'eligible institution' means an institution that is an—

"(I) eligible institution under part A or would be considered to be such an institution if section 312(b)(1)(C) referred to a postgraduate degree rather than a bachelor's degree;

"(II) institution eligible for assistance under part B or would be considered to be such an institution if section 324 referred to a postgraduate degree rather than a baccalaureate degree; or

"(III) institution of higher education that makes a substantial contribution to postgraduate medical educational opportunities for minorities and the economically disadvantaged.

"(ii) The Secretary may waive the requirements of subclauses (I) and (II) of clause (i) with respect to a postgraduate degree in the case of any institution otherwise eligible under clause (i) for an endowment challenge grant upon determining that the institution makes a substantial contribution to medical education opportunities for minorities and the economically disadvantaged.";

(2) in subsection (b)(1)—

(A) by inserting "endowment" before "challenge grants"; and

(B) by striking "of higher education"; and

(3) in subsection (b)(2), by amending subparagraphs (B) and (C) to read as follows:

"(B) The Secretary may make a grant under this part to an eligible institution under the following circumstances:

"(i) In any fiscal year in which the amount appropriated to carry out this part is less than $15,000,000, the institution—

"(I) may apply for a grant in an amount not exceeding $500,000; and

"(II) shall have deposited in its endowment fund established under this section an amount which is equal to one-half of the amount of such grant.

"(ii) In any fiscal year in which the amount appropriated to carry out this part is equal to or greater than $15,000,000 but less than $25,000,000, the institution—

"(I) may apply for a grant in an amount not exceeding $1,000,000; and

"(II) shall have deposited in its endowment fund established under this section an amount which is equal to one-half of the amount of such grant.

"(iii) In any fiscal year in which the amount appropriated to carry out this part is equal to or greater than $25,000,000, the institution may apply for a grant in an amount not to exceed $1,500,000 if such institution has deposited in its endowment fund established under this section an amount which is equal to one-half of the amount of such grant.

"(C)(i) Except as provided in clause (ii), if the appropriation for this part in a fiscal year is $20,000,000 or less, an eligible institution of higher education that is awarded a grant under

subsection (b)(2)(B) of this section shall not be eligible to reapply for a grant under subsection (b)(2)(B) of this section during the 10 years immediately following the period that such institution received such a grant.

"(ii) If the appropriation for this part in any fiscal year is greater than $20,000,000, an eligible institution of higher education that is awarded a grant under subsection (b)(2)(B) of this section shall not be eligible to reapply for a grant under subsection (b)(2)(B) of this section during the 5 years immediately following the period that such institution received such a grant. This provision shall apply for the fiscal year in which the appropriation is greater than $20,000,000 and subsequent fiscal years, regardless of the appropriation in those fiscal years.";

(4) in subsection (b)(4)(A), by striking "section 331(a)(1)" and inserting "subsection (a)(2)(D) of this section";

(5) in subsection (b)(4)(B), by striking "a challenge grant under this section" and inserting "an endowment challenge grant under this section";

(6) by amending paragraph (5) of subsection (b) to read as follows:

"(5) an endowment challenge grant awarded under this section to an eligible institution shall be in an amount which is not less than $50,000 in any fiscal year.".

(7) by amending paragraph (1) of subsection (f) to read as follows:

"(1) give priority to an applicant that is receiving assistance under part A or part B or has received a grant under part A or part B of this title within the 5 fiscal years preceding the fiscal year in which the applicant is applying for a grant under this section;"; and

(8) in subsection (g), by inserting before the period at the end of the first sentence the following: ", including a description of the long- and short-term plans for raising and using the funds under this part".

SEC. 305. AMENDMENTS TO PART D.

(a) Contents of Applications.—Section 351(b)(7) of the Act (20 U.S.C. 1066(b)(7)) is amended—

(1) by striking subparagraph (D); and

(2) by redesignating subparagraphs (E) and (F) as subparagraphs (D) and (E), respectively.

(b) Waiver Authority.—Section 352(a) of the Act (20 U.S.C. 1067(a)) is amended in the matter preceding paragraph (1) by striking "shall" and inserting "may".

(c) Repealers.—Sections 355 and 359 of the Act (20 U.S.C. 1069a and 1069e) are each repealed.

(d) Assistance to Institutions Under Other Programs.—Section 356(a) of the Act (20 U.S.C. 1069b(a)) is amended by striking "shall" and inserting "may".

(e) Authorizations.—Section 360(a) of the Act is amended to read as follows:

"Sec. 360. (a) Authorizations.—

"(1) Part A.—(A) There are authorized to be appropriated to carry out part A, $135,000,000 (other than section 316) for fiscal year 1993, and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(B)(i) There are authorized to be appropriated to carry out section 316, $45,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(ii) No funds are authorized to be appropriated pursuant to clause (i) for any fiscal year unless the amount appropriated pursuant to paragraph (1)(A) for such fiscal year equals or exceeds $80,000,000.

"(2) Part B.—(A) There are authorized to be appropriated to carry out part B (other than section 326), $135,000,000 for fiscal year 1993, and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(B) There are authorized to be appropriated to carry out section 326, $20,000,000 for fiscal year 1993, and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(3) Part C.—There are authorized to be appropriated to carry out part C, $50,000,000 for fiscal year 1993, and such sums as may be necessary for each of the 4 succeeding fiscal years.".

(f) Reservations.—Section 360(c) of the Act is amended by striking "1986—" and paragraphs (1) and (2) and inserting the following: "1986, the Secretary shall, for such fiscal year—

"(1) allocate 25 percent of the excess (above the amount appropriated for part A for fiscal year 1986) among eligible institutions at which at least 60 percent of the students are African Americans, Hispanic Americans, Native Americans, Asian Americans, Native Hawaiians, or Pacific Islanders, or any combination thereof; and

"(2) allocate 75 percent of such excess among other eligible institutions.".

(g) Additional Reservation.—Section 360 is further amended by adding at the end thereof the following new subsection:

"(e) Additional Reservation.—In any fiscal year beginning after September 30, 1992, the Secretary shall award at least 25 percent of the amount appropriated pursuant to the authority of paragraph (3) of subsection (a) in each fiscal year to historically black colleges and universities that meet the requirements of part C, unless there are an insufficient number of quality applications or an insufficient number of applications due to the provisions in subsection (b)(2)(C) or subsection (b)(4)(B) of section 331.".

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

SEC. 401. FEDERAL PELL GRANT PROGRAM.

(a) Authorization.—Section 411(a)(1) of the Act (20 U.S.C. 1070a(a)(1)) is amended—

(1) by striking "September 30, 1992," and inserting "September 30, 1998,"; and

(2) by striking "paragraph (2)" and inserting "subsection (b)".

(b) Name of Program.—Section 411(a)(3) of the Act is amended by striking "as 'Pell Grants' " and inserting "as 'Federal Pell Grants' ".

(c) Proportion of Cost.—Section 411(b)(1) of the Act is amended—

(1) by striking "(A) as determined" and all that follows through "and (B)";

(2) by striking "parental or independent student" and inserting "family and student";

(3) by striking "subparts 2 and 3" and inserting "subparts 3 and 4"; and

(4) by striking "will meet 75 percent" and inserting "will meet at least 75 percent".

(d) Grant Amounts.—

(1) Maximum grant amounts.—Section 411(b)(2)(A) of the Act is amended by striking clauses (i) through (v) and inserting the following:

"(i) $3,700 for academic year 1993–1994,

"(ii) $3,900 for academic year 1994–1995,

"(iii) $4,100 for academic year 1995–1996,

"(iv) $4,300 for academic year 1996–1997, and

"(v) $4,500 for academic year 1997–1998,".

(2) Grant amounts for less-than-half-time students.—Section 411(b)(2)(B) of the Act is amended in the first sentence therein—

(A) by inserting immediately after "full-time basis" the following: "(including a student who attends an institution of higher education on less than a half-time basis)"; and

(B) by inserting before the period at the end thereof the following: ", computed in accordance with this subpart".

(3) Determination of grant amounts based on need.—Section 411(b)(3) of the Act is amended to read as follows:

"(3)(A) For any academic year for which an appropriation Act provides a maximum basic grant in an amount in excess of $2,400, the amount of a student's basic grant shall equal $2,400 plus—

"(i) one-half of the amount by which such maximum basic grant exceeds $2,400; plus

"(ii) the lesser of—

"(I) the remaining one-half of such excess; or

"(II) the sum of the student's tuition and the student's allowance determined under subparagraph (B), if applicable.

"(B) For purposes of subparagraph (A)(ii)(II), a student's allowance is $750 if the student has dependent care expenses (as defined in section 472(8)) or disability related expenses (as defined in section 472(9)).".

(4) Conforming amendment.—Section 411(b)(4) of the Act is amended by striking "411F" and inserting "472".

(5) Minimum grant amounts.—Section 411(b)(5) of the Act is amended by striking "$200" and inserting "$400, except that a student who is eligible for a basic grant that is equal to or greater than $200 but less than $400 shall be awarded a basic grant of $400".

(6) Exception to maximum Pell grant award; study abroad; incarcerated students.—Section 411(b) of the Act is further amended by striking paragraphs (6) and (7) and inserting the following:

"(6) The Secretary may allow, on a case-by-case basis, a student to receive 2 Pell grants during a single 12-month period, if—

"(A) the student is enrolled full-time in a baccalaureate degree program of study that is 2 years or longer at an eligible institution that is computed in credit hours; and

"(B) the student completes course work toward completion of a bachelor's degree that exceeds the requirements for a full academic year as defined by the institution.

"(7) Notwithstanding any other provision of this subpart, the Secretary shall allow the amount of the basic grant to be exceeded for students participating in a program of study abroad approved for credit by the institution at which the student is enrolled when the reasonable costs of such program are greater than the cost of attendance at the student's home institution, except that the amount of such basic grant in any fiscal year shall not exceed the grant level specified in the appropriate Appropriation Act for this subpart for such year. If the preceding sentence applies, the financial aid administrator at the home institution may use the cost of the study abroad program, rather than the home institution's cost, to determine the cost of attendance of the student.

"(8)(A) No basic grant shall be awarded to an incarcerated student under this subpart that exceeds the sum of the amount of tuition and fees normally assessed by the institution of higher education for the course of study such student is pursuing plus an allowance (determined in accordance with regulations issued by the Secretary) for books and supplies associated with such course of study, except that no basic grant shall be awarded to any incarcerated student serving under sentence of death or any life sentence without eligibility for parole or release.

"(B) Basic grants under this subpart shall only be awarded to incarcerated individuals in a State if such grants are used to supplement and not supplant the level of postsecondary education assistance provided by such State to incarcerated individuals in fiscal year 1988.".

(e) Period of Eligibility.—

(1) Removal of academic year limitations.—Section 411(c)(1) is amended by striking everything following "except that" and inserting "any period during which the student is enrolled in a noncredit or remedial course of study as defined in paragraph (2) shall not be counted for the purpose of this paragraph.".

(2) Clarification of eligibility for study abroad.—Section 411(c)(2) of the Act is amend-

ed by adding at the end thereof the following new sentence: "Nothing in this section shall exclude from eligibility programs of study abroad that are approved for credit by the home institution at which the student is enrolled.".

(f) CALCULATION OF ELIGIBILITY.—Section 411(f) of the Act is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking "an estimate of the eligibility index" and inserting ", as a part of its regular output document, the expected family contribution";

(B) in subparagraph (A) by striking "eligibility index" and inserting "expected family contribution";

(C) in subparagraph (B), by striking "eligibility index" and inserting "expected family contribution"; and

(D) in subparagraph (D), by striking "eligibility index" and inserting "expected family contribution"; and

(2) in paragraph (3), by striking "eligibility index" and inserting "expected family contribution";

(g) INSUFFICIENT APPROPRIATIONS.—Section 411(g) of the Act is amended to read as follows:

"(g) INSUFFICIENT APPROPRIATIONS.—If, for any fiscal year, the funds appropriated for payments under this subpart are insufficient to satisfy fully all entitlements, as calculated under subsection (b) (but at the maximum grant level specified in such apprpriation), the Secretary shall promptly transmit a notice of such insufficiency to each House of the Congress, and identify in such notice the additional amount that would be required to be appropriated to satisfy fully all entitlements (as so calculated at such maximum grant level).".

(h) TREATMENT OF RECIPIENTS.—Section 411(i) of the Act is amended—

(1) by striking "NONCONTRACTOR STATUS OF INSTITUTIONS" and inserting "TREATMENT OF INSTITUTIONS AND STUDENTS UNDER OTHER LAWS"; and

(2) by adding at the end the following new sentence: "Recipients of Pell Grants shall not be considered to be individual grantees for purposes of part D of title V of Public Law 100–690.".

(i) UNIFICATION OF NEEDS ANALYSIS SYSTEMS.—Subpart 1 of part A of title IV of the Act is amended by striking sections 411A through 411F (20 U.S.C. 1070a–1 through 1070a–6).

SEC. 402. FEDERAL EARLY OUTREACH AND STUDENT SERVICES PROGRAMS.

(a) AMENDMENTS.—Part A of title IV of the Act (20 U.S.C. 1070 et seq.) is amended—

(1) by repealing subpart 4;

(2) by redesignating subparts 2 and 3 as subparts 3 and 4, respectively;

(3) by redesignating sections 401 and 411 as sections 400 and 401, respectively; and

(4) by inserting after section 401 (as redesignated by paragraph (3)) the following new subpart:

"Subpart 2—Federal Early Outreach and Student Services Programs

"CHAPTER 1—FEDERAL TRIO PROGRAMS

"SEC. 402A. PROGRAM AUTHORITY; AUTHORIZATION OF APPROPRIATIONS.

"(a) GRANTS AND CONTRACTS AUTHORIZED.—The Secretary shall, in accordance with the provisions of this chapter, carry out a program of making grants and contracts designed to identify qualified individuals from disadvantaged backgrounds, to prepare them for a program of postsecondary education, to provide support services for such students who are pursuing programs of postsecondary education, to motivate and prepare students for doctoral programs, and to train individuals serving or preparing for service in programs and projects so designed.

"(b) RECIPIENTS, DURATION, AND SIZE.—

"(1) RECIPIENTS.—For the purposes described in subsection (a), the Secretary is authorized, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), to make grants to, and contracts with, institutions of higher education, public and private agencies and organizations, combinations of such institutions, agencies and organizations, and in exceptional circumstances, secondary schools, for planning, developing, or carrying out one or more of the services assisted under this chapter.

"(2) DURATION.—Grants or contracts made under this chapter shall be awarded for a period of 4 years, except that the Secretary shall award such grants or contracts for 5 years to applicants whose peer review scores were in the highest 10 percent of scores of all applicants receiving grants or contracts in each program competition for the same award year.

"(3) MINIMUM GRANT LEVEL.—In any year in which the appropriations authorized under this chapter exceed the prior year appropriation as adjusted for inflation, the Secretary shall use 80 percent of the amount appropriated above the current services level to bring each award up to the minimum grant level or the amount requested by the institution or agency, whichever is less. The minimum grant level (A) for programs authorized under section 402D or 402G, shall not be less than $170,000 for fiscal year 1993; (B) for programs authorized under section 402B or 402F shall not be less than $180,000 for fiscal year 1994; and (C) for programs authorized under section 402C or 402E shall not be less than $190,000 for fiscal year 1995.

"(c) PROCEDURES FOR AWARDING GRANTS AND CONTRACTS.—

"(1) PRIOR EXPERIENCE.—In making grants and contracts under this chapter, the Secretary shall consider the prior experience of service delivery under the particular program for which funds are sought by each applicant. For fiscal years after 1985, the level of consideration given to prior experience shall not vary from the level of consideration given this factor for fiscal year 1985.

"(2) ORDER OF AWARDS; PROGRAM FRAUD.—(A) Except as provided in subparagraph (B), the Secretary shall award grants and contracts under this chapter in the order of the scores received by the application for such grant or contract in the peer review process required under section 1210 and adjusted for prior experience in accordance with paragraph (1).

"(B) The Secretary is not required to provide assistance to a program otherwise eligible for assistance under this chapter, if the Secretary has determined that such program has involved the fraudulent use of funds under this chapter.

"(3) PEER REVIEW PROCESS.—(A) The Secretary shall assure that, to the extent practicable, members of groups underrepresented in higher education, including African Americans, Hispanics, Native Americans, Alaska Natives, Asian Americans, Native American Pacific Islanders (including Native Hawaiians), are represented as readers of applications submitted under this chapter. The Secretary shall also assure that persons from urban and rural backgrounds are represented as readers.

"(B) The Secretary shall ensure that each application submitted under this chapter is read by at least 3 readers who are not employees of the Federal Government (other than as readers of applications).

"(4) APPLICATION STATUS.—The Secretary shall inform each entity operating programs under this chapter regarding the status of their application for continued funding at least 8 months prior to the expiration of the grant or contract. The Secretary, in the case of an entity that is continuing to operate a successful program under this chapter, shall ensure that the start-up date for a new grant or contract for such program immediately follows the termination of preceding grant or contract so that no interruption of funding occurs for such successful reapplicants. The Secretary shall inform each entity requesting assistance under this subpart for a new program regarding the status of their application at least 8 months prior to the proposed startup date of such program.

"(5) NUMBER OF APPLICATIONS FOR GRANTS AND CONTRACTS.—The Secretary shall not limit the number of applications submitted by an entity under any program authorized under this chapter if the additional applications describe programs serving different populations or campuses.

"(6) COORDINATION WITH OTHER PROGRAMS FOR DISADVANTAGED STUDENTS.—The Secretary shall encourage coordination of programs assisted under this chapter with other programs for disadvantaged students operated by the sponsoring institution or agency, regardless of the funding source of such programs. The Secretary shall not limit an entity's eligibility to receive funds under this chapter because such entity sponsors a program similar to the program to be assisted under this chapter, regardless of the funding source of such program. The Secretary shall not require a separate Director to administer a program funded under this chapter if the imposition of such requirement will hinder coordination among programs funded under this chapter or between programs funded under this subpart and similar programs funded through other sources.

"(d) OUTREACH.—

"(1) IN GENERAL.—The Secretary shall conduct outreach activities to ensure that entities eligible for assistance under this chapter submit applications proposing programs that serve geographic areas and eligible populations which have been underserved by the programs assisted under this chapter.

"(2) NOTICE.—In carrying out the provisions of paragraph (1), the Secretary shall notify the entities described in subsection (b) of the availability of assistance under this subsection not less than 120 days prior to the deadline for submission of applications under this chapter and shall consult national, State, and regional organizations about candidates for notification.

"(3) TECHNICAL ASSISTANCE.—The Secretary shall provide technical training to applicants for projects and programs authorized under this chapter. The Secretary shall give priority to serving programs and projects that serve geographic areas and eligible populations which have been underserved by the programs assisted under this chapter. Technical training activities shall include the provision of information on authorizing legislation, goals and objectives of the program, required activities, eligibility requirements, the application process and application deadlines, and assistance in the development of program proposals and the completion of program applications. Such training shall be furnished at conferences, seminars, and workshops to be conducted at not less than 10 sites throughout the United States to ensure that all areas of the United States with large concentrations of eligible participants are served.

"(4) SPECIAL RULE.—The Secretary may contract with eligible entities to conduct the outreach activities described in this subsection.

"(e) DOCUMENTATION OF STATUS AS A LOW-INCOME INDIVIDUAL.—Documentation of an individual's status pursuant to subsection (g)(2) shall be made—

"(1) in the case of an individual who is eighteen years of age or younger or a dependent student by providing the Secretary with a signed statement from the parent or legal guardian, verification from another governmental source, a signed financial aid application, or a signed United States or Puerto Rican income tax return; and

"(2) in the case of an individual who is age 18 or older or who is an independent student, by

providing the Secretary with a signed statement from the individual, verification from another governmental source, a signed financial aid form, or a signed United States or Puerto Rican income tax return.

"(f) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of making grants and contracts under this chapter, there are authorized to be appropriated $650,000,000 for fiscal year 1993, and such sums as may be necessary for each of the 4 succeeding fiscal years. Of the amount appropriated under this chapter, the Secretary may use no more than ½ of 1 percent of such amount to obtain additional qualified readers and additional staff to review applications, to increase the level of oversight monitoring, to support impact studies, program assessments and reviews, and to provide technical assistance to potential applicants and current grantees. In expending these funds, the Secretary shall give priority to the additional administrative requirements provided in the Higher Education Amendments of 1992, to outreach activities, and to obtaining additional readers. The Secretary shall report to Congress by October 1, 1994, on the use of these funds.

"(g) DEFINITIONS.—For the purpose of this chapter:

"(1) FIRST GENERATION COLLEGE STUDENT.—The term 'first generation college student' means—

"(A) an individual both of whose parents did not complete a baccalaureate degree; or

"(B) in the case of any individual who regularly resided with and received support from only one parent, an individual whose only such parent did not complete a baccalaureate degree.

"(2) LOW-INCOME INDIVIDUAL.—The term 'low-income individual' means an individual from a family whose taxable income for the preceding year did not exceed 150 percent of an amount equal to the poverty level determined by using criteria of poverty established by the Bureau of the Census.

"(3) VETERAN ELIGIBILITY.—No veteran shall be deemed ineligible to participate in any program under this chapter by reason of such individual's age who—

"(A) served on active duty for a period of more than 180 days, any part of which occurred after January 31, 1955, and was discharged or released therefrom under conditions other than dishonorable; or

"(B) served on active duty after January 31, 1955, and was discharged or released therefrom because of a service connected disability.

"SEC. 402B. TALENT SEARCH.

"(a) PROGRAM AUTHORITY.—The Secretary shall carry out a program to be known as talent search which shall be designed—

"(1) to identify qualified youths with potential for education at the postsecondary level and to encourage such youths to complete secondary school and to undertake a program of postsecondary education;

"(2) to publicize the availability of student financial assistance available to persons who pursue a program of postsecondary education; and

"(3) to encourage persons who have not completed programs of education at the secondary or postsecondary level, but who have the ability to complete such programs, to reenter such programs.

"(b) PERMISSIBLE SERVICES.—Any talent search project assisted under this chapter may provide services such as—

"(1) academic advice and assistance in secondary school and college course selection;

"(2) assistance in completing college admission and financial aid applications;

"(3) assistance in preparing for college entrance examinations;

"(4) guidance on secondary school reentry or entry to general educational development (GED) programs or other alternative education programs for secondary school dropouts;

"(5) personal and career counseling;

"(6) tutorial services;

"(7) exposure to college campuses as well as cultural events, academic programs and other sites or activities not usually available to disadvantaged youth;

"(8) workshops and counseling for parents of students served;

"(9) mentoring programs involving elementary or secondary school teachers, faculty members at institutions of higher education, students, or any combination of such persons; and

"(10) programs and activities as described in paragraphs (1) through (9) which are specially designed for students of limited English proficiency.

"(c) REQUIREMENTS FOR APPROVAL OF APPLICATIONS.—In approving applications for talent search projects under this chapter for any fiscal year the Secretary shall—

"(1) require an assurance that not less than two-thirds of the individuals participating in the project proposed to be carried out under any application be low-income individuals who are first generation college students;

"(2) require that such participants be persons who either have completed 5 years of elementary education or are at least 11 years of age but not more than 27 years of age, unless the imposition of any such limitation with respect to any person would defeat the purposes of this section or the purposes of section 402F;

"(3) require an assurance that individuals participating in the project proposed in the application do not have access to services from another project funded under this section or under section 402F; and

"(4) require an assurance that the project will be located in a setting accessible to the persons proposed to be served by the project.

"SEC. 402C. UPWARD BOUND.

"(a) PROGRAM AUTHORITY.—The Secretary shall carry out a program to be known as upward bound which shall be designed to generate skills and motivation necessary for success in education beyond secondary school.

"(b) PERMISSIBLE SERVICES.—Any upward bound project assisted under this chapter may provide services such as—

"(1) instruction in reading, writing, study skills, mathematics, and other subjects necessary for success beyond secondary school;

"(2) personal counseling;

"(3) academic advice and assistance in secondary school course selection;

"(4) tutorial services;

"(5) exposure to cultural events, academic programs, and other activities not usually available to disadvantaged youth;

"(6) activities designed to acquaint youths participating in the project with the range of career options available to them;

"(7) instruction designed to prepare youths participating in the project for careers in which persons from disadvantaged backgrounds are particularly underrepresented;

"(8) on-campus residential programs;

"(9) mentoring programs involving elementary or secondary school teachers, faculty members at institutions of higher education, students, or any combination of such persons; and

"(10) programs and activities as described in paragraphs (1) through (9) which are specially designed for students of limited English proficiency.

"(c) REQUIRED SERVICES.—Any upward bound project assisted under this chapter which has received funding for two or more years shall include, as part of the core curriculum in the next and succeeding years, instruction in mathematics through precalculus, laboratory science, and foreign language, composition, and literature.

"(d) REQUIREMENTS FOR APPROVAL OF APPLICATIONS.—In approving applications for upward bound projects under this chapter for any fiscal year, the Secretary shall—

"(1) require an assurance that not less than two-thirds of the youths participating in the project proposed to be carried out under any application be low-income individuals who are first generation college students;

"(2) require an assurance that the remaining youths participating in the project proposed to be carried out under any application be either low-income individuals or first generation college students;

"(3) require that there be a determination by the institution, with respect to each participant in such project that the participant has a need for academic support in order to pursue successfully a program of education beyond secondary school; and

"(4) require that such participants be persons who have completed 8 years of elementary education and are at least 13 years of age but not more than 19 years of age, unless the imposition of any such limitation would defeat the purposes of this section.

"(e) MAXIMUM STIPENDS.—Youths participating in a project proposed to be carried out under any application may be paid stipends not in excess of $60 per month during June, July, and August, and not in excess of $40 per month during the remaining period of the year.

"SEC. 402D. STUDENT SUPPORT SERVICES.

"(a) PROGRAM AUTHORITY.—The Secretary shall carry out a program to be known as student support services which shall be designed—

"(1) to increase college retention and graduation rates for eligible students;

"(2) to increase the transfer rates of eligible students from 2-year to 4-year institutions; and

"(3) to foster an institutional climate supportive of the success of low-income and first generation college students and individuals with disabilities.

"(b) PERMISSIBLE SERVICES.—A student support services project assisted under this chapter may provide services such as—

"(1) instruction in reading, writing, study skills, mathematics, and other subjects necessary for success beyond secondary school;

"(2) personal counseling;

"(3) academic advice and assistance in course selection;

"(4) tutorial services and counseling and peer counseling;

"(5) exposure to cultural events and academic programs not usually available to disadvantaged students;

"(6) activities designed to acquaint students participating in the project with the range of career options available to them;

"(7) activities designed to assist students participating in the project in securing admission and financial assistance for enrollment in graduate and professional programs;

"(8) activities designed to assist students currently enrolled in 2-year institutions in securing admission and financial assistance for enrollment in a four-year program of postsecondary education;

"(9) mentoring programs involving faculty or upper class students, or a combination thereof; and

"(10) programs and activities as described in paragraphs (1) through (9) which are specially designed for students of limited English proficiency.

"(c) REQUIREMENTS FOR APPROVAL OF APPLICATIONS.—In approving applications for student support services projects under this chapter for any fiscal year, the Secretary shall—

"(1) require an assurance that not less than two-thirds of the persons participating in the project proposed to be carried out under any application—

"(A) be individuals with disabilities; or

"(B) be low-income individuals who are first generation college students;

"(2) require an assurance that the remaining students participating in the project proposed to be carried out under any application either be low-income individuals, first generation college students, or individuals with disabilities;

"(3) require an assurance that not less than one-third of the individuals with disabilities participating in the project be low-income individuals;

"(4) require that there be a determination by the institution, with respect to each participant in such project, that the participant has a need for academic support in order to pursue successfully a program of education beyond secondary school;

"(5) require that such participants be enrolled or accepted for enrollment at the institution which is the recipient of the grant or contract; and

"(6) require an assurance from the institution which is the recipient of the grant or contract that each student enrolled in the project will be offered sufficient financial assistance to meet that student's full financial need.

"SEC. 402E. POSTBACCALAUREATE ACHIEVEMENT PROGRAM AUTHORITY.

"(a) PROGRAM AUTHORITY.—The Secretary shall carry out a program to be known as the 'Ronald E. McNair Postbaccalaureate Achievement Program' that shall be designed to provide disadvantaged college students with effective preparation for doctoral study.

"(b) SERVICES.—A postbaccalaureate achievement project assisted under this section may provide services such as—

"(1) opportunities for research or other scholarly activities at the institution or at graduate centers designed to provide students with effective preparation for doctoral study;

"(2) summer internships;

"(3) seminars and other educational activities designed to prepare students for doctoral study;

"(4) tutoring;

"(5) academic counseling;

"(6) activities designed to assist students participating in the project in securing admission to and financial assistance for enrollment in graduate programs;

"(7) mentoring programs involving faculty members at institutions of higher education, students, or any combination of such persons; and

"(8) exposure to cultural events and academic programs not usually available to disadvantaged students.

"(c) REQUIREMENTS.—In approving applications for postbaccalaureate achievement projects assisted under this section for any fiscal year, the Secretary shall require—

"(1) an assurance that not less than two-thirds of the individuals participating in the project proposed to be carried out under any application be low-income individuals who are first generation college students;

"(2) an assurance that the remaining persons participating in the project proposed to be carried out be from a group that is underrepresented in graduate education;

"(3) an assurance that participants be enrolled in a degree program at an eligible institution having an agreement with the Secretary in accordance with the provisions of section 487; and

"(4) an assurance that participants in summer research internships have completed their sophomore year in postsecondary education.

"(d) AWARD CONSIDERATIONS.—In addition to such other selection criteria as may be prescribed by regulations, the Secretary shall consider in making awards to institutions under this section—

"(1) the quality of research and other scholarly activities in which students will be involved;

"(2) the level of faculty involvement in the project and the description of the research in which students will be involved; and

"(3) the institution's plan for identifying and recruiting participants including students enrolled in projects authorized under this section.

"(e) MAXIMUM STIPENDS.—Students participating in research under a postbaccalaureate achievement project may receive an award that—

"(1) shall include a stipend not to exceed $2,400 per annum; and

"(2) may include, in addition, the costs of summer tuition, summer room and board, and transportation to summer programs.

"(f) FUNDING.—From amounts appropriated pursuant to the authority of section 402A(f), the Secretary shall, to the extent practicable, allocate funds for projects authorized by this section in an amount which is not less than $11,000,000 for each of the fiscal years 1993 through 1997.

"SEC. 402F. EDUCATIONAL OPPORTUNITY CENTERS.

"(a) PROGRAM AUTHORITY; SERVICES PROVIDED.—The Secretary shall carry out a program to be known as educational opportunity centers which shall be designed—

"(1) to provide information with respect to financial and academic assistance available for individuals desiring to pursue a program of postsecondary education; and

"(2) to provide assistance to such persons in applying for admission to institutions at which a program of postsecondary education is offered, including preparing necessary applications for use by admissions and financial aid officers.

"(b) PERMISSIBLE SERVICES.—An educational opportunity center assisted under this section may provide services such as—

"(1) public information campaigns designed to inform the community regarding opportunities for postsecondary education and training;

"(2) academic advice and assistance in course selection;

"(3) assistance in completing college admission and financial aid applications;

"(4) assistance in preparing for college entrance examinations;

"(5) guidance on secondary school reentry or entry to a general educational development (GED) program or other alternative education programs for secondary school dropouts;

"(6) personal counseling;

"(7) tutorial services;

"(8) career workshops and counseling;

"(9) mentoring programs involving elementary or secondary school teachers, faculty members at institutions of higher education, students, or any combination of such persons; and

"(10) programs and activities as described in paragraphs (1) through (9) which are specially designed for students of limited English proficiency.

"(c) REQUIREMENTS FOR APPROVAL OF APPLICATIONS.—In approving applications for educational opportunity centers under this section for any fiscal year the Secretary shall—

"(1) require an assurance that not less than two-thirds of the persons participating in the project proposed to be carried out under any application be low-income individuals who are first generation college students;

"(2) require that such participants be persons who are at least nineteen years of age, unless the imposition of such limitation with respect to any person would defeat the purposes of this section or the purposes of section 402B; and

"(3) require an assurance that individuals participating in the project proposed in the application do not have access to services from another project funded under this section or under section 402B.

"SEC. 402G. STAFF DEVELOPMENT ACTIVITIES.

"(a) SECRETARY'S AUTHORITY.—For the purpose of improving the operation of the programs and projects authorized by this chapter, the Secretary is authorized to make grants to institutions of higher education and other public and private nonprofit institutions and organizations to provide training for staff and leadership personnel employed in, or preparing for employment in, such programs and projects.

"(b) CONTENTS OF TRAINING PROGRAMS.—Such training shall include conferences, internships, seminars, workshops, and the publication of manuals designed to improve the operation of such programs and projects and shall be carried out in the various regions of the Nation in order to ensure that the training opportunities are appropriate to meet the needs in the local areas being served by such programs and projects. Such training shall be offered annually for new directors of projects funded under this chapter as well as annually on the following topics and other topics chosen by the Secretary:

"(1) Legislative and regulatory requirements for the operation of programs funded under this chapter.

"(2) Assisting students in receiving adequate financial aid from programs assisted under this title and other programs.

"(3) The design and operation of model programs for projects funded under this chapter.

"(c) CONSULTATION.— Grants for the purposes of this section shall be made only after consultation with regional and State professional associations of persons having special knowledge with respect to the needs and problems of such programs and projects.

"SEC. 402H. EVALUATION FOR PROJECT IMPROVEMENT.

"(a) IN GENERAL.—For the purpose of improving the operation of the programs and projects assisted under this chapter, the Secretary is authorized to make grants to and enter into contracts with institutions of higher education and other public and private institutions and organizations to evaluate the effectiveness of the various programs assisted under this subpart in meeting the purposes described in this chapter.

"(b) CONTENT.—The evaluations described in subsection (a) shall identify institutional, community and program practices particularly effective in increasing the access of low-income individuals and first-generation college students to postsecondary education, the preparation of such individuals and students for postsecondary education, and such individuals' and students' success in postsecondary education.

"(c) RESULTS.—In order to improve program effectiveness, the results of the ongoing evaluations described in subsection (a) shall be disseminated by the Secretary to similar programs assisted under this chapter as well as other individuals concerned with the postsecondary access and retention of low-income individuals and first-generation college students.".

"CHAPTER 2—NATIONAL EARLY INTERVENTION SCHOLARSHIP AND PARTNERSHIP PROGRAM

"SEC. 404A. EARLY INTERVENTION PROGRAM AUTHORIZED.

"The Secretary is authorized, in accordance with the requirements of this chapter, to establish a program that—

"(1) encourages States to provide or maintain a guarantee to eligible low-income students who obtain a high-school diploma (or its equivalent), of the financial assistance necessary to permit them to attend an institution of higher education; and

"(2) provides incentives to States, in cooperation with local educational agencies, institutions of higher education, community organizations and business, to provide—

"(A) additional counseling, mentoring, academic support, outreach, and supportive services to elementary, middle, and secondary school students who are at risk of dropping out of school; and

"(B) information to students and their parents about the advantages of obtaining a postsecondary education and their college financing options;

"SEC. 404B. STATE ELIGIBILITY AND STATE PLAN.

"(a) Plan Required for Eligibility.—(1) In order for a State to qualify for a grant under this chapter, the State shall submit to the Secretary a plan for carrying out the program under this chapter. Such plan shall provide for the conduct, under the State program, of both a scholarship component in accordance with section 403C and an early intervention component in accordance with section 403D.

"(2) Each State plan submitted pursuant to paragraph (1) be in such form, contain or be accompanied by such information or assurances, and be submitted at such time as the Secretary may require by regulation and shall—

"(A) describe the activities for which assistance under this section is sought; and

"(B) provide such additional assurances as the Secretary determines necessary to ensure compliance with the requirements of this section.

"(b) Matching Requirement.—The Secretary shall not approve a plan submitted under subsection (a) unless such plan—

"(1) provides that the State will provide, from State, local, or private funds, not less than one-half the cost of the program;

"(2) specifies the methods by which such share of the costs will be paid; and

"(3) includes provisions designed to assure that funds provided under this chapter shall supplement and not supplant funds expended for existing State and local programs.

"(c) Methods for Complying With Matching Requirement.—A State may count toward the contribution required by subsection (b)(1)—

"(1) the amount of the grants paid to students from State, local, or private funds under this chapter;

"(2) the amount of tuition, fees, room or board waived or reduced for recipients of grants under this chapter; and

"(3) the amount expended on documented, targeted, long-term mentoring and counseling provided by volunteers or paid staff of nonschool organizations, including businesses, religious organizations, community groups, postsecondary educational institutions, nonprofit and philanthropic organizations, and other organizations.

"(d) Payment Requirements.—Upon submission by a State of such documents as the Secretary may, by regulation, require for demonstrating the total amount expended by the State in accordance with this chapter for a fiscal year, the Secretary shall, from such State's allotment under section 404E for such fiscal year, pay to such State an amount equal to not more than one-half of the total amount so expended.

"SEC. 404C. EARLY INTERVENTION.

"(a) In General.—In order to receive payments under section 404B(d), a State shall demonstrate to the satisfaction of the Secretary that the State will provide comprehensive mentoring, counseling, outreach, and supportive services to students participating in programs under this chapter who are enrolled in preschool through grade 12. Such counseling shall include financial aid counseling that provides information on the opportunities for financial assistance under this title. The State shall demonstrate, pursuant to regulations of the Secretary, the methods by which the State will target services on priority students.

"(b) Uses of Funds.—

"(1) In general.—The Secretary shall, by regulation, establish criteria for determining whether comprehensive mentoring, counseling, outreach, and supportive services programs may be used to meet the requirements of subsection (a).

"(2) Allowable providers.—The activities required by subsection (a) may be provided by service providers such as community-based organizations, schools, institutions of higher education, public and private agencies, nonprofit and philanthropic organizations, businesses, institutions and agencies sponsoring programs authorized under subpart 4 of this part, and other organizations the Secretary deems appropriate.

"(3) Permissible activities.—Examples of acceptable activities to meet the requirements of subsection (a) include the following:

"(A) Providing eligible students in preschool through grades 12 with a continuing system of mentoring and advising that—

"(i) is coordinated with the Federal and State community service initiatives; and

"(ii) may include such support services as after school and summer tutoring, assistance in obtaining summer jobs, career mentoring and academic counseling.

"(B) Requiring each student to enter into an agreement under which the student agrees to achieve certain academic milestones, such as completing a prescribed set of courses and maintaining satisfactory academic progress as described in section 484(c), in exchange for receiving tuition assistance for a period of time to be established by each State.

"(C) Activities designed to ensure high school completion and college enrollment of at-risk children, including identification of at-risk children, after school and summer tutoring, assistance in obtaining summer jobs, academic counseling, volunteer and parent involvement and former or current scholarship recipients as mentor or peer counselors, skills assessment, personal counseling, family counseling and home visits, and staff development, and programs and activities as described in this subparagraph which are specially designed for students of limited English proficiency.

"(D) Prefreshman summer programs that—

"(i) are at institutions of higher education that also have programs of academic year supportive services for disadvantaged students through projects authorized under section 401D of this subpart or through comparable projects funded by the State or other sources;

"(ii) assure the participation of students who qualify as disadvantaged under the provisions of section 401D of this part or who are eligible for comparable programs funded by the State;

"(iii)(I) provide summer instruction in remedial, developmental or supportive courses; (II) provide such summer services as counseling, tutoring, or orientation; and (III) provide grant aid to students to cover prefreshman summer costs for books, supplies, living costs and personal expenses; and

"(iv) assure that participating students will receive financial aid during each academic year they are enrolled at the participating institution after the prefreshman summer.

"(E) Requiring eligible students to meet other standards or requirements as the State determines necessary to meet the purposes of this section.

"(c) Priority Students.—In administering the early intervention component, the State shall treat as priority students any student in preschool through grade 12 who is eligible—

"(1) to be counted under section 1005(c) of the Elementary and Secondary Education Act of 1965;

"(2) for free or reduced price meals pursuant to the National School Lunch Act; or

"(3) for assistance pursuant to part A of title IV of the Social Security Act (Aid to Families with Dependent Children).

"SEC. 404D. SCHOLARSHIP COMPONENT.

"(a) In General.—In order to receive payments under section 404B(d), a State shall establish or maintain a financial assistance program that awards grants to students in accordance with the requirements of this section. The Secretary shall encourage the State to ensure that the tuition assistance provided pursuant to this section is available to an eligible student for use at any eligible institution.

"(b) Grant Amounts.—The maximum amount of the grant that an eligible student in any participating State shall be eligible to receive under this section shall be established by the State. The minimum amount of the grant for each fiscal year shall not be less than the lesser of—

"(1) 75 percent of the average cost of attendance for an in-State student, in a 4-year program of instruction, at public institutions of higher education in such State, as determined in accordance with regulations prescribed by the Secretary; or

"(2) the maximum grant funded under section 401 for such fiscal year.

"(c) Relation to Other Assistance.—Tuition assistance provided under this chapter shall not be considered for the purpose of awarding Federal grant assistance under this title, except that in no case shall the total amount of student financial assistance awarded to a student under this title exceed such student's total cost of attendance.

"(d) Eligible Students.—A student eligible for assistance under this chapter is a student who—

"(1) is less than 22 years old at time of first grant award;

"(2) receives a high school diploma or a certificate of high school equivalence on or after January 1, 1993;

"(3) is enrolled or accepted for enrollment in a program of instruction at an institution of higher education that is located within the State's boundaries; except that, as a State option, a State may offer grant program portability for recipients who attend institutions of higher education outside such State; and

"(4) who the participated in the State early intervention component required under section 404C.

"(e) Priority; Waiver.—(1) The Secretary shall ensure that each State place a priority on awarding scholarships to students who will receive a Pell Grant for the academic year for which the award is being made under this chapter.

"(2) A State may consider students who have successfully participated in programs funded under chapter 1 of this subpart to have met the requirements of subsection (d)(4).

"SEC. 404E. DISTRIBUTION OF FUNDS.

"(a) Competitive Awards.—If the amount appropriated to carry out this chapter for a fiscal year is less than $50,000,000, then the Secretary shall award grants under this chapter on a competitive basis to States to carry out a program described in section 404A.

"(b) Allotment Based on Title I ESEA Allocations.—If the amount appropriated to carry out this chapter for a fiscal year is $50,000,000 or more, then the Secretary shall allot to each State an amount which bears the same ratio to such sums as—

"(1) the amount allocated under section 1005 of the Elementary and Secondary Education Act of 1965 to the local education agencies in the State,

bears to—

"(2) the total amount allocated under such section to all such agencies in all States.

"(c) Limit on Use.—No State may use less than 25 percent or more than 50 percent of its allotment for the early intervention component of the State program, except that the Secretary may waive the 50 percent limitation if the State demonstrates that the State has another means of providing the student's tuition assistance that is described in the State plan.

"(d) REALLOTMENT.—The amount of any State's allotment under subsection (b) for any fiscal year which the Secretary determines will not be required for such fiscal year for the program of that State shall be available for reallotment from time to time, on such dates during such year as the Secretary may fix, to other States in proportion to the original allotments to such States for such year, but with such proportionate amount for any of such States being reduced to the extent it exceeds the sum the Secretary estimates such State needs and will be able to use for such year for carrying out such programs. The total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. A State shall match, in accordance with section 404B(b) any reallocated funds it receives under this subsection.

"(e) ALLOTMENT SUBJECT TO CONTINUING COMPLIANCE.—The Secretary shall make payments for programs only to States which continue to meet the requirements of the State plan pursuant to section 404B.

"SEC. 404F. EVALUATION AND REPORT.

"(a) EVALUATION.—Each State receiving an allotment under this section shall biannually evaluate the early intervention program assisted under this chapter in accordance with the standards described in subsection (b) and shall submit to the Secretary a copy of such evaluation. The evaluation component shall permit service providers to track eligible student progress during the period such students are participating in the program assisted under this section and must be consistent with the standards developed by the Secretary pursuant to subsection (b).

"(b) EVALUATION STANDARDS.—The Secretary shall prescribe standards for the evaluation described in subsection (a). Such standards shall—

"(1) provide for input from States and service providers; and

"(2) ensure that data protocols and procedures are consistent and uniform.

"(c) REPORT.—The Secretary shall biannually report to the Congress on the activities assisted under this chapter and the evaluations conducted pursuant to subsection (a).

"SEC. 404G. APPROPRIATIONS.

"There is authorized an appropriation to make grants under this chapter $200,000,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years. No amount may be expended to carry out the provisions of this chapter unless the amount appropriated for such fiscal year to carry out subpart 4 of part A of this title exceeds $60,000,000.

"CHAPTER 3—PRESIDENTIAL ACCESS SCHOLARSHIPS

"SEC. 406A. SCHOLARSHIPS AUTHORIZED.

"The Secretary is authorized in accordance with this chapter to award Presidential Access Scholarships to students who—

"(1) are eligible to receive a Pell Grant for the year in which the scholarship is awarded;

"(2) have participated in a preparatory program for postsecondary education; and

"(3) demonstrate academic achievement.

"SEC. 406B. SCHOLARSHIP PROGRAM REQUIREMENTS.

"(a) AMOUNT OF AWARD.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the amount of a scholarship awarded under this chapter for any academic year shall be equal to 25 percent of the Pell Grant that the recipient is awarded for that year or $400, whichever is greater.

"(2) ADJUSTMENT FOR INSUFFICIENT APPROPRIATIONS.—If, after the Secretary determines the total number of eligible applicants for an academic year in accordance with section 406C, funds available in a fiscal year are insufficient to fully fund all awards for that academic year under this chapter, the amount paid to each student shall be reduced proportionately.

"(b) PERIOD OF AWARD.—Scholarships under this chapter shall be awarded for a period of not more than four academic years, or in the case of a student who is enrolled in an undergraduate course of study that requires attendance for the full-time equivalent of five academic years, five academic years.

"(c) USE AT ANY INSTITUTION PERMITTED.—An eligible student awarded a scholarship under this chapter may use such scholarship stipend to attend any institution of higher education.

"(d) ASSISTANCE NOT TO EXCEED COST OF ATTENDANCE.—A scholarship awarded under this chapter to any student, in combination with the Pell Grant and other student financial assistance available to such student, may not exceed the student's cost of attendance (as defined in section 472).

"(e) PRESIDENTIAL ACCESS SCHOLARS.—Students awarded scholarships under this chapter shall be known as 'Presidential Access Scholars'.

"SEC. 406C. ELIGIBILITY OF SCHOLARS.

"(a) REQUIREMENTS FOR STUDENTS IN FIRST YEAR OF POSTSECONDARY EDUCATION.—In order for a student who will be attending the student's first year of postsecondary education to be eligible to receive a scholarship under this chapter for that academic year, the student shall—

"(1) be enrolled or accepted for enrollment in a degree or certificate program of at least 2 years in length;

"(2) have demonstrated academic achievement and preparation for postsecondary education by taking college preparatory level coursework in the following areas while in secondary school or the equivalent:

"(A) 4 years of English;

"(B) 3 years of science;

"(C) 3 years of mathematics;

"(D) either—

"(i) 3 years of history; or

"(ii) 2 years of history and 1 year of social studies; and

"(E) either—

"(i) 2 years of a foreign language; or

"(ii) 1 year of computer science and 1 year of a foreign language.

"(3) earn a grade point average of 2.5 or higher, on a scale of 4.0, in the final 2 years of high school; and

"(4) either—

"(A) have participated, for a minimum period of 36 months, in an early intervention program that meets the requirements of section 406D; or

"(B) rank, or have ranked, in the top 10 percent, by grade point average, of the student's secondary school graduating class.

"(b) REQUIREMENTS FOR ALL STUDENTS.—

"(1) Each eligible student desiring a scholarship under this chapter shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

"(2) In order for a student who will be attending a year of postsecondary education, other than the student's first year, to continue to be eligible to receive a scholarship under this chapter for that academic year the eligible student shall maintain eligibility to receive a Pell Grant, including fulfilling the requirements for satisfactory academic progress as described in section 484(c).

"SEC. 406D. ELIGIBLE EARLY INTERVENTION PROGRAMS.

"(a) PARTICIPATION IN TRIO PROGRAMS AND NATIONAL EARLY INTERVENTION SCHOLARSHIP AND PARTNERSHIP PROGRAMS.—Participation in a program authorized under section 402B, 402C, or 402F, or chapter 2 of subpart 2 of this part for a 36-month period shall meet the requirement of section 406C(a)(4)(A).

"(b) OTHER ELIGIBLE EARLY INTERVENTION PROGRAM.—Participation in another early intervention program, regardless of sponsorship, for a 36-month period, shall meet the requirements of section 406C(a)(4)(A) if the program—

"(1) meets the requirements established by the Secretary; and

"(2) is certified by the Governor as an honors scholars program.

"SEC. 406E. STUDENT ELIGIBILITY.

"(a) STUDENT ELIGIBILITY.—For the purpose of this chapter, the term 'eligible student' means an individual who—

"(1) is a graduate of a public or private secondary school or has the equivalent certificate of graduation as recognized by the State in which the eligible student resides;

"(2) not later than 3 years after such individual graduates or obtains an equivalent certificate, has been admitted for enrollment or is enrolled at an institution of higher education; and

"(3) is eligible to receive a Pell Grant for the year in which the scholarship is awarded.

"(b) LIMITATION.—For the purpose of this chapter, the term 'eligible student' does not include an individual who has been awarded a baccalaureate degree.

"(c) WAIVERS.—

"(1) EARLY INTERVENTION PROGRAM PARTICIPATION.—The Secretary may waive the requirement described in section 406C(a)(4) for any student who was unable to participate in an early intervention program assisted under this part because such program was not available in the area in which such student resides or the student was unable to participate in an early intervention program where the student resides.

"(2) LIMITED-ENGLISH PROFICIENT STUDENTS.—The Secretary may waive the requirement described in section 406C(a)(2)(E) for any limited-English proficient student who is fluent in a language other than English and is participating in a program to teach such student the English language or for any English speaking student fluent in a second language.

"SEC. 406F. EARLY INTERVENTION SCHOLARSHIP AGREEMENT.

"(a) IN GENERAL.—In order for a student to receive a scholarship under this chapter, the State educational agency serving the State in which such child resides shall have entered into an agreement with the Secretary.

"(b) CONTENTS.—Each agreement described in subsection (a) shall include provisions designed to ensure that—

"(1) all secondary school students in the State have equal and easy access to the coursework described in section 406C(a)(2);

"(2) the State educational agency has procedures in place to verify to the Secretary that students receiving scholarships under this chapter have taken such coursework and that such coursework has been of a college preparatory level, including a requirement that all secondary schools in the State issue a certificate to each eligible student certifying that such student has completed the necessary coursework to qualify for a scholarship under this chapter;

"(3) the State educational agency has procedures in place to notify institutions of higher education of the availability of scholarships under this chapter, so that such institutions may award additional scholarships in concert with the scholarships received under this chapter; and

"(4) the State educational agency has procedures in place to inform junior high school students and their families about the value of postsecondary education, the availability of student aid to meet college expenses, and the availability of scholarships under this chapter for stu-

dents who take demanding courses, with particular emphasis on activities designed to ensure that students from low- and moderate-income families have access to such information.

"(c) SPECIAL RULE.—The Secretary may allow a State to receive assistance under this chapter for students whose secondary schools do not offer the necessary coursework if such students take the required courses at another local secondary school or community college.

"SEC. 406G. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $200,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out the provisions of this chapter. No amount may be expended to carry out the provisions of this chapter in any fiscal year unless the amount appropriated for such fiscal year to carry out subpart 1 of part A of this title exceeds the amount appropriated to carry out such subpart in the preceding fiscal year.

"CHAPTER 4—MODEL PROGRAM COMMUNITY PARTNERSHIP AND COUNSELING GRANTS

"SEC. 408A. MODEL PROGRAM GRANTS.

"(a) PROGRAM AUTHORITY.—From the amounts appropriated under section 408C, the Secretary shall award grants to develop model programs—

"(1) to counsel students, at an early age, about college opportunities, precollege requirements, the college admissions procedure, financial aid opportunities, and student support services that are specially designed or customized for use in specific geographic, social, and cultural environments; or

"(2) which stimulate community partnerships with schools by providing tutoring, mentoring, work experiences, and other services which support making postsecondary education a realistic goal for all students.

"(b) PRIORITIES IN SELECTION.—The Secretary shall give priority to those model programs which are directed at areas which have a high proportion of minority, limited English proficiency, economically disadvantaged, disabled, nontraditional, or at-risk students and those model programs which serve these students from rural or urban environments.

"(c) PROPOSAL REQUIREMENTS.

"(1) TAILORING.—To receive a grant under subsection (a)(1), the proposal submitted to the Secretary shall demonstrate that the counseling on college opportunities, precollege requirements, the college admissions procedure, and financial aid opportunities (including early intervention counseling), is tailored to a specific geographic, social or cultural environment.

"(2) COMMUNITY PARTNERSHIPS.—To receive a grant under subsection (a)(2), the proposal submitted to the Secretary shall demonstrate the active involvement of a local educational agency and at least one of the following:

"(A) Local businesses.

"(B) Labor organizations.

"(C) Community groups.

"(3) GOALS AND OUTCOMES.—To receive a grant under this section, each proposal shall contain a statement of specific, measurable goals and methods for obtaining statistics on the number of participants who continue on to postsecondary education.

"SEC. 408B. DIFFUSION ACTIVITIES.

"(a) COLLECTION OF INFORMATION.—The Secretary shall collect information concerning—

"(1) programs supported under section 408A and programs of demonstrated effectiveness which counsel students about college opportunities, precollege requirements, the college admissions procedure, and financial aid opportunities;

"(2) early intervention programs of demonstrated effectiveness which set students on the path toward staying in school and pursuing a postsecondary education;

"(3) model programs which counsel students in specific environments, such as urban, rural, and suburban; and

"(4) model programs which develop school/community partnerships to provide mentoring, tutoring, work experiences and other services which support making postsecondary education a realistic goal for all students.

"(b) DISSEMINATION.—The Secretary shall ensure that the information collected under subsection (a) is disseminated.

"SEC. 408C. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $35,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this chapter.

"CHAPTER 5—PUBLIC INFORMATION

"SEC. 409A. DATABASE AND INFORMATION LINE.

"From the funds available under section 409C, the Secretary shall award a contract to establish and maintain—

"(1) a computerized database of all public and private financial assistance programs, to be accessible to schools and libraries through either modems or toll-free telephone lines; and

"(2) a toll-free information line, including access by telecommunications devices for the deaf ('TDD's'), to provide individualized financial assistance information to parents, students, and other individuals, including individuals with disabilities, and to refer students with disabilities and their families to the postsecondary clearinghouse that is authorized under section 633(c) of the Individuals with Disabilities Education Act.

"SEC. 409B. EARLY AWARENESS INFORMATION PROGRAM.

"(a) PROGRAM AUTHORITY.—The Secretary is authorized to enter into contracts with appropriate public agencies, nonprofit private organizations, and institutions of higher education to conduct an information program designed—

"(1) to broaden the early awareness of postsecondary educational opportunities by secondary school students and their parents; and

"(2) to encourage economically disadvantaged, minority, or at-risk individuals to seek higher education, and to seek higher education and financial assistance counseling at public schools and libraries.

"(b) CONTENTS OF MESSAGES.—Announcements and messages supported under this section—

"(1) may be specially designed for students of limited English proficiency,

"(2) shall publicize—

"(A) the availability of Federal student assistance under this Act;

"(B) the importance of postsecondary education in long-term career planning; and

"(C) the need and necessity to complete a secondary education program successfully in order to meet the requirements for college.

"(c) INFORMING CONGRESS.— The Secretary shall keep the appropriate committees of the Congress informed with respect to the efforts made pursuant to this section and shall recommend any additional legislative authority that will serve the purposes of this section.

"SEC. 409C. DATABASE AND INFORMATION LINE.

"There are authorized to be appropriated $20,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this chapter.

"CHAPTER 6—NATIONAL STUDENT SAVINGS DEMONSTRATION PROGRAM

"SEC. 410A. NATIONAL STUDENT SAVINGS DEMONSTRATION PROGRAM.

"(a) STATEMENT OF PURPOSE.—It is the purpose of this section to—

"(1) create a demonstration program to test the feasibility of establishing a national student savings program to encourage families to save for their children's college education and thereby reduce the loan indebtedness of college students; and

"(2) help determine the most effective means of achieving the activities described in paragraph (1).

"(b) DEMONSTRATION PROGRAM AUTHORIZED.—

"(1) IN GENERAL.—The Secretary is authorized to award a demonstration grant to not more than 5 States to enable each such State to conduct a student savings program in accordance with this section.

"(2) AMOUNT OF GRANT.—The amount of each grant awarded pursuant to paragraph (1) shall be computed on the basis of—

"(A) a Federal match in an amount equal to the initial State deposit into each account established pursuant to subsection (c)(2)(B), except that such Federal match shall not exceed $50 per child; multiplied by

"(B) the number of children participating in the program assisted under this part.

"(3) PRIORITY.—In awarding grants under this section the Secretary shall give priority to States proposing programs that establish accounts for a child prior to the age of compulsory school attendance in the State in which such child resides.

"(4) SPECIAL CONSIDERATION.—In awarding grants under this section the Secretary shall give special consideration to States—

"(A) that permit employers to use pretax income in making contributions to a child's account; and

"(B) that provide assurances that interest earned in accounts shall be exempt from State taxes.

"(c) APPLICATION.—

"(1) IN GENERAL.—Each State desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(2) CONTENTS.—Each application submitted pursuant to paragraph (1) shall—

"(A) describe the student savings program to be established and the number of children to be served;

"(B) contain assurances that an account shall be established for each child participating in the program assisted under this section and set forth the initial amount to be deposited into each such account by the State;

"(C) contain assurances that deposits into such account shall be invested in a responsible manner that provides a reasonable rate of return;

"(D) contain assurances that funds in the account shall only be used to pay the cost of attendance (as such term is defined in section 472) at any eligible institution (as such term is defined in section 481);

"(E) describe the amount of the Federal contribution requested for starting each child's account, which shall not exceed $50 per child participating in the program;

"(F) describe the age at which children in the State may establish such accounts;

"(G) indicate whether the program will be open to all children, regardless of family income, or only to disadvantaged children;

"(H) describe how additional deposits into each account from the State or other resources will be earned by a child for performance of community service, academic performance, or other activities or achievements;

"(I) contain assurances that contributions in an account shall be refundable to the contributor without interest if the child is unable to attend college;

"(J) contain assurances that the State shall encourage individuals and organizations to make contributions to a child's account;

"(K) contain assurances that the State shall provide incentives to employers to make contributions to a child's account and participate in the program assisted under this section; and

"(L) contain assurances that if a child leaves the State in which such child has an account, then such child shall retain the right to make contributions to the account, except that the State shall not be required to make any additional deposits other than interest.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this section.

"CHAPTER 7—PREELIGIBILITY FORM

"SEC. 410B. INFORMATION ON ELIGIBILITY FOR ASSISTANCE.

To help ensure access to postsecondary education by providing early notice to students of their potential eligibility for financial aid, the Secretary, as part of the contracts developed pursuant to section 483, may—

"(1) develop and process a common preeligibility Federal financial aid form,

"(2) distribute and process such form on a year-round basis free of charge to students and parents, and

"(3) issue, on the basis of information reported by the student on such form, a preeligibility expected family contribution figure and estimate of the amount of Federal (and, if feasible, non-Federal) funds for which the student might qualify in later completing and submitting the application form called for under section 483.

The Secretary shall widely disseminate the preeligibility form through post offices and other appropriate Federal installations, schools, institutions of higher education, libraries, and community-based agencies, including projects assisted under subparts 2 and 5 of this part.

"CHAPTER 8—TECHNICAL ASSISTANCE FOR TEACHERS AND COUNSELORS

"SEC. 410C. TECHNICAL ASSISTANCE GRANTS.

"(a) PROGRAM AUTHORITY.—From the amounts appropriated under subsection (f), the Secretary shall award grants to local educational agencies to use for the purpose of obtaining specialized training for guidance counselors, teachers, and principals to counsel students about college opportunities, precollege requirements, the college admissions procedure, and financial aid opportunities.

"(b) SELECTION OF GRANT RECIPIENTS.—

"(1) PRIORITY.—In making grants under this section, the Secretary shall give priority to those local educational agencies serving school districts (A) from which the proportion of students who continue on to higher education is significantly below the national average, and (B) in which the proportion of students who are educationally disadvantaged is significantly above the national average.

"(2) SELECTION PROCEDURES.—The Secretary shall develop a formal procedure for the submission of proposals and publish in the Federal Register an announcement with respect to that procedure and the availability of funds.

"(c) LOCAL PLAN.—To receive a grant under this section, a local educational agency shall submit to the Secretary a plan that—

"(1) specifies the methods to be used for outreach, implementation, and follow-up with those students most in need and at-risk for dropping out or failing to pursue postsecondary education;

"(2) demonstrates the methods by which the agency will target funds to those schools within the district that have the lowest rate of students who continue on to higher education;

"(3) utilizes early intervention programs for counseling minority, economically disadvantaged, disabled, and at-risk students about postsecondary education;

"(4) includes a strategy for keeping the guidance counselors, teachers (including elementary, secondary, vocational, and special education teachers), and principals who have been trained up-to-date on financial aid information;

"(5) contains a statement of specific goals and methods for obtaining statistics on the number of participants who continue on to postsecondary education; and

"(6) contains a description of the costs of the training and other activities to be undertaken.

"(d) DURATION OF GRANTS.—Grants under this section shall be available for 2 years.

"(e) EVALUATION.—

"(1) CONDUCT OF EVALUATIONS.—The Secretary shall reserve not more than 2 percent of any amount appropriated under subsection (f) for the purpose of carrying out an independent evaluation of the effectiveness of the training programs assisted under this section in—

"(A) increasing the number of personnel in a school who regularly counsel students regarding college opportunities, precollege requirements, the college admission procedure, and financial aid opportunities; and

"(B) increasing the number of students who continue on to postsecondary education from a school which has had personnel trained using monies from this section.

"(2) REPORT.—The Secretary shall submit to the appropriate committees of the Congress a report which contains the findings of the evaluation required by paragraph (1).

"(f) TECHNICAL ASSISTANCE GRANTS.—There are authorized to be appropriated $40,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this section.".

(b) REFERENCE.—Reference in any provision of law (other than the Act) to subpart 2, 3, or 4 of part A of title IV of the Act shall, after the date of enactment of this Act, be deemed to refer to subpart 3, 4, or 2 of such part, respectively.

SEC. 403. FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS.

(a) TITLE OF PROGRAM.—The heading of subpart 3 of part A of title IV of the Act (as redesignated in section 402(a)) is amended to read as follows:

"SUBPART 3—FEDERAL SUPPLEMENTAL
EDUCATIONAL OPPORTUNITY GRANTS".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 413A(b) of the Act (20 U.S.C. 1076b(b)) is amended to read as follows:

"(b) AUTHORIZATION OF APPROPRIATIONS.—(1) For the purpose of enabling the Secretary to make payments to institutions of higher education which have made agreements with the Secretary in accordance with section 413C(a), for use by such institutions for payments to undergraduate students of supplemental grants awarded to them under this subpart, there are authorized to be appropriated $675,000,000 for fiscal year 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

"(2) Sums appropriated pursuant to this subsection for any fiscal year shall be available for payments to institutions until the end of the second fiscal year succeeding the fiscal year for which such sums were appropriated.".

(c) ELIGIBILITY FOR STUDY ABROAD.—Section 413B(a) of the Act (20 U.S.C. 1070b–1(a)) is amended—

(1) in paragraph (1)—

(A) by striking "From" and inserting "Except as provided in paragraph (3), from"; and

(B) in subparagraph (A), by inserting "or in a program of study abroad that is approved for credit by the institution at which the student is enrolled" after "course of study at the institution"; and

(2) by inserting after paragraph (2) the following new paragraph:

"(3) For students participating in study abroad programs, the institution shall consider all reasonable costs associated with such study abroad when determining student eligibility. The amount of grant to be awarded in such cases may exceed the maximum amount of $4,000 by as much as $400 if reasonable study abroad costs exceed the cost of attendance at the home institution.".

(d) FEDERAL SHARE.—Section 413C(a)(2) of the Act is amended to read as follows:

"(2) agrees that the Federal share of awards under this subpart will not exceed 75 percent of such awards, except that the Federal share may be exceeded if the Secretary determines, pursuant to regulations establishing objective criteria for such determinations, that a larger Federal share is required to further the purpose of this subpart; and".

(e) USE OF FUNDS TO NONTRADITIONAL STUDENTS.—Section 413C(d) of the Act (20 U.S.C. 1070b–2(d)) is amended—

(1) by inserting "who are independent students or" after "demonstrated by students"; and

(2) by inserting before the period at the end thereof the following: ", except that if the total financial need of all such students attending the institution exceeds 5 percent of the need of all students attending such institution, then at least 5 percent of such allotment shall be made available to such students".

(f) TRANSFER OF FUNDS.—Section 413C(e) of the Act is amended by striking ", and may transfer such funds in accordance with the provisions of section 488".

(g) ALLOCATION OF FUNDS.—Section 413D(a) of the Act (20 U.S.C. 1070b–3(a)) is amended by adding at the end the following new paragraph:

"(4)(A) Notwithstanding any other provision of this section, the Secretary may allocate an amount equal to not more than 10 percent of the amount by which the amount appropriated in any fiscal year to carry out this part exceeds $700,000,000 among eligible institutions described in subparagraph (B).

"(B) In order to receive an allocation pursuant to subparagraph (A) an institution shall be an eligible institution from which 50 percent or more of the Pell Grant recipients attending such eligible institution graduate from or transfer to a 4-year institution of higher education.".

(h) CONSEQUENCES OF FAILURE TO AWARD.—Section 413D(e) of the Act (20 U.S.C. 1070b–3(e)) is amended—

(1) by inserting "(1)" after the subsection heading; and

(2) by adding at the end the following new paragraph:

"(2) If under paragraph (1) of this subsection an institution returns more than 10 percent of its allocation, the institution's allocation for the next fiscal year shall be reduced by the amount returned. The Secretary may waive this paragraph for a specific institution if the Secretary finds that enforcing this paragraph would be contrary to the interest of the program.".

SEC. 404. STATE STUDENT INCENTIVE GRANTS.

(a) PURPOSES OF SUBPART.—Section 415A of the Act (20 U.S.C. 1070c) is amended to read as follows:

"(a) PURPOSE OF SUBPART.—It is the purpose of this subpart to make incentive grants available to States to assist States in providing grants to—

"(1) eligible students attending institutions of higher education or participating in programs of study abroad that are approved for credit by institutions of higher education at which such students are enrolled; and

"(2) eligible students for campus-based community service work-study.

"(b) AUTHORIZATION OF APPROPRIATIONS; AVAILABILITY.—

"(1) IN GENERAL.—There are authorized to be appropriated $105,000,000 for fiscal year 1993, and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(2) AVAILABILITY.—Sums appropriated pursuant to the authority of paragraph (1) for any fiscal year shall remain available for payments to States under this subpart until the end of the fiscal year succeeding the fiscal year for which such sums were appropriated.".

(c) MAXIMUM GRANT.—Section 415C(b)(2) of the Act (20 U.S.C. 1070c–2(b)(2)) is amended by striking "$2,500" and inserting "$5,000".

(d) FEES FOR DETERMINATIONS OF NEED PROHIBITED.—Section 415C(b)(4) of the Act is amended by inserting before the semicolon the following: ", except that for the purpose of collecting data to make such determination of financial need, no student or parent shall be charged a fee that is payable to an entity other than such State".

(e) ALLOCATION RULE.—Section 415C(b)(7) of the Act is amended to read as follows:

"(7) provides that if the State's allocation under this subpart is based in part on the financial need demonstrated by students who are independent students or attending the institution less than full time, a reasonable proportion of the State's allocation shall be made available to such students.

SEC. 405. HEP/CAMP.

(a) ELIGIBLE PERSONS.—

(1) SERVICES PROVIDED BY HIGH SCHOOL EQUIVALENCY PROGRAM.—Section 418A(b) of the Act (20 U.S.C 1070d–2(b)) is amended—

(A) by striking paragraph (1) and inserting the following:

"(1) recruitment services to reach persons—

"(A)(i) who are 16 years of age and over; or

"(ii) who are beyond the age of compulsory school attendance in the State in which such persons reside and are not enrolled in school;

"(B)(i) who themselves, or whose parents, have spent a minimum of 75 days during the past 24 months in migrant and seasonal farmwork; or

"(ii) who are eligible to participate, or have participated within the preceding 2 years, in programs under subpart 1 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 or section 402 of the Job Training Partnership Act; and

"(C) who lack a high school diploma or its equivalent;"; and

(B) in paragraph (4)—

(i) by inserting a comma after "concerning"; and

(ii) by inserting a comma after "obtaining".

(2) SERVICES PROVIDED BY COLLEGE ASSISTANCE MIGRANT PROGRAM.—Section 418A(c)(1) of the Act is amended to read as follows:

"(1) outreach and recruitment services to reach persons who themselves or whose parents have spent a minimum of 75 days during the past 24 months in migrant and seasonal farmwork or who have participated or are eligible to participate, in programs under subpart 1 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 or section 402 of the Job Training Partnership Act, and who meet the minimum qualifications for attendance at a college or university;".

(b) FOLLOW-UP SERVICES.—Section 418A(c) of the Act is further amended—

(1) in paragraph (2), by redesignating subparagraphs (A) through (E) as clauses (i) through (v), respectively;

(2) in paragraph (3), by redesignating subparagraphs (A) through (H) as clauses (i) through (viii), respectively;

(3) by redesignating paragraphs (1) through (6) (as amended) as subparagraphs (A) through (F), respectively;

(4) by inserting the paragraph designation "(1)" after the subsection heading; and

(5) by adding at the end thereof the following new paragraph:

"(2) A recipient of a grant to operate a college assistance migrant program under this subpart shall provide followup services for migrant students after such students have completed their first year of college, and shall not use more than 10 percent of such grant for such followup services. Such followup services may include—

"(A) monitoring and reporting the academic progress of students who participated in the project during such student's first year of college and during such student's subsequent years in college; and

"(B) referring such students to on- or off-campus providers of counseling services, academic assistance, or financial aid.".

(c) GRANT CYCLES.—Section 418A(e) of the Act is amended—

(1) in the subsection heading, by striking "THREE-YEAR" and inserting "FIVE-YEAR"; and

(2) by striking "3-year period" and inserting "5-year period".

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 418A(g) of the Act is amended to read as follows:

"(g) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated for the high school equivalency program $15,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(2) There are authorized to be appropriated for the college assistance migrant program $5,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

SEC. 406. BYRD HONORS SCHOLARSHIP PROGRAM.

(a) DEFINITIONS.—Section 419B of the Act (20 U.S.C. 1070d–32) is repealed.

(b) PERIOD OF AWARD.—Section 419C(b) of the Act (20 U.S.C. 1070d–33(b)) is amended to read as follows:

"(b) PERIOD OF AWARD.—Scholarships under this section shall be awarded for a period of not more than 4 years for the first 4 years of study at any institution of higher education eligible to participate in any programs assisted under this title.".

(c) ALLOCATION AMONG STATES.—Section 419D of the Act (20 U.S.C. 1070d–34) is amended to read as follows:

"ALLOCATION AMONG STATES

"SEC. 419D. (a) ALLOCATION FORMULA.—From the sums appropriated pursuant to the authority of section 419K for any fiscal year, the Secretary shall allocate to each State that has an agreement under section 419E an amount equal to $1,500 multiplied by the number of scholarships determined by the Secretary to be available to such State in accordance with subsection (b).

"(b) NUMBER OF SCHOLARSHIPS AVAILABLE.—The number of scholarships to be made available in a State for any fiscal year shall bear the same ratio to the number of scholarships made available to all States as the State's population ages 5 through 17 bears to the population ages 5 through 17 in all the States, except that not less than 10 scholarships shall be made available to any State.

"(c) USE OF CENSUS DATA.—For the purpose of this section, the population ages 5 through 17 in a State and in all the States shall be determined by the most recently available data, satisfactory to the Secretary, from the Bureau of the Census.".

(d) SELECTION OF SCHOLARS.—Section 419G of the Act (20 U.S.C. 1070d–37) is amended—

(1) by amending subsection (b) to read as follows:

"(b) ADOPTION OF PROCEDURES.—The State educational agency shall adopt selection procedures designed to ensure an equitable geographic distribution of awards within the State (and in the case of the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, or Palau (until such time as the Compact of Free Association is ratified), not to exceed 10 individuals will be selected from such entities)."; and

(2) by adding at the end the following new subsection:

"(d) TIMING OF SELECTION.—The selection process shall be completed, and the awards made, prior to the end of each secondary school academic year.".

(e) STIPENDS AND SCHOLARSHIP CONDITIONS.—Section 419H(a) of the Act (20 U.S.C. 1070d–38(a)) is amended by inserting before the period the following: ", except that in no case shall the total amount of financial aid awarded to such student exceed such student's total cost-of-attendance".

(f) CONSTRUCTION OF NEEDS PROVISIONS.—Section 419J of the Act (20 U.S.C. 1070d–40) is amended by striking "Nothing" and inserting "Except as provided in section 471, nothing".

(g) AWARDS CEREMONY.—

(1) REPEAL.—Section 419I of the Act (20 U.S.C. 1070d–39) is repealed.

(2) CONFORMING AMENDMENTS.—Section 419E of the Act (20 U.S.C. 1070d–35) is amended—

(A) in paragraph (3) by inserting "and" after the semicolon;

(B) in paragraph (4) by striking "at an awards ceremony in accordance with section 419I; and" and inserting a period; and

(3) by striking paragraph (5).

(h) AUTHORIZATION OF APPROPRIATIONS.—Section 419K of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 419K. There are authorized to be appropriated for this subpart $10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

SEC. 407. PAYMENTS TO INSTITUTIONS OF HIGHER EDUCATION.

Section 420 of the Act (20 U.S.C. 1070e) is repealed.

SEC. 408. VETERANS OUTREACH.

Section 420A of the Act (20 U.S.C. 1070f(a)) is repealed.

SEC. 409. CHILD CARE.

Section 420B(c) of the Act is amended by striking "fiscal year 1987" and inserting "fiscal year 1993" and by striking "$10,000,000" and inserting "$20,000,000".

SEC. 410. EFFECTIVE DATES FOR AMENDMENTS TO PART A.

(a) IN GENERAL.—The changes made in part A of title IV of the Act by the amendments made by this part shall take effect on the date of enactment of this Act, except—

(1) as otherwise provided in such part A;

(2) that the changes made in section 411, relating to Pell Grants, shall apply to the awarding of Pell Grants for periods of enrollment beginning on or after July 1, 1993; and

(3) that the changes in section 413C(a)(2), relating to the Federal share for the supplemental educational opportunity grant program, shall apply to funds provided for such program for the award years beginning on or after July 1, 1993.

PART B—FEDERAL FAMILY EDUCATION LOANS

SEC. 411. PROGRAM DESIGNATION AND DURATION.

(a) NAME OF PROGRAMS.—Part B of title IV of the Act (20 U.S.C. 1071 et seq.) is amended—

(1) by striking the heading of such part and inserting the following:

"PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM"; AND

(2) by striking section 421(c) (20. U.S.C. 1070f(c)) and inserting the following:

"(c) DESIGNATION.—The program established under this part shall be referred to as the 'Robert T. Stafford Federal Student Loan Program'. Loans made pursuant to sections 427 and 428 shall be known as 'Federal Stafford Loans'.".

(b) PROGRAM DURATION.—

(1) FEDERAL INSURANCE DURATION.—Section 424(a) of the Act (20 U.S.C. 1074(a)) is amended—

(A) by striking "October 1, 1992" and inserting "October 1, 1998"; and

(B) by striking "September 30, 1997" and inserting "September 30, 2002".

(2) INTEREST SUBSIDY DURATION.—Section 428(a)(5) (20 U.S.C. 1078(a)(5)) of the Act is amended—

(A) by striking "September 30, 1992" and inserting "September 30, 1998"; and

(B) by striking "September 30, 1997" and inserting "September 30, 2002".

(c) GUARANTEE AUTHORITY CONTINGENT ON TIMELY RULEMAKING.—Section 421 of the Act is amended by inserting after subsection (c) the following new subsection:

"(d) LIMITATION ON AUTHORIZATION TO GUARANTEE NEW LOANS UNDER THIS PART.—Notwithstanding any other provision of this part, no new loan guarantees shall be issued after June 30, 1994, if the Secretary does not issue final regulations implementing the changes made to this part under the Higher Education Amendments of 1992 prior to that date. The authority to issue new loan guarantees shall resume upon the Secretary's issuance of such regulations. This subsection shall not provide the basis for avoiding any requirements for notice and public hearing on such regulations.".

SEC. 412. ADVANCES FOR RESERVE FUNDS OF STATE AND NONPROFIT PRIVATE LOAN INSURANCE PROGRAMS.

Section 422 of the Act (20 U.S.C. 1072) is amended—

(1) in subsection (a)(2), by adding at the end the following new sentence:

"Except as provided in section 428(c)(10)(E) or (F), such unencumbered non-Federal portion shall not be subject to recall, repayment, or recovery by the Secretary."; and

(2) by adding at the end thereof the following new subsections:

"(e) CORRECTION FOR ERRORS UNDER REDUCTION OF EXCESS CASH RESERVES.—

"(1) IN GENERAL.—The Secretary shall pay any guaranty agency the amount of reimbursement of claims under section 428(c)(1), filed between September 1, 1988, and December 31, 1989, which were previously withheld or canceled in order to be applied to satisfy such agency's obligation to eliminate excess cash reserves held by such agency, based on the maximum cash reserve (as described in subsection (e) of this section as in effect on September 1, 1988) permitted at the end of 1986, if such maximum cash reserve was miscalculated because of erroneous financial information provided by such agency to the Secretary and if (A) such erroneous information is verified by an audited financial statement of the reserve fund, signed by a certified public accountant, and (B) such audited financial statement is provided to the Secretary prior to January 1, 1993.

"(2) AMOUNT.—The amount of reimbursement for claims shall be equal to the amount of reimbursement for claims withheld or canceled in order to be applied to such agency's obligation to eliminate excess cash reserves which exceeds the amount of that which would have been withheld or canceled if the maximum excess cash reserves had been accurately calculated.

"(f) REFUND OF CASH RESERVE PAYMENTS.—The Secretary shall, within 30 days after the date of enactment of the Higher Education Amendments of 1992, pay the full amount of payments withheld or canceled under paragraph (3) of this subsection to any guaranty agency which—

"(1) was required to eliminate excess cash reserves, based on the maximum cash reserve (as described in subsection (e) of this section as in effect on September 1, 1988) permitted at the end of 1986;

"(2) appealed the Secretary's demand that such agency should eliminate such excess cash reserves and received a waiver of a portion of the amount of such excess cash reserves to be eliminated;

"(3) had payments under section 428(c)(1) or section 428(f) previously withheld or canceled in order to be applied to satisfy such agency's obligation to eliminate excess cash reserves held by such agency, based on the maximum cash reserve (as described in subsection (e) of this section as in effect on September 1, 1988) permitted at the end of 1986; and

"(4) according to a Department of Education review that was completed and forwarded to such guaranty agency prior to January 1, 1992, is expected to become insolvent during or before 1996 and the payments withheld or canceled under paragraph (3) of this subsection are a factor in such agency's impending insolvency.".

SEC. 413. LIMITATIONS ON FEDERAL LOAN INSURANCE.

Section 425 of the Act (20 U.S.C. 1075) is amended—

(1) in subsection (a)(1)(A) by striking clauses (i), (ii), and (iii) and inserting the following:

"(i) in the case of a student at an eligible institution who has not successfully completed the first year of a program of undergraduate education—

"(I) $2,625, if such student is enrolled in a program whose length is at least one academic year in length (as determined under section 481);

"(II) $1,750, if such student is enrolled in a program whose length is less than one academic year, but at least ⅔ of such an academic year; and

"(III) $875, if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of such an academic year;

"(ii) in the case of a student who has successfully completed such first year but has not successfully completed the remainder of a program of undergraduate study—

"(I) $3,500, if such student is enrolled in a program whose length is at least one academic year in length (as determined under section 481);

"(II) $2,325, if such student is enrolled in a program whose length is less than one academic year, but at least ⅔ of such an academic year; and

"(III) $1,175, if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of such an academic year;

"(iii) in the case of a student at an eligible institution who has successfully completed such first and second year but has not successfully completed the remainder of a program of undergraduate study—

"(I) $5,500, if such student is enrolled in a program whose length is at least one academic year in length (as determined under section 481);

"(II) $3,675, if such student is enrolled in a program whose length is less than one academic year, but at least ⅔ of such an academic year; and

"(III) $1,825, if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of such an academic year; and

"(iv) in the case of a graduate or professional student (as defined in regulations of the Secretary) at an eligible institution, $8,500;".

(2) in subsection (a)(2)(A), by striking clauses (i) and (ii) and inserting the following:

"(i) $23,000, in the case of any student who has not successfully completed a program of undergraduate education, excluding loans made under section 428A or 428B; and

"(ii) $65,500, in the case of any graduate or professional student (as defined by regulations of the Secretary) and (I) including any loans which are insured by the Secretary under this section, or by a guaranty agency, made to such student before the student became a graduate or professional student), but (II) excluding loans made under section 428A or 428B,

except that the Secretary may increase the limit applicable to students who are pursuing programs which the Secretary determines are exceptionally expensive.".

SEC. 414. ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF FEDERALLY INSURED STUDENT LOANS.

(a) SECURITY AND ENDORSEMENT.—Section 427(a)(2)(A) of the Act (20 U.S.C. 1077(a)(2)(A)) is amended to read as follows:

"(A) is made without security and without endorsement;".

(b) INSURED LOAN DEFERMENTS.—Section 427(a)(2)(C) of the Act is amended to read as follows:

"(C) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period—

"(i) during which the borrower—

"(I) is pursuing at least a half-time course of study as determined by an eligible institution; or

"(II) is pursuing a course of study pursuant to a graduate fellowship program approved by the Secretary, or pursuant to a rehabilitation training program for individuals with disabilities approved by the Secretary,

except that no borrower shall be eligible for a deferment under this clause, or a loan made under this part (other than a loan made under 428B or 428C), while serving in a medical internship or residency program;

"(ii) not in excess of 3 years during which the borrower is seeking and unable to find full-time employment; or

"(iii) not in excess of 3 years for any reason which the lender determines, in accordance with regulations prescribed by the Secretary under section 435(o), has caused or will cause the borrower to have an economic hardship;

and provides that any such period shall not be included in determining the 10-year period described in subparagraph (B);".

(c) GRADUATED REPAYMENT.—Section 427 of the Act is amended—

(1) in subsection (a)(2)—

(A) by striking "and" at the end of subparagraph (G);

(B) by redesignating subparagraph (H) as subparagraph (I); and

(C) by inserting after subparagraph (G) the following:

"(H) provides that, no more than 6 months prior to the date on which the borrower's first payment on a loan is due, the lender shall offer the borrower the option of repaying the loan in accordance with a graduated or income-sensitive repayment schedule established by the lender and in accordance with the regulations of the Secretary; and"; and

(2) in subsection (c), by striking "MINIMUM REPAYMENT RATE.—The total of the payments" and inserting "SPECIAL REPAYMENT RULES.—Except as provided in subsection (a)(2)(H), the total of the payments".

(d) STUDY ABROAD.—Section 427(a)(3) of the Act is amended to read as follows:

"(3) the funds borrowed by a student are disbursed to the institution by check or other means that is payable to and requires the endorsement or other certification by such student, except—

"(A) that nothing in this title shall be interpreted—

"(i) to allow the Secretary to require checks to be made copayable to the institution and the borrower; or

"(ii) to prohibit the disbursement of loan proceeds by means other than by check; and

"(B) in the case of any student who is studying outside the United States in a program of study abroad that is approved for credit by the home institution at which such student is enrolled, the funds shall, at the request of the borrower, be delivered directly to the student and the checks may be endorsed, and fund transfers authorized, pursuant to an authorized power-of-attorney; and".

(e) MINIMUM PAYMENT FOR MARRIED COUPLES; MINIMUM PAYMENT OF INTEREST.—Section 427(c) of the Act is further amended by striking ", except that in the case of a husband and wife" and all that follows through "whichever is less" and inserting "(but in no instance less than the amount of interest due and payable)".

SEC. 415. APPLICABLE INTEREST RATES.

(a) PLUS AND SLS LOAN INTEREST RATE.—Section 427A(c)(4) of the Act (20 U.S.C. 1077a(c)(4)) is amended by adding at the end the following new subparagraph:

"(D) Notwithstanding subparagraph (A)—

"(i) for any loan made pursuant to section 428A for which the first disbursement is made on or after October 1, 1992—

"(I) subparagraph (B) shall be applied by substituting '3.1' for '3.25'; and

"(II) the interest rate shall not exceed 11 percent; and

"(ii) for any loan made pursuant to section 428B for which the first disbursement is made on or after October 1, 1992—

"(I) subparagraph (B) shall be applied by substituting '3.1' for '3.25'; and

"(II) the interest rate shall not exceed 10 percent.".

(b) EXCESS INTEREST PAYMENTS.—Section 427A(e) of the Act is amended—

(1) in paragraph (1)—

(A) by striking "IN GENERAL" and inserting "EXCESS INTEREST ON 10 PERCENT LOANS";

(B) by striking "paragraph (3)" and inserting "paragraph (5)";

(2) in paragraph (2), by inserting "FOR 10 PERCENT LOANS" after "(2) AMOUNT OF ADJUSTMENT";

(3) by striking paragraph (5);

(4) by redesignating paragraphs (3) and (4) as paragraphs (5) and (6), respectively;

(5) by inserting the following new paragraphs after paragraph (2):

"(3) EXCESS INTEREST ON LOANS AFTER 1992 AMENDMENTS, TO BORROWERS WITH OUTSTANDING BALANCES.—If, with respect to a loan made on or after the date of enactment of the Higher Education Amendments of 1992 to a borrower, who on the date of entering into the note or other written evidence of the loan, has an outstanding balance of principal or interest on any other loan made, insured, or guaranteed under this part, the sum of the average of the bond equivalent rates of 91-day Treasury bills auctioned for that quarter and 3.1 percent is less than the applicable interest rate, then an adjustment shall be made—

"(A) by calculating excess interest in the amount computed under paragraph (4) of this subsection; and

"(B)(i) during any period in which a student is eligible to have interest payments paid on his or her behalf by the Government pursuant to section 428(a), by crediting the excess interest to the Government; or

"(ii) during any other period, by crediting such excess interest to the reduction of principal to the extent provided in paragraph (5) of this subsection.

"(4) AMOUNT OF ADJUSTMENT.—The amount of any adjustment of interest on a loan to be made under this subsection for any quarter shall be equal to—

"(A) the applicable interest rate minus the sum of (i) the average of the bond equivalent rates of 91-day Treasury bills auctioned for such calendar quarter, and (ii) 3.1 percent; multiplied by

"(B) the outstanding principal balance of the loan (not including unearned interest added to principal) at the end of such calendar quarter; divided by

"(C) four."; and

(6) in paragraph (5), as redesignated—

(A) by striking "or by reducing the number of payments" and inserting "by reducing the number of payments"; and

(B) by striking the period at the end and inserting ", or by reducing the amount of the final payment of the loan. Nothing in this paragraph shall be construed to require the lender to make additional disclosures pursuant to section 433(b).".

(c) INTEREST RATE FOR NEW BORROWERS.—Section 427A of the Act is further amended—

(1) by redesignating subsections (e), (f) and (g) as subsections (f), (g) and (h), respectively; and

(2) by inserting after subsection (d) the following new subsection:

"(e) INTEREST RATES FOR NEW BORROWERS AFTER OCTOBER 1, 1992.—

"(1) IN GENERAL.—Notwithstanding subsections (a), (b), and (d) of this section, with respect to any loan (other than a loan made pursuant to sections 428A, 428B and 428C) for which the first disbursement is made on or after October 1, 1992, to any borrower who, on the date of entering into the note or other written evidence of the loan, has no outstanding balance of principal or interest on any loan made, insured, or guaranteed under this part, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(A) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(B) 3.10 percent,

except that such rate shall not exceed 9 percent.

"(2) CONSULTATION.—The Secretary shall determine the applicable rate of interest under paragraph (1) after consultation with the Secretary of the Treasury and shall publish such rate in the Federal Register as soon as practicable after the date of determination.".

SEC. 416. AMENDMENTS TO SECTION 428.

(a) FEDERAL INTEREST SUBSIDIES.—

(1) REQUIREMENTS TO RECEIVE SUBSIDY.—Section 428(a)(2)(C) of the Act (20 U.S.C. 1078(a)(2)(C)) is amended—

(A) by amending clause (i) to read as follows:

"(i) a student's estimated financial assistance means, for the period for which the loan is sought, the amount of assistance such student will receive under subpart 1 of part A (as determined in accordance with section 484(b)), subpart 3 of part A, and parts C and E of this title, and any veterans' education benefits paid because of enrollment in a postsecondary education institution, including veterans' education benefits (as defined in section 480(c)), plus other scholarship, grant, or loan assistance."; and

(B) by amending clause (ii) to read as follows:

"(ii) the determination of need and of the amount of a loan by an eligible institution under subparagraph (B) with respect to a student shall be calculated in accordance with part F.".

(2) LIMITATION ON INTEREST PRIOR TO FIRST DISBURSEMENT.—Section 428(a)(3)(A) of the Act is amended by adding at the end the following new clause:

"(v) A lender may not receive interest on a loan for any period that precedes the date that is—

"(I) in the case of a loan disbursed by check, 10 days before the first disbursement of the loan; or

"(II) in the case of a loan disbursed by electronic funds transfer, 3 days before the first disbursement of the loan.".

(3) LOANS THAT HAVE NOT BEEN CONSUMMATED.—Section 428(a) of the Act is amended by inserting after paragraph (6) the following new paragraph:

"(7) LOANS THAT HAVE NOT BEEN CONSUMMATED.—Lenders may not charge interest or receive interest subsidies or special allowance payments for loans for which the disbursement checks have not been cashed or for which electronic funds transfers have not been completed.".

(b) LOAN AMOUNTS.—

(1) ANNUAL LIMITS.—Section 428(b)(1)(A) of the Act is amended—

(A) by inserting "or in a program of study abroad approved for credit by the eligible home institution at which such student is enrolled" after "at an eligible institution"; and

(B) by striking clauses (i) through (iii) and inserting the following:

"(i) in the case of a student at an eligible institution who has not successfully completed the first year of a program of undergraduate education—

"(I) $2,625, if such student is enrolled in a program whose length is at least one academic year in length (as determined under section 481);

"(II) $1,750, if such student is enrolled in a program whose length is less than one academic year, but at least ⅔ of such an academic year; and

"(III) $875, if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of such an academic year;

"(ii) in the case of a student who has successfully completed such first year but has not successfully completed the remainder of a program of undergraduate study—

"(I) $3,500, if such student is enrolled in a program whose length is at least one academic year in length (as determined under section 481);

"(II) $2,325, if such student is enrolled in a program whose length is less than one academic year, but at least ⅔ of such academic year; and

"(III) $1,175, if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of such academic year;

"(iii) in the case of a student at an eligible institution who has successfully completed such first and second year but has not successfully completed the remainder of a program of undergraduate study—

"(I) $5,500, if such student is enrolled in a program whose length is at least one academic year in length (as determined under section 481);

"(II) $3,675, if such student is enrolled in a program whose length is less than one academic year, but at least ⅔ of such an academic year; and

"(III) $1,825, if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of such an academic year; and

"(iv) in the case of a graduate or professional student (as defined in regulations of the Secretary) at an eligible institution, $8,500;".

(2) AGGREGATE LIMITS.—Section 428(b)(1)(B) of the Act is amended by striking clauses (i) and (ii) and inserting the following:

"(i) $23,000, in the case of any student who has not successfully completed a program of undergraduate education, excluding loans made under section 428A or 428B; and

"(ii) $65,500, in the case of any graduate or professional student (as defined by regulations of the Secretary), and (I) including any loans which are insured by the Secretary under this section, or by a guaranty agency, made to such student before the student became a graduate or

professional student, but (II) excluding loans made under section 428A or 428B,

except that the Secretary may increase the limit applicable to students who are pursuing programs which the Secretary determines are exceptionally expensive.".

(c) REPAYMENT PERIOD CALCULATIONS; INCOME SENSITIVE REPAYMENT.—

(1) AMENDMENT.—Subparagraphs (D) and (E) of section 428(b)(1) of the Act are amended to read as follows:

"(D) provides that (i) the student borrower shall be entitled to accelerate without penalty the whole or any part of an insured loan, (ii) the repayment period of any insured loan may not exceed 10 years, and (iii) the note, or other written evidence of any loan, may contain such reasonable provisions relating to repayment in the event of default by the borrower as may be authorized by regulations of the Secretary in effect at the time such note or written evidence was executed, and shall contain a notice that repayment may, following a default by the borrower, be subject to repayment in accordance with the regulations required by subsection (m) if the Secretary has published the finding required by paragraph (2) of such subsection;

"(E) subject to subparagraphs (D) and (L), and except as provided by subparagraph (M), provides that—

"(i) not more than 6 months prior to the date on which the borrower's first payment is due, the lender shall offer the borrower of a loan made, insured, or guaranteed under this section or section 428A, the option of repaying the loan in accordance with a graduated or income-sensitive repayment schedule established by the lender and in accordance with regulations of the Secretary; and

"(ii) repayment of loans shall be in installments over a period of not less than 5 years (unless the student, during the 6 months immediately preceding the start of the repayment period, specifically requests that repayment be made over a shorter period) nor more than 10 years commencing at the beginning of the repayment period determined under paragraph (7) of this subsection;".

(2) DEFINITION OF REPAYMENT PERIOD.—Section 428(b) of the Act is amended by adding at the end the following new paragraph:

"(7) REPAYMENT PERIOD.—(A) In the case of a loan made under section 427 or 428, the repayment period shall begin on the day immediately following the expiration of the 6-month period after the student ceases to carry at least one-half the normal full-time academic workload as determined by the institution, unless the borrower requests and is granted a repayment schedule that provides for repayment to commence at an earlier point in time, and shall exclude any period of authorized deferment or forbearance.

"(B) In the case of a loan made under section 428A or 428H, the repayment period shall begin on the day the loan is disbursed, or, if the loan is disbursed in multiple installments, on the day of the last such disbursement, and shall exclude any period of authorized deferment or forbearance.

"(C) In the case of a loan made under section 428B or 428C, the repayment period shall begin on the day the loan is disbursed, and shall exclude any period of authorized deferment or forbearance.".

(d) MINIMUM PAYMENT FOR MARRIED COUPLES; MINIMUM PAYMENT OF INTEREST.—Section 428(b)(1)(L)(i) of the Act is amended by striking ", except that, in the case of a husband and wife" and all that follows through "whichever is less" and inserting "(but in no instance less than the amount of interest due and payable)".

(e) DEFERMENTS.—

(1) AMENDMENT.—Section 428(b)(1)(M) of the Act is amended to read as follows:

"(M) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid by the Secretary, during any period—

"(i) during which the borrower—

"(I) is pursuing at least a half-time course of study as determined by an eligible institution; or

"(II) is pursuing a course of study pursuant to a graduate fellowship program approved by the Secretary, or pursuant to a rehabilitation training program for disabled individuals approved by the Secretary,

except that no borrower shall be eligible for a deferment under this clause, or loan made under this part (other than a loan made under 428B or 428C), while serving in a medical internship or residency program;

"(ii) not in excess of 3 years during which the borrower is seeking and unable to find full-time employment; or

"(iii) not in excess of 3 years for any reason which the lender determines, in accordance with regulations prescribed by the Secretary under section 435(o), has caused or will cause the borrower to have an economic hardship;".

(2) DEFINITION OF ECONOMIC HARDSHIP.—Section 435 of the Act is amended by adding at the end the following new subsection:

"(o) ECONOMIC HARDSHIP.—

"(1) IN GENERAL.—For purposes of this part and part E, a borrower shall be considered to have an economic hardship if—

"(A) such borrower is working full-time and is earning an amount which does not exceed the greater of—

"(i) the minimum wage rate described in section 6 of the Fair Labor Standards Act of 1938; or

"(ii) an amount equal to 100 percent of the poverty line for a family of 2 as determined in accordance with section 673(2) of the Community Service Block Grant Act; or

"(B) such borrower meets such other criteria as are established by the Secretary by regulation in accordance with paragraph (2).

"(2) CONSIDERATIONS.—In establishing criteria for purposes of paragraph (1)(B), the Secretary shall consider the borrower's income and debt-to-income ratio as primary factors.".

(f) DISBURSEMENT.—Section 428(b)(1)(N) of the Act is amended by striking "except in the case of attendance at an institution outside the United States, the funds shall be delivered directly to the student;" and inserting "except in the case of students who are studying outside the United States in a program of study abroad that is approved for credit by the home institution at which the student is enrolled, the funds shall, at the request of the borrower, be delivered directly to the student and the checks may be endorsed, and fund transfers authorized, pursuant to an authorized power-of-attorney;".

(g) CONSEQUENCES OF LS&T ACTIONS.—Section 428(b)(1)(T) is amended to read as follows:

"(T) authorizes (i) the limitation of the total number of loans or volume of loans, made under this part to students attending a particular eligible institution during any academic year; and (ii) the limitation, suspension, or termination of the eligibility of an eligible institution if—

"(I) such institution is ineligible for the emergency action, limitation, suspension, or termination of eligible institutions under regulations issued by the Secretary or is ineligible pursuant to criteria, rules, or regulations issued under the student loan insurance program which are substantially the same as regulations with respect to emergency action, limitation, suspension, or termination of such eligibility issued by the Secretary;

"(II) there is a State constitutional prohibition affecting the eligibility of such an institution;

"(III) such institution fails to make timely refunds to students as required by regulations issued by the Secretary or has not satisfied within 30 days of issuance a final judgment obtained by a student seeking such a refund;

"(IV) such institution or an owner, director, or officer of such institution is found guilty in any criminal, civil, or administrative proceeding, or such institution or an owner, director, or officer of such institution is found liable in any civil or administrative proceeding, regarding the obtaining, maintenance, or disbursement of State or Federal grant, loan, or work assistance funds; or

"(V) such institution or an owner, director, or officer of such institution has unpaid financial liabilities involving the improper acquisition, expenditure, or refund of State or Federal financial assistance funds;

except that, if a guaranty agency limits, suspends, or terminates the participation of an eligible institution, the Secretary shall apply that limitation, suspension, or termination to all locations of such institution, unless the Secretary finds, within 30 days of notification of the action by the guaranty agency, that the guaranty agency's action did not comply with the requirements of this section;".

(h) AUDITS OF LENDERS.—Section 428(b)(1)(U) of the Act is amended—

(1) in clause (i), by striking "and" at the end thereof;

(2) by inserting before the semicolon at the end thereof the following: ", and (iii) for (I) a compliance audit of each lender at least once a year and covering the period since the most recent audit, conducted by a qualified, independent organization or person in accordance with standards established by the Comptroller General for the audit of governmental organizations, programs, and functions, and as prescribed in regulations of the Secretary, the results of which shall be submitted to the Secretary, or (II) with regard to a lender that is audited under chapter 75 of title 31, United States Code, such audit shall be deemed to satisfy the requirements of subclause (I) for the period covered by such audit, except that the Secretary may waive the requirements of this clause (iii) if the lender submits to the Secretary the results of an audit conducted for other purposes that the Secretary determines provides the same information as the audits required by this clause;".

(i) FORBEARANCE.—Section 428(b)(1)(V) of the Act is amended—

(1) by striking out "and" at the end of clause (i);

(2) in clause (ii), by inserting "or (ii)" after "clause (i)" each place such term appears;

(3) by striking the period at the end of clause (ii) and inserting a semicolon; and

(4) by redesignating clause (ii) as clause (iv); and

(5) by inserting after clause (i) the following new clauses:

"(ii) provides that, if the borrower's debt burden under this title equals or exceeds 20 percent of gross income and the borrower submits a written request, a lender shall grant the borrower forbearance of principal and interest (or principal only at the option of the borrower), and shall renew such forbearance at 12-month intervals for a period not to exceed 3 years, on such terms as are otherwise consistent with the regulations of the Secretary and set forth in writing by the parties to the loan;

"(iii) provides that the form of forbearance granted by the lender for purposes of this subparagraph shall be the temporary cessation of payments, unless the borrower selects forbearance in the form of an extension of time for making payments, or smaller payments than were previously scheduled; and".

(j) ADDITIONAL GUARANTY AGREEMENT REQUIREMENTS.—Section 428(b)(1) of the Act is amended by striking subparagraphs (W) and (X) and inserting the following:

"(W) provides authority for the guaranty agency to require a participation agreement between the guaranty agency and each eligible institution within the State in which it is designated, as a condition for guaranteeing loans made on behalf of students attending the institution;

"(X) provides assurances that the agency will implement all requirements of the Secretary for uniform claims and procedures pursuant to section 432(l); and

"(Y) provides information to the Secretary in accordance with section 428(c)(10) and maintains reserve funds determined by the Secretary to be sufficient in relation to such agency's guarantee obligations.".

(k) CONTENTS OF INSURANCE PROGRAM AGREEMENTS.—Section 428(b)(2) of the Act is amended—

(1) in subparagraph (C), by striking ", as the Secretary may reasonably require to carry out the Secretary's functions under this part," and inserting ", including financial information, as the Secretary may reasonably require to carry out the Secretary's functions under this part and protect the financial interest of the United States,";

(2) in subparagraph (D)—

(A) by striking "at least once every 2 years" in clause (i) and inserting "on at least an annual basis";

(B) by striking "and" at the end of clause (ii);

(3) in subparagraph (E)—

(A) by inserting "(i)" after the subparagraph designation;

(B) by striking the period at the end thereof and inserting a semicolon and "and"; and

(C) by adding at the end the following new clause:

"(ii) provide that the lender (or the holder of the loan) shall, not later than 120 days after the borrower has left the eligible institution, notify the borrower of the date on which the repayment period begins; and"; and

(4) inserting at the end thereof the following new subparagraph:

"(F) provide that, if the sale, other transfer, or assignment of a loan made under this part to another holder will result in a change in the identity of the party to whom the borrower must send subsequent payments or direct any communications concerning the loans, then—

"(i) the transferor and the transferee will be required, not later than 45 days from the date the transferee acquires a legally enforceable right to receive payment from the borrower on such loan, each to provide a separate notice to the borrower of—

"(I) the sale or other transfer;

"(II) the identity of the transferee;

"(III) the name and address of the party to whom subsequent payments or communications must be sent; and

"(IV) the telephone numbers of both the transferor and the transferee; and

"(ii) the transferor will be required to notify the guaranty agency, and, upon the request of an institution of higher education, the guaranty agency shall notify the last such institution the student attended prior to the beginning of the repayment period of any loan made under this part, of—

"(I) any sale or other transfer of the loan to another holder; and

"(II) the address and telephone number by which contact may be made with such other holder concerning repayment of the loan,

except that this subparagraph (F) shall only apply if the borrower is in the grace period described in section 427(a)(2)(B) or 428(b)(7) or is in repayment status.".

(l) GUARANTY AGENCY INCENTIVE PAYMENTS.—Section 428(b)(3) of the Act is amended—

(1) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(2) by inserting after subparagraph (A) the following new subparagraph:

"(B) offer, directly or indirectly, any premium, incentive payment, or other inducement to any lender, or any agent, employee, or independent contractor of any lender or guaranty agency, in order to administer or market loans made under this part (other than a loan made under section 428H or a loan made as part of a guaranty agency's lender-of-last-resort program) for the purpose of securing the designation of that guaranty agency as the insurer of such loans;".

(m) ELIMINATION OF TEACHER DEFERMENT.—Section 428(b) of the Act is amended—

(1) by striking paragraph (4); and

(2) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(n) PROCEDURES FOR DEFERMENTS.—Section 428(b)(4) of the Act (as redesignated in subsection (m)) is amended by adding at the end thereof the following new sentence: "Requests for deferment of repayment of loans under this part by students engaged in graduate or postgraduate fellowship-supported study (such as pursuant to a Fulbright grant) outside the United States shall be approved until completion of the period of the fellowship.".

(o) INFORMATION FROM STATE LICENSING BOARDS.—Section 428(b) of the Act is further amended by inserting after paragraph (5) (as redesignated in subsection (m)) the following new paragraph:

"(6) STATE GUARANTY AGENCY INFORMATION REQUEST OF STATE LICENSING BOARDS.—Each guaranty agency is authorized to enter into agreements with each appropriate State licensing board under which the State licensing board, upon request, will furnish the guaranty agency with the address of a student borrower in any case in which the location of the student borrower is unknown or unavailable to the guaranty agency.".

(p) GUARANTY AGENCY AGREEMENTS.—

(1) AUTHORITY TO ENTER INTO AGREEMENTS.—Section 428(c)(1)(A) of the Act is amended by striking the period at the end and inserting a comma and "or later than 45 days after the guaranty agency discharges its insurance obligation on the loan.".

(2) ADDITIONAL REVIEW OF EXCEPTIONAL PERFORMANCE PROHIBITED.—Section 428(c)(1) is amended by adding at the end the following new subparagraph:

"(D) Reimbursements of losses made by the Secretary on loans submitted for claim by an eligible lender, servicer, or guaranty agency designated for exceptional performance under section 428I shall not be subject to additional review by the Secretary or repurchase by the guaranty agency for any reason other than a determination by the Secretary that the eligible lender, servicer, or guaranty agency engaged in fraud or other purposeful misconduct in obtaining designation for exceptional performance.".

(3) CONTENTS OF GUARANTY AGREEMENTS.—Section 428(c)(2) of the Act is amended—

(A) by striking "and" at the end of subparagraph (F);

(B) by redesignating subparagraph (G) as subparagraph (I); and

(C) by inserting after subparagraph (F) the following new subparagraphs:

"(G) shall prohibit the Secretary from making any reimbursement under this subsection to a guaranty agency when a default claim is based on an inability to locate the borrower, unless the guaranty agency, at the time of filing for reimbursement, demonstrates to the Secretary that diligent attempts have been made to locate the borrower through the use of reasonable skiptracing techniques in accordance with regulations prescribed by the Secretary; and

"(H) set forth assurances that—

"(i) upon the request of an eligible institution, the guaranty agency shall, subject to clauses (ii) and (iii), furnish to the institution information with respect to students (including the names and addresses of such students) who received loans made, insured, or guaranteed under this part for attendance at the eligible institution and for whom preclaims assistance activities have been requested under subsection (l);

"(ii) the guaranty agency may require the payment by the institution of a reasonable fee (as determined in accordance with regulations prescribed by the Secretary) for such information; and

"(iii) the guaranty agency will require the institution to use such information only to assist the institution in reminding students of their obligation to repay student loans and shall prohibit the institution from disseminating the information for any other purpose.".

(4) FORBEARANCE.—Section 428(c)(3) of the Act is amended—

(A) by striking "and" at the end of subparagraph (A);

(B) by striking the period at the end of subparagraph (B) and inserting "; and";

(C) by inserting after subparagraph (B) the following new subparagraph:

"(C) shall contain provisions that specify that the form of forbearance granted by the lender for purposes of this paragraph shall be the temporary cessation of payments, unless the borrower selects forbearance in the form of an extension of time for making payments, or smaller payments than were previously scheduled."; and

(D) by striking the last sentence and inserting the following:

"Guaranty agencies shall not be precluded from permitting the parties to such a loan from entering into a forbearance agreement solely because the loan is in default. The Secretary shall permit lenders to exercise administrative forbearances that do not require the agreement of the borrower, under conditions authorized by the Secretary. Such forbearances shall include (i) forbearances for borrowers who are delinquent at the time of the granting of an authorized period of deferment under section 428(b)(1)(M) or 427(a)(2)(C), and (ii) if the borrower is less than 60 days delinquent on such loans at the time of sale or transfer, forbearances for borrowers on loans which are sold or transferred.".

(5) NEW PROGRAMS' INSURANCE PERCENTAGE.—Section 428(c)(7) of the Act is amended—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i), by striking "(1)(B)" and inserting "(1)(C)"; and

(ii) in clause (i), by inserting "and ends before October 1, 1991" before the semicolon;

(B) in subparagraph (B), by inserting "or (B)" after "(A)";

(C) by redesignating subparagraph (B) (as amended) as subparagraph (C); and

(D) by inserting after subparagraph (A) the following new subparagraph:

"(B) Notwithstanding the provisions of paragraph (1)(C), the Secretary may pay a guaranty agency 100 percent of the amount expended by such agency in discharge of such agency's insurance obligation for any fiscal year which—

"(i) begins on or after October 1, 1991; and

"(ii) is the fiscal year in which such guaranty agency begins to actively carry on a student loan insurance program which is subject to a guaranty agreement under subsection (b) or is one of the 4 succeeding fiscal years.".

(6) CONSIDERATIONS IN REQUIRING ASSIGNMENT.—Section 428(c)(8) of the Act is amended by adding at the end the following new sentences: "Prior to making such determination for any guaranty agency, the Secretary shall, in consultation with the guaranty agency, develop

criteria to determine whether such agency has made adequate collections efforts. In determining whether a guaranty agency's collection efforts have met such criteria, the Secretary shall consider the agency's record of success in collecting on defaulted loans, the age of the loans, and the amount of recent payments received on the loans.".

(7) GUARANTY AGENCY RESERVE LEVEL.—Section 428(c) of the Act is amended by adding at the end the following new paragraph:

"(10) GUARANTY AGENCY RESERVE LEVEL.—(A) Each guaranty agency which has entered into an agreement with the Secretary pursuant to this subsection shall maintain a current minimum reserve level of at least .5 percent of the total attributable amount of all outstanding loans guaranteed by such agency for the fiscal year of the agency that begins in 1993. For purposes of this paragraph, such total attributable amount does not include amounts of outstanding loans transferred to the guaranty agency from another guaranty agency pursuant to a plan of the Secretary in response to the insolvency of the latter such guaranty agency. The minimum reserve level shall increase to—

"(i) .7 percent of such total attributable amount for the fiscal year of the agency that begins in 1994;

"(ii) .9 percent of such total attributable amount for the fiscal year of the agency that begins in 1995; and

"(iii) 1.1 percent of such total attributable amount for each fiscal year of the agency that begins on or after January 1, 1996.

"(B) The Secretary shall collect, on an annual basis, information from each guaranty agency having an agreement under this subsection to enable the Secretary to evaluate the financial solvency of each such agency. The information collected shall include the level of such agency's current reserves, cash disbursements and accounts receivable.

"(C) If (i) any guaranty agency falls below the required minimum reserve level in any 2 consecutive years, (ii) any guaranty agency's Federal reimbursement payments are reduced to 80 percent pursuant to section 428(c)(1)(B)(ii), or (iii) the Secretary determines that the administrative or financial condition of a guaranty agency jeopardizes such agency's continued ability to perform its responsibilities under its guaranty agreement, then the Secretary shall require the guaranty agency to submit and implement a management plan acceptable to the Secretary within 30 working days of any such event.

"(D) Each management plan described in subparagraph (C) shall include the means by which the guaranty agency will improve its financial and administrative condition to the required level within 18 months.

"(E) The Secretary may terminate a guaranty agency's agreement in accordance with subparagraph (F) if—

"(i) a guaranty agency required to submit a management plan under this paragraph fails to submit a plan that is acceptable to the Secretary;

"(ii) the Secretary determines that a guaranty agency has failed to improve substantially its administrative and financial condition; or

"(iii) the Secretary determines that the guaranty agency is in danger of financial collapse.

"(F) Except as provided in subparagraph (G), if a guaranty agency's agreement under this subsection is terminated pursuant to subparagraph (E), then the Secretary shall assume responsibility for all functions of the guaranty agency under the loan insurance program of such agency. In performing such functions the Secretary is authorized to—

"(i) permit the transfer of guarantees to another guaranty agency;

"(ii) revoke the reinsurance agreement of the guaranty agency at a specified date, so as to require the merger, consolidation, or termination of the guaranty agency;

"(iii) transfer guarantees to the Department of Education for the purpose of payment of such claims and process such claims using the claims standards of the guaranty agency, if such standards are determined by the Secretary to be in compliance with this Act;

"(iv) design and implement a plan to restore the guaranty agency's viability;

"(v) provide the guaranty agency with additional advance funds in accordance with section 422(c)(7) in order to meet immediate cash needs of the guaranty agency and ensure the uninterrupted payment of claims, with such restrictions on the use of such funds, as determined appropriate by the Secretary; or

"(vi) take any other action the Secretary determines necessary to ensure the continued availability of loans made under this part to residents of the State or States in which the guaranty agency did business, the full honoring of all guarantees issued by the guaranty agency prior to the Secretary's assumption of the functions of such agency, and the proper servicing of loans guaranteed by the guaranty agency prior to the Secretary's assumption of the functions of such agency, and to avoid disruption of the student loan program.

"(G) The Secretary may not take any action under subparagraph (E) or (F) against any guaranty agency that is backed by the full faith and credit of the State where such guaranty agency is the primary guarantor.

"(H) The Secretary shall not take any action under subparagraph (E) or (F) without giving the guaranty agency notice and the opportunity for a hearing.

"(I) Notwithstanding any other provision of law, the information transmitted to the Secretary pursuant to this paragraph shall be confidential and exempt from disclosure under section 552 of title 5, United State Code, relating to freedom of information, or any other Federal law.

"(J) The Secretary, within 3 months after the end of each fiscal year, shall submit to the House Committee on Education and Labor and the Senate Committee on Labor and Human Resources a report specifying the Secretary's assessment of the fiscal soundness of the guaranty agency system, together with recommendations for legislative changes, if necessary, for the maintenance of a strong guaranty agency system.".

(8) CONFORMING AMENDMENTS.—Section 422(c) of the Act (20 U.S.C. 1072(c))is amended—

(A) in paragraph (5), by striking "Advances pursuant to this subsection" in paragraph (5) and inserting "Except as provided in paragraph (7), advances pursuant to this subsection"; and

(B) by inserting, after paragraph (6), the following new paragraph:

"(7) EMERGENCY ADVANCES.—The Secretary is authorized to make advances, on terms and conditions satisfactory to the Secretary, to a guaranty agency in accordance with section 428(c)(10)(F)(v) in order to assist the agency in meeting its immediate cash needs and ensure the uninterrupted payment of default claims by lenders.".

(q) ADMINISTRATIVE COST ALLOWANCES.—Section 428(f)(1) of the Act is amended—

(1) in subparagraph (A)(i), by striking "commercial lender" and inserting "eligible lender"; and

(2) by adding at the end the following new subparagraph:

"(C) No payment may be made under this paragraph for loans for which the disbursement checks have not been cashed or for which electronic funds transfers have not been completed.".

(r) LENDERS-OF-LAST-RESORT.—Subsection (j) of section 428 of the Act is amended—

(1) by striking "(j) LENDERS-OF-LAST-RESORT.—" and inserting the following:

"(j) LENDERS-OF-LAST-RESORT.—

"(1) GENERAL REQUIREMENT.—";

(2) by indenting the margin of the text of such subsection by 2 em spaces; and

(3) by adding at the end the following new paragraphs:

"(2) RULES AND OPERATING PROCEDURES.—The guaranty agency shall develop rules and operating procedures for the lender of last resort program designed to ensure that—

"(A) the program establishes operating hours and methods of application designed to facilitate application by students;

"(B) information about the availability of loans under the program is made available to institutions of higher education in the State;

"(C) appropriate steps are taken to ensure that borrowers receiving loans under the program are appropriately counseled on their loan obligation; and

"(D) the guaranty agency notifies the Secretary when the guaranty agency believes or has reason to believe that the Secretary may need to exercise the Secretary's authority under section 439(q).

"(3) LIMITATION ON LENDER-OF-LAST-RESORT PROGRAM.—(A) Subject to the provisions of subparagraphs (B) and (C), a guaranty agency or eligible lender is not required to make loans described in this section for attendance at an institution which—

"(i) has a cohort default rate, as defined in section 435(m), which exceeds 25 percent for the most recent year for which a rate has been calculated by the Secretary;

"(ii) has not been eligible for, and has not participated in, the loan program under this part during the most recent 18 consecutive months; or

"(iii) is currently subject to an emergency action or limitation, suspension, or termination proceeding of any guaranty agency or the Secretary.

"(B) Until July 1, 1994, this paragraph shall not apply to any institution that is—

"(i) a part B institution within the meaning of section 322(2) of this Act;

"(ii) a tribally controlled community college within the meaning of section 2(a)(4) of the Tribally Controlled Community College Assistance Act of 1978; or

"(iii) a Navajo Community College under the Navajo Community College Act.

"(C) Notwithstanding the provisions of subparagraph (A), the Secretary may require a guaranty agency or other eligible lender to make loans described in this section for attendance at an institution if there are, in the judgment of the Secretary, exceptional mitigating circumstances that would make the application of this paragraph inequitable.".

(s) INFORMATION ON DEFAULTS.—Section 428(k) of the Act is amended by adding at the end the following new paragraph:

"(3) BORROWER LOCATION INFORMATION.—Any information provided by the institution relating to borrower location shall be used by the guaranty agency in conducting required skip-tracing activities.".

(t) INCOME CONTINGENT REPAYMENT.—Section 428 of the Act is amended by adding at the end the following new subsection:

"(m) INCOME CONTINGENT REPAYMENT.—

"(1) ESTABLISHMENT OF TERMS AND CONDITIONS.—The Secretary may establish by regulation terms and conditions requiring the income contingent repayment of loans that are required to be repaid under this subsection. Such regulations shall specify the schedules under which the borrower's income will be assessed for repay-

ment of loans, shall permit the discharge of remaining obligation on the loan not later than 25 years after the commencement of income contingent repayment, and may provide for the potential collection of amounts in excess of the principal and interest owed on the original loan or loans.

"(2) COLLECTION MECHANISM.—The Secretary shall, to the extent funds are available therefor, enter into one or more contracts or other agreements with private firms or other agencies of the Government as necessary to carry out the purposes of this subsection. The regulations required by paragraph (1) shall not be effective unless the Secretary publishes a finding that—

"(A) the Secretary has, pursuant to this paragraph, established a collection mechanism that will provide a high degree of certainty that collections will be made in accordance with the repayment option established under paragraph (1); and

"(B) the use of such repayment option and collection mechanism will result in an increase in the net amount the Government will collect.

"(3) LOANS FOR WHICH INCOME CONTINGENT REPAYMENT IS REQUIRED.—A loan made under this part (other than under section 428B) is required to be repaid under this section if—

"(A) the note or other evidence of the loan contains a notice that it is subject to repayment under this subsection;

"(B) the note or other evidence of the loan has been assigned to the Secretary for collection pursuant to subsection (c)(8); and

"(C) the Secretary has published the finding required by paragraph (2) of this subsection.

"(4) ADDITIONAL AUTHORITY.—The Secretary is authorized to prescribe such regulations as are necessary to carry out the purposes of this subsection and to protect the Federal fiscal interest.".

SEC. 417. SUPPLEMENTAL LOAN PROGRAM.

(a) NAME OF THE PROGRAM.—Section 428A of the Act (20 U.S.C. 1078–1) is amended by striking the heading of such section and inserting the following:

"FEDERAL SUPPLEMENTAL LOANS FOR STUDENTS".

(b) LOAN LIMITS.—Section 428A(b) of the Act is amended by striking paragraphs (1) and (2) and inserting the following:

"(1) ANNUAL LIMIT.—Subject to paragraphs (2) and (3), the maximum amount a student may borrow in any academic year or its equivalent or in any period of 7 consecutive months, whichever is longer, is:

"(A) In the case of a student at an eligible institution who has not successfully completed the first and second year of a program of undergraduate education—

"(i) $4,000, if such student is enrolled in a program whose length is at least one academic year in length (as determined under section 481);

"(ii) $2,500, if such student is enrolled in a program whose length is less than one academic year, but at least ⅔ of such an academic year; and

"(iii) $1,500, if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of such an academic year.

"(B) In the case of a student at an eligible institution who has successfully completed such first and second year but has not successfully completed the remainder of a program of undergraduate study—

"(i) $5,000, if such student is enrolled in a program whose length is at least one academic year in length (as determined under section 481);

"(ii) $3,325, if such student is enrolled in a program whose length is less than one academic year, but at least ⅔ of such an academic year; and

"(iii) $1,675, if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of such an academic year.

"(C) In the case of a graduate or professional student (as defined in regulations of the Secretary) at an eligible institution, $10,000.

"(2) AGGREGATE LIMIT.—The aggregate insured principal amount of insured loans made to any student under this section, minus any interest capitalized under subsection (c), shall not exceed—

"(A) $23,000, in the case of any student who has not successfully completed a program of undergraduate education; and

"(B) $73,000, in the case of any graduate or professional student, as such terms are defined by regulations issued by the Secretary, including any loans which are insured by the Secretary under this section, or by a guaranty agency, made to such student before the student became a graduate or professional student.".

(c) COORDINATION OF STAFFORD AND SLS REPAYMENT.—Section 428A(c)(1) of the Act is amended by adding at the end the following new sentences: "In the case of a borrower under this section who is also a borrower under a program of student loan insurance covered by an agreement under sections 427 or 428(b), the lender shall notify the borrower of the option to defer the commencement of the repayment for six months after the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload, as determined by the institution, except that interest shall begin to accrue, and shall be paid in accordance with paragraph (2), notwithstanding such delay in the commencement of repayment. The lender shall also notify the borrower of the borrower's option to commence repayment earlier than the beginning of such repayment period and the difference in total cost to the borrower.".

(d) CAPITALIZATION OF INTEREST.—Section 428A(c)(2) of the Act is amended to read as follows:

"(2) CAPITALIZATION OF INTEREST.—(A) Interest on loans made under this section—

"(i) which are disbursed in installments,

"(ii) for which payments of principal are deferred under sections 427(a)(2)(C)(i) and 428(b)(1)(M)(i), or

"(iii) for which the commencement of the repayment period is delayed in accordance with paragraph (1) to coincide with the commencement of the repayment period of a loan made under section 427 or 428,

shall, if agreed upon by the borrower and the lender—

"(I) be paid monthly or quarterly, or

"(II) be added to the principal amount of the loan not more frequently than quarterly by the lender.

"(B) Such capitalization of interest shall not be deemed to exceed the annual insurable limit on account of the student.".

(e) CONFORMING AMENDMENT.—Section 428A(c) of the Act is further amended by adding at the end the following new paragraph:

"(6) REPAYMENT PERIOD.—For purposes of calculating the 10-year repayment period under section 428(b)(1)(D), such period shall commence at the time the first payment of principal is due from the borrower.".

SEC. 418. PLUS LOANS.

(a) NAME OF THE PROGRAM.—Section 428B of the Act (20 U.S.C. 1078–2) is amended by striking the heading of such section and inserting the following:

"FEDERAL PLUS LOANS".

(b) CHECKS COPAYABLE.—Section 428B of the Act is amended—

(1) in subsection (a)—

(A) by striking "subsections (c) and (d)" and inserting "subsections (c), (d), and (e)"; and

(B) by inserting after "Parents of a dependent student" the following: ", who do not have an adverse credit history as determined pursuant to regulations of the Secretary,"; and

(2) in subsection (b)—

(A) by striking the subsection designation and heading and paragraphs (1) and (2); and

(B) by redesignating paragraph (3) as subsection (b);

(3) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(4) by inserting after subsection (b) the following new subsection:

"(c) PLUS LOAN DISBURSEMENT.—All loans made under this section shall be disbursed by—

"(1) an electronic transfer of funds from the lender to the eligible institution; or

"(2) a check copayable to the eligible institution and the parent borrower.".

(c) LIMITATION OF DEFERRAL.—Section 428B(d)(1) of the Act (as redesignated in paragraph (3)) is amended to read as follows:

"(1) COMMENCEMENT OF REPAYMENT.—Repayment of principal on loans made under this section shall commence not later than 60 days after the date such loan is disbursed by the lender, subject to deferral during any period during which the parent meets the conditions required for a deferral under section 427(a)(2)(C) or 428(b)(1)(M).".

(d) CAPITALIZATION OF INTEREST.—Section 428B(d)(2) of the Act (as redesignated in paragraph (3)) is amended to read as follows:

"(2) CAPITALIZATION OF INTEREST.—Interest on loans made under this section for which payments of principal are deferred pursuant to paragraph (1) of this subsection shall, if agreed upon by the borrower and the lender (A) be paid monthly or quarterly, or (B) be added to the principal amount of the loan not more frequently than quarterly by the lender. Such capitalization of interest shall not be deemed to exceed the annual insurable limit on account of the borrower.".

SEC. 419. CONSOLIDATION LOANS.

(a) NAME OF THE PROGRAM.—Section 428C of the Act (20 U.S.C. 1078–3) is amended by striking the heading of such section and inserting the following:

"FEDERAL CONSOLIDATION LOANS".

(b) USE OF CONSOLIDATION TO AVOID DEFAULT.—

(1) ELIGIBLE BORROWER.—(A) Section 428C(a)(3)(A)(i) is amended by striking "$5,000" and inserting "$7,500".

(B) Section 428C(a)(3)(A)(ii) is amended to read as follows:

"(ii) is in repayment status, or in a grace period preceding repayment, or is a delinquent or defaulted borrower who will reenter repayment through loan consolidation.".

(2) ELIGIBLE LOANS.—Section 428C(a)(4)(A) of the Act is amended to read as follows:

"(A) made, insured, or guaranteed under this part, including loans on which the borrower has defaulted (but has made arrangements to repay the obligation on the defaulted loans satisfactory to the Secretary or guaranty agency, whichever insured the loans), except for loans made to parent borrowers under section 428B as in effect prior to the enactment of the Higher Education Amendments of 1986;".

(c) EXTENSION OF CONSOLIDATION ELIGIBILITY PERIOD.—Section 428C(a)(3)(B) of the Act is amended to read as follows:

"(B)(i) An individual's status as an eligible borrower under this section terminates upon receipt of a consolidation loan under this section, except—

"(I) with respect to eligible student loans received after the date of receipt of the consolidation loan; and

"(II) that loans received prior to the date of the consolidation loan may be added to the consolidation loan during the 180-day period following the making of the consolidation loan.

"(ii) Loans made under this section shall, to the extent used to discharge loans made under

this title, be counted against applicable limitations on aggregate indebtedness contained in sections 425(a)(2), 428(b)(1)(B), 428A(b)(2), and 464(a)(2). Nothing in this section shall be interpreted to authorize the Secretary to require lenders, holders, or guarantors of consolidated loans to receive, to maintain, or to make reports with respect to preexisting records relating to any eligible student loan (as defined under paragraph (4)) discharged by a borrower in receiving a consolidation loan.".

(d) CONSOLIDATION OF LOANS OF MARRIED BORROWERS.—Section 428C(a)(3) of the Act is amended by adding at the end the following new subparagraph:

"(C)(i) A married couple, each of whom has eligible student loans, may be treated as if such couple were an individual borrowing under subparagraphs (A) and (B) if such couple agrees to be held jointly and severally liable for the repayment of a consolidation loan, without regard to the amounts of the respective loan obligations that are to be consolidated, and without regard to any subsequent change that may occur in such couple's marital status.

"(ii) Only one spouse in a married couple applying for a consolidation loan under this subparagraph need meet any of the requirements of subsection (b) of this section, except that each spouse shall—

"(I) individually make the initial certification that no other application is pending in accordance with subsection (b)(1)(A); and

"(II) agree to notify the holder concerning any change of address in accordance with subsection (b)(4).".

(e) INTEREST DURING DEFERRAL.—Section 428C(b)(4)(C) of the Act is amended to read as follows:

"(C) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid by the Secretary, during any period for which the borrower would be eligible for a deferral under section 428(b)(1)(M), and that any such period shall not be included in determining the repayment period pursuant to subsection (c)(2) of this section;".

(f) REPAYMENT SCHEDULES.—Section 428C(c)(2) of the Act is amended by—

(1) in the first sentence, by striking "may" and inserting "shall"; and

(2) by striking the second sentence and inserting the following: "Such repayment terms shall require that if the sum of the consolidation loan and the amount outstanding on other student loans to the individual—

"(i) is equal to or greater than $7,500 but less than $10,000, then such consolidation loan shall be repaid in not more than 12 years;

"(ii) is equal to or greater than $10,000 but less than $20,000, then such consolidation loan shall be repaid in not more than 15 years;

"(iii) is equal to or greater than $20,000 but less than $40,000, then such consolidation loan shall be repaid in not more than 20 years;

"(iv) is equal to or greater than $40,000 but less than $60,000, then such consolidation loan shall be repaid in not more than 25 years; or

"(v) is equal to or greater than $60,000, then such consolidation loan shall be repaid in not more than 30 years.".

(g) EXTENSION OF AUTHORITY.—Section 428C(d) of the Act is amended by striking "September 30, 1992" and inserting "September 30, 1998".

SEC. 420. DEFAULT REDUCTION PROGRAMS.

Section 428F of the Act (20 U.S.C. 1078–6) is amended—

(1) by striking subsection (a);

(2) in subsection (b)—

(A) in paragraph (1)(A)—

(i) by striking "Upon" and inserting "Each guaranty agency shall enter into an agreement with the Secretary which shall provide that upon"; and

(ii) by adding at the end the following new sentence: "Neither the guaranty agency nor the Secretary shall demand from a borrower as monthly payment amounts referred to in this paragraph more than is reasonable and affordable based upon the borrower's total financial circumstances."; and

(B) in paragraph (3), by inserting "or grants" after "loans";

(3) by redesignating subsection (b) (as amended in paragraph (2)) as subsection (a); and

(4) by adding at the end the following new subsection:

"(b) SPECIAL RULE.—Each guaranty agency shall establish a program which allows a borrower with a defaulted loan or loans to renew eligibility for all title IV student financial assistance (regardless of whether the defaulted loan has been sold to an eligible lender) upon the borrower's payment of 6 consecutive monthly payments. The guaranty agency shall not demand from a borrower as a monthly payment amount under this subsection more than is reasonable and affordable based upon the borrower's total financial circumstances.".

SEC. 421. DISBURSEMENT RULES.

(a) MONTHLY OR WEEKLY DISBURSEMENT.—Section 428G(c) of the Act (20 U.S.C. 1078–7) is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(3) notwithstanding subsection (a)(2), may, with the permission of the borrower, be disbursed on a weekly or monthly basis, provided that the proceeds of the loan are disbursed in substantially equal weekly or monthly installments, as the case may be, over the period of enrollment for which the loan is made.".

(b) OVERAWARD ADJUSTMENTS.—Section 428G(d)(2) of the Act is amended by inserting before the period at the end of the first sentence the following: ", except that overawards permitted pursuant to section 443(b)(4) of the Act shall not be construed to be overawards for purposes of this paragraph".

(c) SALES PRIOR TO DISBURSEMENT PROHIBITED.—Section 428G of the Act is amended by adding at the end thereof the following new subsection:

"(g) SALES PRIOR TO DISBURSEMENT PROHIBITED.—An eligible lender shall not sell or transfer a promissory note for any loan made, insured, or guaranteed under this part until the final disbursement of such loan has been made, except that the prohibition of this subsection shall not apply if—

"(1) the sale of the loan does not result in a change in the identity of the party to whom payments will be made for the loan; and

"(2) the first disbursement of such loan has been made.".

SEC. 422. UNSUBSIDIZED LOANS; PERFORMANCE AGREEMENTS; LOAN FORGIVENESS.

Part B of title IV of the Act is amended by inserting after section 428G the following new sections:

"UNSUBSIDIZED STAFFORD LOANS FOR MIDDLE-INCOME BORROWERS

"SEC. 428H. (a) IN GENERAL.—It is the purpose of this section to authorize insured loans under this part for borrowers who do not qualify for Federal interest subsidy payments under section 428 of this Act. Except as provided in this section, all terms and conditions for Federal Stafford loans established under section 428 shall apply to loans made pursuant to this section.

"(b) ELIGIBLE BORROWERS.—Any student meeting the requirements for student eligibility under section 484 shall be entitled to borrow an unsubsidized Stafford loan. Such student shall provide to the lender a statement from the eligible institution at which the student has been accepted for enrollment, or at which the student is in attendance, which—

"(1) sets forth such student's estimated cost of attendance (as determined under section 472);

"(2) sets forth such student's estimated financial assistance, including a loan which qualifies for subsidy payments under section 428; and

"(3) certifies the eligibility of the student to receive a loan under this section and the amount of the loan for which such student is eligible, in accordance with subsection (c).

"(c) DETERMINATION OF AMOUNT OF LOAN.—The determination of the amount of a loan by an eligible institution under subsection (b) shall be calculated by subtracting from the estimated cost of attendance at the eligible institution any estimated financial assistance reasonably available to such student. An eligible institution may not, in carrying out the provisions of subsection (b) of this section, provide a statement which certifies the eligibility of any student to receive any loan under this section in excess of the amount calculated under the preceding sentence.

"(d) LOAN LIMITS.—The annual and aggregate limits for loans under this section shall be the same as those established under section 428(b)(1), less any amount received by such student pursuant to the subsidized loan program established under section 428.

"(e) PAYMENT OF PRINCIPAL AND INTEREST.—

"(1) COMMENCEMENT OF REPAYMENT.—Repayment of principal on loans made under this section shall commence 6 months after the month in which the student ceases to carry at least one-half the normal full-time workload as determined by the institution.

"(2) CAPITALIZATION OF INTEREST.—Interest on loans made under this section for which payments of principal are not required during the in-school and grace periods or for which payments are deferred under sections 427(a)(2)(C) and 428(b)(1)(M) shall, if agreed upon by the borrower and the lender (A) be paid monthly or quarterly, or (B) be added to the principal amount of the loan not more frequently than quarterly by the lender. Such capitalization of interest shall not be deemed to exceed the annual insurable limit on account of the student.

"(3) SUBSIDIES PROHIBITED.—No payments to reduce interest costs shall be paid pursuant to section 428(a) of this part on loans made pursuant to this section.

"(4) APPLICABLE RATES OF INTEREST.—Interest on loans made pursuant to this section shall be at the applicable rate of interest provided in section 427A(e).

"(f) INSURANCE PREMIUM.—

"(1) AMOUNT OF ORIGINATION FEE/INSURANCE PREMIUM.—The lender shall charge the borrower a combined origination fee and insurance premium in the amount of 6.5 percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payment to the borrower. A guaranty agency may not charge an insurance premium on any loan made under this section.

"(2) RELATION TO APPLICABLE INTEREST.—Such combined fee and premium shall not be taken into account for purposes of determining compliance with section 427A.

"(3) DISCLOSURE REQUIRED.—The lender shall disclose to the borrower the amount and method of calculating the combined origination fee and insurance premium.

"(4) USE OF INSURANCE PREMIUM TO OFFSET DEFAULT COSTS.—Each lender making loans under this section shall transmit all combined origination fee and insurance premiums authorized to be collected from borrowers to the Secretary, who shall use such fees and premiums to *pay the Federal costs of default claims paid for loans under this section and to reduce the cost of special allowances paid thereon, if any, under section 438(b).*

"(5) Review of Insurance Premium.—In fiscal year 1995, the Secretary is directed to analyze the risk rates of borrowers who have participated in this program in the 2 previous fiscal years. If the Secretary finds, that as a result of this review, the projected defaults and special allowance costs of the unsubsidized program do not exceed the 6.5 percent insurance premium, the Secretary is directed to lower the insurance premium accordingly.

"(g) Single Application Form and Loan Repayment Schedule.—A guaranty agency shall use a single application form and a single repayment schedule for subsidized Federal Stafford loans made pursuant to section 428 and for unsubsidized Federal Stafford loans made pursuant to this section.

"SPECIAL INSURANCE AND REINSURANCE RULES

"Sec. 428I. (a) Designation of Lenders, Servicers, and Guaranty Agencies.—

"(1) Authority.—Whenever the Secretary determines that an eligible lender, servicer, or guaranty agency has a compliance performance rating that equals or exceeds 97 percent, the Secretary shall designate the eligible lender, servicer, or guaranty agency, as the case may be, for exceptional performance. The Secretary shall notify each appropriate guaranty agency of the eligible lenders and servicers designated under this section.

"(2) Compliance Performance Rating.—For purposes of paragraph (1), a compliance performance rating is determined with respect to compliance with due diligence in the collection of loans under this part for each year for which the determination is made. Such rating is equal to the percent of all due diligence requirements applicable to each loan, on average, as established by the Secretary by regulation, with respect to—

"(A) loans serviced during the period by the eligible lender or servicer; or

"(B) loans on which loan collection was attempted by the guaranty agency.

"(b) Payment to Lenders and Servicers.—

"(1) 100 percent payment rule.—Each guaranty agency shall pay each eligible lender or servicer (as agent for an eligible lender) designated under subsection (a) 100 percent of the unpaid principal and interest of all loans for which claims are submitted for payment by that eligible lender or servicer for the one-year period following the receipt by the guaranty agency of the notification of designation under this section or until the guaranty agency receives notice from the Secretary that the designation of the lender or servicer under subsection (a) has been revoked.

"(2) Revocation authority.—The Secretary shall, revoke the designation of a lender or servicer under subsection (a) if any quarterly audit required under subsection (c)(5) is not received by the Secretary by the date established by the Secretary or if the audit indicates the lender or servicer failed to maintain 97 percent or higher compliance with program regulations, as reflected in the performance of not less than 97 percent of all due diligence requirements applicable to each loan, on average, as established by the Secretary for the purpose of this section, for 2 consecutive months or 90 percent for 1 month.

"(3) Documentation.—Nothing in this section shall restrict or limit the authority of guaranty agencies to require the submission of claims documentation evidencing servicing performed on loans, except that the guaranty agency may not require greater documentation than that required for lenders and servicers not designated under subsection (a).

"(4) Payments to guaranty agencies.—The Secretary shall pay to each guaranty agency designated under subsection (a) the appropriate percentage under this subsection for the 1-year period following the receipt by the guaranty agency of the notification of designation under subsection (a).

"(c) Supervision of Designated Lenders and Servicers.—

"(1) Audits for lenders and servicers.—Each eligible lender or servicer desiring a designation under subsection (a) shall have a financial and compliance audit of the loan portfolio of such eligible lender or servicer conducted annually by a qualified independent organization from a list of qualified organizations promulgated by the Secretary in accordance with standards established by the Comptroller General and the Secretary. The standards shall measure the lender's or servicer's compliance with the due diligence standards and shall include a defined statistical sampling technique designed to measure the performance rating of the eligible lender or servicer for the purpose of this section. Each eligible lender or servicer shall submit the audit required by this section to the Secretary and to each appropriate guaranty agency.

"(2) Additional information on lenders and servicers.—Each appropriate guaranty agency shall provide the Secretary with such other information in its possession regarding an eligible lender or servicer desiring designation as may relate to the Secretary's determination under subsection (a), including but not limited to any information suggesting that the application of a lender or servicer for designation under subsection (a) should not be approved.

"(3) Secretary's determinations.—The Secretary shall make the determination under subsection (a) based upon the audits submitted under this section, such other information as provided by any guaranty agency under paragraph (2), and any information in the possession of the Secretary or submitted by any other agency or office of the Federal Government. If the results of the audit are not persuasively rebutted by such other information, the Secretary shall inform the eligible lender or servicer and the appropriate guaranty agency that its application for designation as an exceptional lender or servicer has been approved.

"(4) Cost of audit.—Each eligible lender or servicer shall pay for all the costs of the audits required under this section.

"(5) Compliance audit.—In order to maintain its status as an exceptional eligible lender or servicer, the lender or servicer shall undergo a quarterly compliance audit at the end of each quarter (other than the quarter in which status as an exceptional lender or servicer is established through a financial and compliance audit, as described in subsection (c)(1)), and submit the results of such audit to the Secretary and such appropriate guaranty agency. The compliance audit will review compliance with due diligence requirements for the period since the last audit.

"(6) Loss of designation.—If the audit performed pursuant to paragraph (5) fails to meet the standards for designation as an exceptional lender or servicer under subsection (a)(1), the lender or servicer shall lose its designation as an exceptional lender or servicer. A lender or servicer receiving a compliance audit not meeting the standard for designation as an exceptional lender or servicer may reapply for designation under subsection (a) at any time.

"(7) Due diligence standards.—Due diligence standards used for determining compliance under paragraph (5) shall be promulgated by the Secretary after consultation with lenders, guaranty agencies and servicers and shall consist of a list of specific elements for the Federal regulations selected to provide an indication of systems degradation.

"(8) Additional revocation authority.—Notwithstanding any other provision of this section, designation under subsection (a) may be revoked at any time by the Secretary if the Secretary determines that the eligible lender or servicer has failed to maintain an overall level of regulatory compliance consistent with the audit submitted by the eligible lender or servicer under this section or if the Secretary believes the lender or servicer may have engaged in fraud in securing designation under subsection (a) or is failing to service loans in accordance with program regulations.

"(d) Supervision of Designated Guaranty Agencies.—

"(1) Audit of guaranty agencies.—Each guaranty agency desiring a designation under subsection (a) shall have a financial and compliance audit of the defaulted loan portfolio of such guaranty agency conducted annually by a qualified independent organization or person from a list of qualified organizations or persons promulgated by the Secretary in accordance with standards established by the Comptroller General and the Secretary. The standards shall include defined statistical sampling techniques designed to measure the performance rating of the guaranty agency for the purpose of this section. Each guaranty agency shall submit the audit required by this paragraph to the Secretary.

"(2) Quarterly sample audits.—The Secretary may require quarterly sample audits as a means of determining continued qualification of the guaranty agency for designation as an exceptional guaranty agency.

"(3) Secretary's determinations.—The Secretary shall make the determination under subsection (a) based upon the audits submitted under this section and other information in his possession. If the results of the audit are not persuasively rebutted by such other information, the Secretary shall inform the guaranty agency that its application for designation as an exceptional guaranty agency has been approved.

"(4) Costs of audits.—Each guaranty agency shall pay for all of the costs of the audits regulated by this section.

"(5) Revocation for fraud.—The Secretary may revoke the designation of a guaranty agency under subsection (a) at any time if the Secretary has reason to believe the guaranty agency secured its designation under subsection (a) through fraud or fails to comply with applicable regulations.

"(6) Revocation based on performance.—Designation as an exceptional guaranty agency may be revoked at any time by the Secretary upon 30 days notice and an opportunity for a hearing before the Secretary upon a finding by the Secretary that the guaranty agency has failed to maintain an acceptable overall level of regulatory compliance.

"(e) Special Rule.—Reimbursements made by the Secretary on loans submitted for claim by an eligible lender or loan servicer designated for exceptional performance under this section shall not be subject to additional review by the Secretary or repurchase by the guaranty agency for any reason other than a determination by the Secretary that the eligible lender, loan servicer, or guaranty agency engaged in fraud or other purposeful misconduct in obtaining designation for exceptional performance.

"(f) Limitation.—Nothing in this section shall be construed to affect the processing of claims on student loans of eligible lenders not subject to this paragraph.

"(g) Claims.—A lender, servicer, or guaranty agency designated under subsection (a) failing to service loans or otherwise comply with applicable program regulations shall be considered in violation of the Federal False Claims Act.

"(h) EVALUATION.—Not later than 3 years after the date of enactment of this Act, the Comptroller General shall submit to the Chairman of the Senate Labor and Human Resources Committee and the House Committee on Education and Labor, an evaluation of the provisions of this section including, but not limited to, the following:

"(1) The effectiveness of due diligence performed by lenders and servicers receiving designation as exceptional lenders or servicers from the perspective of securing maximum collections from borrowers.

"(2) A quantification of the dollar volume of claims that were paid to exceptional lenders and servicers that would not have been paid under applicable program provisions prior to the enactment of this section.

"(3) An assessment of the impact of this section on the financial condition of guaranty agencies.

"(4) An assessment of the savings to lenders, servicers, and guaranty agencies resulting from designation as exceptional performance.

"(5) An identification of specific administration steps that lenders, servicers, and guaranty agencies do not have to perform as a result of designation as exceptional lenders, servicers, or guaranty agencies.

"(6) A recommendation for program modifications applicable to all program participants based on the findings of the evaluation.

"(7) A recommendation for modifications to this section and whether the program should be continued.

"(i) TERMINATION.—After receipt of the study authorized in subsection (h), the Secretary may terminate such program if he determines such termination to be in the fiscal interest of the United States.

"(j) DEFINITIONS.—For the purpose of this section—

"(1) the term 'due diligence requirements' means the activities required to be performed by lenders on delinquent loans pursuant to regulations issued by the Secretary;

"(2) the term 'eligible loan' means a loan made, insured or guaranteed under part B of title IV;

"(3) the term 'servicer' means an entity servicing and collecting student loans which—

"(A) has substantial experience in servicing and collecting consumer loans or student loans;

"(B) has an independent financial audit annually which is furnished to the Secretary and any other parties designated by the Secretary;

"(C) has business systems which are capable of meeting the requirements of part B of title IV;

"(D) has adequate personnel who are knowledgeable about the student loan programs authorized by part B of title IV; and

"(E) does not have any owner, majority shareholder, director, or officer of the entity who has been convicted of a felony.

"LOAN FORGIVENESS FOR TEACHERS, INDIVIDUALS PERFORMING NATIONAL COMMUNITY SERVICE AND NURSES

"SEC. 428J. (a) STATEMENT OF PURPOSE.—It is the purpose of this section to encourage individuals to—

"(1) enter the teaching and nursing profession; and

"(2) perform national and community service.

"(b) DEMONSTRATION PROGRAM.—

"(1) IN GENERAL.—The Secretary, in consultation with the Secretary of Health and Human Services, is authorized to carry out a demonstration program of assuming the obligation to repay a loan made, insured or guaranteed under this part (excluding loans made under sections 428A, 428B, or 428C) for any new borrower after October 1, 1992, who—

"(A) is employed as a full-time teacher—

"(i) in a school which qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such schools; and

"(ii) of mathematics, science, foreign languages, special education, bilingual education, or any other field of expertise where the State educational agency determines there is a shortage of qualified teachers;

"(B) agrees in writing to volunteer for service under the Peace Corps Act or under the Domestic Volunteer Service Act of 1973, or to perform comparable service as a full-time employee of an organization which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, if the borrower does not receive compensation which exceeds the greater of—

"(i) the minimum wage rate described in section 6 of the Fair Labor Standards Act of 1938; or

"(ii) an amount equal to 100 percent of the poverty line for a family of two (as defined in section 673(2) of the Community Services Block Grant Act); or

"(C) is employed full-time as a nurse in a public hospital, a rural health clinic, a migrant health center, an Indian Health Service, an Indian health center, a Native Hawaiian health center or in an acute care or long-term care facility.

"(2) REGULATIONS.—The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

"(c) LOAN REPAYMENT.—

"(1) IN GENERAL.—The Secretary shall assume the obligation to repay—

"(A) 15 percent of the total amount of Stafford loans incurred by the student borrower during such borrower's last 2 years of undergraduate education for the first or second academic year in which such borrower meets the requirements described in subsection (a);

"(B) 20 percent of such total amount for such third or fourth academic year; and

"(C) 30 percent of such total amount for such fifth academic year.

"(2) CONSTRUCTION.—Nothing in this subsection shall be construed to authorize the refunding of any repayment of a Stafford loan.

"(3) INTEREST.—If a portion of a loan is repaid by the Secretary under this section for any year, the proportionate amount of interest on such loan which accrues for such year shall be repaid by the Secretary.

"(4) SPECIAL RULE.—In the case where a student borrower who is not participating in loan repayment pursuant to this section returns to an institution of higher education after graduation from an institution of higher education for the purpose of obtaining a teaching certificate, the Secretary is authorized to assume the obligation to repay the total amount of Stafford loans incurred for a maximum of 2 academic years in returning to an institution of higher education for the purpose of obtaining a teaching certificate or additional certification. Such Stafford loans shall only be repaid for borrowers who qualify for loan repayment pursuant to the provisions of this section, and shall be repaid in accordance with the provisions of paragraph (1).

"(d) REPAYMENT OF ELIGIBILITY LENDERS.—The Secretary shall pay to each eligible lender or holder for each fiscal year an amount equal to the aggregate amount of Stafford loans which are subject to repayment pursuant to this section for such year.

"(e) APPLICATION FOR REPAYMENT.—Each eligible individual desiring loan repayment under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

"(f) DEFINITIONS.—For the purpose of this section the term 'eligible lender' has the same meaning given such term in section 435(d).

"(g) EVALUATION.—

"(1) IN GENERAL.—The Secretary shall conduct, by grant or contract, an independent national evaluation of the impact of the program assisted under this part on the fields of teaching, nursing, and community service.

"(2) COMPETITIVE BASIS.—The grant or contract described in paragraph (1) shall be awarded on a competitive basis.

"(3) CONTENTS.—The evaluation described in this section shall—

"(A) assess whether the program assisted under this section has brought into teaching, nursing, and community service a significant number of highly capable individuals who otherwise would not have entered such fields;

"(B) assess whether a significant number of students perform the service described in subsection (b) or opt to repay the loans instead of remaining in the career for which such student received loan repayment under this section;

"(C) identify the barriers to the effectiveness of the program assisted under this section;

"(D) assess the cost-effectiveness of such program in improving teacher, nursing, and community service worker quality and quantity and the ways to improve the cost-effectiveness of such program;

"(E) identify the reasons for which participants in the program have chosen to take part in such program; and

"(F) identify other areas of community service or employment which may serve as appropriate methods of loan repayment.

"(4) INTERIM EVALUATION REPORTS.—The Secretary shall prepare and submit to the President and the Congress such interim reports on the evaluation described in this section as the Secretary deems appropriate, and shall submit such a final report by January 1, 1997.

"(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

SEC. 423. DEFAULT RATES.

Section 430 of the Act (20 U.S.C. 1080) is amended by adding at the end the following new subsection:

"(e) DEFAULT RATE OF LENDERS, HOLDERS, AND GUARANTY AGENCIES.—

"(1) IN GENERAL.—The Secretary shall annually publish a list indicating the cohort default rate (determined in accordance with section 435(m)) for each originating lender, subsequent holder, and guaranty agency participating in the program assisted under this part and an average cohort default rate for all institutions of higher education within each State.

"(2) REGULATIONS.—The Secretary shall prescribe regulations designed to prevent an institution from evading the application to that institution of a cohort default rate through the use of such measures as branching, consolidation, change of ownership or control, or any similar device.

"(3) RATE ESTABLISHMENT AND CORRECTION.—The Secretary shall establish a cohort default rate for lenders, holders, and guaranty agencies (determined consistent with section 435(m)), except that the rate for lenders, holders, and guaranty agencies shall not reflect any loans issued in accordance with section 428(j). The Secretary shall allow institutions, lenders, holders, and guaranty agencies the opportunity to correct such cohort default rate information.

SEC. 424. REPORTS TO CREDIT BUREAUS AND INSTITUTIONS OF HIGHER EDUCATION.

Section 430A(f) of the Act (20 U.S.C. 1080a(f)) is amended—

(1) by striking "or" at the end of paragraph (1);

(2) by striking paragraph (2) and inserting the following:

"(2) 7 years from the date the Secretary, guaranty agency, eligible lender, or subsequent hold-

er first reported the account to the consumer reporting agency; or

"(3) in the case of a borrower who reenters repayment after defaulting on a loan and subsequently goes into default on such loan, 7 years from the date the loan entered default such subsequent time.".

SEC. 425. ADMINISTRATIVE PROVISIONS.

(a) AUTHORITY TO REGULATE SERVICERS.—Section 432(a)(1) of the Act (20 U.S.C. 1082) is amended by inserting before the semicolon the following: ", including regulations applicable to third party servicers (including regulations concerning financial responsibility standards for, and the assessment of liabilities for program violations against, such servicers) to establish minimum standards with respect to sound management and accountability of programs under this part, except that in no case shall damages be assessed against the United States for the actions or inactions of such servicers".

(b) AGENCY PROCEDURE.—Section 432 of the Act is amended—

(1) in subsection (a)(3), by striking "on the record";

(2) in subsection (g)(1), by striking "on the record";

(3) in subsection (h)(2)(A), by striking out "shall, in accordance with sections 556 and 557 of title 5, United States Code," in the first sentence and inserting "shall"; and

(4) in subsection (h)(3)(A), by striking out "shall, in accordance with sections 556 and 557 of title 5, United States Code," in the first sentence and inserting "shall".

(c) CIVIL PENALTIES.—Section 432(g) of the Act is further amended—

(1) by amending paragraph (2) to read as follows:

"(2) LIMITATIONS.—No civil penalty may be imposed under paragraph (1) of this subsection unless the Secretary determines that—

"(A) the violation, failure, or substantial misrepresentation referred to in that paragraph resulted from a violation, failure, or misrepresentation that is material; and

"(B) the lender or guaranty agency knew or should have known that its actions violated or failed to carry out the provisions of this part or the regulations thereunder.";

(2) in paragraph (3), by striking "the institution of an action under that paragraph" and inserting "notification by the Secretary under that paragraph"; and

(3) in paragraph (4)—

(A) by inserting ", and occurring prior to notification by the Secretary under that paragraph," after "guaranty agency"; and

(B) by striking "or both, and the" and inserting "or both. The".

(d) LS&T AUTHORITY.—Section 432(h) of the Act is amended—

(1) in paragraph (2)(A), by striking "The Secretary" and all that follows through "disqualification—" in the second sentence and inserting the following: "The Secretary shall uphold the imposition of such limitation, suspension, or termination in the student loan insurance program of each of the guaranty agencies under this part, and shall notify such guaranty agencies of such sanction—";

(2) in paragraph (2)(B), by striking "disqualification" each place it appears and inserting "sanction"; and

(3) by redesignating subparagraph (B) of paragraph (2) as subparagraph (C), and by inserting after subparagraph (A) the following new subparagraph:

"(B) The Secretary's review under this paragraph of the limitation, suspension, or termination imposed by a guaranty agency pursuant to section 428(b)(1)(U) shall be limited to—

"(i) a review of the written record of the proceedings in which the guaranty agency imposed such sanctions; and

"(ii) a determination as to whether the guaranty agency complied with section 428(b)(1)(U) and any notice and hearing requirements prescribed in regulations of the Secretary under this part.";

(4) in paragraph (3)(A), by striking out "The Secretary" and all that follows through "disqualification—" in the second sentence and inserting the following: "The Secretary shall uphold the imposition of such limitation, suspension, or termination in the student loan insurance program of each of the guaranty agencies under this part, and shall notify such guaranty agencies of such sanctions—";

(5) in subsection (h)(3)(B), by striking "disqualification" each place such term appears and inserting "sanction"; and

(6) by redesignating subparagraph (B) of subsection (h)(3) as subparagraph (C) of such subsection, and by inserting after subparagraph (A) the following new subparagraph:

"(B) The Secretary's review under this paragraph of the limitation, suspension, or termination imposed by a guaranty agency pursuant to section 428(b)(1)(T) shall be limited to—

"(i) a review of the written record of the proceedings in which the guaranty agency imposed such sanctions; and

"(ii) a determination as to whether the guaranty agency complied with section 428(b)(1)(T) and any notice and hearing requirements prescribed in regulations of the Secretary under this part.".

(e) ADDITIONAL LEGAL POWERS AND RESPONSIBILITIES.—Section 432 of the Act is amended by adding at the end the following new subsections:

"(k) PROGRAM OF ASSISTANCE FOR BORROWERS.—

"(1) IN GENERAL.—The Secretary shall undertake a program to encourage corporations and other private and public employers, including the Federal Government, to assist borrowers in repaying loans received under this title, including providing employers with options for payroll deduction of loan payments and offering loan repayment matching provisions as part of employee benefit packages.

"(2) PUBLICATION.—The Secretary shall publicize models for providing the repayment assistance described in paragraph (1) and each year select entities that deserve recognition, through means devised by the Secretary, for the development of innovative plans for providing such assistance to employees.

"(3) RECOMMENDATION.—Within 1 year after the date of enactment of the Higher Education Amendments of 1992, the Secretary shall recommend to the appropriate committees in the Senate and House of Representatives changes to statutes that could be made in order to further encourage such efforts.

"(l) UNIFORM ADMINISTRATIVE AND CLAIMS PROCEDURES.—

"(1) IN GENERAL.—The Secretary shall, by regulation developed in consultation with guaranty agencies, lenders, institutions of higher education, secondary markets, students, third party servicers and other organizations involved in providing loans under this part, prescribe standardized forms and procedures regarding—

"(A) origination of loans;

"(B) electronic funds transfer;

"(C) guaranty of loans;

"(D) deferments;

"(E) forbearance;

"(F) servicing;

"(G) claims filing;

"(H) borrower status change; and

"(I) cures.

"(2) SPECIAL RULES.—(A) The forms and procedures described in paragraph (1) shall include all aspects of the loan process as such process involves eligible lenders and guaranty agencies and shall be designed to minimize administrative costs and burdens (other than the costs and burdens involved in the transition to new forms and procedures) involved in exchanges of data to and from borrowers, schools, lenders, secondary markets, and the Department.

"(B) Nothing in this paragraph shall be construed to limit the development of electronic forms and procedures.

"(3) SIMPLIFICATION REQUIREMENTS.—Such regulations shall include—

"(A) standardization of computer formats, forms design, and guaranty agency procedures relating to the origination, servicing, and collection of loans made under this part;

"(B) authorization of alternate means of document retention, including the use of microfilm, microfiche, laser disc, compact disc, and other methods allowing the production of a facsimile of the original documents;

"(C) authorization of the use of computer or similar electronic methods of maintaining records relating to the performance of servicing, collection, and other regulatory requirements under this Act; and

"(D) authorization and implementation of electronic data linkages for the exchange of information to and from lenders, guarantors, institutions of higher education, third party servicers, and the Department of Education for student status confirmation reports, claim filing, interest and special allowance billing, deferment processing, and all other administrative steps relating to loans made pursuant to this part where using electronic data linkage is feasible.

"(4) ADDITIONAL RECOMMENDATIONS.—The Secretary shall review regulations prescribed pursuant to paragraph (1) and seek additional recommendations from guaranty agencies, lenders, institutions of higher education, students, secondary markets, third party servicers and other organizations involved in providing loans under this part, not less frequently than annually, for additional methods of simplifying and standardizing the administration of the programs authorized by this part.

"(m) COMMON FORMS AND FORMATS.—

"(1) COMMON GUARANTEED STUDENT LOAN APPLICATION FORM AND PROMISSORY NOTE.—

"(A) IN GENERAL.—The Secretary, in cooperation with representatives of guaranty agencies, eligible lenders, and organizations involved in student financial assistance, shall prescribe a common application form and promissory note to be used for applying for loans under part B of this title.

"(B) REQUIREMENTS.—The form prescribed by the Secretary shall—

"(i) use clear, concise, and simple language to facilitate understanding of loan terms and conditions by applicants;

"(ii) be formatted to require the applicant to clearly indicate a choice of lender; and

"(iii) permit, to the maximum extent practicable, application for any loan under part B.

"(C) APPROVAL OF FORM.—The Secretary shall approve a form for use not later than 360 days after the date of enactment of the Higher Education Amendments of 1992.

"(D) SPECIAL RULE.—Nothing in this section shall be construed to limit the development of electronic forms and procedures.

"(2) COMMON DEFERMENT FORM.—The Secretary, in cooperation with representatives of guaranty agencies, institutions of higher education, and lenders involved in loans made under part B of this title, shall prescribe a common deferment reporting form to be used for the processing of deferments of loans made under this title.

"(3) COMMON REPORTING FORMATS.—The Secretary shall promulgate standards including necessary rules, regulations (including the definitions of all relevant terms), and procedures so

as to require all lenders and guaranty agencies to report information on all aspects of loans made under this part in uniform formats, so as to permit the direct comparison of data submitted by individual lenders, servicers, or guaranty agencies.

"(n) DEFAULT REDUCTION MANAGEMENT.—

"(1) AUTHORIZATION.—There are authorized to be appropriated $25,000,000 for fiscal year 1993 and each of the four succeeding fiscal years, for the Secretary to expend for default reduction management activities for the purposes of establishing a performance measure that will reduce defaults by 5 percent relative to the prior fiscal year. Such funds shall be in addition to, and not in lieu of, other appropriations made for such purposes.

"(2) ALLOWABLE ACTIVITIES.—Allowable activities for which such funds shall be expended by the Secretary shall include the following: (A) program reviews; (B) audits; (C) debt management programs; (D) training activities; and (E) such other management improvement activities approved by the Secretary.

"(3) PLAN FOR USE REQUIRED.—The Secretary shall submit a plan, for inclusion in the materials accompanying the President's budget each fiscal year, detailing the expenditure of funds authorized by this section to accomplish the 5 percent reduction in defaults. At the conclusion of the fiscal year, the Secretary shall report the Secretary's findings and activities concerning the expenditure of funds and whether the performance measure was met. If the performance measure was not met, the Secretary shall report the following:

"(A) why the goal was not met, including an indication of any managerial deficiencies or of any legal obstacles;

"(B) plans and a schedule for achieving the established performance goal;

"(C) recommended legislative or regulatory changes necessary to achieve the goal; and

"(D) if the performance standard or goal is impractical or infeasible, why that is the case and what action is recommended, including whether the goal should be changed or the program altered or eliminated.

This report shall be submitted to the Appropriations Committees of the House of Representatives and the Senate and to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

"(o) CONSEQUENCES OF GUARANTY AGENCY INSOLVENCY.—In the event that the Secretary has determined that a guaranty agency is unable to meet its insurance obligations under this part, the holder of loans insured by the guaranty agency may submit insurance claims directly to the Secretary and the Secretary shall pay to the holder the full insurance obligation of the guaranty agency, in accordance with insurance requirements no more stringent than those of the guaranty agency. Such arrangements shall continue until the Secretary is satisfied that the insurance obligations have been transferred to another guarantor who can meet those obligations or a successor will assume the outstanding insurance obligations.

"(p) REPORTING REQUIREMENT.—All officers and directors, and those employees and paid consultants of eligible institutions, eligible lenders, guaranty agencies, loan servicing agencies, accrediting agencies or associations, State licensing agencies or boards, State postsecondary reviewing entities designated under subpart 1 of part H, and entities acting as secondary markets (including the Student Loan Marketing Association), who are engaged in making decisions as to the administration of any program or funds under this title or as to the eligibility of any entity or individual to participate under this title, shall report to the Secretary, in such manner and at such time as the Secretary shall require, on any financial interest which such individual may hold in any other entity participating in any program assisted under this title.".

SEC. 426. STUDENT LOAN INFORMATION BY ELIGIBLE LENDERS.

(a) REQUIRED DISCLOSURE BEFORE DISBURSEMENT.—Section 433(a) of the Act (20 U.S.C. 1083) is amended

(1) by redesignating paragraphs (1) through (13) as paragraphs (2) through (14), respectively; and

(2) by inserting before paragraph (2) (as redesignated in subparagraph (A)) the following new paragraph:

"(1) a statement prominently and clearly displayed and in bold print that the borrower is receiving a loan that must be repaid;".

(b) REQUIRED DISCLOSURE BEFORE REPAYMENT.—Section 433(b) of the Act is amended—

(1) in the matter preceding paragraph (1), by striking the second sentence and inserting the following: "For any loan made, insured, or guaranteed under this part, other than a loan made under section 428B or 428C, such disclosure required by this subsection shall be made not less than 60 days nor more than 240 days before the first payment on the loan is due from the borrower."; and

(2) in paragraph (8), by inserting "except as provided in subsection (e)," before "the projected".

(c) SPECIAL RULES.—Section 433 of the Act is further amended by adding at the end the following new subsections:

"(e) SPECIAL DISCLOSURE RULES ON SLS LOANS AND PLUS LOANS AND UNSUBSIDIZED LOANS.—Loans made under section 428A, 428B, and 428H shall not be subject to the disclosure of projected monthly payment amounts required under subsection (b)(8) if the lender, in lieu of such disclosure, provides the borrower with sample projections of monthly repayment amounts assuming different levels of borrowing and interest accruals resulting from capitalization of interest while the borrower is in school. Such sample projections shall disclose the cost to the student of capitalizing—

"(1) principal and interest; and

"(2) interest only.".

SEC. 427. DEFINITIONS FOR STUDENT LOAN INSURANCE PROGRAM.

(a) ELIGIBLE INSTITUTION.—Section 435(a) of the Act (20 U.S.C. 1085) is amended—

(1) by striking paragraphs (1) and (2) and inserting the following:

"(1) IN GENERAL.—Except as provided in paragraph (2), the term 'eligible institution' means an institution of higher education, as defined in section 481, except that, for the purposes of sections 427(a)(2)(C)(i) and 428(b)(1)(M)(i), an eligible institution includes any institution that is within this definition without regard to whether such institution is participating in any program under this title and includes any institution ineligible for participation in any program under this part pursuant to paragraph (2) of this subsection.";

(2) by redesignating paragraph (3) as paragraph (2);

(3) in paragraph (2)(B) (as redesignated)—

(A) in clause (i), by striking "and" at the end thereof;

(B) in clause (ii), by striking "any succeeding fiscal year." and inserting "fiscal year 1993; and"; and

(C) by inserting at the end the following new clause:

"(iii) 25 percent for any succeeding fiscal year.".

(b) REPEAL OF SEPARATE DEFINITION OF INSTITUTION OF HIGHER EDUCATION.—

(1) AMENDMENT.—Subsection (b) of section 435 of the Act is repealed.

(2) REFERENCE.—With respect to reference in any other provision of law to the definition of institution of higher education contained in section 435(b) of the Act, such provision shall be deemed to refer to section 481(a) of the Act.

(c) REPEAL OF DEFINITION OF VOCATIONAL SCHOOL.—Subsection (c) of section 435 of the Act is repealed.

(d) ELIGIBLE LENDER.—Section 435(d) of the Act is amended—

(1) in paragraph (1)(A)—

(A) in the matter preceding clause (i), by striking "a trust company,"; and

(B) in clause (ii)—

(i) by inserting at the end of subclause (I) the following: "or a bank which is subject to examination and supervision by an agency of the United States, makes student loans as a trustee pursuant to an express trust, operated as a lender under this part prior to January 1, 1975, and which meets the requirements of this provision prior to the enactment of the Higher Education Amendments of 1992, or"; and

(ii) by striking ", or (III)" and all that follows through "January 1, 1981;" and inserting a semicolon; and

(2) in paragraph (2)—

(A) in subparagraph (C), by striking "institutions; and" and inserting "institution;";

(B) by inserting "and" after the semicolon at the end of subparagraph (D); and

(C) by inserting after subparagraph (D) the following new subparagraphs:

"(E) shall not have a cohort default rate (as defined in section 435(m)) greater than 15 percent; and

"(F) shall use the proceeds from special allowance payments and interest payments from borrowers for need-based grant programs, except for reasonable reimbursement for direct administrative expenses;".

(e) DUE DILIGENCE.—Section 435(f) of the Act is amended by inserting "servicing and" before "collection practices".

(f) REPEAL OF ADDITIONAL DEFINITIONS.—Section 435 of the Act is further amended by striking subsections (g), (h), and (n).

(g) DEFINITION OF COHORT DEFAULT RATE.—Section 435(m) of the Act is amended to read as follows:

"(m) COHORT DEFAULT RATE.—

"(1) IN GENERAL.—(A) Except as provided in paragraph (2), the term 'cohort default rate' means, for any fiscal year in which 30 or more current and former students at the institution enter repayment on loans under section 428 or 428A received for attendance at the institution, the percentage of those current and former students who enter repayment on such loans received for attendance at that institution in that fiscal year who default before the end of the following fiscal year.

"(B) In determining the number of students who default before the end of such fiscal year, the Secretary shall include only loans for which the Secretary or a guaranty agency has paid claims for insurance, and, in calculating the cohort default rate, exclude any loans which, due to improper servicing or collection, would result in an inaccurate or incomplete calculation of the cohort default rate.

"(C) For any fiscal year in which fewer than 30 of the institution's current and former students enter repayment, the term 'cohort default rate' means the percentage of such current and former students who entered repayment on such loans in any of the three most recent fiscal years, who default before the end of the fiscal year immediately following the year in which they entered repayment.

"(2) SPECIAL RULES.—(A) In the case of a student who has attended and borrowed at more than one school, the student (and such student's subsequent repayment or default) is attributed to each school for attendance at which the student received a loan that entered repayment in the fiscal year.

"(B) A loan on which a payment is made by the school, such school's owner, agent, contractor, employee, or any other entity or individual affiliated with such school, in order to avoid default by the borrower, is considered as in default for purposes of this subsection.

"(C) Any loan which has been rehabilitated before the end of such following fiscal year is not considered as in default for the purposes of this subsection.

"(D) For the purposes of this subsection, a loan made in accordance with section 428A shall not be considered to enter repayment until after the borrower has ceased to be enrolled in a course of study leading to a degree or certificate at an eligible institution on at least a half-time basis (as determined by the institution) and ceased to be in a period of forbearance based on such enrollment. Each eligible lender of a loan made under section 428A shall provide the guaranty agency with the information necessary to determine when the loan entered repayment for purposes of this subsection, and the guaranty agency shall provide such information to the Secretary.

"(3) REGULATIONS TO PREVENT EVASIONS.—The Secretary shall prescribe regulations designed to prevent an institution from evading the application to that institution of a default rate determination under this subsection through the use of such measures as branching, consolidation, change of ownership or control, or any similar device.".

SEC. 428. REPAYMENTS BY SECRETARY.

Section 437 of the Act (20 U.S.C. 1087) is amended to read as follows:

"REPAYMENT BY THE SECRETARY OF LOANS OF BANKRUPT, DECEASED, OR DISABLED BORROWERS; TREATMENT OF BORROWERS ATTENDING CLOSED SCHOOLS OR FALSELY CERTIFIED AS ELIGIBLE TO BORROW

"SEC. 437. (a) REPAYMENT IN FULL FOR DEATH AND DISABILITY.—If a student borrower who has received a loan described in subparagraph (A) or (B) of section 428(a)(1) dies or becomes permanently and totally disabled (as determined in accordance with regulations of the Secretary), then the Secretary shall discharge the borrower's liability on the loan by repaying the amount owed on the loan.

"(b) REPAYMENT OF AMOUNT SUBJECT TO BANKRUPTCY ACTION.—If the collection of a loan described in subparagraph (A) or (B) of section 428(a)(1) or sections 428A, 428B, 428C, or 428H is stayed in any action under title 11, United States Code, the Secretary shall repay the unpaid balance of principal and interest owed on the loan.

"(c) DISCHARGE.—

"(1) IN GENERAL.—If a student borrower who received, on or after January 1, 1986, a loan made, insured, or guaranteed under this part is unable to complete the program in which the borrower is enrolled due to the closure of the institution or if such student's eligibility to borrow under this part was falsely certified by the eligible institution, then the Secretary shall discharge the borrower's liability on the loan (including interest and collection fees) by repaying the amount owed on the loan and shall subsequently pursue any claim available to such borrower against the institution and its affiliates and principals or settle the loan obligation pursuant to the financial responsibility authority under subpart 3 of part H.

"(2) ASSIGNMENT.—A borrower whose loan has been discharged pursuant to this subsection shall be deemed to have assigned to the United States the right to a loan refund up to the amount discharged against the institution and its affiliates and principals.

"(3) ELIGIBILITY FOR ADDITIONAL ASSISTANCE.—The period of a student's attendance at an institution at which the student was unable to complete a course of study due to the closing of the institution shall not be considered for purposes of calculating the student's period of eligibility for additional assistance under this title.

"(4) SPECIAL RULE.—A borrower whose loan has been discharged pursuant to this subsection shall not be precluded from receiving additional grants, loans, or work assistance under this title for which the borrower would be otherwise eligible (but for the default on such discharged loan).

"(5) REPORTING.—The Secretary shall report to credit bureaus with respect to loans which have been discharged pursuant to this subsection.

"(d) REPAYMENT OF LOANS TO PARENTS.—If a student on whose behalf a parent has received a loan described in section 428B dies, then the Secretary shall discharge the borrower's liability on the loan by repaying the amount owed on the loan.".

SEC. 429. DEBT MANAGEMENT OPTIONS.

Part B of title IV of the Act is amended by inserting after section 437 the following new section:

"DEBT MANAGEMENT OPTIONS

"SEC. 437A. (a) PROGRAM AUTHORITY.—For the purpose of offering additional debt management options, the Secretary is authorized, to the extent of funds appropriated under subsection (d)—

"(1) to acquire from eligible holders the notes of borrowers under this part (other than section 428B) who are considered to be at high risk of default and who submit a request to the Secretary for an alternative repayment option;

"(2) to offer such borrowers one or more alternative repayment options, which may include graduated or extended repayment and which shall, subject to subsection (b)(2), include an income contingent repayment option established in accordance with subsection (b); and

"(3) to enter into contracts or other agreements with private firms or other agencies of the Government as necessary to carry out the purposes of this section.

"(b) INCOME CONTINGENT REPAYMENT OPTION.—

"(1) REGULATIONS.—For the purposes of subsection (a)(2), the Secretary shall, by regulation, establish the terms and conditions for an income contingent repayment option. Such regulations shall specify the schedules under which income will be assessed for repayment of loans, shall permit the discharge of the remaining obligation on the loan not later than 25 years after the commencement of income contingent repayment, and may provide for the potential collection of amounts in excess of the principal and interest owed on the original loan or loans.

"(2) COLLECTION MECHANISM DETERMINATION REQUIRED.—Such regulations shall not be effective unless the Secretary publishes a finding that—

"(A) the Secretary has, pursuant to subsection (a)(3), established a collection mechanism that will provide a high degree of certainty that collections will be made in accordance with the repayment option established under paragraph (1); and

"(B) the use of such repayment option and collection mechanism will result in an increase in the net amount the Government will collect.

"(c) DETERMINATIONS OF HIGH RISK OF DEFAULT.—In making determinations under subsection (a)(1), the Secretary shall—

"(1) consider the ratio of part B debt repayment to income; or

"(2) establish, by regulation, such other indicators of high risk as the Secretary considers appropriate

"(d) LOAN LIMITATION.—Not more than $200,000,000 may be used to acquire loans under this section in any fiscal year.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 1994 and for each of the 4 succeeding fiscal years.".

SEC. 430. SPECIAL ALLOWANCES.

(a) SPECIAL ALLOWANCE.—Section 438(b)(2) of the Act is amended—

(1) in subparagraph (A)(iii), by striking "3.25" and inserting "3.10";

(2) by adding at the end of subparagraph (A) the following new sentence: "If such computation produces a number less than zero, such loans shall be subject to section 427A(e).";

(3) in subparagraph (B)(i), by striking "3.25" and inserting "3.10"; and

(4) by striking division (ii) of subparagraph (B) and inserting the following:

"(ii) The quarterly rate of the special allowance set under division (i) of this subparagraph shall not be less than 9.5 percent minus the applicable interest rate on such loans, divided by 4.";

(5) in subparagraph (C)—

(A) by inserting "before October 1, 1992," after "made";

(B) by inserting "(i)" before "In"; and

(C) by adding at the end the following new clause:

"(ii) In the case of loans disbursed on or after October 1, 1992, pursuant to section 428A or 428B for which the interest rate is determined under section 427A(c)(4), a special allowance shall not be paid unless the rate determined for any 12-month period under section 427A(c)(4)(B) exceeds—

"(I) 11 percent in the case of a loan under section 428A; or

"(II) 10 percent in the case of a loan under section 428B.";

(6) in subparagraph (D)(i), by striking "3.25" and inserting "3.10".

(b) SPECIAL ALLOWANCE PERMITTED ON UNSUBSIDIZED LOANS.—Section 438(b)(5)(A)(ii) of the Act is amended by inserting "428H," after "428C,".

(c) SPECIAL RULE.—Section 438(b)(5) is amended by adding at the end thereof the following flush sentence:

"As used in this section, the term 'eligible loan' includes all loans subject to section 428I.".

(d) ORIGINATION FEES.—Section 438(c) is amended—

(1) in paragraph (2), by striking "With" and inserting "Subject to paragraph (6) of this subsection, with"; and

(2) by adding at the end the following new paragraphs:

"(6) SLS AND PLUS LOANS.—With respect to any loans made under section 428A or 428B on or after October 1, 1992, each eligible lender under this part shall charge the borrower an origination fee of 5 percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payments to the borrower.

"(7) DISTRIBUTION OF ORIGINATION FEES.—All origination fees collected pursuant to this section on loans authorized under section 428A or 428B shall be paid to the Secretary by the lender and deposited in the fund authorized under section 431 of this part.".

(e) DISCOUNTING.—Section 438(d)(2)(C) of the Act is amended by striking "or discount".

SEC. 431. STUDENT LOAN MARKETING ASSOCIATION.

(a) BOARD OF DIRECTORS.—Subsection (c) of section 439 of the Act (20 U.S.C. 1087–2(c)) is amended to read as follows:

"(c) BOARD OF DIRECTORS.—

"(1) COMPOSITION OF BOARD; CHAIRMAN.—(A) The Association shall have a Board of Directors which shall consist of 21 persons, 7 of whom shall be appointed by the President and shall be representative of the general public. The remaining 14 directors shall be elected by the common stockholders of the Association entitled to vote pursuant to subsection (f). Commencing with the annual shareholders meeting to be held in 1993—

"(i) 7 of the elected directors shall be affiliated with an eligible institution; and

"(ii) 7 of the elected directors shall be affiliated with an eligible lender.

"(B) The President shall designate 1 of the directors to serve as Chairman.

"(2) TERMS OF APPOINTED AND ELECTED MEMBERS.—The directors appointed by the President shall serve at the pleasure of the President and until their successors have been appointed and have qualified. The remaining directors shall each be elected for a term ending on the date of the next annual meeting of the common stockholders of the Association, and shall serve until their successors have been elected and have qualified. Any appointive seat on the Board which becomes vacant shall be filled by appointment of the President. Any elective seat on the Board which becomes vacant after the annual election of the directors shall be filled by the Board, but only for the unexpired portion of the term.

"(3) AFFILIATED MEMBERS.—For the purpose of this subsection, the references to a director 'affiliated with the eligible institution' or a director 'affiliated with an eligible lender' means an individual who is, or within 5 years of election to the Board has been, an employee, officer, director, or similar official of—

"(A) an eligible institution or an eligible lender;

"(B) an association whose members consist primarily of eligible institutions or eligible lenders; or

"(C) a State agency, authority, instrumentality, commission, or similar institution, the primary purpose of which relates to educational matters or banking matters.

"(4) MEETINGS AND FUNCTIONS OF THE BOARD.—The Board of Directors shall meet at the call of its Chairman, but at least semiannually. The Board shall determine the general policies which shall govern the operations of the Association. The Chairman of the Board shall, with the approval of the Board, select, appoint, and compensate qualified persons to fill the offices as may be provided for in the bylaws, with such functions, powers, and duties as may be prescribed by the bylaws or by the Board of Directors, and such persons shall be the officers of the Association and shall discharge all such functions, powers, and duties.".

(b) AUTHORITY OF ASSOCIATION.—Subparagraph (C) of section 439(d)(1) of the Act is amended to read as follows:

"(C) to buy, sell, hold, insure, underwrite, and otherwise deal in obligations issued for the purpose of financing or refinancing the construction, reconstruction, renovation, improvement, or purchase at institutions of higher education of any of the following facilities (including the underlying property) and materials at an eligible institution of higher education:

"(i) educational and training facilities;

"(ii) housing for students and faculties;

"(iii) library facilities, including the acquisition of library materials at institutions of higher education; and

"(iv) related equipment, instrumentation, and furnishings for facilities and materials described in clause (i) or (iii);

except that not more than 15 percent of the value of transactions entered into under this subparagraph shall involve transactions of the type described in clause (ii);".

(c) RESTRICTIONS ON ACTIVITIES.—Section 439(d)(5) of the Act is amended by striking "third highest rating" and inserting "second highest rating".

(d) STOCK OF ASSOCIATION.—Subsection (f) of section 439 of the Act is amended to read as follows:

"(f) STOCK OF THE ASSOCIATION.—

"(1) VOTING COMMON STOCK.—The Association shall have voting common stock having such par value as may be fixed by its Board of Directors from time to time. Each share of voting common stock shall be entitled to one vote with rights of cumulative voting at all elections of directors.

"(2) NUMBER OF SHARES; TRANSFERABILITY.—The maximum number of shares of voting common stock that the Association may issue and have outstanding at any one time shall be fixed by the Board of Directors from time to time. Any voting common stock issued shall be fully transferable, except that, as to the Association, it shall be transferred only on the books of the Association.

"(3) DIVIDENDS.—To the extent that net income is earned and realized, subject to subsection (g)(2), dividends may be declared on voting common stock by the Board of Directors. Such dividends as may be declared by the Board of Directors shall be paid to the holders of outstanding shares of voting common stock, except that no such dividends shall be payable with respect to any share which has been called for redemption past the effective date of such call.

"(4) SINGLE CLASS OF VOTING COMMON STOCK.—As of the effective date of the Higher Education Amendments of 1992, all of the previously authorized shares of voting common stock and nonvoting common stock of the Association shall be converted to shares of a single class of voting common stock on a share-for-share basis, without any further action on the part of the Association or any holder. Each outstanding certificate for voting or nonvoting common stock shall evidence ownership of the same number of shares of voting stock into which it is converted. All preexisting rights and obligations with respect to any class of common stock of the Association shall be deemed to be rights and obligations with respect to such converted shares.".

(e) SAFETY AND SOUNDNESS OF ASSOCIATION.—Section 439 of the Act is amended by adding at the end the following new subsection:

"(r) SAFETY AND SOUNDNESS OF ASSOCIATION.—

"(1) REPORTS BY THE ASSOCIATION.—The Association shall promptly furnish to the Secretary of Education and Secretary of the Treasury copies of all—

"(A) periodic financial reports publicly distributed by the Association; and

"(B) reports concerning the Association that are received by the Association and prepared by nationally recognized statistical rating organizations.

"(2) AUDIT BY SECRETARY OF THE TREASURY.—(A) The Secretary of the Treasury may—

"(i) appoint auditors to conduct audits of the Association from time to time to determine the condition of the Association for the purpose of assessing its financial safety and soundness; and

"(ii) enter into contracts to obtain the services of such technical experts as the Secretary of the Treasury determines necessary and appropriate to provide technical assistance to any auditor appointed under this paragraph.

"(B) Each auditor appointed under this paragraph shall conduct an audit of the Association to the extent requested by the Secretary of the Treasury and shall prepare and submit a report to the Secretary of the Treasury concerning the results of such audit. A copy of such report shall be furnished to the Association and the Secretary of Education on the date on which it is delivered to the Secretary of the Treasury.

"(C) The Association shall provide full and prompt access to the Secretary of the Treasury to its books and records and other information requested by the Secretary of the Treasury.

"(3) MONITORING OF SAFETY AND SOUNDNESS.—The Secretary of the Treasury shall conduct such studies as may be necessary to monitor the financial safety and soundness of the Association. In the event that the Secretary of the Treasury determines that the financial safety and soundness of the Association is at risk, the Secretary of the Treasury shall inform the Chairman and ranking minority member of the Committee on Labor and Human Resources of the Senate, the Chairman and ranking minority member of the Committee on Education and Labor of the House of Representatives, and the Secretary of Education of such determination and identify any corrective actions that should be taken to ensure the safety and soundness of the Association.

"(4) CAPITAL STANDARD.—If the capital ratio is less than 2 percent and is greater than or equal to 1.75 percent at the end of the Association's most recent calendar quarter the Association shall, within 60 days of such occurrence, submit to the Secretary of the Treasury a capital restoration plan, in reasonable detail, that the Association believes is adequate to cause the capital ratio to equal or exceed 2 percent within 36 months.

"(5) CAPITAL RESTORATION PLAN.—

"(A) SUBMISSION, APPROVAL, AND IMPLEMENTATION.—The Secretary of the Treasury and the Association shall consult with respect to any capital restoration plan submitted pursuant to paragraph (4) and the Secretary of the Treasury shall approve such plan (or a modification thereof accepted by the Association) or disapprove such plan within 30 days after such plan is first submitted to the Secretary of the Treasury by the Association, unless the Association and Secretary of the Treasury mutually agree to a longer consideration period. If the Secretary of the Treasury approves a capital restoration plan (including a modification of a plan accepted by the Association), the Association shall forthwith proceed with diligence to implement such plan to the best of its ability.

"(B) DISAPPROVAL.—If the Secretary of the Treasury does not approve a capital restoration plan as provided in subparagraph (A), then not later than the earlier of the date the Secretary of the Treasury disapproves of such plan by written notice to the Association or the expiration of the 30-day consideration period referred to in subparagraph (A) (as such period may have been extended by mutual agreement), the Secretary of the Treasury shall submit the Association's capital restoration plan, in the form most recently proposed to the Secretary of the Treasury by the Association, together with a report on the Secretary of the Treasury's reasons for disapproval of such plan and an alternative capital restoration plan, to the Chairman and ranking minority member of the Senate Committee on Labor and Human Resources and to the Chairman and ranking minority member of the House Committee on Education and Labor. A copy of such submission simultaneously shall be sent to the Association and the Secretary of Education by the Secretary of the Treasury.

"(C) ASSOCIATION IMPLEMENTATION AND RESPONSE.—Upon receipt of the submission by the Association, the Association shall forthwith proceed with diligence to implement the most recently proposed capital restoration plan of the Association. The Association, within 30 days after receipt from the Secretary of the Treasury of such submission, shall submit to such Chairmen and ranking minority members a written response to such submission, setting out fully the

nature and extent of the Association's agreement or the disagreement with the Secretary of the Treasury with respect to the capital restoration plan submitted to the Secretary of the Treasury and any findings of the Secretary of the Treasury.

"(6) SUBSTANTIAL CAPITAL RATIO REDUCTION.—

"(A) ADDITIONAL PLAN REQUIRED.—If the capital ratio is less than 1.75 percent and is greater than or equal to 1 percent at the end of the Association's most recent calendar quarter, the Association shall submit to the Secretary of the Treasury within 60 days after such occurrence a capital restoration plan (or an appropriate modification of any plan previously submitted or approved under paragraph (4)) to increase promptly its capital ratio to equal or exceed 1.75 percent. The Secretary of the Treasury and the Association shall consult with respect to any plan or modified plan submitted pursuant to this paragraph. The Secretary of the Treasury shall approve such plan or modified plan (or a modification thereof accepted by the Association) or disapprove such plan or modified plan within 30 days after such plan or modified plan is first submitted to the Secretary of the Treasury by the Association, unless the Association and Secretary of the Treasury mutually agree to a longer consideration period. If the Secretary of the Treasury approves a plan or modified plan (including a modification of a plan accepted by the Association), the Association shall forthwith proceed with diligence to implement such plan or modified plan to the best of the Association's ability.

"(B) DISAPPROVAL.—If the Secretary of the Treasury disapproves a capital restoration plan or modified plan submitted pursuant to subparagraph (A), then, not later than the earlier of the date the Secretary of the Treasury disapproves of such plan or modified plan (by written notice to the Association) or the expiration of the 30-day consideration period described in subparagraph (A) (as such period may have been extended by mutual agreement), the Secretary of the Treasury shall prepare and submit an alternative capital restoration plan, together with a report on his reasons for disapproval of the Association's plan or modified plan, to the Chairman and ranking minority member of the Committee on Labor and Human Resources of the Senate and to the Chairman and ranking minority member of the Committee on Education and Labor of the House of Representatives. A copy of such submission simultaneously shall be sent to the Association and the Secretary of Education by the Secretary of the Treasury. The Association, within 5 days after receipt from the Secretary of the Treasury of such submission, shall submit to the Chairmen and ranking minority members of such Committees, and the Secretary of the Treasury, a written response to such submission, setting out fully the nature and extent of the Association's agreement or disagreement with the Secretary of the Treasury with respect to the disapproved plan and the alternative plan of the Secretary of the Treasury and any findings of the Secretary of the Treasury.

"(C) REVIEW BY CONGRESS; ASSOCIATION IMPLEMENTATION.—Congress shall have 60 legislative days after the date on which Congress receives the alternative plan under subparagraph (B) from the Secretary of the Treasury to review such plan. If Congress does not take statutory action with respect to any such plan within such 60-day period, the Association shall immediately proceed with diligence to implement the alternative capital restoration plan of the Secretary of the Treasury under subparagraph (B). If Congress is out of session when any such alternative plan is received, such 60-day period shall begin on the first day of the next session of Congress.

"(7) ACTIONS BY SECRETARY OF THE TREASURY.—If the capital ratio of the Association does not equal or exceed 1.75 percent at the end of the Association's most recent calendar quarter, the Secretary of the Treasury may, until the capital ratio equals or exceeds 1.75 percent, take any one or more of the following actions:

"(A) LIMIT INCREASE IN LIABILITIES.—Limit any increase in, or order the reduction of, any liabilities of the Association, except as necessary to fund student loan purchases and warehousing advances.

"(B) RESTRICT GROWTH.—Restrict or eliminate growth of the Association's assets, other than student loans purchases and warehousing advances.

"(C) RESTRICT DISTRIBUTIONS.—Restrict the Association from making any capital distribution.

"(D) REQUIRE ISSUANCE OF NEW CAPITAL.—Require the Association to issue new capital in any form and in any amount sufficient to restore at least a 1.75 percent capital ratio.

"(E) LIMIT EXECUTIVE COMPENSATION.—Prohibit the Association from increasing for any executive officer any compensation including bonuses at a rate exceeding that officer's average rate of compensation during the previous 12 calendar months and prohibiting the Board from adopting any new employment severance contracts.

"(8) CRITICAL CAPITAL STANDARD.—(A) If the capital ratio is less than 1 percent at the end of the Association's most recent calendar quarter and the Association has already submitted a capital restoration plan to the Secretary of the Treasury pursuant to paragraph (4) or (6)(A), the Association shall forthwith proceed with diligence to implement the most recently proposed plan with such modifications as the Secretary of the Treasury determines are necessary to cause the capital ratio to equal or exceed 2 percent within 60 months.

"(B) If the capital ratio is less than 1 percent at the end of the Association's most recent calendar quarter and the Association has not submitted a capital restoration plan to the Secretary of the Treasury pursuant to paragraph (4) or (6)(A), the Association shall—

"(i) within 14 days of such occurrence submit a capital restoration plan to the Secretary of the Treasury which the Association believes is adequate to cause the capital ratio to equal or exceed 2 percent within 60 months; and

"(ii) forthwith proceed with diligence to implement such plan with such modifications as the Secretary of the Treasury determines are necessary to cause the capital ratio to equal or exceed 2 percent within 60 months.

"(C) Immediately upon a determination under subparagraph (A) or (B) to implement a capital restoration plan, the Secretary of the Treasury shall submit the capital restoration plan to be implemented to the Chairman and ranking minority member of the Committee on Labor and Human Resources of the Senate, the Chairman and ranking minority member of the Committee on Education and Labor of the House of Representatives, and the Secretary of Education.

"(9) ADDITIONAL REPORTS TO COMMITTEES.—The Association shall submit a copy of its capital restoration plan, modifications proposed to the Secretary of the Treasury, and proposed modifications received from the Secretary of the Treasury to the Congressional Budget Office and General Accounting Office upon their submission to the Secretary of the Treasury or receipt from the Secretary of the Treasury. Notwithstanding any other provision of law, the Congressional Budget Office and General Accounting Office shall maintain the confidentiality of information received pursuant to the previous sentence. In the event that the Secretary of the Treasury does not approve a capital restoration plan as provided in paragraph (5)(A) or (6)(A), or in the event that a capital restoration plan is modified by the Secretary of the Treasury pursuant to paragraph (6)(B) or (8), the Congressional Budget Office and General Accounting Office shall each submit a report within 30 days of the Secretary of the Treasury's submission to the Chairmen and ranking minority members as required in paragraphs (5)(B), (6)(B), and (8)(C) to such Chairmen and ranking members—

"(A) analyzing the financial condition of the Association;

"(B) analyzing the capital restoration plan and reasons for disapproval of the plan contained in the Secretary of the Treasury's submission made pursuant to paragraph (5)(B), or the capital restoration plan proposed by the Association and the modifications made by the Secretary of the Treasury pursuant to paragraph (6)(B) or (8);

"(C) analyzing the impact of the capital restoration plan and reasons for disapproval of the plan contained in the Secretary of the Treasury's submission made pursuant to paragraph (5)(B), or the impact of the capital restoration plan proposed by the Association and the modifications made by the Secretary of the Treasury pursuant to paragraph (6)(B) or (8), and analyzing the impact of the recommendations made pursuant to subparagraph (D) of this paragraph, on—

"(i) the ability of the Association to fulfill its purpose and authorized activities as provided in this section, and

"(ii) the operation of the student loan programs; and

"(D) recommending steps which the Association should take to increase its capital ratio without impairing its ability to perform its purpose and authorized activities as provided in this section.

"(10) REVIEW BY SECRETARY OF EDUCATION.—The Secretary of Education shall review the Secretary of the Treasury's submission required pursuant to paragraph (5)(B), (6)(B), or (8) and shall submit a report within 30 days to the Chairman and ranking minority member of the Senate Committee on Labor and Human Resources and to the Chairman and ranking minority member of the House Committee on Education and Labor—

"(A) describing any administrative or legislative provisions governing the student loan programs which contributed to the decline in the Association's capital ratio; and

"(B) recommending administrative and legislative changes in the student loan programs to maintain the orderly operation of such programs and to enable the Association to fulfill its purpose and authorized activities consistent with the capital ratio specified in paragraph (4).

"(11) SAFE HARBOR.—The Association shall be deemed in compliance with the capital ratios described in paragraphs (4) and (6)(A) if the Association is rated in 1 of the 2 highest full rating categories (such categories to be determined without regard to designations within categories) by 2 nationally recognized statistical rating organizations, determined without regard to the Association's status as a federally chartered corporation.

"(12) TREATMENT OF CONFIDENTIAL INFORMATION.—Notwithstanding any other provision of law, the Secretary of the Treasury, the Secretary of Education, the Congressional Budget Office, and the General Accounting Office shall not disclose any information treated as confidential by the Association and obtained pursuant to this subsection. Nothing in this paragraph shall authorize the Secretary of the Treasury, the Secretary of Education, the Congressional Budget Office, and the General Accounting Office to withhold information from

Congress, or prevent the Secretary of Education, the Congressional Budget Office, and the General Accounting Office from complying with a request for information from any other Federal department or agency requesting the information for purposes within the scope of its jurisdiction, or complying with an order of a court of the United States in an action brought by the United States. For purposes of section 522 of title 5, United States Code, this paragraph shall be considered a statute described in subsection (b)(3) of such section 552.

"(13) DEFINITIONS.—As used in this subsection:

"(A) The term 'nationally recognized statistical rating organization' means any entity recognized as such by the Securities and Exchange Commission.

"(B) The term 'capital ratio' means the ratio of total stockholders' equity, as shown on the Association's most recent quarterly consolidated balance sheet prepared in the ordinary course of its business, to the sum of—

"(i) the total assets of the Association, as shown on the balance sheet prepared in the ordinary course of its business; and

"(ii) 50 percent of the credit equivalent amount of the following off-balance sheet items of the Association as of the date of such balance sheet—

"(I) all financial standby letters of credit and other irrevocable guarantees of the repayment of financial obligations of others; and

"(II) all interest rate contracts and exchange rate contracts, including interest exchange agreements, floor, cap, and collar agreements and similar arrangements.

For purposes of this subparagraph, the calculation of the credit equivalent amount of the items set forth in clause (ii) of this subparagraph, the netting of such items and eliminations for the purpose of avoidance of double-counting of such items shall be made in accordance with the measures for computing credit conversion factors for off-balance sheet items for capital maintenance purposes established for commercial banks from time to time by the Federal Reserve Board, but without regard to any risk weighting provisions in such measures.

"(C) The term 'legislative days' means only days on which either House of Congress is in session.".

SEC. 432. EFFECTIVE DATES FOR AMENDMENTS TO PART B.

(a) IN GENERAL.—The changes made in part B of title IV of the Act by the amendments made by this part shall take effect on the date of enactment of this Act, except—

(1) as otherwise provided in such part B;

(2) that the changes made in sections 425(a), 428(b)(1)(A), 428(b)(1)(B), 428A(b), 428B(b), relating to annual and aggregate loan limits, shall apply with respect to loans for which the first disbursement is made on or after July 1, 1993, except that—

(A) the changes made in section 425(a)(1)(A)(i) and 428(b)(1)(A)(i) shall apply with respect to loans for which the first disbursement is made on or after October 1, 1992; and

(B) the changes made in section 425(a)(1)(A)(iv) and 428(b)(1)(A)(iv) shall apply with respect to loans to cover the costs of instruction for periods of enrollment beginning on or after October 1, 1993;

(3) that the changes made in sections 427(a)(2)(C) and 428(b)(1)(M), relating to deferments, shall apply with respect to loans for which the first disbursement is made on or after July 1, 1993, to an individual who is a new borrower on the date such individual applies for a loan;

(4) that the changes made in sections 428(a)(7) and 428(f)(1)(C), relating to payments for unconsummated loans, shall apply with respect to loans made on or after October 1, 1992;

(5) that the changes made in sections 427(a)(2)(H) and 428(b)(1)(E)(i), relating to offering graduated or income sensitive repayment options, shall apply with respect to loans for which the first disbursement is made on or after July 1, 1993, to an individual who is a new borrower on the date such individual applies for a loan;

(6) that the changes made in section 428(b)(4), relating to teacher deferment, shall apply with respect to loans for which the first disbursement is made on or after July 1, 1993, to an individual who is a new borrower on the date such individual applies for a loan;

(7) that section 428(c)(2)(H)(i) as added by such amendments shall be effective on and after October 1, 1992;

(8) that the changes in section 428(c)(3) with respect to forbearance after a default shall be effective on and after October 1, 1992;

(9) that the changes made in section 428B(a) with respect to use of credit histories shall apply with respect to loans for which the first disbursement is made on or after July 1, 1993;

(10) that section 428B(c) as added by such amendments, relating to disbursement of Federal PLUS Loans, shall apply with respect to loans for which the first disbursement is made on or after October 1, 1992;

(11) that the changes made in section 428C, relating to consolidation loans, shall apply with respect to loans under such section for which the application is received by an eligible lender on or after January 1, 1993;

(12) that section 428H as added by such amendments shall be effective with respect to loans made to cover the cost of instruction for periods of enrollment beginning on or after October 1, 1992;

(13) that the changes made in section 438 shall apply with respect to loans for which the first disbursement is made on or after October 1, 1992;

(14) that the changes in section 439(d)(1), relating to facilities loans, shall apply with respect to applications received on or after July 1, 1992; and

(15) that the changes in the designation or names of loans or programs under part B is effective with respect to applications or other documents (used in making such loans) that are printed after the date of enactment of this Act.

(b) NEW BORROWERS.—For purposes of the section, the term "new borrower" means, with respect to any date, an individual who on that date has no outstanding balance of principal or interest owing on any loan made, insured, or guaranteed under part B of title IV of the Act.

PART C—FEDERAL WORK-STUDY PROGRAMS

SEC. 441. DESIGNATION, PURPOSE, AND APPROPRIATIONS.

(a) PROGRAM TITLE.—

(1) AMENDMENT.—The heading of part C of title IV of the Act is amended to read as follows:

"PART C—FEDERAL WORK-STUDY PROGRAMS".

(2) CONFORMING AMENDMENT.—The heading of section 443 is amended by inserting "FEDERAL" before "WORK-STUDY".

(b) PURPOSE.—Section 441(a) of the Act is amended by inserting ", and to encourage students receiving Federal student financial assistance to participate in community service activities that will benefit the Nation and engender in the students a sense of social responsibility and commitment to the community" before the period at the end thereof.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 441(b) of the Act is amended to read as follows:

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this part, $800,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

(d) DEFINITION OF COMMUNITY SERVICE.—Section 441 of the Act is amended by adding at the end the following new subsection:

"(c) COMMUNITY SERVICES.—For purposes of this part, the term 'community services' means services which are identified by an institution of higher education, through formal or informal consultation with local nonprofit, governmental, and community-based organizations, as designed to improve the quality of life for community residents, particularly low-income individuals, or to solve particular problems related to their needs, including—

"(1) such fields as health care, child care, literacy training, education (including tutorial services), welfare, social services, transportation, housing and neighborhood improvement, public safety, crime prevention and control, recreation, rural development, and community improvement;

"(2) work in service opportunities or youth corps as defined in section 101 of the National and Community Service Act of 1990, and service in the agencies, institutions and activities designated in section 124(a) of the National and Community Service Act of 1990;

"(3) support services to students with disabilities; and

"(4) activities in which a student serves as a mentor for such purposes as—

"(A) tutoring;

"(B) supporting educational and recreational activities; and

"(C) counseling, including career counseling.".

SEC. 442. ALLOCATION OF FUNDS.

(a) GRANTS TO SCHOOLS WITH HIGH CONCENTRATIONS OF PELL GRANT RECIPIENTS.—Section 442(a) of the Act (42 U.S.C. 2752(a)) is amended by adding at the end the following new paragraph:

"(4)(A) Notwithstanding any other provision of this section, the Secretary may allocate an amount equal to not more than 10 percent of the amount by which the amount appropriated in any fiscal year to carry out this part exceeds $700,000,000 among eligible institutions described in subparagraph (B).

"(B) In order to receive an allocation pursuant to subparagraph (A) an institution shall be an eligible institution from which 50 percent or more of the Pell Grant recipients attending such eligible institution graduate or transfer to a 4-year institution of higher education.".

(b) CONSEQUENCES OF FAILURE TO AWARD.—Section 442(e) of the Act is amended to read as follows:

"(e) REALLOCATION OF EXCESS ALLOCATIONS.—If institutions return to the Secretary any portion of the sums allocated to such institutions under this section for any fiscal year, the Secretary shall reallot such excess to eligible institutions which used at least 10 percent of the total amount of funds granted to such institution under this section to compensate students employed in community service in the preceding fiscal year. Such excess funds shall be reallotted to institutions which qualify under this subsection on the same basis as excess eligible amounts are allocated to institutions pursuant to subsection (c). Funds received by institutions pursuant to this subsection shall be used to compensate students employed in community service.".

SEC. 443. GRANTS FOR WORK-STUDY PROGRAMS.

(a) CONTENTS OF AGREEMENTS.—Section 443(b)(1) of the Act (42 U.S.C. 2753) is amended, in the matter preceding subparagraph (A), by inserting "; work in community service" after "itself".

(b) USE FOR COMMUNITY SERVICE.—Section 443(b)(2)(A) of the Act is amended to read as follows:

"(A) in fiscal year 1994 and succeeding fiscal years, an institution shall use at least 5 percent

of the total amount of funds granted to such institution under this section in any fiscal year to compensate students employed in community service, except that the Secretary may waive this subparagraph if the Secretary determines that enforcing it would cause hardship for students at an institution;".

(c) ALLOCATION.—Section 443(b)(3) of the Act is amended to read as follows:

"(3) provide that in the selection of students for employment under such work-study program, only students, who demonstrate financial need in accordance with part F of this title, and who meet the requirements of section 484 will be assisted, except that—

"(A) if the institution's grant under this part is directly or indirectly based in part on the financial need demonstrated by students who are (i) attending the institution less than full time, or (ii) independent students; and

"(B) if the total financial need of all such less than full-time and independent students at the institution exceeds 5 percent of the total financial need of all students at such institution,

then at least 5 percent of the grant shall be made available to such less than full-time and independent students;".

(d) OVERAWARD INCOME LIMIT.—Section 443(b)(4) of the Act is amended to read as follows:

"(4) provide that for a student employed in a work-study program under this part, at the time income derived from any need-based employment is in excess of the determination of the amount of such student's need by more than $300, continued employment shall not be subsidized with funds appropriated under this part;".

(e) FEDERAL SHARE.—Section 443(b)(5) of the Act is amended to read as follows:

"(5) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement shall not exceed 75 percent for academic year 1993–1994 and succeeding academic years, except that—

"(A) the Federal share may exceed such amounts of such compensation if the Secretary determines, pursuant to regulations promulgated by the Secretary establishing objective criteria for such determinations, that a Federal share in excess of such amounts is required in furtherance of the purpose of this part; and

"(B) when a student engaged in work in community service performs such work for a private nonprofit organization other than the eligible institution, the contribution of such agency or organization shall not exceed 40 percent of the institution's share of the compensation of the student, and the eligible institution in its discretion may count such contribution toward satisfaction of the non-Federal share of the compensation of the student;".

(f) PROPRIETARY SCHOOLS.—Section 443(b)(8) of the Act is amended—

(1) in subparagraph (A), by inserting ", except as required in subparagraph (A) of paragraph (2)" before the semicolon at the end thereof; and

(2) in subparagraph (C), by inserting "that are directly related to the student's education" after "student services".

(g) INDIVIDUALS WITH DISABILITIES.—Section 443(b) of the Act is amended—

(1) by redesignating paragraph (9) as paragraph (11);

(2) by striking "and" at the end of paragraph (8); and

(3) by inserting after paragraph (8) the following new paragraphs:

"(9) provide assurances that employment made available from funds under this part may be used to support programs for supportive services to students with disabilities;

"(10) provide assurances that the institution will inform all eligible students of the opportunity to perform community service, and will consult with local nonprofit, governmental, and community-based organizations to identify such opportunities; and".

SEC. 444. CARRY-BACK AUTHORITY.

Section 445(b) of the Act is amended—

(1) by inserting "(1)" after the subsection heading; and

(2) by adding at the end the following new paragraph:

"(2) An eligible institution may make payments to students of wages earned after the end of the academic year, but prior to the beginning of the succeeding fiscal year, from such succeeding fiscal year's appropriations.".

SEC. 445. JOB LOCATION AND DEVELOPMENT.

Section 446 of the Act is amended to read as follows:

"JOB LOCATION AND DEVELOPMENT PROGRAMS

"SEC. 446. (a) AGREEMENTS REQUIRED.—(1) The Secretary is authorized to enter into agreements with eligible institutions under which such institution may use not more than 10 percent or $50,000 of its allotment under section 442, whichever is less, to establish or expand a program under which such institution, separately or in combination with other eligible institutions, locates and develops jobs, including community service jobs, for currently enrolled students.

"(2) Jobs located and developed under this section shall be jobs that are suitable to the scheduling and other needs of such students and that, to the maximum extent practicable, complement and reinforce the educational programs or vocational goals of such students.

"(b) CONTENTS OF AGREEMENTS.—Agreements under subsection (a) shall—

"(1) provide that the Federal share of the cost of any program under this section will not exceed 80 percent of such cost;

"(2) provide satisfactory assurance that funds available under this section will not be used to locate or develop jobs at an eligible institution;

"(3) provide satisfactory assurance that funds available under this section will not be used for the location or development of jobs for students to obtain upon graduation, but rather for the location and development of jobs available to students during and between periods of attendance at such institution;

"(4) provide satisfactory assurance that the location or development of jobs pursuant to programs assisted under this section will not result in the displacement of employed workers or impair existing contracts for services;

"(5) provide satisfactory assurance that Federal funds used for the purpose of this section can realistically be expected to help generate student wages exceeding, in the aggregate, the amount of such funds, and that if such funds are used to contract with another organization, appropriate performance standards are part of such contract; and

"(6) provide that the institution will submit to the Secretary an annual report on the uses made of funds provided under this section and an evaluation of the effectiveness of such program in benefiting the students of such institution.".

SEC. 446. ADDITIONAL FUNDS TO CONDUCT COMMUNITY SERVICE WORK-STUDY PROGRAMS.

(a) IN GENERAL.—Section 447 of the Act (42 U.S.C. 2756a) is amended—

(1) by striking subsections (a) and (b); and

(2) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "funds made available under the last sentence of section 489(a)" and inserting "up to 10 percent of the funds made available under section 489(a) and attributable to the amount of the institution's expenditures under this part";

(B) in paragraph (3), by inserting ", and programs assisted under the National and Community Service Act of 1990" after "nonprofit agencies"; and

(C) by striking "(c) USE OF OTHER FUNDS TO CONDUCT PROGRAM.—".

(b) AMENDMENT TO HEADING.—The heading for section 447 of the Act is amended to read as follows:

"ADDITIONAL FUNDS TO CONDUCT COMMUNITY SERVICE WORK-STUDY PROGRAMS".

(c) CONFORMING AMENDMENTS.—Subsection (a) of section 489 of the Act (20 U.S.C. 1096(a)) is amended—

(1) in the second sentence, by striking "(other than section 447)"; and

(2) by striking the fourth sentence (relating to payments with respect to section 447).

SEC. 447. WORK COLLEGES.

Part C of title IV of the Act (42 U.S.C. 2751 et seq.) is amended by adding at the end thereof the following new section:

"WORK COLLEGES

"SEC. 448. (a) PURPOSE.—The purpose of this section is to recognize, encourage, and promote the use of comprehensive work-learning programs as a valuable educational approach when it is an integral part of the institution's educational program and a part of a financial plan which decreases reliance on grants and loans.

"(b) SOURCE AND USE FUNDS.—

"(1) SOURCE OF FUNDS.—In addition to the sums appropriated under subsection (f), funds allocated to the institution under part C and part E of this title may be transferred for use under this section to provide flexibility in strengthening the self-help-through-work element in financial aid packaging.

"(2) ACTIVITIES AUTHORIZED.—From the sums appropriated pursuant to subsection (f), and from the funds available under paragraph (1), eligible institutions may, following approval of an application under subsection (c) by the Secretary—

"(A) support the educational costs of qualified students through self-help payments or credits provided under the work-learning program of the institution within the limits of part F of this title;

"(B) promote the work-learning-service experience as a tool of postsecondary education, financial self-help and community service-learning opportunities;

"(C) carry out activities described in section 443 or 446; and

"(D) be used for the administration, development and assessment of comprehensive work-learning programs, including—

"(i) community-based work-learning alternatives that expand opportunities for community service and career-related work; and

"(ii) alternatives that develop sound citizenship, encourage student persistence, and make optimum use of assistance under this part in education and student development.

"(c) APPLICATION.—Each eligible institution may submit an application for funds authorized by subsection (f) to use funds under subsection (b)(1) at such time and in such manner as the Secretary, by regulation, may reasonably require.

"(d) MATCH REQUIRED.—Funds made available to work-colleges pursuant to this section shall be matched on a dollar-for-dollar basis from non-Federal sources.

"(e) DEFINITIONS.—For the purpose of this section—

"(1) the term 'work-college' means an eligible institution that—

"(A) has been a public or private nonprofit institution with a commitment to community service;

"(B) has operated a comprehensive work-learning program for at least 2 years;

"(C) requires all resident students who reside on campus to participate in a comprehensive *work-learning program and the provision of services as an integral part of the institution's educational program and as part of the institution's educational philosophy; and*

"(D) provides students participating in the comprehensive work-learning program with the opportunity to contribute to their education and to the welfare of the community as a whole; and

"(2) the term 'comprehensive student work-learning program' means a student work/service program that is an integral and stated part of the institution's educational philosophy and program; requires participation of all resident students for enrollment, participation, and graduation; includes learning objectives, evaluation and a record of work performance as part of the student's college record; provides programmatic leadership by college personnel at levels comparable to traditional academic programs; recognizes the educational role of work-learning supervisors; and includes consequences for nonperformance or failure in the work-learning program similar to the consequences for failure in the regular academic program.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $5,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

PART D—FEDERAL DIRECT LOANS

SEC. 451. ESTABLISHMENT OF FEDERAL DIRECT LOAN PROGRAM.

Part D of title IV of the Act (20 U.S.C. 1087a et seq.) is amended to read as follows:

"PART D—FEDERAL DIRECT LOAN DEMONSTRATION PROGRAM

"SEC. 451. PROGRAM AND PAYMENT AUTHORITY.

"(a) PROGRAM AUTHORITY.—The Secretary shall, in accordance with the provisions of this part, carry out a loan demonstration program for qualified students and parents at selected institutions of higher education to enable the students to pursue their courses of study at such institutions during the period beginning on July 1, 1994 and ending on June 30, 1998.

"(b) PAYMENT AUTHORITY.—

"(1) GENERAL AUTHORITY.—The Secretary shall make payments under this part for any fiscal year to institutions of higher education having an agreement under section 454, on the basis of the estimated needs of students at each institution and parents for student or parent loans, taking into consideration the demand and eligibility of such students and parents for loans under this part.

"(2) ENTITLEMENT PROVISION.—An institution of higher education which has an agreement with the Secretary under section 454 shall be deemed to have a contractual right against the United States to receive payments according to that agreement.

"SEC. 452. PAYMENT RULES.

"(a) IN GENERAL.—The Secretary shall make payments required by section 451 in such installments as the Secretary determines—

"(1) reflect accurately the disbursement of funds for student and parent loans by the institution of higher education, and

"(2) will best carry out the objectives of this part.

"(b) INITIAL PAYMENTS.—The initial payments for any academic year required by section 451 shall be made available to each institution of higher education not later than 10 days prior to the beginning of the academic year at such institution.

"SEC. 453. SELECTION BY THE SECRETARY.

"(a) ENTRY REQUIREMENT.—The Secretary shall enter into agreements with institutions of higher education, at which the total loan volume under the Federal Stafford Loan program, the Federal Supplemental Loans for Students program, and the Federal PLUS loan program was $500,000,000 in the most recent year for which data is available, to participate in the loan demonstration program to make loans for the period beginning with the academic year beginning on July 1, 1994, and ending with loans made before June 30, 1998. Such agreements shall be concluded not later than January 1, 1994.

"(b) SELECTION CRITERIA.—The Secretary shall enter into agreements with institutions of higher education which represent a cross-section of all institutions of higher education participating in part B of this title in terms of control of the institution, length of academic program, highest degree offered, size of student enrollment, percentage of students borrowing under part B, geographic location, annual loan volume, default experience and composition of the student body.

"(c) PREFERENCE FOR APPLYING INSTITUTIONS.—In constituting the cross-section of institutions of higher education required by the previous subsection, the Secretary shall first enter into agreements, to the maximum extent possible consistent with the requirements of constituting the cross-section, with institutions of higher education which apply to participate in the loan demonstration program. Institutions of higher education desiring to participate in the demonstration shall submit an application containing such information as the Secretary may by regulation prescribe.

"(d) DESIGNATION OF ADDITIONAL INSTITUTIONS.—If an insufficient number of institutions of higher education apply and satisfy the conditions provided in subsections (a) and (b) of this section, the Secretary shall designate additional institutions of higher education from among those eligible to participate in part B to participate in the loan demonstration program in order to satisfy the conditions provided in subsections (a) and (b) of this section. An institution of higher education designated by the Secretary pursuant to this subsection may decline to participate in the loan demonstration program for good cause pursuant to regulations established by the Secretary.

"(e) LIMITATION.—The Secretary shall ensure that the annual loan volume under the Federal Stafford Loan program, the Federal Supplemental Loans for Students program, and the Federal Plus loan program at the institutions of higher education with which the Secretary enters into agreements under this part, in the most recent fiscal year for which data are available, represents not more than 15 percent of the loan guarantees of any guaranty agency under such programs and the Secretary shall determine that such guaranty agency will remain financially sound.

"(f) SELECTION OF SUBGROUP TO TEST INCOME CONTINGENT REPAYMENT.—

"(1) SELECTION.—Within the institutions of higher education selected or designated to participate in the loan demonstration program under this part, the Secretary shall select 35 percent of such institutions to offer income contingent repayment methods in accordance with section 454(6).

"(2) FINDING REQUIRED.—The Secretary shall not select institutions to offer such repayment methods unless the Secretary publishes a finding that—

"(A) the Secretary has established a collection mechanism that will provide a high degree of certainty that collections will be made in accordance with the repayment option; and

"(B) the use of such repayment option and collection mechanism will result in an increase in the net amount the Government will collect.

"(g) CONSORTIA.—Institutions of higher education may apply to participate in the program pursuant to subsection (c) as consortia. The Secretary shall consider the members of the consortia as individual institutions for the purposes of subsection (b). Institutions of higher education selected by the Secretary to participate in the program may also enter into consortia for the purpose of carrying out the agreement required by section 454.

"SEC. 454. AGREEMENT REQUIRED.

"An agreement with any institution of higher education for participation in the loan demonstration program shall—

"(1) provide for the establishment and maintenance of a loan demonstration program at the institution of higher education under which—

"(A) the institution of higher education will identify eligible students who seek student financial assistance at such institution, in accordance with section 484;

"(B) the institution of higher education will estimate the need of each such student as required by part F;

"(C) the institution of higher education will originate loans to such eligible students and eligible parents in accordance with this part, and will not charge any administrative fees to such students or parents for such origination activities;

"(D) the institution of higher education will provide timely information concerning the status of student and parent borrowers to the contractor or contractors responsible for loan collection pursuant to section 457; and

"(E) the institution of higher education will participate in the loan demonstration program for its duration, subject to procedures for withdrawal established by section 455;

"(2) provide assurances that the institution of higher education will comply with the provisions of section 463A, relating to student loan information, with respect to loans made under this part;

"(3) provide that the note or evidence of obligation on the loan shall be the property of the Secretary and that the institution of higher education will act as the agent of the Secretary for the purpose of making loans under the loan demonstration program;

"(4) provide that the institution of higher education will accept responsibility and liability stemming from its failure to perform its functions pursuant to the agreement;

"(5) provide that students at the institution of higher education and their parents (with respect to such students) will not be eligible to participate in the Federal Stafford Loan program, the Federal Supplemental Loans to Students program, or the Federal Plus loan program for the period during which such institution participates in the loan demonstration program;

"(6) in the case of the institutions selected by the Secretary pursuant to section 453(f), include such terms and conditions as the Secretary may require by regulation for testing income contingent repayment methods, which shall include—

"(A) requiring such institutions to offer the option of income contingent repayment, based on an annual review of the borrowers Federal income tax return, to any student who applies for a loan under this part;

"(B) the additional or different terms and conditions to be included in the notes or other agreements entered into by the borrower, as required by such regulations, including provisions with respect to the disclosure by the borrower of subsequent income;

"(C) providing for the discharge of loans after not more than 25 years of income contingent repayment; and

"(D) such data and reporting requirements and such other provisions as the Secretary considers necessary to carry out the purposes of section 458(d)(2) and to the protection of the Federal fiscal interest; and

"(7) include such other provisions as may be necessary to protect the financial interest of the

United States and to promote the purposes of this part.

"SEC. 455. WITHDRAWAL AND TERMINATION PROCEDURES.

"The Secretary shall establish by regulation procedures which enable institutions of higher education who have made agreements with the Secretary pursuant to section 454 to withdraw or to be terminated from the loan demonstration program.

"SEC. 456. TERMS AND CONDITIONS.

"Unless otherwise specified in this part, the loans made under this part shall have the same terms, conditions, and benefits as loans made under sections 428, 428A, and 428B of this title. Any loan made under this part shall be eligible for consolidation under section 428C of part B of this title.

"SEC. 457. LOAN COLLECTION FUNCTIONS UNDER COMPETITIVE PROCUREMENT CONTRACTS.

"(a) IN GENERAL.—The Secretary shall provide, through contracts awarded on a competitive basis, for—

"(1) the collection of principal and interest on loans made under this part by not less than 5 contracts, at least one of which shall be for servicing loans that are subject to income contingent repayment;

"(2) the collection of defaulted loans made under this part;

"(3) the establishment and operation of a central data system for the maintenance of records on all loans made under this part;

"(4) programs for default prevention; and

"(5) such other programs as the Secretary determines are necessary to ensure the success of the loan demonstration program.

"(b) SERVICING FOR INCOME CONTINGENT LOANS.—The Secretary shall, through contract, ensure the availability of servicing of loans made pursuant to section 454(6) at a cost comparable to that available for loans under part B of this title (that are not subject to income contingent repayment).

"(c) INFORMATION ON INCOME CONTINGENT LOANS.—The Secretary shall acquire such information as is necessary regarding the adjusted gross income of borrowers (under this part and under part B) of loans that are subject to income contingent repayment for the purpose of determining the annual repayment obligations of such borrowers. The Secretary, not less often than once per year, shall provide to the servicer, lender, or holder of a loan under this part the Secretary's determination of the borrower's repayment obligation on that loan for such year.

"SEC. 458. REPORTS.

"(a) ANNUAL REPORTS.—The Secretary shall submit to the Congress not later than July 1, 1993, and each July 1 for the 5 succeeding years an annual report describing the progress and status of the loan demonstration program.

"(b) INTERIM FINAL REPORT.—The Comptroller General shall submit to the Congress not later than January 1, 1997, an interim final report evaluating the experience of the Department of Education, the participating institutions of higher education, students, and parents with respect to the loan demonstration program. The report shall include—

"(1) the administrative costs, including costs per loan, incurred by participating institutions of higher education in administering the loan demonstration program;

"(2) the administrative costs, including costs per loan, incurred by the Department of Education and its contractors in carrying out its responsibilities, including the costs of origination, data systems, servicing, and collection;

"(3) an evaluation of the effectiveness of the loan demonstration program in providing services to students and parents, including loan application, loan origination, student financial aid packaging, tracking of student status, responsiveness to student inquiries and processing of deferments, forbearances, and repayments;

"(4) the frequency and cost of borrower delinquency and default under the loan demonstration program and losses incurred by institutions of higher education and servicers, including losses caused by improper origination or servicing of loans;

"(5) the timeliness of capital availability to institutions of higher education and of loans to students and parents and the cost of loan capital;

"(6) an evaluation of the effectiveness of the income contingent repayment option;

"(7) a comparison of the experience of institutions of higher education, students, and parents participating in loan demonstration program with the experience of institutions, students, and parents in the control group described in subsection (d) with respect to the subjects indicated in paragraphs (1) through (6) of this subsection;

"(8) an evaluation of the administrative performance of the Department;

"(9) an analysis of the reasons institutions selected by the Secretary pursuant to section 453(d) chose not to participate and the reasons institutions withdrew or were terminated pursuant to section 455;

"(10) an analysis of the experience of borrowers with loans under both this part and part B and recommendations for the most effective repayment procedures for such borrowers;

"(11) a comparison of the cost of loan capital for loans for the loan demonstration program with the cost of loan capital for the comparable programs in part B of this title;

"(12) an analysis, where practicable, of the experience of institutions which participate as part of a consortia; and

"(13) recommendations for modifications, continuation, expansion, suspension, or termination of the loan demonstration program or replacement of all or some of the programs authorized by part B.

"(c) FINAL REPORT.—The Comptroller General shall submit to the Congress not later than May 1, 1998, a final report evaluating the experience of the Department of Education, the participating institutions of higher education, and students with respect to the loan demonstration program. The report shall include the same matters provided for in subsection (b) of this section.

"(d) CONTROL GROUP.—

"(1) REGULAR REPAYMENT.—To assist the Comptroller General in preparing the reports required by subsections (b)(6) and (c) of this section, the Secretary shall select a control group of institutions of higher education, which represent a cross-section of all institutions of higher education participating in part B of this title and which is comparable to the cross-section of institutions of higher education selected for participation in the loan demonstration program pursuant to section 453. The Secretary shall select the control groups in the same manner, pursuant to section 453, that the institutions of higher education are selected to participate in the demonstration program.

"(2) INCOME CONTINGENT REPAYMENT.—If the Secretary makes a selection of institutions to test income contingent repayment methods in accordance with section 453(f), the Secretary shall, within the control group selected under paragraph (1), identify a group of institutions to serve as a control group for comparison with the institutions offering income contingent loans under this part pursuant to section 454(6). The institutions selected for the control group under this paragraph shall represent a reasonable cross section of the institutions selected under paragraph (1). The Secretary shall publish a list of the institutions that are so selected. Any eligible lender of a loan to a student for attendance at any such institution shall, in accordance with regulations prescribed by the Secretary, offer such students the option of repaying such loans on an income contingent basis consistent with such regulations.

"(3) INCOME CONTINGENT TERMS AND CONDITIONS.—The Secretary shall, by regulation, establish the terms and conditions for loans that are subject to paragraph (2) of this subsection. Such terms and conditions shall, to the extent practicable, be the same as the terms and conditions of loans made pursuant to section 454(6). The Secretary is authorized to enter into such agreements (and amendments to agreements) under part B of this title as may be necessary to carry out paragraph (2) and this paragraph.

"(e) TREATMENT OF COSTS.—In reporting with respect to costs in the reports required by subsections (b) and (c) of this section, the Comptroller General shall report separately the nonrecurrent costs such as start-up costs associated with the loan demonstration program, the administrative costs incurred by institutions of higher education in providing information to enable the Comptroller General to prepare the reports required by subsections (b) and (c) of this section and the normal costs of operating the loan demonstration program.

"SEC. 459. SCHEDULE OF REGULATORY ACTIVITIES BY THE SECRETARY.

"(a) PROPOSED REGULATIONS.—The Secretary shall publish in the Federal Register not later than April 1, 1993, all proposed regulations for carrying out the program established by this part, including regulations with respect to—

"(1) payments to institutions of higher education;

"(2) the selection of institutions of higher education to participate in the loan demonstration program;

"(3) application by institutions of higher education to participate in the loan demonstration program;

"(4) agreements between the Secretary and institutions of higher education participating in the loan demonstration program;

"(5) procedures with respect to the withdrawal and termination of institutions of higher education from the loan demonstration program; and

"(6) procedures by which institutions designated by the Secretary pursuant to section 453(d) may decline to participate in the loan demonstration program.

"(b) FINAL REGULATIONS.—The Secretary shall publish in the Federal Register not later than July 1, 1993, all final regulations for carrying out the program established by this part, including regulations with respect to the same matters provided for in subsection (a) of this section.

"(c) CLOSING DATE FOR APPLICATIONS FROM INSTITUTIONS.—The Secretary shall establish October 1, 1993, as the closing date for receiving applications from institutions of higher education desiring to participate in the loan demonstration program pursuant to section 453(c).

"(d) PUBLICATION OF LIST OF PARTICIPATING INSTITUTIONS AND CONTROL GROUP.—Not later than January 1, 1994, the Secretary shall publish in the Federal Register a list of the institutions of higher education selected to participate in the loan demonstration program pursuant to section 453 and a list of the institutions of higher education in the control group required by section 458(d).

"(e) PROCUREMENT CONTRACTS.—The Secretary shall award contracts pursuant to section 457 not later than February 1, 1994.

"SEC. 459A. FUNDS FOR ADMINISTRATIVE EXPENSES.

"Each fiscal year, there shall be available to the Secretary of Education from funds not oth-

erwise appropriated, funds to be obligated for administrative costs under this part, not to exceed $10,000,000 in fiscal year 1993, $17,000,000 in fiscal year 1994, $37,000,000 in fiscal year 1995, $54,000,000 in fiscal year 1996, and $65,000,000 in fiscal year 1997.".

SEC. 452. INCOME CONTINGENT LOAN DISTRIBUTION OF FUNDS.

(a) In General.—After September 30, 1992, and not later than March 31, 1992, the capital balance of the student loan fund established under part D of title IV of the Higher Education Act of 1965 (as such Act was in effect on the date of enactment of this Act) shall be distributed by allowing institutions to transfer any remaining funds, including future collections and all other funds at the institution's discretion, to such institution's part E account, part C fund, or subpart 3 of part A fund under the terms and conditions of the appropriate program.

(b) Conversion of Existing Loans.—Institutions may, after July 1, 1992, convert all outstanding loans made under part D of title IV of the Higher Education Act of 1965 (as such Act was in effect on such date) to part E loans, provided that such institution—

(1) notify the borrower of such conversion;

(2) obtain a signed part E promissory note from the borrower for the remaining amount outstanding; and

(3) provide the borrower in writing with a description of all terms and conditions of the new loan.

PART E—FEDERAL PERKINS LOANS

SEC. 461. PROGRAM DESIGNATION; AUTHORIZATION.

(a) Program Title.—

(1) Heading.—The heading of part E of title IV is amended to read as follows:

"Part E—Federal Perkins Loans".

(2) Name of loans.—Section 461(a) of the Act is amended by striking "as 'Perkins Loans'" and inserting "as 'Federal Perkins Loans'".

(b) Eligibility for Study Abroad.—Section 461(a) of the Act is amended by inserting "or while engaged in programs of study abroad approved for credit by such institutions" after "in such institutions".

(c) Authorization of Appropriations.—Section 461(b) of the Act is amended to read as follows:

"(b) Authorization of Appropriations.—(1) For the purpose of enabling the Secretary to make contributions to student loan funds established under this part, there are authorized to be appropriated $250,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(2) In addition to the funds authorized under paragraph (1), there are hereby authorized to be appropriated such sums for fiscal year 1997 and each of the 5 succeeding fiscal years as may be necessary to enable students who have received loans for academic years ending prior to October 1, 1997, to continue or complete courses of study.".

SEC. 462. ALLOCATION OF FUNDS.

(a) Institutional Allocation.—Section 462(a)(1)(A) of the Act is amended by striking "such institution received" and inserting "allocated to such institution".

(b) Appeals Process.—Section 462(e) (20 U.S.C. 1087bb(e)) is amended—

(1) by striking "An" and inserting "(1) An"; and

(2) by adding at the end the following new paragraph:

"(2) The Secretary shall establish an appeals process by which the anticipated collections required in paragraph (1) may be waived for institutions with low default rates in the program assisted under this part.".

(c) Default Reduction and Default Penalties.—Section 462(f) of the Act is amended to read as follows:

"(f) Default Reduction and Default Penalties.—(1) For any fiscal year prior to fiscal year 1994, any institution which has a default rate which equals or exceeds 7.5 percent but does not exceed the maximum default rate applicable to the award year under subsection (g), the institution's default penalty is a percentage equal to the complement of such default rate. For any institution which has a default rate that does not exceed 7.5 percent, the institution's default penalty is equal to one.

"(2) For fiscal year 1994 and any succeeding fiscal year, any institution with a cohort default rate (as defined under subsection (h)) which—

"(A) equals or exceeds 15 percent, shall establish a default reduction plan pursuant to regulations issued by the Secretary;

"(B) equals or exceeds 20 percent, but is less than 25 percent, shall have a default penalty of 0.9;

"(C) equals or exceeds 25 percent, but is less than 30 percent, shall have a default penalty of 0.7; and

"(D) equals or exceeds 30 percent shall have a default penalty of zero.".

(d) Applicable Maximum Default Rate.—Section 462(g) of the Act is amended to read as follows:

"(g) Applicable Maximum Default Rate.—(1) For award years 1992 and 1993, the applicable maximum default rate is 15 percent.

"(2) For award year 1994 and subsequent years, the maximum cohort default rate is 30 percent.".

(e) Definitions of Default Rate and Cohort Default Rate.—Section 462(h) of the Act is amended—

(1) by striking the title of the subsection and inserting "Definitions of Default Rate and Cohort Default Rate.";

(2) in paragraph (1), by striking "For the purpose of this section," and inserting "For any award year prior to award year 1994, for the purpose of this section,";

(3) by redesignating paragraph (3) as paragraph (4);

(4) by striking "120" in subparagraph (A) of such paragraph and inserting "240";

(5) by amending subparagraph (B) of such paragraph to read as follows:

"(B) 270 days (in the case of a loan repayable quarterly), after the borrower fails to make an installment payment when due or to comply with other terms of the promissory note,"; and

(6) by inserting after paragraph (2) the following new paragraph:

"(3)(A) For award year 1994 and any succeeding year, the term 'cohort default rate' means, for any award year in which 30 or more current and former students at the institution enter repayment on loans under this part (received for attendance at the institution), the percentage of those current and former students who enter repayment on such loans (received for attendance at that institution) in that award year who default before the end of the following award year.

"(B) In determining the number of students who default before the end of such award year, the Secretary shall, in calculating the cohort default rate, exclude any loans which, due to improper servicing or collection, would result in an inaccurate or incomplete calculation of the cohort default rate.

"(C) For any award year in which less than 30 of the institution's current and former students enter repayment, the term 'cohort default rate' means the percentage of such current and former students who entered repayment on such loans in any of the three most recent award years and who default before the end of the award year immediately following the year in which they entered repayment.

"(D) A loan on which a payment is made by the institution of higher education, its owner, agency, contractor, employee, or any other entity or individual affiliated with such institution, in order to avoid default by the borrower, is considered as in default for the purposes of this subsection.

"(E) Any loan that is in default but on which the borrower has made satisfactory arrangements to resume payment or any loan which has been rehabilitated before the end of such following award year is not considered as in default for purposes of this subsection.

"(F) In the case of a student who has attended and borrowed at more than one school, the student (and his or her subsequent repayment or default) is attributed to the school for attendance at which the student received the loan that entered repayment in the award year.

"(G) The Secretary shall prescribe regulations designed to prevent an institution from evading the application to that institution of a default rate determination under this subsection through the use of such measures as branching, consolidation, change of ownership or control or other means as determined by the Secretary.".

(f) Reallocation of Excess Allocations.—Section 462(j) of the Act (20 U.S.C. 1087bb(j)) is amended to read as follows:

"(j) Reallocation of Excess Allocations.—

"(1) In general.—(A) If an institution of higher education returns to the Secretary any portion of the sums allocated to such institution under this section for any fiscal year, the Secretary shall reallocate 80 percent of such returned portions to participating institutions in an amount not to exceed such participating institution's excess eligible amounts as determined under paragraph (2).

"(B) For the purpose of this subsection, the term 'participating institution' means an institution of higher education that—

"(i) was a participant in the program assisted under this part in fiscal year 1985; and

"(ii) did not receive an allocation under subsection (a) in the fiscal year for which the reallocation determination is made.

"(2) Excess eligible amount.—For any participating institution, the excess eligible amount is the amount, if any, by which—

"(A)(i) that institution's eligible amount (as determined under paragraph (3) of subsection (c)), divided by (ii) the sum of the eligible amounts of all participating institutions (as determined under paragraph (3)), multiplied by (iii) the amount of funds available for reallocation under this subsection; exceeds

"(B) the amount required to be allocated to that institution under subsection (c) of section 462.

"(3) Remainder.—The Secretary shall reallocate the remainder of such returned portions in accordance with regulations of the Secretary.

"(4) Allocation reductions.—If under paragraph (1) of this subsection an institution returns more than 10 percent of its allocation, the institution's allocation for the next fiscal year shall be reduced by the amount returned. The Secretary may waive this paragraph for a specific institution if the Secretary finds that enforcing it is contrary to the interest of the program.".

SEC. 463. AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION.

(a) Campus Match.—Section 463(a)(2)(B) of the Act is amended to read as follows:

"(B) a capital contribution—

"(i) by an institution that—

"(I) is granted permission by the Secretary to participate in an Expanded Lending Option under the program, and

"(II) has a default rate which does not exceed 7.5 percent,

in an amount not less than the amount of the Federal capital contributions described in subparagraph (A); or

"(ii) by any other institution, in an amount not less than three-seventeenths of such Federal capital contribution in fiscal year 1993, and one-third of such Federal capital contribution in each of the succeeding fiscal years, of the amount of the Federal capital contributions described in subparagraph (A);".

(b) VERIFICATION.—Section 463(c) of the Act is amended—

(1) in subparagraph (B) of paragraph (3), by striking ", if that account has not been previously reported by any other holder of the note";

(2) by adding at the end the following new paragraph:

"(4) Each institution of higher education, after consultation with the Secretary and pursuant to the agreements entered into under paragraph (1), shall disclose to any credit bureau organization with which the Secretary has such an agreement—

"(A) the amount of loans made to any borrower under this part at the time of the disbursement of the loan; and

"(B) the information set forth in section 430A(a).".

(c) ADDITIONAL RULES.—

(1) DEFINITION OF DEFAULT.—Paragraph (11) of section 463A(a) of the Act (20 U.S.C. 1087cc(a)(1)) is amended by striking "including a statement that the default may be" and inserting "together with a statement that the disbursement of, and the default on, a loan under this part, shall be".

(2) ADDITIONAL REQUIREMENTS.—Section 463A of the Act is amended by adding at the end the following new subsections:

"(d) LIMITATION ON USE OF INTEREST BEARING ACCOUNTS.—In carrying out the provisions of subsection (a)(10), the Secretary may not require that any collection agency, collection attorney, or loan servicer collecting loans made under this part deposit amounts collected on such loans in interest bearing accounts, unless such agency, attorney, or servicer holds such amounts for more than 45 days.

"(e) SPECIAL DUE DILIGENCE RULE.—In carrying out the provisions of subsection (a)(5) relating to due diligence, the Secretary shall make every effort to ensure that institutions of higher education may use Internal Revenue Service skip-tracing collection procedures on loans made under this part.".

SEC. 464. AMOUNTS AND TERMS OF LOANS.

(a) ANNUAL AND AGGREGATE LOAN LIMITS.—Section 464(a)(2) of the Act is amended to read as follows:

"(2)(A) Except as provided in paragraph (4), the total of loans made to a student in any academic year or its equivalent by an institution of higher education from a loan fund established pursuant to an agreement under this part shall not exceed

"(i) for institutions that have an agreement with the Secretary to participate in the Expanded Lending Option under section 463(a)(2)(B)(i)—

"(I) $4,000, in the case of a student who has not successfully completed a program of undergraduate education; or

"(II) $6,000, in the case of a graduate or professional student (as defined in regulations issued by the Secretary).

"(ii) for all other institutions—

"(I) $3,000, in the case of a student who has not successfully completed a program of undergraduate education; or

"(II) $5,000, in the case of a graduate or professional student (as defined in regulations issued by the Secretary).

"(B) Except as provided in paragraph (4), the aggregate of the loans for all years made to a student by institutions of higher education from loan funds established pursuant to agreements under this part may not exceed—

"(i) for institutions that have an agreement with the Secretary to participate in the Expanded Lending Option under section 463(a)(2)(B)(i)—

"(I) $40,000 in the case of any graduate or professional student (as defined by regulations of the Secretary, and including any loans from such funds made to such person before he became a graduate or professional student);

"(II) $20,000 in the case of a student who has successfully completed 2 years of a program of education leading to a bachelor's degree but who has not completed the work necessary for such a degree (determined under regulations of the Secretary, and including any loans from such funds made to such person before he became such a student); and

"(III) $8,000 in the case of any other student; or

"(ii) for all other institutions—

"(I) $15,000, in the case of any student who has not successfully completed a program of undergraduate education; or

"(II) $30,000, in the case of any graduate or professional student (as defined by regulations issued by the Secretary) and including any loans from such funds made to such student before the student became a graduate or professional student.".

(b) STUDY ABROAD LIMITS.—

Section 464(a) of the Act is amended by inserting after paragraph (3) the following new paragraph:

"(4) In the case of a program of study abroad that is approved for credit by the home institution at which a student is enrolled and that has reasonable costs in excess of the home institution's budget, the annual and aggregate loan limits for the student may exceed the amounts described in paragraphs (2)(A) and (2)(B) by 20 percent.".

(b) ELIGIBILITY.—Section 464(b) of the Act is amended—

(1) in paragraph (1), by striking "this title and who meets the requirements of section 484" and inserting "this title, who meets the requirements of section 484, and who provides the institution with the student's drivers license number, if any, at the time of application for the loan"; and

(2) by amending paragraph (2) to read as follows:

"(2) If the institution's capital contribution under section 462 is directly or indirectly based in part on the financial need demonstrated by students who are (A) attending the institution less than full time, or (B) independent students, and if the total financial need of all such less than full-time and independent students at the institution exceeds 5 percent of the total financial need of all students at such institution, then at least 5 percent of such loans shall be made available to such less than full-time and independent students.".

(c) MINIMUM MONTHLY PAYMENTS.—Section 464(c)(1)(C) of the Act is amended by striking "$30" each place it appears and inserting "$40".

(d) ELIMINATION OF DEFENSE OF INFANCY.—Section 464(c)(1)(E) of the Act is amended by striking "unless the borrower is a minor and the note or other evidence of obligation executed by him would not, under applicable law, create a binding obligation,".

(e) DEFERMENTS.—Section 464(c)(2)(A) is amended to read as follows:

"(2)(A) No repayment of principal of, or interest on, any loan from a student loan fund assisted under this part shall be required during any period—

"(i) during which the borrower—

"(I) is pursuing at least a half-time course of study as determined by an eligible institution; or

"(II) is pursuing a course of study pursuant to a graduate fellowship program approved by the Secretary, or pursuant to a rehabilitation training program for disabled individuals approved by the Secretary,

except that no borrower shall be eligible for a deferment under this clause, or loan made under this part while serving in a medical internship or residency program;

"(ii) not in excess of 3 years during which the borrower is seeking and unable to find full-time employment;

"(iii) not in excess of 3 years for any reason which the lender determines, in accordance with regulations prescribed by the Secretary under section 435(o), has caused or will cause the borrower to have an economic hardship; or

"(iv) during which the borrower is engaged in service described in section 465(a)(2);

and provides that any such period shall not be included in determining the 10-year period described in subparagraph (B).".

(f) REPAYMENT PERIOD.—Section 464(c) of the Act is further amended—

(1) in paragraph (2), by striking subparagraphs (B) and (C) and inserting the following:

"(B) No repayment or principal of, or interest on, any loan for any period described in subparagraph (A) shall begin until 6 months after the completion of such period.".

(2) by redesignating paragraph (4) as paragraph (5);

(3) by inserting after paragraph (3) the following new paragraph:

"(4) The repayment period for a loan made under this part shall begin on the day immediately following the expiration of the period, specified in paragraph (1)(A), after the student ceases to carry the required academic workload, unless the borrower requests and is granted a repayment schedule that provides for repayment to commence at an earlier point in time, and shall exclude any period of authorized deferment, forbearance, or cancellation."; and

(4) by adding at the end thereof the following new paragraph:

"(6) Requests for deferment of repayment of loans under this part by students engaged in graduate or post-graduate fellowship-supported study (such as pursuant to a Fullbright grant) outside the United States shall be approved until completion of the period of the fellowship.".

(g) FORBEARANCE; SPECIAL REPAYMENT RULE.—Section 464 of the Act is amended by adding at the end the following new subsections:

"(e) FORBEARANCE.—The Secretary shall ensure that, upon written request, an institution of higher education shall grant a borrower forbearance of principal and interest or principle only, renewable at 12-month intervals for a period not to exceed 3 years, on such terms as are otherwise consistent with the regulations issued by the Secretary and agreed upon in writing by the parties to the loan, if—

"(1) the borrower's debt burden equals or exceeds 20 percent of such borrower's gross income; or

"(2) the institution determines that the borrower should qualify for forbearance for other reasons.

"(f) SPECIAL REPAYMENT RULE AUTHORITY.—(1) Subject to such restrictions as the Secretary may prescribe to protect the interest of the United States, in order to encourage repayment of loans made under this part which are in default, the Secretary may, in the agreement entered into under this part, authorize an institution of higher education to compromise on the repayment of such defaulted loans in accordance with paragraph (2). The Federal share of the compromise repayment shall bear the same relation to the institution's share of such com-

promise repayment as the Federal capital contribution to the institution's loan fund under this part bears to the institution's capital contribution to such fund.

"(2) No compromise repayment of a defaulted loan as authorized by paragraph (1) may be made unless the student borrower pays—

"(A) 90 percent of the loan under this part;

"(B) the interest due on such loan; and

"(C) any collection fees due on such loan;

in a lump sum payment.".

SEC. 465. CANCELLATION OF LOANS FOR CERTAIN PUBLIC SERVICE.

(a) CANCELLATION FOR TEACHING.—Section 465(a)(2) of the Act is amended—

(1) in subparagraph (A), by striking "and such determination shall not be made with respect to not more than 50 percent of the total number of schools in the State receiving assistance under such chapter 1";

(2) by amending subparagraph (C) to read as follows:

"(C) as a full-time special education teacher, including teachers of infants, toddlers, children, or youth with disabilities in a public or other nonprofit elementary or secondary school system, or as a full-time qualified professional provider of early intervention services in a public or other nonprofit program under public supervision by the lead agency as authorized in section 676(b)(9) of the Individuals With Disabilities Education Act;";

(3) by striking "or" at the end of subparagraph (E);

(4) by striking the period at the end of subparagraph (F) and inserting "; or"; and

(5) by adding at the end the following new subparagraphs:

"(G) as a full-time teacher of mathematics, science, foreign languages, bilingual education, or any other field of expertise where the State educational agency determines there is a shortage of qualified teachers;

"(H) as a full-time nurse or medical technician providing health care services; or

"(I) as a full-time employee of a public or private nonprofit child or family service agency who is providing, or supervising the provision of, services to high-risk children who are from low-income communities and the families of such children.".

(b) RATE OF CANCELLATION.—Section 465(a)(3)(A)(i) of such Act is amended by striking "(A), (C), or (F)" and inserting "(A), (C), (F), (G), (H), or (I)".

(c) SPECIAL RULES.—Section 465 of the Act is amended by adding at the end the following new subsection:

"(c) SPECIAL RULES.—

"(1) LIST.—If the list of schools in which a teacher may perform service pursuant to subsection (a)(2)(A) is not available before May 1 of any year, the Secretary may use the list for the year preceding the year for which the determination is made to make such service determination.

"(2) CONTINUING ELIGIBILITY.—Any teacher who performs service in a school which—

"(A) meets the requirements of subsection (a)(2)(A) in any year; and

"(B) in a subsequent year fails to meet the requirements of such subsection,

may continue to teach in such school and shall be eligible for loan cancellation pursuant to subsection (a)(1) such subsequent years.".

(d) CONFORMING AMENDMENT: DEFINITIONS; LIMITATIONS.—Part E of title IV is further amended by adding at the end the following new section:

"DEFINITIONS

"SEC. 469. (a) LOW-INCOME COMMUNITIES.—For the purpose of this part, the term 'low-income communities' means communities in which there is a high concentration of children eligible to be counted under chapter 1 of title I of the Elementary and Secondary Education Act of 1965.

"(b) HIGH-RISK CHILDREN.—For the purposes of this part, the term 'high-risk children' means individuals under the age of 21 who are low-income or at risk of abuse or neglect, have been abused or neglected, have serious emotional, mental, or behavioral disturbances, reside in placements outside their homes, or are involved in the juvenile justice system.

"(c) INFANTS, TODDLERS, CHILDREN, AND YOUTH WITH DISABILITIES.—For purposes of this part, the term 'infants, toddlers, children, and youth with disabilities' means children with disabilities and infants and toddlers with disabilities as defined in sections 602(a)(1) and 672(1), respectively, of the Individuals with Disabilities Education Act, and the term 'qualified professional provider of early intervention services' has the meaning specified in section 672(2) of such Act.".

SEC. 466. DISTRIBUTION OF ASSETS FROM STUDENT LOAN FUNDS.

Section 466 of the Act (20 U.S.C. 1087ff) is amended—

(1) in subsection (b), by striking "1997" and inserting "2005".

(2) in subsection (c)—

(A) by striking "Upon" and inserting "(1) Upon";

(B) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively; and

(C) by adding at the end the following new paragraph:

"(2) No finding that the liquid assets of a student loan fund established under this part exceed the amount required under paragraph (1) may be made prior to a date which is 2 years after the date on which the institution of higher education received the funds from such institution's allocation under section 462.".

SEC. 467. EXCESS CAPITAL RULE.

(a) RECAPTURE OF CERTAIN LOAN FUNDS.—Section 467 of the Act is amended by adding at the end thereof the following new subsection:

"(c) PERKINS LOAN REVOLVING FUND.—(1) There is established a Perkins Loan Revolving Fund which shall be available without fiscal year limitation to the Secretary to make payments under this part, in accordance with paragraph (2) of this subsection. There shall be deposited in the Perkins Revolving Loan Fund—

"(A) all funds collected by the Secretary on any loan referred, transferred, or assigned under paragraph (5)(A), (5)(B)(i), or (6) of section 463(a);

"(B) all funds collected by the Secretary on any loan referred under paragraph (5)(B)(ii) of section 463(a);

"(C) all funds paid to the Secretary under section 466(c)(1)(A);

"(D) all funds from a student loan fund under this part received by the Secretary as the result of the closure of an institution of higher education;

"(E) all funds received by the Secretary as a result of an audit of a student loan fund established under this part; and

"(F) all funds which have been appropriated and which the Secretary determines are not necessary for carrying out section 465, relating to the cancellation of certain loans under this part for qualifying service.

"(2) Notwithstanding any other provision of law, the Secretary shall, from the Perkins Loan Revolving Fund established under paragraph (1), pay allocations of additional capital contributions to eligible institutions of higher education in accordance with section 462, except that funds described in subparagraph (B) of paragraph (1) shall be repaid to the institution of higher education which referred the loan, as specified in section 463(a)(5)(B)(ii). The Secretary shall make the payments required by this paragraph in a manner designed to maximize the availability of capital loan funds under this part.".

(b) CONFORMING AMENDMENT.—The heading of section 467 of the Act is amended to read as follows:

"COLLECTION OF DEFAULTED LOANS: PERKINS LOAN REVOLVING FUND".

SEC. 468. EFFECTIVE DATES FOR AMENDMENTS TO PART E.

The changes made in part E of title IV of the Act by the amendments made by this part shall take effect on the date of enactment of this Act, except that—

(1) the changes in section 463(a)(2)(B), relating to the matching of Federal capital contributions, shall apply to funds provided for such program for the award years beginning on or after July 1, 1993;

(2) the changes made in section 464(c)(1)(C), relating to minimum monthly payments shall apply with respect to loans for which the first disbursement is made on or after October 1, 1992, to an individual who, on the date the loan is made, has no outstanding balance of principal or interest owing on any loan made under part E of title IV of the Act;

(3) the changes made in section 464(c)(2)(A), relating to deferments, shall apply with respect to loans for which the first disbursement is made on or after July 1, 1993; and

(4) the changes made in section 467, relating to the creation of a Perkins Loan Revolving Fund, shall take effect on September 15, 1997.

PART F—NEED ANALYSIS

SEC. 471. REVISION OF PART F.

(a) AMENDMENT.—Part F of title IV of the Act is amended to read as follows:

"PART F—NEED ANALYSIS

"SEC. 471. AMOUNT OF NEED.

"Except as otherwise provided therein, the amount of need of any student for financial assistance under this title (except subparts 1 or 4 of part A) is equal to—

"(1) the cost of attendance of such student, minus

"(2) the expected family contribution for such student, minus

"(3) estimated financial assistance not received under this title (as defined in section 480(j)).

"SEC. 472. COST OF ATTENDANCE.

"For the purpose of this title, the term 'cost of attendance' means—

"(1) tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study;

"(2) an allowance for books, supplies, transportation, and miscellaneous personal expenses for a student attending the institution on at least a half-time basis, as determined by the institution;

"(3) an allowance (as determined by the institution) for room and board costs incurred by the student which—

"(A) shall be an allowance of not less than $1,500 for a student without dependents residing at home with parents;

"(B) for students without dependents residing in institutionally owned or operated housing, shall be a standard allowance determined by the institution based on the amount normally assessed most of its residents for room and board; and

"(C) for all other students shall be an allowance based on the expenses reasonably incurred by such students for room and board, except that the amount may not be less than $2,500;

"(4) for less than half-time students (as determined by the institution) tuition and fees and *an allowance for only books, supplies, and transportation (as determined by the institution) and dependent care expenses (in accordance with paragraph (8));*

"(5) for a student engaged in a program of study by correspondence, only tuition and fees and, if required, books and supplies, travel, and room and board costs incurred specifically in fulfilling a required period of residential training;

"(6) for incarcerated students only tuition and fees and, if required, books and supplies;

"(7) for a student enrolled in an academic program in a program of study abroad approved for credit by the student's home institution, reasonable costs associated with such study (as determined by the institution at which such student is enrolled);

"(8) for a student with one or more dependents, an allowance based on the estimated actual expenses incurred for such dependent care, based on the number and age of such dependents, except that—

"(A) such allowance shall not exceed the reasonable cost in the community in which such student resides for the kind of care provided; and

"(B) the period for which dependent care is required includes, but is not limited to, class-time, study-time, field work, internships, and commuting time;

"(9) for a student with a disability, an allowance (as determined by the institution) for those expenses related to the student's disability, including special services, personal assistance, transportation, equipment, and supplies that are reasonably incurred and not provided for by other assisting agencies;

"(10) for a student receiving all or part of the student's instruction by means of telecommunications technology, no distinction shall be made with respect to the mode of instruction in determining costs, but this paragraph shall not be construed to permit including the cost of rental or purchase of equipment; and

"(11) for a student placed in a work experience under a cooperative education program, an allowance for reasonable costs associated with such employment (as determined by the institution).

"SEC. 473. FAMILY CONTRIBUTION.

"For the purpose of this title, except subpart 4 of part A, the term 'family contribution' with respect to any student means the amount which the student and the student's family may be reasonably expected to contribute toward the student's postsecondary education for the academic year for which the determination is made, as determined in accordance with this part.

"SEC. 474. DETERMINATION OF EXPECTED FAMILY CONTRIBUTION; DATA ELEMENTS.

"(a) GENERAL RULE FOR DETERMINATION OF EXPECTED FAMILY CONTRIBUTION.—The expected family contribution—

"(1) for a dependent student shall be determined in accordance with section 475;

"(2) for a single independent student or a married independent student without dependents (other than a spouse) shall be determined in accordance with section 476; and

"(3) for an independent student with dependents other than a spouse shall be determined in accordance with section 477.

"(b) DATA ELEMENTS.—The following data elements are considered in determining the expected family contribution:

"(1) the available income of (A) the student and the student's spouse, or (B) the student and the student's parents, in the case of a dependent student;

"(2) the number of dependents in the family of the student;

"(3) the number of dependents in the family of the student who are enrolled or accepted for enrollment, on at least a half-time basis, in a degree, certificate, or other program leading to a recognized educational credential at an institution of higher education that is an eligible institution in accordance with the provisions of section 487 and for whom the family may reasonably be expected to contribute to their postsecondary education;

"(4) the net assets of (A) the student and the student's spouse, and (B) the student and the student's parents, in the case of a dependent student;

"(5) the marital status of the student;

"(6) the age of the older parent, in the case of a dependent student, and the student; and

"(7) the additional expenses incurred (A) in the case of a dependent student, when both parents of the student are employed or when the family is headed by a single parent who is employed, or (B) in the case of an independent student, when the student is married and the student's spouse is employed, or when the employed student qualifies as a surviving spouse or as a head of a household under section 2 of the Internal Revenue Code of 1986.

"SEC. 475. FAMILY CONTRIBUTION FOR DEPENDENT STUDENTS.

"(a) COMPUTATION OF EXPECTED FAMILY CONTRIBUTION.—For each dependent student, the expected family contribution is equal to the sum of—

"(1) the parents' contribution from adjusted available income (determined in accordance with subsection (b));

"(2) the student contribution from available income (determined in accordance with subsection (g)); and

"(3) the student contribution from assets (determined in accordance with subsection (h)).

"(b) PARENTS' CONTRIBUTION FROM ADJUSTED AVAILABLE INCOME.—The parents' contribution from adjusted available income is equal to the amount determined by—

"(1) computing adjusted available income by adding—

"(A) the parents' available income (determined in accordance with subsection (c)); and

"(B) the parents' contribution from assets (determined in accordance with subsection (d));

"(2) assessing such adjusted available income in accordance with the assessment schedule set forth in subsection (e); and

"(3) dividing the assessment resulting under paragraph (2) by the number of the family members who are enrolled or accepted for enrollment, on at least a half-time basis, in a degree, certificate, or other program leading to a recognized educational credential at an institution of higher education that is an eligible institution in accordance with the provisions of section 487 during the award period for which assistance under this title is requested;

except that the amount determined under this subsection shall not be less than zero.

"(c) PARENTS' AVAILABLE INCOME.—

"(1) IN GENERAL.—The parents' available income is determined by deducting from total income (as defined in section 480)—

"(A) Federal income taxes;

"(B) an allowance for State and other taxes, determined in accordance with paragraph (2);

"(C) an allowance for social security taxes, determined in accordance with paragraph (3);

"(D) an income protection allowance, determined in accordance with paragraph (4); and

"(E) an employment expense allowance, determined in accordance with paragraph (5).

"(2) ALLOWANCE FOR STATE AND OTHER TAXES.—The allowance for State and other taxes is equal to an amount determined by multiplying total income (as defined in section 480) by a percentage determined according to the following table (or a successor table prescribed by the Secretary under section 478):

"Percentages for Computation of State and Other Tax Allowance

If parents' State or territory of residence is—	*And parents' total income is—*	
	less than $15,000 or	*$15,000 or more*
	then the percentage is—	
Alaska, Puerto Rico, Wyoming	*3*	*2*
American Samoa, Guam, Louisiana, Nevada, Texas, Trust Territory, Virgin Islands	*4*	*3*
Florida, South Dakota, Tennessee, New Mexico	*5*	*4*
North Dakota, Washington	*6*	*5*
Alabama, Arizona, Arkansas, Indiana, Mississippi, Missouri, Montana, New Hampshire, Oklahoma, West Virginia	*7*	*6*
Colorado, Connecticut, Georgia, Illinois, Kansas, Kentucky	*8*	*7*
California, Delaware, Idaho, Iowa, Nebraska, North Carolina, Ohio, Pennsylvania, South Carolina, Utah, Vermont, Virginia, Canada, Mexico	*9*	*8*
Maine, New Jersey	*10*	*9*
District of Columbia, Hawaii, Maryland, Massachusetts, Oregon, Rhode Island	*11*	*10*
Michigan, Minnesota	*12*	*11*
Wisconsin	*13*	*12*
New York	*14*	*13*
Other	*9*	*8*

"(3) ALLOWANCE FOR SOCIAL SECURITY TAXES.—The allowance for social security taxes is equal to the amount earned by each parent multiplied by the social security withholding rate appropriate to the tax year of the earnings, up to the maximum statutory social security tax withholding amount for that same tax year.

"(4) INCOME PROTECTION ALLOWANCE.—The income protection allowance is determined by the following table (or a successor table prescribed by the Secretary under section 478):

"Income Protection Allowance

Family Size	*Number in College*					
(including student)	*1*	*2*	*3*	*4*	*5*	*For each additional subtract:*
2	*$10,520*	*$8,720*				*$1,790*
3	*13,100*	*11,310*	*$9,510*			

"Income Protection Allowance—Continued

Family Size (including student)	Number in College 1	2	3	4	5	For each additional subtract:
4	16,180	14,380	12,590	$10,790		
5	19,090	17,290	15,500	13,700	$11,910	
6	22,330	20,530	18,740	16,940	15,150	
For each additional add:	2,520	2,520	2,520	2,520	2,520	

"(5) EMPLOYMENT EXPENSE ALLOWANCE.—*The employment expense allowance is determined as follows (or using a successor provision prescribed by the Secretary under section 478):*

"(A) If both parents were employed in the year for which their income is reported and both have their incomes reported in determining the expected family contribution, such allowance is equal to the lesser of $2,500 or 35 percent of the earned income of the parent with the lesser earned income.

"(B) If a parent qualifies as a surviving spouse or as a head of household as defined in section 2 of the Internal Revenue Code, such allowance is equal to the lesser of $2,500 or 35 percent of such parent's earned income.

"(d) PARENTS' CONTRIBUTION FROM ASSETS.—

"(1) IN GENERAL.—*The parents' contribution from assets is equal to—*

"(A) the parental net worth (determined in accordance with paragraph (2)); minus

"(B) the education savings and asset protection allowance (determined in accordance with paragraph (3)); multiplied by

"(C) the asset conversion rate (determined in accordance with paragraph (4)), except that the result shall not be less than zero.

"(2) PARENTAL NET WORTH.—*The parental net worth is calculated by adding—*

"(A) the current balance of checking and savings accounts and cash on hand;

"(B) the net value of investments and real estate, excluding the net value of the principal place of residence; and

"(C) the adjusted net worth of a business or farm, computed on the basis of the net worth of such business or farm (hereafter in this subsection referred to as 'NW'), determined in accordance with the following table (or a successor table prescribed by the Secretary under section 478), except as provided under section 480(f):

"Adjusted Net Worth of a Business or Farm

If the net worth of a business or farm is—	Then the adjusted net worth is:
Less than $1	$0
$1–$75,000	40 percent of NW
$75,001–$225,000	$30,000 plus 50 percent of NW over $75,000
$225,001–$375,000	$105,000 plus 60 percent of NW over $225,000
$375,001 or more	$195,000 plus 100 percent of NW over $375,000

"(3) EDUCATION SAVINGS AND ASSET PROTECTION ALLOWANCE.—*The education savings and asset protection allowance is calculated according to the following table (or a successor table prescribed by the Secretary under section 478):*

"Education Savings and Asset Protection Allowances for Families and Students

If the age of the oldest parent is—	And there are two parents	one parent
	then the allowance is—	

"Education Savings and Asset Protection Allowances for Families and Students—Continued

If the age of the oldest parent is—	And there are two parents	one parent
25 or less	$ 0	$0
26	2,200	1,600
27	4,300	3,200
28	6,500	4,700
29	8,600	6,300
30	10,800	7,900
31	13,000	9,500
32	15,100	11,100
33	17,300	12,600
34	19,400	14,200
35	21,600	15,800
36	23,800	17,400
37	25,900	19,000
38	28,100	20,500
39	30,200	22,100
40	32,400	23,700
41	33,300	24,100
42	34,100	24,700
43	35,000	25,200
44	35,700	25,800
45	36,600	26,300
46	37,600	26,900
47	38,800	27,600
48	39,800	28,200
49	40,800	28,800
50	41,800	29,500
51	43,200	30,200
52	44,300	31,100
53	45,700	31,800
54	47,100	32,600
55	48,300	33,400
56	49,800	34,400
57	51,300	35,200
58	52,900	36,200
59	54,800	37,200
60	56,500	38,100
61	58,500	39,200
62	60,300	40,300
63	62,400	41,500
64	64,600	42,800
65 or more	66,800	44,000

"(4) ASSET CONVERSION RATE.—*The asset conversion rate is 12 percent.*

"(e) ASSESSMENT SCHEDULE.—*The adjusted available income (as determined under subsection (b)(1) and hereafter in this subsection referred to as 'AAI') is assessed according to the following table (or a successor table prescribed by the Secretary under section 478):*

"Parents' Assessment From Adjusted Available Income (AAI)

If AAI is—	Then the assessment is—
Less than −$3,409	−$750
−$3,409 to $9,400	22% of AAI
$9,401 to $11,800	$2,068 + 25% of AAI over $9,400
$11,801 to $14,200	$2,668 + 29% of AAI over $11,800
$14,201 to $16,600	$3,364 + 34% of AAI over $14,200

"Parents' Assessment From Adjusted Available Income (AAI)—Continued

If AAI is—	Then the assessment is—
$16,601 to $19,000	$4,180 + 40% of AAI over $16,600
$19,001 or more	$5,140 + 47% of AAI over $19,000

"(f) COMPUTATIONS IN CASE OF SEPARATION, DIVORCE, REMARRIAGE, OR DEATH.—

"(1) DIVORCED OR SEPARATED PARENTS.—*Parental income and assets for a student whose parents are divorced or separated is determined under the following procedures:*

"(A) Include only the income and assets of the parent with whom the student resided for the greater portion of the 12-month period preceding the date of the application.

"(B) If the preceding criterion does not apply, include only the income and assets of the parent who provided the greater portion of the student's support for the 12-month period preceding the date of application.

"(C) If neither of the preceding criteria apply, include only the income and assets of the parent who provided the greater support during the most recent calendar year for which parental support was provided.

"(2) DEATH OF A PARENT.—*Parental income and assets in the case of the death of any parent is determined as follows:*

"(A) If either of the parents has died, the student shall include only the income and assets of the surviving parent.

"(B) If both parents have died, the student shall not report any parental income or assets.

"(3) REMARRIED PARENTS.—*Income in the case of a parent whose income and assets are taken into account under paragraph (1) of this subsection, or a parent who is a widow or widower and whose income is taken into account under paragraph (2) of this subsection, has remarried, is determined as follows: The income of that parent's spouse shall be included in determining the parent's adjusted available income only if—*

"(A) the student's parent and the stepparent are married as of the date of application for the award year concerned; and

"(B) the student is not an independent student.

"(g) STUDENT CONTRIBUTION FROM AVAILABLE INCOME.—

"(1) IN GENERAL.—*The student contribution from available income is equal to—*

"(A) the student's total income (determined in accordance with section 480); minus

"(B) the adjustment to student income (determined in accordance with paragraph (2); multiplied by

"(C) the assessment rate as determined in paragraph (5);

except that the amount determined under this subsection shall not be less than zero.

"(2) ADJUSTMENT TO STUDENT INCOME.—*The adjustment to student income is equal to the sum of—*

"(A) Federal income taxes of the student;

"(B) an allowance for State and other income taxes (determined in accordance with paragraph (3));

"(C) an allowance for social security taxes determined in accordance with paragraph (4); and

"(D) an income protection allowance of $1,750.

"(3) ALLOWANCE FOR STATE AND OTHER INCOME TAXES.—The allowance for State and other income taxes is equal to an amount determined by multiplying total income (as defined in section 480) by a percentage determined according to the following table (or a successor table prescribed by the Secretary under section 478):

"Percentages for Computation of State and Other Tax Allowance

If the students' State or territory of residence is—	The percentage is—
Alaska, American Samoa, Florida, Guam, Nevada, South Dakota, Tennessee, Texas, Trust Territory, Virgin Islands, Washington, Wyoming	0
Connecticut, Louisiana, Puerto Rico	1
Arizona, New Hampshire, New Mexico, North Dakota	2
Alabama, Colorado, Illinois, Indiana, Kansas, Mississippi, Missouri, Montana, Nebraska, New Jersey, Oklahoma	3
Arkansas, Georgia, Iowa, Kentucky, Maine, Pennsylvania, Utah, Vermont, Virginia, West Virginia, Canada, Mexico	4
California, Idaho, Massachusetts, North Carolina, Ohio, Rhode Island, South Carolina	5
Hawaii, Maryland, Michigan, Wisconsin	6
Delaware, District of Columbia, Minnesota, Oregon	7
New York	8

"(4) ALLOWANCE FOR SOCIAL SECURITY TAXES.—The allowance for social security taxes is equal to the amount earned by the student multiplied by the social security withholding rate appropriate to the tax year of the earnings, up to the maximum statutory social security tax withholding amount for that same tax year.

"(5) The student's available income (determined in accordance with paragraph (1) of this subsection) is assessed at 50 percent.

"(h) STUDENT CONTRIBUTION FROM ASSETS.—The student contribution from assets is determined by calculating the net assets of the student and multiplying such amount by 35 percent, except that the result shall not be less than zero.

"(i) ADJUSTMENTS TO PARENTS' CONTRIBUTION FOR ENROLLMENT PERIODS OTHER THAN 9 MONTHS FOR PURPOSES OTHER THAN SUBPART 2 OF PART A OF THIS TITLE.—For periods of enrollment other than 9 months, the parents' contribution from adjusted available income (as determined under subsection (b)) is determined as follows for purposes other than subpart 2 of part A of this title:

"(1) For periods of enrollment less than 9 months, the parents' contribution from adjusted available income is divided by 9 and the result multiplied by the number of months enrolled.

"(2) For periods of enrollment greater than 9 months—

"(A) the parents' adjusted available income (determined in accordance with subsection (b)(1)) is increased by the difference between the income protection allowance (determined in accordance with subsection (c)(4)) for a family of four and a family of five, each with one child in college;

"(B) the resulting revised parents' adjusted available income is assessed according to subsection (e) and adjusted according to subsection (b)(3) to determine a revised parents' contribution from adjusted available income;

"(C) the original parents' contribution from adjusted available income is subtracted from the revised parents' contribution from adjusted available income, and the result is divided by 12 to determine the monthly adjustment amount; and

"(D) the original parents' contribution from adjusted available income is increased by the product of the monthly adjustment amount multiplied by the number of months greater than 9 for which the student will be enrolled.

"SEC. 476. FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITHOUT DEPENDENTS OTHER THAN A SPOUSE.

"(a) COMPUTATION OF EXPECTED FAMILY CONTRIBUTION.—For each independent student without dependents other than a spouse, the expected family contribution is determined by—

"(1) adding—

"(A) the family's contribution from available income (determined in accordance with subsection (b)); and

"(B) the family's contribution from assets (determined in accordance with subsection (c)); and

"(2) dividing the sum resulting under paragraph (1) by the number of students who are enrolled or accepted for enrollment, on at least a half-time basis, in a degree, certificate, or other program leading to a recognized educational credential at an institution of higher education that is an eligible institution in accordance with the provisions of section 487 during the award period for which assistance under this title is requested;

except that the amount determined under this subsection shall not be less than zero.

"(b) FAMILY'S CONTRIBUTION FROM AVAILABLE INCOME.—

"(1) IN GENERAL.—The family's contribution from income is determined by—

"(A) deducting from total income (as defined in section 480)—

"(i) Federal income taxes;

"(ii) an allowance for State and other taxes, determined in accordance with paragraph (2);

"(iii) an allowance for social security taxes, determined in accordance with paragraph (3);

"(iv) an income protection allowance of—

"(I) $3,000 for single students;

"(II) $3,000 for married students where both are enrolled pursuant to subsection (a)(2); and

"(III) $6,000 for married students where one is enrolled pursuant to subsection (a)(2); and

"(v) in the case where a spouse is present, an employment expense allowance, as determined in accordance with paragraph (4); and

"(B) assessing such available income in accordance with paragraph (5).

"(2) ALLOWANCE FOR STATE AND OTHER TAXES.—The allowance for State and other taxes is equal to an amount determined by multiplying total income (as defined in section 480) by a percentage determined according to the following table (or a successor table prescribed by the Secretary under section 478):

"Percentages for Computation of State and Other Tax Allowance

If the students' State or territory of residence is—	The percentage is—
Alaska, American Samoa, Florida, Guam, Nevada, South Dakota, Tennessee, Texas, Trust Territory, Virgin Islands, Washington, Wyoming	0
Connecticut, Louisiana, Puerto Rico	1
Arizona, New Hampshire, New Mexico, North Dakota	2
Alabama, Colorado, Illinois, Indiana, Kansas, Mississippi, Missouri, Montana, Nebraska, New Jersey, Oklahoma	3
Arkansas, Georgia, Iowa, Kentucky, Maine, Pennsylvania, Utah, Vermont, Virginia, West Virginia, Canada, Mexico	4
California, Idaho, Massachusetts, North Carolina, Ohio, Rhode Island, South Carolina	5
Hawaii, Maryland, Michigan, Wisconsin	6
Delaware, District of Columbia, Minnesota, Oregon	7
New York	8
Other	4

"(3) ALLOWANCE FOR SOCIAL SECURITY TAXES.—The allowance for social security taxes is equal to the amount earned by the student (and spouse, if appropriate), multiplied by the social security withholding rate appropriate to the tax year preceding the award year, up to the maximum statutory social security tax withholding amount for that same tax year.

"(4) EMPLOYMENT EXPENSES ALLOWANCE.—The employment expense allowance is determined as follows (or using a successor provision prescribed by the Secretary under section 478):

"(A) If the student is married and the student's spouse is employed in the year for which income is reported, such allowance is equal to the lesser of $2,500 or 35 percent of the earned income of the student or spouse with the lesser earned income.

"(B) If a student is not married, the employment expense allowance is zero.

"(5) ASSESSMENT OF AVAILABLE INCOME.—The family's available income (determined in accordance with paragraph (1)(A) of this subsection) is assessed at 50 percent.

"(c) FAMILY CONTRIBUTION FROM ASSETS.—

"(1) IN GENERAL.—The family's contribution from assets is equal to—

"(A) the family's net worth (determined in accordance with paragraph (2)); minus

"(B) the asset protection allowance (determined in accordance with paragraph (3)); multiplied by

"(C) the asset conversion rate (determined in accordance with paragraph (4));

except that the family's contribution from assets shall not be less than zero.

"(2) FAMILY'S NET WORTH.—The family's net worth is calculated by adding—

"(A) the current balance of checking and savings accounts and cash on hand;

"(B) the net value of investments and real estate, excluding the net value in the principal place of residence; and

"(C) the adjusted net worth of a business or farm, computed on the basis of the net worth of such business or farm (hereafter referred to as 'NW'), determined in accordance with the following table (or a successor table prescribed by the Secretary under section 478), except as provided under section 480(f):

"Adjusted Net Worth of a Business or Farm

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than $1	$0
$1–$75,000	40 percent of NW
$75,001–$225,000	$30,000 plus 50 percent of NW over $75,000
$225,001–$375,000	$105,000 plus 60 percent of NW over $225,000
$375,001 or more	$195,000 plus 100 percent of NW over $375,000

"(3) ASSET PROTECTION ALLOWANCE.—The asset protection allowance is calculated according to the following table (or a successor table prescribed by the Secretary under section 478):

"Asset Protection Allowances for Families and Students

If the age of the student is—	*And the student is*	
	married	*single*
	then the allowance is—	
25 or less	*$ 0*	*$0*
26	*2,200*	*1,600*
27	*4,300*	*3,200*
28	*6,500*	*4,700*
29	*8,600*	*6,300*
30	*10,800*	*7,900*
31	*13,000*	*9,500*
32	*15,100*	*11,100*
33	*17,300*	*12,600*
34	*19,400*	*14,200*
35	*21,600*	*15,800*
36	*23,800*	*17,400*
37	*25,900*	*19,000*
38	*28,100*	*20,500*
39	*30,200*	*22,100*
40	*32,400*	*23,700*
41	*33,300*	*24,100*
42	*34,100*	*24,700*
43	*35,000*	*25,200*
44	*35,700*	*25,800*
45	*36,600*	*26,300*
46	*37,600*	*26,900*
47	*38,800*	*27,600*
48	*39,800*	*28,200*
49	*40,800*	*28,800*
50	*41,800*	*29,500*
51	*43,200*	*30,200*
52	*44,300*	*31,100*
53	*45,700*	*31,800*
54	*47,100*	*32,600*
55	*48,300*	*33,400*
56	*49,800*	*34,400*
57	*51,300*	*35,200*
58	*52,900*	*36,200*
59	*54,800*	*37,200*
60	*56,500*	*38,100*
61	*58,500*	*39,200*
62	*60,300*	*40,300*
63	*62,400*	*41,500*
64	*64,600*	*42,800*
65 or more	*66,800*	*44,000*

"(4) ASSET CONVERSION RATE.—The asset conversion rate is 35 percent.

"SEC. 477. FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITH DEPENDENTS OTHER THAN A SPOUSE.

"(a) COMPUTATION OF EXPECTED FAMILY CONTRIBUTION.—For each independent student with dependents other than a spouse, the expected family contribution is equal to the amount determined by—

"(1) computing adjusted available income by adding—

"(A) the family's available income (determined in accordance with subsection (b)); and

"(B) the family's contribution from assets (determined in accordance with subsection (c));

"(2) assessing such adjusted available income in accordance with an assessment schedule set forth in subsection (d); and

"(3) dividing the assessment resulting under paragraph (2) by the number of family members who are enrolled or accepted for enrollment, on at least a half-time basis, in a degree, certificate, or other program leading to a recognized educational credential at an institution of higher education that is an eligible institution in accordance with the provisions of section 487 during the award period for which assistance under this title is requested;

except that the amount determined under this subsection shall not be less than zero.

"(b) FAMILY'S AVAILABLE INCOME.—

"(1) IN GENERAL.—The family's available income is determined by deducting from total income (as defined in section 480)—

"(A) Federal income taxes;

"(B) an allowance for State and other taxes, determined in accordance with paragraph (2);

"(C) an allowance for social security taxes, determined in accordance with paragraph (3);

"(D) an income protection allowance, determined in accordance with paragraph (4); and

"(E) an employment expense allowance, determined in accordance with paragraph (5).

"(2) ALLOWANCE FOR STATE AND OTHER TAXES.—The allowance for State and other taxes is equal to an amount determined by multiplying total income (as defined in section 480) by a percentage determined according to the following table (or a successor table prescribed by the Secretary under section 478):

"Percentages for Computation of State and Other Tax Allowance

If student's State or territory of residence is—	*And family's total income is—*	
	less than $15,000	*$15,000 or more*
	then the percentage is—	
Alaska, Puerto Rico, Wyoming	*3*	*2*
American Samoa, Guam, Louisiana, Nevada, Texas, Trust Territory, Virgin Islands	*4*	*3*
Florida, South Dakota, Tennessee, New Mexico	*5*	*4*
North Dakota, Washington	*6*	*5*
Alabama, Arizona, Arkansas, Indiana, Mississippi, Missouri, Montana, New Hampshire, Oklahoma, West Virginia	*7*	*6*
Colorado, Connecticut, Georgia, Illinois, Kansas, Kentucky	*8*	*7*
California, Delaware, Idaho, Iowa, Nebraska, North Carolina, Ohio, Pennsylvania, South Carolina, Utah, Vermont, Virginia, Canada, Mexico	*9*	*8*
Maine, New Jersey	*10*	*9*
District of Columbia, Hawaii, Maryland, Massachusetts, Oregon, Rhode Island	*11*	*10*
Michigan, Minnesota	*12*	*11*
Wisconsin	*13*	*12*
New York	*14*	*13*
Other	*9*	*8*

"(3) ALLOWANCE FOR SOCIAL SECURITY TAXES.—The allowance for social security taxes is equal to the amount estimated to be earned by the student (and spouse, if appropriate) multiplied by the social security withholding rate appropriate to the tax year preceding the award year, up to the maximum statutory social security tax withholding amount for that same tax year.

"(4) INCOME PROTECTION ALLOWANCE.—The income protection allowance is determined by the following table (or a successor table prescribed by the Secretary under section 478):

"Income Protection Allowance

Family Size	*Number in College*					
(including student)	*1*	*2*	*3*	*4*	*5*	*For each additional subtract:*
2	*$10,520*	*$8,720*				*$1,790*
3	*13,100*	*11,310*	*$9,510*			
4	*16,180*	*14,380*	*12,590*	*$10,790*		
5	*19,090*	*17,290*	*15,500*	*13,700*	*$11,910*	
6	*22,330*	*20,530*	*18,740*	*16,940*	*15,150*	
For each additional add:	*2,520*	*2,520*	*2,520*	*2,520*	*2,520*	

"(5) EMPLOYMENT EXPENSE ALLOWANCE.—The employment expense allowance is determined as follows (or a successor table prescribed by the Secretary under section 478):

"(A) If the student is married and the student's spouse is employed in the year for which their income is reported, such allowance is equal to the lesser of $2,500 or 35 percent of the earned income of the student or spouse with the lesser earned income.

"(B) If a student qualifies as a surviving spouse or as a head of household as defined in section 2 of the Internal Revenue Code, such allowance is equal to the lesser of $2,500 or 35 percent of the student's earned income.

"(c) FAMILY'S CONTRIBUTION FROM ASSETS.—

"(1) IN GENERAL.—The family's contribution from assets is equal to—

"(A) the family net worth (determined in accordance with paragraph (2)); minus

"(B) the asset protection allowance (determined in accordance with paragraph (3)); multiplied by

"(C) the asset conversion rate (determined in accordance with paragraph (4)), except that the result shall not be less than zero.

"(2) FAMILY NET WORTH.—The family net worth is calculated by adding—

"(A) the current balance of checking and savings accounts and cash on hand;

"(B) the net value of investments and real estate, excluding the net value in the principal place of residence; and

"(C) the adjusted net worth of a business or farm, computed on the basis of the net worth of such business or farm (hereafter referred to as 'NW'), determined in accordance with the following table (or a successor table prescribed by the Secretary under section 478), except as provided under section 480(f):

"Adjusted Net Worth of a Business or Farm

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than $1	$0
$1–$75,000	40 percent of NW
$75,001–$225,000	$30,000 plus 50 percent of NW over $75,000
$225,001–$375,000	$105,000 plus 60 percent of NW over $225,000
$375,001 or more	$195,000 plus 100 percent of NW over $375,000

"(3) ASSET PROTECTION ALLOWANCE.—The asset protection allowance is calculated according to the following table (or a successor table prescribed by the Secretary under section 478):

"Asset Protection Allowances for Families and Students

If the age of the student is—	And the student is married	single
	then the allowance is—	
25 or less	$ 0	$0
26	2,200	1,600
27	4,300	3,200
28	6,500	4,700
29	8,600	6,300
30	10,800	7,900
31	13,000	9,500
32	15,100	11,100
33	17,300	12,600
34	19,400	14,200
35	21,600	15,800
36	23,800	17,400
37	25,900	19,000
38	28,100	20,500
39	30,200	22,100
40	32,400	23,700
41	33,300	24,100
42	34,100	24,700
43	35,000	25,200
44	35,700	25,800
45	36,600	26,300
46	37,600	26,900
47	38,800	27,600
48	39,800	28,200
49	40,800	28,800
50	41,800	29,500
51	43,200	30,200
52	44,300	31,100
53	45,700	31,800
54	47,100	32,600
55	48,300	33,400
56	49,800	34,400
57	51,300	35,200
58	52,900	36,200
59	54,800	37,200
60	56,500	38,100
61	58,500	39,200
62	60,300	40,300
63	62,400	41,500
64	64,600	42,800
65 or more	66,800	44,000

"(4) ASSET CONVERSION RATE.—The asset conversion rate is 12 percent.

"(d) ASSESSMENT SCHEDULE.—The adjusted available income (as determined under subsection (a)(1) and hereafter referred to as 'AAI') is assessed according to the following table (or a successor table prescribed by the Secretary under section 478):

"Assessment From Adjusted Available Income (AAI)

If AAI is—	Then the assessment is—
Less than −$3,409	−$750
−$3,409 to $9,400	22% of AAI
$9,401 to $11,800	$2,068 + 25% of AAI over $9,400
$11,801 to $14,200	$2,668 + 29% of AAI over $11,800
$14,201 to $16,600	$3,364 + 34% of AAI over $14,200
$16,601 to $19,000	$4,180 + 40% of AAI over $16,600
$19,001 or more	$5,140 + 47% of AAI over $19,000

"SEC. 478. REGULATIONS; UPDATED TABLES.

"(a) AUTHORITY TO PRESCRIBE REGULATIONS RESTRICTED.—(1) Notwithstanding any other provision of law, the Secretary shall not have the authority to prescribe regulations to carry out this part except—

"(A) to prescribe updated tables in accordance with subsections (b) through (h) of this section; or

"(B) to propose modifications in the need analysis methodology required by this part.

"(2) Any regulation proposed by the Secretary that (A) updates tables in a manner that does not comply with subsections (b) through (h) of this section, or (B) that proposes modifications under paragraph (1)(B) of this subsection, shall not be effective unless approved by joint resolution of the Congress by May 1 following the date such regulations are published in the Federal Register in accordance with section 482. If the Congress fails to approve such regulations by such May 1, the Secretary shall publish in the Federal Register in accordance with section 482 updated tables for the applicable award year that are prescribed in accordance with subsections (b) through (h) of this section.

"(b) INCOME PROTECTION ALLOWANCE.—For each academic year after academic year 1992–1993, the Secretary shall publish in the Federal Register a revised table of income protection allowances for the purpose of sections 475(c)(4) and 477(b)(4). Such revised table shall be developed by increasing each of the dollar amounts contained in the table in each such section by a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) between December 1992 and the December next preceding the beginning of such academic year, and rounding the result to the nearest $10.

"(c) ADJUSTED NET WORTH OF A FARM OR BUSINESS.—For each award year after award year 1992–1993, the Secretary shall publish in the Federal Register a revised table of adjusted net worth of a farm or business for purposes of sections 475(d)(2)(C), 476(c)(2)(C), and 477(c)(2)(C). Such revised table shall be developed—

"(1) by increasing each dollar amount that refers to net worth of a farm or business by a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) between 1992 and the December next preceding the beginning of such award year, and rounding the result to the nearest $5,000; and

"(2) by adjusting the dollar amounts '$30,000', '$105,000', and '$195,000' to reflect the changes made pursuant to paragraph (1).

"(d) EDUCATION SAVINGS AND ASSET PROTECTION ALLOWANCE.—For each award year after award year 1992–1993, the Secretary shall publish in the Federal Register a revised table of allowances for the purpose of sections 475(d)(3), 476(c)(3), and 477(c)(3). Such revised table shall be developed by determining the present value cost, rounded to the nearest $100, of an annuity that would provide, for each age cohort of 40 and above, a supplemental income at age 65 (adjusted for inflation) equal to the difference between the moderate family income (as most recently determined by the Bureau of Labor Statistics), and the current average social security retirement benefits. For each age cohort below 40, the allowance shall be computed by decreasing the allowance for age 40, as updated, by one-fifteenth for each year of age below age 40 and rounding the result to the nearest $100. In making such determinations—

"(1) inflation shall be presumed to be 6 percent per year;

"(2) the rate of return of an annuity shall be presumed to be 8 percent; and

"(3) the sales commission on an annuity shall be presumed to be 6 percent.

"(e) ASSESSMENT SCHEDULES AND RATES.—For each award year after award year 1992–1993, the Secretary shall publish in the Federal Register a revised table of assessments from adjusted available income for the purpose of sections 475(e) and 477(d). Such revised table shall be developed—

"(1) by increasing each dollar amount that refers to adjusted available income by a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) between December 1992 and the December next preceding the beginning of such academic year, rounded to the nearest $100; and

"(2) by adjusting the other dollar amounts to reflect the changes made pursuant to paragraph (1).

"(f) DEFINITION OF CONSUMER PRICE INDEX.—As used in this section, the term 'Consumer Price Index' means the Consumer Price Index for All Urban Consumers published by the Department of Labor. Each annual update of tables to reflect changes in the Consumer Price Index shall be corrected for misestimation of actual changes in such Index in previous years.

"(g) STATE AND OTHER TAX ALLOWANCES.—For each award year after award year 1992–1993, the Secretary shall publish in the Federal Register a revised table of State and other tax allowances for the purpose of sections 475(c)(2), 475(g)(3), 476(b)(2), and 477(b)(2). The Secretary shall develop such revised table after review of the Department of the Treasury's Statistics of Income file and determination of the percentage of income that each State's taxes represent.

"(h) EMPLOYMENT EXPENSE ALLOWANCE.—For each award year after award year 1992–1993, the Secretary shall publish in the Federal Register a revised table of employment expense allowances for the purpose of sections 475(c)(5), 476(b)(4), and 477(b)(5). Such revised table shall be developed by increasing the dollar amount specified in sections 475(c)(5)(A), 475(c)(5)(B), 476(b)(4)(A), 476(b)(4)(B), 477(b)(5)(A), and 477(b)(5)(B) to reflect increases in the amount and percent of the Bureau of Labor Standards budget of the marginal costs for meals away from home, apparel and upkeep, transportation, and housekeeping services for a two-worker versus one-worker family.

"SEC. 479. SIMPLIFIED NEEDS TESTS.

"(a) SIMPLIFIED APPLICATION SECTION.—

"(1) IN GENERAL.—The Secretary shall develop and use an easily identifiable simplified application section as part of the common financial reporting form prescribed under section 483(a) for families described in subsections (b) and (c) this section.

"(2) REDUCED DATA REQUIREMENTS.—The simplified application form shall—

"(A) in the case of a family meeting the requirements of subsection (b)(1), permit such fam-

ily to submit only the data elements required under subsection (b)(2) for the purposes of establishing eligibility for student financial aid under this part; and

"(B) in the case of a family meeting the requirements of subsection (c), permit such family to be treated as having an expected family contribution equal to zero for purposes of establishing such eligibility and to submit only the data elements required to make a determination under subsection (c).

"(b) SIMPLIFIED NEEDS TEST.—

"(1) ELIGIBILITY.—An applicant is eligible to file a simplified form containing the elements required by paragraph (2) if—

"(A) in the case of an applicant who is a dependent student—

"(i) the student's parents file or are eligible to file a form described in paragraph (3) or certify that they are not required to file an income tax return and the student files or is eligible to file such a form or certifies that the student is not required to file an income tax return; and

"(ii) the total adjusted gross income of the parents (excluding any income of the dependent student) is less than $50,000; or

"(B) in the case of an applicant who is an independent student—

"(i) the student files or is eligible to file a form described in paragraph (3) or certifies that the student is not required to file such an income tax return; and

"(ii) the adjusted gross income of the student (and the student's spouse, if any) is less than $50,000.

"(2) SIMPLIFIED TEST ELEMENTS.—The five elements to be used for the simplified needs analysis are—

"(A) adjusted gross income,

"(B) Federal taxes paid,

"(C) untaxed income and benefits,

"(D) the number of family members,

"(E) the number of family members in postsecondary education; and

"(F) an allowance (A) for State and other taxes, as defined in section 475(c)(2) for dependent students and in section 477(b)(2) for independent students with dependents other than a spouse, or (B) for State and other income taxes, as defined in section 476(b)(2) for independent students without dependents other than a spouse.

"(3) QUALIFYING FORMS.—A student or family files a form described in this paragraph if the student or family, respectively, files—

"(A) a form 1040A or 1040EZ required pursuant to the Internal Revenue Code of 1986; or

"(B) an income tax return required pursuant to the tax code of the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or Palau.

"(c) ZERO EXPECTED FAMILY CONTRIBUTION.—The Secretary shall consider an applicant to have an expected family contribution equal to zero if—

"(1) in the case of a dependent student—

"(A) the student's parents did not file, and were not required to file, a form 1040 required pursuant to the Internal Revenue Code of 1986; and

"(B) the sum of the adjusted gross income of the parents is less than or equal to the maximum amount of income (rounded annually to the nearest thousand dollars) that may be earned in order to claim the maximum Federal earned income credit; or

"(2) in the case of an independent student with dependents other than a spouse—

"(A) the student (and the student's spouse, if any) did not file, and was not required to file, a form 1040 required pursuant to the Internal Revenue Code of 1986; and

"(B) the sum of the adjusted gross income of the student and spouse (if appropriate) is less than or equal to the maximum amount of income (rounded annually to the nearest thousand dollars) that may be earned in order to claim the maximum Federal earned income credit.

An individual is not required to qualify or file for the earned income credit in order to be eligible under this subsection.

"SEC. 479A. DISCRETION OF STUDENT FINANCIAL AID ADMINISTRATORS.

"(a) IN GENERAL.—Nothing in this part shall be interpreted as limiting the authority of the financial aid administrator, on the basis of adequate documentation, to make adjustments on a case-by-case basis to the cost of attendance or the values of the data items required to calculate the expected student or parent contribution (or both) to allow for treatment of an individual eligible applicant with special circumstances. However, this authority shall not be construed to permit aid administrators to deviate from the contributions expected in the absence of special circumstances. Special circumstances shall be conditions that differentiate an individual student from a class of students rather than conditions that exist across a class of students. Adequate documentation for such adjustments shall substantiate such special circumstances of individual students. In addition, nothing in this title shall be interpreted as limiting the authority of the student financial aid administrator in such cases to request and use supplementary information about the financial status or personal circumstances of eligible applicants in selecting recipients and determining the amount of awards under this title. No student or parent shall be charged a fee for collecting, processing, or delivering such supplementary information.

"(b) ADJUSTMENTS TO ASSETS TAKEN INTO ACCOUNT.—A student financial aid administrator shall be considered to be making a necessary adjustment in accordance with subsection (a) if—

"(1) the administrator makes adjustments excluding from family income any proceeds of a sale of farm or business assets of a family if such sale results from a voluntary or involuntary foreclosure, forfeiture, or bankruptcy or an involuntary liquidation; or

"(2) the administrator makes adjustments in the award level of a student with a disability so as to take into consideration the additional costs such student incurs as a result of such student's disability.

"SEC. 479B. DISREGARD OF STUDENT AID IN OTHER FEDERAL PROGRAMS.

"Notwithstanding any other provision of law, student financial assistance received under this title, or under Bureau of Indian Affairs student assistance programs, shall not be taken into account in determining the need or eligibility of any person for benefits or assistance, or the amount of such benefits or assistance, under any Federal, State, or local program financed in whole or in part with Federal funds.

"SEC. 479C. NATIVE AMERICAN STUDENTS.

"In determining family contributions for Native American students, computations performed pursuant to this part shall exclude—

"(1) any income and assets of $2,000 or less per individual payment received by the student (and spouse) and student's parents under the Per Capita Act or the Distribution of Judgment Funds Act; and

"(2) any income received by the student (and spouse) and student's parents under the Alaskan Native Claims Settlement Act or the Maine Indian Claims Settlement Act.

"SEC. 480. DEFINITIONS.

"As used in this part:

"(a) TOTAL INCOME.—(1) Except as provided in paragraph (2), the term 'total income' is equal to adjusted gross income plus untaxed income and benefits for the preceding tax year minus excludable income (as defined in subsection (e)).

"(2) No portion of any student financial assistance received from any program by an individual shall be included as income or assets in the computation of expected family contribution for any program funded in whole or in part under this Act.

"(b) UNTAXED INCOME AND BENEFITS.—The term 'untaxed income and benefits' means—

"(1) child support received;

"(2) welfare benefits, including aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act and aid to dependent children;

"(3) workman's compensation;

"(4) veterans' benefits such as death pension, dependency, and indemnity compensation, but excluding veterans' education benefits as defined in subsection (c);

"(5) interest on tax-free bonds;

"(6) housing, food, and other allowances (excluding rent subsidies for low-income housing) for military, clergy, and others (including cash payments and cash value of benefits);

"(7) cash support or any money paid on the student's behalf, except, for dependent students, funds provided by the student's parents;

"(8) the amount of earned income credit claimed for Federal income tax purposes;

"(9) untaxed portion of pensions;

"(10) credit for Federal tax on special fuels;

"(11) the amount of foreign income excluded for purposes of Federal income taxes;

"(12) untaxed social security benefits;

"(13) payments to individual retirement accounts and Keogh accounts excluded from income for Federal income tax purposes; and

"(14) any other untaxed income and benefits, such as Black Lung Benefits, Refugee Assistance, railroad retirement benefits, or Job Training Partnership Act noneducational benefits.

"(c) VETERAN AND VETERANS' EDUCATION BENEFITS.—(1) The term 'veteran' means any individual who—

"(A) has engaged in the active duty in the United States Army, Navy, Air Force, Marines, or Coast Guard; and

"(B) was released under a condition other than dishonorable.

"(2) The term 'veterans' education benefits' means veterans' benefits the student will receive during the award year, including but not limited to the following:

"(A) Title 10, chapter 2: Reserve Officer Training Corps scholarship.

"(B) Title 10, chapter 106: Selective Reserve.

"(C) Title 10, chapter 107: Selective Reserve Educational Assistance Program.

"(D) Title 37, chapter 2: Reserve Officer Training Corps Program.

"(E) Title 38, chapter 30: Montgomery GI Bill—active duty.

"(F) Title 38, chapter 31: vocational rehabilitation.

"(G) Title 38, chapter 32: Post-Vietnam Era Veterans' Educational Assistance Program.

"(H) Title 38, chapter 35: Dependents Educational Assistance Program.

"(I) Public Law 97-376, section 156: Restored Entitlement Program for Survivors (or Quayle benefits).

"(J) Public Law 96-342, section 903: Educational Assistance Pilot Program.

"(d) INDEPENDENT STUDENT.—The term 'independent', when used with respect to a student, means any individual who—

"(1) is 24 years of age or older by December 31 of the award year;

"(2) is an orphan or ward of the court;

"(3) is a veteran of the Armed Forces of the United States (as defined in subsection (c)(1));

"(4) is a graduate or professional student;

"(5) is a married individual;

"(6) has legal dependents other than a spouse; or

"(7) is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

"(e) EXCLUDABLE INCOME.—The term 'excludable income' means—

"(1) any student financial assistance awarded based on need as determined in accordance with the provisions of this part, including any income earned from work under part C of this title;

"(2) any living allowance received by a participant in a program established under the National and Community Service Act of 1990;

"(3) child support payments made by the student or parent; and

"(4) payments made and services provided under part E of title IV of the Social Security Act.

"(f) ASSETS.—(1) The term 'assets' means cash on hand, including the amount in checking and savings accounts, time deposits, money market funds, trusts, stocks, bonds, other securities, mutual funds, tax shelters, and the net value of real estate, income producing property, and business and farm assets.

"(2) With respect to determinations of need under this title, other than for subpart 4 of part A, the term 'assets' shall not include the net value of—

"(A) the family's principal place of residence; or

"(B) a family farm on which the family resides.

"(g) NET ASSETS.—The term 'net assets' means the current market value at the time of application of the assets (as defined in subsection (f)), minus the outstanding liabilities or indebtedness against the assets.

"(h) TREATMENT OF INCOME TAXES PAID TO OTHER JURISDICTIONS.—(1) The tax on income paid to the Governments of the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or Palau under the laws applicable to those jurisdictions, or the comparable tax paid to the central government of a foreign country, shall be treated as Federal income taxes.

"(2) References in this part to the Internal Revenue Code of 1986, Federal income tax forms, and the Internal Revenue Service shall, for purposes of the tax described in paragraph (1), be treated as references to the corresponding laws, tax forms, and tax collection agencies of those jurisdictions, respectively, subject to such adjustments as the Secretary may provide by regulation.

"(i) CURRENT BALANCE.—The term 'current balance of checking and savings accounts' does not include any funds over which an individual is barred from exercising discretion and control because of the actions of any State in declaring a bank emergency due to the insolvency of a private deposit insurance fund.

"(j) OTHER FINANCIAL ASSISTANCE; TUITION PREPAYMENT PLANS.—(1) For purposes of determining a student's eligibility for funds under this title, estimated financial assistance not received under this title shall include all scholarships, grants, loans, or other assistance known to the institution at the time the determination of the student's need is made, including veterans' education benefits as defined in subsection (c).

"(2)(A) Except as provided in subparagraph (B), for purposes of determining a student's eligibility for funds under this title, tuition prepayment plans shall reduce the cost of attendance (as determined under section 472) by the amount of the prepayment, and shall not be considered estimated financial assistance.

"(B) If the institutional expense covered by the prepayment must be part of the student's cost of attendance for accounting purposes, the prepayment shall be considered estimated financial assistance.".

(b) EFFECTIVE DATE FOR AMENDMENT TO PART F.—The changes made in part F of title IV of the Act by the amendment made by this section shall apply with respect to determinations of need under such part F for award years beginning on or after July 1, 1993.

PART G—GENERAL PROVISIONS

SEC. 481. DEFINITIONS.

(a) INSTITUTION OF HIGHER EDUCATION.—Section 481 of the Act (20 U.S.C. 1088(a)) is amended by striking the heading of such section and subsection (a) and inserting the following:

"SEC. 481. DEFINITIONS.

"(a) INSTITUTION OF HIGHER EDUCATION.—(1) Subject to paragraphs (2) through (4) of this subsection, the term 'institution of higher education' for purposes of this title includes, in addition to the institutions covered by the definition in section 1201(a)—

"(A) a proprietary institution of higher education;

"(B) a postsecondary vocational institution; and

"(C) only for the purposes of part B of this title, an institution outside the United States which is comparable to an institution of higher education as defined in section 1201(a) and which has been approved by the Secretary for the purpose of part B.

"(2)(A) For the purpose of qualifying as an institution under paragraph (1)(C) of this subsection, the Secretary shall establish criteria by regulation for the approval of institutions outside the United States and for the determination that such institutions are comparable to an institution of higher education as defined in section 1201(a). In the case of a graduate medical school outside the United States, such criteria shall include a requirement that a student attending a graduate medical school outside the United States is ineligible for loans made, insured, or guaranteed under part B of this title unless—

"(i)(I) at least 60 percent of those enrolled and at least 60 percent of the graduates of the graduate medical school outside the United States were not persons described in section 484(a)(5) in the year preceding the year for which a student is seeking a loan under part B of this title; and

"(II) at least 60 percent of the individuals who were students or graduates of the graduate medical school outside the United States (both nationals of the United States and others) taking the examinations administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year preceding the year for which a student is seeking a loan under part B of this title; or

"(ii) the institution's clinical training program was approved by a State as of January 1, 1992.

"(B) For the purpose of qualifying as an institution under paragraph (1)(C), the Secretary shall establish an advisory panel of medical experts which shall—

"(i) evaluate the standards of accreditation applied to applicant foreign medical schools; and

"(ii) determine the comparability of those standards to standards for accreditation applied to United States medical schools.

If such accreditation standards are determined not to be comparable, the foreign medical school shall be required to meet the requirements of section 1201(a).

"(C) The failure of an institution outside the United States to provide, release, or authorize release to the Secretary of such information as may be required by subparagraph (A) of this paragraph shall render such institution ineligible for the purpose of part B of this title.

"(D) The Secretary shall, not later than one year after the date of enactment of the Higher Education Amendments of 1992, prepare and submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate a report on the implementation of the regulations required by subparagraph (A) of this paragraph.

"(E) If, pursuant to this paragraph, an institution loses eligibility to participate in the programs under this title, then a student enrolled at such institution may, notwithstanding such loss of eligibility, continue to be eligible to receive a loan under part B while attending such institution for the academic year succeeding the academic year in which such loss of eligibility occurred.

"(3) An institution shall not be considered to meet the definition of an an institution of higher education in paragraph (1), if such institution—

"(A) offers more than 50 percent of such institution's courses by correspondence, unless the institution is an institution that meets the definition in section 521(4)(C) of the Carl D. Perkins Vocational and Applied Technology Education Act;

"(B) enrolls 50 percent or more of its students in correspondence courses, unless the institution is an institution that meets the definition in such section;

"(C) has a student enrollment in which more than 25 percent of the students are incarcerated, except that the Secretary may waive the prohibition of this subparagraph for a nonprofit institution that provides a 4-year or a 2-year program of instruction (or both) for which it awards a bachelor's or associate's degree, respectively; or

"(D) has a student enrollment in which more than 50 percent of the students are admitted pursuant to section 484(d) and does not provide a 4-year or a 2-year program of instruction (or both) for which it awards a bachelor's or associate's degree, respectively.

"(4) An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if—

"(A) such institution has filed for bankruptcy; or

"(B) the institution, its owner, or its chief executive officer has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of funds under this title, or has been judicially determined to have committed fraud involving funds under this title.

"(5) The Secretary shall certify an institution's qualification as an institution of higher education in accordance with the requirements of subpart 3 of part H.

"(6) An institution of higher education shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution is removed from eligibility for funds under this title as a result of an action pursuant to part H of this title.".

(b) PROPRIETARY INSTITUTIONS OF HIGHER EDUCATION.—Section 481(b) of the Act is amended by—

(1) in clause (1), by striking "not less than a 6-month program" and inserting "an eligible program";

(2) in clause (4)—

(A) by striking "for this purpose" and inserting "pursuant to part H of this title"; and

(B) by striking "and" at the end thereof;

(3) by striking the period at the end of clause (5) and inserting the following: ", and (6) which

has at least 15 percent of its revenues from sources that are not derived from funds provided under this title, as determined in accordance with regulations prescribed by the Secretary."; and

(4) by striking the last sentence.

(c) POSTSECONDARY VOCATIONAL INSTITUTION.—Section 481(c)(1) of the Act is amended by striking "not less than a 6-month program" and inserting "an eligible program".

(d) AWARD YEAR.—Section 481(d) of the Act is amended to read as follows:

"(d) ACADEMIC AND AWARD YEAR.—(1) For the purpose of any program under this title, the term 'award year' shall be defined as the period beginning July 1 and ending June 30 of the following year.

"(2) For the purpose of any program under this title, the term 'academic year' shall require a minimum of 30 weeks of instructional time in which a full-time student is expected to complete at least 24 semester or trimester hours or 36 quarter hours at an institution which measures program length in credit hours or at least 900 clock hours at an institution which measures program length in clock hours.".

(e) ELIGIBLE PROGRAM.—Section 481(e) of the Act is amended to read as follows:

"(e) ELIGIBLE PROGRAM.—(1) For purposes of this title, the term 'eligible program' means a program of at least—

"(A) 600 clock hours of instruction, 16 semester hours, or 24 quarter hours, offered during a minimum of 15 weeks, in the case of a program that—

"(i) provides a program of training to prepare students for gainful employment in a recognized profession; and

"(ii) admits students who have not completed the equivalent of an associate degree; or

"(B) 300 clock hours of instruction, 8 semester hours, or 12 hours, offered during a minimum of 10 weeks, in the case of—

"(i) an undergraduate program that requires the equivalent of an associate degree for admissions; or

"(ii) a graduate or professional program.

"(2) The Secretary shall develop regulations to determine the quality of programs of less than 600 clock hours in length. Such regulations shall require, at a minimum, that the programs have a verified rate of completion of at least 70 percent and a verified rate of placement of at least 70 percent. Pursuant to these regulations and notwithstanding paragraph (1), the Secretary shall allow programs of less than 600 clock hours, but greater than 300 clock hours, in length to be eligible to participate in the programs authorized under part B of this title.".

(f) THIRD PARTY SERVICER.—Section 481 of the Act is amended by adding the following new subsection after subsection (e):

"(f) THIRD PARTY SERVICER.—For purposes of this title, the term 'third party servicer' means any State or private, profit or nonprofit organization which enters into a contract with—

"(1) any eligible institution of higher education to administer, through either manual or automated processing, any aspect of such institution's student assistance programs under this title; or

"(2) any guaranty agency, or any eligible lender, to administer, through either manual or automated processing, any aspect of such guaranty agency's or lender's student loan programs under part B of this title, including originating, guaranteeing, monitoring, processing, servicing, or collecting loans.".

SEC. 482. MASTER CALENDAR.

(a) AMENDMENT.—Section 482(c) of the Act (20 U.S.C. 1089(c)) is amended to read as follows:

"(c) DELAY OF EFFECTIVE DATE OF LATE PUBLICATIONS.—Any regulatory changes initiated by the Secretary affecting the programs pursuant to this title that have not been published in final form by December 1 prior to the start of the award year shall not become effective until the beginning of the second award year after such December 1 date.".

(b) CONFORMING AMENDMENTS.—

(1) Section 482(a)(1) of the Act is amended by striking "sections 411E and" each place it appears in subparagraphs (B) and (C) and inserting "section".

(2) Section 482(b) of the Act is amended by striking "subpart 2" and inserting "subpart 3".

SEC. 483. FORMS AND REGULATIONS.

(a) FORMS AND PROCESSING.—Section 483 of the Act (20 U.S.C. 1090) is amended by striking subsections (a) and (b) and inserting the following:

"SEC. 483. (a) COMMON FINANCIAL AID FORM AND PROCESSING.—

"(1) SINGLE FORM REQUIRED.—The Secretary, in cooperation with representatives of agencies and organizations involved in student financial assistance, shall produce, distribute, and process free of charge a common financial reporting form to be used to determine the need and eligibility of a student for financial assistance under parts A, C, D, and E of this title (other than under subpart 4 of part A) and to determine the need of a student for the purpose of part B of this title. The Secretary may include on the form developed pursuant to this paragraph not more than eight nonfinancial data items selected in consultation with the States to assist the States in awarding State student financial assistance. Such form shall satisfy the requirements of section 411(d) of this title. For the purpose of collecting eligibility and other data for the purpose of part B, the Secretary shall develop a separate, identifiable loan application document (pursuant to section 432(m)) that applicants or institutions in which the students are enrolled or accepted for enrollment shall submit directly to eligible lenders and on which the applicant shall clearly indicate a choice of a lender.

"(2) CHARGES TO STUDENTS AND PARENTS FOR USE OF FORM PROHIBITED.—The common financial reporting form prescribed by the Secretary under paragraph (1) shall be produced, distributed, and processed by the Secretary and no parent or student shall be charged a fee for the collection, processing, or delivery of financial aid through the use of such form. The need and eligibility of a student for financial assistance under parts A, C, D, and E of this title (other than under subpart 4 of part A) and the need of a student for the purpose of part B of this title, may only be determined by using the form developed by the Secretary pursuant to paragraph (1) of this subsection. No student may receive assistance under parts A, C, D, and E of this title (other than under subpart 4 of part A) or have the student's need established for the purpose of part B of this title, except by use of the form developed by the Secretary pursuant to this section.

"(3) DISTRIBUTION OF DATA.—Institutions of higher education and States shall receive, without charge, the data collected by the Secretary using the form developed pursuant to this section for the purposes of determining need and eligibility for institutional and State financial aid awards.

"(4) CONTRACTS FOR COLLECTION AND PROCESSING.—(A) The Secretary shall, to the extent practicable, enter into not less than 5 contracts with States, institutions of higher education, or private organizations for the purposes of the timely collection and processing of the form developed pursuant to paragraph (1) and the timely delivery of the data submitted on such form. The Secretary shall use such contracts to assist States and institutions of higher education with the collection of additional data required to award State or institutional financial assistance, except that the Secretary shall not include these additional data items on the common financial reporting form developed pursuant to this section. The Secretary shall include in each such contract a requirement that—

"(i) any charges by the contractor to the student or parent for additional data items required by a State or institution for any purpose (regardless of the method of collection) shall be reasonable and shall not exceed the marginal cost of collecting, processing, and delivering such additional data, taking into account any payment received by the contractor to produce, distribute, and process the common financial reporting form prescribed by the Secretary pursuant to paragraph (1); and

"(ii) the contractor will require any person or entity to whom the contractor provides such additional data to agree not to collect from any student or parent any charge that would not be permitted under this subparagraph for any such additional data.

"(B) To the extent practicable, the Secretary shall ensure that at least one contractor, or a portion of one contract, under this paragraph will serve graduate and professional students.

"(C) As part of the procurement process for the 1993–1994 award year, and for all procurements thereafter pertaining to the contracts under this paragraph, the Secretary shall require all entities competing for such contracts to comply with all requirements of this subsection and to—

"(i) use the common financial reporting form as prescribed in paragraph (1), which shall be clearly identified as the 'Free Application for Federal Student Aid'; and

"(ii) use a common, simplified reapplication form as the Secretary shall prescribe pursuant to subsection (b), in each award year.

"(D) The Secretary shall reimburse all approved contractors at a reasonable predetermined rate for processing such applications, for issuing eligibility reports, and for carrying out other services or requirements that may be prescribed by the Secretary.

"(E) All approved contractors shall be required to adhere to all editing, processing, and reporting requirements established by the Secretary to ensure consistency.

"(F) No approved contractor shall enter into exclusive arrangements with guarantors, lenders, secondary markets, or institutions of higher education for the purpose of reselling or sharing of data collected for the multiple data entry process. All data collected under a contract issued by the Secretary pursuant to this paragraph for the multiple data entry process is the exclusive property of the Secretary and may not be transferred to a third party by an approved contractor without the Secretary's express written approval.

"(b) STREAMLINED REAPPLICATION PROCESS.—(1) The Secretary shall, within 240 days after the date of enactment of the Higher Education Amendments of 1992, develop a streamlined reapplication form and process, including electronic reapplication process, consistent with the requirements of subsection (a), for those recipients who apply for financial aid funds under this title in the next succeeding academic year subsequent to the initial year in which such recipients apply.

"(2) The Secretary shall develop appropriate mechanisms to support reapplication.

"(3) The Secretary shall determine, in cooperation with States, institutions of higher education, agencies and organizations involved in student financial assistance, the data elements that can be updated from the previous academic year's application.

"(4) Nothing in this title shall be interpreted as limiting the authority of the Secretary to reduce the number of data elements required of reapplicants.

"(5) Individuals determined to have a zero family contribution pursuant to section 479 shall not be required to provide any financial data, except that which is necessary to determine eligibility under that section.".

(b) ADDITIONAL AMENDMENTS.—Section 483 is further amended—

(1) by striking subsections (d) and (f);

(2) by amending subsection (e) to read as follows:

"(e) TOLL-FREE INFORMATION.—The Secretary shall contract for, or establish, and publicize a toll-free telephone service to provide timely and accurate information to the general public. The information provided shall include specific instructions on completing the application form for assistance under this title. Such service shall also include a service accessible by telecommunications devices for the deaf (TDD's) and shall, in addition to the services provided for in the previous sentence, refer such students to the national clearinghouse on postsecondary education that is authorized under section 633(c) of the Individuals with Disabilities Education Act."; and

(3) by adding at the end the following new subsections:

"(f) PREPARER.—Any financial aid application required to be made under this title shall include the name, signature, address, social security number, and organizational affiliation of the preparer of such financial aid application.

"(g) SPECIAL RULE.—Nothing in section 1544 of the Higher Education Amendments of 1992 shall relieve processors or institutions of higher education of any or all obligations under this section.".

SEC. 484. STUDENT ELIGIBILITY.

(a) IN GENERAL.—Section 484 of the Act (20 U.S.C. 1091) is amended—

(1) in paragraph (1) of subsection (a), by inserting "(including a program of study abroad approved for credit by the eligible institution at which such student is enrolled)" after "or other program"; and

(2) by striking paragraph (4) of subsection (a) and inserting the following:

"(4) file with the institution of higher education which the student intends to attend, or is attending (or in the case of a loan or loan guarantee with the lender), a document, which need not be notarized, but which shall include—

"(A) a statement of educational purpose stating that the money attributable to such grant, loan, or loan guarantee will be used solely for expenses related to attendance or continued attendance at such institution; and

"(B) such student's social security number;".

(b) EXCEPTIONS TO ELIGIBLE STUDENT DEFINITION.—

(1) AMENDMENTS.—Section 484(b) of the Act is amended—

(A) in paragraph (4) by striking "part B" and inserting "part B, D, or E or work-study assistance under part C"; and

(B) by adding at the end the following new paragraph:

"(5) Notwithstanding any other provision of this subsection, no incarcerated student is eligible to receive a loan under this title.".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1)(A) of this subsection shall be effective on and after December 1, 1987.

(c) ABILITY TO BENEFIT.—Section 484(d) of the Act is amended to read as follows:

"(d) STUDENTS WHO ARE NOT HIGH SCHOOL GRADUATES.—In order for a student who does not have a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, to be eligible for any assistance under subparts 1, 3, and 4 of part A and parts B, C, D, and E of this title, the student shall meet either one of the following standards:

"(1) The student shall take an independently administered examination and shall achieve a score, specified by the Secretary, demonstrating that such student can benefit from the education or training being offered. Such examination shall be approved by the Secretary on the basis of compliance with such standards for development, administration, and scoring as the Secretary may prescribe in regulations.

"(2) The student shall be determined as having the ability to benefit from the education or training in accordance with such process as the State shall prescribe. Any such process described or approved by a State for the purposes of this section shall be effective 6 months after the date of submission to the Secretary unless the Secretary disapproves such process. In determining whether to approve or disapprove such process, the Secretary shall take into account the effectiveness of such process in enabling students without high school diplomas or the equivalent thereof to benefit from the instruction offered by institutions utilizing such process, and shall also take into account the cultural diversity, economic circumstances, and educational preparation of the populations served by the institutions.".

(d) VERIFICATION.—Section 484(f) of the Act is amended by adding at the end the following new sentence: "Nothing in this subsection shall preclude the Secretary from verifying all applications for aid through the use of any means available, including through the exchange of information with any other Federal agency.".

(e) LOSS OF ELIGIBILITY.—Section 484(g) of the Act is amended—

(1) by inserting "(1)" before "No student";

(2) by inserting ", part D" after "part B" each place it appears;

(3) by inserting "fraudulently" before "borrowed" each place it appears; and

(4) by adding at the end the following new paragraph:

"(2) If the institution determines that the student inadvertently borrowed amounts in excess of such annual or aggregate maximum loan limits, such institution shall allow the student to repay any amount borrowed in excess of such limits prior to certifying the student's eligibility for further assistance under this title.".

(f) VERIFICATION OF IMMIGRANT STATUS.—Section 484(h) of the Act is amended to read as follows:

"(h) VERIFICATION OF IMMIGRATION STATUS.—

"(1) IN GENERAL.—The Secretary shall implement a system under which the statements and supporting documentation, if required, of an individual declaring that such individual is in compliance with the requirements of subsection (a)(5) shall be verified prior to the individual's receipt of a grant, loan, or work assistance under this title.

"(2) SPECIAL RULE.—The documents collected and maintained by an eligible institution in the admission of a student to the institution may be used by the student in lieu of the documents used to establish both employment authorization and identity under section 274A(b)(1)(B) of the Immigration and Nationality Act (8 U.S.C. 1324a) to verify eligibility to participate in work-study programs under part C of this title.

"(3) VERIFICATION MECHANISMS.—The Secretary is authorized to verify such statements and supporting documentation through a data match, using an automated or other system, with other Federal agencies that may be in possession of information relevant to such statements and supporting documentation.

"(4) REVIEW.—In the case of such an individual who is not a citizen or national of the United States, if the statement described in paragraph (1) is submitted but the documentation required under paragraph (2) is not presented or if the documentation required under paragraph (2)(A) is presented but such documentation is not verified under paragraph (3)—

"(A) the institution—

"(i) shall provide a reasonable opportunity to submit to the institution evidence indicating a satisfactory immigration status, and

"(ii) may not delay, deny, reduce, or terminate the individual's eligibility for the grant, loan, or work assistance on the basis of the individual's immigration status until such a reasonable opportunity has been provided; and

"(B) if there are submitted documents which the institution determines constitutes reasonable evidence indicating such status—

"(i) the institution shall transmit to the Immigration and Naturalization Service photostatic or other similar copies of such documents for official verification,

"(ii) pending such verification, the institution may not delay, deny, reduce, or terminate the individual's eligibility for the grant, loan, or work assistance on the basis of the individual's immigration status, and

"(iii) the institution shall not be liable for the consequences of any action, delay, or failure of the Service to conduct such verification.".

(g) ADDITIONAL PROVISIONS.—Section 484 of the Act is further amended by adding at the end the following new subsections:

"(l) SPECIAL RULE FOR CORRESPONDENCE COURSES.—A student shall not be eligible to receive grant, loan, or work assistance under this title for a correspondence course unless such course is part of a program leading to an associate, bachelor or graduate degree.

"(m) COURSES OFFERED THROUGH TELECOMMUNICATIONS.—

"(1) RELATION TO CORRESPONDENCE COURSES.—A student enrolled in a course of instruction at an eligible institution of higher education (other than an institution that meets the definition in section 521(4)(C) of the Carl D. Perkins Vocational and Applied Technology Education Act) that is offered in whole or in part through telecommunications and leads to a recognized associate, bachelor, or graduate degree conferred by such institution shall not be considered to be enrolled in correspondence courses unless the total amount of telecommunications and correspondence courses at such institution equals or exceeds 50 percent of such courses.

"(2) RESTRICTION OR REDUCTIONS OF FINANCIAL AID.—A student's eligibility to receive grants, loans, or work assistance under this title shall be reduced if a financial aid officer determines under the discretionary authority provided in section 479A that telecommunications instruction results in a substantially reduced cost of attendance to such student.

"(3) SPECIAL RULE.—For award years prior to the date of enactment of this subsection, the Secretary shall not take any compliance, disallowance, penalty, or other action against a student or an eligible institution when such action arises out of such institution's prior award of student assistance under this title if the institution demonstrates to the satisfaction of the Secretary that its course of instruction would have been in conformance with the requirements of this subsection.

"(4) DEFINITION.—For the purposes of this subsection, the term 'telecommunications' means the use of television, audio, or computer transmission, including open broadcast, closed circuit, cable, microwave, or satellite, audio conferencing, computer conferencing, or video cassettes or discs, except that such term does not include a course that is delivered using video cassette or disc recordings at such institution and that is not delivered in person to other students of that institution.

"(n) STUDENTS WITH A FIRST BACCALAUREATE OR PROFESSIONAL DEGREE.—A student shall not

be ineligible for assistance under part B, C, D, and E of this title because such student has previously received a baccalaureate or professional degree.

"(o) Data Base Matching.—To enforce the Selective Service registration provisions of section 1113 of Public Law 97–252, the Secretary shall conduct data base matches with the Selective Service, using common demographic data elements. Appropriate confirmation, through an application output document or through other means, of any person's registration shall fulfill the requirement to file a separate statement of compliance. In the absence of a confirmation from such data matches, an institution may also use data or documents that support either the student's registration, or the absence of a registration requirement for the student, to fulfill the requirement to file a separate statement of compliance. The mechanism for reporting the resolution of nonconfirmed matches shall be prescribed by the Secretary in regulations.

"(p) Study Abroad.—Nothing in this Act shall be construed to limit or otherwise prohibit access to study abroad programs approved by the home institution at which a student is enrolled. An otherwise eligible student who is engaged in a program of study abroad approved for academic credit by the home institution at which the student is enrolled shall be eligible to receive grant, loan, or work assistance under this title, without regard to whether such study abroad program is required as part of the student's degree program.

"(q) Verification of Social Security Number.—The Secretary of Education, in cooperation with the Commissioner of the Social Security Administration, shall verify any social security number provided by a student to an eligible institution under subsection (a)(4) and shall enforce the following conditions:

"(1) Except as provided in paragraphs (2) and (3), an institution shall not deny, reduce, delay, or terminate a student's eligibility for assistance under this part because social security number verification is pending.

"(2) If there is a determination by the Secretary that the social security number provided to an eligible institution by a student is incorrect, the institution shall deny or terminate the student's eligibility for any grant, loan, or work assistance under this title until such time as the student provides a correct social security number.

"(3) If there is a determination by the Secretary that the social security number provided to an eligible institution by a student is incorrect, and a correct social security number cannot be provided by such student, and a loan has been guaranteed for such student under part B of this title, the institution shall notify and instruct the lender and guaranty agency making and guaranteeing the loan, respectively, to cease further disbursements of the loan, but such guaranty shall not be voided or otherwise nullified with respect to such disbursements made before the date that the lender and the guaranty agency receives such notice.

"(4) Nothing in this subsection shall permit the Secretary to take any compliance, disallowance, penalty, or other regulatory action against—

"(A) any institution of higher education with respect to any error in a social security number, unless such error was a result of fraud on the part of the institution; or

"(B) any student with respect to any error in a social security number, unless such error was a result of fraud on the part of the student.".

(h) Clerical Amendment.—Section 801(a) of the National Literacy Act of 1991 is amended by striking "the Act" and inserting "the Higher Education Act of 1965".

SEC. 485. REFUND POLICY.

(a) Refund Policies and Requirements.—Part G of title IV of the Act is further amended by inserting after section 484A the following new section:

"SEC. 484B. INSTITUTIONAL REFUNDS.

"(a) Refund Policy Required.—Each institution of higher education participating in a program under this title shall have in effect a fair and equitable refund policy under which the institution refunds unearned tuition, fees, room and board, and other charges to a student who received grant, loan, or work assistance under this title, or whose parent received a loan made under section 428B on behalf of the student, if the student—

"(1) does not register for the period of attendance for which the assistance was intended; or

"(2) withdraws or otherwise fails to complete the period of enrollment for which the assistance was provided.

"(b) Determinations.—The institution's refund policy shall be considered to be fair and equitable for purposes of this section if that policy provides for a refund in an amount of at least the largest of the amounts provided under—

"(1) the requirements of applicable State law;

"(2) the specific refund requirements established by the institution's nationally recognized accrediting agency and approved by the Secretary; or

"(3) the pro rata refund calculation described in subsection (d), except that this paragraph will not apply to the institution's refund policy for any student whose date of withdrawal from the institution is after the 60 percent point (in time) in the period of enrollment for which the student has been charged.

"(c) Definitions.—(1) As used in this section, the term 'pro rata refund' means a refund by the institution to a student attending such institution for the first time of not less than that portion of the tuition, fees, room and board, and other charges assessed the student by the institution equal to the portion of the period of enrollment for which the student has been charged that remains on the last day of attendance by the student, rounded downward to the nearest 10 percent of that period, less any unpaid charges owed by the student for the period of enrollment for which the student has been charged, and less a reasonable administrative fee not to exceed the lesser of 5 percent of the tuition, fees, room and board, and other charges assessed the student, or $100.

"(2) For purposes of paragraph (1), 'the portion of the period of enrollment for which the student has been charged that remains', shall be determined—

"(A) in the case of a program that is measured in credit hours, by dividing the total number of weeks comprising the period of enrollment for which the student has been charged into the number of weeks remaining in that period as of the last recorded day of attendance by the student;

"(B) in the case of a program that is measured in clock hours, by dividing the total number of clock hours comprising the period of enrollment for which the student has been charged into the number of clock hours remaining to be completed by the student in that period as of the last recorded day of attendance by the student; and

"(C) in the case of a correspondence program, by dividing the total number of lessons comprising the period of enrollment for which the student has been charged into the total number of such lessons not submitted by the student.".

SEC. 486. INFORMATION DISSEMINATION.

(a) Information Dissemination Activities.—Section 485(a)(1) of the Act (20 U.S.C. 1092(a)(1)) is amended—

(1) in subparagraph (F)—

(A) by inserting ", as determined under section 484B," after "of the institution";

(B) by inserting before the semicolon at the end the following: ", which refunds shall be credited in the following order:

"(i) to outstanding balances on loans under part B of this title,

"(ii) to outstanding balances on loans under part D of this title,

"(iii) to outstanding balances on loans under part E of this title,

"(iv) to awards subpart 1 of part A of this title,

"(v) to awards under subpart 3 of part A of this title,

"(vi) to awards under part C of this title,

"(vii) to other student assistance provided under this title, and

"(viii) to the student.".

(2) by striking "and" at the end of subparagraph (K);

(3) by striking the period at the end of subparagraph (L) (as added by section 1 of Public Law 101–542) and inserting a semicolon;

(4) by redesignating subparagraph (L) (as added by section 201 of Public Law 101–610) as subparagraph (M);

(5) by striking the period at the end of subparagraph (M) (as redesignated by paragraph (3)) and inserting a semicolon and "and"; and

(6) by adding at the end thereof the following new subparagraph:

"(N) that enrollment in a program of study abroad approved for credit by the home institution may be considered enrollment in the home institution for purposes of applying for Federal student financial assistance.".

(b) Exit Counseling.—Section 485(b) of the Act is amended to read as follows:

"(b) Exit Counseling for Borrowers.—(1)(A) Each eligible institution shall, through financial aid officers or otherwise, make available counseling to borrowers (individually or in groups) of loans which are made, insured, or guaranteed under part B (other than loans made pursuant to section 428B) of this title or made under parts D or E of this title prior to the completion of the course of study for which the borrower enrolled at the institution or at the time of departure from such institution. The counseling required by this subsection shall include—

"(i) the average anticipated monthly repayments, a review of the repayment options available, and such debt and management strategies as the institution determines are designed to facilitate the repayment of such indebtedness; and

"(ii) the terms and conditions under which the student may obtain partial cancellation or defer repayment of the principal and interest pursuant to sections 428(b), 464(c)(2), and 465.

"(B) In the case of borrower who leaves an institution without the prior knowledge of the institution, the institution shall attempt to provide the information described in subparagraph (A) to the student in writing.

"(2)(A) Each eligible institution shall require that the borrower of a loan made under parts B, D, or E submit to the institution, during the exit interview required by this subsection—

"(i) the borrower's expected permanent address after leaving the institution (regardless of the reason for leaving);

"(ii) the name and address of the borrower's expected employer after leaving the institution;

"(iii) the address of the borrower's next of kin; and

"(iv) any corrections in the institution's records relating the borrower's name, address, social security number, references, and driver's license number.

"(B) The institution shall, within 60 days after the interview, forward any corrected or

completed information received from the borrower to the guaranty agency indicated on the borrower's student aid records.''.

(c) CAMPUS SECURITY POLICY.—

(1) STATISTICS.—Section 485(f)(1)(F) of the Act is amended to read as follows:

''(F) Statistics concerning the occurrence on campus, during the most recent calendar year, and during the 2 preceding calendar years for which data are available, of the following criminal offenses reported to campus security authorities or local police agencies—

''(i) murder;

''(ii) sex offenses, forcible or nonforcible;

''(iii) robbery;

''(iv) aggravated assault;

''(v) burglary; and

''(vi) motor vehicle theft.''.

(2) POLICY DEVELOPMENT.—Section 485(f) of the Act is amended by adding at the end the following new paragraph:

''(7)(A) Each institution of higher education participating in any program under this title shall develop and distribute as part of the report described in paragraph (1) a statement of policy regarding—

''(i) such institution's campus sexual assault programs, which shall be aimed at prevention of sex offenses; and

''(ii) the procedures followed once a sex offense has occurred.

''(B) The policy described in subparagraph (A) shall address the following areas:

''(i) Education programs to promote the awareness of rape, acquaintance rape, and other sex offenses.

''(ii) Possible sanctions to be imposed following the final determination of an on-campus disciplinary procedure regarding rape, acquaintance rape, or other sex offenses, forcible or nonforcible.

''(iii) Procedures students should follow if a sex offense occurs, including who should be contacted, the importance of preserving evidence as may be necessary to the proof of criminal sexual assault, and to whom the alleged offense should be reported.

''(iv) Procedures for on-campus disciplinary action in cases of alleged sexual assault, which shall include a clear statement that—

''(I) the accuser and the accused are entitled to the same opportunities to have others present during a campus disciplinary proceeding; and

''(II) both the accuser and the accused shall be informed of the outcome of any campus disciplinary proceeding brought alleging a sexual assault.

''(v) Informing students of their options to notify proper law enforcement authorities, including on-campus and local police, and the option to be assisted by campus authorities in notifying such authorities, if the student so chooses.

''(vi) Notification of students of existing counseling, mental health or student services for victims of sexual assault, both on campus and in the community.

''(vii) Notification of students of options for, and available assistance in, changing academic and living situations after an alleged sexual assault incident, if so requested by the victim and if such changes are reasonably available.

''(C) Nothing in this paragraph shall be construed to confer a private right of action upon any person to enforce the provisions of this paragraph.''.

(3) EFFECTIVE DATE PROVISION.—The amendment made by this subsection to subparagraph (F)(ii) of section 485(f)(1) of the Act shall be effective with respect to reports made pursuant to such section on or after September 1, 1993. The statistics required by subparagraph (F) of such section shall—

(A) in the report required on September 1, 1992, include statistics concerning the occurrence on campus of offenses during the period from August 1, 1991, to July 31, 1992;

(B) in the report required on September 1, 1993, include statistics concerning the occurrence on campus of offenses during (i) the period from August 1, 1991, to December 31, 1991, and (ii) the calendar year 1992;

(C) in the report required on September 1, 1994, include statistics concerning the occurrence on campus of offenses during (i) the period from August 1, 1991, to December 31, 1991, and (ii) the calendar years 1992 and 1993; and

(D) in the report required on September 1 of 1995 and each succeeding year, include statistics concerning the occurrence on campus of offenses during the three calendar years preceding the year in which the report is made.

SEC. 487. NATIONAL STUDENT LOAN DATA SYSTEM.

(a) SYSTEM DEVELOPMENT.—Section 485B(a) of the Act (20 U.S.C. 1093(a)) is amended in the matter preceding paragraph (1) by striking ''and loans made under part E'' and inserting ''and loans made under part E, and for allowing the electronic exchange of data between program participants and the system. In establishing such data system, the Secretary shall place a priority on providing for the monitoring of enrollment, student status, information about current loan holders and servicers, and internship and residency information. Such data system shall also permit borrowers to use the system to identify the current loan holders and servicers of such borrower's loan.''.

(b) STANDARDIZATION OF DATA REPORTING; USE OF COMMON IDENTIFIERS; INTEGRATION OF SYSTEMS.—Section 485B of the Act is amended by adding at the end the following new subsections:

''(e) STANDARDIZATION OF DATA REPORTING.—

''(1) IN GENERAL.—The Secretary shall by regulation prescribe standards and procedures (including relevant definitions) that require all lenders and guaranty agencies to report information on all aspects of loans made under this part in uniform formats in order to permit the direct comparison of data submitted by individual lenders, servicers or guaranty agencies.

''(2) ACTIVITIES.—For the purpose of establishing standards under this section, the Secretary shall—

''(A) consult with guaranty agencies, lenders, institutions of higher education, and organizations representing the groups described in paragraph (1);

''(B) develop standards designed to be implemented by all guaranty agencies and lenders with minimum modifications to existing data processing hardware and software; and

''(C) publish the specifications selected to be used to encourage the automation of exchanges of information between all parties involved in loans under this part.

''(f) COMMON IDENTIFIERS.—The Secretary shall, not later than July 1, 1993—

''(1) revise the codes used to identify institutions and students in the student loan data system authorized by this section to make such codes consistent with the codes used in each database used by the Department of Education that contains information of participation in programs under this title; and

''(2) modify the design or operation of the system authorized by this section to ensure that data relating to any institution is readily accessible and can be used in a form compatible with the integrated postsecondary education data system (IPEDS).

''(g) INTEGRATION OF DATABASES.—The Secretary shall integrate the National Student Loan Data System with the Pell Grant applicant and recipient databases as of January 1, 1994, and any other databases containing information on participation in programs under this title.''.

SEC. 488. SIMPLIFICATION OF THE LENDING PROCESS FOR BORROWERS.

Part G of title IV of the Act (20 U.S.C. 1088 et seq.) is amended by inserting after section 485B the following new section:

''SEC. 485C. SIMPLIFICATION OF THE LENDING PROCESS FOR BORROWERS.

''(a) ALL LIKE LOANS TREATED AS ONE.—To the extent practicable, and with the cooperation of the borrower, eligible lenders shall treat all loans made to a borrower under the same section of part B as one loan and shall submit one bill to the borrower for the repayment of all such loans for the monthly or other similar period of repayment. Any deferments on one such loan will be considered a deferment on the total amount of all such loans.

''(b) ONE LENDER, ONE GUARANTY AGENCY.—To the extent practicable, and with the cooperation of the borrower, the guaranty agency shall ensure that a borrower only have one lender, one holder, one guaranty agency, and one servicer with which to maintain contact.''.

SEC. 489. TRAINING IN FINANCIAL AID SERVICES.

Section 486 of the Act (20 U.S.C. 1093) is amended to read as follows:

''SEC. 486. TRAINING IN FINANCIAL AID SERVICES.

''(a) PROGRAM AUTHORITY.—The Secretary is authorized to provide grants to appropriate nonprofit private organizations or combinations of such organizations to provide training for student financial aid administrators and TRIO personnel, at all levels of experience, who provide or are involved in student financial aid services.

''(b) USE OF FUNDS.—Financial assistance under this section may be used for—

''(1) the operation of short-term training institutes and special training programs for student financial aid administrators or TRIO personnel designed to—

''(A) improve the professional management skills of participants in such institutes and programs;

''(B) improve the delivery of student services;

''(C) improve students' or prospective students' information on the availability and operation of student financial assistance programs; and

''(D) improve the understanding and knowledge of the participants concerning the legislative and regulatory requirements of the student financial assistance programs and changes in such requirements; and

''(2) the development of appropriate training materials.

''(c) LIMITATIONS.—Grants authorized under this section—

''(1) shall be limited to not less than $1,000,000 in the case of single-year grants;

''(2) shall be limited to not less than $1,000,000 per year in the case of multiple-year grants;

''(3) shall be limited to a maximum of 3 years in the case of multiple-year grants; and

''(4) may be renewed at the discretion of the Secretary.

''(d) AUTHORIZATION OF APPROPRIATIONS AND USE OF FUNDS.—There are authorized to be appropriated $5,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out the provisions of this section.''.

SEC. 490. PROGRAM PARTICIPATION AGREEMENTS.

(a) IN GENERAL.—Section 487(a) of the Act (20 U.S.C. 1094(a)) is amended—

(1) in paragraph (3), by inserting before the period a comma and the following: ''together with assurances that the institution will provide, upon request and in a timely fashion, information relating to the administrative capability and financial responsibility of the institution to—

"(A) the Secretary;

"(B) the appropriate State review entity designated under subpart 1 of part H;

"(C) the appropriate guaranty agency; and

"(D) the appropriate accrediting agency or association";

(2) in paragraph (8)—

(A) by striking "at or before the time of application," and inserting "at or before the time of application (A)"; and

(B) by inserting before the period at the end the following: ", and (B) relevant State licensing requirements of the State in which such institution is located for any job for which the course of instruction is designed to prepare such prospective students"; and

(3) by adding at the end the following new paragraphs:

"(13) The institution will not deny any form of Federal financial aid to any student who meets the eligibility requirements of this title on the grounds that the student is participating in a program of study abroad approved for credit by the institution.

"(14)(A) The institution, in order to participate as an eligible institution under part B, will develop a Default Management Plan for approval by the Secretary as part of its initial application for certification as an eligible institution and will implement such Plan for two years thereafter.

"(B) Any institution of higher education which changes ownership and any eligible institution which changes its status as a parent or subordinate institution shall, in order to participate as an eligible institution under part B, develop a Default Management Plan for approval by the Secretary and implement such Plan for two years after its change of ownership or status.

"(15) The institution acknowledges the authority of the Secretary, guaranty agencies, lenders, accrediting agencies, the Secretary of Veterans Affairs, and State review entities under subpart 1 of part H to share with each other any information pertaining to the institution's eligibility to participate in programs under this title or any information on fraud and abuse.

"(16)(A) The institution will not knowingly employ an individual in a capacity that involves the administration of programs under this title, or the receipt of program funds under this title, who has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of funds under this title, or has been judicially determined to have committed fraud involving funds under this title or contract with an institution or third party servicer that has been terminated under section 432 involving the acquisition, use, or expenditure of funds under this title, or who has been judicially determined to have committed fraud involving funds under this title.

"(B) The institution will not knowingly contract with or employ any individual, agency, or organization that has been, or whose officers or employees have been—

"(i) convicted of, or pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of funds under this title; or

"(ii) judicially determined to have committed fraud involving funds under this title.

"(17) The institution will complete surveys conducted as a part of the Integrated Postsecondary Education Data System (IPEDS) or any other Federal postsecondary institution data collection effort, as designated by the Secretary, in a timely manner and to the satisfaction of the Secretary.

"(18)(A) With respect to any institution that offers athletically related student aid, the institution will—

"(i) cause an annual compilation, independently audited not less often than every 3 years, to be prepared within 6 months after the end of its fiscal year, of—

"(I) the total revenues, and the revenues from football, men's basketball, women's basketball, all other men's sports combined, and all other women's sports combined, derived by the institution from its intercollegiate athletics activities;

"(II) the total expenses, and the expenses attributable to football, men's basketball, women's basketball, all other men's sports combined and all other women's sports combined, made by the institution for its intercollegiate athletics activities; and

"(III) the total revenues and operating expenses of the institution; and

"(ii) make the reports on such compilations and, where allowable by State law, the audits, available for inspection by the Secretary and the public.

"(B) For the purpose of subparagraph (A)—

"(i) revenues from intercollegiate athletics activities allocable to a sport shall include without limitation gate receipts, broadcast revenues, appearance guarantees and options, concessions and advertising, but revenues such as student activities fees or alumni contributions not so allocable shall be included in the calculation of total revenues only; and

"(ii) expenses for intercollegiate athletics activities allocable to a sport shall include without limitation grants-in-aid, salaries, travel, equipment, and supplies, but expenses such as general and administrative overhead not so allocable shall be included in the calculation of total expenses only.

"(19) The institution will not impose any penalty, including the assessment of late fees, the denial of access to classes, libraries, or other institutional facilities, or the requirement that the student borrow additional funds, on any student because of the student's inability to meet his or her financial obligations to the institution as a result of the delayed disbursement of the proceeds of a loan made under this title due to compliance with the provisions of this title, or delays attributable to the institution.

"(20) The institution will not provide any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any persons or entities engaged in any student recruiting or admission activities or in making decisions regarding the award of student financial assistance, except that this paragraph shall not apply to the recruitment of foreign students residing in foreign countries who are not eligible to receive Federal student assistance.

"(21) The institution will meet the requirements established by the Secretary, State postsecondary review entities, and accrediting agencies pursuant to part H of this title.

"(22) The institution will comply with the refund policy established pursuant to section 484B.".

(b) Hearings.—Section 487 of the Act is amended—

(1) in subsection (b)(2), by striking out "on the record"; and

(2) in subsection (c)—

(A) in the matter preceding subparagraph (A) of paragraph (1), by striking "is authorized to" and inserting "shall";

(B) in paragraph (1)(D), by striking out "on the record," and inserting in lieu thereof a comma;

(C) in paragraph (1)(F), by striking out "on the record"; and

(D) in paragraph (2)—

(i) in subparagraph (A), by striking out "on the record," and inserting in lieu thereof a comma; and

(ii) in subparagraph (B)(i), by striking out "on the record," and inserting in lieu thereof a comma.

(c) Audits; Availability of Audit Information.—Section 487(c)(1)(A)(i) of the Act is amended—

(1) by striking "a financial and compliance audit of an eligible institution," and inserting "a financial audit of an eligible institution with regard to the financial condition of the institution in its entirety, and a compliance audit of such institution";

(2) by striking "at least once every 2 years" and inserting "on at least an annual basis"; and

(3) by inserting "and shall be available to cognizant guaranty agencies, eligible lenders, State agencies, and the state review entities referred to in subpart 1 of part H" after "submitted to the Secretary".

(d) Information.—Section 487(c) of the Act is amended—

(1) in paragraph (1)(B), by inserting ", including any matter the Secretary deems necessary to the sound administration of the financial aid programs, such as the pertinent actions of any owner, shareholder, or person exercising control over an eligible institution" before the semicolon at the end thereof;

(2) in paragraph (1), by redesignating subparagraphs (C) through (G) as subparagraphs (E) through (I), respectively;

(3) by inserting after subparagraph (B) of such paragraph the following new subparagraphs:

"(C)(i) except as provided in clause (ii), a compliance audit of a third party servicer (other than with respect to the servicer's functions as a lender if such functions are otherwise audited under this part and such audits meet the requirements of this clause), with regard to any contract with an eligible institution, guaranty agency, or lender for administering or servicing any aspect of the student assistance programs under this title, at least once every year and covering the period since the most recent audit, conducted by a qualified, independent organization or person in accordance with standards established by the Comptroller General for the audit of governmental organizations, programs, and functions, and as prescribed in regulations of the Secretary, the results of which shall be submitted to the Secretary; or

"(ii) with regard to a third party servicer that is audited under chapter 75 of title 31, United States Code, such audit shall be deemed to satisfy the requirements of clause (i) for the period covered by such audit;

"(D)(i) a compliance audit of a secondary market with regard to its transactions involving, and its servicing and collection of, loans made under this title, at least once a year and covering the period since the most recent audit, conducted by a qualified, independent organization or person in accordance with standards established by the Comptroller General for the audit of governmental organizations, programs, and functions, and as prescribed in regulations of the Secretary, the results of which shall be submitted to the Secretary; or

"(ii) with regard to a secondary market that is audited under chapter 75 of title 31, United States Code, such audit shall be deemed to satisfy the requirements of clause (i) for the period covered by the audit;";

(4) in subparagraph (H) (as redesignated) of such paragraph, by striking out "an individual or an organization" and inserting in lieu thereof "a third party servicer";

(5) in subparagraph (I) (as redesignated) of such paragraph, by striking out "an individual or an organization" and inserting in lieu thereof "a third party servicer";

(6) in paragraph (3), by inserting ", after consultation with each State review entity designated under subpart 1 of part H," after "shall publish";

(7) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(8) by inserting immediately after paragraph (1) the following new paragraph:

"(2) If an individual who, or entity that, exercises substantial control, as determined by the Secretary in accordance with the definition of substantial control in subpart 3 of part H, over one or more institutions participating in any program under this title, or, for purposes of paragraphs (1) (H) and (I), over one or more organizations that contract with an institution to administer any aspect of the institution's student assistance program under this title, is determined to have committed one or more violations of the requirements of any program under this title, or has been suspended or debarred in accordance with the regulations of the Secretary, the Secretary may use such determination, suspension, or debarment as the basis for imposing an emergency action on, or limiting, suspending, or terminating, in a single proceeding, the participation of any or all institutions under the substantial control of that individual or entity."; and

(9) by adding at the end the following new paragraphs:

"(5) The Secretary shall make readily available to appropriate guaranty agencies, eligible lenders, State review entities designated under subpart 1 of part H, and accrediting agencies or associations the results of the audits of eligible institutions conducted pursuant to paragraph (1)(A).

"(6) The Secretary is authorized to provide any information collected as a result of audits conducted under this section, together with audit information collected by guaranty agencies, to any Federal or State agency having responsibilities with respect to student financial assistance, including those referred to in subsection (a)(15) of this section.".

"(7) Effective with respect to any audit conducted under this subsection after December 31, 1988, if, in the course of conducting any such audit, the personnel of the Department of Education discover, or are informed of, grants or other assistance provided by an institution in accordance with this title for which the institution has not received funds appropriated under this title (in the amount necessary to provide such assistance), including funds for which reimbursement was not requested prior to such discovery or information, such institution shall be permitted to offset that amount against any sums determined to be owed by the institution pursuant to such audit, or to receive reimbursement for that amount (if the institution does not owe any such sums).".

(e) CONSTRUCTION.—Section 487 of the Act, as amended by subsection (a), is further amended by adding at the end the following:

"(e) CONSTRUCTION.—Nothing in the amendments made by the Higher Education Amendments of 1992 shall be construed to prohibit an institution from recording, at the cost of the institution, a hearing referred to in subsection (b)(2), subsection (c)(1)(D), or subparagraph (A) or (B)(i) of subsection (c)(2), of this section to create a record of the hearing, except the unavailability of a recording shall not serve to delay the completion of the proceeding. The Secretary shall allow the institution to use any reasonable means, including stenographers, of recording the hearing.".

(f) CONFORMING AMENDMENTS.—Section 487 of the Act is amended—

(1) by striking "subpart 3" in subsection (a) and inserting "subpart 4";

(2) by striking "provided for in section 483(e)" in subsection (a)(2); and

(3) by striking "435(a)" in subsection (d) and inserting "481".

SEC. 491. QUALITY ASSURANCE; IDENTIFICATION NUMBERS.

Part G of title IV of the Act is further amended by inserting after section 487 the following new sections:

"SEC. 487A. QUALITY ASSURANCE PROGRAM.

"(a) IN GENERAL.—The Secretary is authorized to select institutions for voluntary participation in a Quality Assurance Program that provides participating institutions with an alternative management approach through which individual schools develop and implement their own comprehensive systems to verify student financial aid application data, thereby enhancing program integrity within the student aid delivery system. The Quality Assurance Program authorized by this section shall be based on criteria that include demonstrated institutional performance, as determined by the Secretary, and shall take into consideration current quality assurance goals, as determined by the Secretary.

"(b) EXEMPTION FROM REQUIREMENTS.—The Secretary is authorized to exempt any institution participating in the Quality Assurance Program from any reporting or verification requirements in this title, and may substitute such quality assurance reporting as the Secretary deems necessary to ensure accountability and compliance with the purposes of the programs under this title.

"(c) REMOVAL FROM THE PROGRAM.—The Secretary is authorized to determine—

"(1) when an institution that is unable to administer the Quality Assurance Program must be removed from such program, and

"(2) when institutions desiring to cease participation in such program will be required to complete the current award year under the requirements of the Quality Assurance Program.

"(d) EXPERIMENTAL SITES.—(1) The Secretary is authorized to select institutions for voluntary participation as experimental sites to provide recommendations to the Secretary on the impact and effectiveness of proposed regulations or new management initiatives.

"(2) The Secretary is authorized to exempt any institution participating as an experimental site from any requirements in this title, or in regulations prescribed under this title, that would bias experimental results.

"(e) DEFINITIONS.—For purposes of this section, 'current award year' is defined as the award year during which the participating institution indicates its intention to cease participation.

"SEC. 487B. ASSIGNMENT OF IDENTIFICATION NUMBERS.

"The Secretary shall assign to each participant in title IV programs, including institutions, lenders, and guaranty agencies, a single Department of Education identification number to be used to identify its participation in each of the title IV programs.".

SEC. 492. INTER-PROGRAM TRANSFERS.

Section 488 of the Act (20 U.S.C. 1095) is amended by striking the first sentence and inserting the following: "In order to offer an arrangement of types of aid, including institutional and State aid which best fits the needs of each individual student, an institution may (1) transfer a total of 25 percent of the institutions allotment under section 462 to the institution's allotment under section 413D or 442 (or both); and (2) transfer 25 percent of the institution's allotment under section 442 to the institution's allotment under section 413D. Funds transferred to an institution's allotment under another section may be used as a part of and for the same purposes as funds allotted under that section.".

SEC. 493. ADMINISTRATIVE EXPENSES.

(a) ADMINISTRATIVE EXPENSES.—Section 489(a) of the Act is amended—

(1) in the second sentence, by striking "(other than section 447)";

(2) by striking the fourth sentence (relating to payments with respect to section 447); and

(3) by striking "subpart 2" each place it appears and inserting "subpart 3".

(b) NONTRADITIONAL STUDENTS.—Section 489(b) of the Act (20 U.S.C. 1096) is amended—

(1) by inserting "(1)" before "The sums"; and

(2) by adding at the end the following new paragraph:

"(2) If the institution enrolls a significant number of students who are (A) attending the institution less than full time, or (B) independent students, the institution shall use a reasonable proportion of the funds available under this section for financial aid services during times and in places that will most effectively accommodate the needs of such students.".

SEC. 494. REPEAL.

Section 489A of the Act is repealed.

SEC. 495. CRIMINAL PENALTIES.

Section 490 of the Act (20 U.S.C. 1097) is amended to read as follows:

"(a) IN GENERAL.—Any person who knowingly and willfully embezzles, misapplies, steals, obtains by fraud, false statement, or forgery, or fails to refund any funds, assets, or property provided or insured under this title or attempts to so embezzle, misapply, steal, obtain by fraud, false statement or forgery, or fail to refund any funds, assets, or property, shall be fined not more than $20,000 or imprisoned for not more than 5 years, or both, except if the amount so embezzled, misapplied, stolen, obtained by fraud, false statement, or forgery, or failed to be refunded does not exceed $200, then the fine shall not be more than $5,000 and imprisonment shall not exceed one year, or both.

"(b) ASSIGNMENT OF LOANS.—Any person who knowingly and willfully makes any false statement, furnishes any false information, or conceals any material information in connection with the assignment of a loan which is made or insured under this title or attempts to so make any false statement, furnish any false information, or conceal any material information in connection with such assignment shall, upon conviction thereof, be fined not more than $10,000 or imprisoned for not more than one year, or both.

"(c) INDUCEMENTS TO LEND OR ASSIGN.—Any person who knowingly and willfully makes an unlawful payment to an eligible lender under part B or attempts to make such unlawful payment as an inducement to make, or to acquire by assignment, a loan insured under such part shall, upon conviction thereof, be fined not more than $10,000 or imprisoned for not more than one year, or both.

"(d) OBSTRUCTION OF JUSTICE.—Any person who knowingly and willfully destroys or conceals any record relating to the provision of assistance under this title or attempts to so destroy or conceal with intent to defraud the United States or to prevent the United States from enforcing any right obtained by subrogation under this part, shall upon conviction thereof, be fined not more than $20,000 or imprisoned not more than 5 years, or both.".

SEC. 496. ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE.

(a) INDEPENDENT CONTROL.—Section 491(b) of the Act (20 U.S.C. 1098) is amended by inserting after the first sentence the following: "Notwithstanding Department of Education policies and regulations, the Advisory Committee shall exert independent control of its budget allocations and expenditures, personnel decisions and processes, procurements, and other administrative and management functions. The Advisory Committee's administration and management shall be subject to the usual and customary Federal audit procedures.".

(b) FUNCTIONS; MEMBERSHIP.—Section 491(d) of the Act is amended—

(1) by striking "and in assessing the impact of legislative and administrative policy proposals" in paragraph (3);

(2) by redesignating paragraphs (4), (5), (6), and (7) as paragraphs (5), (6), (7), and (8), respectively; and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) assess the impact of legislative and administrative policy proposals;";

(4) by striking "and" at the end of paragraph (7) (as redesignated);

(5) by striking the period at the end of paragraph (8) (as redesignated) and inserting a semicolon and "and"; and

(6) by adding at the end the following new paragraph—

"(9) make special efforts to advise Members of Congress and such Members' staff of the findings and recommendations made pursuant to this paragraph.".

(c) EXEMPTION.—Section 491(h)(4) of the Act is amended—

(1) by striking "in accordance with" and inserting "without regard to"; and

(2) by inserting "and to set pay in accordance with such section" before the period.

(d) AVAILABILITY OF FUNDS.—Section 491(i) of the Act is amended by striking "$500,000" and inserting "$750,000".

(e) ADDITIONAL PROVISIONS.—Section 491 of the Act is amended by striking subsection (j) and inserting in lieu thereof:

"(j) SPECIAL ANALYSES AND ACTIVITIES.—The committee shall—

"(1) monitor and evaluate the program modifications resulting from the enactment of the Higher Education Amendments of 1992, especially as such amendments relate to the need analysis;

"(2) monitor and evaluate the implementation, pursuant to section 483, of a Free Application for Federal Student Aid and the process for determining eligibility and awards for programs under this title, including a simplified reapplication process;

"(3) assess the adequacy of current methods for disseminating information about programs under this title and recommend improvements, as appropriate, regarding early needs assessment and information for first-year high school students; and

"(4) assess the adequacy of methods of monitoring student debt burden.

"(k) TERM OF THE COMMITTEE.—Notwithstanding the sunset and charter provisions of the Federal Advisory Committee Act (5 U.S.C. App. I) or any other statute or regulation, the Advisory Committee shall be authorized until October 1, 1998.

"(l) STUDENT LOAN PROGRAM SIMPLIFICATION STUDY.—(1) The Advisory Committee shall conduct a thorough study of means of simplifying all aspects of the loan programs under part B of this title. In carrying out the study, the Advisory Committee shall examine, at a minimum—

"(A) reduction of paperwork burdens experienced by financial aid administrators resulting from the current structure of such loan programs;

"(B) promotion of simplification and standardization of forms, procedures, and all other aspects of guaranty agency operations for the purpose of facilitating data exchanges with such agencies (including the National Student Loan Database) and facilitating Department of Education oversight;

"(C) simplification of the repayment process to minimize borrower confusion, including encouragement of single holder ownership of all of an individual's loans;

"(D) encouragement of efficient utilization of loan programs to minimize multiple program borrowing in postsecondary education; and

"(E) other proposals which are designed to reduce the administrative burdens on, and paperwork required of, students, educational institutions, guaranty agencies, lenders, secondary markets, and the Secretary submitted in response to a general solicitation by the Advisory Committee.

"(2) The Advisory Committee shall consult with the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate in carrying out the study required by this subsection.

"(3) The Advisory Committee shall, not later than 1 year after the date of enactment of this Act, prepare and submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate a report on the study required by this subsection.".

SEC. 497. REGIONAL MEETINGS; NEGOTIATED RULEMAKING; ADMINISTRATIVE EXPENSES.

Part G of title IV of the Act is further amended by adding at the end the following new sections:

"SEC. 492. REGIONAL MEETINGS AND NEGOTIATED RULEMAKING.

"(a) MEETINGS.—

"(1) IN GENERAL.—The Secretary shall convene regional meetings to obtain public involvement in the development of proposed regulations for parts B, G, and H of this title. Such meetings shall include individuals and representatives of the groups involved in student financial assistance programs under this title, such as students, legal assistance organizations that represent students, institutions of higher education, guaranty agencies, lenders, secondary markets, loan servicers, guaranty agency servicers, and collection agencies.

"(2) ISSUES.—During such meetings, the Secretary shall provide for a comprehensive discussion and exchange of information concerning the implementation of parts B, G, and H, as amended by the Higher Education Amendments of 1992. The Secretary shall take into account the information received at such meetings in the development of proposed regulations and shall publish a summary of such information in the Federal Register together with such proposed regulations.

"(b) DRAFT REGULATIONS.—After holding regional meetings and before publishing proposed regulations in the Federal Register, the Secretary shall prepare draft regulations implementing parts B, G, and H of this title as amended by the Higher Education Amendments of 1992 and shall submit such regulations to a negotiated rulemaking process. The Secretary shall follow the guidance provided in sections 305.82–4 and 305.85–5 of chapter 1, Code of Federal Regulations, and any successor recommendation, regulation, or law. Participants in the negotiations process shall be chosen by the Secretary from individuals nominated by groups participating in the regional meetings described in subsection (a)(1), and shall include both representatives of such groups from Washington, D.C., and industry participants. To the extent possible, the Secretary shall select individuals reflecting the diversity in the industry, representing both large and small participants, as well as individuals serving local areas and national markets. The negotiation process shall be conducted in a timely manner in order that the final regulations may be issued by the Secretary within the 240-day period described in section 431(g) of the General Education Provisions Act.

"(c) APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act shall not apply to activities carried out under this section.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated in any fiscal year or made available from funds appropriated to carry out this part in any fiscal year such sums as may be necessary to carry out the provisions of this section, except that if no funds are appropriated pursuant to this subsection, the Secretary shall make funds available to carry out this section from amounts appropriated for the operations and expenses of the Department of Education.

"SEC. 493. AUTHORIZATION OF APPROPRIATIONS FOR ADMINISTRATIVE EXPENSES.

"There are authorized to be appropriated such sums as may be necessary for fiscal year 1993 and for each succeeding fiscal year thereafter for administrative expenses necessary for carrying out this title, including expenses for staff personnel, program reviews, and compliance activities.".

SEC. 498. EFFECTIVE DATES FOR AMENDMENTS TO PART G.

The changes made in part G of title IV of the Act by the amendments made by this part shall take effect on the date of enactment of this Act, except that—

(1) as otherwise provided in such part G;

(2) the changes in section 481(a), relating to the definition of institution of higher education, other than paragraph (4) of such section, shall be effective on and after October 1, 1992;

(3) section 481(e) as added by such amendments, relating to the definition of eligible program, shall be effective on and after July 1, 1993;

(4) section 484(m)(1), relating to proportion of courses permitted to be correspondence courses, as added by such amendments shall be effective on and after October 1, 1992;

(5) the changes in section 485, relating to disclosures, shall be effective with respect to periods of enrollment beginning on or after July 1, 1993;

(6) the changes in section 488, relating to transfers of allotments, shall apply with respect to funds provided for award years beginning on or after July 1, 1993; and

(7) the changes in section 489, relating to payments for administrative expenses, shall apply with respect to funds provided for award years beginning on or after July 1, 1993.

PART H—PROGRAM INTEGRITY

SEC. 499. ESTABLISHMENT OF NEW PART H.

Title IV of the Act is amended by adding at the end the following new part:

"PART H—PROGRAM INTEGRITY TRIAD

"Subpart 1—State Postsecondary Review Program

"SEC. 494. STATE POSTSECONDARY REVIEW PROGRAM.

"(a) PURPOSE.—It is the purpose of this section to authorize the Secretary to enter into agreements that—

"(1) designate one State postsecondary review entity in each State to be responsible for the conduct or coordination of the review under section 494C(d) of institutions of higher education, reported to the State by the Secretary pursuant to section 494C(a), for the purposes of determining eligibility under this title; and

"(2) provide Federal funds to each State postsecondary review entity for performing the functions required by such agreements with the Secretary.

"(b) PROGRAM AUTHORITY.—The Secretary shall, in accordance with the provisions of this subpart, enter into agreements with each of the States to carry out the purposes of this subpart. If any State declines to enter into an agreement with the Secretary for the purposes of this subpart, the provisions of this subpart which refer to the State, with respect to such State, shall refer to the Secretary, who may make appro-

priate arrangements with agencies or organizations of demonstrated competence in reviewing institutions of higher education.

"(c) Failure To Comply With Agreement.—If a State fails to enter into an agreement under this section or fails to meet the requirements of its agreement with the Secretary under this subpart—

"(1) the Secretary—

"(A) may not designate as eligible for participation in any program under this title any new institution (including new branch campuses) or any institution that has changed ownership, pursuant to section 481 and subpart 3 of this part; and

"(B) may grant only provisional certification for all institutions in the State pursuant to subpart 3 of this part; and

"(2) the State shall be ineligible to receive funds under section 494B of this subpart, subpart 4 of part A of this title, and chapter 2 of subpart 2 of part A of this title.

"SEC. 494A. STATE POSTSECONDARY REVIEW ENTITY AGREEMENTS.

"(a) State Organization Structures.—(1) Each agreement under this subpart shall describe a State organizational structure responsible for carrying out the review under section 494C(d) of institutions reported to the State by the Secretary pursuant to section 494C(a). Each such entity's action in reviewing such institutions shall, for purposes of this subpart, be considered to be the action of the State.

"(2) For the purposes of this subpart, the designation of a State postsecondary review entity for the purpose of entering into an agreement with the Secretary shall be in accordance with the State law of each individual State with respect to the authority to make legal agreements between the State and the Federal Government.

"(3) Except as provided in paragraph (6), nothing in this subpart shall be construed to authorize the Secretary to require any State to adopt, as a condition for entering into an agreement, a specific State organizational structure.

"(4) Except as provided in paragraph (6), nothing in this subpart shall be construed—

"(A) as a limitation on the authority of any State to adopt a State organization structure for postsecondary education agencies, or programs, or institutions of higher education as appropriate to the needs, traditions, and circumstances of that State;

"(B) as a limitation on the authority of a State entering into an agreement pursuant to this subpart to modify the State organizational structure at any time subsequent to entering into such agreement;

"(C) as a limitation on the authority of any State to enter into an agreement for purposes of this subpart as a member of a consortium of States;

"(D) as an authorization for the Secretary to withhold funds from any State or postsecondary institution on the basis of compliance with a State's constitution or laws;

"(E) as an authorization for any State postsecondary review entity to exercise planning, policy, coordinating, supervisory, budgeting, or administrative powers over any postsecondary institution; or

"(F) as a limitation on the use of State audits for the purpose of compliance with applicable standards under section 494C(d).

"(5) Nothing in this subpart shall be construed to limit the authority or activities of any State loan insurance program established under section 428(b) of this title or of any relevant State licensing authority which grants approval for institutions of higher education to operate within a State or their authority to contact the Secretary directly.

"(6) Notwithstanding the provisions of paragraphs (2), (3), and (4) of this subsection, the Secretary may require each State to designate an entity responsible for the conduct or coordination of the review of institutions under this title.

"(b) Contents of Agreements.—Agreements between each State and the Secretary shall contain the following elements:

"(1) A designation of a single State postsecondary review entity, which represents all entities of that State which are responsible for—

"(A) granting State authorization to each institution of higher education in that State for the purposes of this title, and

"(B) ensuring that each institution of higher education in that State remains in compliance with the standards developed pursuant to section 494C.

"(2) Assurances that the State will review institutions of higher education for the purpose of determining eligibility under this title on a schedule to coincide with the dates set by the Secretary to certify or recertify such institutions of higher education as provided in section 481 and subpart 3 of this part.

"(3) Assurances that the appropriate State postsecondary review entity will perform the functions authorized by this subpart and will keep such records and provide such information to the Secretary as may be requested for financial and compliance audits and program evaluation, consistent with the responsibilities of the Secretary.

"(4) A description of the relationship between the State postsecondary review entity designated for the purposes of this subpart and (A) the agency or agencies designated for the purposes of chapter 36 of title 38 of the United States Code, (B) the loan insurance program established under section 428(b) of this title for that State, and (C) the grant agency established under section 415C of this title.

"(5) A plan for performing the functions described in section 494C of this subpart.

"(c) Federal Responsibility.—Notwithstanding any other provision of law, no State shall be required to enter into an agreement with the Secretary under this subpart for performing the review functions required by such agreement unless the Congress appropriates funds for this subpart.

"SEC. 494B. FEDERAL REIMBURSEMENT OF STATE POSTSECONDARY REVIEW COSTS.

"(a) Payments.—Subject to subsection (b), the Secretary shall reimburse the States for the costs of performing the functions required by agreements with the Secretary authorized under this subpart. Such costs shall include expenses for providing initial and continuing training to State personnel and other personnel in the State, including personnel at institutions of higher education subject to review, to serve the purposes of this subpart. Reimbursement shall be provided for necessary activities which supplement, but do not supplant, existing licensing or review functions conducted by the State. The Secretary shall also reimburse such entities for work performed by their subcontractors and consultants where such work has a direct relationship to the requirements of agreements with the Secretary under this subpart.

"(b) Authorization of Appropriations.—For the purpose of enabling the Secretary to make payments to States which have made agreements with the Secretary under this subpart, there is authorized to be appropriated $75,000,000 for fiscal year 1993, and such sums as may be necessary for each of the 4 succeeding fiscal years.

"SEC. 494C. FUNCTIONS OF STATE REVIEW ENTITIES.

"(a) Initial Review.—The Secretary shall review all institutions of higher education in a State which are eligible or which desire to become eligible under this title to determine if such institutions meet any of the criteria provided in subsection (b). With respect to those institutions of higher education that meet one or more of the criteria provided in subsection (b), the Secretary shall inform the State in which such institutions are located that the institutions have met such criteria, and these institutions shall be reviewed by the State pursuant to the standards provided in subsection (d). The Secretary shall supply the State with a copy of the institutional audits, required pursuant to section 487(c), for the institutions which shall be reviewed by the State. In addition to those institutions identified by the Secretary, the State may, subject to approval by the Secretary, review additional institutions which meet one or more of the criteria provided in subsection (b), based on more recent data available to the State, or which the State has reason to believe are engaged in fraudulent practices. If the Secretary fails to approve or disapprove a State request to review additional institutions within 21 days, the State may proceed to review such additional institutions as if approved by the Secretary.

"(b) Review Criteria.—The criteria for the initial review of institutions of higher education are as follows:

"(1) A cohort default rate (as defined in section 435(m)) equal to or greater than 25 percent.

"(2) A cohort default rate (as defined in such section) equal to or greater than 20 percent and either—

"(A) more than two-thirds of the institution's total undergraduates who are enrolled on at least a half-time basis receive assistance under this title (except subparts 4 and 6 of part A); or

"(B) two-thirds or more of the institution's education and general expenditures are derived from funds provided to students enrolled at the institution from the programs established under this title (except subparts 4 and 6 of part A and section 428B).

"(3) Two-thirds or more of the institution's education and general expenditures are derived from funds provided to students enrolled at the institution pursuant to subpart 1 of part A of this title.

"(4) A limitation, suspension, or termination action by the Secretary against the institution pursuant to section 487 during the preceding 5 years.

"(5) An audit finding during the 2 most recent audits of an institution of higher education's conduct of the programs established by this title that resulted in the repayment by the institution of amounts greater than 5 percent of the funds such institution received from the programs assisted under this title for any one year.

"(6) A citation of an institution by the Secretary for failure to submit audits required by this title in a timely fashion.

"(7) A year-to-year fluctuation of more than 25 percent in the amounts received by students enrolled at the institution from either Federal Pell Grant, Federal Stafford Loan, or Federal Supplemental Loans to Student programs, which are not accounted for by changes in these programs.

"(8) Failure to meet financial responsibility standards pursuant to subpart 3 of this part.

"(9) A change of ownership of the institution that results in a change of control which includes (but is not limited to)—

"(A) the sale of the institution or the majority of its assets;

"(B) the division of 1 or more institutions into 2 or more institutions;

"(C) the transfer of the controlling interest in stock of the institution or its parent corporation;

"(D) the transfer of the controlling interest of stock of the institution to its parent corporation; or

"(E) the transfer of the liabilities of the institution to its parent corporation.

"(10) Except with regard to any public institution that is affiliated with a State system of higher education, participation in any of the programs established pursuant to subparts 1 and 3 of part A, part B, part C, and part E of this title for less than 5 years.

"(11) A pattern of student complaints pursuant to subsection (j) related to the management or conduct of the programs established by this title or relating to misleading or inappropriate advertising and promotion of the institution's program, which in the judgment of the Secretary are sufficient to justify review of the institution.

"(c) USE OF RECENT DATA.—The criteria provided for in subsection (b) shall be measured on the basis of the most recent data available to the Secretary. Institutions may request verification of the data used by the Secretary.

"(d) REVIEW STANDARDS.—Institutions which meet 1 or more of the criteria in subsection (b) shall be reviewed by the appropriate State entity in accordance with published State standards that are consistent with the constitution and laws of the State, developed in consultation with the institutions in the State, and subject to disapproval by the Secretary. Such review shall determine the following:

"(1) The availability to students and prospective students of catalogs, admission requirements, course outlines, schedules of tuition and fees, policies regarding course cancellations, and the rules and regulations of the institution relating to students and the accuracy of such catalogs and course outlines in reflecting the courses and programs offered by the institution.

"(2) Assurance that the institution has a method to assess a student's ability to successfully complete the course of study for which he or she has applied.

"(3) Assurance that the institution maintains and enforces standards relating to academic progress and maintains adequate student and other records.

"(4) Compliance by the institution with relevant safety and health standards, such as fire, building, and sanitation codes.

"(5) The financial and administrative capacity of the institution as appropriate to a specified scale of operations and the maintenance of adequate financial and other information necessary to determine the financial and administrative capacity of the institution.

"(6) For institutions financially at risk, the adequacy of provisions to provide for the instruction of students and to provide for the retention and accessibility of academic and financial aid records of students in the event the institution closes.

"(7) If the stated objectives of the courses or programs of the institution are to prepare students for employment, the relationship of the tuition and fees to the renumeration that can be reasonably expected by students who complete the course or program and the relationship of the courses or programs (including the appropriateness of the length of such courses) to providing the student with quality training and useful employment in recognized occupations in the State.

"(8) Availability to students of relevant information by institutions of higher education, including—

"(A) information relating to market and job availability for students in occupational, professional, and vocational programs; and

"(B) information regarding the relationship of courses to specific standards necessary for State licensure in specific occupations.

"(9) The appropriateness of the number of credit or clock hours required for the completion of programs or of the length of 600-hour courses.

"(10) Assessing the actions of any owner, shareholder, or person exercising control over the educational institution which may adversely affect eligibility for programs under this title.

"(11) The adequacy of procedures for investigation and resolution of student complaints.

"(12) The appropriateness of advertising and promotion and student recruitment practices.

"(13) That the institution has a fair and equitable refund policy to protect students.

"(14) The success of the program at the institution, including—

"(A) the rates of the institution's students' program completion and graduation, taking into account the length of the program at the institution and the selectivity of the institution's admissions policies;

"(B) the withdrawal rates of the institution's students;

"(C) with respect to vocational and professional programs, the rates of placement of the institution's graduates in occupations related to their course of study;

"(D) where appropriate, the rate at which the institution's graduates pass licensure examinations; and

"(E) the variety of student completion goals, including transfer to another institution of higher education, full-time employment in the field of study, and military service.

"(15) With respect to an institution which meets 1 or more of the criteria in subsection (b), the State shall contract with the appropriate approved accrediting agency or association (described in subpart 2 of this part) or another peer review system with demonstrated competence in assessing programs (pursuant to the authority contained in subsection (f)) to carry out a review or provide information regarding such agency's or association's assessment of the following: The quality and content of the institution's courses or programs of instruction, training, or study in relation to achieving the stated objectives for which the courses or programs are offered, including the adequacy of the space, equipment, instructional materials, staff, and student support services (including student orientation, counseling, and advisement) for providing education and training that meets such stated objectives.

"(e) SUBSTITUTIONS PROHIBITED.—The appropriate State postsecondary review entity may not substitute either (1) accreditation by a private accrediting agency or body, or (2) compliance audits performed by a State guaranty agency established under section 428(b) of this title, for State review of compliance with the standards in subsection (d).

"(f) STATE CONTRACTS.—If the appropriate State postsecondary review entity contracts with a private agency or body or an accreditation body or peer review system for assistance in performing State postsecondary review entity functions, such contract shall be provided for in the agreement with the Secretary required by section 494A.

"(g) PROHIBITION ON UNRELATED REQUIREMENTS.—Notwithstanding any of the provisions of this subpart, the Secretary shall not require a State to establish standards that are unrelated to ensuring institutional or program integrity or that violate the provisions of a State's constitution or laws.

"(h) INSTITUTIONAL ELIGIBILITY.—A State postsecondary review entity may determine that an institution of higher education shall not be eligible to participate in programs under this title based on its own findings or the findings of a Federal entity in accordance with the following procedures:

"(1) STATE FINDINGS.—If the appropriate State postsecondary review entity finds that an institution of higher education does not meet one or more of the standards in subsection (d) of this section, such State postsecondary review entity shall notify the Secretary of its findings and the actions that such entity is taking, or has taken, in response to such findings within a time period prescribed by the Secretary by regulation. If a State postsecondary review entity determines an institution of higher education shall not be eligible for participation in programs under this title, such State postsecondary review entity shall so notify the Secretary. Upon receipt of such notification of ineligibility, the Secretary shall immediately terminate the participation of such institutions in the programs authorized by this title.

"(2) SECRETARY'S FINDINGS.—If the Secretary or an other Federal entity takes, or plans to take, any action against any institution of higher education (including any actions taken under section 487), the Secretary shall notify the appropriate State postsecondary review entity (or entities, in the case of multi-State institutions) of such action within a time period prescribed in the Secretary's regulations.

"(3) PROCEDURAL PROTECTIONS FOR DISAPPROVAL.—The Secretary shall, by regulation, prescribe minimum procedural standards for the disapproval of institutions of higher education by the appropriate State postsecondary review entity or entities for purposes of this title.

"(i) LIMIT ON STATE POSTSECONDARY REVIEW AGENCY FUNCTIONS.—The functions of State postsecondary review entity shall not include performing financial and compliance audits as may be required under sections 428 or 487 of this Act.

"(j) CONSUMER COMPLAINTS.—A State, in consultation with the institutions of higher education in the State, shall establish and publicize the availability of procedures for receiving and responding to complaints from students, faculty, and others about institutions of higher education and shall keep records of such complaints in order to determine their frequency and nature for specific institutions of higher education.

"(k) ENFORCEMENT MECHANISMS.—Nothing in this subpart shall restrict the authority of the States to establish mechanisms to enforce the standards established under subsection (d) or require the States to establish specific mechanisms recommended by the Secretary.

"Subpart 2—Accrediting Agency Approval

"SEC. 496. APPROVAL OF ACCREDITING AGENCY OR ASSOCIATION.

"(a) STANDARDS REQUIRED.—No accrediting agency or association may be determined by the Secretary to be a reliable authority as to the quality of education or training offered for the purposes of this Act or for other Federal purposes, unless the agency or association meets standards established by the Secretary pursuant to this section. The Secretary shall, after notice and opportunity for a hearing, establish standards for such determinations. Such standards shall include an appropriate measure or measures of student achievement. Such standards shall require that—

"(1) the accrediting agency or association shall be a State, regional, or national agency or association and shall demonstrate the ability and the experience to operate as an accrediting agency or association within the State, region, or nationally, as appropriate;

"(2) such agency or association—

"(A)(i) for the purpose of participation in programs under this Act, has a voluntary membership and has as a principal purpose the accrediting of institutions of higher education; or

"(ii) for the purpose of participation in other programs administered by the Department of Education or other Federal agencies, has a voluntary membership and has as its principal purpose the accrediting of institutions of higher education or programs;

"(B) is a State agency approved by the Secretary for the purpose described in subparagraph (A); or

"(C) is an agency or association that, for the purpose of determining eligibility for student assistance under this title, conducts accreditation through (i) a voluntary membership organization of individuals participating in a profession, or (ii) an agency or association which has as its principal purpose the accreditation of programs within institutions, which institutions are accredited by another agency or association recognized by the Secretary;

"(3) if such agency or association is an agency or association described in—

"(A) subparagraph (A) of paragraph (2), then such agency or association is separate and independent, both administratively and financially of any related, associated, or affiliated trade association or membership organization;

"(B) subparagraph (B) of paragraph (2), then such agency or association has been recognized by the Secretary on or before October 1, 1991; or

"(C) subparagraph (C) of paragraph (2) and such agency or association has been recognized by the Secretary on or before October 1, 1991, then the Secretary may waive the requirement that such agency or association is separate and independent, both administratively and financially of any related, associated, or affiliated trade association or membership organization upon a demonstration that the existing relationship has not served to compromise the independence of its accreditation process;

"(4) such agency or association consistently applies and enforces standards that ensure that the courses or programs of instruction, training, or study at the institution of higher education are of sufficient quality to achieve, for the duration of the accreditation period, the stated objective for which the courses or the programs are offered;

"(5) the standards of accreditation of the agency or association assess the institution's—

"(A) curricula;

"(B) faculty;

"(C) facilities, equipment, and supplies;

"(D) fiscal and administrative capacity as appropriate to the specified scale of operations;

"(E) student support services;

"(F) recruiting and admissions practices, academic calendars, catalogs, publications, grading and advertising;

"(G) program length and tuition and fees in relation to the subject matters taught and the objectives of the degrees or credentials offered;

"(H) measures of program length in clock hours or credit hours;

"(I) success with respect to student achievement in relation to its mission, including, as appropriate, consideration of course completion, State licensing examination, and job placement rates;

"(J) default rates in the student loan programs under title IV of this Act, based on the most recent data provided by the Secretary;

"(K) record of student complaints received by, or available to, the agency or association; and

"(L) compliance with its program responsibilities under title IV of this Act, including any results of financial or compliance audits, program reviews, and such other information as the Secretary may provide to the agency or association.

"(6) such agency or association shall apply procedures throughout the accrediting process, including evaluation and withdrawal proceedings, that comply with due process, including—

"(A) adequate specification of requirements and deficiencies at the institution of higher education or program being examined;

"(B) notice of an opportunity for a hearing by any such institution;

"(C) the right to appeal any adverse action against any such institution; and

"(D) the right to representation by counsel for any such institution;

"(7) such agency or association shall notify the Secretary and the appropriate State postsecondary review entity within 30 days of the accreditation of an institution or any final denial, withdrawal, suspension, or termination of accreditation or placement on probation of an institution, together with any other adverse action taken with respect to an institution; and

"(8) such agency or association shall make available to the public, upon request, and to the Secretary, and the State postsecondary review entity of the State in which the institution of higher education is located a summary of any review resulting in a final accrediting decision involving denial, termination, or suspension of accreditation, together with the comments of the affected institution.

"(b) SEPARATE AND INDEPENDENT DEFINED.—For the purpose of subsection (a)(3), the term 'separate and independent' means that—

"(1) the members of the postsecondary education governing body of the accrediting agency or association are not elected or selected by the board or chief executive officer of any related, associated, or affiliated trade association or membership organization;

"(2) among the membership of the board of the accrediting agency or association there shall be one public member (who is not a member of any related trade or membership organization) for each six members of the board, with a minimum of one such public member, and guidelines are established for such members to avoid conflicts of interest;

"(3) dues to the accrediting agency or association are paid separately from any dues paid to any related, associated, or affiliated trade association or membership organization; and

"(4) the budget of the accrediting agency or association is developed and determined by the accrediting agency or association without review or resort to consultation with any other entity or organization.

"(c) OPERATING PROCEDURES REQUIRED.—No accrediting agency or association may be approved by the Secretary for the purpose of this title, unless the agency or association—

"(1) performs, at regularly established intervals, on-site inspections and reviews of institutions of higher education (at least one of which inspections at each institution that provides vocational education and training shall be unannounced), with particular focus on educational quality and program effectiveness, and ensures that accreditation team members are well-trained and knowledgeable with respect to their responsibilities;

"(2) requires that any institution of higher education subject to its jurisdiction which plans to establish a branch campus submit a business plan, including projected revenues and expenditures, prior to opening the branch campus;

"(3) agrees to conduct, as soon as practicable, but within a period of not more than 6 months of the establishment of a new branch campus or a change of ownership of an institution of higher education, an on-site visit of that branch campus or of the institution after a change of ownership;

"(4) requires that teach-out agreements among institutions are subject to approval by the accrediting agency or association consistent with standards promulgated by such agency or association;

"(5) maintains and makes publicly available written materials regarding standards and procedures for accreditation, appeal procedures, and the accreditation status of each institution subject to its jurisdiction; and

"(6) discloses publicly whenever an institution of higher education subject to its jurisdiction is being considered for accreditation or reaccreditation.

"(d) LENGTH OF APPROVAL.—No accrediting agency or association may be approved by the Secretary for the purpose of this Act for a period of more than 5 years.

"(e) INITIAL ARBITRATION RULE.—The Secretary may not recognize the accreditation of any institution of higher education unless the institution of higher education agrees to submit any dispute involving the final denial, withdrawal, or termination of accreditation to initial arbitration prior to any other legal action.

"(f) JURISDICTION.—Notwithstanding any other provision of law, any civil action brought by an institution of higher education seeking accreditation from, or accredited by, an accrediting agency or association approved by the Secretary for the purpose of this title and involving the denial, withdrawal, or termination of accreditation of the institution of higher education, shall be brought in the appropriate United States district court.

"(g) LIMITATION ON SCOPE OF STANDARDS.—Nothing in this Act shall be construed to permit the Secretary to establish standards for accrediting agencies or associations that are not required by this section. Nothing in this Act shall be construed to prohibit or limit any accrediting agency or association from adopting additional standards not provided for in this section.

"(h) CHANGE OF ACCREDITING AGENCY.—The Secretary shall not recognize the accreditation of any otherwise eligible institution of higher education if the institution of higher education is in the process of changing its accrediting agency or association, unless the eligible institution submits to the Secretary all materials relating to the prior accreditation, including materials demonstrating reasonable cause for changing the accrediting agency or association.

"(i) DUAL ACCREDITATION RULE.—The Secretary shall not recognize the accreditation of any otherwise eligible institution of higher education if the institution of higher education is accredited, as an institution, by more than one accrediting agency or association, unless the institution submits to each such agency and association and to the Secretary the reasons for accreditation by more than one such agency or association and demonstrates to the Secretary reasonable cause for its accreditation by more than one agency or association. If the institution is accredited, as an institution, by more than one accrediting agency or association, the institution shall designate which agency's accreditation shall be utilized in determining the institution's eligibility for programs under this Act.

"(j) IMPACT OF LOSS OF ACCREDITATION.—An institution may not be certified or recertified as an institution of higher education under section 481 and subpart 3 of this part or participate in any of the other programs authorized by this Act if such institution—

"(1) is not currently accredited by any agency or association recognized by the Secretary;

"(2) has had its accreditation withdrawn, revoked, or otherwise terminated for cause during the preceding 24 months, unless such withdrawal, revocation, or termination has been rescinded by the same accrediting agency; or

"(3) has withdrawn from accreditation voluntarily under a show cause or suspension order during the preceding 24 months, unless such order has been rescinded by the same accrediting agency.

"(k) RELIGIOUS INSTITUTION RULE.—Notwithstanding subsection (j), the Secretary shall allow an institution that has had its accreditation withdrawn, revoked, or otherwise terminated, or has voluntarily withdrawn from an accreditation agency, to remain certified as an institution of higher education under section 481 and subpart 3 of this part for a period sufficient to allow such institution to obtain alternative accreditation, if the Secretary determines that the reason for the withdrawal, revocation, or termination—

"(1) is related to the religious mission or affiliation of the institution; and

"(2) is not related to the accreditation standards provided for in this section.

"(l) LIMITATION, SUSPENSION OR TERMINATION OF APPROVAL.—(1) The Secretary shall limit, suspend, or terminate the approval of an accrediting agency or association if the Secretary determines, after notice and opportunity for a hearing, that the accrediting agency or association has failed to apply effectively the standards or operate according to the procedures provided in this section.

"(2) The Secretary may determine that an accrediting agency or association has failed to apply effectively the standards provided in this section if an institutution of higher education seeks and receives accreditation from the accrediting agency or association during any period in which the institution is the subject of any interim action by another accrediting agency or association leading to the suspension, revocation, or termination of accreditation or the institution has been notified of the threatened loss of accreditation, and the due process procedures required by such suspension, revocation, termination, or threatened loss have not been completed.

"(m) LIMITATION ON THE SECRETARY'S AUTHORITY.—The Secretary may only recognize accrediting agencies or associations which accredit institutions of higher education for the purpose of enabling such institutions to establish eligibility to participate in the programs under this Act or which accredit institutions of higher education or higher education programs for the purpose of enabling them to establish eligibility to participate in other programs administered by the Department of Education or other Federal agencies.

"(n) INDEPENDENT EVALUATION.—(1) The Secretary shall conduct a comprehensive review and evaluation of the performance of all accrediting agencies or associations which seek recognition by the Secretary in order to determine whether such accrediting agencies or associations meet the standards established by this section. The Secretary shall conduct an independent evaluation of the information provided by such agency or association. Such evaluation shall include—

"(A) the solicitation of third-party information concerning the performance of the accrediting agency or association; and

"(B) site visits at both the accrediting agency or association and member institutions, including unannounced visits where appropriate.

"(2) The Secretary shall place a priority for review of accrediting agencies or associations on those agencies or associations that accredit institutions of higher education that participate most extensively in the programs authorized by this title and on those agencies or associations which have been the subject of the most complaints or legal actions.

"(3) The Secretary shall consider all available relevant information concerning the compliance of the accrediting agency or association with the standards provided for in this section, including any complaints or legal actions against such agency or association. In cases where deficiencies in the performance of an accreditation agency or association with respect to the requirements of this section are noted, the Secretary shall take these deficiencies into account in the approval process. The Secretary shall not, under any circumstances, base decisions on the approval or disapproval of accreditation agencies or associations on standards other than those contained in this section.

"(4) The Secretary shall maintain sufficient documentation to support the conclusions reached in the approval process, and, upon disapproval of any accreditation agency or association, shall make publicly available the reason for such disapproval, including reference to the specific standards under this section which have not been fulfilled.

"(o) REGULATIONS.—The Secretary shall by regulation provide procedures for the recognition of accrediting agencies or associations and for the appeal of the Secretary's decisions.

"Subpart 3—Eligibility and Certification Procedures

"SEC. 498. ELIGIBILITY AND CERTIFICATION PROCEDURES.

"(a) GENERAL REQUIREMENT.—For purposes of qualifying institutions of higher education for participation in programs under this title, the Secretary shall determine the legal authority to operate within a State, the accreditation status, and the administrative capability and financial responsibility of an institution of higher education in accordance with the requirements of this section.

"(b) SINGLE APPLICATION FORM.—The Secretary shall prepare and prescribe a single application form which—

"(1) requires sufficient information and documentation to determine that the requirements of eligibility, accreditation, and capability of the institution of higher education are met;

"(2) requires a specific description of the relationship between a main campus of an institution of higher education and all of its branches, including a description of the student aid processing that is performed by the main campus and that which is performed at its branches;

"(3) requires a description of third party servicers of an institution of higher education, together with a copy of any contract with the institution of higher education and a financial aid service provider or loan servicer; and

"(4) requires such other information as the Secretary determines will ensure compliance with the requirements of this title with respect to eligibility, accreditation, administrative capability and financial responsibility.

"(c) FINANCIAL RESPONSIBILITY STANDARDS.—(1) The Secretary shall determine whether an institution has the financial responsibility required by this title on the basis of whether the institution is able—

"(A) to provide the services described in its official publications and statements;

"(B) to provide the administrative resources necessary to comply with the requirements of this title; and

"(C) to meet all of its financial obligations, including (but not limited to) refunds of institutional charges and repayments to the Secretary for liabilities and debts incurred in programs administered by the Secretary.

"(2) Notwithstanding paragraph (1), if an institution fails to meet criteria prescribed by the Secretary with respect to operating losses, net worth, asset-to-liabilities ratios, or operating fund deficits then the institution shall provide the Secretary with satisfactory evidence of its financial responsibility in accordance with paragraph (3).

"(3) The Secretary may determine an institution to be financially responsible, notwithstanding the institution's failure to meet the criteria under paragraphs (1) and (2), if—

"(A) such institution submits to the Secretary third-party financial guarantees, such as performance bonds or letters of credit payable to the Secretary, which third-party financial guarantees shall equal not less than one-half of the annual potential liabilities of such institution to the Secretary for funds under this title, including loan obligations discharged pursuant to section 437, and to students for refunds of institutional charges, including funds under this title;

"(B) such institution has its liabilities backed by the full faith and credit of a State, or its equivalent;

"(C) such institution establishes to the satisfaction of the Secretary, with the support of a report of an independent certified public accountant prepared under generally accepted accounting principles, that the institution is a going concern capable of meeting all of its financial obligations, including (but not limited to) refunds of institutional charges and repayments to the Secretary for liabilities and debts incurred in programs administered by the Secretary; or

"(D) such institution has met standards of financial responsibility, prescribed by the Secretary by regulation, that indicate a level of financial strength not less than those required in paragraph (2).

"(4) The determination as to whether an institution has met the standards of financial responsibility provided for in paragraphs (2) and (3)(C) shall be based on an audited and certified financial statement of the institution. Such audit shall be conducted by a qualified independent organization or person in accordance with standards established by the American Institute of Certified Public Accountants. Such statement shall be submitted to the Secretary at the time such institution is considered for certification or recertification under this section. If the institution is permitted to be certified (provisionally or otherwise) and such audit does not establish compliance with paragraph (2), the Secretary may require that additional audits be submitted.

"(5)(A) The Secretary shall establish requirements for the maintenance by an institution of higher education of sufficient cash reserves to ensure repayment of any required refunds.

"(B) The Secretary shall provide for a process under which the Secretary shall exempt an institution of higher education from the requirements described in subparagraph (A) if the Secretary determines that the institution—

"(i) is located in a State that has a tuition recovery fund that ensures that the institution meets the requirements of subparagraph (A);

"(ii) contributes to the fund; and

"(iii) otherwise has legal authority to operate within the State.

"(d) ADMINISTRATIVE CAPACITY STANDARD.—The Secretary is authorized—

"(1) to establish procedures and requirements relating to the administrative capacities of institutions of higher education, including—

"(A) consideration of past performance of institutions or persons in control of such institutions with respect to student aid programs; and

"(B) maintenance of records;

"(2) to establish such other reasonable procedures as the Secretary determines will contribute to ensuring that the institution of higher education will comply with administrative capability required by this title.

"(e) FINANCIAL GUARANTEES FROM OWNERS.—(1) Notwithstanding any other provision of law, the Secretary may, to the extent necessary to protect the financial interest of the United States, require—

"(A) financial guarantees from an institution participating, or seeking to participate, in a program under this title, or from one or more individuals who the Secretary determines, in accordance with paragraph (2), exercise substantial control over such institution, or both, in an amount determined by the Secretary to be sufficient to satisfy the institution's potential liability to the Federal Government, student assistance recipients, and other program participants for funds under this title; and

"(B) the assumption of personal liability, by one or more individuals who exercise substantial control over such institution, as determined by the Secretary in accordance with paragraph (2), for financial losses to the Federal Government, student assistance recipients, and other program participants for funds under this title, and civil and criminal monetary penalties authorized under this title.

"(2)(A) The Secretary may determine that an individual exercises substantial control over one or more institutions participating in a program under this title if the Secretary determines that—

"(i) the individual directly or indirectly controls a substantial ownership interest in the institution;

"(ii) the individual, either alone or together with other individuals, represents, under a voting trust, power of attorney, proxy, or similar agreement, one or more persons who have, individually or in combination with the other persons represented or the individual representing them, a substantial ownership interest in the institution; or

"(iii) the individual is a member of the board of directors, the chief executive officer, or other executive officer of the institution or of an entity that holds a substantial ownership interest in the institution.

"(B) The Secretary may determine that an entity exercises substantial control over one or more institutions participating in a program under this title if the Secretary determines that the entity directly or indirectly holds a substantial ownership interest in the institution.

"(3) For purposes of this subsection, an ownership interest is defined as a share of the legal or beneficial ownership or control of, or a right to share in the proceeds of the operation of, an institution or institution's parent corporation. An ownership interest may include, but is not limited to—

"(A) a sole proprietorship;

"(B) an interest as a tenant-in-common, joint tenant, or tenant by the entireties;

"(C) a partnership; or

"(D) an interest in a trust.

"(4) The Secretary shall not impose the requirements described in subparagraphs (A) and (B) of paragraph (1) on an institution that—

"(A) has not been subjected to a limitation, suspension, or termination action by the Secretary or a guaranty agency within the preceding 5 years;

"(B) has not had, during its 2 most recent audits of the institutions conduct of programs under this title, an audit finding that resulted in the institution being required to repay an amount greater than 5 percent of the funds the institution received from programs under this title for any year;

"(C) meets and has met, for the preceding 5 years, the financial responsibility standards under subsection (c); and

"(D) has not been cited during the preceding 5 years for failure to submit audits required under this title in a timely fashion.

"(5) For purposes of section 487(c)(1)(G), this section shall also apply to individuals or organizations that contract with an institution to administer any aspect of an institution's student assistance program under this title.

"(f) ACTIONS ON APPLICATIONS; SITE VISITS AND FEES.—The Secretary shall ensure that prompt action is taken by the Department on any application required under subsection (b). The personnel of the Department of Education shall conduct a site visit at each institution before certifying or recertifying its eligibility for purposes of any program under this title. The Secretary may charge reasonable fees to cover the expenses of certification and site visits and, to the extent permitted by appropriations Acts, may retain such fees to cover such expenses.

"(g) TIME LIMITATIONS ON, AND RENEWAL OF, ELIGIBILITY.—(1) The eligibility for the purposes of any program authorized under this title of any institution that is participating in any such program on the date of enactment of the Higher Education Amendments of 1992 shall expire in accordance with the schedule prescribed by the Secretary in accordance with paragraph (2), but not later than 5 years after such date of enactment.

"(2) The Secretary shall establish a schedule for the expiration of the eligibility for purposes of any such program of all institutions of higher education within the 5-year period specified in paragraph (1). Such schedule shall place a priority for the expiration of the certification of institutions on those that meet the following criteria:

"(A) institutions subject to review by a State postsecondary review entity pursuant to subpart 1 of part H; or

"(B) other categories of institutions which the Secretary deems necessary.

"(3) After the expiration of the certification of any institution under the schedule prescribed under this subsection, or upon request for initial certification from an institution not previously certified, the Secretary may certify the eligibility for the purposes of any program authorized under this title of each such institution for a period not to exceed 4 years.

"(h) PROVISIONAL CERTIFICATION OF INSTITUTIONAL ELIGIBILITY.—(1) Notwithstanding subsections (d) and (g), the Secretary may provisionally certify an institution's eligibility to participate in programs under this title—

"(A) for not more than one complete award year in the case of an institution of higher education seeking an initial certification; and

"(B) for not more than 3 complete award years if—

"(i) the institution's administrative capability and financial responsibility is being determined for the first time;

"(ii) there is a complete or partial change of ownership, as defined under subsection (i), of an eligible institution; or

"(iii) the Secretary determines that the institution is, in the judgment of the Secretary, in an administrative or financial condition that may jeopardize its ability to perform its responsibilities under its program participation agreement.

"(2) Whenever the Secretary withdraws the approval of any accrediting agency, an institution of higher education which meets the requirements of accreditation, eligibility, and certification on the day prior to such withdrawal, the Secretary may, notwithstanding the withdrawal, continue the eligibility of the institution of higher education to participate in the programs authorized by this title for a period not to exceed 18 months from the date of the withdrawal of approval.

"(3) If, prior to the end of a period of provisional certification under this subsection, the Secretary determines that the institution is unable to meet its responsibilities under its program participation agreement, the Secretary may terminate the institution's participation in programs under this title.

"(i) TREATMENT OF CHANGES OF OWNERSHIP.—(1) For the purpose of certifying the eligibility of an institution, an eligible institution of higher education that has a change in ownership resulting in a change in control shall not be considered to be the same institution (except as provided in paragraph (3)) and shall be considered a new institution for the purpose of establishing eligibility, except that such institution shall not be required (under section 481(b)(5) or 481(c)(3)) to be in existence for 2 years prior to seeking such certification unless such institution was in existence as a branch for less than 2 years.

"(2) An action resulting in a change in control may include (but is not limited to)—

"(A) the sale of the institution or the majority of its assets;

"(B) the transfer of the controlling interest of stock of the institution or its parent corporation;

"(C) the merger of two or more eligible institutions;

"(D) the division of one or more institutions into two or more institutions;

"(E) the transfer of the controlling interest of stock of the institutions to its parent corporation; or

"(F) the transfer of the liabilities of the institution to its parent corporation.

"(3) An action that may be treated as not resulting in a change in control includes (but is not limited to)—

"(A) the death of an owner of an institution, when the owner's interest is sold or transferred to either a family member or a current stockholder of the corporation; or

"(B) another action determined by the Secretary to be a routine business practice.

"(j) TREATMENT OF BRANCHES.—(1) For the purposes of this title, a branch of an eligible institution, as defined pursuant to regulations of the Secretary, is a separate institution of higher education and shall separately meet all the requirements of this title, except that such institution shall not be required (under section 481(b)(5) or 481(c)(3)) to be in existence for 2 years prior to seeking such certification unless such institution was in existence as a branch for less than 2 years.

"(2) The Secretary may waive the requirement of section 1201(a)(2) for a branch that (A) is not located in a State, (B) is affiliated with an eligible institution, and (C) was participating in one or more programs under this title on or before January 1, 1992.

"SEC. 498A. PROGRAM REVIEW AND DATA.

"(a) GENERAL AUTHORITY.—In order to strengthen the administrative capability and financial responsibility provisions of this title, the Secretary—

"(1) shall provide for the conduct of program reviews on a systematic basis designed to include all institutions of higher education participating in programs authorized by this title;

"(2) may give priority for program review to institutions of higher education that are—

"(A) institutions with a cohort default rate for loans under part B of this title in excess of 25 percent or which places such institutions in the highest 25 percent of such institutions;

"(B) institutions with a default rate in dollar volume for loans under part B of this title which places the institutions in the highest 25 percent of such institutions;

"(C) institutions with a significant fluctuation in Federal Stafford Loan volume or Federal Pell Grant awards, or both, in the year for which the determination is made compared to the year prior to such year;

"(D) institutions reported to have deficiencies or financial aid problems by the appropriate State postsecondary review entity designated under subpart 1 of this part or by the appropriate accrediting agency or association;

"(E) institutions with high annual dropout rates;

"(F) any institution which is required to be reviewed by a State postsecondary review entity pursuant to subpart 1 of part H under section 494C(b); and

"(G) such other institutions as the Secretary deems necessary; and

"(3) shall establish and operate a central data base of information on institutional accreditation, eligibility, and certification that includes—

"(A) all information available to the Department;

"(B) all relevant information made available by the Secretary of Veterans Affairs;

"(C) all relevant information from accrediting agencies or associations;

"(D) all relevant information available from a guaranty agency; and

"(E) all relevant information available from States under subpart 1.

"(b) SPECIAL ADMINISTRATIVE RULES.—(1) In carrying out paragraphs (1) and (2) of sub-

section (a), the Secretary shall establish guidelines designed to ensure uniformity of practice in the conduct of program reviews of institutions of higher education.

"(2) The Secretary shall review the regulations of the Department and the application of such regulations to ensure the uniformity of interpretation and application of the regulations.

"(c) DATA COLLECTION RULES.—The Secretary shall develop and carry out a plan for the data collection responsibilities described in paragraph (3) of subsection (a). The Secretary shall make the information obtained under such paragraph (3) readily available to all institutions of higher education, guaranty agencies, States, and other organizations participating in the programs authorized by this title.

"(d) TRAINING.—The Secretary shall provide training to personnel of the Department, including criminal investigative training, designed to improve the quality of financial and compliance audits and program reviews conducted under this title.

"(e) SPECIAL RULE.—The provisions of section 103(b) of the Department of Education Organization Act, shall not apply to Secretarial determinations made regarding the appropriate length of instruction for programs measured in clock hours.".

TITLE V—EDUCATOR RECRUITMENT, RETENTION, AND DEVELOPMENT

SEC. 501. REVISION OF TITLE V.

(a) AMENDMENT.—Title V of the Act (20 U.S.C. 1101 et seq.) is amended to read as follows:

"TITLE V—EDUCATOR RECRUITMENT, RETENTION, AND DEVELOPMENT

"SEC. 500. FINDINGS AND PURPOSES.

"(a) FINDINGS.—The Congress finds that—

"(1) teachers in the classroom are the men and women who must play an integral role in leading our Nation's schools into the 21st century;

"(2) we should encourage individuals to enter the education profession so that our teaching force is representative both of the diversity of our Nation and of the tremendous talents and skills of our citizens;

"(3) the methods used to prepare prospective teachers and the continuing education and support provided to practicing teachers have a significant influence on the effectiveness of classroom teachers;

"(4) the postsecondary education of education professionals has not been linked to local, State and national goals and standards;

"(5) the inservice and continuing professional development of educators has not promoted systematic and sustained improvement of the education system;

"(6) State educational agencies have not been funded and staffed adequately to carry out a mission of supporting a process to achieve local, State, or national goals and standards;

"(7) in order to encourage more women and underrepresented minorities to enter the fields of science and mathematics and succeed in these fields, we must provide proper training for existing mathematics and science teachers and recruit women and underrepresented minorities as teachers in these fields;

"(8) educators must have the expertise and the support that allow them to adapt to the changing environment in our schools and to the evolving skills required of our schools' graduates; and

"(9) the Federal Government plays an essential role in providing support to educator training and professional development that will enable teachers to be classroom leaders and administrators to be school leaders at the forefront of reforming our Nation's schools.

"(b) PURPOSE.—It is the purpose of this title—

"(1) to provide assistance to our Nation's teaching force for the continued improvement of their professional skills;

"(2) to provide assistance for professional development activities enabling teachers, school administrators, and institutions of higher education to work collaboratively to improve educational performance through school reform and restructuring;

"(3) to address the Nation's teacher shortage, particularly in areas where there are heavy concentrations of low-income students, by encouraging talented persons, including the individuals already employed as school paraprofessionals and individuals who have been employed in other areas of endeavor, to enter the teaching profession;

"(4) to encourage academically qualified students to become teachers through scholarship assistance;

"(5) to support the recruitment of underrepresented populations into teaching careers;

"(6) to provide scholarship assistance to encourage women and minorities who are underrepresented in the fields of science and mathematics to enter the teaching profession in these fields;

"(7) to encourage the establishment and maintenance of programs that provide professional teacher preparation to individuals who are moving to careers in education from other occupations;

"(8) to promote partnerships between institutions of higher education and local educational agencies for the purpose of promoting the simultaneous restructuring and renewal of elementary and secondary schools and college-based teacher education programs;

"(9) to improve the leadership and administrative skills of elementary and secondary school administrators;

"(10) to provide assistance to schools of education in institutions of higher education in order to reform teacher education programs by encouraging new developments in teacher preparation which provide for greater integration of subject matter and pedagogical training and which prepare classroom teachers to effectively meet changing noneducational challenges in the schools; and

"(11) to promote high quality child development and early childhood education specialist training programs, including preschool and early intervention services for infants and toddlers with disabilities.

"PART A—STATE AND LOCAL PROGRAMS FOR TEACHER EXCELLENCE

"SEC. 501. AUTHORITY AND ALLOCATION OF FUNDS; DEFINITIONS.

"(a) PURPOSE AND AUTHORITY.—

"(1) PURPOSE.—It is the purpose of this part to provide funds to State educational agencies, local educational agencies and institutions of higher education in order to update and improve the skills of classroom teachers, including preschool and early childhood education specialists and school administrators, to establish State academies for teachers and school leaders, and to provide for a comprehensive examination of State requirements for teacher preservice and certification.

"(2) PROGRAM AUTHORIZED.—The Secretary is authorized to make allotments to State educational agencies for the purposes of enhancing and improving the quality of teaching, including early childhood education, in each of the several States.

"(b) ALLOTMENT OF FUNDS.—

"(1) IN GENERAL.—From the funds appropriated in each fiscal year pursuant to section 510A, the Secretary shall allot to each State—

"(A) 50 percent of such funds on the basis of the number of individuals in the State aged 5 through 17 compared to the number of all such individuals in all States; and

"(B) 50 percent of such funds on the basis of the amount the State receives under sections 1005 and 1006 of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 compared to the total amount that all States receive under such sections.

"(2) ALLOCATIONS FROM STATE ALLOTMENTS.—

"(A)(i) Except as provided in subsection (c), from the amount allotted to each State in each fiscal year pursuant to paragraph (1) and not reserved pursuant to subparagraph (B)(i), the State education agency shall allocate 50 percent of such amount in accordance with clause (ii) to local educational agencies to carry out the activities described in section 503.

"(ii) The State educational agency shall allocate 50 percent of the amount allotted to the State in each fiscal year under paragraph (1) so that—

"(I) one-half of such amount is allocated to local educational agencies within such State based on the local educational agency's relative share of the enrollments in public schools within the State; and

"(II) one-half of such amount is allocated to local educational agencies within such State based on the local educational agency's relative share of the State's allocation of funds under sections 1005 and 1006 of the Elementary and Secondary Education Act of 1965,

except that any local educational agency that would receive an allocation of less than $10,000 shall be required to form a consortium with at least one other local educational agency in order to receive an allocation under this part. In making allocations under this part, the State educational agency shall use the most recent data available.

"(B)(i) From the amount allotted to each State in each fiscal year pursuant to paragraph (1) the State educational agency shall reserve not more than 3 percent of such funds for the purposes of administering the program under this title, including evaluation and dissemination activities.

"(ii) From the amount allotted to each State in each fiscal year under paragraph (1) and not reserved pursuant to clause (i), the State educational agency—

"(I) shall reserve not more than 25 percent of such funds to carry out sections 504, 505, and 506; and

"(II) shall reserve not more than 25 percent of such funds to award grants to institutions of higher education in accordance with sections 507 and 508.

"(c) SPECIAL RULE.—Notwithstanding the provisions of subsection (b)(2)(A), if the amount appropriated to carry out this part for any fiscal year is less than $250,000,000, then each State educational agency shall use 50 percent of the amount allotted to such State under paragraph (1) and not reserved pursuant to subsection (b)(2)(B)(i) to award grants to local educational agencies on a competitive basis.

"(d) REALLOTMENT.—If a State or local educational agency elects not to receive assistance under this part in any fiscal year or the Secretary determines in any fiscal year that a State or local educational agency will not be able to use all or any portion of the funds available to such State or local educational agency under this part, then the Secretary shall reallot such funds. The Secretary shall reallot such funds in such fiscal year in accordance with the provisions of this part among the States or local educational agencies who are eligible for assistance under this part and are not described in the preceding sentence.

"(e) DEFINITIONS.—For purposes of this part—

"(1) the term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, American Samoa, and the Republic of Palau (until the Compact of Free Associa-

tion takes effect pursuant to section 101(a) of Public Law 99-658); and

"(2) the term 'key academic subjects' means English, mathematics, science, history, geography, foreign languages, civics and government, and economics.

"SEC. 502. STATE APPLICATION.

"(a) IN GENERAL.—Any State which desires to receive an allotment under this part shall submit to the Secretary an application which—

"(1) designates the State educational agency as the State agency responsible for the administration and supervision of programs assisted under this part;

"(2) provides for a process of active discussion and consultation with a committee, convened by the chief State school officer, which is broadly representative of the following educational interests within the State, including—

"(A) a representative nominated by each of the following:

"(i) the State teacher organizations;

"(ii) the organizations representing preschool and early childhood education specialists;

"(iii) the State school administrators organization;

"(iv) the State parents organizations;

"(v) the State business organizations; and

"(vi) the State student organizations;

"(B) a representative from the State board of education;

"(C) a representative of faculty from departments, schools or colleges of educations;

"(D) other representatives of institutions of higher education, including community colleges;

"(E) the State director of vocational education; and

"(F) the State director of special education;

"(3) describes the competitive process that the State will use to distribute funds among local educational agencies pursuant to section 501(c);

"(4) describes the process the State will use to conduct the assessment required by section 504(c);

"(5) describes how the State will allocate funds among activities required under section 504;

"(6) with respect to the State academies to be established under sections 505 and 506—

"(A) describes the academies to be established under this part and the goals and objectives for each such academy;

"(B) describes how the academies assisted under this part shall relate to the overall plan for the attainment of the national education goals by the State;

"(C) describes the competitive process that shall be used to select applicants to operate the academies assisted under this part;

"(D) assures that the Academies for Teachers shall provide instruction in the key academic subjects;

"(E) assures that the State shall continue to operate the academies assisted under this part when Federal funds provided pursuant to this title are no longer available;

"(F) assures that Federal funds provided under this part shall not be used for construction of new facilities or substantial remodeling;

"(G) assures that the Academies for Teachers shall provide activities designed to enhance the ability of teachers to work with special educational populations, including—

"(i) limited-English proficient children;

"(ii) children with disabilities;

"(iii) economically and educationally disadvantaged children; and

"(iv) gifted and talented children; and

"(H) contains such other assurances and information as the Secretary may reasonably require;

"(7) describes the competitive process that the State will use to distribute funds among institutions of higher education pursuant to section 507;

"(8) describes a plan to promote learning among the State educational agency staff in order to support and facilitate systemic improvement of the State educational agency, schools or colleges of education at institutions of higher education, and local educational agencies; and

"(9) includes such other information and assurances as the Secretary may require.

"(b) FUNCTIONS OF COMMITTEE.—The application required by subsection (a) shall identify the procedures by which the committee required by paragraph (2) of such subsection will be engaged in—

"(1) ensuring that activities assisted under this part are effective, coordinated with other State, local, and Federal activities and programs, and meet the needs of the State for improving the quality of teaching and teacher education programs, including those programs concerned with preschool education and the training of early childhood education specialists, and school leadership programs;

"(2) advising the State on criteria for awarding funds under sections 501(c), 505, 506, and 507; and

"(3) advising the State on criteria for approving local educational agency applications under section 503(a).

"(c) EVALUATION AND REPORT.—

"(1) REPORT TO SECRETARY.—Each State educational agency receiving an allotment under this part shall evaluate the work of each academy that is located in the State and assisted under this part every 2 years, including the impact of each academy's programs on participants, and report the findings of such evaluation to the Secretary. The initial report shall be submitted 3 years after funds are first allotted to such State educational agency under section 501 and subsequent reports shall be submitted every 2 years thereafter. Such report shall also describe the characteristics of the participants and activities provided at each academy assisted under this part.

"(2) REPORT TO CONGRESS.—The Secretary shall submit to the Congress a summary of the reports required under subsection (a). The initial summary shall be submitted 60 days after the due date of the first report described in subsection (a) and subsequent summaries shall be submitted every 2 years thereafter.

"SEC. 503. LOCAL APPLICATION AND USE OF FUNDS.

"(a) LOCAL APPLICATION.—Any local educational agency which desires to receive assistance under section 501(b)(2)(A) or 501(c) shall submit to the State educational agency an application which—

"(1) describes the needs of such local educational agency with respect to inservice training programs for teachers and preschool and early childhood education specialists pursuant to the assessment conducted under subsection (b)(2)(A), and, if appropriate, describes the need of such local educational agency for teacher recruitment, business partnerships, outreach to military veterans, and the provision of other opportunities for teachers to improve their skills;

"(2) describes the process used to determine such needs, including consultation with teachers, preschool and early childhood specialists, principals, parents, representatives from departments, schools or colleges of education, and others in the community;

"(3) describes the activities such agency intends to conduct with the funds provided under section 501(b)(2)(A) or 501(c) consistent with the provisions of this section in order to improve the quality of teaching within such agency;

"(4) describes the processes and methods used to promote systematic improvement through continual learning in order to achieve agreed upon local, State and National standards; and

"(5) any other information that the State educational agency may reasonably require.

"(b) LOCAL USES OF FUNDS.—

"(1) IN GENERAL.—Local educational agencies receiving assistance under section 501(b)(2)(A) or 501(c) shall use such funds for the inservice training of teachers and, if appropriate, for preschool and early childhood education specialists, and may use funds for—

"(A) development of programs to recruit individuals into the teaching profession and the field of early childhood education;

"(B) business partnerships;

"(C) outreach to military veterans; and

"(D) other purposes consistent with improving the quality of teaching in the local educational agency, as approved by the State educational agency.

"(2) INSERVICE TRAINING.—

"(A) In order to receive assistance under section 501(b)(2)(A) or 501(c), a local educational agency or a consortium of local educational agencies shall first assess the needs of such agency or agencies for inservice training.

"(B) Funds expended for inservice training shall be used, in accordance with the assessment conducted under subparagraph (A), for the cost of—

"(i) the expansion and improvement of inservice training and retraining of teachers and other appropriate school personnel, including vocational teachers, special education teachers, and preschool teachers, consistent with the assessment conducted under subparagraph (A);

"(ii) providing funds for grants for individual teachers within the local educational agency to undertake projects to improve their teaching ability or to improve the instructional materials used in their classrooms;

"(iii) activities designed to address the effects of chronic community violence on children, such as violence counseling training for teachers and early childhood specialists, and activities and training aimed at resolving conflicts;

"(iv) activities designed to enhance the ability of teachers to work with culturally diverse students;

"(v) activities designed to integrate academic and vocational education;

"(vi) as appropriate, activities designed to assist teacher participation in a Tech-Prep program under section 344 of the Carl D. Perkins Vocational and Applied Technology Act, in order to develop the skills of such teachers in activities such as organizational development leadership and interdisciplinary curricula development; and

"(vii) other activities consistent with the goals of this part as approved by the State educational agency.

"(C) Such activities may be carried out through agreements with institutions of higher education, nonprofit organizations, public agencies, and museums.

"(D) Activities related to inservice training shall be coordinated with such activities carried out under part A of title II of the Elementary and Secondary Education Act of 1965.

"(3) RECRUITMENT OF TEACHERS.—

"(A) Local educational agencies receiving assistance under section 501(b)(2)(A) or 501(c) may use such assistance—

"(i) to establish, operate, or expand programs to encourage and recruit interested individuals to pursue a course of study that will lead to a career in education; and

"(ii) to establish, operate, or expand a program where such agency recruits students currently enrolled in a school in the local educational agency to be teachers or early childhood education specialists.

"(B) Activities under this paragraph may include—

"(i) academic and career counseling of and support services for students;

"(ii) programs in which students act as tutors while they are enrolled in schools in the local educational agency;

“(iii) programs in which students enrolled in institutions of higher education and other individuals tutor students within schools in the local educational agency;

“(iv) information and recruitment efforts to attract individuals into the teaching profession; and

“(v) programs to support early childhood education efforts at the preschool and school level.

“(C) In conducting programs under this paragraph, local educational agencies shall place a priority on recruiting students and individuals from minority groups.

“(D) Local educational agencies may conduct programs under this paragraph in consortia with institutions of higher education.

“(4) BUSINESS PARTNERSHIPS.—Local educational agencies receiving assistance under section 501(b)(2)(A) or 501(c) may use such assistance to establish partnerships with representatives of the business community to sponsor—

“(A) programs which allow representatives of local business or firms to go into the classroom and work with the classroom teacher to provide instruction in subject areas where the expertise of the teacher could be supplemented, especially in the subject areas of mathematics, science, and vocational and technology education training;

“(B) internship programs which provide an opportunity for classroom teachers to work in local businesses or firms to gain practical experience or to develop new skills or expertise;

“(C) programs which bring students and teachers into business settings to see applications of course work and in specialized areas, and to learn to use advanced technical equipment;

“(D) programs which allow representatives of local businesses and firms to work with school administrators to develop instructional material; and

“(E) other activities appropriate to forming a working relationship between business leaders and classroom leaders.

“(5) OUTREACH TO MILITARY VETERANS.—Local educational agencies receiving assistance under section 501(b)(2)(A) or 501(c) may use such assistance to establish programs to inform United States military veterans of teaching opportunities and to provide assistance in the establishment of teaching opportunities for such veterans by—

“(A) planning and implementing informational and outreach programs leading to the development of programs specifically designed to inform United States military veterans about teaching opportunities and the qualifications necessary for such opportunities;

“(B) planning and implementing programs leading to the creation of teaching opportunities for such veterans;

“(C) supporting programs to assist such veterans to meet the qualifications to become teachers;

“(D) disseminating information on the program described in this paragraph and on sources of student financial assistance available under title IV of this Act and under programs administered by the Department of Veterans Affairs and other Federal agencies; and

“(E) making scholarships available to such military veterans under the same terms and conditions specified in subpart 1 of part C of this title.

“SEC. 504. STATE USES OF FUNDS.

“(a) IN GENERAL.—Each State educational agency receiving funds reserved pursuant to section 501(b)(2)(B)(ii)(I) shall use such funds—

“(1) first, to conduct a study of teacher education programs within such State, as required under subsection (c); and

“(2) secondly, for—

“(A) the establishment of State Academies for Teachers under section 505;

“(B) the establishment of State Academies for School Leaders under section 506; and

“(C) activities directly related to the implementation of the teacher education study required under subsection (c).

“(b) SPECIAL RULE.—If a State educational agency can demonstrate that the amount of funds reserved pursuant to section 501(b)(2)(B)(ii)(I) is insufficient to establish one State academy, then the State educational agency shall distribute such funds to local educational agencies in accordance with section 501(b)(2)(A) or 501(c) to carry out the activities described in section 503(b).

“(c) TEACHER EDUCATION STUDY.—

“(1) STUDY REQUIRED.—Each State educational agency receiving funds under this part shall, in consultation with institutions of higher education, local educational agencies, teachers, parents, the State legislature, the State board of education, and business, undertake a study of—

“(A) teacher education programs and State teacher professional development requirements, including programs and requirements intended to train preschool and early childhood education specialists; and

“(B) the State laws and regulations relating to such programs and requirements, including any standards or requirements for certification and licensure,

in order to determine if such programs and requirements are adequately preparing teachers to effectively educate students.

“(2) CONSIDERATIONS.—Such study shall consider whether such programs or requirements—

“(A) would be improved if teacher education programs were required to coordinate courses with other departments on campus in order to provide prospective teachers with a strong background in their subject matter;

“(B) integrate academic and vocational education instruction;

“(C) give enough flexibility in order to allow experimentation and innovation;

“(D) would be improved if such programs provided preparation for students desiring to become teachers, but who are pursuing a bachelor's degree in an area of study other than education;

“(E) would be improved if teacher certification required a bachelor's degree in a subject area and a masters degree in education; and

“(F) would be improved if institutions of higher education that have developed innovative materials and curricula for inservice training were required to incorporate these improvements into their preservice programs.

“(3) DEADLINES.—

“(A) Such study shall be completed by two years from the end of the first fiscal year in which funding was made available for this part. The results of such study shall be reported to the Secretary. In submitting the report to the Secretary, the State educational agency shall include in the report the most successful practices used to enhance the profession of teaching. The Secretary may disseminate such successful practices in order to assist other States in their efforts to enhance the profession of teaching.

“(B) Except as provided in paragraph (4), beginning in the third fiscal year for which funding under this part is available, State educational agencies shall use all funds provided under section 501(b)(2)(B)(ii)(I) which are not allotted for State Academies for Teachers and State Academies for School Leaders—

“(i) to implement the program and policy changes resulting from the findings of such study; and

“(ii) to assist schools and programs of education throughout the State in meeting any new requirements that result from such study.

“(C) The State educational agency shall award grants pursuant to section 507(b)(9) to institutions of higher education to implement the programs and policy changes resulting from the findings of such study.

“(4) WAIVER.—If a State demonstrates to the Secretary that it has completed a study comparable to the study required by this subsection within the previous 5 years prior to the fiscal year for which funds are first made available under this part, then the Secretary may waive the requirements of this subsection. States receiving a waiver shall use funds provided under section 501(b)(2)(B)(ii)(I) to implement the program and policy changes resulting from the findings of such study. If the State can demonstrate to the Secretary that such program and policy changes have been implemented, then the State shall use funds provided under section 501(b)(2)(B)(ii)(I) to carry out the activities authorized under sections 505 and 506.

“SEC. 505. STATE ACADEMIES FOR TEACHERS.

“(a) PURPOSE; DEFINITIONS.—

“(1) PURPOSE.—It is the purpose of this section to improve elementary and secondary school teacher subject matter knowledge and teaching skills in each of the key academic subjects by establishing one or more Academies in the key academic subjects in every State.

“(2) DEFINITIONS.—For purposes of this section—

“(A) the term ‘Academy’ means a course of instruction and related activities to increase a teacher's knowledge of a specific subject area, a teacher's ability to impart such knowledge to students, and a teacher's ability to address any other issue described in this section, except that such term—

“(i) does not mean a physical facility; and

“(ii) does not require a separate location from another Academy or other training program; and

“(B) the term ‘eligible entity’ means a local educational agency, an institution of higher education, a museum, a private nonprofit educational organization of demonstrated effectiveness, or a consortium of any 2 or more of such entities.

“(b) APPLICATION REQUIRED.—

“(1) IN GENERAL.—Each eligible entity desiring to operate an Academy under this section shall submit an application to the State educational agency at such time, in such manner, and accompanied by such information as the State may reasonably require.

“(2) CONTENTS.—Each application submitted pursuant to paragraph (1) shall describe—

“(A) the goals of the Academy and the steps that shall be taken to evaluate the extent to which the Academy reaches its goals;

“(B) the curriculum to be used or developed by the Academy;

“(C) steps to be taken to recruit teachers for the Academy's program, including outreach efforts to identify and attract—

“(i) minority group members;

“(ii) individuals with disabilities;

“(iii) individuals from areas with large numbers or concentrations of disadvantaged students; and

“(iv) other teachers with the potential to serve as mentor teachers;

“(D) steps to be taken to ensure that faculty members teaching at the Academy shall be of exceptional ability and experience, including outreach efforts to identify and attract as faculty members—

“(i) minority group members;

“(ii) individuals with disabilities; and

“(iii) individuals from areas with large numbers or concentrations of disadvantaged students.

“(E) efforts to be undertaken to disseminate information about the Academy;

“(F) selection criteria to be used in identifying teachers to participate in the Academy;

"(G) steps to be taken to assure that the programs offered by the Academy shall be of sufficient length and comprehensiveness to significantly improve participants' knowledge; and

"(H) efforts to be undertaken to evaluate the impact of the Academy on participants.

"(c) USE OF ALLOTTED FUNDS.—

"(1) GRANTS.—Each State educational agency receiving an allotment under this part shall use the funds reserved pursuant to section 501(b)(2)(B)(ii)(I) to award one or more competitive grants to eligible entities to enable such eligible entities to operate an Academy in accordance with the provisions of this section.

"(2) COORDINATION OF ACTIVITIES.—To the extent practicable, such academies shall coordinate efforts with teacher inservice activities of local educational agencies.

"(3) COMBINATION OF RESOURCES.—Each State educational agency receiving an allotment under this part may combine the funds reserved pursuant to section 501(b)(2)(B)(ii)(I) with such funds reserved by another State educational agency to operate academies assisted under this part on a multistate or regional basis.

"(4) COSTS.—Each eligible entity receiving a grant under this section shall use such funds to meet the operating costs of carrying out the activities described in subsection (d), which may include reasonable startup and initial operating costs, and costs associated with release time, stipends, travel, and living expenses for teachers who participate in the Academy's program if no other funds are available to pay such costs.

"(d) AUTHORIZED ACTIVITIES.—Each eligible entity receiving a grant to operate an Academy under this section may use such grant funds for—

"(1) renewal and enhancement of participants' knowledge in key academic subjects;

"(2) skills and strategies to improve academic achievement of students, especially students who are educationally disadvantaged, are limited-English proficient, are drug- or alcohol-exposed, or have disabilities;

"(3) improved teaching and classroom management skills;

"(4) techniques for the integration of academic and vocational subject matter, including the application of such techniques in tech/prep education programs;

"(5) the use of educational technologies in teaching the key academic subjects;

"(6) training needed to participate in curriculum development in a key academic subject;

"(7) training in the development and use of assessment tools;

"(8) review of existing teacher enhancement programs to identify the most promising approaches;

"(9) development of a curriculum for use by the Academy;

"(10) follow-up activities for previous participants;

"(11) dissemination of information about the Academy, including the training curricula developed; and

"(12) any other activities proposed by the applicant and approved by the State educational agency.

"(e) COST SHARING.—Funds received for this section may be used to pay not more than 75 percent of the cost of operating an Academy in the first year an eligible entity receives a grant under this section, 65 percent of such cost in such second year, 55 percent of such cost in such third year, 45 percent of such cost in such fourth year, and 35 percent of such cost in such fifth year. The remaining share shall be provided from non-Federal sources, and may be in cash or in-kind contributions, fairly valued.

"(f) SPECIAL RULES.—

"(1) USES OF FUNDS.—

"(A) KEY ACADEMIC SUBJECTS.—At least 70 percent of funds received for this section shall be used for enhancement of participant knowledge in key academic subjects.

"(B) OTHER SUBJECTS.—At least 20 percent of the funds received for this section shall be used for enhancement of participant knowledge in areas not related to academic subjects.

"(2) SPECIAL RULE.—In awarding grants under this section the State educational agency may provide for training in 2 or more key academic subjects at a single site.

"(3) ADDITIONAL ACADEMIES OR AWARDS.—If a State can demonstrate that the State's need for academies in key academic subjects has been met, and if the State can demonstrate that it is implementing the findings of the teacher education study described in section 504(c), then the State may use a portion of the amount reserved pursuant to section 501(b)(2)(B)(ii)(I) to establish one or more of the following academies or awards:

"(A) EARLY CHILDHOOD ACADEMIES.—A State educational agency may establish an academy aimed at early childhood education training. Such an academy shall give a priority to recruiting candidates from underrepresented groups in the early childhood education profession and shall provide intensive childhood training in violence counseling.

"(B) TECH-PREP ACADEMIES.—A State educational agency may establish an academy for—

"(i) assisting educators in secondary schools and community colleges to more effectively understand organizational structures and organizational change strategies;

"(ii) assisting educators to learn effective peer leadership strategies;

"(iii) assisting secondary school teachers and community college faculty to identify the knowledge and skills required in highly technical industries and workplaces;

"(iv) assisting secondary school teachers and community college faculty to apply creative strategies to the development of interdisciplinary curricula; and

"(v) assisting educators in integrating academic and vocational education.

"(C) TEACHER AWARDS.—(i) A State educational agency may make awards to State Academies for Teachers to provide for a program of cash awards and recognition to outstanding teachers in the key academic subject or subjects covered by the program of the Academy.

"(ii) Any full-time public or private elementary or secondary school teacher of a key academic subject or vocational and technology education subject, including an elementary school teacher of the general curriculum, shall be eligible to receive an award under this subparagraph.

"(iii) The amount of a teacher's award under this subparagraph shall not exceed $5,000 and shall be available for any purpose the recipient chooses.

"(iv) Each Academy receiving an award under clause (i) of this subparagraph shall select teachers to receive awards from nominations received from local educational agencies, public and private elementary and secondary schools, teachers, associations of teachers, parents, associations of parents and teachers, businesses, business groups, and student groups.

"(v) The Academy shall select award recipients under this subparagraph in accordance with criteria developed by the Academy and approved by the State educational agency. The selection criteria may take into account teacher's success in—

"(I) educating disadvantaged children and children with disabilities;

"(II) educating gifted and talented children;

"(III) encouraging students to enroll, and succeed, in advanced classes in a key academic subject or vocational and technology education subject;

"(IV) teaching a key academic subject or vocational and technology education subject successfully in schools educating large numbers of educationally disadvantaged students, including schools in low-income inner-city or rural areas;

"(V) introducing a new curriculum in a key academic subject into a school or strengthening an established curriculum;

"(VI) acting as a master teacher; and

"(VII) other criteria as developed by the Academies and approved by the State educational agency.

"SEC. 506. STATE ACADEMIES FOR SCHOOL LEADERS.

"(a) PURPOSE; DEFINITIONS.—

"(1) PURPOSE.—It is the purpose of this section to improve the training and performance of school principals and other school leaders and to increase the number of persons who are highly trained to be principals and school leaders by establishing an Academy for current and prospective school leaders in every State.

"(2) DEFINITIONS.—For the purpose of this section—

"(A) the term 'Academy' means a course of instruction and related activities to increase a school leader's knowledge of the tools and techniques of school management and leadership, and such leader's ability to exercise such tools and techniques in the school setting, and may include a course of instruction for school district level system leaders separately or in combination with school leaders and teachers, except that such term—

"(i) does not mean a physical facility; and

"(ii) does not require a separate location from another Academy or other training program; and

"(B) the term 'eligible entity' means a technical assistance center assisted under subpart 2 of part C of title V of this Act as such Act was in effect on the day before the date of enactment of the Higher Education Amendments of 1992, a local educational agency, an institution of higher education, a museum, a private nonprofit educational organization of demonstrated effectiveness, or a consortium of any 2 or more such entities.

"(b) APPLICATION REQUIRED.—

"(1) IN GENERAL.—(A) Each eligible entity desiring to operate an Academy under this section shall submit an application to the State educational agency at such time, in such manner and accompanied by such information as the State may reasonably require. Such Academy may be operated in cooperation or consortium with an Academy of another State.

"(B) A priority for awards shall be given to entities who received funds under subpart 2 of part C of title V of the Higher Education Act as in effect on September 30, 1991.

"(2) CONTENTS.—Each application submitted pursuant to paragraph (1) shall describe—

"(A) the goals of the Academy and the steps that shall be taken to evaluate the extent to which the Academy reaches its goals;

"(B) the curriculum to be used or developed by the Academy;

"(C) the steps to be taken to recruit school leaders for the Academy's program, including outreach efforts to identify and attract—

"(i) minority group members;

"(ii) individuals with disabilities;

"(iii) individuals from areas with large numbers or concentrations of disadvantaged students; and

"(iv) other individuals with potential to become school leaders;

"(D) efforts to be taken to disseminate information about the Academy;

"(E) selection criteria to be used in identifying school leaders to participate in the Academy;

"(F) steps to be taken to assure that the programs offered by the Academy shall be of suffi-

cient length and comprehensiveness to significantly improve participants' knowledge;

"(G) steps to be taken to assure the involvement of private sector managers and executives from businesses in the conduct of the Academy's programs; and

"(H) efforts to be undertaken to evaluate the impact of the Academy on participants.

"(c) USE OF ALLOTTED FUNDS.—

"(1) GRANTS.—Each State educational agency receiving an allotment under this part shall use the funds reserved pursuant to section 501(b)(2)(B)(ii)(I) to award a competitive grant to an eligible entity to enable such eligible entity to operate an Academy in accordance with the provisions of this subpart.

"(2) COSTS.—Each eligible entity receiving a grant under this section shall use such funds to meet the costs of carrying out the activities described in subsection (d), which may include reasonable startup and initial operating costs, and stipends, travel, and living expenses for participants in the Academy if no other funds are available to pay such costs.

"(3) LIMITATIONS.—

"(A) PARTICIPANTS.—At least 70 percent of the participants in an Academy shall be from the school building level.

"(B) SPECIAL RULE.—In awarding grants under this section, the State educational agency may provide for the location at the same site of Academies assisted under this section and Academies assisted under section 505.

"(d) AUTHORIZED ACTIVITIES.—Each eligible entity receiving a grant to operate an Academy under this section may use such grant funds for—

"(1) developing and enhancing of participants' knowledge in instructional leadership, school-based management, shared decisionmaking, school improvement strategies and school-level accountability mechanisms;

"(2) identifying candidates, including members of minority groups, individuals with disabilities, and individuals from schools with high numbers or concentrations of educationally disadvantaged students and individuals who are bilingual, to be trained as new school leaders;

"(3) conducting programs which provide for the involvement of private sector managers and executives from businesses;

"(4) identifying models and methods of leadership training and development that are promising or have proven to be successful;

"(5) providing intensive training and development programs for current school leaders seeking enhanced and up-to-date knowledge needed to perform their jobs effectively;

"(6) identifying local educational agencies and schools with principal and other school leader vacancies and working with such agencies and schools to match Academy participants with such vacancies;

"(7) facilitating internships for graduates of the program for new school leaders, under the guidance and supervision of experienced administrators;

"(8) providing periodic follow-up development activities for school leaders trained through the Academy's programs;

"(9) disseminating information about the Academy, including the training curricula developed;

"(10) coordinating activities with those of any State Academies for Teachers established in the State; and

"(11) any other activity proposed by the applicant in the application submitted pursuant to subsection (b) and approved by the State educational agency.

"(e) COST-SHARING.—Funds received under this section may be used to pay not more than 75 percent of the cost of operating an Academy in the first year an eligible entity receives a grant under this subpart, 65 percent of such cost in such second year, 55 percent of such cost in such third year, 45 percent of such cost in such fourth year, and 35 percent of such cost in such fifth year. The remaining share shall be provided from non-Federal sources, and be in cash or in kind, fairly valued.

"SEC. 507. INSTITUTIONS OF HIGHER EDUCATION USES OF FUNDS.

"(a) APPLICATIONS.—Institutions of higher education desiring to receive a grant under section 501(b)(2)(B)(ii)(II) shall submit to the State educational agency an application which—

"(1) describes the types of activities that the institution plans to undertake with funds provided;

"(2) describes the process used by the institution to determine the State's needs for improving teacher education and training for preschool and early childhood education specialists, including consulting with current students, teachers, representatives from local educational agencies, parents, and representatives from preschool and early childhood specialists;

"(3) if such institution is applying for a grant to assist local educational agencies in providing inservice training for teachers, describes the training and services that such institution plans to provide for teachers within the local educational agency and demonstrates that such training and services are consistent with the needs of the local educational agencies to be served;

"(4) if such institution is applying for a grant to establish a professional development academy, contains the information required pursuant to section 508;

"(5) describes how the institution plans to integrate academic and vocational teacher education programs; and

"(6) contains any other information that may be required by the State educational agency.

"(b) AWARDS.—The State educational agency shall award grants on a competitive basis to institutions of higher education that have departments, schools, or colleges of education. In awarding grants, the State educational agency shall award funds for the following purposes:

"(1) For the establishment of professional development academies pursuant to section 508.

"(2) For the establishment and maintenance of programs that provide teacher training to individuals who are moving to a career in education from another occupation.

"(3) For institutions of higher education in consultation and cooperation with a local educational agency or a consortium of local educational agencies, to develop and provide technical assistance to local education agencies in providing inservice training for teachers.

"(4) For improving teacher education programs in order to further innovation in teacher education programs within an institution of higher education and to better meet the needs of the local educational agencies for well-prepared teachers.

"(5) For improving training for preschool and early childhood education specialists, including preschool and early intervention services for infants and toddlers with disabilities, in order to further innovation in such programs with institutions of higher education and to better meet the needs of preschool and early childhood education programs for well-prepared personnel.

"(6) To integrate the instruction of academic and vocational teacher education programs.

"(7) For activities to encourage individuals, especially individuals from minority groups, to pursue a career in education.

"(8) For expanding cooperative educational programs between State educational agencies and offices, schools, and school systems, institutions of higher education, appropriate educational entities, and private sector establishments involved in education between the United States and the Republic of Mexico for the purpose of providing bilateral teaching initiatives and programs that provide teacher training experiences between the educational communities of the United States and those of the Republic of Mexico and to enhance mutually beneficial educational activities involving researchers, scholars, faculty members, teachers, educational administrators, and other specialists to lecture, teach, conduct research, and develop cooperative programs.

"(9) When the study of teacher education programs is completed in accordance with section 504(c), to implement the program and policy changes for teacher education programs resulting from the findings of such study.

"SEC. 508. PROFESSIONAL DEVELOPMENT ACADEMIES.

"(a) AUTHORITY; DEFINITIONS.—

"(1) AUTHORITY.—From amounts reserved pursuant to section 501(b)(2)(B)(ii)(II), the State educational agency is authorized to make grants to, and enter into contracts and cooperative agreements with, eligible entities to plan, establish, and operate professional development academies.

"(2) DEFINITIONS.—For purposes of this section—

"(A) the term 'Academy' means school-based teacher training operated as a partnership between one or more elementary or secondary schools and one or more institutions of higher education that provides prospective and novice teachers an opportunity to work under the guidance of master teachers and college faculty members. Such Academy shall be established for the purpose of—

"(i) the training of prospective and novice teachers (including preschool and early childhood education specialists, where appropriate) under the guidance of master teachers and teacher educators;

"(ii) the continuing development of experienced teachers;

"(iii) research and development to improve teaching and learning and the organization of schools;

"(iv) public demonstration of exemplary learning programs for diverse students; and

"(v) dissemination of knowledge produced in the research and development process;
except that such term—

"(I) does not mean a physical facility; and

"(II) does not require a separate location from another Academy or other training program; and

"(B) the term 'eligible entity' means a partnership that includes one or more local educational agencies and one or more institutions of higher education and may include teachers and the business community.

"(b) AWARDS AND RENEWALS.—An award made under this section may be in the form of a one-year planning grant. Such award may be renewed for implementation purposes without further competition annually for 4 additional years, upon submission of an evaluation of the project to the State educational agency and assurances that the recipient—

"(1) has achieved the goals set out in its application for the original term;

"(2) shows promise of continuing its progress;

"(3) will meet its share of the project costs; and

"(4) has developed a plan for continuing the Academy after Federal funding is no longer available.

"(c) APPLICATION REQUIRED.—

"(1) IN GENERAL.—Each eligible entity desiring to operate an Academy under this section shall submit an application to the State educational agency at such time, in such manner, and accompanied by such information as the

State educational agency may reasonably require.

"(2) Contents.—Each application submitted pursuant to subsection (a) shall describe—

"(A) what schools within the local educational agency and what institutions of higher education shall participate in the partnership or otherwise participate in the program;

"(B) the goals of the Academy and the steps that shall be taken to evaluate the extent to which the Academy reaches such goals;

"(C) a plan for monitoring progress and evaluating the effectiveness of the Academy in meeting the goals it has developed for teacher and student performance;

"(D) a description of the partnership's plan for systemic change in education, and a description of the activities and services for which assistance is sought;

"(E) ways in which the professional development programs shall cover course content in key academic subjects, methods of instruction, and classroom and school-based management skills;

"(F) plans to involve prospective and novice teachers in the programs offered by the Academy, including outreach efforts to identify and attract—

"(i) minority group members;

"(ii) individuals with disabilities; and

"(iii) individuals from areas with large numbers or concentrations of disadvantaged students; and

"(G) estimates of the number of prospective and beginning teachers to be trained in the Academy in each year of the project and assurances that a significant number of prospective and beginning teachers will be trained in the Academy in each year of the project.

"(3) Assurances.—Each application submitted pursuant to this subsection shall contain assurances that—

"(A) professional development programs at the Academy shall be designed and conducted by faculty members from institutions of higher education and teachers from local schools of demonstrated excellence;

"(B) in establishing the Academy, the applicant has consulted with teachers, administrators, and parents who will be affected at the teaching school site;

"(C) participating faculty from institutions of higher education shall include faculty members who are experts in the key academic subjects; and

"(D) the activities, services and programs offered by the Academy shall be of sufficient length and comprehensiveness to significantly improve participants' knowledge.

"(4) Priorities.—In making awards under this part, the State educational agency shall give priority to applicants that—

"(A) select Academy sites based on need, as evidenced by such measures as a high rate of teacher attrition or a high proportion of the student body at risk of educational failure;

"(B) propose projects that demonstrate the strong commitment to or previous active support for educational innovation;

"(C) propose projects that demonstrate collaboration with other educational organizations, social or human service agencies, other community organizations, and the business community in the teaching school's operation;

"(D) demonstrate potential for a significant impact on the quality of the future education work force; and

"(E) demonstrate the long-term feasibility of the partnership.

"(5) Special rules.—Each such application shall describe—

"(A) how the local educational agency will address the need to change or waive a local rule or regulation that is found by an Academy to impede the school's progress in achieving its goals; and

"(B) how partners that are institutions of higher education will involve the School of Education, the School of Arts and Sciences, and the School of Technology or Engineering and any other department of the institution.

"(d) Use of Allotted Funds.—

"(1) Permitted uses.—Each eligible entity receiving a grant under this section shall use such funds to meet the operating costs of carrying out the activities described in subsection (e), which may include reasonable startup and initial operating costs, staff development, purchase of books, materials, and equipment, including new technology, costs associated with release time, payment of personnel directly related to the operation of the Academy, and participation in the activities of a network of Academies.

"(2) Limitations.—The Secretary may limit the amounts of funds that may be used for minor remodeling and the purchase of equipment under this part.

"(e) Authorized Activities.—Each eligible entity receiving a grant to operate an Academy under this section may use such grant funds for—

"(1) training and internship activities for prospective or novice teachers in a school setting under the guidance of master or mentor teachers and faculty from institutions of higher education, especially faculty who are experts in key academic subjects;

"(2) mentoring and induction activities for prospective and novice teachers, including such teachers seeking to enter teaching through alternative routes;

"(3) participation of experienced teachers in the internship training and assessment of prospective and beginning teachers;

"(4) teaching skills and strategies to increase the ability of prospective, novice and experienced teachers to teach disadvantaged students, students with disabilities (including students with severe and multiple disabilities and students with lesser known or newly emerging disabilities), students who are limited-English proficient, and students from diverse cultural backgrounds;

"(5) programs to enhance teaching and classroom management skills, including school-based management skills, of novice, prospective and experienced teachers;

"(6) experimentation and research to improve teaching and learning conducted in the Academy by teachers and university faculty;

"(7) activities to integrate academic and vocational education;

"(8) training and other activities to promote the continued learning of experienced teachers, especially in their subject matter knowledge and how to teach it;

"(9) participation of expert practicing teachers and administrators in the university-based education studies of prospective teachers;

"(10) activities designed to disseminate information about the teaching strategies acquired through the Academy with other teachers in the district's schools;

"(11) organizational restructuring, including the introduction of new roles and staffing patterns in the school and university;

"(12) activities intended to address the effects of chronic community violence, such as violence counseling and conflict resolution training; and

"(13) other activities proposed by the applicant and approved by the Secretary.

"(f) Cost-Sharing.—Funds received under this section may be used to pay 100 percent of the cost of a planning grant and not more than 75 percent of the cost of operating an Academy in the first 2 years an eligible entity receives a grant under this subpart and not more than 50 percent of such cost in such third and fourth years. The remaining share shall be provided from non-Federal sources, and may be in-kind, fairly valued.

"SEC. 509. FEDERAL FUNDS TO SUPPLEMENT, NOT SUPPLANT REGULAR NON-FEDERAL FUNDS.

"A State educational agency, local educational agency, or institution of higher education may use funds received under this part only so as to supplement and, to the extent practicable, increase the level of funds that would be available from non-Federal sources for the uses of funds under this part and in no case may such funds be so used as to supplant such funds from such non-Federal sources.

"SEC. 510. COORDINATION WITH OTHER PROGRAMS.

The State educational agency shall ensure that activities conducted under this part shall be consistent with the goals and objectives of any Federal or State systemic educational reform activities.

"SEC. 510A. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this part $350,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"PART B—NATIONAL TEACHER ACADEMIES

"SEC. 511. PROGRAM ESTABLISHED.

"(a) In General.—The Secretary is authorized, in accordance with the provisions of this part, to make grants to eligible recipients to establish and operate National Teacher Academies.

"(b) Subject Areas and Staff.—

"(1) Subject areas.—At least 1 but not more than 3 National Teacher Academies shall be established in each of the following subject areas commonly taught in elementary and secondary schools:

"(A) English.

"(B) Mathematics.

"(C) Science.

"(D) History.

"(E) Geography.

"(F) Civics and government.

"(G) Foreign languages.

"(2) Staff.—Academy staff shall be selected from the most accomplished and prominent scholars in the relevant fields of study and in the methodologies which improve the skills of persons who teach in such fields of study.

"(c) Duration of Grant.—Each grant to establish and operate a National Teacher Academy shall be for a period of 3 years, and is renewable.

"(d) Competitive Grant Awards.—The Secretary shall award grants under this part on a competitive basis.

"(e) Consistency with Systemic Reforms.—In awarding grants under this part, the Secretary shall ensure that activities conducted under this part are consistent with the goals and objectives of other Federal or State systemic educational reform activities.

"SEC. 512. ELIGIBLE RECIPIENTS.

"(a) In General.—For the purposes of this part, the term 'eligible recipient' means—

"(1) an institution of higher education;

"(2) a private nonprofit educational organization of demonstrated effectiveness; or

"(3) a combination of the institutions or organizations set forth in paragraphs (1) and (2) of this paragraph.

"(b) Expertise Requirements.—The Secretary shall only award grants to eligible recipients that have demonstrated expertise in the—

"(1) subject area of the National Teacher Academy to be established and operated; and

"(2) in-service training of teachers at the national, State, and local levels.

"SEC. 513. USE OF FUNDS.

"(a) In General.—Funds provided pursuant to this part shall be used to—

"(1) provide in-service training programs for teachers and administrators, including—

"(A) programs which emphasize improving the teachers' knowledge in the particular subject area of the National Teacher Academy;

"(B) programs which integrate knowledge of subject matter with techniques for communicating that knowledge to students, including students who are disadvantaged, limited-English proficient, drug- or alcohol-exposed, or who have disabilities;

"(C) the use of the most recent applied research findings concerning education and the classroom; and

"(D) integration of materials from different disciplines into classroom instruction, especially for elementary school teachers;

"(2) conduct each year at least one summer institute of at least 3 weeks duration for the State delegations described in section 515; and

"(3) provide support services to the State Academies for Teachers, including—

"(A) the establishment of a national network of individuals to assist in teacher education programs in State Academies for Teachers;

"(B) consultation assistance in the design and implementation of in-service teacher training programs; and

"(C) monthly newsletters or other methods of communicating useful information.

"(b) ADMINISTRATIVE COSTS.—Not more than 10 percent of the amount of funds received under this part may be used by an eligible recipient for administrative costs.

"SEC. 514. APPLICATION.

"(a) APPLICATION.—Each eligible recipient desiring a grant under this part shall submit an application to the Secretary at such time and in such manner as the Secretary may reasonably require.

"(b) CONTENTS.—Each application submitted pursuant to subsection (a) shall—

"(1) describe the activities, services, and programs for which assistance is sought;

"(2) describe how at least 70 percent of the National Teacher Academy's time shall be devoted to basic course content relevant to the particular subject field and necessary for improving the quality of teaching in public and private elementary and secondary schools;

"(3) describe how not more than 30 percent of the National Teacher Academy's time shall be devoted to methods of instruction relevant to the particular subject field;

"(4) describe how the National Teacher Academy's activities will be coordinated with or administered cooperatively with institutes established by other Federal entities, such as the National Science Foundation and the National Endowment for the Humanities; and

"(5) provide such additional assurances or information as the Secretary may reasonably require.

"SEC. 515. STATE DELEGATIONS.

"(a) IN GENERAL.—Each selection panel established pursuant to section 516(b) shall select a State delegation to participate in each National Teacher Academy assisted under this part.

"(b) COMPOSITION.—

"(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), each State delegation described in subsection (a) shall, at a minimum, be composed of—

"(A) 1 school administrator with authority to design and conduct in-service teacher training and academic programs; and

"(B) at least 5 teachers, of whom at least 2 shall be elementary school teachers.

"(2) SPECIAL RULE.—The State delegations for the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa and the Republic of Palau (until the Compact of Free Association is ratified) shall, at a minimum, be composed of—

"(A) 1 school administrator with authority to design and conduct in-service teacher training and academic programs; and

"(B) at least 3 teachers, of whom at least 1 shall be an elementary school teacher.

"(3) ADDITIONAL TEACHERS.—

"(A) Each State that has obtained the approval of the appropriate National Teacher Academy may send to such National Teacher Academy the number of additional teachers determined in accordance with subparagraph (B).

"(B) The appropriate National Teacher Academy shall determine the number of additional teachers to attend such National Teacher Academy on the basis of the number of full-time equivalent teachers in the State compared to such number in all States.

"(c) DUTIES.—Each State delegation shall—

"(1) attend the appropriate subject area summer institute at the appropriate National Teacher Academy; and

"(2) after participation in the National Teacher Academy assist in the development and operation of the appropriate National Teacher Academy.

"SEC. 516. SELECTION.

"(a) IN GENERAL.—Individuals participating in a National Teacher Academy shall be selected by the selection panel described in subsection (b) in accordance with the provisions of section 515.

"(b) SELECTION PANEL.—

"(1) ESTABLISHMENT.—Each State educational agency receiving assistance under part A of this title shall establish a 10-member selection panel to select teachers to attend the National Teacher Academies established pursuant to this part.

"(2) COMPOSITION AND REPRESENTATION.—

"(A) COMPOSITION.—At least 50 percent of the membership of each selection panel shall be classroom teachers, selected in consultation with teacher organizations, if any, in the State.

"(B) REPRESENTATION.—The composition of each selection panel shall be broadly representative of the elementary and secondary schools and the State.

"(3) FUNCTION.—Each selection panel shall—

"(A) annually select the State delegations in accordance with section 515; and

"(B) involve the individuals selected pursuant to subparagraph (A) in the operation of the State academies, if any, or other in-service training activities in the local educational agency in which such individuals teach.

"SEC. 517. NATIONAL TEACHER ACADEMY EVALUATION.

"The Secretary shall evaluate the system of National Teacher Academies and the effects of such academies on teachers every 2 years. The Secretary shall make available to the Congress and the public the results of such evaluation.

"SEC. 518. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated $35,000,000 for fiscal year 1993 and such sums as may be necessary for the 4 succeeding fiscal years to carry out the provisions of this part, of which not more than $5,000,000 shall be available for each of the National Teacher Academy subject areas listed in section 511(b)(1).

"(b) SPECIAL RULES.—

"(1) APPROPRIATIONS LESS THAN $14,000,000.—If the amount appropriated pursuant to the authority of subsection (a) is less than $14,000,000, then not more than $2,000,000 shall be available for each National Teacher Academy subject area in the order in which such subject areas are listed in section 511(b)(1), until such funds are expended.

"(2) APPROPRIATIONS EQUAL TO OR IN EXCESS OF $14,000,000.—If the amount appropriated pursuant to the authority of subsection (a) is equal to or exceeds $14,000,000, then such funds as equals or exceeds $14,000,000 shall be allocated equitably among each of the National Teacher Academy subject areas listed in section 511(b)(1).

"PART C—TEACHER SCHOLARSHIPS AND FELLOWSHIPS

"Subpart 1—Paul Douglas Teacher Scholarships

"SEC. 521. PURPOSE; DESIGNATION.

"(a) PURPOSE.—It is the purpose of this subpart to make available, through grants to the States, scholarships to individuals who are outstanding secondary school graduates and who demonstrate an interest in teaching, in order to enable and encourage those individuals to pursue teaching careers in education at the preschool, elementary or secondary level.

"(b) DESIGNATION.—Scholarships awarded under this subpart shall be referred to as the 'Paul Douglas Teacher Scholarships'.

"SEC. 522. ALLOCATION AMONG STATES.

"(a) ALLOCATION.—From the sums appropriated for this subpart for any fiscal year, the Secretary shall allocate to any State an amount based on the school-age population in the State compared to the school-age population in all States.

"(b) USE OF CENSUS DATA.—For the purpose of this section, the number of persons in a State and in all States shall be determined by the most recently available data from the Bureau of the Census.

"SEC. 523. GRANT APPLICATIONS.

"(a) SUBMISSION OF APPLICATIONS.—The Secretary is authorized to make grants to States in accordance with the provisions of this subpart. In order to receive a grant under this subpart, a State shall submit an application at such time or times, in such manner, and containing such information as the Secretary may prescribe by regulation. Such application shall set forth a program of activities for carrying out the purposes set forth in section 521 in such detail as will enable the Secretary to determine the degree to which such program will accomplish such purposes and such other policies, procedures, and assurances as the Secretary may require by regulation.

"(b) CONTENT OF APPLICATIONS.—The Secretary shall approve an application under this subpart only if the application—

"(1) describes the selection criteria and procedures to be used by the State in the selection of scholarship recipients under this subpart;

"(2) designates as the State agency responsible for administering the grants received under this subpart the State agency which administers the program under subpart 4 of part A of title IV (relating to State student incentive grants), the State agency with which the Secretary has an agreement under section 428(b), or another appropriate State agency approved by the Secretary;

"(3) describes the outreach effort the State agency intends to use to publicize the availability of Paul Douglas Scholarships to secondary school students in the State;

"(4) describes how the State will inform recipients, upon receipt of the award, of current and projected teacher shortages and surpluses within the State;

"(5) provides assurances that each recipient eligible under section 525(b) of this subpart who receives a Paul Douglas Scholarship shall enter into an agreement with the State agency under which the recipient shall—

"(A) within the 10-year period after completing the postsecondary education for which the Paul Douglas Teacher Corps Scholarship was awarded, teach for a period of not less than 2 years for each year for which assistance was received, in a public or private nonprofit preschool, elementary, or secondary school in any State, or, on a full-time basis, children with disabilities or children with limited English proficiency in a private nonprofit school, except that, in the case of individuals who teach in a *shortage area established by the Secretary pursuant to section 530A, the requirements of this subparagraph shall be reduced by one-half;*

"(B) provide the State agency evidence of compliance with section 526 as required by the State agency; and

"(C) repay all or part of a Paul Douglas Scholarship received under section 524 plus interest and, if applicable, reasonable collection fees, in compliance with regulations issued by the Secretary under section 527, in the event that the conditions of subparagraph (A) are not complied with, except as provided for in section 528;

"(6) provides that the agreement entered into with recipients shall fully disclose the terms and conditions under which assistance under this subpart is provided and under which repayment may be required, including—

"(A) a description of the procedures required to be established under paragraph (7); and

"(B) a description of the appeals procedures required to be established under paragraph (8) under which a recipient may appeal a determination of noncompliance with any provision under this subpart;

"(7) provides for procedures under which a recipient of assistance received under this subpart who teaches for less than the period required under paragraph (5)(A) will have the repayment requirements reduced or eliminated consistent with the provisions of sections 527 and 528;

"(8) provides for appeals procedures under which a recipient may appeal any determination of noncompliance with any provision under this subpart; and

"(9) provides assurances that the State agency shall make particular efforts to attract students from low-income backgrounds; ethnic and racial minority students; individuals with disabilities; other individuals from groups historically underrepresented in teaching; individuals who express a willingness or desire to teach in rural schools, urban schools, or schools having less than average academic results or serving large numbers of economically disadvantaged students; or women or minorities who show interest in pursuing teaching careers in mathematics and science and who are underrepresented in such fields.

"(c) SELECTION CRITERIA AND PROCEDURES.—The State educational agency, in cooperation with the State higher education agency, and pursuant to scholarship selection criteria included in section 525, shall establish criteria to select Paul Douglas Teacher Scholarship recipients. These criteria shall be intended to attract highly qualified individuals into teaching, to ensure that these students are enrolled or are accepted for enrollment in approved teacher education programs, and to meet the present and projected needs of States in addressing teacher shortages, including the demand for and supply of early childhood and elementary teachers in the State, the demand for and supply of secondary teachers in the State, and the demand for teachers with training in specific academic disciplines in the State.

"(d) SPECIAL CONSIDERATION.—The State educational agency, in cooperation with the State higher education agency, shall give special consideration in the selection of scholarship recipients to individuals who—

"(1) intend to teach or provide related services to students with disabilities;

"(2) intend to teach limited English proficient students;

"(3) intend to teach preschool age children;

"(4) intend to teach in schools servicing inner city or rural or geographically isolated areas (as defined by the Secretary by regulations consistent with the purposes of this section);

"(5) intend to teach in curricular areas or geographic areas where there are demonstrated shortages of qualified teachers; or

"(6) are from disadvantaged backgrounds, including racial and ethnic minorities and individuals with disabilities, and are underrepresented in the teaching profession or in the curricular areas in which they are preparing to teach.

"(e) SOLICITATION OF VIEWS ON SELECTION CRITERIA AND PROCEDURES.—In developing the selection criteria and procedures to be used by the State, the State shall solicit the views of local educational agencies, private educational institutions, and other interested parties. Such views—

"(1) shall be solicited by means of—

"(A) written comments; and

"(B) publication of proposed selection criteria and procedures in final form for implementation; and

"(2) may be solicited by means of—

"(A) public hearings on the teaching needs of elementary and secondary schools in the State (including the number of new teachers needed, the expected supply of new teachers, and the shortages in the State of teachers with specific preparation); or

"(B) such other methods as the State may determine to be appropriate to gather information on such needs.

"SEC. 524. AMOUNT AND DURATION OF AND RELATION TO OTHER ASSISTANCE.

"(a) LIMITATIONS ON AMOUNT AND DURATION.—Subject to subsection (c) each Paul Douglas Teacher Scholarship recipient shall receive a $5,000 scholarship for each academic year of postsecondary education for study in preparation to become a preschool, special education, elementary, or secondary teacher. No individual shall receive scholarship assistance for more than 4 years of postsecondary education, as determined by the State agency.

"(b) CONSIDERATION OF AWARD IN OTHER PROGRAMS.—Notwithstanding the provisions of title IV of this Act, scholarship funds awarded pursuant to this part shall be considered in determining eligibility for student assistance under title IV of this Act.

"(c) ASSISTANCE NOT TO EXCEED COST OF ATTENDANCE.—No individual shall receive an award under the Paul Douglas Teacher Scholarship established under this subpart, in any academic year, which exceeds the cost of attendance, as defined in section 472 of this Act, at the institution the individual is attending. A scholarship awarded under this part shall not be reduced on the basis of the student's receipt of other forms of Federal student financial assistance, but shall be taken into account in determining the eligibility of the student for those other forms of Federal student financial assistance.

"SEC. 525. SELECTION OF PAUL DOUGLAS TEACHER SCHOLARS.

"(a) SELECTION BY STATEWIDE PANELS.—Paul Douglas Teacher Scholars shall be selected by a 7-member statewide panel appointed by the chief State elected official, acting in consultation with the State educational agency, or by an existing grant agency or panel designated by the chief State elected official and approved by the Secretary. The statewide panel shall be representative of school administrators, teachers, including preschool and special education teachers, and parents.

"(b) ELIGIBILITY FOR SELECTION; SELECTION CRITERIA AND PROCEDURES.—Selections of Paul Douglas Scholars shall be made from students who have graduated or who are graduating from secondary school and who rank in the top 10 percent of their graduating class. The State educational agency shall make applications available to public and private nonprofit secondary schools in the State and in other locations convenient to applicants, parents, and others. The statewide panel shall develop criteria and procedures for the selection of Paul Douglas Scholars. Such criteria may include the applicant's secondary school grade point average, involvement in extracurricular activities, financial need, and expression of interest in teaching as expressed in an essay written by the applicant. The panel may also require the applicant to furnish letters of recommendation from teachers and others.

"(c) WAIVER.—The Secretary may waive the requirements of section 523(d) for not more than 25 percent of all individuals receiving a scholarship under this subpart.

"SEC. 526. SCHOLARSHIP CONDITIONS.

"Recipients of scholarship assistance under this subpart shall continue to receive such scholarship payments only during such periods that the State agency finds that the recipient is—

"(1) enrolled as a full-time student in an accredited postsecondary institution;

"(2) pursuing a course of study leading to teacher certification; and

"(3) maintaining satisfactory progress as determined by the postsecondary institution the recipient is attending.

"SEC. 527. SCHOLARSHIP REPAYMENT PROVISIONS.

"Recipients found by the State agency to be in noncompliance with the agreement entered into under section 523(b)(5) of this subpart shall be required to repay a pro rata amount of the scholarship awards received, plus interest (but in no event at an interest rate higher than the rate applicable to loans in the applicable period under part B of title IV of this Act) and, where applicable, reasonable collection fees, on a schedule and at a rate of interest to be prescribed by the Secretary by regulations issued pursuant to this subpart.

"SEC. 528. EXCEPTIONS TO REPAYMENT PROVISIONS.

"(a) DEFERRAL DURING CERTAIN PERIODS.—A recipient shall not be considered in violation of the agreement entered into pursuant to section 523(b)(5)(C) during any period in which the recipient—

"(1) is pursuing a full-time course of study related to the field of teaching at an eligible institution;

"(2) is serving, not in excess of 3 years, as a member of the armed services of the United States;

"(3) is temporarily totally disabled for a period of time not to exceed 3 years as established by sworn affidavit of a qualified physician;

"(4) is unable to secure employment for a period not to exceed 12 months by reason of the care required by a spouse who is disabled;

"(5) is seeking and unable to find full-time employment for a single period not to exceed 12 months;

"(6) is seeking and unable to find full-time employment as a teacher in a public or private nonprofit preschool, elementary or secondary school, or education program for a single period not to exceed 27 months; or

"(7) satisfies the provisions of additional repayment exceptions that may be prescribed by the Secretary in regulations issued pursuant to this subpart.

"(b) FORGIVENESS IF PERMANENTLY TOTALLY DISABLED.—A recipient shall be excused from repayment of any scholarship assistance received under this subpart if the recipient becomes permanently totally disabled as established by sworn affidavit of a qualified physician.

"SEC. 529. FEDERAL ADMINISTRATION OF STATE PROGRAMS; JUDICIAL REVIEW.

"(a) DISAPPROVAL HEARING REQUIRED.—The Secretary shall not finally disapprove any application for a State program submitted under section 523, or any modification thereof, without first affording the State agency submitting the

program reasonable notice and opportunity for a hearing.

''(b) SUSPENSION OF ELIGIBILITY.—Whenever the Secretary, after reasonable notice and opportunity for a hearing to the State agency administering a State program approved under this subpart, finds—

''(1) that the State program has been so changed that it no longer complies with the provisions of this subpart, or

''(2) that in the administration of the program there is a failure to comply substantially with any such provisions,

the Secretary shall notify such State agency that the State will not be regarded as eligible to participate in the program under this subpart until the Secretary is satisfied that there is no longer any such failure to comply.

''(c) COURT REVIEW.—

''(1) IN GENERAL.—If any State is dissatisfied with the Secretary's final action under subsection (b) (1) or (2), such State may appeal to the United States court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The Secretary shall forthwith certify and file in the court the transcript of the proceedings and the record on which the action was based.

''(2) FINDINGS.—The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify any previous action, and shall certify to the court the transcript and record of further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

''(3) JURISDICTION.—The court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"SEC. 530. EVALUATION.

''(a) IN GENERAL.—The Secretary shall conduct, by grant or contract, an independent evaluation of recipients of scholarship assistance under this subpart, which shall summarize and evaluate the State activities assisted under this subpart and the performance of such recipients. The evaluation shall assess the impact of the scholarship program assisted under this subpart to determine whether such program has brought into teaching a significant number of highly able individuals who otherwise would not have entered teaching.

''(b) CONTENTS.—The evaluation described in subsection (a) shall include—

''(1) a description of the characteristics, including the educational preparation and achievement, of recipients of scholarship assistance under this subpart compared to similar students participating in teacher training who do not receive such scholarships;

''(2) the rate at which such recipients successfully complete academic training and go on to teaching careers in preschool, elementary, or secondary education, compared to such rate for similar individuals who do not receive scholarship assistance under this subpart;

''(3) the extent to which it is possible to determine objectively that the receipt of scholarship assistance under this subpart was the primary reason for an individual's choice of a teaching education and career;

''(4) the extent to which such recipients comply with the provisions of this subpart;

''(5) the length of time such recipients remain in teaching careers, compared to similar teachers who do not receive scholarships;

''(6) the barriers to the effectiveness of the program assisted under this subpart; and

''(7) the cost-effectiveness of such program in improving teacher quality and quantity.

''(c) EVALUATION REPORTS.—The Secretary shall submit such interim evaluation reports to the President and the Congress as may be appropriate, and shall submit a final report on or before January 1, 1997.

''(d) FUNDING.—The Secretary shall reserve a total of not more than $1,000,000 from the amounts appropriated pursuant to the authority of section 530B in fiscal years 1993 through 1997 to carry out this section.

"SEC. 530A. DESIGNATION OF SHORTAGE AREAS.

''For the purposes of this part, the term 'shortage areas' means (1) geographic areas of the State in which there is a shortage of elementary and secondary school teachers, and (2) an area of shortage of elementary and secondary school teachers in specific grade levels and in specific academic, instructional, subject matter, and discipline classifications. Such shortage areas shall be prescribed by the Secretary, in consultation with the chief State school officer or, in the case of nonprofit private elementary or secondary schools, with appropriate officials of nonprofit private schools in each State in accordance with this section. In carrying out the provisions of this section, the Secretary shall give special consideration to areas in which emergency certification of individuals in a State is being used to correct teacher shortages and to States which have retirement laws permitting early retirement.

"SEC. 530B. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated $26,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this subpart.

"Subpart 2—Christa McAuliffe Fellowship Program

"SEC. 531. DECLARATION OF PURPOSE; DESIGNATION.

''(a) PURPOSE.—It is the purpose of this subpart to establish a national fellowship program for experienced and outstanding teachers.

''(b) DESIGNATION.—A recipient of a fellowship under this subpart shall be known as a 'Christa McAuliffe fellow'.

"SEC. 532. PROGRAM AUTHORIZED.

''(a) IN GENERAL.—The Secretary is authorized to make grants, in accordance with the provisions of this subpart, to State educational agencies to enable such State educational agencies to—

''(1) conduct Christa McAuliffe fellowship activities; and

''(2) award fellowships to Christa McAuliffe fellows in accordance with the provisions of this subpart.

''(b) AMOUNT OF GRANTS.—The amount awarded to each State educational agency pursuant to paragraph (1) of subsection (a) shall be an amount awarded on the basis of the school-age population in the State compared to the school-age population in all States, except that the Secretary may adjust the awards to ensure that such awards are of sufficient size to carry out the purposes of this subpart.

''(c) STATE ACTIVITIES.—Each State educational agency receiving a grant pursuant to subsection (a) shall use not more than 3 percent of such grant for administrative purposes.

''(d) USE OF FUNDS FOR FELLOWSHIPS AND ADMINISTRATION.—Funds appropriated for any fiscal year for fellowships to teachers under this subpart shall be used to award fellowships in accordance with the requirements of this subpart, except that not more than 1 percent of such funds shall be used by the Secretary for purposes of administering this subpart, including activities authorized under section 537(b).

"SEC. 533. CHRISTA MCAULIFFE FELLOWSHIPS.

''(a) AWARD DISTRIBUTION AND AMOUNT.—

''(1) AWARD DISTRIBUTION.—Each State educational agency receiving a grant under this subpart shall use such funds to award Christa McAuliffe fellowships to public and private school teachers who have been employed as teachers for 8 or more years to enable such teachers to engage in the activities described in subsection (b).

''(2) AMOUNT.—Fellowships shall be in an amount equal to the annual salary the individual would earn in such individual's current place of employment for the award period.

''(3) RATABLE REDUCTION.—If an individual receives a fellowship award for less than a school year, such fellowship shall be ratably reduced to equal the salary forgone.

''(4) DURATION.—No Christa McAuliffe fellow may receive an award for 2 consecutive years.

''(5) REQUIREMENT.—Subject to the repayment provisions of section 536, each Christa McAuliffe fellow shall be required to return to a teaching position, in their place of employment prior to receiving the fellowship award, for at least 2 years following such award. The Secretary is authorized, in extraordinary circumstances, to waive or defer all or a portion of the service requirement, or allow fellows to fulfill their service requirement by going into a teaching position in another school or school district within the State or in another State upon approval of the sending and receiving State.

''(b) USE OF FELLOWSHIPS.—Each Christa McAuliffe fellowship may be used for—

''(1) sabbaticals for study, research or academic improvement to—

''(A)(i) improve such teacher's knowledge base in an area of expertise; or

''(ii) learn a new area of expertise;

''(B) increase skills and professional ability; and

''(C) enhance the ability of teachers to work with special education populations, including—

''(i) gifted and talented children;

''(ii) limited-English proficient children;

''(iii) children with disabilities; and

''(iv) economically and educationally disadvantaged children;

''(2)(A) consultation with or assistance to other school districts or private school systems; or

''(B) development of special innovative programs;

''(3) projects or partnerships that involve the business community and the schools;

''(4) programs that incorporate the use and the sharing of technologies to help students learn; or

''(5) expanding or replicating model programs of staff development.

"SEC. 534. SELECTION OF CHRISTA MCAULIFFE FELLOWS.

''(a) IN GENERAL.—Christa McAuliffe fellows in each State shall be selected (in accordance with section 535) by a 7-member statewide panel appointed by the chief State school officer, or by an existing panel designated by the chief State school officer. The statewide panel shall be representative of school administrators, teachers, parents, and institutions of higher education.

''(b) SPECIAL RULE.—Each State educational agency may choose to administer the program assisted under this subpart through a pre-existing panel which is experienced in administering similar programs.

"SEC. 535. EVALUATION OF APPLICATIONS.

''(a) SUBMISSION TO AND REVIEW BY STATEWIDE PANEL.—An applicant for a Christa McAuliffe fellowship shall submit a proposal for a project in accordance with section 533(b), and shall indicate the extent to which the applicant wishes to continue current teaching duties. The applicant shall submit such a proposal to the

local educational agency for comment prior to submission to the statewide panel (appointed under section 534) for the State in which the project will be conducted. Each such application shall contain such information as such State educational agency may reasonably require.

"(b) Consultation and Consideration.—

"(1) In general.—In evaluating proposals, the statewide panel shall consult with the local educational agency, and shall consider—

"(A) evaluations during employment as a teacher;

"(B) demonstrated commitment to teaching in the future; and

"(C) intended activities during the award period;

"(2) Recommendations.—The statewide panel may request recommendations from teaching peers and the applicant's principal and superintendent on the quality of the proposal, the benefit of such proposal to education, and any other criteria for awarding fellowships as are considered appropriate by such statewide panel.

"(3) Selection.—Selection of members of the statewide panel shall be made in accordance with regulations prescribed by the Secretary.

"(c) Public Announcement.—Announcement of fellowship awards shall be made in a public ceremony.

"SEC. 536. FELLOWSHIP REPAYMENT PROVISIONS.

"Repayment of the award shall be made to the Federal Government in the case of fraud or gross noncompliance.

"SEC. 537. SECRETARY'S RESPONSIBILITIES.

"(a) General.—The Secretary shall—

"(1) make awards to State educational agencies having applications approved under section 538; and

"(2) in cooperation with the State educational agency, conduct activities which foster communication among and bring together Christa McAuliffe fellows including activities such as written communications, meetings, or training sessions.

"(b) Information Dissemination.—The Secretary shall establish a clearinghouse or otherwise provide for the collection and dissemination of information on exemplary projects for improving education that were developed in accordance with section 533(b) of this part. The Secretary may utilize the National Diffusion Network in carrying out the requirements of this section.

"SEC. 538. STATE APPLICATION.

"(a) Application Required.—Each State educational agency desiring a grant under this subpart shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

"(b) Contents.—Each application submitted pursuant to subsection (a) shall—

"(1) provide assurances that Christa McAuliffe fellows will be released from teaching responsibilities for up to one school year (if the fellow's proposal requires such release time) without jeopardizing the rights such members would have had without participating in the program assisted under this subpart;

"(2) provide assurances that the State educational agency, or its designee, in cooperation with local educational agencies, shall maintain accurate records regarding the activities of Christa McAuliffe fellows within the State to ensure that such members are meeting all conditions of the fellowships provided pursuant to this subpart, and shall notify the Secretary immediately upon a change in a Christa McAuliffe fellow's status rendering such fellow in violation of the conditions of the fellowship; and

"(3) provide assurances that the State educational agency has consulted with local educational agencies in designing and developing the Christa McAuliffe Fellowship program.

"SEC. 539. EVALUATION.

"(a) In General.—

"(1) In general.—The Secretary shall conduct, by grant or contract, an independent evaluation of—

"(A) Christa McAuliffe fellows; and

"(B) the impact of the activities undertaken by the Christa McAuliffe fellows on teachers, teacher research, curricula, staff development, improvement of programs and improvement of student achievement.

"(2) Competitive basis.—The grant or contract described in paragraph (1) shall be awarded on a competitive basis.

"(b) Contents.—The evaluation shall—

"(1) include information on the nature of projects developed and implemented by Christa McAuliffe fellows;

"(2) assess the measurable effects of such projects on the academic performance of the students served by such projects;

"(3) assess the effect of the fellowship program assisted under this subpart on the postfellowship experiences of Christa McAuliffe fellows;

"(4) identify the barriers to such program's effectiveness;

"(5) assess the extent to which successful projects were disseminated and adopted by other teachers and schools without further Federal assistance; and

"(6) determine and explore ways to improve the cost-effectiveness of such program.

"(c) Evaluation Reports.—The Secretary shall submit such interim evaluation reports to the President and the Congress as may be appropriate, and shall submit a final report on or before January 1, 1997.

"(d) Funding.—The Secretary shall reserve a total of not more than $1,000,000 from the amounts appropriated pursuant to the authority of section 540 in fiscal years 1993 through 1997 to carry out this section.

"SEC. 540. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $20,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this subpart.

"Subpart 3—Teacher Corps

"SEC. 541. TEACHER CORPS PROGRAM AUTHORIZED.

"(a) Grants by the Secretary.—In any fiscal year in which the appropriations for this subpart do not equal or exceed $50,000,000, the Secretary is authorized, in accordance with the provisions of this subpart, to make grants, on a competitive basis, to State educational agencies to carry out Teacher Corps activities.

"(b) State Grant Program.—In any fiscal year in which the appropriations for this subpart equal or exceed $50,000,000, the Secretary is authorized, in accordance with the provisions of this subpart, to make grants to State educational agencies from allocations under subsection (c) to carry out Teacher Corps activities.

"(c) Allocation.—Except as provided in subsection (a), each State educational agency shall be eligible to receive a grant under this subpart in each fiscal year that bears the same ratio to the amount appropriated under section 548 in that fiscal year as the school-age population of the State bears to the school-age population of all States.

"(d) Teacher Corps School.—For the purpose of this subpart the term 'Teacher Corps school' means a public elementary or secondary school identified by the State educational agency as having the highest levels of poverty and the lowest levels of student achievement based on a ranking of such elementary schools and secondary schools in the State according to the number of children living in poverty and the levels of student achievement. In carrying out the preceding sentence, the State educational agency shall identify and inform not more than 10 percent of such elementary schools and not more than 10 percent of such secondary schools in the State which have the highest levels of poverty and the lowest levels of student achievement.

"(e) Designation.—

"(1) Scholarship.—A scholarship awarded under this subpart shall be referred to as a 'Teacher Corps scholarship'.

"(2) Recipient.—A recipient of a scholarship under this subpart shall be referred to as a 'Teacher Corps member'.

"SEC. 542. USE OF FUNDS.

"(a) Secretary.—The Secretary shall use funds provided pursuant to this subpart to—

"(1) disseminate information nationally about the availability of scholarships under this subpart;

"(2) conduct activities, with the cooperation of the State and local educational agencies, which foster communication among, and bring together, members of the Teacher Corps, including activities such as written communications, meetings, or training sessions;

"(3) establish and conduct summer preservice orientation programs for Teacher Corps members about to begin teaching;

"(4) ensure that Teacher Corps members recognize the challenges of teaching in a Teacher Corps school;

"(5) inform Teacher Corps members of Teacher Corps schools and facilitate the hiring and placement of Teacher Corps members at Teacher Corps schools;

"(6) evaluate applications from and award grants to State educational agencies to enable such agencies to award Teacher Corps scholarships in accordance with the provisions of this subpart; and

"(7) collect scholarship repayments from individual Teacher Corps members, in accordance with the provisions of section 546.

"(b) State Educational Agency.—Each State educational agency receiving a grant under this subpart shall use such grant funds to—

"(1) evaluate applications for Teacher Corps membership and award scholarships to Teacher Corps members;

"(2) provide technical assistance to local educational agencies establishing and operating induction programs;

"(3) ensure that Teacher Corps members understand the obligation to repay the scholarships received under this subpart upon failure to comply with the conditions of the scholarship; and

"(4) ensure that Teacher Corps members are fulfilling the obligation to repay scholarships received under this subpart, and provide the Secretary with the names and addresses of Teacher Corps members who have not fulfilled such obligation.

"(c) Special Rule.—The Secretary may enter into contracts with or make grants to nonprofit educational organizations for—

"(1) recruiting members of the Teacher Corps;

"(2) establishing and conducting summer preservice training programs; and

"(3) conducting activities that foster communications among and bring together members of the Teacher Corps.

"(d) Reservations.—Each State receiving a grant under this subpart may reserve—

"(1) 5 percent of such grant funds to provide technical assistance to local educational agencies and to pay administrative costs; and

"(2) 5 percent of such grant funds to provide for induction and mentoring programs.

"(e) Special Rule.—Each State educational agency receiving a grant under this subpart may enter into contracts with or award grants to nonprofit educational agencies to conduct the activities described in subsection (b).

"SEC. 543. TEACHER CORPS.

"(a) SELECTION.—The State educational agency shall select Teacher Corps members.

"(b) CRITERIA.—

"(1) IN GENERAL.—The State educational agency shall establish criteria to select Teacher Corps members that are intended to—

"(A) attract highly qualified individuals to teaching; and

"(B) meet the needs of Teacher Corps schools in addressing teacher shortages.

"(2) CRITERIA.—The criteria described in paragraph (1) may include—

"(A) in the case of students or recent graduates, outstanding academic records, or in other cases, contributions which may be made by individuals working in other careers; and

"(B) a demonstrated commitment to teaching or professional experience in substantive fields of expertise in which the State is experiencing or expects to experience teacher shortages.

"(c) SPECIAL CONSIDERATION.—The State educational agency, in selecting Teacher Corps members, shall give special consideration to individuals who—

"(1) intend to teach or provide related services to students with disabilities;

"(2) intend to teach limited-English proficient students;

"(3) intend to teach preschool age children;

"(4) are from disadvantaged backgrounds, including racial and ethnic minorities and individuals with disabilities;

"(5) are members of populations that are underrepresented in the teaching profession or in the curricular areas in which such individuals are preparing to teach;

"(6) intend to teach in the areas of science or mathematics, especially women and minorities who are underrepresented in such fields; or

"(7) intend to teach on Indian reservations or in Alaska Native villages named or certified pursuant to section 3(c) of the Alaska Native Claims Settlement Act, Public Law 92-203, or in areas with high concentrations of Native Hawaiians.

"(d) APPLICATION.—Each individual desiring to participate in the program assisted under this subpart shall submit an application at such time, in such manner, and containing such information as the State educational agency may reasonably require.

"SEC. 544. STATE APPLICATION.

"In order to receive funds under this subpart, a State educational agency, in consultation with the Governor, shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require. Each such application shall—

"(1) describe how the State educational agency shall select Teacher Corps members;

"(2) identify Teacher Corps schools within the State, where Teacher Corps members shall be assigned, provided that not more than 10 percent of all public schools in the State may be designated Teacher Corps schools;

"(3) provide assurances that the State educational agency, in cooperation with local educational agencies, shall assist in employment placement within such State for Teacher Corps members in Teacher Corps schools;

"(4) provide assurances that the State educational agency, in cooperation with local educational agencies, shall ensure that Teacher Corps members are paid at rates comparable to other entry level teachers in the school district where the Teacher Corps member is assigned;

"(5) provide assurances that the local educational agencies in which the Teacher Corps members shall be placed shall establish or expand induction programs that assist Teacher Corps members in adjusting to the new school and community where such members shall teach, including working with a mentor teacher in the school building where the Teacher Corps members are placed; and

"(6) describe how the State educational agency shall monitor and report to the Secretary not less than annually on the operation of programs assisted under this subpart and on the compliance of individuals who receive Teacher Corps scholarships with the provisions of this subpart.

"SEC. 545. SCHOLARSHIPS.

"(a) ELIGIBILITY.—

"(1) IN GENERAL.—An individual is eligible to receive Teacher Corps scholarships for a maximum of 3 years during enrollment in any of the following programs of study, or a combination thereof:

"(A) a program of study leading to a baccalaureate degree;

"(B) a 1- or 2-year postbaccalaureate program of study leading to a master's or specialist degree or a teaching certificate; or

"(C) a 2-year program of study leading to an associate's degree in early childhood education or early childhood development, or a 1-year program of study leading to a child development associate credential.

"(2) SPECIAL RULES.—(A) An individual pursuing a program of study described in subparagraph (B) of paragraph (1) is eligible to receive a Teacher Corps scholarship during any of the first 3 years that such individual is employed as a teacher to defray the costs of pursuing such postbaccalaureate instruction.

"(B) An individual in possession of a bachelor's degree, who wishes to enter teaching from another profession, is eligible to receive a Teacher Corps scholarship to enable such individual to receive the instruction necessary to enter the teaching profession, as determined by the State in which the individual wishes to teach. Such instruction may be provided while the individual is employed as a provisional teacher.

"(b) LIMITATIONS ON AMOUNT AND DURATION.—Subject to subsection (d), each Teacher Corps member shall receive a $5,000 scholarship for each academic year of postsecondary education, except that no individual shall receive scholarship assistance for more than 3 years of postsecondary education (including postbaccalaureate), as determined by the Secretary.

"(c) CONSIDERATION OF AWARD IN OTHER PROGRAMS.—Each Teacher Corps scholarship awarded pursuant to this subpart shall be considered as student financial assistance in determining eligibility for student assistance under title IV.

"(d) ASSISTANCE NOT TO EXCEED NEED.—Each Teacher Corps scholarship, when added to assistance received under title IV, if any, shall not exceed the cost of attendance, as defined in section 472, at the institution the individual is attending. If the amount of the Teacher Corps scholarship and assistance received under title IV exceeds the cost of attendance, loans received under parts B, D, or E of such title shall be reduced by an amount equal to the amount by which the combined awards exceed the cost of attendance.

"(e) CONTINUED ELIGIBILITY.—Each individual who receives a Teacher Corps scholarship shall continue to receive such scholarship payments only during such periods that the State educational agency finds that such individual is—

"(1) enrolled as a full-time student in an accredited postsecondary institution; and

"(2) maintaining satisfactory progress defined under section 484.

"SEC. 546. SCHOLARSHIP CONDITIONS.

"(a) SCHOLARSHIP AGREEMENT.—Each individual receiving a scholarship under this subpart shall enter into a written agreement with the State educational agency which shall provide assurances that each such individual—

"(1) shall pursue a course of study which meets State requirements for teacher preparation;

"(2) has completed at least 2 years of undergraduate education at an institution of higher education;

"(3) shall maintain satisfactory academic progress and participate in teaching-related activities while in undergraduate or post-baccalaureate programs;

"(4) shall work as a teacher upon completion of such individual's education for 3 years in a Teacher Corps school, as identified by the State educational agency pursuant to section 541(d), except that Teacher Corps members may transfer to another such school within the State or in another State upon approval of the State educational agency;

"(5) in carrying out the obligation described in paragraph (4), shall meet the performance requirements of—

"(A) the school in which such individual teaches; and

"(B) the local educational agency exercising administrative control or direction of, or performing a service function for such school;

"(6) shall repay all or part of a Teacher Corps scholarship received under section 545(b) plus interest and, if applicable, reasonable collection fees, in compliance with regulations issued by the Secretary under subsection (b), in the event that the conditions of this subsection are not complied with, except as provided for in subsection (c);

"(7) at least during the first year of employment, shall participate in an induction program which includes working with a mentor teacher selected by the local educational agency in which the Teacher Corps member is employed and who, to the extent practicable, is teaching in the same subject as the Teacher Corps member; and

"(8) who is not enrolled in a program of study as set forth in section 545(a)(1)(C) shall obtain State teacher certification during the period of employment or as soon as possible as State law requires.

"(b) SCHOLARSHIP REPAYMENT.—

"(1) IN GENERAL.—Individuals found by the State educational agency to be in noncompliance with the agreement entered into under subsection (a) shall be required to repay to the Secretary a pro rata amount of the scholarship awards received, plus interest at the highest rate applicable to loans under part B of title IV and, where applicable, reasonable collection fees, in accordance with the provisions of paragraph (3).

"(2) EXCEPTIONS TO REPAYMENT.—An individual shall not be considered to be in violation of the agreement entered into pursuant to subsection (a) during any period in which such individual meets the exceptions to repayment provisions set forth in section 528(a)(2), 528(a)(3) or 528(b), or if the individual dies.

"(3) REPAYMENT PERCENTAGES.—Each individual found by the Secretary to be in noncompliance with the agreement entered into under subsection (a) shall be required to repay—

"(A) 100 percent of the total amount of scholarships awarded under this subpart if such individual does not teach pursuant to the agreement described in subsection (a) or teaches pursuant to such agreement for less than 1 year;

"(B) 67 percent of such amount if such individual teaches pursuant to such agreement for at least 1 year but less than 2 years; and

"(C) 34 percent of such amount if such individual teaches pursuant to such agreement for at least 2 years but less than 3 years.

"(4) INTEREST.—If a portion of scholarship is repaid under this subsection in any year, the entire amount of interest on such portion of such scholarship which accrues for such year shall be repaid.

"(5) USE OF REPAYMENTS.—Any repayments of scholarships made to the Secretary pursuant to the provisions of this section shall be used by the Secretary to make additional grants in accordance with the provisions of this subpart.

"(c) WAIVER.—The Secretary may provide for the partial or total waiver or suspension of any service obligation or repayment by an individual who received a Teacher Corps scholarship whenever compliance by such individual is impossible or would involve extreme hardship to such individual.

"SEC. 547. PUBLICATION AND RECRUITMENT.

"(a) IN GENERAL.—The Secretary shall—

"(1) publicize the availability of, and procedure to apply for, Teacher Corps scholarships, particularly among students participating in teaching-related activities through summer teaching institutes, future teacher clubs, and other teaching-related activities, at institutions of higher education nationwide, particularly in institutions of higher education with large minority enrollments, historically black colleges and universities, secondary schools nationwide (especially such schools with minority enrollment in excess of the statewide average minority enrollment), and with—

"(A) individuals participating in programs assisted under subpart 4 of part A of title IV;

"(B) individuals leaving the armed services, the Peace Corps, VISTA, and programs funded under the National and Community Service Act of 1990;

"(C) community-based organizations working in minority education; and

"(D) other agencies and entities likely to attract individuals interested in entering teaching from another career;

"(2) recruit minority students to participate in the program assisted under this subpart; and

"(3) recruit students with outstanding academic records to participate in such program.

"(b) SPECIAL RULE.—The publications required under subsection (a) shall describe substantive fields of expertise and geographic areas experiencing teacher shortages within the Nation.

"SEC. 548. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $25,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out the provisions of this subpart.

"PART D—INNOVATION AND RESEARCH

"Subpart 1—National Board for Professional Teaching Standards

"SEC. 551. NATIONAL BOARD FOR PROFESSIONAL TEACHING STANDARDS.

"(a) DEFINITIONS.—For the purpose of this subpart—

"(1) The term 'Board' means the National Board for Professional Teaching Standards.

"(2) The term 'Committee' means the Fund for Improvement and Reform of Schools and Teaching Board established in section 3231 of the Fund for the Improvement and Reform of Schools and Teaching Act.

"(3) The term 'Director' means the Director of the National Science Foundation.

"(b) PROGRAM AUTHORIZATION.—

"(1) PROGRAM AUTHORIZED.—From sums appropriated pursuant to the authority of subsection (k) in any fiscal year, the Secretary shall, in accordance with this subpart, provide financial assistance to the National Board for Professional Teaching Standards, in order to pay the Federal share of the costs of the activities described in subsection (d).

"(2) TERMS AND CONDITIONS.—(A) No financial assistance may be made available under this subpart except upon an application as required by subsection (e).

"(B) No financial assistance may be made available under this subpart unless the Secretary determines that—

"(i) the Board will comply with the provisions of this subpart;

"(ii) the Board will use the Federal funds only for research and development activities in accordance with subsection (d) and such teacher assessment and certification procedures will be free from racial, cultural, gender or regional bias;

"(iii) the Board—

"(I) will widely disseminate for review and comment announcements of specific research projects to be conducted with Federal funds, including a description of the goals and focus of the specific project involved and the specific merit review procedures and evaluation criteria to be used in the competitive award process; and

"(II) will send such announcements to the Secretary, the Director, the National Research Council, and the educational research community;

"(iv) the Secretary, pursuant to an arrangement with the Board, will publish the announcements described in clause (iii) in the Federal Register (or such other publication deemed appropriate by the Secretary) and in publications of general circulation designed to disseminate such announcements widely to the educational research community;

"(v) the Board will, after offering any interested party an opportunity to make comment upon, and take exception to, the projects contained in the announcements described in clause (iii) for a 30-day period following publication, and after reconsidering any project upon which comment is made or to which exception is taken, issue through the Secretary a request for proposals in the Federal Register (or such other publication deemed appropriate by the Secretary) containing any revised project information;

"(vi) the Board will make awards of Federal funds competitively on the basis of merit, and, in the award process, the Board will select, to the extent practicable consistent with standards of excellence—

"(I) a broad range of institutions associated with educational research and development; and

"(II) individuals who are broadly representative of the educational research and teaching communities with expertise in the specific area of research and development in question;

"(vii) the Board will adopt audit practices customarily applied to nonprofit private organizations and will comply with subsection (g)(4);

"(viii) the Board will not use Federal funds to meet the administrative and operating expenses of the Board;

"(ix) the Board will submit an annual report to the Congress in accordance with the provisions of subsection (g)(1); and

"(x) the Board will, upon request, disseminate to States, local educational agencies, or other public educational entities the results of any research or research project produced with funds authorized by this subpart, upon the payment of the cost of reproducing the appropriate material.

"(3) AVAILABILITY OF FUNDS.—(A) Notwithstanding any other provision of law, funds appropriated to carry out this subpart shall remain available for obligation and expenditure until the end of the second fiscal year succeeding the fiscal year for which the funds were appropriated.

"(B) No funds shall be made available to the Board after September 30, 1997, except as authorized by subparagraph (A) of this subsection.

"(c) CONSULTATION.—The Board shall consult at least twice annually with the Committee on the design and execution of its overall research and development strategy, including procedures to assure compliance with the requirements of this subpart. The procedures shall include—

"(1) an outline of specific research and development agenda and activities to be conducted with the Federal funds; and

"(2) provisions to ensure compliance with the open competition and merit review requirements of this subpart for proposals and projects assisted under this subpart.

"(d) AUTHORIZED ACTIVITIES.—

"(1) IN GENERAL.—Federal funds received under this subpart may only be used for research and development activities directly related to the development of teacher assessment and certification procedures for elementary and secondary school teachers.

"(2) PRIORITIES.—(A) The Board shall give priority to research and development activities in—

"(i) mathematics;

"(ii) the sciences;

"(iii) foreign languages; and

"(iv) literacy, including the ability to read, write and analyze.

"(B) The Board shall give priority to research and development activities for the certification of elementary and secondary school teachers and the need and ability of such teachers to teach special educational populations, including—

"(i) limited English proficient children;

"(ii) gifted and talented children;

"(iii) children with disabilities; and

"(iv) economically and educationally disadvantaged children.

"(e) APPLICATION.—

"(1) IN GENERAL.—The Board shall submit applications to the Secretary at such time and in such manner as the Secretary may reasonably require. Each such application shall—

"(A) describe the activities for which assistance is sought; and

"(B) provide assurances that the non-Federal share of the cost of activities of the Board is paid from non-Federal sources, together with a description of the manner in which the Board will comply with the requirements of this subparagraph.

"(2) APPROVAL.—The Secretary shall approve an application unless such application fails to comply with the provisions of this subpart.

"(f) FEDERAL SHARE.—

"(1) IN GENERAL.—The Secretary shall pay to the Board the Federal share of the costs of the activities of the Board for the period for which the application is approved under subsection (e).

"(2) AMOUNT OF FEDERAL SHARE.—The Federal share shall be 50 percent of the costs of the activities described in subsection (d).

"(g) REPORTS AND AUDITING PROVISION.—

"(1) NATIONAL BOARD FOR PROFESSIONAL TEACHING STANDARDS REPORT.—The Board shall submit an annual report to the appropriate committees of the Congress not later than June 30 of any fiscal year in which Federal funds are expended pursuant to this subpart. The Board shall disseminate the report for review and comment to the Department of Education, the National Science Foundation, the National Research Council, and the education research community. The report shall—

"(A) include a detailed financial statement and a report of the audit practices described in subsection (b)(2)(B)(vii);

"(B) include a description of the general procedures to assure compliance with the requirements of this subpart as required in subsection (d); and

"(C) provide a comprehensive and detailed description of the Board's agenda, activities, and planned activities for the preceding and succeeding fiscal years, including—

"(i) the Board's overall research and development program and activities;

"(ii) the specific research and development projects and activities conducted with Federal

funds during the preceding fiscal year, including—

"(I) a description of the goals and methodology of the project;

"(II) a description and assessment of the findings (or status and preliminary findings if the project is not yet completed);

"(III) a description of the competitive bidding process, the merit review procedures, and the evaluation criteria used to award project funds; and

"(IV) a description of the Board's plans for dissemination of the findings described in clause (ii);

"(iii) the specific research and development projects and activities planned to be conducted with Federal funds during the succeeding fiscal year, including the goals and methodologies to be used; and

"(iv) a listing of available publications of the Board, including publications related to policies, standards and general information, research reports, and commissioned papers of the Board.

"(2) FIRST ANNUAL REPORT.—The first annual report required by this subsection shall include a description of the Board's research and development agenda for the succeeding 5-year period. Such first report shall include to the maximum extent practicable, a description of specific research and development projects and activities, and the goals and methodologies of such projects and activities.

"(3) ADDITIONAL REPORTS.—The Secretary, the Director, and the National Research Council shall report to the appropriate committees of the Congress on the compliance of the Board with the requirements of this part not later than 30 days after the Board submits its annual report pursuant to paragraph (1).

"(4) AUDITING PROVISION.—The Comptroller General of the United States, and any of the Comptroller's authorized representatives, shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of the Board, and to any recipient of the Board, that is pertinent to the sums received and disbursed under this subpart.

"(h) EVALUATION.—

"(1) IN GENERAL.—After September 30, 1995, the Secretary shall reserve not more than 2 percent of the amount appropriated pursuant to the authority of subsection (k) to provide for an independent, ongoing evaluation of the research program of teacher assessments carried out by the Board and the fairness and the accuracy of the data such evaluations produce. The evaluation shall include an analysis of the impact of teacher assessments on minority teachers. The findings of the evaluation shall be submitted to the Labor and Human Resources Committee of the Senate and the Education and Labor Committee of the House of Representatives.

"(2) SPECIAL RULE.—The Secretary shall enter into a contract for the performance of the evaluation described in paragraph (1) with a nationally recognized organization (such as the National Academy of Sciences or the National Academy of Education).

"(i) CONSTRUCTION.—Nothing in this subpart shall be construed to—

"(1) establish a preferred national curriculum or preferred teaching methodology for elementary and secondary school instruction;

"(2) infringe upon the rights and responsibilities of the States to license elementary and secondary school teachers;

"(3) infringe upon the practice or accreditation of home school or private school teaching;

"(4) provide an individual certified by the Board with a right of action against a State, local educational agency, or other public educational entity for any decisions related to hiring, promotion, retention or dismissal;

"(5) authorize the Board to—

"(A) study, create, or promulgate separate standards applicable to home school or private school teachers;

"(B) take any action to require home school, private school, or public school teachers to participate in any program offered by the Board; or

"(C) take any action that infringes in any manner on the right of parents to direct the education of their children; or

"(6) authorize the Secretary to exercise supervision or control over the research program, standards, assessment practices, administration, or staffing policies of the Board.

"(j) VOLUNTARY PARTICIPATION.—Notwithstanding any other provision of this subpart, voluntary participation in certification assessments by the Board shall be open to home school, private school, and public school teachers.

"(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $20,000,000 for the period beginning October 1, 1992, and ending September 30, 1997, to carry out the provisions of this subpart.

"Subpart 2—Alternative Routes to Teacher Certification and Licensure

"SEC. 552. SHORT TITLE.

"This subpart may be cited as the 'Alternative Routes to Teacher Certification and Licensure Act of 1992'.

"SEC. 553. FINDINGS.

"The Congress finds that—

"(1) effective elementary and secondary schools require competent teachers and strong leadership;

"(2) school systems would benefit greatly by increasing the pool of qualified individuals from which to recruit teachers;

"(3) many talented professionals who have demonstrated a high level of subject area competence outside the education profession may wish to pursue careers in education, but have not fulfilled the requirements to be certified or licensed as teachers;

"(4) alternative routes can enable qualified individuals to fulfill State certification or licensure requirements and would allow school systems to utilize the expertise of such professionals and improve the pool of qualified individuals available to local educational agencies as teachers; and

"(5) alternative routes to certification or licensure requirements that do not exclude qualified individuals from teaching solely because such individuals do not meet traditional certification or licensure requirements would allow school systems to take advantage of these professionals and improve the supply of well-qualified teachers.

"SEC. 554. PURPOSE.

"It is the purpose of this subpart to improve the supply of well-qualified elementary and secondary school teachers by encouraging and assisting States to develop and implement programs for alternative routes to teacher certification or licensure requirements. Such programs shall place special emphasis on the participation of individuals who are members of minority groups.

"SEC. 555. ALLOTMENTS.

"(a) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—From the amount appropriated to carry out this subpart, the Secretary shall allot to each State the lesser of either the amount the State applies for under section 556 or an amount that is proportional to the State's share of the total population of children ages five through seventeen in all the States (based on the most recent data available that is satisfactory to the Secretary).

"(2) REALLOCATION.—If a State does not apply for its allotment, or the full amount of its allotment, under the preceding paragraph, the Secretary may reallocate the excess funds to one or more other States that demonstrate, to the satisfaction of the Secretary, a current need for the funds.

"(b) SPECIAL RULE.—Notwithstanding section 412(b) of the General Education Provisions Act, funds awarded under this subpart shall remain available for obligation by a recipient for a period of two calendar years from the date of the grant.

"SEC. 556. STATE APPLICATIONS.

"(a) IN GENERAL.—Any State desiring to receive a grant under this subpart shall, through the State educational agency, submit an application at such time, in such manner, and containing such information, as the Secretary may reasonably require.

"(b) REQUIREMENTS.—Each application shall—

"(1) describe the programs, projects, and activities to be undertaken; and

"(2) contain such assurances as the Secretary considers necessary, including assurances that—

"(A) assistance provided to the State educational agency under this subpart will be used to supplement, and not to supplant, any State or local funds available for the development and implementation of programs to provide alternative routes to fulfilling teacher certification or licensure requirements;

"(B) the State educational agency has, in developing and designing the application, consulted with—

"(i) representatives of local educational agencies, including superintendents and school board members (including representatives of their professional organizations where applicable);

"(ii) elementary and secondary school teachers, including representatives of their professional organizations;

"(iii) institutions of higher education with schools or departments of education;

"(iv) parents; and

"(v) other interested organizations and individuals; and

"(C) the State educational agency will submit to the Secretary, at such time as the Secretary may specify, a final report describing the activities carried out with assistance provided under this subpart and the results achieved.

"(c) GEPA PROVISIONS INAPPLICABLE.—Sections 435 and 436 of the General Education Provisions Act, except to the extent that such sections relate to fiscal control and fund accounting procedures, shall not apply to this subpart.

"SEC. 557. USE OF FUNDS.

"(a) USE OF FUNDS.—

"(1) IN GENERAL.—A State educational agency shall use assistance provided under this subpart to support programs, projects, or activities that develop and implement new, or expand and improve existing, programs that enable individuals to move to a career in education from another occupation through an alternative route to teacher certification or licensure.

"(2) TYPES OF ASSISTANCE.—A State educational agency may carry out such programs, projects, or activities directly, through contracts, or through grants to local educational agencies, intermediate educational agencies, institutions of higher education, or consortia of such agencies.

"(b) USES.—Funds received under this subpart may be used for—

"(1) the design, development, implementation, and evaluation of programs that enable qualified professionals who have demonstrated a high level of subject area competence outside the education profession and are interested in entering the education profession to fulfill State certification or licensure requirements;

"(2) the establishment of administrative structures necessary for the development and implementation of programs to provide alternative routes to fulfilling State requirements for certification or licensure;

"(3) training of staff, including the development of appropriate support programs, such as mentor programs, for teachers entering the school system through alternative routes to teacher certification or licensure;

"(4) the development of recruitment strategies;

"(5) the development of reciprocity agreements between or among States for the certification or licensure of teachers; and

"(6) other appropriate programs, projects, and activities designed to meet the objectives of this subpart.

"SEC. 558. DEFINITION.

"For purposes of this subpart, the term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99-658).

"SEC. 559. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this subpart $15,000,000 for fiscal year 1993.

"Subpart 3—Class Size Demonstration Grant

"SEC. 561. PURPOSE.

"It is the purpose of this subpart to provide grants to local educational agencies to enable such agencies to determine the benefits in various school settings of reducing class size on the educational performance of students and on classroom management and organization.

"SEC. 562. PROGRAM AUTHORIZED.

"(a) PROGRAM AUTHORIZED.—

"(1) IN GENERAL.—The Secretary shall carry out a program of awarding grants, in accordance with the provisions of this subpart, to local educational agencies to pay the Federal share of the costs of conducting demonstration projects that demonstrate methods of reducing class size which may provide information meaningful to other State and local educational agencies.

"(2) FEDERAL SHARE.—The Federal share shall be 50 percent.

"(b) RESERVATION.—The Secretary may reserve not more than 5 percent of the amount appropriated pursuant to the authority of section 565A in each fiscal year to carry out the evaluation activities described in section 565.

"(c) SELECTION CRITERIA.—The Secretary shall make grants to local educational agencies on the basis of—

"(1) the need and the ability of a local educational agency to reduce the class size of an elementary or secondary school served by such agency;

"(2) the ability of a local educational agency to furnish the non-Federal share of the costs of the demonstration project for which assistance is sought;

"(3) the ability of a local educational agency to continue the project for which assistance is sought after the termination of Federal financial assistance under this subpart; and

"(4) the degree to which a local educational agency demonstrates in the application submitted pursuant to section 564 consultation in program implementation and design with parents, teachers, school administrators, and local teacher organizations, where applicable.

"(d) PRIORITY.—In awarding grants under this subpart, the Secretary shall give priority to demonstration projects that involve at-risk students, including educationally or economically disadvantaged students, students with disabilities, limited-English proficient students, and young students.

"(e) GRANTS MUST SUPPLEMENT OTHER FUNDS.—A local educational agency shall use the Federal funds received under this subpart to supplement and not supplant other Federal, State and local funds available to the local educational agency.

"SEC. 563. PROGRAM REQUIREMENTS.

"(a) ANNUAL COMPETITION.—In each fiscal year, the Secretary shall announce the factors to be examined in a demonstration project assisted under this subpart. Such factors may include—

"(1) the magnitude of the reduction in class size to be achieved;

"(2) the level of education and the subject areas in which the demonstration projects shall occur;

"(3) the form of the instructional strategy to be demonstrated; and

"(4) the duration of the project.

"(b) RANDOM TECHNIQUES AND APPROPRIATE COMPARISON GROUPS.—Demonstration projects assisted under this subpart shall be designed to utilize randomized techniques or appropriate comparison groups, where feasible.

"SEC. 564. APPLICATION.

"(a) IN GENERAL.—In order to receive a grant under this subpart a local educational agency shall submit an application to the Secretary that is responsive to the announcement described in section 563(a), at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

"(b) DURATION.—The Secretary shall encourage local educational agencies to submit applications under this subpart for a period of 3 years.

"(c) CONTENTS.—Each application submitted pursuant to subsection (a) shall include—

"(1) a description of the objectives to be attained with the financial assistance made available under this subpart and the manner in which such financial assistance shall be used to reduce class size;

"(2) a description of the steps to be taken to achieve target class sizes, including, where applicable, the acquisition of additional teaching personnel and classroom space;

"(3) a statement of the methods for the collection of data necessary for the evaluation of the impact of class size reduction programs on student achievement;

"(4) an assurance that the local educational agency shall pay from non-Federal sources the non-Federal share of the costs of the demonstration project for which assistance is sought; and

"(5) such additional assurances as the Secretary may reasonably require.

"(d) SUFFICIENT SIZE AND SCOPE REQUIRED.—The Secretary shall only award grants under this subpart to applicants having applications which describe projects of sufficient size and scope to contribute to carrying out the purposes of this subpart.

"SEC. 565. EVALUATION AND DISSEMINATION.

"(a) NATIONAL EVALUATION.—The Secretary shall conduct a national evaluation of the demonstration projects assisted under this subpart to determine the costs incurred in achieving the reduction in class size and the effects of the reductions on outcomes, such as student performance in the affected subjects or grades, attendance, discipline, classroom organization, management, and teacher satisfaction and retention.

"(b) COOPERATION.—Each local educational agency receiving a grant under this subpart shall cooperate in the national evaluation described in subsection (a) and shall provide such information to the Secretary as the Secretary may reasonably require.

"(c) REPORTS.—The Secretary shall report to the Congress on the results of the evaluation conducted pursuant to subsection (a).

"(d) DISSEMINATION.—The Secretary shall widely disseminate information about the results of the class size demonstration projects assisted under this subpart.

"SEC. 565A. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $3,000,000 for fiscal year 1993, and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this subpart.

"Subpart 4—Middle School Teaching Demonstration Programs

"SEC. 566. STATEMENT OF PURPOSE.

"It is the purpose of this subpart to provide financial assistance to institutions of higher education which offer teacher training or retraining programs to develop model programs with a specialized focus on teaching grades 6 through 9.

"SEC. 567. DEFINITIONS.

"As used in this subpart:

"(1) The term 'developmentally appropriate' means a program that is appropriate for a child's age and all areas of an individual child's development, including educational, physical, emotional, social, cognitive, and communication.

"(2) The term 'middle school' means a school which enrolls students in at least two of the grades 6, 7, 8, and 9.

"SEC. 568. PROGRAM AUTHORIZED.

"(a) IN GENERAL.—The Secretary is authorized to make grants, on a competitive basis, to institutions of higher education to develop model programs with a specialized focus on teaching grades 6 through 9.

"(b) SPECIAL RULE.—

"(1) EQUITABLE DISTRIBUTION.—The Secretary shall ensure an equitable geographic distribution of grants awarded under this subpart.

"(2) CONSIDERATION.—The Secretary shall take into consideration equitable levels of funding for urban and rural areas in awarding grants under this subpart.

"(c) GRANT PERIOD.—Grants under this subpart may be awarded for a period not to exceed 3 years.

"(d) FUNDING LIMITATION.—Grants awarded under this subpart may not exceed $250,000 in the first year of funding.

"SEC. 569. APPLICATION.

"(a) IN GENERAL.—Each institution of higher education desiring a grant under this subpart shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(b) CONTENTS.—Each application submitted pursuant to subsection (a) shall demonstrate that—

"(1) the applicant will establish and maintain a program of teacher training or retraining designed to offer specialized preparation for individuals teaching grades 6 through 9;

"(2) the applicant has designed a program of teacher training or retraining which includes—

"(A) a study of adolescent development (including cognitive, social, and emotional) with particular emphasis on early adolescent development;

"(B) a study of the influence of institutions such as schools, families, and peer groups in the socialization of adolescents;

"(C) information concerning the organization of schools for students in grades 6 through 9, with particular emphasis on developmentally appropriate school and classroom organization and practices;

"(D) training in at least 2 subject areas and related instructional strategies;

"(E) direct experience through internships in middle grade schools under the guidance of teachers who demonstrate exemplary classroom practices;

"(F) strategies for the prevention and detection of high risk behavior, particularly drug and alcohol abuse, and for the enhancement of self esteem among adolescents;

"(G) a study of effective methods and models of presenting substance abuse information and education to adolescent students; and

"(H) methods of encouraging parental and community involvement with middle schools; and

"(3) the program will be designed and operated with the active participation of classroom teachers and will include an in-service training component.

"SEC. 570. REPORTS AND INFORMATION DISSEMINATION.

"Each institution of higher education receiving a grant under this subpart shall submit to the Secretary such reports and other information regarding programs conducted under this subpart as the Secretary deems necessary. The Secretary shall disseminate such information to other institutions of higher education, State educational agencies, and local educational agencies.

"SEC. 570A. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $5,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out the provisions of this subpart.

"PART E—MINORITY TEACHER RECRUITMENT

"Subpart 1—New Teaching Careers

"SEC. 571. STATEMENT OF PURPOSE.

"It is the purpose of this subpart to establish and operate new career programs to attract minority candidates, who are in school support or paraprofessional positions in shortage area schools serving disadvantaged students, to careers as certified or licensed teachers.

"SEC. 572. STATE GRANT AUTHORITY; APPLICATIONS.

"(a) AUTHORITY.—

"(1) GRANTS BY SECRETARY.—In any fiscal year in which appropriations for this subpart do not equal or exceed $50,000,000, the Secretary is authorized, in accordance with this subpart, to award grants, on a competitive basis, to States to enable States to pay the Federal share of supporting programs that carry out the purpose of this subpart.

"(2) STATE GRANT PROGRAM.—In any fiscal year in which appropriations for this subpart equal or exceed $50,000,000, the Secretary is authorized, in accordance with the provisions of this subpart, to make grants to States in accordance with allocations under subsection (b) to enable States to pay the Federal share of supporting programs that carry out the purposes of this subpart.

"(b) ALLOCATION AMONG STATES.—Except as provided in subsection (a)(1), each State shall be eligible to receive a grant under this subpart in each fiscal year that bears as nearly as possible the same ratio to the amount appropriated under section 576C as the allocation of funds under part A of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 in that State bears to the total allocation of such funds in all States, except that no State grant shall be less than $500,000 in any fiscal year.

"(c) DURATION OF GRANT.—Each grant awarded under this subpart shall be awarded for a term of 5 years, subject to the availability of appropriations.

"(d) FEDERAL SHARE.—The Federal share of each grant awarded under this subpart shall be 75 percent in the first year in which the State receives a grant, 65 percent in the second such year, 55 percent in the third such year, 45 percent in the fourth such year, and 35 percent in the fifth such year.

"(e) NON-FEDERAL SHARE.—The non-Federal share of each grant awarded under this subpart may be in cash or in kind fairly evaluated, including planned equipment or services.

"(f) SUBMISSION OF STATE APPLICATIONS.—In order to receive a grant under this subpart, a State shall submit an application at such time or times, in such manner, and containing such information as the Secretary may prescribe by regulation. Such application shall—

"(1) contain assurances that the State will award grants on a competitive basis to eligible recipients submitting applications described in section 574;

"(2) set forth a program of activities for carrying out the purposes set forth in this subpart in such detail as will enable the Secretary to determine the degree to which such program will accomplish such purposes and such other policies, procedures, and assurances as the Secretary may require by regulation.

"SEC. 573. AGREEMENTS.

"Each State receiving a grant under this subpart shall enter into an agreement with the Secretary. Each such agreement shall include provisions designed to ensure that—

"(1) the State educational agency, the State higher education agency, or the State agency which administers subpart 4 of part A of title IV, relating to State student incentive grants, will administer the program authorized by this subpart in the State;

"(2) the State educational agency or higher education agency will use not more than 5 percent of the grant it receives for administrative expenses;

"(3) the State educational agency or higher education agency will keep such records and provide such information to the Secretary as may be required for fiscal audit and program evaluation, consistent with the responsibilities of the Secretary; and

"(4) the State will establish a system for the evaluation of the programs assisted under this subpart.

"SEC. 574. APPLICATION.

"(a) IN GENERAL.—A grant under this subpart may be made only to an eligible recipient which submits an application to the State containing or accompanied by such information as the State may reasonably require.

"(b) CONTENTS OF APPLICATION.—Each such application shall—

"(1) describe the activities and services for which assistance is sought;

"(2) set forth the number of expected participants in each program assisted under this subpart;

"(3) demonstrate steps on a career ladder leading to the position of fully credentialed teacher, ranging from nonskilled entry positions, extending through intermediate subprofessional functions, and terminating in full professional status as a certified teacher duly recognized by the appropriate State agency;

"(4) contain assurances that advancement within such career ladders would be based on merit, but that the opportunity for professional growth is available to all;

"(5) demonstrate a plan for employing permanently individuals who have participated in the program at their new level of training, including individuals who terminate the program at a level below that of fully credentialed teacher;

"(6) demonstrate a plan for bringing a sizable portion of the educational program and coursework to the place of the participant's employment;

"(7) demonstrate a plan for providing academic credit for in-service training and other relevant experience as well as formal academic coursework;

"(8) provide for participation of individuals who have attained various levels of education, including individuals who have not completed high school, with special consideration for such participation given to individuals already serving within the school system;

"(9) provide assurances that the program assisted under this subpart will be available to individuals with disabilities; and

"(10) contain such other assurances as the State may reasonably require.

"SEC. 575. REQUIREMENTS.

"(a) GENERAL REQUIREMENTS.—An eligible recipient of a grant under this subpart shall require that any paraprofessional who receives student financial assistance under this subpart and who becomes a fully certified or licensed teacher enter into an agreement under which the paraprofessional shall—

"(1) within the 10-year period after completing the postsecondary education for which the assistance was provided, act as an educational professional or a paraprofessional in the local educational agency that is a consortium member of the eligible recipient providing such assistance, or, if no teaching position is offered by such local educational agency, in a shortage area school approved by the State for a period of not less than one year for each full-time academic year or equivalent for which the assistance was received;

"(2) provide to the State evidence of compliance with paragraph (1); and

"(3) repay that portion of the student financial assistance received under this subpart which was provided for tuition, plus interest and reasonable collection costs (if applicable), in the event that the teacher fails to comply with the conditions of paragraph (1), in accordance with the regulations prescribed by the Secretary under section 527, except that the provisions of this paragraph shall not apply to anyone for whom no teaching position was made available by the local educational agency or State, or in the circumstances provided in section 528.

"(b) AMOUNT OF FINANCIAL ASSISTANCE.—The amount of financial assistance awarded under this subpart shall be reduced by the amount that the financial assistance exceeds the student's cost of attendance, as defined in section 472. Financial assistance awarded under this subpart shall not be reduced on the basis of the student's receipt of other forms of Federal student financial assistance but shall be taken into account in determining the eligibility of the student for those other forms of Federal student financial assistance.

"SEC. 576. SPECIAL CONSIDERATION.

"In awarding grants under this subpart, the State shall give special consideration to—

"(1) programs designed to identify, recruit, and certify—

"(A) speakers of non-English languages who have been trained as teachers in their home country; or

"(B) individuals already employed in a local educational agency; and

"(2) eligible recipients located in shortage areas as defined in section 576B.

"SEC. 576A. USE OF FUNDS.

"Funds provided to eligible recipients pursuant to this subpart may be used for—

"(1) tuition or part or all of the costs of attendance (as determined under section 472) for participants in programs assisted under this subpart;

"(2) the release time of such participants;

"(3) instructional and supportive services for such participants in such programs; and

"(4) stipends for child care to such participants whose academic coursework takes place outside the normal workday.

"SEC. 576B. DEFINITIONS.

"For the purpose of this subpart—

"(1) the term 'certified or licensed teacher' means an individual who possesses a document certifying that the individual has met the requirements of a State for employment as a teacher in the public schools of that State (including individuals who have been certified as specialists in preschool and early childhood education);

"(2) the term 'eligible recipient' means a consortium of—

"(A) an institution of higher education, and

"(B) one or more local educational agencies.

"(3) the term 'paraprofessional' means an individual with at least a high school diploma or recognized equivalent who is employed in a preschool or elementary or secondary school under the supervision of a certified or licensed teacher, including individuals employed in bilingual education, special education, and migrant education;

"(4) the term 'school support' means an individual who is employed by a local educational agency; and

"(5) the term 'shortage area' means (A) an area the Secretary has designated as an area with a shortage of elementary and secondary school teachers, or (B) a shortage in a designated subject area as described in section 530A of this Act.

"SEC. 576C. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $30,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this subpart.

"Subpart 2—Programs to Encourage Minority Students to Become Teachers

"SEC. 577. STATEMENT OF PURPOSE.

"It is the purpose of the program conducted pursuant to section 578 to carry out activities designed to—

"(1) improve recruitment and training opportunities in education for minority individuals, including language minority individuals;

"(2) increase the number of minority teachers, including language minority teachers, in elementary and secondary schools; and

"(3) to identify and encourage minority students in the 7th through the 12th grades to aspire to, and to prepare for, careers in elementary and secondary school teaching.

"SEC. 578. PARTNERSHIP GRANTS AUTHORIZED.

"(a) AUTHORITY.—The Secretary is authorized to make grants to pay the Federal share of carrying out the purposes of this subpart to a partnership between—

"(1) one or more institutions of higher education which have a demonstrated record and special expertise in carrying out the purposes of this subpart; and

"(2)(A) one or more local educational agencies;

"(B) a State educational agency or a State higher education agency; or

"(C) community-based organizations.

"(b) FEDERAL SHARE.—The Federal share of each grant awarded under this section shall be 50 percent.

"(c) NON-FEDERAL SHARE.—The non-Federal share of each grant awarded under this section may be in cash or kind fairly evaluated, including planned equipment or services.

"(d) ADMINISTRATIVE COSTS.—Not more than 5 percent of any grant awarded under this section may be used for administrative expenses.

"SEC. 579. PARTNERSHIP AGREEMENT.

"(a) IN GENERAL.—In order to be eligible for a grant under section 578, a partnership shall enter into a written partnership agreement. All partners shall sign the agreement.

"(b) CONTENTS OF AGREEMENT.—The agreement shall include—

"(1) a listing of all participants in the partnership;

"(2) a description of the responsibilities of each participant in the partnership; and

"(3) a listing of the resources, if any, to be contributed to the partnership.

"(c) SELECTION CRITERIA.—In making grants under section 578, the Secretary shall approve applications which contain provision for projects designed to carry out the purposes described in section 577 and which—

"(1) identify students who indicate an interest in entering the teaching profession, and provide such individuals with support programs such as—

"(A) scholarship funds to meet expenses;

"(B) remedial and tutoring programs;

"(C) counseling and support services;

"(D) academic advice and guidance in course selection to prepare for teacher certification;

"(E) information and advice regarding eligibility for membership in the Teacher Corps established under subpart 3 of part C of this title, and other financial assistance programs;

"(F) teaching mentors;

"(G) motivational activities;

"(H) teaching skill development;

"(I) future teacher clubs; and

"(J) instruction in test-taking skills.

"(2) establish or strengthen teacher training programs;

"(3) establish or enhance early identification/articulation partnership programs with secondary schools and community colleges;

"(4) establish partnerships with graduate schools of education to foster and facilitate the movement of minority students into post-graduate studies;

"(5) establish programs and activities which foster and facilitate the movement of students interested in pursuing teaching careers from 2-year institutions to 4-year institutions, focusing particular attention on facilitating the transfer of academic credit; and

"(6) improve existing assessment practices that determine an individual's qualifications to become a teacher.

"SEC. 580. APPLICATION FOR TEACHER PARTNERSHIPS PROGRAM.

"(a) APPLICATION REQUIRED.—A partnership desiring to receive a grant under section 578 shall submit an application to the Secretary.

"(b) CONTENTS OF APPLICATION.—The application shall include—

"(1) the written and signed partnership agreement required by section 579;

"(2) set forth the individuals to be served;

"(3) a listing of the elementary, if applicable, and secondary schools of the local educational agency to be involved in the program assisted under this subpart;

"(4) a description of the services and activities to be offered under the program assisted under this subpart; and

"(5) such additional information and assurances as the Secretary may reasonably require.

"(c) STATE EDUCATIONAL AGENCY REVIEW.—Each application from a partnership for a grant under section 578 shall be forwarded to the appropriate State educational agency (unless the State educational agency is a member of the partnership) for review and comment if the State educational agency requests the opportunity for such a review. The State educational agency must complete a review of such application and comment to the Secretary within 30 calendar days of receipt. Failure of the State educational agency to submit comments to the Secretary shall not prejudice such application.

"SEC. 580A. TEACHER PLACEMENT PROGRAM.

"(a) GRANTS AUTHORIZED.—

"(1) IN GENERAL.—The Secretary is authorized to make grants to institutions of higher education that have schools or departments of education to pay the Federal share of developing and carrying out programs and activities designed to—

"(A) prepare and train students to become elementary and secondary school teachers; and

"(B) to the extent practicable, place the students as teachers in urban and rural public or private nonprofit elementary or secondary schools where at least 50 percent of students enrolled are from minority groups.

"(2) FEDERAL SHARE.—The Federal share of each grant awarded under this section shall be 50 percent.

"(3) NON-FEDERAL SHARE.—The non-Federal share of each grant awarded under this section may be in cash or in kind fairly evaluated, including planned equipment or services.

"(b) USE OF FUNDS.—Grants under this section may be used for the costs of developing and carrying out the program of teacher preparation, training, and placement described in subsection (a).

"(c) APPLICATIONS.—No grant may be made under this section unless an application to the Secretary is made by the institution of higher education at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

"(d) SPECIAL CONSIDERATION.—The Secretary is authorized, in making grants under this section, to give special consideration to historically Black colleges and universities and to institutions which—

"(1) are eligible to receive funds under part C of title X; and

"(2) have enrollments of at least 50 percent minority students in their teacher education programs.

"(e) PERFORMANCE INCENTIVE.—In any fiscal year beginning after September 30, 1993, the Secretary may, based upon evaluation and monitoring of programs assisted under this section, increase the Federal share for a recipient of funds under this section for the succeeding fiscal year to 75 percent, if the Secretary determines that there is demonstrated success in the operation of the program assisted by such recipient.

"(f) ADMINISTRATIVE COSTS.—Not more than 5 percent of any grant awarded under this section may be used for administrative expenses.

"SEC. 580B. AUTHORIZATION OF APPROPRIATIONS.

"(a) AUTHORIZATION.—There are authorized to be appropriated $15,000,000 for fiscal year 1993, and such sums as may be necessary for each of the 4 succeeding fiscal years, of which not more than ⅔ shall be available to carry out programs under section 578 and not less than ⅓ shall be available to carry out programs under section 580A.

"PART F—PROGRAMS FOR SPECIAL POPULATIONS

"Subpart 1—National Mini Corps Program

"SEC. 581. NATIONAL MINI CORPS.

"(a) PROGRAM AUTHORIZED.—The Secretary is authorized to make grants to institutions of higher education to enable such institutions to establish partnerships with local educational agencies to carry out the purposes of the National Mini Corps Program.

"(b) DEFINITIONS.—As used in this subpart—

"(1) the term 'children' means children who are eligible to receive services under part A or subpart 1 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965; and

"(2) the term 'individual' (A) has the same meaning as the terms 'first generation college student' and 'low income individual' as defined under section 402A(g)(2) of this Act, or (B) means a student enrolled in an institution of higher education who is the child of current or former migratory workers (including migratory agricultural dairy workers) or of migratory fishermen.

"(c) PURPOSE OF THE PROGRAM.—It is the purpose of the National Mini Corps Program to—

"(1) provide individuals who are enrolled or plan to enroll in an institution of higher education with advisement, training, and instructional services, and to encourage individuals to be role models for children;

"(2) provide outreach and recruitment services to encourage individuals to enroll in teacher education programs;

"(3) provide support and instructional services to individuals who are enrolled in an institution of higher education to enable such individuals to provide direct instructional services, which are coordinated with the overall educational goals of the State or local educational agency, to children eligible to receive services under chapter 1 of title I of the Elementary and Secondary Education Act of 1965 during the regular school year or summer term. Such support and services may include—

"(A) lessons and provision of materials that meet the academic needs of children in the classroom;

"(B) supplemental instruction to reinforce the basic skills and concepts provided through instruction by the teacher;

"(C) instruction in other subject areas;

"(D) academic assistance, home visits, parental involvement, parent-student advisement services, and family advocacy; and

"(E) stipends for individuals who participate in the program assisted under this subpart for at least 10 but not more than 15 hours per week;

"(4) designate college coordinators at participating institutions of higher education to train, supervise, and assign individuals to carry out the activities of this subpart in cooperation with State and local educational agencies in which children with special needs have been identified; and

"(5) support other appropriate activities related to encouraging individuals to enter the teaching profession and to provide a link to the community.

"(d) APPLICATION REQUIRED.—Institutions of higher education desiring to receive a grant under this subpart shall submit an application to the Secretary which shall include—

"(1) a written partnership agreement with the State and local educational agency in which the children have been identified for participation in the activities under this subpart;

"(2) a description of the strategies that will be employed to engage the community generally in the activities and programs supported by the programs under this subpart;

"(3) a description of the process by which individuals will be recruited and selected to participate in the programs assisted under this subpart;

"(4) a description of the programs and activities which will be supported by the programs under this subpart; and

"(5) such other information as the Secretary considers necessary to determine the nature of the local needs, the quality of the proposed Mini Corps Program, and the capability of the applicant to implement the proposed Mini Corps Program.

"(e) AWARDING OF GRANTS.—In awarding grants under this subpart, the Secretary shall ensure, to the extent practicable, that—

"(1) grants are equitably distributed on a geographic basis throughout the Nation and among a variety of communities;

"(2) the amount of the grant awarded is proportionate to the number of individuals and children who, on the basis of the grant application, are expected to be involved in the programs and activities supported by the National Mini Corps; and

"(3) not less than 30 percent of the grants awarded under this subpart are awarded for programs serving migrant students and children.

"(f) USES OF FUNDS.—Funds provided under this part may be used for planning, implementing and operating a National Mini Corps Program, except that not more than 5 percent of any grant received under this subpart may be used for administrative costs.

"(g) EVALUATION.—The Secretary shall, by January 1, 1996, evaluate the demonstration program assisted under this part and report the results of such evaluation to the appropriate committees of the Congress.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subpart $10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"Subpart 2—Foreign Language Instruction

"SEC. 586. DEMONSTRATION GRANTS FOR CRITICAL LANGUAGE AND AREA STUDIES.

"(a) PROGRAM AUTHORITY.—The Secretary is authorized to make demonstration grants to eligible consortia to enable such eligible consortia to—

"(1) operate critical language and area studies programs;

"(2) develop and acquire educational equipment and materials; and

"(3) develop teacher training programs, texts, curriculum, and other activities designed to improve and expand the instruction of foreign languages at elementary and secondary schools across the Nation.

"(b) GRANT LIMITATION.—The Secretary shall not award a grant which exceeds $2,000,000 to an eligible consortium under this section in any fiscal year, but shall award grants of sufficient size, scope and quality for a program of comprehensive instruction of foreign languages.

"(c) SPECIAL RULES.—

"(1) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to eligible consortia with demonstrated, proven effectiveness in the field of critical language and area studies and which have been in existence for at least 1 year prior to applying for a grant under this section.

"(2) EQUITABLE DISTRIBUTION.—In awarding grants under this section, the Secretary shall take into consideration providing an equitable geographic distribution of such grants among the regions of the United States.

"(3) PROGRAM REQUIREMENT.—Each eligible consortium receiving a grant under this section shall include in the activities assisted pursuant to such grant, a study abroad or cultural exchange program.

"(d) ELIGIBLE CONSORTIUM.—

"(1) IN GENERAL.—For the purposes of this section, the term 'eligible consortium' means a cooperative effort between entities in one or more States that must include at least 4 schools, of which—

"(A) one shall be an institution of higher education;

"(B) one shall be a secondary school with experience in teaching critical languages;

"(C) one shall be a secondary school with experience in teaching critical languages and in which at least 25 percent of the students are eligible to be counted under chapter 1 of title I of the Elementary and Secondary Education Act of 1965; and

"(D) one shall be a secondary school in which at least 25 percent of the students are eligible to be counted under chapter 1 of title I of the Elementary and Secondary Education Act of 1965.

"(2) NONPROFIT ORGANIZATIONS.—Each eligible consortium described in paragraph (1) may include a nonprofit organization to provide services not otherwise available from the entities described in paragraph (1).

"(e) ADMINISTRATION.—Each eligible consortium receiving a grant under this section may use not more than 10 percent of such grant for administrative expenses.

"(f) APPLICATION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), each eligible consortium desiring a grant under this section shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

"(2) SPECIAL RULE.—The State educational agency or State higher education agency responsible for the supervision of any one school participating in an eligible consortium may submit the application described in paragraph (1) on behalf of such eligible consortium.

"(g) DEFINITIONS.—For purposes of this section, the term 'critical language' means each of the languages contained in the list of critical foreign languages designated by the Secretary pursuant to section 212(d) of the Education for Economic Security Act (50 Fed. Reg. 149, 31413).

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $15,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out the provisions of this section.

"SEC. 587. DEVELOPMENT OF FOREIGN LANGUAGE AND CULTURE INSTRUCTIONAL MATERIALS.

"(a) GRANTS AUTHORIZED.—The Secretary is authorized to provide one or more grants on a competitive basis to a State or local educational agency, an institution of higher education, a private nonprofit foreign language organization, a nonprofit education association, or a consortium thereof, to enable such entity to act as a resource center for—

"(1) coordinating the development of and disseminating foreign language and culture instructional material, including children's literature in foreign languages, videotapes and computer software, and teacher's instructional kits relating to international study; and

"(2) encouraging the expanded use of technology in teaching foreign languages and culture at the elementary school level and, when the needs of elementary schools have been met, at the secondary school level, with a particular emphasis on expanding the use of technology in teaching foreign languages and culture at elementary and secondary schools that have proportionally fewer resources available for teaching foreign languages and cultures, including schools in urban and rural areas.

"(b) COORDINATION.—In developing materials and technologies under this section, the Secretary shall, where appropriate, make use of materials and technologies developed under the Star Schools Program Assistance Act.

"(c) AUTHORIZATION OF APPROPRIATION.—There are authorized to be appropriated $4,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out the provisions of this section.

"Subpart 3—Small State Teaching Initiative

"SEC. 591. MODEL PROGRAMS AND EDUCATIONAL EXCELLENCE.

"(a) PURPOSE.—It is the purpose of this section to provide sufficient funds to small States to enable such States to develop model programs for educational excellence, teacher training and educational reform.

"(b) PROGRAM AUTHORIZED.—

"(1) AUTHORITY.—The Secretary is authorized to make grants to small States in order to enable such States to make grants to eligible institutions for the purpose of enhancing and improving the quality of teacher education, training, and recruitment in the Nation's smallest States.

"(2) EQUITABLE DISTRIBUTION.—The Secretary shall award grants described in paragraph (1) in equal amounts among small States having applications approved under subsection (e).

"(c) INSTITUTIONAL USE OF FUNDS.—Eligible institutions receiving funds under this section

may use such funds for the development of innovative teaching techniques and materials, preservice and inservice training programs, renovation of training facilities and construction of model classrooms.

"(d) DEFINITIONS.—

"(1) SMALL STATE.—For the purposes of this section the term 'small State' means a State the total population of which is less than 1,108,500 as reported in the 1990 Census of Population and Housing.

"(2) ELIGIBLE INSTITUTION.—For the purposes of this section, the term 'eligible institution means any institution of higher education (as such term is defined in section 1201(a)) that is located in a small State and that provides a course of study which prepares an individual to become a classroom teacher.

"(e) APPLICATION.—Any eligible institution which desires to receive a grant under this section shall submit to the State an application which—

"(1) if the State educational agency is not administering the program assisted under this subpart, certifies that the State educational agency has participated in the development of the application;

"(2) provides for a process of active discussion and consultation with an advisory committee convened by the State educational agency and the eligible institution; and

"(3) describes how the institution will use the funding.

"(f) AUTHORIZATION OF APPROPRIATIONS.—For the purposes of this part there are authorized to be appropriated $5,000,000 for fiscal year 1993 and such sums as may be necessary in each of the 4 succeeding fiscal years.

"Subpart 4—Faculty Development Grants

"SEC. 593. TRAINING GRANTS.

"(a) GRANTS AUTHORIZED.—The Secretary is authorized to award grants to institutions of higher education to enable such institutions to—

"(1) develop model programs that provide training to secondary school faculty to prepare students with disabilities for postsecondary educational opportunities; and

"(2) establish programs of faculty development for faculty who teach in an institution of higher education to prepare such faculty for the enrollment of students with disabilities at such institution.

"(b) USE OF GRANTS.—The grants described in subsection (a) may be used to—

"(1) provide scholarships, including stipends and allowances, to faculty described in paragraph (1) or (2) of subsection (a);

"(2) develop materials and inservice programs to assist such faculty in making the curriculum at an institution of higher education accessible to students with disabilities; and

"(3) provide funds to support the release of such faculty from teaching assignments for the purpose of educating such faculty regarding the needs of students with disabilities.

"(c) SPECIAL RULES.—The Secretary shall ensure that grants awarded under subsection (a)(1) are used for programs that are in compliance with State and professionally recognized standards for the training of special education personnel.

"(d) APPLICATION.—Each institution of higher education desiring a grant under this section shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subpart $5,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"Subpart 5—Early Childhood Education Training

"SEC. 596. TRAINING IN EARLY CHILDHOOD EDUCATION AND VIOLENCE COUNSELING.

"(a) PROGRAM AUTHORIZED.—The Secretary shall award grants to institutions of higher education to enable such institutions to establish innovative programs to recruit and train students for careers in—

"(1) early childhood development and care, or preschool programs; or

"(2) providing counseling to young children from birth to 6 years of age who have been affected by violence and to adults who work with such young children.

"(b) APPLICATION.—An institution of higher education desiring a grant pursuant to subsection (a) shall submit an application to the Secretary at such time, in such form and containing or accompanied by such information or assurances as the Secretary may require. Each such application shall—

"(1) describe the activities and services for which assistance is sought;

"(2) contain a plan in accordance with subsection (c);

"(3) demonstrate that such institution has the capacity to implement such plan; and

"(4) provide assurances that such plan was developed in consultation with agencies and organizations that will assist the institution in carrying out such plan.

"(c) PLAN.—Each application described in subsection (a) shall contain a comprehensive plan for the recruitment, retention and training of students seeking careers in early childhood development or violence counseling. Such plan shall include a description of—

"(1) specific strategies for reaching students at secondary schools, community colleges, undergraduate institutions, or other agencies and institutions from which such students are to be drawn for participation in the program, including any partnerships with such institutions;

"(2) specific strategies for retaining such students in the program, such as summer sessions, internships, mentoring, and other activities;

"(3) methods that will be used to ensure that students trained pursuant to the plan will find employment in early childhood education, development and care, or violence counseling;

"(4) the goals, objectives, and timelines to be used in assessing the success of the plan and of the activities assisted under this section;

"(5) the curriculum and training leading to the degree or credential that prepares students for the careers described in the plan;

"(6) the special plans, if any, to assure that students trained pursuant to the plan will be prepared for serving in economically disadvantaged areas; and

"(7) sources of financial aid, to ensure that the training program offered pursuant to this section is available to all qualified students.

"(d) SELECTION AND PRIORITIES.—In evaluating the applications submitted under this section, the Secretary shall prescribe criteria regarding such evaluation and shall give priority in granting funds to institutions that—

"(1) prepare students for work in economically disadvantaged areas;

"(2) plan to focus their recruitment, retention, and training efforts on disadvantaged students; and

"(3) have demonstrated effectiveness in providing the type of training for which the institution seeks assistance under this section.

"(e) DURATION AND AMOUNT.—

"(1) DURATION.—A grant under this section shall be awarded for a period of not less than 3 years nor more than 5 years.

"(2) AMOUNT.—The total amount of the grant awarded under this section to any institution of higher education for any 1 year shall not be less than $500,000 nor more than $1,000,000.

"SEC. 597. EARLY CHILDHOOD STAFF TRAINING AND PROFESSIONAL ENHANCEMENT.

"(a) PROGRAM AUTHORIZED.—

"(1) IN GENERAL.—The Secretary shall award grants, on a competitive basis, to States in accordance with the provisions of this section.

"(2) DURATION.—Grants under this section shall be awarded for a period of 5 years.

"(b) APPLICATION.—A State desiring a grant pursuant to this section shall submit an application to the Secretary at such time, in such form and containing or accompanied by such information or assurances as the Secretary may require.

"(c) LEAD AGENCY.—

"(1) DESIGNATION OF LEAD AGENCY.—The chief executive officer of a State, in consultation with the State educational agency, desiring to receive a grant shall designate an appropriate State agency to act as the lead agency to—

"(A) administer funds received under this section;

"(B) develop a State plan pursuant to subsection (e); and

"(C) coordinate the provision of services with other appropriate Federal, State, and local programs.

"(2) ADVISORY COMMITTEE.—The lead agency shall establish an advisory committee, described in subsection (d), to assist in developing the plan required under subsection (e).

"(d) ADVISORY COMMITTEE.—Each advisory committee established pursuant to subsection (c)(2) shall consist of a representative of the following agencies, institutions, organizations, divisions, programs or departments in the State to the extent such entities exist within such State:

"(1) The lead State agency responsible for administering funds received under the Child Care Development and Block Grant Act.

"(2) Other State agencies administering or regulating childcare, early childhood development or education programs.

"(3) Institutions of higher education.

"(4) Organizations representing early childhood development staff and parents.

"(5) A local child care resource and referral agency or an organization representing local child care resource and referral.

"(6) A State Head Start association.

"(7) An organization with significant experience in training in the fields of early childhood development, early care and early education.

"(8) State agencies or departments administering or regulating employment, job training, and community development programs.

"(e) STATE PLAN.—

"(1) IN GENERAL.—Each State desiring a grant under this section shall submit, through the lead agency, a plan to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require. The Secretary shall consult with the Secretary of Health and Human Services regarding the contents of such plan.

"(2) CONTENTS.—Each plan submitted pursuant to subsection (a) shall—

"(A) identify the lead agency as described in subsection (c);

"(B) assess the training offerings and content of such offerings, amount of training required for an early childhood development staff license or certificate, compensation, recruitment and turnover of staff, and any coordination of training offerings and professional growth of early childhood development staff in the State;

"(C) describe the goals of the activities assisted under this part; and

"(D) describe how the State shall—

"(i) identify and maintain a career development path, based on a progression of roles for early childhood development staff, with each

role articulated with training and different levels of responsibility and suggested compensation, in such manner as will permit an individual to qualify for a more responsible role;

"(ii) ensure that trainers of early childhood development staff in the State are qualified, licensed or certified in accordance with State law;

"(iii) describe the ways in which the State will encourage the coordination of training programs among institutions of higher education, including, if practicable, transfer of credits among institutions;

"(iv) set forth the ways in which the State will pay the costs of any assessment, credentialing, certification, licensing, training offering, training inventory, increase in staff participation in training, or other services assisted by a grant under this section;

"(v) describe the ways in which the State plans to coordinate the various State and local agencies and organizations to maximize coordination of standards and requirements for certifications, licenses, and accreditations;

"(vi) describe the ways in which the State will compile and disseminate information on—

"(I) training offerings;

"(II) requirements for admission into courses and programs;

"(III) requirements for a license, certificate, credential, or degree to which such offerings may be applied;

"(IV) funding sources available for such activities; and

"(V) the cost of training offerings; and

"(vii) describe the ways in which the State will use the funds received under this section and any other funds available to the State to carry out the activities described in the State plan.

"SEC. 598. REPORT.

"Each institution of higher education or State receiving a grant under this subpart shall submit to the Secretary program reports and evaluations at such times and containing such information as the Secretary may require.

"SEC. 599. AUTHORIZATION OF APPROPRIATIONS.

"(a) TRAINING IN EARLY CHILDHOOD EDUCATION AND VIOLENCE COUNSELING.—To carry out activities described in section 596, there are authorized to be appropriated $20,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(b) EARLY CHILDHOOD STAFF TRAINING AND PROFESSIONAL ENHANCEMENT.—To carry out activities described in section 597, there are authorized to be appropriated $10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

(b) EXPIRATION DATE.—Effective July 1, 1995, the Alternative Routes to Teacher and Principal Certification and Licensure Act of 1992 (as contained in subpart 2 of part D of title V of this Act) is repealed.

TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

SEC. 601. REVISION OF TITLE VI.

Title VI of the Act (20 U.S.C. 1121 et seq.) is amended to read as follows:

"TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

"PART A—INTERNATIONAL AND FOREIGN LANGUAGE STUDIES

"SEC. 601. FINDINGS AND PURPOSES.

"(a) FINDINGS.—The Congress finds that—

"(1) the well-being of the United States, its economy and long-range security, is dependent on the education and training of Americans in international and foreign language studies and on a strong research base in these areas;

"(2) knowledge of other countries and the ability to communicate in other languages is essential to the promotion of mutual understanding and cooperation among nations; and

"(3) present and future generations of Americans must be afforded the opportunity to develop to the fullest extent possible their intellectual capacities in all areas of knowledge.

"(b) PURPOSES.—It is the purpose of this part to assist in the development of knowledge, international study, resources and trained personnel, to stimulate the attainment of foreign language acquisition and fluency, to develop a pool of international experts to meet national needs, and to coordinate the programs of the Federal Government in the areas of foreign language, area and other international studies, including professional international affairs education, and research.

"SEC. 602. GRADUATE AND UNDERGRADUATE LANGUAGE AND AREA CENTERS.

"(a) NATIONAL LANGUAGE AND AREA CENTERS AUTHORIZED.—

"(1) GENERAL AUTHORITY.—The Secretary is authorized—

"(A) to make grants to institutions of higher education, or combinations thereof, for the purpose of establishing, strengthening, and operating comprehensive language and area centers and programs; and

"(B) to make grants to such institutions or combinations for the purpose of establishing, strengthening, and operating a diverse network of undergraduate language and area centers and programs,

which will be national resources for teaching of any modern foreign language, for instruction in fields needed to provide full understanding of areas, regions, or countries in which such language is commonly used, for research and training in international studies, and the international and foreign language aspects of professional and other fields of study, and for instruction and research on issues in world affairs which concern one or more countries.

"(2) AUTHORIZED ACTIVITIES.—Any such grant may be used to pay all or part of the cost of establishing or operating a center or program, including the cost of—

"(A) faculty, staff, and student travel in foreign areas, regions, or countries;

"(B) teaching and research materials;

"(C) curriculum planning and development;

"(D) bringing visiting scholars and faculty to the center to teach or to conduct research;

"(E) establishing and maintaining linkages with overseas institutions of higher education and other organizations that may contribute to the educational objectives of this section for the purpose of contributing to the teaching and research of the center or program; and

"(F) training and improvement of the staff, for the purpose of, and subject to such conditions as the Secretary finds necessary, for carrying out the objectives of this section.

"(3) GRANTS TO MAINTAIN LIBRARY COLLECTIONS.—The Secretary may make grants to centers described in paragraph (1)(A) having important library collections for the maintenance of such collections.

"(4) OUTREACH GRANTS AND SUMMER INSTITUTES.—The Secretary may make additional grants to centers described in paragraph (1)(A) for any one or combination of the following purposes:

"(A) Programs of linkage or outreach between foreign language, area studies, and other international fields and professional schools and colleges.

"(B) Programs of linkage or outreach with 2 and 4-year colleges and universities.

"(C) Programs of linkage or outreach with departments or agencies of Federal and State Governments.

"(D) Programs of linkage or outreach with the news media, business, professional, or trade associations.

"(E) Summer institutes in foreign area and other international fields designed to carry out the programs of linkage and outreach in subparagraphs (A), (B), (C), and (D) of this paragraph.

"(b) STIPENDS FOR FOREIGN LANGUAGE AND AREA STUDIES.—

"(1) GRADUATE STIPENDS.—(A) The Secretary is authorized to make grants to institutions of higher education or combinations of such institutions for the purpose of paying stipends to individuals undergoing advanced training in any center or program approved by the Secretary under this part.

"(B) Students receiving stipends described in subparagraph (A) shall be individuals who are engaged in an instructional program with stated performance goals for functional foreign language use or in a program developing such performance goals, in combination with area studies, international studies, or the international aspects of a professional studies program.

"(C) Stipends awarded to graduate level recipients may include allowances for dependents and for travel for research and study in the United States and abroad.

"(2) DOCTORAL STIPENDS.—(A) The Secretary is authorized to make grants to institutions of higher education or combinations of such institutions for the purpose of paying stipends to students beginning with their third year of graduate training in any center or program approved by the Secretary under this part.

"(B) Students receiving stipends described in subparagraph (A) shall be individuals engaged in completing advanced degree requirements in foreign language, foreign area studies, or other international fields.

"(C) Stipends shall be for the purpose of completing degree requirements, such as the predissertation level studies, preparation for dissertation research including the study of less commonly taught languages, dissertation research abroad, and dissertation writing.

"(D) Students may receive stipends described in subparagraph (A) for a maximum of 4 years if such students make satisfactory progress toward completion of a degree program.

"(3) FUNDING LIMITATIONS.—The Secretary is not authorized to make awards under paragraph (2) for any fiscal year unless the amount made available under paragraph (1) for such fiscal year equals or exceeds the current services equivalent of the level of funding during fiscal year 1992 under paragraph (1).

"(c) SPECIAL RULE WITH RESPECT TO TRAVEL.—No funds may be expended under this part for undergraduate travel except in accordance with rules prescribed by the Secretary setting forth policies and procedures to assure that Federal funds made available for such travel are expended as part of a formal program of supervised study.

"SEC. 603. LANGUAGE RESOURCE CENTERS.

"(a) LANGUAGE RESOURCES CENTERS AUTHORIZED.—The Secretary is authorized to make grants to and enter into contracts with institutions of higher education, or combinations of such institutions, for the purpose of establishing, strengthening, and operating a small number of national language resource and training centers, which shall serve as resources to improve the capacity to teach and learn foreign languages effectively. Activities carried out by such centers may include—

"(1) the conduct of research on new and improved teaching methods, including the use of advanced educational technology;

"(2) the development of new teaching materials reflecting the use of such research in effective teaching strategies;

"(3) the development and application of performance testing appropriate to an educational setting for use as a standard and comparable measurement of skill levels in all languages;

"(4) the training of teachers in the administration and interpretation of performance tests,

the use of effective teaching strategies, and the use of new technologies;

"(5) the publication of instructional materials in the less commonly taught languages; and

"(6) the widespread dissemination of research results, teaching materials, and improved pedagogical strategies to others within the postsecondary education community.

"(b) CONDITIONS FOR GRANTS.—Grants under this section shall be made on such conditions as the Secretary determines to be necessary to carry out the provisions of this section.

"SEC. 604. UNDERGRADUATE INTERNATIONAL STUDIES AND FOREIGN LANGUAGE PROGRAMS.

"(a) INCENTIVES FOR THE CREATION OF UNDERGRADUATE INTERNATIONAL STUDIES AND FOREIGN LANGUAGE PROGRAMS.—

"(1) AUTHORITY.—The Secretary is authorized to make grants to institutions of higher education or combinations of such institutions to assist such institutions or combinations in planning, developing, and carrying out a program to improve undergraduate instruction in international studies and foreign languages. Such grants shall be awarded to institutions of higher education or combinations of such institutions seeking to create new programs or curricula in area studies, foreign languages, and other international fields.

"(2) FEDERAL SHARE AND USE OF FUNDS.—Grants made under this section may be used to pay not more than 50 percent of the cost of projects and activities which are an integral part of such a program, such as—

"(A) planning for the development and expansion of undergraduate programs in international studies;

"(B) teaching, research, curriculum development, and other related activities;

"(C) training of faculty members in foreign countries;

"(D) expansion of foreign language courses;

"(E) programs under which foreign teachers and scholars may visit institutions as visiting faculty;

"(F) international education programs designed to develop or enhance linkages between two- and four-year institutions of higher education, or baccalaureate and post-baccalaureate programs or institutions;

"(G) the development of an international dimension in preservice and inservice teacher training;

"(H) the development of undergraduate study abroad programs in locations abroad in which such study opportunities are not otherwise available or which serve students for whom such opportunities are not otherwise available and which provide courses that are closely related to on-campus foreign language and international studies curricula; and

"(I) the integration of new study abroad opportunities for undergraduate students into curricula of specific degree programs.

"(3) NON-FEDERAL SHARE.—The non-Federal share of the cost of the programs assisted under this subsection may be provided either in cash or in kind. Such assistance may be composed of institutional and noninstitutional funds, including State and private contributions.

"(4) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to applications from institutions of higher education or combinations of such institutions that require entering students to have successfully completed at least 2 years of secondary school foreign language instruction or that require each graduating student to earn 2 years of postsecondary credit in a foreign language (or have demonstrated equivalent competence in the foreign language) or, in the case of a two-year degree granting institution, offer 2 years of postsecondary credit in a foreign language.

"(b) GRANTS TO STRENGTHEN PROGRAMS OF DEMONSTRATED EXCELLENCE IN UNDERGRADUATE INTERNATIONAL STUDIES AND FOREIGN LANGUAGE PROGRAMS.—

"(1) IN GENERAL.—The Secretary is authorized to make grants to institutions of higher education, combinations of such institutions, or partnerships between nonprofit educational organizations and institutions of higher education to enable such institutions of higher education, combinations of such institutions or partnerships to—

"(A) strengthen programs of demonstrated excellence in area studies, foreign languages, and other international fields in order to ensure the self-sustaining maintenance and growth of such programs; and

"(B) enhance the capacity-building and dissemination functions of such programs.

"(2) FEDERAL SHARE AND USE OF GRANT FUNDS.—Grants awarded under this subsection may be used to pay not more than 50 percent of the cost of projects and activities which are an integral part of the programs described in paragraph (1), such as—

"(A) teaching, research, curriculum development, and other related activities;

"(B) strengthening undergraduate majors and minors directly related to the generation of international expertise;

"(C) developing new foreign language courses, especially in languages previously not taught at such institution or combination of such institutions, and improving the quality of existing foreign language programs;

"(D) expanding library and teaching resources;

"(E) establishing linkages overseas with institutions of higher education and organizations that contribute to the educational objectives of this subsection;

"(F) developing programs designed to integrate professional and technical education with area studies, foreign languages, and other international fields;

"(G) disseminating curricular materials and program designs to other educational institutions;

"(H) integrating on-campus undergraduate curriculum with study abroad and exchange programs;

"(I) training faculty and staff in area studies, foreign languages, and other international fields;

"(J) conducting summer institutes in foreign area and other international fields to provide faculty and curriculum development, including the integration of professional and technical education with foreign area and other international studies, and to provide foreign area and other international knowledge or skills to government personnel or private sector professionals in international activities;

"(K) developing study and internship abroad programs—

"(i) in locations in which such opportunities are not otherwise available; or

"(ii) which serve students for whom such opportunities are not otherwise available; and

"(L) developing model programs to enrich or enhance the effectiveness of study abroad programs, including predeparture and post return orientation programs, integration of study abroad into the curriculum of the home institution, credit transfer, improved faculty involvement, cross-disciplinary programs, student selection and advising services, and academic advising.

"(3) NON-FEDERAL SHARE.—The non-Federal share of the cost of the programs assisted under this subsection may be provided either in cash or in kind. Such assistance may be composed of institutional and noninstitutional funds, including State and private contributions.

"(4) EVALUATION CRITERIA AND REPORT.—As a condition for the award of any grant under this subsection, the Secretary may establish criteria for evaluating programs and require an annual report which evaluates the progress and performance of students in such programs.

"(c) PROGRAMS OF NATIONAL SIGNIFICANCE.—The Secretary may also award grants to public and private nonprofit agencies and organizations, including professional and scholarly associations, whenever the Secretary determines such grants will make an especially significant contribution to attaining the objective of this section.

"SEC. 605. INTENSIVE SUMMER LANGUAGE INSTITUTES.

"(a) INTENSIVE SUMMER LANGUAGE INSTITUTES AUTHORIZED.—

"(1) GRANTS AUTHORIZED.—The Secretary is authorized to make grants to institutions of higher education, or combinations of such institutions, for the purpose of establishing and conducting intensive summer language institutes.

"(2) ELIGIBLE GRANT RECIPIENTS.—Training authorized by this section shall be provided through—

"(A) institutes designed to meet the needs for intensive language training by advanced foreign language students;

"(B) institutes designed to provide professional development and improve language instruction through preservice and inservice training for language teachers; or

"(C) institutes that combine the purposes of subparagraphs (A) and (B).

"(3) AUTHORIZED ACTIVITIES.—Grants made under this section may be used for—

"(A) intensive training in critical languages;

"(B) training in neglected languages; and

"(C) stipends for students and faculty attending the institutes authorized by this section.

"(4) INSTRUCTIONAL PROGRAM.—Institutes supported under this section may provide instruction on a full-time or part-time basis to supplement instruction not fully available in centers supported under section 602.

"(b) PEER REVIEW.—Grants made under this section shall be awarded on the basis of recommendations made by peer review panels composed of broadly representative professionals.

"SEC. 606. RESEARCH; STUDIES; ANNUAL REPORT.

"(a) AUTHORIZED ACTIVITIES.—The Secretary may, directly or through grants or contracts, conduct research and studies which contribute to the purposes of this part. Such research and studies may include but are not limited to—

"(1) studies and surveys to determine needs for increased or improved instruction in foreign language, area studies, or other international fields, including the demand for foreign language, area, and other international specialists in government, education, and the private sector;

"(2) studies and surveys to assess the utilization of graduates of programs supported under this title by governmental, educational, and private sector organizations and other studies assessing the outcomes and effectiveness of programs so supported;

"(3) comparative studies of the effectiveness of strategies to provide international capabilities at institutions of higher education;

"(4) research on more effective methods of providing instruction and achieving competency in foreign languages;

"(5) the development and publication of specialized materials for use in foreign language, area studies, and other international fields, or for training foreign language, area, and other international specialists; and

"(6) the application of performance tests and standards across all areas of foreign language instruction and classroom use.

"(b) ANNUAL REPORT.—The Secretary shall prepare, publish, and announce an annual re-

port listing the books and research materials produced with assistance under this section.

"SEC. 607. PERIODICALS AND OTHER RESEARCH MATERIALS PUBLISHED OUTSIDE THE UNITED STATES.

"(a) Program Authorized; Authorization of Appropriations.—

"(1) Program authorized.—From the amount appropriated under paragraph (2), the Secretary is authorized to award grants to institutions of higher education, public or nonprofit private library institutions, or consortia of such institutions for the acquisition of, and provision of access to, periodicals and other research materials published outside the United States.

"(2) Authorization of appropriations.—In addition to the amount authorized to be appropriated by section 610A, there are authorized to be appropriated $5,000,000 for fiscal year 1993, and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this section.

"(b) Authorized Activities.—Grants under this section shall be used for the following purposes:

"(1) To acquire periodicals and other research materials published outside the United States which are not commonly held by American academic libraries and which are of scholarly or research importance.

"(2) To maintain in machine-readable form current bibliographic information on periodicals and other research materials thus acquired, and to enter such information into one or more of the widely available bibliographic data bases.

"(3) To preserve such periodicals and other research materials.

"(4) To make such periodicals and other research materials widely available to researchers and scholars.

"(c) Application and Preference.—

"(1) Application.—Each institution or consortium desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information and assurances as the Secretary may reasonably require.

"(2) Preference.—The Secretary shall give preference to grant applications according to the following criteria:

"(A) The total number of library research materials in an institution's or consortium's collection.

"(B) The comprehensiveness, both current and retrospective, of the institution's or consortium's collection of periodicals and other research materials published outside the United States.

"(C) Public accessibility to the institution's or consortium's collection of periodicals and other research materials published outside the United States.

"(D) The institution's or consortium's technological capability to share its collection of periodicals and other research materials published outside the United States with other institutions of higher education, with public or nonprofit institutions, and with individual scholars.

"(E) The institution's or consortium's budget and staff capability to build, maintain, and service periodicals and other research materials published outside the United States.

"(3) Sufficient size.—The Secretary shall award grants under this section of sufficient size to enable an institution or consortium to—

"(A) substantially improve its collection of foreign periodicals and other research materials published outside the United States; and

"(B) contribute to a comprehensive national base of foreign language materials for students and scholars.

"(d) Written Agreement.—

"(1) Agreement required.—Prior to the awarding of grants authorized under subsection (c), each recipient institution or consortium shall file a formal written agreement with the Secretary which outlines their collecting responsibilities regarding periodicals and other research materials published outside the United States and ensures public access.

"(2) Funding limitation.—No funds from grants authorized under subsection (c) may be used by a recipient institution or consortium to acquire and process periodicals and other research materials published outside the United States other than that specified in the agreement filed with the Secretary under paragraph (1).

"(e) Copyright.—Nothing in this section shall be considered to amend, affect, or define the provisions of title 17, United States Code, relating to copyright.

"SEC. 608. SELECTION OF CERTAIN GRANT RECIPIENTS.

"(a) Competitive Grants.—The Secretary shall award grants under section 602 competitively on the basis of criteria that separately, but not less rigorously, evaluates the applications for comprehensive and undergraduate language and area centers and programs.

"(b) Selection Criteria.—The Secretary shall set criteria for grants awarded under section 602 by which a determination of excellence shall be made to meet the differing objectives of graduate and undergraduate institutions.

"(c) Equitable Distribution of Grants.—The Secretary shall, to the extent practicable, award grants under this part (other than section 602) in such manner as to achieve an equitable distribution of funds throughout the United States, based on the merit of a proposal with peer review by broadly representative professionals.

"SEC. 609. EQUITABLE DISTRIBUTION OF CERTAIN FUNDS.

"(a) Selection Criteria.—The Secretary shall make excellence the criterion for selection of grants awarded under section 602.

"(b) Equitable Distribution.—To the extent practicable and consistent with the criterion of excellence, the Secretary shall award grants under this part (other than section 602) in such a manner as will achieve an equitable distribution of funds throughout the Nation.

"(c) Support for Undergraduate Education.—The Secretary shall also award grants under this part in such manner as to ensure that an appropriate portion of the funds appropriated for this part (as determined by the Secretary) are used to support undergraduate education.

"SEC. 610. AMERICAN OVERSEAS RESEARCH CENTERS.

"(a) Centers Authorized.—The Secretary is authorized to make grants to and enter into contracts with any American overseas research center that is a consortium of institutions of higher education (hereafter in this section referred to as a 'center') to enable such center to promote postgraduate research, exchanges and area studies.

"(b) Use of Grants.—Grants made and contracts entered into pursuant to this section may be used to pay all or a portion of the cost of establishing or operating a center or program, including the cost of faculty and staff stipends and salaries, faculty, staff and student travel, the operation and maintenance of overseas facilities, the cost of teaching and research materials, the cost of acquisition, maintenance and preservation of library collections, the cost of bringing visiting scholars and faculty to a center to teach or to conduct research, the cost of organizing and managing conferences and the cost of publication and dissemination of material for the scholarly and general public.

"(c) Limitation.—The Secretary shall only award grants to and enter into contracts with centers under this section that—

"(1) receive more than 50 percent of their funding from public or private United States sources;

"(2) have a permanent presence in the country in which the center is located; and

"(3) are organizations described in section 501(c)(3) of the Internal Revenue Code of 1986 which are exempt from taxation under section 501(a) of such Code.

"SEC. 610A. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this part $80,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

"PART B—BUSINESS AND INTERNATIONAL EDUCATION PROGRAMS

"SEC. 611. FINDINGS AND PURPOSES.

"(a) Findings.—The Congress finds that—

"(1) the future economic welfare of the United States will depend substantially on increasing international skills in the business and educational community and creating an awareness among the American public of the internationalization of our economy;

"(2) concerted efforts are necessary to engage business schools, language and area study programs, professional international affairs education programs, public and private sector organizations, and United States business in a mutually productive relationship which benefits the Nation's future economic interests;

"(3) few linkages presently exist between the manpower and information needs of United States business and the international education, language training and research capacities of institutions of higher education in the United States, and public and private organizations; and

"(4) organizations such as world trade councils, world trade clubs, chambers of commerce and State departments of commerce are not adequately used to link universities and business for joint venture exploration and program development.

"(b) Purposes.—It is the purpose of this part—

"(1) to enhance the broad objective of this Act by increasing and promoting the Nation's capacity for international understanding and economic enterprise through the provision of suitable international education and training for business personnel in various stages of professional development; and

"(2) to promote institutional and noninstitutional educational and training activities that will contribute to the ability of United States business to prosper in an international economy.

"SEC. 612. CENTERS FOR INTERNATIONAL BUSINESS EDUCATION.

"(a) Program Authorized.—

"(1) In general.—The Secretary is authorized to make grants to institutions of higher education, or combinations of such institutions, to pay the Federal share of the cost of planning, establishing and operating centers for international business education which—

"(A) will be national resources for the teaching of improved business techniques, strategies, and methodologies which emphasize the international context in which business is transacted;

"(B) will provide instruction in critical foreign languages and international fields needed to provide understanding of the cultures and customs of United States trading partners; and

"(C) will provide research and training in the international aspects of trade, commerce, and other fields of study.

"(2) Special rule.—In addition to providing training to students enrolled in the institution of higher education in which a center is located, such centers shall serve as regional resources to

businesses proximately located by offering programs and providing research designed to meet the international training needs of such businesses. Such centers shall also serve other faculty, students, and institutions of higher education located within their region.

"(b) AUTHORIZED EXPENDITURES.—Each grant made under this section may be used to pay the Federal share of the cost of planning, establishing or operating a center, including the cost of—

"(1) faculty and staff travel in foreign areas, regions, or countries;

"(2) teaching and research materials;

"(3) curriculum planning and development;

"(4) bringing visiting scholars and faculty to the center to teach or to conduct research; and

"(5) training and improvement of the staff, for the purpose of, and subject to such conditions as the Secretary finds necessary for, carrying out the objectives of this section.

"(c) AUTHORIZED ACTIVITIES.—

"(1) MANDATORY ACTIVITIES.—Programs and activities to be conducted by centers assisted under this section shall include—

"(A) interdisciplinary programs which incorporate foreign language and international studies training into business, finance, management, communications systems, and other professional curricula;

"(B) interdisciplinary programs which provide business, finance, management, communications systems, and other professional training for foreign language and international studies faculty and advanced degree candidates;

"(C) evening or summer programs, such as intensive language programs, available to members of the business community and other professionals which are designed to develop or enhance their international skills, awareness, and expertise;

"(D) collaborative programs, activities, or research involving other institutions of higher education, local educational agencies, professional associations, businesses, firms, or combinations thereof, to promote the development of international skills, awareness, and expertise among current and prospective members of the business community and other professionals;

"(E) research designed to strengthen and improve the international aspects of business and professional education and to promote integrated curricula; and

"(F) research designed to promote the international competitiveness of American businesses and firms, including those not currently active in international trade.

"(2) PERMISSIBLE ACTIVITIES.—Programs and activities to be conducted by centers assisted under this section may include—

"(A) the establishment of overseas internship programs for students and faculty designed to provide training and experience in international business activities, except that no Federal funds provided under this section may be used to pay wages or stipends to any participant who is engaged in compensated employment as part of an internship program;

"(B) the establishment of linkages overseas with institutions of higher education and other organizations that contribute to the educational objectives of this section;

"(C) summer institutes in international business, foreign area studies, and other international studies designed to carry out the purposes of subparagraph (A) of this paragraph;

"(D) the development of opportunities for business students to study abroad in locations which are important to the existing and future economic well-being of the United States;

"(E) outreach activities or consortia with business programs located at other institutions of higher education for the purpose of providing expertise regarding the internationalization of such programs, such as assistance in research, curriculum development, faculty development, or educational exchange programs; and

"(F) other eligible activities prescribed by the Secretary.

"(d) ADVISORY COUNCIL.—

"(1) ESTABLISHMENT.—In order to be eligible for assistance under this section, an institution of higher education, or combination of such institutions, shall establish a center advisory council which will conduct extensive planning prior to the establishment of a center concerning the scope of the center's activities and the design of its programs.

"(2) MEMBERSHIP ON ADVISORY COUNCIL.—The center advisory council shall include—

"(A) one representative of an administrative department or office of the institution of higher education;

"(B) one faculty representative of the business or management school or department of such institution;

"(C) one faculty representative of the international studies or foreign language school or department of such institution;

"(D) one faculty representative of another professional school or department of such institution, as appropriate;

"(E) one or more representative of local or regional businesses or firms;

"(F) one representative appointed by the Governor of the State in which the institution of higher education is located whose normal responsibilities include official oversight or involvement in State-sponsored trade-related activities or programs; and

"(G) such other individuals as the institution of higher education deems appropriate.

"(3) MEETINGS.—In addition to the initial planning activities required under subsection (d)(1), the center advisory council shall meet not less than once each year after the establishment of the center to assess and advise on the programs and activities conducted by the center.

"(e) GRANT DURATION; FEDERAL SHARE.—

"(1) DURATION OF GRANTS.—The Secretary shall make grants under this section for a minimum of 3 years unless the Secretary determines that the provision of grants of shorter duration is necessary to carry out the objectives of this section.

"(2) FEDERAL SHARE.—The Federal share of the cost of planning, establishing and operating centers under this section shall be—

"(A) not more than 90 percent for the first year in which Federal funds are received;

"(B) not more than 70 percent for the second such year; and

"(C) not more than 50 percent for the third such year and for each such year thereafter.

"(3) NON-FEDERAL SHARE.—The non-Federal share of the cost of planning, establishing, and operating centers under this section may be provided either in cash or in-kind.

"(4) WAIVER OF NON-FEDERAL SHARE.—In the case of an institution of higher education receiving a grant under this part and conducting outreach or consortia activities with another institution of higher education in accordance with section 612(c)(2)(E), the Secretary may waive a portion of the requirements for the non-Federal share required in paragraph (2) equal to the amount provided by the institution of higher education receiving such grant to such other institution of higher education for carrying out such outreach or consortia activities. Any such waiver shall be subject to such terms and conditions as the Secretary deems necessary for carrying out the purposes of this section.

"(f) GRANT CONDITIONS.—Grants under this section shall be made on such conditions as the Secretary determines to be necessary to carry out the objectives of this section. Such conditions shall include—

"(1) evidence that the institution of higher education, or combination of such institutions, will conduct extensive planning prior to the establishment of a center concerning the scope of the center's activities and the design of its programs in accordance with subsection (d)(1);

"(2) assurance of ongoing collaboration in the establishment and operation of the center by faculty of the business, management, foreign language, international studies, professional international affairs, and other professional schools or departments, as appropriate;

"(3) assurance that the education and training programs of the center will be open to students concentrating in each of these respective areas, as appropriate; and

"(4) assurance that the institution of higher education, or combination of such institutions, will use the assistance provided under this section to supplement and not to supplant activities conducted by institutions of higher education described in subsection (c)(1).

"SEC. 613. EDUCATION AND TRAINING PROGRAMS.

"(a) PROGRAM AUTHORIZED.—The Secretary shall make grants to, and enter into contracts with, institutions of higher education to pay the Federal share of the cost of programs designed to promote linkages between such institutions and the American business community engaged in international economic activity. Each program assisted under this section shall both enhance the international academic programs of institutions of higher education and provide appropriate services to the business community which will expand its capacity to engage in commerce abroad.

"(b) AUTHORIZED ACTIVITIES.—Eligible activities to be conducted by institutions of higher education pursuant to grants or contracts awarded under this section shall include—

"(1) innovation and improvement in international education curricula to serve the needs of the business community, including development of new programs for nontraditional, mid-career, or part-time students;

"(2) development of programs to inform the public of increasing international economic interdependence and the role of American business within the international economic system;

"(3) internationalization of curricula at the junior and community college level, and at undergraduate and graduate schools of business;

"(4) development of area studies programs, and interdisciplinary international programs;

"(5) establishment of export education programs through cooperative arrangements with regional and world trade centers and councils, and with bilateral and multilateral trade associations;

"(6) research for and development of specialized teaching materials, including language materials, and facilities appropriate to business-oriented students;

"(7) establishment of student and faculty fellowships and internships for training and education in international business activities;

"(8) development of opportunities for junior business and other professional school faculty to acquire or strengthen international skills and perspectives;

"(9) development of research programs on issues of common interest to institutions of higher education and private sector organizations and associations engaged in or promoting international economic activity;

"(10) the establishment of internships overseas to enable foreign language students to develop their foreign language skills and knowledge of foreign cultures and societies;

"(11) the establishment of linkages overseas with institutions of higher education and organizations that contribute to the educational objectives of this section; and

"(12) summer institutes in international business, foreign area and other international stud-

ies designed to carry out the purposes of this section.

"(c) APPLICATIONS.—No grant may be made and no contract may be entered into under this section unless an institution of higher education submits an application to the Secretary at such time and in such manner as the Secretary may reasonably require. Each such application shall be accompanied by a copy of the agreement entered into by the institution of higher education with a business enterprise, trade organization or association engaged in international economic activity, or a combination or consortium of such enterprises, organizations or associations, for the purpose of establishing, developing, improving or expanding activities eligible for assistance under subsection (b) of this section. Each such application shall contain assurances that the institution of higher education will use the assistance provided under this section to supplement and not to supplant activities conducted by institutions of higher education described in subsection (b).

"(d) FEDERAL SHARE.—The Federal share under this part for each fiscal year shall not exceed 50 percent of the cost of such program.

"SEC. 614. AUTHORIZATION OF APPROPRIATIONS.

"(a) CENTERS FOR INTERNATIONAL BUSINESS EDUCATION.—There are authorized to be appropriated $11,000,000 for the fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out the provisions of section 612.

"(b) EDUCATION AND TRAINING PROGRAMS.—There are authorized to be appropriated $7,000,000 for fiscal year 1993, and such sums as may be necessary for the 4 succeeding fiscal years, to carry out the provisions of section 613.

"PART C—INSTITUTE FOR INTERNATIONAL PUBLIC POLICY

"SEC. 621. MINORITY FOREIGN SERVICE PROFESSIONAL DEVELOPMENT PROGRAM.

"(a) ESTABLISHMENT.—The Secretary is authorized to award a grant, on a competitive basis, to an eligible recipient to enable such recipient to establish an Institute for International Public Policy (hereafter in this part referred to as the 'Institute'). The Institute shall conduct a program to significantly increase the numbers of African Americans and other underrepresented minorities in the international service, including private international voluntary organizations and the foreign service of the United States. Such program shall include a program for such students to study abroad in their junior year, fellowships for graduate study, internships, intensive academic programs such as summer institutes, or intensive language training.

"(b) DEFINITION OF ELIGIBLE RECIPIENT.—

"(1) IN GENERAL.—For the purose of this part, the term 'eligible recipient' means a consortium consisting of 1 or more of the following entities:

"(A) An institution eligible for assistance under part B of title III of this Act.

"(B) An institution of higher education which serves substantial numbers of African American or other underrepresented minority students.

"(C) An institution of higher education with programs in training foreign service professionals.

"(2) HOST INSTITUTION.—Each eligible recipient receiving a grant under this section shall designate an institution of higher education as the host institution for the Institute.

"(c) APPLICATION.—Each eligible recipient desiring a grant under this section shall submit an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(d) DURATION.—Grants made pursuant to this section shall be awarded for a period not to exceed 5 years.

"(e) MATCH REQUIRED.—The eligible recipient of a grant under this section shall contribute to the conduct of the program supported by the grant an amount from non-Federal sources equal to at least one-fourth the amount of the grant, which contribution may be in cash or in kind.

"SEC. 622. JUNIOR YEAR ABROAD PROGRAM.

"(a) PROGRAM AUTHORITY.—The Institute shall conduct, by grant or contract, a junior year abroad program. The junior year abroad program shall be open to eligible students at institutions of higher education, including historically Black colleges and universities as defined in section 322 of this Act, tribally controlled Indian community colleges as defined in the Tribally Controlled Community College Assistance Act of 1978, and other institutions of higher education with significant minority student populations. Eligible student expenses shall be shared by the Institute and the institution at which the student is in attendance. Each student may spend not more than 9 months abroad in a program of academic study, as well as social, familial and political interactions designed to foster an understanding of and familiarity with the language, culture, economics and governance of the host country.

"(b) DEFINITION OF ELIGIBLE STUDENT.—For the purpose of this section, the term 'eligible student' means a student that is—

"(1) enrolled full-time in a baccalaureate degree program at an institution of higher education; and

"(2) entering the third year of study at an institution of higher education which nominates such student for participation in the junior year abroad program.

"(c) SPECIAL RULE.—An institution of higher education desiring to send a student on the junior year abroad program shall enter into a Memorandum of Understanding with the Institute under which such institution of higher education agrees to—

"(1) provide the requisite academic preparation for students participating in the junior year abroad or internship programs;

"(2) pay one-half the cost of each student it nominates for participation in the junior year abroad program; and

"(3) meet such other requirements as the Secretary may from time to time, by regulation, reasonably require.

"SEC. 623. MASTERS DEGREE IN INTERNATIONAL RELATIONS.

"The Institute shall provide, in cooperation with the other members participating in the eligible recipient consortium, a program of study leading to a masters degree in international relations. The masters degree program designed by the consortia shall be reviewed and approved by the Secretary. The Institute may grant fellowships in an amount not to exceed the level of support comparable to that provided by the National Science Foundation graduate fellowships, except such amount shall be adjusted as necessary so as not to exceed the fellow's demonstrated level of need according to measurement of need approved by the Secretary. A fellowship recipient shall agree to undertake full-time study and to enter the international service (including work with private international voluntary organizations) or foreign service of the United States.

"SEC. 624. INTERNSHIPS.

"The Institute shall enter into agreements with historically Black colleges and universities as defined in section 322 of this Act, tribally controlled Indian community colleges as defined in the Tribally Controlled Community College Assistance Act of 1978, other institutions of higher education with significant numbers of minority students, and institutions of higher education with programs in training foreign service professionals, to provide academic year internships during the junior and senior year and summer internships following the sophomore and junior academic years, by work placements with an international voluntary or government organizations or agencies, including the Agency for International Development, the United States Information Agency, the International Monetary Fund, the National Security Council, the Organization of American States, the Export-Import Bank, the Overseas Private Investment Corporation, the Department of State, Office of the United States Trade Representative, the World Bank, and the United Nations.

"SEC. 625. REPORT.

"The Institute shall annually prepare a report on the activities of the Institute and shall submit such report to the Secretary of Education and the Secretary of State.

"SEC. 626. GIFTS AND DONATIONS.

"The Institute is authorized to receive money and other property donated, bequeathed, or devised to the Institute with or without a condition of restriction, for the purpose of providing financial support for the fellowships or underwriting the cost of the Junior Year Abroad Program. All funds or property given, devised, or bequeathed shall be retained in a separate account, and an accounting of those funds and property shall be included in the annual report described in section 625.

"SEC. 627. AUTHORIZATION.

"There is authorized to be appropriated $10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this part.

"PART D—GENERAL PROVISIONS

"SEC. 631. DEFINITIONS.

"(a) DEFINITIONS.—As used in this title—

"(1) the term 'area studies' means a program of comprehensive study of the aspects of a society or societies, including study of its history, culture, economy, politics, international relations and languages;

"(2) the term 'international business' means profit-oriented business relationships conducted across national boundaries and includes activities such as the buying and selling of goods, investments in industries, the licensing of processes, patents and trademarks, and the supply of services;

"(3) the term 'export education' means educating, teaching and training to provide general knowledge and specific skills pertinent to the selling of goods and services to other countries, including knowledge of market conditions, financial arrangements, laws and procedures;

"(4) the term 'internationalization of curricula' means the incorporation of international or comparative perspectives in existing courses of study or the addition of new components to the curricula to provide an international context for American business education;

"(5) the term 'comprehensive language and area center' means an administrative unit of a university that contributes significantly to the national interest in advanced research and scholarship, employs a critical mass of scholars in diverse disciplines related to a geographic concentration, offers intensive language training in languages of its area specialization, maintains important library collections related to the area, and makes training available in language and area studies to a graduate, postgraduate, and undergraduate clientele; and

"(6) the term 'undergraduate language and area center' means an administrative unit of an institution of higher education, including but not limited to 4-year colleges, that contributes significantly to the national interest through the education and training of students who matriculate into advanced language and area studies programs, professional school programs, or incorporates substantial international and for-

eign language content into baccalaureate degree programs, engages in research, curriculum development and community outreach activities designed to broaden international and foreign language knowledge, employs faculty with strong language, area, and international studies credentials, maintains library holdings, including basic reference works, journals, and works in translation, and makes training available predominantly to undergraduate students;

"(7) the term 'critical languages' means each of the languages contained in the list of critical languages designated by the Secretary pursuant to section 212(d) of the Education for Economic Security Act (50 Fed. Reg. 149, 31413), except that, in the implementation of this definition, the Secretary may set priorities according to the purposes of this title; and

"(8) the term 'institution of higher education' means, in addition to institutions which meet the definition of section 1201(a) of this Act, institutions which meet the requirements of section 1201(a) of this Act except that (1) they are not located in the United States, and (2) they apply for assistance under this title in consortia with institutions which meet the definition of 1201(a) of this Act.

"(b) SPECIAL CONDITIONS.—All references to individuals or organizations, unless the context otherwise requires, mean individuals who are citizens or permanent residents of the United States or organizations which are organized or incorporated in the United States.

"SEC. 632. PRESERVATION OF PRE-1992 PROGRAMS.

"Notwithstanding any other provision of law, amendments to this title establishing new programs or expanding existing programs enacted pursuant to the Higher Education Amendments of 1992 shall not be funded in fiscal year 1993, or the 4 succeeding fiscal years, unless and until Congress enacts appropriations for programs under this title enacted prior to such Amendments at a level no less than the level of funding in effect for such preexisting programs for fiscal year 1992.

TITLE VII—CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF ACADEMIC FACILITIES

SEC. 701. PURPOSES.

Section 701 of the Act (20 U.S.C. 1132a) is amended—

(1) in the matter preceding paragraph (1) of subsection (a)—

(A) by inserting a period after "instructional instrumentation and equipment";

(B) by striking "if the primary purpose of such assistance is to enable such institutions—" in subsection (a) and inserting the following: "In making such grants, the Secretary shall include assistance to enable institutions—";

(2) in subsection (a)(1)—

(A) by striking subparagraphs (A) and (B) and inserting the following:

"(A) Federal, State, and local laws requiring removal of barriers to full participation by individuals with disabilities;";

(B) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively; and

(3) in subsection (a)(4), by inserting "(including renovation of libraries to promote the use of new technologies and preservation of library materials)" after "libraries".

SEC. 702. PRIOR RIGHTS AND OBLIGATIONS.

Section 702 of the Act (20 U.S.C. 1132a–1) is amended to read as follows:

"SEC. 702. PRIOR RIGHTS AND OBLIGATIONS.

"(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for fiscal year 1993 and for each of the 4 succeeding fiscal years to pay obligations incurred prior to 1987 under parts C and D of this title, as such parts were in effect before the effective date of the Higher Education Act Amendments of 1992.

"(b) LEGAL RESPONSIBILITIES.—Except as provided in section 783, all entities with continuing obligations incurred under parts A, B, C, and D of this title, as such parts were in effect before the effective date of the Higher Education Act Amendments of 1992, shall be subject to the requirements of such part as in effect before the effective date of the Higher Education Act Amendments of 1992.".

SEC. 703. IMPROVEMENT OF ACADEMIC AND LIBRARY FACILITIES.

Part A of title VII of the Act (20 U.S.C. 1132b et seq.) is amended to read as follows:

"PART A—IMPROVEMENT OF ACADEMIC AND LIBRARY FACILITIES

"SEC. 711. SHORT TITLE.

"This part may be cited as the 'Higher Education Facilities Act of 1992'.

"SEC. 712. FINDINGS.

"The Congress finds that—

"(1) over the past 50 years institutions of higher education have expanded dramatically, while at the same time traditional sources of funding facilities maintenance and repair have declined and even disappeared in some instances;

"(2) in order to meet the rising cost of educating students, resulting mainly from inflation and the higher costs of research, many colleges and universities made the choice to defer renovations and improvements;

"(3) overall, the need for capital investment by institutions of higher education has been estimated to exceed $60,000,000,000;

"(4) the deterioration of facilities has caused valuable research experiments and programs to be postponed, delayed or canceled; and

"(5) the United States' competitive position within the world economy is vulnerable if the necessary research facilities are not available to provide advanced training in the fields of science and technology.

"SEC. 713. DISTRIBUTION OF ASSISTANCE.

"(a) COMPETITIVE OR FORMULA DISTRIBUTION.—

"(1) COMPETITIVE GRANTS.—If the amount appropriated pursuant to section 716 for a fiscal year is less than $50,000,000, then the Secretary shall award grants under this part on a competitive basis in accordance with subsection (h) to institutions of higher education to carry out the activities described in section 714.

"(2) ALLOTMENT FORMULA.—

"(A) FORMULA.—If the amount appropriated pursuant to section 716 for a fiscal year is equal to or greater than $50,000,000, then the Secretary shall allot to each State higher education agency with an approved application—

"(i) 50 percent of such funds on the basis of the population of the State compared to the population of all States; and

"(ii) 50 percent of such funds on the basis of the number of students attending institutions of higher education within the State compared to the number of students attending institutions of higher education in all States.

"(B) USE OF FORMULA GRANTS.—Each State higher education agency receiving an allotment pursuant to subparagraph (A), shall use such allotment to award grants, on a competitive basis, to institutions of higher education within the State to enable such institutions to carry out the activities described in section 714.

"(C) REALLOTMENT.—Except as provided in subsection (f), any amount that the Secretary determines will not be available to a State higher education agency because such agency elects not to participate in the program assisted under this part shall be reallotted to other States in the same manner as the original allotments were made.

"(b) MATCHING REQUIREMENTS.—

"(1) STATE MATCHING REQUIREMENT.—

"(A) IN GENERAL.—In order to receive an allotment under subsection (a)(2)(A), each State higher education agency shall provide matching funds equal to 25 percent of the amount of any allotment received pursuant to such subsection. The Secretary may waive the requirements of the preceding sentence if the State can demonstrate to the satisfaction of the Secretary that such matching requirement would present a severe financial hardship to the State.

"(B) CASH REQUIREMENT.—Each State higher education agency receiving funds under this part shall only provide matching funds pursuant to paragraph (1) in cash.

"(2) INSTITUTIONAL MATCHING REQUIREMENT.—In order to receive a grant under subsection (a)(1) or (a)(2)(B), each eligible institution shall provide matching funds equal to 50 percent of the amount of any grant received pursuant to such subsection. Such matching funds may be provided by the State higher education agency or the institution of higher education.

"(c) PRIORITY.—In awarding grants pursuant to subsection (a), the Secretary or each State higher education agency shall give priority to institutions of higher education that serve large numbers or percentages of minority or disadvantaged students.

"(d) EQUITABLE PARTICIPATION.—In awarding grants pursuant to subsection (a), the Secretary or each State higher education agency shall ensure the equitable participation of both public and private eligible institutions within the State.

"(e) SPECIAL RULE.—If the Secretary determines that any eligible institution within a State has received, within the 2 preceding fiscal years, a direct, noncompetitive award of Federal funds for facilities construction, renovation, improvement or repair, then the eligible institution shall be ineligible to receive assistance under this part.

"(f) USE FOR MAINTENANCE.—An amount less than or equal to 10 percent of that portion of funds awarded under this part which is allotted by the recipient to meet costs of—

"(1) research and instructional instrumentation and equipment; and

"(2) equipment and structural changes necessary to ensure the proper functioning of such research or instructional instrumentation and equipment;

may be allocated by the recipient for maintenance of equipment and changes described in paragraphs (1) and (2). Part or all of this percentage may also be applied to costs of upgrading such equipment and structural changes within 3 years of the date of initial use, if the recipient deems such upgrading essential to the continued usefulness of such research or instructional instrumentation and equipment.

"(g) SUPPLEMENTATION.—Grants awarded pursuant to subsection (a) shall be used to supplement and not supplant other Federal, State, and local funds available for improvement of academic and library facilities.

"(h) PEER REVIEW REQUIRED.—In making grants under subsection (a)(1), the Secretary shall utilize a national peer review panel. The panel shall be broadly representative of all types and classes of institutions of higher education in the United States.

"SEC. 714. USE OF FUNDS.

"(a) IN GENERAL.—Institutions of higher education shall use funds awarded under this part for any one or more of the following activities:

"(1) The improvement, renovation, and repair of academic facilities.

"(2) The improvement and renovation of library facilities.

"(3) The improvement and renovation of broadcast, cable, and satellite interconnection

equipment for use in postsecondary educational television and radio programming, including interactive technology and communications.

"(4) The construction of academic and library facilities if the State determines such construction necessary.

"SEC. 715. APPLICATION.

"(a) State Higher Education Agency.—

"(1) Application.—Each State higher education agency desiring an allotment pursuant to section 713(a)(2)(A) shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

"(2) Contents.—Each application described in paragraph (1) shall—

"(A) describe the activities and services for which assistance is sought;

"(B) contain assurances that the State higher education agency will comply with the matching requirement described in section 713(b)(1);

"(C) contain a description and the amount of any direct, noncompetitive appropriation of funds for facilities construction, renovation, improvement or repair which the State provides to any institution of higher education within the State; and

"(D) contain such other assurances as the Secretary determines necessary to ensure compliance with the provisions of this part.

"(b) Institutions of Higher Education.—

"(1) State grants.—

"(A) Application.—Each institution of higher education desiring a grant pursuant to section 713(a)(1) or 713(a)(2)(B) shall submit an application to the Secretary or the State higher education agency, as appropriate, at such time, in such manner and accompanied by such information as the Secretary or such agency may reasonably require.

"(B) Contents.—Each application described in paragraph (1) shall—

"(A) describe the activities and services for which assistance is sought;

"(B) contain assurances that the eligible institution will comply with the matching requirement described in section 713(b)(2); and

"(C) contain such other assurances as the Secretary or State higher education agency determines necessary to ensure compliance with the provisions of this part.

"SEC. 716. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $350,000,000 for fiscal year 1993 and each of the 4 succeeding fiscal years to carry out the provisions of this part.".

SEC. 704. HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING.

Part B of title VII of the Act (20 U.S.C. 1132c et seq.) is amended to read as follows:

"PART B—HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING

"SEC. 721. FINDINGS.

"The Congress finds that—

"(1) a significant part of the Federal mission in education has been to attain equal opportunity in higher education for low-income, educationally disadvantaged Americans and African Americans;

"(2) the Nation's historically Black colleges and universities have played a prominent role in American history and have an unparalleled record of fostering the development of African American youth by recognizing their potential, enhancing their academic and technical skills, and honing their social and political skills through higher education;

"(3) the academic and residential facilities on the campuses of all historically Black colleges and universities have suffered from neglect, deferred maintenance and are in need of capital improvements in order to provide appropriate settings for learning and social development through higher education;

"(4) due to their small enrollments, limited endowments and other financial factors normally considered by lenders in construction financing, historically Black colleges and universities often lack access to the sources of funding necessary to undertake the necessary capital improvements through borrowing and bond financing;

"(5) despite their track record of long-standing and remarkable institutional longevity and viability, historically Black colleges and universities often lack the financial resources necessary to gain access to traditional sources of capital financing such as bank loans and bond financing; and

"(6) Federal assistance to facilitate low-cost capital basis for historically Black colleges and universities will enable such colleges and universities to continue and expand their educational mission and enhance their significant role in American higher education.

"SEC. 722. DEFINITIONS.

"For the purposes of this part:

"(1) The term 'eligible institution' means a 'part B institution' as that term is defined in section 322(2) of the Higher Education Act of 1965 (20 U.S.C. 1061(2)).

"(2) The term 'loan' means a loan made to an eligible institution under the provisions of this part and pursuant to an agreement with the Secretary.

"(3) The term 'qualified bond' means any obligation issued by the designated bonding authority at the direction of the Secretary, the net proceeds of which are loaned to an eligible institution for the purposes described in section 723(b).

"(4) The term 'funding' means any payment under this part from the Secretary to the eligible institution or its assignee in fulfillment of the insurance obligations of the Secretary pursuant to an agreement under section 723.

"(5) The term 'capital project' means, subject to section 724(b) the repair, renovation, or, in exceptional circumstances, the construction or acquisition, of—

"(A) any classroom facility, library, laboratory facility, dormitory (including dining facilities) or other facility customarily used by colleges and universities for instructional or research purposes or for housing students, faculty, and staff;

"(B) instructional equipment, research instrumentation, and any capital equipment or fixture related to facilities described in subparagraph (A);

"(C) any other facility, equipment or fixture which is essential to the maintaining of accreditation of the member institution by a nationally recognized accrediting agency or association; and

"(D) any real property or interest therein underlying facilities described in subparagraph (A) or (C).

"(6) The term 'interest' includes accredited value or any other payment constituting interest on an obligation.

"(7) The term 'outstanding', when used with respect to bonds, shall not include bonds the payment of which shall have been provided for by the irrevocable deposit in trust of obligations maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make payments on such bonds.

"(8) The term 'designated bonding authority' means the private, for-profit corporation selected by the Secretary pursuant to section 725(1) for the purpose of issuing taxable construction bonds in furtherance of the purposes of this part.

"(9) The term 'Advisory Board' means the Advisory Board established by section 727 of this part.

"SEC. 723. FEDERAL INSURANCE FOR BONDS.

"(a) General Rule.—Subject to the limitations in section 724, the Secretary is authorized to enter into insurance agreements to provide financial insurance to guarantee the full payment of principal and interest on qualified bonds upon the conditions set forth in subsections (b), (c) and (d).

"(b) Responsibilities of the Designated Bonding Authority.—The Secretary may not enter into an insurance agreement described in subsection (a) unless the Secretary designates a qualified bonding authority in accordance with sections 725(1) and 726 and the designated bonding authority agrees in such agreement to—

"(1) use the proceeds of the qualified bonds, less costs of issuance not to exceed 2 percent of the principal amount thereof, to make loans to eligible institutions or for deposit into an escrow account for repayment of the bonds;

"(2) provide in each loan agreement with respect to a loan that not less than 95 percent of the proceeds of the loan will be used—

"(A) to finance the repair, renovation, and, in exceptional cases, construction or acquisition, of a capital project; or

"(B) to refinance an obligation the proceeds of which were used to finance the repair, renovation, and, in exceptional cases, construction or acquisition, of a capital project;

"(3)(A) charge such interest on loans, and provide for such a schedule of repayments of loans, as will, upon the timely repayment of the loans, provide adequate and timely funds for the payment of principal and interest on the bonds; and

"(B) require that any payment on a loan expected to be necessary to make a payment of principal and interest on the bonds be due not less than 60 days prior to the date of the payment on the bonds for which such loan payment is expected to be needed;

"(4) prior to the making of any loan, provide for a credit review of the institution receiving the loan and assure the Secretary that, on the basis of such credit review, it is reasonable to anticipate that the institution receiving the loan will be able to repay the loan in a timely manner pursuant to the terms thereof;

"(5) provide in each loan agreement with respect to a loan that, if a delinquency on such loan results in a funding under the insurance agreement, the institution obligated on such loan shall repay the Secretary, upon terms to be determined by the Secretary, for such funding;

"(6) assign any loans to the Secretary, upon the demand of the Secretary, if a delinquency on such loan has required a funding under the insurance agreement;

"(7) in the event of a delinquency on a loan, engage in such collection efforts as the Secretary shall require for a period of not less than 45 days prior to requesting a funding under the insurance agreement;

"(8) establish an escrow account—

"(A) into which each eligible institution shall deposit 10 percent of the proceeds of any loan made under this part; and

"(B) the balance of which—

"(i) shall be available to the Secretary to pay principal and interest on the bonds in the event of delinquency in loan repayment; and

"(ii) when all bonds under this part are retired or canceled, shall be divided among the eligible institutions making deposits into such account on the basis of the amount of each such institution's deposit;

"(9) provide in each loan agreement with respect to a loan that, if a delinquency on such loan results in amounts being withdrawn from the escrow account to pay principal and interest on bonds, subsequent payments on such loan shall be available to replenish such escrow account;

"(10) comply with the limitations set forth in section 724 of this part; and

"(11) make loans only to eligible institutions under this part in accordance with regulations

prescribed by the Secretary to ensure that loans are fairly allocated among as many eligible institutions as possible, consistent with making loans of amounts that will permit capital projects of sufficient size and scope to significantly contribute to the educational program of the eligible institutions.

"(c) ADDITIONAL AGREEMENT PROVISIONS.—Any insurance agreement described in subsection (a) of this section shall provide as follows:

"(1) The payment of principal and interest on bonds shall be insured by the Secretary until such time as such bonds have been retired or canceled.

"(2) The Federal liability for delinquencies and default for bonds guaranteed under this part shall only become effective upon the exhaustion of all the funds held in the escrow account described in subsection (b)(8).

"(3) The Secretary shall create a letter of credit authorizing the Department of the Treasury to disburse funds to the designated bonding authority or its assignee.

"(4) The letter of credit shall be drawn upon in the amount determined by paragraph (5) of this subsection upon the certification of the designated bonding authority to the Secretary or the Secretary's designee that there is a delinquency on 1 or more loans and there are insufficient funds available from loan repayments and the escrow account to make a scheduled payment of principal and interest on the bonds.

"(5) Upon receipt by the Secretary or the Secretary's designee of the certification described in paragraph (4) of this subsection, the designated bonding authority may draw a funding under the letter of credit in an amount equal to—

"(A) the amount required to make the next scheduled payment of principal and interest on the bonds, less

"(B) the amount available to the designated bonding authority from loan repayments and the escrow account.

"(6) All funds provided under the letter of credit shall be paid to the designated bonding authority within 2 business days following receipt of the certification described in paragraph (4).

"(d) FULL FAITH AND CREDIT PROVISIONS.—Subject to section 723(c)(1) the full faith and credit of the United States is pledged to the payment of all funds which may be required to be paid under the provisions of this section.

"SEC. 724. LIMITATIONS ON FEDERAL INSURANCE FOR BONDS ISSUED BY THE DESIGNATED BONDING AUTHORITY.

"(a) LIMIT ON AMOUNT.—At no time shall the aggregate principal amount of outstanding bonds insured under this part together with any accrued unpaid interest thereon exceed $375,000,000, of which—

"(1) not more than $250,000,000 shall be used for loans to eligible institutions that are private historically Black colleges and universities; and

"(2) not more than $125,000,000 shall be used for loans to eligible institutions which are historically Black public colleges and universities. For purposes of paragraphs (1) and (2), Lincoln University of Pennsylvania is an historically Black public institution. No institution of higher education that has received assistance under section 8 of the Act of March 2, 1867 (20 U.S.C. 123) shall be eligible to receive assistance under this part.

"(b) LIMITATION ON CREDIT AUTHORITY.—The authority of the Secretary to issue letters of credit and insurance under this part is effective only to the extent provided in advance by appropriations Acts.

"(c) RELIGIOUS ACTIVITY PROHIBITION.—No loan may be made under this part for any educational program, activity or service related to sectarian instruction or religious worship or provided by a school or department of divinity or to an institution in which a substantial portion of its functions is subsumed in a religious mission.

"(d) DISCRIMINATION PROHIBITION.—No loan may be made to an institution under this part if the institution discriminates on account of race, color, religion, national origin, sex (to the extent provided in title IX of the Education Amendments of 1972), or disabling condition; except that the prohibition with respect to religion shall not apply to an institution which is controlled by or which is closely identified with the tenets of a particular religious organization if the application of this section would not be consistent with the religious tenets of such organization.

"SEC. 725. AUTHORITY OF THE SECRETARY.

"In the performance of, and with respect to, the functions vested in the Secretary by this part, the Secretary—

"(1) shall, within 120 days of enactment of the Higher Education Amendments of 1992, publish in the Federal Register a notice and request for proposals for any private for-profit organization or entity wishing to serve as the designated bonding authority under this part, which notice shall—

"(A) specify the time and manner for submission of proposals; and

"(B) specify any information, qualifications, criteria, or standards the Secretary determines to be necessary to evaluate the financial capacity and administrative capability of any applicant to carry out the responsibilities of the designated bonding authority under this part;

"(2) may sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this part without regard to the amount in controversy, and any action instituted under this part without regard to the amount in controversy, and any action instituted under this section by or against the Secretary shall survive notwithstanding any change in the person occupying the office of the Secretary or any vacancy in such office;

"(3)(A) may foreclose on any property and bid for and purchase at any foreclosure, or any other sale, any property in connection with which the Secretary has been assigned a loan pursuant to this part; and

"(B) in the event of such an acquisition, notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, remodel and convert, dispose of, lease, and otherwise deal with, such property, except that—

"(i) such action shall not preclude any other action by the Secretary to recover any deficiency in the amount of a loan assigned to the Secretary; and

"(ii) any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

"(4) may sell, exchange, or lease real or personal property and securities or obligations; and

"(5) may include in any contract such other covenants, conditions, or provisions necessary to ensure that the purposes of this part will be achieved.

"SEC. 726. PROHIBITION.

"No institution that receives a loan under this part shall also receive a grant under part A of this title or a loan under part D of this title.

"SEC. 727. HBCU CAPITAL FINANCING ADVISORY BOARD.

"(a) ESTABLISHMENT AND PURPOSE.—There is established within the Department of Education, the Historically Black College and Universities Capital Financing Advisory Board (hereinafter in this part referred to as the 'Advisory Board') which shall provide advice and counsel to the Secretary and the designated bonding authority as to the most effective and efficient means of implementing construction financing on African American college campuses, and advise the Congress of the United States regarding the progress made in implementing this part. The Advisory Board shall meet with the Secretary at least twice each year to advise him as to the capital needs of historically Black colleges and universities, how those needs can be met through the program authorized by this part, and what additional steps might be taken to improve the operation and implementation of the construction financing program.

"(b) BOARD MEMBERSHIP.—

"(1) COMPOSITION.—The Advisory Board shall be appointed by the Secretary and shall be composed of 9 members as follows:

"(A) The Secretary or the Secretary's designee.

"(B) Three members who are presidents of private historically Black colleges or universities.

"(C) Two members who are presidents of public historically Black colleges or universities.

"(D) The president of the United Negro College Fund, Inc.

"(E) The president of the National Association for Equal Opportunity in Higher Education.

"(F) The executive director of the White House Initiative on historically Black colleges and universities.

"(2) TERMS.—The term of office of each member appointed under paragraphs (1)(B) and (1)(C) shall be 3 years, except that—

"(A) of the members first appointed pursuant to paragraphs (1)(B) and (1)(C), 2 shall be appointed for terms of 1 year, and 3 shall be appointed for terms of 2 years;

"(B) members appointed to fill a vacancy occurring before the expiration of a term of a member shall be appointed to serve the remainder of that term; and

"(C) a member may continue to serve after the expiration of a term until a successor is appointed.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $50,000 for fiscal year 1993 and each of the 4 succeeding fiscal years to carry out this section.

"SEC. 728. MINORITY BUSINESS ENTERPRISE UTILIZATION.

"In the performance of and with respect to the Secretary's effectuation of his responsibilities under section 725(1) and to the maximum extent feasible in the implementation of the purposes of this part, minority business persons, including bond underwriters and credit enhancers, bond counsel, marketers, accountants, advisors, construction contractors, and managers should be utilized.".

SEC. 705. CONSOLIDATION OF PARTS C AND F.

Part C of title VII of the Act (20 U.S.C. 1132d et seq.) is amended to read as follows:

"PART C—LOANS FOR CONSTRUCTION, RECONSTRUCTION AND RENOVATION OF ACADEMIC, HOUSING, AND OTHER EDUCATIONAL FACILITIES

"SEC. 731. FEDERAL ASSISTANCE IN THE FORM OF LOANS.

"(a) AUTHORITY AND CONDITIONS FOR LOANS.—To assist institutions of higher education and higher education building agencies in the construction, reconstruction, or renovation of housing, undergraduate and graduate academic facilities, and other educational facilities for students and faculties, the Secretary may make loans of funds to such institutions for the construction, reconstruction, or renovation of such facilities. No such assistance shall be provided unless—

"(1) the educational institution involved is unable to secure the necessary funds for the construction or purchase from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this title; and

"(2) the Secretary finds that any such construction will be undertaken in an economical manner, and that any such facilities are not or will not be of elaborate or extravagant design or materials.

"(b) AMOUNT AND CONDITIONS OF LOANS.—A loan to institutions of higher education or higher education building agency—

"(1) may be in an amount not exceeding the total development cost of the facility, as determined by the Secretary;

"(2) shall be secured in such manner and be repaid within such period, not exceeding 50 years, as may be determined by the Secretary; and

"(3) shall bear interest at a rate determined by the Secretary which shall be not more than the lower of (A) 5.5 percent per annum, or (B) the total of one-quarter of 1 percent per annum added to the rate of interest paid by the Secretary on funds obtained from the Secretary of the Treasury.

"(c) USE OF LOANS FOR PREVIOUSLY MADE CONTRACTS.—Any institution of higher education or higher education building agency which, prior to October 17, 1986, had contracted for housing or other educational facilities may, in connection therewith, receive loans authorized under this part, as the Secretary may determine. No such loan shall be made for any housing or other educational facilities, the construction of which was begun prior to enactment of such date, or completed prior to the filing of an application under this part.

"(d) MATCHING REQUIREMENT.—The Secretary shall not make a loan under this part unless the institution of higher education or higher education building agency receiving such loan provides from non-Federal sources at least 20 percent of the development cost of the project for which the loan is made.

"SEC. 732. GENERAL PROVISIONS.

"(a) BUDGET AND ACCOUNTING.—In the performance of, and with respect to, the functions, powers, and duties under this part, the Secretary, notwithstanding the provisions of any other law, shall—

"(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by chapter 91 of title 31, United States Code; and

"(2) maintain a set of accounts which shall be audited by the Comptroller General in accordance with the provisions of chapter 35 of title 31, United States Code, but such financial transactions of the Secretary, as the making of loans and vouchers approved by the Secretary, in connection with such financial transactions shall be final and conclusive upon all officers of the Government.

"(b) USE OF FUNDS.—Funds made available to the Secretary pursuant to the provisions of this part shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Secretary in connection with the performance of functions under this part, and all funds available for carrying out the functions of the Secretary under this part (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Secretary in connection with the performance of such functions.

"(c) LEGAL POWERS.—In the performance of, and with respect to, the functions, powers, and duties under this part, the Secretary, notwithstanding the provisions of any other law, may—

"(1) prescribe such rules and regulations as may be necessary to carry out the purposes of this part;

"(2) sue and be sued;

"(3) foreclose on any property or commence any action to protect or enforce any right conferred upon the Secretary by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any property in connection with which the Secretary has made a loan pursuant to this part;

"(4) in the event of any such acquisition, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, remodel and convert, dispose of, lease, and otherwise deal with, such property, but any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

"(5) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as the Secretary may fix;

"(6) obtain insurance against loss in connection with property and other assets held;

"(7) subject to the specific limitations in this part, consent to the modification, with respect to the rate of interest, time of payment of any installment of principal or interest, security, or any other term of any contract or agreement to which the Secretary is a party or which has been transferred to the Secretary pursuant to this part, granting to a borrower of a loan made before October 1, 1992, the option of repaying the loan at a discount computed in accordance with subsection (d) if the repayment is (A) made from non-Federal sources, (B) not derived from proceeds of obligations the income of which is exempt from taxation under the Internal Revenue Code of 1986, and (C) made on a loan that has been outstanding for at least 5 years; and

"(8) include in any contract or instrument made pursuant to this part such other covenants, conditions, or provisions as may be necessary to assure that the purposes of this part will be achieved.

"(d) COMPUTATION OF ALLOWABLE DISCOUNTS.—The Secretary shall compute the discount which may be offered to a borrower as an inducement to early repayment under subsection (c)(7) in an amount determined by the Secretary to be in the best financial interests of the Government, taking into account the yield on outstanding marketable obligations of the United States having maturities comparable to the remaining term of such loan.

"(e) NONDISCRIMINATION BETWEEN BORROWERS IN OFFERING DISCOUNTED PREPAYMENT.—

"(1) GENERAL RULE.—If the Secretary offers a discount as an inducement to early repayment under subsection (c)(7), such offer shall be available without regard to whether the borrower is delinquent or in default on the loan on or before October 1, 1992, but the Secretary shall refuse to make such offer to a borrower that becomes delinquent or goes into default after that date.

"(2) APPLICABILITY.—The discount offered shall apply, in the case of a borrower that complies with paragraph (1), to the entire amount outstanding on the loan (including any amount owed with respect to payments that are overdue).

"(f) CONTRACTS FOR SUPPLIES OR SERVICES.—Section 3709 of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this part if the amount of such contract does not exceed $1,000.

"(g) APPLICABILITY OF GOVERNMENT CORPORATION CONTROL ACT.—The provisions of section 9107(a) of title 31, United States Code, which are applicable to corporations or agencies subject to chapter 91 of such title, shall also be applicable to the activities of the Secretary under this part.

"(h) WAGE RATES.—The Secretary shall take such action as may be necessary to ensure that all laborers and mechanics employed by contractors or subcontractors on any project assisted under this part—

"(1) shall be paid wages at rates not less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (Davis-Bacon Act), as amended; and

"(2) shall be employed not more than 40 hours in any one week unless the employee receives wages for the employee's employment in excess of the hours specified above at a rate not less than one and one-half times the regular rate at which the employee is employed,

but the Secretary may waive the application of this subsection in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such project, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Secretary determines that any amounts saved thereby are fully credited to the educational institution undertaking the construction.

"(i) LIMITATION.—No loan may be made under this part for any facility on the campus of any postsecondary educational institution until 5 years after the date on which a previous loan for another facility on such campus was made under this part, unless the loan is intended to be used to construct or reconstruct a facility damaged as a result of a national disaster, as declared by the President.

"SEC. 733. APPORTIONMENT.

"(a) LIMITATION.—Not more than 12.5 percent of the amount of the funds provided for in this part in the form of loans shall be made available to educational institutions within any one State.

"(b) PRIORITIES.—In awarding loans under this part, the Secretary shall give priority—

"(1) to loans for renovation or reconstruction of undergraduate and graduate academic facilities; and

"(2) to loans for renovation or reconstruction of older undergraduate and graduate academic facilities that have gone without major renovation or reconstruction for an extended period.

"SEC. 734. DEFINITIONS.

"For the purpose of this part:

"(a) HOUSING.—The term 'housing' means—

"(1) new or existing structures suitable for dwelling use, including single-room dormitories and apartments; and

"(2) dwelling facilities provided for rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for the proposed dwelling use.

"(b) EDUCATIONAL INSTITUTION.—The term 'institution of higher education or higher education building agency' means—

"(1)(A) any educational institution which offers, or provides satisfactory assurance to the Secretary that it will offer within a reasonable time after completion of a facility for which assistance is requested under this part, at least a 2-year program acceptable for full credit toward a baccalaureate degree (including any public educational institution, or any private educational institution no part of the net earnings of which inures to the benefit of any private shareholder or individual); or

"(B) any public educational institution which—

"(i) is administered by a college or university which is accredited by a nationally recognized accrediting agency or association;

"(ii) offers technical or vocational instruction; and

"(iii) provides residential facilities for some or all of the students receiving such instruction;

"(2) any hospital operating a school of nursing beyond the level of high school approved by the appropriate State authority, or any hospital approved for internships, by recognized authority, if such hospital is either a public hospital or a private hospital, no part of the net earnings of which inures to the benefit of any private shareholder or individual;

"(3) any corporation (no part of the net earnings of which inures to the benefit of any private shareholder or individual)—

"(A) established for the sole purpose of providing housing or other educational facilities for students or students and faculty of one or more institutions included in paragraph (1) without regard to their membership in or affiliation with any social, fraternal, or honorary society or organization; and

"(B) upon dissolution of which all title to any property purchased or built from the proceeds of any loan which is made under section 731 (as such section was in effect prior to the date of enactment of the Higher Education Amendments of 1992), will pass to such institution (or to any one or more of such institutions) unless it is shown to the satisfaction of the Secretary that such property or the proceeds from its sale will be used for some other nonprofit educational purpose;

"(4) any agency, public authority, or other instrumentality of any State, established for the purpose of providing or financing housing or other educational facilities for students or faculty of any educational institution included in paragraph (1), but nothing in this paragraph shall require an institution included in paragraph (1) to obtain loans or grants through any instrumentality included in this paragraph; and

"(5) any nonprofit student housing cooperative corporation established for the purpose of providing housing for students or students and faculty of any institution included in paragraph (1).

In the case of any loan made under section 731 (as such section was in effect prior to the date of enactment of the Higher Education Amendments of 1992) to a corporation described in paragraph (3) which was not established by the institution or institutions for whose students or students and faculty it would provide housing, or to a student housing cooperative corporation described in paragraph (5), and in the case of any loan which is obtained from other sources by such a corporation, the Secretary shall require that the note securing such loan be cosigned by such institution (or by any one or more of such institutions). Where the law of any State in effect on the date of enactment of the Housing Act of 1964 prevents the institution or institutions, for whose students or students and faculty housing is to be provided, from cosigning the note, the Secretary shall require the corporation and the proposed project to be approved by such institution (or by any one or more of such institutions) in lieu of such cosigning.

"(c) UNDERGRADUATE AND GRADUATE ACADEMIC FACILITIES.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the term 'undergraduate and graduate academic facilities' means structures suitable for use as classrooms, laboratories, libraries, and related facilities, the primary purpose of which is the instruction of students pursuing at least a 2-year program acceptable for full credit toward a baccalaureate degree, or for administration of the educational programs serving such students, of an institution of higher education, and maintenance, storage, or utility facilities essential to operation of the foregoing facilities, as well as infirmaries or other facilities designed to provide primarily for outpatient care of student and instructional personnel. Plans for such facilities shall be in compliance with such standards as the Secretary may prescribe or approve in order to ensure that projects assisted with the use of Federal funds under this part shall be, to the extent appropriate in view of the uses to be made of the facilities, accessible to and usable by individuals with disabilities.

"(2) EXCEPTIONS.—The term 'undergraduate and graduate academic facilities' shall not include (A) any facility intended primarily for events for which admission is to be charged to the general public, (B) any gymnasium or other facility specially designed for athletic or recreational activities, other than for an academic course in physical education or where the Secretary finds that the physical integration of such facilities with other undergraduate academic facilities included under this part is required to carry out the objectives of this part, (C) any facility used or to be used for sectarian instruction or as a place for religious worship, or (D) any facility which (although not a facility described in the preceding clause) is used or to be used primarily in connection with any part of the program of a school or department of divinity.

"(d) DEVELOPMENT COST.—The term 'development cost' means costs of the construction of the housing or other educational facilities and the land on which it is located, including necessary site improvements to permit its use for housing, academic facilities, or other educational facilities, except that in the case of the purchase of facilities such term means the cost as approved by the Secretary.

"(e) FACULTIES.—The term 'faculties' means members of the faculty and their families.

"(f) OTHER EDUCATIONAL FACILITIES.—The term 'other educational facilities' means (1) new or existing structures suitable for use as cafeterias or dining halls, student centers or student unions, infirmaries or other inpatient or outpatient health facilities, or for other essential service facilities, and (2) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses.

"SEC. 735. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this part, $50,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

SEC. 706. REPEAL OF PARTS D, F, G, AND J.

Parts D, F, G, and J of title VII of the Act (20 U.S.C. 1132e et seq., 1132g et seq., 1132h–1 et seq., 1132j et seq., respectively) are repealed.

SEC. 707. REDESIGNATION OF AND AMENDMENTS TO PART E.

(a) REDESIGNATION.—Part E of title VII of the Act (20 U.S.C. 1132f et seq.) is redesignated as part D.

(b) AUTHORITY TO PROVIDE DIRECT INSURANCE TO HIGHER RATED INSTITUTIONS.—Section 752(c) of the Act (20 U.S.C. 1132f–1(c)) is amended by adding at the end the following new paragraph:

"(5) Notwithstanding paragraph (1), the Corporation may issue primary insurance or guarantees covering the assets or obligations of institutions which are, without insurance or guarantee, listed by a nationally recognized statistical rating organization at or above the third highest rating of such organization, subject to all of the following conditions and limitations:

"(A) The proposed transaction shall have been declined for coverage by all unaffiliated monoline insurers that are authorized to write financial guarantee insurance and that, in the previous year, provided primary insurance or guarantees on educational facility obligations. The Secretary shall publish by January 31 of each year a list of all such insurers.

"(B) Within 2 business days of receiving complete documentation concerning a proposed transaction by an institution seeking insurance from the Corporation pursuant to this paragraph (5), an insurer shall offer to provide coverage or execute an affidavit of declination, or its failure to respond shall be deemed a declination. The institution seeking insurance from the Corporation shall file with the Corporation the affidavits from all declining insurers, as well as an affidavit of the institution's financial advisor specifically identifying the pertinent terms of the proposed transaction, the requested insurance coverage, and the date on which complete documentation concerning the proposed transaction was submitted to each insurer and certifying that such information was provided to each insurer that declined coverage.

"(C) The proceeds of the assets or obligations insured or guaranteed by the Corporation pursuant to this paragraph shall be used exclusively for the renovation, repair, replacement, or construction of academic and educational facilities and shall not be used for the renovation, repair, replacement, or construction of athletic facilities.

"(D) The aggregate par value of assets and obligations insured or guaranteed by the Corporation under this paragraph (5) shall not exceed—

"(i) $100,000,000 per year during calendar years 1993, 1994, and 1995; or

"(ii) $150,000,000 per year during calendar years 1996 and 1997.

"(E) The aggregate dollar amount of transactions under this paragraph (5) shall not exceed—

"(i) in calendar year 1993, 1994, or 1995, 10 percent of the aggregate dollar amount of assets and obligations directly covered by primary insurance or guarantees issued by the Corporation under this section in such year; or

"(ii) in calendar year 1996 or 1997, 15 percent of the aggregate dollar amount of assets and obligations directly covered by primary insurance or guarantees issued by the Corporation under this section in such year.".

SEC. 708. REDESIGNATION OF AND AMENDMENTS TO PART H.

(a) REDESIGNATION.—Part H of title VII of the Act (20 U.S.C. 1132i et seq.) is redesignated as part E.

(b) RECOVERY OF PAYMENTS.—Section 781 of the Act (20 U.S.C. 1132i) is amended by striking "part A or B of this title" each place such term appears and inserting "part A of this title, or part B of this title as such part was in effect prior to the enactment of the Higher Education Amendments of 1992,".

(c) ELIMINATION OF UNNECESSARY DEFINITIONS.—Section 782 of the Act (20 U.S.C. 1089) is amended—

(1) by striking paragraphs (5) and (7); and

(2) by redesignating paragraphs (6), (8), and (9) as paragraph (5), (6), and (7), respectively.

(d) FORGIVENESS OF CERTAIN LOANS.—Section 783 of the Act (20 U.S.C. 1132i–2) is amended to read as follows:

"FORGIVENESS OF CERTAIN LOANS

"SEC. 783. (a) FORGIVENESS AUTHORIZED.—The Secretary may forgive the entire balance due, or any portion thereof, on any loan made under part C or part F of this title (as in effect on the day before the date of enactment of the Higher Education Amendments of 1992), or under the College Housing and Academic Facilities Loan program, or any other federally subsidized, insured, or authorized loan program designed to assist institutions of higher education to construct academic or dormitory facilities, whenever the Secretary determines that—

"(1) the institution of higher education is current in its payments to the Department or has entered into a moratorium agreement with the Secretary with respect to such payments; and

"(2) the outstanding indebtedness equals at least one-quarter of the annual budget for the most recent fiscal year of the institution of higher education seeking forgiveness of its housing loan indebtedness, exclusive of funds provided under titles III and IV of this Act, and in the judgment of the Secretary the survival of the institution of higher education is threatened.

"(b) DEFINITION.—For the purpose of this section the term 'institution of higher education' includes a postsecondary educational institution.

"(c) APPLICATION.—Each institution of higher education requesting forgiveness of any loan under this section shall submit an application to the Secretary at such time, in such manner and containing or accompanied by such information, as the Secretary may reasonably require.".

TITLE VIII—COOPERATIVE EDUCATION

SEC. 801. COOPERATIVE EDUCATION.

Title VIII of the Act (20 U.S.C. 1133 et seq.) is amended to read as follows:

"TITLE VIII—COOPERATIVE EDUCATION

"SEC. 801. STATEMENT OF PURPOSE; DEFINITION.

"(a) PURPOSE.—It is the purpose of this title to award grants to institutions of higher education or combinations of such institutions to encourage such institutions to develop and make available to as many of their students as possible work experience that will aid such students in future careers and will enable such students to support themselves financially while in school.

"(b) DEFINITION.—For the purpose of this title the term 'cooperative education' means the provision of alternating or parallel periods of academic study and public or private employment in order to give students work experiences related to their academic or occupational objectives and an opportunity to earn the funds necessary for continuing and completing their education.

"SEC. 802. AUTHORIZATION OF APPROPRIATIONS; RESERVATIONS.

"(a) APPROPRIATIONS AUTHORIZED.—There are authorized to be appropriated to carry out this title $30,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(b) RESERVATIONS.—Of the amounts appropriated in each fiscal year—

"(1) not less than 50 percent shall be available for carrying out grants to institutions of higher education and combinations of such institutions described in section 803(a)(1)(A) for cooperative education under section 803;

"(2) not less than 25 percent shall be available for carrying out grants to institutions of higher education described in section 803(a)(1)(B) for cooperative education under section 803;

"(3) not to exceed 11 percent shall be available for demonstration projects under paragraph (1) of section 804(a);

"(4) not to exceed 11 percent shall be available for training and resource centers under paragraph (2) of section 804(a); and

"(5) not to exceed 3 percent shall be available for research under paragraph (3) of section 804(a).

"(c) AVAILABILITY OF APPROPRIATIONS.—Appropriations under this title shall not be available for the payment of compensation of students for employment by employers under arrangements pursuant to this title.

"SEC. 803. GRANTS FOR COOPERATIVE EDUCATION.

"(a) GRANTS AUTHORIZED.—

"(1) IN GENERAL.—The Secretary is authorized—

"(A) from the amount available under section 802(b)(1) in each fiscal year and in accordance with the provisions of this title, to make grants to institutions of higher education or combinations of such institutions that have not received a grant under this paragraph in the 10-year period preceding the date for which a grant under this section is requested to pay the Federal share of the cost of planning, establishing, expanding, or carrying out programs of cooperative education by such institutions or combinations of institutions; and

"(B) from the amount available under section 802(b)(2) in each fiscal year and in accordance with the provisions of this title, to make grants to institutions of higher education that are operating an existing cooperative education program as determined by the Secretary to pay the cost of planning, establishing, expanding, or carrying out programs of cooperative education by such institutions.

"(2) PROGRAM REQUIREMENT.—Cooperative education programs assisted under this section shall provide alternating or parallel periods of academic study and of public or private employment, giving students work experience related to their academic or occupational objectives and the opportunity to earn the funds necessary for continuing and completing their education.

"(3) AMOUNT OF GRANTS.—(A) The amount of each grant awarded pursuant to paragraph (1)(A) to any institution of higher education or combination of such institutions in any fiscal year shall not exceed $500,000.

"(B)(i) Except as provided in clauses (ii) and (iii), the Secretary shall award grants in each fiscal year to each institution of higher education described in paragraph (1)(B) that has an application approved under subsection (b) in an amount which bears the same ratio to the amount reserved pursuant to section 802(b)(2) for such fiscal year as the number of unduplicated students placed in cooperative education jobs during the preceding fiscal year (other than cooperative education jobs under section 804 and as determined by the Secretary) by such institution of higher education bears to the total number of all such students placed in such jobs during the preceding fiscal year by all such institutions.

"(ii) No institution of higher education shall receive a grant pursuant to paragraph (1)(B) in any fiscal year in an amount which exceeds 25 percent of such institution's cooperative education program's personnel and operating budget for the preceding fiscal year.

"(iii) The minimum annual grant amount which an institution of higher education is eligible to receive under paragraph (1)(B) is $1,000 and the maximum annual grant amount is $75,000.

"(4) LIMITATION.—The Secretary shall not award grants pursuant to paragraphs (1)(A) and (1)(B) to the same institution of higher education or combination of such institution in any one fiscal year.

"(5) USES.—Grants under paragraph (1)(B) shall be used exclusively—

"(A) to expand the quality and participation of a cooperative education program;

"(B) for outreach in new curricular areas; and

"(C) for outreach to potential participants including underrepresented and nontraditional populations.

"(b) APPLICATIONS.—Each institution of higher education or combination of such institutions desiring to receive a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary shall prescribe. Each such application shall—

"(1) set forth the program or activities for which a grant is authorized under this section;

"(2) specify each portion of such program or activities which will be performed by a nonprofit organization or institution other than the applicant and the compensation to be paid for such performance;

"(3) provide that the applicant will expend during such fiscal year for the purpose of such program or activities not less than the amount expended for such purpose during the previous fiscal year;

"(4) describe the plans which the applicant will carry out to assure, and contain a formal statement of the institution's commitment which assures, that the applicant will continue the cooperative education program beyond the 5-year period of Federal assistance described in subsection (c)(1) at a level which is not less than the total amount expended for such program during the first year such program was assisted under this section;

"(5) provide that, in the case of an institution of higher education that provides a 2-year program which is acceptable for full credit toward a bachelor's degree, the cooperative education program will be available to students who are certificate or associate degree candidates and who carry at least one-half the normal full-time academic workload;

"(6) provide that the applicant will—

"(A) make such reports as may be essential to ensure that the applicant is complying with the provisions of this section, including the reports for the second and each succeeding fiscal year for which the applicant receives a grant data with respect to the impact of the cooperative education program in the previous fiscal year, including—

"(i) the number of unduplicated student applicants in the cooperative education program;

"(ii) the number of unduplicated students placed in cooperative education jobs;

"(iii) the number of employers who have hired cooperative education students;

"(iv) the income for students derived from working in cooperative education jobs; and

"(v) the increase or decrease in the number of unduplicated students placed in cooperative education jobs in each fiscal year compared to the previous fiscal year; and

"(B) keep such records as are essential to ensure that the applicant is complying with the provisions of this title, including the notation of cooperative education employment on the student's transcript;

"(7) describe the extent to which programs in the academic discipline for which the application is made have had a favorable reception by public and private sector employers;

"(8) describe the extent to which the institution is committed to extending cooperative education on an institution-wide basis for all students who can benefit;

"(9) describe the plans that the applicant will carry out to evaluate the applicant's cooperative education program at the end of the grant period;

"(10) provide for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under this title;

"(11) demonstrate a commitment to serving special populations such as women, individuals with disabilities, and African American, Mexican-American, Puerto Rican, Cuban, other Hispanic, American Indian, Alaska Native, Aleut, Native Hawaiian, American Samoan, Micronesian, Guamanian (Chamorro), and Northern Marianian students; and

"(12) include such other information as is essential to carry out the provisions of this title.

"(c) DURATION OF GRANTS; FEDERAL SHARE.—

"(1) DURATION OF GRANTS.—No individual institution of higher education may receive, individually or as a participant in a combination of such institutions—

"(A) a grant pursuant to subsection (a)(1)(A) for more than 5 fiscal years; or

"(B) a grant pursuant to subsection (a)(1)(B) for more than 5 fiscal years.

"(2) FEDERAL SHARE.—The Federal share of a grant under section 803(a)(1)(A) may not exceed—

"(A) 85 percent of the cost of carrying out the program or activities described in the application in the first year the applicant receives a grant under this section;

"(B) 70 percent of such cost in the second such year;

"(C) 55 percent of such cost in the third such year;

"(D) 40 percent of such cost in the fourth such year; and

"(E) 25 percent of such cost in the fifth such year.

"(3) SPECIAL RULE.—Any provision of law to the contrary notwithstanding, the Secretary shall not waive the provisions of this subsection.

"(d) MAINTENANCE OF EFFORT.—If the Secretary determines that a recipient of funds under this section has failed to maintain the fiscal effort described in subsection (b)(3), then the Secretary may elect not to make grant payments under this section to such recipient.

"(e) FACTORS FOR SPECIAL CONSIDERATION OF APPLICATIONS.—

"(1) IN GENERAL.—In approving applications under this section, the Secretary shall give special consideration to applications from institutions of higher education or combinations of such institutions for programs which show the greatest promise of success because of—

"(A) the extent to which programs in the academic discipline with respect to which the application is made have had a favorable reception by public and private sector employers;

"(B) the strength of the commitment of the institution of higher education or combination of such institutions to cooperative education as demonstrated by the plans and formalized institutional commitment statement which such institution or combination has made to continue the program after the termination of Federal financial assistance,

"(C) the extent to which the institution or combination is committed to extending cooperative education for all students who can benefit, and

"(D) such other factors as are consistent with the purposes of this section.

"(2) ADDITIONAL SPECIAL CONSIDERATION.—The Secretary shall also give special consideration to applications from institutions of higher education or combinations of such institutions which demonstrate a commitment to serving special populations such as women, individuals with disabilities, and African American, Mexican American, Puerto Rican, Cuban, other Hispanic, American Indian, Alaska Native, Aleut, Native Hawaiian, American Samoan, Micronesian, Guamanian (Chamorro), and Northern Mariana students.

"SEC. 804. DEMONSTRATION AND INNOVATION PROJECTS; TRAINING AND RESOURCE CENTERS; AND RESEARCH.

"(a) AUTHORIZATION.—The Secretary is authorized, in accordance with the provisions of this section, to make grants and enter into contracts for—

"(1) the conduct of demonstration projects designed to demonstrate or determine the feasibility or value of innovative methods of cooperative education from the amounts available in each fiscal year under section 802(b)(3);

"(2) the conduct of training and resource centers designed to—

"(A) train personnel in the field of cooperative education;

"(B) improve materials used in cooperative education programs if such improvement is conducted in conjunction with other activities described in this paragraph;

"(C) furnish technical assistance to institutions of higher education to increase the potential of the institution to continue to conduct a cooperative education program without Federal assistance;

"(D) encourage model cooperative education programs which furnish education and training in occupations in which there is a national need;

"(E) support partnerships under which an institution carrying out a comprehensive cooperative education program joins with one or more institutions of higher education in order to (i) assist the institution other than the comprehensive cooperative education institution to develop and expand an existing program of cooperative education, or (ii) establish and improve or expand comprehensive cooperative education programs; and

"(F) encourage model cooperative education programs in the fields of science and mathematics for women and minorities who are underrepresented in such fields from the amounts available in each fiscal year under section 802(b)(4); and

"(3) the conduct of research relating to cooperative education, from the amounts available in each fiscal year under section 802(b)(5).

"(b) ADMINISTRATIVE PROVISION.—

"(1) IN GENERAL.—To carry out this section, the Secretary may—

"(A) make grants to or contracts with institutions of higher education, or combinations of such institutions; and

"(B) make grants to or contracts with other public or private nonprofit agencies or organizations, whenever such grants or contracts will make an especially significant contribution to attaining the objectives of this section.

"(2) LIMITATION.—(A) The Secretary may not use more than 3 percent of the amount appropriated to carry out this section in each fiscal year to enter into contracts described in paragraph (1)(A).

"(B) The Secretary may use not more than 3 percent of the amount appropriated to carry out this section in each fiscal year to enter into contracts described in paragraph (1)(B).

"(c) SUPPLEMENT NOT SUPPLANT.—A recipient of a grant or contract under this section may use the funds provided only so as to supplement and, to the extent possible, increase the level of funds that would, in the absence of such funds, be made available from non-Federal sources to carry out the activities supported by such grant or contract, and in no case to supplant such funds from non-Federal sources.".

TITLE IX—GRADUATE PROGRAMS

SEC. 901. GRADUATE PROGRAMS.

Title IX of the Act (20 U.S.C. 1134 et seq.) is amended to read as follows:

"TITLE IX—GRADUATE PROGRAMS

"SEC. 901. PURPOSE AND ADMINISTRATIVE PROVISIONS.

"(a) PURPOSE.—It is the purpose of this title to—

"(1) foster and support graduate and professional education;

"(2) provide incentives and support for United States citizens to complete doctoral degree programs leading to academic careers, especially women and students from underrepresented groups; and

"(3) provide support for students from underrepresented groups to complete masters and professional degree programs.

"(b) ADMINISTRATIVE PROVISIONS.—

"(1) COORDINATED ADMINISTRATION.—In carrying out the purposes of this title, the Secretary shall provide for coordinated administration and regulation of graduate programs under this title to ensure that the programs are carried out in a manner most compatible with academic practices.

"(2) HIRING AUTHORITY.—For purposes of carrying out this title, the Secretary shall appoint, without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service, such administrative and technical employees, with the appropriate educational background, as shall be needed to assist in the administration of such part. Such employees shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(3) USE FOR RELIGIOUS PURPOSES PROHIBITED.—No fellowship shall be awarded under this title for study at a school or department of divinity.

"PART A—GRANTS TO INSTITUTIONS AND CONSORTIA TO ENCOURAGE WOMEN AND MINORITY PARTICIPATION IN GRADUATE EDUCATION

"SEC. 911. GRANTS AUTHORIZED.

"The Secretary shall make grants to institutions of higher education and consortia of such institutions to enable such institutions and consortia—

"(1) to identify talented undergraduate students who—

"(A) demonstrate financial need; and

"(B) are individuals from minority groups underrepresented in graduate education or are women underrepresented in fields of study in graduate education such as the fields of science and mathematics; and

"(2) to provide such students with an opportunity to participate in a program of research and scholarly activities at such institutions or consortia designed to provide such students with effective preparation for graduate study in such fields or related fields.

"SEC. 912. SUBMISSION AND CONTENTS OF APPLICATION.

"(a) REQUIRED INFORMATION.—Each institution of higher education or consortium desiring assistance under this part shall submit an application to the Secretary in such form and containing such information as the Secretary may by regulation prescribe. Each such application shall provide information regarding—

"(1) the program of study, to take the form of summer research internships, seminars, and other educational experiences;

"(2) the institution's or consortium's plan for identifying and recruiting talented women and minority undergraduates, especially those interested in entering fields in which such women and minority undergraduates are underrepresented;

"(3) the participation of faculty in the program and a detailed description of the research in which students will be involved;

"(4) a plan for the evaluation of the effectiveness of the program; and

"(5) such other assurances and information as the Secretary may require by regulation.

"(b) SELECTION REQUIREMENTS.—In making awards to institutions and consortia—

"(1) the Secretary shall consider the quality of the research in which students will be involved as well as the recruitment program and program of study; and

"(2) the Secretary shall ensure an equitable geographic distribution among public and private institutions of higher education and consortia.

"SEC. 913. USE OF FUNDS.

"Awards made to institutions or consortia under this part shall be used exclusively to provide direct fellowship aid which may include need-based stipends, room and board costs, transportation costs, and tuition for courses for which credit is given by the institution or consortium as approved by the Secretary.

"SEC. 914. INFORMATION COLLECTION.

"In order to assist institutions of higher education or consortia to identify talented women *and minority undergraduates for graduate study, institutions or consortia receiving awards under this part shall provide to the Secretary such information as the Secretary determines is necessary to carry out this section. With respect to students participating in a summer internship under this part, the Secretary shall collect information submitted by such institutions or consortia, such as the students' names, addresses, and institutions attended for undergraduate study. The Secretary shall, subject to the authorization of each student, make the information available to institutions of higher education or consortia offering graduate programs seeking to identify talented women and minority undergraduates for graduate study.*

"SEC. 915. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this part $25,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"PART B—PATRICIA ROBERTS HARRIS FELLOWSHIP PROGRAM

"SEC. 921. STATEMENT OF PURPOSE; DESIGNATION.

"(a) PURPOSE.—It is the purpose of this part to provide, through institutions of higher education, a program of grants to assist in making available the benefits of master's level, professional, and doctoral education programs to individuals from minority groups and women who are underrepresented in such programs.

"(b) DESIGNATION.—Each recipient of such an award under this part shall be known as a 'Patricia Roberts Harris Graduate Fellow'.

"SEC. 922. PROGRAM AUTHORIZED.

"(a) GRANTS BY SECRETARY.—

"(1) IN GENERAL.—The Secretary shall make grants to institutions of higher education to enable such institutions to make grants in accordance with the provisions of this part.

"(2) RESERVATIONS.—The Secretary shall reserve—

"(A) 50 percent of the amount appropriated pursuant to the authority of section 924 to award grants to institutions of higher education to enable such institutions to make awards for master's level and professional study; and

"(B) 50 percent of such amount to award grants to such institutions to enable such institutions to make awards for doctoral study.

"(b) DISTRIBUTION AND AMOUNTS OF GRANTS.—

"(1) EQUITABLE DISTRIBUTION.—In making such grants the Secretary shall, to the maximum extent feasible, ensure an equitable geographic distribution of awards and an equitable distribution among eligible public and independent institutions of higher education.

"(2) REALLOTMENT.—Whenever the Secretary determines that an institution of higher education is unable to use all of the amounts available to it under this part, the Secretary shall, on such dates during each fiscal year as the Secretary may fix, reallot such amounts not needed to institutions which can use the grants authorized by this part.

"(c) APPLICATIONS.—Any eligible institution of higher education offering a program of postbaccalaureate study leading to a master's level, professional, or doctoral degree may apply for grants under this part. Each such institution may make an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Such application may be made on behalf of professional schools, academic departments, or similar organizational units within such institution meeting the requirements of this subsection, including interdisciplinary or interdepartmental programs.

"(d) SELECTION OF APPLICATIONS.—In making grants to institutions of higher education, the Secretary shall—

"(1) take into account present and projected needs for highly trained individuals in academic career fields of high national priority;

"(2) consider the need to prepare a larger number of women and individuals from minority groups, especially from among such groups which have been traditionally underrepresented in professional and academic careers requiring master's level, professional, or doctoral degrees, but nothing contained in this paragraph shall be interpreted to require any institution to grant preference or disparate treatment to the members of one minority group on account of an imbalance which may exist with respect to the total number or percentage of individuals of such group participating in or receiving the benefits of the program authorized in this section, in comparison with the total number or percentage of individuals of such group in any community, State, section, or other area;

"(3) take into account the need to expand access by women and minority groups to careers heretofore lacking adequate representation of women and minority groups; and

"(4) take into account the success of the applicant in providing students with access to careers in which women and minority groups are underrepresented.

"(e) PRIORITIES FOR FELLOWSHIPS.—The Secretary shall assure that, in making grants under this part, a priority for awards is accorded to—

"(1) individuals from minority groups and women who are pursuing master's level or professional study in fields in which they are underrepresented;

"(2) individuals from minority groups and women who are pursuing master's level study leading to careers that serve the public interest; and

"(3) women and individuals from traditionally underrepresented groups undertaking doctoral study, including those interested in entering the fields of science and mathematics.

"(f) INSTITUTIONAL PAYMENTS.—The Secretary shall (in addition to stipends paid to individuals under this part) pay to the institution of higher education, for each individual awarded a fellowship under this part at such institution, $9,000 with respect to such awards made for the academic year 1993–1994, to be adjusted annually thereafter in accordance with inflation as determined by the Department of Labor's Consumer Price Index for the previous calendar year.

"SEC. 923. AWARD OF FELLOWSHIPS.

"(a) AWARDS.—The Secretary shall make payments to institutions of higher education for the purpose of paying stipends to individuals who are awarded fellowships under this part. The stipends the Secretary may establish shall reflect the purpose of this program to encourage students to undertake master's level, professional, and doctoral study as described in this part. In the case of an individual who receives such individual's first stipend under this part in academic year 1993–1994 or any succeeding academic year, such stipend shall be set at a level of support equal to that provided by the National Science Foundation graduate fellowships, except such amount shall be adjusted as necessary so as not to exceed the fellow's demonstrated level of need according to measurements of need approved by the Secretary.

"(b) REQUIREMENTS FOR AWARDS.—

"(1) MASTER'S OR PROFESSIONAL DEGREE.—No student enrolled in graduate study leading to a master's or professional degree shall receive an award except during periods in which such student is maintaining satisfactory progress in, and devoting essentially full time to study or research (including acting as a teaching assistant or research assistant as may be required as a condition to award a degree), in the field in which such fellowship was awarded and is not engaging in gainful employment, other than part-time employment by the institution of higher education involved in teaching, research, or similar activities, approved by the Secretary. Such period shall not exceed the normal period for completing the program in which the student is enrolled or a total of 3 years, whichever is less, except that the Secretary may provide by regulation for the granting of such fellowships for a period of study not to exceed one 12-month period, in addition to the 3-year period for study or research set forth in this section, under special circumstances which the Secretary determines would most effectively serve the purposes of this part. The Secretary shall make a determination to provide such 12-month extension of an award to an individual fellowship recipient for study or research upon review of an application for such extension by the recipient.

"(2) DOCTORAL DEGREE.—No student enrolled in graduate study leading to a doctoral degree shall receive an award under this part except during periods in which such student is maintaining satisfactory progress in, and devoting essentially full time to study, research (including acting as a teaching assistant or research assistant as may be required as a condition to award a degree), or dissertation work in the field in which such fellowship was awarded and is not engaging in gainful employment, other than part-time employment by the institution of higher education involved in teaching, research, or similar activities, approved by the Secretary. Such period shall not exceed a total of 3 years, consisting of not more than 2 years of support for study or research, and not more than 1 year of support for dissertation work provided that the student has attained satisfactory progress prior to the dissertation stage. The institution shall provide 2 years of support for each student, including at least 1 year of supervised teaching, following the 2 years of predissertation support under this part.

"SEC. 924. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $60,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this part.

"PART C—JACOB K. JAVITS FELLOWSHIP PROGRAM

"SEC. 931. AWARD OF JACOB K. JAVITS FELLOWSHIPS.

"(a) AUTHORITY AND TIMING OF AWARDS.—The Secretary is authorized to award fellowships in accordance with the provisions of this part for graduate study in the arts, humanities, and social sciences by students of superior ability selected on the basis of demonstrated achievement and exceptional promise. All funds appropriated in a fiscal year shall be obligated and expended to the students for fellowships for use in the academic year beginning after July 1 of the fiscal year for which the funds were appropriated. The fellowships shall be awarded for only 1 academic year of study and shall be renewable for a period not to exceed 4 years of study.

"(b) DESIGNATION OF FELLOWS.—Students receiving awards under this part shall be known as 'Jacob K. Javits Fellows'.

"(c) INTERRUPTIONS OF STUDY.—The institution of higher education may allow a fellowship recipient to interrupt periods of study for a period not to exceed 12 months for the purpose of work, travel, or independent study away from the campus, if such independent study is supportive of the fellowship recipient's academic program and shall continue payments for those 12-month periods during which the student is pursuing travel or independent study supportive of the recipient's academic program.

"SEC. 932. ALLOCATION OF FELLOWSHIPS.

"(a) FELLOWSHIP BOARD.—

"(1) APPOINTMENT.—The Secretary shall appoint a Jacob K. Javits Fellows Program Fellowship Board (hereinafter in this part referred to as the 'Board') consisting of 9 individuals representative of both public and private institutions of higher education who are especially qualified to serve on the Board. In making appointments, the Secretary shall give due consideration to the appointment of individuals who are highly respected in the academic community. The Secretary shall assure that individuals appointed to the Board are broadly knowledgeable about and have experience in doctoral education in arts, humanities, and social sciences.

"(2) DUTIES.—The Board shall—

"(A) establish general policies for the program established by this part and oversee its operation;

"(B) establish general criteria for the distribution of fellowships among eligible academic fields identified by the Board;

"(C) appoint panels of academic scholars with distinguished backgrounds in the arts, humanities, and social sciences for the purpose of selecting fellows; and

"(D) prepare and submit to the Congress at least once in every 3-year period a report on any modifications in the program that the Board determines are appropriate.

"(3) CONSULTATIONS.—In carrying out its responsibilities, the Board shall consult on a regular basis with representatives of the National Science Foundation, the National Endowment for the Humanities, the National Endowment for the Arts, and representatives of institutions of higher education and associations of such institution, learned societies, and professional organizations.

"(4) TERM.—The term of office of each member of the Board shall be 4 years, except that any member appointed to fill a vacancy shall serve for the remainder of the term for which the predecessor of the member was appointed. No member may serve for a period in excess of 6 years.

"(5) INITIAL MEETING; VACANCY.—The Secretary shall call the first meeting of the Board, at which the first order of business shall be the election of a Chairperson and a Vice Chairperson, who shall serve until 1 year after the date of their appointment. Thereafter each officer shall be elected for a term of 2 years. In case a vacancy occurs in either office, the Board shall elect an individual from among the members of the Board to fill such vacancy.

"(6) QUORUM; ADDITIONAL MEETINGS.—(A) A majority of the members of the Board shall constitute a quorum.

"(B) The Board shall meet at least once a year or more frequently, as may be necessary, to carry out its responsibilities.

"(7) COMPENSATION.—Members of the Board, while serving on the business of the Board, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding the rate of basic pay payable for level IV of the Executive Schedule, including traveltime, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

"(b) USE OF SELECTION PANELS.—The recipients of fellowships shall be selected in each designated field from among all applicants nationwide in each field by distinguished panels appointed by the Board to make such selections under criteria established by the Board. The number of recipients in each field in each year shall not exceed the number of fellows allocated to that field for that year by the Board.

"(c) FELLOWSHIP PORTABILITY.—Each recipient shall be entitled to use the fellowship in a doctoral program at any accredited institution of higher education in which the recipient may decide to enroll.

"SEC. 933. STIPENDS.

"(a) AWARD BY SECRETARY.—The Secretary shall pay to individuals awarded fellowships under this part such stipends as the Secretary may establish, reflecting the purpose of this program to encourage highly talented students to undertake graduate study as described in this part. In the case of an individual who receives such individual's first stipend under this part in academic year 1993–1994 or any succeeding academic year, such stipend shall be set at a level of support equal to that provided by the National Science Foundation graduate fellowships, except such amount shall be adjusted as necessary so as not to exceed the fellow's demonstrated level of need according to measurements of need approved by the Secretary.

"(b) INSTITUTIONAL PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall (in addition to the stipends paid to individuals under subsection (a)) pay to the institution of higher education, for each individual awarded a fellowship for pursuing a course at such institution, $9,000 with respect to such awards made for the academic year 1993–1994, to be adjusted annually thereafter in accordance with inflation as determined by the Department of Labor's Consumer Price Index for the previous calendar year, except that such amount charged to a fellowship recipient and collected from such recipient for tuition and other expenses required by the institution as part of the recipient's instructional program shall be deducted from the payment to the institution under this subsection.

"(2) SPECIAL RULES.—(A) Beginning March 1, 1992, any applicant for a fellowship under this part who has been notified in writing by the Secretary that such applicant has been selected to receive such a fellowship and is subsequently notified that the fellowship award has been withdrawn, shall receive such fellowship unless the Secretary subsequently makes a determination that such applicant submitted fraudulent information on the application.

"(B) Subject to the availability of appropriations, amounts payable to an institution by the Secretary pursuant to this subsection shall not be reduced for any purpose other than the purposes specified under paragraph (1).

"SEC. 934. FELLOWSHIP CONDITIONS.

"(a) REQUIREMENTS FOR RECEIPT.—An individual awarded a fellowship under the provisions of this part shall continue to receive payments provided in section 933 only during such periods as the Secretary finds that such individual is maintaining satisfactory proficiency in, and devoting essentially full time to, study or research in the field in which such fellowship was awarded, in an institution of higher education, and is not engaging in gainful employment other than part-time employment by such institution in teaching, research, or similar activities, approved by the Secretary.

"(b) REPORTS FROM RECIPIENTS.—The Secretary is authorized to require reports containing such information in such form and filed at such times as the Secretary determines necessary from any person awarded a fellowship under the provisions of this part. The reports shall be accompanied by a certificate from an appropriate official at the institution of higher education, library, archive, or other research center approved by the Secretary, stating that such individual is making satisfactory progress in, and is devoting essentially full time to the program for which the fellowship was awarded.

"SEC. 935. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $30,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this part.

"PART D—GRADUATE ASSISTANCE IN AREAS OF NATIONAL NEED

"SEC. 941. PURPOSE.

"In order to sustain and enhance the capacity for teaching and research in areas of national need, it is the purpose of the part to provide, through academic departments and programs of institutions of higher education, a fellowship program to assist graduate students of superior ability who demonstrate financial need.

"SEC. 942. GRANTS TO ACADEMIC DEPARTMENTS AND PROGRAMS OF INSTITUTIONS.

"(a) GRANT AUTHORITY.—

"(1) IN GENERAL.—The Secretary shall make grants to academic departments and programs and other academic units of institutions of higher education that provide courses of study leading to a graduate degree in order to enable such institutions to provide assistance to graduate students in accordance with this part.

"(2) ADDITIONAL GRANTS.—The Secretary may also make grants to such departments and programs and to other units of institutions of higher education granting graduate degrees which submit joint proposals involving nondegree granting institutions which have formal arrangements for the support of doctoral dissertation research with degree-granting institutions. Nondegree granting institutions eligible for awards as part of such joint proposals include any organization which—

"(A) is described in section 501(c)(3) of the Internal Revenue Code of 1986, and is exempt from tax under section 501(a) of such Code;

"(B) is organized and operated substantially to conduct scientific and cultural research and graduate training programs;

"(C) is not a private foundation;

"(D) has academic personnel for instruction and counseling who meet the standards of the institution of higher education in which the students are enrolled; and

"(E) has necessary research resources not otherwise readily available in such institutions to such students.

"(b) AWARD AND DURATION OF GRANTS.—

"(1) AWARDS.—The principal criterion for the allocation of awards shall be the relative quality of the graduate programs presented in competing applications. Consistent with an allocation of awards based on quality of competing applications, the Secretary shall, in making such grants, promote an equitable geographic distribution among eligible public and private institutions of higher education.

"(2) DURATION.—The Secretary shall approve a grant recipient under this part for a 3-year period. From the sums appropriated under this part for any fiscal year, the Secretary shall not make a grant to any academic department or program of an institution of higher education of less than $100,000 or greater than $750,000 per fiscal year.

"(3) REALLOTMENT.—Whenever the Secretary determines that an academic department or program of an institution of higher education is unable to use all of the amounts available to it under this part, the Secretary shall, on such dates during each fiscal year as the Secretary may fix, reallot the amounts not needed to academic departments and programs of institutions which can use the grants authorized by this part.

"(c) PREFERENCE TO CONTINUING GRANT RECIPIENTS.—

"(1) IN GENERAL.—The Secretary shall make new grant awards under this part only to the extent that each previous grant recipient has received continued funding in accordance with subsection (b)(2).

"(2) RATABLE REDUCTION.—To the extent that appropriations under this part are insufficient to comply with paragraph (1), available funds shall be distributed by ratably reducing the

amounts required to be awarded by subsection (b)(2).

"SEC. 943. INSTITUTIONAL ELIGIBILITY.

"(a) ELIGIBILITY CRITERIA.—Any academic department or program of an institution of higher education that offers a program of postbaccalaureate study leading to a graduate degree in an area of national need (as designated under subsection (b)) may apply for a grant under this part. No department or program shall be eligible for a grant unless the program of postbaccalaureate study has been in existence for at least 4 years at the time of application for assistance under this part.

"(b) DESIGNATION OF AREAS OF NATIONAL NEED.—After consultation with the National Science Foundation, the National Academy of Sciences, the National Endowments for the Arts and the Humanities, and other appropriate Federal and nonprofit agencies and organizations, the Secretary shall designate areas of national need, such as mathematics, biology, physics, chemistry, engineering, geosciences, computer science, or foreign languages or area studies. In making such designations, the Secretary shall take into account the extent to which the interest is compelling and the extent to which other Federal programs support postbaccalaureate study in the area concerned.

"SEC. 944. CRITERIA FOR APPLICATIONS.

"(a) SELECTION OF APPLICATIONS.—The Secretary shall make grants to academic departments and programs of institutions of higher education on the basis of applications submitted in accordance with subsection (b). Applications shall be ranked on program quality by geographically balanced review panels of nationally recognized scholars. To the extent possible (consistent with other provisions of this section), the Secretary shall make awards that are consistent with recommendations of the review panels.

"(b) CONTENTS OF APPLICATIONS.—An academic department or program of an institution of higher education, in its application for a grant, shall—

"(1) describe the current academic program of the applicant for which the grant is sought;

"(2) provide assurances that the applicant will provide, from other non-Federal funds, for the purposes of the fellowship program under this part an amount equal to at least 25 percent of the amount of the grant received under this part;

"(3) set forth policies and procedures to assure that, in making fellowship awards under this part the institution will seek talented students from traditionally underrepresented backgrounds, as determined by the Secretary;

"(4) set forth policies and procedures to assure that, in making fellowship awards under this part, the institution will make awards to individuals who—

"(A) have financial need, as determined under criteria developed by the institution;

"(B) have excellent academic records in their previous programs of study;

"(C) plan teaching or research careers; and

"(D) plan to pursue the highest possible degree available in their course of study;

"(5) set forth policies and procedures to ensure that Federal funds made available under this part for any fiscal year will be used to supplement and, to the extent practical, increase the funds that would otherwise be made available for the purpose of this part and in no case to supplant those funds;

"(6) provide assurances that, in the event that funds made available to the academic department or program under this part are insufficient to provide the assistance due a student under the commitment entered into between the academic department or program and the student, the academic department or program will endeavor, from any funds available to it, to fulfill the commitment to the student;

"(7) provide that the applicant will comply with the limitations set forth in section 945;

"(8) provide assurances that the academic department will provide at least 1 year of supervised training in instruction for students; and

"(9) include such other information as the Secretary may prescribe.

"SEC. 945. AWARDS TO GRADUATE STUDENTS.

"(a) COMMITMENTS TO GRADUATE STUDENTS.—

"(1) IN GENERAL.—An academic department or program of an institution of higher education shall make commitments to graduate students (including students pursuing a doctoral degree after having completed a master's degree program at an institution of higher education) at any point in their graduate study to provide stipends for the length of time necessary for a student to complete the course of graduate study, but in no case longer than 5 years.

"(2) SPECIAL RULE.—No such commitments shall be made to students under this part unless the academic department or program has determined adequate funds are available to fulfill the commitment either from funds received or anticipated under this part, or from institutional funds.

"(b) AMOUNT OF STIPENDS.—The Secretary shall make payments to institutions of higher education for the purpose of paying stipends to individuals who are awarded fellowships under this part. The stipends the Secretary establishes shall reflect the purpose of this program to encourage highly talented students to undertake graduate study as described in this part. In the case of an individual who receives such individual's first stipend under this part in academic year 1993–1994 or any succeeding academic year, such stipend shall be set at a level of support equal to that provided by the National Science Foundation graduate fellowships, except such amount shall be adjusted as necessary so as not to exceed the fellow's demonstrated level of need according to measurements of need approved by the Secretary.

"(c) SUPPLEMENTATION RULE.—Notwithstanding the provisions of section 944(b)(6), any non-Federal funds provided to a student in accordance with section 944(b)(2) by the academic department or program of an institution of higher education for tuition and fees under subsection (a), may be used to supplement stipends awarded under this part.

"(d) ACADEMIC PROGRESS REQUIRED.—Notwithstanding the provisions of subsection (a), no student shall receive an award—

"(1) except during periods in which such student is maintaining satisfactory progress in, and devoting essentially full time to, study or research in the field in which such fellowship was awarded, or

"(2) if the student is engaging in gainful employment other than part-time employment involved in teaching, research, or similar activities determined by the institution to be in support of the student's progress towards a degree.

"SEC. 946. ADDITIONAL ASSISTANCE FOR COST OF EDUCATION.

"(a) PAYMENTS AUTHORIZED.—The Secretary shall (in addition to stipends paid to individuals under this subpart) pay to the institution of higher education, for each individual awarded a fellowship at such institution, $9,000 with respect to such awards made for the academic year 1993–1994, to be adjusted annually thereafter in accordance with inflation as determined by the Department of Labor's Consumer Price Index for the previous calendar year.

"(b) USE FOR OVERHEAD PROHIBITED.—Funds made available pursuant to this part may not be used for the general operational overhead of the academic department or program.

"SEC. 947. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $40,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this part.

"PART E—FACULTY DEVELOPMENT FELLOWSHIP PROGRAM

"SEC. 951. FELLOWSHIPS AUTHORIZED.

"(a) FELLOWSHIP PROGRAM AUTHORIZATION.—The Secretary shall make grants to institutions of higher education or consortia of such institutions and nonprofit organizations associated with institutions of higher education, with a demonstrated record of enhancing the access of individuals from underrepresented groups including African Americans, Asian Americans, Hispanic Americans, Native Americans, and Native Hawaiians, to enable such institutions or consortia to—

"(1) identify talented faculty from underrepresented groups who wish to—

"(A) continue in the higher education professorate and obtain a doctoral degree; or

"(B) participate in faculty professional development programs specifically designed to advance the careers of underrepresented minorities;

"(2) identify talented baccalaureate degree recipients from underrepresented groups who have financial need and who wish to obtain a doctoral degree and enter the higher education professorate; and

"(3) provide the individuals described in paragraphs (1) and (2) with a fellowship to assist such students in obtaining a doctoral degree or to participate in a faculty development program.

"(b) GEOGRAPHIC DISTRIBUTION.—In awarding grants pursuant to subsection (a), the Secretary shall ensure—

"(1) an equitable geographic distribution of such grants; and

"(2) that both public and private institutions of higher education are fairly represented among the grant recipients.

"(c) SPECIAL RULE.—

"(1) EQUITABLE DISTRIBUTION.—Each institution of higher education or consortium receiving a grant under this part shall ensure that during the period of the grant there is an equitable distribution of fellowships under this part among underrepresented groups.

"(2) CONSTRUCTION.—Nothing in this section shall be interpreted to require any institution of higher education or consortium to grant preference or disparate treatment to the members of one group on account of an imbalance which may exist with respect to the total number or percentage of individuals of such group participating in or receiving the benefits of the program authorized in this part, in comparison with the total number or percentage of individuals of such group in any community, State, section, or other area.

"(d) WAIVER BY THE SECRETARY.—The Secretary may waive all or any portion of the requirement under subsection (b) upon application of any institution which is eligible for funds under title III of this Act, pursuant to criteria established by the Secretary by regulation.

"(e) SELECTION REQUIREMENTS.—In awarding grants under subsection (a), the Secretary shall give priority to applications describing programs that—

"(1) provide to each fellowship recipient—

"(A) a tuition waiver; and

"(B)(i) a minimum $2,000 stipend; or

"(ii) additional financial support in conjunction with teaching or research activities that are part of such recipient's doctoral program;

"(2) provide additional financial support to each fellowship recipient from non-Federal resources, either in cash or in kind, such as contributions from the business community and civic organizations;

"(3) emphasize courses of study leading to the doctoral degrees in disciplines where minorities are underrepresented; and

"(4) describe steps to ensure that a fellowship recipient will teach at an institution of higher education where minority undergraduate students are likely to benefit from the educational experience and academic achievement of such recipient.

"(f) DESIGNATION.—Students receiving fellowship awards under this part shall be known as 'Faculty Development Fellows'.

"SEC. 952. FELLOWSHIPS.

"Each institution of higher education or consortium receiving a grant under this part shall award fellowships in an amount equal to the amount awarded to National Science Foundation graduate fellowship recipients for that year, or an amount based on the financial need of the recipient (as determined by the institution in accordance with measurements of need approved by the Secretary) whichever is less.

"SEC. 953. APPLICATION.

"(a) APPLICATION REQUIRED.—Each institution of higher education or consortium desiring a grant under this part shall submit an application to the Secretary at such time, in such manner and containing such information as the Secretary may by regulation reasonably require.

"(b) CONTENTS.—Each application submitted pursuant to subsection (a) shall contain—

"(1) the institution of higher education's or consortium's plan for identifying and recruiting faculty and baccalaureate degree recipients who may participate in the program assisted under this part;

"(2) a description of the program or programs of doctoral study that the institution of higher education or consortium plans to offer in the institution's doctoral program;

"(3) the institution of higher education's or consortium's plan for using minority faculty and other faculty as advisors and academic resources in support of the program assisted under this part;

"(4) a description of other resources of the institution of higher education or consortium, including tuition waivers, assistantships or financial aid other than loans, that such institution or consortium shall make available to fellowship recipients;

"(5) a description of the method such institution or consortium shall use to determine a student's financial need;

"(6) the names of those undergraduate institutions which are historically or predominantly black colleges and universities or other institutions with significant enrollments of African Americans, Asian Americans, Hispanic Americans, Native Hawaiians, Pacific Islanders, and Native Americans which have agreed to cooperate with the applicant institution to carry out the purposes of this part; and

"(7) such other assurances and information as the Secretary may reasonably require by regulation.

"SEC. 954. FELLOWSHIP AGREEMENT.

"Each recipient of a fellowship under this part shall enter into an agreement with the institution of higher education or consortium awarding such fellowship under which the fellowship recipient shall—

"(1) in the case of a fellowship recipient described in section 951(a)(1), within a 5-year period after completing the doctoral degree for which the fellowship under this part was awarded, teach, for a period of not less than 1 year for each year for which financial assistance under this part was received, in a public or private nonprofit institution of higher education that has a significant minority enrollment;

"(2) in the case of a fellowship recipient described in section 951(a)(2), within a 5-year period after completing the doctoral degree for which the fellowship under this part was awarded, teach, for a period of not less than 1 year for each year for which financial assistance under this part was received, in a public or private nonprofit institution of higher education;

"(3) agree to provide the Secretary with evidence of compliance, determined pursuant to regulations issued by the Secretary, with the provisions of paragraph (1) or (2); and

"(4) repay all or part of the fellowship received, plus interest, and if applicable reasonable collection fees, under regulations issued by the Secretary, in the event the conditions of paragraph (1) or (2) are not complied with, except as provided in section 956.

"SEC. 955. FELLOWSHIP REPAYMENT PROVISIONS.

"A recipient of a fellowship under this part found by the Secretary to be in noncompliance with the agreement entered into under section 954(1) or 954(2) shall be required to repay a pro rata amount of such fellowship assistance received, plus interest (but in no event at an interest rate higher than the rate applicable to loans in the applicable period under part B of title IV) and, where applicable, reasonable collection fees, on a schedule and at a rate of interest to be prescribed by the Secretary by regulations issued pursuant to this part.

"SEC. 956. EXCEPTIONS TO REPAYMENT PROVISIONS.

"(a) DEFERRAL DURING CERTAIN PERIODS.—A recipient shall not be considered in violation of the agreement entered into pursuant to section 954(1) or (2) during any period in which the recipient—

"(1) is pursuing a full-time course of study related to the field of teaching at an eligible institution;

"(2) is serving, not in excess of 3 years, as a member of the armed services of the United States;

"(3) is temporarily totally disabled for a period of time not to exceed 3 years as established by sworn affidavit of a qualified physician;

"(4) is unable to secure employment for a period not to exceed 12 months by reason of the care required by a spouse who is disabled;

"(5) is seeking and unable to find full-time employment for a single period not to exceed 12 months;

"(6) is engaged in full-time employment as a teacher in a public or private nonprofit preschool, elementary or secondary school, or a public or private nonprofit preschool, education program; or

"(7) satisfies the provisions of additional repayment exceptions that may be prescribed by the Secretary in regulations issued pursuant to this part.

"(b) FORGIVENESS IF PERMANENTLY TOTALLY DISABLED.—A recipient shall be excused from repayment of any fellowship assistance received under this part if the recipient becomes permanently totally disabled as established by sworn affidavit of a qualified physician.

"SEC. 957. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this part $25,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"PART F—ASSISTANCE FOR TRAINING IN THE LEGAL PROFESSION

"SEC. 961. PROGRAM REQUIREMENTS.

"(a) PROGRAM AUTHORITY.—The Secretary shall carry out a program to assist minority, low-income, or educationally disadvantaged college graduates to successfully pursue a law degree and service in the legal profession through an annual grant or contract with the Council on Legal Education Opportunity (hereinafter CLEO). A grant or contract under this part shall permit CLEO to use up to 6 percent of the funds provided for administrative costs of the grant or contract.

"(b) SERVICES AUTHORIZED.—A legal training project under this part may provide the following services:

"(1) Assistance and counseling in gaining admission to accredited law schools.

"(2) A 6-week intensive summer program designed to prepare minority, low-income or educationally disadvantaged individuals for the successful completion of legal studies.

"(3) An academic-year program of tutorial services, academic advice and counseling designed to assist eligible participants successfully complete their legal training, which may include—

"(A) instruction in reading, legal research, legal writing skills and problem analysis;

"(B) academic advice and assistance in course selection;

"(C) advisement about financing their legal education and available student financial aid;

"(D) personal and professional counseling relative to career alternatives in the legal profession and bar examination preparation; and

"(E) any other activity consistent with subparagraphs (A) through (D) which furthers the objectives of this part which the Secretary may, by regulation, reasonably require.

"(c) USE OF FUNDS.—The Secretary shall by grant or contract on a biennial basis, with the Council on Legal Education Opportunity, cover all or part of the cost of—

"(1) publicizing the existence and availability of program funds to assist minority, low-income, and educationally disadvantaged individuals to pursue a legal education;

"(2) selecting minority, low-income and educationally disadvantaged individuals for training for the legal profession;

"(3) facilitating the entry of such individuals into law schools at institutions of higher education for the purpose of pursuing a legal education;

"(4) selecting from among all qualified applicants, which shall provide the services authorized by section 961(b)(2) or (3);

"(5) evaluating the quality, impact and continuing feasibility of the programs implemented under section 961(b);

"(6) providing, through the institutions, agencies, and organizations selected under paragraph (4), for not more than 6 months prior to entry of such individuals upon their course of training for the legal profession, or following entry, training designed to assist them to complete successfully such training for the legal profession;

"(7) paying such stipends (including allowances for participant travel and for their dependents) as the Secretary may determine for such individuals for any such period of preliminary training for the legal profession during which such individuals maintain satisfactory academic progress toward the J.D. or L.L.B. degree, as determined by the respective institution; and

"(8) paying for administrative activities of the institutions of higher education, agencies, or organizations which receive subgrants or contracts under paragraph (6), or with which such contracts are entered into, to the extent that such activities are for the purpose of furthering the activities described in paragraphs (1) through (7).

"SEC. 962. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this part $7,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"PART G—LAW SCHOOL CLINICAL EXPERIENCE PROGRAMS

"SEC. 971. PROGRAM AUTHORIZED.

"(a) GRANT AND CONTRACT PURPOSES.—The Secretary is authorized to enter into grants or

contracts with accredited law schools in the States for the purpose of paying not to exceed 90 percent of the costs of continuing, expanding, or establishing programs in such schools to provide clinical experience to students in the practice of law, which includes any form of law student work involving performance in the role of a lawyer exercising legal skills and roles such as those of an advocate, counselor, negotiator, investigator, and ethical practitioner, whether by way of the provision of representation of or services to an identifiable client in actual cases or situations (subject to existing State or local limitations upon such provision) or by way of simulation of such provision through appropriate exercises. Preference shall be given to those programs providing legal experience in the preparation and trial of actual cases, including administrative cases and the settlement of controversies outside the courtroom. The cases and situations handled in actuality or by simulation may encompass any one or more of the following:

"(1) Judicial, administrative, executive, or legislative proceedings, including the full range of preparation therefor.

"(2) Office or house counsel problems.

"(3) Factual investigation, empirical research, or policy or legal analysis.

"(b) USE OF FUNDS.—Such costs may include necessary expenditures incurred for—

"(1) planning;

"(2) training of faculty members and salary for additional faculty members;

"(3) travel and per diem for faculty and students;

"(4) reasonable stipends for students for work in the public service performed as part of any such program at a time other than during the regular academic year;

"(5) equipment and library resources;

"(6) involving practicing lawyers in the process of training law students to perform as lawyers; and

"(7) such other items as are allowed pursuant to regulations issued by the Secretary.

"(c) LIMITATIONS ON AMOUNTS.—No law school may receive more than $250,000 in any fiscal year pursuant to this part, no part of which may be used to pay for indirect costs or charges.

"(d) DEFINITION.—For the purpose of this part, the term 'accredited law school' means any law school which is accredited by a nationally recognized accrediting agency or association approved by the Secretary for this purpose, including any combination or consortium of such schools.

"SEC. 972. APPLICATIONS.

"(a) REQUIREMENTS.—A grant or contract authorized by this part may be made by the Secretary upon application which—

"(1) is made at such time or times and contains such information as the Secretary may prescribe;

"(2) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this part; and

"(3) provides for making such reports, in such form and containing such information as the Secretary may require to carry out functions under this part, and for keeping such records and for affording such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports.

"(b) DISTRIBUTION OF GRANTS AND CONTRACTS.—The Secretary shall allocate grants or contracts under this part in such manner as will provide an equitable distribution of such grants or contracts throughout the United States among law schools which show promise of being able to use funds effectively for the purposes of this part.

"SEC. 973. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this part $10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

TITLE X—POSTSECONDARY IMPROVEMENT PROGRAMS

SEC. 1001. FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION.

Part A of title X of the Act (20 U.S.C. 1135 et seq.) is amended to read as follows:

"PART A—FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

"Subpart 1—Program Authority

"SEC. 1001. FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION.

"(a) AUTHORITY.—The Secretary is authorized to make grants to, or enter into contracts with, institutions of higher education or combinations of such institutions and other public and private nonprofit institutions and agencies, to enable such institutions and combinations of such institutions to improve postsecondary education opportunities by—

"(1) encouraging the reform, innovation, and improvement of postsecondary education, and providing equal educational opportunity for all;

"(2) the creation of institutions and programs involving new paths to career and professional training, and new combinations of academic and experiential learning;

"(3) the establishment of institutions and programs based on the technology of communications;

"(4) the carrying out in postsecondary educational institutions of changes in internal structure and operations designed to clarify institutional priorities and purposes;

"(5) the design and introduction of cost-effective methods of instruction and operation;

"(6) the introduction of institutional reforms designed to expand individual opportunities for entering and reentering institutions and pursuing programs of study tailored to individual needs;

"(7) the introduction of reforms in graduate education, in the structure of academic professions, and in the recruitment and retention of faculties; and

"(8) the creation of new institutions and programs for examining and awarding credentials to individuals, and the introduction of reforms in current institutional practices related thereto.

"(b) PLANNING GRANTS.—The Secretary is authorized to make planning grant to institutions of higher education for the development and testing of innovative techniques in postsecondary education. Such grants shall not exceed $20,000.

"SEC. 1002. NATIONAL BOARD OF THE FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION.

"(a) ESTABLISHMENT.—There is established a National Board of the Fund for the Improvement of Postsecondary Education (hereafter in this part referred to as the 'Board'). The Board shall consist of 15 members appointed by the Secretary for overlapping 3-year terms. A majority of the Board shall constitute a quorum. Any member of the Board who has served for 6 consecutive years shall thereafter be ineligible for appointment to the Board during a 2-year period following the expiration of such sixth year.

"(b) MEMBERSHIP.—

"(1) IN GENERAL.—The Secretary shall designate one of the members of the Board as Chairperson of the Board. A majority of the members of the Board shall be public interest representatives, including students, and a minority shall be educational representatives. All members selected shall be individuals able to contribute an important perspective on priorities for improvement in postsecondary education and strategies of educational and institutional change.

"(2) APPOINTMENT OF DIRECTOR.—The Secretary shall appoint the Director of the Fund for the Improvement of Postsecondary Education (hereafter in this part referred to as the 'Director').

"(c) DUTIES.—The Board shall—

"(1) advise the Secretary and the Director on priorities for the improvement of postsecondary education and make such recommendations as the Board may deem appropriate for the improvement of postsecondary education and for the evaluation, dissemination, and adaptation of demonstrated improvements in postsecondary educational practice;

"(2) advise the Secretary and the Director on the operation of the Fund for the Improvement of Postsecondary Education, including advice on planning documents, guidelines, and procedures for grant competitions prepared by the Fund; and

"(3) meet at the call of the Chairperson, except that the Board shall meet whenever one-third or more of the members request in writing that a meeting be held.

"(d) INFORMATION AND ASSISTANCE.—The Director shall make available to the Board such information and assistance as may be necessary to enable the Board to carry out its functions.

"SEC. 1003. ADMINISTRATIVE PROVISIONS.

"(a) TECHNICAL EMPLOYEES.—The Secretary may appoint, for terms not to exceed 3 years, without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service, not more than 5 technical employees to administer this subpart who may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(b) PROCEDURES.—The Director shall establish procedures for reviewing and evaluating grants and contracts made or entered into under this subpart. Procedures for reviewing grant applications or contracts for financial assistance under this section may not be subject to any review outside of officials responsible for the administration of the Fund for the Improvement of Postsecondary Education.

"SEC. 1004. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this part (except for section 1001(b)) $20,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(b) PLANNING GRANTS.—There are authorized to be appropriated to carry out section 1001(b) $1,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"Subpart 2—Special Projects in Areas of National Need

"SEC. 1011. SPECIAL PROJECTS.

"(a) GRANT AUTHORITY.—The Director is authorized to make grants to institutions of higher education, or consortia thereof, and such other public agencies and nonprofit organizations as the Director deems necessary for innovative projects concerning one or more areas of particular national need identified by the Director.

"(b) APPLICATION.—No grant shall be made under this part unless an application is made at such time, in such manner, and contains or is accompanied by such information as the Secretary may require.

"(c) AREAS OF NATIONAL NEED.—Areas of national need shall initially include, but shall not be limited to, the following:

"(1) International exchanges.

"(2) Campus climate and culture.

"(3) Evaluation and dissemination.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this part $5,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

SEC. 1002. AMENDMENTS TO PART B.

(a) MINORITY SCIENCE IMPROVEMENT PROGRAMS.—Section 1021(b) of the Act (20 U.S.C. 1135b(b)) is amended by inserting ", particularly minority women," after "ethnic minorities".

(b) MULTIAGENCY STUDY.—Section 1024 of the Act (20 U.S.C. 1135b-3) is amended to read as follows:

"MULTIAGENCY STUDY OF MINORITY SCIENCE PROGRAMS

"SEC. 1024. The Secretary, in cooperation with the heads of other departments and agencies that operate programs similar in purposes to the Minority Science Improvement Program which seek to increase minority participation and representation in scientific fields, shall submit a report to the President and Congress summarizing and evaluating such programs by January 1, 1996.".

(c) SCIENCE AND ENGINEERING ACCESS.—Section 1033(5) of the Act (20 U.S.C. 1135c-2(5)) is amended by inserting ", particularly minority women," after "minority students".

(d) CONSULTATION.—Section 1043 of the Act (20 U.S.C. 1135d-2) is amended by inserting "and consult" after "cooperate".

(e) ADVISORY PROVISIONS.—Section 1045 of the Act (20 U.S.C. 1135d-4) is repealed.

(f) REAUTHORIZATION OF PART B.—Section 1047 of the Act (20 U.S.C. 1135d-6) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1047. (a) AUTHORIZATIONS.—There are authorized to be appropriated to carry out the purposes of this part, $10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(b) APPROPRIATION LIMITATION.—For any fiscal year, 50 percent of the funds appropriated for this part shall be allocated for the purpose of section 1021, 33.33 percent for the purpose of section 1031, and 16.67 percent for the purpose of section 1032.".

SEC. 1003. WOMEN AND MINORITIES SCIENCE AND ENGINEERING OUTREACH DEMONSTRATION PROGRAM.

Part C of title X of the Act (20 U.S.C. 1135e et seq.) is amended to read as follows:

"PART C—WOMEN AND MINORITIES SCIENCE AND ENGINEERING OUTREACH DEMONSTRATION PROGRAM

"SEC. 1061. PURPOSE.

"It is the purpose of this part to provide grants to institutions working in partnership with elementary and secondary schools to establish outreach programs for female and minority elementary and secondary school students to increase the participation of those students in science and engineering undergraduate and graduate degree programs.

"SEC. 1062. PROGRAM AUTHORIZED.

"The Secretary shall, in accordance with the provision of this part, award grants to eligible institutions to enable such eligible institutions to pay the Federal share of the costs of carrying out a program that is designed to enhance, coordinate, develop, and expand programs and initiatives which identity and encourage female and minority elementary and secondary school students to pursue higher education in preparation for careers in science and engineering.

"SEC. 1063. ELIGIBLE INSTITUTIONS.

"(a) DEFINITION.—For the purpose of this part the term 'eligible institution' means an institution of higher education which—

"(1) has science and engineering programs;

"(2) has female and minority enrollment and retention rates significantly higher than the national averages of such rates, but does not meet the definition of 'minority institution' set forth in section 1046(3);

"(3) demonstrates its ability to conduct outreach activities in science and engineering to female and minority students at the elementary and secondary school levels;

"(4) incorporates the use of advanced telecommunications equipment, including fiber optics and interactive video systems, to improve the development of intermodal programs targeted toward female and minority students; and

"(5) enters into a partnership agreement with a local educational agency and at least 1 local business or industry; and

"(6) describes in the application submitted pursuant to section 1065 the duties of each partner entering into the partnership agreement described in paragraph (5).

"(b) LIMITATION.—The Secretary shall award at least 40 percent of the total funds made available under this section in any fiscal year to eligible institutions located in any of the Nation's ten largest metropolitan statistical areas.

"SEC. 1064. AMOUNT, DURATION, AND USE OF FUNDS.

"(a) AMOUNT AND DURATION OF GRANTS.—Grants under this part shall be provided in an amount which is not less than $500,000 in a single fiscal year, and shall be continued for a period not to exceed 5 fiscal years.

"(b) USE OF GRANTS.—Grants provided under this section may be used for—

"(1) the operation and administration of outreach programs to elementary and secondary school students;

"(2) faculty development programs in support of outreach programs;

"(3) curriculum development in support of the outreach programs;

"(4) disseminating information about the outreach programs to elementary and secondary schools and institutions of higher education;

"(5) supporting cooperative efforts with elementary and secondary schools, community groups, business and industry, and other education-related groups, to expand the scope of the outreach programs; and

"(6) establishing infrastructure necessary to operate programs, specifically including telecommunications equipment providing distance learning capabilities.

"SEC. 1065. APPLICATION.

"To receive a grant under this part, an eligible institution shall submit an application at such time, in such manner, and containing or accompanied by such information, as the Secretary may reasonably require. Each such application shall contain a description of the goals of the activities to be assisted.

"SEC. 1066. EVALUATION.

"(a) INDEPENDENT ANNUAL EVALUATION.—The Secretary shall provide for the annual independent evaluation of activities assisted under this part to determine their effectiveness in providing—

"(1) the operation and administration of outreach programs to elementary and secondary school students;

"(2) faculty development programs in support of outreach programs;

"(3) curriculum development in support of the outreach programs;

"(4) disseminating information about the outreach programs to elementary and secondary schools and institutions of higher education;

"(5) supporting cooperative efforts with elementary and secondary schools, community groups, business and industry, and other education-related groups, to expand the scope of outreach programs; and

"(6) establishing infrastructure necessary to operate programs, specifically including telecommunications equipment providing distance learning capabilities.

"(b) EVALUATIONS.—

"(1) CONDUCT AND CRITERIA.—Each evaluation described in subsection (a) shall be conducted by individuals not directly involved in the administration of the activities assisted under this part. Such independent evaluators and the program administrators shall jointly develop evaluation criteria which provide for appropriate analysis of the factors described in subsection (a). When possible, each evaluation shall include comparisons with appropriate control groups.

"(2) PROGRAM EFFECTIVENESS.—In order to determine the effectiveness of assistance provided under this part in achieving the goals stated in the application described in section 1065, each evaluation described in subsection (a) shall contain objective measures of such goals and, where feasible, shall obtain the specific views of participants about the activities assisted under this part.

"(c) REPORT TO CONGRESS AND DISSEMINATION.—The Secretary shall prepare and submit to the Congress a review and summary of the results of the evaluations described in subsection (a) not later than September 30, 1997.

"SEC. 1067. FEDERAL SHARE.

"The Federal share of the costs of activities assisted under this part shall be 90 percent of the costs of such activities in the first year an eligible institution receives a grant under this part, 80 percent of such cost in the second such year, 70 percent of such cost in the third such year, 60 percent of such cost in the fourth such year, and 50 percent of such costs in the fifth such year. The remaining funds shall be provided from non-Federal sources.

"SEC. 1068. SUPPLEMENT NOT SUPPLANT.

"An eligible institution may use funds received under this part only so as to supplement and, to the extent practicable, increase the level of funds that would be available from non-Federal sources for the activities described in section 1064(b) and in no case may such funds be so used as to supplant such funds from such non-Federal sources.

"SEC. 1069. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this part, $10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years. Not more than 3 percent of the amount appropriated for this part in any fiscal year may be used for purposes of section 1066.".

SEC. 1004. DWIGHT D. EISENHOWER LEADERSHIP PROGRAM.

Title X of the Act (20 U.S.C. 1135 et seq.) is amended by adding at the end the following new part:

"PART D—DWIGHT D. EISENHOWER LEADERSHIP PROGRAM

"SEC. 1181. SHORT TITLE; ESTABLISHMENT OF THE PROGRAM.

"(a) SHORT TITLE.—This part may be cited as the 'Dwight D. Eisenhower Leadership Development Act of 1992'.

"(b) ESTABLISHMENT OF PROGRAM.—

"(1) IN GENERAL.—The Secretary shall establish a program to be known as the 'Dwight D. Eisenhower Leadership Development Program'.

"(2) SPECIAL RULE.—The program assisted under this part shall be established in conjunction with institutions of higher education which are specially prepared to undertake the development of new generations of leaders in the areas of national and international affairs.

"(c) FUNCTIONS OF THE PROGRAM.—The functions of the program assisted under this part shall include—

"(1) stimulating and supporting the development of leadership skills among new generations of American college students;

"(2) directing a national program that identifies, recruits, inspires, and educates outstanding young men and women regarding leadership roles in a wide variety of fields in both the public and private sectors;

"(3) offering opportunities for young American leaders who meet the requirements of section 484(a) of this Act and who are broadly representative of the population of the United States to benefit from internships in national and international organizations, with special attention being given to establishing such opportunities in developing countries;

"(4) developing curriculum for secondary and postsecondary education;

"(5) developing a prototype for understanding and teaching critical leadership skills to young Americans and encouraging institutions of higher education to establish similar leadership programs throughout the United States and abroad; and

"(6) stimulating the theoretical and practical study of leadership and leadership development to develop both a better understanding of leadership and improved methods to teach critical skills to young adults.

"(d) OPERATION OF THE PROGRAM.—The Secretary is authorized to make grants to or enter into cooperative agreements, contracts, or leases with institutions of higher education (as defined in section 1201 of this title) or with nonprofit private organizations in consortia with such institutions to operate the program assisted under this part.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this part.".

TITLE XI—COMMUNITY SERVICE PROGRAMS

SEC. 1101. URBAN COMMUNITY SERVICE.

Title XI of the Act (20 U.S.C. 1136 et seq.) is amended to read as follows:

"TITLE XI—COMMUNITY SERVICE PROGRAMS

"PART A—URBAN COMMUNITY SERVICE

"SEC. 1101. FINDINGS.

"The Congress finds that—

"(1) the Nation's urban centers are facing increasingly pressing problems and needs in the areas of economic development, community infrastructure and service, social policy, public health, housing, crime, education, environmental concerns, planning and work force preparation;

"(2) there are, in the Nation's urban institutions, people with underutilized skills, knowledge, and experience who are capable of providing a vast range of services toward the amelioration of the problems described in paragraph (1);

"(3) the skills, knowledge and experience in these urban institutions, if applied in a systematic and sustained manner, can make a significant contribution to the solution of such problems; and

"(4) the application of such skills, knowledge and experience is hindered by the limited funds available to redirect attention to solutions to such urban problems.

"SEC. 1102. PURPOSE; PROGRAM AUTHORIZED.

"(a) PURPOSE.—It is the purpose of this part to provide incentives to urban academic institutions to enable such institutions to work with private and civic organization to devise and implement solutions to pressing and severe problems in their communities.

"(b) PROGRAM AUTHORIZED.—The Secretary is authorized to carry out a program of providing assistance to eligible institutions to enable such institutions to carry out the activities described in section 1104 in accordance with the provisions of this part.

"SEC. 1103. APPLICATION FOR URBAN COMMUNITY SERVICE GRANTS.

"(a) APPLICATION.—

"(1) IN GENERAL.—An eligible institution seeking assistance under this part shall submit to the Secretary an application at such time, in such form, and containing or accompanied by such information and assurances as the Secretary may require by regulation.

"(2) CONTENTS.—Each application submitted pursuant to paragraph (1) shall—

"(A) describe the activities and services for which assistance is sought; and

"(B) include a plan that is agreed to by the members of a consortium that includes, in addition to the eligible institution, one or more of the following entities:

"(i) A community college.

"(ii) An urban school system.

"(iii) A local government.

"(iv) A business or other employer.

"(v) A nonprofit institution.

"(3) WAIVER.—The Secretary may waive the consortium requirements described in paragraph (2) for any applicant who can demonstrate to the satisfaction of the Secretary that the applicant has devised an integrated and coordinated plan which meets the purpose of this part.

"(b) PRIORITY IN SELECTION OF APPLICATIONS.—The Secretary shall give priority to applications that propose to conduct joint projects supported by other local, State, and Federal programs.

"(c) SELECTION PROCEDURES.—The Secretary shall, by regulation, develop a formal procedure for the submission of applications under this part and shall publish in the Federal Register an announcement of that procedure and the availability of funds under this part.

"SEC. 1104. ALLOWABLE ACTIVITIES.

"Funds made available under this part shall be used to support planning, applied research, training, resource exchanges or technology transfers, the delivery of services, or other activities the purpose of which is to design and implement programs to assist urban communities to meet and address their pressing and severe problems, such as the following:

"(1) Work force preparation.

"(2) Urban poverty and the alleviation of such poverty.

"(3) Health care, including delivery and access.

"(4) Underperforming school systems and students.

"(5) Problems faced by the elderly and individuals with disabilities in urban settings.

"(6) Problems faced by families and children.

"(7) Campus and community crime prevention, including enhanced security and safety awareness measures as well as coordinated programs addressing the root causes of crime.

"(8) Urban housing.

"(9) Urban infrastructure.

"(10) Economic development.

"(11) Urban environmental concerns.

"(12) Other problem areas which participants in the consortium described in section 1103(a)(2)(B) concur are of high priority in the urban area.

"(13)(A) Problems faced by individuals with disabilities regarding accessibility to institutions of higher education and other public and private community facilities.

"(B) Amelioration of existing attitudinal barriers that prevent full inclusion by individuals with disabilities with their community.

"SEC. 1105. PEER REVIEW.

"The Secretary shall designate a peer review panel to review applications submitted under this part and make recommendations for funding to the Secretary. In selecting the peer review panel, the Secretary may consult with other appropriate Cabinet-level officials and with non-Federal organizations, to ensure that the panel will be geographically balanced and be composed of representatives from public and private institutions of higher education, labor, business, State and local government, who have expertise in urban community service or in education.

"SEC. 1106. DISBURSEMENT OF FUNDS.

"(a) MULTIYEAR AVAILABILITY.—Subject to the availability of appropriations, grants under this part may be made on a multiyear basis, except that no institution, individually or as a participant in a consortium of such institutions, may receive a grant for more than 5 years.

"(b) EQUITABLE GEOGRAPHIC DISTRIBUTION.—The Secretary shall award grants under this part in a manner that achieves equitable geographic distribution of such grants.

"(c) MATCHING REQUIREMENT.—An applicant under this part and the local governments associated with its application shall contribute to the conduct of the program supported by the grant an amount from non-Federal funds equal to at least one-fourth of the amount of the grant, which contribution may be in cash or in kind.

"SEC. 1107. DESIGNATION OF URBAN GRANT INSTITUTIONS.

"The Secretary shall publish a list of eligible institutions under this part and shall designate these institutions of higher education as 'Urban Grant Institutions'. The Secretary shall establish a national network of Urban Grant Institutions so that the results of individual projects achieved in one metropolitan area can then be generalized, disseminated, replicated and applied throughout the Nation.

"SEC. 1108. DEFINITIONS.

"As used in this part:

"(1) URBAN AREA.—The term 'urban area' means a metropolitan statistical area having a population of not less than 350,000, or two contiguous metropolitan statistical areas having a population of not less than 350,000, or, in any State which does not have a metropolitan statistical area which has such a population, the entity of the State having an agreement or submitting an application under section 1103, or, if no such entity has an agreement, the Secretary shall designate one urban area for the purposes of this part.

"(2) ELIGIBLE INSTITUTION.—The term 'eligible institution' means—

"(A) a nonprofit municipal university, established by the governing body of the city in which it is located, and operating as of the date of enactment of the Higher Education Amendments of 1992 under that authority; or

"(B) an institution of higher education, or a consortium of such institutions any one of which meets all of the requirements of this paragraph, which—

"(i) is located in an urban area;

"(ii) draws a substantial portion of its undergraduate students from the urban area in which such institution is located, or from contiguous areas;

"(iii) carries out programs to make postsecondary educational opportunities more accessible to residents of such urban area, or contiguous areas;

"(iv) has the present capacity to provide resources responsive to the needs and priorities of such urban area and contiguous areas;

"(v) offers a range of professional, technical, or graduate programs sufficient to sustain the capacity of such institution to provide such resources; and

"(vi) has demonstrated and sustained a sense of responsibility to such urban area and contiguous areas and the people of such areas.

"SEC. 1109. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $20,000,000 for fiscal year 1993 and such sums as

may be necessary for each of the 4 succeeding fiscal years to carry out the provisions of this part.

"PART B—INNOVATIVE PROJECTS

"Subpart 1—Innovative Projects for Community Service

"SEC. 1121. STATEMENT OF PURPOSE.

"It is the purpose of this subpart to support innovative projects in order to encourage student participation in community service projects, including literacy projects.

"SEC. 1122. INNOVATIVE PROJECTS FOR COMMUNITY SERVICE.

"(a) PROGRAM AUTHORIZED.—

"(1) IN GENERAL.—The Secretary is authorized, in accordance with the provisions of this subpart, to make grants to and enter into contracts with institutions of higher education (including combinations of such institutions) and with such other public agencies and nonprofit private organizations as the Secretary deems necessary for innovative projects designed to carry out the purpose of this subpart.

"(2) PROJECTS.—The projects described in paragraph (1) may—

"(A) support research regarding the effects of student community service organizations;

"(B) provide assistance to student organizations that work with community service organizations;

"(C) support linkages between youth corps as defined in section 101(30) of the National and Community Service Act of 1990 and institutions of higher education; and

"(D) support innovative student service programs.

"(b) APPLICATIONS.—No grant may be made and no contract may be entered into under this section unless an application is made at such time, in such manner, and containing or accompanied by such information as the Secretary may require.

"(c) APPLICABLE PROCEDURES.—

"(1) PROCEDURES.—No application may be approved under subsection (b) unless the National Board of the Fund for Improvement of Postsecondary Education, under procedures established by the Director of such Fund, approves the application.

"(2) SPECIAL RULE.—The provisions of section 1003(b) shall apply to grants made under this subpart.

"(d) DEFINITION.—For the purpose of this subpart, the term 'community service' means planned, supervised services designed to improve the quality of life for community residents, particularly community residents with low income, or to assist in the solution of particular problems related to the needs of such residents.

"Subpart 2—Student Literacy Corps and Student Mentoring Corps

"SEC. 1141. PURPOSE.

"It is the purpose of this subpart to provide financial assistance to institutions of higher education to promote the development of literacy corps programs and mentoring corps programs to be operated by institutions of higher education in public community agencies in the communities in which such institutions are located.

"SEC. 1142. LITERACY CORPS PROGRAM AND MENTORING CORPS PROGRAM.

"(a) GENERAL AUTHORITY.—From the amount appropriated for this subpart pursuant to section 1151 for any fiscal year, the Secretary is authorized, in accordance with the provisions of this subpart, to make grants to institutions of higher education for not more than 4 years to pay the Federal share of the cost of carrying out a student literacy corps program or a student mentoring corps program.

"(b) LIMITATION.—An institution of higher education shall only receive 1 grant under this subpart in each fiscal year.

"(c) CONTINUATION OF LITERACY OR MENTORING PROGRAM.—Grants under this section are renewable upon application by the institution of higher education in accordance with section 1144.

"(d) FEDERAL SHARE.—

"(1) IN GENERAL.—The Federal share of carrying out a student literacy corps program or a student mentoring corps program under this subpart shall be—

"(A) not more than 100 percent for an initial grant to an institution of higher education; and

"(B) not more than 75 percent for a grant renewed under subsection (c).

"(2) NON-FEDERAL SHARE.—The non-Federal share of carrying out a student literacy corps or a student mentoring corps program under this subpart may be paid from any non-Federal sources.

"SEC. 1143. USES OF FUNDS.

"(a) IN GENERAL.—Funds made available under this subpart may be used for—

"(1) grants to institutions of higher education for—

"(A) the costs of participation of institutions of higher education in the student literacy corps program or student mentoring corps program for which assistance is sought; and

"(B) stipends for student coordinators engaged in the student literacy corps program or student mentoring corps program for which assistance is sought; and

"(2) technical assistance, collection and dissemination of information, and evaluation in accordance with section 1145.

"(b) LIMITATIONS.—No grant under this subpart to an institution of higher education may exceed $100,000. No institution of higher education may expend more than $35,000 of a grant made under this subpart in the first year in which the institution receives such a grant.

"SEC. 1144. APPLICATIONS.

"(a) APPLICATION REQUIRED.—Each institution of higher education desiring to receive a grant under this subpart shall submit an application to the Secretary, at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

"(b) CONTENTS OF APPLICATION.—

"(1) LITERACY CORPS.—Each application to conduct a student literacy corps program under this subpart shall—

"(A) contain assurances that the institution will use the grant in accordance with section 1143;

"(B) contain adequate assurances that—

"(i) the institution has established 1 or more courses of instruction for academic credit which are designed to combine the training of undergraduate students in various academic departments such as social sciences, economics, and education with experience as tutors;

"(ii) such individuals will be required, as a condition of receiving credit in such course, to perform, for each credit, not less than 2 hours a week, of voluntary, uncompensated service during the academic term in a public community agency as a tutor in such agency's educational or literacy program;

"(iii) such tutoring service will be supplementary to the existing instructional services, offered in a structured classroom setting, and furnished under the supervision of qualified personnel; and

"(iv) the institution will locate such tutoring services in one or more public community agencies which serve educationally or economically disadvantaged individuals, and will give priority in providing tutoring services to—

"(I) educationally disadvantaged students receiving services under chapter 1 of title I of the Elementary and Secondary Education Act of 1965;

"(II) students with disabilities; and

"(III) illiterate parents of educationally or economically disadvantaged elementary school students, with special emphasis on single-parent households; and

"(C) demonstrate that the institution of higher education has participated, prior to applying for a grant under this subpart, in community service activities, including the conduct of a cooperative education program; and

"(D) contain such other assurances as the Secretary may reasonably require.

"(2) MENTORING CORPS.—Each application to conduct a student mentoring corps program under this subpart shall—

"(A) contain assurances that the institution will use the grant in accordance with section 1144;

"(B) contain adequate assurances that—

"(i) the institution has established 1 or more courses of instruction for academic credit which are designed to combine the training of undergraduate students of various academic departments with experience as mentors;

"(ii) such individuals will be required, as a condition of receiving credit in such course, to perform not less than 60 hours of voluntary, uncompensated service during the academic term as a mentor to economically disadvantaged children and youth;

"(iii) such mentoring will be complimentary to the existing instructional services offered in a structured classroom setting, and will include structured and informal activities geared towards improving the academic, social and emotional development of children in the programs;

"(iv) the institution will locate public community agencies or elementary or secondary schools which serve educationally or economically disadvantaged youth and will give priority in providing mentoring services to economically disadvantaged children and youth through community-based organizations or elementary or secondary schools;

"(C) demonstrate that the institution of higher education has participated, prior to applying for a grant under this subpart, in community service activities, including the conduct of a cooperative education program; and

"(D) contain such other assurances as the Secretary may reasonably require.

"(c) WAIVER.—

"(1) IN GENERAL.—The Secretary may, upon request of an institution of higher education which does not meet the requirements of subsection (b)(1)(C) or (b)(2)(C), grant a waiver of the requirement under such paragraph if the institution of higher education provides assurances that—

"(A) the institution of higher education has conducted another significant program which involves community outreach and service; or

"(B) its failure to engage in community service-related programs or activities prior to making application under this subpart will not impede the ability of the institution to engage in the outreach efforts necessary to carry out the requirements of this subpart.

"(2) SPECIAL RULE.—An institution of higher education may apply for a waiver as part of the application described in subsection (b).

"(d) CARRYOVER OF FUNDS.—Notwithstanding any other provision of law, in any fiscal year in which funds are appropriated under this subpart but not expended by the end of such fiscal year, at least 75 percent of such funds shall remain available in the succeeding fiscal year to carry out this subpart.

"SEC. 1145. TECHNICAL ASSISTANCE AND COORDINATION CONTRACT.

"To the extent that funds are available therefor pursuant to section 1151, the Secretary may, directly or by way of grant, contract, or other arrangement—

"(1) provide technical assistance to grant recipients under this subpart;

"(2) collect and disseminate information with respect to programs assisted under this subpart; and

"(3) evaluate such programs and issue reports on the results of such evaluations.

"SEC. 1146. DEFINITIONS.

"For the purpose of this subpart—

"(1) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education', in the case of an institution of higher education with a branch campus, means, at the election of the institution—

"(A) a branch campus of the institution; or

"(B) the institution.

"(2) PUBLIC COMMUNITY AGENCY.—The term 'public community agency' means an established community agency with an established program of instruction such as elementary and secondary schools, Head Start centers, prisons, agencies serving youth, and agencies serving individuals with disabilities, including disabled veterans.

"Subpart 3—Authorization of Appropriations

"SEC. 1151. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $15,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years of which, for any such fiscal year—

"(1) not more than one-third shall be available to carry out subpart 1; and

"(2) not less than two-thirds shall be available to carry out subpart 2.".

TITLE XII—GENERAL PROVISIONS AND DEMONSTRATION PROGRAMS

SEC. 1201. DEFINITIONS.

Section 1201 of the Act (20 U.S.C. 1141) is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking ", or if not so accredited" through "institution so accredited"; and

(B) in the last sentence—

(i) by inserting ", pursuant to subpart 3 of part H," after "determines"; and

(ii) by inserting "the education or" after "quality of";

(2) by striking subsections (d) through (k) and inserting the following:

"(d) The term 'secondary school' has the same meaning given that term under section 1471(21) of the Elementary and Secondary Education Act of 1965.

"(e) The term 'Secretary' means the Secretary of Education.

"(f) The term 'local educational agency' has the same meaning given that term under section 1471(12) of the Elementary and Secondary Education Act of 1965.

"(g) The term 'State educational agency' has the same meaning given that term under section 1471(23) of the Elementary and Secondary Education Act of 1965.

"(h) The term 'State higher education agency' means the officer or agency primarily responsible for the State supervision of higher education.

"(i) The term 'elementary school' has the same meaning given that term under section 1471(8) of the Elementary and Secondary Education Act of 1965.

"(j) The term 'combination of institutions of higher education' means a group of institutions of higher education that have entered into a cooperative arrangement for the purpose of carrying out a common objective, or a public or private nonprofit agency, organization, or institution designated or created by a group of institutions of higher education for the purpose of carrying out a common objective on their behalf.

"(k) The term 'gifted and talented children' has the same meaning given that term under section 4103(1) of the Elementary and Secondary Education Act of 1965."; and

(3) by adding at the end the following new subsections:

"(n) The term 'disability' has the same meaning given that term under section 3(2) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102(2)).

"(o) The term 'special education teacher' means teachers who teach children with disabilities as defined in the Individuals With Disabilities Education Act.

"(p) The term 'service-learning' has the same meaning given that term under section 101(22) of the National and Community Service Act of 1990.".

SEC. 1202. ANTIDISCRIMINATION.

Section 1202 of the Act (20 U.S.C. 1142) is amended—

(1) by inserting "(a) IN GENERAL.—" after "SEC. 1202."; and

(2) by adding at the end the following:

"(b) LIMITATIONS ON STATUTORY CONSTRUCTION.—Nothing in this Act shall be construed to limit the rights or responsibilities of any individual under the Americans With Disabilities Act of 1990, the Rehabilitation Act of 1973, or any other law.".

SEC. 1203. NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY AND INTEGRITY.

Section 1205 of the Act (20 U.S.C. 1145) is amended to read as follows:

"SEC. 1205. COMMITTEE ON INSTITUTIONAL QUALITY AND INTEGRITY.

"(a) ESTABLISHMENT.—There is established in the Department a Committee on Institutional Quality and Integrity (hereafter in this section referred to as the 'Committee'), which shall be composed of 15 members appointed by the Secretary from among individuals who are representatives of, or knowledgeable concerning, education and training beyond secondary education, including representatives of all sectors and types of institutions of higher education (as defined in section 481(a)), to assess the process of eligibility and certification of such institutions under title IV of this Act and the provision of financial aid under title IV of this Act. The Secretary may also appoint to the Committee representatives of the general public serving on the National Advisory Committee on Accreditation and Institutional Eligibility (as such Committee was in existence on the date of enactment of the Higher Education Amendments of 1992).

"(b) TERMS OF MEMBERS.—Terms of office of each member of the Committee shall be 3 years, except that—

"(1) of the members first appointed to the Committee the Secretary shall designate—

"(A) 5 such members to serve for a term of 1 year;

"(B) 5 such members to serve for a term of 2 years; and

"(C) 5 such members to serve for a term of 3 years; and

"(2) any member appointed to fill in a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall be appointed for the remainder of such term.

"(c) FUNCTIONS.—The Committee shall—

"(1) advise the Secretary with respect to establishment and enforcement of the standards of accrediting agencies or associations under subpart 2 of part H;

"(2) advise the Secretary with respect to the recognition of a specific accrediting agency or association;

"(3) advise the Secretary with respect to the preparation and publication of the list of nationally recognized accrediting agencies and associations;

"(4) develop and recommend to the Secretary standards and criteria for specific categories of vocational training institutions and institutions of higher education for which there are no recognized accrediting agencies, associations, or State agencies, in order to establish the eligibility of such institutions on an interim basis for participation in federally funded programs;

"(5) advise the Secretary with respect to the eligibility and certification process for institutions of higher education under title IV of this Act, together with recommendations for improvements in such process;

"(6) advise the Secretary with respect to the functions of the Secretary under subpart 1 of part H, relating to State institutional integrity standards;

"(7) advise the Secretary with respect to the relationship between—

"(A) accreditation of institutions of higher education and the certification and eligibility of such institutions; and

"(B) State licensing responsibilities with respect to such institutions; and

"(8) carry out such other advisory functions relating to accreditation and institutional eligibility as the Secretary may prescribe.

"(d) MEETING PROCEDURES.—The Committee shall meet not less than twice each year at the call of the Chairperson. The date of, and agenda for, each meeting of the Committee shall be submitted in advance to the Secretary for approval. A representative of the Secretary shall be present at all meetings of the Committee.

"(e) REPORT.—The Committee shall, not later than November 30 of each year, make an annual report through the Secretary to the Congress. The annual report shall contain—

"(1) a list of the members of the Committee and their addresses;

"(2) a list of the functions of the Committee;

"(3) a list of dates and places of each meeting during the preceding fiscal year; and

"(4) a summary of the activities, findings and recommendations made by the Committee during the preceding fiscal year.

"(f) TERMINATION.—Subject to section 448(b) of the General Education Provision Act, the National Advisory Committee on Accreditation and Institutional Eligibility shall continue to exist until September 30, 1998.".

SEC. 1204. DISCLOSURE OF FOREIGN GIFTS AND FOREIGN OWNERSHIP.

Title XII of the Act (20 U.S.C. 1141 et seq.) is amended by inserting after section 1208 the following section:

"SEC. 1209. DISCLOSURES OF FOREIGN GIFTS.

"(a) DISCLOSURE REPORT.—Whenever any institution is owned or controlled by a foreign source or receives a gift from or enters into a contract with a foreign source, the value of which is $250,000 or more, considered alone or in combination with all other gifts from or contracts with that foreign source within a calendar year, the institution shall file a disclosure report with the Secretary on January 31 or July 31, whichever is sooner.

"(b) CONTENTS OF REPORT.—Each report to the Secretary required by this Act shall contain:

"(1) For gifts received from or contracts entered into with a foreign source other than a foreign government, the aggregate dollar amount of such gifts and contracts attributable to a particular country. The country to which a gift is attributable is the country of citizenship, or if unknown, the principal residence for a foreign source who is a natural person, and the country of incorporation, or if unknown, the principal place of business, for a foreign source which is a legal entity.

"(2) For gifts received from or contracts entered into with a foreign government, the aggregate amount of such gifts and contracts received from each foreign government.

"(3) In the case of an institution which is owned or controlled by a foreign source, the

identity of the foreign source, the date on which the foreign source assumed ownership or control, and any changes in program or structure resulting from the change in ownership or control.

"(c) ADDITIONAL DISCLOSURES FOR RESTRICTED AND CONDITIONAL GIFTS.—Notwithstanding the provisions of subsection (b), whenever any institution receives a restricted or conditional gift or contract from a foreign source, the institution shall disclose:

"(1) For such gifts received from or contracts entered into with a foreign source other than a foreign government, the amount, the date, and a description of such conditions or restrictions. The report shall also disclose the country of citizenship, or if unknown, the principal residence for a foreign source which is a natural person, and the country of incorporation, or if unknown, the principal place of business for a foreign source which is a legal entity.

"(2) For gifts received from or contracts entered into with a foreign government, the amount, the date, a description of such conditions or restrictions, and the name of the foreign government.

"(d) RELATION TO OTHER REPORTING REQUIREMENTS.—

"(1) STATE REQUIREMENTS.—If an institution described under subsection (a) is within a State which has enacted requirements for public disclosure of gifts from or contracts with a foreign source that are substantially similar to the requirements of this section, a copy of the disclosure report filed with the State may be filed with the Secretary in lieu of a report required under subsection (a). The State in which the institution is located shall provide to the Secretary such assurances as the Secretary may require to establish that the institution has met the requirements for public disclosure under State law if the State report is filed.

"(2) USE OF OTHER FEDERAL REPORTS.—If an institution receives a gift from, or enters into a contract with, a foreign source, where any other department, agency, or bureau of the Executive Branch requires a report containing requirements substantially similar to those required under this Act, a copy of this report may be filed with the Secretary in lieu of a report required under subsection (a).

"(e) PUBLIC INSPECTION.—All disclosure reports required by this Act shall be public records open to inspection and copying during business hours.

"(f) ENFORCEMENT.—

"(1) COURT ORDERS.—Whenever it appears that an institution has failed to comply with the requirements of this section, including any rule or regulation promulgated thereunder, a civil action may be brought in an appropriate district court of the United States, or the appropriate United States court of any territory or other place subject to the jurisdiction of the United States, to request such court to compel compliance with the requirements of the Act.

"(2) COSTS.—For knowing or willful failure to comply with the requirements of this section, including any rule or regulation promulgated thereunder, an institution shall pay to the Treasury of the United States the full costs to the United States of obtaining compliance, including all associated costs of investigation and enforcement.

"(g) REGULATIONS.—The Secretary may promulgate regulations to carry out the ministerial duties imposed on the Secretary by this section.

"(h) DEFINITIONS.—For the purpose of this section—

"(1) the term 'contract' means any agreement for the acquisition by purchase, lease, or barter of property or services by the foreign source, for the direct benefit or use of either of the parties;

"(2) the term 'foreign source' means—

"(A) a foreign government, including an agency of a foreign government;

"(B) a legal entity, governmental or otherwise, created solely under the laws of a foreign state or states;

"(C) an individual who is not a citizen or a national of the United States or a trust territory or protectorate thereof; and

"(D) an agent, including a subsidiary or affiliate of a foreign legal entity, acting on behalf of a foreign source;

"(3) the term 'gift' means any gift of money or property;

"(4) the term 'institution' means any institution, public or private, or, if a multicampus institution, any single campus of such institution, in any State which—

"(A) is legally authorized within such State to provide a program of education beyond secondary school;

"(B) provides a program for which it awards a bachelor's degree (or provides not less than a 2-year program which is acceptable for full credit toward such a degree) or more advanced degrees; and

"(C) is accredited by a nationally recognized accrediting agency or association and to which institution Federal financial assistance is extended (directly or indirectly through another entity or person), or which institution receives support from the extension of Federal financial assistance to any of its subunits; and

"(5) the term 'restricted or conditional gift or contract' means any endowment, gift, grant, contract, award, present, or property of any kind which includes provisions regarding (A) the employment, assignment, or termination of faculty; (B) the establishment of departments, centers, research or lecture programs, or new faculty positions; (C) the selection or admission of students; or (D) the award of grants, loans, scholarships, fellowships, or other forms of financial aid restricted to students of a specified country, religion, sex, ethnic origin, or political opinion.".

TITLE XIII—INDIAN HIGHER EDUCATION PROGRAMS

PART A—TRIBALLY CONTROLLED COMMUNITY COLLEGES

SEC. 1301. REAUTHORIZATION OF THE TRIBALLY CONTROLLED COMMUNITY COLLEGES ACT.

(a) GENERAL AUTHORIZATION.—Section 110(a) of the Tribally Controlled Community College Assistance Act of 1978 (hereafter in this section referred to as the "Act") (25 U.S.C. 1810(a)) is amended to read as follows:

"SEC. 110. (a)(1) There is authorized to be appropriated, for the purpose of carrying out section 105 $3,200,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(2) There is authorized to be appropriated for the purpose of carrying out section 107, $30,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(3) There is authorized to be appropriated for the purpose of carrying out sections 112(b) and 113, $10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(4) Funds appropriated pursuant to the authorizations under this section for the fiscal year 1993 and for each of the succeeding 4 fiscal years shall be transferred by the Secretary of the Treasury through the most expeditious method available, with each of the Tribally Controlled Community Colleges being designated as its own certifying agency.".

(b) ENDOWMENT GRANTS.—Section 306(a) of the Act (25 U.S.C. 1836(a)) is amended to read as follows:

"SEC. 306. (a) There are authorized to be appropriated to carry out the provisions of this title, $10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

(c) ECONOMIC DEVELOPMENT.—Section 403 of the Act (25 U.S.C. 1852) is amended to read as follows:

"SEC. 403. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated for grants under this title, $2,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

(d) NAVAJO COMMUNITY COLLEGES.—Section 5(a)(1) of the Navajo Community College Act of 1978 (25 U.S.C. 640c–1(a)(1)) is amended to read as follows:

"SEC. 5. (a)(1) For the purpose of making construction grants under this Act, there are authorized to be appropriated $2,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

PART B—HIGHER EDUCATION TRIBAL GRANT AUTHORIZATION ACT

SEC. 1311. SHORT TITLE.

This part may be cited as the "Higher Education Tribal Grant Authorization Act".

SEC. 1312. FINDINGS.

The Congress finds that—

(1) there are increasing numbers of Indian students qualifying for postsecondary education, and there are increasing numbers desiring to go to postsecondary institutions;

(2) the needs of these students far outpace the resources available currently;

(3) Indian tribes have shown an increasing interest in administering programs serving these individuals and making decisions on these programs reflecting their determinations of the tribal and human needs;

(4) the contracting process under the Indian Self-Determination and Education Assistance Act has provided a mechanism for the majority of the tribes to assume control over this program from the Bureau of Indian Affairs;

(5) however, inherent limitations in the contracting philosophy and mechanism, coupled with cumbersome administrative procedures developed by the Bureau of Indian Affairs have effectively limited the efficiency and effectiveness of these programs;

(6) the provision of these services in the most effective and efficient form possible is necessary for tribes, the country, and the individuals to be served; and

(7) these services are part of the Federal Government's continuing trust responsibility to provide education services to American Indian and Alaska Natives.

SEC. 1313. PROGRAM AUTHORITY.

(a) IN GENERAL.—The Secretary shall, from the amounts appropriated for the purpose of supporting higher education grants for Indian students under the authority of the Act of November 2, 1921, popularly known as the Snyder Act (25 U.S.C. 13), make grants to Indian tribes in accordance with the requirements of this part to permit those tribes to provide financial assistance to individual Indian students for the cost of attendance at institutions of higher education.

(b) LIMITATION ON SECRETARY'S AUTHORITY.—The Secretary shall not place any restrictions on the use of funds provided to an Indian tribe under this part that is not expressly authorized by this part.

(c) EFFECT ON FEDERAL RESPONSIBILITIES.—The provisions of this part shall not affect any trust responsibilities of the Federal Government.

(d) NO TERMINATION FOR ADMINISTRATIVE CONVENIENCE.—Grants provided under this part may not be terminated, modified, suspended, or reduced only for the convenience of the Administering agency.

SEC. 1314. QUALIFICATION FOR GRANTS TO TRIBES.

(a) CONTRACTING TRIBES.—Any Indian tribe that obtains funds for educational purposes similar to those authorized in this part pursuant to contract under the Indian Self-Determination and Education Assistance Act may qualify for a grant under this part by submitting to the Secretary a notice of intent to administer a student assistance program under section 1313. Such notice shall be effective for the fiscal year following the fiscal year in which it is submitted, except that if such notice is submitted during the last 90 days of a fiscal year such notice shall be effective the second fiscal year following the fiscal year in which it is submitted, unless the Secretary waives this limitation.

(b) NONCONTRACTING TRIBES.—Any Indian tribe that is not eligible to qualify for a grant under this part by filing a notice under subsection (a) may qualify for such a grant by filing an application for such a grant. Such application shall be submitted under guidelines for programs under the Indian Self-Determination and Education Assistance Act, as in effect on January 1, 1991, and shall be reviewed under the standards, practices, and procedures applicable to applications to contract under such Act as in effect on the date the application is received, except that—

(1) if the tribe is not notified that its application has been disapproved within 180 days after it is filed with the Secretary, the application shall be deemed to be approved;

(2) if the application is disapproved, the Secretary shall provide technical assistance to the tribe for purposes of correcting deficiencies in the application;

(3) the Secretary shall designate an office or official to receive such applications, and shall toll the 180-day period described in paragraph (1) from the date of receipt by such office or official; and

(4) applications shall be approved for the fiscal year following the fiscal year in which submitted, unless the Secretary waives the limitation of this paragraph.

(c) TERMINATION OF GRANTS.—

(1) CONTINUING ELIGIBILITY PRESUMED.—An Indian tribe which has qualified under subsection (a) or (b) for a grant under this part for any fiscal year shall continue to be eligible for such a grant for each succeeding fiscal year unless the Secretary revokes such eligibility for a cause described in paragraph (2).

(2) CAUSES FOR LOSS OF ELIGIBILITY.—The Secretary may revoke the eligibility of an Indian tribe for a grant under this part if such tribe—

(A) fails to submit to the Bureau an annual financial statement that reports revenues and expenditures determined by use of an accounting system, established by the tribe, that complies with generally accepted accounting principles;

(B) fails to submit to the Bureau an annual program description, stating the number of students served, and containing such information concerning such students, their educational programs and progress, and the financial assistance distributed to such students as the Secretary may require by regulation;

(C) fails to submit to the Secretary a biennial financial audit conducted in accordance with chapter 75 of title 31, United States Code; or

(D) fails, in an evaluation of its financial assistance program conducted by an impartial third party entity, to comply with standards under this part relating to (i) eligible students, programs, or institutions of higher education, (ii) satisfactory progress, or (iii) allowable administrative costs; as determined under contracts applicable to programs to provide financial assistance to individual Indian students for the cost of attendance at institutions of higher education administered by Indian tribes under the Indian Self-Determination and Education Assistance Act and in effect on January 20, 1991.

(3) PROCEDURES FOR REVOCATION OF ELIGIBILITY.—The Secretary shall not revoke the eligibility of an Indian tribe for a grant under this part except—

(A) after notice in writing to the tribe of the cause and opportunity to the tribe to correct;

(B) providing technical assistance to the tribe in making such corrections; and

(C) after hearing and appeals conducted under the same rules and regulations that apply to similar termination actions under the Indian Self-Determination and Education Assistance Act.

SEC. 1315. ALLOCATION OF GRANT FUNDS.

(a) ALLOCATION OF FUNDS.—

(1) IN GENERAL.—The Secretary shall continue to determine the amount of program funds to be received by each grantee under this part by the same method used for determining such distribution in fiscal year 1991 for tribally-administered and Bureau-administered programs of grants to individual Indians to defray postsecondary expenses.

(2) ADMINISTRATIVE COSTS.—In addition to the amount determined under paragraph (1), a grantee which has exercised the option given in section 1314(a) to administer the program under a grant shall receive an amount for administrative costs determined pursuant to the method used by the grantee during the preceding contract period. All other grantees shall receive an amount for administrative costs determined pursuant to the regulations governing such determinations under the Indian Self Determination and Education Assistance Act, as in effect at the time of application to grants being made.

(3) SINGLE GRANT; SEPARATE ACCOUNTS.—Each grantee shall receive only one grant during any fiscal year, which shall include both of the amounts under paragraphs (1) and (2). Each grantee shall maintain this grant in a separate account.

(b) USE OF FUNDS.—Funds provided by grants under this part shall be used—

(1) to make grants to individual Indian students to meet, on the basis of need, any educational expense of attendance in a postsecondary education program (as determined under the contracts applying to the postsecondary education program administered by tribes under the Indian Self Determination and Education Assistance Act (Public Law 93-638)), to the extent that such expense is not met from other sources or cannot be defrayed through the action of any State, Federal, or municipal Act, except that nothing in this subsection shall be interpreted as requiring any priority in consideration of resources; and

(2) costs of administering the program under this part, except that no more may be spent on administration of such program than is generated by the method for administrative cost computation specified in section 1315(a)(2).

SEC. 1316. LIMITATIONS ON USE OF FUNDS.

(a) USE FOR RELIGIOUS PURPOSES.—None of the funds made available under this part may be used for study at any school or department of divinity or for any religious worship or sectarian activity.

(b) INTEREST ON FUNDS.—No interest or other income on any funds made available under this part shall be used for any purpose other than those for which such funds may be used.

(c) PAYMENTS.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the Secretary shall make payments to grantees under this part in two payments—

(A) one payment to be made no later than October 1 of each fiscal year in an amount equal to one-half the amount paid during the preceding fiscal year to the grantee or a contractor that has elected to have the provisions of this part apply, and

(B) the second payment consisting of the remainder to which the grantee or contractor is entitled for the fiscal year to be made by no later than January 1 of the fiscal year.

(2) NEW GRANTEES.—For any tribe for which no payment was made under this part in the preceding fiscal year, full payment of the amount computed for each fiscal year shall be made by January 1 of the fiscal year.

(d) INVESTMENT OF FUNDS.—

(1) TREATMENT AS TRIBAL PROPERTY.—Notwithstanding any other provision of law, any interest or investment income that accrues on any funds provided under this part after such funds are paid to the Indian tribe or tribal organization and before such funds are expended for the purpose for which such funds were provided under this part shall be the property of the Indian tribe or tribal organization and shall not be taken into account by any officer or employee of the Federal Government in determining whether to provide assistance, or the amount of assistance, under any provision of Federal law.

(2) INVESTMENT REQUIREMENTS.—Funds provided under this part may be—

(A) invested by the Indian tribe or tribal organization only in obligations of the United States or in obligations or securities that are guaranteed or insured by the United States, or

(B) deposited only into accounts that are insured by an agency or instrumentality of the United States.

(e) RECOVERIES.—For the purposes of under recovery and over recovery determinations by any Federal agency for any other funds, from whatever source derived, funds received under this part shall not be taken into consideration.

SEC. 1317. ADMINISTRATIVE PROVISIONS.

(a) BIENNIAL REPORT.—The Secretary shall submit a biennial report to the Congress on the programs established under this part. Such report shall include—

(1) a description of significant administrative actions taken by the Secretary under this part;

(2) the number of grants made under the authority of this part;

(3) the number of applications denied for such grants and the reasons therefor;

(4) the remedial actions taken to enable applicants to be approved;

(5) the number of students served, by tribe;

(6) statistics on the academic pursuits of the students provided assistance under this part and the average amount of assistance provided; and

(7) such additional information as the Secretary considers significant.

(b) ROLE OF THE DIRECTOR.—Applications for grants under this part, and all application modifications, shall be reviewed and approved by personnel under the direction and control of the Director of the Office of Indian Education Programs. Required reports shall be submitted to education personnel under the direction and control of the Director of such Office.

(c) APPLICATION OF INDIAN SELF-DETERMINATION AND EDUCATION ASSISTANCE ACT.—All provisions of sections 5, 6, 7, 105, 109, and 110 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c et seq.), except those provisions pertaining to indirect costs and length of contract, shall apply to grants provided under this part.

(d) REGULATIONS.—The Secretary is authorized to issue regulations relating to the discharge of duties specifically assigned to the Secretary by this part. In all other matters relating to the details of planning, development, implementing, and evaluating grants under this part, the Secretary shall not issue regulations. Regu-

lations issued pursuant to this part shall not have the standing of a Federal statute for the purposes of judicial review.

(e) RETROCESSION.—Whenever an Indian tribe requests retrocession of any program for which assistance is provided under this part, such retrocession shall become effective upon a date specified by the Secretary not more than 120 days after the date on which the tribe requests the retrocession, or such later date as may be mutually agreed upon by the Secretary and the tribe. If such a program is retroceded, the Secretary shall provide to any Indian tribe served by such program at least the same quantity and quality of services that would have been provided under such program at the level of funding provided under this part prior to the retrocession. The tribal governing body requesting the retrocession shall specify whether the retrocession shall be to a contract administered by the tribe, or a tribal entity, under the authority of the Indian Self-Determination Act or to a Bureau administered program.

(f) DEFINITIONS.—For the purposes of this part:

(1) The term "Secretary" means the Secretary of the Interior.

(2) The terms "Indian" and "Indian tribe" have the same meaning given those terms in sections 4(d) and (e), respectively, of the Indian Self Determination and Education Assistance Act (P.L. 93-638, 20 U.S.C. 450b).

PART C—CRITICAL NEEDS FOR TRIBAL DEVELOPMENT ACT

SEC. 1321. SHORT TITLE.

This part may be cited as the "Critical Needs for Tribal Development Act".

SEC. 1322. DEFINITIONS.

As used in this part:

(1) The term "federally funded higher education assistance" means any grant assistance provided to an Indian student from funds made available for such purpose by contract or grant to an Indian tribe from amounts appropriated under the authority of the Act of November 2, 1921, popularly known as the Snyder Act (25 U.S.C. 13).

(2) The term "eligible Indian tribe or tribal organization" means any Indian tribe or tribal organization that qualifies to administer federally funded higher education assistance under a contract pursuant to the Indian Self-Determination and Education Assistance Act or under a grant pursuant to the Higher Education Tribal Grant Authorization Act.

(3) The term "Indian" has the meaning given such term in section 4(d) of the Indian Self Determination and Education Assistance Act (P.L. 93-638, 20 U.S.C. 450b).

SEC. 1323. SERVICE CONDITIONS PERMITTED.

(a) IN GENERAL.—An eligible Indian tribe or tribal organization may, in accordance with the requirements of this part, require any applicant for federally funded higher education assistance, as a condition of receipt of such assistance, to enter into a critical area service agreement in accordance with section 1324.

(b) CRITICAL AREA DESIGNATION.—Any eligible Indian tribe or tribal organization that intends to require critical area service agreements shall, by a formal action of the tribal council or its delegate, designate particular occupational areas as critical areas for the economic or human development needs of the tribe or its members. The tribe or organization shall notify the Secretary of the Interior in writing of such designated critical areas. Such designations shall be applicable to federally funded higher education assistance for any fiscal year following the fiscal year in which the designation is made until such designation is withdrawn by the tribe or organization by formal action. The tribe or organization shall notify the Secretary of the Interior in writing of any designations that are withdrawn.

SEC. 1324. CRITICAL AREA SERVICE AGREEMENTS.

(a) TERMS OF AGREEMENTS.—A critical area service agreement shall be an agreement between an Indian student who receives or who shall receive federally funded higher education assistance and an Indian tribe or tribal organization providing such assistance in which the student agrees—

(1) to undertake a course of study at an eligible institution (as that term is defined in section 435(a) of the Higher Education Act of 1965) in an area of critical need, as determined under section 1323, and to pursue that course of study to its completion; and

(2)(A) to perform, for each academic year for which the student receives federally funded higher education assistance under a critical area service agreement, one calendar year of service to the tribe or organization in an occupation that is in a critical area designated by the tribe pursuant to section 1322(b), commencing not later than 6 months after the student ceases to carry at an institution of higher education at least one-half the normal full-time academic workload as determined by the institution; or

(B) to repay such assistance to the Secretary, together with interest thereon at a rate prescribed by the Secretary by regulation, in monthly or quarterly installments over not more than 5 years.

(b) SERVICE LIMITATIONS AND CONDITIONS.—The tribe or tribal organization shall agree that a student performing services under a critical area service agreement—

(1) shall be provided compensation, benefits, and working conditions at the same level and to the same extent as any other employee working a similar length of time and doing the same type of work;

(2) may be treated as providing services to the tribe or organization if the student provides services for members of the tribe or organization that are approved by the tribe or organization and agreed to by the student even though such services are performed while the student is employed by a Federal, State, or local agency or instrumentality or by a nonprofit or for-profit private institution or organization; and

(3) may obtain the benefits of a waiver or suspension in accordance with the requirements of subsection (c).

(c) WAIVER AND SUSPENSION OF SERVICE AGREEMENT.—

(1) WAIVER.—An Indian tribe or tribal organization may, by formal action, waive the service agreement of an Indian student for just cause, as determined in accordance with regulations prescribed by the Secretary. The tribe or organization shall notify the Secretary in writing of any waiver granted under this subsection.

(2) SUSPENSION.—The obligation of a student to perform services under a critical area service agreement—

(A) shall be suspended for not more than 18 months if, at the request of the student, the tribe or organization determines that there are no employment opportunities available in any critical service area; and

(B) shall be suspended if the student ceases to attend an institution of higher education as a consequence of an institutional determination of unsatisfactory performance.

If, at the end of a period of suspension under subparagraph (A), there are still no employment opportunities available in any critical service area, the student's obligations under the agreement shall terminate. A suspension under subparagraph (B) shall be reviewed by the tribe or organization annually, but may be continued indefinitely.

(d) PRO RATA REDUCTION FOR PARTIAL SERVICES.—The Secretary shall, by regulation, provide for the pro rata reduction of repayment obligations under subsection (a)(2) in the case of any student who partially completes the service obligation of that student under subsection (a)(2)(A).

(e) CERTIFICATION OF SERVICE.—An Indian tribe or tribal organization receiving services under a critical area service agreement—

(1) shall establish procedures for monitoring and evaluating the provisions of this part, and provide a copy of such procedures to the Secretary and to each individual providing services under a critical area service agreement;

(2) shall annually certify to the Secretary the identities of the individuals performing service under such agreements; and

(3) shall annually certify to the Secretary the amount of service performed, and the amount remaining to be performed, by each such individual under such agreements.

SEC. 1325. GENERAL PROVISIONS.

(a) APPLICATION OF EXISTING PROCEDURES.—Except as provided in subsection (b), the requirements relating to student eligibility, needs analysis, and determination of eligibility for the program to be attended regularly incorporated by reference into contracts under the Indian Self-Determination and Education Assistance Act for tribal operation of higher education grant programs prior to January 1, 1991, shall apply.

(b) ADDITIONAL, EXCESS, AND INCREMENTAL COSTS.—The tribe or tribal organization may establish in writing, subject to the review of the Secretary, procedures for determining additional, excess, or inducement costs to be associated with grants for critical area service agreements.

PART D—INSTITUTE OF AMERICAN INDIAN NATIVE CULTURE AND ARTS DEVELOPMENT

SEC. 1331. INSTITUTE OF AMERICAN INDIAN NATIVE CULTURE AND ARTS DEVELOPMENT.

(a) BOARD OF DIRECTORS.—Section 1505 of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4412) is amended—

(1) in subsection (a)(1)(A)—

(A) by striking "The voting" and inserting "Subject to the provisions of subsection (i), the voting"; and

(B) by inserting before the period at the end thereof a comma and the following: "and diverse fields of expertise, including finance, law, fine arts, and higher education administration";

(2) by redesignating paragraph (3) of subsection (a) as paragraph (4);

(3) by inserting after paragraph (2) of subsection (a) the following new paragraph:

"(3) The President shall carry out the activities described in subparagraphs (B) and (C) of paragraph (2) through the Board. The Board may make recommendations based upon the nominations received, may make recommendations of its own, and may review and make comments to the President or the President's appointed staff on individuals being considered by the President for whom no nominations have been received."; and

(4) by striking subsection (i) and inserting the following:

"(i) APPOINTMENT EXCEPTION FOR CONTINUITY.—

"(1) In order to maintain the stability and continuity of the Board, the Board shall have the power to recommend the continuation of members on the Board pursuant to the provisions of this subsection. When the Board makes such a recommendation, the Chairman of the Board shall transmit the recommendation to the President no later than 75 days prior to the expiration of the term of the member.

"(2) If the President has not transmitted to the Senate a nomination to fill the position of a member covered by such a recommendation within 60 days from the date that the member's term expires, the member shall be deemed to have been reappointed for another full term to the Board, with all the appropriate rights and responsibilities.

"(3) This subsection shall not be construed to permit less than 7 members of the Board to be Indians. If an extension of a term under paragraph (2) would result in less than 7 members being Indians, the term of the member covered by paragraph (2) shall be deemed to expire 60 days after the date upon which it would have been deemed to expire without the operation of this subsection, except that the provisions of subsection (b)(4), relating to continuation of service pending replacement, shall continue to apply.".

(b) GENERAL POWERS OF BOARD.—Section 1507 of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4414) is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (3) through (13) as paragraphs (4) through (14), respectively;

(B) by striking paragraph (2) and inserting the following:

"(2) to make agreements and contracts with persons, Indian tribes, and private or governmental entities and to make payments or advance payments under such agreements or contract without regard to section 3324 of title 31, United States Code;

"(3) any other provision of law to the contrary notwithstanding, to enter into joint development ventures with public or private commercial or noncommercial entities for development of facilities to meet the plan required under section 1519, if the ventures are related to and further the mission of the Institute;"; and

(C) by striking paragraph (13) (as redesignated in subparagraph (A)) and inserting the following:

"(13) to use any funds or property received by the Institute to carry out the purpose of this title, including the authority to designate on an annual basis a portion, not to exceed 10 percent, of the funds appropriated pursuant to section 1531 for investment, without regard to any other provision of law regarding investment or disposition of federally appropriated funds, on a short-term basis for the purpose of maximizing yield and liquidity of such funds; and"; and

(2) in subsection (c), by striking "may be expended" and inserting "shall be expended".

(c) STAFF OF INSTITUTE.—Section 1509(b)(2) of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4416(b)(2)) is amended to read as follows:

"(2) The President of the Institute shall fix the basic compensation for officers and employees of the Institute at rates comparable to the rates in effect under the General Schedule for individuals with comparable qualifications and positions, to whom chapter 51 of title 5, United States Code applies. If the Board determines that such action is necessary for purposes of recruitment or retention of officers or employees necessary to the functions of the Institute, the Board is authorized, by formal action, to establish a rate of, or a range for, basic compensation that is comparable to the rate of compensation paid to officers or employees having similar duties and responsibilities in other institutions of higher education.".

(d) FUNCTIONS OF INSTITUTE.—Section 1510(b) of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4417(b)) is amended to read as follows:

"(b) ADMINISTRATIVE ENTITIES.—

"(1) The Board shall be responsible for establishing the policies and internal organization that relate to the control and monitoring of all subdivisions, administrative entities, and departments of the Institute.

"(2) The specific responsibilities of each subdivision, entity, and department of the Institute are solely within the discretion of the Board, or its designee.

"(3) The Board shall establish, within the Institute, departments for the study of culture and arts and for research and exchange, and a museum. The Board shall establish the areas of competency for the departments created under this paragraph, which may include (but are not limited to) Departments of Arts and Sciences, Visual Arts, Performing Arts, Language, Literature and Museology and a learning resources center, programs of institutional support and development, research programs, fellowship programs, seminars, publications, scholar-in-residence programs and inter-institutional programs of cooperation at national and international levels.".

(e) INDIAN PREFERENCE.—Section 1511(a) of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4418(a)) is amended by inserting "develop a policy or policies for the Institute to" after "is authorized to".

(f) TRANSFER OF FUNCTIONS.—Section 1514 of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4421) is amended—

(1) in subsection (b)(1), by striking "All personnel" and inserting "Subject to subsection (d), all personnel"; and

(2) in subsection (d)(2), by striking "monetary damage" and inserting "monetary damages".

(g) REPORTS.—Section 1515(b) of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4422(b)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) through (4) as paragraphs (1) through (3).

(h) HEADQUARTERS.—Section 1516 of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4423) is amended—

(1) by striking "The site of the Institute of American Indian Arts, at"; and

(2) by striking "the Secretary" and inserting "the Board".

(i) COMPLIANCE WITH OTHER ACTS.—Section 1517 of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4424) is amended—

(1) by redesignating the text of subsection (c) as paragraph (1) of such subsection; and

(2) by adding at the end thereof the following new paragraph:

"(2) The Institute shall not be subject to any provision of law requiring that non-Federal funds or other moneys be used in part to fund any grant, contract, cooperative agreement, or project as a condition to the application for, or receipt of, Federal assistance. This subsection shall not be construed to effect in a negative fashion the review, prioritization, or acceptance of any application or proposal for such a program, solicited or unsolicited.".

(j) ENDOWMENT PROGRAM.—Section 1518 of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4425) is amended—

(1) in subsection (a)(3)—

(A) by striking "the date of enactment of this Act" and inserting "November 29, 1990"; and

(B) by inserting after the last sentence the following new sentence: "All funds transferred to the Institute by the Secretary of the Treasury after June 2, 1988, shall be deemed to have been properly transferred as of the date of enactment of the Higher Education Amendments of 1992.";

(2) in subsection (b)(4), by inserting ", non-Federal governmental," after "any private"; and

(3) in subsection (c)—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following new paragraph:

"(3) Any amounts deposited in a trust fund authorized under subsection (a) may be used to secure loans procured for the purposes of constructing or improving Institute facilities.".

(k) PROVISION OF FACILITIES.—Part A of the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act (20 U.S.C. 4411 et seq.) is amended by adding at the end the following new section:

"SEC. 1519. PROVISION OF FACILITIES.

"(a) PLAN.—The Board shall prepare a master plan on the short- and long-term facilities needs of the Institute. The master plan shall include evaluation of all facets of existing Institute programs, including support activities and programs and facilities. The master plan shall include impact projections for the Institute's move to a new campus site. This master plan shall evaluate development and construction requirements (based on a growth plan approved by the Board), including (but not limited to) items such as infrastructure and site analysis, development of a phased plan with architectural and engineering studies, cost projections, landscaping, and related studies which cover all facets of the Institute's programs and planned functions.

"(b) DEADLINE FOR TRANSMITTAL.—The plan required by this subsection shall be transmitted to Congress no later than 18 months after the date of enactment of this provision. Such plan shall include a prioritization of needs, as determined by the Board.".

PART E—TRIBAL DEVELOPMENT STUDENT ASSISTANCE REVOLVING LOAN PROGRAM

SEC. 1341. SHORT TITLE.

This part may be cited as the "Tribal Development Student Assistance Act".

SEC. 1342. FINDINGS; PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) a substantial number of Indian students have partially completed their degrees in postsecondary education, but have been unable, for a number of reasons, to complete the degrees;

(2) in at least some measure these students have been supported by tribal funds or grants of Federal monies administered by the Bureau of Indian Affairs or tribes;

(3) the inability of the students to complete these degrees has led to a hardship for the students and a loss of a potential pool of talent to the tribes or tribal organizations which originally financed, at least in part, these efforts;

(4) this loss has crippled tribal efforts in the areas of economic and social development;

(5) this failure to complete the postsecondary schooling has led to economic loss to the tribes and the Federal Government which could be remedied by completion of the courses of study; and

(6) a program to identify students with a level of postsecondary completion short of the fulfillment of graduation requirements and to encourage them to complete these requirements, including provision of resources, will benefit the students, the tribes, and the Federal Government.

(b) PURPOSES.—The purposes of this part are—

(1) to establish a revolving loan program to be administered by a tribe or tribal organization for the purposes of increasing the number of college graduates available to work in tribal businesses, tribal government, and tribal services such as schools and hospitals;

(2) to conduct research to assess the situational and educational barriers to participation in postsecondary education; and

(3) to encourage development, through grants, of a model which provides, in addition to loans,

transitional and follow-up services needed to encourage persistence in postsecondary education.

SEC. 1343. REVOLVING FUND.

(a) RECEIPT, INVESTMENT, AND ACCOUNTING.—(1) TRIBES AND TRIBAL ORGANIZATIONS.—Funds received under a grant under this part or recovered under the provisions of section 1346(a)(2)(B) shall be identified and accounted for separately from any other tribal or Federal funds received from the Federal Government. All funds in this account shall be used for the purposes of this part.

(2) FINANCIAL PROCEDURES.—The Secretary of the Interior is responsible for establishing, by regulations, such requirements for receipt, investment and accounting of funds under subsection (b) as shall safeguard and financial interests of the Federal Government.

(b) INVESTMENT.—Funds provided under this part or recovered by the tribe or tribal organization under the provisions of section 1346(a)(2)(B) shall be—

(1) invested by the Indian tribe or tribal organization only in obligations of the United States or in obligations or securities that are guaranteed or insured by the United States, or

(2) deposited only in accounts that are insured by an agency or instrumentality of the United States.

(c) TREATMENT OF INCOME.—Notwithstanding any other provision of law, any interest or investment income that accrues on any funds covered under this provision after such funds have been distributed to a tribe or tribal organization and before such funds are distributed for the purposes of making loans under this part shall be the property of the tribe or tribal organization and shall not be taken into account by any officer or employee of the Federal Government in determining whether to provide assistance, or the amount of assistance, under any provision of Federal law.

SEC. 1344. ELIGIBLE RECIPIENTS.

(a) TRIBES AND TRIBAL ORGANIZATIONS.—The Secretary of the Interior (hereafter in this part referred to as the "Secretary") shall make grants, in accordance with the requirements of this part, to—

(1) tribes or multitribal organizations not serviced by current federally funded postsecondary institutions authorized for economic development grants; and

(2) tribes or multitribal organizations which lack sufficient numbers of professionally trained tribal members to support established or ongoing economic development initiatives.

(b) STUDENTS.—Any tribe or tribal organization that receives funds under subsection (a) shall make such funds available by loan, under terms and conditions consistent with section 1345, to Indian students who have successfully completed 30 hours of postsecondary education and who are eligible for readmission to a postsecondary institution.

SEC. 1345. TERMS OF LOANS.

(a) IN GENERAL.—A loan under this part to an Indian student shall—

(1) be subject to repayment over a period of not more than 5 years;

(2) not bear interest;

(3) be subject to forgiveness for services to the tribe in accordance with section 1346; and

(4) contain such additional terms and conditions as the initial loan agreement between the tribe or tribal organization and student may prescribe in writing.

(b) COST OF ATTENDANCE.—Calculation of the cost of attendance for the student must include all costs as determined by the tribe for the purposes of fulfilling the policy of this part.

(c) ADDITIONAL REQUIREMENTS.—Any student seeking a loan under this part shall apply for and accept the maximum financial aid available from other sources. However, for purposes of determining eligibility, loans provided under this program may not be considered in needs analysis under any other Federal law, and may not penalize students in determining eligibility for other funds.

SEC. 1346. SERVICE FULFILLMENT AND CONDITIONS; REPAYMENTS; WAIVERS.

(a) SERVICE AGREEMENT REQUIRED.—

(1) IN GENERAL.—Prior to receipt of a loan under this part, the tribe or tribal organization and the eligible recipient shall enter into a written agreement, subject to the conditions of this section, which commits the recipient—

(A) to perform, for each academic year for which the student receives assistance under this part one calendar year of service to the tribe or organization in an occupation related to the course of study pursued and an economic or social development plan developed by the tribe or tribal organization, commencing not later than 6 months after the student ceases to carry at an institution of higher education at least one-half the normal full-time academic workload as determined by the institution; or

(B) to repay to the tribe or tribal organization the full amount of the loan, in monthly or quarterly installments over not more than 5 years.

(2) REPORT REQUIREMENT.—Funds recovered pursuant to paragraph (1)(B) shall be reported annually to the Secretary and invested in the account established under section 1343.

(b) SERVICE LIMITATIONS AND CONDITIONS.—The tribe or tribal organization shall agree that a student performing services under this part—

(1) shall be provided compensation, benefits, and working conditions at the same level and to the same extent as any other employee working a similar length of time and doing the same type of work;

(2) may be treated as providing services to the tribe or organization if the student provides services for members of the tribe or organization that are approved by the tribe or organization and agreed to by the student even though such services are performed while the student is employed by a Federal, State, or local agency or instrumentality or by a nonprofit or for-profit private institution or organization; and

(3) may obtain the benefits of a waiver or suspension in accordance with the requirements of subsection (c).

(c) WAIVER AND SUSPENSION OF SERVICE AGREEMENT.—

(1) WAIVER.—An Indian tribe or tribal organization may, by formal action, waive the service agreement of an Indian student for just cause, as determined in accordance with regulations prescribed by the Secretary. The tribe or organization shall notify the Secretary in writing of any waiver granted under this subsection.

(2) SUSPENSION.—The obligation of a student to perform services under this part—

(A) shall be suspended for not more than 18 months if, at the request of the student, the tribe or organization determines that there are no employment opportunities available in any applicable area; and

(B) shall be suspended if the student ceases to attend an institution of higher education as a consequence of an institutional determination of unsatisfactory performance.

If, at the end of a period of suspension under subparagraph (A), there are still no employment opportunities available which fulfill the requirements of this part, the student's obligations under the agreement shall terminate. A suspension under subparagraph (B) shall be reviewed by the tribe or organization annually, but may be continued indefinitely.

(d) PRO RATA REDUCTION FOR PARTIAL SERVICES.—The Secretary shall, by regulation, provide for the pro rata reduction of repayment obligations under subsection (a)(2)(B) in the case of any student who partially completes the service obligation of that student under subsection (a)(2)(A).

(e) CERTIFICATION OF SERVICE.—An Indian tribe or tribal organization receiving services under this part—

(1) shall establish procedures for monitoring and evaluating the provisions of this part, and provide a copy of such procedures to the Secretary and to each individual providing services under a critical area service agreement;

(2) shall annually certify to the Secretary the identities of the individuals performing service under such agreements; and

(3) shall annually certify to the Secretary the amount of service performed, and the amount remaining to be performed, by each such individual under such agreements.

SEC. 1347. ADMINISTRATION.

(a) REGULATIONS.—The Secretary shall establish, by regulation, an application process containing such requirements as the Secretary deems necessary for purposes of making grants to eligible entities under this part, providing that the Secretary shall take into account in reviewing applications under this part the number of students with partial completion identified by the applicant, relative to the total number of the members of tribes which would be benefited by provision of services under section 1346, and shall attempt to achieve geographic and demographic diversity in grants made under this part.

(b) GRANT PROCEDURES.—

(1) IN GENERAL.—Subject to the availability of funds and acceptable applications, the Secretary shall make 5 grants to tribes or tribal organizations for purposes of this part, each grant to be for a period of 4 years.

(2) ADMINISTRATIVE COSTS.—The amount of administrative costs associated with grants under this part shall be negotiated by the Secretary with the successful applicants and made a part of the grant agreement.

(c) DEFINITIONS.—For the purposes of this part, the terms "Indian", "Indian tribe", "Secretary", and "tribal organizations" have the same meanings given such terms in sections 4(d), (e), (i), and (l), respectively, of the Indian Self Determination and Education Assistance Act (P.L. 93-638, 20 U.S.C. 450b).

SEC. 1348. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this part, $2,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

PART F—AMERICAN INDIAN POSTSECONDARY ECONOMIC DEVELOPMENT SCHOLARSHIP

SEC. 1361. AMERICAN INDIAN POSTSECONDARY ECONOMIC DEVELOPMENT SCHOLARSHIP.

(a) PROGRAM AUTHORIZED.—The Secretary of Education is authorized to make grants, in accordance with the provisions of this part, to federally recognized Indian tribes which lack sufficient numbers of professionally trained tribal members to support established or ongoing economic development initiatives. Priority shall be given to tribes which are not served by federally funded postsecondary institutions. The purpose of such grants is to enable such tribes to make scholarships available to tribal members to assist such members to pursue courses of study leading to an undergraduate or postbaccalaureate degree in order to provide professionally trained tribal members to support such economic development initiatives on Indian reservations.

(b) DESIGNATION.—A scholarship awarded under this part shall be referred to as an "American Indian Post-Secondary Economic Development Scholarship" (hereafter referred to in this part as "scholarship").

SEC. 1362. INDIAN SCHOLARSHIPS.

(a) SELECTION.—Each Indian tribe receiving a grant pursuant to this part for the purpose of providing scholarships shall select tribal members eligible to receive such scholarships. In determining grant recipients the Secretary of Education shall consider—

(1) geographic distribution of grants; and

(2) a tribal economic plan which demonstrates how individual recipients shall benefit the economic conditions of the tribe.

(b) CRITERIA.—Each Indian tribe, in consultation with the Secretary of Education, shall give preference to select, as those tribal members eligible to receive such scholarships, tribal members who have successfully completed at least 30 hours of postsecondary education and who are eligible for readmission to a postsecondary institution.

SEC. 1363. SCHOLARSHIP CONDITIONS.

(a) SCHOLARSHIP AGREEMENT.—Each tribal member receiving a scholarship under this part shall enter into an agreement, satisfactory to the Secretary of Education and the tribal government awarding such scholarship, under which such member agrees—

(1) to utilize the proceeds of such scholarship to pursue a course of study which meets the requirements of the educational institution in which the student is enrolled for an undergraduate or postbaccalaureate degree;

(2) upon the acquisition of such degree, to work, one year for each year of financial assistance under this part, on the Indian reservation in employment related to the course of study pursued which will support economic development initiatives on such reservation; and

(3) to maintain satisfactory academic progress, as determined in accordance with section 484(c) of the Higher Education Act of 1965, while in an undergraduate or postbaccalaureate program.

(b) REPAYMENTS.—Each tribal member found by the Secretary of Education to be in noncompliance with the agreement pursuant to subsection (a)(2) shall be required to repay—

(1) 100 percent of the total amount of scholarships awarded under this part if such tribal member does not work pursuant to such agreement; or

(2) a pro rata portion of the total amount of scholarships awarded under this part, as determined by the Secretary of Education, if such tribal member worked pursuant to such agreement but less than the time period required thereunder.

(c) WAIVER AND SUSPENSION OF SERVICE AGREEMENT.—

(1) WAIVER.—A federally recognized Indian tribe may, by formal action, waive the service agreement of a tribal member for just cause, as determined in accordance with regulations prescribed by the Secretary. The tribe shall notify the Secretary in writing of any waiver granted under this subsection.

(2) SUSPENSION.—The obligation of a tribal member to perform services under this part—

(A) shall be suspended for not more than 18 months if, at the request of the tribal member, the tribe determines that there are no employment opportunities available in any applicable area; and

(B) shall be suspended if the tribal member ceases to attend an institution of higher education as a consequence of an institutional determination of unsatisfactory performance.

If, at the end of a period of suspension under subparagraph (A), there are still no employment opportunities available which fulfill the requirements of this part, the tribal member's obligations under the agreement shall terminate. A suspension under subparagraph (B) shall be reviewed by the tribe annually, but may be continued indefinitely.

(d) DISCLAIMER.—No scholarship awarded pursuant to this part shall be considered in determining eligibility for student assistance under title IV of the Higher Education Act of 1965.

(e) LIMITATION.—Any tribal member selected by an Indian tribe to receive a scholarship under this part shall be eligible to receive a $10,000 scholarship for each academic year of postsecondary education, except that no such member shall receive scholarship assistance under this part for more than 4 years of postsecondary education (including postbaccalaureate).

(f) COST OF ATTENDANCE.—Calculation of the cost of attendance for the tribal member shall include all costs as determined by the tribe for the purposes of fulfilling the policy of this part.

(g) ADDITIONAL REQUIREMENTS.—Any tribal member seeking a loan under this part shall apply for and accept the maximum financial aid available from other sources. However, for purposes of determining eligibility, loans provided under this program may not be considered in needs analysis under any other Federal law, and may not penalize tribal members in determining eligibility for other funds.

(h) APPLICATIONS FOR ASSISTANCE.—Any federally recognized Indian tribe desiring a grant under this part shall submit an application to the Secretary of Education at such time, in such manner, and containing such information as the Secretary may reasonably require. Each such application shall—

(1) describe the shortages on the reservation of such Indian tribe of professionally trained tribal members necessary to support economic development initiatives on such reservation;

(2) provide assurances that the Indian tribe will assist in employment placement on the reservation of tribal members receiving scholarship assistance under this part; and

(3) provide assurances that any tribal member performing work pursuant to this part will be provided compensation, benefits, and working conditions at the same level and to the same extent as any other employee working a similar length of time and doing the same type of work.

SEC. 1364. REPORT.

Each federally recognized Indian tribe receiving a grant pursuant to this part shall annually report to the Secretary concerning the administration of such grant, including the identities of any individual receiving a scholarship pursuant to this part, and of any individual performing service pursuant to his or her commitment under this part.

SEC. 1365. AUTHORIZATION OF APPROPRIATIONS.

For the purpose of carrying out the provisions of this part, there are authorized to be appropriated $2,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

PART G—AMERICAN INDIAN TEACHER TRAINING

SEC. 1371. AMERICAN INDIAN TEACHER TRAINING.

(a) INSTITUTIONAL SUPPORT.—

(1) IN GENERAL.—The Secretary of Education is authorized to award grants to tribally controlled postsecondary, vocational and technical institutions for the purposes of—

(A) developing teacher training programs;

(B) building articulation agreements between such institutions and other institutions of higher education as defined in section 1201(a) of the Higher Education Act of 1965; and

(C) basic strengthening of tribally controlled community colleges, as defined in section 2(a)(4) of the Tribally Controlled Community Colleges Act (P.L. 95–471, 25 U.S.C. 1801).

(2) USE OF GRANTS.—Grants awarded under this subsection shall be for the purpose of providing upper division course work, transfer programs, articulation agreements (similar to those under part D of title I of the Higher Education Act of 1965) with other accredited institutions, telecommunications programs or other mechanisms which directly support the training of American Indian teachers.

(b) STUDENT SUPPORT GRANTS.—

(1) IN GENERAL.—The Secretary of Education is authorized to award grants to institutions that have developed teacher training programs under subsection (a) for the purpose of providing financial and programmatic support to American Indian students seeking to participate in such institutions' teacher training programs.

(2) USE OF GRANTS.—Institutions receiving grants under this section shall require recipients of grants under this subsection to serve as teachers in an Indian community for 1 year for each year of scholarship support received.

(3) ELIGIBILITY.—Students eligible to receive support grants shall include those who have completed at least 30 hours of postsecondary education and who intend to pursue a 4-year degree.

(4) WORK REQUIREMENT.—Students who fail to satisfy the requirements of paragraph (2) shall be required to repay a pro rata portion of the total amount of scholarships awarded under this part if the student worked for less than the required time period described in such paragraph.

(c) SCHOLARSHIPS.—

(1) AUTHORITY.—The Secretary of Education is authorized to provide scholarship assistance to American Indian students who seek to become teachers and who—

(A) agree to serve as teachers in an Indian community for 1 year for each year of scholarship support received, and

(B) have completed at least 30 hours of postsecondary education.

(2) WORK REQUIREMENT.—Students who fail to satisfy the requirements of paragraph (1) shall be required to repay a pro rata portion of the total amount of scholarships awarded under this part if the student worked for less than the required time period described in paragraph (1)(B).

(d) DEFINITION.—For purposes of this part, the term "Indian" has the same meaning given such term in section 4(d) of the Indian Self Determination and Education Assistance Act (P.L. 93–638, 20 U.S.C. 450b).

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this part.

TITLE XIV—STUDIES AND COMMISSIONS

PART A—STUDIES BY THE DEPARTMENT OF EDUCATION

SEC. 1401. STUDY OF ROLE OF GUARANTY AGENCIES.

(a) STUDY.—The Secretary of Education shall review the role of guaranty agencies within the Federal Family Education Loan Program by examining the administrative and financial operations of such agencies and the relationships between guaranty agencies and State governments.

(b) REPORT.—The Secretary of Education shall report to the Congress within 1 year of the date of enactment of this Act on the study described in subsection (a). Such report shall consider and make recommendations concerning—

(1) increasing the role of guaranty agencies in oversight and licensing of proprietary trade schools under the Federal Family Education Loan Program;

(2) strengthening Federal disincentives for high default rate portfolios;

(3) consolidating guaranty agencies regionally or otherwise;

(4) eliminating the role of guaranty agencies within the Federal Family Education Loan Program; and

(5) the compensation of chief executive officers and managerial staffs of guaranty agencies.

SEC. 1402. STUDY OF STATUTORY PROTECTIONS.

The Secretary of Education shall report to the Congress within 180 days of the date of enactment of the Higher Education Amendments of 1992 on the advisability of statutorily protecting officials of accrediting agencies involved in the performance of legitimate Federal Family Education Loan Program activities.

SEC. 1403. STUDY OF FRAUD-BASED DEFENSES.

(a) STUDY.—The Secretary shall conduct a study of the impact of fraud-based defenses on the Federal Family Education Loan Program. Such study shall include—

(1) an analysis of statutory, regulatory, and case law regarding the use of fraud-based defenses against repayment of such loans;

(2) an estimate of the total number of borrowers filing for relief from repayment of such loans using a fraud-based defense and amount of such loan principal involved;

(3) an estimate of such loan principal relieved annually through fraud-based defenses;

(4) an evaluation of the importance of a fraud-based defense to the protection of borrowers of such loans; and

(5) an evaluation of the effects of the availability of a fraud-based defense on the accessibility of Stafford loans by geographical area and by type of postsecondary institution.

(b) DATE.—The study described in subsection (a) shall be completed not later than 18 months after the date of enactment of this Act.

(c) REPORT.—

(1) IN GENERAL.—The Secretary shall submit a report to the Congress on the study described in subsection (a) that makes specific recommendations for legislative options that may be needed to address the rights of borrowers with respect to the availability of fraud-based defenses under the Federal Family Education Loan Program without jeopardizing the participation of lenders or the solvency of guaranty agencies required to maintain the integrity of such program.

(2) DATE.—The report described in paragraph (1) shall be completed not later than 19 months after the date of enactment of this Act.

SEC. 1404. DATA ON NONTRADITIONAL STUDENTS.

(a) STUDY REQUIRED.—The Secretary of Education shall conduct a 2-year study regarding the types of programs available for, and determine the success or failure of such programs in, increasing the accessibility for nontraditional students to postsecondary education. The study shall be conducted through the Office of Educational Research and Improvement.

(b) PURPOSE.—The purpose of the study shall be—

(1) to appraise the adequacies and deficiencies of current student financial aid information resources and services and evaluate the effectiveness of these programs as they pertain to the nontraditional student;

(2) to investigate the availability of grants and loans and other financial assistance to nontraditional students (including independent students and part-time students);

(3) to assess the availability of supportive services for the nontraditional students including (but not limited to) counseling, child care services, campus health center services, and library services;

(4) to make recommendations on how the Department of Education can maintain an effective data base regarding nontraditional students that will include—

(A) a yearly count of the number of students who are nontraditional and breakdown of the institutions they are attending;

(B) the number of nontraditional students who work and go to school;

(C) the extent of participation in Federal student aid programs;

(D) the amount of unmet costs of postsecondary education for nontraditional students; and

(E) trends over the last decade regarding participation of nontraditional students in title IV programs.

(c) REPORT.—The Secretary of Education shall submit an interim report to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate within 1 year after the date of enactment of this section and submit a final report 2 years after such date of enactment.

SEC. 1405. STUDY OF FEDERAL BENEFIT COORDINATION.

(a) IN GENERAL.—The Secretary of Education shall conduct a study to evaluate the coordination of Federal student financial assistance programs under title IV of the Higher Education Act of 1965 with other programs funded in whole or in part with Federal funds, giving particular attention to—

(1) the effect of receipt of program assistance under title IV of the Higher Education Act of 1965 on students eligible for other programs funded in whole or in part with Federal funds, including reduction or denial of such other program funds; and

(2) the attendance cost elements funded in whole or in part by programs under title IV of the Higher Education Act of 1965 for students eligible for other Federal programs and the inclusion of room or board costs in such attendance costs.

(b) REPORT.—The Secretary of Education shall prepare and submit to the appropriate committees of the Congress a report on the study conducted pursuant to subsection (a) not later than 3 years after the date of enactment of this Act, together with such recommendations as the Secretary of Education deems appropriate.

SEC. 1406. NATIONAL SURVEY OF FACTORS ASSOCIATED WITH PARTICIPATION.

(a) AUTHORITY OF THE SECRETARY OF EDUCATION.—In order to assure improved and accurate data on the participation of at-risk students in postsecondary education, the Secretary of Education, acting through the National Center for Educational Statistics, shall conduct a special purpose survey on a biennial basis of factors associated with participation of low-income, disadvantaged, non-English language background, disabled, and minority students, including (but not limited to) African American, Native Americans, Native Hawaiians, major Hispanic subgroups, and Asian students from disadvantaged backgrounds in various types of postsecondary education. The survey data shall permit comparisons with other groups that have characteristically participated at higher rates than at-risk students.

(b) DEVELOPMENT OF THE SURVEY.—The Secretary of Education shall consult with the Congress and the elementary and secondary and higher education community in developing such an annual survey. The survey shall include, but not be limited to—

(1) academic preparation of groups at key points in the elementary and secondary education process;

(2) rates of academic progress and graduation from high school;

(3) participation in postsecondary education by type and control of institution and by program of study;

(4) persistence rates in postsecondary programs, or, in the case of short-term programs, completion rates; and

(5) average student financial assistance awarded to groups, including Federal, State, and other assistance.

(c) REPORT TO CONGRESS.—The Secretary of Education shall report relevant data and conclusions from the survey to Congress on an annual basis, including comparisons of important factors for at-risk and other relevant populations.

(d) DEVELOPMENT OF PLAN.—In the event of significant findings related to underparticipation rates of at-risk and other students, the Secretary of Education shall submit a plan containing policies and program modifications for ensuring the participation of at-risk students. The plan shall indicate the modifications the Secretary will make to increase participation, including, but not limited to, increasing information and training, and recommending other relevant changes to the programs under this title.

(e) PANEL SURVEY ON INCOME DYNAMICS.—

(1) IN GENERAL.—The Secretary of Education, acting through the National Center for Education Statistics, shall make an interagency agreement with the National Science Foundation to provide for additional questions and an appropriate sample size as part of an existing panel study of income dynamics to provide information on the educational processes and other developmental behavior of Hispanic, black, and non-Hispanic white children and their short-term and long-term consequences.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $900,000 for fiscal year 1993 and such sums for each of the 4 succeeding fiscal years to carry out this subsection.

SEC. 1407. EVALUATION OF TUITION GUARANTY PROGRAMS.

(a) PURPOSE.—The purposes of this section are—

(1) to require the Secretary of Education to determine the effectiveness of programs for disadvantaged elementary and secondary school students that offer guarantees for postsecondary education; and

(2) to identify ways to encourage the business community to participate in such programs.

(b) CONDUCT OF STUDY.—

(1) IN GENERAL.—The Secretary of Education shall evaluate the effectiveness of programs for disadvantaged children that, in exchange for the child's commitment to achieving a satisfactory elementary and secondary education, promise the child the financial resources needed to pursue a postsecondary education.

(2) CONTENT.—The Secretary of Education shall study a sample of the types of programs available, and (A) determine the success or failure of such programs in increasing the access and entry of disadvantaged students into postsecondary education, (B) identify the most successful programs and the causes for success, and (C) determine the responsibilities of sponsors of the programs.

(3) PROGRAMS STUDIED.—The programs studied shall include a guarantee of postsecondary education for students currently in elementary or secondary grade levels. The programs may include supportive services, mentoring, study skills, and counseling to students participating in the program.

(c) DISSEMINATION.—The Secretary of Education shall disseminate the findings through appropriate agencies and organizations including associations of businesses.

(d) SUBMISSION OF REPORT.—The Secretary of Education shall submit an interim report regarding the study by June 30, 1996, and a final report regarding the study by January 1, 1997, to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

SEC. 1408. INFORMATION ON GRADUATE EDUCATION.

(a) ASSESSMENT REQUIRED.—The Secretary of Education shall conduct a study which will provide an assessment of the information currently collected on graduate education and will iden-

tify what additional information should be generated to guide the Department of Education in defining and executing its role in the support of graduate education.

(b) SUBJECT OF ASSESSMENT.—The assessment required by subsection (a) shall include the assessment of the total amount of Federal, State, private, foundation, and institutional fellowships, assistantships, loans, or any other forms of financial assistance to all graduate students, including both American and foreign students; and how these amounts are distributed by race, by sex, to nontraditional students, and to students with disabilities. In addition, the assessment shall determine the number of graduate students, cross-referenced by race, sex, and national origin, part-time, full-time, independent versus dependent status, and individuals with disabilities who enrolled and completed all requirements for the degrees master of arts, master of science, master in business administration, doctor of philosophy, doctor of education, juris doctor, medical doctor, doctor in veterinary medicine, and doctor of dental science.

(c) CONSULTATION.—In conducting such study, the Secretary of Education shall consult with other agencies and organizations involved in graduate education policy, including the Congressional Office of Technology Assessment, the President's Office of Science and Technology Policy, the National Science Foundation and the other Federal agencies supporting academic research and graduate education, the National Academy of Sciences and other public and private organizations which participate in the formulation and implementation of national graduate education policies and programs.

(d) DATE FOR COMPLETION.—The study shall be completed within 2 years of the date of enactment of this Act.

SEC. 1409. STUDY OF ENVIRONMENTAL HAZARDS IN INSTITUTIONS OF HIGHER EDUCATION.

(a) STUDY AUTHORIZED.—The Secretary of Education, in cooperation with the Administrator of the Environmental Protection Agency, is authorized to conduct a study of the extent to which asbestos, lead in drinking water, or radon gas pose a threat to the health and safety of students and employees of institutions of higher education.

(b) SURVEY REQUIRED.—Such study shall include a survey of a representative sample of institutions of higher education in order to assess how widespread such hazards are. A sufficient number of institutions shall be sampled and tested in order to provide reasonable estimates on—

(1) the number of institutions which contain friable asbestos (as defined in the Asbestos Hazard Emergency Response Act) and how many students and employees may be exposed to unsafe levels of asbestos fibers,

(2) the number of institutions that have rooms which contain more than 4 picocuries/liter of radon, and

(3) the number of institutions which contain water fountains or faucets or water coolers which discharge water with more than 10 parts per billion of lead.

(c) CONSULTATION.—In designing and carrying out such study, the Secretary shall consult with associations representing institutions of higher education, faculty, and other employees.

(d) REPORT ON STUDY.—The Secretary of Education shall submit a report with the results of the assessment, including the information required by subsection (b), along with recommendations by the Secretary regarding what actions, if any, Congress and the Administration should take to ensure that environmental health hazards, if any, are eliminated. The report shall be presented to Congress not later than July 1, 1995.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $3,000,000 in fiscal year 1994 for the purposes of carrying out this section.

SEC. 1410. STUDY OF CIVILIAN AVIATION TRAINING PROGRAMS.

(a) FINDINGS.—The Congress finds that—

(1) the role of the military as a source of supply of trained pilots and mechanics and other personnel for commercial aviation is severely reduced;

(2) approximately 50 percent of the 52,000 commercial pilots currently flying will retire by the year 2000 and an additional 8,000 to 10,000 pilots will be needed by then;

(3) there is significant underrepresentation of minorities and women currently working in the aviation industry and African Americans constitute less than 1 percent of pilots with the Nation's scheduled air carriers;

(4) there is a substantial projected increase of minorities and women as a proportion of the workforce by the year 2000; and

(5) there is need for a comprehensive study of future human resources needs for the air transportation industry, including a thorough investigation of recruitment, aviation training outside the military context, financial and other incentives and disincentives which affect the flow of people, and especially minorities and women, into the industry.

(b) STUDY REQUIRED.—The Secretary of Education shall enter into appropriate arrangements with the National Academy of Sciences Commission on Behavioral and Social Sciences and Education to study civilian aviation training programs needed to satisfy the workforce requirements of the commercial aviation industry in the year 2000 and beyond. The specific concerns to be addressed by the study shall include—

(1) the avenues for civilians to enter the aviation industry,

(2) the characteristics of current training and the match with skill requirements in the workplace, and

(3) the impediments and incentives for minorities and women to enter the aviation industry (such as a lack of role models, cost of schooling and flight time, the underutilization of historically black colleges and universities in the educational training process, and institutional barriers).

(c) INTERIM REPORT.—The Secretary of Education shall request that the National Academy of Sciences Commission on Behavioral and Social Sciences and Education submit an interim report to the Secretary and the Congress within 1 year after the date of enactment of this Act, and the study shall be completed within 2 years of the date of enactment of this Act.

SEC. 1411. REPORT ON THE USE OF PELL GRANTS BY PRISONERS.

(a) REPORT REQUIRED.—The Secretary of Education shall submit to the Congress a report on the use of Pell Grants by prisoners. Such report shall contain a statement of—

(1) the number of prisoners receiving Pell Grants;

(2) the average amount of the Pell Grants awarded to prisoners;

(3) the average length of Pell Grant subsidized study for prisoners;

(4) the graduation or success rate of prisoners receiving Pell Grants;

(5) an analysis of whether prisoners' lack of income has made them more successful in obtaining Pell Grants over other low-income citizens who are not incarcerated;

(6) an analysis of whether prisoners lack of income provides them within an advantage in receiving Pell Grants; and

(7) the Secretary's recommendations for making the program more equitable with regard to awards to prisoners in relation to other applicants.

(b) DEADLINE FOR SUBMISSION.—The report required by subsection (a) shall be submitted not later than 6 months after the date of enactment of this Act.

SEC. 1412. NATIONAL JOB BANK FOR TEACHER RECRUITMENT.

(a) FEASIBILITY STUDY.—The Secretary of Education is authorized to conduct a study on the feasibility of—

(1) establishing a clearinghouse to operate a national teacher job bank; or

(2) establishing regional clearinghouses to operate regional teacher job banks.

(b) NATIONAL TEACHER JOB BANK DEMONSTRATION.—

(1) PROGRAM AUTHORIZED.—The Secretary of Education is authorized to contract with one or more State entities, nonprofit organizations, or institutions of higher education to establish a national or regional teacher job bank clearinghouse which shall—

(A) assist local educational agencies and private schools in locating qualified applicants for teaching-related positions; and

(B) help individuals in locating teaching-related jobs or the training necessary to enter the teaching profession or the field of early childhood or preschool education.

(2) APPLICATION REQUIRED.—Each entity desiring to enter into a contract with the Secretary of Education for the establishment of a teacher job bank clearinghouse shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require. Each such application shall include—

(A) a demonstration of the applicant's capacity to efficiently and effectively handle a large volume of inquiries from employers and potential employees;

(B) a demonstration of support from local educational agencies and private schools and institutions of higher education that are likely to use the services provided by the teacher job bank clearinghouse; and

(C) a demonstration of ability to provide prospective teachers with information, either directly or by contract with another entity, regarding the certification and licensure requirements of each State which is served by a clearinghouse and information regarding procedures for assisting out-of-State teachers to meet State certification requirements.

(3) PRIORITY.—The Secretary shall give priority to applications submitted pursuant to paragraph (2) which—

(A) demonstrate the ability to serve a region of the United States and involve the cooperation of several State educational agencies and institutions of higher education; or

(B) demonstrate an ability to address shortages of teachers, such as teachers from minority groups, special education teachers, bilingual teachers, or individuals planning to teach in subject areas, geographical areas, or types of schools with shortages.

(c) USE OF FUNDS.—Each entity, organization, or institution receiving funds under this section may use such funds to—

(1) develop, in consultation with local education agencies and other appropriate entities, standardized initial application forms for teaching jobs and related positions, and standardized forms and procedures for announcing available teaching positions;

(2) coordinate and assist State and local teacher recruitment efforts;

(3) publish and disseminate information about opportunities for teacher employment and teacher training;

(4) maintain a system for matching available teachers with job openings for which they are

qualified and for tracking the supply of teachers and the demand for teachers among the States;

(5) encourage the development of programs to recruit and train minorities and individuals with disabilities to become teachers;

(6) assist employers in checking the background of applicants;

(7) publicize the availability of scholarships, loans, and other programs that assist individuals wishing to pursue a teaching career;

(8) assist employers in the development of effective teacher recruitment programs;

(9) assist in developing reciprocal agreements on teacher certification among States; and

(10) conduct such other activities and services necessary to carrying out the purposes of this section in accordance with the provisions of this section.

(d) Definition.—For the purposes of this section, the term "teacher" includes elementary and secondary school classroom teachers, and preschool and early childhood education specialists.

(e) Authorization.—There are authorized to be appropriated $2,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this section.

PART B—NATIONAL COMMISSION ON INDEPENDENT HIGHER EDUCATION

SEC. 1421. SHORT TITLE.

This part may be cited as the "National Independent Colleges and Universities Discovery Act".

SEC. 1422. FINDINGS.

The Congress finds that—

(1) the quality and scope of higher education in our Nation is without argument the finest in the world, and a distinguishing feature of our Nation's system of higher education is its strong and diverse nonprofit independent sector;

(2) independent colleges and universities are as diverse as the Nation itself and include traditional liberal arts institutions, major research universities, church- and faith-related colleges, colleges and universities primarily attended by minorities, women's colleges, junior colleges, and schools of law, medicine, engineering, business and other professions;

(3) the diversity of independent colleges and universities offers students a choice in the type of educational experience that will best serve such students' interests, needs and aspirations;

(4) independent colleges and universities enroll 21 percent of all students in the United States, award 33 percent of all bachelor's degrees in the United States, 42 percent of all such master's degrees, 36 percent of all such doctoral degrees, and 59 percent of all such professional degrees;

(5) a majority of all undergraduate students attending independent colleges and universities receive some form of financial assistance, and such independent colleges and universities provide such financial assistance from their own resources;

(6) independent colleges and universities are deeply involved in hundreds of partnerships with elementary and secondary schools, and such partnerships are largely funded by such colleges and universities;

(7) independent colleges and universities have been an extraordinary example of private-public partnerships, with such colleges and universities operating in the public interest to provide a public good;

(8) less than 20 percent of the revenue of independent colleges and universities comes from governmental funds, most of which is in the form of Federal and State financial aid;

(9) decreases in Federal and State support for student financial aid programs has placed at risk the option of choosing an independent college or university for an increasing number of students;

(10) whereas at the turn of the twentieth century 80 percent of the students enrolled in higher education in the United States were enrolled in independent colleges and universities, such percentage has now declined to 21 percent, and further erosions place at risk the option of choosing an independent college or university for students and parents; and

(11) the entire sector of independent colleges and universities and the important contributions such sector makes to our Nation is at risk and deserves national policy attention.

SEC. 1423. PURPOSE.

It is the purpose of this part to establish a National Commission on Independent Higher Education.

SEC. 1424. NATIONAL COMMISSION ON INDEPENDENT HIGHER EDUCATION.

(a) Establishment.—There is established as an independent agency in the executive branch a commission to be known as the National Commission on Independent Higher Education (hereafter in this part referred to as the "Commission").

(b) Membership.—

(1) Composition.—The Commission shall be composed of 9 members, 3 of whom shall be appointed by the President, 2 of whom shall be appointed by the Speaker of the House of Representatives, 1 of whom shall be appointed by the Minority Leader of the House of Representatives, 2 of whom shall be appointed by the Majority Leader of the Senate, and 1 of whom shall be appointed by the Minority Leader of the Senate.

(2) Expertise requirement.—The members of the Commission shall consist of individuals with expertise and experience in independent higher education, including expertise in national tax policy, individuals with expertise in State higher education finance, individuals with expertise in Federal financial aid programs, individuals with expertise in issues of student and faculty diversity, and individuals with expertise in graduate education and research.

(3) Date.—The members of the Commission shall be appointed not later than 6 months after the date of enactment of this Act.

(c) Period of Appointment; Vacancies.—Members of the Commission shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(d) Meetings.—The Commission shall meet at the call of the Chairman.

(e) Quorum.—Six of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

(f) Chairperson.—The Commission shall select a Chairperson from among its members.

SEC. 1425. DUTIES OF THE COMMISSION.

The Commission shall—

(1) develop a factual base for understanding the status of independent colleges and universities, their contributions to public priorities, and the effects of national higher education policies on the independent nonprofit sector;

(2) review the issuance of Federal regulations regarding independent colleges and universities, and suggest means by which independent colleges and universities can be held accountable for use of public resources without inappropriate intrusion into institutional autonomy; and

(3) address the relation between Federal and State policies on independent colleges and universities, particularly with respect to student access and choice, finance, institutional subsidies, and institutional accountability.

SEC. 1426. REPORT AND RECOMMENDATIONS.

(a) Interim Report.—The Commission shall submit an interim report to the President and the Congress on the Commission's activities and findings within 18 months of the date of enactment of this Act.

(b) Final Report.—

(1) In general.—The Commission shall submit a final report to the President and the Congress on the Commission's activities and findings within 3 years of the date of enactment of this Act.

(2) Recommendation.—The report described in paragraph (1) shall contain a recommendation regarding the establishment of a national policy on independent colleges and universities appropriate to meeting the Nation's higher educational goals in the twenty-first century.

SEC. 1427. POWERS OF THE COMMISSION.

(a) Hearings.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out the purposes of this part.

(b) Information From Federal Agencies.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this part. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission.

(c) Gifts.—The Commission may accept in the name of the United States grants, gifts, and bequests of money for immediate disbursement in furtherance of the functions of the Commission. Such grants, gifts, and bequests, after acceptance by the Commission, shall be paid by the donor or representative of the donor to the Treasurer of the United States, whose receipts shall be their acquittance. The Treasurer of the United States shall enter such grants, gifts, and bequest in a special account to the credit of the Commission for the purposes specified.

(d) Authorization of Appropriations.—There are authorized to be appropriated $1,000,000 to carry out this part for fiscal year 1993 and each succeeding fiscal year. Amounts appropriated under this subsection are authorized to remain available until expended, or until the Commission is terminated, whichever occurs first.

SEC. 1428. COMMISSION PERSONNEL MATTERS.

(a) Travel Expenses.—From amounts appropriated under section 1427(d), the members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(b) Detail of Government Employees.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(c) Staff.—

(1) In general.—The Chairperson of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and not more than 2 staff members to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

(2) Compensation.—The Chairperson of the Commission may fix the compensation of the executive director and not more than 2 staff members without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and such staff may not exceed the rate payable for level 15 of the General Schedule classified under section 5107 of such title.

SEC. 1429. TERMINATION OF THE COMMISSION.

The Commission shall terminate 3 years after the date of enactment of this Act.

PART C—NATIONAL COMMISSION ON THE COST OF HIGHER EDUCATION

SEC. 1441. ESTABLISHMENT OF COMMISSION.

There is established a Commission to be known as the "National Commission on the Cost of Higher Education" (hereafter in this part referred to as the "Commission").

SEC. 1442. MEMBERSHIP OF COMMISSION.

(a) APPOINTMENT.—The Commission shall be composed of 12 members as follows:

(1) Four citizens of the United States appointed by the President.

(2) Two Senators appointed by the Majority Leader of the Senate, of which—

(A) one shall be a member of the Committee on Labor and Human Resources of the Senate; and

(B) one shall be a member of the Committee on Appropriations of the Senate.

(3) Two Senators appointed by the Minority Leader of the Senate, of which—

(A) one shall be a member of the Committee on Labor and Human Resources of the Senate; and

(B) one shall be a member of the Committee on Appropriations of the Senate.

(4) Two Members of the House of Representatives appointed by the Speaker of the House of Representatives, of which—

(A) one shall be a member of the Committee on Education and Labor of the House of Representatives; and

(B) one shall be a member of the Committee on Appropriations of the House of Representatives.

(5) Two Members of the House of Representatives appointed by the Minority Leader of the House of Representatives, of which—

(A) one shall be a member of the Committee on Education and Labor of the House of Representatives; and

(B) one shall be a member of the Committee on Appropriations of the House of Representatives.

(b) ADDITIONAL QUALIFICATIONS.—

(1) PRESIDENTIAL APPOINTEES.—An individual appointed under subsection (a)(1) may not be an officer or an employee of the Executive Branch.

(2) CITIZENS.—Individuals who are not Members of the Congress and are appointed under subsection (a)(1) shall be individuals who—

(A) have extensive knowledge of higher education and its financing and who are leaders of the education community, distinguished academics, State or local government officials, students, parents of college students, members of the business community, or other individuals with distinctive qualifications or experience; and

(B) are not officers or employees of the United States.

(c) CHAIRPERSON AND VICE CHAIRPERSON.—The members of the Commission shall elect a Chairman and a Vice Chairperson. In the absence of the Chairperson, the Vice Chairperson will assume the duties of the Chairperson.

(d) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business.

(e) APPOINTMENTS.—All appointments under subsection (a) shall be made within 3 months after the date of enactment of this Act.

(f) VOTING.—Each member of the Commission shall be entitled to one vote, which shall be equal to the vote of every other member of the Commission.

(g) VACANCIES.—Any vacancy on the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made.

(h) PROHIBITION OF ADDITIONAL PAY.—Members of the Commission shall receive no additional pay, allowances, or benefits by reason of their service on the Commission. Members appointed from among private citizens of the United States may be allowed travel expenses, including per diem, in lieu of subsistence, as authorized by law for persons serving intermittently in the government service to the extent funds are available for such expenses.

SEC. 1443. FUNCTIONS OF COMMISSION.

(a) SPECIFIC FINDINGS AND RECOMMENDATIONS.—The Commission shall study and make findings and specific recommendations regarding the following:

(1) The increase in tuition costs compared with other commodities and services as well as methods of reducing increased tuition costs.

(2) Trends in college and university administrative costs as well as other costs and means of reducing such increased costs.

(3) The development of a standardized annual report that colleges and universities shall distribute which details the administrative costs, instructional costs and capital costs of such colleges and universities.

(4) The extent to which Federal, State and local regulations contribute to increased tuition costs and the increase in the cost of higher education.

(5) The establishment of a mechanism for a more timely and widespread distribution of data on tuition trends and other costs of operating colleges and universities.

(6) The extent to which the lack of student financial assistance programs has contributed to increased tuition costs.

(7) Other related topics determined to be appropriate by the Commission.

(b) FINAL REPORT.—

(1) IN GENERAL.—Subject to paragraph (2), the Commission shall submit to the President and to the Congress not later than September 1, 1994, a report which shall contain a detailed statement of the findings and conclusions of the Commission, including the Commission's recommendations for administrative and legislative action that the Commission considers advisable.

(2) MAJORITY VOTE REQUIRED FOR RECOMMENDATIONS.—Any recommendation described in paragraph (1) shall be made by the Commission to the President and to the Congress only if such recommendation is adopted by a majority vote of the members of the Commission who are present and voting.

SEC. 1444. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may, for the purpose of carrying out this part, hold such hearings and sit and act at such times and places, as the Commission may find advisable.

(b) RULES AND REGULATIONS.—The Commission may adopt such rules and regulations as may be necessary to establish the Commission's procedures and to govern the manner of the Commission's operations, organization, and personnel.

(c) ASSISTANCE FROM FEDERAL AGENCIES.—

(1) INFORMATION.—The Commission may request from the head of any Federal agency or instrumentality such information as the Commission may require for the purpose of this part. Each such agency or instrumentality shall, to the extent permitted by law and subject to the exceptions set forth in section 552 of title 5, United States Code (commonly referred to as the Freedom of Information Act), furnish such information to the Commission, upon request made by the Chairperson of the Commission.

(2) FACILITIES AND SERVICES, PERSONNEL DETAIL AUTHORIZED.—Upon request of the Chairperson of the Commission, the head of any Federal agency or instrumentality shall, to the extent possible and subject to the discretion of such head—

(A) make any of the facilities and services of such agency or instrumentality available to the Commission; and

(B) detail any of the personnel of such agency or instrumentality to the Commission, on a nonreimbursable basis, to assist the Commission in carrying out the Commission's duties under this part, except that any expenses of the Commission incurred under this subparagraph shall be subject to the limitation on total expenses set forth in section 1445(b).

(d) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

(e) CONTRACTING.—The Commission, to such extent and in such amounts as are provided in appropriation Acts, may enter into contracts with State agencies, private firms, institutions, and individuals for the purpose of conducting research or surveys necessary to enable the Commission to discharge the Commission's duties under this part, subject to the limitation on total expenses set forth in section 1445(b).

(f) STAFF.—Subject to such rules and regulations as may be adopted by the Commission, the Chairperson of the Commission (subject to the limitation on total expenses set forth in section 1445(b)) shall have the power to appoint, terminate, and fix the compensation (without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, or of any other provision, or of any other provision of law, relating to the number, classification, and General Schedule rates) of an Executive Director, and of such additional staff as the Chairperson deems advisable to assist the Commission, at rates not to exceed a rate equal to the maximum rate for level IV of the Executive Schedule under section 5332 of such title.

(g) ADVISORY COMMITTEE.—The Commission shall be considered an advisory committee within the meaning of the Federal Advisory Committee Act (5 U.S.C. App.) and shall be independent from the Executive Branch.

SEC. 1445. EXPENSES OF COMMISSION.

(a) IN GENERAL.—Any expenses of the Commission shall be paid from such funds as may be available to the Secretary of the Treasury.

(b) LIMITATION.—The total expenses of the Commission shall not exceed $2,000,000.

(c) GAO AUDIT.—Prior to the termination of the Commission pursuant to section 1446, the Comptroller General of the United States shall conduct an audit of the financial books and records of the Commission to determine that the limitation on expenses has been met, and shall include the Comptroller General's determination in an opinion to be included in the report of the Commission.

SEC. 1446. TERMINATION OF COMMISSION.

The Commission shall cease to exist on the date that is 90 days after the date on which the Commission submits its final report in accordance with section 1443(b).

TITLE XV—RELATED PROGRAMS AND AMENDMENTS TO OTHER LAWS

PART A—NATIONAL CENTER FOR THE WORKPLACE

SEC. 1511. PURPOSE; DESIGNATION.

It is the purpose of this part to address the problems created by the simultaneous convergence of broad economic, social, cultural, political, and technological changes in the workplace through a national center administered by the Department of Labor that will join together workplace experts from America's best institutions of higher education with experts from the public and private sectors to conduct research, share information, and propose remedies.

SEC. 1512. ESTABLISHMENT.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is authorized to be established the National Center for the Workplace (hereafter in this part referred to as the "Center") through competitive grant or contract between the Secretary of Labor and an eligible recipient.

(2) MATCHING FUNDS.—In order to receive the grant described in paragraph (1) an eligible en-

tity shall provide matching funds from non-Federal sources equal to 25 percent of the funds received pursuant to such grant.

(b) ELIGIBLE RECIPIENT.—An eligible recipient shall be a consortium of institutions of higher education in the United States. The consortium shall represent a diversity of views on and an expertise in the field of employment policy, and shall be represented and coordinated by a host institution of higher education that meets all of the following criteria:

(1) Broad collective knowledge of and demonstrable experience in the wide range of employment and workplace issues.

(2) A faculty that, collectively, demonstrates a nonpartisan research and policy perspective joining the several relevant workplace disciplines (labor economics, industrial relations, collective bargaining, human resource management, sociology, psychology, and law) in a multidisciplinary approach to workplace issues.

(3) Established credibility and working relationships with employers, unions, and government agencies on a national scale, and established means of providing education and technical assistance to each of the above groups that include publications, state-of-the-art electronic and video technology, and distinguished extension/outreach programs operating on a national and international level.

(c) REPORT.—The Center shall annually report to the Congress, the Secretary of Education, and the Secretary of Labor on the activities of the Center.

SEC. 1513. USE OF FUNDS.

(a) CENTER ACTIVITIES.—Payments made under this part may be used to establish and operate the Center, to bring together major independent researchers from the Center's member-institutions focused on the most significant workplace problems with the aim of analysis and synthesis of policy implications and dissemination of findings, and to support the following activities:

(1) The coordination and funding of research activities of the Center's member-institutions for collaborative collection and evaluation of data on changes and trends in the workplace and in the labor force, on established and emerging public policy issues, on the economic and occupational structures, and on work organizations and employment conditions.

(2) The analysis of the public policy implications of social and demographic changes in the United States as they relate to the workplace.

(3) The conduct of seminars for Federal and State policymakers on policy implications of the Center's findings. Such seminars shall be held not more frequently than once each year. In addition, the Center shall utilize electronic technology, such as computer networks and video conferencing, to convey the cumulative value of the Center's activities from year to year and to foster continuous exchange of ideas and information.

(4) The conduct of a National Conference on employment policy not more frequently than once each year for the leaders of business and organized labor in the United States designed to convey the cumulative value of the Center's activities and to foster an exchange of ideas and information.

(5) The nonpartisan evaluation of the economic and social implications of national and international workplace and employment issues.

(6) The provision of ready access to the Center's collective expertise for policy officials in the Federal and State governments and representatives of private and public sector organizations through meetings, publications, special reports, video conferences, electronic mail and computer networks, and other means to share up-to-date information on workplace and employment issues, practices, and innovations, the most promising options, and guidance in management of the change process.

(7) The development of programs, curricula, and instructional materials for colleges, universities, and other educational institutions designed to impart the knowledge and skills required to promote innovations in the design of work and employment conditions that enhance organizational performance and meet worker needs.

(8) The development and administration of a national repository of information on key workplace issues that can be readily accessed by the public and private sector.

(b) FELLOWSHIPS.—Grant funds awarded under this title may also be used to provide graduate assistantships and fellowships at the Center to encourage graduate study of the field of employment policy and to encourage graduate research in areas that are seen as critical to national competitiveness.

SEC. 1514. GIFTS AND DONATIONS.

The Center is authorized to receive money and other property donated, bequeathed, or devised to the Center with or without a condition of restriction, for the purpose of furthering the activities of the Center. All funds or property given, devised, or bequeathed shall be retained in a separate account, and an accounting of those funds and property shall be included in the annual report submitted pursuant to section 1512(c).

SEC. 1515. AUTHORIZATION.

(a) IN GENERAL.—There are authorized to be appropriated $2,500,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this part.

(b) AVAILABILITY.—Funds appropriated pursuant to the authority of subsection (a) shall remain available until expended.

PART B—NATIONAL CLEARINGHOUSE FOR POSTSECONDARY EDUCATION MATERIALS

SEC. 1521. NATIONAL CLEARINGHOUSE FOR POSTSECONDARY EDUCATION MATERIALS.

(a) PURPOSE.—The purpose of this section is to coordinate the production and distribution of educational materials in an accessible form, especially audio and digital text production, to college and university based print-disabled populations.

(b) PROGRAM AUTHORITY.—

(1) IN GENERAL.—The Secretary of Education is authorized to award a grant or contract to pay the Federal share of the cost of establishing a National Clearinghouse for Postsecondary Education Materials (hereafter in this part referred to as the "Clearinghouse") to coordinate the production and distribution of educational materials, in an accessible form, including audio and digital, for students with disabilities.

(2) AWARD BASIS.—The grant or contract awarded pursuant to paragraph (1) shall be made on a competitive basis.

(3) DURATION.—The grant or contract awarded under this section shall be awarded for a period of 3 years.

(c) USE OF FUNDS.—The grant or contract awarded under this section shall be used to—

(1) catalog in computer-readable form postsecondary education materials;

(2) identify college campus-based services producing taped texts whose technical and reader quality make them eligible for inclusion in the Clearinghouse and share its quality control standards with campus-based student support services offices serving students with disabilities;

(3) promote data conversion and programming to allow the electronic exchange of bibliographic information between existing on line systems;

(4) encourage outreach efforts that will educate print-disabled individuals, as defined by section 652(d)(2) of the Individuals With Disabilities Education Act, educators, schools, and agencies about the Clearinghouse's activities;

(5) upgrade existing computer systems at the Clearinghouse;

(6) coordinate with identifiable and existing data bases containing postsecondary education materials, including the programs authorized under section 652(d) of the Individuals With Disabilities Act; and

(7) develop and share national guidelines and standards for the production of audio and digital text materials.

(d) FEDERAL SHARE LIMITATION.—The Federal share under this section may not be more than—

(1) 80 percent of the total cost of the program in the first year;

(2) 60 percent of the total cost of the program in the second year; and

(3) 50 percent of the total cost of the program in the third year.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the purpose of this section, $1,000,000 for fiscal year 1993 and such sums as may be necessary for each of the fiscal years 1994 and 1995.

PART C—SCHOOL-BASED DECISIONMAKERS

SEC. 1531. TRAINING AND TECHNICAL ASSISTANCE FOR SCHOOL-BASED DECISIONMAKERS DEMONSTRATION PROGRAM.

(a) IN GENERAL.—The Secretary of Education is authorized to make grants to local education agencies, in consortia with one or more institutions of higher education, to establish programs to provide training and technical assistance to school-based decisionmakers in local education agencies implementing system-wide reform.

(b) APPLICATION.—To be eligible to receive a training and technical assistance demonstration grant under this section, consortia shall submit an application to the Secretary of Education in such form and containing or accompanied by such information as the Secretary may require. A copy of the application shall also be sent to the State educational agency for notification purposes.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $1,000,000 for fiscal year 1993 and such sums as may be necessary for fiscal years 1994 and 1995.

PART D—GRANTS FOR SEXUAL OFFENSES EDUCATION

SEC. 1541. GRANTS FOR CAMPUS SEXUAL OFFENSES EDUCATION.

(a) GRANTS AUTHORIZED.—

(1) IN GENERAL.—The Secretary of Education (hereafter in this part referred to as the "Secretary") is authorized to make grants to or enter into contracts with institutions of higher education or consortia of such institutions to enable such institution to carry out sexual offenses education and prevention programs under this section.

(2) AWARD BASIS.—The Secretary shall award grants and contracts under this section on a competitive basis.

(3) EQUITABLE PARTICIPATION.—The Secretary shall make every effort to ensure the equitable participation of private and public institutions of higher education and to ensure the equitable geographic participation of such institutions in the activities assisted under this part.

(4) PRIORITY.—In the award of grants and contracts under this section, the Secretary shall give priority to institutions of higher education or consortia of such institutions that show the greatest need for the sums requested.

(b) GENERAL SEXUAL OFFENSES PREVENTION AND EDUCATION GRANTS.—Funds provided under this part may be used for the following purposes:

(1) To provide training for campus security and college personnel, including campus disciplinary or judicial boards, that address the issues of sexual offenses.

(2) To develop, disseminate, or implement campus security and student disciplinary policies to prevent and discipline sexual offense crimes.

(3) To develop, enlarge, or strengthen support services programs including medical or psychological counseling to assist victims' recovery from sexual offense crimes.

(4) To create, disseminate, or otherwise provide assistance and information about victims' options on and off campus to bring disciplinary or other legal action.

(5) To implement, operate, or improve sexual offense education and prevention programs, including programs making use of peer-to-peer education.

(c) Model Grants.—Not less than 25 percent of the funds appropriated for this section in any fiscal year shall be available for grants or contracts for model demonstration programs which will be coordinated with local rape crisis centers for the development and implementation of quality rape prevention and education curricula and for local programs to provide services to student sexual offense victims.

(d) Eligibility.—No institution of higher education or consortium of such institutions shall be eligible to be awarded a grant or contract under this section unless—

(1) its student code of conduct, or other written policy governing student behavior explicitly prohibits all forms of sexual offenses;

(2) it has in effect and implements a written policy requiring the disclosure to the victim of any sexual offense of the outcome of any investigation by campus police or campus disciplinary proceedings brought pursuant to the victim's complaint against the alleged perpetrator of the sexual offense, except that nothing in this section shall be interpreted to authorize disclosure to any person other than the victim; and

(3) the Secretary shall give priority to those applicants who do not have an established campus education program regarding sexual offenses.

(e) Applications.—

(1) In general.—In order to be eligible to be awarded a grant or contract under this section for any fiscal year, an institution of higher education or consortium of such institutions shall submit an application to the Secretary at such time and in such manner as the Secretary shall prescribe.

(2) Contents.—Each application submitted under paragraph (1) shall—

(A) set forth the activities and programs to be carried out with funds granted under this part;

(B) contain an estimate of the cost for the establishment and operation of such programs;

(C) explain how the program intends to address the issue of sexual offenses;

(D) provide assurances that the Federal funds made available under this section shall be used to supplement and, to the extent practical, to increase the level of funds that would, in the absence of such Federal funds, be made available by the applicant for the purpose described in this part, and in no case to supplant such funds; and

(E) include such other information and assurances as the Secretary reasonably determines to be necessary.

(f) Grantee Reporting.—Upon completion of the grant or contract period under this section, the grantee institution or consortium of such institutions shall file a performance report with the Secretary explaining the activities carried out together with an assessment of the effectiveness of those activities in achieving the purposes of this section. The Secretary shall suspend funding for an approved application if an applicant fails to submit an annual performance report.

(g) Definitions.—For purposes of this part, the term "sexual offenses educational and prevention" includes programs that provide education seminars, peer-to-peer counseling, operation of hotlines, self-defense courses, the preparation of informational materials, and any other effort to increase campus awareness of the facts about, or to help prevent, sexual offenses.

(h) General Terms and Conditions.—

(1) Regulations.—Not later than 90 days after the date of enactment of this section, the Secretary shall publish proposed regulations implementing this section. Not later than 150 days after such date, the Secretary shall publish final regulations implementing this section.

(2) Reports to congress.—Not later than 180 days after the end of each fiscal year for which grants or contracts are awarded under this section, the Secretary shall submit to the committees of the House of Representatives and the Senate responsible for issues relating to higher education and to crime, a report that includes—

(A) the amount of grants or contracts awarded under this section;

(B) a summary of the purposes for which those grants or contracts were awarded and an evaluation of their progress; and

(C) a copy of each grantee report filed pursuant to subsection (f) of this section.

(i) Authorization of Appropriations.—For the purpose of carrying out this part, there are authorized to be appropriated $10,000,000 for the fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

PART E—OLYMPIC SCHOLARSHIPS

SEC. 1543. OLYMPIC SCHOLARSHIPS.

(a) Scholarships Authorized.—

(1) In general.—The Secretary of Education is authorized to provide financial assistance to the United States Olympic Education Center or the United States Olympic Training Center to enable such centers to provide financial assistance to athletes who are training at such centers and are pursuing postsecondary education at institutions of higher education (as such term is defined in section 481(a) of the Higher Education Act of 1965).

(2) Award determination.—The amount of financial assistance provided to athletes described in paragraph (1) shall be determined in accordance with such athlete's financial need as determined in accordance with part F of title IV of the Higher Education Act of 1965.

(b) Eligibility.—The Secretary of Education shall ensure that financial assistance provided under this part is available to both full-time and part-time students who are athletes at centers described in subsection (a).

(c) Application.—Each center desiring financial assistance under this section shall submit an application to the Secretary of Education at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

(d) Authorization of Appropriations.—There are authorized to be appropriated $5,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this section.

PART F—NEED-BASED AID

SEC. 1544. AUTHORITY TO AWARD NEED-BASED AID.

(a) Effect on Pending Cases Prohibited.—Nothing in this section shall in any way be construed to affect any antitrust litigation pending on the date of enactment of this Act.

(b) In General.—Except as provided in subsections (a), (c), and (e), institutions of higher education may—

(1) voluntarily agree with any other institution of higher education to award financial aid not awarded under the Higher Education Act of 1965 to students attending those institutions only on the basis of demonstrated financial need for such aid; and

(2) discuss and voluntarily adopt defined principles of professional judgment for determining student financial need for aid not awarded under the Higher Education Act of 1965.

(c) Exception.—Institutions of higher education shall not discuss or agree with each other on the prospective financial aid award to a specific common applicant for financial aid.

(d) Related Matter.—No inference of unlawful contract, combination, or conspiracy shall be drawn from the fact that institutions of higher education engage in conduct authorized by this section.

(e) Sunset Provision.—This section shall expire on September 30, 1994.

PART G—ADVANCED PLACEMENT FEE PAYMENT PROGRAM

SEC. 1545. ADVANCED PLACEMENT FEE PAYMENT PROGRAM.

(a) Program Established.—The Secretary of Education is authorized to make grants to States to enable the States to reimburse individuals to cover part or all of the cost of advance placement test fees, to low-income individuals who—

(1) are enrolled in an advanced placement class; and

(2) plan to take an advanced placement test.

(b) Information Dissemination.—The State educational agency shall disseminate information on the availability of test fee payments under this section to eligible individuals through secondary school teachers and guidance counselors.

(c) Requirements for Approval of Applications.—In approving applications for grants the Secretary of Education shall—

(1) require that each such application contain a description of the advance placement test fees the State will pay on behalf of individual students;

(2) require an assurance that any funds received under this section shall only be used to pay advanced placement test fees; and

(3) contain such information as the Secretary may require to demonstrate that the State will ensure that the student is eligible for payments under this section, including the documentation required by chapter 1 of subpart 2 of part A of title IV of the Higher Education Act of 1965.

(d) Supplementation of Funding.—Funds provided under this section shall be used to supplement and not supplant other Federal, State, and local or private funds available to assist low-income individuals in paying for advanced placement testing.

(e) Regulations.—The Secretary of Education shall prescribe such regulations as are necessary to carry out this section.

(f) Authorization of Appropriations.—There are authorized to be appropriated $3,600,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out the provisions of this section.

(g) Definition.—As used in this section:

(1) Advanced placement test.—The term "advanced placement test" includes only an advanced placement test approved by the Secretary of Education for the purposes of this section.

(2) Low-income individual.—The term "low-income individual" has the meaning given the term in section 402A(g)(2) of the Higher Education Act of 1965.

PART H—AMENDMENTS TO OTHER LAWS

SEC. 1551. HIGHER EDUCATION TECHNICAL AMENDMENTS.

Subsection (c) of section 3 of the Higher Education Technical Amendments of 1991 (Public Law 102–26) is amended by striking "that are brought before November 15, 1992".

SEC. 1552. LIBRARY OF CONGRESS ACCESS TO DATA

Section 406(d)(4)(H) of the General Education Provisions Act (20 U.S.C. 1221e-1(d)(4)(H)) is amended by—

(1) inserting "and the Librarian of Congress" after "Comptroller General of the United States"; and

(2) inserting "and the Library of Congress" after "the General Accounting Office".

SEC. 1553. LIAISON FOR COMMUNITY COLLEGES.

(a) LIAISON.—Section 202 of the Department of Education Organization Act (20 U.S.C. 3412) is amended by adding at the end the following new subsection:

"(i)(1) There shall be in the Department a Liaison for Community and Junior Colleges, who shall be an officer of the Department appointed by the Secretary.

"(2) The Secretary shall appoint, not later than 6 months after the date of enactment of the Higher Education Amendments of 1992, as the Liaison for Community and Junior Colleges a person who—

"(A) has attained an associate degree from a community or junior college; or

"(B) has been employed in a community or junior college setting for not less than 5 years.

"(3) The Liaison for Community and Junior Colleges shall—

"(A) serve as principal advisor to the Secretary on matters affecting community and junior colleges;

"(B) provide guidance to programs within the Department dealing with functions affecting community and junior colleges; and

"(C) work with the Federal Interagency Committee on Education to improve coordination of—

"(i) the outreach programs in the numerous Federal departments and agencies that administer education and job training programs;

"(ii) collaborative business education partnerships; and

"(iii) education programs located in, and regarding, rural areas.".

(b) EXECUTIVE SCHEDULE.—Section 5315 of title 5, United States Code, is amended by adding at the end the following new item:

"Liaison for Community and Junior Colleges, Department of Education".

SEC. 1554. UNITED STATES INSTITUTE OF PEACE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Subsection (a) of section 1710 of the United States Institute of Peace Act (22 U.S.C. 4609(a)) is amended to read as follows:

"(a) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—For the purpose of carrying out this title, there are authorized to be appropriated $15,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(2) AVAILABILITY.—Funds appropriated pursuant to the authority of paragraph (1) shall remain available until expended.".

(b) SPARK M. MATSUNAGA SCHOLARS PROGRAM.—Subsection (b) of section 1705 of the United States Institute of Peace Act (22 U.S.C. 4604(b)) is amended—

(1) by striking "and" at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting a semicolon and "and"; and

(3) by adding at the end the following new paragraph:

"(10) establish the Spark M. Matsunaga Scholars Program, which shall include the provision of scholarships and educational programs in international peace and conflict management and related fields for outstanding secondary school students and the provision of scholarships to outstanding undergraduate students, with program participants and recipients of such scholarships to be known as 'Spark M. Matsunaga Scholars'.".

(c) CONTRACTS AND PRIVATE GIFTS AND CONTRIBUTIONS.—Subsection (h) of section 1705 of the United States Institute of Peace Act (22 U.S.C. 4604(h)) is amended—

(1) by amending paragraph (2) to read as follows:

"(2) The Institute and the legal entity described in section 1704(c) may not accept any gift, contribution or grant from a foreign government, any agency or instrumentality of such government, any international organization, or any corporation or other legal entity in which natural persons who are nationals of a foreign country own, directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity."; and

(2) in paragraph (3) by striking "individual." and inserting "individual, except such Institute or legal entity may accept such a gift or contribution to—

"(A) purchase, lease for purchase, or otherwise acquire, construct, improve, furnish, or maintain a suitable permanent headquarters, any related facility, or any site or sites for such facilities for the Institute and the legal entity described in section 1704(c); or

"(B) provide program-related hospitality, including such hospitality connected with the presentation of the Spark M. Matsunaga Medal of Peace.".

SEC. 1555. LAW ENFORCEMENT UNIT RECORDS.

(a) IN GENERAL.—Clause (ii) of section 438(a)(4)(B) of the General Education Provisions Act (20 U.S.C. 1232g(a)(4)(B)(ii)) is amended to read as follows:

"(ii) records maintained by a law enforcement unit of the educational agency or institution that were created by that law enforcement unit for the purpose of law enforcement.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of enactment of this Act.

SEC. 1556. EXCELLENCE IN MATHEMATICS, SCIENCE AND ENGINEERING EDUCATION ACT OF 1990.

(a) AUTHORIZATION OF APPROPRIATION FOR THE NATIONAL SCIENCE SCHOLARS PROGRAM.—Subsection (b) of section 601 of the Excellence in Mathematics, Science, and Engineering Act of 1990 (20 U.S.C. 5381(b)) is amended to read as follows:

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years for awards to National Science Scholars.".

(b) NATIONAL ACADEMY OF SCIENCE, SPACE, AND TECHNOLOGY.—Section 621 of the Excellence in Mathematics, Science and Engineering Education Act of 1990 (20 U.S.C. 5411) is amended—

(1) in subsection (b), by amending paragraph (2) to read as follows:

"(2) FUNCTION.—The Advisory Board shall develop an exam for secondary students testing knowledge in science, mathematics, and engineering, or shall select an exam from among existing national exams, and shall annually administer such exam.";

(2) by striking subsections (d), (e), and (f);

(3) by redesignating subsection (c) as subsection (d);

(4) by inserting after subsection (b), the following new subsection:

"(c) RESULTS OF EXAM.—The Advisory Board shall annually certify the top 10 scorers in each congressional district on the exam developed or selected under subsection (b)(2), and award to the top scorer in each district a scholarship under this section.";

(5) in subsection (d)(1), as so redesignated by paragraph (3) of this section, by striking "subsection (n)" and inserting in lieu thereof "subsection (l)";

(6) in subsection (d)(2), as so redesignated by paragraph (3) of this section, by striking "subsection (h)" and inserting in lieu thereof "subsection (f)";

(7) in subsection (d)(3), as so redesignated by paragraph (3) of this section—

(A) by striking "subsection (h)" and inserting in lieu thereof "subsection (f)"; and

(B) by inserting "such additional" after "maximum of 3";

(8) by redesignating subsections (g) through (o) as subsections (e) through (m), respectively;

(9) in subsection (f)(2), as so redesignated by paragraph (8) of this section, by striking "subsection (f)" and inserting in lieu thereof "subsection (d)(3)"; and

(10) in subsection (m), as so redesignated by paragraph (8) of this section, by striking "$2,200,000 for fiscal year 1991" and inserting in lieu thereof "$2,200,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years".

SEC. 1557. NATIONAL AND COMMUNITY SERVICE ACT OF 1990.

Paragraph (1) of section 146(b) of the National and Community Service Act of 1990 (42 U.S.C. 12576(b)(1)) is amended by striking "that is equal in value to $2,500 for each year of service that such participant provides to the program" and inserting "for each year of service that such participant provides to the program, which benefit shall be equal in value to $2,500 for each such year, and which benefit shall be adjusted to match any increases in the maximum Pell Grant as provided by the annual appropriation".

SEC. 1558. OMNIBUS BUDGET RECONCILIATION ACT OF 1990.

Section 3008 of the Omnibus Reconciliation Act of 1990 is repealed.

SEC. 1559. SPECIAL PROJECTS FOR 2-YEAR SCHOOLS.

Subsection (f) of section 788 of the Public Health Service Act (20 U.S.C. 295g-8(f)) is amended to read as follows:

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $316,203 for each of the fiscal years 1993, 1994, 1995, and 1996 to carry out subsection (a).".

PART I—BUY AMERICA

SEC. 1561. SENSE OF CONGRESS.

It is the sense of the Congress that a recipient (including a nation, individual, group, or organization) of any form of student assistance or other Federal assistance under the Act should, in expanding that assistance, purchase American-made equipment and products.

And the House agree to the same.

That the House recede from its amendment to the title of the bill.

From the Committee on Education and Labor, for consideration of the Senate bill, and the House amendment, and modifications committed to conference:

WILLIAM D. FORD,
JOSEPH M. GAYDOS,
GEORGE MILLER,
DALE E. KILDEE,
PAT WILLIAMS,
CHARLES A. HAYES,
TOM SAWYER,
DONALD M. PAYNE,
NITA M. LOWEY,
JOLENE UNSOELD,
CRAIG A. WASHINGTON,
JOSÉ E. SERRANO,
PATSY T. MINK,
ROBERT E. ANDREWS,
WILLIAM J. JEFFERSON,
JACK REED,

TIM ROEMER,
BILL GOODLING,
TOM PETRI,
TOM COLEMAN,
MARGE ROUKEMA,
STEVE GUNDERSON,
PAUL B. HENRY,
SUSAN MOLINARI,
BILL BARRETT,
SCOTT L. KLUG,

As additional conferees from the Committee on Foreign Affairs, for consideration of sec. 613 of the Senate bill, and modifications committed to conference:

DANTE B. FASCELL,
HOWARD L. BERMAN,
TED WEISS,
WM. S. BROOMFIELD,
OLYMPIA SNOWE,

As additional conferees, from the Committee on Science, Space, and Technology for consideration of secs. 427 and 1405 of the Senate bill, and secs. 499A, 499B, and 499C of the House amendment, and modifications committed to conference:

GEORGE E. BROWN, Jr.,
RICK BOUCHER,
RAY THORNTON,

Managers on the Part of the House.

EDWARD KENNEDY,
CLAIBORNE PELL,
HOWARD M. METZENBAUM,
CHRISTOPHER J. DODD,
BROCK ADAMS,
TOM HARKIN,
PAUL SIMON,
BARBARA A. MIKULSKI,
JEFF BINGAMAN,
PAUL WELLSTONE,
ORRIN HATCH,
NANCY LANDON KASSEBAUM,
THAD COCHRAN
JAMES M. JEFFORDS,
STROM THURMOND,
DAN COATS,
DAVE DURENBERGER,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1150) to reauthorize the Higher Education Act of 1965, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

The House bill, but not the Senate bill, provides that all references to "the Act" are references to the Higher Education Act of 1965.

The Senate recedes.

The House bill, but not the Senate bill, contains a provision that, except as otherwise provided, the amendments made by the Act shall take effect on October 1, 1992.

The Senate recedes.

TITLE I—PARTNERSHIPS FOR EDUCATIONAL EXCELLENCE

Both bills repeal title I of current law. The Senate bill inserts a new title I, "Postsecondary Improvement and Community Service," which contains: the Fund for the Improvement of Postsecondary Education (FIPSE); a new State-level FIPSE program; Innovative Projects for Community Service; the Student Literacy Corps; and Access and Equity to Education for All Americans Through Telecommunications. The House bill replaces current law with "Partnerships for Educational Excellence," which includes: Urban Community Service; Urban and Rural College, University, and School Partnerships; Administrative Provisions; Articulation Agreements; and Access and Equity to Education for All Americans Through Telecommunications.

The conference substitute restructures titles I, X, and XI. Title I is to be "Partnerships for Educational Excellence" and include the following programs: part A—School, College, and University Partnerships; part B—Articulation Agreements; and part C—Access and Equity to Education for All Americans through Telecommunications. Title X is to be entitled "Postsecondary Improvement" and include the following programs: part A—Fund for the Improvement of Postsecondary Education (including new provisions on planning grants); part B—Special Projects in Areas of National Need; part C—Minority Science Improvement Program; part D—Women and Minorities Science and Engineering Outreach Demonstration Program; and part E—Dwight D. Eisenhower Leadership Program. Title XI is to be entitled "Community Service Programs" and is to include the following: part A—Urban Community Service; and part B—Innovative Projects, comprised of subpart 1—Innovative Projects for Community Service and subpart 2—Student Literacy Corps and Student Mentoring Corps.

The House bill authorizes all appropriations for title I at the beginning of the title. The Senate bill's authorization levels are provided separately throughout the title.

The House recedes.

The Senate bill authorizes all programs in the Act for fiscal year 1993 and the six succeeding fiscal years; the House bill authorizes all programs for fiscal year 1993 and the four succeeding fiscal years.

The Senate recedes.

FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

Fund for the Improvement of Postsecondary Education (FIPSE). The Senate bill reauthorizes FIPSE in subpart 1 of part A ("Institutional Assistance") of title I. The House bill reauthorizes FIPSE in part A of title X, Postsecondary Improvement Program.

The Senate recedes.

The Senate bill, but not the House bill, amends the FIPSE provisions "to read as follows."

The House recedes.

The House bill, but not the Senate bill, strikes "postsecondary" and replaces it with "higher" in the lines preceding paragraph (1) of section 1001.

The Senate recedes.

The Senate bill amends with technical changes the language preceding paragraph (1) of section 111. The House bill maintains current law language of the corresponding section 1001.

The House recedes.

The House bill adds a new subsection 1001(b) authorizing the Secretary to make planning grants of not more than $20,000 to institutions of higher education for the development and testing of innovative techniques. The Senate bill has no such provision.

The Senate recedes.

The Senate bill, but not the House bill, repeals section 1002 of current law, which prohibits FIPSE grants or contracts from being entered into unless an application has been submitted to the appropriate state entity and that entity has had an opportunity to submit comments to the Secretary.

The House recedes.

The Senate bill, but not the House bill, adds a provision that the National Board of FIPSE shall be referred to as the "Board."

The House recedes.

The Senate bill requires the Secretary to designate "one of the members of the Board as Chairman." The House bill maintains current law, which requires the Secretary to designate "one of the members as Chairman."

The House recedes.

The Senate bill adds a paragraph on the appointment of the Director of FIPSE, who is referred to subsequently as the "Director of the Fund." The House bill maintains current law, which is silent on the issue.

The House recedes.

The Senate bill repeals paragraph 1003(c)(2) of current law, which states that the Board shall "advise the Secretary and the Director of the Fund . . . on priorities for the improvement of postsecondary education and make such recommendations as it may deem appropriate for the improvement of postsecondary education and for the evaluation, dissemination, and adaptation of demonstrated improvements in postsecondary education." The House bill maintains current law.

The House recedes.

The Senate bill repeals paragraph 103(c)(4) of current law, which requires the Board to meet four times during each fiscal year or whenever one-third of members request a meeting in writing. The House bill maintains current law.

The conference substitute amends the paragraph to read as follows: "meet at the call of the Chairman, except that it shall meet whenever one-third of the members request in writing that a meeting be held.

Section 113 of the Senate bill is entitled "Administrative Technical Provisions"; the corresponding section 1004 of current law, which the House maintains, is entitled "Administrative Provisions."

The Senate recedes.

Both the Senate bill and the House bill authorize $20 million and such sums for FIPSE. The House bill authorizes an additional $1 million for subsection 1001(b), described in comment 10, which establishes planning grants.

The Senate recedes.

Subpart 2 of part A of the Senate bill, Innovative Programs at Institutions of Higher Education, establishes a new program which awards matching grants to states to fund innovative programs. When appropriations are less than $10 million, the Secretary is to award competitive grants to State higher education agencies; when appropriations equal or exceed $10 million, the Secretary is to make grants to states based 50% on population and 50% on the number of full time equivalent students served. $10 million is authorized for fiscal year 1993, with the stipulation that funds are to be appropriated for this subpart only when at least $20 million is appropriated for subpart 1 (FIPSE). The House bill has no similar provisions.

The Senate recedes.

SPECIAL PROJECTS IN AREAS OF NATIONAL NEED

The House bill, but not the Senate bill, establishes title X, part C as Special Projects in Areas of National Need. Areas are to be identified by the Secretary and the Director of the Fund, and shall initially include, but are not limited to: international exchanges; campus climate and culture; and evaluation and dissemination. $5 million is authorized for fiscal year 1993 and such sums for the 4 succeeding fiscal years.

The conference substitute places this program in part B of title X and clarifies the roles of the Director of the Fund and the Secretary.

INNOVATIVE PROJECTS FOR COMMUNITY SERVICE

The Senate bill moves Innovative Projects for Community Services and Student Financial Independence to subpart 1 of part B. The House bill moves this program to part C of title XI. Title XI of the House bill is entitled "Student Community Service" and contains, in addition to this program, the following: Higher Education Innovative Projects for Community Service; Student Literacy Corps and Student Mentoring Corps; Community Service Learning; and Grants for Sexual Offenses Education.

The conference substitute provides that title Xi is to be entitled "Community Service Programs" and is to include the following: part A—Urban Community Service; and part B—Innovative Projects, comprised of subpart 1—Innovative Projects for Community Service and subpart 2—Student Literacy Corps and Student Mentoring Corps.

The Senate bill, but not the House bill, renames the above program as "Innovative Projects for Community Service."

The House recedes.

The Senate bill supports innovative projects "to encourage student participation in community service projects, including literacy projects." The House bill provides that projects are "to determine the feasibility of encouraging student participation in community service projects in exchange for educational services or financial assistance and thereby reduce the debt acquired by students in the course of completing postsecondary educational programs."

The House recedes.

The Senate bill, but not the House bill, provides a list of the activities that funded projects may include.

The conference substitute modifies the list of eliminating the reference to "international" service programs.

The Senate bill states that applications must be made "at such time, in such manner, and containing . . . such information as the Secretary may require." The House bill gives authority to the "Director" of FIPSE rather than to the "Secretary."

The House recedes.

The Senate bill, but not the House bill, defines the term "community service."

The conference substitute shortens the definition.

The House bill, but not the Senate bill, defines the term "Director."

The conference substitute strikes the term "Director" and inserts the term "Director of the Fund."

STUDENT LITERACY CORPS AND STUDENT MENTORING CORPS

The House bill, but not the Senate bill, renames the Student Literacy Corps as the "Student Literacy Corps and Student Mentoring Corps," and mentions "mentoring corps programs" in the purpose section. The mentoring corps is a difference throughout the programs.

The Senate recedes. This legislation includes numerous references to "mentoring." The conferees intend the term "mentoring" to mean the professionally supervised pairing of youth with individuals who will spend time with them, one-on-one, and who are trained to assist youth in achieving their full potential. The Secretary should ensure that mentoring programs funded under this Act include appropriate screening, training, and supervision of mentors. Mentors will be most effective if they are properly screened to ensure that they have the necessary commitment to carry out the program and receive basis training during which clear expectations are communicated and information is provided to help the mentor avoid unintentional bias based on cultural and gender differences. Specialized training tied to the specific goals of the program will also make the program more effective.

The Senate bill limits grants to 3 years; the House bill limits grants to 4 years.

The Senate recedes.

The Senate bill forbids institutions from expending more than $50,000 of a grant in the first year; the House bill limits expenditures to $25,000.

The Conference substitute sets the amount at $35,000.

The House bill, but not the Senate bill, requires applications to contain assurances that institutions will locate tutoring services in agencies serving "individuals with disabilities."

The House recedes.

The House bill, but not the Senate bill, requires applications to contain assurances that institutions will give priority in providing tutoring services to "students with disabilities" as well as to educationally disadvantaged chapter 1 students and illiterate parents of disadvantaged students.

The Senate recedes.

The House bill, but not the Senate bill, authorizes a Student Mentoring Corps, and outlines the required contents of applications.

The Senate recedes.

The provisions on the waiver and on the reopening of the application process are drafted differently in the House and Senate bills.

The conference substitute provides that in any fiscal year in which funds go unawarded, 75% of such unawarded funds shall be carried into the next fiscal year and shall be available for grants. It is the intent of the conferees that the legislative changes made under this Act increase access to the available grant money to benefit current and prospective participants in the Student Literacy Corps program. These much-needed changes, recommended by the Department of Education, include extending the grant from two years to four years and increasing from $25,000 to $35,000 the amount available each year under the grant. In addition, other changes were made to improve the application process and to increase awareness of this important program. However, the conferees express concern over the amount of money spent on technical assistance rather than on the creation of additional Student Literacy Corps projects around the nation. The conferees understand the importance of technical assistance in helping grant recipients successfully implement the program. But in the existing program, over 25 percent of funds spent were used for technical assistance and evaluations. The conferees find this to be excessive. It is the conferees' intent that less money be spent on technical assistance, and that grant money be more appropriately used to help new applicants formulate projects and to inform other institutions of higher education that funds are available for additional Student Literacy Corps projects.

Under the definition of the term "institution of higher education," the House bill, but not the Senate bill, includes the following: "(as defined in section 1201 of this Act)."

The House recedes.

Under the definition of the term "public community agency," the Senate bill mentions "individuals with disabilities"; the House bill uses the term "the handicapped."

The House recedes.

The Senate bill authorizes a total of $10 million for Innovative Projects for Community Service and the Student Literacy Corps, and reserves for the Student Literacy Corps at least 50% of the total amount appropriated. The House bill authorizes $15 million for the Student Literacy Corps and Student Mentoring Corps and $5 million for Innovative Projects for Community Services and Student Financial Independence, with the provision that no funds may be appropriated for the latter unless funds are appropriated for title XI, part A, Higher Education Innovative Projects for Community Service.

The conference substitute authorizes $15 million for FY 93 and such sums for the four succeeding years for Innovative Projects for Community Service and the Student Literacy Corps and Student Mentoring Corps, of which not more than ⅓ shall be reserved for Innovative Projects for Community Service and not less than ⅔ shall be reserved for the Student Literacy Corps and Student Mentoring Corps. The amendment also strikes the funding trigger relating to the Higher Education Innovative Projects for Community Service.

ACCESS AND EQUITY TO EDUCATION FOR ALL AMERICANS THROUGH TELECOMMUNICATIONS

The overall content of the provisions of the Senate and House bills are the same, but the bills are structured with some differences. The Senate bill authorizes the Secretary "to make grants to eligible partnerships to enable such partnerships to pay the Federal share of the cost of the activities described in the application submitted pursuant to section 142," which outlines the application requirements. The House bill authorizes the Secretary "in accordance with provisions of this part to make grants to eligible entities for the Federal share of the cost of telecommunications services to promote access and equity to education."

The House recedes.

The Senate bill, but not the House bill, provides that funds appropriated shall remain available until expended.

The House recedes.

The Senate bill defines the term "Eligible Partnership"; the House bill defines the term "Eligible Applicants." the Two definitions are drafted differently.

The House recedes.

Under the above definition, the Senate bill mentions "a unit of local government" while the House bill mentions "a local unit of government."

The House recedes.

The Senate bill has an additional subsection specifying that "The Federal share shall be 50 percent." The House bill, under the subsection on applications, provides that "the applicant shall match each dollar of funding received under this part on a one-to-one basis."

The House recedes.

The Senate bill states that applications shall "describe the education telecommunications activities or services to be assisted." The House bill states that applications shall "describe education telecommunications services to be supported with the grant."

The House recedes.

The Senate bill requires applications to describe the structure supporting "such activities or services." The House bill requires applications to describe the structure supporting "the activities funded by the grant."

The House recedes.

The Senate bill mentions "the useful life of such equipment, software or facilities." The House bill mentions "the use of the life of such facilities."

The House recedes.

The Senate bill requires applications to describe how students will benefit "from the activities and services supported." The House bill requires applications to describe how students will benefit "in the services supported."

The House recedes.

The Senate bill mentions "individuals with disabilities" where the House bill mentions "handicapped individuals."

The House recedes.

The Senate bill requires applications to "provide assurances that the eligible partnership will provide the non-Federal share of assistance under this part." The House bill requires that applications "provide evidence that each dollar received under this part shall be matched by funds from other, non-Federal sources."

The House recedes.

The Senate bill, but not the House bill, specifies that priority be given to applications which "describe programs that" support the activities listed.

The House recedes.

The Senate bill considers programs that provide "activities or" services. The House bill refers only to services.

The House recedes.

The Senate bill mentions "accredited" telecommunications coursework "for individuals with disabilities otherwise denied such access." The House bill mentions "creditworthy" telecommunications coursework "to individuals otherwise denied such opportunity."

The House recedes.

The Senate bill mentions evidence of "support for the program from the business community." The House bill mentions "business support."

The House recedes.

The Senate bill mentions programs that "provide" matching funds, "in an amount which exceeds the required non-Federal share." The House bill mentions those which "include" matching funds, "exceeding the minimum amount required under this part."

The House recedes.

The Senate bill provides that grant funds shall be used for five specified activities. The House bill provides that funds shall "support one or more" of five activities. The two lists of activities have been drafted with several small technical differences.

The Senate recedes.

The Senate bill refers to pre-service or in-service education for "kindergarten through 4th grade teachers," whereas the House bill refers to pre-service/in-service for "K-12 teachers."

The Senate recedes.

The Senate bill, but not the House bill, defines the terms "institution of higher education" and "State".

The Senate recedes.

The provisions of the Senate and House bills with respect to the report are similar. They are, however, drafted differently, and include the following differences: (A) the Senate bill, but not the House bill, separates the contents and dissemination into separate subsections; (B) the Senate bill, but not the House bill, specifies that the report should include a description of activities "and services"; (C) the Senate bill, but not the House bill, mentions entities "participating in the eligible partnership."

The House recedes.

ARTICULATION AGREEMENTS

This program, which is included in the House bill but not in the Senate bill, provides grants for articulation agreements between two-year and four-year institutions of higher education to build partnerships between education programs. It is authorized at $50 million and such sums.

The Senate recedes with an amendment authorizing $25 million for FY 93 and such sums for the four succeeding fiscal years.

TITLE II—ACADEMIC LIBRARIES AND INFORMATION SERVICES

The Senate bill renames title II "Academic Libraries and Information Services." The House bill renames title II "Academic Libraries in an Electronic Networked Environment." Also, the House bill, but not the Senate bill, amends title II to read as follows.

The House recedes on the first point; the Senate recedes on the second point.

Under section 201(a)(3), the Senate bill continues current law which states that libraries will be assisted in making "their holdings" available. The House bill instead makes "information resources" available.

The Senate recedes.

Both the Senate bill and the House bill strike section 201(a)(4) of current law, but the House bill replaces it with a new paragraph that refers to a new program to strengthen library services at historically black colleges and universities.

The Senate recedes.

For part A, the Senate bill authorizes $10 million and such sums, while the House bill authorizes $25 million and such sums.

The conference substitute authorizes $20 million for FY 93 and such sums for the four succeeding fiscal years.

For part B, the Senate bill authorizes $7.5 million and such sums, while the House bill authorizes $25 million and such sums.

The conference substitute authorizes $10 million for FY 93 and such sums for the four succeeding fiscal years.

For part C, the Senate bill authorizes $15 million and such sums, while the House bill authorizes $25 million and such sums.

The conference substitute authorizes $20 million for FY 93 and such sums for the four succeeding fiscal years.

For part D, the House bill authorizes $25 million and such sums. The Senate bill has no authorization for part D, which is repealed in the Senate bill.

The conference substitute authorizes $15 million for FY 93 and such sums for the four succeeding fiscal years.

Section 203 of the Senate bill, Library Experts, provides that "The Secretary shall make every effort to ensure that programs under this title are administered by appropriate library experts." Section 203 of the House bill, Administration, provides that "Programs under this title shall be administered in the Department by appropriate experts in library technology, library education, and related fields."

The House recedes.

PART A—COLLEGE LIBRARY TECHNOLOGY AND COOPERATION GRANTS

Section 211 of the Senate bill is entitled "College Library Technology and Cooperation Grants." Section 211 of the House bill is entitled "Grants for Technology, Networking, and Other Purposes."

The House recedes.

Section 211(a)(2) refers to "institutions of higher education" in the Senate bill, but to "higher education institutions" in the House bill.

The House recedes.

The language on awards is drafted with the following differences: (A) the House bill, but not the Senate bill, mentions that grants are made "to institutions or combinations of institutions"; (B) the Senate bill limits to $50,000 the maximum award which an individual institution can receive, whereas the House limitation is set at $35,000; (C) the Senate bill provides that the grant award period shall not exceed 3 years, while the House bill permits an award to be expended "over a 3-year period."

The Senate recedes on (A), the House recedes on (B), and the House recedes on (C).

The House and Senate provisions contain the following differences: (A) the Senate bill, but not the House bill, requires applications to be submitted "at such time, in such manner and accompanied by such information as the Secretary may reasonably require"; (B) the Senate bill, but not the House bill, requires applications to "describe the activities and services for which assistance is sought"; (C) the House bill, but not the Senate bill, mentions the "3-year period" for which the grant is sought; (D) both bills require the Secretary to prescribe criteria for the approval of applications, but the House bill specifies that criteria be prescribed "in regulations."

The House recedes on (A), the House recedes on (B), the House recedes on (C), and the Senate recedes on (D).

PART B—LIBRARY EDUCATION, RESEARCH, AND DEVELOPMENT

The Senate bill authorizes the Secretary to "make grants to, and enter into contracts with." The House bill authorizes the Secretary to "make grants to, and contract with." The Senate bill refers to "new technology" where the House bill mentions "new technologies."

The House recedes.

PART D—STRENGTHENING LIBRARY AND INFORMATION SCIENCE PROGRAMS AT HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND OTHER MINORITY-SERVING INSTITUTIONS

The Senate bill repeals part D. The House bill replaces part D of current law with a new part D, Strengthening Library and Information Science Programs and Libraries in Historically Black Colleges and Universities. This program provides assistance to HBCUs and library organizations serving minority groups to improve programs, promote staff development, and establish and maintain fellowships and traineeships.

The Senate recedes with an amendment ensuring that other institutions serving large numbers or percentages of minorities will be assisted under part D. The conferees intend the Secretary to make grants to historically black colleges and universities and to other minority-serving institutions which are eligible to receive funds under part C of title X, which have demonstrated evidence of enrollment and graduation of minorities in library science, and which have evidence of exceptional need for the development of their infrastructure in library science technology.

The House bill, but not the Senate bill, contains a provision stating that new or expanded programs shall not be funded unless current programs are appropriated at levels no less than those for fiscal year 1992.

The Senate recedes with an amendment making this provision a section of part D and stating that funds for this part shall not be authorized to be appropriated unless appropriations for parts A, B, and C of title II equal or exceed FY 1992 appropriations.

TITLE III—INSTITUTIONAL AID

The Senate bill, but not the House bill, eliminates the reference to "recruitment activities" in the findings section.

The House recedes.

The Senate bill, but not the House bill, amends the findings to eliminate reference to minimum assistance and continuing participation of eligible institutions.

The House recedes.

PART A—STRENGTHENING INSTITUTIONS

The House bill, but not the Senate bill, eliminates current law language that gives special consideration to institutions with low endowment funds and low expenditures per full-time equivalent student. Activities for which special consideration is authorized in current law are, in the House bill, allowable uses of grant awards.

The House recedes.

The House bill, but not the Senate bill, eliminates the current law requirement that an institution be in existence for five years in order to be eligible for part A funds.

The Senate recedes.

Enrollment of Needy Students. The House bill, but not the Senate bill, inserts a technical amendment to section 312(c)(2) clarifying the fiscal year to be used.

The Senate recedes.

The Senate bill, but not the House bill, inserts a new section 313 to provide assistance to institutions serving Hispanic students. Institutions receiving a grant under this section must, among other requirements, be eligible under part A and have a full-time student enrollment that is at least 25 percent Hispanic. Grants may be used for a variety of activities, including purchase or rental of equipment, renovation and improvement of academic facilities, faculty and curriculum development, and academic tutoring and counseling programs. No institutions receiving funds under this section may concurrently receive other funds under part A or part B. $45 million for FY 93 and such sums for the six succeeding fiscal years are authorized.

The House recedes with an amendment that: authorizes such sums for the four succeeding fiscal years; adds a hold harmless provision stating that no funds are authorized to be appropriated for this section unless $80 million are appropriated for the rest of part A; modifies the definition of "Hispanic-serving institution"; eliminates certain authorized activities; amends the guidelines on applications; and ensures that the Secretary's waiver authority for part A grants applies to grants under this section. It is the intent of the conferees that the hold harmless for part A, which must be met before any appropriations can be allotted for the new Hispanic Serving Institutions program, not be construed in any way as a cap on funding for part A institutions. There are over 900 institutions, comprising nearly one-third of all institutions of higher education in the nation, that are eligible for part A assistance. These institutions are in need of Federal assistance because they are in severe financial hardship and because they enroll segments of society that historically have been underrepresented in higher education. Historically, one in six part A grant applications is funded, with the cut-off point for successful applicants higher than 95 points out of a possible 100. The conferees believe it is crucial that adequate levels of funding be available to these institutions under part A of title III.

The House bill, but not the Senate bill, eliminates 3-year and 4-year grants.

The conference substitute provides that grants may only be awarded for 5 years.

The Senate bill eliminates the "wait out" period, but requires the Secretary to give priority to applicants that are not already receiving grants under part A. The House maintains a five year wait out for institutions receiving grants.

The House recedes. The conferees intend that institutions which are not receiving grants at the time of application will be given preference over those which are currently being funded. However, as soon as an institution's funding ends, that institution will be put in the priority category. The result would be that an institution holding a title III, part A grant at the time of application will have non-priority status for up to but not exceeding one year. Preference will be given to institutions that do not currently have funding by awarding funds first to priority institutions.

The House bill, but not the Senate bill, requires that part A institutions include in their applications a description of goals for financial management and academic programs along with a plan for achieving those goals. The House bill also requires that continuation applications demonstrate progress toward achievement of the goals.

The Senate recedes.

PART B—STRENGTHENING HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

The Senate bill, but not the House bill, adds language to specify that funds can be used to support telecommunications equipment, services, or materials.

The House recedes.

The Senate bill allows support for "other activities" that contribute to the purposes of part B and that are approved by the Secretary. The House bill allows support for community outreach programs.

The conference substitute allows support both for "other activities" and for community outreach programs.

The House bill, but not the Senate bill, amends the allotment formula that is based on graduate and professional students to include only students who are admitted to graduate or professional school "within 5 years of graduation with a baccalaureate degree."

The Senate recedes.

The Senate bill, but not the House bill, prohibits the Secretary from awarding grants for telecommunications equipment, facilities or services if such equipment, facilities or services are available pursuant to the Communications Act of 1934.

The House recedes.

The House bill, but not the Senate bill, requires that part B institutions include in their applications a description of goals for financial management and academic programs along with a plan for achieving those goals.

The Senate recedes.

The Senate bill adds six more schools to the five that are currently eligible under section 326. The House bill adds eleven institutions to those currently eligible.

The conference substitute adds eleven institutions to the five that are currently eligible and provides that, in order to receive funds, institutions listed must have been accredited or approved by the appropriate accrediting or approving agency and have students matriculated in their programs by the time of application.

The Senate bill, but not the House bill, provides that institutions awarded grants prior to the enactment of this Act shall continue to receive grant payments until the grant period has expired or September 30, 1993, whichever is later.

The House recedes.

The Senate bill prohibits the Secretary from warding more than 1 grant under section 326 in any fiscal year to any institution of higher education or university system. The House bill is more specific, providing that either Texas Southern University School of Law or Texas Southern University School of Pharmacy, but not both, may receive a grant under section 326 in any fiscal year.

The House recedes. While only one grant can be awarded to an institution of higher education or university system, such institution or university system may support one or a combination of its graduate programs in science, engineering and mathematics and professional programs that would be eligible under section 326, that are approved by the appropriate program governing bodies, and that have students matriculated.

The Senate funding rule provides that if appropriations for section 326 do not exceed $12,000,000, then grants shall be awarded only to the five institutions that were eligible prior to the enactment of the Act. The House provides that all newly appropriated funds above the FY 1992 level will be shared equally among the new schools until each institution matches its award. Once parity is achieved, all schools will share equally in subsequent appropriations.

The conference substitute holds the original institutions harmless at $12 million and provides that appropriations above $12 million will be distributed to the new schools until each eligible institution receives at least $500,000. Additional funding will then be available to the original institutions and to the new institutions.

PART C—ENDOWMENT CHALLENGE GRANTS

The Senate bill, but not the House bill, amends section 331 to refer to "eligible institutions" rather than to "eligible institutions of higher education."

The House recedes.

The House bill, but not the Senate bill, amends section 331(b)(1) by inserting "endowment" before "challenge grant."

The Senate recedes.

The Senate bill, but not the House bill, raises the maximum grant under this section in stages: when appropriations are less than $15 million, the maximum grant is $500,000; when appropriations are equal to or greater than $15 million but less than $25 million, the maximum grant rises to $1 million; and when appropriations are greater than $25 million, the maximum grant increases to $1.5 million. The House bill increases the appropriations trigger for $1 million grants to $20 million.

The House recedes.

The Senate bill reduces the "wait out" period from 10 to 5 years, and does not apply the wait out to institutions receiving grants of less than $1 million. The House bill maintains the 10-year wait out but applies it only when appropriations for part C are less than $20 million; when appropriations for part C are less than $20 million; when appropriations exceed $20 million, the wait out period is reduced to 5 years.

The Senate recedes.

The Senate bill strikes section 332(b)(4)(A) of current law, while the House updates it to conform to the new section on eligible institutions.

The Senate recedes.

The Senate bill amends current law to conform to previous changes, which are explained in comment 105. The House bill amends the section to set maximum awards at $500,000 when appropriations do not exceed $20 million.

The House recedes.

The House bill, but not the Senate bill, specifies that an application must include the institution's long-term and short-term plans for raising and using part C funds.

The Senate recedes.

PART D—GENERAL PROVISIONS

The Senate bill, but not the House bill, permits rather than requires the Secretary to waive requirements for part A under certain circumstances.

The House recedes.

Both the Senate bill and the House bill repeal sections 355 and 359, but only the House bill redesignates sections 356, 357, 358, and 360 as sections 355, 356, 357, and 358.

The House recedes.

The Senate bill provides that eligible institutions "may" be eligible for waivers. The House bill maintains current law, which provides that institutions "shall" be eligible for waivers.

The House recedes.

The Senate bill authorizes $125 million and such sums for part A; the House bill authorizes $150 million and such sums.

The conference substitute authorizes $135 million for FY 93 and such sums for the four succeeding fiscal years.

The Senate bill authorizes $125 million and such sums for part B; the House bill authorizes $150 million and such sums.

The conference substitute authorizes $135 million for FY 93 and such sums for the four succeeding fiscal years.

The Senate bill authorizes $40 million and such sums for part C; the House bill authorizes $60 million and such sums.

The conference substitute authorizes $50 million for FY 93 and such sums for the four succeeding fiscal years.

The Senate bill reserves 25% of excess part A funds for institutions "with a very high percentage of students who are" minorities; the House bill reserves this amount for institutions "at which at least 60 percent of the students are" minorities.

The Senate recedes.

Both the Senate bill and the House bill reserve a portion of part C funds for historically black colleges and universities. There are, however, several differences: (A) the Senate bill reserves 25% of part C funds, while the House bill reserves 30%; (B) the House bill, but not the Senate bill, specifies that the set-aside should apply "unless there are an insufficient number of quality applications or an insufficient number of applications due to the provisions in" sections 331(b)(2)(C) or 331(b)(4)(B).

The House recedes on (A), and the Senate recedes on (B).

TITLE IV—STUDENT ASSISTANCE

FEDERAL PELL GRANTS

The House bill, but not the Senate bill, extends the authority to make grants under this subpart through September 30, 1998.

The Senate recedes.

The House bill, but not the Senate bill, changes the name of the program to Federal Pell Grants.

The Senate recedes.

The House bill revises the statement of purpose to remove the 60 percent of cost limitation and to change the references to "parental or independent student" contribution to "family and student" contribution. The Senate bill does this also but further revises the statement of purpose to provide Pell grants sufficient to cover a student's total cost of attendance.

The conference substitute revises the statement of purpose to remove the 60 percent of cost limitation and provides that at least 75 percent of a student's costs should be covered by grant assistance.

The Senate bill sets the maximum Pell grant at $3600 for the 1993-94 academic year and increases the maximum award by $200 per year until the maximum grant would be $4800 for the 1999-2000 academic year. The House bill sets the maximum Pell grant at $4500 for the 1992-93 academic year with increases in the maximum grant for succeeding years through academic year 1998-99 determined by the Consumer Price Index.

The conference substitute sets the maximum Pell grant at $3700 for the 1993-94 academic year and increases the maximum award by $200 per year until the maximum grant would be $4500 for the 1997-1998 academic year.

The Senate bill ensures that tuition sensitivity will be phased in as the maximum award increases from $2400 so that when the maximum award is $3600, there will be a component of a student's award equal to 25 percent of the tuition. The Senate bill provides that when the maximum Pell is $3600, the maximum grant for a student is a basic educational allowance of $2300 plus 25 percent of tuition (not to exceed $1300). The Senate bill provides that when the maximum Pell is greater than $3600, both the educational allowance and the allowance for tuition will increase proportionately. The House bill provides tables for determining a student's award determined by using the Expected Family Contribution (as determined under Part F) and the tuition.

The conference substitute provides for the current Pell allocation formula when the maximum award is less than or equal to $2400. When the maximum grant is greater than $2400, increases would be divided 50-50 between tuition and education allowance.

The Senate bill, but not the House bill, contains a $3000 allowance for child care or disability related expenses to be added to the tuition component of the Pell award rules.

The conference substitute provides for a $750 allowance for child care or disability related expenses to be added to the tuition component of the Pell award rules.

The Senate bill provides that an incarcerated student's Pell grant shall be limited to tuition, fees, books and supplies. The House bill has a comparable provision for all programs in Part F.

The Senate recedes.

The Senate bill, but not the House bill, specifically provides that no current Pell grant recipients will have their award reduced because of the addition of tuition sensitivity to the Pell formula.

The Senate recedes.

Both the Senate and the House bill provide for a minimum award of $400. However, the Senate bill provides that students who are eligible for a Pell grant that is greater than or equal to $200, but less than $400 would receive an award of $400. The House bill provides that these students would receive no award unless they are attending on a less-than-half-time basis, in which case the minimum award would remain at $200.

The House recedes.

The Senate bill provides that less-than-half-time students can receive Pell grants only if their Expected Family Contribution is less than or equal to $200. The House bill extends Pell eligibility to all less-than-half-time students.

The Senate recedes.

The Senate bill, but not the House bill, provides that a student may receive two Pell grants in a calendar year if the student is enrolled full-time in a program (leading to a bachelors degree) that is at least 3 years in length and completes coursework toward a bachelors degree that exceeds the requirements for a full academic year as defined by the institution.

The conference substitute would permit the Secretary to allow an institution to award two Pell grants in an academic year if:

The conference substitute would permit the Secretary to allow an institution to award two Pell grants in an academic year if:

(1) the Secretary grants the institution such authority on a case-by-case basis and

(2) the provision only applies to two- and four-year degree-granting programs which are measured in credit hours.

The Senate bill, but not the House bill, permits the Secretary to increase Pell grant awards (up to the maximum award) for students participating in study abroad programs, if the student has increased costs.

The House recedes.

The Senate bill provides that no Pell grant can be awarded to an incarcerated student with a death penalty or with a life sentence without parole. The Senate bill provides that Pell grants can only be awarded to incarcerated individuals in a state in which the grants have been used to supplement not supplant the fiscal year 1988 state level of postsecondary prisoner education. The House bill provides that incarcerated individuals cannot receive Pell grants.

The House recedes.

The Senate bill provides that a student cannot receive more than 6 years of Pell grants if the student is enrolled in a program that normally requires 4 years to complete, the student cannot receive more than 7 years of Pell grants if the student is enrolled in a program that normally requires 5 or more years to complete, the student cannot receive more than 4 years of Pell grants if the student is enrolled in a program that normally requires 2 years to complete, and student cannot receive Pell grants for more than twice the time necessary to complete a program of less than two years. The House bill provides that students can receive Pell grants as long as they are making satisfactory progress.

The Senate recedes.

Both the House and Senate bills clarify Pell eligibility for study abroad; however, the language is slightly different, with the Senate bill specifying that the institution referred to is the one at which the student is enrolled.

The House recedes.

The House bill, but not the Senate bill, removes the requirement that a student personally present the SAR document in order to receive a Pell grant.

The Senate recedes.

The House bill, but not the Senate bill, provides that whenever insufficient funds are appropriated, the Secretary must promptly notify Congress of the insufficiency and the amount of the shortfall.

The conference substitute includes this requirement and would additionally require the Secretary to revise the method of estimating Pell shortfall to include measures of behavioral changes.

The House bill, but not the Senate bill, eliminates the adjustment for insufficient appropriations.

The Senate recedes.

The conferees note that, in the past, a variety of means have been used to address funding shortfalls in the Pell Grant program. These means have included borrowing from subsequent year appropriations, enacting supplemental appropriations or increased appropriations, and making award reductions. Since 1973–1974, award reductions have been made on 8 occasions. On two of these occasions, flat reductions of the same dollar amount were made in all awards. On four occasions, stepped reductions were implemented, whereby cutbacks were made in proportion to the size of the grant within specified grant ranges. On two occasions, linear reduction was used, whereby reductions are made in each grant amount (rather than a range) in an attempt to protect individuals at the lowest income levels. In adopting the House provision, the conferees require the Secretary to report to Congress the amount of any funding shortfalls but remain silent on the specific means for addressing shortfalls.

The House bill, but not the Senate bill, makes a clarifying change providing that the student Pell grant recipient is not a grantee for the purposes of the drug-free workplaces requirements.

The Senate recedes.

Both the Senate and the House bills, using slightly different language, repeal sections 411A through 411F. Both bills use the methodology under Part F to determining Pell eligibility.

The conference substitute repeals sections 411A through 411F.

FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

The House bill, but not the Senate bill, changes the name of the SEOG program to Federal Supplemental Educational Opportunity Grants.

The Senate recedes.

The House bill authorizes $700 million for FY 93 and such sums as may be necessary for the four succeeding fiscal years. The Senate bill authorizes $650 million for FY 93 and such sums as may be necessary for the six succeeding fiscal years.

The conference substitute authorizes $675 million for FY 93 and such sums as may be necessary for the four succeeding fiscal years.

The House and the Senate bills, using slightly different language, clarify that students may receive SEOG awards if they are in a program of study abroad that is approved for credit at their institution. The Senate bill requires that all reasonable costs associated with study abroad programs be considered when determining student eligibility. Grant amounts in such cases may exceed the maximum grant by as much as $400 if such reasonable costs exceed the cost of attendance at the home institution by more than 20 percent.

The conference substitute clarifies that students may receive SEOG awards if they are in a program of study abroad that is approved for credit at their institution, requires that all reasonable costs associated with study abroad programs be considered when determining student eligibility, and provides that grant amounts in such cases may exceed the maximum grant by as much as $400 if such reasonable costs exceed the cost of attendance at the home institution.

The Senate bill, but not the House bill, amends SEOG student eligibility to allow students to receive awards in the first year of graduate study if the financial aid administrator determines that the student has exceptional need comparable to undergraduate students receiving SEOG awards.

The Senate recedes.

Both the Senate and the House bills, using slightly different language, increase the institutional matching requirement from 15 percent to 25 percent. The House bill permits the Federal share to be increased if the Secretary issues regulations establishing objective criteria for making such a determination. The Senate bill permits a larger Federal share for institutions with high low-income/minority student population, if paying the non-Federal share would cause financial hardship.

The Senate recedes.

The House bill eliminates the requirement that priority be given to Pell grant recipients in awarding SEOG and allows SEOG awarding on the basis of exceptional need as determined under Part F.

The House recedes.

The Senate bill maintains the current Pell grant awarding priority in the SEOG program and adds two additional criteria that (1) require SEOG to be awarded in an amount proportionate to the amount of the Pell grant received by the recipient, and (2) require awards for SEOG to be determined without regard to the determination of a minimum student contribution or self-help amount or eligibility for assistance under other parts of Title IV, except for the Pell grant program.

The Senate recedes.

The Senate bill requires that if the total financial need of less-than-full-time students attending an institution exceeds 5 percent of the institution's allotment, then at least 5 percent of the institution's allotment shall be made available to such students. The House bill expands on current law for less-than-full-time students by providing that an institution's SEOG allocation is based in part on the financial need demonstrated by students who are (1) attending the institution on a less-than-half-time basis; (2) age 24 or older; (3) single parents; or (4) independent students, a reasonable proportion of its allocation shall be to such students.

The conference substitute requires that if the total financial need of non-traditional students attending an institution exceeds 5 percent of the institution's allotment, then at least 5 percent of the institution's allotment shall be made available to such students and provides that non-traditional students are students who are (1) attending the institution on a less-than-half-time basis or (2) independent students.

The House bill, but not the Senate bill, eliminates an institution's ability to transfer funds from the SEOG program to the CWS program, but continues to allow CWS funds to be transferred into the SEOG program.

The Senate recedes.

The House bill, but not the Senate bill, mandates that if an institution returns more than 10 percent of its SEOG allocation, the institution's allocation for the next fiscal year shall be reduced by the amount returned.

The Senate recedes.

The Senate bill allows the Secretary to allocate an amount equal to not more than 10 percent of the amount by which the amount appropriated in any fiscal year exceeds $700 million among institutions from which 50 percent or more of their Pell grant recipients graduate or transfer to a 4 year institution.

The House recedes with a technical amendment. It is the intent of the conferees that the Secretary, in allocating this additional funding, consider institutions who graduate or transfer to a 4 year institution within a reasonable time frame.

The Senate bill, but not the House bill, requires the Secretary to further subdivide income categories by full and part-time students.

The Senate recedes.

STATE STUDENT INCENTIVE GRANTS

The House bill and Senate bill, using slightly different language, clarify that SSIG funds may be awarded to students participating in programs of study abroad that are approved for credit by the institution.

The House recedes.

The Senate bill, but not the House bill, expands the purpose of the SSIG program to support state early intervention programs.

The Senate recedes.

The House bill authorizes $125 million for FY 93 and such sums as may be necessary for the four succeeding fiscal years. The Senate bill authorizes $85 million for FY 93 and such sums as may be necessary for the six succeeding fiscal years.

The conference substitute authorizes $105 million for FY 93 and such sums as may be necessary for the four succeeding fiscal years.

The House bill increases the maximum SSIG award to $5,000. The Senate bill increases the maximum SSIG award to $4,000.

The Senate recedes.

STATE STUDENT INCENTIVE GRANTS

The House bill, but not the Senate bill, provides that for years in which more than $75 million is appropriated, states shall receive more than their formula driven allocation only if the total states appropriations for all need-based grants exceeds the prior 3 year's average.

The House recedes.

The Senate bill, but not the House bill, provides that for the selection of recipients of SSIG awards or SSIG work-study jobs be on the basis of substantial financial need determined annually, and that no student or parent shall be charged a fee that is payable to an entity other than such state for the purpose of collecting data to make such determination of financial need.

The House recedes.

The House bill, but not the Senate bill, expands on current law for less-than-full-time students by providing that if an institution's allocation is based in part on the financial need demonstrated by students who are (1) attending the institution on a less-than-full-time basis; (2) age 24 or older; (3) single parents; or (4) independent students, a reasonable proportion of its allocation shall be made available to such students.

The conference substitute provides that if an institution's allocation is based in part on the financial need demonstrated by students who are (1) attending the institution on a less-than-full-time basis; or (2) independent students; a reasonable proportion of its allocation shall be made available to such students.

NATIONAL EARLY INTERVENTION SCHOLARSHIP AND PARTNERSHIP PROGRAM

The Senate bill amends the SSIG program to include a State grant program for early intervention. The House bill creates a similar program under the House early intervention subpart.

The Senate recedes.

The House bill, but not the Senate bill, calls this the National Liberty Scholarships and Partnerships Programs.

The conference substitute calls this the National Early Intervention Scholarships and Partnerships Programs.

The Senate bill establishes a State program and includes a statement of purpose to increase student awareness of postsecondary education, to provide academic support and personal mentoring for prospective postsecondary students, and to provide tuition assistance. The House bill establishes a two-part State grant program: one part would provide financial assistance for needy students and the other part would provide for partnerships between states, LEAs, IHEs and community organizations to provide information on student aid and outreach activities and support services for at-risk youths.

The conference substitute provides for a single program with two purposes of early intervention and financial assistance, combining the language of the Senate and House bills. It is the intent of the conferees that states make every effort to provide mentoring, tutoring and other services as early in a student's schooling as necessary in order to be effective. For example, some current successful programs begin with classrooms of students in the pre-school or elementary school level, and it is the intent of the conferees to encourage this type of effort, if practicable. Nonetheless, this program allows funds to be used for services through the twelfth grade because the conferees did not want to preclude states from providing services at any point in a student's education. It is further the intent of the conferees that the state, in establishing both the early intervention and tuition assistance components of this legislation, take into account existing services within the state and avoid creating duplicative administrative entities whenever possible.

The Senate bill allots funds to states based on the ratio of eligible students in a state to the total number of eligible students. The House bill allots funds to states based on the ratio of Chapter 1 funds received by a state to the total allocation of Chapter 1 funds.

The Senate recedes.

The Senate bill, but not the House bill, sets a minimum state allotment of $500,000.

The conference substitute provides that for years when appropriations are $50 million or less, this is a discretionary grant program. When the appropriations exceed $50 million, state allocations are based on a formula.

The House bill, but not the Senate bill, requires the state to use at least 25 percent, but not more than 50 percent, of funds on the outreach and support services program.

The conference substitute requires the state to use at least 25 percent, but not more than 50 percent, of funds on the outreach and support services program; but would allow the Secretary to waive the 50 percent ceiling if the state demonstrates it has another means of meeting the eligible student's tuition assistance set forth in the state plan.

Both the Senate bill and the House bill, using different language, provide that if the Secretary determines a state does not require its allotment, the Secretary may reallocate those funds to other states, based on their proportionate share of the funding under this program, except that funding cannot exceed the state's need. The Senate bill further provides that reallocated funds are considered part of the state's allotment for that year.

The conference substitute provides for reallocation of funds and provides that reallocated funds are considered part of the state's allotment for that year.

The Senate bill, but not the House bill, stipulates that the Secretary can only fund states which continue to meet the early intervention program requirements contained in the specific use of allotments.

The House recedes.

The Senate bill, but not the House bill, defines eligible institutions as those eligible to participate in Part B.

The Senate recedes.

The Senate bill includes students eligible to be counted for Chapter 1, students eligible to be served under the National School Lunch Act and students eligible for assistance under AFDC as eligible students. The House bill states a qualified student must be less than 22 years old at the time of the first award, receive a Pell grant or be eligible to receive a Pell grant (but for the student's less-than-half-time status), receive a high school diploma or G.E.D. on or after Jan. 1, 1993, and be enrolled in an institution of higher education within the state, unless the state offers grant portability.

The conference substitute provides a priority, as part of the state plan, for serving students eligible to be counted for Chapter 1, eligible for free- or reduced-price meals under the National School Lunch Act and eligible for assistance under AFDC in the early intervention component. The conference substitute further defines students eligible under the financial assistance component as students who are less than 22 years old at the time of the first award, who have received a high school diploma or G.E.D. on or after Jan. 1, 1993, who have participated in the early intervention component or a TRIO program for at least one year, and who will be enrolled in an institution of higher education within the state, unless the state offers grant portability. The State plan will provide that states give a priority to students who receive a Pell grant or are eligible to receive a Pell grant.

The Senate bill, but not the House bill, provides for a definition of "tuition assistance" which includes tuition, room, board, books and required fees.

The Senate recedes.

The Senate bill provides that the state's early intervention program must provide eligible students in pre-school through grade 12 with a continuing system of mentoring and advising that is coordinated with Federal and state community service initiatives. The Senate bill further provides that early intervention activities may include support services such as after school and summer tutoring, assistance in obtaining summer employment, career mentoring and academic counseling. The House bill includes these activities, except career mentoring, and also includes identification of at-risk children, volunteer and parent involvement, use of former or current scholarship recipients as mentor or peer counselors, skills assessment, personal counseling, family counseling, home visits, staff development, and activities specially designed for L.E.P. students. The House bill permits payments for programs to be made to states that have increased aggregate support for early intervention activities. The House bill requires the Secretary to issue regulations on the allowable early intervention activities. The House bill further provides that pre-freshman summer programs are an allowable use of funds.

The conference substitute combines the language in the House and Senate bill, without the House requirement that a state must increase the aggregate amount spent from year to year.

The Senate bill provides that early intervention may be provided by community-based organizations, schools, IHEs, public and private agencies, and particularly institutions participating in TRIO. The House bill provides that a state may include businesses, religious organizations, community groups, IHEs, nonprofit and philanthropic organizations and other organizations, subject to the Secretary's regulation, as participants in the partnership program.

The conference substitute combines the eligible participants in the House and Senate bills, excluding the reference to religious organizations in the House bill.

The Senate bill, but not the House bill, requires that students enter into an agreement with a state to achieve academic milestones (such as completing certain courses or maintaining satisfactory progress) in exchange for receiving the tuition assistance.

The conference substitute makes this a permissive activity and allows the students to enter into agreements with participants other than the state.

The Senate bill requires early intervention program to establish a plan for tuition assistance for students which may include contributions from Federal, state and private sources. The House bill provides for non-Federal matching requirements as part of the partnership requirements.

The conference substitute requires a plan for tuition assistance, but includes the matching requirements in another section.

The Senate bill, but not the House bill, requires the early intervention program to contain an incentive system to encourage collaboration between elementary and secondary schools, IHEs, and programs assisted under Talent Search and Upward Bound through creation of new linkage structures and programs.

The Senate recedes.

The Senate bill requires the early intervention program to provide financial aid counseling and information. The House bill includes this as one of purposes.

The House recedes.

The Senate bill, but not the House bill, requires the early intervention program to contain an evaluation component to track student progress, consistent with standards developed by the Secretary.

The House recedes.

The Senate bill, but not the House bill, specifically allows the state to include additional requirements for early intervention programs.

The House recedes.

The Senate bill requires states to ensure that tuition assistance is available to eligible students for use at any eligible institution. The House bill contains similar language in the definition of qualified student.

The conference substitute would encourage states to ensure that tuition assistance is available to eligible students for use at any eligible institution.

The Senate bill, but not the House bill, provides that students who have successfully participated in TRIO may be considered to have met the requirements regarding continuous mentoring and counseling and achievement of academic milestones.

The House recedes.

The Senate bill provides that the assistance provided under this part not be considered in awarding other student assistance and that the total amount of assistance under this Title should not exceed the cost of attendance. The House bill requires that the state establish the maximum grant for qualified students and that the minimum amount of the grant shall not be less than 75 percent of the average cost of attendance for an in-state student in a public 4-year institution. The House bill provides that the maximum grant be reduced by the total amount of other grant assistance for which the student is eligible.

The conference substitute provides that Pell grants be awarded first, other grant assistance second, the grant under this part third and then other financial assistance, and that the total amount of assistance under this Title should not exceed the cost of attendance. The conference substitute further provides that the minimum grant be at least the lesser of either the amount needed to provide students with 75 percent of the average cost of attendance for an in-state student in a public 4-year institution or the maximum funded Pell grant for that fiscal year. The conferees intend that the maximum grant may be as high as the state wishes to set it, except that it shall not, when combined with a student's Pell grant award and all other student assistance, exceed the cost of attendance. The conferees intend that each state have the flexibility to set grant amounts as it sees fit within these parameters. However, to the maximum extent practicable, states should attempt to set grant amounts that provide students with 75 percent of the average costs of attendance at an in-state four-year public institutions, once their Pell grant award and other student grant assistance are taken into account. Grant amounts of this size are most likely to eliminate cost as an obstacle to postsecondary education for disadvantaged students.

The House bill, but not the Senate bill, provides that student aid grants will be awarded on the basis of substantial financial need determined on the basis of state criteria (approved by the Secretary).

The House recedes.

The Senate bill, but not the House bill, requires the Secretary to prescribe standards for evaluation that will provide for input from states and services providers and that will ensure uniformity.

The House recedes.

The House bill, but not the Senate bill, requires the state to provide, from non-Federal funds, at least one-half of the cost of the financial aid program. Federal, state and private contributions are permissive under the Senate bill. The House bill provides further requirements including that the state give first preference for SSIG money to students served under this subpart.

The conference substitute provides for a single 50/50 matching requirement for this program, incorporating the House and the Senate provisions. The conference substitute does not require preferential treatment of SSIG recipients.

The House bill, but not the Senate bill, stipulates matching, administrative and service requirements for the partnership program (early intervention component).

The conference substitute provides for a single 50/50 matching requirement for this program, incorporating the House and the Senate provisions.

The House bill, not the Senate bill, stipulates the methods for complying with the matching requirement of the student financial aid part.

The conference substitute provides for a single 50/50 matching requirement for this program, incorporating the House and the Senate provisions.

The Senate bill, but not the House bill, requires the Secretary to approve state plans within 6 months of submission unless the plan fails to comply with this section.

The Senate recedes. However, the conferees intend for the Secretary to approve state plans as soon as possible, but definitely within six months of submission, to enable this program to serve eligible students as soon as possible.

The House bill, but not the Senate bill, provides for payment of the Federal share of both the student aid and partnership components.

The conference substitute provides for a single payment for both components of this program.

The Senate bill, but not the House bill, requires the states to conduct an annual evaluation and submit it to the Secretary who shall use it to submit an annual evaluation of the entire program to Congress.

The conference substitute requires the states to conduct a biannual evaluation and submit it to the Secretary who shall use it to submit a biannual evaluation of the entire program to Congress.

The Senate bill authorizes $100 million for fiscal year 1993 and such sums as necessary for the succeeding 6 fiscal years. The Senate bill further stipulates that no funds are authorized for this program unless the SSIG appropriation exceeds $63.5 million. The House bill authorizes $250 million for fiscal year 1993 and such sums as necessary for the succeeding 4 fiscal years.

The conference substitute authorizes $200 million for fiscal year 1993 and such sums as necessary for the succeeding 4 fiscal years and provides that no funds are authorized for this program unless the SSIG appropriation exceeds $60 million.

FEDERAL TRIO PROGRAMS

The House bill, but not the Senate bill, renames subpart 4 as Federal Early Outreach and Student Services Programs, includes all the early outreach programs in this subpart, and moves this subpart to the beginning of Part A.

The conference substitute renames subpart 4 as Federal Early Outreach and Student Services Programs, includes all the early outreach programs in this subpart, revises part A so that Section 400 is the purpose section, section 401 is Federal Pell grants (subpart 1), this subpart is subpart 2, Federal Supplemental Educational Opportunity Grants are subpart 3, and State Student Incentive Grants are subpart 4.

The House bill, but not the Senate bill, includes a statement of findings for this subpart.

The House recedes.

The House bill, but not the Senate bill, renames the Special Programs for Students from Disadvantaged Backgrounds as the TRIO programs.

The Senate bill authorizes $500 billion for fiscal year 1993 and such sums as necessary for the 6 succeeding fiscal years. The House bill authorizes $750 million for fiscal year 1993 and such sums as necessary for the 4 succeeding fiscal years.

The conference substitute authorizes $650 million for fiscal year 1993 and such sums as necessary for the 4 succeeding fiscal years and to provide not more than one-half of one percent of the funds appropriated under this section to be used to obtain additional qualified readers and additional staff to review applications, to provide outreach activities, to increase the level of oversight monitoring, to support impact studies, program assessments, and reviews and to provide technical assistance to potential applicants and current grantees, with a report in two years on the spending of these funds.

This language allows monies from the TRIO appropriation to be utilized to fund an adequate proposal review process in TRIO competitions. The conferees firmly believe that funds for proposal review are more appropriately budgeted from the Department's salary and expense budget. However, it is noted that despite increases in that account, funds available for the proposal review of postsecondary education programs have been severely cut back. In the view of the conferees, such under-funding undermines public confidence both in government generally and in the TRIO programs themselves. For this reason, the conferees reluctantly include this provision.

The Senate bill requires the Secretary to conduct outreach activities to ensure that underserved geographic areas and eligible populations submit applications. The House bill authorizes the Secretary to make grants for the provision of outreach to eligible participants.

The House recedes.

The House bill requires the Secretary to also consult national, state, and regional organizations about candidates for notification.

The Senate recedes.

The Senate bill requires this notification to be specifically to applicants from underserved populations and geographic areas and requires the Secretary to provide these entities assistance in the development of applications.

The House recedes.

The House bill would require the Secretary to provide technical training through conferences, seminars and workshops at no less than 10 sites throughout the country to ensure that all areas with large concentrations of eligible populations are served.

The Senate recedes.

The Senate bill, but not the House bill, allows the Secretary to contract with eligible entities to conduct outreach activities.

The House recedes.

Both the Senate bill and the House bill require the Secretary to ensure that readers of applications represent diverse backgrounds. The House language is more specific about groups that should be represented in the group of readers.

The conference substitute requires the Secretary to assure that to the extent practicable that African Americans, Hispanics, Native Americans, Alaskan Natives, Asian Americans, Native American Pacific Islanders (including Native Hawaiians), and those of urban and rural backgrounds are representing as readers.

Both the Senate bill and the House bill require that at least 3 readers not be Department of Education employees, but with slightly different language.

The conference substitute requires that at least 3 readers not be Federal employees.

Both the House and the Senate language include requirements for determining who meets the criteria of a low-income individual with the following differences:

(a) the Senate bill clarifies who may provide a signed statement based on dependency status and age of the student

The House recedes.

(b) the House bill bases different documentation on the TRIO program in which the individual is participating

The House recedes.

(c) the Senate bill allows a signed U.S. or Puerto Rican tax return. The House bill allows a signed Federal tax return.

The House recedes.

(d) the Senate bill, but not the House bill allows any other documentation that the Secretary deems appropriate

The Senate recedes.

The Senate bill prohibits the Secretary from funding an applicant that was involved in the fraudulent use of funds under this subpart.

The conference substitute prohibits the Secretary from funding an applicant that was involved in the fraudulent use of funds under this subpart, after the Secretary has made a determination of such fraudulent use.

The Senate bill would allow for 4 year awards, giving the Secretary the ability to make 5 year awards for exceptional programs. The House bill would allow for 5 year awards.

The conference substitute provides for 4-year awards, but requires 5-year awards for applicants who ranked in the top 10 percent of funded applicants in each program.

The Senate bill requires the Secretary to notify continuing applicants 8 months prior to the expiration date of the current award. The House bill requires 10 month prior notification.

The House recedes.

Both the Senate bill and the House bill ensures that for continuing awards the start-up date of the new awards immediately follows the termination date of the previous award.

The House recedes.

The Senate bill requires the Secretary to notify new applications 8 months prior to the start up date of the award. The House bill requires 10 month prior notification.

The House recedes.

Both the Senate bill and the House bill ensure that for continuing awards the start-up date of the new awards immediately follows the termination date of the previous award.

The House recedes.

The Senate bill requires the Secretary to notify new applications 8 months prior to the start up date of the award. The House bill requires 10 month prior notification.

The House recedes.

Both the Senate bill and the House bill prohibit the Secretary from limiting the number of applications that an institution may submit, however the Senate specifies that the multiple applications must serve different populations or campuses.

The House recedes.

Both the Senate bill and that House bill encourage the coordination of TRIO programs and other programs for disadvantaged students, using slightly different language. Both the Senate bill and the House bill prohibit the Secretary from prohibiting institutions to sponsor similar programs, regardless of the funding source, but with different language. Both the Senate bill and the House bill prohibit the Secretary from requiring a separate Director to administer TRIP programs if this requirement would hinder coordination, using slightly different language.

The House recedes.

The House bill, but not the Senate bill, requires the Secretary to provide inflationary funding increases to continuing institutions in years when appropriations permit.

The House recedes.

The House bill, but not the Senate bill, requires the Secretary, in any year where there is an appropriations increase above inflation, to use 80 percent of the increase to establish minimum grant levels for TRIO programs as follows: $170,000 in FY 1993 for Student Support Services and Staff Development activities, $180,000 in FY 1994 for Talent Search and EOCs, and $190,000 in FY 1995 for Upward Bound and McNair.

The Senate recedes.

Both the Senate bill and the House bill amend the Talent Search program with the following differences:

(a) slightly different language on numbers 1, 4 and 5

The House recedes.

(b) the House bill, but not the Senate bill, includes program and activities designed especially for L.E.P. students

The Senate recedes.

The Senate bill amends the Upward Bound program to require that any project that has received funding for more than two years include mathematics through precalculus, a minimum of one laboratory science, a minimum of one foreign language, composition and literature as part of core curriculum. The House bill has similar provisions, except there is no foreign language requirement.

The conference substitute provides that any project that has received funding for more than two years include mathematics through precalculus, instruction in laboratory science, instruction in foreign language, composition and literature as part of core curriculum.

Both the Senate bill and the House bill amend the Student Support Services program with the following differences:

(a) in program authority section House bill uses "individuals with disabilities" where Senate bill uses "physically handicapped students"

The Senate recedes.

(b) Senate and House bills contain slightly different language on permissible mentoring activities

The House recedes.

(c) section 401D(c)(2) (requirements section of the House bill) uses "individuals with disabilities" where Senate bill uses "physically handicapped students"

The Senate recedes.

(d) the House bill, but not the Senate bill, requires that at least one-third of those participating in a project who are individuals with disabilities also be low-income

The Senate recedes.

Both the Senate bill and the House bill add a list of permissible services to the EOC program with the following differences:

(a) the House bill, but not the Senate bill, includes mentoring as a permissible service

The Senate recedes.

(b) the House bill, but not the Senate bill, includes services specially designed for L.E.P. students as a permissible service

The Senate recedes.

The Senate bill, but not the House bill, merges the current Title IX–A program for minority graduate studies with the McNair program.

The conference substitute does not merge these programs but provides for requirements in the Title IX program that are similar to the McNair requirements of the Senate bill.

Both the Senate bill and the House bill authorize a new section for the McNair program; however the purpose of the program is different.

The Senate recedes.

The Senate bill, but not the House bill, ensures that a significant number of projects assisted will provide summer research internships.

The Senate recedes.

The House bill, but not the Senate bill, provides mentoring as a permissible service under McNair.

The conference substitute provides mentoring as a permissible service under McNair, but removes reference to elementary and secondary school teachers.

The House bill, but not the Senate bill, provides that exposure to cultural events and academic programs not usually available to a disadvantaged student is a permissible service under McNair.

The Senate recedes.

The Senate bill requires one-half of students served must be first-generation in college and low-income. The House bill requires two-thirds of students served must be first-generation in college and low-income.

The conference substitute requires two-thirds of students served under McNair and under Title IX, part A must be first-generation in college and low-income.

The Senate bill, but not the House bill, requires an assurance that summer internships, seminars and research activities are jointly developed, implemented and administered with the dean or other official of the college.

The Senate recedes.

The Senate bill, but not the House bill, reserves at least $11 million from TRIO funds for McNair for fiscal years 1993 through 1999.

The conference substitute reserves, to the extent practicable, at least $11 million from TRIO funds for McNair for fiscal years 1993 through 1997.

Both the Senate bill and the House bill authorize an Advanced Placement Fee Payment Program. The Senate bill would have the Secretary make grants to states, the House bill would have the Secretary enter into contracts.

The conference substitute provides grants to states and requires that funds under this program must supplement, not supplant, any private funds.

The Senate bill places the Advanced Placement Fee Program as a new subsection in the TRIO section, while the House bill places this as a separate section in the early intervention subpart.

The conference substitute places this program in title XV of the Higher Education Amendments of 1992.

The Senate bill requires SEAs to disseminate information on the availability of test fee payments, while the House bill gives this responsibility to the Secretary.

The House recedes.

The Senate bill, but not the House bill, specifically allows the verification of low-income status to be done through the same documentation requirements as set forth for low-income verification in the TRIO programs.

The House recedes.

The Senate bill, but not the House bill, specifies that the term "low-income individual" is the same as defined under the TRIO programs.

The House recedes.

MODEL PROGRAMS

The House bill, but not the Senate bill, authorizes a Model Program Community Partnership Counseling Grants program to provide for model programs to demonstrate effective early intervention for special populations of students. The House bill provides for the dissemination of this information through the National Diffusion Network. The House bill authorizes $70 million for the model programs and $20 million for the dissemination activities for fiscal year 1993 and such sums as necessary for the 4 succeeding fiscal years.

The conference substitute authorizes a Model Program Community Partnership Counseling Grants program to provide for model programs to demonstrate effective early intervention for special populations of students. Information about programs of demonstrated effectiveness will be disseminated by the Secretary. The conference substitute authorizes $35 million for fiscal year 1993 and such sums as necessary for the 4 succeeding fiscal years.

PUBLIC INFORMATION AND DATA BASES

The Senate bill creates a new section 494B to direct the Secretary to award a contract to establish and maintain a computerized data base of all public and private student financial assistance programs and to provide a toll-free number for individualized financial assistance information. The House bill contains a similar provision in the early intervention subpart of Part A.

The Senate recedes.

The House bill, but not the Senate bill, includes access by TDDs as part of the toll-free number and directs the Secretary to refer individuals with disabilities and their parents to the postsecondary clearinghouse authorized under the Individuals with Disabilities Education Act.

The Senate recedes.

The Senate bill authorizes $10 million in fiscal year 1993 and such sums as necessary for the 6 succeeding fiscal years. The House bill includes this program and the public advertising in the same authorization.

The Senate recedes.

The Senate bill replaces section 486 with a program authorizing the Secretary to enter into contracts with appropriate agencies to conduct an information program designed to broaden the early awareness of postsecondary education opportunities by publicizing the availability of Federal aid, the importance of postsecondary education and the need to finish high school in order to meet the requirements of college. The House bill includes a similar provision to provide for public advertising to encourage economically disadvantaged, minority and at-risk students to seek postsecondary education in the early intervention subpart of Part A.

The conference substitute combines the Senate specifically on the type of information with the House specifically on who the information should be provided to and places this program in the early intervention subpart.

The Senate bill authorizes $15 million for fiscal year 1993 and such sums as necessary for the 6 succeeding fiscal years for this program. The House bill authorizes $20 million for fiscal year 1993 and such sums as necessary for the 4 succeeding fiscal years for this program and the data base and toll-free information line.

The Senate recedes.

HEP/CAMP

The Senate bill expands the HEP program to include as eligible participants those who are 16 or older or who are beyond the age of compulsory school attendance in the state and are not in school.

The House recedes.

The House bill expands the HEP participants to include those who have participated in the Chapter 1 migrant and the migrant JTPA program.

The conference substitute expands the HEP participants to include those who have participated during the past two years and those eligible to participate in the Chapter 1 migrant and the migrant JTPA program.

The Senate bill, but not the House bill, limits CAMP services to those which are specifically mentioned in the legislation or those necessary to assist migrant students in completing their first year of college.

The Senate recedes.

Both the Senate bill and the House bill expand the CAMP participants to include those who have participated in the Chapter 1 migrant and the migrant JTPA program, with slightly different language.

The conference substitute expands the HEP participants to include those eligible to participate in the Chapter 1 migrant and the migrant JTPA program.

The Senate bill, but not the House bill, requires the CAMP programs use not more than 10 percent of their grant to provide follow-up services for students who have completed their first year of college and contains a list of allowable follow-up services.

The House recedes.

BYRD SCHOLARSHIPS

The House bill, but not the Senate bill, deletes the definitions section in the Byrd scholarship program.

The Senate recedes.

The Senate bill, but not the House bill, allows Byrd scholarships to be used for each of the first four years of study at an institution. The Senate bill also clarifies that scholarships can be used at any Title IV eligible institution of higher education.

The House recedes.

The Senate bill, but not the House bill, changes the allocation formula such that each state would receive a proportion of the total scholarships awarded that bears the same ratio as the number of children aged 5–17 in the state bears to all such children in the nation. There would be a minimum of 10 scholarships per state. The Senate bill, but not the House bill, also eliminates funds for administrative expenses.

The House recedes.

The Senate bill, but not the House bill, amends the selection of scholars section in the Byrd program to eliminate the need for a scholar in each congressional district and replaces this with general geographic distribution language. The Senate bill also adds in the insular areas not previously included.

The House recedes.

The Senate bill, but not the House bill, requires Byrd scholarships to be considered in the awarding of title IV aid.

The House recedes.

The Senate bill, but not the House bill, repeals the awards ceremony.

The House recedes.

Both the House and Senate bills authorize Byrd scholarships at the same funding level; however, the Senate bill authorizes Byrd through fiscal year 1999 and the House authorizes this program through fiscal year 1997.

The Senate recedes.

VEOP

The Senate bill reauthorizes the Veterans Education Outreach Program. The House bill repeals this program.

The Senate recedes.

PRESIDENTIAL ACCESS SCHOLARSHIPS

The Senate bill replaces subpart 8 of title IV with a new scholarship program. The House bill authorizes a similar program in the House subpart on early intervention and outreach.

The conference substitute includes this program in the subpart on early intervention and outreach.

The Senate bill names these Access Scholarships. The House bill names these Congressional Honors Awards.

The conference substitute names these scholarships Presidential Access Scholarships.

The Senate bill states the purpose of the award is to encourage students to finish high school and attend college and to upgrade the course of study completed by high school graduates. The House bill authorizes scholarships to Pell recipients who have participated in a preparatory program and who have demonstrated academic achievement.

The conference substitute provides these scholarships to Pell recipients who have participated in a preparatory program and who have demonstrated academic achievement and names the recipients Presidential Access Scholars.

The Senate bill authorizes $200 million for fiscal year 1993 and such sums as necessary for the succeeding 4 fiscal years. The House bill authorizes such sums for fiscal year 1993 and the four succeeding fiscal years.

The House recedes.

The Senate bill stipulates that no funds are authorized unless the appropriation under Part A increases annually.

The conference substitute provides that no funds are authorized unless the appropriation under Pell increases annually.

The Senate provides that student a is eligible for four academic years of scholarship assistance, or for the student who is enrolled in a five-year program, five academic years. The House bill provides that a student can receive a scholarship for each year the student receives a Pell grant.

The House recedes.

The Senate bill, but not the House bill, specifically states that the student can use the scholarship to attend any eligible institution of higher education.

The House recedes.

The House bill, but not the Senate bill, calls recipients "Congressional Honors Scholars."

The conference substitute calls the recipients Presidential Access Scholars.

The Senate bill requires eligible students to have participated in either a TRIO program or a state early intervention program authorized under this title. The House bill requires eligible students to have participated for 36 months in either the state early intervention program, Upward Bound, Talent Search, one of the Model programs authorized in Part A, or another early intervention program that is certified by the Governor, meets any requirements established by the Secretary and meets at least biweekly during the school year for two hours outside of class time.

The conference substitute defines eligible students as students who have (1) completed the minimum college preparatory coursework; (2) have maintained a G.P.A. of 2.5 or higher on a scale of 4.0 in the final two years of high school; and (3) either (a) ranked in the top 10 percent of the high school graduating class or (b) have participated in an early intervention program as required under the House bill, with a waiver for those students who do not have access to an early intervention program either because none are offered in the area or the ones offered have no spaces available.

The Senate bill, but not the House bill, requires eligible students to have a high school diploma or equivalent.

The House recedes.

The Senate bill, but not the House bill, requires eligible students to have obtained the high school diploma or equivalent within three years prior to receiving the scholarship.

The House recedes.

The Senate bill requires eligible students to be eligible for a Pell grant. The House bill requires eligible students to be receiving a Pell grant.

The House recedes.

The Senate bill requires eligible students to have taken college preparatory level coursework of 4 years of English, 3 years of science, 3 years of mathematics, 3 years of history (or 2 years of history and 1 year of social studies), and 2 years of foreign language (or 1 year of foreign language and 1 year of computer science). The House bill requires eligible students to complete 3 years of mathematics, 2 years of science, and 4 years of English with a G.P.A. of at least 2.5 in the final two years of high school.

The House recedes.

The Senate bill, but not the House bill, specifically excludes those students with an associate or bachelors degree from eligibility.

The House recedes.

The Senate bill, but not the House bill, allows the Secretary to waive the requirement of participation in an early intervention program in cases where no early intervention program was available.

The conference substitute provides a waiver for those students who do not have access to an early intervention program either because none are offered in the area or the ones offered have no spaces available.

The Senate bill, but not the House bill, allows the Secretary to waive the foreign language requirements for L.E.P. students who have participated in English language instruction program.

The conference substitute allows the Secretary to waive the foreign language requirements for L.E.P. students who have participated in English language instruction program or bilingual students.

The Senate bill, but not the House bill, requires that states must enter into agreements with the Secretary to administer this program and specifies some of the contents of such agreements.

The House recedes.

The Senate bill provides for a $1000 scholarship. The House bill provides that the scholarship amount equals 25 percent of the student's Pell grant for that year.

The conference substitute sets the award at the greater of $400 or 25 percent of the student's Pell award for that year.

The Senate bill provides that second year students must be eligible for a Pell grant and maintain satisfactory progress in order to be eligible for a scholarship. The House bill contains a similar provision for all students other than first year students, with the additional requirement that they received a scholarship in the previous academic year.

The House recedes.

Both the Senate bill and the House bill provide that scholarships cannot exceed a student's cost of attendance when combined with other student aid; however the language is different.

The House recedes. The conferees intend that all grant assistance, including grants awarded under this section, will be awarded prior to awarding the student any work-study or loan assistance.

The Senate bill requires eligible students to submit an application to the Secretary. The House bill requires early intervention programs to provide the Secretary with names of eligible students. The Secretary then notifies the Pell grant processor of the eligible students.

The House recedes.

The House bill, but not the Senate bill, provides that the scholarships be awarded in conjunction with Pell grant awards.

The House recedes.

The House bill, but not the Senate bill, requires the Secretary to conduct an awards ceremony for first-year scholarship recipients.

The House recedes.

The House bill, but not the Senate bill, authorizes $170 million for fiscal year 1993 and such sums as necessary for the succeeding four fiscal years for President Achievement Scholarships. This program would authorize $500 scholarships for Pell recipients who are in the top 10 percent of their high school class or have reached the minimum score determined by the Secretary on a nationally administered standardized test, approved by the Secretary. For a student to receive an award after the first year, the student must be enrolled in at least a two-year degree or certificate program, receive a Pell grant, and be ranked in the top 20 percent of the student's class.

The House recedes.

MINORITY SCIENCE AND ENGINEERING IMPROVEMENT PROGRAMS

The Senate bill, but not the House bill, moves the Minority Science and Engineering Improvement Programs from part B of Title X to create a new subpart 9 of part A of title IV.

The Senate recedes.

The House bill, but not the Senate bill, includes minority women among those to be served by this program.

The conference substitute targets minority women among those to be served by this program.

The Senate bill, but not the House bill, removes the requirement for an annual report to Congress on the list of grantees and requires the Secretary, in cooperation with other department and agency heads, to report to the President and to Congress by January 1, 1996 summarizing and evaluating other Federal programs similar in purpose to the Minority Science Improvement Program.

The House recedes.

The House bill, but not the Senate bill, includes serving minority women as a particular use of funds.

The Senate recedes.

The Senate bill, but not the House bill, requires that recipients must demonstrate reasonable progress toward achieving the goals of the project in order to continue eligibility.

The Senate recedes.

The Senate bill, but not the House bill, requires both consultation and cooperation with other Federal, state and private agency programs.

The House recedes.

The Senate bill, but not the House bill, repeals the section on the Advisory Board for the Minority Science and Engineering Improvement Programs.

The House recedes.

The Senate bill authorizes $7.5 million for fiscal year 1993 and such sum as necessary for the succeeding 6 fiscal years. The House bill authorizes $10 million for fiscal year 1993 and such sums as necessary for the succeeding 4 fiscal years.

The Senate recedes.

DISLOCATED WORKERS

The Senate bill, but not the House amendment, creates another new subpart 9 to part A, authorizing the Secretary to award grants to states to pay the Federal share (50 percent) of establishing and operating eligible dislocated workers educational training demonstration programs. Grants shall be awarded on the basis of the number of eligible dislocated workers in each State. A demonstration program shall be designed to provide eligible dislocated workers with new skills, lead to entry level job skills to assist a worker to return to the work force, and provide educational opportunities in programs that do and do not provide academic credit. An eligible dislocated worker is one who has applied for all available assistance and is eligible for unemployment compensation. No individual is eligible to participate if he has completed his educational goal or returns to employment of at least 20 hours per week. The unemployment compensation of an individual shall not be reduced due to his participation in the program. $5 million is authorized to be appropriated for FY 1993 and such sums for each fiscal year thereafter.

The Senate recedes.

NATIONAL SCIENCE SCHOLARS

The Senate bill, but not the House bill, moves Part A of title VI of the Excellence in Mathematics, Science and Engineering Education Act of 1990 (P.L. 101–589) to create a new subpart 10 of Part A of title IV of the Higher Education Act.

The Senate recedes.

The Senate bill authorizes $10 million for fiscal year 1993 and such sums as necessary for the 6 succeeding fiscal years. The House bill authorizes $4.5 million for fiscal year 1993 and such sums as necessary for the 4 succeeding fiscal years.

The conference substitute authorizes $10 million for fiscal year 1993 and such sums as necessary for the 4 succeeding fiscal years.

The Senate bill, but not the House bill, provides that the Secretary shall notify other Federal agencies of the requirements of the Summer Employment Opportunities for Scholars.

The Senate recedes.

CHILD CARE

The Senate bill, but not the House bill, moves the Special Child Care Service for Disadvantaged College Students program for subpart 8 to subpart 11 of Part A of Title IV.

The Senate recedes.

The Senate bill authorizes $25 million for fiscal year 1993 for the Special Child Care Service for Disadvantaged College Students and such sums as necessary for the 6 succeeding fiscal years. The House bill authorizes $10 million for fiscal year 1993 and such sums as necessary for the 4 succeeding fiscal years.

The conference substitute authorizes $20 million for fiscal year 1993 and such sums as necessary for the 4 succeeding fiscal years.

TRAINING GRANTS

The Senate bill, but not the House bill, creates a new subpart 12 of part A of title IV called the Training Grants for Community College and Small Business Consortia. This program authorizes $5 million for fiscal year 1993 and each of the succeeding 6 fiscal years to make no more than 40 grants to community colleges participating in an eligible consortium to develop and provide training and retraining programs which meet the existing and changing needs of the eligible consortium's workers.

The Senate recedes.

OLYMPIC SCHOLARSHIPS

The Senate bill, but not the House bill, authorizes $6 million for fiscal year 1993 and each of the succeeding 6 fiscal years to award scholarships to each athlete training at the U.S. Olympic Education Center or a U.S. Olympic Training Center.

The conference substitute authorizes $5 million for fiscal year 1993 and each of the succeeding 4 fiscal years to award grants to the U.S. Olympic Education Center or a U.S. Olympic Training Center to provide need-based student financial assistance to athletes and moves this provision to title XV of the Higher Education Amendments of 1992.

EISENHOWER LEADERSHIP PROGRAM

The Senate bill includes a new Dwight D. Eisenhower Leadership program in subpart

14 of part A of title IV. The House bill includes this program in part F of title XI.

The conference substitute includes this provision in title X.

The House bill, but not the Senate bill, requires the internships to be given to needy American leaders, with a priority given to those who qualify for title IV assistance.

The conference substitute provides that eligible students are those eligible under section 484(a) of the Higher Education Act, gives a priority to those who qualify for title IV need-based assistance and ensures that those served will be broadly representative of the population.

The Senate bill, but not the House bill, states that identifying leaders from developing democracies and supporting their study in the U.S. is one of the functions of this program.

The Senate recedes.

The House bill, but not the Senate bill, provides that the development of curriculum for secondary and postsecondary education is one of the functions of this program.

The Senate recedes.

The Senate bill provides that private nonprofit organizations would operate this program. The House bill provides that private nonprofit organizations in consortia with institutions of higher education or institutions of higher education are eligible to apply to run the program.

The Senate recedes.

The Senate bill authorizes $10 million fiscal year 1992 and such sums as necessary for fiscal years 1994 and 1995. The House bill authorizes $10 million for fiscal year 1993 and such sums as necessary for the succeeding four fiscal years.

The Senate recedes.

PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

The House bill, but not the Senate bill, changes the title of part B from the "Robert T. Stafford Student Loan Program" to the "Federal Family Education Loan Program."

The Senate recedes.

The House bill, but not the Senate bill, changes the name of the part B program from the "Robert T. Stafford Loan Program" to the "Federal Stafford Student Loan Program." Loans made under section 427 and 428 shall be known as "Federal Stafford Loans."

The conference substitute changes the name of the program to the "Robert T. Stafford Federal Student Loan Program." Loans made under section 427 and 428 shall be known as "Federal Stafford Loans."

The House bill, but not the Senate bill, suspends authority for new loan guarantees, if the Secretary has not issued final regulations implementing changes to this part before June 30, 1994. The authority shall resume upon issuance of the regulations.

The Senate recedes.

The Senate bill, but not the House bill, provides that the unencumbered non-Federal portion of a guaranty agency's reserve fund shall not be subject to spend down.

The House recedes.

The Senate bill provides for the reimbursement of claims filed between September 1, 1988 and December 31, 1989. The House bill provides for the reimbursement of claims filed between September 1988 and December 31, 1989.

The House recedes.

FISL

The Senate bill, but not the House bill, requires the Secretary, within 30 days of enactment, to pay the full amount of payments withheld or canceled to any guaranty agency which 1) was required to spend-down its reserves, 2) appealed the Secretary's demand and received a waiver of a portion of the amount to be spent down, 3) had the remainder withheld or canceled, and 4) according to a Department review, is expected to become insolvent by 1996, at least in part because of the spend-down.

The House recedes.

The Senate bill and the House bill change FISL loan limits, as follows:

Senate—First year: $3,000—full time, $2,250—¾ time, $1,750—½ time.

Second year: $3,500—full time, $2,250—¾ time, $1,750—½ time.

Other undergraduate: $5,500—full time, $3,750—¾ time, $2,500—½ time.

Graduate and prof: $9,000.

House—First and second year: $2,625—full academic year, $1,750—⅔ academic year, $875—⅓-⅔ academic year.

Other undergraduate: $4,000—full academic year, $2,675—⅔ academic year, $1,350—⅓-⅔ academic year.

Graduate and prof: $7,500.

The conference substitute provides for loan limits as follows:

First year: $2,625—full academic year, $1,750—⅔ academic year, $875—⅓-⅔ academic year.

Second year: $3,500—full time, $2,325-⅔ academic year, $1,175—⅓-⅔ academic year.

Other undergraduate: $5,500—full time, $3,675-⅔ academic year, $1,825—⅓-⅔ academic year.

Graduate and prof: $8,500.

The Senate bill, but not the House bill, restricts the authority of the Secretary, by regulation, to increase loan limits for graduate and professional students when a higher amount is warranted. The Senate bill, but not the House bill, allows a higher amount for study abroad.

The Senate recedes.

The Senate bill, but not the House bill, provides that the determination of a student's workload shall be made at the time of certification, and shall not be affected by subsequent changes of workload during loan period.

The Senate recedes.

The Senate bill, but not the House bill, increases aggregate loan limits for Part B programs, excluding SLS and PLUS loans, to $23,000 for undergraduates and $68,000 for graduate students.

The conference substitute increases aggregate loan limits for Part B programs, excluding SLS and PLUS loans, to $23,000 for undergraduates and $65,500 for graduate students.

The Senate bill, not the House bill, restricts the authority of the Secretary to increase aggregate loan limits to graduate and professional students.

The Senate recedes.

The Senate bill, but not the House bill, sets overall limits for Part B (excluding PLUS loans) and Perkins loans at $52,000 for undergraduates and $115,000 for graduates.

The Senate recedes.

The Senate bill authorizes a lender to obtain a credit report on a FISL borrower who is an independent student (for which the lender may not charge the borrower a fee) and to require an applicant with an adverse credit history to obtain a credit-worthy cosigner or endorser. The House bill requires FISL loans to be made without security or endorsement, unless required to create a binding obligation under applicable law.

The Senate recedes.

The Senate bill, but not the House bill, makes existing FISL deferments applicable only for loans made on or before June 30, 1993.

The conference substitute provides that new deferments effect only new borrowers whose first disbursement is on or after July 1, 1993.

The Senate bill, but not the House bill, rescinds the current requirement that a student enrolled on a half-time basis must borrow again in order to obtain a deferment. This provision is applied both to loans made on, before or after June 30, 1993.

The conference substitute rescinds the current requirement that a student enrolled on a half-time basis must borrow again in order to obtain a deferment. This provision is applied to new borrowers whose first disbursement is on or after July 1, 1993.

The Senate bill, for new borrowers of FISL loans on or after July 1, 1993, provides deferments for in-school unemployment (3-years), temporary total disability (3 years) and full-time employment at minimum wage or a wage equal to 100 percent of the poverty line for a family of 2 (3 years). The House bill amends FISL to replace deferments (except in-school) for all borrowers with deferments for unemployment (24 months) and economic hardship, as defined by regulations of the Secretary (36 months).

The Conference substitute provides for deferments to be as follows: (1) in-school; (2) unemployment for up to 3 years; and (3) economic hardship for up to 3 years, defined pursuant to regulations by the Secretary, who shall consider income and debt to income ratio as primary factors in promulgating the regulations and that these regulations are subject to negotiated rule-making, except that those who are working full-time and earning an amount which does not exceed the greater of the minimum wage or a wage equal to 100 percent of the poverty level for a family of 2 will be included under the economic hardship deferment.

The House bill, but not the Senate bill, allows in-school deferments for attendance at institutions ineligible to participate in Part B programs due to default rates.

The conference substitute extends the in-school deferment to all students who are attending a title IV eligible institution (whether or not that institution participates in the loan program).

The Senate bill, but not the House bill, requires the lender to notify the FISL borrower not later than 120 days after the borrower has left school of the month in which his repayment period begins.

The conference substitute requires the lender to notify the FISL borrower not later than 120 days after the borrower has left school of the date on which his repayment period begins.

The House bill, but not the Senate bill, requires FISL lenders to offer borrowers the option of graduated or income-sensitive repayment, according to a schedule established by the lender and approved by the Secretary, and modifies the minimum repayment provisions to take such graduated or income-sensitive payments into account.

The Senate recedes.

The House bill, but not the Senate bill, requires the delivery of FISL funds directly to borrowers studying outside the United States.

The conference substitute requires the delivery of FISL funds directly to borrowers studying outside the United States, upon the request of the borrower and provides for the execution of a statement of authorization.

The House bill, but not the Senate bill, eliminates the joint minimum repayment for married borrowers.

The Senate recedes.

Interest rates

The Senate bill reduces the interest rate cap on SLS and PLUS loans disbursed after July 1, 1993, from 12 percent to 11 percent. The House bill reduced the cap on PLUS loans disbursed after such date to 10 percent.

The conference substitute reduces the interest rate cap on SLS loans to 11 percent and PLUS loans to 10 percent for loans disbursed after October 1, 1992.

The House bill, but not the Senate bill, provides a Stafford borrower's 8 percent interest begins on the first date of the repayment period, rather than on date of disbursement, as under existing law.

The conference substitute conforms this provision to the change in interest rate and definition of repayment provisions.

The House bill, but not the Senate bill, provides for a "windfall" provision on 8 percent loans when the T-bill + 3.25 is less than 8 percent. During any period in which the borrower is eligible to have interest payments made on his behalf by the government, such excess shall be credited to the government. During any period in which the borrower is paying 8 percent, the excess shall be credited to his account.

The conference substitute provides for a "windfall" provision on 8 percent loans when the T-bill + 3.10 is less than 8 percent. During any period in which the borrower is eligible to have interest payments made on his behalf by the government, such excess shall be credited to the government. During any period in which the borrower is paying 8 percent, the excess shall be credited to his account. The conference substitute applies this provision to new loans to current and former borrowers.

The House bill, but not the Senate bill, provides that in any case where the "windfall" provision is applicable, the lender may fulfill the requirement by reducing the borrowers final payment on the loan. It makes clear that the lender shall not be required to make additional disclosures because of the operation of the "windfall" provision.

The Senate recedes.

The Senate bill, but not the House bill, increases interest rates to new Stafford borrowers on or after July 1, 1993, to a variable rate based on T-bill + 3.10 percent, capped at 9 percent for the first years of repayment and 11 percent thereafter.

The conference substitute modifies interest rates for new Stafford borrowers on or after October 1, 1992, to a variable rate based on T-bill + 3.10 percent, capped at 9 percent and conforms the special allowance provisions with respect to loans made from tax-exempt bond proceeds to enable them to have a yield consistent with current law.

Federal Stafford loans

The Senate bill, but not the House bill, requires a Stafford borrower to provide the lender with his drivers license number at the time of the loan application.

The House recedes.

The Senate bill, but not the House bill, includes in the definition of the "student's estimated financial assistance" veterans' education benefits under title 10, USC, and Chapters 30 and 31, title 38, USC. It eliminates inclusion of "other scholarship, grant, or loan assistance."

The conference substitute includes in the definition of the "student's estimated financial assistance" veterans' education benefits as defined in Part F.

The Senate bill, but not the House bill, places the determination of need in part F (Need Analysis), rather than specifying its calculation in part B.

The House recedes.

The House bill, but not the Senate bill, precludes lenders from charging interest or receiving interest subsidies for loans for which the disbursement checks have not been cashed.

The conference substitute permits lenders to collect special allowance for up to 3 days (for Electronic Funds Transfer) or 10 days (for written checks); however there would be no special allowance on loans which remain unconsummated and applies this provision also to the administrative cost allowance for guaranty agencies. The conferees intend that no special allowance is paid on loans where the student does not cash the check. The conferees further intend that if the student does cash the check the pre-consummation period for which the lenders get reimbursed will not exceed 3 days for electronic funds transfer or 10 days for checks that are mailed.

Both the Senate bill and the House bill clarify that Stafford loans are available for a program of study abroad approved for credit by an eligible institution, but the language differs.

The House recedes.

The Senate bill and the House bill change Stafford loan limits, as follows:

Senate—First year: $3,000—full-time, $2,250—¾ time, $1,500—½ time.

Second year: $3,500—full-time, $2,250—¾ time, $1,750—½ time.

Other undergraduate $5,500—full-time, $3,750—¾ time, $2,500—½ time.

Graduate and prof: $9,000.

House—First and second year: $2,625—full academic year, $1,750—⅔ academic year, $875—⅓-⅔ academic year.

Other undergraduate: $4,000—full academic year, $2,675—⅔ academic year, $1,350—⅓-⅔ academic year.

Graduate and prof: $7,500.

The conference substitute provides for loan limits as follows: First year: $2,625—full academic year, $1,750—⅔ academic year, $875—⅓-⅔ academic year.

Second year: $3,500—full time, $2,325—⅔ academic year, $1,175—⅓-⅔ academic year.

Other undergraduate: $5,500—full time, $3,675—⅔ academic year, $1,825—⅓-⅔ academic year.

Graduate and prof: $8,500.

The Senate bill, but not the House bill, restricts the authority of the Secretary to increase aggregate loan limits to graduate and professional students.

The Senate recedes.

The Senate bill, but not the House bill, increases aggregate loan limits for the Part B program, excluding SLS and PLUS loans, to $23,000 for undergraduates and $68,000 for graduate students.

The conference substitute increases aggregate loan limits for the Part B program, excluding SLS and PLUS loans, to $23,000 for undergraduates and $65,500 for graduate students.

The Senate bill, but not the House bill, sets overall limits for Part B (excluding PLUS loans) and Perkins loans at $52,000 for undergraduates and $115,000 for graduates.

The Senate recedes.

The Senate bill excludes forbearances from the 10-year repayment period. The House bill provides that the repayment period for FISL and Stafford loans shall begin the day after the expiration of the grace period, unless the borrower requests an earlier repayment period. The repayment period for SL shall begin on the date the loan is disbursed, or if multiply disbursed, on the day of the last disbursement. The repayment period for PLUS and Consolidation loans begins on the day the loan is disbursed. In all cases, the repayment period shall exclude any period of deferment or forbearance.

The Senate recedes.

The House bill but not the Senate bill, requires lenders, not more than 6 months before the beginning of the repayment period, to offer the borrower the option of graduated or income-insensitive repayment, according to a schedule established by the lender and approved by the Secretary.

The Senate recedes.

The House bill, but not the Senate bill, requires that the borrower receive monthly statements during the first 2 years of repayment

The House recedes.

The House bill, but not the Senate bill, eliminates the joint minimum repayment for married borrowers.

The Senate recedes.

The Senate bill, but not the House bill, limits deferments to borrowers who have received loans on or before June 30, 1993.

The conference substitute provides that new deferments effect only new borrowers whose first disbursement is on or after July 1, 1993.

The House bill, but not the Senate bill, clarifies that the Secretary shall pay accrued interest on Stafford deferments.

The Senate recedes.

The Senate bill, for new borrowers of Stafford loans on or after July 1, 1993, provides deferments for in-school unemployment (3-years), temporary total disability (3 years) and full-time employment at minimum wage or a wage equal to 100 percent of the poverty line for a family of 2 (3 years). The House bill amends FISL to replace deferments (except in-school) for all borrowers with deferments for unemployment (24 months) and economic hardship, as defined by regulations of the Secretary (36 months).

The conference substitute provides for deferments to be as follows: (1) in-school; (2) unemployment for up to 3 years; and (3) economic hardship for up to 3 years, defined pursuant to regulations by the Secretary, who shall consider income and debt to income ratio as primary factors in promulgating the regulations and that these regulations are subject to negotiated rule-making, except that those who are working full-time and earning an amount which does not exceed the greater of the minimum wage or a wage equal to 100 percent of the poverty level for a family of 2 will be included under the economic hardship deferment.

The House bill, but not the Senate bill, allows in-school deferments for attendance at institutions ineligible to participate in Part B programs due to default rates.

The conference substitute extends the in-school deferment to all students who are attending a title IV eligible institution (whether or not that institution participates in the loan program)

The House bill, but not the Senate bill, requires the delivery of Stafford funds directly to borrowers studying outside the United States.

The conference substitute requires the delivery of Stafford funds directly to borrowers studying outside the United States upon the request of the borrower and provides for the execution of a statement of authorization.

The House bill, but not the Senate bill, authorizes a guaranty agency to limit the total number of volume of loans made to students attending a particular institution and to limit, suspend, or terminate an institution's eligibility (I) under regulations by the Secretary or agency regulations substantially the same, (II) if a State constitutional prohibition affects eligibility, (III) if the institution fails to make timely refunds or fails to satisfy a judgment with 30 days, (IV) if the institution's owner is found guilty in any criminal, civil or administrative proceeding, or (V) if such institution or its owner has unpaid financial liability involving State or Federal financial aid funds. The Secretary is required to apply an agency's action nationwide unless he finds, within 30 days of notification of agency action, that such action did not comply with the requirements of the section.

The conference substitute adopts this provision changing clause (III) to failure to satisfy a final judgment and making other clarifying changes. It is the intent of the conferees that clause (IV) means that a guaranty agency is authorized to institute a limitation, suspension or termination if an institution or an owner, director or officer of an institution is found guilty in any criminal, civil or administrative proceeding regarding the obtaining, maintenance, or disbursement of State or Federal grant, loan, or work assistance funds. Further, a guaranty agency is authorized to institute L, S or T procedure if an institution or an owner, director, or officer of an institution is found liable in any civil or administrative proceeding regarding the obtaining, maintenance, or disbursement of State or Federal grant, loan, or work assistance funds.

The House bill, but not the Senate bill, requires a compliance audit of a lender at least annually by a qualified, independent organization or person, in accordance with the Comptroller General's standards, the results of which shall be submitted to the Secretary.

The conference substitute requires a compliance audit of a lender at least annually by a qualified, independent organization or person, in accordance with the Comptroller General's standards, the results of which shall be submitted to the Secretary. The conference substitute further allows the Secretary to waive this requirement if another institutional audit would suffice.

The Senate bill permits lenders to obtain a credit report, at no cost to the borrower, for independent students under Stafford, SLS or PLUS. Absence of credit history may not constitute adverse credit history. Both the Senate bill and the House bill repeal current law regarding credit reports and confession of judgment, but using different language.

The Senate recedes.

The Senate bill, but not the House bill, adds to the program requirements a provision that the guaranty agency shall implement all requirements for uniform claims and procedures.

The conference substitute adds to the program requirements a provision that the guaranty agency shall implement all requirements for uniform claims and procedures, cross-referencing the provision for standardization of documents and procedures.

The House bill, but not the Senate bill, requires participation agreements between a guaranty agency and eligible institutions within its service area.

The conference substitute provides the authority of a guaranty agency to require a participation agreement between the agency and each eligible institution within the State in which it is designated as a condition for guaranteeing loans made on behalf of students attending the institution.

The House bill, but not the Senate bill, changes the guaranty agency audit requirements from biennial to annual.

The Senate recedes, conforming this to the provision on Default Management Plans.

The House bill adds to the program requirements that the guaranty agency will provide the Secretary necessary financial information and maintain sufficient reserve funds.

The Senate recedes.

The Senate bill adds the financial reporting requirement to the program agreement.

The House recedes.

The Senate bill, but not the House bill, requires the lender, within 120 days after the borrower has left school, to notify the borrower of the month the repayment period begins.

The conference substitute requires the lender, within 120 days after the borrower has left school, to notify the borrower of the date the repayment period begins.

The Senate bill provides that the lender must promptly notify the borrower and the guaranty agency, and, on request by an eligible institution, the guaranty agency shall notify the last institution attended by the borrower, of any sale or transfer of a loan and the address and phone number of the new holder. This provision applies only if the borrower is in the grace or repayment period, and if the sale or transfer results in the borrower's making payments or directing other matters to a different person.

The House bill provides that if the sale or transfer changes the party to which the borrower makes payments, the transferor and transferee shall separately, within 45 days of the transfer, notify the borrower of the sale, identity of transferee, name and phone number of the party to whom payments should be sent, and phone numbers of transferor and transferee. At the request of the last institution attended, the transferor and transferee shall provide the institution a copy of the notice.

The conference substitute combines these provisions:

The House bill, but not the Senate bill, repeals the targeted teacher deferment rules.

The Senate recedes.

The House bill, but not the Senate bill, provides that requests for deferment by students in graduate or postgraduate fellowship supported study outside the United States may be approved through the term of the fellowship.

The conference substitute provides that requests for deferment by students in graduate or postgraduate fellowship supported study outside the United States shall be approved through the term of the fellowship.

The Senate bill requires officers, directors, and decision-making employees and consultants of eligible institutions, lenders, guaranty agencies, loan servicing agencies, accrediting agencies, State higher education agencies, and secondary markets to report to the Secretary on any financial interest such individual may have in any other entity participating in title IV programs.

The House bill requires each guaranty agency to establish procedures to (1) require each policymaking officer or employee to make financial disclosures necessary for the agency to determine whether such officer or employee has a direct financial interest in or serves as an officer or employee of any lender, secondary market, contractor, or servicer with which the agency does business; (2) conduct investigations concerning such conduct; (3) determine whether such conduct poses an actual conflict of interest which would harm the agency's operations (compliance with State law is not in and of itself a conflict); (4) impose necessary remedies; (5) report to the Secretary; and (6) take such corrective actions as the Secretary may require, including payments of civil penalties for substantial failure to correct.

The conference substitute requires officers, directors, and decision-making employees and paid consultants of eligible institutions, lenders, guaranty agencies, loan servicing agencies, accrediting agencies, state licensing agencies or boards, state entities designated under Part H, and secondary markets (including Sallie Mae) to report to the Secretary on any financial interest such individual may have in any other entity participating in title IV programs.

The House bill, but not the Senate bill, authorizes guaranty agencies to enter into agreements with appropriate State licensing boards for provision of borrower addresses.

The Senate recedes.

The House bill, but not the Senate bill, prohibits a guaranty agency from offering inducements to any lender in order to secure the designation of that agency as guarantor.

The conference substitute prohibits a guaranty agency from offering inducements to any lender in order to secure the designation of that agency as guarantor and also prohibits a guaranty agency from offering an inducement to an independent contractor of a lender or to another guaranty agency, exempting guaranty agency inducements to lenders to participate in a lender of last resort program, and makes clarifying technical changes. The conferees intend that this provision precludes guaranty agencies from offering directly or indirectly premiums or other inducements to any lenders or their employees or agency or independent contractors of any lender or guaranty agency to secure loans for the guaranty agency to insure. The conferees intend that the language also prohibits premiums or inducements to lenders or their employees or agency, or independent contractors of lenders of guaranty agencies for the purpose of marketing loans for a guaranty agency. The conferees further intend that no lender may receive any form of inducement to serve as a marketer or administrator of a loan which it does not own or hold. The conferees intend that the terms "premiums" and "inducements" do not include services guaranty agencies provide to lenders to assist them in processing loans. It applies only to those activities specifically intended to serve as a marketing or promotional tool for the agency. For example, computer support from a guaranty agency to a lender whose loans are already guaranteed by such agency would not be an inducement. However, offering computer support as part of a marketing appeal to a lender with whom the agency does not do business, in order to secure that lender's loans, would constitute an inducement. Similarly offering any inducements or premiums to a lender, with whom the guaranty agency has a contract, to administer a loan the lender does not own or hold, in order to assist such agency in being the designated agency for the loan, would be prohibited. The conferees intend that any cash payments from a guaranty agency to a lender on a per application or any other basis is strictly prohibited, except as is necessary to secure lenders to participate in such agency's lender of last resort program, as required by this section.

The Senate bill, but not the House bill, provides that a guaranty agency hitting the 90 percent or 80 percent "trigger" on default claims will remain at such a reimbursement level until the Secretary determines that the agency meets the requirements for reimbursement at a different level (rather than reverting to 100 percent reinsurance at the beginning of the next fiscal year).

The Senate recedes.

The Senate bill, but not the House bill, provides that a guaranty agency shall promptly assign the Secretary the promissory note for a loan upon which he has paid reinsurance, after the Secretary has developed criteria to determine adequate collections efforts by guaranty agencies and only upon the Secretary's explanation in writing the reasons why the agency's collection efforts have been inadequate and how the Secretary's collection efforts will be superior.

The conference substitute requires the Secretary to develop criteria, in consultation with guaranty agencies, to determine adequate collection efforts and to consider the agency's record of success in collecting on defaulted loans, the age of the loans, and the amount of recent payments received on the loan. The conferees intend that in exercising his discretion, the Secretary shall consider whether requiring assignment of the loans would further the Federal financial interest, and shall not simply require across-the-board assignment of defaulted loans without regard to that interest. The Secretary shall consider, among other factors, the guaranty agency's record of success in collecting on defaulted loans, the age of the loans, and the amount of recent payments received on the loans. The Secretary should consult with guaranty agencies as he develops these performance-based standards.

The Senate bill, but not the House bill, prohibits the Secretary from paying reinsurance upon any claim where the borrower's location is unknown, unless the guaranty agency demonstrates that it has used all available skip-tracing techniques to locate the borrower.

The conference substitute amends the participation agreements section to prohibit the Secretary from paying reinsurance upon any claim where the borrower's location is unknown, unless the guaranty agency demonstrates that it has used reasonable skip-tracing techniques, pursuant to regulations by the Secretary, to locate the borrower.

The House bill, but not the Senate bill, requires guaranty agencies to establish and implement procedures to submit to institutions lists of borrowers on which the agency has received claims, for the purpose of providing the institution the borrower last attended an opportunity to comment on the accuracy of the list prior to submission of reinsurance claims to the Secretary.

The conference substitute requires guaranty agencies to establish and implement procedures to submit to institutions lists of borrowers on which the agency has received claims, for the purpose of providing the institution the borrower last attended an opportunity to comment on the accuracy of the list prior to submission of reinsurance claims to the Secretary, providing that guaranty agencies may only charge a reasonable fee, providing that the institution must request this information and applying this modified provision to any delinquent loans on which pre-claims assistance has been requested and requiring that this information be used by the guaranty agency.

The House bill, but not the Senate bill, amends the guaranty agreement to require forbearance for the borrower when he has indicated his willingness to repay but has demonstrated present inability to do so.

The House recedes.

The House bill, but not the Senate bill, provides that forbearances shall take the form of temporary cessation of payment, unless the borrower opts for extension of time or smaller payments. In addition, the House bill provides the guaranty agencies may permit parties to a loan to enter into forbearance agreements solely because the loan is in default and also requires the Secretary to permit administrative forbearances for borrowers whose loans are sold or transferred, providing the borrower is less than 60 days delinquent.

The Senate recedes.

The House bill, but not the Senate bill, clarifies that third-party servicers (not all servicers) are precluded from the performance of Supplemental Preclaims Assistance.

The House recedes.

The Senate bill, but not the House bill, makes it permissive (rather than mandatory) for the Secretary to provide 100 percent reinsurance for a 5-year period for any guaranty agency created after October 1, 1991.

The House recedes.

The Senate bill, but not the House bill, requires each guaranty agency to maintain a minimum reserve level of .5 percent of the total outstanding loans guaranteed by the agency in every calendar quarter, beginning January 1, 1993. The minimum level increases to .7 percent beginning January 1, 1994, .9 percent beginning January 1, 1995, and 1.1 percent beginning January 1, 1996. The Secretary shall collect financial information on a quarterly basis, to enable him to evaluate the financial solvency of each agency.

The House bill requires guaranty agencies to provide financial information to the Secretary on at least an annual basis. Based on this information, the Secretary shall evaluate the solvency of the agency and develop a standard for use in determining which agencies shall be subject to management plans.

The conference substitute requires each guaranty agency to maintain a minimum reserve level of .5 percent of the total outstanding loans guaranteed by the agency in every year beginning January 1, 1993. The minimum level increases to .7 percent beginning January 1, 1994, .9 percent beginning January 1, 1995, and 1.1 percent beginning January 1, 1996. The Secretary shall collect financial information on an annual basis, to enable him to evaluate the financial solvency of each agency. The conference substitute exempts from this provision loans transferred to an agency as a result of the insolvency of a guaranty agency and pursuant to a plan established by the Secretary.

The Senate bill, provides that any guaranty agency falling below the required minimum reserve level for 2 consecutive quarters, hitting "triggers" for 80 percent default reimbursement, or determined by the Secretary to be in jeopardy of not being able to perform its functions shall submit and implement a management plan acceptable to the Secretary within 30 days. The management plan shall include the means by which the guaranty agency will improve its financial and administrative condition to the required level within 18 months.

The House bill provides that any guaranty agency not meeting the standard set by the Secretary shall draft and submit for approval to the Secretary a plan identifying management, investment, operational, and policy changes designed to improve the agency's financial viability.

The House recedes.

The Senate bill authorizes the Secretary to terminate a guaranty agency's agreement if it fails to submit an acceptable management plan, if he determines that the agency has failed to improve substantially its administrative and financial condition, or if he determines that the agency is in danger of financial collapse. If the Secretary terminates such agreement he must assume all guaranty agency functions. In performing such functions, he may (1) permit the transfer of guarantees to another agency; (2) require merger, consolidation, or termination of the agency; (3) transfer guarantees to the Department; (4) design and implement a plan to restore the agency's viability; or (5) take any other action he determines necessary.

The House bill authorizes the Secretary to take similar steps but does not require the Secretary to assume all guaranty agency functions. The House bill also adds the option of providing the guaranty agency with additional advance funds to assure the uninterrupted payment of claims, with such restrictions as the Secretary determines appropriate.

The conference substitute authorizes the Secretary to terminate a guaranty agency's agreement if it fails to submit an acceptable management plan, if he determines that the agency has failed to improve substantially its administrative and financial condition, or if he determines that the agency is in danger of financial collapse. If the Secretary terminates such agreement he must assume all guaranty agency functions. In performing such functions, he may (1) permit the transfer of guarantees to another agency; (2) require merger, consolidation, or termination of the agency; (3) transfer guarantees to the department; (4) design and implement a plan to restore the agency's viability; or (5) take any other action he determines necessary. The conference substitute further adds the option of providing the guaranty agency with additional advance funds to assure the uninterrupted payment of claims, with such restrictions as the Secretary determines appropriate.

The House bill, but not the Senate bill, requires the Secretary, within 3 months after the end of each fiscal year, to report to the House and Senate authorizing committees on his assessment of the fiscal soundness of the guaranty agency system, together with recommendations for any changes necessary to maintain a strong system.

The Senate recedes.

The Senate bill, but not the House bill, prohibits the Secretary from terminating any guaranty agency backed by the full faith and credit of its State.

The House recedes.

The Senate bill, but not the House bill, prohibits the Secretary's termination of a guaranty agency without giving the agency notice and opportunity for a hearing.

The House recedes.

The House bill, but not the Senate bill, requires that financial information transmitted by guaranty agencies shall be confidential and exempt from disclosure under the Freedom of Information Act.

The Senate recedes.

The House bill, but not the Senate bill, allows the holder of loans insured by a guaranty agency the Secretary has determined to be insolvent to submit its claims directly to the Secretary for payment.

The Senate recedes.

The House bill, but not the Senate bill, authorizes the Secretary to make emergency advances to guaranty agencies in order to enable them to pay lender claims.

The Senate recedes.

The Senate bill, but not the House bill, authorizes the Secretary to reduce or withhold

ACA payments until a guaranty agency provides financial assistance.

The Senate recedes.

The Senate bill, but not the House bill, requires guaranty agencies to develop rules and operating procedures for lender of last resort programs designed to facilitate applications by students, widespread information about loan availability and appropriate borrower counseling.

The conference substitute requires guaranty agencies to develop rules and operating procedures for lender of last resort programs designed to ensure facilitated applications by students, widespread information about loan availability and appropriate borrower counseling and requires guaranty agencies to notify the Secretary of the possible need for the Secretary to use his authority to allow Sallie Mae to make lender-of-last-resort loans. The conference substitute further exempts guaranty agencies and lenders from the lender-of-last-resort provision for institutions with a cohort default rate above 25 percent, who have participated in the program for less than 18 months or who are subject to an emergency action, limitation, suspension or termination proceeding. The conference substitute exempts historically black colleges and universities and tribally controlled community colleges from this exemption and allows for mitigating circumstances. The conferees are aware that some institutions, particularly those serving low-income students, may have a 25 percent default rate in one particular year, but that such a rate does not automatically mean that the institution provides a low-quality education. In applying the mitigating circumstances exception, the conferees intend for the Secretary to consider the population served by the institution, the institution's graduation and placement rates, audits and program reviews, and other measures of an institution's administrative and educational quality.

The Senate bill, but not the House bill, requires guaranty agencies to furnish information to institutions on former students who have defaulted (rather than furnishing such information only upon the request of the institution as under current law).

The Senate recedes.

The Senate bill, but not the House bill, requires guaranty agencies to use borrower location information provided by the institution to contact the borrower for the purpose of encouraging loan repayment.

The House recedes.

The House bill, but not the Senate bill, requires the Secretary to establish by regulation terms and conditions requiring income-contingent repayment of certain loans, to the extent funds are available. The regulations shall specify schedules for such repayment, permit write-off of the remaining obligations on such loans after 25 years, and may provide for collection of amounts in excess of the original principal and interest owned. The Secretary shall enter into contracts with private firms or Government agencies for such collections, and the regulations will not be effective mechanism he has established will provide a high degree of certainty of collection and will result in an increase in the net amount the Government will collect. A loan is subject to income-contingent repayment if (1) it contains notice in the note that it is subject to such repayment, (2) has been assigned to the Secretary to collect, and (3) the Secretary has published the necessary finding. The House amendment also requires that each promissory note contain a notice that repayment after default may be on an income-contingent basis.

The Senate recedes.

Federal SLS

The House bill, but not the Senate bill, changes the name of the SLS program to "Federal Supplemental Loans for Students."

The Senate recedes.

The Senate bill, but not the House bill, authorizes participating of dependent students in the SLS program if the financial aid administrator determines that the student can demonstrate the ability to repay the loan (which may include obtaining a credit-worthy cosigner).

The Senate recedes.

The Senate bill, but not the House bill, sets SLS annual loan limits, for borrowers other than first-year students in programs of less than one academic year, as follows:

First and second year undergraduate: $4,000—full-time workload, $3,000—¾ time workload, $2,000—½ time workload.

Other undergraduate: $5,000—full-time workload, $3,700—¾ time workload, $2,500—½ time workload.

Graduate: $15,000.

The determination of the workload shall be made at the time the student's eligibility is certified, and shall not be affected by subsequent changes.

The conference substitute provides for loan limits as follows:

First year: $4,000—full academic year, $2,500—⅔ academic year, $1,500—⅓-⅔ academic year.

Other undergraduate: $5,000—full time, $3,325—⅔ academic year, $1,675—⅓-⅔ academic year.

Graduate and prof.: $10,000.

The Senate bill, but not the House bill, increases SLS aggregate loan limits to $23,000 undergraduate and $30,000 graduate.

The conference substitute increases SLS aggregate loan limits to $23,000 undergraduate and $73,000 graduate.

The Senate bill, but not the House bill, sets overall limits for Part B (excluding PLUS loans) and Perkins loans at $52,000 for undergraduates and $115,000 for graduates.

The Senate recedes.

The Senate bill provides that SLS loans which are subject to in-school deferment may be subject, upon borrower request, to a single postdeferment grace period of 6 months.

The House bill provides that in the case of an SLS borrower who also has Stafford loans, the repayment period begins 6 months after the student leaves school, except that interest begins to accrue and shall be paid (or capitalized) notwithstanding the delay in the commencement of the repayment period.

The conference substitute provides that in the case of an SLS borrower who also has Stafford loans, the holder will notify the borrower of the option for the borrower to choose a repayment period that begins 6 months after the student leaves school, except that interest begins to accrue and shall be paid (or capitalized) notwithstanding the delay in the commencement of the repayment period.

The House bill, but not the Senate bill, prohibits SLS loans to a student enrolled in a program of less than 2 years, unless the student is ineligible to receive a Stafford loan.

The House recedes. Although the House receded to the Senate on this provision to prohibit SLS loans to students attending short-term proprietary programs (of less than two years in length), the conferees expressed concern that such students should not be encouraged to assume student loan debt at levels beyond their ability to repay. Since student borrowers must immediately begin repaying interest on SLS loans, unlike Stafford loans for which there is an in-school interest subsidy, institutions of higher education should not encourage low-income borrowers with financial resources insufficient to meet resulting SLS interest obligations to enter into SLS loans. In no case should such students be given SLS loans if they are eligible to receive Stafford loans that meet their financial needs (i.e. cost of attendance).

Federal PLUS loans

The House bill, but not the Senate bill, changes the name of the PLUS program to "Federal PLUS Loans."

The Senate recedes.

The House bill, but not the Senate bill, limits PLUS loans to parents "who have no adverse credit history," as determined by the Secretary's regulations.

The conference substitute limits PLUS loans to parents "who have do not have an adverse credit history," as determined by the Secretary's regulations. It is the intent of the Conferees that late payments on outstanding obligations not be considered as having an adverse credit history.

The Senate bill increases PLUS loan limits to $6,000 per student per year, up to an aggregate of $30,000 per student. The House bill eliminates annual and aggregate PLUS ceilings, making financial need of the student the only limit.

The Senate recedes.

The House bill, but not the Senate bill, authorizes PLUS loan disbursement only by electronic transfer from the lender to the institution or by making the loan copayable to the institution and the parent borrower.

The Senate recedes.

The House bill, but not the Senate bill, changes the name of Consolidation Loans to "Federal Consolidation Loans."

The Senate recedes.

Federal Consolidation loans

The Senate bill removes the minimum loan balance required for eligibility for a Consolidation Loan; the House bill increases the minimum from $5,000 to $10,000.

The conference substitute increases the minimum from $5,000 to $7,500.

The House bill, but not the Senate bill, makes delinquent and defaulted borrowers who will enter repayment through loan consolidation eligible for Consolidation Loans.

The Senate recedes.

The House bill, but not the Senate bill, provides for interest benefits to be paid by the Secretary during any period for which the borrower is eligible for deferral.

The Senate recedes.

The Senate bill and the House bill modify the Consolidation Loan repayment schedules as follows:

Senate: Less than $5,000: 10 years, $5,000-$10,000: 12 years, $10,000-$20,000: 15 years, $20,000-$45,000: 20 years, $45,000+: 25 years.

House: $10,000-$20,000: 15 years, $20,000-$40,000: 20 years, $40,000-$60,000: 25 years, $60,000+: 30 years.

The conference substitute modifies the loan repayment schedules as follows: $7,500-$10,000: 12 years, $10,000-$20,000: 15 years, $20,000-$40,000: 20 years, $40,000-$60,000: 25 years, $60,000+: 30 years.

The House bill, but not the Senate bill, requires the lender to establish graduated or income-sensitive repayment schedules.

The Senate recedes.

The Senate bill, but not the House bill, requires a full-time loan specialist at each institution which has a default rate in excess of the national average default rate of all eligible institutions or a principal amount of loans in default in any fiscal year of more than $1 million.

The Senate recedes. The conferees intend that the new loan rehabilitation provisions are to provide a second chance, particularly to low-income borrowers many of whom were defrauded by unscrupulous schools and never received promised jobs or training and who now have ruined credit or even judgements against them because of defaulted loans. These low-income students need this chance to enter repayment, become re-eligible for student financial assistance, and obtain the education and training necessary to enter the job market, an opportunity they would otherwise be denied. Because the benefits of having students in repayment and re-eligible for financial assistance are the same no matter who is holding the loan, these loan rehabilitation provisions are intended to apply whether the guaranty agency or the Secretary of Education holds the loans.

Both the Senate bill and the House bill prohibit institutions from imposing a late fee, dropping from enrollment, or otherwise penalizing any student solely because an installment of the student's loan proceeds is delayed because of statutory late disbursement requirements, with a slight variation in language. The Senate bill includes this provision in part B; the House bill includes this provision as part of the program participation agreement in part G.

The Senate recedes.

The House bill, but not the Senate bill, provides that, with the permission of the borrower, loan proceeds may be disbursed in substantially equal weekly or monthly installments over the enrollment period.

The Senate recedes.

The House bill, but not the Senate bill, provides that overawards that are permitted under College Work-Study shall not be construed as overawards for part B loans.

The Senate recedes.

The Senate bill, but not the House bill, prohibits a lender from selling a loan until all proceeds of the loan have been disbursed.

The conference substitute moves this provision to conform with a later provision.

The House bill, but not the Senate bill, authorizes an unsubsidized Stafford Loan Program for borrowers who do not show need for interest subsidies under the existing Stafford Program. With few exceptions, all terms and conditions are the same as for Stafford Loans, including loan limits, deferments, interest rates, and collection of a guaranty fee of up to 3 percent. The borrower's obligation to repay begins 6 months after the borrower leaves school. Interest accruing during in-school, grace period, and deferments may be paid or capitalized, as agreed by the borrower and lender; no payments of subsidies to reduce interest costs shall be paid. In lieu of an origination fee, the lender shall collect and transmit to the Secretary a 3 percent insurance premium, who shall use the funds to pay Federal costs of default and to reduce the cost of special allowance payments made to lenders, if any. Where practicable, guaranty agency shall use a single application form for subsidized and unsubsidized Stafford Loans.

The conference substitute includes this provision and provides for a single application and loan repayment schedule, and a 6.5% combined origination fee and insurance premium, and clarifies that guaranty agencies cannot charge an insurance premium on these loans. The conference substitute further requires a guaranty agency to use a single application form for subsidized and unsubsidized Stafford Loans. The conferees intend that 6.5 percent combined origination fee and insurance premium be used by the Secretary to cover the Federal costs of default claims and special allowance. The conferees are concerned that the 6.5 percent premium may be in excess of the amount needed to subsidize the costs of default claims and special allowance. The conferees direct the Secretary to evaluate the true default risk of the program and if warranted, lower the combined origination fee and insurance premium to ensure that the premium assessed to the borrower reflects the true costs of the program.

The House bill, but not the Senate bill, authorized an Extended Demonstration Collection Program, under which the Secretary shall enter into agreements with guaranty agencies for the establishment of not to exceed 9 demonstration programs designed to reduce defaults through extended efforts on delinquent student loans. Each program agreement entered into shall include individualized or flexible repayment plans, performance of aggressive and concentrated due diligence, and a requirement that lenders furnish the guaranty agency with records of collection efforts and techniques. Loans eligible for the demonstration program should be 120–180 days delinquent and all required due diligence has been performed, the loan entered repayment in fiscal year 1990 or later, the guaranty agency has provided preclaims assistance, and the lender is not in possession of information that the loan is uncollectible. A lender may hold a loan for 540 days under the demonstration program. Reports to the Secretary and by the Secretary are required, and the demonstration program terminates September 30, 1995.

The House recedes.

The Senate bill, but not the House bill, requires the Secretary to publish annually a list indicating the annual default rate for each lender and guaranty agency and an average rate for all institutions within each State. This rate shall not include loans made under lender-of-last resort provision. The Secretary shall prescribe regulations designed to prevent institutions from evading their default rate through the use of branching, consolidation, change of owernship or control, or similar device. The Senate bill also provides for a study by the Secretary of the feasibility of requiring disclosure of additional information that may affect the annual default rate.

The conference substitute requires the Secretary to publish annually a list indicating the annual default rate for each lender, holder and guaranty agency and an average rate for all institutions within each State. This rate shall not include loans made under lender-of-last resort provision. The Secretary shall prescribe regulations designed to prevent institutions from evading their default rate through the use of branching, consolidation, change of ownership or control, or similar device.

The Senate bill, but not the House bill, requires consumer reporting agencies to report information received on the status of a borrower who defaulted on this account for the second time for 7 years from the date of the second default.

The conference substitute requires consumer reporting agencies to report information received on the status of a borrower who defaulted on this account for the second time for 7 years from the date of the second default and conforms current law by removing a reference to a specific date.

The House bill, but not the Senate bill, specifically authorizes the Secretary to regulate third party servicers.

The conference substitute authorizes the Secretary to regulate third party servicers and requires the Secretary to establish minimum standards with respect to sound management and accountability and providing that in no case shall damages be assessed against the Secretary for the actions or inactions of such servicers.

The Senate bill, but not the House bill, repeals provisions of current law relating to civil penalties that (1) prohibit imposition of such penalty in the absence of a clear pattern or practice, gross negligence, or willful actions or material misrepresentation; (2) allow cure of a violation without incurring civil penalty; and (3) deem repeated violations arising from a specific practice to be a single violation for purposes of penalty.

The conference substitute accepts the Senate provision while clarifying the conditions under which civil penalties may be imposed.

The House bill, but not the Senate bill, relieves the Secretary's review of L,S,&T from coverage of sections of the Administrative Procedures Act, which require "on the record" hearings as it pertains to sanctions on institutions.

The Senate recedes.

The Senate bill requires the Secretary, in consultation with guaranty agencies and lenders, to develop standardized forms and procedures regarding origination, guaranty, deferments, forbearance, servicing, claims filing and cures. Such forms and procedures shall include all aspects of the loan process and shall be designed to minimize administrative costs and burdens (other than transitional costs and burdens) involved in data exchanges to and from borrowers, schools, lenders, secondary markets, and the Department. Nothing shall be construed to limit development of electronic forms and procedures.

The House bill provides that, within 240 days of enactment, loan program participants shall make recommendations to the Secretary, which he shall promulgate as regulations to simplify administration of part B loan programs and to eliminate differences between forms, procedures, and standards between guaranty agencies. Such regulations shall be designed to simplify all aspects of the student loan process, simplify fulfillment of institutional responsibilities, and improve the administration and oversight of the program by the Department. Simplification requirements shall include standardization of formats, forms, and procedures for origination, servicing, and collection of loans; alternate means of documents retention; use of computer maintenance of records; and implementation of electronic data exchanges. If program participants are unable to agree on recommendations within 240 days, the Secretary may issue such regulations as he deems appropriate. The Secretary, at least annually, shall seek recommendations from program participants for additional methods of simplifying and standardizing the administration of part B programs. In addition, the Secretary shall promulgate standards so as to require all lenders and guaranty agencies to report data in uniform formats, adopting the recommendations of program participants if submitted within 240 days of enactment.

The conference substitute requires the Secretary, in consultation with all program participants, to develop standardized forms and procedures regarding origination, guaranty, deferments, forbearance, servicing, electronic funds transfers, borrower status changes, claims filing and cures. Simplification requirements shall include standardization of formats, forms, and procedures for origination, servicing, and collection of loans; alternate means of documents retention; use of computer maintenance of records; and implementation of electronic data exchanges. Such forms and procedures shall include all aspects of the loan process and shall be designed to minimize administrative costs and burdens (other than transitional costs and burdens) involved in data exchanges to and from borrowers, schools, secondary markets, and the Department. The Secretary, at least annually, shall seek recommendations from program participants for additional methods of simplifying and standardizing the administration of part B programs. Nothing shall be construed to limit development of electronic forms and procedures.

The House bill, but not the Senate bill, authorizes $25 million for fiscal year 1993 and each of the four succeeding fiscal years, for the Secretary to expend in default reduction management activities to result in a performance measure of reducing defaults by 5 percent relative to the prior year. Allowable activities shall include program reviews, audits, debt management programs, training activities, and such other activities as approved by the Secretary. The Secretary shall submit a plan, to accompany the President's budget annually, detailing the expenditure of funds to achieve a 5 percent reduction in defaults. At the end of the fiscal year, the Secretary shall report to the appropriations and authorizing committees his findings and activities, including whether the performance measure was met, or an explanation of why it was not.

The Senate recedes.

The House bill, but not the Senate bill, provides that not less than ⅕ of the funds made available shall be used for training under Section 486.

The House recedes.

The Senate bill adds disclosures concerning the fact that the borrower is receiving a loan which must be repaid and that the borrower's loan obligation is separate and distinct from the school's obligation to the borrower to the existing list of disclosures required to be made before disbursement. The House bill, while adding similar disclosures, repeals required disclosures concerning annual and maximum loan amounts, minimum and maximum repayment terms, options for loan consolidation or refinancing, prepayments, deferrals, consequences of default, effect on eligibility for other student assistance, and the borrower's liability for collection costs.

The conference substitute adds a disclosure concerning the fact that the borrower is receiving a loan which must be repaid.

The House bill, but not the Senate bill, defines the situation wherein an institution is deemed to have "originated" a loan as one in which the lender delegates to the institution substantial loan-making functions or one evidenced by a written agreement between the institution and lender or one where an institution, with the lender's consent, fills out the lender's section of the loan application and signs the application as the lender's agent.

The House recedes.

The Senate bill, but not the House bill, requires the Required Disclosure Before Repayment to be made during the grace period.

The conference substitute provides this Disclosure Before Repayment must be during the period starting 60 days prior to the beginning of the grace period and ending 60 days prior to the end of the grace period.

The Senate bill, but not the House bill, exempts SLS and PLUS loans from repayment disclosure of projected total interest charges on individuals loans, if the lender provides the borrower with sample projections assuming different levels of borrowing and disclosing the costs of capitalizing principal and interest or interest-only.

The House recedes.

The Senate bill conforms the definition of "institution of higher education" for purposes of the Guaranteed Student Loan Program with that of title IV. The House bill provides that the term "eligible institution" in part B generally means the title IV definition of "institution of higher education," and repeals the separate definitions for vocational schools and foreign schools, thus eliminating the eligibility of foreign schools to participate in the Part B programs.

The conference substitute maintains the eligibility of students to receive loans under Part B to attend schools outside the United States as in current law. This eligibility is provided for in Section 481 as part of the definition of an institution of higher education rather than in Section 435. Eligibility for foreign medical schools is continued with somewhat more stringent requirements. At least sixty percent of the *graduates* of the institution must be non-U.S. citizens in addition to the requirement that at least 60 percent of those *enrolled* at the school be non-U.S. citizens. In addition, at least 60 percent of those from the school taking the examinations of the Educational Commission for Foreign Medical Graduates must achieve a passing grade. Institutions would be exempt from these two requirements if the institution's clinical training program was approved by a state as of January 1, 1992. If a medical school is terminated, students attending the school can remain eligible for Stafford loans for one additional year. Finally, the obligation of the Secretary to approve institutions outside the United States and to establish criteria to determine that they are comparable to institutions of higher education in the United States is emphasized and strengthened, including the establishment of an advisory panel of medical experts to evaluate the accreditation of foreign medical schools. A report to the Congress on the Secretary's regulatory action is also required.

The Senate bill makes the threshold percentage for eligibility, based on default rates, 30 percent for fiscal year 1993 and 25 percent for any succeeding fiscal year. The House bill drops the percentage to 25 percent for fiscal year 1993 and thereafter.

The House recedes.

The Senate bill requires vocational schools to offer individuals receiving title IV assistance only eligible programs, as defined in section 481(f).

The Senate recedes.

The House bill, but not the Senate bill, strikes "trust company" from the list of eligible lender's but includes specific eligibility for Union Bank and Trust Company, within statutory limits on loan holdings and volume.

The conference substitute strikes the trust company from definition, strikes the exemption for trust companies and includes an exemption for banks which (1) are the subject of examination and supervision by an agency of the U.S., (2) make student loans as a trustee pursuant to an express trust, (3) have operated as a Part B lender prior to January 1, 1995 and (4) have met the requirements of 1–3 prior to the enactment of the Higher Education Amendments of 1992.

The House bill, but not the Senate bill, additionally limits an institutional lender to one which does not have a cohort default rate above 15 percent and requires use of special allowance and interest payments for need-based grants, except for reasonable reimbursement for administrative expenses.

The Senate recedes.

The House bill, but not the Senate bill, provides that loans for which the disbursement checks have not been cashed may not be purchased from the original lender.

The conference substitute combines this provision with the requirement that loans cannot be sold until the second disbursement is made. However, an exception is included in the prohibition on the sale of loans prior to the second disbursement for instances where the sale of the loan does not result in a change in the entity which services the notes and all disbursements are purchased by the same lender.

The Senate bill, but not the House bill, requires lenders to exercise servicing as well as collection practices at least as extensive and forceful as those generally practiced to meet the definition of "due diligence".

The House recedes.

The House bill, but not the Senate bill, repeals definitions of "temporarily totally disabled," "parental leave," and "impact of loss of accreditation."

The Senate recedes.

The Senate bill, but not the House bill, renames the term "cohort default rate" as "annual default rate."

The Senate recedes.

The House bill, but not the Senate bill, changes the cohort default rate calculation for institutions with less than 30 borrowers entering repayment each year to "the percentage of such current and former students who entered repayment on such loans in any of the three most recent fiscal years" from current law's 3-year average.

The conference substitute includes with provision with a clarifying change.

The Senate bill, but not the House bill, provides for purposes of calculating cohort default rate, SLS loans shall not be considered to enter repayment until the borrower leaves school. Each lender shall furnish the guaranty agency with the necessary information to determine when the loan entered repayment, and the agency shall furnish the information to the Secretary.

The conference substitute includes this provision, conforming it to the definition of repayment period.

The Senate bill provides for the Secretary to discharge a borrower's liability if he is temporarily or permanently relieved of his obligation through an action in bankruptcy. The House bill provides that if collection of any part B loan is stayed in any action under the Bankruptcy Code, the Secretary shall repay principal and interest.

The Senate recedes.

Both the Senate bill and the House bill provide for the discharge for borrowers at closed schools but with slightly different language.

The conference substitute clarifies that this applies to loans falsely certified, that the amount discharged includes interest and collection fees, that the Secretary shall pursue claims after discharging the loan, that the Secretary can pursue claims against affiliates or principals of institutions, and references the bonding authority and the tuition reserve funds language as funds to reimburse the Secretary for discharging the loan.

The conferees intend for the Secretary to discharge loan amounts that borrowers have used for educational expenses. The conferees wish to clarify that the Secretary may pursue claims against borrowers to collect loan funds in instances where the Secretary can document that the money was not used for educational expenses.

The Senate bill, but not the House bill, requires the Secretary to discharge the parent's liability for a PLUS loan if the student on whose behalf the parent borrowed dies.

The House recedes.

The House bill, but not the Senate bill, authorizes the Secretary to acquire loans of high-risk borrowers who submit a request to the Secretary for an alternative repayment option, to offer such borrowers such options including graduated or extended repayment and income-contingent repayment (if the Secretary has established a collection mechanism that will provide a high degree of certainty that collections will be made on an income-contingent basis and that use of such option and mechanism will increase the net amount the Government will collect). No more than $200 million may be used to acquire loans under this section; such sums as may be necessary are authorized for fiscal year 1994 and the 4 succeeding fiscal years.

The Senate recedes.

The Senate bill reduces special allowances to lenders to 3.10 percent. The House bill reduces such allowances to 2.85 percent in-school and 3.0 percent in repayment.

The House recedes.

The House bill, but not the Senate bill, allows payment of special allowance on the unsubsidized Stafford program.

The Senate recedes.

The House bill, but not the Senate bill, defines all loans held by lenders and guarantors designed for exceptional performance as eligible loans.

The Senate recedes.

The Senate bill, but not the House bill, provides that special allowance on SLS and PLUS loans made on and after July 1, 1993, shall not be paid unless the interest rate for the year exceeds 11 percent (as compared to 12 percent, under current law).

The conference substitute provides that special allowance on SLS loans made on and after July 1, 1993, shall not be paid unless the interest rate for the year exceeds 11 percent and that special allowance on PLUS loans made on and after July 1, 1993, shall not be paid unless the interest rate for the year exceeds 10 percent.

The Senate bill, but not the House bill, reduces special allowance payments to 3 percent for holders with an annual (cohort) default rate of more than 25 percent and for holders who fails to provide the guaranty agency with information concerning the dates SLS borrowers actually enter repayment.

The Senate recedes.

Both the Senate bill and the House bill impose origination fees on SLS and PLUS with a different effective date.

The Senate recedes.

The Senate bill repeals the limitation on use of tax-exempt funds to pay lenders premiums of more than 1 percent. The House amendment repeals the limitation on use of such funds to purchase loans at a discount of more than 1 percent.

The Senate recedes.

Student Loan Marketing Association

The Senate bill provides that vacancies on the SLMA board should be filled for expired portion of term. The House bill provides this should be unexpired portion.

The Senate recedes.

The Senate bill limits SLMA's transactions solely involving student and faculty housing to not more than 30 percent of the value of transactions entered into. The House bill expands SLMA's targeting to include "A" rated institutions. The Senate bill also specifically mentions academic, research and library facilities as eligible for assistance.

The conference substitute limits SLMA's transactions involving student and faculty housing to not more than 15 percent of the value of transactions entered into, expands SLMA's targeting to include "A" rated institutions and specifically mentions academic, research and library facilities as eligible for assistance, providing facilities must be at an eligible institution of higher education, and clarifies that related equipment, instrumentation and furnishings must relate to the education or library facilities. It is the intent of the conferees that the Student Loan Marketing Association be permitted to perform lending to schools for "mixed use" projects involving educational and training facilities which encompass: campus safety facilities such as lighting, sidewalks and footpaths, and emergency telephones; and infrastructure improvements, including heating and cooling systems. It is also the conferees' intent that the primary focus of lending be upon academic facilities, that lending for dormitories and housing be strictly limited, and that there be no lending for athletic facilities, teaching hospitals, dining halls, and student unions.

The Senate bill makes the effective date for creating a single class of voting common stock parallel the enactment of this Act where the House bill makes it parallel that of the Student Loan Marketing Association Financial Safety and Soundness Act of 1991.

The House recedes.

The House bill, but not the Senate bill, requires SLMA to provide full and prompt access to the Secretary of the Treasury to its books and records and other information he may request.

The Senate recedes.

The Senate bill, but not the House bill, requires the Secretary to conduct such studies as may be necessary to monitor the financial safety and soundness of SLMA. In the event the Secretary of the Treasury determines that the financial safety and soundness of SLMA is at risk, he shall inform the Chairman and ranking minority member of the authorizing committees and the Secretary of Education of such determination and identify corrective actions.

The House recedes.

The Senate bill triggers a capital restoration plan if the capital ratio of SLMA is less than 2 percent in any 2 consecutive calendar quarters; the House bill provides for such a plan if the ratio drops below 2 percent at the end of the most recent calendar quarter.

The Senate recedes.

The Senate bill, but not the House bill, requires the Secretary to submit an alternative capital restoration plan, along with his reason for disapproving the SLMA plan.

The House recedes.

The House bill, but not the Senate bill, specifically requires SLMA to implement its most recently proposed capital restoration plan.

The Senate recedes.

The House bill, but not the Senate bill, requires prompt submission of a modified plan to increase capital if the capital ratio does not exceed 1.5 percent. If the Secretary disapproves the plan, he shall prepare and submit a report on the reasons for his disapproval to the authorizing committees, SLMA, and the Secretary of Education. SLMA shall respond to the committees within 5 days. If the Congress has not acted within 60 legislative days, SLMA shall implement the Secretary's plan.

The conference substitute requires prompt submission of a modified plan to increase capital if the capital ratio does not exceed 1.75 percent. If the Secretary disapproves the plan, he shall prepare and submit a report on the reasons for his disapproval to the authorizing committees, SLMA, the Secretary of the Treasury and the Secretary of Education. SLMA shall respond to the Committees within 5 days. If the Congress has not acted within 60 legislative days, SLMA shall implement the Secretary's plan.

The House bill, but not the Senate bill, provides that if the capital ratio does not equal or exceed 1.5 percent, the Secretary may take any one or more of the following actions until ratio equals or exceeds 1.5 percent: limit increase in liabilities, restrict growth, restrict distributions, require issuance of new capital, or limit executive compensation.

The conference substitute provides that if the capital ratio does not equal or exceed 1.75 percent, the Secretary may take any one or more of the following actions until ratio equals or exceeds 1.75 percent: limit increase in liabilities, restrict growth, restrict distributions, require issuance of new capital, or limit executive compensation.

The Senate bill provides that, if the Secretary of the Treasury determines that the Association is not making a good faith effort to implement a capital restoration plan, SLMA shall be prohibited from dealing in student loans. The Secretary of the Treasury shall notify the Secretary of Education prior to imposing such a prohibition. SLMA may, within 30 days of the Secretary's determination, seek a review by the U.S. Court of Appeals for D.C.

The Senate recedes.

The Senate bill, but not the House bill, provides that Congress shall have 60 days to review material from the Secretary of Education, G.A.O. or CBO. If the Congress takes no statutory action within 60 days, the Secretary's capital restoration plan shall take effect. If the Congress is out of session, the 60-day period begins on the first day of the next session.

The conference substitute includes this provision specifying that the 60 days are 60 legislative days.

Both the Senate bill and the House bill provide for a safe harbor, using different language.

The Senate recedes.

The House bill, but not the Senate bill, deems SLMA to be in safe harbor if it is rated in 1 of the 2 highest full rating categories by a single nationally recognized statistical rating organization, if no other such rating organization is willing to provide a rating without regard to SLMA's status as a federally chartered organization.

The House recedes.

Both the Senate bill and the House bill provide for the confidential treatment of information, using different language.

The Senate recedes.

The Senate bill uses the term "risk-weighting" while the House bill uses the term "riskweighing".

The House recedes.

PART C—WORK STUDY PROGRAMS

The House bill, but not the Senate bill, changes the title of the Work-Study Programs to the Federal Work-Study Programs.

The Senate recedes.

The Senate bill, but not the House bill, adds the promotion of community service activities to the purpose section of the Work-Study Programs.

The House recedes.

The Senate bill reauthorizes the Work-Study Programs at $700 million for FY 1993. The House bill reauthorizes the programs at $900 million for FY 1993.

The conference substitute sets the authorization at $800 million.

The Senate bill reauthorizes the Work-Study Programs for 7 years. The House bill reauthorizes the programs for 5 years.

The Senate recedes.

The Senate bill uses a definition consistent with the National and Community Service Act of 1990 while the House bill more closely parallels current Part C language.

The conference substitute modifies the current CWS definition to include references to the National and Community Service Act of 1990.

The House bill specifies that mentoring is an allowable activity under community services. The Senate bill establishes a more specific new student mentor pilot program at 10–100 institutions.

The Senate recedes.

The Senate bill, but not the House bill, requires 10 percent of all Work-Study funds over $700 million be allocated to schools which graduate or transfer 50 percent or more of its Pell Grant recipients.

The conference substitute makes this permissive.

The Senate bill, but not the House bill, requires the Secretary to establish income categories by full-time and part-time status for determining institutions' need under the Work-Study Programs.

The Senate recedes.

The Senate bill requires all excess allocations returned to the Secretary under the Work-Study Programs to be reallotted to community service Work-Study programs. The House bill requires 25 percent of excess allocations to be reallotted for such programs.

The conference substitute provides that funds shall be reallocated to institutions who use at least 10 percent of their work-study funds for community service and clarifying that all of these redistributed funds are to be used for direct compensation of CWS students.

The Senate bill, but not the House bill, adds the operation of community service work programs to the Work-Study program agreement between institutions and the Secretary.

The House recedes.

The Senate bill requires all institutions to use at least 10 percent of their work-study funds for community service work-study programs. The House bill encourages such use. The Senate bill further provides that amounts from reallotments and administrative payments are not included in the calculation of the 10 percent-set-aside.

The conference substitute requires institutions to use 5 percent of their funds on compensation for community service and to provide a waiver by the Secretary if this requirement would cause a hardship to students at an institution. The conferees urge the Secretary to identify model community service projects currently being conducted by institutions under the College Work-Study program and to share information on these projects with all eligible institutions. The Secretary should further encourage institutions to share directly with each other ideas on how to best implement this new requirement. The conferees think it particularly important that such information sharing include the types of service that can be performed under this section.

The conferees also wish to recognize that education has been linked to a strong sense of dedication to the community and volunteering in community service at many of the universities and colleges throughout the Nation. For example, at the University of Notre Dame, two-thirds of the students engage in some type of voluntary community service during their years on the campus, and one in ten devote the year following graduation to public service. The University's program is administered by the Center for Social Concerns, which sponsors programs and matches student volunteers with various social service agencies. Some of the projects undertaken include the "Urban Plunge", the Christmas in April housing rehabilitation program, and work at the Center for the Homeless. Programs such as these not only instill a keen sense of social responsibility in the students but also touch the lives, in a meaningful and lasting way, of those who are less fortunate.

The Senate bill requires that if the financial need of an institution's less than full-time students exceeds 5 percent of the institution's total need, then at least 5 percent of the institution's funds must go to such students. The House bill maintains the current "reasonable proportion" language, but adds students age 24 or older, single parents and independent students to the category.

The conference substitute provides for the 5 percent modification with the description of students to be served under this category as less-than-full-time and independent student.

The Senate bill, but not the House bill, lowers the institutional match to 25% and provides a waiver for institutions serving large numbers or percentage of low-income or minority students for whom the match would cause a hardship.

The conference substitute provides for lowering the institutional match to 25% and maintaining the waiver language from current law.

Both the Senate and House bills eliminate the special 90% federal match for community-service programs. The Senate bill permits, but does not require, agencies or organizations employing work-study students in community service positions to contribute up to 40% of the institutional share (10% of total) of the institutional match.

The conference substitute provides for 10% match, but strikes "public agency."

The Senate bill, but not the House bill, requires proprietary institutions to establish the same community service Work-Study programs as nonprofit institutions.

The House recedes.

The Senate bill, but not the House bill, permits proprietary institutions to furnish student services that are directly related to the work-study student's education.

The conference substitute provides for this change with an amendment retaining the requirement that the Secretary regulate on this matter.

The House bill, but not the Senate bill, requires that institutions to provide assurances that work-study funds may be used for support programs for disabled students.

The Senate recedes.

The House bill, but not the Senate bill, requires that the work-study agreements between the Secretary and the institutions to permit institutions to devise work-study opportunities for study-abroad students.

The House recedes.

The House bill, but not the Senate bill, permits institutions to provide students with summer employment from the succeeding fiscal year's appropriations.

The Senate recedes.

The Senate bill raises the percentage of an institutions work-study funds that can be used to develop community services jobs under the Job Location and Development Programs from 10% to 15% and increases the maximum amount for such programs from $20,000 to $40,000. The House bill eliminates the separate categories for community services jobs and puts a 10% or $50,000 overall cap on the JLD program.

The Senate recedes.

The House bill, but not the Senate bill, eliminates the current exception that allows JLD funds to be used to locate or develop jobs at eligible institutions if they are for community service.

The Senate recedes.

The House bill, but not the Senate bill, creates a separate Community Service Learning Program under Title XI.

The House recedes.

The Senate bill, but not the House bill, makes a number of conforming amendments to parallel changes made to community service portion of Work-Study Programs.

The conference substitute provides for these changes with an amendment permitting an institution to use up to 10% of its administrative expense funds for expenses incurred for community service.

The House bill strikes the special administrative expenses allowance for institutions providing work-study for community service-learning, whereas the Senate bill clarifies that the allowance is based upon the annual compensation to students participating in such programs.

The Senate recedes.

The Senate bill, but not the House bill, amends Section 447(b)(2). Note: Section 447(b)(2) was previously deleted in the Senate bill.

The Senate recedes.

The Senate bill allows work-learning colleges to use their federal work-study funds to carry out activities under this section. The House bill allows such colleges to use any of their campus-based program funds for such purpose.

The conference substitute limits the flexible use of funds to the CWS and Perkins programs.

The House bill, but not the Senate bill, requires the institution to submit an application.

The Senate recedes.

The House bill, but not the Senate bill, provides an additional $10 million authorization for the work-learning colleges.

The conference substitute provides for an authorization of $5 million and such sums in the four succeeding fiscal years.

Both the Senate and House bills require a 50–50 match for federal work-study funds used for such purposes, but the phrasing of the match is slightly different.

The House recedes.

Both the Senate and House bills authorize institutions to support students' educational costs through work-learning programs, but the House specifies these costs are to be within the limits of Part F of this Title.

The Senate recedes.

The Senate bill, but not the House bill, references under authorized activities those activities under the JLD program and the community-service-learning program.

The conference substitute provides for these references along with other conforming amendments.

The House bill, but not the Senate bill permits use of funds for development of programs that develop "personal values".

The House recedes.

The House bill, but not the Senate bill, specifies that promotion of optimum use of college work-study dollars applies to a student's education and development.

The House recedes.

Both the Senate and House bills provide similar definitions of work-colleges except that the Senate bill specifies that the commitment to service must be to "community" service.

The House recedes.

The House bill specifies that the service program must be an integral part of the institution's educational program and philosophy.

The Senate recedes.

Both the Senate and House bills provide similar definitions of work-learning programs although the House bill and not the Senate bill, requires the program to be an integral and stated part of the institution's educational philosophy.

The Senate recedes.

PART D—FEDERAL DIRECT LOANS

Both the Senate bill and House bill repeal the Income Contingent Loan Program. The Senate bill, but not the House bill, provides for the redistribution of assets from the Income Contingent Loan fund to institutional Perkins, CWS, or Pell programs. The Senate bill would also allow institutions to convert ICL loans to Perkins loans after July 1, 1992.

The conference substitute incorporates this provision with a technical amendment clarifying that the reference to Pell should have been to SEOG.

The House bill, but not the Senate bill, provides for a Federal Direct Loan Demonstration Program with the following conditions:

Institutions representative of all Part B participants with a total annual loan volume of $500 million;

A similar group of institutions designated as control group;

Selection by the Secretary first from among institutions expressing an interest in participating;

Additional institutions selected by the Secretary, if necessary, to complete the sample (institutions may decline to participate for a good cause, pursuant to regulations established by the Secretary);

Institutions participate either in Part B or the demonstration but not both;

Loan volume in institutions in sample may not exceed 15 percent for any guaranty agency's volume and Secretary shall determine that agencies remain financially sound;

Stafford, SLS and PLUS included in the demonstration;

Loans made under the demonstration have the same terms and conditions as comparable loans in Part B;

Institutions are entitled to receive funds sufficient to make loans to all eligible students and parents;

Institutions originate the loans;

Servicing of loans is done by contracts, administrated by the Department of Education;

20 percent of demonstration group and 20 percent of control group shall offer income contingent repayment options to borrowers;

Includes deadlines for performance of required activities by the Secretary;

Evaluation by G.A.O. by May 1, 1998;

Program begins on July 1, 1994 and ends on June 30, 1998.

The conference substitute adopts the provisions of the House bill with the following modifications: Thirty-five percent of the institutions in the demonstration program and in the control group will offer students income-contingent repayment terms. Institutions may apply to participate in the program as members of a consortia. Institutions selected to participate in the program may also form consortia to carry out their responsibilities under the program. The G.A.O. report is expanded to include several additional topics. The provision providing administrative and servicing funds is clarified to ensure that these funds are a mandatory expenditure and capping the amount of such funds. While the administrative costs for the Direct Loan Demonstration Program are intended to be mandatory expenditures, the conferees intend for the Secretary of Education to include such costs with his budget submission to Congress, so that the Appropriations Committees can ensure that funds obligated pursuant to this section are not being used for purposes other than administrative costs under this part.

The House bill, but not the Senate bill, includes a such sums authorization for administrative expenses including program reviews and compliance activities.

The conference substitute incorporates this provision with an amendment to move to Part G.

PART E—FEDERAL PERKINS LOANS

The House bill, but not the Senate bill, renames the program Federal Perkins Loans.

The Senate recedes.

The Senate bill reauthorizes the Perkins Program at $200M for FY 1993 while the House bill reauthorizes the Program at $300M.

The conference substitute sets the authorization at $250 million.

The Senate bill reauthorizes the Perkins Program for 7 years while the House bill reauthorizes it for 5 years.

The Senate recedes.

The Senate bill, but not the House bill, establishes an appeals process by which the Secretary can waive the requirement for annually increased collections for low default institutions.

The House recedes.

The House bill, but not the Senate bill, replaces the current system of default rate calculations for the Perkins Program by:

(a) Providing that, in FY 94, institutions with cohort default rates greater than or equal to 30 percent will receive no new Perkins funding; institutions with default rates greater than or equal to 25 percent will have their funding reduced by 30 percent, institutions with default rates greater than or equal to 20 percent will have their funding reduced by 10 percent and institutions with default rates greater than or equal to 15 percent will have to establish a default reduction plan.

(b) Applying a new definition of cohort default rate in FY 94 and succeeding fiscal years that parallels the definition used in the Stafford Program.

The Senate recedes.

(a) It is the intent of the conferees that if an institution must implement a default reduction plan under the requirements of the Stafford Loan Program and under the Perkins Program, that those two efforts should be coordinated.

(b) The conference substitute incorporates this position with an amendment to change the references from fiscal year to award year, to provide an extended period before the loans go into default, to provide that a loan on which the borrower has made arrangements to resume repayment is not counted toward the institutional default rate and to make clarifying changes for students who have attended more than one institution.

The Senate bill would first reallocate Perkins funds returned by institutions to schools which participated in 1985 but did not receive an allocation. The House bill would base all 1985 eligible institutions Perkins allocations upon the amount which each eligible institution was allocated rather than the amount it received.

The conference substitute includes both provisions with an amendment limiting the reallocation to 80% of the excess and making a number of clarifying changes.

The House bill, but not the Senate bill, penalizes institutions that fail to award at least 90 percent of their Perkins funds by reducing such institution's subsequent year's allocation by the amount returned, unless the Secretary finds that enforcing this provision is contrary to the interest of the program.

The conference substitute includes this provision with conforming language. It is also the conferees intent that this new requirement that institution's expend 90% of their Perkins money be applied in conjunction with the new rule in Section 466(c) that allows institutions two years to expend their Perkins loan funds.

The Senate bill raises the institutional match in the Perkins Program from 10 percent to 15 percent in FY 93 and to 25 percent in FY 94 and beyond. The House bill raises the institutional match to 25 percent in FY 93 and beyond.

The House recedes.

The Senate bill, but not the House bill, provides a Secretarial waiver for institutions for which the match would cause financial hardship and which serve large numbers or percentages of low-income or minority students.

The Senate recedes.

The Senate bill, but not the House bill, removes the requirement that credit bureau organizations must first verify whether a student's account has been previously reported to any other bureau before conducting subsequent reporting.

The conference substitute includes this provision and applies this requirement to Part B loans as well.

The Senate bill, but not the House bill, modifies the Perkins disclosure statement to borrowers to make certain that borrowers understand the credit bureau reporting procedures.

The House recedes.

The Senate bill, but not the House bill, specifies that the Secretary may not require short-term holders of collected Perkins loans funds (collection agents an attorneys and loan servicers) to place such collections in interest bearing accounts.

The conference Substitute includes this provision with an amendment limiting the number of days funds can be in a non-interest bearing account to 45 days.

The Senate bill, but not the House bill, requires the Secretary to make every effort to have the IRS assist institutions in Perkins collection efforts. Additionally, it makes the use of IRS skip-tracing permissive rather than mandatory for institutions.

The House recedes.

The Senate bill establishes annual loan limits in the Perkins Program of $3,000 per year for undergraduates and $5,000 in the case of graduate and professional students. The Senate bill further establishes aggregate loan limits of $15,000 for undergraduates and $40,000 for graduate and professional students. The House bill raises current aggregate limits to $6,000 for students in the first two years of undergraduate education, $15,000 for total undergraduate education and $25,000 for graduate and professional students.

The conference substitute includes the Senate provision with an amendment setting the graduate aggregate borrowing at $30,000.

The Senate bill, but not the House bill, allows the aggregate loan limits to be increased by 20 percent for study-abroad students.

The House recedes.

The House bill, but not the Senate bill, provides an Expanded Lending Option program for institutions with default rates of 7.5 or less. This program allows aggregate loan limits of $8,000 for students in their first two years of undergraduate education, $20,000 for total undergraduate education and $32,000 for graduate and professional students. Schools participating in such program must increase their campus match to at least 50 percent.

The conference substitute includes this provision with an amendment establishing aggregate borrowing limits at $40,000 with annual limits at $4,000 for undergraduates and $6,000 for graduates.

The Senate bill, but not the House bill, requires students to provide their driver's license number at the time of application.

The House recedes.

The Senate bill requires that if the financial need of an institution's less than full-time students exceed 5 percent then at least 5 percent of the institution's funds must go to such students. The House bill maintains the current "reasonable proportion" language but adds students age 24 or older, single parents and independent students to the category.

The conference substitute incorporates both provisions with an amendment to strike the references to age 24 or older and single parents.

The Senate bill raises the minimum monthly payment in the Perkins Loan Program from $30 to $40. The House raises the minimum to $50 for loans made on or after July 1, 1993.

The House recedes.

The Senate bill, but not the House bill, changes interest rates on the Perkins Program to 5 percent on the first 4 years of repayment and 8 percent thereafter for loans made on or after July 1, 1993.

The Senate recedes.

The Senate bill, but not the House bill, permits institutions at their discretion, to obtain credit reports on independent students and to use such reports to require borrowers with adverse credit histories to obtain credit worthy cosigners, buy specifies that insufficient credit or no credit do not constitute adverse credit histories.

The Senate recedes.

The House bill, but not the Senate bill, allows a $300 overaward tolerance in the Perkins Loan Program.

The House recedes.

The Senate bill replaces all current deferments with the following: in-school; 3-year unemployment; 3-year disability; or 3-year low-income (defined as the greater of the minimum wage or 100 percent of the poverty line for a family of 2). The House bill adds two new deferments to the current list of Perkins deferments for (1) full-time employees of family service agencies who provide services to high risk children from low-income families and (2) graduate or post-graduate fellowship students studying abroad.

The conference substitute provides for deferments in the following categories: in-school; 3-year unemployment; 3-year low-income; 3-year economic hardship; graduate fellowship-supported study abroad; and for anyone receiving loan cancellation.

The Senate bill, but not the House bill, provides up to three years of forbearance for borrowers whose debt burden equals or exceeds 20 percent of gross income or for other reasons determined by the institution.

The conference substitute incorporates this provision with an amendment to change the reference from lender to institution.

The House bill, but not the Senate bill, specifies when the Perkins repayment period begins.

The Senate recedes.

Both the Senate and House bills permit institutions to compromise on defaulted Perkins loans with some restrictions. The House bill,but not the Senate bill, requires institutions to keep records of the portion of the collected funds that bears the same relation as the government's original capital contribution to the institution's Perkins fund.

The Senate recedes.

The House bill expands the current Perkins loan forgiveness to teachers at all Chapter 1 schools that have concentrations in excess of 30%

The Senate recedes.

The Senate bill expands those eligible for the current Perkins loan forgiveness to teachers of mathematics, science, foreign languages, special education, bilingual education and other shortage fields as defined by the SEA.

The conference substitute incorporates this provision with an amendment striking the specific reference to special education.

The Senate bill also deletes provisions of current law providing loan forgiveness for full-time Head Start staff members who meet certain criteria.

The Senate recedes.

The Senate bill, but not the House bill, permits the Secretary to use the previous year's list of schools which are eligible for Perkins loans cancellation in instances in which the new list is not available by May 1.

The House recedes.

The Senate bill permits borrowers receiving Perkins loan cancellations for teaching in a Chapter 1 school to continue to receive such cancellation for the full five years even if the school loses its (Perkins) designation provide the borrower continues to teach in the school. The House bill permits such borrowers to continue to receive Perkins loan cancellation for one year following the school's loss of eligibility.

The House recedes.

The House bill, but not the Senate bill, extends Perkins loan cancellation to full-time teachers of infants, toddlers, children or youth with disabilities and providers of early intervention services to those who are served by agencies authorized under the Individuals with Disabilities Education Act.

The conference substitute incorporates this provision with an amendment to include special education teachers.

The House bill, but not the Senate bill, extends Perkins loan cancellations to full-time nurses and medical technicians.

The Senate recedes.

The House bill, but not the Senate bill, extends Perkins loan cancellations to family service agency employees who serve "high-risk" children from low-income communities and families, and defines such terms.

The Senate recedes.

The Senate bill, but not the House bill, updates the automatic termination language in the Perkins program from 1997 to 2005.

The Senate recedes.

The House bill, but not the Senate bill, creates a Perkins Loan Revolving Fund to ensure that collections on defaulted loans and other unused loan funds are reallocated to institutions rather than the U.S. Treasury.

The Senate recedes.

PART F—NEED ANALYSIS

The Senate bill, but not the House bill, changes the name of Part F to "Student Aid Methodology", and replaces all references to "need analysis" in title IV with "student aid methodology".

The Senate recedes.

The Senate bill, but not the House bill, replaces all references to "eligibility index" for Pell Grants in title IV with "expected family contribution".

The House recedes.

The Senate bill defines the need for the title IV programs as cost of attendance minus both the expected family contribution calculated in Part F and the sum of all resources itemized in this section. The House bill defines need as cost of attendance minus both expected family contribution and estimated financial assistance.

The Senate recedes.

The House bill, but not the Senate bill, provides that the definition of need under this part apply to the Pell Grant formula.

The House recedes.

The Senate bill, excludes a minimum contribution from SEOG. The Senate bill sets the minimum student contribution as equal to $900 for first-year dependent undergraduate students, and $1,100 for all other students (except for independent students with dependents other than a spouse). The House bill excludes a minimum contribution from all programs under this title.

The Senate recedes.

The Senate bill, but not the House bill, includes as resources: Pell Grants, waivers of tuition and fees, other title IV grants, insurance benefits available to students (e.g., social security education benefits), veterans' benefits, athletic scholarships, and long-term institutional loans.

The House bill includes all scholarships, grants, loans or other assistance not received under this title; and provides for treatment of tuition prepayment plans.

The conference substitute provides that all scholarships, grants, loans, including veterans' education benefits, and other assistance not received under this title be included as resources. The conference substitute also provides for treatment of tuition prepayment plans.

The Senate bill, but not the House bill, includes Chapter 34 of title 38 in veterans' benefits. The House bill, but not the Senate bill, includes chapter 2 of title 37, section 207 of title 38, section 156 of P.L. 97-376, and section 903 of P.L. 96-342.

The conference substitute includes chapter 2 of title 37, section 156 of P.L. 97-376, and section 903 of P.L. 96-342.

The House bill, but not the Senate bill, removes the reference that makes cost of attendance subject to section 478.

The House recedes.

The Senate bill adds an allowance and a definition for personal assistance for disabled students. The House bill changes the word "handicapped" to disability the second time it appears.

The conference substitute provides an allowance for personal assistance for disabled students and changes the word "handicapped" to "disability" the second time it appears.

The Senate bill permits actual expenses for the child care allowances, except the allowance cannot exceed the reasonable cost in the community. The House bill permits an estimated amount incurred for the child care allowance based on the number and age of the dependents. The House bill further defines the period for which dependent care is required to include class-time, study-time, field work and commuting time.

The conference substitute permits estimated actual expenses for the child care allowances, except the allowance cannot exceed the reasonable cost in the community. The conference substitute defines the period for which dependent care is required to include class-time, study-time, field work and commuting time. The conferees are concerned that past allowances set by institutions have not been adequate to meet reasonable and realistic costs incurred for child care including time spent in the classroom, study-time, field work and commuting time.

The House bill, but not the Senate bill, moves the correspondence program provision from item (5) to item (10).

The House recedes.

The House bill, but not the Senate bill, allows reasonable costs associated with participation in a work experience under a cooperative education program.

The Senate recedes.

The Senate bill, but not the House bill, renames this section, "Student Aid Methodology; Data Elements."

The Senate recedes.

The Senate bill, but not the House bill, identifies the sections in which expected family contributions are calculated for each category of students.

The House recedes.

The Senate bill, but not the House bill, modifies the order for which different categories of students' effective family contribution is determined.

The Senate recedes.

The Senate bill uses the term "effective income" from the Pell Grant formula, whereas the House bill uses the term "available income" from the congressional methodology.

The Senate recedes.

The Senate bill uses the treatment for "number of family members in the household" from the Pell Grant formula whereas the House bill uses the "number of dependents in the family of the student" from congressional methodology.

The Senate recedes.

The Senate bill removes the reference that limits the number of family members enrolled in college considered to receive an allowance to only those for whom the family may reasonably be expected to contribute to their postsecondary education.

The conference substitute provides that the number of dependents in the family of the student who are enrolled or accepted for enrollment, on a least a half-time basis, in a degree, certificate, or other program leading to a recognized educational credential at an institution of higher education that is an eligible institution in accordance with the provisions of section 487 and for whom the family may reasonably be expected to contribute to their postsecondary education will be considered in determining the expected family contribution.

The Senate bill references assets whereas the House bill references net assets and uses slightly different language.

The Senate recedes.

The House bill, but not the Senate bill, includes as necessary data elements the age of the student and of the older parent of a dependent student.

The Senate recedes.

The House bill, but not the Senate bill, does not require the married student to be employed in order for the couple to receive the employment expense allowance.

The House recedes.

The Senate bill, uses the exclusion of forced sales proceeds from the Pell Grant formula with minor wording changes whereas the House bill moves a similar provision from congressional methodology to financial aid officer discretion.

The Senate recedes.

The Senate bill, but not the House bill, adds the word "Expected" before the current congressional methodology section head "Family Contribution for Dependent Students"

The Senate recedes.

The Senate bill uses the current computation of expected family contribution from the Pell Grant program, whereas the House bill uses the computation of expected family contribution from the congressional methodology.

The Senate recedes.

The Senate bill uses the "Contribution from Parents' Income and Assets" from the Pell Grant formula whereas the House bill uses the Parents' Contribution from Adjusted Available Income from congressional methodology except that the House bill permits Parents' Contribution from Adjusted Available Income to be negative.

The conference substitute provides that the Parents' Contribution from Adjusted Available Income from the congressional methodology be used, and the contribution cannot be less than zero. The Conference substitute also replaces references to "dependent children of parent (or parents)" with "family members".

The Senate bill uses the Standard Contribution from Parents' Income and the Determination of Effective Family Income from the Pell formula whereas the House bill uses Parents' Available Income from congressional methodology.

The Senate recedes.

The House bill, but not the Senate bill, adds a category to the current congressional methodology tax table called "Other."

The Senate recedes.

The Senate bill utilizes the Pell allowances for taxes which does not include Social Security, whereas the House bill uses the current allowance for Social Security taxes from congressional methodology.

The Senate recedes.

The Senate bill uses the Family Size Offset from the current Pell formula, whereas the House bill uses the Standard Maintenance Allowance from congressional methodology and renames it the Income Protection Allowance. Both the Senate and the House bills increase the respective allowances but provide for different indices of family expenses.

The conference substitute provides that the Standard Maintenance Allowance from congressional methodology be used and renames it the Income Protection Allowance.

The Senate bill, but not the House bill, eliminates a specific offset for elementary and secondary tuition and fees.

The House recedes.

The Senate bill uses the current assessment of discretionary income from the Pell Grant formula whereas the House bill, like congressional methodology, does not provide for a separate Assessment of Discretionary Income.

The Senate recedes.

The Senate bill uses the structure of the current Pell formula to determine the contribution from parents' assets with the following changes:

Excludes home and farm equity from the calculation for families with incomes at or below $50,000;

Changes the special rule for large deductions to apply to those deductions which exceed $100,000 in place of the current $110,000.

The House bill uses the structure of the current congressional methodology to determine contribution from parents' assets with the following changes:

Excludes home, family farm and small business equity for all families;

Updates the asset protection allowance tables and the assessment tables for other farm and business assets;

Adds an educational savings protection allowance by assessing the difference (if greater than zero) between the parental net worth and the asset protection allowance using a specified table; however, to include an educational savings protection allowance, the parental available income must be greater than zero.

The conference substitute uses the structure of the current congressional methodology to determine contribution from parent's assets excluding home and family farm equity for all families. The conference substitute also includes an education savings allowance under the asset protection tables.

The Senate bill uses the current Pell assessment rates of 5% whereas the House bill uses the current congressional methodology rate of 12%.

The Senate recedes.

The Senate bill uses the current treatment of separation or divorce in the Pell grant formula whereas the House bill uses the current treatment from congressional methodology with the specification that assets as well as income of the affected parent are to be considered.

The Senate recedes.

The Senate bill uses the current treatment of remarried parents from the Pell formula whereas the House bill uses the treatment from congressional methodology, except that the House bill clarifies that assets of the spouse of a remarried parent are not included.

The conference substitute uses the treatment of remarried parents from congressional methodology, but does not specifically exclude assets of the spouse of a remarried parent.

The Senate bill uses the Contribution from Student's Income and Determination of Student's Effective Income from the Pell formula whereas the House bill uses the Student Contribution from Available Income from congressional methodology.

The conference substitute uses the Student Contribution from Available Income from congressional methodology, and provides that the contribution cannot be less than zero.

The Senate bill uses the Total Offsets Against Student's Income from the Pell formula whereas the House bill uses the Adjustment to Student Income from congressional methodology except that the House bill changes the word "local" in the subsection head and the tax chart to "other".

The conference substitute provides for the use of the Adjustment to Student Income from current congressional methodology and also provides an income protection allowance of $1,750.

The House bill, but not the Senate bill, provides an allowance for the social security taxes consistent with congressional methodology.

The Senate recedes.

The Senate bill uses the Assessment of Student's Income from the Pell formula except that the assessment rate for first-year undergraduate students is reduced from 75% to 50%. The House bill reduces the current assessment rate of 70% on all earnings from congressional methodology to 50%.

The Senate recedes.

The Senate bill uses the current treatment of asset contribution from Pell, whereas the House bill uses the current treatment of asset contribution from congressional methodology except that the House bill excludes base-year earnings from this calculation.

The conference substitute provides for the use of the current treatment of asset contribution from congressional methodology.

The House bill includes current adjustments for periods of enrollment other than 9 months of programs other than Pell and adds an adjustment to student contribution for periods of enrollment other than 9 months for programs other than Pell specifying that these adjustments must be "based on individual circumstances". The Senate bill does not provide any adjustments for enrollment periods other than 9 months for programs other than Pell.

The conference substitute includes current adjustments for periods of enrollment other than 9 months for programs other than Pell without a specific adjustment for student contribution.

The Senate bill changes the current Pell section head from "Eligibility Determination for Independent Students with Dependents other than a Spouse" to "Expected Family Contribution for Independent Students with Dependents Other than a Spouse". The House bill changes the congressional methodology section head (and those treated under this category) from "Family Contribution for Independent Students with Dependents" to "Family Contribution for Independent Students with Dependent Children."

The conference substitute changes the current congressional methodology section head to "Family Contribution for Independent Students with Dependents other than a Spouse."

The Senate bill uses the current computation of expected family contribution from the Pell Grant Program, whereas the House bill uses the computation of expected family contribution from the congressional methodology.

The conference substitute provides that the computation of expected family contribution be taken from the congressional methodology and makes conforming changes.

The Senate bill uses the Standard Contribution from Student's (and spouse's) Income from the Pell formula whereas the House bill uses Family's Available Income from congressional methodology.

The Senate recedes.

The Senate bill, but not the House bill, uses the Determination of Effective Family Income from the current Pell formula.

The Senate recedes.

The House bill, but not the Senate bill, adds a category to the current congressional methodology tax table called "Other."

The Senate recedes.

The Senate bill utilizes the Pell allowances for taxes which does not include social security, where the House bill uses the current allowance for social security taxes from congressional methodology.

The Senate recedes.

The Senate bill uses the Family Size Offset from the current Pell formula, whereas the House bill uses the Standard Maintenance Allowance from congressional methodology and renames it the Income Protection Allowance. Both the Senate and the House bills increase the respective allowances but provide for different indices of family expenses.

The conference substitute provides that the Standard Maintenance Allowance from congressional methodology be used and renames it the Income Protection Allowance.

The Senate bill, but not the House bill, eliminates a specific offset for elementary and secondary tuition and fees.

The House recedes.

The Senate bill uses the current assessment of discretionary income from the Pell Grant formula whereas the House bill, like congressional methodology, does not provide for a specific Assessment of Discretionary Income.

The Senate recedes.

The Senate bill uses the structure of the current Pell formula to determine the contribution from student's (and spouse's) assets with the following changes:

Excludes home and farm equity from the calculation for families with incomes at or below $50,000.

The House bill uses the structure of the current congressional methodology to determine contribution from parents' assets with the following changes:

Excludes home, family farm and small business equity for all families;

Updates the asset protection allowance tables and the assessment tables for other farm and business assets.

The conference substitute uses the structure of the current congressional methodology to determine contribution from student's (and spouse's) assets excluding home and small business equity for all families.

The Senate bill uses the current Pell assessment rate of 5% whereas the House bill uses the current congressional methodology rate of 12%.

The Senate recedes.

The Senate bill uses the current treatment of separation or divorce in the Pell Grant formula whereas the House bill uses the current treatment from congressional methodology.

The Senate recedes.

The Senate bill changes the current Pell section head from "Eligibility Determination for Single Independent Students or for Married Independent Students without Other Dependents" to "Expected Family Contribution for Single Independent Students or for Married Independent Students without Other Dependents." The House bill changes the congressional methodology section head (and those treated under this category) from "Family Contribution for Independent Students" to "Family Contribution for Independent Students without Dependent Children."

The conference substitute changes the congressional methodology section head to "Family Contribution from Independent Students without Dependents Other Than a Spouse" and makes parallel changes throughout the section.

The Senate bill uses current computation of expected family contribution from the Pell Grant Program, whereas the House bill uses the computation of expected family contribution from the congressional methodology.

The Senate recedes.

The Senate bill uses the Standard Contribution from Student's (and spouse's) Income and the Determination of Effective Income from the Pell formula whereas the House bill uses the current congressional methodology treatment but changes the references from "Family's Available Income" to "Family Contribution from Available Income."

The Senate recedes.

The Senate bill uses a table for State and Other Taxes that is consistent with the current Pell Grant formula. The House bill uses a tax table that is consistent with the current congressional methodology, except that it adds a category called "other".

The conference substitute provides for the use of a tax table that is consistent with the current congressional methodology, except that is adds a category called "other" and striking the words "an allowance for" before the words "Federal income taxes".

The Senate bill utilizes the Pell allowance for taxes which does not include social security, whereas the House bill uses the current allowance for social security taxes from congressional methodology.

The Senate recedes.

The Senate bill uses the family Size offset from the current Pell formula, whereas the House bill bases its formula on the standard Maintenance Allowance from congressional methodology and renames it the Income Protection Allowance.

The Senate recedes.

The Senate bill updates the family size offset to $6,400 for a single student and $8,000 for a married student. The House bill provides for an income protection for periods of nonenrollment not to exceed $1,200 per month for single students $750 per person per month for married students.

The conference substitute provides an annual income protection allowance of $3,000 for single students; $3,000 for married students where both spouses are enrolled in institutions of higher education and $6,000 for married students where one spouse is a student.

The Senate bill uses the current assessment of discretionary income from the Pell Grant formula whereas the House bill, like congressional methodology does not provide for specific assessments of discretionary income.

The Senate recedes.

The Senate bill uses the Assessment of Student's Income from the Pell formula except that the assessment rate for first-year undergraduate students is reduced from 75% to 50%. The House bill reduces the current assessment rate of 70% on all earnings from congressional methodology to 50%.

The Senate recedes.

The Senate bill uses the structure of the current Pell formula to determine the contribution from student's (and spouse's) assets with the following changes:

Excludes home and farm equity from the calculation for families with incomes at or below $50,000.

The House bill uses the structure of the current congressional methodology to determine contribution from parents' assets with the following changes:

Excludes home, family farm and small business equity for all families;

Updates the asset protection allowance tables and the assessment tables for other farm and business assets.

The conference substitute uses the structure of the current congressional methodology to determine contribution from student's (and spouse's) assets excluding home and family farm equity for all families.

The Senate bill provisions for updating charts is based upon the current Pell language whereas the House bill is based upon the current congressional methodology language.

The Senate recedes.

The Senate bill prescribes adjustments to be made after the 1991–92 academic year. The House bill provides adjustments to be made after the 1992–93 award year.

The Senate recedes.

The House bill, but the Senate bill replaces the current mechanism for updating the tables. Changes include:

A new Bureau of Labor Statistics index as the basis for calculating living allowances;

The introduction of a new annual method for the Department to calculate changes in the index including specific adjustments in the new index's subcomponents.

The conference substitute provides for the use of the current congressional methodology method for updating the tables.

The House bill, but not the Senate bill, provides for updating the congressional methodology table of net worth of a business but eliminates the reference to farm.

The conference substitute provides for updating the congressional methodology table of net worth of a business or farm.

The House bill, but not the Senate bill, revises the mechanism for updating the asset protection allowance from congressional methodology to reflect the use of the new Bureau of Labor Statistics index.

The conference substitute provides for the inclusion of an allowance for education savings in the asset protection allowance and to use the current congressional methodology method for updating the tables.

The House bill, but not the Senate bill, revises the time frame for updating the congressional methodology table of assessments from adjusted available income.

The Senate recedes.

The Senate bill eliminates the current definitions of Consumer Price Index. The House bill retains the definition found in congressional methodology.

The Senate recedes.

The House bill, but not the Senate bill, includes a provision to update state and other tax allowances.

The Senate recedes.

The Senate bill increases the income criterion of the simplified needs test to include families with adjusted gross incomes of up to $50,000 per year and includes provisions for addressing non-U.S. tax filer. The Senate bill defines the contribution figure as zero for anyone receiving AFDC/ADC benefits. The House bill, specifies a zero family contribution for dependents and independents with children whose income is less than or equal to the amounts that may be earned in order to claim Federal earned income credit.

The conference substitute increases the income criterion of the simplified needs test to include families with adjusted gross incomes of up to $50,000 per year and includes provisions for addressing non-U.S. tax filers. The conference substitute also specifies a zero family contribution for dependents and independents with children whose income is less than or equal to the amount that may be earned in order to claim the maximum Federal earned income credit.

The Senate bill requires that the Secretary develop an easily identifiable application form for the individuals who qualify for the simplified needs test reflecting the reduced data requirements. The House bill removes the requirement for a simplified form.

The conference substitute requires that the Secretary develop an easily identifiable application form for the individuals who qualify for the simplified needs test reflecting the reduced data requirements. The conference substitute states that this is a separate section on the common reporting form. The conferees do not intend this to be a separate form. However, the conferees are concerned that currently not enough families are using this process and may be enticed into completing unnecessary questions on the form.

The House bill, but not the Senate bill, removes current law references limiting financial aid administrator discretion to subparts 1 and 2 of Parts A and Part B, C, and E as well as the specific reference to data elements under these subparts.

The conference substitute includes this provision and makes other clarifying changes.

The Senate bill, but not the House bill, requires that the aid administrator made adjustments, in the case of dislocated workers, displaced homemakers, unreimbursed medical and dental expenses and elementary and secondary tuition and fees.

The Senate recedes. The conferees intend that financial aid administrator discretion be extended to four areas that were previously included as part of the formal financial aid application. These include: (1) private elementary and secondary education expenses, (2) dislocated worker status, (3) displaced homemaker status, and (4) unusual medical and dental expenses. The conferees believe these are concerns that should not and must not be disregarded. The conferees also intend that financial aid can be used when base year income is not a appropriate estimate of expected year income. The conferees expect financial aid administrators to take positive action for students and families whenever the need is warranted in any and all of these areas.

The Senate bill, but not the House bill, prohibits the charging of a fee to any parent or student for the collection, processing or delivery of supplementary information for the purpose of professional judgment decisions.

The House recedes.

The House bill, but not the Senate bill, eliminates the examples of circumstances in which financial aid administrators are to be considered as making a necessary adjustment.

The Senate recedes.

The Senate bill, but not the House bill, specifies that financial aid administrators are making appropriate adjustments when they take into consideration the additional costs a student incurs as a result of being disabled.

The House recedes.

The Senate bill, but not the House bill, specifies that financial administrators, are making appropriate adjustments when they restore the eligibility for grant or work-study funds to students whose liabilities on title IV loans have been discharged by the Secretary or canceled on account of permanent and total disability.

The Senate recedes.

The Senate bill, but not the House bill, specifies that financial aid administrators are making appropriate adjustments when they adjust the family contribution to exclude the value of land and residence of holdings on land restricted against alienation without the consent of the Federal Government or is held in trust by the United States or a federally recognized tribe for the benefit of an individual member or members of an Indian tribe or is held in trust by the United States for the benefit of an Indian tribe.

The Senate recedes.

The Senate bill requires that the financial aid administrator use the award year income and exclude the net value of investments and real estate (including the primary residence) in the calculation of the family contribution in the case of a dislocated worker. The House bill eliminates current special consideration for dislocated workers from needs analysis.

The Senate recedes.

The Senate bill requires that financial aid administrator to exclude the net value of investments and real estate (including the primary residence) from the calculation of the family contribution in the case of a displaced homemaker. The House bill eliminates the current special consideration for displaced homemakers from need analysis.

The Senate recedes.

The Senate bill requires the financial aid administrator to reduce the available income by the amount of unreimbursed medical expenses in excess of five (5) percent of the income in calculating family contribution. The House bill eliminates the current special consideration for unreimbursed medical expenses from needs analysis.

The Senate recedes.

The Senate bill moves the current treatment of elementary and secondary tuition and fees from the needs analysis calculation to a new section of mandated financial aid administrator adjustments.

The Senate recedes.

The House bill maintains the current treatment of elementary and secondary tuition and fees but uses slightly different language.

The House recedes.

The Senate bill, but not the House bill, specifies that the definitions in Section 480 do not apply to the SSIG program.

The Senate recedes.

The Senate bill defines "award year" in Part F, the House bill defines "award year" in part G, using slightly different language.

The Senate recedes.

The Senate bill, but not the House bill, includes the current definition of business assets from the Pell Grant Program.

The Senate recedes.

The Senate bill, but not the House bill, includes the current definition of dependent from the Pell Grant Program with minor technical changes.

The Senate recedes.

The Senate bill adds a specific definition of "dislocated worker" to Section 480. The House bill strikes all references to dislocated workers.

The Senate recedes.

The House bill, but not the Senate bill, repeals the definition of displaced homemaker.

The Senate recedes.

The Senate bill moves the current definition of farm assets from the Pell Program to section 480 whereas the House bill repeals the definition.

The Senate recedes.

The Senate bill states that taxes paid under the jurisdictions of the Republic of the Marshall Islands, the Federated States of Micronesia and Palau shall be treated as U.S. income taxes. The House bill states that all taxes paid under the jurisdiction of the Trust Territories of the Pacific Islands shall be treated as U.S. income taxes.

The House recedes.

The Senate bill, but not the House bill, excluded ADC/AFDC from the definition of untaxed income and benefits.

The Senate recedes.

The House bill, but not the Senate bill, includes veterans' education benefits in the calculation of untaxed income and benefits.

The House recedes.

The House bill, but not the Senate bill, excludes funds provided by parents of a dependent student as untaxed income.

The Senate recedes.

The Senate bill provides for a new consolidated definition of Annual Adjusted Family Income that reflects the current Pell treatment.

The House bill modifies the current congressional methodology definition of "total income" to:

Make a distinction between independent and dependent students so as to apply projected year income to independent students;

Move the Forced Sales Provisions to financial aid administrator's discretion;

Eliminate references to dislocated workers.

The conference substitute modifies the current congressional methodology definition of "total income" to:

Move the Forced Sales Provisions to financial aid administrator's discretion;

Eliminate references to dislocated workers.

The House bill, but not the Senate bill, specifies that and student financial assistance shall not be included as assets in the computation of expected family contribution for any program funded in whole or in part under this Act.

The Senate recedes.

The Senate bill, but not the House bill, provides for a new consolidated definition of effective family income that reflects current Pell treatment.

The Senate recedes.

The Senate bill uses the current Pell treatment of employment expense offset but raises the level to the current congressional methodology level and then moves the definition to Section 480. The House bill uses the congressional methodology treatment and raises the $2,100 offset to $2,600.

The conference substitute uses the congressional methodology treatment and raises the $2,100 offset to $2,500.

The House bill, but not the Senate bill, does not require a married student to be employed in order for the couple to receive the employment expense allowance.

The House recedes.

The Senate bill provides for a method of updating the employment expense offset as part of sec. 480. The House bill updates the employment expense allowance, using the new Bureau of Labor Statistics index in sec. 478.

The conference substitute provides for a method of updating the employment expense allowance using the current congressional methodology method of updating the tables.

The Senate bill uses the current Pell treatment of excludable income with minor technical changes but moves the definition to section 480. The House bill uses the current congressional methodology treatment with the following changes.

Excludes dislocated worker compensation;

Adds child support payment made by the student or parent;

Adds any payments made and services provided under Part E of title IV of the Social Security Act.

The Senate recedes.

The Senate bill retains both the current congressional methodology and Pell language on determination of expected family contribution for Native American students where the House bill uses only the current congressional methodology treatment.

The Senate recedes.

The Senate bill, but not the House bill, defines family size determination.

The Senate recedes.

The House bill, but not the Senate bill, includes a definition of "veteran".

The Senate recedes.

The House bill, but not the Senate bill, defines "current balance of checking and savings account" to exclude any funds over which the individual is barred from exercising discretion and control because of the actions of any State in declaring a bank emergency due to the insolvency of a private deposit insurance fund.

The Senate recedes.

PART G—GENERAL PROVISIONS

Both the House and the Senate bill eliminate the separate definition of higher education for the Loan program. The Senate also applies the definition under section 481 to the Byrd Scholarship Program.

The House recedes. The conferees recognize that proprietary institutions of higher education include some degree-granting postgraduate and undergraduate colleges, as well as the better known vocational, trade, technical and business schools.

The House bill, but not the Senate bill, strikes the special definition of institution of higher education for departments of nursing and allied subjects.

The Senate recedes.

The Senate bill eliminates any institution from Title VI eligibility that offers more than 50% of its courses by correspondence.

The House recedes.

The House bill eliminates any institution that enrolls 50% or more of its students in correspondence courses.

The Senate recedes.

The House bill, but not the Senate bill, strikes from the definition of eligible institutions any school that has filed for bankruptcy and in which there has been criminal activity by those exercising control.

The conference substitute incorporates this provision with an amendment changing the "and" to "or".

The Senate bill, but not the House bill, eliminates from Title IV eligibility any institution whose enrollment is composed of more than 25% incarcerated students.

The conference substitute incorporates this provision with an amendment establishing a Secretarial waiver for 2-4 year public or private non-profit institutions.

The Senate bill eliminates any institution from Title IV eligibility that uses commissioned salespeople in any phase of its operation. The House bill adds a similar prohibition to the program participation agreements section but applies the limitation to the enrollment, recruitment, admissions and financial aid process.

The conference substitute applies the limitation to the enrollment, recruitment, admissions and financial aid process, places it in the program participation agreement section and provides an exemption for the use of commissioned sales in foreign countries for purposes of recruiting foreign students who do not meet the definition of eligible student under this title. The conferees note that substantial program abuse has occurred in the student aid programs with respect to the use of commissioned sales representatives. Therefore this legislation will prohibit their use. The conferees wish to clarify, however, that use of the term "indirectly" does not imply that schools cannot base employee salaries on merit. It does imply that such compensation cannot solely be a function of the number of students recruited, admitted, enrolled, or awarded financial aid. The conferees have provided a limited exception permitting the use of commissioned sales representatives for the recruitment of foreign students to U.S. institutions on the basis that such students are not eligible for Title IV assistance. Recruitment of such students falls beyond the scope of federal interest in preserving the integrity of student aid programs and are therefore not relevant to the granting of institutional eligibility under the Act.

The Senate bill, but not the House bill, eliminates from Title IV eligibility any school student enrollment is more than 50 percent ATB.

The conference substitute incorporates this provision with an amendment applying this only to non-degree granting institutions.

The House bill, but not the Senate bill, eliminates schools from participation in the Pell Grant Program that are terminated from the loan program because of high default rates.

The House recedes.

The House bill, but not the Senate bill, eliminates from Title IV eligibility any proprietary school that derives more than 85 percent of its revenues from Title IV funds.

The conference substitute incorporates this provision with an amendment to require such determination to be made in accordance with regulations prescribed by the Secretary.

Both the Senate and House bills provide a similar definition of academic year, except that the House bill includes in its definition a minimum number of weeks of instructional time.

The Senate recedes.

The Senate bill, but not the House bill, contains a definition of eligible program which sets a new measure of minimum program length and permits Title IV eligibility in less than 600 clock hour programs only if such programs require at least an associate's degree for admission.

The conference substitute incorporates this provision with an amendment to require the Secretary to develop regulations to determine the quality of less than 600 clock hour courses except that the regulations must at least required institutions to have a verified 70 percent graduation and completion rates. Based on these regulations the Secretary may permit institutions which meet these requirements to participate in the Part B programs.

The House bill, but not the Senate bill, requires all vocational programs of less than 2 years to be measured in clock hours unless the programs are acceptable for credit in a 2 or 4 year program at the institution.

The House recedes.

The Senate bill, but not the House bill, adds a definition of personal assistance to Title IV.

The Senate recedes.

It is the intent of the conferees that the definition of "personal assistance services" from the Vocational Rehabilitation Act of 1992 when passed apply to the Higher Education Act.

The House bill, but not the Senate bill, provides a definition of third party servicer.

The Senate recedes.

Both the Senate and House bills strike the limitation that any regulations affecting the "general administration" of Title IV programs must be published by December 1 prior to the award year. The House bill further strikes the word "additional" before the word "regulatory."

The Senate recedes.

The House bill, but not the Senate bill, makes a conforming change dealing with the elimination of sections 411A through 411F.

The Senate recedes.

The House bill, and the Senate bill require the Secretary to distribute and process a common financial reporting form and prohibit fees to students and parents for processing the form or delivery of aid, although the House and Senate use slightly different language.

The conference substitute incorporates this provision with an amendment requiring the Secretary to produce, distribute and process free of charge the Federal form, changing the reference to SSIG and adding a reference to Part D loans.

The Senate bill requires that the Secretary print, distribute and process one such reporting form; the House requires the Secretary to process the single financial reporting form.

The Senate recedes. The conferees expect that the requirement that the Secretary "produce" the common financial reporting form will not interpreted to preclude the Secretary from contracting with any appropriate vendor for the actual printing and production of this form. The conferees wish to strongly emphasize the responsibility of the Secretary to deliver an adequate supply of the common financial reporting form to institutions, schools, community agencies, individuals and others in a timely manner.

The Senate bill, but not the House bill, requires that the form identify students for mandatory adjustments under professional judgment (section 479A).

The Senate recedes.

The Senate bill requires that the Secretary prescribe a common reapplication form and process, including an electronic process.

The House recedes.

The House bill requires that the Secretary develop a streamlined reapplication process within 240 days of enactment of these amendments with appropriate support mechanisms and consult with institutions, agencies and aid organizations to determine the data elements necessary for reapplication.

The conference substitute incorporates this provision with a modification to amend Section 483(b) to read as follows and including States among those to be consulted and requiring that the reapplication form be consistent with the requirements for developing the application form.

The House bill, but not the Senate bill, specifies that the Secretary shall not be limited in reducing data elements necessary for reapplication.

The Senate recedes.

The Senate bill provides a specific reference in Section 411 to the requirement that the Secretary prescribe a common reapplication form and process for Pell Grant recipients.

The conference substitute incorporates this provision in the streamlined reapplication process provisions.

The Senate bill, but not the House bill, indicates that applications for Part B programs be submitted only for students enrolled or accepted for enrollment on at least a half-time basis.

The Senate recedes.

The Senate bill indicates that state data may not be combined with federal data on the common application form. The House bill does not provide for collecting state data on the common application form.

The Senate recedes.

The House bill, but not the Senate bill, specifies that need and eligibility for Pell Grants, Part B loans and Campus-Based programs may be determined only with the form produced by the Secretary. Also, the House bill indicates that a student may not receive aid under parts A (except SSIG), C, and E or have need established for parts B and D without completing the form produced by the Secretary.

The Senate recedes.

The Senate bill authorizes the Secretary to use contracts under Section 483 (a)(2) to assist states with the collection of data necessary to award state grants.

The conference substitute incorporates this provision with an amendment requiring the Secretary to assist States and institutions in collecting financial aid data except that additional data items (not including the eight, state non-financial items) may not be on the Federal form. MDE contractors who collect such additional data may only charge the marginal cost for processing additional State or institutional data items.

The House bill indicates that states and institutions may receive, without charge, data collected using the form developed under Section 483 for the purposes of determining need and eligibility for state and institutional awards.

The conference substitute incorporates this provision changing "may" to "shall" and allowing not more than 8 non-financial data items to be added to the Federal form to assist states in awarding their financial assistance. The conferees recognize that the majority of students who receive assistance under this Title also receive aid from states, institutions and other private sources, each of which may require additional data of students and families beyond that provided by the common financial reporting form. By requiring the Secretary to use such contracts to assist states and institutions with the collection of additional data, the conferees intend to make the process as simple as possible for those students from whom such information might be required. Although such data is required to be collected on a form separate from the common Federal reporting form, the contractors may develop and publish non-Federal forms and distribute such forms together with the Federal form and students may submit them for processing along with the common Federal reporting form. We explicitly authorize the simultaneous distribution of Federal and non-Federal applications and materials. We envision that the Federal and non-Federal applications and materials may be returned by students and families in the same envelope to the contractor.

Further, the conferees are aware of the potential difficulties of integrating Federal and non-Federal data that may be transmitted to institutions and states on different schedules or through different technological means. Thus, the conferees intend to permit Federal and non-Federal data to be transmitted simultaneously from the contractors to states and institutions in order to expedite the timely awarding and distribution of student aid funds to eligible students provided that the use of such federal data has been approved by the Secretary.

The House bill, but not the Senate bill, strikes the requirement that the Secretary, to the extent practicable, enter into not less than five (5) contracts for purposes of processing applications.

The conference substitute incorporates this provision with an amendment retaining the elimination of a reference to a completed report.

The Senate bill, but not the House bill requires that contractors under paragraph (2) use the common reporting form, identified as the "Free Application for Federal Student Aid".

The conference substitute incorporates this provision with an amendment changing "a" to "the."

The Senate bill, but not the House bill requires that the non-federal portion of the form be clearly identified from the federal portion of the form by appropriate means, including a bold line, bold print or clear instructions.

The Senate recedes.

The Senate bill, but not the House bill, requires that contractors under paragraph (2) use a common simplified reapplication form annually prescribed by the Secretary.

The conference substitute incorporates this provision with an amendment referencing the reapplication process.

The Senate bill requires that the contractors provide the estimated marginal cost of collection and processing of additional non-federal data elements for use by states in awarding state grants. The House bill requires that students must be charged a reasonable fee for data in addition to those prescribed by the Secretary; such fees must be based on the marginal cost of collection, processing and delivery of such data, adjusting for the payment made by the Secretary for processing the common reporting form.

The conference substitute provides that students be charged reasonable fees based on marginal costs for additional data and with an amendment changing "the" to "any." It is the intent of the conferees that state student aid application questions be included with the common financial reporting form to facilitate student access to postsecondary education and the administration of the State Student Incentive Grant (SSIG) program. It is also the intent of the Conferees that the Secretary consult with the states and their representative organizations such as the National Association of State Scholarship and Grant Programs.

The Senate bill specifies that data collected under contracts issued by the Secretary, pursuant to paragraph (2) is the property of the Secretary. The House bill specifies that all data collected for the multiple data entry process is the property of the Secretary.

The conference substitute provides for the references to data collected under paragraph (2) with an amendment amending Section 483 (a)(5) to read as follows.

The House bill, but not the Senate bill, limits the data collected for students who have a zero contribution calculated under section 479 to that which is necessary to determine eligibility under that section.

The Senate recedes.

The Senate bill requires the Secretary to include, as part of the contracts authorized in subsection (a)(2), early eligibility services and makes minor technical changes in paragraphs (2) and (3). The House bill repeals this subsection.

The conference substitute incorporates this provision with an amendment adding the new language to current language, changing the "shall" to "may" and moving the entire provision to the section on early intervention.

The Senate bill, but not the House bill, requires that each student receiving aid under this title receive a notice of receipt of federal aid, distributed by institutions without limit to format, except that the notice shall designate "Federal" with regard to aid and makes minor technical changes to paragraph (4). The House bill repeals the subsection on notice of student aid receipt.

The Senate recedes.

The Senate bill specifically requires the Secretary, in cooperation with guaranty agencies, lenders and financial aid organizations to develop a common loan application and promissory note for part B loans, except under section 428C.

The conference substitute incorporates this provision with an amendment to conform with the Part B decision and strike the 428C exclusion.

The Senate bill, but not the House bill requires such form to use "plain English" when describing loan terms and conditions.

The conference substitute incorporates this provision with an amendment striking the reference to "plain English" and inserting instead "clear, concise and simple language" and moving the maximum extent practicable language so as to apply only subparagraph C.

The Senate bill, but not the House bill, requires that the form be formalized to allow the applicant to indicate a choice of lender and shall require direct submission by the applicant or the eligible institution in which the applicant is enrolled.

The conference substitute incorporates this provision with an amendment striking references on who submits the form.

The Senate bill, but not the House bill, requires the Secretary to circulate a draft of such application within 180 days of enactment of the Higher Education Amendments of 1992.

The conference substitute incorporates this provision with an amendment to drop the references to the draft form.

The Senate bill, but not the House bill, specifies that nothing shall limit the development of an electronic application form and procedures for the common loan application.

The conference substitute incorporates this provision with an amendment changing "subsection" to "section."

The Senate bill specifically requires the Secretary, with the cooperation of guaranty agencies, lenders and institutions of higher education, to develop a common form to be used for processing loan deferments under this title.

The conference substitute incorporates this provision with an amendment to conform with decisions made in Part B.

The Senate bill, but not the House bill, requires that any financial aid application made under this title shall contain the name, address, social security number and organizational affiliation of a preparer of such application.

The House recedes.

The House bill, but not the Senate bill, requires that the Secretary adapt the toll-free number to provide access for the deaf and to provide timely and accurate information to the national clearinghouse authorized under section 633(c) of the Individuals with Disabilities Education Act.

The conference substitute incorporates this provision with an amendment to modify the current toll-free number to provide TDD services to the deaf and to provide such students with information on the national clearinghouse. It is not the intent of the conferees that this amendment break any contract agreement currently in effect regarding the operation of the toll-free number.

Both the Senate and House bill clarify that study abroad students are eligible for Title IV assistance, but with slightly different language.

The House recedes.

The House bill, but not the Senate bill, requires all students to obtain social security numbers.

The Senate recedes.

The House bill, but not the Senate bill, extends eligibility for Perkins Loans, direct loans and college work-study to 5th year students who are pursuing teaching credentials. The House bill also backdates this eligibility to December 1, 1987.

The Senate recedes.

The Senate bill permits students pursuing a second baccalaureate degree to receive aid under B, C, and E whereas the House bill prohibits eligibility for all aid including loans.

The conference substitute incorporates this provision with an amendment also applying this provision to Part D and striking the "notwithstanding" clause.

The Senate bill removes the requirement that the Secretary approve ATB tests and instead requires all ATB tests to meet standards prescribed by the Secretary in regulation.

The conference substitute incorporates this provision with an amendment changing the requirement in current law that the Secretary establish standards on "passing" exams to a requirement on exam "scoring" and requiring the Secretary to approve tests in accordance with standards set forth by regulation.

The House bill, but not the Senate bill, permits States to develop alternative measures to the Secretary's test of ability-to-benefit. Such alternative measures are subject to the Secretary's approval.

The conference substitute incorporates this provision with an amendment to delay the effective date to ensure the current process is not halted, by removing the reference to a State agency, and making the state approved procedures effective six months after submission to the Secretary unless the Secretary disapproves them. The conferees clarify the language on the ability-to-benefit testing provision to ensure that the passing score required for a particular test is related to the education or training that is being offered. The conferees are aware that some widely-used, well-documented tests may be approved for use with a number of different programs. The score that a prospective student would need to achieve for a program leading to one career may be different from the score, on the same test, for a program that demands a different skill level or cognitive ability.

The House bill, but not the Senate bill, clarifies that the Secretary may verify all aid applications through the use of any means available.

The Senate recedes.

The Senate bill, but not the House bill, requires the Secretary to establish an immigration status verification system to serve in lieu of the current requirements for documentation under the Immigration and Nationality Act.

The conference substitute incorporates this provision with an amendment retaining the appeals process currently in 484(h)(4). The conferees are aware that there are groups of individuals in this country whose immigration status falls into the category of applicant for asylum. The conferees, for example, are aware of one such group, Nicaraguans in South Florida, who have held the status of applicant for asylum for several years. These Nicaraguans have work permits and pay federal, state and local taxes. Their sons and daughters have been educated in the area's elementary and secondary public schools. Many of these students wish to continue their educations at institutions of higher education, but they are currently not eligible for federal financial assistance. The conferees are concerned that neither the Department of Education nor the Immigration and Naturalization Service have effectively addressed this issue for these individuals and others who are in a similar situation. The conferees agree that a federal policy should be established that makes federal student financial assistance available to the class of prospective students whose immigration status is that of applicant for asylum. The Department of Education is, therefore, directed to study this issue, determine the number of students who may fall into this category and work with the appropriate federal agencies to develop a federal policy by December 31, 1992.

The Senate bill, but not the House bill, prohibits students from receiving Title IV assistance for any correspondence course unless such course is part of a program leading to an associate, bachelor or graduate degree.

The conference substitute incorporates this provisions with an amendment providing an exemption for area vocational schools defined in Section 521(4)(C) of P.L. 101-392, The Carl D. Perkins Vocational and Applied Technology Education Act of 1990.

The House bill stipulates that all telecommunications courses are not to be considered correspondence courses. The Senate bill provides this exclusion only if the total amount of telecommunications and correspondence courses at the institution is less than 50% of all courses offered and the course of instruction leads to a recognized associate, bachelor or graduate degree.

The conference substitute incorporates the 50% rule with an amendment providing for area vocational schools defined in Section 521 (4)(C) of P.L. 101-392, The Carl D. Perkins Vocational and Applied Technology Education Act of 1990.

The House bill prohibits a student's eligibility for Title IV from being reduced because of enrollment in telecommunications courses. The Senate bill permits such reduction if the financial aid officer determines that such courses lead to a substantially reduced cost of attendance.

The House bill, but not the Senate bill, provides a definition of telecommunications devices or mediums.

The conference substitute incorporates this provision with an amendment adding video cassettes and discs in cases in which courses are offered directly to students at the institution of higher education. The conferees recognize that there are differences between courses offered via telecommunications and correspondence courses. It is the conferees understanding and intention that the time required of a student to complete a telecourse is typically comparable in all material respects to that required of a student attending a "live" class. The ability to "time shift" the viewing of telecourse programs to meet the student's schedule adds an essential flexibility to an academic program that many adult learners need, but it does not lessen the total time a student must commit to complete the course. Students enrolled in telecourses typically have identical requirements for research, writing, reading and testing, and must do so on the same time schedule and academic calendar, as "traditional" classes. Instructor contact is typically mandatory for students taking telecourses. While taped lessons may be available for the majority of the lecture portion of a course, contact with the instructor is accomplished through on-campus group sessions, orientation and lab sessions, individual face-to-face contact, group audio conferencing, and telephone contact through computer modems. Televised courses are in general the same as conventional courses. They carry the same or a parallel course number and course title, and have the same or substantially the same syllabus, course goals, objectives, requirements, texts, supplemental readings and evaluative instruments as "traditional" courses and are transferable to other institutions with the same credit as "traditional" courses. Telecourses are analogous to live classes except in the way they are delivered. Telecourse students who take a two semester instructional sequence in one semester via telecommunications and the second via "traditional" delivery should show no measurable differences in grades or completion rates and experience no more transition difficulties than those who took both components in the traditional lecture mode. Students who take courses through telecommunications mediums have the same privileges and rights of access to all campus services as their on-campus counterparts, and are subject to the same accrediting standards as "traditional" courses. It is the intent of the conferees that any course offered on video cassette or disks to distance learning students must also be available to the student, in any form, at the institution of higher education at some time during the award or academic year but not necessarily during the same enrollment period.

The Senate bill, but not the House bill, prohibits the Secretary from penalizing students whose institution can demonstrate to the satisfaction of the Secretary that its course of instruction would have been in conformance with the requirements of this subsection in award years prior to the enactment of this subsection.

The House recedes.

The House bill, but not the Senate bill, provides alternative processes by which institutions can confirm compliance with Selective Service registration requirements including mandating the Secretary to conduct data base matches with the Selective Service.

The Senate recedes.

The House bill, but not the Senate bill, eliminates Title IV eligibility for specified periods of time for students convicted of drug-related offenses. Eligibility may be reinstated prior to the period of time established in the law for first-time offenders who satisfactorily complete a drug rehabilitation program.

The House recedes.

In reaching agreement to strike this provision from the House bill, the conferees were mindful of the concerns expressed by the Administration on this matter. The Department of Education explicitly opposed the provision explaining, "The House provision would be difficult and expensive to implement, and would require a lengthy start-up period. Whatever the perceived advantages of the House provision may be, they are outweighed by its lack of cost effectiveness."

The House bill, but not the Senate bill, provides a technical amendment to the National Literacy Act of 1991.

The Senate recedes.

The House bill, but not the Senate bill, protects lenders, holders, guaranty agencies and the Secretary from any claim or defense based upon a school's actions or inactions unless the institution is a lender or there is an origination relationship between the institution and the lender.

The House recedes.

The conferees are reluctant to legislate in this area while the issue is pending in the courts. The conferees have instead chosen to leave to the courts the complex determination as to when a student should and should not be able to raise the school's fraud or other misconduct as a defense to the student's loans. Courts will have to consider many factors, including the exact nature of the lender's relationship and dealings with the school. In deciding to leave this matter to the courts, the conferees weighed several important, but in some cases conflicting, considerations. Allowing victimized students to raise defenses on their loans may also have the salutary effect of causing increased scrutiny of schools, thereby effectively policing sham schools. At the same time, the ability of schools to refer students to lenders willing to make loans to them, the participation of national lenders and servicers, and cooperative efforts to improve service to students and reduce defaults are important to achieving nationwide loan access. The conferees are concerned that, if lenders are exposed to liability in certain situations, this may adversely affect their willingness to make loans. The conferees plan to monitor closely the programmatic effects of this issue to ensure that the program continues to serve all disadvantaged students, that defrauded students retain viable remedies, and that every effort is made to eliminate fraudulent practices by schools participating in the loan program.

The House bill, but not the Senate bill, modifies the current exit counseling requirements to (a) apply them to the new Part D Loan program (b) eliminate the need to provide general information on student indebtedness (c) expand the information students currently receive on Peace Corps and community service deferments and cancellations to include information on all deferments and cancellations (d) remove the requirement that the institution attempt to provide this information in writing to students who leave the institution without the school's prior knowledge.

(a) The Senate recedes.
(b) The Senate recedes.
(c) The Senate recedes.
(d) The House recedes.

Both the Senate and the House bills require a list of specific additional information that the schools must collect during the exit interview. The House bill, but not the Senate bill, requires this information be sent to the lender as well as the guaranty agency.

The House recedes.

It is the conferees' expectation that this information will be shared with the lenders by the guaranty agencies.

Both the Senate and the House bills make institutions responsible for developing policies concerning sexual offenses with differences that include:

(a) The House bill changes the reference to "rape" under the current campus security policy section to "sex offenders, forcible or non-forcible."

(b) The House bill requires education programs to promote awareness of possible sanctions to be imposed.

(c) The House bill requires student procedure policies to include the importance of preserving evidence in the case of an offense.

(d) The Senate bill requires procedures for disciplinary actions to include a clear statement that the institution will impose sanctions and a description of those sanctions.

(e) The Senate bill requires victims to be notified of the applicable legal sanctions under Federal, State and local law.

(f) The Senate bill requires schools to "inform" students of their option to notify law enforcement authorities, while the House bill requires schools to "counsel" students.

(g) The House bill, but not the Senate bill, limits requirements for students to be notified of options to change academic and living situations to those instances in which arrangements are reasonably available.

(a) The Senate recedes.

(b) The conference substitute incorporates this provision with an amendment on the technical drafting of the clauses.

(c) The Senate recedes.
(d) The Senate recedes.
(e) The Senate recedes.
(f) The House recedes.
(g) The Senate recedes.

The House bill, but not the Senate bill, amends the collection period dates for crime statistics to be reported as required under section 485(f) each year and phases in the new dates.

The conference substitute incorporates this provision with an amendment changing the number of preceding calendar years for which statistics must be reported from two to three.

The House bill, but not the Senate bill, creates a $20 million grant program for sexual offenses education and prevention programs as part of Title IX.

The conference substitute incorporates this provision with an amendment to authorize the program at $10 million, moving the program to Title XV and changing the timetable for the regulatory process.

The House bill, but not the Senate bill, requires the Secretary to revise the student and institutional codes in the National Student Loan Data System to ensure compatibility with all Department data bases.

The Senate recedes.

The House bill, but not the Senate bill, requires the Secretary to ensure that information in the Student Loan Data System and IPEDs are compatible.

The Senate recedes.

The House bill, but not the Senate bill, requires integration of all student aid data bases by January 1, 1994.

The Senate recedes.

The Senate bill, but not the House bill, allows for the electronic exchange of data in the National Student Loan Data System.

The House recedes.

The Senate bill, but not the House bill, amends the National Student Loan Data System to provide for monitoring enrollment, student status and internship and residency information (see note 150).

The conference substitute incorporates this provision with an amendment making this information the first priority for implementation in the National Student Loan Data System, including the identification of the current loan holder, and providing borrower access to status and holder information.

The Senate bill, but not the House bill requires the development of uniform data reporting formats to be used by lenders and guaranty agencies under the National Student Loan Data System.

The House recedes.

The Senate bill, but not the House bill, authorizes the Secretary to use modern data processing in the National Student Loan Data System.

The Senate recedes.

The House bill, but not the Senate bill, creates a new Student Loan Data System (in addition to the National Student Loan Data System) for use by schools, borrowers, holders and guarantors in the confirmation of borrower status, identification of the current holder of a loan, and confirmation of internship and residency status.

The House recedes.

The Senate bill, but not the House bill, provides that to the extent practicable all loans by a single borrower be treated as one for purposes of repayment, deferment, and default.

The conference substitute incorporates this provision with an amendment to strike the references to defaults.

The Senate bill, but not the House bill, provides that to the extent practicable, borrowers would be kept with a single lender, holder, guaranty agency, and servicer.

The House recedes.

The Senate bill eliminates the Training in Financial Aid and Student Support Services program. The House bill rewrites the program to provide a more explicit use of funds, expands the availability of training to include TRIO personnel and increases the authorization to $5 million.

The conference substitute retains this program with an amendment clarifying this provision applies only to financial aid training.

The Senate bill, but not the House bill, requires institutions to provide financial and administrative capacity information in a timely fashion to the Secretary, state, guaranty agency, and accrediting body.

The House recedes.

Both the Senate and House bills require the Secretary to make audit information available to guaranty agencies, lenders and the appropriate state agencies. The Senate bill also extends this information to accrediting agencies.

The conference substitute includes accrediting agencies and changes references from "agency" to "entity."

The House bill, but not the Senate bill, amends the program participation agreements section to require institutions that advertise job placement rates to inform all students by the time of application of the relevant job licensing requirements.

The Senate recedes.

The Senate bill, but not the House bill, limits the total loan volume of new institutions to $1 million in the first year of participation and to 150 percent of the previous year's total loan volume in the second, third, and fourth year of participation.

The Senate recedes.

The Senate bill, but not the House bill, requires all institutions to use the same definition of academic year for all Title IV purposes.

Both the Senate and House bills require institutions to share information regarding institutional eligibility with the Secretary, guaranty agency, accrediting agencies, and state agency. The House bill also requires that lenders and the Secretary of Veterans Affairs have access to this information and expands the information requirements to include any information of fraud and abuse.

The Senate recedes.

The Senate bill, but not the House bill, requires institutions to comply with such other provisions as the Secretary deems necessary to the sound administration of financial aid programs.

The Senate recedes.

The House bill, but not the Senate bill, amends the program participation agreements section to prohibit institutions from employing anyone previously convicted of fraud in connection with Title IV funds.

The conference substitute incorporates this provision with an amendment that the institution cannot have "knowingly" taken such action. In adding the word "knowingly" to the legislative language, the conferees wish to make clear that this term in no way removes the responsibility of the institution to make a good faith effort to obtain this information and to implement this standard.

The House bill, but not the Senate bill, further applies this prohibition to any organization with which the school has contact.

The conference substitute incorporates this provision with an amendment that the institution cannot have "knowingly" taken such action. In adding the word "knowingly" to the legislative language, the conferees wish to make clear that this term in no way removes the responsibility of the institution to make a good faith effort to obtain this information and to implement this standard.

The House bill, but not the Senate bill, requires institutions to complete surveys conducted as part of any Federal data collection effort.

The Senate recedes.

The House bill, but not the Senate bill, requires institutions to provide the Secretary information on Pell and work-study students.

The House recedes.

The House bill, but not the Senate bill, requires institutions that offer athletically related student aid to report information on revenues and costs.

The Senate recedes.

The House bill, but not the Senate bill, mandates the Secretary to prescribe regulations on audits, financial stability, and enforcement of standards.

The Senate recedes.

The House bill, but not the Senate bill, strikes "on the record" in Section 487(c)(1)(F).

The Senate recedes.

The Senate bill, but not the House bill, requires the Secretary to consult with the state entity responsible for coordinating responsibilities under Part H before publishing the list of state agencies the Secretary deems to be reliable authorities on the quality of public postsecondary vocational education.

The House recedes.

Both the House and Senate bills require annual audits instead of biannual audits. The House bill specifies that the financial audit must be applied to the institution in its entirety and that the audit will be available to guaranty agencies, lender and state licensing and review agencies.

The Senate recedes.

The House bill, but not the Senate bill, requires compliance audits of third party services.

The conference substitute incorporates this provision with an amendment that in cases in which lenders are servicers, a single audit may be sufficient to cover the requirements of this act provided such audit is conducted in such a way as to satisfy each individual audit requirement.

The House bill, but not the Senate bill, requires annual compliance audits of secondary markets.

The Senate recedes.

When determining institutional eligibility, the Senate bill, but not the House bill, provides the Secretary with general authority to consider any additional matters he deems appropriate to the sound administration of financial aid programs including the pertinent actions of those exercising control over a school.

The House recedes.

The House bill permits the Secretary to extend actions against any institution over which an individual has substantial control if such individual has violated any aspect of the student aid program at any school over which he has substantial control.

The Senate recedes.

The House bill, but not the Senate bill, provides the Secretary with specific authorization to share audit information with guaranty agencies, state agencies, and other Federal entities with student aid responsibilities.

The Senate recedes.

The House bill, but not the Senate bill, provides that if an audit required by this subsection shows that the institution was owed money by the Department, the Department must refund that money. This provision applies to any audit, conducted after December 31, 1988.

The Senate recedes.

The Senate bill, but not the House bill, permits institutions to record hearings for which the "on the record" requirement has been removed.

The conference substitute incorporates this provision with an amendment that the availability or lack of availability of any such record cannot delay any proceeding, hearing or implementation of an action.

The Senate bill, but not the House bill, sets forth anti-hazing policies as part of program participation agreements.

The Senate recedes.

The House bill, but not the Senate bill, establishes a voluntary program through which institutions may develop alternative management activities to test ways to improve management of Title IV programs.

The Senate recedes.

The Senate bill increases the amount of funds that an institution may exchange between SEOG and work-study from 10 percent to 25 percent. The House bill permits up to 25 percent of funds to be transferred between work-study and Perkins and 25 percent of work-study funds to be transferred to the SEOG program.

The conference substitute limits the transfer authority to funds being transferred from Perkins to CWS.

The House bill, but not the Senate bill, requires institutions to use a reasonable proportion of its administrative funds to provide financial aid services in a manner consistent with the needs of part-time, older and independent students as well as students who are single parents.

The conference substitute incorporates this provision with a technical amendment striking the specific references to older students and single parents.

Both the House and Senate bills make the attempt to obtain Title IV funds illegally subject to criminal penalty, but the Senate bill is more specific and includes false statements, forgery, or fraud. The Senate bill also includes the failure to make refunds among the specifically named activities subject to criminal penalties.

The House recedes. The conferees wish to emphasize that failure to pay refunds does constitute criminal misapplication under current law. Language is added in this bill merely as a clarification.

The Senate bill, but not the House bill, specifies that nothing under the criminal penalties section shall prohibit an institution from being authorized to enter into contracts with outside groups to reduce defaults.

The Senate recedes. The conferees' agreement clarifies current law prohibiting the making of payments to an eligible lender under the Guaranteed Student Loan program to induce the lender to make or acquire by purchase a Guaranteed Student Loan, or attempting to make such payments, and substantially increases the penalty for such acts in recognition of the seriousness of this form of abuse. The Secretary has previously promulgated regulations at 34 CFR S682.212(a) that define the nature of the prohibited transactions. Sec. 686.212(b)(1), which specifies that "cash payments by or on behalf of a school made to a lender or other party," properly reflects the Congress' intent that such payments to lenders be prohibited, whether made by the institution itself or through the intermediation of a third party. However, it has come to the conferees' attention that the regulation has been interpreted by the Department to preclude an institution's use of an independent contractor to carry out activities that could lawfully be performed by the institution itself. Section 490(c) is intended to prohibit certain transactions, whether made by the institution or by another party acting as a surrogate for the institution, that create a financial inducement for a lender to make or acquire loans. It has never been the intention of the Congress to prohibit acts by third parties that, if performed by the institution, would be lawful. We urge the Secretary to clarify the reinterpretation of the regulation so as not to unduly restrict institutions in the proper exercise of their responsibilities under these programs. The conferees recognize that the Secretary may review contracts between institutions and consultants to assure no prohibited inducements occur or are encouraged under such contracts. The conferees direct the Secretary to undertake appropriate reviews using this authority.

The Senate bill, but not the House bill, requires the funds collected through imposition of criminal penalties be assigned to the Pell Grant program.

The Senate recedes.

The House bill, but not the Senate bill, clarifies that the Advisory Committee on Student Financial Assistance shall have independent control over its budget.

The Senate recedes.

The House bill, but not the Senate bill, specifies that at least 3 members of the Advisory Committee must be financial aid administrators—one appointee each from the House, Senate, and Administration.

The House recedes.

The House bill, but not the Senate bill, specifies that part of the Advisory Committee's mission is to assess the impact of legislative and administrative policy proposals.

The Senate recedes.

The Senate bill, but not the House bill, requires the Advisory Committee to make every effort to advise Members of Congress and their staffs on the Committee's findings and recommendations.

The House recedes.

The Senate bill, but not the House bill, exempts the Advisory Committee from the requirements of section 3109 of Title 5, United States Code, so as to ensure the independence of its hiring procedures for experts and consultants.

The House recedes.

The House bill, but not the Senate bill, specifies that the Advisory Committee's reauthorization cycle shall parallel that of the Higher Education Act.

The Senate recedes.

The Senate bill, but not the House bill, charges the Advisory Committee with monitoring and evaluating the changes made by this Act, the free common form, the simplified reapplication process, the adequacy of early information efforts and the methods of monitoring student debt burden.

The conference substitute incorporates this provision with an amendment to change the words "common form" to "application for student aid."

The House bill, but not the Senate bill, charges the Advisory Committee with conducting a student loan program simplification study.

The Senate recedes.

The Senate bill, but not the House bill, explicitly allows all institutions, lenders, and loan servicer to enter into outside contracts for purposes of entering into default reduction programs.

The Senate recedes.

The House bill, but not the Senate bill, provides institutions which meet a high performance standard in seven specified areas of student aid management shall receive regulatory relief in four specified areas.

The seven areas for demonstrated high performance include:

(1) Five years of program participation.

(2) Required refunds from two most recent audits do not exceed 2%.

(3) No emergency actions or LS&T within seven years.

(4) 97% distribution of campus-based funds for last three years.

(5) Perkins default rate of 10% or less for most recent fiscal year.

(6) GSL default rates of 10% or less.

(7) On-time reports to the Secretary.

The four areas of regulatory relief include:

(1) Elimination of 30-day delay for disbursement of GSL funds to first-time students.

(2) Relief from regulations concerning loan processing, counselling, disbursement and borrower contact.

(3) Reduction in sample size for audits.

(4) 20% verification limit.

The House recedes.

Both the Senate and House bills add general provisions clarifying study-abroad student-abroad students' eligibility for Title IV aid with slightly different wording.

The House recedes.

The Senate bill creates a new section that authorizes the Secretary to work with the Commissioner of the Social Security Administration to verify borrower's social security numbers. The House bill amends Section 484 to mandate such activity and enumerates a number of procedures to be followed in the event a social security number is not verified.

The Senate recedes.

The Senate bill applies negotiated rulemaking to Pell Grants, TRIO, the loan program, and general administration. The House bill applies negotiated rulemaking to a limited number of key issues selected by the Secretary but does not specify them.

The Conference substitute incorporates this provision with an amendment applying this to Parts B, G and H.

The Senate bill calls for representation by groups involved in the student loan program whereas the House bill calls for representation by groups involved in student financial assistance programs.

The conference substitute provides for representation by a wide range of those involved in student assistance programs, clarifies that the reference is to programs under this title, adds legal aid representatives to those who will be in the process that a cross-section of institutions will be represented. It is the intent of the conferees that the Secretary should include students and student advocates from all sectors of postsecondary education in the negotiated rulemaking process, including the regional meetings.

The Senate bill, but not the House bill, provides a separate authorization of appropriations for the negotiated rulemaking process.

The conference substitute incorporates the provision with an amendment clarifying that the lack of separate funding does not preclude the Secretary from his responsibilities to carry out the provisions of this section. In such a case, funding must be provided from the Department's operating funds.

PART H—PROGRAM INTEGRITY

The Senate bill creates a new subpart of Part G entitled Institutional Integrity, devoted exclusively to establishing procedures and standards for state oversight, accreditation and eligibility and certification. The House bill creates a new Part H entitled Program Integrity devoted exclusively to establishing procedures and standards for state review and approval.

The conference substitute establishes a new part H, "Program Integrity—TRIAD," with three subparts: Subpart 1, "State Postsecondary Review Program;" Subpart 2, "Approval of Accrediting Agency or Association;'" and Subpart 3, "Eligibility and Certification Procedures". The conferees do not intend that the additional requirements under Subpart 1, of Part H to replace existing state licensing practices and authority.

The Senate bill specifies a new state role in assisting the Secretary to identify institutions within the state that have engaged in practices leading to a misuse of student aid funds. The House bill specifies a new state role of reviewing institutions of higher education within the state for the purposes of determining title IV eligibility, with Federal funding to perform these functions.

The conference substitute specifies a new state role of reviewing institutions of higher education designated for review under this subpart within the state for the purposes of determining title IV eligibility, with Federal funding to perform these functions. The conference substitute also changes references to "agency" to "entity".

The Senate bill lists a series of practices that could lead to the misuse of Federal funds. The House bill requires States to set standards (consistent with the constitution and laws of the State and developed in consultation with institutions within the State) to review those institutions which have demonstrated to be at risk of abusing Federal funds. The House bill provides a list of areas these standards are to address.

The Senate recedes. The conferees intend that such standards should include appropriated peer review processes and due process procedures for negative findings.

Both the Senate and House bills address protection of students in the event of school closure, but the wording differs. Also, the House bill applies the standard only to schools financially at risk.

The Senate recedes.

Both the House and the Senate bills address maintenance of student records but the provisions are worded differently. The House bill also addresses standards relating to academic progress.

The conferees substitute adds to this provision the maintenance of other records.

The Senate bill, but not the House bill, refers to inadequate procedures for resolution and investigation of student complaints.

The House recedes.

The Senate bill, but not the House bill, refers to misleading or inappropriate advertising or student recruitment.

The House recedes.

Both the House and Senate bills refer to safety and health regulation, but the wording differs.

The House recedes.

The Senate bill addresses failure to provide relevant information to students such as information relating to the job market and job availability for students in professional and vocational programs, information regarding courses which meet standards for state censure in specific occupations and information regarding course cancellation and rights. The House bill addresses the relationship of tuition and fees to expected salary and the relationship of the courses to providing useful employment in recognized occupations in the State for vocational programs.

The conference substitute addresses the relationship of tuition and fees to expected salary and the relationship of the courses to providing useful employment in recognized occupations in the State for vocational programs and includes the appropriateness of the length of such courses to providing the student with quality training. The conference substitute also includes a standard involving the availability to students of relevant information by institutions of higher education which would include information relating to the job market and job availability for students in occupational, professional and vocational programs, and information regarding course relationship to specific standards necessary for State licensure in specific occupations.

The Senate bill, but not the House bill, refers to credit or clock hour inflation.

The House recedes.

The Senate bill, but not the House bill, refers to vocational courses which are inadequate to meet the state licensing requirements.

The Senate recedes.

The Senate bill, but not the House bill, refers to actions of persons in control which may adversely affect title IV eligibility.

The House recedes.

The Senate bill, but not the House bill, refers to the absence of a fair and equitable refund policy.

The House recedes.

The House bill, but not the Senate bill, refers to quality and content of an institution's courses in relation to achieving the stated objectives of the course, including adequacy of space, equipment, instructional material, staff and student support services.

The conference substitute requires the State to contract with the appropriate approved accrediting agency or association or another peer review system with demonstrated competence in assessing programs to carry out a review or provide information regarding such agency's or association's assessment of: the quality and content of the institution's courses or programs of instruction, training or study in relation to achieving the stated objectives for which the courses or programs are offered, including the adequacy of the space, equipment, instructional materials, staff and student support services, including student orientation, counseling and advisement, for providing education and training that meets the stated objectives for which the courses and programs are offered.

The House bill, but not the Senate bill, refers to the availability of catalogues, admissions requirements, course outlines, schedule of tuition and fees and rules and regulations.

The conference substitute includes this provision as well as policies regarding course cancellations.

The House bill, but not the Senate bill, refers to an assurance that the institution has a method of assessing the student's ability to succeed in the course of study.

The conference substitute replaces "succeed in" with "successfully complete."

The House bill, but not the Senate bill, refers to financial and administrative capacity of the institution and the maintenance of adequate financial and other information.

The conference substitute includes this provision and clarifies that the financial and administrative capacity should be as appropriate to a specified scale of operations.

The House bill, but not the Senate bill, refers to the success of the program including: graduation and placement rates, withdrawal rates, rate of placement in occupations relating to course of study, and rate of passage of licensure examinations.

The conference substitute includes this provision and clarifies that replacement rates are with respect to students in vocational, occupational and professional programs and includes as a measure of the success of the institution the examination of a variety of completion goals including transfer to another institution, full-time employment and military service.

Both the Senate and House bills provide a process for receiving consumer complaints concerning institutions of higher education. The Senate bill requires the state to publicize the availability of such process. The House requires states to establish procedures for responding to such complaints, to keep records of the complaints, and to make such records publicly available.

The conference substitute requires states to establish procedures for responding to such complaints, to keep records of the complaints, and to make such records publicly available and requires that the availability of a complaint process be publicized to students, faculty and others and enumerating that consumers are students, faculty and others, thereby combining the two provisions.

The Senate bill requires the state to notify the Secretary in a timely manner of institutions that the state has identified that have engaged in practices that lead to misuse of Federal funds. The Senate bill requires the Secretary to take prompt, appropriate action based on such notification and report the action to the state.

The House bill states that a state review agency may determine that an institution is ineligible to participate in Title IV, subject to standards of disapproval established by the Secretary in accordance with the following procedures:

(a) If the state review agency finds that an institution does not meet one of the standards, the agency shall notify the Secretary of the agency's actions in response to the finding;

(b) If the Secretary takes an action, the Secretary shall notify the state agency of the action.

The conference substitute provides that a state review agency may determine that an institution is ineligible to participate in Title IV, by notifying the Secretary who upon receipt of such notification of ineligibility, shall immediately terminate the participation of such institution in the programs authorized by this title. The conference substitute further provides for standards of disapproval established by the Secretary in accordance with the following procedures:

(a) If the state review agency finds that an institution does not meet one of the standards, the agency shall notify the Secretary of the agency's actions in response to the finding;

(b) If the Secretary takes an action, the Secretary shall notify the state agency of the action.

The House bill, but not the Senate bill, specifies that nothing in this section restricts the authority of the states to establish enforcement mechanisms it deems appropriate.

The Senate recedes.

The House bill, but not the Senate bill, amends the definitions section to eliminate from Title IV eligibility all institutions removed by the state as a result of state review.

The Senate recedes.

The Senate bill requires each state to designate a single state entity to serve as a reporting liaison to the Secretary. The House bill requires the state's agreement with the Secretary, describe a state organization structure responsible for the review as follows:

(a) The structure will be in accordance with state law and the state constitution;

(b) The Secretary cannot specify the state structure;

(c) The state can adopt a structure which meets the state's needs;

(d) The Secretary may require the state to designate an agency responsible for the conduct and coordination of reviews.

The conference substitute requires the state's agreement with the Secretary describe a state organization structure responsible for the review of institutions who are subject to state review under this subpart as follows:

(a) The structure will be in accordance with state law and the state constitution;

(b) The Secretary cannot specify the state structure;

(c) The state can adopt a structure which meets the state's needs;

(d) The Secretary may require the state to designate an agency responsible for the conduct and coordination of reviews of those institutions requiring state review under this subpart. The conferees note that the state review process established in this part is separate from current state licensing functions. The review process is established to offer additional scrutiny to institutions of higher education identified by the Secretary as meeting specified criteria, while state licensing or approval offers legal authority for any institution of higher education to operate within a state. Although states are free to coordinate the new review activities with licensing or approval activities, they may continue to impose whatever licensing requirements they deem necessary for approval of institutions within their states. Likewise, state loan insurance program activities and responsibilities remain in place.

The House bill, but not the Senate bill, requires that the agreement between the state and the Secretary will:

(a) Designate a single state review agency responsible for granting state authorization for institutions in that state, for purposes of receiving title IV aid;

(b) Ensure that institutions remain in compliance with the standards;

(c) Provide that the state review schedule will coincide with the Secretary's certification schedule for institutions;

(d) Provide for appropriate record keeping;

(e) Provide a description of the relationship between the state review agency and the state approving agency for the Department of Veterans Affairs, the state guaranty agency and the state agency that administers the National Early Intervention Scholarship and Partnership program;

(f) Describe a plan for performing the functions of the state review agency.

The Senate recedes.

The House bill, but not the Senate bill, provides that states will not be required to fulfill the obligations of the agreement unless the Secretary reimburses the state for the Federal costs and the Secretary shall not enter into agreements unless Congress appropriates funding.

The conference substitute provides that no state shall be required to enter into an agreement with the Secretary unless Congress appropriates funds for this subpart.

The Senate bill requires the state to review institutions for identification, and provides that in identifying institutions for review, the state shall give priority to institutions which meet certain criteria. The House bill requires the Secretary to review all institutions to determine if they meet certain criteria with further Federally-funded state review (based on the established state standards) for only those who meet the criteria. For institutions that meet the criteria, the Secretary shall give the state a copy of the institutional financial and compliance audits. The state could review (with Federal funds) additional institutions based on more recent data that the state has, subject to the Secretary's approval.

The conference substitute requires the Secretary to review all institutions to determine if they meet certain criteria with further federally-funded state review (based on the established state standards) for only those who meet the criteria. For institutions that meet the criteria, the Secretary shall give the state a copy of the institutional financial and compliance audits. The state could review (with Federal funds) additional institutions based on more recent data that the state has or if the State has reason to believe the institution is engaged in fraudulent practices, subject to the Secretary's approval. If the Secretary fails to approve or disapprove a State request to review additional institutions within 21 days, the State may proceed to review such additional institutions as if approved by the Secretary.

The House bill, but not the Senate bill, includes a cohort default rate greater than or equal to 25 percent as one of the criteria.

The Senate recedes.

The Senate bill includes a default rate of greater than or equal to 10 percent and either ⅔ of undergraduates on Federal student aid or ⅔ of institution's E&G money derived from Title IV as one of the criteria. The House bill includes a default rate of greater than or equal to 20 percent and either ⅔ of undergraduates on Federal student aid or ⅔ of institution's E&G money derived from Title IV as one of the criteria.

The Senate recedes.

The House bill, but not the Senate bill, includes ⅔ of institution's education and general expenses money derived from Pell grants as one of the criteria.

The Senate recedes.

Both the Senate bill and the House bill include an audit finding within the two most recent years as one of the criteria, but the Senate bill provides for a finding of greater than 5 percent and the House bill provides for a finding of greater than 3.5 percent.

The House recedes.

The House bill, but not the Senate bill, includes failure to meet financial responsibility standards as one of the criteria.

The Senate recedes.

Both the Senate bill and the House bill include initial participation in Federal student aid programs as one of the criteria, but with different language.

The conference substitute includes initial participation in Federal student aid programs as one of the criteria, exempting public institutions which are affiliated with a state system of higher education and exempting institutions for initial participation in the direct loan pilot program.

The House bill, but not the Senate bill, includes institutions with a pattern of student complaints.

The conference substitute includes this provision, tying it to the provision for state collection of complaint data and including data that is related to misleading or inappropriate advertising and promotion of the institution's program.

The Senate bill, but not the House bill, specifies that States may review any institution which the state has reason to believe is engaged in fraudulent practice even if the institution does not meet any of the criteria listed above.

The Senate recedes.

The House bill, but not the Senate bill, specifies that the Secretary must use the most recent data and that institutions may request verification of data.

The Senate recedes.

The House bill, but not the Senate bill, specifies that states cannot substitute the reviews of accreditation bodies or state guaranty agency audits for the purpose of this section.

The Senate recedes.

The House bill, but not the Senate bill, specifies that states may contract with a private agency or body to fulfill the requirements of this section if provided for in the state agreement with the Secretary.

The conference substitute includes this provision allowing also for contracting with a peer review system.

The House bill, but not the Senate bill, specifies that the Secretary cannot require states to violate their constitutions or establish standards unrelated to this section.

The Senate recedes.

The House bill, but not the Senate bill, specifies that states can establish different standards for different educational sectors.

The House recedes.

In eliminating this provision, the conferees do not intend to prohibit the establishment of different standards for different educational programs.

The House bill, but not the Senate bill, specifies that states shall not conduct title IV financial and compliance audits.

The Senate recedes.

The Senate bill authorizes the Secretary to award grants to states to assist states in defraying the costs associated with this section. The House requires the Secretary to reimburse states for such costs. The House bill further lists possible costs. Both bills provide supplement not supplant language, but in a different form.

The Senate recedes.

The House bill, but not the Senate bill, provides that no state shall receive a ratio of funds under this section that is greater than the ratio of students who receive Title IV in the state.

The House recedes.

The Senate bill authorizes $20 million for FY 93 and such sums for the six succeeding fiscal years. The House bill authorizes an appropriation not to exceed 1 percent of all Title IV funds.

The conference substitute authorizes $75 million for FY 1993 and "such sums" for four additional years.

The House bill, but not the Senate bill, provides that if a state declines to participate in this section; the Secretary can make appropriate arrangements for reviewing institutions in the states.

The Senate recedes.

The House bill, but not the Senate bill, provides that if a State refuses to perform the functions required by this section no new institution of higher education may participate in Title IV programs in that state, existing institutions may receive only provisional certification, and the state will be ineligible to receive any Part H, SSIG, and National Early Intervention Scholarship and Partnership program funds.

The Senate recedes.

The House bill, but not the Senate bill, provides for a one year delay for implementation of this section and a 2 year delay for states whose legislatures are not in session.

The House recedes.

Both the Senate and House bills require the Secretary to establish minimum standards for accreditation associations and lists requirements for these standards with minor differences in language. The Senate bill includes these provisions in Subpart 2 of Part G of Title IV, while the House bill includes them in Title XII.

The conference substitute incorporates these standards in Subpart 2 of Part H.

The House bill, but not the Senate bill, refers to recognition for the purposes of participation in programs other than those authorized under this Act.

The Senate recedes.

The Senate bill permits the Secretary to waive the separate and independent rule for existing associations (recognized by the Secretary on or before October 1, 1991) that conduct specialized accreditations within hospitals or clinics. The House provides an automatic exclusion for associations whose principal purpose is the accreditation of programs within institutions.

The conference substitute combines the provision to replace the specific language on hospitals and clinics with the more general language on associations whose principal purpose is the accreditation of programs within institutions and with several clarifying changes. It is the conferees' intent that a single accreditation association may be composed of different commissions or like divisions provided their primary purpose (and that of the individual commissions) remain accreditation. Such a model is evident in several of the regional associations, including the New England Association.

The Senate bill provides a general list of 5 things accreditation associations must evaluate. The House list is much more specific, with over 25 items listed.

The conference substitute includes the more detailed list with several clarifying amendments. It is the conferees' intent that the accreditation agencies specific responsibilities regarding default rates and Title IV compliance do not in any way lessen the Secretary's responsibilities in this area. In particular, the conferees wish to reemphasize the Secretary's responsibilities to enforce the requirements concerning minimum program length in the Higher Education Act.

Both the Senate and the House bill provide general language on the responsibilities of accreditors to ensure academic quality, but the exact wording differs.

The Senate recedes.

The House bill specifies that members of the governing body of an accreditation association cannot be selected by related trade associations. The Senate bill refers to the accrediting associations and not just the governing board.

The Senate recedes.

The Senate bill requires at least one out of every seven members of an accreditation association's board be members of the general public whereas the House bill requires one out of every four to be public members.

The House recedes.

Both the Senate bill and House bill call for separate dues but with slightly different language.

The Senate recedes.

The Senate bill requires unannounced site visits at any institution that provides vocational education whereas the bill requires such visits only at institutions whose primary purpose is to provide vocational education and training.

The House recedes.

The Senate bill specifies that the business plans submitted by branch campuses must include projected revenues and expenditures.

The House recedes.

The Senate bill requires on-site visits within one year of a change in ownership or establishment of a branch campus, whereas the House requires such visits within 6 months.

The Senate recedes.

The House bill, but not the Senate bill, requires teach-out agreements to be subject to accrediting agency approval.

The Senate recedes.

The Senate bill specifies that the accreditation association must notify the Secretary and State of any negative action taken against an institution within 30 days, whereas the House bill requires notification of negative actions, as well as notification of accreditation, to take place in a timely fashion. Also, the House bill amends a different subsection than does the Senate bill.

The conference substitute applies to both negative actions and accreditation and further provides notification within 30 days, adds suspension and probation to the list of actions, and clarifies that such notification applies to adverse actions.

The Senate bill requires the final results of all accreditation reviews be sent to the Secretary and the State.

The conference substitute incorporates this provision with an amendment that only a summary shall be sent.

The House bill requires a summary be available to the public in cases in which negative actions were taken. Also, the House bill amends a different subsection than does the Senate bill.

The conference substitute incorporates provisions with an amendment that public availability will only be upon request.

The House bill, but not the Senate bill, limits secretarial approval of accreditation agencies to 5 years.

The Senate recedes.

The Senate bill, but not the House bill, requires all civil action by institutions of higher education against accreditation agencies be brought in federal court.

The House recedes.

The House bill, but not the Senate bill, prohibits the Secretary from establishing agency standards beyond the scope of those addressed by this section. The House bill also gives specific authority to accreditation agencies to establish additional standards it deems appropriate provided the additional standards do not conflict with the institution's mission or religious beliefs.

The conference substitute incorporates this provision with an amendment striking the religious beliefs language.

Both the Senate and the House bills have similar, but not identical rules for institutions that wish to change accreditation agencies or have dual accreditation. The House bill also requires any institutions with more than one accreditor to designate which association will be utilized for purposes of Title IV eligibility.

The conference substitute incorporates this provision with an amendment clarifying that these provisions apply to institutional accreditation.

Both the Senate and the House bills have similar rules for loss of accreditation with some language differences.

The Senate recedes.

The House bill, but not the Senate bill, specifies that institutions must currently have Title IV accreditation to participate in programs under this Act.

The conference substitute incorporates this provision with an amendment to provide for the Secretary to extend the eligibility of an institution whose accreditation was revoked because of a religious mission or for a reason unrelated to the accreditation standards established in this Act in order for the institution to become accredited by another accrediting body.

The Senate bill requires schools which have withdrawn from their accreditation associations during a negative action to either have such accreditation reinstated or demonstrate to the satisfaction of the Secretary that it meets academic integrity standards in accordance with current requirements for accreditation by a recognized accreditor. The House bill provides an exception only if accreditation is reinstated.

The Senate recedes.

The Senate bill authorizes the Secretary to suspend accreditation agency approval if such agency approves any institution of higher education against which negative action has been taken or is pending.

The House recedes.

The House bill prohibits the Secretary from recognizing any agency which fails to meet the standards set forward by this section.

The conference substitute incorporates this provision with an amendment clarifying that the Secretary may also limit or terminate the recognition of an accrediting body.

The Senate bill specifies that the standards set forth by this section only apply to associations seeking to accredit institutions for purposes to Title IV eligibility and allows the Secretary to continue or amend any current practice of recognition he has for other accreditors. The House bill prohibits the Secretary from recognizing associations for purposes other than those associated with participation in Federal programs.

The House bill, but not the Senate bill, requires the Secretary to conduct an independent evaluation or all accrediting associations which seek Secretarial recognition.

The conference substitute incorporates this provision with an amendment clarifying that the Secretary is only to consider relevant information.

The House bill, but not the Senate bill, requires the Secretary to publish regulatory procedures on accreditation agency recognition and for appeals of Secretarial decisions.

The Senate recedes.

The House bill, but not the Senate bill, provides a definition of accrediting agency or association.

The House recedes.

Title XII—General Provisions:

The House bill, but not the Senate bill, removes all provisions in the current definition of institution of higher education that allows schools to participate in the Higher Education Act without accreditation including the rule on acceptance of credit by 3 accredited institutions.

The Senate recedes.

The House bill, but not the Senate bill, requires the Secretary to publish a list of accreditation associations considered to be reasonable authorities on the education offered. Current law refers only to training offered.

The Senate recedes.

The Senate bill provides for a separate section devoted exclusively to establishing procedures and standards for the eligibility and certification process.

The conference substitute incorporates this provision with an amendment establishing this as Subpart 3 of Part H.

The House bill amends the definition of eligible institution to require Department of Education certification.

The conference substitute incorporates this provision to provide a cross-reference within the definition of eligible institution to the new subpart.

The Senate bill, but not the House bill, requires an application form from each institution seeking Secretarial recognition which shall include information on meeting general eligibility, accreditation, and capability standards; information on branch campuses; and information on third party service providers.

The House recedes.

Both the Senate and House bills require the Department to conduct site visits prior to initial certification, however, the House bill requires such visits for recertification as well and includes this in the definitions section. Also, the House bill specifies that the Secretary may charge reasonable fees to support such activities.

The conference substitute incorporates this provision in the definitions section.

Both the Senate and House bills provide for provisional certification, however, the Senate bill applies this for one year to new schools whereas the House bill provides this for up to three years in varying terms to a number of circumstances. Also, the House bill amends a different section.

The conference substitute provides up to 3 years of provisional certification except that the provisional certification of new institutions is only for one year and places this provision in Subpart 3 of Part H.

The House bill, but not the Senate bill, amends the definition of an eligible institution to provide that branch institutions are separate institutions of higher education for purposes of this title.

The conference substitute incorporates this provision with an amendment clarifying that the branch will be treated as a separate institution except for the two year wait-out period, that no branch can become a separate institution prior to completing the two-year wait-out period, and providing a Secretarial waiver from the "in a State" requirement for foreign branches of domestic institutions who meet the requirements of 1201(a) and were in existence as of January 1, 1992. It is not the intent of the conferees to adversely affect the ability of students enrolled in existing overseas branches of American institutions to participate in Title IV programs. Such branches, whose eligibility has been determined by the Secretary prior to January 1, 1992, are not required to meet the additional requirements of being located within a state. Under uniform regulations promulgated by the Secretary, each such branch will be evaluated to determine whether, notwithstanding its location outside of the United States, it should be permitted to participate in the Title IV programs. The conferees intend the Secretary's regulations to require the institution to demonstrate that its overseas branch meets the same educational standards as the parent institutions, that the educational standards are reviewed in a manner consistent with and on the same schedule as the parent institution, and that the educational program offered at the overseas branch is substantially similar to educational programs offered at the parent institution.

The Senate bill provides provisional eligibility for institutions undergoing changes of ownership with a distinct list of exceptions for certain routine instances of valid transfer.

The conference substitute incorporates this provision with an amendment applying the exemption only in cases of death or routine business practices as determined by the Secretary.

The House bill amends the definition section to require all eligible institutions that have a change in ownership to be considered new institutions and provides a change in ownership to be considered new institutions and provides a list of conditions that may determine such change.

The Senate recedes.

The Senate bill requires the Secretary to renew each institution's eligibility, including a review of administrative and financial capability, not less than 5 years after the applicable regulations become effective and to provide for periodic renewal thereafter. The House bill amends section 481 to require the initial review to take place within 5 years of enactment of this Act and provide that each institution's subsequent periodic renewal, or certifications of institutions not previously certified, take place at least every four years.

The conference substitute provides for the subsequent periodic review to be in 4 year intervals, uses the state language in 497(b), allows the Secretary to review other institutions he deems necessary, and places the provision in Subpart 3 of Part H.

Both the Senate and House bills require the Secretary to determine a satisfactory level of administrative capability has been met to ensure compliance with the standards set forth in each bill although the wording of the provisions vary and the House amends a different section.

The conference substitute incorporates this provision with an amendment to have the program participation agreement section cross-reference the eligibility and certification language.

Both the Senate and House bills require financial responsibility standards although these standards differ. The Senate bill also refers to administrative capabilities.

The conference substitute provides authority for the Secretary to establish standards of both administrative and financial capability and places this in Subpart 3 of Part H.

The House bill, but not the Senate bill, established special conditions under which an institution must demonstrate financial responsibility.

The conference substitute incorporates this provision with an amendment to make the description of financial standards more general.

The House bill, but not the Senate bill, provides a list of allowable ways for the Secretary to determine financial responsibility.

The Senate recedes.

Both the Senate and House bills require institutions to have the financial capacity to ensure payment refunds, however, the Senate bill specifies that this must be in the form of cash reserves.

The conference substitute provides for refunds in the form of cash revenues and places this provisions with other refund provisions.

The House bill, but not the Senate bill, requires that determination of financial responsibility be based on an independent audit.

The conference substitute incorporates this provision with an amendment changing the annual requirement to one that takes place every four years with the recertification cycle, allowing the Secretary to require more frequent audits of institutions that fail the standards set forward in subparagraph (B) (second tier), and clarifying the level of audit required.

The House bill, but not the Senate bill, permits the Secretary to demand financial guarantees of institutions including the personal financial guaranty of an owner for Title IV liability.

The conference substitute incorporates this provisions with an amendment providing a set of conditions under which the Secretary cannot require financial guarantees and clarifies that the Secretary may use his authority to the extent necessary to protect the financial interest of the United States.

The House bill, but not the Senate bill, provides a definition of substantial control.

The Senate recedes.

The House bill, but not the Senate bill, provides a definition of "ownership interests".

The Senate recedes.

Both the Senate and House bills require institution to have a fair and equitable refund policy although the provision are drafted differently.

The conference substitute incorporates this provision and provides for conforming amendments to other agreements.

The House bill, but not the Senate bill, requires a disclosure to students regarding such policy.

The conference substitute provides an amendment to update cross-references in current 485(a)(1)(F).

The House and Senate bills provide for similar methods of determining a fair and equitable refund policy, but the House bill specifies that the refund amount must be "at least the largest" of the amounts provided under the various methods.

The Senate recedes.

The House bill, but not the Senate bill, provides institutions the option of meeting refund policies set by other higher education associations and approved by the Secretary if their own accrediting associations have no such policy.

The House recedes.

The Senate bill provides an alternative pro rata refund policy that must extend to 50% of the enrollment period. The House bill requires the policy to extent to 75% of the enrollment period.

The conference substitute incorporates this provision with an amendment setting the level at 60%

The Senate bill applies pro rata refunds only to students attending an institution for the first time, whereas the House bill extends such policy to all students.

The House recedes.

The House bill, but not the Senate bill, allows for rounding and institutional administrative fees of up to $100 in cases in which students withdraw and receive pro rata refunds.

The Senate recedes.

The House bill, but not the Senate bill, provides definitions for "the portion of the period of enrollment for which the student has been charged that remains" for credit hour, clock hour, and correspondence programs.

The Senate recedes.

The Senate bill, but not the House bill, provides an exemption for institutions from the cash reserve requirements in cases in which such institutions contribute to a state fund which meets similar standards.

The conference substitute incorporates this provision with an amendment to place with the Senate language on the sufficiency of cash reserves to ensure refunds.

The Senate bill requires refunds to first be credited against Part B loans and second against any grants. The House bill requires refunds to be credited first to Part B loans, second to Parts D and E loans, and third to other Title IV student assistance. Also, the bills amend different sections.

The conference substitute specifies the order as follows: Part B, D, E, Pell Grants, SEOG, CWS, and the student and places the provision in Subpart 3 of Part H.

The Senate bill, but not the House bill, clarifies that it is the Secretary's responsibility to guard against hour inflation and to ensure all 600-hour courses are appropriate in length.

The conference substitute incorporates this provisions with a clarifying amendment. The conferees are concerned that in the past, the Secretary has refused to sufficiently enforce his responsibilities concerning minimum program length. In particular, the Secretary has claimed that enforcing such provisions violates his mandate in the Department of Education Organization Act to not become involved in curriculum matters. The conferees add this provision only to clarify current legislative intent and in no means imply by adding this provision that the Secretary does not already have clear authority and responsibility in this area.

The Senate bill, but not the House bill, requires the Secretary to protect the eligibility of institutions, for a period not to exceed 18 months, in cases in which accrediting bodies have not lost recognition.

The conference substitute incorporates this provision with an amendment changing the "shall" to "may."

Both the Senate and House bills requires the Secretary to provide a system for the conduct of program reviews and establishes different priority lists under which institutions should be reviewed.

The conference substitute combines the provisions.

The Senate bill, but not the House bill, requires the Secretary to establish and operate a central data base on accreditation, eligibility, and certification.

The House recedes.

The Senate bill, but not the House bill, requires the Secretary to issue guidelines to ensure uniformity of practice in the conduct of program reviews and to review current regulations for the same purpose.

The House recedes.

The Senate bill, but not the House bill, requires the Secretary to establish a plan for the data collection required under this section and to share such data with relevant organizations participating in this Title.

The House recedes.

The Senate bill, but not the House bill, requires the Secretary to provide Congress with appropriate recommendations and legislative language on institutional performance standards.

The Senate recedes.

The Senate bill, but not the House bill, requires the Secretary to provide training, including criminal investigative training, to the appropriate Department personnel to improve oversight.

The House recedes.

The Senate bill, but not the House bill, provides institutions with specific authority to enter into discussions with each other on certain aspects of awarding financial aid.

The conference substitute incorporates this provision with a clarifying amendment and places this provision in title XV. The managers intend that the meaning of the term "principles of professional judgment" be governed by the following paragraph, taken from the 1987 monograph "Professional Judgment in Need Analysis," published by the National Association of Student Financial Aid Administrators:

> This publication identifies a variety of situations in which it may be appropriate to use professional judgment. Alternatives are suggested to assist aid administrators in assessing more sensitively the ability of a family to pay for postsecondary education. The intent is to be descriptive, not prescriptive, of alternate ways of considering particular circumstances. Not all aid administrators will agree with every adjustment described. Instead, it is hoped that this publication will provide a foundation on which good practice and consistent treatment of aid applicants can be developed.

The managers also want to re-emphasize that the permission given to institutions in this section applies only to student financial aid not awarded under the Higher Education Act.

The Senate bill, but not the House bill, specifies that nothing in this section shall relieve processors of any obligations under this section (technical note: This provision appears on the wrong page of the Senate passed bill and should have appeared at the end of section 483).

The conference substitute incorporates this provision with an amendment adding "or institutions" and placing it at the end of Section 483.

The Senate bill repeals the credit check, borrower information, confession of judgement, and data matching provisions of the Unemployment Compensation Act of 1991 whereas the House bill does not repeal the data matching provision.

The conference substitute incorporates this provision with an amendment to reference only the appropriate sections in the Higher Education Act.

TITLE V

FINDINGS AND PURPOSE

The House bill, but not the Senate bill, provides findings for the title.

The Senate recedes.

The Senate bill and the House bill have similar, but not identical purposes for the title.

The conference substitute provides for a merging of the purposes and eliminates items, 2, 6, 7, 8, and 10 of the House bill and item 7 of the Senate bill.

NEW CAREERS FOR TEACHERS

The Senate bill entitles the program "New Careers for Teachers"; the House bill entitles the program "Teacher Opportunity Corps".

The House recedes.

The Senate bill's statement of purpose provides for a program to attract minority candidates who are in school support or paraprofessional positions; the House bill provides for programs and financial assistance to enable paraprofessionals working in shortage area schools to become certified or licensed teachers.

The House recedes with an amendment combining the two purposes.

The Senate bill, but not the House bill, provides that the Federal share of the grants shall be 50 percent; and that the non-Federal share may be in cash or kind.

The House recedes with an amendment establishing a declining Federal match from 75% in the first year to 35% in the fifth year.

The Senate bill provides that the duration of the grant shall be 2 years and may be renewed for up 3 years; the House bill provides that the duration of grants be for 5 years.

The Senate recedes with an amendment clarifying that the duration of grants shall be for 5 years.

The Senate bill, but not the House bill, provides that awards shall be made on a competitive basis; and that special consideration be given to programs designed to identify, recruit and certify speakers of non-English languages who have been trained as teachers in their home country or to individuals already employed in a local educational agency.

The House recedes with an amendment conforming the provision to a State-administered program and adding a priority for eligible recipients located in shortage areas.

The Senate bill provides that an eligible recipient is an institution of higher education and one or more local educational agencies in conjunction with the State educational agency and the State or local teacher credentialing body; the House bill provides funds to States for grants to institutions of higher education.

The House recedes with an amendment striking the reference to the eligible recipient working with the State educational agency or the local teacher credentialing body and makes further amendments to conform the provision to a State-administered program.

The Senate bill requires eligible recipients to submit an application to the Secretary which contains detailed information including the activities to be conducted; the number of participants, the steps on the career ladder, a plan for permanently employing individuals who participate in the program; plan for coursework at the participant's place of employment; plan for academic credit for inservice training; provision for participation of individuals with various levels of educational attainment; and assurances that programs will be available to individuals with disabilities.

The House recedes with an amendment conforming the provision to a State-administered program.

The House bill requires that a State desiring to participate submit an application containing information prescribed by the Secretary which includes information on the activities that the recipients plan to conduct with the funds.

The Senate recedes with an amendment to include assurances that States will award grants on a competitive basis to eligible recipients.

The Senate bill provides for funds to be used to pay tuition; pay for release time; and to provide stipends for child care; the House bill provides funds to be used for financial assistance to pay part or all of the costs of attendance; instructional and supportive services; and child care expenses.

The House recedes with an amendment combining uses of funds.

The Senate bill requires that no more than 10 percent of any grant may be used for administrative costs; the House bill limits administrative costs to 5 percent.

The Senate recedes.

The Senate bill authorizes $5,000,000 for FY 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years; the House bill authorizes $50,000,000 for FY 1993 and such sums as may be necessary for each of the four succeeding fiscal years.

The Senate recedes with an amendment authorizing $30 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The House bill, but not the Senate bill, defines the terms "certified or licensed teacher", "shortage area", "chapter 1", and "paraprofessional".

The Senate recedes with an amendment adding the definition of the term "school support".

The Senate bill awards funds to eligible recipients on the basis of a competitive grants process; the House bill, but not the Senate bill, provides that States receive funds on the basis of the State's relative share of Chapter 1 Part A funds, except that no State shall receive less than $500,000.

The Senate recedes with an amendment establishing an appropriation threshold of $50 million for a formula allocation to States.

The House bill, but not the Senate bill, requires each State receiving a grant to enter into an agreement with the Secretary to ensure that the State educational agency or the State agency administering SSIG will administer the grant; the administering agency will use no more than 5 percent for administrative costs; and that the administering agency will keep required documentation.

The Senate recedes with an amendment adding the State higher education agency as an eligible administering agent.

The House bill, but not the Senate bill, requires that States ensure the involvement of institutions of higher education, schools or local educational agencies located in shortage areas.

The House recedes.

The House bill, but not the Senate bill, requires that the courses taken are fully creditable to a baccalaureate or graduate program leading to teacher certification or license.

The House recedes.

The House bill, but not the Senate bill, requires that participants receiving financial assistance agree to, within the 10 year period after completing postsecondary study, act as an educational professional or a paraprofessional in a shortage area school for a period of not less than one year for each year of assistance or repay all or part of the assistance received.

The Senate recedes with an amendment requiring that the payback provisions only apply to fully credentialed teachers; that the amount to be paid back is only based on the tuition benefits and on full-time equivalents; and that a teaching opportunity has to exist.

The House bill, but not the Senate bill, requires that the amount of scholarship assistance shall be reduced by the amount that the scholarship exceeds the student's cost of attendance and the scholarship assistance shall be taken into account in determining the eligibility of the student for other forms of Federal student financial assistance.

The Senate recedes.

The House bill, but not the Senate bill, requires that the State establish a system for the evaluation of programs conducted.

The Senate recedes.

MINORITY TEACHER RECRUITMENT

The Senate bill authorizes grants to improve the recruitment and training opportunities in education for minority individuals, including minority language individuals and to increase the number of minority individuals, in elementary and secondary schools; the House bill authorizes grants to partnerships of institutions of higher education and local educational agencies for developing and carrying out programs designed to identify and encourage minority students in the 7th through 12th grades to aspire to and prepare for careers in elementary and secondary education.

The House recedes with an amendment adding the House authorized activity of identifying and encouraging minority students in the 7th through 12th grades to aspire to and prepare for careers in teaching to the Senate bill's activities; and by incorporating provisions from the House Teacher Recruitment and Placement program into this program as a separate subpart.

The Senate bill, but not the House bill, requires that the Federal share be 50% and that the non-Federal share be in cash or in kind.

The House recedes.

The Senate bill provides grants to one or more local educational agencies, a State education agency or higher education agency, one or more institutions of higher education or community based organizations and to 2 and 4 year institutions with large concentrations of minority students, including language minority students; the House bill provides grants to consortia of institutions of higher education, which have a demonstrated record and special expertise in carrying out programs authorized by this part, in partnership with a local educational agency or in partnership with a local education agency and other public or private organizations.

The Senate recedes with an amendment combining House and Senate provisions regarding partnership agreements.

The Senate bill makes grants to identify students from minority backgrounds, including language minority backgrounds, who are interested in teaching in middle and secondary schools; to identify students who indicate an interest in entering the teaching profession and provide such individuals with support programs; to strengthen teacher training programs; to establish or enhance early identification programs; to establish partnerships with graduate schools to foster and facilitate the movement of minority students into post-graduate studies; to establish programs and activities which foster and facilitate the movement of students interested in pursuing teaching careers from 2-year to 4-year institutions; and to improve existing assessment practices that determine an individual's qualifications to become a teacher. The House bill authorizes the Secretary to make grants which carry activities similar, but not identical to, the items in the Senate bill relating to support programs for students who are interested in pursuing teaching.

The Senate recedes with an amendment combining House and Senate provisions regarding uses of funds.

Both the Senate bill and the House bill have similar, but not identical requirements regarding the contents of the applications.

The Senate recedes with an amendment requiring applications to set forth the individuals to be served.

The Senate bill, but not the House bill, requires that the State educational agency have 30 days for review and comment of the applications.

The Senate recedes.

The Senate bill, but not the House bill, requires that no more than 10 percent of grant funds may be used for administrative expenses.

The House recedes with an amendment establishing the percentage to be used for administrative costs at 5%.

The Senate bill authorizes $5,000,000 for FY 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years; the House bill authorizes $20,000,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years.

The Senate recedes with an amendment authorizing $10 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

SCHOOL, COLLEGE, AND UNIVERSITY PARTNERSHIPS

The Senate bill designates the program as "School, College, and University Partnerships" and places the program under title V; the House bill designates the program "Urban and Rural College, University, and School Partnerships and places the program under title I. The designation of "urban and rural" is a difference throughout the program.

The House recedes with an amendment placing the program in Title I.

The Senate bill and the House bill have the same purpose of the program, but the wording is different.

The House recedes.

The Senate bill authorizes a partnership agreement between an institution of higher education or a State higher educational agency and a secondary school or local education agency; the House bill authorizes partnerships between an urban or rural institution of higher education or a consortia of such institutions and local educational agency.

The Senate recedes with an amendment adding the State higher education agency as an eligible member of a consortium.

The Senate bill, but not the House bill, includes, in the list of other entities in the partnership, public television stations or other educational telecommunications entities.

The House recedes.

The Senate bill, but not the House bill, requires that all partners sign the agreement.

The House recedes.

The Senate bill, but not the House bill, requires that the partnership agreement contains a designation of the official representatives of each entity participating in the partnership.

The House recedes.

The Senate bill, but not the House bill, requires that the Secretary reserve 65% of funds to carry out school-year programs and 35% of funds to carry out summer programs.

The House recedes.

The Senate bill, but not the House bill, delineates the use of grants.

The House recedes with an amendment clarifying that the uses of grants are permissible.

The Senate bill refers to "low-income communities"; the House bill refers to "low income neighborhoods".

The House recedes.

The Senate bill gives a preference to "pregnant adolescents, and teenage parents"; the House bill gives a preference to "pregnant adolescent and teen-aged parents".

The House recedes.

The Senate bill, but not the House bill, provides that a preference for grants will be given to programs which serve students with disabilities and students whose native language is other than English.

The House recedes.

The House bill, but not the Senate bill, provides that a preference for grants will be given to programs that are designed to encourage women and minorities who are underrepresented in the fields of mathematics and sciences to pursue these fields.

The Senate recedes.

The Senate bill, but not the House bill, requires that the duration of grants be for 3 years.

The House recedes with an amendment establishing the duration of grants at 5 years.

Both the Senate bill and the House bill require applications, but the wording is different.

The Senate recedes.

The Senate bill, but not the House bill, requires that the application describe the activities and services for which assistance is sought.

The House recedes.

Both the Senate bill and the House bill require that local educational agencies not reduce their combined fiscal effort per student or its aggregate expenditure on education, but the House bill also applied this requirement to institutions of higher education.

The Senate recedes.

The House bill, but not the Senate bill, makes the "supplement, not supplant" requirements applicable to institutions of higher education receiving funds under this part.

The Senate recedes.

The Senate bill, but not the House bill, requires that the application provide such information and meet such conditions as the Secretary requires.

The Senate recedes.

The Senate bill, but not the House bill, provides that the non-federal share of the grant may be provided in cash or in kind.

The House recedes.

The Senate bill, but not the House bill, allows the Secretary to waive the matching requirement.

The House recedes.

The Senate bill, but not the House bill, requires that the peer review panel have representatives from public and private institutions of elementary and secondary education.

The House recedes.

The Senate bill requires that representatives serving on the peer review panel have expertise in community service or education; the House bill requires that the representatives serving on the peer review panel have expertise in urban community service.

The House recedes.

The Senate bill authorizes $15,000,000 for FY 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years; the House bill authorizes $25,000,000 for FY 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

The Senate recedes with an amendment setting the authorization level at $20 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The House bill, but not the Senate bill, has a series of administrative provisions relating to the program which include the establishment of a national network of urban and rural institutions, and definitions of terms used in the program. These provisions also apply to the Urban Community Service program (see Title XI).

The House recedes.

NATIONAL BOARD FOR PROFESSIONAL TEACHING STANDARDS

The Senate bill, but not the House bill, provides a short title, findings and a purpose for the program.

The Senate recedes.

The Senate bill, but not the House bill, defines the term "Director".

The House recedes.

The House bill, but not the Senate bill, defines the terms "elementary school", "Secondary school" and "Secretary".

The House recedes.

The Senate bill provides for a special rule in this section stating that nothing herein shall be construed to infringe upon the practice or accreditation of home school or private school teaching; the House bill contains a similar provision in a later section of the program.

The Senate recedes.

The Senate bill authorizes the appropriation to be for the period beginning October 1, 1991, and ending September 30, 1995; the House bill authorizes the appropriations to be for the period beginning October 1, 1992 and ending on September 30, 1997.

The House recedes.

The Senate bill requires that no funds be available after September 30, 1995; the House bill requires that no funds be available after September 30, 1997.

The Senate recedes.

The Senate bill refers to public elementary and secondary school teachers; the House bill generally refers to elementary and secondary school teachers.

The Senate recedes.

The Senate bill specifies that the research and development activities address the needs of public teachers; the House bill refers to teachers in general.

The Senate recedes.

The Senate bill requires a report due on June 30 of any fiscal year; the House bill requires a report on December 31, 1993 and each succeeding fiscal year thereafter in which Federal funds are expended.

The House recedes.

The Senate bill heading refers to the "First Report"; the House bill heading refers to "First Annual Report".

The Senate recedes.

The House bill, but not the Senate bill, contains an evaluation requirement.

The Senate recedes.

The House bill states that nothing herein shall be construed to infringe upon the practice or accreditation of home school or private school teaching which parallels language in the Senate bill.

The Senate recedes.

The Senate bill, but not the House bill, has a series of provisions regarding the program's effect on home schooling, private school teachers, and the rights of parents.

The House recedes.

The Senate bill, but not the House bill, states that participation in the certification assessments under this part is voluntary.

The House recedes.

PAUL DOUGLAS TEACHER SCHOLARSHIP PROGRAM

The Senate bill names the program "Paul Douglas Teacher Scholarships"; the House bill names the program "Paul Douglas Teacher Corps Scholarships".

The House recedes.

The House bill, but not the Senate bill, states the purpose of the program shall include encouraging women and minorities who are underepresented in the fields of mathematics and science to pursue teaching careers in these fields.

The House recedes.

The Senate bill designates the scholars as "Paul Douglas Teacher Scholarships"; the House bill designates the scholars as "Paul Douglas Teacher Corps Scholarships". (This is an item of difference throughout the program.)

The House recedes.

The Senate bill bases all allocations on the "number of persons" in the State; the House bill bases allocations on "school-age population" in the State.

The Senate recedes.

The Senate bill requires that the most recent census data be used to make allocations; the House bill requires that the most recent data available be used.

The House recedes.

The Senate bill, but not the House bill, allows the State to designate another appropriate State agency to administer the program.

The House recedes.

The House bill, but not the Senate bill, requires the application to describe how the State will inform recipients, upon receipt of the award, of current and projected teacher shortages and surpluses within the State.

The Senate recedes.

The House bill, but not the Senate bill, states that scholarship recipients who teach on full time basis children with disabilities or children with limited English proficiency in a private, non-profit school must teach for 2 years for every year of assistance received.

The Senate recedes.

The Senate bill, but not the House bill, includes education "programs" as well as schools.

The Senate recedes.

The House bill, but not the Senate bill states that scholarship recipients who are members of minority groups who teach in a public or private non-profit elementary or secondary school in a State where there are significant numbers of minorities students enrolled shall only have to teach for one year for every year of assistance received.

The House recedes.

The Senate bill uses the term "individuals with disabilities"; the House bill uses the term "students with disabilities".

The House recedes.

The House bill, but not the Senate bill, requires that States make an effort to attract 1) students who express a willingness or desire to teach in rural schools or urban schools and 2) students who show an interest in pursuing teaching careers in science and mathematics, especially women and minorities who are underrepresented in these fields.

The Senate recedes with an amendment clarifying that States should make an effort to attract women and minorities who show an interest in pursuing teaching careers in science and mathematics and who are underrepresented in these fields.

The Senate recedes with an amendment clarifying that States should make an effort to attract women and minorities who show an interest in pursuing teaching careers in science and mathematics and who are underrepresented in these fields.

The Senate bill requires the State to develop selection criteria that are reflective of the State's supply and demand for teachers; the House bill requires the State educational agency, in consultation with the State higher education agency, to develop criteria that are designed to attract highly qualified individuals into teaching, ensure that these students are enrolled in approved teacher education programs, and meet the need of the State in meeting teacher shortages.

The Senate recedes with an amendment combining House and Senate selection criteria and procedures.

The House bill, but not the Senate bill, requires the State educational agency, in consultation with the State higher educational agency, to give special consideration to certain types of individuals when selecting scholarship recipients.

The Senate recedes.

The Senate bill and the House bill have similar provisions regarding priority consideration of scholarship recipients, but the wording is different.

The conference substitute provides that the "priority consideration" language be included under the "Special Considerations" language as an additional item.

The Senate bill, but not the House bill, require the State to solicit the views of State educational agencies in developing selection criteria.

The Senate recedes.

The House bill, but not the Senate bill, includes "special education teacher" as an area of study for which an individual can use the scholarship funds.

The Senate recedes.

The Senate bill uses the term "students assisted"; the House bill uses the term "student assistance".

The Senate recedes.

The House bill, but not the Senate bill, requires that special education teachers be included on the statewide panel.

The Senate recedes.

The Senate bill requires that scholarship recipients be selected from the top 10 percent of their high school graduating class; the House bill requires that they be selected from the top 15 percent.

The House recedes.

The House bill, but not the Senate bill, requires that special consideration be afforded to women and minorities who are underrepresented in the fields of science and mathematics and are seeking to enter the teaching profession in these fields.

The House recedes.

The Senate bill and the House bill have similar requirements relating to waivers of requirements, but the wording is different.

The House recedes.

The Senate bill, but not the House bill, requires that the rate of interest charged on the repayment of scholarship funds shall not exceed the rate of interest under title IV part B.

The House recedes.

The Senate bill, but not the House bill, requires an evaluation of scholarship recipients.

The House recedes.

The Senate bill authorizes $27,000,000 for FY 1993 and such sums as may be necessary for the 6 succeeding fiscal years; the House bill authorizes $25,000,000 for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The House recedes with an amendment establishing the authorization at $26 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The House bill, but not the Senate bill, defines the term "shortage area".

The Senate recedes.

CHRISTA MC AULIFFE FELLOWSHIP PROGRAM

The Senate bill names the program as the "Christa McAuliffe Career Teacher Corps"; the House bill designates the program as the "Christa McAuliffe Fellowship Program".

The Senate recedes.

The Senate bill, in the purpose section, refers to "experienced teachers"; the House bill refers to "outstanding teachers".

The conference substitute provides for "experienced and outstanding teachers".

The Senate bill designates the fellowships awarded as "Christa McAuliffe Career Teacher Corps fellowship" and the recipients of fellowships as "Christa McAuliffe Career Teacher Corps member; the House bill designates the individuals receiving fellowships as "Christa McAuliffe Fellows".

The Senate recedes.

The House bill, but not the Senate, allows not more than 3 percent of the funds to be used for administering the program.

The Senate recedes with an amendment allowing not more than 1 percent of the funds to be available to administer the program and clarifying that this section refers to administration by the Secretary.

The Senate bill, but not the House bill, authorizes the Secretary to make grants to the State education agency to conduct Christa McAuliffe Teacher Corps activities and to award fellowships.

The House recedes.

The Senate bill, but not the House bill, distributes funds to States on the basis of school aged population.

The House recedes.

The Senate bill, but not the House bill, authorizes the State educational agency to use not more than 10 percent of the funds to carry out State activities.

The House recedes with an amendment allowing more than 3 percent of the funds to be used for State administration of the program.

The Senate bill requires the State educational agency to award fellowships to public and private school teachers who have been employed as teachers for 8 years or more; the House bill requires that sums available for this program be used to award one national teacher fellowship in each congressional district.

The House recedes.

The Senate bill provides that fellowship award be equal to the annual salary the individuals would earn in his or her current place of employment; the House bill provides that the fellowship amount shall not exceed the average national salary of public school teachers.

The House recedes.

The Senate bill requires that if a fellowship award is for less than a school year, then the fellowship shall be ratably reduced; the House bill requires that the Secretary publish an alternative distribution of fellowships if funds available are insufficient to meet the congressional district and fellowship amount requirements.

The House recedes.

The Senate bill allows a recipient to work in another State with a Christa McAuliffe Career Teacher Corps Program upon approval of both the sending and receiving States; the House bill authorizes the Secretary in extreme circumstances to allow a recipient to work in another school or school district or to waive or defer the service requirement.

The Senate recedes with an amendment combining the service requirement provisions.

The Senate bill has a detailed use of fellowship funds; the House bill has similar uses of funds, but not as detailed.

The House recedes with an amendment.

The House bill, but not the Senate bill, includes in the use of funds programs or partnerships that involve the business community and the schools, and programs that incorporate the use and sharing of technologies to help students learn among the use of funds.

The Senate recedes.

The Senate bill provides for special innovative programs for inservice training, student achievement or replicating or expanding model programs; the House bill generally allows funds to be used for special innovative programs.

The Senate recedes.

The Senate bill has the 7-member statewide panel appointed by the chief State school officer; the House bill has the panel appointed by the chief State elected official.

The House recedes.

The Senate bill, but not the House bill, has a special rule stating that each State educational agency may choose to administer the program through a pre-existing panel.

The House recedes.

The Senate bill requires that the applicant for a fellowship submit the application to the statewide panel for the State in which the teacher is employed; the House bill requires that the application be submitted to the statewide panel for the State where the project will be conducted.

The Senate recedes.

The Senate bill, but not the House bill, allows applications to contain such information that the State educational agency may reasonably require.

The House recedes.

The Senate bill, but not the House bill, requires that the statewide panel shall consider evaluations during employment as a teacher, the demonstrated commitment to teaching in the future, and the intended activities during the award period.

The House recedes.

The Senate bill allows the statewide panel to request information from teaching peers, the applicant's principal, and the superintendent on the quality of the proposal; the House bill requires that the statewide panel request 2 recommendations from teaching peers a recommendation from the principal, and a recommendation from the superintendent on the quality of the proposal.

The House recedes.

The Senate bill, but not the House bill, requires the selection of members of the statewide panel to be made in accordance with regulations prescribed by the Secretary.

The House recedes.

The Senate bill, but not the House bill, requires the statewide panel to give special consideration to individuals who intend to use the award to improve or acquire skills in the subject areas of science or mathematics or who intend to teach or provide related services to students with disabilities, limited English proficient students, or preschool aged students.

The Senate recedes.

The Senate bill, but not the House bill, has a series of requirements regarding fellowship agreements.

The Senate recedes.

The Senate bill requires that individuals in non-compliance with the fellowship agreement shall be required to repay to the State educational agency a pro-rata amount of the fellowship, plus interest at the highest rate applicable to loans under part B of title IV, and where applicable, reasonable collection fees; the House bill requires repayment in the case of fraud or gross noncompliance.

The Senate recedes.

The Senate bill, but not the House bill, provides for a waiver of the repayment requirements.

The Senate recedes.

The House bill, but not the Senate bill, requires the Secretary to establish a national clearinghouse for the collection and dissemination of exemplary projects under this program.

The Senate recedes.

The Senate bill, but not the House bill, requires the Secretary to make awards to State educational agencies having approved applications and work in cooperation with State educational agencies to conduct activities to bring fellows together.

The House recedes.

The Senate bill, but not the House bill, requires State educational agencies desiring a grant to submit an application to the Secretary which meets certain requirements.

The House recedes with an amendment clarifying that the State must release fellowship recipients from teaching responsibilities only if the fellow's proposal requires such release time.

The Senate bill, but not the House bill, delineates the State uses of funds.

The Senate recedes.

The Senate bill, but not the House bill, requires the Secretary to conduct an independent evaluation of the program.

The House recedes with an amendment striking "1999" and inserting "1997".

The Senate bill authorizes $27,000,000 for FY 1993 and such sums as may be necessary for the 6 succeeding fiscal years; the House bill authorizes $15,000,000 for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The Senate recedes with an amendment establishing the authorization at $20 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

FACULTY DEVELOPMENT GRANTS

The Senate bill, but not the House bill, authorizes the Secretary of Education to award grants to institutions of higher education to enable institutions to develop model programs that provide training to secondary school faculty to prepare students with disabilities for postsecondary educational opportunities and to establish faculty development program for faculty who teach at institutions of higher education to prepare such faculty for the enrollment of students with disabilities at such institution. Funds may be used for scholarships, materials development, the release of faculty from teaching assignments so that they may participate in the program. There is $15,000,000 authorized for FY 1993 and such sums as may be necessary for the six succeeding fiscal years.

The House recedes with an amendment authorizing $5 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

TEACHER CORPS PROGRAM

The Senate bill, but not the House bill, authorizes a teacher corps program which provides scholarship and other assistance and support to enable individuals to become teachers in exchange for teaching in educationally and economically disadvantaged schools. There is authorized to be appropriated $50,000,000 for FY 1993 and such sums as may be necessary for each of the six succeeding fiscal years. Funds are available to States on a competitive basis when appropriations are less than $50,000,000; funds will be allocated on the basis of school-aged population when appropriations are $50,000,000 or greater.

The House recedes with an amendment to the "Special Consideration" language to include a special priority for women and minorities who are underrepresented in mathematics and science; and to authorize $25 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

STATE ACADEMIES FOR EDUCATORS

The Senate bill provides for separate authority for State Academies for Teachers and School Leaders, Professional Development Academies and Teachers Awards. The House bill allows States, under the Part A program (see note 234) to establish State Academies for Teacher and School Leaders and to make Teacher Awards. The House bill separately authorizes Partnerships for Innovation in Teacher Education.

The Senate recedes with an amendment including the State Academies for Teachers and School Leaders as required activities under the House Part A program and making the Professional Development Academies and Teachers Awards allowable activities under the House Part A program.

The Senate bill, but not the House bill, provides purposes for the programs authorized under this subpart.

The Senate recedes.

The Senate bill, but not the House bill, provides general provisions for the programs authorized under this part.

The Senate recedes.

The Senate bill, but not the House bill, reserves an amount not to exceed two percent of the total amount appropriated for evaluation and dissemination of activities under this part.

The Senate recedes.

The Senate bill, but not the House bill allots funds to States to operate programs under subparts 2, 3, 4, and 5 through a formula based 50 percent on the number of teachers; 25 percent on the share of section 1005 and 1006 of Chapter 1; and 25 percent on the basis of school-aged populations.

The Senate recedes with an amendment amending the House Part A formula such that funds are distributed to the States half based on school aged population and half based on the State's share of section 1005 and 1006 Chapter 1 funds.

The Senate bill, but not the House bill authorizes for subparts 2, 3 and 4 $132,000,000 for FY 1993 and such sums as may be necessary for the 6 succeeding fiscal years, and is divided as follows: 50 percent of the amount appropriated shall be available for State Academies for Teachers; 15 percent for State Academies for School Leaders; 35 percent for Professional Development Academies; and $8,000,000 is authorized for the Teacher Awards (subpart 5).

The Senate recedes with an amendment authorizing $350 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years for the House Part A program.

The Senate bill, but not the House bill, requires a State educational agency desiring a grant to prepare a plan in consultation with the Governor.

The House recedes with an amendment including Senate items 1,2,3,4,8,10,15 and 16 as part of the State application requirements under the House Part A program.

The Senate bill, but not the House bill, provides for payment rules with regard to programs under this part.

The Senate recedes.

The Senate bill, but not the House bill, contains definitions of terms used under this part.

The House recedes with an amendment including the applicable definitions in the House Part A program; allowing the business community and teachers to be included in the partnerships under the professional development academy; and defining the term "key academic subjects" to mean English, mathematics, science, history, geography, foreign languages, civics and government, and economics.

The Senate bill, but not the House bill, requires an evaluation of and a report on the programs assisted under this part.

The Senate recedes.

STATE ACADEMIES FOR TEACHERS

The Senate bill authorizes a free-standing program for State Academies for Teachers; the House bill authorizes States to establish such academies as an allowable use of state funds under the State and Local Programs for Teacher Excellence.

The Senate recedes requiring States to establish such academies under the House Part A program.

The Senate bill, but not the House bill, contains a statement of purpose for the program.

The House recedes.

The Senate bill requires entities interested in operating a State Academy to submit an application, containing certain information, to the State educational agency; the House bill, under the application requirements for the State and Local Program for Teacher Excellence, requires that if a State decides to operate an Academy that it describe the competitive process it will use in selecting applicants to operate the academies, how academy participants will be selected, and how the State will monitor the implementation of the Academies.

The House recedes.

The Senate bill requires that a State educational agency receiving funds under this program shall award one or more competitive grants to a local educational agency, an institution of higher education, a museum, a private nonprofit educational organization, or a consortium of any 2 or more above, to operate academies; the House bill allows States receiving funds under the State and Local Program for Teacher Excellence to use a portion of their funds to make competitive awards to local educational agencies, institutions of higher education, and other public and private nonprofit agencies or consortia of these entities to operate academies.

The House recedes and with an amendment requiring academies to coordinate efforts with teacher in service activities of local educational agencies.

Both the Senate and House bills allow States to operate academies on a multi-State or regional basis, but the wording is different.

The House recedes.

The House bill, but not the Senate bill, allows States to establish Early Childhood Education Academies and Tech-Prep Academies.

The Senate recedes with an amendment allowing a State educational agency to establish such academies if it can demonstrate that the State's need for establishing academic in key academies subjects has been met and that it has implemented the findings of the Teacher Education study.

Both the Senate bill and the House bill have the same provision regarding cost/recipient use of funds, but the wording is different.

The House recedes with an amendment adding "costs associated with release time" as an authorized use of funds.

The Senate bill allows academies to be established in key academic subjects of English, mathematics, science, history, geography, foreign language, civics and government, and economics; the House bill allows academies to be established in 6 core academic subjects (English, mathematics, science, history foreign languages, geography), and vocational and technology education, and allows States to establish Early Childhood Education Academies and Tech-Prep Academies, in addition to or in lieu of a core academic subject area.

The House recedes. It is the intention of the conferees that teachers of English and a second language participate in the activities of the State and National Academies established in the key academic subject of English. There is a great need for professional development activities for English as a second language teachers, especially in heavily impacted areas such as California, Texas, and Florida. Therefore, the conferees intend that the retraining and professional develop needs of English as a second language teachers not be overlooked in the Academies established under this title.

Further, it is the intention of the conferees that consumer education teachers participate in the activities of the State and National Academies established in the key academic subject of economics. Secondary school teachers are often ill-prepared to teach the concepts of consumer and economic education in social studies, mathematics, business education and home economics classrooms. The participation of consumer education teachers in the economics academies will assist these teachers in providing their students with the knowledge and skills needed to function effectively as consumers, workers, and citizens within the economic system.

The Senate bill and the House bill have similar provisions regarding enhancement of knowledge, improving academic achievement, and the integration of academic and vocational instruction, but the wording is different, particularly in the listing of students needing academic improvement.

The House recedes with an amendment allowing, not requiring, academies to conduct activities; clarifying that the participant's knowledge shall be renewed and enhanced; and clarifying that strategies should be taught in order to improve the academic achievement of educationally disadvantaged students.

The Senate bill allows academies to conduct activities regarding improved teaching and classroom management, and to conduct other activities as approved by the Secretary.

The House recedes.

The Senate bill allows academies to conduct training for teachers to counsel students about postsecondary opportunities; the House bill authorizes a separate program under title IV for grants to local educational agencies for specialized training for teachers, principals and counselors such that they may be able to advise students on college opportunities, precollege requirements, the college admissions procedures and financial aid opportunities. The House bill authorizes this program at $70,000,000 for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The Senate recedes with an amendment moving the program into title IV and establishing the authorization at $40 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The Senate bill, but not the House bill, allows funds to be used for any other purpose described in the plan that is approved by the Secretary.

The House recedes.

The House bill, but not the Senate bill, allows academies to use educational technologies in teaching, to conduct training needed to become a lead or master teacher; to conduct training to participate in curriculum development, and training in the development and use of assessment tools.

The Senate recedes with an amendment striking the provisions allowing academies to provide training in the development and use of assessment tools.

The House bill, but not the Senate bill, lists activities that the Academies shall carry out in order to meet the goals of this part.

The Senate recedes with an amendment striking the activities regarding review of existing systemic improvement strategies, recruitment of teachers, and evaluation.

The House bill includes in list of activities the recruitment of teachers to participate in the academy's program and specifies that (1) teachers from minority groups, (2) individuals with disabilities, (3) individuals from areas with high numbers or concentration of disadvantaged students and (4) others with leadership potential be recruited; the Senate bill has a similar provision in its state plan and adds bilingual individuals to the groups mentioned in (1), (2) and (3) of the House bill.

The House recedes.

The Senate bill, but not the House bill, provides that at least 70% of funds received shall be used for the enhancement of participant's knowledge in key academic subjects; at least 20% of funds shall be used for the enhancement of participant's knowledge in areas not related to academic subjects.

The House recedes.

The Senate bill, but not the House bill, allows State educational agencies to provide for training in 2 or more key academic subjects at a single site.

The House recedes.

The House bill, but not the Senate bill, allows academies to be established in one or several academies which focus on more than one subject.

The Senate recedes.

The Senate bill, but not the House bill, establishes a 10-member selection panel to select teachers to attend the National Teacher Academies authorized under part G.

The House recedes with an amendment moving the language into the National Teacher Academy program and requiring the State educational agency to establish the selection panel.

STATE ACADEMIES FOR SCHOOL LEADERS

The Senate bill authorizes the State Academies for School Leaders program as a separate program; the House bill authorizes States to establish State Academies for School Leaders as part of a State's allowable activities under the State and Local Programs for Teacher Excellence.

The Senate recedes with an amendment making the establishment of the Academy mandatory under the House Part A program.

The Senate bill, but not the House bill provides a statement of purpose for this subpart.

The House recedes.

The Senate bill requires that eligible entities (LEAD centers, local educational agencies, institutions of higher education, a museum, a private non-profit educational organization, or a consortium of any 2 of the above) desiring to operate an academy under this subpart shall submit an application to the State educational agency; the House bill allows States to make competitive grants to local educational agencies, institutions of higher education and private non-profit agencies and organizations or consortia thereof.

The House recedes.

The House bill, but not the Senate bill, gives LEAD centers a priority in awards competition.

The Senate recedes.

The Senate bill provides for applications to contain the specific information regarding goals, curriculum, recruitment activities, dissemination activities, selection criteria, etc; the House bill, in the State's application under the State and Local Programs for Teacher Excellence, requires that if a State plans to operate an academy, that it describe the competitive process used to select applicants, how the participants will be selected, and how the State will monitor the implementation of the Academy.

The House recedes.

The Senate bill, but not the House bill, requires State educational agencies to award competitive grants to carry out authorized activities.

The House recedes.

Both the Senate bill and the House bill have similar provisions regarding the costs/use of funds, but the wording is not identical.

The House recedes.

The Senate bill, but not the House bill, requires that 70% of the participants be from the school building level.

The House recedes.

The Senate bill, but not the House bill, allows the State educational agency to provide for the location of the academy at the same site as the Teacher Academies.

The House recedes.

The Senate bill and the House bill have differing authorized activities.

The conference substitute provides for a blending of the authorized activities by striking items 2 and 4 from the Senate bill and including the House C, A, D, E, F, G, H, and J in list of activities in the Senate bill.

The Senate bill and the House bill have similar provisions regarding cost-sharing, but the wording is different.

The House recedes.

PROFESSIONAL DEVELOPMENT ACADEMIES/PARTNERSHIPS FOR INNOVATIVE TEACHER EDUCATION

The Senate bill entitles the program as "Professional Development Academies"; the House bill entitles the program "Partnerships for Innovative Teacher Education".

The House recedes with an amendment placing the program as an allowable activity under the institution of higher education uses of funds under the House Part A program.

The House bill, but not the Senate bill, contains findings for the subpart.

The House recedes.

The Senate bill, but not the House bill, states that the purpose of this subpart is to improve teacher and school leader training by establishing at least one school-based teacher training program in every State;

The Senate recedes.

The House bill, but not the Senate bill, states the purpose as stimulating the development of capacity for educational innovation through establishing teaching schools.

The House recedes.

The House bill, but not the Senate bill, authorizes the Secretary to makes grants to carry out the purposes of this part.

The Senate recedes with an amendment striking "Secretary" and inserting "State educational agency" and striking "teaching schools to develop and put into practice the best knowledge about teaching" and inserting in lieu thereof "Professional Development Academies".

The Senate bill defines the term "Academy" as used under this subpart as school-based teacher training operated as a partnership between one or more elementary or secondary schools and one or more institutions of higher education that provides prospective and novice teachers an opportunity to work under the guidance of a master teacher; the House bill defines the term "teaching school" as a public preschool, elementary or secondary school where a formal collaboration between one or more institutions of higher education and the school takes place for the training of prospective and beginning teachers, continuing development of experienced teachers, research and development activities, public demonstration of exemplary learning programs and dissemination of knowledge.

The Senate recedes.

The House bill, but not the Senate bill, defines the term "institution of higher education".

The House recedes.

The Senate bill defines the term "eligible entity" as a partnership including one or more local educational agencies and one or more institutions of higher education; the House bill defines the term as a partnership including at least one institution of higher education, at least one local educational agency, teachers, and the business community and allows State educational agencies to also be partners.

The House recedes with an amendment allowing partnerships to include the business community and teachers.

The House bill, but not the Senate bill, states that awards shall be made for one year planning grant or a one year implementation grant, with implementation grants being renewed for 4 additional years upon a successful evaluation.

The Senate recedes with an amendment clarifying that grants can be made for 1 year planning grants or for 4 year implementation grants and that evaluations should be submitted to the State educational agency.

The Senate bill requires that eligible applications be submitted to the State educational agency; the House bill requires that eligible entities submit applications to the Secretary.

The House recedes.

The Senate bill and the House bill have similar contents of application requirements regarding the listing of academy/partnership participants, the goals of the academy/partnership, and description of the activities, but the wording is different.

The conference substitute provides for a blending of the application requirements.

The Senate bill, but not the House bill, requires that applications describe how they will cover the key academic subjects; how they plan to involve prospective and novice teachers; and how they will disseminate information.

The House recedes with an amendment striking the provision regarding the dissemination of information about the academy.

The House bill, but not the Senate bill, requires that applicants provide estimates on the number of teachers to be trained.

The Senate recedes with an amendment striking "teaching school" and inserting "Professional Development Academy".

The Senate bill, but not the House bill, requires assurances from applicants that programs be designed by faculty and teachers; that faculty participating in the program include faculty who are experts in key academic subjects; and that activities be of sufficient length and comprehensiveness to improve participants' knowledge.

The House recedes.

Both the Senate bill and the House bill require assurances from applicants regarding consultation of teachers, but the wording is different.

The Senate recedes with a technical amendment striking "teaching school" and inserting "Professional Development Academy".

The House bill, but not the Senate bill, requires consultation with parents and administrators.

The Senate recedes with an amendment striking "teaching school" and inserting "Professional Development Academy".

The House bill, but not the Senate bill, provides priorities for grant awards and special information that an application must contain.

The Senate recedes with an amendment striking "Secretary" and inserting "State educational agency" and striking #1 of the special rule.

The Senate bill, but not the House bill, provides that Senate educational agencies may award competitive grants under this part to carry out authorized activities.

The Senate recedes.

The Senate bill allows recipients to use funds to meet the operating costs of carrying out activities including start-up, initial operating costs, stipends, travel, and living expenses for teachers participating in the program; the House bill states that funds awarded may be used for staff development, purchase of books and materials, minor remodeling, salaries, participation in a teaching network, evaluation, and other costs.

The conference substitute provides that funds be used for operating costs including start-up and initial operating costs, staff development, purchase of books, payment of personnel directly related to the operation of the academy, costs associated with release time, and participation in a network of academies and evaluation.

The Senate bill and the House bill have differing uses of funds.

The conference substitute provides for a blending of the uses of funds.

The Senate bill, but not the House bill, in the subpart 1 of this part requires an evaluation of programs authorized under this part and permits the Secretary to reserve no more than 2% of funds for evaluation and dissemination.

The Senate recedes.

The House bill, but not the Senate bill, authorizes the Secretary to reserve 3% of funds to conduct an evaluation, to disseminate information, provide technical assistance, and to develop a network of teaching schools.

The House recedes.

The Senate bill requires that the Federal share be not more than 75% in the first three years of the grant and not more than 50% in the last two years of the grant; the House bill requires that the Federal share be 50%.

The House recedes with an amendment adding that 100% of the cost of a planning grant shall be paid by the Federal government.

The House bill, but not the Senate bill, defines the term "teacher".

The House recedes.

The Senate bill authorizes States receiving funds under this part to allocate 35% of such funds for activities under this subpart; the House bill authorizes $20,000,000 for FY 1993 and such sums as may be necessary for the four succeeding fiscal years.

The House recedes. This title includes provisions on State Academies for Teachers, State Academies for School Leaders, and Professional Development Academies. Under each of the above programs, the Conferees have included comprehensive lists of authorized activities, incorporating activities that were included in the House and Senate bills. Because the lists are so extensive, the Conferees understand that recipients may not be able to engage in all of the activities and have therefore made these activities permissible rather than mandatory. It is the intent of the Conferees, however, that recipients will use grant funds for as many of the activities as possible, with an understanding that each activity listed is important and relevant to achieving the goals of the Academies programs.

TEACHER AWARDS

The Senate bill, but not the House bill, includes a statement of purpose.

The Senate recedes.

The Senate bill authorizes States receiving funds under this subpart to award grants to Academies to carry out a program of cash awards to outstanding teachers; the House bill allows States which choose to operate State Academies for Teachers to carry out a program of cash awards to outstanding teachers.

The Senate recedes with an amendment conforming the provision such that the State educational agency makes awards to State Academies for Teachers so that such academies can provide awards to teachers.

The Senate bill, but not the House bill, requires State educational agencies to award grants to each State Academy for Teachers on the basis of the number of teachers attending the academy.

The Senate recedes.

The Senate bill states that eligible recipients shall be full-time elementary or secondary school teachers in the State; the House bill states that eligible recipients shall be any full-time public or private elementary or secondary school teacher of a core academic subject or vocational and technology education, including an elementary, school teacher of general curriculum.

The Senate recedes.

The House bill, but not the Senate bill, allows the cash award to be available for any purpose the recipient chooses.

The Senate recedes.

The Senate bill and the House bill generally have the same award criteria, but the Senate bill allows for other criteria as approved by the State educational agency and the House bill adds criteria for teaching core academic subjects in schools with large numbers of educationally disadvantaged students and criteria for training in violence counseling and conflict resolution.

The Senate recedes with an amendment making conforming and technical changes and including in the list of award criteria Senate items A,B,D,E, and F in lieu of House items i,ii,v,vi, and vii.

NATIONAL TEACHER ACADEMIES

The Senate bill, but not the House bill, authorizes the Secretary to make competitive awards to institutions of higher education or a private non-profit educational organization (or a combination thereof) to establish and operate National Teacher Academies in the subject areas of English, mathematics, science, history, geography, civics and government and foreign languages. There are authorized to be appropriated $35,000,000 for FY 1993 and such sums as may be necessary for the 6 succeeding fiscal years, but no more than $5,000,000 can be allotted to any one subject area academy.

The House recedes with an amendment requiring that activities be coordinated with Federal and State systemic reform activities adding language on the selection of State delegations to attend the Academies, and authorizing $35 million and each sums as may be necessary for the 4 succeeding fiscal years.

ALTERNATIVE ROUTES TO TEACHER AND PRINCIPAL CERTIFICATION AND LICENSURE

The Senate bill refers to alternative routes to teacher and principal certification and licensure; the House bill refers only to teachers. The inclusion of principals in the Senate bill, but not in the House bill, is a difference throughout the program.

The Senate recedes.

The Senate bill and the House bill have similar findings, but the Senate bill refers to principals and the House bill does not.

The Senate recedes.

The Senate bill and the House bill have similar statements of purpose, but the Senate bill refers to principals and the House bill does not.

The Senate recedes.

The Senate bill, but not the House bill, requires that principals be consulted.

The Senate recedes.

The House bill, but not the Senate bill, requires that institutions of higher education be consulted.

The Senate recedes.

The Senate bill, but not the House bill, requires staff training for principals.

The Senate recedes.

The Senate bill, but not the House bill, requires reciprocity agreements between and among States for certification or licensure of principals.

The Senate recedes.

The House bill, but not the Senate bill, requires that activities conducted under this subpart be coordinated with Midcareer Teacher Training program.

The House recedes.

MIDDLE SCHOOLS TEACHING DEMONSTRATION

The Senate bill, but not the House bill, authorizes the Secretary to make competitive grants to institutions of higher education with teacher training or retraining programs to develop model programs with a specialized focus on grades 6 through 9. There are authorized to be appropriated $5,000,000 for FY 1993 and such sums as may be necessary for the 6 succeeding fiscal years.

The House recedes with an amendment authorizing $5 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

NATIONAL MIGRANT EDUCATION MINI-CORPS PROGRAM

The Senate bill entitles the program the National Migrant Education Mini-Corps Program and provides that it serve only migrant children; the House bill entitles the program the National Mini Corps program and provides that it serve educationally disadvantaged children.

The Senate recedes.

The House bill, but not the Senate bill, provides for a program authorization statement.

The Senate recedes.

The Senate bill and the House bill have similar program activities (items 1-4), but the wording is different, and the provisions reflect the difference between the two bills regarding whom should be served by the program.

The Senate recedes.

The Senate bill provides that migrant students who are enrolled in teacher training programs be role models for migrant children; the House bill generally provides for outreach and recruitment services to encourage individuals to enroll in teacher training programs.

The Senate recedes.

The Senate bill, but not the House bill, allows funds to be used for academic assistance, home visits, parental, parent-student advisement services and family advocacy.

The House recedes.

The Senate bill, but not the House bill, requires that migrant students who participated in the programs for at least 10 hours but not more than 15 hours receive a stipend for their participation.

The House recedes with a conforming amendment striking the reference to migrants students and inserting in lieu thereof "individuals".

The Senate bill requires coordination of instructional services for migrant children with the overall State educational agency goals; the House bill requires that instructional services be coordinated with the overall educational goals of the State or local education agency.

The Senate recedes.

The House bill, but not the Senate bill, generally allows for activities that encourages individuals to enter the teaching profession and provide a link to the community.

The Senate recedes.

The Senate bill, but not the House bill, requires an evaluation of the program.

The House recedes.

The Senate bill authorizes $5,000,000 for FY 1993 and such sums as may be necessary for each of the 6 succeeding fiscal years; the House bill authorizes $15,000,000 for FY 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

The Senate recedes with an amendment authorizing $10 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The House bill, but not the Senate bill, provides for definitions of the terms "individual" and "children".

The Senate recedes.

The House bill, but not the Senate bill, provides for the content of applications and the procedures for awarding grants.

The Senate recedes with an amendment requiring that not less than 30% of grants be for programs serving migrant students and children.

The House bill, but not the Senate bill, requires that not more than 15% of grant funds may be used for administrative costs.

The Senate recedes with an amendment setting administrative costs to 5%.

EARLY CHILDHOOD STAFF TRAINING AND PROFESSIONAL ENHANCEMENT

The Senate bill, but not the House bill, authorizes a program of competitive grants to the States for the training and professional enhancement of early childhood staff. There are authorized to be appropriated $10,000,000 for FY 1993 and such sums as may be necessary for the 6 succeeding fiscal years.

The House recedes with an amendment combining the program with the Senate Training in Early Childhood Education and Violence Counseling program.

CLASS SIZE DEMONSTRATION GRANT

The Senate bill, but not the House bill, provides grants to local educational agencies to enable such agencies to determine the benefits of reducing class size. There are authorized to be appropriated $5,000,000 for FY 1993 and such sums as may be necessary for the 6 succeeding fiscal years.

The House recedes with an amendment authorizing $3 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

NATIONAL FOUNDATION FOR EXCELLENCE

The Senate bill, but not the House bill, authorizes the establishment of a "National Foundation for Excellence" and a "National Foundation for Excellence Trust Fund". Amounts in the Trust Fund shall be available to the Foundation to award scholarships to individuals who are eligible to receive a Stafford loan and who are Paul Douglas Scholars or finalists for Paul Douglas Scholarships or individuals who show exceptional talent in a particular field. Individuals receiving a scholarship must fulfill a teaching obligation. For FY 1993, there are authorized to be appropriated $500,000.

The Senate recedes.

TRAINING IN EARLY CHILDHOOD EDUCATION AND VIOLENCE COUNSELING

The Senate bill authorizes $20,000 in FY 1993 and such sums as may be necessary for the 6 succeeding fiscal years for the Secretary to award grants to institutions of higher education to establish programs to recruit and train students for careers in early childhood development and care or preschool programs for providing counseling to very young children who have been affected by violence; the House bill contains similar provisions and goals throughout programs in Title V.

The House recedes with an amendment combining the program with the Senate Early Childhood Staff Training and Professional Enhancement program.

BORDER TEACHER TRAINING

The Senate bill, but not the House bill, authorizes the Secretary to make grants to institutions of higher education for the purpose of expanding cooperative educational programs between the United States and Mexico. There is authorized to be appropriated $2,000,000 for FY 1993, 1994 and 1995 and such sums as may be necessary thereafter to carry out the program.

The House recedes with an amendment making this an allowable activity under the institution of higher education uses of funds under the House Part A program.

SMALL STATE TEACHING INITIATIVE

The Senate bill, but not the House bill, authorizes the Secretary to make grants to land grant institutions located in small States for the purpose of developing model programs for educational excellence, teacher training and educational reform. There are authorized to be appropriated $5,000,000 for FY 1993 and such sums as may be necessary for the 6 succeeding fiscal years.

The House recedes with an amendment striking "land grant institutions" and making eligible institutions of higher education located in small States, and striking the special consideration language.

The Senate bill, but not the House bill, refers to Teacher and Principal Certification and Licensure.

The Senate recedes.

STATE AND LOCAL PROGRAMS FOR TEACHER EXCELLENCE

The House bill, but not the Senate bill, authorizes a formula grant program to States for teacher professional development activities. Funds flow to States on the basis of school-aged population; at the State level, 50% of the funds flow to local educational agencies for professional development, teacher recruitment and business partnership activities; 25% of the funds are retained by the State for the State to conduct a study of teacher professional development, certification and licensure requirements and to implement the findings of that study, and for the establishment of teacher and school leader academies; the remaining 25% of the funds are available for institutions of higher education to provide technical assistance to local educational agencies conducting inservice activities, for improving teacher education programs, for integrating academic and vocational education in teacher education programs, and for implementing the findings of the State's study on teacher requirements. There are authorized to be appropriated $400,000,000 for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The Senate recedes with an amendment States to establish State Academies for Teachers and State Academies for School Leaders; changing the formula to States to be based half on school-aged population and half on the State's share of Chapter 1 funds; including as allowable activities Professional Development Academies, Teacher Awards, Border Teacher Training, Midcareer programs and Veterans Teacher Corps.

NATIONAL TEACHER JOB BANK

The House bill, but not the Senate bill, authorizes the Secretary to first conduct a study to determine the feasibility of establishing a clearinghouse to operate a national teacher job bank or establishing regional clearinghouses to operate regional teacher job banks, and then authorizes the Secretary to establish such entities. There are authorized to be appropriated $2,000,000 for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The Senate recedes with an amendment moving the provision to the title XIV, and clarifying that the Secretary is authorized, not required, to conduct activities under this subpart.

MIDCAREER CAREER TEACHER TRAINING

The House bill, but not the Senate bill, authorizes the Secretary to make grants to institutions of higher education to establish and maintain programs that will provide teacher training to individuals moving into a career in education from another career. There are authorized to be appropriated $5,000,000 for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The Senate recedes with an amendment including similar provisions as authorized activities under the House Part A program.

TRAINING FOR DRUG EXPOSED CHILDREN

The House bill, but not the Senate bill, authorizes the Secretary to make grants to institutions of higher education with schools of education to support the development and instruction in the use of curricula and instructional materials that provide teachers with strategies for educating drug-exposed children. There are authorized to be appropriated $15,000,000 for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The House recedes.

TEACHER RECRUITMENT AND PLACEMENT

The House bill, but not the Senate bill, authorizes the Secretary to make grants to institutions of higher education to carry out programs to recruit, prepare and train students to become teachers and to place students as teachers in urban and rural schools where 50% of students enrolled are from minority groups. There are authorized to be appropriated $20,000,000 for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The House recedes with an amendment merging this program with the Partnerships for Encouraging Minority Students to Become Teachers program.

VETERANS TEACHER CORPS

The House bill, but not the Senate bill, authorizes the Secretary to made grants to local educational agencies to establish programs to inform veterans of teaching opportunities and to provide scholarship assistance to veterans to enable them to obtain the education necessary to become a certified or licensed teacher. There are authorized to be appropriated $100,000,000 for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal year.

The Senate recedes with an amendment making this a permissible activity under the House Part A program.

TITLE VI—INTERNATIONAL EDUCATION

The House bill, but not the Senate bill, amends the title to read as follows. The House bill includes the addition of descriptive section and subsection headings and makes other format changes to the title.

The Senate recedes.

PURPOSE

The House bill, but not the Senate bill, adds assisting area studies and professional international affairs education to the purpose of the title.

The Senate recedes.

GRADUATE AND UNDERGRADUATE LANGUAGE AND AREA CENTERS

The House bill, but not the Senate bill, authorizes the Secretary to make additional grants to the Foreign Language and Area Studies Centers for "any one or combination of" authorized activities.

The Senate recedes.

The Senate bill and the House bill have the same provision regarding graduate stipend recipients, but the wording is different.

The House recedes.

The House bill, but not the Senate bill, updates the funding limitation language to apply to FY 1991.

The Senate recedes with an amendment striking "1991" and inserting "1992".

LANGUAGE RESOURCE CENTERS

The Senate bill requires that the Secretary operate "a small number of national language resource and training centers"; the House bill requires that the Secretary "operate a limited number" of such centers.

The House recedes.

INCENTIVES FOR THE CREATION OF UNDERGRADUATE INTERNATIONAL STUDIES AND FOREIGN LANGUAGE PROGRAMS

The House bill allows the incentive grants to be used to develop undergraduate study abroad programs in locations where such programs are not available or to provide such study abroad experiences to students for whom such opportunities are not available. The Senate bill authorizes grants for study abroad under a new subsection.

The Senate recedes.

The House bill allows the incentive grants to be used to integrate new study abroad opportunities into curricula of specific degree programs. The Senate bill authorizes similar activities, but they are under a new subsection.

The Senate recedes.

The House bill, but not the Senate bill, requires that the non-Federal share of the cost of the program may be provided in cash or in kind.

The Senate recedes.

GRANTS TO STRENGTHEN PROGRAMS OF DEMONSTRATED EXCELLENCE IN UNDERGRADUATE INTERNATIONAL STUDIES AND FOREIGN LANGUAGE PROGRAMS

The House bill, but not the Senate bill, give a priority to grantees under the incentive grant for institutions that require entering students to have completed 2 years of secondary school foreign language or that require students to earn 2 years of postsecondary foreign language; or in the case of a 2-year college, offer 2 years of foreign language study.

The Senate recedes.

The Senate bill, under a separate subsection, authorizes the Secretary to make grants to institutions of higher education, combinations of institutions or non-profit educational organizations in partnership with such institutions to expand and strengthen overseas educational opportunities for U.S. students; the House bill authorizes such activities as part of the general authorized grant activities, but these funds are only available to institutions of higher education or combinations of such institutions.

The Senate recedes with an amendment to allow nonprofit educational organizations in partnership with institutions of higher education to be eligible grantees under the Grants to Strengthen Programs of Demonstrated Excellence program.

The Senate bill, but not the House bill, authorizes additional grants to develop model programs to enrich or enhance the effectiveness of study abroad programs.

The House recedes with an amendment to include the development of model programs as an allowable activity under the Grants to Strengthen Programs of Demonstrated Excellence.

INTENSIVE SUMMER LANGUAGE INSTITUTES

The Senate bill uses the current law term "languages critical to the national economic and political future"; the House bill uses the term "critical languages" and later defines the term in the definitions section.

The Senate recedes. The conferees note that the Department of Education published an extensive list of critical foreign languages in the Federal Register on April 15, 1985. This list included more then 175 languages. On January 30, 1992, however, the Secretary published a far shorter list of critical languages in the Federal Register for purposes of implementing the Foreign Languages Assistance Program. In the list, the Secretary designated Chinese (all dialects), Japanese, Korean, Arabic (all dialects), and Russian as the primary critical foreign languages. The conferees hope that the Secretary will rely in the January 1992 list of primary critical foreign languages in implementing this provision of the Higher Education Act.

PERIODICALS AND OTHER RESEARCH MATERIALS PUBLISHED OUTSIDE THE UNITED STATES

The Senate bill authorizes $1,000,000 for FY 1993 and such sums as may be necessary for the 6 succeeding fiscal years; the house bill authorizes $8,500,000 for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The Senate recedes with an amendment authorizing $5 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The Senate bill retains current law language on criteria which specifies that grantees have collection strengths in specific areas of the world or in particular world affairs field/issues and that they show a commitment to share the collection; the House bill delineates new criteria the Secretary should use in evaluating grants.

The Senate recedes with an amendment to give a preference in awarding grants under this section to applications from institutions of higher education or public or private nonprofit library institutions or consortia of such institutions which meet the criteria of the House language.

The House bill, but not the Senate bill, requires that the Secretary award not more than 8 grants.

The Senate recedes with an amendment requiring the Secretary to award grants of sufficient size in order to enable an institution or consortium of institutions to substantially improve its collection of foreign periodicals and other research materials published outside of the United States, and to contribute to a comprehensive national base of foreign language materials for students and scholars.

The House bill, but not the Senate bill, requires that grantees enter into a written agreement outlining their collecting responsibilities.

The Senate recedes.

AMERICAN OVERSEAS RESEARCH CENTERS

The Senate bill, but not the House bill, authorizes American Overseas Research Centers to receive Title VI grants.

The House recedes with an amendment eliminating the specific references to the Council of American Overseas Research Centers and instead refer to American overseas research centers which receive more than 50% of their funding from public or private U.S. sources; which have a permanent presence in the country in which the center is located; and which are exempt from taxation under section 502(a) of the Internal Revenue Code of 1986.

AUTHORIZATION FOR PART A

The Senate bill authorizes $62,000,000 for FY 1993 and such sums as may be necessary for the 6 succeeding fiscal years; the House bill authorizes $100,000,000 for FY 1993, and such sums as may be necessary for the 4 succeeding fiscal years.

The Senate recedes with an amendment establishing the authorization level of $80 million for FY 1993 and such sums for the 4 succeeding fiscal years.

BUSINESS AND INTERNATIONAL EDUCATION PROGRAMS

The House bill, but not the Senate bill, includes professional international affairs education programs among the list of entities to be engaged in mutually productive relationships under this part.

The Senate recedes.

CENTER FOR INTERNATIONAL BUSINESS EDUCATION AND RESEARCH

The House bill, but not the Senate bill, requires that CIBERs serve other faculty, students and institutions of higher education located within their region.

The Senate recedes.

The House bill, but not the Senate bill, allows CIBERs to develop opportunities for business students to study aboard in locations which are important to the existing and future economic well-being of the United States.

The Senate recedes.

The House bill, but not the Senate bill, includes faculty of professional international affairs programs in the list of entities with which the CIBERs should have an ongoing collaboration.

The Senate recedes.

JOINT VENTURING AGREEMENTS

The House bill, but not the Senate bill, authorizes joint venturing agreements between Centers for International Business Research and other institutions of higher education.

The conference substitute allows the CIBERs to conduct an additional activity of outreach or consortia with business programs located at other institutions of higher education for the purpose of providing expertise for the internationalization of such business programs. The conference substitute further provides for a waiver, under certain conditions, of the non-Federal share in the case of an institution of higher education conducting outreach or consortia activities with other institutions of higher education.

AUTHORIZATION OF APPROPRIATIONS FOR CIBER'S

The Senate bill authorizes $10,000,000 for FY 1993 and such sums as may be necessary for the 6 succeeding fiscal years for the CIBERs; the House bill authorizes $12,500,000 for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The Senate recedes with an amendment authorizing $11 billion in FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

AUTHORIZATION OF APPROPRIATIONS FOR EDUCATION AND TRAINING PROGRAMS

The Senate bill authorizes $6,000,000 for FY 1993 and such sums as may be necessary for the 6 succeeding fiscal years for the Education and Training programs; the House bill authorizes $7,500,000 for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The Senate recedes with an amendment authorizing $7 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

INSTITUTE FOR INTERNATIONAL PUBLIC POLICY

The Senate bill names the program the Minority Foreign Service Professional Development Program; the House bill names the program the Institute for International Public Policy.

The Senate recedes.

The Senate bill and the House bill have the same policy goals, but the Senate bill achieves it through a competitive grant program to institutions of higher education or consortia thereof; the House bill achieves the goals by establishing an institute.

The conference substitute provides for the establishment of an institute on the basis of a competitive grants procedure; clarifies that the institute is to serve underrepresented minorities; and includes "international private voluntary organizations" in lieu of "international voluntary service" as an area where the institute should increase the numbers of African American and underrepresented minorities who are employed in such areas.

The Senate bill requires that grant recipients be institutions with significant minority enrollment, among other criteria; the House bill defines eligible recipients as a consortia of HBCUs and other institutions of higher education serving substantial numbers of African Americans and other minority students.

The Senate recedes with an amendment providing that the consortium include institutions serving African Americans or other underrepresented" minority students.

The Senate bill, but not the House bill, gives the duration of grants as 5 years.

The House recedes.

The Senate bill and the House bill have similar authorized activities, but the House bill has accompanying detail regarding these activities.

The Senate recedes with an amendment striking "the Organization of African Unity" and inserting "the Export-Import Bank" as entities with which the institute shall place students in internships.

The Senate bill, not the House bill, authorizes two additional activities: intensive academic programs such as summer institutes or intensive language training.

The Senate recedes.

The Senate bill, but not the House bill, requires interested institutions of higher education to submit an application.

The House recedes with an amendment clarifying that a consortium of institutions of higher education submit applications.

The Senate bill authorizes $5,000,000 for FY 1993 and such sums as may be necessary for the 6 succeeding fiscal years; the House bill authorizes $15,000,000 for FY 1993 and such sums as may be necessary for each succeeding fiscal year.

The Senate recedes with an amendment establishing the authorization at $10 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The House bill, not the Senate bill, requires that a Board of Visitors be appointed to review and advise the institute.

The House recedes.

The House bill, but not the Senate bill, lists the program requirements for the junior year abroad.

The Senate recedes.

The House bill, but not the Senate bill, requires a one-fourth match of non-federal funds.

The Senate recedes with an amendment clarifying that the match may be in cash or in kind.

The House bill, but not the Senate bill, authorizes the institute to receive gifts and donations.

The Senate recedes.

FULBRIGHT-HAYS EDUCATIONAL AND CULTURAL EXCHANGES

The Senate bill, but not the House bill, includes as a new part D the Fulbright-Hays Educational and Cultural Exchanges program. (This program is currently authorized under Section 102(b)(6) of the Mutual Educational and Cultural Exchange Act.)

The Senate recedes.

GENERAL PROVISIONS

The House bill, but not the Senate bill, includes a definition of "critical languages".

The Senate recedes.

The Senate bill includes in the definition of institution of higher education institutions of higher education which are licensed and accredited in the U.S. and which directly contribute to the international education of U.S. students and faculty in the areas of foreign language or area studies; the House bill includes institutions meeting the definition of 1201(a) of the Act which are not located in the United States, but which apply for funds in consortia with institutions of higher education meeting the 1201(a) definition.

The Senate recedes. The conferees intend that American universities which are legally authorized by a U.S. State, but which are located abroad, such as the American University in Beirut, be eligible under Title VI programs if they apply in consortia with eligible institutions in the United States. Such universities are in a unique position of contribute expertise about the countries, languages, and cultures in which they are located. In providing for such eligibility, the conferees intend that the programs for which such consortia are granted assistance under Title VI must carry out the purposes and objectives of Title VI to educate U.S. students or faculty in the areas of foreign language, area studies, or other international fields. The conferees urge the Secretary to encourage such consortia to apply for the Title VI funds.

The House bill, but not the Senate bill, has a hold-harmless provision for preexisting programs.

The Senate recedes.

Title VII—Construction, Reconstruction, and Renovation of Academic Facilities

PURPOSE

The Senate bill retains the current law provisions regarding the purpose section; the House bill amends the purpose section of the Title to authorize the Secretary to make grants to assist institutions in removal of barriers to full participation by disabled individuals and to renovate libraries in order to promote the use of new technologies and preservation of library materials.

The Senate recedes.

The Senate bill retains the current law provision requiring the Secretary to give priority to projects involving the renovation of academic facilities; the House bill allows the Secretary to give priority to projects involving the renovation of academic facilities.

The Senate recedes.

The Senate bill repeals parts A, B, C, D, G, and J; the House bill strikes parts F and G.

The House recedes.

The House bill, but not the Senate bill, strikes section 783.

The Senate recedes.

The Senate bill, but not the House bill, authorizes such sums to be appropriated in FY 1993, and the 6 succeeding fiscal years for current law parts C and D which the Senate bill repeals; the House bill, which combines part C and F for a new part C, and does not repeal parts A and D, authorizes for Part D $25,000,000 for FY 1993 and for each of the 4 succeeding fiscal years.

The House recedes with an amendment authorizing such sums as may be necessary for the 4 succeeding fiscal years.

The Senate bill, but not the House bill, states that all entitles with obligations under parts A, B, C, and D prior to the effective date of the Higher Education Act Amendments of 1992 shall be subject to the requirements of such part as in effect before the effective date of such Act.

The House recedes with an amendment clarifying that the provision does not apply to the loan forgiveness provisions at the end of the title.

The Senate bill authorizes $400,000,000 for Part A for FY 1993 and such sums as necessary for each of 6 succeeding years; the House bill for Part A, authorizes $50,000,000 for FY 1993 and each of the 4 succeeding fiscal years.

The House recedes with an amendment authorizing $350 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The House bill, but not the Senate bill, authorizes for Part B, $50,000,000 for FY 1993 and each of the 4 succeeding fiscal years.

The House recedes.

The House bill, but not the Senate bill, authorizes Part C such sums as may be necessary to provide not more than $100,000,000 in loans for FY 1993 and for each of the 4 succeeding fiscal years.

The Senate recedes with an amendment authorizing $50 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The House bill, but not the Senate bill, requires that no funds appropriated pursuant to this section may be expended by an institution for any procurement contract that an agency of the Government would be prohibited from entering into under the Act of March 3, 1933.

The House recedes.

IMPROVEMENT OF ACADEMIC AND LIBRARY FACILITIES

The Senate bill names the part "Improvement of Academic and Library Facilities"; the House bill labels the part "Grants for the Construction, Reconstruction, and Renovation of Undergraduate Academic Facilities".

The House recedes.

The Senate bill, but not the House bill, provides a short title for this part as the "Higher Education Facilities Act of 1992".

The House recedes.

The Senate bill, but not the House bill, provides findings for this part.

The House recedes.

The Senate bill allots funds to State higher educational agencies with an approved application 50% on the basis of the State's population and 50% on the basis of number of students attending institutions of higher education within the State; the House bill authorizes the Secretary to make grants to institutions with applications except that the total payment for any fiscal year made to institutions in any State shall not exceed 12.5% of the sums appropriated for this part.

The conference substitute requires that at appropriations amounts of less than $50 million funds will be distributed to institutions of higher education by the Secretary on a competitive basis and that grant recipients will be selected by a national peer review panel; at appropriations amounts greater than $50 million, the formula applies.

The Senate bill, but not the House bill, requires that each State higher educational agency match dollar for dollar the amount of any allotment received and that the match come in the form of cash.

The House recedes with an amendment establishing the State's match at 25%; striking the provision allowing institutions of higher education to provide the State match; and establishing a waiver of the State matching requirement if a State can demonstrate to the Secretary that it is experiencing severe fiscal hardship.

The Senate bill, but not the House bill, allows the Secretary to reallot funds to other States if a State fails to meet the matching requirement.

The Senate recedes.

The Senate bill, but not the House bill, allows the Secretary to reallot funds to other States if a State declines participation in the program.

The House recedes.

The Senate bill, but not the House bill, provides for a special reallotment rule when a State is found to have been awarded a direct, non-competitive Federal award to an eligible institution for the construction, reconstruction, improvement or repair of facilities.

The conference substitute requires that if an institution receives a direct, noncompetitive award within the two preceding fiscal years, only such institution, and not the entire State, shall be ineligible to receive a grant under this part.

The Senate bill provides that the State higher education agency will award grants to eligible institutions which may be used for the improvement, renovation, or repair of academic facilities, library facilities, equipment for postsecondary educational television and radio programming, and construction of academic and library facilities, if deemed necessary by the State; the House bill provides that grants may be used to construct, reconstruct, or renovate undergraduate academic facilities.

The conference substitute clarifies that funds may be used for the improvement and renovation of library facilities, but not for the improvement (including acquisition) of library books and materials, and not for interlibrary cooperation and communication.

The Senate bill requires that in order to receive a grant, each eligible institution must match on a dollar for dollar basis the amount of any grant received; the House bill requires each institution receiving a grant to have at least a 50% non-Federal match of funds.

The Senate recedes.

The Senate bill, but not the House bill, requires that States give a priority in awarding grants to eligible institutions within the State that serve large numbers or percentages of minority or disadvantaged students and that the State shall ensure the equitable participation of both public and private eligible institutions.

The House recedes.

The House bill, but not the Senate bill, requires that not more than 10 percent of the award may be used for maintenance of research and instructional instrumentation and equipment and structural changes.

The Senate recedes.

The Senate bill, but not the House bill, requires the Secretary to award grants to States for a duration of at least 1 year, but for no more than 3 years, and provides that such awards shall be renewable.

The Senate recedes.

The Senate bill, but not the House bill, requires that grants to States must be used to supplement and not supplant other Federal, State, or local funds available for the improvement of academic and library facilities.

The House recedes.

The Senate bill, but not the House bill, provides requirements for applications by States, and provides for the content of such application.

The House recedes.

The Senate bill, but not the House bill, provides requirements for an application by eligible institutions, and provides for the content of such application.

The House recedes.

The House bill, but not the Senate bill, requires the Secretary to utilize a national peer review panel for selecting grantees under this part.

The Senate recedes with an amendment authorizing the Secretary to make grants on a competitive basis using the peer review panel when appropriations for this part are less than $50 million.

The Senate bill defines eligible institutions as an institution of higher education, a museum, a nonprofit research and scientific institution or a public telecommunications entity; the House bill defines an eligible institution as an institution of higher education.

The Senate recedes.

The Senate bill authorizes $400,000,000 for FY 1993 and each of 6 succeeding fiscal years; the House bill authorizes $50,000,000 for 1993 and each of the 4 succeeding fiscal years.

The House recedes with an amendment establishing the authorization at $350 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The Senate bill repeals Part B; the House bill retains the current law Part B grants for graduate facilities without amendment.

The House recedes.

LOANS FOR CONSTRUCTION, RECONSTRUCTION AND RENOVATION OF ACADEMIC, HOUSING, AND OTHER EDUCATIONAL FACILITATES

The Senate bill refers to "graduate and undergraduate"; the House bill refers to "undergraduate and graduate".

The Senate recedes.

The Senate bill, but not the House bill, prohibits loans made for facilities for which construction was begun prior to the effective date of this section, or completed prior to the filing of an application under this title.

The House recedes.

The Senate bill retains the current law repayment option to a borrower of a loan made prior to October 1, 1986; the House bill provides this option to borrowers of loans made prior to October 1, 1992.

The Senate recedes.

The Senate bill retains the current law authorization of for a discounted loan prepayment to any borrower regardless of delinquency or default status on or before October 1, 1986; the House bill authorizes this provision regardless of the status on or before October 1, 1991.

The Senate recedes with an amendment establishing the date as October 1, 1992.

The Senate bill, but not the House bill, retains the current law language which has a restriction on the application of the wage rates provision to projects commenced after the enactment of the Housing Act of 1950.

The Senate recedes.

The Senate bill retains the current law provision which places a prohibition against loans made to an institution until 10 years after the date of the previous loan and keeps the current law reference to undergraduate institutions; the House bill requires a waitout period of 5 years, except that a prohibition is lifted altogether if the loan is needed for a facility as a result of a national disaster, as declared by the President.

The Senate recedes.

The Senate bill refers to "graduate and undergraduate"; the House bill refers to "graduate or undergraduate".

The House recedes with an amendment making the term "undergraduate and graduate".

The Senate bill, but not the House bill, includes rules for the use of funds from title IV of the Housing Act of 1950 for the purposes of carrying out this part.

The Senate recedes.

The Senate bill authorizes $30,000,000 to be appropriated for FY 1993 and such sums as may be necessary for the 6 succeeding fiscal years; the House bill authorizes $100,000,000 to be appropriated for FY 1993 and for the 4 succeeding years.

The Senate recedes with an amendment authorizing $50 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The Senate bill only refers to "institution of higher education"; the House bill refers to "institution of higher education or higher education building agency".

The Senate recedes.

The Senate bill, not the House bill, retains the current law provision that a college or university be one "which is accredited by a nationally recognized accrediting agency or association".

The House recedes.

The Senate bill provides for a separate definition of the term "graduate academic facility"; the House bill combines the definition of "undergraduate and graduate academic facilities".

The Senate recedes.

The House bill, but not the Senate bill, includes the costs of construction and site improvements for academic facilities in the definition of "development costs".

The House recedes.

CONNIE LEE

The House bill, but not the Senate bill, adds a new condition for Section 752(c)(1) concerning institutions that have been declined for primary insurance or guarantees.

The conference substitute requires that, in insuring institutions of higher education with an "A" credit rating or above, Connie Lee, in 1993, 1994, and 1995, provide not more than $100 million in insurance or insure an amount in excess of 10% of Connie Lee's insurance volume, whichever is less; in 1996 and 1997, provide not more than $150 million of insurance or 15% of Connie Lee's insurance volume, whichever is less: that institutions, in order to be eligible for assistance under this provision, be turned down by all monoline insurers; that each institution seeking insurance by Connie Lee under this provision will have to present an affidavit from the institution's financial advisor and from each of the insurers; if an insurer does not provide an affidavit within 2 business days, then it is presumed that the institution was turned down; Connie Lee can provide insurance for the renovation, repair, replacement or construction of academic educational facilities, with the exception of athletic facilities.

It is the intention of the conferees to request that the General Accounting Office conduct a study of the impact of the provisions in Section 752(c)(5). Such study shall assess, at a minimum, the following: (1) the extent to which Connie Lee serves its current mandate to provide insurance to institutions with credit ratings below the third highest rating level; (2) how well private insurers meet the needs of all institutions of higher education; and (3) the impact of the initiative on private insurers; on institutions of higher education; and the impact on Connie Lee's basic mission to serve institutions of higher education that have difficulty obtaining insurance or reinsurance.

HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING

The Senate bill, but not the House bill, specifies that the term "capital project" refer to "the repair, renovation, or in exceptional circumstances, replacement of facilities and equipment."

The House recedes with an amendment striking the term "replacement" and inserting "construction or acquisition".

The House bill, but not the Senate bill, refers to equipment or fixture "the construction, acquisition or renovation of which" is essential to maintaining accreditation.

The House recedes.

The House bill, but not the Senate bill, defines the term "Advisory Board".

The Senate recedes.

The Senate bill, but not the House bill, applies the general rule to subsection (d).

The House recedes.

The Senate bill refers to "an escrow account"; the House bill refers to "a reserve fund". This is a difference throughout this section.

The House recedes.

The Senate bill requires the designated bonding authority to provide in each loan agreement that not less than 95 percent of the proceeds of the loan will be used to finance the repair, renovation, and in exceptional cases, replacement of a capital project, or to refinance an obligation for the same activities; the House amendment requires not less than 75 percent of the proceeds to be used for the construction, acquisition, equipping or renovation of a capital project.

The House recedes with an amendment striking "replacement" and inserting "construction or acquisition".

The Senate bill refers to "institution"; the House bill refers to "member institutions". This is a difference throughout the section.

The House recedes.

The Senate bill requires the establishment of an escrow account for the repayment of delinquent loans in which each eligible institution must deposit 20 percent of the proceeds of any loan; the house bill requires a reserve funds for the same purpose, but with no minimum deposit requirement.

The House recedes with an amendment striking "20 percent" and inserting "10 percent".

The Senate bill, but not the House bill, contains a residual Federal liability effective only upon the depletion of the escrow account.

The House recedes.

The Senate bill limits the aggregate principal amount of outstanding bonds and any accrued interest to $250,000,000, divided between $175,000,000 for private institutions and $75,000,000 for public institutions; the House bill sets the limit at $500,000,000, divided between $350,000,000 for private institutions and $150,000,000 for public institutions.

The House recedes with an amendment establishing the aggregate principal at $375,000,000 with $250,000,000 available for private institutions and $125,000,000 available for public institutions.

The House bill, but not the Senate bill, states that Lincoln University and Howard University shall be considered as historically Black public institutions.

The Senate recedes with an amendment striking the reference to Howard University and requiring that no institution of higher education that has received assistance under 20 U.S.C. 121–123 et. seq. shall be eligible to receive assistance under this part.

The Senate bill, but not the House bill, prohibits institutions receiving a loan under this part from receiving a grant under Part A.

The House recedes with an amendment adding that institutions receiving assistance under this part shall also be ineligible for a loan under Part B.

The House bill, but not the Senate bill, establishes an HBCU Capital Financing Board to provide advice and counsel to the Secretary and the designated bonding authority regarding effective and efficient means of implementing this part, and to advise Congress on the progress made under this part.

The Senate recedes with an amendment clarifying that the Secretary appoint the Board; striking the requirement that the Board examine how minority vendors and HBCUs might mutually benefit; and authorizes $50,000 to be appropriated to meet the costs of the Board.

The House bill, but not the Senate bill, requires the utilization of minority business enterprise in all phases of this program to the maximum extent feasible.

The Senate recedes.

The Senate bill, but not the House bill, strikes references to Part B in current law sections 781(a) and (b) of Part H (recovery of payments).

The House recedes.

LOAN FORGIVENESS

The Senate bill authorizes forgiveness for loans under Part C and Part F as those parts were in effect prior to enactment of the 1992 Amendments, or under the College Housing and Academic Facilities Loan program; the House bill authorizes forgiveness for the same loans as in the Senate bill, but also forgiveness for any other federally subsidized, insured, or authorized loan program designed to assist institutions of higher education to construct academic or dormitory facilities.

The Senate recedes.

The Senate bill authorizes forgiveness of the entire balance or any portion thereof; the House bill authorizes forgiveness for only the entire balance.

The House recedes.

The Senate bill requires for eligibility a minimum indebtedness of one-third of the annual operating budget of the institution; the House bill has a minimum of one-quarter of the institution's annual budget for the most recent fiscal year exclusive of funds provided under Title III and Title IV.

The Senate recedes.

The Senate bill includes as eligible for forgiveness an institution of higher education or an undergraduate postsecondary institution; the House bill restricts eligibility to a historically Black college or university or a tribally controlled community college.

The House recedes.

TITLE VIII—COOPERATIVE EDUCATION

The Senate bill, but not the House bill, amends the title to read as follows.

The House recedes.

The Senate bill, but not the House bill, provides a statement of purpose and a definition of the term "cooperative education".

The House recedes.

The Senate bill authorizes $20,000,000 for FY 1993 and such sums as may be necessary for the 6 succeeding fiscal years; the House bill authorizes $45,000,000 for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The Senate recedes with an amendment authorizing $30 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The Senate bill reserves not less than 50% of funds for new cooperative education programs; the House bill reserves not less than 53% for such programs.

The House recedes.

The Senate bill reserves not less than 25% of funds for existing cooperative education programs; the House bill reserves 22% for such programs.

The House recedes.

The Senate bill rewrites the section authorizing grants in order to delineate two types of grants: grants to new programs and grants to existing programs; the House bill amends the applications section to delineate a separate application for "new programs" and "existing programs".

The House recedes.

Both the Senate bill and the House bill require that only institutions which have not received a grant during the 10 preceding years are eligible to receive a grant under the provisions regarding funds for new programs, but the Senate bill places this requirement in the "Grants Authorized" section and the House bill places the provision in the applications section.

The House recedes.

The conferees intend that any funding received by an institution or combination of institutions prior to the 10-year period receding the grant request is not to be considered in determining eligibility under this program.

Both the Senate bill and the House bill require that only institutions which are operating an existing program or have received a grant during the 5 preceding years are eligible to receive a grant under the provisions regarding funds for existing programs, except the phrasing is different and the Senate bill places this requirement in the "Grants Authorized" section and the House bill places the provision in the applications section.

The House recedes with an amendment striking the eligibility requirement that institutions must have received a grant under this title in the 5 preceding fiscal years and making other technical amendments.

Both the Senate bill and the House bill require that the amount of a grant awarded to an existing program at an institution be based on the number of unduplicated students placed in cooperative education programs compared to all such students, but the wording is different and the House bill places this provision under the "Applications for Existing Provisions" section.

The House recedes with an amendment clarifying that the reference should be to "cooperative education jobs" not "cooperative education programs", and by making other technical amendments.

Both the Senate bill and the House bill require that no institution receiving a grant for an existing program may receive a grant in amount that exceeds 25% of such institution's cooperative education program's personnel and operating budget for the preceding fiscal year, except the wording is different and the House bill places this provision under the "Applications for Existing Programs" section.

The House recedes with an amendment establishing minimum and maximum grant awards for grants to existing programs; delineating the use of funds for grants to existing programs; and making other technical changes.

Both the Senate bill and the House bill require that no institution can receive a grant simultaneously for an existing program and a new program, but the wording is different and the House bill places the provision under the "Applications for Existing Programs" section.

The House recedes.

The House bill, but not the Senate bill, amends the application section heading to be "Applications for New Programs".

The House recedes.

Both the Senate bill and the House bill require that only institutions which have not received a grant during the 10 preceding years are eligible to receive a grant under the provisions regarding funds for new programs, but the Senate bill places this requirement in the "Grants Authorized" section and the House bill places the provision in the applications section.

The House recedes.

The Senate bill, but not the House bill, requires that new grant recipients must continue the cooperative education program at a level which is not less than the total amount expended for such program during the first year the program was assisted.

The House recedes.

The Senate bill refers to students enrolled while the House bill refers to the number of student applicants.

The House recedes.

The Senate bill uses the term "cooperative education program"; the House bill uses the term "co-op".

The House recedes with an amendment striking the word "program".

The Senate bill and the House bill have the same provision regarding student income, but the wording is different.

The House recedes with an amendment striking "program".

The Senate bill and the House bill have the same provision regarding the increase or decrease in the number of students, but the wording is different.

The House recedes with an amendment clarifying that the provision pertains to "unduplicated students" and making other technical changes.

The Senate bill, but not the House bill, requires participating institutions to note on the student's transcript that a student has participated in cooperative education programs.

The House recedes.

The Senate bill, but not the House bill, requires applicants to describe the extent to which programs have had a favorable reception by public and private employers.

The House recedes.

The Senate bill, but not the House bill, requires applicants to describe the extent to which the institution is committed to extending cooperative education on an institution-wide basis.

The House recedes.

The Senate bill, but not the House bill, requires applicants to describe plans to evaluate the applicant's cooperative education program and to disseminate the results of such evaluation.

The House recedes with an amendment striking the requirement to disseminate the results of the evaluation.

The Senate bill refers to "individuals with disabilities" in the list of special populations; the House bill retains current law, which refers to "the handicapped".

The House recedes with an amendment making the "special consideration" language an item "(L)" under the applications section and making other technical and conforming changes.

The House bill, but not the Senate bill, provides for a separate application for existing programs. Within this subsection are the requirements that are similar to the Senate bill regarding institutional eligibility (existing program or has received a grant for at least 5 years); that applicants meet the application requirements for new programs; that grant amounts cannot be in excess of 25 percent of the institution's co-op personnel and operating budget; and that no institution receive a grant simultaneously for a new and existing program.

The House recedes.

Both the Senate bill and the House bill require that only institutions which are operating an existing program or have received a grant during the 5 preceding years are eligible to receive a grant under the provisions regarding funds for existing programs, except the phrasing is different and the Senate bill places this requirement in the "Grants Authorized" section and the House bill places the provision in the applications section.

The House recedes.

The House bill, but not the Senate bill, provides for a minimum grant under this subsection of $1,000 and a maximum grant of $75,000.

The Senate recedes.

The House bill, but not the Senate bill, specifies that grants made to existing programs shall be used exclusively to extend the quality and participation of the program, for outreach into new curricular areas, and outreach to potential participants including underrepresented and nontraditional populations.

The Senate recedes.

The Senate bill refers to individual institutions of higher education; the House bill retains the current law provision regarding "individual units of institutions of higher education".

The House recedes.

The Senate bill requires that no institution receive a grant for more than 5 years in either grant category; the House bill retains the current law provision which does not specify the grant categories.

The House recedes.

The House bill, but not the Senate bill, retains the current law provisions stating that the limitation on the duration of grants shall apply to each institution whether the grant was received before or after the date of enactment of the Higher Education Amendments of 1986.

The House recedes.

The Senate bill, but not the House bill, allows the Secretary to terminate a grant if the institution is not in compliance with the maintenance of effort requirements.

The House recedes with an amendment striking the requirement regarding maintenance of effort beyond the 5-year grant period.

The House bill, but not the Senate bill, retains and amends the current law provision regarding "Factors for Special Consideration of Applications". The House bill gives special consideration to institutions with strong commitments to cooperative education programs.

The Senate recedes.

The Senate bill and the House bill make a technical amendment to the citation in current law regarding the percentage of funds set aside for this activity.

The House recedes.

The Senate bill allows grantees to use funds to improve materials used in cooperative education programs if such improvement is conducted in conjunction with other authorized activities; the House bill retains the current law provision which allows funds to be used to improve materials.

The House recedes.

The House bill, but not the Senate bill, allow funds to be used to encourage model and cooperative education in the fields of science and mathematics for women and minorities who are underrepresented in these fields.

The Senate recedes with an amendment striking "model and cooperative" and inserting "model cooperative".

The Senate bill and the House bill both make a technical amendment to current law regarding the citation on the percentage of funds set-aside for demonstration projects.

The House recedes.

The Senate bill, but not the House bill, limits contracts with institutions to 3 percent of the amount appropriated and contracts with public or private nonprofit agencies to 3 percent of the amount appropriated.

The House recedes.

TITLE IX—GRADUATE PROGRAMS

The Senate bill, but not the House bill, amends title IX to read as follows:

The House recedes.

PURPOSE

The Senate bill, but not the House bill, adds a specific purpose section to Title IX.

The House recedes with an amendment clarifying that one of the purposes of the title is to foster and support graduate and professional education.

The Senate bill restructures Title IX into two parts, Parts A and B. Part A, which is entitled "Grants to Encourage Participation in Graduate Education", contains three subparts: Subpart 1, Patricia Roberts Harris Fellowships (formerly part B); subpart 2, Assistance for Training in the Legal Profession (formerly part E); and subpart 3, Law School Clinical Experience Programs (formerly part F). The new Part B, which is entitled "Grants to Enhance the Quality and Diversity of Academic Faculty", is made up of subpart 1, Jacob K. Javits Fellows Programs (formerly part C); Graduate Assistance in Areas of National Need (formerly part D) and subpart 3, Dennis Chavez Fellowship Program (a new program). The House bill maintains the current structure of Title IX.

The conference substitute provides for the following structure for Title IX; Part A, Grants to Institutions to Encourage Minority Participation in Graduate Education; Part B, Patricia Roberts Harris Fellowships; Part C, Jacob K. Javits Fellows Program; Part D, Graduate Assistance in Areas of National Need; Part E, Faculty Development Fellowship Program; Part F, Assistance for

Training in the Legal Profession; Part G, Law School Clinical Experience Programs.

The Senate bill provides for a prohibition on the use of fellowship funds for study at a school or department of divinity within certain subparts; the House bill makes a general prohibition regarding such use of funds.

The Senate recedes.

PATRICIA ROBERTS HARRIS FELLOWSHIP PROGRAM

The Senate bill reauthorizes the Patricia Roberts Harris Fellowship program with modifications as does the House bill. The House bill also divides the programs into two subparts: Postbaccalaureate Opportunity Fellowships (subpart 1), which supports master's and professional study, and; Patricia Roberts Harris Fellowship (subpart 2) program which supports doctoral study.

The House recedes adopting the Senate structure for Patricia Roberts Harris.

The Senate bill retains the current law statement of purpose and designation of fellowships; the House bill revises these sections for both subparts 1 and 2.

The Senate recedes with an amendment to the first purpose statement to include doctoral education; to delete the reference to "highly talented"; and to delete the House second statement of purpose.

The Senate bill requires that 50% of the funds awarded for Patricia Roberts Harris Fellowships be awarded to institutions for fellowships for masters and professional study and that 50% of the funds awarded under this fellowship program be awarded for fellowships for doctoral study. The House bill provides two separate authorizations.

The House recedes.

The Senate bill and subpart 2 of the House bill, using different language, require that the Secretary ensure an equitable geographic distribution of awards and an equitable distribution among eligible public and independent institutions of higher education.

The House recedes.

The Senate bill requires that at least 15% of the funds under this part go to programs leading to careers serving the public interest. Subpart 2 of the House bill provides a priority for awarding fellowships to students who are pursuing study that leads to careers serving the public interest. (The House bill provision is current law; the Senate bill maintains this provision as well.

The Senate recedes.

The Senate bill retains the current law applications section; the House bill conforms the applications section to the two purposes of subparts 1 and 2.

The House recedes with clarifying that any eligible institution of higher education which offers a program of postbaccalaureate study leading to a masters, professional or doctoral degree may apply for grants under this program.

The Senate bill retains current law regarding projected needs for highly trained individuals with minor technical changes. The House bill eliminates the provision of current law that requires that selecting of applications take into account present and projected needs for highly trained individuals in all areas of education beyond secondary school.

The Senate recedes.

The Senate bill refers to groups underrepresented in colleges and universities; the House bill refers to the need to prepare a larger number of women and individuals from minority groups, in professional and academic careers requiring masters or professional degrees.

The Senate recedes with an amendment to refer to preparing a larger number of women and individuals from minority groups in masters, professional or doctoral education.

The House bill, but not the Senate bill, requires the Secretary when reviewing applicants under this part, to take into account the need to expand access by women and minority groups to careers in which they have traditionally been underrepresented.

The Senate recedes.

The House bill, but not the Senate bill, requires the Secretary to take into account the success of the applicant in providing students access to careers in which women and minority groups are underrepresented.

The House recedes.

The House bill, but not the Senate bill, provides for separate criteria for selection applications for doctoral fellowships.

The House recedes.

The Senate bill retains the current law priority for fellowships; the House bill revises the subpart 1 fellowship priorities to require that priority be given to individuals from minority groups and women who are pursuing study in areas in which they are traditionally underrepresented and to individuals from minority groups and women who are pursuing study leading to a career serving the public interest.

The Senate recedes.

The House bill, but not the Senate bill, provides a priority for awarding fellowships under the doctoral fellowship program to women and individuals from traditionally underrepresented groups undertaking doctoral study.

The Senate recedes with an amendment including the House priority for doctoral fellowships in the overall priority language for the fellowship program.

The Senate bill increases the institutional allowance to $8,000 beginning in fiscal year 1993 and provides for inflationary increases; the House bill increases the institutional allowance to $10,000 for academic year 1993-94 and provides for inflationary increases. In addition, the provisions are drafted differently.

The Senate recedes with an amendment setting the institutional allowance at $9,000.

The Senate bill prohibits Harris fellowships from being used at a school or department of divinity. The House bill has a similar provision that covers all of title IX.

The Senate recedes.

The Senate bill sets the maximum fellowship award at $14,000 or the fellowship recipients demonstrated level of need, whichever is less; the House bill sets the fellowship stipend at a level of support comparable to that provided by the National Science Foundation Graduate Fellowships, not to exceed the student's demonstrated level of need.

The conference substitute provides for the stipend amount to be equal to the level awarded by the National Science Foundation graduate fellowships (but not to exceed need); requires that this award amount be provided only to new fellowship recipients; and striking the House language requiring the Secretary to issue regulations regarding fellowships for dissertation work.

The Senate limits fellowship awards for masters and professional study to two years plus a twelve month extension for special circumstances; the House bill limits the fellowship period to the normal period for completing a degree, not to exceed three years, and allows a twelve month extension for special circumstances.

The Senate recedes.

The Senate bill authorizes $25 million for FY 1993 and such sums as may be necessary for the 6 succeeding fiscal years; 50% of which must be allocated for masters and professional study fellowships and 50% for doctoral study; for subpart 1, the House bill authorizes $50 million for FY 1993 and such sums as necessary for the 4 succeeding fiscal years. For subpart 2, the House bill authorizes $50 million for FY 1993 and such sums as may be necessary for 4 succeeding fiscal years.

The House recedes with an amendment authorizing $60 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

GRANTS TO INSTITUTIONS AND CONSORTIA TO ENCOURAGE MINORITY AND WOMEN PARTICIPATION IN GRADUATE EDUCATION

The Senate bill deletes Part A, Grants to Institutions to Encourage Minority Participation in Graduate Education from Title IX, but includes the purposes of the program in the Ronald E. McNair Postbaccalaureate Achievement Program authorized under the TRIO programs.

The Senate recedes with an amendment allowing the Secretary to make grants to consortia of institutions.

The conferees note that the purpose of this program is to provide financial assistance to individuals who are financially needy and who need the assistance to pursue graduate education. The conferees do not believe that all institutions of higher education give adequate attention to the financial need of students before making awards under this program. The conferees expect the Secretary to assure that all institutions that receive assistance under this program focus federal funds on financially needy individuals. The Secretary should, as a condition of making awards to institutions, carefully evaluate the proposals submitted by institutions and make certain that the institutions will focus on resources on talented individuals who genuinely need the assistance to attend graduate school.

The House bill, but not the Senate bill, expands the program to include women in fields in which they are underrepresented.

The Senate recedes.

The House bill, but not the Senate bill, directs the Secretary to collect information on the student interns who have participated in the summer internship program and make the information available to institutions offering graduate programs as a means of identifying talented women and minority undergraduates for graduate study.

The Senate recedes.

ASSISTANCE FOR TRAINING IN THE LEGAL PROFESSION

The Senate bill retains current law with regard to grants and contracts; the House bill requires that the Secretary make a grant or contract directly to the Council on Legal Education Opportunity (CLEO) to carry out a program to assist minority, low-income, or educationally disadvantaged college graduates in the legal profession.

The Senate recedes.

The House bill, but not the Senate bill, provides for a 6% cap on funds which can be used for administrative costs.

The Senate recedes.

The House bill, but not the Senate bill, includes a section on "services authorized" which includes assistance and counseling in gaining admission to accredited law schools; a summer seminar; tutorial services and academic counseling and personal and professional counseling.

The Senate recedes.

The Senate bill retains current law with respect to authorized uses of funds; the Senate bill and the House bill have similar, but not identical provisions regarding selection of individuals; facilitating the entry of individuals into law school; providing six months of training; paying stipends and administrative costs.

The Senate recedes with an amendment clarifying that funds may be used to publicize the existence and availability of program funds to assist minority, low-income, and educationally disadvantaged individuals to pursue a legal education.

The Senate bill specifies that funds may be used for counseling; the House bill has similar provisions under "services authorized".

The Senate recedes.

The House bill, but not the Senate bill, allows funds to be used to publicize the program, to select from among qualified applicants who shall receive services, and to evaluate the quality, impact, and feasibility of such services.

The Senate recedes with an amendment clarifying that use of funds are programmatic costs and are not intended to be considered as part of the administrative costs. The conferees intend that administrative cost under this provision shall not include program related activities such as student retention initiatives, recruitment activities, communications, publications and disbursement of program information, and summer institute site visits and evaluations. The conferees intend that salaries, office space rental, and office equipment related expenses be included in administrative expenses.

The Senate bill authorizes $5 million for FY 1993 and such sums as necessary for the 6 succeeding fiscal years. The House bill authorizes $10 million for FY 1994 and such sums as necessary for the 4 succeeding fiscal years. (Technical Note: The House bill should say "1993".)

The Senate recedes with an amendment authorizing $7 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

The Senate bill, but not the House bill, reauthorizes the Law School Clinical Experience programs without change.

The Senate recedes.

LAW SCHOOL CLINICAL EXPERIENCE PROGRAMS

The House bill, but not the Senate bill, clarifies that grants may be used to continue programs, as well as to establish or expand them.

The Senate recedes.

The House bill, but not the Senate bill, increases the annual maximum award that may be received by an institution to $250,000.

The Senate recedes.

The Senate bill authorizes $10 million for FY 1993 and such sums as necessary for the 6 succeeding fiscal years; the House bill authorizes $10 million for FY 1993 and such sums as necessary for the 4 succeeding fiscal years.

The Senate recedes.

The House bill, but not the Senate bill, amends the heading of subsection (a) to read "Timing of Awards."

The Senate recedes.

JACOB K. JAVITS FELLOWSHIPS

The Senate bill deletes the cap on the number of fellowships that may be awarded; the House bill raises the cap from 450 fellowships to 600 fellowships.

The House recedes.

The Senate bill restricts the number of board members to 9. The House bill retains current law, which provides for "not less than 9 and not more than 15 individuals prior to July 31, 1987," 13 individuals after July 31, 1987, and prior to August 1, 1989, 11 individuals after July 31, 1989 and prior to August 1, 1991, and 9 individuals after July 31, 1991."

The House recedes.

The Senate bill amends the language on compensation rates to require rates not exceeding the rate "of basic pay payable for level IV of the Executive Schedule". The House bill retains current law, which requires compensation not exceeding the rate "prescribed for GS-18 of the General Schedule under section 5332, title 5 of the United States Code".

The House recedes.

The Senate bill sets the maximum fellowship award at $14,000 or the fellowship recipients demonstrated level of need, whichever is less; the House bill sets the fellowship stipend level at a level of support comparable to that provided by the National Science Foundation, not to exceed the student's demonstrated level of need.

The conference substitute provides for the stipend amount to be equal to the level awarded by the National Science Foundation graduate fellowships (but not to exceed need) and requires that this award amount be provided only to new fellowship recipients.

The Senate bill increases the institutional allowance to $8,000 for the fiscal year ending September 30, 1993, and provides for inflationary increases; the House bill increases the institutional allowance to $10,000 for academic year 1993-94 and provides for inflationary increases.

The Senate recedes with an amendment establishing the institutional allowance at $9,000; including the Senate language requiring that the amount of funds charged to a fellow for tuition and fees be subtracted from the institutional allowance; and including language which states that, effective March 1, 1992, a fellow, who has been informed in writing that he or she has been selected as a fellow and then is subsequently notified that he or she has been withdrawn due to a finding on the earned graduate criterion, shall receive the award unless the Department becomes aware that the fellow's application fraudulently contained inaccurate information.

The Senate bill authorizes $15 million for FY 1993 and such sums as necessary for the 6 succeeding fiscal years; the House bill authorizes $50 million for FY 1993 and such sums as necessary for the four succeeding fiscal years.

The Senate recedes with an amendment authorizing $30 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

GRADUATE ASSISTANCE IN AREAS OF NATIONAL NEED

The Senate bill, but not the House bill, amends current law to raise the maximum grant per year from $500,000 to $750,000.

The House recedes.

The Senate bill, but not the House bill, deletes the reference to specific areas of national need (mathematics, biology, physics, chemistry, engineering, geosciences, computer science or foreign languages or area studies) and indicates instead that the Secretary shall designate areas "on the basis of the projected needs for faculty and scientists due to replacement demands and emerging fields".

The Senate recedes. The conferees urge the Secretary to consult with the National Science Foundation, the National Academy of Sciences, the National Endowments for Arts and Humanities, and other appropriate Federal and nonprofit agencies and organizations in determining areas of national need. The conferees are concerned that the Secretary has not used the consultation process to the maximum extent possible and note that it is important to consult with these entities to ensure that assistance will in fact be available for students desiring to pursue graduate study in emerging fields and fields of compelling interest to the Nation. In particular, the conferees urge the Secretary to take into account the projected need for faculty and scientists due to replacement demands and emerging fields.

The Senate bill, but not the House bill, includes a provision which requires departments to provide students with at least 1 year of university-funded, supervised teaching experience.

The House recedes with an amendment striking the requirement that the funds for the 1 year of supervised teaching come from non-Federal sources.

The Senate bill eliminates the current law requirement that at least 60% of the funds received for the program be used for graduate student stipends, the House bill retains this requirement. Also, the provision on awards is drafted with slight technical differences.

The House recedes.

The Senate bill sets the maximum fellowship award at $14,000 or the fellowship recipients demonstrated level of need, whichever is less; the House bill sets the fellowship stipend level at a level of support comparable to that provided by the National Science Foundation, not to exceed the student's demonstrated level of need.

The conference substitute provides for the stipend amount to be equal to the level awarded by the National Science Foundation graduate fellowships (but not to exceed need) and requires that this award amount be provided only to new fellowship recipients.

The Senate bill increases the institutional allowance to $8,000 for the fiscal year ending September 30, 1993, and provides for inflationary increases; the House bill increases the institutional allowance to $10,000 for academic year 1993-94 and provides for inflationary increases. Also, the provisions are drafted differently.

The Senate recedes with an amendment setting the institutional allowance at $9,000.

The Senate bill authorizes $35 million for FY 1993 and such sums as necessary for the 6 succeeding fiscal years; the House bill authorizes $50 million for FY 1993 and such sums as necessary for the 4 succeeding fiscal years.

The Senate recedes with an amendment authorizing $40 million for FY 1993 and such sums as may be necessary for the 4 succeeding fiscal years.

FACULTY DEVELOPMENT FELLOWSHIP PROGRAM

Both the Senate and the House bills create a new program to enable institutions to identify talented faculty and baccalaureate degree recipients from underrepresented groups to assist them in obtaining a doctoral degree; however, the Senate program is concerned with "individuals from underrepresented groups" and the House program is concerned with institutions serving significant numbers of minority students and is more specific than the Senate bill about the types of institutions of higher education which must be included in the consortia.

The conference substitute provides for (1) changing the name of the program to the "Faculty Development Fellowship Program"; (2) amending the Senate language to list the types of underrepresented groups which are eligible to participate in the program; (3) to include as an authorized activity identifying those who wish to participate in faculty professional development programs; and (4) allowing fellowships to be used to participate in faculty professional development programs. The conferees intend that consortia of institutions of higher education and other appropriate nonprofit entities devoted to advancing doctoral degree or faculty professional development programs for underrepresented minorities be eligible for funds under this section. In addition, the conferees wish to clarify that funds may be used for faculty professional development programs designed to advance the careers of underrepresented minorities.

The Senate bill sets the fellowship level at $10,000 or financial need, whichever is less; the House bill sets the fellowship level at $15,000 or financial need, whichever is less.

The Senate recedes with an amendment to include language referencing the stipend level at a level equal to that of the National Science Foundation graduate fellowships.

The Senate bill specifies "grants" in the priority for awards; the House bill specifies "awards", and the wording is different.

The House recedes.

The Senate bill specifies the student will receive an assistantship; the House bill specifies that the student will receive a $2,000 stipend.

The conference substitute gives a priority to institutions providing a tuition waiver and a $2,000 stipend or additional financial support.

Both the Senate bill and the House bill contain additional requirements, but the wording is different.

The House recedes.

Both the Senate bill and the House bill require equitable geographic distribution of the awards and that public and private institutions be fairly represented, but the wording is different.

The House recedes.

The House bill, but not the Senate bill, allows the Secretary to waive the requirement under section 973(b)(1) for institutions eligible under Title III. That provision requires that institutions provide a tuition waiver and a minimum stipends of $2,000 for fellows.

The Senate recedes.

The Senate bill, but not the House bill, (1) requires each recipient to ensure an equitable distribution of fellowships among under represented groups and (2) prohibits the legislation from being interpreted to require institutions to grant preferences or disparate treatment to members of groups to account for imbalances in relative numbers or percentages of participants.

The House recedes.

The Senate bill, but not the House bill, contains a definition for "underrepresented group".

The Senate recedes.

The House bill, but not the Senate bill, designates student recipients as "Faculty Development Fellows".

The Senate recedes.

Both the Senate bill and the House bill require an application to the Secretary, but the wording is different.

The House recedes.

Both the Senate bill and the House bill require information about (a) the programs of doctoral study, (b) other resources the recipient will make available to fellowship recipients, (c) the recipients plan for identifying and recruiting student recipients, and (d) the recipients plan for using minority faculty and other faculty as advisors and academic resources, but the wording is different.

The House recedes.

The Senate, but not the House bill, requires the application to contain a description of the method used to determine a student's financial need.

The House recedes.

The House bill, but not the Senate bill, requires the application to contain (1) the names of HBCUs, predominantly Black institutions, and other institutions with significant enrollments of minorities, which have agreed to cooperate with the applicant and (2) such other information as the Secretary may reasonably require.

The Senate recedes.

The Senate bill and the House bill require students to enter into an agreement with the recipient awarding the fellowship, but the wording is different.

The House recedes.

The Senate bill requires fellowship recipients to teach for a period of not less than 2 years for each year of assistance received and makes a distinction between the fellowships under section 951(a)(1)(A) and 951(a)(1)(B) and their repayment teaching requirements. The section 951(a)(1)(A) recipients must teach in a public or private nonprofit institution of higher education that has a significant minority enrollment; the section 951(a)(1)(B) recipient must teach at a public or private nonprofit institution of higher education. The House bill requires fellowship recipients to teach for a period of not less than 1 year for each year of assistance received and allows the student to teach not only in public and private nonprofit institutions, but also in a for profit institution that offers at least the associate of arts degree.

The House with an amendment requiring one year of teaching in return for each year of assistance.

The Senate bill requires recipients to provide the Secretary with evidence of compliance; the House bill requires institutions of higher education to be provided with compliance.

The House recedes with an amendment requiring the Secretary, through regulation, to develop a means whereby compliance with this part can be ascertained.

Both the Senate bill and the House bill establish consequences for noncompliance, but the wording is different.

The House recedes.

Both the Senate bill and the House bill include deferral provisions, but the wording is different.

The Senate recedes.

The Senate bill allows a deferral for a fellowship recipient who is seeking and unable to find employment with an institution of higher education with significant minority enrollment for 12 months; the House bill allows a deferral for a fellowship recipient who is seeking and unable to find full time employment for 12 months.

The Senate recedes.

The Senate bill authorizes $20 million for FY 1993 and such sums as necessary for 6 succeeding fiscal years; the House bill authorizes $25 million for FY 1993 and such sums for the 4 succeeding fiscal years.

The Senate recedes.

TITLE X—POSTSECONDARY IMPROVEMENT

The Senate bill repeals title X; the House bill reauthorizes title X with changes and includes the following programs: The Fund for the Improvement of Postsecondary Education; Minority Science and Engineering Improvement Program; Special Projects in Areas of National Need; and Women and Minorities Science and Engineering Outreach Demonstration Program.

The Senate recedes with an amendment adding the Dwight D. Eisenhower program to title X.

WOMEN AND MINORITIES SCIENCE AND ENGINEERING OUTREACH DEMONSTRATION

The House bill, but not the Senate bill, includes this new program, which provides grants to institutions of higher education in partnership with elementary and secondary schools to establish outreach programs for female and minority elementary and secondary school students. The purpose is to encourage such students to pursue higher education in preparation for careers in science and engineering. The program is authorized at $25 million and such sums for the 4 succeeding fiscal years.

The Senate recedes with an amendment setting the authorization at $10 million.

TITLE XI—COMMUNITY SERVICE PROGRAMS

Title XI of the Senate bill contains an Urban Community Service program. Title XI of the House bill contains the following: Higher Education Innovative Projects for Community Service; Student Literacy Corps and Student Mentoring Corps; Innovative Projects for Community Service and Student Financial Independence; Community Service-Learning; Grants for Sexual Offenses Education; and Dwight D. Eisenhower Leadership Program.

The conference substitute places Urban Community Service, Innovative Projects for Community Service, and the Student Literacy Corps and Student Mentoring Corps in title XI.

URBAN COMMUNITY SERVICE

The Senate bill authorizes the Urban Community Service program as title XI. The House bill authorizes this program in part A of title I.

The House recedes.

The Senate bill, but not the House bill, includes a list of findings.

The House recedes.

The Senate bill refers to incentives to institutions "to enable such institutions to devise and implement solutions to pressing and severe problems in their communities." The House bill mentions incentives to institutions "(including academic, private, and civic bodies) to work together to devise and implement solutions to the most pressing and severe problems in their communities."

The conference substitute combines the purposes. It is the intent of the conferees that urban universities be the leaders in the development of these local consortia for which priority funding is provided in this title. Further, each grant application needs to have a lead institution to serve as the primary administrator of the grant and the project's fiscal agent; it is the conferees' intent that this institution be an urban university.

The provisions of the House and Senate bill on applications are drafted differently as follows: (A) the Senate bill mentions "an eligible institution" where the House bill mentions "any institution"; (B) the Senate bill, but not the House bill, requires applications to "describe the activities and services for which assistance is sought"; (C) the Senate bill requires "documentation of the formation of a consortium" while the House bill requires "a plan agreed to by the members of the consortium"; and (D) the Senate bill mentions "the eligible institution" and "one or more of the following entities," while the House bill refers to "(1) a public or private 4 year institution (and, where possible and appropriate, a community college) in partnership with" the other entities.

The House recedes on (A) and (B); the Senate recedes on (C); the House recedes on (D) with an amendment including a community college as an eligible entity.

The House bill, but not the Senate bill, includes a requirement that the Secretary give priority to applications that "include plans agreed to by a consortium composed of several members from the categories described in subsection (a)."

The House recedes.

The Senate bill makes funds available to "design and implement programs to assist urban communities to address pressing and severe problems." The House bill makes funds available "to support planning, applied research, training, resource exchanges or technology transfers, the delivery of services, or other activities the purpose of which is to design and implement programs to assist urban communities to meet and address their most pressing problems."

The Senate recedes with an amendment providing that communities will address "their pressing and severe problems."

The Senate bill, but not the House bill, mentions "planning and implementation of" the activities listed.

The conference substitute strikes the language preceding the list of authorized activities.

The Senate bill, but not the House bill, includes the following authorized activities: work force preparation; problems faced by "individuals with disabilities" in urban settings; problems faced by families and children; urban environmental concerns; problems faced by individuals with disabilities regarding accessibility to institutions of higher education and other public and private community facilities; amelioration of existing attitudinal barriers that prevent full inclusion of individuals with disabilities in their community.

The House recedes.

The Senate bill has more detailed language than the House bill on campus and community crime prevention.

The House recedes.

The House bill, but not the Senate bill, contains a separate part C for "Administration Provisions for Parts A and B."

The House recedes.

The Senate bill indicates that the Secretary "shall consult with officials of other Federal agencies"; the House bill says the Secretary "may consult with other appropriate Cabinet-level officials."

The Senate recedes.

In conducting the peer review process, it is the intention of the conferees that the Department involve individuals knowledgeable about, and experienced in, urban university applied research and outreach in the reading of all proposals. In addition, the Secretary shall ensure that all proposals are scored by groups of reviewers which include an equal number of representatives from the four sectors set forth in the Act.

The Senate bill differs from the House bill in the following manner: (A) the Senate bill states that representatives should be from institutions of elementary secondary as well as higher education, while the House bill has no reference to elementary and secondary education; (B) the Senate bill refers to expertise in urban community service or in education, while the House bill refers only to community service.

The Senate recedes on (A); and the House recedes on (B).

The Senate bill limits grant awards to three years, while the House bill limits awards to five years.

The Senate recedes.

The Senate bill, but not the House bill, limits grant payments to $500,000 per year.

The Senate recedes.

The conferees intend this annual grant level to be a maximum, not a minimum. The conferees expect the Secretary to encourage the submission of grants ranging in size commensurate with the needs of the specific project activity proposed and that there will be no preference given for larger versus smaller grant requests.

The Senate bill contains a section which requires the Secretary to publish a list of the institutions receiving grants under this program, to designate such institutions as "Urban Grant Institutions," and to establish a national network of such institutions. The House bill contains: (A) a section which authorizes $500,000 or 5% of funds to establish a network of urban and rural grant institutions; (B) a requirement that the Secretary publish in the Federal Register a list of all urban institutions of higher education.

The House recedes with an amendment providing that all eligible institutions under this part shall be designated as "Urban Grant Institutions".

The House bill, but not the Senate bill, contains a 25% matching requirement, and permits the Secretary to waive the requirement if an institution demonstrates unique hardship.

The Senate recedes with an amendment striking "in services, supplies or equipment" and inserting "in kind."

The Senate bill defines "urban area" as having a population of "not less than 150,000." The House bill defines the term as an area having "not less than 400,000, or two contiguous metropolitan statistical areas having a population of not less than 400,000."

The Senate recedes with an amendment setting the population at "not less than 350,000."

In the event that a state does not have an urban area as defined above, the Senate bill allows a State entity "having an agreement or submitting an application under section 1203" to designate an urban area; the House bill allows a State entity "having an agreement under section 1203" to designate an urban area.

The House recedes.

The Senate bill defines "eligible institution" as "a nonprofit institution of higher education, or a consortium of such institutions, any one of which" meets the list of specified requirements. The House bill gives the term "the meaning given . . . by the first sentence of section 1201(a) of this Act."

The House recedes.

The House bill, but not the Senate bill, defines "urban institution of higher education." This definition is similar to the Senate bill's definition of "eligible institution", but the House bill makes eligible any "nonprofit municipal university, established by the governing body of the city in which it is located, and operating as of the date of enactment of this part under that authority."

The House recedes with an amendment including as eligible "a nonprofit municipal university, established by the governing body of the city in which it is located, and operating as of the date of enactment of this part under that authority."

The Senate bill authorizes $20 million for FY 1993 and such sums as necessary for the 6 succeeding fiscal years for Urban Community Service; the House bill authorizes %$25 million for this program for FY 1993 and such sums as necessary for the 4 succeeding fiscal years.

The House recedes with an amendment setting the authorization for fiscal year 1993 and the four succeeding fiscal years. In conducting the grant competition for the awarding of FY 92 funds, the conferees direct the Secretary to permit the submission of proposed projects which could vary in grant size, topic, and allowable activity. The Secretary should structure the selection criteria such that all types of projects—applied research, planning services, specialized training, technical assistance and other services—fairly complete. A high target grant size should not be set. The evaluation portion of each project, while important, should not be so large as to result in the submission of proposals with easily quantifiable results, thereby discouraging the more difficult and higher-risk approaches which may be of higher local priority.

In designing the application process for FY 93 and subsequent fiscal years, the Secretary should permit the submission of projects which involve more than one eligible urban area, so long as there is an eligible urban university in each area and the project meets the other criteria of the title. The application and selection procedures should be structured so as to give such multiple metropolitan area proposals a fair chance to compete against other proposals.

HIGHER EDUCATION INNOVATIVE PROJECTS FOR COMMUNITY SERVICE

Part A of title XI of the House bill comes from section 118 of the National and Community Service Act of 1990. This program, which is not in the Senate bill, provides grants to institutions of higher education to encourage students to participate in community service activities while in attendance at such institutions. $15 million for FY 1993 and such sums for the 4 succeeding fiscal years are authorized.

The House recedes.

The House bill, but not the Senate bill, repeals section 118 of the National and Community Service Act of 1990.

The House recedes.

TITLE XII—GENERAL PROVISIONS AND DEMONSTRATION PROGRAMS

The Senate bill's definition of the term "disability" refers to "section 3(2)"; the House bill refers to "section 3."

Legislative counsel.

The Senate bill, but not the House bill, provides definitions of the terms "State Higher Education Agency" and "Service-Learning."

The House recedes.

The House bill, but not the Senate bill, provides a series of cross-reference definitions so as to ensure uniformity of terms in education law.

The Senate recedes.

The House bill, but not the Senate bill, provides a definition of "special education teacher."

The Senate recedes.

SPECIAL CRITERIA FOR HIGH-RISK INSTITUTIONS

The Senate bill, but not the House bill, establishes separate standards for State review of high-risk, institutions.

The Senate recedes with an amendment adding a provision to title IV, part H, subpart 1, clarifying that nothing in this subpart shall preclude States and guaranty agencies from performing their regular and additional functions that go beyond the scope of this subpart.

NATIONAL ADVISORY COMMITTEE

The House bill reauthorizes the current National Advisory Committee on Accreditation and Institutional Eligibility and clarifies that the Secretary is to publish a list of accrediting agencies deemed to be reliable authorities on "education" offered. The Senate bill replaces the current Advisory Committee with a new National Advisory Committee on Institutional Quality and Integrity, with functions designed to parallel closely the Senate bill's overall modifications to the accreditation process.

The House recedes with an amendment retaining the specific list of higher education representatives in section 1205(a) of the Act and adding the current function in section 1205(c)(3) of the Act to the list of functions on pages 72–74, except that the current law language can be rewritten to simplify it and conform it to the style on pages 72–74.

DEMONSTRATION PROGRAMS

The Senate bill, but not the House bill, includes a separate subpart of title XII for demonstration programs.

The conference substitute places each demonstration program in the most appropriate place in the Act.

The Senate bill, but not the House bill, provides a program of Stafford Loan forgiveness for teachers, individuals performing national community service, and nurses, to test the effectiveness of such loan forgiveness. Funding for the demonstration program will be provided from a reserve of up to $1 million from title IV, part B, appropriations in FY 1993 through FY 1999.

The House recedes with an amendment making this an authorized demonstration with an appropriation of $10 million in FY 93 and such sums in the four succeeding fiscal years.

The Senate bill establishes a demonstration program to test the concept of rewarding lenders and servicers of exceptional performance with 100% reinsurance so as to provide greater flexibility in collections and servicing procedures. The House bill implements the program for both lenders and guaranty agencies and does not make such program a demonstration program.

The House recedes with an amendment establishing a GAO study and Secretarial authority to terminate the program at the end of three years, adding guaranty agencies to the overall program, including guaranty agencies in the review process for lenders and servicers compliance, raising the compliance level to 97%, increasing audit standards, and moving the entire provision to title IV.

Both bills provide for a National Student Savings Demonstration program, but the Senate bill places this program in title XII, while the House bill places it in title IV (Chapter 6 of Part A).

The conference substitute places this program in the early intervention part of title IV.

The Senate bill cross-references the definition of institution of higher education in section 435, whereas the House bill cross-references the definition in section 481.

The Senate recedes.

The Senate bill clarifies that States do not have to make any further deposits into a child's account for exemplary activities if such child has left the State, whereas the House bill specifies that States need make no further deposits other than interest for such children.

The Senate recedes.

The House bill but not the Senate bill specifies that nothing in this Act limits responsibilities under the Americans with Disabilities Act of 1990, the Rehabilitation Act of 1973, or any other law.

The Senate recedes.

The House bill, but not the Senate bill, requires that institutions of higher education publicly disclose information concerning gifts and contracts above $250,000 from foreign sources and foreign ownership or control.

The Senate recedes.

The House bill, but not the Senate bill, contains a sense of the Congress that: institutions of higher education should review their admissions policies to ensure that applicants are not illegally excluded from admission; the Attorney General should investigate allegations of illegal racial discrimination in admissions policies and pursue legal action against schools that have violated title IV or VI of the Civil Rights Act of 1964; the Secretary should further review admissions policies of schools alleged to have illegally discriminated on the basis of race.

The House recedes.

The conferees had intended to substitute the House language with a more specific Sense of the Congress on the subject of minority scholarships. Despite the passage of civil rights laws and other efforts to promote equal opportunity, discrimination has not disappeared, and the effects of past discrimination persist. This has resulted in continued, severe under representation of minorities in higher education. This problem has been addressed successfully by some institutions through the use of targeted early outreach, financial assistance, and student support services. The conferees are concerned that the proposed Policy Guidance on minority scholarships announced by the Secretary Policy Guidance on minority scholarships announced by the Secretary of Education on December 10, 1991, could reverse the progress that has been made in improving minority enrollment and retention. There is no reliable analysis of the amount of financial assistance currently available to minority students, the amount denied to such students through facially-neutral criteria, or the impact of minority-targeted assistance programs. Because of this need for data, a number of Members of Congress, on April 21, 1992, asked the Comptroller General to study the issue, and asked the Secretary of Education not to issue any final determination relating to the proposed Policy Guidance until the Congress has had the opportunity to review the findings of the study. The conferees had intended, in this legislation, to repeat the request that the Secretary delay the policy; however, on June 10, 1992, the Secretary agreed to delay, making such a request unnecessary. The conferees urge the Comptroller General to move as rapidly as possible in completing the report on minority scholarships.

TITLE XIII

Title XIII of the Senate bill is entitled "Education Administration." Title XIII of the House bill authorizes Indian Higher Education Programs, which are contained in title XVI of the Senate bill.

The conference substitute establishes title XIII as "Indian Higher Education Programs," title XIV as "Studies and Commissions," and title XV as "Related Programs and Amendments to Other Laws."

STUDIES

The Senate bill, but not the House bill, requires the Secretary to review the role of guaranty agencies and to submit a report to Congress on the findings.

The House recedes with an amendment requiring the Secretary to study the compensation of Chief Executive Officers and managerial staffs at guaranty agencies.

The Senate bill, but not the House bill, requires the Secretary to conduct a study on the impact of fraud-based defenses on the Stafford Loan Program. The Secretary is also required to submit a report to Congress with recommendations for legislative options.

The House recedes.

The House bill, but not the Senate bill, requires the Secretary to: conduct a study on programs that increase the accessibility of nontraditional students to postsecondary education; make recommendations on how the Department can maintain an effective data base regarding nontraditional students; submit an interim report after 1 year and a final report after 2 years.

The Senate recedes.

The House bill, but not the Senate bill, directs the Secretary to evaluate the coordination of Federal student financial assistance programs with other Federal benefit programs, and to submit a report on the study.

The Senate recedes.

The House bill, but not the Senate bill, requires the Secretary to conduct a biennial survey on factors associated with the participation of disadvantaged and minority students in postsecondary education programs. The survey is to be conducted through the National Center for Educational Statistics, and the Secretary is to submit a report to Congress along with a plan to ensure increased participation of at-risk students in higher education programs. $900,000 for FY 93 and such sums for the four succeeding years are authorized for a survey through the NCES, in coordination with the National Science Foundation, to provide additional questions on the existing panel study of income dynamics to gain information about minority and at-risk youth.

The Senate recedes with an amendment including students with disabilities in the list of those to be included in the study.

The House bill, but not the Senate bill, directs the Secretary, thought the Office of Educational Research and Improvement, to assess the effectiveness of programs that offer guarantees of higher education to disadvantaged elementary and secondary students. An interim report is to be issued by January 31, 1995, and a final report by June 30, 1996, the purpose of which is to encourage the involvement of the business community in similar programs.

The Senate recedes with an amendment changing the title of the program to "Evaluation of Tuition Guaranty Programs"; eliminating references to the Office of Educational Research and Improvement; and changing the submission date for the interim report to June 30, 1996, and for the final report to January 1, 1997.

The House bill, but not the Senate bill, requires the Office of Educational Research and Improvement to conduct a study on the information currently collected on graduate education, including information on financial assistance available to graduate students and on the distribution of this assistance by race, by gender, to nontraditional students, and to students with disabilities.

The Senate recedes with an amendment requiring the Secretary, rather than the Office of Educational Research and Improvement, to conduct the study.

The House bill, but not the Senate bill, directs the General Accounting Office to evaluate the staffing requirements of the Department of Education's Center for International Education, and to submit a report to Congress on the findings of the study within one year.

The House recedes.

The conferees request that the Comptroller General conduct an evaluation of the staffing requirements of the United States Department of Education's Center for International Education. The evaluation shall consider the effectiveness of the staffing patterns and assess staffing needs in relation to the administration of title VI of the Higher Education Act of 1965 and section 102(b)(6) of the Mutual Educational and Cultural Exchange Act, including (1) the number and experience of personnel required to achieve the objectives of such programs at a high level of quality, and (2) the extent to which additional staff may be required to administer amendments to such programs made by this Act. In conducting the evaluation, the Comptroller General shall consult institutions of higher education which have participated under such programs and national organizations of such institutions. The conferees intend that within one year after the date of enactment of this Act, the Comptroller General shall submit to the Congress a report on the results of such evaluation together with such recommendations as the Comptroller General deems appropriate.

The House bill, but not the Senate bill, authorizes the Secretary, in conjunction with the Environmental Protection Agency, to study the extent to which asbestos and other environmental hazards threaten the health and safety of individuals at postsecondary institutions. The Secretary is to submit a report to Congress with the findings and any recommendations. $3,000,000 are authorized to be appropriated for FY 1993.

The Senate recedes with an amendment striking "1993" and inserting "1994."

The House bill, but not the Senate bill, directs the National Academy of Sciences Commission on Behavioral and Social Sciences and Education, in consultation with the Secretary of Education, to study civilian education training programs needed to meet projected workforce requirements of the commercial aviation industry.

The Senate recedes with an amendment renaming the program "Study of Civilian Aviation Education Training Programs" and deleting the requirement that the report include "deliberations, conclusions, and recommendations."

The House bill, but not the Senate bill, authorizes $1,000,000 for FY 93 and such sums for FY 94 and FY 95 for grants to establish programs of assistance to school-based decisionmakers in local education agencies implementing system-wide reform.

The Senate recedes.

The House bill, but not the Senate bill, requires the Secretary to report to Congress on the use of Pell Grants by incarcerated individuals.

The Senate recedes.

NATIONAL COMMISSION ON INDEPENDENT HIGHER EDUCATION

The Senate bill, but not the House bill, inserts a new part J, the "National Independent Colleges and Universities Discovery Act," which establishes a National Commission on Independent Higher Education. The Commission is to develop a factual base for understanding the status of independent colleges and universities, to review Federal regulations affecting independent colleges, and to address the impact of Federal and State policies on independent colleges. The Commission is required to submit an interim report to Congress and the President within 18 months and a final report within 3 years.

The House recedes with an amendment changing the name of the program to "National Commission on Independent Higher Education"; requiring that the Speaker of the House and the Majority Leader of the Senate each appoint two members of the Commission, and that the Minority Leader of the House and the Minority Leader of the Senate each appoint one member of the Commission; giving the Commission the authority to accept gifts; authorizing a total of $1 million to be appropriated; and making a technical change to a provision on travel expenses.

TITLE XIV

Title XIV of the Senate bill contains Amendments to Other Laws; title XIV of the House bill, Miscellaneous, contains three parts: part A, Studies; part B, National Clearinghouse for Postsecondary Education Materials; and part C, National Center for the Workplace.

The Conference substitute renames title XIV as "Studies and Commissions."

Both the Senate and House bills strike the expiration date on the statute of limitations language from Public Law 102–26, but there are minor technical differences in the language.

The House recedes.

The Senate bill, but not the House bill, extends GEPA procedures for resolving disputes between the Department of Education and recipients of Departmental funds to institutions and agencies receiving funds under the Higher Education Act.

The Senate recedes.

The Senate bill, but not the House bill, reauthorizes with changes portions of the United States Institute of Peace Act. This language authorizes $15 million and such sums for each of the 6 succeeding fiscal years for the U.S. Institute of Peace, a nonprofit corporation devoted to increasing knowledge and skill in fields related to the achievement of international peace.

The House recedes.

The officers of the United States Institute of Peace (U.S.I.P.) will submit a report to the Congress within one year of the enactment of this Act. This report will explain, in detail, what the goals and objectives of the U.S.I.P. would be over the course of the next 25 years if it were given unlimited funding resources for that period.

The purpose of this report would be to examine, through the eyes of the experts involved with the daily workings of the U.S.I.P., what might be accomplished on a long term basis to promote peace and security throughout the world. The report would reflect the largest vision and greatest statutory, budgetary and resource needs of the U.S.I.P. to promote peacebuilding and peacemaking world-wide.

The report should explain in detail the limitless goals and objectives of the U.S.I.P. for the next 25 years, the method in which these goals would be accomplished, the materials and resources required, the expected time frame in which they might be expected to be accomplished, and any other pertinent information which might be required if the projects were to be undertaken.

Both the Senate bill and the House bill amend the same provision of the General Education Provisions Act, but the Senate bill specifies that the amendment shall take effect on the date of enactment of the Higher Education Act.

The House recedes.

The Senate bill, but not the House bill, makes a conforming change to reflect that the National Science Scholars Program has been moved to title IV. (The House and Senate provisions on National Science Scholars are compared under title IV, part A.)

The Senate recedes.

The House bill, but not the Senate bill, provides for an extension of the authorization for the National Academy of Science, Space, and Technology for FY 1993 and FY 1994.

The House recedes.

The House bill, but not the Senate bill, reauthorizes and amends the National Academy of Science, Space, and Technology. Changes include: a requirement that the Advisory Board design or select an exam for secondary students, and that it award scholarships to the top 2 scorers in each congressional district; an extension of the authorization period to FY 94 and an increase in authorization levels from $2.2 million in FY 91 to $4.4 million in FY 93 and to $8.8 million in FY 94.

The Senate recedes with an amendment limiting the top scorer in each congressional district to a scholarship and authorizing $2.2 million for FY 93 and such sums for the four succeeding fiscal years. The conferees intend "such sums" in the outyears to provide sufficient funds for continuation awards under section 621(d)(3) and for the given year's initial awards.

The Senate bill, but not the House bill, amends section 788(f) of the Public Health Service Act.

The House recedes.

The Senate bill, but not the House bill, amends section 146(b)(1) of the National and Community Service Act of 1990 to accommodate (or provide for) an increase in benefits.

The House recedes.

The Senate bill, but not the House bill, amends part G of the Drug-Free Schools and Communities Act to prohibit the use of funds for certain purposes.

The Senate recedes.

The Senate bill, but not the House bill, includes a resolution that the Secretary of Labor should move expeditiously to process applications for funds authorized by Public Law 100–418 for vocational education and training purposes.

The Senate recedes.

The House bill, but not the Senate bill, amends section 406(d)(4)(H) of the General Education Provisions Act regarding Library of Congress access to data.

The Senate recedes.

The House bill, but not the Senate bill, amends section 3008 of the Omnibus Budget Reconciliation Act of 1990 to change a year designation from 1996 to 1997.

The Senate recedes with an amendment repealing section 3008 of OBRA.

The House bill, but not the Senate bill, authorizes the Secretary to establish a national clearinghouse to coordinate the production and distribution of educational materials for students with disabilities. $1,000,000 are authorized for FY 93 and such sums as necessary for FY 94 and FY 95.

The Senate recedes with technical amendments.

The Senate bill establishes the National Center for the Workplace in title XV; the House bill establishes this program in part C of title XIV.

The Conference substitute includes in title XV "Related Programs and Amendments to Other Laws."

NATIONAL CENTER FOR THE WORKPLACE

In the purpose section, the House bill, but not the Senate bill, mentions "new and previously unknown" problems.

The House recedes.

The Senate bill, but not the House bill, specifies that grants be made on a competitive basis. The House bill, but not the Senate bill, permits the award of a grant or a contract.

The Senate recedes with an amendment ensuring that grants will be competitive.

The Senate bill, but not the House bill, requires a 25% non-Federal match.

The House recedes.

The House and Senate definitions are drafted with the following differences: (A) the Senate bill, but not the House bill, defines as eligible those institutions which "represent a diversity of views on and an expertise in the field of employment policy"; (B) the House bill, but not the Senate bill, requires that institutions be "in the United States," and that each member of the consortium "grants graduate degrees in the field of industrial and labor relations and conducts nationally recognized research in that field."

The House recedes on (A); the Senate recedes on (B) with an amendment striking the requirement that each member of the consortium grant graduate degrees in the field of industrial and labor relations and conduct nationally recognized research in that field.

The House bill, but not the Senate bill, refers to "interconnected" issues.

The House recedes.

The Senate bill mentions "a faculty that represents a variety of viewpoints," while the House bill refers to a "nationally recognized faculty."

The Senate recedes with an amendment striking "nationally recognized."

The House bill, but not the Senate bill, mentions "collective bargaining" as one of the workplace disciplines.

The Senate recedes.

The House and Senate provisions on use of funds are drafted with the following differences: (A) the Senate bill, but not the House bill, mentions bringing together those "who represent a diversity of views in employment policy"; (B) the list of uses of funds in the House bill is more detailed and comprehensive than the list in the Senate bill.

The Senate recedes.

The House bill, but not the Senate bill, requires the Center to coordinate and conduct research on established and emerging policy issues, on the economic and occupational structures, and on work organizations and employment conditions.

The Senate recedes.

The House bill, but not the Senate bill, requires that seminars be held at least once a year and that the Center utilize electronic technology.

The Senate recedes with an amendment providing that seminars be held "not more frequently than" once a year.

The Senate bill requires an annual National Conference on employment policy; the House bill requires an annual National Conference for the leaders of business and organized labor to convey the Center's activities and foster an exchange of ideas and information.

The Senate recedes with an amendment providing that a "National Conference on employment policy" be conducted "not more frequently than once each year."

The Senate bill requires nonpartisan evaluation of the economic and social implications of national and international workplace and employment issues; the House bill makes no reference to the evaluation's being nonpartisan, and lists examples of what the evaluation should study.

The House recedes.

The House bill, but not the Senate bill, lists how "ready access" to the Center's expertise should be provided.

The Senate recedes.

The House bill, but not the Senate bill, requires the development of programs, curricula, and instructional materials for colleges, universities, and other educational institutions.

The Senate recedes.

The Senate bill refers to "grant funds awarded" where the House bill refers to "payments made."

The House recedes.

The Senate bill refers to the field of "employment policy" where the House bill refers to the field of "industrial and labor relations."

The House recedes.

The Senate bill provides that two members shall be appointed by the Speaker of the House, two members by the Minority Leader of the House, two members by the President Pro Tempore of the Senate, two members by the Minority Leader of the Senate, and two members by the eligible entity. The House bill requires that two members be appointed by the Chair of the Committee on Education and Labor, two members by the Chair of the Committee on Labor and Human Resources, two members by the Secretary of Education, four members by the Secretary of Labor, and one member by the President of each consortium member-institution.

The Senate recedes with an amendment striking the House provision.

The House bill, but not the Senate bill permits other members to be added to the Board by majority vote of the Board's appointed members.

The House recedes with an amendment striking the Senate provision.

The Senate bill provides that all funds appropriated shall remain available until expended, while the House bill makes this provision only for funds appropriated in FY 1993. In addition, the Senate bill authorizes such sums for the 6 fiscal years succeeding FY 1993, while the House bill authorizes such sums for the 4 succeeding fiscal years.

The House recedes with an amendment authorizing funds for fiscal year 1993 and the four succeeding fiscal years.

The House bill, but not the Senate bill, includes a sense of the Congress that recipients of student aid or assistance under this Act should purchase American-made equipment and products.

The Senate recedes with an amendment striking section 1502.

TITLE XIII—INDIAN HIGHER EDUCATION PROGRAMS

The Senate bill authorizes Indian Higher Education programs in Title XVI while the House bill authorizes these programs in Title XIII.

The Senate recedes.

The Senate bill reauthorizes the technical assistance authority for 7 years. The House bill reauthorizes the same for 5 years.

The Senate recedes.

The Senate bill reauthorizes the basic grants authority for 7 years. The House bill reauthorizes the same for 5 years.

The Senate recedes.

The Senate bill reauthorizes the renovation and new construction authorities for 7 years. The House bill reauthorizes the same for 5 years.

The Senate recedes.

The Senate bill, but not the House bill, stipulates that each Tribally Controlled Community College shall act as its own certifying agent and that the Treasury shall transfer the funds through the most expeditious transfer method available.

The House recedes with an amendment striking "succeeding 6 fiscal years" and inserting "4 succeeding fiscal years".

The Senate bill reauthorizes the endowment authority at $10 million for fiscal year 1993, and such sums as may be necessary for 6 additional years. The House bill reauthorizes the same at $5 million for fiscal year 1993 and such sums as may be necessary for 4 additional years.

The House recedes with an amendment striking "6" and inserting "4".

The Senate bill reauthorizes the tribal economic development authority for 7 years. The House bill reauthorizes the same for 5 years.

The Senate recedes.

The Senate bill reauthorizes the Navajo Community College for 7 years. The House bill reauthorizes the same for 5 years.

The Senate recedes.

The Senate bill stipulates Board review of individuals under Presidential consideration "for whom no nominations have been received". The House bill stipulates Board review for individuals under Presidential consideration " who were not nominated pursuant" to the statute.

The House recedes.

The Senate bill uses the current or past tense term "has" to acknowledge the power of the Board to recommend continuation of service. The House bill uses the future tense term "shall have" to create such a power.

The Senate recedes.

The Senate bill requires the Chairman of the Board to transmit the Board's recommendation to the President. The House bill only requires that the Chairman "cause" the transmission to occur (it could be delegated to another Officer).

The House recedes.

The Senate bill, but not the House bill, adds the term "appropriate."

The House recedes.

The Senate bill requires that the President fix the basic compensation rates for Institute officers and employees based upon comparability with the Civil Service General Schedule. The House bill requires the President to use this pay schedule or rates "comparable to those of similar institutions of higher education."

The conference substitute adopts the Senate language, but also permits the Board to make a determination that it is necessary to use rates comparable to those of similar institutions for higher education for recruiting or retention purposes.

The Senate bill uses the term "internal organization." The House bill uses the term "administrative organization."

The House recedes.

The House, bill, but not the Senate bill, includes the specific caveat that the Departments which the Board could create "are not limited to" the ones listed in the provision.

The Senate recedes.

The Senate bill, but not the House bill, allows the endowment fund to be used as collateral for loans to construct or improve Institute facilities.

The House recedes with an amendment deleting the notwithstanding clause.

The House bill, but not the Senate bill, specifically stipulates that the Master Plan is "not limited to" the items set forth in the provision.

The Senate recedes.

The House bill, but not the Senate bill, requires periodic review of the Master Plan by the Board.

The House recedes.

The Senate bill, but not the House bill, includes a provision for funding construction pursuant to the Master Plan. This involves a long-term lease with the General Services

Administration and payments by the G.S.A. to defray an amount equal to the average market cost of facilities leased by the Federal Government in Santa Fe, New Mexico (as determined on the basis of one square foot of space) times 1/3 of the projected square footage of facilities required under the plan. Administrative and oversight provisions are included.

The Senate recedes.

The Senate bill, but not the House bill, creates a new "American Indian Postsecondary Economic Development Scholarship" program. This program, to be administered through the Department of Education's Office of Indian Education, would fund grants to tribes which lack sufficient numbers of professionally trained tribal members to support tribal economic development plans. The tribes would use the funds to make scholarship grants to tribal members in areas involving economic development, with recipients required to either work for the tribe a period of one year for each year of a scholarship received or repay the scholarship amount. Priority in initial grants goes to tribes without tribally controlled community colleges and priority in scholarships goes to individuals with over 30 postsecondary credits. No individual could receive more than $10,000 per annum or four years worth of assistance. The provision contains requirements for administration, application review and service fulfillment. The authorizations for this Part are $2 million in FY 1993, $4.1 million in FY 1994, $6.2 million in FY 1995, $8.3 million in FY 1996, $10.4 million in FY 1997, $12.5 million in FY 1998, and $14.6 million in 1999.

The House recedes with an amendment that: allows the Secretary of Education to award grants directly; states that tribal members agree to use the scholarship to pursue a course of study which meets the requirements of the educational institution, rather than the State; authorizes such sums as may be necessary for the four fiscal years after 1993.

The Senate bill, but not the House bill, creates a new "American Indian Teacher Training" program. This program, to be administered by the Department of Education's Office of Indian Education, would award grants to tribally controlled postsecondary, vocational and technical institutions to develop teacher training programs. Grants could be used for a broad range of activities to establish a program of such training or expand current programs, and/or to provide scholarship assistance to individual Indian students to participate in such programs. Such scholarship assistance would be subject to either a service agreement or a repayment provision. The Secretary of Education could also make such scholarship payments directly. The authorization for this part is $5 million for fiscal year 1993 and such sums as may be necessary for fiscal year thereafter.

The House recedes with an amendment that: allows the Secretary of Education to award grants and scholarships directly; expands the purposes of the program; clarifies the articulation agreement language; limits the eligibility to students who are pursuing or who intend to pursue a four-year degree; and authorizes such sums as may be necessary for the four fiscal years after 1993.

The House bill, but not the Senate bill, creates a new "Tribal Development Student Assistance Revolving Loan" program. This program, to be administered by the Department of the Interior's Bureau of Indian Affairs, is to provide grants to tribes. Tribes would use these funds to identify students who have partial postsecondary completion and to encourage them to complete their postsecondary education, by providing financial assistance and support services. Financial assistance to individuals would be conditioned upon an agreement to provide services to the tribe at the rate of one year of service for each year of financial assistance or repayment of the financial assistance received. Conditions on these agreements and service conditions are stipulated. The grants would be to establish revolving loan programs, with funds recovered by the tribe remaining available to the tribe for redistribution. Conditions on the amounts to be established and the interest derived are stipulated. The authorization for this Part is $2 million for fiscal year 1993 and such sums as may be necessary for four additional fiscal years.

The Senate recedes.

NATIONAL COMMISSION ON THE COST OF HIGHER EDUCATION

The Senate bill, but not the House bill, establishes a National Commission on the Cost of Higher Education, which is authorized to study and report on tuition costs, college and university administrative costs, and related topics.

The House recedes.

The Senate bill, but not the House bill, requires eligible institutions to collect and distribute information on administrative costs, instructional costs, and capital costs to students, applicants, and members of the public. Institutions must also submit a report on the above information to the Secretary and to Congress.

The Senate recedes.

The Senate bill, but not the House bill, authorizes the Secretary to make competitive grants to States, local governments, or consortia of universities and colleges to establish resource sharing plans that reduce long-term tuition costs and prevent unnecessary duplication of existing resources. $15 million are authorized for FY 93 and such sums as necessary for the 6 succeeding years.

The Senate recedes.

The Senate bill, but not the House bill, amends the definition of "community and junior college" in section 104 of the Department of Education Organization Act.

The Senate recedes.

The Senate bill, but not the House bill, requires the Secretary to appoint a Liaison for Community and Junior Colleges within the Department of Education.

The House recedes.

The Senate bill, but not the House bill, prohibits the Secretary of Veterans Affairs from furnishing, or from obligating funds available to the Department of Veterans Affairs to furnish, health care in Department of Veterans Affairs facilities under a rural health care sharing program to persons not eligible for such care under chapter 17 of title 38, United States Code.

The Senate recedes.

From the Committee on Education and Labor, for consideration of the Senate bill, and the House amendment, and modifications committed to conference:

William D. Ford,
Joseph M. Gaydos,
George Miller,
Dale E. Kildee,
Pat Williams,
Charles A. Hayes,
Tom Sawyer,
Donald M. Payne,
Nita M. Lowey,
Jolene Unsoeld,
Craig A. Washington,
José E. Serrano,
Patsy T. Mink,
Robert E. Andrews,
William J. Jefferson,
Jack Reed,
Tim Roemer,
Bill Goodling,
Tom Petri,
Tom Coleman,
Marge Roukema,
Steve Gunderson,
Paul B. Henry,
Susan Molinari,
Bill Barrett,
Scott L. Klug,

As additional conferees from the Committee on Foreign Affairs, for consideration of sec. 613 of the Senate bill, and modifications committed to conference:

Dante B. Fascell,
Howard L. Berman,
Ted Weiss,
Wm. S. Broomfield,
Olympia Snowe,

As additional conferees, from the Committee on Science, Space, and Technology for consideration of secs. 427 and 1405 of the Senate bill, and secs. 499A, 499B, and 499C of the House amendment, and modifications committed to conference:

George E. Brown, Jr.,
Rick Boucher,
Ray Thornton,

Managers on the Part of the House.

Edward Kennedy,
Claiborne Pell,
Howard M. Metzenbaum,
Christopher J. Dodd,
Brock Adams,
Tom Harkin,
Paul Simon,
Barbara A. Mikulski,
Jeff Bingaman,
Paul Wellstone,
Orrin Hatch,
Nancy Landon Kassebaum,
Thad Cochran,
James M. Jeffords,
Strom Thurmond,
Dan Coats,
Dave Durenberger,

Managers on the Part of the Senate.——

Ms. PELOSI. Mr. Speaker, ongoing recession across the country has resulted in repeated calls for an increased investment in our Nation's infrastructure. The conference report on the higher education bill does this by investing in our human infrastructure—the leaders of tomorrow.

The higher education system in the United States is recognized throughout the world as the most comprehensive, the most effective, and the most sophisticated. S. 1150 provides us with the opportunity to help millions more Americans benefit from these great institutions. The expansion of the Pell grant and student loan programs serves as a ray of hope for millions of Americans who until now have viewed higher education as an unrealistic dream.

These opportunities are even more important in light of today's Washington Post article headlined, "Most Schooled Nation May Be Losing Its Edge." Through substantial investment, S. 1150 can help ensure that the United States does not lose its education edge.

Mr. Speaker, I find it encouraging that this legislation has such wide bipartisan support in both bodies. With the President and my colleagues on the other side of the aisle finally recognizing that an increased investment in our education system is in our Nation's long-term interest, I am hopeful that we can get on with the work of investing in other important components of our Nation's human infrastructure.

Therefore, Mr. Speaker, I would encourage my colleagues to join those of us who recognize that a substantial investment in a national health care system will have long-term benefits for the health of our people. I would encourage my colleagues to join those of us who would like to fully invest in the Head Start Program, so that all children begin school prepared to learn. I would encourage my colleagues to join those of us who would like to invest more in AIDS and women's health research so that we can save lives and reduce the Nation's health care costs.

Mr. Speaker, I urge my colleagues on the other side of the aisle to continue their new found enlightenment and recognize that there are many other areas of human infrastructure that require substantial investment. Our long-term interest demands no less.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HEFNER (at the request of Mr. GEPHARDT), for today through July 9, on account of medical reasons.

Mr. ENGEL (at the request of Mr. GEPHARDT), for today, on account of illness in the family.

Mr. CLEMENT (at the request of Mr. GEPHARDT), for today, on account of official business.

Mr. GEKAS (at the request of Mr. MICHEL), for today, on account of medical reasons.

Mr. STUMP (at the request of Mr. MICHEL), for today until 4:05 p.m., on account of a flight cancellation caused by weather and equipment malfunction.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. ALLEN) to revise and extend their remarks and include extraneous material:)

Mr. GINGRICH, for 60 minutes each day, on June 29, 30, July 1, 2, 7, 8, 9, 10, 20, 21, 22, 23, 24, 27, 28, 29, 30, 31, and August 3.

Mr. RIGGS, for 60 minutes each day, on June 29, 30, July 1, and 2.

(The following Members (at the request of Mr. HUBBARD) to revise and extend their remarks and include extraneous material:)

Mr. STARK, for 5 minutes, today.

Mrs. LOWEY of New York, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. EDWARDS of Texas, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(Mr. GILMAN, during debate on H.R. 5429 today.)

(The following Members (at the request of Mr. ALLARD) and to include extraneous matter:)

Mr. PACKARD.
Ms. MOLINARI.
Mr. JAMES.
Mr. GREEN of New York.
Mr. MILLER of Washington.
Mr. BLAZ.
Mrs. ROUKEMA.

(The following Members (at the request of Mr. HUBBARD) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. BROWN in 10 instances.
Mr. ANNUNZIO in six instances
Mr. PENNY.
Mr. TOWNS.
Mr. TORRES in two instances.
Mr. MANTON.
Ms. LONG.
Mr. STARK.
Mr. ENGEL.
Mr. ERDREICH.
Mr. ORTIZ.
Mrs. LOWEY of New York.
Mr. HUBBARD.

SENATE JOINT RESOLUTIONS REFERRED

Joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 248. Joint resolution designating August 7, 1992, as "Battle of Guadalcanal Remembrance Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 252. Joint resolution designating the week of April 18 through 24, 1993, as "National Credit Education Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 287. Joint resolution to designate the week of October 4, 1992, through 10, 1992, as "Mental Illness Awareness Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 294. Joint resolution to designate the week of October 18, 1992, through October 24, 1992, as "National Radon Action Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 295. Joint resolution designating September 10, 1992, as "National D.A.R.E. Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 303. Joint resolution to designate October 1992 as "National Breast Cancer Awareness Month"; to the Committee on Post Office and Civil Service.

S.J. Res. 304. Joint resolution designating January 3, 1993, through January 9, 1993, as "National Law Enforcement Training Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 305. Joint resolution to designate October 1992 as "Polish American Heritage Month"; to the Committee on Post Office and Civil Service.

S.J. Res. 307. Joint resolution designating the month of July 1992, as "National Muscular Dystrophy Awareness Month"; to the Committee on Post Office and Civil Service.

S.J. Res. 309. Joint resolution designating the week beginning November 8, 1992, as "National Women Veterans Recognition Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 318. Joint resolution designating the November 13, 1992, as "Vietnam Veterans Memorial 10th Anniversary Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 319. Joint resolution to designate the second Sunday in October of 1992 as "National Children's Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 324. Joint resolution to commend the NASA Langley Research Center on the celebration of its 75th anniversary on July 17, 1992, to the Committee on Science, Space, and Technology.

ADJOURNMENT

Mr. EDWARDS of Texas. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6' o'clock and 9 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, June 30, 1992, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3832. A letter from the Chairman, Farm Credit System Insurance Corporation, transmitting its annual report, pursuant to 12 U.S.C. 2277a-13; to the Committee on Agriculture.

3833. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Consolidated Farm and Rural Development Act to deny farm operating loans to applicants delinquent in repaying other loans, and to authorize the Secretary of Agriculture to (1) limit the periods of eligibility for insured or guaranteed farm operating loans, and (2) limit to 7 years the period for which farm operating loans may be rescheduled; to the Committee on Agriculture.

3834. A letter from the Secretary of Education, transmitting notice of final priority for fiscal year 1992—independent living services for older blind individuals, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3835. A letter from the Secretary of Health and Human Services, transmitting the annual report for fiscal year 1991 of the Administration on Aging, pursuant to 42 U.S.C. 3018; to the Committee on Education and Labor.

3836. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions of David Heywood Swartz, of Virginia, to be Ambassador to the Republic of Byelarus, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3837. A letter from the President of the United States, transmitting a draft of proposed legislation to designate certain lands in the State of Utah as wilderness, and for other purposes; to the Committee on Interior and Insular Affairs.

3838. A letter from the Secretary, Department of the Interior, transmitting notification that the annual report on Federal and State expenditures for the conservation of endangered and threatened species will be delayed, pursuant to 16 U.S.C. 1544; to the Committee on Merchant Marine and Fisheries.

3839. A letter from the Assistant Attorney General for Legislative Affairs, Department of Justice, transmitting a draft of proposed legislation to reauthorize the Office of Justice Programs, the Bureau of Justice Assistance, the Bureau of Justice Statistics, the National Institute of Justice, the Office of Juvenile Justice and Delinquency Prevention, and for other purposes; jointly, to the Committee on the Judiciary and Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. DE LA GARZA. Committee on Agriculture. House Concurrent Resolution 302. Resolution expressing the sense of the Congress regarding communities making the transition to "Hunger-Free" status; with an amendment (Rept. 102-616, Pt. 2). Referred to the House Calendar.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 3082. A bill to amend the Alzheimer's Disease and Related Dementias Services Research Act of 1986 to reauthorize the act, and for other purposes; with an amendment (Rept. 102-623). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 4773. A bill to provide for reporting of pregnancy success rates of assisted reproductive technology programs and for the certification of embryo laboratories; with an amendment (Rept. 102-624). Referred to the Committee of the Whole House on the State of the Union.

Mr. CONYERS: Committee on Government Operations. House Joint Resolution 454. Resolution to provide for the expeditious disclosure of records relevant to the assassination of President John F. Kennedy; with an amendment (Rept. 102-625, Pt. 1). Ordered to be printed.

Mr. YATES: Committee on Appropriations. H.R. 5503. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1993, and for other purposes (Rept. 102-626). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURTHA: Committee on Appropriations. H.R. 5504. A bill making appropriations for the Department of Defense for the fiscal year ending September 30, 1993, and for other purposes (Rept. 102-627). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 4850. A bill to amend the Communications Act of 1934 to provide increased consumer protection and to promote increased competition in the cable television and related markets, and for other purposes; with an amendment (Rept. 102-628). Referred to the Committee of the Whole House on the State of the Union.

Ms. SLAUGHTER: Committee on Rules. House Resolution 505. Resolution waiving certain points of order during consideration of the bill (H.R. 5488) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1993, and for other purposes (Rept. 102-629). Referred to the House Calendar.

Mr. FORD of Michigan: Committee of Conference. Conference Report on S. 1150 (Rept. 102-630). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. YATES:

H.R. 5503. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1993, and for other purposes.

By Mr. MURTHA:

H.R. 5504. A bill making appropriations for the Department of Defense for the fiscal year ending September 30, 1993, and for other purposes.

By Mr. HUNTER:

H.R. 5505. A bill to amend the Fair Labor Standards Act of 1938 to provide a limited exemption from child labor provisions of such act; to the Committee on Education and Labor.

By Mr. LIPINSKI (for himself, Mr. ANNUNZIO, Mr. RANGEL, Mr. SANGMEISTER, Mr. COSTELLO, and Mr. KOPETSKI):

H.R. 5506. A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to provide disaster assistance for costs of operation of a transit system during a major disaster; to the Committee on Public Works and Transportation.

By Mr. PENNY:

H.R. 5507. A bill to provide for increased U.S. assistance to improve the health of women and children in developing countries; to the Committee on Foreign Affairs.

By Mr. SAXTON (for himself, Mr. HUGHES, Mr. RINALDO, Mr. DWYER of New Jersey, Mrs. ROUKEMA, Mr. PAYNE of New Jersey, and Mr. GUARINI):

H.R. 5508. A bill to amend the Federal Water Pollution Control Act to make Barnegat Bay, NJ, eligible for priority consideration under the national estuary program; to the Committee on Public Works and Transportation.

By Mr. CUNNINGHAM (for himself, Mr. OXLEY, Mr. HANCOCK, and Mr. HERGER):

H.R. 5509. A bill to amend title IV of the Social Security Act to deny aid to families with dependent children to certain individuals for any week in which the individuals work or attend courses at an educational institution for fewer than 30 hours; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.J. Res. 518. Joint resolution proposing an amendment to the Constitution of the United States to prohibit the death penalty; to the Committee on the Judiciary.

By Mr. PALLONE:

H.J. Res. 519. Joint resolution proposing a constitutional amendment to protect natural resources and the environment; to the Committee on the Judiciary.

By Mr. VENTO:

H. Res. 504. Resolution to dispose of Senate amendments to H.R. 2032; considered under suspension of the rules and agreed to.

MEMORIALS

Under clause 4 of rule XXII:

491. The SPEAKER presented a memorial of the Legislature of the State of Louisiana, relative to collection of taxes from interstate sales transactions; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII:

Mr. GEJDENSON introduced a bill (H.R. 5510) to clear certain impediments to the documentation of the vessel *Tesoro*; which was referred to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 431: Mr. CRAMER, Mr. ALLARD, Mr. CLEMENT, Mr. FAWELL, Mr. SWETT, and Ms. SNOWE.

H.R. 643: Mr. COMBEST.

H.R. 1310: Mr. PAXON.

H.R. 1536: Mr. GUNDERSON.

H.R. 2782: Mr. WALSH and Mr. PICKETT.

H.R. 2862: Mr. WALSH, Mr. ATKINS, and Mr. KASICH.

H.R. 3243: Mr. SWETT, Mr. DE LUGO, and Mr. MINETA.

H.R. 3475: Mr. DELLUMS, Ms. MOLINARI, and Ms. SLAUGHTER.

H.R. 3476: Mr. HAYES of Illinois, Ms. MOLINARI, and Ms. SLAUGHTER.

H.R. 4124: Mr. FRANK of Massachusetts and Mr. BORSKI.

H.R. 4192: Mr. CAMPBELL of Colorado, Mr. KILDEE, and Mr. BORSKI.

H.R. 4206: Mr. LEWIS of Florida.

H.R. 4359: Mr. GEPHARDT.

H.R. 4528: Mr. LAFALCE, Mr. HUGHES, and Mr. EVANS.

H.R. 4537: Mr. PALLONE.

H.R. 4542: Ms. NORTON, Mr. ENGEL, Mr. HAYES of Illinois, Mr. EVANS, Mr. STARK, Mr. TORRICELLI, Mr. FLAKE, Mr. ACKERMAN, Mr. PANETTA, Mr. HERGER, Mr. RAVENEL, Mr. ZELIFF, Mr. TAYLOR of Mississippi, and Mr. RITTER.

H.R. 4565: Mr. BARTON of Texas.

H.R. 4595: Mr. TRAFICANT.

H.R. 5070: Mr. MATSUI and Mr. MACHTLEY.

H.R. 5156: Mr. RANGEL, Mr. MAZZOLI, and Mr. JEFFERSON.

H.R. 5216: Mr. SENSENBRENNER.

H.R. 5234: Mr. ZELIFF, Mr. RIGGS, Mr. HAYES of Illinois, Mr. DELAY, and Mr. DANNEMEYER.

H.R. 5237: Mr. NEAL of North Carolina and Mr. KLUG.

H.R. 5250: Mr. WELDON, Mr. SUNDQUIST, and Mr. GRANDY.

H.R. 5257: Mr. JOHNSON of South Dakota, Mr. TOWNS, and Mr. HUGHES.

H.R. 5282: Mr. RUSSO.

H.R. 5321: Mr. ANNUNZIO, Mr. FROST, Mr. HUGHES, Mr. JACOBS, Mr. JAMES, Mr. LAROCCO, and Mr. MAZZOLI.

H.R. 5378: Mr. JEFFERSON, Mrs. COLLINS of Michigan, and Mr. FROST.

H.R. 5416: Mr. RIDGE, Mr. TOWNS, Mr. JEFFERSON, Mr. FROST, Mr. GILMAN, and Mr. HUGHES.

H.R. 5456: Mr. MOODY, Mr. HUNTER, and Mr. SANTORUM.

H.J. Res. 152: Mr. DONNELLY and Mr. DOWNEY.

H.J. Res. 271: Mr. BORSKI and Mr. PETERSON of Florida.

H.J. Res. 411: Mr. DICKINSON, Mr. ESPY, Mr. EWING, Mr. FAWELL, Mr. EARLY, Mr. HALL of Ohio, Mr. HANSEN, Mr. HOYER, Mrs. LLOYD, Mr. MCEWEN, Mr. PASTOR, Mr. GREEN of New York, Mr. PAYNE of New Jersey, and Mr. SANDERS.

H. Con. Res. 92: Mr. HEFLEY, Mr. NOWAK, Mr. COX of Illinois, Mr. BROWDER, Mr. FIELDS, Mr. OLVER, Mr. SENSENBRENNER, Mr. FRANK of Massachusetts, Mr. BORSKI, Mrs. MORELLA, Mr. BENNETT, Mr. JENKINS, Mrs. ROUKEMA, Mr. PRICE, Mr. SPENCE, Mr. DOWNEY, and Mr. FROST.

H. Con. Res. 180: Mr. SABO.

H. Res. 272: Mr. BENNETT, Mr. VALENTINE, Mr. SMITH of New Jersey, and Ms. HORN.

H. Res. 435: Mr. PAXON and Mr. ZIMMER.

H. Res. 484: Mr. STENHOLM, Mr. DELAY, Mr. BURTON of Indiana, and Mr. ALLEN.

H. Res. 490: Mr. PANETTA, Mr. HUGHES, Mr. ZELIFF, and Mr. SCHUMER.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5488

By Mr. JACOBS:

—page 44, line 7, strike out "$2,183,000" and insert in lieu thereof "$613,200."

EXTENSIONS OF REMARKS

"MANAGED" CARE NOT ALWAYS MANAGING COSTS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Mr. STARK. Mr. Speaker, a lot of people in Washington—elected officials, lobbyists, and health gurus—are talking about managed care and competition as being the way to control runaway health costs.

We have to control health care costs. They are the PAC-man of the economy, gobbling up resources needed for education, infrastructure, deficit reduction, you name it.

But managed care isn't the answer. Sure, it can help a bit. But it just postpones the day when we have to do what is needed: set a national budget for total health care costs and find a way to live within that budget.

The June 28, 1992 Washington Post carried an excellent article on the failure of "managed care" to solve health care inflation:

"MANAGED" CARE NOT ALWAYS MANAGING COSTS

(By Albert B. Crenshaw)

Two years ago, Blue Cross and Blue Shield of Florida was looking for customers for its new managed care medical insurance program. So when Florida Power Corp. put out the word that it wanted to cut health care costs, Blue Cross made the big utility an offer it couldn't refuse:

If Florida Power joined up with Blue Cross and then did not save money, it would pay no fee.

Florida Power, which had seen health care costs rise 16 percent in 1989 and 13 percent in 1990, eagerly signed on and last year saw its costs drop 3 percent—for a savings of $5 million.

Out in Texas, however, a funny thing is happening with Baker Hughes Corp.'s managed care program. Costs for employees in the Houston area using health maintenance organizations (HMOs), usually regarded as the most intense form of managed care, are higher than for those in the company's traditional medical insurance plan.

Currently, about the only benefit the company derives from offering HMOs in Houston is that it provides employees a choice that some of them prefer.

"Managed care" is the latest buzzword in American health insurance. Insurers, consultants and other experts in the field have been touting it as the mechanism most likely to control health care costs in the future.

There has been a rush in corporate America to embrace it, primarily because of the promise it seems to hold for saving money, but also in part because it may be the private sector's best hope of preventing a government takeover of the health care system.

But now that companies have been using managed care for several years, many are finding the savings elusive. In fact, a recent survey of more than 2,400 employers by A. Foster Higgins & Co., a Princeton, NJ.-based benefits consultant, found that nearly three-quarters offered some form of managed care, but many found those programs as expensive or more expensive than traditional medical insurance. Others can't figure out whether they are saving money or not.

"It doesn't seem to have been the answer, as it was promised to be, does it?" said Patsy Clemons, corporate benefits administrator at Baker Hughes.

Proponents of managed care acknowledge problems but believe that as experience is gained, results will improve.

"There's a lot that's new . . . that we are still learning about," said Ken Otis of Blue Cross and Blue Shield of Florida.

Broadly defined, managed care means any system in which whoever pays for medical care—usually the employer—takes a role in deciding what care is provided and who provides it.

At its most elementary, this can mean simply requiring employees to obtain advance permission before entering the hospital or demanding second opinions for surgery, psychiatry or other services.

At the other extreme, it can mean requiring employees to get care only through a health maintenance organization in which doctors, nurses and others are on salary, and a "gatekeeper" evaluates each case and determines which, if any, physician the employee can see and what treatment will be provided.

But whatever the form, managed care's main appeal to employers is that it introduces a new force into the market.

In the past, decisions about health care have been made by the physician and the patient. The doctor recommended a treatment, the patient accepted it and the insurer or employer paid for it.

In managed care, the insurer or employer does more than pay. The payer becomes involved in choosing the doctor, hospital or other provider and in deciding what care will be provided. Patients who insist on seeing a different doctor or on undergoing an unapproved procedure will have to pay more.

This introduction of traditional market forces into health care is highly controversial. There are horror stories about patients who were discharged from the hospital prematurely or denied some specific treatment because the insurer deemed it unnecessary. A new field of malpractice law has grown up around the question of who is liable for damages arising from such situations.

Managed care proponents reply that few patients can make an intelligent choice about medical care and, with the payer traditionally having no role, the normal market forces that tend to hold down runaway prices have been absent from the health care field. Involving the payer in these decisions should impose a restraint.

Whatever its imperfections, managed care is spreading rapidly. Insurers see it as a device that can control costs while keeping most of the nation's medical care in the private sector. Many carriers also argue that it will actually improve quality, because as payers watch doctors, hospitals and others more closely, they will spot not only the high-cost providers but also inept doctors and ineffective treatments.

Companies, for their part, are increasingly desperate for relief from rising costs. A survey of 131 large employers by Buck Consultants Inc. of New York found three-quarters dissatisfied with the current system and three-quarters opposed to national health insurance (up from 60 percent three years ago).

A number of companies that have switched to managed care are pleased with the results.

Allied Signal Corp., a pioneer in the field, is estimated to have saved $90 million in the first three years of its plan. Southern California Edison Co. officials found they saved 20 percent in the first year of their plan, which it imposed over the vociferous opposition of its unions.

Other companies, however, have seen little or no savings, or savings that turned out to be one-time events.

"Even the best companies, the ones that have done everything right," such as Southern California Edison, tell Congress that their costs are still rising at unacceptable rates, said Sen. John D. Rockefeller IV (D-W.Va.).

With managed care, many companies are "getting a one-time lowering of costs but are not really [dealing with] the forces that keep driving those costs up," said Kenneth Sperling, a health care consultant with Hewitt Associates, a benefits consulting firm based in Lincolnshire, Ill.

"The bottom line from what I see," said Kenneth E. Thorpe of the University of North Carolina School of Public Health, is that, depending on how sophisticated the employer is in selecting a plan and how expensive the previous plan was, companies realize savings that range "from zero to maybe 10 to 15 percent."

"But these are generally not continuing savings," he added. The company is usually "not ratcheting down" its costs each year.

Officials at several companies said they had seen costs returning to the same curve as before, but having implemented managed care over the objections, or at least reservations, of their workers, these companies did not wish to be quoted by name on the issue.

"We are still going to go off the edge of the earth" on costs, said one. "It's just going to be a few years later."

"The good news is managed care is working. The bad news is why it's working," said Sperling. "Most of the why is [that firms are getting] discounts with providers, and discounts can only be a short-term solution. Once everybody has discount," the advantage disappears.

Sperling and other experts remain convinced that managed care is a sound concept, but its implementation needs to change.

"If you look at managed care as a whole, 45 percent of employees are in it in some form, but only half of them are in HMOs," which have the most potential to cut costs, said John C. Erb, a consultant with A. Foster Higgins.

The Higgins survey, for example, showed that last year HMOs cost employers approximately 15 percent less per employee than traditional insurance plans.

Instead, most employees are now in some alternative form of managed care that seeks to preserve patient choice of physicians and

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• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

hospitals. These include preferred provider organizations (PPOs), point of service (POS) plans and other networks that negotiate discounts from providers, usually in exchange for sending more business the provider's way.

In such plans, the payer gets a better deal, but the traditional system of paying a specific doctor, hospital or other provider a specific fee for a specific service remains in place.

Said Erb, "The only way we can at least make a significant impact on cost is to change the system" to get away from the fee-for-service system. As long as the dominant form of managed care is still fee for service, we are going to have problems."

But fee for service is the way medicine has always been, and most Americans like the choice it provides. The idea of an outside party interjecting itself into the doctor-patient relationship does not sit well with many patients, and doctors are even less enthusiastic about it.

While the American Medical Association has softened its views on the issue—AMA President James S. Todd earlier this month commended HMOs as an effective way of using scarce resources—local medical societies have lobbied successfully for state laws restricting managed care.

Employers have been reluctant to push managed care too far, and unions have also resisted it at many companies.

"We bargained to impasse" over a new managed care program, said a Southern California Edison official. The company finally imposed it unilaterally and has seen savings of 20 percent, but it has spent the time since then "trying to build bridges back to our employees," she said.

The University of North Carolina's Thorpe said that in his view, managed care breaks down into three generations.

First, companies try simply to add some review procedures, such as requiring permission for non-emergency hospital admission, and other restrictions onto a traditional insurance plan, resulting in "some small savings" but nothing permanent.

At the second level, the employer or insurer establishes a network of providers with which it has negotiated preferential rates. Some companies have found these successful, but others have not. Thorpe said in his experience the companies that save money are those that had very expensive plans before. Those that had been trying hard to control costs before "are not likely to save money; in fact, expenses are likely to go up," he said.

The third generation, "which I think has a lot of potential," requires a lot more effort by the employer. To obtain real savings, the employer must shop very carefully for an insurer that can prove that what it offers works. This means collecting enormous amounts of information on quality of care, pricing and other issues, and striking deals with the best and most economical providers.

But even this has its limits, Thorpe said. If employers hope to keep health care cost increases in line with other payroll costs, he said, "there's no possible way that I see that managed care could ever do that."

TO SPUR GROWTH AMONG NEIGHBORS

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Mr. TOWNS. Mr. Speaker, although my efforts to attach an amendment to the foreign operations appropriations for fiscal year 1993, H.R. 5368 were unsuccessful, the merits of the debt relief component of the Enterprise for the Americas Initiative [EAI] still warrant more thought and further consideration.

The Government and people of Jamaica are the real losers in this debate, because they have few if any other options to revive their struggling economy. The Jamaican economy, like most other Caribbean and Latin American economies, is at a crucial stage in its development. Debt relief is particularly critical, because under a pure debt asset sale Jamaica has neither the reserves to buy back its debt, nor can it provide the local currency for third-party sales. Additionally, Jamaica has already privatized most of the assets investors want to buy, thus eliminating this option as well.

The United States also loses. It loses the potential increased export and jobs that come with stronger regional economies. Perhaps, more importantly, it stands to lose face with our neighbors in the Western Hemisphere. Many of these countries, including Jamaica, have endured social hardships in implementing the economic reforms required to get EAI debt relief funding, only to have the United States not follow through with its commitment.

The following article by Richard Bernal, Jamaican Ambassador to the United States, gives additional perspective and insight on the need for debt relief funding under EAI:

[From the Washington Post, June 25, 1992]

TO SPUR GROWTH AMONG NEIGHBORS

(By Richard Bernal)

This week the House of Representatives is expected to consider a foreign assistance bill. As the ambassador of a nation that is vitally interested in this legislation, I am deeply concerned about a political climate that I believe is opposed to initiatives that are in the mutual interest of both the United States and countries like Jamaica. I refer to the so-called "debt relief" component of the Enterprise for the Americas Initiative.

The antipathy toward "debt relief" under the EAI is perhaps due to a failure to appreciate the mutual benefit. The use of the nomenclature "debt relief" may be the real problem. "Debt relief" under EAI is not relief at all but rather a redirecting of U.S. foreign assistance away from inefficient government bureaucracies and toward investment in the newly efficient private sector. Every cent that the United States invests in our private sector today will finance increased trade and increased U.S. exports to the Caribbean.

President Bush introduced the Enterprise for the Americas Initiative in 1990 as a means of fostering market-driven economic growth in the Caribbean and Latin America. It calls for nations in the region to implement a program of economic reform. Those nations, like Jamaica, who orient their economies toward free-market growth strategies, have entered into investment treaties to open trade and investment avenues with the United States.

Resources to assist us in making this transition are included in the EAI. Rescheduling debt payments to the United States will enable Jamaica to concentrate its limited resources on programs to encourage the private sector and stimulate entrepreneurship that will permit us to earn sufficient foreign exchange to pay off all of our remaining debt.

Reduced debt payments will have very limited impact on the U.S. budget. However, the benefits to the U.S. economy will be far greater than any impact from the loss of revenues deferred by debt relief.

Jamaica, as is the case with every nation in the region, is a strong market for the United States. We purchase most of our imported technology, raw materials, food and capital goods from the United States. As our economies and those of our neighbors expand, we will be enabled to purchase even more stimulating a stronger export market for the United States and providing a stimulus for increased U.S. production.

There is a debate as to whether priority should be given to domestic programs or foreign assistance. But that debate hangs on a false dichotomy, especially when the foreign assistance program is oriented toward encouraging economic reform and creating vibrant, private sector economies. Jamaica needs the EAI and so does the United States. The short-term assistance EAI will provide to Jamaica will be a catalyst for our economic growth.

The benefit to the United States is that this region provides the states with one of its largest trade surpluses in the global marketplace. Further strengthening of hemispheric trade can only enhance U.S. ability to counteract the increasingly protectionist trade blocs developing elsewhere in the world.

If exports to Caribbean Basin nations could be doubled—which is possible with sufficient "relief" and development aid to boost real growth—the U.S. trade decifit could be substantially reduced. Foreign assistance has a substantial multiplier effect because almost 75 cents of every dollar of aid is spent on purchasing technology, trucks, vehicles, tractors and equipment from the United States for important development projects.

Carribbean economies are at a critical stage. With U.S. assistance, these countries can overcome underdevelopment and achieve sustainable, economic growth. Without it, they may become enveloped in a deprivation that factors social instability, corruption and illegal drug activity. Failure to fully fund the EAI would be a missed opportunity that would hurt not only the Caribbean nations but the U.S. economy as well.

HONORING JOHN E. TRUAX, LIEUTENANT COLONEL, USAF RESERVE, RETIRED

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Mr. TORRES. Mr. Speaker, I rise today to recognize a special individual and dedicated public servant, John E. (Jack) Truax, security coordinator for Southern California Edison Co., Rosemead, CA.

Educated at Washington State University, in 1957, Jack earned his bachelor of science degree in geology. In 1987, he received his master's degree in public administration from California State University at Northridge. He and his lovely wife, Arlo, have been married for 35 years. They have two children and three grandchildren.

Before retiring from the U.S. Air Force as a lieutenant colonel, Jack served from 1958 to 1964 as a SAC pilot and airport operations manager.

In 1964, Jack began a long and distinguished career as a special agent with the Federal Bureau of Investigation. He served as an assistant senior resident agent for 7 years and then as a supervisory senior resident agent for 4 years. Jack's distinctive experience throughout his 28 years with the FBI included being a member of the Los Angeles FBI antikidnaping team; case agent of the first nuclear extortion case; and supervisor of the first tampering case. He also coordinated and implemented an antiskyjacking plan for southern California; served as a hostage negotiation police instructor; and in 1984, was the Olympic negotiation team leader.

In addition to his distinguished professional accomplishments, Jack has been involved with a variety of law enforcement organizations, including the National Advisory Panel for Retiring FBI Employees; American Legion; Southeast Peace Officers; Los Angeles County Peace Officers; California Oriental Peace Officers; and Chief Special Agents. He currently serves as president of the Society of Former Special Agents of the FBI and he served as past president of the San Gabriel Valley Peace Officers.

Jack is also an Eagle alumni of the Boy Scouts of America. He appeared in Who's Who in the West for 1980–81, and he received the Sons of the American Revolution Law Enforcement Officer of the Year Award for 1988. From 1973 to 1978 Jack served with the boys baseball league district and section directors.

Since 1983, Jack has served as the chairman of the 34th Congressional District U.S. Service Academy Review Board. The Board meets annually to interview and screen applicants who are seeking admission to a U.S. Service Academy. The dedicated work performed by Jack and the other members of the Board provides an indispensable contribution to me in selecting my nominees. Their work ensures that high standards are maintained for the future officer corps, which is critical to our Nation's defense.

Mr. Speaker, it is with pride that I rise to recognize my friend and adviser, John E. Truax, and I ask my colleagues to join me in saluting him for his outstanding commitment to the defense of our Nation and for his record of unselfish service to the residents of the 34th Congressional District.

WHO ARE THE VETERANS OF WORLD WAR TWO?

HON. JILL L. LONG

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Ms. LONG. Mr. Speaker, in Indiana's Fourth Congressional District, we are fortunate to have an individual who typifies much that is good about out great Nation. Dr. Jack Gren, consultant, educator, and lecturer is a true patriot. As a young man, Dr. Gren served in the Air Force during World War II, flying the "Hump" between Indiana and China. He witnessed many of his brave comrades lose their lives so that this Nation could remain free. Dr. Gren's rich and varied experiences have been captured in a poem entitled "Who Are the Veterans of World War Two?" I am inserting this poem in the RECORD so that others may be inspired by it.

WHO ARE THE VETERANS OF WORLD WAR TWO?

(By Jack Gren)

Who are the veterans of World War Two?
People proud of the red, white and blue.
When the war broke out we got right in
Knowing somehow we'd eventually win.
The average age was twenty-six
But there certainly was a full range mix.
Some were the "old guys" at thirty-five
Fighting to keep our country alive.
A few of us were kids, still in our teens
Sincere and eager and full of dreams.
Joined the Air Force, Army, Marines and Navy too
There was an important job we had to do.
We took all the training and it was rough
But that's what taught us how to be tough.
Yes, we were tough when we had to be
But only out of necessity.
The rest of the time we were gentle and kind
Just winning the war was first in our mind.
We fought all over the world day by day
And every night found time to pray.
We fought in Europe with all our might
We knew that we had to make things right.
The battles were fierce in the Africa campaign
And even there we did sustain.
We fought throughout the Pacific Islands
From jungle swamps up the highlands.
We fought in China, Burma and India as well
Now that was real living hell.
We thought about our loved ones way back home
And sometimes felt so terribly alone.
We cared for our buddies quite a bit
And it tore us apart when they got hit.
Casualties occurred in many different ways
Sometimes it put us in kind of a daze.
It was difficult seeing wounded in terrible pain
And no way to help was hard to explain.
But worse was to see friends lie dying
It was all we could do to keep from crying.
Whether killed in a plane, a ship or a tank
It was then we thought the whole war stank.
But that was the way it had to be
And we kept on fighting till the world was free.
Yes, we did out duty and did it with pride
Some of us lived while others died.
Then came the year of '45
The war was over and we were alive.
First Victory in Europe, then VJ Day
Thank you, God, we knelt to pray.
Then we came home to start once more
Hoping there'd not be another war.
We went to college or learned a skill
Thinking never again we'd have to kill.
We married, had children and that was nice
But like everything else we paid a price.
We struggled as we tried to build a career
And many a night shed a silent tear.
Some attitudes changed, it was hard to understand
Why certain people didn't appreciate this land.
When other wars started and some people fled
We remembered the ones who fought and bled.
Then along came those who defiled our flag
They spit on it, burned it, an called it a rag.
They called it "free expression," that it was their right
Something given to them without struggle or fight.
They insulted the veterans who came home lame
For their outrageous actions they ought to feel shame.
And some people still try to get a free ride
It's through self-achievement that we earn our pride.
Now our children are grown and out on their own
And once again we're all alone.
If we're lucky we still have a loving wife
It's really been an interesting life.
We've seen the world change and it's hard to explain
Why there are wars, turmoil and pain.
When will people heed the message from above
And learn to live in peace and love.
Yes, World War Two was long ago
Will the veterans forget it, the answer is no.
For some "old guys" in the war, their journey is done
They lived the good life and the battles were won.
We who were kids, then still in our teens
Are now in our sixties and accomplished our dreams.
We attend military reunions, reminisce with the guys
And occasionally a thought brings tears to our eyes.
We look around, observe and it's easy to see
There aren't as many of us left as there used to be.
But if a terrible war came, heaven forbid
We'd probably do the same thing as we once did.
We'd join in the fray with all our might
And do what we could to make things right.
For we still love this country, the red, white and blue
And that, by God, is the best we can do.

INTRODUCTION OF THE INTERNATIONAL WOMAN AND CHILD HEALTH ACT OF 1992

HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Mr. PENNY. Mr. Speaker, in September 1990, representatives from 150 nations convened at the World Summit for Children and established a number of commitments, including a one-third reduction in child deaths, a halving of deaths among women during pregnancy and childbirth, and immunization of 90 percent of all children in the Third World. The representatives, most importantly, promised to make available the resources to meet these commitments through increases in, or a reallocation of, international aid.

To help the United States keep its commitments, I recently introduced the International Woman and Child Health Act of 1992 which authorizes an additional $150 million in women and children health programs in the Third World. To offset the new spending, the bill transfers $150 million from military assistance programs to these new programs. According to UNICEF, a quarter of a million children die every week in the Third World, and drastic reductions in malnutrition and disease and a basic education for all children could be met by reallocating 10 percent of military expenditure in the developing world and 1 percent in the industrial world.

Specifically, this legislation increases U.S. contributions to multilateral organizations such as UNICEF, WHO, and nongovernmental organizations for immunization programs in the Third World. The bill also provides additional assistance to AID for vitamin A, iodine, and iron supplementation and fortification programs for pregnant women and children in the Third World. Finally, the bill authorizes the use of $100 million in available local currencies—generated through the sale of U.S. commodities or through the Economic Support Fund Cash Transfer Program—for the training, paying, and support of maternal and child health workers.

Please cosponsor the International Woman and Child Health Act of 1992.

A SUMMARY OF THE INTERNATIONAL WOMAN AND CHILD HEALTH ACT OF 1992

I. THIRD WORLD IMMUNIZATION PROGRAMS

U.S. should increase its contributions by $100 million per year in FY 1993 through FY 1995 to multilateral organizations such as UNICEF, WHO, and non-governmental organizations for programs to immunize people in high-mortality countries for such diseases as measles and polio.

The additional funds authorized under this legislation should be in addition to funds currently or previously authorized and appropriated for child survival and maternal health programs and other funding currently or previously appropriated for international and non-governmental organizations.

II. MATERNAL AND CHILD VITAMIN A, IRON, AND IODINE PROGRAMS

Within the Development Assistance (DA) programs of the AID, $50 million per year should be earmarked in FY 1993 through FY 1995 for Vitamin A supplementation and fortification programs ($28 million), and iodine and iron fortification/supplementation programs ($22 million) for pregnant women.

The additional funds authorized under this legislation should be in addition to funds currently or previously authorized and appropriated for child survival and maternal health programs.

III. THIRD WORLD HEALTH CARE WORKERS

The Agency for International Development (AID) should use at least $100 million in available local currencies (generated throught the sale of U.S. aid commodities or through the Economic Support Fund Cash Transfer Program) for the training, paying and support of maternal and child health workers.

In calculating the local currency equivalent of $100 million, parallel market exchange rates are to be used where they differ from official exchange rates.

The additional funds authorized under this legislation should be in addition to funds currently or previously authorized and appropriated for child survival and maternal health programs.

IV. REDUCTION IN MILITARY ASSISTANCE PROGRAMS

U.S. should reduce its foreign military assistance programs by $150 million per year in FY 1993 through FY 1995.

JOSEPH E. MARTIN, SPEECH AT THE CORAL GABLES CHAMBER OF COMMERCE

HON. PETE PETERSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Mr. PETERSON of Florida. Mr. Speaker, in light of the upcoming trade agreements, I would like to share this speech by my very good friend, Joseph E. Martin, executive vice president of the Florida AFL–CIO, before the Coral Gables Chamber of Commerce last November.

JOSEPH E. MARTIN, SPEECH AT THE CORAL GABLES CHAMBER OF COMMERCE, NOVEMBER 19, 1991

Good morning ladies and gentlemen of Coral Gables: Before I commence with my prepared text please raise your hand if you are a local business in Dade County, Florida.

Good Show, for local residents and a very important point in my position to be discussed shortly.

You heard in my introduction my roots are in Florida, I work in Florida—my family is in Florida—my children go to school in Florida, and I hope as they go on to their careers they will stay in Florida! Have I left any doubt about my plans to stay in Florida??

With all of that behind us let me state a personal belief that is the basis for my strong commitment to patriotic America above all else.

As Americans we must help other people of the world. However to help others a nation must be strong enough to help its own.

It has been my life experience that my ability to help others in my family and my community has been limited to my health first and to my wealth second. For even in those times when my wealth was very limited (most of the time) I have still been able to lend a helping hand if my health was good.

By now some of you must be thinking where did they get this guy from. Well if that is your thought, let me tell you, middle income America. I not only represent working men and women, I am one. And I know first hand just how hard it is to run as fast as you can and still fall behind. Money just isn't worth what it used to be. You know the old saying, the faster I run the behinder I get. Well that's us, middle-income America. President Bush should try it for an experience. It may help him understand why we are not spending the money we do not have.

I believe national pride and political consequences have prevented us as a nation from admitting just how sick and tired we are.

Now what about the proposed free trade agreement with Mexico and what middle-income Americans can expect from it. We don't need to look very far to see what some middle-income Americans have already experienced in limited free trade with Mexico.

While total employment has grown during the 1980's, employment in manufacturing has declined by more than 2 million jobs and the growth in non-manufacturing jobs has taken place in the lower-paying service sector. That sacrifice of well-paying and high-quality job opportunities in the middle tier of our Nations income structure is reflected in a decline of 13 percent in average weekly earnings since 1978. A national decline of 13 percent, that may be a 50-percent decline in some towns U.S.A. We're talking about average weekly earnings here, money lost to local business because we spend our money as soon as we get it to pay last weeks bills. Working Americans doing out bit to help the economy.

A strange fact for you to consider. At the same time 1980 to 1990 the Mexican hourly minimum wage in dollars dropped from 1.26 to 0.59 cents (Source: Economic Commission for Latin America and the Caribbean) even with 500,000 new American transplant jobs. Makes one wonder who our current United States/Mexico Government trade policies are helping if not American workers or Mexican workers.

By now you may think we are opposed to any trade agreement with Mexico—not true—we can and should move forward with an agreement that protects the interest of the people of both of our country's. Can that be done? Yes, if the following items are carefully addressed and balanced to improve the living standards of both of our peoples. And yes that to the living standards of both of our peoples. And Yes that to can be done. If the get rich deal makers are pushed to the side lines and real down to earth people with a proven track record of working to raise real spending power of average people. The current fast track brokers are not capable of this in my humble opinion.

ITEMS THAT MUST BE ADDRESSED

Labor rights and standards:

1. No child labor;
2. Workplace health and safety standards;
3. Appropriate minimum wage structures;
4. A right to organize and bargain collectively.

Environment Standards

1. Environmental protection on U.S. standards;
2. Provide for trade penalty;
3. Improvement of infrastructure (sewer, water, electricity and housing).

Rules of origin:

1. A minimum of 80 percent, be of North American origin;
2. In textile and apparel products 100 percent.

Government procurement:

1. The economic structure of Mexico depends on and is dominated by a variety of monopolies. Under this circumstance it makes no sense for the U.S. to open our Government procurement to Mexican bids.
2. Under no circumstances should trade policies extend procurement to the State and local level.

Agriculture:

1. Exempt trade in fruits and vegetables from the agreement;
2. Extend the United States-Canada Dairy Agreement to Mexico;
3. Continue enforcement of section 22 of the farm bill and the Meat Import Act;
4. Insure United States pesticide residue/other food standards enforcement.

Services and investment:

1. Maritime and aviation transportation excluded from agreement;
2. No exclusions to U.S. truck safety standards;
3. States rights to regulate must be protected;
4. We must restrict temporary entry to persons who provide services to managers and executives;

5. Prohibit temporary entry to affect a labor dispute;

6. No extension of OPIC insurance programs to U.S. firms in Mexico.

Trade rules:

1. No change in current U.S. trade remedy law (sec. 301,337);

2. Develop rules to deal with the Mexican Government's control of Mexico's productive capacity to move them to a free market in support of the concept of free/fair trade.

LAST AND MOST IMPORTANT

Displaced worker programs to protect U.S. workers from income loss, real reeducation programs, relocation programs with a no loss commitment. A no loss commitment to the Social Security Fund.

The funding of that program by business guilty of causing displacement.

What is at stake is not more or less trade with Mexico, but the nature and quality of that trade. The United States will stand to lose in the competition for world trade and markets if the economic relationship emerging with Mexico contributes to the further deindustrialization of our American economy, and to the erosion of the skill base of workers in this country—can America stand strong if that happens?

DISTASTE FOR ACTIONS OF THE APPROPRIATIONS COMMITTEE

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Mr. PACKARD. Mr. Speaker, I rise to call attention to and to express my distaste for the actions of the Appropriations Committee last week. The panel voted to eliminate funding for the President's Council on Competitiveness.

I would not presume to ascribe motives, but this appears to be a case of cutting off your nose to spite your face. After all, the Council on Competitiveness is the President's idea: Created in 1989 to help release the stranglehold restrictive Government regulations have on American business. In the current economic climate, axing funds for the two staff people who assist the Council in this task is nothing more than a cheap shot at George Bush.

Those who voted for this amendment are the big-spending, big-Government intervention advocates who have created the unfavorable economic climate business is forced to exist in. The redtape these regulations impose and endless bureaucracy created by Government over-regulation cost the American businesses untold billions of dollars a year. Business and industry of course passes these inflated and wasteful costs onto the American consumer. The result is an inefficient economic system, and goods and services that consumers are increasingly unable to afford.

We stand on the brink of a great change. As we speak, we move into an era of global democracy and a global economy. If we do not allow American business and industry to compete efficiently we will relegate this Nation to a Third World power. The President's Council on Competitiveness is a body which seeks to cut through the redtape, reduce the bureaucracy, and open the floodgates of a competitive, efficient domestic economy. Thus we will maintain our preeminence in the global marketplace as a first-rate economic power. To deny funding for the two staff members is petty, shortsighted, and affirms my suspicion that the liberal leadership of this body seeks to promote their own big-spending, self-perpetuating interests.

SUPREME COURT DECISION ON REPRODUCTIVE RIGHTS IN PLANNED PARENTHOOD OF SOUTHEASTERN PENNSYLVANIA VERSUS CASEY

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Mr. ENGEL. Mr. Speaker, today's Supreme Court decision is a cause of great concern to me and to all supporters of reproductive rights. Those of us who believe that Government should not interfere with a woman's right to choose do not take heart from this decision, even though it does not technically overturn the Roe versus Wade decision. By allowing the imposition of restrictions to safe and legal abortions, the Court has essentially left Roe versus Wade as an empty shell. The fundamental right to choose has no substance if it is burdened with a series of restrictive obstacles.

I am disturbed by the fact, for instance, that the Supreme Court would condone the dissemination of information by the State designed to discourage the choice of abortion as an option. That is a direct attempt to influence a decision making process that can and must be made by the pregnant woman, without interference from the Government. That is the type of intrusion into personal rights that this Nation's founders fought against and warned us to vigilantly oppose.

I feel it is important at this time to reiterate my support for the Freedom of Choice Act in Congress, which would codify the principles of Roe versus Wade and protect the right to choose in every State. Any other scenario is unacceptable. This decision also makes it imperative that we elect a pro-choice President in November and, in case that does not occur, build a veto-proof majority in Congress. Without this legislative guarantee, I fear the few remaining reproductive rights will be discarded in the future by the Supreme Court.

Based on today's decision, each State in the Union could apply their own series of restrictions to reproductive rights that would result in a confusing maze of policies. On such a basic issue as reproductive rights, our Nation should have one clear and unambiguous policy on the books. That policy should be freedom of choice, which respects a woman's right to control that most personal of actions, her reproductive decisions.

HAPPY BIRTHDAY TO LINDA J. FISHER

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Mr. GREEN of New York. Mr. Speaker, as the senior Republican on the House Appropriations Subcommittee that funds the Environmental Protection Agency [EPA], I rise to recognize Linda J. Fisher, Assistant Administrator for Pesticides and Toxic Substances at the EPA on the occasion of her birthday.

Ms. Fisher oversees the EPA's pesticide and toxic waste programs. Most recently she served as the Assistant Administrator for Policy, Planning, and Evaluation at EPA. In that post she had primary responsibility for developing the Agency's position on global climate change and establishing the Office of Pollution Prevention. The Office of Pollution Prevention was created by my proposal to the fiscal year 1988 appropriations bill. In 1986, Ms. Fisher played a key role as the principal policy liaison with Congress and the White House during the rewriting of the Superfund law. I have enjoyed working with Linda on these projects.

I have recently learned that Ms. Fisher's family resides in my district. Together with her family, I should like to wish Linda a happy healthy birthday.

CONGRATULATIONS TO HERMAN ADKERSON

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Mr. POSHARD. Mr. Speaker, I rise to pay tribute to a fine gentleman and a great educator in southern Illinois, Mr. Herman Adkerson.

Herman is retiring this year as superintendent of schools in Pope County, located in deep southern Illinois along the Ohio River, and he will truly be missed. Our communities could never survive without the contributions of people like Herman Adkerson. He has rolled up his sleeves and worked on every community project and worthy cause you could think of, and yet he always has the energy to go the extra mile to make good things happen.

Before coming to Congress, I worked with Herman to help the kids in our rural area be the best they could be. We didn't always have the best equipment, resources, or facilities. But we had Herman on our side, and there are a lot of young people who have turned into fine citizens thanks to the guidance of Herman Adkerson. And through his service as a coach and referee, Herman has helped a lot of us learn the lessons of life which sports are so good at teaching us.

If you take a look around Golconda and Pope County, you'll see at nearly every glance something Herman has helped make possible. And it would take a month of Sundays to find someone who doesn't consider him their friend. I am extremely proud to be among the great many who treasure his friendship, and from the bottom of our hearts, are thankful for all he has done to make this a better place to live, work, and raise a family.

Knowing Herman, I know he will continue to be plenty active in the years to come. But we would be remiss if we allowed this day to pass without trying in some small way to pay the great debt of gratitude which he is owed. Thank you, Herman, and may God bless.

TRIBUTE TO EVELYN AND HERBERT BIRNBAUM

HON. SUSAN MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Ms. MOLINARI. Mr. Speaker, in the Bay Ridge section of Brooklyn on Sunday, May 28, 1992, a very special event will take place. At the Bay Ridge Jewish Center, Evelyn and Herbert Birnbaum will be honored for their 45 years of service to the center and to our community.

Evelyn and Herbert have been lifelong residents of Bay Ridge. In 1923, Samuel Birnbaum established Birnbaums of 86th Street. Herbert joined the family business when he graduated from Harvard, and became the president of the business. Through the years, they incorporated the local Key Food Store and the Tulip Ladies Shop, ably run by Evelyn, into the family business. They have been an integral force in business on the street for over 60 years.

Evelyn and Herbert have been married for 46 years, and have been blessed with a wonderful family. Their son Lawrence is married to wife Amy, and they have given Evelyn and Herbert a beautiful granddaughter, Cara Eden. And their daughter Jan is a famous children's author under the name Jane Aragon.

The Birnbaums have been generous contributors to our community through Neighborhood Services, and they are life members of Jewish international organizations Hadassah and B'nai B'rith.

Mr. Speaker, Evelyn and Herbert Birnbaum have an unselfish devotion to their family, friends, and community. It is a privilege for me to be able to honor this couple that has contributed so much. I extend my personal thanks and gratitude on behalf of the Bay Ridge Jewish Center for their continual commitment to our community.

HONORING THE HONORABLE ALBERTO NATIVIDAD

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Mr. TORRES. Mr. Speaker, I rise today to recognize a special individual and dedicated public servant, Alberto Natividad, mayor pro tem for the city of Pico Rivera.

Born in El Paso, TX, Al has been a resident of California since 1946. He was educated at East Los Angeles College, California State University, Long Beach, and the University of Southern California. Al is also a veteran of World War II. He and his lovely wife, Ida, have been married for over 40 years. They have three children and nine grandchildren.

Al has lived in the city of Pico Rivera since 1980. Elected to Pico Rivera's City Council in April 1982, Al served as mayor pro tem in 1984 and 1992 and as mayor in 1985 and 1990.

Prior to his election to the Pico Rivera City Council, Al worked in Pico Rivera for nearly two decades as a law enforcement officer. He served as an inspector for the Los Angeles County Sheriff's Department. He is a board member of the Pico Rivera Redevelopment Agency; the Pico Rivera Housing Assistance Agency; policy board member of Southeast Early Diversion project, and a member of the Consolidated Youth Services Network.

While maintaining an active role in civic service, Al has also been a member of the Beverly Hospital Board of Directors; Veterans of Foreign Wars Post 6315; Hispanic-American Police Command Officers Association; Southern California Association of Governments executive committee; State advisory group to the Governor on Juvenile Justice and Delinquency Prevention; Disabled American Veterans Post #102, and a variety of law enforcement associations.

Since 1983, Al has served as a member of my U.S. Service Academy Review Board. The board meets annually to interview and screen applicants who are seeking admission to a U.S. service academy. The dedicated work performed by Al and the other members of the board provides an indispensable contribution to me in selecting my nominees. Their work ensures that high standards are maintained for the future officer corps, which is critical to our Nation's defense.

Mr. Speaker, it is with pride that I rise to recognize my friend, adviser, and one of Pico Rivera's most esteemed residents, Alberto Natividad, and I ask my colleagues to join me in saluting him for his outstanding record of unselfish service to the residents of Pico Rivera and the 34th Congressional District.

THE AGE OF RAPID COMMUNICATIONS

HON. JOHN MILLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Mr. MILLER of Washington. If the 20th century represents the information age, then the 21st century can be termed the age of rapid communications. In particular, we are witnessing a revolution in emerging wireless communications technologies. These advances will enable U.S. businesses to better serve their customers and compete more effectively in a global economy. Modern telecommunications can also help us foster dialog and greater mutual understanding between the United States and our neighbors overseas. At the same time, these technologies will improve the quality of life for Americans and will change how we communicate. Soon, telecommunicating, high definition television, digital audio broadcasting, and personal communications systems will be as common as cellular telephones are today.

Cellular technology was developed in the United States and is the most advanced form of wireless communication available today. Over the years, American companies have improved the quality and availability of mobile communications, Less than a decade ago, cellular telephones were only available to a privileged few. According to the Cellular Telecommunications Industry Association, the industry has grown by more than 7.5 million subscribers in only 8 years. Now, cellular phones are being used in the United States throughout the business and agricultural communities, in virtually all facets of the public and private sectors, and for personal use. And even as cellular continues to flourish here in America, it is also sweeping the world.

In Eastern Europe and the former Soviet Union, the collapse of communism has paved the way for new democracies. Yet, ethnic and religious rivalries continue to fragment and destabilize this volatile region. Only communication can spread the ideals of democracy and foster the resolution of these disputes. That is why I have worked to liberalize our export control laws for telecommunications to Eastern Europe and the former Soviet Union.

Without modern telecommunications equipment, it would be difficult for U.S. and foreign companies to do business. If a company cannot call an employee in Lithuania, or send a fax from Latvia, or exchange information with Poland, it will not be able to do business in today's world. Without such business, these countries cannot hope to achieve the economic and political reforms they are striving for.

This rapidly changing post-cold-war era also presents U.S. companies with a valuable opportunity to lend their technological expertise to these fledgling democracies. While expanding their businesses abroad. U.S. West Newvector in my State of Washington has already seized this opportunity. Spectrum Enterprises, a division of Newvector, owns and manages U.S. West's interests in international radio communications projects. Those interests include the Hungarian national cellular system, the first cellular system ever constructed in Eastern Europe. The company also has agreements to build cellular systems in Czechoslovakia and Russia. In addition, U.S. West is a partner in Unitel, a consortium developing personal communications networks in the United Kingdom.

Cellular is being recognized as an essential part of Eastern Europe's infrastructure—as vital to their economies as roads and bridges. While these former totalitarian states are still mired in 50-year-old technology, companies like U.S. West Newvector are introducing modern capabilities to them. Wireless systems, like cellular, have enhanced these countries' economies by providing the infrastructure for communication where one never existed; where the wait for a landline phone was measured in decades.

Mr. Speaker, June has been designated as "National Wireless Communications Month." In the 20th century, this 21st century technology is improving the lives of people from Bangor to the Baltics. I would like to take this opportunity to commend all the men and women working in this field for their contribution to developing and improving this new and exciting technology.

A SALUTE TO PRESIDENT FIDEL RAMOS AND THE PHILIPPINES

HON. BEN GARRIDO BLAZ

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Mr. BLAZ. Mr. Speaker, very shortly, a momentous event is going to occur. A peaceful, orderly transition of power from an outgoing president to her popularly elected successor will take place in the Philippines. This is a pivotal event not just for the Philippines but for the United States as well; for it will serve as a bellwether of our own maturity as a nation.

Mr. Speaker, 93 years ago, the Treaty of Paris, which ended the hostilities between the United States and Spain, ceded to the United States four former Spanish colonies: Cuba and Puerto Rico in the Atlantic, and Guam and the Philippines in the Pacific.

In the ensuing years, the United States has granted nationhood to Cuba and the Philippines, commonwealth status to Puerto Rico, and unincorporated territorial status to Guam. In reviewing these events from a historical perspective, many of my friends grow annoyed when I refer to myself as being from a colony. They look to the record and say, "Look at what we did for Cuba. Look at what we did for the Philippines. Is that the action of a colonial power." We praise ourselves for a virtue where we merely lacked a vice. We pushed for democracy and self-determination in those cases where we did not know how to administer a colony. Should one doubt that colonies aptly describes the possessions and former possessions of the United States, then one needs only look to the territory of Guam to see that there are still some wardens in the Federal Government with a colonial attitude toward their wards in the flag territories.

Interestingly, Puerto Rico continues to struggle to change its own status and even has opted to adopt Spanish as its official language which some view as a statement of its inherent sovereignty.

My point in reviewing the status of these entities is that we lost Cuba many years ago, and except for our base at Guantanamo Bay, which many Cubans find as an irritant to their autonomy, we have not had concrete relations with that country since. During the past year, our military relations with the Philippines have been severed at the request of their political leaders, and the dominant reason for their decision was the question of sovereignty. Guam too is seeking to have its own sovereignty defined in connection with a closer union with the United States.

We are a Nation which is world renowned as a champion of freedom, and one which sacrifices its young men and women in combat, if necessary, in the name of democracy, and yet the sad truth is we have not distinguished ourselves in the administration of our overseas territories nor in the way we have maintained our relationship with our former colonies to whom we have granted independence.

Within a few hours, the Philippines will inaugurate a new president. Ironically, he is American-trained and a graduate of our military academy at West Point. No doubt the severance of our mutual defense treaty rankles some Members, but I am of the view that when you have a relationship with a nation on several different levels, then if one is eliminated, you should work to strengthen the others just as friends who disagree on one point emphasize those which they hold in mutual bond in order to maintain their relationship.

It is my fervent hope that we will view our relationship with the Philippines under its new incoming administration with new dynamics for the Pacific Basin and with a new desire for a stronger partnership.

Just over 50 years ago, during World War II, the Bataan Death March claimed the lives of hundreds upon hundreds of American and Filipino comrades who had fought together side by side against unfettered tyranny. Etched in our consciousness during the entirety of World War II, from its darkest beginnings to its victorious conclusion, was the image of those men and women whose grim determination caused the striding behemoth of aggression to stumble and who gave the first flickering of hope to our Nation and to the rest of the free world.

Those comrades of the war have not now become our enemies simply because they wish to express their autonomy. Indeed, it behooves us to remember the special relationship we have had with the Philippines and its people in order to improve our ties as befitting a great nation so that we may take whatever magnanimous steps necessary to assist that country back to economic and political prosperity.

I rise today to congratulate President Fidel V. Ramos on his election and inauguration and the people of the Philippines for their dedication to the democratic process, at times so difficult and yet without peer in the realm of governance.

TRIBUTE TO WILLIAM HENRY GETTY FRANCE

HON. CRAIG T. JAMES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Mr. JAMES. Mr. Speaker, I am honored to rise today in tribute to William Henry Getty France, motor racing pioneer who passed away on June 7, 1992. Another day should not go by without remembering such a man of stature whose vision helped to shape the future of Daytona Beach.

"Big Bill" as he was affectionately known stopped in Daytona Beach in 1934 when his car broke down and stayed permanently to found an automobile racing empire. His legacy will never die. I would like to enter into the RECORD an excerpt from the recent tribute which appeared in the News Journal which so ably relates the life of such an admired and prominent citizen of our Nation.

Bill France "started pumping gas and repairing cars at a Main Street filling station and ended by playing host to millions at the Daytona International Speedway. The throngs included captains of American industry, Middle Eastern royalty, show business celebrities and powerful politicians. For the 1984 Pepsi 400, President Ronald Reagan was in Daytona Beach.

"Big Bill" was a towering figure, 6 feet 5 inches tall, a man of boundless energy, whose easy manner, loose-gaited stride and infectious smile were combined with a messianic determination to make motor racing a world-renowned sport.

After racing he loved his family, fishing, flying and his friends to whom he was intensely loyal. On the occasion of the 25th anniversary of Daytona International Speedway, he recalled by name a list of hundreds of people who had helped him, in ways large and small, over the quarter-century at the racing oval.

He was widely known for his uncanny weather luck in picking Daytona Beach race dates—only once, on February 23, 1968, was a race rained out here.

Mr. France, who was described by Sports Illustrated as "the most powerful man in motor sports in this country, perhaps the world," parlayed a lifelong love of racing into the two most important developments in post-World War II U.S. motor sports: The first was the formation in 1947 of NASCAR, the sanctioning organization that gave the new sport of stock car racing stability and legitimacy. The second occurred in 1959—the opening of the Daytona International Speedway, now second only to the Indianapolis Motor Speedway in importance on the U.S. racing calendar."

Born September 26, 1909, Bill France arrived in Daytona Beach from Washington, DC with his wife, Anne, and young son, Bill Jr., in the fall of 1934. His other son, James, was born in Daytona Beach.

"Big Bill" founded the National Championship Stock Car Circuit in 1946 before founding its successor, NASCAR. In addition to founding NASCAR, France built two superspeedways, one at Daytona in 1959 and the other superspeedway was built at Talladega in 1968. Hundreds of careers were launched by the "Tall Man" and he gained thousands of friends and millions of admirers along his road to success.

Behind every man there is a good woman. Bill France was no exception. He and his lovely wife, "Annie" were an awesome team. From the homefront to the boardroom, Anne France was a driving force behind the legend. She, too, was an extraordinary person whose dedication to husband, family, and business cannot be matched. Side by side they built their dream. The pages of history were written by people like them.

Mr. Speaker, William Henry Getty France was a truly great American. His determination, spirit, courage, and concern for his fellow man was an inspiration to us all. His deeds will determine the kind of America we leave for future generations.

No more fitting words could be written about "Big Bill" as he was affectionately known than those written in the June/July issue of ISC Pit Notes:

> Yes, there were times, I'm sure you know, when he bit off more than he could chew, but thru it all, when there was doubt, he ate it up, and spit it out. He faced it all, and he stood tall, and did it his way.

The "Tall Man" is gone. Those of us who knew him intimately and worked closely with him have been left a legacy worth more than a thousand college degrees. Those of us fortunate enough to have met him and worked with him only briefly have inherited a treasure worth more than gold.

And those of us who never knew him but are enjoying the fruits of his labor are richer because of the loving and caring he inspired in all of us.

Without Bill France there would be no speedway . . . no NASCAR and no Speedway Family.

As we mourn his passing let us remember a few things. Big Bill never asked anyone to do something he would not do himself. He carried his own bags. He loved his family and that included everyone who worked for him and everyone who competed in the sport he loved so much.

"Life Goes On." And we will carry on, continuing to fulfill his dreams and prospering from the valuable lessons he taught us.

As Bill would say: "It ain't been all bad."

IN RECOGNITION OF PETER SANTARO

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Mrs. ROUKEMA. Mr. Speaker, I rise today to ask my colleagues to join with me in saluting the township of West Milford, NJ, as they gather for their annual Pride Day this weekend. During this year's celebration, the citizens of West Milford will pause to pay special tribute to the fond memories of a distinguished neighbor and devoted public servant, Peter Santaro.

President Bush once said that the future of our Nation begins with the actions of the individual. And radiating out from him or her is the family, the community, the county, the State and the Nation. But in the end, it all depends on the individual to make a difference. Peter Santaro made that difference in West Milford.

He served the Upper Greenwood Lake section of West Milford for 37 years as a member of the Hewitt Fire Department, Engine Company No. 5. He was a driving force in the department and an inspiration to his fellow firefighters—rarely missing a drill, a meeting or a fire call. He served as sergeant-at-arms in the department and continued to answer calls up until the day of his passing.

On October 24, 1991, the people of West Milford lost Peter Santaro to a massive heart attack. Peter was often described as the "last of the old timers" and his passing is recognized as the end of an era in Upper Greenwood Lake history.

Mr. Speaker it has been said that you give but little when you give of your possessions. It is when you give of yourself that you truly give. For his neighbors in West Milford, Peter Santaro gave his all. I ask my colleagues to join as we salute his memory.

A.G. GASTON CELEBRATES 100TH BIRTHDAY

HON. BEN ERDREICH

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Mr. ERDREICH. Mr. Speaker, I want to recognize one of Alabama's most outstanding entrepreneurs of this century, Dr. A.G. Gaston. In fact, Dr. Gaston was recently recognized by Black Heritage magazine as America's entrepreneur of the century.

On Independence Day, Dr. Gaston will celebrate his 100th birthday and because of his work, much of Alabama will celebrate a brighter future.

Shortly after moving to Birmingham, Dr. Gaston founded a small burial society that evolved into the Booker T. Washington Insurance Co. This company became an umbrella for black entrepreneurs working to develop their own successful businesses. Many minority businesses in Alabama got their start through Dr. Gaston.

But, Dr. Gaston's dream has always been to work with our State's youth. He founded the A.G. Gaston Boys and Girls Clubs to develop character and values that thousands of teenagers will carry with them for a lifetime.

Mr. Speaker, Alabama is indeed fortunate to have had 100 years of continued service from Dr. A.G. Gaston. Because of his work, we will all have a brighter future and for that, Dr. Gaston, Alabama thanks you.

IN HONOR OF T.J. JAMES

HON. MIKE ESPY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Mr. ESPY. Mr. Speaker, I rise today to give tribute to Mr. T.J. James, a Mississippian who has left his mark of excellence on his family and community. As a father, he has helped raise nine children. As a construction worker and foreman, he has helped build institutions and infrastructure projects including the Tennessee-Tombigbee Waterway, the Gold Triangle Medical Center, and many buildings at Mississippi State University.

Mr. James of Starkville, MS, will celebrate his 80th birthday this year on September 1, and his family is honoring him at a reunion this summer. I would like to add one more extra voice of congratulations.

Throughout his lifetime, Mr. James has helped others around him. When his father died, he helped raise his siblings and in many ways became the father figure for his family. During his final year in high school at M.I. Seminary, he found work that earned him 50 cents a day. Because the Depression was gripping America and his family, Mr. James maintained a role as coprovider for his family.

On June 18, 1933, Mr. James started his own family when he married Mary Alice Gillespie who was attending Mary Holmes Seminary. Throughout their 59 years of marriage, they have worked as a team to raise their nine children. The children are Dolores J. McCarroll, T.J. James Jr., Robert W. James, Clark James, John A James, Sandra C. James, Louis James, Shirley A.J. Hanshaw, and Mary L.J. McGee.

While raising his family Mr. James participated in ventures including farming in Turkey Creek. The family grew cotton and vegetables and raised yearlings, a milk cow, and hogs. As the children went to college, many of the activities on the farm phased out.

Some of the other jobs Mr. James has held included serving as a delivery person and mechanic for Oakes Grocery Store; a mechanic at an airport under construction by the Army in Starkville; the station porter at GM&O Railroad Depot at Mississippi A&M College; and a mechanic at the A&M Cooperative Creamery.

After working at the creamery, Mr. James learned the trade of concrete finishing and worked in construction for 25 years before retiring. The construction projects vary greatly, and Mr. James' dedication to quality craftsmanship is evident in all of his works.

While working in these many jobs and helping raise his family, Mr. James has remained active in his church and community. He served as a trustee for the Ebeneezer Community School, a clerk for Ebeneezer Church and was ordained a deacon in 1962. He is a member of the Masonic Lodge, the NAACP and several union chapters.

I am pleased to give this tribute to Mr. James for his true dedication to his family and community. Mr. James' family and community are rightly proud of his accomplishments and his life as a dedicated husband, father, and citizen.

A TRIBUTE TO REV. CLAYTON WYATT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Mr. HUBBARD. Mr. Speaker, Rev. Clayton Wyatt, a highly respected Baptist minister in Paducah KY., died at age 79 last Wednesday at Western Baptist Hospital in Paducah.

Reverend Wyatt, a beloved and popular constituent of mine, was pastor of several churches in western Kentucky, including Rosebower Baptist Church and Schneidman Road Baptist Church, both at Paducah.

A Marshall County, KY, native, Reverend Wyatt was also a retired parts and service manager for several area Ford dealerships in western Kentucky.

Reverend Wyatt was a member of the West Union Baptist Association and was a Kentucky colonel.

Surviving are his wife, Euvle Downs Wyatt of Paducah; three sons, Jerry Wyatt, Philip Wyatt and William Wyatt, all of Paducah; three daughters, Phyllis Cassady of Key Largo, FL, Ann Eaves of Reidland, KY, and Judy Edwards of Paducah; two brothers, George Lee Wyatt of Greensburg, IN, and Joe Wyatt of Bandana, KY; 16 grandchildren and 12 great-grandchildren.

Reverend Wyatt was preceded in death by one son, James Clayton Wyatt, five brothers and one grandson. His parents were William and Bertie Ann Miller Wyatt.

My wife Carol and I extend the outstanding family of Rev. Clayton.

My wife Carol and I extend the outstanding family of Rev. Clayton Wyatt our sympathy upon his recent death.

THE CASEY DECISION

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Mr. STARK. Mr. Speaker, today's Supreme Court decision is part of the incremental destruction of a woman's fundamental right to choose. We cannot allow women to be forced to turn to back alley health care. Permitting Roe to be overturned would be permitting the Government to dictate when a woman will have a child. Why should women tolerate Government interference concerning a pregnancy?

Two things must happen if we are to return to women the right to control their own bodies. Congress must act now to pass the Freedom of Choice Act, thereby codifying Roe versus Wade. And in November, the 83 percent of Americans who share my belief that abortion is a private matter between a woman, her family, and her doctor will have to make that belief heard. (Hickman-Maslin poll, Sept. 1989).

I am a long time supporter of the right to choose. I will continue my efforts to keep America a nation of choice and I will continue working to keep the Government out of people's private decisions.

MOUNT CARMEL BAPTIST CHURCH: 100 YEARS

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Mrs. LOWEY of New York. Mr. Speaker, it is a pleasure to join the good people of Mount Carmel Baptist Church as they celebrate the 100th anniversary of this important congregation. Over those 100 years, Mount Carmel has played a prominent role in our community and has served as a source of hope and inspiration to many.

Mount Carmel has truly had a rich history. For 100 years, although the church has changed locations and pastors, it has remained a constant force for good in the Yonkers community. Its membership has grown and its stature has attracted many distinguished religious leaders who have shared their wisdom and vision with the congregation.

Under Reverend Upshaw's leadership, the church has expanded its mission to our young people, establishing the youth church, holding youth church services, vacation Bible School, and organizing a youth advisory committee. The church has inspired young people to provide service to the community, and impressed upon them the importance of education to their futures.

Mount Carmel has never forgotten its responsibility to the community. The church and its people have taken active and constructive roles in enriching the lives of those who see this church as a beacon of hope. Indeed, as the problems of hunger and homelessness have wracked our society, the church has responded by reaching out through very effective food and shelter programs. In doing so, the church has brought comfort to many and addressed urgent needs in our community.

As Mount Carmel heads into its second century, I know that we can count on the church and its people to continue their service and leadership. Under the enlightened guidance of Rev. Willie H. Upshaw, Mount Carmel will be instrumental in building a brighter future. I know my colleagues join me in wishing them well as they celebrate this anniversary and continue their good work.

TRIBUTE TO MR. PEDRO DIAZ DeLEON

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 29, 1992

Mr. ORTIZ. Mr. Speaker, I rise today to pay tribute to Mr. Pedro Diaz DeLeon, a centenarian from the city of Kingsville, TX.

To many, the thought of living 100 years of history is unfathomable. To Mr. Diaz DeLeon, it is a symbol of a long and prosperous life, one that can recapture the myriad of historical events of both Mexican and Mexican-American history. From the warm waters of his native Aguas Calientes to the railways of the Missouri Pacific Railroad, Pedro Diaz DeLeon has left his mark on history.

Born on July 25, 1892, in Aguas Calientes, Chihuahua, Mexico, Pedro Diaz DeLeon began as a mechanic's apprentice at the early age of 10. After gaining much needed experience, Mr. Diaz DeLeon worked in Chihuahua for 6 years. It was during these few years that Mr. Diaz DeLeon came to know the notorious Pancho Villa. In an anthology of oral interviews with the elderly of Kleberg County, Diaz DeLeon vividly recalls his association with Pancho Villa.

In 1917, Mr. Diaz DeLeon was approached by a Texan who had gone to Mexico in search of mechanics to replace those who were striking. He was one of five men who volunteered to go. After 1 year as a mechanic on the Southern Pacific Railroad, Diaz DeLeon was sent to Kingsville, TX, to work on the Missouri Pacific Railroad. It was there that he married and became the proud father of six sons, one of which valiantly fought and was killed in Pearl Harbor during World War II.

The Kingsville, TX, of 1918 was quite different than the Kingsville of 1992. Mr. Diaz DeLeon eloquently recounts having to wear boots in order to walk through the mud-filled streets. He remembers the Kingsville of many years ago to have been a community where life was simple. Commodities were not easy to come by, but the cost of groceries was extraordinarily cheap. People passed their time working, growing gardens and raising chickens. Fiestas were one of the many ways in which the community of Kingsville came together to celebrate the richness of their diverse cultures.

Please join me in congratulating Pedro Diaz DeLeon on his 100th birthday. May he continue to live a joyous life in good health and happiness.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, June 30, 1992, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 1

9:00 a.m.

Labor and Human Resources

Business meeting, to consider pending calendar business.

SD-430

9:30 a.m.

Armed Services

To hold hearings on the nominations of David S. Addington, of Virginia, to be General Counsel of the Department of Defense, and Robert S. Silberman, of Maryland, to be Assistant Secretary of the Army for Manpower and Reserve Affairs, and to consider certain other pending military nominations.

SR-222

Commerce, Science, and Transportation

Communications Subcommittee

To hold hearings on mobile communications.

SR-253

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Governmental Affairs

Business meeting, to consider pending calendar business.

SD-342

10:00 a.m.

Judiciary

To hold hearings on the nominations of Francis A. Keating II, of Oklahoma, to be United States Circuit Judge for the Tenth Circuit, Lourdes G. Baird, to be United States District Judge for the Central District of California, Irma E. Gonzalez, to be United States District Judge for the Southern District of California, and Rudolph T. Randa, to be United States Judge for the Eastern District of Wisconsin.

SD-226

1:00 p.m.

Select on Intelligence

Closed business meeting, to mark up proposed legislation authorizing funds for fiscal year 1993 for intelligence activities of the United States.

SH-219

2:00 p.m.

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To hold hearings on H.R. 1096, to authorize funds for fiscal years 1992 through 1995 for programs, functions, and activities of the Bureau of Land Management, Department of the Interior.

SD-366

JULY 2

9:00 a.m.

Governmental Affairs

Permanent Subcommittee on Investigations

To resume hearings to examine fraud and abuse in the insurance industry, focus-

ing on Blue Cross and Blue Shield insurance.
SD-342

9:30 a.m.

Agriculture, Nutrition, and Forestry

To hold hearings to examine cosmetic standards and pesticide use on fruits and vegetables.
SR-332

Select on Indian Affairs

Business meeting, to mark up S. 2044, to assist Native Americans in assuring the survival and continuing vitality of their languages, S. 1687, to increase the capacity of Indian tribal governments for waste management on Indian lands, and S. 2836, to promote economic development on Indian reservations by making loans to States and to assist States in constructing roads on Indian reservations; to be followed by an oversight hearing on fractionated heirships, Indian probate, oil and gas royalty management, land consolidation demonstration programs, and management of Indian trust funds.
SR-485

Joint Economic

To hold hearings to examine the employment-unemployment situation for June.
SD-628

10:00 a.m.

Foreign Relations

Business meeting, to consider the Treaty between the U.S. and the USSR on the Reduction and Limitation of Strategic Offensive Arms, signed in Moscow on July 31, 1991 (START Treaty), and Protocol thereto dated May 23, 1992 (Treaty Doc. 102-20), Convention for the Conservation of Anadromous Stocks in the North Pacific Ocean, with annex (North Pacific Salmon Treaty) (Treaty Doc. 102-30), and pending nominations.
SD-419

Judiciary

Juvenile Justice Subcommittee

To hold hearings on S. 2792, to authorize appropriations for the continued implementation of the Juvenile Justice and Deliquency Prevention Act of 1974.
SD-226

Veterans' Affairs

To hold hearings on S. 2028, to revise title 38, United States Code, to improve and expand health care and health-care related services furnished to women veterans by the Department of Veterans Affairs.
SH-216

2:00 p.m.

Energy and Natural Resources

To hold hearings on S. 2529, to provide for the transfer of certain lands to the Government of Guam.
SD-366

2:30 p.m.

Select on Indian Affairs

To hold hearings on the proposed Buy Indian Act Amendments.
SR-485

JULY 21

9:30 a.m.

Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings to examine instances of auto repair fraud.
SR-253

Select on Indian Affairs

To hold hearings on proposed legislation to establish a National Indian Policy Research Institute.
SR-485

2:30 p.m.

Select on Indian Affairs

To hold hearings on S. 2746, to extend the purposes of the Overseas Private Investment Corporation to include American Indian Tribes and Alaska Natives.
SR-485

JULY 22

9:30 a.m.

Rules and Administration

To hold hearings on S. 2748, to authorize the Library of Congress to provide certain information products and services.
SR-301

10:00 a.m.

Finance

To hold hearings to examine the state of U.S. trade policy, focusing on proposed legislation to open foreign markets to U.S. exporters and to modernize the operations of the U.S. Customs Service.
SD-215

Veterans' Affairs

To hold hearings on proposed legislation relating to veterans housing and the Court of Veterans Appeals.
SR-418

2:00 p.m.

Governmental Affairs

Government Information and Regulation Subcommittee

To hold hearings on S. 1258, to establish minimum standards for the hiring by the Federal Government of security officers, and to establish a grant program to assist States in establishing standards for the hiring of security officers by public and private employers.
SD-342

2:30 p.m.

Select on Indian Affairs

To hold hearings on the proposed Yavapai-Prescott Water Rights Settlement Act, and the Ft. Mojave Water Use Act.
SR-485

JULY 23

9:30 a.m.

Rules and Administration

To hold joint hearings with the Committee on House Administration on S. 2813 and H.R. 2772, bills to establish in the Government Printing Office a single point of online public access to a wide range of Federal databases containing public information stored electronically.
SR-301

Select on Indian Affairs

To hold hearings on S. 2833, to resolve the 107th Meridian boundary dispute between the Crow Indian Tribe, the Northern Cheyenne Indian Tribe and the United States and various other issues pertaining to the Crow Indian Reservation.
SR-485

2:30 p.m.

Governmental Affairs

General Services, Federalism, and the District of Columbia Subcommittee

To hold hearings on S. 2080, to clarify the application of Federal preemption of State and local laws.
SD-342

JULY 29

10:00 a.m.

Finance

To resume hearings to examine the state of U.S. trade policy, focusing on proposed legislation to open foreign markets to U.S. exporters and to modernize the operations of the U.S. Customs Service.
SD-215

AUGUST 4

9:30 a.m.

Select on Indian Affairs

To hold hearings on S. 2617, to provide for the maintenance of dams located on Indian lands in New Mexico by the Bureau of Indian Affairs or through contracts with Indian tribes.
SR-485

AUGUST 5

10:00 a.m.

Finance

To resume hearings to examine the state of U.S. trade policy, focusing on proposed legislation to open foreign markets to U.S. exporters and to modernize the operations of the U.S. Customs Service.
SD-215

Veterans Affairs

Business meeting, to consider pending calendar business.
SR-418

AUGUST 12

9:30 a.m.

Select on Indian Affairs

To hold oversight hearings on Indian trust fund management.
SR-485

SENATE—*Tuesday, June 30, 1992*

(Legislative day of Tuesday, June 16, 1992)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable J. ROBERT KERREY, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

*And it shall be, if thou do at all forget the Lord thy God * * * I testify against you this day that ye shall surely perish. As the nations which the Lord destroyeth before your face, so shall ye perish; because ye would not be obedient unto the voice of the Lord your God.*—Deuteronomy 8:19–20.

God of the ages, we realize those words were spoken by Moses to Israel, but they apply to our Nation as well, born as it was out of Jewish-Christian tradition. Somehow, we must learn to distinguish between religious establishments and faith in God. Our forefathers mistrusted the establishment of religion, but they took God seriously as reflected in their prayers, their speeches, and their writings.

Give us mind to perceive that religious establishments are what humans do when they institutionalize religion. Even Jesus faced opposition from the religious establishment, but He lived to do the will of His Father in Heaven. God created man free to choose, even against Himself, but the consequence of such choice was self-destruction, so dramatically illustrated by the collapse of communism in the Soviet Union.

Save us from such demise, gracious God, renew in us the faith of our fathers, and restore in us the Judeo-Christian values which will strengthen and sustain us nationally. To the glory of God and the blessings of the people. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 30, 1992.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable J. ROBERT KERREY, a Senator from the State of Nebraska, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. KERREY thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, am I correct in my understanding that the Journal of the proceedings has been approved to date?

The ACTING PRESIDENT pro tempore. The majority leader is correct.

SCHEDULE

Mr. MITCHELL. Mr. President, this morning the period for morning business will extend until 12:30 p.m. During that time, a number of Senators are to be recognized for specific time limits. Once the period for morning business closes at 12:30 p.m., the Senate will recess until 2:15 p.m. in order to accommodate the regular party conference luncheons.

At 2:15 p.m., the Senate will return to consideration of S. 2733, the Government-sponsored enterprises bill, with the bill to be considered under a unanimous-consent agreement reached on Friday. The details of this agreement are found on pages 2 and 3 of the Senate Legislative Calendar today, and I direct the attention of every Senator to that agreement.

Each of the amendments remaining in order to the bill will be considered under time limitations, with rollcall votes expected to occur, once the time is used or yielded back.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business for not to extend beyond the hour of 12:30 p.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

The Senator from Illinois is recognized.

STANDARDS ON VIOLENCE

Mr. SIMON. Mr. President, I have mentioned this on the floor before, but I will give a little background of how I became involved with the topic I am about to mention.

I checked into a motel in the State of Illinois, something that you and I and all of us in the Senate do regularly. I turned on my television set, and all of a sudden in front of me in living color someone was being sawed in half by a chain saw. I am old enough to know it is not real, but it bothered me. I asked myself, what happens to a 10-year-old, what happens to a 12-year-old who sees this?

I returned and asked my staff to check whether anyone had done studies on this. I found, to my amazement, that there had been a series of studies, that the Institutes of Mental Health of NIH had issued studies saying violence on television is causing violence in our society. The Surgeon General twice has issued warnings on this. There have been a whole series of studies.

I do not believe in Government censorship, so I called representatives of the television industry to my office, and I said here is an area where clearly we have a problem and we ought to do something about it.

The representatives of NBC said, "Well, we have a study that shows violence on television does not do any harm."

I said, "You remind me of the Tobacco Institute people who come in here and say they have research that cigarettes do not do any harm." I said, "There is no question about the harm. The question is how are we going to deal with this problem in a free society?"

And then they said to me, "Well, we cannot deal with this because to get together and establish standards would violate the antitrust laws."

So I introduced legislation giving a 3-year exemption from the antitrust laws so the industry could get together and establish standards on violence.

First of all, it is interesting that we had the resistance at least privately, if

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• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

not publicly, of most of the television industry, not all of it, to even having an exemption from the antitrust laws. But it finally passed, and we are now at the midpoint of that 3-year period.

I think it is worthwhile asking what has happened in this period. The honest answer is not very much.

The National Association of Broadcasters hosted a meeting in which its statement of principles were distributed. The three networks have pledged to get together to compare standards. The meeting was to have occurred in April. It has now been postponed until July. They are inching forward, but I am not sure, candidly, whether they are just making motions so it looks like they are doing something so we do not pay any attention in Congress to what is occurring. And we continue to get statements from a few saying television violence does not do any harm.

It is very interesting: You have television industry saying to you that if you get 25 minutes of exposure of television violence, it does not do any harm. But if you will buy 30 seconds' worth of television time, that can have great influence. The reality is that those 30 seconds' worth of television do have an influence, and I am sure the Presiding Officer has purchased those 30 seconds' worth of time occasionally, as I have purchased those 30 seconds' worth of time because we believe it has influence. But there is no question that 25 minutes, or whatever the time period, also has influence.

Let me also say the cable industry, where they have been less hostile to the whole idea, to their credit, has hired Dr. George Gerbner of the University of Pennsylvania, who is one of the experts in this field, to do some studies. And I hope it is not just studies. I hope as a result of this the industry, whether it is on the production side, whether it is the networks, whether it is cable, can get something done. But up to this point it is not very significant.

Just recently, the June 10 issue of the Journal of the American Medical Association, Mr. President, has an article, and I ask unanimous consent to insert it in the RECORD at the end of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SIMON. It is titled "Television and Violence," written by Dr. Brandon S. Centerwall, who is with the Department of Psychiatry and Behavioral Sciences at the University of Washington in Seattle, and also has a private practice.

Let me just take a couple of quotes. Let me quote also, before I quote from him directly, what the American Medical Association said at their convention, their house of delegates. Their house of delegates, and I am quoting:

> Declares TV violence threatens the health and welfare of young Americans, commits itself to remedial actions with interested parties, and encourages opposition to TV programs containing violence and to their sponsors.

The article by Dr. Centerwall says this among other things:

> Whereas infants have instinctive desire to imitate observed human behavior, they do not possess an instinct for gauging a priori whether a behavior ought to be imitated. They will imitate anything, including behaviors that most adults would regard as destructive and antisocial.

So infants do imitate—not just infants, young children, and all of us to some extent imitate. But then listen to this. And this is as dramatic as anything I can present to this body. Listen to what Dr. Centerwall has to say in the American Medical Association Journal:

> The epidemiologic evidence indicates that if hypothetically television technology had never been developed, there would be 10,000 fewer homicides each year in the United States, 70,000 fewer rapes, and 700,000 fewer injurious assaults.

Let me repeat that:

> The epidemiologic evidence indicates that, if hypothetically, television technology had never been developed, there would be 10,000 fewer homicides each year in the United States, 70,000 fewer rapes, and 700,000 fewer injurious assaults.

Let me just make two other quotes from his article:

> Issues of quality and social responsibility are entirely peripheral to the issue of maximizing audience size within a competitive market, and there is no formula more tried and true than violence for reliably generating large audiences that can be sold to advertisers.

We are talking about money, and just as drugs do great harm but make money for the people who sell them, violence on television does great harm but makes money for the people who sell it.

> Children's exposure to television and television violence should become part of the public health agenda along with safety seats, bicycle helmets, immunizations and good nutrition.

Let me quote from two other articles. One is written by Fred Hechinger, a long-time friend who used to be with the New York Times editorial staff. He has written in Fateful Choices. He says:

> An average of 83 percent of all television programs contain violent acts, and a typical program includes 5.21 such incidents.

He quotes Deborah Prothrow-Stith, an assistant dean of Harvard School of Public Health, in which she calls for—

> A movement like that fueling the antismoking and drunk driving campaigns. Television and movies should portray the pain and suffering, the bad outcomes of violence.

Let me just add here there are people who say, well, if you are going to take off violence, then you are going to have to remove Bosnia from the television news.

The reality is that violence on the news does not glamorize violence. Entertainment violence glamorizes violence.

Those with whom we identify, the heroes or heroines on television, do not suffer as a result of this.

Finally, Mr. President, I want to quote from Dr. Carole Lieberman, who, as I recall, is a psychiatrist who wrote in the Los Angeles Times, "Violence: Merely Entertaining or Mainly Evil," and she has these two comments:

> We readily accept that children learn the alphabet from "Sesame Street", why can't we accept that they learn the ABCs of murder and mayhem from gratuitously violent entertainment?
>
> Violence sells. So does crack cocaine. Does that make it O.K.?

Mr. President, this is an area where we have to be sensitive. I do not want Federal Government censorship but I think we have to recognize that part of the violence in our society comes from violence that we see in our homes on television, and the industry has the opportunity and I think the responsibility to do something about it.

Congress has given them a 3-year window of opportunity to come together to establish standards. I think they ought to come together and establish those standards. There is some activity—not enough activity.

Mr. President, I hope we can get some more constructive action on the part of the television industry.

EXHIBIT 1

[From JAMA, June 10, 1992]

TELEVISION AND VIOLENCE—THE SCALE OF THE PROBLEM AND WHERE TO GO FROM HERE

(By Brandon S. Centerwall, MD, MPH)

In 1975, Rothenberg's Special Communication in JAMA, "Effect of Television Violence on Children and Youth," first alerted the medical community to the deforming effects the viewing of television violence has on normal child development, increasing levels of physical aggressiveness and violence.[1] In response to physicians' concerns sparked by Rothenberg's communication, the 1976 American Medical Association (AMA) House of Delegates passed Resolution 38: "The House declares TV violence threatens the health and welfare of young Americans, commits itself to remedial actions with interested parties, and encourages opposition to TV programs containing violence and to their sponsors."[2]

Other professional organizations have since come to a similar conclusion, including the American Academy of Pediatrics and the American Psychological Association.[3] In light of recent research findings, in 1990 the American Academy of Pediatrics issued a policy statement: "Pediatricians should advise parents to limit their children's television viewing to 1 to 2 hours per day."[4]

Rothenberg's communication was largely based on the findings of the 1968 National Commission on the Causes and Prevention of Violence[5] and the 1972 Surgeon General's report, "Television and Growing Up: The Impact of Televised Violence."[6] Those findings were updated and reinforced by the 1982 report of the National Institute of Mental

Footnotes at end of article.

Health, "Television and Behavior: Ten Years of Scientific Progress and Implications for the Eighties," again documenting a broad consensus in the scientific literature that exposure to television violence increases children's physical aggressiveness.[7] Each of these governmental inquiries necessarily left open the question of whether this increase in children's physical aggressiveness would later lead to increased rates of violence. Although there had been dozens of laboratory investigations and short-term field studies (3 months or less), few long-term field studies (2 years or more) had been completed and reported. Since the 1982 National Institute of Mental Health report, long-term field studies have come into their own, some 20 having now been published.[8]

In my commentary, I discuss television's effects within the context of normal child development; give an overview of natural exposure to television as a cause of aggression and violence; summarize my own research findings on television as a cause of violence; and suggest a course of action.

TELEVISION IN THE CONTEXT OF NORMAL CHILD DEVELOPMENT

The impact of television on children is best understood within the context of normal child development. Neonates are born with an instinctive capacity and desire to imitate adult human behavior. That infants can, and do, imitate an array of adult facial expressions has been demonstrated in neonates as young as a few hours old, ie, before they are even old enough to know cognitively that they themselves have facial features that correspond with those they are observing.[9,10] It is a most useful instinct, for the developing child must learn and master a vast repertoire of behavior in short order.

Whereas infants have an instinctive desire to imitate observed human behavior, they do not possess an instinct for gauging a priori whether a behavior ought to be imitated. They will imitate anything,[11] including behaviors that most adults would regard as destructive and antisocial. It may give pause for thought, then, to learn that infants as young as 14 months of age demonstrably observe and incorporate behaviors seen on television (Fig 1).[12,13] (Looking ahead, in two surveys of young male felons imprisoned for committing violent crimes, eg, homicide, rape, and assault, 22 to 34 percent reported have consciously imitated crime techniques learned from television programs, usually successfully.[14])

[Tables not reproducible in the RECORD.]

As of 1990, the average American child aged 2 to 5 years was watching over 27 hours of television per week.[15] This might not be bad, if young children understood what they are watching. However, up through ages 3 and 4 years, many children are unable to distinguish fact from fantasy in television programs and remain unable to do so despite adult coaching.[16] In the minds of such young children, television is a source of entirely factual information regarding how the world works. Naturally, as they get older, they come to know better, but the earliest and deepest impressions were laid down when the child saw television as a factual source of information about a world outside their homes where violence is a daily commonplace and the commission of violence is generally powerful, exciting, charismatic, and efficacious. Serious violence is most likely to erupt at moments of severe stress—and it is precisely at such moments that adolescents and adults are most likely to revert to their earliest, most visceral sense of what violence is and what its role is in society. Much of this sense will have come from television.

Not all laboratory experiments and short-term field studies demonstrate an effect of media violence on children's behavior, but most do.[17,18] In a recent meta-analysis of randomized, case-control, short-term studies, exposure to media violence caused, on the average, a significant increase in children's aggressiveness as measured by observation of their spontaneous, natural behavior following exposure ($P<.05$).[19]

NATURAL EXPOSURE TO TELEVISION AS A CAUSE OF AGGRESSION AND VIOLENCE

In 1973, a small Canadian town (called "Notel" by the investigators) acquired television for the first time. The acquisition of television at such a late date was due to problems with signal reception rather than any hostility toward television. Joy et al[20] investigated the impact of television on this virgin community, using as control groups two similar communities that already had television. In a double-blind research design, a cohort of 45 first- and second-grade students were observed prospectively over a period of 2 years for rates of objectively measured noxious physical aggression (eg, hitting, shoving, and biting). Rates of physical aggression did not change significantly among children in the two control communities. Two years after the introduction of television, rates of physical aggression among children in Notel had increased by 160 percent ($P<.001$).

In a 22-year prospective study of an age cohort in a semirural US county ($N=875$), Huesmann[21] observed whether boys' television viewing at age 8 years predicted the seriousness of criminal acts committed by age 30. After controlling for the boys' baseline aggressiveness, intelligence, and socioeconomic status at age 8, it was found that the boys' television violence viewing at age 8 significantly predicted the seriousness of the crimes for which they were convicted by age 30 ($P<.05$).

In a retrospective case-control study, Kruttschnitt et al[22] compared 100 male felons imprisoned for violent crimes (eg, homicide, rape, and assault) with 65 men without a history of violent offenses, matching for age, race, and census tract of residence at age 10 to 14 years. After controlling for school performance, exposure to parental violence, and baseline level of criminality, it was found that the association between adult criminal violence and childhood exposure to television violence approached statistical significance ($P<.10$).

All Canadian and US studies of the effect of prolonged childhood exposure to television (2 years or more) demonstrate a positive relationship between earlier exposure to television and later physical aggressiveness, although not all studies reach statistical significance.[8] The critical period of exposure to television is preadolescent childhood. Later variations in exposure, in adolescence and adulthood, do not exert any additional effect.[23,24] However, the aggression-enhancing effect of exposure to television is chronic, extending into later adolescence and adulthood.[8,25] This implies that any interventions should be designed for children and their caregivers rather than for the general adult population.

These studies confirm what many Americans already believe on the basis of intuition. In a national opinion poll, 43 percent of adult Americans affirm that television violence "plays a part in making America a violent society," and an additional 37 percent find the thesis at least plausible (only 16 percent frankly disbelieve the proposition).[26] But how big a role does it play? What is the effect of natural exposure to television on entire populations? To address this issue, I took advantage of an historical experiment—the absence of television in South Africa prior to 1975.[8,25]

TELEVISION AND HOMICIDE IN SOUTH AFRICA, CANADA, AND THE UNITED STATES

The South African government did not permit television broadcasting prior to 1975, even though South African whites were a prosperous, industrialized Western society.[8] Amidst the hostile tensions between the Afrikaner and English white communities, it was generally conceded that any South African television broadcasting industry would have to rely on British and American imports to fill out its programming schedule. Afrikaner leaders felt that that would provide an unacceptable cultural advantage to the English-speaking white South Africans. Rather than negotiate a complicated compromise, the Afrikaner-controlled government chose to finesse the issue by forbidding television broadcasting entirely. Thus, an entire population of 2 million whites—rich and poor, urban and rural, educated and uneducated—was nonselectively and absolutely excluded from exposure to television for a quarter century after the medium was introduced into the United States. Since the ban on television was not based on any concerns regarding television and violence, there was no self-selection bias with respect to the hypothesis being tested.

To evaluate whether exposure to television is a cause of violence, I examined homicide rates in South Africa, Canada, and the United States. Given that blacks in South Africa live under quite different conditions than blacks in the United States, I limited the comparison to white homicide rates in South Africa and the United States and the total homicide rate in Canada (which was 97 percent white in 1951). Data analyzed were from the respective government vital statistics registries. The reliability of the homicide data is discussed elsewhere.[8]

Following the introduction of television into the United States, the annual white homicide rate increased by 93 percent, from 3.0 homicides per 100,000 white population in 1945 to 5.8 per 100,000 in 1974; in South Africa, where television was banned, the white homicide rate decreased by 7 percent, from 2.7 homicides per 100,000 white population in 1943 through 1948 to 2.5 per 100,000 in 1974 (Fig. 2). As with US whites, following the introduction of television into Canada the Canadian homicide rate increased by 92 percent, from 1.3 homicides per 100,000 population in 1945 to 2.5 per 100,000 in 1974 (Fig. 3).

For both Canada and the United States, there was a lag of 10 to 15 years between the introduction of television and the subsequent doubling of the homicide rate (Figs 2 and 3). Given that homicide is primarily an adult activity, if television exerts its behavior-modifying effects primarily on children, the initial "television generation" would have had to age 10 to 15 years before they would have been old enough to affect the homicide rate. If this were so, it would be expected that, as the initial television generation grew up, rates of serious violence would first begin to rise among children, then several years later it would begin to rise among adolescents, then still later among young adults, and so on. And that is what is observed.[8]

In the period immediately preceding the introduction of television into Canada and the United States, all three countries were multiparty, representative, federal democracies with strong Christian religious influences, where people of nonwhite races were generally excluded from political power. Although television broadcasting was prohibited prior to 1975, white South Africa had well-developed book, newspaper, radio, and cinema industries. Therefore, the effect of television could be isolated from that of other media influences. In addition, I examined an array of possible confounding variables—changes in age distribution, urbanization, economic conditions, alcohol consumption, capital punishment, civil unrest, and the availability of firearms.[8] None provided a viable alternative explanation for the observed homicide trends. For further details regarding the testing of the hypothesis, I refer the reader to the published monograph[8] and commentary.[25]

A comparison of South Africa with only the United States (Fig 2) could easily lead to the hypothesis that US involvements in the Vietnam War or the turbulence of the civil rights movement was responsible for the doubling of homicide rates in the United States. The inclusion of Canada as a control group precludes these hypotheses, since Canadians likewise experienced a doubling of homicide rates (Fig 3) without involvement in the Vietnam War and without the turbulence of the US civil rights movement.

When I published my original paper in 1989, I predicted that white South African homicide rates would double within 10 to 15 years after the introduction of television in 1975, the rate having already increased 56 percent by 1983 (the most recent year then available).[8] As of 1987, the white South African homicide rate had reached 5.8 homicides per 100,000 white population, a 130-percent increase in the homicide rate from the rate of 2.5 per 100,000 in 1974, the last year before television was introduced.[27] In contrast, Canadian and white US homicide rates have not increased since 1974. As of 1987, the Canadian homicide rate was 2.2 per 100,000, as compared with 2.5 per 100,000 in 1974.[28] In 1987, the US white homicide rate was 5.4 per 100,000, as compared with 5.8 per 100,000 in 1974.[29] (Since Canada and the United States became saturated with television by the early 1960s [Figs 2 and 3], it was expected that the effect of television on rates of violence would likewise reach a saturation point 10 to 15 years later.)

It is concluded that the introduction of television in the 1950s caused a subsequent doubling of the homicide rate, ie, long-term childhood exposure to television is a causal factor behind approximately one half of the homicides committed in the United States, or approximately 10,000 homicides annually. Although the data are not as well developed for other forms of violence, they indicate that exposure to television is also a causal factor behind a major proportion—perhaps one half—of rapes, assaults, and other forms of interpersonal violence in the United States.[8] When the same analytic approach was taken to investigate the relationship between television and suicide, it was determined that the introduction of television in the 1950s exerted no significant effect on subsequent suicide rates.[30]

To say that childhood exposure to television and television violence is a predisposing factor behind half of violent acts is not to discount the importance of other factors. Manifestly, every violent act is the result of an array of forces coming together—poverty, crime, alcohol and drug abuse, stress—of which childhood exposure to television is just one. Nevertheless, the epidemiologic evidence indicates that if, hypothetically, television technology had never been developed, there would today be 10,000 fewer homicides each year in the United States, 70,000 fewer rapes, and 700,000 fewer injurious assaults.[25, 31]

WHERE TO GO FROM HERE

In the war against tobacco, the tobacco industry is the last group from whom we expect any meaningful action. If someone were to call on the tobacco industry to cut back tobacco production as a matter of social conscience and out of concern for the public health, we would regard that person as being at least simple-minded, if not frankly deranged. Oddly enough, however, people have persistently assumed that the television industry operates by a higher standard of morality than the tobacco industry—that it is useful to appeal to its social conscience. This was true in 1969 when the National Commission on the Causes and Prevention of Violence published its recommendations for the television industry.[32] It was equally true in 1989 when the U.S. Congress passed a television antiviolence bill that granted television industry executives the authority to confer on the issue of television violence without being in violation of antitrust laws.[33] Even before the law was fully passed, the four networks stated that they had no intention of using this antitrust exemption to any useful end and that there would be no substantive changes in programming content.[34] They have been as good as their word.

Cable aside, the television industry is not in the business of selling programs to audiences. It is in the business of selling audiences to advertisers. Issues of "quality" and "social responsibility" are entirely peripheral to the issue of maximizing audience size within a competitive market—and there is no formula more tried and true than violence for reliably generating large audiences that can be sold to advertisers. If public demand for tobacco decreases by 1 percent, the tobacco industry will lose $250 million annually in revenue.[35] Similarly, if the television audience size were to decrease by 1 percent, the television industry would stand to lose $250 million annually in advertising revenue.[35] Thus, changes in audience size that appear trivial to you and me are regarded as catastrophic by the industry. For this reason, industry spokespersons have made innumerable protestations of good intent, but nothing has happened. In over 20 years of monitoring levels of television violence, there has been no downward movement.[36,37] There are no recommendations to make to the television industry. To make any would not only be futile but create the false impression that the industry might actually do something constructive.

The American Academy of Pediatrics recommends that pediatricians advise parents to limit their children's television viewing to 1 to 2 hours per day.[4] This is an excellent point of departure and need not be limited to pediatricians. It may seem remote that a child watching television today can be involved years later in violence. A juvenile taking up cigarettes is also remote from the dangers of chronic smoking, yet those dangers are real, and it is best to intervene early. The same holds true regarding television-viewing behavior. The instruction is simple: For children, less TV is better, especially violent TV.

Symbolic gestures are important, too. The many thousands of physicians who gave up smoking were important role models for the general public. Just as many waiting rooms now have a sign saying, "This Is a Smoke-Free Area" (or words to that effect), so likewise a sign can be posted saying, "This Is a Television-Free Area." (This is not meant to exclude the use of instructional videotapes.) By sparking inquiries from parents and children, such a simple device provides a low-key way to bring up the subject in a clinical setting.

Children's exposure to television and television violence should become part of the public health agenda, along with safety seats, bicycle helmets, immunizations, and good nutrition. One-time campaigns are of little value. It needs to become part of the standard package: Less TV is better, especially violent TV. Part of the public health approach should be to promote child-care alternatives to the electronic baby-sitter, especially among the poor who cannot afford real baby-sitters.

Parents should guide what their children watch on television and how much. This is an old recommendation[32] that can be given new teeth with the help of modern technology. It is now feasible to fit a television set with an electronic lock that permits parents to preset which programs, channels, and times they wish the set to be available for; if a particular program or time of day is locked, the set won't turn on for that time or channel.[38] The presence of a time-channel lock restores and reinforces parental authority, since it operates even when the parents are not at home, thus permitting parents to use television to their family's best advantage. Time-channel locks are not merely feasible, but have already been designed and are coming off the assembly line (eg, the Sony XBR).

Closed captioning permits deaf and hard-of-hearing persons access to television. Recognizing that market forces alone would not make closed-captioning technology available to more than a fraction of the deaf and hard-of-hearing, the Television Decoder Circuitry Act was signed into law in 1990, requiring that, as of 1993, all new television sets (with screens 33 cm or larger, ie, 96 percent of new television sets) be manufactured with built-in closed-captioning circuitry.[39] A similar law should require that eventually all new television sets be manufactured with built-in time-channel lock circuitry—and for a similar reason. Market forces alone will not make this technology available to more than a fraction of households with children and will exclude poor families, the ones who suffer the most from violence. If we can make television technology available that will benefit 24 million deaf and hard-of-hearing Americans,[39] surely we can do no less for the benefit of 50 million American children.[35]

Unless they are provided with information, parents are ill-equipped to judge which programs to place off-limits. As a final recommendation, television programs should be accompanied by a violence rating so parents can gauge how violent a program is without having to watch it. Such a rating system should be quantitative and preferably numerical, leaving aesthetic and social judgments to the viewers. Exactly how the scale ought to be quantified is less important than that it be applied consistently. Such a rating system would enjoy broad popular support: In a national poll, 71 percent of adult Americans favor the establishment of a violence rating system for television programs.[40]

It should be noted that none of these recommendations impinges on issues of freedom of speech. That is as it should be. It is not reasonable to address the problem of motor vehicle fatalities by calling for a ban on cars. Instead, we emphasize safety seats, good traffic signs, and driver education. Similarly, to address the problem of violence caused by exposure to television, we need to emphasize time-channel locks, program rating systems, and education of the public regarding good viewing habits.

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Mr. SIMON. Mr. President, if no one else seeks the floor, I request the presence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Texas is recognized.

Mr. BENTSEN. I thank the Chair.

(The remarks of Mr. BENTSEN pertaining to the introduction of S. 2909 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BENTSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WOFFORD). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BIDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BIDEN. Are we in morning business?

The PRESIDING OFFICER. The Senator is correct.

Mr. BIDEN. Mr. President, I ask unanimous consent to be able to proceed in morning business for as much time as I may take or for an hour and half.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMERICAN AGENDA FOR THE NEW WORLD ORDER: A. CEMENTING THE DEMOCRATIC FOUNDATION; B. FORGING A NEW STRATEGY OF CONTAINMENT

Mr. BIDEN. Mr. President, yesterday, in the first of three addresses on the new world order, I sought to cast that concept in historical perspective.

Today I shall begin to describe a four-part American agenda that I believe can give meaning to this concept in the decade that will carry us into the 21st century.

The construction of a cooperative world order, I argued yesterday, is a quintessential American idea that traces to the grand vision championed by President Woodrow Wilson, whose revolutionary proposals were in turn rooted in the precepts of our Founding Fathers.

It seems appropriate for me that the Presiding Officer is the Senator from Pennsylvania, whom I have known for years as a practitioner, as an academic, as a university president, and now a U.S. Senator. He has labored long and hard in the vineyard of international relations in an attempt to lay out for this country what the world order should look like and what role the United States should play in it. So, I am particularly pleased that Senator WOFFORD happens to be in the chair today to give some assessment to what the Senator from Delaware has to say.

I hold that it falls to this generation of Americans to complete the task that Woodrow Wilson began.

Although President Bush introduced the phrase new world order into our vernacular some 2 years ago, he has behaved as if the concept is alien.

Our current President and his administration have shown neither the aptitude nor the will to infuse this idea with meaning through coherent agenda for action.

My theme is that we must rescue this concept from negligence and pursue an active new world order agenda.

For the opportunity America confronts today—to fulfill Wilson's vision of a world of cooperating democracies—comes to us not as a luxurious option we can forgo with impunity, but as an imperative without alternatives.

As mankind advances toward the third millennium, we face problems on a planetary scale, problems arising from the spread of industrial technology and the spread of humanity itself.

These problems—of daunting magnitude and complexity—pose a challenge that mankind can meet only through rigorous cooperation among nations.

The imperative to cooperate carries with it another imperative: that America lead the world into the 21st century as boldly as it led the West in a half-century of cold war.

In the decisive years ahead—years that will determine the very nature of life on our planet—international cooperation on the scale necessary will succeed only if the world's preeminent nation assume that mantle of visionary leadership.

Conservatives who are instinctively disdainful of the very idea of multilateral cooperation can be relied upon to contort the concept into the specter of a multinational, socialistic bureaucracy that would steal our sovereignty, regulate our lives, and depress our economies. These habitual distortions must be overcome.

The call for cooperation is precisely that, a call for intensified, global cooperation: in scientific research and education; in the establishment of agreed standards, incentives, and procedures relating to the preservation of animals, plants, and vital resources; in treaties to control dangerous arms and dangerous pollution; in international peacekeeping and the deterrence and defeat of military aggression; in the development and transfer of sound technologies for sustainable economic growth.

Cooperation does not mean the loss of American sovereignty. It means exercising our sovereignty in joint actions to protect our interests and ultimately American's survival as a flourishing society.

Where cooperation takes us on a difficult path, we must liken that choice to the decision to wage war when we choose sacrifice now so that our Nation may later be secure for its children.

Three-quarters of a century ago in the wake of the great war that devastated all of Europe, Woodrow Wilson advanced the concept of collective security not as a utopian ideal. But as the only practical means by which nations could in the modern age ensure their own security.

Wilson's predominant aim was to defend the principles of democracy and self-determination by enacting a multinational barrier against potential aggressors—those who would impose their will upon others by military force. President Wilson's warnings proved tragically prescient and his concerns remain relevant today.

But on the eve of the 21st century basic facts of life on Earth—alarming facts we may wish to deny but which are undeniable—require us to expand our understanding of security.

Collective security today must encompass not only the security of nations but also mankind's security in a global environment that has proven vulnerable to debilitating changes wrought by mankind's own endeavors.

Collective security today must mean security against direct assault—and security against indirect assault through environmental degradation.

Thus, in setting an American agenda for a new world order, we must begin with a profound alteration in traditional thought—in the habit of thinking embodied in the terms "political," "military" and "economic."

Politically, we must learn to gauge our national policies in their effect on global cooperation, and to evaluate our national leaders in their capacity to engender that cooperation.

Militarily, we must think of national defense as relying on strong American Armed Forces, but also, in equal measure, on our ability to generate actions of prevention and response by the entire world community.

And, most fundamentally, we must now see economics not only as the foundation of our national strength but also as embracing the protection of our global environment, for economics and the environment have become inseparable.

No longer can the world's environment be an afterthought for national leaders a rhetorical grace note embellishing themes of public policy, that are viewed wrongly—as more fundamental.

The concepts of ecosystem and biosphere, far from being esoteric, must become integral to all national policies and be accorded the highest priority on the international agenda.

Even if we cannot detect it in the behavior of the Bush administration, the conclusive litmus test of our success in achieving a new world order will be our ability to manage, through multilateral cooperation, the panoply of threats to the global environment.

With that preface, I propose today the outline of a four-part American agenda: directed, politically, at cementing the democratic foundation of a new world order; directed, militarily, at protecting world peace through a new strategy of containment designed to stop the proliferation of dangerous weapons; directed, again militarily, at fortifying this containment strategy with an expanded commitment to secure the peace by collective military action where necessary; and, finally, directed, in the economic-environmental realm, at launching a concerted, full-scale multilateral effort to promote and reconclie—the broadening of global prosperity and the preservation of our global environment.

CEMENTING THE DEMOCRATIC FOUNDATION

The first part of our agenda, "cementing the democratic foundation," consists primarily in overcoming the geopolitical legacy of communism.

The components of this central task are twofold: to buttress stable democracy in the former Soviet empire and to champion the cause of democracy in China.

To focus on the great Communist tyrannies is not to ignore, or even discount, the cause of democracy elsewhere.

Nor is it to accept the absurd conceit embraced by the Reagan administration: that rightwing dictatorships are more benign than those of the left and uniquely able to evolve toward democracy.

Perhaps the sturdy Reaganauts lacked a perspective they might have gained from closer exposure to the torture chambers of the world's military juntas and other bastions of the right.

The Reaganauts may even have reconsidered after witnessing the spontaneous collapse of the Soviet empire and its dissolution into 20 independent nations, most of them emerging democracies.

Priority attaches to the two great citadels of communism for the very reason that America waged the cold war: because that dangerous and debilitating ideology has controlled nations of tremendous geopolitical weight.

Today, with the Communist world engaged in, or on the brink of, democratic change, we must advance to the policy that was always implicit in our strategy of containment.

Whereas our goal over 40 years was to check and repel, our aim now must be to include and integrate.

If successfully accomplished, the integration of these states into the community of democratic nations would establish solid bedrock on which to build the new world order.

The joining of the second world to the first would complete the new order's foundation: Bringing the world's major nations into a concert of cooperating democracies.

As to China, global statistics underscore the potential significance of a democratic transition in that nation.

By the analysis of Freedom House, a widely respected source, the world's present population of 5.4 billion divides along a political fault line—between some 68 percent of people living in conditions that can be described as "free" or "partly free," and 32 percent who are unprotected by basic institutions of democracy.

Were China to undertake the democratic reforms that huge numbers of its citizens so clearly crave, the percentage of the planet's population living in full or partial democracy would rise to the historically unprecedented, almost astonishing, level just under 90 percent.

Until such change occurs, China will remain history's final bastion of the totalitarian idea.

Its pathetic gerontocracy, brutally in control of one-fifth of humanity, hovers on the world scene as an anachronistic menace, possessed of a nuclear arsenal unconstrained by international commitment, unreliable as a diplomatic partner, and recklessly dispensing on the world market advanced weapons technology that may yet produce an international catastrophe.

For their part, the countries of the former Soviet empire—the eight nations of Central and Eastern Europe and the 12 former Soviet Republics—have already escaped the nondemocratic category defined by Freedom House.

But success in this transition is by no means assured. Plagued by decades of economic mismanagement and lacking strong democratic traditions, these countries remain vulnerable to relapse into tyranny. Their future is pivotal to our hope for a new world order and American security.

With a successful transformation to free-market democracy, these states will be joined in a fabric of European civilization extending from the Atlantic to the Urals and beyond, across the continental sweep of the Russian Republic.

If transformation fails, the world community faces not only lost opportunity, but also the direct danger of chaos and civil war—perils rendered incalculable by the same Soviet nuclear arsenal that for years has posed a threat to all humanity.

Our priority on democracy in the former Soviet empire and China does not, it bears emphasis, entail neglect of democracy's cause elsewhere.

Where America can be influential, we should employ that influence as a matter of principle as well as geopolitics—and with vigor, generosity, and confidence.

A prominent moral imperative is South Africa. There, the monstrous stain of apartheid has, at long last, begun to dissolve—

A process hastened by the economic sanctions imposed by Congress over the adamant objection of a Reagan administration that had adopted a collaborationist policy called constructive engagement.

Elsewhere in Africa, and in Asia and Latin America as well, the United States should never fail to align itself with, and help to propel, history's continuing winds of change.

With new democracies that have only tentatively taken root we should foster active partnership.

Against the world's remaining dictatorships, we should take our stand with none of the exceptions or equivocations of past realpolitik.

But Mr. President, if American foreign policy once compromised these principles in the name of cold war competition, such compromise no longer has any rationale.

In the Middle East, the cause of democracy warrants particular American concern.

There, our interest in regional stability—the kind of long-term stability only democracy can ensure—is both moral and practical, centering on a humanitarian interest in Israel's security and an economic interest in world oil supplies.

Great words, including new world order, were spoken as the United States went to war against Saddam Hussein, and in the war's aftermath, the administration undertook the grand objective of Arab-Israeli peace.

Yet, with Kuwait's Emir safely restored to his throne and notwithstanding its efforts to foster Arab-Israeli dialog, the administration has pursued a policy hardly more complicated than more pressure on Israel and more arms sales to the Arabs.

Having saved the oil monarchs the President has failed to exercise even the power of suasion to induce them to distribute their wealth more wisely or to introduce the most gradual democratic reforms.

Nor is the failure simply a matter of omission. It is a conscious and purposeful policy.

Last year I offered a modest proposal that would have required the President in connection with major arms sales to the Middle East, to certify to Congress that the purchasing country had made progress in the building of democratic institutions.

Although I included a so-called "national security waiver" that would have enabled the President to make sales even without progress, the White House threatened to veto this measure.

The Bush administration was adamant in opposing any effort to highlight the question of democracy in the very countries for which Americans had just been sent to fight and die.

So veiled have been our values, so perverse the aftermath of the war that Kuwaiti officials now dare to reproach the American Ambassador for his mere mention of democracy.

As this simple travesty symbolizes, we are—in the most volatile of the world's regions—engaged in the classic mistake of statecraft, and that is accepting the short-term status quo at the cost of our values and our long-term interests in stability.

But, Mr. President, it is in the central arena—American policy toward the former Soviet empire and China—that the Bush administration has been most glaringly weak in purpose and in action.

THE FORMER SOVIET EMPIRE

The collapse of the Soviet empire, beginning in central Europe and culminating in the disintegration of the Soviet Union itself, ranks among history's great watersheds—a moment that has challenged us to shape the future flow of world events.

As I hear some of my friends tepidly debate aid to Russia as if it is such a dangerous thing to suggest to the American public I am reminded of all those in this Chamber who hailed the brilliant architects of our cold war strategy resulting in the collapse of the Soviet empire. I listen to those men and women on this Chamber floor who herald the brilliance of the creation of NATO, the Marshall plan, the world economic institutions and say therein were the seeds planted for the destruction of the Soviet empire and then lack the courage to come forward and make the case in stark terms that the interest of our children are at stake in the survival of democracy in the former Soviet Union.

I am reminded, Mr. President, only as a student of history, not a participant, in the late forties of a President, who, having great courage, stood before the American people and said: We are about to give massive amounts of aid to the country that just killed your son, your father, your brother, your daughter, your wife, your husband.

How popular must that have been? Where would the world have been had we had a President with the same conviction or lack thereof, that we have today, running the country in 1947, 1948, 1949, and 1950? How many of you think he would have gone back home to you and said, with only 16 percent of the American people supporting the Marshall plan, we must for the good of America and the safety of the world invest in the very nations we just spent billions of dollars decimating? Where would we have been but for the men and women, Republican as well as Democrat, with the courage to lead in a time of monumental change?

Mr. President, a half century ago, the Roosevelt and Truman administrations responded to such a moment with greatness; they were "present at the creation" as architects of a new era. The Bush administration, if not absent, has been little more than an onlooker. The administration's indecision in the face of historical challenge cannot be attributed to outside resistance. On the contrary, there has been a virtual consensus, within the United States and among our allies, as to the ends and means of a sound Western policy in the former Soviet satellites and the former Soviet State.

The central and agreed premise is that the great engine of transformation must be private initiative, and that our goal must be to foster the conditions and institutions necessary for a free economy and a free body politic to thrive.

In this task, there has been unanimity among western governments to rely primarily on the multilateral financial institutions. Led by the International Monetary Fund, and including the World Bank and the new European bank for reconstruction and development.

But reliance upon these agencies will leverage the American contribution, draw upon valuable technical expertise, and help integrate the aid-recipient States within Western economies.

There is also consensus that the United States and others should supplement multilateral aid with direct assistance, primarily educational and professional exchanges, which can be cost-effective in building democratic institutions, and accelerating privatization through such fundamentals as the establishment of legal codes governing business practice, taxation, and property ownership.

The problem is one of implementation: Despite much talk of action, little has been done. Belying his claims to acute foreign policy skill, the President has been negligently slow—slow to see the revolution that Mikhail Gorbachev had begun.

The President was slow, once he did see it, to conceive and implement programs of transitional support for Eastern Europe and later the Soviet Republics.

Finally, this administration was slow to disengage from its embrace of Mikhail Gorbachev once it became clear that others, not Gorbachev, sought full democracy.

Only by sheer inadvertence, it seems, did President Bush possibly help to accelerate constructive change, when he delivered what one pundit dubbed as his "chicken kiev" speech. This speech to the Ukrainian Parliament, aimed at discouraging centrifugal forces, could only have inspired the reactionaries who just days later led the failed coup of August 1991.

It was the coupmakers' effort to prevent the independence of the Republics that brought Boris Yeltsin to the top of a tank and yielded the full and sudden collapse of the entire Soviet empire.

Meanwhile, both multilaterally and bilaterally, the administration has presented a portrait of listlessness, invoking prudence as a mask for lethargy and bureaucratic gridlock.

On the multilateral front, where the United States can pool its contribution with others for such key purposes as currency stabilization, the President has failed to exhibit the leadership simply to elicit congressional approval—including a majority in his own party—for our now 2-year-old pledge to the IMF to support that organization's basic functions.

The American share is a reasonable 19 percent of $60 billion in world contributions, much of which could be used for post-Soviet aid. Rather than leading the IMF, the United States is the only major Nation now deficient, an embarrassing impediment at the very moment this organization is being called upon to perform a critical role in undergirding the post-Soviet democratic governments.

Bilaterally, the administration has been equally dilatory, not least in its near-paralysis in getting organized.

Consider this, from a Nation spending $300 billion each year on national defense: as recently as February 1992, the United States had no diplomatic presence, formal or informal, in any of the former Soviet republics except Russia—none of the 11 others—with the sad exception of two lonely Foreign Service officers assigned to an apartment in Kiev.

Not until this spring did the President finally appoint a full-time coordinator for U.S. policy on the post-Communist transition.

The administration's frail response to Soviet collapse is evident also in its bilateral programs.

For 2 years, the Foreign Relations Committee has tried to grant the President authority to run low-cost exchanges throughout the crumbling Soviet state—to expand human contacts and knowledge of free-market democracy.

Yet, Mr. President, the administration steadily resisted, apparently in thrall to its two most dreaded fears: rightwing criticism and congressional initiative.

Even after submitting his own belated aid request this year, the President has only tepidly called for enactment.

Meanwhile, our only serious bilateral undertaking thus far—a program proposed by Senators NUNN and LUGAR to subsidize the dismantlement of Soviet nuclear weapons targeted on the United States—was enacted last fall in the face of determined indifference on the part of the administration.

Although the President later chose to claim credit for this initiative, the administration's actual implementation has been plodding.

Ultimately, in the emerging post-Soviet states, our most compelling purpose is to foster job-producing commerce—to prevent economic free-fall in the short term and to promote economic partnership in the long term.

To these ends, I have for 2 years urged creation of a network of American business centers, beginning in central Europe and extending eastward, as a cost-effective means to facilitate trade and investment in a challenging new environment.

Yet not until March of this year did the first American business center open in Warsaw.

Whereas the President reportedly plans no more, a vital administration would create a dozen in Russia alone.

CHINA

But if the Bush administration's post-Soviet policy has lacked energy, its China policy has lacked principle.

For the last 3 years, the Butchers of Beijing have had little to fear from Washington.

Seeking to keep open channels of communication, the President has opposed serious congressional effort to impose serious sanctions—or even to link trade to more reasonable Chinese policies on human rights and the sale of dangerously destabilizing arms to the Middle East.

In resisting what could be a rewarding use of American economic leverage, the administration has rekindled a rare passion.

One it displayed earlier in opposing similar congressional efforts to enact sanctions against Saddam Hussein during the 2 years before the gulf war.

Future historians may well observe that opposition to sanctions against tyrants was the one subject that excited the Bush administration as much as its obsession with a cut in the tax on capital gains.

No one can expect that trade sanctions against Beijing would yield a sudden transformation of that regime.

But American foreign policy should leave no doubt, and the Bush administration has left much doubt, that the United States stands squarely on the side of China's brave and aspiring democrats.

Eventually, they will prevail—the democratic idea today is too powerful to resist—and we should do all possible to promote their early accession to power.

Our means may be limited, but this is a purpose we can well advance by helping to spread awareness of democratic values, and accurate news of contemporary events, among a vast Chinese public now denied such basic knowledge.

It is to this end that I wrote legislation creating the commission that is now studying the logistics of launching a Radio Free China.

In Europe, Freedom Radios played an historic role as instruments of information and inspiration, a role extolled by Vaclav Havel, Lech Walesa, and other champions of liberation, as they attest, that a constant current of reliable reporting—the steady breath of truth—helped to fan the flame of democracy in the hearts and minds of citizens throughout Eastern Europe and the Soviet Union, a flame that suddenly in 1989 became a torch and then a wildfire.

The China Commission's report to Congress this summer will set the stage for the enactment of legislation I will introduce this week—the Radio Free China Act—that will commence similar broadcasts into the People's Republic of China.

(Mr. LIEBERMAN assumed the chair.)

Modeled on Radio Free Europe and unlike worldwide networks such as the BBC and the Voice of America, the new radio will emphasize factual reporting about events within China.

Support for these broadcasts will place us where we belong:

On the right side of history, and unequivocally on the side of those Chinese democrats who will ultimately accede to power and with whom we must hope to cooperate in the building of a new world order.

Although we cannot cement the foundation of a new world order until democracy is secure in both China and the former Soviet Empire, we need not wait in beginning to shape the structure that will rest atop that foundation.

For even as they struggle to consolidate democracy, Russia and its neighbors have demonstrated a genuine interest in upgrading and mobilizing the institutions of the United Nations system.

Within the United Nations, the center of gravity has shifted dramatically in favor of cooperation.

For its part, as the sole remaining nondemocracy on the Security Council, China seems disinclined to highlight its status by acts of conspicuous obstructionism—and, where it is obstructionist, China should be challenged.

We therefore have both incentive and latitude to advance now on the three other parts of our new world order agenda.

FORGING A NEW STRATEGY OF CONTAINMENT

In the military realm, our agenda for a new world order is twofold:

To impose strict worldwide constraints on the transfer of weapons of mass destruction and to regularize the kind of collective military action the United Nations achieved ad hoc against Saddam Hussein.

Both items on this agenda—more effective prevention and more effective response—are rendered feasible by the close of the cold war.

The end of the expansionist Soviet threat enables us to refocus our energies on forging a new strategy of containment.

Directed not against a particular Nation or ideology, but against a more diffuse and intensifying danger—the danger that nuclear, chemical and biological weapons, and ballistic missiles to propel them, could pass into the hands of rogue-states or terrorists.

At the same time, Moscow's reincarnation as the capital of a democratic Russia raises the prospect of systematic big-power cooperation, under United Nations auspices, in deterring and defeating threats to world peace.

In short, the kind of expanded commitment to collective security envisaged by the United Nations' founders but blocked heretofore by cold war polarization.

Our pursuit of the first of these goals—a new strategy of containment—must begin with a concerted effort to be rid of the enormous nuclear arsenals the cold war begot.

Soviet nuclear warheads are perhaps best understood as more than 10,000 potential Hiroshimas.

Until they are safely dismantled or placed under new controls, the risk that civil strife in the former Soviet Union could lead to a diversion or misuse of even a few of these devices will pose a severe hazard to the world.

Acting boldly to cope with this risk can yield dual benefit.

By joining with Moscow to demonstrate a post-cold war will to curtail our own immense armaments.

The United States can acquire added moral authority to lead others to accept the unprecedented constraints that a new strategy of containment will entail.

For both reasons—to reduce the threat that still inheres in the Soviet arsenal and to set an example that enhances the stature of American leadership in arms control worldwide—we must act decisively.

Curtailing existing arsenals of devastation must underpin a containment strategy aimed at preempting the menace of new arsenals.

The framework for this effort is the START Treaty, on which the Bush administration has for several months been engaged in clarifying obligations of the former Soviet Republics where nuclear weapons are currently deployed: Russia, Ukraine, Belarus, and Kazakhstan.

The outcome of these discussions—embodied in the so-called Lisbon protocol—has been satisfactory, assuming it can be implemented:

Russia will become the only nuclear power of the four Republics, and the other three are pledged to join the Nuclear Nonproliferation Treaty and thereby forswear nuclear weapons acquisition.

The question, then, is how Russia and America will handle their cold war nuclear arsenals.

As both sides recognize, the START Treaty is only what this acronym connotes, for the treaty's ceiling, limited each side to some 7,000–9,000 nuclear warheads, are as obsolete today as a statue of Lenin on a square in St. Petersburg, Budapest, or Prague.

Over recent weeks, both Russia and the United States called for further reduction, with the Bush administration proposing common ceilings of 4,700 and Moscow offering 2,500.

At the Yeltsin-Bush summit this month, the two Presidents compromised by agreeing to a second START Treaty. This new treaty—START II—would lower the two arsenals to levels of some 3,000–3,500 by the year 2003.

This step was constructive and, on the American side, much-heralded, since President Yeltsin agreed to ban land-based ICBM's with multiple warheads.

These missiles, the heart of the Soviet arsenal, have long been regarded as highly destabilizing because they combine extreme lethality with vulnerability to preemptive attack.

But the compelling issue is whether this scope of reduction—and this pace of reduction—are adequate.

Is it wise, in the post-cold-war era, to maintain this level of nuclear armament? And is it wise to set an entire decade as a timetable for reduction?

By placing ourselves now on this positive but modest path of reduction, are we incurring an avoidable danger and surrendering the opportunity for much more dramatic and valuable progress in curtailing the worldwide nuclear threat?

On the question of timing, it is true that the task of nuclear reduction is complicated by sheer technical difficulty.

Massive nuclear dismantlement has never before been on our agenda, and we lack the technology to accomplish it quickly.

But the principal barrier to deep cuts—the ideological animosity and distrust that characterized the cold war—has disappeared, yielding virtually unlimited opportunity if we will seize it.

For their part, Russian leaders seem willing to negotiate far deeper reductions than the President has yet been willing to contemplate.

They, more than the Bush administration, appear open to the kind of drastic cuts that would represent a fundamental reorientation away from excessive military expenditure and away from an illusory concept of power—a reorientation by which Moscow and Washington could together lead the world toward a more rational focus on mankind's truly menacing problems.

Unfortunately, the Bush Pentagon appears driven by an unreconstructed desire for unilateral advantage and a conviction that—even in a post-cold war world and regardless of whether others are willing to cut—the United States will have good use for literally thousands of nuclear weaheads.

As a consequence, the new obstacle we face in achieving truly deep cuts in the Soviet nuclear arsenal, and containing the growth of other arsensals, is the Pentagon's rigid attachment to its own.

While this phenomenon was perhaps predictable, we cannot afford complacency while Pentagon planners develop new post-cold war rationales for maintaining what they will undoubtedly call a "robust U.S. nuclear arsenal for the 21st century."

Instead, our actions should be as revolutionary as the circumstances in which we find ourselves.

Seen from this perspective, the agreement to cut the START levels to a combined total of 7,000 warheads within a decade seems more a defense of existing arsenals than a radical change: The creation of a high floor rather than a low ceiling.

Our goals, I submit, should be far more ambitious:

We should seek a steady, mutual drawdown to a common ceiling of no higher than 500 warheads, a goal we should waste no time in announcing.

We should propose the elimination not just of ICBM's with multiple warheads but most or all ballistic missiles, based on land and sea.

We should cut the gordian knot of difficult dismantlement by acting immediately to sequester all warheads to be eliminated.

We should act promptly to include Britain, France, and China in negotiations directed toward codification, under U.N. auspices, of a multilateral treaty stipulating limits and obligations for all nuclear states.

And we should announce our willingness to join in a comprehensive test ban treaty and a global ban on the production of weapons-grade fissile material.

As to the size and composition of the American and Russian arsenals, neither side should now hesitate to embrace the concept of minimum deterrence—that is, maintaining only the nuclear forces necessary to inflict a devastating retaliatory strike on any nation that might use weapons of mass destruction.

One of the saddest and costliest truths of the past half-century has been the systematic exaggeration of the utility of nuclear weapons. How else can one explain to a child the size of our current Armageddon arsenals?

American possession of a nuclear monopoly could not prevent the Soviet takeover of Eastern Europe in the 1940's, and nuclear weapons proved of no avail through our long agony in the Korean and Vietnam wars.

In the Cuban missile crisis, we prevailed not due to our so-called nuclear superiority, but because we held the upper hand in conventional force in our own hemisphere.

The definitive demonstration of nuclear impotence was the collapse of the Soviet Union.

Veritably brimming with missiles and warheads, the Soviet Army could not prevent the total dissolution of the very nation that had generated the world's most extravagant nuclear arsenal.

Indeed, it was the grand distortion of priorities embodied in that arsenal, as much as the inherent inefficiencies of the Communist economic system, that hastened the break-up of the Soviet empire.

Weapons that were presumed to confer strength instead contributed to fatal national weakness.

Ultimately, nuclear arms have a single value: Deterrence. But, for both America and Russia, this legitimate function clearly requires far fewer weapons than the vast arsenals we have accumulated.

Many of our nuclear theologians will be quick to denounce the notion of only 500 nuclear warheads on each side as a capitulation to naive thinking.

But I am not prepared to concede that the capacity to create 500 Hiroshimas in a single day is inadequate for retaliation.

What, I might ask, would they have us do on the second day, if we had more?

The elimination of most or all ballistic missiles would support the move to minimum deterrence, depriving both sides of a lightning-strike offensive capability but depriving neither side of the ability to retaliate using advanced aircraft.

In the past, the major rationale for a very large number of warheads was the danger that a ballistic missile attack could preempt many of our missiles and aircraft before launch or takeoff.

Sharply reducing the role of ballistic missiles would enable each side to be confident of its retaliatory capacity—and accomplish the aim of minimum deterrence—at even lower warhead levels.

Full elimination of ballistic missiles would almost surely require a multilateral treaty and global compliance.

But if the question is whether the United States would be better off in a world with no ballistic missiles capable of reaching our shores—the cost being the elimination of our own—surely the answer in principle is a resounding "Yes."

The safe sequestering of Russian and American warheads in special repositories could speed the arms reduction process.

This isolation of nuclear warheads could be accomplished by designating special sites on Russian and American territory, sponsored by the United Nations and guarded by U.N. forces including troops from both Russia and the United States.

The creation of these neutral holding points for weapons slated for dismantlement would not mean endangering sensitive technology.

These sites could be designed to give the host country full control over access to its own weapons during the dismantlement process.

Nor would it mean acting on trust. U.N. inspectors would join Russian and American inspectors in monitoring the pace of dismantlement, and U.N. troops would join Russian and American troops in acting, in effect, to quarantine the warheads so that they could never be removed, at least not without a use of force by the host government constituting a blatant act of treaty abrogation that would signify a total breakdown in relations.

With the innovation of U.N.-sponsored neutral storage, we would eliminate any argument, from Moscow or our own Pentagon, that prompt, deep reductions are technically impossible; we would hasten by years the transfer into safe hands of vulnerable Soviet warheads; and we would more quickly empower ourselves to insist that all other nuclear states become parties to a multilateral regime of strict controls.

Unfortunately, such boldness seems a stranger to the Bush administration, which still rejects the idea of any agreement on warhead destruction.

Ebullient in cold war victory, the Bush Pentagon is so determined to deny Russian inspectors even a look at United States facilities that the American position now constitutes the major obstacle to an agreement on verified warhead dismantlement.

In the same vein, the administration insists, even now, on continued nuclear tests and continued production of the material of which nuclear weapons are made.

By traditional argument, testing helps to perfect the reliability and safety of our weapons. But at this juncture, what is our need for more reliable nuclear warheads?

Surely our safety lies not in maximizing the utility of our own arsenal but in minimizing the dangers posed by nuclear weapons in the hands of others.

Can anyone seriously argue that the United States would derive greater benefit from further nuclear testing than from seeing all other nations cease to do so?

As to fissile material, we have more than we know what to do with—a surplus that can only increase as weapons dismantlement proceeds.

Beyond the budgetary benefits, an American willingness to ban production would yield both valuable symbolism and the practical ability to challenge nations now on the edge of nuclear-weapons status to fulfill longstanding pledges to join in an enforceable global ban.

Achieving such agreement could begin with India, which has already pledged to join, and Pakistan, which has pledged to participate if India agrees.

Israel has made a similar pledge, as have most of the moderate Arab States.

Thus, simply by stating our readiness to forgo the production of fissile material for which we have no need, we could begin a diplomatic process of immense potential value.

The President of the United States should delay not a day in making two major announcements:

That America stands ready to join in a comprehensive test ban, and in a global ban on production of weapons-grade fissile material.

A demonstration of American leadership in sharply cutting our own arsenal, and forgoing further nuclear testing and further production of fissile material, would set the stage for a new nuclear era of cooperation and collective restraint, in which we could build on the notable achievements of recent years.

During the cold war, nonproliferation was deemed a second-order priority, and its institutions have been little known or appreciated.

But now, with the containment of proliferation as our top national security priority, we must raise the profile of these efforts and reallocate resources from the building of weapons to preventing their spread.

The Nuclear Nonproliferation Treaty, the Nuclear Suppliers Group, the Missile Technology Control Regime, the Chemical Weapons Convention, the Biological Weapons Convention, the Coordinating Committee on Export Controls, and the Australia group that has imposed curbs on the sale of chemical and biological technology.

These dry names represent potent purposes. They are the essential tools of a global strategy of containment.

Intensification of these regimes—backed by teams of inspectors and a will to impose sanctions against violators—constitutes our best defense against the appearance of a new Saddam Hussein or the nightmare of terrorist blackmail.

Erecting this defense will require multiplying our financial support for such institutions as the International Atomic Energy Agency, whose inspectors we must regard as the front-line troops in a campaign of weapons containment as critical to our new era as was the containment of communism during the cold war.

But financial support is not enough. IAEA inspectors must be confident that the U.N. Security Council will take whatever action is necessary to enforce their inspection demands.

Most important, if containment fails, we must be prepared to use force to stop rogue nations like North Korea from presenting the world with a nuclear fait accompli.

The reality is that we can slow proliferation to a snail's pace if we stop irresponsible technology transfer, and fortunately nearly all suppliers are finally showing restraint.

The maverick is China, which has persisted in hawking highly sensitive weapons and technology to Syria, Iran, Iraq, Libya, Algeria, and Pakistan—even while pledging otherwise.

While a nondemocratic China is unlikely to cooperate voluntarily in a strategy of containment, we have at hand the necessary lever to induce satisfactory Chinese behavior.

We may safely surmise that the Beijing government will not dissolve itself in response to a threat of economic sanctions.

But a targeted approach—tying continued Sino-American trade specifically to more responsible Chinese behavior in the sale of advanced weapons and weapons technology—would be a linkage that works.

This linkage would force Beijing to choose: between a third world arms market worth millions of dollars, and open trade with the United States from which China will enjoy as much as a $20 billion surplus this year.

Although we have convincing intelligence evidence that China's leaders fear, and would respond to, such leverage, President Bush has refused to challenge Beijing.

Until that policy is reversed, our strategy of containment will be vulnerable to dangerous leakage.

To buttress a new strategy of containment, we also need multilateral restraint in the conventional arms market.

Advanced technology has blurred old distinctions by rendering even so-called conventional weapons ever more lethal.

Recognizing this, Congress mandated the Bush administration in the aftermath of the gulf war to pursue negotiations toward a multilateral arms suppliers regime, an objective consistent with the President's rhetoric.

But what Congress cannot mandate is success, or even sincerity, in negotiations.

Talks among major suppliers—specifically, the U.N. Security Council's five permanent members—have thus far yielded no more than a trivial pledge to share information about sales already made, and a further demonstration of China's refusal to cooperate.

Meanwhile, what appeared after the gulf war as an opportunity to reduce transfers of armament to the Middle East has been converted by the international arms industry into an opportunity to sell even more.

The Bush administration itself is manifestly conflicted on conventional arms.

Directly amid American-sponsored talks on curtailing the sale of advanced conventional arms, the Pentagon began to subsidize the marketing of such weapons by U.S. industry.

In the past year alone, American arms sales to non-NATO countries totaled some $38 billion, as government-to-government sales nearly doubled from the previous year.

This schizophrenia is plainly incompatible with the coherent United States leadership necessary if the world is now to rein in the proliferation of arms.

On advanced conventional arms as well as weapons of mass destruction, our concept of a rigorous containment strategy has far exceeded the Bush administration's actual conduct of policy.

Although largely a matter of will, this deficiency is in part a matter of organization.

Combating proliferation has never held priority in American foreign policy, as it now must.

Accordingly, the responsibility to promote, as well as the power to thwart, a concerted policy is dispersed among various agencies.

In hope of rectifying this defect, I will this week introduce the Weapons Proliferation Containment Act—legislation to consolidate central authority in the executive branch in what will amount to a nonproliferation czar.

Having first established central coordination and authority within the U.S. Government, this legislation then gives teeth to our nonproliferation policy by mandating that the American representative in each major multilateral organization vote to deny assistance to any nation that has violated specified standards or prohibitions in the supply or acquisition of weapons of mass destruction, ballistic missiles, and advanced conventional arms.

Our goal must be to imbue in American foreign policy—and to instill in the international community—a pervasive principle: that proliferation-supporting behavior by companies or nations is anathema, and subject to rigorous measures of detection and punishment.

Tomorrow, I shall describe another military dimension of America's new world order agenda: The need to organize more effectively to sustain an expanded commitment to collective military action—an idea first introduced to the world by Woodrow Wilson and rejected first by this Congress at the end of World War I, then put on hold by a cold war that made its implementation impossible, but now as a consequence of that cold war holds great promise for the future of the world.

And then, the final and most expansive part of our agenda: the launching of a worldwide economic-environmental revolution.

I thank my colleagues for listening. I thank my friend from Massachusetts, Senator KERRY, for waiting.

I yield the floor.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts is recognized to speak for up to 5 minutes.

Mr. KERRY. Mr. President, I ask unanimous consent that I be permitted to proceed in morning business for such time as I may need.

The PRESIDING OFFICER. Hearing no objection, that will be the order.

Mr. KERRY. Mr. President, I begin by congratulating my friend and colleague, the Senator from Delaware and colleague on the Foreign Relations Committee, for his very thoughtful analysis of a real new world order. The Senator has been leading the effort really to analyze the START agreement, and in his role as chairman of one of our subcommittees has long been watching and interested in the issue of an appropriate arms balance and a distribution of forces.

I think his statement is a very thoughtful one about the terrible inconsistency and almost hypocrisy of our current policy, at one time talking about arms proliferation but engaging in the very policies that undercut it.

He is absolutely correct in having laid on an agenda for arms limitation, as well as control, as well as nonproliferation, as well as for peacekeeping. I congratulate him on his thoughtful speech.

Mr. BIDEN. Mr. President, I thank my colleague for his comments. I appreciate them very much.

LAWRENCE WALSH

Mr. KERRY. Mr. President, I rise to discuss another matter that has come to my attention yet again in the course of the last few weeks in a way that, frankly, bothered me personally, but just bothered me as a Senator and as a citizen.

I have been amazed that last week's indictment of former Defense Secretary Caspar Weinberger has led to a renewed barrage of criticism and even for some a kind of ridicule of the independent prosecutor, Lawrence Walsh. He has been accused of character assassination and of wasting large amounts of Government money on a scandal that the American people allegedly just do not care about. And because the polls do not show that this is a popular issue, I suppose some interpret immediately that it ought to go away.

Some people seem to want to choose all the issues in this country according to the polls. That appears to be one of the problems that we face in terms of leadership, or the lack thereof, at a time when this country is desperately crying out for leadership.

Many Congressmen and Senators alike have gone to the floor and made speeches criticizing Mr. Walsh and drawing conclusions about the accusatory process in ways that I think do not reflect well on this institution or on our real understanding of constitutional obligation in this country.

Critics particularly delight in pointing out that two principal convictions that have been obtained by the special prosecutor, those of Oliver North and John Poindexter, were subsequently overturned. I might point out there have been a total of 10 convictions, 2 of which were overturned on technical bases, which were totally out of the control of the special prosecutor.

But it seems to me that Mr. Walsh should not be the object of criticism. He ought to be the object of praise and of gratitude from this country.

Now I can guarantee you that Mr. Walsh does not need me or any other Senator to come to the floor and defend him for his defense of the Constitution and of the rule of law. But I am personally concerned about the growth of an attitude—a cynical attitude—that seems to indicate that independent counsel prosecutions must all be open and shut, quickly wrapped up, politically popular prosecutions or, if not, somehow they are not worth pursuing.

If prosecuting the Iran-Contra affair were easy, we would not have needed a special prosecutor in the first place. But it is not easy. And I think that perhaps the principal reason it has not been easy is that there has been a concerted effort, from the beginning, right up until today, to deny information, documents, and facts to Congress and to the American people.

So, when Senators and Congressmen go to the floor to criticize Mr. Walsh, and they ask why has this taken so long? Why have we spent so much money? They ought to ask for the real answer to that question. The real answer to that question is because officials of the U.S. Government were unwilling to cooperate, unwilling to tell the truth, unwilling to produce information, and because our own system conspired to make it difficult for the special prosecutor.

I must say, I have never had anything but respect for the former Secretary of Defense, Mr. Weinberger. And he is innocent until proven guilty. I have always been treated cordially by him, and he is, clearly, a great public servant. It is my hope, perhaps for the country and for him, that he would be found not to have done that which he is accused of. And I hope for his family and for his sake that would be true.

But if it is not true—if it is not true, and if the charges were to stand up, then that would be one more documentation of a long series of documentation of precisely why this special prosecutor is still struggling and why he deserves the gratitude of the Nation for placing his convictions and his reputation beyond what is the quickly and easily popular in favor of standing up for principle and for obligation and for duty.

The fact is, Mr. Walsh has had to fight each and every step of the way to get information and documents from the executive branch. We know in documentation of how difficult this has been. Three individuals: Mr. Alan Fiers, Clair George, and Elliot Abrams, pled guilty to lying to investigators, including congressional investigators. Including, I might add, to this Senator.

When Government officials lie, they may be lying in response to a question from a Senator or a prosecutor. But in the end they are lying to the American people who we represent. And they are deceiving the entire system.

I have recently reread the testimony of Elliot Abrams, Clair George, Alan Fiers, and others to me and other Senators on October 10, 1986, in the wake of the Hasenfus crash. I was again impressed with the dissembling, obfuscation, and outright lies from them in response to straightforward questions from us.

For example, I asked the simple question—have you had contact with General Secord? At the time, Secord was in operational charge of both Contra supply operations and the Iranian arms for hostage deal.

Elliot Abram's reply was "I never met him."

Clair George's reply was "I know his name well * * * but I do not know the man."

This answer came at a time when Secord's involvement in running Contra supply operations had already been the subject of extensive discussion by officials of the State Department, CIA, and National Security Council.

I then asked the question, "Max Gomez, do you know whether or not he reports to or was hired by the Vice President of the United States?"

The truth, as we all know now, was that Max Gomez—a nomme de guerre for Felix Rodriguez—was indeed placed in Central America by the Vice President's office. In fact, on August 8, 1988, Felix had gone to Donald Gregg in Vice President Bush's office to complain about the state of the Contra supply efforts he was involved with. At the time, Felix warned Gregg that General Secord was ripping off the contras, and if they kept General Secord in place, it would, to quote Felix, be "worse than Watergate."

Felix's warning to Gregg was of sufficient concern that 4 days later, Gregg met with six other Government officials representing the National Security Council, the State Department, and the CIA—including Alan Fiers of the CIA—George's deputy—to discuss the problem between Max Gomez a.k.a. Felix Rodriguez and Richard Secord.

Yet in response to my question about whether Felix was reporting to the Vice President's office—Fiers did not say, oh yes, I discussed Felix with Don Gregg of the Vice President's office a few months back. instead, Fiers said:

> Max Gomez * * * is an alias for an individual who was previously employed with us. But I don't know * * * I don't know who he is reporting to.

I asked the question again: "you don't know whether or not [Felix] reports to the Vice President of the United States?"

George's response was: "The Vice President? I don't know."

I asked again: "You don't know anything about that?"

Elliot Abrams replied, "I have never heard any suggestion of that." Elliot then added, "It really stretches credulity."

As North's notebooks showed, as notes taken by the Vice President's Security Advisor, Donald P. Gregg demonstrated, as Fiers later admitted, they all knew who Max Gomez was—his real name was Felix Rodriguez, formerly of the CIA. They knew he was sent to Central America by the Vice President's office. And they knew he was engaged in Contra supply operations. But instead of telling us what they knew—given where it might lead—they lied.

Last week, Judge Walsh wrote a letter to the Congress setting out the terms of the final phase of his investigation. He told us that he is:

"Attempting to determine whether officials at the highest level of Government, acting individually or in concert, sought to obstruct official inquiries into the Iran initiative by the Tower Commission, the Congress, and independent counsel by withholding notes, documents and other information, by lying, and by supplying a false account of the 1985 arms sales from Israeli stocks and their replenishment by the United States."

Judge Walsh then set out the means by which his investigations to date have been frustrated, impeded, and stymied and stopped by officials in the Reagan and the Bush administration both.

In the letter, Judge Walsh advised us that he has not been able to prosecute—this is extraordinary, Mr. President—the independent counsel has advised the Congress of the United States that he has not been able to prosecute the basic operational crimes committed in the course of the Iran-Contra affairs due to National Security claims. For example, the Reagan and Bush administrations insisted on keeping documents classified that referred to matters that were already fully known in public—with the result that criminal cases had to be thrown out, as Judge Walsh explained, because you simply did not have the documents and the evidence to put into evidence, even though the evidence had been reported publicly previously.

Let me just read from Judge Walsh's letter to the Congress. "Classified information problems"—this is reading from page 5—"have also complicated Independent Counsel's prosecutions and consumed enormous time and energy."

So, when colleagues wonder why this has taken so long, they can look down the street to Pennsylvania Avenue and the agencies, and they will get their answer as to why this took so long.

> Every line of every page of the thousands of pages of classified documents that might be used in trial by either the prosecution or the defense has had to undergo review by a group of declassification experts from several agencies. Claims of national security led to the dismissal of the central conspiracy charge against North, Poindexter, Secord, and Hakim. Attorney General Thornburgh's refusal to declassify publicly known but officially secret information forced the dismissal of the Government's entire case against former CIA Costa Rican station chief Joseph Fernandez, and more than a year's litigation was wasted.

Mr. President, we hear this tale again and again and again. In the POW-MIA that we are now investigating, we have the same problem of the fox guarding the chicken coop. The very people that you are investigating have the right to be able to say whether or not a particular document is going to be made available to you.

In this particular case the very Government that was being investigated for crime was able to deny the person investigating them the information that would have allowed them to prosecute those crimes. So they were dismissed and there is barely a ripple, barely a ripple.

It seems to me that the blame for the length and the cost of this investigation does not fall at the feet of the special prosecutor; it falls at the feet of a system, a Congress, and an executive that have been unwilling to grapple with the issue of how we make classified information available and what the American people are really entitled to know.

I believe that the fault for the length of this investigation and the reason that we should praise the special prosecutor is that there are those who have stonewalled and stonewalled on this issue in the hopes that it will simply go away. And the blame, I believe, rests with those who, from the beginning, have sought to minimize the scope and seriousness of what the Iran-Contra affair was all about.

In last week's letter, Judge Walsh warned that he has now developed what he termed "new and disturbing evidence" regarding who participated in the Iran-Contra coverup. He warned that further indictments of high-level officials are possible over the rest of this summer.

Mr. President, Watergate brought down a Presidency, but I must say that Watergate was trivial compared to Iran-Contra. Iran-Contra was nothing less than an effort to subcontract the foreign policy of the United States of America to a bunch of professional arms smugglers, including notorious terrorists like Manzer al-Kassar, drug dealers like Manuel Noriega, and nut cases like polygraph-failing Manchuer Ghorbanifar. It revolved around a scheme to sell weapons to a government responsible for murdering hundreds of American Marines, holding Americans hostage and supporting international terrorists around the world. It involved a specific, planned effort within the White House to evade both the letter and spirit of U.S. law, and it betrayed publicly stated American commitments to isolate terrorist States and to punish—not reward—those who take hostages.

A Democratic government simply cannot survive without public trust and we are increasingly seeing public trust challenged in our own country. From Vietnam to Watergate, to Iran-Contra, to Noriega, to HUD scandals, to S&L scandals, to Iraq and some now believe POW-MIA's, our Government does not deal squarely with us.

Our Government deceives, our Government prevents us from knowing the truth in many cases indirectly and in many cases directly through concealed information, through phony claims of national security or through clever evasions that are the moral equivalent of lies, although they may not always be convictable as lies.

Judge Walsh noted last week, that "It is not a crime to deceive the American public, as high officials in the Reagan administration did for 2 years while conducting the Iran and Contra operations." Well, it may not be a crime to lie to the public, Mr. President, but we have to set a higher standard of behavior, of public behavior, where we do not feel adequate or even congratulatory about our behavior because it is something just above the level of a crime.

Mr. Walsh's dogged pursuit of the truth in the Iran-Contra affair is a profile in courage. Judge Walsh is trying to preserve and protect our Constitution from those who would shred the law anytime the law is inconvenient.

Law enforcement is not a popularity contest. The issue is not whether what Mr. Walsh is doing is making some people uncomfortable; the issue is whether it is right and whether under the Constitution, the law and the long-term demands of a democratic society, there is no question that Mr. Walsh has chosen the right path. He deserves not our criticism, but our praise and I believe he has already earned history's respect.

I ask unanimous consent that a copy of his letter to the U.S. Congress be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THIRD INTERIM REPORT TO CONGRESS BY INDEPENDENT COUNSEL FOR IRAN/CONTRA MATTERS, JUNE 25, 1992

The Independent Counsel statute provides that an "independent counsel appointed under this chapter may make public from time to time, and shall send to the Congress statements or reports on the activities of such independent counsel."

Under the governing statute, Independent Counsel's responsibilities are threefold. First, he has an investigative role, 28 U.S.C. Section 594. Second, he has a prosecutorial role, 28 U.S.C. Section 594. Third, he has a reporting role, 28 U.S.C. Section 595.

The purpose of this report is to inform the Congress of the status of Independent Counsel's investigation and prosecutions in the Iran/Contra matters.

STATUS OF THE INVESTIGATION

The criminal investigation of Iran/Contra is in its final phase. We are attempting to determine whether officials at the highest level of government, acting individually or in concert, sought to obstruct official inquiries into the Iran Initiative by the Tower Commission, the Congress and Independent Counsel by withholding notes, documents and other information, by lying, and by supplying a false account of the 1985 arms sales from Israeli stocks and their replenishment by the United States.

The indictment of former Defense Secretary Weinberger by the grand jury on June 16, 1992, stemmed from that investigation. A copy of the Weinberger indictment is attached. Independent Counsel has yet to determine whether additional proposed indictments will be presented to a Grand Jury. That investigation should be completed this summer.

While pursuing the final phase of the investigation, the Office of Independent Counsel will proceed with the trial of three pending cases, *United States* v. *Clair E. George*, *United States* v. *Duane R. Clarridge*, and *United States* v. *Caspar W. Weinberger*. The *George* case is set for trial on July 13, 1992, before U.S. District Judge Royce Lamberth. No trial date has been set for the *Clarridge* case, but U.S. District Judge Harold Greene has stated that he hopes the trial can be held in October 1992. U.S. District Judge Thomas Hogan has set a November 2, 1992, trial date for the *Weinberger* case. In addition, Independent Counsel has been prepared to seek leave to appeal to the Supreme Court the reversal of the conviction of John M. Poindexter, but is awaiting an appeals court ruling on Poindexter's petition for rehearing in that Court.

Independent Counsel is sensitive to concerns expressed by Members of Congress and others as to the length and the resulting cost of the investigation. The investigation has continued for five and one-half years and has cost $31.4 million. This highly complex investigation posed unique problems and circumstances that stretched out our work, which I will explain in more detail later.

To speed up the completion of our investigation, I announced last December the appointment of Craig A. Gillen as Deputy Independent Counsel to direct the continuing investigation and the remaining trial work of the office, while I undertook to complete the final report of our long period of activity. I have nevertheless maintained overall responsibility for the supervision and direction of prosecutorial matters, spending one third of my time in Washington and returning to Washington full time in April for the final consideration of the Weinberger indictment. Much of the report has been drafted, but in order to complete the final phase of our investigation, and particularly while Mr. Gillen is trying cases in court, I shall continue full time in Washington where we hope to complete our investigative work by the end of this summer.

LENGTH OF INVESTIGATION

In evaluating the cost and time involved in the effort of Independent Counsel to carry out this assignment by the Appointing Panel, it is important to understand that the Iran/Contra matters posed a number of highly complicated circumstances for a prosecutor. The Iran/Contra operations were intended by the Reagan Administration to remain hidden. Because they were conducted in tandem with or in the course of covert activities, once exposed, they could not be readily explored in open court because of the national security claims.

The operations were executed by high Reagan Administration officials in support of presidential foreign policy objectives. They occurred in a broad geographic setting over a period of years. Their investigation required a thorough sifting of hundreds of thousands of documents from some of the most sophisticated and secretive agencies of government. And, although there were many witnesses to various aspects of these operations, the most central figures were not cooperative. There were few government officers who volunteered information willingly.

It was imperative for Independent Counsel to focus first on the facts that might be the subject of immunized testimony, including the diversion of funds from the proceeds of the Iranian arms sales to assist the Contras. It was necessary to gather as much material as possible before Congress granted immunity to the most central figures in the affair. After immunity was granted, it was necessary to shield our potential prosecutions from contamination by the highly publicized congressional testimony of Oliver L. North, Poindexter and others who testified under immunity grants.

Once the first major indictment was brought in March 1988, Independent Counsel turned to trial work. In the *North* case alone, 108 pre-trial motions were filed, thirty-two of which challenged the validity of charges in the 23-count indictment brought against North, Poindexter, Richard Secord, and Albert Hakim.

The decision by U.S. District Judge Gerhard Gesell to sever the four defendants in the case to preserve the right of each of the defendants to use the immunized testimony of others to exculpate himself necessitated separate trials and added more than a year to the anticipated schedule. The immunity issues ultimately brought about the reversal of North and Poindexter's convictions on appeal.

Classified information problems have also complicated Independent Counsel's prosecutions and consumed enormous time and energy. Every line of every page of the thousands of pages of classified documents that might be used in the trial by either the prosecution or the defense has had to undergo review by a group of declassification experts from several agencies. Claims of national security led to the dismissal of the central conspiracy charge against North, Poindexter, Secord and Hakim. Attorney General Thornburgh's refusal to declassify publicly known but officially secret information forced the dismissal of the government's entire case against former CIA Costa Rican station chief Joseph Fernandez—and more than a year's litigation was wasted. I have previously reported to Congress at greater length on these problems.

CRIMES CHARGED AND TRIED

Independent Counsel has not been able to prosecute the basic operational crimes committed in the course of the Iran/Contra affair due to national security claims. For instance, Count One in the North-Poindexter-Secord-Hakim indictment was dismissed due to claims that material information could not be declassified. It charged a conspiracy to defraud the United States by obstructing congressional oversight; by illegally supporting the Nicaraguan Contras; by depriving the government of the honest and faithful services of employees free from conflicts of interest, corruption and self-dealing; and by exploiting and corrupting for their own purposes a government initiative involving the sale of arms to Iran rather than pursuing solely the government objectives of the initiative, including the release of hostages in Lebanon.

Independent Counsel has been able to prosecute the crimes committed in the course of the Iran/Contra cover-up. These have included lying to and withholding information from Congress, lying to other official investigations, and withholding and destroying documents.

Criminal charges have been brought against 14 persons in three venues, including three cases that have not yet come to trial. Ten convictions have been obtained. The North and Poindexter convictions were reversed on appeal. The Fernandez case never came to trial due to classified information problems.

The Office of Independent Counsel could not complete its work without questioning all significant witnesses and pursuing all important leads related to the mandate issued by the Appointing Panel, a copy of which is attached. Because of the need to try North and Poindexter separately, these two principals did not become available for questioning until mid-1990.

Since then, the continuing investigation was fueled by newly discovered documents, including the personal notes of key officials, CIA cables and tapes, and other records previously withheld from Independent Counsel and other investigative bodies. These were obtained by renewed emphasis on the fulfillment of longstanding document requests, originally made in 1987 to the National Security Agency, the National Security Council, the CIA, the White House, the Office of the Vice President, and the State and Defense Departments. Also of critical importance were changes in witness testimony.

CONCLUSION

In the past two years, the continuing investigation has developed new and disturbing evidence that made it necessary to reinterview many of the witnesses first questioned in 1987. This was not merely a clean-up chore—it has provided a significant shift in our understanding of which Administration officials had knowledge of Iran/Contra, who participated in its cover-up, and which areas required far more scrutiny than we previously believed.

It is not a crime to deceive the American public, as high officials in the Reagan Administration did for two years while conducting the Iran and Contra operations. But it is a crime to mislead, deceive and lie to Congress when, in fulfilling its legitimate oversight role, the Congress seeks to learn whether Administration officials are conducting the nation's business in accordance with the law.

Respectfully submitted,

LAWRENCE E. WALSH,
Independent Counsel.

OFFICE OF INDEPENDENT COUNSEL FACTSHEET

Expenditures by the Office of Independent Counsel were $31.4 million as of May 31, 1992, which are the latest figures available. The staff includes 9 full-time attorneys and 33 support staff. Since Independent Counsel Lawrence E. Walsh's appointment in December 1986 there have been ten convictions; two have been dismissed on appeal.

PENDING CASES

Caspar W. Weinberger—Indicted June 16, 1992, on five counts of obstruction, perjury and false statements in connection with congressional and independent counsel investigations of Iran-contra. The maximum penalty for each count is five years in prison and $250,000 in fines. U.S. District Judge Thomas Hogan has set a Nov. 2, 1992, trial date.

Duane R. Clarridge—Indicted Nov. 26, 1991, on seven counts of perjury and false statements about a secret shipment of U.S. HAWK missiles to Iran. The maximum penalty for each count is five years in prison and $250,000 in fines. U.S. District Judge Harold Greene has not set a trial date.

Clair E. George—Indicated Sept. 6, 1991, on 10 counts of perjury, false statements and obstruction in connection with congressional and grand jury investigations of Iran-contra. On May 18, 1992 three of the obstruction counts against George were dismissed with

Independent Counsel's consent; George was indicted on May 21, 1992 on two additional obstruction counts, bringing the total number of charges against him to nine. The maximum penalty for each count is five years in prison and $250,000 in fines. U.S. District Judge Royce Lamberth has set a July 13, 1992, trial date.

COMPLETED TRIALS AND PLEAS

Elliott Abrams—Pleaded guilty Oct. 7, 1991, to two misdemeanor charges of withholding information from Congress about secret government efforts to support the Nicaraguan Contra rebels during a ban on military aid. U.S. District Judge Aubrey Robinson sentenced Abrams Nov. 15, 1991, to two years probation and 100 hours community service.

Alan D. Fiers, Jr.—Pleaded guilty July 9, 1991, to two misdemeanor counts of withholding information from Congress about the diversion of Iranian arms sales proceeds to the Nicaraguan Contras and about other military aid to the Contras. U.S. District Judge Aubrey Robinson sentenced Fiers Jan. 31, 1992, to one year probation and 100 hours community service.

Thomas G. Clines—Found guilty Sept. 18, 1990, of four tax-related felonies. U.S. District Judge Norman Ramsey in Baltimore, Md., on Dec. 13, 1990, sentenced Clines to 16 months in prison and $40,000 in fines. He was ordered to pay the cost of the prosecution. The Fourth U.S. Circuit Court of Appeals in Richmond, Va., on Feb. 27, 1992 upheld the convictions. Clines began serving his jail sentence May 25, 1992.

Richard V. Secord—Pleaded guilty Nov. 6, 1989, to one felony count of false statements Congress. Sentenced by U.S. District Judge Aubrey Robinson on Jan. 24, 1990, to two years probation.

Albert Hakim—Pleaded guilty Nov. 21, 1989, to a misdemeanor of supplementing the salary of Oliver North. Lake Resources Inc., in which Hakim was the principal shareholder, pleaded guilty to a corporate felony of theft of government property in diverting Iranian arms sales proceeds to the Nicaraguan Contras. Hakim was sentenced by U.S. District Judge Gerhard Gesell on Feb. 1, 1990, to two years probation and a $5,000 fine; Lake Resources was ordered dissolved.

Robert C. McFarland—Pleaded guilty March 11, 1988, to a four-count information charging him with withholding information from Congress. Sentenced by U.S. District Judge Aubrey Robinson on March 3, 1989, to two years probation, $20,000 fine and 200 hours community service.

Carl "Spitz" Channell—Pleaded guilty April 29, 1987, to a one-count information of conspiracy to defraud the United States. Sentenced by U.S. District Judge Stanley Harris July 7, 1989, to two years probation.

Richard R. Miller—Pleaded guilty May 6, 1987, to a one-count information of conspiracy to defraud the United States. Sentenced by U.S. District Judge Stanley Harris on July 6, 1989, to two years probation and 120 hours of community service.

REVERSED ON APPEAL

John M. Poindexter—Found guilty April 7, 1990, of five felonies: conspiracy (obstruction of inquiries and proceedings, false statements, falsification, destruction and removal of documents); two counts of obstruction of Congress and two counts of false statements. U.S. District Judge Harold Greene sentenced Poindexter June 11, 1990, to 6 months in prison on each count, to be served concurrently. A three-judge appeals panel Nov. 15, 1991, reversed Poindexter's convictions. Independent Counsel plans to appeal to the Supreme Court.

DISMISSALS

Oliver L. North—U.S. District Judge Gerhard Gesell dismissed the case Sept. 16, 1991, at the request of Independent Counsel following hearings on whether North's immunized congressional testimony tainted the testimony of trial witnesses. A three-judge appeals panel on July 20, 1990, vacated for further proceedings by the trial court North's three-count conviction for altering and destroying documents, accepting an illegal gratuity, and aiding and abetting in the obstruction of Congress. The appeals panel reversed outright the destruction-of-documents conviction. The Supreme Court declined review of the case May 28, 1991. North, who was convicted May 4, 1989, had been sentenced July 5, 1989, to a three-year suspended prison term, two years probation, $150,000 in fines and 1,200 hours community service.

Joseph F. Fernandez—U.S. District Judge Claude Hilton dismissed the four-count case Nov. 24, 1989, after Attorney General Dick Thornburgh blocked the disclosure of classified information ruled relevant to the defense. The Fourth U.S. Circuit Court of Appeals in Richmond, Va., on Sept. 6, 1990, upheld Judge Hilton's rulings under the Classified Information Procedures Act (CIPA). On Oct. 12, 1990, the Attorney General filed a final declaration that he would not disclose the classified information.

Mr. KERRY. I yield the floor.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alabama.

Mr. HEFLIN. Mr. President, I believe I have a 10-minute order.

The PRESIDING OFFICER. The Senator is correct. Under the previous order, the Senator from Alabama is recognized to speak for up to 10 minutes.

COLUMBUS' VOYAGE TO AMERICA: LESSONS FOR INVESTMENT IN OUR FUTURE

Mr. HEFLIN. Mr. President, "* * * to explore strange new worlds, to seek out new life and new civilizations, to boldly go where no man has gone before," so said the announcer to open each episode of the "Star Trek" series. We might say that the "Star Trek" announcer was echoing Christopher Columbus' sentiments of 500 years earlier. Where would we be today if Columbus' quest for riches had not uncovered the new continent? Although his stated goals were to find gold, spices, and a new route to India, his voyage lead instead to a remap of the world as it was known in his day.

This great journey was not simply a matter of hopping on a ship and setting sail for the vast unknown. Columbus faced much criticism, derision, and open skepticism for his idea of a western voyage to India. He needed funding to equip three vessels for a year of Atlantic exploration. He spent many years lobbying in the royal courts of both Portugal and Spain, much like we see today in Washington.

After being turned down by the King of Portugal, the Italian explorer took his ideas to Spain. He presented his plan to Isabella I in 1486. Her advisers argued against it, claiming, correctly as it turned out, that Asia had to be further west than Columbus supposed.

Despite the negative report of the royal advisers, Isabella and Ferdinand were fascinated by the plan and supported the future admiral with a royal pension, but not instantly. With the Christian Spanish reconquest of the Iberian Peninsula, Columbus had to endure 6 years of frustration. He even threatened to leave Spain in 1491 and submit his project to Charles VIII of France. On January 2, 1492, he was finally given the necessary papers and financing.

The *Santa Maria*, the *Nina*, and the *Pinta* were made ready for the voyage. Columbus captained the *Nina* while two other experienced sailors commanded the *Pinta* and the *Santa Maria*. With 88 men and enough provisions for a year, the ships sailed on August 3, 1492.

On September 6, they ventured along the 28th parallel passing the north fringe of the northeast trade belt. Columbus was fortunate to have had fair winds during the first stage. But toward the end of September, however, the crew faced unfavorable winds, dropping morale to the point of mutiny.

At 2 o'clock a.m., on October 12, 1492, under an almost full moon, land was spotted by a lookout on the *Nina*. Columbus named this small island in the Bahamas "San Salvador," meaning Holy Savior.

Arawak Indians on the beach received the Europeans courteously. But, no gold or spices were found, so the fleet sailed on, landing on Cuba October 28. Again, no gold, but a substance known as tobacco was discovered.

Not giving up on the opportunity to find gold, Columbus then sailed to Haiti where the *Santa Maria* was grounded on a reef and smashed to pieces on Christmas Eve. Natives helped the Spaniards save the crew and most of the cargo. The good nature of the Indians so impressed Columbus that he decided to leave part of his crew at the spot to found the settlement of La Navidad. He instructed his men to explore the island for gold.

On January 16, 1493, the *Nina* and the *Pinta* began the journey home to report their discoveries. The return voyage was long and miserable because of storms, but the party finally reached Palos on March 15, 1493.

Columbus was welcomed triumphantly at Barcelona by Ferdinand and Isabella. He received the title "Admiral of the Ocean Sea" and was made "Vice-King and General Governor of the Islands and Terra Firma of Asia and India."

He made three more voyages to the lands he had discovered, though he would never admit that he had found not Asia, but a new continent. In this period, the many flaws of his personality and the limitations of his genius were made obvious through his actions and writings. But these imperfections cannot belittle the perseverance and raw determination of the "enterprise of the Indies." Columbus died in 1506, oblivious as to how his maiden voyage would ultimately lead to the complete restructuring of the political landscape and alteration of world history.

The successes enjoyed by this ambitious young maverick were not those he had intended. Columbus did not know exactly what he would encounter when he started out, but he knew his findings would be important to future generations. And so it is with the young researchers and scientists of today.

Columbus was not a perfect individual and by no means did he enjoy a fairytale voyage. But, as Frank Donatelli, chairman of the Christopher Columbus Quincentenary Jubilee Commission, said, "What else is new?" Donatelli tells us not to forget "the fact that what Christopher Columbus accomplished was possibly the most important thing that had happened to the world since the birth of Christ."

I offer the story of Columbus not only because this is the year of its quincentenary, but, aside from the controversy surrounding its celebration, because it offers us so many lessons and instructions about the research and exploration of today. For example, Columbus' adventures are much like today's adventures in space. We may not know what is out there, but we know we must continue to explore. As we saw with the dramatic Endeavor rescue mission, dangers and costs of bold exploration are justified by what the operation taught us about working in space and by the fire it has lighted in young people.

One of the greatest journeys ever to take place could be with the space station *Freedom*, which is being built by the United States, Japan, Canada, and 10 European nations. This international manned space laboratory will allow astronauts to learn how to live and work in the hostile environment of weightless space.

If everything goes on schedule, a shuttle will hoist the first section of space station *Freedom* into an orbit 250 miles above the Earth in November 1995. Four astronauts will take up residence in a lab designed to circle the Earth for the next 30 years beginning in 1999.

Once it is flying, space station *Freedom* will be a workshop for life science and microgravity experiments that may benefit people on Earth in the form of new drugs and other materials. Building the space station will be the largest technological endeavor ever undertaken among nations, and will make *Freedom* a prototype for massive future international projects in science and technology on the ground and in space. It will also be a test for NASA. But, endeavor shows that NASA is up to the test, just as Columbus was up to the test.

Collecting medical data needed for long manned space flights is the primary mission, but there could also be a scientific payoff in biotechnology research and in developing new ceramics, glasses, metals and other novel materials. Research could also help scientists learn how to develop drugs to attack diseases.

Experiments in the space station will help explain what happens to animals, including humans, when they are removed from the natural gravitational environment in which the species evolved. Scientists will be able to do life-science studies that run for years.

From the moment President Reagan proposed the space station in 1984, however, the project has been engulfed in controversy, as was the plan proposed by Columbus. Skeptics are not shy about decrying the space station as a flagrant misuse of tax dollars in a time of fiscal constraint. Many prominent scientists have maintained that the cost of $30 billion or more to the United States, plus additional billions invested by our international partners, far outweighs potential scientific benefits. Social critics have argued that the money would be better spent at home, shoring up fractured urban ghettos and investing in better schools.

Congress repeatedly has voted by substantial bipartisan margins to continue projects such as the space station, superconducting super collider, and SDI. But in a time of tight budgets, more attempts to kill sound investments in our future are expected. It seems to me, however, that we cannot back away from a strong investment in public investment and research, any more so than parents can decide to not fund their childrens' college education just because they might still have a mortgage on their home or a large balance on their credit card accounts.

At the same time, we cannot ignore our fiscal dilemma. I have long been in the forefront of efforts to inject responsibility and discipline into the Federal budget process. Any public investment must be cost-effective.

With that goal as a priority, space station *Freedom* already has been scaled back and its crew cut from eight to four in order to save money. It has also been redesigned to make it much easier to construct and maintain in orbit. But its basic mission remains that of finding out if humans can live and work for long periods in the absence of gravity. The answers will determine if our long-held dream of being a spacefaring species can ever become reality.

The American people know that if we are to adequately prepare for the future, we must make the right investments today. Recent surveys focusing on Federal spending show that 74 percent of us want funding levels for NASA to be increased or at least remain at current levels.

When I hear some of my colleagues rail against the space station, the superconducting super collider, and other projects designed to propel us into the future, I cannot help but wonder what they would have said had they been around in 1492. Certainly had these political pundits been in Spain, the news headlines would have read: "Columbus voyage disaster, ship lost, India not found."

We never know what benefits research and development will ultimately yield. Some of the most important discoveries in medicine and other fields have been accidental in nature, just as Columbus' arrival in the New World was 500 years ago. Could any of us argue, with a straight face, that the cost of that long-ago voyage, which at that time was astronomical, has not been outweighed many, many times over by the benefits that were bestowed upon mankind?

As we reflect upon that journey during 1992, it would serve us well to think of and focus on the miraculous technological advances and discoveries—many of which have benefited the human race immeasurably—that would never have been possible had the naysayers got their way.

In his inaugural address to the Nation over 30 years ago, President Kennedy told Americans that they stood "on the edge of a New Frontier." In describing the phrase that has become synonymous with his short administration, he inspired an entire generation by saying, "Let both sides seek to invoke the wonders of science instead of its terrors. Together let us explore the stars, conquer the deserts, eradicate disease, tap the ocean depths * * *."

Those words are no less profound today than they were in Kennedy's time, for as long as man is on this Earth, and as long as we are able to move forward with scientific and technological advances,we will always be on the brink of a New Frontier.

The PRESIDING OFFICER (Mr. KERRY). The Senator from Washington is recognized under the previous order for not to exceed 10 minutes.

PLANNED PARENTHOOD VERSUS CASEY

Mr. ADAMS. Mr. President, it is painfully clear that yesterday's decision by the Supreme Court in Planned Parenthood of Southeastern Pennsylvania versus Casey has seriously eroded the most basic and fundamental constitutional right held by the women of this Nation, a right to make their own individual decisions, free from intrusive meddling by Government on this decision of whether to choose to have an abortion.

Although five Justices rejected the call to overturn the Roe decision outright, a solid bloc of four men—Chief Justice Rehnquist and Justices White, Scalia, and Thomas—are committed to the total elimination of the right of choice for American women. We are just one Justice away from a Court that will overturn Roe and allow criminal penalties to be established, or other type of regulations denying women the right to choose.

So it is a terribly important time for all of us to discuss this decision and future actions of the Congress. The Rehnquist Court has brought this Nation to the brink of taking away a fundamental right, and the next appointee to the Supreme Court is certain to determine the outcome of this struggle.

Yesterday's majority decision rejecting the radical minority opinion gives no cause for rejoicing, for the Roe decision has been seriously eroded. The Court majority invites other States to follow the example of the Commonwealth of Pennsylvania in placing obstacles between a woman and the exercise of her constitutional rights.

This decision took one step forward by rejecting the spousal notification provision, and four steps back in upholding the provision of Pennsylvania's law that had been found unconstitutional by the lower court.

States are now free to meddle in the decision in the decisionmaking process, and to interfere in the abortion decision at all stages of pregnancy. This decision steers the women of this Nation in the direction of forced pregnancies, illegal abortions, and those terrible operations performed by backalley butchers.

Nearly 20 years after Justice Blackmun so aptly characterized the majority decision in Roe versus Wade as "a landmark of liberty," that very liberty referred to in the Constitution today stands severely eroded and in danger of elimination.

Those of us in Congress who cherish the protection of individual liberties and view the Constitution as a shield between arbitrary Government action and the individuals of this Nation—which it is—want to prevent an unwanted and unjust intrusion of Government. And we must act to stop that erosion; we must move immediately to pass the Freedom of Choice Act and codify the "strict scrutiny" standard established in Roe.

I also want to state an admission and a compliment, Mr. President. In September 1990, I voted against Justice Souter, and indicated here on the floor that if he proved sensitive to the constitutional protection enjoyed by American women under the Roe decision, I would return to the floor and express my gratitude that my concerns had been misplaced. I do so today. And I shudder with horror at what alternative we might have had if the fifth vote had made criminal penalties under Roe possible for the States.

I am more convinced than ever that no future Supreme Court nominee should be confirmed without a clear and unequivocal stated commitment to the right of privacy that is essential to the protection of the many individual rights of our citizens including the right to choose or not to choose an abortion, an intimate, personal right.

I can think of almost no right more intimate or more personal than the decision to have an abortion; it is a decision that should be made by the woman involved, and not by the Government. That is what the Constitution is there for—to protect individuals from intrusion by the Government into their most private matters.

Opponents have argued that the Congress does not have the constitutional authority to protect the woman's right to choose. I sat in those Labor Committee hearings when we had constitutional scholars from this Nation's best universities to testify. Time after time, they stated that Congress clearly has the power to enact a statute to protect a woman's right to choose. Yet time after time, opponents come to the Senate floor to fight to restrict access to abortion: They want to require parental notification, prohibit Federal funding of abortion, forbid the District of Columbia to pay for abortions with its own funds, and cut off aid to foreign countries based on abortion policy. But when those who wish to protect the rights of women introduce legislation like the Freedom of Choice Act, they have the temerity to say that we cannot do that.

That is ridiculous: Congress has the power to enact the Freedom of Choice Act under the commerce clause of article I, section 8, and under section 5 of the 14th amendment.

This is very important because before the Roe decision, 85 percent of the abortions in the United States were conducted in New York or California. And 65 percent of those in New York were from out of State. Today, 85 percent of the counties in the United States have no abortion facilities available. Women must travel great distances to obtain an abortion.

So we certainly have the right to see that those who must travel from rural areas, or areas without any abortion facilities, have an opportunity to move freely to exercise their constitutional rights.

The 14th amendment is a basic constitutional right-to-privacy doctrine, and it provides for fundamental constitutional protection of individuals against arbitrary Government action. This protection is applied to the States under the 14th amendment.

Finally, Congress must act because it is abundantly clear that women can no longer rely on the highest Court of the United States to give them their constitutional rights and to protect them. We therefore must pass the Freedom of Choice Act. It is within Congress' power to safeguard the fundamental right to choose. More than that, Congress has a responsibility to protect the women of America from unnecessary interference of the Government.

Now that the Supreme Court decision has been announced it is time for the Congress to act.

And I hope that we shall do so promptly.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I ask unanimous consent to speak for 20 minutes as in morning business.

The PRESIDING OFFICER. Without objection it is so ordered.

AID TO PANAMA

Mr. LEAHY. Mr. President, when I saw the pictures of President Bush trying to keep the tear gas out of his eyes during his recent stop to Panama, I was reminded of a debate we had on this floor just over 2 years ago.

In March 1990, 3 months after Operation Just Cause and just a month after the Congress approved the President's request for $550 million in emergency credits and guarantees to Panama, the President sent up another request for an additional $500 million in grant aid for Panama, and $300 million for Nicaragua.

The House cut the Panama aid request to $420 million, and sent it to the Senate, where a difficult and lengthy debate ensued in April 1990.

Although there were only 6 months remaining in the fiscal year, we were told that this aid—roughly equivalent to one-third of Panama's entire national budget—was needed immediately to jump-start the Panamanian economy. In fact, every administration official went over every talk show they could and said, "We jump-start the Panamanian economy."

The administration was breathless in its urgency to get the Senate to pass that emergency aid package without any change from the House-passed level and without adding any controls on how the money could be used.

Some here may remember that as chairman of the Foreign Operations Subcommittee I said at the time that Panama's shattered economy was simply not capable of absorbing so much money so fast, without a lot of it being misused or wasted. Far too much of it was going to end up right in the same corrupt banking system, and far too little would go to the people who needed it most.

That is not to say I was against giving aid to Panama after the overthrow of the dictator and convicted drug lord

Gen. Manual Noriega. I made clear on this floor at the time, that the United States had a responsibility to help Panama recover from Noriega, particularly after all those years the Reagan and Bush administrations had supported him and told him what a great job he was doing fighting drugs.

But I argued that this was too much money, too fast, with too little preparation. It was obviously politically motivated. The White House wanted to demonstrate U.S. support for the new government there, and the administration did not want to take the time to develop a carefully thought out program, and they said just send American taxpayers money down there in foreign aid, because it is going to look good.

I went to Panama to discuss the President's request. The Panamanians told me frankly they had no serious economic plan, only a set of goals. They wanted the cash now and would figure out what to do with it later. They, too, wanted a signal to the Panamanian people that a lot of American money was coming.

When I got back to Washington, some administration officials, privately of course, confirmed that there was no economic recovery plan. I also found that the administration did not have a credible budget justification for its request. Basically, the administration's budget argument was "give us the money and trust us to use it right."

When floor debate in the Senate began, I pointed out that while the American taxpayer was being asked to provide over $1 billion in aid of one kind or another to Panama and Nicaragua with a combined population of 6 million people, the President was proposing only $300 million for all of Eastern Europe, with 120 million people and enormous economic potential for American trade and investment, which means incidentally jobs right here in the United States.

I wanted to discuss whether we had not gotten our priorities mixed up. With an immense opportunity for United States trade and investment in Eastern Europe, with major economic payoff for the United States as well as for the Eastern European nations, it seemed to be worth debating whether some of this money ought not to go to support our national interests in that area as well, instead of simply shoveling money down to Panama and Nicaragua for the sake of shoveling money down to Panama and Nicaragua.

For daring to raise questions about what this money was supposed to accomplish in Panama—because I dared ask whether it would not be possible to cut the amount to meet genuine emergency needs and come back to Panama's longer term needs after a real recovery plan was prepared—I was vilified by the White House for blocking this urgent program. I was made to look like an isolationist yahoo because I wanted to take the time to work out an aid program that really would respond to the needs of Panama, and in the meantime, shift a part of the aid to helping expand our economic stake in Eastern Europe.

Notwithstanding all the abuse heaped on me and others in this Chamber, the distinguished chairman of the Appropriations Committee and I proposed an amendment in the committee shifting some of the Panama aid to higher priority areas.

Mr. President, you should have seen the administration twisting arms on that one, and we were finally defeated in the committee by a single vote.

But I was successful in adding a requirement that the GAO and the AID Inspector General monitor how the Panama aid was spent. I predicted serious problems would occur in the Panama program, and I am sorry to say, Mr. President, that my fears appear to have been justified. I said there would be serious problems if we just threw all this tax money down there. The White House said do not worry about it. It will all work out. It turns out I was right, and they were wrong; there are serious problems.

On June 13, the Washington Post reported that according to a copy of the GAO's draft report required by my provision, our aid has had no significant impact on the economy or on the underlying causes of political instability there. That draft report has not been released, nor have I seen it, but I believe that is what it says. However, I and my staff have had several briefings from AID, the GAO and the AID/IG on the Panama program over the last 2 years. We were briefed on the draft GAO report after it was described in the Washington Post and other newspapers.

According to our briefings, the GAO has found that a year after Congress rushed through the dire emergency supplemental, the administration had disbursed only one-sixth of the money for Panama. After 1½ years, over 50 percent was still unspent. Only within the last 6 months has the bulk of the money finally been disbursed, a full 2 years after the dire emergency in Panama that we heard in all these speeches coming from the administration.

This is precisely what I warned would happen.

And having had everybody from the administration tell me my fears were groundless, Mr. President, I do want to speak on this floor about what happened, because precisely what I said would happen did, and exactly what the administration said would not happen did happen.

We locked up over $400 million of the American taxpayers' money many months before the money could actually be used to help the people of Panama.

Rather than going to the people who are in need, GAO staff tell us over $100 million went into the banking system to increase liquidity. AID has no idea what was done with that money. Of the $65 million development projects which actually might have done something that we could have traced much of it was not used. Only $18 million had been disbursed by February of this year. Much of our emergency aid was deposited to the account of the Panamanian Government and sat there earning interest, over $1½ million, not for the American people, but for the Panamanians.

That is money, incidentally, that we in the United States had to borrow to give to them to put in the bank where they could earn interest on it, because they did not need to use it. It does not make an awful lot of sense. So the American taxpayer took a double hit. He or she paid taxes so we could give the aid to Panama in the first place, and he or she paid more taxes so the Treasury could borrow the money sooner than it had to—and on top of that Panama got more aid than Congress actually appropriated.

What a deal, not for the American taxpayers but what a deal for the Panamanians.

My briefings indicate that GAO experts believe that AID misjudged the economic situation in Panama. GAO economists believe the Panamanian economy had already begun to rebound before significant amounts of our aid ever got there. The problem in Panama was, and still is, long-term reform of underlying structural weaknesses of the Panamanian economy, not short-term, jump-start economic stabilization.

In short, according to the GAO, aid was needed, but of a different kind—not to shore up the banking system—but to address the fundamental problems of poverty, unemployment and structural distortions in the Panamanian economy. That is exactly what I argued 2 years ago in trying to reduce the so-called emergency aid package to meet genuine emergency needs in the aftermath of our invasion, and to require a long-term economic development plan before we provided the whole aid package.

Just as I tried to tell the Senate, we really did have time to do this program right if we had not been stampeded by the rhetoric out of the White House. Instead of listening to everybody who in the aftermath of snatching Noriega all those running to talk shows, now let us send down a whole lot of money to fix up the problems that were created during the time we were all supporting Noriega, if we just stopped and said wait a minute, this is our money, this is not the Panamanian money, it is nobody else's, it is our taxpayers' money, let us at least if we are going to spend it on this or any other kind of foreign aid, let us at least spend it so we get what we say we are going to get out of it.

In case anyone thinks this is just the opinion of the GAO, the AID inspector general recently published his own audit of the Panama program, an audit required by the provision I put into the emergency aid bill, because I thought this money was going out far too fast. He found that need for the Private Sector Revitalization Program, which accounts for $108 million, one-fourth of the entire aid package, has never been analytically established. In plain words, Mr. President, this means it was thrown together by AID bureaucrats in an effort to shovel money down there as fast as they could with no thought of how the money was going to be used. Most of us would not spend our own money in our household this way; we should not spend the American taxpayers money this way in foreign aid.

Moreover, the IG reports that the Private Sector Revitalization Program was not being implemented as authorized. The inspector general found that AID simply injected the entire $108 million into the Panamanian banking system without any effort to monitor how the money was used to reactivate the economy.

They simply said why use it for new loans to the private sector. AID merely required that the $108 million be used for new loans to the private sector, with the definition of new loans being those that occurred after July 24, 1990. While it is next to impossible to link our aid to any specific uses, it appears the bulk of these new loans did not create jobs, did not help the people displaced by the invasion. What it did was it refinanced home mortgages for the Panamanian middle class, and loans to a handful of large corporations.

But this was not a mistake or the result of weak management. AID deliberately chose not to know how the loans were to be used. Good soldiers, they jumped in line, and a political judgment was made at the White House to shovel American taxpayers' money down there; do not ask where it is going to be used. Now, hear no evil, see no evil. Well, let us speak a little bit of the evil because of the inspector general found the original authorization documents for . this program were amended to drop the requirement that the Panamanian banks produce a loan programs in advance of disbursement of the United States funds, in other words, simply thinking of saying before you give the money tell where you are going to use it for. We even dropped that. Mr. President, who is running this operation? The same people that ran the savings and loans. This is remarkable.

Let me quote from the IG audit.

> There was no way to assess whether the participating banks would have made the loans in the absence of the program, nor was there a way to determine whether the funds received under the program resulted in increased lending for the specific types of activities the program was intended to support.

We are not playing Monopoly here, it is not funny money.

Now, Mr. President, the inspector general says AID has agreed that these loan repayments to the Panamanian banks can be used to pay Panama's debts to the United States.

Let me make sure everybody understands this. Panama owes the United States money, so we give them foreign aid so they can pay us back so we can say see they paid their bills, send them more money aid.

Mr. President, I have a mortgage on my home in Vermont. I have a mortgage on the home I use down here in Washington. God, I would love to find out how somebody gets a program like this. You know, borrow money; then get the people you borrow the money from to send you money to pay back the money you borrowed. What a deal, Americans cannot get help. Those who get foreign aid can.

As crazy as it sounds, we are letting Panama use our emergency foreign aid to pay its debts to us. The IG seconded the GAO's findings about the Economic Recovery Program, which accounts for $243 million of the total $420 million package. Both found that it took far longer to disburse this money than planned—or than we were told when immediate Senate action was being demanded. If this sounds like I am saying I told you so, the fact is I did. And all the hoopla, and we ought to keep in mind when foreign aid bills come up here, all the hoopla of the moment of how necessary it is; let us stop for a moment: it is American taxpayers' dollars. Let us make sure where it is going to be used. Let us think about that in any package that comes up. This is where we had a chance to really do something to help American taxpayers in Eastern Europe, but, no, we have to shovel this money down to Panama and Nicaragua immediately, because they need it desperately and then we find out that it was not used that way. The IG audit states that AID planned to disburse the Economic Recovery Program money within 9 months, or by March 1991. Again. let me quote the IG audit report:

> However, as of November 30, 1991, seventeen months after the program began, only $29.85 million, or 12 percent of the program's funds, had been disbursed by A.I.D.

The GAO briefers told us that as of May 31, 1992, a full 2 years after Congress approved the dire emergency supplemental, only 79 percent of the funds had been spent. Over 20 percent, one-fifth, of that emergency aid to jump-start the Panamanian economy still remained unspent as of that date.

Here is another finding that particularly grates on me. Do it right now, hurry up jump start the economy, in fact, it took Panama over 20 months to complete all the necessary actions to use the $130 million we appropriated to help them clear their arrears with the multilateral development banks.

When I was being blasted by the Treasury Department early in 1990 for questioning the need for this $130 million right away, they were saying these arrears would be cleared before the end of that year. I said "baloney." I had taken the trouble to go to Panama and meet their political leaders and their economists. I knew it would take far more than a year to get through that politically difficult process, plenty of time for the administration to work out a realistic plan and for Congress to provide the money in a timely manner.

Still the political appointees ought to cool the rhetoric a little bit and spend just as much time doing their job and try to protect American taxpayers' dollars.

But we went ahead and did what the White House wanted. We appropriated that $130 million of the taxpayers money, and it sat there for nearly 2 years before it could be used. The Treasury had to borrow that money. It was not a free item to dangle in front of the Panamanians. There was a cost, both to other urgent foreign aid programs like Eastern Europe or export promotion, and in interest paid by the Treasury.

Mr. President, through gritted teeth, I will reserve final judgment on AID's management of this program until I see the report myself. But right now I am putting the GAO, the IG and AID on notice. The GAO and IG have made serious allegations which, if true, have profound implications not only for our aid program in Panama, but in many other countries. If false, they have done a great disservice to AID.

In fairness, I want the record to show AID vigorously rejects the GAO and IG's criticisms. AID claims that had it not been for our aid program, Panama's economy would never have grown 9.3 percent in 1991. Although unable to prove it was because of our aid, AID says unemployment has been cut from over 30 percent to less than 16 percent in 2 years, and that the feared run on the banks never occurred.

AID also says it used its leverage to get Panama to cut tariffs for agriculture and industry, begin eliminating price controls, privatize the national airline, and commit to privatizing the telephone company, and sign an investment treaty with the United States. AID says it provided $20 million for community projects and $13 million to repair and build schools and health clinics, supported scholarships for Panamanian students, and helped modernize the courts and legislature.

AID officials characterize the Panama Emergency Aid Program as a great success.

Maybe AID is right and the GAO and the IG are wrong. I intend to get to the bottom of it. After I get the GAO final report I will decide whether to convene a hearing in the Foreign Operations Subcommittee on the Panama program. If so, I will invite AID, the GAO, and the IG to give their sides of the story.

If the GAO and the IG are accurate, there are some powerful lessons to be learned here. Without the GAO and the IG to do independent evaluations there is no way we would ever know whether our aid was going to waste.

I wish Senators would also heed this lesson. Just because the administration says there is an emergency somewhere does not mean throwing a pile of money at it is going to solve anything.

Foreign aid is in deep trouble. Its constituency is all but gone. A large part of the reason is politically driven programs like the so-called emergency aid package for Panama in the spring of 1990. We cannot turn our back on the world—whether Russia or Panama. But if there is one thing we should have learned a long time ago it is that throwing money at a problem does not always help. Foreign aid, just like all Federal programs, has to be carried out responsibly and with a spotlight on management, implementation, and results.

Mr. President, we are the remaining superpower in the world. We cannot turn our back on the rest of the world, whether it is Russia or Panama. But we also have to understand that if we are going to remain that superpower, if we are going to have these worldwide interests, we have to keep faith in the American people themselves or there will not be a constituency for it.

Mr. President, I ask unanimous consent that the Washington Post article of June 13, 1992, a letter in response to the editor of the Post by James Michel, AID's Assistant Administrator for Latin America and the Caribbean, and an exchange of letter between Mr. Michel and the AID inspector general relating to the Panama program be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 13, 1992]

$420 MILLION PANAMA AID FOUND INEFFECTUAL BY GAO

(By Dana Priest)

A $420 million U.S. aid package to Panama meant to jump-start the economy and create goodwill after the U.S. invasion in December 1989 has had "no significant impact on the economy" or the underlying causes of political instability there, according to a draft of a year-long government study.

The report by the General Accounting Office, the investigative arm of Congress, concludes that too much money has been spent on bolstering the banking sector after U.S. officials "overstated" the threat of a post-invasion run on the banks that never occurred. It also finds that 70 percent of the money earmarked to aid the poor and promote democratic institutions has not yet been disbursed.

Speaking in Panama City Thursday, President Bush said the U.S. community in Panama "must take great satisfaction in Panama's accomplishments" and added, "We will continue to help the Panamanians build on their progress, in strengthening democracy and developing their economic system so that future generations can share what you have helped start."

U.S.-Panamanian tensions flared this week when a U.S. soldier riding in an Army vehicle was shot and killed in Wednesday and Bush on Thursday was forced to flee an open-air public event in Panama City after U.S.-trained riot police fired tear gas at nearby protesters.

Bush blamed the incident on a "tiny little left-wing demonstration," but witnesses to the violence said U.S.-trained riot police may have fired excessive volleys of U.S.-supplied tear gas that drifted toward the president

As of March, the United States had spent or committed $13.2 million of what is expected to be a $60 million, five-year program to help equip and train Panama's new National Police Force. The new force replaced the brutal and corrupt 22-year-old Panama Defense Forces (PDF), many of whose member remained loyal to former Panamanian leader Manuel Antonio Noriega during the invasion and fought U.S. troops.

Over 90 percent of the new police force are former PDF members, according to another GAO report released this month. Poor pay ($318 a month), low morale and high turnover in leadership positions are serious roadblocks to developing a professional force, the report said.

Since the invasion, Panama has received $1.28 billion in grants, credits and trade guarantees from the United States. The draft GAO report has studied only the $420 million in "dire emergency" assistance that Congress, at the request of the administration, provided Panama in May 1990. The Agency for International Development (AID) is responsible for planning how to spend the money and negotiating with the Panamanian government over disbursements.

The report is also critical of the Panamanian government for taking 20 months to pass economic reform legislation that the United States had set as a condition for spending the money. Lengthy talks with Panamanian officials also slowed disbursement for programs to improve police and justice systems, develop electoral and legislative procedures and support free press and labor unions.

Of the $420 million, $352 million was to help Panama cover debts with international financial institutions, fund infrastructure improvements and expand credit to businesses.

About $108 million of the $352 million was infused into the banking system to avert what AID officials believed could have become a liquidity crisis caused by a post-invasion run on banks. Another $65 million of the total package was to be spent on development programs. AID had disbursed only $18 million of the development money as of Jan. 31.

"AID perceived the economy to be in a state of emergency, and viewed its role as injecting an immediate stimulus into the economy," the draft states. "GAO found that, while Panama's economy was certainly in a state of crisis, the cause * * * was more political than economic." The economy improved before significant amounts of foreign assistance were disbursed, the study notes.

AID's plan, the report goes on to say, "generally overemphasized the need for short-term stabilization in Panama at the expense of dealing more comprehensively with the acknowledged obstacles to Panama's long-term growth and development"—notably, trade protectionism and bad government policy. AID officials declined comment yesterday, saying they had not read the draft, but noted that Panama's Gross Domestic Product grew 9.3 percent last year, in part because of U.S. assistance.

The draft was written by GAO analysts who conducted interviews with officials from the U.S. Embassy and AID in Panama and Washington, the State Department and the Panamanian government. The analysts also reviewed relevant aid program documents. The request for the study came from Sen. Patrick J. Leahy (D-Vt.), chairman of the Appropriations subcommittee on foreign operations.

The draft is not expected to be released for another two months, after GAO editors and State and AID officials in Washington have a chance to respond. It is not unusual for this review process to result in language changes that soften the findings of analysts who conduct the on-site work.

[From the Washington Post, June 16, 1992]

INDEPENDENT PANAMA AID STUDY SOUGHT

(By Dana Priest)

A senior official at the Agency for International Development called yesterday for outside investigators to evaluate the economic impact that $420 million in U.S. assistance authorized for Panama has had there.

Analysts at the General Accounting Office, the investigative arm of Congress, have concluded in a draft report that the aid package, appropriated by Congress after the U.S. invasion in December 1989 and meant to jump-start the economy, has had "no significant impact on the economy." It also says that 70 percent of the money earmarked to aid the poor and promote democratic institutions has not yet been disbursed.

"The allegations are so serious and damaging, so contrary to what I strongly feel is a well-designed and -managed program." said James Michel, assistant administrator at AID for the Latin America and Caribbean bureau. "I want to know if this is right. Can we be so wrong? If it's so, get rid of us all."

In the draft, which The Washington Post wrote about Saturday GAO analysts said AID had "over-stated" an expected post-invasion run on the banks. Expectation of such a run was the agency's justification for infusing nearly $352 million into the banking sector.

Michel said in an interview yesterday the money did help build the business confidence necessary to avert a banking crisis and better Panama's standing among international financial institutions.

The GAO draft said that "AID officials blame their own lengthy project design, approval and development process for" the delay in disbursing money for the development projects. Yesterday, Tom Stukel, AID's mission director in Panama, said it has taken time to develop projects to reform Panamanian institutions. "These are not solved overnight or formula kind of solutions," he said.

Although AID routinely evaluates its own programs, Michel said he will ask the agency to hire outside analysts to review the aid package to Panama. "I want to find out if we're as awful as this says we are."

AGENCY FOR
INTERNATIONAL DEVELOPMENT,
Washington, DC, June 15, 1992.
The EDITOR,
The Washington Post, Washington, DC.

THE EDITOR: The Agency for International Development has again come under attack—this time in the Post's front-page story of Saturday, June 13, entitled "$420 Million Panama Aid Found Ineffectual by GAO."

The lengthy Post article appears to be based entirely on an early draft of a report still being prepared by the General Accounting Office and not yet seen by A.I.D., but made available to your reporter. The Post article is highly critical of A.I.D.'s program with respect to the following:

The significance of its impact on the economy and the underlying causes of political instability in Panama;

The amount of money spend on bolstering the banking sector;

The speed of disbursement of the money earmarked to aid the poor and promote democratic institutions;

The balance of emphasis between the need for short-term stabilization in Panama and the obstacles to Panama's long-term growth and development—notably, trade protectionism and bad government policy.

As the A.I.D. official who approved the Panama program and chaired annual reviews of its implementation in 1991 and 1992, I can claim some personal knowledge of what A.I.D. regards as a major success. The total failure described by the Post is a far cry from the impressive accomplishments I have observed both from Washington and from two reviews of the program in Panama.

With respect to the four areas of criticism identified in the Post article, my understanding is as follows:

IMPACT ON THE ECONOMY

During the period January 1990 to January 1992 A.I.D. disbursed $368 million in grant funds for assistance to Panama. The size of Panama's economy is about $5 billion. There is no way that we could have spent $368 million in an economy of that size for activities such as housing construction, rehabilitation of public infrastructure, repair and restocking of commercial establishments and credit for new investments without making a significant impact. A principal purpose of our activities was to foster a rapid return of economic growth. In fact, Panama's economy grew an impressive 4.6 percent in 1990 and a remarkable 9.3 percent in 1991. It is incomprehensible how any informed analysis could conclude that this extraordinary recovery, unmatched anywhere in the Western Hemisphere, would have occurred without or without the A.I.D. program.

BOLSTERING THE BANKING SECTION

When the A.I.D. program was initiated in 1990 bank deposits in Panama were frozen. There was a broad consensus, shared by Panamanian officials and the business and financial communities, that unfreezing accounts would present two risks: first, there might be a run on the banks by depositors; second, bankers fearing a possible run might be reluctant to make new loans needed to revitalize the economy and create new employment. Accordingly, A.I.D. developed an innovative program that made available $108 million to the Government of Panama to buy certificates of deposit from private banks that were prepared to make investment loans.

We are convinced that the confidence given by this program contributed significantly to the fact that the feared run on the banks did not occur, and that deposits actually increased as new loans were made. The full $108 million has been disbursed. According to the program design, the participating banks were required to contribute matching funds. The results—3,200 new investments totaling $243 million were financed and deposits in the banking system increased from $7.8 billion in December 1989 to $12.1 billion in March 1992. We cannot be certain that without A.I.D.'s program a run on the banks would have occurred. Nor can we state with certainty that tight credit would have constrained new investment. We are sure that it would have been irresponsible for us to have ignored those risks and are proud of the results of our program.

SPEED OF DISBURSEMENT FOR DEMOCRACY AND POVERTY ALLEVIATION

The A.I.D. program can be characterized as being made up of two kinds of activities—quick disbursing contributions to the "jump start" of the economy and long-term efforts to strengthen Panama's capacity for sustaining credible and accountable democratic institutions and broad opportunities for participation in the economic and political life of the country. Of the 23 projects managed by the A.I.D. Mission in Panama, 12 will extend into fiscal year 1994 and 9 will continue into fiscal year 1995. It is inherent in this project mix that a high percentage of the funds committed to the long-term projects will not be disbursed during the first two years of the program. Any inference that a faster rate of disbursement for long-term projects would represent a wiser or more efficient use of funds would be erroneous.

Rather than look to a false indicator of accomplishment, it would seem useful to recount some of the achievements of the past two years. The single greatest benefit to the poor has been the reduction in unemployment from more than 30 percent to less than 16 percent as a result of the economic reactivation which A.I.D. has supported. In addition:

A.I.D. provided $20 million for a social emergency fund which has financed over 800 community projects, particularly in long-neglected rural areas, employing more than 8,000 persons.

A.I.D. provided $13 million for repair and construction of schools and health facilities.

A.I.D. delivered more than 43,000 textbooks to public and private universities.

A.I.D. provided financial support for 378 scholarships for agricultural and technical training for disadvantaged rural youth, as well as more than 100 scholarships for study in U.S. universities.

A.I.D. support to the judicial system has improved court administration and permitted an increase in the number of public defenders and the creation of nine new courts, contributing to the initial declines in the backlog of cases and the number of pretrial detainees.

A.I.D. is assisting in the modernization of the legislative assembly's operations and management information system.

A.I.D. financed technical assistance to the newly reconstituted Electoral Tribunal supported free and fair local elections in January 1991 and will help the Tribunal to administer a proposed constitutional referendum in 1992 and national elections in 1994.

A.I.D. technical assistance to the Comptroller General is achieving significant improvement in the accountability of public institutions to Panama's citizens.

A.I.D. financed training for 535 community leaders, 372 journalists and media owners, and 445 labor leaders in democratic values and participation.

BALANCE BETWEEN SHORT-TERM STABILIZATION AND LONG-TERM GROWTH AND DEVELOPMENT

A.I.D. attention to policy reform and elimination of obstacles to broadly-based and sustained growth has been a central tenet of our program. A total of $130 million of appropriated funds was set aside for a U.S. contribution to a multi-donor support group for clearing Panama's arrears to the World Bank and the Inter-American Development Bank. Clearing of arrears was necessary to gain renewed access to financing by those international financial institutions (IFI's) for long-term development needs. In addition, A.I.D. conditioned $84 million of the $113 million allocated for public investment by the Government of Panama on reduction in trade barriers, improvements in governmental efficiency and agreement with the IFI's. These measures operated to combine the incentives of A.I.D. resources and those of the IFI's to encourage policy reforms necessary for long-term growth and development.

Conditioning of more than $200 million on policy reform, together with an ongoing dialogue and technical assistance, has contributed to the following:

Tariffs have been reduced to 90 percent for agriculture and 60 percent for industry, with a commitment to further reductions and the elimination of quotas by 1993.

The Government is eliminating price controls and is closing its office of price regulation.

Panama has applied for membership in the GATT and is participating in the liberal economic integration deliberations underway in Central America.

The Government has reduced the public civilian payroll by 9,000, and is committed to reducing an additional 19,000 public sector jobs by the end of 1993.

The Government has privatized the national airline and two hotels, and is committed to privatize the telephone company.

A reform of the social security system has been legislated.

Legislation has been passed that permits the creation of privately owned export processing zones and provides incentives for investors to establish operations therein.

Panama entered into a bilateral investment treaty with the United States in May 1991.

While much remains to be done, Panama's economic plan and its program loans with the IFI's, supported by A.I.D., represent a good beginning to setting the basis for broadly-based and sustained growth.

In conclusion, from my perspective, your story represents an undeserved and devastating condemnation of outstanding work by A.I.D.'s dedicated and highly competent professional staff. I do not expect you to publish this long and detailed letter. Indeed, if you were to do so that would not remedy the harm that has been done. Instead, I want to offer you an independent evaluation of A.I.D.'s Panama program and ask that you publish its findings.

At my request, the Director of A.I.D.'s Center for Development Information and Evaluation has agreed to commission a study by a term of disinterested experts of the effectiveness of our Panama program. The study, of course, will be made available to the public. If the study confirms the grave allegations of your June 13 story—in effect, that A.I.D. has wasted $420 million of the taxpayer's money without benefit to the people of Panama—that should be made known. If, on the other hand, we have been responsible stewards of the resources that have been entrusted to us, simple justice should compel you to mitigate the damage your story has done to the reputation of this Agency and its personnel.

Sincerely,

JAMES H. MICHEL.

AGENCY FOR
INTERNATIONAL DEVELOPMENT,
Washington, DC, April 27, 1992.

Memorandum for: AA/LAC, James H. Michel
From: IG, H.L. Beckington.
Subject: Audit of the Panama Assistance Program Funded by Public Law 101-302 as of November 30, 1991.

This report once again describes a disagreement between the IG and the A.I.D. Mission in Panama which I want to bring to your attention. The disagreement focuses on the $107.9 million Private Sector Reactivation Program and involves A.I.D.'s lack of assurance that program funds have contributed to the reactivation of Panama's private sector.

The auditors believe that the A.I.D. Mission in Panama did not follow the provisions contained in the A.I.D./W-approved authorization document which would have linked U.S. assistance dollars to new bank lending and to the subsequent purchase of interbank certificates of deposit (ICD's). Rather, the Mission allowed the entire $107.9 million to be disbursed based on past versus prospective lending activity by Panama's banks. Accordingly, there was no way to assess whether the participating banks would have made the loans in the absence of the program, nor was there a way to determine whether funds received under the program resulted in increased lending for the specific types of activities the program was intended to support. In short, the question remains—what were A.I.D. dollars used for?

The Mission fundamentally disagreed with us concerning the need to follow the original authorization document and to establish a direct linkage between program funds and prospective new lending. The Mission defined the term "new" to be any loans made after the date of the agreement with the Government of Panama, and assuming banks met that criteria, it was not concerned about the use of funds by the banks. It considered the program a success because the funds were fully disbursed and were a source of medium-term deposits available to Panama's banking system.

The issue is still pertinent today because reflows from the repayments of ICD's are now being disbursed and we continue to believe it inappropriate to continue providing funds to reimburse old lending activity by the banks. We are again recommending that the original requirement be adhered to which will result in a more direct linkage between program funds and eligible new private sector activities.

Since we are not making any headway with the Mission in resolving this recommendation, I would like you to consider the issue from your perspective.

AGENCY FOR INTERNATIONAL
DEVELOPMENT,
Washington, DC, June 17, 1992.

Memorandum to: IG, H.L. Beckington.
From: AA/LAC, James H. Michel.
Subject: Audit of the Panama Assistance Program Funded by Public Law 101-302 as of November 30, 1991.
Ref: Your Memo of April 27, 1992; Same Subject.

In consultation with our Mission in Panama and with our staff here in the LAC Bureau, I have carefully reviewed the issues raised in your April 27 memorandum regarding the implementation of the Private Sector Reactivation Program (PSRP) financed under Public Law 101-302. As you are aware, this program assistance was unique in several aspects, as it responded to the urgent recovery needs of Panama in the wake of Operation Just Cause. Because of this, the Mission consulted with the then Regional Inspector General in Honduras on program design issues to ensure that the program's conceptual framework adequately addressed the issue of accountability. I understand the Regional Inspector General concurred in the approach proposed by the Mission before the Program was authorized.

After carefully reviewing the implementation of the PSRP in Panama, I believe the data demonstrate that: (1) the program was the single most important source of domestic medium term deposits in Panama in 1991; (2) deposits under the program provided an important incentive to the participating banks to increase their medium-term lending activities; (3) participating banks substantially increased their medium-term lending to the private sector after the agreement was signed and the program was made known to them; and (4) the amount of resources made available by the participating banks to the private sector through this program was highly significant in comparison to overall private investment. These facts indicate strongly that PSRP program funds contributed importantly to the reactivation of Panama's private sector, and thus to the current high rate of growth of Panama's gross domestic product.

Disagreement between the Mission and the RIG appears based on two questions:

Did the Mission follow the provisions contained in the A.I.D/W-approved authorization document in implementing the Program?

Was the PSRP program successful in achieving its stated purpose; i.e. were the A.I.D. dollars used effectively?

CONSISTENCY WITH AUTHORIZATION DOCUMENT

The authorized Program Assistance Approval Document (PAAD) for the PSRP states that the purpose of the program is "to assist the GOP to provide immediate liquidity to reactivate the banking system and to permit an increase in credit to the private sector in Panama". Program funds were to be used for the purchase of interbank certificates of deposit (ICD's) to provide liquidity to participating private banks, increasing their medium-term assets and thus enabling them to increase their medium-term lending. Your memorandum indicates your view that there are provisions of the authorization document which would have linked U.S. assistance dollars directly to new bank lending. But the issue of "direct linkage" was explicitly dealt with in the original review of the program in Washington and in pre-approval conversations with RIG/Tegucigalpa, as well as in the authorizing document itself. The PAAD states clearly that A.I.D. intended to track and monitor the dollars only to the point of purchase of ICD's, and made explicit that dollars were not to be tracked to any individual loans or groups of loans. The suggestion in the audit report that the Mission establish a "direct linkage between program funds and prospective new lending," is not consistent with the authorization document, nor with the very concept of program assistance deliberately employed to meet Panama's urgent needs.

As noted in your memo of April 27, a key issue in determining whether the Mission acted consistently with the authorization in implementing the program is whether the Mission allowed funds to be disbursed based on "past", as opposed to "new", lending by participating banks. As the authorization documents note repeatedly, A.I.D. funds were not to be linked to specific new loans or to new groups of loans, but were to enable an overall expansion of medium-term lending by banks after the initiation of the program. Relevant "new" lending is thus lending by participating banks which occurred after the start of the program. Both the authorization document and the program agreement state that ". . . program success will be measured on the basis of the annual increase in loans outstanding to the private sector. The baseline for comparison will be June 30, 1990." Thus, lending occurring after this date is, by definition, "new lending" for purposes of this program. The audit report's concern that such lending was not "prospective" relates only to an initial design element of the project, a preview by BNP of 30 days of planned lending by participating banks prior to the disbursement for the ICDs. This preview was dropped during implementation as being unnecessary, given the availability of a much stronger "control" technique, i.e. a review of actual new loans made, to assure they met program criteria prior to disbursement for the ICDs. The implementation decision not to require a preview of prospective lending under these circumstances is not a material deviation by the Mission from the authorization document.

PSRP PROGRAM EFFECTIVENESS

The Program grant agreement stipulates that ". . . program success will be measured on the basis of annual increases in (medium term) loans outstanding to the private sector." It is on this basis that the success of the program was independently evaluated. Bank resources for domestic medium-term lending are largely a function of domestic medium-term time deposits, such as the interbank ICDs purchased with program funds. As of the pre-program baseline date in June, 1990, total medium-term deposits in participating banks amounted to $179.7 million. As of March, 1992, such deposits in the same banks amounted to $329.3 million, or an increase of $149.6 million. Of this increase $107.7 million, or 72%, is directly attributable to the PSRP. Over this same period, the value of medium-term loans of these banks increased from $708.7 million to $1,124.8 million, an increase of $416.1 million in lending to the private sector. Of this increase, $215.4 million, or 52% is attributable to medium-term deposits made under the program. Even when compared to estimates of total private investment, approximately $600 million, the investment resulting from the program can be seen as highly significant, constituting over 35% of the total.

The LAC Bureau believes that the Mission carried out the Program in accordance with the original authorization document provisions that the program was successful in achieving its purpose. The essential purpose of the Program was to provide an injection of liquidity to general license banks to support the GOP's decision to unfreeze bank deposits and to permit an increase in the funds available for medium-term lending. Because USAID/Panama did not intend and was not obliged to trace its funds to specific loans, it is not accurate to say that A.I.D. does not know how these funds were used. The funds were used to buy medium term certificates of deposit which enabled Panama's private banks to increase their medium-term lending to the private sector. This was, by definition, the end use of the A.I.D. funds.

Along with the Government of Panama (GOP), I believe that the Program made a significant contribution to the recovery of the banking system, the reactivation of medium term lending by general license private banks, and in turn to productive investment by the private sector. Therefore, consistent with the Grant Agreement, the GOP and USAID/Panama have decided that effective June 15, 1992, reflows from the program will be used exclusively to pay non-military U.S.G. bilateral debt. Reflows are no longer needed to support new private sector lending activity, which has recovered significantly and now appears quite healthy.

I hope the above information is helpful in clarifying apparent misunderstandings of the intent of this Program. Our Mission in Panama is separately providing the RIG with a detailed response to these and other audit issues contained in the final audit report. If there is any additional information we can provide you, please let me know.

Mr. LEAHY. Mr. President, I would just end by saying, you do not solve a problem by throwing money at it. Let us forget the political rhetoric and do what is right.

I thank the Chair.

Mr. MOYNIHAN addressed the Chair.

The Senator from New York.

Mr. MOYNIHAN. May I ask unanimous consent that the time for routine morning business be extended for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. I yield 30 seconds to the Senator from Alaska.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. I thank the Senator from New York.

A POLITICIAN'S DREAM IS A BUSINESSMAN'S NIGHTMARE

Mr. STEVENS. Mr. President, quoting Justice Felix Frankfurter, former Senator George McGovern stated, "Wisdom too often never comes, and so one ought not to reject it merely because it comes late."

He wrote an article, entitled "A Politician's Dream Is a Businessman's Nightmare," which appeared in the Wall Street Journal on June 1.

I missed it. I think other Senators may have.

I ask unanimous consent that Senator McGovern's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A POLITICIAN'S DREAM IS A BUSINESSMAN'S NIGHTMARE

(By George McGovern)

Wisdom too often never comes, and so one ought not to reject it merely because it comes late.—JUSTICE FELIX FRANKFURTER.

It's been 11 years since I left the U.S. Senate, after serving 24 years in high public office. After leaving a career in politics, I devoted much of my time to public lectures that took me into every state in the union and much of Europe, Asia, the Middle East and Latin America.

In 1988, I invested most of the earnings from this lecture circuit acquiring the leasehold on Connecticut's Stratford Inn. Hotels, inns and restaurants have always held a special fascination for me. The Stratford Inn promised the realization of a longtime dream to own a combination hotel, restaurant and public conference facility—complete with an experienced manager and staff.

In retrospect, I wish I had known more about the hazards and difficulties of such a business, especially during a recession of the kind that hit New England just as I was acquiring the inn's 43-year leasehold. I also wish that during the years I was in public office, I had had this firsthand experience about the difficulties business people face every day. That knowledge would have made me a better U.S. senator and a more understanding presidential contender.

Today we are much closer to a general acknowledgement that government must encourage business to expand and grow. Bill Clinton, Paul Tsongas, Bob Kerrey and others have, I believe, changed the debate of our party. We intuitively know that to create job opportunities we need entrepreneurs who will risk their capital against an expected payoff. Too often, however, public policy does not consider whether we are choking off those opportunities.

My own business perspective has been limited to that small hotel and restaurant in Stratford, Conn., with an especially difficult lease and a severe recession. But my business associates and I also lived with federal, state and local rules that were all passed with the objective of helping employees, protecting the environment, raising tax dollars for schools, protecting our customers from fire hazards, etc. While I never have doubted the worthiness of any of these goals, the concept that most often eludes legislators is: "Can we make consumers pay the higher prices for the increased operating costs that accompany public regulation and government reporting requirements with the reams of red tape," It is a simple concern that is nonetheless often ignored by legislators.

For example, the papers today are filled with stories about businesses dropping health coverage for employees. We provided a substantial package for our staff at the Stratford Inn. However, were we operating today, those costs would exceed $150,000 a year for health care on top of salaries and other benefits. There would have been no reasonable way for us to absorb or pass on these costs.

Some of the escalation in the cost of health care is attributed to patients suing doctors. While one cannot assess the merit of all these claims, I've also witnessed firsthand the explosion in blame-shifting and scapegoating for every negative experience in life.

Today, despite bankruptcy, we are still dealing with litigation from individuals who fell in or near our restaurant. Despite these injuries, not every misstep is the fault of someone else. Not every such incident should be viewed as a lawsuit instead of an unfortunate accident. And while the business owner may prevail in the end, the endless exposure to frivolous claims and high legal fees is frightening.

Our Connecticut hotel, along with many others, went bankrupt for a variety of reasons, the general economy in the Northeast being a significant cause. But that reason masks the variety of other challenges we faced that drive operating costs and financing charges beyond what a small business can handle.

It is clear that some businesses have products that can be priced at almost any level. The price of raw materials (e.g., steel and glass) and life-saving drugs and medical care are not only easily substituted by consumers. It is only competition or anti-trust that tempers price increases. Consumers may delay purchases, but they have little choice when faced with higher prices.

In services, however, consumers do have a choice when faced with higher prices. You may have to stay in a hotel while on vacation, but you can stay fewer days. You can eat in restaurants fewer times per month, or forgo a number of services from car washes to shoeshines. Every such decision eventually results in job losses for someone. And often these are the people without the skills to help themselves—the people I've spent a lifetime trying to help.

In short, "one-size-fits-all" rules for business ignore the reality of the marketplace. And setting thresholds for regulatory guidelines at artificial levels—e.g., 50 employees or more, $500,000 in sales—takes no account of other realities, such as profit margins, labor intensive vs. capital intensive businesses, and local market economics.

The problem we face as legislators is: Where do we set the bar so that it is not too high to clear? I don't have the answer. I do know that we need to start raising these questions more often.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

JUDICIAL NOMINATIONS

Mr. MOYNIHAN. Mr. President, I rise to call attention to a serious matter that the Senate ought to concern itself with, which is the hold that has been placed on the nomination of four Federal judges, reported out of the Judiciary Committee unanimously early in June, and yet not acted upon, held at the desk as a consequence of the wishes of individual Senators who really are not involved with the judicial districts concerned and who do not come forward, even, and say who they are.

On June 11, the Judiciary Committee by unanimous vote reported four Federal court nominees for Senate confirmation: Susan H. Black for the 11th Circuit Court of Appeals; Irene M. Keeley for the Northern District of West Virginia; Loretta A. Preska, and Sonia Sotomayor, each for the Southern District of New York. Each of these nominees has a distinguished background and their nominations were accompanied not only by no controversy but by the most emphatic support from bar associations and the like. Yet they are held at that desk. In the case of Ms. Black, a Democratic Senator has a hold. In the other three cases: Ms. Keeley, Ms. Preska, Ms. Sotomayor, Republican Senators have said they may not be called up.

I understand this takes place in the context of a dispute over the nomination of Edward E. Carnes for the 11th Circuit Court of Appeals. That pattern has been seen here before. But, last Thursday, four—shall I say it—white male Republicans were reported out of the Judiciary Committee and the next day confirmed by the Senate under a unanimous-consent request.

If all nominations were to be held up, that is something that we learn to live with and accommodate and work out. But I hope we do not find a situation in which, if you happen to be a white Republican male you go right through, and if you are, as in the case of the two judges to be from the Southern District of New York, if you happen to be female, and in one case happen to be recommended by a Democrat, you just stay up there.

The Southern District of New York, I might add, has a judicial emergency, so declared by the Judicial Conference.

Sir, I will conclude by simply saying those two judges-to-be, Loretta Preska and Sonia Sotomayor, are being held up by Republican objections from the other side. I do not wish to be partisan in this matter. I hope I typically am not. But that is inescapably the fact. I hope, sir, those facts might change before we leave for the Fourth of July weekend.

Mr. President, I thank you for your courtesy and thank the Senate for allowing me to extend morning business.

I yield the floor, sir. I believe the time for routine morning business has ended?

ARMED FORCES RECRUITING

Mr. HEFLIN. Mr. President, I am deeply concerned by statements made here on the Senate floor and in the media that suggest that with the end of the cold war, the Armed Forces should greatly scale back their recruiting efforts. At first, the logic of these critics seems clear: Smaller forces means fewer recruits; fewer recruits equals a proportionately smaller recruiting budget. Unfortunately, as is usually the case, the truth is more complex.

Though all of the services are caught in the recruiting budget crunch, today I will speak about the problems of my own branch, the U.S. Marines. In my opinion, 25 percent of the corps personnel are exceptional, 60 percent are average, and 15 percent are performing below average. The same is probably true of GM or Ford. But unlike these private companies, the Marines experience a turnover of approximately 30 percent per year. Even though this level of turnover would easily put a company like GM out of business, the Marines are expected to be ready to defend the country at any moment.

If they are to maintain this level of readiness, the key to effective downsizing for the Marines will be to identify the below average 15 percent and replace them with high-quality recruits. These top notch recruits are not going to just walk in off the streets and ask the join the Marines. The only way to find these high quality men and women is to have an outstanding recruiting program that includes mass media advertising.

The draft is gone. To fill their quotas, the Marines have to win hearts and minds, which all parents know is no easy task. I can remember a time when young people fled the country rather than enter the military. Bright young men and women are more likely to dream of becoming a billionaire like Ross Perot than of spending time in the military serving their country. Even the once promised job security is no longer guaranteed. But if the services fail to attract high quality American youth, if they do not have an effective recruitment program, they will be forced to lower their standards. Perhaps certain community activists would see it as a service to communities for the corps to again begin to accept high school dropouts, but I doubt these activists ever spent any time in the military.

General Mundy, Commandant of the Marine Corps, recently wrote me describing his experiences during the seventies, a historic low point for the Armed Forces. He graphically presented what we can expect from our Marines if we backtrack and lower the entry requirements to what they were during those days. I would like to share some of his experiences:

> Of the 1,100 Marines in his battalion in 1974, only 37 percent were high school graduates. Another third were either drug abusers, law offenders, or manifested other forms of social maladjustment. Three of the eight mortars in his battalion were operable at any given time; only forty percent of his vehicles functioned; the majority of his communications equipment did not work; and the supply accounts were mismanaged. They had riots in the mess halls, gangs roamed the streets of our military camps, and officers were assaulted by enlisted men.

Mr. President, we simply cannot allow our military to regress back to this level. We have to keep standards high. To do so will cost significant amounts of money, but I see this money as an insurance policy that will guarantee the future security of our great country.

In the House of Representatives fiscal year 1993 Defense authorization bill, the Marine Corps recruiting budget request was cut by $7.2 million. The House also increased the Marine Corps Reserve end strength by 3,600 positions. In effect, the Marines are being told to do more with less at a time when people are not exactly beating down the doors to enlist.

Marine reservists learned in Desert Storm that they had committed themselves to much more than just one weekend a month.

These men and women had pledged to travel around the world to fight for their country should they be called upon by their Commander in Chief. They went to the desert bravely, but none will deny that their decision to join the Reserves caused both personal and family hardship. Some returned to find their businesses lost, others lost their marriages, and most tragically, some lost their lives. This experience may well cause many to leave the Reserves, and cause many to think again before joining.

Recruiters for the active duty corps are experiencing similar problems. While young people have always shown some degree of fascination with the military, it is the top career choice of very few. They certainly do not, as a body, seek to join the military. In fact, the latest DOD Youth Attitude Tracking Survey shows a statistically significant decline in propensity to enlist. We all know, however, that bright young Americans are attracted by quality advertisements. Historically, Department of Defense surveys indicate that those who have seen their advertising are twice as likely to consider serving with the corps than those who have not. The Marine Corps ads create this attraction, then backs it up by having a carefully trained, highly effective sales force in the area. Recruiting is one of the hardest jobs in the military, but it is one vital to our national security. We simply must give the services the resources they need.

Again, to quote General Mundy:

> In the final analysis, the expenses involved with an effective recruiting program, to include national advertising, pales in significance when compared with the expense involved with a low quality military personnel structure.

I urge my colleagues to take this message to heart and not rush to make funding cuts that we well may regret for years to come.

Thank you, Mr. President.

RETIREMENT OF GEN. JOHN R. GALVIN

Mr. WARNER. Mr. President, I rise today on the occasion of the retirement of Gen. John R. Galvin, since June, 1987 our commander in chief, U.S. Forces, Europe and Supreme Allied Commander, Europe.

General Galvin's illustrious career spanned the years of the cold war. He joined the Massachusetts National Guard in 1948 as a private and will retire today, June 30, 1992—44 years later—as a four-star general. General Galvin is an infantryman and a soldier's soldier. He spent the early years of his career in Vietnam, Latin America, and Germany. He went on to command the 3d Infantry Division Support Command, the 24th Infantry Division at Fort Stewart, GA, and the 7th U.S. Corps in Europe. In addition, he was commander in chief of the United States Southern Command in Panama, commander in chief United States European Command in Germany, and the Supreme Allied Commander, Europe.

Perhaps one of General Galvin's greatest achievements came while serving as Supreme Allied Commander, Europe. It was during this memorable period that the Treaty on Conventional Forces in Europe was negotiated, that the Berlin Wall came down, and that the Warsaw Pact and the Soviet Union ceased to exist.

Without missing a beat, General Galvin adjusted brilliantly to the new strategic environment. He managed the reduction of intermediate-range nuclear weapons and the retrograde of U.S. chemical weapons from Europe. He provided expert military advice during the negotiations, and later the implementation of the Conventional Forces in Europe Treaty. General Galvin also contributed immeasurably to the adjustment of NATO's evolving strategy, force structure, and command arrangements and concentrated his extraordinary personal energy on ensuring the successful development of the military-to-military contacts program with the nations of the former Warsaw Pact. In short, General Galvin has been instrumental in guiding NATO toward a new European security structure.

Mr. President, in last Thursday's Washington Post, there was an article about General Galvin which provides some keen insights into the character of this distinguished military leader. I ask unanimous consent, Mr. President, that this article be included in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WARNER. In December of last year, I had the opportunity, while on a visit to Europe, to be accompanied by General Galvin on a tour of the Waterloo battlefields. General Galvin's knowledge and expertise in military history, strategy, and tactics, made our tour extraordinarily enjoyable and educational. I will always appreciate his taking the time to walk the terrain of those historic fields of battle with me.

General Galvin's advice has been sought by American Presidents and by Heads of State and Ambassadors of numerous other countries. The testimony General Galvin has given this body over the years has been remarkable for its clarity and its vision. He is truly one of the most able, energetic, and thoughtful military leaders of our generation. He will be sorely missed.

We extend to General Galvin and his wife, Ginny, our sincere best wishes for a long and happy retirement. And to this wonderful army family, including his daughters Mary Jo, Beth, Kathleen, and Erin, our gratitude for the contributions and sacrifices you have made over these many years for our Nation.

Good luck and Godspeed.

EXHIBIT 1

[From the Washington Post, June 25, 1992]

RETIRING NATO CHIEF SURVIVED ROCKY START

(By Barton Gellman)

For the third time in as many years, the maverick lieutenant colonel was at the brink of being fired.

The scene was a Vietnam fire base in 1970. Though he had buffaloed his way to command of a battalion, John R. Galvin figured he was in the twilight of an undistinguished Army career. He had been relieved of one important job as a major and eased out of another the following year.

Now, his brigade commander had ordered up what Galvin regarded as a suicide mission, and Galvin responded with another career-defying leap.

"I said, 'Colonel, I am not about to do what you just said because I think it's stupid and it'll get a bunch of people killed,'" Galvin recalled in a recent interview, the substance of which was confirmed by two contemporaries, "'And so if you don't like my plan, then you find somebody else to run the battalion.'"

Galvin, 63, who stepped down yesterday as NATO's supreme commander, survived that imbroglio and many others in a 44-year career that probably could not be repeated in today's unforgiving military culture. He departs with a stature that leaves him arguably without peer among living generals.

In Europe and in the national security establishment, Galvin will be remembered not only as the last Cold War SACEUR (Supreme Allied Commander, Europe) but also as a man who anticipated and helped shape a new era.

Galvin came into the job in 1987 with the reputation of a fierce anti-communist. He spent his first months in the Mons, Belgium, headquarters fighting for new short-range nuclear weapons to deter a Soviet thrust across the Central German plains. He is leaving as a consummate diplomat who more than any other Westerner gave Moscow's generals the confidence to let their war machine unravel, and who engineered a new role and structure for NATO.

Galvin's own memories were more personal in the interview in the Pentagon's sealed-off Joint Staff corridor, where he recounted stories of early- and mid-career adventures that aides said he has not told before.

Son of a Massachusetts bricklayer, Galvin was not born to the Army, nor did he come to it—or take to it—right away. In quick succession in 1947, the young Galvin dropped out of Boston University and then Merrimac College's pre-medical program. He went to art school, dreaming of a career as a cartoonist.

He even sold a cartoon once, "which gave me a great deal of ambition," he said. It showed an organ grinder with a big mustache, "and instead of having a monkey, he had a gorilla. And this gorilla had a guy, and he was shaking him upside down and all the guy's coins are falling out his pockets." The caption: "I make a lot more money since he grew up."

But Galvin also joined the Massachusetts National Guard as an enlisted soldier, "basically because the money came in handy," he said. His sergeant persuaded him to take the test for West Point, and he became the first in his family to obtain a college degree.

William A. Boucher, a West Point roommate who retired as an Air Force colonel, said Galvin's academy career was distinguished mainly by his cartoons in the monthly "Pointer and the Howitzer" yearbook. Ben Schemmer, another classmate, said Galvin helped steal the Naval Academy's mascot goat in 1953 and "almost set a record" for "walking the area," a form of punishment for minor campus infractions.

"There was certainly nothing outstanding in his academic career," said Boucher, who remembers Galvin nonetheless as a man to whom others naturally listened. "Let's just say we had many late night discussions on how to handle math problems."

Galvin said he had few thoughts of making a career of the Army, but 'right from the beginning they gave me something that absolutely fascinated me and that was responsibility."

Galvin took it seriously, setting a pattern early on of doing what he thought was right, whether or not it tended to please his superiors.

In 1968, after one too many clashes, Maj. Gen. William DePuy fired him as a brigade operations officer in the 1st Infantry Division in Vietnam. It was a "devastating kind of thing" for a young major, Galvin said. "The way I was doing things wasn't what you'd call career-enhancing."

After a brief stint in Washington, Galvin volunteered to return to Vietnam. He landed at Cam Ranh Bay, ignored orders to wait for an assignment, and hitched a ride to the headquarters of the 1st Cavalry Division.

Lt. Gen. H.P. Taylor, who now commands the Army's III Corps in Texas, remembers Galvin's arrival.

"He was a kind of shrimpy looking, rumpled little guy, you know, and I says, 'I wonder what I got here,' but as soon as he opened his mouth and asked a few questions, I knew I had something a lot more than his initial appearance indicated," Taylor said.

Galvin marched up to Col. Joseph Kingston, the division chief of staff, and told him he wanted command of a battalion. Six months later, improbably, he got it.

The day that Galvin nearly lost that job began with a carefully crafted plan to ambush the Viet Cong at three chokepoints along an extensive trail system. Galvin briefed Col. Carter W. Clarke, Jr. on his next morning's ambush plans, and by several accounts the brigade commander insisted that Galvin instead assault the enemy frontally—at once. (Galvin did not refer to Clarke by name, but other officers confirm division records of his identity.)

"I said, 'Well, see, it's getting dark now and they're out of artillery range,'" Galvin said. "He said, 'I told you to do it now . . .' So this guy had told me some dumb things before, so I said to him, 'Colonel, could we just take a walk outside for a minute.'"

In defying Clarke's orders, Galvin recalled being confident the colonel "wouldn't dare to fire me because he didn't have the guts."

But Clarke, according to Galvin and retired Gen. Edward C. Meyer, then the division chief of staff, took out his ire on Taylor, who had become Galvin's battalion operations officer. In Taylor's next fitness report, Clarke "just wiped him out," Galvin said. Galvin led a successful campaign to reverse Clarke's verdict, which would almost certainly have driven Taylor out of the Army.

Galvin often took great personal risks for his soldiers and officers, according to many who served with him. In turn he has inspired extraordinary warmth and loyalty.

Vice Adm. Leighton W. "Snuffy" Smith Jr., among the most irreverent of officers, told a Navy War College audience last week that "I will revere him—is that the right word? I will love him for the rest of my life." Smith served as Galvin's director of operations for the U.S. European Command.

Never a chest thumper, Galvin has avoided the muscular rhetoric, much in vogue at the Pentagon, that speaks of "winning" and "victory" in the Cold War. Galvin is said to regard those terms as inflammatory, and speaks only of "mission accomplished."

He is much the same in his personal bearing, leaving most of his decorations and badges—including the Silver Star for valor—off his uniform except on formal occasions.

"I've always asked him, 'How did you get your medals?'" said Schemmer, until recently editor of the Armed Forces Journal International. "He'll never tell me."

TODAY'S BOXSCORE OF THE NATIONAL DEBT

Mr. CRAIG. Mr. President, Senator HELMS is in North Carolina recuperating following heart surgery, and he has asked me to submit for the RECORD each day the Senate is in session what the Senator calls the congressional irresponsibility boxscore.

The information is provided to me by the staff of Senator HELMS. The Senator from North Carolina instituted this daily report on February 26.

The Federal debt run up by the U.S. Congress stood at $3,946,125,992,881.32, as of the close of business on Friday, June 26, 1992.

On a per capita basis, every man, woman, and child owes $15,363—thanks to the big spenders in Congress for the past half century. Paying the interest on this massive debt, averaged out, amounts to $1,127.85 per year for each man, woman, and child in America—or, to look at it another way, for each family of four, the tab—to pay the interest alone—comes to $4,511.40 per year.

MEMORIAL FOR CAPT. THOMAS WADSWORTH

Mr. SYMMS. Mr. President, among the important resources the State of Idaho has access to, its great patriots often receive the least amount of recognition. To many, Idaho has been branded "the Potato State," which often leads to the belief that potatoes are our only export.

In truth, past leaders of Idaho have played an active role in helping our Nation develop into a thriving world power. Statesmen such as former Senator William Borah, past Gov. George Shoup, and recently deceased diplomat Phil Habib dedicated exemplary service throughout their careers to Idaho and to the United States.

On June 8, another great Idaho leader passed away.

Many who knew Capt. Thomas J. Wadsworth felt he had the leadership ability, knowledge, and courage to be characterized as a true patriot. In his days, he surpassed even those lofty expectations, for he succeeded in keeping strong ties with his family, home, and church, as well as his country.

Captain America, as many people called him, accomplished such a number of things throughout his career, an exhaustive list of his achievements is nearly impossible. Among his most noteworthy feats:

Civil Defense Director, Bonneville County, ID, for 19 years.

President of the National Coordinating Council on Emergency Management in region X.

President of the American Society of Professional Emergency Planners.

President of the Idaho Civil Defense Association.

Recipient of the Idaho Falls Kiwanis Distinguished Citizen Award.

Served as both chairman and initiator of the Idaho Falls Independence Day Parade.

Invited to join the American emergency management team to visit China.

Chairman of Vietnam War Veterans' Welcome Home Parade.

Member of the advisory board, Teton Peaks Council of the Boy Scouts of America.

Recipient of the Boy Scouts' Silver Beaver Award.

In honor of Thomas Wadsworth, and in honor of his wife, Frances, and his daughter, Debbi Sue, I ask unanimous consent that an article which appeared in the Idaho Falls Post Register be printed in the RECORD following my remarks.

Mr. President, it has been said society should learn from the past. I cannot tell you how beneficial a firm grasp of the motivation and character of Capt. Thomas Wadsworth would be on the impressionable youth of our Nation. He stood as a true American patriot and as a perfect representative of what our forefathers believed in.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Idaho Falls Post Register]

CEREMONY HONORS T. J. WADSWORTH

(By Loren Petty)

A Flag Day ceremony Sunday at the Bonneville County Courthouse was dedicated to the monory of former county Civil Defense director Capt. Thomas J. Wadsworth, who died June 8.

The ceremony also celebrated the 100th birthday of the pledge of allegiance and the 216th anniversary of the stars and stripes.

"We dedicate this ceremony to Captain Wadsworth, our friend and leader and great American," said Delbert Groberg, chairman of the Bonneville Tricentennial Commission.

Bonneville County Commissioner Clifford Long said the county planned to replace the present flag pole, in front of the courthouse, with a new three-flag system that would be dedicated to Wadsworth.

Francis Wadsworth said the greatest tribute her husband could have would be the new flagpole. She said he had mentioned to her several times the need for a new flagpole.

Lisa Hansen, who worked as Wadsworth's secretary in the office of Civil Defense, called Wadsworth "a perfect gentleman—and a perfect civil defender too."

Hansen listed a number of awards Wadsworth received and read a letter from Idaho Gov. Cecil Andrus.

Andrus said Wadsworth was the personification of patriotism, justice, strength, fairness and compassion. "He devoted his life to making the country strong."

Rep. Richard Stallings, D-Idaho, recalled accompanying Wadsworth to the 1991 national Civil Defense meeting in Las Vegas, where he was impressed by the respect others there had for Wadsworth and the fact that many of them sought him out for advice.

Dixie Richardson, representing Sen. Steve Symms, R-Idaho, said Wadsworth was "perhaps the greatest patriot we have ever had the privilege to know."

Jeff Sehrade, representing Sen. Larry Craig, R-Idaho, said Wadsworth was known to some as "Captain America, a complete American patriot."

Don Larsen, with the Teton Peaks Boy Scouts, spokes of the Cedar Badge leadership training program Wadsworth originated, and a group of Cedar Badge Scouts presented replicas of the 12 flags which have flown over the United States. The national anthem was played, and participants recited the pledge to the flag as part of a nationwide, synchronized event in honor of its 100th anniversary.

CONGRESS/BUNDESTAG STAFF EXCHANGE

Mr. BURDICK. Mr. President, this is the 10th year that the U.S. Congress and the German Bundestag have had a staff exchange, and I would like to welcome 10 staff people from the German Bundestag and Bundesrat who recently arrived in Washington, DC. The 1992 German delegation consists of Joerg Allkaemper, Rainer Dornseifer, Walter Greite, Dr. Astrid Henke, Dr. Lothar Kolbe, Gabriele Lenz-Hrbek, Ute Mueller, Wolfgang Mueller, Dr. Andreas Pinkwart, and Dr. Uwe Stehr. They will be attending a wide range of meetings in the next 3 weeks as they study our system of government.

Nine staff people from the United States House, Senate, and Congressional Research Service recently spent 2 weeks in Germany studying their system. This year's U.S. delegation attended briefings at the Chancellor's Office, the Foreign Ministry, the Economics Ministry and the Defense Ministry. They also met with Georg-Berndt Oschatz, Secretary-General of the Bundesrat, and other high-level officials in both Eastern and Western Germany.

This exchange provides a valuable opportunity for staff people in the legislative branches of two of the world's leading democracies to compare notes on topics ranging from abortion to parliamentary procedure, from economic problems to German-American cooperation. I would like to take this opportunity to commend the U.S. Information Agency for this worthwhile program to improve understanding and relations between our two countries.

RECOGNIZING THE DISTINGUISHED SERVICE OF MR. WILLIAM THOMAS HENZE

Mr. DIXON. Mr. President, I would like to take this opportunity to recognize the hard work and the outstanding contributions of a great Illinoisan and American, Mr. William Thomas Henze.

Bill Henze has recently retired from 44 years in the steel industry, the last 19 years spent with Jorgensen Steel and Aluminum in Schaumburg, IL. During those 44 years Bill's quick wit and vibrant attitude was never spared on any one individual. He is an exceptional example of business and civic leadership.

Bill has served his customers and his fellowman with great distinction over the years, and should be very proud of his fine accomplishments. He will be hard to replace.

I would like to join my voice with those of his family and many friends in wishing Bill the very best for a job well done.

RETIREMENT OF LT. GEN. ROBERT HAMMOND

Mr. SHELBY. Mr. President, I rise to pay tribute to an outstanding officer, Lt. Gen. Robert D. Hammond, who will retire today after 36 years of service to our Nation and the U.S. Army.

Since receiving a bachelor of science degree in 1956 from the U.S. Military Academy, General Hammond has held a wide variety of important command and staff positions culminating in his current assignment as Commanding General of the U.S. Army Strategic Defense Command. His service in Vietnam, first as the assistant fire support coordinator, division artillery, 101st Airborne Division and then as commander of the 2d Battalion, 319th Field Artillery, as well as command positions such as Chief, Studies, Analysis and Gaming Agency of the Joint Chiefs of Staff and Commanding General, VII Corps Artillery, U.S. Army Europe provided General Hammond a strong foundation for the sometimes difficult, but always rewarding experience as head of the Strategic Defense Command.

I believe that this country owes a debt of gratitude to General Hammond for the honest, forthright way in which he has been an advocate for strategic defense. As program executive officer for all Army SDI programs, General Hammond has put our Nation on a course toward the deployment of a ground-based strategic missile defense and theater missile defenses. His thorough knowledge of all strategic programs and management expertise will be sorely missed.

General Hammond received many awards and decorations during his 36 years in the Army. These awards include the Defense Superior Service Medal, the Legion of Merit with oak leaf clusters, the Distinguished Flying Cross, Bronze Star, Air Medals, and the Army Commendation Medal.

Bob Hammond tried to retire back in February. However, he has stayed on to provide a firm foundation for the Army during the implementation of the Missile Act of 1991. He acted courageously in his attempt to carry out the wishes of Congress.

I wish General Hammond well in all his future endeavors and thank him on behalf of the people of Alabama and our great Nation for a life of service to America.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until the hour of 2:15 p.m.

Thereupon, at 12:43 p.m., the Senate recessed until 2:17 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer [Mr. ADAMS].

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, morning business is closed.

FEDERAL HOUSING ENTERPRISES REGULATORY REFORM ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 2733, which the clerk will report.

The bill clerk read as follows:

A bill (S. 2733) to improve the regulation of Government-sponsored enterprises.

The Senate resumed consideration of the bill.

Pending:

Seymour (for Nickles) Amendment No. 2447, to propose an amendment to the Constitution of the United States to require that the budget of the United States be in balance unless three-fifths of the whole of each House of Congress shall provide by law for a specific excess of outlays over receipts and to require that any bill to increase revenues must be approved by a majority of the whole number of each House.

Byrd Amendment No. 2448 (to Amendment No. 2447), to require the President to submit by September 2, 1992, a 5-year plan to balance the budget not later than September 30, 1998.

Byrd Amendment No. 2449 (to Amendment No. 2448), in the nature of a substitute.

The PRESIDING OFFICER. The Senator from Wisconsin [Mr. KASTEN] is recognized to offer an amendment on which there shall be, under the previous order, 2 hours of debate.

AMENDMENT NO. 2453 TO AMENDMENT NO. 2447

(Purpose: To provide for a taxpayer protection clause)

Mr. KASTEN. Mr. President, I call up amendment No. 2453 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN] for himself, Mr. BROWN, Mr. LOTT, Mr. COATS, Mr. SYMMS, Mr. BURNS, Mr. SMITH, Mr. HELMS, Mr. D'AMATO, Mr. MACK, Mr. GARN, Mr. MURKOWSKI, Mr. MCCAIN, Mr. PRESSLER, Mr. ROTH, Mr. SEYMOUR, Mr. NICKLES, Mr. GRASSLEY, Mr. DOLE, Mr. GRAMM, Mr. MCCONNELL, Mr. WALLOP, Mr. SIMPSON, and Mr. COCHRAN proposes an amendment numbered 2453.

Mr. KASTEN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike section 4 of the proposed amendment to the Constitution and insert the following:

"SEC. 4. Total receipts for any fiscal year shall not increase by a rate greater than the rate of increase in national income in the second prior fiscal year, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directly solely to approving specific additional receipts and such bill has become law."

The PRESIDING OFFICER. The Senator is recognized.

Mr. RIEGLE. Will the Senator yield to me for one moment?

Mr. KASTEN. I will be happy to yield.

Mr. RIEGLE. Mr. President, I ask unanimous consent that during the course of the management of time on this side of the aisle on the amendment of the Senator from Wisconsin that any Democratic Senator who wishes to speak and draw down that time be authorized to do so. I do that because at some point I must go and chair a hearing in the Finance Committee on health care. I just want to have that understanding in place.

The PRESIDING OFFICER. The Chair, though, will have to be very careful, I hope the manager understands, in recognizing who is for and against of the Democratic Senators. I will recognize trying to alternate the time, but I cannot be sure that I am alternating the argument. Is that understood by the manager?

Mr. RIEGLE. Yes, and that is agreeable to the Senator. I thank the Senator from Wisconsin.

The PRESIDING OFFICER. Without objection, it is so ordered. We will proceed on that basis. The Senator from Wisconsin is recognized.

Mr. KASTEN. Mr. President, this amendment is a taxpayer protection amendment. It will require a supermajority vote to raise taxes beyond the rate of economic growth.

Let me start out by saying that this is not a vote that is a procedural vote. This, in fact, is a vote on the substance of the tax limitation balanced budget amendment.

It is not a vote on a procedural motion. It is not a vote on a budget point of order. It is not a vote on cloture. It is a vote on the substance. We have not had a vote on the substance of a balanced budget amendment since 1986. The last time we were successful in winning this vote was 1982.

As we have all agreed now under a unanimous consent agreement, this will be the only substantive vote on a constitutional balanced budget limitation, the only one we will have in the Senate, unfortunately, for the remainder of this session.

I think it is important to recognize that we need a strong taxpayer protection clause to the balanced budget amendment. We simply cannot allow the Congress to use the balanced budget, in effect, as a Trojan horse for tax increases. This taxpayer protection provision would require Congress to muster a three-fifths supermajority vote to let the Federal Government's income grow faster than the paychecks of American workers.

Let me say why this is important. First of all, it is a matter of basic fairness. We should not let Government income grow faster than the income of America's families.

Second, some Members of Congress still cling to the notion that tax increases will solve our problems. But every time we raise taxes, the deficit has gone up instead of down. Over the last 30 years, Congress has raised taxes 56 times but balanced the budget only once, one time, and that was in 1969.

Let me repeat. Congress raised taxes 56 times but balanced the budget only once over the past 30 years.

Mr. President, I yield 2 minutes to the Senator from Texas, Mr. GRAMM.

The PRESIDING OFFICER. The Senator from Texas [Mr. GRAMM] is recognized for 2 minutes.

Mr. GRAMM. Mr. President, you do not have to be a rocket scientist to figure out this amendment. This amendment says that we want a constitutional provision to mandate that Congress balance the budget and we want them to do it by controlling spending. It says that raising taxes represents the last option and not the first option. And basically, it does so based on the fact that the last time we balanced the budget was 1969. We have raised taxes 37 times since 1969, and we have yet to balance the budget, again as a result of those tax increases.

So if people vote against this amendment, what they are doing is saying: First, they do not want to mandate a balanced budget amendment to the Constitution; or second, if they do want to mandate it, they want to raise taxes rather than control spending to balance the budget; or third, they do not want to mandate it and they do not want to make it harder to raise taxes.

So I think this is a very clear amendment. I doubt this amendment has much chance of being adopted, but I think, if the American people could write the balanced budget amendment to the Constitution, they would write it exactly the way Senator KASTEN has offered it.

I am proud to support this amendment. I am proud to vote for it. The people who vote against it are the people who do not want to balance the budget, or, if they want to balance it, they want to do it by raising taxes. I do not agree with them on either count.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I yield 2 minutes to the Senator from Idaho [Mr. SYMMS].

The PRESIDING OFFICER. The Senator from Idaho [Mr. SYMMS] is recognized for 2 minutes.

Mr. SYMMS. Mr. President, I guess the right way to view this amendment is, if you love Government, big spending regulations, big deficits, then vote against the Kasten amendment.

This is a litmus test issue, and I would like to compliment the distinguished Senator from Wisconsin for his ability to focus and bring an issue to the floor that is easily defined and easily understood by the American people. This is, Mr. President, no question about it, a litmus test issue.

As the Senator from Texas said, you do not have to be a rocket scientist to understand what this is all about. If you want to raise taxes and have a bigger Government and worship at the continued shrine of an ever-growing Federal Government in the United States of America, vote against the Kasten amendment.

Mr. President, I am reminded of the political satire of the great author and columnist P.J. O'Rourke when he made some comparisons between Democrats and Republicans. I smiled when I read in his book:

> The Democrats are like Santa Claus, nonthreatening, cheerful, generous, he knows who's been naughty and who's been nice, but never does anything about it; he gives everyone everything they want without a quid pro quo. Santa Claus is preferable to God in every way but one: There is no such thing as Santa Claus.

Before that in the book, I might add, Mr. President, he compared Republicans to be more like God:

> Middle-aged, patriarchal rather than parental, a great believer in rules and regulations, and he holds men strictly accountable for their actions.

I realize all Democrats are not like Santa Claus, and I compliment them. But I urge my colleagues on the majority side to vote for the Kasten amendment. This would be a chance for the National Democratic Party to take a stand for something that I think will be good for the country. It would be good for the country if both parties in the Senate stood together and voted for the Kasten amendment and said what we want is a balanced budget and we want to do it by the restraint in the growth of spending of Government.

The bottom line is, do you think that people can better spend their hard-earned dollars themselves in their own sphere of influence, in their own family, in their own decisionmaking process, or do you think a huge, gargantuan, gigantic Government bureaucracy can better spend that money?

The PRESIDING OFFICER. The Senator has used his 2 minutes.

Mr. SYMMS. I thank the Senator from Wisconsin.

The PRESIDING OFFICER. The majority leader.

ABBY SAFFOLD'S 25TH ANNIVERSARY OF PUBLIC SERVICE

Mr. MITCHELL. Mr. President, it is with a great deal of pleasure that I join with the distinguished Republican leader to call to the attention of the Senate an anniversary that deserves our notice.

Today marks a quarter-century of public service by Abby Saffold, secretary for the majority in the Senate. Abby is one of the most dedicated and hardworking officers any institution could have. We in the Senate are fortunate that she pursued her career here.

Every Member of the Senate, regardless of political party affiliation, knows Abby's unfailing good humor and courtesy are a major factor in making our long days on the Senate floor tolerable.

Abby's help and advice to me began when I first entered the Senate in 1980. She was a valuable floor staff member, reliable, a resource to every new Senator. I know that, in the years since, many other newly elected Senators have been the beneficiary of Abby's help.

She is the first woman in the history of the Senate to hold the post of secretary of the majority, a post to which Senator BYRD appointed her. Her ability in discharging the duties of her office demonstrate why we should all look forward to the arrival of more women in this body.

I appreciate the opportunity to extend my sincere congratulations to Abby, to express the warm friendship I feel for her. Abby has been a real help and a real friend to me and many of our colleagues. I look forward to her continued service.

Mr. DOLE. Mr. President, will the majority leader yield?

Mr. MITCHELL. Yes, certainly, I yield.

Mr. DOLE. Mr. President, let me join the majority leader in his comments about Abby Saffold. She has been, without exception, candid, courteous, fair, and honest with Members on this side of the aisle, working with members of our staff, both Elizabeth and Howard Greene. And I guess, maybe starting as a teacher, where she started her career, and knowing that today Senator MITCHELL would be majority leader, she went to school at Bates College in Lewiston, ME, which is not bad insurance. But having that ability to look forward is an asset certainly she has.

I join with the majority leader on behalf of all Republicans because, from time to time around here, we forget about those who help us through these difficult days and difficult time agreements and difficult debates; and more often than not it is some one, or two, or three, or maybe half a dozen staff members who do most of the work and get very little credit.

Abby Stafford never asked for credit, but she deserves it today after 25 years. I want to extend our thanks and appreciation to her and other members of our staff on this very special day.

The PRESIDING OFFICER. The Chair joins the two leaders.

FEDERAL HOUSING ENTERPRISES REGULATORY REFORM ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Who seeks recognition?

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I yield 2 minutes to the Senator from Florida.

Mr. MACK. Mr. President, I thank the Senator for yielding. I want to indicate my support for the amendment that is being offered by Senator KASTEN. At this point, people should understand that increasing taxes slows down economic growth. It puts people out of work. And if anyone wants a clear example of how that works, I would just say go back and take a look at the impact of the passage of the luxury tax a couple of years ago. It was passed for the stated political purpose of being able to say we were raising taxes on the wealthy.

However, it is clear the wealthy are not paying that luxury tax. The people who were employed are paying the most significant tax of all; that is, the loss of their jobs.

Raising taxes does not solve the deficit problem. Reducing spending will solve the deficit problem.

There was a study done by Professor Galloway which looked over a 40-year period and concluded that for every dollar in taxes raised, Congress spent $1.58.

The last point I would like to reiterate is the perception that the problem is Congress failed to raise enough taxes. My colleagues have mentioned that 56 times in the last 30 years taxes have been increased; 37 times alone since 1968-69. I point out that since 1982 there have been 14 separate tax increases.

We cannot solve the deficit problem by raising taxes. We ought to make it more difficult for the Congress to raise the taxes. We ought to focus ourselves on reduction in spending.

Again, with that thought in mind, I support the Senator's amendment and yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN. I yield 2 minutes to the Senator from Iowa [Mr. GRASSLEY].

The PRESIDING OFFICER. The Senator from Iowa [Mr. GRASSLEY], is recognized for 2 minutes.

Mr. GRASSLEY. Mr. President, I am pleased, very pleased in fact, to support the amendment offered by the Senator from Wisconsin. We need a balanced budget amendment, and we need to ensure that that balanced budget amendment does not have a built-in bias in favor of tax increases.

Our persistent budget deficit is not caused because the Government does not tax our citizens enough. Indeed, as a percentage of gross national product, total Federal revenues exceed the average for the period since 1970. Rather, our budget deficit exists because the Government spends too much money. Holding the line on spending, not raising taxes, is the way to reduce our budget deficit. Higher tax revenues would be spent, not used to reduce the deficit. The Government has a long track record of spending much more than the additional revenue received from tax increases.

The adverse effects of higher taxes go beyond their failure to reduce the deficit. High levels of taxation stunt our economic growth, impair our competitiveness—particularly that of American industry—and they also reduce savings.

I am confident that the American people prefer reduced spending to increased taxes as a means of reducing the deficit. It may be that tax increases will be necessary to comply with some balanced budget amendment. But if so, I think the American people would agree that we must ensure to our hard-working taxpayers that the money really is used for deficit reduction, and does not get lost in that big black hole of the Federal Treasury, end up in further Government expansion, and the expansion of those programs. The Kasten amendment will ensure that the process of balancing the budget will be based on deliberate choice, and not on built-in incentives to raise taxes. So that is why I urge its adoption.

Mr. SIMON. Mr. President, I yield myself 5 minutes.

Mr. President, I join the Senator from Wisconsin in favoring a balanced budget amendment. I do not join in favoring this amendment, which I think is unrealistic and would put a real barrier in the direction of the Government operating effectively.

I think it is worthy of trying it in the Constitution so that we cannot pass from one generation to another the debts, as we are doing right now. I believe that should be in the Constitution. I join the Senator from Wisconsin in that. But to say that to have a revenue increase you have to have a three-fifths majority is skewing how we balance the budget, that ought to be left to the details of Members of Congress to work out.

Let me just add that I think it is unrealistic. I would love to stand here and say we can balance the budget just by making some little modest cuts in spending. It cannot happen. This next fiscal year the present estimate is if you take away defense spending, you take away foreign aid, you take away interest, and take away entitlements, all the rest totals $235 billion. That is discretionary, domestic, nondefense spending.

Next year we are going to spend $316 billion, current estimate, on interest. You know, that is $81 billion more than the discretionary nondefense. If you knock out the total discretionary nondefense, we would still have an unbalanced budget. The deficit is going to be over $300 billion.

I think it is unrealistic to expect that we can balance the budget, without having some revenue increases. I would love to tell you differently. I think one of the reasons for cynicism in the public today is they understand we are not leveling with them. We are not telling them the truth. And I think one of the things that we have to tell them is we cannot continue to borrow from our children and our grandchildren. And if we are going to stop that with a balanced budget amendment, which I favor, it is going to take some cuts in spending, which I happen to think ought to be coming primarily out of the defense area, and it is going to take some revenue increases. I think it is going to have to have both.

There is a remote chance you could do it without revenue increases. When we talk about revenue increases, we are not talking about significant revenue increases—modest ones.

We still have, and I know most people do not believe this, the lowest tax rate of any Western industrialized democracy with a possible exception of Greece. But we spend less of our taxes on human services than any other Western industrialized democracy. We spend more on defense, or on space, more on interest than the other countries do. We have to face reality.

We also have the most inequitable tax structure of any other major industrial westernized democracy. If you are wealthy in Japan, you pay twice the tax rate than you do here.

I favor, as my colleague who is presiding knows, a balanced budget amendment. But I do not think we should fool people that it is not going to require sacrifice. That sacrifice will have to include modest increases in revenue also. That is precluded by the Kasten amendment. If the Kasten amendment is adopted, much as I think we need a constitutional amendment, much as I agree with Thomas Jefferson, I am going to have to vote against the proposal for a constitutional amendment. I think this too drastically impairs the future operation of Government.

I yield the floor.

Mr. KASTEN. Mr. President, I think it is important to point out while the Senator from Illinois is here that we do not preclude tax increases. We simply make it more difficult. You need a supermajority in order to get a tax increase. That is all. If the circumstances are such that it is impossible any other way, then a supermajority would vote for a tax increase in this body.

We simply make it more difficult to increase taxes than to reduce or control the rate of growth of Government spending. I believe that is as it should be.

Do we have a plan? You bet we do. No. 1, we can work to balance the budget by 1997 without tax increases, and we can also protect Social Security. We can move forward.

How are we going to do that? The peace dividend—the Bentsen bill—yields peace dividend savings in Defense of $75 billion over 5 years. I am a cosponsor of that bill. We can use that money.

A 5-year freeze in international spending, $5.5 billion. That is an amendment I offered in March. A 5-year freeze in domestic discretionary spending, $79 billion, again is an amendment I offered in March.

Eliminate wasteful spending. We have estimates right now. We found $53 billion that can be identified to date that we can save as we reduce this deficit.

As spending goes down, interest payments go down, interest on the debt is reduced by an estimated $50 billion over this 5-year period. By eliminating the interest payments we save we can work toward that zero deficit.

We can finally enact a progrowth tax agenda. And that is what the Senator from Florida was speaking about a moment ago.

Capital gains tax, repeal the Social Security earnings limit, repeal the luxury tax, improve depreciation, expand IRA's—all I am talking about here produces a revenue gain, $130 billion over 5 years is an estimate made by economist Gary Robbins of Fiscal Associates.

The fact is we can do it. I believe we can do it. And we can do it without tax increases, but this does not preclude tax increases. This simply makes it more difficult for this body to pass tax increases. We still would do it if we needed to. We put the pressure I believe where it belongs. We put the pressure on reducing the rate of growth of Government spending.

I yield 4 minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona is recognized for 4 minutes.

Mr. McCAIN. Mr. President, I would like to add that if the Senator from Illinois believes that raising taxes will somehow balance the budget, I would like to remind him that in the last 30 years Congress has raised taxes 56 times and has only balanced the budget once. Why? Because this body always finds ways to spend the money, and we continue to spend money even from an empty pocket. Something has to be done about it.

Again, we note, Mr. President, that States such as Oklahoma, which has enacted tax limitation and my State of Arizona, that has tax limitation initiative on the ballot in November, that there will be this kind of tax limitation enacted. Again, we find the leadership from the States rather than from the Federal Government where it belongs.

Mr. President, I would like to begin by thanking Senator KASTEN for bringing this issue before the Senate for debate and consideration. I have twice offered statutory tax limitation amendments here on the Senate floor. We will be back again and again until we persuade our colleagues to enact tax limitation.

There have been many successful attempts to enact tax limitation at the State level, including most recently in Oklahoma. In my home State of Arizona, there is a strong tax limitation movement which I am confident will be successful this fall.

I feel that a tax limitation amendment to the Constitution should be an intrinsic part of any balanced budget amendment. As Chief Justice John Marshall stated in 1819:

> The power to tax involves the power to destroy.

Constitutionally requiring a supermajority for tax increases is both appropriate and necessary, especially if we constitutionally require a balanced budget.

If the last 30 years alone are a prologue to our fiscal future, our Nation will be in dire straits without balanced budget and tax limitation amendments to the Constitution.

Mr. President, in the last 30 years, Congress has raised taxes 56 times and balanced the budget once. I am confident that if Congress raised taxes for the 57th time, that the budget will not be balanced as a result.

The problem in Washington is excessive spending. Congress lives beyond its means at the expense of future taxpayers.

Just look at the pork-barrel spending that has become a matter of laughter and tears to the American people. The latest example we saw in the Washington Post last week, a $41 million line-item appropriation to Wheeling Jesuit College which has a $14 million annual budget.

A balanced budget amendment will require that the budget be balanced. A tax limitation amendment will focus attention on the real problem in Washington—excessive spending.

Mr. President, I would like to discuss the present level of taxation, and put it in historical context. In 1948, a family of four earning the median income paid 2 percent of its income in tax to the Federal Government.

Now, a family of four earning the median income pays an obscene 24 percent of its income in Federal tax.

Is it any wonder families are finding it more and more difficult to provide for their children?

In 1929, the average American worked 40 days that year to meet all his or her tax obligations.

In 1992, the average American will work 126 days this year to meet all his or her tax obligations.

Mr. President, I feel we have reached the Orwellian state that then Democratic President Grover Cleveland warned of in 1886. He stated:

> When more of the people's sustenance is exacted through the form of taxation than is necessary to meet the just obligations of government and expenses of its economical administration, such exaction becomes ruthless extortion and a violation of the fundamental principles of a free government.

In 1991, the Federal Government collected $1.054 trillion in taxes. How much is enough? When does taxation become a violation of the fundamental principles of a free society?

Mr. President, I am not certain that there are exact answers to those questions. But I am certain that on our present path, Congress will certainly continue to engage in "ruthless extortion" to feed its inexorable expansion.

I would like to continue my remarks by commenting on the mood of the Nation. It is surly, but I feel justifiably so. We are experiencing a political upheaval that will quite likely result in fundamental political change. It can be attributed to many different factors, but I feel that it stems mostly from anxiety over our future.

Mr. President, can we continue on our present course and succeed?

I think that many Americans have serious doubts that we can continue to run enormous budget deficits, exact trillions of dollars of taxes, and remain free and prosperous.

The great turmoil that started a revolution in 1776 was the product of angry taxpayers. Thomas Paine captured the essence of colonial anguish and captures today's great dissaffection with Government in this comments on England in 1792. He stated:

> There are two distinct classes of men in the Nation, those who pay taxes and those who receive and live upon taxes. * * * When taxation is carried to excess, it cannot fail to disunite those two, and something of this is now beginning to appear.

Mr. President, I think the Congress and the President have driven the taxpaying American to the edge. In fact, I am certain many Americans have "disunited" from their Government. I am also confident that they will work assiduously to bring about great changes at the ballot box this fall.

The power to tax is truly the power to destroy. It is a power that should be constitutionally limited. That is why I support the Kasten amendment and urge all of my colleagues to favorably consider tax limitation.

I would like to conclude with one more quote from Chief Justice John Marshall. In 1821, he stated:

> The people made the Constitution, and the people can unmake it. It is the creature of their own will, and lives only by their will.

Mr. President, it is time that Congress begin representing the will of the people. Let us pass the balanced budget and tax limitation amendments.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KASTEN. I yield 3 minutes to the Senator from Mississippi [Mr. LOTT].

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. LOTT. Mr. President, I thank the Senator for yielding me this time.

Mr. President, I certainly support the balanced budget amendment to the Constitution, but at this point I rise to support the amendment by the Senator from Wisconsin which would require a three-fifths vote of both Houses to raise taxes above the growth in national income.

We should balance the budget by reducing spending, not by raising taxes. That is the thrust of this whole debate, and that is what this amendment would encourage. It does not say that we could not have a vote to raise taxes, as the Senator from Wisconsin just pointed out. It does put an extra burden on the Congress, both the House and the Senate, to have strong and overwhelming support for a tax increase and to make sure that we have tried everything else before we get to that point.

Let me emphasis—have no doubt about it—the intent around here is to raise taxes. You can call it revenue enhancement. You can call it whatever you want to, but with or without the balanced budget amendment that is what is intended to happen around here. That is why the opponents of the Kasten amendment are going to fight against it. Without this amendment, you are certainly going to have tax increases.

If you have any doubt, you can read it in the media. Some people say, "oh, well, we will just raise taxes on the rich." Do not believe it. The June 22 issue of Time magazine reports that the Joint Committee on Taxation estimates that a change in the marginal income tax rate from the present rates of 15, 28, and 31 percent to 16, 30, and 33, would increase revenue by 18.3 billion in 1993. This indicates that bracket. Everybody will be hit.

The problem is not insufficient revenue; the problem is that we are still spending too much. Let me give you some statistics. Some of these have been mentioned, but they are worth repeating. We have not had a balanced budget since 1969. Yet, we have raised taxes 56 times. So we keep raising taxes, but the deficit keeps going up. We need to control spending. Tax Freedom Day this year was May 5, 1992. You have to pay taxes until May 5 in order to pay what you owe. The average worker will spend 2 hours and 45 minutes per day working to pay Federal, State, and local taxes.

Finally, every American already has a $16,000 debt. For a family of four, this is like having a mortgage on a second house-without the house. If we do not limit the ability to raise taxes, we will add an additional tax burden on top of the $16,000 debt every American shoulders.

As I pointed out in the Budget Committee, there are three ways you can reduce the deficit. You can reduce spending. You can raise revenue. The best way, really, is to encourage economic growth. And the fear of tax increases now, without the balanced budget amendment or with it, is a threat to economic growth. Capital investment is being retarded by the fact that there are those that are concerned there will be another tax increase this year or in the future with or without a balanced budget amendment.

If you have any doubt about the intent of the Congress in terms of controlling spending, all you have to do is look at the recent record.

On May 21, I offered an amendment to strike the $1.45 billion in nonemergency spending from the disaster relief supplemental appropriations bill. That amendment got 37 votes.

Additionally, on June 3, I offered an amendment to the corporation for public broadcasting authorization bill to freeze funding at current levels. That amendment only got 22 votes. It is clear that Congress lacks the political will to cut spending.

So I urge support for the Kasten amendment and urge my colleagues not to always go forward by raising taxes in each and every instance.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Wisconsin [Mr. KASTEN].

Mr. KASTEN. I yield 3 minutes to the Senator from Colorado [Mr. BROWN].

The PRESIDING OFFICER. The Senator from Colorado is recognized for 3 minutes.

Mr. BROWN. Thank you, Mr. President.

I rise in strong support of the Kasten amendment to the Nickles-Seymour balanced budget amendment.

Mr. President, this balanced budget amendment is all about trust in the American people. Let the American people vote on this amendment through the State ratification process.

Those who oppose the balanced budget amendment are saying that the American people should not have the opportunity to vote on this issue. I believe they ought to have the opportunity.

So the first real issue that comes to mind on this debate is whether or not we trust the American people to take up the issue. I trust them. I think they ought to have a chance to vote on it.

So I am going to vote for the Kasten amendment and for the balanced budget amendment.

Second, it is about trust with regard to spending and taxing. If the balanced budget amendment is adopted without the Kasten amendment, only 51 votes will be required to increase taxes and 60 votes to deficit spend. It should not be easier to increase taxes.

We must have fair evenhanded rules. The Kasten amendment would require 60 votes to increase taxes. The result would be 60 votes to deficit spend and 60 votes to increase taxes. This is an evenhanded approach. I think that makes sense. We should not bias the system in favor of tax increases.

Third, Mr. President, I think this is about trusting the American people with regard to spending their own money. Are taxes too low? Absolutely not. All you have to do is ask the working men and women of this country. Ask the people who wash the dishes, change the tires, grow the crops, and those who work in the factories. They will tell you whether or not taxes are too low.

Our problem is not that taxes are too low. Our problem is that Congress continues to waste the taxpayers' money. Let us give the working men and women of this country a chance. Let us establish the same requirements to increase taxes as we have for deficit spending. Let us also say that we trust the American people to make decisions about their own lives. We should not impose on them a form of government that takes away from them the products and the fruits of their own labor.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. I yield 3 minutes to the Senator from California, the distinguished Senator, who is the author of the original balanced budget amendment to which this is an amendment to, and who has been a leader in this issue.

The PRESIDING OFFICER. The Senator from California [Mr. SEYMOUR] is recognized for 3 minutes.

Mr. SEYMOUR. Mr. President, I thank you, and my commendations to

Mr. KASTEN for his leadership on this most important amendment and the most important vote to follow.

Mr. President, I thank you for the 3 minutes you have allocated, and take the opportunity to point out that during these 3 minutes, our national debt will have risen over $2 million, and for every minute that takes place beyond these 3 minutes, it will continue to grow at a rate of $720,000 each and every minute.

Some have said we really do not need a balanced budget amendment. Some have said we do not need this supermajority vote to raise taxes and curtail deficits. Why then do we not just do it? Let's just do it.

Well, Mr. President, based upon our record of performance in Congress over the last 30 years, raising taxes 56 times, balancing the budget only once—1 year out of 30, I ask a question: Does this body have the courage to do what's right? In fact, I ask the question of those who are in the Gallery today and those that may be viewing the proceedings here in the U.S. Senate, do you really think this institution has the fortitude?

I think the answer to that is a resounding no, a resounding no based upon our record of performance. The U.S. Congress has become addicted to raising taxes and increasing deficits, we need some self-restraint. We do not have the self-discipline; we do not have the ability to just say no. And so how can we develop that ability?

Well, we can develop it by making it more difficult to say yes to increased spending. And that is the magic of Senator KASTEN's amendment. It will require a supermajority to raise taxes or raise deficits. And so to cure ourselves of this addiction, the first step to withdrawal is to admit we are addicted, and second, to set up some discipline, some self-restraint. And that is what this amendment does. That is what the balanced budget amendment to our Constitution will do.

So, Mr. President, I think this matter is so vital now. We do this not for us, but for the next generation. We will be long gone shortly. This is for our children and our grandchildren.

I was flying back from California with the youngest of our six children, our youngest son Barrett, who is 9 years old. I got to thinking about him and I got to thinking that he will be 10 soon. And by the time he is 10 the national debt will have doubled. Is that a legacy that I want to leave our children? No. Is that a legacy that America wants to leave its grandchildren? Absolutely not.

So I will vote aye on Senator KASTEN's amendment, and when we proceed to the cloture vote on the balanced budget amendment, I will ask for the same.

The PRESIDING OFFICER. The Senator has yielded the floor.

The Senator from Wisconsin [Mr. KASTEN].

Mr. KASTEN. Let me repeat a point that has been brought up a couple of times in this debate. Over the last 30 years, Congress has raised taxes 56 times. Congress has balanced the budget once. Tax increases simply do not work. They destroy economic incentives. They lead to fewer jobs, they lead to fewer small business starts. And history shows over this same period of time for every $1 the Congress raises in new taxes, it spends $1.59.

So we raise taxes a buck and increase spending $1.59.

The first way to get out of a hole is to stop digging. What we have been doing is digging and digging and digging. Let us at least stop digging and start to work ourselves out of this hole.

Specifically, let us look at some recent examples in legislation: The 1982 TEFRA budget deal, for example. In that one, Congress promised $3 in spending cuts for every $1 in tax hikes. In the final analysis, spending went up $2.

Or another example, the so-called budget summit agreement of 1990. It supposedly raised taxes by $165 billion to reduced the deficit. That was the goal, raise taxes by $165 billion to reduce the deficit.

I voted against it. A majority of the Senators on this side of the aisle voted against it because we knew when taxes went up, spending would rise even faster, and the economy would go down. That is exactly what happened. The deficit now has exploded to a record $400 billion, the kind of numbers the Senator from California is talking about in terms of ticking away, minute by minute, 3 minutes, 4 minutes, 5 minutes, tick, tick, tick, more and more and more spending, more and more deficits, deficits, deficits.

In order to protect the family budgets of working Americans and preserve their jobs, we have to make it tougher for Congress to raise taxes. We ought to make sure that when we put together a plan to balance the budget, spending restraint is at the top of the list and tax increases are at the very bottom.

The Senator from Illinois said tax increases would be precluded. That is not true. A three-fifths supermajority to raise taxes is not at all unreasonable. It would ban tax increases altogether. It would simply require a strong national consensus to raise revenue. If the American people understand and support raising revenues for an important purpose, for a specific purpose, then Congress would be able to muster the three-fifths supermajority vote.

Second, we have a supermajority requirement to increase spending, as the Senator from Colorado just pointed out, and to reduce taxes in the current Budget Act. A supermajority requirement to raise taxes would not be an unreasonable requirement.

Mr. President, there are a number of other people who want to participate. I am pleased to yield to the Republican leader for such time as he may desire.

The PRESIDING OFFICER. The Senate Republican leader is recognized.

Mr. DOLE. Mr. President, I know the Senator from Wisconsin has a number of requests. May I have 3 minutes?

The PRESIDING OFFICER. The Senator is recognized for 3 minutes.

Mr. DOLE. Mr. President, I want to express my strong support, as others have, for the amendment by my distinguished colleague from Wisconsin, Senator KASTEN.

There is no doubt about it, we need a balanced budget amendment. We have tried everything else. It has not succeeded. But we do not need an amendment that is nothing more than a smokescreen for the big spenders and for huge tax increases.

That is why I am a cosponsor of the Kasten balanced budget bill, and why in previous years I have introduced my own balanced budget bill with a similar tax limitation provision in it.

Time and time again, the American people have seen big tax increases swallowed up by even bigger new spending. As exhibit 1, I offer the Clinton economic proposal. After increasing taxes by $150 billion, Governor Clinton proposes spending increases and tax expenditures totaling $220 billion. If you include the cost of a play or pay health care package, the tab for all his new spending rises to $337 billion. Granted, Governor Clinton claims to offset some of the deficit increase with $150 billion in spending cuts, but many of these cuts are as phony as phony can be.

Governor Clinton clearly understands that it is a lot easier to quietly slip a tax increase into a deficit reduction package, than it is to make the tough votes to cut someone's favorite program. But if you ask me, we cannot afford to take the easy way out—the American people cannot afford it, and future generations who will get stuck with the deficit tab cannot afford it, either. The time for making the tough choices is long overdue.

The Kasten amendment is the taxpayers' best insurance policy against a hefty new tax bill from Uncle Sam. The Kasten amendment does not ban revenue increases, it merely prevents receipts from growing faster than national income. In any emergency, even that requirement could be waived by a three-fifths majority. So, let no one be swayed by those in this Chamber who claim we would be forever bound and tied by this amendment. The Kasten amendment provides the budget discipline we need, but allows for commonsense flexibility.

Mr. President, let us face it. If the big taxers and big spenders are so serious about disciplining themselves, we had better get it in writing—in the U.S. Constitution.

I hope my colleagues will join me in voting for the Kasten amendment today. This is a real test of whether we in this Chamber are committed to controlling the spiraling cost of government or whether some intend to hide with their big taxes behind the balanced budget smokescreen.

So I congratulate my colleague from Wisconsin for his leadership and his efforts and I urge my colleagues to support the effort.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. I yield 3 minutes to the Senator from Indiana [Mr. COATS].

The PRESIDING OFFICER. The Senator from Indiana [Mr. COATS] is recognized for 3 minutes.

Mr. COATS. Mr. President, I thank my colleague from Wisconsin for offering this amendment. I think it is extremely important. I am pleased and proud to be a cosponsor of it because I do believe we need to make it more difficult for the Congress to increase taxes.

Over the past 30 years I think the estimate is that Congress has increased taxes 56 times, yet only accomplished a balanced budget on one occasion.

Clearly, the bias in this body has been to raise taxes, not cut spending. I think instinctively, 80, 85, 90 percent of the American people understand the problem with our deficit is not lack of revenue flowing into Washington, DC; the problem is a Government that has no restraint on its spending and an inability to place any reasonable controls on the growth in spending.

Every new idea that has come down the pike in the last 20 or 30 years has been looked at as an idea that, well, let us try it. We do not have to go to the American people to ask them to raise taxes; we will just get deficit financing and then at a certain point we get a tax bill up in order to cover that deficit. Yet it never does cover that deficit.

Since 1948 we have seen the proportion of income covered by taxes increase. It increased 130 percent for single taxpayers and 150 percent for childless couples and a whopping 2,600 percent for a median family of four. Do you know who gets penalized the most in this country? The people who marry and have children and try to raise that family. Under our tax system, under our Tax Code, that family is penalized more than any other single entity in America.

It is not just Federal taxes. But when you add together Federal and State and local and excise and sales and personal property taxes and Social Security and Medicare and all the other taxes that the American public is asked to pay today, is it any wonder why we find people saying "I am squeezed; I do not have any extra money left over; I need help in sending my children to college; I need help in buying a home; I need help in paying for a car; I need help in meeting the very basic necessities of life because no matter how hard I work, or no matter how many people in my family work, it just seems like our net take-home pay either holds level or decreases every year"?

This is a burden our Founding Fathers never could have imagined, and would not have tolerated. In fact, when the Federal income tax was approved early in this century, there was a proposal to cap it at 10 percent, and that proposal was rejected because the opponents said it would encourage Government to raise taxes to that level. Oh, that we would have that problem today. Oh, that our problem would be that we would be concerned about raising the tax burden to 10 percent.

We have a chance to take a step to remedy that problem. We have a chance to, today, adopt the Kasten amendment which would make it harder for Congress to increase taxes on the American people. I think the constitutional amendment, which we are debating, ought to include a requirement that revenues could not be increased unless three-fifths of the Members of this body vote to do so on an up or down recorded vote.

Mr. President, I am proud to support this amendment. I hope my colleagues do. I thank the Senator for yielding the time and yield back any time I might have remaining.

The PRESIDING OFFICER (Mr. REID). Who yields time?

Mr. BENTSEN. Mr. President, the managers for the majority have yielded to me 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, the problem we have with this particular amendment is it does have a fatal flaw in it because the amendment could lead our economy into a period of severe inflation and high interest rates if it is added to the Constitution. What we have to look at is how it could affect our economy, in trying to comply with it. Unless this situation was overturned by supermajorities of three-fifths in both Houses, the amendment would require this: "Total receipts for any fiscal year shall not increase by a rate greater than the rate of increase in national income in the second prior fiscal year."

So, let us look at what that language would do.

Suppose that 2 years ago the economy was in a recession and that you had a zero growth. If you had that, after 2 years, after that economy recovers, and it grows, let us say at a 7-percent annual rate—since revenue growth parallels economic growth, generally, revenues would also be growing at about a 7-percent rate as well.

What the amendment would do, as I understand it, would require us to enact a huge tax cut so that we could reduce the growth rate in revenues from 7 percent to zero percent. That kind of a huge tax cut coming at a time like that would overheat the economy. That could well cause very substantial inflation.

What would the Federal Reserve do in a situation like that? They would react by kicking up interest rates. I can recall that toward the end of the Carter administration the Federal Reserve finally kicked the interest rate up to about 22 percent. That was the reaction that it had taken at that time. No one rally wants to risk high inflation and high interest rates such as we had at that time.

That result could be even worse if the economy, for example, had experienced a negative growth just 2 years earlier rather than a zero growth rate. In that kind of case you would have to have a tax cut that would be even larger.

We ran into this kind of situation last time, before the balanced budget amendment was voted on back in 1982.

The distinguished Senator from New Mexico [Mr. DOMENICI] offered a technical amendment to it. Under the Domenici amendment, the growth rate of revenues in the current year would have been limited to the growth rate of the economy over a period of several years or longer in the recent past. The appropriate length of this period would be determined by the Congress, as Senator DOMENICI noted in the colloquy with Senator HATCH. Therefore, if the economy had been in recession during a particular year in the past, and we can just choose a longer period of time for comparison, then under those conditions a three-fifths-vote majority would not be necessary.

Unfortunately, the language of the Kasten amendment today does not reflect Senator DOMENICI'S technical correction. In other words, we are not voting on the same thing that we voted on last time. Under the Kasten language, the rate of revenue growth this year must be limited to the rate of growth of the economy 2 years ago. So again, if the economy was in recession 2 years ago, there is no alternative period of comparison unless a supermajority agrees to it.

So I do not think we should be supporting what I believe to be a technically flawed amendment to the Constitution.

Some Senators may make the argument that these economic problems will not occur because the revenue limitations can be overturned by a three-fifths majority of both Houses.

I think the distinguished Senator from West Virginia [Mr. BYRD] indicated to us the dangers of that approach quite clearly last week. He pointed out that a determined minority, or even a single Senator, can ransom the Senate on other issues in turn for adding their vote to complete a supermajority. That kind of thing is a prescription for legislative disaster. Senators could even ransom the Senate for new or higher Federal spending, causing the budget to go further out of balance.

Speaking of unbalanced budgets, I think that the amendment of the Senator from Wisconsin is particularly troublesome in that regard. So if we are going to mandate a balanced budget, the last thing we should do is make it difficult for us to use one our weapons to reduce the deficit. That is exactly what would occur as a result of this amendment.

Under this amendment, for example, you could put in new tax loopholes that would add to the deficit, but could be legislated, for example, with only 51 votes in the Senate. But the elimination of the tax loopholes to reduce the deficit, as was done in the situation in 1986, would require 60 votes. I think that leads us in the wrong direction at a time when we are experiencing record-setting deficits.

In 1982, when the debt was only $1 trillion, we might have been able to afford the luxury of requiring 60 votes for a tax increase to reduce the deficit. But today, that debt is nearly $4 trillion, and that luxury no longer exists.

So I urge my colleagues to oppose the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Mr. President, I yield the floor.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, let me very simply say what we have just heard is basically a Keynesian argument. And I think, without getting into economics 101 or 301, or Samuelson versus different textbooks we might have studied at different times, I believe the 1980's proved the fallacy of the argument that tax cuts fuel inflation. Inflation went down; we had a growing economy and increased jobs. Instead it was the high-tax policies of the Carter administration in the late 1980's that increased inflation.

It was not under the low-tax policies of the early 1980's that we had a 21-percent prime rate. It was not under the low-tax policies in the 1980's that we had inflation at 13 percent. That was under the high-tax policies of the Carter administration that we had inflation at 13 percent and the prime rate going to 21 percent.

So this is an argument that we can make among economists. But recent history simply shows that inflation is not caused by high taxes.

Mr. President, I yield 3 minutes to the Senator from Wyoming [Mr. SIMPSON].

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 3 minutes.

Mr. SIMPSON. Mr. President, I commend the Senator from Wisconsin. He does a splendid job on this issue and he has for many years, all the years I have known him. He has worked so diligently on this issue.

I am a cosponsor of the pending Kasten amendment as I am of the underlying Nickles amendment. That amendment, originally drafted by Senator SIMON, was a simple amendment, nothing to be feared, even though the interest groups went out and said: If you adopt this amendment, you will have your Social Security check lopped off by $52 or $92. And we have never cut a Social Security check in the history of the Senate—not once.

So we have to go through all that same stuff from these interest groups each time. All we ever tried to do once, and we got our fingers shot off, was to try to do something with the cost-of-living allowance on Social Security. Those are the entitlement programs. We will deal with that separately, if we ever can. And if we do not, then the American public will be getting about what they deserve if they will not let us touch it with any sensitivity or honesty.

The amendment originally drafted by Senator SIMON was, if you will, intended to be a kind of umbrella—something under which all supporters of balanced Federal budgets could unite, regardless of their specific policy preferences as to how that should be achieved. The language of that amendment is very broad and very general. It merely requires that total outlays and receipts of this Government be kept in balance. It was the belief of Senator SIMON, Senator THURMOND, Senator CRAIG, and myself and many others that the only way to give this important language a chance of being added to the Constitution was to draft language sufficiently general—language that would simply elevate our obligation to balance the Federal books to the status of a constitutional duty.

I supported that effort, as I still do. But I also believe that there are very real, uncompromising, economic facts that dictate how we must go about balancing the Federal budget. It is, perhaps necessary to draft neutral language as part of a strategy for attracting enough votes to amend the Constitution but we don't have the luxury of being similarly neutral when it comes to implementing the mandates of a balanced budget. If we are talking about the real, substantive work of balancing the books, we must have a limitation on the growth of taxes and expenditures. There is no other way to make it work.

This Kasten amendment is the proposed legislation that recognizes that reality. I will put it very simply: If we do not change the way we spend the public's money in this Chamber, and simply attempt to raise revenue to keep up with expenses, we will very directly take more and more of the public's money until there is eventually and actually nothing left.

According to the Congressional Budget Office, mandatory spending will approach $1 trillion per year by 1997; it won't even take us until the end of the century to top $1 trillion in mandatory spending. That does not even include mandatory interest payments on the debt, which will be wholly unavoidable.

The CBO projects that we will spend $977 billion in mandatory entitlement spending in fiscal year 1997, which is a nearly $300 billion increase over what we are spending now. These are the programs that the vast American public understands to be reserved for the needy, the poor, the disabled, or the veteran who has "borne the battle." That is the way that we—and they—think of these programs, and that is precisely why we have never controlled our spending on them.

How much of that $977 billion in spending in fiscal year 1997 will actually be means-tested? Based on net worth and ability to pay, very little, proportionally—a whopping $750 billion of it, over three-quarters of the total, will be non-means-tested. Left unchecked, that way of doing business is going to lay a staggering tax burden on working Americans.

It is very simple: Working America simply cannot keep up with that—especially while we siphon out of the American economy hundreds of billions of dollars in interest payments each year. If we want working America to produce the growth necessary to alleviate the deficit, we simply cannot suck up ever more and more of its resources.

Some of the projected increases are truly staggering. Medicaid, $68 billion in fiscal year 1992, projects to $126 billion 5 years later—almost doubling. That is a means-tested program. Not so of Medicare—$128 billion in fiscal year 1992, projecting to $218 billion in fiscal year 1997.

These programs and others like them add up to increases of hundreds of billions of dollars over the next few years. And then there are the increases many would like to see in discretionary spending, spending on education, on roads, on the environment. And the interest payments will continue to grow as well, until we are able to balance our books.

I ask my colleagues to consider what will happen if we adopt a revenue-increasing strategy of balancing the Federal books. Suppose, in a massive 1-year tax hike—soaking the rich even—we brought the Federal budget into balance in a given year. Would we have finished the job? Not by a long shot. Federal revenues as a function of GNP would thereafter stay roughly constant from year to year, but the mandatory increases on the spending side would mean another tax increase a few years later. And then, too, any balancing of the budget would be only temporary. Another tax hike would soon be required. Even if we restrained discretionary spending—even if we increased taxes mightily every few years—the problem would persist. That is the future built into the current system.

I can think of no basis for the argument that this budget is out of balance because Americans are insufficiently taxed. They are providing well over $1 trillion per year in revenue to the Federal Government. That is enough to conduct the business of this Government or any government in the world today. We must balance the Federal budget, and we must attempt to do so in a way that recognizes the real sources of our current and projected deficits—uncontrolled, mandated spending—entitlement spending.

I commend Senator KASTEN for this proposal. It recognizes the obligation of this Congress not to burden future generations, and it recognizes that the existing generation of taxpayers is burden enough. It is high time that the burden of restraining spending be taken up by this Congress. I thank the Senator from Wisconsin.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN. Mr. President, I yield 3 minutes to the Senator from New York [Mr. D'AMATO].

Mr. D'AMATO. Mr. President, I rise to strongly support Senator KASTEN's proposal to require a three-fifths supermajority vote to raise taxes above the growth rate of the economy. It is long overdue. We absolutely need that discipline.

Let us look at the record, and we do not have to go back too far to see what the impact would have been had we had this kind of legislation in force. Had a supermajority been in effect as a requirement to get at least 60 votes in the Senate for the 1990 tax bill, the American people would have been spared one of the largest tax increases in history.

You see, Mr. President, only 53 percent of the House and 54 percent of the Senate supported the 1990 tax bill, not the 60 percent that would be required by the Kasten amendment.

Too bad it was not in force because one of the largest tax increases in history went into effect. It was also one of the most divisive, because then we had the same type of businesses going on: Let us get the rich guy. Oh, they imposed that luxury tax; 10 percent on the price of automobiles that cost over $30,000; 10 percent on the boats, and on the planes, jewels, and furs. We did not get the rich guy. What we wound up doing was throwing thousands of working middle-class Americans out of work, the people who make and maintain those boats, planes and cars, and sell those jewels and furs. We just do not know when to stop.

Let me suggest something else. It is rather divisive, and it is a bad kind of thing that I hear taking place, and that one of the Presidential candidates is also bringing up: Tax the rich. You could increase the taxes to the point that you take every single penny from everyone making over $200,000, and take ever single dime that corporate America is making, and you still would not be able to balance the budget. That is the wrong kind of divisive business. When we begin to target people because they are successful, it flies in the face of what this country is about.

I think that this is an absolutely essential element of any effort to get spending under control. Do we need a constitutional amendment to force a balanced budget? You better believe it, because this institution does not have the guts or the courage to stand up to the special interest groups; it caves in every single time. Do not let this one or that one send out a letter to their constituents saying you would not authorize the expenditure of more moneys for a laudatory program. In the meantime, the deficit grows and grows and grows.

So I urge my colleagues to support Senator KASTEN's proposal as an integral part of the constitutional balanced budget amendment.

Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be allocated to neither side.

The PRESIDING OFFICER. Time will be allocated to neither side. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that I might proceed for 6 minutes with the time charged to the opposition to the amendment.

The PRESIDING OFFICER. It is my understanding that there is now 45 minutes controlled by the Senator from Michigan and about 13½ minutes controlled by the Senator from Wisconsin. Without objection, 6 minutes will be charged to the Senator from Michigan.

Mr. DURENBERGER. Mr. President, as a proponent of the constitutional amendment which is before us, I want to take a few moments to speak in opposition to the amendment of my distinguished colleague and good friend from Wisconsin, Mr. KASTEN.

What the Senator from Wisconsin is proposing is that the Constitution be further amended to preclude raising revenues and taxes above the annual growth in national income unless such a revenue proposal garners the support of a supermajority; that is, three-fifths of Senators and Representatives. I believe that is a step away from the balanced budget we are trying to reach. And I will try to prove to you and my colleagues why.

Mr. President, while we are debating this constitutional amendment today, in this 24-hour period we will add $1.111 billion to the national debt. Shortly we will exceed $4 trillion in debt, and that is over $16,000 for every man, woman, and child in America.

This wanton fiscal irresponsibility has two consequences.

First, we cannot do what we need to do today. We are constantly confronted with crises in this city: the education crisis, the health crisis, the urban crisis, and it goes on and on. But national debt is the crisis which destroys our capacity to deal with any of the others.

That is the first reason to pass a constitutional amendment.

Second, we are compromising the freedom of future Americans. Thirteen generations of Americans have passed on to their children a land of choices greater than those they inherited. Ours is the first to fall short of that standard, which Jefferson called the supreme moral test of each generation of Americans.

I do not take lightly the consequences of making a change in the most remarkable political document the world has ever seen, the U.S. Constitution. I do not believe there is a procedural substitute for political leadership to balance the budget. And I do not vote for this amendment to abdicate my responsibility for this debt.

But I do know that our choice now is between slow and certain strangulation of everything America stands for, or a change in the way we do things in this Government. I swore an oath to protect and defend the Constitution against enemies foreign and domestic. Debt is our Constitution's greatest enemy, and the underlying balanced budget amendment is our best defense.

I oppose the Kasten amendment before us simply because it would make it far more difficult for us to achieve our end, a balanced budget. The reason is that it puts a minority of the House and Senate in charge of how we achieve deficit reduction.

Mr. President, when we collectively reach the day that we become serious about balancing the budget, and I pray it is soon, then everything is going to be on the table: entitlements, discretionary domestic and defense spending and, yes, taxes.

Why should all the pressure be placed on elderly beneficiaries of Medicare? Why should all of the pressure be placed on the poorest members of our society? Why should all the pressure be placed on rural communities and farm families? It is not just spending that must be addressed; taxes must be placed on the table.

This amendment effectively takes taxes off of the table. It puts in the hands of a minority—40 Senators—the ability to upset any bipartisan agreement that heads us down the path of reducing our $4 trillion debt. Tax loopholes would be harder to close under this amendment and the tax base would be harder to broaden, because it would take 60 votes in the Senate and 292 in the House to accomplish closing the loopholes or broadening the base.

The amendment would further bias the system against deficit reduction. How can we justify a 60-vote majority to raise taxes in order to reduce the deficit but allow a bare 51 votes to cut taxes and exacerbate the deficit?

This amendment certainly feels good right now in that it would allow us to return to our States and tell our citizens that we are going to balance the budget, but you do not have to worry that your favorite tax provision will be taken away.

Mr. President, how did we get to this point today where our Nation is the largest debtor in the world? We got there because we spent the last decade expanding entitlements and domestic spending without having the will to pay for them with tax revenue. Since we did not have the will to say no to spending increases, the national debt has grown to $4 trillion, and interest on the debt has jumped more than 400 percent from $52.5 billion in 1980 to more than $215 billion this year.

Mr. President, it is the rare elected official who wants to go back home and tell his constituents either that they cannot have services they want or that their taxes have to be raised to pay for spending. All of us prefer to promise more services and lower taxes, and yet that is precisely why we face this extraordinary national debt.

The proposal before us will make it far more difficult for this body to adopt fiscally responsible tax legislation, and it will diminish our ability to control the deficit. I urge my colleagues who support the constitutional amendment to balance the budget, and those who oppose the constitutional amendment, to oppose this amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

Who now yields time?

Mr. KASTEN. Mr. President, I yield 3 minutes to the Senator from Idaho [Mr. CRAIG].

Mr. CRAIG. I thank my colleagues for yielding.

The Senator from Wisconsin has certainly been an extraordinary leader on this issue of fiscal responsibility. I have worked very closely with him and others on the broad issue of a balanced budget amendment to our Constitution. He brings a portion of that debate today in his amendment that would require the extraordinary vote on the raising of taxes which becomes a critical and necessary consideration in an overall debate on a balanced budget.

If you hear it once, you will hear it many times from the hinterlands, that one of the great concerns American citizens have who believe in a balanced budget amendment is that Congress will do what they have historically done when such requirement is once thrust upon them; they will simply balance it by raising taxes, because they do not believe Congress will have the political will to go against special interest groups and reduce spending or the rate of spending correspondent to an increase in revenue. That is why such an amendment is before us.

Let me broaden the issue in discussing with you, in the few moments that I have, why a balanced budget amendment to our Constitution is appropriate and necessary and why such a high percentage of the American people are now demanding that of us and, more importantly, why, therefore, is the Congress of the United States refusing to resolve this issue and deal with a balanced budget amendment to our Constitution directly instead of trying the political subterfuge that has gone on in this body for many decades and that is attendant in the House of Representatives.

There is an old hue and cry—we heard it in the House a few weeks ago and now and then it is uttered but in somewhat whispered tones in the Senate—why not pass a law; we really do not need a constitutional amendment.

Well, in 1978, we passed a law, Public Law 95-435, which said we would balance the Federal budget. That was the law of the land in 1978. That is when our deficit was $776.6 billion. It did not work. Why? Because Congress did not have the willpower to adhere to its own law. So in 1 year they bypassed it.

So in 1979, Public Law 96-5 said we will balance the budget and they tied it to a debt limit vote. The Federal debt by then was $828.9 billions of dollars.

The story goes on right through Gramm-Rudman, the passage of that law in 1985, when it worked, oh, but for a short time and the——

The PRESIDING OFFICER. The time has expired.

Mr. CRAIG. Could I have 1 more minute?

Mr. KASTEN. I yield 1 more minute to the Senator.

Mr. CRAIG. I thank my colleague for yielding.

For a short time the deficit and debt slowed.

Then in 1990 we had the great 1990 budget agreement in which debt was going to stop, the deficit was going to come down, but in doing so some voted for a major tax increase. That was nearly $1 trillion ago.

The debt is now $393.946125 trillion. That is as of Friday last, and the clock is ticking very loudly to Members of the Senate. The debt now to the average citizen stands at $15,363.

That is why the Senator from Wisconsin has brought forth this amendment. That is why he stands on the floor today fighting for fiscal integrity and trying to force this body to be politically responsible.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. WIRTH. Mr. President, I rise for recognition in opposition to the amendment.

The PRESIDING OFFICER. The Senator may proceed under the previous order.

Mr. WIRTH. I thank the Chair.

Mr. President, the amendment before us is what I would call a politician's delight. The amendment to require a constitutional amendment to balance the budget is truly political posturing, at its worst. That is the background against which we debate this constitutional amendment.

I understand what the Senator from Wisconsin is attempting to do, but I think, unfortunately, that his amendment plays also into this whole fabric of what is the ultimate, in this Senator's opinion, fiscal irresponsibility.

We already have the tools to do the job that I believe the American public wants us to do. We have the tools to balance the budget anytime we want to do it. We do not need a constitutional amendment to balance the budget. We do not need a two-thirds vote or a 60-percent vote or supermajority here or superminority over there. We do not need all of those things. We have all the tools that are necessary.

The one thing that is lacking is political will, and political will is a combination of both sides working one with the other. That is what political will is all about—each of us locking arms and striding forward. Those who have one view and those of us with a different view on the composition of Federal revenues and on expenditures getting together and determines that it is in our national interest to reduce the deficit, to spend less in some areas and to invest our national resources in a different way.

We do not need all of these artificial constructs such as a balanced budget amendment. We should not, by the way, as an aside, set up more supermajorities that encourage congressional gridlock. Should we have a supermajority related to changes in Social Security? Should we have a supermajority related to changes in the space program? Should we have a supermajority related to changes in the milk support program? Of course not.

But what we have to do is find 50 percent plus 1 of the votes to accomplish what we all know we must do. It is difficult enough to get 50 percent plus 1 of the votes to do anything around here, much less to say you have to have 60 percent of the votes to accommodate one group in the Senate. It is ridiculous.

What the Senate needs is again to lock arms, to ask our leadership to get together with the White House and lock arms, to support the proposal offered by the distinguished senior Senator from West Virginia, to ask the President to submit to us a budget that he would like us to pass that is balanced. That is a perfectly reasonable proposition. He is the Chief Executive Officer of the land. He is the natural leader of these efforts. Presumably, he is an individual who has at his command these vast resources in the bureaucracy. He has an OMB that does not stop. He has Mr. Darman as the head of the OMB who has a vast amount of experience and been through this drill for a long, long time.

The President should send down a proposal that he thinks is an appropriate way to balance the budget on a very short term or a longer period of time, whatever he thinks is the right thing to do, and then we should ask the leadership of ours, on both sides, to get together and figure out how to accomplish that goal specifically sent down to us by the President of the United States.

That is the way this process is supposed to work and it has not worked for all of those reasons. It has not worked because we have not received from any President that I can remember anything resembling, first, the template and, second, the support for arriving at that template or arriving at that goal. That has not been forthcoming.

And we, certainly, in this Chamber have not been of the mode to cooperate under some kind of a national umbrella of national goals and national purpose. It does not exist.

Why is the public out there so frustrated and angry? Because we have not had that direction coming down from Pennsylvania Avenue, and because when there has been from time to time that direction, we have not gotten together to figure out how to harness it in a constructive fashion.

We do not need a constitutional amendment. I thought the statement made by the former Senator from Connecticut, the current Governor, Lowell Weicker, that the constitutional amendment for a balanced budget was about like a football team running off the field, running up in the stands, and starting to chant, "We want a touchdown." The football team has all the tools it needs to do the job—it has the equipment, the field is lined out in 10 yard stripes. It is 100 yards long. There are 11 players on each team. There are specialists out there to do the job. There is a coach and assistant coaches. There are some cheerleaders out there doing their job. The football team has everything necessary to score its touchdown. They do not have to run up into the stands and say, "We want a touchdown." They would be laughed off the field if they did.

We are effectively running up in the stands, looking down to the bare field which we left empty, by the way, for the last 11 years, because of stupid chanting, "We want a touchdown," "We want a balanced budget."

Like the football players we have all the tools that are necessary. We have the committees to do the job. We have the ability to write the laws that are necessary to achieve our goals. We do not need a constitutional amendment that might or might not lock us in one way or another. We do not need a constitutional amendment to delay the operation for another 3 or 4 years. We do not need a constitutional amendment that may write into the Constitution a particular kind of destructive economic doctrine.

We do not need a supermajority. This country does not have anything in the Constitution that relates to supermajorities if the Senate's day-to-day business. If the Founding Fathers thought supermajorities were a good idea and we had to have 55 or 60 or 65 percent to act, they would have put this in the Constitution.

This country runs by a majority. Our job is to find that majority to achieve the national goal of economic health. We do not need bigger majorities to do the job. We do need two things: First, leadership from the White House and, second, the kind of joint political will of locking arms here.

I can guarantee you if we decided we had to sit down and do that job and get from here to there, the chances are that the distinguished other westerner Senators that are here on the floor—and we disagree on a lot of things and have over a long period of time—but if we sat down for a period of time and said how are we going to get from here to there, and we have managed to do that on issue after issue, and we can certainly do that on this.

Why do we have to set up a lot of these artificial barriers to jump over? It does not make any sense. It just compounds the problem and creates more goldlock. It may be good politics. We have a lot of good politics around here, presumably such good politics that we are going to see a storm of voter disapproval. I think the politics are lousy. I think the politics of the constitutional amendment are the kind that sounds good if you say it fast enough. Politics make lousy policy.

The real issue is: Are we going to sit down and do the job? We cannot pretend any longer, Mr. President. Let us stop pretending. Let us get out there and do the job we were elected to do and the American public asked us to do.

Finally, Mr. President, I would point out that—and I have been on the Budget Committee in the House for 6 years and the Budget Committee in the Senate for 6 years, a real Chinese water torture duty—that Senator CONRAD, our distinguished colleague from North Dakota who has decided not to come back to the Senate, unhappily, Senator CONRAD has headed up the deficit reduction caucus. He founded it and headed it up the whole 6 years he has been here. Senator CONRAD over in the Senate Budget Committee offered the most aggressive deficit reduction package of anybody, the most aggressive package. And everybody was sitting there doing their posturing in one way or another. And, as I remember, it got three votes, and more from the other side. There was no political will there. There was no joining of hands there. We had the tools available, but something as truly ambitious as Senator CONRAD's package was not able to receive the votes.

Would the constitutional amendment have changed that? No. Would a 60-percent supermajority of one kind or another have changed that? No. What would have changed that is the installation of a certain amount of political cooperation and will here and a certain modicum of leadership coming down Pennsylvania Avenue from the White House. That, it seems to me, is what the American people are asking for and should be asking for. They are not saying to us do your job by ducking the job. They are saying do the job you were elected to do.

I would hope that my colleagues will have the wisdom, and the judgment, and the perspective to vote down this amendment, vote down all the other nonsense that is in front of us related to the balanced budget amendment, and let us get on with the real business of what is before us.

The real business is all those appropriations coming down. The real business is, are we going to work with the Soviet Union and try to nurture along that fragile experiment in democracy? The real business is getting this urban aid package done so we can at least have some small response to what happened in south-central Los Angeles. The real business is finishing these education bills that are here. The higher education bill is not done. The elementary and secondary education bill has to be done. The real business is doing what everybody knows the President will sign, and that is an energy bill, and we cannot get that out of the way either.

Let us get on with the real business of this institution. Those are the things that are important, not all of this kind of posturing and "sounds good if you say it fast enough" politics.

Mr. President, I appreciate your recognition and I yield the floor.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KASTEN. Mr. President, the question has been raised about the justification for a supermajority requirement, and the Senator said the Constitution does not prescribe supermajorities for a number of different things.

But I think it is important for us to point out that right this moment there is ample evidence, I believe, that the political system has become biased in favor of higher taxes and in favor of deficits. The special interests of those who want more government are better represented, very frankly, than the general interests of the taxpayers. The supermajority requirement offsets those biases.

But the Constitution does prescribe supermajority votes for a number of important decisions. A two-thirds rule exists, it is in the Constitution, to approve treaties. A two-thirds rule exists to overturn a Presidential veto. A two-thirds supermajority exists to approve the impeachment of a Federal official, and a two-thirds supermajority exists to expel a Member. New amendments to the Constitution must be ratified by three-quarters of the States and then pass Congress by a two-thirds votes. So this is not some new idea.

The idea of a supermajority is in our law, it is in the Constitution. What we are simply saying is, let us extend it so that we are able to move and stop shifting the tax burden to future generations. It is important enough, I believe, to warrant a higher vote, a supermajority, than routine decisions, routine choices of this body. That is why we are calling for a supermajority to increase taxes and that is why I hope that our amendment may succeed.

I yield 3 minutes to the Senator from Montana [Mr. BURNS].

The PRESIDING OFFICER. The Senator from Montana is recognized for 3 minutes.

Mr. BURNS. I thank the Chair and I thank my friend from Wisconsin.

My good friend from Minnesota and my friend from Colorado make very strong arguments. I will not speak on the merits of a balanced budget amendment to the Constitution, as I addressed it last week. It seems like this debate keeps going on and on and on and there would be those who would say that there are other important things to do. This is not keeping those important things off the floor. The American people should know that.

I would rather focus today on trying to find ways that we can get to the balanced budget amendment and make it work and be ready to deal with it without any impact upon the American people both in taxes and in spending.

The Federal budget must be balanced. There is no question about that.

We had to have a two-thirds majority—I guess you could figure it out—when I was a county commissioner. There was only three of us. And it took two to one to raise taxes or to lower the taxes.

But I think this amendment would place a safeguard against Congress' propensity to raise taxes by requiring tax increases that exceed the growth of the national income to pass by a supermajority or a three-fifths majority of the whole number of both Houses of Congress.

Now, it does not say Congress will not raise taxes. We can. And we will probably prove that it can be done. It just makes it more difficult to do so. It makes it a little more difficult to waive the rule, as we say, and to get it down.

As I said last week, the only way we will ever bring the Federal budget to balance is by limiting the growth of spending.

I am starting to feel like a broken record. I have said it so many times. History has shown us time and time again the deficit reduction based on increased taxes does not work. And I would cite what those who would argue against this amendment have said. The Federal Government has always spent more than it takes in. In fact, the last time the Federal budget was balance was in 1969. Yet over the past 30 years Congress has raised taxes 56 times, 56 tax increases, and no balanced budget. It does not leave much reason to believe that a tax increase is the answer.

I guess what I am saying, it is nice to give the speech that says we have the tools but we lack the will power.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BURNS. Mr. President, I ask unanimous consent that I could have 3 minutes more.

The PRESIDING OFFICER. The Senator from Wisconsin controls 4½ minutes.

Mr. KASTEN. I yield 1 additional minute to the Senator from Montana.

Mr. BURNS. The point is, real quickly, we had Gramm-Rudman; we have had all these laws; and we have had tax increases and say we are going to balance the budget. We did not do it because for every $1 we brought in, we spent $1.56. And if you are going to use any wisdom and I am a freshman in this body and I look at the track record, I would have to say our track record is not very good and my wisdom tells me if we do not have the will then we must put into law what we cannot do.

So in 1992, with a 317 billion dollar' deficit—and it looks like it could go to $400 billion—I would take a strong look at this and put this into place where we can handle it and do business knowing that our primary objective is to protect the financial viability of generations to come.

Mr. President, I am pleased to be an original cosponsor of the Kasten balanced budget tax limitation amendment to the Constitution and commend Senator KASTEN for his leadership on this issue.

I will not speak to the merits of having a balanced budget amendment to the Constitution as I addressed that issue last week, but rather I will focus on the necessary element of such an amendment that is included in this proposal—tax limitation.

The Federal budget must be balanced—there is no question about that—but it must not be balanced on the backs of the American taxpayer.

This amendment would put in place a safeguard against Congress' propensity to raise taxes by requiring tax increases that exceed the growth of the national income to pass by a supermajority of a three-fifths majority of the whole number of both Houses of Congress.

It does not say Congress cannot raise taxes—it just makes it more difficult for them to do so.

As I said last week, the only way we will ever be able to bring the Federal budget into balance is by limiting the growth of spending. I am starting to feel like a broken record, I have said this so many times, but history has shown us time and time again that deficit reduction based on increased taxes does not work.

The Federal Government always spends more than we can bring in. In fact, the last time the Federal budget was in balance was 1969. Yet over the past 30 years, Congress has raised taxes 56 times. Fifty-six tax increases and no balanced budget—it does not leave much reason to believe that tax increases are the answer.

The Budget Agreement of 1990 is not working to reduce the deficit as was promised. The agreement raised $175 billion in taxes over 5 years and was supposed to reduce the deficit by $500 billion over the same period. The projected deficit for fiscal year 1992 was $317 billion. But it hasn't worked out that way. Instead taxes went up, the economy went down and we're nearly $400 billion in the hole.

I voted against the 1990 agreement because I believed then, as I believe now, that increasing the taxes will not balance the budget.

It is my hope that this amendment will pass and that a balanced budget/tax limitation amendment to the Constitution will be enacted into law and sent to the States for ratification. It is only then that Congress will get serious about the need to control Federal spending.

I urge my colleagues to vote for the Kasten amendment. It is the right thing to do.

I thank the Chair and I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

Mrs. KASSEBAUM. Mr. President, I rise in opposition to the Kasten amendment.

The PRESIDING OFFICER. Who yields time?

Mrs. KASSEBAUM. I ask 2 minutes from the opposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. KASSEBAUM. Mr. President, I rise in opposition to the Kasten amendment, not because I am an advocate of raising taxes. In fact, I certainly believe that we need to cut spending before we look to any other avenue of addressing our budget deficits. I do not support the Kasten amendment because I do not support a constitutional amendment to balance the budget, and I believe this may be the only opportunity to have a recorded vote on this issue.

Mr. President, to repeat, I rise today in opposition to the Kasten amendment because it will likely be the only RECORD vote on a constitutional amendment requiring a balanced Federal budget. As such, I believe this amendment represents more than technical refinement of, or an improvement to the bill originally introduced by Senator SIMON. In my opinion, the Kasten amendment represents an up or down vote on the very issue of a balanced budget amendment.

But Mr. President, I certainly view this measure with a sense of double frustration. I share the American people's deep concern that Congress has found no effective means of taming the deficit. Despite Gramm-Rudman, budget summits, and other such tactics, we have become only more inventive in dodging self-imposed spending limits. However, I am very wary of the adverse consequences that may result from amending the Constitution to require a balanced budget.

In considering the balanced budget amendment, Congress is once again debating procedures for dealing with the deficit instead of taking the concrete steps necessary actually to deal with the deficit. We all want to talk about the goal but not how to achieve it.

During my service in the Senate, I believe I have compiled a record as a fiscal conservative who is willing to make tough choices on the budget. In both 1984 and again in 1987, I helped lead the fight for a 1-year freeze on all Federal spending. If the freeze had passed in either of those years, the cumulative savings to date would be on the order of $500 billion by now.

In just the past few weeks, I have cast other votes to hold the line on spending. For example, I supported a plan to cap entitlement spending—the so-called mandatory or uncontrolled programs that make up nearly half of the Federal budget. And I voted for an amendment to freeze spending for the Corporation for Public Broadcasting for 3 years.

Entitlements and public broadcasting are worthy and even necessary programs, ones I strongly support. But I could not support writing blank checks on an empty Treasury even for the most worthy of these programs. At some point, we have to pay our bills.

The striking and, to me, the frustrating thing about these votes—the budget freezes, capping entitlements, or freezing public broadcasting—is that none of them ever gained more than 32 votes in the Senate. In other words, at least 68 Senators voted against these spending restraints.

Now we are debating a proposed constitutional amendment that requires a balanced budget unless 60 Senators vote to allow continued deficit spending. Perhaps I am missing something, but I fail to see how this new requirement will provide any real restraint on the budget.

Many of my colleagues who support the constitutional amendment argue that it will provide the necessary straitjacket for them to cast difficult votes on the budget. Their rallying cry seems to be: "Stop me before I spend again."

If I genuinely believed the constitutional amendment would work, I would support it in a minute. But the language of the amendment seems as riddled with loopholes as all our past procedural gimmicks. In addition to the 60-vote loophole, it says: "The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts."

Who will estimate outlays and receipts? What happens if the estimates turn out to be wildly off the mark, as they often have been in the past? Will the Federal courts have the power to enforce the amendment by making decisions on taxes and spending? The earliest the amendment could take effect is fiscal year 1998—what happens in the meantime?

These fundamental questions suggest the deep flaws of this approach. It is essentially a promise to think about the deficit later and to work out the details some other time. In short, the Constitution would become a pawn in our budget games and increase cynicism about Government.

The only reason I even think twice about voting against this amendment is that Kansans have asked me some simple and sincere questions in recent weeks. Would it hurt to pass a constitutional amendment? Why not try it? Can it be worse than what we have now?

Frankly, there are no clear answers to those questions. However, I am concerned that enactment of this amendment may have grave consequences. As I have stated earlier, the amendment has a number of loopholes which could make a mockery of the Constitution. In addition, it is quite possible that the amendment will give the judicial branch the power of the purse our Founding Fathers intended to be the responsibility of the legislative branch.

I do not believe that these potential results should be taken lightly, and therefore, I will vote against the balanced budget amendment.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KASTEN. Mr. President, I suggest the absence of a quorum and ask unanimous consent the time be charged equally to both sides.

The PRESIDING OFFICER (Mr. ROBB). Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KASTEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. KASTEN. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator is recognized for up to 3 minutes and 15 seconds.

Mr. KASTEN. Mr. President, we are now about to conclude the debate on this amendment. One of the points that has come up, some say we can balance the budget by raising the taxes and particularly taxing the so-called rich. I say the middle-income American families better watch their wallets. Even if we confiscate all of the income of the millionaires, we would still run the Federal Government for a very short time, as has been pointed out by my colleagues. In 1990, they said they wanted to tax the rich, my colleagues will remember, by taxing certain luxuries. What happened instead was over 19,000 boat building workers lost their jobs, many of them in Wisconsin.

When they say "tax the rich," the small business men and women of this country better watch their wallets, too. Just this March we voted on a tax package that would have raised taxes on small unincorporated businesses. I think it is important for my colleagues to recognize that 9 out of 10 small businesses pay taxes on the individual tax rate schedules, not on the corporate tax rate schedule. So when we say "tax the rich," we are saying tax successful small businesses. Let me repeat, 9 out of 10 small businesses pay taxes on the individual tax rate schedule, not the corporate schedule.

We have been holding a series of meetings throughout Wisconsin, small business committee field hearings. I discovered that those statistics are true for Wisconsin's small businesses across the board.

I ask unanimous consent that a letter from one of Wisconsin's small businesses be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

KIEFFER & CO., INC.,
Sheboygan, WI, March 11, 1992.
Senator ROBERT KASTEN,
U.S. Senate, Washington, DC.

DEAR BOB: As I've been following the news, first with the President's Income Tax proposal's, and more recently the Democrat's proposals I have become very concerned.

Great emphasis is being placed on income shifting. Statistics are cited about the number of people making over $100,000 and how they are not paying enough income tax.

I believe one important fact is being missed. Many of those people, myself included, are owners of Sub S corporations and report all of the company's income on our personal tax return. My personal income is certainly not excessive for someone managing a $10 million company, however, when you add our modest profit (3–5 percent) and report it as personal income it sounds like a lot. I never "see" that income. It stays in the business to help finance our growth. Like many small businesses, we're under capitalized, we've utilized SBA loans to the maximum, and we need every dollar we earn.

If the Democrat's proposed tax increases occur I will be looking at a 25 percent increase in our business tax plus the possible loss of most of my personal tax deductions. That additional cost will have to come out of the business' income. This will have a dramatic negative impact on our ability to pay our suppliers and bank, provide pay increases to our current employees, grow and add jobs.

I often read that new jobs in our country occur because of the growth of small business. I know we have grown from 5 employees to 92 employees since 1980. If the economy is dependent on small business growth, then the Democrats' proposal will stop and reverse any chances that we are going to end the current recession this year, and perhaps for the next several years.

Perhaps you and your staff can expand this thought and gain the country's, and the Senate's attention before this business tax is passed.

Sincerely,
STEPHEN G. KIEFFER,
President.

Mr. KASTEN. Mr. President, these are the small businesses, the sole proprietors, the subchapter S corporations that our economy has relied on to create the new jobs. That is why the National Federation of Independent Business, NFIB, has made the vote on the Kasten amendment, this vote, a key small business vote. So a vote for the Kasten amendment is a vote for the small business men and women of America.

It is time for Senators to decide whose side they are on, the side of high taxes and status quo and the special interests or on the side of the American taxpayers, the families, the farmers, the small business people who pay the taxes, who pull the wagon and create the jobs. This is a vote on the substance. It is not a procedural vote that can be blurred or explained away. It is a record vote on taxpayer protection. You are either for taxpayer protection or you are against it. I thank my colleagues and I urge their support for this amendment to protect the American taxpayer. I ask unanimous consent that letters of support and a number of news articles be included at the end of my statement along with a list of tax increases since 1962.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAKE IT MORE DIFFICULT TO INCREASE TAXES

DEAR SENATOR: On behalf of the over 550,000 members of the National Federation of Independent Business (NFIB), I urge you to support the Kasten tax limitation amendment to the balanced budget amendment to the Constitution, which is pending in the Senate.

Small business owners have long been concerned about the size of our nation's debt, but higher taxes are not the answer to it. The federal deficit is not the result of too little taxation. The deficit is the result of federal spending that is out of control. The Kasten amendment would force both Congress and the President to make the tough spending choices that have been repeatedly put off for the last decade. NFIB members strongly support tax limitation language to any amendment to the Constitution to balance the budget.

Sincerely,
JOHN J. MOTLEY III,
Vice President,
Federal Governmental Relations.

COALITION FOR FISCAL RESTRAINT,
May 6, 1992.

OPEN LETTER TO MEMBERS OF THE UNITED STATES SENATE

The undersigned members of the Coalition for Fiscal Restraint (COFIRE) understand that later this month the Senate may take up the subject of an amendment to the Constitution which would require a balanced federal budget.

As a result, we are writing to indicate our support for the balanced budget/tax limitation amendment (S. J. Res. 182) which will be offered by Senator Kasten.

To contain spending growth, the Kasten resolution would require a three-fifths vote in both houses of Congress in order to permit federal outlays to exceed receipts but with an escape clause in the event of a declaration of war.

In addition, it would require the same super-majority vote in both houses in order to increase taxes at a rate greater than the rate of increase in national income.

Continued growth of a national debt approaching $4 trillion caused by massive deficit spending is not only a threat to the nation's present and future economic strength but a legacy for future generations of debt unworthy of a responsible society.

For these reasons, we join together in this endorsement of S. J. Res. 182 when it comes before the Senate.

American Farm Bureau Federation.
American Furniture Manufacturers Association.
American Legislative Exchange Council.
American Rental Association.
Americans for Tax Reform.
Amway Corporation.
Automotive Service Association.
Baroid Corporation.
Chamber of Commerce of the United States.
Citizens Against Government Waste.
Citizens Against a National Sales Tax/VAT.
Citizens for a Sound Economy.
CNP Action, Inc.
Commercial Weather Services Association.
Committee for Private Offshore Rescue and Towing.
Consumer Alert Advocate.
Dairy and Food Industries Supply Association.
FMC Corporation.
Helicopter Association International.
International Ice Cream Association.
Koch Industries.
Marriott Corporation.
Milk Industry Foundation.
National-American Wholesale Grocers' Association.
National Association of Charterboat Operators.
National Association of Convenience Stores.
National Association of Manufacturers.
National Cattlemen's Association.
National Cheese Institute.
National Food Brokers Association.
National Grange.
National Independent Dairy-Foods Association.
National Tax Limitation Committee.
New England Machinery, Inc.
The Seniors Coalition.
Sybra Corporation.
Truck Renting and Leasing Association.
United States Business and Industrial Council.
United States Federation of Small Businesses.
Valhi, Inc.

[From the Washington Times, May 26, 1992]

BALANCED BUDGET EXPRESS TO WHAT DEPOT?

(By Bob Kasten)

The U.S. Senate is expected to vote next month on a constitutional amendment mandating a balanced budget. Sen. Paul Simon, Illinois Democrat, and Rep. Charles Stenholm, Texas Democrat, are proposing one approach that would not work because it would not limit taxes.

Along with Reps. Joe Barton, Texas Republican, and Billy Tauzin, Louisiana Democrat, I have introduced another approach that would require a three-fifths vote of Congress to approve tax increases beyond the rate of growth of the economy, as well as a three-fifths vote to spend more than revenues allow.

My balanced budget amendment—which I call the Taxpayer Protection Amendment—would not just eliminate the deficit—it would also break the cycle of escalating federal spending and taxation.

The basic problem is a federal government that's too big and spends too much. Congress runs up huge deficits and debt because every special interest has a voice when it comes to spending, but there are very few lobbyists for the U.S. taxpayer.

Under the Simon-Stenholm amendment, Congress could always find the money for extra spending it wants by raising taxes—and they could escape the wrath of voters by claiming the Constitution made them do it.

In fact, the sponsors of this non-tax limitation amendment have already come out of the closet. According to a recent article in The Washington Post, Mr. Stenholm said he favors an "automatic mechanism" to enforce the balanced budget mandate that would reduce spending and raise taxes. Mr. Simon said, "We're not talking about huge tax increases."

I don't think we ought to be talking about tax increases at all. I think Mr. Simon's idea of what constitutes a "huge" tax increase is somewhat different from mine—and most American taxpayers.

While this automatic mechanism may begin with $2 in spending restraint for $1 in tax increases, the final result will not even be close. History shows that the tax increases arrive quickly, while spending cuts are nowhere to be found.

In the 1982 budget deal, Congress promised President Reagan $3 in spending cuts for every $1 in tax increases, but in the final analysis spending went up by $2!

Look at the so-called "budget summit" of 1990. It supposedly raised our taxes by $165 billion to reduce the deficit. I voted against it because I knew that when taxes went up, spending would rise even faster. And that's exactly what happened. The deficit has exploded to a record $400 billion.

Over the last 30 years, Congress has balanced the budget only once, but raised taxes 56 times.

We cannot allow them to use a balanced budget amendment as a Trojan Horse for tax increases. The Kasten Taxpayer Protection Amendment would require Congress to muster a three-fifths supermajority vote to let the federal government's income grow faster than the paychecks of U.S. workers.

Limiting both taxes and spending would help put our economy back on track. Without a growing economy that is generating new jobs and the necessary tax revenues, we will never balance the federal budget. In the low-tax, high-growth years of 1983-89, the budget deficit as a share of the economy declined from 6.5 percent of gross domestic product (GDP) to 3 percent. The high-tax, recessionary policies of the past three years have pushed the deficit back up to 7 percent of GDP.

So let's get a vote on the Kasten Taxpayer Protection Amendment. Let senators decide whose side they are on—the side of high taxes, the status quo, and the special interests, or the side of the U.S. taxpayers.

[From the Wall Street Journal, Apr. 29, 1992]

Simon's Tax Increase

Faster than you can say "House Bank scandal," Congress is suddenly enamored of a constitutional amendment to balance the federal budget. We know what you're thinking, and yes, it's too good to be true.

The House Budget Committee, heretofore uninterested in the amendment, plans to hold hearings. House Speaker Tom Foley predicts the amendment will pass this year, despite his personal opposition. Texas Democrat Charles Stenholm's amendment bill has 268 co-sponsors, including 110 Democrats. In the Senate, Democrat Paul Simon of Illinois declares, "I think we have a real chance of passing it." The last time the Senate even allowed a vote on the amendment was 1986, the year before George Mitchell's liberal Democratic faction took over.

We suppose it's healthy that the Members are feeling enough political pressure to do something, anything, about a runaway federal budget. Yet this Beltway groundswell has all the sincerity of a trial lawyers' convention. Mr. Simon, who ran for President as the only true New Deal heir in 1988, wants us to believe he's worried about federal spending.

Mr. Simon's political camouflage would allow Members to tell angry voters that they're really champions of fiscal probity because they support a "balanced budget." Yet it contains no restraint on the real problem, which is spending and taxes.

The Simon propaganda on the bill stresses "the deficit," never *spending*. He frets about "staggering deficits year after year," and "sending the bill to our grandchildren," but he can't find anything but defense spending to actually cut. Mr. Stenholm has a much better personal record on spending, but his amendment also lacks a tax-and-spend limitation.

The Simon-Stenholm approach would in effect create an automatic tax-increase mechanism. Every time the budget would go into deficit, Congress and the President would have to close the gap. The choices would be lower spending or higher taxes. But spending cuts never pass because the Members are in political hock to active, vociferous lobbies (such as public-employee unions).

Higher taxes may be unpopular, but a balanced-budget amendment would create a political "necessity" that makes it easier for politicians to justify more new taxes. This has more or less been the experience in states that have balanced-budget laws. Just ask California's Republican Governor Pete Wilson, who had "no choice" but to sign a record tax hike in 1991.

By contrast, Republican Senator Robert Kasten of Wisconsin is offering a balanced-budget amendment that has real teeth. It'd require a three-fifths supermajority in Congress to deficit-spend. But it also requires a three-fifths vote to increase taxes above the rate of economic growth. In short, if voters had to tighten their belts in a recession, so would the federal government.

The Kasten amendment is supported by the various groups that care about the size of government, such as the American Farm Bureau Federation. President Bush has said that any balanced-budget amendment "should include safeguards against a resort to higher taxes," presumably of the Kasten sort. Because it's for real, Mr. Kasten's bill has only 16 Senate co-sponsors. Mr. Foley may not let a similar bill even get a vote in the House.

As we've argued here for nearly two decades, the deficit boom began with the Budget Act "reform" of 1974. Passed over a Watergate-weakened President, that bill stripped the executive of the impoundment power and made Congress's 535 logrollers the dominant budget force.

This is obvious from the cynical way Congress is now lobotomizing the $7.9 billion in spending "rescissions" (cuts) that President Bush has proposed. Speaker Foley's Democrats have stripped them back to $5.7 billion, and replaced many of Mr. Bush's proposals with their own cuts, which punish Members who've had the temerity to support rescissions. Republican Harris Fawell of Illinois has seen funding for the renowned Fermi National Library in his district gutted. The status quo Congress punishes its heretics.

The solution is to make someone besides the logrollers accountable again. Our belief has been that the best way to do this is to put the President back into the process with a line-item veto. Maybe President Bush should propose a deal: He'll sign a phony balanced-budget amendment if Congress will pass a real item veto.

[From the Washington Times, May 7, 1992]

White House Backs Amendment on Budget

(By Joan Lowy)

White House Budget Director Richard Darman yesterday threw the Bush administration's weight behind a constitutional amendment that would make it more difficult for Congress to raise taxes in addition to forcing a balanced budget.

In testimony before the House Budget Committee, Mr. Darman said the White House supports constitutional amendment proposals in the House and the Senate that would require both a balanced budget and a three-fifths "supermajority" vote of Congress to raise taxes.

"I think that if we don't have that kind of protection, the temptation will be to solve the problem without solving the problem—to keep raising taxes," Mr. Darman said.

The leading proposals for a balanced budget amendment do not include a requirement for a supermajority vote to raise taxes. Supporters believe that, for the first time, they have the necessary votes to pass a balanced budget amendment, but they worry the tax issue could sink the entire effort.

"It's my observation that while we can pass a balanced budget amendment, it would be very difficult to get the voters to pass a balanced budget amendment with a supermajority for a tax increase," said Rep. Lewis F. Payne Jr., Virginia Democrat.

Mr. Darman sidestepped questions from Mr. Payne on whether the administration would still support a constitutional amendment requiring a balanced federal budget if it doesn't include a provision making it more difficult to raise taxes.

"We very, very, very strongly would prefer the supermajority," Mr. Darman said. "I would say this: If in the effort to get that we do not succeed, then I think it becomes all the more important to assure" actions are taken to reduce spending so that a constitutional amendment doesn't "drive the system to go try to increase taxes."

He added: "I stand on what I said, which I know is not the world's clearest answer."

A two-thirds majority of Congress—67 votes in the Senate and 290 votes in the House—is required to approve a constitutional amendment.

Sen. Paul Simon, Illinois Democrat and chief sponsor of the leading balanced budget amendment in the Senate, has said he believed he has the necessary votes for approval. But Mr. Simon has made it clear he will work to defeat any balanced budget amendment that also requires a three-fifths vote to raise taxes.

Sen. Robert Kasten, Wisconsin Republican, is sponsoring an alternative amendment that includes a requirement for a three-fifths vote to raise taxes. Mr. Kasten has said he will support Mr. Simon's proposals if his own fails.

But some supporters of Mr. Kasten's amendment have made it clear that if they can't make it more difficult to raise taxes, they'd rather see no balanced budget amendment at all.

In the House, there are 276 cosponsors for the leading balanced budget amendment proposal sponsored by Rep. Charles Stenholm, Texas Democrat. Another 20 or so members have privately told Mr. Stenholm they will vote for his proposal if it's brought to the floor.

An alternative amendment sponsored by Rep. Joe Barton, Texas Republican, that includes a three-fifths vote to raise taxes has also been introduced. But it doesn't appear to have enough support to supplant Mr. Stenholm's proposal.

A test of support for the issue is expected today, when the House is scheduled to vote on a motion by Rep. Willis Gradison Jr., Ohio Democrat, instructing House negotiators to accept Senate-approved language in the annual budget resolution urging adoption of a balanced budget amendment to the Constitution.

Any constitutional amendment approved by Congress would still need to be ratified by 38 states, a process most experts believe would take a minimum of two years.

[From the Washington Post, May 15, 1992]

Balanced-Budget Cloud

An Administration-backed effort to make it more difficult for Congress to raise taxes in the future suddenly has clouded the previously bright prospects of passage this year of a proposed balanced-budget constitutional amendment.

The Senate is expected to vote next month on the proposed amendment to constitutionally mandate that Congress and the administration eliminate the federal deficit, which will reach an estimated $400 billion this year.

However, proponents of the amendment said the measure would fail if Sen. Robert W. Kasten Jr. (R.-Wis.) succeeds in adding a rider that would require a three-fifths vote in the House and the Senate to enact a tax increase larger than the growth rate of the economy.

Sen. Paul Simon (D-Ill.), the chief sponsor of the balanced-budget amendment, said the Kasten provision would leave government with inadequate flexibility in choosing between spending cuts and tax increases to balance the budget. The Senate and House versions of the balanced-budget amendment require only a simple majority vote to raise taxes.

President Bush had insisted that a balanced-budget amendment include "safeguards against a resort to higher taxes as the means to complying with the constitutional amendment."

An administration official conceded after Bush met with a bipartisan congressional delegation to discuss strategy for passing the amendment that Kasten's proposal potentially was a "poison pill" but that Bush intends to support the rider.

Proponents of the constitutional amendment predict that Kasten's rider will be defeated, but Kasten aides cite a U.S. Chamber of Commerce survey of its members indicating that, by 3 to 1, they would oppose enactment of a balanced-budget amendment without a strong limitation on tax increases.

[From The Wall Street Journal, May 26, 1992]

HOW TO MAKE A BALANCED BUDGET AMENDMENT WORK

(By James C. Miller III)

Many on Capitol Hill believe that a balanced budget amendment is a bad idea whose time has come. It's not a new idea. Thomas Jefferson opposed granting the federal government the power to borrow money, and in 1798 advocated a constitutional amendment to take away this power. While Jefferson's amendment was not needed during the early years of the Republic—between 1789 and 1930 the federal government ran substantial deficits only in wartime—the Keynesian Revolution made deficits respectable. Since 1930 the federal government has balanced its budget only eight times.

The various balanced budget amendments on offer today would not outlaw deficits, as Jefferson wanted, but merely make them more difficult. At present, it takes a majority of those present and voting in each house of Congress plus the president's approval (or two-thirds of those present and voting in each House to override a presidential veto) to enact appropriations—that exceed total revenues. The proposed amendments would require that to run a deficit three-fifths of the entire membership of each house must approve.

A balanced budget amendment has some attractions. When the fiscal histories of the states are compared, it appears that a balanced budget amendment in state constitutions trims the rate of growth in state spending by about one-half a percentage point. But the amendment also has some dangers, and these must be addressed.

An amendment must not be an excuse for Congress to raise taxes. The balanced budget amendments sponsored by Sen. Paul Simon (D., Ill.) and by Rep. Charles Stenholm (D., Texas) would require a majority of the membership of each house (instead of a majority of those present and voting) to approve any bill to increase revenue. The more stringent amendment sponsored by Sen. Bob Kasten (R., Wis.) and Rep. Joe Barton (R., Tex.) would limit the rate of increase in tax receipts to the rate of increase in national income, unless a law authorizing a greater increase is enacted by a three-fifths vote of the membership in each house.

A second danger is that none of the proposals gets at the other ways the federal government gains command over resources. For example, a recent study by Professor Thomas D. Hopkins of the Rochester Institute of Technology concludes that the annual cost of federal regulation to the economy is about $400 billion, nearly one-quarter as much as the cost of direct federal spending, $1.5 trillion. If some sort of balanced budget amendment is added to the Constitution, Congress will be tempted simply to substitute regulation for taxation.

This is quite easily accomplished. For example, recently the House of Representatives held hearings on a bill to add to the Strategic Petroleum Reserve—not by having the government purchase the oil, but by requiring petroleum companies to contribute oil to the reserve in proportion to their purchases of crude (though they would still retain title).

Congress can also circumvent restraints on deficits by moving its activities "off budget." Instead of subsidizing farmers directly, for instance, Congress could expand crop insurance. Congress's unfunded liabilities stemming from federal insurance programs—Medicare, hospitals, pensions, aviation, war risk and so forth—already total more than $4.4 trillion. Guarantees of one form or another—from bank deposits to student loans—already total more than $1.6 trillion.

There is no way to prevent Congress from regulating and moving expenses off-budget. But a regulatory budget—one that shows the costs of proposed federal rules—would help. And the savings and loan debacle seems to have made Congress a little more cautious about extending federal guarantees to the private sector.

A third danger of a balanced budget amendment are the loopholes likely to show up in it. For example, the Simon amendment requires that a bill to increase revenue be approved by a rollcall vote of the membership of each house or by unanimous consent. Of course, unanimous consent is the means Congress often uses to pass controversial bills, such as last year's pay increase. ("A tax increase? What tax increase? I wasn't there!")

Likewise, the Stenholm version of the amendment requires that Congress and the president pass a law memorializing their agreement over the revenue estimate for the coming year before the fiscal year begins. This agreement would then become the ceiling for outlays unless three-fifths of the membership of each house says otherwise. But what if Congress and the president don't agree? Rep. Stenholm has addressed that problem in the latest version of his amendment by subjecting any vote to authorize an increase in the national debt to a three-fifths rollcall vote of the total membership in each house. But what if that provision falls out in the negotiations?

The fourth, and by far the biggest danger, in a balanced budget amendment is enforceability. That is, how do we make sure that Congress and the president abide by the amendment's provisions? Ordinarily, U.S. citizens do not have standing to seek court enforcement of constitutional requirements. Why not give taxpayers standing to enforce the amendment within the amendment's own text?

Alternatively, why not state that all debts incurred by the U.S. in contravention of the amendment are not redeemable? (Presumably, no one would purchase federal debt instruments in such a situation, and thus deficit spending could not take place.) In any event, some means must be employed to make the amendment enforceable.

A true balanced budget amendment would indeed help to relieve our progeny of the cost of our own irresponsible behavior. But an effective and enforceable balanced budget constitutional amendment is not going to be easy to achieve.

[From the Washington Post, June 4, 1992]

RIVAL AMENDMENTS TO BALANCE THE BUDGET

Recent editorials against a balanced budget amendment [May 12, May 20, May 27, June 1] disregard some critical points.

If the legislative history of the past three decades proves anything, it is that the institutional bias of Congress toward tax-and-spend policies cannot be overcome without a new budget mechanism.

On the state level, this mechanism usually takes the form of a constitutional requirement that the budget be balanced annually. Sen. Paul Simon (D-Ill.) is proposing that we translate this approach directly to the federal level.

In our opinion, this approach would not succeed in lowering the federal government burden on the productive economy. In fact, it might even discourage job creation and economic growth.

The Simon amendment would practically mandate tax increases by making it essential that the budget be balanced no matter what level of spending Congress approves.

It's easy to see how this would lead to abuse. Special interests would line up at the trough, each demanding federal dollars for their own budget priorities. Their demands would be met, leaving us with a deep deficit. Congress would then have to raise taxes automatically.

If the tax increase is indeed mandated by the Constitution, members of Congress can no longer be held accountable for this most basic budget decision.

We believe that process should be going in the opposite direction—toward greater congressional accountability. Our amendment would require a three-fifths vote of Congress to approve tax increases beyond the rate of growth of the economy, as well as a three-fifths vote to spend more than revenues allow or to increase the public debt.

This would not just eliminate the deficit—it would also break the cycle of escalating federal spending and taxation.

In the 1980s, thanks to a high rate of economic growth, federal revenues rose by 72 percent. Congress—compelled by its institutional bias—raised spending by 85 percent. Under the Simon proposal, whether by economic growth or—more likely—through punishing tax increases on American working families, Congress would always find the money for the extra spending it wants to approve.

Under our proposal, federal taxes could not grow faster than the growth in national income, and actual outlays could be no more than anticipated outlays.

The current hijacking of one-quarter of our annual wealth from productive investment by the federal government is one of the chief causes of the recent economic downturn.

To attempt to solve the deficit problem in a vacuum—with no concern about the repercussions on the real economy—would be irresponsible in the extreme. What we need is a comprehensive overhaul of the system.

This is what our amendment would accomplish—and the Simon alternative would not.

ROBERT W. KASTEN, Jr.,
U.S. Senator (R-Wis).
JOE L. BARTON,
U.S. Representative (R-Texas).
WASHINGTON.

[From the Milwaukee Journal, June 6, 1992]

Your editorial on balanced budget proposals, "US debt can't be wished away," May 11, is seriously off-target in leveling an attack against any constitutional amendment.

It is true that some of the proposed amendments to the Constitution—particularly the one sponsored by Sen. Paul Simon (D-Il.)—might well lend themselves to budget gimmickry instead of a balanced budget. That's why I am proposing my own alternative—a Constitutional amendment that would not only require a balanced budget on paper, but also includes a solid enforcement mechanism.

My amendment would require a three-fifths vote of Congress to approve tax increases beyond the rate of growth of the economy, as well as a three-fifths vote to spend more than revenues allow or to increase the public debt. The economic history of the 1980s demonstrates why this is the superior approach. In the 1980s economic boom, federal revenues rose by 72%. Congress, compelled to spend every cent that came in and more, raised spending by 85%.

With one exception in 1969, Congress has failed to balance the budget in each of the last 30 years. Over the same period, taxes have been raised 56 times. Clearly, the institutional bias of Congress is to spend more and tax more. The Simon Amendment would merely "lock in" a continually increasing level of both taxes and spending.

My approach would break this cycle completely by helping close off the tax-increased avenue favored by the federal bureaucracy.

One of the chief causes of the recent economic downturn is the diversion of national resources from the productive sector to Congress. Federal spending keeps on increasing—from 20.7% of our national output in 1979 to more than 25% today.

A country that spends fully one-fourth of its annual wealth to finance its federal government can not long remain competitive in the global economy. That's why it's irresponsible to argue—as you do—that we need to raise taxes again. Taxes are more than high enough already. The economically rational course of action is to restrain government spending and that's what my proposal would do.

BOB KASTEN,
U.S. Senator.

[From the Washington Times]

BALANCED BUDGET VERITIES

(By Paul Craig Roberts)

Conservatives can't believe their luck that liberals like Sen. Paul Simon, Illinois Democrat, are pushing a balanced budget amendment to the U.S. Constitution.

For years, a balanced budget amendment has been the conservatives' panacea for spending control. Now the Democrats in both houses apparently have enough sponsors to pass such an amendment.

Conservatives think it doesn't matter whether the liberals are using the issue to deflect public anger over the House banking scandal. What if liberals save their seats with our issue, ask the conservatives, as long as they deliver themselves into our hands on the issue of spending control.

That's far from a likely outcome. Liberals usually outfox the conservatives, as in the case of the Darman budget deal that cost President Bush his credibility with voters. Mr. Bush signed a tax increase, and both spending and the deficit went up.

Another example of conservative miscalculation was the Budget Control Act of 1974. Conservatives believed that spending was out of control, because big spenders could indirectly legislate big deficits by voting in favor of many separate appropriation bills. Conservatives believed that if liberals had to vote on the size of the deficit itself, there would be lower and firmer limits to spending. The Budget Control Act, conservatives thought, was a way of putting the big spenders on the spot.

However, it did not work out that way in practice.

The economic policy of the time justified budget deficits as a full employment policy. Liberals structured the vote on the budget in terms of employment vs. unemployment and not in terms of red ink vs. a balanced budget. The budget act further worsened the deficit by stripping away the president's impoundment power.

A similar backfire is likely from a balanced budget amendment that does not contain a tax limitation amendment. Without strong protection against higher taxes, a balanced budget amendment will simply serve as a ramp for more taxes. Members of Congress will pass many appropriation bills and then discover at the end of the year a looming deficit. "Sorry," they will tell us, "we are against raising your taxes, but the U.S. Constitution requires it."

Alternately, off-budget items will increase in number until the only thing left on-budget is the payroll for federal employees.

Mr. Simon has said he will withdraw his support from the balanced budget amendment if a tax limitation measure is attached. That should make the purpose of the balanced budget amendment clear to conservatives. Why would big spenders such as Democratic Reps. Jim Moody of Wisconsin and Joe Kennedy of Massachusetts be supporting any measure designed to curtail their spending proclivity?

If a real balanced budget amendment could be passed and enforced, it would be passed and enforced, it would be a good thing. The growth of government spending hurts the economy because the government uses resources far less efficiently than the private sector.

The charge that a balanced budget requirement would leave the federal government unable to respond to emergencies and natural disasters, such as floods and earthquakes, is false. There is nothing to prevent government from having a contingency fund for such purposes.

Modern economists no longer believe that deficits are necessary for full employment. With this economic rationale for their existence gone, there is really no reason to keep deficits around.

It is surprisingly easy to get rid of budget deficits. Rather than undertake to amend the constitution and wait three or more years for the 50 States to ratify the amendment, the politicians could simply freeze the budget for one year. No one would be materially harmed by receiving the same amount of money next year as this year. No political revolution would result, and no one would starve in the streets.

The budget deficit would, however, be substantially reduced. If the budget were frozen two years while the economy grew, it would be the end of the deficit. It is as simple as that.

ORGANIZATIONS SUPPORTING A BALANCED BUDGET/TAX LIMITATION AMENDMENT (KASTEN VERSION, S.J. RES. 182)

U.S. Chamber of Commerce.
National Federation of Independent Business.
National Tax Limitation Committee.
Coalition for Fiscal Restraint.
Citizens for a Sound Economy.
American Farm Bureau Federation.
National Cattleman's Association.
Americans for Tax Reform.
U.S. Business and Industrial Council.
American Legislative Exchange Council.
Consumer Alert Advocate.
Seniors Coalition.
Americans for a Balanced Budget.
American Rental Association.
Amway Corporation.
Automotive Service Association.
Baroid Corporation.
Council for Citizens Against Government Waste.
Citizens Against a National Sales Tax/VAT.
CNP Action, Inc.
International Ice Cream Association.
Koch Industries.
Marriott Corporation.
Milk Industry Foundation.
National American Wholesale Grocers' Association.
National Association of Charterboat Operators.
National Association of Convenience Stores.
National Association of Manufacturers.
National Cheese Institute.
National Food Brokers Association National Grange.
National Independent Dairy-Foods Association.
New England Machinery, Inc.
Sybra Corporation.
Truck Renting and Leasing Association.
United States Federation of Small Businesses.
Valdi, Inc.
Associated Builders and Contractors.
Competitive Enterprise Institute.
Irrigation Association.
National Taxpayer Union.
American Furniture Manufacturers Association.
Commercial Weather Services Association.
Committee for Private Offshore Rescue and Towing.
Consumer Alert Advocate.
Dairy and Food Industries Supply Association.
FMC Corporation.
Helicopter Association International.
National Grange.

THE WHITE HOUSE,
Washington, June 9, 1992.

Hon. ROBERT H. MICHEL,
Republican Leader, House of Representatives, Washington, DC.

DEAR BOB: Three years ago, in my first address to the Congress as President, I urged adoption of a balanced budget amendment to the Constitution. This is an amendment that many have sought for a long time. It is not radical. It rests on common sense. It would bring to the Federal Government the fiscal discipline that forty-four States have applied to themselves. Now, at last, there is a realistic opportunity to move this needed proposal forward.

The House will vote on the balanced budget constitutional amendment this week. This vote will bear directly on the quality of Americans' lives for generations to come.

I strongly support the Barton-Tauzin amendment. This amendment would prevent the debt limit or taxes from being raised without the consent of three-fifths of both Houses of Congress. If the Barton amendment fails to gain a two-thirds majority, I will also support the Stenholm-Smith-Carper-Snowe amendment. The Stenholm amendment requires that three-fifths of both Houses of Congress must vote to approve any increase in the limit on the Federal debt held by the public.

The issue of overriding importance is whether we can secure a balanced budget constitutional amendment. This issue is not partisan, it is moral. What is at stake is the future economic security of the American people.

Throughout the history of this great nation, amendments to the Constitution have been adopted when needed to protect fundamental rights that ordinary political processes may not adequately respect. The Bill of Rights is the earliest and best-known example. A balanced budget constitutional amendment is both necessary and appropriate to protect the interests of a group of Americans who are not yet able to represent themselves: the citizens of future generations.

I urge the Congress to adopt promptly a balanced budget constitutional amendment.

Sincerely,

GEORGE BUSH.

TAX LIMITATION/BALANCED
BUDGET COALITION,
Arlington, VA, May 11, 1992.

DEAR SENATOR: We, the members of the Tax Limitation/Balanced Budget Coalition, strongly urge you to vote for the Kasten Tax Limitation/Balanced Budget Amendment, S.J. Res. 182, which may well come to the floor for a vote later this year.

It is high time the federal government live within its means. This amendment requires a three-fifths vote to raise taxes above the rate of economic growth. In addition, it would also set a permanent limit on the national debt, unless increased by a three-fifths vote.

The federal fiscal record over the last several decades is depressing—higher taxes, higher spending, higher deficits. Please help put an end to this pattern by voting for the Kasten Tax Limitation/Balanced Budget Amendment.

Sincerely,

ROBERT B. CARLESON,
Chairman, Coalition
Steering Committee.

Coalition members:

Americans for Tax Reform.
American Farm Bureau Federation.
American Legislative Exchange Council.
Associated Builders & Contractors.
Chamber of Commerce of the United States.
Citizens for a Sound Economy.
Competitive Enterprise Institute.
Consumer Alert Advocate.
Council for Citizens Against Government Waste.
Irrigation Associations.
National Association of Manufacturers.
National Cattlemen's Association.
National Tax Limitation Committee.
National Taxpayers Union.
U.S. Business and Industrial Council.
Citizens Against a National Sales Tax/VAT.
Citizens for a Sound Economy.
CNP Action, Inc.
Commercial Weather Services Association.
Committee for Private Offshore Rescue and Towing.
Consumer Alert Advocate.
Dairy and Food Industries Supply Association.
FMC Corporation.
Helicopter Association International.
International Ice Cream Association.
Koch Industries.
Marriott Corporation.
Milk Industry Foundation.
National-American Wholesale Grocers' Association.
National Association of Charterboat Operators.
National Association of Convenience Stores.
National Association of Manufacturers.
National Cattlemen's Association.
National Cheese Institute.
National Food Brokers Association.
National Grange.
National Independent Dairy-Foods Association.
National Tax Limitation Committee.
New England Machinery, Inc.
The Seniors Coalition.
Sybra Corporation.
Truck Renting and Leasing Association.
United States Business and Industrial Council.
United States Federation of Small Businesses.
Valhi, Inc.

STATE OF WISCONSIN,
May 12, 1992.

Hon. ROBERT W. KASTEN, Jr.,
U.S. Senate, Senate Hart Building, Washington, DC.

DEAR SENATOR KASTEN: I would like to take this opportunity to express my support for your Balanced Budget/Tax Limitation amendment (S.J. Resolution 182).

It is vital to the economic health of our nation that the federal government follows the lead of states like Wisconsin and begins balancing its budget. Your proposal offers the best solution on how to accomplish this.

Unlike a similar proposal offered by Senator Paul Simon (D-Illinois), your version calls for a balanced budget without giving Congress an excuse to raise taxes.

By requiring a three-fifths vote of both houses in Congress in order to allow deficit spending and raise taxes, your amendment requires Congress to exercise fiscal restraint when voting on federal budgets.

Our national debt is approaching $4 trillion. It is imperative that we stop this outrageous growth in federal spending and start taking responsibility for actions that could severely harm the future of this country. Your amendment is a step in the right direction.

I strongly endorse the Kasten version of the balanced budget amendment.

Sincerely,

TOMMY G. THOMPSON,
Governor.

WISCONSIN FARM BUREAU FEDERATION,
Madison, WI, June 11, 1992.

Hon. ROBERT KASTEN,
Hart Office Building, Washington, DC.

DEAR SENATOR KASTEN: I would like to express my support for your Balanced Budget/Tax Limitation amendment (S.J. resolution 182). Your active involvement in trying to pass this vital legislation in the past has been appreciated.

Farm Bureau has recognized the need for a constitutional amendment to balance the federal budget for more than two decades. Because of Congress' inability to enact meaningful and effective deficit reduction legislation, it is clear the balanced budget amendment is sorely needed.

Agriculture is willing to work with Congress and the administration to reduce all federal spending. Farmers have already contributed greatly to deficit reduction over the last five years, reducing outlays by half. If other programs would undergo similar budget scrutiny, it would be possible to reduce and hopefully eliminate our federal deficit.

Cutting federal spending and eliminating our budget deficit is the quickest way to restore America's and agriculture's financial integrity.

Sincerely,

HOWARD (DAN) POULSON,
President.

WISCONSIN MANUFACTURERS &
COMMERCE ASSOCIATION,
Madison, WI, June 11, 1992.

Hon. ROBERT W. KASTEN, Jr.,
U.S. Senate, Senate Hart Building, Washington, DC.

DEAR SENATOR KASTEN: Wisconsin Manufacturers and Commerce strongly supports your Balanced Budget/Tax Limitation Amendment, S.J.R. 182.

As Wisconsin's largest business association, we are acutely aware of the effects a heavy debt can have on a business' bottom line. Government must follow the lead of business and shed the heavy debt load that it has forced upon itself. The first step is to balance its budget.

By requiring a three-fifths vote on both Houses in Congress in order to allow deficit spending and raise taxes your amendment requires Congress to exercise fiscal restraint when voting on federal budgets. Then intended result is a balanced budget.

It is imperative that we stop the outrageous growth in federal spending and start taking responsibility for actions that could severely harm the future of this country. Your amendment is a step in the right direction and therefore we heartily support your efforts.

Sincerely,

NICK GEORGE, Jr.,
Director of Legislative Relations.

METROPOLITAN MILWAUKEE
ASSOCIATION OF COMMERCE,
Milwaukee, WI, June 10, 1992.

Hon. ROBERT W. KASTEN, Jr.,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR KASTEN: I am writing to express the support of the Metropolitan Milwaukee Association of Commerce for your Balanced Budget/Tax Limitation Amendment, SJR 182.

In survey after survey, our members have told us that balancing the federal budget and reducing the deficit are top priorities. The economic growth of this country depends on our ability to live within our means. That means a balanced budget without raising taxes!

Our national debt is approaching $4 trillion. This year's budget deficit will be $400 billion. We need a tough balanced budget amendment to curb the congressional appetite for further spending growth.

A number of balanced budget proposals have been submitted. However, it is vital that an amendment be passed which encourages spending restraint, not a tax increase, as the means of balancing the budget. Your amendment does this.

Thank you for your efforts to keep spending and taxation under control in this country. If there is anything we can do to assist your efforts to pass this resolution, please contact me.

Sincerely,

JOHN DUNCAN, CCE,
President.

NATIONAL RESTAURANT ASSOCIATION,
Madison, WI, May 28, 1992.
Hon. ROBERT W. KASTEN, Jr.,
U.S. Senate, Washington, DC.

DEAR SENATOR KASTEN: The 6,000 members of the Wisconsin Restaurant Association have long supported the concept of balancing the federal budget. However, we are alarmed by Senator Simon's efforts to pass a balanced budget amendment, S.J. Res. 18. It is obvious that if such an amendment were passed with the present make-up of Congress, the budget would undoubtly be balanced through increased taxes. Small business and their employees are already burdened by overly oppressive state and federal taxes.

The Senator Kasten approach embodied in S.J. Resolution 182 answers the concerns of the members and employees of the Wisconsin Restaurant Association. It makes it more difficult to increase taxes as a means of balancing the budget and encourages spending restraint as the main vehicle. Senator Kasten we applaud you once again for bringing reason into the political process.

If a balanced budget amendment were ratified without encouraging spending restraint the public (which supports balancing the federal budget) would feel betrayed as they saw their taxes escalate out of sight at all levels of government as a result.

Thank you very much for taking a lead on this issue.

Sincerely,

ED LUMP,
Executive Vice President.

FOX CITIES, CHAMBER OF
COMMERCE & INDUSTRY,
Appleton, WI, May 27, 1992.
Hon. ROBERT W. KASTEN, Jr.,
U.S. Senate, Washington, DC.

DEAR SENATOR KASTEN: Please find attached a copy of the position statement adopted by the Fox Cities Chamber of Commerce and Industry at their May 27th Board meeting.

Time and time again, Congress has demonstrated an inability to come to terms with either living within their (our) means on an annual basis or effectively reducing the national debt.

As unappealing as a Constitutional Amendment mandating fiscal responsibility may seem initially, it is quite evident that there is no real alternative.

The Chamber supports S.J. Res. 192, a Balanced Budget/Tax Limitation Amendment and encourages you to continue your efforts in this regard.

Warmest regards,

WILLIAM J. WELCH,
President.

BALANCED FEDERAL BUDGET AMENDMENT

THE PROBLEM

The Federal Government spends more than it "earns." That is not only possible, it may be necessary in times of extraordinary national need. However, it must not, indeed it can not, continue indefinitely.

The U.S. economy is being ravaged by interest payments on a national debt that consume 25 cents on the dollar. Without changes in fiscal and regulatory policies, there is little chance that this cataclysmic trend can be reversed. As a result of mistaken economic policies during the 18 months prior to the onset of the recession, the U.S. Chamber of Commerce projected that the average "costs" *per month* of continuing current economic policies between now and the end of 1992 would be:

Increased Unemployment Rate, 0.1 percent.
Rise in Budget Deficit, $5 billion.
Number of Jobs Lost, 170,000.
Decline in Family Income, $204.
Lost Output, $15 billion.
People Added to Poverty, 225,000.

The United States is in the throws of the worst three-year economic period encompassing a recession since the 1930's with consumer confidence at an 18-year low.

Despite the record tax increase and promised spending restraint of the 1990 "deficit reduction" agreement, the federal deficit will reach a record $400 billion in the current fiscal year. Entitlement and other mandatory spending continue to grow uncontrolled and now account for over *half* of the total budget.

THE POSITION

The answer is not increased taxation. The federal government has demonstrated its inability to control spending by spending $1.50 for every new tax dollar collected. The answer is clearly on the expenditure side of the ledger, therefore,

The Fox Cities Chamber of Commerce & Industry supports S.J. Res. 192, a Balanced Budget/Tax Limitation Amendment which would require a supermajority vote (three-fifths) of both Houses of Congress in order for outlays to exceed receipts. The same supermajority vote would be required for tax revenues to grow at a rate greater than the rate of growth in national income.

The Fox Cities Chamber's endorsement of S.J. Res. 192 is made with the understanding that the federal government will not attempt to circumvent the resolution's intent by either increasing government regulation as a substitute for increasing taxation or by moving selected items "off budget." This country's future and that of our children depends on Congress' swift enactment of this vital piece of legislation.

INDEPENDENT BUSINESS ASSOCIATION
OF WISCONSIN,
Madison, WI, May 19, 1992.
Hon. ROBERT W. KASTEN, Jr.,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR KASTEN: The Independent Business Association of Wisconsin supports your efforts to cure what we consider to be the largest problem ever faced by our great nation—the annual Federal Government deficits which are growing at an alarming rate. Your proposed Balanced Budget/Tax Limitation Amendment is an outstanding measure to address the issue.

The current budget is over $1.4 trillion, and $400 billion, or 29%, will be financed with borrowing. This deficit, added to our previous borrowings, will mean the United States of America will have a national debt approaching $4 trillion. This is outrageous, however, it doesn't tell the whole story.

This year gross interest on the national debt will, for the first time, exceed the amount spent on Social Security benefits. Next year gross interest will be higher than the defense budget. Annual deficits will only get larger because of interest costs. Furthermore, in the next five years, entitlement programs are projected to grow by 8.1% annually for a five year cumulative increase of $800 billion. As a result, the share of the Federal budget consumed by direct payments to individuals—Social Security, Medicare, Federal and Veterans pensions, etc., will increase from 49% to over 60% in 1997. Consequently, larger entitlement expenses and greater interest costs will increase the annual deficit to $700 or $800 billion by the end of the decade. As you correctly point out, we can't let this happen or we're going to destroy this nation. We simply won't be able to continue borrowing money as the rest of the world will lose confidence in our ability to control financial affairs.

During my recent trip to Washington, I was pleased to learn many of your colleagues also believe we need a balanced budget amendment. Between the two balanced budget proposals being offered for consideration, yours has the most merit because it has real teeth. It would require a three-fifths super majority of Congress to deficit spend as would the other proposal. But yours also requires a three-fifths vote to increase taxes above the rate of economic growth. In short, your proposal addresses the real problem—spending.

We join your 21 Senate co-sponsors and your broad-based coalition of small business, farm and taxpayer organizations in support of S.J. Res. 182. We independent business people must run our businesses on a prudent fiscal basis, so we encourage your efforts to bring sense back to Federal Government spending.

Since the Balanced Budget/Tax Limitation Amendment will take time to enact, we applaud your other efforts to slow spending. Using savings from reductions in defense spending to reduce total government expenditures, adopting an across-the-board budget freeze on domestic and international discretionary spending, and granting the President line item veto authority all make eminent sense. We encourage you to continue pursuing these items.

Senator Kasten, thank you for your tireless efforts to resolve the greatest of problems. We independent business people know that controlling government spending will allow us to remain competitive, not only in this country but in others as well.

Sincerely,

WILLIAM N. GODFREY,
President.

WISCONSIN BUILDERS ASSOCIATION,
Madison, WI, May 20, 1992.
Hon. ROBERT KASTEN,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR KASTEN: On behalf of the 4600 member firms of the Wisconsin Builders Association, we are writing to express our strong support for Senate Joint Resolution 182, the Balanced Budget/Tax Limitation Amendment.

WBA members feel that this type of fundamental action is long overdue and critical to the long-term economic health of our nation. Constitutional constraints may be the only realistic way to rein in the runaway federal spending that leads to annual massive budget deficits.

In particular, we support the provisions in S.J. Res. 182 that would require a three-fifths "supermajority" to deficit spend and raise taxes in excess of the level of economic growth. Our members agree that this element is needed to prevent future budget balancing on the backs of the taxpayers.

We applaud your introduction of Senate Joint Resolution 182 and we are hopeful that Congress will act quickly to adopt this important proposal.

Sincerely,

STEPHEN J. SCHOEN,
WBA President.
GERALD J. DIEMER,
WBA Executive Vice-President.

[EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET]

A BALANCED BUDGET CONSTITUTIONAL AMENDMENT

(TESTIMONY PRESENTED TO THE HOUSE COMMITTEE ON THE BUDGET BY RICHARD DARMAN, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, MAY 6, 1992)

THE SOLUTION

In order to reduce the deficit and balance the budget, three basic elements are essential. They comprise a set—in that the elements reenforce each other:

(1) The Congress should enact the President's Comprehensive Agenda for Growth. This was proposed in January, and still awaits Congressional action. (The agenda is summarized at chart 7 on the following page. The favorable effects of growth are displayed on charts 3–6.)

(2) The Congress should enact a balanced budget constitutional amendment. Such an amendment should require a supermajority vote for any tax increase—in order to prevent counterproductive action from the standpoint of economic growth.

(3) The Congress should enact some variation of the President's proposed cap on the growth of mandatory programs. Because this is a fundamentally important point that is not yet widely appreciated, it is discussed at length in the pages that follow.

CITIZENS FOR A SOUND ECONOMY,
Washington, DC, September, 3, 1991.

Hon. ROBERT KASTEN, Jr.,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR KASTEN: On behalf of the 250,000 members of Citizens for a Sound Economy (CSE), I am writing to thank you for your sponsorship of S.J. Res. 182, the Balanced Budget/Tax Limitation Amendment legislation.

We applaud your efforts because S.J. Res. 182 requires a three-fifths super-majority vote to authorize a deficit. Even more importantly, it requires that Congress muster an equivalent super-majority to increase federal receipts at a rate faster than growth in national income. If this proposal becomes law, Congress will find it harder to use higher taxes to balance the budget.

The Balanced Budget/Tax Limitation Amendment recognizes the record-high tax burden in the United States. This year Tax Freedom Day, the date on which the average American stops working to pay taxes and starts working for himself, fell on May 8, the latest date in American history. The tax limitation component of this legislation limits Congress' ability to push Tax Freedom Day to an even later date next year.

CSE hopes Congress passes a balanced budget amendment with strong tax limitation provisions, and we look forward to working with you to make that dream a reality.

Sincerely,

PAUL BECKNER,
President.

NATIONAL FEDERATION OF INDEPENDENT BUSINESS,
May 5, 1992.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: I understand that your Administration will soon be testifying on the issue of attaching a balanced budget amendment to the Constitution. I wanted to let you know how the small business community views this issue.

In April, the National Federation of Independent Business (NFIB) conducted an informal poll of our membership on the balanced budget amendment issue. They strongly support a balanced budget amendment which includes tax limitation language. Small business owners are very concerned that without the Kasten/Barton tax limitation language, Congress will balance the budget on the backs of small businesses. It is important that your Administration take a position in strong support of the Kasten/Barton tax limitation language.

Over the last decade, NFIB members have repeatedly expressed their concern over the inability of the federal government to live within its means. Their concern over the budget deficit was made extremely clear during a poll we did in January of this year. When NFIB members were asked whether Congress should cut taxes or focus on reducing the deficit, 72% responded that Congress should focus on reducing the deficit.

The federal deficit is severely impairing our competitiveness and limiting our ability to respond to economic downturns. In prior recessions, the federal government has been able to boost its spending to soften the blow of a recession. Unfortunately, it is hard to boost spending when we are already spending $400 billion more than we have.

Purely legislative attempts to curb federal spending have failed miserably. The federal deficit has continued to skyrocket. Interest payments on the national debt now exceed what we pay for national defense.

The federal deficit is not a result of too little taxation. The deficit is a result of federal spending that is out of control. Tax limitation language forces both Congress and the Administration to make the tough spending choices that have been repeatedly put off for the last decade.

I urge you to strongly support the Kasten/Barton version of the balanced budget amendment.

Sincerely,

S. JACKSON FARIS,
President and CEO.

AMERICANS FOR TAX REFORM,
Washington, DC, May 13, 1992.

Hon. BOB KASTEN,
U.S. Senate, Washington, DC.

DEAR SENATOR KASTEN: The Senate will soon vote on the proposed balanced budget amendment to the United States Constitution.

The proposal offered by Senator Paul Simon (D–IL) contains no provision for spending limitation and has no strong, supermajority tax limitation element.

In the May 13 Washington Post, Congressman Charlie Stenholm (D–TX), the principal sponsor of the House companion to the Simon bill, is quoted proposing as the mechanism for bringing the budget into balance a $1 tax increase for every $2 dollars of spending reductions.

Without accounting for the anti-growth elements of this approach, Stenholm is proposing a $150 billion tax increase. This would be a violation of the Taxpayer Protection Pledge you make to the people of your state and to all American taxpayers.

In fact, the Simon-Stenholm approach to a balanced budget amendment is a vital guarantor of regular tax increases on the American people—all of which would violate your pledge.

I strongly urge you to oppose the Simon-Stenholm approach and to support, instead, the Kasten approach which includes strong tax limitation and which fits within the parameters of the Taxpayer Protection Pledge.

I strongly urge you to vote for and to cosponsor the Kasten amendment.

Sincerely,

GROVER NORQUIST.

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA,
Washington, DC, May 15, 1992.

Hon. ROBERT KASTEN, Jr.,
U.S. Senate, Washington, DC.

DEAR BOB: On May 13, it was reported widely in the press that some supporters of Senator Paul Simon's balanced budget proposal (S.J. Res. 18) are seriously considering an automatic enforcement provision that would require $1 in new tax increases for every $2 in spending cuts to reduce the deficit. Some Members are promoting a variation of this idea that would provide for a 50–50 mix of spending cuts and tax increases.

Employing optimistic growth assumptions, the Congressional Budget Office estimates that the federal budget deficit will average $288 billion annually between 1992 and 2002. Assuming an average annual deficit of $300 billion and a five-year cumulative deficit of $1.5 trillion, the enforcement proposals suggested above would guarantee a 5-year tax increase between $500 billion ($1,500 billion X .333) and $750 billion ($1,500 billion X .5). A tax increase of this magnitude would dwarf the $160 billion tax increase of 1990, which was the largest ever, and would crush the economy.

The Chamber opposes any enforcement provision that would automatically produce a tax increase.

In light of these recent developments, I wanted to share the enclosed information with you. Enclosed are the results of the "Where I Stand Poll," by Nation's Business Magazine. This poll is not like many radio and television polls which are based on the responses of a few hundred participants. These "Where I Stand" results represent the opinions of 3,795 small business respondents to a nationwide poll. If you are interested in what small business thinks about balanced budget amendments and tax limitation proposals, this poll is revealing. By more than two to one, small business respondents do not favor a balanced budget amendment without strong tax limitation.

The results of the poll are unambiguous. The small business community respondents favor a balanced budget amendment only if it is coupled with a strong tax/spending limitation provision. Otherwise, they fear a balanced budget amendment means automatic tax increases. Talk of up to $750 billion of tax increases in connection with the balanced budget amendment heightens this fear among small business people and tends to confirm their belief that Congress will not make the difficult spending choices unless constrained to do so by the Constitution itself. On behalf of the 195,000 members of the U.S. Chamber of Commerce Federation, we strongly urge you to support a balanced budget amendment that includes tax or spending limitations rather than using the growing support for a balanced budget amendment as an excuse to raise taxes once again.

Sincerely,

RICHARD L. LESHER.

MAY "WHERE I STAND" POLL BY NATION'S BUSINESS ON A BALANCED BUDGET

1. Should the U.S. Constitution be amended to require the president and Congress to balance the annual federal budget?

Yes, 96%.

No, 2%.Undecided, 2%

2. If you answered "yes" to No. 1, do you think the budget should be balanced primarily by spending restraint, tax increases, or both?

Spending restraint, 81.

Tax increase, 1%

Both, 18%.

3. Should a balanced-budget amendment include a strong limit (such as a requirement for a 60 percent majority vote of both houses of Congress) on Congress' ability to raise taxes?

Yes, 91%.

No, 6%.

Undecided, 3%

4. Would you favor a balanced budget amendment that does not include a strong limit on Congress' ability to raise taxes?

Yes, 19%.

No, 70%.

Undecided, 11%.

Company size:

1 to 10, 34%.

11 to 25, 23%.

26 to 99, 24%.

100 to 249, 9%.

250 to 499 3%.

500 plus, 7%.

Based on 3,795 respondents.

Note: The results of the Where I Stand poll reflect only the opinions of the respondents and do not necessarily reflect the policy of the U.S. Chamber of Commerce.

COUNCIL FOR CITIZENS AGAINST GOVERNMENT WASTE,
Washington, DC, June 29, 1992.

DEAR SENATOR: I am writing in reference to balanced budget amendment proposals which will be taken up in the Senate this week.

CCAGW strongly urges your support of S.J. Res. 182, the Balanced Budget Tax Limitation amendment, which has been introduced by Senator Robert W. Kasten (R-WI). Senator Kasten intends to offer this legislation as an amendment to the Nickles balanced budget amendment on Tuesday, June 30.

S.J. Res. 182 requires Congress to balance the federal budget and impose a 3/5 supermajority vote in both chambers before a tax increase can be approved. CCAGW strongly supports this essential tax limitation provision as the only means to achieve a balanced budget while protecting taxpayer pocketbooks.

Adoption of a balanced budget amendment without a tax limitation provision will do nothing to address the nation's most crucial problem of wasteful government spending, and will only give Congress one more excuse to raise the already staggering level of taxation in this country.

Your support of the Kasten Balanced Budget/Tax Limitation Amendment will prove your commitment not only to balancing the federal budget but also protecting the American taxpayers.

Vote YES on the Kasten Balanced Budget/Tax Limitation Amendment. CCAGW will record this vote as a key anti-waste vote for the 102nd Congress.

Sincerely,

THOMAS A. SCHATZ,
Acting President.

CONGRESSIONAL RESEARCH SERVICE,
Washington, DC, May 11, 1992.

MEMORANDUM

To: Honorable Robert W. Kasten, Jr., Attention: Michael Potemra.

From: Louis Alan Talley, Research Analyst in Taxation, Economics Division.

Subject: Listing of Tax Laws Which Increased Revenues from 1962 to the Present.

The listing of tax laws is in response to your request for a listing of tax laws which increases revenues from 1962 to the present. The listing of tax laws with public law numbers follows:

Tax Rate Extension Act of 1962, P.L. 87-508. Prevents scheduled reductions—Revenue Increase.

Tax Rate Extension Act of 1963, P.L. 88-52. Prevents scheduled reductions—Revenue Increase.

Excise Tax Rate Extension Act of 1964, P.L. 88-348. Continued Korean War excise taxes an additional year—Revenue Increase.

Interest Equalization Tax Act, P.L. 88-563. Revenue Increase.

Interest Equalization Tax Extension Act of 1965, P.L. 89-243. Prevents scheduled expiration—Revenues Increase.

Tax Adjustment Act of 1966, P.L. 89-368. Revenue Increase.

Excise Taxes on Tires and Tubes, P.L. 89-523. Revenue Increase.

Interest on Income Tax Refunds, P.L. 89-721. Revenue Increase.

Investment Credit Suspension, P.L. 89-800. Revenue Increase.

Interest Equalization Tax Extension Act of 1967, P.L. 90-59. Revenue Increase.

Revenue and Expenditure Control Act of 1968, P.L. 90-364. Revenue Increase.

Federal Unemployment Tax; Employment Security Administration Account; Income Tax Surcharge, P.L. 91-53. Revenue Increase.

Interest Equalization Tax Extension Act of 1969, P.L. 91-128. Revenue Increase.

Tax Reform Act of 1969, P.L. 91-172. Revenue Increase.

Airport and Airway Revenue Act of 1970, P.L. 91-258. Revenue Increase.

Excise Tax Rate Extension, P.L. 91-605. Revenue Increase.

Excise, Estate, & Gift Tax Adjustment Act of 1970, P.L. 91-614. Revenue Increase.

Interest Equalization Tax Extension Act of 1971, P.L. 92-9. Revenue Increase.

Bows and Arrows; Tax on Sales, P.L. 92-558. Revenue Increase.

Interest Equalization Tax Extension Act of 1973, P.L. 93-17. Revenue Increase.

Amortization Extension; Accrued Vacation Pay; Class Life System for Realty; Real Estate Investment Trusts; Interest on Tax Deficiencies; Student Loan Funding; Exclusion of Interest by Non-Resident Aliens; Interest Equalization Tax; Tax Treatment of Political Organizations, P.L. 93-625. Revenue Increase.

Excise Tax Reductions; Postponement, P.L. 94-280. Revenue Increase.

Unemployment Compensation Amendments of 1976, P.L. 94-566. Revenue Increase.

Tax Treatment of Social Clubs and Other Membership Corporations; Tax Incentives for Recycling, P.L. 94-568. Revenue Increase.

Inland Waterways Revenue Act of 1978; Taxation of Proceeds from Bingo Games, P.L. 95-502. Revenue Increase for Inland Waterway Revenue Effect. Revenue Decrease for Bingo Effect. Overall effect is an increase in revenues.

Highway Revenue Act of 1978, P.L. 95-599. Revenue Increase.

Revenue Act of 1978, P.L. 95-600. Revenue Increase.

Crude Oil Windfall Profit Tax Act of 1980, P.L. 96-223. Revenue Increase.

Deep Seabed Hard Mineral Resources Act, P.L. 96-283. Revenue Increase.

Airport and Airway Trust Fund, P.L. 96-298. Revenue Increase.

Omnibus Reconciliation Act of 1980, P.L. 96-499. Revenue Increase.

Omnibus Budget Reconciliation Act of 1981, P.L. 97-35. Revenue Increase.

Black Lung Benefits Revenue Act of 1981, P.L. 97-119. Revenue Increase.

Tax Equity and Fiscal Responsibility Act of 1982, P.L. 97-248. Revenue Increase.

Debt Collection Act of 1982, P.L. 97-365. Revenue Increase.

Surface Transportation Assistance Act of 1982, P.L. 97-424. Revenue Increase.

Payment-in-Kind Tax Treatment Act of 1983, P.L. 98-4. Revenue Loss in first two FYs estimated at $404 million. Revenue Increase in third FY estimated at $404 million.

Railroad Retirement Solvency Act of 1983, P.L. 98-76. Revenue Increase.

Deficit Reduction Act of 1984, P.L. 98-369. Revenue Increase.

Repeal of Contemporaneous Recordkeeping, P.L. 99-44. Revenue Loss of $150 million in FY 1985. Revenue Increase of $270 million in FYs 1986-1990.

Simplification of Imputed Interest Rules, P.L. 99-121. Revenue Loss of $97 million in FYs 1986 & 1987. Revenue Increase of $144 million in FYs 1988-1990.

Comprehensive Omnibus Budget Reconciliation Act of 1986, P.L. 99-272. Revenue Increase.

Superfund Amendments and Reauthorization Act of 1986, P.L. 99-499. Revenue Increase.

Tax Reform Act of 1986, P.L. 99-514. After an initial revenue increase the overall effect is a revenue loss.

Omnibus Budget Reconciliation Act of 1987, P.L. 100-203. Revenue Increase.

Technical Corrections and Miscellaneous Revenue Act of 1988, P.L. 100-647. Revenue Increase in 1989 & 1991 of $421 million. Revenue Loss in 1990 of $414 million.

Omnibus Budget Reconciliation Act of 1989, P.L. 101-239. Revenue Increase.

Revenue Reconciliation Act of 1990, P.L. 101-508. Revenue Increase.

Tax Extension Act of 1991, P.L. 102-227. Revenue Neutral.

TABLE 2.A2.—SCHEDULED CONTRIBUTION RATES, 1935–2000 AND THEREAFTER

Act and effective year	Contribution rate (percent)							
	Employer and employee, each				Self-employed person			
	Total	OASI	DI	HI	Total	OASI	DI	HI
1935 Act:								
1937	1.0							
1940	1.5							
1943	2.0							
1946	2.5							
1949	3.0							
1939–47 Act:								
1940	1.0	1.0						
1950	1.5	1.5						
1952	2.0	2.0						
1950 Act:								
1951	1.5	1.5			2.25	2.25		
1954	2.0	2.0			3.0	3.0		
1960	2.5	2.5			3.75	3.75		
1965	3.0	3.0			4.5	4.5		
1970	3.25	3.25			4.875	4.875		
1954 Act:								
1970	3.5	3.5			5.25	5.25		
1975	4.0	4.0			6.0	6.0		
1956 Act:								
1957	2.25	2.0	0.25		3.375	3.0	0.375	
1960	2.75	2.5	.25		4.125	3.75	.375	
1965	3.25	3.0	.25		4.875	4.5	.375	
1970	3.75	3.5	.25		5.625	5.25	.375	
1975	4.25	4.0	.25		6.375	6.0	.375	
1958 Act:								
1959	2.5	2.25	.25		3.75	3.375	.375	
1960	3.0	2.75	.25		4.5	4.125	.375	
1963	3.5	3.25	.25		5.25	4.875	.375	
1966	4.0	3.75	.25		6.0	5.625	.375	
1969	4.5	4.25	.25		6.75	6.375	.375	
1961 Act:								
1962	3.125	2.875	.25		4.7	4.325	.375	
1963	3.625	3.375	.25		5.4	5.025	.375	
1966	4.125	3.875	.25		6.2	5.825	.375	
1968	4.625	4.375	.25		6.9	6.525	.375	
1965 Act:								
1966	4.2	3.5	.35	0.35	6.15	5.275	.525	0.35
1967	4.4	3.55	.35	.5	6.4	5.375	.525	.5
1969	4.9	4.05	.35	.5	7.1	6.075	.525	.5
1973	5.4	4.5	.35	.55	7.55	6.475	.525	.55
1976	5.45	4.5	.35	.6	7.6	6.475	.525	.6
1980	5.55	5.5	.35	.7	7.7	6.475	.525	.7
1987	5.65	4.5	.35	.8	7.8	6.475	.525	.8
1967 Act:								
1968	4.4	3.325	.475	.6	6.4	5.0875	.7125	.6
1969	4.8	3.725	.475	.8	6.9	5.5875	.7125	.6
1971	5.2	4.125	.475	.6	7.5	6.1875	.7125	.6
1973	5.65	4.525	.475	.65	7.65	6.2875	.7125	.65
1976	5.7	4.525	.475	.7	7.7	6.2875	.7125	.7
1980	5.8	4.525	.475	.8	7.8	6.2875	.7125	.8
1987	5.9	4.525	.475	.9	7.9	6.2875	.7125	.9
1969 Act:								
1970	4.8	3.65	0.55	0.6	6.9	5,475	0.825	0.6
1971	5.2	4.05	.55	.6	7.5	6.075	.825	.6
1973	5.65	4.45	.55	.65	7.65	6.175	.825	.65
1976	5.7	4.45	.55	.7	7.7	6.175	.825	.7
1980	5.8	4.45	.55	.8	7.8	6.175	.825	.8
1987	5.9	4.45	.55	.9	7.9	6.175	.825	.9
1971 Act:								
1976	5.85	4.6	.55	.7	7.7	6.175	.825	.7
1980	5.95	4.6	.55	.8	7.8	6.175	.825	.8
1987	6.05	4.6	.55	.9	7.9	6.175	.825	.9
1972a Act:								
1973	5.5	4.1	.5	.9	7.3	6.15	.75	.9
1978	5.5	3.95	.55	1.0	7.7	5.875	.825	1.0
1986	5.6	3.95	.55	1.1	7.8	5.875	.825	1.1
1993	5.7	3.95	.55	1.2	7.9	5.875	.825	1.2
2011	6.55	4.65	.7	1.2	8.2	6.085	.915	1.2
1972b Act:								
1973	5.85	4.3	.55	1.0	8.0	6.205	.795	1.0
1978	6.05	4.225	.575	1.25	8.25	6.16	.84	1.25
1981	6.15	4.225	.575	1.35	8.35	6.16	.84	1.35
1986	6.25	4.235	.575	1.45	8.45	6.16	.84	1.45
2011	7.3	5.1	.75	1.45	8.45	6.105	.895	1.45
1973b Act:								
1974	5.85	4.375	.575	.9	7.9	6.185	.815	.9
1978	6.05	4.35	.6	1.1	8.1	6.15	.85	1.1
1981	6.30	4.3	.65	1.35	8.35	6.08	.92	1.35
1986	6.45	4.25	.7	1.5	8.5	6.01	.99	1.5
2011	7.45	5.1	.85	1.5	8.5	6.0	1.0	1.5
1977 Act:								
1978	6.05	4.275	.775	1.0	8.1	6.01	1.09	1.0
1979	6.13	4.33	.75	1.05	8.1	6.01	1.04	1.05
1981	6.65	4.525	.825	1.3	9.3	6.7625	1.2375	1.3
1982	6.7	4.575	.825	1.3	9.35	6.8125	1.2375	1.3
1985	7.05	4.75	.95	1.35	9.9	7.125	1.425	1.35
1986	7.15	4.75	.95	1.45	10.0	7.125	1.425	1.45
1990	7.65	5.1	1.1	1.45	10.75	7.65	1.65	1.45
1980 Act:								
1980	6.13	4.52	.56	1.05	8.1	6.2725	.7775	1.05
1981	6.65	4.7	.65	1.3	9.3	7.025	.975	1.3
1982	6.7	4.575	.825	1.3	9.35	6.9125	1.2375	1.3
1985	7.05	4.75	.95	1.35	9.9	7.125	1.425	1.35
1986	7.15	4.75	.95	1.45	10.0	7.125	1.425	1.45
1990	7.65	5.1	1.1	1.45	10.75	7.65	1.65	1.45
1983 Act:								
1983	6.7	4.775	.625	1.3	9.35	7.1125	.9375	1.3
1985	[1] 7.0	5.2	.5	1.3	[1] 14.0	10.4	1.0	2.6
1985	7.05	5.2	.5	1.35	[1] 14.1	10.5	1.0	2.7
1986	7.15	6.2	.5	1.45	[1] 14.3	10.4	1.0	2.9
1988	7.51	5.53	.53	1.45	[1] 15.02	11.06	1.06	2.9
1990	7.65	5.6	.6	1.45	15.3	11.2	1.2	2.9

TABLE 2.A2.—SCHEDULED CONTRIBUTION RATES, 1935–2000 AND THEREAFTER—Continued

Act and effective year	Contribution rate (percent)							
	Employer and employee, each				Self-employed person			
	Total	OASI	DI	HI	Total	OASI	DI	HI
2000	7.65	5.49	.71	1.45	15.3	10.98	1.42	2.9

[1] Includes tax credit, see table 2.A4.

Mr. KASTEN. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ADAMS. Mr. President, as the vote in the House showed, the more closely you examine proposals to amend the Constitution to require a balanced budget, the worse they look.

I certainly understand and share the American people's frustration with the inability of the Congress and the administration to bring our budget process under some kind of fiscal control. A balanced budget constitutional amendment, however, is the wrong medicine. Instead, we need to overhaul our budget process to more accurately reflect the importance of capital and infrastructure investment. We need to move from our current cash budget—under which Congress appropriates money on a yearly basis—to a system that focuses on a longer time frame.

I have joined Senator SANFORD in calling for a budget that is divided into three distinct areas: the retirement trust funds, the operating account, and the capital account, including debt and interest. By separating annual operating costs and retirement trust funds from investment decisions, this system would put the Federal Government on the same budgetary footing as most States and private businesses.

The most important economic problem facing the Nation is not, as proponents of the balanced budget would have us believe, mechanically balancing the budget. We can do that now through budget reforms. Or we can do it now by passing a "Doomsday" budget. The most critical economic problem we face is getting the American economy moving again and putting Americans back to work.

This view is strongly expressed in the recent GAO report, entitled "Prompt Action Necessary To Avert Long-Term Damage to the Economy." Many of our colleagues have referred to this report in arguing for a balanced budget amendment. But the bottom line of the report, as I read it, is summed up in this sentence: "Because deficit control alone will not secure adequate economic growth, more emphasis needs to be placed on federal investment in infrastructure, human capital, and research and development."

This is also a compelling argument for the creation of a capital budget, where borrowing is tied to investment rather than consumption. This is how States handle their balanced budget requirements, and it is how American business budgets for future growth and a return on investment.

A more rational and practical budget would separate current operating costs from past obligations and from future investment. To protect social security and retirement funds, we need to separate these accounts from our operating budget and from our deficit calculations. These accounts are self-financing and represent future expenditures. To restore growth to our economy, we need to budget for long-term investment in infrastructure, education and training, and research and development. The best way to achieve such investment is through a capital account. These budgetary reforms will make possible the balancing of our annual operating account on a cash basis, using our present income tax system and other Government revenues.

We should not make it more difficult for Congress to raise the debt ceiling. We should not give a congressional minority the power to decide when deficit spending is prudent. And we should not require a "super majority" before Congress can raise taxes.

Some say that the American public is clamoring for a balanced budget. I think it is important that our citizens understand what balancing the budget under the present circumstances would entail. It would mean painful changes for most of the population, especially the middle class. The Congressional Budget Office has drawn up a number of revenue raising and spending reducing options that are illustrative. For example, agricultural subsidies, loans and price supports would be on the table. Changes in these programs could save as much as $32 billion over the next 5 years. Other entitlement programs, such as Medicare and Social Security, would come under review. Even small changes in premiums, deductible amounts, cost-of-living-adjustments, and taxation of benefits would save the Federal Government more than $400 billion through 1997.

We would also examine the costs borne by the Federal Government in highway maintenance, provision of hydroelectric power, rural electrification, subsidization of private use of public lands, and maintenance of our airspaces and inland waterways. We would examine the role the Government plays in ensuring the safety of our food, medicine, transportation, and waste disposal and cleanup. Many of these services could be financed, in whole or in part, by the imposition of user fees or the elimination of government subsidy.

It has been estimated that the imposition of a congestion toll during peak commuting hours nationwide could provide a $5 billion benefit each year. Assessing a charge on trucks based on distance traveled and weight per axle would yield an additional $5 billion per year. These fees would raise additional revenues for highway repair at the same time that they would encourage people to travel off-peak where possible, thus reducing wear and tear on the highway system.

These kinds of spending cuts and revenue increases would form a "Doomsday" budget, if we maintain the present cash system and insist on balancing the budget by constitutional amendment. Some of these changes would affect future expenditures, such as social security. Some would affect capital investment, such as highway maintenance. Some would affect present operating costs. Under the current system, all of these expenditures are treated the same.

The American people need better information on the services and programs the Government provides, so that they will know what kind of trade-offs will be necessary to balance the budget under the current system. It simply is hypocritical for individuals or organizations to push for a balanced budget with one hand while asking for full funding for their programs with the other, as has been pointed out on the Senate floor.

A balanced budget will not be easy. It will require sacrifices from our entire society. But it should not be attempted without prior budget reform. We need a logical system that balances future versus present spending.

We need to make some serious decisions now about spending, about revenues, about health care, about long-term investments. We need to review the role of the Federal Government and the role of the States in providing services and collecting taxes and user fees. We need to know the real costs of the range of services the Government provides, and to decide how to pay for them.

Approval of a balanced budget amendment would not only delay these decisions by throwing the issue to the States for ratification; it should also hamstring the congressional process at the very time that these hard and politically unpopular decisions must be made. It is a formula for disaster. I urge my colleagues to follow the lead of the House and defeat all efforts to amend the Constitution to require a balanced budget.

Mr. KOHL. Mr. President, I support the balanced budget amendment. I see it as a rational response to a persistently irrational Federal deficit. It is not a perfect solution—it has flaws and it has weaknesses. But the issue in my mind is not whether this is a perfect policy. The issue is whether this is a better policy than the one we have now. And the answer to that question, in my judgment, is a clear and convincing "yes."

But, Mr. President, I also believe that amending the Constitution is a serious act. After all, the Constitution has served us well for over 200 years. It has been able to serve us through two centuries because it was not designed to dictate a detailed description of the way our Government should operate. Rather it was developed to give us guidance about some basic precepts, to establish some basic structures, to identify some basic values.

Given my interest in remaining true to the fundamental nature of the Constitution, I approach the pending Kasten amendment with a great deal of skepticism.

I want to see this enterprise which we call Government operate with a balanced budget. If it takes a constitutional amendment to achieve that goal—and it appears it does—then so be it. But the amendment ought to be consistent with the general nature of constitutional language. The amendment should tell us what goal we want to achieve. It should not dictate to us the way in which we will achieve that goal. That means, in my view, that a balanced budget amendment ought to require a balanced budget. Nothing more. Nothing less. The nature of the budget and how we achieve balance should be determined by the Congress rather than the Constitution.

Now in my mind, the underlying constitutional amendment, developed by Senator SIMON and offered by Senator NICKLES, already infringes on this concept. In section 4 of the proposed constitutional amendment, the language requires a majority of the whole number of each House to pass any bill increasing revenues. That creates a policy presumption that favors one way to balance the budget, spending cuts, by making it more difficult to implement another, revenue increases. That comes very close to moving beyond goal setting and toward mechanism mandating. But it is, at worst, a close call. It does not unduly transform constitutional concepts into detailed dogma.

The pending Kasten amendment, however, does cross that line. It moves well beyond policy neutrality. By requiring a three-fifths vote before taxes can be increased, it uses the Constitution to tilt the machinery of Government toward a given policy. And it is, for that reason, unacceptable.

The Kasten amendment would impose, through the Constitution, a voting procedure for revenue raising legislation different from, and more stringent than, the procedure in place for other ways of balancing the budget, like reducing spending.

In most cases, the Constitution uses special voting procedures—more specifically, requirements of two-thirds majority votes—for matters that define the separation of powers between Congress and the President. There is, for example, a two-thirds requirement for veto overrides, impeachment convictions by the Senate, constitutional amendments, and Senate approval of treaties.

An amendment requiring a supermajority to pass tax increases, however, does not define a relationship central to the separation of powers. Such an amendment would simply write into the Constitution our current distaste for raising revenues.

Personally, I tend to agree with the underlying policy presumption of the amendment: Congress is too quick to raise taxes and too slow to cut spending. I also agree with a number of other policy propositions: that Congress spends too much on the military, that we ought to have gun control laws, that funding for the arts should be maintained. But I would not dream of proposing a constitutional amendment to require that any law inconsistent with my position would have to be passed by a three-fifths vote. Yet that is precisely what the Kasten amendment does.

The Constitution sets in stone the fundamental principles of Government; the Congress and the President operate within those principles to set the policies that govern the day-to-day relationship between the U.S. Government and its citizens. The debate over revenue-rising versus sending cuts is a policy debate over how we ought to operate on a day-to-day basis. If we try to resolve that debate in the Constitution, we unfairly limit the ability of future generations to make basic decisions about fiscal policy. We would also be formalizing a misunderstanding of the Constitution's role in our system of Government.

In short, Mr. President, I oppose the Kasten amendment because I oppose efforts to pervert the Constitution, to subvert the basic nature of that document in order to achieve specific policy goals no matter how noble those specific goals may be.

I favor the principle set forth in Senate Joint Resolution 183, and, for that reason, I raise these several questions. Our persistent deficits are a fundamental enough problem to demand an amendment to the Constitution. But they do not warrant a hastily drawn or unworkable amendment to the Constitution.

There is a second problem I want to discuss very briefly. I am deeply concerned about the fact that the Senate is considering a constitutional amendment on a "normal" legislative vehicle. The precedents may allow someone to use that procedure. But if they do, they ought to be changed. If we don't require constitutional amendments to go through committee review and be scheduled by the majority leader before they can come to the floor, I fear we will face a flood of amendments. Every time the Court issues an opinion someone doesn't like, a constitutional amendment will be brought to the floor. Every time a pressure group builds up enough steam, someone will bring a constitutional amendment to the floor. Every time we have a Member with some cause to which he or she is committed, a constitutional amendment can be brought to the floor.

Mr. President, the Constitution has survived because we have not changed it all that much. It is a constant, a lodestar in the constellations of governments which come and go. We ought to revere it, not constantly revise it.

I was briefly tempted to vote against the underlying amendment as a way of expressing my concern about this issue. In the end, however, I concluded that this particular amendment was considered in committee, it would have been scheduled if the House had not acted on it first, it is worth supporting. But I am worried about the precedent. And I do want to work with my colleagues to prevent a further erosion of the process of amending the Constitution.

So, Mr. President, I am concerned about what we are doing here. I hope that our commitment to preserve and protect the Constitution will defend it from short sighted efforts to make it a prescriptive rather than a principled document. And I hope our oath of office will make us think long and hard about using a process to change the Constitution at the drop of a hat.

Those hopes can best be realized by defeating the Kasten amendment and then reviewing the Senate's procedure for dealing with such issues in the future.

Mr. HEFLIN. Mr. President, I rise today to express my support for a constitutional amendment requiring the Federal Government to achieve and maintain a balanced budget.

As an original cosponsor of Senator SIMON's amendment, I have repeatedly spoken on the Senate floor this Congress in favor of both a balanced budget amendment to the U.S. Constitution, and the merits of this particular proposal. I have also attempted to persuade my colleagues to support this necessary and crucial initiative, which has strong bipartisan support.

Since I first came to the Senate in 1979, every Congress I have introduced legislation proposing a constitutional amendment to balance the Federal budget, and I have dedicated myself to many years of work with my colleagues to adopt a resolution which would authorize the submission to the States for ratification of a constitutional amendment to require a balanced budget.

For much of our Nation's history, a balanced Federal budget was the status quo and part of our unwritten Constitution. For our first 100 years, this country carried a surplus budget, but in recent years this Nation's spending has gone out of control. Indeed, the fiscal irresponsibility demonstrated over the years has convinced me that constitutional discipline is the only way we can achieve the goal of reducing deficits.

As you know, in 1982, the Senate did pass, by more than the required two-thirds vote, a constitutional amendment calling for a balanced budget. There were 69 votes in favor of it at that time. It was sent to the House of Representatives, where, in the House Judiciary Committee it was bottled up. The chairman would not allow it to come up for a committee vote, in order that it might be reported to the floor of the House of Representatives.

In order to bring the measure up for a vote in the House of Representatives, it was necessary to file a discharge petition. This is a petition that has to be signed by more than a majority of the whole number of the House of Representatives, and then it is brought up and voted on without amendment. The Senate-passed amendment failed to obtain the necessary two-thirds vote that was required in the House of Representatives at that time.

In the 99th Congress, after extensive debate, passage of a balanced budget amendment by the Senate failed by 1 vote—but got 66 votes. Last Congress, I supported a measure which passed the Judiciary Committee, but it was never considered by the full Senate.

All the while, there has been considerable debate, various articles have been written in numerous publications, and editorials have appeared in countless newspapers. Many speeches have been made on the floor of the Senate, and I have made numerous speeches advocating the adoption of a constitutional amendment requiring a balanced budget.

Mr. President, I hope the time has come to finally adopt this long-overdue amendment and begin to move toward our goal of a balanced Federal budget.

Section 1 of the amendment requires a three-fifths vote of each House of Congress before the Federal Government can engage in deficit spending. A 60-percent vote in the Senate is a very difficult one to obtain. This requirement should establish the norm that spending will not exceed receipts in any fiscal year. If the Government is going to spend money, it should have the money on hand to pay its bills.

Section 2 of the amendment requires a three-fifths vote by both Houses of Congress to raise the national debt. In addition to the three-fifths vote, Congress must provide by law for an increase in public debt. As I understand it, this means presentment to the President, where the President has the right to veto or sign. If the President chose to veto the bill, it would be returned to Congress for action to possibly override the veto. It is also important to note that section 1, regarding the specific excess of outlays over receipts, contains this same requirement that Congress act by law.

Section 2 is important because it functions as an enforcement mechanism for the balanced budget amendment. While section 1 states outright that "total outlays * * * shall not exceed total receipts" without the three-fifths authorization by Congress, the judicial branch would lack the ability to order the legislative and executive branches to meet this obligation. Therefore, section 2 will require a three-fifths vote to increase the national debt. This provision will increase the pressure to comply with the directive of this proposed constitutional amendment.

In my judgment, section 2 puts teeth into the constitutional amendment. We have had many statutory enactments that say we are going to have a balanced budget. We have a procedure under this constitutional amendment that makes it more difficult to engage in deficit spending. This is a procedure by which, if there is an excess of outlays over receipts—and that means deficit spending during a fiscal year—we must approve that specific amount by a three-fifths vote of the whole membership of both Houses. That in and of itself is fine, but it is largely directory. It does not have an enforcement procedure. An enforcement procedure is provided by section 2 of the amendment, which is the public debt provision.

The public debt provision makes it more difficult for Congress to vote a deficit. It means that if we vote a deficit and fail to increase the public debt, then Government will come to a halt. If we do not increase the public debt, eventually, we run on a balanced budget.

We cannot run on deficit spending. Therefore, section 2 has the intention of making it more difficult. So I say it is not for the purpose of making it harder to pay our debts, it is to make it harder to go into deficit spending and to give an enforcement procedure—a process, a mechanism that is so important because it is not just words that we could pass by and ignore.

Other than just being directory, the amendment, by way of section 2, has some teeth and that is what is so important if we are going to do away with deficit spending and operate so that we do not spend any more money than the amount coming into the Government. That is what we are trying to achieve here. But it does allow for an escape in those instances of depression and those instances of war.

Section 3 provides for the submission by the President of a balanced budget to Congress. This section reflects the belief that sound fiscal planning should be a shared governmental responsibility by the President as well as the Congress.

Section 4 of the amendment requires a majority vote of the whole number of each House of Congress any time Congress votes to increase revenues. This holds public officials responsible, and puts elected officials on record for any tax increase which may be necessary to support Federal spending.

Section 5 of the amendment permits a waiver of the provisions for any fiscal year in which a declaration of war is in effect. I am pleased to say that this section also contains a provision long supported by myself and accepted as an amendment to Senate Joint Resolution 18 during its consideration by the Senate Judiciary Committee—that of allowing a waiver in cases of less than an outright declaration of war—where the United States is engaged in military conflict which causes an imminent and serious threat to national security, and is so declared by a joint resolution, which becomes law. Under this scenario, a majority of the whole number of each House of Congress may waive the requirements of a balanced budget amendment.

I firmly believe that Congress should have the option to waive the requirement for a balanced budget in cases of less than an outright declaration of war. Looking back over the history of our Nation, we find that we have had only five declared wars: The War of 1812, the Mexican War, the Spanish-American War, the First World War, and the Second World War.

The most recent encounters of the United States in armed conflict with enemies have been, of course, undeclared wars. We fought the gulf war without a declaration of war. In addition, we fought both the Vietnam and Korean actions without declarations of war.

This country can be faced with military emergencies which threaten our national security, without a formal declaration of war being in effect. Circumstances may arise in which Congress may need to spend significant amounts on national defense without a declaration of war. Congress and the President must be given the necessary flexibility to respond rapidly when a military emergency arises.

In the future, there could be a war like the Vietnam war—which went on for 11 years. Without a waiver for situations regarding less than an outright declaration of war, each year you would have to waive the constitutional amendment pertaining to a balanced budget by a three-fifths vote. We might look back and we would see that the vote to withdraw the troops from Vietnam carried by only eight votes. The difference between a majority and a three-fifths vote is a difference between 51 and 60, which is 9 votes.

The United States has engaged in only five declared wars, yet the United States has engaged in hostilities abroad which required no less commitment of human lives or American resources than declared wars. In fact, our Nation has been involved in approximately 200 instances in which the United States has used military forces abroad in situations of conflict. Not all of these would move Congress to seek a waiver of the requirement of a balanced budget, but Congress should have the constitutional flexibility to provide for our Nation's security.

Twice since the end of the Second World War, first in Korea and then in Indochina, this Nation has been heavily engaged in armed conflicts abroad. In other instances, American troops have been sent to foreign countries in times of crisis—Lebanon in 1958, and the Dominican Republic in 1965. Other Critical situations, including the confrontation in the Formosa Straits in 1955, the Cuban missile crisis in 1962, the seizure of the *Mayaguez* in 1975, have been met by use of American military forces.

I think it is wise to look at some of the other instances in which we have had undeclared war and to see how serious they were. During 1914 to 1917, a time of revolution in Mexico, there were at least two major armed actions by United States forces in Mexico. The hostilities included the capture of Vera Cruz and Pershing's subsequent expedition into Northern Mexico.

In 1918, Marines landed at Vladivostok in June and July to protect the American consulate. The United States landed 7,000 troops which remained until January 29, as part of an Allied Occupation Force. In September 1918, American troops joined the Allied Intervention Force at Archangel and suffered some 500 casualties.

In 1927, fighting at Shanghai caused American Naval Forces and Marine Forces to be increased. In March of 1927, a naval guard was stationed at the American consulate at Nanking after national forces captured the city. A United States and British warship fired on Chinese soldiers to protect the escape of Americans and other foreigners. By the end of 1927, the United States has 44 naval vessels in Chinese waters, and 5,670 men ashore.

When a pro-Nasser coup took place in Iraq in January of 1958, the President of Lebanon sent an urgent plea for assistance to President Eisenhower, saying Lebanon was threatened by both internal rebellion and indirect aggression. President Eisenhower responded by sending 5,000 marines to Beirut to protect American lives and help the Lebanese maintain their independence. This force was gradually increased to 14,000 soldiers and marines who occupied strategic positions throughout the country.

The most recent military involvement of the United States in an undeclared war is, of course, the Persian Gulf War. Although the actual Gulf War lasted just over a month, this country had a peak strength of 541,000 troops. In addition, the Department of Defense estimates the cost of Operation Desert Storm at $47 billion.

I think you could go on and on concerning various instances that have occurred pertaining to our involvement in conflict abroad at various times in which there was undeclared war. I will not specify the instances under which such a waiver would be necessary or appropriate. I am one individual among many individuals. But Congress certainly should have the flexibility, within the mandates of a constitutional amendment, to allow the Nation to provide for it's security.

Section 6 of the amendment permits Congress to rely on estimates on outlays and receipts in the implementation and enforcement of the amendment by appropriate legislation.

Section 7 of the amendment provides that total receipts shall include all receipts of the United States except those derived from borrowing. In addition, total outlays shall include all outlays of the United States except those for repayment of debt principal. This section is intended to better define the relevant amounts that must be balanced.

Mr. President, the future of our Nation's economy is not a partisan issue. Furthermore, the problem of deficit spending cannot be blamed on one branch of Government or one political party. Similarly, just as everyone must share part of the blame for our economic ills, everyone must be united in acting to attack the growing problem of deficit spending. Recognize that a balanced budget amendment will not cure our economic problems overnight, but it will act to change the course of our future and lead to responsible fiscal management by our National Government.

Mr. McCONNELL. Mr. President, I rise today in support of the balanced budget amendment to the Constitution. I believe that the Congress has stalled long enough in requiring a balanced budget. Thomas Jefferson first warned back in 1798 that "the public debt is the greatest of dangers to be feared by a Republican government." I can only imagine what Mr. Jefferson might say if he knew that the deficit will reach $400 billion in 1992.

The American people and the people of Kentucky have demanded that the Government operate within its means. They are fed up with all the excuses and finger-pointing that goes on here in Washington. In 1990, when the deficit was a mere $220 billion, a nationwide poll showed that 74 percent of the people supported a balanced budget amendment. Two years and $200 billion later, Congress remains gridlocked and totally ineffective in dealing with difficult budget concerns.

Mr. President, I believe that a constitutional amendment is required because it is obvious that Congress can not maintain self-imposed spending limits. Between 1985 and 1989, the Gramm-Rudman-Hollings deficit targets reduced total Federal spending by half. Total spending as a percent of gross domestic product was reduced to 22 percent, the lowest point since 1974. However, since the abandonment of the deficit targets, spending has ballooned and now consumes a record 25 percent of gross domestic product.

Mr. President, Congress created much of this debt in the last 30 years. Before World War II, Congress was able to abide by an unwritten rule of spending within it means. Since 1962, however, only once did revenue exceed expenditures. And for the last 21 years, Congress has maintained a perfect deficit spending record and racked up over $3 trillion in debt.

The total debt owed by this country is incomprehensible. Later this year, the debt will reach $4 trillion. Mr. President, this amounts to $16,000 for every man, woman, and child in America.

What is even more astounding is the interest owed on this debt. This year, the interest payment on that debt will hit a record $200 billion. This is equal to what will be spent on domestic programs this year alone. Mr. President, this excessive debt burden can no longer be tolerated.

Deficits have consumed two-thirds of private savings in this Nation since 1980. This has handicapped investment and industrial growth in the private sector. We cannot continue to kid ourselves; excessive Federal spending hurts our own growth potential.

Let's not forget, Mr. President, that the payment on this debt does not just go to pensions and banks, but to foreign investors as well. In 1987, the United States borrowed a record $150 billion in foreign capital. Foreign investors have profited greatly from our spending addiction.

I commend my colleagues, Senators NICKLES, SEYMOUR, and KASTEN for their efforts to reduce the $4 trillion Federal deficit. As I stated earlier, Congress has proven its ineffectiveness in dealing with any form of deficit reduction.

This amendment takes the necessary first step in controlling fiscal irresponsibility by requiring a three-fifths supermajority vote to pass any deficit spending measures. This amendment does not go far enough because it does not protect the American people from excessive and continual tax increases.

In my opinion, though, Senator KASTEN's amendment would remedy this by amending the bill to require a three-fifths supermajority vote to increase taxes. This should protect the American taxpayer from excessive tax increases passed by Congress under the guise of political necessity.

I would like to remind my colleagues of the effects of the 1990 budget agreement. In 1990, Congress opted to increase taxes rather than making significant reductions in Federal spending. Predictably, this tax hike actually increased, not decreased, the deficit.

I believe that the American people will not tolerate Congress continually returning to the tax well to finance congressional largess. Therefore, the Kasten amendment is a necessary addition to the balanced budget amendment.

Mr. President, certain special interest groups, in an effort to defeat the balanced budget amendment, are resorting to scare tactics by claims that a balanced budget would force cuts in Social Security benefits. This is simply not true. There is nothing in this amendment that specifies cuts in any specific program or agency. Social Security is an earned entitlement. People have paid into this trust fund and will receive their deserved benefits.

Congress must seriously evaluate the unchecked growth of mandatory programs. Mandatory programs make up 48 percent of the total Federal budget. That is $700 billion of the record $1.47 trillion to be spent this year. Programs have been permitted to grow, in some instances, at rate of 10, 12, and 15 percent annually. Hundreds of billions of dollars can be saved if sensible growth limits are enacted. Nonetheless, efforts to sensibly cap growth of these programs fail regularly in this Chamber.

Finally, I urge the rest of my colleagues to support this legislation as the only viable means of truly controlling Federal spending. Mr. President, we can no longer rely on gimmicks and empty promises to balance the budget. We must pass a constitutional amendment as a promise to future generations.

Mr. President, I yield the floor.

Mr. KASTEN. I ask unanimous consent that all time be yielded back on all sides.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

All time having been yielded back, the question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 33, nays 63, as follows:

[Rollcall Vote No. 133 Leg.]

YEAS—33

Bond
Brown
Burns
Coats
Cochran
Craig
D'Amato
Dole
Domenici
Fowler
Garn
Gorton
Gramm
Grassley
Hatch
Hollings
Kasten
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Seymour
Simpson
Smith
Stevens
Symms
Thurmond
Wallop
Warner

NAYS—63

Adams
Akaka
Baucus
Bentsen
Biden
Bingaman
Boren
Breaux
Bryan
Bumpers
Burdick
Byrd
Chafee
Cohen
Conrad
Cranston
Danforth
Daschle
DeConcini
Dixon
Dodd
Durenberger
Exon
Ford
Glenn
Gore
Graham
Harkin
Hatfield
Heflin
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Packwood
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Rudman
Sarbanes
Sasser
Shelby
Simon
Specter
Wellstone
Wirth
Wofford

NOT VOTING—4

Bradley
Helms
Roth
Sanford

So the amendment (No. 2453) was rejected.

AMENDMENTS NUMBERED 2448 AND 2449

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the first- and second-degree amendments by the senior Senator from West Virginia, amendments number 2448, and 2449, with 2 hours of debate to be equally divided.

Who yields time?

Mr. NICKLES. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma [Mr. NICKLES] is recognized.

Mr. NICKLES. Mr. President, let me tell my colleagues where we are. We are now in the process of voting on Senator BYRD'S amendment to my amendment. My amendment is a constitutional amendment to make us balance the budget; this is the same amendment—myself, Senator SEYMOUR, Senator GRAMM, and many others have been working on for a long time. It happens to be the same amendment voted on and narrowly defeated by the House of Representatives.

Mr. President, I think this probably is the most important vote that we will cast, possibly, this year, maybe in the last couple of Congresses. I hope this amendment will pass.

I want to tell my colleagues that it was this Senator's hope that we would vote up or down on the constitutional amendment to balance the budget. The majority leader and many on the other side of the aisle did not want us to get an up-or-down vote. Certainly, it has not been my desire to delay action in the Senate.

I hoped we would have a good debate, and we have had a good debate. We had about 25 Senators debate this issue last Thursday. It was a good debate, a thorough debate. I think, further, it evidenced the need for a constitutional amendment to balance the budget. We have been denied an up-or-down vote, and I realize the leadership on the other side of the aisle does not want to give us a vote.

I see Senator MITCHELL on the floor and I thank him for working with us to develop a schedule for considering this matter. The Byrd amendment, quite frankly, Mr. President, is very plainly a killer amendment. I will read the first part of the Byrd amendment: "In lieu of the matter proposed be inserted"

In other words, it strikes the balanced budget amendment. It eliminates the balanced budget amendment. And if Senator BYRD is successful—and he may well be, because I respect his ability to get votes on the floor of the Senate—if he is successful, he has killed our effort this year once and for all to pass a constitutional amendment to balance the budget. I hope that does not happen. If we are successful in defeating Senator BYRD'S amendment, we will have two votes on cloture to end the filibuster. We will see what happens on the cloture vote.

Mr. President, I think this is a vitally important issue, one which the American people are supportive of, and an issue Congress needs to deal with. I would like to see Congress be courageous enough to vote on it up or down. It is this Senator's intention to keep pushing until we can. We have worked out an arrangement where we will have four votes. We had a vote on the Kasten amendment, and now we will vote on Senator BYRD'S amendment, which kills the balanced budget amendment. If we are successful in defeating the Byrd amendment, we will have at least two cloture votes.

The first time in 1982, when the Senate voted on a constitutional amendment to balance the budget, we passed it. By the end of 1982, the national debt stood at $1.14 trillion. When we voted again in 1986, it was defeated in the Senate by one vote. The national debt at that time was $2.2 trillion.

The House voted on it in 1990, and the gross public debt was $3.2 trillion. The

House voted on it, just last week. It is expected this year we will actually exceed a public debt of $4 trillion.

Mr. President, we cannot continue down this path. We need to pass a constitutional amendment to balance the budget. I think probably the clearest vote we are going to have this year will be on the Byrd amendment, which kills a constitutional amendment to balance the budget.

I hope my colleagues will not agree to such an amendment.

Mr. MITCHELL. Mr. President, under the order, is the Senator from West Virginia controlling the time on this side?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. Mr. President, I yield to the majority leader such time as he may require.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Mr. President, I would like to respond briefly to my friend and colleague from Oklahoma.

The rules of the Senate permit a minority of Senators—less than 50 Senators—to prolong debate and thereby deny a vote, even though a majority of the Senate is to the contrary. The Senator from Oklahoma, since 1987, has voted 56 times against cloture to deny to other Senators their right to have a vote on a measure that they deemed important; 56 times. That is, of course, his right under the rules.

Every Senator has voted for or against cloture on some occasion, whether they felt there genuinely should be more debate, a perfectly legitimate point of view, or whether they disagreed with the bill then intended, or whether they had some other motivation. But let no one in the Senate, let no one in this Chamber, let no American be deluded by this debate in which it is suggested: why do we just not have a vote?

The Senator from Oklahoma has joined with a minority of Senators time and time again to deny other Senators a vote, as was his perfect right, as is the right of Senators on this issue; 56 times he has voted against cloture. He may on some of those occasions have been against the bill being considered, or he may have felt there ought to be a lot longer debate, or he may have other reasons. While all Senators know this, many Americans are likely to be misled and deceived by this superficially appealing argument: why do we just not have a vote? Every Senator knows the answer to that.

There are many, many, many issues on which we do not have votes, because Senators use their rights under the rules to delay consideration, for whatever reason maybe motivating them. It is up to each Senator to set forth his or her reason.

I hope, when we get into this debate, we will all understand that everyone here has regularly voted against cloture. The Senator from Oklahoma recently joined with a minority of Senators to deny the Senate the right to vote on comprehensive crime control legislation, one of the most important pressing matters in this country, to deal with violent crime in America.

We had a bill that the Senate passed once, the House passed, and it is now back before the Senate, and a clear majority of the Senate favors it. But a minority of Senators, including the Senator from Oklahoma, exercising their rights under the rules, continue to deny the Senate the opportunity to vote on that important measure.

So let no one be misled or deceived or deluded by what is being said here today. The rules of the Senate permit unlimited debate. Senators have frequently used those rules to insist on unlimited debate on many other measures. As I said, the Senator from Oklahoma has voted that way 56 times since 1987.

So we welcome the debate and discussion, and we hope that everyone here understands that the Senate rules are available to every Senator, not to some. They are available on every issue, not on just some. I hope our colleagues will keep that in mind as we debate this matter.

Mr. President, I thank the distinguished Senator from West Virginia, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Chair recognizes the Senator from Oklahoma [Mr. NICKLES].

Mr. NICKLES. Mr. President, I would like to respond to my friend and colleague, the majority leader. I appreciate his willingness to work with us, we will have at least three or four votes on the balanced budget amendment. This is not the vote on cloture; this is the vote on the Byrd amendment that kills the balanced budget amendment.

I think it is clear that if we prevail, if we should be so fortunate to win and defeat the Byrd amendment, then we will have a vote on cloture. And maybe at that point, we will make the cloture argument.

Mr. President, I yield to my friend and colleague and the cosponsor of this amendment, Senator SEYMOUR, for 2 minutes.

The PRESIDING OFFICER. The Senator from California [Mr. SEYMOUR] is recognized for up to 2 minutes.

Mr. SEYMOUR. Mr. President, I thank the distinguished Senator from Oklahoma.

I will comment relative to the facts, and suggest that the Senate majority leader is entirely correct in his description of the rules. Nobody has suggested—and I certainly would not—that the Senate majority leader has unfairly or in any other way misapplied the rules of the Chamber. The point is, if you cast your vote against cloture, you simply do not want to vote on the balanced budget amendment.

So, what the distinguished Senator from Oklahoma is saying—and I wholeheartedly agree—is that we have been prevented from an up-or-down vote on a balanced budget amendment. And the amendment we are currently debating, the Byrd amendment, will in fact remove any opportunity whatsoever to vote, up-or-down vote, on the balanced budget amendment.

Therefore, we must straddle each of these parliamentary hurdles, if you will, one at a time. To succeed and have an up-or-down vote on a balanced budget amendment, we must first defeat the Byrd amendment. Then we must vote for cloture. And then maybe—just maybe—we may finally be given the opportunity for an up-or-down vote.

The PRESIDING OFFICER. Who yields time? The Senator from Oklahoma [Mr. NICKLES].

Mr. NICKLES. I yield the Senator from Idaho [Mr. CRAIG] 4 minutes.

The PRESIDING OFFICER. The Senator from Idaho is recognized for up to 4 minutes.

Mr. CRAIG. I thank my colleague for yielding.

Mr. President, as we debate the Byrd amendment, which has been clearly and properly characterized here today as the killer amendment, if the Byrd amendment is adopted, it does kill the constitutional amendment to balance the Federal budget. Those who vote for Byrd simply do not want to use the Constitution, as many of us now believe is necessary and appropriate, for the purpose of bringing the kind of fiscal responsibility to this body that is so essentially necessary.

It is argued by so many that if we use the Constitution, it takes the right to appropriate, the right to budget, away from the legislative branch of Government and spreads it into the courts and into the judicial branch, or brings it even further into the executive branch.

I think the Senator from West Virginia and I agree that when it comes to budgeting, we must engage the executive branch even more than we ever have before. And the amendment of my colleague from Oklahoma, the constitutional amendment on the floor for debate, does clearly bring the executive branch into that process much more clearly and strongly than it ever has.

Let me ask unanimous consent to have printed in the RECORD an opinion from the Lincoln Legal Foundation as it relates to standing, and the procedure under which the constitutional amendment, as currently being discussed, would provide standing, and the responsibility of this Senate and the House in their appropriate budgetary roles.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE LINCOLN LEGAL FOUNDATION,
Chicago, IL, June 5, 1992.

Hon. L.F. PAYNE,
House of Representatives, Washington, DC.

DEAR MR. PAYNE: On behalf of the Lincoln Legal Foundation, let me extend my thanks to you for providing this opportunity to comment on the proposed Balanced Budget Amendment outlined in H.J. Res. 290. We at the Foundation take pride in serving as advocates for the broad public interest in defending liberty, free enterprise, and the separation of powers. It is in this capacity that we have undertaken our evaluation of the proposed Amendment.

We have confined our remarks to the prospects for judicial enforcement of the Balanced Budget Amendment. Critics have charged that the Amendment will unleash an avalanche of litigation, thereby paving the way for the micro-management of budgetary policy by the federal judiciary. As defenders of the Madisonian system of checks and balances, we at the Foundation take such charges seriously and have scrutinized them in light of the relevant case law.

We begin with a brief overview of standing doctrine and its impact on the justiciability of the proposed Amendment. We then consider the political question doctrine and the barriers it creates to judicial review. We conclude with our recommendations for refining and implementing the Amendment.

I. STANDING UNDER THE BALANCED BUDGET AMENDMENT

Standing refers to a plaintiff's interest in the issue being litigated. Generally speaking, in order to have standing a plaintiff must have a direct, individualized interest in the outcome of the controversy at hand. Persons airing generalized grievances, common to the public at large, invariably lack standing.

Limitations on standing stem from two sources. Article III section II of the Constitution restricts the jurisdiction of the federal judiciary to "cases" and "controversies." As a result, only plaintiffs with a personal stake in the outcome of a particular case have standing to litigate. The general prohibition against advisory opinions also can be traced to Article III.

In addition to Article III restrictions, federal courts have outlined certain "prudential" restrictions on standing, premised on non-constitutional policy judgments regarding the proper role of the judiciary. Unlike Article III restrictions on standing, prudential restrictions may be altered or overridden by Congress.

Standing requirements under the proposed Balanced Budget Amendment will vary according to the type of litigant. Potential litigants fall into three categories: (1) Members of Congress, (2) Aggrieved Persons (e.g. persons whose government benefits are reduced or eliminated by operation of the Amendment), and (3) Taxpayers.

A. MEMBERS OF CONGRESS

The federal courts by and large have denied standing to members of congress to litigate issues relating to their role as legislators.[1] Only when an executive action has deprived members of their constitutional right to vote on a legislative matter has standing been granted.[2]

Accordingly, Members of Congress are unlikely to have standing under the proposed Balanced Budget Amendment, unless they can claim to have been disenfranchised in their legislative capacity. Assuming that Congress does not ignore the procedural requirements set forth in the Amendment, the potential for such disenfranchisement seems remote.

B. AGGRIEVED PERSONS

Standing also seems doubtful for persons whose government benefits or other payments from the Treasury are affected by the Balanced Budget Amendment. In order to attain standing, such persons must meet the following Article III requirements: (1) They must have sustained an actual or threatened injury; (2) Their injury must be traceable to the governmental action in question; and (3) The federal courts must be capable of redressing the injury.[3]

Assuming a plaintiff could meet the first two requirements, he still must show that the federal courts are capable of dispensing a remedy. Judicial relief could take the form of either a declaratory judgment or an injunction. A declaratory judgment, stating that Congress has acted in an unconstitutional manner, would do little to redress the plaintiff's injury. On the other hand, injunctive relief could pose a serious threat to the separation of powers.

For example, an injunction ordering Congress to reinstate funding for a particular program would substantially infringe upon Congress' legislative authority. Similarly, an injunction ordering all government agencies to reduce their expenditures by a uniform percentage—would undermine the independence of the Executive Branch. It is unlikely that the present Supreme Court would uphold a remedy that so blatantly exceeds the scope of judicial authority outlined in Article III.

C. TAXPAYERS

Taxpayers may have a better chance of attaining standing under the proposed Balanced Budget Amendment. Traditionally, the federal courts refused to recognize taxpayer standing. However, in 1968 the Warren Court held in Flast v. Cohen that a taxpayer plaintiff does have standing to challenge Congress's taxing and spending decisions if the plaintiff can establish a logical nexus between his status as a taxpayer and his legal claim.[4]

The logical nexus test consists of two distinct elements. First, the plaintiff must demonstrate that the congressional action in question was taken pursuant to the Taxing and Spending Clause of Article I Section 8 of the Constitution. Second, the plaintiff must show that the statute in question violates a specific constitutional restraint on Congress's taxing and spending power.[5]

Taxpayers suing under the proposed Balanced Budget Amendment probably could meet both prongs of the logical nexus test.[6] In order to satisfy the first prong, potential litigants would have to tailor their complaint to challenge the unconstitutional enactment of a law by Congress (e.g. an appropriations bill), not the unconstitutional execution of a law by the Executive. Litigants could satisfy the second prong by demonstrating that the statute in question violates the Balanced Budget Amendment, an express restriction on Congress's taxing and spending power.

Even if a taxpayer satisfies Flast's logical nexus test, more recent opinions like Valley Forge suggest that the Supreme Court also would expect taxpayer plaintiffs to fulfill the Article III standing requirements. In other words, in order to have standing, a taxpayer would have to demonstrate that he has sustained an actual or threatened injury traceable to a specific congressional action.

In theory, a taxpayer could claim that excess spending in violation of the Balanced Budget Amendment will harm him by undermining the national economy or by increasing the national debt. However, a majority of the Supreme Court probably would find the connection between the excess spending and the alleged injuries too tenuous to grant standing. As a result, standing would be limited to taxpayers with concrete injuries, stemming directly from the congressional action in question.

II. THE AMENDMENT AND THE POLITICAL QUESTION DOCTRINE

Even if a litigant attained standing under the proposed Balanced Budget Amendment, a federal court could refuse to hear the case on the grounds that it raises a political question. The leading case with respect to political questions remains Baker v. Carr.[7] In Baker, the Supreme Court held that the constitutionality of a state legislative apportionment scheme did not raise a political question. In doing so, the Court identified a number of contexts in which political questions may arise.

Foremost among these are situations in which the text of the Constitution expressly commits the resolution of a particular issue to a coordinate branch of government. The Judicial Branch will refrain from adjudicating an issue in such circumstances. However, this textual constraint would not preclude judicial review of the proposed Balanced Budget Amendment, since H.J. Res. 290 does not assign responsibility for enforcing the Amendment to either the President or the Congress.

The Baker court also identified the following prudential considerations in deciding whether to invoke the political question doctrine as a bar to judicial review:[8]

(A) Is there a lack of discernable or manageable judicial standards for resolving the issue?

(B) Can the court resolve the issue without making an initial policy determination that falls outside the scope of judicial authority?

(C) Can the court resolve the issue without expressing a lack of respect for the coordinate branches of government?

(D) Will judicial intervention result in multifarious pronouncements on the same issue from different branches of government?

Each of these considerations creates an impediment to judicial review of the proposed Balanced Budget Amendment. In particular, courts may find the fiscal subject matter of the Amendment difficult to administer. For example, what happens if "estimated receipts" fall short of projections halfway through a fiscal year? On what data and accounting methods would the courts be expected to rely? Given the lack of concrete standards, apparently rudimentary determinations (e.g. When do "total outlays" exceed "estimated receipts"?) may prove beyond the competence of the judiciary.

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[1] *Harrison* v. *Bush*, 553 F.2d 19 (D.C. Cir. 1977) (standing denied to a senator seeking declaratory and injunctive relief against the CIA for its allegedly unlawful activities).

[2] *Kennedy* v. *Sampson* 511 F. 2d 430 (D.C. Cir. 1974) (standing granted to a senator challenging the constitutionality of the President's pocket veto).

[3] See, e.g., *Simon* v. *Eastern Kentucky Welfare Rights Organization*, 426 U.S. 26 (1976); and *Allen* v. *Wright*, 468 U.S. 737 (1984).

[4] *Flast* v. *Cohen*, 392 U.S. 83 (1968).

[5] *Valley Forge Christian College* v. *Citizens United for the Separation of Church and State*, 454 U.S. 464 (1982) (standing denied because an executive agency's sale of surplus federal land to a religious college was not an exercise of Congress's taxing and spending power).

[6] See Note, *Article III Problems in Enforcing the Balanced Budget Amendment*, 83 Columbia L. Rev. 1064, 1079–80 (1982).

[7] 369 U.S. 186 (1962).

[8] *Baker* v. *Carr*, 369 U.S. at 217.

Moreover, the potential judicial remedies for violations of the Amendment may undermine the separation of powers. As discussed above, various forms of injunctive relief almost certainly would infringe upon the prerogatives of Congress and the Executive Branch. Given the Supreme Court's structuralistic adherence to the separation of powers doctrine in cases like I.N.S. v. Chadha[9] and Bowsher v. Synar,[10] it is almost impossible to imagine a majority of the justices on the present, or a future, Court jumping at the opportunity to become embroiled in a partisan wrangle over the size and scope of the federal budget. Instead, one would expect the Court to make every effort to avoid such an intrusion.

III. CONCLUSIONS

The constraints imposed by standing requirements and the political question doctrine by no means preclude judicial review of the Balanced Budget Amendment. Nevertheless, they do place substantial barriers to litigation. In light of these impediments, the Foundation believes that the prospects for a flood of new litigation and the specter of budgeting by judicial fiat have been greatly exaggerated.

The Amendment proposed in H.J. Res. 290 would clearly invite judicial review of any spending or taxing legislation purportedly enacted in violation of the formal requirements (e.g. a supermajority for increasing the debt limit, a full majority on recorded for a tax increase) set forth in the text. This is no different from the *status quo*, for even now we would expect a court to strike down an act that was somehow enrolled on the statute books without having properly cleared the requisite legislative process of votes, presentment, and the like.

What the Amendment would not do is to confer upon the judiciary an authority to substitute its own judgment as to the accuracy of the revenue estimates, the needfulness of taxes, or the prudence of a debt limit. The courts would merely police the formal aspects of the work of the political branches: Did they enact a law devoted solely to an estimate of receipts? Are all outlays held below that estimate? Were measures passed by requisite majorities voting, when required, on the record?

Sections 2 and 4 of the proposed amendment clearly invite only limited judicial scrutiny of this kind, and then only of the process, and not of the substance, by which the political branches have acted.

Section 3 seems to be purely hortatory and probably provides no predicate at all for judicial action. Whatever the political ramifications of a failure on the part of a President to propose a balanced budget in any given year may be, there appear to be no legal implications whatsoever. No act of lawmaking depends in any constitutional sense upon the President's compliance with this requirement, let alone upon the substance that any such proposal may contain.[11]

Section 1 is the crucial text, then, but even here the boundaries of justiciability would be tightly limited. A purported enactment might be struck down by the courts if it provided for outlays of funds in excess of the level of estimated receipts established for the year in the annual estimates law, or if it called for such an excessive outlay without having been passed on a roll-call vote by the required super-majority, or if it attempted to avoid the balanced budget limit applicable to the fiscal year of its enactment by purporting to be within the limits of receipts estimated for another year, past or future.

But there is no basis in the text of Section 1 for a court to pick and choose among congressional spending decisions on any basis. That is, the proposed amendment would confer no authority on the judiciary to choose which appropriations would be satisfied from the Treasury and which would not, but only to say that once outlays had reached the level established in the estimates law then the officials of the Treasury must cease disbursing any additional funds.

Because Section 6 of the proposed amendment would define "total outlays" to "include all outlays of the United States Government except for those for repayment of debt principal", the amendment would abolish permanent indefinite appropriations, revolving funds, and the funds, such as the Judgment Fund, from which they are disbursed.[12] This would decisively prevent the courts from invading the Federal fisc in the guise of damages awards against the United States Government. Upon effectuation of this amendment, damages awards against the Government in all cases (except for repayment of debt principal) would have to be part of the outlays voted each year by Congress, and the current congressional practice of waiving the sovereign immunity of the United States on a blanket basis in the adjudication of various kinds of damages against the Government would have to end.

In short, it is our view that there is virtually no danger that the constitutional balanced budget amendment contemplated by H.J. Res. 290 would cede the power of the purse to a runaway judiciary. To the contrary, it would eliminate certain authorities that courts currently have to order the disbursement of Federal funds without appropriations. If ratified and made part of the constitution, the balanced budget amendment would return responsibility and accountability for all Federal outlays squarely to the Congress.

Sincerely yours,

JOSEPH A. MORRIS,
President and General Counsel.[13]

Mr. CRAIG. Mr. President, there is also another issue that I think should be and is necessarily addressed here with the broad issue of the balanced budget amendment.

For some years, many of my colleagues on the other side of the aisle have argued that it is improper to put a constitutional amendment to balance the Federal budget in the Constitution. And they have quoted oftentimes Laurence Tribe, a Tyler professor of constitutional law from Harvard Law School.

In 1982, he argued that it was his point of view that it should not happen; it was inappropriate to put this kind of budgetary guideline or responsibility inside the Constitution.

But when he came before the Senate Budget Committee this year, he basically said: I have changed my mind. I have changed my mind because this Senate and this House—speaking of the Congress—has simply let the budget run uncontrolled.

Let me quote from some of his comments before the Budget Committee. He said: "At the outset, let me make it clear that despite my misgivings—" and those are the ones of a balanced budget requirement in the Constitution that he had made over a decade ago. He was changing his mind. And the reason he was changing his mind, I think, largely was spoken to the fact that he did not believe that the Congress could deny itself the siren's song, as he called it, the siren's song of withstanding the pressure of special-interest groups, or the fact that they could buy votes by offering money for special expenditures to the citizenry for the purpose of pleasing them.

Furthermore, he spoke of the Jeffersonian notion that today's populist should not be able, by profligate borrowing, to burden future generations with excessive debt. And that was the crux of his debate.

Here is someone often quoted by the other side as the pillar of opposition to a balanced budget amendment in the Constitution. This year, that pillar crumbled. And the reason that pillar crumbled is that this body and this Congress, for the decade from 1982 until 1992, when Laurence Tribe changed his mind, was simply and clearly fiscally irresponsible.

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[9] 462 U.S. 919 (1983) (legislative veto held unconstitutional for violating the Bicameralism and Presentment Clauses of Article I Section 7).

[10] 478 U.S. 714 (1986) (Gramm-Rudman Deficit Reduction Act violated the separation of powers by placing responsibility for executive decisions in the hands of an officer who is subject to control and removal by Congress).

[11] Section 3 would confer constitutional dignity upon a practice that has evolved on an extraconstitutional basis in this century, the submission of a Presidential budget each year. The practical and political wisdom of the practice is debatable, as is the wisdom of the contents of any particular budget. But the practice, even with the constitutional sanction that H.J. Res. 290 would give it, in no way derogates from the responsibility of Congress to account for the power of the purse or from the procedural rules adopted by the Framers for safeguarding the separation of powers respecting the fisc, such as the requirement that bills for raising revenue originate in the House of Representatives. The President would now have a constitutional duty to propose an annual *balanced* budget, but his submission would be only a proposal, and the existing groundrules of Articles I and II would continue to define the procedures by which laws are made and the separation of powers maintained.

[12] It is our view that this would also abolish other permanent indefinite appropriations arrangements and revolving funds as they now stand, including those for the Social Security, Medicare, and Civil Service Retirement Systems. They all involve "outlays" within the comprehensive meaning of Section 6, and so would all require affirmative congressional action for each year's disbursements. Congress could continue to provide that outlays be made on formulaic bases (e.g., as "formula payments"), but they would be subject to the total annual ceiling on outlays and mere qualification of an individual to receive a payment would no longer automatically work to raise the spending limit.

[13] I would like to thank Charles H. Bjork, a third-year law student at Northwestern University and a student intern at The Lincoln Legal Foundation, for his invaluable assistance in the preparation of this analysis.

The Federal debt increased by nearly $2 trillion during this period of time. And, of course, we are now some $350 billion in deficit, and there is no end in sight.

And yet, we here today bypass a balanced budget amendment: Let us kill it by a vote on the Byrd amendment. We do not want to give the American people what they are asking for, and that is the right to control their politicians' appetites for expenditures by a balanced budget amendment to the Constitution.

The PRESIDING OFFICER. The Senator's 4 minutes have expired.

Who yields time?

Mr. NICKLES. Mr. President, I am happy to accommodate Senator BYRD'S request. I have not see him seek the floor.

I yield the Senator from Arizona 5 minutes.

The PRESIDING OFFICER. The Senator from Arizona, Senator MCCAIN, is recognized for up to 5 minutes.

Mr. McCAIN. Mr. President, it is with regret that I note the defeat of the Kasten amendment. Even more regretful is that this important amendment only garnered 33 votes.

Be that as it may, I will not take much time on the pending amendment, since it is well known that the effect, if not the intent, of the Byrd amendment would be to kill the Nickles-Seymour balanced budget amendment.

Mr. President, we just heard from the distinguished majority leader—who has my admiration and respect—the fact that my colleague from Oklahoma and those of us in the minority have voted many times against the invocation of cloture. And as he correctly recognized, that is the right of a minority of Senators.

At the same time, I think it neglects the most important aspect of this debate, which is how do we address the deficit which is mortgaging the futures of generations of Americans?

Already today, we have laid a burden of $16,000 of debt for every man, woman, and child in America. And to use the excuse that we will not have an up-or-down vote on a balanced budget amendment simply because both sides of the aisle may be taking advantage of parliamentary procedure, Mr. President, neglects—sadly neglects—the fact that we had better address this deficit problem one way or the other. In a recent poll, 17 percent of the American people approved of Congress and 77 percent disapproved. Some 80 percent of the American people think we are on the wrong track.

Mr. SYMMS. Mr. President, will my colleague yield for a question?

Mr. McCAIN. I am glad to yield.

Mr. SYMMS. Did the Senator say that every American is in debt $16,000?

Mr. McCAIN. Every man, woman, and child in America now shoulders a debt of $16,000 as a result of the $4 trillion debt.

Mr. SYMMS. No wonder the babies cry when they come into the world.

Mr. McCAIN. Mr. President, I always appreciate the insightful views of my colleague from Idaho. He will be missed around here by all Members of this body.

Mr. President, the majority leader used the example of the crime bill and how important it was. The majority leader neglected to mention the fact that the crime bill passed by a majority of both Houses, but that it will be vetoed by the President and the veto will be sustained.

It is time we sat down together and worked out our differences and passed a crime bill that will be supported by the administration, as well as a majority of both Houses. I expect that should include the consideration of some of the views on this side of the aisle and the views of the administration.

Mr. President, in 1798, Thomas Jefferson raised the same concern about the Constitution that we are debating today. He succinctly stated, "If there is one omission I fear in the document called the Constitution, it is that we did not restrict the power of the Government to borrow money."

Mr. President, the problem today is that the Government has borrowed $4 trillion. And in light of the defeat of the Kasten amendment and in light of the pending defeat of the Nickles amendment—and let us be honest with this body, it will probably be defeated and even if it passed it would not carry in the House of Repesentatives—I intend, and I would like to notify the distinguished chairman of the Appropriations Committee at this time, I intend to bring up the line-item veto again. I do not expect to succeed this time, but I intend to bring up the line-item veto until my term of service in this body has expired or we get it done, because it is unconscionable what we are doing to America.

About twenty cents out of every dollar that we collect in taxes will not go to provide housing for a single homeless person or for a meal for a single hungry child. It will pay the interest on the debt that we have been accruing. I would also like to know how in the world we are going to be competitive in this world when we are spending so much of our Federal budget to simply pay the interest on the debt we have accrued from spending out of an empty pocket.

Mr. President, the pork barrel spending habit of Congress has not decreased. It has increased. I note an article in last week's Washington Post which indicated that there was a $41 million line-item appropriation for research projects to a school that has a total annual budget of $14 million.

Mr. President, it cannot go on. It cannot go on. Pork barrel spending has got to be stopped and it has got to be stopped by a combination of things, including a line-item veto and a balanced budget amendment to the Constitution.

I would like to congratulate my friend from Oklahoma for his valiant efforts over these many years. I intend to stay with him and others in this effort to enact a balanced budget amendment to the Constitution.

Mr. President, I hate to be repetitious. But we are fooling ourselves if we do not believe that the American people are fed up with business as usual. We must act. We better start hanging together or we are going to hang separately and, unfortunately, it will be the American people who hang us.

Mr. President, I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. SARBANES. Would the chairman yield me some time?

Mr. BYRD. I yield 6 minutes to the distinguished Senator from Maryland.

The PRESIDING OFFICER. The Senator from Maryland, Senator SARBANES, is recognized for up to 6 minutes.

Mr. SARBANES. Would the Chair let me know when I have used 4 minutes of that time?

The PRESIDING OFFICER. The Chair will.

Mr. SARBANES. Mr. President, I took the floor at this point in the debate because I want to respond very directly to the assertion made by the junior Senator from Idaho about testimony by Laurence Tribe before the Senate Budget Committee.

We are going to have to at least pay some due respect to the record in this debate. He cited Tribe as someone who had changed his position, who is now in favor of the balanced budget amendment. That is just not the case. What Tribe said was that he now thinks that the balanced budget amendment, at a conceptional level, could be considered for inclusion in the Constitution—that was on page 2.

Then, on page 3, he says, "But to say that a balanced budget amendment is in theory an appropriate topic for consideration and a suitable goal for Constitution writers is not to say that it should be approved by Congress and sent to the States for ratification." And he then spent the rest of his statement, 26 pages of it, developing why it was not appropriate to have a balanced budget amendment and criticizing the very proposals that are now before us.

I know the junior Senator was searching desperately for some authority for his position. But the authority is certainly not there.

This is what Tribe concludes his testimony with:

> For these many reasons, much as I applaud the impulse behind the proposed constitutional amendment and much as I recognize the seriousness of the Nation's budget crisis,

> I reluctantly conclude that none of the proposed balanced budget amendments could be included in the Constitution without unacceptable adverse consequences for the separation and distribution of governmental powers and for the integrity of the constitutional structure as a whole.

The PRESIDING OFFICER (Ms. MIKULSKI). The Senator has used 4 minutes.

Mr. SARBANES. I yield myself an additional minute of the 6 minutes.

Mr. SASSER. Will the Senator yield for a question?

Mr. SARBANES. I will, but first let me quote the conclusion again. I hope we can keep this debate where it at least does justice to people who come and testify before the Congress and they are not completely misquoted for a position that is not their position. Now, this is Tribe's conclusion after just being cited a moment ago supposedly for supporting a balanced budget amendment.

> I reluctantly conclude that none of the proposed balanced budget amendments could be included in the Constitution without unacceptable adverse consequences for the separation and distribution of governmental powers and for the integrity of the constitutional structure as a whole.

I yield to the Senator.

Mr. SASSER. I thank the Senator for yielding. I just wanted to ask the Senator this question: Was he aware—I will ask my friend from Maryland if he was aware that Prof. Laurence Tribe, of the Harvard Law School, testified before the Senate Budget Committee just a few weeks ago and said this about a balanced budget. And I quote: "A balanced budget amendment would unbalance the Constitution, seriously distort the separation of powers, and undermine the credibility of the Constitution itself as our fundamental law." Was the Senator from Maryland aware that Professor Tribe had made this statement before the Senate Budget Committee a few weeks ago?

Mr. SARBANES. In fact, I was. And the quotes I used came in part from that statement.

The point I am trying to make is how can you take this witness and cite him on the floor in support of the balanced budget amendment. It is completely unfair to the witnesses who testify before the Congress if their meaning is going to be completely misrepresented.

Madam President, I reserve the remainder of my time.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I yield to the Senator from Maine 2 minutes.

Mr. COHEN. I thank the Senator for yielding.

Madam President, I was not present to hear Laurence Tribe's testimony, but I accept the characterization of my friend from Maryland. Indeed, there is no need for us to quote portions of testimony in order to arrive at a particular conclusion.

As I understand the Senator from Maryland, he is saying Mr. Tribe said it was conceptually possible but in his judgment not advisable to pass such a constitutional amendment because it would have undue consequences in terms of distribution of power.

I would rather place my judgment with that of Thomas Jefferson, who has been quoted several times earlier. Jefferson said that whenever one generation spends money and then taxes another to pay for it, that we are squandering futurity on a massive scale.

It seems to me that is precisely what we have been engaged in, the squandering of the futures of our children on a massive scale.

Mr. Tribe may not have changed his opinion about the need for a constitutional amendment, but I have. I have not supported it in the past but I intend to support the Senator's amendment today. And that is because we have run out of excuses and run out of devices at this point. As difficult as it is, if we are afraid to address this issue head-on today, then you can understand why it is so difficult for us to address many of the underlying issues about how we are going to spend the taxpayers' money in an appropriate fashion.

Amending the U.S. Constitution is not a decision that should be entered into lightly. Indeed, for many years I opposed a balanced budget amendment. I felt that it was unnecessary and that Congress and the President should be able to reduce the deficit without the force of a constitutional requirement. In light of the ballooning deficit, however, it appears as though my hopes were overly optimistic.

The huge Federal budget deficit exemplifies the fundamental problem that besets our Government in the late 20th century—we have become yes men and women and have abandoned our mantle to lead.

More than 200 years ago, James Madison wrote Federalist Paper #10 which both recognized and feared the very quandary we face today: We know the Government should reflect the will of the people, but what should happen when what the people say they want—such as lower taxes along with high benefits and services—is not good for them?

Madison placed his hope in legislators who would "refine the public's views and discern the country's true interest."

It is on this demanding but sensible standard that Congress must be judged as lacking, and where improvement is needed.

The will of the people for the past decade or more has been for low taxes and high public spending. The result has been a conspiracy against future taxpayers. Political leaders have been coconspirators in this crime. We have told the people that they can have their cake and eat it too. But it is our children's cake that is being eaten.

In the light of our willingness to give the people what they want even if it is not in the country's true interest, it is particularly ironic that the claim is made that politicans are out of touch with the people. In fact, it has been argued that we are too much in touch with the will of the people. Our system is so hypersensitive to every spasm and twitch of public desire that we have overcommitted the Government to many goals that are overlapping, contradictory, or foolhardy.

In becoming yes men and women, we have too often forsaken our duty to lead. The captain of a ship does not poll his crew every time he needs to make a decision. The ship's captain, like any leader, is judged on his decisionmaking ability. A good captain is judged not on the popularity of his decisions but on the correctness of his decisions.

Unfortunately, the artful balance which James Madison envisioned between observing the wishes of the public and promoting an overall concept of the national good has been fractured nearly beyond recognition. Instead of acknowledging and respecting public opinion, Congress too often worships it.

We are too often unwilling to say no to well-organized and even well-meaning special interest groups whose political clout, as we all know too well, is replacing that of political parties.

We—not just elected leaders, but everyone—need to fundamentally adjust the way we conduct the public's business.

Those of us in Congress have to be willing to tell the American people what they need to know, not just what they want to hear. Churchill reminded us how difficult it is to look up to those who hold an ear to the ground and a finger in the wind.

It should make us very queasy to look at the mountain of debt we are passing along to our children and their children. By our actions and choices, we are jeopardizing the future of our children. Our debt-financed consumption binge will lower future economic growth and, therefore, future standards of living. The question before us is whether we address the problem now or delay action and exacerbate the problem.

We are faced with a classic "pay me now or pay me later" situation. As the recent GAO report on the deficit pointed out, "[T]he key question facing policymakers is not whether to undertake major deficit reduction, but when and how."

The bálanced budget amendment answers the question of when—now. Deciding on the "how" will not be easy, but it will only get more difficult with time. We should take a lesson from the savings and loan experience. Early and decisive action on that problem could have saved billions of dollars for the American taxpayer. By the same token, reducing the deficit now will save billions of dollars over the long term.

To reduce the deficit, we must seriously consider changes that have long been thought politically suicidal.

We must make vertical cuts in Government spending. There are plenty of programs that, despite pleasant titles and laudable goals, have not met their objectives. We need to shift these resources into programs, like Head Start, R&D programs and infrastructure, where the rate of return on public investment is demonstrable.

We must closely examine and curtail the growth of so-called entitlement programs which have become deeply ingrained and interwoven into the fabric of American life, and make some tough choices about what we want and what we can afford.

After cutting spending wherever possible, new revenues will also likely be necessary. It is critical, however, that these new revenues go to deficit reduction and not to fund additional Government programs with questionable results.

The deficit is the single most damaging problem in our economy today. Our economy suffers from a lack of savings and a lack of investment. Both deficiencies are caused by excessive public borrowing. We seem completely unable to come to terms with this deficit. Despite its limitations, I think a constitutional amendment will force us to come to grips with the deficit before it gets any worse.

I firmly hope that a balanced budget amendment will mark a new beginning—a point at which we say, "Enough is enough." A constitutional amendment will hold Congress' and the administration's feet to the fire in a way that neither the Gramm-Rudman-Hollings law nor the 1990 Deficit Reduction Act were able to. Congress and the President will not be able to circumvent the Constitution the way it has these statutes.

I fully agree that a balanced budget amendment is no substitute for the willingness of Congress and the President to make the tough choices. At a minimum, however, a balanced budget amendment sounds an effective warning shot that business as usual is no longer acceptable. The amendment will force us to make the tough choices that, heretofore, we have been unwilling to make.

To those making alarmist claims that the amendment would force us to double taxes or shut down the Government, I would make two points:

First, no one expects us to eliminate a $350 billion deficit in 1 year. Suggesting that a balanced budget amendment would require this is disingenuous to say the least. The budget did not get $350 billion out of line in 1 year, and no reasonable person expects us to cure the problem in 1 year. What is critical, however, is that we begin in earnest to reduce the deficit. Unfortunately, the deficit continues to grow rather than shrink.

Second, the amendment would still permit deficit spending if a three-fifths majority in each House agrees to do so. If some of the scenarios that some people are predicting were to come to fruition, Congress and the President would have the flexibility to borrow funds. However, I would like to re-emphasize that I do not believe that a balanced budget amendment would cause the Federal sky to fall as some suggest.

I am not suggesting that we can reduce the deficit without some sacrifice. The reason we have a deficit in the first place is because Congress and the President have told the American people that they can have both lower taxes and more government. The word "sacrifice" has been banned from the political lexicon. It must reappear if we are to ever make serious progress in reducing the deficit.

By the same token, however, I do not think the pain of spending cuts will require the level of sacrifice that some suggest. Over the past 2 years, many States have been forced to cut back government services. While in some cases, these cuts have been too abrupt and too painful, in many other cases, the cuts have made State governments more efficient. Many States found that, when forced to, they could do more with less money. I think the Federal Government is simply going to have to go through the same process.

I cannot close without noting the irony of many of the arguments that have been offered against the amendment. In the same breath that some argue that the amendment is a gimmick that won't work, they argue that it will be disastrous because it will work. Interest group after interest group has descended upon Washington to testify as to how terrible a balanced budget amendment would be. But if you listen closely to them, they are not simply arguing against the constitutional amendment, they are arguing against a balanced budget—period. Perhaps a constitutional amendment is a less than perfect remedy, but I have no sympathy for the argument that we should not balance the budget.

Some opponents of the amendment have also suggested that this is just an easy political vote. On the contrary, this is a very difficult vote—as the defeat of this amendment in the House recently demonstrates. The easy votes have been the ones we've been casting around here for the past decade or more where we buy now and pay later. The easy thing to do is to satisfy the wants of today's voters at the expense of tomorrow's. A balanced budget amendment will put an end to those kinds of easy votes.

The burden of the budget deficit is great. Unfortunately, the long-term costs of maintaining the deficit are less appreciated than the short-term costs of eliminating the deficit. As painful as it is to tackle the deficit today, it will be even more difficult to address this problem down the road. I urge my colleagues to support the balanced budget amendment so that we may get on with the work at hand.

Mr. NICKLES. I thank my friend and colleague.

Mr. CRANSTON. Will the Senator from West Virginia yield 2 minutes to the Senator from California?

Mr. BYRD. Yes; I yield 2 minutes to the Senator from California.

Mr. CRANSTON. I thank the President pro tempore and the chairman of the Appropriations Committee, who knows more about the budget than almost any person who has ever served in the U.S. Senate.

The choice before us today is really a choice between a symbol and a concrete plan. A constitutional amendment that would be enacted perhaps some time in the future would do nothing about balancing the budget now, and I believe would create chaos if it ever came into play, drag the courts into the matter of balancing the budget, and have people holding high positions in our court system making decisions about what taxes to levy or not levy, to cancel or not cancel. That is not something the American people really want.

The alternative is the amendment offered by the Senator from West Virginia, which is a concrete plan that would require action now, this year, not some time off in the future, to begin the process of balancing our budget.

That requires the President of the United States to submit a plan to bring about a balanced budget a few years hence. But that plan must be submitted in September of this year to the Congress and through the Congress to the people. Then we can proceed to consider that plan, adopt it, modify it, reject it if that was our will.

Presumably it would be a plan we could work over and adopt this year and we would then set in motion this year—not some time in the future, as the constitutional amendment would propose, not some time perhaps on beyond the year 2000, when we would finally achieve a balanced budget. The proposal by the Senator from West Virginia would begin the process this year that would bring about a balanced budget by the year 1998.

For those reasons and many, many more, some of which I have expressed upon this floor upon other occasions, I support and urge support for the amendment now pending.

The PRESIDING OFFICER. Who yields time? The Senator from Oklahoma.

Mr. NICKLES. Madam President, I yield the Senator from Washington 5 minutes.

The PRESIDING OFFICER. The Senator from Washington may proceed.

Mr. GORTON. Madam President, late last evening at a time in which the Senate was not operating under time constraints on individual remarks, I spoke in some detail on this issue. I had examined with some care the arguments over the course of the last several weeks presented by the distinguished President pro tempore and the Senators from Maryland and Tennessee who were on this floor against this constitutional amendment and attempted to deal with each of what I consider to be six relatively distinct arguments in opposition.

I have not asked my colleague from Oklahoma for sufficient time to go through each of those arguments again and, therefore, will attempt to consolidate those arguments against the amendment.

There is a paradox, as we have heard by careful listening to the Senator from California who preceded me, in the arguments of the opponents of the constitutional amendment. On the one hand the opponents claim that the amendment is nothing more than a gimmick which will not work but serve only to delay some mythical desire on the part of this Senate to deal with balancing the budget immediately. These opponents completely disregard the history of the last 15 or 20 years which showed that immediacy is certainly a commodity greatly lacking in our approach toward the budget deficit.

The opposite argument, of course, as reflected by the readings from Professor Tribe, is that this represents a profound and basic change in the balance of power among the three elements of the Government in the United States and, therefore, is not to be trusted. It is to that argument I wish to refer for just a relatively short period of time.

That argument, Madam President, is a valid argument. In fact, this constitutional amendment would change the dynamics by which spending decisions are made in the Congress of the United States and by the President of the United States. It is, therefore, a valid argument if you like the status quo. If you are not disturbed by a trillion debt or a $400 billion deficit, if you are comfortable with the way in which the Government of the United States has dealt with its budgetary priorities, then by all means vote in favor of this amendment which kills the constitutional amendment itself, and against the Nickles amendment.

But, if you feel, as this Senator has come to feel in company with the Senator from Maine, who previously opposed this kind of approach—if you feel the status quo is not working, that in fact it is a drastic change which is necessary in order to be responsible to ourselves and to our children and to our grandchildren, then by all means take the very arguments in opposition to this constitutional amendment and use them to decide that in fact we should vote for it.

We do need a drastic change, Madam President. We do need a different approach. We do need the discipline which has been so strikingly absent from our deliberations over the course of more than a decade—perhaps more than two decades. I regret to say, having changed my mind on this subject, that that discipline, that change of attitudes, will only take place as and when we do pass this constitutional amendment, submit it to the States of the United States, and have it ratified by 38 of those States.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Will the distinguished President pro tempore yield me 15 minutes?

Mr. BYRD. I am glad to do so. Madam President, I yield 15 minutes to the distinguished senior Senator from Tennessee [Mr. SASSER].

Mr. SASSER. Madam President, I thank the President pro tempore.

We have heard a lot of arguments here this afternoon in favor of this so-called constitutional amendment to balance the budget. But I think we ought to lay the cards on the table here and realize that this effort is motivated by something other than civic zeal, as its proponents would have you believe.

Doing that is not difficult. I begin by referring my colleagues to a story in last week's Washington Post. In that story, an unnamed White House official says the following about the motives that are at work here, surrounding this abortive effort to pass a constitutional amendment.

The White House official at that time, speaking of the efforts of the junior Senator from Texas with regard to a constitutional amendment to balance the budget, said: "He has decided he wants the Republicans to score points in a moot exercise of having the Senate Democrats vote against a balanced budget right before their convention."

What could be clearer than that? That is from the President's people inside the White House talking about the director of the Republican Senate Campaign Committee.

It is a remark that should confirm with the American people what this really is. Why, it is purely a political diversion, a deflection, if you will, of attention from the true problem. And the Senate of the United States has wasted a week of very valuable legislative time in this rather adolescent exercise in political gamesmanship.

The junior Senator from Texas lateraled the ball off after this story appeared in the Washington Post and others on his side of the aisle were the recipients of that lateral.

The minority is simply looking for a way to cast political blame for deficits on the Congress.

The distinguished President pro tempore, Senator BYRD of West Virginia, has proposed an amendment that is structured to add balance, to highlight the vacuum in executive leadership that has really been central to creating the deficit problem. It is for that reason that the amendment of the distinguished President pro tempore is so instructive, and I submit to my colleagues so very necessary.

Madam President, it has been discussed on the floor of this Chamber before by very able Senators tracing the roots of the deficit problem which are now more than a decade old. But I think it is instructive to recover some of that ground this afternoon.

They go back first and foremost to the largest single tax cut in the history of this country. They go back to the largest peacetime military buildup in the history of this country and, lastly and more recently, to the longest period of economic stagnation since the days of Herbert Hoover. Those are the three items that bring us to these horrendous deficits that we have today.

The economic stagnation, the monstrous tax cut of 1981, the largest peacetime military buildup in history, that is the recipe for the $372 billion we will have in fiscal year 1992 and those are the ingredients of nearly $4 trillion in national indebtedness.

Madam President, I would like to take us back to 1981. And it is instructive that some of the same voices that were so eloquent in their description of the miracles of supply-side economics in 1981 are the same ones who are urging on this Senate today a so-called balanced budget or an amendment to balance the budget to the Constitution.

Using the numbers that were produced by the Office of Management and Budget, President Ronald Reagan, by 1989, the 1981 tax cut had cost the U.S. Treasury $1.4 trillion in lost revenues during the 1980's.

My friend from Oklahoma has produced a chart over there of the gross Federal debt. I suspect that his chart will track just precisely with the chart that I have here today.

Today the administration is so queasy about the massive revenue hemorrhage that it stopped updating the estimates of the accrued losses from the 1981 tax cut. But the Budget Committee calculates the losses to date to total about $2 trillion. These figures, Madam President, do not include interest costs which would add several hundred billion dollars to the cost of the 1981 tax cut which was the hallmark, the symbol, of the supply-side experiment that turned out to be a surprise-side disaster.

A revenue loss of this magnitude creates an instant, sizable, and ongoing problem that we are wrestling with today called debt service. When you run up these massive deficits, you have to borrow money to cover them and you have to pay interest on that money.

Let us go back to the time when this economy was growing with some modest amount of vigor, and to find that time you have to go back to a period of between 1987 and 1989. During that period, between 1987 and 1989, the Federal Government actually spent $1 billion less on programs than it received in revenues. So in the period from 1987 to 1989, if we had not had to service this massive indebtedness, the budget would have been balanced and we would have had a $1 billion surplus.

Mr. SARBANES. Will the Senator yield?

Mr. SASSER. I will be pleased to yield to my friend from Maryland.

Mr. SARBANES. Madam President, I just want to point out on this chart the additions to the Federal debt which then requires this tremendous debt service to which the very able chairman of the Budget Committee has been referring. This chart shows the additions to the Federal debt—President Kennedy, President Johnson, President Nixon, President Ford, President Carter. Then you get a jump in the first term of President Reagan and a further jump in the second term of President Reagan. These are additions to the debt which then have to be paid for in debt service. This large increase is the additions to the debt in the first term of President Bush and this is what the administration is projecting by their own budget submission for the second term of President Bush.

This amendment offered by the distinguished President pro tempore requires a plan submitted for this not to happen, but this chart only demonstrates what the very able Senator is pointing out, the exponential growth that has taken place in the debt under the two terms of President Reagan and now even more so into the term of President Bush projected to grow even more in the next term.

Mr. SASSER. I thank my friend from Maryland, and he points out, I think, with great clarity, the explosion, virtual explosion, in the national debt that has occurred during the periods that President Reagan and President Bush have been in the White House.

That is precisely what the President pro tempore's effort is aimed at. That is precisely what his amendment does: To require the Chief Executive Officer of this Government to provide a balanced budget and a track for balancing the budget over the next 5 years, to get away from this disaster that has occurred over the past 12 years that is illustrated by the chart of the able Senator from Maryland which shows this debt exploding during the first two terms of Ronald Reagan and getting worse under President George Bush.

We are at the point now where even in years of potential surplus when the economy is growing and doing well, we are still having to pay heavily for the sins of the supply-side experiment earlier in this decade.

We are still paying a very heavy price for that folly.

If I could call my colleagues' attention to this chart that represents the 1981 tax cut, you will note that it became effective in 1982 and, as you see, the loss in revenue rose to $1.4 trillion just by 1989 alone, and that does not include what has happened in the last 3 years.

Madame President, I will get to the second element that has produced this enormous deficit, and that is the growth in military spending that occurred during the decade of the 1980's and continued until just a very short period ago.

This chart demonstrates the growth in defense spending versus the growth in the deficit from 1981 to 1990.

The blue in the chart represents the growth in defense spending. The red represents the growth in the deficit. And we find that increases in military spending over the 10 years from 1981 to 1990 totaled $1.140 trillion while increases in the deficit over the same period totaled $1.170 trillion, or roughly the same.

As we look at this chart in the outyears, in some years we find that defense spending is staying almost level and actually outstripping growth of the deficit. In 1987, we find that defense spending grew $148 billion over where it was in 1980 while the deficit grew $97 billion in that particular year. So the growth in defense spending tracks very evenly with the growth in the deficit over that 10-year period.

I suppose you could make the point we might have been able to survive the great tax cut of 1981, the so-called supply-side tax cut, without incurring these enormous deficits if at the same time we are not involved in this very enormous increase in defense spending.

The 10-year totals show that the largest peacetime military buildup in our history was simply not paid for. It was put on the cuff, charged to the future, charged to the children that our friends on the other side of the aisle seem to be so concerned about at this very late date.

Madam President, any discussions of the origins of our deficit must also take into account the imperfect science of predicting economic growth. An increase in the revenue base due to a growing economy, that was the centerpiece of the supply-side doctrine. The temptation to exaggerate the case was overwhelming.

The PRESIDING OFFICER. The Senator has used the time allocated to him.

Mr. SASSER. I ask my friend from West Virginia if I might have an additional 5 minutes? Is the Senator running short on time?

Mr. BYRD. Madam President, I yield 5 additional minutes.

The PRESIDING OFFICER. The Senator from Tennessee may proceed.

Mr. SASSER. These inflated growth predictions, predictions in the growth of the economy that were at the heart of the supply-side era, came to be known as the original rosy scenario. I just call my colleagues' attention to the predictions that were made during those years versus the actual performance. We see in the fourth quarter of 1981 they were predicting growth of 4 percent. You actually had negative growth of 5.3 percent.

Mr. SARBANES. Will the Senator yield? Were these predictions made by the Office of Management and Budget, by the administration at the time?

Mr. SASSER. Yes, they were made by Mr. David Stockman at that time. And he confessed to this game in his now classic confessional entitled "The Triumph of Politics." In the words of Mr. Stockman,

> The difference between the explosion of real growth in 1982 that we forecast and the collapse which actually occurred is what sent all the budget numbers spinning.

So I think Mr. Stockman would agree with the assessment that they have been spinning ever since.

So, Madam President, that is where we have been. Those are the forces that have given us these intractable deficits—a great giveaway at the start of this decade by the Reagan administration primarily to the wealthiest of Americans that cost the Treasury $2 billion by the end of this decade, a $1.140 trillion military buildup over 10 years—that is $1.140 trillion more than we were spending in 1980—that not so coincidentally matched the increase in the deficit in that period, and now, today, the long, hard period of economic stagnation, the longest period of economic stagnation we have seen since the days of Herbert Hoover.

Madam President, all of these factors are profound reasons for mandating the Presidential accountability that comes to annual budgeting which is in the amendment of the distinguished President pro tempore.

As we all know, balanced Presidential budgets have been a rarity, in fact nonexistent in the Reagan-Bush era.

Now, let us take the administration's current budget proposal on the subject of fiscal prudence and deficit reduction. It is grossly deficient. According to the nonpartisan Congressional Budget Office, the administration's 1993 budget submission achieves just $8 billion in deficit reduction over 5 years. That is not even 2 percent of what we would have to do to balance the budget.

In the face of that reality, I am convinced that enforced Presidential leadership on this issue is absolutely a condition precedent to the resolution of the deficit crisis. We are simply not going to get it down with mechanical devices, in my judgment. Waiving a constitutional amendment like a magic wand may fool some, but it is not going to solve our Nation's most serious problems.

The amendment offered by the distinguished President pro tempore does something about the deficit now. Those who are proposing this constitutional amendment to balance the budget are putting it off for another 6 to 7 years.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SASSER. One additional minute.

Mr. BYRD. I yield 1 additional minute.

Mr. SASSER. I submit, Madam President, that the economy of this country simply cannot survive if we are going to wait another 5, 6, or 7 years with $250, $350, $400 billion deficits every year before we take steps to deal with the deficit.

I am proud to support the amendment of my friend from West Virginia. I think it is a splendid amendment that says, let us get on with the job right now and let us not put it off another day. Certainly let us not put it off for 6 or 7 years, which is what a constitutional amendment to balance the budget would do.

I thank the Chair and the distinguished President pro tempore.

Mr. NICKLES. Madam President, how much time remains?

The PRESIDING OFFICER. The Senator from Oklahoma has 35 minutes.

Mr. NICKLES. I yield to my friend and colleague, Senator SYMMS, from Idaho, 4 minutes.

Mr. SYMMS. Madam President, I thank the Senator for yielding 4 minutes.

Madam President, I must comment on the remarks that I just heard from the distinguished chairman of the Budget Committee, the Senator from Tennessee. In my opinion, I have never heard so much hand-wringing pessimism about the situation we are in, and a revisionist view of what happened in the eighties. I do not know where the Senator was, but what I saw happen in the eighties was a restoration of the United States of America. We now have won the cold war; the evil empire has collapsed.

We are now starting out on a new venture in the nineties, and we are going into the end of the century that offers the greatest opportunity for humankind that we have ever seen in our lifetime.

The other accomplishment of the eighties was an economy built here in the United States, on top of the one we already had, equal to the whole economy of Germany. Twenty million jobs were created, the standard of living across the board went up, we got rid of the days of double-digit interest rates and double-digit inflation rates. We got rid of the fear people held, looking into the future, that they had coming into the eighties.

We have failed in controlling spending. And I will just say to my colleague, there were opportunities to fix that, but the majority in the Congress would not go along with it. Senator HOLLINGS offered an amendment in 1981 to revise the cost-of-living adjustments. I supported him in the Budget Committee, and I supported him here on the floor. We would have still given people COLA increases but we would not have given massive increases that have consumed our budget in the entitlement spending programs. And, had we adopted that amendment we could have balanced the budget. We had a chance in 1983 when this Senator offered revisions of the entitlement programs, and they were voted down resoundingly here on the floor. So we had our chances.

Revenues have gone up since 1982 from about $600 billion to almost $1.1 trillion, but spending has gone from about $700 billion up to $1.5 trillion. That is what is wrong. Spending has outstripped growth of revenues by over 20 percent with revenues ample to run all the government we want.

So why are we now here on the floor? I just say this: I would like to praise my colleagues, Senator NICKLES from Oklahoma, my colleague Senator CRAIG from Idaho, Senator SEYMOUR from California; and others who are pushing this amendment.

I hope that the people will vote against the amendment of the distinguished President pro tempore because, if you vote for his amendment, you are voting for bigger government, higher taxes, and giving the people of America less choice and fewer chances to spend their own hard earned money and make their own choices, to decide for themselves how they should spend their worth, their savings, their money, their investment.

This is very simple to understand. If you want more government, vote for the Byrd amendment. If you would like to get this deficit under control and have a constitutional amendment that restrains the growth of government, and restrains the increased revenues to Treasury, then vote against my distinguished colleague Senator BYRD's amendment.

I would like to pay special thanks to my distinguished junior colleague from Idaho, who has been working on this issue for 10 years both in the other body and now in this body. It appears it has come to a point where we finally are going to come close to getting a vote on the balanced budget amendment. I say "close" because the distinguished majority leader was on the floor a few moments ago saying that 56 times, I believe that is correct, the Senator from Oklahoma voted against cloture. I say more power to him because 9 out of 10 times in this Congress whatever Congress is doing is usually bad for the taxpayers, and poor for the country. It usually means more government, more regulations, and less freedom for our people.

This is one time when you may have an opportunity to vote for cloture and give the people an opportunity to seek restraint on the growth of Government, and chain the Congress down with a constitutional amendment.

Madam President, to repeat, I rise in support of this balanced budget constitutional amendment. Balancing the budget is one of the most important issues facing our country. How we deal with the deficit today will determine how well our children will live tomorrow. I would like to thank all of my colleagues who have dedicated so much time and energy to making the balanced budget amendment a reality. My special appreciation goes to the junior Senator from my State of Idaho, Senator CRAIG, for his tenacious effort.

This year, the annual budget deficit will be close to $400 billion. That will push the total Federal debt to $4 trillion in 1992. In the next fiscal year, the interest on this debt alone will be the largest Government expenditure.

This is money that will not be spent on the poor, nor on education, nor on infrastructure. Rather this form of Government redistribution of wealth will be paid to those who are able to buy Government bills.

The Congress passed Gramm-Rudman-Hollings in an attempt to eliminate the deficit. But the Congress decided not to meet the Gramm-Rudman-Hollings deficit targets and instead let future generations grapple balancing the budget. Well, if Congress lets the deficit continue at its current pace, the result will be the bankrupting of the Government, jeopardizing of private wealth, financial crisis, and high inflation.

This will do more than threaten spending for critical domestic programs; it will undermine the national economy and leave the entire population far worse than they are today.

Economists will argue a balanced budget amendment has no economic rationale. But economists do not understand the politics behind budgeting and that the Congress feels it is their obligation to bring home funding to their constituents. A balanced budget amendment is the best, and perhaps only, political means to counter this congressional tendency.

Thomas Jefferson wrote "the question whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves." In other words, it is unconstitutional to tax future generations because of their present lack of representation.

Jefferson also said the Constitution must change as society changes. The Constitution grants Congress the power of the purse, but Congress has refused its fundamental priority of protecting our national solvency. Perhaps the Constitution should recognize some checks on the Congress' power of the purse are necessary.

The cutbacks that would be required by a balanced budget amendment are a political nightmare, but they are an economic necessity. And in the end, that is what good government is all about; making tough choices for the good of the Nation.

I would like to discuss the fallacy of the current economic philosophy. Thirty years ago, an assortment of politicians, economists, and businessmen discarded the conventional economic wisdom.

The beliefs held by Eisenhower and the Republican Party, that low inflation and balanced budgets were something to seek every year, were decried as mercantilist—relics of the past which stunted growth.

The new thinking of the 1960's was that Government programs could improve the overall well-being of Americans and because of this, there was no need to pay for them. Small deficits sprouted. Eventually, small deficits became accepted by legislators. This allowed more programs to be started without the funds to pay for them. Large deficits soon became the norm.

Thirty years ago, economists told legislators not to worry about the growing deficits. In the long-run deficit spending will spur the economy and it all will work out. Now, its the long-run and we have an enormous debt. Now, the economists realize the damage continuous deficits do.

But the prevailing economic philosophy refuses to die. Economists will argue big deficits are bad, yet small ones are needed to spur the economy and fund needed programs.

The columnist P.J. O'Rourke commented that Republicans are like God: "middle-aged, patriarchal rather than paternal, a great believer in rules and regulations, and He holds men strictly accountable for their actions.

Democrats are like Santa Claus: nonthreatening, cheerful, generous; He knows who's been naughty and who's been nice, but never does anything about it; He gives everyone everything they want without a quid pro quo. Santa Claus is preferable to God in every way but one: There is no such thing as Santa Claus.

I more than recognize not all Democrats believe Santa Claus can solve all the problems.

But its time to throw out the failed economic thinking of the past 30 years. Its time to realize the Government is not Santa Claus; Government cannot create economic growth and universal well-being. Only people and business can.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. I yield 8 minutes to the distinguished senior Senator from New York [Mr. MOYNIHAN].

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Madam President, I thank the President pro tempore. I would like to address a subject which has not yet reached our counsel, which it appears to me we ought to do, and that has to do with the inflationary bias which the present sequence of events is bringing about.

On Thursday, Madam President, I raised the issue why do we think there is any systemic problem in American Government that we cannot control spending and therefore have to amend the Constitution? We control spending very carefully in this country.

Thirty years ago, in the Kennedy administration, what was thought to be our biggest problem was something called fiscal drag. As the economy would come out of a recession, revenues would grow, but the Congress would not spend the money and, therefore, we would not quite reach full employment.

I noted, in 1929, the Federal debt as a percent of GDP was 55 percent. It made its way down—after going up in World War II, to 34 percent in 1979, and then doubled. Next year it will be 72.9 percent; doubled for no evident reason, excepting we know the reason. Mr. Stockman has told us. They set out deliberately to have a deficit, thinking on some theory that it would cut spending; others, that supply-side economics would raise revenue.

Mr. Stockman, while in office, realized this was not happening and began to plead with the President and his associates—he was head of OMB—to increase revenues, to do whatever was necessary to keep the deficit from getting out of control. He failed.

In his book on the failure of the Reagan revolution, he wrote—this is not an unimportant statement—about the refusal to recognize what was going on by 1983–84. He said it was a "willful act of ignorance and grotesque irresponsibility." He said.

In the entire 20th century history of the Nation there has been nothing to rival it.

I remarked that many of the reviewers of Mr. Stockman's memoirs seem to be more interested in his relations with the First Lady than this central fact, but there was one exception. David P. Calleo, professor at the University of Maryland, probably well known to the distinguished Presiding Officer, had this to say. He said:

> Few recent memoirs depict so vividly the incompetence of people in high places, or deflate so brutally expectations of rationale governance. His (Stockman's) conclusion about the essential frivolity of the Reagan fiscal policy is difficult to fault. Economists can quibble over the size and significance of past Federal deficits. But it is hard to see deficits on the present scale as anything other than the breakdown of rational government. For Mr. Stockman, the "Reagan revolution" was supposed to mean the restoration of free market capitalism through a purging of the waste and boondoggling of the postwar welfare state. Instead, as he concedes, the Administration's neoconservative rhetoric has merely been a smoke screen for a policy that has, in fact, severely crippled the free market with an impossible load of debt.

Now this, Madam President:

> Moreover, while the Reaganites have heartily chanted the appropriate incantations, not one appears to have understood a rather fundamental conservative home truth: The free market—like all other kinds of freedoms—requires an orderly framework sustained by the state and a reasonable degree of self-discipline from its participants.
>
> Above all; for a market to work efficiently—that is, for individuals and firms to make rational market decisions—

Here, I would hope the President pro tempore, my distinguished friend from Texas, and others might hear me—

> for individuals and firms to make rational market decisions—money must have a stable value. To create today's fiscal climate of colossal, wanton, and unproductive indebtedness is to endow the American political economy with an almost irresistible propensity for inflation. Societies can live well enough with inflation, as governments control and manipulate to stave off disaster, but a free market cannot.

Madam President, think about that. In the last few months, we have heard increasing references to the condition of the United States eerily resembling that of the Weimar Republic, when irresistible propensities for inflation destroys a promising democracy.

G.K. Chesterton once spoke of "the prophetic past"—that is a nice phrase—the prophetic past. We are told what happens to nations that let inflation go wild.

Increasingly we hear allusions to the Weimar past in discussions of the American present. I raised the subject myself in a commencement address at the University of San Francisco just a few weeks ago. Just today a superb issue of the New Leader arrived with a review by Richard Rorty of a new work on American politics by John Patrick Diggins. Professor Rorty writes of "Developments reminiscent of Weimar—steadily increasing middle-class insecurity combined with a steadily increasing willingness to scapegoat racial groups (not just African-Americans but Asian-Americans as well). * * * " All we need is a Weimar inflation of the kind that destroyed the legitimacy of that once promising democracy. Inflation is what did it. And after a certain point, the only way a government gets rid of its debt is to monetize its debt, which is to say to debase the currency.

Lenin once used the same term for how to destroy capitalism—debauch the currency. That is the situation we have created for ourselves. And it will become inexorable. This was foreseen 6 years ago. The prophetic past is a long notion, and it could be closer than we know.

The Senator from West Virginia says one thing: Return to sanity. Describe to the Nation and propose to the Congress what a balanced budget would be. Give it to us; we can do it.

Failing that, failing this avoidance of truth, this leakage of reality that has slipped into our affairs, and in 5 years time they may be beyond rational control, whereupon irrational purposes, irrational means, and irrational men may come to power.

Mr. NICKLES. Madam President, how much time do we have remaining?

The PRESIDING OFFICER. The Senator has 29 minutes.

Mr. NICKLES. I yield Senator COATS 5 minutes.

Mr. COATS. Madam President, the Senate of the United States has before it today a simple question: Should the Congress be required by the Constitution to balance the budget?

The American people have, or at least should have a very keen interest in the outcome of this question. The decision is urgent, because our deficit is climbing at an alarming rate. It is one of the most fundamental issues I think the Congress ought to be deciding.

Thomas Jefferson noted:

> The question of whether one generation has the right to bend another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts, and be morally bound to pay them ourselves.

It is that fundamental principle which we are seeking to debate and seeking to vote on. Unfortunately, Madam President, what we have before us today is not a direct vote on that very fundamental principle of government. We have concocted a Byzantine procedure, described roughly as a "gentleman's agreement," which does everything in its power to prevent this Senate from voting up or down, from recording themselves as yea or nay on a simple question of balancing the Federal budget.

If there is a Member of this body who can understand the so-called gentleman's agreement which was reached last week and understand how all that works, they should immediately apply for the job of Parliamentarian. I hope the Parliamentarian understands what we did. This Senator does not.

All I know is that the bottom line is that everything that was concocted last week was designed for the purpose of keeping us from voting a straight up or down on a balanced budget amendment. And we have before us now the Byrd amendment which, if it passes, will preclude this body from voting in this session up or down on a balanced budget amendment.

We have avoided a clear vote on that. An injunction as old as the Scriptures says:

> Let your yeas be yea, and your nays be nay.

That will not take place in this body today. Even if the Byrd amendment is defeated, we will then move to another procedural device called cloture, and probably not achieve enough votes to break that cloture, and this amendment will fall. The public will not have accountability on the part of its elected Senators as to where we stand on the balanced budget amendment.

Once again, we will have confused the general public. Once again, Members from both sides will be able to go home and explain a vote, but will not be able to answer the fundamental question: How did you vote on the Senate floor when the principle question of Government was presented to you? Did you vote "yea" or "nay"?

I have heard people come to the floor of the House and Senate, pound the pulpit, and call for courage: If only we had the courage—they said—we would not need to tinker with the Constitution. Courage is the only thing we lack in balancing the budget and dealing with our deficit.

Well, I ask you, Madam President, is the kind of deception that has been used to concoct a procedure whereby we will not have a direct vote on a balanced budget amendment courage? Is it courage to stop meaningful change with parliamentary tricks?

I think what we are doing is trying to confuse the public in a fog of maneuvering. We have lost the public trust. It is no wonder that we have lost it. I do not see courage—maybe complacency; maybe fear. I do not see bravery. Propose real reform, and Congress flees in terror. Propose a balanced budget amendment, term limits, line-item veto, and Congress does everything in its power to avoid addressing the fundamental questions.

Is it courage to keep every bit of our power to shower States with useless pork, to give money to every special interest, money we do not have? Is it courage to fight every reform that might possibly make a difference?

I do not think there is courage in defending the unworkable status quo, or grabbing that extra bit of cake, or trying to boldly stay where everyone has stayed before.

Courage is not an elastic term. It means sacrifice for a higher goal, and this Congress seems unwilling to sacrifice anything, none of its abused power, none of its deficit spending, none of its unreasonable pork, even when our future is at stake.

This I suggest, Madam President, is not the courage that we need.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Madam President, I yield to my friend, the Senator from Texas, 3 minutes.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Madam President, let me begin by propounding a parliamentary inquiry. Under the unanimous-consent agreement now in effect, is it not true that if the Byrd amendment is adopted that the underlying balanced budget amendment to the Constitution which would at that point be amended by the Byrd amendment, must then be withdrawn and leave only the GSE bill, which would then contain neither the balanced budget amendment nor the Byrd amendment?

The PRESIDING OFFICER. That is what the agreement provides for.

Mr. GRAMM. So that if Members vote for the Byrd amendment, they are not in reality voting for an amendment that would be part of the final bill that would be voted on after the Byrd amendment was approved. Is that not the case?

The PRESIDING OFFICER. The Chair is consulting the Parliamentarian to assure there is accuracy and no objection.

If the Byrd amendment is agreed to its content is essentially the same as the GSE bill. So in agreeing to the amendment you do agree to the Byrd amendment and the substance of the GSE bill as it existed before the Nickles amendment was put forth.

Mr. GRAMM. But further, a parliamentary inquiry, Madam President, none of the features in the Byrd amendment related to the President submitting a balanced budget amendment, or those provisions related to Congress acting to move toward a balanced budget would be part of the bill that would remain and upon which we would vote?

The PRESIDING OFFICER. This would not be part of the bill that remains.

Mr. GRAMM. So in reality, under the unanimous-consent agreement, the adoption of the Byrd amendment would have the same effect as the adoption of a motion to table and kill the underlying balanced budget amendment to the Constitution?

The PRESIDING OFFICER. It would have the same effect.

Mr. GRAMM. So, Madam President, I am not going to argue with anybody who says they do not want a balanced budget amendment to the Constitution. That is a fundamental difference as to what kind of vision you have for America's future. If you like the status quo then you are against the balanced budget amendment to the Constitution. I do not like the status quo. I would like to change dramatically American Government.

I would like to start a revolution in American Government to control spending, to balance the budget, so I am for the balanced budget amendment.

But the point I want to make, which is a very important point, is the choice here is not between the Byrd amendment——

The PRESIDING OFFICER (Mr. BRYAN). The Chair will inform the Senator from Texas the 3 minutes allocated to him have expired.

Mr. NICKLES. I yield to the Senator 2 additional minutes.

Mr. GRAMM. So the choice before us here is not a choice between the balanced budget amendment and the Byrd provision related to the President's submitting a balanced budget and Congress acting on it. None of that language under the unanimous-consent agreement will survive in the bill even if the Byrd amendment is adopted. Adoption of the Byrd amendment is effectively exactly equivalent to adoption of a motion to table and kill the balanced budget amendment to the Constitution.

So that if you vote for the Byrd amendment you cannot go back home and say I was for the President's submitting a balanced budget. You cannot say that the impact of my vote was to force the President to submit a balanced budget and to force Congress to act on that budget. That will not be the effect of the adoption of the Byrd amendment, because the unanimous-consent agreement says if the Byrd amendment is adopted, then the underlying balanced budget amendment must be withdrawn and, therefore, in reality a vote for the Byrd amendment has the effect of killing the underlying balanced budget amendment to the Constitution.

So if you are for the balanced budget amendment to the Constitution your vote is very clear. You should vote against the Byrd amendment which is equivalent, under the unanimous-consent agreement, to a motion to table and kill the underlying balanced budget amendment to the Constitution.

So I think the choice is clear. I hope our colleagues will vote against the Byrd amendment. I then hope they will vote for cloture to give us an opportunity to vote on what I believe is the number one issue facing the country, the balanced budget amendment.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. How much time remains on my side?

The PRESIDING OFFICER. The Senator has 18 minutes and 48 seconds.

Mr. BYRD. How much time remains to the other side?

The PRESIDING OFFICER. Eighteen minutes and three seconds.

Mr. BYRD. I thank the Chair. How much time does the Senator from Michigan wish?

Mr. LEVIN. Eight minutes.

Mr. BYRD. I yield 8 minutes to the distinguished Senator from Michigan [Mr. LEVIN].

The PRESIDING OFFICER. The Senator may proceed.

Mr. LEVIN. Mr. President, I thank my friend from West Virginia.

Like the Senator from Texas I, too, want to change the status quo. It is not acceptable to me. But I oppose the Nickles amendment because I think it will actually worsen the deficit situation rather than help it.

Why will this constitutional amendment be a false step toward deficit reduction?

First of all, during the years prior to the effective date, Members of Congress would be able to point to the constitutional amendment as the sign of Congress' determination to balance the budget, in the future, of course. Many Members of Congress could say, "things may be a mess now but do not worry, things will get fixed up when the Constitution forces the Congress to balance the budget," in the future, of course. But when that future finally arrives, after years and years of more deficits, this balanced budget amendment, so-called, can be easily circumvented.

So, this amendment takes Congress and the President off the hook for many years. But once the amendment is in effect, there is no hook, because of the loopholes in the amendment.

For instance, the committee report that supports this amendment casually notes that the term "fiscal year" in the amendment is intended as a term defined by statute and "has no constitutional standing independent from its statutory definition."

So, when faced, for example, with a budget that is hopelessly out of balance for the normal 12-month timeframe, the President and the Congress may maintain that the path of least resistance is to redefine "fiscal year" to be 11 months or 13 months. Congress could decide to have billions of dollars saved by shortening the fiscal year by 1 day, so that the payday for Federal employees falls into the following fiscal year.

The terms of the amendment would be technically met, the budget would be balanced in the fiscal year, but at the expense of increasing public cynicism and frustration that contributed to the demand for the amendment in the first place. Gimmicks like this are allowed under this amendment, and they were used to partly circumvent the Gramm-Rudman statute which we tried. As long as the constitutional amendment has this soft underbelly that relies on statutory definition for implementation, there is no reason for confidence that its constitutional status will make a difference in the deficit.

Take another example of this flaw in the constitutional amendment before us, this flaw of relying on Congress to implement the amendment. When speaking of the amendment's requirement that the President propose a budget in which total outlays do not exceed total receipts, the committee report supporting the amendment states, again, apparently with a straight face, "The committee anticipates good faith on the part of the President with respect to projected economic factors."

But what is there about the deficit decade of the 1980's that would give us confidence in the good faith of future administrations' economic forecasts? To the contrary, we always should remember the following passage from Stockman's book, "The Triumph of Politics"—Stockman, President Reagan's budget director—in which he described how the economic forecasts in the first budget submitted by President Reagan were developed to achieve political goal, not economic accuracy. Here is what he said:

> Professor Weidenbaum, who was Chairman of the Council of Economic Advisers, "unfurled his scenario."
>
> Someone finally taunted the professor.
>
> "What model did this come out of, Murray?"
>
> Weidenbaum glared at this inquisitor a moment and said, "It came right out of here." With that he slapped his belly with both hands. "My visceral computer." He smiled.

Well, what is it in this proposed constitutional amendment that prevents the Weidenbaum visceral computer from reemerging as the President's economic forecasting device? Nothing.

Maybe the proposed constitutional amendment should be modified to add the phrase, "Provided that these estimates allowed herein are not based on Murray Weidenbaum's visceral computer."

Paper deficit reduction through estimates is clearly possible under the actual words of the Nickles amendment itself.

Section 6 of the amendment states:

> The Congress shall enforce and implement this amendment by appropriate legislation which may rely on estimates of outlays and receipts.

How amazing it is that the constitutional amendment is offered because of lack of confidence in the Congress when the very language of the amendment relies on Congress to implement it and when there are so many loopholes that are open to a President and the Congress to evade it.

This constitutional amendment will give us an excuse not to act until years from now by its own terms. The history of politics of deficit reduction suggests that Congress and the President would be off the hook until then. And because of the loopholes even after its ratification, there is no hook after that.

The Byrd substitute calls for some Presidential action now, and this action is long overdue. The amendment offered by the Senator from West Virginia would call on the President to do what he already has the power to do but what he has totally failed to do during his term of office. It would call on the President to submit a plan by September 1 on how he would balance the budget by September of 1998. And it would do so without amending the Constitution.

It would be mighty useful, Mr. President, for the President of the United States to lay out the kind of program cuts and/or revenue increases that he would recommend in order to achieve a balanced budget. By requiring that the President lay out a plan to balance the budget or by at least saying that the President should lay out a plan to balance the budget by September 1, the Byrd substitute would call for a Presidential road map to fiscal responsibility and a healthy dose of that responsibility is long overdue.

Mr. President, if there is any time remaining, I yield back the remainder of my time, and I thank my friend from West Virginia.

Who yields time?

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I yield my friend and colleague from California, Senator SEYMOUR, 5 minutes.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. SEYMOUR. I thank the Chair.

I would like to address the specific amendment that we are about to vote on because the debate is wandering here, there, and everywhere.

I would like to point out in reading the amendment—it is not lengthy, it is 2½ pages long—on the first page it says, line No. 1, "In lieu of the matter proposed." "In lieu of the matter proposed," Mr. President. The matter that is proposed is the balanced budget amendment.

So the first thing we have to understand about the President pro tempore's amendment is that it is in lieu of the balanced budget amendment.

The second thing I want to point out is that this amendment requires a balanced budget plan on page 2, lines 24 and 25, which directs the President to submit not later than September 2, 1992 a 5-year deficit reduction plan.

I have heard from my colleagues on the opposite side of the aisle, again and again blaming the President for not proposing a balanced budget plan a long time ago and suggesting that if we pass this amendment, he will propose one.

Well, Mr. President, I do not know. Maybe I read some things differently than other Members of the Senate. But here it is. This is the plan. And it has been around for some time. In fact, it is dated May 6, 1992, presented as testimony to the House Committee on the Budget by Richard Darman, Director of the Office of Management and Budget. This is the President's plan, in fact, to balance the budget in 5 years.

And so what do we get out of this amendment? Nothing; absolutely nothing.

Finally, for those who might be considering voting in support of this amendment, who are concerned about raising taxes on the people of America, and who are particularly concerned about raising taxes in tough economic times—times when you least want to take more dollars out of the taxpayers' pocket. Line 10 of page 3 of this amendment we are about to vote on requires, it does not say you may, it says the plan "shall," "shall consist of increases in revenues." Well, we all know revenue mean taxes.

So I suggest what this amendment is a sort of shell game—and I must applaud the Senator from West Virginia, because this amendment is pure genius, pure genius—because on one hand this amendment suggests that it will get you to a balanced budget by directing the President to do something which he has already done. On the other hand, it does not say to Congress, you have to do anything. You do not have to do a thing. The President, if he should submit this plan the second time in accordance with this amendment, should it pass, the Congress does not have to respond, just as it has not responded to this plan.

You know, Mr. President, as I listen to the blame being spread around: "It is the fault of previous Congresses"; "It is the President's fault"; "No, it is the Democrats' fault"; "No, it is the Republicans' fault." I can't help but be reminded of a group of children.

My wife Judy and I have six children. As many of my colleagues know, I frequently talk about them. This debate reminds me of a time when my wife and I had come home from the grocery store and we noticed, as we drove up in the driveway, that there was a huge hole in the front window. It was obvious to me that a ball had gone through it. Four of our six children were in the family room watching television. I walked in. I do not mind saying I was a bit angry. I said, "Who threw the ball through the window?" And each one of the four kids said, "Not me. I didn't do it. I am not responsible."

And that is what this sounds like to me. "The reason we do not have a balanced budget is not by fault. I did not do it. I am not responsible.

Well, the truth of the matter is, Mr. President, we are not fooling anybody with this amendment. The genius of this amendment is that it really creates a fog.

The PRESIDING OFFICER. The Chair would point out to the Senator from California that the 5 minutes allocated to him have expired.

Mr. NICKLES. Mr. President, I yield the Senator an additional 2 minutes.

The PRESIDING OFFICER. The Senator may proceed.

Mr. SEYMOUR. Thank you, Mr. President.

This amendment is deceptive. It creates a political cover for those who want to say, yes, I voted for something demanding a balanced budget. But it does absolutely nothing. As a matter of fact, as the distinguished Senator from Texas pointed out, should this amendment pass, the fact of the matter is that the balanced budget amendment will be withdrawn and we will proceed to the business of the day.

Let me finally conclude by raising the question, trying to answer it very quickly, what is the magic of a balanced budget amendment. For some people, they seem to think that the Federal Government is something special, that somehow we can continue to have deficit after deficit after deficit and somehow thrive as a competitive nation.

Well, Mr. President, there is no magic. You can only spend more than you bring in for so long whether you are a private citizen; city; county or State; or even the Federal Government, you will be faced with the same problem—and that is where we are headed, into bankruptcy, leaving a rich legacy for our children and grandchildren—one of debt.

In fact, such a large debt that it is projected by the year 2020 at the current rate of spending every man, woman and child will be taxed $4,000 per year to pay the interest, Mr. President, on this debt, just the interest, $4,000 per person by the year 2020.

So, Mr. President, the insanity must end. The addiction must be cured. In order to cure this spending addiction, we need restraint, we need self-discipline, and that is why we must pass a balanced budget amendment.

I yield the floor.

Mr. CRAIG. Mr. President, I understand that after I left the floor some time earlier, the Senator from Maryland [Mr. SARBANES] raised a question about a reference I made to Harvard legal scholar Laurence Tribe. I appreciate the Senator's desire for a clarification and I don't want to take up valuable floor time over dueling quotes. We're both right and I'd like to include comments to that effect in the RECORD.

I am well aware that Professor Tribe appeared before the Senate Budget Committee in June as a witness opposed to most of the formulations of the amendment. But I think it's worth far more than a footnote that, in his own words, Professor Tribe has changed his mind about such an amendment at a conceptual level.

He now believes that an amendment requiring balanced budgets is the kind of provision that is appropriate to the Constitution. He now believes that such an amendment would protect the kinds of rights that are appropriate for Constitutions to protect. He now believes that the deficit-and-debt problem is serious enough to warrant the extraordinary step of considering a constitutional solution. This is a fundamental change of opinion and I stand by my earlier statement that such a change represents the crumbling of an intellectual pillar long—and formerly—lending support to the other side's arguments.

In fact, Professor Tribe said, "I reluctantly conclude that none of the proposed balanced budget amendments could be included in the Constitution without unacceptable adverse consequences * * * ."

In the spirit of clarification, I offer for the RECORD the portion of Professor Tribe's testimony from which I earlier quoted.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT FROM TESTIMONY BY LAURENCE H. TRIBE, TYLER PROFESSOR OF CONSTITUTIONAL LAW, HARVARD LAW SCHOOL, BEFORE THE SENATE BUDGET COMMITTEE, JUNE 4, 1992

At the outset, let me make clear that, despite the misgivings I expressed on this score a decade ago, I no longer think that a balanced budget amendment is, at a conceptual level, an ill-suited kind of provision to include in the Constitution. The inherent weaknesses of the current budget process have been well documented by public choice theorists and others: in a sort of national "prisoner's dilemma," citizens cry out for limiting aggregate spending but are unwilling to restrain specific spending programs that carry clearly identifiable benefits for their communities; they sometimes concede the need to raise tax levels generally but are strongly opposed to tax measures that carry clear costs for their segment of the population. Cut any program but mine; raise somebody else's taxes. Thus, although the citizenry as a whole would profit if the deficit were reduced, even through higher taxes or lower spending, the deficit continues to grow. As many have observed, the very purpose of a constitution is to pre-commit ourselves to certain choices and institutional arrangements that will promote our long-run best interests and help us resist the temptations of the short term—just as Odysseus bound himself to his ship's mast so that he would be able to withstand the Sirens' song.

Furthermore, the Jeffersonian notion that today's populace should not be able, by profligate borrowing, to burden future generations with excessive debt does seem to be the kind of fundamental value that is worthy of enshrinement in the Constitution. In a sense, it represents a structural protection for the rights of our children and grandchildren. Given the centrality in our revolutionary origins of the precept that there should be no taxation without representation, it seems especially fitting in principle that we seek somehow to tie our hands so that we cannot spend our children's legacy. Hence, I salute those like Senator Simon who have worked, with only the best of intentions, to bring the balanced budget issue to the Senate's attention.

Mr. CRAIG. The professor may disagree with those of us who support the amendment as to how it would work, whether it could be enforced, whether it could be sufficiently flexible, whether the roles of the branches of government would be changed, and whether the courts would be drawn into the budgeting process.

Reasonable persons can disagree on the operation of such an amendment; but we welcome Professor Tribe's change of heart in that he now agrees with us "conceptually" and opposes the amendment only "reluctantly".

We who support the amendment, who have, in fact, participated in drafting and revising it over the years, have taken cognizance of the reasoned questions and reservations such as those of Professor Tribe.

The concern has been raised about the enforceability of the amendment. I understand that, upon questioning by the respected ranking minority member of the Budget Committee, Professor Tribe and another opposition witness, Prof. Walter Dellinger of Duke Law School, both said that—at that time—House Joint Resolution 290, the Stenholm amendment was more enforceable than Senate Joint Resolution 18 as reported, because of the requirement of a three-fifths vote to increase the debt limit. When the principal sponsors and supporters of both leading versions met prior to consideration by the other body, the Senators involved accepted the debt limit language into the final, "bipartisan, bicameral consensus" version.

Earlier on this Senate floor, I inserted into the RECORD an analysis by the Lincoln Legal Foundation addressing the issue of the role of the courts in enforcing the amendment. It is both the considered opinion of the amendment's authors, and their intent—and that's what this debate is about, in significant part, establishing congressional intent in approving this amendment—that the role of the courts would be limited.

We believe, based upon precedent and the scholarly interpretation of other witnesses and commentators, that standing to sue would be extremely limited; that most cases would be disposed of summarily as nonjusticiable, political questions; and that the judicial power would not extend beyond, in the words of Chief Justice Marshall in Marbury versus Madison, "say[ing] what the law is", and preventing execution of unconstitutional acts of Congress or executive actions.

To further clarify the intent and operation of the balanced budget amendment, in the bipartisan, bicameral consensus version, a new section 6 on enforcement was added. Last week I offered for the RECORD a detailed, section-by-section analysis of the consensus version, as well as explanatory materials in question-and-answer format, that, among other things, addressed questions of enforcement and implementation. I would like to insert into the RECORD, again at this time, the portion of the section-by-section explaining section 6.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Section 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

This section requires the adoption of legislation necessary, appropriate, and reasonable to enforce and implement the Balanced Budget Amendment. There is no need—and arguably it would be a bad idea—explicitly to foreclose the possibility of judicial interpretation or enforcement. However, this language further tilts presumptions of such responsibility toward extremely limited court involvement. This language also is intended to prevent the possibility of an interpretation that could shift the current balance of power among the branches in favor of the Executive.

Detailed analysis

"*The Congress shall enforce and implement.* . ." differs from clauses included in several other amendments that state, The Congress *shall have power to enforce.* . . ." This latter clause has been employed only where there was concern that the question could arise as to whether Congress had the power to pre-empt state laws or constitutions or was venturing impermissible beyond its constitutionally enumerated powers and into the rights reserved to the states or the people.

Here, no such question of pre-emption is conceivable. Congress clearly *has* the power to enforce and implement this Article, under the "necessary and proper" clause in Article I, Section 8, which states: "The Congress shall have power . . . To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof."

This section creates a positive obligation on the part of Congress to enact appropriate implementation and enforcement legislation. As a practical matter, this language simply requires what is inevitable and predictable. It is a simple statement that, however well-designed, a constitutional amendment dealing with subject matter as complicated as the federal budget process *needs* to be supplemented with legislation. It is a means of owning up to the truth in the arguments made by many Members of Congress—both supporters and opponents—that Members must expect to do more than cast this one vote to pass this one amendment, to ensure that deficits are brought down and, ultimately, eliminated.

The inclusion of a positive obligation to legislate does not make the Article more difficult to enforce, nor is it without precedence in the Constitution. Article I, Section 2, Clause 3 provides: "Representatives and direct Taxes shall be apportioned among the several States . . . according to their respective Numbers, which shall be determined by . . . [an] actual Enumeration . . . made within three years . . . and within every subsequent Term of ten Years, in such Manner as they shall by Law direct. . . ." The critic who today asks, "What if Congress just *doesn't* enact implementing and enforcing legislation?" would be the counterpart of the critic who might have asked in 1787, "What if Congress just *doesn't* authorize or appropriate for a Census, if, in their own self-interest, they don't want the current apportionment to be changed?" In this case, it manifestly would be in Congress' own best interest to enact legislation ensuring a complete and clearly-defined budget process consistent with the Balanced Budget Amendment.

"*. . . which may rely on estimates of outlays and receipts.*" This phrase allows Congress the flexibility in explicit language that it will need in practical effect, to make reasonable decisions and use reasonable estimates, when appropriate, as a means of achieving the normative result required in Section 1. To some extent, this phrase, too, states the obvious, that the process of budgeting and taxing and spending inevitably involves relying on estimates. "Estimates" means good faith, responsible, and reasonable estimates made with honest intent to implement Section 1 and not evade it.

The estimates contemplated in Section 6 do not apply in any way to a determination of the amount of debt referenced in Section 2. "Debt" there means actual, not estimated, debt.

Section 1 provides the standard by against which compliance with the amendment is measured. Section 6 clarifies that implementation and enforcement legislation may provide for the use of reasonable and appropriate estimates in the process of complying with Section 1. Section 6 is intended to support, strengthen, and aid the effectiveness of the other provisions of the amendment. This provision also will provide additional insurance against intrusion by the courts into the finer details of questions of compliance with the amendment.

Section 6 must not be interpreted in any way that would weaken or allow evasion of any other provision of this amendment. Over the course of the fiscal year, outlays may not exceed receipts. To the extent that any reasonable and lawful action can be taken to prevent an excess, it must be taken. On the other hand, for example, a brief dip in receipts or jump in outlays need not trigger a sequester, rescission, or other offsetting action if there it is reasonable to assume that such a "glitch" will be offset naturally in the near-term by normal economic or budgetary fluctuations.

In order to allow for an unexpected shortfall of receipts or an unexpected increase in outlays without triggering a three-fifths debt vote under Section 2, it would be necessary that the actual debt held by the public be held below the debt limit, by a sufficient amount to offset the amount by which actual receipts or outlays may differ from estimated receipts or outlays.

It also should be noted that outlays are both more predictable and more controllable than receipts. Therefore, the handling of outlays necessarily must be held to a stricter standard than the treatment of receipts. To be more specific, of course, is difficult until the actual design of implementation and enforcement legislation emerges. In all cases, the standard to be applied to the accuracy and adjustment of estimates is to be a rule of reason.

Changes from H.J. Res. 290/S.J. Res. 298, as introduced

Subsection 6 is a new section. It was added to this substitute in part to clarify the role of Congress in the implementation and enforcement of the amendment, in part to require the enactment of such legislation, and in part to clarify that whatever process Congress enacts to enforce this amendment may provide for the use of reasonable estimates.

It is also the intent of this provision to allow the use of a single level of total estimated receipts for a fiscal year, enacted into law at the beginning of the budget process, as the fixed target amount which outlays throughout the fiscal year may not exceed. In other words, Section 6 is intended to allow Congress to enact into law the process of measuring actual outlays against a fixed receipts estimate in the same way that was outlined in H.J. Res. 290 as introduced. Nothing in H.J. Res. 290 as introduced would have prvented Congress from imposing a more stringent process of measuring actual outlays against constantly-updated receipts estimates throughout the fiscal year. Section 6 of the substitute is no more and no less restrictive in this regard.

Changes from S.J. Res. 18, as reported:

Section 6 is a new section.

Mr. CRAIG. I want to reiterate the clear understanding and intent of the authors that section 6 further clarifies that a strictly limited role is contemplated for the courts—which leaves no room for judicial budget-writing—and that the current balance of power among the branches is preserved.

This argument, with regard to the responsibilities and powers of the President, was carried forward in a question-and-answer exchange between the chairman of the House Budget Committee and Representative STENHOLM, the chief sponsor of the House amendment, and in the materials I submitted last week; I would like to enter a brief portion of each into the RECORD at this point, respectively:

Q. What does the gentleman contemplate with respect to the issue of whether the amendment gives the President impoundment authority?

A. The amendment does not broaden in any way the current powers of the President. Absent some other process being legislated, the President would have the same non-discretionary duty to order that no funds be disbursed from the Treasury, at the point in time when actual outlays would otherwise exceed the maximum amount allowed, just as the President has such a duty today in the event appropriations have not been enacted in time to keep programs going. This does *not* envision in any way any sort of discretionary impoundment power on the part of the President or courts. The President could not order that funding for certain programs be halted while allowing funding to continue for other programs.

Q. Doesn't H.J. Res. 290 imply that the President would have enhanced powers to block spending based on a pretext of unconstitutionality?

A. A frequent criticism of previous BBA proposals has been that the President is not brought into the budget process sufficiently to share the responsibility of governing and the blame of impasse, although the President can criticize the Congress that "holds the purse strings." H.J. Res. 290 recognizes the accepted role the President has played under statute since the 1920s, by requiring the President to submit a balanced budget. The President must also share fiscal and political responsibility with Congress for H.J. Res. 290's joint receipts estimate. But beyond the role in that new joint estimate, H.J. Res. 290 does not broaden in any way the powers of the President. On the other hand, it does make the President more accountable for how the budget process proceeds.

Finally, I believe the record is ample and convincing that the enforcement and implementing language of section 6, and the reasonable supermajority hurdles in the amendment for running deficits, increasing the debt limit, and raising taxes, and the language allowing waivers during time of war or imminent military threat, provide an appropriate amount of flexibility.

I'm happy that Professor Tribe has come part of the way toward supporting the balanced budget amendment. We only disagree over the design and the particulars, not over the fundamental question of whether this amendment seeks to protect the kind of rights that ought to be protected in the Constitution. I'd like to see him come the rest of the way and maybe he still will. I'd like to see him join the ranks of other full-fledged converts, diverse converts, ranging from Michael Kinsley to George Will, from the Philadelphia Inquirer to the Washington Times, and from HENRY HYDE to JOE KENNEDY, among our colleagues in the other body.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. Mr. President, I note the Senator from Arizona is on the floor. How much time does the Senator request?

Mr. DECONCINI. If the Senator will yield me 3 minutes, that will be sufficient.

Mr. NICKLES. I yield 3 minutes.

The PRESIDING OFFICER. The Senator from Arizona [Mr. DECONCINI] is recognized for 3 minutes.

Mr. DECONCINI. Mr. President, I rise in opposition to the pending amendment. I do so with the greatest respect for the President pro tempore and chairman of the Appropriations Committee and his intention here to bring about fiscal responsibility through his amendment. Indeed, if his amendment became the law of the land and, indeed, became effective and was not repealed by future Congresses and agreements that we have constantly seen put into effect here—yes, it would be a viable alternative to a constitutional amendment.

The fact of the matter, as I see it, is that we need a constitutional amendment to balance the budget. The Senator from West Virginia has presented his views in opposition to that amendment in a most eloquent manner, as he always does. He has expressed his view that this is a mistake and the amendment is flawed and that we should not proceed in this manner, and he gives the arguments in favor of other alternatives.

With all due respect, I think the argument bodes so well for us to pass a constitutional amendment. And, in fact, if we do that, we can come back and pass the Byrd amendment and we can mandate a balanced budget legislatively, in addition to the amendment.

What we really have here from the Republican side—who have offered this amendment—is a political statement. I happen to agree with the principle behind that statement. But I do not appreciate the politics that is played here for the purpose of trying to see how many votes you can pick up and what you can do with them, either towards your fellow Senator who is running for public office, or what the challenger might do with them. I understand that. The American public should understand what is going on here.

Nevertheless, there is a principle in addition to the politics. And, on our side here—if you want to call it our side—at least on the Byrd side of it, there is a principle, too. Strong legislation that would bring about the President submitting a plan for a balanced budget and Congress having to have the heat put on them to do the same. This is a workable solution. Not an alternative—in this Senator's judgment, at least—to a constitutional amendment, but a solution if we could pass it, if it could become law.

But there is politics here as there always is in this body. We like to think when our amendments are being considered they are based on statesmanship and what is good for the country.

Mr. President, since coming to the Senate over 15 years ago, I have continuously sought the support of my colleagues in passing a balanced budget amendment.

Had a balanced budget amendment passed during my first year in the Senate, the gross national debt would be approximately $900 billion. Instead, the deficit alone is expected to reach $400 billion this year and the debt will reach over $4 trillion by 1993.

Since 1975, the amount of money spent annually to help defray rising interest costs on the debt has doubled. In 1975, 7 percent of the Federal Government's total outlays went to interest payments. This equaled roughly $23 billion.

In 1990, this number jumped to over $184 billion or 14.7 percent of total outlays. The projections for 1995 indicate that this amount will grow to an unprecedented $242 billion in net interest payments, some 15.8 percent of outlays.

These are billions of dollars that should be spent on reducing taxes or on vital domestic programs like health care, drug treatment, and new roads and bridges. We are spending way too much of taxpayer money to pay off our cumulative past debts instead of investing in our future.

Few in Congress would dispute the need to control deficit spending. Between 1960 and today, this Nation has experienced a budget surplus twice. In 1960, we saw a surplus of $301 million and in 1969, a surplus of $3.2 billion. However, that is the end of the good news.

Since 1969, with the exception of the years 1987 through 1990 when the increase in the deficit slowed, the annual deficit has grown larger every year. The deficit of 1986 was a record $221 billion.

In 1991, an all-time record deficit was set at $260 billion. Unfortunately, that record will be surpassed this year with a projected deficit of $400 billion. The 1990 budget agreement estimated the deficit would be $262 billion in 1992.

Thus, despite our best efforts to control spending, we will spend $138 billion more than was intended under the 1990 budget agreement.

If a balanced budget amendment is not passed, these deficits will continue to grow and our children and their children will have to pay the tab.

Time after time, Congress has passed laws with the goal of controlling deficit spending and balancing the budget. Every one of these attempts has failed.

As a result, many of my colleagues are recognizing that the only long-term solution is a balanced budget amendment.

A constitutional amendment is needed because legislative rules can always be waived and the next Congress can always overturn the procedures and/or laws of its predecessors.

However, if Congress adopts and three-fourths of the States ratify, this amendment will become part of the fundamental law of the land affecting all future generations.

Despite my support for the amendment before us today, I strongly disagree with the partisan nature of the current consideration of the balanced budget amendment.

Bringing the amendment to the floor at this time is, I believe, a partisan effort to kill it and blame it on the Democrats.

Those of us on the Senate Judiciary Committee who worked for months to have the balanced budget amendment considered, believed it was important to focus the debate on the substance of the need for such an amendment and not the political ramifications.

The House voted on a balanced budget amendment on June 11 where it failed short of the two-thirds majority by nine votes.

After the House vote, Senator SIMON, the principal sponsor of Senate Joint Resolution 18, the Senate version of the balanced budget amendment, decided to postpone action on the amendment until the next Congress. He believed, and I agreed, that it was highly unlikely that there would be enough votes to change the outcome in the House.

While the House rule provides for the immediate consideration of a Senate-passed measure, Congressman STENHOLM has indicated he has no intention of invoking his prerogative under the rule unless he receives assurances from 12 House Members that they will change their vote and support the measure.

Twelve cosponsors of the House measure voted against the amendment and Representative STENHOLM wants a clear indication that the amendment will pass before he agrees to act on any Senate version. In this highly partisan election year and the limited time remaining before adjournment, this seems highly unlikely.

Because of my longstanding commitment to this issue and strong belief that this country needs a balanced budget amendment to the Constitution, I intend to vote for the amendment.

Nevertheless, I believe the efforts today jeopardize rather than enhance the possibility of a balanced budget amendment becoming part of our Constitution.

I do not support the motives behind today's debate. Clearly a bipartisan effort to enact a balanced budget amendment is preferable.

The PRESIDING OFFICER. The Chair informs the Senator the 3 minutes allocated to him have expired.

Mr. NICKLES. I yield the Senator an additional minute.

Mr. DECONCINI. Mr. President, to wind this up, I believe the facts are that somebody has to decide when principle is more important versus the politics. Quite frankly, I toss the politics out when it comes to the awful debt problem we have in this country and that is why we need a balanced budget. So I am for the Byrd amendment on its own. And I am for the Nickles because it is a very important principle. I am going to vote against the Byrd amendment and then, I hope, if it is defeated, we will see a strong effort to bring it back up later on this Congress.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. Mr. President, how much time is remaining to both sides?

The PRESIDING OFFICER. The Senator from Oklahoma controls 6 minutes and 40 seconds.

Mr. NICKLES. Mr. President, I have several of my colleagues who wish to speak. The Senator from Florida requested 2 minutes.

Mr. President, I yield the Senator 2 minutes.

The PRESIDING OFFICER. The Senator from Florida [Mr. MACK] is recognized for 2 minutes.

Mr. MACK. As I was sitting here, I found myself getting more and more frustrated, and I wondered how I could possibly express my frustration. It dawned on me this is almost an instant replay of 9 years ago when I first came to the Congress. I was assigned to the Budget Committee as a freshman. And, it may be unknown to my colleagues on the other side of the aisle, but Stockman and Feldstein and Regan told us in 1983 that we were going to experience deficits of $200 billion or greater every year for years to come. I thought for sure that would wake everybody up.

But I was so surprised and shocked when I walked on the floor, for my first vote on the budget when the first person who came through the door after the bells went off said, "What are we voting on; what are we here for?"

I feel like no one has awakened in the last 9 years. I am worried about the future of our country. People on the other side of the aisle, people around the Nation tell us about the fear people feel today about what might happen if we pass a balanced budget amendment. They say it is going to take away people's programs.

Let me make this warning. If we experience in the 1990's interest rates like we experienced in the 1970's, the cost of carrying our debt will go from 15 percent of our annual spending, where it is today, to somewhere between 35 and 40 percent. Think about that for a moment.

What is that going to do to our ability to make decisions with respect to Government programs? If we do not act now, the slow increase in the cost of carrying the debt will take away our flexibility. One thing I learned in the business community before I came here, was that successful companies plan flexibility into their financial plans. The Congress' failure over the past 9 years to deal with this issue has taken away America's flexibility and we will not be able to sustain our economy and our country for the next shock that comes up.

I thank the Senator for yielding me the time and yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. I yield my friend and colleague, Senator D'AMATO, 2 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 minutes.

Mr. D'AMATO. Mr. President, if we do not get our financial house in order and if we do not have a balanced budget amendment to force us to do that which we do not have the courage to do, then we can say, oh, yes we will, but we have not, and we will not. We cannot stand up to the special interest groups when they come marauding in. Forget it—we collapse. It is like a bowling alley. Throw the ball down and knock the pins down. We are like the pins, right down. If we do not get our fiscal house in order, forget about the economy and economic recovery.

You wonder why business cannot compete? Because they cannot get the money. Government is out there sucking it up first. You wonder why the interest rates are high? Because they are worried about our spending, spending—who is going to finance the deficit?

One of these days the international financing community and the Japanese and others will tell us what we cannot or can do. We will become a third-rate economic power. And then let us talk about what the unemployment will be. That is what we are talking about here. We are talking about the future of this country and our economy. We do not have the ability to stand up and make the tough decisions. We need a balanced budget amendment and I commend my colleagues for sponsoring this legislation. It is long overdue.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Oklahoma controls 2 minutes and 44 seconds; the Senator from West Virginia controls 10 minutes, 58 seconds.

Mr. NICKLES. Mr. President, I yield the Senator from Mississippi 2 minutes.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 2 minutes.

Mr. LOTT. Mr. President, as we near the end of this debate, I think it is important once again that we emphasize exactly what we are dealing with. First, I urge my colleagues to vote against the Byrd amendment, because, as a matter of fact, this is about as close as we are going to get to an actual vote on the balanced budget amendment. That is it. It is a very important vote.

This amendment is drawn in such a way that, if it is agreed to, as has already been pointed out, it takes down the constitutional amendment and, as a matter of fact, it would go out of existence, too. But this is the vote on the balanced budget constitutional amendment. Make no mistake about it. This will be the only one we will really be able to refer to and say it made a difference.

I think Presidents should submit budgets to the Congress and submit budgets that are balanced. But what does the Congress do with the budgets that are submitted by Presidents now?

They kick it around, laugh at it, throw it out in the street and ignore it, and go on and do what the Congress wants to year in and year out. But this amendment would not only require the President—it says "shall" send this balanced budget amendment. And then it says "shall" reduce the deficit by cutting spending in discretionary programs and in the entitlement area, but also by increases in revenues. Not "may"; the President would not have the option. He would have to come forward with a balanced budget that included increases in revenue.

The PRESIDING OFFICER. The Senator's time allocated to him has expired.

Mr. LOTT. Mr. President, I urge defeat of the Byrd amendment.

Mr. DOLE. Mr. President, I yield 2 minutes of my leader time.

Mr. LOTT. I thank the distinguished Senator for doing that.

Mr. President, I want to emphasize what we are actually doing with this amendment. It is very craftily drawn. It would take down the constitutional amendment. Even if it is adopted, I want my colleagues to understand for sure what we are doing with it.

I want to also point out once again that every day the Government spends a billion dollars more than it takes in. That is why I am for a constitutional amendment for a balanced budget: Because we cannot control ourselves in the spending area. Not in the revenue; it is in spending.

I commend to my colleagues an article from the Chicago Tribune by Stephen Chapman. It is entitled "A Balanced-Budget Measure: Not for Crackpots Anymore."

> When the campaign for a balanced-budget amendment to the Constitution began in 1975, the proposal was dismissed as the primitive idea of reactionary crackpots. That was in those prehistoric times when a Federal budget deficit of $53 billion was a scandal. The advocates warned then that without this amendment, we could expect to see more $53 billion deficits. They were wrong. Not since 1979 has the deficit fallen that low. * * *
>
> Passing a balanced-budget amendment may not be an imperfect solution. Not passing it is a grim guarantee that the irresponsibility of the recent past is only the beginning.

I urge that we defeat the Byrd amendment and find a way for the Senate to go on record—our colleagues in the House at least had the courage to stand up and cast a direct vote on this balanced budget amendment. I think the U.S. Senate should do the same thing.

If we would adopt this amendment, I remind my colleagues again, the House could take up the amendment immediately without intervening action and vote again. If we have the courage to stand up and vote for this balanced budget constitutional amendment, I guarantee you, the House would do it.

This is an important issue, the most important one we will face in the remainder of this year. Let us defeat the Byrd amendment, and find a way to have the courage to vote for a constitutional amendment for a balanced budget.

The PRESIDING OFFICER. Who yields time?

Mr. BRYAN. Mr. President, I support a constitutional amendment to balance the Federal budget, and to accomplish that goal. Last year, I cosponsored Senate Joint Resolution 18 introduced by Senator PAUL SIMON.

Our burgeoning Federal deficit is the greatest crisis facing our Nation today.

It is gobbling up our savings, robbing our ability to invest in infrastructure, and saddling our children with an enormous bill that will have to be paid.

In 1992, it is estimated the Federal deficit will reach over $360 billion.

Our deficit is growing at a rate of $6.9 billion per week.

Imagine, Mr. President, every day the Federal Government spends $1 billion more than it takes in.

The national debt, the cumulation of these deficits, has grown to almost $4 trillion. These are staggering figures.

Since I was elected to this body in 1989, I have been frustrated by the complete inability of Congress and the President to solve this problem.

When I took the oath of office in 1983, as Governor of the State of Nevada, our State, like the Nation, was in the grips of deep recession.

However, the Nevada State Constitution requires a balanced budget.

The necessary, excruciating task of balancing the State budget took strong executive and legislative leadership.

Those tough decisions were made and each year the State budget was balanced.

Nevada is not alone in requiring a balanced budget.

Many States across the Nation require Governors to submit, and legislatures to pass, budgets that reconcile revenue ane expenditures. At the Federal level, it is clear that legislative solutions have not worked.

In 1985, the Gramm-Rudman-Hollings Act was passed and the Federal deficit was $212 billion.

In 1990, we passed the Budget Enforcement Act to reduce the deficit by almost $500 billion over 5 years.

Yet in 1992, the deficit will reach an astounding $365 billion. The problem is not getting any better.

The Congressional Budget Office, reported in January, that the long-run outlook is discouraging.

Even after the most ambitious deficit reduction package ever, the underlying deficit remains stuck at about 3 percent of the gross domestic product.

A June 1992 GAO report entitled, "Prompt Action Necessary to Avert Long-Term Damage to the Economy," states that if current spending and revenue patterns continue, the deficit could reach 20.6 percent of gross national product by the year 2020.

What kind of prospects are there for reducing a national debt that will have more than tripled in 10 years?

Between the end of 1981 and the end of 1991, the national debt increased about 2½ times as much as in the entire previous 192 years of U.S. history.

The debt, expressed as a percent of gross domestic product, represents the ability of the economy to carry debt.

When the debt-to-gross domestic product is rising, domestic investment is adversely affected.

The debt held by the public will have doubled relative to gross domestic product by 1993 to over 53 percent.

Mr. President, not only is the Federal deficit itself a problem, interest payments to service the debt are devouring precious Federal dollars.

For the past decade Congress and the President have had a credit card mentality—buy goods and services today, worry about the payment later.

When the bill comes due, make that minimum payment and keep charging away. As any consumer knows, if you only make the minimum payment and keep charging, you'll never pay it off. The finance charges will just keep accruing.

Unfortunately for the people of this country and generations to come, use of this Government credit card is never denied and the amount of debt only continues to grow.

Over 14 percent of the budget is now interest payments on the debt—$214 billion. This growing portion of our Federal budget threatens to exceed any other single item of spending.

As the debt service consumes more and more of the budget, the amount of resources that can be devoted to other needs are restricted. We are a country starving for resources.

Mr. President, a balanced budget amendment to the constitution will force the President and Congress to approach this matter in a way necessary to evaluate spending and get the deficit under control.

There are those who say a constitutional amendment is unwarranted, that the budget can be balanced any time the Congress and the President have the will to make tough decisions.

However, history has shown that nothing is more elusive, nothing is more desired, and nothing is more avoided, than the will to make the tough choices.

The tough revenue and spending choices that have to be made become the chief argument against an amendment.

Yet, however painful these choices are, these are not arguments against an amendment, but a complaint against fiscal responsibility.

Those who cry that the pain will be deep, only give proof to the proposition that the amendment is needed.

Yes, the pain has been long delayed, the narcotic of over spending has blinded us to the fact that the pain killer has prevented us from taking the cure. The balanced budget amendment is a means to an end.

To force a reluctant Chief Executive and a reluctant legislature to come to grips with the most politically unpalatable of dilemmas: telling the people that there is no such thing as a free lunch.

Demands on the Treasury must be reconciled with how ample are the coffers. Our amendment is straightforward and simple.

It would require that total outlays for any fiscal year shall not exceed the total receipts for the fiscal year, unless three-fifths of the whole number of each House of Congress votes for excess outlays.

It would require a three-fifths vote to increase the debt limit.

It would require the President to submit a balanced budget to Congress.

It allows the provisions to be waived in case of war.

It would take effect beginning in 1998.

And, finally, it requires the Congress to pass legislation implementing the balanced budget amendment.

Mr. President, the American public is crying out for action. Recent polling reports that 77 percent of the public supports a balanced budget. We need to heed the advice of one of our Founding Fathers, Thomas Jefferson, who warned:

> I wish it were possible to obtain a single amendment to our constitution.
>
> I would be willing to depend on that alone for the reduction of the administration of our Government to the genuine principles of its Constitution; I mean an additional article, taking from the Federal Government the power of borrowing. * * *
>
> I place economy among the first and most important of Republican virtues, and public debt as the greatest of the dangers to be feared.

Let us not wait any longer.

Let us remove these shackles of debt and free ourselves from the prison of interest payments and pass a balanced budget amendment now.

Mr. NICKLES. Mr. President, last Thursday we had about 20 Senators, with some on both sides of the aisle, speak in favor of this amendment. Today, we have had, I think, a dozen Senators speak and several others request to speak.

Mr. President, if we adopt the so-called Byrd amendment, we will kill a constitutional amendment to balance the budget. I hope we will not do that. I believe that it would be a serious mistake if we did.

So I urge my colleagues to defeat the Byrd amendment.

The PRESIDING OFFICER. Who yields time? The Republican leader is recognized.

Mr. DOLE. As I understand, leader time was reserved.

The PRESIDING OFFICER. The Senator has 8 minutes left.

Mr. DOLE. Mr. President, I want to speak briefly in opposition to the amendment by the distinguished Senator from West Virginia [Mr. BYRD]. There is a certain amount of politics involved in this. Everybody understands that and those who oppose the balanced budget amendment certainly have their rights and they have expressed their views. Those who support it certainly have their rights, and they have expressed their views. But we ought to have a vote, and it seems to me for a number of reasons, the vote on the Byrd amendment ought to be in the negative.

In the first place, it requires the President submit a balanced budget by not later than September 2, 1992. I have heard a lot of talk about politics. I do not know where that date came from.

It just happened to be before the election.

Normally, the President submits a budget in January, but it does not require the Congress to adopt the budget the President submits. It says we must agree. Well, that is great. We do not have to do anything. That has been the problem: Congress does not do anything.

I can recall being the majority leader in 1985. On this floor at 2 o'clock in the morning, we had a tough vote, a tough vote, won by 50 to 49. We froze COLA's. We cut spending. We even increased revenues a little. But I got one vote on that side of the aisle. One—one vote on that side of the aisle. So I know where all the tough votes are coming from.

This amendment, with all respect to the Senator from West Virginia, is a political amendment. It does not provide any cover for Members on that side, because you do not have to raise taxes if it is adopted. As the Senator from Mississippi pointed out, it is going to disappear anyway. But you are going to make a statement in your vote.

If you want to mandate the President of the United States by September 2 of this year to submit a balanced budget, and you want to do that by reductions in spending, reductions in entitlements and other mandatory spending, and increase revenues, then we ought to have it in here that Congress ought to vote on September 3 to adopt it or reject it.

We have to do something. The President cannot do it all. That is why there is frustration in America. That is why Ross Perot is getting a lot of attention right now. He does not have the answers, either. He knows about the problems; he does not have the answers.

So I suggest we go back and take a look at those who made tough votes on entitlement programs and discretionary spending and, yes, revenues, and then we decide whether or not we are going to need a balanced budget amendment.

Is a balanced budget amendment the best way to go? Certainly not. But I doubt the Congress has a will to do anything else, and we do take an oath to support the Constitution. If this is part of the Constitution, I think it would be self-enforcing. It is pretty hard to go home and explain to people: I voted for the balanced budget amendment, but I did not mean it. I voted for all the spending programs.

So, yes, there is politics involved in this. There ought to be a vote. There ought to be a vote up or down. We cannot get an up-or-down vote. We cannot get any vote unless the Byrd amendment is defeated. And there are a lot of reasons it ought to be defeated, no matter how well intentioned, because it aims the gun right at the President. It does not aim anything at the Congress.

The American people understand that. I do not believe, the last time I checked, the American people wanted an increase in taxes. It does not say how much you have to get out of the budget, whether it is 10 percent in taxes, or 90 percent in taxes and 10 percent reductions in spending. To me, it misses a lot of vital information that ought to be furnished.

So this amendment ought to be defeated. Then we ought to invoke cloture. Then we ought to have an up-or-down vote on the amendment itself. Then we ought to get the 67 votes and send it back to the House, because under their rules they will take it up immediately.

I do not see any real politics, partisan politics. We are fighting to reduce the deficit. It is a very important issue. Seventy-seven percent of the American people support a balanced budget amendment. I would say to those who cosponsored balanced budget amendments, they are going to have an opportunity pretty soon to tell the people in their States: Well, I did not mean it; I meant it only as long as we did not have to vote.

So let us defeat the amendment of the distinguished Senator from West Virginia [Mr. BYRD] and then let us invoke cloture. Maybe we can get an agreement to modify this amendment so Congress has to do something. The American people want us to do something. When are we going to vote to cut spending?

So it seems to me, Mr. President, for all the reasons that have been stated by my colleagues on both sides of the aisle, we need a balanced budget amendment. And to get there, we need to defeat this amendment. So if you vote for this amendment, you are voting against a balanced budget amendment; it is that simple. It is going to be that easy to explain.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from West Virginia controls 10 minutes and 58 seconds.

Mr. BYRD. Mr. President, the amendment which I have offered does require that the Congress do something—may I say to my distinguished friend from Kansas, Mr. DOLE—on page 2, section 5, and I read therefrom:

> The President and the Congress must agree upon a plan to balance the budget in order to decrease the debt burden on current and future generations, and provide a long-term sound economic structure for future generations.

So do not let it be said that the Byrd amendment does not require the Congress to do something.

Mr. President, it is the Nickles-Seymour-Gramm amendment that does not require the Congress to do anything.

It puts the whole shebang off at least until 1998, perhaps the year 2000, maybe 2001. The constitutional amendment to balance the budget puts it all off. Congress does not have to do anything. The President does not have to do anything. President Bush can just sit in his chair in the Oval Office in the event he is reelected; he has 4 more years. He does not have to worry about this constitutional amendment. It does not go into effect, it will not begin to bite until 1998 at the earliest. So if Senators really want the status quo, then they want the constitutional amendment on the balanced budget because they will not have to do anything for 10 years, 1998 at the earliest.

Now, Mr. President, I suppose nobody really knows what the ramifications will be if the constitutional amendment on the balanced budget were really adopted. I think that it will either be enforced or it will not be enforced. Some think it will not be enforced, some think it will be enforced. But in either event, it will not be good for the country. I do not have time to state all the reasons why, in both cases. We have discussed the possible ramifications heretofore. But either way, if it is not enforced or if it is enforced, Senators who vote for the constitutional amendment, in my judgment, will rue the day.

Let us compare the Byrd amendment with the constitutional amendment offered by Mr. NICKLES and other Senators. I respect those Senators, and I know they think what they are doing is best. I disagree. But looking at their amendment and looking at the Byrd amendment, those are the options in this next vote. Which do you want? Let us take a look, first of all, at the Nickles amendment.

A physiognomical analysis of the amendment indicates that it is merely a placebo to satisfy the patient.

As compared with the Byrd amendment, it is unworkable, unenforceable, and will result in a further undermining of the people's confidence in their Federal Government. Magic incantations are not enough, and the voters will find when it is all too late that this philosopher's stone was nothing more than premeditated procrastination to help us get by the election. I urge Senators to reject this pneumatic excrescence which would attach itself to the body of the Constitution like a barnacle, creating false expectations and paving the way for further despair.

Most of us are familiar with Homer's epic the Odyssey in which we are treated to the exciting and beautiful story of the wanderings of Odysseus following the Trojan War. We will recall that the divine Circe bade Odysseus to stay away from the siren's isle with their melodious voices and song which came from lips sweet as honey. Odysseus alone must hear them, he was told by Circe. Plugging his companion's ears with wax, Odysseus ordered them to bind him hand and foot with ropes to the mast of the ship. He instructed them to disregard his orders to set him free and to tie him to the mast tighter than ever until they were a long way past the siren's isle. The Constitution is like the mast; its ropes bind us and restrain us where we would otherwise be tempted to go beyond the proper bounds of human behavior. But where are the ropes that would bind us in the Nickles-Seymour-Gramm amendment? Its ropes are of sand, mere high-sounding platitudes with no indications as to how they are to be enforced or by whom. For example, the statement that "total outlays for any fiscal year shall not exceed total receipts for that fiscal year," is nothing more than a precatory expression of pious hope. God said, "Let there be light," and there was light. But man is not God, and to say that outlays for any fiscal year "shall" not exceed total receipts for that fiscal year, does not make it happen, any more than would be the case if a constitutional amendment were added stating that the forest primeval shall be restored by the year 2000, the environment shall be pure by the year 2000, or the Nation's rivers shall revert to their original pristine state by the turn of the century. Saying it will not make it happen, even if it is the Constitution that says it. This is an empty exercise in voodoo budget balancing, and Senators and Presidents should know better than to disfigure the face of the Constitution with warts filled with wind, and encumber it with ropes made of sand.

My amendment requires the President to submit by September 1 of this year, a 5-year deficit reduction plan to balance the budget by September 30, 1998. The President must use the same economic and technical assumptions contained in his 1993 budget. Section Two of my amendment also requires that the President's plan shall include reductions in domestic discretionary spending, military spending, and foreign aid spending, as well as reductions in entitlement and mandatory spending; and that increases in revenues shall be a part of his plan.

A vote for my amendment is a vote to start balancing the budget this year. It is a vote for action now, not 10 years from now. If our budget deficit is allowed to continue to grow for perhaps as long as a decade, as it could under the present proposed constitutional amendment, we will only be deeper in the hole when we finally do begin the task. We need to start now and my amendment gets us started now.

A vote against my amendment is a vote for delay. It is a vote to put off beginning to seriously address the deficit. It is a vote that says do nothing. Continue to run huge deficits. We do not have to do anything if the Byrd amendment is voted down. We can put off serious deficit reduction and sit tight for perhaps a decade before we have to begin to make the tough choices. Let us explain that one to our constituents. Let us tell them why we voted to do nothing this year. Let us explain why it is critical to adopt a constitutional amendment, and yet vote to turn down the one approach that would have gotten us started this year. Whom will we be kidding with that explanation? Surely, the people will know better and we will only be kidding ourselves.

Mr. President, I yield back the remainder of my time.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. Who seeks recognition? The Senator from Oklahoma has 20 seconds remaining.

Mr. DOMENICI. Mr. President, how much time does the Republican leader have?

The PRESIDING OFFICER. Two minutes and 48 seconds.

Mr. DOMENICI. He indicated to me that he would yield that time to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator may proceed.

Mr. BYRD. How much time did I yield back?

The PRESIDING OFFICER. The Senator yielded back 2 minutes.

Mr. BYRD. I ask unanimous consent that I may reserve those 2 minutes.

The PRESIDING OFFICER. The Senator has that right.

Mr. DOMENICI. Mr. President, I was trying to get the Senator's attention to tell him that I was going to use the time so that I would not yield the time, but I did not get the message to him on time and I apologize.

Mr. BYRD. I thank the Senator.

Mr. DOMENICI. Mr. President, I really have the greatest respect for the distinguished chairman of the Appropriations Committee. But, frankly, I am really amazed that he would use the word "voodoo" to explain a balanced budget amendment. If the balanced budget amendment is voodoo, then it seems to me his amendment is double voodoo. First, it is pure, unequivocal politics. Does the Senator really believe that a President should submit a balanced budget by September 2 of this year? Does he really believe that will ever happen? That is a joke. That is the equivalent of voodoo. And then to say that Congress has to do something—I am reading clause No. 5.

It does not say when. It just says Congress must agree upon a plan. I assume the voodoo that the distinguished chairman desires here is, get the President this year, and Congress will wait around to decide what they want to do, if ever.

The truth of the matter is this is not an amendment that is aimed at getting anything done now. The distinguished Senator from West Virginia has said that a couple of times. It is an amendment aimed at getting rid of the constitutional amendment vote. That is all. It is not going to get anything. The U.S. House is not going to vote for this. The President of the United States is not going to let this become law because it borders on the ridiculous to tell a President he is supposed to submit a balanced budget by September 2, and is supposed to include taxes and all the other things, including entitlements, when the other side led by the distinguished Senator from West Virginia will run from entitlements if the President put it in, at least clear through the election. They might run into the next decade if what we have already seen in the past is any indication.

We had only one major opportunity to do something real about the deficit. The distinguished Republican leader talked about that. That was a real vote with reconciliation, and mandates to get it under control. It was a real opportunity to do something then. There was one Democractic vote, and I regret to say that he is dead now.

Mr. BYRD addressed the Chair.

Mr. NICKLES. Will the Senator yield?

Mr. BYRD. Yes.

Mr. NICKLES. Mr. President, I ask unanimous consent to have printed in the RECORD at this point several charts, in addition to a rollcall vote that we had on April 9, which stated our strong preference to pass the constitutional amendment to balance the budget.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[ROLLCALL VOTE NO. 72 Leg.]

YEAS—63

Biden, Bond, Boren, Breaux, Brown, Bryan, Burdick, Burns, Chafee, Coats, Cochran, Cohen, Conrad, Craig, D'Amato, Danforth, Daschle, DeConcini, Dole, Domenici, Durenberger, Exon, Ford, Fowler, Garn, Gorton, Graham, Grassley, Harkin, Hatch, Hatfield, Heflin, Helms, Hollings, Kassebaum, Kasten, Kohl, Lott, Lugar, Mack, McCain, McConnell, Murkowski, Nickles, Nunn, Packwood, Pell, Pressler, Reid, Robb, Roth, Rudman, Sanford, Seymour, Shelby, Simon, Simpson, Smith, Specter, Stevens, Symms, Thurmond, Warner.

NAYS—32

Adams, Akaka, Baucus, Bentsen, Bingaman, Bradley, Bumpers, Byrd, Cranston, Dodd, Glenn, Gore, Inouye, Johnston, Kennedy, Kerrey, Kerry, Lautenberg, Leahy, Levin, Lieberman, Metzenbaum, Mikulski, Mitchell, Moynihan, Pryor, Riegle, Rockefeller, Sarbanes, Sasser, Wellstone, Wofford.

NOT VOTING—5

Dixon, Gramm, Jeffords, Wallop, Wirth.

HISTORICAL AND PROJECTED BUDGET DATA

[In billions of nominal dollars]

Budget actuals	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Estimate 1992
Individual taxes	90	86	95	103	119	122	132	158	181	218	244	286	298	289	298	335	349	393	401	446	467	468	477
Corporate taxes	33	27	32	36	39	41	41	55	60	66	65	61	49	37	57	61	63	84	94	103	94	98	91
Social insurance taxes	44	47	53	63	75	85	91	107	121	139	158	183	202	209	239	265	284	303	334	359	380	396	416
Other receipts	25	27	28	28	30	32	34	37	38	41	51	70	69	66	72	73	73	74	79	82	91	92	98
Revenues	193	187	207	231	263	279	298	356	400	463	517	599	618	601	667	734	769	854	909	991	1,031	1,054	1,083
Defense	82	79	79	77	81	88	90	98	105	117	135	158	186	210	228	253	274	283	291	304	300	317	313
International	4	4	5	5	6	8	8	8	9	9	13	14	13	14	16	17	18	15	16	17	19	20	20
Domestic	39	44	49	53	56	67	78	92	106	114	129	137	127	130	135	146	148	147	158	169	183	196	215
Total, discretionary	125	127	133	135	143	163	176	197	219	240	277	308	326	354	380	416	439	445	465	490	502	532	548
Social Security	30	35	39	48	55	64	73	84	92	103	117	138	154	169	176	186	197	205	217	230	247	267	285
Medicaid	3	3	5	5	6	7	9	10	11	12	14	17	17	19	20	23	25	27	31	35	41	53	68
Medicare	7	8	8	9	11	14	17	21	24	28	34	41	49	56	61	70	74	80	86	94	107	114	128
Unemployment	3	6	7	5	6	13	19	14	11	10	17	18	22	30	17	16	16	16	14	14	17	25	39
Other	27	31	38	46	50	67	73	78	90	95	110	126	130	139	132	155	148	142	148	154	154	177	190
Total, mandatory	69	83	97	112	127	164	190	207	228	248	292	341	373	412	406	450	460	470	494	527	567	636	710
Offsetting receipts	(12)	(14)	(14)	(18)	(21)	(18)	(20)	(22)	(23)	(26)	(29)	(38)	(36)	(45)	(44)	(47)	(46)	(53)	(57)	(64)	(58)	(108)	(69)
Deposit insurance	(1)	(0)	(1)	(1)	1	1	(1)	(3)	(1)	(2)	(0)	(1)	(2)	(1)	1	2	2	3	10	22	58	66	65
Net interest	14	15	16	17	21	23	27	30	36	43	53	69	85	90	111	130	136	139	152	169	184	196	201
Outlays	196	210	231	246	269	332	372	409	459	504	591	678	746	808	852	946	990	1,004	1,064	1,144	1,252	1,323	1,455
Deficit	(3)	(23)	(23)	(15)	(6)	(53)	(74)	(54)	(59)	(40)	(74)	(79)	(128)	(208)	(185)	(212)	(221)	(150)	(155)	(154)	(221)	(269)	(368)

Source: Congressional Budget Office.

HISTORICAL AND PROJECTED BUDGET DATA

[Annual change in percent]

	1970–71	1971–72	1972–73	1973–74	1974–75	1975–76	1976–77	1977–78	1978–79	1979–80	1980–81	1981–82	1982–83	1983–84	1984–85	1985–86	1986–87	1987–88	1988–89	1989–90	1990–91	1991–92
Individual taxes	−5	10	9	15	3	8	20	15	20	12	17	4	−3	3	12	4	12	2	11	5	0	2
Corporate taxes	−18	20	12	7	5	2	33	9	10	−2	−5	−19	−25	54	8	3	33	12	10	−9	5	−7
Social insurance taxes	7	11	20	19	13	7	17	14	15	14	16	10	4	15	11	7	7	10	8	6	4	5
Other receipts	6	4	2	8	4	9	7	3	9	24	38	0	−5	9	2	0	2	7	4	10	2	7
Revenues	−3	11	11	14	6	7	19	12	16	12	16	3	−3	11	10	5	11	6	9	4	2	3
Defense	−4	0	−3	5	9	3	8	7	12	15	17	18	13	9	11	8	3	3	5	−1	6	−1
International	−5	21	4	29	32	−9	7	6	7	41	6	−5	5	20	7	2	−14	3	6	15	2	3
Domestic	14	11	8	5	20	17	17	15	8	13	6	−7	2	4	8	1	0	8	7	8	7	10
Total	2	5	1	6	14	8	12	11	10	15	11	6	8	7	10	5	1	5	5	2	6	3
Social Security	19	12	22	14	16	14	15	10	11	14	18	12	9	5	6	5	4	6	6	7	8	7
Medicaid	26	35	0	26	17	26	15	8	16	13	20	4	9	6	13	10	10	11	13	19	28	30
Medicare	10	12	7	19	32	20	23	17	16	21	21	19	13	10	14	6	8	7	10	14	6	12
Unemployment	87	16	−27	14	129	45	−23	−24	−10	72	8	22	33	−43	−7	2	−4	−12	2	23	47	55
Other	17	22	21	10	34	9	7	16	6	15	15	3	7	−5	18	−5	−4	4	4	0	15	7
Total	20	17	16	13	29	15	9	11	9	17	17	9	10	−1	11	2	2	5	7	7	12	12
Net interest	3	5	12	24	8	15	12	19	20	23	31	24	6	24	17	5	2	9	11	9	7	2
Outlays	7	10	7	10	23	12	10	12	10	17	15	10	8	5	11	5	1	6	8	9	6	10
Deficit	721	2	−36	−59	772	39	−27	10	−32	84	7	62	62	−11	15	4	−32	4	−1	44	22	37

Source: Congressional Budget Office.

FEDERAL SPENDING CATEGORIES

[In billions of nominal dollars]

Year	Outlays	Growth	Percent growth	Percent of GDP
Mandatory (except Social Security):				
1980	$174.4			6.4
1981	202.7	$28.3	16.2	6.7
1982	218.8	16.1	7.9	6.9
1983	243.1	24.3	11.1	7.1
1984	230.2	(12.9)	−5.3	6.1
1985	263.6	33.4	14.5	6.5
1986	263.2	(.4)	−.2	6.2
1987	265.1	1.9	.7	5.8
1988	277.4	12.3	4.6	5.7
1989	296.8	19.4	7.0	5.7
1990	320.0	23.2	7.8	5.8
1991	369.2	49.2	15.4	6.5
1992	425.4	56.2	15.2	7.2
International:				
1980	12.8			.5
1981	13.6	.8	6.2	.4
1982	12.9	(.7)	−5.1	.4
1983	13.6	.7	5.4	.4
1984	16.3	2.7	19.9	.4
1985	17.4	1.1	6.7	.4
1986	17.7	.3	1.7	.4
1987	15.2	(2.5)	−14.1	.3
1988	15.7	.5	3.3	.3
1989	16.6	.9	5.7	.3
1990	19.1	2.5	15.1	.3
1991	19.5	.4	2.1	.3
1992	20.0	.5	2.6	.3
Social Security:				
1980	117.1			4.3
1981	137.9	20.8	17.8	4.6
1982	153.9	16.0	11.6	4.9
1983	168.5	14.6	9.5	4.9
1984	176.1	7.6	4.5	4.7
1985	186.4	10.3	5.8	4.6
1986	196.5	10.1	5.4	4.6
1987	205.1	8.6	4.4	4.5
1988	216.8	11.7	5.7	4.4
1989	230.4	13.6	6.3	4.4
1990	246.5	16.1	7.0	4.5
1991	266.7	20.2	8.2	4.7
1992	284.5	17.8	6.7	4.8
Domestic:				
1980	129.1			4.8
1981	136.5	7.4	5.7	4.5
1982	127.4	(9.1)	−6.7	4.0
1983	130.0	2.6	2.0	3.8
1984	135.3	5.3	4.1	3.6
1985	145.7	10.4	7.7	3.6
1986	147.5	1.8	1.2	3.5
1987	147.2	(.3)	−.2	3.2
1988	158.4	11.2	7.6	3.2
1989	169.0	10.6	6.7	3.2
1990	182.5	13.5	8.0	3.3
1991	195.7	13.2	7.2	3.4
1992	215.0	19.3	9.9	3.6
Defense:				
1980	134.6			5.0
1981	158.0	23.4	17.4	5.2
1982	185.9	27.9	17.7	5.9
1983	209.9	24.0	12.9	6.2
1984	228.0	18.1	8.6	6.0
1985	253.1	25.1	11.0	6.3
1986	273.8	20.7	8.2	6.4
1987	282.5	8.7	3.2	6.2
1988	290.9	8.4	3.0	5.9
1989	304.0	13.1	4.5	5.8
1990	300.1	(3.9)	−1.3	5.4
1991	317.0	16.9	5.6	5.6
1992	313.0	(4.0)	−1.3	5.3
Net interest:				
1980	52.5			1.9
1981	68.8	16.3	31.0	2.3
1982	85.0	16.2	23.5	2.7
1983	89.8	4.8	5.6	2.6
1984	111.1	21.3	23.7	2.9
1985	129.5	18.4	16.6	3.2
1986	136.0	6.5	5.0	3.2
1987	138.7	2.7	2.0	3.1
1988	151.8	13.1	9.4	3.1
1989	169.2	17.4	11.5	3.2
1990	183.8	14.6	8.6	3.3
1991	196.3	12.5	6.8	3.4
1992	201.0	4.7	2.4	3.4
Earned income tax credit:				
1980	1.3			0
1981	1.3	0	0	0
1982	1.2	(.1)	−7.7	0
1983	1.2	0	0	0
1984	1.2	0	0	0
1985	1.1	(.1)	−8.3	0
1986	1.4	.3	27.3	0
1987	1.4	.0	0	0
1988	2.7	1.3	92.9	.1
1989	4.0	1.3	48.1	.1
1990	4.4	.4	10.0	.1
1991	4.9	.5	11.4	.1
1992	7.2	2.3	46.9	.1

FEDERAL SPENDING CATEGORIES—Continued

[In billions of nominal dollars]

Year	Outlays	Growth	Percent growth	Percent of GDP
Unemployment compensation:				
1980	16.9			.6
1981	18.3	1.4	8.3	.6
1982	22.3	4.0	21.9	.7
1983	29.7	7.4	33.2	.9
1984	17.0	(12.7)	−42.8	.5
1985	15.8	(1.2)	−7.1	.4
1986	16.1	.3	1.9	.4
1987	15.5	(.6)	−3.7	.3
1988	13.6	(1.9)	−12.3	.3
1989	13.9	.3	2.2	.3
1990	17.5	3.6	25.9	.3
1991	25.1	7.6	43.4	.4
1992	38.9	13.8	55.0	.7
Medicare:				
1980	34.0			1.3
1981	41.3	7.3	21.5	1.4
1982	49.2	7.9	19.1	1.6
1983	55.5	6.3	12.8	1.6
1984	61.0	5.5	9.9	1.6
1985	69.7	8.7	14.3	1.7
1986	74.2	4.5	6.5	1.7
1987	79.9	5.7	7.7	1.8
1988	85.7	5.8	7.3	1.7
1989	94.3	8.6	10.0	1.8
1990	107.4	13.1	13.9	1.9
1991	114.2	6.8	6.3	2.0
1992	128.3	14.1	12.3	2.2
Medicaid:				
1980	14.0			.5
1981	16.8	2.8	20.0	.6
1982	17.4	.6	3.6	.6
1983	19.0	1.6	9.2	.6
1984	20.1	1.1	5.8	.5
1985	22.7	2.6	12.9	.6
1986	25.0	2.3	10.1	.6
1987	27.4	2.4	9.6	.6
1988	30.5	3.1	11.3	.6
1989	34.6	4.1	13.4	.7
1990	41.1	6.5	18.8	.7
1991	52.5	11.4	27.7	.9
1992	68.4	15.9	30.3	1.2
Food stamps:				
1980	9.1			.3
1981	11.3	2.2	24.2	.4
1982	11.0	(.3)	−2.7	.3
1983	11.8	.8	7.3	.3
1984	11.6	(.2)	−1.7	.3
1985	11.7	.1	.9	.3
1986	11.6	(.1)	−.9	.3
1987	11.6	0	.0	.3
1988	12.3	.7	6.0	.3
1989	12.8	.5	4.1	.2
1990	15.0	2.2	17.2	.3
1991	18.7	3.7	24.7	.3
1992	22.2	3.5	18.7	.4
Family support (AFDC):				
1980	7.3			.3
1981	8.2	.9	12.3	.3
1982	8.0	(.2)	−2.4	.3
1983	8.4	.4	5.0	.2
1984	8.9	.5	6.0	.2
1985	9.2	.3	3.4	.2
1986	9.9	.7	7.6	.2
1987	10.5	.6	6.1	.2
1988	10.8	.3	2.9	.2
1989	11.2	.4	3.7	.2
1990	12.2	1.0	8.9	.2
1991	13.5	1.3	10.7	.2
1992	15.1	1.6	11.9	.3
Veterans benefits and services:				
1980	14.0			.5
1981	15.4	1.4	10.0	.5
1982	15.8	.4	2.6	.5
1983	15.9	.1	.6	.5
1984	16.0	.1	.6	.4
1985	15.9	(.1)	−.6	.4
1986	15.7	(.2)	−1.3	.4
1987	15.7	0	0	.3
1988	17.6	1.9	12.1	.4
1989	17.7	.1	.6	.3
1990	15.9	(1.8)	−10.2	.3
1991	17.3	1.4	8.8	.3
1992	19.5	2.2	12.7	.3
Other mandatory:				
1980	75.0			2.8
1981	86.1	11.1	14.8	2.8
1982	82.2	(3.9)	−4.5	2.6
1983	82.7	.5	.6	2.4
1984	87.1	4.4	5.3	2.3
1985	99.8	12.7	14.6	2.5
1986	83.5	(16.3)	−16.3	2.0
1987	80.7	(2.8)	−3.4	1.8
1988	92.0	11.3	14.0	1.9
1989	97.7	5.7	6.2	1.9
1990	100.0	2.3	2.4	1.8
1991	112.9	12.9	12.9	2.0
1992	114.4	1.5	1.3	1.9
Farm price supports:				
1980	2.8			.1
1981	4.0	1.2	42.9	.1
1982	11.7	7.7	192.5	.4
1983	18.9	7.2	61.5	.6
1984	7.3	(11.6)	−61.4	.2
1985	17.7	10.4	142.5	.4
1986	25.8	8.1	45.8	.6
1987	22.4	(3.4)	−13.2	.5
1988	12.2	(10.2)	−45.5	.2
1989	10.6	(1.6)	−13.1	.2
1990	6.5	(4.1)	−38.7	.1
1991	10.1	3.6	55.4	.2
1992	11.4	1.3	12.9	.2
Federal retirement & disability:				
1980	26.6			1.0
1981	31.2	4.6	17.3	1.0
1982	34.3	3.1	9.9	1.1
1983	36.5	2.2	6.4	1.1
1984	38.0	1.5	4.1	1.0
1985	38.5	.5	1.3	1.0
1986	41.3	2.8	7.3	1.0
1987	43.7	2.4	5.8	1.0
1988	46.8	3.1	7.1	1.0
1989	49.1	2.3	4.9	.9
1990	51.9	2.8	5.7	.9
1991	56.0	4.1	7.9	1.0
1992	58.7	2.7	4.8	1.0

Source: CBO.

MONTHLY TREASURY STATEMENT ANALYSIS

Fiscal year	Receipts	Cumulative	Outlays	Cumulative	Deficit/ (surplus)	Cumulative
1991						
October	76,986	76,986	108,350	108,350	31,364	31,364
November	70,507	147,493	118,230	226,580	47,723	79,087
December	101,900	249,393	109,287	335,867	7,387	86,474
January	100,713	350,106	99,062	434,929	(1,650)	84,824
February	67,657	417,763	93,848	528,777	26,191	111,015
March	64,805	482,568	105,978	634,755	41,173	152,188
April	140,380	622,948	110,371	745,126	(30,009)	122,179
May	63,560	686,508	116,926	862,052	53,367	175,546
June	103,389	789,897	105,968	968,020	2,579	178,125
July	78,593	868,490	119,424	1,087,444	40,831	218,956
August	76,426	944,916	120,075	1,207,519	43,649	262,605
September	109,350		116,238		6,887	
1991 total		1,054,265		1,323,757		269,492
1992						
October	78,068	78,068	114,660	114,660	36,592	36,592
November	73,194	151,262	117,878	232,538	44,684	81,276
December	103,662	254,924	106,199	338,737	2,537	83,813
January	104,091	359,015	119,742	458,479	15,650	99,463
February	62,056	421,071	111,230	569,709	49,174	148,637
March	72,917	493,988	123,629	693,338	50,712	199,349
April	138,430	632,418	123,821	817,159	(14,609)	184,740
May	62,244	694,663	109,179	926,338	46,935	231,675
June						
July						
August						
September						
1991 total						
1992[1] (percent)						
October	1.4	1.4	5.8	5.8	16.7	16.7
November	3.8	2.6	−.3	2.6	−6.4	2.8
December	1.7	2.2	−2.8	.9	−65.7	−3.1
January	3.4	2.5	20.9	5.4	1,048.5	17.3
February	−8.3	.8	18.5	7.7	87.8	33.9
March	12.5	2.4	16.7	9.2	23.2	31.0
April	−1.4	1.5	12.2	9.7	−51.3	51.2
May	−2.1	1.2	−6.6	7.5	−12.1	32.0
June						
July						
August						
September						
Total						

[1] Fiscal year 1992 compared to fiscal year 1991.

SUMMARY OF LARGEST OUTLAY CHANGES

[In million of dollars]

Agency/Account	Fiscal year 1991 October to May	Fiscal year 1992 October to May	Change	Change (percent)
Department of Agriculture:				
Food Stamps	12,902	15,403	$2,501	19.4
Department of Defense—Military:				
Military Personnel	58,292	52,693	(5,599)	−9.6
Operations and Maintenance	67,527	59,824	(7,703)	−11.4
Procurement	54,664	49,539	(5,125)	−9.4
Department of Education:				
Education for the disadvantaged	3,579	4,513	934	26.1
Health and Human Services:				
Medicaid	32,409	43,085	10,676	32.9
Medicare	75,153	84,470	9,317	12.4
SSI program	11,356	12,459	1,103	9.7
AFDC	8,941	10,319	1,378	15.4
Social Security: Insurance and disability payments	173,525	186,125	12,600	7.3
Department of Labor: State unemployment benefits	17,115	24,906	7,791	45.5
Department of the Treasury:				
Earned income tax credit	4,652	7,451	2,799	60.2
Interest on the public debt	183,286	188,014	4,728	2.6
Independent Agencies:				
Bank insurance fund	104	5,629	5,525	5312.5
Resolution Trust Corporation	19,919	(417)	(20,336)	−102.1

Note:—Interest on the public debt for May 1992 is $23.791 billion, which is 22 percent of the current month's total outlays

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, this Senator did not originate the word "voodoo." That word was originated by the present occupant of the White House, and he is the same individual who has said that he will do whatever it takes to be reelected.

Mr. President, let that President lead the way. Let him come out with a plan. That is what this amendment, my amendment, asks him to do. Let him come out with a plan and if he wants to cut entitlements, I will follow him in cutting some entitlements, some mandatory ones, and increasing taxes, if it is necessary to balance the budget. I am only saying let us get the President to lead.

This President will not lead. He has not led. He has talked about voodoo economics and he also urges us to pass this constitutional amendment. That is voodoo constitutionalism.

So, Mr. President, I am ready, to rest my case. I do not have any doubt how the Byrd amendment will turn out, but it does call on us and the President to do something now, not 10 years from now, may I say to my friend from New Mexico. And it does not ask the President to send up a balanced budget. It asks him to send up a plan through which the budget would be balanced over a period of 5 years.

That is not voodoo economics. That is not voodoo budget balancing. That is asking for action now. Let us have a plan, Mr. President. Perhaps he would be reelected if he would send us a plan. That is what the people want to see. They want to see leadership.

Mr. DURENBERGER. Mr. President, the amendment offered by the distinguished President pro tempore, Senator BYRD, contains an idea that all of my colleagues should, in principle, support. This amendment requires the President to submit a 5-year plan for achieving a balanced budget by September 30, 1998.

My enthusiasm for this amendment stems, in part, from the fact that in October 1984, I drafted and introduced an amendment along with Senators GORTON, COHEN, and the late Senator Heinz, that would have required the President to submit a 5-year budget plan that would achieve a balanced budget by 1989. My amendment further provided that if the President did not submit a budget that would lead to a zero deficit in 5 years, he would have to submit an alternative second budget that would show how the budget could be balanced by 1989.

My 1984 amendment also would have required the House and Senate Budget Committees to submit concurrent budget resolutions that would achieve a balanced budget by 1989. And if zero-deficit concurrent resolutions were not offered, my amendment would have required the Budget Committees to submit an alternative second budget resolution that would show how the budget could be balanced by 1989.

My 1984 resolution held both the President and the Congress to a clear standard of accountability. If the President did not submit a balanced budget plan, he would be required to submit an alternative. The same standard would have been imposed on the Congress.

Mr. President, there is a critical difference between my 1984 proposal and the amendment offered by the distinguished President pro tempore. At the time my amendment was submitted, the 1984 election of President was less than a month away. My amendment was not intended to influence that election. My amendment would have required the President to submit a balanced budget plan when he sent up his next budget in February 1985—2½ months after the results of the Presidential election had been determined.

But this amendment represents a transparent political statement. It requires President Bush to submit a 5-year plan by September 1, 1992, that would spell out exactly how the President would achieve a balanced budget by September 30, 1998. That is barely 63 days before this year's Presidential election.

Why should the President be required to lay out his plan, when Democratic Presidential candidate Bill Clinton, and independent candidate Ross Perot have been silent on their balanced budget plans? We in the Senate cannot order Bill Clinton or Ross Perot to lay out their plans, why should President Bush be the only one mandated to lay out a plan?

Mr. President, the debate over whether or not to amend the Constitution is not, and should not, be partisan. Senators and Congressmen on both sides of the aisle have valid, nonpartisan, reasons to support or oppose this idea. In the House, 116 Democrats joined 164 Republicans in voting for this amendment. In the Senate, the leading sponsor of one of the alternative balanced budget amendments is the distinguished Democratic Senator from Illinois, Senator SIMON. This is not a partisan issue.

I could support the distinguished Senator's amendment if he would merely change the September 1, 1992, deadline and require the President to submit a balanced budget as part of the fiscal year 1994 budget that he will send up after the election. I ask the distinguished Senator whether he would consider such an amendment.

If not, I must oppose the amendment, because if Bill Clinton and Ross Perot choose to run for the Presidency without spelling out their balanced budget plans, I see no reason why the Congress should interpose itself into President Bush's election campaign strategy and plan and force him to spell out his plan before the election.

Mr. WOFFORD. Mr. President, the Federal budget deficit is a reflection of competing public demands and priorities. For more than a decade, Washington has failed to provide the leadership to resolve those competing demands and choose among those priorities. The balanced budget amendment is a symbol of the strong desire in our country to tame the Federal deficit and protect our children's future.

But the people of this country deserve more than symbols. They deserve action. And real action to reduce the deficit will take leadership from the President, courage from Congress, and a mandate from the voters. I support the amendment offered by Senator BYRD. The amendment addresses the fundamental need in the effort to achieve a balanced budget—Presidential leadership.

The evidence demonstrating the lack of Presidential leadership is overwhelming. Since 1980 our President has not submitted a balanced budget.

The Byrd amendment would require the President, not later than September 2, 1992, to submit a plan to balance the budget by September 30, 1998. This is a mandate for Presidential leadership. It requires honesty from a President who says he wants a balanced budget but does not submit one.

The Byrd amendment would require that the President's plan consist of: First, reductions in discretionary spending including domestic, defense, and international spending; second, reductions and controls on entitlement and other mandatory spending; and third, increases in revenues. In other words, everything would be on the table. Everything must be on the table for the public to have confidence in the process and support the result. I agree with my predecessor the late Senator Heinz, when he said:

> [t]he survival and prosperity of our Nation depends upon a feeling by the American people that there is fairness and proportion in whatever sacrifices we are called upon to make.

This is not to say that Congress does not share responsibility both for creating the deficit and for solving it. It does. And we do need to change some things around here so that more effective decisions can be made. I agree with the General Accounting Office's conclusion in a recent report:

> [although the budget process cannot be blamed for the existence of or the size of the deficit, changes in that process are necessary to facilitate and encourage focus on the long-term consequences of decisions.

But nothing can really happen without Presidential leadership.

Mr. President, I would like briefly to focus on two of the efforts that should be undertaken to balance the budget responsibly.

First and foremost, health care costs need to be brought under control. The Senator from Nebraska [Mr. KERREY] spoke eloquently last week on the Senate floor about the effect of spiraling health care costs. He concluded that "we must do health care cost containment if we are serious about deficit reduction." I could not agree more.

This year the Federal Government will spend approximately $328 billion for health care, most of which is entitlement spending. And this amount will grow. The Congressional Budget Office has projected that Federal health care costs for Medicare and Medicaid will grow from 13.5 percent of the budget in 1992 to 25 percent by 2002. Department of Health and Human Services data indicate that Medicare and Medicaid outlays will grow as a percent of GNP from 2.8 percent in 1990 to 7.1 percent by 2020.

The General Accounting Office has correctly observed that "any serious deficit reduction effort must come to grips with the runaway spending in Medicare and Medicaid, but these costs are bound up in the Nation's overall approach to supplying and financing health care." We cannot solve this problem by capping Federal expenditures as some have suggested. We can only get a handle on it by enacting universal and comprehensive reform.

In addition, we need to reduce discretionary spending. We no longer need to spend as much for military. We can reduce administrative costs substantially, eliminate wasteful programs and close tax loopholes. Easy to say—but difficult to do. As one small example, almost a year ago I proposed to cut the U.S. Information Agency's budget by $22 million by eliminating its Worldnet program. This program has few viewers and duplicates what the private sector already does through CNN. Yet, my amendment was defeated. And among those who voted in support of this wasteful program were some of the most ardent advocates of a balanced budget amendment.

As I said before, it will take leadership to balance the Federal budget—

not a constitutional amendment. It will take hard choices. That is why I am supporting the Byrd amendment. It is a demand for leadership. It is a demand for action, and that is what we so sorely need.

The PRESIDING OFFICER. Has the Senator yielded back his time?

Mr. BYRD. If I have any left, I do.

Mr. NICKLES. I yield back the remainder of our time, Mr. President.

The PRESIDING OFFICER. The question now occurs on the second-degree Byrd amendment.

The amendment, (No. 2449), was agreed to.

The PRESIDING OFFICER. The question now occurs on the first-degree amendment.

Mr. DOLE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia, numbered 2448, as amended. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

I further announce that, if present and voting, the Senator from New Jersey [Mr. BRADLEY] would vote "aye."

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 39, nays 57, as follows:

[Rollcall Vote No. 134 Leg.]

YEAS—39

Adams
Akaka
Baucus
Bentsen
Biden
Bingaman
Bumpers
Burdick
Byrd
Conrad
Cranston
Daschle
Dodd
Fowler
Gore
Harkin
Inouye
Johnston
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Lieberman
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pell
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Wellstone
Wirth
Wofford

NAYS—57

Bond
Boren
Breaux
Brown
Bryan
Burns
Chafee
Coats
Cochran
Cohen
Craig
D'Amato
Danforth
DeConcini
Dixon
Dole
Domenici
Durenberger
Exon
Ford
Garn
Glenn
Gorton
Graham
Gramm
Grassley
Hatch
Hatfield
Heflin
Hollings
Jeffords
Kassebaum
Kasten
Kohl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Reid
Robb
Rudman
Seymour
Shelby
Simon
Simpson
Smith
Specter
Stevens
Symms
Thurmond
Wallop
Warner

NOT VOTING—4

Bradley
Helms
Roth
Sanford

So the amendment (No. 2448) was rejected.

The PRESIDING OFFICER. Under the previous order there will be 2 hours of debate preceding the vote on the cloture motion on the underlying Seymour and Nickles amendment.

The Senator from Rhode Island [Mr. CHAFEE] is recognized.

Mr. CHAFEE. Mr. President, I wonder if I could get the attention of the majority leader. It is 2 hours set aside for this debate?

The PRESIDING OFFICER. The Senator is correct.

Mr. CHAFEE. The Senator has the floor.

Mr. MITCHELL. Mr. President, I suggest for the interest of expediting this matter that we proceed to the debate and then during that time it be for me to determine whether or not it will be possible to reduce the time.

Mr. CHAFEE. I would like to say in behalf of one Senator that I feel the subject has been aired rather thoroughly and if possible in the spirit of early retirement this evening we would hope if possible we could reduce some time.

Mr. MITCHELL. Would the Senator make the same suggestion with respect to time tomorrow on the same subject?

Mr. CHAFEE. I certainly would.

Mr. MITCHELL. I certainly will consider that.

Mr. EXON. Mr. President, will the majority leader yield to this Senator for a question?

Mr. MITCHELL. I yield.

Mr. EXON. Mr. President, if I understand the procedure right we are about to begin the debate on the cloture motion of 1 hour equally divided to each side; is that correct?

Mr. MITCHELL. One hour of each side.

Mr. EXON. Two hours.

I follow up with the question. Maybe it is not the time to ask it. I follow the suggestion I thought was being made by the Senator from Rhode Island. We have debated this matter at great length. Everyone knows what the vote is going to be, within two or three one way or the other.

It would seem to me that it would be wise to stop the charade. I have talked about this on several occasions during this debate. Is there anyway that we could possibly ask at this time for maybe half an hour equally divided between each side, which I think would accomplish the same result?

Mr. MITCHELL. Mr. President, it is my belief that we will get through it sooner if we permit the debate to begin and as soon as it does begin, I will undertake an effort to see if it is possible to reduce the time both this evening and tomorrow morning. I make that suggestion on both sides to reduce the amount of time both this evening and tomorrow morning. I will take the suggestions in good faith.

Mr. EXON. I thank the majority leader.

Mr. NICKLES. If the majority leader will yield, correct me if I am wrong, but I believe the order that has been entered has 2 hours for tonight and 1 hour for tomorrow morning.

We have talked to several people—and I might mention to the majority leader I think we had 15 Senators that debated already on this issue. So, speaking on behalf of most of my colleagues on this side, I think we are willing to accommodate a reduction of time for tonight.

Mr. MITCHELL. And tomorrow morning as well, I understand?

Mr. NICKLES. Possible. Tomorrow we only have 1 hour.

Mr. MITCHELL. We only have 2 hours tonight.

Mr. NICKLES. I think this side would be willing to cut that in half. The Senator from Nebraska mentioned 30 minutes. But we are happy to have a reduction in time tonight.

Mr. MITCHELL. How about tomorrow morning?

Mr. NICKLES. Tonight.

Mr. MITCHELL. I thank the Senator.

Mr. President, is the time running?

The PRESIDING OFFICER. There is no one designated to control the time.

Mr. MITCHELL. Mr. President, I designate Senator BYRD to control the time on our side.

I ask again, has the time that we have used since the vote been charged against the 2 hours for debate?

The PRESIDING OFFICER. It has been charged.

Mr. MITCHELL. Equally divided?

The PRESIDING OFFICER. There has been no provision to have it equally divided.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Mr. President, I do not know how many speakers I have on this side.

I just want to take a couple of minutes and then yield the remainder of the time to the Senator from Oklahoma to designate anybody who wishes to speak.

But I think we can probably, without an agreement, wrap this up in about an hour total. I would just say we just had a vote on the Byrd amendment, which was defeated. Thirty-nine Senators voted to raise taxes; 57 voted against raising taxes.

Now we are getting down to the real issue of whether or not we are going to vote on the balanced budget amendment. We are not going to be able to do that unless we invoke cloture. I hope that some of my colleagues who have talked about a balanced budget amendment, cosponsored a balanced budget amendment, voted on a balanced budget amendment saying we needed a balanced budget amendment would support cloture. Because, in my view, it is still possible to achieve what some may think is impossible.

If we want a balanced budget amendment, we have to invoke cloture. And I urge my colleagues on both sides, because there are strong sponsors of the balanced budget amendment on both sides. I have read the statements. I have read the RECORD. I have read the names of all the Members on both sides who want a balanced budget amendment. Now we are not going to have a balanced budget amendment unless we invoke cloture. If you are against the balanced budget amendment, do not vote for cloture.

I heard the majority leader earlier say that the Senator from Oklahoma voted against cloture 50-some times. That is because he was against what others were trying to do, so he should have voted against cloture. And if you are against the balanced budget amendment, I assume you will vote against cloture. You cannot have it both ways. If you are for the balanced budget amendment, you vote for cloture. It is that simple.

I think the people understand who was for a balanced budget amendment and who was against a balanced budget amendment. That is all there is to it. That is all there is to it.

This is the most important vote we have made all year. I think maybe from time to time we ought to take a look at what the American people want. Seventy-seven percent of the American people support a balanced budget amendment.

And I say to some, maybe one or two or three, who have not yet decided on the balanced budget amendment, go ahead and vote for cloture while you are thinking about that final vote on the amendment itself. Under the rules in the House, if we should get the necessary votes, it goes back to the House where they take it up immediately.

This is not a dead issue unless somebody has predetermined that it is a dead issue. I have heard a few statements on the floor to indicate, well, we should not be doing this. Why should we not be doing this? There may be a lot of things we should not have done this year, too. We could make a list of what we should have done and should not have done. But I have a feeling most people would say, if you are doing this, it is about the most constructive thing you have done all year in the U.S. Senate.

So just let me repeat, so there will be no mistake about it. Let me make it perfectly clear, as someone used to say. If you are against the balanced budget amendment, you vote against cloture. If you are for a balanced budget amendment you vote for cloture.

Just as in the last case, if you want to raise taxes, you vote for the Byrd amendment, and if you are opposed to higher taxes—as the Byrd amendment said, you have to raise revenues, the President has to do this by September 2. Congress never had to do anything. No deadline for Congress. It did not say we must agree by December or next January or 10 years from now. So that amendment has been defeated.

We are now in the next stage of the agreement. And I cannot really understand anything that is going to come up in the next month, 2 months, 3 months that is going to be more important than this vote. This is the defining vote.

Some will say oh, there are politics in this. Certainly, there is politics in everything. There was politics in the vote on the House side, and 12 cosponsors caved in to the leadership and voted against the amendment they cosponsored. I do not know how you explain that. You cannot do that in my State. Maybe you can explain it somewhere else. "I cosponsored a balanced budget amendment. It came up and I could have voted for it if I voted for cloture. So I said, it is not going to pass, so I voted no." That is an argument that is hard to sell in the midwest.

But I hope, Mr. President, that we can move on and invoke cloture and do whatever we have to do in 30 hours and have a vote on the amendment itself. Any germane amendments, obviously, would be in order. But it ought to be clear. We have tried everything else.

In 1985, let me repeat, when we had a tough, tough, tough vote that froze COLA's, that cut spending, did a lot of things, only one colleague on the other side voted for that amendment, the late Senator from Nebraska, Senator Zorinski—one.

So we know about the tough votes on this side. We have made the tough votes on this side. And we are prepared to make the tough votes again. So we are not trying to get off the hook by voting for a balanced budget amendment. Look at the record. I think it is discipline that we are going to have to use. And if someone votes for a balanced budget amendment that becomes a part of the Constitution and we take an oath to support the Constitution, as we do, then you go out and say, "Well, I voted for it, but I am going to vote for all the spending and everything else because I just did that for political cover," I think that person, be he or she a Democrat or a Republican, is going to be in deep, deep political difficulty the next time around.

So, Mr. President, I think the next obvious step ought to be to invoke cloture if you want a balanced budget amendment. If you do not, then I do not see how you can have it both ways. It is one of those votes you cannot have it both ways. You cannot have it both ways and say, "I am for it, but I am not for it now," or "it is too late in the session" or "it is not going to pass the House."

My view is that those 12 Members in the House who cosponsored the amendment and then voted against it are probably under some pressure from the folks back home, at least they ought to be under pressure from the folks back home.

It only takes, as I recall, about seven or eight to get back to their original position for the two-thirds vote to happen on the House side.

So we have a chance to make history right now in the U.S. Senate. The buck stops here. The spotlight is on the U.S. Senate. And if we do not want a balanced budget amendment, OK. That is a decision I hope will be made by invoking cloture and then voting up or down on the amendment itself.

In my view, it is very close, even though we have two absent Members who would vote for cloture and for the balanced budget amendment. Both Senator HELMS and Senator ROTH support the balanced budget amendment, but they are necessarily absent. Both are in the hospital recovering from operations.

Mr. President, this is it. This is high noon at the old corral. We are going to have the vote very soon. Do not tell someone you voted against cloture but you are for a balanced budget amendment. It will not sell.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. I ask that Senator BYRD yield to me some time.

Mr. BYRD. I yield some time as he may require to the distinguished majority leader.

Mr. MITCHELL. Mr. President, in the more than two centuries of our Nation's history, this Senate Chamber has often been used for political purposes. But rarely has there been a political exercise as naked, as transparent, as blatant as what the Senate Chamber is now witnessing and what the Senate is being subjected to.

It is not covert. It is not implicit. It has been stated on the Senate floor. Every Member of this Senate, without exception, knows that the balanced budget amendment is dead. It is not going to become part of the Constitution this year. The House has rejected it. It has been defeated. The principal author of the amendment in the Senate described its consideration in the Senate following the House vote as a waste of time.

It is a waste of time.

The issue before us is whether Senators want to participate in a political charade, in a political game, in an effort to score political points. The only spotlight that is on this Chamber now is the spotlight of this year's political campaign.

It is a transparent effort to generate fodder for the 30-second attack ads to be used this fall. It has nothing to do with balancing the budget—nothing whatsoever. It has nothing to do with serious legislating—nothing whatsoever. This is a naked political exercise, and if someone wants to participate in a political charade, why, then, that person should vote for cloture. But if someone wants to end this political charade, end these political games and permit the Senate to return to serious legislative business, to permit the Senate to discontinue the unconscionable waste of time that has occurred, then you should vote against cloture.

The rules of the Senate permit any one Senator or any group of Senators to subject the Senate to this type of political activity. We all know that any Senator can offer any amendment any time he or she wants, to any bill, whether it has a serious purpose or not; whether it has any prospect of being enacted or not; whether it bears any relationship to the subject being considered or not. And then, by merely signing up 15 other Senators on a cloture motion, you can get a cloture vote.

Every Senator here has voted for or against cloture on many occasions. As I pointed out earlier, the Senator from Oklahoma has voted against cloture 56 times since 1987, probably for a variety of reasons on a variety of other bills. Most Senators—I cannot say everyone—probably voted for or against cloture on many occasions.

But let us be clear on one point. This effort and this vote has nothing to do with balancing the budget. It has nothing to do with serious legislating. It has nothing to do with the public responsibilities of the Senate. It is a blatant, a naked, a transparent political exercise, intended only to create new material for 30-second attack ads this year.

And as to the deficit, the most significant feature of this amendment is that its sponsors insist that it not take effect for 6 years. Do not deal with the problem now—defer it for at least 6 years so that in the meantime those who stand and proclaim that they are serious about the deficit can continue to vote to increase the deficit, as our colleagues have done on so many occasions.

We are going to have an opportunity later this year to vote on a number of measures that will reduce the deficit by billions of dollars; a number of measures. I ask the Members of the Senate, and I ask the American people, and I ask the people from the States of the Senators involved—watch how they vote tonight on this phony political exercise and then watch how they vote when a real budget-cutting measure is before the Senate. Watch how they vote when a measure comes before the Senate that will cut $6, $8, $10 billion off the deficit now, not wait until 6 years or 8 years or 10 years from now to try to deal with the problem. Then—then the American people will see who is serious and who is not serious.

This political charade has been forced upon the Senate because the Senate's rules do not permit otherwise. But I urge all Members of the Senate to help us end this charade as quickly as possible. It does not make any difference whether you are for a balanced budget amendment or against a balanced budget amendment. What you ought to be doing is saying this is not serious, this is a political game, this ought to end, and the way to end it is to vote against cloture and let us get back to the serious business of the Nation.

Mr. President, I thank my colleague from West Virginia and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. Mr. President, I yield myself such time as I consume.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I rise in strong objection to the comments made by the majority leader. The majority leader said this is nothing but a blatant, naked political exercise. I think he is wrong. Some of us believe in and have worked for years to pass a balanced budget amendment. We did the same thing in 1982. We tried to pass a balanced budget amendment in 1982 and 1986, and some of us have tried to have additional votes since then.

Before the majority leader leaves, I might just comment on the fact that we spent 8 days on a campaign reform bill that the Democrats knew darned good and well was not going to become law—8 days. I might add that we had 10 cloture votes on campaign reform. The reason it was being filibustered is it authorized public financing of political campaigns and Republicans did not want taxpayers to finance campaigns. So we filibustered the bill.

The Senate also spent something like 5 days on the motor-voter bill. Again that was a piece of legislation that was not going to become law. That was most definitely political legislation.

The Senate spent 5 days on a tax bill that was structured so poorly that no Republican voted in favor of that bill. And it, of course, was headed for a guaranteed veto. That veto was sustained. The House did not even have a majority to override the veto.

We spent 5 days on striker replacement. Why did we spend 5 days? Again, everyone knew there were enough votes to sustain the veto on striker replacement, but we did it anyway.

So I guess maybe it is OK for the majority leader to say we are playing politics on their issues.

I might also mention the Freedom of Choice Act. We may have significant extended debate on the Freedom of Choice Act. Everyone in both Houses knows that bill will be vetoed, if it gets to the President. I doubt that it will—but if it did get to the President, that veto of course would be sustained as well.

I have been involved in this debate for 2½ days and I, personally, have not made any political comments. I have not impugned anybody's motives. I happen to believe in a balanced budget amendment. I happen to think we need one. We are looking at deficits this year that are crossing the $350 billion threshold. I think we need to do something different.

Frankly, I listened to a lot of the debate in the House of Representatives, and that further energized me, at least in my desire to pass a constitutional amendment to balance the budget. I did not just happen to put it on the GSE bill. I, frankly, was looking for another vehicle. I wanted to do it on the striker replacement bill or the bankruptcy bill. I wanted to pass it as early as possible. That's why I put a resolution before the Senate in April. I might remind my colleagues that resolution passed with 63 votes and said that Congress shall adopt a constitutional amendment to balance the budget. That debate was not partisan. We had a lot of votes from both sides.

So, yes, we are serious. Some people say this is strictly politics. I disagree. Is politics an element of it? Maybe it is with some people, but some of us want to see this thing happen. Some of us believe it is so important that we should put politics aside and do what is right, and have our Congress and have our country make some decisions that we have not made before.

When I hear my colleague, the majority leader, say we have not taken the tough votes, I might remind my colleague some of us walked in here and voted to freeze every COLA. Senator HOLLINGS had an amendment that many of us supported, to freeze Federal spending. Some of us have had other amendments to freeze Federal spending, either in the Budget Committee or on the floor. We had a proposal by Senator DOMENICI to cap the growth of entitlements.

Some of us have been willing to make some of those tough choices. Some people, evidently, think we are undertaxed. I heard Senator SASSER make a similar comment earlier today. He said, "Well, the reason why we have these enormous deficits was because we cut taxes too much." I look at this tax chart and I see taxes have climbed rather significantly over the last 10 years.

But I see outlays have grown even faster. As a matter of fact, we are looking at outlays for 1993 of $1.5 trillion. That's $6,000—$6,000—for every man, woman, and child in the United States. I do not think we can sustain that level of spending.

I also heard my friend from Tennessee say the deficit was caused by the defense buildup. Defense did build up and now is leveling and declining. You might see on this chart that mandatory outlays, entitlement programs have been exploding, exploding in costs with no control.

Senator DOMENICI had an amendment to cap entitlements which received 24 votes. Mr. President, I do not think that is being responsible. I think we need to do something. I think we need to do it now. I don't care if we do it the day before the election, or the day after the election. We need to do it now.

The House of Representatives did pass a rule that says that if we pass a constitutional amendment to balance the budget, it will be the highest priority for reconsideration in the House. They will take it up again. Maybe they were only 10 votes away. With a change of 5 or 6 votes, it can pass in the House.

So I tell my colleagues, yes, this is serious. Some people may say it's only political. I think they are wrong. I think a lot of us are dead serious about this. Senator SIMON has been working on his resolution since July of last year. Some of us have wanted a vote and debate on it for over a year. Finally, at least, we are getting to it.

Some people said let's postpone it, let's take it up in September. Some of us wanted to do this a long time ago. I just totally disagree with the statement this is a naked, blatant political act. It is not. It is serious.

Some of us believe Jefferson was right, this is the one amendment that should have been adopted to the Constitution when they debated and discussed the original Constitution and the Bill of Rights. It should be. I hope and pray it will be soon.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. Mr. President, I yield 3 minutes to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I have spoken on this matter on numerous occasions. Before some of the proponents of this amendment for a balanced budget came to the Senate, I was advocating it. I was on every freeze motion that has been made and carried primarily by Senator HOLLINGS, my distinguished colleague from South Carolina. I have been a supporter of the balanced budget amendment that was authored, the last one by my friend from Illinois.

But obviously when the House of Representatives failed to pass a balanced budget amendment, surprisingly so to me, it was very clear to all that the balanced budget amendment was dead, at least for this session of the Congress. I would advise the Senate that I am confident that even if cloture should be invoked, I am confident that there are not two-thirds votes in the U.S. Senate to pass it.

So regardless of the protestations from that side of the aisle, I know that the balanced budget amendment is dead and we are wasting time. And if it is not for political reasons, I do not know what it is.

I have said before, and I say again, that I am not interested in these charades. Too much of the time the Senate on both sides is trying to put someone else behind the eight ball.

I was rather amused at some of the protestations that have been made. This Senator, in an effort to cut the budget, was on the floor within the last 30 days, ably assisted by my distinguished colleague from West Virginia, the President pro tempore, and the chairman of the Budget Committee, the Senator from Tennessee, to cut the defense budget by $8 billion. It was strange to me to see many of the people who are saying we never do anything about balancing the budget are the same ones who are proposing we do this tonight, and it is an exercise in futility.

Whatever those 12 House Members did to change their vote after being a cosponsor, I do not know what motivated them. I am not going to put their motives in suspect. I simply say, Mr. President, that this may be an effort to put pressure on them to change their vote back. If they are in trouble with their constituents for changing their vote, then I suspect they would be in even more trouble by changing it back the other way.

I am weary of the games. I think we should move ahead. We have a great deal to do. I will be supporting the position that this bill is dead. Let us try it again next year.

Let us not waste any more time, and let us give it a decent burial at the earliest possible time, although I will be back, as my friend and colleague from West Virginia knows, supporting a balanced budget amendment again sometime in the future.

I thank my colleague for yielding me time, and I yield the floor.

Mr. SASSER. Will the distinguished Senator yield me 1 minute?

Mr. BYRD. I yield to the distinguished Senator.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. SASSER. Mr. President, the Senator from Oklahoma, I think, incorrectly quoted me a moment ago as saying that I did not think the American people were taxed enough. Well, of course, I did not say that. No one has ever said that. What I said was that the 1981 tax cut deprived the Federal Treasury of $1.4 trillion in revenues between 1981 and 1989.

Now, of course, revenue did go up during the 1980's. A large part of that was a result of increased payroll taxes that were instituted on Social Security during that period of time. I think you can make a very good case that the taxes on the very wealthy were cut too much, and we passed in this Chamber a bill that included six or seven items President Bush wanted for his Economic Recovery Program, but it was vetoed by the President simply because it contained a millionaires' tax in it, a tax on millionaires who had received the benefit of these great tax cuts in 1981, a tax on millionaires to try to pay for the President's so-called economic recovery program.

Of course, with the largest military buildup in peacetime history during the 1980's, how could that fail but to increase the deficit? When you spend well over a trillion dollars in that 10-year period over what you are outlaying in 1980, and you are borrowing all the money to do it, of course that had to increase the deficit.

With regard to entitlements, my friend from Oklahoma does not mention the fact that entitlements bring 40 percent of the revenues that come into the Federal Treasury. Social Security is an entitlement, and this year Social Security will have a $70 billion surplus. Does my friend from Oklahoma want to balance the budget by reducing Social Security which has a surplus? Medicare part A is an entitlement that pays for the hospitalization of senior citizens in this country. This year it will have a surplus. Does my friend from Oklahoma want to vote to cut that? I do not think so. I hope not.

The point, clear and simple: We need to do something about the deficit now, not 6 or 7 years from now. There are going to be a whole series of votes on the floor of this Chamber and we are going to see who wants to cut the deficit. We can save tens of billions of dollars by doing away with the space station. We are going to vote on cutting that. We an save billions of dollars by doing away with the superconducting super collider. We are going to vote on that, and I have a whole series of amendments that I am going to offer to reduce the defense budget that will save literally tens of billions of dollars over the next few years, starting right now.

Then we are going to find out, Mr. President, who is serious about reducing this deficit and who wants to posture—to posture—for political purposes.

I thank the Senator from West Virginia.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. Who yields time.?

The Senator from Oklahoma is recognized.

Mr. NICKLES. I would like to respond to my friend and colleague from Tennessee.

I did make a note that during his comments he said the deficit was caused by a humongous tax cut. Maybe I am interpreting that incorrectly, but I guess that would be interpreted to mean we cut taxes too much; therefore, we should not have done that and taxes therefore should be higher.

He also mentioned the military buildup. I just want to point out as to the military buildup, yes, we did have a military buildup. I would say thank goodness; we needed that; we won the cold war; we won the war in the Persian Gulf; we were able to reestablish ourselves as a real leader in the Free world.

I also tell my colleagues that, frankly, I do not think—at least it is this Senator's opinion—the problem with the deficit is that taxes are too low. I think the spending is too high. I make that very clear. I make it very plain. I think we have to do something on the spending side. That is one of the reasons why I happen to be aggressive in my support for a balanced budget amendment.

I supported the amendment that I have introduced with several of my colleagues, but I also supported the amendment by Senator KASTEN that says Congress shall not spend more than the revenues. If Congress can raise the revenues, I guess it can spend it. But I happen to think there should be a limitation.

My friend and colleague from Tennessee said what about Social Security. I will tell my friend and colleague I did not vote for the tax bill in 1983, the so-called Social Security bailout because I thought it was a humongous tax increase, too much on small businesses, too much on people who were trying to survive, too much on self-employed persons.

I used to be a self-employed person. I used to have a janitor service, and I know of somebody paying 15.3 percent on everything that they make and the fact that right now, today, their maximum tax rate is 28 percent. If somebody makes over $28,500, they pay at the 28 percent tax bracket. You add 15.3 percent Social Security on top of that if they are self-employed, their Federal tax on every dollar they earn is 43.3 percent. You add State taxes on top of that, and all of a sudden they are working for the Government, State and Federal, more than half the time.

I happen to object to that. I think that suffocates business. That does not allow business to grow.

So I feel fairly strongly about it. I feel fairly strongly about this amendment. So I do not want this amendment to get bogged down in partisan debate. I want to pass it. I am very serious in trying to have I agreed to. I am determined to do everything possible to get a vote on it to try to have this amendment agreed to.

Mr. President, I yield the Senator from Texas such time as he desires.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I ask unanimous consent that at this point in the RECORD we reproduce the names of the cosponsors of the Simon balanced budget amendment to the Constitution.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

102ND CONGRESS—S.J. RES. 18

(Calendar No: 151 S. Rept. 102–103)

January 14, 1991.

COSPONSORS

Sponsor: Simon

Referred to: Senate Committee on the Judiciary.

Report by: Senate Committee on the Judiciary.

Cosponsor(s): Current (30): Thurmond; DeConcini; Hatch; Heflin; Simpson; Grassley; Shelby (A–01/31/91); Specter (A–02/20/91); Lugar (A–02/20/91); Daschle (A–03/05/91); Lott (A–03/06/91); Wallop (A–06/11/91); Hollings (A–06/11/91); Bryan (A–06/25/91); Reid (A–06/27/91); Roth (A–07/18/91); Bingaman (A–07/30/91); Breaux (A–09/12/91); Dixon (A–09/12/91); Seymour (A–09/12/91); Cochran (A–09/24/91); Smith (A–10/04/91); Conrad (A–03/03/92); Bentsen (A–03/03/92); Murkowski (A–04/02/92); Boren (A–04/09/92); Robb (A–04/28/92); Craig (A–05/12/92); Graham (A–05/19/92); Kohl (A–05/19/92).

Mr. GRAMM. Mr. President, I also ask unanimous consent that we list the names of the 63 Members of the Senate who on April 9 by their vote in essence said the Senate should adopt a balanced budget amendment to the Constitution.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ROLLCALL VOTE NO. 72 Leg.—APRIL 9, 1992

YEAS—63

Biden, Bond, Boren, Breaux, Brown, Bryan, Burdick, Burns, Chafee, Coats, Cochran, Cohen, Conrad, Craig, D'Amato, Danforth, Daschle, DeConcini, Dole, Domenici, Durenberger, Exon, Ford, Fowler, Garn, Gorton, Graham, Grassley, Harkin, Hatch, Hatfield, Heflin, Helms, Hollings, Kassebaum, Kasten, Kohl, Lott, Lugar, Mack, McCain, McConnell, Murkowski, Nickles, Nunn, Packwood, Pell, Pressler, Reid, Robb, Roth, Rudman, Sanford, Seymour, Shelby, Simon, Simpson, Smith, Specter, Stevens, Symms, Thurmond, Warner.

NAYS—32

Adams, Akaka, Baucus, Bentsen, Bingaman, Bradley, Bumpers, Byrd, Cranston, Dodd, Glenn, Gore, Inouye, Johnston, Kennedy, Kerrey, Kerry, Lautenberg, Leahy, Levin, Lieberman, Metzenbaum, Mikulski, Mitchell, Moynihan, Pryor, Riegle, Rockefeller, Sarbanes, Sasser, Wellstone, Wofford.

NOT VOTING—5

Dixon, Gramm, Jeffords, Wallop, Wirth.

Mr. GRAMM. Mr. President, I try in our debates to stay away from terms like "political charade" because, to tell you the truth, I have always felt that people use names when they do not have logic, that people use a smear when they are short of fact.

But, Mr. President, if there is a political charade tonight, it is a political charade that is being perpetuated by people who have cosponsored amendments calling for a balanced budget amendment to the Constitution, who have sent out hundreds of thousands of newsletters pounding themselves on the chest, saying I am for a balanced budget amendment to the Constitution, who have run for office over and over and over again saying they are for it and now, in the moment of truth, when we are getting ready to cast a vote on it, all of a sudden they are saying, hey, this is a charade; I am not going to vote for this because it is a charade.

It is a charade, Mr. President, but it is their charade. This amendment is not a charade. This amendment is shooting with real bullets.

Our distinguished majority leader says they are referring to the requirement that the budget be balanced in 6 years. Does anybody believe that we can reduce the deficit by $400 billion in less than 6 years?

In fact, what the majority leader is doing by trying to kill this amendment is saying let us not do it in 6 years; let us never do it. If we adopt this amendment tonight and it goes back to the House for a vote, which it will under their rules, and if 9 of the 12 members who engaged in a charade by cosponsoring an amendment that when the pressure was on from their leadership, they voted against, if they change their vote, which I believe they will do, if we adopt this amendment tonight, then we are going to have to begin the next day putting together a program to reduce the deficit by some $60 to $70 billion next year, and all of these people who have never voted to reduce the deficit in any other way except by raising taxes or slashing national defense are going to have to start putting their vote where their mouth is.

Is this issue dead? Does having Members of the Senate jump up and down and say this issue is dead, this issue is dead, make it dead?

A rule in the House says if we pass this amendment, they have to bring it up and vote on it again, and that includes the 12 people who engaged in the charade of telling their people in their districts one thing and doing another when partisan pressure was on. If we adopt this amendment, it will be voted on again in the House. This is virtually certain, and I believe it will be adopted.

If the Democratic leadership thought this was a charade, if they really thought this amendment was dead, we would not be having this debate tonight. We probably would have adopted this amendment as we did in 1982 when it was not adopted in the House.

We are engaged in a convoluted parliamentary effort to prevent an up-or-down vote precisely because the Democratic leadership of the Senate does not believe this issue is dead. When 77 percent of the people of this country want a balanced budget amendment, as long as democracy is alive, that issue is not dead.

Now, we have heard a lot of talk about cloture, people voting against cloture. I vote against cloture every time that I am against the bill. Cloture is the way that the minority protects its rights by preventing the majority from working its will.

People do not vote against cloture just on some happenstance or how they feel. They vote for cloture when they are for the bill. They vote against it when they are against the bill.

I have voted against cloture many times. And I suspect as long as the Senate is made up the way it is, I will vote against cloture many more times to try to stop bad things—at least by my perception—from happening to America.

But I never vote against cloture when I am for the bill. And anybody who believes that they can vote against cloture, cosponsor a balanced budget amendment, then go back home and say, hey, this was a charade, well, people are going to see it as a charade because they are going to see right through those people like they were branch water.

Now, Mr. President, this is a simple, simple question. If you like the status quo in the Senate where we of all institutions—and I lump it into the Congress—do not have to live by the same rules other people live by in terms of spending money, if you like things the way they are, you want to vote against cloture because if we adopt a balanced budget amendment to the Constitution, it is going to change the way we do business in the Senate and in the House, in the Congress, in the country. And with all my heart I want to change the way we do business. That is why I am going to vote for cloture. That is why I am for the balanced budget amendment to the Constitution.

I am sure there are some who will say, well, I was not against the amendment but I did not want to bring debate to an end. I thought it ought to be debated.

We are under a unanimous-consent agreement where we are only going to get two opportunities: We either get cloture tonight or we get it tomorrow or the balanced budget amendment to the Constitution is dead for the remainder of this session.

So there is only one reason anybody is going to vote against cloture tonight and that is when the chips are on the table, when we were shooting with real bullets, they were against the balanced budget amendment to the Constitution, and I thank God, Mr. President, for many things, but I thank God that I do not have to go back home and explain to my constituents how I am for the balanced budget amendment, how I cosponsored it, and yet when it came to a vote, I voted to kill it.

I guess we all think because we have been elected that we have political skills, but my political skills are not good enough to convince the people of Texas that I am shooting straight with them when I tell them I am for something and then I vote to kill it. The people of Texas are smart. The people of America are smart. That is why I am hopeful, despite the fact that I know there is immense pressure to vote against cloture and against the balanced budget amendment to the Constitution. I still hope that we might yet do something worthy of being remembered in this Congress, that we might yet set the ship of state straight, that we might yet adopt a balanced budget amendment to the Constitution.

I yield the floor.

Mr. NICKLES. Mr. President, I compliment my friend and colleague, Senator GRAMM, for his statement.

I ask unanimous consent that Senator SEYMOUR be recognized to manage the time on this side.

The PRESIDING OFFICER (Mr. WELLSTONE). Without objection, it is so ordered.

Mr. SEYMOUR. Mr. President, how much time do we have remaining on our side?

The PRESIDING OFFICER. There remains 33 minutes and 21 seconds.

Mr. SEYMOUR. Mr. President, I yield 3 minutes to Senator SYMMS.

Mr. SYMMS. Mr. President, I thank the Senator from California and I thank him for his efforts to try to bring the balanced budget amendment before the Senate.

Mr. President, I think it should be commented on, the remarks of our distinguished and able majority leader, is comparing apples with oranges and talking about cloture votes. I agree with the Senator from Texas. I vote against cloture on most of the bills that come up before the Senate. And, the reason I do is most of the bills that come before the Senate call for more government.

I appeal to my colleagues on the other side of the aisle, the National Democrat Party, the holy grail of the National Democrat Party in the eyes of the American people is more government, big government. Big government is what they are talking about. This is a political issue. It is a philosophical difference of opinion on how we see the world and how we think it should operate.

What does it take, Mr. President, to penetrate the armor of this body and the majority that is ensconced in power in the other side of the Capitol and here in this body? It will take an election and the early retirement of some Members of this and other body in order to get this Congress straightened out with the American people.

The whole world is crying out to be free from oppression, free from too much government. The world is asking for freedom. It has happened all across Eastern Europe, all across Asia, Europe, and the former Soviet Union. People are asking for freedom from too much government. However, here in the Congress of the United States we are giving it to them by the bushel basket full. The other side of aisle wants to regulate everything from the motor voter to election law to the environment. Their goal to regulate this, to regulate that, so that no one can do anything without having a Government regulator tell them how to do it.

I said this earlier this afternoon to the Senator from Arizona when he spoke. No wonder the babies cry when they are brought into the world here in the United States. They are in debt $16,000 on the date of their birth. Because of this, the Congress and the Government of the United States do not create any wealth. It only takes wealth from people who earn it and pass it out to someone else.

My good friend, the Senator from Nebraska, who I have sat on the Budget Committee with for some 12 years, said I know this balanced budget amendment is not going anywhere. It is a waste of time.

Mr. President, that is what the American people are mad about, because they do not think it is a waste of time. They wish that this Senate would pony up, stand up, belly up to the bar and vote for a constitutional amendment and chain the Congress down with the Constitution, as Jefferson suggested. I do not know what it takes to get this point across.

Then I hear the distinguished chairman of the Budget Committee and over and over he tries to revise history. Entitlement spending is where the money is being spent. Even Willie Sutton, the bank robber, knew the reason why you rob banks because that is where the money is. We are not going to balance the budget until we look at where the money is being spent. We continue to look at the military spending, the appropriations spending that might build some infrastructure in this country and we will talk about that, but we will not want to talk about entitlement outlays.

When the Senator from Kansas was the majority leader here, he did bring the budget in order. We carried one Senator in here on a stretcher, Senator Wilson, from California, who preceded Mr. SEYMOUR, so he could vote. We voted on these hard votes. We would have brought down this entitlement spending—it would have been reduced significantly. We would have a balanced budget today. But, like Senator DOLE said, only one Member of the other side of the aisle voted with us. There is a difference between the two parties here.

I appeal to my colleagues in the Democrat Party to vote for cloture so we can have a vote for a constitutional amendment to balance the budget, so we can do something in a bipartisan spirit that the American people want.

People wonder why an Independent candidate can be so popular. One of the reasons is because the majority here in this Congress has a lock on spending, and they want to keep the spending machine going so they can keep their special interest groups lined up at the polls. It is high time we get past that. I urge my colleagues to vote for cloture.

Mr. SARBANES. Will the distinguished President pro tempore yield me a minute?

Mr. BYRD. Yes. I yield 1 minute.

Mr. SARBANES. I am not clear. What party was the Senator referring to that he said he would cooperate with?

Mr. SYMMS. Mr. President, what I am saying is I would like to see the Democrats and the Republicans get together in a bipartisan spirit.

Mr. SARBANES. What was the name of the party?

Mr. SYMMS. The National Democrat, Democratic Party. The Democrat Party.

Mr. SARBANES. Democrat or Democratic Party? The name of our party is the Democratic Party.

Mr. SYMMS. The Democratic Party. I stand corrected.

Mr. SARBANES. I thank the Senator very much. You are appealing for bipartisanship. You cannot even give the right name of the party. I do not call yours the Republic Party.

Mr. SYMMS. The Senator gets very excited.

Mr. SARBANES. No. The Senator from Idaho has done it consistently. The Senator from Idaho has consistently refused to use the proper name of our party and then he stands over there and makes some appeal for bipartisanship.

Mr. SYMMS. Mr. President, I do not know what that has to do with the issue but I would just say to my colleagues that I hope we could have some bipartisanship here and give the American people what they are crying out for, which is a balanced budget.

Mr. SARBANES. The beginning of bipartisanship, I suggest to the Senator, is to treat the other party with some measure of respect.

The PRESIDING OFFICER. Who yields time?

Mr. SEYMOUR. Mr. President, I would like to yield 5 minutes to the junior Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized for 5 minutes.

Mr. CRAIG. I thank my colleague from California for yielding. Let me read something that I think we all know by heart. But I want to read it so I do not make a mistake tonight.

We the people of the United States, in order to form a more perfect Union, establish justice, ensure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings—let me repeat this—and secure the blessings of liberty to ourselves, and our posterity, do ordain and establish this Constitution for the United States of America.

Tonight we are debating a constitutional amendment. It is our charge, understood under that preamble, to establish, to assure, to secure the blessings of liberty to ourselves and our posterity.

There are allegations tonight of a political charade. Let us talk about the charade that is currently being played and has been played out for over a decade in this Congress—not the one tonight, if there is one, but the one that we deal with on a daily basis. In fiscal year 1993, interest on the national debt is expected to total $316 billion. This is the largest item in the budget for 1993, at 21 percent of all Federal spending.

Charade No. 1, Mr. President: More than the total revenue of the Federal Government in 1976.

Charade No. 2: 105 percent of Social Security payments.

Charade No. 3: $7,005 per American family of four.

Charade No. 4: $677 billion per week; $866 million per day; $600,218 per minute. Or $10,020 per second.

Charade No. 5: Politics. It is played out every day here on the floor of the U.S. Senate. Politics is our business. It is not a shameful task. But charades are, and the charade that this Senate has engaged in for well over a decade, to say that you can continue to spend and somehow the American people will not recognize that we are destroying the liberty, the blessings of liberty that we are to assure to our posterity has to be the greatest charade of all. A $316 billion deficit is 61 percent of all individual income tax revenues for fiscal 1993.

Charade No. 6: The national debt has now topped $3.9 trillion. The Federal Government has run deficits in 53 out of the last 61 years, or 30 out of the last 31. And that is a charade number that I have now misplaced, because we are playing entirely too many to keep track of. The national debt has increased 1,240 percent since 1960; 620 percent since 1975; 329 percent since 1980, and 114 percent since 1985.

Mr. President, that is what we talk about tonight. That is the business of this Senate; that is the business of the American people. Why are they concerned today? Why are they expressing more disfavor with their politicians than probably in our Nation's history? Because one too many charades has been played.

It is now time that the business of this Senate be a balanced budget amendment to the Constitution. It will be argued tonight, as it has been in the past, that it is only putting the process off. It is beginning the process. It is, for the first time, engaging this Senate in the responsible task, and a way of playing it out, in a process and a procedure in which there is no stop-go.

And then the charades begin to stop. It took over 200 years to accumulate our first $1 trillion worth of national debt. Fiscal 1991, 1992, and 1993 will increase the national debt with an additional trillion dollars. That is charade impossible. That is the reality of the debate tonight. That is what is at issue here. That is what we have to deal with.

I yield the remainder of my time.

Mr. BYRD. Mr. President, I yield myself such time as I may require.

Mr. SARBANES. Will the chairman yield me a minute to make a point?

Mr. BYRD. Yes.

Mr. SARBANES. Mr. President, in view of the comments just made by the Senator from Idaho, I would like to point out to the body the charade that we just heard. This chart shows the additions to the Federal debt.

The Senator talked about the fact that we now carry a large interest charge on the Federal debt. This shows the debt under Kennedy, Johnson, Nixon, Ford, and Carter. Then you get this very large jump under Reagan in his first term, and an even larger jump under Reagan in this second term.

There is a huge jump, almost a 50 percent jump again under Bush in his first term. And the administration itself is projecting that in the next 4 years, if President Bush gets a second term, the debt will rise even more. This is what happened to the debt on their watch.

The able Senator from Tennessee pointed out earlier that this run-up in the debt was the result of eroding the tax base and boosting defense expenditures. The consequence of that now is to create a large debt. In the two Reagan terms and the Bush first term there was an accumulation of over $3 trillion in debt.

Before that time, the total debt was less than $1 trillion. Throughout the whole history of the Republic, up until that point, the debt was less than $1 trillion; $3 trillion was added under Reagan and Bush. And, the President is projecting adding another $1.5 trillion in the next 4 years.

I thank the chairman for yielding.

Mr. BYRD. Mr. President, speaking of charades, let me quote David Stockman. May I say to my good friends, David Stockman tells us about a real charade. First, he speaks of it in his prologue, I say to my friend from New Mexico, Mr. DOMENICI. He speaks of it on page 13 of the book "The Triumph of Politics."

First, in his prologue, and I quote him:

> After November 1981, the administration locked the door on its own disastrous fiscal policy jail cell and threw away the key. The

> President would not let go of his tax cut. Cap Weinberger hung on for dear life to the $1.46 trillion defense budget. Jim Baker carried around a bazooka, firing first and asking questions later of anyone who mentioned the words "Social Security." Deaver, Meese, and the others ceaselessly endeavored to keep all the bad news out of the Oval Office and off the tube. The nation's huge fiscal imbalance was never addressed or corrected; it just festered and grew.

Now I quote from the epilogue in Mr. David Stockman's book, turning to pages 378 and 379:

> By the end of 1985 the economic expansion was three years old and the numbers demonstrated no miracle. Real GNP growth had averaged 4.1 percent—an utterly unexceptional, prosaic business cycle recovery by historical standards, and especially so in light of the extraordinary depth of the 1981–82 recession. The glowing pre-election GNP and employment numbers, therefore, had manifested only the truism that when the business cycle turns down, it will inevitably bounce back for a while.
>
> Still, the White House breastbeating had to do with the future, and that depends upon the fundamental health of the economy and the soundness of policy. Yet how can economic growth remain high and inflation low for the long run when the administration's de facto policy is to consume two thirds of the nation's net private savings to fund the federal deficit?
>
> The fundamental reality of 1984 was not the advent of a new day, but a lapse into fiscal indiscipline on a scale never before experienced in peacetime. There is no basis in economic history or theory for believing that from this wobbly foundation a lasting era of prosperity can actually emerge.
>
> Indeed, just beneath the surface the American economy was already being twisted and weakened by Washington's free lunch joy ride. Thanks to the half-revolution adopted in July 1981, more than a trillion dollars has already been needlessly added to our national debt—a burden that will plague us indefinitely. Our national savings has been squandered to pay for a tax cut we could not afford. We have consequently borrowed enormous amounts of foreign capital to make up for the shortfall between our national production and our national spending. Now, the U.S. economy will almost surely grow much more slowly than its potential in the decade ahead. By turning ourselves into a debtor nation for the first time since World War I, we have sacrificed future living standards in order to service the debts we have already incurred.
>
> Borrowing these hundreds of billions of dollars has also distorted the whole warp and woof of the U.S. economy. The high dollar exchange rate that has been required to attract so much foreign capital has devastated our industries of agriculture, mining, and manufacturing. Jobs, capital, and production have been permanently lost.
>
> All of this was evident in 1984, and so was its implication for the future. We had prosperity of a sort—but it rested on easy money and borrowed time. To lift the economy out of recession against the weight of massive deficits and unprecedented real interest rates, the Fed has had to throw open the money spigots as never before. This in turn has stimulated an orgy of debt creation on the balance sheets of American consumers and corporations that is still gathering momentum today. Its magnitude is numbing. When the government sector's own massive debt is included, the nation will shortly owe $10 trillion—three times more than just a dozen years ago.
>
> One thing is certain. At some point global investors will lose confidence in our easy dollars and debt-financed prosperity, and then the chickens will come home to roost. In the short run, we will be absolutely dependent upon a $100 billion per year inflow of foreign capital to finance our twin deficits—trade and the federal budget.

Then turning to page 393 of Mr. Stockman's book, I again quote Mr. Stockman:

> Folly has begotten folly, and the web has become hopelessly entangled in a five-year history of action and reaction. But the politicians of both parties still have a sound and valid reason for disengaging from the Reagan Revolution's destructive aftermath. A radical change in national economic policy was not their idea; economic utopia was not their conception of what was possible in 1981 when the policies of the past collapsed. Republican and Democratic politicians together can tell the American people that a few ideologues made a giant mistake, and that the government the public wants will require greater sacrifices in the future in the form of the new taxes which must be levied.

Mr. President, I think that David Stockman spoke of the greatest charade of all, and it speaks for itself, and so much for that.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 32 minutes and 11 seconds remaining.

Mr. BYRD. Mr. President, extended debate is of ancient origin. Plutarch reported that when Caesar returned to Rome from a sojourn in Spain, his arrival happened at the time of the election of consuls. Caesar applied to the Roman Senate for permission to stand as a candidate, but Cato the Younger, also referred to as Cato the Philosopher, opposed Caesar's request, and attempted to prevent Caesar's success by gaining time. And, with that view in mind, Cato spun out the debate until it was too late to conclude upon anything that day.

We are now, I believe, in the third or fourth day of the debate on the constitutional amendment to balance the budget, and we are rapidly approaching a moment when the first cloture vote will occur. We have reason to hope that cloture will not be invoked today and that it will again fail on tomorrow. However, should cloture be invoked either today or tomorrow, we will be brought face to face with a vote up or down on the constitutional amendment, and should such vote occur and should the amendment be adopted and subsequently sent to the States for ratification, the consequences of our vote here could be far-reaching, indeed, and, in the end, could shake the pillars of our constitutional system to their utmost foundation.

As I said today earlier, no one really knows what the consequences of adopting this constitutional amendment and its ratification later would really be.

Should the amendment be finally grafted onto the Constitution and were it to fail of enforcement, the Constitution would be demeaned and cheapened. And there are those who believe that the amendment would, indeed, not be enforced. I happen to believe that it would be enforced. But if it were not enforced, if the Constitution could thus be rendered meaningless and unenforceable in one particular, it would suffer overall.

But, on the other hand, Mr. President, should the President decide that the amendment clothes him with the responsibility and authority to take whatever action is needed to bring outlays and receipts into line or if the Congress should take action under section 6 of the new article to invest in the President a line-item veto or enhanced rescisions or impoundment authority, the people's branch—the legislative branch—will become the weakest branch.

Montesquieu said that, in a tripartite government, the judicial branch is the weakest branch. Hamilton, in Federalist Paper 78, said that the executive not only dispenses the honors, but holds the sword of the community. He said that the legislature not only commands the purse, but prescribes the rules by which the rights and duties of every citizen are to be regulated. He said that the judiciary, on the contrary, has no influence over either the sword or the purse, and he went on to say that the judiciary is, beyond comparison, the weakest of the three departments of power.

Mr. President, if this constitutional amendment were to be adopted here, and later in the other body, as some seem to think it would be, and then were ratified by the necessary three-fourths of the States, in my judgment, the legislature would no longer have command over the purse and no longer would the judiciary be the weakest of the three branches. Madison said, in No. 48 of the Federalist Papers, that the legislative department alone has access to the pockets of the people.

Mr. President, if this amendment were somehow to be grafted onto the Federal Constitution, no longer could it be said with Madison that the legislative department alone has access to the pockets of the people.

The floodgates would be open to litigation in the courts. The judiciary would share the taxing and appropriations powers of the legislative branch.

We have only to look at the experience of States where the courts have been drawn into situations involving the balancing of State budgets. The case of Missouri, et al., versus Jenkins, et al. involving the Kansas City, MO, school district, clearly nails down the proposition that a court can direct a local government body to levy its own taxes. And one step can lead to a further step and then to a further.

The Supreme Court of the United States is venturing more and more into the political thicket. No longer could we rest assured concerning Madison's statement that the legislative department alone has access to the pockets of the people. The long hand of the courts would extend itself in due time, likewise, into the pockets and the purse of the people.

The constitutional system, as handed down by the Founding Fathers, would be changed. Its checks and balances and separation of powers would be undermined. The people's power over the purse, invested in their elected representatives through the struggles of a thousand years of Anglo-American history would be swept away.

Make no mistake about it, I say to Senators, as Senator DOLE earlier said, this is an important cloture vote. I would go further to say that no other cloture vote that Senators here today have ever cast will rival this one in its significance for this institution and the future of the Nation.

If cloture should be invoked, and if this constitutional amendment should be adopted by the necessary two-thirds vote, those in this body—and there are those in this body—and elsewhere who have longed to bring about a massive transfer of legislative power to the executive will have achieved their goal. The judicial branch which, as Montesquieu said, was the weakest branch in a tripartite Government, and which, in Hamilton's view, wielded neither the sword nor the purse, would, by virtue of this change in the Constitution, be made more powerful than the legislative branch and would have its hand on both the purse and the sword.

Mr. President, while the last members of the constitutional convention were signing the Constitution, Madison, in his notes, said that Dr. Franklin, looking toward the President's chair and at the painting behind it, which was a painting of the rising sun, stated to a few members who were near him, that painters had found it difficult, in their art, to distinguish a rising, from a setting sun.

He went on to say something to this effect: "I have often and often, in the course of the session, and the vicissitudes of my hopes and fears as to its issue, looked at that behind the President, without being able to tell whether it was rising or setting; but now at length, I have the happiness to know that it is a rising, and not a setting sun."

Mr. President, I truly believe that the wisdom of the Framers has guided this Nation for over 200 years, and throughout all of its vicissitudes, in wars and in peace, in prosperity and adversity, that rising sun which Franklin saw behind the President's chair has steadily moved upward toward its meridian.

This is not just another cloture vote. I have cast many of them. I have voted for cloture and I have voted against cloture. There was a time in my early years in the Senate when I said I would never vote for cloture on anything. I changed my mind. James Russell Lowell said that only the foolish and the dead never change opinions. I changed my mind, and I have subsequently voted for and against cloture. On one occasion, I spoke for 14 hours and 13 minutes in this Senate in opposition to a measure.

But this is not just another cloture vote.

If this cloture vote fails, which I hope it will and hope tomorrow morning's vote will also fail, those of us who vote against closing this debate may never know the true measure and importance of the position which we upheld. But indeed, if cloture should be invoked, those of us who opposed it, at least some of us, will live to see that our vote was right, because the invoking of cloture, should it be followed by the adoption of this constitutional amendment, will have turned the face of this institution and the Nation toward a setting sun.

I believe that, if this amendment were to be riveted into the Constitution, it would be enforced. I think the President would feel a responsibility to obey what he would see as a mandate in the amendment, I think that eventually there would be a line-item veto, enhanced rescissions, impoundments, all of which, then, would bring the courts into the thicket—the political thicket. I think that the people's branch would become the weakest of the three branches.

Montesquieu's statement that the judiciary is the weakest of the three branches, and Madison's statement in the Federalist No. 48, that "the legislative department alone has access to the pockets of the people," and Hamilton's statement that the legislature "commands the purse", all of these statements would be turned on their heads.

The great losers in this outcome would be the people themselves, because it would be their elected representatives in the legislative branch who would no longer have the people's power over the purse.

I think that the Senate's sun will be well on its way toward its setting if this constitutional amendment were ever to be adopted. The Founders demonstrated great wisdom in drawing up a constitutional system in which the legislative branch, the branch of the people, had control over the purse. Are we wiser than the Framers?

And so this is a key vote, the most important cloture vote that I shall have ever cast, in my judgment. We ought to ponder very carefully what we are doing. Let us not listen too much to the political statements that have been falling like English arrows at the battle of Crecy, or at the battle of Poitiers—or at Agincourt, where they fell like snow. Let us not listen to all of these political arguments from one side or the other. Let us think of this institution.

Let us think of this institution. As I have said on previous occasions, most of us would have given our right arm to become a Member of this body. I was the 1,579th of the 1,799 Members, men and women, who have graced this body since it first met in 1789.

I did not come here to weaken this body. I did not come here to destroy it. I did not come here to undermine the people's power over the purse, a power which is assured to the legislative branch by virtue of the wisdom of the Framers of the Constitution, and by virtue of their knowledge of English history, and their knowledge of the struggles of Englishmen and the blood shed by Englishmen in wresting from tyrannical monarchs the power over the purse. The colonial legislatures modeled themselves after the parliament in the motherland.

No, Mr. President, I will not act to weaken this body or to weaken the constitutional system of checks and balances and separation of powers.

Vespasian, a Roman emperor who reigned from A.D. 69 to 79, said, "An emperor ought to die standing."

I say to my good friend from New Mexico, whose heritage goes back to that great land which saw one of the greatest empires of all time. Vespasian was an emperor who said when he was about to die, "An emperor ought to die standing." And he wanted others to lift him, so that he could die standing.

I say, a Senator ought to die standing. He ought to die standing for his country, and for this institution and for the Constitution which created the three departments of Government. He ought not to die running.

There are those who sincerely and conscientiously believe in this amendment. There are those of us who know better.

I have heard Senators on both sides of the aisle who have come to me and said that they do not like this amendment, but for political reasons they are going to vote for it. Some of my friends have said the President has gone all out for it and they would, therefore, vote for it, but their hearts are not in it.

Those of us who, in our hearts know that it is not the right thing, even though it could mean political extinction, let us Senators die standing. Not running.

I want to be able to pass on—or to see passed on—to my children and grandchildren the kind of constitutional system that was handed down to us by those who preceded us.

Tacitus said, "As you go into battle, remember your ancestors and remember your descendants."

So, in the spirit of these lines by Kipling, Mr. President, then let us act to remember our ancestors and our descendants:

Our fathers in a wondrous age,
  Ere yet the Earth was small,
Ensured to us an heritage,
  And doubted not at all,
That we, the children of their heart,
  Which then did beat so high,
In later time should play like part
  For our posterity.
Then fretful murmur not they gave
  So great a charge to keep,
Nor dream that awestruck time shall save
  Their labour while we sleep.
Dear-bought and clear, a thousand year
  Our fathers' title runs.
Make we likewise their sacrifice,
  Defrauding not our sons.

The PRESIDING OFFICER. Who yields time?

The Senator from California is recognized.

Mr. SEYMOUR. Mr. President, I yield 5 minutes to the distinguished Senator from Arizona [Mr. McCAIN].

Mr. McCAIN. Mr. President, before my time, I would like to make a parliamentary inquiry as to the parliamentary situation that we are in.

Is it true that there will be after the expiration of time a cloture vote which will then be followed tomorrow by another cloture vote, and then if cloture is not voted upon in a positive fashion by this body, in other words, cutting off debate, then the balanced budget amendment will be dropped and under the previous unanimous-consent agreement will no longer be taken up for the remainder of this year; is that an accurate description?

The PRESIDING OFFICER. The Senator is correct.

Mr. McCAIN. Thank you very much, Mr. President. I think it is important that this debate be noted in that context because the fact is that if cloture is not invoked, we are not just talking about closing off debate. We are talking about the end of the balanced budget amendment debate for this year. It is over at some time tomorrow if we are unable to obtain a sufficient number of votes to invoke cloture; in other words, cut off debate.

Mr. President, I would like to start off by thanking the distinguished chairman of the Appropriations Committee for, as always, a very scholarly erudite, and enlightening exposition of his views, and I certainly understand and appreciate the position that he takes on this very critical issue. I want to congratulate him on his emphasis on the criticality of this vote because his words, Mr. President, are in direct contradiction of that of the majority leader who stood before this body and said it was—and I quote—"a charade," "has nothing to do with a balanced budget amendment," et cetera, et cetera.

Mr. President, I want to strongly align myself with the words of the distinguished chairman of the Appropriations Committee that this is perhaps one of the most critical votes that we have ever cast. And I hope that the distinguished majority leader will pay close attention to the remarks of the distinguished chairman of the Appropriations Committee.

Mr. President, I would like to comment on a couple of statements that the distinguished chairman made. He said "Only the legislature can have access to the pockets of the people."

That is what we are talking about here, Mr. President. We have had access to the pockets of the people, and we have picked them clean. As only the Congress of the United States can do, and in the words of the spokesperson from the National Taxpayers Union, "We are continuing to spend from that empty pocket."

And how are we doing that, Mr. President?

We are doing it by mortgaging the future of the children of America. We have placed a $16,000 debt on every man, woman, and child in America, and it cannot continue. The distinguished chairman also said, "The legislature, if this balanced budget amendment is enacted, will no longer command the power of the purse."

That means a couple of things to me, Mr. President. One is that we do command the power of the purse. It is not Mr. Stockman's fault, it is not Mr. Reagan's fault, it is not Mr. Bush's fault, it is not anybody's fault but the Congress of the United States of America who, in the words of the chairman, command the power of the purse. And those who command the power of the purse have the power to stop the profligate, obscene spending which has been the trademark of this Congress.

I am certainly grateful to know, in the words of the chairman of the Budget Committee, that we will have a chance to cut the deficit because recently there have been other chances and opportunities and, clearly, they failed, if one would look at the dramatic growth of outlays—little items like $4 billion *Seawolf* submarines.

We had a vote the other day, Mr. President, that was to level—level—the funding for the Corporation for Public Broadcasting. What did we get, 30 votes?

So I hope we will have that opportunity very soon to make significant cuts, because the history of this body shows that it is out of control, and the American people know it and the American people are demanding change.

The distinguished chairman of the Appropriations Committee said no one knows the consequences of a balanced budget amendment. I agree with that statement. But, Mr. President, we do know the consequences of business as usual. We do know the consequences of business as usual in this Congress which has bankrupted America.

Mr. President, the only way we are going to get our house in order is by forcing it upon the Congress of the United States what the people want.

I will conclude by mentioning some facts. The facts are that 80 percent of the American people think we are on the wrong track. The facts are 17 percent of the American people approve of the Congress of the United States and our conduct. They want change. They want fiscal sanity. They want to stop this profligate spending which affects America in every possible way, including our inability to compete with foreign countries.

Mr. President, the American people demand change, they deserve it, and they are going to get it, one way or the other. They are going to get it either by action of this body or they are going to get it through the electoral process and the ballot box.

The PRESIDING OFFICER. The Senator has used his 5 minutes.

Mr. McCAIN. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SEYMOUR. Mr. President, may I inquire as to the remaining time on our side?

The PRESIDING OFFICER. The Senator from California has 16 minutes and 47 seconds.

Mr. SEYMOUR. Mr. President, I yield 5 minutes to the distinguished Senator from New York [Mr. D'AMATO].

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. D'AMATO. Mr. President, I want to commend the Senator from Arizona, Senator McCAIN, for his very erudite presentation.

Let me make a little analogy of what I think is taking place. I remember some years ago in local government dealing with some very difficult problems, and it seemed to me at that time that we could not do it alone; that we did not have the resources, the ability. I am talking about handling solid waste. It is a nice way for saying garbage.

I want to tell you some things. I saw more public officials who ran the worst landfills in America, who polluted the water, who polluted the environment but, boy, they would not give up the power even if it meant that someone could come in from the private sector, do it better, do it cheaper and run it more effectively for the people. It is the nature of the political animal not to give up the power, and that is why we are in the trouble we are in. It can be laid very fairly to lots of people.

The distinguished chairman of the Appropriations Committee read some very damning facts from the former Budget Director. There is no disputing it. There is lots of blame to put out but we just do not want to give up the power. And the fact of the matter is that if we have a balanced budget amendment, and if we obtain cloture, that will move us one step closer to the possibility of bringing that about.

Why, then, there will be a loss of power. We will not be able to continue the spending and spending and meeting all the demands that come, and by the way, many of them are good, they are legitimate.

We do not have the courage to say no. We are like the fellows who are running that landfill system who just did not want to give it up even though they cannot handle it. We cannot handle it today. The special interest groups are too powerful and that is not some bad guy representing corporate America.

How do you say no to seniors who are in need and have programs in housing and home heating assistance, mass transportation, medical research, drug treatment, and law enforcement? And these are good programs and they are necessary.

So we say yes to all of them. Somebody comes down and offers an amendment and he offers more for his drug treatment program and so we do not want to be accused of voting against moneys for drug treatment, so we all vote yes. And someone else comes in for more medical research and it is necessary and none of us want to say we are against it, and we vote for it, and on and on it goes.

Do you really think we are going to change and develop political courage? Do you really think we are going to suddenly get the kind of courage to say, no, we have to cap spending, we have to live within our means, we are killing the productivity of this country?

Do you know why people cannot get money in the commercial sector, and why the economy is lagging? Because the banks are borrowing and buying more long-term Federal debt than ever before. They have increased the purchasing of long-term Federal debt by about 25 percent and they have cut back on commercial loans. Why? Because they have the Government that needs the money, and so your private sector is competing.

If we want to turn this economy around—and I hear all this talk about the economy—then we need to do something now and we send a strong signal by passing a balanced budget amendment.

And we send a strong signal by passing a balanced budget amendment. Just like the local officials who could not handle the job when it came to manage the landfill, we are not doing the job here. It is about time we recognize it. We need that discipline, the discipline to say, yes, we cannot give more; we cannot spend more; we are curtailed by this legislation. Does it mean giving up some power? Yes. But I think we have demonstrated that we are inadequate to the task as a body. That is sad, but it is true.

The PRESIDING OFFICER. Who yields time?

Mr. SEYMOUR. Mr. President, I yield 5 minutes to the distinguished Senator from New Mexico [Mr. DOMENICI].

Mr. DOMENICI. I thank the Senator very much.

Mr. President, I would like to make four points. First, I congratulate the distinguished chairman of the Appropriations Committee. I did not hear any remarks by the Senator that spoke of this exercise tonight as one of politics. I heard it from others. I heard it from the distinguished majority leader. Frankly, Mr. President, if there are politics on this side—and, frankly, I believe that many Senators on this side trulty believe this constitutional amendment is the only way to solve the fiscal dilemma of this Nation—let me assure the Senate that there is plenty of politics on that side. And I will say it right. There is plenty of politics by the Members on that side of the aisle who are members of the Democratic Party.

I have now, and I will introduce it in the RECORD, the June 5, 1992 vote. During this very month this vote occurred. Twenty Members on that side voted on a Don Nickles amendment that it was the sense of the Senate we should pass a constitutional amendment.

I ask unanimous consent that the list be made a part of the RECORD. It will be self-explanatory as the list appears.

There being no objection, the vote was ordered to be printed in the RECORD, as follows:

HOW THE VOTES FALL

	1982	1986	1992
Adams (D–WA)*	....	....	N
Akaka (D–HI)	....	....	N
Baucus (D–MT)	N	N	N
Bentsen (D–TX)	Y	Y	N
Biden (D–DE)	N	N	Y
Bingaman (D–NM)	....	Y	N
Bond (R–MO)*	....	....	Y
Boren (D–OK)	Y	Y	Y
Bradley (D–NJ)	N	N	N
Breaux (D–LA)*	....	....	Y
Brown (R–CO)	....	....	Y
Bryan, Richard (D–NV)	....	Y	N
Bumpers (D–AR)*	N	N	N
Burdick (D–ND)	....	N	Y
Burns (R–MT)	....	....	Y
Byrd, Robert (D–WV)	Y	N	N
Chafee (R–RI)	N	N	Y
Coats (R–IN)*	....	....	Y
Cochran (R–MS)	Y	Y	Y
Cohen (R–ME)	N	N	Y
Conrad (D–ND)*	....	....	Y
Craig (R–ID)	....	....	Y
Cranston (D–CA)*	N	N	N
Danforth (R–MO)	Y	Y	Y
Daschle (D–SD)*	....	....	Y
DeConcini (D–AZ)	Y	Y	Y
Dixon, Alan (D–IL)*	Y	Y	....
Dodd (D–CT)*	N	N	N
Dole (R–KS)*	Y	Y	Y
Domenici (R–NM)	Y	Y	Y
Durenberger (R–MN)	Y	Y	Y
D'Amato (R–NY)*	Y	Y	Y
Exon (D–NE)	Y	Y	Y
Ford, Wendell (D–KY)*	N	Y	Y
Fowler (D–GA)*	....	....	Y
Garn (R–UT)*	Y	Y	Y
Glenn (D–OH)	N	N	N
Gore (D–TN)	....	Y	N
Gorton (R–WA)	N	N	Y
Graham, Bob (D–FL)*	....	....	Y
Gramm, Phil (R–TX)	....	Y	....
Grassley (R–IA)*	Y	Y	Y
Harkin (D–IA)	....	Y	Y
Hatch (R–UT)	Y	Y	Y
Hatfield (R–OR)	Y	N	Y
Heflin (D–AL)	Y	Y	Y
Helms (R–NC)	Y	Y	Y
Hollings (D–SC)*	Y	Y	Y
Inouye (D–HI)*	N	N	N
Jeffords (R–VT)	....	....	....
Johnston, Bennett (D–LA)	Y	Y	N
Kassebaum (R–KS)	N	N	Y
Kasten (R–WI)*	Y	Y	Y
Kennedy, Edward (D–MA)	N	N	N
Kerrey, Bob (D–NE)	....	....	N
Kerry, John (D–MA)	....	N	N
Kohl (D–WI)	....	....	Y
Lautenberg (D–NJ)	....	N	N
Leahy (D–VT)*	N	N	N
Levin, Carl (D–MI)	N	N	N
Lieberman (D–CT)	....	....	N
Lott (R–MS)	....	....	Y
Lugar (R–IN)	Y	Y	Y
Mack (R–FL)	....	....	Y
McCain (R–AZ)*	....	....	Y
McConnell (R–KY)	....	Y	Y
Metzenbaum (D–OH)	N	N	N
Mikulski (D–MD)*	....	....	N
Mitchell, George (D–ME)	N	N	N
Moynihan (D–NY)	N	N	N
Murkowski (R–AK)*	Y	Y	Y
Nickles, Don (R–OK)*	Y	Y	Y
Nunn (D–GA)	Y	Y	Y
Packwood (R–OR)*	Y	Y	Y
Pell (D–RI)	N	Y	Y
Pressler (R–SD)	Y	Y	Y
Pryor (D–AR)	Y	Y	N
Reid (D–NV)*	....	....	Y
Riegle (D–MI)	N	N	N
Robb (D–VA)	....	....	Y
Rockefeller (D–WV)	....	N	N
Roth, William (R–DE)	Y	Y	Y
Rudman (R–NH)*	Y	Y	Y
Sanford (D–NC)*	....	....	Y
Sarbanes (D–MD)	N	N	N
Sasser (D–TN)	Y	Y	N
Seymour (R–CA)	....	....	Y
Shelby (D–AL)*	....	....	Y
Simon (D–IL)	....	Y	Y
Simpson (R–WY)	Y	Y	Y
Smith, Robert C. (R–NH)	....	....	Y
Specter (R–PA)*	Y	Y	Y
Stevens (R–AK)	Y	Y	Y
Symms (R–ID)*	Y	Y	Y
Thurmond (R–SC)	Y	Y	Y
Wallop (R–WY)	Y	Y	....
Warner (R–VA)	Y	Y	Y
Wellstone (D–MN)	....	....	N
Wirth (D–CO)*	....	....	....
Wofford (D–PA)	....	....	N

1982: The Senate adopted a Thurmond Balanced Budget Amendment 69–31.

1986: The Senate failed to adopt a Thurmond Balanced Budget Amendment 66–34.

1992: The Senate supported (63–42) a Nickles amendment expressing the Sense of the Senate that the Senate should ADOPT a balanced budget amendment by June 5.

Mr. DOMENICI. Now, I have the latest from the computers on the Simon amendment and who cosponsored it, and I might suggest that there are a number of Members from that side of the aisle who cosponsored it who are not going to vote, at least they have not in the last 3 or 4 days. The trend is they are not going to vote for anything that looks like the same constitutional amendment that they cosponsored.

I ask unanimous consent that be made apart of the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

THE 102D CONGRESS—S.J. RES. 18

(Calendar No. 151; S. Rept. 102–103)

COSPONSORS

Date: January 14, 1991.

Spsonsor: Simon.

Referred to: Senate Committee on the Judiciary.

Reported by: Senate Committee on the Judiciary.

Cosponsor(s): Current (30): Thurmond; DeConcini; Hatch; Heflin; Simpson; Grassley; Shelby (A–01/31/91); Specter (A–02/20/91); Lugar (A–02/20/91); Daschle (A–03/05/91); Lott (A–03/06/91); Wallop (A–06/11/91); Hollings (A–06/11/91); Bryan (A–06/25/91); Reid (A–06/27/91); Roth (A–07/18/91); Bingaman (A–07/30/91); Breaux (A–09/12/91); Dixon (A–09/12/91); Seymour (A-09/12/91); Cochran (A-09/24/91); Smith (A-10/04/91); Conrad (A-03/03/92); Bentsen (A-03/03/92); Murkowski (A-04/02/92); Boren (A-04/09/92); Robb (A-04/28/92); Craig (A-05/12/92); Graham (A-05/19/92); Kohl (A-05/19/992).

Mr. DOMENICI. Now, Mr. President, if there is any politics, that is politics. Maybe there is another explanation how within the very month, June, Members on that side, at least 20, said to this Senate, "It is my sense that we should vote for the constitutional amendment." And then there is another list of those who actually cosponsored it. We will see how they vote tonight. I cannot imagine that if they do not vote for cloture, it is anything other than politics.

Now, having said that, I want to make one other point, that the people in the country watching this debate are confused, because the distinguished Senator from Maryland puts up a chart showing the deficit of the United States and blames it on the President of the United States, and the distinguished chairman of the Appropriations Committee, not once, not twice, but I am sure more than three times said this is an issue that centers around the power of the purse—and if I read him right, he is saying the Congress—and if I read him right, he is saying the Senate should retain the power of the purse.

Now, I think it cannot be both. We had the power of the purse. We were at least coequal with the President in incurring that deficit, not the President, be it Reagan or Bush, that did it all by himself. As a matter of fact, one might imply from the distinguished chairman of the Appropriations Committee that it is our deficit, for we controlled both the expenditures and the tax collections.

Now, that is enough of that.

A third point. My good friend, the chairman of the Appropriations Committee, worries with the Senate bringing the courts into this if we pass this amendment. I say to my friend I am worried about it, too. But I believe we have probably kept the court out of this amendment the way it is constructed.

Frankly, at my request, section 6 was put in this amendment. It was not in the original House amendment as they intended. Then they put it in before they took it up. "Congress shall enforce and implement this article by appropriate legislation."

Mr. President, when coupled with section 2, which essentially says when you finally get to a balanced budget, you cannot increase the debt limit, and if you do not increase it by a supermajority, you cannot add any more debt, so an interesting enforcement occurs. It is our own debt, which we have added so much burden on the American people, that will enforce itself because we will bring down our Treasury bills if we do not get a balanced budget.

Now, my last point.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. Could I have 30 seconds?

Mr. SEYMOUR. I yield 30 seconds to Senator DOMENICI.

Mr. DOMENICI. I want to read a quote in closing. I say to the distinguished chairman of the Appropriations Committee, one of the constitutional experts on this subject is Dr. Laurence Tribe, and it is very interesting. While he says the constitutional amendment is not to his liking, I close my discussion with the best quote I can find as to why we need a constitutional amendment. And I quote Dr. Laurence Tribe:

> Given the centrality of our revolutionary origins, of the precept there should be no taxation without representation, it seems especially fitting in principle that we seek somehow to tie our hands so that we cannot spend our children's legacy.

I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The President pro tempore.

Mr. BYRD. Mr. President, the distinguished Senator from New Mexico has referred to Dr. Tribe's words when he appeared before the Budget Committee. I believe that a thorough reading of Professor Tribe's statement will clearly convey the message that he is opposed to such a constitutional amendment to balance the budget.

Mr. DOMENICI. Might I ask, did I not say that? I think I said that.

Mr. BYRD. The Senator may have.

Mr. DOMENICI. Yes, indeed, I did.

Mr. BYRD. Perhaps I am wrong.

Mr. DOMENICI. I said while he is saying he did not like the constitutional amendment, he makes this rather extraordinary statement.

Mr. BYRD. Very well.

Mr. SARBANES. Will the Senator yield on that?

Mr. BYRD. Yes.

Mr. SARBANES. He went further than that. He concluded the statement by saying that "None of the proposed balanced budget amendments could be included in the Constitution without unacceptable adverse consequences for the separation and distribution of governmental powers and for the integrity of the constitutional structure as a whole." That was his conclusion. It cannot be any clearer than that.

Mr. SASSER. Will the distinguished chairman yield?

Mr. BYRD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Two minutes and forty seconds.

Mr. BYRD. I yield to the Senator from Tennessee.

Mr. SASSER. Our distinguished friend from New Mexico indicates that, at his request, inserted in this amendment was the statement that the Congress shall have the power to enforce by appropriate legislation the provisions. That is precisely the language the chairman will recall is in amendment 14 of the Constitution of the United States, the so-called due process clause.

As the chairman is aware, there are literally tens of thousands of suits that have arisen under amendment 14, the due process clause, notwithstanding the fact that at the conclusion of that due process clause, section 5 says:

> The Congress shall have the power to enforce by appropriate legislation the provisions of this article.

Mr. BYRD. Yes, of course. What that language does, it opens the door and extends the invitation to the Congress to enact legislation to give the President of the United States the line-item veto, enhanced rescissions, and impoundment powers. That is just what we are inviting ourselves to do with that language.

And with reference to the language which reads as follows:

> The limit on the debt of the United States held by the public shall not be increased until three-fifths of the whole number of each House have provided by law for such an increase by rollcall vote.

I believe my friend from New Mexico referred to that language. It is a rare occasion to have a debt limit that has been enacted by both Houses by as much as a three-fifths vote; a very rare occasion. So it would be extremely difficult to increase the debt limit when future necessity required that it be done.

What happens if Congress fails to increase the debt limit? All but essential Federal Government services would be shut down. Federal employees would be sent home. Social Security checks would be stopped. Most Federal expenditures would cease. Federal contracts would be violated. Eventually, the Treasury would be forced to default on a portion of the Federal debt. Financial institutions seeking payment of interest and principal on maturing Federal debt would find the Treasury unable to make those payments. A financial crisis would ensue.

A Federal default would quickly throw the economy into a depression, and would cause the United States to pay much higher interest rates on borrowing in the future. We have never defaulted before, Mr. President. Uncle Sam's credit rating would plummet. We should beware of locking that provision into the Federal Constitution.

Mr. SEYMOUR. Mr. President, how much time is remaining on this side?

The PRESIDING OFFICER. Six minutes.

Mr. SEYMOUR. Mr. President, I yield the remainder of the time to myself.

Mr. President, this has been a very healthy debate. In fact, I might say that next to the debate over the Persian Gulf war resolution, this is probably the most important debate that I have been part of in the brief 18 months I have been privileged to serve here.

I would like to underscore "privilege" because I have been privileged to listen to our distinguished President pro tempore give forth his recall of history. It left me awe-struck to hear his discourse and recant of history. I felt as if I were sitting at the feet of perhaps the most distinguished historical professor in our Nation.

It was interesting as well for me to listen to him because as we focused on this debate, I felt for the first time since last Tuesday we were beginning to hear the truth, and a true difference of opinion on this important issue. And clearly we can differ, and clearly we do.

Where we have come since last Tuesday is truly remarkable. We started out last Tuesday with the desire to raise this issue, and to bring it to a vote. And we have debated it heavily.

So we have come a long way. This really has not been a dead issue. If it were a dead issue, I do not think 16 of our colleagues on the other side of the aisle would have voted to set aside the President pro tempore's amendment, which would have prevented this cloture vote on the balanced budget amendment. In fact, it would have ended it.

Mr. President, for those doomsayers and naysayers who say it cannot be done; this is a dead issue; why are we wasting our time; for those who feel that way, I would suggest that we are three votes away from enacting a balanced budget constitutional amendment.

After the next vote, if this vote is successful to invoke cloture, the next vote would be to pass the constitutional amendment to balance the budget. And then it would be sent over to the House of Representatives, Mr. President, for the third and final vote.

Should those "weak sisters" who were cosponsors of this amendment have their minds changed within three votes, the people of this Nation will have the opportunity to make up their minds on whether or not we need a balanced budget amendment to our Constitution.

In his historical account, the President pro tempore so eloquently stated the truth when he referred to Hamilton and his notion that it was the legislature that controls the purse; and Madison, that the legislature has access to the pockets of the people. He is right. We now have an opportunity, a rare opportunity, perhaps the only moment we will have to demonstrate to the people of this country that we are serious about fiscal responsibility.

They want change. We know they want change. They are tired of the political games and the charades. They want action. We are three votes away. As a matter of fact, that last rollcall was 57 votes to defeat the Byrd amendment. Those same 57 votes mean we are three votes away from cloture. So that means we are only a few votes away from an up-or-down vote on a constitutional amendment to balance the budget.

I ask my colleagues in the Senate to think of the arguments that the distinguished President pro tempore has made. But I also know one thing about history. It has been said that if we do not learn from history, we are destined to repeat it.

Let us consider the country of Japan. They deficit spent. They curbed their appetite. It was painful; but they did it and rebuilt their country. We look at Great Britain. They were deficit financing, and with the leadership of Margaret Thatcher, they bit the bullet and turned their country around. The same is true for Germany. Now, it is our time to seize the moment, and to begin to turn our spending binge around as we prepare for the next century.

I have referred in the debate a number of times to the fact that Congress is addicted, just as certainly as a drug addict is addicted to a drug. Our choice of drug is spending money that we do not have. And in the last 30 years, as has been brought out, 29 of those 30 years, we have done just that—spent money that we do not have.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senator have 2 additional minutes, and that Mr. CONRAD have 2 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SEYMOUR. I thank the distinguished President pro tempore.

Mr. President, the opportunity that we have before us may not come again. The question is whether or not we have the self-restraint, the self-discipline, the will to rid ourselves of our addiction. I say we do not. I say history and the record shows that we do not have that discipline.

So we need some tool that will impose it upon us, that will require us to do what a family has to do in balancing their budget, to do what a business has to do to keep their doors open, to do what 48 of the State governments must do according to their Constitutions, and that is to show restraint.

I realize that there has been a lot of pressure applied, pressure applied to those who have already cosponsored this constitutional amendment. And the pressure has been put on them to back off, just as happened in the House.

I hope that this body, the U.S. Senate, can stand strong, stand firm, show that we have a backbone, and do the right thing.

Mr. President, I yield the remainder of my time.

Mr. CONRAD. Mr. President, I rise to answer the Senator from New Mexico, who entered into the RECORD the fact that a number of us voted for a sense-of-the-Senate resolution calling for a balanced budget amendment. The RECORD should show that did not specify this amendment.

The Senator also put into the RECORD that a number of us cosponsored the Simon balanced budget amendment.

The RECORD should show that is not this balanced budget amendment. I voted to urge the body to have a balanced budget amendment. I cosponsored the Simon amendment, but I am going to oppose cloture now.

Mr. President, the reason is very simple. It is not politics, as suggested by the Senator from New Mexico. I have already announced I am not seeking reelection. I am voting as I have announced, because I believe we ought to do something about reducing the deficit now—not pass an amendment that says we are going to do something by 1998, not another Gramm-Rudman that says we have a formula for reducing the deficit, not a situation in which we retreat to the stands and cheer for us to do something; but, instead, for us to be in a position for which there are no excuses, there is no balanced budget amendment that says we are going to do something by 1998, there is no Gramm-Rudman that says we are going to balance the budget in 5 years, and we find out 6 years later the deficit is twice as large.

If we really wanted to do something about the deficit, why do we not start now? Why do we not start now in the appropriations bills that are coming before this body? Why do we not ask the President to send us a plan and start now, not in 1995, or 1996, or 1997, or 1998, but right now? That is what we ought to do.

I yield the floor.

Mr. BENTSEN. Mr. President, I rise to announce my decision to vote against cloture on the Nickles balanced budget amendment to the Constitution.

My decision is not based on any philosophical opposition to a constitutional amendment. I support the concept. I cosponsored the version of Senator SIMON's resolution which the Judiciary Committee approved. The Judiciary version did not have the 60-vote requirement which Senator NICKLES would impose for raising the debt ceiling. That 60-vote requirement troubles me. But putting my reservations aside, I believe a well-crafted constitutional amendment can help impose the discipline the administration and Congress have lacked when confronting the deficit.

But at this stage, a constitutional amendment won't come any closer to happening no matter how much I may support the concept. It won't come any closer even if the Senate were to pass it, a highly unlikely event. The House has rejected the amendment already. After a week of debate, the House failed to adopt the companion to the Nickles amendment.

The House outcome makes debate of a constitutional amendment a futile exercise. The more time the Senate debates what is presently an academic issue, the more time the Senate loses from considering legislation which can happen this Congress. Legislation like the energy bill. The energy bill makes natural gas a cornerstone of our Nation's energy strategy and provides incentives for oil and gas exploration and production. The time for crucial legislation is slipping away as this Congress winds down. We will better use our precious time and serve our Nation by debating matters that won't have to wait until future Congresses to happen.

Mr. President, I am concerned, in a very real sense, that when we debate a balanced budget amendment that is not going to be enacted this year we make it less likely rather than more likely that the Federal deficit will be reduced. Candidates for office—whether they're running for President or for Congress—can use this as a smokescreen to duck debate on the tough decisions, the hard choices that will be required to cut the deficit.

Let me cite an example: the Social Security earnings test. A few days ago the Finance Committee voted to raise the earnings limit as a simple matter of equity. But we also voted to raise the cap on the payroll tax to pay for it. There is little doubt in my mind that, when that issue comes before the Senate, there will be an effort to go the committee one better. The Senate will be urged not to just raise the earnings limit but to eliminate it entirely, and to do this without paying the enormous cost involved.

There will be stirring calls to take this action even though it threatens the fiscal integrity of the Social Security system and even though it would increase the Federal deficit by $24 billion over the next 5 years. I would venture to predict, in fact, that some of those supporting this budget busting initiative will be among those most vociferous in demanding that we amend the Constitution to require a balanced budget.

Debating a constitutional amendment at this stage will bring us no closer to fiscal responsibility. All it will bring us is a flood of 30-second attack ads in the fall campaign. Ads won't help this country get its economic house in order.

Mr. President, I want to get on with Senate business that has a legitimate expectation of happening and helping this year. Senator NICKLES' amendment isn't in that category. For that reason, I will vote against cloture on this amendment.

I hope cloture's failure will persuade Senator NICKLES and his allies to withdraw their otherwise well-intentioned effort for the time being. I hope they'll wait until next Congress to pursue a constitutional amendment. Next Congress is their time, not now.

I thank the Chair.

Mr. HATFIELD. Six years ago I stood on this floor and described the struggle that I experienced in coming to the decision to oppose the balanced budget amendment considered at that time. I described my reluctance to take that position, and my great respect for my party leadership both in the Senate and in the White House.

In 1986, our deficit stood at $221 billion. It was $268 billion last year, and is projected to be well over $300 billion next year. This does not indicate progress in my eyes. Something must be done, and we must have the courage to do it. We have tried procedural solutions before only to prove that easy answers are no answer. I believe we must begin by looking in the direction of runaway mandatory program growth and further defense cuts.

Tonight, I am voting to invoke cloture on debate on a balanced budget amendment. However, I vote for cloture not in a changed belief that this idea deserves my support, but in the belief that this issue deserves to be debated on its merits. I am disappointed that we are forced to vote on a procedural motion once again. This is a situation that we seem to find ourselves in much too often these days. I feel strongly that issues should be considered on their merits, that the purpose of the world's most renown deliberative body must be to fully debate legitimate proposals forwarded to address serious issues.

I agree with the thousands of people in Oregon who have written to me asking for an answer to the growing deficit. They are right to wonder what direction Congress is taking this Nation. I wish that I could promise them that Congress will address this problem with a constitutional amendment, but there are still many questions in my mind regarding how and to what extent a balanced budget amendment would be enforced. It is my hope that by allowing this issue to be considered on its merits, more of these questions will be addressed during the ensuing debate in this Chamber.

CLOTURE MOTION

Mr. SEYMOUR. Mr. President, I submit two cloture motions under the provisions of the unanimous-consent agreement entered into on Friday, June 26, to limit debate on the Seymour amendment, No. 2447.

The PRESIDING OFFICER. The clerk will state the first cloture motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators in accordance with the provisions of rule XXII of the Standing Rules of the Senate do hereby move to bring to a close debate on amendment number 2447, to S. 2733:

Bob Dole, Mitch McConnell, Dan Coats, Phil Gramm, Pete V. Domenici, Alfonse D'Amato, Don Nickles, Strom Thurmond, Jake Garn, Bob Kasten, Orrin G. Hatch, John McCain, John Seymour, Richard Lugar, Steve Symms, Ted Stevens, Bill Cohen.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the Seymour amendment No. 2447 to Senate bill 2733 shall be brought to a close?

The yeas and nays are required.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. PELL (when his name was called). Mr. President, on this vote I have a pair with the Senator from New Jersey, Mr. BRADLEY. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "aye." I, therefore, withhold my vote.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

On this vote, the Senator from Rhode Island [Mr. PELL] is paired with the Senator from New Jersey [Mr. BRADLEY]. If present and voting, the Senator from New Jersey would vote "nay" and the Senator from Rhode Island would vote "yea."

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "yea."

The PRESIDING OFFICER (Mr. WOFFORD). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 56, nays 39, as follows:

[Rollcall Vote No. 135 Leg.]

YEAS—56

Bond
Boren
Breaux
Brown
Bryan
Burns
Chafee
Coats
Cochran
Cohen
Craig
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dole
Domenici
Durenberger
Garn
Glenn
Gorton
Graham
Gramm
Grassley
Hatch
Hatfield
Heflin
Hollings
Jeffords
Kassebaum
Kasten
Kohl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Reid
Robb
Rudman
Seymour
Shelby
Simon
Simpson
Smith
Specter
Stevens
Symms
Thurmond
Wallop
Warner

NAYS—39

Adams
Akaka
Baucus
Bentsen
Biden
Bingaman
Bumpers
Burdick
Byrd
Conrad
Cranston
Dodd

Exon
Ford
Fowler
Gore
Harkin
Inouye
Johnston
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Lieberman
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Wellstone
Wirth
Wofford

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Pell, for

NOT VOTING—4

Bradley
Helms
Roth
Sanford

The PRESIDING OFFICER. On this vote, the yeas are 56, the nays are 39, three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LIEBERMAN. Mr. President, I voted in opposition to the version of the balanced budget amendment as it came before us today. I did so after carefully considering and weighing the arguments for and against such an amendment. I chose to support a statutory alternative to the amendment that would start the budget balancing process now, and move us more promptly toward the goal that all sides agree is necessary: a balanced budget.

The budget deficit is a problem that must urgently be addressed. We have gotten to the point where we spend more on interest on the national debt than on all our domestic, discretionary programs. And each year our problem is, quite literally, compounded, with deficits creating increased debt, raising the amount needed to pay interest, which in turn increases the deficit. It is an economic death spiral.

But this balanced budget amendment is not the way, procedurally or substantively, to go about promptly balancing the budget. As a procedural matter, the House of Representatives has already defeated the balanced budget amendment. We therefore know that the balanced budget amendment we have before us will not pass. It is just the kind of exercise in futility that has caused the American people to lose confidence in our ability to govern. The only way we can begin the budget balancing process this year is by doing it, and that is by statute.

Even in substance, however, this balanced budget amendment is a charade that will only postpone the serious budget decisions we must reach. The fundamental lesson drawn from over 6 years of experience under the Gramm-Rudman-Hollings balanced budget act is that formulas and process do not substitute for hard policy choices. This amendment does not make it easier to articulate and make those choices. This balanced budget amendment does not even establish a good process for balancing the budget. It has no teeth, no enforcement mechanism. It is left to us—or perhaps to the courts—to design and use those teeth. Finally, this amendment, even if it could be enacted and ratified, would not have any effect before 1998 at the earliest. Until that time, the President and Congress would be free to spend, with no regard for the future.

Instead of simply voting to send a constitutional amendment out to the States for a multiyear ratification process, I believe we should start now by taking the tough steps necessary to bring about a balanced budget before 1998. That effort must begin with frank leadership from the President. The chairman of the Appropriations Committee is correct to ask the President to set out, for the Congress and the American people to consider, exactly what hard choices must be made. The President is the one person who can claim to be elected by the entire Nation, not just by the people of an individual district or State. I therefore voted for the chairman's amendment, which requires the President to do this immediately.

We in Congress must also be ready to do our part. As we require the President to lay out a balanced budget, shorn of the usual rosy economic projections and other budgetary gimmicks, we must vote on the President's plan, as well as any balanced budget plan of our own. Congress must be accountable if it fails to respond to Presidential leadership on this difficult problem.

We must also go further. We must put a stop to the budget games that obfuscate the need for hard choices and delay action. The President and Congress, for example, should be required to base their budgets upon economic projections from an independent, nonpolitical body, the Federal Reserve Board. That single step will put us on equal footing and, more important, realistic footing. Without that basis in reality, all budgetary plans are flights of fancy.

We also must take steps to rebuild the faith of the American people in their Government. We must redouble our efforts to halt waste and fraud, and to eliminate unneeded bureaucratics. We should require governmental managers, like their counterparts in the private sector, to increase productivity by trimming their administrative expenses by 3 percent annually. We ought to subject all programs financed by general tax revenues to periodic reauthorization to make sure they are working.

We, however, should not fool ourselves. We will not balance the budget ever simply by cutting waste, fraud, and abuse or by streamlining government. As President John F. Kennedy once said, "Our task now is not to fix the blame for the past, but to fix the course for the future." The balanced budget amendment before us will not fix that course. We must enact legislation that will.

Mr. GLENN. Mr. President, I rise today in opposition to the Kasten amendment which require a three-fifths majority in both Houses for enactment of legislation increasing Federal receipts by more than the national growth rate.

I oppose the Kasten amendment not because I am against the idea of a constitutional balanced budget amendment. I have voted in support of a balanced budget amendment in the past and am prepared to do so again if such an amendment is responsible, flexible, and reflective of sound policy.

I have grown frustrated over the past 12 years as Presidents Reagan and Bush submitted the most unbalanced budgets in history leading to a quadrupling of the national debt. Over those years, instead of solid, long-term policy proposals to reduce the deficit we rather have seen repeated requests to raise the debt limit. That is why I voted against debt limit increases eight times since 1981. And I voted for a Byrd balanced budget amendment in 1986 which would have instilled fiscal responsibility while providing the kind of flexibility necessary for future generations of Americans.

And I oppose the Kasten amendment not because I want to raise taxes. I do not. In my years in the Senate I have worked hard to achieve fiscal responsibility by voting to cut spending on programs that I felt were not in the public interest. And I have fought waste, fraud, and abuse long before it became a popular, cure-all campaign issue. As chairman of the Governmental Affairs Committee, I worked to expand and strengthen inspectors general and to establish chief financial officers throughout Federal agencies saving taxpayers billions of dollars in unnecessary spending.

Mr. President, I oppose the Kasten amendment because it is an invitation to tyranny by a minority which will create fiscal paralysis in the Congress. This paralysis will prevent efforts to pursue tax fairness and close tax loopholes.

The amendment would effectively freeze the current Reagan-Bush era tax structure benefiting the wealthy at the expense of the middle class. Attempts to promote tax equity by lowering taxes on the middle class and raising taxes on the wealthy could easily be blocked.

And billions of dollars in special tax loopholes would be protected. Elimination of these loopholes would result in added revenues invoking the Kasten three-fifths majority. These special interest tax breaks have withstood many assaults over the years and would be nearly impossible to eliminate if a three-fifths majority were required.

Fiscal decisions between spending cuts and revenue increases simply should not be dictated by constitutional formula. Accordingly, I urge my colleagues to vote against the Kasten amendment.

Mr. DURENBERGER. Mr. President, I rise to state my reasons for voting to bring debate on this amendment to a close, and to pass the constitutional amendment to balance the budget.

Mr. President, Washington is a city resounding with alarms. Every time we turn around another alarm is going off, another crisis is upon us.

The health crisis. The education crisis. The children's crisis. The urban crisis. The environmental crisis. The Russian crisis. The farm crisis.

The information age brings all these problems instantaneously to our attention. No wonder Time magazine's Man of the Year this January was Ted Turner, a news person rather than a policymaker.

I am afraid we have all become like the family that moved in next to the firehouse. At first the sirens shocked and terrified them. But over the days and months and years, they got used to it, to the point they barely noticed anymore.

As we stand here on the floor the proponents of this amendment are trying desperately to sound an alarm: there is a fire, and it is the firehouse itself which is burning down.

Government, our collective capacity to deal with all the other crises we face, is in crisis itself, because it is $4 trillion short of no money at all.

There is no denying it, Mr. President. Right now, today, we are destroying the financial capacity of this Government to respond to genuine needs. We are, at the same time, committing grand larceny on the resources and hopes of our children and grandchildren.

We are more than $1 billion further in debt right now than we were yesterday at this time.

For every $1 of national debt we had when I arrived in Washington 13 years ago we now have $5.

That is over $16,000 for every man, woman and child in America.

That is the catastrophic context in which we face this choice. Will we perceive the danger we are in and act accordingly? Or will we sit by posturing and debating like nothing is really wrong?

Mr. President, I am in agreement with many of the arguments raised by my colleagues against this amendment.

The Constitution is the most remarkable political document on earth. We should not lightly put ourselves in the place of the founding fathers to edit and alter the Constitution which has served us so well.

Tampering with the balance in the Constitution between the branches of Government should be avoided. We can each create a range of disturbing scenarios which could occur under a balanced budget amendment.

As we have seen in the experience of Gramm-Rudman-Hollings, budget mechanisms do not, of themselves, produce balanced budgets. Mechanisms are only as good as the intelligence and courage with which they are used.

It is not the Constitution's fault that we have an unbalanced budget. That is our fault: this generation of Americans.

We who lead, and those who have elected us to do so, have chosen to live beyond our means, to believe we can have without paying.

We have all made our speeches on this floor at various times. "We will not balance the budget on the backs of the poor * * * We will not balance the budget on the backs of the elderly * * * or children * * * or farmers * * * or veterans."

Or "We will not balance this budget at the expense of taxpayers. We will not balance this budget at the expense of national security * * * or our allies overseas * * * or American workers * * *."

Well when you take what's common from all those speeches you get a simple statement: We will not balance the budget. Period.

I cannot live with that, Mr. President. Neither can yet unborn Americans whose future is at stake in this debate.

No one will stand on this floor and say they are for increasing the national debt. No one will attempt to defend the current situation as one that is healthy for America. But a generation from now, what we have said will not matter; they will only care about what we did.

Regardless of how elegantly we defend it and how skillfully we debunk each new way of doing things, what we are actually doing is passing on to our future citizens a lesser America than the one we inherited.

It all boils down to this for me, Mr. President. In Government, just like in life, if nothing changes, nothing changes. And we absolutely can not afford for things not to change, $70 billion deficits under Jimmy Carter did not change anything.

Ronald Reagan's tax cuts and spending cuts did not change anything.

The budget resolution of 1985, crafted by the Republican leader to balance the budget in 5 years did not change anything.

Gramm-Rudman-Hollings did not change anything.

Kicking a bunch of Democrats, and then a bunch of Republicans out of the Senate did not change anything.

And $408 billion in debt is not changing anything, that I can see from the Presidential campaigns.

The only hope we have left is to change the fundamental rules of the game, to change our Constitution. It is a drastic measure, to be sure. But is it any more drastic than the economic calamity we face if we keep on doing what we're doing?

I am not 100 percent convinced this amendment will work; but I have far less confidence in any other answer I have heard here or anyplace on the campaign trail.

And I have been listening, Mr. President. To the leaders of my generation, and the leaders of my children's generation.

I gave my first speech on the dangers of debt in 1984 to a graduation of St. Olaf College. I ask unanimous consent that that 8 year old statement of my personal responsibility be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DURENBERGER. In 1985, I created an organization called Americans for Generational Equity to try to make policymakers aware of what our current decisions are doing to future generations. And people like Jim Jones, and Jim Moody and Bill Bradley and Pat Moynihan helped us spread that message.

I voted for the Dole budget resolution in 1985. I voted for Gramm-Rudman-Hollings. I voted for the 1990 budget summit agreement. And I voted this year to cap entitlements on this floor.

But looking at the fiscal year 1992 budget resolution, and the massive appropriations bill lining up for passage outside this Chamber, it has all come to naught.

The Constitution is the foundation of our Government and our society. I have sworn an oath to preserve and protect it against enemies foreign and domestic. Debt is the most serious and the most dangerous enemy facing our freedom and our futures.

This amendment to the Constitution is the best defense we can mount against that enemy, for ourselves and on behalf of those generations who will inherit America.

I urge my colleagues to vote to end this filibuster and approve this amendment to the Constitution.

Exhibit 1

(The following commencement address was delivered by Senator Dave Durenberger to St. Olaf College in Northfield, Minnesota on May 20, 1984)

During my 1982 campaign, I made a stop in Winona, Minnesota. A young woman came up to me and said, "I know you. You spoke at my college graduation."

I learned that she was a 1979 graduate of St. Theresa's. She went on to say, "It was a great speech. I remember everything you said." Well, at that, I kind of puffed up with pride and thought, "She's right. It was a great speech."

But then she said, "I remember it so well because you talked about national energy policy and the need for energy conservation and none of us could figure out why you chose to talk to us about that."

Preparing my remarks for today, I thought of that young woman from Winona and the reasons I talked about energy policy at a 1979 college graduation. It was my first commencement speech as a Senator. Some number of my staff had prepared a long, windy speech about the value of an education and the true meaning of commencement. The same speech given a thousand times on college campuses every spring.

But I just couldn't give that speech. So instead I talked about what was on my mind. There was a revolution in Iran. The United States was headed into its second energy crisis in a decade. The price of oil was about to triple. The farmers of Minnesota were asking whether there would be sufficient fuel to harvest the fields they'd just planted. The elderly were wondering what another winter would bring in heating bills. And there was much that needed saying about our nation's energy policy.

I'm going to do that again, today. I'm going to set aside the traditional themes. You won't hear my thoughts on the true meaning of commencement. I'm not going to talk about energy policy either, although perhaps I should, considering the recent events in the Persian Gulf. But I am going to tell you what's on my mind.

The subject is debt. Owing money. Living beyond your means. Red ink. Debt. Pretty depressing subject for a beautiful Sunday in May.

When I say debt, I bet most of you think about the loans you took out for tuition over the last four years—a few thousand, maybe several thousand dollars. Commencement really means going over to the disbursing office or down to the bank to sign up for a repayment schedule. That's commencing. And when you do, you will be joining the mainstream of our society . . . sharing the one experience that unites all adult Americans . . . owing a large chunk of your income to somebody else.

But the school loan you know about is only the tip of the iceberg. The day you become a taxpayer, you inherit debts beyond comprehension. The accumulated debt of the United States Government is $1.5 trillion. That's $15,000 for every American who has a job. The interest payments . . . the simple, annual interest . . . on that debt is $1,000 for every American who files a tax form. You owe a thousand a year just to get into the game of making a living in this country.

Worse than that, the debt is growing at the rate of $200 billion per year. We're not paying off this loan. We're borrowing to make the interest payments. In fact, we're borrowing to make the interest and then we're borrowing some more.

Interest payments are the most rapidly increasing part of the federal budget. You hear all the controversy about increased defense spending. Every year the President and the Congress have a big fight about how much defense spending is going to increase. The President wants it to go up 7% and the Congress will only give 5% and you get the feeling that the 2% difference is a really big deal. Well, interest payments have increased by 75% since Ronald Reagan took office.

Let me use another political dispute to illustrate the problem. Taxes. A majority in both Houses of the Congress and in both political parties believe that we need to raise taxes to solve the deficit problem. But the President says, "Shame on you. We don't need more taxes. We need less spending."

Congress is about to pass a tax increase. It will raise the revenue of the national government by $48 billion over the next 3 years. About $200 a head for every living American. But do you know, those 48 billions of dollars will not even pay the interest on the money we're going to borrow in the next 3 years. Not interest on the old debt. Not the interest on the current $1.5 trillion debt. The new tax increase will not even cover the interest on the new borrowing. Interest payments will continue to grow. That's what I call debt. And you are about to inherit a piece of it.

Some words by Thomas Jefferson have become a moral imperative. Let me quote him. "The question whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves."

According to Jefferson the first principle of government is that you leave the next generation—your children—with opportunities for choice no less than your own.

That is why this nation has always been willing to fight to preserve its liberties. That is why we as a people put such a high value on environmental protection and the conservation of our natural resources. And it has become a fundamental issue in the budget process of the federal government, because of the size of the deficits we face.

Spending a deficit is like having a credit card with the bill sent to your kids. My generation has used that plastic money to have life cushy now without realizing that our children—you—will pay the carrying charge all of your lives. We have limited your opportunities to choose because we have not been able to limit our choices to what we can afford.

That is not what we intended. In fact, the Jeffersonian principle, "pass on choices as good as your own," sounds like a rather modest goal to my generation. The dream has always been to leave much more than we inherited. It was an expectation drummed into us by our parents. We were the children of the Depression. Our folks never wanted the nation to go through that experience again. And ever since, the nation has been on a treadmill of rising expectations for material abundance.

That dream is being celebrated here today. It's a dream that you will get ahead. Although it is not as common as it once was, some of you are the first ever in your family to get a college degree. Your parents made sacrifices to get you here. And today is the day they say, "We did it. We gave better choices than we got."

But have we? If the federal debt was the whole of our problem, it might be tolerable. But it is only chapter one. The total debt of this country—government, business and consumer—is six trillion dollars . . . and growing. It has increased five-fold in the past twenty years. We are all borrowers for cars, houses, educations, vacations, and business investments.

There was a time when you could just shrug your shoulders and say, "we borrowed it from ourselves. We owe it to ourselves. So what's the problem?

Well, that isn't true anymore. We are about to join Poland, Mexico, Argentina and Brazil as a third world debtor nation. We have developed such a habit for borrowing to get ahead . . . we've become willing to pay such high interest . . . that money is flowing into America from all over the world. We're junkies for debt. And the shieks and the shahs and the satraps of world finance will oblige our craving. It's not just our money anymore.

Where did all those borrowed dollars go? If we had invested them in steel mills and oil refineries and computer chips, there wouldn't be a problem. Those kinds of investments create wealth and wages to repay the borrowing.

But we didn't. While borrowing increased five-fold, the total value of our productive assets only doubled. The rest we spent. We consumed it. We used it up. And now we're borrowing to make the interest because we lack the tools to earn our way.

The largest portion of our borrowing has been used for housing. And perhaps better than anything else, the single-family home explains my generation. We even call it the American dream. My home is my castle.

Before the Depression most Americans were renters. Those who bought a home paid 50% down and the balance over three to five years. When the panic hit, home mortgage foreclosures rose to the rate of a thousand a day. Not so much to protect homeowners, more to bailout the banks and savings and loans, the federal government stepped in.

The Roosevelt Administration created the Federal Housing Administration, and FHA invented the 30 year mortgage. For next to nothing down and payments stretched out over thirty years, every American could become a "homeowner." The federal government made this possible by guaranteeing the loans. If a default occurred, the bankers didn't lose their money. The federal government made good.

As your parents can tell you, in the early years of these mortgages, the payments are almost entirely interest. To ease that burden and encourage more borrowing, the federal government made more mortgage interest tax deductible. You don't have to pay federal income taxes on that portion of your income devoted to interest. It should come as no surprise that most American families are now called homeowners. You can't afford to pass up a deal like that.

Consider the story of one family. Ten years ago they took out an FHA loan to build a house. It cost $34,000. At three percent down, their initial investment was $1020.

They made payments of about $400-a-month . . . $4,800 per year. Mostly interest that was tax deductible. Uncle Sam made a quarter of each payment, so their cost was really only $3,600 per year.

Last year . . . with two-thirds of the mortgage and most of the principal left to pay . . . the family sold the house for $125,000. A $91,000 capital gain in ten years for an initial investment of $1020. Subtracting their annual cost of $3,600 from their annual gain of $9,100, they were making $5,500 a year as "homeowners."

Now where did that $5,500 come from. It wasn't produced by the house. Once built, it just sat there. Other than make a smart investment, the family didn't do anything to earn this $5,500.

The answer, of course, is that it wasn't produced at all. It was borrowed. In one giant, national spiral of borrowing arranged by FHA and the IRS, this family came out $55,000 ahead in ten years. This being a true story, you know what they did with their profits. They bought a bigger house. They are once again mortgaged up to their ears. Just the plumbing in their new place is more expensive than their first house entirely. And we call it the American dream.

Perhaps you don't see the connection between the good fortune of this family and the fortunes to be made or missed by your generation in the coming years. And in a sense there may be no connection. Because my generation has wound the borrowing spiral so tight . . . forced prices and interests so high . . . that the bliss of home ownership is now beyond the reach of most of our children. You'll go back to renting . . . from us. And paying the interest on a national debt which finances mortgage deductions and loan guarantees for castles in the suburbs.

As you can tell much of my message today is directed to your folks . . . and me. Ladies and gentleman, we are the problem. We are the reason for the deficit. The problem is not all kinds of spending for welfare programs as some politicians would have you believe. We could abolish all the programs for the truly needy, and the budget still would not balance. And the problem isn't tax loopholes for the rich as politicians in the other party are always saying. We could confiscate all the income of the truly greedy and still not close the gap.

No . . . the problem is a conspiracy led by both political parties . . . . politicians of all stripes . . . on behalf of the vast middle class of our generation to keep our comforts without taxing our incomes.

Counting back from this graduating class to the revolutionary war, the history of this nation takes in the life and work of eight generations. Each had its own special character or challenge. There was that extraordinary generation of colonists that founded a free nation. Another which fought a civil war to make this nation free for all of us. And the generation which came as immigrants to settle the west and build our great cities. Our parents—your grandparents—gave their young men to another terrible war and then gave their wealth to rebuild Europe from the ashes.

Our story is not complete. But I suspect that we will be remembered as the Americans who invented plastic money. We let the mainspring of American industry run down, so we could have four bedrooms, three baths and a rec room in the suburbs. And when we fell behind on the payments, we borrowed the income of our children to continue our comforts.

By our legacy we have defined the special challenge for these young men and women. Theirs will necessarily be the conservation generation. They will need to save and invest and protect and conserve to get America going again.

This has been a tough little talk. But hard things sometimes need to be said. I didn't come here to rain on anybody's celebration. It is a happy day.

As we make this new start let us remember . . . . celebrate . . . the commitment that reaches across all American generations . . . back to Thomas Jefferson and out into the future . . . the commitment that preserves our liberty . . . builds our cities . . . runs our factories . . . protects our resoruces . . . .the commitment to give a land of opportunity and freedom to our children.

Thank you.

Mr. DASCHLE. I would like to read you something a rookie Member of the U.S. House of Representatives said 13½ years ago.

"A government scorned by its citizens," he said, "cannot lead. Our Government and our Congress cannot function effectively so long as the American people are convinced our major ability is the ability to spend them into the poorhouse. No single action would do more to restore faith in this Congress than would a self-imposed limit on spending."

The Congressman then proposed the first legislation of his career.

That Congressman was me, and the legislation I proposed was a balanced budget amendment to the Constitution of the United States.

Over the years I have heard all the arguments about why we cannot have a balanced budget amendment.

There have been many times that I have been criticized for my position and told that Democrats have to vote "no".

Over and over I have been told it is irresponsible, it would cut needed social programs, it would hurt the elderly or the young or the Nation as a whole.

There is just one problem with all those arguments. They are not true.

The balanced budget amendment does not, in and of itself, favor or harm any cause or any group. It just says that the budget must be balanced. And that is right, it must be.

We can no longer afford the deficit our lack of discipline has allowed to develop.

We can no longer afford to put our children in hock because we lack the political will to pay for the things we want.

Sure it will be hard to do this. Maybe the bad things that are so painfully predicted by Democratic leaders whose judgment I greatly respect will come to pass.

But let us be honest. If they do come to pass, it will not be because we have required that the budget be balanced. It will be because we have not been able to convince the American people that our agenda for the future is the best one for America.

Nothing in the idea of a constitutionally required balanced budget says we cannot have Head Start or Social Security, urban programs, or agricultural research. All this amendment says is that we must pay for them.

I deeply believe that to be true. I am against the robbery of my own children for any purpose. It is so clear, I believe, as to be almost unarguable that this Nation must learn to live within its means and that, if we have the will, we can do so.

Properly led, America will invest in her future without bankrupting herself. It is simply a matter of choice.

We must choose the investments in education and health that we need, not the Star Wars and missiles we do not need.

We must ask that the wealthy pay a fairer share.

To say America must go in hock to do the right thing is a terrible thing to say. It impugns the responsibility and the courage of the American people.

I do not want to believe that. I do not believe it, and I will not vote for it.

That is the reason I made my first act in the Congress the introduction of a balanced budget amendment to the U.S. Constitution.

And it is the reason I hold precisely the same position today.

I will vote for cloture to permit the balanced budget to brought to the floor, and I will vote in favor of its adoption and submission to the States for ratification as the 27th amendment to the Constitution of the United States.

Mr. DODD. Mr. President, today's debate is about the legacy we will leave our Nation's children. As Americans, and as human beings, we have no greater obligation than to ensure the next generation inherits a nation that is better for us having been here.

From the inception of the Republic through the end of the Carter administration, our Government amassed a public debt of $908 billion. But in 11 short years, that figure more than tripled—to some $3.6 trillion. And, according to current estimates, the sea of red ink will swell to more than $4 trillion by the end of this year.

Children born in America today should not begin life in debtor's prison, Mr. President, but that is exactly where they are headed at the present rate. They will be paying the bills for the excesses of the 1980's for decades to come.

Not only that, but because of the deficit, they will have a harder time making the payments. The deficit consumes savings that would otherwise be used by businesses to invest in new plants and equipment. In the long run, that means a shrinking pie and less money to pay the bills of the 1980's.

Mr. President, regrettably, at the very time our children's future is at stake, the debate over the deficit has degenerated into a blame game. That is repugnant. Frankly, with a $4 trillion Federal debt, both Congress and the President have ample reason to repent. And neither Democrats nor Republicans can legitimately claim a monopoly on virtue.

The truth is that Congress and the President are equal partners in the budget process—as they are under the Constitution in the development of any legislation. The President makes proposals. Congress enacts legislation—and the President must sign it for it to become law.

Hence, we do not need more finger-pointing; we need cooperation and action. We need Congress and the President to sit down together and make the tough choices that must be made. We need Republicans and Democrats both to put aside inflexible ideology and embrace pragmatic solutions that get the job done.

Mr. President, some suggest that the only way to bring all sides to the table is by adopting a balanced budget amendment. I disagree. I believe the greatest obstacle to balancing the budget over the past 12 years has been the willingness of so many politicians to sing the siren's song of easy deficit reduction.

For 12 years, the American people have been told that there is a quick and painless fix for the deficit. They have been told, for example, that we need only eliminate a line-item known as waste, fraud, and abuse. They have been told repeatedly that we can balance the budget easily if Congress only passes gimmicks like a line-item veto or a balanced budget amendment.

Mr. President, I wish balancing the budget were that easy. I wish we could wave a magic wand or click our heels together three times, and make the deficit disappear. But neither hocus-pocus nor gimmickry will do the trick. Only by bearing down and making some hard and painful choices can we put our fiscal house in order and safeguard the future or our children.

Just consider the sheer magnitude of the numbers involved. Factoring out the effects of the current recession, and Social Security, the Congressional Budget Office forecasts that the 1993 deficit will be $253 billion, out of a total budget of $1.5 trillion.

Those who would balance the budget by raising taxes should be informed that increases of roughly 21 percent would be required to eliminate the deficit. We cannot, should not, and must not saddle taxpayers with such a crippling burden.

But cutting spending is no more practical. We could consider radical solutions like eliminating domestic discretionary expenditures in 1993, for example. But even if we terminated the FBI, AIDS research at the National Institutes of Health, Head Start, child care, and every other domestic discretionary program, we would still fall $29 billion short of eliminating the deficit.

It is long past time for the President and Congress to face the facts. There is no easy way to balance the budget. If there were, we would have done it by now. All there is instead is a series of hard choices which must be made to save our children's future.

This is not to say that we made no progress in the 1980's on reigning in the budget process. In 1985, for example, contrary to the wishes of many of my fellow Democrats, I was the second Democrat to support Gramm-Rudman. While Gramm-Rudman has clearly not proved to be the panacea that we had hoped it would be, it did cut the growth rate in Federal spending nearly in half while it was in effect.

In 1990, we added the Budget Enforcement Act to further restrain spending. It put in place a series of caps on the discretionary spending that is subject to annual appropriations. It also added a new requirement that any changes in entitlements, which are the fastest growing portion of the Federal budget, be fully paid for.

Mr. President, we should build on this progress by moving forward today with a process to make the tough decisions. The Byrd amendment would point us in the right direction. It would generate immediate action by requiring the President by the end of August to submit a plan that balances the budget by 1998. That would be a starting point for negotiations between the President and Congress on a deficit reduction plan that gets the job done.

In marked contrast, the balanced budget amendment is silent on immediate action. Under it, no steps toward a balanced budget are required to be taken until 1998, which is the earliest the amendment could take effect.

Our children cannot afford to wait that long. According to the Office of Management and Budget, $2 trillion will be added to the national debt between now and 1998 unless action is taken. That is far too high a price to pay for putting off taking some bad-tasting medicine.

Mr. President, the Byrd amendment would also preserve both the Federal Government's countercyclical role in the economy and the balance of powers among the three branches of our Federal Government. Unfortunately, the proposed balanced budget amendment protects neither.

When the economy goes into a tailspin, the American people rightfully expect government to step in and lend a helping hand. At present, that is exactly what happens. Automatically, spending for safety-net programs like unemployment, food stamps, and Aid to Families with Dependent Children all rise in a recession. Together, these programs help reduce the human cost of the low points in the business cycle.

The balanced budget amendment would throw a monkey wrench into a mechanism that works well. Under the balanced budget amendment's terms, when the economy goes into a recession and Federal programs are needed the most, they would have to be cut to compensate for lower revenues. Frankly, that is a return to Herbert Hoover economics.

I know proponents of the amendment will point out its three-fifths waiver provision, and claim that it offers an escape hatch for hard economic times. But in my view, it is insufficient. In my view, it serves only to further empower a minority to hold the national interest hostage to their own narrow agenda.

Mr. President, the proposed constitutional amendments threat to the balance of power between the three branches of Government is equally alarming.

Our Nation's founders developed a system of checks and balances to ensure that neither the executive, the legislative, nor the judicial branches could exercise disproportionate control over the Government as a whole. One of the central features of that balance of power is, as I have mentioned, the shared responsibility between the President and Congress for budget matters.

The balanced budget amendment would tear that shared responsibility asunder. It would give the President unprecedented new power to unilaterally cancel spending on whatever programs he saw fit, and cite his constitutional obligation to prevent deficit spending as a justification. In my view, that is a dangerous shift in the balance of power that has served this Nation so well for over two centuries.

Moreover, the balanced budget amendment would cause the judiciary to become ensnared in the budget process. As Lawrence Tribe put it in recent written testimony, "* * * the Federal courts might be entitled to second-guess all aspects of Congress' and the President's administration (or non administration) of the balanced budget amendment * * *." In such instances, Tribe reports, the courts might well end up assuming ultimate responsibility for managing the Federal budget. Frankly, Mr. President, I believe it is unwise and dangerous to transform the courts into another Office of Management and Budget.

Mr. President, the balanced budget amendment is not the answer to our budget deficit. It only postpones the hard choices we need to make. It disembowels the Federal Government's role in managing the economy, and it radically alters the system of checks and balances that have long been the hallmark of our system of Government.

The better alternative is to enact the Byrd amendment. It would force action this year to bring the deficit under control. It would compel us to begin to make the decision that must be made. We owe it to our children and to future generations to roll up our sleeves and get to work.

Mr. BAUCUS. Mr. President, if there is one criticism of this body that concerns me, it is that we spend too much time on extraneous issues, and not enough time on the critical ones. And when we do address important issues, we too often allow heated debate and inflammatory rhetoric to obscure objective analysis. Votes become not attempts to reach compromise and solve problems, they become litmus tests for some party's political imperative.

I believe that the debate over amending the Constitution to require a balanced budget has, unfortunately, reached this stage.

There can be no doubt of the seriousness of the problem we face. Our national debt is now at about $4 trillion. This year, we will add another $350 to $400 billion to that amount.

That is an amount so large that it is hard to comprehend. And we begin to dismiss it because it appears to have no immediate consequence.

But it has a deadly, insidious effect. It saps our economic strength. Strength we will need to prosper in a world where economic competition, not military confrontation, will determine who listens to whom.

The growing level of debt lowers our level of savings. It makes our products less competitive abroad. It increases our reliance on foreign sources of capital. And, most tragically, it mortgages our children's future.

So the real question is not whether to achieve a balanced budget. There is no quarrel with that proposition in this Chamber. We must if we are to survive.

No, the question is how. And that is where I must part company today with those who believe that amending the Constitution is the way to balance the budget.

Unfortunately, many of the supporters of the constitutional amendment, while sincere in their belief, are asking us to buy a bill of goods, sight unseen. For in all the debate over this amendment, I have yet to see an honest, workable approach that will balance the budget without unbalancing our country.

How can we, in good conscience, support such a proposition when there are so few answers about what it will take to accomplish the goal. It seems to me that amending the Constitution is too solemn a step to take without a pretty good indication of what we intend to do with it.

After all, the Constitution is not, and should not be, easily amended. But the corollary is that it also is not easy to undo mistakes.

So before we start amending the Constitution, I believe it is vital that we know what we intend, how it will be implemented, and how it will affect us.

Yet, all the amendment currently says is that Congress shall enforce and implement this article by appropriate legislation.

Some may argue that similar language has been included in other constitutional amendments and that it is necessary to prevent the Constitution from becoming unwieldy. I agree that the Constitution should not become a multivolume document.

But in the case of an amendment dealing with the budget, where complexity reigns, and the President's budget runs to more than 1,600 pages this year, we need something more. Putting the real responsibility off onto appropriate legislation is far too vague for such a complex task. That sounds like the greatest of all copouts.

For instance, the amendment is silent on the question of enforcement. Who do the sponsors think should enforce the balanced budget requirement? Will it be the Office of Management and Budget? The people who, 10 years ago, brought us the magic asterisk, those phantom cuts used to bring their budget into line?

Will it be the President himself through the use of a line-item veto in which the fate of programs can depend more on unrelated political maneuverings than on their individual merits?

Or will it be the Supreme Court? Will the nine Justices, elected by and accountable to no one, have the power to decide which programs to terminate? Or which taxes to increase?

These are not insignificant questions. They strike at the heart of some of our most cherished concepts, such as equal representation, and no taxation without representation.

Even the more mundane, but important, budget issues, such as whether separate capital and operating budgets are allowed is not addressed.

Investments are the key to our children's economic future. They provide the foundation for the private-public partnership needed to restore our economic competitiveness.

States with balanced budget requirements recognize this by allowing a separate budget for investments in capital goods, those items that will bring a future economic return. But there is no legislation alongside this constitutional amendment to say whether such a separate budget will be allowed.

If it is not, then I fear that we will always shortchange the investments in our highways, bridges, airports, and communications facilities, needed to bring us up to world class standards and allow us to outperform the Germans and the Japanese, and the other economic powers that challenge us.

After all, the purpose of this amendment is to help restore our economic might. We cannot allow it to become a weapon against us, however unintentional. But, again, the amendment is silent, and there is no legislative language to explain what is intended.

And what of the States. Much has been made of their record in balancing budgets, at least their operating budgets. But those budgets are kept in balance with the help of some $182 billion in Federal grants to States this year.

When the grants are cut off in order to reduce Federal spending, what happens to the States? Must they raise taxes and cut spending by $182 billion to keep their budgets balanced? And what effect will that have?

Mr. President, my disagreement is not with a balanced budget. It is with enshrining such a requirement into the Constitution without knowing the answers to some vital questions.

If any businessperson entered into a major project with as little information on the risks and rewards as there currently is on this amendment, then the board of directors would probably demand his or her head.

I know that many of our constituents are demanding we act on this amendment. Indeed, more than 30 States have passed resolutions calling for a constitutional convention to consider an amendment similar to this. So I can understand the tremendous political appeal of this proposition.

But we cannot let our accumulated frustration, and even rage, at a decade of triple-digit deficits lead us to embrace a cure that could be worse than the disease. In the final analysis, a balanced budget can only come about through the leadership of the President and the willingness of a majority in both Houses of Congress to make the tough choices and stick with them.

Without some specific answers to the fundamental questions surrounding it, we should not adopt this amendment to the Constitution. And we should focus our collective energy in working with the President, even during the remainder of this election year, on a budget that will bring the result we all desire.

Mr. SEYMOUR. Mr. President, I rise to seek clarification from my friend from Utah, the ranking member of the Banking Committee, Senator GARN, regarding title V of the bill and to express concerns I have heard from my constituents.

I, for one, believe very much in the fine work and success of Freddie Mac and Fannie Mae. As the committee report indicates, they have been successful and are an important element of our Federal housing policy. Their activities reduce mortgage interest rates and facilitate stability in lending markets.

I want to underline that this legislation is designed first and foremost to ensure the safety and soundness of Fannie Mae and Freddie Mac. Would the ranking member agree with this point?

Mr. GARN. Mr. President, let me assure my friend from California that the goal of this legislation is exactly as he indicates. Our primary focus in this legislation is to ensure the safety and soundness of government sponsored enterprises [GSE]. We must not lose sight of this goal. In fact, the 1990 Budget Act required us to review the GSE's to make sure that the American taxpayer is not exposed to unwarranted risk. I supported this bill in the Banking Committee because I believe it moves us closer to accomplishing that goal.

Mr. SEYMOUR. I am very pleased with the direction the Banking Committee has taken in terms of underlining the need for Fannie Mae and Freddie Mac to reach out to underserved communities. Both of these enterprises can play an important role in our overall Federal housing policy, and, in fact, they are taking actions on their own to reach out to underserved communities. For instance, Fannie Mae has undertaken a $1.25 billion House America Program in conjunction with Countrywide Funding Corp. of Pasadena, CA, to finance low- and moderate-income and minority homebuyers over the next 29 months. Moreover, as the committee report indicates, Fannie Mae announced in March a $10 billion commitment to affordable housing.

However, a concern has been raised that the new housing goals established under title V may be inconsistent with safety and soundness.

Mr. GARN. Many of my colleagues may have read my views in the committee report. I will state again that the emphasis in the committee report on the housing goals in title V is misplaced with respect to this legislation's fundamental purpose, which is to ensure the safety and soundness of the GSE's. This is the legislative intent. To require the GSE's to undertake activities that do not provide a reasonable economic return or would otherwise impair their financial condition would be inconsistent with the fundamental intent of the bill.

Mr. SEYMOUR. Is it the understanding of the Senator from Utah therefore that the activities and requirements under the bill must first meet the fundamental test of reasonable economic return?

Mr. GARN. Yes. That is my understanding. The purpose of the legislation is to ensure safety and soundness. As I mentioned earlier, requiring the GSE's to undertake activities which are unduly risky or which will not enable them to earn a reasonable rate of return is inconsistent with this purpose. And let me point out that our actions here will be watched very closely by private sector investors who are really the engine behind the success of both the Freddie Mac and Fannie Mae programs. Imposing risks on investors would set back the clear progress they have been making. We want them to make further progress in this regard, but not at the expense of additional financial risks.

Mr. SEYMOUR. Is it also the interpretation of the Senator from Utah that while working to achieve these new affordable housing goals, the GSE's should endeavor to continue serving the entire existing mortgage market in all areas of the country and that, in implementing these goals, the Director should be cognizant of this important public policy?

Mr. GARN. Yes, that is my understanding. In adopting this legislation, the committee made clear its intent that the GSE's should serve all Americans to the extent practicable in light of inherent limitations imposed by the secondary mortgage market and the need of the GSE's to earn a reasonable economic return and maintain their safety and soundness. In addition, it was our intent that the implementation of title V should recognize the existence of market limitations in terms of the availability of suitable mortgage products and local market conditions.

Mr. SEYMOUR. Mr. President, I thank the distinguished Senator from Utah for his comments and clarifications and for his leadership in bringing this bill before the Senate for action.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

HIGHER EDUCATION AMENDMENTS OF 1992—CONFERENCE REPORT

Mr. KENNEDY. Mr. President, I submit a report of the committee of conference on S. 1150 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1150) to reauthorize the Higher Education Act of 1965, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of today, June 30, 1992.)

Mr. KENNEDY. Mr. President, the majority leader has requested unanimous consent to take up and approve the conference report on the Higher Education Act. I hope that the Senate will agree to this.

Education reform is an urgent priority for our Nation; the Higher Education Act is part of a package of legislative initiatives designed to reform and improve all aspects of American education.

All Members of the Senate have been deeply disturbed by the conditions of our elementary and secondary schools. Indeed, there is nothing more disheartening than the realization that thousands of American children will not receive a decent education.

Some may argue that concerns about higher education pale before this crisis, and that we should attend first to elementary and secondary education. After all, American higher education, despite its shortcomings, remains one the wonders of the world.

Without questioning the necessity of more effective action in elementary and secondary education, we cannot turn our backs on higher education if we intend to honor our commitment to students who persevere in elementary and secondary school. We cannot expect students to excel in education, if there is a limit, even a perceived limit, on their educational aspirations.

We are in a position today, thanks to these 1992 amendments to the Higher Education Act, to greatly expand opportunities for higher education. In many respects this measure is an indispensable part of our efforts to restore domestic growth and competitiveness in world markets. Our increasingly technological and complex workplace demands highly skilled and educated workers. We cannot afford to have members of our work force hindered by incomplete or poor preparation.

Unfortunately, over the last 15 years, the cost of college education has increased much faster than the cost of living. Higher education has increasingly moved out of reach for low- and middle-income Americans. Unlike other industrialized democracies, America expects its students and their families to bear the primary burden of paying for higher education. We have used the opportunity of the reauthorization of the Higher Education Act to ease that burden and give more students the option to pursue a college education and achieve their full potential.

Nearly two out of every three 1980 high school seniors was enrolled in some type of postsecondary education within 6 years after leaving high school. But, after 6 years of enrollment only 40 percent of those students had completed a bachelors' degree, while 44 percent had dropped out. Clearly we must make higher education more accessible to more students, and help those who enroll finish their degrees.

One of the central goals of this reauthorization is to expand student aid for low- and middle-income families. This legislation accomplishes that goal by authorizing a long overdue increase in the size of Pell grants, and by raising loan limits and expanding eligibility for Stafford loans in order to help students keep up with the rising cost of tuition.

In addition, we have eliminated consideration of home and farm equity in determining eligibility for student aid. In the past, the inclusion of the value of a family home or farm in the need calculation has meant that many hard-working middle income families have not been able to qualify for student aid. Rather than ask them to mortgage their homes or farms in order to pay for education, we have made it possible for them to receive help from the Federal Government to meet the cost of sending their children to college.

A second key goal in this legislation is to simplify access to student aid.

Currently, the application process is extremely complex. It discourages many students, especially students from lower income families, from applying for student aid. This bill establishes a single need analysis formula to calculate eligibility for aid, and we have also mandated the use of a single, simple application form. In addition, we have established automatic eligibility for the neediest students and we have excluded from the need analysis the valuation of all assets for families filing a 1040EZ tax return. We have also created a new streamlined reapplication process.

A third issue of serious concern is the fraud and abuse in the current student loan program. In the past 5 years, we have seen a massive increase in loan defaults. Most of these defaults can be attributed to schools that fail to deliver on their promise to prepare students for the job market. The sad fact is that we have seen a proliferation of schools more interested in making a profit than training students. Students from these schools, often from low income backgrounds, are then unable to find employment, and are saddled with a student loan debt which they cannot repay.

In order to exert greater quality control over schools that participate in the Federal program, we have strengthened the three parts of the school approval process and have implemented many provisions suggested by Senator NUNN following his extensive investigation of the Student Loan Program.

Schools with default rates over 25 percent will no longer be eligible to participate in the program. The participation of short-term proprietary school and correspondence schools has been severely restricted. These changes will help insure that the programs we are subsidizing are providing our students a quality education.

A fourth set of concerns focuses on teacher recruitment, retention and development. We have established a new Teacher Corps Program to provide college aid to prospective teachers, in return for a commitment to teach in underserved areas. We have expanded programs to recruit nontraditional and outstanding individuals into teaching, and we have established national and State teacher academies for in-service teacher training and school leadership training.

A fifth major reform is the significant expansion of early intervention. The rate at which students drop out of school nationwide is a major educational and economic problem. The severity of this problem is compounded by the fact that the students who are primarily at risk are those from non-English-language backgrounds, who come from single-parent households, or who come from poor families. Their number is on the rise in our Nation's schools.

To prevent students from dropping out of school and make sure they pursue a college education, we must reach them early in the educational pipeline. Included in this legislation are two programs to address this problem: the National Early Intervention Scholarship and Partnership Program, and the Presidential Access Program.

These programs have three goals: First, to create and expand early intervention programs to help at-risk youth finish high school; second, to provide college scholarships to the students; and third, to increase the academic rigor of the courses taken by high school students. These programs identify at-risk students early in the educational pipeline and make funding available for early intervention programs to keep them in school. These intervention programs, operated by community-based organizations or local schools in conjunction with the state educational agency, continue throughout high school. One of the most important aspects of these programs is the requirement for mentors. Experience and research have shown that students need guidance and advice to achieve their potential.

In addition, students who participate in early intervention programs and complete a rigorous academic courseload will receive a scholarship to help finance their college education. If students know that a college education is within their reach financially, they are more likely to be motivated to finish high school and perform well.

We have worked closely with the administration in preparing this legislation and have strong bipartisan support for the conference report.

The major controversy in the legislation involved the so-called direct loan demonstration program proposed by Congress. Under such a plan, the Federal Government will lend money directly to students, rather than paying banks a subsidy to act as middlemen and make the loans. Direct loans will be significantly less expensive for the Federal Government to administer and much simpler for students to obtain.

The conference agreement establishes a nationwide demonstration program to test direct student loans at large colleges and universities. Under the agreement, the Secretary of Education will select schools to participate, and will assess the effectiveness of the direct loans. If the new approach lives up to its potential, we hope the Federal Government will move as rapidly as possible to expand the program.

Many of us have been urging this idea for many years, especially John Silber, president of Boston University. Senators SIMON, BRADLEY, and DURENBERGER have played key roles in advancing direct loans. It is one of the most innovative ideas in higher education, and it is gratifying that it is finally being tried.

The bill meets all pay-as-you-go provisions of the Budget Enforcement Act. Expansions in eligibility are financed by offsetting cuts elsewhere in the Student Loan Program. According to CBO, over the next 5 years, this bill saves $2 million in the budget authority and $40 million in outlays over the current program.

I am pleased that the administration and the Congress have been able to work out their differences on this indispensable legislation. I commend Secretary Alexander and the Department of Education for the progress we have made together and I also commend my colleagues in both Houses of Congress and on both sides of the aisle especially Senator PELL and BILL FORD who have worked so hard to enact this landmark bill, and I urge the Senate to approve it.

Educational excellence is the key to American competitiveness in today's world. Enactment of the Higher Education Act will make it possible for all qualified students to take their place in college and graduate programs across the country in preparation for entering a productive work force. The Higher Education Act will help students achieve their full potential, and help the Nation reap the rewards of their accomplishments. It is a central part of our longrun goal to revitalize our economy and invest in our future, and I urge the Senate to approve it.

Finally, let me add one further point. Now that higher education bill is completed, Congress must turn its attention to the urgent needs of our elementary and secondary schools. The system that has served this country so ably for so long needs far-reaching reform and all of us in public life must work together to achieve it.

A sound bill has passed the Senate and is moving through the House. It provides structure for the realistic reforms we need. It builds on proven successes in schools across the country and conditions Federal aid to schools on producing demonstrated results in raising academic achievement.

The time has come to create conditions for permanent improvement—not in a few schools, but in all schools, not just for a few students, but for all students in each of America's 80,000 public schools and 1 million classrooms. They need it. They deserve it. It will be hard work, but it is among the most important tasks the Nation must undertake. With the Higher Education Act under our belt, I hope that we can bring a similar spirit of cooperation to our work on this other vital education bill, and have a bill enacted by the time Congress adjourns this fall.

Mr. HATCH. Mr. President, I am pleased that we are at the culmination of our efforts to reauthorize our Nation's higher education programs. I want to reiterate my view that the bill has been developed with an eye toward providing quality programs and good public policy. I urge my colleagues to join me in support of the final legislation.

We all anticipate that this legislation will continue to assist students to access higher education in this country while addressing some of the existing problems in the Student Financial Aid Program. I believe that this legislation is successful on both counts.

I support the maximum available Pell grant and the other changes we have made that enable students to have greater access to higher education.

I support the toughening up of the integrity provisions to correct abuses. Changes made to reduce defaults in the student loan program will also serve to increase the quality of programs available to students and to ensure accountability on the part of all players in the Student Loan Program. Changes to strengthen the role of States in the Student Loan Program will benefit both students and taxpayers by increasing the quality of schools participating in the program.

We have taken significant steps to simplify the Student Aid Program. By using a single needs analysis for the grant and loan programs, the ability of all students to apply for student aid will be increased. The current complexity and number of different financial aid forms have created a disincentive for many students to apply for financial assistance. Consequently, there will now be one Federal financial aid form. I am definitely in favor of simplifying and cutting down paperwork.

There are many provisions I wholeheartedly support in this bill, some of which I have just mentioned. However, I must express my concern with respect to the direct lending provisions of this bill. The Senate bill had no direct loan provision and the House bill provided for a $500 million direct loan starting point. I am disappointed that the conference agreement resulted in a direct loan program that begins at a level of $500 million. This is sort of like jogging before we know if we can walk. I had hoped we could have come up with a more modest demonstration.

We have all listened to the many claims made by the proponents of direct loans. It is difficult not to be swayed by the arguments of saving taxpayer dollars; but let us not ignore the forest for the trees. A direct loan program, even a small one, will increase the debt burden of the United States as well as transform many of our educational institutions into banking institutions. I am not at all certain that this is a good idea. I am convinced that many of the additional costs and potential problems involved in a direct loan program are being overlooked. I hope, however, that this demonstration will be carefully implemented and administered, with a minimal amount of disruption, and that the subsequent evaluation will provide us with some concrete answers to some of these questions.

I want to again express my appreciation to Senator KASSEBAUM for her leadership. I would also like to acknowledge the efforts of Senators KENNEDY and PELL for moving this bill forward. This has been a bipartisan effort all along, and I am pleased that Senators on both sides of the aisle are able to support this important education bill.

Mr. PELL. Mr. President, I rise in support of the conference report on S. 1150, the Higher Education Amendments of 1992.

From the outset, let me make clear that the product of the House-Senate conference is one worthy of the support of all Members of this body. It is legislation that has had the needs of students and their families uppermost in priority. It is a 5-year reauthorization with over 90 percent of the funds going to student aid.

The legislation recognizes that the grant is the foundation of student aid and the most important form of assistance for students and families who lack the financial wherewithal to pay for their own education. It recognizes that financing a college education is a hardship that extends to hard-pressed middle-income families who have found themselves unable to obtain Federal student aid, either in the form of grants or loans.

While I am disappointed that we were unable to chart a course leading to a Pell grant entitlement at a definite point in the future, I am nevertheless very pleased with the changes we made in the Pell grant. We authorize a maximum Pell grant of $3,700 for the 1993–94 academic year as a recognition of where we should be in providing grant assistance to deserving students. We remove the 60 percent cost of attendance cap which has unfairly hurt poor students at low-cost institutions. We also provide 50 percent tuition sensitivity for any increases above the current Pell grant maximum of $2,400. This is a very important step.

Simplification is another of the important accomplishments of this legislation. For the first time, we will have one system for analyzing and determining need for all students and all Federal aid programs.

We will also have simplified application and reapplication forms that will be done in plain and simple language, and without undue complexity. For families with incomes of less than $50,000 a year, the application will be an even more abbreviated one. What a relief these changes will be to families who previously have found the Federal aid form unnecessarily detailed, complex, and almost incomprehensible.

With respect to need analysis, we make several historic changes that will help low- and middle-income families alike. We remove the consideration of home and family farm equity in determining financial need. All too often this did not measure a family's ability to pay for a college education, and instead punished families for whom the home was the only real asset.

We have tightened the definition of the independent student to prevent program abuse and to make sure that aid is not diverted from deserving dependent and independent students because some families found clever ways to declare their children independent in order to qualify for Federal student aid.

Less than half time students will be eligible to participate in both the Pell Grant Program and the Stafford Student Loan Program, a recognition of the growing number of adults who return to school, but can do so only on a part-time basis.

For families who previously have been punished if they scrimped and saved for their children's college education, we include savings for education in asset protection. Also, students previously found that they were expected to save an unreasonable amount of their summer and school year earnings for their education. That will no longer be the case because of this bill.

While simplification in need analysis and forms is important, we have also extended it to the delivery of student aid. We seek, once and for all, to make sure that the promise of a free Federal form is something that actually reaches the student. Supplementary information, if it is needed, is something that we intend should result in only a marginal or nominal charge to the student. What a refreshing difference these changes will be.

While we stress the importance of the grant program, we recognize that the grant is unable to cover the cost of paying for a college education. Accordingly, we provide for modest increases in the amounts students and their families can borrow. Most important, we provide an unsubsidized loan program for middle-income families who may not meet the need test in the regular loan program, but still need help in paying for their children's college education.

We also provide for a 5-year test of the concept of a direct loan program. The idea of such a program has been a subject for discussion for many years, and it is certainly time that we took a look at how it would operate, and got an idea of the advantages and disadvantages of such a program. The test we have designed should be an objective one, and should be of sufficient size to give us an idea of how the program might operate if implemented on a large-scale basis. I am extremely pleased that we have been able to reach an agreement with the administration on the size of this demonstration, and that we have avoided the possibility that this critically important legislation might be vetoed.

In addition to the changes in loan limits and the new loan program provisions, we have made many changes designed to improve the operation and administration of the Federal loan programs. Among the more important changes are the elimination from loan program participation of all schools with default rates above 25 percent; the prohibition of commissioned salespersons to recruit students; fair and equitable refunds for students; new restrictions on branch campuses; better identification of borrowers; new protection to make sure students know they are getting loans and not grants; stiffer penalties for fraud and abuse; and provisions that make proprietary schools ineligible to participate in the Federal loan program if more than 85 percent of their operating revenue is derived from Federal student aid.

We are indebted to Senator NUNN for the work of his Investigations Subcommittee and for the recommendations he made to strengthen the loan program. My staff worked closely with his staff, and the results of their cooperative endeavors are reflected in many provisions of this bill. I consider his enthusiastic support for this legislation very significant.

In addition to tightening the loan program, our legislation contains important provisions to insure that students will receive a quality education at whatever institution they select. We significantly strengthen the triad, the process of accreditation, eligibility, and certification, and State licensing. In all three areas we strengthen Federal requirements to insure that the accreditation process is strong and credible, and that only good institutions make it through this critically important three-step process.

In addition to our Federal student aid programs, we make significant progress in several other areas as well. We have a wholly new approach to teacher recruitment, retention, and improvement. We retain well-proven programs such as the Paul Douglas Teacher Scholarship Program. We begin anew the Teacher Corps Program, and continue support for the National Board for Professional Teaching Standards. For master teachers we authorize a program of National Teacher Academies in a series of key academic areas. We authorize a series of new State and local programs for teacher excellence, including Professional Development Academies, where teachers who are already teaching might upgrade their skills. We seek to bring new talent into the teaching profession through the Alternative Routes to Teacher Certification Program and through the New Careers Program, which seeks to bring people from school support positions into teaching.

Finally, we take several other very important steps to improve the quality of postsecondary education in America. These include: a new emphasis on community service among college students; a strengthened program of library services; an upgraded and expanded program of institutional aid; a more comprehensive approach to graduate education assistance; a new program of Federal assistance to improve academic and library facilities; and a continuation of such highly successful, well-regarded programs in international education, cooperative education, the fund for the improvement of postsecondary education, and the Peace Institute.

Mr. President, this legislation is the product of well over a year's very hard work. It is legislation that was born and fashioned in a spirit of bipartisanship.

It is legislation of vital importance to low- and middle-income families throughout America who increasingly find paying for a college education beyond their financial reach.

It is legislation that brings the opportunity of a college education to millions of young and adult Americans who, without our help, would not be able to attend college.

It is legislation that opens education and training possibilities to individuals who otherwise would find none available.

It is legislation crafted to make sure that wherever students who receive Federal aid decide to go to school, they can make that decision confident that the education they will receive is a quality product.

It is legislation truly designed to keep American strong where it counts the most—in the education and character of its people.

Without question, it is legislation that we should approve with dispatch and send to the President for his signature.

Mrs. KASSEBAUM. Mr. President, I am pleased that the Senate is considering the conference report on S. 1150, the Higher Education Amendments of 1992. Putting this reauthorization bill together has been an enormous undertaking, which has consumed a good share of the time and attention of the Senate Education Subcommittee over the past 18 months. I want to express my sincere appreciation to all those on both the House and Senate sides whose hard work and dedication have allowed us to reach this point, with particular thanks to Senators PELL, HATCH, and KENNEDY.

The Higher Education Act represents a substantial Federal investment in postsecondary education. This legislation protects and expands that investment by strengthening oversight of financial aid programs, simplifying the process, expanding educational opportunities to low- and middle-income students, and encouraging student preparation for postsecondary opportunities.

First of all, the bill contains a number of strong provisions designed to assure program integrity. In nearly every area of the Federal Government, we have heard repeated calls for greater accountability. Increasingly, Americans are wondering if Congress can really be trusted with their tax dollars.

Certainly, the record $3.6 billion we spent in student loan default costs last year does little to instill public confidence. Through recent reconciliation bills, we have attempted to clean up problems and program abuses—including the elimination of institutions with excessively high default rates from the program. The Department of Education has also initiated a number of new efforts to strengthen its enforcement efforts.

This reauthorization bill continues and builds upon these efforts, by taking steps such as reducing to 25 percent the default rate trigger for eliminating institutions from the program; improving means for tracking students in repayment; eliminating the use of commissioned sales representatives for student recruitment; improving the exchange of information among State agencies, accreditation bodies, and the Department of Education regarding questionable practices and institutions; and strengthening criminal penalties for program fraud.

Perhaps more importantly, the bill goes beyond trying to correct problems which have already occurred and emphasizes preventing problems before they occur. Specifically, the bill strengthens requirements related to accreditation, State approval, and Federal eligibility and certification—the so-called triad—of institutions which participate in student aid programs.

Another important effort is the simplification of the student aid process. In applying for aid, students and their families face a dizzying array of application forms and questions. These students have a diverse range of needs, and diverse range of questions have been designed to determine what those needs might be. At the same time, we must recognize that there comes a point where the sheer complexity of the process does more harm than good.

Among the provisions designed to simplify the process are a single need analysis for all Federal student aid programs; elimination of several elements from need analysis, so that the number of questions that will have to be answered will be reduced; notification to students when loans are sold; and reduction in the number of loan deferment categories.

The bill also increases assistance to students by increasing loan limits; establishing a new unsubsidized loan program to provide assistance to middle-income students; eliminating consideration of home and farm equity; and increasing the authorized Pell maximum grant.

In addition, this bill makes a start toward promoting higher standards in preparation for postsecondary work by establishing an early intervention program. In addition, it authorizes additional assistance to students who complete a specified set of academic courses in high school. This proposal should have a positive impact in encouraging schools to offer a demanding curriculum and in encouraging students to pursue it if they wish to go on to college.

Finally, the legislation includes a direct loan demonstration program. Although this program is somewhat larger than I believe is necessary to test the direct lending concept, it is far more reasonable in size than that originally proposed by the majority of conferees. This pilot program should provide an opportunity to look more closely at an idea which has attracted a great deal of interest and attention. It should provide definitive answers both to those of us who are skeptical about the wisdom and practicality of this approach as well as to those who would prefer that it be implemented on a much broader scale.

This bill—taken as a whole—moves us in a positive direction in terms of meeting our goals for a more accountable and accessible Federal student aid program.

EXCLUDABLE INCOME

Mr. SIMON. Mr. President, I rise in support of the conference report to reauthorize the Higher Education Act of 1965. It is through the Higher Education Act that the dream of a college education becomes a reality for many students, including the non-traditional student, who more often than not is a woman, is older, or is a single parent.

I note that there was a provision in the bill passed by the Senate that specifically excluded in the determination of the student's base-year income the income of a spouse who has died, or from whom the student has been separated or divorced. This is important, since a student's base-year income is the basis on which their projected income during the award year is determined. Thus, in the case of a woman who has been recently divorced, separated or widowed, this provision would ensure that her spouse's income—to which she no longer has access—would not be included in the calculation of her financial aid package. The House bill dealt with this issue by using the projected year income rather than the base-year income in the cases of all independent students.

Mr. President, is it the Senator's understanding that it would be an appropriate use of a financial aid administrator's professional judgment to adjust the income of students who are recently divorced, separated, or widowed by removing from consideration the income of the students' former spouses?

Mr. PELL. Yes. Those individuals that you describe certainly deserve access to a college education, and should not have their former spouse's income included in the determination of their financial need. The financial aid administrator's professional judgment in excluding the income of a former spouse is certainly appropriate in these cases.

Mr. SIMON. Mr. President, I would like to praise the work of my colleagues in putting together a reauthorization bill which, given the constraints presented by this administration and the Budget Act, makes remarkable progress in expanding educational opportunity in this Nation. Senator PELL, Senator KENNEDY, Senator KASSEBAUM and Senator HATCH, as well as their staffs, should be commended for their work. Likewise, on the House side Chairman FORD and the ranking Members there deserve equal praise.

Still, S. 1150 is not all that I had hoped it would be. As my colleagues know, I was pushing for much more significant change. I wanted us to dream, and to make some of those dreams come true. The bill does not accomplish that; it really just tinkers at the edges of the current programs. But that is not unusual for Congress, a deliberative body which is designed to make change only slowly. While the bill itself is not radical, the direction for change that it does set is visionary, and deserve the Senate's support.

Last October, Senator DURENBERGER and I introduced a measure, S. 1845, which proposed a complete overhaul of the current student loan system, saving billions of dollars which were then used to move the Pell Grant program toward true entitlement status. The changes in the loan program, which we called Income-Dependent Education Assistance—IDEA Credit—would have first, made loans available to all Americans, second, saved money by bypassing the banks, guaranty agencies and Sallie Mae, and third, offered income-contingent repayment through the IRS. Similar bills were introduced in the Senate by Senator BRADLEY, Senator KENNEDY, and Senator AKAKA. I am pleased that the conference report, in several respects, points in the direction set by these bills.

Universal eligibility for loans. Under S. 1150, no student will be denied access to Federal student aid. Even a dependent student whose family, on paper, can pay for college, will at least be eligible for a loan. The bill allows such students to participate in the Stafford loan program, but, unlike needy students, the student will be responsible for paying interest costs while in school.

Direct lending. We must do everything possible to ensure that money in the student loan system is not wasted on middle players and bureaucracy. The first indication that there might be some room for reform in this area was actually from the Education Department more than a year ago. An internal "pro and con" analysis noted that a direct loan system could be much less expensive to the taxpayer and simpler to administer. The document, released one year ago by the Secretary of Education, stated that:

> Guaranteed loans are significantly more expensive to provide than direct loans—$1.4 billion more expensive in the first year than a comparable direct loan program. This is due to: First, the entitlement subsidy payments needed to attract and maintain the participation of private for-profit lenders; and second, the administrative and default collection allowances paid to guarantee agencies.
>
> Due to its complexity—the great number of participating organizations, decentralized recordkeeping, and thousands of transactions—the current GSL system is error prone and extremely difficult to monitor and audit.
>
> Recent fraud and abuse scandals involving lenders and servicing contractors are only the latest in a long history of such scandals which State-level guarantee agencies have been unable to prevent.
>
> The GSL system is burdensome to students and schools. Students have to fill out multiple applications for student aid—one for GSL and one for other aid. There are often delays to obtain lender and guarantor approval of loans. Because most loans are transferred among lenders and servicers, borrower repayment checks may be sent to the wrong party. Schools now must deal with up to 54 sets of applications, regulations, program reviews, and reports prescribed by 54 guarantee agencies.
>
> GSL Program changes have always been held hostage by the banks—who can always threaten to withdraw. Likewise, guarantee agencies have historically fought reforms detrimental to their interests.

That last statement turned out to be a good prediction of what would happen with direct lending. Guaranty agencies and lenders conducted an all-out lobbying campaign to convince schools and Members of Congress that direct lending was something that it was not. As I noted on the floor several days ago, even the entity that Congress created to help students, the Student Loan Marketing Association, got involved in the fight. But this is not a bankers assistance bill or a Sallie Mae assistance bill, it's a student assistance bill, and we should do all we can to help students get a higher education, whether it makes a profit for Sallie Mae or not.

Two weeks ago, the conferees voted to include a Direct Loan Demonstration Program in S. 1150, with 500 schools participating. The Education Department recommended that the

President veto the bill on this basis. I found it hard to believe that the self-proclaimed "Education President" would veto the Higher Education Act because it tests a program that will save taxpayers money. Apparently, the President's advisors agreed that a veto would be uncomfortable, and the administration in the last few days finally came to the bargaining table. The conferees changed the pilot program to be a cross-section of schools representing $500 million in loans in the previous year. This was the House proposal, which also had previously brought a veto threat. While I preferred 500 schools, I am pleased that the administration finally believes its own analyses that this is an idea worth testing.

INCOME-CONTINGENT REPAYMENT

One of the main reasons that several of my colleagues and I became interested in direct lending is because it made possible another innovative and money-saving feature: income-contingent repayment through the IRS. Student loan debt create a number of problems that can be addressed, at least in part, through income-contingent repayment. First many youth and adults decide against going to college, because they are afraid they might fail, and they won't be able to pay off their loans. With an income-related program, that fear is reduced. During a period of unemployment or low wages, the required payments are reduced automatically.

Second, too many students don't do what they want to do with their lives, because of the loan payments they need to make. This might be a scientist who wants to be a high school teacher, but works for industry instead. Or a doctor who enters a high-paying specialty instead of working in an inner-city health clinic. Debt burdens skew these career decisions.

Finally, large debt burdens postpone dreams. I know a couple in southern Illinois who are paying more than $800 a month in student loan payments. They would like to buy a home, but they simply can't afford to. Income-contingent payments would help to make their debt more manageable.

Income-contingent payments and IRS collection also help us to address the default problem. A large part of the current problem is that people go through a low income period, they default, then they never pick up where they left off. By reducing the required payment depending on income, borrowers can go in and out of the system without trying to figure out who owns their loans. Also, for those people who do have money and are avoiding payment, having the IRS as the collection agency will make a big difference.

There are several provisions in S.1150 that will help make payments on student loans more sensitive to the borrower's income, and perhaps lead to collection by the IRS. First, all lenders in the guaranteed student loan program are required to offer either graduated or income-sensitive repayment. Second, 35 percent of the schools in the District Loan Demonstration Program will offer income-contingent repayment as an option, with collection most likely through the IRS. Third, the Secretary of Education is authorized to establish a program that will require all defaulted loans to be collected on an income-contingent basis. And finally, up to $200 million in guaranteed loans which are at risk of default each year can be purchased by the Secretary so that those borrowers can make income-contingent payments.

OTHER PROVISIONS

That is not all that is good about this bill. It also makes great strides in simplifying the process for applying for Federal financial aid, and developing a formula that will make sense to American families. For example, families will no longer be told that they must sell their homes or farms in order to send their kids to college, and they will be able to save more money for college without being penalized with less aid.

The bill also significantly strengthens the oversight of schools in the program by toughening accreditation and Federal certification standards, and prompting State reviews of institutions that have high defaults, complaints, audit problems, and other indicators of possible misuse of Federal funds. These changes will help to restore confidence in the student aid programs. As part of this effort, I worked with Senator METZENBAUM on some provisions to help students who have been victims of fraud and abuse at some schools. One change will cancel student loans in cases where a student was defrauded by the school or the school closed before the student finished the program. A second amendment improves the current loan rehabilitation program so that guaranty agencies, when arranging a new payment schedule on a previously defaulted loan, will take into consideration the borrower's income. This way, people on welfare who are trying to get an education to get a better job—(as required by the Federal Jobs Program)—can take care of the default and qualify for a Pell grant. We are indebted to the tireless work of legal services attorneys from around the country who recommended these and other changes.

The new title V significantly expands the Federal Government's effort to improve teacher training in this Nation, and to encourage more young people to go into teaching. For example, the bill expands the current program, named for the great Senator Paul Douglas, which offers scholarships to students in the top 10 percent of their class who agree to enter the teaching profession. Another program I created when I was in the House, the Christa McAuliffe Program, is also expanded. It rewards veteran teachers with grants for sabbaticals and special projects. Thanks to my colleague from Illinois, Mr. HAYES, the conference report also includes a demonstration program to help train school-based decisionmakers such as the new local school councils in Chicago. And finally, a new program is authorized to recruit and train individuals for career counseling young children who have been exposed to community violence, something that is far too common in our inner cities.

ENSURING ACCESS TO AID

Both the Senate and the House versions of the reauthorization included provisions to ensure that all students have adequate access to financial aid, and the conference report takes the best of both versions. First, S.1150 removes the requirement—added by last year's Emergency Unemployment Compensation bill but never enforced—that students receive credit checks prior to getting student loans. That requirement would have caused major, unnecessary disruptions in millions of students' education, both because of the enormous error rate for credit checks and because it conflicts with the purpose of the loan program: to help students improve their earning potential so they can pay off those debts.

The bill also strengthens the lender-of-last-resort program, in which guaranty agencies help provide loans to students at schools not well served by banks. At the same time, the bill allows guaranty agencies to keep schools out of the lender-of-last resort program if there is evidence that the school is not providing a high quality education. By including high default rates as one measure, the conferees did not intend to presume that such schools are necessarily poor quality; they may simply serve a low-income population. In asking the Education Department to approve its exclusion of a school from the lender-of-last resort program, guaranty agencies should offer other evidence, beyond the default rate, that the school is not serving its students well.

Mr. President, there are many other positive changes that have been made to the student aid programs, and a number of important, new programs that will allow us to invest in our future through education. I urge my colleagues to support the conference report.

Mr. THURMOND. With regard to the reauthorization of the Higher Education Act, I would like to ask my distinguished colleague, the senior Senator from Rhode Island and chairman of the Subcommittee on Education, Arts, and Humanities, a few questions about a specific amendment agreed to by the House and Senate conferees relating to the eligibility of foreign medical schools to participate in the Stafford student loan program.

It is my understanding that section 481(a)(2)(A)(i) was amended by adding the words "or" "(ii) the institution's clinical training program was approved by a State as of January 1, 1992."

Mr. PELL. That is correct.

Mr. THURMOND. It is also my understanding that the language of this amendment was specifically drafted and is intended to include the American University of the Caribbean Medical School [AUC] in Montserrat, West Indies. AUC was recommended by the State of California's Board of Medical Quality Assurance and approved as having met all State licensing requirements, thus AUC was deemed as having a qualified medical school curriculum. The State of California Board's recommendation enables foreign medical school students to participate in a clinical training program within a State approved hospital, pursuant to section 1327 of the California Code of Regulations as of January 1, 1992.

Mr. PELL. That is my understanding. When the amendment was drafted we understood that it would include at least four institutions, one of which was the American University of the Caribbean Medical School [AUC].

Mr. THURMOND. It is also my understanding that in section 481(a)(2)(A) that foreign medical schools have to comply with either category (i) (I) and (II), or category (ii). Is that the Senator's understanding as well?

Mr. PELL. Yes, it is. Under section 481(a)(2)(A) all foreign medical schools will have to fully comply with either category (i) which requires the foreign institution to maintain 60 percent of their enrollment as non-U.S. citizens and the foreign institution must have a 60-percent passage rate of their foreign medical graduates during the course of 1 year, or be able to meet the criteria set forth in category (ii) of having had an approved clinical training program in any State in the United States as of January 1, 1992.

Mr. THURMOND. I thank the chairman for clarifying the intention of this amendment. If this amendment were misinterpreted, it could have a devastating effect upon the American University of the Caribbean Medical School, which has educated several medical doctors who have come back to urban and rural areas of my home State of South Carolina. These doctors make a significant difference in the availability of health care for hundreds of people in my home State as well as throughout the country.

Thus, I have taken additional time today to make clear the intention of the conference report language, so that there is no misunderstanding as to what the word "approved" means in section 481(a)(2)(A)(ii).

I thank the senior Senator from Rhode Island for his assistance in helping clarify the intent of the provision.

Mr. FORD. Mr. President, I want to take this opportunity to thank my distinguished colleague, the chairman of the Education Subcommittee, Senator PELL, and his staff, for attempting to accommodate my concerns with regard to financing of infrastructure and dormitory needs at colleges and universities, particularly small institutions, in Kentucky. Although I understand my amendment in this regard, included in the Senate-passed bill, did not survive conference intact, I appreciate his efforts to ensure that funding by the Student Loan Marketing Association, Sallie Mae, will continue to be available for security systems, boilers, heating and cooling systems, and other infrastructure needs.

I remain concerned that the restrictions on funding by Sallie Mae for educational facilities contained in the conference report to S. 1150 may ultimately result in fewer projects being funded at Kentucky independent colleges and universities. It was on behalf of this group that I sought language which would have allowed Sallie Mae to continue to package infrastructure projects, such as boilers and security systems, with dormitory financing in order to secure funding for otherwise high-risk projects.

While I understand the chairman's desire to ensure that sufficient financing is available for academic facilities, I remain concerned that many of my small colleges and universities have no alternative to Sallie Mae financing for nonacademic, but equally necessary educational facilities, including infrastructure projects. With our State governments in no better condition financially than the Federal Government, it is important that we maintain this private source of financing of higher education facility needs.

I thank the chairman for his efforts to ensure that financing for educational facilities, both currently in the pipeline and in the future, continue to be available, although in a restricted manner. I will continue to monitor this situation to see what impact these restrictions will have on Sallie Mae's ability to finance Kentucky institutions' infrastructure and facility needs. If we should find that modifications are needed in the future to ensure access to this financing, I hope that the chairman and his staff will be equally accommodating.

Mr. PELL. The Senator from Kentucky has been an effective spokesman on behalf of his colleges and universities. Our intention is not to completely preclude financing for infrastructure and dormitory needs, but to focus funding on academic facilities. We believe that the language provides adequate authority for financing infrastructure and limited facility needs. Should this prove not to be the case, I stand ready to work with my colleague to address his concerns.

Mr. FORD. I thank the chairman for his usual courtesies and assistance. Kentucky institutions, and the students they serve, owe him a great debt of gratitude for his leadership on behalf of higher education.

Mr. LAUTENBERG. Mr. President, I rise in support of the conference report accompanying the Higher Education Act. I would like to congratulate the principal architects of the legislation, Senators KENNEDY, PELL, HATCH, and KASSEBAUM for this major accomplishment.

This legislation makes significant expansions in Student Grant and Scholarship Programs which help many young students gain access to higher education and ultimately the American dream. I especially applaud my colleagues for the increases that this bill provides for Pell grants and guaranteed student loans.

Mr. President, I strongly support the growth in these programs. These programs provide a helping hand to families who would otherwise not be able to send their children to college.

However, I am also concerned about the other side of the higher education equation. I am referring to the staggering growth in the cost of tuition over the past decade.

Mr. President, American families are experiencing sticker shock when they look into the cost of higher education today. Many families in my State face college tuition bills of up to $25,000 per year for each child. This is $100,000 for an undergraduate education, for one child. The parents and students of my State are struggling to afford a college education. Many parents who attended college in the 1960's now see their children facing college tuition bills that are up to 100 percent higher than those in the mid-1960's in inflation adjusted dollars.

While the Federal Government has tried to make college more affordable through legislation and program expansions, the cost of college tuition, room and board has grown so rapidly that it is nearly out of reach for many middle-class families. Many middle-class families in my State, as well as others, are not eligible for Federal or State assistance programs and have to pay the entire cost of tuition, room and board out of their own family budgets. This is becoming more and more difficult for many families.

Mr. President, I would like to describe what has happened to the cost of tuition over the past 10 years. From 1981 to 1991, tuition costs for both public and private schools have greatly outpaced the CPI. In some years, it has grown at two to three times as fast. This helps explain the struggle that American families have faced and are now facing every year as they try to afford a college education for their children. This has happened during the Reagan-Bush administrations, when middle class real income stayed relatively flat and the tax burden shifted from the wealthy to the middle class.

Mr. President, I would also like to compare the growth in tuition costs to the increasing cost of health care. From 1980 to 1988, the CPI rose 44 percent, compared to an increase of 106 percent for health care. What is striking about this comparison is that the cost of tuition has increased nearly as fast as the cost of health care.

While many experts today have different approaches to solving the health care crisis that faces our country, one thing that all agree on is that we need to take action to control health care costs. At the same time that we explore options for controlling health care costs, I believe we have failed to address the growing cost of tuition that has increased nearly as fast.

Finally, I would like to call attention to another disturbing trend that is taking place in higher education. The trend that I am referring to is the explosion in administration costs in colleges and universities as compared to expenditures on instruction. Today, colleges and universities are spending 45 percent of the cost of instruction on administration costs. This is up from 19 percent in 1930 and 27 percent in 1950.

What are these administration costs? These are costs associated with personnel who collaborate, supervise, set policies and perform services such as producing a college catalog, registering students, and performing financial activities. These costs do not include expenditures on libraries, counseling, admissions, placement, physical plant, research, and faculty salaries. Something needs to be done to stem the tide of increasing expenditures on items not directly associated with the education of our Nation's students.

Mr. President, where do we go from here to try to hold down tuition costs and reduce administrative costs? I think that an amendment that I offered to the Higher Education Act and that has been included in the conference report is a good place to start.

My amendment is designed to begin to address these problems of increasing tuition and growing administrative costs. It will establish the National Commission on the Cost of Higher Education to study the problems of increasing tuition and rising administrative costs and make policy recommendations on how to hold these costs in check. This will be a bipartisan Commission, including members appointed by the President and Congress. The membership will include academics as well as other higher education experts. The Commission will report its findings and make recommendations to Congress.

This Commission will assist the Congress and the academic community in beginning to help solve the problem of exploding tuition costs. If we do not move forward in this area, no matter how much student assistance the Congress can provide in these tough budget times, it will not be enough to prevent a college education from being out of reach for the average middle-class family.

Mr. President, I want to reiterate that the Federal Government needs to play a strong financial role in ensuring access to higher education for all who are qualified. But I think we need to go further and examine the costs of higher education as well.

I urge my colleagues to support the conference report.

Mr. COATS. Mr. President, I am pleased that the conference report on higher education contains language providing important provisions for protection of the integrity of the student loan program. One such provision, which I offered, ensures that no lender should be required to lend to institutions which have excessively high default rates, or are under emergency suspensions or actions.

However, this language provides the Secretary a waiver to ensure that no institution is eliminated from eligibility of lender of last resort if in the judgment of the Secretary there are exceptional mitigating circumstances which make the application of the provision inequitable. It would be appropriate for the Secretary to take into consideration high unemployment rates in an area, exceptionally large enrollments of minority students, or an institution's consistent record in meeting acceptable default standards.

I believe this is an important provision which will ensure that all students have access to loans, while providing important protections to the American taxpayer.

Mr. DURENBERGER. Mr. President, I rise today in support of Senate passage of the conference committee report on S. 1150, legislation reauthorizing the Higher Education Act.

But, before I do that, I'd like to thank our distinguished chairman, Senator KENNEDY, for his outstanding leadership in shepherding this huge and complex piece of legislation over the past year and a half. And, I must also recognize the exemplary contributions of our distinguished colleagues from Rhode Island, Utah, and Kansas for their untiring bipartisan efforts to see this process through to the end.

As I have said many times during the 18 months we have been working on this legislation, few issues are more troublesome to Americans than the rising cost of higher education. In fact, a recent national survey found concerns about paying for college rank third in what most worries our Nation's citizens—behind only crime and drugs and ahead of health care.

Much of this concern reflects rapid increases in tuition at most public and private colleges over the past decade. The dilemma is especially troublesome for middle-income Americans who don't qualify for need-based student aid, but who also can't afford to pay the rising cost of college out of current income and savings.

As one Minneapolis couple wrote me recently, "Even though our combined incomes are about $60,000, we find it hard as middle class citizens to pay college expenses and support a family. We are too poor to be rich and too rich to be poor."

Parents with young children who look at projections of future tuition levels find the prospects of paying for college education even more distressing. Parents with two or three children now in elementary school, for example, are looking at college expenses down the road that could easily exceed the value of their home.

Parallel to the concern about rising costs is the increasing uncertainty that college graduates face in today's economy. Many of today's graduates earn less, relative to the cost of their education, than their predecessors. And, they may have to endure periods of unemployment or underemployment prior to settling into a better paying job in their chosen field.

I ran into one of those borrowers recently in Duluth, a reporter for one of the local radio stations who defaulted on his student loan a few years ago while in a low paying job. Today, because of that black mark on his credit rating, he and his wife can't get a loan for their first home.

My mailbag is full of similar sad stories including one Robbinsdale couple—both in default, but both now having the incomes and future earning potential to eventually pay off their loans.

But, because they are in default, their loans are now in the hands of a collection agency which is demanding payments they can't make.

"We would like to make regular payments," this couple wrote me recently. "But, we feel our efforts are denied by the creditors insisting on unrealistic expectations."

The high cost of higher education and uncertainties in the economy have become a particular problem for lower income students—many of whom have had to turn to loans to bridge the gap between available grants and scholarships and rising levels of tuition and other expenses.

As one advocate for many of these low-income defaulted borrowers wrote recently:

"Most of these clients pursued education in good faith, hoping that school would result in a career and a better life. Their circumstances derailed their plans, but when we see them, they remain poor, unemployed, on assistance, and stuck."

"Perhaps most damaging is exclusion from additional financial aid. Thus, they find that the one door to self-sufficiency—education—is closed and locked."

Since the Federal Higher Education Act was first enacted in 1965, students and their families have looked to Pell grants and guaranteed student loans to help fill that gap. But, even though overall funding for Federal student loan and grant programs has gone up in recent years, we have not kept up with rising costs.

And, with rising costs and the increased dependence on borrowing has come an explosion of defaults on federally guaranteed loans. Last year, Federal student loan defaults totaled $3.9 billion. Since 1987, defaults have totaled $11.5 billion.

Many of these defaults occur in situations where students face unemployment or underemployment following graduation, even though their incomes are likely to be higher within several years when more sizable loan payments could be made.

FIVE GOALS FOR REAUTHORIZING THE HIGHER EDUCATION ACT

Mr. President, we began this reauthorization process almost 18 months ago.

As a member of the Labor Committee—and representing a State that cares very deeply about education at all levels—I made an early commitment to place a high priority on this reauthorization. I held hearings and conducted meetings in college towns all over Minnesota. And, I received a great deal of input through letters and personal conversations with students, parents, State government officials, college administrators, financial aid directors, and others concerned about the future of higher education in our State.

As I listened and learned about the concerns of Minnesotans, I identified five personal goals for this year's reauthorization.

My first goal, Mr. President, was to simplify what has become an overly complex and bureaucratic system of determining eligibility and awarding and repaying Federal financial aid.

Under current loan and grant programs, students and their parents are expected to master a system that only a handful of financial aid experts truly understand. And, far too much of our financial aid dollar goes—not to students and to institutions—but to a myriad of financial institutions, guarantee agencies, secondary markets, collection agencies and others who have grown up around this system.

My second goal for this reauthorization, Mr. President, was to assist middle income students and their families pay the rising cost of going to college.

As recently as one generation ago, many middle income families could combine scholarships, savings, and current student and parent income to finance a college education. Today, many students from the same income ranges are either restricted in their choice of institutions and careers, forced to delay graduation in order to take time off to earn a higher proportion of their tuition and other expenses, or forced to assume debt levels that become unmanageable or that skew career and family choices.

Third on my list of priority goals, Mr. President, was to reduce the rising level of student loan defaults.

Again, default levels are rising to unconscionable levels, draining higher education revenue away from students and schools and inhibiting future opportunities for the millions of student borrowers who have defaulted on their loans. It's been estimated that 40 cents out of every Federal student aid dollar is now going to pay for defaults. We must have greater incentives and rewards for institutions to bring that number down. And, we must give student borrowers more flexibility in repaying loans by tying loan payments more closely to post-college income.

Fourth, Mr. President, I set out in this reauthorization to adjust loan and grant limits to combat rising costs.

In recent years, we have seen a dramatic shift in the proportion of student aid coming from loans as opposed to grants, scholarships, and other forms of institutional aid. Fiscal realities at both the State and Federal level make it impossible to restore outright grants—as a proportion of tuition and total aid—to previous levels.

But, through greater efficiencies and better targeting of grants, we must be working to increase grant levels to help meet rising costs. And, to avoid forcing students to assemble an expensive patchwork of different public and private loans, borrowing limits on Stafford and other guaranteed student loan programs should be increased.

And, finally, Mr. President, I began this reauthorization process with the goal of rewarding excellence and encouraging better preparation for college.

Our first criteria in awarding grants and scholarships should continue to be financial need. But, among those who are income eligible, there should be extra financial incentives to prepare for college by taking appropriate courses and doing well in high school, and by taking advantage of TRIO and other early intervention programs aimed at at-risk students. Those same incentives should apply to students once they are in college—to qualify for larger amounts of financial aid based on how well they do academically.

A BETTER IDEA FOR PAYING FOR COLLEGE

To help achieve these goals for the reauthorization, Mr. President, I felt strongly that we must not simply fix-up and fine-tune our current myriad of student grant and loan programs. To help position higher education financing for the 21st century, I firmly believe we need a different and better way of paying for college.

In particular, I believed we must eliminate as much red tape and bureaucracy as possible, both to simplify loan application and repayment for borrowers and to save money that could be better spent on grants and loan subsidies. And, I believed we must make loan repayment more flexible, so that payments can be adjusted to reflect both higher debt levels and the economic uncertainties and fluctuating incomes that many college graduates now face.

To promote these goals for the reauthorization, I introduced the Income Dependent Education Assistance [IDEA] Act in August 1991. My IDEA Act, S. 1645, had been introduced previously in the House of Representatives by my mentor on this subject, Congressman TOM PETRI from Wisconsin.

IDEA is a new form of student aid—a direct loan from the Government that is available to every student, regardless of income, with repayment based on post-college income and made through payroll withholding to the IRS.

In October, I then joined with my distinguished colleague from Illinois, Senator SIMON, to introduce an expanded version of IDEA as the Education for All Students Act, S. 1875. This proposal used an estimated $3.7 billion in savings resulting from IDEA to help expand the Pell Grant Program, to create a new merit-based Excellence Scholarship program for high achieving Pell grant recipients, and to help fund State-sponsored early intervention programs designed to help prepare at-risk high school students for college.

This bipartisan alliance was enlarged in February of this year when Senators KENNEDY and BRADLEY joined Senator SIMON and me in introducing a third version of the IDEA proposal. This proposal for an income-contingent direct loan demonstration, S. 2255, had been prepared as an amendment to the Higher Education Act, but wasn't offered when agreement on the size of the demonstration could not be reached with the Bush administration.

S. 2255 was included in the Democrats' tax bill which passed the Senate in March, but was later vetoed by President Bush.

Meanwhile, Mr. President, the House of Representatives had included a direct loan demonstration in its version of the Higher Education Act H.R. 4471, which passed the House in late March. In addition to the demonstration, Congressman PETRI also successfully offered two amendments to H.R. 4471 on the House floor to grant the Secretary of Education authority to offer income contingent repayment when loans are in default or at risk of going into default.

CONFERENCE AGREEMENT ACHIEVES ALL FIVE MAJOR GOALS

With this groundwork, Mr. President, the task of achieving my original goals for the reauthorization depended on the outcome of the House-Senate conference committee that was assembled to iron out more than 1,500 differences in the two versions of the legislation reauthorizing the Higher Education Act. In particular, achieving my original goals depended on melding strong interest in income-contingent repayment on the part of key Senators with the direct loan demonstration and Petri income contingent amendments included in the House bill.

No piece of legislation this large and this complex will satisfy everyone. And, whatever we do to increase access to student loan and grant programs will inevitably be tempered by the fiscal realities we face as a nation.

But, I'm especially pleased that the legislation that emerged from the House-Senate conference committee addresses all five goals I had for the reauthorization. And, the pending conference agreement includes a number of essential elements of the various legislative proposals that I introduced over the last year. Among those elements are:

1. UNIVERSAL ELIGIBILITY FOR LOANS

The higher education conference committee agreement includes a new unsubsidized Stafford loan program for students and families who don't now qualify for a loan because their incomes are too high. In addition, more middle income borrowers will be eligible for subsidized loans and grants under the provision dropping home and farm equity and college savings from the calculation of family assets that determines student aid eligibility.

2. INCREASED LOAN AND GRANT LIMITS

Maximum borrowing levels have been raised for all the Federal loan programs to help meet the rising cost of tuition and other college expenses. For example, Stafford borrowers will have annual loan limits for second year students increased from $2,625 to $3,500 and for third and fourth year students from $4,000 to $5,500. Graduate student limits are also increased from $7,500 to $8,500 per year.

Similar increases in annual loan limits are being made in the Supplemental Loans for Students [SLS] and Parent Loans for Undergraduate Students [PLUS] programs. And, subject to annual appropriations, larger Pell grants will be available to students who meet the income qualifications for this vital program. The maximum authorized Pell grant will be raised to $3,700 in 1994, with $200 increases in the maximum grant authorized for each succeeding year.

3. NEW DIRECT LOAN DEMONSTRATION

Students on a limited number of college campuses will have the opportunity to test the efficiencies and reduced redtape made possible by a pilot direct loan program. The demonstration will make loans available directly from the Government through schools, rather than through the current maze of financial institutions, guarantee agencies, and secondary markets. Schools with currently a total guaranteed student loan volume of $500 million will be included. It's estimated that it would take about 225 schools to reach this total loan volume.

4. MORE FLEXIBILITY TO TIE LOAN PAYMENTS TO INCOME

The most important principle in the legislation I introduced is that student loan payments should be tied to post-college income—easing cash-flow burdens on students and dramatically reducing current levels of student loan defaults. That principal is applied at several different points in the conference committee's agreement including:

A requirement that all Guaranteed Student Loan Program lenders offer either graduated or income sensitive repayment options to borrowers.

A provision in the direct loan demonstration requiring 35 percent of the participating schools to offer income continent repayment as an option—with loan collection most likely to be handled through payroll withholding by the IRS.

Authorization to the Secretary of Education to establish a program under which defaulted loans will be collected with payments tied to borrower income.

Authorization to the Secretary of Education to purchase up to $200 million in Federal student loans that are at risk of default, with those loans then converted to income-contingent repayment.

5. REWARDS FOR ACADEMIC EXCELLENCE

Finally, Mr. President, a new Federal Access Scholarship Program is authorized by this legislation that rewards high achieving low-income students with a bonus of at least $400 per year on top of their Pell grant. Income eligible students may qualify for this extra assistance by doing well in high school or by participating in early intervention programs designed to prepare at-risk students for college.

MINNESOTA WINS ON OTHER ISSUES IN THE REAUTHORIZATION, AS WELL

Mr. President, the Federal Higher Education Act is best known for its financial aid provisions, but there are dozens of other important higher education programs also authorized by this legislation—ranging from library grants to teacher training initiatives.

And, while my primary contributions to this reauthorization focused on the direct loan and income contingent repayment provisions outlined above, I was also involved in resolving several issues of particular interest to Minnesota higher education institutions and students.

One such issue involved contained financial aid eligibility for students who take courses via various telecommunications medium. It was my position that students who are eligible for financial aid and who are taking courses through institutions that are eligible should not be discriminated against if they take those courses over television or some other form of telecommunications. That position eventually prevailed.

A second such issue involved continued eligibility of prisoners for Pell grants. I agreed with Minnesota officials that talking college courses can help individuals gain job skills that will help increase chances they do not become repeat offenders.

In the reauthorization bill, we did deny student loans to prisoners as well as take steps to discourage States from dropping their own higher education programs and to discourage the start-up of new schools that cater just to prisoners. An attempt to totally deny Pell grant eligibility for prisoners, however, was defeated in conference committee.

Other issues on which I worked closely with Minnesota higher education officials included Federal funding for new oversight responsibilities being given the Higher Education Coordinating Board, reserve requirements for the NorthStar Guarantee Agency, and implications of a needed effort to simplify forms used to apply for financial aid on institutions like the University of Minnesota that are moving toward more electronic transmission of financial aid information to banks and other intermediaries in the system.

Because of the length and complexity of this legislation, its full effect probably won't be known for some time. Much of the detail in specific programs will also get fleshed out in rules and regulations issued by U.S. Department of Education.

As so, as a member of the Senator Labor and Human Resources Committee, I intend to closely monitor implementation of this legislation—to ensure that congressional intent is carried out and to ensure that Minnesotans are kept informed and involved.

HEA ENACTMENT CAN DEMONSTRATE COMMITMENT TO BIPARTISANSHIP THAT PRODUCES RESULTS

Mr. President, early in our consideration of the HEA reauthorization, the Bush administration began sending strong signals that the President would veto any legislation that included a direct loan component. That veto threat was repeated again during the conference committee process when it become obvious that a direct loan demonstration would be included in the final bill.

Throughout this entire process—and since the conference committee process was concluded—I have had numerous conversations with administration officials in an attempt to both identify and respond to their concerns about the direct loan demonstration.

There are clearly philosophical concerns about replacing the current role of banks, guarantee agencies, secondary markets, and collection agencies with new expanded roles for schools, the U.S. Department of Education, and the IRS. To address those concerns, I and other backers of the direct loan demonstration agreed to limit its size to schools with a total current guaranteed student loan volume of $500 million.

But, I also think it's important to point out, Mr. President, that this program is not intended to result in a dramatic increase in borrowing by either the Federal Government or students. The intent of this demonstration is to retain the eligibility requirements, loan maximums, and other characteristics of existing loan programs—and to change only the method by which loans are initially accessed and ultimately repaid.

Overall, however, I do realize that the conference agreement—and particularly the direct loan demonstration—could lead to substantial changes in the status quo. But, substantial change is justified, Mr. President, in a system that wastes too much money we don't have on defaults * * * a system that burdens students and their families with red tape and bureaucratic intermediaries that add more cost than they add value.

To be blunt, we can no longer afford to squander billions of dollars a year on red tape and on unnecessary defaults. Those billions of dollars belong in the classroom, not in six and seven figure salaries at Sallie Mae. And, we cannot afford to be spending money that belongs in higher education on collection agencies and bad debts.

Americans today, Mr. President, are properly demanding an end to business as usual from their elected leaders. They've tired of governmental programs that promise more than they can deliver and that cost more than we can afford. And, Americans are insisting that we show evidence, not only of real change, but of real commitment to the kind of bipartisan collaboration that produces results.

We now have an opportunity to respond to those demands as we complete work on the Higher Education Act reauthorization. I look forward to making that goal a reality. The people that we represent are demanding—of all of us—nothing less.

Thank you, Mr. President. I yield the floor.

Mr. JEFFORDS. Mr. President, I rise in support of the conference agreement to reauthorize the Higher Education Act.

I want to commend subcommittee Chairman PELL and Senator KASSEBAUM for their diligent efforts to reauthorize one of education's most significant pieces of legislation.

Overall the measure before use is a good one. Its clear intent is to increase access to students and families to postescondary education. It tightens provisions to weed out unscrupulous institutions and simplifies the aid application process.

I am particularly pleased that the conference agreement includes my amendment to increase loan limits. Increased loan limits closes the gap between available Federal funds and the cost of tuition.

The measure also increases to middle income students. Under the agreement loans are available to students who do not qualify for Pell grants or Stafford loans. Different from Stafford loans the Federal Government does not pick up interest payments during the in-school period. However, these loans will significantly increase access to our middle income families.

I am further pleased by the inclusion of my early intervention proposal. Early intervention provides at-risk students counseling and support in their developmental years and encouragement to stay in the education pipeline. Upon matriculation, grants are available for tuition assistance. Such a proposal can dramatically increase high school retention and postsecondary opportunities to the disadvantaged students in this country

The measure provides a new formula to States for facilities funding. Studies indicate a $60 billion need for facility construction and renovation. The agreement renews the Federal Government's responsibility and commitment for investing in facilities funding. The program is crucial, not only to our universities and colleges, but to the competitive nature of our Nation as a whole.

Furthermore, the legislation increases State oversight in the program integrity section of the conference agreement. Recent reports of fraud and abuse have focused attention on how to improve the regulatory structure in order to assure the integrity of the student aid program. The provisions in the agreement increase assurances of integrity without undue State oversight or intrusion.

Change, however, brings with it the interesting phenomena of good and bad. In that sense I feel my support is somewhat bifurcated. I support the measure yet I have some healthy fears about the impact of some of the changes we have made.

For example, the agreement establishes new criteria for determining eligibility for Federal financial assistance. It simplifies the process by creating a single formula for distributing Pell grants and Stafford loans.

Combining two formulas brings both benefits and drawbacks. The benefit is simplification, the drawback is possible displacement of students within the program. We will not know the specific impact of some of our changes until the formula is in place. However, if the new formula results in significant shifts within the student population I would hope that this body would revisit the issue.

I would be remiss, however, if I did not mention that such a formula change would not have been necessary had this body been able to make the Pell grant an entitlement. I understand the constraints of the Budget Act and the costs of creating a new entitlement, however, some day we must weigh the cost of not doing something. Refraining from creating a Pell grant entitlement may be saving us money now but will cost us in the long run.

My final comment is my grave concern over the size of the new direct lending program. This provision moves Federal financial assistance from the public/private sector to the public sector alone. It essentially creates a direct lending program from the Federal Government to institutions. The proposal of cutting the private sector out of the lending process claims to save $1 to $2 billion a year.

Tempting as this sounds, there remain unanswered questions. How would the Department of Education administer such a program? Where would the Federal Government come up with the money to fund a $50 billion program? How do we transition into the program and what effects will it have on students, families and institutions? These are just a few of the questions that, in my mind, have not been answered. Unanswered, they pose significant threats to the loan program and to millions of students.

I do not oppose the concept—for I believe that new models must be tested—however, I do believe that we must move cautiously until impact is assessed. Failing to adequately plan for these shifts will be, and are, a major hurdle as we struggle to answer complex problems and opportunities.

In light of the ongoing studies and the dearth of information, I have argued for caution. The time is ripe for a demonstration, which can be studied and examined, not an overhaul of the system without proper understanding of the ramifications.

Mr. COCHRAN. Mr. President, I am pleased to support this legislation. Its objective is the preservation and strengthening of our higher education system and the guarantee it provides to all that access to that system exists without regard to economic status.

It was developed over the last 1½ years with the help of the administration, education associations, college presidents, parents, and students.

The Labor and Human Resources Committee has done important work on the Federal higher education programs, making them more responsive to the needs of students and the challenges we face as a Nation.

The assurance of access to postsecondary education and the opportunities it provides is the most important aspect of this legislation in my opinion.

Among the programs designed to reach the neediest students are: Increased grant aid for students most in need with Pell grant maximum awards increasing to $3,700 in 1993; revised Pell grant in terms of the actual costs; and a new scholarship for students from economically disadvantaged families.

The Presidential scholarship will provide disadvantaged students with an incentive to excel academically because eligibility is dependent upon a student's having completed a rigorous core curriculum in high school.

Middle-income families are provided greater access to student aid by eliminating farm and home equity from the calculation used to determine a student's eligibility for financial assistance. Another provision of this bill will extend eligibility for Supplemental Loans for Students to dependent students, thus increasing the options for middle income students and their families.

Increases in annual borrowing limits for federally subsidized loans will be particularly helpful to middle-income students. Loan limits have also been increased in the unsubsidized loan programs for students with greater family resources, and the bill establishes a new unsubsidized loan program that makes loans available to students and their families with no restrictions on earned income.

I am particularly pleased that we were able to simplify financial aid programs for students and families by creating one form for all grant and loan programs, at no charge to the student.

We have improved outreach, early intervention, and support services for low-income and educationally disadvantaged students, so that more students can go to college and succeed there.

Mr. President, guaranteed student loan defaults are expected to reach an alltime high of $3.6 billion this year and pose a major threat to the stability and integrity of student aid in general. Serious questions have been raised about the program's effectiveness as the primary vehicle for federally supported student assistance.

The foremost challenge we faced in this reauthorization was how to strengthen the aid programs so as to assure the integrity of the programs. Steps have been taken to improve the standards for institutional participation in the programs.

Accrediting agencies, the State4s, and the Federal Government must all do a better job in assuring program quality and institutional capability.

We have also taken steps to reduce the number and costs of loan defaults. In addition to continuing and strengthening the default control provisions of the 1989 and 1990 budget reconciliation laws, we have included new provisions to strengthen further the incentives for all parties, students, lenders, as well as schools, to reduce defaults and improve collections on defaulted loans. New provisions will give students an opportunity to repay loans based on their income.

Mr. President, as a member of the Appropriations Committee, I can speak firsthand to the frustration of having to devote precious resources to default costs, rather than to expanded aid to students.

The bill establishes much needed academies for teachers and school leaders to help them do a better job in the classroom.

Alternative certification demonstration grants are authorized to allow States to experiment with bringing teachers into the classroom that may have an expertise that makes them valuable, but who have not been certified by traditional certification requirements.

Community colleges are serving greater numbers of students, particularly nontraditional students who are entering school for the first time or returning to upgrade their employment skills. To meet the special needs of these institutions, an Office for Community and Junior Colleges is authorized within the Department of Education.

Mr. President, this conference agreement reflects a conscientious effort of the conferees to put students first. I believe our institutions of higher education, the students who attend them, and our Nation will be well served by the Higher Education Act Amendments of 1992. I urge Members to support this conference agreement.

Mr. HATFIELD. Mr. President, I am pleased to voice my support today for passage of the conference report to accompany S. 1150, the Higher Education Act Amendments of 1992. I commend my colleagues on the Senate Labor Committee for their work in crafting a higher education package which has many innovative components.

Earlier in this Congress I introduced two legislative initiatives which are now included in this conference report. Senate bill 1336, known as the urban-grant idea, encourages urban education institutions to use their knowledge and resources for the solution of urban problems by forming partnerships with local governments, businesses, school systems and other educational institutions, and nonprofit and civic organizations. This simple concept is designed to foster collaboration within communities to solve severe urban problems.

My bill authorizes partnerships to combat urban problems in at least 50 urban areas—possibly one per State—providing each partnership $500,000 per year, for projects up to 3 years' duration. For partnerships to help disadvantaged urban students graduate from high school, increase their opportunities for postsecondary education, and improve prospects for productive employment, this bill provides for at least 30 grants of $500,000 each year up to 3 years. Institutions receiving these grants will be designated urban grant institutions, reflecting their missions in a manner similar to the successful land-grant college and later, sea grant and space grant universities.

Last year the Senate Appropriations Committee provided $8 million in first time funding to begin the implementation of the urban grant program. I am pleased we will be able to continue to fund this important program in the years to come through its inclusion in S. 1150.

In addition, I am grateful that the conference committee has acted favorably on s. 463, a bill to increase the representation of community colleges within the Federal Department of Education. The conference report before us today includes a provision for a new position within the Department—a liaison for junior and community colleges. This designee, appointed by the Secretary of Education, must have attained an associate degree from a community or junior college or must have been employed in a community or junior college setting for not less than 5 years. The Liaison will report directly to the Secretary and will serve as principal advisor to the Secretary on matters affecting community and junior colleges and will provide guidance to programs within the Department dealing with functions affecting these institutions.

Again, Mr. President, the Senate Appropriations Committee included language in the fiscal year 1992 Labor, HHS, and Education Appropriations bill calling on the Department to designate such a position. Since community, junior and technical colleges enroll more than 6 million students annually in accredited programs and another 4 million additional students in noncredit, continuing education courses, they now serve the largest sector of the higher education community. The lack of representation in the ranks of the professional and executive positions within the Department will now be remedied through this position. These wonderful institutions deserve no less and I am anxious for the swift implementation of this provision.

There are many other important components of this legislation—many of which I thoroughly support— which require that we move forward as rapidly as possible. I urge final adoption of the conference report.

Mr. WOFFORD. Mr. President, in passing the higher education reauthorization bill, the Senate is taking an important step in adapting our Nation's system of higher education to the realities of the 1990's and the challenges of the next century. This legislation will improve access to education for low and middle-income students who, in recent years, have been squeezed between spiraling tuition costs and the unavailability of scholarships and student loans. I hope this bill marks the beginning of a new commitment to focusing our resources on investments in our Nation's most precious natural resources—our children.

I am particularly pleased about two elements of the measure. First, this higher education reauthorization includes a provision that will make it easier for middle-income families to send their children to college. This provision—which is based on the very first piece of legislation that I introduced in the Senate, S. 1140—will stop the collision of two American dreams: the dreams of owning a home and the dream of sending children to college. Families who have college-bound children understand too well that they can't get financial aid because of the accumulated equity in their homes. Families who spent years paying off their mortgages should not be penalized for their efforts by our system of financial aid.

The provision I underscore tonight excludes the value of a family's home or farm from the calculation of the parents' assets. It helps struggling middle-class families on limited incomes send their children to college. No longer will college aid be out of reach for children from families whose home is their only major asset. Tonight we send to the President, a bill to protect the American dream, and to make certain that parents seeking to pass on a better and brighter future to their children can do just that. In many respects that is the essence of the American Dream: hope for a better life for our children.

The second element of this bill I want to highlight is our improvement of the Federal Work-Study Program. When Congress created the Work-Study Program almost 30 years ago, it envisioned that many of the college students who received this new form of student financial assistance would give back to their communities through service. Congress called upon colleges and universities to develop opportunities for work-study students to work "in the public interest," providing education, health, recreation, and other services that would not otherwise be available to the community.

Over the past decades, Congress has repeatedly encouraged colleges and universities to incorporate community service into their work-study programs.

A recent GAO report makes clear, however, that only a tiny fraction of youth who receive work-study are engaged in community service. Students—representing a vast resource of skills, talents and energy—who could be performing work of real benefit to the community are all too often left with low-skilled jobs unrelated to either societal needs or students' personal goals.

This conference report changes that and incorporates a number of practical changes designed to restore community service to its intended role as an essential component of any work-study program. Most significantly, it includes a modest and practical mandate—that at least 5 percent of Federal work-study dollars go to students engaged in community service. In addition, the measure makes several improvements in the community service aspects of the Work-Study Program:

Adopting a single broad definition of community service which encompasses both on- and off-campus service, including support services to students with disabilities;

Ensuring that work-study recipients learn about the opportunity to work in community service rather than more typical work-study jobs;

Permitting colleges to devote a higher proportion of work-study funds to locating and developing community service jobs for students;

Increasing the authorized appropriations for work-study and increases the maximum Federal share for typical work-study jobs, which will ensure that institutions will retain the ability to place work-study students in essential on-campus jobs;

As an added incentive, distributing reallocated moneys to colleges and universities that attain a threshold of 10 percent of their work-study dollars going to students engaged in community service.

As the former college president of Bryn Mawr and the State University of New York at Old Westbury, I hope that colleges and universities will rise to the occasion and go far beyond the 5 percent mandate.

In total, this measure will constructively redirect funding to allow thousands of young people to direct their creative energies to the tremendous needs of our Nation—tutoring, mentoring, battling illiteracy, serving the elderly, feeding the hungry, and housing the homeless.

Mr. DODD. Mr. President, I rise to express my strong support for the conference report on the Higher Education Amendments of 1992. First, my compliments to my colleagues on the Education Subcommittee, Senators PELL, KENNEDY, KASSEBAUM, and HATCH for their years of hard work and leadership on this measure.

Mr. President, this bill is, I believe, one of the most important measures that we will pass this Congress. I consider my work on it during these past 2 years as some of the most important, and rewarding, that I have done to move the country forward.

Daily, we hear of the importance of this measure or that measure, of tax breaks, of balanced budget amendments and of a myriad of other things which will, it is claimed, help secure our Nation's future.

But there is little more important to our Nation than securing the future of our children. And that is what this legislation is all about.

America has long prided itself on the strength of its institutions of higher education, which provide first-class education and training to millions of Americans. Our achievements in higher education have strengthened our workforce and economy and provided millions of Americans with the opportunity to improve their standard of living.

However, as we know, these benefits are not achieved without significant cost and, over the last decade with skyrocketing tuitions, the costs of higher education have risen beyond the reach of many American families. The Federal Government plays a key role in ensuring that access to higher education is expanded for all students and families regardless of income, gender or race. And I am pleased that this bill further enhances this critical role.

Most importantly, we expand eligibility for Federal student aid programs—both grants and loans—to more middle-income families. It was clear to me, after several hearings in my State over 1 year ago, that it was unreasonable that a family's equity in their home or farm was used to determine eligibility for student aid and I authored a bill to eliminate the consideration of this factor for many middle-income families. I am pleased that in the conference we were able to go even further than I originally proposed and eliminated the consideration of home and farm equity for all families. This one change alone will increase access to families earning over $30,000.

In further recognition of the rising costs of education, we changed the law to provide for increased grants to students. Originally, we proposed a Pell grant entitlement to ensure that all students received the maximum grant for which they are eligible. Unfortunately, given the budget situation, we were unable to include that provision in either the House or the Senate bill. In this conference report, however, the Pell grant maximum is increased to $3,700. I recognize that, with the shortfall in the Pell Program, it is unlikely that maximum grants will reach that level this year; however, our intent is clear and I would urge the Appropriations Committee to look carefully at our proposals.

In addition, loan limits are raised to provide students with resources sufficient to meet the high cost of higher education. Students and parents will be able to borrow more under existing federally subsidized programs. Additionally, all students, no matter what their or their family's income, will be eligible to borrow unsubsidized loans under the existing GSL Program.

We also establish a direct loan pilot program to test this new, exciting idea.

This program is carefully structured to ensure a fair test of this idea and look forward with great anticipation to seeing the results. This provision has been one of the most controversial in this complex measure and, while I am fully supportive of the pilot program, I am pleased that an agreement was reached so that we could pass this measure with full bipartisan support.

Beyond providing students with additional resources, this measure also strengthens the integrity of Federal student aid programs. The heart of this effort is our new part H in title IV, which defines the roles and responsibilities of accrediting bodies, State licensing agencies and the Federal Government in the certification of institution as eligible to participate in Federal student aid programs.

This measure also recognizes that access is not simply a matter of money for many first generation college students. Too often their opportunities are stifled by poor preparation. In an effort to combat this problem, the higher education bill strengthens Federal programs such as upward bound and talent search to prepare such youth for the college experience. These programs have been operating successfully in my home State of Connecticut to make the dream of college a reality for a new generation of Americans.

The higher education bill also works to enhance efforts for overall educational reform through the expansion of programs to recruit, train, and retain quality teachers in our elementary and secondary schools. The training of teachers has always been a special responsibility of higher education institutions and this measure provides additional Federal support for these critical efforts to educate and train a new generation of qualified teachers. I am pleased that included in this section is a measure I introduced last year establishing the National Board for Professional Teaching Standards.

I fully believe, Mr. President, that with this legislation we are moving in the right direction—providing students with increased resources to pursue higher education, restoring access to middle-income families who were to a great extent cut out of these programs during the early 1980's and enhancing program integrity. This measure renews the Federal Government's strong commitment to quality higher education. In this regard, I urge my colleagues to join me in support of this critical measure.

Mr. RIEGLE. Mr. President, I would like commend the distinguished chairmen of the committee and subcommittee, Senator KENNEDY and Senator PELL, and the ranking members, Senator HATCH and Senator KASSEBAUM, for their efficient handling of the Higher Education Reauthorization Act. This bill is one of the most important legislative items to come before Congress this year and I would like to add my support for its immediate passage.

The legislation, which authorizes $23.4 billion for higher education programs, contains many provisions that will improve lower and moderate income students' access to student aid and expand eligibility for grants. In addition, this legislation works to strengthen minority education programs and develop new systems for recruiting and retaining qualified teachers. These components and others are essential in guaranteeing students the opportunity to pursue a postsecondary education.

Another key portion of this legislation allows institutions to take part in a $500 million demonstration project to determine whether student loans could be made more efficiently if they come directly from the Federal Government. A recent GAO study concluded that by adopting a direct lending method of financing student loans, the Federal Government could save as much as $4.5 billion over 5 years. I believe that the demonstration project will be a good testing ground for this innovative approach to financing student aid.

I would also like to comment on a provision in this legislation that concerns Federal assistance to Olympic training centers. In a matter of weeks the summer Olympics will be opening in Barcelona. Millions of Americans from around the country will unite in their support of some of our Nation's finest athletes. This legislation includes a provision I offered along with my colleague, Senator LEVIN, that authorizes $5 million to help student athletes finance their education while training at an Olympic training or education center. Currently, there are three active training centers located in Marquette, MI, Lake Placid, NY and Colorado Springs, CO. A fourth site is planned for San Diego, CA.

In 1989, the U.S. Olympic Committee designated Northern Michigan University in Marquette, Michigan as the site for the Nation's first U.S. Olympic Education Center. The Marquette training center is unique in that it allows athletes to continue their education at Northern Michigan University while training for the Olympics. Currently, students training at the Olympic Education Center pay in-State tuition and their room and board is financed by the State of Michigan. However, due to severe budget cuts, the State is finding it difficult to finance the education of these athletes, who, I might point out, come from many States and not just Michigan.

The importance of helping America's Olympic athletes is without question. This legislation will help students continue their education without sacrificing their opportunity to train for and participate in the Olympic games. These athletes go through rigorous training, often at great personal expense, to represent our country at the international games. They deserve our support in their effort to further their education.

Mr. DOMENICI. Mr. President, I would like to take a moment to express my thanks to the conferees who worked on the reauthorization of the Higher Education Act of 1965 for all the hard work they put into this bill. It is rare that such a lengthy bill passes in both bodies of Congress so quickly, and I appreciate all the time and effort the members of both the Senate and House Education Committees have dedicated to this important piece of legislation.

I know there were a few contentious issues that needed to be reconciled before an acceptable compromise could be achieved. Specifically, I have some concerns about the direct loan program we have put into place in this bill, which places oversight of a pilot program under the Department of Education. However, I am willing to give the Department of Education and participating colleges and universities the chance to prove that such a program will work to the satisfaction of the Congress.

If this direct loan program works out as intended, it will improve our student loan system, and expand access to middle-income students, which are clearly steps in the right direction. I know the President, Secretary Alexander, and OMB Director Darman worked with the conferees to find an acceptable middle ground on this portion of the bill, and I appreciate their efforts.

I am very pleased with much of what is in the final version of the bill, and I would like to express my gratitude to the conferees for leaving intact the Teacher Corps provision of title V, which the Senate included in its version of the bill. This section of the bill creates a program to provide annual scholarships to meet the educational expenses of prospective teachers. I am happy that this section of the bill allows State agencies to give special consideration to individuals who intend to teach students with disabilities, to those who intend to teach limited-English proficient students, and to students who are from disadvantaged backgrounds or are underrepresented in the teaching profession. These are unique groups, worthy of special consideration.

Because we cannot always find enough good people to teach on Indian reservations in New Mexico—and Senators AKAKA and MURKOWSKI had expressed similar concerns about finding teachers for Native Alaskans and Hawaiians—I am pleased the conferees included my amendment, which was originally a part of my college honors legislation, that would give special consideration to students who express an intent to teach these underserved groups. These are students that have traditionally not received the special attention they deserve, and I think it's time we encouraged top-quality teachers to teach in these hard-to-reach areas.

We have also included my language to give special consideration to students who intend to teach math or science. When we are consistently bombarded with report after report on how poorly our children are doing in math and science achievement, we need to encourage our top math and science students in our universities to bring their expertise into the classroom where it is obviously sorely need. I am pleased the conferees obviously agree. I would also like to thank Senators AKAKA, MURKOWSKI, COCHRAN, CONRAD, and PRESSLER, who supported my efforts to address this issue with my college honors bill.

Mr. President, as I stated when we passed this bill in the Senate in February, this legislation goes a long way toward restoring the buying power of Federal student loans, and ensuring that financial aid remains accessible to all Americans who require it. The reauthorization of the Higher Education Act reconfirms our commitment to providing educational opportunities to more and more students. It is an investment in our own future.

(At the request of Mr. MITCHELL, the following statement was ordered to be printed in the RECORD.)

• Mr. BRADLEY. Mr. President, about a year and a half ago, I began working on a new option to pay for better education. I called it self-reliance scholarships. The idea was that anyone who needs a better education deserves the opportunity to invest in his or her own future by using the 74-percent higher income that a higher education will bring in order to pay for that education. I am very pleased that after many twists and turns through the legislative process, the conference on the reauthorization of the Higher Education Act will make that opportunity real for many students.

As I began to talk about self-reliance with families and students last year, I found that I was not alone in believing that there is a fundamental connection between education and our sense of optimism or, more recently, our anxiety about the future. Last July, 57 percent of the people in my State of New Jersey said that they thought their children would have a worse life than their own. The cost of higher education is as central to that pessimism as are worriers about health care, taxes, or economic competitiveness.

We have before us a bill that could turn that pessimism around. For the first time, we are looking at financial aid from the point of the student and the family, rather than government bureaucrats. There are only two questions that matter when a family is sitting around the kitchen table trying to figure out how to handle college: Will we be eligible? And, will the repayments on loans be manageable?

To make the answer to those questions "yes," we need a program that: First, everyone is eligible for; second, offers repayment based on income after graduation; and third, uses the power of Government to put funds directly in students' hands, rather than using taxpayer money to induce banks to make loans they would not make otherwise.

This conference report does not quite offer all three of these options to all students, but it goes a long way. It does offer loans to everyone, without the burdensome forms and income formulas that always leave people with less than they need. It does offer repayment as a percentage of income to some number of students, enough to demonstrate that it can work. And it will help us find out whether the Government can handle direct lending and gain the savings that the General Accounting Office predicts. I have no doubt that these programs will succeed and will demonstrate that full-fledged Self-Reliance Scholarship Program would offer all their benefits to all students.

I am also pleased that President Bush has dropped his ill-advised threat to veto this bill. I did not understand how the "Education President" could veto a bill that opens the doors of education to so many people. Not only that, but it resembles a program that he himself proposed, though without details, months after I proposed self-reliance and weeks after both the House and Senate passed this bill. There is clearly some politics going on here, but our colleagues realized that students do not have time to wait through a Presidential campaign tactic before they find out whether they can pay for their fall semester.

This conference report is the end of a long process of reauthorization of an expiring program, but I believe it is the beginning of a shift in the principles by which we help Americans attend college. Next year and the year after, as we see the efficiency and appeal of these programs, I intend to fight to take this all the way. Instead of a mishmash of programs, some at some schools, some at a smaller number of schools, we need a seamless universal system, like self-reliance. It should given every student, at every age, at every school, universal access to loans and the same options for income-contingent repayment. Self-reliance loans can be the next generation of financial aid for students.

To demonstrate the need for self-reliance, let me quote from a letter I received last year, as I began working on this idea. A young woman in New Jersey wrote

> When it was time for me to apply to college in the late 1970s, my choice of college was practically unlimited because of the comprehensive Federal financial aid programs. * * * Today my youngest sister, who is now 18 years old, finds herself in a very different situation. My sister has been forced to apply to colleges based on finances rather than her considerable academic ability. Her choices were severely curtailed by my parents' modest, middle-class income and the fact that she is the last remaining dependent child in their home. Even though my parents are "better off" than in the 1970s, my sister does not even have the same opportunity I had fourteen years ago.

For most of our history, higher education was the experience of very few Americans. World War II changed all that with the passage of the GI bill. With mature veterans filling the ranks, the number of college students nearly doubled. The result was the most talented work force in the world and a new recognition of the value of higher education. State legislatures, alumni, and even the Federal Government began to invest in higher education. By 1970, enrollment doubled again to about 9 million students. A recent study shows that low-income students increased their access to higher education by 41 percent between 1966 and 1977. Families, many without a college graduate in the house, came increasingly to see education's value and to recognize that, without it, life chances diminished.

In the 1980's, college costs increased by 50 percent in real terms while Federal funds for student aid rose by only half that amount. And tightened eligibility took college loans away from 500,000 students in the last decade. That 41-percent access gain for low-income students in the decade ending in 1977 was wiped out by 1987.

The college cost trap hits the 85 percent of Americans who earn less than $50,000 after they are already bearing the strain of health care costs, energy costs, housing costs, interest rates, stagnant incomes and taxes. Many of those families have not been eligible for financial aid. This bill would make them eligible. Many worry that after graduation they would not be able to pay their loans, or would have to compromise on their career decisions to pay their loans. This bill would allow them to choose a school where repayment would always be affordable.

Universal access and income-contingent repayment harness the value of a college education to get past the hurdle of paying for it. Students' own earning potential, not what their parents happen to earn, would open the door to whatever colleges they were able to get into. Students whose families earned too little to pay a State college tuition would not be turned away. Students whose families might earn a little too much to get aid under current programs would not be turned away. The 28-year-old who has worked for a decade out of high school only to find that escaping a dead-end job requires new skills, and the mother who has raised children and now, at 36 or 40 years for the independence that a college education can bring, would all be eligible.

For the United States to remain the No. 1 economic power in the world, we have to be ready for jobs that involve computers, information, numbers and intense creativity. We have to demand more from students, but we also have to promise more. We should promise that if you work hard, if you have ability, if you believe in yourself, and if you can get into college, you will be able to go. This conference report brings us closer to that promise, and gives me hope that we will soon make that promise real for all.

I commend the conference for its achievement, and in particular I would like to thank Senator KENNEDY for his many years of interest in finding a better way to pay for college, and Senators SIMON and DURENBERGER for their diligent work on this debate all year and for helping us find the principles that we all share.●

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DR. EDWARD ZIGLER'S CONTRIBUTION TO HEAD START

Mr. KENNEDY. Mr. President, nearly three decades ago, Dr. Edward Zigler, professor of psychology at Yale University, created a program designed to help economically disadvantaged children achieve their full potential. As part of the War on Poverty, the program began as a 6 to 8 week summer camp funded at $96.4 million in 1965. The program was called Project Head Start. It pioneered a unique approach to supporting young children, with a strong emphasis on parental involvement and the delivery of comprehensive, family-centered services. Years later this community-based, one-stop-shopping program has become a hallmark for effective Federal action.

From its modes beginning, Head Start has steadily expanded over the years, and it will soon reach 700,000 children and families. Throughout this growth, Dr. Zigler has remained steadfast in his determination that program quality must not be compromised by increased enrollment with inadequate resources. He has been a brilliant advisor to Congress, and a persistent conscience for the program—affirming again and again that we cannot do more with less. Our children and families deserve better.

Dr. Zigler reaffirmed these fundamental views in an eloquent op-ed piece in the New York Times last weekend. He calls on Congress and the administration to put our resources where our rhetoric is—in Head Start. He reminds us that praise for the Head Start Program alone will not allow children to begin school ready to learn, or provide low-income families with the support they need to seek self-sufficiency. If we are to bring Head Start to all eligible children, who are currently waiting, we need to act.

I hope that Members will heed Dr. Zigler's advice, and I ask unanimous consent that his op-ed article may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 27, 1992]

HEAD START FALLS BEHIND

(By Edward Zigler)

NEW HAVEN, CT.—The head Start program is not controversial these days. Everybody loves it. Republicans and Democrats extol its merits. President Bush was photographed at a Maryland Head Start center announcing his proposal to increase funding by $600 million. Yet this highly publicized love amounts to no more than public whispers of sweet nothings. When political push came to budgetary shove, Head Start lost.

In negotiations between Congress and the Administration, $250 million that would have let centers for 220,000 children stay open this summer was dropped from the emergency urban aid bill passed last week. Instead, 95 percent of the centers have closed until fall, and inner city preschoolers have lost a safe, familiar place to play and grow away from hot apartments and violent streets.

This is a familiar story. This year's Head Start budget is $2 billion below the financing level set in the 1990 Head Start Reauthorization Act. And President Bush's proposed $600 million increase for next year falls $3 billion short of the schedule set in 1990.

Head Start has earned its good reputation. Government research shows that its graduates are less likely than their peers to be held back a grade or to need special education services. The program may even reduce criminality: I oversaw a review of juvenile delinquency programs (American Psychologist magazine will publish the findings this year) that indicated that early childhood programs like Head Start are more effective in steering children away from juvenile crime than are traditional preventive efforts like homes for delinquent children or parent counseling.

Despite its performance, the program is still threatened. Quality began to slip in the 1970's because of rapid inflation. In many locations, full-year programs shrank to 10 months, then to eight, even six, months. Teacher training was reduced, salaries did not grow and staff turnover reached unacceptable levels. It is not surprising that teachers leave Head Start: 47 percent will make less than $10,000 this year.

Head Start family support services are crucial to combat increased drugs and violence, yet in 1990 caseloads for social service coordinators were almost double the recommended level in seven out of 10 programs. The Administration's concern with the number of eligible 3- to 5-year-olds served (now 30 percent), rather than the quality of care received, has diluted Head Start's success formula.

Since Head Start began in 1965, 11 million low-income children have passed through its doors. They have received free health screenings and nutritious meals, and have learned how to play in groups. Their parents have participated as volunteers; one-third gained employment through Head Start. Yet during the same 27 years 50 million children who qualified for Head Start were left out.

We can offer poor children more than sweet nothings. Congress can make sure that at least a $1 billion increase for Head Start is part of the second urban initiative it is planning. Congress and the President can support Senator Edward Kennedy's School Readiness Act, which guarantees money to enroll every eligible child in Head Start by 1997 and sets aside adequate funds for improving the quality of care. And we can apply Head Start to more years of a child's life, from birth through the early elementary grades. Every low-income child could benefit from a longer, stronger dose of the Head Start formula.

YELTSIN NEEDS US—WE NEED YELTSIN

Mr. HATCH. Mr. President, several weeks ago former President Richard Nixon met with Boris Yeltsin to discuss internal developments in the former Soviet Union. Upon return from his trip to Russia, President Nixon wrote an extremely interesting editorial for the New York Times. In the article, President Nixon observes that President Yeltsin is promoting democratic reform in Russia and urges our expedient assistance through the Freedom Support Act. President Nixon suggests that the United States has vital interests at stake in Russia's democratic reform movement.

Mr. President, this op ed, which I submit for the RECORD, clearly explains the importance of a comprehensive multilateral effort that will help President Yeltsin push the reform process along in Russia. I hope my colleagues will take the time to read this article.

The article follows:

[From the New York Times, June 12, 1992]

YELTSIN NEEDS US—WE NEED YELTSIN

(By Richard Nixon)

PARK RIDGE, NJ.—President Boris Yeltsin of Russia will come to the summit meeting in Washington on June 16 and 17 not looking for a handout but to join hands in a new partnership based on shared democratic values. The U.S. must seize this opportunity not only because of our ideals but also because of our interest in peace and progress.

Those who question President Yeltsin's commitment to democracy and free-market reforms and urge the West to keep Russia at arm's length make a tragic mistake.

In my meeting with him a week ago, President Yeltsin exuded enthusiastic and unequivocal commitment to free elections, free markets and free peoples. He has the magnetic power of a major charismatic figure and has assembled a first-rate team of policy experts. Most important, because those who oppose his reforms have no leader and no program, there is no better alternative.

President Yeltsin has dramatically demonstrated his commitment to reform through deeds and words. He showed not only personal courage in facing down the card-carrying killers in the August coup but also political courage by adopting painful but necessary economic reforms such as freeing prices. He has slashed defense spending, offered dramatic nuclear arms reductions, cut off aid to anti-U.S. regimes such as Cuba and Afghanistan, accepted the independence of other republics of the former Soviet Union and established full diplomatic relations with them.

President Yeltsin is the most pro-Western Russian leader in history. Therefore, the U.S. should lead the West in forging a partnership for economic development with the new Russia. The biggest roadblock to such a partnership is the obstructionism in the Russian Parliament, which President Yeltsin inherited from Mikhail Gorbachev and is dominated by old-line Communists who took office without competitive elections.

President Yeltsin made it clear to me that he is determined to implement his reforms. He will try to do so through the existing Parliament; if that fails, he will impose them by decree or dissolve Parliament and hold elections for a parliament that has a mandate for reform.

In the meantime, Congress should stop its foot-dragging and pass President Bush's Freedom Support Act, which provides for America's contribution to $24 billion in Western aid. Congress' approval of International Monetary Fund assistance will create an incentive for the Parliament to approve the Yeltsin reforms. If we link our aid to passage of those reforms, we will give President Yeltsin greater leverage in his battle.

One indispensable reform is to make the ruble fully convertible. As the architect of economic reform, First Deputy Prime Minister Yegor T. Gaidar, has argued, without a free-floating ruble at a fairly stable exchange rate, trade will be stymied and foreign companies will not want to invest in Russia.

While the International Monetary Fund must prescribe strong medicine, it should not be so strong that it kills the patient. I.M.F. prescriptions assume a market economy already exists, but in Russia such institutions are only embryonic. President Yeltsin will not backslide, but we must be realistic about the economic austerity the Russians can bear without triggering social unrest that will abort reform.

A high priority must be placed on debt relief. Russia's economy is straining under the burden of repaying loans Western banks and governments recklessly made to President Gorbachev's Communist regime. If we do not reschedule the $81 billion debt, new aid will be recycled into Western banks without strengthening Russia's economy. It would be unconscionable to ask the U.S. taxpayer to bail out bankers who made bad loans to the former Soviet Government.

But foreign aid is only a small part of the solution. Our primary goal should be to unleash the American private sector's potential investment in Russia's emerging private sector. Because every Western country is going into or coming out of recession, government-to-government assistance will be severely limited by budgets. But private-sector investment will be limited only by opportunity.

Western aid should focus on developing Russia's private sector; it must not be used to prop up failed state-owned enterprises. It should be used for technical assistance to guide Russia in creating property, tax and commercial law conducive to the growth of a free market. We should also channel funds into loans to new small businesses, which will not only hire unemployed workers but also begin the essential accumulation of domestic capital.

President Yeltsin is committed to establishing the kind of legal framework and economic environment for private enterprise found in the West. Dwayne Andreas, chairman of Archer Daniels Midland, the agricultural exporter, estimates that when President Yeltsin achieves that goal, Western companies will commit themselves to investments of $100 billion in the first 18 month period, $200 billion in the second such period and $400 billion in the third.

The major advantage of private rather than government assistance is that private assistance brings the management expertise, training and new technology needed for the transition from a command to a free-market economy.

A new American-Russian partnership is not charity. Forty-five years ago, the U.S. adopted the Marshall Plan to insure the survival of freedom in Western Europe. By doing so, we gained allies in the cold war and trading partners who fueled our postwar prosperity with purchases of American products.

Those same interests, peace and progress, are at stake today. If President Yeltsin's reforms succeed, we will save tens of billions of dollars in defense spending and create hundreds of thousands of new jobs to supply Russia with the new capital and consumer goods it will require.

If the reforms fail, a new despotism will take power in Russia, threatening its neighbors, sending our peace dividend down the tube and providing aid and comfort to totalitarian rulers in China and elsewhere.

President Yeltsin has shown extraordinary political skill in trying to bring about his reforms. Despite Russia's severe economic hardship, his popularity remains extraordinarily high. By telling the Russian people that conditions would be hard and get harder, he has held their confidence; by embracing Western values, he has given them hope and inspiration.

For 75 years, the Soviet state imposed sacrifices on the people in order to provide a better life for the Communist elite. Today, the Russian President is calling for sacrifice to build a better future for all families and Russia. He can succeed because he has given the people a cause they can believe in.

Many in America's foreign policy establishment underestimated President Yeltsin because they preferred the more sophisticated President Gorbachev. Some portrayed President Yeltsin as an uneducated boob. President Gorbachev's reforms made President Yeltsin possible. But President Yeltsin holds President Gorbachev's place in history in his hands. If President Yeltsin fails, President Gorbachev fails with him.

Both were born peasants. President Gorbachev became a man of the world. President Yeltsin remained a man of the people. President Gorbachev, preoccupied with foreign policy, lost touch with the people. President Yeltsin has revolutionized Russia. Unlike President Gorbachev, he has repudiated Communism and Socialism. If he keeps placing top priority on his problems at home, he can become a statesman who will change the world.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nomination: Calendar 674.

I further ask unanimous consent that the Senate proceed to its immediate consideration; that the nominee be confirmed; that any statements appear in the RECORD as if read; that the motion to reconsider be laid upon the table; that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination considered and confirmed is as follows:

IN THE AIR FORCE

The following-named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Thomas J. McInerney, [redacted] U.S. Air Force.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

AMENDING ENGROSSMENT OF SENATE JOINT RESOLUTION 281

Mr. FORD. Mr. President, I ask unanimous consent that in the engrossment of Senate Joint Resolution 281, the title be amended to read as follows:

> An act designating the week beginning September 14, 1992 and ending on September 20, 1992 as "National Rural Telecommunications Services Week."

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF AGREEMENT BETWEEN THE UNITED STATES AND INDONESIA ON PEACEFUL USES OF NUCLEAR POWER—MESSAGE FROM THE PRESIDENT—PM-256

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit to the Congress, pursuant to sections 123 b. and 123 d. of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153(b), (d)), the text of an exchange of diplomatic notes between the United States and Indonesia dated August 23, 1991, constituting an agreement to extend for 10 years the Agreement for Cooperation Between the United States of America and the Republic of Indonesia Concerning Peaceful Uses of Nuclear Energy signed at Washington, June 30, 1980. I am also pleased to transmit my written approval, authorization, and determination concerning the extension and a memorandum by the Director of the United States Arms Control and Disarmament Agency including a Nuclear Proliferation Assessment Statement. The joint memorandum submitted to me by the Secretary of State and the Secretary of Energy, which also includes other agency views, is also enclosed.

The proposed extension of the agreement for cooperation with the Republic of Indonesia has been negotiated in accordance with the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978 and as otherwise amended. In my judgment, the proposed extension meets all statutory requirements and will advance the non-proliferation and other foreign policy interests of the United States. It provides for the agreement to remain in force for an additional period of 10 years. In all other respects, the text of the agreement remains the same as that reviewed favorably by the congress in 1980/1981.

Indonesia is a party to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and is fully in compliance with its nuclear non-proliferation commitments under that Treaty.

I have considered the views and recommendations of the interested agencies in reviewing the proposed extension and have determined that continued performance of the agreement for cooperation will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I approved the agreement on extension and authorized its execution. I urge that the Congress give it favorable consideration.

This transmission shall constitute a submittal for purposes of both sections 123 b. and 123 d. of the Atomic Energy Act. The Administration is prepared to begin immediately consultations with the Senate Foreign Relations and House Foreign Affairs Committees as provided in section 123 b. Upon completion of the 30-day continuous session period provided for in section 123 b., the 60-day continuous session period provided for in section 123 d. shall commence.

GEORGE BUSH.

THE WHITE HOUSE, *June 30, 1992*.

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTION SIGNED

At 12:01 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 459. Joint resolution designating the week beginning July 25, 1992, as "Lyme Disease Awareness Week."

At 6:38 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolutions, each without amendment:

S. Con. Res. 102. A concurrent resolution to provide for a Joint Congressional Committee on Inaugural Ceremonies; and

S. Con. Res. 103. A concurrent resolution authorizing the rotunda of the United States Capitol to be used on January 30, 1993, in connection with the proceedings and ceremonies for the inauguration of the President-elect and the Vice President-elect of the United States.

The message also announced that the House agrees to the amendments of the Senate numbered 1, 2, and 3 to the bill (H.R. 2032) to amend the act of May 15, 1965, authorizing the Secretary of the Interior to designate the Nez Perce National Historical Park in the State of Idaho, and for other purposes; and that the House agrees to the amendment of the Senate numbered 4 to the said bill, with an amendment, in which it requests the concurrence of the Senate.

The message further announced that pursuant to the provisions of Senate Concurrent Resolution 102, 102d Congress, the Speaker appoints to the Joint Congressional Committee on Inaugural Ceremonies the following Members on the part of the House: Mr. FOLEY, Mr. GEPHARDT, and Mr. MICHEL.

The message also announced that the House has agreed to the amendment of the Senate to the bill (H.R. 429) to amend certain Federal reclamation laws to improve enforcement of acreage limitations, and for other purposes, with an amendment; it insists upon its amendment to the amendment of the Senate to the bill, asks a conference with the Senate on the disagreeing votes of the two Houses, and appoints the following as managers of the conference on the part of the House:

From the Committee on Interior and Insular Affairs, for consideration of titles I and VII–XXXIX of the House amendment, and titles I and VII–XXXVIII of the Senate amendment, and modifications committed to conference: Mr. MILLER of California, Mr. RAHALL, Mr. GEJDENSON, Mr. VENTO, Mr. KOSTMAYER, Mr. DE LUGO, Mr. LEHMAN of California, Mr. MARKEY, Mr. HANSEN, Mr. RHODES, Mr. THOMAS of Wyoming, Mr. YOUNG of Alaska, and Mr. MARLENEE.

From the Committee on Interior and Insular Affairs, for consideration of titles II–VI of the House amendment, and titles II–VI of the Senate amendment, and modifications committed to conference: Mr. MILLER of California, Mr. RAHALL, Mr. GEJDENSON, Mr. VENTO, Mr. KOSTMAYER, Mr. DE LUGO, Mr. LEHMAN of California, Mr. OWENS of Utah, Mr. HANSEN, Mr. RHODES, Mr. THOMAS of Wyoming, Mr. YOUNG of Alaska, and Mr. MARLENEE.

As additional conferees from the Committee on Merchant Marine and Fisheries, for consideration of titles II–VI, IX, XXX, and XXXIV of the House amendment, and titles II–VI, IX, XXXIII, XXXIV, XXXVI, and XXXVIII of the Senate amendment, and modifications committed to conference: Mr. JONES of North Carolina, Mr. STUDDS, Mr. HUGHES, Mr. HERTEL, Mr. CARPER, Mr. MANTON, Mrs. LOWEY of New York, Mrs. UNSOELD, Mr. DAVIS, Mr. FIELDS, Mr. HERGER, Mr. DOOLITTLE, and Mr. CUNNINGHAM.

As additional conferees from the Committee on Merchant Marine and Fisheries, for consideration of titles I, VII, XI, and XVIII–XX of the House amendment, and titles I, VII, XI, XII, XIV, XV, XIX, and XX of the Senate amendment, and modifications committed to conference: Mr. JONES of North Carolina, Mr. STUDDS, and Mr. DAVIS.

As additional conferees from the Committee on Public Works and Transportation, for consideration of section 3411 of the House amendment, and titles XXI, XXXI, and XXXVIII and sections 3001–3004, 3007, 3508, and 3509 of the Senate amendment, and modifications committed to conference: Mr. ROE, Mr. ANDERSON, Mr. MINETA, Mr. NOWAK, Mr. BORSKI, Mr. KOLTER, Mr. VALENTINE, Mr. HAYES of Louisiana, Mr. HAMMERSCHMIDT, Mr. SHUSTER, Mr. CLINGER, Mr. PETRI and Mr. PACKARD.

As additional conferees from the Committee on Public Works and Transportation, for consideration of title VII of the House amendment, and title VII and section 3404(c)(7) of the Senate amendment, and modifications committed to conference: Mr. ROE, Mr. NOWAK, and Mr. HAMMERSCHMIDT.

As additional conferees from the Committee on Agriculture, for consideration of title XXV and section 212 of the House amendment, and section 212 of the Senate amendment, and modifications committed to conference: Mr. DE LA GARZA, Mr. ENGLISH, Mr. DOOLEY, Mr. CONDIT, Mr. HUCKABY, Mr. STENHOLM, Mr. STALLINGS, Mr. CAMPBELL of Colorado, Mr. COLEMAN of Missouri, Mr. MORRISON of Washington, Mr. HERGER, Mr. SMITH of Oregon, and Mr. MARLENEE.

As additional conferees from the Committee on Agriculture, for consideration of titles XIX and XX and sections 301, 305, 308, and 2302 of the House amendment, and titles XIII, XIV, XVIII, and XXXVI and section 202 of the Senate amendment, and modifications committed to conference: Mr. DE LA GARZA, Mr. VOLKMER, and Mr. COLEMAN of Missouri.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 5260) to extend the emergency unemployment compensation program, to revise the trigger provisions contained in the extended unemployment compensation program, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints the following as managers of the conference on the part of the House:

From the Committee on Ways and Means, for consideration of the House bill, and the Senate amendment, and modifications committed to conference: Mr. ROSTENKOWSKI, Mr. FORD of Tennessee, Mr. DOWNEY, Mrs. KENNELLY, Mr. ANDREWS of Texas, Mr. ARCHER, Mr. VANDER JAGT, and Mr. SHAW.

From the Committee on Energy and Commerce, for consideration of section 105 of the House bill, and section 104 of the Senate amendment, and modifications committed to conference: Mr. DINGELL, Mr. SWIFT, Mr. ECKART, Mr. SLATTERY, Mr. SIKORSKI, Mr. LENT, Mr. RITTER, and Mr. RINALDO.

From the Committee on Government Operations, for consideration of title VI of the House bill, and modifications committed to conference: Mr. CONYERS, Mrs. BOXER, Mr. LANTOS, Mr. WISE, Mr. SYNAR, Mr. HORTON, Mr. KYL, and Mr. CLINGER.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3516. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Consolidated Farm and Rural Development Act to deny farm operating loans to applicants delinquent in repaying other loans, and to authorize the Secretary of Agriculture to (1) limit the periods of eligibility for insured or guaranteed farm operating loans, and (2) limit to 7 years the period for which farm operating loans may be rescheduled; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3517. A communication from the Chief of the Programs and Legislation Division, Office of Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, notice that the performance of the C-17 Full Scale Development contract will continue for a period exceeding ten years; to the Committee on Armed Services.

EC-3518. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on H.R. 5132, the Dire Emergency Supplemental Appropriations, Fiscal Year 1992; to the Committee on the Budget.

EC-3519. A communication from the Commissioner of the Bureau of Reclamation, Department of the Interior, transmitting, pursuant to law, a report stating that it is necessary to construct modifications to Steinaker Dam, Vernal Unit, Central Utah Project, Utah, in order to preserve its structural safety; to the Committee on Energy and Natural Resources.

EC-3520. A communication from the Secretary of Energy, transmitting, for the information of the Senate, his reasons for submitting legislation to allow the sale of two hydroelectric units in Alaska; to the Committee on Energy and Natural Resources.

EC-3521. A communication from the Secretary of Energy, transmitting a draft of proposed legislation to authorize the Department of Energy to sell the Eklutna and Snettisham Projects administered by the Alaska Power Administration, and for other purposes, along with reports on each of the plants; to the Committee on Energy and Natural Resources.

EC-3522. A communication from the Secretary of the Interior, transmitting, for the information of the Senate, notice of a delay in the submission of a report on Federal and State expenditures that can be identified for the conservation of endangered and threatened species; to the Committee on Environment and Public Works.

EC-3523. A communication from the Director of the Office of Management and Budget, Executive Office of the President and the Secretary of the Treasury, transmitting a draft of proposed legislation to amend the Federal Claims Collection Act of 1966, as amended by the Debt Collection Act of 1982; to amend the Deficit Reduction Act of 1984; and for other purposes; to the Committee on Governmental Affairs.

EC-3524. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 9-232 adopted by the Council on June 23, 1992; to the Committee on Governmental Affairs.

EC-3525. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 9-233 adopted by the Council on June 23, 1992; to the Committee on Governmental Affairs.

EC-3526. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 9-234 adopted by the Council on June 23, 1992; to the Committee on Governmental Affairs.

EC-3527. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on the Indian Health Care Amendments for fiscal year 1989; to the Select Committee on Indian Affairs.

EC-3528. A communication from the Counsel of the National Tropical Botanical Garden, transmitting, pursuant to law, the annual audit report of the National Tropical Botanical Garden for calendar year 1991; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FORD, from the Committee on Rules and Administration, with an amendment in the nature of a substitute and an amendment to the title:

S. 523. A bill to authorize the establishment of the National African-American Memorial Museum within the Smithsonian Institution (Rept. No. 102-306).

S. 1598. A bill to authorize the Board of Regents of the Smithsonian Institution to acquire land for watershed protection at the Smithsonian Environmental Research Center, and for other purposes (Rept. No. 102-307).

By Mr. FORD, from the Committee on Rules and Administration, without amendment:

S. 2910. An original bill to authorize appropriations for the American Folklife Center for fiscal years, 1993, 1994, 1995, 1996, and 1997 (Rept. No. 102-308).

By Mr. GLENN, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute:

H.R. 2850. A bill to make technical and conforming changes in title 5, United States Code, and the Federal Employees Pay Comparability Act of 1990, and for other purposes.

By Mr. GLENN, from the Committee on Governmental Affairs, without amendment:

S. 1298. A bill to designate the facility of the United States Postal Service located on Highway 64 East in Hiddenite, North Carolina, as the "Zora Leah S. Thomas Post Office".

S. 2253. A bill to designate the building located at 20 South Montgomery in Trenton, New Jersey, as the "Arthur J. Holland United States Post Office Building."

S. 2834. A bill to designate the United States Post Office Building located at 100 Main Street, Millsboro, Delaware, as the "John J. Williams Post Office Building".

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BENTSEN (for himself, Mr. DANFORTH, Mr. BINGAMAN, and Mr. KERREY):

S. 2909. A bill to amend the Tariff Act of 1930 to establish an Office of Trade and Technology Competitiveness in the International Trade Commission; to the Committee on Finance.

By Mr. FORD from the Committee on Rules and Administration:

S. 2910. An original bill to authorize appropriations for the American Folklife Center for fiscal years, 1993, 1994, 1995, 1996, and 1997; placed on the calendar.

By Mr. WARNER (for himself, Mr. COATS, Mr. NUNN, Mr. WALLOP, and Mr. BINGAMAN):

S. 2911. A bill to require the Secretary of Defense to establish an Office of Technology Transition to facilitate the transition of technological advancements resulting from national security research and development activities to nondefense commercial applications in the private sector of the United States; to the Committee on Armed Services.

By Mr. PRESSLER:

S. 2912. A bill to designate the United States Post Office Building located at 555 15th Street, Northwest in Huron, South Dakota as the "Gladys Pyle Post Office Building" to the Committee on Governmental Affairs.

By Mr. CHAFEE (for himself, Mr. PELL, and Mr. CRANSTON):

S. 2913. A bill to prohibit the manufacture, importation, exportation, sale, purchase, transfer, receipt, possession, or transportation of handguns and handgun ammunition, with certain exceptions; to the Committee on the Judiciary.

By Mr. DURENBERGER (for himself, Mr. ROCKEFELLER, and Mr. PACKWOOD):

S. 2914. A bill to direct the Secretary of Health and Human Services to make separate payment for interpretations of electrocardiograms; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HATCH) (by request):

S. 2915. A bill to reauthorize the Office of Justice Programs, the Bureau of Justice Assistance, the Bureau of Justice Statistics, the National Institute of Justice, the Office of Juvenile Justice and Delinquency Prevention, and for other purposes; to the Committee on the Judiciary.

By Mr. D'AMATO:

S. 2916. A bill to amend chapter 11 of title 38, United States Code, to provide that veterans who are former prisoners of war shall be deemed to have a service-connected disability rated as total for the purposes of determining the benefits due to such veterans; to the Committee on Veterans' Affairs.

By Mr. COCHRAN:

S. 2917. A bill to amend the National School Lunch Act to authorize the Secretary of Agriculture to provide financial and other assistance to the University of Mississippi, in cooperation with the University of Southern Mississippi, to establish and maintain a food service management institute, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN (for himself, Mr. DANFORTH, Mr. BINGAMAN, and Mr. KERREY):

S. 2909. A bill to amend the Tariff Act of 1930 to establish an Office of Trade and Technology Competitiveness in the International Trade Commission; to the Committee on Finance.

TRADE AND TECHNOLOGY COMPETITIVENESS ACT

Mr. BENTSEN. Mr. President, right now, somewhere in the halls of Japan's Ministry of International Trade and Industry [MITI], there is an office hard at work on the next century. Every 10 years or so, MITI brings together a distinguished panel of business leaders, academics, scientists, labor leaders, and the press to map out the country's economic strategy for the coming decade. They identify the key technologies that the country needs to develop and the industries they need to promote in order to ensure that Japan's economy will maintain its competitive edge. And they take stock of where their industries are and where they need to be to achieve those goals. The fruits of these efforts are called visions and are meant to set priorities and economic goals for the next decade.

I am not suggesting, Mr. President, that we must mimic Japan. But I am deeply troubled that the U.S. Government lacks even the most basic information about how our technology base stacks up against our competitors, and how our industries are doing in this extremely competitive global environment.

The Japanese have been examining their economy, in microscopic detail, for more than 30 years—identifying the technologies that are critical to their industries and then putting in place the policies necessary to promote them. In the United States, it took us 30 years of divisive debate to get to that first step—to get to the point where our Government and our industries were comfortable with the idea of simply identifying so-called critical technologies.

Finally, I believe we have reached a general consensus on what those critical technologies are for the American economy. In the past couple of years, we have seen lists from all quarters—from the private sector, from the Commerce Department, from the Defense Department, from a special panel that we in the Congress set up just to identify these critical technologies.

These lists are remarkably similar. They point to high performance computers, ceramics, software, data storage technology, high definition displays, microelectronics, molecular biology, and a range of other technologies as the necessary building blocks for the future competitiveness of our industries.

We do not need any more lists. We need to move to phase II: We need to take a hard look at our strengths and weaknesses, and we need to understand where—and why—our competitors are beating us.

I sure do not want to see the United States take another 30 years to get to that point. We have already paid a very high price for our indecision. While we were debating whether it was a good idea even to identify those critical technologies, some of our most important industries migrated offshore.

Just take a look at the electronics industry. A recent report by the private sector Council on Competitiveness identified seven electronic components technologies, including memory chips, liquid crystal displays, and printed circuit board technology, as technologies in which the United States—and I quote—"is losing badly or has lost." These losses are felt throughout our economy because these technologies are crucial building blocks for many other industries.

The bad news does not stop there. That same report identified eight other key technologies in which the United States is losing badly, and another 18 technologies where we are weak. These conclusions do not give us much comfort. I was particularly troubled by one conclusion reached by the Council on Competitiveness: namely, that many of the United States losses are in areas where concentrated foreign efforts, including a variety of trade and investment policies, have hurt the competitiveness of this country.

It is time to do something to stop the erosion of our industrial base. If we look back at the 1970's, approximately 24 percent of our GNP was generated by industrial production. Today it is less than 20 percent. Therefore, I rise today, Mr. President, to introduce a bill that will move us to phase II and help us get back into the game.

Mr. President, I am introducing today the Trade and Technology Competitiveness Act of 1992. Its goal is to establish within the U.S. Government the permanent capability to analyze and monitor the performance of our critical technology industries relative to our chief global competition.

This bill is intended to be a remedial step. Frankly, Mr. President, we should have developed this capability a long time ago.

The bill sets up in the International Trade Commission [ITC] a new Office of Trade and Technology Competitiveness. That office will have the primary responsibility in the Government for monitoring our progress in critical technologies and taking stock of where we are relative to other countries—letting us know who is winning and who is losing this high stakes game.

The Office will take as its starting point the list of critical technologies developed by the National Critical Technologies Panel, a list that the Congress mandated back in 1989. Every 2 years, the panel identifies the product and process technologies that the United States must develop to promote our long-term national security and economic prosperity. That list has been characterized as one of the most exhaustive lists of critical technologies and includes all of the ones I mentioned earlier.

As a first step, our bill will require the ITC to look at each technology on that list and summarize all of the studies that compare how our performance in each of the critical technologies stacks up against our competitors. This is valuable information that our manufacturers can feed into their strategic planning.

Next, the bill requires the ITC to go a step further. The bill directs the ITC to report annually to the Congress on the competitive position of the United States in each of those critical technologies. We want to know how much progress has been made, or, alternatively, how much has not been made. Where we have made progress, we want to understand why and how that progress has come about. Where we have fallen behind, we want to understand what factors contributed to our setback. And where our competitors have taken us to the cleaners, we want to know how they have gotten there.

Then, the ITC will be required to project how each of our critical technology industries will perform over the next 10 years, taking into account where we are, where our competitors are, and any expected changes in the tax, trade, and investment policies of the United States or of our competitors.

Mr. President, this bill grows out of a recommendation made earlier this year by the Competitiveness Policy Council, a bipartisan group of experts set up by the Congress in the 1988 Trade Act, which I sponsored. The Council recommended that an agency be designated to raise the Nation's awareness of our competitiveness problems by giving it a higher profile, assess the course of key American industries, and monitor the activities of foreign governments in these same technology fields.

I am pleased to have Senators DANFORTH, BINGAMAN, and KERREY join me as cosponsors of this legislation. Senator DANFORTH has been one of the most thoughtful participants in the competitiveness debate. His insights and understanding of the underpinnings of global competitiveness have helped shape this country's response. In 1990, Senator DANFORTH recognized the need for more information on the global competitiveness of our advanced technology manufacturing industries. At his urging, the Finance Committee launched a series of investigations by the ITC, which has now completed investigations on three sectors and is conducting studies on three more. This bill is a natural extension of those activities. And Senator BINGAMAN has long been recognized as a leader in the competitiveness debate, shaping the agenda and keeping our eyes trained on how our industries are faring in global competition. Every citizen of this country is indebted to Senator BINGAMAN for pushing us and pulling us toward a greater understanding of all the elements—education, training, research and development, capital formation, trade, and tax policies—that determine how our industries stack up against their competitors.

Senators DANFORTH, BINGAMAN, KERREY and I have taken it upon ourselves to act on the Council's recommendation by introducing this bill. We need to move on to phase II. We need to advance the debate as to how to maintain our competitive strengths and how to eliminate our weaknesses. We can only do that if we have a basic understanding of where we are and how we got here. This bill launches that debate. Ultimately, I hope that we will learn how we can rebuild our industrial base, because that will determine whether or not we can compete in the 21st century.

Mr. DANFORTH. Mr. President, I am pleased to join Senator BENTSEN, Senator BINGAMAN, and Senator KERREY in introducing legislation to provide for an annual assessment of the competitiveness of U.S. critical technology industries.

Our economic competitiveness is eroding slowly but steadily. Average real wages are lower today than 20 years ago. Our trade deficits over the last decade totaled $1 trillion. Our national savings rate is less than half of that of Japan. It has become the conventional wisdom that we need to do more to promote the competitiveness of key U.S. industries. And, while we can all agree on the general problem, the consensus seems to break down when we get to possible solutions. Instead of approaching the question in a comprehensive fashion, we seem to get bogged down in a series of unrelated, sector-specific debates, focusing on HDTV one year, semiconductors the next, and then aerospace.

Earlier this year, the Competitiveness Policy Council, a Federal advisory committee created by the 1988 Trade Act, issued its first annual report. In that report, the Council called for the establishment of a comprehensive competitiveness strategy. As one key element of that strategy, the Council recommended that we designate an agency in the Federal Government to monitor and assess the relative competitiveness of key U.S. industries, as well as the activities of foreign governments and firms in those same sectors.

The legislation we are introducing today—the Trade and Technology Competitiveness Act of 1992—is designed to implement this recommendation. It will establish a new Office of Trade and Technology Competitiveness within the International Trade Commission. This Office will be responsible for monitoring and assessing the long-term performance of U.S. critical technology industries relative to those of our trading partners. The Office will also monitor the activities of foreign governments and firms with respect to the development and exploitation of critical technologies. Finally, the bill requires the ITC to submit to Congress an annual report analyzing the international competitive positions of the United States and key competitor nations in each critical technology.

Mr. President, this legislation is a natural extension of several prior congressional initiatives. It builds on the work of the Finance Committee over the last 2 years to develop a long-term capacity within the ITC to provide the Congress with impartial and detailed information on the competitiveness of advanced technology manufacturing industries in the United States. At the Finance Committee's request, the ITC identified a list of key industries to examine and then began a series of 1-year studies of several of these industries. This legislation would expand that effort to cover the list of critical technologies identified by the National Critical Technologies Panel in its biennial report to the President.

I see the annual competitiveness assessment as akin to the National Trade Estimates report released each year by the U.S. Trade Representative. The NTE report, which we established in the 1984 Trade Act, has been an essential component in the U.S. effort to develop a coherent strategy against foreign trade barriers. Similarly, the report mandated by this legislation is meant to be a broad-based source of information on which to base future policy decisions. It is designed to provide a comprehensive look at what we are doing—and not doing—to maintain our competitive position relative to our trading partners. The report will enable us to get away from our fragmented approach to this critical question and will provide a benchmark for U.S. action aimed at promoting competitiveness in key industries.

Some may view this legislation as a means to pursue industrial policies like those of our key trading partners. It is not. It is intended to provide a comprehensive and objective analysis of our competitiveness in critical technologies—those technologies that are essential to the long-term national security and economic prosperity of the United States. We already authorize many such studies, but on an ad hoc basis. This legislation would allow the ITC to pursue a more coherent and comprehensive analysis, free from industry-specific pressures. Moreover, by placing responsibility for this effort at the ITC—an independent, bipartisan agency—we can insulate this process from partisan political pressures as well.

Mr. President, the Trade and Technology Competitiveness Act of 1992 is an important first step toward addressing our competitiveness problem. I commend Senator BENTSEN for his leadership and am pleased to join with him in this effort. It is my hope that this legislation will be the beginning of a new bipartisan effort to strengthen the competitiveness of U.S. industry and the U.S. economy.

Mr. BINGAMAN. Mr. President, I am pleased to join Senators BENTSEN, KERREY, and DANFORTH in introducing the Trade and Technology Competitiveness Act of 1992. This bill, if enacted, will be another step in the process toward rational understanding of where this country stands technologically in relation to our economic competitors and determining what we as a government should do about it. The passing of the cold war and the consequent increased importance of economic affairs make the substance of this bill all the more vital to the economic future of this country.

At the outset, it is important to state what this bill would not do. This bill does not mandate the compilation of another list of technologies deemed important to a particular agency or industry sector. A number of such lists have been complied for specific purposes. However, there is now a general agreement on the broad economic importance of the technologies contained in the National Critical Technologies List prepared by the National Critical Technologies panel.

This bill takes the next step beyond the act of compiling a list of critical technologies—that is, to determine where the United States national critical technologies stand vis-a-vis our main international competitor nations. The International Trade Commission, an independent agency of the U.S. Government, will be authorized to monitor, on an ongoing basis, the development of critical technologies in the United States and other countries. This agency will provide hard data as well as impartial analysis and projections.

With this new information, the Government can begin to make rational choices about where to focus the country's efforts and where to spend the country's resources. The resulting information is necessary to shape education priorities, research and development spending, tax politics, and capital availability strategies. In other words, this bill is an addition to the Government's toolkit of means to foster an environment of increased U.S. industrial competitiveness. It is vital, however, that the Government actively use this new information, this new tool, rather than letting it lie idle. Our economic future and that of our children and grandchildren depends on the active involvement and cooperation of the national Government in strengthening our national economic position in the world.

This bill is one additional, important element in a broader strategy for reviving and expanding American industrial and technological competitiveness. Navigators exploring the seas in the time of Columbus used the stars and constellations to guide them in unfamiliar waters. Like the explorers and navigators of old, we have identified the critical technology lodestars, now we must chart our course for the future.

I encourage my colleagues to support this important legislation.

By Mr. WARNER (for himself, Mr. COATS, Mr. NUNN, Mr. WALLOP, and Mr. BINGAMAN):

S. 2911. A bill to require the Secretary of Defense to establish an Office of Technology Transition to facilitate the transition of technological advancements resulting from national security research and development activities to nondefense commercial applications in the private sector of the United States; to the Committee on Armed Services.

DEPARTMENT OF DEFENSE OFFICE OF TECHNOLOGY TRANSITION

• Mr. WARNER. Mr. President, I rise today to introduce legislation which I believe will raise the level of the technological base of our private industrial sector and make us more competitive in world markets at virtually no additional cost to the Government.

This legislation establishes an Office of Technology Transition within the Department of Defense to facilitate the transition of DOD-developed technology into the private sector.

The Department of Defense has recognized the importance of maintaining technological superiority and has structured its new acquisition policies to emphasize science and technology—research and development—over procurement.

At the same time we are increasing our emphasis on research and technology in our defense establishment, we are facing increasingly competitive world markets where technological advantages in engineering, manufacturing and product development are critical to economic competitiveness and growth. Indeed, the economic well-being of our Nation rests to a great degree on our ability to develop new technologies and integrate these technologies into the marketplace.

As I have watched the development of these kinds of technologies, it has become apparent that many of them have great potential for application in the private sector. In fact, many of the technological advances made as a result of DOD research have already found their way into the private sector.

As the Deputy Secretary of Defense, Mr. Atwood, recently testified in a hearing before the Armed Services Committee:

> ". . . many defense technologies also have commercial applications. To expedite that potential, we are encouraging industry to pursue the commercial application of those dual-use technologies developed for use in military weapons."

I believe we can and should do a much better job of transitioning the technologies we develop through defense research efforts to our private commercial sector. We should make an intense and determined effort to apply these technological advances to raise the level of technology in the industrial base of our private sector—producing better products for the people of our Nation and improving our competitiveness in world markets.

Therefore, Mr. President, I am introducing today the Technology Transition Act, which will direct the Secretary of Defense to create within the Office of the Secretary of Defense the Office of Technology Transition, whose role will be to facilitate the transition of technologies developed through DOD research programs into the private sector.

I envision that this Office will consist of no more than 6 to 20 people working under the Director of Defense Research and Engineering, and operating with points of contact established through DOD's research and development community.

One of the primary functions of the Office of Technology Transition will be to raise the levels of awareness and interest in the commercialization of DOD-developed technologies by the private sector. The Director of this Office must become the advocate for moving DOD-developed technology into the private sector. The Office formed under this act will assist firms in the private sector in overcoming problems with DOD security and technology transfer restrictions, proprietary rights and other problems associated with the transition of appropriate technologies.

I anticipate that this Office may also surface problems which require legislative solutions and I expect and encourage the Department to coordinate with the Congress so that we can assist in resolving those problems.

I should point out, Mr. President, that the administration clearly recognizes the value to the private sector of commercializing Government-developed technology. The White House recently announced the elimination of recoupment fees that Government contractors were required to pay when technologies developed under Government contracts were sold by the contractors to other parties. This move by the administration will help preserve the competitiveness of U.S. defense contractors and help other firms in the private sector as well.

Mr. President, I have noted that some technologies developed by DOD have already found their way into the private sector—but I believe we can do better. The taxpayers of this Nation pay for the research and development efforts in the Department of Defense. While they are clearly getting their money's worth as far as a technologically advanced military is concerned, we also have a responsibility to ensure that appropriate technologies are transitioned to the private sector. The establishment of the Office of Technology Transition will help accomplish this mission.

This legislation provides that the Secretary of Defense will establish and staff this new office within the resources currently provided to the Department of Defense. I am confident that the Secretary of Defense will recognize the importance of this initiative, and I hope that the reports required by this legislation, which will describe the progress and accomplishments of the Office of Technology Transition, will be made public so that the American people will be aware of the additional benefits accrued by the dollars spent on defense research.

Mr. President, there have been legislative initiatives in the past addressing these types of issues, but no prior legislative initiative established an office with the specific mission of facilitating the transition of DOD-developed technology to the private sector.

I believe the only way to ensure that the transition of this technology takes place is to establish an entity and staff it with good, enthusiastic people whose mission every day is focused principally on the transition of DOD-developed technology to the private sector.

The legislation which I am introducing today focuses only on research and development funded through the Department of Defense. I consider this as a first step—a pilot project. As this program develops, I will introduce legislation to direct the establishment of similar Offices of Technology Transition in other agencies of the Federal Government, such as the Department of Energy, NASA, the National Institutes of Health and other departments and agencies engaged in research and development activities.

Mr. President, one might ask why I have chosen the term "technology transition" as opposed to "technology transfer." The term "technology transfer" has been closely associated with the movement of U.S.-developed technology to foreign countries. The term "transition" is intended to apply to the sharing of Federal Government-developed technology with State and local governments and the private sector. It is important to distinguish between these two situations. In consulting Webster's dictionary, I extracted the following definitions: Transfer—to move from one place or position to another. Transition—a development that forms part of an ordered progression.

I believe that "transition" more closely resembles what we are trying to accomplish.

Mr. President, in the conduct of research on this legislation, I learned of a number of technologies developed through DOD programs which have potential as well as demonstrated application to the private sector. Several of these specific technologies have been developed through the SDI program, and I request unanimous consent that several of these summaries be included for the RECORD.

Mr. President, I thank you and my colleagues and am confident that this legislation will have the full support of this body.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OPTICAL PROCESSING: A TECHNOLOGY IN TRANSITION

Optical processing is a maturing technology that has extensive application to the processing of information in realtime. Military applications are being demonstrated that are difficult for the most sophisticated digital processing systems known or envisioned. Optical processing for the military application provides a technology for multiobject, multivariant target recognition and multitarget tracking. Optical architectures are under development that implement the large scale parallelism need to simulate neural networks, the working model for brain functioning. These processing systems take advantage of the extreme low power consumption of an optical processor operation and the high degree of integration achievable with optical interconnects and communication, resulting in very compact systems. The computational complexity of optical processors exceeds those achievable in electronic cases by several orders of magnitude—ideal for artificial intelligent systems, robotic and machine vision. Large information data base handling such as fingerprinting and DNA classification are possible with optical processing multilayered systems, which are configured from the single layer systems. This technology is ready for transition and commercial applications.

The current state-of-the-art in optical processing is such that certain computing functions can be performed at 1,000's of times faster than the digital systems. Optical technology that can perform greater than 10^{12} operations per second is nearing a stage of maturity that would make it attractive for commercial uses. By integrating optical processors with digital processors in a fashion to take advantage of the peculiar strengths of each, extremely powerful systems of considerable commercial value could be produced. Realtime processing becomes possible for such things as sorting and routing of mail, recognition of counterfeit bills and checks in routine bank and business transactions, and speech pattern recognitions. Optical systems could be the heart of new computer systems that can do calculations and process data at much higher rates than is currently available to the scientific and large volume data handling communities. A specific example would be the application of optical signal/data processing to the massive amount of data that will be generated by the Earth Observation (EM) satellite system to be deployed in the near future.

Prototypes have been built and demonstrated that can operate in the industrial/commercial environment where quality/process control requires high speed inspection. The application in product manufacturing will reduce cost, increase efficiency and reduce waste/scrap. The present technology base is available for large scale commercial exploitation of these powerful systems.

COMMERCIAL APPLICATIONS OF DIAMOND FILMS

It is well known that diamond is the hardest substance known. Less well known is diamond's other unusual properties. Diamond is highly resistant to chemical attack, has a very low coefficient of friction, is transparent to x-rays, visible, and ultraviolet radiation and conducts heat better than any other known substance. These unusual properties make diamond ideal for use in harsh environments.

General Electric first prepared artificial diamonds by heating graphite at high temperature and pressure. However, commercial use of this ultra high temperature-pressure diamond process is limited.

The Strategic Defense Initiative through the SBIR program, has supported the development of economical low temperature/pressure processes for coating a variety of materials with diamond films. These alternative methods of diamond coating promise the introduction of diamond to a wide variety of commercial applications that take advantage of its unique characteristics.

Wear resistant optical devices such as laser windows, lenses, mirrors, fiber optics and even sun glasses; heat sinks that allow tightly packed electronic devices to run faster and hotter in computers; temperature resistant sensors and semiconductors for jet engines and automotive electronics; wear resistant coatings for magnetic tape recorder heads and data storage disks; reinforcing fibers for advanced composites in aircraft skins; teeth, bones and other prosthetic devices and engine components are but a few of the many applications that are ready for exploitation.

SDIO SPIN-OFF TECHNOLOGY UNDER COMMERCIAL DEVELOPMENT

During the last several years the Strategic Defense Initiative Office (SDIO) and the U.S. Army Strategic Defense Command (USASDC) have been involved in the development of sophisticated, miniature, rugged spectrally agile imaging sensors for missile interceptors used in strategic missions. These activities have been pursued under Phase I and Phase II SBIR (Small Business Innovation Research) contracts developing tunable lasers, tunable optical modulators, and tunable detection and imaging devices. These SBIR programs provide technology development funding to small businesses with highly innovative concepts that have significant commercial potential. This sophisticated SDIO technology has numerous commercial applications which include clinical diagnostics and prognostics, flow cytometry, portable analytical spectrometers, and online sensors for chemical analysis in industrial process control. Coordinated by the USASDC personnel, joint ventures are being formulated that include multiple SBIR contractors, major industry, State matching funds, and private funds. Some applications actively pursued by these ventures include the development of three products that exploit this SDIO spin-off technology:

Fluorescence Microscopy and Flow Cytometry

Flow cytometry is a clinical instrument used in the diagnostic, prognostic, and monitoring of cancer and other diseases such as AIDS and/or HIV infection. The insertion of the SDIO technologies offer higher resolution of the data in the diagnostic, prognostic, and monitoring process. Flow cytometry sorts populations of cells into different groups thereby typing, staging, and monitoring the disease in question. The upgraded flow cytometer would allow these diseases to be exploited in the normal blood work provided today by the pathologist.

Optical Sensors for On-Line Chemical Analyses and Process Control

The industrial process control sensor market is, at present, primarily comprised of devices that measure flow, fluid level, pressure, temperature, and viscosity. An important change taking place in this market is an increasing trend to incorporate analytical measurement techniques (traditionally performed off-line in the laboratory) into online process monitoring and control systems. Industries which will benefit the most from these innovations and which are fueling the growth of the analytical sensor market segment are the chemical, pharmaceutical, pulp and paper, food and beverage, petrochemical and biomedical sectors. This market opportunity created by an unfilled need for rugged, sensitive, spectrally-agile sensor to reliably and rapidly monitor the presence of specific organic compounds in complex process mixtures, are being addressed by this SDIO technology commercialization effort.

Portable Spectrometers for In-situ Environmental Testing

Existing monitoring technology relies typically on expensive, labor intensive, discrete methods that introduce uncertainty in the sampling and handling procedures. Often there is a long delay between sample collection and communication of results caused by the inability of conventional methods to provide in-situ real-time monitoring. There is a market opportunity for light, rugged, simple-to-use, portable analytical instruments to measure specific pollutants or classes of pollutants. The SDIO technology transfer into these markets includes monitoring ground water contamination from hazardous waste sites and underground storage tanks, monitoring effluents from waste treatment plants and industrial waste water, rapid onsite identification of oil spills, monitoring crop protection chemicals, and food safety inspection.

MEDICAL APPLICATION OF ADVANCED MATERIALS TECHNOLOGY: CARDIAC PACEMAKER ELECTRODES

The ion beam surface texturing work performed by Spire Corporation under the U.S. Army Strategic Defense Command Advanced Optical Materials Program has been applied to the surface of pacemaker electrodes. The Spire process (SPI-TEXT) creates micron sized structures that greatly increase the electrode-human tissue contact area and encourage tissue growth around the electrode. Pacemaker battery life is increased by 300%. Animal studies have been successfully completed. The first human implant has been made and the unit is working as designed. No complications have developed. The innovation increases battery life to 15–18 years using existing battery technology. Given the advancements projected for battery development over the next few years, this electrode technology could easily result in a non-nuclear solution to the problem of a permanent pacemaker implant. The patient thus avoids the pain, expense, and risk of cardiac arrest associated with battery replacement.

Completion of human studies and transition of the technology to general availability will have a major positive impact for heart patients who require pacemakers. Most (60 to 80 percent) pacemaker patients are in the 30 to 50 year age group and have arrhythmia without other complications. Such patients now receive an "activity based" pacemaker. Following pacemaker implant under the right clavicle and threading of leads through the chest muscle wall to the heart, life expectancy reverts to that for similar individuals with no heart disease. The "activity based" unit adjusts the heart rate to match the body demand level and allows participation in all activities normal for that individual's age group. However, there is a price associated with the use of the "activity based" pacemaker—the battery will fail within 5 to 6 years due to the increased load. With widespread use of the new technology, this problem can be significantly reduced, or eliminated.

The dramatic success of the cardiac pacemaker electrode has encouraged further exploration of the medical potential of the process. Experiments in neurostimulator, orthopaedic, implanted defibrillator, and dental applications have been initiated.

The above technology transition to civilian medical application is of particular significance in that it represents a direct benefit to the physical well-being of a large number of individuals. Spire Corporation's recognition of the potential for this type of advance is typical of the overall innovative spirit and capability they have demonstrated throughout their work on the advanced optical baffles program.

LASER COMMUNICATIONS TECHNOLOGY

Laser communications technology is a rapidly evolving and maturing technology that has extensive application to strategic defense missions, as well as the commercial communications industry. Recent research sponsored by the SDIO has demonstrated in a laboratory environment that approximately 50 times the current radio frequency communications capability can be achieved by using laser communications. These satellites are capable of both digital and video information transmission. The laser transmitters/receivers can be achieved at less than half the size/weight and by using less than half the power of current radio frequency systems.

The prime reason for increased attention to laser systems is the rapid evolution of solid state laser diodes which can be used as laser transmitters. This technology development has made laser satellite communications technology an attractive alternative to radio frequency systems for the communications industry.

COMMERCIAL APPLICATIONS OF SUPERCONDUCTIVITY

Due to its unique electrical properties, high temperature superconductors will have major impacts on future electronic applications. These unique properties include very low electrical resistance and the quantum mechanical tunneling which result in electronic devices with the following properties: Low loss-low noise, high speed-wide signal bandwidth, quantum-limited electromagnetic detection, low power dissipation. However, the very short coherence lengths reported for the high temperature superconducting materials present severe obstacles to the fabrication of high quality Josephson Junctions required for mixers and detectors, and for logic and memory functions.

The U.S. Army Strategic Defense Command, through its program with the University of Cambridge, has supported the development of the electronic beam technique for the production of Josephson Junctions. This technique is fast, convenient, simple, low cost, and controllable. This fabrication technique will introduce high temperature superconducting electronics to a wide variety of commercial applications.

Quantum-limited high frequency detectors, mixers and amplifiers high speed logic and memory devices and circuits, signals transmission lines, and other high frequency components are some of the components that have potential for transition to commercial application.•

• Mr. COATS. Mr. President, the bill which Senator WARNER and I are offering today I believe will allow us to direct the critical developments made in defense technology to commercial applications.

We continue to hear about the problems that the United States has in competing overseas in new technological fields. This bill would help provide an opportunity to address this problem—and at virtually no additional cost to the Government.

This legislation would create an office of technology transition as a part of the Defense Department to advance the transfer of military technology to the private sector as appropriate. Some of this obviously is already occurring. But I believe that a coordinated effort under the direction of the Secretary of Defense could have an enormous impact and benefit to the Nation. The technology identified for commercial application could have the same revolutionary impact in the civilian sector as it has had in providing our military the best, most innovative weapons systems in the world.

I believe the possible spin-off applications could be overwhelming. In this day of greater competition for overseas markets, we need to be doing everything we can to encourage not only the development of new technology but the application, the manufacturing, and the marketing of the technology for commercial application.

The Defense Department could play a critical role in a very essential part of this process—identifying key technologies already developed which could have a potential commercial use and facilitating the transition of this technology to the private sector.

This legislation will direct the Secretary of Defense to establish the Office of Technology Transition within the Office of the Secretary of Defense to become the chief advocate for ensuring this important technology transition occurs. I believe that this can succeed at relatively low cost—simply by ensuring that a dedicated tea of perhaps less than 10 individuals are assigned this responsibility as their primary focus.

This office would take on the job of making the private sector aware of certain technological innovations developed through defense R&D projects. They would then serve to assist companies through the various regulations and restrictions associated with the technology transfer.

Mr. President, it is time to take full advantage of the creativity and energy of Americans whose ingenuity has given the Department of Defense some extraordinary technological breakthroughs and of the tax dollars which have gone into the development of these programs. By establishing an office to advocate and oversee moving such technology to the private sector, Americans will gain enormous benefit.

As Senator WARNER has said, this will be a pilot program in the Department of Defense. However, the potential to identify technologies being developed for other agencies such as NASA and Department of Energy is great. We will look in the future at establishing similar offices in these agencies where their technology can have an impact on the private sector.

Our extraordinary accomplishments in the military are well known. It is time to find ways to achieve practical, commercial uses from these technological innovations. I call on the rest of this body to support this legislation to provide a significant beginning to an all-out effort to focus on making effective use of technology to the greater benefit of the American people.•

By Mr. PRESSLER:

S. 2912. A bill to designate the U.S. Post Office Building located at 555 North 15th Street, Northwest in Huron, SD, as the "Gladys Pyle Post Office Building"; to the Committee on Governmental Affairs.

GLADYS PYLE POST OFFICE BUILDING

Mr. PRESSLER. Mr. President, today I am introducing legislation that pays tribute to an outstanding South Dakotan—the first Republican woman elected to the U.S. Senate. Gladys Pyle was a compassionate public servant, progressive leader, effective teacher, and successful businesswoman. She served the State of South Dakota in many capacities. She was a pioneer and a South Dakota heroine. She attained many milestones in her 98 years. She never forgot her roots and always put the needs of others before her own.

The legislation I am introducing today will establish a lasting tribute to Gladys Pyle in the community where she was born, grew up, attended college, taught school, ran a business, and died in 1989. This legislation designates the new U.S. Postal Service Regional Mail Processing Center, located at 555 15th Street, Northwest, in Huron, SD, as the Gladys Pyle Post Office Building."

Gladys Pyle opened many doors for women in South Dakota and, indeed, our Nation. She served in the South Dakota House of Representatives, was secretary of state of South Dakota, headed the Republican ticket for Governor, and in 1936 was elected to the U.S. Senate. She also had significant accomplishments in the business world. She paved the way for many of the women who currently hold public office and who lead in the world of business.

Gladys Pyle was born in Huron on October 4, 1890. She attended public schools and graduated from Huron College in 1911. For the next 6 years she was employed as a teacher in public high schools in Miller, Wessington, and Huron, SD. Pyle served in the South Dakota House of Representatives from 1923 to 1927. Throughout her tenure there, she fought for ratification of the proposed constitutional amendment to prohibit child labor. She was secretary of state of South Dakota from 1927 to 1931, and from 1931 to 1933, she was a member of South Dakota's securities commission. In 1933, she started a new career in the life insurance business.

A long-time Republican, Pyle made her bid to become South Dakota's first woman Governor while she was secretary of state, basing her campaign on a call for reform of the State banking department. In a five-person primary contest, she received a plurality of votes—over 28 percent of the total cast. South Dakota law, however, specifies that if a primary winner does not receive 35 percent of the vote, the nomination shall be decided by a State party convention. Pyle received the most votes on several early ballots at the subsequent convention, but, ironically, Warren Green, the contestant with the fewest votes in the primary, eventually received the GOP nomination and was elected Governor in the general election.

In 1938, Republican Party officials persuaded Pyle to enter an unusual special election for the remaining 2 months of the late Peter Norbeck's term, extending from the November general election to the January opening of the next Congress. Democrat Herbert Hitchcock, Norbeck's appointed successor, had left Washington when the Senate adjourned on November 8, to enter the regular senatorial race. Republicans, meanwhile, were afraid that President Roosevelt would call a special post-election session of Congress; Pyle argued that a Republican should represent South Dakota in such a session. She won the special election, while Chan Gurney won the general election for the 6-year Senate term beginning in January 1939.

Pyle remained active for many years in the insurance business, farm management, and politics. In 1940, she was a delegate to the Republican National Convention. From 1943 to 1957, she served on the South Dakota Board of Charities and Corrections, and she was long active with the Red Cross and Salvation Army.

Senator Pyle received many humanitarian and civic awards, including the Beta Sigma Phi First Lady of the Year in 1952; Huron College Alumni Association Distinguished Service Award in 1956; Huron College honorary degree, and doctor of laws in 1958; Huron's Chamber of Commerce Citizen of the Year Award in 1964; Beta Sigma Phi Order of the Rose in 1970; American Association of University Women National Fellowship established in her honor in 1972; South Dakota Press Association Distinguished Service Award; and the State Business and Professional Women Bicentennial Award in 1976.

Senator Pyle had the respect of Democrats and Republicans alike. She was one of the great South Dakotans, and I am pleased to honor her today by introducing this bill to name a Federal building after her.

I ask unanimous consent that a resolution of the city of Huron, SD, as well as the text of my bill, appear in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2912

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The United States Post Office Building located at 555 15th Street, Northwest in Huron, South Dakota is designated as the "Gladys Pyle Post Office Building".

SEC. 2. LEGAL REFERENCES.

Any reference in any law, regulation, document, record, map, or other paper of the United States to the post office building referred to in section 1 is deemed to be a reference to the "Gladys Pyle Post Office Building".

"RESOLUTION NO. 24-92

"Whereas, Gladys Pyle, 1890-1989, was a native Huronian; and

"Whereas, she was the first woman elected to the South Dakota Legislature, the first woman elected as South Dakota Secretary of State and a candidate for Governor of South Dakota; and

"Whereas, Gladys Pyle was the first woman elected as a United States Senator in 1938; and

"Whereas, Gladys Pyle received the Distinguished Service Award, South Dakota Press Association, 1976; Bi-centennial Woman, South Dakota Business and Professional Women; portrait hung in State Capitol in Pierre and other numerous honors from state and national organizations throughout her life; and

"Whereas, throughout her life, she gave endlessly of her time, energy and knowledge to many civic and community organizations for the betterment of the community, state and country;

"Now, therefore, be it resolved that the Board of City Commissioners of the City of Huron hereby requests that the U.S. Postal Service Regional Mail Processing Center located in Huron, South Dakota be named in honor of Gladys Pyle whose long and exemplary career was an inspiration to all those who knew her.

By Mr. CHAFEE (for himself, Mr. PELL, and Mr. CRANSTON):

S. 2913. A bill to prohibit the manufacture, importation, exportation, sale, purchase, transfer, receipt, possession, or transportation of handguns and handgun ammunition, with certain exceptions; to the Committee on the Judiciary.

PUBLIC HEALTH AND SAFETY ACT

Mr. SMITH. Mr. President, there is no Senator in this Chamber who is a better friend or a more diligent advocate than the Senator from Rhode Island, Mr. CHAFEE. It is therefore with deep regret that I rise in opposition to his legislation, introduced today, to impose a Federal ban on handgun ownership.

Unfortunately, this legislation is predicated on the old notion that gun control, rather than crime control, is the solution to the problem of crime on the Nation's streets.

If anyone is under the misconception that gun bans curb crime, he should take a look at the District of Columbia. Here is a jurisdiction which bans automatics, semiautomatics, new handguns, chemical mace, and martial arts weapons of virtually all types. Yet, since 1976, when most of these bans were put into place, crime in the District has continued to soar exponentially.

Because roughly 80 percent of all illegally used firearms are acquired illegally, this bill would do little to curb the incidence of crime and violence on America's streets. Even if the Chafee bill were successful in effectuating the seizure of all 60,000,000 handguns currently in private hands—something which would be neither achievable, desirable, nor constitutional—thefts of police weapons, such as the guns which have regularly been disappearing from D.C. police storerooms, would insure that criminals were armed, even if ordinary law-abiding citizens were not. Mr. President, I ask unanimous consent that the article in the Washington Post about the theft of D.C. police weapons be inserted at this point in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SEIZED WEAPONS STOLEN FROM DC POLICE

(By Gabriel Escobar and Brian Mooar)

About 40 weapons that were due to be destroyed have been stolen from the D.C. police department's property vault, including one gun that turned up again during an arrest last week in Northwest Washington, D.C. police said.

The theft, which officials classified as an extremely serious security breach and "an inside job," has prompted an internal investigation and cast a shadow on a division responsible for securing thousands of weapons, drugs and other items seized annually by police.

"I don't know that you can get more serious than this," said Assistant Police Chief Max J. Krupo, who as head of the technical services bureau oversees the property division. "I'm not sure it's at all different from a bank president heading south with a couple of million dollars."

"Someone is going to jail over this. Big time," he said.

The property division's vault includes thousands of weapons that are or were part of criminal investigations. The department seizes about 3,000 weapons annually, officials said.

The weapons that are missing had been released by the U.S. attorney's office and were destined to be melted at a facility in Baltimore. Krupo said they had been catalogued last year and were stored in boxes, all kept in a section of a vault at the department's Southeast Washington facility.

The problem came to light May 29, a day after members of the department's Rapid Deployment Unit confiscated a .45-caliber handgun during a routine arrest. As with all weapons recovered, the gun's serial number was checked against a computer record kept by the department.

The initial check revealed that the gun had been processed by the department, and a more thorough search using firearm identification records showed it should have been in the property division, a police official said.

Later that day, the internal affairs division was notified and an investigation began. Krupo declined to say how many officers and civilian employees have access to the vault. Seven of the weapons have been recovered, police said last night, but officials did not release any more details because the matter is under investigation.

The theft apparently is limited to the cache of weapons that had been cleared for destruction and does not involve other guns in the division or any of hundreds of items that are stored there, officials said.

When setting aside weapons cleared for destruction, property division officials take an inventory and prepare a separate sheet that includes all serial numbers. Before they are sent to Baltimore, the guns are matched to the serial numbers on the sheet.

Krupo said that safeguard makes it likely that the thefts were limited to the shipment currently in the vault.

The suspect who was carrying the stolen gun, Jerry Darnel Simpson Wells, 29, of the District, has been questioned by internal affairs officers, who are trying to find out how he got it, one source said. Another senior official said the department will transfer an unspecified number of employees out of the property division today, pending the outcome of the investigation.

Access to the vault also has been restricted, and no fewer than three people are allowed inside at a time. Before the theft was discovered, Krupo said, regulations allowed individuals who worked in that section to enter the vault alone.

The discovery of the thefts was a carefully guarded secret, in part because officials immediately knew that a member or members of the department were involved. Chief Isaac Fulwood Jr. was described by other officials as angry and anguished over the thefts.

Mr. SMITH. Mr. President, this reality is illustrated even more clearly the fact that virtually every jurisdiction which has enacted handgun bans, waiting periods for firearm purchases, or other forms of gun control has witnessed an increase in violent crime substantially exceeding the national average.

For example, Indiana, California, Minnesota, New York, and Connecticut all have waiting periods. California now has a semiautomatic boil. New York City has among the most draconian gun control ordinances in the country. For the period between 1967 and 1989, these States all witnessed homicide increases exceeding the national average.

In Indiana, homicide rates rose 70 percent.

In California, rates increased 82 percent.

Minnesota rates were up 56 percent.

In Connecticut, the increase was 146 percent.

And in New York—gun control Nirvana—the homicide rate increase was 131 percent.

Now, Mr. President, consider the homicide rates, over the same time period, in states with NO waiting periods and little or no gun control:

In Alaska, homicide rates were down 16 percent.

In Nevada, rates declined 24 percent.

Delaware homicide rates dropped 35 percent.

Vermont homicide rates plummeted 39 percent.

And, in Idaho, homicide rates were down 40 percent.

Violent crime statistics tell the same story. States with waiting periods, gun bans, and other forms of gun control have experienced vast increases in violent crime when compared to States without stringent gun control:

In New Jersey, the violent crime rate rose a whopping 223 percent between 1967 and 1989.

In Massachusetts, the rate was up an incredible 429 percent.

And, in Connecticut, the rate of violent crime soared an astronomical 434 percent.

In progun states, over the same period of time, violent crime climbed at a considerably less precipitous rate:

In Virginia, the violent crime rate was up 63 percent.

In West Virginia, the rate increased 51 percent.

And in Montana, the rate of violent crime rose at a rate of 38 percent.

I am not happy with the rates of violent crime in any of these States, but the fact is, the average rate increases in Virginia, West Virginia and Montana, three non-waiting period States, was 51 percent. The average increase in New Jersey, Massachusetts, and Connecticut, the three waiting period States with extensive gun control, was 362 percent. In other words, the rate of increase in violent crime in these three gun control States was over seven times that of the three States with lenient gun laws.

FBI crime statistics point out that a majority of crime occurs in jurisdictions with waiting periods or gun permit systems in place. In fact, these gun control jurisdictions account for two-thirds of U.S. homicides and three-quarters of U.S. violent crime.

According to FBI Supplementary Homicide Reports, the average rate of domestic homicide in cities with waiting periods is 2½ times the average rate of domestic homicide rate in the cities without waiting periods.

Do the people of America want:

a 97 percent increase in homicide rates?

a sevenfold increase in violent crime rates?

a 2½-time increase in domestic homicide?

I don't think so. The American people want to decrease the incidence of homicide and slow the growth of violent crime and domestic crime.

Ironcially, the Washington interest groups pushing these dubious gun control solutions such as the Chafee bill are, in some cases, the same people who, a decade ago, were blaming society for the incidence of crime in our country. Congressional liberals who, throughout the decade of the 1970's, were proposing the legalization of marijuana use and the reduction of penalties for violent crime, are not running for political cover. And unfortunately, their targets are not violent felons, but rather peaceful law-abiding gunowners.

The American people are far ahead of Congress on this issue. They realize that violent crime is both a serious problem and an avoidable one. They realize it is criminals—not society and not gunowners—who are responsible for crime. Furthermore, they realize that the only way to reduce crime on our Nation's streets is to take those criminals off the streets. Unless Congress begins to punish the criminals, rather than the American people—I am convinced that the people will find leaders who will.

Mr. President, the Chafee bill will take us backward, rather than forward. For this reason, I will fight to insure that it never sees the light of day.

Mr. SYMMS. Mr. President, I rise in opposition to the gun control bill introduced today by the Senator from Rhode Island [Mr. CHAFEE] because this proposal would rewrite the second amendment to the Constitution. I do this with regret because of my admiration for the Senator—but I must because I oppose both his premise and his solution.

The rationale behind Senator CHAFEE'S bill is the tired old notion that, by restricting gun ownership, we could reduce the number of instances of gun-related deaths. All of the evidence contradicts this idea.

Two leading academic scholars on the subject, James D. Wright of Tulane University and Gary Kleck of Florida State University, have demonstrated that restrictive gun control laws will have no impact on the levels or amount of violence we are experiencing in the United States. For example, New Hampshire, which has no gun control, has 1.9 homicides per hundred thousand residents. On the other hand, the District of Columbia, which has almost total gun control, has 77.8 homicides per hundred thousand residents. This is but one example, but it makes the obvious point that gun control does not equal fewer gun-related deaths.

The fact is there is ample evidence that gun control causes crime. FBI crime statistics point out that a majority of crime occurs in jurisdictions with waiting periods or gun permit systems in place. In fact, these gun control jurisdictions account for two-thirds of U.S. homicides and three-quarters of U.S. violent crimes.

Indiana, California, Minnesota, New York, and Connecticut all have waiting periods. California bans semi-automatics. New York bans virtually all guns. Yet, for the period between 1967 and 1989, these States all witnessed homicide increases exceeding the national average.

In Indiana, homicide rates rose 70 percent.

In California, rates increased 82 percent.

Minnesota rates were up 56 percent.

And, in New York, the homicide rate increase was 131 percent.

On the other hand, homicide rates over the same period, in States with little gun control and no waiting period, declined.

In Alaska, homicide rates were down 16 percent.

In Nevada, rates declined 24 percent.

Delaware homicide rates dropped 35 percent.

Vermont homicide rates plummeted 39 percent.

And in Idaho, homicide rates were down 40 percent.

These statistics clearly show that gun control does not equal fewer gun related deaths.

In fact, only about 10 percent of violent crimes committed in our Nation each year involve handguns. This points to the true nature of the problem. The incredible crime problem in this country is not a result of a breakdown in other fundamental aspects of society as a whole. The problem is with the inadequate education system, with the decline in the family's foundation. There are the prominent issues which deserve our immediate attention.

A second argument for gun control suggests that gun control legislation would reduce health care costs. This is also unfounded. The estimated cost of treating gunshot wounds represents less than 1 percent of the Nation's medical expenditures. Therefore, implementing gun control legislation would only reduce that 1 percent of the total cost, even if it were effective, which it is not.

Most legislation regarding the restriction of firearms usually fails to affect those people it targets. Instead, it affects those it aims to protect. People who use guns to commit murder are not going to register them, or even attempt to work within the framework of the law. They acquire weapons illegally. This leaves honest citizens at a disadvantage because, working within the system, waiting the designated amount of time, or not owning a firearm at all, they are defenseless against those who do not. Thomas Jefferson said it best when he quoted Cesare Beccaria as saying:

> Laws that forbid the carrying of arms . . . disarm only those who are neither inclined nor determined to commit crimes. . . Such laws make things worse for the assaulted and better for the assailants; they serve rather to encourage than to prevent homicides, for an unarmed man may be attacked with greater confidence than an armed man.

Banning the importation, export, manufacture, sale, purchase, transfer, receipt, possession, or transportation of handguns would not eliminate handguns. In fact, it would create a situation similar to that in the District of Columbia, the Nation's murder capital.

The right to keep and bear arms remains a constitutional right guaranteed by the second amendment, rendering the Chafee bill sadly unconstitutional. The second amendment clearly states that "the right of the people to keep and bear arms, shall not be infringed."

George Mason said, "To disarm the people is the best and most effectual way to enslave them." The U.S. Government is a government of the people, by the people, and for the people. The Chafee bill makes a mockery of that principle. Therefore, I will vigorously oppose it.

Mr. President, I ask unanimous consent to insert the Harry Summers article from the Washington Times in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times, June 4, 1992]

LIMITING GUNS AND ARMS

(By Harry Summers)

If nothing else, the riots in Los Angeles last month pointed up one of the inherent fallacies put forth by advocates of gun control—the failure to take basic human instincts into account. Sociologists portray this "hierarchy of needs" as a pyramid, with survival as its base and idealism and self-actualization as its apex. Those at one level find it difficult if not impossible to understand the views of those at another.

The arguments of those at the apex who oppose the sale of ownership of handguns are a case in point. Safe and secure themselves, protected by their environment and in no danger of mayhem or violence, they have the luxury of approaching the issue from an idealistic standpoint. Their beliefs that guns cause more problems than they prevent sounds good, and in a perfect world there could be no quarrel with their logic.

But the world is far from perfect. Those at the bottom of the pyramid insecure even in their own homes, with armed thugs looting and burning around them, unable to count on the police for even rudimentary protection, have an entirely different point of view. There the arguments of the advocates of gun control smacks of the advice of Queen Marie Antoinette to the French sansculottes.

To her, "Let them eat cake" was a perfectly reasonable response to a those who complained that they had no bread. After all, that is what she would have done. And "let them rely on the police instead of handguns" makes perfect sense to those work and reside where one can do just that.

But to those living in areas where the police are impotent and have long since abdicated control of the streets to thugs, drug dealers and armed gangs, such advice is sheer nonsense. Survival, not idealism, is the primary motivator there. Thus the rush to buy guns in the wake of the riots. Idealists may decry such actions, but to those whose lives and families are in danger it is simply a matter of survival and common sense.

It should be obvious that the way to control guns is not through legislating bans on their sale or possession. As in Washington, which has the strictest gun control laws in the nation, it may even be counterproductive. Since those laws were enacted, the District of Columbia has become the murder capital of the country, where ordinary citizens are shot just for kicks. The way to control guns is to create an environment similar to that in which most idealists reside, an environment where guns serve no useful purpose.

Until that is done, citizens will continue to provide for their own survival, and if that means buying a gun, then so be it. That is true in the international community as well, for survival forms the basis for international arms control as surely as it does for gun control at the local level. In 1788, during the debate on the Constitution, James Madison said it as well as it can be said:

"How could a readiness for war in time of peace be safely prohibited, unless we could prohibit in like manner the preparations and establishments of every hostile nation?" he said. "The means of security can only be regulated by the means and dangers of attack. They will in fact be ever determined by those rules and by no others.

"It is vain," he warned, "to impose constitutional barriers to the impulse of self-preservation." And it is equally vain to think that it is possible to impose such barriers on arms sales today. The views of idealists at the top of the pyramid who take security from outside attack for granted differ completely from those at the bottom whose borders are not so secure.

Nuclear arms control has been successful because there is a shared perception in the world community that nuclear weapons are not so much military as political weapons, more useful for deterrence than for fighting a war. But conventional arms are another matter. Here Madison's logic still applies.

"If one nation maintains constantly a disciplined army ready for the service of ambition or revenge," he noted, "it obliges the most pacific nations, who may be within reach of its enterprises, to take corresponding precautions." That need "to take corresponding precautions" for the survival of the nation was at the heart of the "arms race" during the Cold War, and remains the root issue with arms control today.

To blame the "merchants of death" for arms sales abroad is like blaming the National Rifle Association for gun sales at home. It attacks a symptom rather than a cause. The solution is to create an international environment where such "corresponding precautions" are no longer necessary. Until that time, arms sales, as with gun sales, will continue to proliferate.

By Mr. DURENBERGER (for himself, Mr. ROCKEFELLER, and Mr. PACKWOOD):

S. 2914. A bill to direct the Secretary of Health and Human Services to make separate payment for interpretations of electrocardiograms; to the Committee on Finance.

SEPARATE PAYMENT FOR EKG INTERPRETATIONS

• Mr. DURENBERGER. Mr. President, before January 1 of this year, Medicare paid different doctors different amounts for the same service. It rewarded doctors for doing more procedures, rather than spending time with patients, and it allowed wide variation in payments to physicians practicing in different parts of the country.

It was for all those reasons, and more, that my colleague from West Virginia and I worked so hard to pass the Medicare physician payment reform legislation which took effect January 1. We wanted to create a fair payment system.

Today we join to introduce a bill to correct a problem in the OBRA'90 legislation which created inequities in EKG reimbursement. OBRA'90 prohibited separate payment for the interpretation of EKG's that are performed or ordered to be performed as part of a visit to a physician. My bill reestablishes separate payment for EKG interpretations.

An EKG test measures the heart's electrical activity. Its interpretation is valuable to the Medicare population for two reasons. First, the American College of Cardiology reports that of those over 65 with a diagnosis of heart disease, 59 percent of men and 48 percent of women display EKG abnormalities. Furthermore, 35 percent of all people over the age of 65 exhibit a major EKG abnormality, with or without a history of cardiovascular disease. An accurate interpretation of the EKG by a skilled physician is important in the treatment of Medicare beneficiaries.

Second, the value of the EKG in detecting heart problems is only as good as the skill of the physician who interprets it. The test itself does not detect cardiac abnormalities. For the EKG to be useful, trained physicians must intelligently interpret the tracings from the test and diagnose the problem based on their own skill and judgment. But under the OBRA'90 provision, the interpretation is no longer separately reimbursed.

Because HCFA was prohibited from establishing separate payment for EKG interpretation in the Medicare fee schedule, it increased the reimbursement for office visits and consultations. In other words, it bundled EKG reimbursement into the visit and consultation billing codes. However, in this case, the provision redistributes moneys to physicians who never interpret EKG's and does not sufficiently pay physicians who interpret many EKG's. Because the use of EKG's varies widely by specialty, it is not currently possible to construct a bundled fee for office visits that, on average, would balance out fairly over time.

As one of the two Senate authors of physician payment reform, I feel a responsibility to ensure that the program is carried out in the manner intended by both the Congress and the physician community that must make it work. My years of experience with Medicare fee-for-service have taught me that we get what we pay for. In the case of EKG's, we are not paying for what we want: Reliable interpretation of these tests. Rather we have created a financial disincentive which may discourage physicians from interpreting EKG's. We have to make a change in the fee schedule to eliminate this false economy and deliver the quality care Medicare patients deserve.

Physician payment reform was supposed to improve Medicare payments for undervalued visits and consultations. It was supposed to provide better reimbursement for services of primary care physicians. It was supposed to establish the principle that all future Medicare payments would be based on the resource costs of providing the service.

The OBRA'90 EKG prohibition violates all of these objectives, Mr. President. By eliminating payments for EKG interpretation, the gains for other visits and consultations are completely canceled out.

Let me assure my colleagues, our failure to act now to rectify a major problem in the physician fee schedule will lead to endless debate and problems down the road, which will require congressional intervention. Our failure to act last year, prior to the implementation of the fee schedule, is already showing its effects.

In closing, Mr. President, I think it is important that we remember our primary goal when we passed the physician payment reform legislation: To do a better job meeting the access and quality needs of Medicare beneficiaries. Mr. President, this legislation is designed to correct physician payment reform, so we end up closer to our goal of better services for senior citizens.

Mr. President, I ask unanimous consent that a copy of the bill and a technical explanation of it be printed in the RECORD at the end of my statement.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2914

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PERMITTING SEPARATE PAYMENT FOR INTERPRETATION OF ELECTROCARDIOGRAMS.

(a) IN GENERAL.—Section 1848(b) of the Social Security Act (42 U.S.C. 1395w-4(b)) is amended by striking paragraph (3).

(b) DEVELOPMENT OF SEPARATE FEE SCHEDULE AMOUNTS FOR ELECTROCARDIOGRAM INTERPRETATIONS.—

(1) IN GENERAL.—The Secretary of Health and Human Services (hereafter in this subsection referred to as the "Secretary") shall make separate payment, under the fee schedule established under section 1848 of the Social Security Act (42 U.S.C. 1395w-4), for the interpretation of electrocardiograms performed or ordered to be performed as part of or in conjunction with a visit to or a consultation with a physician.

(2) ADJUSTMENT OF VISIT AND CONSULTATION RELATIVE VALUES.—The Secretary shall adjust the relative values established for medical visits and consultations under part 415 of title 42 of the Code Federal Regulations, so as not to include relative value units for electocardiogram interpretation in the relative value for medical visits and consultations.

(3) ADJUSTMENT OF FEE SCHEDULES.—The Secretary shall adjust—

(A) the fee schedule amounts which are determined under section 1848(a)(2)(A) of the Social Security Act (42 U.S.C. 1395w-4(a)(2)(A)) and used in application of the special rules for 1993, 1994, and 1995, under section 1848(a)(2)(B) of such Act (42 U.S.C. 1395w-4(a)(2)(B)), and

(B) the relative values for all services established under section 1848(b) of such Act (42 U.S.C. 1395w-4(b)),

to reflect the separate payment for electrocardiogram interpretations under paragraph (1) so as not to increase or decrease expenditures under such section as determined without regard to paragraph (1).

(c) EFFECTIVE DATE.—The amendment made by subsection (a) and the provisions of subsection (b) shall apply to services furnished on or after January 1, 1993.

TECHNICAL EXPLANATION FOR EKG BILL

CURRENT LAW

The Omnibus Budget Reconciliation Act of 1990 (OBRA'90) prohibited separate payment for the interpretation of EKGs that are performed or ordered to be performed as part of or in conjunction with a medical visit or consultation. This provision was effective for services furnished beginning January 1, 1992.

In the regulations implementing the medicare fee schedule, the Department of Health and Human Services (HHS) bundled payment for EKG interpretation into medical visit and consultation fees. HHS included relative value units valued at $0.73 in office visits, office consultations and emergency visits; $1.11 in hospital visits, hospital consultations and critical care services; and $0.10 in all other visits.

PROBLEM

Bundling of services provides incentives for appropriate utilization of services. However, in this case, the provision redistributes monies to physicians who never interpret EKGs and does not sufficiently pay physicians who interpret many EKGs. There have been scattered reports about EKGs in hospitals not being interpreted as well as reports of physicians finding ways to circumvent the provision.

BACKGROUND

Last year, we introduced S. 1810, the Medicare Physician Payment Reform Implementation Act of 1991. S. 1910 included a provision to establish separate payment for EKG interpretation. However, this legislation was drafted with the expectation that legislation would have been enacted before the fee schedule was implemented.

Now that the fee schedule has been implemented, establishment of separate payment for EKG interpretations is more complicated for two reasons.

(1) Due to a technical error, an insufficient number of relative value units for EKG interpretation was bundled into the medical visits and consultations.

(2) Because more EKG interpretations go to the full fee schedule immediately than medical visits, during the transition, separate payment for EKG interpretations is not budget-neutral; there is a budget cost. In effect, the adjustment to the historical payment basis that HHS made last year to achieve budget neutrality would have been greater if the EKG separate payment legislation had been passed last year and been effective January 1, 1992.

PROPOSED LEGISLATION

Our bill would establish separate fee schedule amounts for EKG interpretations performed or ordered to be performed as part of or in conjunction with a visit to or a consultation with a physician. The separate payment would apply for interpretations furnished in all settings.

HHS would use the same transition provisions and rules for EKG interpretations that were used for all services in 1992. That is, the historical payment basis would be calculated for EKG interpretations for each locality and the statutory transition rules would be applied to determine a 1992 payment. The statutorily specified transition rules for 1993, 1994 and 1995 would apply in those years.

The relative values established in the November 25, 1992 physician fee schedule final regulation were 0.35 relative value units for codes 93000 and 93010 and 0.29 relative value units for codes 93040 and 03042. Using the 1992 conversion factor of $31.00, the fees would be $10.85 and $8.99. It is important to stress that these will not necessarily be the full fee schedule amounts in 1993 for EKG interpretations. The relative values or conversion factor for EKG interpretations. The relative values or conversion factor could change as a result of legislative amendments or changes that HHS makes as a result of the relative value refinement process.

The bill would require HHS to subtract the relative value units for EKG interpretations that were actually bundled into the medical visit and consult relative value units for 1992. This will result in the following reductions for services paid at the full fee schedule (and a proportional amount for services in transition):

Office visits, office consultations and emergency visits: $0.73;

Hospital visits, hospital consultations and critical care services: $1.11; and

All other visits: $0.10.

Another adjustment is needed to account for the shortfall of relative value units that were actually bundled into the medical visits and consults. The bill would require HHS to make an across-the-board adjustment to the relative values for all services established to cover the insufficiency. The adjustment is currently estimated to be a 0.37 percent reduction. This reduction applies only to services paid at the full fee schedule.

Had a sufficient number of relative value units been bundled in the HHS regulation last year this adjustment would not have been necessary. However, because of the insufficiency, the initial fee schedule conversion factor is too high by this amount. This adjustment is now necessary and appropriate to restore the conversion factor to the level it should have been set at initially.

An adjustment is needed to make the legislation budget-neutral during the transition because more EKG interpretations go to the full fee schedule immediately than medical visits and consultations. My bill requires HHS to adjust the historical fees used during the transition.

Technically, the adjustment would work as follows. For services in transition, the 1992 fees that would be updated and used for blending with the fee schedule in 1993, 1994 and 1995 would be reduced across the board for all services, including EKGs, visits and consults, by a figure estimated to be 1.3 percent. This reduction would not apply to any payments for services 1992 nor would it apply to services paid at the full fee schedule (i.e., services not in transition). This adjustment accounts for the insufficiency of relative value units bundled into the visits and consultations during the transition and the costs of the differential transition between EKG interpretations and medical visits and consultations. There would be no permanent effect of this adjustment when all fees are paid at the fee schedule in 1996.

In summary, the costs of this legislation would be paid for by three related provisions. The effect of the legislation varies depending on whether the service is in transition or paid at the full fee schedule, and depending on whether the service is a medical visit, consultation, EKG interpretation or another service.

First, for services in transition (other than visits and consultations), the total effect on payments in 1993 is a 1.07 percent reduction. This is based on a blend of 75 percent of 1992 payments reduced by 1.3 percent and 25 percent of relative values reduced by 0.37 percent. The reduction would be 0.84 percent in 1994 and 0.6 percent in 1995. Relative to the payment amounts under the fully implemented fee schedule published in the November 25, 1991 Federal Register, there will be a 0.37 percent reduction in the 1996 fee schedule amount.

Second, visit and consultation services in transition would be reduced by 1.07 percent in 1993, 0.84 percent in 1994 and 0.6 percent in 1995, as well as by a percentage of the total relative value units bundled into the visit and consultation payments to account for EKG interpretation (15% in 1992, 25% in 1993, 33% in 1994 and 50% in 1995) depending on the type of medical visit or consultation. There will also be a 0.37 percent reduction in the 1996 fee schedule amounts relative to the values in the fee schedule final regulation.

And third, for services paid at the full fee schedule (other than visits and consultations), 1993 payments would be reduced by 0.37 percent relative to the current payment amounts. For visits and consultation services paid at the full fee schedule, 1993 payments would be reduced by $0.73, $1.11 or $0.10 depending on the type of medical visit, as well as by 0.37 percent relative to the current payment amounts.●

● Mr. PACKWOOD. Mr. President, I am pleased to join my colleagues today in introducing this legislation which seeks to correct an inequitable Medicare payment provision.

When Congress prohibited Medicare from making separate payments for electrocardiogram [EKG] interpretations in 1990, it did so to address the overutilization and overpayment for EKG's which had resulted in considerable excess costs to the Medicare Program. In retrospect, however, it is apparent that this prohibition has produced an inequity in physician payment and is inconsistent with the Medicare resource-based fee schedule.

I have heard from numerous physicians in my State of Oregon, complaining about the inequity of this prohibition. Hospitals have also experienced problems having EKG's for Medicare patients interpreted.

In implementing this prohibition, the Health Care Financing Administration bundled the relative values for EKG interpretation into physician visits. As a result, all physicians are receiving some reimbursement for EKG interpretation as part of their payments for visits. Some of these physicians never do EKG's while others do many. This isn't fair and conflicts with the premise on which the new Medicare fee schedule is based.

The bill we are introducing today restores separate Medicare payment for EKG interpretation. It provides that this change be accomplished in a budget-neutral way. Thus, the enactment of this legislation will not cost Medicare any more money.

I am still concerned about overutilization of EKG's. I believe, however, that the problem can be better addressed through other means, such as by developing practice guidelines which outline when an EKG is appropriate.

The new Medicare fee schedule is the most comprehensive change to physician payment since the inception of the Medicare Program. Its implications go well beyond the Medicare Program as many private insurers have already, or are considering, adopting it. Therefore, it is important that problems with the fee schedule be corrected as soon as possible. I hope that we can pass this legislation soon, so that payments for EKG interpretations can be incorporated into the new fees which will be paid beginning in January 1993.●

By Mr. THURMOND (for himself and Mr. HATCH) (by request):

S. 2915. A bill to reauthorize the Office of Justice Programs, the Bureau of

Justice Assistance, the Bureau of Justice Statistics, the National Institute of Justice, the Office of Juvenile Justice and Delinquency Prevention, and for the other purposes; to the Committee on the Judiciary.

REAUTHORIZATION OF OFFICE OF JUSTICE PROGRAMS AND OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION PROGRAMS

Mr. THURMOND. Mr. President, I rise today to introduce the administration's bill to reauthorize the Department of Justice's Office of Justice Programs, and its components, the Bureau of Justice Assistance, the Bureau of Justice Statistics, the National Institute of Justice, and the Office of Juvenile Justice and Delinquency Prevention. This bill would extend the OJP's operating authority, which is scheduled to expire this year.

The changes proposed by this bill would create a more efficient and effective organizational structure which fosters cooperation, coordination, and communication between the OJP and the bureaus which it oversees. The improved structure should eliminate the problems of duplication of efforts and fragmentation of goals and programs. As a result, the OJP is able to more effectively provide national leadership, direction, and assistance to State and local governments against violent crime and drug use in America.

Legislative efforts to decrease intra-agency disputes and inter-agency turf battles should be given strong consideration. At a time when Congress must appropriate limited resources wisely, greater coordination and communication between bureaus must be encouraged.

In addition, the bill removes the Bureau of Justice Statistics from the authority of OJP to place it on the same organizational level as other Federal statistical agencies, such as the Bureau of Labor Statistics and the Bureau of the Census.

This bill reauthorizes the OJP, BJA, BJS, NIJ, and OJJDP for an additional 4 years. Continuing the activities of the OJP and its bureaus will reduce impediments to coordination. It will enhance the effectiveness of the various programs, particularly those aimed at assisting State and local jurisdictions in waging the war against violent crime and drugs.

I urge my colleagues to carefully consider this proposal. There are obvious benefits to enacting this legislation. As the Senate studies this issue, I look forward to working with my colleagues on the Judiciary Committee. While I may differ with the administration on a few of the specific proposals contained in this legislation, I firmly believe this proposal merits strong consideration.

Mr. President, I ask unanimous consent that the entire bill be printed in the RECORD, along with a section-by-section analysis, immediately following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2915

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—OFFICE OF JUSTICE PROGRAMS

SEC. 101. DUTIES AND FUNCTIONS OF ASSISTANCE ATTORNEY GENERAL.

(a) Section 102 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3712(a)) is amended—

(1) by inserting ", subject to the authority of the Attorney General," after "General";

(2) by redesignating paragraphs (1), (2), (3), (4), (5), and (6) as paragraphs (5), (6), (7), (4), (8), and (9), respectively;

(3) by inserting before paragraph (4), as redesignated by paragraph (2), the following new paragraphs:

"(1) be responsible for all matters of administration and management, except those otherwise delegated by the Attorney General, with respect to the Bureau of Justice Assistance, National Institute of Justice, Office of Juvenile Justice and Delinquency Prevention, and Office for Victims of Crime (referred to in this part as the 'OJP bureaus'), which matters include allocation of resources and preparation of final budget submissions, Congressional and public affairs activities, financial and program monitoring of grant recipients, management information systems support functions, financial management activities, facilities allocation, and procurement activities;

"(2) establish policies and priorities for the OJP bureaus;

"(3) provide coordination among the OJP bureaus;"; and

(4) in paragraph (4), as redesignated by paragraph (2), by striking "the Bureau of Justice Statistics".

TITLE II—NATIONAL INSTITUTE OF JUSTICE

SEC. 201. PURPOSES.

Section 201 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3721) is amended—

(1) by inserting "and" at the end of subsection (2)";

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

SEC. 202. ESTABLISHMENT, DUTIES AND FUNCTIONS.

Section 202 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3722) is amended—

(1) in subsection (b) by striking the second sentence;

(2) in the third sentence of subsection (b) by inserting ", subject to modification by the Assistant Attorney General in accordance with the policies and priorities set by the Attorney General" before the period;

(3) in subsection (c)(2)—

(A) by striking subparagraph (B);

(B) by redesignating subparagraph (C) as subparagraph (B) and inserting at the end of that subparagraph "and potential prevention and intervention"; and

(C) by inserting after subparagraph (B), as redesignated by clause (ii), the following new subparagraph:

"(C) to improve the application of science and technology to criminal justice problems;"; and

(4) in subsection (d)—

(A) by striking "and" at the end of paragraph (4);

(B) by redesignating paragraph (5) as paragraph (6); and

(C) by inserting after paragraph (4) the following new paragraph:

"(5) receive funds appropriated to the Office and its bureaus and (with their consent) Federal agencies, for the purpose of conducting justice-related research and development and administering programs and projects of mutual concern and benefit; and".

TITLE III—BUREAU OF JUSTICE STATISTICS

SEC. 301. PURPOSES.

Section 301(a) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3731(a)) is amended in the first sentence by striking "to provide for and encourage the collection and analysis" and inserting "to establish a Bureau of Justice Statistics, which shall be the principal national center for the collection, analysis, reposition, and dissemination".

SEC. 302. ESTABLISHMENT, DUTIES, AND FUNCTIONS.

Section 302 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3732) is amended—

(1) in subsection (b)—

(A) by striking the second sentence; and

(B) in the third sentence by striking "through the Assistant Attorney General";

(2) in subsection (c)—

(A) in paragraph (3) by striking "crime, civil disputes, and juvenile delinquency," and inserting "crime and civil disputes";

(B) by redesignating paragraph (4) as paragraph (5); and

(C) by inserting after paragraph (3) the following new paragraph:

"(4) collect and analyze information concerning juvenile delinquency, including characteristics of juveniles and young adults in juvenile facilities, current offenses, drug and alcohol use, and criminal histories;";

(D) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively;

(E) by inserting after paragraph (7), as redesignated by subparagraph (C), the following new paragraph:

"(8) develop a mechanism to share criminal justice data and information among the States and to access Federal and State data and information electronically;";

(F) by redesignating paragraphs (7), (8), (9), (10), (11), (12), (13), (14), (15), (16), (17), and (18) as paragraphs (9), (10), (11), (12), (13), (14), (15), (16), (17), (18), (19), and (20), respectively;

(G) by inserting after paragraph (20), as redesignated by subparagraph (E), the following new paragraph:

"(21) conduct or provide support for national programs to improve the Nation's criminal history record information systems and provide direct grants to State and local agencies to increase the accuracy, completeness, timeliness, and utility of criminal history record information for criminal and noncriminal purposes;";

(H) by redesignating paragraphs (19), (20), (21), and (22) as paragraphs (22), (23), (24), and (25);

(I) by inserting after paragraph (25), as redesignated by subparagraph (G), the following new paragraph:

"(26) performs principal analysis of the data from the National Incident Based Reporting System collected by the Federal Bureau of Investigation and provide such information to the President, the Congress, and the general public."; and

(J) by striking paragraph (23); and

(3) in subsection (d)—

(A) by striking "and" at the end of paragraph (4);

(B) by striking the period at the end of paragraph (5) and inserting a semicolon; and

(C) by adding at the end the following new paragraphs:

"(6) receive funds appropriated to the Office of Justice Programs and its bureaus and (with their consent) Federal agencies for the purposes of conducting justice-related statistical analyses and administering programs and projects of mutual concern and benefit; and

"(7) exercise the powers and functions set out in part H.".

TITLE IV—BUREAU OF JUSTICE ASSISTANCE

SEC. 401. DUTIES AND FUNCTIONS OF THE DIRECTOR.

(a) General Authority.—Section 401(b) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3741(b)) is amended in the third sentence by inserting ", subject to modification by the Assistant Attorney General in accordance with policies and priorities set by the Attorney General" before the period.

(b) Duties.—Section 402 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3742) is amended—

(1) by redesignating paragraph (8) as paragraph (9); and

(2) by inserting after paragraph (7) the following new paragraph:

"(8) Receive funds appropriated to the Office and its bureaus and (with their consent) Federal agencies, for the purposes of conducting programs under the Edward Byrne Memorial State and Local Law Enforcement Assistance formula and discretionary grant programs and administering programs and projects of mutual concern and benefit.".

SEC. 402. DESCRIPTION OF THE DRUG CONTROL AND SYSTEM IMPROVEMENT GRANT PROGRAM.

Section 501(b) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3751) is amended—

(1) by striking "and" at the end of paragraph (20);

(2) by striking the period at the end of paragraph (21) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(22) providing funding for the purpose of supporting litigation pertaining to Federal habeas corpus petitions in capital cases.".

SEC. 403. GRANT LIMITATIONS.

Section 504(a)(1) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3754(a)(1)) is amended by striking "1991" and inserting "1993".

SEC. 404. PURPOSES OF DISCRETIONARY GRANTS.

Section 510(b) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3760) is amended by inserting "or interagency and intra-agency agreements" after "contracts".

SEC. 405. CORRECTIONAL OPTIONS GRANTS.

(a) Repeal.—Chapter B of Subpart 2 of part E of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3762a et seq.) is repealed.

(b) Technical Amendment.—The table of contents of title I of the Omnibus Crime and Safe Streets Act of 1968 (42 U.S.C. 3711 et seq.) is amended by striking the items relating to chapter B of subpart 2 of part E.

SEC. 406. ADMINISTRATIVE PROVISIONS.

Section 520(a)(2) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3766(a)(2)) is amended by striking "sections 511 and 515" and inserting "section 515".

TITLE V—ADMINISTRATIVE PROVISIONS

SEC. 501. RECORDKEEPING REQUIREMENT.

Section 811 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3789f) is amended by striking subsection (e).

TITLE VI—DEFINITIONS

SEC. 601. TECHNICAL CHANGES TO DEFINITIONS.

Section 901 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3791) is amended—

(1) in paragraph (3) by striking "and," and inserting "or";

(2) by adding "and" at the end of paragraph (20);

(3) by adding a period at the end of paragraph (21); and

(4) by striking paragraphs (22) and (23).

TITLE VII—FUNDING

SEC. 701. AUTHORIZATION OF APPROPRIATIONS.

Section 1001(a) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3793(a)) is amended—

(1) in paragraph (a)(1)—

(A) by striking "$30,000,000" and inserting "such sums as are necessary";

(B) by striking "1989, 1990, 1991 and 1992" and inserting "1993, 1994, 1995 and 1996";

(2) in paragraph (2)—

(A) by striking "$30,000,000" and inserting "such sums as are necessary";

(B) by striking "1989, 1990, 1991 and 1992" and inserting "1993, 1994, 1995 and 1996"; and

(C) by inserting ", of which sum in each such fiscal year not less than 10 percent shall be used to evaluate the effectiveness of projects or programs carried out under this title" before the period;

(3) in paragraph (3)—

(A) by striking "$25,500,000 for fiscal year 1989"; and

(B) by striking "1990, 1991 and 1992" and inserting "1993, 1994, 1995, and 1996";

(4) in paragraph (5) by striking "$900,000,000 for fiscal year 1991 and such sums as may be necessary for fiscal year 1992" and inserting "such sums as are necessary for each of fiscal years 1993, 1994, 1995, and 1996";

(5) by striking paragraph (6), relating to chapter B of part 2 of part E of title I of the Omnibus Crime Control and Safe Streets Act of 1968";

(6) by striking paragraph (7), relating to part M of that title;

(7) in paragraph (6), relating to part N of that title, by striking "$25,000,000 for each of the fiscal years 1991, 1992, and 1993" and inserting "such sums as are necessary for each of fiscal years 1993, 1994, 1995 and 1996"; and

(8) by striking paragraph (7), relating to part O of that title.

TITLE VIII—PUBLIC SAFETY OFFICERS' BENEFITS PAYMENTS

SEC. 801. TECHNICAL AMENDMENTS.

(a) Heading.—The heading of part L of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796 et seq.) is amended by inserting "AND DISABILITY" after "DEATH".

(b) Payment of Benefits.—Section 1201 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796) is amended—

(1) in subsection (b) by inserting "and proximate" after "disabled as the direct"; and

(2) in subsection (i) by inserting ", and with respect to the disability of a public safety officer shall be the amount payable under subsection (b) as of the date of the catastrophic injury to the officer".

SEC. 802. LIMITATION OF BENEFITS.

Section 1202 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796a) is amended—

(1) by striking "or" at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting "; or"; and

(3) by adding at the end the following new paragraph:

"(6) to any individual who would otherwise be entitled to a benefit under this part if medical evidence indicates that the individual voluntarily ingested or otherwise used or consumed any quantity of a controlled substance in violation of the Controlled Substances Act (12 U.S.C. 801 et seq.) prior to death, except—

"(A) ingestion, use, or consumption of a controlled substance that was medically prescribed or involuntarily ingested, used, or consumed;

"(B) passive ingestion because of exposure to another person's use; or

"(C) passive ingestion or absorption by handling the substance as part of assigned duties.".

SEC. 803. DEFINITIONS.

Section 1204 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(8) 'controlled substance' has the meaning stated in section 102 of the Controlled Substance Act (21 U.S.C. 802).

TITLE IX—RURAL DRUG ENFORCEMENT ASSISTANCE

SEC. 901. REPEAL OF RURAL DRUG ENFORCEMENT ASSISTANCE.

(a) Repeal.—Part O of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796bb et seq.) is repealed.

(b) Technical Amendment.—The table of contents of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711 et seq.) is amended by striking the items relating to part O.

TITLE X—TRANSITION

SEC. 1001. CONTINUATION OF PROJECTS.

Section 1601(d) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3797(d)) is amended—

(1) by striking "The Administrator of the Law Enforcement Assistance Administration" and inserting "the Assistant Attorney General, Office of Justice Programs";

(2) by striking "approve comprehensive plans for the fiscal year beginning October 1, 1979," after "agreements";

(3) by inserting "for program or administrative purposes" after "obligate";

(4) by striking "for the continuation of projects in" and inserting "or prior years in"; and

(5) by striking ", as in effect on the day before the date of the enactment of the Justice System Improvement Act of 1979".

TITLE XI—EMERGENCY FEDERAL LAW ENFORCEMENT ASSISTANCE

SEC. 1101. AUTHORIZATION OF APPROPRIATIONS.

Section 609Y(a) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 10513(a)) is amended by striking "$20,000,000 for each fiscal year ending after September 30, 1984," and inserting "such sums as are necessary for each fiscal year.".

TITLE XII—AMENDMENTS TO JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT

SEC. 1201. ESTABLISHMENT OF OFFICE.

Section 201(b) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5611(b)) is amended—

(1) in the first sentence by striking ", from among individuals who have had experience in juvenile justice programs"; and

(2) by adding at the end the following new sentence: "The policies and priorities of the Administrator shall be subject to modification by the Assistant Attorney General in accordance with policies and priorities set by the Attorney General.".

SEC. 1202. CONCENTRATION OF FEDERAL EFFORTS.

Section 204 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5614) is amended—

(1) in subsection (a) by inserting ", subject to modification by the Assistance Attorney General in accordance with policies and priorities set by the Attorney General," after "priorities";

(2) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively; and

(3) by inserting after subsection (g) the following new subsection:

"(h) receive funds appropriated to the Office of Justice Programs and its Bureau of Justice Assistance, the Bureau of Justice Statistics, the National Institute of Justice, and the Office of Victims of Crime, and (with their consent) Federal agencies, for the purpose of developing juvenile delinquency programs relating to prevention, diversion, training, treatment, rehabilitation, evaluation, research, and improvement of the juvenile justice system, and administer programs and projects of mutual concern and benefit.".

SEC. 1203. SPECIAL STUDIES AND REPORTS.

Section 248 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5662) is repealed.

SEC. 1204. SPECIAL EMPHASIS PREVENTION AND TREATMENT PROGRAMS.

Section 261 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5665) is amended—

(1) in subsection (a)—

(A) by striking "shall" and inserting "may"; and

(B) by striking "each of the following during each fiscal year" after "for";

(2) in subsection (b)(6)(B) by striking "of Justice" and inserting "for Juvenile Justice and Delinquency Prevention;

(3) by striking subsection (c);

(4) by redesignating subsection (d) as subsection (c); and

(5) by striking subsection (e).

SEC. 1205. AUTHORIZATION OF APPROPRIATIONS.

Section 291(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5671) is amended to read as follows:

"(a) There are authorized to be appropriated to carry out part A and part C $3,902,000 and $7,250,000, respectively, for fiscal year 1993 and such sums as are necessary for each of fiscal years 1994, 1995, and 1996. Funds appropriated for any fiscal year shall remain available for obligation until expended.".

SEC. 1206. DUTIES AND FUNCTIONS OF THE ADMINISTRATOR.

Section 404 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5773) is amended—

(1) in subsection (b), in the matter preceding paragraph (1), by striking "nonprofit";

(2) by redesignating subsection (c) as subsection (d); and

(3) by inserting after subsection (b) the following new subsection:

"(c) The Administrator may conduct and support evaluations and studies of the performance and results achieved by Federal missing children's programs and activities and of the prospective performance and results that might be achieved by alternative programs and activities supplementary to or in place of those being administered on the date of enactment of this subsection.".

SEC. 1207. GRANTS.

Section 405(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5775(a)) is amended—

(1) in the matter preceding paragraph (1) by striking "agencies or nonprofit private organizations or combinations thereof, for research" and inserting "or private agencies, organizations, institutions, or individuals to conduct research, evaluations, conferences";

(2) by amending paragraph (4) to read as follows:

"(4) to prevent a child's abduction or exploitation and to increase knowledge of and develop effective treatments pertaining to the psychological consequences, on both parents and children, of a child's abduction or exploitation;";

(3) by striking "and" at the end of paragraph (8);

(4) by striking the period at the end of paragraph (9) and inserting "; and"; and

(5) by adding at the end the following new paragraph:

"(10) to disseminate information, data, standards, advanced techniques, and program models to enhance the capability of public and private organizations to prevent child abductions and to assist in the location, recovery, reunification with family, and treatment of the missing child.".

SEC. 1208. AUTHORIZATION OF APPROPRIATIONS.

Section 407 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5777) is amended by striking "1989, 1990, 1991, and 1992" and inserting "1993, 1994, 1995, and 1996".

SEC. 1209. CONFIDENTIALITY OF PROGRAM RECORDS AND INFORMATION.

Title IV of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5778 et seq.) is amended by adding at the end the following new section:

"CONFIDENTIALITY OF PROGRAM RECORDS AND INFORMATION

"SEC. 409. (a) IN GENERAL.—Except as authorized by law, program records or information disclosing the identity of individual juveniles or of persons providing confidential information, gathered for purposes of this title, may not be disclosed without the consent of the service recipient or legally authorized representative, or the individual providing confidential information, except as is necessary to carry out this title.

"(b) NAMES OF SERVICE RECIPIENTS.—Under no circumstances may program reports or findings available for dissemination to the general public disclose the names of individual service recipients.".

SECTION-BY-SECTION ANALYSIS

TITLE I—OFFICE OF JUSTICE PROGRAMS

Section 101—Duties and Functions of Assistant Attorney General

Sec. 102 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3712) is amended as follows:

(1) insert the words "subject to the authority of the Attorney General," after the word General, in subsection (a).

This ensures that the Attorney General's authority over the Office of Justice Programs is maintained, particularly with regard to areas outside the authority of the Assistant Attorney General, OJP.

(2) redesignate "(a)(1)" as subsection "(a)(5)", "(a)(2)" as subsection "(a)(6)", "(a)(3)" as subsection "(a)(7)", "(a)(4)" as subsection "(a)(8)", and "(a)(6)" as subsection "(a)(9)".

This is a technical change.

(3) add a new subsection "(a)1)" to read as follows: "be responsible for all matters of administration and management, except those otherwise delegated by the Attorney General, with respect to the Bureau of Justice Assistance, National Institute of Justice, Office of Juvenile Justice and Delinquency Prevention, and Office for Victims of Crime (hereinafter in this part referred to as the OJP bureaus). These matters include, but are not limited to, allocation of resources and preparation of final budget submissions, allocation of personnel resources, Congressional and Public affairs activities, financial and program monitoring of grant recipients, management information systems support functions, financial management activities, facilities allocation and procurement activities."

(4) add a new subsection "(a)(2)" to read as follows: "establish policies and priorities for the OJP bureaus."

(5) add a new subsection "(a)(3)" to read as follows: "Provide coordination among the OJP bureaus."

These three subsections will create an organizational structure that establishes a clear line of authority between OJP and its bureaus. These changes will significantly enhance the administration and management of the OJP bureaus thereby improving integration and coordination of the grant programs and funds. They will also create an environment that fosters improved communication and cooperation and will enable OJP to be more responsive to the policies and initiatives set forth by the Department of Justice and the Administration, *e.g.* the Weed and Seed initiative. These changes will codify the OJP statute to conform with the Attorney General's delegation Order No. 1473-91, February 19, 1991.

(6) redesignate "(a)(5)" as subsection "(a)(4)" and strike the words "Bureau of Justice Statistics" after the words "National Institute of Justice".

This is a technical change.

TITLE II—NATIONAL INSTITUTE OF JUSTICE

Section 201—Purposes

Sec. 201 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3721) is amended as follows:

(1) insert the word "and" at the end of subsection (2).

(2) strike subsection "(3)".

The deletion of Sec. 201(3) reflects the recognition that authority to conduct research and development in alternative dispute resolution already exists under the broad mandates of Sec. 202, particularly Sec. 202(c)(2)(A).

(3) redesignate subsection "(4)" as subsection "(3)".

This is a technical change.

Section 202—Establishment, Duties and Functions

Sec. 202 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3722) is amended as follows:

(1) strike the second sentence of subsection "(b)".

This deletes provisions that proscribe specific qualifications beyond the advice and consent of the Senate for those whom the President may nominate, and infringe upon the President's appointment prerogative.

(2) insert the words ", subject to modification by the Assistant Attorney General in accordance with the policies and priorities set by the Attorney General." after the word "Institute" the second time it appears in subsection (b).

This change codifies the OJP statute to conform with the Attorney General Delegation Order 1473-91, February 19, 1991 and helps establish a clear line of authority between OJP and its bureaus.

(3) strike subsection "(c)(2)(B)".

This eliminates redundancy.

(4) redesignate "(c)(2)(C)" as subsection "(c)(2)(B)" and insert the words "and potential prevention and intervention" at the end of subsection (c)(2)(B).

This recognizes current priorities within criminal justice research and the need to focus on prevention and intervention strategies.

(5) add a new subsection "(c)(2)(C)" to read as follows: "to improve the application of science and technology to criminal justice problems;".

This more clearly defines NIJ's role as a conduit to the criminal justice system of new scientific techniques and technological advancements, and recognizes current priorities within the criminal justice community.

(6) strike the word "and" at the end of subsection (d)(4).

(7) redesignate "(d)(5)" as subsection "(d)(6)" and add new subsection "(d)(5)" to read as follows: "receive funds appropriated to the Office and its bureaus, and Federal agencies, with their consent, to conduct justice-related research and development and administer programs and projects of mutual concern and benefit' and".

This more clearly defines the authority of NIJ to enter into collaborative efforts through inter and intra agency agreements with OJP bureaus and other Federal agencies. OJP bureaus have a long history of collaborative agreements and joint funding of projects. All funds are and will continue to be used for their statutory purposes, which is to benefit state and local criminal justice systems. The benefits of collaborative efforts include the sharing of expertise and experience on issues of vital importance to state and local governments; the realization of greater efficiencies by pooling resources, preventing duplication, and coordinating like activities; and less money being spent on overhead. No functions, powers and duties are transferred or delegated. These agreements and efforts help focus on the importance of coordinating the resources among OJP's bureaus, by providing a comprehensive approach in addressing complex law enforcement issues. There are currently a myriad of State and local programs now being funded by the OJP through collaborative agreements that are providing crucial assistance and enhancements which aid State and local units of government in successfully fighting our nation's war against crime and drugs, *e.g.*, Weed and Seed. The rationale for entering into these types of collaborative agreements is to ensure that the most qualified provider is utilized in rendering services to state and local units of government. Utilizing this expertise more directly and cost-effectively serves the interest of States and localities. Collaborative efforts do not augment the other bureau's appropriation. In this time of fiscal restraint and budget constraints, it makes sense to more formally recognize this practice.

TITLE III—BUREAU OF JUSTICE STATISTICS

Section 301—Purposes

Sec. 301 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3731), is amended as follows:

(1) strike the words "to provide for the encourage the collection and analysis" after the word "part" the first time it appears in subsection (a) and insert the words "to establish a Bureau of Justice Statistics which shall be the principal national center for the collection, analysis, reposition, and dissemination" in lieu thereof;

This improves and clarifies the establishment of the Bureau of Justice Statistics (BJS) by standardizing the language for establishment of a specific agency responsible for the functions outlined in Sec. 301. This added language provides a reference for the subsequent citing within Sec. 301 to the Bureau. Furthermore, it delineates the additional repository and dissemination responsibilities accorded by BJS.

Section 302—Establishment, Duties, and Functions

Sec. 302 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3732), is amended as follows:

(1) strike the second sentence of subsection (b).

This deletes provisions that proscribe specific qualifications beyond the advice and consent of the Senate for those whom the President may nominate, and infringe upon the President's appointment prerogative.

(2) strike the words "through the Assistant Attorney General" after the words "Attorney General" in subsection (b).

This removes BJS from the Office of Justice Programs. BJS has unique Federal statistical responsibilities, distinct from the responsibilities and functions of the other OJP offices and bureaus. National level criminal justice data collection and analysis requires a strong and continuing Federal commitment, and is essential to sound national policies for combatting crime across the nation. BJS has in-house analytical capabilities unique among the other Department agencies and components. This data collection, analyses and information dissemination needs of the Department-at-large may be better met by assigning to BJS a more central position. The targeted and specialized state information and record improvement programs administered by BJS would not be compromised and conceivably might even be enhanced by a relocation of BJS within the Department. Finally, BJS would be given a status and organizational placement similar to that of other Federal statistical agencies such as the Bureau of Labor Statistics and the Bureau of the Census. The mission of BJS would be to provide the entire Department with the most accurate and complete data and analyses possible relating to the nation's justice system.

(3) strike the words ", and juvenile delinquency," after "civil disputes" the second time it appears in subsection "(c)(3)". Strike the comma after the word "crime" the second time it appears in subsection "(c)(3)" and insert the word "and" in lieu thereof.

Juvenile delinquency reference will be consolidated in one subsection.

(4) redesignate "(c)(4)" as subsection "(c)(5)" and add a new subsection "(c)(4)" to read as follows: "collect and analyze information concerning juvenile delinquency, including characteristics of juveniles and young adults in juvenile facilities, current offenses, drug and alcohol use, and criminal histories;"

Consolidates responsibilities for juvenile justice statistics in one subsection.

(5) redesignate "(c)(5)" as subsection "(c)(6)"

(6) redesignate "(c)(6)" as subsection "(c)(7)" and insert a new subsection "(c)(8)" to read as follows: "develop a mechanism to share criminal justice data and information among the States and to access Federal and state data and information electronically;"

This accords specific authority to BJS for the development of a national infrastructure for the collection of common justice statistical data and the electronic exchange of data and information among the states and BJS.

(7) redesignate "(c)(7)" as subsection "(c)(9)'; redesignate "(c)(8)" as subsection "(c)(10)"; redesignate "(c)(9)" as subsection "(c)(11)"; redesignate "(c)(10)" as subsection "(c)(12)"; redesignate "(c)(11)" as subsection "(c)(13)"; redesignate "(c)(12)" as subsection "(c)(14)"; redesignate "(c)(13)" as subsection "(c)(15)"; redesignate "(c)(14)" as subsection "(c)(16)"; redesignate "(c)(15)" as subsection "(c)(17)"; redesignate "(c)(16)" as subsection "(c)(18)"; redesignate "(c)(17)" as subsection "(c)(19)"; and redesignate "(c)(18)"as subsection "(c)(20)".

(8) redesignate "(c)(19)" as subsection "(c)(22)" and insert a new subsection "(c)(21)" to read as follows: "conduct or provide support for national programs to improve the nation's criminal history record information systems; provide direct grants to state and local agencies to increase the accuracy, completeness, timeliness and utility of criminal history record information for criminal and noncriminal purposes;"

This clarifies existing BJS authority to conduct national programs and provide direct grant support to improve the nation's criminal history record information (CHRI) systems. This additionally emphasizes BJS' extensive responsibility in this area and incorporated existing authority under a single subsection.

(9) redesignate "(c)(20)" as subsection "(c)(23)"; redesignate "(c)(21)" as subsection "(c)(24)"; and redesignate "(c)(22)" as subsection "(c)(25)".

(10) add a new subsection "(c)(26)" to read as follows: "performs principal analysis of the data from the National Incident Based Reporting System collected by the Federal Bureau of Investigation and provide such information to the President, the Congress, and the general public;"

This accords authority to BJS to include analysis of NIBRS data as part of the agency's responsibility to analyze statistical information concerning crime and criminal justice. BJS has been instrumental in coordinating establishment of NIBRS at the state level. The addition of this specific responsibility clarifies BJS' role in this program, and permits analysis that draws upon information gained from other surveys conducted by BJS.

(11) redesignate "(c)(23)" as subsection "(d)(7)"

This is merely a technical correction reflecting that these are powers more appropriately exercised by the Director of BJS.

(12) insert new subsection "(d)(6)" to read as follows: "receive funds appropriated to the Office of Justice Programs and its bureaus and Federal agencies, with their consent, to conduct justice-related statistical analyses and administer programs and projects of mutual concern and benefit;"

This clarifies the applicability of BJS administering funds appropriated to the Office of Justice Programs and its bureaus and other Federal agencies. BJS has administered the CHRI funds appropriated to BJA for the past three years. This language will allow for future cooperative arrangements and the transfer of funds to BJS for the operation of programs and the conduct of statistical analyses for which BJS is more technically suited to administer and perform, but for which funding is appropriated elsewhere. BJS should have the flexibility to provide statistical analyses for other federal agencies on pay-for-service and reimbursable bases.

TITLE IV—BUREAU OF JUSTICE ASSISTANCE

Section 401—Duties and Functions of the Director

Sec. 401 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351, 41 U.S.C. 3741) is amended as follows:

(1) insert the words ", subject to modification by the Assistant Attorney General in accordance with the policies and priorities set by the Attorney General." after the word "Bureau" the second time it appears in subsection (b).

This codifies the OJP statute to conform with the Attorney General Delegation Order 1473–91, February 19, 1991 and helps establish a clear line of authority between OJP and its bureaus.

Sec. 402 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351, 41 U.S.C. 3742) is amended as follows:

(1) redesignate "(8)" as subsection "(9)", and add a new subsection "(8)" to read as follows: "receive funds appropriated to the office and its bureaus, and Federal agencies, with their consent, to conduct programs under the Edward Byrne Memorial State and Local Law Enforcement Assistance formula and discretionary grant programs, and administer programs and projects of mutual concern and benefit."

This more clearly defines the authority of BJA to enter into collaborative efforts through inter and intra agency agreements with OJP bureaus and other Federal agencies. OJP bureaus have a long history of collaborative agreements and joint funding of projects. All funds are and will continue to be used for their statutory purposes, which is to benefit state and local criminal justice systems. The benefits of collaborative efforts include the sharing of expertise and experience on issues of vital importance to state and local governments; the realization of greater efficiencies by pooling resources, preventing duplication, and coordinating like activities; and less money being spent on overhead. No functions, powers and duties are transferred or delegated. These agreements and efforts help focus on the importance of coordinating the resources among OJP's bureaus, by providing a comprehensive approach in addressing complex law enforcement issues. There are currently a myriad of State and local programs now being funded by the OJP through collaborative agreements that are providing crucial assistance and enhancements which aid State and local units of government in successfully fighting our nation's war against crime and drugs, e.g., Weed and Seed. The rationale for entering into these types of collaborative agreements is to ensure that the most qualified provider is utilized in rendering services to state and local units of government. Utilizing this expertise more directly and cost-effectively serves the interest of States and localities. Collaborative efforts do not augment the other bureau's appropriation. In this time of fiscal restraint and budget constraints, it makes sense to more formally recognize this practice.

Section 402—Description of the Drug Control and System Improvement Grant Program

Sec. 501 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351, 42 U.S.C. 3751) is amended as follows:

(1) add subsection "(b)(22)" to read as follows: "providing funding for the purpose of supporting litigation pertaining to Federal habeas corpus petitions in capital cases.";

This establishes an additional purpose area which will encourage states to use BJA formula grant funds in support of their efforts to litigate federal habeas corpus petitions in capitol cases. While states may currently use their BJA formula funds for this purpose under existing law, the establishment of a separate purpose area more clearly defines the need for states focus on such funding priorities. This is consistent with the emphasis and importance placed by the Justice Department on enabling states to use federal funds for this purpose and helps offset Federal monies that currently support death penalty appeals through capital resource centers. Additionally, it is responsive to the imbalance in litigation resources that has resulted in one-sided federal support of defendants' efforts to overturn capital convictions and sentences.

Section 403—Grant Limitations

Sec. 504 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351, 42 U.S.C. 3754) is amended as follows:

(1) strike the word "1991" from subsection "(a)(1)" and insert the word "1993" in lieu thereof;

This reflects current law as embodied in P.L. 102–104, the Department of Justice's Fiscal Year 1992 Appropriations bill.

Section 404—Purposes of Discretionary Grants

Sec. 510 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351, 42 U.S.C. 3760) is amended as follows:

(1) add the words "or inter and intra agency agreements" after the word "contracts" in subsection "(b)".

This is a technical change to address the long-standing use by OJP of inter and intra agency agreements.

Section 405—Correctional Options Grants

Chapter B—Grants to Public Agencies of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351, 41 U.S.C. 3762a) is amended as follows:

(1) strike "Chapter B-Grants to Public Agencies" in its entirety.

These sections deal with Correctional Options grants which were included over the Administration's strong opposition in the Crime Control Act of 1990. While the Department of Justice strongly supports expansion of the range of available criminal sanctions to enhance public safety, it believes that this grant program is unnecessary and excessive, and includes features that are unsound. The Department currently supports and assists a wide-range of intermediate sanctions projects through the programs of OJP (including BJA) and the National Institute of Corrections. There is no adequate reason for separating out this particular function from the existing funding and assistance programs.

Section 406—General Requirements

Chapter C—General Requirements of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351, 3763) is amended as follows:

(1) Redesignate "Chapter C" as "Chapter B"

This is a minor technical change.

Section 407—Technical Changes to General Requirements

Sec. 517 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351, 42 U.S.C. 3763) is amended as follows:

(1) Redesignate "Sec. 517" as "Sec. 513" and strike the words "or 515" at the end of subsection "(a)(1)"

This is a minor technical change.

Section 408—Period of Award

Sec. 518 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351, 42 U.S.C. 3764) is amended as follows:

(1) redesignate "Sec. 518" as "Sec. 514"

This is a minor technical change.

Section 409—Administrative Provisions

Sec. 520 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351. 42 U.S.C. 3766) is amended as follows:

(1) strike the words "sections 511 and 515" in subsection "(a)(2)" and insert "section 515" in lieu thereof.

This is a minor technical change to conform with the elimination of Chapter B—Grants to Public Agencies—Correctional Options Grants.

TITLE V—ADMINISTRATIVE PROVISIONS CONSULTATION, ESTABLISHMENT OF RULES AND REGULATIONS

(This title will be reviewed by JMD attorney)

Section 501—Recordkeeping Requirement

Sec. 811 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351, 42 U.S.C. 3789f) is amended as follows:

(1) strike subsection "(e)" in its entirety.

This subsection is no longer relevant.

TITLE VI—DEFINITIONS

Section 601—Technical Changes to Definitions

Sec. 901 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351, 42 U.S.C. 3791) is amended as follows:

(1) Strike subsection "(a)(22)" and subsection "(a)(23)".

This is a technical correction to conform with the changes made in Title IV with regard to the elimination of the Correctional Options grant program.

TITLE VII—FUNDING AUTHORIZATION OF APPROPRIATION

Section 701—Extension of Authorization

Sec. 1001 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351, 42 U.S.C. 3793) is amended as follows:

(1) strike the word "$30,000,000" in subsection "(a)(1)" and insert the words "such sums as may be necessary" in lieu thereof; and strike the words "1989, 1990, 1991 and 1992" in subsection "(a)(1)" and insert the words "1993, 1994, 1995 and 1996" in lieu thereof.

The BJS four-year authorization expires at the end of fiscal year 1992. This extends the BJS authorization for another four year period.

(2) strike the word "$30,000,000" in subsection "(a)(2)" and insert the words "such sums as may be necessary" in lieu thereof; and strike the words "1989, 1990, 1991, and 1992) in subsection "(a)(2)" and insert the words "1993, 1994, 1995, and 1996" in lieu thereof; and strike the period after the word "Justice" and insert the words "of the amount appropriated in each of these fiscal years, not less than 10% shall be used to evaluate the effectiveness of projects or programs carried out under this title." in lieu thereof.

The NIJ four-year authorization expires at the end of fiscal year 1992. This extends the NIJ authorization for another four year period.

(3) strike the words "$25,500,000" for fiscal year 1989 and" in subsection "(a)(3)"; strike the words "1990, 1991 and 1992" in subsection "(a)(3)" and insert the words "1993, 1994, 1995 and 1996" in lieu thereof.

The OJP and BJA four-year authorization for programs other than those specifically addressed in this subsection expires at the end of fiscal year 1992. This extends the OJP and BJA authorization for another four year period.

(4) strike the words "$900,000,000 for fiscal year 1991 and such sums as may be necessary for fiscal year 1992" in subsection "(a)(4)", and insert the words "such sums as may be necessary for each of the fiscal years 1993, 1994, 1995 and 1996" in lieu thereof.

The BJA four-year authorization for programs under parts D and E expires at the end of fiscal year 1992. This extends the BJA authorization for another four year period.

(5) strike the words "there are authorized to be appropriated $220,00,000 for fiscal year 1991 and such sums as may be necessary for fiscal year 1992 to carry out chapter B of part 2 of part E of this title" in subsection "(a)(6)".

This eliminates authorization for appropriations and conforms with the changes made in Title IV with regard to the elimination of the Correctional Options grant program.

(6) strike the words "$25,000,000 for each of the fiscal years 1991, 1992, and 1993" in subsection "(a)(6)" and insert the words "such sums as may be necessary for each of the fiscal years 1993, 1994, 1995 and 1996" in lieu thereof.

The BJA four-year authorization for programs under part N expires at the end of fiscal year 1992. This extends the BJA authorization for another four year period.

(7) strike the words "there are authorized to be appropriated $15,000,000 for fiscal year 1989 and such sums as may be necessary for fiscal year 1992 to carry out chapter B of subpart 2 of part E of this title" in subtitle "(a)(7)".

This eliminates the authorization for appropriations and conforms with the changes made in Title IV with regard to the elimination of the Correctional Options grant program.

(8) strike the words "there are authorized to be appropriated $20,000,000 for fiscal year 1991, and such sums as may be necessary for fiscal years 1992 and 1993, to carry out part O" in subtitle "(a)(7)".

This eliminates the authorization for appropriations and conforms with the changes made in Title with regard to the elimination of the Rural Drug Enforcement Assistance grant program.

TITLE VII—PUBLIC SAFETY OFFICERS' BENEFITS PAYMENTS

Section 801—Technical Corrections

Part L of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351, (42 U.S.C. 3796) is amended as follows:

(1) insert the words "and Disability" after the word "Death".

Sec. 1201 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351, 42 U.S.C. 3796) is amended as follows:

(1) insert the words "and proximate" in subsection "(b)", after the words "disabled as the direct";

This is a technical change that makes the disability criteria confrom with those existing for death benefits.

(2) inserting the words "or disability" in subsection "(i)", after the words "to the death";

This is a technical change to reflect the expansion of the program to include permanent disability.

(3) inserting the words "and subsection (b) as of the date of the catastrophic injury of such officer" at the end of subsection "(i)";

This is a technical change to reflect the expansion of the program to include permanent disability.

Section 802—Limitation of Benefits

Sec. 1202 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351, U.S.C. 3796a) is amended as follows:

(1) adding a new subsection "(6)" to read as follows: "to any individual who would otherwise be entitled to a benefit under this part if medical evidence indicates that such individual voluntarily ingested or otherwise used or consumed any quantity of a controlled substance (as set out in 21 U.S.C. 801 et seq.) prior to death. Excepted from this limitation is the ingestion, use or consumption of a controlled substance that was medically prescribed; involuntarily ingested, used or consumed; passively ingested because of exposure to another person's use; or passively ingested or absorbed by handling the substance as part of assigned duties."

This proposes to make voluntary controlled substance use a basis for denial of payments just as in cases of alcohol intoxication, intentional death (suicide), or gross negligence.

Section 803—Definitions

Sec. 1204 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351, 42 U.S.C. 3796b) is amended as follows:

(1) add subsection "(8)" "controlled substance" as defined under the Controlled Substance Act (21 U.S.C. 801 *et seq.*)

This is a technical change that adds a definition of "controlled substance" in this section.

TITLE IX—RURAL DRUG ENFORCEMENT ASSISTANCE

Section 901—Repeal of Rural Drug Enforcement Assistance

Part O of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351, 42 U.S.C. 3796bb) is amended as follows:

(1) Strike Part O in its entirety.

These sections refer to Rural Drug Enforcement Assistance grants which were included over the Administration's opposition in the Crime Control Act of 1990. The Edward Byrne Memorial State and Local Law Enforcement formula grant program administered by BJA, provides funding designed to enable state and local governments to determine program priorities in a systematic manner through the development of a comprehensive statewide crime and anti-drug strategy. Programs such as rural enforcement are currently authorized. The vast majority of states fund a wide array of multi-jurisdictional task force efforts which cast a wide net to include rural areas.

Also, under this program states are authorized to fund law enforcement training and technical assistance programs. The new grant program established in this section is duplicative and unnecessary.

TITLE X—TRANSITION—EFFECTIVE DATE REPEALER CONTINUATION OF RULES, AUTHORITIES, AND PROCEEDINGS

Section 1001—Technical Changes

Part P of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351, 42 U.S.C. 3797) is amended as follows:

Sec. 1601:

(1) redesignate "Part P" as "Part O".

(2) strike the words "The Administrator of the Law Enforcement Assistance Administration" at the beginning of subsection "(d)" and insert "the Assistant Attorney General, Office of Justice Programs" in lieu thereof.

(3) strike the words "approve comprehensive plans for the fiscal year beginning October 1, 1979," in subsection "(d)" after the word "agreements,"

(4) insert the words, "for program or administrative purposes" in subsection "(d)" after the word "Obligate"

(5) strike the words "for the continuation of projects in" in subsection "(d)" after the word "1979," the second time it appears and insert "or prior years in" in lieu thereof

(6) strike the words "as in effect on the day before December 27, 1979," after the word "title," in subsection "(d)" the first time it appears.

These are technical amendments.

TITLE XI—EMERGENCY FEDERAL LAW ENFORCEMENT ASSISTANCE

Section 1101—Authorization

Sec. 609Y. of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90–351, 42 U.S.C. 10513) is amended as follows:

(1) strike the words "$20,000,000 for each fiscal year ending after September 30, 1984," in subsection "(a)" and insert "such sums as may be necessary for each fiscal year," in lieu thereof.

This is a minor technical change.

TITLE XII—AMENDMENTS TO JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT

Section 201—Establishment of Office

Sec. 201 of the Juvenile Justice and Delinquency Prevention Act of 1974 (P.L. 93–415, 42 U.S.C. 5611) is amended as follows:

(1) strike the words ", from among individuals who have had experience in juvenile justice programs" after the word "Senate" in subsection (b).

This deletes provisions that proscribe specific qualifications beyond the advice and consent of the Senate for those whom the President may nominate, and infringe upon the President's appointment prerogative.

(2) insert the words "and the policies and priorities of the Administrator are subject to modification by the Assistant Attorney General in accordance with the policies and priorities set by the Attorney General" after the word "1968" in subsection (b).

This change codifies the OJP statute to conform with the Attorney General Delegation Order 1473–91, February 19, 1991 and helps establish a clear line of authority between OJP and its bureaus.

Section 1202—Concentration of Federal Efforts

Sec. 204 of the Juvenile Justice and Delinquency Prevention Act of 1974 (P.L. 93–415, 42 U.S.C. 5614) is amended as follows:

(1) insert the words ", subject to modification by the Assistant Attorney General in accordance with the policies and priorities set by the Attorney General" after the word "priorities" in subsection (a).

This change codifies the OJP statute to conform with the Attorney General Delegation Order 1473–91, February 19, 1991 and helps establish a clear line of authority between OJP and its bureaus.

(2) redesignate "(h)" as "(i)" and "(i)" as "(j)" and add a new subsection "(h)" to read as follows: "receive funds appropriated to the Office of Justice Programs and its bureaus, the Bureau of Justice Assistance, the Bureau of Justice Statistics, the National Interstate of Justice and the Office for Victims of Crime, and Federal agencies, with their consent, to develop juvenile delinquency programs relating to prevention, diversion, training, treatment, rehabilitation, evaluation, research, and improvement of the juvenile justice system, and administer programs and projects of mutual concern and benefit."

This more clearly defines the authority of OJJDP to enter into collaborative efforts through inter and intra agency agreements with OJP bureaus and other Federal agencies. OJP bureaus have a long history of collaborative agreements and joint funding of projects. All funds are and will continue to be used for their statutory purposes, which is to benefit state and local criminal justice systems. The benefit of collaborative efforts include the sharing of expertise and experience on issues of vital importance to state and local governments; the realization of greater efficiencies by pooling resources, preventing duplication, and coordinating like activities; and less money being spent on overhead. No functions, powers and duties are transferred or delegated. These agreements and efforts help focus on the importance of coordinating the resources among OJP's bureaus, by providing a comprehensive approach in addressing complex law enforcement issues. There are currently a myriad of State and local programs now being funded by the OJP through collaborative agreements that are providing crucial assistance and enhancements which aid State and local units of government in successively fighting our nation's war against crime and drugs, e.g. Weed and Seed. The rationale for entering into these types of collaborative agreements is to ensure that the most qualified provider is utilized in rendering services to state and local units of government. Utilizing this expertise more directly and cost-effectively serves the interest of States and localities. Collaborative efforts do not augment the other bureau's appropriation. In this time of fiscal restraint and budget constraints, it makes sense to more formally recognize this practice.

Section 1203—Special Studies and Reports

Sec. 248 of the Juvenile Justice and Delinquency Prevention Act of 1974 (P.L. 93-415, 42 U.S.C. 5662) is amended as follows:

(1) strike the heading "SPECIAL STUDIES AND REPORTS" and all of "Section 248".

This is a technical amendment reflecting that these one-time reports have been completed.

Section 1204—Special Emphasis Prevention and Treatment Programs

Sec. 261 of the Juvenile Justice and Delinquency Prevention Act of 1974 (P.L. 93-415, 42 U.S.C. 5665) is amended as follows:

(1) strike the word "shall" after the word "Administrator" in subsection "(a)" and insert "is authorized" in lieu thereof.

(2) insert the word "*to*" after the word "individuals" in subsection "(a)".

(3) strike the words "each of the following during each fiscal year" after the word "for" in subsection "(a)".

(4) strike the words "of Justice" in subsection "(b)(6)(B)" and insert the words "for Juvenile Justice and Delinquency Prevention" in lieu thereof.

(5) strike subsection "(c)".

(6) redesignate subsection "(d)" as subsection "(c)".

(7) strike subsection "(e)".

This provides more discretion to the Administrator OJJDP on the utilization of limited discretionary funding; places within OJJDP's National Institute of Juvenile Justice the responsibility to designate exemplary programs and deletes the set-aside requirements.

Section 1205—Authorization of Appropriation

Sec. 291 of the Juvenile Justice and Delinquency Prevention act of 1974 (P.L. 94-415, 42 U.S.C. 5671) is amended to read as follows:

"To carry out the purposes of this subchapter (other than Part B and Part D), there are authorized to be appropriated to carry out Part A and Part C, $3,902,000 and $7,250,000, respectively, for fiscal year 1993 and such sums as may be necessary for each of fiscal years 1994, 1995, and 1996. Funds appropriated for any fiscal year may remain available for obligation until expended."

This reauthorizes Title II excluding parts B and D for 1993 through 1996 for such sums as may be necessary. No authorization for parts B and D is requested, consistent with the Administration's FY 1993 budget request.

Section 1206—Duties and Functions of the Administrator

Sec. 404 of the Juvenile Justice and Delinquency Prevention Act of 1974 (P.L. 93-415, 42 U.S.C. 5773) is amended as follows:

(1) strike the word "nonprofit" after the words "agencies or" in subsection "(b)";

(2) redesignate subsection "(c)" as subsection "(d)";

(3) add a new subsection "(c)" to read as follows "The Administrator is authorized to conduct and support evaluations and studies of the performance and results achieved by Federal missing children's programs and activities and of the prospective performance and results that might be achieved by alternative programs and activities supplementary to or in lieu of those currently being administered." in lieu thereof.

The Administrator would be able to make awards to for profit organizations.

Section 1207—Grants

Sec. 405 of the Juvenile Justice and Delinquency Prevention Act of 1974 (P.L. 93-415, 42 U.S.C. 5775) is amended as follows:

(1) strike the words "agencies or nonprofit private organizations, or combinations thereof, for research" in subsection "(a)" after the word "public" and insert the words "or private agencies, organizations, institutions, or individuals to conduct research, evaluations, conferences" in lieu thereof;

The Administrator would be able to make awards to for profit organizations.

(2) strike subsection "(a)(4) (A) and (B)" and insert a new "(a)(4)" to read as follows "to prevent a child's abduction or exploitation and to increase knowledge of and develop effective treatment pertaining to the psychological consequences, on both parents and children, of a child's abduction or exploitation;" in lieu thereof.

This expands the role of OJJDP to include prevention as well as treatment and intervention programs.

(3) strike the word "and;" at the end of subsection "(a)(8)"

(4) strike the period and add the word ";and" at the end of subsection "(a)(9)"

(5) add subsection "(a)(10)" to read as follows: "to disseminate information, data, standards, advanced techniques, and program models to enhance the capability of public and private organizations to prevent child abductions and to assist in the location, recovery, family reunification, and treatment of the missing child."

This provides for dissemination of information concerning child abduction and exploitation.

Section 1208—Authorization of Appropriation

Sec. 407 of the Juvenile Justice and Delinquency Prevention Act of 1974 (P.L. 93-415, 42 U.S.C. 5777) is amended.

By Mr. D'AMATO:

S. 2916. A bill to amend chapter 11 of title 38, United States Code, to provide that veterans who are former prisoners of war shall be deemed to have a service-connected disability rated as total for the purposes of determining the benefits due to such veterans; to the Committee on Veterans' Affairs.

DISABILITY RATING FOR FORMER PRISONERS OF WAR

• Mr. D'AMATO. Mr. President, I rise today to introduce a bill to provide comprehensive benefits to veterans who are former prisoners of war. This legislation—like its House companion, introduced by my colleague from New York, Congressman HAMILTON FISH—would provide 100 percent compensation for all former prisoners of war.

Medical science has demonstrated that the trauma of enduring even short periods of time as a prisoner of war can have severe long-lasting and late-developing effects. It is in recognition of the tremendous hardship endured by our former prisoners of war that I am introducing this legislation today. My bill would amend chapter 11 of title 38 of the United States Code to provide that all veterans who are former prisoners of war will be deemed to have a 100 percent disability for the purpose of determining their veteran's benefits. It will provide these benefits regardless of the war or conflict in which the veteran served.

Mr. President, other nations provide their POW veterans with comprehensive benefits. Isn't it time—as we mark the 50th anniversary of the Bataan Death March—for our Nation to offer full benefits to its former POWs? With more than 99 percent of all former POW's approaching the age of 70, it is urgent that we enact this legislation without delay so that they may enjoy the benefits they are due.

Mr. President, I have always supported our veterans to the highest degree. Nothing is more noble than to dedicate one's life to the defense of his country. Yet when it comes to compensating those servicemen and women who have sustained the hardship of imprisonment at the hands of our enemies, we have fallen woefully short.

It is time to correct this injustice. It may be late, but it's better late than never. I urge my colleagues to join as cosponsors of this bill, and I urge its swift passage. Hopefully, we can join together to do at least this much for our former POW's.

I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2914

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DISABILITY RATING FOR FORMER PRISONERS OF WAR.

(a) RATING OF DISABILITY.—Chapter 11 of title 38, United States Code, is amended—

(1) by striking subsection (b) of section 1112;

(2) by redesignating subsection (c) of section 1112 as subsection (b); and

(3) by inserting after section 116 the following new section:

"§ 1117. Disability rating for former prisoners of war

"A veteran who is a former prisoner of war shall be deemed to have a service-connected disability rated as total for the purpose of determining the benefits due such veteran under this title.".

(b) AMENDMENTS TO TABLE OF SECTIONS.—The table of sections at the beginning of chapter 11 of title 38, United States Code, is amended by inserting after the item relating to section 1116 the following new item:

"1117 Disability rating for former prisoners of war."•

By Mr. COCHRAN:

S. 2917. A bill to amend the National School Lunch Act to authorize the Secretary of Agriculture to provide financial and other assistance to the University of Mississippi, in cooperation with the University of Southern Mississippi, to establish and maintain a food service management institute, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD SERVICE MANAGEMENT INSTITUTE

• Mr. COCHRAN. Mr. President, today I am pleased to introduce a bill which clarifies the administration of the Food Service Management Institute in Mississippi. This legislation is necessary to provide the Department of Agriculture the authority to make grants and/or enter into cooperative agreements for the specific purposes for which the institute was established. There is no additional cost associated with this bill.

In 1989, Public Law 101–147 authorized the establishment of a National Food Service Management Institute, and funding was provided in 1990. That act prescribed the functions and duties of the Institute, and it has been operating successfully for 2 years.

However, there are some concerns that make administration of the institute difficult. The legislation I am introducing will clarify the status and administration of the institute. Specifically, it authorizes the Secretary of Agriculture to provide financial and other assistance to the Institute established and maintained by the University of Mississippi, in cooperation with the University of Southern Mississippi. USDA does not have any current authority to make grants or enter into cooperative agreements for the purposes expressed for the Food Service Management Institute. Enactment of this legislation will enable the Institute to leverage its appropriated funds through gifts and private sector grants, as well as be eligible to compete for contracts with other Federal agencies.

Among the activities conducted by the institute thus far has been the development of a national satellite network for providing training and education to child nutrition program personnel. The first program was telecast on April 28, 1992, and was received in 49 states at more than 700 sites and viewed by an audience of about 20,000 personnel.

In addition, research is being conducted on the administrative and programmatic needs of child nutrition programs in relation to nutrition management of children with special needs, and a national workshop is scheduled for late October on this subject. Training and education related to Agriculture Secretary Madigan's goals for implementing the "Dietary Guidelines for Americans" is in progress. All of these activities and more have been successful.

The institute is fulfilling its congressional mandate to conduct activities to improve the quality and operation of the child nutrition programs. The legislation I am introducing today will clarify its administration and will help the Institute to build a "Better Future Through Child Nutrition Programs."

I hope we can act very quickly on this measure, and I urge my colleagues to support it.•

ADDITIONAL COSPONSORS

S. 89

At the request of Mr. DURENBERGER, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 89, a bill to amend the Internal Revenue Code of 1986 to permanently increase the deductible health insurance costs for self-employed individuals.

S. 1361

At the request of Ms. MIKULSKI, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 1361, a bill to remedy the serious injury to the United States shipbuilding and repair industry caused by subsidized foreign ships.

S. 1451

At the request of Mr. BIDEN, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 1451, a bill to provide for the minting of coins in commemoration of Benjamin Franklin and to enact a fire service bill of rights.

S. 1627

At the request of Mr. FORD, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 1627, a bill to amend section 615 of title 38, United States Code, to require the Secretary of Veterans Affairs to permit persons who receive care at medical facilities of the Department of Veterans Affairs to have access to and to consume tobacco products.

S. 1838

At the request of Mr. PRYOR, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 1838, a bill to amend title XVIII of the Social Security Act to provide for a limitation on use of claim sampling to deny claims or recover overpayments under Medicare.

S. 1933

At the request of Mr. KENNEDY, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 1933, a bill to amend titles VII and VIII of the Public Health Service Act to reauthorize and extend programs under such titles, and for other purposes.

S. 2244

At the request of Mr. THURMOND, the names of the Senator from California [Mr. SEYMOUR], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Florida [Mr. MACK], the Senator from Kentucky [Mr. FORD], the Senator from Delaware [Mr. BIDEN], the Senator from New Hampshire [Mr. RUDMAN], the Senator from Oklahoma [Mr. NICKLES], the Senator from Rhode Island [Mr. PELL], and the Senator from New Mexico [Mr. DOMENICI] were added as cosponsors of S. 2244, a bill to require the construction of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate United States participation in that conflict.

S. 2362

At the request of Mr. MCCAIN, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 2362, a bill to amend title XVIII of the Social Security Act to repeal the reduced Medicare payment provision for new physicians.

S. 2385

At the request of Mr. RIEGLE, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 2385, a bill to amend the Immigration and Nationality Act to permit the admission to the United States of nonimmigrant students and visitors who are the spouses and children of United States permanent resident aliens, and for other purposes.

S. 2387

At the request of Mr. LEAHY, the names of the Senator from Louisiana [Mr. JOHNSTON], the Senator from Rhode Island [Mr. PELL], and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of S. 2387, a bill to make appropriations to begin a phase-in toward full funding of the special supplemental food program for women, infants, and children (WIC) and of Head Start programs, to expand the Job Corps program, and for other purposes.

S. 2560

At the request of Mr. SIMON, the names of the Senator from North Dakota [Mr. CONRAD], and the Senator from Nebraska [Mr. KERREY] were added as cosponsors of S. 2560, a bill to reclassify the cost of international peacekeeping activities from international affairs to national defense.

S. 2624

At the request of Mr. GLENN, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 2624, a bill to authorize appropriations for the Interagency Council on the Homeless, the Federal Emergency Management Food and Shelter Program, and for other purposes.

S. 2632

At the request of Ms. MIKULSKI, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 2632, a bill to establish the National Environmental Technologies Agency.

S. 2644

At the request of Mrs. KASSEBAUM, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 2644, a bill to require the Secretary of Transportation to require passenger and freight trains to install and use certain lights for purposes of safety.

S. 2682

At the request of Mr. BUMPERS, the names of the Senator from Michigan [Mr. LEVIN], and the Senator from Tennessee [Mr. SASSER] were added as cosponsors of S. 2682, a bill to direct the Secretary of the Treasury to mint coins in commemoration of the 100th anniversary of the beginning of the protection of Civil War battlefields, and for other purposes.

S. 2696

At the request of Mr. DOMENICI, the names of the Senator from Hawaii [Mr. AKAKA], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of S. 2696, a bill to establish a comprehensive policy with respect to the provision of health care coverage and services to individuals with severe mental illnesses, and for other purposes.

S. 2711

At the request of Mr. GLENN, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 2711, a bill to ensure the fair treatment of members of the Selected Reserve of the Ready Reserve of the Armed Forces who are adversely affected by certain reductions in the size of the reserve components of the Armed Forces.

S. 2836

At the request of Mr. MCCAIN, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 2836, a bill to promote economic development on Indian reservations by making loans to States to assist States in constructing roads on Indian reservations.

S. 2865

At the request of Mr. REID, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 2865, a bill to provide assistance for workers adversely affected by a nuclear testing moratorium.

S. 2870

At the request of Mr. RUDMAN, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from North Dakota [Mr. CONRAD], the Senator from Michigan [Mr. LEVIN], the Senator from Arkansas [Mr. BUMPERS], the Senator from New Mexico [Mr. BINGAMAN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Ohio [Mr. GLENN], the Senator from Colorado [Mr. WIRTH], the Senator from Maryland [Mr. SARBANES], and the Senator from South Dakota [Mr. DASCHLE] were added as cosponsors of S. 2870, a bill to authorize appropriations for the Legal Services Corporation, and for other purposes.

SENATE JOINT RESOLUTION 265

At the request of Mr. SEYMOUR, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of Senate Joint Resolution 265, a joint resolution to designate October 9, 1992, as "National School Celebration of the Centennial of the Pledge of Allegiance and the Quincentennial of the Discovery of America by Columbus Day."

SENATE JOINT RESOLUTION 278

At the request of Mr. DODD, the names of the Senator from Hawaii [Mr. INOUYE], the Senator from Michigan [Mr. LEVIN], the Senator from North Dakota [Mr. BURDICK], the Senator from Tennessee [Mr. SASSER], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from New Jersey [Mr. BRADLEY], and the Senator from Washington [Mr. ADAMS] were added as cosponsors of Senate Joint Resolution 278, a joint resolution designating the week of January 3, 1993, through January 9, 1993, as "Braille Literacy Week."

SENATE JOINT RESOLUTION 292

At the request of Mr. SMITH, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of Senate Joint Resolution 292, a joint resolution to provide for the issuance of a commemorative postage stamp in honor of American prisoners of war and Americans missing in action.

SENATE CONCURRENT RESOLUTION 126

At the request of Mr. SHELBY, the names of the Senator from North Dakota [Mr. BURDICK], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of Senate Concurrent Resolution 126, a concurrent resolution expressing the sense of the Congress that equitable mental health care benefits must be included in any health care reform legislation passed by the Congress.

SENATE RESOLUTION 301

At the request of Mr. SIMON, the names of the Senator from Massachusetts [Mr. KERRY], the Senator from Michigan [Mr. LEVIN], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of Senate Resolution 301, a resolution relating to ongoing violence connected with apartheid in South Africa.

AMENDMENT NO. 2453

At the request of Mr. SPECTER his name was withdrawn as a cosponsor of Amendment No. 2453 proposed to S. 2733, an original bill to improve the regulation of Government-sponsored enterprises.

AMENDMENTS SUBMITTED

FEDERAL HOUSING REGULATORY REFORM ACT

MITCHELL (AND SASSER) AMENDMENTS NOS. 2521 THROUGH 2524

(Ordered to lie on the table.)

Mr. MITCHELL (for himself and Mr. SASSER) submitted four amendments intended to be proposed by them to amendment No. 2447 proposed by Mr. SEYMOUR to the bill (S. 2733) to improve the regulation of Government-sponsored enterprises, as follows:

AMENDMENT NO. 2521

On page 1, in section 1 of the amendment, strike "by law".

AMENDMENT NO. 2522

On page 1, in section 2 of the amendment, strike "by law".

AMENDMENT NO. 2523

On page 2, in section 5 of the amendment, strike "by a joint resolution, adopted by a majority of the whole number of each House, which becomes law".

AMENDMENT NO. 2524

On page 2, in section 6 of the amendment, strike "by appropriate legislation, which" and insert "and".

GRAMM AMENDMENTS NOS. 2525 THROUGH 2533

(Ordered to lie on the table.)

Mr. GRAMM submitted nine amendments intended to be proposed by him to an amendment to the bill S. 2733, supra, as follows:

AMENDMENT NO. 2525

Strike all after the first word and insert in lieu thereof the following:

"the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years and one day after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a roll call vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is earlier."

AMENDMENT NO. 2526

Strike all in the pending amendment and insert in lieu thereof the following:

"That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years and one day after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is earlier."

AMENDMENT NO. 2527

Strike all in the pending amendment after the word "on" in line 1, and insert in lieu thereof the following:

"That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years and one day after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by the majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is earlier."

AMENDMENT NO. 2528

In lieu of the matter proposed to be inserted, insert the following:

"That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years and one day after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is earlier."

AMENDMENT NO. 2529

In lieu of the matter proposed to be inserted, insert the following:

"the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years and one day after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a roll call vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is earlier."

AMENDMENT NO. 2530

Strike all in the pending amendment and insert in lieu thereof the following:

"That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years and one day after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a roll call vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is earlier."

AMENDMENT NO. 2531

Strike all after the first word in the pending amendment and inset in lieu thereof the following:

"the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the constitution if ratified by the legislatures of three-fourths of the several States within seven years and one day after its submission to the States for ratification:

"ARTICLE —

SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each house shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is earlier."

AMENDMENT NO. 2532

Strike all in the pending amendment and insert in lieu thereof the following:

"That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years and one day after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a roll call vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is earlier."

AMENDMENT NO. 2533

Strike all after the enacting clause and insert in lieu thereof the following:

"That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years and one day after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a roll call vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is later."

MITCHELL (AND SASSER) AMENDMENTS NOS. 2534 THROUGH 2642

(Ordered to lie on the table.)

Mr. MITCHELL (for himself and Mr. SASSER) submitted 109 amendments intended to be proposed by them to an amendment to the bill S. 2733, supra, as follows:

AMENDMENT NO. 2534

After "the disbursements of the", insert the following: "the Unemployment Trust Fund,".

AMENDMENT NO. 2535

After "the disbursements of the", insert the following: "the Highway Trust Fund, the Airport and Airway Trust Fund,".

AMENDMENT NO. 2536

After "the disbursements of the", insert the following: "the Military Retirement Trust Fund, the Civil Service Retirement and Disability Trust Fund, the Foreign Service Retirement and Disability Trust Fund, the Judicial Officers' Retirement Trust Fund,".

AMENDMENT NO. 2537

After "the disbursements of the", insert the following: "the Federal Hospital Insurance Trust Fund, the Federal Supplementary Medical Insurance Trust Fund,".

AMENDMENT NO. 2538

After "the disbursements of the", insert the following: "Black Lung Disability Trust Fund,".

AMENDMENT NO. 2539

After "trust fund", insert the following: ", the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund".

AMENDMENT NO. 2540

After "trust fund," insert the following: ", the Unemployment Trust Fund".

AMENDMENT NO. 2541

After "trust fund", insert the following: ", the Highway Trust Fund, the Airport and Airway Trust Fund,".

AMENDMENT NO. 2542

After "trust fund", insert the following: ", the Military Retirement Trust Fund, the Civil Service Retirement and Disability Trust Fund, the Foreign Service Retirement and Disability Trust Fund, the Judicial Officers' Retirement Trust Fund".

AMENDMENT NO. 2543

After "trust fund", insert the following: ", the Federal Hospital Insurance Trust Fund, the Federal Supplementary Medical Insurance Trust Fund".

AMENDMENT NO. 2544

After "trust fund", insert the following: ", Black Lung Disability Trust Fund".

AMENDMENT NO. 2545

After "trust fund", insert the following: ", Federal emergency disaster relief funds".

AMENDMENT NO. 2546

After "trust fund", insert the following: ", or veterans' compensation benefits".

AMENDMENT NO. 2547

After "trust fund", insert the following: ", veterans' pensions".

AMENDMENT NO. 2548

After "trust fund", insert the following: ", Medicaid".

AMENDMENT NO. 2549

After "trust fund", insert the following: ", farm price supports".

AMENDMENT NO. 2550

After "trust fund", insert the following: ", food stamps".

AMENDMENT NO. 2551

After "trust fund", insert the following: ", Aid to Families with Dependent Children".

AMENDMENT NO. 2552

After "trust fund", insert the following: ", child nutrition".

AMENDMENT NO. 2553

After "trust fund", insert the following: ", Supplemental Security Income".

AMENDMENT NO. 2554

After "trust fund", insert the following: ", the highway trust fund".

AMENDMENT NO. 2555

After "trust fund", insert the following: ", the airport trust fund".

AMENDMENT NO. 2556

After "trust fund", insert the following: ", the Military Retirement Trust Fund".

AMENDMENT NO. 2557

After "trust fund", insert the following: ", the Civil Service Retirement and Disability Trust Fund".

AMENDMENT NO. 2558

After "trust fund", insert the following: ", the Foreign Service Retirement and Disability Trust Fund".

AMENDMENT NO. 2559

After "trust fund", insert the following: ", the Judicial Officers' Retirement Trust Fund".

AMENDMENT NO. 2560

After "trust fund", insert the following: ", the Postal Service".

AMENDMENT NO. 2561

After "trust fund", insert the following: ", Federal emergency disaster relief funds".

AMENDMENT NO. 2562

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2563

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2564

At the end of the matter proposed to be inserted in the amendment, insert the following: "Congress may not decrease below current services levels the disbursements of the Federal Old-age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2565

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Unemployment Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2566

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Unemployment Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2567

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the highway and airport trust funds, and any successor fund, shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2568

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the highway and airport trust funds, and any successor fund, shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2569

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the highway trust fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2570

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the highway trust fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2571

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the airport trust fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2572

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the airport trust fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2573

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Military Retirement Trust Fund, the Civil Service Retirement and Disability Trust Fund, the Foreign Service Retirement and Disability Trust Fund, and the Judicial Officers' Retirement Trust Fund, and any successor fund, shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2574

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Military Retirement Trust Fund, the Civil Service Retirement and Disability Trust Fund, the Foreign Service Retirement and Disability Trust Fund, and the Judicial Officers' Retirement Trust Fund, and any successor fund, shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2575

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Military Retirement Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2576

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Military Retirement Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2577

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Civil Service Retirement and Disability Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2578

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Civil Service Retirement and Disability Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2579

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Judicial Officers' Retirement Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2580

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Judicial Officers' Retirement Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2581

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Foreign Service Retirement and Disability Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2582

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Foreign Service Retirement and Disability Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2583

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Postal Service shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2584

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Postal Service shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2585

In lieu of the matter proposed to be inserted by the amendment, insert the following: Receipts and disbursements of the Federal Hospital Insurance Trust Fund, the Federal Supplementary Medical Insurance Trust Fund, and any successor fund, shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2586

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Federal Hospital Insurance Trust Fund, the Federal Supplementary Medical Insurance Trust Fund, and any successor fund, shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2587

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Black Lung Disability Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2588

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Black Lung Disability Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2589

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of Federal emergency disaster relief funds shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2590

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of Federal emergency disaster relief funds shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2591

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"The Congress may by concurrent resolution appoint an officer who shall have sole authority to determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with.".

AMENDMENT NO. 2592

At the end of the matter proposed to be inserted by the amendment, insert the following:

"The Congress may by concurrent resolution appoint an officer who shall have sole authority to determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with.".

AMENDMENT NO. 2593

In lieu of the matter proposed to be inserted by the amendment, insert the following: "The Congress may by appropriate legislation designate who shall have sole authority to determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with.".

AMENDMENT NO. 2594

At the end of the matter proposed to be inserted by the amendment, insert the following: "The Congress may by appropriate legislation designate who shall have sole authority to determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with.".

AMENDMENT NO. 2595

In lieu of the matter proposed to be inserted by the amendment, insert the following: "The Comptroller General shall determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with.".

AMENDMENT NO. 2596

At the end of the matter proposed to be inserted by the amendment, insert the following: "The Comptroller General shall determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with.".

AMENDMENT NO. 2597

In lieu of the matter proposed to be inserted by the amendment, insert the following: "This article shall be suspended for any fiscal year and the first fiscal year thereafter if a declaration of war is in effect or if the Chief Financial Officer estimates that the Nation will be in a period of recession during that fiscal year.".

AMENDMENT NO. 2598

At the end of the matter proposed to be inserted by the amendment, insert the following: "This article shall be suspended for any fiscal year and the first fiscal year thereafter if a declaration of war is in effect or if the Chief Financial Officer estimates that the Nation will be in a period of recession during that fiscal year.".

AMENDMENT NO. 2599

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"This article shall be suspended for any fiscal year and the first fiscal year thereafter if a declaration of war is in effect or if the President, the Comptroller General, or the Congressional Budget Office estimates that real economic growth will be less than one percent for two consecutive quarters during the period of those two fiscal years. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and it is so declared by a joint resolution, adopted by a majority of the whole number of each House of Congress, that becomes law.".

Amendment No. 2600

At the end of the matter proposed to be inserted by the amendment, insert the following:

"This article shall be suspended for any fiscal year and the first fiscal year thereafter if a declaration of war is in effect or if the President, the Comptroller General, or the Congressional Budget Office estimates that real economic growth will be less than one percent for two consecutive quarters during the period of those two fiscal years. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and it is so declared by a joint resolution, adopted by a majority of the whole number of each House of Congress, that becomes law.".

Amendment No. 2601

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"This article shall be suspended for any fiscal year and the first fiscal year thereafter if a declaration of war is in effect or if the Congress by concurrent resolution or the President finds that real economic growth will be less than one percent for two consecutive quarters during the period of those two fiscal years.".

Amendment No. 2602

At the end of the matter proposed to be inserted by the amendment, insert the following:

"This article shall be suspended for any fiscal year and the first fiscal year thereafter if a declaration of war is in effect or if the Congress by concurrent resolution or the President finds that real economic growth will be less than one percent for two consecutive quarters during the period of those two fiscal years.".

Amendment No. 2603

In lieu of the matter proposed to be inserted by the amendment, insert the following "The Congress may waive the provisions of this article for any fiscal year when necessary to prevent the rate of unemployment from exceeding 10 percent".

Amendment No. 2604

At the end of the matter proposed to be inserted by the amendment, insert the following "The Congress may waive the provisions of this article for any fiscal year when necessary to prevent the rate of unemployment from exceeding 10 percent".

Amendment No. 2605

In lieu of the matter proposed to be inserted by the amendment, insert the following "The Congress may waive the provisions of this article for any fiscal year when necessary to prevent the rate of unemployment from exceeding 15 percent".

Amendment No. 2606

At the end of the matter proposed to be inserted by the amendment, insert the following "The Congress may waive the provisions of this article for any fiscal year when necessary to prevent the rate of unemployment from exceeding 15 percent".

Amendment No. 2607

In lieu of the matter proposed to be inserted by the amendment, insert the following "The Congress may waive the provisions of this article for any fiscal year when necessary to prevent the rate of unemployment from exceeding 20 percent".

Amendment No. 2608

At the end of the matter proposed to be inserted by the amendment, insert the following: "The Congress may waive the provisions of this article for any fiscal year when necessary to prevent the rate of unemployment from exceeding 20 percent".

Amendment No. 2609

In lieu of the matter proposed to be inserted by the amendment, insert the following: "This article shall be enforced only in accordance with appropriate legislation enacted by Congress.".

Amendment No. 2610

At the end of the matter proposed to be inserted by the amendment, insert the following: "This article shall be enforced only in accordance with appropriate legislation enacted by Congress.".

Amendment No. 2611

In lieu of the matter proposed to be inserted by the amendment, insert the following: "This article shall be enforced only in accordance with the exercise of congressional and executive powers under the first and second articles.".

Amendment No. 2612

At the end of the matter proposed to be inserted by the amendment, insert the following: "This article shall be enforced only in accordance with the exercise of congressional and executive powers under the first and second articles.".

Amendment No. 2613

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, or any successor fund, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

Amendment No. 2614

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, or any successor fund, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

Amendment No. 2615

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Unemployment Trust Fund unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

Amendment No. 2616

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Unemployment Trust Fund unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

Amendment No. 2617

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of veterans' compensation benefits unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

Amendment No. 2618

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of veterans' compensation benefits unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

Amendment No. 2619

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of veterans' pensions unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

Amendment No. 2620

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of veterans' pensions unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

Amendment No. 2621

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Federal Hospital Insurance Trust Fund, the Federal Supplemental Medical Insurance Trust Fund, or any successor fund, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

Amendment No. 2622

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Federal Hospital Insurance Trust Fund, the Federal Supplementary Medical Insurance Trust Fund, or any successor fund, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2623

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Highway Trust Fund, the Airport and Airway Trust Fund, or any successor trust fund, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2624

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Military Retirement Trust Fund, the Civil Service Retirement and Disability Trust Fund, the Foreign Service Retirement and Disability Trust Fund, the Judicial Officers' Retirement Trust Fund, or any successor trust fund unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2625

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Black Lung Disability Trust Fund or any successor trust fund unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2626

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for Medicaid unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2627

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for farm price supports unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2628

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursement for food stamps unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2629

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for Aid to Families with Dependent Children unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2630

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for child nutrition unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2631

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for Supplemental Security Income unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2632

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may provide for payments to foreign states or persons only with the concurrence of three fifths of the Members of the House of Representatives and the Senate, duly chosen and sworn.".

AMENDMENT NO. 2633

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may provide for payments to foreign states or persons only with the concurrence of three fifths of the Members of the House of Representatives and the Senate, duly chosen and sworn.".

AMENDMENT NO. 2634

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Highway Trust Fund, the Airport and Airway Trust Fund, or any successor trust fund, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2635

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Military Retirement Trust Fund, the Civil Service Retirement and Disability Trust Fund, the Foreign Service Retirement and Disability Trust Fund, the Judicial Officers' Retirement Trust Fund, or any successor trust fund unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2636

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Black Lung Disability Trust Fund or any successor trust fund unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2637

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for Medicaid unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2638

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for farm price supports unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2639

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for food stamps unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2640

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for Aid to Families with Dependent Children unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2641

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for child nutrition unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2642

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for Supplemental Security Income unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT

PRESSLER AMENDMENTS NOS. 2643 AND 2644

(Ordered to lie on the table.)

Mr. PRESSLER submitted two amendments intended to be proposed by him to the bill (S. 2532) entitled the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act," as follows:

AMENDMENT NO. 2643

On page 52, after line 13, add the following new section:

SEC. . POLICY TOWARD MOLDOVA.

(a) FINDINGS.—The Congress finds that—

(1) many, including civilians, have died in conflict in Moldova in recent weeks;

(2) on June 17, 1992, Presidents Bush and Yeltsin signed a Charter for American-Russian Partnership and Friendship in which the countries agreed to "reaffirm their respect for the independence and sovereignty and the existing borders of the CSCE-participating states, including the new independent states, and recognize that border changes can be made only by peaceful and consensual means, in accordance with the rules of international law and the principles of CSCE";

(3) actions by Transdniester officials for secession from Moldova, including their use of force and the imposition of an economic blockade, violate CSCE principles and international law;

(4) the presence of the Russian 14th army in Moldova and the use of at least some of its units in the Moldovan conflict aggravates the situation, violates international law and the independence and sovereignty of the Republic of Moldova;

(5) the presence of the Russian army in foreign countries formerly part of the Soviet Union without the agreement of the host country is a potential cause of instability and conflict; and

(6) the appointment of international observers, under the aegis of the United Nations, the CSCE, or other international fora to monitor the withdrawal of Russian troops from Moldova would serve to lessen tensions and promote a more orderly withdrawal of former Soviet troops.

(b) POLICY.—It is the sense of the Congress that—

(1) the United States should urge, through all possible means, the Russian Government to withdraw the 14th army from the independent and sovereign state of the Republic of Moldova;

(2) the United States should urge the parties to the conflict in Moldova to abide by a cease-fire and urge an end to the economic blockade of the Republic of Moldova;

(3) during and after the negotiating process on a timetable for the withdrawal of Russian armed forces from Moldova, the United States should support the establishment of a joint military monitoring committee consisting of representatives of the military of all affected states, the United States, and the representatives of other countries, as mutually agreed upon, to observe the orderly and expeditious withdrawal of former Soviet troops from Moldova; and

(4) the activities of this group should be similar to the greatest extent practicable to the activities of the Joint Military Monitoring Committee on Angola.

AMENDMENT NO. 2644

On page 52, after line 13, add the following new section:

SEC. 21. RUBLE STABILIZATION.

(a) FINDINGS.—The Congress finds that—

(1) the lack of a convertible currency is a significant obstacle to the achievement of economic growth and a barrier to United States trade and investment in the independent states of the former Soviet Union;

(2) due to the nature of the Communist economic system, the economies of the states of the former Soviet Union have inherited a monetary system in which the ruble remains the medium of commerce and trade;

(3) the sovereign states of Estonia, Latvia, and Lithuania have indicated their intent to issue, or have issued, currencies independent of the Russian ruble;

(4) the sovereign state of Ukraine, as well as other states of the former Soviet Union, have indicated their desire to issue separate currencies independent of the Russian ruble;

(5) the International Monetary Fund requires control of fiscal and monetary policy as well as the establishment of a commercial banking system and a central bank compatible with international norms, as a prerequisite for a stabilization fund;

(6) section 10(b) of this Act states that the United States will support the establishment of a fund or, alternatively, funds, under the International Monetary Fund;

(7) the introduction of a stabilization fund for the Russian ruble without similar stabilization programs for the Ukrainian grivna, Lithuanian litas, Latvian lett, Estonian kroon, and other currencies issued by states currently tied economically to the ruble could precipitate disastrous fiscal and monetary conditions, including higher inflation, devaluation of property, commodity hording, shortages, and a further decline in agricultural and industrial production that will complicate the steps these governments have taken toward genuine market reform; and

(8) Article IV, section 1, subsection (iii) of the IMF Articles of Agreement states that each member shall "avoid manipulating exchange rates or the international monetary system in order to prevent effective balance of payments adjustment or to gain an unfair competitive advantage over other members".

(b) POLICY.—It is the sense of the Congress that the President should urge the Secretary of the Treasury to instruct the United States executive director to the International Monetary Fund to take concrete steps to support the right of these sovereign and independent states to issue currencies independent of the Russian ruble.

Mr. PRESSLER. Mr. President, tomorrow the Senate will continue consideration of S. 2532, the Freedom Support Act of 1992. I believe the Senate must be careful in its consideration of this bill. Although well intentioned, this bill is currently flawed. It is my hope it can be improved during consideration by the full Senate.

For this reason, I plan to offer several amendments on the floor. One amendment, sponsored by Senator DECONCINI and myself, requires the President to certify that significant progress has been made on troop withdrawal from the Baltic States before United States taxpayer assistance can be granted to Russia. This prudent standard must not be compromised.

Another amendment concerns the tragic situation in the Republic of Moldova. It calls for United States support for the withdrawal of the Russian Army from Moldova and upholds the CSCE principle that borders must not be changed by force.

A third amendment is designed partially to remind the Senate that this is not only a Russian aid bill. I remember when the distinguished minority leader, Senator DOLE, introduced S. 9 at the beginning of the 102d Congress. His bill was an attempt to remind the State Department that assistance efforts to the then Soviet Union and Yugoslavia should not be monopolized by Russia and Serbia. His reasoning was absolutely correct then and it remains pertinent today. Fifteen countries suffered during the Soviet empire. Today, several of them, most notably the Baltic States and Ukraine, have issued, or plan to issue, their own currencies. They have asked for United States and IMF support of their efforts. My amendment urges the U.S. representative to the IMF to take concrete steps to support their efforts to return to the world financial community.

MANUFACTURING STRATEGY ACT

METZENBAUM AMENDMENT NO. 2645

Mr. FORD (for Mr. METZENBAUM) proposed an amendment to the bill (S. 1330) to enhance the productivity, quality, and competitiveness of United States industry through the accelerated development and deployment of advanced manufacturing technologies, and for other purposes; as follows:

At the end of the bill, add the following new subsection:

(c) APPLICATION OF ANTITRUST LAWS.—Nothing in this Act shall be construed to create any immunity to any civil or criminal action under any Federal or State antitrust law, or to alter or restrict in any manner the applicability of any Federal or State antitrust law.

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LEAHY. Mr. President, I would like to announce that the hearing that the Senate Committee on Agriculture, Nutrition, and Forestry, had scheduled for Thursday, July 2, 1992, at 9:30 a.m., in SR-332 concerning cosmetic standards and pesticide use on fruits and vegetables, has been rescheduled for Thursday, July 30, 1992, at 9:30 a.m., in SR-332. Senator WYCHE FOWLER will preside.

For further information please contact Woody Vaughan of the Agriculture Committee staff at extension 4-5207.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON HEALTH FOR FAMILIES AND THE UNINSURED

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Health for Families and the Uninsured of the Committee on Finance be authorized to meet during the session of the Senate on June 30, 1992. At 2:30 p.m. to hold a hearing on access to health care for those who live far from doctors and treatment centers.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, June 30, at 2:30 p.m. to hold hearings on Treaty Doc. 102-20, Treaty between the United States and the U.S.S.R. on the reduction and limitation of strategic offensive arms—the START Treaty—and protocol thereto dated May 23, 1992, Treaty Doc. 102-32.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. FORD. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a hearing on the needs of women veterans who were sexually abused during service. The hearing will be held at 10:15 a.m. on June 30, 1992, in room 50 on the ground floor of the Dirksen Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON DISABILITY POLICY

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Disability Policy of the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Tuesday, June 30, 1992, at 9 a.m., for a hearing on the reauthorization of the Rehabilitation Act of 1973.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, June 30, 1992, at 10 a.m., to conduct a hearing on the status of HUD reform and to receive and review the HUD Office of Inspector General's semiannual report.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT AND COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources and the Subcommittee on Energy and Water Development of the Committee on Appropriations be authorized to meet during the session of the Senate, 9:30 a.m., June 30, 1992, to receive testimony on the superconducting super collider.

The PRESIDING OFFICER. Without objection it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation and the National Ocean Policy Study, be authorized to meet during the session of the Senate on June 30, 1992, at 10 a.m. on S. 2538—Consumer Seafood Safety Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, June 30, 1992, at 2 p.m. to hold an oversight hearing on the Department of Justice.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

A TRIBUTE TO IRA BORNSTEIN

• Mr. DIXON. Mr. President, I rise today to pay tribute to a man that I know and respect, Ira Bornstein of Argonne National Laboratory in Illinois, who has received the L'Ordre des Palmes Academiques, a decoration that exemplifies outstanding service achieved in the field of education

The French Minister of National Education has presented this honor to Ira for his notable accomplishment in education and in the continual advancement of studies in both the literary and artistic fields.

During the past 16 years, Ira Bornstein has coordinated an extensive student exchange program, which places engineering and science students from American universities in France, Germany, Japan, and Mexico and students from those countries come to the United States to work on summer assignments at Argonne National Laboratory. Some of the main sponsors of this program are the American Nuclear Society [ANS], the European Nuclear Society [ENS], Argonne National Laboratory [ANL], and the Department of Energy [DOE]. These young men and women receive hands-on experience dealing with the detailed technical work in a foreign country, and the cooperation and good will that results is something in which we, as United States citizens, can take much pride.

I am proud to pay tribute to Ira for his commitment to excellence. Furthermore, I am pleased to personally acknowledge this gentleman's dedication to the improvement of our country's education. Ira Bornstein represents a continuing symbol of hope for our future.•

S. 2236, THE VOTING RIGHTS ACT LANGUAGE AMENDMENTS

• Mr. D'AMATO. Mr. President, I rise to cosponsor legislation, S. 2236, the Voting Rights Act Language Amendments of 1992. The right of vote is a cornerstone of our democratic system in the United States. However, many language-minority citizens are unable to partake in this right simply because they do not possess the necessary knowledge of the English language to understand a ballot. This bill will address this inequity.

S. 2236 reauthorizes section 203 of the Voting Rights Act, which grants bilingual voting assistance for native American, Asian-American, and Hispanic-American citizens. Such assistance occurs when 5 percent of the voting age citizens in a county are members of a single language minority who do not sufficiently speak nor understand English. This legislation extends section 203 of the Voting Rights Act for a period of 15 years.

In addition, the bill includes a provision to assist large concentrations of language minorities that do not make up 5 percent of the voting age population and are located in heavily populated counties. Under the provision, bilingual ballot access would be made available to language minority group which exceed 10,000 individuals in a county. For example, in Queens County, NY, there are over 50,000 Hispanic-American and over 19,000 Chinese-American citizens who do not speak English well, but are excluded from bilingual ballot access because each total is below the required 5 percent of the county's voting age population. This provision will guarantee that significant concentrations of citizens from language-minority groups are granted bilingual ballot access.

Mr. President, the right to vote is one of the fundamental rights that we enjoy as citizens. We should not establish impediments to those who have this right, but because of their language skills, are unable to take advantage of this right. By reauthorizing section 203 of the Voting Rights Act, and especially with the inclusion of the

10,000 person threshold for bilingual ballot access in large counties, we have the opportunity to increase voter participation in our democracy. This is a goal that all can support. I urge my colleagues to join me in cosponsoring this important legislation.●

CONGRESSIONAL COMPLIANCE WITH THE ADA

● Mr. PACKWOOD. Mr. President, if there is one thing certain to raise the ire of our constituents, it is that Congress exempts itself from certain laws it imposes on others.

This practice, particularly prevalent in the areas of labor and civil rights laws, creates public frustration with Congress. It gives weight to arguments that Members of Congress do not understand their constituents' problems. But much worse than the image created, is the reality created. Exemption from Federal laws denies legal protection or recourse to many of our employees and visitors.

My colleagues all know the Federal laws of which I speak: OSHA, Fair Labor Standards Act, title VII of the Civil Rights Act, to name a few. I have spoken before about congressional accountability to the Federal employment laws it rightly sets, and today I want to look at one other example of Congress lagging when it should be leading. I want to speak about Congress failure to comply with provisions in the Americans With Disabilities Act, the ADA.

As a cosponsor of this important piece of legislation, and as an employer and friend of someone with a mobility impairment, this is an important issue to me.

The purpose of the ADA is to allow full participation in American life for our disabled citizens. Beyond being a matter of justice for them, it is of critical importance to us all that our society not be denied the productivity and contributions of everyone.

The ADA calls for the promulgation of regulations mandated to cities, municipalities, States, and businesses of all sizes, in all areas of our country. While everyone must follow these rules, Congress treats them more like guidelines than mandates.

Congress is not exempt from any of the ADA's regulations. It is, however, shielded from the lawsuits which give urgency to reaching compliance. As I have indicated in the past, I have a clear philosophical problem with Congress avoiding responsibilities placed on every other American. There is no excuse for Congress to protect all workers except its own.

On March 3 of this year, my respected friend from Arizona, Senator MCCAIN, addressed the Senate on congressional compliance with the ADA. He did not call for a radical change. He called for fairness, for the removal of inconveniences to people with disabilities, and for respect to laws which we rightly mandated to our constituents.

Senator MCCAIN cited areas where Congress is not in compliance with ADA code. He proposed holding open hearings before the Senate Rules Committee—to gather information and grievances, and to help guide our progress toward compliance. Such hearings would be consistent with the ADA outline to resolve problems through conciliation before litigation. Open hearings would be the best way for Congress to learn where it falls short of expectations, and to discuss how to improve our efforts to comply.

I mentioned a moment ago that I became interested in this issue after speaking with Senate employees who use wheelchairs. If I may take a moment, I would like to offer some examples of noncompliance which I learned of from my friend and former employee Joani Wales, who works in the Commerce Committee, and from Pat Geren, a Senior Citizen Intern from Oregon who worked in my office this spring.

As my colleagues may know, there is a code book—the Uniform Federal Accessibility Standards—which outlines the regulations set in the ADA. These codes identify such diverse requirements as the placement of ramps and curb cuts, the availability of restrooms adequate for people with impairments, and the percentage of parking places which must be reserved for people with disabilities.

Let us just look at one example—parking spaces. For the 4,029 parking spaces operated by the Senate, a total of 50 should be permanently reserved for disabled parking. Yet, do you know how many actually are reserved? Only four. Four spaces out of 4,029.

This is an exemption that cannot be taken by a city leader in Myrtle Point, OR, or by a businessperson in Portland. My constituents must comply with the ADA. And so should Congress.

In addition to the parking problem, I have a list which was put together by several Hill staffers with disabilities. They offered many examples, such as: inaccessibility to the subway cars which link the Capitol to Senate office buildings, limited availability of restrooms which meet ADA requirements, and lack of flush curb cuts in important locations.

I know that the Architect of the Capitol is working to come into compliance with aspects of the ADA. But the fact is, we are past the January 26 deadline for compliance, there are areas which need improvement, and we have a long way to go.

Mr. President, we should be leaders in offering Americans the benefits of the law we passed. All of us gain immensely from the participation of people who, through the ADA, are finally able to fully participate in American life.

We can fulfill our obligation and commitment to the ADA by holding hearings before the Senate Rules Committee to gather information about areas where we need to comply with the ADA. Then, we can put together a plan to apply to Congress the same laws which are followed by our friends in Phoenix, OR or Phoenix, AZ.●

JUNE IS TURKEY LOVERS' MONTH AND ONCE AGAIN NORTH CAROLINA RANKS NO. 1

● Mr. HELMS. Mr. President, June is Turkey Lover's Month, and I could not let the month end without saying a few words about North Carolina's turkey industry. I am proud to join North Carolina's Governor Jim Martin in doing a little bragging about the turkey industry in our State. But remember, "bragging ain't bragging if you can prove it—and Jim Martin and I can prove it.

Although North Carolina is something of a newcomer to the turkey industry, it has become one of the major participants in the turkey industry's phenomenal growth during the last decade. As Americans were eating more and more turkey, North Carolina production was reaching record levels.

Mr. President, for many years I have had the feeling that Washington, DC, is the turkey capital of the world, but I had another kind of turkey in mind. When it comes to delicious, succulent turkeys—the eating kind—the U.S. Department of Agriculture reports that more than 58.8 million turkeys were raised during the past year in North Carolina—the largest number ever produced by any State in a calendar year. This number represents 20 percent of the Nation's yearly turkey production.

More important than the records, however, is the positive impact the industry has on the economy of my State. North Carolina's turkey industry generates more than $450 million in jobs alone. In addition, the turkey industry has been, and remains a vital part of our national economy.

North Carolina is the leader in production, and also in the industry itself. The current president of the National Turkey Federation, Bruce Cuddy, is the president of Cuddy Farms which is headquartered in Marshville, NC. In addition, five other Tar Heels have served as president of the National Turkey Federation: Wyatt Upchurch, 1990; John Henrick, 1984; Bill Prestige, 1982; Billy Shepard, 1974; and Marvin Johnson, 1968.

Mr. President, turkey consumption continues to rise for some simple reasons: turkey is one of the healthiest foods available, and it is an economic bargain. Low in fat and cholesterol, high in protein and other nutrients, turkey is now available in countless products from deli slices to ground turkey, from turkey bacon to tenderloins.

The old image of turkey is a "Thanksgiving-only" whole bird is long gone, and now Americans enjoy turkey as an easy-to-prepare, year round product.

So, I reiterate that I am delighted to join Governor Martin in recognizing—and bragging about—a fine industry. It is an honor to provide the industry with well-deserved recognition.●

ABA PRO BONO SERVICE AWARD RECEIVED

● Mr. D'AMATO. Mr. President it is with pride that I stand here today to speak about one of my constituents, Joseph S. Genova, who is the recipient of the 1992 ABA Pro Bono Service Award. Mr. Genova has been selected by the American Bar Association as one of the five Pro Bono Publico Award winners from across the country.

Mr. Genova exemplifies all of the finest qualities associated with the legal profession. His contributions have truly made a difference in the lives of many New Yorkers. He has led the New York State Bar Association's significant efforts to promote pro bono service to benefit the indigent of New York State.

Mr. Genova is a partner in the 250-plus member New York City based firm of Milbank, Tweed, Hadley, and McCloy. In addition to his regular client obligations to the firm, Mr. Genova does a super job as chair of the firm's pro bono committees which requires him to coordinate all of this large firm's pro bono efforts. Mr. Genova also manages to find time for pro bono clients and cases of his own by participating through community law office, the volunteer division of the Legal Aid Society in New York City.

Joseph Genova has done much to encourage the private bar to take a leadership role regarding access to justice for the poor. Starting as a member of the New York State Bar Association's Committee on Legal Aid and advancing to fill the chair's position, Mr. Genova has led the way with new and innovative programs designed to increase the delivery of volunteer legal services.

Mr. Genova currently serves as a member of Chief Judge Sol Wachtler's pro bono review committee, a committee of bar leaders and others whose purpose is to monitor the private bar's voluntary pro bono efforts.

Joseph Genova has dedicated his time and talents to the cause of pro bono publico in the State of New York. I can think of no one who has worked as tirelessly and as effectively for the enhancement of pro bono legal service to the poor in New York than Mr. Genova and for this he is most deserving of this distinct honor.

Mr. Joseph S. Genova has had a distinguished career and has given of himself freely to New York and to the United States of America. It is indeed an honor to pay tribute to this exemplary man today.●

RESPONSIBILITY OF OWNING A FIREARM

● Mr. SYMMS. Mr. President, I rise today to share with you a letter to the editor that I feel is worth sharing with our distinguished colleagues. It was written by Victor Roberts of Idaho Falls. Mr. Roberts demonstrates that the right to own a firearm is a responsibility and firearms should be treated with respect and maintained safely.

The article follows:

> There has been great emphasis in the media lately on firearms and children. The incidents cited range from accidental death and injury to gang-related deaths and injuries caused by firearms.
>
> The most professed cure for all these ills is to restrict the possession or use of firearms by law-abiding citizens. One statistic I heard cited the most common cause of death for black males between the ages of 15 and 19 as shootings. I may be wrong, but I assume most of those who shoot a teen are themselves in the same age group. It is already against the law for people in this age group to possess firearms (except in some states while hunting or in the presence of an adult). Restricting the law-abiding citizen from owning firearms will not change the minds or hearts of those who are predisposed to break the law.
>
> A prevalent attitude I've seen is that only "bad" people have guns. This may create in the mind of a child a sense of mystery. Without an understanding of what harm the gun can do, and no idea of how to safety handle one, a child can turn a poorly secured firearm into a death trap. Children should not have access to guns except under strictly controlled circumstances. They should have the opportunity to learn firearms safety and that firearms have legitimate uses such as hunting, sporting activities and personal protection. Marksmanship training and competition for young people sponsored by local, state and federal governments could instill a sense of discipline as well as safety. History lessons on the significance of firearms in the development and growth of the United States might shed light on some ingrained attitudes and open minds to the idea that maybe some "good" people have guns, too.
>
> The framers of the documents that gave life to our government felt so strongly about individuals being able to possess firearms, that they included the Second-Amendment to the Constitution: "A well-regulated militia being necessary to the security of a free State, the right of the people to keep and bear arms shall not be infringed." This clearly states the people have a right to keep and bear arms, not, the state has the right to keep arms for the people to bear. It is also clear that right shall not be infringed. Licensing and registration are infringements.
>
> Only a tyrannical government fears an armed citizenry, and with just cause as evidenced by this country's fight for independence.
>
> But opposite from tyranny is anarchy. Whether in general such as a riot, or localized such as a break-in and robbery, anarchy may well be the greatest fear of the American people. When an armed criminal is breaking into a home, the police will probably not be present. Even when the police are only five minutes away it will be little comfort to an unarmed resident.
>
> We need to change our attitudes about firearms. It has been said that violence begets violence, but it is possible that an able, armed, and concerned general public would deter violence and crime.●

FARNHAM CELEBRATES 100 YEARS

● Mr. D'AMATO. Mr. President, I rise roday to raise my voice in celebration of the village of Farnham's 100 years of incorporation. Farnham is the smallest incorporated village in Erie County in western New York. The village has planned a whole day of celebration to commemorate their centennial which will be held on July 19, 1992.

Farnham was originally established in 1839 and was called Mill Branch, a settlement in the town of Brant. In 1852 a railroad station was established on land in the town of Brant owned by the one-time sheriff of Erie County, Leroy Farnham, and took the name of Farnham Station. This was shortened to Farnham when the village was incorporated in 1892.

In the late 1800's and early 1900's Farnham became a thriving community with two stores, a hotel, a steam sawmill, blacksmith shop, a barber shop, and two churches. Later came two auto garages, a successful canning industry, and a commercial greenhouse.

In the latter part of the 19th century, two important railroads, New York Central and the Pennsylvania and Nickel Plate, crossed Farnham. Thus, Farnham became a flourishing railroad center. It served as a shipping center for fruits, vegetables, fuels, and raw materials and as a center for passenger train services.

With the onslaught of change that was brought about by the automobile came the population decline of Farnham. More mobility meant more accessibility to cities for younger people. The population of Farnham decreased and so did stores, industries, businesses, and schools. Today, Farnham has a hotel, two churches, an insurance business, a small diner, and a plastic molding factory.

The population of Farnham has remained between 300 and 600 in recent memory. Today's population is 427. Farnham offers a strong sense of community, pleasant atmosphere and low taxes.

The village of Farnham, in the western end of the town of Brant, has survived 100 years as a community. I congratulate them on 100 successful years and wish them 100 more.●

BUDGET EFFECTS OF TITLE XIX OF H.R. 776

● Mr. BENTSEN. Mr. President, I ask that the following letter from the Congressional Budget Office [CBO] be included in the RECORD at this point. This letter provides a cost estimate from the CBO for the revenue title—title XIX—of H.R. 776, which the Finance Committee has filed as reported.

The letter follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 24, 1992.

Hon. LLOYD BENTSEN,
Chairman, Committee on Finance, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The following table provides the information you requested in your letter of June 22, 1992 on Title XIX of H.R. 776, the Comprehensive National Energy Policy Act, as amended and reported by the Senate Committee on Finance on June 18, 1992. The Joint Committee on Taxation (JCT) and CBO estimate that Title XIX of H.R. 776, as amended by the Finance Committee, would decrease the deficit by $72 million in fiscal year 1992 and by $48 million over the 1993 through 1997 period through changes in direct spending and receipts. The year-by-year receipt and outlay effects are summarized below.

BUDGET EFFECTS OF TITLE XIX OF H.R. 776, AS ORDERED REPORTED BY THE SENATE FINANCE COMMITTEE

[By fiscal year, in millions of dollars]

	1992	1993	1994	1995	1996	1997	1992–97
Estimated outlays	45	275	282	289	295	302	1,488
Net receipts	117	454	354	325	242	118	1,609
Deficit effect	−72	−179	−72	−36	53	184	−120

Note:—Details may not add to totals due to rounding.

The Congressional Budget Office prepared a cost estimate of H.R. 776, as reported from the Senate Committee on Finance on June 18, 1992, and transmitted the letter on June 18, 1992. The information summarized in this letter is consistent with the estimates supplied in the original CBO cost estimate.

If you wish further details, please feel free to contact me or your staff may wish to contact John Stell at 226-2720 for receipts, or Cory Oltman at 226-2820 for outlays.

Sincerely,

ROBERT D. REISCHAUER,
Director.•

F/A-18E/F MILESTONE IV

• Mr. D'AMATO. Mr. President, for the last 6 weeks the Pentagon has flatly refused to share with me any of the materials associated with the F/A-18E/F Milestone IV review before the Defense Acquisition Board [DAB]. Imagine my surprise, then, when the Navy released to several defense periodicals a study, entitled "Cost and Operational Effectiveness Analysis Summary for F/A-18 Upgrade Program," that identified the F/A-18E/F as superior to the F-14D "Quick Strike", Super Tomcat-21, Attack Tomcat-21, A-6, F/A-18C/D, a new start aircraft, and a naval version of the advanced tactical fighter. By all appearances, the COEA summary, dated May 4, 1992, is a distillation of the COEA required for the F/A-18E/F DAB hearing.

Appearances, however, can be deceiving. We know, thanks only to the diligence of the DOD Inspector General's Office, that, contrary to Department of Defense regulation and Congressional direction, a COEA was not prepared for the F/A-18E/F DAB review, that the Navy depended on contractor trade studies to justify the F/A-18E/F program, and that the Navy strenuously objected to conducting side-by-side analyses of the F/A-18E/F with anything but the F/A-18C/D.

By its very nature, the COEA summary is a fraud. No COEA was done! Just what the COEA summary is a summary of, and who drafted it, are questions I have put to the Navy.

My suspicion is that the COEA summary is nothing more than a marketing pitch produced by Mcdonnell Douglas. What disturbs me is the incestuous relationship that seems to exist between the contractor and the Navy leadership. I have reason to believe that the Assistant Secretary of the Navy, Research, Development, and Acquisition, presented the COEA summary as an authoritative cost-effectiveness analysis to the Under Secretary of Defense, Acquisition. It was so presented by the Navy to the press. Were it not for the IG, we would have never known otherwise.

I believe the Navy gambled that the fact that no COEA was done for the F/A-18E/F DAB review would never be known outside the bureaucracy. Obviously, no one in the Navy counted on the IG revealing in grim detail the mishandling of the DAB review. Without the IG's exhaustive research, the only F/A-18E/F documents available to Congress would have been sales brochures put out by the contractor.

Mr. President, there is something sinister going on in the Pentagon. Responsible officials have short circuited the acquisition process they are pledged to safeguard. These very same officials have sought to obstruct congressional oversight of both the acquisition process and the $88 billion F/A-18E/F program it has produced. What are they hiding? What is the truth? I will not rest, nor will they, until I find out.•

TRIBUTE TO THE WORKERS OF SUMMAGRAPHICS CORPORATION ON THE OCCASION OF ITS 20TH ANNIVERSARY

• Mr. DODD. Mr. President, I rise today to make a tribute to the employees of Summagraphics Corp., a Connecticut company that celebrates its 20th year on the cutting edge of computer input technology.

Since its founding in Fairfield, CT, in 1972, Summagraphics has been a world leader in a field known as digitizing tablet technology. Not everyone may be familiar with digitizing tablets, Mr. President, but the technology on which they are based is one of the most advanced of its kind.

Through the use of digitizing tablets, architects, engineers and other designers can translate graphic images drawn by hand into digital images that can be read by computers. These digital images can be manipulated and displayed by Computer Aided Design systems or used in countless other ways. The digitizing tablet literally serves as the electronic gateway for a world of infinite possibility.

Mr. President, this month Summagraphics celebrates its 20th anniversary, and its employees can certainly look back with pride. Their ingenuity has made Summagraphics the world's leading maker of digitizing tablets. And their constant dedication to excellence has made Summagraphics the standard bearer for the entire industry.

Mr. President, I take great pride in commending the employees of Summagraphics on this special occasion. They should be honored for what they have already accomplished—and for what, I have no doubt, it still yet to come.•

F/A-18E/F

• Mr. BOND. Mr. President, today, the House Armed Services Committee is holding a hearing on the Pentagon's handling of the Defense Acquisition Board [DAB] review of the F/A-18E/F development program. The only witness at the hearing will be the acting DOD inspector general [IG] who will discuss a recent report released by his office which was critical of the F/A-18E/F DAB.

Since the committee did not see fit to have a balanced panel of witnesses at today's hearing, it is necessary to provide the "other side of the story" regarding the IG report.

The report concluded that the Navy failed to submit a formal Cost and Operational Effectiveness Analysis [COEA] and therefore did not fully evaluate the available options to the F/A-18E/F during the Defense acquisition review process. Mr. President, that is an incomplete and unfair evaluation of the F/A-18E/F DAB process and, given the importance of this issue to the future of naval aviation, it is necessary to set the record straight.

The fact of the matter is that extensive studies and analyses were performed on the alternatives—5 years worth—and a formal COEA was not required. Based on all the data presented to OSD in preparation for the DAB, the Under Secretary of Defense for Acquisition stated in his May 12, 1992, memorandum approving the F/A-18E/F program:

> A COEA is not required in this case either by law or DOD Directive 5000.1/Instruction 5000.2. I have considered whether a COEA should nevertheless be prepared as a matter of policy in light of the financial magnitude of this development effort, but concluded that a COEA need not be prepared. Sufficient information in the context of this decision is already available to me.

The data presented to OSD to support the F/A-18E/F program was the result of studies and analyses conducted over the past 5 years. Eight trade study volumes and 26 briefings were presented to summarize this data for the OSD staff. They firmly established the effectiveness of the E/F and the fact that sufficient design trade studies were executed which support the program. Based on the data presented by the Navy and on its own analysis, OSD's Office of Program Analysis and Evaluation concluded that the cost effectiveness of the F/A-18E/F versus the F/A-18C/D and F-14 derivatives was adequately verified.

While those intent on killing the F/A-18E/F program have suggested otherwise, the F-14D Quickstrike was considered in detail. A side-by-side comparison showed that the F-14D was more expensive, less reliable and less survivable than the F/A-18E/F. In fact, the Quickstrike was shown to be even less capable than the current F/A-18C/D, which the F/A-18E/F will replace. Other reasonable options also were considered and eventually rejected, including other derivatives of the F-14. Although one derivative—the STC-21—was found to offer equivalent performance to the F/A-1E/F, the studies concluded it was simply too expensive and significantly more risky.

In a head-to-head comparison of the F/A-18E/F with the F-14D Quickstrike, the Navy found that the F-14D was not as survivable in the Strike role, was more expensive to procure, and was more expensive to operate and support; and less capable than the F/A-18C/D in the strike role.

When the F/A-18E/F was compared to new versions of the F-14, the ATC-21/STC-21, the Navy found that the F-14 derivatives would require more squadron manpower to support the aircraft, would be more expensive to operate, would have high development cost risk, would not be acceptable for use by the Marine Corps and would not be suitable for foreign military sales.

In summary, Pentagon regulations clearly state that a COEA is not required for the F/A-18E/F. The Navy and OSD followed proper procedure in evaluating the E/F development program. The decision to go forward was made after all viable alternatives to the F/A-18E/F were considered in great detail and fully evaluated by the Pentagon. Every other option was found to be either too expensive, too risky or not as capable as the F/A-18E/F.

A summary of this information was presented to the IG, who, by all available accounts, chose to ignore it. I ask that this summary be included in the RECORD at this time.

The summary follows:

COST AND OPERATIONAL EFFECTIVENESS ANALYSIS SUMMARY FOR F/A-18 UPGRADE PROGRAM

1. REQUIREMENT

The Navy's warfighting capability today is well prepared to support national policy. This warfighting capability is expected to be adequate in dealing with the projected threat out past the turn of the century. At that time, the Navy will need to replace F-14, A-6, and early model F/A-18's all of which will be rapidly approaching the end of their fatigue lives. Earlier plans for replacing our maturing air wings centered around the A-12 and a carrier version of the Air Force's Advanced Tactical Fighter. Cancellation of the A-12 caused the Navy to rethink plans for naval aviation. The top priority for naval aviation is the successful development of the long range medium attack aircraft designated AX. The Navy requires sixty fighter and attack aircraft per air wing but cannot afford two "high-end" aircraft. Figure (1) shows that the availability inventory meets force structure requirements until the turn of the century when retirements result in a rapid decline in the available aircraft.

[Figure 1 not reproducible in the RECORD.]

To mitigate the impact of the shortfall, the Navy has initiated aggressive programs to extend the service life of its existing front line carrier aircraft. These programs consist of a structural upgrade of the F-14 and detailed fatigue life tracking and management for the F/A-18. The Navy has contracted with Grumman Aircraft Corporation to perform additional fatigue tests on the F-14 airframe to attempt to increase life from 6000 flight hours to 7500 flight hours. The automated digital fatigue life measurement system incorporated into F/A-18 aircraft indicates the Navy will be able to get more than 7500 flight hours. Even with these service life enhancements in place, there is a shortfall in the out years. The Navy must procure new aircraft to maintain the base force. The Navy plans to have the AX on line in 2005. That begins to reduce the shortfall but is short of the total number of aircraft required. Considering the warfighting requirements for fighter and attack aircraft and the expected budget in the out years the Navy needs another aircraft ready to purchase sooner then AX at a lower cost.

2. METHODOLOGY

Figure (2) depicts the methodology by which the Navy arrived at the decision to pursue the F/A-18E/F. The F/A-18C/D cannot continue to meet the requirement for the Navy's "low-end" strike fighter for the air wing mix because of its current limitations. Other alternatives included development of new aircraft and modification of existing carrier aircraft to fulfill the requirement for the low end of the carrier air wing mix. MAR (Major Aircraft Review) I and MAR II ruled out new starts and STC/ATC-21 as too expensive. An additional iteration was performed after the F-14 contractor submitted an unsolicited proposal for a less expensive strike fighter upgrade called F-14D Quick Strike (QS).

[Figure 2 not reproducible in the RECORD.]

Several approaches have been considered to meet the Navy requirement. The first approach is to do nothing—simply continue to purchase the F/A-18C/D to fill out Navy's inventory requirements. The F/A-18C/D is itself in need of an upgrade. The limitations of the F/A-18C/D (radius, growth, carrier recovery payload, survivability, and payload) would require a significant change in strategic policy with regard to use of carrier aviation to project power. For a decade and a half the F/A-18 has been able to take advantage of and integrate new weapons and warfighting capability as it became available. Although it has been a dependable and capable strike fighter, it is reaching the end of its ability to grow without major structural modifications.

The F/A-18 has been progressively upgraded since 1979 through the addition of improved avionics, stronger structure, and an enhanced performance engine. These improvements are projected to add about 1462 pounds of weight to the aircraft. This weight growth will reduce the F/A-18C/D operating range by about 17% for both strike and escort missions. Moreover, the added weight will reduce the weapons recovery payload by about 48% for day operations and 74% for night operations. Carrier aircraft will increasingly operate at night and with increasingly expensive weapons that should not be jettisoned to meet fuel reserve minimums. Additional tanker support could provide partial relief. By 1995, additional avionics will have exhausted available growth volume in the aircraft. Additionally, the F/A-18C/D airframe is no longer amenable to survivability enhancements through reductions in observability.

While these are significant limitations, the F/A-18C/D could continue to be employed well into the next century. Limited range would constrain operations unless extensive tanking support were provided. Its survivability limitations would either constrain operations to lower threat areas or require extensive defense suppression operations. Peacetime recovery payload reductions might be offset by developing light weight training versions of stand-off weapons or by increasing tanker support. Combat recovery payload limitations would remain and necessitate jettisoning of costly ordnance or time consuming shore diverts to download the weapons.

The Navy evaluated options for modifying the F/A-18C/D to accommodate increased radius and growth without extending the length of the fuselage. Options evaluated included adding fuel to the dorsal area, miniaturizing avionics components and aggressive weight reduction. These configurations were unsatisfactory because they seriously degraded combat performance, carrier suitability or both. Results of these studies have been provided to OSD staff.

3. THREAT CONSIDERATIONS

The key components of potential threats have stabilized during the last two years in response to Eastern European political and economic shifts. CIS emphasis on development and deployment of advanced air, ground, and naval weapons has greatly declined. The AAW threat has particularly declined since timeliness for introduction and export of new types of such weapons and projected follow-on systems have increased significantly. STAR NAVMIC #TA037-92 contains a detailed description of threat projections. Navy concept of operations for the carrier air wing includes two state of the art multi-mission aircraft—a long range strike aircraft, and a lower cost strike fighter.

4. MEASURES OF EFFECTIVENESS

The key measures of effectiveness are listed in figure 3. An objective measure of survivability is radar cross section (RCS). A lower RCS reduces the capability of threat systems while enhancing the effectiveness of own aircraft electronic counter measures. The best measure of vulnerability is vulnerable area. Denying or delaying engagement opportunities, and presenting a smaller vulnerable area to fragments and projectiles offers the best prospects for successfully executing a mission in a threat environment. Unit replacement cost for combat losses is closely linked to survivability and vulnerability. Simply put, a very cheap aircraft may be able to sustain large losses because it may be easy and quick to replace. Strike mission radius determines the flexibility with which the air wing commander can employ the system. The longer the strike mission radius, the farther from hostile shores the carrier can stand-off. A longer radius allows the commander to reach more targets and dedicate fewer resources to tanking. A strike-fighter will be called upon to perform some air defense and air warfare missions and must be capable of successfully engaging and defeating threat systems beyond visual range and in close. Carrier suitability refers to recovery and launch wind-over-deck (WOD) required to operate the aircraft from the deck safely. High WOD requirements increase the space required for the carrier force to launch and recover its aircraft. Weapons system features and armament flexibility are closely related measures that indicate the effectiveness of a platform as a strike fighter which can be called upon to perform a wide range of combat missions sometimes simultaneously. A strike fighter should be capable of effectively employing all Navy strike and fighter weapons in the inventory and under development.

Figure 3. COEA Measures of Effectiveness

Survivability/vulnerability, Combat loss unit replacement cost, Strike mission radius, Carrier suitability, Fighter performance, Weapons system features, and Armament flexibility.

5. ALTERNATIVES

This study process considered the full range of candidates (Figure 4) for fighter, strike fighter, and attack aircraft including F-14 derivatives, F/A-18 derivatives, A-6 derivatives, ATA, and a Navy variant of the ATF (NATF). During 1990/91, the Navy participated in two OSD Major Aircraft Reviews (MAR). The initial review (MAR-1) investigated alternatives to the ATA (April 1990) such as F-14 Attack Tomcat 21 (ATC-21), F/A-18F(AW), and an A-6 Advanced Intruder (AI). Later evaluations (MAR-II) investigated fighter alternatives (September 1990 with an April 1991 update) such as NATF, F-14 Super Tomcat 21 (STC-21) and F/A-18E/F. These carrier air wing and MAR evaluations included postulated threat scenarios, weapons systems capabilities, operational effectiveness, development cost, procurement, reliability, maintainability, personnel requirements, and life cycle costs. Additionally, affordability considerations drove the Navy from the current high-low force structure mix of three fighter attack aircraft types to two because limited resources prohibited replacement of two high end aircraft (VF and VAM) types simultaneously.

Figure 4. Alternatives Considered

Naval Variant ATF (NATF).

F-14 Derivatives, Super Tomcat 21 (STC-21), Attack Tomcat 21 (ATC-21), F-14D Quick Strike (QS).

A-6 Advanced Intruder (AI).

F/A-18 Derivatives, F/A-18C/D, F/A-18E/F, All Weather F/A-18F (AW).

New Start (Clean Sheet).

6. SUMMARY OF COEA MEASURES OF EFFECTIVENESS

After several years of comprehensive analysis including the results of MAR-I and MAR-II, the Navy concluded that ATA and NATF were beyond the limits of affordability and judged the A-6 AI as lacking sufficient survivability to justify further consideration. This narrowed the candidate field to only the F/A-18E/F and the ATC-21/STC-21 as viable alternatives to fulfill carrier aviation's force structure, low end strike fighter requirements. The MAR studies concluded that the STC/ATC-21 were capable of achieving survivability and vulnerability comparable to the F/A-18 derivative. Fighter performance is somewhat better for the F-14 derivatives. Because of the increased gross weights, carrier suitability measures are degraded for the F-14 derivatives compared to the F/A-18 derivative. With the development of an upgraded AEGIS system for the outer air battle and reduction of the long range Soviet bomber threat the F-14 was designed to counter, the Navy concluded it is reasonable to trade better high end fighter performance for reduced cost and comparable performance for other measures. This left the Navy with only two viable alternatives, the F-14D variant called Quick Strike (QS) and the F/A-18E/F. The F-14D QS variant is more costly than the F/A-18C/D and less capable in the strike mission area. The Navy concluded that, without the airframe upgrades in the STC/ATC-21 and F/A-18 derivative to improve survivability and vulnerability, the F-14D QS is too vulnerable to ground based threats. Other considerations included Marine Corps requirements and Foreign Military Sales customer base. The Marine Corps can not use the F-14 or its variants to satisfy its mission requirements. The F/A-18 already has concluded FMS arrangements with Australia, Canada, Spain, Kuwait and Switzerland. Figures (5) and (6) present a summary of the COEA measures of effectiveness for the F/A-18 and F-14 candidate aircraft. Figure (7) summarizes the life cycle costs associated with different candidate air wings considered.

[Figures 5 and 6 not reproducible in the RECORD.]

FIGURE 7.—CVW COST COMPARISONS

[Billions of FY90$; 20 years; 13 CVWs; Basis for Estimates: F/A-18E/F Is Budget Quality; F-14D(QS) & STC-21 are Rough Order of Magnitude]

	CVW A 40 F/A-18E/F	CVW B		CVW C		CVW D 40 F-14D(QS)	CVW E 40 STC-21
		20 F/A-18E/F	20 F-14D(QS)	20 F/A-18C/D	20 STC-21		
E&MD	$4.88	$4.88	$0.33	$0.50	$2.58	$0.33	$2.58
Total procurement	43.48	24.96	29.10	16.55	31.50	47.15	54 34
Operations and support	23.54	11.77	15.92	11.34	15.62	31.84	31.39
Total	71.90	41.61	45.35	28.39	49.70	79.32	88.31

Notes.—Aircraft quantities determined to maintain force level at 13 CVWs. CVW A: 962 F/A-18E/F. CVW B: 481 F/A-18E/F; 595 F-14D(QS)=75 remanufactured + 520 new. CVW C: 481 F/A-18C/D; 500 STC-21. CVW D: 1084 F-14D(QS). CVW E: 997 STC-21. STC-21 Estimate from MAR II Study adjusted for revised quantities and assumes bridge production of F-14Ds; cost of F-14D bridge production not included in estimate.

7. SUMMARY

Over the course of the last five years several major reviews and analyses have produced the data which substantiates the Navy's F/A-18E/F decision. The need to replace large quantities of retiring fighter and attack aircraft in the late 1990s within a constrained fiscal environment is the basis for the Navy's requirement. Less substantial modification to the F/A-18C/D was rigorously evaluated, but all postulated solutions incurred additional costs without improvements in carrier suitability, combat performance, survivability, and growth potential. New start aircraft were considered as prohibitively expensive. The A-6 AI was eliminated as not adequately survivable in the projected threat environment. All F-14 derivatives, while offering equivalent or slightly better fighter capability compared to the F/A-18E/F, proved to be too expensive compared to expected future funding for naval aviation. The data as summarized in Figure 8 confirm the Navy's F/A-18E/F decision.

Figure 8. Summary

F-14D(QS): not as survivable in strike role, more expensive to procure, more expensive to operate and support, less capable than F/A-18C/D in strike role.

F-14 derivatives (ATC-21/STC-21): require more squadron manpower, more expensive to operate, high development cost risk (ROM estimates), not acceptable for Marine Corps, not suitable for foreign military sales.

F/A-18E/F configuration based upon 5 years COEA trade studies.

F/A-18E/F cost effective solution to meet inventory requirements.•

SENATE CONCURRENT RESOLUTION 126

• Mr. D'AMATO. Mr. President, I rise today to join Senators DOLE, SHELBY, SIMON, and others in supporting Senate Concurrent Resolution 126 which expresses the sense of the Congress that equitable mental health benefits be included in any national health care reform legislation passed by the Congress.

We recognize that mental illness can be as debilitating in terms of social and business costs as any physical illness or medical condition. It can result in lost productivity, lost dreams and lost lives. In the interests of fairness and equity, we need to be sure that we make treatment programs available to those who need them. Almost 1 out of 5 Americans will suffer from a diagnosable mental illness during any 6 month period. Only one-fifth of these will have access to any treatment.

Currently, almost two-thirds of private health insurance programs do not provide the same levels of coverage for mental illness as for physical conditions. The impact this has on access to mental health care is compounded by the fact that copayments for mental health benefits are often more than twice those for medical treatments.

We have an opportunity to correct this inequity as we consider legislation to reform our nation's health care system. We have a chance to return those who suffer from mental illness to productive, satisfying lives. I agree wholeheartedly with my distinguished colleagues that a small investment of health care dollars in this area will yield a large return for America.

Just as I am committed to working toward providing adequate health care to those Americans currently without access to such care, I am equally committed to ensuring that this health care coverage includes adequate mental health care coverage. I urge my colleagues to join me in supporting this resolution, and I urge its immediate adoption.●

THE 1992 NATIONAL WETLANDS CONSERVATION AWARD TO WESTVACO CORP.

● Mr. FORD. Mr. President, I rise today to recognize Westvaco Corp., a valued corporate citizen of the Commonwealth of Kentucky for nearly a quarter of a century, for receiving the U.S. Department of Interior, Fish and Wildlife Service, 1992 National Wetlands Conservation Award.

The award is given annually to recognize private sector accomplishments in the field of wetlands conservation. Criteria include acreage of wetlands protected, benefits of wetlands projects, and leadership and innovation in wetlands conservation.

I am pleased to share with my colleagues my enthusiasm about this prestigious award and the Westvaco Wildlife Management Area located in western Kentucky. I feel that it is important that we get the message out that economic and environmental goals can be reached when the private sector and public sector work together. Westvaco has worked long and hard to be both responsible and proactive in its environmental stewardship.

During the years I have represented the people of Kentucky and worked on behalf of the over 500 employees at Westvaco's Wickliffe, KY, fine paper mill, I have had the pleasure of knowing Mr. John A. Luke, president and CEO. Today, Mr. Luke accepted the National Wetlands Conservation Award on behalf of Westvaco and I would like to read into the RECORD the following remarks offered by Mr. Luke at a company hosted luncheon in honor of this very special recognition of the company's environmental good work.

I am John Luke, President and CEO, of Westvaco. It is my pleasure to welcome each of you, and on behalf of all Westvaco employees, extend our appreciation to you for joining us this afternoon. Like the National Wetlands Conservation Award Westvaco received on Tuesday, June 30, so much of Westvaco's success depends upon cooperation with the many individuals and groups who interact with and mean so much to our company. We are glad to have you here today to share our enthusiasm about the wetlands award and the Westvaco Wildlife Management Area.

* * * I would like to emphasize that the award we received today honors just one step in Westvaco's lengthy history of outstanding environmental performance. Companywide cumulative investments totaling more than $420 million are reflected in leading-edge environmental protection systems at each Westvaco facility. We are adding to those investments at a rate of $35 to $50 million per year, and we incur about $50 million in annual costs to operate these systems.

Similar commitment marks our management of timberlands for multiple use—wildlife habitat, recreational opportunities, and wood to make a host of products and provide jobs. Our 1.5 million acres of forests are important contributors to the environment. We plant more than two trees for each one we cuts, and these young, vigorous forests are literally oxygen factories, consuming in the process way more carbon dioxide each year than we emit from our manufacturing operations. That is an environmental fact of global importance and one in which we take a very full measure of special pride.

It is also with great pride that I say that we at Westvaco are, and have long been, environmentalists. We believe in sound science, and we believe in sound environmental practice. It is our conviction that safe and healthy workplaces, communities, and products are essential to the conduct of a successful business, and we simply do not compromise. We would not be so naive as to profess perfection in these complex and demanding areas, but you can be assured that our commitment to health, safety, and the environment is absolute.

The close proximity of the Westvaco Wildlife Management Area to our Wickliffe, Kentucky, mill illustrates once again that well-managed manufacturing and forestry can operate in full harmony with sound environmental purposes. The project also demonstrates the value of cooperation among group with a common goal. In this case, it is Westvaco, the U.S. Fish and Wildlife Service, the Kentucky Department of Fish and Wildlife Resources, and conservation organizations like Ducks Unlimited joining forces to back the North American Waterfowl Plan. It is our hope and firm intention that its collaborative effort becomes a model for similar future endeavors throughout the country.●

NATIONAL WETLANDS CONSERVATION AWARD

● Mr. ROCKEFELLER. Mr. President, I rise today to highlight a success story. It is a true story in which an innovative company, Westvaco Corp., joined forces with the Department of Fish and Wildlife Resources in Kentucky and together brought about a joint private and State wildlife refuge. This was done in consultation with Ducks Unlimited, other conservation groups, and with the support of the U.S. Fish and Wildlife Service. The result of the combined efforts was the June 1991 signing of a 20-year agreement between Westvaco and the Commonwealth of Kentucky, establishing the Westvaco Wildlife Management Area.

Today, Westvaco Corp., a major manufacturer of paper, packaging, and chemical products, is being honored by the U.S. Department of Interior, Fish and Wildlife Service with the 1992 National Wetlands Conservation Award for these efforts. The award was presented in a ceremony conducted in Washington, DC, by the Department of Interior to mark the dedication of the 1992–93 Federal duck stamp.

Westvaco was honored for its work with the Kentucky Department of Fish and Wildlife Resources [KDFWR] to establish the Westvaco Wildlife Management Area [WMA] in western Kentucky. The WMA, which includes 3,000 acres owned by the company, is located south of Westvaco's Wickliffe, KY, mill and adjacent to the Mississippi River.

The WMA is managed as key wintering habitat for waterfowl that migrate along the Mississippi flyway. It is an integral part to help meet the goals of the North American waterfowl management plan [NAWMP]. The waterfowl plan is a cooperative effort among Canada, Mexico, and the United States intended to halt the decline of duck and other waterfowl populations by setting aside and protecting 6 million acres of new habitat. The NAWMP coordinating agency in this country is the U.S. Fish and Wildlife Service.

Westvaco, since its founding over 100 years ago, has been an important corporate resident of my own State, West Virginia. Its founders came to West Virginia 104 years ago to commercialize their conviction that paper could be better and more economically made from wood than from rags, which were the raw material of that day. Their innovative determination prevailed, and Westvaco was born. Even though the company has since grown to global proportions, it has kept its roots firmly planted in West Virginian soil.

Westvaco owns 400,000 acres of timberlands in West Virginia; and 300,000 more are owned by 350 individual, West Virginia landowners as members of the company's Cooperative Forestry Management Program. Westvaco and these private landowners have a goal of managing the forests with the most advanced technology and on the multiple use of these forests for the benefit of all—wildlife, recreation, hunting, and forest products jobs for West Virginians.

I join Westvaco today in celebrating recognition of this impressive example of what can be accomplished when public wildlife agencies, conservation groups such as Ducks Unlimited, and private enterprise team up for the protection and improvement of natural resources. I know that this award will inspire Westvaco to try to broaden its contribution to the environment, and I can promise that West Virginia's leaders and citizens look forward to pursuing this common goal.●

A TRIBUTE TO THE WESTVACO'S PROTECTION OF WETLANDS

● Mr. McCONNELL. Mr. President, several weeks ago I called attention to the outstanding conservation efforts undertaken by Westvaco Corp. in expanding the Westvaco Wildlife Management Area in western Kentucky. Today, I am pleased to congratulate Westvaco for being named by the U.S. Fish and Wildlife Service as the winner of the 1992 National Wetlands Conservation Award for their innovative work and environmental commitment in establishing this haven for migrating waterfowl.

In a ceremony held today at the Department of the Interior, Mr. John A. Luke accepted this prestigious award on behalf of Westvaco. Acknowledging the award following the ceremony, Mr. R. Scott Wallinger, senior vice president, offered the following words of praise for the company's efforts and briefly explained why Westvaco decided to establish the Westvaco Wildlife Management Area.

I want to share Mr. Wallinger's remarks with my colleagues.

The remarks follow:

> Westvaco has been in western Kentucky since the construction of the Wickliffe fine papers mill overlooking the Mississippi River. In the years preceding and following the mill's opening in 1967, farmers converted much of what had been hardwood forests near the river into soybean fields. Over time, Westvaco acquired some of these bottomlands, and chose to retain the existing natural wooded areas as well as add plantation hardwoods. These natural and plantation forests are managed for multiple uses. In this case, such a management approach meant our property was in prime condition to become a wildlife refuge.
>
> In 1986, the governments of Canada, Mexico, and the United States set forth the ambitious North American Waterfowl Management Plan and its goal of restoring waterfowl habitat. Kentucky's goal in support of that plan was to create 50,000 acres of new waterfowl habitat through a mixture of Federal, State and private projects.
>
> Wildlife officials identified the Upper Columbus bottoms just south of our mills as an excellent refuge site, and there was considerable discussion about how the site might fit into the Kentucky plan. At Westvaco, we already hoped to acquire more land in Columbus Bottoms, and we had prior experience with public hunting areas on our land in South Carolina, Tennessee, Illinois, Virginia, and West Virginia, as well as Kentucky. A private/public joint venture looked like a possibility to us.
>
> Walt Penny, Manager of our Central Woodlands, and Don McCormick, Commissioner of Kentucky's Department of Fish and Wildlife Resources, thoroughly explored the feasibility of a joint private and state refuge on the site. This was done in consultation with Ducks Unlimited, other conservation groups, and with the support of the U.S. Fish and Wildlife Service.
>
> The result of our combined efforts was the June 1991 signing of a 20-year agreement between Westvaco and the Commonwealth of Kentucky establishing the Westvaco Wildlife Management Area.
>
> Westvaco has placed 3,000 acres in the wildlife management area. Work is progressing on projects to improve food supply and resting places for ducks and geese. Columbus Bottoms only varies in elevation by about 10 feet. It consists of broad silty ridges used for trees and crops that alternate with long sloughs that collect water. One of the difficulties for ducks and geese migrating along the Mississippi Flyway is that the river doesn't always flood these low-lying areas in time for their seasonal arrival, and of course, they're limited in area.
>
> Work has begun on a series of dikes and wells that will slightly enlarge these slough areas and impound water at the right depth regardless of rain or winter conditions. Since they can be drained, too, the right type of vegetation for waterfowl food can be maintained. And since we don't harvest or work on our plantations in the low-lying areas during the winter, it all works out very nicely and harmoniously for us and the ducks.
>
> All plans for the refuge are jointly developed with Kentucky wildlife officials. Westvaco is paying for all wildlife habitat capital improvements on its property within the management area in addition to assigning company wildlife biologists to the project. Kentucky wildlife officials govern public access to the property, and any hunting that might be allowed.
>
> In closing, I would like to emphasize how proud we at Westvaco are of this wildlife management area as part of our Tree Farm. For us, it is one more example of how commercial forestry can coexist on Tree Farms with wildlife and other forest values. We have 25,000 acres in various states open to the public that are managed as Game Management Areas in cooperation with state agencies. We sell about 30,000 hunting permits annually and lease 650,000 acres to over 700 hunting clubs. And we have a Special Areas Program to protect and manage sites with unique characteristics.
>
> Today, many people are using the term "Sustainable Development" to suggest that people, industry, and nature can find ways to live in harmony. We believe the Westvaco Wildlife Management Area clearly demonstrates that waterfowl, other wildlife, commercial forestry, and a world-class paper mill can be good neighbors. We look forward to the project's continuing development."•

JUNE IS TURKEY LOVERS' MONTH

• Mr. SEYMOUR. Mr. President, California long has been the Nation's leader in many facets of agriculture production. This month, Gov. Pete Wilson has chosen to honor one of our foremost products by proclaiming June "Turkey Lovers' Month" in California.

In making his proclamation, Governor Wilson congratulated the California turkey industry for the many contributions they make to our State and its economy. I would like to take a moment today to join the Governor and tell our colleagues a little more about this thriving industry.

California has been a leader in turkey production for more than 50 years, recognized nationally and internationally for its preeminence in breeding, hatching, raising, processing, and marketing turkey products throughout the world. California turkey products are noted for their superior quality, their outstanding nutritional profile, their ease of preparation, and their year-round availability.

During this past half-century, California also has been one of the Nation's most prolific producers of turkey. Last year was no exception. According to the Department of Agriculture, the California turkey industry produced more than 30 million turkeys during 1991—the third-highest total in the Nation—worth about $250 million in wholesale value.

The value of the industry to the State's economy is immeasurable. Thousands of Californians are employed in some facet of the turkey industry. These hard-working men and women play a vital role in our economic growth, and their efforts help guarantee that the turkey industry remains an integral part of California's future.

Production and jobs are not the only way the industry contributes, though. The industry's product has played a leading role in shaping California's image as a trendsetter in healthy lifestyles. Californians know that turkey is low in fat, low in cholesterol, and high in protein. Last year, California's turkey consumption was about 24 pounds per person while the national average was approximately 19 pounds.

We expect both the production and consumption trends to continue for years to come. That is why I once again would like to join with Governor Wilson, the National Turkey Federation, and the California Poultry Industry Federation in celebrating the turkey industry's growth and in wishing the industry continued future success.•

TRIBUTE TO JAMES J. WALTERS

• Mr. McCONNELL. Mr. President, today I rise to honor a Louisvillian who has made many outstanding contributions to the State of Kentucky. From his days as Humana Inc.'s director of architecture and construction to his current position as president and chief executive officer of the architecture firm Bravura, Mr. James Walters has continued to excel in his profession.

Mr. Walters' legacy can already be seen in such Louisville landmarks as the Kentucky Center for the Arts, the Kentucky Derby Museum, the Humana Building, the national Presbyterian headquarters, and the Gardencourt Restoration. Also included, several hospital facilities around the world constructed during his time with Humana.

Among the highlights of his service to the city of Louisville include his influential role in persuading the Presbyterians to relocate their national headquarters from New York to Louisville. Once the church agreed to come to Louisville, Mr. Walters lived up to his reputation by constructing a beautiful complex, on time and within budget. One of his colleagues recently remarked, "Jim combines artistic vision with the pragmatic ability of finishing projects on time and within budget. That's a rare combination."

In addition, Mr. Walters is also the former chairman of Stage One: Children's Theatre. Under his competent guidance, Stage One went from being a theater of local prominence to one with an international reputation. Stage One became a national touring group and

Mr. Walters even went to Russia to open a play.

Mr. Walters' efforts are now focused on his newest venture, Bravura Corp. As president and chief executive officer, he oversees the 12-member firm. As is his nature, Mr. Walters is looking toward the future, and predicting his firm will grow to 30 or 40 employees as well as be reckoned with on a national scale.

I urge my colleagues to join me in recognizing this hardworking Kentuckian who makes a difference wherever he is. In addition, I would like to ask that an article from the June 22, 1992, Business First be included in the Record.

The article follows:

Walters Draws on Humor To Combat Job Pressure

(By Ron Cooper)

Jim Walters' motto is: "Don't take things too seriously." The 48-year-old Louisville architect, whose trademark is spread all over the city—the Humana Building, the Kentucky Center for the Arts, the Kentucky Derby Museum, the Gardencourt Restoration—was in Biloxi, Miss., during the summer of 1987 when one of those unexpected things happened.

He was part of the team assembled by Louisville civic and business leaders to persuade the Presbyterian Church (U.S.A.) to choose Louisville over Kansas City, Mo., for the church's headquarters.

"I was showing some slides of Louisville on a huge 40-by-40-foot screen when all of a sudden there were no slides where there should have been, only a big white light coming out of the projector," Walters recalls, snickering.

"So, I gave the audience a shadow show, doing rabbits and alligators and other animals with my hands until the slides started rolling again. It broke the ice, and they all laughed."

Walters and the Presbyterians were destined to get to know each other better, as the church leaders did choose Louisville over its stalwart competitor, Kansas City.

Then Walters' task was to adapt part of the former Belknap Inc. building complex along Louisville's riverfront for the Presbyterian headquarters, housing about 800 church employees.

He had 14 months to finish the job, in time for the Presbyterians' big move to the city from New York in August 1988.

John Mulder, president of the Louisville Presbyterian Seminary and part of the city's 1987 delegation to Biloxi, says although Walters was working under "incredible pressure" to meet that deadline, he did so with a remarkable sense of humor.

"He tells a lot of corny jokes and is a good punster," Mulder says. "His love of laughter is a great release amidst his great work volume."

In 1987, Walters worked as Humana Inc.'s director of architecture and construction.

David Jones, Humana's chairman and chief executive officer, was a prime mover and shaker behind the successful effort to get the Presbyterians to move here.

He provided the church space in the former Belknap complex that he then owned. Humana now owns the complex, where the Waterside Building houses the hospital company's burgeoning insurance division. Walters redesigned the Waterside Building for Humana.

Jones says he watched in amazement as Walters coupled two warehouse buildings on Washington Street that now serve as the church's headquarters.

Between the buildings was a railroad siding with rubbish on it," Jones says. "All I saw was a railroad siding. But Jim said, 'That's where the atrium will go.' I thought he was crazy. But he connected the buildings with the atrium. He's an architectural genius."

Jones echoes what others say about Walters: That he's quick to tell a joke and makes everyone feel at ease.

"Jim works under a lot of pressure, but you never see him upset, and he always has a funny story to tell," Jones says.

Walters sees the Presbyterian headquarters every work day. His office located right next door in the Business First Building, where the newspaper also has offices.

Since March 1991, Walters has headed his own firm—Bravura Corp.—but still works closely with Humana and with Jones.

The architectural and design outfit is involved in a number of projects, but one sizable one is the development of remaining buildings in the Belknap complex for Humana.

Along with San Francisco architect George Hargreaves, Bravura is also in charge of developing the $115 million riverfront project for the Waterfront Development Corp.

Jones, who heads the fund-raising for the riverfront project, says bemusingly: "Jim started out working for me, but now I'm working for him."

State Sen. David Karem, Waterfront Development president, says Walters has "tremendous credentials" that enable him to tackle a project the size and scope of the riverfront—which calls for parks, a harbor and other public facilities.

Bravura is making a mark in other kinds of projects in addition to the riverfront, however.

Walters says Bravura has been retained by Metro United Way to evaluate space needs for the non-profit organization, which now works out of a 50,000-square-foot building at 334 E. Broadway.

Bravura has also been hired by the city of Elizabethtown to convert an old bank building into a new city hall and is doing some interior-design work for the developers of the Capital Holding Corp. office tower, which is beginning to take shape over the Louisville skyline.

"We develop ideas for clients," Walters says. "Those ideas may be architecture, but not necessarily."

As a young man, James J. Walters felt pulled to architecture naturally.

He says he was a better-than-average student in his high school drafting class, and always enjoyed sketching buildings and landscape during his growing-up years in Elkhart, Ind., a town of 45,000 near South Bend in the northern part of the Hoosier state.

His father was a tool-and-die maker, his mother a homemaker; they continue to live in Elkhart.

Jim Walters also has a younger sister.

Because of his flair for drawing, Walters chose architecture as his college major.

"Dad told me that engineering would be more marketable for a job, but I decided to go into architecture," recalls Walters, who enrolled in a six-year program at the University of Cincinnati.

He graduated with a bachelor's degree in architecture in 1968, but not before he'd had the chance to serve an internship with a group of Cincinnati architects and got his first taste at hospital design.

At graduation time, Walters recalls, the draft board in Elkhart wanted to know how he intended to fulfill his military-service obligation. At the time, the Vietnam War was raging.

As it turned out, his architectural skills were exactly what was needed by the U.S. Public Health Service, which operates government hospitals.

He served 2½ years at a San Francisco hospital run by the government agency.

Following his service in 1970, he returned to Cincinnati and worked for an architectural firm that did work for Humana. It was a heady time for Humana, which was buying up or building hospitals all over the world.

"They were in the middle of a big growth spurt" when Walters went to work for the hospital chain in 1973. He worked for the company for 15 years.

"At the high-water mark, our department was responsible for $380 million in construction projects in one year and 90 people worked for me," he says.

Walters and his staff developed Humana facilities in 30 states, and in England, Switzerland, Spain and Mexico.

Jones says that Walters did an excellent job.

"Jim combines artistic vision with the pragmatic ability" of finishing building projects on time and within budget, Jones says, "That's a rare combination."

While architect Michael Graves did the design and got the glory for the $60 million Humana Building, Jones says, Walters played an instrumental role in its construction.

His Humana years shaped him, he says, working around such high-powered executives as Jones and the late Wendell Cherry.

"I was allowed to be innovative and never found my time with the company restrictive," he says. "I felt that our department had a lot of sway" in decisions.

"I had a lot of challenges come my way at Humana," he says. "It was kind of like a drug, in an intellectual sense."

During his Humana years, Walters contributed his talents to the design of many civic structures. The best known perhaps is the Kentucky Center For the Arts.

Marlow Burt, the center's president, says Walters toiled alongside him for four years on the project.

"He's always been part of our family over here," Burt says. "He's an immensely creative guy. He and his (Humana) staff supervised the work."

While he recognizes his talents, Walters seems embarrassed at hearing words of praise.

"I feel awkward about taking credit when I know a lot of other people work hard on projects," he says. "When you're not concerned with taking the limelight, you get more out of people."

Rowan Claypool, Bravura's marketing director and Walters' tennis partner Monday nights at Bellarmine College, says his boss stresses teamwork over strictly individual performance.

"He doesn't demand the spotlight and lets accolades go to others," Claypool says. "He wants to get the job done" through teamwork.

Over the last three years, Walters has begun to make his own individual mark on the regional architectural scene.

In 1989, he formed Main Street Realty for Jones to develop the former Belknap complex, which includes the Waterside Building.

Through Bravura, which he formed in March 1991, he will develop the remaining buildings in the complex.

When he's not busy building a new company, Walters is a devoted father to his two children: Nathan, 18, a freshman at the University of Notre Dame in Indiana, and Jennifer, 20, a junior majoring in graphic design at Walters' alma mater, the University of Cincinnati.

Walters, who is divorced, likes to cook gourmet food and relishes travels with his children. He has lived in the Highlands neighborhood for nearly 20 years.

Over the last few years, he has acted as his kids' tour guide to such places as Russia, Japan, Canada and Mexico.

The voluntary position that he's most proud of is his service as president of Stage One: Children's Theatre a few years ago.

"I was involved during the time that the theatre became a national touring group, and I traveled to Russia to open a play," he says.

Walters' future is solidly tied to Louisville and Bravura, he says.

"We have 12 people in the firm now, and I'd say that we could grow to as many as 30 to 40 people," he says. "I'd like for us to be a firm of national importance."

BIO: JAMES J. WALTERS

Title: President and chief executive officer, Bravura Corp.

Age: 48.

Hometown: Elkhart, Ind.

Education: Bachelor's degree, architecture, University of Cincinnati, 1968.

Family: Children: Jennifer, 20; Nathan, 18.

• Mr. HARKIN. Mr. President, today the Subcommittee on Disability Policy, which I chair, held a hearing on the Reauthorization of the Rehabilitation Act of 1973, as amended. One of the witnesses, Justin Dart, chair of the President's Committee on Employment of People With Disabilities, testified as an individual advocate for the rights and empowerment of people with disabilities. His statement was so eloquent that I thought it should be shared with the entire Senate not just my colleagues on the subcommittee. Justin's statement is particularly relevant with the second anniversary of the passage of the Americans With Disabilities Act occurring on July 26, 1992.

Mr. President, I ask that Mr. Dart's testimony be printed in the RECORD.

The testimony follows:

REMARKS BY JUSTIN DART ON THE REAUTHORIZATION OF THE REHABILITATION ACT, SENATE SUBCOMMITTEE ON DISABILITY POLICY, JUNE 30, 1992

Mr. Chairman, distinguished members of the subcommittee, it is a privilege to appear before the people who gave us the world's first comprehensive national civil rights law for people with disabilities.

Like our Constitution and Bill of Rights, ADA is a masterwork in the art of democracy—beautiful in its simplicity and mainstreet practicality—profoundly powerful in its utilization of minimal Government control to effect the ultimate productive fusion of equal opportunity and free enterprise democracy. It will lower the overhead and raise the quality and the productivity of the culture.

I am proud of President Bush, who signed ADA before 3,000 advocates on the south lawn of the White House, and who has empowered disability rights advocates to help implement the law.

I am proud of Senators Harkin, Hatch, Durenburger, Simon, Jeffords, Metzenbaum, Adams, and Bob Silverstein, and all the courageous Members and staff of Congress who created ADA as a true declaration of equality.

And I am especially proud to be associated with each one of the 20th century patriots here today and around the Nation who pioneered the services, the jobs, the legislation, and the advocacy that made ADA possible.

Mr. Chairman, I address you today not as a Presidential appointee, but as an individual advocate for the rights and empowerment of people with disabilities.

ADA is magnificent. But ADA is not equality. It is not employment. ADA is a promise to be kept. It is morally and economically imperative for people with disabilities, and for the Nation, that ADA be fully implemented in every American community. We have made a great start.

But the promise of ADA cannot be kept without a strong, independence oriented Rehabilitation Act.

The Rehabilitation Act is a good law with a long record of solid contribution to the productivity and quality of life of people with disabilities. Like the model T and the DC 3 it has been so successful that it demands dynamic development to fulfill the magnificent potential which it has helped to create.

There are millions of people with disabilities previously assumed to be unemployable that we now know can be productive participants in the culture—if they have appropriate opportunities and services.

During the last year I have traveled to each of the 50 States to dialogue with more than 5,000 leaders of the disability community about the implementation of ADA and disability policy in the post ADA period.

People with disabilities called for vigorous, universal implementation of ADA and for a national disability policy designed to keep the promise of ADA—including affordable health care and personal assistance services for all; a fiber optics telecommunications system that is mandated by law to be affordable and accessible to all; reforms of the Social Security and rehabilitation systems.

There was an overwhelming consensus for a substantial revision of the Rehabilitation Act that would reflect and implement the spirit of ADA.

A majority felt that the basic counselor system should be retained, but that the philosophy, process and practice of independent living must be infused into every aspect of the Act.

There must be greatly increased control by people with disabilities of the entities, policies and processes that impact their lives.

The goal of every process, and the requirements for eligibility should be defined not only in terms of immediate salaried employment, but also in terms of maximizing abilities and opportunities to be productive of quality of life.

Salaried employment is always of primary concern. However there are many other kinds of productivity which contribute to the quality and quantity of the GNP and to the quality of individual and cultural life. There are many kinds of productivity which are indispensable prerequisites for salaried employment.

An arbitrary decision that an individual cannot be immediately employed is too often a self-fulfilling prophecy, and a sentence to life in poverty.

If we are to break through the two-thirds unemployment barrier that has frustrated us for decades, we must establish a science of empowering people to be productive, and we must effect a revolutionary reallocation of resources in every process of society from paternalism, obsolete systems and self-indulgence to empowerment.

The Rehabilitation Act should be substantially expanded. It must not become a welfare law, but it would provide comprehensive, lifelong productivity services to all who need them.

There is a difference between welfare and rehabilitation. The test is empowerment to be productive.

The processes through which services are provided must be substantially streamlined and fully computerized on a national basis. Overhead, red tape and waiting time can be drastically reduced.

People must be treated as customers rather than dependents. There is no reason why a consumer of rehabilitation services should not be able to make a transaction with the same speed, efficiency, dignity and control as a client of Merrill Lynch.

Mr. Chairman, speaking as an individual citizen, I congratulate you on the draft reauthorization which your committee has prepared.

It does not contain all of the changes which I have described, but it does state a sound philosophical and policy blueprint for progress. Given the current political and economic reality, there is responsible movement toward empowerment.

I know that under your leadership—the leadership that brought us ADA—there will be further progress, now and in the future.

Mr. Chairman, we are in the midst of a cultural revolution which is unprecedented in all history. Science and free enterprise democracy give us the means to achieve a quality of existence heretofore assigned to myth and to heaven.

ADA and independence oriented rehabilitation are at the heart of the decisive pro-empowerment, pro-job, anti-paternalist, anti-debt policy which is supported in concept by the President, Members of both parties, and the majority of Americans. This policy is the only solution to the massive problems which challenge the Nation: unemployment, escalating welfare, the poverty gap, exploding deficits and debt.

But translating potential into reality is not going to be easy.

Inertia, perceptions of vested interest in obsolete systems and relationships, are dangerous barriers. ADA is still under attack by a well meaning but uninformed few. Demagogues pander to an unprecedented public passion for painless, quick fix solutions.

The magnitude of our personal responsibility is almost beyond comprehension.

We do well to recall that most initially successful democratic revolutions have failed in the implementation stage because of apathetic abdication of power to demagogues, and disunity among patriots.

If we unite in decisive leadership for empowerment, America, the world will follow. If we do not, people with disabilities will remain dependent and poor, and America and the world will be disabled. The results for our grandchildren will be beyond words and beyond tears.

Let us, as we dialogue about this reauthorization, maintain the positiveness and the unity that carried us to victory for ADA. Let us go forward together with the spirit of Gandhi and Martin Luther King, with love and with truth, with patient rationality, with militant firmness in the principles of equality and empowerment.

We must unite. We must act. We must win.

Together, we have overcome. Together, we shall overcome.•

SUPPORTING AMERICAN STEEL COMPANIES FILING TRADE CASES AGAINST UNFAIR FOREIGN IMPORTS

• Ms. **MIKULSKI**. Mr. President, I am here to stand up in support of America's steel industry and to fight for American jobs. Today major U.S. steel companies have announced that they are filing 48 separate trade cases against dumped and subsidized foreign steel.

It is time that America used its trade laws against unfair foreign imports. Seven thousand Baltimore workers and their families need fair trade in steel to keep their jobs. I am battling in every way I can to make sure those jobs are not lost.

I was in Dundalk, MD, the other day, and I talked to a steelworker from Bethlehem Steel who fought in the Korean war. He said to me, "Barb, I once fought for Korea, but now I need to know who is fighting for me against Korea?" I told him that is my job as a U.S. Senator—to fight for American jobs.

Our steelworkers helped build this country, and I want to make sure they can keep building in the 21st century. The steel industry has gotten a lot stronger and leaner in the 1980's, and I want to keep moving forward. That is why I introduced a resolution in April to call on the President to keep steel quotas in place—and keep them until we get a new international steel agreement.

But the President let those steel quotas die. He told our steelmakers to use America's trade laws to protect against any unfair foreign imports.

That is why we are here today—to make sure America's trade laws work for American workers. I am calling on the administration to enforce our laws against unfair imports. We cannot play politics with American jobs.

I will keep giving my all to make sure American steelworkers get a chance to compete fairly, not have their jobs stolen by foreign subsidies and dumping. Maryland's steelworkers deserve a fair deal so they will have their jobs today, and have their jobs tomorrow.•

JUNE IS NATIONAL FRESH FRUIT AND VEGETABLE MONTH

• Mr. **SEYMOUR**. Mr. President, United Fresh Fruit and Vegetable Association, the national trade organization representing the produce industry, has proclaimed June as National Fresh Fruit and Vegetable Month.

United created Fresh Month to help consumers better understand the tremendous benefits fresh fruits and vegetables can play as part of a health lifestyle. The month of June was chosen because of the abundance of fruits and vegetables available throughout the Nation during this month.

In accordance with dietary guidelines established by the U.S. Department of Agriculture and Health and Human Services, it is recommended Americans eat at least five servings of fruits and vegetables a day. Fresh Month includes the 5-a-day campaign, adopted by the National Cancer Institute, which teaches consumers of the importance of eating fruits and vegetables as part of a healthy diet.

United originally proclaimed June, Fresh Month in 1991. At that time, United targeted the top 16 media markets in the country to promote fresh fruits and vegetables. Due to the enthusiastic support for this promotion, United has since expanded its efforts to include an additional 12 media markets. Volunteer ambassadors representing each market, ranging from Atlanta to Los Angeles, coordinate produce shows and school tours, deliver fruits and vegetable baskets to popular public figures, conduct media interviews, and encourage supermarkets and restaurants to participate in the celebration.

Many of the volunteer ambassadors are planning special events and activities in their communities to celebrate Fresh Month. For instance, Los Angeles ambassador Jan DeLyser, executive director of the Fresh Produce Council, is organizing a basket brigade to deliver fruit promotional baskets to the largest media outlets in the city. In addition to Ms. DeLyser, California is represented by three other ambassadors helping to spread this important message throughout the State: Cathy Werblin of Primus Labs in Castro Valley; Bruce Moncrief of Stewart Packing in Salinas; and Joe Arbios of J.C. Produce in Sacramento.

Thanks to the hard work and dedication of these ambassadors, as well as the 24 others across the country, information detailing the substantial healthy benefits associated with a balanced diet including fresh fruits and vegetables is reaching consumers.

Fresh fruits and vegetables are essential in order to maintain a health and balanced diet. With a wide variety to choose from, consumers can enhance simple meals or enjoy a delicious snack. For these reasons, I join the United Fresh Fruit and Vegetable Association's celebration of June as National Fresh Fruit and Vegetable Month.•

NATIONAL FLOOD INSURANCE REFORM ACT OF 1992

• Mr. **KERRY**. Mr. President, yesterday Senator ALAN CRANSTON and I introduced the National Flood Insurance Reform Act of 1992, S. 2907. This bill is a compromise developed after months of discussions and negotiations involving environmentalists, property owners, lenders, the administration, officials of State and local governments, concerned Senators, and others.

Due to the interest this compromise legislation is generating, and to make it easier for those who want to examine its text carefully, I ask unanimous consent that the text of S. 2907 be printed in the RECORD in its entirety following my remarks, accompanied by my remarks and those of Senator CRANSTON on the Senate floor yesterday when the bill was introduced, a section-by-section analysis of the bill, and a short summary of its key components.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2907

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National Flood Insurance Reform Act of 1992".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Congressional findings.
Sec. 3. Declaration of purpose under the National Flood Insurance Act of 1968.

Subtitle A—Definitions

Sec. 111. Flood Disaster Protection Act.
Sec. 112. National Flood Insurance Act of 1968.

Subtitle B—Compliance and Increased Participation

Sec. 121. Existing flood insurance purchase requirements.
Sec. 122. Expanded flood insurance purchase requirements.
Sec. 123. Escrow of flood insurance payments.
Sec. 124. Penalty for failure to require flood insurance or notify.
Sec. 125. Ongoing compliance with flood insurance purchase requirements.
Sec. 126. Notice requirements.
Sec. 127. Standard hazard determination forms.
Sec. 128. Federal Financial Institutions Examination Council.
Sec. 129. Conforming amendment.

Subtitle C—Ratings and Incentives for Community Floodplain Management Programs

Sec. 131. Community rating system and incentives for community floodplain management.
Sec. 132. Funding.

Subtitle D—Mitigation of Flood and Erosion Risks

Sec. 141. Office of mitigation assistance in Federal insurance administration.
Sec. 142. Mitigation assistance program.
Sec. 143. Establishment of National Flood Mitigation Fund.
Sec. 144. Insurance premium mitigation surcharge.
Sec. 145. Mitigation transition pilot program.
Sec. 146. Repeal of program for purchase of certain insured properties.
Sec. 147. Community erosion hazard identification.
Sec. 148. Premium increase for flood and erosion dual risk hazard areas.
Sec. 149. Claims for imminent collapse and subsidence.
Sec. 150. Limitation on availability of flood insurance for properties in erosion hazard areas.

Sec. 151. Riverine erosion study.
Sec. 152. Coordination with coastal zone management programs.
Sec. 153. Loans secured by uninsured structures.
Subtitle E—Flood Insurance Task Force
Sec. 161. Flood insurance interagency task force.
Subtitle F—Miscellaneous Provisions
Sec. 171. Maximum flood insurance coverage amounts.
Sec. 172. Flood insurance program arrangements with private insurance entities.
Sec. 173. Flood insurance maps.
Sec. 174. Regulations.
Sec. 175. Flood control restoration zone.
Sec. 176. Study of agricultural buildings.
Sec. 177. Increased cost of construction study.
Sec. 178. Floodplain management implementation report.

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) with respect to flood damage, a structured prefunded insurance program is preferable to a response based on post-disaster relief;

(2) the Federal Government and State and local governments must work together to successfully carry out the national flood insurance program;

(3) a Federal flood insurance program that combines predisaster mitigation efforts together with an insurance and compliance program will reduce the physical and economic effects of flood damage on the Federal Government, State, and local governments, and individuals;

(4) the national flood insurance program and the citizens of the United States have benefited from a low incidence of major storms and hurricanes in recent years;

(5) the present reserve in the national flood insurance program of nearly $400,000,000 remains extremely vulnerable to another major storm causing billions of dollars in damage claims, which could deplete the national flood insurance fund, exacerbate the Federal budget deficit, and threaten the safety and soundness of financing institutions holding uninsured mortgages on properties in flood-prone areas;

(6) only 1,900,000 of an estimated 11,000,000 buildings in special flood hazard areas are protected by flood insurance;

(7) the number of properties insured against floods remained roughly constant during the 1980's despite continuing growth in real estate activity in coastal, lakeshore, and riverine areas;

(8) encouraging flood insurance coverage for structures subject to private mortgages (in addition to those subject to federally related mortgages) will result in a more comprehensive flood-risk insurance program;

(9) the floodplain management and land use and control measures adopted by communities participating in the national flood insurance program have resulted in lower claims for structures constructed in compliance with such measures;

(10) the national flood insurance program should require and provide for notification regarding flood insurance purchase requirements under the program to homeowners, mortgage lenders, and mortgage servicers;

(11) lending to aid development of areas within the Coastal Barrier Resources System is inherently risky and can affect the financial condition of federally insured financial institutions;

(12) the Federal regulatory agencies for depository and nondepository institutions should, in the course of examinations of institutions, pay particular attention to the quality of loans that would aid the development of coastal barriers within the Coastal Barrier Resources System;

(13) incentives in the form of reduced premium rates for flood insurance under the national flood insurance program should be provided in communities that have adopted and enforced exemplary or particularly effective measures for floodplain management and coastal erosion hazard area management;

(14) a community-based approach to mitigation and erosion management, to reduce losses in floodplains, is the most comprehensive, effective, and cost-efficient method of minimizing losses in floodplains and reducing disaster assistance expenditures;

(15) such community-based mitigation and loss prevention methods should be incorporated in the national flood insurance program;

(16) unprecedented growth in population and development has occurred along coasts and rivers of the United States and it is estimated that a significant portion of the United States population is exposed to the hazard of floods, flooding disasters, and erosion damage;

(17) repeat claims, which involve about 2 percent of total insured properties, account for 32 percent of the total losses from the flood insurance fund, amounting to over $1,000,000,000 since January 1978;

(18) given the problems of homelessness and housing shortages in the United States, many usable homes located in high risk areas that are being destroyed should be removed to safer areas and used;

(19) no comprehensive Federal program exists to assist in the removal of structures out of high risk areas, such as regulatory floodways and coastal high hazard zones, before disaster strikes;

(20) flood and erosion hazards can be significantly reduced by deterring development in wetlands and open-space and recreational areas;

(21) gradual, long-term retreat of portions of the Nation's coastline and the resulting inland advancement of flood hazards is increasing the exposure of insured structures to flood damages;

(22) coastal erosion management can provide a variety of mitigation alternatives to reduce erosion losses to existing structures and protect new structures from erosion losses, thereby reducing Federal expenditures due to erosion;

(23) delineation of coastal erosion hazard areas and providing communities incentives to manage those areas will lead to safer development along the Nation's shorelines, and will reduce Federal expenditures due to erosion damage;

(24) since enactment 4 years ago, section 1306(c) of the National Flood Insurance Act of 1968 has not functioned as envisioned or intended and has resulted in a preference for demolition of buildings subject to erosion damage, which is more costly than relocating structures;

(25) there has been a recognized need for the Federal Emergency Management Agency to formally assess, on an ongoing basis, the accuracy of flood hazard maps for communities, thereby ensuring that maps are updated and revised in a timely fashion as needed;

(26) the level of flood insurance coverage that an individual can purchase has not been increased since 1977;

(27) due to substantial increases in construction costs, many property owners are prevented from purchasing flood insurance for the replacement value of the building, potentially resulting in an owner not receiving a payment to fully restore flood-damaged property;

(28) wise use of the floodplain minimizes adverse impacts upon the natural and beneficial functions of the floodplain, such as moderation of flooding, retention of floodwaters, reduction of erosion and sedimentation, preservation of water quality, groundwater recharge, and provision of fisheries and wildlife habitat; and

(29) the relative rise of sea level and the rise in water levels of the Great Lakes exposes the national flood insurance program to greater risks, and such risks must be adequately considered under the program.

SEC. 3. DECLARATION OF PURPOSE UNDER THE NATIONAL FLOOD INSURANCE ACT OF 1968.

Section 1302(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4001(e)) is amended—

(1) by redesignating clauses (3), (4), and (5), as clauses (4), (5), and (6), respectively; and

(2) by inserting after the comma at the end of clause (2) the following: "(3) encourage State and local governments and Federal agencies to protect natural and beneficial floodplain functions that reduce flood-related losses,".

Subtitle A—Definitions

SEC. 111. FLOOD DISASTER PROTECTION ACT.

(a) IN GENERAL.—Section 3(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4003(a)) is amended—

(1) by striking paragraph (5) and inserting the following new paragraph:

"(5) 'Federal entity for lending regulation' means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Office of Thrift Supervision, and the National Credit Union Administration, and with respect to a particular regulated lending institution means the entity primarily responsible for the supervision, approval, or regulation of the institution;";

(2) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (6) the following new paragraphs:

"(7) 'lender' includes any regulated lending institution and Federal agency (to the extent the agency makes direct loans subject to the provisions of this Act), but does not include any agency engaged primarily in the purchase of mortgage loans;

"(8) 'regulated lending institution' means any bank, savings and loan association, credit union, or similar institution subject to the supervision, approval, regulation, or insuring of a Federal entity for lending regulation;

"(9) 'portfolio review' means a review of all or a portion of a lender's outstanding loans secured by improved real estate or a manufactured home to determine—

"(A) whether the building or manufactured home is located in an area that has been identified by the Director as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968; and

"(B) if so located, whether the building or manufactured home is covered for the term of the loan by flood insurance in the amount required by the National Flood Insurance Act of 1968;".

(b) CONFORMING AMENDMENTS.—

(1) REQUIREMENTS TO PURCHASE FLOOD INSURANCE.—Section 102(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)) is amended by striking "Each Federal in-

strumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan associations, or similar institutions shall by regulation direct such institutions" and inserting "Each Federal entity for lending regulation shall by regulation direct regulated lending institutions".

(2) EFFECT OF NONPARTICIPATION IN FLOOD INSURANCE PROGRAM.—Section 202(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106(b)) is amended by striking "Federal instrumentality described in such section shall by regulation require the institutions" and inserting "Federal entity for lending regulation and the appropriate head of each Federal agency acting as a lender, shall by regulation require the lenders".

SEC. 112. NATIONAL FLOOD INSURANCE ACT OF 1968.

(a) IN GENERAL.—Section 1370(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4121(a)) is amended—

(1) in paragraph (5), by striking "and" at the end;

(2) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (6) the following new paragraphs:

"(7) the term 'coastal' means relating to the coastlines and bays of the tidal waters of the United States or the shorelines of the Great Lakes, but does not refer to bayous or riverine areas;

"(8) the term 'Federal entity for lending regulation' means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Office of Thrift Supervision, and the National Credit Union Administration, and with respect to a particular regulated lending institution means the entity primarily responsible for the supervision, approval, or regulation of the institution;

"(9) the term 'lender' includes any regulated lending institution and Federal agency (to the extent the agency makes direct loans subject to the provisions of this Act), but does not include any agency engaged primarily in the purchase of mortgage loans;

"(10) the term 'natural and beneficial floodplain functions' means—

"(A) the functions associated with the natural or relatively undisturbed floodplain that moderate flooding, retain flood waters, or reduce erosion and sedimentation, and

"(B) ancillary beneficial functions, including maintenance of water quality, recharge of ground water, and provision of fish and wildlife habitats;

"(11) the term 'erosion-prone area' means an area along the coast including, but not limited to, embayments, inlets, fjords, sounds, and deltas, where waves and other forces are anticipated to cause significant erosion or avulsion within the next 60 years and may result in the damage or loss of buildings and infrastructure; and

"(12) the term 'bayou' means a slow-moving stream that follows a winding course through alluvial lowlands, coastal swamps or river deltas, in the lower Mississippi River basin, that does not open directly onto the Gulf of Mexico.".

(b) CONFORMING AMENDMENT.—Section 1322(d) of the National Flood Insurance Act of 1968 (42 U.S.C. 4029(d)) is amended by striking "federally supervised, approved, regulated, or insured financial institution" and inserting "regulated lending institution".

Subtitle B—Compliance and Increased Participation

SEC. 121. EXISTING FLOOD INSURANCE PURCHASE REQUIREMENTS.

Section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(a)) is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end the following new paragraph:

"(2) Paragraph (1) may not be construed to permit the provision of any amount of financial assistance with respect to any building or manufactured home and related personal property for which flood insurance is required under such paragraph, unless the requirements under such paragraph are complied with in full. The prohibitions and requirements under paragraph (1) relating to financial assistance may not be waived for any purpose.".

SEC. 122. EXPANDED FLOOD INSURANCE PURCHASE REQUIREMENTS.

(a) IN GENERAL.—Section 102(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)), as amended by the preceding provisions of this Act, is further amended—

(1) by inserting "(1)" after "(b)";

(2) by adding at the end the following new paragraphs:

"(2) A Federal agency may not make, increase, extend, or renew any loan secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Director of the Federal Emergency Management Agency as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, unless the building or mobile home and any personal property securing such loan is covered for the term of the loan by flood insurance in the amount provided in paragraph (1). After the expiration of the 5-year period beginning on the date of enactment of the National Flood Insurance Reform Act of 1992, each Federal agency shall require that each of its loans then outstanding that is secured by improved real estate or by a mobile home that is located in an area which has been identified by the Director of the Federal Emergency Management Agency as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, be covered for the term of the loan by flood insurance in the amount provided in paragraph (1). The head of each Federal agency acting as a lender shall issue any regulations necessary to carry out this paragraph. Such regulations shall be consistent with and substantially identical to the regulations issued under paragraphs (1) and (2).

"(3) Notwithstanding any other Federal or State law, any lender may charge the borrower a reasonable fee (as determined by the Director) for the costs of determining whether the improved real estate or mobile home securing the loan is located in an area of special flood hazards, but only if such determination is made pursuant to the making, increasing, extending, or renewing of a loan described under paragraph (1), (2), or (3) that is initiated by the borrower.

"(4) If a borrower under a loan disputes or challenges the determination of the lender that the improved real estate or mobile home securing the loan is located in an area of special flood hazards, the lender shall review its determination, taking into consideration information that is relevant, as determined by the Director of the Federal Emergency Management Agency, that is submitted to the lender or servicer by the borrowers. The lender or servicer may rely upon the determination that a property is in an area that has been designated by the Director as an area having special flood hazards whenever such designation has been provided by a person who guarantees the accuracy of the information in accordance with section 1365(d) and such regulations as the Federal Emergency Management Agency shall provide. The borrower may submit information to rebut that determination in accordance with such regulations as may be necessary to carry out this section. The Director of the Federal Emergency Management Agency shall issue such regulations not later than 6 months after the date of enactment of this paragraph.".

(b) APPLICABILITY AND DETERMINATIONS.—

(1) IN GENERAL.—The amendment made by subsection (a)(2) shall apply only with respect to—

(A) any loan made, increased, extended, or renewed after the expiration of the 1-year period beginning on the date of the enactment of this Act; and

(B) any loan outstanding after the expiration of the 5-year period beginning on the date of the enactment of this Act.

(2) REQUIRED DETERMINATIONS REGARDING COMPLIANCE.—

(A) IN GENERAL.—Except as provided in paragraph (3), each Federal entity for lending regulation shall by regulation require each such lender to conduct a review of all loans of the lender outstanding upon the expiration of the 5-year period beginning on the date of the enactment of this Act. The review shall determine whether such loans are in compliance with the flood insurance purchase requirements under section 102(b) of the Flood Disaster Protection Act of 1973. Not later than the expiration of the period, each regulated lending institution shall evidence the results of the determination and compliance of each such loan with the requirements under such section 102(b) using the standard hazard determination form under section 1365 of the National Flood Insurance Act of 1968.

(B) FEE FOR CONDUCTING DETERMINATIONS.—A lender may charge to the applicant under a loan of the lender that is outstanding on the date of the enactment of the National Flood Insurance Reform Act of 1992 a reasonable fee for costs of making a determination for such loan in connection with a review under subparagraph (A). The fee may not exceed the reasonable costs of making a determination (as established by the Director), may be charged only for a determination made within 5 years after the date of the enactment of this Act, and may be charged only once with respect to each such loan.

(3) EXEMPT LENDERS.—A lender shall not be required to conduct a review under paragraph (2) if—

(A) the lender—

(i) during the 36-month period ending on the date of the enactment of the National Flood Insurance Reform Act of 1992, has conducted a review of all loans held by the lender (to the satisfaction of the appropriate Federal entity for lending regulation, for purposes of determining compliance of the loans with the requirements under section 102(b) of the Flood Disaster Protection Act of 1973; and

(ii) upon the expiration of the 36-month period, is regularly providing for escrow of flood insurance premiums and fees for any loans held by the lender (for which flood insurance is required) in a manner substantially in compliance with the provisions of section 102(d) of such Act (as added by section 203(a)); or

(B) before the expiration of the 5-year period beginning on the date of the enactment of this Act, the lender conducts a review of not less than 5 percent of all loans held by the lender (or such lesser number of loans held by the lender, which number and review criteria shall be established by the Director, after consultation and coordination with the Federal Financial Institutions Examination Council, and Federal agencies under this section, and shall be statistically valid and significant for purposes of the loan review under this subparagraph) for purposes of analyzing the accuracy of the lender's outstanding determination regarding the applicability of the flood insurance purchase requirements (under section 102(b) of the Flood Disaster Protection Act of 1973) with respect to the loans, and demonstrates (to the satisfaction of the Federal entity for regulation) that—

(i) the lender's outstanding determination regarding the applicability of flood insurance purchase requirements is correct with respect to not less than 90 percent of the loans reviewed; and

(ii) of any loans reviewed that are secured by property for which flood insurance is required under section 102(b) of the Flood Disaster Protection Act of 1973, not less than 90 percent of such properties are covered by a policy in force for flood insurance in the required amount.

The requirement for minimum accuracy percentages in the preceding sentence is a one-time standard applicable only to the portfolios of mortgage loans existing on the date of enactment of this Act for the purpose of determining the need for further portfolio review and are not intended as a standard of accuracy for loans closed after the date of enactment of this Act, nor as a measure of compliance with any other regulations or guidelines of Federal regulatory agencies or instrumentalities.

(c) REQUIRED PURCHASE OF FLOOD INSURANCE.—Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c)(1) Notwithstanding any other Federal, State or local law or regulation, if, during the term of a loan secured by improved real estate or by a mobile home located in an area that has been identified by the Director as an area having special flood hazards and in which flood insurance has been made available under this title, a lender or servicer discovers that the building or mobile home and any personal property securing such loan held or serviced by a lender or servicer is not covered by any flood insurance or is not covered by flood insurance in an amount at least equal to the amount required by subsection (b)(1), a lender or servicer shall request the borrower to obtain, at the borrower's expense, an amount of flood insurance that is at least the amount required by subsection (b)(1), for the term of the loan. If the borrower fails to purchase such additional flood insurance and the lender has complied with all notification requirements subject to this Act, a lender or servicer shall purchase such insurance on behalf of the borrower and may charge the borrower for the actual cost of premiums and fees incurred by a lender or servicer to purchase such flood insurance.

"(2) Subsection (c)(1) shall apply to all loans outstanding on or after the effective date of this section.".

SEC. 123. ESCROW OF FLOOD INSURANCE PAYMENTS.

(a) IN GENERAL.—Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) is amended by adding at the end the following new subsection:

"(d)(1) For loans secured by residential real estate, each Federal entity for lending regulation, after consultation and coordination with the Federal Financial Institutions Examination Council, shall by regulation direct that, if the lender or other servicer of loans requires the escrowing of taxes, insurance premiums, fees, or other charges, then any charges under the National Flood Insurance Act of 1968 for the residential real estate shall be paid to the lender or servicer of the loan. Premiums, fees, and other charges paid to the lender or servicer shall be paid in a manner sufficient to make payment as due for the duration of the period during which the lender or servicer maintains an escrow account. Upon receipt of the premiums, fees, or other charges, the lender or servicer of the loan shall deposit the premiums, fees, or other charges in an escrow account on behalf of the borrower. Upon receipt of a notice from the Director or the provider of the insurance that insurance premiums, fees, or other charges are due, the lender or servicer shall pay from the escrow account to the provider of the insurance the amount of insurance premiums, fees, and other charges owed.

"(2) The appropriate head of each Federal agency acting as a lender shall by regulation require and provide for escrow and payment of any flood insurance premiums and fees relating to residential property securing loans made by the agency under the circumstances and in the manner provided under paragraph (1). Any regulations issued under this paragraph shall be consistent with and substantially identical to the regulations issued under paragraph (1).

"(3) Escrow accounts established pursuant to this subsection shall be subject to the provisions of section 10 of the Real Estate Settlement Procedures Act of 1974.

"(4)(A) Notwithstanding any State or local law, the Federal entities for lending regulation, and the appropriate heads of Federal agencies acting as lenders, shall by regulation direct that any lender or servicer who purchases flood insurance or renews a contract for flood insurance where it is required on behalf of, or as an agent of, a borrower of a loan secured by residential real estate for which (i) flood insurance is required, and (ii) an escrow account for payment of taxes, insurance premiums, or other charges has not been established, shall provide to the borrower written notice of the purchase or renewal (as the Director determines appropriate), on at least 2 separate occasions before the purchase or renewal.

"(B) The notice under this paragraph shall contain the following information:

"(i) A statement that the lender will purchase or renew the flood insurance on behalf of or as an agent of the borrower.

"(ii) The date on which such purchase or renewal will occur.

"(iii) The cost of the insurance coverage as purchased or renewed by the lender.

"(iv) A statement that the borrower may avoid the purchase or renewal by the lender by purchasing flood insurance coverage under the national flood insurance program or from private insurers, either of which may be available at a lower cost.

"(v) Any other information that the Director considers appropriate.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to—

(1) any loan made, increased, extended, or renewed after the expiration of the 1-year period beginning on the date of the enactment of this Act; and

(2) any loan outstanding after the expiration of the 5-year period beginning on the date of the enactment of this Act.

SEC. 124. PENALTY FOR FAILURE TO REQUIRE FLOOD INSURANCE OR NOTIFY.

Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(e)(1) Any regulated lending institution that is found to have a pattern or practice of committing violations under paragraph (2) shall be assessed a civil penalty by the appropriate Federal entity for lending regulation of not more than $350 for each such violation. A penalty under this subsection may be issued only after notice and an opportunity for a hearing on the record.

"(2) The violations referred to in paragraph (1) shall be—

"(A) after the date of the enactment of the National Flood Insurance Reform Act of 1992, making, increasing, extending, or renewing a loan in violation of escrow requirements under subsection (d) of this section; and

"(B) with respect to any loan made, increased, extended or renewed after the expiration of the 1-year period beginning on such date of enactment and any loan outstanding after the expiration of the 5-year period beginning on such date of enactment, making, increasing, extending, or renewing any such loan in violation of the regulations issued pursuant to subsection (b) of this section or the notice requirements under section 1364 of the National Flood Insurance Act of 1968.

"(3) The total amount of penalties assessed under this subsection against any single lender for any calendar year may not exceed $100,000.

"(4) Notwithstanding any State or local law or regulation, for purposes of this subsection, any lender or servicer that purchases flood insurance or renews a contract for flood insurance on behalf of or as an agent of a borrower of a loan for which flood insurance is required shall be considered to have complied with the regulations issued under subsection (b).

"(5) Any sale or other transfer of a loan by a lender who has committed a violation under paragraph (1), that occurs subsequent to the violation, shall not affect the liability of the transferring lender with respect to any penalty under this subsection. A lender or servicer shall not be liable for any violations relating to a loan committed by another lender or servicer who previously held the loan.

"(6) Any penalties collected under this subsection shall be paid into the National Flood Mitigation Fund established under section 1367 of the National Flood Insurance Act of 1968.

"(7) Any penalty under this subsection shall be in addition to any civil remedy or criminal penalty otherwise available.

"(8) No penalty may be imposed under this subsection for any violation under paragraph (1) after the expiration of the 5-year period beginning on the date of the occurrence of the violation.".

SEC. 125. ONGOING COMPLIANCE WITH FLOOD INSURANCE PURCHASE REQUIREMENTS.

(a) IN GENERAL.—Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(f)(1) Except as provided in paragraphs (2), (3), and (4), before the sale or transfer of any loan secured by improved real estate or a mobile home, the seller or transferor of the loan shall determine whether the property is in an area that has been designated by the Director as an area having special flood hazards. The seller or transferor shall, before sale or transfer, notify the purchaser or transferee and any servicer of the loan in writing regarding the results of the determination. A determination under this paragraph shall be evidenced using the standard hazard determination form under section 1365 of the National Flood Insurance Act of 1968.

"(2) For any loan secured by improved real estate or a mobile home, a determination and notice under paragraph (1) shall not be required if, during the 5-year period ending on the date of the sale or transfer of the loan—

"(A) a determination and notice under paragraph (1) has been made for the property secured by the loan; or

"(B)(i) the loan has been made, increased, extended, or renewed; and

"(ii) the lender making, increasing, extending, or renewing the loan was subject, at the time of such transaction, to regulations issued pursuant to paragraph (1), (2), or (3) of subsection (b).

"(3)(A) For any loan secured by improved real estate or a mobile home that is sold or transferred by the Federal Deposit Insurance Corporation acting in its corporate capacity or in its capacity as conservator or receiver, the purchaser or transferee of the loan shall determine whether the property is in an area that has been designated by the Director as an area having special flood hazards.

"(B) Such determination and notice shall not be required for any loan—

"(i) sold or transferred to an entity under the control of the Federal Deposit Insurance Corporation; or

"(ii) for which the purchaser or transferee exercises any available option to transfer or put the loan back to the Federal Deposit Insurance Corporation.

"(C) A purchaser or transferee of a loan required to make a determination and notification under subparagraph (A) shall notify the flood insurance insurer of record, if any, and any servicer of the loan of the results of the determination (using the standard hazard determination form under section 1365 of the National Flood Insurance Act of 1968) before the expiration of the 90-day period beginning on the later of (i) the purchase or transfer of the loan, or (ii) the expiration of any option that the purchaser or transferee may have to transfer or put the loan back to the Federal Deposit Insurance Corporation.

"(4)(A) For any loan secured by improved real estate or a mobile home that is sold or transferred by the Resolution Trust Corporation acting in its corporate capacity or in its capacity as a conservator or receiver, the purchaser or transferee of the loan shall determine whether the property is in an area that has been designated by the Director as an area having special flood hazards if—

"(i) the Resolution Trust Corporation acquires the loan after the date of the effectiveness of this subsection and sells or transfers the loan before the expiration of the 12-month period beginning on such effective date; or

"(ii) the Corporation holds the loan on the date of the effectiveness of this subsection and sells or transfers the loan before the expiration of the 6-month period beginning on such effective date.

"(B) A purchaser or transferee of a loan required to make a determination and notification under subparagraph (A) shall notify the flood insurance insurer of record, if any, and any servicer of the loan of the results of the determination (using the standard hazard determination form under section 1365 of the National Flood Insurance Act of 1968) before the expiration of the 90-day period beginning upon the purchase or transfer of the loan.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to any loan outstanding or entered into after the expiration of the 1-year period beginning on the date of the enactment of this Act.

SEC. 126. NOTICE REQUIREMENTS.

Section 1364 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104a) is amended to read as follows:

"NOTICE REQUIREMENTS

"SEC. 1364. (a) NOTIFICATION OF SPECIAL FLOOD HAZARDS.—

"(1) LENDING INSTITUTIONS.—Each Federal entity for lending regulation, after consultation and coordination with the Federal Financial Institutions Examination Council, shall by regulation require such institutions, as a condition of making, increasing, extending, or renewing any loan secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Director under this title or the Flood Disaster Protection Act of 1973 as an area having special flood hazards, to notify the purchaser or lessee (or obtain satisfactory assurances that the seller or lessor has notified the purchaser or lessee) and the servicer of the loan of such special flood hazards, in writing, within a reasonable time as determined by the Director, before execution of the lease or mortgage. The regulations shall also require that the lenders or servicers retain a record of the receipt of the notices by the purchaser or lessee.

"(2) FEDERAL AGENCIES AS LENDERS.—The appropriate head of each Federal agency acting as a lender shall by regulation require notification in the manner provided under paragraph (1) with respect to any loan that is outstanding or is made by the agency and secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Director under this title or the Flood Disaster Protection Act of 1973 as an area having special flood hazards. Any regulations issued under this paragraph shall be consistent with and substantially identical to the regulations issued under paragraph (1).

"(3) CONTENTS OF NOTICE.—Written notification required under this subsection shall include—

"(A) a warning, in a form to be established in consultation with and subject to the approval of the Director, stating whether or not the real estate or mobile home securing the loan is located or is to be located in an area designated as having special flood hazards that exist at the time that the loan is made, extended, renewed, or refinanced; and further, warning that a subsequent remapping of an area could result in the subject property, which is not currently designated as falling within the special flood hazard area, at some future time being subject to a requirement to maintain flood insurance because of a change in the designation of the special flood hazard area;

"(B) a description of the flood insurance purchase requirements under section 102(b) of the Flood Disaster Protection Act of 1973;

"(C) a statement that flood insurance coverage may be purchased under the national flood insurance program and is also available from private insurers; and

"(D) any other information that the Director considers necessary to carry out the purposes of the national flood insurance program.

"(b) NOTIFICATION OF CHANGE OF LOAN HOLDER AND SERVICER.—

"(1) LENDING INSTITUTIONS.—Each Federal entity for lending regulation, after consultation and coordination with the Federal Financial Institutions Examination Council, shall by regulation require such institutions, as a condition of making, increasing, extending, renewing, selling, or transferring any loan described in subsection (a)(1), to notify the flood insurance insurer of record, if any, in writing during the term of the loan of the owner and servicer of the loan. Such institutions shall also notify the flood insurance insurer of record, if any, of any change in the owner or servicer of the loan, not later than 60 days after the effective date of such change. The regulations under this subsection shall provide that upon any sale or transfer of a loan, the duty to provide notification under this subsection shall transfer to the transferee of the loan.

"(2) FEDERAL AGENCIES AS LENDERS.—The appropriate head of each Federal agency acting as a lender shall by regulation provide for notification in the manner provided under paragraph (1) with respect to any loan described in subsection (a)(1) that is made by the agency. Any regulations issued under this paragraph shall be consistent with and substantially identical to the regulations issued under paragraph (1) of this subsection.

"(c) NOTIFICATION OF EXPIRATION OF INSURANCE.—The flood insurance insurer of record, if any, shall, not less than 45 days before the expiration of any contract for flood insurance under this title, issue notice of such expiration by first class mail to the owner of the property, the servicer of any loan secured by the property covered by the contract, and the owner of the loan, when known.".

SEC. 127. STANDARD HAZARD DETERMINATION FORMS.

Chapter III of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.) is amended by adding at the end the following new section:

"STANDARD HAZARD DETERMINATION FORMS

"SEC. 1365. (a) DEVELOPMENT.—The Director, in consultation with representatives of the mortgage and lending industry, the Federal entities for lending regulation, the Federal agencies acting as lenders, and any other appropriate individuals, shall develop standard written and electronic forms for applications relating to real estate loans and mortgages for determining flood hazard exposure of a property.

"(b) DESIGN AND CONTENTS.—

"(1) PURPOSE.—The form under subsection (a) shall be designed to facilitate a determination of the exposure to flood hazards of structures located on the property to which the loan application relates. The form shall be consistent with and appropriate to facilitate compliance with the provisions of this title.

"(2) CONTENTS.—The form shall contain, at a minimum, sufficient information to indicate the flood zone location of a property, the source of information used in making that determination and other relevant data that will provide evidence of compliance with the intent of the Congress, as contained in sections 1364 and 1365 of this Act. The form may also be designed and used for other purposes that carry out the intent of the National Flood Insurance Program.

"(c) REQUIRED USE.—The Federal entities for lending regulation shall by regulation require the use of the form under this section by regulated lending institutions. The appropriate head of each Federal agency acting as a lender shall by regulation provide for the use of the form with respect to any loan made by such agency. The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation shall by regulation require use of the form in connection with loans purchased by such corporations.

"(d) GUARANTEES REGARDING INFORMATION.—In providing information regarding special flood hazards on the form developed under this section any lender making, increasing, extending, or renewing a loan secured by improved real estate or a mobile home may provide for the acquisition or determination of such information to be made by a person other than such institution, only to the extent such person guarantees the accuracy of the information. The Director shall by regulations establish requirements relating to the nature and manner of such guarantees.

"(e) ELECTRONIC FORM.—The Federal entities for lending regulation, and the appropriate head of each Federal agency acting as a lender shall by regulation require any lender using the electronic form developed under this section with respect to any loan to make available upon the request of such Federal entity, Secretary, or agency head, a written form under this section for such loan within 48 hours after such request.".

SEC. 128. FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL.

Section 1006 of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3305) is amended by adding at the end the following new subsection:

"(g) The Council shall consult and assist the Federal entities for lending regulation and the Director in developing and coordinating uniform standards and requirements for use by lenders as provided under the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973.".

SEC. 129. CONFORMING AMENDMENT.

The section heading for section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) is amended to read as follows:

"FLOOD INSURANCE PURCHASE AND COMPLIANCE REQUIREMENTS AND ESCROW ACCOUNTS".

Subtitle C—Ratings and Incentives for Community Floodplain Management Programs

SEC. 131. COMMUNITY RATING SYSTEM AND INCENTIVES FOR COMMUNITY FLOODPLAIN MANAGEMENT.

Section 1315 of the National Flood Insurance Act of 1968 (42 U.S.C. 4022) is amended—

(1) by inserting after "SEC. 1315." the following: "(a) REQUIREMENT FOR PARTICIPATION IN FLOOD INSURANCE PROGRAM.—"; and

(2) by adding at the end the following new subsection:

"(b) COMMUNITY RATING SYSTEM AND INCENTIVES FOR COMMUNITY FLOODPLAIN MANAGEMENT.—

"(1) AUTHORITY AND GOALS.—The Director shall carry out a community rating system program to evaluate the measures adopted by areas (and subdivisions thereof) in which the Director has made flood insurance coverage available to provide for adequate land use and control provisions consistent with the comprehensive criteria for such land management and use under section 1361, to facilitate accurate risk-rating, to promote flood insurance awareness, and to complement adoption of more effective measures for floodplain and coastal erosion management.

"(2) EROSION MANAGEMENT CRITERIA.—The Director shall establish appropriate land management and use standards designed to encourage adoption of State and local measures to mitigate the effects of erosion hazards in erosion-prone communities. The standards shall provide for—

"(A) consideration of the severity of erosion hazards and risks;

"(B) constriction of land development that is exposed to erosion damage;

"(C) improvement of long-range use and management of erosion-prone areas;

"(D) encouragement for State and local adoption of more stringent measures;

"(E) guidance of all construction and development away from locations of greatest erosion hazard;

"(F) guidance of residential structures away from locations subject to significant erosion hazard;

"(G) guidance of nonresidential structures and residential structures greater than 5,000 square feet away from locations subject to moderate erosion hazard; and

"(H) establishment of construction standards to assure that structures built on locations subject to moderate erosion hazards are readily movable in the future when the erosion risks and hazards have increased or changed.

"(3) INCENTIVES.—The program under this subsection shall provide incentives in the form of adjustments in the premium rates for flood insurance coverage in areas that the Director determines have adopted and enforced the goals of the community rating system under this subsection. In providing incentives under this paragraph, the Director may provide for additional adjustments in premium rates for flood insurance coverage in areas that the Director determines have implemented measures relating to the protection of natural and beneficial floodplain functions.

"(4) FUNDS.—The Director shall carry out the program under this subsection with amounts, as the Director determines necessary, from the National Flood Insurance Fund under section 1310 and any other amounts that may be appropriated for such purpose.

"(5) REPORTS.—The Director shall submit a report to the Congress regarding the program under this subsection not later than the expiration of the 2-year period beginning on the date of the enactment of the National Flood Insurance Reform Act of 1992. The Director shall submit a report under this paragraph not less than every 2 years thereafter. Each report under this paragraph shall include an analysis of the cost-effectiveness and other accomplishments and shortcomings of the program and any recommendations of the Director for legislation regarding the program.".

SEC. 132. FUNDING.

Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended—

(1) in paragraph (4), by striking "and" at the end;

(2) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (5) the following new paragraph:

"(6) for carrying out the program under section 1315(b);".

Subtitle D—Mitigation of Flood and Erosion Risks

SEC. 141. OFFICE OF MITIGATION ASSISTANCE IN FEDERAL INSURANCE ADMINISTRATION.

Section 1105(a) of the Housing and Urban Development Act of 1968 (42 U.S.C. 3533a(a)) is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end the following new paragraph:

"(2) The Director, through an Office of Mitigation Assistance, shall carry out flood and coastal erosion mitigation activities under the Federal Insurance Administrator, as follows:

"(A) Coordination of all mitigation activities, including administration of the program for mitigation assistance under section 1366 of the National Flood Insurance Act of 1968.

"(B) Administration of the program under section 1366 of this Act for purchase of certain insured properties.

"(C) Administration of the erosion management program under section 1368 of the National Flood Insurance Act of 1968.

"(D) Development and implementation of various mitigation activities and techniques.

"(E) Provision of advice and assistance regarding mitigation to States, communities, and individuals, including technical assistance under section 1366(d).

"(F) Coordination with State and local governments and public and private agencies and organizations for collection and dissemination of information regarding erosion in coastal areas (as defined in section 1370(a)(7) of the National Flood Insurance Act of 1968).".

SEC. 142. MITIGATION ASSISTANCE PROGRAM.

(a) IN GENERAL.—Chapter III of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"MITIGATION ASSISTANCE

"SEC. 1366. (a) AUTHORITY.—The Director, through the Office of Mitigation Assistance, shall carry out a program, with amounts made available from the National Flood Mitigation Fund under section 1367, to make grants to States and communities to carry out eligible mitigation activities.

"(b) ELIGIBLE RECIPIENTS.—Subject to the other requirements of this section and any regulations issued by the Director under this section, the Director may provide mitigation assistance under this section to—

"(1) any State; or

"(2) any community participating in the national flood insurance program under this title that—

"(A) has adopted—

"(i) land use and management criteria that (in the determination of the Director) are more protective against flood losses than the criteria established by the Director under section 1361; and

"(ii) measures that (in the determination of the Director) provide for the protection of natural and beneficial floodplain functions;

"(B) during the 12-month period ending on the date of the community's application for a grant under this section, has incurred flood damage (excluding infrastructure damage) aggregating more than $250,000; or

"(C) is a community that has suffered recurring flood damages and claims, as determined by the Director, that is in full compliance with the requirements under the national flood insurance program.

"(c) ELIGIBLE MITIGATION ACTIVITIES.—

"(1) PURPOSE AND DETERMINATION.—Amounts for mitigation assistance under this section may be used only for eligible mitigation activities under this subsection, as the Director shall determine, that are designed to reduce flood-related losses in a proactive manner.

"(2) REQUIREMENTS.—To be eligible for assistance under this section, mitigation activities shall be technically feasible and cost-effective with respect to the particular community or situation and in the best interests of the national flood insurance program. After consultation with representatives of States and communities, the Director shall by regulation establish requirements regarding such feasibility and cost-effectiveness. Such activities may include, but are not limited to—

"(A) elevation of structures;

"(B) relocation of structures;

"(C) flood-proofing of structures;

"(D) the provision of technical assistance by States to communities and individuals; and

"(E) acquisition by States and communities of property, for use for a period of not less than 40 years following transfer for such purposes as the Director determines are consistent with sound land management and use in such area, which property—

"(i) is located in flood-risk area, as determined by the Director;

"(ii) is covered by a contract for flood insurance under this title; and

"(iii) while so covered (I) was damaged substantially beyond repair, (II) incurred significant flood damage on not less than 2 previous occasions over a 5-year period for which the average damage equaled or exceeded 25 percent of the value of the structure at the time of the flood event, or (III) sustained damage as a result of a single casualty of any nature under such circumstances that a statute, ordinance, or regulation precludes its repair or restoration or permits repair or restoration only at a significantly increased construction cost.

"(3) LOCATION.—States receiving mitigation assistance under this section may provide assistance for mitigation activities within the State undertaken by communities and individuals. Communities receiving mitigation assistance may provide assistance for mitigation activities within the community that are undertaken by the State or by individuals.

"(4) STATE AND LOCAL LAWS.—Eligible mitigation activities may be assisted with amounts made available under this section and matching amounts provided in compliance with subsection (g) notwithstanding any conflicting State or local laws.

"(d) TECHNICAL ASSISTANCE.—The Director shall make available, to States and communities interested in receiving assistance under this section, technical assistance in identifying and planning appropriate eligible mitigation activities, and in developing flood risk mitigation plans under subsection (f)(2).

"(e) LIMITATIONS ON MITIGATION ASSISTANCE.—

"(1) AMOUNT.—The amount of mitigation assistance provided under this section may not exceed—

"(A) $5,000,000, to any State; and

"(B) $5,000,000, to any community.

"(2) TIMING.—The Director may not provide amounts under this section to any State or community, that has received amounts for mitigation assistance during the preceding 2 years, except that the Director may provide that, with respect to any mitigation assistance to any State or community in an amount of $3,000,000 or more, outlays for the mitigation assistance may occur over a period not exceeding 4 years.

"(3) STRUCTURE TYPE.—The Director shall establish maximum limits regarding the amount of assistance that may be provided with amounts from mitigation assistance under this section for single-family dwellings, residential structures containing more than 1 dwelling unit, and nonresidential properties.

"(f) APPLICATION AND MITIGATION PLAN.—

"(1) FORM AND PROCEDURE.—The Director shall provide for the submission of applications for mitigation assistance under this section in the form and in accordance with such procedures as the Director shall establish.

"(2) STATE AND COMMUNITY FLOOD RISK MITIGATION PLAN.—The Director may not approve an application by a State or community for mitigation assistance under this section unless the application proposes eligible mitigation activities identified in a flood risk mitigation plan, which is approved by the Director and includes—

"(A) a statement of the mitigation needs of the State or community;

"(B) a statement of a comprehensive strategy for mitigation activities for the State or community, as applicable, designed to address the mitigation needs referred to in the statement under subparagraph (A), which strategy shall have been adopted by the appropriate public body pursuant to not less than 1 public hearing;

"(C) a statement that the mitigation activities to be assisted with amounts under this section and any activities under the comprehensive strategy are designed in coordination with and comply with other State and regional watershed and stormwater management programs and standards;

"(D) a description of resources that are expected to be made available for purposes of meeting the matching requirement under subsection (g); and

"(E) any other information that the Director considers appropriate.

"(3) NOTIFICATION OF APPROVAL.—The Director shall notify each applicant for assistance under this section of approval or disapproval of the application not later than 6 months after submission of the application. If the Director does not approve an application, the Director shall notify the applicant in writing of the reasons for such disapproval.

"(g) MATCHING REQUIREMENT.—

"(1) IN GENERAL.—The Director may not provide mitigation assistance under this title to any State or community in an amount in excess of 3 times the amount that the State or community certifies, as the Director shall require, that the State or community will contribute from non-Federal funds to carry out mitigation activities assisted with amounts provided under this section.

"(2) NON-FEDERAL FUNDS.—For purposes of this subsection, the term 'non-Federal funds' includes State or local agency funds, any salary paid to staff to carry out the mitigation activities of the recipient, the value of the time and services contributed by volunteers to carry out such activities (at a rate determined by the Director), and the value of any donated land, material or building and the value of any lease on a building.

"(h) ALLOCATION OF AMOUNTS.—The Director shall allocate amounts in the National Flood Mitigation Fund made available for mitigation assistance under this section to States and communities in such amounts and such proportion as the Director shall determine. The Director shall allocate amounts and provide mitigation assistance pursuant to specific applications in a manner that the Director determines best protects the interests of the National Flood Insurance Fund through mitigation of flood risks. In selecting applications to receive mitigation assistance under this section, the Director may establish priorities for applications proposing certain eligible mitigation activities.

"(i) RECAPTURE.—If the Director determines that any State or community that has received mitigation assistance under this section has not made substantial progress in carrying out the mitigation activities proposed in the application for the assistance within 18 months after receipt of the mitigation assistance amounts, the Director shall recapture any unexpended amounts and deposit such amounts in the National Flood Mitigation Fund.

"(j) COMPLIANCE WITH APPLICATION AND MITIGATION PLANS.—The Director shall conduct oversight of recipients of mitigation assistance under this section to ensure that the mitigation assistance is used in compliance with the approved applications for the mitigation assistance and any applicable flood risk mitigation plans.

"(k) DELEGATION OF AUTHORITY TO STATES.—

"(1) IN GENERAL.—The Director may delegate to any State the authority and responsibility of approving applications for mitigation assistance to communities under this section and providing technical assistance under subsection (d), but only upon a finding that a State is capable of making such determinations and providing such assistance.

"(2) GUIDELINES.—The Director shall establish, by regulation, guidelines for delegating authority under this subsection. Such regulations shall be issued not later than 24 months after the date of enactment of the National Flood Insurance Reform Act of 1992.

"(l) DEFINITION OF COMMUNITY.—For purposes of this subsection, the term 'community' has the meaning given the term under section 3(a) of the Flood Disaster Protection Act of 1973.".

(b) REGULATIONS.—Not later than the expiration of the 24-month period beginning on the date of the enactment of this Act, the Director of the Federal Emergency Management Agency shall issue regulations implementing section 1366 of the National Flood Insurance Act of 1968.

SEC. 143. ESTABLISHMENT OF NATIONAL FLOOD MITIGATION FUND.

Chapter III of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"NATIONAL FLOOD MITIGATION FUND

"SEC. 1367. (a) ESTABLISHMENT AND AVAILABILITY.—The Director shall establish in the Treasury of the United States a fund to be known as the National Flood Mitigation Fund, which shall be credited with amounts described in subsection (b) and shall be available, to the extent provided in appropriation Acts, for mitigation assistance under section 1366.

"(b) CREDITS.—The National Flood Mitigation Fund shall be credited with—

"(1) any premium surcharges assessed under section 1308(e);

"(2) any amounts recaptured under section 1366(i);

"(3) to the extent approved in appropriation Acts, any amounts made available to carry out section 1362 that remain unexpended after the submission of the certification under section 142 of the National Flood Insurance Reform Act of 1992; and

"(4) any penalties collected under section 102(e) of the Flood Disaster Protection Act of 1973.

"(c) INVESTMENT.—If the Director determines that the amounts in the National Flood Mitigation Fund are in excess of amounts needed under subsection (a), the Director may invest any excess amounts the Director determines advisable in interest-bearing obligations issued or guaranteed by the United States.

"(d) REPORT.—The Director shall submit a report to the Congress not later than the expiration of the 1-year period beginning on the date of the enactment of this Act and not less than once during each successive 2-year period thereafter. The report shall describe the status of the Fund and any activities carried out with amounts from the Fund.".

SEC. 144. INSURANCE PREMIUM MITIGATION SURCHARGE.

(a) IN GENERAL.—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended by adding at the end the following new subsection:

"(e) Notwithstanding any other provision of this title, the Director shall assess, with respect to each contract for flood insurance coverage under this title, a mitigation surcharge of $5 per policy term. Any mitigation surcharges collected shall be paid into the National Flood Mitigation Fund under section 1367. The mitigation surcharges shall not be subject to any agents' commissions, company expenses allowances, or State or local premium taxes.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to any contract for flood insurance under the National Flood Insurance Act of 1968 issued or renewed after the expiration of the 24-month period beginning on the date of the enactment of this Act.

SEC. 145. MITIGATION TRANSITION PILOT PROGRAM.

(a) AUTHORITY.—The Director of the Federal Emergency Management Agency shall, through the Office of Mitigation Assistance under the Federal Insurance Administrator, carry out a pilot program to provide mitigation assistance to States and communities to carry out eligible mitigation activities under section 1366 of the National Flood Insurance Act of 1968 before the full implementation of the program under such section.

(b) REQUIREMENTS.—The pilot program under this subsection shall be subject to the provisions of such section 1366 and the proposed regulations issued under section 402(b) of this Act and shall terminate upon the first availability of grants under section 1366, but in no case before final regulations implementing the program for mitigation assistance under such section 1366 have been issued.

(c) FUNDING.—From any amounts made available for use under section 1362 of the National Flood Insurance Act of 1968 in fiscal year 1992 and any fiscal year thereafter (until the termination of the pilot program under this subsection) the Director of the Federal Emergency Management Agency may use $1,250,000 in each such fiscal year to carry out the pilot program under this subsection.

SEC. 146. REPEAL OF PROGRAM FOR PURCHASE OF CERTAIN INSURED PROPERTIES.

(a) REPEAL.—Section 1362 of the National Flood Insurance Act of 1968 (42 U.S.C. 4103) is repealed.

(b) TRANSITION.—Notwithstanding the repeal under subsection (a), the Director of the Federal Emergency Management Agency may continue to purchase property under subsections (a) and (b) of section 1362 of the National Flood Insurance Act of 1968, as such section existed immediately before the enactment of this Act, during the period beginning on the date of the enactment of this Act and ending upon the submission to the Congress of a certification under this paragraph by the Director. The certification shall be made upon the first availability of mitigation assistance under section 1366 of the National Flood Insurance Act of 1968 and shall certify the availability of such mitigation assistance. The certification may not be made until final regulations implementing the program for mitigation assistance under such section 1366 have been issued.

SEC. 147. COMMUNITY EROSION HAZARD IDENTIFICATION.

(a) IN GENERAL.—Chapter III of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"EROSION MANAGEMENT PROGRAM

"SEC. 1368. (a) ESTABLISHMENT.—The Director shall carry out a program to reduce coastal erosion hazards, subject to the requirements of this section. The Director shall implement the program under this section and issue any regulations necessary to carry out the program not later than the expiration of the 24-month period beginning on the date of the enactment of the National Flood Insurance Reform Act of 1992.

"(b) COMMUNITY AND EROSION HAZARD IDENTIFICATION.—

"(1) DIRECTOR.—Using erosion rate information and other historical data available, the Director shall identify and publish information with respect to erosion hazards of coastal areas and coastal communities that are subject to erosion damage. The Director shall designate any areas subject to special erosion hazards as erosion-prone areas and shall designate any communities containing such areas as erosion-prone communities, for purposes of this section. The Director shall notify erosion-prone communities and erosion-prone areas of such designation not later than 60 days after the designation.

"(2) COMMUNITY REQUEST.—The Director may (pursuant to a request by the community and a determination by the Director) designate as an erosion-prone community any community that—

"(A) contains coastal areas; and

"(B) is not designated as an erosion-prone community under paragraph (1).

"(3) INITIAL DESIGNATIONS.—

"(A) IN GENERAL.—The Director shall complete the initial designations of all areas subject to special erosion hazards and notification of affected communities and areas not later than the expiration of the 60-month period beginning on the date of the enactment of the National Flood Insurance Reform Act of 1992, except that the Director may exclude from such initial designations any areas for which insufficient information exists regarding erosion hazards or for which such information is unavailable.

"(B) AREAS THAT HAVE BEEN AWARDED CLAIMS.—Within 24 months of enactment, the Director shall identify erosion hazard areas and designate as erosion-prone any coastal or Great Lakes community for which a claim under section 1306(c) of the National Flood Insurance Act of 1968 has been awarded.

"(4) EROSION CONTROL PROJECTS.—When defining erosion-prone areas, the Director may take into account a community's efforts to control erosion through nonstructural or structural projects if such projects are well-designed, well-maintained, do not adversely affect adjacent areas, and the community provides adequate evidence of a commitment to long-term maintenance and financing of the project.

"(5) PUBLIC REVIEW PROCESS.—

"(A) IN GENERAL.—The Director shall consult with State and local governments in the determination of erosion-prone communities and provide for a public hearing and an appeals process to review such determinations.

"(B) BASIS FOR APPEALS.—The basis for appeals under this paragraph shall be knowledge or information that the erosion rates, erosion hazard area designations, or selection of reference features are scientifically or technically incorrect. The Director shall review and take into account any technical or scientific data submitted under appeal, and if appropriate, adjust the erosion rates, designations, or reference feature for use under this title.

"(6) RECOGNITION OF EXISTING STATE EROSION MANAGEMENT PROGRAM.—Where a State or community has adopted enforceable policies based on erosion rates that meet or exceed criteria determined by the Director for the management of erosion hazard areas, those policies and the data upon which they are based shall remain effective for the purposes of this title.

"(c) REGULATIONS.—The Director shall issue any regulations necessary to carry out this section.

"(d) REPORT.—The Director shall submit a report to the Congress regarding the determination of erosion hazard areas under this section not later than the expiration of the 24-month period beginning on the date of the enactment of the National Flood Insurance Reform Act of 1992. The report shall include any findings and recommendations of the Director regarding the program and a description of any regulations and procedures established for the program.".

SEC. 148. PREMIUM INCREASE FOR FLOOD AND EROSION DUAL RISK HAZARD AREAS.

With respect to structures within erosion hazard areas that are subject to both flood risks and coastal erosion risks and that are located in communities that choose not to participate in the Community Rating System, premiums shall be increased by 20 percent per claim not to exceed the premium based on actuarial risk for structures that submit claims for flood damages to reflect the dual risks of both coastal flooding and coastal erosion.

SEC. 149. CLAIMS FOR IMMINENT COLLAPSE AND SUBSIDENCE.

Section 1306(c)(7) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(c)) is amended to read as follows:

"(7) Five years after the date of enactment of the National Flood Insurance Reform Act of 1992, the benefits provided under this subsection shall be available only within communities which have been determined by the Director to qualify for credits under the erosion management criteria established under the Community Rating System for the purposes of this title.".

SEC. 150. LIMITATION ON AVAILABILITY OF FLOOD INSURANCE FOR PROPERTIES IN EROSION HAZARD AREAS.

Section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(a) Flood insurance coverage under this title may not be provided two years after the date of the notification under section 1368(b)(1) to the erosion-prone community for any structure that is constructed or relocated within designated erosion hazard areas.".

SEC. 151. RIVERINE EROSION STUDY.

(a) STUDY.—The Director of the Federal Emergency Management Agency shall conduct a study to determine the feasibility of identifying riverine erosion hazards and methods for management of areas subject to those hazards. Under the study the Director shall—

(1) investigate and assess existing and state-of-the-art technical methodologies for assessing riverine erosion;

(2) examine natural riverine processes, environmental conditions, human-induced changes to the banks of rivers and streams, and examples of erosion and likely causes;

(3) examine examples of erosion control and evaluate their performance; and

(4) analyze riverine erosion management strategies, the technical standards, methods, and data necessary to support such strategies, and methods of administering such strategies through the national flood insurance program.

(b) REPORT.—The Director shall submit a report to the Congress regarding the findings and conclusions of the study under this section not later than the expiration of the 2-year period beginning on the date of the enactment of this Act. The report shall include any recommendations of the Director regarding appropriate methods and approaches for identifying and determining riverine erosion rates and management strategies relating to riverine erosion.

SEC. 152. COORDINATION WITH COASTAL ZONE MANAGEMENT PROGRAMS.

(a) IN GENERAL.—In the implementation of the amendments made pursuant to sections 131 and 147, the Director shall consult with the Under Secretary of Commerce for Oceans and Atmosphere and States to promote full coordination of the coastal erosion management provisions of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.) as amended by this Act and the provisions of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.). Furthermore, the Director shall, to the greatest extent possible, utilize State management programs approved under section 306 of the Coastal Zone Management Act of 1972 to facilitate development and implementation of management plans for coastal erosion-prone areas.

(b) COORDINATION REPORT.—The Director and the Under Secretary of Commerce for Oceans and Atmosphere shall jointly prepare a report which details the proposed mechanisms for achieving the coordination required in subsection (a). This report shall be transmitted to the Congress not later than the expiration of the twelve-month period beginning on the date of the enactment of the National Flood Insurance Reform Act of 1992.

(c) EROSION MANAGEMENT PROGRAM REGULATIONS.—In issuing any regulations under section 1368(a) of the National Flood Insurance Act of 1968, as amended by this title, the Director shall consider the recommendations of the Coordination Report required under subsection (b).

SEC. 153. LOANS SECURED BY UNINSURED STRUCTURES.

Section 4012(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4012a), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(g) Notwithstanding, any other provision of this Act, a private, federally insured institution or lender may make loans secured by structures which are not eligible for flood insurance by reason of a designation by the Director of an area as erosion-prone and limitations placed upon the availability of flood insurance in such areas pursuant to this Act.".

Subtitle E—Flood Insurance Task Force

SEC. 161. FLOOD INSURANCE INTERAGENCY TASK FORCE.

(a) ESTABLISHMENT.—There is hereby established an interagency task force to be known as the Flood Insurance Task Force (hereafter in this section referred to as the "Task Force").

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Task Force shall be composed of 8 members, who shall be the designees of—

(A) the Director of the Federal Emergency Management Agency;

(B) the Secretary of Housing and Urban Development;

(C) the Secretary of Veterans Affairs;

(D) the Administrator of the Farmers Home Administration;

(E) the Administrator of the Small Business Administration;

(F) a designee of the Financial Institutions Examination Council;

(G) the chairman of the Board of Directors of the Federal Home Loan Mortgage Corporation; and

(H) the chairman of the Board of Directors of the Federal National Mortgage Association.

(2) QUALIFICATIONS.—Members of the Task Force shall be designated for membership on the Task Force by reason of demonstrated knowledge and competence regarding the national flood insurance program.

(c) DUTIES.—The Task Force shall carry out the following duties:

(1) Make recommendations to the head of each Federal agency and corporation under subsection (b)(1) regarding establishment or adoption of standardized enforcement procedures among such agencies and corporations responsible for enforcing compliance with the requirements under the national flood insurance program to ensure fullest possible compliance with such requirements.

(2) Conduct a study of the extent to which Federal agencies and the secondary mortgage market can provide assistance in ensuring compliance with the requirements under the national flood insurance program and submit to the Congress a report describing the study and any conclusions.

(3) Conduct a study of the extent to which existing programs of Federal agencies and corporations for compliance with the requirements under the national flood insurance program can serve as a model for other Federal agencies responsible for enforcing compliance, and submit to the Congress a report describing the study and any conclusions.

(4) Develop guidelines regarding enforcement and compliance procedures, based on the studies and findings of the Task Force and publishing the guidelines in a usable format.

(d) NONCOMPENSATION.—Members of the Task Force shall receive no additional pay by reason of their service on the Task Force.

(e) CHAIRPERSON.—The members of the Task Force shall elect one member as chairperson of the Task Force.

(f) MEETINGS AND ACTION.—The Task Force shall meet at the call of the chairman or a majority of the members of the Task Force and may take action by a vote of the majority of the members. The Federal Insurance Administrator shall coordinate and call the initial meeting of the Task Force.

(g) OFFICERS.—The chairperson of the Task Force may appoint any officers to carry out the duties of the Task Force under subsection (c).

(h) STAFF OF FEDERAL AGENCIES.—Upon request of the chairperson of the Task Force, the head of any of the Federal agencies and corporations under subsection (b)(1) may detail, on a nonreimbursable basis, any of the personnel of such agency to the Task Force to assist the Task Force in carrying out its duties under this Act.

(i) POWERS.—In carrying out this section, the Task Force may hold hearings, sit and act at times and places, take testimony, receive evidence and assistance, provide information, and conduct research as the Task Force considers appropriate.

(j) SUBCOMMITTEE ON NATURAL AND BENEFICIAL FUNCTIONS OF THE FLOODPLAIN.—The Under Secretary of Commerce for Oceans and Atmosphere, the Director of the United States Fish, and Wildlife Service and the Administrator of the Environmental Protection Agency shall constitute a select subcommittee which shall make recommendations regarding the implementation of the provisions of the National Flood Insurance Reform Act of 1992 which deal with protection of the natural and beneficial functions of the floodplain.

(k) TERMINATION.—The Task Force shall terminate upon the expiration of the 24-month period beginning upon the designation of the last member to be designated under subsection (b)(1).

Subtitle F—Miscellaneous Provisions

SEC. 171. MAXIMUM FLOOD INSURANCE COVERAGE AMOUNTS.

(a) IN GENERAL.—Section 1306(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is amended—

(1) in paragraph (1)(A)—

(A) by inserting "and" after the comma at the end of clause (i);

(B) by striking ", and" at the end of clause (ii) and inserting "; and"; and

(C) by striking clause (iii);

(2) by striking subparagraph (B) of paragraph (1) and inserting the following new subparagraph:

"(B) in the case of any nonresidential property, including churches—

"(i) $100,000 aggregate liability for each structure, and

"(ii) $100,000 aggregate liability for any contents related to each structure;";

(3) by striking subparagraph (C) of paragraph (1);

(4) in paragraph (2), by striking "so as to enable" and all that follows through the end of the paragraph and inserting "up to an amount, including the limits specified in clause (i) of subparagraph (A) of paragraph (1), of $250,000 multiplied by the number of dwelling units in the building;";

(5) in paragraph (3), by striking "so as to enable" and all that follows through the end of the paragraph and inserting "up to an amount of $90,000 for any single-family dwelling and $240,000 for any residential structure containing more than one dwelling unit;"; and

(6) by striking paragraph (4) and inserting the following new paragraph:

"(4) in the case of any nonresidential property, including churches, additional flood insurance in excess of the limits specified in clauses (i) and (ii) of subparagraph (B) of paragraph (1) shall be made available to every insured upon renewal and every applicant for insurance up to an amount of $2,400,000 for each structure and $2,400,000 for any contents related to each structure; and".

(b) REMOVAL OF CEILING ON COVERAGE REQUIRED.—Section 1306(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is amended—

(1) in paragraph (5), by striking "; and" at the end and inserting a period; and

(2) by striking paragraph (6).

(c) CONFORMING AMENDMENTS.—Section 1306(b)(5) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)(5)) is amended—

(1) by striking "(A), (B), or (C)" and inserting "(A) or (B)"; and

(2) by striking "(1)(C)".

SEC. 172. FLOOD INSURANCE PROGRAM ARRANGEMENTS WITH PRIVATE INSURANCE ENTITIES.

Section 1345(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4081(b)) is amended by striking the period at the end and inserting the following: "and without regard to the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).".

SEC. 173. FLOOD INSURANCE MAPS.

(a) 5-YEAR UPDATES.—Section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101) is amended by adding at the end the following new subsections:

"(e) Once during each 5-year period (the first such period beginning on the date of the enactment of the National Flood Insurance Reform Act of 1992) or more often as the Director determines necessary because of storms, increased erosion rates, increased watershed development, or other extraordinary situations, the Director shall assess the need to revise and update all floodplain areas, flood-risk zones, and erosion hazard areas identified, delineated, or established under this section.

"(f) The Director shall revise and update any floodplain areas, flood-risk zones, and erosion hazard areas—

"(1) upon the determination of the Director, according to the assessment under subsection (e), that revision and updating are necessary for the areas and zones; or

"(2) upon the request from any State or local government stating that specific floodplain areas, flood-risk zones, or erosion hazard areas in the State or locality need revision or updating (if sufficient technical, engineering, or other justification is provided, in the determination of the Director, to justify the request).

"(g) To promote compliance with the requirements of this title and the Flood Disaster Protection Act of 1973, the Director shall make maps and information under this section regarding floodplain areas, flood-risk zones, and erosion hazard areas available, free of charge to States and communities participating in the national flood insurance program pursuant to section 1310.

"(h) The Director shall publish in the Federal Register, within 30 days after the change or revision becomes effective, changes to flood maps issued in the form of Letters of Map Amendments and Letters of Map Revisions. Notices published in the Federal Register shall also include information on how to obtain copies of the aforementioned changes.".

(b) USE OF NATIONAL FLOOD INSURANCE FUND.—Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended by adding at the end the following new paragraph:

"(8) for revising and updating floodplain areas, flood-risk zones, and erosion hazard areas.".

SEC. 174. REGULATIONS.

The Director of the Federal Emergency Management Agency and any appropriate head of any Federal agency may each issue any regulations necessary to carry out the applicable provisions of this Act and the applicable amendments made by this Act.

SEC. 175. FLOOD CONTROL RESTORATION ZONE.

Section 1307 of the National Flood Insurance Act of 1968 is amended by adding at the end the following new subsection:

"(f) Notwithstanding any other provision of law, this subsection shall only apply in a community which has been determined by the Director of Federal Emergency Management Agency to be in the process of restoring flood protection afforded by a flood protection system that had been previously accredited on a Flood Insurance Rate Map as providing 100-year frequency flood protection but no longer does so. In such a community, flood insurance shall be made available to those properties impacted by the disaccreditation of the flood protection system at premium rates that do not exceed those which would be applicable to any property located in an area of special flood hazard, the construction of which was started prior to the effective date of the initial Flood Insurance Rate Map published by the Director for the community in which such property is located. A revised Flood Insurance Rate Map shall be prepared for the community to delineate as Zone AR the areas of special flood hazard that result from the disaccreditation of the flood protection system. A community will be considered to be in the process of restoration if—

"(1) the flood protection system has been deemed restorable by a Federal agency in consultation with the local project sponsor;

"(2) a minimum level of flood protection is still provided to the community by the disaccredited system; and

"(3) restoration of the flood protection system is scheduled to occur within a designated time period and in accordance with a progress plan negotiated between the community and the Federal Emergency Management Agency.

Communities that the Director of the Federal Emergency Management Agency determines to meet the criteria of this subsection as of January 1, 1992, shall not be subject to revised Flood Insurance Rate Maps that contravene the intent of this subsection. The Director of the Federal Emergency Management Agency shall develop and promulgate regulations to implement this subsection, including minimum floodplain management criteria, within 24 months of enactment.".

SEC. 176. STUDY OF AGRICULTURAL BUILDINGS.

(a) STUDY.—The Director of the Federal Emergency Management Agency shall conduct a study to determine the feasibility of establishing criteria for recognizing that certain agricultural structures are typically designed, constructed, and utilized to minimize damage from flooding. The study shall determine appropriate floodplain management and construction standards applicable to such agricultural structures to assure that they are subject to minimum flood damage while maximizing utilization appropriate to agricultural practices.

(b) REPORT.—Not later than 24 months after the date of enactment of this section, the Director shall submit a report to the Congress describing the study required under subsection (a) and setting forth findings, conclusions, and recommendations resulting from the study.

SEC. 177. INCREASED COST OF CONSTRUCTION STUDY.

(a) STUDY.—The Director of the Federal Emergency Management Agency shall conduct a study to determine the feasibility of providing, as part of the flood insurance policy, insurance coverage to provide for increases in the costs of repair and reconstruction of repetitively and severely flood-damaged insured buildings, in order to repair, reconstruct, or otherwise mitigate future hazards to those buildings to comply with local building codes and floodplain management ordinances to the greatest extent possible. In conducting the study, the Director shall seek involvement from other Federal, State, and local agencies, and representation from the insurance, construction, and floodplain management interests. Under the study the Director shall—

(1) identify potential activities related to repair, reconstruction, or otherwise achieving mitigation required to provide compliance with NFIP standards and local building codes, and evaluate the costs of such activities;

(2) evaluate how this approach could be utilized to achieve economically justified acquisition or relocation of certain structures under certain circumstances;

(3) evaluate the cost of providing the additional coverage and investigate a full range of measures for funding those costs, including changes in coverage, rates, and deductibles;

(4) evaluate the effect changes identified in paragraph (3) would have on the entire policy base, the cost of flood insurance, retention of policies, marketing of policies, the number and magnitude of claims paid, and the economic soundness and value of flood-prone property. The evaluation shall provide detail by State and flood hazard zone; and

(5) identify mechanisms required to identify qualifying structures, determine appropriate mitigation measures, coordination with State and local officials, consistency with State and local plans and programs, delivery of the increased insurance payments, and verification of appropriate actions by policyholders.

(b) REPORT.—Not later than 18 months after the date of enactment of this section, the Director shall submit to the Congress a report describing the study and, conclusions and recommendations.

SEC. 178. FLOODPLAIN MANAGEMENT IMPLEMENTATION REPORT.

(a) IN GENERAL.—Not more than 2 years after the date of enactment of this Act, the Chairman of the President's Council on Environmental Quality (hereafter in this section referred to as the "Chairman") shall submit a report to the President and to the Congress on the status and effectiveness of Federal agency floodplain management policies, plans, and procedures, to reduce the risk of flood loss to minimize the impact of floods on human safety, health, and welfare, and to restore and preserve the natural and beneficial values served by floodplains, as provided in Executive Order No. 11988, and regulations and guidelines promulgated thereunder.

(b) STUDY.— The report required by subsection (a) shall be based upon a study to be conducted by the Chairman in consultation with the Secretary of the Army and the Director of the Federal Emergency Management Agency.

(c) OTHER AGENCIES.—In conducting the study under subsection (b), the Chairman shall also consult with appropriate Federal, State, and local agencies, and representatives of the private sector.

(d) Interim Report.—Not more than 1 year after the date of enactment of this Act, the Chairman shall submit an interim report to the Congress which shall identify any initial findings and any recommendations for administrative actions to improve floodplain management procedures or activities by Federal agencies.

(e) Final Report.—Not more than 2 years after the date of enactment of this Act, the Chairman shall submit a final report to the Congress which shall include—

(1) the status of any recommendations that were included in the interim report;

(2) recommendations for administrative or legislative action to further improve Federal floodplain management and better coordinate Federal floodplain management activities with State and local government entities; and

(3) such other information as the Chairman, the Secretary of the Army and the Director of the Federal Emergency Management Agency deem appropriate.

(f) Authorization.—There are authorized to be appropriated $250,000 to carry out this section.

National Flood Insurance Reform Act of 1992, S. 2907—Section-by-Section Summary

SECTION 1. SHORT TITLE.

This title may be cited as the "National Flood Insurance Reform Act of 1992."

SEC. 2. CONGRESSIONAL FINDINGS.

SEC. 3. DECLARATION OF PURPOSE UNDER THE NATIONAL FLOOD INSURANCE ACT OF 1968.

Amends section 1302(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4001(e) by adding a new clause (3) and redesignating clauses (3), (4), and (5), and (4), (5), and (6). The new clause would encourage State and local governments to protect natural and beneficial floodplain functions that reduce flood-related losses.

SUBTITLE A—DEFINITIONS

SEC. 111. FLOOD DISASTER PROTECTION ACT.

Defines: Federal entity for lending regulation; lender; regulated lending institution; and portfolio review. Requires all regulated lending institutions and Federal agencies that act as lenders to enforce mandatory purchase requirements.

SEC. 112. NATIONAL FLOOD INSURANCE ACT OF 1968.

Defines: coastal; Federal entity of lending regulation; lender; natural and beneficial floodplain functions; erosion-prone area; and, bayou.

SUBTITLE B—COMPLIANCE AND INCREASED PARTICIPATION

SEC. 121. EXISTING FLOOD INSURANCE PURCHASE REQUIREMENTS.

Amends Section 102(a) of the Flood Disaster Protection Act of 1973, (42 U.S.C. 4012a(a)) by clarifying that lenders and federal agencies may not waive the mandatory purchase requirement for any purposes or provide any amount of financial assistance without enforcing the mandatory purchase requirement.

SEC. 122. EXPANDED FLOOD INSURANCE PURCHASE REQUIREMENTS.

Extends mandatory purchase requirements to all lenders. Provides for guarantees of flood determinations and requires lenders to review outstanding loans to determine if such loans are in compliance with mandatory purchase requirements. Allows lenders to charge a reasonable fee for flood determinations. Allows exemptions if a review occurred 36 months prior to enactment, or if a lender is regularly providing escrow on loans.

SEC. 123. ESCROW OF FLOOD INSURANCE PAYMENTS.

Requires lender to escrow flood insurance payments if other taxes, insurance, etc. are escrowed. Lenders are also authorized to force place flood insurance coverage if a loan located in a flood hazard area is found to not have coverage in force.

SEC. 124. PENALTY FOR FAILURE TO REQUIRE FLOOD INSURANCE OR NOTIFY.

Imposes a $350 fine on lenders for failure to require flood insurance. Total amount of penalties for any single lender for any one year is capped at $100,000. Penalties are paid into the National Flood Mitigation Fund.

SEC. 125. ONGOING COMPLIANCE WITH FLOOD INSURANCE PURCHASE REQUIREMENTS.

Requires a redetermination of whether a structure is located in a flood hazard area before a lender of institution sells or transfers a loan unless such determination has been within five years prior to the date of enactment. Insurers and or servicers of record shall be notified of determination.

SEC. 126. NOTICE REQUIREMENTS.

All new loans must receive notice of the mandatory purchase requirement and availability of flood insurance. Lenders are required to notify in writing a purchaser or transferee within a reasonable time in advance of closing or execution of the purchase or transfer that the structure is located in a flood hazard area. Lenders or servicers must maintain a record of the receipt of notices.

SEC. 127. STANDARD HAZARD DETERMINATION FORMS.

Requires the development and use of a standard flood hazard determination form for inclusion with applications for real estate loans and mortgages. Provides for guarantees regarding the accuracy of flood determination information. Provides for electronic and written forms.

SEC. 128. FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL.

The Council shall consult and assist Federal regulators and the Director of FIA in developing and coordinating uniform standards and requirements for use by lenders.

SEC. 129. CONFORMING AMENDMENT.

Changes the heading of section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) to read: "Flood Insurance Purchase And Compliance Requirements and Escrow Accounts."

SUBTITLE C—RATINGS AND INCENTIVES FOR COMMUNITY FLOODPLAIN MANAGEMENT PROGRAMS

SEC. 131. COMMUNITY RATING SYSTEM AND INCENTIVES FOR COMMUNITY FLOODPLAIN MANAGEMENT.

Authorizes a Community Rating System which provides reduced premium rates for communities that implement adequate land use and control provisions consistent with a comprehensive criteria for land management under section 1362 to facilitate accurate risk-rating, to promote flood insurance awareness, and to complement effective measures for floodplain and coastal erosion management. The Director shall establish land management standards to mitigate the effects of erosion hazards that consider the severity of erosion, anticipate the impact of erosion, and guide new development away from the highest risk erosion areas. Communities that select to manage erosion risks shall have premium rates for flood insurance adjusted downward. The Director shall submit a report on the cost-effectiveness, accomplishments, and shortcomings of this program.

SEC. 132. FUNDING.

Funds to carry out this program shall be appropriated from the National Flood Insurance Fund under section 1310 and any other amounts appropriated for the purposes of this act.

SUBTITLE D—MITIGATION OF FLOOD AND EROSION RISKS

SEC. 141. OFFICE OF MITIGATION ASSISTANCE IN FEDERAL INSURANCE ADMINISTRATION.

Establishes an Office of Mitigation Assistance, funded through a National Flood Mitigation Fund, to make grants to eligible States and communities; to coordinate all mitigation activities; to administer the erosion management program under section 1368 and flooded property purchase program under section 1362; to develop and implement various mitigation techniques and to provide advice and technical assistance; and, to coordinate the collection and dissemination of information regarding erosion in coastal areas.

SEC. 142. MITIGATION ASSISTANCE PROGRAM.

The Office of Mitigation Assistance shall carry out eligible mitigation activities that are technically feasible and cost effective in any eligible State or community. Such activities may include elevation, relocation, acquisition and floodproofing and technical assistance. Mitigation grants may not exceed $5,000,000 to any State or community over a two year period. All applications for mitigation assistance must be identified in a State or local flood risk mitigation plan approved by the Director. All mitigation grants require at least a 25% matching State or community contribution. Allows for the recapture of funds not expended for mitigation activities 18 months after receipt of mitigation grant. The Director shall conduct oversight investigations to ensure program compliance.

SEC. 143. ESTABLISHMENT OF NATIONAL FLOOD MITIGATION FUND.

Establishes a National Flood Mitigation Fund credited with any premium surcharges, any amounts recaptured from defaulted mitigation activities, any amounts appropriated to carry out section 1362 that remain unexpended after enactment, and any penalties. The Director shall invest any excess amounts in interest-bearing obligations.

SEC. 144. INSURANCE PREMIUM MITIGATION SURCHARGE.

Provides money for the National Flood Mitigation Fund through a $5 mitigation surcharge on each flood insurance policy issued or renewed 24 months after enactment.

SEC. 145. MITIGATION TRANSITION PILOT PROGRAM.

Adds a new provision to allow the Director, through the Office of Mitigation Assistance, to carry out a program to make grants to States and communities before full implementation of the mitigation program described in Section 1142. $1,250,000 per year of the transition program is authorized to carry out the program.

SEC. 146. REPEAL OF PROGRAM FOR PURCHASE OF CERTAIN INSURED PROPERTIES.

Section 1362 of the National Flood Insurance Act of 1968 (42 U.S.C. 4103) is repealed. A transition period is provided until enactment of the mitigation assistance program.

SEC. 147. COMMUNITY EROSION HAZARD IDENTIFICATION.

Using erosion rate information and other historical data available, the Director shall identify and publish erosion hazard areas within coastal communities. These areas shall be known as erosion-prone areas, and communities as erosion-prone communities. All erosion-prone communities shall be notified within 60 days after the designation and all areas shall be designated within 5 years after date of enactment.

SEC. 148. PREMIUM INCREASE FOR FLOOD AND EROSION DUAL RISK HAZARD AREAS.

For structures in communities that do not manage for erosion hazards, structures located in both flood prone and erosion hazard areas are subject to a premium increase of 20 percent per claim for damages not to exceed the actuarial rate to reflect the dual risks of coastal flooding and coastal erosion.

SEC. 149. CLAIMS OF IMMINENT COLLAPSE AND SUBSIDENCE.

Provides for the transition of current Sect. 1306 relocation and demolition assistance and limits availability of benefits to communities that qualify under the erosion management criteria established in the Community Rating System.

SEC. 150. LIMITATION ON AVAILABILITY OF FLOOD INSURANCE FOR PROPERTIES IN EROSION HAZARD AREAS.

Two years after enactment, flood insurance will not be available for new construction in, or relocation to, identified erosion hazard areas.

SEC. 151. RIVERINE EROSION STUDY.

FEMA shall conduct a study to determine the feasibility of identifying riverine erosion hazards and methods for management. FEMA shall examine the riverine environment, man-induced changes, examples of erosion control, and analyze management strategies, standards, methods and data. A report is to be prepared in two years.

SEC. 152. COORDINATION WITH COASTAL ZONE MANAGEMENT PROGRAMS.

FEMA shall consult with NOAA to promote full coordination of the coastal erosion management provisions under this amendment and the Coastal Zone Management Act of 1972. State CZM programs are to be utilized in the development and implementation of erosion management plans. After one year a coordination report is to be filed jointly by FEMA and NOAA.

SEC. 153. LOANS SECURED BY UNINSURED STRUCTURES.

Structures in erosion hazard areas ineligible for flood insurance are still eligible for federally-backed loans.

SUBTITLE E—FLOOD INSURANCE TASK FORCE

SEC. 161. FLOOD INSURANCE INTERAGENCY TASK FORCE.

Establishes an interagency task force consisting of representatives from the Federal Housing Commission, Veterans Affairs Department, Farmers Home Administration, the Small Business Council, the Financial Institutions Examination Council, the Chairman of the Board of Directors of the Federal Home Loan Mortgage Corporation and the Chairman of the Federal National Mortgage Association. The task force shall make recommendations regarding enforcement; shall study how secondary markets can ensure compliance; and, shall develop guidelines on enforcement and compliance. A Subcommittee on Natural and Beneficial Functions of the Floodplain consisting of representatives from NOAA, U.S. Fish and Wildlife Service and EPA shall also be created to evaluate implementation of erosion provisions.

SUBTITLE F—MISCELLANEOUS PROVISIONS

SEC. 171. MAXIMUM FLOOD INSURANCE COVERAGE AMOUNTS.

Insurance coverage amounts are raised for single family residences from $100,000 to $250,000; and from $250,000 to $2.4 million for non-residential properties.

SEC. 172. FLOOD INSURANCE PROGRAM ARRANGEMENTS WITH PRIVATE INSURANCE ENTITIES.

Conforming amendment.

SEC. 173. FLOOD INSURANCE MAPS.

Every five years starting from the date of enactment, or more frequently if determined by the Director, FEMA shall update and revise any floodplain area, flood risk zone, and erosion hazard area. States can request updates. Maps are available free of charge to states and communities, and all revisions shall be published in the Federal Register either as a Letter of Map Amendment or Letter of Map Revision within 30 days after the change or revision.

SEC. 174. REGULATIONS.

The Director of FEMA and any appropriate head of any Federal agency may each issue regulations necessary to carry out the provisions of this amendment.

SEC. 175. FLOOD CONTROL RESTORATION ZONE.

Creates a new AR zone which delimits special flood hazard areas located in areas where discredited flood protection systems are in the process of restoration. In AR zones flood insurance shall be made available at premium rates comparable to any property in a special flood hazard area. Restoration projects must meet a criteria which includes that the protection system is restorable; that the system affords a minimum standard of protection; and, that restoration is to occur within a designated time as planned for by FEMA and the community.

SEC. 176. STUDY OF AGRICULTURAL BUILDINGS.

FEMA shall conduct a study to determine the feasibility of establishing a criteria for recognizing typical flood-proof designs of certain agricultural structures, and also determine appropriate floodplain management and construction standards. A report shall be issued within 2 years after enactment of this amendment.

SEC. 177. INCREASED COST OF CONSTRUCTION.

FEMA shall conduct a study to determine the feasibility of providing insurance coverage to provide for increases in the costs of repair and reconstruction of repetitively and severely flood-damaged buildings in order to repair, reconstruct, or otherwise mitigate future losses, and to comply with local building codes and floodplain management ordinances. FEMA shall involve Federal, State, and local agencies, and representation from insurance, construction and floodplain management interest. This study will investigate mitigation methods and activities, evaluate costs, investigate funding alternatives and coverages, evaluate effects on the entire policy base, and identify mechanisms to identify qualifying structures and appropriate mitigation activities. A report is to be delivered by FEMA within 18 months after enactment of this amendment.

SEC. 178. FLOODPLAIN MANAGEMENT IMPLEMENTATION REPORT.

The Chairman of the President's Council on Environmental Quality in consultation with the Director of FEMA and the Secretary of the Army shall compile a report on the status and effectiveness of Federal agency floodplain management policies, plans, and procedures as provided in Executive Order No. 11988. An interim report shall be filed one year after enactment and the final report shall include recommendations for administrative or legislative action to further improve Federal floodplain management and better coordination with State and local entities. $250,000 is authorized for this report.

COMPARISON SUMMARY REGARDING S. 2907, THE NATIONAL FLOOD INSURANCE REFORM ACT OF 1992 and S. 650 THE NATIONAL FLOOD INSURANCE MITIGATION AND EROSION MANAGEMENT ACT OF 1991

MAJOR SECTIONS OF S. 1650 THAT HAVE REMAINED UNCHANGED

1. Lender compliance to assure structures in risk areas are insured and federal government receives all premium income due to it (thus increasing the base across which the risk is spread)

Lenders required to conduct retroactive portfolio review.

Lenders required to conduct compliance reviews on on-going basis.

Lenders required to escrow flood insurance premiums.

2. Community Rating System implemented as incentive for communities to manage land to limit future flood losses

Properties in communities which establish a voluntary system of land management design to reduce construction and presence of structures in flood-prone areas, in order to reduce risk of loss, will receive reductions in premium rate.

3. National Mitigation Grants to states and communities

FEMA will provide grants to states and communities for mitigation activities (e.g., elevation, flood-proofing, relocation) as a risk reduction program. Money for the fund from which the grants will be made will come from a $5 annual fee added to each flood insurance policy premium, FEMA discretionary funds, and penalties on lenders for violations of #1 above.

THE MAJOR SECTION OF S. 1650 THAT WAS CHANGED SUBSTANTIALLY

4. Erosion Management Section

One basic concept was retained:

FEMA will—as under S. 1650—map erosion hazard areas and identify erosion prone communities in consultation with states.

Several key concessions were made to address Senators' problems with S. 1650:

10-, 30-, and 60-year setbacks will not be determined, nor the staged mandatory restrictions on development/construction, insurance, and mitigation imposed on the 10-30-60 model.

A voluntary erosion management program is established as a component of the Community Rating System (see #2 above). Only communities that meet the erosion hazard standards in the amendment will be eligible for certain benefits (relocation/demolition assistance; reduced premium rates).

No existing flood insurance policies will be canceled because of the location of the insured structures in an erosion-prone area.

Existing state erosion management programs are permitted to remain in effect.

FEMA is required to conduct public hearings before making its erosion hazard area determinations. Communities may appeal those determinations.

Alternative disciplinary mechanisms are used to encourage effective land use management, reduce risk to the National Flood Insurance Fund, and discourage construction in erosion hazard areas:

In communities choosing not to establish suitable erosion management regimes:

Existing structures will not be eligible for relocation/demolition assistance or reduced premiums.

Premiums for existing structures in erosion-prone areas will be increased by 20 percent following every flood claim (not to exceed an actuarially-based premium), to partially take into account the dual erosion/flood risk facing those structures.

New construction in any identified erosion hazard area will be ineligible for flood insurance.

When their portfolio reviews reveal properties required to carry flood insurance which are not carrying such insurance, lenders may obtain the coverage and add the premium to the loan payments.●

THE LEADER AT THE NATIONAL INSTITUTES OF HEALTH AND THE LEADER AT THE WHITE HOUSE

● Mr. DOMENICI. Mr. President, a week ago, I read the Washington Post magazine article about the Director of the National Institutes of Health, Dr. Bernadine Healy. I was very impressed with the article, and for a number of different reasons it reconfirmed my view about the person who is directing the world's largest health research organization.

I realize there are probably segments of this article that Director Healy does not agree with, or certain portrayals of conflicts that she felt were overstated. However, overall I believe the article was evenhanded and fair. It clearly displays the difficulties women in our society face as they work their way to the top of various professions that were previously—and some contend still are—dominated by men.

Most important, I felt the article displayed Director Healy's ideas and principles, and her vision about how those ideas should be implemented at NIH.

Director Healy has taken this opportunity to focus our Nation's awareness on the enormous gaps in our understanding of women's health. She is proposing one of the most comprehensive studies of human health in history.

While this study has been challenged in the scientific community by claims that it lacks the necessary scientific focus, I believe that this effort is a giant step forward as to how we view and treat diseases. This study will help ensure that we are developing the most effective treatments for diseases specific to women, and also help refocus the way we treat disease in men.

There is another aspect of this article that I would also like to highlight: leadership. Director Healy is moving forward and taking NIH with her. We in Congress have fewer and fewer dollars to spend on discretionary items. However, Director Healy's agenda gives specific direction to the mission of NIH. She identifies projects and programs that NIH can point to as necessary for our Nation and worthy of funding. This type of prioritizing is always difficult, and as is the case with any leadership position, she is not winning any popularity contests. Yet, she continues to push ahead.

I also commend President Bush for nominating Director Healy. The President recognizes the importance of NIH as a national resource, as well as the critical role it assumes in the search for cures for such diseases as AIDS and breast cancer. He understands that research is often free-form and cannot be directed, but that it can be given focus and made more effective.

It is often easy to attack the appointments made by the President. However, this appointment is quite clearly one in which President Bush selected a true leader to take the reins of this impressive institution. I applaud President Bush's selection of Dr. Bernadine Healy as the Director of the National Institutes of Health, and I especially applaud her efforts in advancing the research of women's health needs.

Mr. President, I ask that at this point the full text of the Washington Post article be printed in the RECORD.

The article follows:

THE HEALY EXPERIMENT

(By Malcolm Gladwell)

There was—and still is—an all-male eating society at Johns Hopkins University medical school called the Pithotomy Club, which is famous for the comedy revue it stages every year lampooning the school's faculty.

The show dates back almost to the club's founding at the turn of the century, and in its heyday was hugely popular with the alumni. It was a bonding ritual for male students and faculty, a chance for the once and future elite of American medicine to gather for obscene songs and skits, get drunk, and then—because the club had only one toilet—urinate together in the alleyway next door. F. Scott Fitzgerald immortalized the "Pit" in a short story. H.L. Mencken said the only time he had seen something cruder was in a show put on by sailors in London.

Bernadine Healy does not like to talk about the events that led her, 10 years ago this spring, to do battle with the Pithotomy Club. To the woman who now holds the most powerful position in American science, the day the Pithotomy Club made her the subject of its annual show is a distant and traumatic memory, an episode so personally painful that over all of the intervening years she says she has tried to repress it.

But when Healy speaks of the plight of women in science, of her plans to redress the scientific establishment's neglect of women's issues, or when she confronts the establishment with her own new and radical agenda—as she has over and over again in her first year as head of the National Institutes of Health—it is difficult not to call the Pithotomy episode to mind.

Healy was then one of the Hopkins medical school's brightest stars, an intense and ambitious young cardiologist who made an inviting target for the Pithotomy wags. She has recently been divorced from another member of the Hopkins facility, Gregory Bulkley, and in the show's central skit he was portrayed as mad with jealousy, stalking physicians he suspected of sleeping with his ex-wife. Healy, played by a man dressed in a long blond wig, fish-net stockings and coconut-half brassiere, was depicted performing a variety of pornographic acts on other physicians until, at the end, she was discovered in flagrante by her ex-husband. The show closed with the man who played Bulkley singing "Cardiology Girl," a bawdy takeoff of the Playboy centerfold-inspired hit song "Calendar Girl."

"It would be one thing if a men's club got together and wrote degrading pornographic things about each other," Healy says, her voice rising with the memory. "But when they started to bring women into it, to bring women faculty into it, I thought it was offensive.

"I had just gone through a divorce. I was very vulnerable. I was a single mother trying to raise a child. This was the final straw. I let it be known that the club had to stop."

She tried to argue that the show was sexual harassment. But this was 1982.

"I got no support when I brought it up. I was rebuffed repeatedly. I kept hearing, 'Bernadine, knock it off. Boys will be boys.' "

Still, she worried that the skit—including what the show's creators conceded was a groundless accusation of infidelity—might damage her reputation. She demanded a list of the participants in the show, and when she was refused, asked again. At staff meetings, she would not let the subject drop. Finally, after she threatened a lawsuit, she got a face-to-face meeting with the club's officers.

"I made every one of them answer how they would have felt if [the skit] was about their sister, their mother or their wife. I went around the table and questioned their integrity, their sensitivity, their character."

Only one friend at Hopkins, Healy remembers—a woman—ever came forward to tell her that what she was doing was right. Other faculty thought she had no sense of humor, no sense of perspective; that she was not playing the game. The dean told her he was worried about her career.

"I was one of the leaders of that institution," she says now. "But after that episode I would go in a room and there were different vibrations. It did not make me popular."

She was gone from Hopkins by the following year.

It's a cold day in February and Bernadine Healy, now the chief of NIH, is at a scientific symposium at the University of Connecticut. To her right is a man, her host, the governor of Connecticut, Lowell Weicker. To her left is another man, and to his left another man and another man and on and on down the lecture hall's long dais, 13 consecutive men in all, all but one white, all but two graying, the aristocracy of science.

In the audience there are more men. Rows of them in suits and ties. Biologists and chemists and clinicians here to listen to Healy's vision for the scientific future.

They do not like what they hear. She is new, and she wants to change things. She says she wants to restructure the American scientific enterprise, to make NIH, its $9 billion-a-year budget and the thousands of researchers it funds around the country, more responsive to the public. Borrowing metaphors and concepts from the world of industry, she talks of setting priorities, of bringing order to science, and these men—accustomed to the friendly anarchy of academia—shift uneasily in their seats.

Unlike the men who have come before her in this job, she does not soothe her audience or pause to attend to the hundreds of federally funded egos in the room. Instead, she talks powerfully and quickly; in complete, precise sentences separated by semicolons, not periods; in a cadence that leaves little room for contradiction or interruption.

Later, in a series of separate seminars around the building at which parts of Healy's plan are discussed, the scientists will stand up to cavil and complain. It is not that they do not respect her. Or that they doubt her intelligence or commitment. It seems something less intellectual than emotional. It is that she does not fit in.

This has been very much the story of Bernadine Healy's first 12 months at the helm of NIH. At the peak of a career that had taken her from Johns Hopkins to the White House science policy staff in the mid-1980s to the presidency of the Cleveland Clinic, one of the country's most prestigious private medical research groups, the 47-year-old cardiologist came to Washington with an aggressive agenda to reform biomedical science. But she has not always been well received. She is a figure of controversy, intimidating to some and disparaged by others. Her efforts have often been viewed less as an attempt to help medical science regain its footing than as a blunt challenge to the accepted way of doing business.

This is partially the result of Healy's message, a tough-minded diagnosis of medicine's ills that calls for scientists to be more rigorous in setting priorities. It is more the result of the peculiar culture of medical science, which resists direction—and even more the result of the extraordinary, and sometimes overwhelming, character of Bernadine Healy herself.

She is, as head of NIH, one of the country's most important people. This may seem like an overstatement, because she is not a household name and does not draw a crowd when she goes shopping. But she is the person responsible for the hundreds of laboratories scattered around NIH's Bethesda campus as well as the thousands of basic and applied medical research facilities funded by NIH in universities and hospitals across the country, a vast enterprise without parallel anywhere in the world.

That enterprise is now in crisis. NIH has enough money only to fund about one quarter of the very best research proposals it receives. Young scientists are becoming disillusioned and seeking careers elsewhere. Good ideas are being ignored. Many established scientists believe that what limited funds do exist are going to the wrong projects, to politically popular research areas like AIDS and the human genome effort—the multimillion-dollar attempt to map all the genes in the human body—rather than to smaller but crucial basic science projects. At the same time, American medical research is facing increasing scrutiny from Congress over the mismanagement of its resources and because of a perception that it cannot police itself adequately against scientific fraud.

If these challenges are met over the next few years, it will be because Bernadine Healy met them; and if the crisis worsens, she, more than anyone else, will take the blame.

Healy has not shrunk from this responsibility. Upon taking office, she drafted a sweeping plan for the reorganization of NIH. To address the huge gaps in medicine's understanding of women's health, she proposed one of the largest and most expensive studies of human health in history. She has been straightforward about what she sees as the problems with the way science investigates misconduct and has proposed major changes in the investigative arm of NIH. She has spoken her mind. She has charged through the quiet halls of the institutes, raising more of a ruckus in her first few months than many of her predecessors did in a lifetime.

Along the way, Healy has won praise for her energy and her intelligence. But it has not been an easy year. At NIH, where every other director in the institutes' history has been a man, where 12 of the 13 institute directors are men, and where 175 of the 203 top-level officials and 241 of the 294 senior managers are men, she remains something of an outsider. At meetings with the scientific community, her proposals for reform have drawn skepticism. She has fought with Rep. John Dingell (D-Mich.), the perennial NIH watchdog. Dingell staffers call her a "female John Sununu" because of what they say is her arrogance. She has fought with Nobel Prize-winning biologist James Watson, the longtime head of NIH's Human Genome Office. She has battled with her superiors in the Department of Health and Human Services.

At the University of Connecticut, in her pleated skirt and pearls, she is focused and formidable. She looks a little like Margaret Thatcher—a younger and prettier version, perhaps, but with the same high-frosted blond hair, the same imperious cheekbones, the same iron gaze. She writes on a small notepad. She walks briskly from one seminar room to another, then sits in the back, alone, as the men complain in front of her.

"Maybe it's because I am a woman, but I have never felt like one of the boys," Healy says. "I have never really been in the inner circle. It doesn't matter that I was a professor. It doesn't matter that I was president of the Cleveland Clinic. I have always been on the edge." She says this without rancor, as almost a point of pride: "It doesn't matter to me that the club is angry with me, because I've never been a member."

Bernadine Healy is by profession a cardiologist, medicine's cowboy specialty. Cardiologists are to internal medicine what jet pilots are to the infantry. She is a feminist, a woman who has been outspoken and active on behalf of her sex from the very beginning of her career. And she is a New Yorker, with all the attendant moxie and brashness, who grew up with her three sisters above her parents' mom and pop perfume business in a working-class neighborhood in Queens.

Her parents were the children of poor Irish immigrants, her father, Michael Healy, an "independent character, a great American individualist," as she describes him, a man who quit school at 13 to take the ferry every day from Hoboken, N.J., to his first job as a messenger boy on Wall Street. He met her mother in a New York restaurant, where she waited on his table, and they moved to Long Island City, three blocks from the Queensboro Bridge, where he set up his own business in perfume oils in the family basement.

"My father had a strong sense of the world being a tough place," she says. "He lived through the Depression. He said you have to learn to take care of yourself. He was somewhat humorless when it came to frivolous things. My parents never went out to dinner. Everything was oriented toward improving yourself, toward education, the business, the family. It was very self-contained.

"When I was a little girl, I used to think I wanted to be a nun, and my father would say you can't be a nun—you'd always be taking orders from a priest. My father was a very old-fashioned conservative Irish Catholic, but he was also an unbelievable feminist. He had a strong sense that no doors should be closed to women, especially his daughters."

All four of the Healy girls would go on to bigger things. The eldest attended MIT on scholarship and then Columbia University for graduate school. The two youngest would follow Bernadine to Vassar College, also on scholarship, and one would go on to be a doctor and the other a lawyer. It was Bernadine, however, who was always the most academic, the most driven, the daughter most under the spell of Michael Healy.

"My father was fiercely devoted to the things that he thought were right. Our dinner table conversation was always about how he would solve the problems of the world from his perch in Long Island City . . . I am most like him. My mother always says that. I'm his girl."

From Vassar, where friends say she was rarely spotted outside of the library, Healy went to Harvard Medical School and then for medical training and a full professorship at Johns Hopkins in Baltimore.

Her résumé glitters. She has been head of the American Federation for Clinical Research and the American Heart Association. She was a star in the Hopkins cardiology department, where she built a reputation as one of the school's most productive and creative researchers. In 1984 she went to the White House for a two-year stint in the Office of Science and Technology Policy and then was hired away by the Cleveland Clinic to head its research institute, which doubled in size during her five-year tenure.

She has two daughters, one from her first marriage to Bulkley and one from her second to Floyd Loop, a world-famous heart surgeon at the Cleveland Clinic. She and Loop met and married while she was at the White House, and then she joined him soon after she landed the Cleveland Clinic post.

Theirs is a modern, high-powered marriage. Her husband and daughters remain in Cleveland and she flies home to be with them every weekend. They take fax machines with them on their vacations.

Her friends are unremitting in their praise of her. "There are lots of smart people in medicine," says Stephen Achuff, who was a colleague of Healy's at Hopkins. "But what sets her apart is that she is so well organized. She solves a problem and then moves on. She's like Jack Nicklaus. She has this incredible ability to concentrate on something."

"She has these brilliant notions and ways of synthesizing information, which is why people in a room with her are spellbound. She knows how to sort out the baloney," says Myron Weisfeldt, chief of medicine at Columbia University Medical School. "One of the things I've always said about her is that she is never all wrong. It isn't that she never makes mistakes. It is that there is always an element of correctness in what she does."

"The one thing she has is true grit," says her husband. "You don't see that a lot in Washington. Lots of people are going along to get along. But she is not that way at all. She will study the facts and make a decision. She is very decisive."

She is also a formidable opponent, as Dingell found out when he called her before his oversight subcommittee last summer. Dingell summoned her to testify about her handling of a specific case of scientific fraud while she was head of the Cleveland Clinic. It was a critical meeting—the first between Healy and NIH's most forbidding overseer, and the first on the subject of scientific misconduct, an issue with which Dingell has become almost obsessively involved over the past five years.

But while Dingell routinely turns the most senior of government officials into quivering and compliant witnesses, he had no such power over Healy. She came out blazing, by turns combative, sarcastic and brusque.

"I cannot handle this witness," one of Dingell's colleagues on the committee, Rep. Norman Lent (R-N.Y.), said at one point. At another, after Dingell sarcastically told Healy that "I am just a poor foolish lawyer from Detroit and I get a little befuddled in some of these questions," she shot back: "And I'm just a poor girl from New York."

Her most memorable moment, however, was a wisecrack, impeccably delivered, that punctured Dingell's heavy-handed interrogation. At issue was why Healy signed off on a grant application alleged to have been fraudulent before the accused researcher did. Dingell thought it odd. Healy couldn't see how it made any difference. It was an arcane point. But much to Healy's obvious exasperation, Dingell dragged it out.

Healy: "The actual sequences of the signatures, I think, is being blown out of proportion. If he had signed first and then I had signed, you could argue how could he have signed before I gave my institutional assurances that we were going to give him the space. Somebody had to sign first."

Dingell: "That is an indisputable point. The question, though, is why was it you that had to sign first?"

Healy: "I didn't have to sign first. This is the way it was brought to me."

Dingell: "He signed second and you signed first."

Healy (with a comic's timing): "Who's on third?"

The room erupted into gales of laughter.

Bernadine Healy works on the fringe of the NIH campus in a red brick building that looks like a college dormitory.

Vistors enter through a plain brown door to the left of the front entrance, on the first floor, just past an unmanned guard's desk, and sit on a chair jammed between two secretaries' desks. Healy's office is adjoining, a long spare room, an unprepossessing arrangement for the head of a multibillion-dollar-a-year enterprise.

This is not a traditional Washington agency, with clean, vertical lines of authority and a corner office for the chief. The men who built NIH purposefully located all the constituent institutes—the Cancer Institute, the Heart, Lung and Blood Institute, the Infectious Disease Institute among others—in separte buildings scattered across 300 rolling acres. They wanted to send a not-so-subtle message about the role the director would play: He was not to lead so much as cheerlead, to be a statesman for science, a bookkeeper, someone to lobby Congress for more money but otherwise stay on the periphery. It was a reflection of what the scientific community believed and continues to believe is critical for the most creative and productive research: that science be as unstructured and scientists be as unfettered as possible, that the best minds be left free to follow the idiosyncratic and unpredictable course of scientific discovery.

It is this idea, this catechism, that Healy has chosen to confront. In speeches to scientists around the country over the past few months, she has been saying that it is no longer acceptable for an agency as large as NIH to be without some kind of coherent, central strategy that governs how it distributes its research money. In the 1950s, she says, when NIH was a sleepy research group, the ad hoc way in which the agency and its member institutes organize themselves might have been acceptable. But biomedical science is now a huge enterprise, she argues. The field of biology is exploding. There are suddenly more ideas to pursue than there are resources to pursue them. Congress, once friendly, has grown wary of the scientific community. Huge areas of medical research, such as women's health, cry out for more attention. Borrowing a line from the popular Oldsmobile commercial, she says, "This is no longer your father's NIH."

In her first six months in office, Healy gathered all the top NIH officials together and prepared a strategic plan for the future of the agency, a meticulously detailed document that in its draft form ran to hundreds of pages. One by one, research areas of special interest such as vaccines or biotechnology were identified, and specific research initiatives to expand critical areas of knowledge in each field were drawn up, complete with individualized budgets.

It was an enormous undertaking, unprecedented in NIH history. But the response from scientists has been less than overwhelming. Asked to review the draft document, the big biomedical research groups wrote back long rebuttals. It was attacked when Healy presented the plan at a major scientific conference in San Antonio in January and again when she presented it at the University of Connecticut in February.

"The negative feeling that prevails is a feeling that this is corporate mentality of management from the top down," said William Brinkley, dean of the graduate school at Baylor College of Medicine in Houston. "Science in this country is great because of just the opposite philosophy, of ideas coming from the bottom up. The notion is that scientists identify what is important, and that is often quite unexpected and serendipitous Now it seems that we are being asked to focus our research on what someone at the top thinks is important.

It is not clear how much of this fear is real and how much is imagined. Healy argues that the idea that American biomedical research is currently unfettered is something of a myth. Some of NIH's constituent institutes, she says, do this kind of "top down" research planning already. But they do it behind closed doors. Her plan is also, on a large scale, similar to what Congress did 20 years ago when it gave NIH a big chunk of money with special instructions to look for a cure for cancer. The war was not won, but it produced some of the most stunning advances in biology in the past century, which may some day lead to a cure.

Healy says her plan will not confine the creativity of researchers but simply give the biomedical establishment a loose but necessary structure. A science policy without central direction can sometimes miss hugely important subjects, she says, like the health of women and minorities. She also sees a strategic plan as the best way to get money out of Congress. Why would anyone vote science an extra two or three billion dollars if scientists can't demonstrate convincingly how they would put that money to good use?

"I don't think we will inspire substantial investment unless we have a compelling vision, a compelling statement," she says. "We have so often portrayed ourselves as an agency that only worries about the number of grants. I don't think that is an idea that inspires people."

But the antagonism of the scientific community can't be defused with logic alone; it's partly about something more subtle. It seems as much a difference of language and style as it is of substance, the culture shock caused by introducing an active and powerful leader to a world that never really wanted one. At the conclusion of the San Antonio meeting, for example, the assembled scientists presented Healy with a manifesto. It wasn't so much that the idea of planning was dead wrong, they said, but that she was moving too quickly, moving without consulting the scientists themselves.

At the Connecticut meeting, the men in the audience flinch when she uses the phrase "strategic plan" over and over again. It is the language of MBAs. They are MDs and PhDs. For people accustomed to the gentle rhythms of laboratory work, there is an unseemly insistence about Healy's manner. "She thinks like a cardiologist," is how one prominent scientist puts it, not meaning the phrase as a compliment.

Within NIH, the unease with Healy seems just as marked.

"There is a lot of waiting in our system, so we learn not to shoot from the hip," says one NIH official. "We have to wait on Congress. We have to wait on our researchers. We have to wait for ideas to come in. We have to wait for paperwork to be done . . . We're never quick to say something is good or bad."

Healy, by contrast, likes argument and open discussion. "I don't mind when people ple disagree with me," she says. "I love it when people disagree with me." But she says that sometimes when she is seeking frank opinion, she doesn't get it. This puzzles her, and she worries that her colleagues disagree with her behind her back.

At NIH, it also matters that she is a woman in what is still very much a man's world, a fraternity with its own private code. The hallway leading to Healy's office is lined with the solemn-faced portraits of her predecessors, every one a white man. Healy herself is something of an accident: The Bush administration's first six choices, all male, turned down the $142,800-a-year job. "Many men I've seen have a group around them. They have a large body of people with whom they interact, and they make a decision by the group method," says Florence Haseltine, director of the Center for Population Research at NIH. "But I've never known a woman who has gotten to the top who makes a decision that way. We've always been isolated. There aren't enough of us. We make decisions independently. It's not that we don't consult. It's that we don't have a lot of people we can talk to.

"I suspect that a lot of the old-time men are nervous [about Healy] because they don't know how to access her," Haseltine adds. "Many of them never know her before he came here, and men feel uncomfortable if they don't know how to have a handle on a person in power. Everyone knew [Healy's predecessor James B.] Wyngaarden because he was in the gel, in the matrix. But she doesn't owe her success to anyone. She made it on her own."

Bernadine Healy's most audacious act as director of NIH has been the Women's Health Initiative. The idea came from Congress, from the Congressional Caucus for Women's Issues, which had been pressuring NIH for some time to pay more attention to women's health. When Healy came aboard, she listened.

"I was faced with a choice," she says. "Do I become an apologist for NIH, or do I look at it and say, 'Let's fix it.' We had all been apologizing for years, and now was the time to fix it."

It is an issue about which she has always been outspoken. She comes from a profession, cardiology, that decided to explore heart disease risk factors by studying 15,000 men—and zero women; that looked at aspirin as a preventative therapy for coronary disease in 22,000 men—and zero women; and that tried to answer the question of whether estrogen was protective against heart disease in women by conducting a study of the role of estrogen in preventing heart disease in men.

She successfully pushed for an initiative on women and heart disease while active in the American Heart Association in the 1980's, fighting the indifference of her colleagues, she said, and the perception in the field that "women's complaints about chest pain were emotional or inconsequential."

At NIH she saw an opportunity to push the same goal in a much larger scale, and within months of taking office proposed one of the largest and most expensive clinical studies in history, a $500 million, 10-year trial involving 140,000 American women. The idea of the trial is ambitious: to measure, in a single study, the effectiveness of hormone replacement, dietary modification and vitamin supplements to combat heart disease, breast and colon cancer, and bone loss in post-menopausal women, simultaneously overcoming the huge knowledge deficits that surround both the health of women and the health of the elderly.

The idea is not without its share of critics. In a letter to Healy last summer, a group of epidemiologists complained that the design of the trial seemed rushed, that the premises on which it was based were suspect. Part of the study, for example, involves a comparison of women on a modified low-fat diet with those on a normal diet. But how do you keep a large group of women on a low-fat diet for 10 years? And won't the control group naturally decrease its fat intake over time, as has been the general dietary pattern of the past decade? In other words, after a decade how can anyone be sure there will be any difference in the diets of the two groups?

Another question is age. What if there is a major connection between diet and illness, but it only makes a difference in younger women? Aren't there risks in limiting the trial to post-menopausal women? Finally, does it make sense to gamble on one big study?

"It is a massively expensive study, and it seems rather risky to put so many eggs in one basket," says Lynn Rosenberg, professor of epidemiology at Boston University. "It might be a surer bet to do a larger number of smaller studies so that it wouldn't matter much if one turned out to be a dead end. Whereas if one of the larger studies turned out to be infeasible, it would all have been a huge loss."

Some of these criticisms have been heeded by NIH, and the study design continues to go through refinement. But it is clear that on the big issues of how large the trial should be and how quickly it should proceed, Healy's mind is made up. The boldness that seems to scare off some epidemiologists is precisely what she finds compelling about the idea.

A large trial allows you to include a very diverse population, she says. It allows you do draw conclusions about the lives and experiences of ordinary people. It gets away from the limitations of white male populations usually picked for study by medicine.

She is passionate on the subject. She calls it "one of the most exciting clinical trials ever done." It represents everything she has worked for, everything she's been trying to accomplish by asserting herself among men.

"Women's issues have been ignored because women have not been a force in our society," she says. "Women have not been listened to; even women of professional standing have not been taken seriously."

She remembers when she fought at the American Heart Association for a new focus on women's health, a campaign to educate patients and doctors about the threat of heart disease.

"Initially my efforts were not well received; it wasn't viewed as important." But, she says, she kept pushing anyway, year in, year out, until she got her way.

"It just goes to show that you should never get discouraged if you think you are right." She pauses and reconsiders. "You should never get discouraged if you are right."

Every Friday afternoon, Bernadine Healy flies to Cleveland to be with her husband and two daughters. She gets home in time for dinner on Friday and leaves Monday mornings after she has kissed her children goodbye.

In a year at NIH, she has never missed a weekend home. She has turned down five honorary degrees because they were to be given out on weekends. She has passed up the White House correspondents' dinner and the vice president's Christmas party. She has skipped or rescheduled important meetings.

During the week, she talks with her husband or daughters at least three times a day, more if there is a difficult homework assignment or a dentist's appointment to be arranged.

"Everyone sort of looks at Bernadine," says her husband, and says, 'How do you manage?' But the family has been very supportive. We haven't had any problems. The children have been fine. If anything, they are closer to their busy father than they have ever been. And on weekends we spend a lot of time together . . . Call me up in five years and ask me how it is, though, and I might say something else."

In Washington, things have been a little harder. There is Dingell's office, first of all, which has never quite forgiven Healy for her performance at last summer's hearing. Dingell staffers write or call, demanding information, sometimes daily. The men on Dingell's staff gossip about her with reporters, seeming to delight in the slightest innuendo. It is a constant annoyance for Healy, leading some to conclude she made a tactical error in confronting him so boldly last summer.

This spring there was a much-reported flap with James Watson, the Nobel laureate biologist who ran NIH's effort to decode the human genome. He does not like Healy. Years ago, when Healy was at the White House, he blasted her in a speech, saying that the person setting science policy was "either unimportant or a woman." When she came aboard, he publicly criticized her decision to consider patenting human genes isolated by NIH, saying it would stifle research. Later, when officials of the Department of Health and Human Services raised conflict of interest concerns about his stock ownership and directorships in biotechnology firms that were interested in those same patents, he noisily quit, saying that Healy didn't like him and wanted him out.

Then there are Healy's relations with her superiors at HHS. They did not like her original strategic plan. "The only 'strategy' . . . seems to be the acquisition of additional funds," wrote one top official in an internal memo, after estimating that Healy's proposed initiatives would double the NIH budget. Department insiders whisper maliciously that she is campaigning for the job of HHS secretary.

Her press notices have not always been good. In one New York Times profile, she was called impulsive, which rankled.

"I'm many things, but I am not impulsive," she says. "I make up my mind and I'm fierce about pursuing it, and I'm relentless and tenacious. But I'm very rational. I'm very nonemotional in the way I do my business and the way I conduct myself. I bend over backwards to make sure I'm not allowing my emotions to influence my decisions."

Still, the theme has been picked up in one account of Healy after another. Science magazine, reporting on the Watson affair, said that she "lost her cool." The influential Science and Government Report called her the "short-tempered diva of biomedical research." And on and on.

"A woman is bitchy, and a man knows what he wants. A woman is aggressive and harsh, and a man is directed and goal-oriented," says Pam Douglas, a cardiologist at Harvard Medical School. "These things are kind of cliches now, but they are still very true. If we expect women to be emotional and warm and fuzzy, then a woman who knows what she wants and gets it is going to be a real shock."

At the University of Connecticut, there is frustration of a different kind. Healy would like to draw up a list of research topics that deserve to be priorities. She has assembled a sample list to work from. But the scientists in attendance each have their own special interests and quiver at the thought of excluding anything.

A man from the Pfizer pharmaceutical company says he is upset because fermentation technology was excluded. "There is no mention of chemistry," says another. "You have structural biology but not developmental biology." A man from Pittsburgh asks why the document is "unnecessarily defensive about computing." A man from the University of Connecticut worries about the absence of software systems, a man from Brown about biomaterials, another from Brandeis about conventional electron microscopy, and yet another about "parasitic diseases" and the "excess of stress on applied immunology."

They do not like the idea of listing priorities.

"This is not what the scientific community wants to see," says one distinguished-looking gray-haired man. "What we need is the same kind of science-driven process we have always seen. We ought to get back to the basic question of 'Is it good or bad science?'"

There is applause.

At midday, Healy leaves to go back to Washington. On the airplane she reexplains her position carefully. She is philosophical about the reception she has received. It is not the first time she has walked into a room and felt the vibrations changing.

"You can't be NIH director if you want to be loved," Healy says. "You find your love somewhere else. From your husband, your kids, your dog."

She laughs and brightens. Later, she tells a story about taking her troubles home to her daughters. Someone had written an article making fun of the way she talks, about her fondness for quoting Saint Augustine, and it bothered her. In many ways she is quite honest about still being the bookish Catholic schoolgirl. She peppers her speeches with references to everyone from Confucius to Cotton Mather, and she says one of the first things she did after getting the NIH job was read the Constitution. But on the particular day she read the critical news article, after dodging all the other arrows at NIH, it struck her the wrong way.

"I read it to my 12-year-old, saying this is what I have to put up with. But she said, 'Mommy, that's not bad. He's saying you're not a wannabe.'" Girls of her daughter's age, Healy explains, do not want to be wannabes—people whose ambition is to be like someone else.

Healy's features soften. Then her voice rises an octave as she imitates her little girl.

"What he's saying is that you're not a wannabe. You're an original.".

THE OLD GIRL NETWORK IN ACTION

The centerpiece of Bernadine Healy's attempt to bring women's issues to the attention of medical science is the newly created Office of Research on Women's Health.

Healy appointed one of her former instructors at Massachusetts General Hospital in Boston, Vivian Pinn, to head the office last summer, in one of the only known examples in NIH history of the old girl network in action. Pinn was the only woman and the only black in her medical school class at the University of Virginia in 1963, and was valedictorian of her high school class in Lynchburg, Va., where Jim Crow laws forbade her from using the town's libraries. Later she went on to win numerous teaching awards at Tufts University and in 1982 moved to Howard University, where she served as chairman of the school's department of pathology.

She heads an effort that has strong political backing, both from Congress—in particular the Congressional Caucus for Women's Issues—and from Healy herself, from whom the issue of women's health has become almost an obsession.

The office is the coordinating body for the massive Women's Health Initiative launched by Healy last year. But it also plays a much broader role within the agency as a kind of ombudsman for women's issues, promoting their interests within NIH and the biomedical community.

The office is the traffic cop responsible for fighting the reluctance of many researchers to include women in clinical trials. NIH has had a policy going back almost a decade requiring scientists applying for grants to include women as subjects—or at least to justify why they are not included—but the guidelines had gone largely unheeded. Two years ago NIH stepped in to beef up the requirement, and Pinn has become the enforcer, establishing a tracking system to monitor the use of women in clinical research.

"We're putting teeth into the law," Pinn says.

Pinn's office has begun to hand out money to actively promote the inclusion of women. These supplemental grants, as much as $50,000 each, go to trials already in progress or just beginning, allowing the organizers to add more women, or to reach women in the inner city who might not otherwise have been included as subjects. This year the office gave out money to include more women in studies on sleeping disorders among the elderly, and hypertension, among others.

The effort is also aimed at getting NIH's 13 disease-oriented institutes to undertake research projects on subjects thought to be of specific interest to women. For example, in May of this year Pinn's office gave $1 million to the National Institute of Child Health and Human Development to fund five projects in the biology and pathophysiology of endometriosis and myoma, two common and painful reproductive problems that can contribute to infertility.

"These are very common conditions, but we don't really have a good understanding of them," Pinn says. "What we do is suggest areas that need to be addressed. The investigators can come up and design the project. We can stimulate research." Pinn's office also has been given the responsibility for pushing for greater participation of women in the research community itself.

"We feel that if women's health is going to be a continuing concern, we need a critical mass of women out there," Pinn says. "If you look at the data related just to women coming into medical schools, it's averaging around 40 percent. But if you look at the other end of the spectrum, at the number of women who are tenured professors, you see few, if any, women. When we look at proposals and investigators, we don't see many more. One of the things this office is doing is facilitating the recruitment, retention and advancement of women."

Earlier this month, Pinn's office held its first major conference on women in biomedical careers, featuring Healy and Maxine Singer, president of the Carnegie Institute. Among the topics for discussion: "The Politics Mother Never Taught You," "But We've Always Done It Like This: Challenging the Current Structure," and "The Old Boys Network: Not for Old Boys Only."●

● Mr. CRANSTON. Mr. President, earlier this month, without much fanfare, President Bush announced a $1.9 billion arms sale to Saudi Arabia. Although this sale will probably not be opposed, I cannot let it go forward without noting the hypocrisy of an administration which has embraced arms control in the Middle East at the same time it is conducting business as usual on the arms sale front.

This arms sale flies in the face of what the President claims he is trying to accomplish with the Middle East Arms Supplier Group, coming just days after the group met in Washington to discuss multilateral controls on arms transfers to the region. How can we expect the world's suppliers to heed our call for restraint when we cannot even restrain ourselves?

The administration's track record in this area is even more discouraging. Last May, President Bush first announced his Middle East arms control initiative, calling for a freeze on the acquisition, production, and testing of surface-to-surface missiles. This was an effort to seek collective self-restraint on the transfer of conventional weapons by the five permanent members of the United Nations Security Council—the major suppliers to the region. Yet, within days, President Bush announced a number of U.S. arms sales to the Middle East.

The administration's policy of trying to play both sides of the issue has certainly been consistent! Unfortunately, the pursuit of short-term economic gain—through these sales—threatens to undermine worthy long-term goals in the region.

Escalating the deadly arms race in the Middle East is also at cross purposes with the Middle East peace process Secretary of State Baker has worked so hard to nurture. With United States support and hand-holding, delegates from Jordan, Lebanon, Syria, and Israel have even met to discuss arms control in the region.

This sale includes work of a corps of engineers to support the Saudi Arabian Army Ordnance logistic system at $400 million; contractor support for F–5 and F–15 aircraft at more than $650 million; Hellfire missiles, Hydra-70 rockets, and Apache helicopters at $606 million; and there's more. All this is in addition to the 17 billion dollars' worth of military-related equipment and services we have roughly sold to the Saudis since the beginning of the Persian Gulf crisis.

One of the most disturbing aspects of this sale is the message it sends about U.S. intentions on bigger sales rumored to be in the pipeline. In this sale a precursor to the deadly F–15E fighter jets the Saudis so desperately want? Let one think that lack of opposition to the currently proposed $1.9 billion sale signals any lack of resolve on the part of Congress to prevent these larger, more threatening sales down the road.

This sale continues a policy of pouring arms into Saudi Arabia when even with the most sophisticated of weapons it is unclear if the Saudis could defend themselves without United States intervention. Arming the Saudis does not make them invulnerable, nor does it abolish the threat of aggression. The Saudi military is just too small and has already demonstrated that it cannot absorb all the new weaponry directed its way.

Furthermore, the Middle East is a volatile region. There is no guarantee that these arms will remain in Saudi hands or that they would not be used at some point against Israel.

How quickly we forget: Saudi Arabia is technically in a self-proclaimed state of war with our truest friend in the region, Israel. The Saudie have consistently supported the Arab armies which have launched four wars or Israel. They continue to coordinate and abide by a boycott of any international company doing business with Israel. Their anti-Israel and anti-Jewish rhetoric does nothing but fan the flames of animosity.

Finally, I am troubled at the notion that we are so actively supporting the Saudi Government despite its abysmal human rights record. Recent Saudi legislation to reform the political system has been revealed as a hollow attempt to appease the West and at best is only a token step toward democratization. By continuing to arm the Saudis we are tolerating a regime which is defying the global trend to institute real democratic reforms and is doing little to protect basic civil and political rights. United States quiescence on Saudi internal policies, coupled with continued arms sales, does little to move the Saudis in the right direction.

Mr. President, while this sale on its own may not seem significant to some, there is a disturbing pattern developing here that ultimately cannot and should not be tolerated. I intend to watch these arms sales closely and take action when necessary. I urge my colleagues to do the same.●

UNANIMOUS-CONSENT REQUEST—S. 499

Mr. FORD. Mr. President, on behalf of the chairman and ranking member of the Senate Agriculture Committee, Senators LEAHY and LUGAR, I ask unanimous consent that the Agriculture Committee be discharged from further consideration of S. 499, a bill to remove the requirement that schools participating in the school lunch program offer students specific types of fluid milk and that the bill then be placed on the calendar.

The PRESIDING OFFICER. Is there objection?

Mr. SYMMS. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. FORD. Mr. President, I regret that my friend must object to this. This has been cleared, of course, with the ranking Republican member of the Agriculture Committee, Mr. LUGAR, to be put on the calendar. This was done at the request of Senator LUGAR with the concurrence of the chairman, Senator LEAHY. So I regret that it has been objected to.

NATIONAL LITERACY DAY

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Joint Resolution 499, designating "National Literacy Day," just received from the House; that the joint resolution be deemed read three times, passed and the motion to reconsider be laid upon the table and the preamble be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution (H.J. Res. 499) was deemed read the third time and passed.

The preamble was agreed to.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MANUFACTURING STRATEGY ACT OF 1991

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar 340, S. 1330, the Manufacturing Strategy Act of 1991.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1330) to enhance the productivity, quality, and competitiveness of United States industry through the accelerated development and deployment of advanced manufacturing technologies, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Manufacturing Strategy Act of 1991".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds and declares the following:

(1) The development and deployment of advanced manufacturing technologies and other process technologies are vital to the Nation's economic growth, standard of living, competitiveness in world markets, and national security.

(2) New developments in flexible computer-integrated manufacturing, electronic manufacturing networks, and other new technologies make possible dramatic improvements across all industrial sectors in productivity, quality, and the speed with which manufacturers can respond to customers and changing market opportunities.

(3) The United States currently leads the world in research on advanced manufacturing technologies, but often lags behind other nations in the full development, deployment, and use of these new technologies.

(4) Among the steps necessary for the United States to reap the full benefits of advanced manufacturing technology are further research and development activities, testbed projects to test and validate new technology, programs to accelerate the deployment of both new advanced technologies and valuable off-the-shelf equipment, full development of digital product data technology, enhanced transfer of federally-funded technology to industry, and increased cooperation among the Federal Government, industry, labor organizations, and the States.

(5) The Department of Commerce, in cooperation with the Department of Defense and other Federal agencies, has played and can continue to play an important role in assisting United States industry to develop, test, and deploy advanced manufacturing technologies.

(b) PURPOSE.—It is the purpose of Congress in this Act to enhance the ability of the Department of Commerce's technology programs to assist the efforts of private industry in manufacturing and, in the process, to help ensure the continued leadership of the United States in advanced manufacturing technologies.

SEC. 3. AMENDMENT OF THE STEVENSON-WYDLER TECHNOLOGY INNOVATION ACT.

The Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) is amended by adding at the end the following new title:

"TITLE III—MANUFACTURING TECHNOLOGY

"SEC. 301. STATEMENT OF POLICY AND PURPOSE.

"(a) STATEMENT OF POLICY.—Congress declares that it is the policy of the United States that—

"(1) Federal agencies, particularly the Department of Commerce, shall work with industry to ensure that within 10 years of the date of enactment of this title the United States is second to no other nation in the development, deployment, and use of advanced manufacturing technology;

"(2) because of the importance of manufacturing and advanced manufacturing technology to the Nation's economic prosperity and defense, all the major Federal research and development agencies shall place a high priority on the development and deployment of advanced manufacturing technologies, and shall work closely with United States industry to develop and test those technologies; and

"(3) the Department of Commerce, particularly the Technology Administration, shall serve as the lead civilian agency for promoting the development and deployment of advanced manufacturing technology, and other Federal departments and agencies which work with civilian industry shall be encouraged, as appropriate, to work through the programs of the Department of Commerce.

"(b) PURPOSE.—It is the purpose of Congress in this title to help ensure, through the programs and activities of the Department of Commerce and other Federal agencies, continued United States leadership in the development and deployment of advanced manufacturing technologies and their applications.

"SEC. 302. ROLE OF THE DEPARTMENT OF COMMERCE.

"(a) MISSION IN MANUFACTURING.—The Department of Commerce shall be the lead civilian agency of the Federal Government for working with United States industry and labor to—

"(1) develop new generic advanced manufacturing technologies; and

"(2) encourage and assist the deployment and use of advanced manufacturing equipment and techniques throughout the United States.

"(b) DUTIES.—(1) The Secretary shall, through the Under Secretary and the Director and, as appropriate, in coordination with the heads of other Federal agencies and with industry, design and manage programs that—

"(A) identify technical, organizational, institutional, and informational barriers to the development, deployment, and use of advanced manufacturing equipment and technologies;

"(B) accelerate the development of advanced manufacturing technologies in such areas as computer-integrated manufacturing, advanced robotics, concurrent engineering, enterprise integration, communications networks for manufacturing, other advanced process technologies, computer software, and quality assurance techniques;

"(C) support projects, centers, and other mechanisms to help United States industry develop, test, and deploy advanced manufacturing and process technologies;

"(D) assist United States industry to—

"(i) develop and disseminate generic manufacturing process models and related techniques, including expert systems and benefit/cost analyses, that significantly increase quality, productivity, and flexibility;

"(ii) expand and speed the use of the best current manufacturing practices, such as total quality management, concurrent engineering, and just-in-time delivery; and

"(iii) develop techniques which help companies define their manufacturing technology needs and select production equipment;

"(E) increase coordination with industry for identifying the need for both interface and systems standards in manufacturing and, as appropriate, support testbeds so that industry can determine at early stages whether new technologies and prototypes are compatible with new standards; and

"(F) accelerate, in partnership with the States and industry, the broad deployment and adoption of advanced manufacturing technologies by medium and small, as well as large, manufacturers throughout the United States.

"(2) The Secretary, acting through the Under Secretary, also shall—

"(A) conduct analyses on how Federal policies and programs can better encourage private sector efforts to develop, test, deploy, and use advanced manufacturing technologies; and

"(B) work with the private sector as a catalyst to help develop new manufacturing business practices, teaching factories, shared manufac-

turing facilities, accounting standards, training methods, improved supplier-customer relations, and other steps which would accelerate the deployment and use of advanced manufacturing technologies by United States industry.

"(c) RELATION TO NATIONAL PLANS.—The Secretary, Under Secretary, and Director shall, as appropriate, ensure that Department of Commerce advanced manufacturing technology activities are conducted in a manner consistent with any national advanced manufacturing technology development plans that may be developed by the President or the Director of the Office of Science and Technology Policy.

"(d) COORDINATION WITH OTHER AGENCIES.—The Secretary and the Secretary of Defense shall coordinate their policies and programs to promote the development and deployment of advanced manufacturing technologies. The two Secretaries shall, as appropriate, form joint working groups or special project offices to coordinate their manufacturing activities.

"SEC. 303. ADVANCED MANUFACTURING SYSTEMS AND NETWORKING PROJECT.

"(a) ESTABLISHMENT OF PROJECT.—(1) In addition to such technology development responsibilities as may be set forth in other Acts, the Secretary, through the Under Secretary and the Director, shall establish an Advanced Manufacturing Systems and Networking Project (hereafter in this title referred to as the 'Project').

"(2) The purpose of the Project is to create a collaborative multiyear technology development program involving the Institute, United States industry, and, as appropriate, other Federal agencies and the States in order to develop, refine, test, and transfer advanced computer-integrated, electronically-networked manufacturing technologies and associated applications.

"(b) PROJECT COMPONENTS.—The Project shall include—

"(1) an advanced manufacturing research and development activity at the Institute;

"(2) one or more technology development testbeds within the United States, selected through the Advanced Technology Program established under section 28 of the Act of March 3, 1901 (15 U.S.C. 278n), whose purpose shall be to develop, refine, test, and transfer advanced manufacturing and networking technologies and associated applications; and

"(3) one or more information dissemination contracts selected through the provisions of section 25 (d) and (e) of the Act of March 3, 1901 (15 U.S.C. 278k (d) and (e)), for the purpose of providing information and technical assistance regarding advanced manufacturing and networking technologies to these small and medium-sized manufacturers.

"(c) ACTIVITIES.—The Project shall, under the coordination of the Director, undertake the following activities:

"(1) test and, as appropriate, develop the equipment, computer software, and systems integration necessary for the successful operation within the United States of advanced manufacturing systems and associated electronic networks;

"(2) establish at the Institute and the technology development testbed or testbeds—

"(A) prototype advanced computer-integrated manufacturing systems; and

"(B) prototype electronic networks linking the manufacturing systems;

"(3) assist industry to implement voluntary consensus standards relevant to advanced computer-integrated manufacturing operations, including standards for integrated services digital networks, electronic data interchange, and digital product data specifications;

"(4) help to make high-performance computing and networking technologies an integral part of design and production processes;

"(5) conduct research to identify and overcome technical barriers to the successful and cost-effective operation of advanced manufacturing systems and networks;

"(6) facilitate industry efforts to develop and test new applications for manufacturing systems and networks;

"(7) involve, to the maximum extent practicable, both those United States companies which make manufacturing and computer equipment and those companies which buy the equipment, with particular emphases on including a broad range of company personnel in the Project and on assisting small and medium-sized manufacturers;

"(8) train, as appropriate, company managers, engineers, and employees in the operation and applications of advanced manufacturing technologies and networks, with a particular emphasis on training production workers in the effective use of new technologies and thereby expanding the skill base of the workforce and increasing production flexibility and adaptability;

"(9) work with private industry to develop standards for the use of advanced computer-based training systems, including multi-media and interactive learning technologies; and

"(10) exchange information and personnel, as appropriate, between the technology development testbeds and the Regional Centers for the Transfer of Manufacturing Technology created under section 25 of the Act of March 3, 1901 (15 U.S.C. 278k).

"(d) TESTBED AWARDS.—(1) In selecting applicants to receive awards under subsection (b)(2) of this section, the Secretary shall give particular consideration to applicants that have existing expertise with digital data product technologies and that, in the case of joint research and development ventures, include both suppliers and users of advanced manufacturing equipment.

"(2) An industry-led joint research and development venture applying for an award under subsection (b)(2) of this section may include one or more State research organizations, universities, independent research organizations, or Regional Centers for the Transfer of Manufacturing Technology (as created under section 25 of the Act of March 3, 1901).

"(e) RELATIONSHIP TO HIGH-PERFORMANCE COMPUTING PROGRAM.—(1) The Project shall be considered one of the Department of Commerce's activities under the Federal high-performance computing program and shall be considered a 'Grand Challenge', as that term is defined under that program. The Project shall remain under the jurisdiction of the Secretary, although the Secretary may, as appropriate, invite the participation of other Federal departments and agencies.

"(2) The Secretary and Director, in consultation with the Director of the Office of Science and Technology Policy, shall, as appropriate, direct that the Project conduct manufacturing networking experiments in partnership with the operators of the National Research and Education Network.

"(f) ADVICE AND ASSISTANCE.—(1) Within 6 months after the date of enactment of this title, and before any request for proposals is issued, the Secretary, through the Under Secretary and Director, shall hold one or more workshops to solicit advice from United States industry and from other Federal departments, particularly the Department of Defense, regarding the specific missions and activities of the testbeds.

"(2) The Secretary may request and accept funds, facilities, equipment, or personnel from other Federal departments and agencies in order to carry out responsibilities under this section.

"SEC. 304. OTHER AGENCY SUPPORT FOR INDUSTRY-LED RESEARCH IN MANUFACTURING AND PROCESS TECHNOLOGY.

"(a) SUPPORT OF NATIONAL TECHNOLOGY BASE.—(1) It shall be a mission of all Federal research and development agencies to support the national technology base upon which both the Federal Government and United States industry draw.

"(2) In order to contribute to the national technology base, each Federal department and agency is authorized and encouraged to provide support for industry-led technology development projects whose purpose is the development of critical generic technologies, particularly manufacturing and processing technologies, which are identified in the biennial critical technologies reports prepared pursuant to section 603 of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6683).

"(b) METHODS OF SUPPORT.—Each Federal department and agency may support industry-led technology development projects by either—

"(1) using or establishing its own program or programs to support industry-led technology development projects; or

"(2) channeling its funds to support industry-led technology development projects through the Advanced Technology Program established under section 28 of the Act of March 3, 1901 (15 U.S.C. 278n).

"SEC. 305. INSTITUTE FELLOWSHIPS IN MANUFACTURING ENGINEERING.

"(a) GRADUATE FELLOWSHIPS.—(1) The Under Secretary and Director, in consultation with other appropriate Federal officials, shall establish a program to provide fellowships to graduate students at institutions of higher education within the United States who choose to pursue masters or doctoral degrees in manufacturing engineering. The purpose of the program is to encourage larger numbers of highly qualified graduate students to enter manufacturing engineering and thereby help improve manufacturing within the United States. Such fellowships shall be awarded through a competitive, merit-based selection process.

"(2) In order to be eligible to receive one of the graduate fellowships established by this subsection, a student must attend or be admitted to a university graduate program which has been certified by the Director as meeting the following criteria:

"(A) at least several manufacturing companies have a continuing relationship with the program;

"(B) the program has at least several faculty members with expertise in manufacturing; and

"(C) the program encourages its graduate students to acquire experience in industry before enrolling for graduate study.

"(b) MANUFACTURING MANAGERS PROGRAM.—The Under Secretary and Director also shall establish a program to provide fellowships, on a matching funds basis, to industrial executives with experience in manufacturing to serve for one or two years as instructors in manufacturing at two-year community and technical colleges in the United States. Fellowships shall be made through a competitive, merit-based process. In selecting fellows, the Under Secretary and Director shall place special emphasis on supporting individuals who not only have expertise and practical experience in manufacturing but who also can serve as bridges between two-year colleges and manufacturing firms in their areas.

"SEC. 306. NATIONAL QUALITY LABORATORY.

"(a) ESTABLISHMENT.—(1) There is established, within the Institute, a National Quality Laboratory (hereafter in this section referred to as the 'Laboratory'), the purpose of which is to assist private sector quality efforts and to serve as a mechanism by which United States companies can work together to advance quality management programs.

"(2) The Director may, under appropriate contractual arrangements, select one or more

managers to operate such Laboratory activities as the Director deems appropriate, selecting such manager or managers from among individuals or broad-based nonprofit entities which are leaders in the field of quality management and which have a history of service to society.

"(b) ACTIVITIES.—The Laboratory shall—

"(1) provide technical services to manufacturing companies, service companies, and other organizations in the United States to help them improve the quality of their operations and products;

"(2) conduct research and analyses on ways to improve quality; and

"(3) facilitate and assist voluntary efforts by leaders from business, labor, and education to—

"(A) harmonize quality initiatives underway in given industrial sectors;

"(B) train individuals and organizations in the methods and criteria of the Malcolm Baldrige National Quality Award established under section 107 of this Act;

"(C) encourage and aid the creation and operation of State quality councils or institutes;

"(D) develop model criteria and materials, and, as appropriate, conduct workshops to provide employees with the education and training necessary to operate within quality management programs; and

"(E) in general assist in the broad dissemination of best practices available in total quality management, including the practices and quality improvement strategies successfully employed by those firms which have won the Malcolm Baldrige National Quality Award, as well as best practices in the fields of lean production, market-driven product improvement, and customer-supplier relations.

"(c) FUNDING.—The Secretary and the Director are authorized to use appropriated funds to support the operations of the Laboratory. The Secretary and the Director also are authorized to seek and accept gifts from public and private sources to help fund the activities of the Laboratory.".

SEC. 4. TECHNOLOGY EXTENSION AND DEPLOYMENT ACTIVITIES OF THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

(a) MANUFACTURING TECHNOLOGY CENTERS.—Section 25 of the Act of March 3, 1901 (15 U.S.C. 278k), is amended—

(1) by amending the section heading to read as follows: "MANUFACTURING TECHNOLOGY CENTERS";

(2) in subsection (c)(5), by inserting ", except for contracts for such specific technology extension services as the Director may specify" immediately before the period at the end;

(3) by striking subsection (d); and

(4) by adding at the end the following new subsections:

"(d) If a Center receives a positive evaluation during its third year of operation, the Director may, any time after that evaluation, contract with the Center to provide additional technology extension or transfer services above and beyond the baseline activities of the Center. Such additional services may include, but are not necessarily limited to, the development and operation of—

"(1) prototype regional teleconferencing and digital communications networks for the purpose of expanding the number of States, companies, and employees which can receive a Center's baseline services;

"(2) programs to assist small and medium-sized manufacturers and their employees in the Center's region to learn and apply the technologies and techniques associated with systems management technology; and

"(3) programs focused on the testing, development, and application of manufacturing and process technologies within specific technical fields such as advanced materials, electronics fabrication, or general manufacturing, for the purpose of assisting United States companies, both large and small and both within the Center's original service region and in other regions, to improve manufacturing, product design, workforce training, and production in those specific technical fields.

"(e) In addition to any assistance provided or contracts entered into with a Center under this section, the Director is authorized to make separate and smaller awards, through a competitive process, to nonprofit organizations which wish to work with a Center to enable those organizations to provide additional outreach services, in collaboration with the Center, to small and medium-sized manufacturers. Organizations which receive such awards shall be known as Satellite Manufacturing Centers. In reviewing applications, the Directors shall consider the needs of rural as well as urban manufacturers. No single award for a Satellite Manufacturing Center shall be for more than three years, awards shall be renewable through the competitive awards process, and no award shall be made unless the applicant provides matching funds at least equal to the amount requested from the Director.".

(b) STATE TECHNOLOGY EXTENSION PROGRAM.—(1) Section 26(a) of the Act of March 3, 1901 (15 U.S.C. 278l(a)), is amended—

(A) by inserting immediately after "(a)" the following new sentence: "There is established within the Institute a State Technology Extension Program."; and

(B) by inserting "through that Program" immediately after "technical assistance".

(2) Section 26 of the Act of March 3, 1901 (15 U.S.C. 278l) is amended by adding at the end the following new subsection:

"(c)(1) In addition to the general authorities listed in subsection (b) of this section, the State Technology Extension Program also shall, through merit-based competitive review processes and as authorizations and appropriations permit—

"(A) make awards to State and conduct workshops, pursuant to section 5121(b) of the Omnibus Trade and Competitiveness Act of 1988, in order to help States improve their planning and coordination of technology extension activities;

"(B) support industrial modernization demonstration projects to help States create networks among small manufacturers for the purpose of facilitating technical assistance, group services, and improved productivity and competitiveness;

"(C) support State efforts to develop and test innovative ways to help small and medium-sized manufacturers improve their technical capabilities, including innovative methods for transferring Federal technology, for encouraging business networks and shared facilities among small manufacturers, for expanding the skill of the workforce, for identifying new manufacturing opportunities between small and large firms, and for working with the States and, as appropriate, private information companies, to provide small and medium-sized firms with access to data bases and technical experts;

"(D) support cooperative research and technology assistance projects between the Institute and the States, particularly projects, funded on a matching basis, to help firms within the State to improve their manufacturing and process technologies, including manufacturing education institutes;

"(E) as appropriate, promote the creation of industry-led State quality laboratories or institutes affiliated with the National Quality Laboratory established by section 307 of the Stevenson-Wydler Technology Innovation Act of 1980.

"(2) Each application for financial assistance under this subsection shall demonstrate a commitment to derive at least 50 percent of the resources necessary to defray the total cost of the program from non-Federal Government sources, unless the Secretary, acting through the Director, determines that a State government lacks the required resources due to chronic financial difficulties.".

SEC. 5. NATIONAL MANUFACTURING TECHNOLOGY ADVISORY COMMISSION.

(a) ESTABLISHMENT AND PURPOSE.—There is established a National Manufacturing Technology Advisory Commission (hereafter in this section referred to as the "Commission"), for the purpose of examining what steps must be taken by industry and government to ensure that within a decade the United States has a modern industrial infrastructure, including research and development capabilities and equipment and facilities, second to no other nation.

(b) ISSUES.—The Commission shall address, but not necessarily limit itself to, the following issues:

(1) What range of factors affect how willing and able United States companies are to invest in new research, product development, and equipment and facilities, and how do those factors compare with conditions in other major industrialized countries?

(2) How do the cost, availability, and long-term or short-term orientation of capital in the United States affect the ability of companies to make investments and modernize industrial equipment and facilities?

(3) What are the particular industrial modernization problems, including capital problems, insufficient information, and workforce training needs faced by small- and medium-sized manufacturing firms in the United States?

(4) How feasible and appropriate would it be to create a privately-sponsored or government-sponsored enterprise which would serve as a secondary market for private loans for the purchase or lease of advanced manufacturing technology by small- and medium-sized manufacturers within the United States, and could an insurance premium provision be built into such an enterprise to ensure that a sufficient financial reserve would exist to cover any losses incurred by the enterprise?

(5) In general, what steps could the Federal Government, the States, and the private sector take to accelerate the modernization of United States industry, particularly manufacturing firms?

(c) MEMBERSHIP.—(1) The Commission shall be composed of 12 members, none of whom shall serve as full-time Federal employees during their term of service on the Commission, who are eminent in such fields as advanced technology, manufacturing, finance, and international economics and who are appointed as follows:

(A) Four individuals shall be appointed by the President, one of whom shall be designated by the President to chair the Commission.

(B) Four individuals shall be appointed by the Speaker of the House of Representatives, one of whom shall be appointed upon the recommendation of the minority leader of the House of Representatives.

(C) Four individuals shall be appointed by the President pro tempore of the Senate, three of whom shall be appointed upon the recommendation of the majority leader of the Senate and one of whom shall be appointed upon the recommendation of the minority leader of the Senate.

(2) Each member shall be appointed, within 60 days after the date of enactment of this Act, for the life of the Commission. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(d) PROCEDURES.—(1) The chairman shall call the first meeting of the Commission within 90 days after the date of enactment of this Act.

(2) Recommendations of the Commission shall require the approval of two-thirds of the members of the Commission.

(3) The Commission may use such personnel detailed from Federal agencies, particularly the Department of Commerce, as may be necessary to enable the Commission to carry out its duties.

(4) Members of the Commission, while attending meetings of the Commission while away from their homes or regular places of business, shall be allowed travel expenses in accordance with subchapter I of chapter 57 of title 5, United States Code.

(e) REPORTS.—The Commission shall, within one year after the date of enactment of this Act, submit to the President and Congress a report containing legislative and other recommendations with respect to the issues addressed under subsection (b).

(f) TERMINATION.—The Commission shall terminate 6 months after the submission of its report under subsection (e).

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for the fiscal years 1993 and 1994.

SEC. 6. ANNUAL REPORT ON NEGOTIATIONS POTENTIALLY AFFECTING FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS.

The Secretary of Commerce, after consultation with the Director of the Office of Science and Technology Policy, shall report annually to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives on any current or planned Executive Branch positions in international negotiations, including negotiations regarding subsidies or government procurement, which would affect the activities, funding levels, or eligibility requirements of Federal domestic research and development programs.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATIONS FOR CERTAIN FISCAL YEAR 1993 ACTIVITIES.—Of the amounts otherwise authorized to be appropriated to the Secretary of Commerce for fiscal year 1993—

(1) $10,000,000 of the amounts authorized for the Manufacturing Engineering Laboratory of the National Institute of Standards and Technology (hereafter in this section referred to as the "Institute") are authorized only for carrying out the Institute's internal portion of the Advanced Manufacturing Systems and Networking Project established under section 303 of the Stevenson-Wydler Technology Innovation Act (as added by this Act);

(2) $30,000,000 of the amounts authorized for the Institute's Advanced Technology Program are authorized only for support of the Advanced Manufacturing Systems and Networking Project established under section 303 of the Stevenson-Wydler Technology Innovation Act (as added by this Act); and

(3) $5,000,000 of the amounts authorized for the Institute's Manufacturing Technology Centers are authorized only for support of Satellite Manufacturing Centers.

(b) ADDITIONAL AUTHORIZATIONS.—In addition to such other sums as may be authorized to be appropriated to the Secretary of Commerce and the Director of the Institute by this or any other Act, there are authorized to be appropriated to the Secretary and the Director—

(1) to carry out responsibilities under section 303 of the Stevenson-Wydler Technology Innovation Act of 1980 (as added by this Act), $50,000,000 for fiscal year 1994 and $40,000,000 for fiscal year 1995;

(2) to carry out responsibilities under section 305 of the Stevenson-Wydler Technology Innovation Act of 1980 (as added by this Act), $5,000,000 for fiscal year 1993, $30,000,000 for fiscal year 1994, and $30,000,000 for fiscal year 1995;

(3) to carry out responsibilities under section 306 of the Stevenson-Wydler Technology Innovation Act of 1980 (as added by this Act), $5,000,000 for fiscal year 1993, $5,000,000 for fiscal year 1994, and $5,000,000 for fiscal year 1995; and

(4) to carry out responsibilities under subsections (d) and (e) of section 25 of the Act of March 3, 1901 (as added by this Act), $60,000,000 for fiscal year 1994 and $50,000,000 for fiscal year 1995.

SEC. 8. MISCELLANEOUS AND CONFORMING AMENDMENTS.

(a) DEFINITIONS.—Section 4 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3703) is amended by adding at the end the following new paragraphs:

"(14) 'Director' means the Director of the National Institute of Standards and Technology.

"(15) 'Institute' means the National Institute of Standards and Technology.

"(16) 'Assistant Secretary' means the Assistant Secretary of Commerce for Technology Policy.

"(17) 'Advanced manufacturing technology' means—

"(A) numerically controlled machine tools, robots, automated process control equipment, computerized flexible manufacturing systems, associated computer software, and other technology for improving manufacturing and industrial production; and

"(B) techniques and processes designed to improve manufacturing quality, productivity, and practices, including quality assurance, concurrent engineering, shop floor management, inventory management, and upgrading worker skills.".

(b) REDESIGNATIONS.—The Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) is amended—

(1) by inserting immediately after section 4 the following new title heading:

"TITLE I—DEPARTMENT OF COMMERCE AND RELATED PROGRAMS";

(2) by redesignating sections 5 through 10 as sections 101 through 106, respectively;

(3) by redesignating sections 11 through 15 as sections 201 through 205, respectively;

(4) by redesignating sections 16 through 18 as sections 107 through 109, respectively;

(5) by striking section 19;

(6) by redesignating section 20 as section 110;

(7) by redesignating section 21 as section 206;

(8) by inserting immediately after paragraph 110 (as redesignated by paragraph (6) of this subsection) the following new title heading:

"TITLE II—FEDERAL TECHNOLOGY TRANSFER";

(9) in section 4—

(A) by striking "section 5" each place it appears and inserting in lieu thereof "section 101";

(B) in paragraphs (4) and (6), by striking "section 6" and "section 8" each place they appear and inserting in lieu thereof "section 103" and "section 105", respectively; and

(C) in paragraph (13), by striking "section 6" and inserting in lieu thereof "section 102";

(10) in section 206 (as redesignated by paragraph (7) of this subsection)—

(A) by striking "section 11(b)" and inserting in lieu thereof "section 201(b)"; and

(B) by striking "section 6(d)" and inserting in lieu thereof "section 102(d)"; and

(11) by adding at the end of section 201 (as redesignated by paragraph (3) of this subsection) the following new subsection:

"(h) ADDITIONAL TECHNOLOGY TRANSFER MECHANISMS.—In addition to the technology transfer mechanisms set forth in this section and section 202 of this Act, the heads of Federal departments and agencies also may transfer technologies through the technology transfer, extension, and deployment programs of the Department of Commerce and the Department of Defense.".

AMENDMENT NO. 2645

(Purpose: To clarify that the Act does not alter the application of Federal and State antitrust laws)

Mr. FORD. Mr. President, on behalf of Senator METZENBAUM, I send an amendment to the committee substitute to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD], for Mr. METZENBAUM, proposes an amendment numbered 2645.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new subsection:

(c) APPLICATION OF ANTITRUST LAWS.—Nothing in this Act shall be construed to create any immunity to any civil or criminal action under any Federal or State antitrust law, or to alter or restrict in any manner the applicability of any Federal or State antitrust law.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2645) was agreed to.

Mr. HOLLINGS. Mr. President, I am pleased that the Senate is now considering S. 1330, the Manufacturing Strategy Act, which I introduced on June 19, 1991. In supporting this bill, I am joined by Senators GORE, BINGAMAN, NUNN, ROCKEFELLER, KENNEDY, DIXON, LEVIN, DODD, SHELBY, DASCHLE, LIEBERMAN, RIEGLE, CONRAD, WOFFORD, KERRY, and BENTSEN as cosponsors. The version of S. 1330 now before us is the reported bill, which was approved without objection by the Commerce Committee on October 3, 1991.

This important legislation builds on existing manufacturing technology programs at the Department of Commerce [DOC]. It provides for a new industry-led project to develop advanced manufacturing technologies, expands State-led efforts to help small and medium-sized manufacturers modernize their equipment and processes, and increases assistance to firms wishing to improve manufacturing quality. Passage of this legislation is critical to the future of U.S. technology competitiveness in manufacturing.

THE MANUFACTURING CHALLENGE

Manufacturing remains a central part of the American economy. The U.S. manufacturing sector accounts for approximately 25 percent of the Nation's gross domestic product. It provides 19 percent of the Nation's jobs and still provides many of the country's best-paid positions. It funds most of the Nation's private-sector research and development [R&D]. It generates approximately 80 percent of this country's total merchandise exports, and in 1990 its exports were responsible for a stunning 90 percent of real U.S. economic growth. Our long-term prosperity and national defense depend on manufacturing—especially high-productivity, high-wage manufacturing.

Yet, despite some bright spots, we all know that America has taken a beating in manufacturing. The United States once had over a dozen color television manufacturers; now it has only one. Today Japan controls over one-quarter of the United States automobile market and about half of the world's semiconductor market. In automobiles, semiconductors, and other fields, American companies are making advancements, but all too often the leading world-class manufacturers are based in Japan, Germany, or other countries.

In 1990, Japanese-manufactured exports nearly equalled those of the United States—$282 billion in Japanese exports as compared to $287 billion in U.S. exports. Yet the Japanese economy is only two-thirds the size of the U.S. economy. Also in 1990, Germany led the world in exports of manufactured goods—386 billion dollars' worth of goods, 28 percent more than the United States exported. How did a country with one-third of the U.S. population lead in manufactured exports?

Many factors affect a nation's manufacturing strength—management attitudes, training and labor relations, tax policy, trade policy, technology, and so forth. However, what stands out in countries such as Japan and Germany is a serious, sustained national commitment to excel. Industry, labor, and government in these countries have made manufacturing a true national priority, and they have backed up that priority with real resources and action.

Consider Government support for manufacturing technology and for manufacturing modernization. The Germans and the Japanese do not merely give lip service to these areas; they make major investments in manufacturing technology and in industrial innovation in general.

For example, a recent report by the private Council on Competitiveness on German technology policy identifies the key factor as follows:

> Industrial innovation is a direct and specific goal of German government policy. The straightforward German focus on industrial innovation stands in sharp contrast to U.S. public policy. The U.S. federal government does not view industrial innovation as a priority, but as the indirect result of defense spending or basic research. Therefore, while U.S. public support for industrial innovation is fragmented and unfocused, German policy encourages and supports a dense network of research institutions and industry organizations that provide complementary services to the private sector. * * *

Among other programs, Germany operates 40 so-called Franhofer Institutes—applied research facilities which help large and smaller firms improve products and manufacturing processes. Total expenditures in 1989 totalled $409 million, with approximately half of this amount from industry and the remainder from German federal and state agencies. About 50 percent of the budget is devoted to new production technologies and microelectronics.

Japan has programs to help both smaller and larger manufacturers. Small and medium-sized manufacturing companies have access to a nationwide publicly supported system of 169 examination and assistance centers. These so-called kohsetsushi centers help small firms with both the development and adoption of advanced production technologies. The centers receive $500 million a year in public funding from municipal, prefectural, and central government agencies. For larger firms, the Ministry of International Trade and Industry [MITI] has proposed a $1 billion government-industry research project in Intelligent Manufacturing Systems—the IMS project. This project and a related private-sector initiative in Japan aim to create an advanced and highly efficient computer-integrated manufacturing infrastructure that will give Japanese companies a significant competitive edge in the 21st century.

Japanese manufacturing already is impressive. According to Bob White, DOC Under Secretary for Technology, automakers in Japan soon will be able to take a customer's car order—including model type, paint color, interior, and options—and deliver that car exactly as the customer wants it within 3 days. One can only imagine what the Japanese will be able to do once their factories and suppliers are linked into large, speedy computer networks, and highly flexible production lines.

While the United States still has excellent research and development [R&D] in manufacturing, we often lag behind others in the development and deployment of advanced manufacturing systems. For example, the United States has no equivalent to Japan's IMS project, despite interest from industry and a very commendable effort by DOC to stimulate United States thinking on this subject. In terms of deploying new technologies—that is, helping firms adopt and use effectively the new equipment—the American record is poor. The United States has some 350,000 small- and medium-sized manufacturers, defined as firms with 500 or fewer employees. However, in 1991, the United States ranked 20 out of 22 countries in per capita consumption of advanced machine tools, just ahead of Bulgaria and Yugoslavia.

So far, the Federal Government has placed a low priority on helping American companies to develop and deploy advanced manufacturing technologies. In fiscal year 1992, the Federal Government only will spend $17 million on manufacturing extension programs to help small firms adopt advanced equipment. Nondefense R&D funds to help develop industrial manufacturing technology will be far less than $100 million. By comparison, in fiscal year 1992, the Federal Government will spend over $1 billion on two agricultural research programs, the Agriculture Research Service and the Cooperative State Research Service, and $411 million for the Federal portion of agricultural extension. These programs have helped make American agriculture the world's leader, and I strongly support them. Comparing this expenditure with the low priority the Federal Government places on industrial manufacturing technology, it is no surprise that our companies have trouble keeping up with their German and Japanese competitors.

AMERICA'S OPPORTUNITY

If the United States has been slow to meet the challenge of foreign investments in manufacturing technology development and deployment, it nonetheless now has a major opportunity to redress the imbalance. It now can develop and implement an industry-led strategy to restore U.S. leadership in manufacturing technology and manufacturing operations.

This opportunity exists for three key reasons. First, we know what direction we must follow. To survive in the intensely competitive markets of the late 1990's and the early 21st century, manufacturers will have to be efficient, cost-effective, and dedicated to quality. In turn, two ingredients will produce a world-class manufacturer: highly flexible, computer-controlled equipment and lean, flexible organizations of highly skilled workers and managers. A recent report by a team of experts from industry and Lehigh University gave a name to this new system of production: they call it agile manufacturing.

Important developments will be needed to make agile manufacturing a reality, including new types of equipment, new communications networks to link factories electronically, standardized computer terminology so that disparate factories can communicate with each other, new training programs, and the further development of best practices for manufacturing.

Second, much of the necessary work is already underway, although efforts remain fragmented, incomplete, and underfunded. In my home town of Charleston, SC, the Navy, DOC's National Institute of Standards and Technology [NIST], the South Carolina Research Authority, and a group of private companies have developed a pioneering flexible manufacturing system. I watched this system, developed originally to automate and speed the manufacture of small parts for Navy vessels, as it was pressed into service during the Persian Gulf war to make spare parts for Marine helicopters. Replacement parts that once took machinists a year to make now can be made in weeks or days, thanks to a system which keeps specifications for hundreds of components in a computer memory bank and then sends those specifications speedily to flexible milling and lathing machines.

Other efforts around the country have begun to fill in other pieces of the agile manufacturing system. Dr. Robert White and his DOC colleagues are working with industry to develop standardized computer terminology for electronic manufacturing. An industry consortium, the National Center for Manufacturing Sciences [NCMS], is developing new generations of computer equipment to control automated equipment. Another industry group, the Microelectronics and Computer Technology Corporation [MCC], has begun to develop computer networks to link factories. NIST and the private foundation supporting the Malcolm Baldrige National Quality Award have thought long and hard about best manufacturing practices. The National Coalition for Advanced Manufacturing [NACFAM] and leaders in the States and industry are thinking about how best to share these evolving technologies and practices with small- and medium-sized manufacturers. Many of the pieces of a true national effort to restore American manufacturing already exist; the task now is to bring them together under industry leadership.

This is where the third component—proven models of industry-Federal-State cooperation—becomes important. We have programs now that could be used readily to develop and deploy these 21st century manufacturing technologies and practices. On the development side, we have both existing industry consortia and a DOC Program for supporting such consortia, the NIST Advanced Technology Program [ATP]. On the deployment side, NIST has two well-regarded programs for working with the States to disseminate new manufacturing technologies and manufacturing best practices—the Manufacturing Technology Centers and the State Technology Extension Program [STEP]. These industry, NIST, and State efforts are in place and working. However, the Nation must make manufacturing excellence a true national priority and expand upon these efforts to advance U.S. manufacturing competitiveness.

THE BILL

This is the point at which enactment of S. 1330 becomes critical. It builds upon ongoing technical work and existing DOC programs. The bill would not create any new bureaucracies, and its funds would be targeted at coordinating and strengthening existing industry and government efforts for the development and deployment of advanced manufacturing technologies.

The bill now before the Senate has three sets of provisions. The first set deals with technology development and manufacturing practices. It would create a new title III to the Stevenson-Wydler Technology Innovation Act of 1980. The new title, "Manufacturing Technology," would set a national goal of being second to no other nation in manufacturing within 10 years, and state that DOC is to be the lead civilian Federal agency for working with U.S. industry to develop and deploy advanced manufacturing technology and techniques. Next, the new title would create, under existing NIST programs, an Advanced Manufacturing Systems and Networking Project to develop new technologies. The heart of this project would be a series of industry-led "testbed" projects, financed mainly by business, to refine, test, and integrate key manufacturing technologies. The new title also would authorize and encourage other Federal agencies to support industry-led technology development projects; establish NIST manufacturing fellowships; and create a NIST-supervised National Quality Laboratory which would help industry could develop quality management programs and other practices important to success.

The second set of provisions deals with technology extension. The bill also would amend sections 25 and 26 of the National Institute of Standards and Technology Act to authorize additional activities by Manufacturing Technology Centers [MTC's], to authorize the establishment of new Satellite Manufacturing Centers in affiliation with MTC's, and to authorize additional activities by NIST's State Technology Extension Program [STEP].

The third provision would create a National Manufacturing Technology Advisory Commission. This commission would provide advice to the President and Congress on promoting the development and application of new manufacturing technologies.

The bill contains modest authorizations for fiscal year 1993, and would authorize $145 million for fiscal year 1994 and $125 million for fiscal year 1995 for all the NIST manufacturing programs.

CONCLUSION

Mr. President, for a time during the 1980s, some people argued that the United States no longer needed a strong manufacturing sector. We had become a service economy, these people said, and could remain prosperous without factories. Others were content to let American manufacturing compete on the basis of low wages and basic products rather than high productivity and technological excellence.

It is clear that these viewpoints were not valid. The importance of manufacturing was summed up well in a 1989 book entitled "Made in America." Written by experts at the Massachusetts Institute of Technology [MIT], the book concluded that it is unrealistic to expect that the United States can rely solely on services. Exports of American services never could pay the cost of importing all manufactured goods; a loss of manufacturing industries would lead to the loss of related service sectors, such as engineering and insurance; and manufacturing always will remain essential for national security. The MIT experts went on to make this crucial point about the future of American manufacturing:

> The important question is not whether the United States will have a manufacturing industry but whether it will compete as a low-wage manufacturer or as a high-productivity producer. * * * [T]he best way for Americans to share in rising world prosperity is to retain on American soil those industries that have high and rapidly rising productivity. Manufacturing, and high-technology manufacturing in particular, belongs in this category.

Mr. President, that is the choice we face. Industry and labor are ready to make manufacturing excellence once again a national priority. Industry is ready to define the research agenda, and to work with Federal officials and the States to help disseminate these new technologies and best practices to small manufacturers. The question now is whether the Federal Government will show real leadership, whether it will make manufacturing a true national priority, and thus whether it will make a determined effort to generate the standard of living and the good jobs that only high-productivity manufacturing can provide. Other nations have focused programs of their own. We also must make manufacturing a priority, or cede key industries and the best jobs to other nations.

S. 1330 is a sound way to use advanced technologies to help achieve these goals. It is not a panacea, and it must be matched by real improvements in training, tax policy, trade enforcement, and management attitudes. However, the bill is an important and necessary step. It will harness and coordinate the technological strengths of companies, Federal agencies, and the States in order to create an effective industry-led strategy to revitalize American manufacturing technology.

The bill, approved without objection by the Commerce Committee, has been endorsed by such notable groups as the National Association of Manufacturers, NACFAM, NCMS, and the Young Presidents Organization, an association of young corporate executives. These industry groups have been critical in developing this bill, and I thank them for their assistance.

I urge our colleagues to support passage of this important legislation.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to engrossed for a third reading, was read the third time, and passed, as follows:

S. 1330

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Manufacturing Strategy Act of 1992".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds and declares the following:

(1) The development and deployment of advanced manufacturing technologies and other process technologies are vital to the Nation's economic growth, standard of living, competitiveness in world markets, and national security.

(2) New developments in flexible computer-integrated manufacturing, electronic manufacturing networks, and other new technologies make possible dramatic improvements across all industrial sectors in productivity, quality, and the speed with which manufacturers can respond to customers and changing market opportunities.

(3) The United States currently leads the world in research on advanced manufacturing technologies, but often lags behind other nations in the full development, deployment, and use of these new technologies.

(4) Among the steps necessary for the United States to reap the full benefits of advanced manufacturing technology are further research and development activities, testbed projects to test and validate new technology, programs to accelerate the deployment of both new advanced technologies and valuable off-the-shelf equipment, full development of digital product data technology, enhanced transfer of federally-funded technology to industry, and increased cooperation among the Federal Government, industry, labor organizations, and the States.

(5) The Department of Commerce, in cooperation with the Department of Defense and other Federal agencies, has played and can continue to play an important role in assisting United States industry to develop, test, and deploy advanced manufacturing technologies.

(b) PURPOSE.—It is the purpose of Congress in this Act to enhance the ability of the Department of Commerce's technology programs to assist the efforts of private industry in manufacturing and, in the process, to help ensure the continued leadership of the United States in advanced manufacturing technologies.

SEC. 3. AMENDMENT OF THE STEVENSON-WYDLER TECHNOLOGY INNOVATION ACT.

The Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) is amended by adding at the end the following new title:

"TITLE III—MANUFACTURING TECHNOLOGY

"SEC. 301. STATEMENT OF POLICY AND PURPOSE.

"(a) STATEMENT OF POLICY.—Congress declares that it is the policy of the United States that—

"(1) Federal agencies, particularly the Department of Commerce, shall work with industry to ensure that within 10 years of the date of enactment of this title the United States is second to no other nation in the development, deployment, and use of advanced manufacturing technology;

"(2) because of the importance of manufacturing and advanced manufacturing technology to the Nation's economic prosperity and defense, all the major Federal research and development agencies shall place a high priority on the development and deployment of advanced manufacturing technologies, and shall work closely with United States industry to develop and test those technologies; and

"(3) the Department of Commerce, particularly the Technology Administration, shall serve as the lead civilian agency for promoting the development and deployment of advanced manufacturing technology, and other Federal departments and agencies which work with civilian industry shall be encouraged, as appropriate, to work through the programs of the Department of Commerce.

"(b) PURPOSE.—It is the purpose of Congress in this title to help ensure, through the programs and activities of the Department of Commerce and other Federal agencies, continued United States leadership in the development and deployment of advanced manufacturing technologies and their applications.

"SEC. 302. ROLE OF THE DEPARTMENT OF COMMERCE.

"(a) MISSION IN MANUFACTURING.—The Department of Commerce shall be the lead civilian agency of the Federal Government for working with United States industry and labor to—

"(1) develop new generic advanced manufacturing technologies; and

"(2) encourage and assist the deployment and use of advanced manufacturing equipment and techniques throughout the United States.

"(b) DUTIES.—(1) The Secretary shall, through the Under Secretary and the Director and, as appropriate, in coordination with the heads of other Federal agencies and with industry, design and manage programs that—

"(A) identify technical, organizational, institutional, and informational barriers to the development, deployment, and use of advanced manufacturing equipment and technologies;

"(B) accelerate the development of advanced manufacturing technologies in such areas as computer-integrated manufacturing, advanced robotics, concurrent engineering, enterprise integration, communications networks for manufacturing, other advanced process technologies, computer software, and quality assurance techniques;

"(C) support projects, centers, and other mechanisms to help United States industry develop, test, and deploy advanced manufacturing and process technologies;

"(D) assist United States industry to—

"(i) develop and disseminate generic manufacturing process models and related techniques, including expert systems and benefit/cost analyses, that significantly increase quality, productivity, and flexibility;

"(ii) expand and speed the use of the best current manufacturing practices, such as total quality management, concurrent engineering, and just-in-time delivery; and

"(iii) develop techniques which help companies define their manufacturing technology needs and select production equipment;

"(E) increase coordination with industry for identifying the need for both interface and systems standards in manufacturing and, as appropriate, support testbeds so that industry can determine at early stages whether new technologies and prototypes are compatible with new standards; and

"(F) accelerate, in partnership with the States and industry, the broad deployment and adoption of advanced manufacturing technologies by medium and small, as well as large, manufacturers throughout the United States.

"(2) The Secretary, acting through the Under Secretary, also shall—

"(A) conduct analyses on how Federal policies and programs can better encourage private sector efforts to develop, test, deploy, and use advanced manufacturing technologies; and

"(B) work with the private sector as a catalyst to help develop new manufacturing business practices, teaching factories, shared manufacturing facilities, accounting standards, training methods, improved supplier-customer relations, and other steps which would accelerate the deployment and use of advanced manufacturing technologies by United States industry.

"(c) RELATION TO NATIONAL PLANS.—The Secretary, Under Secretary, and Director shall, as appropriate, ensure that Department of Commerce advanced manufacturing technology activities are conducted in a manner consistent with any national advanced manufacturing technology development plans that may be developed by the President or the Director of the Office of Science and Technology Policy.

"(d) COORDINATION WITH OTHER AGENCIES.—The Secretary and the Secretary of Defense shall coordinate their policies and programs to promote the development and deployment of advanced manufacturing technologies. The two Secretaries shall, as appropriate, form joint working groups or special project offices to coordinate their manufacturing activities.

"SEC. 303. ADVANCED MANUFACTURING SYSTEMS AND NETWORKING PROJECT.

"(a) ESTABLISHMENT OF PROJECT.—(1) In addition to such technology development responsibilities as may be set forth in other Acts, the Secretary, through the Under Secretary and the Director, shall establish an Advanced Manufacturing Systems and Networking Project (hereafter in this title referred to as the 'Project').

"(2) The purpose of the Project is to create a collaborative multiyear technology development program involving the Institute, United States industry, and, as appropriate, other Federal agencies and the States in order to develop, refine, test, and transfer advanced computer-integrated, electronically-networked manufacturing technologies and associated applications.

"(b) PROJECT COMPONENTS.—The Project shall include—

"(1) an advanced manufacturing research and development activity at the Institute;

"(2) one or more technology development testbeds within the United States, selected through the Advanced Technology Program established under section 28 of the Act of March 3, 1901 (15 U.S.C. 278n), whose purpose shall be to develop, refine, test, and transfer advanced manufacturing and networking technologies and associated applications; and

"(3) one or more information dissemination contracts selected through the provisions of section 25 (d) and (e) of the Act of March 3, 1901 (15 U.S.C. 278k (d) and (e)), for the purpose of providing information and technical assistance regarding advanced manufacturing and networking technologies to these small and medium-sized manufacturers.

"(c) Activities.—The Project shall, under the coordination of the Director, undertake the following activities:

"(1) test and, as appropriate, develop the equipment, computer software, and systems integration necessary for the successful operation within the United States of advanced manufacturing systems and associated electronic networks;

"(2) establish at the Institute and the technology development testbed or testbeds—

"(A) prototype advanced computer-integrated manufacturing systems; and

"(B) prototype electronic networks linking the manufacturing systems;

"(3) assist industry to implement voluntary consensus standards relevant to advanced computer-integrated manufacturing operations, including standards for integrated services digital networks, electronic data interchange, and digital product data specifications;

"(4) help to make high-performance computing and networking technologies an integral part of design and production processes;

"(5) conduct research to identify and overcome technical barriers to the successful and cost-effective operation of advanced manufacturing systems and networks;

"(6) facilitate industry efforts to develop and test new applications for manufacturing systems and networks;

"(7) involve, to the maximum extent practicable, both those United States companies which make manufacturing and computer equipment and those companies which buy the equipment, with particular emphases on including a broad range of company personnel in the Project and on assisting small and medium-sized manufacturers;

"(8) train, as appropriate, company managers, engineers, and employees in the operation and applications of advanced manufacturing technologies and networks, with a particular emphasis on training production workers in the effective use of new technologies and thereby expanding the skill base of the workforce and increasing production flexibility and adaptability;

"(9) work with private industry to develop standards for the use of advanced computer-based training systems, including multimedia and interactive learning technologies; and

"(10) exchange information and personnel, as appropriate, between the technology development testbeds and the Regional Centers for the Transfer of Manufacturing Technology created under section 25 of the Act of March 3, 1901 (15 U.S.C. 278k).

"(d) Testbed Awards.—(1) In selecting applicants to receive awards under subsection (b)(2) of this section, the Secretary shall give particular consideration to applicants that have existing expertise with digital data product technologies and that, in the case of joint research and development ventures, include both suppliers and users of advanced manufacturing equipment.

"(2) An industry-led joint research and development venture applying for an award under subsection (b)(2) of this section may include one or more State research organizations, universities, independent research organizations, or Regional Centers for the Transfer of Manufacturing Technology (as created under section 25 of the Act of March 3, 1901).

"(e) Relationship to High-Performance Computing Program.—(1) The Project shall be considered one of the Department of Commerce's activities under the Federal high-performance computing program and shall be considered a 'Grand Challenge', as that term is defined under that program. The Project shall remain under the jurisdiction of the Secretary, although the Secretary may, as appropriate, invite the participation of other Federal departments and agencies.

"(2) The Secretary and Director, in consultation with the Director of the Office of Science and Technology Policy, shall, as appropriate, direct that the Project conduct manufacturing networking experiments in partnership with the operators of the National Research and Education Network.

"(f) Advice and Assistance.—(1) Within 6 months after the date of enactment of this title, and before any request for proposals is issued, the Secretary, through the Under Secretary and Director, shall hold one or more workshops to solicit advice from United States industry and from other Federal departments, particularly the Department of Defense, regarding the specific missions and activities of the testbeds.

"(2) The Secretary may request and accept funds, facilities, equipment, or personnel from other Federal departments and agencies in order to carry out responsibilities under this section.

"SEC. 304. OTHER AGENCY SUPPORT FOR INDUSTRY-LED RESEARCH IN MANUFACTURING AND PROCESS TECHNOLOGY.

"(a) Support of National Technology Base.—(1) It shall be a mission of all Federal research and development agencies to support the national technology base upon which both the Federal Government and United States industry draw.

"(2) In order to contribute to the national technology base, each Federal department and agency is authorized and encouraged to provide support for industry-led technology development projects whose purpose is the development of critical generic technologies, particularly manufacturing and processing technologies, which are identified in the biennial critical technologies reports prepared pursuant to section 603 of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6683).

"(b) Methods of Support.—Each Federal department and agency may support industry-led technology development projects by either—

"(1) using or establishing its own program or programs to support industry-led technology development projects; or

"(2) channeling its funds to support industry-led technology development projects through the Advanced Technology Program established under section 28 of the Act of March 3, 1901 (15 U.S.C. 278n).

"SEC. 305. INSTITUTE FELLOWSHIPS IN MANUFACTURING ENGINEERING.

"(a) Graduate Fellowships.—(1) The Under Secretary and Director, in consultation with other appropriate Federal officials, shall establish a program to provide fellowships to graduate students at institutions of higher education within the United States who choose to pursue masters or doctoral degrees in manufacturing engineering. The purpose of the program is to encourage larger numbers of highly qualified graduate students to enter manufacturing engineering and thereby help improve manufacturing within the United States. Such fellowships shall be awarded through a competitive, merit-based selection process.

"(2) In order to be eligible to receive one of the graduate fellowships established by this subsection, a student must attend or be admitted to a university graduate program which has been certified by the Director as meeting the following criteria:

"(A) at least several manufacturing companies have a continuing relationship with the program;

"(B) the program has at least several faculty members with expertise in manufacturing; and

"(C) the program encourages its graduate students to acquire experience in industry before enrolling for graduate study.

"(b) Manufacturing Managers Program.—The Under Secretary and Director also shall establish a program to provide fellowships, on a matching funds basis, to industrial executives with experience in manufacturing to serve for one or two years as instructors in manufacturing at two-year community and technical colleges in the United States. Fellowships shall be made through a competitive, merit-based process. In selecting fellows, the Under Secretary and Director shall place special emphasis on supporting individuals who not only have expertise and practical experience in manufacturing but who also can serve as bridges between two-year colleges and manufacturing firms in their areas.

"SEC. 306. NATIONAL QUALITY LABORATORY.

"(a) Establishment.—(1) There is established, within the Institute, a National Quality Laboratory (hereafter in this section referred to as the 'Laboratory'), the purpose of which is to assist private sector quality efforts and to serve as a mechanism by which United States companies can work together to advance quality management programs.

"(2) The Director may, under appropriate contractual arrangements, select one or more managers to operate such Laboratory activities as the Director deems appropriate, selecting such manager or managers from among individuals or broad-based nonprofit entities which are leaders in the field of quality management and which have a history of service to society.

"(b) Activities.—The Laboratory shall—

"(1) provide technical services to manufacturing companies, service companies, and other organizations in the United States to help them improve the quality of their operations and products;

"(2) conduct research and analyses on ways to improve quality; and

"(3) facilitate and assist voluntary efforts by leaders from business, labor, and education to—

"(A) harmonize quality initiatives underway in given industrial sectors;

"(B) train individuals and organizations in the methods and criteria of the Malcolm Baldrige National Quality Award established under section 107 of this Act;

"(C) encourage and aid the creation and operation of State quality councils or institutes;

"(D) develop model criteria and materials, and, as appropriate, conduct workshops to provide employees with the education and training necessary to operate within quality management programs; and

"(E) in general assist in the broad dissemination of best practices available in total quality management, including the practices and quality improvement strategies successfully employed by those firms which have won the Malcolm Baldrige National Quality Award, as well as best practices in the fields of lean production, market-driven product improvement, and customer-supplier relations.

"(c) Funding.—The Secretary and the Director are authorized to use appropriated funds to support the operations of the Laboratory. The Secretary and the Director also are authorized to seek and accept gifts from public and private sources to help fund the activities of the Laboratory.".

SEC. 4. TECHNOLOGY EXTENSION AND DEPLOYMENT ACTIVITIES OF THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

(a) MANUFACTURING TECHNOLOGY CENTERS.—Section 25 of the Act of March 3, 1901 (15 U.S.C. 278k), is amended—

(1) by amending the section heading to read as follows: "MANUFACTURING TECHNOLOGY CENTERS";

(2) in subsection (c)(5), by inserting ", except for contracts for such specific technology extension services as the Director may specify" immediately before the period at the end;

(3) by striking subsection (d); and

(4) by adding at the end the following new subsections:

"(d) If a Center receives a positive evaluation during its third year of operation, the Director may, any time after that evaluation, contract with the Center to provide additional technology extension or transfer services above and beyond the baseline activities of the Center. Such additional services may include, but are not necessarily limited to, the development and operation of—

"(1) prototype regional teleconferencing and digital communications networks for the purpose of expanding the number of States, companies, and employees which can receive a Center's baseline services;

"(2) programs to assist small and medium-sized manufacturers and their employees in the Center's region to learn and apply the technologies and techniques associated with systems management technology; and

"(3) programs focused on the testing, development, and application of manufacturing and process technologies within specific technical fields such as advanced materials, electronics fabrication, or general manufacturing, for the purpose of assisting United States companies, both large and small and both within the Center's original service region and in other regions, to improve manufacturing, product design, workforce training, and production in those specific technical fields.

"(e) In addition to any assistance provided or contracts entered into with a Center under this section, the Director is authorized to make separate and smaller awards, through a competitive process, to nonprofit organizations which wish to work with a Center to enable those organizations to provide additional outreach services, in collaboration with the Center, to small and medium-sized manufacturers. Organizations which receive such awards shall be known as Satellite Manufacturing Centers. In reviewing applications, the Directors shall consider the needs of rural as well as urban manufacturers. No single award for a Satellite Manufacturing Center shall be for more than three years, awards shall be renewable through the competitive awards process, and no award shall be made unless the applicant provides matching funds at least equal to the amount requested from the Director.".

(b) STATE TECHNOLOGY EXTENSION PROGRAM.—(1) Section 26(a) of the Act of March 3, 1901 (15 U.S.C. 278l(a)), is amended—

(A) by inserting immediately after "(a)" the following new sentence: "There is established within the Institute a State Technology Extension Program."; and

(B) by inserting "through that Program" immediately after "technical assistance".

(2) Section 26 of the Act of March 3, 1901 (15 U.S.C. 278l) is amended by adding at the end the following new subsection:

"(c)(1) In addition to the general authorities listed in subsection (b) of this section, the State Technology Extension Program also shall, through merit-based competitive review processes and as authorizations and appropriations permit—

"(A) make awards to State and conduct workshops, pursuant to section 5121(b) of the Omnibus Trade and Competitiveness Act of 1988, in order to help States improve their planning and coordination of technology extension activities;

"(B) support industrial modernization demonstration projects to help States create networks among small manufacturers for the purpose of facilitating technical assistance, group services, and improved productivity and competitiveness;

"(C) support State efforts to develop and test innovative ways to help small and medium-sized manufacturers improve their technical capabilities, including innovative methods for transferring Federal technology, for encouraging business networks and shared facilities among small manufacturers, for expanding the skill of the workforce, for identifying new manufacturing opportunities between small and large firms, and for working with the States and, as appropriate, private information companies, to provide small and medium-sized firms with access to data bases and technical experts;

"(D) support cooperative research and technology assistance projects between the Institute and the States, particularly projects, funded on a matching basis, to help firms within the State to improve their manufacturing and process technologies, including manufacturing education institutes;

"(E) as appropriate, promote the creation of industry-led State quality laboratories or institutes affiliated with the National Quality Laboratory established by section 307 of the Stevenson-Wydler Technology Innovation Act of 1980.

"(2) Each application for financial assistance under this subsection shall demonstrate a commitment to derive at least 50 percent of the resources necessary to defray the total cost of the program from non-Federal Government sources, unless the Secretary, acting through the Director, determines that a State government lacks the required resources due to chronic financial difficulties.".

SEC. 5. NATIONAL MANUFACTURING TECHNOLOGY ADVISORY COMMISSION.

(a) ESTABLISHMENT AND PURPOSE.—There is established a National Manufacturing Technology Advisory Commission (hereafter in this section referred to as the "Commission"), for the purpose of examining what steps must be taken by industry and government to ensure that within a decade the United States has a modern industrial infrastructure, including research and development capabilities and equipment and facilities, second to no other nation.

(b) ISSUES.—The Commission shall address, but not necessarily limit itself to, the following issues:

(1) What range of factors affect how willing and able United States companies are to invest in new research, product development, and equipment and facilities, and how do those factors compare with conditions in other major industrialized countries?

(2) How do the cost, availability, and long-term or short-term orientation of capital in the United States affect the ability of companies to make investments and modernize industrial equipment and facilities?

(3) What are the particular industrial modernization problems, including capital problems, insufficient information, and workforce training needs faced by small- and medium-sized manufacturing firms in the United States?

(4) How feasible and appropriate would it be to create a privately-sponsored or government-sponsored enterprise which would serve as a secondary market for private loans for the purchase or lease of advanced manufacturing technology by small- and medium-sized manufacturers within the United States, and could an insurance premium provision be built into such an enterprise to ensure that a sufficient financial reserve would exist to cover any losses incurred by the enterprise?

(5) In general, what steps could the Federal Government, the States, and the private sector take to accelerate the modernization of United States industry, particularly manufacturing firms?

(c) MEMBERSHIP.—(1) The Commission shall be composed of 12 members, none of whom shall serve as full-time Federal employees during their term of service on the Commission, who are eminent in such fields as advanced technology, manufacturing, finance, and international economics and who are appointed as follows:

(A) Four individuals shall be appointed by the President, one of whom shall be designated by the President to chair the Commission.

(B) Four individuals shall be appointed by the Speaker of the House of Representatives, one of whom shall be appointed upon the recommendation of the minority leader of the House of Representatives.

(C) Four individuals shall be appointed by the President pro tempore of the Senate, three of whom shall be appointed upon the recommendation of the majority leader of the Senate and one of whom shall be appointed upon the recommendation of the minority leader of the Senate.

(2) Each member shall be appointed, within 60 days after the date of enactment of this Act, for the life of the Commission. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(d) PROCEDURES.—(1) The chairman shall call the first meeting of the Commission within 90 days after the date of enactment of this Act.

(2) Recommendations of the Commission shall require the approval of two-thirds of the members of the Commission.

(3) The Commission may use such personnel detailed from Federal agencies, particularly the Department of Commerce, as may be necessary to enable the Commission to carry out its duties.

(4) Members of the Commission, while attending meetings of the Commission while away from their homes or regular places of business, shall be allowed travel expenses in accordance with subchapter I of chapter 57 of title 5, United States Code.

(e) REPORTS.—The Commission shall, within one year after the date of enactment of this Act, submit to the President and Congress a report containing legislative and other recommendations with respect to the issues addressed under subsection (b).

(f) TERMINATION.—The Commission shall terminate 6 months after the submission of its report under subsection (e).

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for the fiscal years 1993 and 1994.

SEC. 6. ANNUAL REPORT ON NEGOTIATIONS POTENTIALLY AFFECTING FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS.

The Secretary of Commerce, after consultation with the Director of the Office of Science and Technology Policy, shall report annually to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives on any current or planned Executive Branch positions in international negotiations, including negotiations regarding subsidies or government procurement, which would affect the activities, funding levels, or eligibility requirements of Federal domestic research and development programs.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

(a) Authorizations for Certain Fiscal Year 1993 Activities.—Of the amounts otherwise authorized to be appropriated to the Secretary of Commerce for fiscal year 1993—

(1) $10,000,000 of the amounts authorized for the Manufacturing Engineering Laboratory of the National Institute of Standards and Technology (hereafter in this section referred to as the "Institute") are authorized only for carrying out the Institute's internal portion of the Advanced Manufacturing Systems and Networking Project established under section 303 of the Stevenson-Wydler Technology Innovation Act (as added by this Act);

(2) $30,000,000 of the amounts authorized for the Institute's Advanced Technology Program are authorized only for support of the Advanced Manufacturing Systems and Networking Project established under section 303 of the Stevenson-Wydler Technology Innovation Act (as added by this Act); and

(3) $5,000,000 of the amounts authorized for the Institute's Manufacturing Technology Centers are authorized only for support of Satellite Manufacturing Centers.

(b) Additional Authorizations.—In addition to such other sums as may be authorized to be appropriated to the Secretary of Commerce and the Director of the Institute by this or any other Act, there are authorized to be appropriated to the Secretary and the Director—

(1) to carry out responsibilities under section 303 of the Stevenson-Wydler Technology Innovation Act of 1980 (as added by this Act), $50,000,000 for fiscal year 1994 and $40,000,000 for fiscal year 1995;

(2) to carry out responsibilities under section 305 of the Stevenson-Wydler Technology Innovation Act of 1980 (as added by this Act), $5,000,000 for fiscal year 1993, $30,000,000 for fiscal year 1994, and $30,000,000 for fiscal year 1995;

(3) to carry out responsibilities under section 306 of the Stevenson-Wydler Technology Innovation Act of 1980 (as added by this Act), $5,000,000 for fiscal year 1993, $5,000,000 for fiscal year 1994, and $5,000,000 for fiscal year 1995; and

(4) to carry out responsibilities under subsections (d) and (e) of section 25 of the Act of March 3, 1901 (as added by this Act), $60,000,000 for fiscal year 1994 and $50,000,000 for fiscal year 1995.

SEC. 8. MISCELLANEOUS AND CONFORMING AMENDMENTS.

(a) Definitions.—Section 4 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3703) is amended by adding at the end the following new paragraphs:

"(14) 'Director' means the Director of the National Institute of Standards and Technology.

"(15) 'Institute' means the National Institute of Standards and Technology.

"(16) 'Assistant Secretary' means the Assistant Secretary of Commerce for Technology Policy.

"(17) 'Advanced manufacturing technology' means—

"(A) numerically-controlled machine tools, robots, automated process control equipment, computerized flexible manufacturing systems, associated computer software, and other technology for improving manufacturing and industrial production; and

"(B) techniques and processes designed to improve manufacturing quality, productivity, and practices, including quality assurance, concurrent engineering, shop floor management, inventory management, and upgrading worker skills.".

(b) Redesignations.—The Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) is amended—

(1) by inserting immediately after section 4 the following new title heading:

"TITLE I—DEPARTMENT OF COMMERCE AND RELATED PROGRAMS";

(2) by redesignating sections 5 through 10 as sections 101 through 106, respectively;

(3) by redesignating sections 11 through 15 as sections 201 through 205, respectively;

(4) by redesignating sections 16 through 18 as sections 107 through 109, respectively;

(5) by striking section 19;

(6) by redesignating section 20 as section 110;

(7) by redesignating section 21 as section 206;

(8) by inserting immediately after paragraph 110 (as redesignated by paragraph (6) of this subsection) the following new title heading:

"TITLE II—FEDERAL TECHNOLOGY TRANSFER";

(9) in section 4—

(A) by striking "section 5" each place it appears and inserting in lieu thereof "section 101";

(B) in paragraphs (4) and (6), by striking "section 6" and "section 8" each place they appear and inserting in lieu thereof "section 103" and "section 105", respectively; and

(C) in paragraph (13), by striking "section 6" and inserting in lieu thereof "section 102";

(10) in section 206 (as redesignated by paragraph (7) of this subsection)—

(A) by striking "section 11(b)" and inserting in lieu thereof "section 201(b)"; and

(B) by striking "section 6(d)" and inserting in lieu thereof "section 102(d)"; and

(11) by adding at the end of section 201 (as redesignated by paragraph (3) of this subsection) the following new subsection:

"(h) Additional Technology Transfer Mechanisms.—In addition to the technology transfer mechanisms set forth in this section and section 202 of this Act, the heads of Federal departments and agencies also may transfer technologies through the technology transfer, extension, and deployment programs of the Department of Commerce and the Department of Defense.".

(c) Application of Antitrust Laws.—Nothing in this Act shall be construed to create any immunity to any civil or criminal action under any Federal or State antitrust law, or to alter or restrict in any manner the applicability of any Federal or State antitrust law.

Mr. FORD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SYMMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDERS FOR TOMORROW

Mr. FORD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8:55 a.m.; that immediately following the prayer, the Journal of proceedings be deemed approved to date, and the time for the two leaders be reserved for their use later in the day; that the Senate then resume consideration of S. 2733 under the terms and limitations of the previous unanimous consent agreement; that upon disposition of S. 2733, there be a period for morning business for up to 45 minutes, with Senator SPECTER recognized to address the Senate; that at the conclusion of his remarks, the Senate then resume consideration of S. 2532, the Russian aid bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 8:55 A.M. TOMORROW

Mr. FORD. Mr. President, seeing no other Senator wishing to speak, I ask unanimous consent the Senate now stand in recess under the previous order.

There being no objection, the Senate, at 10:09 p.m., recessed until Wednesday, July 1, 1992, at 8:55 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate June 30, 1992:

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. THOMAS J. MCINERNEY, [redacted] UNITED STATES AIR FORCE.

HOUSE OF REPRESENTATIVES—*Tuesday, June 30, 1992*

The House met at 11 a.m.

Rabbi Arnold G. Fink, Beth El Hebrew Congregation, Alexandria, VA, offered the following prayer:

Fountain of all truth, goodness, and justice, at the start of this new day we turn to You for inspiration. Shower Your spirit upon those who today take concrete steps that will affect the fate and destiny of our Nation, our world, and all who live here. Imbue within us a measure of Your insight, so that what we say and do here may not be far from what You would wish. Remind us of the rich diversity that we are, that righteousness and peace may flow from the understanding that no man or woman has divine clarity on truth, but that each strives toward the right with humility. Close our ears to the din of small-minded people and open them to the cries of the oppressed, that what we say and do here may be judged by history, by our children, and our children's children as decent and proper. May it be said that today we added a small measure to the world's storehouse of good. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from New York [Mr. PAXON] please come forward and lead the House in the Pledge of Allegiance.

Mr. PAXON led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2905. An act to provide a 4-month extension of the transition rule for separate capitalization of savings associations' subsidiaries.

APPOINTMENT AS MEMBERS OF JOINT CONGRESSIONAL COMMITTEE ON INAUGURAL CEREMONIES

The SPEAKER. Pursuant to the provisions of Senate Concurrent Resolution 102, 102d Congress, the Chair appoints to the Joint Congressional Committee on Inaugural Ceremonies the following Members on the part of the House:

Mr. FOLEY of Washington;
Mr. GEPHARDT of Missouri; and
Mr. MICHEL of Illinois.

APPOINTMENT OF CONFEREES ON H.R. 5260, UNEMPLOYMENT COMPENSATION AMENDMENTS OF 1992

The SPEAKER. The Chair appoints the following conferees on the bill (H.R. 5260) to extend the emergency unemployment compensation program, to revise the trigger provisions contained in the extended unemployment compensation program, and for other purposes:

From the Committee on Ways and Means, for consideration of the House bill, and the Senate amendment, and modifications committed to conference:

Messrs. ROSTENKOWSKI, FORD of Tennessee, DOWNEY, Mrs. KENNELLY, and Messrs. ANDREWS of Texas, ARCHER, VANDER JAGT, and SHAW.

As additional conferees from the Committee on Energy and Commerce, for consideration of section 105 of the House bill, and section 104 of the Senate amendment, and modifications committed to conference:

Messrs. DINGELL, SWIFT, ECKART, SLATTERY, SIKORSKI, LENT, RITTER, and RINALDO.

As additional conferees from the Committee on Government Operations, for consideration of title VI of the House bill, and modifications committed to conference:

Mr. CONYERS, Mrs. BOXER, and Messrs. LANTOS, WISE, SYNAR, HORTON, KYL, and CLINGER.

The SPEAKER. Without objection, the Chair reserves the right to appoint additional conferees or to make changes among the conferees.

There was no objection.

DEFUNDING THE COMPETITIVENESS COUNCIL

(Mr. WAXMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WAXMAN. Mr. Speaker, today this House will debate whether to continue funding the regulatory activities of Vice President QUAYLE'S Council on Competitiveness. The issue goes to the heart of our democratic system.

There are certain fundamental responsibilities that come with being a regulator. You have to implement the law as written by Congress; you have to comply with the public disclosure rules of the Administrative Procedure Act and the Freedom of Information Act; you can't give regulatory breaks to major campaign contributors; you have to avoid conflicts of interest; and you have to be accountable to Congress.

The Council deliberately violates each of these principles. That is why it is a direct assault on our constitutional system.

The New York Times had an editorial about the Council today. It called the Council's activities, "plainly illegal." And it said that the Council is "twisting the regulatory process against the express wishes of Congress."

The Nation cannot tolerate these illegal activities. The role of the executive branch is to "faithfully execute" the laws enacted by Congress—not to subvert these laws during the regulatory process.

We must defund the Council on Competitiveness.

DON'T LEAVE CONGRESS WITHOUT IT

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, it is fair to ask "Are we getting our money's worth?" when we talk about spending public dollars. I rise today to ask the majority leadership to clarify just what benefits accrue to the American taxpayers from the continued, open-ended expenditure of hundreds of thousands of dollars a year to keep open fully staffed offices of the former Speakers of this House. What value is received by the public for this expenditure? One of our former Speakers has deftly arranged to change the TV commercial phrase "Don't leave home without it" to "Don't leave Congress without it." Another former Speaker is reportedly using his taxpayer-paid staff and office support to write a book. I wonder if the public will share in the profits, but I think we all know the answer. I raise this issue in a truly bipar-

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

tisan fashion—though I know it takes a leap of faith for some to believe we may someday have a former Republican Speaker who will also need our guidance in determining when enough is enough. I urge support for H.R. 3561, legislation that puts a reasonable limit on these unjustified and unlimited perks.

TRIBUTE TO GEN. JOHN ROGERS GALVIN

(Mr. THOMAS of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS of Georgia. Mr. Speaker, later today I and hundreds of others will gather at historic Fort Myer, VA, a few short miles from here.

We will be drawn together from across the country and the world to honor Gen. John Rogers Galvin, who has just retired as the Supreme Allied Commander, Europe, and the Commander in Chief, U.S. European Command. He now retires from the U.S. Army after a career of some 44 years.

Although I have not seen the program for today's ceremony, I am certain that General Galvin will be honored in a spectacular way, as befits a spectacular career in the service of our country.

A recent article on his retirement in the Washington Post said it with these words: "He departs (the Army) with a stature that leaves him arguably without peer among living generals."

Those are extraordinary words, but this is an extraordinary man.

I am confident that in the ceremony today, all due note will be taken of the fact that General Galvin has been an amazingly accomplished man in the art and the science of military leadership. Those who will speak will be far more qualified than I am to comment on General Galvin's demonstrated skill as a soldier.

Mr. Speaker, I am not an expert student of the military sciences. But after a decade in public service, I will lay claim to being something of an expert on people.

That is why I rise today in tribute to Jack Galvin.

I first met Jack Galvin in 1983, when I was a freshman Congressman, and he was a major general in command of the 24th Infantry Division (mechanized) at Fort Stewart, GA, in my congressional district.

His 2-year tour of command had only about 6 months remaining when I was sworn in as a Member of Congress. But when I expressed interest in learning all I could about the 24th, General Galvin took me under his wing. He is a scholar as well as a warrior. He is also an excellent teacher of Congressmen.

Although at the time I was a member of the House Committee on Agriculture, you would have thought that General Galvin considered me to be the chairman of the Armed Services Committee. He had the patience and the talent to do a very good job in taking a farmer-turned-Congressman and teaching him the basics about an Army division and the capabilities of our military in a very troubled and complicated world.

In retrospect, I have decided that Jack Galvin took that time because he is so loyal to the Army. He must have decided that it would be embarrassing for the Army to have me representing his 24th Division in the Congress if I had been left as well-meaning but as ignorant as he found me.

Over the years, I have had the honor of spending much more time with General Galvin, and of hosting him for meetings with my colleagues when he was commander in hot spots such as our United States Southern Command in Panama. Later, I had the honor of spending several days with him in his home in Mons, Belgium, during his tenure as Supreme Allied Commander in Europe.

I found then, just as I had found years earlier at Fort Stewart, GA, that Jack Galvin is a remarkable man. He is not given to bragging. He is down-to-Earth. He is always listening and learning, and every new subject is a new fascination for him.

It is America's good fortune that during his service as the military commander of NATO beginning in 1987, Jack Galvin was to preside over the pivotal facing down of our Communist adversaries. Then he was to preside over the diplomatic challenge of turning our former enemies into our potential new allies.

General Galvin will now turn his attention to writing what I hope will be several books about his experiences and his extraordinary insight into the turbulent changes of our times. I hope to purchase the first copy, because I know it will be a treasure.

Because Jack Galvin is a young man of 63, this day of retirement does not mark his passage into the pastures of relaxation. Rather, it marks a time in which we can celebrate his passage into a civilian life that will greatly enrich this country. And, from a selfish standpoint, I am glad that he is now closer to home.

But, Mr. Speaker, although this is not a swan song day for Jack Galvin, I cannot let it pass without this last observation:

When we look for reasons to remind ourself of the greatness of this Nation, we need look no further than to lives of men like John Rogers Galvin.

He is the son of a bricklayer, and the first of his family to finish college—the prestigious U.S. Military Academy at West Point, which he entered from service as an enlisted man in the Army.

He is a combat soldier who has won the Silver Star and many other decorations, and wears the badge of a senior parachutist and a Ranger tab.

When the mission called for it, he was a courageous combat commander. When another mission called, he was the courageous and innovative military commander and diplomat who walked with polished care through the labyrinth of international affairs.

Through all those tasks, he and his extraordinary wife, Ginny, have raised four wonderful daughters—Mary Jo, Beth, Erin, and Kathleen, who are already well on their way to remarkable accomplishments of their own. Jack, Ginny, and their children have endured the tough tasks of long separations as well as the endless series of moves that come with family life in the Army.

Wherever this family has traveled in the service of the United States, they have been a tribute to our country and to the men and women who serve in the military. They have gone above and beyond the call of duty.

Mr. Speaker, Jack Galvin is a Renaissance man, a citizen-soldier whose range of interests and accomplishments makes him a modern-day Thomas Jefferson.

The wonderful young men and women of the American military are blessed to have commanders with the integrity of Jack Galvin.

This Congressman, this Congress, and all of the citizens of America are blessed by God that a man like Jack Galvin has been a career soldier in the service of our country.

Today at Fort Myer, we will do a good job in trying to express the depth of our Nation's gratitude to Gen. John R. Galvin, although there are no words that are truly adequate to that task.

Fortunately, the most enduring tribute to Jack Galvin is his own record of service as a soldier in the U.S. Army. That record will be a beacon for years to come to light the path of countless young men and women who will follow his footsteps in military service.

GOOD NEWS FOR STUDENTS AND FAMILIES

(Mr. BARRETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARRETT. Mr. Speaker, for once we have good news to share with the American people. The administration and Congress have worked together, to produce legislation that will benefit millions of Americans and still stay within our "paygo" rules.

Many of this Nation's 12 million students, and their families, have been demanding access to Federal financial aid. Small business owners, farmers and ranchers, and home-owners—the middle class—have been calling on us not to let the sophomoric politics of "winners" and "losers," derail the changes necessary to give them that access. For once both sides listened, and yesterday the conference report on S. 1150, the Higher Education Amendments of 1992, was filed.

Through tough negotiations last week, a compromise on a direct loan demonstration program was finalized; clearing S. 1150 for enactment.

I am particularly pleased that provisions from my bill, H.R. 3411, which discounts farm, home, and small business equity, from financial need calculations, was included in the conference agreement. This will help 900,000 students gain access to Federal aid.

Let us see if we can make the goodwill that has been exhibited by the legislative and executive branches, continue for the rest of the session.

NO MONEY FOR AMERICAN CITIES

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the newspapers say that the $1 million aid package for America is hung up. Talks are stalled because they cannot find the money.

In addition, Congress is having a rough time trying to find money to incentivize enterprise zones for American cities. Meanwhile the other body says it is a matter of national security that we give Russia $12 billion.

Now, if this is not enough to warm your globe, Congress has already given $13 billion in foreign aid. Congress will give another $12 billion to Russia in foreign aid. Congress is having a rough time finding $1 billion for American cities.

□ 1110

The truth of the matter is, while Congress keeps concerning themselves with cold wars overseas, Congress is overlooking the hot wars in American cities. I say let us stop the foreign aid, stop the $12 billion, and put the money in America. After all, the American taxpayers deserve it. They earned it, the hard way.

PRESERVE THE COUNCIL ON COMPETITIVENESS

(Mr. ROHRABACHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROHRABACHER. Mr. Speaker, formerly, before coming to this body and before getting involved in politics, I was a journalist. People used to think that I asked the toughest questions as a journalist, but I only asked one question, and it was in different forms, admittedly, but it was all with the same question of everybody. It was, "How much is it going to cost, and who is going to pay for it?"

One of the biggest political shams that goes on in a democracy is that politicians try to promise people that they can do things for them for free and that nobody is going to have to pay anything, and there will be benefits that will just come out of the air. A lot of times they will promise Government programs and allude to a Government money pit in the District of Columbia that we can just shovel the money here and shovel it back into our local States and communities.

That we know is a fraud, one of the biggest, because the people have to pay for those services, the American people, the taxpayers, the consumers. Really, one of the worst shams on something for nothing is the idea that we can pass regulations on business and they will make things better and it will cost no one any money at all.

The fact is the Council on Competitiveness is trying to cut down this horrendous cost on the American people, and it should be preserved.

EMERGENCY ASSISTANCE FOR FRICH, TX

(Mr. SARPALIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SARPALIUS. Mr. Speaker, imagine what it would be if we would have woken up Sunday morning, turned on our TV's, and found that the big one had hit California. Imagine how we would feel if we found out that in Los Angeles over half of their population, 650,000 people, would have lost their homes, homes would have been damaged or destroyed, businesses crumbled. The whole country would have rushed to their aid.

Thank God it did not happen, but it happened in my district, in the small town of Frich, which has only 2,335 people. Three tornados hit that town, destroyed over half of the buildings, caused $50 million worth of damage. It will cost $21,423 per person to put their town back to the way it was.

We all rushed to help LA and Chicago. Where is the difference in a big town and a small town? I challenge my colleagues and I challenge the President to try to help a little town like Frich, for those people that are struggling to put their community back together, and provide them with the same emergency assistance.

COUNCIL OF ECONOMIC COMPETITIVENESS

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, here we go again, some of my colleagues on the other side of the aisle are willing to play politics with the future of working Americans. In an attempt to discredit the fine work of the Vice President, it is likely that there will be an amendment to the Treasury and Postal appropriations that will eliminate funding for the Council on Competitiveness. Well, Mr. Speaker, does the old saying, "Penny wise and pound foolish" ring a bell?

Any attack on the Council is unwarranted. The fact is that the Council on Competitiveness has done great work. The Council has been part of a concentrated effort on the part of executive branch agencies, and the Office of the Vice President to reduce the burden of Federal regulations and increase our domestic and international competitiveness.

We all know that excessive regulations costs Americans jobs. The Council has worked to increase U.S. competitiveness, thereby creating jobs and economic opportunity.

Mr. Speaker, let my colleagues who wish to defund the important work of the Council on Competitiveness look into the eyes of patients who suffer from diseases such as cancer, AIDS, Alzheimer's, depression, and cystic fibrosis and tell them that the work the Council did to speed up the FDA approval of life prolonging and possible life saving drugs is of no use.

Congressional attackers have misled the American public with scare tactics. Congress is the boogieman here not the Council on Competitiveness.

URGING CONGRESS TO ENFRANCHISE AMERICAN CITIZENS IN U.S. TERRITORIES

(Mr. DELUGO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELUGO. Mr. Speaker, several joint resolutions have now been introduced—three in the House of Representatives and one in the other body—all calling for a constitutional amendment to eliminate the electoral college and provide for direct popular vote in the election of the President.

Three of these resolutions have been introduced in the past few weeks because there will most likely be three candidates in this year's race, which could trigger a constitutional crisis under the present electoral system.

Indeed, a constitutional crisis is a very real threat. But I rise today, Mr. Speaker, to bring to the attention of my colleagues an ethical and moral crisis that already exists—the denial of the right of American citizens residing in the territories of the United States to vote for President.

Is it a moral question? It is indeed, when these citizens must go to war but cannot have a say in choosing the Commander in Chief like their fellow citizens.

Even Americans living abroad have this right. But U.S. citizens living in a U.S. territory are disenfranchised.

It is patently unfair, immoral, and unethical to continue to disenfranchise these American citizens when all over the world democratic values are being adopted and people are being franchised, many for the first time.

Mr. Speaker, it was only in 1961 that the right to vote for President was finally extended to the U.S. citizens of the District of Columbia. Correcting that inequity took long enough.

Now, I say, "Enough" for the territories of the United States. It is time to give these American citizens the right to vote.

I have asked the sponsors of these various resolutions to include this in their proposed constitutional amendments, and I will be introducing a separate resolution on this issue.

I urge my colleagues to support this effort to correct a longstanding disenfranchisement of American citizens.

THE SITUATION IN SARAJEVO

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, according to Reuters this morning:

> Planeloads of emergency food and medicines reached Sarajevo on Tuesday for the first time since it came under siege three months ago.
>
> Representatives of the U.N. High Commissioner for Refugees were due to distribute 26 tonnes of food and medicines brought in by four French air force planes—the first to land since U.N. peacekeeping troops took control of Sarajevo airport on Monday.

The French have offered to fly in 120 marines to assist the U.N. forces already at the airport, and a battalion of Canadian troops is en route from Croatia and convoys could arrive as early as this evening. The Bosnian Serbian leader has promised safe passage over the highways leading to Sarajevo.

However, the situation is still dicey, with fighting reported between Serbian and Bosnian units, which have been firing at each other across the perimeter of the airport. According to CNN this morning, three U.N. peacekeepers were wounded in the crossfire.

But, Mr. Speaker, this is a start. The efforts of the United Nations, President Mitterand of France, and the French Air Force should be commended. Let us hope that this is a first step on the road to peace and stability not only in Bosnia-Hercegovina, but throughout the region.

INTRODUCING "JUMPSTART AMERICA"

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute.)

Mr. APPLEGATE. Mr. Speaker, America needs a jumpstart to get the economy moving and to balance the budget. Congress and the White House do a lot of jawing, but they do not do anything about it.

Today I am going to introduce "Jumpstart America." It is based on real jobs, on the simple premise: no jobs, no income, no tax, no balanced budget. What I want, I want people who are on welfare to work. I want people, countries, and corporations, foreign and domestic, to pay the money that they owe the U.S. Government. I want to incentivize American industry. I want trade equity established to stop sending our jobs overseas. I want revenues cut in defense, revenues cut in foreign aid, and waste cut at all levels of Government, and we can do this with no new taxes.

I want the Members to give me a call. I want them to join me, because I will tell the Members, this one is a winner.

LEGISLATION PLANNED FOR MAINTENANCE OF AEROSPACE INDUSTRY, JOBS

(Mr. LEWIS of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Florida. Mr. Speaker, this week I plan to introduce legislation which will take a major step toward retaining the competitiveness of America's aerospace industry and ensuring the jobs of over a million aerospace workers.

My bill will establish a joint aeronautical research and development program between NASA and the Pentagon for the development of dual-use aerospace technologies.

Many people do not realize the extent to which NASA is involved in aeronautical research and how they have been instrumental in our $30 billion aerospace trade surplus. The second letter in NASA stands for "Aeronautics."

By combining NASA and Department of Defense expertise, we can ensure the superior status of both our military and civilian aerospace industries. Even more important, this can be accomplished without bringing down the firewalls, or new budget authority.

Mr. Speaker, we simply cannot let our aerospace lead dwindle in either the defense or civilian arena. I urge my colleagues to cosponsor this important competitiveness legislation.

□ 1120

SUPREME COURT DECISION

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks)

Mr. WEISS. Mr. Speaker, let us cut through the fog of misleading rhetoric on yesterday's Supreme Court Decision. The facts are that a woman's freedom of choice has been sorely compromised.

Do not be confused by the technicalities of yesterday's ruling, the Government has intruded upon a woman's individual right to make decisions about her body. More so, this is a blatant judicial pronouncement of Mr. Bush's cruel disregard for the privacy rights of not only American women but of every citizen in the United States.

If the Supreme Court will not safely defend a woman's reproductive rights, then, my colleagues, we must take action. We, the Congress of the United States, must pass the Freedom of Choice Act to insure that a woman's constitutional right to choose abortion remains safe and legal, regardless of where she lives. We must not allow Mr. Bush's contempt for women to prevail and we must not allow the back alley butchery of 20 years ago to become the reality of tomorrow.

OPPOSING REIMPOSITION OF WHALING

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, I was very dismayed to learn that two NATO allies, Iceland and Norway, have chosen not to renew the international moratorium on whaling and once again engage in hunting down and slaughtering minke whales. I urge my colleagues to join me in condemning this needless, selfish action and supporting appropriate economic sanctions.

Congress recently passed a resolution, which I cosponsored, calling for a permanent extension of the International Whaling Commission's ban on commercial whaling. Whales and other marine mammals are extremely intelligent animals, harmless to man. There is no reason to kill these gentle leviathans and upset the ocean's fragile lifecycle upon which many of us ultimately depend.

The ocean and its maritime life are invaluable resources which must be responsibly conserved. As modern, industrialized nations, Iceland and Norway have provided no credible reasons to break the legitimate international ban on whaling other than to protect their obsolete whaling industries.

As this is 1992, not 1852, that claim is ridiculous. Times have changed. The "Pequod" sails from Nantucket to hunt Moby Dick no more. Oslo and Reykjavik should let the ghost of Captain Ahab remain in Davy Jones' locker and rejoin the rest of the world in banning the cruel, inhumane practice of whaling.

CONGRESS MUST UPHOLD A WOMAN'S RIGHT TO CHOOSE

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, in 1980 a politician said of the 1973 Roe versus Wade decision affirming a woman's right to choose, "I happen to think it was right." It could have been me or a number of my colleagues. In fact, it was George Bush, who would soon reverse his position to gain acceptance as Ronald Reagan's No. 2 man. In short, George Bush made a deal with the devil 12 years ago, and yesterday over at the Supreme Court the devil called in his due.

Any of my colleagues who ascribe to the myth that Roe was left standing by yesterday's decision should heed the words of Chief Justice Rehnquist in his dissent. "Roe exists only as a storefront on a western movie set exists, a mere facade that gives the illusion of reality." President Bush is ready to kick in that facade the second Harry Blackmun moves out of the way. The majority of Americans, who are prochoice, cannot afford to give George Bush that chance in the next 4 years. Neither the Court nor the President will preserve any vestige of a woman's right to choose. It is up to the Congress.

FOREIGN POLICY ACCOMPLISHMENTS OF REAGAN/BUSH ADMINISTRATIONS

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, while it is not politically appealing to talk about foreign policy issues, it seems to me that today is an appropriate time to recognize two great accomplishments that came about because of the policies first of President Reagan and now of President Bush.

Today we have witnessed the inaugural of Fidel Ramos as the new President of the Philippines, and it is the first peaceful transition of government in over a quarter of a century. It was 1965 that we last saw a peaceful transition in the Philippines.

In his inaugural address President Ramos made a very bold and dynamic statement which I think bodes well for the future of the United States and for the rest of the world. He made a strong commitment to the policies of free trade and an end to protectionism.

Mr. Ramos led the charge in preventing six attempted coups against Corazon Aquino, and I believe he is very well suited to serve the people of the Philippines.

We also should recognize that we have seen for the first time the beginnings of disarming the Farabundo Marti National Liberation Front, the FNLM in El Salvador. I think that is another foreign policy success that has come about because of the policies of the two administrations.

OPPOSING THE McDADE AMENDMENT

Mrs. LOWEY of New York asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. LOWEY of New York. Mr. Speaker, I rise today to urge my colleagues to oppose the McDade amendment to the Treasury-Postal appropriations bill, which would restore funding to the President's Council on Competitiveness.

Let's face it, the Council on Competitiveness does not promote competitiveness. What it does is provide privileged access to a favored few seeking to skew Federal regulations in their favor. The only thing the Council streamlines is White House access of special interests that are trying to gut environmental and public health laws.

For the rest of us, the Council has become a dangerous threat. For instance, the administration has used the Council to conceal its backsliding on environmental protection. In 1990, the President hailed the passage of the Clean Air Act. In 1992, his Council is destroying that law through loophole-ridden regulations.

The Council on Competitiveness should be renamed the "Panel of Privileged Access," and its chairman, DAN QUAYLE, should be renamed "Ombudsman for Moneyed Interests." That is Moneyed, with an "e."

SUPREME COURT DECISION PROHIBITING NONSECTARIAN PRAYER AT PUBLIC SCHOOL GRADUATION CEREMONIES

(Mr. CALLAHAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CALLAHAN. Mr. Speaker, I rise today to express my sense of dismay at the recent Supreme Court decision prohibiting nonsectarian prayer at public school graduation ceremonies.

Regrettably, the High Court's decision follows earlier action prohibiting American students from praying in the classroom. The June 24 decision, however, is particularly unfortunate since it denies to the graduates of our Nation's public school's privilege enjoyed each day by Members of this Congress: The opportunity to seek the Lord's guidance as they prepare for the challenges which lie ahead. Mr. Speaker, surely this too is not just another congressional perk.

Some, no doubt, will hail this decision as an added brick in the "wall of separation between church and State. But Mr. Speaker, I also believe that this wall of separation was constructed principally to protect the free exercise of religion, not to restrict it.

How strange that a benediction which urges its listeners "to do justly, to love mercy, [and] to walk humbly" should meet such staunch opposition. And how sad that the American Civil "Liberties" self-proclaimed defender of our constitutional rights, should proclaim the High Court's decision "terrific."

Mr. Speaker, I fail to see the victory in having Rabbi Leslie Gutterman's simple prayer banned from the school house. It seems that students today may be exposed to most anything—sex, violence, drugs, even racism—but somehow they cannot exercise what really seems more like a right than a privilege—the right to give thanks for God's many blessings. This, Mr. Speaker, is an outrage.

THE ADMINISTRATION'S BORDER ENVIRONMENTAL PLAN

(Mr. TORRES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TORRES. Mr. Speaker, soon Congress will take action on the 1993 appropriations bill to fund the President's Integrated Environmental Plan for the Mexican-United States border area.

The President is requesting over $182 million for 1993 to begin implementing EPA's border environmental plan.

The Bush administration would like for us to believe that the border environmental plan is part of its efforts to clean up the border's pollution. The President, and the EPA, would have us believe that the border plan is part of NAFTA's environmental commitment. However, the integrated border plan was conceived independently of NAFTA.

In order for the border plan to work, bilateral cooperation between the United States and Mexico is crucial. Yet, I question whether there can be any real bilateral cooperation between Mexico and the United States when Mexico has totally dismantled its environmental agency.

With the recent dismantling of SEDUE, Mexico's environmental agency, EPA may be dealing with one, two, and possibly three, newly created, highly decentralized Mexican agencies on environmental enforcement and ecological compliance.

Mr. Speaker, I may well support the border plan's appropriation, because the money will largely go to clean-up projects of the U.S. side. Yet, I believe that the border plan lacks sufficient funds, lacks adequate enforcement measures, and is not connected to the trade agreement.

While Congress moves to fund the border environment plan, I call upon the administration to comply with its commitments to Congress. I ask that the administration show more commitment to the funding and protection of our environment.

Mr. Speaker, the environmental problems along the border will require more money, stronger political leadership from the administration, and a solid commitment from both governments to prevent further degradation of our natural resources.

□ 1130

CONGRESS SHOULD STUDY MARYLAND/HERITAGE FOUNDATION HEALTH REFORM PROPOSAL

(Mr. STEARNS asked and was given permission to address the House for one minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, something revolutionary is happening in Maryland. It is called the consumer choice health plan and represents a basic change in the way the State conducts its health care business.

This proposal relies on market forces to control costs while delivering a superior product. It would also return a very basic right to Maryland residents—the freedom to choose their own health care.

Some of the Maryland plan's highlights include:

Every individual and head of household would have to enroll themselves and their dependents in a health-care plan.

Families would be given tax credits or vouchers to help buy their insurance and defray the costs of health care.

Employers who now provide coverage for their workers would no longer be required to pay the crushing costs of health insurance.

The Maryland health care plan is similar to a national plan offered by the Heritage Foundation here in Washington. Experts conclude that the Heritage proposal wouldn't cost the Federal Treasury a penny and might save $11 billion a year in reduced health costs.

Mr. Speaker, Congress needs to study the plans offered by the State of Maryland and the Heritage Foundation.

RUSSIANS NEED FREE ENTERPRISE, NOT BORROWED DOLLARS

(Mr. DUNCAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN. Mr. Speaker, the G-7 nations have sent approximately $60 billion in aid to the Soviet Union in the past 2 years. Now we are being asked to send $24 billion more.

In addition, the administration has recommended a $12 billion increase in the U.S. contribution to the International Monetary Fund, mostly for loans to the CIS, the former Soviet Union states. This is aid to a country that has greater wealth and natural resources than we do.

The Washington Times reported recently that over $100 billion in gold is missing and unaccounted for in the breakup of the Soviet Union.

Now, Forbes magazine has reported that Russia has oil reserves that could equal those of Saudi Arabia. James Clarke, a retired United States Geological Survey geologist who has studied the region for over 30 years, puts Russian oil reserves at 160 billion barrels. Daniel Yergin, president of Cambridge Energy Research Associates, says the reserves could be as high as 260 billion barrels.

Mr. Speaker, we will soon be called on to vote for a Russian aid package that we cannot afford and that we will have to borrow to finance.

What the Russians need is one thing: free enterprise, not borrowed United States dollars.

COUNCIL OF ECONOMIC COMPETITIVENESS

(Mr. DELAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELAY. Mr. Speaker, there is a saying that goes: "Give a child an inch and he'll take a mile". It is a sad day when this piece of conventional wisdom can be applied to our Nation's legislature but once again the entrenched imperial Congress is acting like the oversized child that it is. Refusing to relinquish its chokehold on our Nation's businesses, Congress is slowly strangling the economy.

As any businessman will tell you, over-regulation is one of the greatest obstacles entrepreneurs face. Refusing to listen to the pleas of industry, Congress gleefully adds to the burden of doing business in this country. Given the power to regulate our Nation's corporations, it has taken this power and run.

The latest intended victim of Congress's economic infancy is the Vice President's Council on Competitiveness. Employing a child's "Don't sit on my side of the car" mentality, Congress has taken offense at the Vice President's perceived encroachment. Blindly lashing out to protect its territory, Members of the House have introduced a bill to slash the salaries of two staffers. With this blatant strike, Congress has moved from mere stupidity to outright malice. Mr. Speaker, it is one thing to be ignorant. It is another to be malicious. Congress should put aside its infantile attitudes and set this country on the path towards economic growth.

THE BEGINNING OF A HAPPIER CHAPTER FOR THE ATLANTIC OCEAN

(Mr. CARPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARPER. Mr. Speaker, since 1920, over 150 municipalities have dumped their sewage sludge into the Atlantic Ocean. They did so because it was cheap, it was out of sight, it was out of mind.

In 1987 and 1988, tragedy visited our eastern shore as thousands of bottlenosed dolphins washed up dead along the Atlantic seaboard. They were joined by medical waste which closed beaches in New York and New Jersey.

Out of that tragedy some good has come. The Ocean Dumping Ban Act of 1988 was adopted. It imposed escalating fees on those who continued to dump the sewage sludge in our ocean. Those fees could only be used for one purpose, to help those municipalities to find ways to stop their ocean dumping of sewage sludge. That is what they have done.

Since 1992 began, only one municipality, New York City, was still dumping sewage sludge in our ocean. Now that practice, too, will end. At 4 p.m. yesterday, the last barge bearing sewage sludge set sail from New York City. When it returns to New York City tonight, no more will follow it.

A sad chapter in mankind's abuse of the Atlantic Ocean has come to an end. For the millions of families who will visit our shores and swim in our ocean this year and the years to come, a far happier chapter is about to begin.

GENERAL LEAVE

Mr. McHUGH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the consideration of the bill H.R. 5487, which will be considered today, and that I be permitted to include extraneous matter.

The SPEAKER pro tempore (Mr. McNULTY). Is there objection to the request of the gentleman from New York?

There was no objection.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1993

Mr. McHUGH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5487) making appropriations for Agriculture, rural development, Food and Drug Administration, and related agencies programs for the fiscal year ending September 30, 1993, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from New Mexico [Mr. Skeen] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. McHugh]?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. McHugh].

The motion was agreed to.

□ 1138

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5487) making appropriations for Agriculture, rural development, Food and Drug Administration, and related agencies programs for the fiscal year ending September 30, 1993, and for other purposes; with Mr. Spratt in the chair.

The Clerk read the title of the bill.

By unanimous consent, the bill was considered as having been read the first time.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from New York [Mr. McHugh] will be recognized for 30 minutes, and the gentleman from New Mexico [Mr. Skeen] will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York [Mr. McHugh].

Mr. McHUGH. Mr. Chairman, I yield such time as he may consume to the gentleman from Mississippi [Mr. Whitten], the distinguished chairman of the full committee, who also serves as chairman of this subcommittee.

Mr. WHITTEN. Mr. Chairman, your Committee on Appropriations has done its work again this year in a timely manner. We began hearings on January 23.

The President submitted his budget January 29. Our 13 subcommittees took testimony from nearly 5,600 witnesses on 246 days of hearings.

On April 29, we had full committee on an $8.16 billion rescission bill which the House passed on May 7, and the President signed on June 4.

On May 12, we had full committee on a dire emergency disaster supplemental bill which the House passed May 14, and the President signed on June 22.

On May 21, the conference agreement on the 1993 budget resolution was adopted and on June 11 the committee approved the subcommittee allocations.

The full committee has reported eight bills and this is the fifth bill to be presented to the House.

On Wednesday, our 10th bill will be reported from committee.

On Wednesday, our 13th subcommittee will complete markup.

So, Mr. Chairman, we have done our work on our regular bills as well as handling a very complicated rescission bill and an urgent disaster supplemental bill. The committee has done its work quickly and well.

Mr. Chairman, since 1945, Appropriations bills have been $188.8 billion below the total amounts requested by the various Presidents.

Since I became chairman in 1979, Appropriations bills have been $31.8 billion below the Presidents' requests.

We have done this with the overall support of the Presidents for, since 1979, of the 202 bills presented to the President, 188 were signed, 1 veto was overridden, and the rest were worked out.

We come today to what I believe is basic to the welfare of our people and also to the national economy—agriculture. It is very important to handling our international relations, for the people of many nations of the world need our food. A prosperous agriculture and sound rural economy is the quickest and best answer to solving many of the problems in our major cities and similar problems around the world.

Food, clothing, and shelter are basic to the well-being of all mankind. Our Nation's ability to produce this is not exceeded by any nation of the world, so our ability to produce food, clothing, and shelter is our chief asset as we set out to maintain our top position worldwide.

Agricultural products are our chief dollar earner in world trade. Our productivity and our know-how to produce food and other materials provides us with what the world about us needs.

American agriculture has done a fine job and it is time we use our ability and our know-how to hold, and in many cases, to regain our normal domestic and foreign markets.

In the process, agriculture is critical to bringing our national and international debt under control while continuing to control inflation at home.

My colleagues, we have made the case. Let me tell you of the work which has gone into the bill we present today. We have had 5 weeks of hearings with 235 witnesses.

We received over 600 written requests from Members of Congress and 26 Members of Congress testified before our subcommittee. Our hearing record totals 6,116 pages.

We have brought you a bill which addresses many of our Nation's needs, both for our cities and our rural areas:

Protection of health and welfare of our people by the Food and Drug Administration, and the food inspection programs of the Department of Agriculture;

The feeding programs such as school lunch, food stamps, elderly feeding, and the Women, Infant, and Children Program [WIC] which has proven so beneficial;

Rural development programs such as rural housing, water, and sewer;

The conservation programs which protect our soil and water resources for future generations; and

The research and extension programs which have helped make our agricultural system the most productive in the world.

My colleagues and friends, where are the hungry people of the world going to look for food, medical care, and all these things which are so essential to the well-being of the people? They look to the United States—which is out in front. Let us help to provide those necessities, for our people have the same needs as does our economy.

Finally, I wish to say thanks to Bill Natcher for his contributions on the work of this subcommittee as well as other appropriations matters. I also wish to thank Matt McHugh of New York, Joe Skeen of New Mexico, and John Myers of Indiana, and all the members of the Agriculture Subcommittee for the work they done on this year's bill.

We have been on the job in handling of the appropriations bills in this Congress, along with all the other things we have had to do.

Let me also say thanks to those in the Legislative Subcommittee for all their hard work along with all workers in the field of agriculture production, marketing, and distribution, as well as those engaged in research which is so very essential.

□ 1140

Mr. McHUGH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the distinguished gentleman from Mississippi [Mr. Whitten] has personally asked that I manage this bill on his behalf, and of course I am honored and privileged to do so.

I have served on this committee and this subcommittee for 14 years now. I must confess that when I first joined the committee, I knew virtually nothing about agriculture, but sitting next to the gentleman or near the gentleman from Mississippi for those years, I have learned a great deal. I want to pay tribute to him today in part because this is the last time I will be speaking on this Agriculture bill and because personally I am very grateful to the gentleman not only for what I have learned, but for what he has contributed to this Nation for more than 50 years of service in this Congress, which as we all know is a record of service.

I also want to express my appreciation to the ranking member, the gentleman from New Mexico [Mr. Skeen] who is always a delight to work with and who has contributed a great deal to this bill as well.

It has always been a privilege to serve on this subcommittee where there is genuine bipartisan support for the important programs funded by this bill. As you know, this is my last year here and as I leave the Congress, I want to say a special thank you to all of my colleagues on this subcommittee for their willingness to share their knowledge and work together in support of the agriculture and consumer programs in this bill. I also want to thank our fine subcommittee staff, Bob Foster, Tim Sanders, Carol Novak, and Toni Savia, whose advice, dedication and support are invaluable to the Members in developing the bill. I would also like to pay special tribute to my own legislative assistant, Susan Warner, who has been invaluable to me.

Today we bring to the floor the bill which funds the Department of Agriculture and related agencies, such as the Food and Drug Administration, the Commodity Futures Trading Commission, the Farm Credit Administration, and the Farm Credit Assistance Board. The agencies we fund are critical to both farmers and consumers.

Mr. Chairman, this bill funds the producer programs, provides for rural development, agricultural research, and consumer health and safety programs. Sixty-three percent of the funds in the bill are devoted to the domestic feeding programs. It is a balanced bill, and it is certainly a lean bill.

The bill totals $59 billion, which is $1.4 billion below the President's budget request. Mandatory spending accounts for $45.3 billion of the total, leaving only $12.3 billion available for domestic discretionary spending.

The bill is $6.4 billion higher than last year, which is primarily accounted for by a $4.2 billion increase in the feeding programs and a $2 billion replenishment of funds for losses by the Commodity Credit Corporation [CCC], both of which are mandatory spending.

Of the total bill, $36.9 billion, or 63 percent, is for the feeding, consumer, programs. Agriculture programs represent $13.5 billion, including $9.2 billion for CCC. Conservation programs are $2.7 billion, while Farmers Home and Rural Development Related programs account for $2.9 billion. Foreign assistance programs—Public Law 480—are $2.1 billion. Related agencies, including the Food and Drug Administration, are $0.9 billion.

The recommendations we make today for discretionary programs total $12.3 billion in budget authority and $11.84 billion in outlays, which is at the subcommittee's outlay ceiling. Therefore, any increase to the recommendations will require an offsetting reduction.

In order to stay within our budget ceiling, the committee applied a number of rigorous standards in writing this bill. As a general rule, we held salary and expense accounts to this year's level, or below it if there are other savings. Loan programs were held to this year's level or lower. There are no new planning or construction starts, and there are no new grants or increases for existing grants. Funding for projects already underway are funded at this year's level or lower.

We have tried to address the concerns of the Members to the extent possible while staying below the budget ceilings. In the report we call attention to items requested by Members without earmarking or adding the funds.

To meet our outlay number, we deferred funding on the Wetlands Reserve Program, the Conservation Reserve Program, and we held the Market Promotion Program to $75 million. These actions will save almost $177 million in outlays.

For the WIC Program, we recommend $2.86 billion, an increase of $260 million. This is $20 million more than the President's request.

We have an increase in the function 150 subdivision, which can be used for additional Public Law 480 funds to assist with the famine in sub-Saharan Africa.

We provide $400 million for water and sewer grants, an increase of $50 million over this year. We were able to do this because water and sewer grants outlay at only 2 percent the first year.

We provide for increased pay costs for the health and safety agencies, the Food and Drug Administration and the Food Safety and Inspection Service. We also provide pay costs for the Soil Conservation Service because almost every farm in the United States must have a conservation plan by 1995 under the law, and the SCS staff has been stretched to the limit.

We provide partial funding for the Rural Development Administration. We have funded the Washington office and the seven regional offices, but we have funded no field offices at this time. We have provided that the field staff remain a part of the Farmers Home Administration and continue to operate under the Memorandum of Agreement under which they are now operating.

Mr. Chairman, there are many essential programs in this bill, but I would like to take special note of the WIC Program. As we all know, this program provides nutrition assistance for pregnant women and their children under 6 who live on limited incomes and are at nutritional risk. Numerous independent studies confirm that the WIC Program's approach of providing both supplemental food packages and nutrition counseling produces one of the most cost-effective Federal programs. WIC has helped to reduce infant mortality rates, prevent mental retardation, and enhance the health of vulnerable women and children. There is a savings to taxpayers of $3 in medical costs for every dollar spent on WIC. The increase provided in this bill, $260 million, will permit the program to modestly expand next year.

WIC continues to be a top priority for our committee, as it is for so many Members of the House. While recognizing that the budget is still tight, full funding should be our goal for the program. It provides essential assistance in a cost-effective manner, and for that reason has enjoyed bipartisan support.

Mr. Chairman, I believe it would be helpful to the Members if I took a moment to highlight the various accounts in the bill.

TITLE I—AGRICULTURAL PROGRAMS

Mr. Chairman, H.R. 5487 provides $1.5 billion, a decrease of $20 million below the fiscal year 1992 level and $30 million below the budget request, for agricultural research and extension activities funded through the Agricultural Research Service, Cooperative State Research Service, Extension Service, and the National Agricultural Library.

To assure the availability of a variety of wholesome and healthful food at the lowest cost in the world, H.R. 5487 provides $1 billion for the marketing and inspection services of the Department. This total includes $431 million for the Animal and Plant Health Inspection Service to provide for the arrest and eradication of infectious diseases or pests of animals, poultry, and plants; $490 million for the Food Safety and Inspection Service for the meat and poultry inspection program; and $68 million for the Agricultural Marketing Service to allow for continuation of all marketing services. Other agencies included in this total are the Federal Grain Inspection Service, Packers and Stockyards Administration, and Agricultural Cooperative Service.

The bill provides $9.2 billion for restoration of losses of the Commodity Credit Corporation, an increase of $1.95 billion above the amount appropriated for fiscal year 1992 and the same as the budget request. Included in this amount are funds for restoration of fiscal years 1990 and 1991 losses resulting from the following programs: The sum of $900 million for the Export Enhancement Program, $200 million for the Market Promotion Program, $300 million for the Federal Crop Insurance Program; $446 million in connection with domestic donation of commodities; $282 million in connection with export donations; and $7.1 billion for all other losses.

The bill provides $304 million for the Federal Crop Insurance Corporation for administrative and operating expenses and $714 million for the Agricultural Stabilization and Conservation Service for salaries and expenses.

The bill provides $142 million for the Economic Research Service, National Agricultural Statistics Service, and the World Agricultural Outlook Board for statistical and economic intelligence about the national and international agriculture conditions and outlook.

TITLE II—CONSERVATION PROGRAMS

H.R. 5487 provides $2.7 billion for the traditional conservation programs funded through the Soil Conservation Service and the Agricultural Stabilization and Conservation Service. Of this amount, $862 million is for the Soil Conservation Service and $1.8 billion is for the Agricultural Stabilization and Conservation Service.

TITLE III—FARMERS HOME AND RURAL DEVELOPMENT PROGRAMS

Mr. Chairman, H.R. 5487 provides $2.6 billion in budget authority and $6.7 billion in loan authorization authority for the Farmers Home Administration. The bill restores funds for housing programs at the 1992 loan levels. Increased funds are provided for rural water and waste disposal grants.

The bill provides $287 million in budget authority and $2 billion in loan authorization authority for the Rural Electrification Administration. The bill restores funding for the Rural Electrification and Telephone Loans Program account and $844 million is included for the direct loan program.

H.R. 5487 provides a total of $37 million for the Rural Development Administration. This funding level only supports the Washington office staff and the seven regional offices. It does not include funding for State or district offices.

TITLE IV—DOMESTIC FOOD PROGRAMS

Mr. Chairman, for the Child Nutrition Programs the bill provides $6.7 billion. The amount is an increase of $606 million above the fiscal year 1992 appropriation and $194 million above the budget request.

The committee has always considered the Special Supplemental Food Program for Women, Infants, and Children [WIC] to be a high-priority program. In the last 10 years alone the committee has increased the program $1.7 billion. When the committee was considering program funding levels of the Department for fiscal year 1993, WIC continued to be a high priority. The bill provides $2.86 billion for the WIC Program. This is a $260 million, or 10 percent, increase over fiscal year 1992 and a $20 million increase over the President's budget.

Even though the benefits to participants of WIC are well documented, the committee concludes a provision that the Department work closely with States to better target participation to the most nutritionally at risk.

Mr. Chairman, the bill provides $26.7 billion for the Food Stamp Program. Included in this amount is $1.1 billion for the block grant for Nutrition Assistance to Puerto Rico, of which $10.8 million for the cattle tick eradication project in Puerto Rico is to be transferred to the Animal and Plant Health Inspection Service.

TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS

Mr. Chairman, the bill provides an appropriation of $110 million for the Foreign Agricultural Service and $1.6 billion for the Public Law 480 Program.

TITLE VI—RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION

H.R. 5487 provides $778 million for the Food and Drug Administration. This is an increase of $18 million above the fiscal year 1992 level.

For the Commodity Futures Trading Commission, the bill provides $47 million, the same as last year.

Mr. Chairman, this is a good bill and deserves the support of the House. It fosters economic growth and development in our rural communities, maintains vital producer programs, continues applied and basic research activities, and strengthens many of the consumer programs that promote public health and safety.

I urge my colleagues to support the bill.

□ 1150

Mr. Chairman, I reserve the balance of my time.

Mr. SKEEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the consideration of this bill, I want to start by saying that it was a difficult session in which to consider this most important agricultural bill, because our chairman was temporarily indisposed. So we had to fill in and go through the hearing process. And I want to hand it to MATT MCHUGH, one of the greatest plaudits I can ever imagine giving anyone, because he stepped into the breach, filled a spot that was very difficult to take on and chair the subcommittee during the hearing process.

He did an outstanding job along with many others on the committee who filled in from time to time.

Mr. Chairman, I just want to say to the gentleman from New York, "MATT, we are going to miss you. You did an outstanding job."

We are delighted to have our chairman back and recuperating. Also I want to hand a little commendation to our friend, the gentleman from Kentucky, BILL NATCHER, who kind of led us all.

Mr. Chairman, it is these kind of folks who have had this kind of tenure in Congress that makes you think that this is a good place because you meet good people here, the best people that you will ever meet anywhere in the world, notwithstanding all the jabberwocky that goes on in the media, mostly undeserved.

These are really sterling individuals who know how to do their job and how to take on the responsibilities that they have to take on, and they do it well and with great gentleness and with great demeanor.

I just want them to know how we appreciate the fact that we have associated with them.

Mr. Chairman, we have come up with a good bill. Today we are placing before Congress our recommendation for funding for the fiscal year 1993 in the Agricultural, Rural Development, Food and Drug Administration, and related agencies in this appropriation bill. This year's allocation cap placed a considerable constraint on our subcommittee's ability to adequately address the needs of our Nation's agricultural community. In making that statement, I want to say, you know, we do wonderous things in this country but we take a lot of things for granted. One thing we take for granted most of all is our agricultural economic sector of our total Nation's economy.

Two and a half percent of the people in this country produce food and fiber that keeps us in good stead, keeps us well fed, well clothed, and we take them for granted because it is so easy. It is a hard business to be in, but they make it so easy for all of us who are consumers. We take them for granted day after day, and that is why this bill is so important and, I think, deserves a great deal of attention.

So the bill includes funding for several mandatory items, mandatory programs on the domestic and discretionary side, and this bill comes in at $12.3 billion in budget authority and $11.84 billion in outlays. That is an awful lot of money.

But it is a great big program and a great part of our economy.

Mr. Chairman, to reach these levels—and I think Mr. MCHUGH stated it, but I want to iterate it once again for emphasis—to reach these levels, our committee had to make some real tough decisions, including holding salary and expense accounts to last year's level for all agencies except those involved in health and safety; holding the loan programs to last year's level or lower; and taking the position of approving no new grants, construction or planning starts and programs; absolutely holding a level freeze or spending level as tightly as you possibly can without committing to any new starts at all. That was tough to do because there are a lot of things that need attention, particularly in the areas of research, buildings for research, and things of that kind.

We would like to have granted funds for all of those, but it just was not possible this year under the constraints of the budget resolution.

Despite these constraints, our committee was able to address the important priorities of the Congress, including the need to provide a significant increase for the WIC Program, which Mr. MCHUGH mentioned earlier, which received a 10-percent funding increase, and a significant increase was also provided for the employees of the Food and Drug Administration.

While we are on that particular subject, I want to make mention: We asked the Food and Drug Administration, which is under the Subcommittee on Agriculture Appropriations' purview, to do so many things, and increase their activities and their responsibilities and so forth. But we were not giving them any more money to do that.

I think justifiably this was an area that we should have increased the funding, and we did it and I think we did it in a manner that is going to be exemplary and is responsible fundingwise.

The bill overall is a good bill and a good start. I am confident we can work out our differences along the way, and I am sure there are going to be a lot of folks who are going to challenge the spending at every level but they are going to have a tough time with this one because I think we have come up with a bill that is responsible and represents a barebones approach to this particular activity and the particular responsibility of ours.

Mr. Chairman, today I ask my colleagues in the Congress to approve the bill and move this package along to its next step in the process. I would also like to thank, once again, our chairman, the Members, and our staff. Particularly I want to mention the staff of this: Bob Foster, Tim Sanders, Carol Novak, who do an outstanding job working with us.

I want to pay a little special tribute to the four members of the subcommittee who are retiring after this session: the gentleman from Michigan [Mr. TRAXLER], the gentleman from New York [Mr. MCHUGH], the gentleman from Minnesota [Mr. WEBER], and the gentleman from New York [Mr. MRAZEK]. We will miss them and miss them sorely. We wish you all Godspeed.

With that, Mr. Chairman, I am going to end my remarks and reserve the balance of my time.

□ 1200

Mr. MCHUGH. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Chairman, I wish to point out that this bill is well within the limits set by the budget agreement and the budget resolution. As a matter of fact, it is $47 million less than the 602(b) subdivision, and I want to commend the distinguished chairman, the gentleman from Mississippi [Mr. WHITTEN]. I want to commend the gentleman from New York [Mr. MCHUGH] and the gentleman from New Mexico [Mr. SKEEN]. They have done a great job in meeting the limits in the budget resolution.

Mr. Chairman, I rise in support of H.R. 5487, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations bill for fiscal year 1993. This is the fifth of the 13 annual appropriations bills for 1993 to be reported to the House.

This bill provides $13.827 billion in total discretionary budget authority and $13.420 billion in total discretionary outlays, which are $47 million less than the 602(b) subdivision for budget authority and equal to the 602(b) subdivision for outlays, respectively, for this subcommittee.

I want to commend Chairman WHITTEN, the gentleman from New York [Mr. MCHUGH], and the ranking member of the subcommittee, the gentleman from New Mexico [Mr. SKEEN], for the work they have done in adhering to the limits set forth in the budget agreement and the 1993 budget resolution.

As chairman of the Budget Committee, I will continue to inform the House of the impact of all spending legislation. I have provided a "Dear Colleague" letter describing how each appropriation measure considered so far compared to the 602(b) subdivisions for that subcommittee. I will provide similar information about the remaining fiscal year 1993 appropriations bills.

I look forward to working with the Appropriations Committee in the future.

Factsheet

H.R. 5487, AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, FISCAL YEAR 1993 (H. REPT. 102-617)

The House Appropriations Committee filed the report on H.R. 5487, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill for 1993 on Thursday, June 25 1992. The full House is scheduled to consider this bill on Tuesday, June 30, 1992.

COMPARISON TO THE 602(b) SUBDIVISION

The bill provides $13,827 million in total discretionary budget authority, $47 million less than the Appropriations 602(b) subdivisions for this subcommittee. The estimated total discretionary outlays in the bill are equal to the subdivisions for this subcommittee. These totals include amounts in both the domestic and international categories.

COMPARISON TO DOMESTIC DISCRETIONARY SPENDING ALLOCATION

The bill provides $12,263 million of domestic discretionary budget authority, $37 million less than the Appropriations domestic subdivision for this subcommittee. The bill provides $11,841 million of domestic discretionary outlays, which equals the domestic discretionary outlay subdivision for this subcommittee. A comparison of the bill to the domestic spending allocations for this subcommittee follows:

[In millions of dollars]

	Agriculture, Rural Development appropriations bill		Appropriations Committee 602(b) subdivision		Bill over(+)/under (−) committee 602(b) subdivision	
	BA	O	BA	O	BA	O
Discretionary	12,263	11,841	12,300	11,841	−37	
Mandatory[1]	41,123	32,370	41,123	32.370	32,370	
Total	43,386	44,221	53,423	44,221	−37	

BA = New budget authority.
O = Estimated outlays.
[1] Conforms to Budget Resolution estimates of existing law.

COMPARISON TO INTERNATIONAL DISCRETIONARY SPENDING ALLOCATION

The bill provides $1,564 million of international discretionary budget authority for P.L. 480 Food for Peach programs, $10 million less than the Appropriations international subdivision for this subcommittee. The bill provides outlays equal to the subdivision for international discretionary outlays.

[In millions of dollars]

	Agriculture, Rural Development appropriations bill		Appropriations Committee 602(b) subdivision		Bill over(+)/under (−) committee 602(b) subdivision	
	BA	O	BA	O	BA	O
Discretionary	1,564	1,579	1,574	1,579	−10	

BA = New budget authority.
O = Estimated outlays.

The House Appropriations Committee reported the Committee's subdivision of budget authority and outlays on June 11, 1992. These subdivisions are consistent with the allocation of spending responsibility to House committees contained in House Report 102–529, the conference report to accompany H. Con. Res. 287, the concurrent Resolution on the Budget for Fiscal Year 1993, as adopted by the Congress on May 21, 1992.

The following are the major program highlights for the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill for Fiscal Year 1993, as reported:

PROGRAM HIGHLIGHTS

[In millions of dollars]

	Budget authority	New outlays
Agriculture programs:		
Commodity Credit Corporation (mandatory)	9,200	
Market Promotion Program (MPP) limit	−62	62
Agricultural Research Service	695	522
Extension Service	418	293
Animal and Plant Health Inspection Service	441	366
Cooperative State Research Service	446	211
Federal Crop Insurance Corporation (mandatory in part)	590	315
Food Safety and Inspection Service	490	446
Agricultural Stabilization and Conservation Service	714	657
Conservation and rural development programs:		
Rural Electrification Administration:		
New loan subsidies	291	79
Administrative expenses	29	26
Farm operation and ownership loans:		
New loan subsidies	259	251
Administrative expenses	230	219
Rural Housing:		
New loan subsidies	705	331
Administrative expenses	427	380
Rental Assistance Program	320	7
Rural Development loans:		
New loan subsidies	117	6
Administrative expenses	59	52
Soil Conservation Service Conservation Operations	577	532
Watershed and Flood Prevention Operations	205	114
Conservation Reserve (mandatory)	1,579	1,567
Nutrition programs:		
Food Stamp Program (mandatory)	25,669	21,540
Child Nutrition Programs (mandatory)	6,675	5,478
Supplemental Feeding Programs (WIC)	2,860	2,688
Nutrition Assistance for Puerto Rico (mandatory)	1,051	1,047
Food donations for selected groups	257	209
Emergency Food Assistance Program	165	150
Other programs:		
P.L. 480, Food for Peace	1,493	1,134
Food and Drug Administration	778	640
Payment to the Farm Credit System (mandatory)	85	85
Commodity Futures Trading Commission	47	41

Mr. MCHUGH. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, not too long ago two men were talking, and one said to the other that he could not think of the Secretary of Agriculture's name.

The second gentleman immediately said that he should not worry about that. The name that you ought to remember is JAMIE L. WHITTEN of Mississippi. He's been the best friend the American farmer has had in the last 50 years. That's the name that you ought to remember.

As my colleagues know, Mr. Chairman, the chairman of our Committee on Appropriations has been a little under the weather. When our chairman is under the weather, we circle the wagons and take care of our chairman.

As the gentleman from New Mexico [Mr. SKEEN] has pointed out, four of our Members on this subcommittee will leave us at the end of this year: The distinguished gentleman from New York [Mr. MCHUGH], who is now in charge of this bill, has been a member of our subcommittee since 1978; the gentleman from Michigan [Mr. TRAXLER], who is also chairman of the Subcommittee on VA, HUD and Independent Agencies, been a member of the committee since 1976, leaves us at the end of the year. The gentleman from Minnesota [Mr. WEBER], a member, not only of this Subcommittee, but the Subcommittee on Labor, Health and Human Services and Education, leaves us; and also the gentleman from New York [Mr. MRAZEK]. All four are able Members of this House, and we are going to miss all of them.

Mr. Chairman, all down through the years, for a period of 38 years, I have served as a member of this Subcommittee on Appropriations sitting next to my chairman, the gentleman from Mississippi [Mr. WHITTEN]. I know that, as far as this bill is concerned, in research, soil conservation, REA, marketing service, extension and every agency, my chairman has always seen to it that they are not only properly funded, but properly protected.

I remember one time, a number of years ago, they called from the White House. They wanted several of us to come down to talk about TVA. At that time President Eisenhower was in the White House and he was one of the able Presidents of this country. They had sold him on a bill of goods, that TVA should be sold.

The President said that we were called down so he could talk with us about this idea of selling TVA.

My chairman, the gentleman from Mississippi [Mr. WHITTEN], was there, and also, in addition, we had Mr. Carl Vinson of Georgia, who had the all-time record in the House, 50 years and 4 months, until my chairman, Mr. WHITTEN, went ahead of him on January 6 of this year with 50 years and 5 months.

The spokesman, Mr. Chairman, for the group there was my chairman, the gentleman from Mississippi [Mr. WHITTEN] and Carl Vinson of Georgia. They, of course, were against such a proposal.

Mr. Vinson turned to my chairman, Mr. WHITTEN, and said, "JAMIE, you talk to the President."

The gentleman from Mississippi [Mr. WHITTEN] explained to him about TVA and what it had done for the people in the Southern States and all that section of our country. Mr. Chairman, that President Eisenhower looked up, and he said that maybe he did not fully understand why such a proposal was submitted.

Mr. Chairman, we never heard any more about selling TVA. My chairman, the gentleman from Mississippi [Mr. WHITTEN] has believed and said all down through the years that, "If you take care of the soil and water in this country, and take care of the American farmer, you will continue to be able to produce our food and fiber."

Look what is happening in Russia today. They cannot produce enough food for their people. We do not have that trouble in this country. Agriculture is the largest industry in our country.

In addition, Mr. Chairman, I want to say a word about our friend, the gentleman from New Mexico [Mr. SKEEN], one of the able Members of this House. He and the gentleman from New York [Mr. MCHUGH] conducted the hearings in the main assisted by the gentleman from Illinois [Mr. DURBIN], and the gentleman from North Carolina [Mr. PRICE], and others from time to time. We present to our colleagues, Mr. Chairman, an excellent bill, and, on behalf of my chairman, the gentleman from Mississippi [Mr. WHITTEN], we recommend the bill.

Mr. Chairman, I keep a journal. I have 53 bound volumes. From time to time my chairman says to me, "How am I doing in your journal?"

Sometimes I kid him a little bit and say, "Mr. Chairman, not too well last week."

But I want every member in this committee to know that my chairman, the gentleman from Mississippi [Mr. WHITTEN], comes out well in my journal every week.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. WEBER].

Mr. WEBER. Mr. Chairman, I rise today in strong support of H.R. 5487, the Agriculture, Rural Development, and Related Agencies appropriations bill for 1993. The bill recommended by the committee totals $59 billion, Mr. Chairman, which is within the subcommittee's section 602B allocations. As we know, each of our appropriation subcommittees have been forced to deal with the needs of our Nation on a budget which has been drastically reduced. To his credit, the chairman of our subcommittee, JAMIE WHITTEN, has produced a bill which addresses the needs of rural America and also stays within tight budgetary constraints.

I also want to commend the ranking member of the subcommittee from New Mexico, JOE SKEEN. His dedication and support for the programs which directly affect rural America are second to none. I want to personally thank him for the time and effort that he put into this bill.

As I stated, Mr. Chairman, our committee was forced to deal with the needs of rural America through a budget that has been drastically reduced. Yet at the same time, we were obligated to provide substantial increases to the consumer food programs which now represent 63 percent of this bill. While we all support these programs, Mr. Chairman, I am afraid that those increases are coming at the expense of other agriculture programs which have a dramatic impact on rural America.

My fear, Mr. Chairman, is that the budget problems of the 1990's will shortchange the programs affecting production agriculture. In the Second Congressional District of Minnesota, agriculture is the backbone of our economy. This was dramatically pointed out in the mid 1980's when agriculture went through one of the worst depressions since the 1930's. While the rest of the country was enjoying stable economic growth, land valuations in my district were dropping up to 50 percent in 1 year. Hundreds of small businesses were forced to close their doors.

Almost 12 percent of this Nation's farmers, over 300,000, went broke and left the farm. In addition, many communities which heavily rely on agriculture are still trying to recover.

This bill, Mr. Chairman, was drafted in part with the experience of the 1980's in mind. The committee has directed resources to programs which assist farmers in becoming more efficient. In an effort to expand markets we have directed agriculture research to start concentrating more time and money on the development of new uses from traditional crops. And, the committee has funded rural development programs which will assist communities in diversifying their local economies. In an effort to assist a changing rural America, I think the committee has done an outstanding job of providing scarce resources to those programs.

Various members of the committee have pointed out the need for programs funded in this bill. I also want to take this opportunity to highlight a few programs that show the dedication of the committee in assisting rural America.

Mr. Chairman, the committee has provided over $660 million for the Agriculture Research Service. ARS conducts basic and applied research in the fields of livestock, plant sciences, soil and water conservation, and agricultural engineering utilization and development. The research conducted by ARS is of vital importance to the future of agriculture.

The committee has also recognized the need to assist communities in retaining and attracting industry and jobs. I was glad to see that we were able to provide $100 million for the business and industry loan guarantee program. Over 700 new jobs have been created in my district through the use of this economic development tool. The program has leveraged private dollars into rural areas and has enabled local banks to provide financing and create more jobs. This type of success has taken place with relatively little cost to the taxpayer.

Mr. Chairman, this bill attacks drug abuse which is one of the most pressing issues facing rural and urban America. The committee provided over $10 million for extension's youth at risk program. This is a substance abuse prevention program which features teen teams. Groups of teenagers are trained to conduct their own alcohol and drug abuse prevention programs in fifth and sixth grade classrooms. This is a good program, Mr. Chairman, and I am proud that our committee made this type of commitment to the youth of our Nation.

Finally, Mr. Chairman, the bill includes language which directs the Secretary of Agriculture to expeditiously grant disaster relief for farmers facing economic disaster due to tornadoes and storms which swept through southwestern Minnesota. I appreciate this committee's willingness to work with me on this issue and I want to thank the Secretary in advance for his consideration of this matter. It is my hope that the President will release the $750 million in disaster relief as soon as possible.

Finally Mr. Chairman, this is a good bill for rural America, which means that it is a good bill for our Nation. I would encourage my colleagues in the House to vote for this bill.

Mr. MCHUGH. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, I want first to say how much I have enjoyed working with the gentleman from Mississippi [Mr. WHITTEN] and the other members of this subcommittee over the years that I have been a member of the Committee on Appropriations. The leadership of the gentleman from Mississippi is exemplary in showing that government can be the solution to a problem.

In 1969, when I became a Member of this body, people were leaving the First Congressional District. Leaving the small towns and rural areas.

Since that time, in part because of the capital investments made possible through past Agriculture, rural development, and related agencies appropriations bills, more than $200 million has been invested in housing, in water and wastewater programs, in industrial development grants and loans. As a result of these capital investments, we are now seeing new life in most of the small towns and rural areas of the First Congressional District. The outmigration has slowed. People are coming back home. We have jobs to offer them. They can work and live at home. Churches are constructed. Yes, government has extended a helping hand that has provided a solution.

Thus, we are beginning to see the revitalization of the heartland of America. New homes are being built.

By the way, these capital investments have occurred while the Congress was appropriating $93.8 billion less than Presidents have requested during that period of time. Thus, Congress has been fiscally responsible.

One good example of how revitalization of the heartland has occurred is the action taken last year by this subcommittee designating $800,000 for an industrial development grant for an impoverished, minority town in eastern Arkansas. Cotton Plant wants to build a catfish processing plant to provide jobs for its citizens. The catfish processing facility is planned; it is ready to go. It offers not only an outlet for farmers who produce fish, but also offers gainful employment to the people of Cotton Plant. The Arkansas Pride Fish Processing Plant is a success waiting to happen.

Mr. Chairman, I would like to ask the acting chairman of the subcommittee, the gentleman from New York [Mr. MCHUGH], a question. It is my understanding that the Office of Management and Budget has not given notice to the State Farmers Home Administration offices of the change in the law that was passed by the Congress last year which repeals the then $500,000 ceiling on industrial development grants. Thus the Cotton Plant Catfish Processing Plant has encountered difficulty in gaining release of the $800,000 from the Farmers Home Administration.

Would the gentleman from New York comment on the status of the repeal of the Farmers Home Administration ceiling and the outlook for deliberate action for rural development, and especially the Cotton Plant Catfish Processing Plant?

□ 1210

Mr. MCHUGH. Mr. Chairman, would the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from New York.

Mr. MCHUGH. Mr. Chairman, the gentleman is correct in his citing of the law. Last year in the appropriations bill, we did repeal that ceiling. So there is authority now to proceed beyond the ceiling.

As the gentleman has indicated and as we have put in our report this year, OMB has not given adequate notice or any notice, as far as we can tell, to the States. And, therefore, they are not proceeding.

But it is clearly the intent of the Congress, as expressed in last year's bill and again in our report this year, that that ceiling be disregarded and that the money be spent.

Mr. ALEXANDER. Mr. Chairman, so the gridlock that we are now seeing is a result of the Office of Management and Budget and not from the Congress.

The reason I bring this up is people back home in Arkansas do not understand why, when Congress passes a law and appropriates money, thereby directing the administration to take action on a priority matter, that no action is taken for over a year. It is difficult for people to understand why action is not being taken.

Is there a statement in the committee report that is being issued today which would tend to eliminate that problem?

Mr. MCHUGH. Mr. Chairman, if the gentleman will continue to yield, there is an expressed provision included in the report on page 103, which reads as follows:

> The regulation limiting the size of these grants was repealed by the fiscal year 1992 Appropriations Act signed into law on October 28, 1991. To date, the Department has not issued the notice that this regulation has been repealed. The committee finds this bureaucratic foot-dragging inexcusable.

Mr. ALEXANDER. Mr. Chairman, I thank the gentleman for his reply.

I hope that this additional action reinforcing the commitment of Congress to the Cotton Plant fish processing plant will be sufficient to move the administration into action so that we can continue to revitalize the heartland of America. Capital investment is essential to economic growth. The Arkansas Pride Catfish Processing Plant at Cotton Plant is a good investment in the future of America. Let's stop wasting time.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. Mr. Chairman, I thank my colleague for yielding time to me, and I rise to compliment the members of this committee as well as the staff for their very fine work in bringing this bill to the floor. It is not an easy task this year, as all of us on the Appropriations Committee have found. There has never been enough money, particularly this year, to fund the programs adequately. But this bill funds American agriculture, a basic industry in our Nation and one of the few basic industries left which touches everyone. We all eat.

But I am always concerned that so many people in this country do not realize the importance of agriculture. And they think that the dollars here in this bill all go to agriculture.

It has been revealed that almost two-thirds of this bill, goes for feeding programs and nutritional programs which take care of the needy and improve the nutrition of our society.

But of the total bill, $36,900,000,000 goes for feeding programs, almost two-thirds. Of that, $26,619,719,000 goes for food stamps—45 percent of this bill goes for food stamps. What a tremendous expense helping people.

Yet farmers may benefit somewhat. But the huge amount of this money goes to someone else besides agriculture.

So I say today I certainly support this bill. I do compliment the committee for including language in the report requesting that the Secretary of Agriculture urge the President of the United States to release $755 million that has been previously appropriated in last year's supplemental for disaster programs.

Last Saturday afternoon I spent the afternoon reviewing in Indiana, in my congressional district, damages to thousands of acres of crops from a freeze about 2 weeks ago in Indiana. On several acres, on several farms, corn was almost shoulder-high, lying flat on the ground.

These farmers were not making money before, but with these tremendous losses, they need assistance, if they are going to stay in the business. Many of them are young farmers and just do not have the reserves.

So I am pleased to see that the Secretary of Agriculture hopefully will talk to the President. I think there is going to be a tremendous need. The frost and freeze hit not only Indiana, it hit a number of districts in Illinois, a tremendous loss to farmers, a tremendous loss to our society.

I do compliment everyone who touched this bill. It is a good bill, and I hope we get full support for it.

Mr. McHUGH. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, I thank the gentleman for yielding time to me.

I support this bill, and I commend the staff and all the members of the subcommittee for what they have contributed to the development of this bill, although it is inadequate to meet the needs we face in 1993; but it is the most that we could do under the present budget situation.

We are talking here in this bill about the food industry, it is consumers of food, processors of food, the producers of food. We are talking about the most successful industry in the United States.

With some possible exceptions of pieces of the electronics industry, it has been the most successful in technology, transfer, not just in the last few years but agriculture has been in technology transfer ever since the Land-Grant Act.

The U.S. agriculture and food industry is the envy of the world because we are able to assure producers that they will at least get their cost of production if they do an efficient job and enjoy the right kind of weather, and at the same time provide cheap food for people who need it. And even cheap food for people who could pay more for food. Everyone in the United States benefits from the success of our food industry.

We are only spending $11 billion to assure producers that there will be some reasonable protection in the production of this food. That is infinitesimal in comparison to the results that we receive.

Most other countries of the world spend, relatively speaking, a lot more than that to try to increase the production of food and are not successful in doing so.

In addition to that, we have allocated $37 billion, more than 3 times as much, for programs to assure people in this country that they will receive food at a cut-rate price or free, if they need it. So we have been able to assure in this country that producers will continue with the incentive to produce food while at the same time assuring people who need cheap food or free food that they will receive it.

We have been able to do that for the smallest, relatively, price of anyplace in the world.

And then there is another function in here that should not be overlooked, and that is important today when most people live on food that they buy or trade food stamps for in the grocery store, they no longer can their food out of the garden. They no longer know the source of the food. And that is the part of the bill that deals with assuring us of not only safe but also wholesome food. Some people forget that we are not only interested in safety measured by microbiological methods but also in the wholesomeness of the food. We want protection against food being sold to us which may appear normal but was handled in a way that exposed it to filth or the kind of unwholesomeness that would have caused us to throw it away had we personally raised and processed it.

We do not want food that was handled in an unwholesome manner even if it is sterilized later and we don't need to have that kind of food in the food chain in this country. So that is an important part of this bill, too.

In addition to that, and it is for only a small amount of money compared to what the results are, $2.7 billion in this bill is for the conservation and improvement of the land. This, of course, is for the benefit of our children and our grandchildren and our great grandchildren for years to come. We should not only leave this soil in as good a condition as we found it, but in better condition.

I think this is the best we could do with the amount of money we had available. I ask a favorable vote on this bill.

Mr. SKEEN. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Mr. Chairman, I thank my ranking member for yielding time to me.

I rise to talk this morning about an area of vital concern to me, that of research, cooperative extension, and land-grant programs.

□ 1220

In recent weeks it seems to me that Congress has had to deal with some difficult areas that are related to research, and some huge research and scientific areas such as the space program, NASA, super colliders, and others, programs that are easily stricken, easily attacked, and easily eliminated.

I have thought a lot about this general area, first with respect to agriculture. There is no doubt in my mind that the Cooperative Research Service through the years and the kinds of research that has gone on in land grant colleges has brought about the world's greatest advancement in food production and environmental conservation.

Mr. Speaker, much of the research, however, that has been done in this country in the past 50 years has been defense-related, and the spinoffs, of course, have been good for many other things, but we are moving out of that era. We are not going to have this cold war kind of defense going on, so the research that has been done there will have to be changed and we will have to move to an area such as this.

We need to make certain that this country maintains its technological leadership.

I think that the colleges that receive support in this bill are very important as part of that. We need to ensure, it seems to me, that over time this Congress does not allow the Government to become one that simply spends all of its time making transfers of income from one group to another; that indeed, we do invest in some new kinds of technology and new kinds of research, and I want to congratulate the committee for doing that in this bill.

I feel a little out of step here, in that all the Members have sort of had a reunion of committee members, but let me say that I appreciate the work that they have done. I know it is difficult.

Specifically, I want to thank the committee for considering and continuing to plan and study for an environmental simulator that is used to study the flow of water and fluids through the soil, so that we will have clean air and clean soil. I believe it is necessary for the Government to continue to invest and encourage this kind of research. I congratulate the committee on the work that they have done in this area.

Mr. McHUGH. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, I rise in support of H.R. 5487, the fiscal year 1993 Agriculture, rural development, FDA, and related agencies appropriations bill. I commend Chairman WHITTEN, the floor manager, Congressman MATT McHUGH, the members of the subcommittee and the subcommittee staff for the hard work and long hours that went into crafting this bill.

On the whole, H.R. 5487 is an excellent bill that provides funding for many critical programs in the U.S. Department of Agriculture. This year has been very difficult for all the appropriations subcommittee's and the Agriculture Subcommittee was no different. Considering the shrinking budget and limited resources available to the subcommittee, H.R. 5487 is well-balanced and fair.

In particular, I want to highlight particular provisions of the bill which benefit agriculture in northern California. H.R. 5487 provides the final installment of Federal funding for the construction of the grape importation and clean stock facility at University of California-Davis. The grape importation facility will play a major part in the industry's effort to recover from the phylloxera problem. The new facility will enable California wineries to bring new stock in from Europe, ensure that it is clean and enable more rapid replacement of vines. However, the facility has broad implications for the entire domestic industry and will significantly increase the volume of stock that is brought into the country. The importance of this new facility is highlighted by the broad-based support it has enjoyed from throughout the country.

H.R. 5487 also provides $207,000 to continue planning for the pest containment and quarantine facilities also associated with the University of California. This facility is badly needed to improve research into pests, such as the white fly and africanized bee, many of which have already taken a significant toll on agriculture. There is currently no similar facility in the United States. The new facility will take pest research to the next level.

Phase I of the project will construct an 18,000-square-foot laboratory at University of California-Riverside to accelerate research leading to the development of biological and other natural pest controls. Phase II of the project will construct a 39,000 square foot facility on the University of California-Davis campus to support research in environmentally compatible pest management strategies, parasitoids, bioengineering, genetically altered organisms, and other crops, fruits, nuts, and vegetables.

This bill also gives the Soil Conservation Service authority to participate in a multiagency demonstration project which is currently exploring the potential for conjunctive uses of rice fields in northern California. The project will demonstrate the ability to use rice fields for winter water storage and migratory bird habitats. In addition, instead of the long-time practice of burning rice fields, the project will demonstrate more environmentally sound methods of breaking down rice straw and mitigating rice parasites. The Bureau of Reclamation and the Fish and Wildlife Service would also participate.

H.R. 5487 also continues the Animal and Plant Health Inspection Service's [APHIS] participation in creating a pest-free zone in Mexico. The creation of a pest-free zone would have a direct impact on California's ability to combat infestations of the Mexican fruit fly. The Mexican fruit fly is the second most destructive pest of California fruits and vegetables. Continued APHIS participation is crucial to making the pest-free zone a reality.

Mr. Chairman, I want to discuss the bill's treatment of the Market Promotion Program. Unfortunately, the budgetary constraints imposed on the bill resulted in a severe reduction in funding for the Market Promotion Program [MPP]. The MPP was reduced from $200 million to $75 million. California agriculture has benefited tremendously from the assistance that the MPP has provided in promoting American agricultural products throughout the world.

American agricultural exports account for about $40 billion in annual sales. Agriculture provides a positive balance of payments in the U.S. trade account of approximately $17 billion. Future growth in U.S. agriculture will depend on export growth. Expansion of agricultural exports is critical for related sectors of the economy. Each U.S. dollar of agricultural exports generates an additional $1.59 in economic growth. Every $1 billion in agricultural exports maintains 27,000 jobs.

The deep reduction in MPP funding could seriously jeopardize the enormous gains in foreign market that have been achieved since the inception of MPP. I look forward to working with the committee as we go to conference to try restore MPP to a funding level that is needed to substain American agricultural markets overseas.

Finally, Mr. Chairman, I want to congratulate the committee for their strong support of the Special Supplemental Food Program for Women, Infants, and Children [WIC]. This year, the committee increased WIC funding by $260 million for a total of $2.86 billion. WIC provides critical nutrition and health benefits to low-income pregnant women and young children. These benefits reduce infant mortality, avert low weight births, and help ensure that our Nation's needy children can learn in school and reach their full potential. And, WIC saves money. Each dollar invested in WIC's prenatal component saved between a $1.77 and $3.13 in Medicaid costs.

Overall, Mr. Chairman, H.R. 5487 is a strong bill for America. It continues support for our domestic agriculture industry while also providing its share of savings to apply toward deficit reduction. It is a fair and balanced bill, and I urge my colleagues to give it their support.

The CHAIRMAN. The Chair would advise that the time of the gentleman from New York [Mr. McHUGH] has been consumed, and the gentleman from New Mexico [Mr. SKEEN] has 17 minutes remaining.

Mr. SKEEN. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Missouri [Mr. COLEMAN].

Mr. COLEMAN of Missouri. Mr. Chairman, I support passage of this appropriations bill which funds the Department of Agriculture and related agencies for fiscal year 1993. I know that the Committee on Appropriations has had to make the kind of tough decisions necessary if we are to get the budget process under control.

I also want to commend the committee for recognizing the will of this Congress in funding the Rural Development Administration. However, I think it is important to emphasize that RDA is consistent with efforts now underway to streamline Department operations.

Indeed, RDA is not only consistent with those efforts, it represents a model of reform that other agencies would do well to emulate. RDA is a cooperative effort; working together, Congress and the administration have taken the most significant step in two decades to stabilize and rebuild the Nation's rural communities. With RDA, the Department for the first time will institutionalize rural development through one agency completely devoted to the economic needs of the Nation's rural communities. In RDA, we will have for the first time one agency responsible for Federal rural development policy and one agency with the ability to focus Federal programs to implement that policy.

RDA is a model for reform because it will not cost the taxpayers one additional dime. It represents fundamental reorganization of existing resources, not massive new programs and bureaucracy. It exemplifies the kind of approach to problem-solving that our current budget crisis demands form all levels of government, not just the Department of Agriculture.

Despite these facts, language in the committee report may unintentionally mislead Members concerning the reorganization of the Farmers Home Administration to create RDA. While the committee mentions the creation of seven regional offices, it fails to point out that when reorganization is complete, there will be 135 fewer offices within the RDA than are currently administering rural development programs within the FmHA. This net reduction of 135 offices was confirmed by Secretary of Agriculture Madigan when he appeared before the Committee on Agriculture last week to discuss reorganization of the department.

In funding RDA, the Committee on Appropriations has recognized the will of Congress that there be a focused

Federal rural development policy and one agency to implement that policy. The Committee on Agriculture continues to work with and support the Department as it undertakes the necessary reorganization to accomplish this objective through the Rural Development Administration. We must recognize that this decision is firm and there will be no turning back.

Mr. Chairman, in passing this appropriations bill the House will be doing much more than endorsing reform at USDA. It will be endorsing government by cooperation rather than confrontation and showing the American people that we can work together to make government work for them.

I urge my colleagues to support this appropriations bill which funds the Department of Agriculture.

□ 1230

Briefly, Mr. Chairman, I have a little colloquy I would like to enter into with the gentleman from New York [Mr. McHUGH].

Mr. Chairman, I have been asked by the Farmers Home Administration to clarify a matter in this bill.

Is it not true that the funds necessary for the State or district office activities under the memorandum of understanding between the Farmers Home Administration and the Rural Development Administration have been provided to the Farmers Home Administration under this appropriations bill for that purpose?

Mr. McHUGH. Mr. Chairman, if the gentleman will yield, the answer is yes.

Mr. COLEMAN of Missouri. I appreciate the gentleman's comments.

Mr. SKEEN. Mr. Chairman, I yield 3-½ minutes to the distinguished gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, I thank the gentleman for yielding me the time.

I would like to take a moment to commend the Appropriations Subcommittee on both their discernment and their prompt action. They have correctly seen that the market promotion program of $200 million will not stand up to scrutiny. The committee has understood that this program has generated considerable controversy and considerable embarrassment to America's agricultural policy. It is viewed by many as a corporate subsidy and has been criticized by GAO and not supported or substantiated by the Department of Agriculture.

Barring this committee's effort, I would have brought forward an amendment to kill the program outright. But the committee has seen fit to cut its funding from $200 million to $75 million.

Under the market promotion program the USDA has haphazardly doled out huge awards to industry associations, which in turn were used to generically advertised raw products abroad, or in many cases to give grants to large corporations. It is corporate welfare of the worst kind. Some of the largest corporations in America have received money under this program.

To name just a few, McDonalds Corp. got $465,000 to advertise Chicken McNuggets. Seagrams & Sons got $146,000 to push whiskey in Europe. Campbell's Soup got $450,000 to tell Latin Americans to have a V-8.

Sunkist received money, Pillsbury, Hudson's Bay Fur Sales, Ralston-Purina, Kal Kan Pet Foods, Gallo Winery, Dreyer's Grand Ice Cream, Ocean Spray Cranberries, Burger King, M&M Mars, and my favorite, Hershey's Chocolate, a company that never spent money advertising its product in the United States, somehow or other needs money to advertise its product abroad. Also Nabisco Foods, Quaker Oats, and even Paul Newman received funds from this program to promote his special brand of salad dressing.

Huge foreign corporations also received funds. Benetton of Italy, and Gunza, the biggest underwear manufacturer in Japan, for example, received funds under this program. Over 100 foreign firms received money under this program.

It is time that we end this kind of wasteful, ineffective, inefficient, and unnecessary use of the taxpayer's dollar. The committee I think has taken a tremendous step in pointing out that U.S. Government bureaucrats cannot identify foreign markets or make foreign products competitive in foreign markets.

Furthermore, the idea that these large, successful American corporations would not have enough good business sense to advertise their products abroad without seed money from the Federal Government is absurd. If in fact we funded marginal advertising, it is a waste of money. If we funded advertising that would have taken place anyway, it is a waste of money. I commend the committee.

Mr. SKEEN. Mr. Chairman, I yield 3 minutes to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, first this Member would like to take the opportunity to thank the members of the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies. The distinguished gentlemen from New York [Mr. McHUGH], the gentleman from Mississippi [Mr. WHITTEN], and the distinguished gentleman from New Mexico [Mr. SKEEN], the ranking minority member have been longtime supporters of agriculture and rural projects that are very important to Nebraska.

Mr. Chairman, this Member formally here would recognize that the members of the House Appropriations Committee and the House Appropriations Subcommittee have had to make difficult decisions regarding the funding of agricultural and food-nutrition-feeding programs, and vital research, and extension services to our Nation's land grant colleges.

Accordingly, I understand that no new grants, construction, programs or projects were funded. Nevertheless, I would like to express my gratification for the committee's general support and vote of confidence for "adequate support for the research pertinent to insect pests affecting grain sorghum and other crops in the Great Plains States" which is currently being performed at the University of Nebraska-Lincoln. This Member hopes and requests, that in the future, this important program will be funded at a level which adequately supports the significant research being carried on there.

Mr. Chairman, this Member also expresses his desire that three ongoing research projects at the University of Nebraska-Lincoln will continue to receive funds for ongoing studies and programs. Specifically, this Member asks that in conference, funding be granted for the food processing center, the rural policies institute and the sustainable agriculture systems research project. On issues ranging from food safety to sustainable agriculture, these projects are invaluable resources to the country's rural and agricultural communities.

Finally, Mr. Chairman, this Member would like to express his serious concern over the Committee's decision to fund the Market Promotion Program at $75 million rather than the proposed $200 million. While this member acknowledges that certain promotion efforts of the market promotion program need to be examined and perhaps reformed in certain areas, the overall importance of the program cannot be questioned. Especially at a time when the European Community stubbornly clings to exorbitant export subsidies for their agricultural products, this budget-driven decision to significantly cut our own marketing efforts abroad sends exactly the wrong message. This Member understands those cuts were primarily budget-driven and the Europeans should not misunderstand America's continued resolve not to surrender our export markets to them.

Mr. Chairman, the European Community continues to aggressively sell their agricultural surpluses throughout the world. Unless we adequately fund and support our marketing efforts of U.S. commodities, we stand the risk of losing important world markets to our competitors.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I rise in support of H.R. 5487, a bill providing appropriations for Agriculture, rural development, Food and Drug Administration, and related agencies for fiscal year 1993.

As always, I want to commend and thank Chairman WHITTEN, the gentleman from New York [Mr. MCHUGH], and the Agriculture Subcommittee's ranking minority member, the gentleman from New Mexico [Mr. SKEEN] for their steadfast support of our Federal nutrition programs for our Nation's children and elderly.

In particular, I was very pleased to learn that the bill recommends current law level funding for the child nutrition account's school-based feeding programs, for the Child and Adult Care Food Program, and for the Commodity Procurement Program.

I did note that while the committee did not find it possible to separately fund the preparation of the training packages and menu planning guides needed to implement the dietary guidelines, the bill's report does advise the Secretary of Agriculture that he may use "any funds not needed for studies and surveys to continue other high priorities within the child nutrition programs with prior notification to the Committee." I would appreciate having the committee inform me at a latter date whether the Secretary has requested the use of study/survey funds to move forward on the implementation of the dietary guidelines.

I think that every Member is well aware that the committee has always considered funding for the Special Supplemental Food Program for Women, Infants, and Children [WIC] "to be of its highest priority." This certainly has again been demonstrated in this bill, which recommends a $260 million, or 10 percent, increase over the current fiscal year's funding level. I was saddened to see funding for the extension and soil conservation programs cut, while increasing funds for the Commodity Credit Corporation.

So in closing, Mr. Chairman, I would again like to extend my thanks to the committee for reiterating its strong support for our nutrition programs.

□ 1240

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. MCDADE].

Mr. MCDADE. Mr. Chairman, I rise in support of the Agriculture, Rural Development, Food and Drug Administration and related agencies appropriation bill for fiscal year 1993.

Mr. Chairman, I want to begin by paying my compliments to the distinguished chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN], to his close friend, the gentleman from New York [Mr. MCHUGH], who is making his last trip through and will surely be missed by all the members of the committee, and we wish him well as he goes on to other things in life. I especially want to thank the ranking Republican, the gentleman from New Mexico [Mr. SKEEN], who has done a superb job with the other members of the subcommittee and the staff in bringing us a bill that falls within the 602 limits of domestic discretionary for $12.3 billion in new budget authority and outlays of $11.8 billion.

The bill recommended by the committee totals $59 billion in new budget authority. I say with conviction that the members of the subcommittee, in my opinion, have performed a new miracle to make everything fit within the limits, and as usual, under very restrictive budgetary requirements given the level of interest that Members have in this bill.

The mandatory spending accounts, such as food stamps and CCC income support payments, in the bill, which are essentially beyond control or spending discipline of the committee, amount to 63 percent of the total or $39.9 billion, a $3.4 billion increase above fiscal year 1992. The bill is actually less than a hard freeze spending level below fiscal year 1992 for domestic discretionary programs. I offer my commendation to my colleagues for achieving this result. And is also essentially the same as the budget resolution, and is $1.4 billion below the President's budget request.

Once again, the subcommittee members have allocated an increase for the WIC Program, raising it by $260 million to a total of $2.86 billion. They have maintained the Farmers Home Administration low-income rural housing programs at last year's levels, and have provided $329.5 million in section 502 moderate-income loan guarantees, which is enough to maintain program participation across the Nation. They have also assured vital operations for the Food Safety and Inspection Service will be continued by providing a much needed $14.7 million increase, and they have continued to expand the financial resources for the Soil Conservation Service to meet their ever increasing responsibilities. With a small increase of $12 million more than fiscal year 1992. We should especially commend our colleagues on the Agriculture Subcommittee for their successful efforts in finding sufficient resources within such extremely restrictive budget constraints to increase funds for the Food and Drug Administration by $18.173 million.

The fiscal year 1993 bill for agriculture and rural development programs is a fair, reasonable, and equitable approach. It shares the burden equally for some popular program reductions such as new ARS and CSRS project requests in a balanced manner. This bill does a good job of setting our priorities for the agriculture and food assistance programs in a fiscally responsible way, and deserves our support.

Salary and expense accounts were held to last years level or lower except for increased pay lost for the health and safety agencies. Loan programs were held to last years level or lower. No new grants, construction or planning starts, and programs or projects were funded.

The Wetland Reserve and Conservation Reserve Program sign up were deferred for fiscal year 1993. The market promotion program was reduced to $75 million rather than the $200 million requested in the budget. The administration has expressed several serious concerns about these provisions in the bill, however they do not oppose the bill. Mr. Chairman, I believe the bill deserves the support of the House and I recommend a yes vote.

I urge the passage of this bill.

Mr. SKEEN. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I am pleased to rise to commend the Agriculture appropriations subcommittee as well as the full committee for recognizing the importance of finding alternative sources of taxol. Taxol has shown great promise in curing many types of cancer, including breast and ovarian cancer.

Almost everyone is aware that taxol, the most important anti-cancer drug in years, is derived from the Pacific yew tree. This has caused great concern between the environmental community concerned about the harvesting of ancient forests, and the health community which is experiencing difficulty in obtaining enough taxol.

However, very few people are aware that a relative to the Pacific yew tree, the ornamental yew bush, is also a source of taxol. In fact, a historic cooperative agreement between the Cooperative State Research Service, the University of Mississippi, Ohio State University, and a consortium of commercial nurseries that grow ornamental yews is now providing the National Cancer Institute with the first taxol in usable amounts from any source other than the yew tree.

The ornamental yew bush is the only alternative that has made it out of the laboratory at this point. The best point about this potential source is that it is a renewable agricultural resource.

In this bill, the committee directs the Department of Agriculture to expand its research into a promising source of taxol, ornamental yew bushes. I commend the committee for its recognition of the importance of this research to cancer patients hoping for a cure, environmentalists, and agriculture.

I am also pleased that the committee has directed the Agricultural Marketing Service to continue its wholesale market study in Benton Harbor, MI. AMS has completed elements of a study that recommends the establishment of a modern nonprofit fruit and vegetable marketing facility in southwestern Michigan.

Initial findings of the study show that a modern marketing facility for the more than 1,000 fruit and vegetable growers of southwestern Michigan is important to maintain the competitiveness of this industry so important to my area of Michigan. I am pleased that the committee has recognized that there are still necessary elements of the study to be completed.

Finally, I must say that I am disappointed that the committee has reduced funding for the Market Promotion Program. I agree with Secretary Madigan's statement that such funding cuts will seriously jeopardize the ability of U.S. agriculture to compete in high value exports. In Michigan we have seen how this program has had concrete results in opening apples markets in England and cherry markets in Japan. My experience is that this program does work as intended. My grape farmers of southwestern Michigan have also directly benefited from the name brand promotion of grape juice products overseas. I feel that this important export enhancing program should be supported.

Mr. SKEEN. Mr. Chairman, I yield the remainder of my time to the gentleman from Oklahoma [Mr. ENGLISH].

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I am happy to yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I asked the gentleman to yield as the principal author and sponsor of the Rural Development Administration.

There has been a good deal of confusion that is occurring at the State level among Farmers Home Administration projects that may be transferred to the Rural Development Administration. Is it correct that the Rural Development Administration, in effect, went into business in the spring of this year about April 1?

Mr. ENGLISH. Let me say that the gentleman from Missouri [Mr. COLEMAN] is also one of the principal authors, and, indeed, the gentleman is correct.

Mr. ALEXANDER. And that all Farmers Home Administration projects that were pending at the State level prior to April 1, of this year will not be affected by any change of administration, by any change of the law, by any change of the regulations? Is that correct?

Mr. ENGLISH. The same rules and regulations apply, and the same people. The gentleman is correct. There was no change at that time.

Mr. ALEXANDER. But is it correct that if a Farmers Home Administration project is pending with the Farmers Home Administration prior to April 1, of this year that no change in the law would affect that application?

Mr. ENGLISH. The gentleman is correct, and let me also further state that none certainly is intended, and that project should be treated in the same manner as if RDA was not created.

Mr. ALEXANDER. So the Farmers Home Administration can continue administering projects pending before Farmers Home before April 1, of this year without any change in the regulations, without any concern for the establishment of the Rural Development Administration or rules and regulations that might be promulgated by the new administration?

Mr. ENGLISH. Any project in which an application was pending before the Farmers Home Administration before the creation this year of the RDA, that project then being transferred to RDA, there should be no impact.

Mr. ALEXANDER. I want to make certain that I am clear, if I am a Farmers Home administrator in Arkansas and there is a project pending before my administration before April 1, of this year that might be subject to transfer to Rural Development Administration, that I can go ahead and administer that project according to the rules and regulations of the Farmers Home Administration without regard to the Rural Development Administration, without the new set of regulations, without the new set of people administering the project. Is that correct?

Mr. ENGLISH. If the gentleman is asking me will the Farmers Home Administration continue to administer and to process an application that would normally go before the Rural Development Administration, no; the gentleman is incorrect. That would be transferred to the Rural Development Administration, but as far as the processing, the rules, the regulations and, in most cases, the people that are going to be working that project will all be one and the same.

Mr. ALEXANDER. I thank the gentleman.

Mr. TRAXLER. Mr. Chairman, I rise in complete support of H.R. 5487, the fiscal 1993 appropriations bill for rural development and agriculture. It is a very restrictive bill that funds only the most meritorious projects, and does so only after exhaustive hearings before our subcommittee.

As I come before this body for the last agricultural appropriations bill during my tenure, I want to take a moment to personally and most sincerely thank my colleagues on the subcommittee during the past 16 years for their support, their assistance, and their continuing education of this member regarding the specifics of the many programs operated by the Department of Agriculture. We work together in a truly cooperative, bipartisan fashion in the best sense of that phrase. It has been a privilege and an honor to serve with each of these individuals, and I wish them the very best.

I cannot say enough positive things about our most distinguished chairman, Mr. WHITTEN of Mississippi. He is truly the permanent Secretary of Agriculture. His perseverance over the years has made an immeasurable mark on our Nation's treatment of farmers and their needs. Someday someone might serve here for a longer period of time, but no one will ever serve any better.

Mr. SKEEN, our ranking minority member, serves in the excellent tradition created by our former colleagues Mark Andrews of North Dakota, and Virginia Smith of Nebraska. He is an excellent representative of his side of the aisle, and he constantly makes significant contributions to our proceedings.

Mr. MCHUGH deserves extra honors for his work this year. He has served very ably as the acting chairman during Mr. WHITTEN's absence, and when I was unable to take over as the ranking member due to my responsibilities of the chairman of the VA-HUD-Independent Agencies Subcommittee. Mr. MCHUGH will be missed. His knowledge, his genuine concern for the many people served by the feeding programs of USDA, as well as his genuine concern for the farm programs of our Nation will be a loss that this institution will have difficulty in replacing.

Mr. WEBER has been a most important member of our subcommittee. We have worked together on a number of projects, and I will miss him greatly.

I have great respect for every member of this subcommittee—Mr. NATCHER, Mr. DURBIN, Mr. SMITH of Iowa, Ms. KAPTUR, Mr. PRICE, Mr. MRAZEK, Mr. MYERS, and Mrs. VUCANOVICH. They will stay to carry on work that I expect to be even more difficult in the next few years. They have my very best wishes.

Mr. Chairman, I also must call attention to the excellent work provided through the years by the staff of this subcommittee. Bob Foster has served as the staff director of the subcommittee during my entire membership. He is a most valuable asset to the subcommittee and to the House. His assistance to members, his discretion, and his capabilities are to be admired. Tim Sanders has served for several years now as the chief person for a number of agencies under our jurisdiction, and his assistance has been equally valuable to me. Carol Novak, while only a relatively new member of the staff, is a most capable and intelligent individual who has handled many sensitive matters in a caring and expert fashion. Toni Savia has been a member of the staff during my entire tenure as well, and her work keeps all of us members well prepared and ready for our tasks. We have also been served ably over my time by Mr. Hank Moore, who now serves in a different capacity for the full Appropriations Committee, and Mr. Chip Hardin, who is in private industry at this time. To each of these valued people, I offer my strong and sincere thanks for the support that has made my membership on the subcommittee both more productive and enjoyable.

Mr. Chairman, this is a very tight bill. It is below the President's request. It provides precious few increases, except for mandatory and the most vital of discretionary programs. It is absolutely the tightest bill during my time here, and I hope our colleagues will appreciate this point.

Research programs, I am sorry to say, are frozen at last year's levels. There is not a single new program. There is not a single increase. Total funding is below that provided in fiscal 1992. Research is what takes us to our future, and what creates our future. Our budget situation is in effect putting our future on hold. I do not like it, but I realize that absent additional resources we have no other choice. Our no increases and no new starts policy treats everyone the same. We do call attention to a number of specific items within the committee's report so that the Department can bring greater resources to bear on each of these matters.

Efforts will be made to eliminate the special research grants program of the Cooperative State Research Service. That would be a vital mistake. Each of these grants has been the subject of hearings within our subcommittee. They are reviewed each and every year. It is probably easier to find out information about matters being reviewed by the Appropriations Committee than those reviewed by any other committee. Our hearings are indexed, and most importantly, they are published in full before the bill comes to the floor. No other committee to my knowledge can match that record.

Some argue that the grants are not competitively awarded. That depends upon how one defines competition. If competition begins when an idea is developed, then they are competitively awarded. If one defines competition as some grants are funded while others are not, then these are competitively awarded because each year we do not fund literally hundreds of requests. The grant proposals are reviewed by the scientists at the research institutions and are approved by the personnel of the Cooperative State Research Service before a single penny goes out. Some of our colleagues give the impression that there is no check whatsoever on these grants, when nothing could be further from the truth. It is true that many of these proposals are brought forward by producer groups. But what is wrong with that? Producers know their needs. They often have funded research programs of their own through checkoffs on their own production. They seek the Federal dollars often as a supplement to what is already underway. That is research in the best spirit of cooperation.

I can tell you that this methodology was followed with every single research grant going to Michigan. Each of them was the subject of our hearings before they were funded. Each of them was carefully reviewed by teams of scientists at Michigan State University. Each of them had to be approved by CSRS personnel before any money went out. There were checks on the system, and the research work being conducted is without question outstanding.

We have retained funding for all of the Michigan projects at last year's levels. Our work on animal waste disposal, apple quality, asparagus yield decline, bean and beet research, celery fusarium, Michigan Biotechnology Institute, stone fruit decline, and wood utilization research are available for anyone to review, and the researchers will be happy to discuss these projects with you.

We also provided the final $5,356,000 for construction of the National Food Toxicology Center at Michigan State University. I can think of no other agricultural research project of greater significance than this one. If people want to be assured of the safety and quality of our food supply, then we must have a research facility devoted to this work. For anyone to claim otherwise just doesn't understand one of the most significant needs we have. In fact, let me also point out that with the funding for the Agricultural Research Service's work in food toxicology, our report provides that these funds can be used for the development of onfarm diagnostic testing kits which are designed to determine pesticide residues. Farmers want to find ways to become better managers and to provide their consumers with greater assurances. This kind of research moves toward this goal.

Within funding for the Agricultural Research Service, we do maintain $900,000 for the Consortium of International Earth Sciences Information Network [CIESIN]. We also encourage the Department to include support from other USDA agencies, including the Cooperative State Research Service, the Extension Service, the National Agricultural Library, the Office of Information Resources Management, and the Soil Conservation Service.

Our funding for the Extension Service is also frozen at fiscal 1992 levels. I regret this situation, but believe it is the best that can be done under the circumstances. Extension programs are technology transfer—it is how we get research findings into the field and to the benefit our consumers. Extension people have often been criticized unfairly for the programs they run. They don't deserve criticism. They deserve thanks and admiration. Despite increasing demands, frozen funds, and the fact that people don't often enough say thank you for a job well done, they have continued to do their work. I want to offer my thanks to these people, and say that I will continue to do what I can to support meaningful increases for extension programs.

We have provided a modest increase in funds for conservation operations of the Soil Conservation Service, one of the very few increases within this bill. I am pleased that we were able to provide enough funds so that we can maintain an adequate number of personnel to deal with the conservation plan requirements imposed on farmers as a precondition for price support eligibility. These are hardworking individuals who will be even busier in the days to come, so they needed this increase as a priority.

I am happy that we were able to maintain funding for the subirrigation project. It is extremely worthwhile, and is approaching completion. To the extent that people are concerned about sustainable agriculture and renewable resources, they should appreciate the fact that this project is designed to reduce water contamination, increase the efficiency of the use of this resource, and safeguard adequate water supplies for producers and consumers alike.

This bill also provides funding for the many feeding programs of the Department of Agriculture. I have been an active supporter of these programs during my time here. I regret that we need these programs. They are both a testimony to the failure of our Nation to help Americans get adequate training and find reasonable jobs, while also being testimony to the fact that we need to have a sensitivity to those people who are not as fortunate as we might be ourselves. I regret that we need assistance programs, but I am thankful that we have them.

We have provided a very modest 5-percent increase in the Commodity Supplement Food Program. This $4.5 million will be well spent in trying to provide small increases in the caseloads of existing program operators, and hopefully will provide some room for some new program operators as well. The provision of commodities by this program to mothers, infants, children, and the elderly is vital, and it has been a long, hard road to get as far as we have.

We have spent years, it seems, fighting to get recognition for a very small feeding program. We have faced budget proposals that eliminated the program, or reduced the program, or just eliminated funding for the elderly, or proposed to phase out the elderly. We spent time trying to save a program when we should have been able to spend time trying to expand it. Some who opposed the program did so because they thought it was duplicative of other assistance. They made it sound as if someone was getting too much food when they barely had enough to get from 1 month to the next. Others opposed it because they thought that support for the elderly would weaken support for mothers, infants, and children. They made it seem as if we had a choice of which group should be supported, rather than fighting to find ways to support all those in need. We have had administrations of both parties who didn't do enough in the eyes of some, including me, but nonetheless should be thanked for what they did do. Solving a portion of the problem is better than solving none of it. We seem to have had some kind words for CSFP from Secretary Madigan at this year's hearings that help me leave here a bit more hopeful that the program has a few more friends than it did not long ago.

Throughout all of this, the wonderful people at Focus: HOPE in Detroit, MI, have continued to fight for the program. They have brought in others from around the country to help in the battle, and help they do need. Father William Cunningham and Mrs. Eleanor Josaitis are two individuals who can be proud of their work, and who can know that they made a difference in the lives of perhaps more than a million people over the years through their efforts on behalf of this feeding program and other causes with which they have been involved. These two people are the kind of individuals who help me and should help all of us retain a proper focus on the responsibilities of our work here—on the need to sometimes do the unconventional because the everyday just doesn't work anymore—on the need to remember that our job is to leave the world at least a slightly better place than we found it. For their vision, effort, and courage, I thank them. For their kindness in trying to help establish similar programs within my own congressional district, I particularly thank them.

Now the Department wants to provide more flexibility in the assignment of program caseloads so that those in need, regardless of age grouping, can be served. I am hopeful that this change will successful come forward, and I am happy that our report cautions the Department to undertake this change only in a way that does not disrupt the program.

But I do want my friends at the Department to know that even though other feeding programs are larger, serve more people, and may be more complex, the people served by CSFP are just as important as the people served by the myriad other programs. For that reason, it is no less important to devote time and resources to CSFP than it is to programs as large as WIC and Food Stamps. I offer this same caution to the advocates of hunger programs. Remember that the goal is to feed the hungry, and that there are several different ways to deal with a common problem. Do not close your eyes to any of these solutions.

Within the Foreign Agricultural Service, the market promotion program has come under a great attack, We reduced funding for this program from $200 to $75 million—a 62.5-percent reduction. Some argue that big corporations and foreign interests are benefiting from this program. Their claims seemed to be validated by the fact that the defense of MPP by USDA has been rather slow in coming. Check our hearing record for yourselves. At no point did anyone from USDA say "we know we had a problem. We have taken steps to correct it. We believe we have a solution. Leave the program alone. It provides returns far far greater than its expense." Some of these arguments were made separately, but never together. The best argument came in a letter from Secretary Madigan the day of our full committee markup on this bill—nearly 2 weeks after we completed subcommittee markup. Defense of the program has been coming in from its users, but this defense needs to be even stronger if we are yet to see restorations to last year's levels in the program. Beneficiaries of Government programs need to learn to be more aggressive about saying "We like the program. It is doing a good job. Please maintain it." It is far easier for someone to complain about a program, or to believe that funding will continue so that the only time communication is necessary is when an increase is requested.

Today, proposals will be made to further restrict this program. I believe that these restrictions are not wise. While there are some who believe that if a corporation is involved in a program, it is automatically bad for Government funds to be used, I am not of that opinion. When trying to penetrate a new market, a good marketer will use any tool at his or her disposal. If that means that we can sell more American chickens by trading on the good name of McDonald's, then if we are concerned about our farmers and what their standard of living might be, then we do preclude them from having the option of trading on a major brand name that may have market access not available to a commodity group. Would McDonalds or any other of the companies criticized in this program spend their own resources developing a market? Perhaps. Maybe even probably. But there is no guarantee that they would use American commodities in their processed goods if it wasn't for the incentive provided by the market promotion program. Have there been abuses? Possibly. Has action been taken to stop them? USDA says yes. Have we given their solutions a fair chance? No. Have detailed hearings been held in the House on this matter? Not sufficient hearings to justify the kind of amendments before us today.

It is amazing to me that we tell farmers that we want them to depend on foreign markets, but then every time we find a good foreign market program they can use, efforts are made to kill that new program. How can we sell in foreign markets if we do not promote what we have for sale? Please vote "no" on these amendments.

Of course, there are several ways to achieve the purpose of promoting our goods. The Michigan dry bean industry has presented me with a proposal to try a modified market development program in which they bring foreign buyers to our shores, rather than depending on promotional trips to theirs. Our report calls on the Department to give this proposal careful consideration within their available funds. I am hopeful this will be done.

Mr. Chairman, it has been a privilege to be a member of this subcommittee. The work has been of great importance, and the accomplishments have been most fulfilling. I know this is a bill that all of our colleagues can support, and I encourage them to vote "yes" on final passage.

Mr. DOOLEY. Mr. Chairman, I rise to express my strong support for the Market Promotion Program [MPP] and for my concern regarding the large cut in the program contained in this bill. This very important export promotion program has been cut by the committee by more than 50 percent to $75 million for fiscal year 1993. This drastic cut will make it more difficult for American agricultural producers to compete in the world market. This cut will serve no purpose beyond assisting our foreign competitors in seizing existing and emerging markets for high-value agricultural commodities from U.S. producers.

While the administration continues trade negotiations through the GATT and the proposed North American Free-Trade Agreement [NAFTA], it has become clear that the future of business in America is incumbent upon increasing foreign market access. The greatest benefit that we can hope to gain from any trade negotiation is the breaking down of barriers to foreign markets.

The MPP is designed to provide assistance to U.S. agricultural commodity groups to promote their products or products containing their commodity overseas. USDA estimates that each dollar of MPP money results in an increase in agricultural product exports of between $2 and $7. The USDA also estimates that the MPP creates up to 38,000 jobs.

Let me give you a real-life example of the positive results from the MPP. In a recent letter, the California Table Grape Commission provided me with information regarding their experience with the MPP and the Targeted Export Assistance [TEA] Act. During the 6 years that they have participated in the program: Offshore exports have grown 208 percent, from 2.5 million boxes to nearly 8 million boxes of grapes; export value has increased 233 percent, from $28 million to $93 million; and the industry has established a new record for grape exports each year of its participation in TEA and MPP, despite fluctuations in crop size, grape quality, market conditions, price, and other factors.

Clearly, the funds awarded to the Table Grape Commission have been successfully used to expand markets. And this is just one example. Countless other organizations report equally positive results from the MPP.

Another criticism that I have heard is that money is awarded to big corporations that don't need Federal assistance because they have other resources available to them. Mr. Chairman, as you know, funding is awarded to commodity groups or cooperatives and not to corporations. While many commodity groups work with large corporations, the goal of the program, to promote U.S. agricultural commodities, is being met. Even more importantly, the American farmers who grow the commodities have benefited. To use the California Table Grape Commission as an example again, the commission represents 850 fresh table-grape farmers. The average size of their farms is 97 acres. I'm sure that no one would disagree that the MPP program has benefited each of these small growers just as the program was intended.

Yet another criticism is that the funding should not be used to promote brand name products. There are two very important reasons that the MPP should continue to include branded advertising. First, as the committee report indicates, the future of agricultural trade is in high-value products. Generally, high-value products are sold under a brand name. A second concern is that the promotion paid for with Federal money should increase sales of American products. However, if we only allow promotion of oranges, there is no guarantee that consumers in Japan or Korea will purchase American oranges. Only with an identified brand can we guarantee the purchase of American products.

Mr. Chairman, it would be a mistake to allow the vocal critics of the MPP to eliminate or greatly diminish the usefulness of the program based on a few newspaper articles or isolated cases of poor judgment. I hope the House will continue to support the MPP and not dismantle one of the most successful programs that we have to deal with an increasingly competitive world market.

Mr. RAHALL. Mr. Chairman, I rise today in support of H.R. 5487, the fiscal year 1993 appropriation bill for rural development, Agriculture, and related agencies. Within the bill's total of $59 billion there is necessary funding for many programs which are extremely important to my State of West Virginia. However, I am pleased that though this represents a total of $6.5 billion more than the fiscal year 1992 appropriation, it is $1.4 billion less than the amount requested by the President.

As you may know, I am very concerned about the ability of small towns and communities to afford wastewater treatment facilities and public drinking water systems. I am pleased that the committee has again chosen to fund the Farmers Home Administration [FmHA] water and waste facility loan and grant program. This measure provides $635 million in direct and guaranteed loans to help fund construction of water and sewer systems in rural communities. This is the same as in fiscal year 1992 and $35 million more than the amount requested by the administration, which proposed no guaranteed loan funding. The bill also appropriates $400 million for rural water and sewer system grants—14 percent more than in the current fiscal year and 33 percent more than the President's request. Grants are so important to communities in my state which can barely repay the interest on a loan, let alone the principal.

Housing is also a prominent concern in rural districts like my own. The Appropriations Committee's recommendation provides total fiscal year 1993 loan authorizations of $2.4 billion for FmHA rural housing programs. Although this appropriation is 5 percent less than in the current fiscal year, it is $634 million more than the amount requested by the administration.

Other funding of note to West Virginia is the $418 million for extension services. While this amount is below that of the current fiscal year, it is $600,000 more that the President's request. This appropriation will fund programs that are of vital interest to our land grant colleges and universities.

The Soil Conservation Service watershed and flood prevention operations are also at a level higher than the President requested. The measure provides a slight funding increase over fiscal year 1992 levels for the Soil Conservation Service [SCS] conservation operation, in order to permit the SCS to continue current activities.

Another agency of considerable significance to rural America is the Rural Electrification Administration. REA assists rural electric and telephone organizations in securing requisite funding for the delivery of electric and telephone service to nonurban areas. The fiscal year 1993 Agriculture appropriation sets aside $2 billion for REA lending authority. This is $264 million more than the administration requested, but $245 million less than the current fiscal year. The measure also provides for guaranteed loans to rural electric systems totaling between $813.5 million and $2 billion, and guaranteed loans to rural telephone system totaling between $120 million and $139 million.

In addition to housing and development programs, food programs are extremely important to my district. This bill provides for a total of $26.7 billion of the Food Stamp Program in fiscal year 1993. This is $3.4 billion more than the current year's appropriation.

Also, a program which I feel strongly about, the Special Supplemental Food Program for Women, Infants, and Children [WIC] is provided $2.9 billion in fiscal year 1993, $20 million more than was requested by the administration. Furthermore, the committee urges USDA, in consultation with the Centers for Disease Control, to include education efforts regarding child immunization among the services provided to participants in WIC and other nutritional programs.

The Emergency Food Assistance Program [TEFAP] is funded at the same amounts as the current fiscal year to purchase commodities and to help the States store and distribute this food.

Mr. Chairman, this is a very tight bill, but it represents a balanced approach to the problem of supporting necessary programs while recognizing budget constraints. I urge the passage of H.R. 5487. We will not forget the continued struggles of the backbone of our Nation, rural America.

Mr. RAY. Mr. Chairman, I rise in strong support for this well-crafted bill which makes appropriations for Agriculture and related agencies for fiscal 1993.

I understand the severe budgetary constraints under which the Appropriations Committee is forced to work this year. The committee must be commended for its work this year. While working to craft a bill which takes into account the fiscal realities, the committee has included funding for the highest priorities in agriculture, food safety, nutrition, and research.

Regarding research, I want to express my sincere thanks on behalf of pecan growers throughout Georgia and across the southern United States for language in this bill which directs the Secretary of Agriculture to provide funding for research in pecan diseases.

As the committee is aware, and as many members who are involved in the agricultural community are aware, pecan growers throughout the South experienced tremendous crop losses last year. The devastation was caused by an as yet unidentified disease which attacked approximately 90 percent of the pecan orchards from Texas to the Eastern Shore.

There is great concern that this disease, which destroyed half of last year's pecan crops in the affected areas, will worsen in the Southeast and spread to the Southwest. Because of the significant capital investment required to harvest pecans, and the limited variety of pecan cultivars available to farmers, growers will not be able to replace orchards that are destroyed by disease. It was feared that the spread of this disease could threaten to eliminate the pecan industry in the United States.

The generous consideration of this problem by Chairman WHITTEN and the concerned members of the House Appropriations Committee will help to ensure that the United States maintains a viable pecan industry for years to come. I am very pleased that the chairman chose to support the research efforts of the Southeastern Fruit and Tree Nut Laboratory located in Byron, GA. The USDA laboratory in Byron has a history of conservative management and has produced innovative and cost-effective strategies for the containment and elimination of some of the most destructive diseases affecting fruit and nut trees.

Again, on behalf of the many thousands of growers who have benefited from the research conducted at this laboratory, I thank the chairman for his assistance.

Mrs. SCHROEDER. Mr. Chairman, I rise in support of H.R. 5487, the Agriculture appropriations bill for fiscal year 1993, and specifically to comment on the funding level for the Women, Infants, and Children's Special Supplemental Feeding Program [WIC]. I would like to thank the chairman of the Agriculture Appropriations Subcommittee, Mr. WHITTEN, for his continued efforts to expand participation in this program beyond the current 55 percent of eligible women, infants, and children. However, I am disappointed that the committee has failed to raise funding to the level needed to permit the program to stay on track for full funding by 1996.

The evidence is compelling that WIC is among the most cost-effective programs we have. In April, a report by the General Accounting Office concluded that providing WIC benefits to pregnant women more than pays for itself within a year. These findings echoed evaluations contained in a 1990 Select Committee on Children, Youth, and Families report, showing that WIC provides significant savings in Medicaid costs, while reducing low birthweight births, infant mortality, and anemia among low-income children, and improving cognitive functioning.

Our Nation's business leaders have recognized the value of WIC. CEO's of Fortune 500 companies testified last year before the House Budget Committee that every $1 spent on WIC and related programs will save up to $10 over the next few years, because children who are adequately nourished as infants arrive at school ready to learn, and require fewer costly special education programs.

As a long-time advocate of programs that enable children to have a head start on life, I give my strong support to any increase in WIC funding. This number reflects a $260 million increase in the funds provided for WIC last year, an increase that is certainly encouraging. However, we cannot be fully satisfied until WIC is fully funded. This program was introduced in the 1960's, and despite nearly 30 years of proven cost-effective success, it is still not available to thousands of needy children. When are we going to fulfill our promise to our children?

Full funding for WIC is one of the best investments we can possibly make. If we truly care about our children—if we truly care about our future—then we must ensure that every single child has a chance for a healthy and hopeful start in life.

Mr. AUCOIN. Mr. Chairman, I rise in support of this bill. As we consider fiscal year 1993 appropriations for agriculture, rural development and the FDA, we also are appropriating funds for basic and applied agriculture research in various fields which include livestock, plant sciences, and nutrition. Agriculture is a key component of Oregon's economy and way of life. In Oregon we have 37,000 farms that produce more than 170 commodities. This bill provides loans which are vital to our farmers because they face recession and the sixth year of drought. I also support this bill for the programs vital to feeding our children, the elderly, and low-income people. Programs such as WIC and TEFAP are more important than ever as we strive to eradicate hunger in this country.

I would like to thank the committee for continuing to fund programs which are especially important to Oregon. The committee is continuing to support research on eastern filbert blight, small fruits research, Russian wheat aphid, soil erosion and water quality, and marketing and varietal development of potatoes.

Because of the tight spending caps, the committee was unable to fund any new grants or construction projects and froze existing programs at last year's level. While I understand the committee's policy, I am disappointed we are not able to adequately fund other programs of merit. In my district, an existing project to construct a new seafood research laboratory in Astoria, OR, will have to wait, and critical nutrition research is jeopardized.

The original seafood lab, built in 1940 and operated by Oregon State University, has helped the Northwest seafood industry become one of the most productive and important in the world. But the current facility is inadequate to meet the demands of this dynamic industry. The new lab has the strong support of State and local governments, the community of Astoria, and private investment. The lab will be part of a larger complex, the Seafood Consumer Research and Education Center, which involves numerous activities in seafood including research, education, training, marketing, information, and promotion of seafood.

Mr. Chairman, this is an outstanding proposal that will greatly benefit the seafood industry and Astoria. I would hope that the conference committee will be able to fund this project at a level which allows construction to go forward this year.

Mr. Chairman, I would also like to recognize and draw attention to the ongoing medical research that has pioneered the identification of protective benefits of dietary calcium and other cardiovascular disease including high blood pressure, stroke, diabetes, reduction in premature birth rates, and low-birth-weight babies. Last year our colleagues in the Senate recognized the vital role that this research plays in today's medical science. As a result, current but temporary funding by USDA has allowed the Institute for Nutrition and Cardiovascular Research at Oregon Health Sciences University to continue its efforts designed to improve health and reduce the health care budget of this country.

Research focusing on the benefits of calcium continues to receive congressional support because of its critical contributions to the future financial integrity of the dairy industry as well as laying the foundation for low-cost strategies to promote health and reduce disease. Thus, continued funding for this research is imperative in our Nation's health agenda. It has implications for programs including WIC, the school lunch program, dairy price-supports, and dietary guidelines. I urge my colleagues to recognize the long-term importance of this research program and to work with me through the conference committee toward funding within the fiscal year 1993 agriculture appropriations process.

Mr. CONDIT Mr. Chairman, I rise today in strong support of the Market Promotion Program [MPP]. Contrary to popular belief by some members of this body, MPP is one of the most effective programs at the Department of Agriculture. By eliminating the Market Promotion Program, Congress will be sending a message to 38,000 Americans depending on jobs generated by the MPP that they are no longer needed.

The Market Promotion Program gives an additional boost for exporting U.S. agriculture products, particularly in situations where U.S. sales are hampered by other exporters unfair trade practices. The principle is simple: The U.S. Government shares with private industry the cost of developing, establishing, and maintaining export markets for U.S. products.

The Market Promotion Program often has been touted as the most effective of all the agriculture export promotion programs at a relatively small price. When compared to the Export Enhancement Program, which cost taxpayers over $1 billion annually, MPP, at a cost of $200 million annually is said to give U.S. taxpayers the biggest bang for the buck. Evidence of this is in recent USDA studies that estimate for each $1 billion of U.S. agriculture exports, approximately 30,000 jobs are generated in the U.S. economy. Also, for each $1 spent under MPP, sales of agricultural products increase $2 to $7. Thus, the $200 million spent annually under MPP generates $400 million to $1.4 billion in additional exports.

Because of actions taken by the Appropriations Committee to cut this program from $200 million to $75 million, the Department of Agriculture will be faced with limited abilities to effectively promote agriculture commodities abroad. If Congress eliminates MPP in its entirety, we are saying that American business can do without $2.23 billion in economic activity generated by the exports which result from MPP and $1.4 billion in exports generated by the Market Promotion Program. I say Americans do not want this.

I would like to inform members of the House that during the 1990 farm bill debate, the Agriculture Committee instituted program controls that are now being implemented by FAS. Guidelines included: Marketing plans that describe advertising or other market oriented export promotion activities; USDA was instructed to describe the manner in which assistance received by the eligible trade organization in conjunction with funds and services provided by the eligible trade organization will be expanded in implementing the marketing plan; establish market goals to be achieved as a result of the Market Promotion Program.

Also, the Secretary has been instructed to terminate any assistance made or to be made available if he determines that a trade organization is not: Adhering to the terms or conditions of the program; not adequately implementing approved marketing plan or not adequately meeting the established goals of the Market Promotion Program, and not adequately contributing its own resources to the Market Promotion Program.

In addition, the Agriculture Committee has directed the Secretary to monitor expenditures of funds received under the Market Promotion Program including: Evaluating the effectiveness of the program in developing or maintaining markets for U.S. agriculture commodities; evaluate whether assistance provided is necessary to maintain such markets; and a thorough accounting of the expenditure of MPP funds by the trade organization

The Agriculture Committee also set limitations on the Market Promotion Program assistance that will not exceed 50 percent of the cost in implementing the marketing plan.

Mr. EMERSON. Mr. Chairman, today I rise in strong support of the Agriculture, Rural Development, and Related Agencies appropriations bill for fiscal year 1993. I would also like to thank the chairman of the subcommittee, Mr. WHITTEN, and the ranking member, Mr. SKEEN, for their hard work and diligence in preparing such a balanced package within a highly constrained budget.

This legislation represents what has been a long and deliberative process which meets many of today's agricultural needs, but yet reflects much-needed fiscal responsibility. This legislation represents many difficult budget decisions that continue to prove that Agriculture is willing to pull its fair share of the budget reduction load.

Additionally, I am also pleased to note a particular item within this appropriations measure that continues to benefit agricultural producers across the Nation. For several years now, research on the soybean cyst nematode problem has been conducted in my district at the Delta Area Agriculture Research Center in Portageville, MO. This facility is ideally suited to conducting this research, given its extensive work in the past on the problem and the fact that many farmers in the country continue to face a serious cyst nematode problem.

By including this research as a part of the appropriations package, I fully believe we will be saving a number of farmers from financial ruin in the long run. Millions of acres of farmland continue to be contaminated with the cyst nematode, including major soybean-producing counties in Missouri, Mississippi, Iowa, Illinois, Arkansas, and Nebraska among others. It has been estimated that in 1990 the soybean nematode cost our Nation's farmers over $400 million in reduced yields. But because of the work being conducted on this problem, the Federal Government will easily save many times the $359,000 we will spend on soybean cyst nematode research next year.

Additionally, this measure includes funding for the rural electrification administration to meet the increasing needs of our Nation's rural electric systems. Over the years, insured REA loan funds have declined substantially despite continued inflation. Despite this, rural electric insured loans continue to meet growing rural development demands and the need for these job-producing and infrastructure-improving loan funds has never been more important to our rural towns and communities than today.

Likewise, there are many other fine projects and research efforts contained in this bill along with needed funding for the Supplemental Food Program for Women, Infants, and Children and continued funding for other vital domestic food and nutrition programs. I urge my colleagues to show their support for these valuable endeavors by giving favorable approval to this appropriations measure.

Mr. LAGOMARSINO. Mr. Chairman, I rise in opposition to H.R. 5487, the agriculture appropriation bill, and to express my strong support for the Market Promotion Program [MPP].

Given what we've seen in the media and the numerous "Dear Colleague" letters from my respected colleague and friend from Texas, I suspect several Members on our side of the aisle are wondering why I've risen in defense of a program characterized as corporate welfare and trade subsidies.

They know that I've spent almost 20 years in Congress fighting for free trade and self-determination of nations; and they know that I am a fiscal conservative opposed to wasteful government spending and subsidies. What they may not realize, however, is that the MPP is one of our best tools for breaking into foreign markets that have been closed to

American business by foreign tariffs, subsidies, and nontariff barriers.

As a senior member of the Foreign Affairs Committee, I've worked to ensure that free trade and self-determination remain the foundation of our foreign policy. After the Second World War, we made a strategic decision to create a global economy based on free trade. We did this because we knew that the United States could not long survive—and certainly not prosper—in a world that was not free.

In the short term, our policies have required tremendous sacrifices from the American people. We opened our markets to the world while we tolerated a degree of protectionism in the new European democracies. Despite the financial burdens, the lost jobs and markets for our products, we knew that it was in the overall best interest of the United States. And we were right.

Today, we are the strongest economic power in the world, and we have a global economy that is characterized—first and foremost—by free trade.

However, there is one notable exception to this success story: Agriculture. World agricultural trade is marked by massive government subsidies, high tariffs, and the most pervasive nontariff barriers imaginable. Foreign governments protect and vigorously pursue markets with government handouts and intervention.

The rules of the market as we know them do not apply. Despite the fact that American farmers and farmer cooperatives produce superior products at lower prices, they have a difficult time competing with foreign governments.

Given this situation we have two basic policy options; each with its own set of consequences.

The first is to do nothing. Yet by doing nothing, we are resigning ourselves—and our farmers—to failure. We will write off an entire sector of the global economy to protectionism. And we will send a message from Tokyo to Brussels that it's OK to lock up entire markets with trade barriers and subsidies.

The second, is to remain true to the principle of free trade and support policies which tear down barriers and combat production subsidies. As I see it, the real question is not if we should open foreign markets to American farmers, but how we should do it.

One choice would be to dump billions of dollars into production subsidies like the Europeans and most other countries so that our growers can compete on price alone. This floods world markets with commodities, drives down prices, destroys grower returns, and wastes billions of taxpayers' dollars.

Another option is the MPP. This program allows American farmers to penetrate foreign markets by creating a demand for U.S. products abroad. The MPP provides farmer cooperatives and companies with financial incentives to undertake long-term market development initiatives.

MPP marketing strategies are designed to create demands for specific U.S. products and commodities like Sunkist oranges or American cotton. This aspect of the program is critical because it allows consumers to distinguish between American products and those from other countries. This is the only way U.S. growers can compete against subsidized crops on the basis of quality.

By increasing consumer demand, the MPP allows for increased production and grower returns. The MPP represents a fraction of what this country spends on program crop subsidies, yet it realizes billions of dollars in foreign agricultural sales and thousands of U.S. jobs.

When compared to the more traditional agricultural policies, the MPP has enjoyed considerable success in opening foreign markets during its short lifetime.

Agricultural trade represents 20 percent of the global economy, and—given a level playing field—our farmers and farmer cooperatives are the most competitive in the world. We should not turn our backs to this type of trade, and I strongly urge my colleagues to oppose further cuts or restrictions on the program.

The CHAIRMAN. All time for general debate having now been consumed, the Clerk will read.

The Clerk read as follows:

H.R. 5487

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1993, and for other purposes, namely:

Mr. ESPY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will not take the 5 minutes, but I would like to stand and use this time, and through this means, to support H.R. 5487, this agriculture bill.

Mr. Chairman, I do commend the gentleman from Mississippi [Mr. WHITTEN], the chairman of the full committee and the dean of my delegation from Mississippi, for once again doing a remarkable job in bringing this bill, given the budgetary constraints placed against it.

I would also like to say to the gentleman from Kentucky [Mr. NATCHER], the acting chairman of the committee, that he has done a remarkable job also.

If I could point out just two things about this bill, Mr. Chairman, that makes it so worthy, the fact that this committee has made WIC funding a priority.

WIC received the largest increase in this bill, some $260 million. That is a pretty good increase, but I would like to tell the membership that it is very cost-effective, because we have learned from past participation in the WIC Program that this $260 million will result in substantial savings in the cost of Medicaid for newborns and mothers.

Also, I would like to thank the chairman of the full committee for including in this bill continued support for what we call the Yazoo basin flood project. We well know in Mississippi the need for this project to be completed, and I am really grateful for the inclusion of some moneys to the Soil Conservation Service's portion of the project which is called the Mississippi Delta Water Use Study, as well.

Last, if I have one regret, Mr. Chairman, I would like to express it, and it is that in this bill the committee zeroed out something that is known as the wetlands reservation bill. We know that it is needed. We know that it is beneficial, but, again, because of cost constraints placed against the bill, the wetlands reserve program was zeroed out, and I really hope that we know that it is essential and necessary and hope that at some point in time that some moneys could be made available for that.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE I—AGRICULTURAL PROGRAMS

Production, Processing, and Marketing

Office of the Secretary

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Secretary of Agriculture, and not to exceed $50,000 for employment under 5 U.S.C. 3109, $2,282,000: *Provided*, That not to exceed $8,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary: *Provided further*, That the Secretary may transfer salaries and expenses funds in this Act sufficient to finance a total of not to exceed 35 staff years between agencies of the Department of Agriculture to meet workload requirements.

Office of the Deputy Secretary

For necessary expenses of the Office of the Deputy Secretary of Agriculture, including not to exceed $25,000 for employment under 5 U.S.C. 3109, $543,000: *Provided*, That not to exceed $3,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Deputy Secretary.

Office of Budget and Program Analysis

For necessary expenses of the Office of Budget and Program Analysis, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, $5,756,000.

Office of the Assistant Secretary for Administration

For necessary expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded in this Act, $596,000.

RENTAL PAYMENTS (USDA)

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92–313 for programs and activities of the Department of Agriculture which are included in this Act, $50,503,000, of which $5,000,000 shall be retained by the Department of Agriculture for non-recurring repairs as determined by the Department of Agriculture: *Provided*, That in the event an agency within the Department of Agriculture should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 10 per centum of the funds made available for space rental and related costs to or from this account.

BUILDING OPERATIONS AND MAINTENANCE

For the operation, maintenance, and repair of Agriculture buildings pursuant to the delegation of authority from the Administrator of General Services authorized by 40 U.S.C. 486, $25,700,000.

ADVISORY COMMITTEES (USDA)

For necessary expenses for activities of advisory committees of the Department of Agriculture which are included in this Act, $952,000: *Provided*, That no other funds appropriated to the Department of Agriculture in this Act shall be available to the Department of Agriculture for support of activities of advisory committees.

□ 1250

AMENDMENT OFFERED BY MR. JONTZ

Mr. JONTZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONTZ: Page 4, line 14, strike "committees." and insert "committees: *Provided further*, That $120,000 of this amount shall be available for the National Organic Standards Board."

Mr. JONTZ. Mr. Chairman, I will be offering several amendments to this appropriations bill this afternoon that seek to implement some very important programs regarding the environment and regarding consumers that were authorized by the 1990 farm bill.

I appreciate the very difficult task that the subcommittee has had in meeting all the needs that exist with very limited funds; nonetheless, I believe it is a mistake not to fund some of the very important initiatives that were in the 1990 farm bill that will help us make the transition in this country to more environmentally sensitive systems of agriculture.

My fear is that if we do not make these voluntary programs work we will be back facing mandatory controls on agriculture which are not in my opinion the best way to resolve the problem.

This particular amendment insures that there will be adequate funding for a program that was approved in the 1990 farm bill for the National Organic Standards Board. The purpose of the program is simple. By giving consumers a choice for organic food in the marketplace, we will be providing market signals to farmers who choose to farm organically.

By providing specifically for $120,000 in the appropriations bill we will be supporting the work of the National Organic Standards Board in the amount requested by the administration. This Board is comprised of farmers, organic food industry representatives, and environmental groups. Without funding, the important work of establishing national organic standards will be slowed or even halted.

It is necessary that we have national organic standards so that when the consumer goes to the marketplace, they know when they see the word organic that they are getting something organic, so that producers know the standards they, too, will have to meet in order to achieve what would be called an organic classification.

This is a very modest amount of money and we would not be adding any money, but rather providing that from this appropriation the $120,000 would be available for the National Organic Standards Board.

Mr. MCHUGH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in reluctant opposition to the amendment and urge the Members to reject it.

Basically, the committee has cut in half the amount of funds requested by the President for advisory committees. There are 42 advisory committees which are established to provide the Department with a variety of expertise on a number of the questions which the Department has to cope with each year.

The gentleman's amendment would earmark almost 15 percent of what we have provided in this bill for advisory committees for just one of those 42 advisory committees. Undoubtedly, it is a useful committee, but I cannot say with certainty that it is more useful than any number of the other 42 committees that are proposed.

For example, is it more important than the National Advisory Committee on Meat and Poultry Inspection? Well, I am not sure, but the Department is going to have to make some tough decisions about which of these advisory committees to fund and by how much. This is not going to be an easy decision.

So, Mr. Chairman, I would suggest that the Committee on the Whole reject this amendment, which as I say would earmark almost 15 percent of all the funds available in this bill for just one of these advisory committees and leave the decision about the allocation of the funds to the Department itself.

Mr. JONTZ. Mr. Chairman, will the gentleman yield?

Mr. MCHUGH. I am happy to yield to the gentleman from Indiana.

Mr. JONTZ. Mr. Chairman, I appreciate the position of the committee chairman. I have no doubt that there are a number of very valuable advisory committees and what a difficult task it would be to sort out the individual funding for each of them.

I would suggest to the chairman that the particular responsibilities which we, by law gave to the National Organic Standards Board must be completed if we are to have an Organic Standards Program.

I would say that this distinguishes the Organic Standards Board from the vast majority of the committees, because we are in a situation with this particular committee that if we do not give the standards written, if this committee cannot proceed on its work, then we will not have a program, and I would dare say you could not make that point with regard to the overwhelming majority of the other boards and commissions of which the gentleman speaks.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. MCHUGH. Yes, I am happy to yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, I would like to say to my friend, the gentleman from Indiana, that I share his concern and I think his effort here is certainly for a good cause, but we are faced with some very serious problems, as was described during the general debate preceding the amendments to this bill.

Of the 42 advisory committees proposed in the budget request, 20 of them are required by law, I might tell my colleague, the gentleman from Indiana. His particular committee that he is interested in, the National Organic Standards Board, is an important one. Some of the others are important as well.

What we have tried to say in the committee is that the Secretary should have the responsibility to decide which of these need funding and which of them, in fact, will provide critical information.

It will not be an easy choice, but I think the gentleman perhaps overreaches when he asks for one out of every $6 to be going to advisory committees to go to this particular one. There are some 41 other committees that I am sure feel they are equally well deserving.

Mr. SKEEN. Mr. Chairman, I also rise in opposition to the amendment.

I know it is well-intentioned, but we have already done this work. We have cut the advisory boards in half during this appropriations period, but I think the major thing is that we left a lot of discretion as to the importance of each of these boards to the Secretary of Agriculture. I think that probably would take care of the concern of the gentleman from Indiana, that if this is important enough the Secretary would have the flexibility and the opportunity to apply more funds to that particular Board.

So, Mr. Chairman, I maintain my opposition, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. JONTZ].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

HAZARDOUS WASTE MANAGEMENT

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Department of Agriculture, to comply with the requirement of section 107g of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607g, and section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961, $16,000,000, to remain available until expended: *Provided*, That appropriations and funds available herein to the Department of Agriculture for hazardous waste management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands.

Departmental Administration

(including transfers of funds)

For Personnel, Finance and Management, Operations, Information Resources Management, Advocacy and Enterprise, and Administrative Law Judges and Judicial Officer, $25,014,000, for Departmental Administration to provide for necessary expenses for management support services to offices of the Department of Agriculture and for general administration and emergency preparedness of the Department of Agriculture, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109: *Provided*, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551–558.

Office of the Assistant Secretary for Congressional Relations

For necessary expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded in this Act, $1,307,000.

Office of Public Affairs

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, and for the dissemination of agricultural information and the coordination of information, work and programs authorized by Congress in the Department, $8,925,000, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed $2,000,000 may be used for farmers' bulletins and not fewer than two hundred thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by 44 U.S.C. 1301: *Provided*, That in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

Intergovernmental Affairs

For necessary expenses for programs involving intergovernmental affairs and liaison within the executive branch, $468,000.

Office of the Inspector General

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and the Inspector General Act of 1978, as amended, $62,786,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(8) of the Inspector General Act of 1978, as amended, and including a sum not to exceed $50,000 for employment under 5 U.S.C. 3109; and including a sum not to exceed $95,000 for certain confidential operational expenses including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95–452 and section 1337 of Public Law 97–98.

Office of the General Counsel

For necessary expenses of the Office of the General Counsel, $24,554,000.

Office of the Assistant Secretary for Economics

For necessary expenses of the Office of the Assistant Secretary for Economics to carry out the programs funded in this Act, $580,000.

Economic Research Service

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm finance; research relating to the economic and marketing aspects of farmer cooperatives; and for analysis of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products, $58,720,000; of which $500,000 shall be available for investigation, determination, and finding as to the effect upon the production of food and upon the agricultural economy of any proposed action affecting such subject matter pending before the Administrator of the Environmental Protection Agency for presentation, in the public interest, before said Administrator, other agencies or before the courts: *Provided*, That this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and the consumer: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225): *Provided further*, That this appropriation shall be available for analysis of statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

National Agricultural Statistics Service

For necessary expenses of the National Agricultural Statistics Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, $80,941,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109.

World Agricultural Outlook Board

For necessary expenses of the World Agricultural Outlook Board to coordinate and review all commodity and aggregate agricultural and food data used to develop outlook and situation material within the Department of Agriculture, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), $2,367,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

Office of the Assistant Secretary for Science and Education

For necessary salaries and expenses of the Office of the Assistant Secretary for Science and Education to administer the laws enacted by the Congress for the Agricultural Research Service, Cooperative State Research Service, Extension Service, and National Agricultural Library, $560,000.

Alternative Agricultural Research and Commercialization

For necessary expenses to carry out the Alternative Agricultural Research and Commercialization Act of 1990 (7 U.S.C. 5901–5908), $4,500,000.

Agricultural Research Service

(including transfers of funds)

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for), home economics or nutrition and consumer use, and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed $100, $658,379,000: *Provided*, That appropriations hereunder shall be available for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $115,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That funds appropriated herein can be used to provide financial assistance to the organizers of national and international conferences, if such conferences are in support of agency programs: *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: *Provided further*, That appropriations hereunder shall be available to conduct marketing research: *Provided further*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided the cost of constructing any one building shall not exceed $250,000, except for headhouses or greenhouses which shall each be limited to $1,000,000, and except for ten buildings to be constructed or improved at a cost not to exceed $500,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building or $250,000, whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: *Provided further*, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further*, That the foregoing limitations shall not apply to the purchase of land or the construction of facilities as may be necessary for the relocation of the United States Horticultural Crops Research Laboratory at Fresno to Parlier, California, and the relocation of the laboratories at Behoust, France and Rome, Italy to Montpelier, France, including the sale or exchange at fair market value of existing land and facilities at Fresno, California and Behoust, France; and the Agricultural Research Service may lease such existing land and facilities from the purchasers until completion of the replacement facilities: *Provided further*, That not to exceed $190,000 of this appropriation may be transferred to and merged with the appropriation for the Office of the Assistant Secretary for Science and Education for the scientific review of international issues involving agricultural chemicals and food additives: *Provided further*, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law.

Special fund: To provide for additional labor, subprofessional, and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at Federal research installations in the field, $2,500,000.

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research programs of the Department of Agriculture, where not otherwise provided, $34,514,000, to remain available until expended (7 U.S.C. 2209b): *Provided*, That facilities to house bonsai collections at the National Arboretum may be constructed with funds accepted under the provisions of Public Law 94–129 (20 U.S.C. 195) and the limitation on construction contained in the Act of August 24, 1912 (40 U.S.C. 68) shall not apply to the construction of such facilities: *Provided further*, That funds may be received from any State, other political subdivision, organization, or individuals for the purpose of establishing any research facility of the Agricultural Research Service, as authorized by law.

COOPERATIVE STATE RESEARCH SERVICE

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including $168,785,000 to carry into effect the provisions of the Hatch Act approved March 2, 1887, as amended, including administration by the United States Department of Agriculture, penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); $18,533,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a–582–a7), as amended, including administrative expenses, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); $27,400,000 for payments to the 1890 land-grant colleges, including Tuskegee University, for research under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222), as amended, including administration by the United States Department of Agriculture, and penalty mail costs of the 1890 land-grant colleges, including Tuskegee University; $57,688,000 for contracts and grants for agricultural research under the Act of August 4, 1965, as amended (7 U.S.C. 450i); $97,500,000 for competitive research grants under section 2(b) of the Act of August 4, 1965, as amended (7 U.S.C. 450i(b)), including administrative expenses; $5,551,000 for the support of animal health and disease programs authorized by section 1433 of Public Law 95–113, including administrative expenses; $1,168,000 for supplemental and alternative crops and products as authorized by the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d); $400,000 for grants for research pursuant to the Critical Agricultural Materials Act of 1984 (7 U.S.C. 178) and section 1472 of the Food and Agriculture Act of 1977, as amended (7 U.S.C. 3318), to remain available until expended; $475,000 for rangeland research grants as authorized by subtitle M of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended; $3,500,000 for higher education graduate fellowships grants under section 1417(b)(6) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3152(b)(6)), including administrative expenses; $1,500,000 for higher education challenge grants under section 1417(b)(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3152(b)(1)), including administrative expenses; $4,000,000 for grants as authorized by section 1475 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 and other Acts; $6,725,000 for sustainable agriculture research and education, as authorized by section 1621 of Public Law 101–624 (7 U.S.C. 5811), including administrative expenses; and $19,170,000 for necessary expenses of Cooperative State Research Service activities, including coordination and program leadership for higher education work of the Department, administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which $10,250,000 shall be for a program of capacity building grants to colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321–326 and 328), including Tuskegee University, of which not to exceed $100,000 shall be for employment under 5 U.S.C. 3109; in all, $412,395,000.

The CHAIRMAN (during the reading). For what purpose does the gentleman from Indiana rise?

Mr. JONTZ. Mr. Chairman, I offer amendments en bloc.

The CHAIRMAN. The Clerk will complete reading the paragraph and then report the gentleman's amendments.

The Clerk concluded the reading of the section.

PARLIAMENTARY INQUIRY

Mr. FAWELL. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FAWELL. Mr. Chairman, why is the gentleman from Indiana recognized?

The CHAIRMAN. The gentleman from Indiana, as the Chair understands it, has an amendment at the desk to diminish the amount that is appropriated. As the Chair understands, the gentleman has filed an amendment seeking to delete the appropriation. The logical order appears to allow the gentleman to offer his amendment first and then the gentleman from Illinois [Mr. FAWELL] may offer his amendment.

AMENDMENTS OFFERED BY MR. JONTZ

Mr. JONTZ. Mr. Chairman, I offer amendments en bloc.

Mr. McHUGH. Mr. Chairman, I reserve a point of order on these amendments.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. JONTZ: Page 15, line 9, strike "$57,668,000" and insert "$54,068,000"; Page 16, line 13, strike "$6,725,000" and insert "$11,168,000"; Page 17, line 11, strike "$33,611,000" and insert "$30,250,000"; Page 18, line 1, after the semicolon insert "payments for the sustainable agriculture technology development and transfer program under section 3(d) of the Act, $2,000,000."

□ 1300

The CHAIRMAN. Does the gentleman from New York [Mr. McHUGH] wish to make his point of order?

POINT OF ORDER

Mr. McHUGH. Mr. Chairman, I do insist upon my point of order.

I make a point of order against the amendment since it, in effect, calls for the en bloc consideration of two different paragraphs in the bill, two or more. The precedents of the House are clear in this matter: Amendments to a paragraph or section are not in order until such paragraph or section has been read; and, therefore, the amendment is not in order in its present form.

The CHAIRMAN. Does the gentleman from Indiana [Mr. JONTZ] desire to be heard?

Mr. JONTZ. Mr. Chairman, I regret the Chairman seeks to make this point of order. We did not have the opportunity to go to the Committee on Rules to seek a rule to protect amendments which would allow us to cut funding in one place and to then reallocate that in another section.

I feel like we have some very fundamental decisions we have to make about priorities with regard to spending in this appropriations bill, but the Members should have an opportunity to make them on the floor.

This amendment seeks to take money from a number of earmarked grants and use them instead for increased funding for the sustainable agricultural research and education program.

The unfortunate situation is we have national needs with regard to research which are not being met because we have the sum of money which is in this bill for a whole host of individual projects.

I do not seek to debate the merits of the individual projects but simply to strike 10 percent off those projects and reallocate that to the item called sustainable agricultural research and education.

I am sorry if the gentleman, if the chairman does object to it. We will not have the opportunity to debate that issue on the floor, not have the opportunity to debate the merits of one source of funding, of one priority for funding for the other, because we had no opportunity to go to the Committee on Rules to get a rule to protect such an amendment. We are at the mercy of the chairman to see if he would allow this amendment to be offered. I would ask the gentleman to please allow the amendment to be offered so that we can debate the merits of the issue.

Mr. McHUGH. Mr. Chairman, I would simply say the Committee on Appropriations has been criticized before for getting limited rules. We brought this bill directly to the floor with no rule, and therefore the rules of the House apply. I am simply insisting on a point of order consistent with the rules of the House, and I do insist on the point of order.

The CHAIRMAN (Mr. SPRATT). For the reasons stated by the gentleman from New York, his point of order is sustained.

Are there any other amendments to this paragraph?

AMENDMENT OFFERED BY MR. FAWELL

Mr. FAWELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FAWELL: Page 15, strike line 9 and all that follows through the semicolon on line 11.

Page 17, line 3, strike "$412,395,000" and insert "$354,707,000".

Mr. FAWELL. Mr. Chairman, I offer this amendment with my esteemed colleague and cochairman of the Porkbusters Coalition, Congressman TIM PENNY. Our amendment would cut $57.7 million for 85 special research grants funded through the Cooperative State Research Service [CSRS]. None of these grants has been specifically authorized, none has been competitively awarded, and none has had actual hearings.

All 85 projects were in the two porkbusters' bills for fiscal years 1991-92, H.R. 4315 and H.R. 2643.

Examples of projects we seek to cut are $120,000 for animal waste disposal; $387,000 for cool season legume research; $185,000 for lowbush blueberry research; and $340,000 for fish marketing.

These earmarks are the purest form of pork-barrel spending, not because of the subject matter of the 85 spending projects but because it completely bypasses established procedures and critera for spending.

If these projects are meritorious, they can be funded the old fashioned way by going through the process—specific authorization, competitive awarding, and science peer review. In addition, a parallel $97.5 million grant program—the National Research Initiative—exists which funds agricultural research with the appropriate level of scrutiny, competitive awarding and peer review. This National Research Initiative program, also run by the Cooperative State Research Service, was created in the 1990 farm bill to also fund agricultural research. All of the grants in the six basic categories are authorized, and spending projects are required to be peer reviewed, and awarded competitively.

The issue here is not the merit of the substance of these grant programs.

The fundamental problem with these grants is that they have not been authorized, not been competitively awarded, and not been subject to hearings. In this time of budget crisis, we should be more rigorous than ever in ensuring that taxpayers' money is spent only on spending projects determined to be of high national priority.

The interest groups that represent the taxpayers support our amendment, including the National Taxpayers Union, Citizens for a Sound Economy, and Citizens Against Government Waste. And for good reason.

Three weeks ago this body rejected a balanced budget amendment to the Constitution, promising the American people we could make the tough choices necessary to bring the Federal deficit under control without a constitutional mandate.

Obviously, we have a lot of work to do to accomplish that goal and this cut of $58 million is one of the thousand steps we must make. But I submit to my colleagues that if we are unable—or unwilling—to cut funding for 85 projects which have basically bypassed the appropriation process, then I doubt very much we will make hard choices necessary to even significantly cut the projected $400 billion deficit for fiscal year 1993. If we can not start with cuts for research on animal manure and lowbush blueberries that have not gone through the appropriation process, how will we muster the courage to cut funding for a variety of national priorities.

One thing we ought to be able to cut is spending projects which never went through the process.

□ 1310

Mr. PENNY. Mr. Chairman, I rise in support of the amendment of the gentleman from Illinois [Mr. FAWELL].

Mr. Chairman, this amendment has been described by the gentleman from Illinois. It strikes a variety of special research grants funded in this legislation. Last year and the year before the gentleman from Illinois [Mr. FAWELL] and myself identified a number of projects in various appropriations bills which we deemed to be pork-barrel spending. We established criteria for such spending to include projects that had not been authorized by the appropriate committee, had not been requested by the administration, and were not deemed to have a national purpose, but instead accrued to the benefit, primarily, of localities, or served a parochial interest. These projects were categorized as pork-barrel spending, and our legislation sought to eliminate those kinds of programs from the budget.

Mr. Chairman, a year ago in the Agriculture appropriations bill we identified 141 such projects totaling $74 million. Our legislation, H.R. 4315, sought to strike or rescind those projects from the budget.

This time around the list of pork-barrel items has been reduced. There are only 85 such special research grants funded in this bill, but again it is our judgment that, because they have not been specifically authorized and have not been competitively awarded, that they should be categorized as pork-barrel spending.

These types of programs may not add up to a lot of money in the scheme of things, but they are indicative of a process that has no place in an era in which our No. 1 priority ought to be to reduce the Federal deficit. These kinds of projects can be funded through the normal procedure. There are grant moneys available to the cooperative State research service, and these projects could be competitively awarded through the normal process. It is our judgment that, if they are meritorious, they can and should compete in that arena and receive funding on that basis. Absent that kind of justification, we feel that it is appropriate for us at this point to strike the items from the appropriations bill.

Again, Mr. Chairman, The Fawell amendment would strike 85 projects totaling $57.7 million. I would ask the Members for support of the amendment.

Mr. JAMES. Mr. Chairman, I move to strike the last word and rise in support of the amendment that is pending here.

Mr. Chairman, we are about to spend $59 billion to fund the Department of Agriculture this year. I am wondering what we will have to show for it.

Last year we spent $200 million to fund the market promotion program. McDonald's got $465,000 to promote the Chicken McNugget. For that matter, Mr. Chairman, we gave Campbell's Soup $465,000 to tell people in Taiwan that they could have had a V-8 juice. This is a waste of money.

Last year we gave the Commodity Credit Corporation $7 billion to finance farm subsidies and crop insurance. I have nothing against crop insurance, Mr. Chairman, except when the Department of Agriculture insures the farmer at a rate where the Government is losing money. That is a problem, this does not make any sense to me, and I think it is a waste of money.

Mr. Cliff Tuttle of Jacksonville, FL, is tired of wasting money, Mr. Chairman, and so am I. He writes: "I am disgusted, frustrated and mad as hell."

This is a classic example of what happens when Government is allowed to grow far out of proportion to its needs. Mr. Chairman, this Government is out of hand. It has been mentioned many times that this Government has a $400 billion deficit and that it must take thousands and thousands of efforts on behalf of our behalf, little bites at a time and, in some cases, big bites, and this bill offers us many opportunities to make a significant effort toward reducing that deficit. That $400 billion has a geometric factor to it, and in just a very few years we will be deficit spending everything Government needs, and yet it seems that we approach every bill in the same way, that we are still working on that mark where it is $400 billion in deficit.

Mr. Chairman, that concerns me. That concerns the American people. And that is frustrating to many of us in Congress, especially since we have the audacity to suggest, and many have, that we do not need a balanced budget amendment. It seems peculiar to me that we still proceed with business as usual, and it would seem that this bill, as has been pointed out just in this one amendment, and in many others, gives us a fantastic opportunity to examine the legitimacy of absolutely every expenditure. In this case and in this amendment they have not even passed through the authorizing committees, or the proper committees, in every instance. That is some major concern, I think, to most of us in the House, and, if we do not pay attention to our specific expenditures, we cannot——

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. JAMES. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, I am sure my colleague from Florida is aware of the fact, that this subcommittee cut the administration's request from $200 million down to $75 million on the Market Promotion Program in the appropriation bill. He may also be aware——

Mr. JAMES. Mr. Chairman, reclaiming the balance of my time, I am sure that we have many superficial cuts, and I call them superficial, not in the context of that one cut, and the gentleman from Illinois [Mr. DURBIN] is smiling, but $400 billion is still a billion and a half or a billion——

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. JAMES. I mean $150 billion more than the entire defense budget.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. JAMES. Although my time is relatively limited, I yield to the gentleman from Illinois one more time.

Mr. DURBIN. Mr. Chairman, is the gentleman from Florida [Mr. JAMES] aware that this subcommittee cut the President's request by $1.4 billion in this particular agency? Is the gentleman aware of that?

Mr. JAMES. Mr. Chairman, I am quite aware of all of the allegations of cuts.

Mr. DURBIN. Mr. Chairman, it is not an allegation. It is a fact.

Mr. JAMES. Yes; I am quite aware that there have been cuts in relationship to that bill. That is not the issue.

But is the gentleman aware that we are still right at a $400 billion deficit? Is the gentleman aware, if we keep going at this rate for 2 or 3 more years, that we will be doing nothing but deficit spending, and we only have 60 percent of our income tax now going to pay interest? Is the gentleman aware of that? Is the gentleman aware of such things as interest on interest? Is the gentleman aware that he is going to bankrupt this Nation, the Democrat Party is, and I do not want to be part of it while we sit here and have that kind of deficit?

Mr. Chairman, I am concerned about it.

Is the gentleman aware that we promised just a few days ago that we did not need a balanced budget amendment? We actually told the public we did not need a balanced budget amendment. We suggested that.

So, yes, we cannot make excuses in regard to this bill or in regard to any other while we still have that great big mark, that $400 billion deficit.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. JAMES. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, I just say to the gentleman, "I agree with everything you said."

Mr. JAMES. I thank the gentleman.

Mr. DURBIN. The deficit is a serious problem. This subcommittee addressed that by reducing expenditures in this bill to the point that many of the Members are complaining the cuts are too deep.

Mr. JAMES. Mr. Chairman, would the gentleman answer one question for me?

Mr. DURBIN. I would be happy to.

Mr. JAMES. With all of these fine cuts that are made, that the gentleman is suggesting are made, how much has it moved that $400 billion deficit? How much does it move it?

Mr. DURBIN. At least $1.4 billion from the President's mark.

Mr. JAMES. From the President's mark, and that is one-quarter of a percent.

I ask the gentleman, "Are you really suggesting that's enough? Are you actually suggesting"——

The CHAIRMAN. The time of the gentleman from Florida [Mr. JAMES] has expired.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois [Mr. FAWELL].

Mr. Chairman, to start with let me point out that the program that the gentleman from Florida [Mr. JAMES] spotlighted is not a program included in this amendment anyway. The program he referred to is in another part of the bill. So, the comments that he made relative to that program, the criticism for it, if they are justified, are not justified in considering this particular amendment. We are dealing with the Agricultural Research.

However, Mr. Chairman, the gentleman from Florida [Mr. JAMES] does ask a question: What do we have to show for the Agricultural Research Service? We have plenty to show for the Agricultural Research Service.

The food industry is the most advanced technology transfer industry in the United States. It is the most successful industry we have. In the United States, we have actually produced food cheaper than anywhere else in the world. The food industry is the most efficient in the world. It is envied all over the world. We produce food cheaply, we keep producers in the production mode, and at the same time we have cheap food for people.

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The gentleman from Illinois spotlighted animal manure disposal. I would point out that that grant is in Michigan, not in Iowa. Handling animal waste is one of the most important agricultural environmental problems we have. Two problems we have are how do we dispose of animal waste, and now do we dispose of human waste in this country? We are spending billions and billions of dollars trying to dispose of human waste.

Animal waste disposal is an environmental problem too. The swine industry has changed in the last 15 or 20 years. Large numbers of hogs are now raised in a small confined area, not spread out in fields where they can recycle the waste in the soil. This is important. If Members do not believe disposing of animal waste is important they should visit Holland. In Holland they are paying to haul animal waste to other countries. It is an environmental problem. If people build houses close to where the hog confinement facilities are, then there is a problem with the smell.

Mr. FAWELL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Illinois.

Mr. FAWELL. The only reason I asked the gentleman to yield is that he mentioned that we are talking about the agricultural research services. We are not. We are talking about Cooperative State Research Services. The agricultural research services are in-house services, as I understand it. We are not saying anything about that, nor are we in any way objecting to the competitive research program, which we think is run very well. It is the cooperative State research services only that we are referring to.

Mr. SMITH of Iowa. These are special research grants, and they come in the same categories. It is this kind of research that has been done in recent years. I remember several years ago when I had been in Arkansas and I came back and reported that I had seen a dike around a rice field. I wondered, what in the world are they doing there with deep water in a rice field? I found out they were propagating fish. I came back and said something about it. Members laughed about the idea that farmers would raise fish. But it is now one of the fastest growing and one of the most important industries we have. We are importing 90 percent of our fish, and if it were not for the domestic fish industry, it would be more.

This is the kind of thing you can make fun of, but these research grants are important. One can go down this list and pick out some that do not have a name perhaps that seems important, but the fact of the matter is that these are important grants.

So let us not overlook the importance of these to the agricultural community as well as the consumers. If you want to look for proof, just look at what has been accomplished in the United States since we have had these kinds of grants. Professors should not be the only ones to sit around and decide what we need. That happens to be a peer review system largely transferred over to agriculture, and we know that in the peer review system the peers make sure their projects are reviewed before any others.

Mr. FAWELL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Illinois.

Mr. FAWELL. Mr. Chairman, I simply would point out that I agree with much of what the gentleman says. I want to make it very clear that I am not in any way attacking the substance of these research projects. The point I am trying to make is that there never was a hearing, there never was a competitive awarding, and there never was an authorization. That is all I am saying.

Mr. SMITH of Iowa. There was no hearing by the group you wanted to hear it but there were hearings. These have all been discussed two or three times.

Mr. FAWELL. Mr. Chairman, will the gentleman yield further?

Mr. SMITH of Iowa. I yield to the gentleman from Illinois.

Mr. FAWELL. I just beg to differ on the point of any hearings whatsoever.

Mr. SMITH of Iowa. We had hearings.

Mr. FAWELL. There were no authorization hearings whatsoever. The specificity of these grants is not in agreement.

Mr. SMITH of Iowa. The program was authorized.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. SMITH] has expired.

(On request of Mr. FAWELL and by unanimous consent, Mr. SMITH of Iowa was allowed to proceed for 2 additional minutes.)

Mr. FAWELL. Mr. Chairman, if the gentleman would continue to yield, I simply want to point out that the actual specificity of these research grants to which we make our reference actually never had any kind of a hearing. It was the report language where they were specified, and there never was any competitive awarding and there was never any science peer review, which is specified in the national initiative.

But that is what I am talking about. I am saying that if these are good projects, they can stand the light of day and they can go into the competitive research program of the Department of Agriculture, which I laud.

Mr. SMITH of Iowa. Mr. Chairman, I take back my time. If there is anything the people of the United States of America are tired of, it is people talking about the technicalities of how to proceed to accomplish something in the Congress. What difference does it make how we proceed? The fact of the matter is that they are good projects. That is what people are interested in. The substance is good. Never mind the technicalities of whether one committee handled it or some other committee. People are tired of that kind of nonsense. They want us to get to work down here and accomplish the things that need to be done in this country. This is an example of doing those kinds of things.

Mr. McHUGH. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from New York.

Mr. McHUGH. Mr. Chairman, I thank the gentleman for yielding.

I would like to respond briefly to some of the questions the gentleman from Illinois raised. First of all, special grants are authorized. They are not authorized on a grant-by-grant basis, but there is legal authorization for special grants. Therefore, all these grants are authorized.

Second, I would refer the gentleman to the hearing record of our subcommittee in which each of these grants is discussed. I am not sure that it answers every question the gentleman might have about each grant, but nonetheless the point is that our hearing record does include reference to each of the grants that we are providing funds for here.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. SMITH] has again expired.

(On request of Mr. McHUGH and by unanimous consent, Mr. SMITH of Iowa was allowed to proceed for 1 additional minute.)

Mr. McHUGH. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from New York.

Mr. McHUGH. Finally, Mr. Chairman, I would say to the gentleman that there is a difference in the type of research that is done by the competitive grants and by special grants. If I may have the attention of the gentleman, let me say that competitive grants are in the nature of basic research, and I support the competitive grant program, as the gentleman does, because I think it is important for our country's research effort. These special grants are grants for applied research. They are designed to resolve a particular question, not so much in the nature of basic research but applied research. Therefore, they are of a different nature than competitive grants.

Finally, I would say that some of these special grants which are applied research grants are in fact awarded competitively by the Department. They are not all put in this bill because of a particular interest on the part of a college back home or a research effort back home. Some of the grants are awarded by the Department on a competitive basis.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. SMITH] has again expired.

(By unanimous consent, Mr. SMITH of Iowa was allowed to proceed for 1 additional minute.)

Mr. FAWELL. Mr. Chairman, will the gentleman yield further?

Mr. SMITH of Iowa. I yield to the gentleman from Illinois

Mr. FAWELL. Mr. Chairman, it is true, of course, that there is an authorization statute that does authorize these grants, but nowhere at any time has there ever been any hearings in reference to the authorizing of these specific grants. That is a point that I think is very important. As to the hearings which have taken place here, no real hearings, I am told, ever took place. They have had sort of mock hearings where we had the Department prepare questions and answers, but no hearings have ever taken place. I think if you will check the record, you will find that that is quite accurate.

Third, on these grants, unlike the other grant programs that the Department has, there is no peer review, there is no scientific input whatsoever. These are special research grants that, as a practical matter, are handled in this way. I understand how the system works. I do not mean to criticize any particular person, but it goes to those in the committee who have some time here, some years, and it is done that way. But there is no real review or analysis, and we have a $400 billion deficit because we are doing these special things for ourselves. I think we should take this type of criticism and say, yes, we ought to certainly follow the process used in the competitive program. Whether it is basic research or applied research, it should be the same.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. SMITH] has again expired.

(On request of Mr. McHUGH, and by unanimous consent, Mr. SMITH of Iowa was allowed to proceed for 1 additional minute.)

Mr. McHUGH. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from New York.

Mr. McHUGH. Mr. Chairman, I thank the gentleman for yielding.

First of all, let me be clear about this. The hearings we held in the subcommittee were not mock hearings. Those are real hearings. We have witnesses that come before us. We ask the witnesses questions for the agencies. It is certainly true that in our hearings we do not ask the witnesses about each of these particular projects, many of which are ongoing projects that were commenced in earlier years. But it is true that with respect to each project we have submitted to the agency particular questions which elicit information about the projects, and we include that information in the hearings so that not only the gentleman but everybody else in this body can have an opportunity to learn about the individual projects.

The gentleman is not questioning any individual project. He is in a blunderbuss way suggesting that all of these projects, every single one of them, are pork barrel projects and that simply is not the case.

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Mr. FAWELL. Mr. Chairman, if the gentleman would yield further, I tried to make it clear I am not suggesting that these projects are substantively pork-barrel projects, but rather they are procedural pork. I have here copies of the so-called hearings. There are questions and answers.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. SMITH] has again expired.

(By unanimous consent, Mr. SMITH of Iowa was allowed to proceed for 1 additional minute.)

Mr. SMITH of Iowa. Mr. Chairman, I yield to the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Chairman, I have been told there are no more hearings.

Mr. MCHUGH. Mr. Chairman, if the gentleman would yield further, I would simply indicate to the gentleman from Illinois [Mr. FAWELL] that this is the hearing record. If the gentleman would like to read it, it would reflect the questions and answers with respect to each of the projects. I do not know what the gentleman has in his hands, but this is the official hearing record, which is considerably thicker than what the gentleman has and it deals with each particular project.

Mr. FAWELL. Mr. Chairman, if the gentleman will continue to yield, was there competitive awarding? Was there scientific peer review as in the other programs?

Mr. MCHUGH. Mr. Chairman, I have explained the difference between those two programs.

Mr. FAWELL. I understand that. Whether it is applied research, which is the most questionable form of Federal subsidy anyway, we still should have obviously, competitive awarding.

Mr. SMITH of Iowa. Mr. Chairman, reclaiming my time. I understand what the gentleman would like to do. He would like to reach some pork barrel projects. But he has selected the wrong place to look. These are important projects. Not one of them is a new project. They are important projects, and this is just not the place to try to save a few nickels at the expense of the future of this country.

Mr. PRICE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am getting a little weary and I suspect a number of other Members are as well of this constant attack on agricultural research. It is easy to make fun of strange sounding research projects. The gentleman offering this amendment makes sneering references to animal waste research, as though that is supposedly somehow laughable or trivial.

The President, to his discredit, did that in his rescission bill a few months ago. He sent up some funny sounding studies, asking they be rescinded.

It is always good for a laugh, I suppose, to single out agricultural research projects and to trivialize them and to make fun of them, and hold this up as an example of wasteful Federal spending.

Mr. Chairman, I had an interesting experience a few nights ago. I was speaking to a dinner at the school of veterinary medicine in my district, talking about the funding pressures that we are experiencing in this body and about agricultural research.

I started to read from that list of projects that the President was proposing to rescind. I think it is fair to say in most audiences titters would have begun as I read that list of funny sounding studies. But, you know, not one sound was heard as I read down that list.

I turned to the audience and I said to them, "You see what we are dealing with here. We are dealing with studies, every one of which is significant, every one of which you understand the importance of. Yet this is the hit list. This is the politically motivated hit list, and we are making these spending decisions based on somebody's cheap shots."

So this agricultural research is important, it is vital, it is an investment in our future. It is easy to take the cheap shots. But the fact is, as has already been stressed, this list of research projects is funded at a $57 million level, which is down from a $73 million level in fiscal 1992.

It is also true there are no new starts on this list, no new funding. It is a very austere list, it is a responsible list, and this research effort is an investment in our future. We ought to be able to do better in this body than to trivialize this type of research.

Mr. Chairman, I therefore strongly oppose this amendment.

Mr. FAWELL. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Illinois.

Mr. FAWELL. Mr. Chairman, the gentleman made one reference to cheap shots, and I certainly did not mean to imply that. I tried to reiterate over and over again I am not questioning the substance of these measures. There are a lot of laudable programs there.

What I am trying to suggest is all of us are going to have to learn anew that there are priorities among good programs, and we have to look at what is nationally significant.

Basic research is much more nationally significant than applied research and things of this sort. But each time one gets up and tries to point out these things, oftentimes that is the reply.

The gentleman from Iowa said, we are just dealing with a few nickels here. But we are dealing with $57 million. It is not big in terms of a $1.6 trillion budget, but it is very important. If we cannot take these toddling steps, we are never even going to be able to nick away at that deficit. That is all I am suggesting.

Mr. PRICE. Mr. Chairman, reclaiming my time, I have never minimized the amount of money involved here. On the contrary, I have stressed, as the subcommittee has stressed, the need for economies in this area and other areas.

I have, however, pointed out that this area of research is funded at a $57 million level, down from $73 million last year. The gentleman from New York [Mr. MCHUGH] has already pointed out the kind of hearing process we have been through, the kind of review process the subcommittee has undertaken.

This is just not as promising a target as the proponents would have us believe. This is solid research, a sound investment, and I urge this amendment be defeated.

Mr. DURBIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to second the comments of my colleague from North Caroline [Mr. PRICE]. There are a lot of giggles and titters when you hear my colleague from Illinois [Mr. FAWELL] get up and talk about manure research and that sort of thing. I really think that cheapens and diminishes the character of this debate.

Mr. Chairman, we are really talking about food and fiber production for the Nation. We are talking about the production of agriculture, which is central to our economy and certainly to the home State of the gentleman from Illinois [Mr. FAWELL] and myself.

Let me say at the outset that there are no new research projects in this bill. There is nothing in this bill in the research area relative to my congressional district.

Finally let me add to my colleague from Illinois [Mr. FAWELL], we have cut 25 percent of last year's spending on these research projects because of our deficit situation.

The gentleman from Illinois [Mr. FAWELL], who has offered this amendment, suggests that we have had mock hearings. I have to tell the gentleman I take exception to that. I think my colleague from New Mexico would join me.

I wish the gentleman from Illinois [Mr. FAWELL] could have attended 5 minutes of those so-called mock hearings and heard the testimony which the subcommittee entertained in order to consider these projects and the funding levels that were appropriate. Perhaps if the gentleman had attended even 5 minutes of those so-called mock hearings, he might have a different impression of what the subcommittee has been trying to do.

Let me talk about specifics here that I think are very important. In the first instance there is $134,000 for aflatoxin research. I do not know if that made the gentleman's list of so-called pork buster projects. I suppose it did.

I would say to the gentleman that when the Assistant Secretary of Agriculture, Dr. Plowman, was asked to comment on this particular research, he said, quoting form one of our so-called mock hearings, according to my colleague,

> It has had a big impact. We have had numerous conversations and conferences on the aflatoxin problem itself and have a research program to address that. It is costing the corn production industry a lot of money. It drives up the cost of corn and drives up the cost of meat as a consequence.

Mr. Chairman, I am sure my colleague, the gentleman from Illinois [Mr. FAWELL], Illinois being an agricultural State, follows closely what is happening in our corn production this year.

Illinois is No. 2 in the Nation behind Iowa. We are facing a drought. We are again facing the prospect of an aflatoxin outbreak that could cost Illinois corn producers and farmers across the Nation literally millions of dollars.

Surely my colleague, the gentleman from Illinois [Mr. FAWELL], the No. 2 corn producing State in the Nation, understands the critical importance of aflatoxin research. And does my colleague from Illinois know how much we are asking for? The sum of $134,000 for this aflatoxin research.

Mr. Chairman, last week my colleague had an opportunity to cut $450 million out of the Texas super collider. He said no. As a matter of priorities, he said that is important. But today the gentleman would stand to cut $134,000 out in corn research for his own home State of Illinois.

This is a little difficult for me to follow. Let me add, too, that the gentleman suggests that we should be cutting many other areas. The gentleman has suggested that we ought to be cutting research into ground water contamination.

The gentleman is fortunate to live in a suburban town in Illinois. Those of us who live in downstate and rural Illinois understand the critical importance of ground water contamination and the importance of determining agricultural techniques which will protect water sources. That is why we had hearings and that is why we reached the conclusion that this was worth funding, $125,000 in funding for research.

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The gentleman from Illinois, my colleague who offers this amendment, resisted efforts last year to cut the space station, an $8 billion project. And yet today he wants to cut $125,000 in research for ground water contamination. If he is driven, as he said, not by the merits of the project but by the deficit, I wonder where his fervor was when we considered the collider and the space station and the star wars program that the gentleman refused to cut 2 weeks ago by $1 billion.

I would say to the gentleman, it is truly a question of priorities. These priorities reflect the fact that we have a deficit. We have reduced the amount of money in agricultural research by 25 percent. We are putting it in areas absolutely essential for the production of food and fiber in America.

Mr. FAWELL. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from Illinois.

Mr. FAWELL. Mr. Chairman, I do not know how many times I have to repeat the point that is very simple, if I have not done a good job in getting it across. I am simply expressing the fact that whether it is the superconducting super collider or whether it is for a research project in agriculture, I am asking only one simple thing.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DURBIN] has expired.

(By unanimous consent, Mr. DURBIN was allowed to proceed for 2 additional minutes.)

Mr. FAWELL. Mr. Chairman, if the gentleman will continue to yield, and that is in any instance, whether it is the super collider or the space station or whatever it may be, we should all say that a simple thing we can adopt is that there ought to be hearings, authorized hearings in regard to the specific spending project that is involved and there ought to be simple peer review and there ought to be competitive bidding. Local school districts do this.

Mr. DURBIN. Mr. Chairman, reclaiming my time, the point I have made in my statement is that we have gone through hearings. We are debating a project that is authorized. For example, an aquaculture project is included in his list of cuts. The gentleman misspoke earlier when he said it is an unauthorized project. It is authorized in the farm bill. It was put there by our present Secretary of Agriculture, Mr. Madigan. It benefits the district of the gentleman from Illinois [Mr. EWING], the gentleman's neighbor. It is an important element in research. It has gone through the process. Yet the gentleman attempts to take agricultural research and look at it much more closely than when it comes to cutting funds for the super collider, which he refused to do a week ago, or cutting funds for the space station, which he refused to do last year, or cutting funds for the Star Wars Program, which he refused to do 2 weeks ago.

Why is it when it comes down to $57 million, the gentleman can work up this head of steam, but when it comes to billions of dollars in cuts, the gentleman is nowhere to be found.

Mr. FAWELL. Mr. Chairman, if the gentleman will continue to yield, if I have not gotten that point across yet, I never will.

Mr. DURBIN. Mr. Chairman, I do not think the gentleman will be able to.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is an interesting debate, and I do not intend to come here trying to talk about particular research. I obviously am someone who comes to the floor fairly consistently in support of doing research for the country. I think it is important that we have a research base for this country in order to have a viable agriculture industry, in order to have a viable industrial economy. Research is an important component part of that.

What I do challenge are the statements I heard a couple of minutes ago that virtually all this research had been subjected to good, stiff hearings and that all of it is absolutely meritorious and absolutely demands our funding despite the fact that we have a $400 billion deficit and a $4 trillion debt.

I took up the gentleman's challenge to take a look at the hearing record. When I go through the hearing record, I find out that the hearing record was not adversarial at all. In fact, the hearing record consists of one person, a Dr. Jordan telling the committee what each of these research projects is doing.

I cannot find anything in the hearing record where anybody even challenges Dr. Jordan, even asked him any questions. This is not an adversarial proceeding. These projects were not given very, very tight scrutiny. And let me talk about a couple of projects that I just picked off the list out of the committee report and then looked up in the hearing record. I just want the Members to know what it is that is down in this list that the committee regards as absolutely vital to spend money on and what the hearing record says about them.

The first one I just happened to pick off the list is mink research. Here is what the hearing record said about the mink research which is going to go on.

Dr. Jordan was asked, "Where will this work be carried out?"

Dr. Jordan: "Research will be conducted at Oregon State University."

The gentleman from New York [Mr. McHUGH] says, "What will be the objectives of this research?"

Here is what we are going to fund, folks. This is what we are spending deficit money on. And I quote Dr. Jordan: "The research has not yet been initiated."

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, how much money is being spent on this?

Mr. WALKER. Mr. Chairman, I think 46, whatever the 46 relates to. Is that billion?

Mr. DURBIN. Mr. Chairman, if the gentleman will continue to yield, $46,000.

Mr. WALKER. Mr. Chairman, that is fine. We are about to have another bill come here in a few minutes where the Democrats are going to line up in concert and cut $86 million out of the Competitiveness Council; $86 million is going to come out of the Competitiveness Council, and we are going to have a real wing-ding out here later on today. So $46,000 might make up a little of that.

Here is what the money is going for. Dr. Jordan:

> The research has not yet been initiated, but experiments are currently being designed to study aspects of the utilization of squawfish in mink diet. Arrangements are being made with the Oregon Fish and Wildlife Service to obtain the fish. Trials with young mink kits will involve feeding high levels of squawfish, up to 40 percent of their diet. Their responses will be assessed through growth data and the color and quality of their pelt.

Now, folks, that is what we are going to take $46,000 of taxpayers' money and spend it for.

Now, that may be a good, worthwhile thing to do. I am not certain that it is something that we ought to spend $46,000 on. That is a full salary of a couple of people in my district for 1 year.

I looked to make certain that we did not just have one program like this. I took another look. Here is something called the Rural Policies Institute. The Rural Policies Institute was also quizzed on Dr. Jordan. The gentleman from New York [Mr. McHUGH] asked him, "Where is this work being carried out?"

Dr. Jordan said, "Research is being conducted at the University of Missouri, the University of Arkansas, and the University of Nebraska."

The gentleman from New York [Mr. McHUGH]: "What has been accomplished to date?"

I want my colleagues to listen to this. This is a great explanation of just exactly the kind of thing the American people are most fearful of.

Dr. Jordan:

> Through the use of typical community analyses, the consortium will be able to provide estimates of the impacts of programmatic proposals prior to their implementation and funding. To accomplish this primary analysis will require a concentrated database and input from experts outside the three institutions involved. First-year funding has been directed to solving these operational problems. Thus the first year's accomplishments lie mainly in the development of an appropriate organizational structure and operational procedures to make the policy analysis work.

Folks, we are spending $525,000 on that. And what did he say? I have absolutely no idea what that means.

Mr. SKEEN. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from New Mexico.

Mr. SKEEN. Mr. Chairman, the gentleman mentioned the Rural Policy Development?

Mr. WALKER. Mr. Chairman, this is the Rural Policies Institute.

Mr. SKEEN. Mr. Chairman, if the gentleman will continue to yield, how much is it funded for?

Mr. WALKER. Mr. Chairman, $525,000.

Mr. SKEEN. Mr. Chairman, no, nothing.

Mr. WALKER. Well, I have it on, I have $525,000, and I have the money spread out in 1993.

Mr. SKEEN. Mr. Chairman, look at 1993. I think the gentleman will find that it is not funded.

Mr. WALKER. Mr. Chairman, the line goes clear through here.

Mr. SKEEN. Mr. Chairman, the line went clear through and beyond. Why does the gentleman not take another look at it?

Mr. WALKER. So that is one we cut?

Mr. SKEEN. Mr. Chairman, no, it just does not have any funding.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALKER] has expired.

(By unanimous consent, Mr. WALKER was allowed to proceed for 1 additional minute.)

Mr. WALKER. Mr. Chairman, it is listed in here as a funded program, as I understand it.

Mr. SKEEN. Mr. Chairman, if the gentleman will continue to yield, it was funded last year.

Mr. WALKER. It was funded last year. Why was this program cut out then? Is it because this explanation was not adequate to the committee?

Mr. SKEEN. Maybe that is the scrutiny that the gentleman was talking about.

Mr. WALKER. That is what I am trying to figure out. As I understand it, all of these programs that are still in here are authorized. Does that mean that the funding is going to continue for them? Is this program going to get any money?

Mr. SKEEN. Mr. Chairman, the Institute that the gentleman is talking about, as far as I know at this point, no.

Mr. WALKER. So the University of Missouri, the University of Arkansas and the University of Nebraska will get no money this year? That is a part of the hearing record. They will receive absolutely no money.

Mr. SKEEN. If this bill is passed.

Mr. WALKER. If this bill is passed. But the mink research will get money.

Mr. SKEEN. Mr. Chairman, we will send the gentleman one.

Mr. WALKER. The gentleman is going to send me a mink, after it has been pelted?

Mr. McHUGH. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from New York.

□ 1350

Mr. McHUGH. The gentleman from Pennsylvania [Mr. WALKER] is batting 100 percent. Mink research is not funded, either.

Mr. WALKER. I must be misreading the report. Where the lines go clear through here, it appears to me as though that means that they continued to be funded.

Mr. McHUGH. No.

Mr. WALKER. That is not the case? I thank the gentleman.

Mr. SKEEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment. I think we have discussed it thoroughly, and so forth.

Let me make one comment, that first of all, this committee has taken its responsibility very seriously in these cooperative grants. Before we had this competitive grant system it had fallen into the position of being funded to about four to five major universities in this country, until we came up with the cooperative grants that we have initiated. Since that, it has spread the research, because there is no nationwide implication in each one of these particular projects. They are of a very specific nature in some areas, but then they are all important parts of the United States, given as a whole. It has spread that research across the United States. It has produced very important programs, very worthwhile programs.

Those that are not worthy of being funded have not been funded. They are scrutinized scrupulously each time that we go through the process of the subcommittee, Subcommittee on Rural Development, Agriculture and Related Agencies of the Committee on Appropriations, and I think that what we have done here is we are looking for something that is just not there.

I think it is a worthwhile effort to cut the expenses in funding government, and that is a worthwhile endeavor. I laud and applaud that, but I would say to the gentleman, they are barking up the wrong tree.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FAWELL].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FAWELL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 126, noes 295, not voting 13, as follows:

[Roll No. 243]

AYES—126

Allard
Allen
Andrews (NJ)
Andrews (TX)
Archer
Armey
Atkins
Ballenger
Barton
Bennett
Bentley
Bilirakis
Broomfield
Bunning
Burton
Callahan
Campbell (CA)
Cardin
Carper
Clement
Coble
Condit
Cooper
Cox (CA)
Crane
Cunningham
Dannemeyer
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan
Erdreich
Fawell
Fish
Franks (CT)
Gallegly
Gaydos
Gillmor
Gingrich
Glickman
Goss
Gradison
Hancock
Hansen
Hefley
Herger
Hobson
Hopkins
Horn
Hunter
Hutto
Hyde
Inhofe
Ireland
James
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Lent
Lewis (FL)
Lloyd
Luken
McCandless
McCollum
McCrery
McGrath
McMillan (NC)
Meyers
Miller (OH)
Miller (WA)
Molinari
Moorhead
Murphy
Nichols
Nussle
Orton
Owens (UT)
Oxley
Packard
Pallone
Patterson
Payne (VA)
Penny
Petri
Porter
Ramstad
Ravenel
Ray
Rhodes
Riggs
Rinaldo
Ritter
Rohrabacher
Ros-Lehtinen
Roth
Santorum
Schaefer
Schulze
Schumer
Sensenbrenner
Shaw
Shays
Shuster
Solomon
Staggers
Stenholm
Stump
Swett
Taylor (NC)
Thomas (CA)
Thomas (WY)
Walker
Walsh
Weldon
Wylie
Young (FL)
Zeliff
Zimmer

NOES—295

Abercrombie
Ackerman
Alexander
Anderson
Andrews (ME)
Annunzio
Anthony
Applegate
Aspin
AuCoin
Bacchus
Baker
Barnard
Barrett
Bateman
Beilenson
Bereuter
Berman
Bilbray
Blackwell
Bliley
Boehlert
Boehner
Borski
Boucher
Boxer
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Bustamante
Byron
Camp
Campbell (CO)
Carr
Chandler
Chapman
Clay
Clinger
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Conyers
Costello
Coughlin
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Espy
Evans
Ewing
Fascell
Fazio
Feighan
Fields
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Goodling
Gordon
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Henry
Hertel
Hoagland
Hochbrueckner
Holloway
Horton
Houghton
Hoyer
Hubbard
Hughes
Jacobs
Jefferson
Jenkins
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Long
Lowey (NY)
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McDermott
McEwen
McHugh
McMillen (MD)
McNulty
Mfume
Michel
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Morella
Morrison
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Panetta
Parker
Pastor
Paxon
Payne (NJ)
Pease
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Reed
Regula
Richardson
Ridge
Roberts
Roe
Roemer
Rogers
Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Scheuer
Schiff
Schroeder
Serrano
Sharp
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Spence
Spratt
Stallings
Stark
Stearns
Stokes
Studds
Sundquist
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Washington
Waters
Waxman
Weber
Weiss
Wheat
Whitten
Wise
Wolf
Wolpe
Wyden
Yates
Yatron
Young (AK)

NOT VOTING—13

Bevill
Bonior
Dymally
Gekas
Hefner
Huckaby
Jones (GA)
Lowery (CA)
Owens (NY)
Perkins
Traxler
Williams
Wilson

☐ 1412

Messrs. THORNTON, SAXTON, GALLO, BOEHNER, and EDWARDS of Oklahoma changed their vote from "aye" to "no."

Messrs. RAY, RIGGS, HERGER, and DUNCAN changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. JONTZ

Mr. JONTZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONTZ: Page 15, line 9, strike "$57,668,000" and insert "$54,068,000".

Page 16, line 13, strike "$6,725,000" and insert "$10,333,000".

Mr. JONTZ. Mr. Chairman, this amendment goes to the question of what the priorities will be for the agricultural research that will be funded in this bill.

Regrettably, the gentleman from New York raised a point of order when I offered an amendment a few minutes ago. So I rewrote that amendment to strike 10 percent of the funds for the individual noncompetitive grants that are outlined in the committee report that we saw just a few minutes ago and used that money, which is a little more than $3 million, to increase the appropriation for the sustainable agriculture research and education program.

Mr. Chairman, it seems to me that the national needs with regard to agricultural research should come first, and this particular program has struggled along with very minimal funding. That is regrettable, because on the farm today there is a critical need for us to provide for farmers information about how they can conduct their farming practices in a more environmentally sensitive way. That is what this program would do.

It is a competitive grant program. It is the only Federal research and education program that focuses solely on sustainable agricultural systems and practices. It combines extensive farmer participation, intensive integration of research and preference for whole farm systems projects, and a partnership philosophy joining public agencies and private research.

The Congress, in 1990, authorized this program at $40 million. The bill that comes before us is $6.7 million. I seek to increase that by about $3 million, which would be just about a 50-percent increase.

With the total Federal Department of Agriculture investment in research and extension at $1.65 billion, even were we to fund this program at the full authorization level, we would only be talking about 2½ percent of the total. As it is, the current level of funding represents less than one-half of 1 percent of the total of agricultural research.

I want to repeat that point: At the current level of funding, the money that we have in the research and extension section of this bill for sustainable agriculture is less than one-half of 1 percent.

My amendment would increase that, and we would still be talking about less than 1 percent of the research money in this bill. Despite the fact that researchers have been discouraged from submitting proposals for this sustainable agricultural research program, the program has been able to fund less than 7 percent of the total number of preproposals submitted and less than 25 percent of the proposals that are requested to be made full proposals, and this would allow us to do much better.

Mr. Chairman, we face some very serious challenges in agriculture. We must find the means to produce the food and fiber that this country needs with less impact on the environment. Producers want to do it; consumers want to do it; this Congress wants to do it. If we do not fund the research necessary to give farmers the information they need to change their agricultural practices, then we will not see those changes made.

□ 1420

In the 1990 farm bill, we took what I would consider to be a relatively gentle approach to dealing with environmental issues. We said that we are going to provide incentives. We are going to fund research. We are going to fund extensions. We are going to give farmers a helping hand to make these changes. But if we do not fund them, farmers are not going to be able to make the changes and we are going to be back on the floor of this House in just a couple years considering the next farm bill and we will be voting on mandatory regulations for the agricultural producers of this country with regard to these environmental standards. If we do not do the research if we do not have the extensions—which I might add is not funded in this bill at all; no sustainable extension is part of this bill—if we do not provide the help to the producers that they need, we are going to have to face a different approach dealing with these environmental concerns.

So, Mr. Chairman, I would urge the committee to recognize the need to make sustainable agriculture a higher priority research than it is. All we are doing is taking 10 percent off all these earmarked individual grants that we have just been debating, noncompetitive, and putting them into the competitive grants program environmental sustainable agricultural research and education.

This is the direction we should be going in agricultural research. We are nowhere near the $40 million level of authorization. We are just providing a token increase for this very important appropriation.

Mr. McHUGH. Mr. Chairman, I rise in opposition to the amendment. I do so reluctantly again because, as the gentleman from Indiana has pointed out, the sustainable agriculture program is important.

Unfortunately, there is simply not enough money to do the things that need to be done in agriculture, including agricultural research. That is true not only of the Agriculture appropriations bill but many of the other appropriation bills that will be coming to the floor.

What the gentleman seeks to do, as he indicated, is to cut by 10 percent the research grants what we debated on the last amendment. As we pointed out at that time, we have already in committee reduced these special research grants for agriculture by about 25 percent. We reduced the amount of money by over $15 million.

I know that there are many Members in this body who approached our committee with legitimate and valid research proposals which we simply could not fund.

In this bill we are not providing any new money for new research programs or projects. Indeed, as I have indicated, we have already cut $15 million-plus from last year's number for these projects.

The gentleman's amendment would cut these agricultural projects by 10 percent more. For the same reasons that we argued in the last amendment, I would urge the Members to reject this amendment.

The second part of the gentleman's amendment would increase the account for sustainable agricultural research and education.

Now again, I am not arguing the merits of that program. What I am arguing is that when we are faced with very tight ceilings on the budget, we simply had to adopt an approach in this bill which limited virtually all programs to last year's amount, or in some cases less than last year's amount. That is true of this account. We have provided in this account the same amount of money as was appropriated last year, not because we do not think the program is worthwhile but because we are faced with very stringent budget ceilings.

If the gentleman's amendment were to pass, this would be one of the very few programs, and perhaps the only one which is not associated with human health, that would be increased above last year's level. While it is a good program, I think it is not strong enough to be made an exception to the general rule we had to follow to maintain our commitment to the budget ceiling.

I would remind the Members, Mr. Chairman, that we are $1.4 billion below the President's request, so the committee has used very stringent standards in writing this bill.

So far all those reasons, Mr. Chairman, I would urge the Members to reject the amendment, not on the merits of the program which the gentleman is attempting to increase, but in recognition of the budget constraints.

Mr. SKEEN. Mr. Chairman, I move to strike the last word.

I, too, rise in opposition to the amendment.

Sustainable agriculture is a marvelous idea, worthwhile funding and so forth, but it is a narrow application versus a broad-based approach. The broad-based approach we have now and the way we have funded these special research grants I think is a better approach, because we have cut them 25 percent. To take another 10 percent off would narrow it even more, and I think that would be the wrong thing to do.

Mr. Chairman, I oppose the amendment.

Mr. MYERS of Indiana. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, your committee has attempted to prioritize the limited dollars we have. As the acting chairman of our committee, the gentleman from New York [Mr. McHUGH] has said, all are good programs, but particularly to strike the money from the contracts and grants for agricultural research would be the wrong thing to do.

I cannot speak for many of the programs, but I can speak about one that I am quite familiar with. That is the one at Purdue, the Midwest Plant Biotechnology Consortium. In this matching dollars from industry with dollars from these funds at Purdue, provide grants to do research on developing better plants so they can withstand the insects, the drought, maybe even the frost that hit Indiana. I may be a little optimistic, but there is a possibility that we can develop strains of corn and soybeans in the future that will be able to withstand this kind of weather.

Helping farmers to be more competitive in the world in order to make a profit, this is what this money goes for.

Now, I am totally opposed to the program the gentleman would add the money to, but to do the research in that area, starting from scratch today as we pretty much are doing, we are just not serving the best interests of agriculture.

If we really want to help farmers, and I think that is what this bill is all about, helping the consumers through farmers, making farmers able to be productive, to produce more for less and to withstand the elements of weather and insects and all the other obstacles that farmers have to contend with, this type of research the gentleman would be taking money from would make the farmers' job even more difficult than it is today. I think it would be a mistake.

Mr. JONTZ. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to my friend, the gentleman from Indiana.

Mr. JONTZ. I would think, Mr. Chairman, that the grant the gentleman speaks of could absorb a 10-percent cut, as could other grants on here that would be funded, but I would disagree with the gentleman that by spending money to help agricultural producers use their resources more efficiently that we are making things more difficult for them. I think quite on the contrary.

Mr. MYERS of Indiana. When did I say that?

Mr. JONTZ. The research that would be funded under the sustainable agricultural program would help agricultural producers to use resources more efficiently.

So I would hope the gentleman would agree with me that that would not be an obstacle to agricultural producers at all, but rather would be a help to them.

Mr. MYERS of Indiana. It may not be, but for the dollar, for the bang for the buck, we know we would get more out of this program that is an ongoing program of supporting institutions like the Biotechnology Center who are actually doing work today, ongoing work for the last 5 years, increasing productivity, making plants that will withstand the elements better, we know there we are getting more.

Now, to talk about the other program that we are looking to the future sometime, but for some reason you can cut the first program that is an ongoing program by 10 percent, but we funded the sustainable agricultural research at last year's level. I see nothing wrong with this. I think we did the right thing.

Mr. JONTZ. Mr. Chairman, if the gentleman will yield one more time, I appreciate the fact that many of our colleagues, many Members come before the committee. They have their different proposals. They may sound strange to some of us when we read through the list. We have blueberry research. We have got dairy goat research. We have got filbert blight. You can go through the list, it is a long list.

I appreciate the fact that the chairman of the subcommittees want to accommodate every Member; but my argument is that when we do that at the expense of important national research goals, that we are neglecting something important, and this is shortsighted.

I appreciate the research being done at Purdue University is very important.

Mr. MYERS of Indiana. There are some other places, too, besides Purdue, but I am familiar with Purdue because I have watched it there.

I will say this, that if I have to make a decision between voting for farmers out there who are struggling to make it today and voting for the environmentalists, I am going to vote for the farmers.

Mr. JONTZ. Mr. Chairman, if the gentleman will yield on that point, that is a unfair characterization. My proposal is not money for the environmentalists.

□ 1430

Mr. MYERS of Indiana. What about the agricultural research?

Mr. JONTZ. If the gentleman would let me finish.

Mr. MYERS of Indiana. Well, it is my time, but I will let the gentleman finish, yes.

Mr. JONTZ. The purpose of the research is to give information to farmers so that they can make changes in their management practices to produce the food and fiber this country needs with more sensitivity to the environment.

We are not doing this for the environmentalists; we are doing this for agriculture. I am sorry the gentleman does not see it that way, because the alternative is going to be a regulatory approach toward these issues, which the gentleman's producers and my producers are going to have a lot of trouble with.

Mr. MYERS of Indiana. The gentleman will get a chance on the next bill this afternoon which is coming up about helping people on rules and regulations. I hope the gentleman will vote with us then.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. JONTZ].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. MCHUGH. Mr. Chairman, I ask unanimous consent that the remainder of title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The text of the remainder of title I is as follows:

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities and for grants to States and other eligible recipients for such purposes, as necessary to carry out the agricultural research, extension, and teaching programs of the Department of Agriculture, where not otherwise provided, $33,611,000, to remain available until expended (7 U.S.C. 2209b).

EXTENSION SERVICE

Payments to States, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and American Samoa: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended, to be distributed under sections 3(b) and 3(c) of said Act, for retirement and employees' compensation costs for extension agents and for costs of penalty mail for cooperative extension agents and State extension directors, $262,712,000; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, $60,525,000; payments for the urban gardening program under section 3(d) of the Act, $3,557,000; payments for the pest management program under section 3(d) of the Act, $8,200,000; payments for the farm safety and rural health programs under section 3(d) of the Act, $2,470,000; payments for the pesticide impact assessment program under section 3(d) of the Act, $3,405,000; payments to upgrade 1890 land-grant college research and extension facilities as authorized by section 1447 of Public Law 99–198, $8,000,000, to remain available until expended; payments for the rural development centers under section 3(d) of the Act, $950,000; payments for extension work under section 209(c) of Public Law 93–471, $1,010,000; payments for a groundwater quality program under section 3(d) of the Act, $11,375,000; special grants for financially stressed farmers and dislocated farmers as authorized by Public Law 100–219, $2,550,000; payments for the Agricultural Telecommunications Program, as authorized by Public Law 100–624 (7 U.S.C. 5926), $1,221,000; payments for youth-at-risk programs under section 3(d) of the Act, $10,000,000; payments for a Nutrition Education Initiative under section 3(d) of the Act, $3,530,000; payments for a food safety program under section 3(d) of the Act, $1,500,000; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978 under section 3(d) of the Act, $2,765,000; payments for Indian reservation agents under section 3(d) of the Act, $1,500,000; and payments for extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321–326, 328) and Tuskegee University, $24,730,000; in all, $410,000,000, of which not less than $79,400,000 is for Home Economics: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, as amended, shall not be paid to any State, Puerto Rico, Guam, or the Virgin Islands, Micronesia, Northern Marianas, and American Samoa prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Federal administration and coordination: For administration of the Smith-Lever Act, as amended, and the Act of September 29, 1977 (7 U.S.C. 341–349), as amended, and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, $7,928,000, of which not less than $2,300,000 is for Home Economics.

NATIONAL AGRICULTURAL LIBRARY

For necessary expenses of the National Agricultural Library, $17,253,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $35,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That not to exceed $900,000 shall be available pursuant to 7 U.S.C. 2250 for the alteration and repair of buildings and improvements.

OFFICE OF THE ASSISTANT SECRETARY FOR MARKETING AND INSPECTION SERVICES

For necessary salaries and expenses of the Office of the Assistant Secretary for Marketing and Inspection Services to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service, Food Safety and Inspection Service, Federal Grain Inspection Service, Agricultural Cooperative Service, Agricultural Marketing Service, and Packers and Stockyards Administration, $550,000.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For expenses, not otherwise provided for, including those pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b–c), necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; to discharge the authorities of the Secretary of Agriculture under the Act of March 2, 1931 (46 Stat. 1468; 7 U.S.C. 426–426b); and to protect the environment, as authorized by law, $430,939,000, of which $83,362,000 shall be derived from user fees deposited in the Agricultural Quarantine Inspection User Fee Account, and of which $5,000,000 shall be available for the control of outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions: *Provided*, That $500,000 of the funds for control of the fire ant shall be placed in reserve for matching purposes with States which may come into the program: *Provided further*, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 per centum: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed four, of which two shall be for replacement only: *Provided further*, That, in addition, in emergencies which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious disease or pests of animals, poultry, or plants, and for expenses in accordance with the Act of February 28, 1947, as amended, and section 102 of the Act of September 21, 1944, as amended, and any unexpended balances of funds transferred for such emergency purposes in the next preceding fiscal year shall be merged with such transferred amounts: *Provided further*, That none of these funds shall be used to develop, establish, or operate any user fee program for agricultural quarantine and inspection to prevent the movement of exotic pests and diseases from Hawaii and Puerto Rico as authorized by 31 U.S.C. 9701.

BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, $10,400,000, to remain available until expended (7 U.S.C. 2209b).

FOOD SAFETY AND INSPECTION SERVICE

For necessary expenses to carry on services authorized by the Federal Meat Inspection Act, as amended, and the Poultry Products Inspection Act, as amended, $489,867,000: *Provided*, That this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $75,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building: *Provided further*, That none of the funds in this Act may be used to carry out the Streamlined Inspection System (for cattle) after April 1, 1993.

FEDERAL GRAIN INSPECTION SERVICE

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the United States Grain Standards Act, as amended, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, as amended, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $20,000 for employment under 5 U.S.C. 3109, $11,397,000: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building: *Provided further*, That none of the funds provided by this Act may be used to pay the salaries of any person or persons who require, or who authorize payments from fee-supported funds to any person or persons who require nonexport, nonterminal interior elevators to maintain records not involving official inspection or official weighing in the United States under Public Law 94–582 other than those necessary to fulfill the purposes of such Act.

INSPECTION AND WEIGHING SERVICES

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

Not to exceed $42,784,000 (from fees collected) shall be obligated during the current fiscal year for Inspection and Weighing Services: *Provided*, That if grain export activities require additional supervision and oversight, or other uncontrollable factors occur, this limitation may be exceeded by up to 10 per centum with notification to the Appropriations Committees.

AGRICULTURAL COOPERATIVE SERVICE

For necessary expenses to carry out the Cooperative Marketing Act of July 2, 1926 (7 U.S.C. 451–457), and for activities relating to the marketing aspects of cooperatives, including economic research and analysis and the application of economic research findings, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), and for activities with institutions or organizations throughout the world concerning the development and operation of agricultural cooperatives (7 U.S.C. 3291), $5,640,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $15,000 shall be available for employment under 5 U.S.C. 3109.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

For necessary expenses to carry on services related to consumer protection, agricultural marketing and distribution, transportation, and regulatory programs as authorized by law, and for administration and coordination of payments to States; including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $90,000 for employment under 5 U.S.C. 3109, $56,520,000; of which not less than $2,313,000 shall be available for the Wholesale Market Development Program for the design and development of wholesale and farmer market facilities for the major metropolitan areas of the country: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building.

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $52,861,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses: *Provided*, That if crop size is understated and/or other uncontrollable events occur, the agency may exceed this limitation by up to 10 per centum with notification to the Appropriations Committees.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32)

(INCLUDING TRANSFERS OF FUNDS)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than $10,309,000 for formulation and administration of Marketing Agreements and Orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961.

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), $1,250,000.

PACKERS AND STOCKYARDS ADMINISTRATION

For necessary expenses for administration of the Packers and Stockyards Act, as authorized by law, and for certifying procedures used to protect purchasers of farm products, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $5,000 for employment under 5 U.S.C. 3109, $11,996,000.

FARM INCOME STABILIZATION

OFFICE OF THE UNDER SECRETARY FOR INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS

For necessary salaries and expenses of the Office of the Under Secretary for International Affairs and Commodity Programs to administer the laws enacted by Congress for the Agricultural Stabilization and Conservation Service, Office of International Cooperation and Development, Foreign Agricultural Service, and the Commodity Credit Corporation, $551,000.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301–1393); the Agricultural Act of 1949, as amended (7 U.S.C. 1421 et seq.); sections 7 to 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590g–590o, 590p(a), 590p(f), and 590q); sections 1001 to 1004, 1006 to 1008, and 1010 of the Agricultural Act of 1970, as amended (16 U.S.C. 1501 to 1504, 1506 to 1508, and 1510); the Water Bank Act, as amended (16 U.S.C. 1301–1311); the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101); sections 202(c) and 205 of title II of the Colorado River Basin Salinity Control Act of 1974, as amended (43 U.S.C. 1592(c), 1595); sections 401, 402, and 404 to 406 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 to 2205); the United States Warehouse Act, as amended (7 U.S.C. 241–273); title XII of the Food Security Act of 1985, as amended (16 U.S.C. 3811 et seq.); and laws pertaining to the Commodity Credit Corporation, $715,296,000; of which $714,134,000 is hereby appropriated, and $573,000 is transferred from the Public Law 480 Program Account in this Act and $589,000 is transferred from the Commodity Credit Corporation Program Account in this Act: *Provided*, That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this account: *Provided further*, That these funds shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $100,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That no part of the funds made available under this Act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations.

DAIRY INDEMNITY PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses involved in making indemnity payments to dairy farmers for milk or cows producing such milk and manufacturers of dairy products who have been directed to remove their milk or dairy products from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government, and in making indemnity payments for milk, or cows producing such milk, at a fair market value to any dairy farmer who is directed to remove his milk from commercial markets because of (1) the presence of products of nuclear radiation or fallout if such contamination is not due to the fault of the farmer, or (2) residues of chemicals or toxic substances not included under the first sentence of the Act of August 13, 1968, as amended (7 U.S.C. 450j), if such chemicals or toxic substances were not used in a manner contrary to applicable regulations or labeling instructions provided at the time of use and the contamination is not due to the fault of the farmer, $5,000, to remain available until expended (7 U.S.C. 2209b): *Provided*, That none of the funds contained in this Act shall be used to make indemnity payments to any farmer whose milk was removed from commercial markets as a result of his willful failure to follow procedures prescribed by the Federal Government: *Provided further*, That this amount shall be transferred to the Commodity Credit Corporation: *Provided further*, That the Secretary is authorized to utilize the services, facilities, and authorities of the Commodity Credit Corporation for the purpose of making dairy indemnity disbursements.

CORPORATIONS

The following corporations and agencies are hereby authorized to make expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided:

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, as authorized by the Federal Crop Insurance Act, as amended (7 U.S.C. 1516), $303,896,000: *Provided*, That not to exceed $700 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i).

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 508(b) of the Federal Crop Insurance Act, as amended, $285,794,000, to remain available until expended (7 U.S.C. 2209b); of which $58,768,000 is to reimburse the Federal Crop Insurance Corporation Fund for agents' commissions and loss adjustment obligations incurred during prior years, but not previously reimbursed, as authorized by section 516(a) of the Act, as amended.

COMMODITY CREDIT CORPORATION FUND

REIMBURSEMENT FOR NET REALIZED LOSSES

For fiscal year 1993, such sums as may be necessary to reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed (estimated to be $9,200,000,000 in the President's fiscal year 1993 Budget Request (H. Doc. 102–178)), but not to exceed $9,200,000,000, pursuant to section 2 of the Act of August 17, 1961, as amended (15 U.S.C. 713a–11).

Such funds are appropriated to reimburse the Corporation to restore losses incurred during prior fiscal years. Such losses for fiscal years 1991 and 1992 include $667,020,000 in connection with carrying out the Export Enhancement Program (EEP), $114,196,000 in connection with carrying out the Market Promotion Program (MPP), $150,000,000 in connection with carrying out the Federal Crop Insurance Program, $314,763,000 in connection with domestic donations, $165,316,000 in connection with export donations, and $7,788,705,000 in connection with carrying out the commodity programs.

OPERATIONS AND MAINTENANCE FOR HAZARDOUS WASTE MANAGEMENT

For fiscal year 1993, CCC shall not expend more than $3,000,000 for expenses to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961: *Provided*, That expenses shall be for operations and maintenance costs only and that other hazardous waste management costs shall be paid for by the USDA Hazardous Waste Management appropriation.

GENERAL SALES MANAGER

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the General Sales Manager, $8,641,000, of which $4,668,000 may be transferred from Commodity Credit Corporation funds, $2,731,000 may be transferred from the Commodity Credit Corporation Program Account in this Act, and $1,242,000 may be transferred from the Public Law 480 Program Account in this Act. Of these funds, up to $4,000,000 shall be available only for the purpose of selling surplus agricultural commodities from Commodity Credit Corporation inventory in world trade at competitive prices for the purpose of regaining and retaining our normal share of world markets. The General Sales Manager shall report directly to the Secretary of Agriculture. The General Sales Manager shall obtain, assimilate, and analyze all available information on developments related to private sales, as well as those funded by the Corporation, including grade and quality as sold and as delivered, including information relating to the effectiveness of greater reliance by the General Sales Manager upon loan guarantees as contrasted to direct loans for financing commercial export sales of agricultural commodities out of private stocks on credit terms, as provided in titles I and II of the Agricultural Trade Act of 1978, Public Law 95-501, and shall submit quarterly reports to the appropriate committees of Congress concerning such developments.

The CHAIRMAN. Are there any points of order to the remainder of title I?

If not, are there any amendments to the remainder of title I?

AMENDMENT OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. GLICKMAN: Page 28, line 26, strike "$714,134,000" and insert "$694,134,000."

Mr. GLICKMAN. Mr. Chairman, if I get a satisfactory answer on the bigger picture of computer costs within the Department of Agriculture, it is my intention to withdraw this amendment. My concern has been that the Department is proposing about $200 million in major computer acquisitions at various places within the Department of Agriculture—the Agricultural Stabilization and Conservation Service, Farmers' Home, Soil Conservation Service, Federal Crop Insurance Service—without having a specific plan in hand to implement.

So what this amendment does is it cuts $20 million out of one of those agencies, the Agricultural Stabilization and Conservation Service. It was the only way I knew how to get at the problem of trying to reduce the computer purchases inasmuch as there is no separate line item called computer purchases.

The General Accounting Office has testified that it would be unwise for farm service agencies to make major inventory purchases or make major investments in modernizing their information technology, their computers, until they know what USDA's reorganized field structure looks like.

The purpose of this amendment is to make sure that the horse is before the cart. My fear is that the Department of Agriculture will spend tens, if not hundreds, of millions of dollars in new computer investment in technology and then, at some point down the line, make some changes in how they are organized and not make the changes in how to organize first.

I very much believe the Department of Agriculture needs to become more streamlined, more focused, and probably needs to go on a diet with respect to its staff.

As the GAO testified before the Senate Agriculture Committee on June 3:

> Changes in USDA's field structure would have implications on any information technology modernization efforts that the farm service agencies are planning. After a decision is made on the streamlining, the field structure of USDA will need to develop plans to reflect the new organizational structure and ways of doing business.

> However, these agencies are all currently planning to spend millions over the next 5 years modernizing their computers. As a result, the agencies are running the risk that they will acquire technology that does not meet the needs of a new field office structure or that must be significantly altered down the road. It would be unwise for farm service agencies to make major investments.

And I repeat, I am talking about tens, if not hundreds, of millions of dollars in modernizing their information technology until they know what USDA's reorganized field structure looks like.

So the point of this amendment is that I believe that while we are all pushing the Department of Agriculture to become leaner and meaner in its operations, more focused, some consolidations will occur, some streamlining will occur, so do not rush headlong into buying hundreds of millions of dollars of computers that may be irrelevant for the way USDA is going to look in the future.

Mr. Chairman, I offered this language to get a focus on the committee. I understand it is very difficult to pinpoint in the bill where computer purchases are taking place. Some of them occur in the Commodity Credit Corporation, some of them may occur within these line items.

Mr. Chairman, I would ask the gentleman from New York, who is managing this bill, if he could shed any informational light on this issue of computer purchases, particularly as the department begins to reorganize itself.

Mr. MCHUGH. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I am glad to yield to the gentleman from New York.

Mr. MCHUGH. I thank the gentleman for yielding.

Mr. Chairman, I think I can reassure the gentleman to this extent. We have cut the budget that the President submitted by about $1.4 billion and, therefore, many of the agencies that the gentleman is referring to will find that they have a lot less money available than they though they would. Let me say first of all with respect to the ASCS, the Agricultural Stabilization and Conservation Service, there is no money in this bill for the computer equipment that the gentleman is concerned about. It is possible that CCC would have funding available for this purpose, but it is not in this bill.

Second, the Federal Crop Insurance Corporation has sustained a cut in this bill of $31 million as compared with the President's budget.

Inevitably, with that type of a cut, they are not going to be able to pursue any plans they might have had for equipment purchases, because the alternative would be to lay people off.

Third, the Soil Conservation Service, while it receives in this bill a modest increase of $12.4 million, it is for pay costs only.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. GLICKMAN] has expired.

(By unanimous consent, Mr. GLICKMAN was allowed to proceed for 4 additional minutes.)

Mr. MCHUGH. Mr. Chairman, will the gentleman continue to yield?

Mr. GLICKMAN. I yield to the gentleman from New York.

Mr. MCHUGH. I thank the gentleman for continuing to yield to me.

Mr. Chairman, the Soil Conservation Service has indicated that it has no plans in fiscal 1993 for any significant purchase of a computer system. So even though they will get a $12.4 million increase, which covers only pay costs, they have indicated they are not planning on any systemwide or significant computer purchase.

Finally, the Farmers' Home Administration sustains a cut from this year's level in this bill of $31.6 million.

Again, with that type of cut, it is not going to be able to pursue any type of significant computer purchase that the gentleman is concerned with.

So my conclusion is that, based upon what we have done in the bill as compared to the President's budget request and given what the agencies, in the case of the Soil Conservation Service, have told us, there is no money in this bill which would be able to be used for significant computer purchases.

Mr. GLICKMAN. So as the department then is reorganizing, restructuring in the field office structure, I want to make sure that they know this Congress is not encouraging them to engage in a major new computer acquisition and that we are not countenancing that behavior right now.

Mr. MCHUGH. I do not think the administration could do that even if it wanted to.

Mr. GLICKMAN. I thank the gentleman.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Kansas.

Mr. ROBERTS. I thank the gentleman for yielding.

Mr. Chairman, I was going to seek my own time, but I think I can make my point on the gentleman's time.

I would like to take this opportunity to thank Mr. SKEEN, my colleague from New Mexico, for his very determined leadership and help on agricultural appropriations.

Mr. Chairman, farmers and ranchers do not have a better friend then JOE SKEEN.

I would like to take this opportunity, since I will not have another opportunity, to say from the floor how much I respect the contributions of the gentleman from New York [Mr. MCHUGH]. He is the epitome of comity and fairness not only in his work within the Agricultural Appropriations Subcommittee but in the chair as well. And the farmers and ranchers of Kansas will be losing a good friend with regard to his service.

Let me say that in talking with the Secretary of Agriculture as of this morning about the Glickman amendment, Secretary Madigan would like for me to respond in the following fashion by indicating that USDA requested $760 million for all agencies for information resources management.

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That is one budget. I know the gentleman's amendment is not germane or pertinent to this bill because the funding comes out of the CCC, but it raises a needed discussion that should be fully discussed. Of that amount, the $760 million, 22 percent is for new equipment. Now that would be roughly equal to the gentleman's amendment if it were across the board. I do not think he wants to do that. The balance is for personnel, space rental, utilities, programming and other miscellaneous payments to other organizations. Under the Secretary's direction, the USDA has completed and distributed to the agencies with guidance, and we call those "marching orders" because the secretary really feels strongly about it, for developing their long range plans from 1992, this year, until 1996. Work is in progress with other sections of this strategic plan with the full set of documents expected to be completed by the end of this year. This Office of Information Resources Management is using the long range planning and guidance process to strengthen this same review program. This will insure that agencies carry out their activities accurately and effectively in compliance with the USDA systemwide policies and their principles and their standards.

Now we have teeth in this study. I would say to the gentleman from Kansas [Mr. GLICKMAN] that this will also strengthen the USDA's ability to provide strong oversight of these kinds of issues, particularly the cross-cutting issues where the coordination is critical, and the Secretary made it clear, when testifying before the full Committee on Agriculture, that stronger systems management administration was needed. He is committed to it, to ensure that the USDA does provide the necessary best possible services to the participants. They have testified they have established the oversight responsibility to, quote, withdraw the authority of line agencies to purchase automated data processing equipment. They have used this authority on one agency to correct the problem that the new oversight process has highlighted.

Let me tell the gentleman that the task force is currently going around the country to try to look at restructuring the farm bill.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. GLICKMAN] has expired.

(By unanimous consent, Mr. GLICKMAN was allowed to proceed for 2 additional minutes.)

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Kansas.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman from Kansas [Mr. GLICKMAN] for yielding to me.

As the gentleman knows, the gentleman from Texas [Mr. STENHOLM], and this gentleman, and Deputy Under Secretary Ann Veneman, and the director of the ASCS, and a representative from Farmers Home have gone to Kansas, they have gone to Texas, we have gone to California, to South Carolina; we are going to Illinois, and we are going to New York; we are asking farmers and ranchers themselves, and then SES employees, ASCS employees, and Farmers Home employees, "How can we better restructure the farm program? How can we better improve the delivery service? How can we make it more cost effective? What is the restructuring that we are talking about?"

I can tell the gentleman that in talking to many frustrated and angry ASCS employees, SES employees, Farmers Home employees, that they do want some reform and better computer capability. The Secretary knows that. We are on track. He is not going to permit the agencies to waste money on any new computers for offices that will be closed after the structure study is completed.

At the same time there are many computer projects that must proceed even while those studies are going on. So, the gentleman is on target with his concern. I think the task force is on top of it, and I personally think that Secretary Madigan is on top of it.

Mr. Chairman, I include for the RECORD the USDA statement by Secretary Madigan:

USDA STATEMENT BY SECRETARY MADIGAN

Secretary Madigan has demonstrated his commitment to sound management of the Department and to a serious analysis of its current field structure. He began his own review of field structure last winter and then called in OMB this spring to assist in that review. We must give the Secretary flexibility to manage the affairs of the Department and its agencies.

Secretary Madigan is not going to permit the agencies to waste money on new computers for offices that will be closed after the structure study is completed. At the same time, there are many computer projects that must proceed even while those studies are going on.

The Farm Service Agencies already have an extensive network of small computers in their field offices. Most of those were purchased and installed in the mid-1980's. They are old, many are wearing out. Some are at the point where it is more economical to replace them than to keep repairing them. This amendment would cut monies needed for those replacements.

Other parts of these funds are needed for programming and revising existing systems that will be used in whatever field structure may come. There are computer programs such as financial management systems that need upgrading and in some cases replacement. Some of those systems are inadequate to keep accurate accounts of program funds or control waste and abuse. Upgrading those systems would also be affected by this amendment. Delaying such work is just poor business, even in the short run.

The funds that would be cut by this amendment will be used to strengthen the agencies' abilities to deliver services to farmers, ranchers, small town residents and others.

Some specific impacts are as follows:

Agricultural Stabilization and Conservation Service (ASCS): Only two of the initiatives in ASCS's long range plan are directly related to supporting existing field operations. $33.3 million has been requested to support these two initiatives in FY 93. This represents approximately 44 percent of the total amount requested. ASCS ADP expenditures are primarily funded by the Commodity Credit Corporation, not appropriated funds. Cuts in appropriated funds only would have severe unintended results because these funds are for ADP staff, travel and other expenses, not ADP hardware.

Federal Crop Insurance Corporation (FCIC): This agency already completed a reorganization of its field structure to reflect delivery of crop insurance through private companies reinsured by FCIC. Few of its offices have any type of computer equipment. Funds for FY 93 are needed to give FCIC workers basic office automation tools to improve efficiency. The eventual cost of system delays and failures will be an insufficient risk protection program for the farmer.

Farmers Home Administration (FmHA): The agency would be in jeopardy of not being able to meet current service levels by not allowing it to adequately maintain our current critical systems and hardware infrastructure.

Soil Conservation Service (SCS): FY 93 funds are needed to complete development of computer software. Most of the SCS funds are planned for specific projects to improve technical soil analyses and assessments needed to support farmer assistance to implement soil conservation and water quality provisions of the 1990 farm bill. A reduction in funds will severely delay this work.

Mr. GLICKMAN. Again, Mr. Chairman, my point is to give time to the USDA to make recommendations on reorganization and consolidation and proceed with that before spending massive new sums on new computerization.

Mr. Chairman, given the commitment from the gentleman from New York [Mr. MCHUGH] and others that we are not giving the green light for any major new computer purchases that would impede consolidation and reorganization of the Department of Agriculture, which is desperately needed, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

Mr. SANDERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to say a word or two about priorities and about process, both of which, I think, are quite backward in this institution in the U.S. Government in general.

We have heard a lot of discussion lately about moral values, and it seems to me that, when we talk about moral values, what we are saying, asking about, is: What is most important that a nation cherishes? What is most important that a nation finds important?

Mr. Chairman, I would argue that, if a nation is serious about moral values, it will pay attention to those people in the society who are most vulnerable, who are most hurting, and in this instance, in this country, that is our children.

Mr. Chairman, it is a national disgrace that in the United States of America today we have by far the highest rate of poverty among children in the industrialized world. That is what we have-20 percent of our kids live in poverty.

Mr. Chairman, today there is an estimate of 5 million American kids who are hungry, that 1 million children are living out in the streets. From one end of this country to the other we have schools that are in bankruptcy, not providing kids with an adequate education. The child care system is not adequately dealing with the needs of children who need child care. We have hundreds of thousands of children who are not getting their basic inoculations against diseases that should have been wiped out 30 years ago.

So, the point that I want to make is that I have a real problem with the process and the priorities of this institution. What we should be talking about today is not one agricultural program, a good one, versus another good one. What we should be doing is throwing all of the priorities on the table and letting the American people help us choose in what direction this country should go in.

For example, Mr. Chairman, last week in voting for the energy and water appropriations we decided to put $4½ billion into new nuclear weapons research, $4½ billion into nuclear weapons research, but we are not adequately funding WIC, Head Start, or other children's needs. Last week we almost level funded the intelligence budget, the CIA, DIA. The cold war is over. We should be able to bring that budget down by 50 percent. We are almost level funding it, and yet we have school systems which are falling apart, kids who are not getting a fair shake.

So, Mr. Chairman, what I suggest is that perhaps the leadership of this institution begin to revise the process. Let the American people make a decision as to whether we give tax breaks to the wealthiest people in this country, whether we spend $280 billion a year on the military, or whether we deal with the most vulnerable people in this country, our children. If we have the political will to do it, we can wipe out childhood poverty tomorrow, we could feed the hungry kids, educate those children who are in need.

That should be the priorities of this institution, and I am saddened that it is not.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II—CONSERVATION PROGRAMS

OFFICE OF THE ASSISTANT SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

For necessary salaries and expenses of the Office of the Assistant Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Soil Conservation Service, $563,000.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–590f) including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed $100; purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, $576,539,000, to remain available until expended (7 U.S.C. 2209b); of which not less than $5,713,000 is for snow survey and water forecasting and not less than $8,064,000 is for operation and establishment of the plant materials centers: *Provided*, That except for $2,399,000 for improvements of the plant materials centers, the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed $10,000, except for one building to be constructed at a cost not to exceed $100,000 and eight buildings to be constructed or improved at a cost not to exceed $50,000 per building and except that alterations or improvements to other existing permanent buildings costing $5,000 or more may be made in any fiscal year in an amount not to exceed $2,000 per building: *Provided further*, That when buildings or other structures are erected on non-Federal land that the right to use such land is obtained as provided in 7 U.S.C. 2250a: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a–590f) in demonstration projects: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed $25,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service (16 U.S.C. 590e–2).

RIVER BASIN SURVEYS AND INVESTIGATIONS

For necessary expenses to conduct research, investigation, and surveys of watersheds of rivers and other waterways, in accordance with section 6 of the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1006–1009), $13,251,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $60,000 shall be available for employment under 5 U.S.C. 3109.

WATERSHED PLANNING

For necessary expenses for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001–1008), $9,545,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 shall be available for employment under 5 U.S.C. 3109.

WATERSHED AND FLOOD PREVENTION OPERATIONS

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1001–1005, 1007–1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), and in accordance with the provisions of laws relating to the activities of the Department, $205,266,000 (of which $36,091,000 shall be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701, 16 U.S.C. 1006a), as amended and supplemented): *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $20,028,000 shall be available for emergency measures as provided by sections 403–405 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203–2205), and not to exceed $200,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That $4,000,000 in loans may be insured, or made to be sold and insured, under the Agricultural Credit Insurance Fund of the Farmers Home Administration (7 U.S.C. 1931): *Provided further*, That not to exceed $1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93–205), as amended, including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction.

REQUEST BY MEMBER TO OFFER AMENDMENTS EN BLOC

Mr. JONTZ. Mr. Chairman, I offer an amendment.

Mr. McHUGH. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The amendment of the gentleman from Indiana [Mr. JONTZ] appears to target portions of the bill before us which have not yet been read. Does the gentleman seek unanimous consent to offer these amendments en bloc?

Mr. JONTZ. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman from Indiana seeks unanimous consent for an en bloc amendment.

Is there objection to the request of the gentleman from Indiana?

Mr. McHUGH. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

AMENDMENT OFFERED BY MR. JONTZ

Mr. JONTZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONTZ: Page 37, line 25, strike "$205,266,000" and insert "$158,909,000".

Mr. JONTZ. Mr. Chairman, it had been my hope that I could offer an en bloc amendment that would have provided for the proper funding of the wetlands reserve program. Unfortunately, I am forced to offer this in two component parts. First of all, an amendment to reduce money in the watershed and flood section of the legislation, and then, if this amendment is successful, an amendment to provide for $46 million of funding, which is the current level of funding, for the wetlands reserve program.

The wetlands reserve program is very important because it is a means of working with the agriculture producers of this country to provide for the conservation of our wetlands with some compensation to them.

The program, which was authorized in the 1990 farm bill, is a voluntary incentive-based program. Participants implement a wetlands conservation program and then receive cost assistance for the restoration of the wetland, and then participate in a long-term easement that we hope will result in a goal of 1 million acres enrolled by the year 1995.

The current year's appropriation of $46.4 million is limited to eight States. Indiana is not among those States. But I will say that the signup, which has just been concluded, has been extraordinarily successful for this program. Requests to participate exceeded 300,000 acres, which is several times more than the funding which is believed to be adequate for about 50,000 acres.

The unfortunate situation in this country is that our wetlands continue to disappear, despite the Clean Water Act, despite other provisions in the farm bill. If we are to achieve President Bush's goal of no net loss in wetlands, we must make this wetlands reserve program work.

In fact, the administration is wholeheartedly in support of funding wetlands reserve. They asked us to fund $160 million for this program.

Just this morning the Secretary sent a letter over to the Congress expressing that his major disappointment with this bill that is before us today is the failure to adequately fund wetland reserve and also additional enrollments in conservation reserve.

So the task that we face is how do we provide the funds for even continuing last year's level of appropriations for wetlands reserve. What the amendment before us does is to cut those funds from the small watershed program, which would be funded at $205 million. Even at the level of funding which this amendment would contemplate, which would be about $159 million, that would be significantly more than what the administration proposed for funding for this small watershed program.

The small watershed program indeed has merit. At the same time I would argue that for the dollars spent we are going to get a lot more return for conservation, for water quality, by maintaining the existing level of funding for the wetlands reserve. The various channelization programs and drainage programs and other programs that are funded under the small watersheds I believe can be adequately funded at $159 million. Even with the passage of my amendment, we would be spending more than three times as much on the small watershed program as we are spending on wetlands reserve.

Mr. Chairman, all I am asking is let us adopt a funding level for wetlands reserve that at least maintains the existing level, that would not allow it to extend to a national program, but would allow the wetlands reserve program to go forward.

I believe that this is more in line with what is the administration's budget request, because we would be funding small watersheds very close to what the administration requested and even greater than what the administration funded. We would be funding wetlands at less than what the administration requested, but at least we would have an appropriation.

I would argue that this wetlands reserve program is one of the most important programs that we can fund to provide some compensation for farmers to use converted or farmed wetlands that are on their farms at the present time for their wetlands benefit.

Mr. Chairman, all of us in Congress have heard a great deal of debate over this past year about wetlands. Universally we have been told that there ought to be some compensation for farmers when they have a problem with wetlands. The Congress did that in the 1990 farm bill. It was Silvio Conte of Massachusetts who was the author of this proposal I think originally, and it was included in the farm bill on a bipartisan basis.

We ought to properly fund it. It is necessary for this amendment to pass to fund that proposal.

Mr. McHUGH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I will be very brief. Essentially what this amendment does is significantly reduce the small watershed program, which has been in existence for some years and which is quite important to many of our State and local governments.

This is a program where the Soil Conservation Service works hand in hand with States and local governments on small projects to avoid soil erosion and other watershed problems. We actually could do much more in this country with the small watershed program in terms of flood prevention and erosion control. Unfortunately, as we indicated earlier, we are faced with some very tight budget constraints.

Therefore, what we did in this program, as we did in many other important programs, is fund the small watershed program at the current spending levels. What the gentleman's amendment would do would be to impose about a $50 million cut on that program. This is a very substantial reduction in what is an ongoing important program in States all across the country.

So we are faced here, as we have been before, with some very difficult choices. The gentleman wants to make room for the wetlands program, and there is controversy about the wisdom of going forward with that. I personally have no strong objections to it for some of the reasons the gentleman has cited.

However, we need to make some choices. The watershed program is an ongoing program, and if it is very important to substantially cut back on that program to make room for the wetlands program, it seems to me that is an important choice. But it is on that basis that I make my plea to Members to reject the amendment.

Mr. JONTZ. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I am happy to yield to the gentleman from Indiana.

Mr. JONTZ. Mr. Chairman, is not the wetlands reserve program on ongoing program?

Mr. McHUGH. Mr. Chairman, reclaiming my time. It is a pilot program, which basically means that there are demonstration projects, including in my own State, for the wetlands program. It is a program that needs to be assessed in terms of its expansion. Not only in terms of how effective it is, but in terms of how much it is going to cost.

The fact of the matter is we do not know how much it is going to cost. It could be a very expensive program.

So it is a program which has begun on a pilot basis. It is not an ongoing program in the sense that the small watershed program is.

Mr. JONTZ. Mr. Chairman, if the gentleman will yield further, I wonder why the gentleman would find this program to be meritorious of no funding, the wetlands reserve program to be meritorious of no funding, when the philosophy of the gentleman with regard to small watersheds was to fund it at the current level? Why did you not fund the wetlands reserve at the current level?

Mr. McHUGH. Mr. Chairman, reclaiming my time, as I indicated, we had to make some choices here. If the choice was between continuing the small watershed program at the current level or substantially cutting it and providing additional funding for the wetlands program in its pilot stage, it seems personally the choice should be to support the ongoing program which we know to be effective.

Mr. JONTZ. Mr. Chairman, if the gentleman will yield further, the goal of the wetlands reserve program is to enroll this acreage, some 1 million acres, by 1995. If we have only enrolled 50,000 acres this last year, how are we going to get to 1 million acres by 1995 without any funding for this coming year?

The gentleman claims this is a pilot program, but the fact is the only reason it is a pilot program is because the agriculture appropriations bill that we passed last year made it a pilot program. It was not passed as a pilot program by Congress in 1990, it was passed as a full-blown program with the goal of 1 million acres a year. Because last year this committee chose to fund it at the lower level, actually in the House it was not funded at all, but eventually there was some money put in, the $46 million, all we are trying to do now is maintain the level of funding that the bill in the final form included last year.

□ 1500

So the gentleman claims this is a pilot program, but it was not passed as a pilot program. And we are never going to reach the million-acre goal, if we do not have any additional enrollments.

Mr. McHUGH. Mr. Chairman, as the gentleman understands, there is not enough money to do many things in this Government today. This happens to be one of them at the moment.

I understand the commitment of the gentleman to the program. If we had the money to fund it, there may well be funding here. But there is not enough money to do many things, and we are facing these choices on every appropriations bill.

I understand the gentleman has a different priority than the committee. He is perfectly within his rights to assert that priority. But we had to make a choice, and the choice the committee made was to continue the small watershed program at its current level.

Mr. ENGLISH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is a very difficult situation, and I certainly appreciate the dilemma that the committee has found itself in in trying to fund a whole host of different programs. In many ways, it is like choosing between children.

I do want to stress the importance of some of the programs that have not had adequate funding and their relationship to the 1990 farm bill.

Basically what we attempted to do is to strike a balance in the 1990 farm bill, recognizing the needs of agriculture and farmers and also understanding that we have environmental needs in this Nation as well. And certainly there needs to be some kind of working between the two. We have to make sure that farmers, in carrying out their responsibilities to the Nation, do not in fact cause difficulties, environmentally speaking. So for that reason the approach that was taken in the 1990 farm bill was one that was agreed to both by farmers and by environmentalists, farm groups and environmental groups, one of a voluntary nature, one in which we had a series of incentives. And so I simply want to stress today, I understand the point of the gentleman from Indiana [Mr. JONTZ], and what he is attempting to do is to move toward the agreement that was made in the 1990 farm bill, making sure that we are reaching toward the balance that needs to be struck.

I just hope that the members of the Committee on Appropriations will fully recognize how important it is that the agreement that was made in the 1990 be kept and certainly how important it is that we made sure that there is a balance between agricultural needs and the environment in this country.

Mr. JONTZ. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I yield to the gentleman from Indiana.

Mr. JONTZ. Mr. Chairman, I appreciate the point the gentleman makes, and I want to compliment the gentleman, as chairman of the Subcommittee on Conservation, Credit and Rural Development. The gentleman worked very hard to provide the help that agricultural producers need to make a transition to more environmentally sensitive means of production.

One of the stickiest problems we have to face is wetlands. I guess my question to the gentleman, as chairman of this subcommittee, would be, how are we going to be able to approach the whole wetlands issue and try to bring a proper balance so that agricultural producers can still stay in business if we do not have some program to compensate them in this way on a voluntary basis if they choose to take farm-converted wetlands and enroll them in the wetlands reserve? The gentleman is the one that has the responsibility in the authorizing committee for dealing with this area of the farm bill. The swampbuster requirement is one of the toughest areas of the farm bill to deal with.

I ask the gentleman, as the chairman of that subcommittee, what role does the wetlands reserve program play in order to meet those objectives?

Mr. ENGLISH. Mr. Chairman, what we are doing now, I think, is we are approaching the environment and agricultural needs as a total package as opposed to what we have done in the past in which they have been separate issues and have been approached as separate programs that really do not link up together.

I think it was a landmark agreement that was reached back in 1990 between environmental and agricultural groups, and the linchpin of that agreement is voluntarism. And that voluntarism is based on the fact that the U.S. Government would provide incentives for farmers to meet these goals and to meet these targets.

Certainly, those of us who are involved in the agriculture community and farmers would find that to be more preferable than other methods of reaching those objectives that have been advocated by some.

So it is very important, I think, that we have those incentives in place and at hand and begin to encourage our farmers to meet those goals voluntarily.

I think that virtually every farm group in this country would endorse that as a very important goal that has to be reached. And also, I think we have got to keep in mind that we do see changes taking place.

I have a great deal of sympathy with the Committee on Appropriations as they attempt to meet all the various needs that they find on the Agriculture Appropriations bill and do it with fewer and fewer funds. That is an almost impossible job.

I am hopeful that we recognize, and I want to underscore today, how important it is that we understand that we have to move to meet these environmental goals and do it voluntarily and do it with incentives. I think that that is a critical fact.

Mr. SKEEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I understand the concerns of the gentleman who sponsors the amendment and his aims and his objectives, but the bill, as it stands now, freezes the Small Watershed Program at last year's levels. And if we are going to take money out of that program, what we will do is dilute an operational and a good program to try to bolster another good program that is just getting off the ground. I think that is the wrong way to go under the circumstances. So I have to oppose the amendment because I do not think that we are going to help one new program or the Wetlands Program by diluting an existing program. That is why I oppose the amendment.

Mr. HAYES of Louisiana. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

I will not take all of my time. I rise in support of the amendment, but I have to do so making an observation.

The program, which is a very good one, has as its basis voluntarism. In other words, the properties that are subject to and important for water quality nevertheless are subject to the farmer wishing to participate in the program and a recognition that his rights of ownership of that property carry with it the decisionmaking process as to whether that farmer chooses to participate. I will support that any time, any place.

But more amusing to me, second, is that when the farmer volunteers the property, what is not used is the Manual of Delineation, found under section 404 of the Clean Air Act. In other words, they do not use the criteria of wetlands that they wish in a regulatory manner to impose upon landowners. Instead, they use a criterion on water quality, which looks like wetlands that we envision as in the coast of Louisiana. Or to put it bluntly, they would not take the stuff, they are telling them, as a wetland if "you are an involuntary farmer who does not want to convert."

So, yes, I will support this amendment. I will support voluntarism, and I will support true wetlands, just as I will stand up and oppose the Manual of Delineation and the criteria that turn private property rights over to the Government and from the individual in an effort to regulate freedom.

I am for this. But I am opposed to that, and those who can see the difference, I hope, will remember it when we reauthorize the Clean Water Act of 1972.

Mr. JONTZ. Mr. Chairman, will the gentleman yield?

Mr. HAYES of Louisiana. I yield to the gentleman from Indiana.

Mr. JONTZ. Mr. Chairman, I appreciate the gentleman's statement. As the gentleman knows, we have different opinions about some aspects of wetlands. But we are in agreement that the Wetlands Reserve Program is a part of the overall strategy regardless of how we resolve swampbuster, regardless of how we resolve section 404.

The gentleman from Louisiana would agree with me that the Wetlands Reserve Program is a part of the total strategy we must have to deal with the wetlands issue; is that correct?

Mr. HAYES of Louisiana. Mr. Chairman, I would not be here in support of the gentleman's amendment if I did not disagree. And by the way, if the program were not supported strongly by my Louisiana farmers.

Mr. JONTZ. Mr. Chairman, if the gentleman will continue to yield, this will be the opportunity we have in this legislation to address the Wetlands Reserve Program. I would have preferred not to have to offer the cut in this way, but we have no choice, if we are to provide funds for wetlands reserves, but to do it in this way.

So I appreciate the gentleman coming to speak for the amendment because it is the opportunity that we have to provide funds for wetlands reserves.

Mr. HAYES of Louisiana. Mr. Chairman, this amendment is the best we can do at this time under this bill, and for that reason I intend to vote for the amendment of the gentleman from Indiana.

Mr. ENGLISH. Mr. Chairman, will the gentleman yield?

Mr. HAYES of Louisiana. I yield to the gentleman from Oklahoma.

Mr. ENGLISH. Mr. Chairman, very quickly, I just wanted to say, I think as we can see, we have vast differences with regard to these issues.

□ 1510

The voluntarism, the incentive approach, is one area in which we have reached common agreement. I hope that that is noted, not only by the committee, but I hope it is noted by the Members of the House. This is the preferable way to go, and I hope Members will move in that direction.

Mr. HAYES of Louisiana. Mr. Chairman, I thank the gentleman for his observation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. JONTZ].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. JONTZ. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 109, noes 308, not voting 17, as follows:

[Roll No. 244]

AYES—109

Andrews (ME)
Andrews (NJ)
Armey
Aspin
Atkins
AuCoin
Baker
Beilenson
Bennett
Berman
Boehlert
Borski
Boxer
Brown
Bryant
Burton
Campbell (CA)
Cardin
Carper
Conyers
Crane
Dannemeyer
Dellums
Dreier
Dwyer
English
Ewing
Fawell
Foglietta
Franks (CT)
Gilchrest
Gilman
Grandy
Hancock
Hayes (IL)
Hayes (LA)
Hefley
Henry
Hoagland
Hughes
Jacobs
Johnson (SD)
Johnston
Jontz
Kennedy
Kleczka
Klug
Kostmayer
Lancaster
Leach
Levine (CA)
Lipinski
Long
Mazzoli
McCrery
McCurdy
McDermott
McMillen (MD)
Meyers
Mfume
Miller (CA)
Miller (WA)
Molinari
Moody
Morella
Mrazek
Nagle
Nussle
Olver
Owens (UT)
Pallone
Payne (NJ)
Pelosi
Peterson (MN)
Petri
Porter
Ramstad
Ravenel
Reed
Richardson
Ridge
Rinaldo
Ritter
Roukema
Sanders
Saxton
Schulze
Schumer
Sensenbrenner
Shays
Sikorski
Smith (NJ)
Snowe
Solarz
Staggers
Stark
Stearns
Torricelli
Upton
Vento
Walker
Walsh
Waters
Waxman
Weiss
Weldon
Wolpe
Wyden
Zimmer

NOES—308

Abercrombie
Ackerman
Alexander
Allard
Allen
Anderson
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Bacchus
Ballenger
Barnard
Barrett
Barton
Bateman
Bentley
Bereuter
Bilbray
Bilirakis
Blackwell
Bliley
Boehner
Boucher
Brewster
Brooks
Broomfield
Browder
Bruce
Bunning
Bustamante
Byron
Callahan
Camp
Campbell (CO)
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Cunningham
Darden
Davis
de la Garza
DeFazio
DeLauro
DeLay
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dornan (CA)
Downey
Duncan
Durbin
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fields
Fish
Flake
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gillmor
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Herger
Hertel
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Hunter
Hutto
Hyde
Inhofe
Ireland
James
Jefferson
Jenkins
Johnson (CT)
Johnson (TX)
Jones (NC)
Kanjorski
Kaptur
Kasich
Kennelly
Kildee
Kolbe
Kolter
Kopetski
Kyl
LaFalce
Lagomarsino
Lantos
LaRocco
Laughlin
Lehman (CA)
Lent
Levin (MI)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Livingston
Lloyd
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
McCandless
McCloskey
McCollum
McDade
McEwen
McGrath
McHugh
McMillan (NC)
McNulty
Michel
Miller (OH)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moorhead
Moran
Morrison
Murphy
Murtha
Myers
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Orton
Oxley
Packard
Panetta
Parker
Pastor
Patterson
Paxon
Payne (VA)
Pease
Penny
Peterson (FL)
Pickett
Pickle
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ray
Regula
Rhodes
Riggs
Roberts
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Rowland
Roybal
Russo
Sabo
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Schaefer
Scheuer
Schiff
Schroeder
Serrano
Sharp
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (OR)
Smith (TX)
Solomon
Spence
Spratt
Stallings
Stenholm
Stokes
Studds
Stump
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Towns
Traficant
Unsoeld
Valentine
Vander Jagt
Visclosky
Volkmer
Vucanovich
Weber
Wheat
Whitten
Wise
Wolf
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zeliff

NOT VOTING—17

Bevill
Bonior
Dorgan (ND)
Dymally
Gekas
Hefner
Huckaby
Jones (GA)
Lehman (FL)
Lowery (CA)
Owens (NY)
Perkins
Tallon
Traxler
Washington
Williams
Wilson

□ 1533

Mrs. JOHNSON of Connecticut and Messrs. SANTORUM, LIVINGSTON, HOLLOWAY, and SAVAGE changed their vote from "aye" to "no."

Messrs. HANCOCK, SIKORSKI, RICHARDSON, DWYER of New Jersey, SCHUMER, WALKER, FOGLIETTA, MFUME, RIDGE, MAZZOLI, WELDON, DELLUMS, WEISS, and WYDEN changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1010–1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), and the provisions of the Agriculture and Food Act of 1981 (16 U.S.C. 3451–3461), $32,516,000, to remain available until expended (7 U.S.C. 2209b): *Provided*, That $600,000 in loans may be insured, or made to be sold and insured, under the Agricultural Credit Insurance Fund of the Farmers Home Administration (7 U.S.C. 1931): *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 shall be available for employment under 5 U.S.C. 3109.

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956, as amended (16 U.S.C. 590p(b)), $25,271,000, to remain available until expended (16 U.S.C. 590p(b)(7)).

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

AGRICULTURAL CONSERVATION PROGRAM (INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act approved February 29, 1936, as amended and supplemented (16 U.S.C. 590g–590o, 590p(a), 590p(f), and 590q), and sections 1001–1004, 1006–1008, and 1010 of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973 (16 U.S.C. 1501–1504, 1506–1508, and 1510), and including not to exceed $15,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, $194,435,000, to remain available until expended (16 U.S.C. 590o), for agreements, excluding administration but including technical assistance and related expenses (16 U.S.C. 590o), except that no participant in the Agricultural Conservation Program shall receive more than $3,500 per year, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community, or where a participant has a long-term agreement, in which case the total payment shall not exceed the annual payment limitation multiplied by the number of years of the agreement: *Provided*, That no portion of the funds for the current year's program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetlands Types 3 (III) through 20 (XX) in United States Department of the Interior, Fish and Wildlife Circular 39, Wetlands of the United States, 1956: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other conservation materials, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out approved farming practices as authorized by the Soil Conservation and Domestic Allotment Act, as amended, as determined and recommended by the county committees, approved by the State committees and the Secretary, under programs provided for herein: *Provided further*, That such assistance will not be used for carrying out measures and practices that are primarily production-oriented or that have little or no conservation or pollution abatement benefits: *Provided further*, That not to exceed 5 per centum of the allocation for the current year's program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the Agricultural Conservation Program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the current year's program $2,500,000 shall be available for technical assistance in formulating and carrying out rural environmental practices: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities" approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18 U.S.C. 1913 to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels: *Provided further*, That not to exceed $6,750,000 of the amount appropriated shall be used for water quality payments and practices in the same manner as permitted under the program for water quality authorized in chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.).

AMENDMENT OFFERED BY MR. JONTZ

Mr. JONTZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONTZ: page 42, line 22, strike "$6,750,000" and insert "$30,000,000".

Mr. JONTZ. Mr. Chairman, this is the last of the series of amendments which I have to offer this afternoon to seek proper funding for the environmental and consumer initiatives in the 1990 farm bill.

Mr. Chairman, I appreciate the difficult position, the difficult situation the Agriculture Appropriations Subcommittee is in, and they have, as the chairman has explained, followed a procedure that they have level-funded many aspects of last year's bill.

One area where they did not level-fund is that there was a commitment in the last year's agricultural appropriations bill of $30 million for water-quality programs. You will not find that commitment in this year's bill.

What I seek to do with this amendment is to fund that commitment through the water quality incentives program. The water quality incentives program is a voluntary-incentive-based program to help farmers comply with State and Federal environmental laws by providing technical and financial assistance. This will help them to prevent pollution of surface and ground water by making more efficient use of fertilizers, of pesticides, and of animal waste. The program emphasizes areas where there are water resources that are vulnerable.

This is a traditional cost-share program where farmers are eligible to receive up to $3,500 a year, but it is a new program from the standpoint that it was specifically designed as part of the 1990 farm bill to avoid the regulatory approach to dealing with environmental quality. This program emphasizes improving farm management practices to allow highly productive cropland to stay in production.

It is one of the most cost-effective means of improving our water quality. The program is funded at the $6.75 million level for the coming year in this appropriations bill, but our proposal would substantially increase that so that it was up to the $30 million level for water quality, which was a commitment made in last year's program.

□ 1540

This is an extraordinarily important program because it is the approach that the 1990 farm bill uses to address our water quality challenges.

The farm bill envisions a 10 million acre water quality improvement enrollment, which would be 2 million acres a year. At the present time, we have enrolled, given the very limited funding, only a few hundred thousand acres. There is no way that we can reach the 10 million acre goal unless we have a substantially increased enrollment. At $30 million, we would be enrolling something a little shy of a million acres, which would help get us on the track toward the 10 million acre goal.

I can assure my colleagues in the House that if we reach the end of the 5 years of the farm bill and we only have a few hundred thousand acres enrolled in WQIP instead of the 10 million acres that we had intended to enroll that it would be very, very difficult to avoid a stringent regulatory approach to water quality.

Now, I want to add one more point, and that is this is a program that is supported by environmental groups and agricultural procedures both. This program is supported by the pork producers. This program is supported by the corn growers. This program is supported also by different conservation organizations, but this level of funding is comparable to what various agricultural production groups have suggested is necessary to make any progress.

So a vote against this amendment is a vote against helping agricultural producers meet their water quality objectives.

Mr. McHUGH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, once again, this is a classic example where the gentleman from Indiana is supporting a very worthwhile program. We have nothing against the program and a vote against his amendment should not be interpreted as opposition to the program for which he seeks to increase funding.

The problem we have is that there are limited funds and there are other water quality initiatives within ACP, programs which are also critically important for farmers.

In fiscal year 1992 we spent a total of $29,750,000 for water quality initiatives. Of that amount of money, $6.75 million was spent on the water quality incentives program the gentleman from Indiana wants to increase to $30 million.

We were inevitably faced with tradeoffs due to the fact that we did not have additional money. In some cases we had to cut programs below the fiscal year 1992 level. We are $1.4 billion below the President's request. With the allocation we had we tried to at least maintain programs which were good, even though we would have preferred in some cases to increase programs such as this one.

What we have done in this case, as we have done in many others, is to appropriate the amount of money which is provided in this fiscal year.

Now, if the gentleman's amendment passes, it means that there would inevitably be reductions in other worthwhile ACP conservation programs.

The gentleman thinks this program is more important, and he has every right to reach that conclusion, but experience has demonstrated that some of the other water quality initiatives in the ACP Program are critically important as well. When we are faced with these kinds of budget limitations the best we can really do is to maintain the commitment we have, and even then it is difficult to accomplish.

I would like to cite a number of examples of other types of water quality initiatives under this ACP Program that would be ill-affected if the gentleman's amendment would pass. During the current fiscal year we are spending $1.8 million on national water quality demonstration projects, $12.1 million on nonpoint source hydrological units, $9.1 million on ACP water quality projects, and $6.75 million on this program, the water quality incentives program.

Now, the administration has indicated to us, through the Department, that if this particular program is increased beyond the current level, these other water quality initiatives that I have mentioned would be reduced. So those are the tradeoffs we faced.

I sympathize with the gentleman's arguments on the merits of the program. I agree with him. The problem is we do not have the money to increase this program, while at the same time maintaining our commitment to other programs that are important.

So reluctantly, again I would urge my colleagues to reject the amendment.

Mr. JONTZ. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. Yes; I yield to the gentleman from Indiana.

Mr. JONTZ. Mr. Chairman, I appreciate the fact there are other important programs included under the umbrella of ACP; but the gentleman is telling us, if I understand his point, that out of a $194 million appropriation, we cannot spend $30 million for water quality improvement because it would jeopardize the $1.8 million, or would jeopardize the $12 million?

Mr. McHUGH. What I am saying to the gentleman is that in this fiscal year, out of the ACP program we are spending a little less than $30 million for water quality initiatives in total. Among the money that we are spending for water quality initiatives, $6.75 million is for the water quality incentures program.

In addition to that, we are spending $1.8 million on national water quality demonstration projects, and so on.

So I am talking here about that part of the ACP program that deals with water quality initiatives.

The gentleman has focused on one part of that to the exclusion of the rest, and I am simply saying that the committee could not ignore the rest.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I would point out, Mr. Chairman, that a lot of the other money has to do with water quality. I mean, you are building terraces, you are doing numerous things that affect water quality: so water quality is not limited to that one little thing that has a water quality title.

Mr. JONTZ. Mr. Chairman, if the gentleman will yield further, is not $174 million enough, or $164 million for everything else? Is not $164 million enough?

Here we are trying to increase this one appropriation to $30 million, but that would still leave $164 million for everything else.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. By 1995, Mr. Chairman, the farmers in the gentleman's district and my district have got to have a soil conservation plan in place to qualify for any farm program. They have got to do that largely through the assistance they are going to get under ACP. They are under the gun. They have got to have this funding. They do not have enough now. That is the reason we provided SCS with an increase above the 1992 level.

Mr. MYERS of Indiana. Mr. Chairman, I move to strike the last word.

Mr. Chairman, to the gentleman from Indiana, my colleague, is this amendment No. 4 that the gentleman has offered?

Mr. JONTZ. Yes, if the gentleman will yield, it is amendment No. 4.

Mr. MYERS of Indiana. It adds $23,250,000 to that program?

Mr. JONTZ. That is correct. If the gentleman will yield, last year there was a commitment in this bill to $30 million of water quality money. Now there is no such commitment in this bill.

This would attempt to achieve that commitment by funding water quality improvement at $30 million. That is what this proposal would do, but it would not change the overall appropriation for ACP. It would simply say that out of the $194 million that is going to ACP, we would use—what, 15 percent.

Mr. MYERS of Indiana. The gentleman is redirecting $23,250,000 from other programs to this program within ACP.

Mr. JONTZ. Mr. Chairman, could I ask the gentleman to repeat his question?

Mr. MYERS of Indiana. What the gentleman's amendment would do would be to redirect $23,250,000 from other ACP programs into this program.

Mr. JONTZ. That is correct. The gentleman is absolutely correct.

Mr. MYERS of Indiana. Mr. Chairman, I thank the gentleman.

Mr. DURBIN. Mr. Chairman, I move to strike the last word.

Would the gentleman from Indiana be kind enough to tell me a little bit more about this comment that was made about funding level for WQIP of $30 million?

Mr. JONTZ. Mr. Chairman, if the gentleman will yield, that was the level that was noted in last year's appropriation bill, as I understand it.

Mr. DURBIN. We are having difficulty finding that. Does the gentleman have some reference on that?

Mr. JONTZ. Well, let me ask the gentleman, is $30 million too much out of $194 million to spend on WQIP?

Mr. DURBIN. I think my colleague, the gentleman from Iowa, has explained why it is too much, to cut from the agricultural conservation program.

This is the last year that the gentleman's farmers and my farmers have to come up with a conservation plan in order to qualify for the farm program.

☐ 1550

The steps that they need to take to avoid soil erosion are consistent with our mutually held goals of environmental quality. For the gentleman to take money from the agricultural conservation program, which is seeking to avoid soil erosion, in the name of water quality I think is inconsistent.

In the earlier vote some people were coming to the well saying what is the environmentally proper vote on this issue? I would suggest to the gentleman that taking money out of the agricultural conservation program is not the environmentally proper vote because the gentleman is taking the wherewithal by which farmers are developing conservation techniques to avoid soil erosion, runoff, chemical runoff, nonpoint source pollution, and the like.

Mr. JONTZ. Mr. Chairman, will the gentleman yield for a moment?

Mr. DURBIN.I am happy to yield to the gentleman from Indiana.

Mr. JONTZ. I thank the gentleman for yielding.

The requirement that takes effect next year is the planning deadline.

Mr. DURBIN. Basically, they face a planning deadline.

Mr. JONTZ. Right. And the committee, to its credit, put additional money in for the Soil Conservation Service for technical assistance to help producers meet the planning deadline?

Mr. DURBIN. Yes.

Mr. JONTZ. So how will these construction programs help meet the planning deadline? They will not. The fact is that the gentleman is representing the situation that this ACP money is needed to meet the 1995 deadline, which it is not. It is not.

Mr. DURBIN. It is needed for the implementation deadline.

Mr. JONTZ. The 1995 implementation deadline; the deadline for implementation is not 1995. That is the planning deadline.

Mr. DURBIN. Reclaiming my time, the gentleman, I believe, is mistaken on that point. But I will allow my other colleagues to comment on it.

What I am saying to the gentleman is that he has a worthy goal; we share it. But he is taking money from a conservation program which is attempting to meet the same goal, to limit soil erosion.

Now, if the gentleman were standing here saying "I am not taking money from some environmentally sound program for an environmental program", perhaps he has a good point. But, in fact, he is robbing an environmentally important program, the conservation program, in order to fund another environmentally important program. The gentleman has now lived through the dilemma which this subcommittee faced and which the gentleman from New York [Mr. MCHUGH] has already described. We just do not have enough money to do it all.

Mr. JONTZ. If the gentleman would yield one more time, then why is it that the National Corn Growers, the National Pork Producers, the National Audubon Society, the National Wildlife Federation, all support this additional appropriation for WQIP? If this is not a better way of meeting the objectives of agricultural producers and the environment—to get the Audubon Society and the pork producers together on anything is quite an accomplishment. I would think the gentleman from Illinois [Mr. DURBIN] would rush to support such a proposal.

Mr. DURBIN. Let me say to my friend and colleague from Indiana we have more in common than not. But my guess is those organizations were very anxious to see the water quality incentive program funded. They might not be as anxious to see cuts in the agricultural conservation program, which the gentleman has suggested.

Unfortunately, that is the tradeoff, that is why I have to oppose the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. JONTZ].

The question was taken, and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. JONTZ. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 18, noes 396, not voting 20, as follows:

[Roll No. 245]

AYES—18

Beilenson
Borski
Brown
English
Ewing
Grandy
Jontz
Kostmayer
Long
Murphy
Owens (UT)
Porter
Ramstad
Sharp
Sikorski
Solarz
Vento
Waxman

NOES—396

Abercrombie
Ackerman
Alexander
Allard
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Bennett
Bentley
Bereuter
Berman
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Boucher
Boxer
Brewster
Broomfield
Browder
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Crane
Cunningham
Dannemeyer
Darden
Davis
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hayes (IL)
Hayes (LA)
Hefley
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (NC)
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kopetski
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Reed
Regula
Rhodes
Richardson
Riggs
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Weber
Weiss
Weldon
Wheat
Whitten
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—20

Bevill
Bonior
Brooks
Dymally
Gekas
Hatcher
Hefner
Huckaby
Jones (GA)
Kolter
Martin
Miller (OH)
Owens (NY)
Perkins
Ridge
Tallon
Traxler
Washington
Williams
Wilson

□ 1613

Messrs. KLECZKA, HAMMERSCHMIDT, CUNNINGHAM, LIVINGSTON, and LEHMAN of Florida changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FORESTRY INCENTIVES PROGRAM

For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives, as authorized in the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101), including technical assistance and related expenses, $12,446,000, to remain available until expended, as authorized by that Act.

WATER BANK PROGRAM

For necessary expenses to carry into effect the provisions of the Water Bank Act (16 U.S.C. 1301–1311), $18,620,000, to remain available until expended.

EMERGENCY CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 401, 402, and 404 of title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201–2205), $3,000,000, to remain available until expended, as authorized by 16 U.S.C. 2204.

COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

For necessary expenses for carrying out a voluntary cooperative salinity control program pursuant to section 202(c) of title II of the Colorado River Basin Salinity Control Act, as amended (43 U.S.C. 1592(c)), to be used to reduce salinity in the Colorado River

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and to enhance the supply and quality of water available for use in the United States and the Republic of Mexico, $14,783,000, to remain available until expended (7 U.S.C. 2209b), to be used for investigations and surveys, for technical assistance in developing conservation practices and in the preparation of salinity control plans, for the establishment of on-farm irrigation management systems, including related lateral improvement measures, for making cost-share payments to agricultural landowners and operators, Indian tribes, irrigation districts and associations, local governmental and nongovernmental entities, and other landowners to aid them in carrying out approved conservation practices as determined and recommended by the county ASC committees, approved by the State ASC committees and the Secretary, and for associated costs of program planning, information and education, and program monitoring and evaluation: *Provided*, That the Soil Conservation Service shall provide technical assistance and the Agricultural Stabilization and Conservation Service shall provide administrative services for the program, including but not limited to, the negotiation and administration of agreements and the disbursement of payments: *Provided further*, That such program shall be coordinated with the regular Agricultural Conservation Program and with research programs of other agencies.

CONSERVATION RESERVE PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the conservation reserve program pursuant to the Food Security Act of 1985 (16 U.S.C. 3831–3845), $1,578,517,000, to remain available until expended, to be used for Commodity Credit Corporation expenditures for cost-share assistance for the establishment of conservation practices provided for in approved conservation reserve program contracts, for annual rental payments provided in such contracts, and for technical assistance: *Provided*, That none of the funds in this Act may be used to enter into new contracts that are in excess of the prevailing local rental rates for an acre of comparable land.

TITLE III—FARMERS HOME AND RURAL DEVELOPMENT PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR SMALL COMMUNITY AND RURAL DEVELOPMENT

For necessary salaries and expenses of the Office of the Under Secretary for Small Community and Rural Development to administer programs under the laws enacted by the Congress for the Farmers Home Administration, Rural Development Administration, Rural Electrification Administration, and Federal Crop Insurance Corporation, $572,000.

RURAL DEVELOPMENT ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Rural Development Administration, not otherwise provided for, in administering the rural development programs of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921–2000), as amended, section 1323 of the Food Security Act of 1985 (7 U.S.C. 1932 note), and title VI of the Rural Development Act of 1972, $37,066,000; of which $14,787,000 is hereby appropriated, $21,755,000 shall be derived by transfer from the Rural Development Insurance Fund Program Account in this Act and merged with this account, and $524,000 shall be derived by transfer from the Rural Development Loan Fund Program Account in this Act and merged with this account: *Provided*, That not to exceed $500,000 shall be for employment under 5 U.S.C. 3109.

FARMERS HOME ADMINISTRATION

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, as amended, to be available from funds in the Rural Housing Insurance Fund, as follows: $1,624,500,000 for loans to section 502 borrowers, as determined by the Secretary, of which $329,500,000 shall be for unsubsidized guaranteed loans; $11,330,000 for section 504 housing repair loans; $16,300,000 for section 514 farm labor housing; $500,000,000 for section 515 rental housing; $600,000 for site loans; and $200,000,000 for credit sales of acquired property.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: low-income housing section 502 loans, $309,254,000, of which $6,096,000 shall be for unsubsidized guaranteed loans; section 504 housing repair loans, $4,578,000; section 514 farm labor housing, $8,029,000; section 515 rental housing, $356,550,000; and credit sales of acquired property, $26,780,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $427,111,000.

RENTAL ASSISTANCE PROGRAM

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) of the Housing Act of 1949, as amended, $319,900,000; and in addition such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1993 to carry out the Rental Assistance Program under section 521(a)(2) of the Act: *Provided*, That of this amount not more than $11,800,000 shall be available for debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Act, and not to exceed $10,000 per project for advances to nonprofit organizations or public agencies to cover direct costs (other than purchase price) incurred in purchasing projects pursuant to section 502(c)(5)(C) of the Act: *Provided further*, That of this amount not less than $128,158,000 is available for newly constructed units financed by section 515 of the Housing Act of 1949, as amended, and not more than $5,214,000 is for newly constructed units financed under sections 514 and 516 of the Housing Act of 1949: *Provided further*, That $174,728,000 is available for expiring agreements and for servicing of existing units without agreements: *Provided further*, That agreements entered into or renewed during fiscal year 1993 shall be funded for a five-year period, although the life of any such agreement may be extended to fully utilize amounts obligated: *Provided further*, That agreements entered into or renewed during fiscal years 1989, 1990, 1991, and 1992 may also be extended beyond five years to fully utilize amounts obligated.

SELF-HELP HOUSING LAND DEVELOPMENT FUND PROGRAM ACCOUNT

For direct loans pursuant to section 523(b)(1)(B) of the Housing Act of 1949, as amended (42 U.S.C. 1490c), $500,000.

For an amount, for the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct loans, $22,000.

In addition, for administrative expenses necessary to carry out the direct loan program, $21,000.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

For gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928–1929, to be available from funds in the Agricultural Credit Insurance Fund, as follows: farm ownership loans, $555,500,000, of which $488,750,000 shall be for guaranteed loans; operating loans, $2,588,354,000, of which $1,500,000,000 shall be for unsubsidized guaranteed loans and $238,354,000 shall be for subsidized guaranteed loans; $3,752,000 for water development, use, and conservation loans, of which $1,415,000 shall be for guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, $1,000,000; for emergency insured loans, $115,000,000 to meet the needs resulting from natural disasters; and for credit sales of acquired property, $125,000,000.

For the cost of direct and guaranteed loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm ownership loans, $33,599,000, of which $20,576,000 shall be for guaranteed loans; operating loans, $161,765,000, of which $15,350,000 shall be for unsubsidized guaranteed loans and $18,150,000 shall be for subsidized guaranteed loans; $499,000 for water development, use, and conservation loans, of which $43,000 shall be for guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, $226,000; for emergency insured loans, $30,762,000 to meet the needs resulting from natural disasters; and for credit sales of acquired property, $31,825,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $230,179,000.

STATE MEDIATION GRANTS

For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987, as amended (7 U.S.C. 5101–5106), $2,750,000.

RURAL DEVELOPMENT INSURANCE FUND PROGRAM ACCOUNT

For gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928 and 86 Stat. 661–664, as amended, to be available from funds in the Rural Development Insurance Fund, as follows: water and sewer facility loans, $635,000,000, of which $35,000,000 shall be for guaranteed loans; community facility loans, $200,000,000, of which $100,000,000 shall be for guaranteed loans; and guaranteed industrial development loans, $100,000,000: *Provided*, That none of the funds made available in this Act may be used to make transfers between the above limitations.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: water and sewer facility loans, $87,360,000; community facility loans, $8,410,000; and guaranteed industrial development loans, $5,440,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $58,208,000.

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

For the cost of direct loans $16,260,000, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812 (a)): *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans of not to exceed $28,387,000.

In addition, for administrative expenses necessary to carry out the direct loan programs, $529,000.

RURAL WATER AND WASTE DISPOSAL GRANTS

For grants pursuant to sections 306(a)(2) and 306(a)(6) of the Consolidated Farm and

Rural Development Act, as amended (7 U.S.C. 1926), $400,000,000, to remain available until expended, pursuant to section 306(d) of the above Act: *Provided*, That of this amount, $25,000,000 shall be available for water systems to benefit the Colonias along the U.S./Mexico border, including grants pursuant to section 306C(c)(1): *Provided further*, That these funds shall not be used for any purpose not specified in section 306(a) of the Consolidated Farm and Rural Development Act.

VERY LOW-INCOME HOUSING REPAIR GRANTS

For grants to the very low-income elderly for essential repairs to dwellings pursuant to section 504 of the Housing Act of 1949, as amended, $12,500,000, to remain available until expended.

RURAL HOUSING FOR DOMESTIC FARM LABOR

For financial assistance to eligible nonprofit organizations for housing for domestic farm labor, pursuant to section 516 of the Housing Act of 1949, as amended (42 U.S.C. 1486), $11,000,000, to remain available until expended.

MUTUAL AND SELF-HELP HOUSING

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), $8,750,000, to remain available until expended (7 U.S.C. 2209b).

SUPERVISORY AND TECHNICAL ASSISTANCE GRANTS

For grants pursuant to sections 509(g)(6) and 525 of the Housing Act of 1949, $2,500,000, to remain available until expended.

RURAL COMMUNITY FIRE PROTECTION GRANTS

For grants pursuant to section 7 of the Cooperative Forestry Assistance Act of 1978 (Public Law 95–313), $3,500,000 to fund up to 50 per centum of the cost of organizing, training, and equipping rural volunteer fire departments.

COMPENSATION FOR CONSTRUCTION DEFECTS

For compensation for construction defects as authorized by section 509(c) of the Housing Act of 1949, as amended, $500,000, to remain available until expended.

RURAL HOUSING PRESERVATION GRANTS

For grants for rural housing preservation as authorized by section 552 of the Housing and Urban-Rural Recovery Act of 1983 (Public Law 98–181), $23,000,000.

RURAL DEVELOPMENT GRANTS

For grants authorized under section 310B(c) (7 U.S.C. 1932) of the Consolidated Farm and Rural Development Act to any qualified public or private nonprofit organization, $20,750,000: *Provided*, That $500,000 shall be available for grants to qualified nonprofit organizations to provide technical assistance and training for rural communities needing improved passenger transportation systems or facilities in order to promote economic development.

SOLID WASTE MANAGEMENT GRANTS

For grants for pollution abatement and control projects authorized under section 310B(b) (7 U.S.C. 1932) of the Consolidated Farm and Rural Development Act, $3,000,000: *Provided*, That such assistance shall include regional technical assistance for improvement of solid waste management.

OFFICE OF THE ADMINISTRATOR

For necessary salaries and expenses of the Office of the Administrator of the Farmers Home Administration, $600,000: *Provided*, That no other funds in this Act shall be available for this Office.

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921–2000), as amended; title V of the Housing Act of 1949, as amended (42 U.S.C. 1471–1490o); the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440–444), for administering the loan program authorized by title III–A of the Economic Opportunity Act of 1964 (Public Law 88–452 approved August 20, 1964), as amended, and such other programs which the Farmers Home Administration has the responsibility for administering, $679,920,000; of which $23,802,000 is hereby appropriated, $404,846,000 shall be derived by transfer from the Rural Housing Insurance Fund Program Account in this Act and merged with this account, $215,712,000 shall be derived by transfer from the Agriculture Credit Insurance Fund Program Account in this Act and merged with this account, $35,539,000 shall be derived by transfer from the Rural Development Insurance Fund Program Account in this Act and merged with this account, and $21,000 shall be derived by transfer from the Self-Help Housing Land Development Fund Program Account in this Act and merged with this account: *Provided*, That not to exceed $500,000 of this appropriation may be used for employment under 5 U.S.C. 3109: *Provided further*, That not to exceed $3,985,000 of this appropriation shall be available for contracting with the National Rural Water Association or other equally qualified national organization for a circuit rider program to provide technical assistance for rural water systems: *Provided further*, That, in addition to any other authority that the Secretary may have to defer principal and interest and forego foreclosure, the Secretary may permit, at the request of the borrowers, the deferral of principal and interest on any outstanding loan made, insured, or held by the Secretary under this title, or under the provisions of any other law administered by the Farmers Home Administration, and may forego foreclosure of any such loan, for such period as the Secretary deems necessary upon a showing by the borrower that due to circumstances beyond the borrower's control, the borrower is temporarily unable to continue making payments of such principal and interest when due without unduly impairing the standard of living of the borrower. The Secretary may permit interest that accrues during the deferral period on any loan deferred under this section to bear no interest during or after such period: *Provided*, That, if the security instrument securing such loan is foreclosed, such interest as is included in the purchase price at such foreclosure shall become part of the principal and draw interest from the date of foreclosure at the rate prescribed by law.

RURAL ELECTRIFICATION ADMINISTRATION

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901–950(b)), as follows:

RURAL ELECTRIFICATION AND TELEPHONE LOANS PROGRAM ACCOUNT

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), shall be made as follows: rural electrification loans, not less than $625,035,000 nor more than $933,075,000; and rural telephone loans, not less than $219,325,000 nor more than $311,025,000; to remain available until expended: *Provided*, That loans made pursuant to section 306 of that Act are in addition to these amounts but during fiscal year 1993 total commitments to guarantee loans pursuant to section 306 shall be not less than $933,075,000 nor more than $2,100,615,000 of contingent liability for total loan principal: *Provided further*, That loans may be modified in an amount not to exceed $266,000,000: *Provided further*, That as a condition of approval of insured electric loans during fiscal year 1993, borrowers shall obtain concurrent supplemental financing in accordance with the applicable criteria and ratios in effect as of July 15, 1982: *Provided further*, That no funds appropriated in this Act may be used to deny or reduce loans or loan advances based upon a borrower's level of general funds: *Provided further*, That no funds appropriated in this Act may be used to implement any other criteria, ratio, or test to deny or reduce loans or loan advances.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct and guaranteed loans authorized by the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), as follows: cost of direct loans, $157,609,000; cost of loans guaranteed pursuant to section 306, $35,475,000; and for loan modifications, $47,880,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $29,163,000.

RURAL TELEPHONE BANK PROGRAM ACCOUNT

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out its authorized programs for the current fiscal year. During fiscal year 1993 and within the resources and authority available, gross obligations for the principal amount of direct loans shall be not less than $177,045,000 nor more than $210,540,000.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct loans authorized by the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), $35,000.

In addition, for administrative expenses necessary to carry out the loan programs, $8,632,000.

DISTANCE LEARNING AND MEDICAL LINK PROGRAMS

For necessary expenses to carry into effect the programs authorized in sections 2331–2335 of Public Law 101–624, $5,000,000, to remain available until expended.

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

For loans authorized under section 313 of the Rural Electrification Act, for the purpose of promoting rural economic development and job creation projects, $9,215,000.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct loans, $2,546,000.

OFFICE OF THE ADMINISTRATOR

For necessary salaries and expenses of the Office of the Administrator of the Rural Electrification Administration, $243,000: *Provided*, That no other funds in this Act shall be available for this Office.

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out the provisions of the Rural Electrification

Act of 1936, as amended (7 U.S.C. 901–950(b)), and to administer the loan and loan guarantee programs for Community Antenna Television facilities as authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921–1995), and for which commitments were made prior to fiscal year 1993, including not to exceed $7,000 for financial and credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $103,000 for employment under 5 U.S.C. 3109, $37,795,000; of which $29,163,000 shall be derived by transfer from the Rural Electrification and Telephone Loans Program Account in this Act and $8,632,000 shall be derived by transfer from the Rural Telephone Bank Program Account in this Act: *Provided*, That none of the funds in this Act may be used to authorize the transfer of additional funds to this account from the Rural Telephone Bank: *Provided further*, That none of the salaries and expenses provided to the Rural Electrification Administration, and none of the responsibilities assigned by law to the Administrator of the Rural Electrification Administration may be reassigned or transferred to any other agency or office.

TITLE IV—DOMESTIC FOOD PROGRAMS

OFFICE OF THE ASSISTANT SECRETARY FOR FOOD AND CONSUMER SERVICES

For necessary salaries and expenses of the Office of the Assistant Secretary for Food and Consumer Services to administer the laws enacted by the Congress for the Food and Nutrition Service and the Human Nutrition Information Service, $542,000.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751–1769b), and the applicable provisions other than sections 3 and 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1773–1785, and 1788–1789), $6,674,521,000, to remain available through September 30, 1994; of which $2,384,066,000 is hereby appropriated and $4,290,455,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c): *Provided*, That funds appropriated for the purpose of section 7 of the Child Nutrition Act of 1966 shall be allocated among the States but the distribution of such funds to an individual State is contingent upon that State's agreement to participate in studies and surveys of programs authorized under the National School Lunch Act and the Child Nutrition Act of 1966, when such studies and surveys have been directed by the Congress and requested by the Secretary of Agriculture: *Provided further*, That if the Secretary of Agriculture determines that a State's administration of any program under the National School Lunch Act or the Child Nutrition Act of 1966 (other than section 17), or the regulations issued pursuant to these Acts, is seriously deficient, and the State fails to correct the deficiency within a specified period of time, the Secretary may withhold from the State some or all of the funds allocated to the State under section 7 of the Child Nutrition Act of 1966 and under section 13(k)(1) of the National School Lunch Act; upon a subsequent determination by the Secretary that the programs are operated in an acceptable manner some or all of the funds withheld may be allocated: *Provided further*, That only final reimbursement claims for service of meals, supplements, and milk submitted to State agencies by eligible schools, summer camps, institutions, and service institutions within sixty days following the month for which the reimbursement is claimed shall be eligible for reimbursement from funds appropriated under this Act. States may receive program funds appropriated under this Act for meals, supplements, and milk served during any month only if the final program operations report for such month is submitted to the Department within ninety days following that month. Exceptions to these claims or reports submission requirements may be made at the discretion of the Secretary: *Provided further*, That up to $4,083,000 shall be available for independent verification of school food service claims: *Provided further*, That $1,322,000 shall be available to operate the Food Service Management Institute.

SPECIAL MILK PROGRAM

For necessary expenses to carry out the special milk program, as authorized by section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772), $14,898,000, to remain available through September 30, 1994. Only final reimbursement claims for milk submitted to State agencies within sixty days following the month for which the reimbursement is claimed shall be eligible for reimbursement from funds appropriated under this Act. States may receive program funds appropriated under this Act only if the final program operations report for such month is submitted to the Department within ninety days following that month. Exceptions to these claims or reports submission requirements may be made at the discretion of the Secretary.

SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

For necessary expenses to carry out the special supplemental food program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), $2,860,000,000, to remain available through September 30, 1994.

COMMODITY SUPPLEMENTAL FOOD PROGRAM

For necessary expenses to carry out the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)), including not less than $8,000,000 for the projects in Detroit, New Orleans, and Des Moines, $94,500,000, to remain available through September 30, 1994: *Provided*, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program.

FOOD STAMP PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011–2029), $26,719,691,000; of which $2,500,000,000 shall be available only to the extent an official budget request, for a specific dollar amount, is transmitted to the Congress: *Provided*, That funds provided herein shall remain available through September 30, 1993, in accordance with section 18(a) of the Food Stamp Act: *Provided further*, That up to 5 per centum of the foregoing amount may be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further*, That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: *Provided further*, That this appropriation shall be subject to any work registration or work fare requirements as may be required by law: *Provided further*, That $345,000,000 of the funds provided herein shall be available only to the extent necessary after the Secretary has employed the regulatory and administrative methods available to him under the law to curtail fraud, waste, and abuse in the program: *Provided further*, That $1,051,000,000 of the foregoing amount shall be available for Nutrition Assistance for Puerto Rico as authorized by 7 U.S.C. 2028, of which $10,825,000 shall be transferred to the Animal and Plant Health Inspection Service for the Cattle Tick Eradication Project.

FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS

For necessary expenses to carry out section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)), section 4(b) of the Food Stamp Act (7 U.S.C. 2013(b)), and section 311 of the Older Americans Act of 1965, as amended (42 U.S.C. 3030a), $224,513,000.

For necessary expenses to carry out section 110 of the Hunger Prevention Act of 1988, $32,000,000.

THE EMERGENCY FOOD ASSISTANCE PROGRAM

For necessary expenses to carry out the Emergency Food Assistance Act of 1983, as amended, $45,000,000: *Provided*, That, in accordance with section 202 of Public Law 98–92, these funds shall be available only if the Secretary determines the existence of excess commodities.

For purchases of commodities to carry out the Emergency Food Assistance Act of 1983, as amended, $120,000,000.

FOOD PROGRAM ADMINISTRATION

For necessary administrative expenses of the domestic food programs funded under this Act, $103,535,000; of which $5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp coupon handling, and assistance in the prevention, identification, and prosecution of fraud and other violations of law: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $150,000 shall be available for employment under 5 U.S.C. 3109.

HUMAN NUTRITION INFORMATION SERVICE

For necessary expenses to enable the Human Nutrition Information Service to perform applied research and demonstrations relating to human nutrition and consumer use and economics of food utilization, and nutrition monitoring, $10,788,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

Mr. McHUGH (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of title II and all of title III and IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Are there any points or order to these provisions of the bill?

The Chair hears none.

The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore. (Mr. PANETTA) assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

A message in writing from the President of the United States was communicated to the House by Mr. McCathran, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1993

The Committee resumed its sitting.

The CHAIRMAN. Are there any amendments to title IV of the bill?

The Clerk will read.

The Clerk read as follows:

TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954, as amended (7 U.S.C. 1761–1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed $125,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), $110,023,000: *Provided*, That this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

Mr. SCHUMER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as a longtime critic of the Market Promotion Program [MPP] and its predecessor, the Targeted Export Assistance Program [TEA], I'd like to commend the committee for taking a major step to scale back this wasteful program. The cut of more than 60 percent, from $200 million to $75 million shows that the veil on this program has been pierced. The program is finally being recognized for what it really is—a bloated corporate welfare program. I am glad that Members of Congress are finally looking at this program with a skeptical eye.

Since 1987 when I asked the GAO to conduct the first of several reviews of this program, I have had serious concerns about its purpose and its administration.

However, the fundamental question underlying MPP is this: In a time of runaway budget deficits, should the Federal Government be subsidizing the already huge advertising budgets of megacorporations like General Mills, McDonald's, Sunkist, and Oscar Mayer? Should the American public be shelling out money to advertise brand name products like M&M's, Gallo wine, and Paul Newman's salad dressing. I say no. I think if you were to ask a random sample of taxpayers this question you'd also get a resounding "no." Unfortunately, the louder voices of a few large special interests have been successful in keeping these wasteful aspects of MPP alive. At least until now.

I do not advocate the complete elimination of the program. The Government can and should play an important role in helping private companies promote their products in foreign markets. Increasing exports and expanding foreign markets help our total economy. However, this program has gone too far and has been completely unfocused and unscientific.

The committee's action will go a long way toward forcing USDA and the private marketing organizations that dole out MPP funds to channel money where it's really needed. However, we need to take further legislative action to set restrictions on who gets MPP funds, how they are used, and for how long. I look forward to working with Congressman KOSTMAYER and others on legislation to correct continuing program defects.

Over the years, the GAO has laid out a litany of conceptual and operational problems with MPP. Some of these have been adressed by the Foreign Agricultural Service [FAS]. Many of the more fundamental problems have not.

The GAO's latest examination, the preliminary results of which have been released, reviewed the MPP activities of seven participants in Japan. Their findings are troubling to say the least. While there are some success stories, there are too many failures.

Several of the promotional activities were completely useless because no market research had been conducted. The wrong type of Valentine's candy was targeted at the wrong audience and was displayed in location and manner that made it unappealing. The California raisin ads featuring the now-famous singing and dancing raisins frightened off the small children that they were intended to attract.

The GAO has stated:

> The Market Promotion Program's broad goals of encouraging the development, maintenance, and expansion of agricultural exports *can be used to justify program support under any market situation* (emphasis added).

This makes even thorough evaluation of the program a very slippery exercise. However, there has been little attempt to conduct any kind of scientific assessment. The GAO has found that FAS has completed only 10 program evaluations since the MPP was established in 1986.

What has the MPP's funding level said about our priorities? The GAO has pointed out that the entire Federal Government spends about $2.7 billion annually on export promotion. While agricultural products account for only 10 percent of total U.S. exports, USDA spends about $2 billion, or 75 percent of the Government total. Something has clearly been out of whack.

For too long, we have been wasting precious money on people who don't really need it. Too often MPP seems to be a program in search of a problem. A quote and a picture illustrate this well.

The quote: Ursula Hotchner, an official from Newman's Own, Paul Newman's food company was asked why the company was selected to receive TEA funding. "I don't know," she said. "Someone from the export council called me up one day from out of the blue and asked why don't we take the money. They said all we had to do was send in our advertising bills and they'd reimburse us. I figured, why not?"

The picture: On page 7 of the February 1989 issue of Northeast International Business sits Mr. Chris Catranis, Executive Director of the eastern U.S. Agriculture and Food Export Council, one of the nonprofit organizations through which MPP money is channeled. Mr. Catranis sits at his desk thrusting one dollar bills toward the camera. On the desk are two huge sacks of money. The picture's caption is titled "Mr. Money Bags." Says Mr. Money Bags—

> We've got a bag of money here and we're desperate for companies to give it to. Almost anybody who comes in here with a half decent program, who's willing to put up a 50 percent advertising match * * * will qualify for the money.

Is this a program we have really needed in its current form?

Mr. FAZIO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the gentleman from New York [Mr. SCHUMER] has made some remarks critical of the MPP that need a response.

American agricultural exports account for about $40 billion in annual sales. Agriculture provides a positive balance of payments in the U.S. trade account of approximately $17 billion.

Future growth in U.S. agriculture will depend on export growth. Expansion of agricultural exports is critical for related sectors of the economy.

Each U.S. dollar of agricultural exports generates an additional $1.59 in economic growth. Every $1 billion in agricultural exports maintains 27,000 jobs.

MPP will be even more important as the GATT talks are once again moving forward. As you know, marketing assistance has already been ruled to be an acceptable form of government assistance in the talks.

MPP funds are matched on a one-to-one basis.

Secretary Madigan sent a letter to Members in which he clearly states the administration's strong support for MPP. It is an excellent letter that explains the program, how it works and what the benefits are for American agriculture.

I cannot understand why anyone would want to disrupt or eliminate one of the few programs that will be permitted to remain under GATT. Virtually every other country has developed programs similar to MPP. Under the amendments being offered today, we are essentially telling our Nation's farmers that we will once again turn our backs on them.

American agricultural products are of the highest quality in the world. The only way we can sell our products is by marketing our high-quality products. MPP provides U.S. agriculture with the resources to do this marketing. In most cases, U.S. agricultural products are more expensive than those of our foreign competitors. The only advantage we have is quality.

According to Secretary Madigan:

> The European Community, our main competitor in the high-value market, paid out direct subsidies of nearly $1.5 billion to producers and exporters of high-value products.

Many claim that MPP does not support small farmers. To the contrary, small businesses accounted for 84 percent of the 287 firms participating in the MPP last year.

Many of the large corporations that the Kostmayer amendments seek to cut out of the MPP are actually cooperatives, like Sunkist and Blue Diamond.

The benefits derived from successful marketing overseas are returned directly to the cooperatives, which are owned and operated by the individual growers. Most of these coop members are small businesses.

Without MPP, coops would not be able to advertise effectively overseas. Cooperatives are limited in the amount they can assess their members for advertising.

An amendment proposed by Mr. KOSTMAYER would deny these individual coop members the benefits of MPP. Blue Diamond's almond exports have increased by 33 percent since the beginning of Target Export Assistance/Market Promotion Program. Sunkist has also experienced significant growth with total annual exports valued at $400 million. Prune exports have increased by 41 percent since the inception of the MPP program.

Without MPP, coops would not be able to advertise effectively overseas. Cooperatives are limited in the amount they can assess their members for advertising.

The Kostmayer amendment also seeks to eliminate the use of MPP funds for advertising brand-name products. I cannot think of anything more ludicrous. Without being able to advertise Sunkist oranges, Sun-Maid raisins, or Blue Diamond almonds, consumers cannot differentiate between U.S. and foreign products. They will simply go to the store to look for almonds, and buy the cheapest brand. If that happens, we are out of business.

Many members have used the McDonald's example as evidence of abuse and corporate welfare in MPP. I think members simply do not understand how the MPP works.

The purpose of the Market Promotion Program is to open up new markets for U.S. agricultural products overseas. As everyone knows, McDonald's has thousands of stores overseas. At the same time, these stores are not required to purchase U.S. products, and in many cases they do not.

McDonald's has 42 stores in Singapore and 59 stores in Hong Kong. And, even though McDonald's has its own poultry processing plant in Malaysia, all 101 stores in Hong Kong and Singapore use only U.S. poultry and egg products. Why? Because of the MPP.

These 101 stores bought over $12 million worth of U.S. poultry products in 1991, which supported over 3,780 American jobs. This growth started from zero sales in both markets just 3 years ago.

United States poultry exporters were able to use MPP funds as leverage to require McDonald's stores in Singapore and Hong Kong to buy United States poultry products. MPP was used to advertise jointly McDonald's Chicken McNuggets and the U.S. poultry industry. As a consequence of McDonald's accepting this advertising arrangement, which used MPP funds, the American poultry industry locked these stores into buying U.S. products for 1 year.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PUBLIC LAW 480 PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691, 1701–1715, 1721–1726, 1727–1727f, 1731–1736g), as follows: (1) $511,619,000 for Public Law 480 title I credit, including Food for Progress credit; (2) $52,185,000 is hereby appropriated for ocean freight differential costs for the shipment of agricultural commodities pursuant to title I of said Act and the Food for Progress Act of 1985, as amended; (3) $763,842,000 is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title II of said Act; and (4) $333,594,000 is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title III of said Act: *Provided*, That not to exceed 10 per centum of the funds made available to carry out any title of said Act may be used to carry out any other title of said Act: *Provided further*, That such sums shall remain available until expended (7 U.S.C. 2209b).

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct credit agreements as authorized by the Agricultural Trade Development and Assistance Act of 1954, as amended, and the Food for Progress Act of 1985, as amended, including the cost of modifying credit agreements under said Act, $343,092,000.

□ 1620

AMENDMENTS OFFERED BY MR. MILLER OF WASHINGTON

Mr. MILLER of Washington. Mr. Chairman, I offered an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Washington: Page 69, line 2, strike "$343,092,000" and insert "$100,740,000".

Mr. MILLER of Washington. Mr. Chairman, last week in the Foreign Operations Assistance bill we started the debate on the efficacy of foreign aid and how we could improve and prune and reform foreign aid.

At that time I offered, with the support of several of my colleagues, an amendment to reduce the increase in capital contributions to some of the multilateral development banks.

Today we move to the Food Assistance program, and I must tell my colleagues here, as with the multilateral development banks and as with AID administration, I fear that not only are we developing in this country opposition to foreign assistance from isolationists to the left and right, who are just opposed to any assistance, but more and more groups that have supported foreign assistance and want to see it work are becoming increasingly disenchanted.

We have another example before us today and a chance to make a significant reform. The amendment I offer strikes approximately 240 million from the Public Law 480 Program, not from the part of the program that provides food aid for famine, for disaster relief, for all the worthwhile purposes that foreign assistance food aid should be for. There is a noble purpose here. It goes back to 1812, when we gave Venezuela food assistance after the earthquake and even in the 1800's, again when we came to the assistance of Ireland.

But lately there has been a shift in this program, and instead of giving food when there are emergencies, when there is famine, when there is disasters, more and more of these programs have taken on the air of subsidies that support American interests at home, go to foreign governments, frequently dictators abroad, and result not in helping people avoid famine but help in depressing the growth of the farm economy of the recipient nation and, thus, making it even harder to feed people.

As a result, a coalition of groups has been formed, ranging from taxpayer to environmental to poverty groups, that have become disenchanted with the title 1 part of the Public Law 480 Program, disenchanted that this program of concessionary loans often depresses local farm production, has put Korean farmers out of business in the 1960's and then, in the 1970's, resulted in competition in Somalia with local farmers and, in the 1980's, dumped nonfat dried milk into El Salvador and destroyed a growing Salvadoran dairy industry and, recently, recently continuously has dumped wheat in Egypt, helping to frustrate efforts to develop a wheat farming industry in Egypt, resulting in so much of that flour going in that it is not going to feed hungry people, it is being used to feed livestock.

All of that or most of that came out in a report done by our House Committee on Agriculture just 1 year or 2 ago. But not only has this had a harmful effect on some of the recipient nations. The result of this program has frequently been to actually displace market-based exports from this country and imports by these other nations. That has been attested to by CRS.

And not only that, this program has often discouraged the growth of free enterprise farm economies. It has encouraged countries like Tanzania and Ghana to set up multiple agencies which regulate and reregulate and subsidize and control their agriculture production, with the result that we are not achieving what we want to do. We are not helping free farm economies to grow and prosper.

So what I am asking this House to do, a couple of weeks after we voted on the balanced budget amendment and rejected it, here is a chance to make a cut, a substantial cut, $240 million, and a cut that will not only save money, it will bring about some long overdue reforms to our food aid program.

Mr. KASICH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, let me say that the efforts of the gentleman from Washington [Mr. MILLER] in trying to reform this program are really based on trying to have an overall foreign aid program and, to a large degree, this provision of the bill is related to foreign aid, a foreign aid program that really does what is really originally intended.

What we are trying to say is that it does not make any sense to have a program under this Public Law 480 Program that results literally in the destruction of domestic economies throughout the world. We can focus on a number of them, but one I guess that we should focus on immediately would be El Salvador and what the gentleman raised, the point that the gentleman from Washington raised about the milk issue in El Salvador.

Some Member, I believe, is going to be offering an amendment to one of these bills designed to reduce the aid for the Americas. I am not sure if that is the gentleman from Kansas [Mr. GLICKMAN] or whoever it is, somebody is going to be offering that amendment. That amendment is designed to reduce the amount of aid that we are providing to El Salvador.

I had an opportunity to visit El Salvador late last year. Listen to the economic problems that they are experiencing there.

One of the things that is absolutely critical about getting El Salvador completely democratized and to be able to get reconciliation in El Salvador is for the El Salvadorans to be able to develop an economy. In many respects they are different from Nicaragua, because Nicaraguans really had such a ravaged country in the middle of that civil war, there was no entrepreneurial spirit in Nicaragua. So they face a lot of problems much different than El Salvador.

But what one is struck by when one visits El Salvador is the fact that they have the possibility and the capability of developing a private sector free enterprise economy that would be the glue that would pull the reconciliation together and finalize things for the people of El Salvador, who really deserve peace.

Now, it makes no sense at all for us to be using this Public Law 480 Program to dump products on their market that destroys their local ability to produce and to flourish, not only domestically but also with their ability to export certain products, which contribute to their economic growth.

The other thing that we should talk about, the other entity that we should keep in mind that I am particularly touched by is Africa.

□ 1630

When we talk about Africa, the continent of Africa is undergoing tremendous transformation. We have seen so many countries that had a Marxist orientation who are truly trying to become free enterprise. In fact, there have been many people who have raised the issue of having international conferences, an issue that I earlier raised about 2 years ago. We ought to have an international conference on Africa to talk about how these countries have really changed and how investment opportunities exist.

What we do with Africa with this program, we dump product after product on the domestic economy of these countries in Africa. We destroy, just like when newly planted plants do not get enough water, they die, we are in the process of killing seedlings that are located in these countries in Africa who really want to develop local markets.

The gentleman from Washington [Mr. MILLER] mentioned Egypt. They have almost had riots because of the price of bread in Egypt, the price of grain. It has been an ongoing fight in the Egyptian economy for which the Egyptian Government has been under severe attack because the price of grain goes up. Yet in the process of this Public Law 480 Program we dump products on their market, kill their ability to develop things locally, domestically, so they can have greater control of their financial futures.

What the gentleman from Washington [Mr. MILLER] is trying to do is to get us back to a program that makes sense. I would urge everybody, including those on the Subcommittee on Rural Development, Agriculture and Related Agencies of the Committee on Appropriations, to take a look at this and to support the gentleman's amendment. We do not want to kill the 480 program when it comes to areas like emergencies, drought, famine, or whatever. But when it comes to dumping products on the markets of other countries and destroying their markets, we aggravate problems that we have in the world, and frankly, it ought to be stopped.

I want to join the gentleman from Washington [Mr. MILLER], and praise him for his ideas in terms of reforming this system, and ask the Members to look at this. The possibility may exist, as we get low or conclude this debate that I may offer a substitute to the amendment of the gentleman from Washington.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. KASICH] has expired.

(On request of Mr. MILLER of Washington, and by unanimous consent, Mr. KASICH was allowed to proceed for 1 additional minute.)

Mr. KASICH. Mr. Chairman, I may offer a substitute, because frankly, we do not think we can win the amendment of the gentleman from Washington [Mr. MILLER] on this major cut that we perform in the Public Law 480 Program. What I would intend to offer would be a substitute that would basically adopt the administration's request for a reduction in the levels that were approved by the committee. The administration feels as though they do not need to have the increase that the committee has authorized.

We really, in spirit, want to accept the entirety of the amendment of the gentleman from Washington [Mr. MILLER] because this overall program needs restructuring. We have been looking for vehicles with which to restructure it. Recognizing the reality that we probably cannot pass that, this substitute will be offered, and I would urge the Members on both sides of the aisle to support this substitute, and to begin the effort that is necessary in order to reform these programs so that they make sense and we no longer do things that, whether purposefully or not, destroy the local economies of our allies around the world.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, 10 years ago the United States of America was the greatest economic power on the face of the Earth. Here we are 10 years later and we are the greatest debtor Nation, owing the rest of the world, the greatest debtor Nation in the world. That has been caused by a number of things: government regulations, the trade deficit, but most of all I submit to my colleagues it is because of the budget deficit we experience year after year after year.

Mr. Chariman, I have been on this floor I don't know how many times talking about the deficit and the national debt. I do not want to belabor the point and go over it again and again, but I think the point needs to be made today that we have a $400 billion deficit, a $4 trillion national debt that has quadrupled in the last 10 years, and we continue to head down that very slick, slimy road to economic oblivion because we will not get control of our appetite for spending.

A perfect example is the bill that we are working on right now. I called the American Farm Bureau to find out what spending levels they would accept this year. They said they wanted to accept last year's spending levels. This bill is $6.5 billion, $6.5 billion, above last year's spending levels, and it has not been requested by the agricultural community in this country.

Listen to this. This is $3.9 million over the request and $1.9 billion in fiscal year 1992 for agricultural programs. It is $417.4 million more than requested, and $152.7 million more than in fiscal year 1992 for Farmers Home and rural development. It is $4.2 billion more than last year for domestic food and nutrition programs. That is an entitlement. That is pretty hard to control.

The fact of the matter is, this bill is $6.5 billion more than last year, and last year we experienced a $400 billion deficit. I say to my colleagues, in the next bill coming up, it is about $2.9 billion above last year.

When are we going to come to grips with this spending problem? There has been a book put out, and I have talked about it to the floor a number of times, by this gentleman named Larry Burkett called "The Coming Economic Earthquake." What he said in this book is, we are going to have either a massive depression or hyperinflation, which leads to the same basic conclusion. We are not doing anything about it. What in the world is wrong with us? Are we insane? We all know where we are heading, yet we continue to pass bill after bill that is higher than last year, and last year was an abomination.

I say to my colleagues today, this amendment is a step in the right direction. We should support the Miller amendment, but more than that, we should support a lot of amendments here today that will cut spending back to the levels that we had last year or very close to it. If we do not, we are leaving a terrible legacy to every young person in this country. The Members and I are not going to have to pay that bill, but our kids and grandkids are.

Remember the Grace Commission? Peter Grace, the chairman of the Grace Commission, as quoted in this book, says that by the year 2000, 8 years from now, it will take 102 percent of all personal income taxes to pay the interest on the national debt, to pay the interest. What are we doing about it? Absolutely nothing. We are going to leave this place today after voting for more bills to spend more money above what last year's spending levels were, and it is a step, a giant step, a Herculean step in the wrong direction.

We have to come to grips with this deficit. Otherwise we are going to face economic calamity in the not-too-distant future.

Mr. DELAY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is important for us to really look at our foreign aid situation. I think it is very important for us to understand that we can no longer continue what we have been doing in the past as far as foreign aid is concerned. If we look at what happens in the World Bank and the IMF, they loan money to build these huge industries in developing countries, thinking that that will create jobs. Yet there is no foundation for a strong agricultural industry in those developing nations to even support huge industries or huge factories. They build big dams, or one way or another we just keep throwing money out there, and we are absolutely hurting the economies of some of these developing countries.

The American people are very upset that we continue to throw away money in foreign aid, so we need to be more creative. I think the gentleman from Washington [Mr. MILLER] has been very creative. On the foreign operations bill he had an idea that was used on the motion to recommit and this House accepted it. He has had other ideas that do not significantly change our presence in the world but change the way that we operate.

Mr. Chairman, the Food for Peace Program reflects our humanitarian tradition. Since the founding of our republic, Americans have generously responded to human suffering, whether from repression, acts of war, natural disasters, droughts, or famines. In fact, we take great pride in helping the truly needy, whether at home or abroad.

History, for example, indicates the United States provided emergency food assistance to Venezuela in 1812 following an earthquake, and to Ireland during the mid-1800's.

Despite its good intentions, however, food aid has been described by Vernon Ruttan as "the most popular and most controversial of United States assistance programs." Quoting again from Mr. Ruttan, Public Law 480's "inconsistencies have been driven, since the beginning, by the need to dispose abroad the agricultural commodities generated by failure to resolve the contradictions in domestic farm policy." Simply stated, the Food for Peace Program was begun in 1954 to eliminate the huge farm surpluses created by the Government's commodity price supports.

Other analysts have not been so generous. Jim Bovard, who writes for the Cato Institute, states:

> While sometimes alleviating hunger in the short run, the program usually lowers the price at which Third World farmers can sell their crops. This depresses local food production, making it harder for poor countries to feed themselves in the long run.

This concern was also expressed in House Report 101-569, which accompanied the reauthorization of the 1990 farm bill. Specifically, it states:

> The Committee is concerned over reports that U.S. food aid has undermined domestic agricultural production in some recipient countries. For example, in El Salvador, shipments of non-fat dried milk exceeded the amount of domestic consumption causing domestic milk prices to decline and domestic production to plummet. An aid study in 1988 also found that the volume of United States food aid to Egypt had become a disincentive to Egyptian farmers.

Concerning Egypt, a 1991 report by the Congressional Research Service went even further:

> Visitors to Egypt have also reported that bread made from Public Law 480 wheat or wheat flour is so available that it is sometimes used as livestock feed.

The program also has produced several unintended consequences. Based on a limited number of studies, CRS noted that:

> In some countries food aid has been shown to at least partially displace commercial imports; only in India in the 1960s does food aid seem to have definitively added to the overall demand for food without displacing commercial sales.

The same CRS report questioned the way in which the program is administered:

> Another criticism of the U.S. response to emergencies is that often more food than is required is shipped so that when growing conditions improve the existence of large stocks creates a disincentive for local food producers.

□ 1640

All I say is look at what this Public Law 480 is doing to the developing countries' ability to build agriculture as a base to their economies, and let us all think a little more creatively in what we are doing with our food aid to the world.

So I support the amendment of the gentleman from Washington and hope that my colleagues will also support it.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I had not intended to speak on this issue, but the debate has ranged far astray of what the realities of the situation are.

For example, we have had a discourse here about the budget and the deficit and the national debt, which is proper, but not in this forum at this time. Also that our committee, the Agriculture Committee, has split jurisdiction. Part of the jurisdiction belongs in the Foreign Affairs Committee and the domestic part with the Agriculture Committee. That in itself has caused some problems. But the main thrust here is that reorganization, or reform, or restructure, is not obtained by cutting the amount. Just a meat ax approach is not going to do what some of our colleagues are complaining about, because we have complained about the same items. It has been the administration of the program and not the funds that should be in question at this point.

But in behalf of agriculture, let me show that agriculture has not, has never been, is not the culprit in having an unbalanced budget, or in having a debt, or in having a deficit. I bring Members this chart. The red part shows the total budget of the United States of America, the taxpayers, $1,400,000,000,000. The little line that Members cannot see is how much goes to agricultural programs. One-half of 1 percent of the total budget goes to agriculture. So we are not the culprits if we have an unbalanced budget or if we have a debt or if we have a deficit.

The most important part also, we have the pie chart which shows where the spending of the Department of Agriculture goes. All of this, more than 50 percent, the black, goes to nutrition programs in the United States of America, food stamps, school lunch, WIC, homeless, feeding the elderly. The red part, about 20 cents out of every dollar goes to agriculture programs. Again, this is not the culprit for an unbalanced budget, or the debt.

But this little blue line that Members cannot see, the tiny little blue line, that is Public Law 480. That is the foreign assistance part of the Department of Agriculture. That is what all of this eloquent demonstration is about. Two percent of the budget of the U.S.A. is what goes to foreign assistance. And I do not think that that amount merits this amount of concern.

Yes, we should balance the budget. Yes, we should reduce expenditures. Yes, we should have reform. Yes, we should have restructuring. But we do not do it by cutting the funds.

And there have been areas. Bangladesh is probably the best example of how Public Law 480 has worked. And it has worked in El Salvador, it has worked in Kenya, it has worked in Zambia, it has worked in the Horn of Africa, not only the grant food, but also the concessional sales. The problem is that now and then one goes astray.

But the secret of all secrets that is not a secret is we do not send it to them. They request it. Through my office come every month the leaders, agricultural leaders or ministers from the foreign countries requesting the Public Law 480 donation, and concessional sales. We do not say this is what we give.

Now, there have been some exceptions. The flour in Egypt, for example, that came for another reason. There is a vast, there is a vast movement from many of my colleagues here to have value-added products that you manufacture here in the United States and you send it to the other countries. We just had it in our committee, and there was an amendment offered by the ranking Republican member to dedicate 35 percent to value-added. And this is what his colleagues are not debating and are concerned about. I argued against imposing the value-added without some kind of restriction because we want the jobs here.

The CHAIRMAN. The time of the gentleman from Texas [Mr. de la Garza] has expired.

(By unanimous consent, Mr. de la Garza was allowed to proceed for 2 additional minutes.)

Mr. de la GARZA. So, Mr. Chairman, you see it is a confused situation because we want the jobs here. We want to mill the wheat and make the flour and then sell the flour under Public Law 480.

But here Members say it is going to displace local sales. Do you want the jobs in Kansas or do you want the jobs in Kenya?

I am afraid that here we are going into a situation where it is very popular now to bash foreign aid, to go against the foreigners; they do not speak English, they do not look like us. Well, some of them might look like me. But they do not look like the rest of my colleagues. And we are getting into that kind of situation.

But my dear friend, whom I respect, I have nothing but respect and admiration for him, this is not the thrust that we should be following. Yes, we need to restructure. Yes, we need to reform. But to just chop at the amount is not going to do what we are speaking about and what I agree is needed.

I would like to have the AID in another agency that is more responsible and responsive to the needs of the recipient and to the needs of the domestic, to the product that is being used.

□ 1650

I would think it would be more compatible, but that is not what the rules or the law stipulate, so I ask you, and in all sincerity, I agree with the thrust, when you say reform, when you say restructure, when they say possible abuse, when they say the possibility of misuse and the possibility of damaging the local economy, that we need to address, but you do not address that by cutting the funds.

You do not even send a message. The message should come from the principals including myself. Restructure the damn thing. Reform it if necessary to the extent that it is responsible. Because in the end it is the taxpayers' money that we are dealing with, and we have a solemn oath and we have a responsibility to protect that taxpayers' money.

But you are not going to protect it solely by slashing it off of this program. You are going to protect it by reforming the program, by restructuring the program and by having vigorous and strong oversight that has not been done in this case.

Mr. SANTORUM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I greatly appreciate hearing from the chairman of the Committee on Agriculture. I would agree with him that what we need to do is create more jobs here in America with food programs. That is why we are funding WIC and spending more money here on food programs here in the United States, which I fully support. That does not mean that we need to employ farmers to send crops overseas.

The answer is not, just because this is 2 percent of the Agriculture budget, that we should somehow ignore this because this is not a responsible area to go after. I think it is a responsible area for all the reasons cited by the gentleman from Ohio and the gentleman from Washington and even by the chairman himself, who says they have many complaints about these programs. He was not up here defending how these programs work. In fact, he was saying that they do not work.

I do not see why a program that does not work, that sends money by way of food overseas when we have problems here to address at home, should be funded. I think he made a very good argument for supporting the Miller amendment.

He mentioned, you know, we give money, we give food to Bangladesh. I am sure the chairman well knows we are going after title II of the food program, not title III, which is where Bangladesh gets most of its food aid. So we are going after where we see discreetly where the waste and abuse is in the food program, not title I, not title III, but title II.

In fact, we leave in the $100 million in the title II area, because that is where the Congressional Budget Office said was about that much money was used for disaster relief within the title II area, so we did not eliminate it completely. We have left the amount which is good, which CBO has characterized as effective use of this dollars-for-food program.

I want to commend the gentleman from Washington for the tremendous job he has done not only in his amendments last week on the foreign aid bill but this additional foreign aid amendment which goes at the heart of some of the bureaucracy and some of the waste that goes on in our foreign assistance program. This is the kind of stuff that we need when we are going to make very tough decisions, and it is absolutely incredulous to me that this House will not support an amendment, when 280 Members came to the floor and said they want a balanced budget, and the 100-and-some-odd that did not support it said that they supported the concept of a balanced budget, but we need to make tough decisions now.

This is not a tough decision. We have the chairman of the Committee on Agriculture saying that this is a problem program. We have the Congressional Budget Office saying $240 million of this money just is the problem, that $100 million is what the level should be, and we have a very responsible amendment here to cut out a big chunk of change that is going overseas, and we can direct that money within this bill which is over the limit, as the gentleman from Indiana said, to provide funding for WIC which is just now going to be added on to the deficit.

It is a responsible vote to cut this program. And I will go into a little detail.

I am not an expert in African and Asian food programs, but I will quote from a book by Graham Hancock titled "Lords of Poverty." Mr. Hancock is a former East African correspondent for The Economist.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. SANTORUM] has expired.

(By unanimous consent, Mr. SANTORUM was allowed to proceed for 2 additional minutes.)

Mr. SANTORUM. Mr. Chairman, I quote Mr. Hancock:

> The drug of food aid: The taste for wheat is a relatively new phenomenon in Africa, but it is an important one. Because of it, traditional home-grown staples like maize are increasingly regarded as "low-class" peasant fare, and are going out of fashion; indeed, the continent now spends about $2 billion a year on wheat imports. Similar trends are also evident elsewhere in the Third World as refined white flour imposes its stodgy domain from Mexico to Indonesia and from Thailand to Peru.
>
> It is the aggressive food aid policies of the United States that have most effectively "hooked" developing countries on the "fix" of Western farm produce.
>
> Administering America's huge "Food for Peace" Programme under Public Law 480, the Agency for International Development operates on the streetwise principle that those who accept free handouts today will become paying customers tomorrow * * *.
>
> In addition, every year—courtesy of the ever-patient taxpayer of course—U.S. agribusiness benefits from aid procurement orders * * *.
>
> What is good for General Mills, Ralston Purina, or Quaker Oats, [however], is not necessarily good for the Third World. Indeed, in a number of cases, food aid has had an utterly devastating effect on the agricultural output of developing countries. As well as creating expensive addictions to non-indigenous cereals, and discouraging export-production of items like corn and rice * * * P.L. 480 has frequently served as a major disincentive to the efforts of local farmers to grow food even for domestic consumption. Simply stated, the dumping of large quantities of low-priced American grain in Africa and Asia make it economically impossible for small producers in those regions to compete.
>
> South Korea has been hailed by a former Assistant Secretary for Agriculture as: "the greatest success story worldwide of the Food for Peace Programme in terms of contribution to the growth of that nation." While it is undoubtedly true that South Korea has grown, the role of U.S. food aid in this process is not so clear—and certainly not admirable * * *.
>
> The main function of U.S. grain imports in the 1950's and 1960's seems to have been to allow the government to maintain a "cut-price food" policy that put many small Korean farmers out of business. Prices paid domestic rice producers, for example, were consistently below cost—with the result that millions of rural people were forced to seek jobs in the cities.
>
> The following is a quote from Larry Minear, who is a representative for development policy of Church World Service.
>
> "Can P.L. 480 be all things to all people? Korea is its most oft-cited success story * * *. Yet relations are now buffeted (1989) by growing anti-Americanism—a harvest in part of past food aid policies, as well as recent U.S. pressure for expanded access to Korean agricultural markets.
>
> Several years ago two Korean farm groups wrote an impassioned letter to President Reagan.
>
> "Acknowledging the importance of U.S. food aid in earlier years, they also lamented that food aid had 'not been used to develop Korean agriculture * * *. Instead, as American farm goods have continued to pour in, Korea's income from its own crops * * * has dropped, destroying Korea's agriculture.'"

Mr. Minear goes on to say,

> Title II disaster relief programs have had a positive impact on the lives of the poor far outdistancing the benefits of title I,

So it is title I that we are going after, excuse me,

> concession sales. In fact, classical food aid risks, disincentives to agricultural development, undesirable changes in consumption patterns, dependency on food imports, and assorted logistical complications are more frequently associated with large-scale title I than smaller-scale title II.

So it is title II that we are going after, and I apologize. It is title I that we are going after, not title II, which is the disaster aid, and that program is definitely eligible to be cut even as the chairman of the Committee on Agriculture said that it has problems.

We should adopt the Miller amendment.

Mr. ARMEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is a pleasure for me to rise in support of this amendment.

The gentleman from Washington [Mr. MILLER], my good friend, colleague, and classmate, has once again shown his enormous understanding and compassion as he tries to eliminate, or at least reduce, the harmful effects of Public Law 480.

It is not the amount of spending on 480 that is of concern here. It is not the share of the national debt that is represented by spending on 480. it is not the share of the agricultural budget that is represented by spending on 480 that is contested here. What is contested here is the harm that is done to the developing nations and their rural struggling agricultural programs by 480.

Public Law 480 was legislation born under false pretenses. While it has been surviving all of these years under the guise of food for peace, it has, in fact, been a scheme to dump the unnecessary agricultural surpluses born out of the absurdities of American farm programs, and this is the way that happens: Because the farm lobby is so effective, because the special interest is so powerful, we have an enormous network of legislation that is first designed to hold the American domestic price above the market level which, in turn, encourages output in surplus.

□ 1700

As that surplus accumulated over the years, it became an embarrassment to the American agricultural establishment, both the bureaucracy here in Washington and the lobbies from across the country. So it became necessary to find a way to dump that surplus and it was decided that we would dump the surplus under the guise of charitable American giving and compassion in a program called Food for Peace.

Once again the politics of greed is wrapped in the language of love.

Did it provide food for the peoples of the developing nations? In some instances, yes, temporarily, but did it provide for them an increase or a diminished ability to feed themselves?

For those struggling agrarian enterprises across the world's developing theater where the infrastructure was incomplete, the technology was outdated, the labor was difficult, and the conditions were even more difficult, they never had a chance to cultivate the development of their agrarian sector because they always had to compete with cheap American surplus crops, and consequently they failed to develop the ability to feed themselves and remain independent.

This is a perfect example of legislation that Milton Friedman called laws that do harm.

Sure, there are winners and there are always gainers in the making of legislation. The gainers are the American agriculture and agribusiness establishment. The gainers are the American agricultural bureaucracy. The gainers are the American politicians that play to those special interest groups, but the losers are the poor hungry people across the globe who may have had the illusion of relief from their rich neighbor, but instead found their ability to develop the capacity to feed themselves undercut. All of this is seen by the gentleman from Washington [Mr. MILLER].

The horror stories are frightening. I would like to give one example from many of where this provided not food nor peace. In May 1984, 10 people were killed in Haiti when government troops fired on crowds rioting to protest corruption in the United States Food for Peace Program. When the Haitian farmers could not bring their crops to market because they could not compete with the cheap United States surplus dumped in their market, they protested and they were shot for their protest.

In other instances when governments tried to decline our surplus commodities, they were bullied into accepting it, contrary to the interests of their people and contrary to the interests of their developing agricultural sector.

Mr. Chairman, I commend the gentleman from Washington, and I urge a yes vote.

AMENDMENT OFFERED BY MR. KASICH AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. MILLER OF WASHINGTON

Mr. KASICH. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. KASICH as a substitute for the amendment offered by Mr. MILLER of Washington: Page 69, line 2, strike "$343,092,000" and insert "$317,800,000".

Mr. KASICH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KASICH. Mr. Chairman, let me just in a nutshell explain what this is. This is an effort to really kind of build a consensus here.

I want to commend the gentleman who is the chairman of the Agriculture Authorizing Committee. His statement is very constructive. We intend to be constructive here.

Frankly, in some respects, what we are trying to do is to make a change in the program by reducing an amount; but furthermore, of course, we would like to legislate the reforms of this program. We, however, cannot legislate on an appropriations bill; but what we are trying to do is establish the basis for real reform of this program. The substitute amendment makes a reduction of $26 million. It reduces the subsidy of these overall programs. It is a more modest proposal and really preserves the spirit of what we want to do in terms of reforming these provisions of the Public Law 480 program not related to disaster assistance and allow us, we would hope, to be able to come back next year.

While having achieved something this year, something definite this year, we would like to come back next year with a more appropriate vehicle to be able to enact the legislative reform changes that we seek.

I offer the substitute amendment, but to tell you it is Congressmen MILLER of Washington, SANTORUM, DELAY, and BURTON of Indiana all involved in the substitute. We do this in the spirit of compromise and would look forward to the members of the committee being able to accept this substitute.

Mr. MCHUGH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would not have been able to support the prior amendment offered by my friend, the gentleman from Washington [Mr. MILLER], because the effect would have been to cripple the title I program of Public Law 480.

There are a number of questions which deserve to be explored. Certainly all of us agree that the effect of this program should not be to make it difficult or impossible for local farmers in developing countries to develop their own capacity to grow food. That is not in their interests and it is ultimately not in the interests of the United States, either.

On the other hand, there are many situations where there are food shortages in developing countries and title I has been a great help to many of these countries and their governments in terms of meeting their food shortages.

It is also, as the distinguished chairman of the authorizing Committee on Agriculture pointed out, a critically important program to American farmers, and indeed to American workers who are employed on the docks in this country where these commodities are shipped.

So it is a question which is at least nixed, and in my judgment the amendment which the gentleman from Washington offered in good faith, I am sure, went much too far.

On the other hand, in the spirit of compromise, I would be willing on this side to accept the substitute amendment offered by the gentleman from Ohio, the gentleman from Washington and others, as a way of at least sending a modest signal that there are some concerns which need to be addressed, and I am sure will be addressed by the authorizing committee.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. MCHUGH. I am happy to yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman for yielding to me. I concur with his wise decision and will support it, but I wanted to maintain my commitment that we need to have vigorous oversight. We agree with the reform need, that we need reorganization. It has been very difficult because of the disjointed jurisdiction here in the Congress and out there in the administration.

So as I said, I did not fault my colleagues on their cry for restructuring or reform, but rather the approach that was being taken.

With that, Mr. Chairman, I support the gentleman, who at this point if I do not have another opportunity want to commend him for the excellent way he has managed this legislation and what he has brought to the floor under very difficult circumstances. I commend him and the members of the subcommittee for the work they have done.

Mr. MCHUGH. Mr. Chairman, I thank the gentleman for his comments and for his commitment to look at this program.

Mr. MILLER of Washington. Mr. Chairman, will the gentleman yield?

Mr. MCHUGH. I yield to the gentleman from Washington.

Mr. MILLER of Washington. Mr. Chairman, I appreciate the willingness of the chairman of the Appropriations Subcommittee and the chairman of the Agriculture Committee to recognize the problems in this program.

I want to thank my colleagues from Texas, Pennsylvania, and Ohio, for their kind words.

We are not trying to bash foreign aid here. We are trying to save foreign aid. We are trying to get foreign aid that the American people can support.

While I think the original amendment would have left this program fully able to provide for humanitarian and disaster relief in the noble traditions of the American people, I think the compromise support of both parties will send a very constructive signal to all concerned that we are ready to take a look at restructuring and reforming this program.

Mr. SKEEN. Mr. Chairman, will the gentleman yield?

Mr. MCHUGH. I am happy to yield to the gentleman from New Mexico.

□ 1710

Mr. SKEEN. I want the gentleman to know that we have no opposition, that we do accept the compromise. We think it is a good one.

Mr. MCHUGH. I thank the gentleman for his comments.

Mr. Chairman. The question is on the amendment offered by the gentleman from Ohio [Mr. KASICH] as a substitute for the amendment offered by the gentleman from Washington [Mr. MILLER].

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment, as amended, offered by the gentleman from Washington [Mr. MILLER].

The question was taken; and the chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SANTORUM. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 410, noes 4, not voting 20, as follows:

[Roll No. 246]

AYES—410

Abercrombie
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Beilenson
Bennett
Bentley
Berman
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Borski
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Crane
Cunningham
Dannemeyer

Darden
Davis
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Ewing
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Henry
Herger
Hertel
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Hughes
Hunter
Hutto
Hyde
Inhofe
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kolter
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Rangel
Ravenel
Ray
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Slattery
Slaughter
Smith (FL)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Washington
Waters
Waxman
Weber
Weiss
Weldon
Wheat
Whitten
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—4

Alexander
Bereuter
Hoagland
Smith (IA)

NOT VOTING—20

Ackerman
Allard
Anthony
Bevill
Bonior
Boucher
Boxer
Dymally
Gekas
Hefner
Huckaby
Ireland
Jones (GA)
Perkins
Skelton
Tallon
Thomas (GA)
Traxler
Williams
Wilson

☐ 1734

Mr. HOAGLAND changed his vote from "aye" to "no."

Mr. PICKETT and Mrs. COLLINS of Michigan changed their vote from "no" to "aye."

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

In addition, for administrative expenses to carry out the Public Law 480 title I credit program, and the Food for Progress Act of 1985, as amended, to the extent funds appropriated for Public Law 480 are utilized, $1,815,000.

DEBT RESTRUCTURING UNDER THE ENTERPRISE FOR THE AMERICAS

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying direct credit agreements as authorized by title VI of the Agricultural Trade Development and Assistance Act of 1954, as amended, $69,531,000.

SHORT-TERM EXPORT CREDIT

The Commodity Credit Corporation shall make available not less than $5,000,000,000 in credit guarantees under its export credit guarantee program for short-term credit extended to finance the export sales of United States agricultural commodities and the products thereof, as authorized by section 211(b)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641).

INTERMEDIATE EXPORT CREDIT

The Commodity Credit Corporation shall make available not less than $500,000,000 in credit guarantees under its export guarantee program for intermediate-term credit extended to finance the export sales of United States agricultural commodities and the products thereof, as authorized by section 211(b)(2) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641).

EMERGING DEMOCRACIES EXPORT CREDIT

The Commodity Credit Corporation shall make available not less than $200,000,000 in credit guarantees under its export guarantee program for credit expended to finance the export sales of United States agricultural commodities and the products thereof to emerging democracies, as authorized by section 1542 of Public Law 101-624 (7 U.S.C. 5622 note).

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out CCC's Export Guarantee Program, GSM 102 and GSM 103, $3,320,000; of which not to exceed $2,731,000 may be transferred to and merged with the appropriation for the salaries and expenses of the General Sales Manager, and of which not to exceed $589,000 may be transferred to and merged with the appropriation for the salaries and expenses of the Agricultural Stabilization and Conservation Service, to cover the common overhead expenses associated with implementing the Federal Credit Reform Act of 1990.

Mr. KOSTMAYER. Mr. Chairman, I move to strike the last word.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I could not hear. I have an amendment on page 69, line 13. I want to make sure I reserve the right to offer that amendment.

The CHAIRMAN. That paragraph was passed.

Mr. GLICKMAN. Mr. Chairman, I could not hear. I thought I was on my feet. I ask unanimous consent to be able to offer my amendment at line 15, page 69.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. SKEEN. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The gentleman from New Mexico reserves the right to object.

Mr. KOSTMAYER. Mr. Chairman, reclaiming my time, the gentleman from Kansas [Mr. GLICKMAN] was sitting here. The gentleman jumped up. The gentleman's amendment was about a paragraph ago. The gentleman has just asked for unanimous consent to go back about a paragraph and be able to offer that amendment; that is all.

Mr. GLICKMAN. Mr. Chairman, if the gentleman will yield further, as I was sitting here, the gentleman from Pennsylvania [Mr. KOSTMAYER] asked me to yield so the gentleman could move to strike the last word to speak. I could not hear.

Mr. Chairman, I have been here 5 hours right here at this seat waiting to offer this amendment.

Mr. SKEEN. Mr. Chairman, we could not hear either. We did not know what the gentleman was trying to do or not do. I was not trying to be ornery, I just wanted to know what the Sam Hill was going on over there.

The CHAIRMAN. Is the gentleman from New Mexico [Mr. SKEEN] withdrawing his reservation of objection?

Mr. SKEEN. Mr. Chairman, I will just object.

The CHAIRMAN. The gentleman objects. Objection is heard. The gentleman from Pennsylvania [Mr. KOSTMAYER] has the time.

Mr. KOSTMAYER. Mr. Chairman, while my friend, the gentleman from New Mexico [Mr. SKEEN], and my friend, the gentleman from Kansas [Mr. GLICKMAN], are trying to reach an agreement, let me speak very briefly about something that Members have heard about earlier today, and that is the Market Promotion Program.

I think the committee deserves to be commended for a number of changes they have made in this program, including a reduction in total funding from $200 million to $75 million. There are also instructions in the report, but not in the bill, that the program concentrate on value-added products, that is, products to which value is added in the United States by U.S. workers, second, that the program be focused on getting into new markets. And, finally, that the program be targeted to companies that truly need it.

Mr. Chairman, all of these changes make the program a better program. I had intended at this time to offer an amendment based on a bill I have introduced to effect the MPP Program, although I am informed that the House rules will prevent me from doing so.

□ 1740

That legislation, Mr. Chairman, goes somewhat further than the committee was prepared to go. I want to restrict the MPP Program to only U.S. companies. My bill sets a ceiling on the size of the companies which could receive a grant, limit assistance to companies with less than $500 million per year in gross sales.

The bill further states that the program would have to expire for each individual company's products after 5 years. It would place a cap on the annual amount that a company could receive: half a million dollars. And finally, it requires that the products promoted must contain at least 50 percent U.S. commodities.

Many Members who have spoken before, Mr. Chairman, have recited the long list of companies that are receiving large sums of money, essentially to pay for their advertising. I am not going to do that again. I rise only to commend the committee for making some changes, although I think not enough, and urge them to exercise very rigorously the oversight functions so that this program can really come to do what it was intended to do.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I renew my unanimous consent, since I could not hear, that I may be able to offer my amendment on page 69, line 13.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

Mr. WALKER. Mr. Chairman, reserving the right to object, I know the gentleman is attempting to change the process so we can get back to his amendment. One of the problems that we have is that consistently when the minority seeks to get fair treatment with regard to the process here, it just does not happen. And very often we get absolutely no votes from the Democratic side when we are seeking fairness in the process for offering minority amendments.

Mr. Chairman, I do object.

The CHAIRMAN. Objection is heard.

Mr. GLICKMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this is not right. The Chair has to protect Members in these circumstances.

The Chair had at his desk, at the desk my amendment that, in fact, the Parliamentarian had asked me if I was going to offer, which amendment, which I did. And I am sitting here and a lot of commotion is around here.

The gentleman from Pennsylvania asked if he could get in front of me quickly to move to strike the last word, which I said, "Yes," on.

I am not one of the Members that interferes with the operations of this House whatsoever. And if that is allowed to happen, then it is not fair to the Members of this body.

Mr. LEACH. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Iowa.

Mr. LEACH. Mr. Chairman, I would just like to say, even though I am profoundly opposed to the gentleman's amendment, that the gentleman was sitting there. It was quite clear he had every intention to offer the amendment. And as he said, he was not only sitting there for a few minutes but for many hours.

For the sake of the process, I think the gentleman is correct, that he ought to be given the right and that it is a small accommodation.

Mr. McHUGH. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from New York.

Mr. McHUGH. Mr. Chairman, I would hope the gentleman from Pennsylvania would reconsider. I know that the Members of the minority side have objected to a number of rules. We brought this bill to the floor without even seeking a rule. So it was totally open for any amendment that members on either side of the aisle wanted to offer.

The gentleman from Kansas [Mr. GLICKMAN] has obviously been a victim of the commotion. He is only a paragraph away. I would hope, in fairness—it seems to me only fair that he be permitted to offer his amendment. He has been here for 5 hours both sides have agreed to accept his amendment.

I hope the gentleman will reconsider.

Mr. SKEEN. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from New Mexico.

Mr. SKEEN. Mr. Chairman, I merely objected in the first place to find out what in the world was going on because things were happening over there, and we had not had any notice of what was going on. And all of a sudden we were past that.

I would not do that to any Member and would not appreciate any Member doing it to me. I have had it done to me here in the past, and I would not do that to anybody else.

Mr. GLICKMAN. Mr. Chairman, I would say to my colleague, the gentleman from Pennsylvania [Mr. WALKER], could I have the gentleman's attention for a minute.

We came into Congress together, and we tried to be fair. I go sometimes on the theory that today is the first day of the rest of our lives. I think I have tried to be fair to the gentleman all these years, and I have personally not been a person who takes advantage of the rules of this place.

I think in all fairness, the gentleman ought to give me this opportunity. I am not asking for anything that is unfair or unreasonable.

Mr. Chairman, I ask unanimous consent again that I may be able to offer the amendment to page 69, line 13, that I have been waiting here 5 hours to seek.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

Mr. WALKER. Mr. Chairman, reserving the right to object, I would simply say to the gentleman, he is one of the Members who has attempted over the years to be fair. And if an objection is not lodged, it would be simply out of personal courtesy to him.

I will tell the gentleman, however, that there have been many times here when this same kind of thing has happened to Members of the minority and where objection has been heard not only from the gentleman's side but often from the leadership of his side, often from the chairman handling a bill on the floor.

And consistently, then, if such things are put to a vote, the membership of the gentleman's side unanimously regards this as a procedural vote and votes down Republican attempts to bring things to the floor.

I would like to believe the gentleman that this is the first day of the rest of our lives and that from here on out we will be treated fairly, but my guess is that we are going to have a rule down here tomorrow which is going to make a special amendment in order on the Committee on Ways and Means tax bill to protect one special group that is a Democratic special interest group.

My guess is that we are going to have that come down here tomorrow, and we will not have a first day of the rest of the session even, let alone the rest of our lives.

I am concerned about this. I understand the gentleman has waited. I have often sat on the floor and waited hours and hours and hours and then been denied by some machinations on the gentleman's side.

The gentleman from Kansas [Mr. ROBERTS] the other night, the Committee rose rather than allow him to bring his amendment up on the gym.

Those are the kinds of votes that stick in the craw a little bit over here, and it does give me great concern.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

Mr. UPTON. Mr. Chairman, reserving the right to object, I would not like to object. I wonder if I might have just a brief colloquy with the gentleman from New York [Mr. MCHUGH] just for a moment.

The gentleman from New Jersey [Mr. ZIMMER] and I were planning to offer an amendment to deny subsidies for beekeepers later on. I was just wondering if we might see some comity in the process that would allow us to offer the amendment and seek a vote, if we should so desire.

Mr. MCHUGH. Mr. Chairman, will the gentleman yield?

Mr. UPTON. I yield to the gentleman from New York.

Mr. MCHUGH. Mr. Chairman, it is my understanding that there are three amendments which are in the nature of limitations and, therefore, in the nature of legislative language. I would hope that it would be the will of the House to rise before we get to those amendments. But if it is, if I get a sense it is the will of the House that they want to stay here to consider those amendments, I will accede to that.

I would appreciate Members giving me a sense of that. My sense is that we have been on this bill now for 5½ hours, and there is another bill of significant proportion to be considered tonight as well. They are projecting a 10 o'clock finish. So I understand the gentleman's interest in that.

It is really a question of what is in the orderly interest of the House.

Mr. UPTON. Mr. Chairman, further reserving the right to object, could I ask unanimous consent that our amendment be made in order without the Committee rising?

The CHAIRMAN. The Chair would advise the gentleman that there is one unanimous consent request pending, so it would be out of order for the gentleman to make that request at this time.

Is there objection to the request of the gentleman from Kansas?

Mr. UPTON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. UPTON. Mr. Chairman, I will then ask unanimous consent that both the amendment of the gentleman from Kansas [Mr. GLICKMAN] and the Zimmer-Upton amendment on beekeepers be allowed at some point before the Committee rises.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan that the gentleman from Kansas be permitted to return to page 69, line 13 to offer an amendment and that the gentleman from Michigan or the gentleman from New Jersey be permitted to offer an amendment notwithstanding clause 2(d) of rule XXI?

Mr. KOSTMAYER. Mr. Chairman, reserving the right to object, will the gentleman restate his request?

Mr. UPTON. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Michigan.

Mr. UPTON. Mr. Chairman, the unanimous consent request that I offered was that the amendment of the gentleman from Kansas [Mr. GLICKMAN] and the Zimmer-Upton amendment on beekeeping be allowed prior to the Committee rising.

Mr. KOSTMAYER. Mr. Chairman, further reserving the right to object, how about the amendment to be offered by myself, which the gentleman from New York [Mr. MCHUGH] said would be precluded by the Committee rising, and also the amendment to be offered by the gentleman from Utah [Mr. OWENS]?

The gentleman from Utah [Mr. OWENS] was told that he could not offer his amendment because the Committee was going to rise.

□ 1750

I just spoke to my friend, the gentleman from New York, in the Cloakroom, who indicated the Committee was going to rise and I could not offer my amendment, so two Democrats have lost the right to offer an amendment and one Republican. What is good for the goose is good for the gander. If the gentleman from Michigan [Mr. UPTON] is going to offer his amendment, we want to offer ours. Fair is fair.

Mr. UPTON. I would say to the gentleman, make the motion. I will not object to that.

Mr. Chairman, I ask unanimous consent that all four of the amendments be made in order before the Committee rises this evening, the amendment of the gentleman from Pennsylvania [Mr. KOSTMAYER], the amendment of the gentleman from Utah [Mr. OWENS], the Zimmer-Upton amendment, and the amendment of the gentleman from Kansas [Mr. GLICKMAN].

Mr. KOSTMAYER. Mr. Chairman, if I might clarify, the gentleman is asking unanimous consent that his own amendment, the amendment of the gentleman from Pennsylvania [Mr. KOSTMAYER], the amendment of the gentleman from Utah [Mr. OWENS], as well as the amendment of the gentleman from Kansas [Mr. GLICKMAN] all be made in order?

The CHAIRMAN. That is the unanimous consent request now put to the Committee by the gentleman from Michigan [Mr. UPTON].

Mr. FAZIO. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will continue reading the bill.

The Clerk read as follows:

OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of International Cooperation and Development to coordinate, plan, and direct activities involving international development, technical assistance and training, and international scientific and technical cooperation in the Department of Agriculture, including those authorized by the Food and Agriculture Act of 1977 (7 U.S.C. 3291), $7,247,000: *Provided*, That not to exceed $3,000 of this amount shall be available for official reception and representation expenses as authorized by 7 U.S.C. 1766: *Provided further*, That in addition, funds available to the Department of Agriculture shall be available to assist an international organization in meeting the costs, including salaries, fringe benefits and other associated costs, related to the employment by the organization of Federal personnel that may transfer to the organization under the provisions of 5 U.S.C. 3581–3584, or of other well-qualified United States citizens, for the performance of activities that contribute to increased understanding of international agricultural issues, with transfer of funds for this purpose from one appropriation to another or to a single account authorized, such funds remaining available until expended: *Provided further*, That the Office may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1736) and the foreign assistance programs of the International Development Cooperation Administration (22 U.S.C. 2392).

SCIENTIFIC ACTIVITIES OVERSEAS (FOREIGN CURRENCY PROGRAM)

LIMITATION ON EXPENSES

For payments in foreign currencies owed to or owned by the United States for research activities authorized by section 104(c)(7) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(c)(7)), not to exceed $1,062,000: *Provided*, That not to exceed $25,000 of these funds shall be available for payments in foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), as amended by 5 U.S.C. 3109.

TITLE VI—RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Food and Drug Administration, including hire of passenger motor vehicles; for rental of special purpose space in the District of Columbia or elsewhere; and for miscellaneous and emergency expenses of enforcement activities, authorized and approved by the Secretary and to be accounted for solely on the Secretary's certificate, not to exceed $25,000; $744,135,000: *Provided*, That none of these funds shall be used to develop, establish, or operate any program of user fees authorized by 31 U.S.C. 9701.

BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Food and Drug Administration, where not otherwise provided, $8,350,000, to remain available until expended (7 U.S.C. 2209b): *Provided*, That the Food and Drug Administration may accept donated land in Montgomery and/or Prince George's Counties, Maryland.

RENTAL PAYMENTS (FDA)

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92-313 for programs and activities of the Food and Drug Administration which are included in this Act, $25,612,000: *Provided*, That in the event the Food and Drug Administration should require modification of space needs, a share of the salaries and expenses appropriation may be transferred to this appropriation, or a share of this appropriation may be transferred to the salaries and expenses appropriation, but such transfers shall not exceed 10 per centum of the funds made available for rental payments (FDA) to or from this account.

DEPARTMENT OF THE TREASURY

FINANCIAL MANAGEMENT SERVICE

PAYMENTS TO THE FARM CREDIT SYSTEM FINANCIAL ASSISTANCE CORPORATION

For necessary payments to the Farm Credit System Financial Assistance Corporation by the Secretary of the Treasury, as authorized by Section 6.28(c) of the Farm Credit Act of 1971, as amended, for reimbursement of interest expenses incurred by the Financial Assistance Corporation on obligations issued through 1993, as authorized, $84,614,000: *Provided*, That not to exceed $809,000 of the assistance fund shall be available for administrative expenses of the Farm Credit System Assistance Board: *Provided further*, That officers and employees of the Farm Credit System Assistance Board shall be hired, promoted, compensated, and discharged in accordance with title 5, United States Code.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

For necessary expenses to carry out the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), including the purchase and hire of passenger motor vehicles; the rental of space (to include multiple year leases) in the District of Columbia and elsewhere; and not to exceed $25,000 for employment under 5 U.S.C. 3109; $47,300,000, including not to exceed $700 for official reception and representation expenses.

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $38,686,000 (from assessments collected from farm credit institutions and from the Federal Agricultural Mortgage Corporation) shall be obligated during the current fiscal year for administrative expenses as authorized under 12 U.S.C. 2249, including not to exceed the following amounts: official reception and representation expenses, $1,500; Office of Secondary Market Oversight, $300,000; Office of the General Counsel, $1,853,000; and Office of Congressional and Public Affairs, $500,000.

TITLE VII—GENERAL PROVISIONS

SEC. 701. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for the fiscal year 1993 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed 659 passenger motor vehicles, of which 654 shall be for replacement only, and for the hire of such vehicles.

SEC. 702. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902).

SEC. 703. Not less than $1,500,000 of the appropriations of the Department of Agriculture in this Act for research and service work authorized by the Acts of August 14, 1946 and July 28, 1954, (7 U.S.C. 427, 1621-1629), and by chapter 63 of title 31, United States Code, shall be available for contracting in accordance with said Acts and chapter.

SEC. 704. No part of the funds contained in this Act may be used to make production or other payments to a person, persons, or corporations upon a final finding by court of competent jurisdiction that such party is guilty of growing, cultivating, harvesting, processing or storing marijuana, or other such prohibited drug-producing plants on any part of lands owned or controlled by such persons or corporations.

SEC. 705. The cumulative total of transfers to the Working Capital Fund for the purpose of accumulating growth capital for data services and National Finance Center operations shall not exceed $2,000,000: *Provided*, That no funds in this Act appropriated to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency administrator.

SEC. 706. New obligational authority provided for the following appropriation items in this Act shall remain available until expended (7 U.S.C. 2209b): Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, Integrated Systems Acquisition Project, and the reserve fund for the Grasshopper and Mormon Cricket Control Programs; Agricultural Stabilization and Conservation Service, salaries and expenses funds made available to county committees; Office of International Cooperation and Development, Middle-Income Country Training Program; higher education graduate fellowships grants under section 1417(b)(6) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3152(b)(6)); and capacity building grants to colleges eligible to receive funds under the Act of August 30, 1890, including Tuskegee University.

New obligational authority for the Boll Weevil Program and up to 10 per centum of the Screwworm Program of the Animal and Plant Health Inspection Service shall remain available until expended.

SEC. 707. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 708. Not to exceed $50,000 of the appropriations available to the Department of Agriculture in this Act shall be available to provide appropriate orientation and language training pursuant to Public Law 94-449.

SEC. 709. Funds provided by this Act for personnel compensation and benefits shall be available for obligation for that purpose only.

SEC. 710. No part of any appropriation contained in this Act shall be expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), pursuant to any obligation for services by contract, unless such executive agency has awarded and entered into such contract as provided by law.

SEC. 711. None of the funds appropriated or otherwise made available by this Act shall be available to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.

SEC. 712. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 per centum of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

SEC. 713. None of the funds in this Act shall be used to carry out any activity related to phasing out the Resource Conservation and Development Program.

SEC. 714. None of the funds in this Act shall be used to prevent or interfere with the right and obligation of the Commodity Credit Corporation to sell surplus agricultural commodities in world trade at competitive prices as authorized by law.

SEC. 715. Notwithstanding any other provision of this Act, commodities acquired by the Department in connection with Commodity Credit Corporation and section 32 price support operations may be used, as authorized by law (15 U.S.C. 714c and 7 U.S.C. 612c), to provide commodities to individuals in cases of hardship as determined by the Secretary of Agriculture.

SEC. 716. None of the funds in this Act shall be available to reimburse the General Services Administration for payment of space rental and related costs in excess of the amounts specified in this Act; nor shall this or any other provision of law require a reduction in the level of rental space or services below that of fiscal year 1992 or prohibit an expansion of rental space or services with the use of funds otherwise appropriated in this Act. Further, no agency of the Department of Agriculture, from funds otherwise available, shall reimburse the General Services Administration for payment of space rental and related costs provided to such agency at a percentage rate which is greater than is available in the case of funds appropriated in this Act.

SEC. 717. In fiscal year 1993, the Secretary of Agriculture shall initiate construction on not less than twenty new projects under the Watershed Protection and Flood Prevention Act (Public Law 566) and not less than five new projects under the Flood Control Act (Public Law 534).

SEC. 718. None of the funds provided in this Act may be used to reduce programs by establishing an end-of-year employment ceiling on full-time equivalent staff years below the level set herein for the following agencies: Food and Drug Administration, 8,924; Farmers Home Administration, 12,225; Agricultural Stabilization and Conservation Service, 2,550; Rural Electrification Administration, 550; and Soil Conservation Service, 14,177.

SEC. 719. Funds appropriated by this Act shall be applied only to the objects for which appropriations were made except as otherwise provided by law, as required by 31 U.S.C. 1301.

SEC. 720. None of the funds in this Act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

SEC. 721. None of the funds provided in this Act may be expended to release information acquired from any handler under the Agricultural Marketing Agreement Act of 1937, as amended: *Provided*, That this provision shall not prohibit the release of information to other Federal agencies for enforcement purposes: *Provided further*, That this provision shall not prohibit the release of aggregate statistical data used in formulating regulations pursuant to the Agricultural Marketing Agreement Act of 1937, as amended: *Provided further*, That this provision shall not prohibit the release of information submitted by milk handlers.

SEC. 722. Unless otherwise provided in this Act, none of the funds appropriated or otherwise made available in this Act may be used by the Farmers Home Administration to employ or otherwise contract with private debt collection agencies to collect delinquent payments from Farmers Home Administration borrowers.

SEC. 723. None of the funds in this Act, or otherwise made available by this Act, shall be used to sell loans made by the Agricultural Credit Insurance Fund. Further, Rural Development Insurance Fund loans offered for sale in fiscal year 1993 shall be first offered to the borrowers for prepayment.

SEC. 724. None of the funds in this Act may be used to establish any new office, organization, or center for which funds have not been provided in advance in Appropriations Acts, except the Department may carry out planning activities.

SEC. 725. None of the funds in this Act, or otherwise made available by this Act, shall be used to regulate the order or sequence of advances of funds to a borrower under any combination of approved telephone loans from the Rural Electrification Administration, the Rural Telephone Bank or the Federal Financing Bank.

SEC. 726. None of the funds in this Act shall be available to pay indirect costs on research grants awarded competitively by the Cooperative State Research Service that exceed 14 per centum of total Federal funds provided under each award.

SEC. 727. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries of personnel who carry out a Market Promotion Program pursuant to section 203 (7 U.S.C. 5623) of the Agricultural Trade Act of 1978, if the aggregate amount of funds and/or commodities under such program exceeds $75,000,000.

SEC. 728. None of the funds appropriated or otherwise made available by this Act shall be used to enroll additional acres in the Wetlands Reserve Program, as authorized by 16 U.S.C. 3837, beyond those acres enrolled as a result of the sign-ups conducted in 1992.

SEC. 729. None of the funds appropriated or otherwise made available by this Act shall be used to enroll additional acres in the Conservation Reserve Program, as authorized by 16 U.S.C. 3831–3845, beyond those acres enrolled as a result of the sign-ups conducted in 1992.

SEC. 730. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries of personnel who carry out the Agricultural Resource Conservation Demonstration Program pursuant to section 1465 of Public Law 101–624, as amended by section 203 of Public Law 102–237.

SEC. 731. Such sums as may be necessary for fiscal year 1993 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

Mr. MCHUGH (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill through page 84, line 12, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Are there any points of order against the remaining provisions?

If not, are there any amendments to the remaining provisions?

PARLIAMENTARY INQUIRY

Mr. MCHUGH. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MCHUGH. Mr. Chairman, my unanimous consent request was to open title VII up to the last provision, which would still have to be read.

The CHAIRMAN. The last provision being the last three lines of title VII?

Mr. MCHUGH. That is right, Mr. Chairman.

The CHAIRMAN. That is the Chair's understanding.

Mr. WALKER. Mr. Chairman, reserving the right to object——

The CHAIRMAN. The request has already been permitted. The Chair simply confirms that was the ruling of the Chair when no objection was entered at the time the request was made.

The Chair is now asking, are there any points of order.

PARLIAMENTARY INQUIRY

Mr. OWENS of Utah. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. OWENS of Utah. Mr. Chairman, I did not hear the acting chairman of the subcommittee state the reservation that three lines were reserved at the end in his original request.

The CHAIRMAN. That was part of the request.

Mr. OWENS of Utah. Mr. Chairman, I misunderstood the Chair. The parliamentary inquiry is, did in fact the acting chairman of the subcommittee reserve the last three lines in his original request for unanimous consent?

The CHAIRMAN. The gentleman is correct, he did.

Mr. OWENS of Utah. Mr. Chairman, he did not?

The CHAIRMAN. He did.

Mr. OWENS of Utah. I thank the Chair.

AMENDMENT OFFERED BY MR. OWENS OF UTAH

Mr. OWENS of Utah. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OWENS of Utah: Page 83, line 16, strike the comma and insert "with respect to tobacco subsidies or".

Mr. OWENS of Utah. Mr. Chairman, I do not think the Members know that hidden in this bill is $3.5 million to promote tobacco sales abroad. It is possible, as the acting chairman of the subcommittee has indicated, that I will not be able to get my amendment to a vote, because of his motion to rise and report, so, at the appropriate time, we will challenge the attempt to do that and require a vote on the motion to rise and report.

The only way Members may have the opportunity to vote on cutting this $3.5 million, or restricting, at least, any use of American funds to promote tobacco abroad, will be to defeat the motion to rise and report.

Mr. Chairman, when it comes to tobacco, the United States has become addicted to bad policy. In fact, our country is displaying a double standard of the worst kind. We have a schizophrenic policy. On the one hand, the United States has made a concerted effort to curb tobacco use and educate the public on the health risks of smoking. We have enacted programs to increase the excise tax on cigarette products, to place strong health warnings on cigarette products and advertisements. We have created a Federal office on cigarette products, on smoking and health, and have banned all smoking on domestic commercial flights.

On the other hand, and I am not sure if Members all realize this, but last year we gave $3.5 million in grants to tobacco farmers to promote tobacco overseas. Taxpayers are actually paying to help market and manufacture tobacco more efficiently, and this spring United States Trade Representative Carla Hills tried to persuade the Government of Taiwan to soften health warnings on cigarette packages.

Mr. Chairman, this policy is insane. In May 1992, the American Cancer Society cancer prevention study revealed that if current smoking rates continue, more than one-fifth of all people now living in developed countries will be killed by tobacco. Think of that. This is equivalent to the entire population of the United States. People now living will die from tobacco use, and our taxpayer dollars are helping kill them.

Mr. Chairman, the number of smokers in the United States has dropped 32 percent in 22 years. That is impressive progress here at home. In response, 2 years ago Vice President QUAYLE announced at a news conference that because Americans are smoking less, we should expand our exports of tobacco abroad. In other words, because our country is becoming smarter about the health risks of tobacco, the Vice President suggests we use our scarce tax dollars to create a growing demand for it abroad.

How does the Vice President explain away the Department of Health and Human Services advice? Hear the Vice President:

> Secretary Sullivan comes at it from the health aspect. He has got reports that indicate quite strongly that smoking is injurious to one's health, but on the other hand, we are not going to deny a country an export from our country because of that policy.

□ 1800

The American taxpayers are paying billions of dollars each year for research and for cures for cancer, lung diseases and heart ailments, and at the same time these taxpayers are spending millions of dollars to promote these very same diseases overseas.

According to Kirk Wayne, president of the Tobacco Associates, a trade group which promotes tobacco exports, 50 million dollars' worth of new sales was generated last year alone as a direct result of these Federal grants. So our taxpayer dollars to promote American products, they are working for us, we are promoting America's tobacco, undoubtedly the best in the world, the most sought after, the best blended, the best tasting poison in the entire world. People all over the world, in fact, if you will pardon the expression, will die to smoke American tobacco, and today, unless this amendment is accepted, we, the Congress, are committing millions of dollars, American taxpayer dollars to peddle the ultimate carcinogen to the world.

What are we actually exporting here? Deaths, deaths that would have been American deaths before this enlightened age of declining American smoking. We are paying taxpayer dollars to export cancer and emphysema so our tobacco farmers can stay in business. That is too great a price for a humanitarian nation to pay to prop up a failing, a flawed industry.

This is the reality America must confront, and it is in fact a moral dilemma. We are spending $80 million each year to convince Americans not to smoke, and thereby saving countless American lives. How in the name of all that is moral and decent can we spend other millions to promote smoking by our neighbors in the world, our fellows on planet Earth in the sure knowledge that we are really promoting suffering and early death?

We can solve the moral dilemma right here and now. Let us kill this odious marketing subsidy today, not foreign consumers 20 or 30 years from now.

Mr. CAMPBELL of California. Mr. Chairman, I ask unanimous consent that the amendment of the gentleman from Utah [Mr. OWENS] be made in order before the motion to rise.

The CHAIRMAN. The amendment is already pending.

Mr. CAMPBELL of California. I ask unanimous consent that it not be subject to a challenge and that it be heard before a motion to rise.

Mr. HATCHER. Mr. Chairman, I object.

The CHAIRMAN. A timely point of order was not reserved, and consequently the amendment is pending.

Mr. DURBIN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Utah.

This is a bill to fund the U.S. Department of Agriculture. The supporters of this bill stand before us, and I am one of them, and speak in terms of the food and fiber needs of America and the world. The product of which we are speaking is neither a food nor a fiber. Tobacco is a deadly product which when used according to the manufacturer's directions will either kill you or cripple you.

The United States of America, through its Department of Agriculture, is subsidizing the export of this deadly product. There are $75 million reserved within this account to promote American agricultural products. That is substantially less than what was asked for by the Bush administration. I can tell Members that if we had given the $200 million asked for by the Bush administration that worthwhile products, agricultural products, food and fiber products would have been denied these same market promotion funds.

Instead, what we have seen by this administration through its U.S. Department of Agriculture is a subsidy of the export and promotion of this deadly tobacco product. The gentleman from Utah is correct. Our health policy and our agricultural policy are in conflict.

We have an opportunity today to stand up and make it clear that we are not two-faced when it comes to tobacco. We cannot say to Americans across the board protect your children from the harms of environmental tobacco smoke, we cannot say to American passengers in airplanes that it is dangerous for them to be exposed to smoking and secondhand smoke, and then promote this product overseas so that people can literally be killed around the world because of our promotion efforts.

For decades the United States of America has enjoyed a reputation of sending overseas cures for diseases, nutrition, ways to raise healthful crops so that developing countries can make it in the world, and I am very proud of that tradition. But that tradition is defiled by the fact that we take millions of our taxpayer dollars now and promote this addictive habit in developing countries around the world.

I would say to my friend from Utah I stand in support of his amendment. I hope that we can restrict the use of these market promotion programs and that they will not be used for tobacco products.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I am happy to yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Chairman, I want to thank the gentleman from Illinois and the gentleman from Utah, and confess that this is one of the more nervous moments of my life. But I support the gentleman from Utah's amendment.

I am from a tobacco State, but I think we have reached the point where it is impossible to ignore the reality that we are subsidizing something which is not healthy for the people who do not live here in the United States, when at the same time we are spending tens of millions of dollars in health care, and we are going to debate that issue very soon, health care costs which are at least in part avoidable if we can take better care of ourselves.

I think we have to do something for the tobacco farmers in my State of Kentucky. I think we have to be sure that we have a conversion program similar to the one that we are using to convert defense workers to jobs in the regular domestic sector.

But I think at this point, under these circumstances tonight, I think the gentleman from Utah's amendment is in order, and I appreciate the gentleman from Illinois yielding to me.

Mr. CAMPBELL of California. Mr. Chairman, I move to strike the last word.

PARLIAMENTARY INQUIRY

Mr. CAMPBELL of California. Mr. Chairman, if I might commence with a parliamentary inquiry, I wish to be sure that the amendment offered by my colleague from Utah would not be subject to a motion to rise. Am I so assured, Mr. Chairman?

The CHAIRMAN. A motion to rise and report will only be in order when the last three lines of the bill are read. The pending amendment comes prior to that point in section 727.

Mr. CAMPBELL of California. I thank the Chair.

I rise in support of the amendment offered by the gentleman from Utah, and I would offer an observation. I was impressed as well by the thoughts of my colleague from Illinois.

In offering export subsidies we support the production of tobacco. You cannot make a distinction, and say well, I am only supporting it for export overseas. When you create more of a market, when you create an economic incentive, you support the entire industry. Accordingly, to vote in favor of support of the export is to vote in favor of this domestic industry as well.

Many times when I address my constituents in town hall meetings I am asked what about the tobacco subsidies, do I not think we should get rid of them. I responded it has been very clever how this has been worked, that you cannot really find a line item in a budget called agricultural subsidies for tobacco. There are two things going on. One is an antitrust amendment which allows tobacco growers to get together and suggest a price, which price is then passed along to Leggett & Myers, American Tobacco, Brown & Williamson, and ends up as a higher price to the cigarette smoker. This has the same result economically as though there had been a direct Government tax upon smokers and given as a subsidy to producers. But you cannot get at this one directly, because it does not say subsidy on it.

Today we have a chance to get at it directly. It does say subsidy. It just happens to be called an export subsidy.

I support the logic of the gentleman from Utah. It is a subsidy for an industry that should not be subsidized.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL of California. I am pleased to yield to my colleague from Kentucky.

Mr. ROGERS. Mr. Chairman, will the gentleman agree, aid granted to farmers in California in the form of water subsidies or other subsidies, those are subsidies to farmers?

Mr. CAMPBELL of California. There are subsidies to farmers of California.

Mr. ROGERS. Should they not also be stricken as well?

Mr. CAMPBELL of California. I believe all agricultural subsidies should be stricken.

Mr. ROSE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have been in these fights for an awful long time, and I am not sure exactly where they are headed. But I would say to my colleague on the other side of the aisle who just spoke, a long time ago we took the subsidy out of tobacco growing.

If the gentleman is going to contend that it is in the best interests of antismoking efforts in this country to do away with the tobacco price support program so the companies can get a cheaper product, that is where his logic was headed, and I do not follow it.

Mr. CAMPBELL of California. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I yield briefly to the gentleman from California.

Mr. CAMPBELL of California. Mr. Chairman, I will be very brief. Whether it is a cartel price or a subsidy, it is a grant of money to the grower.

□ 1810

A higher price does not result in less demand.

Mr. ROSE. It is not taxpayers that pay any subsidy in that price.

Mr. CAMPBELL of California. Mr. Chairman, will the gentleman yield further?

Mr. ROSE. I yield to the gentleman from California.

Mr. CAMPBELL of California. It is the grower who gets the subsidy from the consumer. It is a tax identical in economic effects to a tax on a cigarette package.

Mr. ROSE. The question before us in the amendment by the gentleman from Utah [Mr. OWENS] is whether or not a tobacco cooperative in Raleigh, NC, called Tobacco Associates will be allowed to use $3.5 million in market promotion funds to promote the sale of leaf tobacco overseas, not cigarettes, not manufactured cigarettes.

Now, WAYNE, I know this is popular in Utah. You made a great speech for home consumption, but let me tell you something, Philip Morris is smiling all the way to the bank, because they will not have to compete. They will not have to compete. They will not have to compete, WAYNE, with the Tobacco Associates organization that recently showed the Turkish Government how to make its own cigarettes.

Mr. OWENS of Utah. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I am happy to yield to the gentleman from Utah.

Mr. OWENS of Utah. May I say to my friend, old friend, we came to the House together 20 years ago, first of all, that the rules, just so old friends do not get angry at each other, do not permit old friends to address each other in the first person on the floor of the House.

Mr. ROSE. I am not angry.

Mr. OWENS of Utah. Let me just say to my old friend who came to the House 20 years ago with me, this gentleman is saying that $3.5 million of American money has been spent in this year to promote the sale of American tobacco products abroad, and that is exporting death.

Mr. ROSE. Leaf tobacco.

Mr. OWENS of Utah. What is in cigarettes, I ask my friend, if it is not tobacco?

Mr. ROSE. The problem is that——

Mr. OWENS of Utah. It is not the paper that is lethal, is it, Mr. ROSE, Sir.

Mr. ROSE. No, it is not, Mr. OWENS. It is not, but the problem is here that you are undercutting a grower who is in the business of marketing a legitimate product overseas.

I know this is a very difficult distinction for many of you. I spend a lot of time making distinctions around this place.

This is one you all do not choose to make, and I regret that very much. But I would urge, and I am not going to ask for a recorded vote here, and I have no fear that the mood will be overwhelmingly in favor of adopting this amendment because of the reasons you have said, and I hope, Mr. Chairman, you could not reserve a point of order, do not call for a record vote on this, but let it be adopted by the House.

Mr. KOSTMAYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have great respect for my friend from North Carolina, but let me tell you how bad this program is.

The tobacco group, Tobacco Associates, applied for a grant from the Department of Agriculture to promote American tobacco overseas. Then they gave $650,000 of their money to the Turkish Government to build a machine that manufactures cigarettes with American tobacco, and then on top of that $650,000, Tobacco Associates gave themselves a $200,000 consulting fee, $850,000 of taxpayers' money, $650,000 of which went to the Turkish Government tobacco monopoly plus a $200,000 fee for consulting.

I think that is an outrage. I think it is wrong.

Mr. ROSE. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to my very good friend from North Carolina.

Mr. ROSE. I am amazed at the temperature we can achieve around here over this subject.

But do you know who the main people were that came to us and objected to this piece of equipment going to the Turks?

Mr. KOSTMAYER. No, sir.

Mr. ROSE. Philip Morris. Philip Morris says, "We want to be able to sell our own cigarettes."

Mr. KOSTMAYER. Reclaiming my time, I wonder if the gentleman from North Carolina disputes anything I said.

Mr. ROSE. I do not dispute anything you said.

Mr. KOSTMAYER. If I could reclaim my time, I will say to my very good friend, just remember two things, $650,000 to the Turkish Government to build a cigarette-making machine, $200,000 of American taxpayers' money for the consultant that gave the Turks the money. The gentleman does not dispute what I said.

That is just plain wrong. There is no way around it.

Mr. ROSE. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to my good friend, my very good friend, the gentleman from North Carolina, who came here with the gentleman from Utah [Mr. OWENS] 20 years ago.

Mr. ROSE. The gentleman knows, and I think the gentleman from Utah [Mr. OWENS] himself reported, that Tobacco Associates said that they were able to export $50 billion worth of additional leaf tobacco from the growers in our States, in Virginia and South Carolina and Kentucky and North Carolina, directly to Turkey so Turkey could make its own cigarettes.

Now, they were agricultural exports, aid the balance of payments, and I contend to you that if the Turks did not buy that tobacco from the United States grower, they would buy it somewhere else.

I understand the arguments that you are making, and I appreciate your position.

Mr. KOSTMAYER. Reclaiming my time, I understand the arguments that gentleman makes. The gentleman says that by promoting this we are promoting the export of American tobacco.

Mr. ROSE. Absolutely.

Mr. KOSTMAYER. That is helpful to the economy of the States, and I understand it.

I just ask that, given the circumstances in the country, with the deficit we have, is this really something we ought to be doing, paying a $200,000 consultant fee to these people and $650,000 to the Turkish Government?

Mr. ROSE. And I have already agreed with the gentleman that the House probably overwhelmingly agrees with his position. I thank the gentleman for yielding.

Mr. KOSTMAYER. And I thank the gentleman from North Carolina.

Mr. ORTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take the entire time.

Mr. Chairman, I would just like to rise in support of the amendment and commend the gentleman from Utah, my colleague, from whom I had the distinct pleasure as a young law student to learn from him the legislative process.

He is absolutely correct on this amendment. How can we justify the expenditure of millions of taxpayers' dollars to subsidize a crop which we know is lethal, which we know kills people, whether it is for domestic or for foreign consumption? It is wrong.

The taxpayers do not want to spend their money on such a subsidy, and I support the gentleman's amendment very strongly.

Mr. ATKINS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this amendment points out and gets at the heart of the insidious relationship between the tobacco companies and this Congress, and specifically the shell game that they are playing.

Because the gentleman from North Carolina [Mr. ROSE] is quite correct when he talks about this amendment in terms of promoting U.S. leaf abroad and helping U.S. tobacco exports, but at the same time that we are spending our taxpayer money to do this, to promote this deadly and lethal product, a product for which one in five people in the world will die a premature death as a result of the use of it, that the amount of domestic leaf, the amount of domestic tobacco leaf in U.S. cigarettes has declined dramatically.

In 1970, it was 80 percent domestic content. We are now down to less than 65 percent. So what the cigarette companies have done is they have squeezed out U.S. tobacco leaf growers.

The gentleman from North Carolina [Mr. ROSE] has spoken eloquently on a number of occasions and, at the same time, demanded subsidies. And where is this money going? This money is going overseas for machines which will process allegedly U.S. tobacco for tobacco cigarette manufacturing machines. But what happens to it?

We buy the machines. They start out with it, and sure as anything, they will switch and start using other leaf in short order.

We spent millions of dollars in Iraq financing them to set up plants to manufacture domestic Iraqi cigarettes, an absolute outrage, and then after they started the program, they stopped using American leaf.

The tobacco industry is perpetrating an absolute sham on the taxpayers. They are playing a game with us. There is not a single product that has a higher priority with the U.S. Trade Representative than tobacco.

□ 1820

Around the world the U.S. Trade Representative puts tobacco first, ahead of any other product. This is not a harmless kind of activity. What it is doing and what the emphasis on tobacco exports is doing is hurting our exports of other agricultural products, healthy ones. It is hurting the export of electronics and of other American manufactured products.

This amendment is an important amendment and I hope it is the start of a good effort.

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield?

Mr. ATKINS. I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Chairman, just for 30 seconds, if I could remind Members that when I stood up to speak awhile ago and the gentleman from Kansas [Mr. GLICKMAN] began all that long problem we had, this is the same program I was talking about. Just keep in mind that the $3.5 million for tobacco is part of a larger program of $200 million. From this program:

Pillsbury gets $3.2 million.
Dole, $2.5 million.
Welch's, $1.2 million.
Tyson's Chicken, $1.2 million.
Sunkist got $10 million.
Blue Diamond Almonds, $6.6 million.
Gallo Wine, $5.1 million.
McDonald's, to promote McNuggets in Japan, $465,000.
Campbell's Soup, $450,000.
Seagram's $146,000.
Del Monte, $70,000.

Whether we are subsidizing tobacco or subsidizing any of these products, we spent $200 million on it. The committee deserves to be commended because they have reduced it from $200 million to $75 million. They made some changes, but I wonder if we ought to be spending $75 million giving this money to enormous companies overseas to advertise their products.

Mr. NEAL. of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I appreciate very much the moral outrage of my colleagues, but I think you are in error and I want to point out how you are in error.

What you are talking about doing with this, and I agree with my friend, the gentleman from North Carolina, that I do not think I am going to have anything to do with the outcome of this vote. I think the amendment will pass overwhelmingly, but probably for the wrong reasons, because you are not going to affect one cigarette, whether one cigarette less or more is smoked. I think that is what you believe you are doing.

I believe you think that somehow by this amendment you are going to reduce the number of cigarettes smoked somehow, but you are not, because in countries where tobacco is legal people make choices. They choose one brand over another and they will either choose a brand made with tobacco from our country, or they will choose a brand made with tobacco from another country.

Now, I have got an answer for you. If you want to really solve this problem, bring forward some legislation that will just outlaw tobacco, just make cigarettes illegal. Bring it to the House. Let us get a vote on it and let us see what happens. See if you want to go home and tell your constituents, whatever they are, 40 percent of them that smoke, that you think they should be criminals under the U.S. Criminal Code.

If you do not do that, if you do not want to do that, then why not let people use the product of their choice.

Mr. ORTON. Mr. Chairman, will the gentleman yield?

Mr. NEAL of North Carolina. Yes, I yield to the gentleman from Utah.

Mr. ORTON. I would merely like to point out to my friend, Mr. Chairman, that we are not talking about making legal or illegal the use of a product. We are talking about spending U.S. taxpayer dollars to subsidize. I think there is a vast difference between spending dollars, which could be spent on other programs or could reduce the deficit, on that type of a product.

Mr. NEAL of North Carolina. Mr. Chairman, let me respond to my friend.

This money is not a subsidy. This is an export promotion program, as I understand it. I believe that is what the author of the amendment has in mind.

Now, I am not no expert on this, but what I understand that they do is they say, these Department of Agriculture officials who are engaged in promoting American products abroad—tobacco products, grain products, and other commodities—in countries where tobacco is legal, that they say, "We think this is a superior tobacco product."

To people who are going to buy tobacco in one form or another, they are either going to buy tobacco grown in this country—as I understand it, tobacco provides a big part of our trade. It is one of the few positive elements in our trade position with the rest of the world.

Again, I think there is some misunderstanding here. It can be cleared up, by the way. It can be cleared up just by outlawing it, but I think what we are doing is we are basing what we are about to do on just misinformation. It is not a subsidy. We are not going to affect one person smoking a cigarette. You are not going to stop any person in Turkey or in the United States or in any country from smoking. You are just going to say that they are not going to use American tobacco.

Mr. OWENS of Utah. Mr. Chairman, will the gentleman yield?

Mr. NEAL of North Carolina. I yield to the gentleman from Utah.

Mr. OWENS of Utah. Mr. Chairman, does the gentleman, however, not agree that there is a schizophrenic policy here evident? The Federal Government is spending $80 million telling people not to smoke, hundreds of millions of dollars to treat people who have, and, on the other hand, spending, $3.5 million to help promote our tobacco products abroad. And that is a schizophrenic spending dilemma on top of a moral dilemma. We are exporting a product that we know will bring death; we are promoting its sale abroad.

Mr. NEAL of North Carolina. On that point, Mr. Chairman, like I say, and I honestly mean this, I appreciate the moral concern on this and other issues, there is no question in my mind about that; but I just do not think we are getting at it. I mean, this is nibbling around the edges.

Remember, I am really serious about this. You are not going to affect one cigarette; there is not going to be one cigarette less smoked in the world.

Now, let me get to the point of promoting our products.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

(By unanimous consent, Mr. NEAL of North Carolina was allowed to proceed for 2 additional minutes.)

Mr. NEAL of North Carolina. Frankly, I am at a loss. The question is only this. Since there is not any less tobacco used in any country, the question is will it be tobacco that is grown in this country or will it be tobacco that is grown in another country?

Now, I think the gentleman is saying that for moral reasons that the gentleman would rather have it be tobacco grown in another country. I do not know, but I think you all are trying to accomplish something, frankly, that you are not accomplishing with this amendment.

Mr. THOMAS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. NEAL of North Carolina. I yield to the gentleman from Georgia.

Mr. THOMAS of Georgia. Mr. Chairman, is it not true, and I think as the gentleman is talking about tobacco being bought from other countries, that it should be pointed out that at least in this country we have very careful controls and restrictions on the chemicals used on our crops and residue that results. In other words, we are growing under standards. Most other countries do not do this.

So as the gentleman has pointed out, we are simply turning the market to other areas where there is no quality control or standards. It just does not wash, in my opinion.

Mr. NEAL of North Carolina. I know we are going to lose on the amendment, and again I have the greatest respect for my friends who are talking about this. I know they are sincere, but honestly, the way to get at what you really want to get at is to bring us legislation that will outlaw the product.

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield?

Mr. NEAL of North Carolina. I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Chairman, the gentleman has made a good point. This is not going to reduce the number of cigarettes smoked, either in this country or anywhere in the world, and I do not think anyone here would contend that it would; but what it will do is eliminate those funds which subsidize tobacco, and I think they are a subsidy.

Mr. NEAL of North Carolina. No; it is not a subsidy.

Mr. KOSTMAYER. If I could just finish my statement, and I appreciate the gentleman yielding.

These funds, in the case of the example I gave, $650,000 went to Tobacco Associates, who then gave it to the Turkish Government to build a machine that is involved in the manufacturing of smoking products and cigarettes. That seems to me clearly a subsidy to the industry. It is taxpayers' money.

The question is not whether this will reduce smoking. The gentleman is right. It will not. The question is; Should American taxpayers be subsidizing this?

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. NEAL] has again expired.

(At the request of Mr. KOSTMAYER, and by unanimous consent, Mr. NEAL of North Carolina was allowed to proceed for 30 additional seconds.)

Mr. KOSTMAYER. The question, should American taxpayers be paying these funds for these purposes, I think the gentleman is quite right. We should not be.

Mr. NEAL of North Carolina. That is the judgment call, but I just want to say that the outcome of that is not what you anticipate.

All it means is that our trade deficit will go up. We will sell fewer of our products abroad; fewer of our people will be employed.

□ 1830

If that is what you want to accomplish, you do it.

Mr. ANDREWS of Texas. Mr. Chairman, I move to strike the requisite number of words. Mr. Chairman, I just want to mention a couple of statistics which have taken place in Southeast Asia. It is not about economics.

In Taiwan, since our Trade Representative has fought so hard to open up their markets in Southeast Asia, teenage smoking has grown 44 percent in 2 years. The overall smoking rates jumped 28 percent to 34 percent in Taiwan after years of steady decline. In Japan, college women are now four times as likely to smoke as their mothers smoked.

Mr. Chairman, we bear a great deal of the responsibility here. This country has seen just the opposite impact, as men and women learn much, much more about the risks of using tobacco products. Smoking has declined in America. And yet the hypocrisy of this policy is at the very time that the Surgeon General is discouraging smoking here among young teenagers, we are helping to open up these markets in Southeast Asia, encouraging young Southeast Asians to take up smoking. That is a hypocritical policy. And the gentleman's amendment will help put a stop to that.

This is an issue not just about economics; it is about leadership; it is about health care.

Mr. HATCHER. Mr. Chairman, I rise in opposition to the amendment.

Thousands of U.S. farmers and tobacco workers and many related industries will be hurt if this amendment is agreed to. And I ask for what? Will tobacco not be produced in other countries if we end funds for the Market Promotion Program? Of course it will. Leaf tobacco and manufactured tobacco products are sold worldwide in legitimate channels of trade and commerce. Leaf tobacco is grown in more than 100 countries and tobacco products are manufactured in dozens of countries.

Eliminating these funds will only mean that U.S. tobacco producers will be less competitive on the world market and foreign buyers and users of tobacco will purchase the products from someone else. Why should we put our farmers and workers at this disadvantage? There is absolutely no evidence that smoking will be reduced anywhere as a result of this action. In fact, it has never been proven that this program has created a single new smoker, but it has only been successful in replacing foreign-grown leaf with American leaf in many cigarettes manufactured overseas.

Ending this program for tobacco not only means displacing American jobs but it means a loss of revenue. Trade in tobacco and tobacco products in recent years has produced one of the few bright spots in our national balance of trade. In 1991 the excess of tobacco exports over imports amounted to $5.6 billion.

I urge my colleagues to vote against the Owens amendment. It will not help anyone, but instead hurt American farmers and workers.

Mr. LANCASTER. Mr. Chairman, I am opposed to the amendment of the gentleman from Utah. I appreciate what the gentleman is trying to do, but this amendment will not stop one cigarette from being smoked anywhere in the world.

These moneys have been used to help domestic tobacco farmers market their crop in overseas markets. However, none of the funds are used for advertising or any kind of consumer demand stimulation.

For example, the program helped establish a plant in Turkey which makes use of United States grown tobacco. Hopefully, the Turks will continue to purchase United States tobacco. However, if this initiative had not been undertaken, the Turks would have still built their plant and manufactured just as many cigarettes. The only difference is that they would be using Brazilian or some other tobacco for their products.

Let me point out that the money we have spent in Turkey was extremely cost-effective. For every dollar spent, we generated $51 in additional export sales. Not including more than $100 million in 1991 purchases that will be shipped in 1992, the 5-year result has been sales of over $110 million in U.S. unmanufactured tobacco exports. Prior to this initiative, United States unmanufactured tobacco exports to Turkey were zero.

All this amendment will do is hurt my tobacco farmers, and their families, in small towns and communities across eastern North Carolina. The cigarette companies do not get one penny of this money. In fact truth be known, they do not like this program because it helps displace their name brand products. These companies are already using huge quantities of imported leaf for their products. If we do not help our domestic producers develop new markets, they will rapidly become part of our economic history.

Mr. Chairman, we must wake up to the economic facts. We have already sold our textile jobs down the river to Mexico and the Far East. Are we now going to do the same with our tobacco farmers? The European Community is now engaging in an unfair trade practice by subsidizing tobacco production at a level of $800 to $900 million per year.

I would point out that only a small amount of the total funding for MPP has been going to help tobacco farmers promote what they have grown. And grown legally I might add. Last year the MPP was funded at $200 million for all farm commodities. Of this amount, tobacco farmers received perhaps $3 million to promote overseas tobacco sales.

This year the Appropriations Committee is proposing to fund the whole program at just $75 million. If an across the board cut is made in all programs under MPP, it could mean that my home State tobacco farmers will receive only a very small amount of funding indeed.

Last, I would point out that as much as some of my colleagues do not like smoking or supporting anything to do with tobacco, this is a bad amendment. Tobacco is perfectly legal. What will be the next farm product that makes the hit list? Some argue strenuously that red meat is harmful, and causes heart disease. Should we stop promotion of red meat? This amendment starts us down a dangerous road.

Mr. ROWLAND. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Utah.

This is a significant economic issue to farmers in my area of Georgia and to all of the country's tobacco growers. The market promotion program helps promote the sales of leaf tobacco overseas and that provides a direct return to the farmers I represent and, in fact, to entire communities in farm belt areas.

The proponents of this amendment do not question the validity of export promotion programs for other commodities. Tobacco farmers have the same economic pressures as any other farmers. As long as we tell farmers that tobacco may be legally grown and sold, and that the consumption of tobacco is a matter of choice, there is no legitimate reason why we should deprive tobacco producers the programs that the Federal Government conducts for other commodities and to threaten them with economic hardship. And it is not only farmers that are affected, but every aspect of the economy in rural areas: retail sales, banking, the service industry. This amendment is a great injustice to the people in rural communities.

Mr. THOMAS of Georgia. Mr. Chairman, I must admit that I am bewildered that my colleague should choose to exclude one particular commodity from participating in a program geared to assist our farm sector.

The simple fact is that tobacco is grown legally and consumed legally both in this country and abroad.

I would suggest that my colleague from Utah, where there is no involvement in the tobacco industry, visit with the farm families in the South where tobacco has traditionally been grown. I would like to see him look those fine, upstanding, hard-working people, with considerable capital invested in their operations, in the eye and tell them that they have no right to a program that is open to every other agricultural commodity grown in the United States.

And he should explain to them why it is acceptable for them to be excluded from a program that supports promotions of other products that have been medically shown to be harmful to health when consumed in excess. And he should explain to them why the product is being excluded when clearly world marketplaces will purchase tobacco from alternative countries which do not mandate the same high standard of chemical control that is imposed by our country.

The bottom line is that tobacco products will be consumed abroad. In accordance, tobacco will be purchased. Why shouldn't it be American-grown, where it is produced and processed under the most healthy conditions possible?

My colleague might think it makes the Congress more honorable because it cuts its nose off to spite its face. To my way of thinking, it just leaves us without a nose.

Mr. ROGERS. Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Utah.

Mr. Chairman, let me clear up the misunderstanding many of my colleagues have about tobacco and the Market Promotion Program. This is a program to build U.S. exports in areas where the United States has suffered from unfair competition in foreign markets.

Proponents of this amendment want you to believe this is a health issue, but it is not. It is solely a competitiveness issue. No Market Promotion Program funds are used to promote tobacco consumption. Eliminating tobacco from the program will not decrease tobacco sales and consumption. The fact is the United States grows less than 10 percent of the world's tobacco.

This amendment will only undercut U.S. farmers in international markets and allow our foreign competitors, such as the European Community, which subsidizes tobacco by almost $1 billion, to grab the international market. Once again, the United States will lose its position in the international market for a critical commodity which contributes an almost $6 billion surplus to our balance of trade.

This amendment will help no one, but it will hurt hundreds of thousands of American farmers and workers, numerous States which depend on this important revenue, and the Nation as a whole, which benefits from the trade surplus tobacco generates. The impact on my State would be tremendous—over 160,000 families derive income from tobacco, and tobacco contributes over $2 billion to Kentucky's economy. My State, and our Nation, cannot afford to lose this important revenue.

My colleagues, American jobs and American competitiveness are riding on this amendment, and I urge you to vote "no."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah [Mr. OWENS].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. OWENS of Utah. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was agreed to.

The CHAIRMAN. Are there other amendments to this particular portion of the bill?

AMENDMENT OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. GLICKMAN:
>
> "SEC. . The following amount otherwise provided in this act for the following account or activity is hereby reduced by the following amount: Debt restructuring under the enterprise for the Americas, $34,531,000."

Mr. WALKER. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Kansas [Mr. GLICKMAN] will be allowed to proceed subject to the reservation of a point of order made by the gentleman from Pennsylvania [Mr. WALKER].

Mr. GLICKMAN. Mr. Chairman, this was an amendment that I tried to offer before, and because of the noise and confusion I was not permitted to do so.

Mr. Chairman, the amendment strikes the bill's appropriation of $69,531,000 to cover losses resulting from debt restructuring and forgiveness, and replaces it with or relieves it of $35 million from the bill. It cuts it from about $70 to $35 million.

The bill permits the President to reduce the amount of debt a country owes the United States for loans made under title I of Public Law 480. Title I authorizes concessional financing for the sale of agricultural commodities to developing countries, including loans with repayment terms of up to 30 years with grace periods of up to 7 years.

What I have done in this bill is recognize there may be some reason for debt restructuring, but in this period of very tight budgets we should not just be forgiving 70 million dollars' worth of debt to carry out the administration's objectives.

What my amendment does is reduces it in half; it says not $70 but $35 million will be allowed at the discretion of the President.

The administration proposes in fiscal year 1993 to forgive or otherwise restructure loans for the following countries: Costa Rica, El Salvador, Ecuador, Colombia, and Uruguay. Losses to the Government from the restructuring account for the appropriation in the base bill of $69,531,000. This amendment reduces that to $35 million.

All I am saying is in a period of tight budgets when Members are worried about fiscal sanity, it is no good for us just to approve carte blanche $70 million of debt forgiveness. I think there may be reasons for some of it, so I kept half of it in.

Mr. Chairman, this amendment cuts about $35 million from the bill. Now, I would point out that this amendment is consistent with the action the House took last week when it approved the foreign operations bill where the committee did not agree with the administration's request for, I think the sum was, about $200 million in debt restructuring and forgiveness. But the committee provided no funds for the program, a recommendation adopted by the full House.

I recognize there may be some cases for debt restructuring, but not the full $70 million. This amendment is offered by the gentleman from North Dakota [Mr. DORGAN] and myself to try to bring some sanity to the fiscal situation we have right now.

Before I yield to the gentleman from North Dakota [Mr. DORGAN], I would like to say—and I know the gentleman from Iowa [Mr. LEACH] is on the other side of this amendment—but I want to say from the bottom of my heart that I appreciate his not only good-naturedness but the fact that he showed a great deal of humanity and sensitivity when he argued for righteousness and justice on the House floor by allowing me to offer the amendment in the right place.

I also want to thank the gentleman from New Mexico [Mr. SKEEN] my friend, who showed a great deal of kindness to me as well.

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. I thank the gentleman for yielding.

Mr. Chairman, let me say this: This amendment, and I have great respect for my friend from Kansas, but I think Members ought to understand——

Mr. GLICKMAN. Mr. Chairman, if the gentleman is going to argue against the amendment, let me yield to my friend from North Dakota. The gentleman from Pennsylvania has already interfered with my plans once tonight and not in the best way that I would like.

Mr. Chairman, I yield to my friend, the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. I thank the gentleman for yielding. I was going to observe the last time the gentleman from Kansas [Mr. GLICKMAN] got into trouble was because of his yielding to the gentleman from Pennsylvania [Mr. KOSTMAYER].

So I appreciate the fact that the gentleman from Kansas has reconsidered.

Mr. Chairman, I rise to support the proposal by the gentleman from Kansas. We are talking here about $34 million. Inch by inch and step by step we ought to take a look at what these bills do. My suggestion is that my friend from Pennsylvania reserved a point of order, and I would expect the point of order not to be sustained. I think the gentleman brings this amendment in this section of the bill properly and properly crafted. I think the House would want to entertain this approach.

There are times when perhaps debt forgiveness is entirely appropriate and necessary. I think, however, we have seen in recent years a foreign policy around here in which it becomes sort of fashionable for Monday or Friday action to forgive debt here, forgive debt there, to accomplish something on the other side.

You know, these things ought to be done on their merits, and they ought to be subject to careful review. The sum of $34 million is a lot of money. I have a lot of folks in my district who would love to see $34 million of debt forgiveness, especially people who are farmers out there struggling to make a living, with depressed prices, drought, and other problems. So I think the gentleman has offered an amendment that the House ought to accept tonight. I hope that the House will accept it.

I am pleased to join the gentleman from Kansas [Mr. GLICKMAN] in this cut of $34 million.

Mr. GLICKMAN. Again, my point is a cut of almost $35 million, moneys that would go forgiving debt to countries overseas; we are going to keep in some of the funds but not all of them. In a period of tight budgets, we are trying to show fiscal restraint, and I urge my colleagues to support this amendment.

The CHAIRMAN. Does the gentleman from Pennsylvania [Mr. WALKER] insist on his point of order?

Mr. WALKER. I do, Mr. Chairman.

The CHAIRMAN. The gentleman will state his point of order.

POINT OF ORDER

Mr. WALKER. Mr. Chairman, I make my point of order under rule XXI clause 2(d), where it states that such amendments as this—reading from the rule—"If any such motion is rejected," meaning a motion to rise, "amendments proposing limitations not specifically contained or authorized in existing law for the period of the limitation or proposing germane amendments which retrench expenditures by reduction of amounts of money covered by the bill may be considered." That is the nature of this amendment.

□ 1840

Under the rule it can only follow after the motion to rise has been defeated, and the gentleman from New York [Mr. MCHUGH] has not yet offered the motion to rise.

So, therefore, Mr. Chairman, this amendment is not in order until after that particular motion has been offered by the gentleman from New York. This amendment, therefore, does not come timely, but must come, according to the rule, after the motion to rise.

The CHAIRMAN. Does the gentleman from Kansas [Mr. GLICKMAN] desire to be heard?

Mr. GLICKMAN. I would just say, Mr. Chairman, that there has been no intervening motion to rise. The amendment is very much like an across-the-board cut in spending which we have on virtually every appropriations bill. The gentlemen from New York [Mr. MCHUGH], Mr. Chairman, did not make a motion to rise, and it is not legislation on an appropriation bill. It is strictly a cut in spending that occurred elsewhere in the bill. So, I do not think the point of order lies.

Mr. WALKER. Mr. Chairman, if I might be heard further, the gentleman from Kansas [Mr. GLICKMAN] has just made my point. He just said the motion to rise has not been offered. The rule states specifically that, if any such motion, meaning the motion to rise, is rejected, amendments proposing limitation not specifically contained, and so on—and it is clear that the amendments can only be offered after such motion is rejected.

So, therefore, Mr. Chairman, the motion to rise would at least have to be made in a perfunctory way in order for this amendment to be in order.

Mr. GLICKMAN. Mr. Chairman, If I just may offer one more point, I do not think that the motion is germane to this particular amendment which is the amendment to just cut spending in the bill.

I realize that the gentleman from Pennsylvania [Mr. WALKER] is now un-usually standing in the position of trying to prevent a cutting amendment, $35 million, from being offered to this bill, but I do not think that his point of order is germane to the language of the amendment.

The CHAIRMAN (Mr. SPRATT). The Chair will rule that the rule to which the gentleman from Pennsylvania [Mr. WALKER] refers clause 2 of Pub XXI deals with the legislation on an appropriations bill and refers to a Holman Rule retrenchment and not to a mere reduction in funds. This amendment relates solely to a reduction in the appropriation amount. It is not a retrenchment. It adds a section to the bill, and it adds it to the title of the bill dealing with general provisions. Consequently, the amendment is in order.

Mr. LEACH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, first let me express my appreciation to the gentleman from Kansas [Mr. GLICKMAN] for crafting an amendment that was not quite as severe as originally drafted. It is only cutting half what the original intent was, but, nevertheless, this amendment does have the effect of undercutting rather profoundly the President's Enterprise for the Americas Initiative.

Let me just mention several ironies about this:

The first irony is that this whole philosophical approach stemmed from the Democratic side of Congress in the late 1980's. It was finally adopted by this administration. But this is philosophically a Democratic Party approach that has now been objected to as it is being put into practice by the administration.

While this administration is, quite frankly, not a very good trumpeter of good policy, there is a further irony, and that is that this whole initiative is far more progressive than the Alliance for Progress. Now we have the party that initiated the initiative, at least philosophically, objecting to a very progressive effort to have warmer, more thoughtful relations with our neighbors to the south.

As to the substance of the Enterprise for the Americas Initiative, the program was authorized in the 1990 farm bill. The program itself allows support for environmental and health care initiatives in Latin America. This particular effort is designed to support countries such as Costa Rica, El Salvador, Ecuador, Uruguay, and Colombia.

Let me also say that the Enterprise for the America Initiative is designed to be the cornerstone, not of just an administration, but of our country's efforts to have a new partnership with countries of Latin America and the Caribbean. It is a very symbolic, humanitarian issue. It is also a symbolic environmental initiative because a number of the programs are designed to use funds that would otherwise be repaid to the Treasury, to advance, often through nonprofit organizations, substantial environmental programs, as well as health care programs, south of the border.

Mr. Chairman, I would very respectfully ask that it be defeated with the recognition that this very progressive policy of the administration is born of this body.

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield?

Mr. LEACH. I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Chairman, I want to associate myself very strongly with the gentleman from Iowa [Mr. LEACH], and I want to point out what the administration has done here is very, very important and very worthwhile. They have said to the countries of Latin America, "We will forgive your $69 million in debt if you will use that $69 million in your own countries for the environment, for child development, and for health care."

We are not going to get the money anyway, and what the President has said in this initiative, which is a marvelous and very productive initiative, is, "Don't pay us back. We'll forgive you the debt, but only if you use it in your countries on these three projects."

What we are talking about is allowing them to take the money they owe us and use it in their own countries. If they do not use it in their own countries for child development, for health care and for the environment, then they have got to pay it back to us. I think that is very ingenious because I think it is unlikely we will get the money.

Now what the gentleman from Kansas [Mr. GLICKMAN] is doing is saying to that, "No, $35 million of that, no."

That is $35 million that will go to the environment in Latin America, to child care in Latin America, to health care in Latin America. It is money that we might have to spend in foreign aid if we did not spend it this way. It is a good deal for Americans. It is a good deal for Latin America. It is a tribute to this administration.

Mr. Chairman, I urge Members of the minority party to support the President when he is right, as he is in this case, and I hope we will, too.

Mr. LEACH. One more modest statement, Mr. Chairman.

The whole environmental conference at Rio was about programs of this nature and asking countries to commit themselves to it. As a government, we did not want to take some of these commitments. I thought we should have, among other things. Some of our commitments preceded that particular conference, and this is one of those that represents a program that I think many of us advocate.

Mr. GREEN of New York. Mr. Chairman, will the gentleman yield?

Mr. LEACH. I yield to the gentleman from New York.

Mr. GREEN of New York. Mr. Chairman, I thank the gentleman from Iowa [Mr. LEACH], my good friend, for yielding to me. Historically, before the debt crisis hit, Latin America was a major trading partner of the United States and one with which we had a most favorable balance of trade. Then, as the debt crisis hit Latin America, the balance of trade, indeed all trade, collapsed, and the result was that we saw ourselves moving from a situation where we had a relatively even balance of trade worldwide to a deficit because we lost the markets in Latin America.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. LEACH] has expired.

(By unanimous consent, Mr. LEACH was allowed to proceed for 5 additional minutes.)

Mr. GREEN of New York. Mr. Chairman, will the gentleman yield?

Mr. LEACH. I yield to the gentleman from New York.

Mr. GREEN of New York. Mr. Chairman, we saw the collapse of our markets in Latin America as the debt crisis collapsed the economies of the Latin American countries.

Now obviously this one bit of debt forgiveness is not going to solve the whole problem, but it is part of a larger effort to deal with the debt problem and rebuild our exports.

In this particular case, as I understand the situation, we are particularly looking towards helping El Salvador and Costa Rica in fiscal year 1993. Those are two countries which have borne the brunt of the terrible struggle in Central America during the 1980's. That was a struggle, in which the United States was very much involved, and, regardless of the position which Members took on one side or the other side of that struggle in El Salvador or Nicaragua, and regardless of the position they took on how that was impacting the surrounding countries in Central America, surely we can understand that we have an obligation now to try to assist those economies to recover, since the situation now seems to be on its way to resolution and we are now trying to help those countries rebuild there.

Mr. Chairman, it seems to me this aspect of the Enterprise for the American Initiative is just a very small step to make a contribution to that recovery. It is a case where we can do well by doing good because, first, we can help some countries which were very much involved in the problems in Central America, and, second, by helping ease the general Latin American debt problem we can help ourselves through rebuilding our export trade to Latin America, traditionally a major outlet for American goods.

I therefore urge my colleagues to oppose the amendment.

□ 1850

Mr. LEACH. Mr. Chairman, I appreciate the comments of the gentleman. If I could just for a second add further, the gentleman from New York [Mr. GREEN] puts the issue in a larger economic framework, which is very valid. Part of our strategy has been to restrengthen Latin America by debt forgiveness. Not only the United States, but a whole spectrum of other countries. Much of the rest of the world believes we have been taking advantage of them by forcing them into comparable programs of debt reduction, even though most of the trade benefits accrue to the United States itself. That is, frankly, a valid observation. But debt forgiveness is important for the health of Latin America as well as the United States.

Mr. Chairman, we have become a major beneficiary of an international debt reduction program. Our exports and our economy has benefited disproportionately to that of other countries that have followed United States leadership and taken like programmatic approaches.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. LEACH. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, to the brilliant statement of the gentleman from Iowa [Mr. LEACH], I would just like to make the following qualifier: there are a lot of laudable objectives which the gentleman and the gentleman from New York [Mr. GREEN] talked about. The gentleman from Pennsylvania [Mr. KOSTMAYER] talked about health care in Latin America and the environment in Latin America.

All I am doing in this amendment is cutting in half, from $70 million to $35 million, the debt forgiveness, so maybe those dollars can go to the health care and environmental needs of the United States. That is really the basic issue here.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think we need some background as to the amendment before us and the thrust of what the legislation does.

First, for the first time in probably this century we have, from Mexico to Chile, with the exception of Cuba, democratically elected presidents. There has been a little setback in Peru, but nonetheless he was initially elected in a democratic election. They look to us. They try to emulate us.

Last week I had the privilege of attending a breakfast with 11 ministers of finance from the Latin countries. The report which they brought to us was so positive, so really unexpected, of how inflation was down and they were paying their debts. They were reducing corruption and were streamlining their governments. It was a very positive meeting with Secretary Brady and these ministers of finance.

The only thing they said was, "Don't leave us alone. Work with us." They didn't say "Give." They said "Work with us." And this is one way that we can work with them.

The sad part about it is they look to us as the leader of the world. But yet the initiative for the Americas, only one section is in law at this time, and that was a part in the 1990 farm bill that covered Public Law 480.

This morning from the Committee on Agriculture we passed a bill that will cover CCC debt. Here is an interesting program that many times people say, "Well, why don't these countries pay their debts or why don't we forgive it?"

They do not owe it to us, they owe it to private center banks, to First City, to Chase, and other banks.

But one of the areas they owe is the Commodity Credit Corporation, about $1.5 billion in nine Latin countries. The Paris Club and the restructuring of the debt has set that amount, and the going rate in the market is like maybe 40 cents to 60 cents on the dollar.

What this proposal does, it says not forgiveness, but we will allow you to pay the debt at the going commercial rate, which would be like maybe 60 cents on the dollar, if you take the savings and apply it to environmental projects back in your country in your own currency.

So it is a win-win situation, because we collect our debt at what would sell in the private sector in that amount 5, 10, 15 years earlier. We take the difference and let them use it for environmental purposes for their country.

In the case of Mexico, the legislation stipulates that it should be used in the Gulf of Mexico or on the border for environmental purposes. This is something being discussed in the North American Free-Trade Agreement.

So I wanted Members to have this background, that they are looking to us, eagerly wanting to work with us, and asking for assistance. Not only old-fashioned foreign aid where they were asking for guns, and ships, and tanks. We have now seen what has happened in the democratically elected areas.

But they still need help. We still have a moral commitment to El Salvador, we still have a moral commitment to Nicaragua, we still have a moral commitment to Chile, we still have a moral commitment to Argentina, because we were part of the process of getting democracy back into those countries.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I would be happy to yield to my colleague from California.

Mr. LAGOMARSINO. Mr. Chairman, I want to commend the gentleman for his statement. For years and years and years the people on your side of the aisle, not the gentleman particularly, but the people on your side of the aisle criticized the administration for only having, as they called it, a military strategy for problems in Latin America.

Well, we have gone far beyond that. We have gone far beyond that.

As the gentleman from Iowa [Mr. LEACH] said, the idea for what we are doing here came primarily from the Democratic side of the aisle. I think it is a shame that people on that side of the aisle are trying to shoot down or cripple it.

Mr. DE LA GARZA. Mr. Chairman, reclaiming my time, I thank the gentleman. I usually do not want to say "this side of the aisle" or "that side of the aisle." We are dealing here with the House and a concern that I am expressing in a generic fashion. I hope that we do not come down to "this side" or "that side." That is not the purpose of my intervention at this time.

Mr. LAGOMARSINO. Mr. Chairman, if the gentleman will yield further, the point I am trying to make is we are at a position now where much of what we have done is starting to take effect in Latin America. I think that this program that the gentleman is defending is an excellent one. Probably the $35 million in and of itself is not that important, but the signal that we send, the signal that we would send by defeating this amendment, I think would be a very bad one.

The CHAIRMAN. The time of the gentleman from Texas [Mr. DE LA GARZA] has expired.

(By unanimous consent Mr. DE LA GARZA was allowed to proceed for 1 additional minute.)

Mr. DE LA GARZA. Mr. Chairman, the issue is in the best interests of the United States of America, security, and our own stability. The national security of the United States of America demands a stable Central and South America. Otherwise it will cost us a lot more than the amount being discussed today. We have already spent a lot more. We have already invested a lot more than the amount being discussed here.

Mr. Chairman, our very own national security, the stability in those areas, they look to us for assistance. I think it is time that we accept the responsibility, because in part we are morally responsible for the sustainment of democracy and freedom in those areas where we went and told them to emulate us, this is the way to go. We now have to be responsible and assist them in that endeavor.

Mr. BEREUTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Glickman amendment. Mr. Chairman, the last discussion by the chairman of the Committee on Agriculture, the gentleman from Texas [Mr. DE LA GARZA], was certainly on point in several respects.

First of all, the gentleman talked about the importance of the Enterprise for the Americas Initiative and to the security of the United States and to its stability. I think the gentleman means stability of the hemisphere as well as our own. I would add to that the importance of EAI to exports, our exports, as a result of funding the full appropriations suggested by the appropriations subcommittee.

The distinguished gentleman from California [Mr. LAGOMARSINO] in a colloquy with Chairman DE LA GARZA mentioned the fact that we have extended a commitment to the nations of the Caribbean and Latin America by proposing EAI.

Indeed, 31 countries have agreed and accepted our commitment already and taken various actions such as tax and investment actions to take advantage of the Enterprise for the Americas Initiative we have extended to them.

Mr. Chairman, I oppose the Glickman amendment and support the funding of the prepared $69.5 million included in the Agriculture appropriations bill for restructuring the old debts that some countries in Central and South America which were incurred under the Public Law 480 program.

The authority for this type of debt restructuring was provided in the 1990 farm bill in order to help countries in the hemisphere that are willing to take very serious steps to reform their economies in ways that help trade, investment, and economic growth in the Western Hemisphere.

Supporting this reform process helps U.S. trade, U.S. exports, U.S. jobs. During the 1980's, exports to Latin America dropped dramatically, with real impact on United States exports, particularly of agricultural products. With big debt burdens, many countries were unable to buy U.S. exports or to attract private investors who say those debt burdens stretching far into the future. Instead these countries were forced to put tremendous resources into exporting themselves—anything to get the foreign exchange to pay the bills. Huge areas of rainforest were cut down to make ranches and farms that were not ecologically sustainable, with resulting sales of agricultural products at low prices in international markets just to meet the external debt obligations.

The 1990 farm bill saw that this was a vicious cycle—vicious for the United States economy and exports, vicious for the economic and political stability of newly elected democratic governments in Central and South America, vicious for the global environment. The farm bill authorized Public Law 480 debt restructuring under certain rigorous conditions, with the restructured principal payments continuing to come into the U.S. Treasury and the restructured interest payments allowed to go into environmental restoration and preservation activities in the Western Hemisphere.

In 1991, debt reduction agreements were concluded with Chile, Bolivia, and Jamaica. In each country interest payments on the new, reduced debt obligations will be channeled into local environmental funds. In fiscal year 1993 a number of new countries should become eligible for debt reduction under these terms.

The $69.5 million provided in the bill could be leveraged into substantial restructured benefits for up to five more countries including Costa Rica and El Salvador, resulting in total debt reduction of around $400 million and cash flow savings for the countries of more than $600 million over the life of these loans. In addition, $20 million would be generated for funds for local environmental and community development work by local nonprofit organizations in the countries.

Since 1990, the growth in United States exports to Latin America and the Caribbean has accelerated, while exports to the rest of the world have slacked off. In the first 3 months of 1992, U.S. exports to the region were up 32 percent compared to an increase of only 4 percent to the rest of the world. This is the fastest growing export market in the world for the United States.

This debt reduction authority can only be used by the President to the extent provided in appropriations acts.

This amendment would strike, some of this proposed appropriation and reduce thereby some of these many benefits to U.S. exports, U.S. agriculture, global environmental efforts, and our neighboring countries in the hemisphere. I urge my colleagues to support the committee's legislative language and proposed appropriations of $69.5 million for this element in EAI and the bill and to defeat this Glickman amendment.

□ 1900

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. BEREUTER] has expired.

(On request of Mr. GLICKMAN, and by unanimous consent, Mr. BEREUTER was allowed to proceed for 30 additional seconds.)

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to my distinguished friend, the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I recall we had a discussion like this on the floor about 2 years ago on another issue, the gentleman knows that issue, but I would just say that I am not against the debt restructuring. It is just that at a time of very tight fiscal policy in this country, I am cutting $35 million out of $70 million.

Let us give it a chance to work and let us take that $35 million and apply it to the budget deficit of the United States.

Mr. BEREUTER. Mr. Chairman, I understand the good motives of the gentleman. I would be with him all the way if I did not think this amendment was going to cost us an extra amount. This proposed savings is going to cost us in jobs and exports. That is why I am opposed to it.

Mr. RICHARDSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I, too, rise in opposition to this amendment. There are political overtones to this amendment that I wish to explain.

I recognize my colleague from Kansas wanting to reduce the deficit and making the obviously strong argument that we could use this money at home, but what is happening in Latin America right now is democratization and a shift to market economy. The press goes to Eastern Europe and NATO and everyone talks about the democratization there but ignores our own hemisphere.

Mr. Chairman, this amendment would hit two countries the hardest: Costa Rica and El Salvador. These countries do not have big lobbyists running around. They do not have big constituencies. But they are two countries that have done almost everything we have asked them to do.

We asked them to liberalize their economy. We have asked them to institute market economies. El Salvador has gotten through a huge civil war, both the left and the right are together trying to rebuild their country.

This signal that we would send of cutting in half to these two small countries will send ripple effects throughout Latin America.

What we are seeing in Latin America is Argentina moving toward market reforms, democratizing, Brazil, Chile, Uruguay, Mexico.

If we look at what is happening internationally, the world is shifting into trading blocs. GATT is going to fail. What we have to do is integrate ourselves in our own hemisphere. And if we ease the debt burden to some of our friends in the hemisphere, if we increase our own exports, if we increase trade and we push democratization at the same time that we are liberalizing markets, the whole hemisphere benefits. And we move ahead with increased jobs for our people.

Mr. Chairman, I can get as partisan as anybody in this House, but one very positive initiative of this President has been the Enterprise for the Americas for the entire hemisphere. And it has been buttressed by the chairman of the Subcommittee on Western Hemisphere Affairs, the gentleman from New Jersey [Mr. TORRICELLI]. And what we are doing here is sending an unfortunate political signal, and the signal will be read like this: "OK. I am a small country. I have sought leadership from the United States. I have looked at what Costa Rica has done and the peace process in Nicaragua."

And we turn back and say this: "You know that agreement we had on the Enterprise for the Americas? We are now going to cut it in half."

And although it is a small amount to many of us. To those small countries, it sends an unfortunate political signal.

So I ask my colleagues to reject this amendment, and I understand my good friend's intentions.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. RICHARDSON. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, first of all, let us make it clear, this is no debt restructuring this year. We are not cutting anything for anybody. This is new authorization under the 1990 farm bill. The President has asked for $69.5 million. I am just asking, because of the fiscal realities of our country, that we bring it back to $35 million. No signal to anybody, no cuts at all.

Mr. RICHARDSON. Mr. Chairman, reclaiming my time, the gentleman is cutting one-half of that $69 million, and it is going to be debt relief, and it is going to hit Costa Rica. And it is going to hit El Salvador. That is the practical effect.

The political effect is going to be our friends in the hemisphere: "Look, we are not going to touch the Pakistans and the Indias and the Middle East countries, but we are going to go after you guys because you are small and you are not that strategically important."

That is going to be the political signal. So I ask my colleagues to proceed with an initiative of backing this Enterprise for the Americas. It is a good initiative. Let us give it a chance, but let us not take it out on El Salvador. Let us not take it out on Costa Rica. These are two good democratic countries that are our friends.

Let us reduce the deficit, but let us not do it on the backs against two countries in a hemisphere that is not as powerful as everybody else. I ask strong rejection of this amendment.

ENTERPRISE FOR THE AMERICAS INITIATIVE [EAI]

BENEFITS TO THE UNITED STATES AND TO THE REGION FROM THE EAI

Latin America and the Caribbean represent the fastest growing regional market for U.S. exports.

U.S. exports to the region have grown by 12 percent annually during the past 5 years—much faster than exports to the rest of the world.

Exports to the region have doubled since 1986—to $62 billion.

1 of every 7 dollars of U.S. exports now goes to Latin America and the Caribbean.

The United States accounts for 57% of the region's imports from industrialized countries, compared to 29% for Europe and 11% for Japan—we have the most to gain from stronger economies and more open markets.

Every $1 billion increase in U.S. exports generates 20,000 export-related jobs.

The Enterprise for the Americas Initiative will: Support economic growth and improve individual welfare throughout the region; open markets for U.S. exporters; expand opportunities for U.S. investors; and ease debt burdens, releasing resources for capital formation, imports, education, health, and the environment.

The United States will benefit through: Stronger growth at home, improved investment earnings, increased exports, more jobs, and better regional security.

To advance the EAI further, Congress needs to: Provide the necessary authorizing legislation (currently pending in the foreign aid bill rewrite); appropriate $286 million in FY '93 to fund debt reduction; and appropriate $100 million each year for 5 years for the U.S. contribution to the Multilateral Investment Fund.

ENTERPRISE FOR THE AMERICAS INITIATIVE—UPDATE

The President announced the EAI to spur a new partnership with our neighbors in Latin America and the Caribbean. The EAI proposed action in three areas of key importance to the region—trade, investment, and debt.

Trade

The goal of the EAI in the trade area is to promote free trade throughout the hemisphere. Congress' extension of fast-track implementing authority (thru 6/1/93) has allowed us to begin this effort by seeking to negotiate a North American Free Trade Agreement with Mexico and Canada.

We are also negotiating bilateral framework agreements with countries throughout the region to begin to reduce barriers to trade. We now have framework agreements in place with 31 countries in the Western Hemisphere: Mexico, Bolivia, Colombia, Chile, Costa Rica, Ecuador, El Salvador, Honduras, Peru, Venezuela, the Southern Cone countries of Argentina, Brazil, Uruguay and Paraguay, Panama, Nicaragua, the 13 Caribbean members of Caricom, Guatemala and the Dominican Republic.

Investment

To encourage countries to liberalize their investment regimes and thereby to help them compete for capital, the Initiative proposed creation of two new programs in the Inter-American Development Bank (IDB).

The IDB is actively engaged in its investment sector loan program. The IDB Board already approved loans to Chile, Bolivia, Jamaica and Colombia.

Diagnostic missions have also been sent to other countries, including Costa Rica, El Salvador, Uruguay, Trinidad and Tobago, Argentina, and Guatemala to discuss potential ISLs.

The Multilateral Investment Fund (MIF) is designed to assist countries in undertaking investment reforms that are fundamental to attract private capital into the region.

The MIF Agreement was signed by twenty-one countries at a White House ceremony on February 11, 1992.

The MIF has wide international support—the U.S. and Japan will each contribute $500 million, and Spain, Germany, Italy, France, Portugal, Canada, and 13 Latin countries have also pledged financial contributions.

Additional countries may participate, advancing the MIF toward the $1.5 billion funding target. Currently, pledges total approximately $1.3 billion.

Debt

To reinforce the incentives for economic reform, we propose to reduce existing debts to the USG of countries which are undertaking macroeconomics and structural reforms, are liberalizing their investment regimes, and have negotiated agreements with their commercial banks, as appropriate.

Under the authority we gained from Congress to reduce PL-480 obligations in the 1990 Farm Bill, we concluded debt reduction agreements in the summer of 1991 with Chile, Bolivia and Jamaica.

Local currency interest payments on the new, reduced PL-480 obligations will be channeled into local Environmental Funds established through an Environmental Framework Agreement (EFA) negotiated with each country which receives EAI debt reduction.

On September 5, 1991 President Bush announced the nine members appointed to the Environment for the Americas Board (EAB), the Board established by Congress to advise the President on the negotiations of EFAs and to review implementation of the environmental element of the EAI.

Environmental Framework Agreements are in place with all three recipient countries of EAI debt reduction.

The EAI's envisioned support for the environment is now a reality.

In addition to these actions by the U.S., the IDB has provided resources to Uruguay to help back its debt and debt service reduction agreement with commercial banks under the Brady Plan.

Looking Ahead

Full implementation of the EAI must await action from Congress. U.S. participation in the Multilateral Investment Fund, the reduction of AID debt, and swaps of nonconcessional loans require Congressional authorization and appropriations.

We have made great strides in advancing the new vision for the hemisphere embodied in the Enterprise for the Americas Initiative. Our neighbors in Latin America and the Caribbean have responded with enthusiasm to the prospect of increased trade, investment, and growth. Their commitment to economic reform is producing results. The Administration is committed to pressing forward to realize the full potential of the Initiative. We will be working with the Congress to ensure the continued success of the EAI.

EAI BUDGET COST—FISCAL YEAR 1993 ACTION

[In millions of dollars]

Fiscal year 1993 countries	Current administration estimates (June 1992)					
	Stock of debt outstanding[1]		Amount reduced	Budget cost of debt reduction		Funds to nature[2]
	AID	Public Law 480		AID	Public Law 480	
Argentina	35.3	....	8.8	1.7	....	6.4
Barbados	1.8	....	0.5	0.0	....	0.2
Chile	282.5	....	70.6	25.2	....	35.0
Colombia	475.9	....	119.0	54.8	....	58.9
Costa Rica[3]	331.1	117.9	94.3	....	43.7	21.6
El Salvador	272.8	377.1	519.9	21.1	22.8	21.4
Guatemala[3]	194.5	100.3	108.4	50.0	....	10.9
Jamaica[3]	464.9	....	199.7	50.0	....	29.3
Paraguay	31.7	1.7	26.7	9.6	0.4	1.7
Uruguay	35.1	1.6	9.2	3.6	0.0	4.3
Subtotal	2,125.6	598.6	....	216.0	66.9	$189.7
Total	2,724.2	....	1,157.1	282.9	....	....

[1] The final determination of the stock of debt will be resolved bilaterally. The amount of debt reduction anticipated could range from 25 to 80 percent for these programs. Eximbank and CCC debt is not addressed.

[2] The environmental funds reflect the flows from the full amount of debt reduction.

[3] Reduction of AID debt for Guatemala and Jamaica will be tranched over 2 years, for Costa Rica over 3 years.

The budget cost of this action as well as the amount of debt reduced, in fiscal year 1994 and fiscal year 1995 is as follows:

	Amount reduced	Budget cost
Fiscal year 1994:		
Costa Rica	162.7	50.0
Guatemala	127.5	47.0
Jamaica	172.2	43.0
Total	462.4	140.0
Fiscal year 1995:		
Costa Rica (Total)	$102.2	31.4

BENEFITS OF EAI DEBT REDUCTION

The Administration's EAI request for $286 million in FY 1993 could be leveraged into the following benefits for ten debtor countries in South America, Central America and the Caribbean that we believe will qualify in FY 1993:

Stock of debt reduced by over $1.1 billion.

For the group as a whole, each dollar of Budget Authority results in 4 dollars of debt reduction. For individual countries the leverage ratio may be higher (i.e., 1 to 11 for El Salvador).

Cash flow savings over the life of the loans of more than $1.9 billion.

Potential environmental/child development funds of more than $154 million (in local currency equivalent).

Additional tranches in FY 1994-95 for three of these countries, at an additional budget cost of $171 million, could be leveraged into additional debt reduction of $565 million, additional cash flow savings of $800 million, and additional environmental funds of more than $50 million.

The story is most dramatic for countries such as El Salvador, Jamaica, Costa Rica and Guatemala.

El Salvador: For a budget cost of about $45 million in FY 1993:

El Salvador's stock of debt could be reduced by as much as $500 million; with cash flow savings of more than $800 million; and potential environmental/child development funds of more than $20 million.

Such U.S. action alone would reduce El Salvador's debt to bilateral creditors by two-thirds.

Jamaica: The EAI action on PL-480 debt during FY 1991 reduced Jamaica's debt by $216 million and will provide environmental funds totalling $9 million.

Further action in FY 1993-94 at a budget cost of $93 million could result in additional reduction of Jamaican debt by $375 million, cash flow savings of $500 million, and funds for the environment/child development of about $25 million.

As a result of such U.S. action, Jamaica's debt to bilateral creditors would be reduced by one-third.

Guatemala: For a budget cost of about $97 million spread over FY 1993-94:

Guatemala's stock of debt could be reduced by $235 million; with cash flow savings of more than $385 million; and potential environmental/child development funds of more than $10 million.

Such U.S. action alone would reduce Guatemala's debt to bilateral creditors by almost 30 percent.

Costa Rica: For a budget cost of about $131 million spread over FY 1993-95:

Costa Rica's stock of debt could be reduced by $370 million; with cash flow savings of more than $500 million; and potential environmental/child development funds of more than $20 million.

Such U.S. action alone would reduce Costa Rica's debt to bilateral creditors by about 38 percent.

Mr. KOLBE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do rise in opposition to the amendment. Most of the arguments have been stated, and I will not take the full time.

I think this is an important issue. It is not just the symbolic issue. I dare say this debate is being watched very closely tonight by the governments of all the Latin American countries. There are many in this body that have criticized the President or this committee for including this money here for Latin American debt restructuring and reduction while at the same time we are ignoring the deficit here at home.

□ 1910

The rhetoric makes for a great soundbite—and I've heard it several times on the radio. But the logic is just plain wrong. Debt reduction for our Latin American neighbors is sound fiscal policy for the United States.

Why are we killing this program here today? One reason is the escalating budget deficit. I completely and totally agree. In fact, I just voted for an amendment that cut a project in my district. It was a worthwhile project—but they are all worthwhile. Unfortunately, we cannot afford them all. So, I voted against a project in my district for the greater good of reducing spending. However, killing EAI debt reduction, as this amendment would do, would have a detrimental impact on our own budget.

By killing EAI debt reduction; we are crushing Latin American hopes for dramatic economic improvement—improvement that in turn increases U.S. jobs due to boosted exports. More working Americans means more revenue—far more revenue—than would be saved by cutting the $35 million in the first place. We cannot forget the simple fact that the additional jobs that are gained as a result of increased exports helps our budget deficit and our economy. Therefore, I believe the subcommittee made a prudent decision in appropriating this $69.5 million for the most important foreign policy objective for this hemisphere.

Others would say that because interest rates have fallen so significantly during the past year and a half, Latin America has already benefited from a de facto $4.1 billion debt reduction. While this is a terrific benefit for Latin America, it's hardly reason enough for the United States to turn our back on the remaining debt problem in the western hemisphere.

And let me remind Members why the Enterprise for the Americas Initiative is so important to this hemisphere. Certainly the folks in Santiago, in Buenos Aires, and in Kingston will be watching closely the actions of this body today.

But the folks in Cleveland, Detroit, and Milwaukee should also be watching and listening.

The Enterprise for the Americas Initiative is this Nation's major policy to unify this hemisphere into a sphere of democracy, free markets and better standards of living.

Since the Presidency of John F. Kennedy, every American President has developed a major policy to improve relations with Latin America. The difference today—and why the Enterprise for the Americas Initiative is so important—is because we have a more receptive audience than ever before.

More Latin American countries are living under democracy than at any time in this century. And, more so than at any other time in our history, Latin America wants friendlier political and economic relations with the United States. Every Latin American nation, with the exception of Cuba, has signed an EAI framework trading agreement with the United States.

We are at the crossroads of a significant opportunity in this hemisphere. And the path to prosperity and harmonized relations between the United States and Latin America leads to goals—increased trade and investment, and decreased debt—that can only be achieved by the EAI.

And by reaching for these goals, we better ourselves. Exports to Latin America have doubled since 1986 to $62 billion. Indeed, 57 percent of Latin American imports come from the United States. And each billion dollars in U.S. exports creates 20,000 jobs here at home. That means that well over 1 million U.S. jobs are dependent upon trade with Latin America.

And trade with Latin America, in turn, is dependent on this Congress pursuing the American Enterprise Initiative, which will open up markets for more U.S. goods and investments while at the same time furthering democracy and a higher quality of life for partners in the Western Hemisphere. Debt reduction is a key pillar of EAI. Without it, the Enterprise for the Americas Initiative simply will not work as envisioned.

So, listen up Michigan, Wisconsin, Ohio, Illinois, and New York. Killing the EAI debt reduction component, as this amendment would do, hurts your States and your economies.

I urge opposition to this amendment.

Mr. TORRICELLI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. Mr. Chairman, there are people in our country who believe that we are no longer capable of fashioning a bipartisan foreign policy, and indeed, through much of the last decade Latin America alone has given more than ample proof of that belief. The Enterprise for the Americas Initiative is evidence that in this Congress, in this administration, that is no longer the case.

Conceived in a Democratic caucus, proposed by a Republican President, supported in this Congress on a bipartisan basis, the Enterprise for the Americas Initiative is the foundation of American policy in Latin America in this decade. Its importance cannot be overstated. It is the successor to a decade of conflict, and war, and confrontation in Central and South America. It is many things, but it may be best defined by what it is not. It is not foreign aid.

Contrary to my friend, the gentleman from New Mexico [Mr. RICHARDSON], who stated that the most important beneficiaries are in Central America, the most important beneficiaries are in the United States, because it not only brings security, and stability, and development to the nations of Central and South America, it brings economic opportunity to the United States.

For more than a decade American exports to Latin America have been in a downward spiral. More than half of those markets have been lost, and the consequences for every State and every community in America have been profound. It is estimated that if we had not lost the markets of Latin America in the 1980's, 6 million more Americans would be working today. That is more than half of those who are now unemployed. Half of those markets were lost.

The significance of that is enormous. Latin America is buying more products from the United States than Japan, more than Germany, more than Italy, more than France. It is our largest market, and we are losing it. One of the most important reasons why is a mountain of debt, debt that will never be repaid, but because it remains on the books, because these nations struggle to do so, they are unable to enter into capital markets. They are unable to import.

Who suffers? The nation which has always dominated these trade markets, the American worker, the American company, the American farmer. That is why we conceived this program, and that is why it is so important today that it not be lost.

One final reason. For all of the Members who watched the conference in Rio, for all of the Members who are concerned about children in Latin America, in addition to the American worker, the money that is saved in this program goes into funds in each of these countries paid in their own currencies to buy land, to buy tropical forests, to save environmentally sensitive areas from development, consistent with what all of us believe should happen at Rio. And finally, to help with child welfare in food and medical programs, to be sure that the tens of thousands who are losing their lives to desperate poverty get some help.

I know it is easy to attack debt relief for Latin American nations in a time of austerity for America. But what we are giving up is nothing. It is debt that will never be repaid, and what we are getting is real, export opportunities for American workers, environmental protection and child protection for the desperately poor.

There is a reason why this administration and this Congress on a bipartisan basis were able to come together for Enterprise for the Americas. There is a reason, because it profoundly makes sense.

I also know it is a vote that can be misinterpreted, but it is an important vote. I ask today on a bipartisan basis that we stand up for the initiative. This is the foundation of American policy in Latin America in this decade, and it cannot be lost.

Mr. KASICH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to take just a moment to compliment both the gentleman from New Mexico [Mr. RICHARDSON] and the gentleman from New Jersey [Mr. TORRICELLI] for two of the most eloquent speeches I have heard on the floor this year, to tell the truth. What the gentleman from New Jersey [Mr. TORRICELLI] just finished saying, talking about the importance of this hemisphere being united, open trade, economic growth, the dignity of individuals in Central America, in all of Latin America, it is very, very accurate and very impressive.

□ 1920

The gentleman from New Mexico [Mr. RICHARDSON], who agonized for a long period of time over what we should do with issues like Contra aid and aid to El Salvador, found himself many times put in between two warring factions on this House floor and was forced to choose at times. I want to say how quickly we forget. I see MARY ROSE OAKAR on the floor, and I remember the painful debate that we went through affecting El Salvador. I happen to have had the good fortune to be in El Salvador the day that President Cristiani came back from the signing of the Mexico Peace Accord Agreement, and to see how hopeful he was that he could work with the enemy, an enemy that had fought the government for many years.

And of course, the people who were the big losers in El Salvador were the peasants, the people who got caught in the middle of this terrible war. Now we have an opportunity not only to have democracy, but to cement democracy, to make democracy a reality in the long term because of economic growth and the prospects of economic growth. The people in El Salvador, the Government leaders in El Salvador I guarantee are watching this debate tonight. They are hopeful that they can make their way through this morass. There are many people in El Salvador who would like to see this present Government fail, who would like to see the agreement disintegrate, who in some respects would like to see war begin. The potential for war can begin if the economy collapses.

I have great respect for the gentleman from Kansas and he is an outstanding Member of this House. But on this amendment I cannot agree with him because I think in this case the people of these countries—these fragile democracies who are trying to follow a path that we represent—are so sensitive to any of the signals that we may send that say, in one way or another, economically you are on your own, economically we do not care, economically we do not understand, we have our own problems, I think we have to be leaders on this issue. And for that reason, I think we have to reject the Glickman amendment.

Mr. LEACH. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from Iowa.

Mr. LEACH. Mr. Chairman, just very quickly, in the scope of this bill this is not a major dollar issue. But in terms of perspective, this is truly a referendum on a progressive Latin American policy.

If people believe in debt-for-nature swaps, if they believe in the Rio Environmental Treaty, if they believe in a bipartisan foreign policy which sprung from Congress—and I would stress primarily in the other body from the leadership of Senator BRADLEY—if they believe that an American Presidency should not willy-nilly be undercut, and particularly at this time when it is so progressively correct, I would urge with the greatest respect that we turn down this amendment.

Mr. GLICKMAN. Mr. Chairman, will my colleague yield?

Mr. KASICH. I am glad to yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I would hate to think that $35 million will bring down Central and South America, and it will not. This does not affect direct foreign aid at all. This is debt forgiveness under a new program. It was zero last year, zero, my friends, and I am saying $35 million this year. The administration wants $70 million this year. That is the nub of this amendment.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, I just want to say that I have been for cutting spending any place we can. But we are giving literally billions of dollars to other parts of the world, billions.

One of the biggest problems we have with Central America, and Latin America, and Mexico is that we are having hundreds of thousands of people fleeing north and coming into the United States across the Mexican-American border. It is extremely important that there be stability down there, and I just say to my colleague from Ohio that I agree with him 100 percent. This is one area where we must not be penny-wise and pound-foolish. There are a lot of other areas to cut spending that I am for, but this is not one of them.

Ms. OAKAR. Mr. Chairman, I move to strike the requisite number of words. I want to associate myself with my friend from Ohio [Mr. KASICH] and others. He was very eloquent as well.

Mr. KASICH. Mr. Chairman, will the gentlewoman yield for just one brief second?

Ms. OAKAR. I am happy to yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, in regard to what the gentleman said about $35 million, I think Members have to understand that the people in this region are watching everything now, and they are really, really panicking about their future.

We are going to mark up a Soviet aid bill, and we are going to talk about I do not know how many billions, and here we are talking about millions of dollars on our doorstep to cement something that we all fought for, for so very long.

I really appreciate the gentlewoman yielding.

Ms. OAKAR. I thank the gentleman.

Mr. Chairman, I just want to say that this entire initiative is part of a very intense and thoughtful proposal that was crafted with the help of our neighbors, and in a bipartisan way. And when the administration came to our subcommittee relative to this initiative, we were supportive because we thought it was the right thing to do.

First, we are part of the Western Hemisphere, and let us be honest about it. We have ignored this part of the world, and it is right in our own backyard. These are our neighbors.

Second, there is not a lot of hope of recapturing a lot of this debt. And what happens is this debt is held by the Export-Import Bank which is the financial tool for our own businesses. And by liberating that bank of this particular debt, we will liberate the Export-Import Bank's opportunities for our own businesses. And I think that is a factor that we ought to consider.

Last, it is true that we have a trade surplus with Latin America, that we indeed do create American jobs by exporting to this region of the world. So it is important that they have the cash flow to buy our products. My own State of Ohio is the third largest exporter in the country and we are proud of that, and some of our biggest customers are the countries in Latin America.

So, because of the fact that it is the right thing to do, the moral thing to do to reduce the poverty of this region of the world, our own neighbors, and for our own American jobs, I would ask Members to vote against the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. GLICKMAN].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. GLICKMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 78, noes 333, not voting 23, as follows:

[Roll No. 247]

AYES—78

Allen
Andrews (ME)
Andrews (NJ)
Applegate
Bennett
Bilirakis
Brewster
Bruce
Clement
Coble
Condit
Costello
Cox (CA)
Crane
Dannemeyer
Derrick
Donnelly
Dorgan (ND)
Dreier
Duncan
Durbin
Early
Eckart
English
Evans
Fazio
Franks (CT)
Gaydos
Glickman
Hancock
Hoagland
Horn
Hubbard
Hughes
Jacobs
James
Johnson (CT)
Johnson (SD)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kolter
Long
Martinez
Mazzoli
McCandless
McHugh
Moody
Neal (NC)
Obey
Orton
Patterson
Penny
Petri
Poshard
Rahall
Ramstad
Ray
Reed
Roemer
Rogers
Roth
Sanders
Sensenbrenner
Shays
Sisisky
Slattery
Spence
Stearns
Tanner
Traficant
Valentine
Visclosky
Volkmer
Walsh
Wheat
Zeliff

NOES—333

Abercrombie
Alexander
Allard
Anderson
Andrews (TX)
Annunzio
Archer
Armey
Aspin
Atkins
AuCoin
Bacchus
Ballenger
Barnard
Barrett
Barton
Bateman
Beilenson
Bentley
Bereuter
Berman
Bilbray
Blackwell
Bliley
Boehlert
Boehner
Borski
Boucher
Brooks
Broomfield
Browder
Brown
Bryant
Bunning
Burton
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clinger
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Conyers
Cooper
Coughlin
Cox (IL)
Coyne
Cramer
Cunningham
Darden
Davis
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Dickinson
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan (CA)
Downey
Dwyer
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
Espy
Ewing
Fascell
Fawell
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Henry
Herger
Hertel
Hobson
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hunter
Hutto
Hyde
Inhofe
Ireland
Jefferson
Jenkins
Johnson (TX)
Johnston
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Mavroules
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Montgomery
Moorhead
Moran
Morella
Morrison
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Nichols
Nowak
Nussle
Oakar
Oberstar
Olin
Olver
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Porter
Price
Pursell
Quillen
Rangel
Ravenel
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roe
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sabo
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Schiff
Schulze
Schumer
Serrano
Sharp
Shaw
Shuster
Sikorski
Skaggs
Skeen
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Stump
Sundquist
Swett
Swift
Synar
Tauzin
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Unsoeld
Upton
Vander Jagt
Vento
Vucanovich
Walker
Washington
Waters
Waxman
Weber
Weiss
Weldon
Whitten
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zimmer

NOT VOTING—23

Ackerman
Anthony
Baker
Bevill
Bonior
Boxer
Bustamante
Dymally
Erdreich
Gekas
Hefner
Huckaby
Jones (GA)
Matsui
Mollohan
Perkins
Scheuer
Schroeder
Skelton
Tallon
Taylor (MS)
Traxler
Williams

□ 1948

Messrs. VENTO, DIXON, and FOGLIETTA changed their vote from "aye" to "no."

Messrs. WHEAT, DONNELLY, VALENTINE, ROGERS, FRANKS of Connecticut, and RAHALL changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SMITH OF TEXAS

Mr. SMITH of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Texas: Page 84, after line 12, insert the following new section:

SEC. 732. The amounts otherwise provided in this Act for the following accounts and activities are hereby reduced by the following amounts:

AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

Expenses, $52,060.

OFFICE OF THE DEPUTY SECRETARY

Expenses, $11,570.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Expenses, $67,352.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

Expenses, $8,470.

ADVISORY COMMITTEES (USDA)

Expenses, $19,040.

HAZARDOUS WASTE MANAGEMENT

Expenses, $320,000.

DEPARTMENTAL ADMINISTRATION

Expenses, $342,030.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

Expenses, $22,420.

OFFICE OF PUBLIC AFFAIRS

Expenses, $208,050.

OFFICE OF THE INSPECTOR GENERAL

Expenses, $1,101,800.

OFFICE OF THE GENERAL COUNSEL

Expenses, $194,302.

OFFICE OF THE ASSISTANT SECRETARY FOR ECONOMICS

Expenses, $14,770.

ECONOMIC RESEARCH SERVICE

Expenses, $1,174,400.

NATIONAL AGRICULTURAL STATISTICS SERVICE

Expenses, $1,618,820.

WORLD AGRICULTURAL OUTLOOK BOARD

Expenses, $40,265.

OFFICE OF THE ASSISTANT SECRETARY FOR SCIENCE AND EDUCATION

Salaries and expenses, $11,670.

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

Expenses, $7,644.

AGRICULTURAL RESEARCH SERVICE

Expenses, $3,167,580.

COOPERATIVE STATE RESEARCH SERVICE

Payments, $826,710.

EXTENSION SERVICE

Payments, $419,190.

NATIONAL AGRICULTURAL LIBRARY

Expenses, $345,000.

OFFICE OF THE ASSISTANCE SECRETARY FOR MARKETING AND INSPECTION SERVICES

Salaries and expenses, $10,950.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Salaries and expenses, $8,618,780.

FEDERAL GRAIN INSPECTION SERVICE

Salaries and expenses, $339,750.

AGRICULTRUAL COOPERATIVE SERVICE

Expenses, $160,420.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

Expenses, $1,130,400.

PACKERS AND STOCKYARDS ADMINISTRATION

Expenses, $237,500.

CONSERVATION PROGRAMS

OFFICE OF THE ASSISTANT SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

Salaries and expenses, $15,080.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

Expenses, $9,438,765.

RIVER BASIN SURVEYS AND INVESTIGATIONS

Expenses, $$286,023.

WATERSHED PLANNING

Expenses, $143,011.

WATERSHED AND FLOOD PREVENTION OPERATIONS

Expenses, $3,432,218.

RESOURCE CONSERVATION AND DEVELOPMENT

Expenses, $572,046.

GREAT PLAINS CONSERVATION PROGRAM

Expenses, $429,034.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

AGRICULTURAL CONSERVATION PROGRAM

Expenses, $3,888,700.

FARMERS HOME AND RURAL DEVELOPMENT PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR SMALL COMMUNITY AND RURAL DEVELOPMENT

Salaries and expenses, $7,130.

FARMERS HOME ADMINISTRATION

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

Administrative expenses, $6,410,632.

RURAL ELECTRIFICATION ADMINISTRATION

Salaries and expenses, $755,900.

DOMESTIC FOOD PROGRAMS

OFFICE OF THE ASSISTANT SECRETARY FOR FOOD AND CONSUMER SERVICES

Salaries and expenses, $12,290.

FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE

Expenses, $2,200,460.

OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT

Expenses, $295,435.

RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

Salaries and expenses, $14,882,770.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

Expenses, $946,000.

FARM CREDIT ADMINISTRATION

Administrative expenses, $773,720.

□ 1950

Mr. SMITH of Texas (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SMITH of Texas. Mr. Chairman, by supporting this amendment, Members will challenge Federal managers to find an additional 10 percent savings in their overhead spending only.

This amendment will make agencies more effective in delivering services and benefits. The only program impact will be to make programs more efficient. My amendment does not ask one agency what it is not willing to ask of another. Each is to reduce their total overhead by 10 percent over the next 12 months. The decision as to how is left to Federal managers.

By setting goals to reduce Government overhead, Members are taking direct action to bring the cost of Government under control. In offering amendments to this and other appropriation bills, I intend to provide Members with an opportunity to be a part of the solution. Deficit reduction begins with bringing the overhead cost of Government under control.

My amendment is a modest first step down that path.

Mr. Chairman, this amendment would reduce the bill's total funding by less than one-tenth of 1 percent. The total spending of this appropriation bill is $59 billion. So what I propose to do is to cut that $59 billion one-tenth of 1 percent. All of those cuts will come entirely out of the overhead spending items, such as travel and supplies.

The largest reduction any given agency would absorb is 2 percent. Each reduction is based on each agency's own overhead. In business it is a rule of thumb that overhead can always be cut by 10 percent. Across America families and businesses have been meeting the challenge to control their costs in recent years. Americans understand what it means to act to control spending. It is the common-sense, practical kind of a step that they have already taken.

On behalf of the citizens, Congress should now take the same step. This is an amendment all Members should support. It picks no favorites, it applies to every agency, and it should be governmentwide policy.

Most importantly, Members should know that this amendment does not cut programs. I am not talking about programs or people or salaries. This is strictly cutting overhead Government spending. It does cut overhead costs such as travel and supplies.

Mr. Chairman, the question may be raised: Has the committee already cut this budget to the bone? To Members who may have such concerns, may I suggest that Federal managers, independent observers, many Members in this Chamber who are in daily communication with Federal agencies, and the vast majority of the American people would seriously question whether the bill before the House has yet reached bone.

Agencies affected by this bill will spend well over $7.6 billion, that is $7.6 billion, on travel, transportation and things, utilities, communications, rent, other services and supplies and materials in fiscal year 1993. It simply defies common sense to believe that Federal managers, when challenged by the Members in this body, will not be able to find one-tenth of 1 percent in overhead savings, or $74 million, in this agricultural appropriations bill. I would encourage the Members to support this amendment.

Mr. PENNY. Mr. Chairman, I rise in support of the amendment of the gentleman.

I want to indicate my support for the amendment offered by the gentleman from Texas, and if the gentleman would respond, I would ask that he engage in a colloquy with a few questions.

Mr. SMITH of Texas. I would be happy to, and I appreciate the support of the gentleman for this amendment.

Mr. PENNY. First of all, I want to clarify the amount that would be cut by this amendment. Did the gentleman indicate that the total amount is less than one-tenth of 1 percent of all the money appropriated in this bill?

Mr. SMITH of Texas. The gentleman is correct. Of the $59 billion that this agricultural appropriation bill represents, we are talking about cutting $74 million, or one-tenth of 1 percent, all of it from overhead spending and nothing from people or programs.

Mr. PENNY. I thank the gentleman for his response.

I would further ask the gentleman to clarify the accounts that are affected by this amendment. As I read his amendment, he identified several administrative accounts within the Department of Agriculture, and his reductions are focused strictly in that category of overhead expenses.

Mr. SMITH of Texas. The gentleman is correct. We are talking about object classifications 21 through 26, overhead spending. Again, I appreciate the gentleman's support.

Mr. PENNY. Finally, could the gentleman share with me and with the membership the degree to which each account is cut? Let me rephrase that: What is the range or what is the greatest percent cut in any one of these administrative categories?

Mr. SMITH of Texas. Within each of these accounts, we are talking about a total cumulative cut of 10 percent. In other words, the Federal managers do not necessarily have to cut travel 10 percent or supplies 10 percent. We are talking about the cumulative total of the overhead spending and saying to the managers cut 10 percent of the whole, "You can take it where it best suits your needs."

Mr. PENNY. And they can apply that cut as they wish?

Mr. SMITH of Texas. That is correct.

Mr. PENNY. Within that budget, which is devoted to supplies, to travel, to other administrative overhead expenses?

Mr. SMITH of Texas. My friend from Minnesota [Mr. PENNY] is correct.

Mr. PENNY. I think the gentleman's amendment is well crafted. It certainly is an amount of reduction in this area that can be managed within the department. I think we ought to challenge the administration to tighten its belt in this area.

Mr. Chairman, I would remind the Members of the House that just a couple of weeks ago we basically applied a little belt-tightening to the legislative budget, and this amendment makes a comparable request of administrative agencies.

Mr. Chairman, I would urge adoption of the amendment.

Mr. McHUGH. Mr. Chairman, I rise in opposition to the amendment.

I would strongly urge Members to reject this amendment.

Mr. Chairman, the gentleman suggests that this is a cut of one-tenth of 1 percent of the bill. But he evidently calculates that number based upon the total amount in the bill, which is $59 billion.

The gentleman calculates his cut on the basis of the total amount; however, $47 billion of that is mandatory spending, which cannot be affected by this or any other cutting amendment.

Therefore, the balance of $12 billion is the discretionary amount which would be subject to any cut of this kind.

Moreover, the gentleman, I think, assumes when he calculates his 10 percent cut agency by agency that we are using the President's budget request. The fact is we have reduced the President's budget request by $1.4 billion. And in doing so, we have limited severely the salaries and expenses of the various agencies we are funding.

In fact, in virtually all agencies, with the exception of three, we have limited salaries and expenses to the current spending level or less, which means that these agencies have to absorb their pay costs within the funds provided.

The Committee amounts in the bill will inevitably result in agencies cutting back on equipment purchases, a subject we discussed earlier on the issue of computers. The fact is that this amendment, while well-intentioned, I am sure, will have a very significant and serious effect upon a variety of agencies that are very important to this country.

□ 2000

For example, the Food and Drug Administration, to which Congress has been giving additional responsibilities. The Food and Drug Administration is under enormous pressure in terms of protecting public health and safety and in the review of drug applications. The agency is under some criticism for the delays which already exist in handling these applications. The FDA is under enormous strain, and its personnel needs are intensive. Personnel costs are most of the expenses in this bill, most of the appropriation. We, with great difficulty, increased salaries and expenses for FDA by about $18 million in recognition of this problem. It is one of only three agencies where there was an increase over current-year spending for salaries and expenses. The gentleman's amendment would cut about $15 million of the $18 million we provided for FDA. That would have a substantial effect, not only upon the agency, but on the protection which FDA provides to the public in terms of health and safety.

Mr. Chairman, I think it is important for the Members to understand the real-life implication of this kind of an amendment in terms of personnel.

Mr. SMITH of Texas. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I yield to the gentleman from Texas.

Mr. SMITH of Texas. Mr. Chairman, I want to respond to the gentleman from New York, my friend, and make a couple of points. I would like to respond to my friend from New York's first point in regard to the amount of cuts that have already been made.

I certainly appreciate the valiant effort that the gentleman from New York [Mr. MCHUGH] has made to make those cuts in the appropriation bill. In fact, most of the cuts have taken the bill to the 1992 levels, or even below, but most of the cuts that were referred to earlier were in foreign program areas. As far as the overhead spending goes, those levels remain about even with 1992, and of course the point of my amendment is to cut those overhead spending costs.

In addition to that, it is undeniable, Mr. Chairman, that in this bill there are $7.6 billion in overhead costs. It is only those costs that I am targeting by this amendment. I am not cutting programs, I am not cutting salaries, I am not cutting people. I am cutting such items as travel and supplies, and that $7.6 billion in this bill represents that overhead spending.

So, what I propose to do is to cut $74 million, or 10 percent of that $7.6 billion, in overhead spending, which amounts, again, to about one-tenth of 1 percent of the total $59 billion in this bill.

Mr. McHUGH. Mr. Chairman, I reclaim my time and yield to the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. Mr. Chairman, I appreciate the gentleman from New York [Mr. MCHUGH] yielding to me.

Mr. Chairman, I rise to support the proposal, the initiative, of the gentleman from Texas [Mr. SMITH].

The CHAIRMAN. The time of the gentleman from New York [Mr. MCHUGH] has expired.

(By unanimous consent, Mr. MCHUGH was allowed to proceed for 3 additional minutes.)

Mr. DORGAN of North Dakota. Mr. Chairman, the gentleman from Texas

[Mr. SMITH] has done a fair amount of work on the issue of overhead spending and indirect costs. He is right. It goes to Congress, it goes to the executive branch, it goes to the government to say that, "If you can't cut some overhead, you can't cut anyplace."

Mr. Chairman, businesses that are in trouble, the first thing they look at is cutting indirect costs. For decades we say, "The way we fund government is we take what you spent last year, add to it inflation, and that's your new baseline." The gentleman from Texas [Mr. SMITH] is simply saying that we ought to be able to cut overhead expenditures, and I agree with him.

Let me just mention one item that was in a recent newspaper from USDA, one of the elements that USDA has in every office in every county in this country. The richest county in America in Connecticut has an office of ASCS designed to administer the farm program, but they had no farmers. Nobody signed up for the farm program. In fact, they had only six dairy producers in the entire county. But they found a way to give a grant to help haul manure from polo ponies because in that county they had more polo ponies than they had farmers.

As my colleagues know, the fact is there is plenty of waste, there is plenty of indirect costs that ought to be cut, and I commend the gentleman from Texas [Mr. SMITH] for his initiative. I think we ought to continue to exercise this in a number of appropriations bills.

Mr. MCHUGH. Mr. Chairman, reclaiming my time, I would like to make a point in conclusion.

There has been some mention that the gentleman from Texas [Mr. SMITH] has spent time on this amendment, and I appreciate that, but this committee has spent months on this bill. The fact is that, no matter what we cut in terms of these agencies, it is never enough for some Members. They want to come to the floor and cut further to demonstrate their own concern about frugality.

Mr. Chairman, I understand that, but I think it is important for the Members to understand, as well, what the implications are. For the Food and Drug Administration, for example, the effect of the amendment of the gentleman would be to freeze all hiring, would be to cut overtime for all but field product emergencies, and, finally, we are advised by the agency that they would have to cut 12 days of pay, or furlough all employees about 3 hours a pay period, throughout the year. The Soil Conservation Service would have to cut about 300 staff-years if this amendment passes.

Now we have tried very hard to restrain this budget. We have cut the President's budget by $1.4 billion. It has had an impact on salaries and expenses. If the agencies like FDA and the Soil Conservation Service are going to do the job we have given them, we can simply not cut deeper into the personnel that we expect to do that job.

So, Mr. Chairman, I would hope that the Members would reject the amendment of the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Mr. Chairman, will the gentleman yield?

Mr. MCHUGH. I yield to the gentleman from Texas.

Mr. SMITH of Texas. Mr. Chairman, I would like to follow up on the point made by my colleague, the gentleman from North Dakota [Mr. DORGAN], and I very much appreciate his support, and that is particularly the Government overhead spending has never ever been scrutinized. It has not been separated out, nor balanced, in our budget book. It has never been looked at specifically, as I intend to do this year, and Government overhead spending has now swollen to the point where it is $320 billion in the Federal budget.

Mr. DREIER of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Texas [Mr. SMITH]. As I look through this amendment, I am inclined to vote in favor of it, especially in light of the fact that the gentleman from Texas has taken a great deal of time to carefully scrutinize this. When I look at a couple of the items in here; for example, alternative agricultural research and commercialization, he proposes to cut $7,644, and I know that there are a litany of other places in which he wants to make cuts, but it seems to me, if he has been that careful in looking at what cuts can be made in particular areas to get it down to the dollar like that, I congratulate him for his fine work, and I urge support.

Mr. SMITH of Texas. Mr. Chairman, will the gentleman yield?

Mr. DREIER of California. I yield to the gentleman from Texas.

Mr. SMITH of Texas. Mr. Chairman, I thank the gentleman from California [Mr. DREIER] for yielding and appreciate his support as well.

Mr. Chairman, what I want to do is make a couple of points before we wrap up the debate on this amendment. The first one I started to make a while ago, and that is it is not widely known that in the Federal budget today there is $320 billion in Government overhead spending. That has not been ever scrutinized individually before. There is no line item of Government overhead spending in our budget.

But what we need to do, Mr. Chairman, is to realize that over the last 20 years this Government overhead spending has now swollen to $320 billion, has increased at almost twice the inflation rate, and it is high time that we scrutinize that Government overhead spending and target it in this amendment.

Finally, Mr. Chairman, there is another point that I want to make, and that is that I appreciate the acting chairman, the gentleman from New York [Mr. MCHUGH], saying a while ago that the appropriation subcommittee has spent months looking at the appropriation bill, cutting in many instances, but again I want to repeat that most of those cuts have come in four program areas, not in the overhead area that I intend to target with this amendment. This amendment, again, is limited to Government overhead spending, such as travel and supplies. It amounts to one-tenth of 1 percent of a $59 billion Agriculture appropriation budget.

Mr. Chairman, I do not think it is asking too much for Members of Congress to support an amendment that scrutinizes that Government overhead spending really for the first time and targets it to the point of cutting only one-tenth of 1 percent of the overall $59 billion, again all from Government overhead spending.

Mr. DREIER of California. Mr. Chairman, I thank the gentleman from Texas [Mr. SMITH], my friend, for his contribution.

I would just say, as I look at $22,420 cut from the Office of the Assistant Secretary for Congressional Relations, that might be a good place for us to make some minor cuts.

I thank my friend for his offering this amendment and urge support of it.

Mr. DURBIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I know it is late. I know the Members are weary. But I hope they will pause for a moment before they consider this amendment and consider one very important aspect of it.

The gentleman from Texas [Mr. SMITH] is offering an amendment which is very similar to other amendments which have been offered on appropriations bills to cut overhead expenses. I have joined in voting for those amendments. But I would urge the gentleman to reconsider one particular aspect of his amendment.

□ 2010

The gentleman seeks to cut about $15 million from the Food and Drug Administration. I would say to the gentleman that you cannot make those cuts without cutting personnel. It is a simple fact of life.

We Members of the House of Representatives over the last 3 years have passed 13 separate pieces of legislation giving new responsibilities to the Food and Drug Administration. We wait expectantly day in and day out to hear a word from this agency which is seeking to approve drugs to cure diseases.

Mr. Speaker, let me give Members an idea of the scope of activities at the Food and Drug Administration. Think for a moment if you will. Let me read a very brief list of what the Food and Drug Administration is working on. This will be affected by the amendment of the gentleman from Texas [Mr. SMITH]: drug approvals for AIDS; AIDS activities; AZT; blood safety; drug approval process; an insulin pill, and therapies for cancer and AIDS.

Mr. Chairman, I can state that I have taken it on myself to visit these FDA facilities, regional offices around the country. They are short-staffed at the moment. They cannot meet the current demands to review the food and medical devices and even to approve the drugs that we want to bring to the market quickly to save lives.

What the cut of the gentleman from Texas [Mr. SMITH] will do is to reduce the personnel at the Food and Drug Administration responsible for dealing with these life and death activities.

Mr. Chairman, we made an exception in our committee for the Food and Drug Administration. I will sit here and concede that point. We said this is a special agency. It needs the resources to do the important work that is set out for it to do.

What the gentleman's amendment does by cutting $15 million is to reduce, and I am not sure how much, but at least to reduce to some extent the likelihood that we will find cures for diseases, the likelihood that we will develop medical devices that will save lives.

How much will it save this country to take this $15 million away from the Food and Drug Administration and to penalize those opportunities?

Mr. SMITH of Texas. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from Texas.

Mr. SMITH of Texas. Mr. Chairman, I thank the gentleman for the point he has made. Let me repeat once again with overhead spending, I am not talking about the salaries, I am not talking about the programs the gentleman read, although I understand the point he made.

Mr. DURBIN. Mr. Chairman, reclaiming my time, I would say to the gentleman from Texas [Mr. SMITH], if he would read his amendment on page 6, lines 5 and 6, Food and Drug Administration, salaries and expenses, $14,882,770.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, I appreciate the comments of the gentleman from Illinois [Mr. DURBIN]. There is no question this is a very responsible bill as it currently stands. Every agency in this department in its administrative costs is at last year's level or below, with the exception of FDA, which is being brought down in this amendment.

As the gentleman knows, the average increase per employee is 5.7 percent a year to keep up with the cost of benefits and the COLA and other things that other Federal employees deserve. So just to compensate for that, when you freeze these amounts, you are having cuts made.

Mr. Chairman, I think the gentleman's amendment therefore is not appropriate on this bill and I congratulate the gentleman from Illinois [Mr. DURBIN] on his comments.

Mr. SMITH of Texas. Mr. Chairman, if the gentleman will yield one more time, I would like to ask quite frankly, since there is one item that has been a point of contention with many Members who have spoken on the amendment, if I ask unanimous consent to modify the amendment and strike lines 5 and 6 on page 6 regarding the FDA, if that would make the amendment more acceptable to the gentleman from Illinois [Mr. DURBIN]?

Mr. DURBIN. Mr. Chairman, reclaiming my time, I would find the amendment more acceptable.

Mr. SMITH of Texas. Mr. Chairman, I ask unanimous consent to modify the amendment by striking lines 5 and 6 on page 6 of the amendment.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

The text of the amendment is as follows:

> Modification to the amendment offered by Mr. SMITH of Texas: Page 6, strike out lines 5 and 6.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The amendment is modified. The question is on the amendment, as modified, offered by the gentleman from Texas [Mr. SMITH].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SMITH of Texas. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 214, noes 191, not voting 29, as follows:

[Roll No. 248]

AYES—214

Allard
Allen
Anderson
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Aspin
Atkins
Bacchus
Baker
Ballenger
Barton
Bennett
Bilbray
Bilirakis
Bliley
Boehlert
Boehner
Borski
Broomfield
Bruce
Bunning
Burton
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Carper
Chandler
Clement
Coble
Condit
Cooper
Cox (CA)
Cox (IL)
Crane
Cunningham
Dannemeyer
Davis
DeLauro
DeLay
Dickinson
Donnelly
Doolittle
Dorgan (ND)
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Engel
Erdreich
Fawell
Fields
Fish
Ford (TN)
Frank (MA)
Franks (CT)
Gallegly
Gaydos
Geren
Gillmor
Gingrich
Glickman
Goss
Gradison
Grandy
Guarini
Hall (TX)
Hancock
Hansen
Hefley
Henry
Hobson
Holloway
Hopkins
Horn
Hughes
Hunter
Hutto
Inhofe
Ireland
Jacobs
James
Johnson (TX)
Jones (NC)
Jontz
Kanjorski
Kasich
Kennedy
Kleczka
Klug
Kolbe
Kostmayer
Kyl
Lagomarsino
Lancaster
Lantos
LaRocco
Leach
Lehman (CA)
Lent
Lewis (FL)
Lightfoot
Lipinski
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Martin
Mazzoli
McCandless
McCollum
McCrery
McCurdy
McEwen
McGrath
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Miller (CA)
Miller (OH)
Miller (WA)
Molinari
Moody
Moorhead
Murphy
Neal (MA)
Neal (NC)
Nichols
Nussle
Olver
Orton
Owens (UT)
Oxley
Packard
Pallone
Panetta
Patterson
Paxon
Payne (VA)
Penny
Petri
Pickett
Pickle
Porter
Pursell
Quillen
Ramstad
Ravenel
Reed
Regula
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roemer
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Sanders
Santorum
Saxton
Schaefer
Schiff
Schroeder
Schulze
Sensenbrenner
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Slattery
Slaughter
Smith (NJ)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stallings
Stearns
Stenholm
Studds
Stump
Sundquist
Swett
Tanner
Taylor (NC)
Thomas (CA)
Traficant
Upton
Valentine
Vander Jagt
Vento
Volkmer
Vucanovich
Walker
Walsh
Weldon
Wylie
Young (FL)
Zeliff
Zimmer

NOES—191

Abercrombie
Alexander
Andrews (ME)
Annunzio
AuCoin
Barnard
Barrett
Bateman
Beilenson
Bentley
Bereuter
Berman
Blackwell
Boucher
Brewster
Brooks
Browder
Brown
Bryant
Cardin
Carr
Chapman
Clay
Clinger
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Conyers
Costello
Coughlin
Coyne
Cramer
Darden
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Dooley
Downey
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (TX)
Emerson
English
Espy
Evans
Ewing
Fazio
Flake
Foglietta
Frost
Gallo
Gejdenson
Gephardt
Gibbons
Gilchrest
Gilman
Gonzalez
Goodling
Gordon
Green
Gunderson
Hall (OH)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Herger
Hertel
Hoagland
Hochbrueckner
Horton
Houghton
Hoyer
Hubbard
Hyde
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Kaptur
Kennelly
Kildee
Kopetski
LaFalce
Laughlin
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lloyd
Lowery (CA)
Marlenee
Martinez
Mavroules
McCloskey
McDade
McDermott
McHugh
McNulty
Michel
Mineta

Mink
Moakley
Mollohan
Montgomery
Morella
Morrison
Mrazek
Murtha
Myers
Nagle
Natcher
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (NY)
Parker
Pastor
Payne (NJ)
Pease
Pelosi
Peterson (FL)
Peterson (MN)
Poshard
Price
Rahall
Rangel
Ray
Rhodes
Rogers
Rose
Rostenkowski
Rowland
Roybal
Russo
Sabo
Sangmeister
Sarpalius
Savage
Sawyer
Schumer
Serrano
Skaggs
Skeen
Skelton
Smith (FL)
Smith (IA)
Smith (OR)
Solarz
Staggers
Stokes
Swift
Synar
Tauzin
Taylor (MS)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Unsoeld
Visclosky
Washington
Waters
Waxman
Weber
Weiss
Whitten
Wilson
Wise
Wolf
Wolpe
Wyden
Yates
Yatron
Young (AK)

NOT VOTING—29

Ackerman
Anthony
Bevill
Bonior
Boxer
Bustamante
Dymally
Fascell
Feighan
Ford (MI)
Gekas
Hefner
Huckaby
Jones (GA)
Kolter
Lehman (FL)
Livingston
Matsui
Moran
Olin
Perkins
Roe
Scheuer
Stark
Tallon
Thomas (GA)
Traxler
Wheat
Williams

□ 2034

Messrs. THOMAS of Wyoming, DOOLEY, and GORDON changed their vote from "aye" to "no."

Mr. KOSTMAYER and Mr. RICHARDSON changed their vote from "no" to "aye."

So the amendment, as modified, was agreed to.

The CHAIRMAN. Are there further amendments?

Mr. ZIMMER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the gentleman from Michigan [Mr. UPTON] and I had intended to offer an amendment which could be called the Silvio Conte memorial amendment, which would have eliminated the honey support program. This is a sweet little program, as the Members know, that has been endorsed by the GAO, the OMB, and most recently by Bill Clinton, who moved up from third place to first place in the national polls as a result.

However, we have reached an agreement with the leadership of the authorizing committee on this matter, and to describe that amendment I will yield to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Will the gentleman yield?

Mr. ZIMMER. I am happy to yield to the gentleman.

Mr. UPTON. Mr. Chairman, I thank the gentleman for yielding, and I thank the gentleman from New Jersey [Mr. ZIMMER] for his long and hard work. However, knowing that the hour is late and knowing that we have droned on and on and on with regard to this bill, I would simply ask that we might engage in a brief colloquy with the gentleman from Texas [Mr. STENHOLM] with regard to our ideas.

As I view it, I think that the consumer has been stung pretty hard by this program.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. ZIMMER. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, I appreciate the gentleman yielding to me.

Mr. Chairman, I appreciate very much my colleague's not offering the amendment tonight and recognizing that as a result of the 1990 farm bill, as we dealt with the honey program, yes, at the urging of our deceased colleague, Mr. Conte, we have brought the cost of the honey program from $100 million a year down to $6 million a year, and I appreciate that the Members do not at this point in time attempt to change that part of the farm program.

I will assure the Member as chairman of the Subcommittee on Livestock, Dairy, Poultry, and Honey that we will be watching the bottomline of this program very carefully over the coming year.

Mr. UPTON. Mr. Chairman, I thank the gentleman for his accommodation.

□ 2040

Mr. SKELTON. Mr. Chairman, I rise in strong support of H.R. 5487 and I commend the distinguished chairman of the full committee and the distinguished chairman of the subcommittee for their work on this bill.

Mr. Chairman, I rise in strong support of H.R. 5487. I commend the distinguished chairman of the subcommittee and full committee, for crafting a bill that meets the needs of rural America while considering our current budget constraints.

As chairman of the Small Business Subcommittee on Rural Development, and former chairman of the congressional rural caucus, I am pleased to see the continued support for rural America in this legislation. Cooperative extension, the Rural Electrification Administration, the Soil Conservation Service, and farm programs funded by this bill contribute to the quality of life for not only farmers but the entire rural community.

While this bill is titled "Rural Development and Agriculture Appropriations," the work of America's farmers benefits our cities as well. Programs funded by this bill contribute to ensuring an adequate supply of food at stable prices. Nutrition programs in this bill, such as the Emergency Food Assistance Program and the supplemental Food Program for Wome, Infants, and Children, provide nutritional needs to millions of our citizens in both rural and urban areas.

I strongly urge my colleagues to support this bill.

Mr. MCMILLEN of Maryland. Mr. Chairman, I rise in support of Representative SMITH's amendment to cut overhead spending for the agencies funded under H.R. 5487, excluding the Food and Drug Administration. This amendment is a strong step in the right direction to end wasteful Federal spending.

The Federal Government must take a hard look at spending priorities. Businesses, in difficult economic times, must cut costs to survive. The most logical places for these cuts to be made are in the areas which are least crucial to a business's profitability. Mr. Speaker, the Federal deficit demands that we take a hard look around and make the same difficult decisions. This amendment, by forcing Federal Managers to cut around 10 percent of the $7.6 billion they are appropriated for overhead, is a logical method of balancing the books.

Mr. HALL of Ohio. Mr. Chairman, if we all had our druthers, the bill before us today would probably take on a new face. We wouldn't be forced to choose between cuts in our environmental and conservation programs to enhance our research and development activities. We wouldn't be pressed to jeopardize the effectiveness of programs we know to be successful by cutting them back. And, we would have the opportunity to expand the critical nutrition services that we know to have a positive impact on the lives of vulnerable Americans. But, times being what they are, this is the situation we find ourselves in.

That being the case, I would like to take this opportunity to commend the members of the Appropriations Committee for their crafting of H.R. 5487, the Agriculture, Rural Development, Food and Drug Administration, and related agencies appropriations bill for fiscal year 1993. Given the enormous pressures of prevailing budgetary constraints, I believe that they have brought to us a balanced bill that, while not as far-reaching as many of us would like to have seen, nevertheless continues to demonstrate a balanced commitment.

With particular emphasis on our infrastructure of domestic food assistance programs, while I would like to have seen a full $3.1 billion in funding for WIC, the $2.86 billion provided in the bill does enable us to realize a modest caseload expansion. With the Emergency Food Assistance Program, we didn't get an increase for emergency food distribution services, but didn't suffer a cut either.

I would submit to my colleagues that these actions should not set the standards and priorities for our future considerations. We have to tighten our belts right now, but serious human needs dictate that we sustain our commitment to these programs which assure critical food assistance for those at risk.

Mr. ROGERS. Mr. Chairman, I am extremely disappointed that my colleagues voted to accept the amendment offered by the gentleman from Utah on the Agriculture and Related Agencies Appropriations Act for fiscal year 1993 to prohibit my tobacco growers from using the Market Promotion Program. I am appalled that my colleagues would unfairly single out this legal commodity from this important program.

Mr. Chairman, let me clear up the misunderstanding many of my colleagues have about tobacco and the Market Promotion Program. This is a program to build U.S. exports in areas where the U.S. has suffered from unfair competition in foreign markets.

Proponents of this amendment want you to believe this is a "health issue," but it is not. It is solely a competitiveness issue. No Market Promotion Program funds are used to promote tobacco consumption. Eliminating tobacco from the program will not decrease tobacco sales and consumption. The fact is the United

States grows less than 10 percent of the world's tobacco. This amendment will only undercut United States farmers in international markets and allow our foreign competitors, such as the European Community, which subsidizes tobacco by almost $1 billion, to grab the international market. Once again, the United States will lose its position in the international market for a critical commodity which contributes almost $6 billion surplus to our balance of trade.

This amendment will help no one, but it will hurt hundreds of thousands of American farmers and workers, numerous States which depend on this important revenue, and the Nation as a whole which benefits from the trade surplus tobacco generates. The impact on my State would be tremendous—over 160,000 families derive income from tobacco, and tobacco contributes over $2 billion to Kentucky's economy. My State, and our Nation, cannot afford to lose this important revenue.

My colleagues, American jobs and American competitiveness are at stake, and I am deeply disappointed that my colleagues voted to include this amendment in this bill. However, I will continue my fight to stop the anti-tobacco forces in Congress from taking away money and jobs from my constituents.

Mr. LEHMAN of California. Mr. Chairman, I rise today in support of the Market Promotion Program and to oppose the efforts that are underway to undermine the program's effectiveness.

The MPP program has provided a lot of bang for the buck. An Agriculture Department study found that each dollar of promotional assistance may increase U.S. exports by as much as $2 to $7. I think it is ironic that while Congress has been concerned for the need for a more competitive economy, we cut funding for a program that has proven effective against unfair trade advantages in foreign markets.

As we know, the Market Promotion Program provides funding to trade groups to help promote American farm goods overseas. The $200 million spent annually has benefited a variety of products, including many from California such as walnuts, raisins, citrus, and almonds that do not get the bulk of farm support provided in this country. Matching funds are required, and the promotional campaigns can target generic products or brand names. The latter is often more effective because consumers identify more closely with a brand name product and respond better to this advertising.

It is true that an approved marketing plan can provide direct funding to a corporation. But many of these corporations such as the often-cited Sunkist, represent thousands of small growers. The argument has been made that they can fend for themselves, but who better to take advantage of this program than a company with the ability and resources to capitalize in a foreign market. Even growers not associated with these companies benefit because of the heightened awareness foreign advertising provides—advertising, I might add, that small growers could not afford to fund even with help from the MPP program.

Increasing value-added exports through MPP creates jobs and is an effective trade strategy. Without it, we are unilaterally disarming ourselves of one of our most effective weapons considered an acceptable trade practice under GATT. MPP provides expanded opportunities through partnerships and collective advertising that could not be duplicated.

I ask my colleagues to recognize the significant value this program offers for a limited investment. Already, funding has been cut to $75 million. I am hopeful, that full funding can be restored in conference, but, failing that, I ask that no further restrictions be placed on the program. Let's put competitiveness first.

Mrs. LOWEY of New York. Mr. Chairman, I rise in support of the agriculture appropriations bill (H.R. 5487).

This bill funds the proven and very cost-effective women, infants and children [WIC] program that helps low-income women secure needed nutrition during pregnancy and to feed their children and learn essential nutrition skills. And this bill also funds the food stamp program which enables low-income Americans to purchase food to put on their tables.

But these are not the only aspects of this bill that are important to the health of our Nation. In addition, the agriculture subcommittee has agreed to provide funding for research aimed at eradicating lyme disease, a major public health problem which has been reported in 48 states and has an especially high incidence rate in my district in Westchester County, NY. In fact, Westchester County reported a 36-percent increase in lyme disease cases in 1991. We absolutely must bolster our efforts to eradicate this disease.

The committee has included $175,000 in the bill to fund research on deer tick ecology at New York Medical College, where researchers are testing methods to curb the spread of deer tick populations which transmit Lyme disease. The funding supported by the committee, which I would also note has won the support of the administration this year, will allow research on deer tick ecology to continue full speed ahead.

While recent announcements provide hope of eventual development of a Lyme disease vaccine, we still have no way of eliminating the cause of the disease—the infected deer tick—from our backyards and parks. This research is aimed at doing just that.

These funds are supporting ecological studies on the relationship between deer and deer ticks in residential areas like Westchester County. The goal of this work is to develop ecologically-sound methods of reducing tick populations, and, thereby, the risk of Lyme disease in densely populated areas.

USDA scientists are now working closely with New York Medical College researchers, providing technical assistance in planning and implementing their studies. They have developed a strong, positive working relationship which all involved want to see continue.

I thank Chairman WHITTEN and my colleague from New York, MATT MCHUGH, for assisting in this effort which will help lead to controlling the spread of Lyme disease, and I commend the subcommittee for their hard wok on this bill. It certainly deserves our full support.

Mr. LEHMAN of California. Mr. Chairman, I rise today in support of the Market Promotion Program and to oppose the efforts that are underway to undermine the program's effectiveness.

The Market Promotion Program has provided a lot of bang for the buck. An Agriculture Department study found that each dollar of promotional assistance may increase United States exports by as much as $2 to $7. I think it is ironic that while Congress has been concerned for the need for a more competitive economy, we cut funding for a program that has proven effective against unfair trade advantages in foreign markets.

As we know, the Market Promotion Program provides funding to trade groups to help promote American farm goods overseas. The $200 million spent annually has benefited a variety of products, including many from California such as walnuts, raisins, citrus, and almonds that do not get the bulk of farm support provided in this country. Matching funds are required, and the promotional campaigns can target generic products or brand names. The latter is often more effective because consumers identify more closely with a brand name product and respond better to this advertising.029

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Increasing value added exports through Market Promotion Program creates jobs and is an effective grade strategy. Without it, we are unilaterally disarming ourselves of one of our most effective weapons considered an acceptable trade practice under GATT. Market Promotion Program provides expanded opportunities through partnerships and collective advertising that could not be duplicated.

I ask my colleagues to recognize the significant value this program offers for a limited investment. Already, funding has been cut to $75 million. I am hopeful that full funding can be restored in conference, but, failing that, I ask that no further restrictions be placed on the program. Let's put competitiveness first.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

> This Act may be cited as the "Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1993".

Mr. MCHUGH. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SPRATT, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5487) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1993, and for other purposes, had directed him to report the bill back to the House with the sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. OWENS of Utah. Mr. Speaker, I demand a separate vote on my amendment, the Owens amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: Page 83, line 16, strike the comma and insert "with respect to tobacco subsidies or".

The SPEAKER. The question is on the amendment.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. OWENS of Utah. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. One hundred eighty-eight Members are present, not a quorum.

The Sergeant at Arms will notify absent Members. The vote was taken by electronic device, and there were—yeas 331, nays 82, not voting 21, as follows:

[Roll No. 249]

YEAS—331

Allard
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Bacchus
Baker
Barnard
Barrett
Barton
Beilenson
Bennett
Bereuter
Berman
Bilbray
Bilirakis
Blackwell
Boehlert
Borski
Boxer
Brooks
Broomfield
Bruce
Bryant
Burton
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clinger
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne
Crane
Cunningham
Dannemeyer
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Engel
English
Erdreich
Evans
Ewing
Fawell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gaydos
Gejdenson
Gibbons
Gilchrest
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Guarini
Gunderson
Hall (OH)
Hancock
Hansen
Harris
Hastert
Hayes (IL)
Hayes (LA)
Hefley
Henry
Hertel
Hoagland
Hobson
Hochbrueckner
Horn
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jefferson
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lantos
LaRocco
Leach
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHugh
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Montgomery
Moody
Moorhead
Morella
Morrison
Mrazek
Murphy
Murtha
Myers
Neal (MA)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Patterson
Paxon
Payne (NJ)
Pease
Pelosi
Penny
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Pursell
Rahall
Ramstad
Rangel
Ray
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roemer
Rohrabacher
Ros-Lehtinen
Rostenkowski
Roth
Roukema
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Savage
Sawyer
Schiff
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (TX)
Snowe
Solarz
Solomon
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Swett
Synar
Tauzin
Taylor (MS)
Thomas (WY)
Torres
Torricelli
Towns
Traficant
Unsoeld
Upton
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Washington
Waters
Waxman
Weiss
Weldon
Wheat
Wilson
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (FL)
Zeliff
Zimmer

NAYS—82

Abercrombie
Alexander
Allen
Anthony
Ballenger
Bateman
Bentley
Bliley
Boehner
Boucher
Brewster
Browder
Brown
Bunning
Camp
Clement
Coble
Coleman (MO)
Combest
Cramer
DeLay
Emerson
Espy
Gallo
Geren
Gillmor
Green
Hall (TX)
Hamilton
Hammerschmidt
Hatcher
Herger
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Jenkins
Jones (NC)
Lancaster
Laughlin
Lewis (CA)
McEwen
McGrath
McMillan (NC)
Mollohan
Nagle
Natcher
Neal (NC)
Parker
Pastor
Payne (VA)
Peterson (FL)
Price
Quillen
Ravenel
Rogers
Rose
Rowland
Sarpalius
Saxton
Schaefer
Sisisky
Smith (OR)
Spence
Spratt
Stump
Sundquist
Swift
Tanner
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thornton
Valentine
Vander Jagt
Walker
Weber
Whitten
Wise
Young (AK)

NOT VOTING—21

Ackerman
Bevill
Bonior
Bustamante
Dymally
Fascell
Gekas
Gephardt
Hefner
Huckaby
Jones (GA)
Kolter
Livingston
Matsui
Moran
Perkins
Roe
Scheuer
Tallon
Traxler
Williams

☐ 2102

Mr. ANTHONY and Mr. COLEMAN of Missouri changed their vote from "yea" to "nay."

Mr. NOWAK and Mr. HASTERT changed their vote from "nay" to "yea."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

☐ 2100

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. DELAY

Mr. DELAY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DELAY. In its present form, I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. DELAY moves to recommit the bill H.R. 5487 to the Committee on Appropriations with instruction to report back the same forthwith with the following amendment:

On page 65, line 8 strike "only to the extent necessary".

The SPEAKER. The gentleman from Texas [Mr. DELAY] is recognized for 5 minutes.

Mr. DELAY. Mr. Speaker, I will not take the 5 minutes, but I must establish a little legislative intent.

The motion to recommit is a straightforward deletion of language in the bill which restricts or limits the amount of $345 million of funds made available for the Food Stamp Program which are made subject to the regulatory and administrative methods available by the Secretary of Agriculture to curtail fraud, waste, and abuse, in the Food Stamp Program.

By striking the language in the bill as proposed by the motion, which reads: "only to the extent necessary" enhancement of the Secretary's ability to control food stamp fraud, waste, and abuse, will be assured to apply to the full amount limited in the bill of $345 million, rather than a lesser amount which will be permitted if the restrictive language remains in the bill.

Mr. MCHUGH. Mr. Speaker, will the gentleman yield?

Mr. DELAY. I am glad to yield to the gentleman from New York.

Mr. MCHUGH. Mr. Speaker, I thank the gentleman for yielding to me.

I would advise the gentleman and the House that we have no objection to the motion on this side.

Mr. SKEEN. Mr. Speaker, will the gentleman yield?

Mr. DELAY. I am glad to yield to the gentleman from New Mexico.

Mr. SKEEN. Mr. Speaker, we have no objection on this side to the motion.

Mr. DELAY. Mr. Speaker, I yield back the balance of my time.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was agreed to.

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York [Mr. MCHUGH].

Mr. MCHUGH. Mr. Speaker, pursuant to the instructions of the House on the motion to recommit, I report the bill, H.R. 5487, back to the House with an amendment which is at the Clerk's desk.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment: On page 65, line 8, strike "only to the extent necessary."

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 312, nays 99, not voting 23, as follows:

[Roll No. 250]

YEAS—312

Abercrombie
Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bacchus
Baker
Barnard
Barrett
Barton
Bateman
Bentley
Bereuter
Berman
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Borski
Boucher
Boxer
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Bunning
Byron
Camp
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Coughlin
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Ewing
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Frank (MA)
Franks (CT)
Frost
Gallo
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Gonzalez
Goodling
Gordon
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Horn
Horton
Houghton
Hoyer
Hutto
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (NC)
Kanjorski
Kaptur
Kasich
Kennelly
Kildee
Kleczka
Klug
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Mavroules
Mazzoli
McCandless
McCloskey
McCrery
McCurdy
McDade
McDermott
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Mfume
Michel
Miller (CA)
Miller (OH)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Morella
Morrison
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Owens (NY)
Owens (UT)
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Poshard
Price
Quillen
Rahall
Rangel
Ravenel
Ray
Reed
Regula
Richardson
Ridge
Riggs
Rinaldo
Roe
Roemer
Rogers
Rose
Rostenkowski
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Sarpalius
Savage
Sawyer
Schiff
Schumer
Serrano
Sharp
Shaw
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Solarz
Spence
Spratt
Stallings
Stenholm
Stokes
Studds
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Washington
Waters
Waxman
Weber
Weiss
Wheat
Whitten
Wilson
Wolpe
Wyden
Yates
Yatron

NAYS—99

Allard
Allen
Archer
Armey
Ballenger
Beilenson
Bennett
Broomfield
Burton
Callahan
Campbell (CA)
Cox (CA)
Crane
Cunningham
Dannemeyer
DeLay
Dickinson
Donnelly
Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Fawell
Gallegly
Gingrich
Goss
Gradison
Grandy
Hancock
Hansen
Hefley
Henry
Hopkins
Hubbard
Hughes
Hunter
Hyde
Inhofe
Ireland
Jacobs
James
Jontz
Kolbe
Kyl
Lagomarsino
Lent
Lewis (FL)
McCollum
McEwen
McGrath
Meyers
Miller (WA)
Molinari
Moorhead
Nichols
Nussle
Orton
Oxley
Packard
Pallone
Penny
Petri
Porter
Pursell
Ramstad
Rhodes
Ritter
Roberts
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Santorum
Saxton
Schaefer
Schroeder
Schulze
Sensenbrenner
Shays
Shuster
Sikorski
Slattery
Snowe
Solomon
Stark
Stearns
Stump
Thomas (CA)
Thomas (WY)
Walker
Walsh
Weldon
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—23

Ackerman
Bevill
Bonior
Bustamante
Dymally
Fascell
Ford (TN)
Gekas
Hefner
Huckaby
Jones (GA)
Kennedy
Kolter
Livingston
Matsui
Moran
Perkins
Scheuer
Staggers
Tallon
Traxler
Williams
Wise

☐ 2124

Mr. GOODLING changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. RHODES. Mr. Speaker, during consideration of H.R. 5487, my vote was incorrectly recorded on Rollcall No. 248, the amendment by Representative LAMAR SMITH to reduce the Department of Agriculture administrative budget by 10 percent.

Had my vote been properly recorded on Rollcall No. 248, it would have reflected my intent to support the Smith amendment and my "yes" vote for passage of that amendment.

PROVIDING A 4-MONTH EXTENSION OF TRANSITION RULE FOR SEPARATE CAPITALIZATION OF SAVINGS ASSOCIATIONS' SUBSIDIARIES

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2905) to provide a 4-month extension of the transition rule for separate capitalization of savings association's subsidiaries, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Mr. CARDIN). Is there objection to the request of the gentleman from Texas?

Mr. WYLIE. Mr. Speaker, reserving the right to object, and I do not intend to object, but I reserve the right to object to ask the gentleman from Texas [Mr. GONZALEZ] if he would please explain the legislation.

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Speaker, when the Congress enacted the Financial Institutions Reform, Recovery and Enforcement Act [FIRREA] we required that savings and loan companies separately capitalize their direct real estate investments, so that the insured institution would not bear the risks associated with real estate development. We also recognized that a reasonable time period should be provided in order for these investments to be phased into separately capitalized subsidiaries. FIRREA allowed a 5-year transition, and under the present schedule an additional capital deduction is required effective tomorrow.

There are about 324 institutions with direct real estate investments, worth approximately $3.2 billion. The capital phasedown scheduled to take effect tomorrow would require 15 percent of that amount to be deducted from the institutions' capital. As a practical matter, this would mean that a number of investments would be sold into an already weak market, with particular adverse effects in California.

The Office of Thrift Supervision believes the existing phaseout schedule is too stringent. The bill provides an extension until November 1. Between now and then the Congress may decide whether to modify the phaseout or leave it in place. The only effect of this bill is to postpone the phaseout until November 1.

Mr. Speaker, I include for the RECORD a letter from Timothy Ryan of the Office of Thrift Supervision in which he is recommending and affirming his desire to obtain this extension.

The letter referred to is as follows:

OFFICE OF THRIFT SUPERVISION,
Washington, DC, June 30, 1992.

Hon. HENRY B. GONZALEZ,
Chairman, Committee on Banking, Finance and Urban Affairs,
U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to urge the House of Representatives to extend the July 1, 1992, FIRREA-imposed deadline that requires thrifts to deduct from their capital 40 percent versus 25 percent of the amount of their investments in real estate subsidiaries to November 1, 1992. The same legislation was passed by the Senate last night.

Freezing the 25 percent deduction requirements for four months will not eliminate the need to revisit this issue. It will, however, provide Congress the necessary time to further address this matter. Thrifts have only one day before they will be subject to the increased capital deduction requirement.

It is important for reasons of safety and soundness that the FIRREA requirement be amended to allow thrifts adequate additional time to divest their real estate subsidiaries in light of current conditions in the real estate markets.

Sincerely,

TIMOTHY RYAN.

Mr. WYLIE. Mr. Speaker, I thank the gentleman from Texas [Mr. GONZALEZ] for his explanation.

Mr. DREIER of California. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from California.

Mr. DREIER of California. Mr. Speaker, I thank the gentleman from Ohio for yielding to me under his reservation, and I simply would like to congratulate my friends, the gentleman from Texas [Mr. GONZALEZ], the gentleman from Ohio [Mr. WYLIE] and the gentleman from California [Mr. FAZIO], and I would like the record to show, Mr. Speaker, that this is simply a 4-month extension, and nothing more than that, and I would like to ask that of both the ranking member and the chairman.

Am I correct?

Mr. WYLIE. Mr. Speaker, the gentleman from California [Mr. DREIER] is correct. It is a simple 4-month extension for this transition rule for separate capitalization of savings association real estate subsidiaries, and the gentleman from Texas [Mr. GONZALEZ] has put in the RECORD the letter from Mr. Tim Ryan, the Director of the Office of Thrift Supervision, and in that letter he says, "If we don't delay this requirement now, 324 thrifts with $3.2 billion in investments will be affected."

Mr. Speaker, this bill will simply delay the requirement of deducting the reduction from capital requirements investments in real estate for 4 months under the transition rule. It does nothing else.

Mr. DREIER of California. Mr. Speaker, I think that is a very appropriate answer. We are actually going to be benefiting the U.S. taxpayer by moving ahead with this extension.

Mr. WYLIE. I think we are, and I compliment the gentleman for his observation, and I commend the gentleman from California [Mr. DREIER] and the gentleman from California [Mr. FAZIO] who have worked diligently to bring this bill here this evening to see what would otherwise cause a harmful effect, I think, if this application of the transition rule is not extended.

Mr. FAZIO. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from California.

Mr. FAZIO. Mr. Speaker, I simply want to add my voice to the chorus of thanks to the chairman, the gentleman from Texas [Mr. GONZALEZ], and to the gentleman from Ohio [Mr. WYLIE] for bringing this bill to the floor so expeditiously, and I also thank my good friend from Claremont, CA who knows the geography of every Member of the House, by the way, for this expeditious handling of this on their side of the aisle.

Mr. DREIER of California. Mr. Speaker, I thank the gentleman from Sacramento.

Mr. WYLIE. Mr. Speaker, the gentleman from California [Mr. FAZIO] is right on, and with that I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. LAFALCE. Mr. Speaker, reserving the right to object, I will not object because I do favor this measure. However, Mr. Speaker, there are a couple of difficulties we do have.

I wish we could have had some prior notice, but, most of all, the difficulty I have is the rhetoric that we choose to use so selectively when we want to advance a bill such as this. We refer to FIRREA and its implementation of capital standards as having been much, much too stringent.

□ 2130

Those are your words, "much, much too stringent." At other times, though, when we talk about the implementation of certain capital standards for FIRREA, individuals are castigated as attempting to water down the provisions, trying to be weak, being in the pocket of the S&Ls, or some other type of institutions, and I think we should do away with such rhetoric.

I personally have long had difficulties with FIRREA. I opposed it. I thought at the time it was a prescription for financial disaster. I still do.

This is the type of action we should be taking and we should have taken in 1989. It is also the type of action we should be taking on a number of other capital provisions still in FIRREA, still overly stringent, still causing a credit crunch.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. CARDIN). Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2905

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(t)(5)(D)(ii) of the Home Owners' Loan Act (12 U.S.C. 1464(t)(5)(D)(ii)) is amended—

(1) by striking "June 30, 1992" and inserting "October 31, 1992"; and

(2) by striking "July 1, 1992" and inserting "November 1, 1992".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute.)

Mr. GEPHARDT. Mr. Speaker, I take this time to inform Members of the rest of the schedule for this evening.

We will be taking up a conference report on a price fixing bill. Obviously it could have as much as one hour of debate. There will likely be a vote on that conference report.

There could be other matters after that, but there will be no votes after the vote on the conference report on price fixing.

We will then tomorrow take up the votes that were rolled or put off this evening on any other matters that come up after the conference report, and then we will go on with our regular schedule for the rest of the week.

CONFERENCE REPORT ON S. 429, CONSUMER PROTECTION AGAINST PRICE FIXING ACT OF 1991

Mr. BROOKS. Mr. Speaker, I call up the conference report on the Senate bill (S. 429) to amend the Sherman Act regarding retail competition, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of June 22, 1992, at page 15659.)

The SPEAKER pro tempore. The gentleman from Texas [Mr. BROOKS] will be recognized for 30 minutes and the gentleman from New York [Mr. FISH] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. BROOKS].

Mr. BROOKS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, very rarely do economic principle and economic necessity come together so urgently as they do in the conference report accompanying S. 429 now before us—the Consumer Protection Against Price-Fixing Act of 1991.

For decades, this body has stood behind the distinctive American free enterprise system by refusing to tolerate, countenance, or condone any form of price-fixing in the economy. Why? Because price-fixing spells the death of open competition; because it strangles the possibility of having multiple players compete in an open and free-moving economy; and because it works a fundamental disadvantage to the ultimate consumer—the American public.

Since 1890, when the Sherman Antitrust Act was passed, we in this body, and in this branch have done well in holding firm to our principles. But starting in the mid-1980s, the economic landscape changed quickly and dangerously—ironically at the same moment that democracy, free enterprise and antitrust were being embraced by the newly liberated countries of Eastern Europe, price-fixing activity began resurfacing in America because of lax enforcement and confusing judicial decisions.

The reappearance of price-fixing is not just of academic interest: It is a real threat to Americans' pocketbooks and is now costing the American consumer more than $20 billion every year—not really the best prescription for stimulating the sluggish economy in the consumer spending sector.

Vertical price-fixing—or resale price maintenance—typically begins when a full-price retailer complains to a manufacturer about a discounter's competitive pricing. If the full-price retailer has enough economic clout, it can coerce the manufacturer to force the discounter to raise its prices to the full price level. Consumers will end up paying inflated prices and low-price retailers are deprived of their ability to compete.

For over 80 years, vertical price-fixing, in all its forms, has been illegal. However, in 1981, the Justice Department cooked up a bunch of theoretical reasons to break with this longstanding congressional policy and since that time, it has failed to prosecute a single vertical price-fixing case. Even worse, two Supreme Court decisions over the past decade have confused the law[1] and made it practically impossible for low price retailers, like discount stores, to get to a jury to hear their case.

If the economy is to revive quickly, it will be largely because Americans will spend their hard-earned dollars for affordable goods and services. But let's be candid: Americans are not spending for goods and services as they have in the past. In this environment, it is misguided, to say the very least, to permit vertical price-fixing—the effect of which is to make all Americans pay the Bloomingdale's price if they are going to purchase anything at all.

The House receded to the Senate version of the legislation after working with that body to ensure that the evidentiary standards were tightly drawn and that all businesses—large or small—would not be subject to litigation if the tests were not clearly met. One provision of the House bill not adopted by the conference was a well-meaning attempt to give special treatment to small businesses. But there were serious problems with this so-called small business amendment. The definition of small business as well as the burden of proof on small business were never clearly set out. Thus, the conference rightly feared that these ambiguities would lead to protracted litigation—just the opposite of what small business needs. Indeed, the conference version can provide clear application of the benefits sought for small business in H.R. 1470.

This measure may be the single most important consumer measure to be considered by Congress this year. That it has received such tremendous bipartisan support—under the cosponsorship of the gentleman from Illinois, Mr. HYDE—only attests to the recognized need to give consumers the full benefit of the American free enterprise system.

I urge you to join us in supporting the conference report.

Mr. BURTON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to my friend, the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Speaker, when the gentleman talks of vertical price fixing, is that analogous to the keiretsu system in Japan?

Mr. BROOKS. Mr. Speaker, one might say that.

Mr. BURTON of Indiana. I just wanted to get that clarified, because people are not aware of that.

Mr. BROOKS. Mr. Speaker, I reserve the balance of my time.

Mr. FISH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am strongly opposed to the conference report on S. 429. This legislation will be damaging to American industry, American productivity, and the American economy overall.

The primary end product of this bill is more litigation. More litigation means higher—not lower—prices for America's consumers. More litigation does not create new jobs, nor does it protect existing jobs. More litigation does not help American manufacturers and small businesses survive and prosper in a highly competitive world economy. I say to my colleagues that legislation has negative ramifications far beyond changes in the Federal antitrust laws and I urge you to keep this fact in mind as you consider this conference report.

On June 18, the conference committee met briefly on this legislation. At that time, a majority of the House conferees failed to support the House position and, instead, voted to accept the Senate version of this legislation in its entirety. Consequently, the conference version of this legislation does not contain the extremely important protection for small business that was embodied in the House bill by virtue of an amendment authored by the gentleman from California [Mr. CAMPBELL].

My colleagues will recall that when the House version (H.R. 1470) of this legislation was considered on October 10, 1991, an amendment sponsored by Congressman CAMPBELL was adopted by a 218 to 195 roll call vote. The Campbell amendment would provide certain businesses—particularly small businesses—with an important and essential defense in the treble damage legal actions authorized by this bill. If they can demonstrate that they are "so small in the relevant market as to lack market power" they are protected against liability in these suits. Without this language, small businesses all across this country will suffer severely.

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[1] As Thomas A. Piraino, Jr., a leading commentator in the area, has pointed out, the Court in one of the decisions, the *Sharp* case, chose to ignore the substantive economic effect of detrimental conduct at issue, falling back instead on formalistic line drawing that benefits neither the consumer nor the general economy. *See*, Piraino, "Sharp Dealing: The Horizontal/Vertical Dichotomy in Distributor Termination Cases," 38 *Emory* L.J. 311–367 (1989).

No one who opposes this ill-advised and unfair legislation argues or believes that manufacturers and retailers should be permitted to engage in price-fixing conspiracies. But both horizontal and vertical price fixing are illegal per se right now! In fact, vertical price fixing—the supposed focus of this bill—has been illegal since 1911. We don't need a new statute to tell us what is already the law.

Instead, S. 429 would invent supposed price-fixing conspiracies out of innocent and lawful business decisions. What S. 429 is really about is the alteration of evidentiary requirements in certain complicated types of antitrust cases. Specifically, those cases where it is alleged that a dealer's termination by a manufacturer occurred in furtherance of a resale price maintenance scheme. The bill would create an inference or legal presumption that a price-fixing conspiracy occurred when, in fact, no such conspiracy may ever have taken place. As drafted, S. 429 could easily result in courts and juries misinterpreting and treating many innocent and completely lawful business decisions as vertical price-fixing conspiracies.

S. 429 would reduce the level of evidence needed to proceed to trial by creating an inference of an unlawful conspiracy in certain fact circumstances. This inference would be based on evidence that is equally consistent with a totally different conclusion—that is, that a manufacturer made a lawful, unilateral decision regarding who will distribute and sell its products.

By its very nature, antitrust litigation is lengthy and time consuming. Typically, these cases take years to resolve. What the advocates of S. 429 know, is that if these weak cases get by preliminary motions for early dismissals; that is, motions for summary judgment, then the cost and the timeframe itself will force manufacturers to agree to money settlements, even though the facts don't support that result. Again, because of the availability of treble damages, S. 429 is certain to invite a substantial increase in these complex antitrust suits. So, the backlog of civil cases in our Federal courts will continue to mount and worsen.

The bill will discourage and inhibit manufacturers from terminating dealers who provide inadequate service or otherwise violate the terms of their contracts. Small independent dealers are also likely to suffer under this legislation. This is because manufacturers would have an incentive to open up their own distribution centers to ensure that adequate services are offered along with their product and will surely do so.

It is important to stress that it is completely lawful for a manufacturer to choose not to deal with a particular retailer or terminate an existing business relationship with a retailer for reasons unrelated to price. Typical examples of these reasons would include: circumstances where the retailer does not advertise the product as agreed upon, does not employ salesmen trained in the technical nuances of a product, does not provide adequate warranty and repair service, does not display the product in the fashion agreed upon, or does not stay within his assigned territory. Manufacturers are rightly concerned about the reputation and goodwill surrounding their products. Make no mistake about it, product reputations are made in the retail marketplace.

Unfortunately, the bill asks Congress to pick sides in antitrust litigation. It will unfairly tilt proceedings in favor of a plaintiff; that is, a discontinued dealer, merely upon the dealer's allegation of an antitrust violation. The unilateral decision of a manufacturer to select its own retail outlets is currently protected by the antitrust laws and has been since 1919. *U.S.* v. *Colgate*, 250 U.S. 300, 307 (1919). But certain advocates of S. 429 intend to change that situation by essentially overruling portions of the Colgate doctrine. What some proponents want from this legislation is to use the antitrust laws to gain more economic and legal leverage so that they can force a manufacturer to sell its products to them.

This bill is not likely to help consumers either. In fact, in significant ways, the bill is anticonsumer. For example, it will harm purchasers of products that require special servicing and marketing. If it is enacted, buyers can expect to receive less warranty protection and less repair service than is now the case. If you are purchasing a personal computer, a VCR, or a camera, warranty and repair service is a vital element of that purchase. This legislation could undermine the incentive to provide those additional services with those types of technical and complicated products.

Some would have us believe that a vote for this bill is a vote for discount prices. This is not only inaccurate—it is a ludicrous way to justify this departure from traditional antitrust law. In reality, this bill is about giving one side an advantage in litigation. It unfairly presumes a vertical price-fixing conspiracy has occurred in every instance where a retailer dealer is terminated by his manufacturer-supplier. Such a presumption defies everyday business practice and common sense. The bottom line is that this bill will cost us more money—both as taxpayers and consumers. That does not help discount stores or discount prices.

The legislation is strenuously opposed by the National Federation of Independent Business [NFIB]. Your vote on this conference report will be considered a key vote by that organization. Plain and simple, the deletion of the Campbell amendment from the conference report has made this legislation unacceptable to American small business.

This bill is also opposed by a variety of other business groups, including the chamber of commerce, the National Association of Manufacturers, the Business Roundtable, and the Computer and Business Manufacturers Association. Further, this bill is opposed by the Department of Justice and the Federal Trade Commission. If it reaches the President's desk in its current form, a veto of S. 429 will be recommended by his senior advisers.

In addition, it is opposed by the American Bar Association and the antitrust section of the City Bar of New York. I think it is particularly noteworthy that these two legal organizations are unequivocally opposed to S. 429—because they are the most qualified to understand its complexities and real consequences.

If S. 429 as reported by the conference committee is enacted into law, then Congress will have created a legal situation that will result in serious and costly harm to thousands of businesses—manufacturers and retailers—all across this country. The bill would establish a statutory presumption of unlawful price fixing and, as a result, weaken evidentiary standards in complex antitrust cases dealing with resale price maintenance. The bill would encourage plaintiffs to bring antitrust suits that would not be filed today. This legislation means more lawsuits and more cases going to trial.

Again, this legislation is a likely target for a Presidential veto. It will inhibit manufacturers from terminating dealers who provide inadequate service. It will harm consumers seeking products that require special services and marketing. It will make it harder for small businesses and new competitors to enter the market with new products and brands. It will subject small businesses to unnecessary, unsubstantiated law suits. In short, it is unwarranted, ill advised and unfair.

I strongly urge my colleagues to oppose the conference report on S. 429.

For the RECORD, I include the letter referred to earlier:

OFFICE OF THE ATTORNEY GENERAL,
Washington, DC, June 28, 1992.

Hon. ROBERT H. MICHEL
Republican Leader,
U.S. House of Representatives.

DEAR MR. LEADER: This letter presents the views of the Administration on the Conference Report on S. 429, a bill which would impose treble damages under the antitrust laws for alleged resale price maintenance agreements between manufacturers and distributors. The Administration continues its longstanding opposition to such legislation. S. 429 will harm the economy and the sound administration of the antitrust laws by stretching and distorting the definition of conspiracy such that it would expose manufacturers to treble damage liability where no conspiracy existed and no prices were fixed. Accordingly, I and the President's other senior advisers would recommend a veto of the Conference Report on S. 429 if it reached the President's desk.

Our concerns with the bill remain as follows:

S. 429 would permit allegations of an unlawful price-fixing conspiracy to go to a jury trial based on little more than the fact that one dealer has been terminated in response to a complaint from a competing dealer. This would, in effect, turn legitimate business decisions by a manufacturer on how best to distribute its products into antitrust litigation, thereby encouraging additional lawsuits, increasing costs to consumers and subjecting manufacturers to treble damages.

The freedom of a manufacturer unilaterally to decide whether or not to distribute its products through a given dealer is an essential part of our free enterprise system and has a solid foundation in settled antitrust law. In part, manufacturers rely on feedback from their distributors to supply the goods and services that consumers desire. S. 429 would hinder this important exchange of information.

Contrary to its proponents' arguments, S. 429 would not benefit consumers but restrict the ability of a manufacturer to ensure that its distributors provide consumers valuable product expertise and product servicing.

The Office of Management and Budget has advised that it has no objection to the submission of this report and that enactment of S. 429 would not be in accord with the President's program.

Sincerely,

WILLIAM P. BARR,
Attorney General.

□ 2140

Mr. Speaker, I reserve the balance of my time.

Mr. BROOKS. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. HUGHES], the distinguished chairman of the Subcommittee on Intellectual Property and Judicial Administration.

Mr. HUGHES. Mr. Speaker, I rise in support of the conference report on S. 429, the Price Fixing Prevention Act. In my judgment, it is a fair, balanced bill that will benefit American businesses and American consumers.

Let me congratulate the distinguished gentleman from Texas [Mr. BROOKS] for his work in bringing back a bill, a conference report that I think is in the interests of the American public.

□ 2150

I do not understand some of the arguments being made here today, and I do not understand why the business community is afraid of competition. Competition is the foundation of our free enterprise system, our entire economic system. Competition rewards, quality and efficiency, thus maximizing the benefits to society. Unfortunately, in recent years the Department of Justice and the Supreme Court in a series of decisions have backed away from their responsibilities in enforcing our antitrust laws and preserving our economy's competitive foundation. That has been the hallmark, really, of administrations all down through the decades, Democrat and Republican administrations.

Vertical price-fixing, and that is what we are talking about, or recent retail price maintenance, is a conspiracy between suppliers and their dealers to maintain inflated prices and avoid retail competition. Through such conspiracies the suppliers and dealers involved act as one monopoly, increasing their profits by keeping supply artificially low and prices artificially high. It is that simple. The goal is to profit not by offering the best value but by overcharging their customers, who cannot purchase those products at a fair price.

The conference report, among other things, unlike the House bill, reaffirms Federal policy against vertical price-fixing by codifying the 1911 Supreme Court holding that vertical price-fixing is illegal per se, and clarifies the evidential standards involved.

The standards in the conference report make it somewhat more difficult than the House-passed bill to bring a retail price-fixing action, and I regret that. Unlike the House measure, the agreement also specifies that courts must consider bona fide business justifications for a manufacturer which terminates or refuses to supply a discounter in deciding whether to dismiss the case before it goes to a jury.

The House bill, indeed, has more stringent requirements than when it left the House, and I regret that, but it is the best bill that we have. It is the only bill before the Congress, and it is important that we vote for it. I strongly urge my colleagues to stand up for the American principles of free enterprise and competition, to seize the chance to restore antitrust law to the American marketplace, and vote for S. 429.

Mr. FISH. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. MOORHEAD].

Mr. MOORHEAD. Mr. Speaker, as a Member of the Committee on the Judiciary, I have listened to testimony and analyzed the implications of this legislation for the last three Congresses. Because of my concern regarding the bill's likely adverse effects, I have voted "nay" on no less than five previous occasions. I remain convinced that this measure—in the form of this conference report—would be economically counterproductive for business and for our country.

The language of S. 429 is troublesome and erroneous because it presumes a price-related motive in every dealer termination case. The legal inference or presumption established by this bill assumes that a price fixing goal was in mind, when the identical facts could lead a reasonable judge or a reasonable juror to conclude otherwise.

Vertical price fixing conspiracies are per se violations of the Federal antitrust laws and should be punished. That is already the law. But, what the proponents of S. 429 are seeking to do is confuse and obscure the very clear distinction between illegal price-fixing conspiracies and legitimate, lawful business decisions.

S. 429 is a direct attack on the venerable "Colgate Doctrine" of antitrust law and attempts to undermine that landmark Supreme Court ruling. *U.S.* v. *Colgate*, 250 U.S. 300, 307 (1919). The Colgate decision made it clear that a manufacturer has a lawful, recognized right to decide with whom it will do business. There is nothing in the antitrust laws that interferes with the unilateral right of a manufacturer or wholesaler to select their retail outlets.

Manufacturers have a right to establish quality requirements and service standards for their retail outlets. Manufacturers have a recognized right to establish their own distribution systems and can lawfully terminate poor performing dealers for non-price reasons. If a dealer doesn't advertise or promote the product, doesn't train his sales staff, doesn't provide adequate repair and warranty services, or doesn't stay within his assigned territory, then a manufacturer has a right to end that business relationship. As we all know, the sales success of a product depends upon its goodwill—its reputation for quality and reliability—and that, ultimately, depends upon the consumer's impression in the retail marketplace.

Unfortunately, the conference committee deleted the language that was included in the House bill as a result of an amendment by my colleague from California [Mr. CAMPBELL]. The Campbell amendment would have exempted businesses without market power from the coverage of S. 429. That small business amendment was overwhelmingly adopted by this House, last October. Without it, S. 429 is totally unacceptable and the NFIB is urging a "no" vote on this conference report.

As I have said on numerous occasions, since our committee began consideration of this legislation—it seems to me that the large discounters like K-Mart, Burlington Coat Factory, WalMart, and others are doing extremely well. The fact is their sales are climbing each year. Also, the number of discount outlets grows larger every year. It is the small, individual main street retailer that has been in business for many years that is struggling in my area of the country and elsewhere. In fact, many of them have been forced out of business by the success of the discounters.

Congress should not be gerrymandering or micromanaging the antitrust laws so as to favor a particular class of litigants. This is bad legislation and deserves to be defeated.

Mr. BROOKS. Mr. Speaker, I yield one minute to the distinguished gentleman from Kentucky [Mr. MAZZOLI], the chairman of the Subcommittee on Immigration, Refugees, and International Law of the Committee on the Judiciary.

Mr. MAZZOLI. Mr. Speaker, I rise in very strong support of the bill that has been offered by the gentleman from Texas [Mr. BROOKS], our chairman, and sponsored also by the gentleman from Illinois [Mr. HYDE].

I think it all boils down to one thing, very simply, and that is do we want to be sure that in America today we protect the consumer. That is exactly what this bill does, it protects the consumer. It gives the consumer the very best price available. It protects the low cost or the low discount retailer who does want to serve a clientele for whom and for which price is important.

I would also like, Mr. Speaker, to make note of the fact that in a letter dated June 22, just earlier this month, among other attorneys general is Mr. Chris Gorman, my friend who is now the Attorney General of the State of Kentucky, who affirms his and the collective attorneys general's support for the bill before the committee tonight.

Mr. Speaker, I urge support of the conference report.

Mr. FISH. Mr. Speaker, I am happy to yield 3 minutes to the gentleman from Illinois [Mr. HYDE].

Mr. HYDE. Mr. Speaker, I am very pleased to support this excellent bill. I applaud the conferees for a fine job of legislative craftsmanship which promises to save consumers billions of dollars a year in inflated prices while protecting manufacturers from frivolous lawsuits.

Vigorous competition on the basis of price is a cornerstone of our free enterprise system. Unfortunately, the Supreme Court's Monsanto and Sharp decisions in the 1980's significantly raised the burden of proof faced by discounters challenging supply cutoffs by manufacturers conspiring with competing dealers to maintain high and unchallenged retail prices. Discounters no longer have a fighting chance of winning antitrust actions, and manufacturers have become greatly emboldened in threatening terminations of supply. Unfortunately, examples are endless. A clothing manufacturer terminated its relationship with a discount chain because of pressure from a department store. A book publisher terminated a discount bookseller because of complaints by trade associations. A general merchandise discounter was threatened with a supply cutoff by appliance, computer, and toy manufacturers if it refused to increase catalog prices.

To combat these abuses, S. 429 would codify the eight decade old rule that vertical price fixing is per se illegal. The bill would then modify or overrule Monsanto and Sharp to the extent necessary to establish uniform and fair evidentiary standards in dealer termination cases. The heart of the bill is a simple and eminently reasonable proposition: When a retailer's request that a manufacturer work to curtail or eliminate price competition is the major cause of a discounter's termination, a jury should be allowed to decide whether there in fact existed a conspiracy to fix prices.

This standard will allow discounters to effectively fight for their rights and for those of consumers. But it will by no means interfere with the ability of manufacturers to terminate dealers unilaterally or for other legitimate reasons, such as rival dealers' complaints of a discounter's inferior service. Numerous safeguards have been built in for this purpose.

For example, claims of conspiracy which a judge finds implausible cannot go to a jury. A manufacturer can always present evidence of a nonprice rationale for termination. And remember, a jury ultimately has to find that a conspiracy existed for there to be any violation.

Let us reaffirm our good judgment of last October and pass S. 429. We can put the House of Representatives on record that we will not tolerate price fixing under any circumstances in America and we can move one step closer to winning a major victory for the consumers in our districts.

□ 2200

Mr. BROOKS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Florida [Mr. SMITH], a former member of the Committee on the Judiciary and now a very important member of the Committee on Appropriations.

Mr. SMITH of Florida. Mr. Speaker, I thank the gentleman for yielding time to me, and I commend him for all of the work he has done on this bill bringing it back from conference.

I want to talk about Xanadu Electronics, which sells to both Overpriced Ltd. and Too Cheap, Inc. Too Cheap is a discount retailer that makes money, even though its prices are less than those charged by the multiproduct-selling Overpriced chain.

One day, an Overpriced VP tells a Xanadu executive that Too Cheap is murdering Overpriced in a few markets. A moment or two later lo and behold, the Overpriced VP mentions that he might have to reduce the amount of space provided for Xanadu products in Overpriced stores nationwide. A few days later, Xanadu cuts off Too Cheap.

Now, Mr. Speaker, a rational person might reach two conclusions from this scenario: First, Xanadu's action bore no relation to the conversation that occurred between Xanadu and Overpriced; or second, Xanadu cut off Too Cheap to assuage Overpriced and to keep Overpriced business.

Without more evidence, no one, not I or anyone else can tell you exactly what occurred. And that is precisely the problem that S. 429 will overcome and seeks to overcome.

Under current law, no judge or jury would hear any additional evidence to decide whether an illegal price-fixing conspiracy occurred.

Under S. 429, that is all changed so that additional evidence may be supplied to make a rational decision in cases where prices and consumers are the most important things. And this is what we need to get to as the bottom line on this bill.

I have probably the biggest and one of the most successful discount malls in my district. In this time of recession it is doing an incredible landslide business from people who need these lower priced, American-made, well-made standard goods because they cannot afford to spend the money in other stores where these products are more costly, and sometimes overpriced. These malls, these stores serve a great American heritage, and a great American purpose, and for us to deny American consumers the ability to buy American products at the cheapest prices would be to deny the very competition that made this country great.

I commend the chairman for this bill and commend those who support it, and urge all of my colleagues to vote, as the gentleman from Illinois [Mr. HYDE] said, for American consumers.

Mr. FISH. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I rise in opposition to the conference report on H.R. 1470, the Price Fixing Act of 1991. I spoke against the bill when it came before the House last year because price fixing is already illegal, and has been since 1911. We have adequate protections against price-fixing. This bill is not necessary.

H.R. 1470 is bad for private enterprise and bad for small business. It will interfere with legitimate business decisions that have nothing to do with price fixing. And it will expose manufacturers, as well as small businesses, to costly and unnecessary lawsuits.

Dealers who have been terminated by a manufacturer for failing to follow service or warranty guidelines, for example, could file suit charging price fixing. A manufacturer should have the right to exercise quality control over the sale and service of its product. Such action is essential to protecting the reputation and quality of that product and it is not price fixing.

When the bill passed the House, it contained the Campbell amendment that provided small business owners a defense against frivolous price-fixing lawsuits. The conferees stripped the Campbell amendment out of the bill.

That means small main street retailers could be subjected to expensive litigation on the basis of almost any communication they might have with a manufacturer.

A terminated dealer can more easily bring a charge of price fixing when none exists, and it will be up to the manufacturer and retailer to spend legal fees to fight the case. Let's face it, this bill will hurt mom-and-pop stores all across the country and will help the big discount chains. That is why the National Federation of Independent Business [NFIB] is strongly opposed to the conference report.

No one condones price fixing and those caught in such activity should be prosecuted.

Mr. Speaker, I have a manufacturer in my State that started 18 years ago in his basement. He now has 2,000 employees. He did it on his own. He makes electronic devices. He said he can beat the Japanese, he can beat the Koreans, and he can beat the Mexicans with a better product, and he can sell it cheaper, and make a profit. And he said, "The biggest problem I have is Congress passing laws and regulations that take a lot of time and hurt me in making a profit and giving jobs to people."

I urge a "no" vote on this conference report.

Mr. BROOKS. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of the conference report on the Price Fixing Prevention Act of 1991, and I wish to commend the gentleman from Texas [Mr. BROOKS] and the gentleman from Illinois [Mr. HYDE] for their work on this matter.

As we know, a 1988 Supreme Court decision severely tightened the evidentiary rules in price-fixing cases, making it difficult for discount businesses to function freely. Last fall the House passed H.R. 1470, a measure similar to the one before us today, designed to protect consumers from vertical price fixing. While the measure now before us incorporates the text of S. 429, it nonetheless fulfills our objective of preventing vertical price fixing. In addition, amendments made to this bill by the other body protect small businesses from frivolous lawsuits.

Mr. Speaker, since 1911 vertical price fixing has been illegal, but recently we have seen discount stores closing because of price-fixing agreements that restrict their access to quality name brand goods. A significant portion of our population, including those of moderate income and many of our older Americans, rely on discount stores for quality goods.

Accordingly, I urge my colleagues to support competitive pricing and a free market by supporting this important measure, the Consumer Protection Against Price Fixing Act, the conference report on S. 429.

□ 2210

Mr. FISH. Mr. Speaker, I yield 3 minutes to my colleague, the gentleman from New York [Mr. HOUGHTON].

Mr. HOUGHTON. Mr. Speaker, I rise in opposition to the conference report on S. 429.

The issue is vertical price fixing. It sounds bad: Big companies out to get the little companies. And, frankly, that is exactly what it is. But it is cast in the wrong way.

It is not the big manufacturers coming out to get the discounters. It is the discounters coming out to get the mom-and-pop stores. The facts are that price fixing has been illegal for many, many years. That is a fact. So it is not the issue.

The issue is whether discount stores can get cheap access to the courts under the guise of discrimination.

Let me tell you a story. There was a department store in the town in which I live, a small store, a good store which went out of business after 70 years. The same week that it went out of business, a large discount store made an announcement that it was getting into business.

The discount stores are doing just fine. The manufacturers have not laid a glove on them. It is the smaller stores with the small market share who are not.

So does this bill help those in trouble, the little guys? Not on your life. It helps the large merchandisers, because they have got the club. They can sue at the drop of a hat. Small guys cannot afford that. Most do not want it. But this gives those with deep pockets an anticompetitive edge.

The bill is not proconsumer. It is not procompetitive. I am afraid it is anti small business.

Frankly, at this particular time in our Nation's history, that is not good.

Mr. BROOKS. Mr. Speaker, I yield 4 minutes to the gentleman from Oklahoma [Mr. SYNAR], a distinguished member of the committee.

Mr. SYNAR. Mr. Speaker, I rise in support of the conference report today.

For those of my colleagues who are back in their offices watching this on TV and for the people who are viewing this around the country, let me try to clear away the fog that seems to be evolving into the Chamber, because this is a very complicated and complex issue. And I think both sides of the argument will agree with that.

I would like to address three things. First of all, the issue of whether or not the National Federation of Independent Business is for or against vertical price fixing. The NFIB has switched on this position since 1982 when they testified before the Committee on the Judiciary and they offered very strong testimony at that time that they were vigorously opposed to any effort to weaken the laws against vertical price fixing.

This new adventure that they take us on tonight is completely opposite to that testimony that they offered to the committee in 1982. There is absolutely no reason to believe that they are for vertical price fixing. In fact, a number of their members since the debate that was held on this floor a matter of months ago have criticized the NFIB for representing their position. We have letters, for example, from the Service Station Dealers of America, as well as the National Association of Retail Druggists, who criticized the NFIB for holding out a position they do not hold, and that is that the vertical price-fixing provisions of this bill are critical to the operations of their businesses.

Second, you are going to hear in a matter of moments really the issue of this debate, and that is what is called market power. The market-power test which the conference committee rejected was rejected because we believe that vertical price fixing is a violation of the antitrust laws per se, and that market power should not play into that consideration. In fact, we have a litany of Supreme Court cases which point out time and time again that any level of market power does not in itself make a case against vertical price fixing. In fact, we even have one case where a 100-percent market share was not enough by which to really cause this to be triggered.

So when you hear the arguments from some of the Members who will speak after me with respect to market power, it is very clear that that is not the debate that we are trying to have here on the floor today. One final thing, and that is that I think it is important for us to try to say who are the winners here. The winners are basically the consumers of America. As the gentleman from Illinois said, by the passage of this bill we are literally going to save the consumers of this country billions of dollars while increasing the variety of goods which they have available on their shelves.

It is that basic principle, that basic principle that now has not only the AARP but the chief law enforcement officers of our country, the State attorneys general, and finally the Consumer Federation of America embracing this bill, demanding Congress to pass this bill to correct this problem which has existed for too long.

In summary, let me suggest to my colleagues that this is an opportunity to do a variety of things: First, to provide consumers billions of dollars of savings and better variety; second, to correct something that for too long has been on the books; but, finally, and most importantly, to send a strong message to small business that we are going to do the types of things that will ensure they will be competitive in the decade of the 1990's and into the next century.

ANNOUNCEMENT BY THE SPEAKER P.T.

The SPEAKER pro tempore. (Mr. CARDIN). Let the Chair remind all Members that all comments should be addressed to the Chair, not to the viewing audience.

Mr. FISH. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Speaker, the legislation before us will help to ensure that the American consumer benefits from an open, fair, and free-market economy. Price competition is paramount to any market-oriented economy, and this fact—combined with the antitrust laws that preserve it—has been the cornerstone of my party.

Enforcement by the Federal Government in this area has been tepid at best, when what is needed is a strong commitment to the law. Also needed to ensure maximum competition in the open market is vigorous private enforcement against retail price maintenance. S. 249 serves to balance the scales: It provides the fair standards that a private plaintiff needs to sustain a legitimate price-fixing case and also affirms that retail price fixing is illegal per se.

This bill is a measured legislative effort to assure that legitimate suits challenging anticompetitive resale price maintenance agreements will receive fair hearings on their merits and I urge support for it.

Mr. FISH. Mr. Speaker, I yield 1 minute to the gentlewoman from Maryland [Mrs. BENTLEY].

Mrs. BENTLEY. Mr. Speaker, I thank the distinguished gentleman from New York for yielding me this time.

Mr. Speaker, the conference report on S. 429 should be supported. If we believe the cant and rhetoric of all of the free-trade, free-market economists and count past votes—in this House—for letting the market decide the economic future of this great Nation—then, this report should pass handily. What is more important in a free market than letting competition in the market place set the price?

But, in looking at some of the groups who would defeat this legislation—it seems that they support the free market concept up to the point that they must compete in the market . . . no holds barred.

My position on protecting the American market and the American producer from unfair foreign competition—many times from cartels or government-subsidized production—remains unchanged. My support of this legislation is to stop the approval and growth of monopolistic practices inside this Nation. This conference report on S 429 should be supported by every true free trade advocate if we are to continue to have even-handed trade in our American markets.

□ 2220

Mr. FISH. Mr. Speaker, I yield the balance of our time to the gentleman from California [Mr. CAMPBELL].

The SPEAKER pro tempore (Mr. CARDIN). The gentleman from California [Mr. CAMPBELL] is recognized for 6 minutes.

Mr. CAMPBELL of California. Mr. Speaker, I thank my colleague, the gentleman from New York, for giving me the opportunity to close the debate on our side.

I would also like to address to the Speaker that I would welcome a debate if my colleagues on the other side are interested in doing so.

I do not have notes. I have no prepared speech. When my remarks are finished, I would welcome any colloquy that anyone may wish to engage in, and if I have exceeded my 6 minutes, perhaps it could come out of the 13 minutes that the gentleman has reserved.

What we are speaking about here tonight is lawsuits. The typical situation is this. A manufacturer says, "Here is a product and I am going to let a retailer sell it."

Retailer A sells it for one price and retailer B sells it for a different price. Every day of the week retailer B complains to the manufacturer about retailer A. Some of those complaints have to do with, well, he is invading my territory, or complaints that she is not providing warranty service. It is standard. It happens every day of the week.

Now, occasionally one of those retailers will complain to a manufacturer and will say, "You know, that other retailer over there, she is cutting price."

And then the manufacturer has to decide what the manufacturer is going to do.

Under the Supreme Court precedents, the manufacturer may legally terminate that retailer who is accused of cutting price. It is perfectly legal, the Colgate doctrine, 1919.

What the manufacturer may not do is call back or on that same telephone call agree with the first complaining retailer and say, "You know, I will terminate that other retailer because you complained." Dr. Miles, 1911.

Now, that is the law that we have dealt with since 1919, the complete law.

You may terminate a distributor provided you have not agreed with another retailer to terminate that distributor on the basis of price. You may in your own mind think that is the reason. You may in your own mind have a dozen other reasons.

Now, we have lived with that law for many, many years.

The Supreme Court decided the Monsanto Case in 1984. In Monsanto, it deals with the following fact situation: One retailer complains to a manufacturer and says, "That other retailer is cutting price." And there was some evidence to suggest that the manufacturer wanted those retailers to maintain a price. There was a price list that had been circulated. That was it.

And the question was, could a jury be permitted to take the inference just from the fact that the manufacturer has circulated a price list, that the reason the manufacturer had terminated that retailer was the complaint of the other manufacturer for cutting price.

The Supreme Court said, no, that is not enough.

You see, that manufacturer might have terminated the retailer for a dozen other reasons. There was no evidence of an agreement with that first retailer who complained. You have got to have more.

In Monsanto, the Supreme Court said, "You must have evidence sufficient to dissuade the possibility that it was independent action by the manufacturer. You have got to prove that there was that conspiracy."

And that I suggest was consistent with the law from Monsanto and Dr. Miles.

Now, tonight we discuss a bill brought back from conference which changes that. What the bill we have before us does is to say when a manufacturer receives a complaint from a retailer and that retailer mentions price, that complaint may be enough to go to the jury to raise an inference of an agreement.

Now, the Brown amendments changed the bill as it came out of the House floor, but it does preserve this fundamental point. You can get to a jury on the question of whether the manufacturer terminated that other retailer because of price, simply on the basis of an inference because that first retailer called and complained about price.

Here is why I oppose the bill. That is a guaranteed lawsuit. It is a guaranteed lawsuit every day of the week.

The one bulwark against that kind of lawsuit was a motion to dismiss which the judge would rule on, based on Monsanto. The judge would say, "Hey, that is not enough. You cannot just claim that it was done on the basis of price because of one complaint. Show me more. Show me that evidence of agreement."

But if we pass this tonight, Mr. Speaker, it is enough to get to a jury. What does it mean to get to a jury? It means that the defendant is going to have to consider settling. It means that the defendant has got to face the probability of having treble damages possibly when there was no actual agreement and that a defendant faced with that kind of intimidation might decide the wiser course is to settle out, the kind of intimidation that has led to so many lawsuits in this country and in my judgment has kept us from being as competitive as we would otherwise be.

So when this bill was on the House floor a few months ago, I offered my amendment, and my amendment said, look, at least if it is going to go to a jury or a judge on a motion to dismiss, at least allow the defense that we are too small to have affected any market power. We are too small.

The majority of this House agreed that that was an appropriate bulwark, an appropriate stopgap, because if you were the retailer who complained, you were suing not only against the manufacturer, but against the other retailer. That is why NFIB is making this a key vote. It is not because they are interested in protecting manufacturers. They are interested in protecting that one retailer whose only sin is calling up the manufacturer and suggesting a complaint about the other retailer, the sort of thing that happens every day of the week.

My colleagues, I tell you, there will be litigation every day of the week. Small business will be up against the prospect of treble damages. The one hope for this not to happen is my amendment. My amendment was stripped in conference.

Mr. Speaker, I urge if you supported the Campbell amendment, please vote "no" on the conference report.

Mr. BROOKS. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. SYNAR].

Mr. SYNAR. Mr. Speaker, would the gentleman from California engage me in some questions and answers for the benefit of our colleagues?

Mr. CAMPBELL of California. I would be pleased to.

Mr. SYNAR. First of all, Mr. Speaker, would the gentleman agree that the legislation that is before us requires that a retailer must demand that that wholesaler take action for it to be a legitimate case that he could take to court?

Mr. CAMPBELL of California. Mr. Speaker, if the gentleman will yield, that is how I read the Brown bill.

Mr. SYNAR. Would the gentleman also agree that the issue that is really at hand here is how much evidence needs to be presented in order that it would be considered by a jury?

Mr. CAMPBELL of California. I agree.

Mr. SYNAR. Is it not also the case from the gentleman from California that because of the Monsanto case that what we really have is the burden of proof on the potential retailer to have to prove a negative versus a positive in order to get to court?

Mr. CAMPBELL of California. With that I disagree, if the gentleman will yield further.

Mr. SYNAR. Briefly, because I have two more questions.

Mr. CAMPBELL of California. The gentleman may interrupt me anytime he feels I am talking too long.

The Monsanto case said that the complaining retailer had to put in sufficient evidence of an agreement, and that is affirmative. It is not proving a negative.

The court then in explaining said that an agreement means enough to rebut the inference that it was done unilaterally.

Mr. SYNAR. Finally, let me ask the gentleman, we have basically here the elements of that that we are debating and what the elements of evidence that have to be presented for a jury to consider, but it does not insure that the jury will consider, that the judge may also pull it before the jury has considered it; is that not correct?

Mr. CAMPBELL of California. Yes. This bill does not amend the rules of civil procedure in that regard.

Mr. SYNAR. The final point is that I understand and have worked with the gentleman over the years and I know he is not a conservative extremist, but if we were to take the proposition that the gentleman would offer and reject this bill, are we not really saying that we are afraid of the jury system, and therefore what we are trying to do is make sure that juries will never hear these types of cases?

Mr. CAMPBELL of California. Mr. Speaker, if the gentleman will yield further, no more so than in any civil action where a motion to dismiss is permitted or a motion on the pleadings or a motion for lack of cause shown in the complaint. The Federal rules of civil procedure, as my colleague and friend, the gentleman from Oklahoma knows quite well, allows many instances when a court may take an issue from a jury.

Indeed, before the Monsanto case, an issue could be taken from the jury if the defendant was able to prove that there was no inference of an agreement; so in that regard, it is no difference from the current status of civil procedure.

Mr. BROOKS. Mr. Speaker, I yield myself the balance of my time.

Like the gentleman from California, I am also concerned about protecting small businesses. And since small businesses are in far more danger of being victimized by a price-fixing conspiracy than by any frivolous antitrust lawsuit, it is essential that the bill not be undermined. Unfortunately, the gentleman's amendment—which I believe is completely well-intentioned—might have nullified the bill's protections, by creating a loophole that would have exempted even industry giants from liability. If you don't believe me, ask the U.S. Chamber of Commerce, which in a newsletter admitted that this amendment would exempt almost all businesses, not just small.

We have done everything within reason in this conference report—and perhaps a bit more than that, frankly—to assure all businesses, large or small, that they will not be subject to frivolous lawsuits.

The conference report includes several changes from the House-passed bill that go right to the heart of the concerns raised by certain elements in the business community that they might be unfairly charged with price-fixing. The goal here was to be fair to all potential defendants in developing appropriate standards. In addition, the House version contained language that might have led to protracted litigation for small businesses in attempting to prove that they were, in fact, "small." That is unsatisfctory, and the conference report avoids that problem. I would therefore urge Members to support the conference agreement.

Mr. SMITH of New Jersey. Mr. Speaker, I rise in strong support of the conference report on S. 429, the Consumer Protection Against Price-Fixing Act.

I have supported this type of legislation since 1983 in the effort to reform our antitrust regulations and ensure that all consumers are able to purchase their products in a free market. And perhaps today more than ever, this legislation is needed as American consumers are turning more frequently to discount merchandisers to find the products they need at prices which fit their budgets.

The conference agreement before us is a good plan that will safeguard consumers and retailers from resale price maintenance and vertical price fixing.

In short, Mr. Chairman, vertical price fixing occurs when a manufacturer dictates the price a retailer may charge when selling the manufacturer's goods. This practice is anticompetitive and an unacceptable restraint of trade. If the retailer purchases the goods from the manufacturer, the retailer and the free market should determine the price offered to the consuming public. The price should not be artificially established.

Mr. Speaker, when price fixing occurs, the American consumer is the loser. In New Jersey, for example, a major department store demanded that a manufacturer halt the delivery of a product to a discounter who was underpricing the department store. The manufacturer—fearing the loss of this nationwide department store as a customer—dropped the discounter and refused to supply it with its products. Eventually, the discounter—fearing the loss of the manufacturer's other goods in all of its other stores nationwide—complied with the demand and stopped selling those goods at prices which undercut the department store. In the end, the consumers were forced to pay more than the retailers ever wanted to charge.

Unfortunately, during the 1980's as price fixing became more common, two Supreme Court decisions made it very difficult for a discount retailer to bring suits against a manufacturer under current antitrust laws. The Monsanto and the Sharp Electronics cases created special loopholes which enhanced the ability of manufacturers to set retail prices. As more and more discounters felt threatened, the need for legislation became more imminent.

Since 1983, Mr. Speaker, I have cosponsored legislation to end the anticompetitive activities which we are addressing in the legislation before us today, S. 429. In the 98th Congress, I cosponsored House Joint Resolution 389 calling on the Federal Trade Commission to enforce existing antitrust laws. In the 99th Congress, I was an original cosponsor of House Resolution 303 which challenged the legitimacy of Federal vertical restraining guidelines. In the 100th Congress, I was an original cosponsor of H.R. 585—the forerunner to today's conference report and in the 101st Congress, I cosponsored H.R. 1236. Of course, I was also an original cosponsor of H.R. 1470, the House companion bill to S. 429.

Mr. Speaker, passage of today's conference report is a significant milestone in the battle waged by consumers and discounters against artificial price fixing. This legislation offers consumers real protection and helps restore the discounter's ability to provide goods at attractive prices. The conference report addresses the problems posed by the two Supreme Court decisions and allows new evidentiary standards which can be used to end vertical price fixing.

I would like to commend the officers and employees of the Burlington Coat Factory who have truly been leaders in the fight to end vertical price fixing. I am proud to report that the very first Burlington Coat Factory location was established in my congressional district, appropriately enough, in Burlington, NJ.

Mr. Speaker, I urge my House colleagues to support the passage of this legislation. Its enactment is long overdue.

The SPEAKER pro tempore. All time has expired.

Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. BROOKS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 175, nays 225, not voting 34, as follows:

[Roll No. 251]

YEAS—175

Abercrombie
Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Aspin
Atkins
AuCoin
Bacchus
Beilenson
Bennett
Bentley
Berman
Bilbray
Blackwell
Borski
Boucher
Boxer
Brooks
Brown
Bruce
Cardin
Carper
Chapman
Clay
Clement
Collins (IL)
Collins (MI)
Cooper
Costello
Cox (IL)
Coyne
DeFazio
DeLauro
Dellums
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Early
Eckart
Edwards (CA)
Edwards (TX)
Engel
Evans
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Guarini
Hayes (IL)
Hertel
Hoagland
Hochbrueckner
Hoyer
Hughes
Hyde
Jacobs
Jones (NC)
Jontz
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kopetski
Kostmayer
LaFalce
Lantos
Laughlin
Levin (MI)
Levine (CA)
Lewis (GA)
Lowey (NY)
Luken
Manton
Markey
Matsui
Mazzoli
McDade
McDermott
McGrath
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Nowak
Oakar
Oberstar
Obey
Olver
Ortiz
Owens (NY)
Pallone
Panetta
Payne (NJ)
Pease
Pelosi
Pickle
Porter
Poshard
Price
Rangel
Reed
Richardson
Rinaldo
Rose
Rostenkowski
Roybal
Russo
Sabo
Sanders
Sangmeister
Sawyer
Schroeder
Schumer
Serrano
Sharp
Shays
Sikorski
Skaggs
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Solarz
Spratt
Stark
Stokes
Studds
Swett
Swift
Synar
Torres
Torricelli
Towns
Traficant
Unsoeld
Vento
Visclosky
Volkmer
Washington
Waters
Waxman
Weiss
Wheat
Wilson
Wise
Wolpe
Wyden
Yatron

NAYS—225

Allard
Allen
Archer
Armey
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Brewster
Browder
Bryant
Bunning
Burton
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Carr
Chandler
Clinger
Coble
Coleman (MO)
Coleman (TX)
Combest
Condit
Coughlin
Cox (CA)
Cramer
Crane
Cunningham
Dannemeyer
Darden
de la Garza
DeLay
Derrick
Dickinson
Dooley
Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
English
Erdreich
Espy
Ewing
Fawell
Fields
Fish
Franks (CT)
Gallegly
Gallo
Geren
Gilchrest
Gillmor
Gingrich
Goodling
Gordon
Goss
Gradison
Grandy
Green
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (LA)
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Horn
Houghton
Hubbard
Hunter
Hutto
Inhofe
Ireland
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Kanjorski
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Lancaster
LaRocco
Leach
Lehman (CA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Machtley
Marlenee
Martin
McCandless
McCloskey
McCollum
McCrery
McCurdy
McEwen
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Mrazek
Myers
Neal (NC)
Nichols
Nussle
Olin
Orton
Owens (UT)
Oxley
Packard
Parker
Pastor
Patterson
Paxon
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pursell
Quillen
Rahall
Ramstad
Ravenel
Ray
Regula
Rhodes
Ridge
Riggs
Ritter
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Rowland
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Schulze
Sensenbrenner
Shaw
Shuster
Sisisky
Skeen
Skelton
Slattery
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stallings
Stearns
Stenholm
Stump
Sundquist
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Upton
Valentine
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Weldon
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—34

Ackerman
Annunzio
Anthony
Bevill
Bonior
Broomfield
Bustamante
Conyers
Davis
Dwyer
Dymally
Fascell
Gaydos
Gekas
Hall (OH)
Hefner
Horton
Huckaby
Jones (GA)
Kolter
Lehman (FL)
Lowery (CA)
Martinez
Mavroules
Perkins
Roe
Savage
Scheuer
Staggers
Tallon
Traxler
Whitten
Williams
Yates

☐ 2257

Mr. RAHALL and Mr. MOODY changed their vote from "yea" to "nay."

So the conference report was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DIRECTING SECRETARY OF HEALTH AND HUMAN SERVICES TO EXTEND MEDICARE WAIVERS GRANTED TO TENNESSEE PRIMARY CARE NETWORK

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2901) to direct the Secretary of Health and Human Services to extend the waiver granted to the Tennessee Primary Care Network of the enrollment mix requirement under the Medicaid Program, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore [Mr. MCDERMOTT]. Is there objection to the request of the gentleman from California?

Mr. BILIRAKIS. Mr. Speaker, reserving the right to object, while I will not object, I take this reservation for the purpose of asking the gentleman from California [Mr. WAXMAN] to explain the bill.

Mr. WAXMAN. Mr. Speaker, will the gentleman yield?

Mr. BILIRAKIS. I yield to the gentleman from California.

Mr. WAXMAN. Mr. Speaker, this legislation was introduced last Friday and passed the Senate the same day under unanimous consent. The purpose of the bill is to extend Medicaid waivers that apply to the Tennessee Primary Care Network through January 1, 1994.

Under current law, Federal Medicaid matching funds are not available for managed care plans which, after 3 years of operation, have a commercial enrollment of less than 25 percent of their total enrollment. The purpose of this requirement is to assure that prepaid plans that participate in Medicaid deliver a product of sufficient quality that at least one out of four of their enrollees are private patients.

The Tennessee Primary Care Network is a not-for-profit HMO that contracts with primary care physicians, community health centers, and specialists in 14 counties throughout the State to provide basic care to Medicaid beneficiaries. Enrollment is voluntary, and the Network currently serves about 26,000 individuals, about 97 percent of whom are Medicaid-eligible mothers and children.

In 1989, the Congress extended a waiver of the 75/25 rule to the Network through the period ending June 30, 1992. I am advised that the Network has been unable to meet the 25 percent commercial enrollment requirement over the past 3 years because the State's Medicaid capitation rates have been low, leaving it without sufficient capitalization to enable it to market to commercial accounts. This problem has now evidently been resolved.

Under the circumstances, I think it is appropriate to extend the Network's current waivers through January 31, 1994. This extension is very similar to that received by the Dayton Area Health Plan in Public Law 102–276, which we enacted earlier this spring. It will give the Congress an opportunity to review Medicaid managed care policy and legislate permanent reforms. This review has already begun in the Subcommittee on Health and the Environment, which yesterday held a hearing on financial integrity issues in Medicaid managed care.

If we fail to pass this legislation, the Network will no longer be able to function as an HMO. There would be no point to such disruption. It is my understanding that the minority has no objection to this unanimous consent request and that the administration has no objection to the bill. I urge its adoption.

Mr. BILIRAKIS. Mr. Speaker, reclaiming my time, I strongly support the request of the gentleman from California [Mr. WAXMAN].

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2901

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF MEDICAID WAIVER FOR TENNESSEE PRIMARY CARE NETWORK.

Section 6411(f) of the Omnibus Budget Reconciliation Act of 1989 is amended by striking "June 30, 1992" and inserting "January 31, 1994".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WAIVING ALL POINTS OF ORDER AGAINST CONFERENCE REPORT ON S. 1306, ADAMHA REORGANIZATION ACT

Ms. SLAUGHTER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 479 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 479

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (S. 1306) to amend title V of the Public Health Service Act to revise and extend certain programs, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read when called up for consideration.

□ 2300

The SPEAKER pro tempore (Mr. McDERMOTT). The gentlewoman from New York [Ms. SLAUGHTER] is recognized for one hour.

Ms. SLAUGHTER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from California [Mr. DREIER], pending which I yield myself such time as I may consume.

During the consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 479 is the rule providing for the consideration of the conference report on S. 1306, the Mental Health and Substance Abuse Services Improvement Act of 1992. This rule is identical to the previous rule on the conference report which was considered on May 28. On that day, the House recommitted the conference report to address concerns over needle exchange programs. Controversies surrounding this issue have been resolved, and I am pleased to report that the revised conference report before us is consistent with the motion to recommit.

House Resolution 479 waives all points of order against the conference report and against its consideration. This rule is necessary so that we may expeditiously bring up the report which received unanimous bipartisan support by the conferees.

This legislation, Mr. Speaker, is the culmination of several years of negotiations over the reauthorization of Federal substance abuse and mental health programs. The agreement reorganizes the current block grant structure to be more responsive to the needs of communities in fighting substance abuse, and in responding to mental health needs. The measure authorizes funds for fiscal years 1993 and 1994, and creates several new worthwhile programs to offer help to children and families who suffer the effects of drug and alcohol abuse.

Mr. Speaker, this conference report is a carefully crafted compromise. The rule was voted out of the House Rules Committee by voice vote, and I urge my colleagues to adopt it.

Mr. DREIER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, when we took up this rule in the Rules Committee early this month, I offered a motion that was subsequently defeated on a party line vote. The motion would have denied waivers against scope violations in the conference report.

Apparently, neither the House nor Senate passed bills included the interim methadone maintenance provisions or the funding allocation formula contained in the conference report.

Mr. Speaker, I support the reorganization of the Alcohol, Drug Abuse and Mental Health Administration, as well as its many important substance abuse, treatment and prevention programs. However, I do not believe that a conference committee is the appropriate place to be writing new and frankly, controversial legislation.

For this procedural reason, I oppose this rule.

Mr. Speaker, I yield 6 minutes to my very good friend, a hard-working member of the Committee on Energy and Commerce, the gentleman from Florida [Mr. BILIRAKIS].

Mr. BILIRAKIS. Mr. Speaker, I thank the gentleman from California for yielding this time to me.

Mr. Speaker, I question the process which leads us to this point. I question the procedures that have been used to try and pass this measure without the opportunity for effective dissent, without the opportunity to challenge specific provisions within the conference.

I believe this is a violation of my rights as an individual Member of this body. I do feel that my colleagues—even those who support the underlying measure—should question why we should allow this body to operate in a fashion which seeks to avoid direct votes on measures of importance to individual Members or, indeed, entire state delegations.

Why do we need this restrictive rule to shut off debate on points of order? Why do we need to insulate these provisions from legitimate challenge? Why cannot these provisions be questioned—do we really live in such fear of the standing rules of this body that we must avoid their every implementation?

Why must the door be barred to objection? Why must the Rules Committee act as an insurmountable gatekeeper to enforcement of the rules?

Let us defeat this rule. Then my colleagues can fairly decide whether I am right or wrong. My colleagues can then decide whether my objections have merit. They can use their own judgment and decide.

But this rule will hear none of it. This rule seeks to waive legitimate points of order—to prevent everyone in this body from hearing and voting on legitimate objections. This rule, in effect, says that the House cannot be trusted to operate under the very standards that we adopt at the beginning of each Congress.

Why, Mr. Speaker, do we ever bother to have rules or debate when we simply waive them at the slightest inconvenience? Why do we bother each January to solemnly vote in favor of standing rules if they are not worth the paper they are written on?

Yes, my major objection to this bill lies in the impact it has on my State and Congressional district. But who among us does not fight for their home interests?

I believe my colleagues should seriously consider how much further this House will suffer collectively when we operate under restrictive procedures and when we seek to ignore the very standards we set for ourselves. If we will not obey the rules we set, who will respect the laws we pass?

My situation is not unique. We all know the number of closed and modified closed rules that we approve. One can indeed argue that some limits to debate and amendments are necessary to allow this body to function. The Rules Committee certainly has a necessary purpose.

But it is no mistake that the Rules Committee is stacked in favor of the majority party. It is no secret that there are nine majority members and four minority members.

Thus, our very essence as a legislative body, the opportunity for debate and amendment is channeled through the most unrepresentative committee in Congress. I suppose this is a prerogative of power, but make no mistake, it is the plain, bold, unadulterated exercise of power that is used when restrictive rules are applied.

That power also lies within the conference committees. These bodies may act to accept, reject or modify provisions which the Members of this body have already approved. This is obviously necessary under our bicameral procedures.

However, the sole check on this power lies within our ability to enforce the rules of the House when a conference report is presented on the floor for consideration. The sole check on the work of the conferences lies here, now, in the consideration of this rule. If we shut the doors to the conference and then shut the doors to challenging its work product, what option do any of us have? If we are standing outside the door when the deal is cut, then are we forever left in the cold?

I perhaps have a more democratic vision of this institution. I see it as a place where competing interests can be debated, judged, and fairly voted on. I view our institution as an example to the rest of the world in the free exercise of debate and resolution.

All this is stood on its head when we ignore our own rules. We might as well tear up the civics textbooks that we use in our schools and replace them with copies of "The Prince." Rules don't matter. Only expedited procedures designed to cut off all points of order. The end justifies the means.

This may not be the most important bill the House will consider this session—but I want to ask my colleagues whether we should allow yet another waiver? Will we allow just another exception, because of perceived time or necessity?

I urge my colleagues to consider this point carefully. Today, my home State is being hurt—tomorrow it could be your State or your district. It could be your legislative work product which is simply deleted or altered in conference and then shielded by an action of the Rules Committee.

Stand in my shoes for a minute. Look into the mirror and ask if this is fair? Ask again, if this is how the people's House, how the exercise of democratic government should proceed?

Ask yourself whether this body should operate in an orderly fashion within generally understood rules, protective of minority rights—or shall we succumb to the moment, the pure force of the majority, the knowledge that our ox is not being gored, at least not this time.

Ask precisely why we must waive our own precedures and shirk from the very rules we enact. Ask why this is standard procedure. Why we do this time and time again.

I urge the Members of this body, in the interest of fairness and equity, not to adopt a rule for this legislation that will waive all points of order. Let us not take the easy way out. Let us insist that we follow the procedures we agreed to and respect the institution we are sworn to serve.

Please vote for fairness and for defeat of this rule. It is but one rule on one bill—but I believe it is symbolic of the disintegration around us, the avoidance of discipline, the breakdown of our institution. Vote no and let us start again.

□ 2310

Ms. SLAUGHTER. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Speaker, I reluctantly rise in opposition to this rule. The members of the committee worked very hard to bring this legislation to the floor. But somehow there is a very controversial issue that is involved in the bill. It was not presented to us in the House, and it was not debated. It never came before the Senate and it was not debated. But somehow the conferees, in their wisdom, have decided that this controversial method of treating addicts should be placed in the bill, and that when the conference report comes up, the rule does not allow for Members to even raise a point of order on this issue that every professional treater of drug addicts would believe is not the best thing to do, and indeed is a dangerous thing to do.

Mr. Speaker, what I am talking about is what they call interim methadone maintenance, or minimum maintenance with methadone. I am not an expert in this, but it goes unchallenged that methadone is a drug that blocks the need for people taking heroin. It is taken orally, but it is more addictive even than heroin. And the fact of the matter is that in most all of our overdose cases that are in the emergency ward, methadone is included as one of the drugs that has been abused.

The Drug Enforcement Administration as well as the FDA are constantly investigating in the city of New York and other major areas where we have a lot of drug addicts the diversion that takes place in these methadone clinics where they do not have counseling, they do not have job training. The only thing they do have are people that may be trying to reduce their habits, and allowing the Federal Government to become the legalized drug peddler.

We had here in Washington a question raised by someone that was in the administration, Dr. Herbert Kleber, and he sent a letter, and I sent copies to my colleagues. He is the medical professor of psychiatry and director of the Division of Substance Abuse of the New York State Psychiatric Institute, but Dr. Herbert Kleber was also the former Deputy Director of Demand Reduction in the White House Office of Drug Control Policy, and is a widely respected drug abuse treatment researcher. He wrote:

> I have read your letter of May 18th to your colleagues concerning S1306 and concur with your recommendations to vote against S1306 because of the interim methadone maintenance (IMM) provision. IMM is not only a bad idea in itself—bad treatment can be worse than no treatment—it also carries the risk of undercutting effective treatment. Given the budget difficulties of many States, it is quite conceivable that full service slots will be sacrificed to expand IMM slots. This would worsen rather than improve the AIDS situation. We need to expand and improve the quality of drug treatment and leave the quick fixes to addicts. When I was deputy director of ONDCP I opposed interim methadone maintenance. It was a mistake then; it would be a mistake now.

How in God's name did the conferees think that they had raised themselves to the high level of expertise that they can challenge providers in this area? It is one thing to have an issue raised, debated and to lose on the floor. It is another to have the issue not be raised in the House, not be raised in the Senate, and then have the rule to say it will not be raised at all.

Mr. SHAW. Mr. Speaker, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from Florida.

Mr. SHAW. Mr. Speaker, I would like to agree with the gentleman from New York. There is nobody in this House that has heard more testimony or is more knowledgeable in the area of drug treatment than my colleague, the gentleman from New York [Mr. RANGEL].

This is a very controversial issue. There is a lot of divergence of opinion on this particular issue, and this should not be protected by some rule and protected from the hearing process.

I compliment the gentleman from New York, and would encourage all of my colleagues to join with him and with me in defeating this rule.

Mr. RANGEL. I thank the gentleman. I thank the gentlewoman from New York for yielding me the time.

Mr. DREIER of California. Mr. Speaker, I am happy to yield 2 minutes to the gentleman from Texas [Mr. DELAY] another opponent of the rule.

Mr. DELAY. Mr. Speaker, I want to congratulate the chairman of the Select Committee on Narcotics Abuse and Control for showing once again why he is such a distinguished Member of the House. I regret that the hour is so late that Members did not hear the presentation by the chairman about this very controversial issue.

I think it is unfortunate that Members may come to the House floor and look at the title of this bill and assume that it is a good bill, and assume that they can vote for it and feel comfortable about it. Yet, as the chairman so aptly points out, there is great controversy, and frankly the chairman gave my speech that I was about to give on this very controversial interim methadone maintenance program for drug addicts.

Members are not going to realize when they walk onto the floor of this House that if they vote for this rule they will be voting for addicting drug addicts, and if you do not have a program whereby the maintenance program is administered very closely with a lot of rehabilitative and counseling services closely connected to the methadone maintenance program, we would be just shifting addicts from being addicted to heroin to being addicted to methadone. And I do not think members of this House will want to vote in that regard.

I just hope that we will have our wits about us when we finally vote on this rule so that we can inform Members in a very quick and hurried way that they will be, in voting for this rule, voting for a very controversial program. I think it is really unfortunate, very unfortunate, and an abuse of the conference committees of this Congress to stick something like this in this conference report. I am sure the Members were not trying to hide it, but to stick it into a bill that a lot of Members would want to support, and not have the opportunity to debate it on this floor.

So I urge Members on both sides of the aisle to vote against this rule so that we can send it back and correct the problem.

Ms. SLAUGHTER. Mr. Speaker, for purposes of debate only, I yield 10 minutes to the gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, let me explain the situation before us. Our committee has worked for years on this legislation.

The alcohol, drug abuse and mental health program includes all of these programs, the block grant funds that flow to the States as well as research efforts into alcohol, drug abuse and mental health. There are a number of issues. We worked very hard on those issues, and I want to indicate to Members that the conferees on both the House and Senate side, both the Republican and Democratic side, every conferee agreed to support this bill.

☐ 2320

We did not have dissent among the conferees. Now, when the bill was presented to the House some time ago, an issue arose about whether States ought to be permitted to use any of their funds for a needle-exchange program for IV drug abusers.

There was a motion to recommit which was passed.

The conference came back in and changed that provision. That was the only instruction we had.

Now, we have come back with the conference report. In this conference report, you cannot make everyone happy.

Some States wish they had more money allocated to them. Other States feel that they are being shortchanged.

We tried to balance it out as best we could.

I know there are some States that feel that they are aggrieved. I regret that fact. But if you take to give to them, you must reduce the amount that would go to other States.

Let me address the issue of this methadone interim program. When the bill left the House originally, the bill provided that if there is an IV drug abuser who wants to be treated in a drug clinic, a slot must be made available for that individual right away. Because what will happen if there is no drug treatment slot for that individual? You can imagine if someone comes in and says, "I am addicted to heroin, and I want to break this habit. Let me come into this drug treatment program," and he is told, "Come back in another month," well, you will never see that individual again.

The House bill provided that a drug treatment slot had to be available. When we got into conference, a number of States told us they did not think they could make it available to everyone on demand, and so we agreed to an interim step that the States, at their option, had to provide certain interim provisions, and they might well choose methadone as an interim method. They otherwise could provide counseling and other ways to deal with these people until they can get a full-time drug treatment or a full drug treatment slot available. But to turn someone away for fear that they may become addicted to methadone and tell them to come back in another month makes no sense at all.

We have another epidemic, aside from the use of drugs. We have the problem of AIDS. And if people are going to use IV drugs and share those drugs and have sexual relations after getting the HIV virus, that AIDS disease is going to spread.

The National Commission on AIDS recommended strongly that we have interim steps, and they said interim steps including, at State option, use of methadone.

Now, if this rule is defeated, let me explain the procedure. If the rule is defeated, the conference report would be brought up and subject to a point of order, technically because some of these issues are outside the scope, and a point of order would be sustained, and the conference report would fall, and the whole bill would be defeated.

The scope issue is an interesting one. In the original bill they spelled out an allocation formula in terms without dollars, and in the bill that came back we spelled out dollars. There is a question of whether, by spelling out dollars as opposed to the formula, even though it would come to the same conclusion, perhaps there is something that would be outside the scope and, therefore, we need a rule that will protect this bill for consideration in the House.

If people do not like the conference report, they can argue on the merits on that conference report and urge that it be defeated. What we see here, by those arguing to defeat this rule, is a way to use the procedures of this institution to defeat the bill and not let the membership come and hear the arguments.

Mr. GREEN of New York. Mr. Speaker, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from New York.

Mr. GREEN of New York. Mr. Speaker, I was extremely disturbed in my office as I heard this debate on methadone maintenance. I think it ought to be made very clear to this House that methadone maintenance is a clearly valid method of treating people with opiate addiction. It is not perfect. And, yes, I know that there are people who enter methadone maintenance programs and divert the methadone they get to the street. No one is ignorant of that who has a district which has an opiate addiction problem.

But the fact of the matter is there are hundreds of thousands, if not over a million, Americans who are in methadone maintenance who are leading normal lives, holding jobs, raising families, and living in a perfectly functional way after having a heroin addiction.

So to hear this criticism of methadone maintenance on this floor is something about which I am very concerned. Yes, I understand that drug-free treatment is a more ideal situation, but the fact of the matter is if you look at the records of the recidivism rate for drug-free treatment, it is very high. It depends, of course, on how you describe the intake, what the percentage of successful recipients is.

Some programs claim 50 or 60 percent, but the reality is that if you look at everyone who walks into the door in a drug-free treatment system and you really count everyone who comes in including those who walk out a day or two later, drug-free treatment is successful in perhaps 30 percent of the cases at this point.

Mr. WAXMAN. I thank the gentleman for his comment.

I think the idea would be to have people become drug free. But if they cannot have an opportunity to become drug free, I think if the State of New York, for example, wants to provide an interim methadone maintenance program so perhaps they will not be using IV drugs and sharing it and spreading the AIDS disease, I think the State ought to be able to do that.

Mr. GREEN of New York. If the gentleman will yield on that, I made exactly this point to the National Commission on AIDS several years ago when the issue came up, and we did not have enough money to provide the full level of social services that I would have liked to have seen in the methadone clinics, that it was more important, at least to get people out of using the needles and into the methadone clinics so they were not transmitting AIDS. And, yes, ideally if we had enough money, we ought to have the full level of social workers that the Department of Health and Human Services wanted, but at least get these people off the needles and into a situation where they were not using the needles and where AIDS was not being transmitted.

Mr. WAXMAN. That was the recommendation of the National Commission.

Mr. RANGEL. Mr. Speaker, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from New York.

Mr. RANGEL. Mr. Speaker, I do not know who the gentleman from New York was debating or what he heard that annoyed him, but I do not argue with anything that he has said.

I am not here opposing methadone maintenance programs. What I am opposing on this floor is that what was put into this bill by the conferees.

The chairman of the committee admitted that this was not discussed in the House bill or the Senate bill, but they decided what would be best for the poor addict when they could not give the supportive services.

I do not think the gentleman from New York should say what he thinks is in the addict's best interests. What we are talking about in this bill that has not been debated that, at the very least, is controversial is passing out methadone without the supportive services the gentleman is talking about.

Now, it can very well be that with supportive services that we all would want drug free, that this addictive drug should be passed out under supervision.

I have seen these zombies that are receiving these drugs without counselors, with doctors that do not even see them, that just give them prescriptions to pick it up from other pharmacists in the neighborhood.

If you want to sweep it under the rug, if you want to say you just do not care what happens to these people, if you want to pass out drugs that are more addictive than heroin, you can do it, but let the issue be debated here.

Mr. WAXMAN. Reclaiming my time, let me indicate that the proposal is for interim use at the option of the State, and it seems to me that the alternative is to tell these people, "Come back in another month." But we do say do something in the interim at your choice including this as one option, and then after that, there must be a drug treatment slot available.

Mr. RANGEL. The death penalty is at the option of the State. What gives you the right, as a conferee, to give the State the option to pass out drugs without supportive services?

Mr. WAXMAN. What gives you the right to say that they should not be allowed to use methadone if they choose to at the State level as opposed to telling somebody to go on the streets and continue to use heroin and share the needles and continue the disease to be spread?

□ 2330

Mr. Speaker, the gentleman could be right. The gentleman could be 100 percent right. The only thing I am sharing with the gentleman and my colleagues is that you have no right to allow this controversial issue to be debated on this floor and not to give us the right to vote for it.

Mr. WAXMAN. If we give a rule for this bill, we will debate it on the floor. If we defeat the rule, then the bill will fall completely.

Mr. DREIER of California. Mr. Speaker, I said in my opening remarks this was a slightly controversial issue, and in that spirit, I am happy to yield 3 minutes to my friend, the gentleman from New York [Mr. GREEN], if he would like to respond to some of the things that have been said.

Mr. GREEN of New York. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I have no quarrel with the position of my friend, the gentleman from New York [Mr. RANGEL] that in the best of all possible worlds one would have the full panoply of social workers and other health professionals in every methadone clinic, but the real world that I looked at when I saw what was happening in my district was that either you are going to have people out on the street shooting up and transmitting AIDS, or else you are going to have them in methadone clinics taking a pill with orange juice and not contracting AIDS, and yes, the situation is not going to be ideal because we have not provided enough funding, and as a result the methadone clinic did not have the kind of staff that you would like to see it have and the gentleman from California would like to see it have and I would like to see it have, but we had a very hard choice, and the very hard choice was do you let more people into the clinic to get methadone and get them off the streets so they stop shooting up, or do you leave them on the streets shooting up and transmitting AIDS.

Given those choices, I want them in the clinic getting their methadone with the orange juice and not shooting up; and yes, if you find the money to provide the staffing for those methadone clinics, we all want that. We are not in disagreement with that, but given those choices, the choice I make is having them get the methadone, rather than shooting up and transmitting AIDS.

Mr. RANGEL. Mr. Speaker, will the gentleman yield on that?

Mr. GREEN of New York. Yes, of course, I yield to my friend, the gentleman from New York.

Mr. RANGEL. Mr. Speaker, my friend, the gentleman from New York, no one is asking what your choice or my choice is. The way I thought this body was supposed to function is that if a decision is going to be made and if indeed those who are in the field say that they challenge some of the things that the chairman has said and if I have letters from people in the administration that say that this is deadly and you are not dealing with people sometimes who are looking for treatment, they are looking to get high with methadone.

Does the gentleman not think that at least the Members of this body should have had the opportunity to have debated it, to get the benefit of hearings?

What we are saying today is some conferees have decided that this is in the best interests of the country.

Mr. GREEN of New York. Mr. Speaker, if I may reclaim my time, this is an issue that I have debated, so I am well aware of it. It has been well considered by the National Commission on AIDS, so I do not think this is a new issue for this body.

Mr. WAXMAN. Mr. Speaker, will the gentleman yield?

Mr. GREEN of New York. I yield to the gentleman from California.

Mr. WAXMAN. Mr. Speaker, I find these arguments a little disingenuous. If the rule is adopted, we will have a chance to debate this issue and the Members if they feel that this issue is one with which they disagree so strongly that they want to vote against the whole conference report, they will have the opportunity to do it. If we do not adopt the rule, however, we will not have any debate at all.

The gentleman from New York [Mr. RANGEL] or someone else can come up and make a point of order on a technical scope question and the whole thing has to be destroyed and all that effort and all this bill comes to nought. No one will get a chance to discuss it because the whole bill will fall, so all we are asking is the opportunity for a debate so that Members can work their will.

Mr. DREIER of California. Mr. Speaker, I yield 3 minutes to the very distinguished gentleman from Florida [Mr. GOSS].

Mr. GOSS. Mr. Speaker, I thank the distinguished gentleman from Lavern, CA, for yielding me this time.

I rise in opposition to the rule and to the conference report. I would like to associate myself with the remarks of my colleague, the gentleman from Florida [Mr. BILIRAKIS], on the subject of the rule.

What I would really like to do is ask my colleagues tonight, even though it is late, to reflect for a moment on the import of their vote on this legislation. Notwithstanding, some debate has already gone forward, and I think there should be more debate, I think the conclusion is without doubt that it should be defeated.

A "yes" vote means you feel comfortable handing out a highly addictive substance, methadone, and even if you hand it out with Florida orange juice, there is some doubt about the outcome of what we are really doing. When there are no treatment beds available for narcotic addicts, when we go to methadone, what have we really done? Putting aside the concerns that we have heard here tonight in the debate about this, I would like to ask if that is a minimum treatment measure for drug addicts, where is the minimum treatment measure for the State of Florida in this legislation which is an underlying concern I have?

Now, pardon my parochiality about this, but I will tell you, if this bill passes and this conference report is accepted, 8 months into this fiscal year funds which the State of Florida has already committed to maintaining treatment services are going to be reclaimed. We seem to have ended up at the bottom of the barrel in Florida. Florida ranks number 56 out of 56 States and territories in return on our Federal tax dollar. That is another story, but if this conference report is adopted and we go forward, 3,436 Florida residents will go without any services at all; 1,383 people will go without residential services that they have depended upon. Sixty-four percent of these patients are involved in our criminal justice system. What happens to them? They go back out into the community and probably will end up resuming bad habits and possible criminal activity.

Thirty-two percent of all clients are at risk of or already infected with the HIV virus, and they, too, will be back in the community, probably sharing injection equipment and putting thousands of others at risk.

This is not a question of a hiring freeze or halting new construction. This is retroactive, and in my view it is stupid.

This bill will yank the rug out from underneath thousands of people who with the help of the Federal dollars that are in this legislation, these folks are beginning to help themselves. I do not think we should deny them the chance to turn their lives around. I do not think we should assign them a lower priority for help than those who are not trying quite as hard to go straight, and I do not think we should send a signal that we penalize people who are trying to get a hold on their lives while we reward those who will not accept full responsibility for their actions.

I think the appropriate thing to do is to vote no on the rule and get rid of it; but if the rule passes and we have a debate, then I hope we vote no on the conference report and get back to the business that we are doing fairly well in Florida.

Mr. DREIER of California. Mr. Speaker, I am happy to report to my colleagues that I have no further requests for time. I do urge a no vote on this rule in light of the statements that have been made here, and I yield back the balance of my time.

Ms. SLAUGHTER of New York. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. (Mr. MCDERMOTT). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Ms. SLAUGHTER of New York. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, the vote is postponed until tomorrow.

The point of order is considered withdrawn.

□ 2340

A TRIBUTE TO WESTVACO CORP.

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HUBBARD. Mr. Speaker, I am very pleased to pay special tribute to Westvaco Corp. for being selected by the U.S. Department of the Interior as the 1992 winner of the prestigious National Wetlands Conservation Award. The award was bestowed upon Westvaco for the establishment of the Westvaco wildlife management area in western Kentucky.

My administrative assistant, Lorraine Grant, and I were privileged to attend this ceremony today as guests of Westvaco officials Ned Massee and Richard K. Boyd, Jr.

Westvaco Corp. has a long and distinguished history of environmental stewardship in the western Kentucky district which I represent, the State of Kentucky and in other States where the company operates. Accepting the National Wetlands Conservation Award on behalf of Westvaco at the awards ceremony held today at the Department of the Interior was Mr. John A. Luke, president and chief executive officer.

I am pleased to submit for the RECORD the following comments offered by Mr. Luke upon accepting the award presented by Hon. J. Michael Hayden, Assistant Secretary, Fish and Wildlife and Parks.

[From John A. Luke's Acceptance Speech, Tuesday, June 30, 1992]

Thank you, Secretary Hayden, for your very kind introduction. The award you have presented to Westvaco today adds luster and distinction to our long-standing programs of broad and responsible environmental stewardship. I accept it on behalf of all the men and women of Westvaco who have worked so diligently to make the Westvaco Wildlife Management Area a reality.

This wildlife management area is very important, I know, to Kentucky, the surrounding states, the area's communities, and sportsmen and outdoor enthusiasts nationwide. It stands as a vivid example of the numerous innovative and successful conservation projects that Westvaco has been involved in during its more than 100-year history.

I intend to focus my brief remarks on the depth of our commitment to the wise stewardship of our natural resources, the environment as a whole, and our wildlife management area in western Kentucky.

Westvaco's position as a major forest products company has always made it both good business and socially responsible "to have an unyielding commitment to the conservation of all of our natural resources. In fact, Westvaco owns 1.5 million acres of timberland in this country and Brazil. Now, before any eyebrows go up, let me hasten to add that our intensively managed forests in Brazil lie in a temperate zone more than 1,000 miles away from the nearest rain forest. We do not make paper from rain forest wood!

We manage all of our forests with the most advanced technology and sensitivity to ensure their multiple use. Wildlife finds a genuinely hospitable home in our woodlands, people enjoy a variety of recreational opportunities, and we grow and harvest wood to make our products and to provide good jobs—all in very compatible fashion with the most careful attention to the environment.

Healthy and rapidly growing forests are particularly important contributors to the environment, and our forests meet this standard. We plant more than two trees for every one we cut, and our young, vigorous forests are highly productive oxygen factories, consuming in that process far more carbon dioxide than we emit from our manufacturing operations. This is an environmental fact of global importance and one in which we take a very full measure of special pride!

For decades Westvaco has given priority to its wildlife and natural resource projects in the regions where we work—in South Carolina, Tennessee, Illinois, Virginia, West Virginia, and Kentucky.

We have proactively worked at the reintroduction of wild turkeys, the protection of bald eagle nest sites and red-cockaded woodpecker colonies, the management of deer, small game, and non-game populations, and the enhancement of trout streams, to mention just a few. We have also taken special care to protect important natural areas, historic sites, scenic values, and a variety of other uncommon areas on our lands. A very recent example is our participation in the program to protect South Carolina's Ashepoo-Combahee-Edisto River Basin, one of the East Coast's largest remaining, undeveloped, coastal estuaries, where Westvaco has 17,000 acres of forests.

Our proactive approach to the environment does not stop at the forest's edge. In fact, Westvaco has a long and outstanding record of environmental performance, and we look on ourselves as full-fledged environmental practitioners. We believe deeply in sound science, and we believe deeply in sound environmental practice.

We know that safe and healthy workplaces, communities, and products are essential to the conduct of a successful business, and we simply do not compromise. We would not be so naive as to profess perfection in these complex and demanding areas, but you can be assured that our commitment to health, safety, and the environment is absolute.

Of note is the fact that in 1991, Westvaco joined EPA's voluntary pollution prevention initiative known as the 33/50 project. While a significant number of American companies accepted the challenge to reduce certain emissions by 33 percent in 1992 and 50 percent in 1995, only a very few, including Westvaco, also voluntarily went beyond EPA's request. We plan to achieve our 50 percent reduction well ahead of schedule, and we have also voluntarily expanded our commitment to include the total volume of releases of chemicals reported by Westvaco under Section 313 of the SARA Title III.

With a corporate commitment to the environment born long before the EPA, Westvaco has invested more than $420 million in leading edge environmental systems across the company. We are adding to those investments at a rate of $35 to $50 million a year, and we spend some $50 million each year to operate these systems.

This environmental overview underscores that Westvaco's Wildlife Management Area is just another step in a long progression of activities that have positioned our company in the vanguard of American industrial performance. Establishment of the Wildlife Management Area, close by our Wickliffe paper mill, clearly demonstrates the harmony that can be achieved between manufacturing, forestry, and sound environmental practice.

There is no better testament to that fact than today's award which symbolizes the compatibility between the North American Waterfowl Management plan and advanced industrial practice. The waterfowl plan is the largest conservation program of its kind in the world—a multinational effort by the United States, Canada, and Mexico to reverse the steeply declining trend in waterfowl population. Success will require multistate as well as international cooperation, and it will require, as in our case, the voluntary participation of the private sector with the public sector.

At present, our Wildlife Management Area in western Kentucky includes about 3,000 acres of Westvaco's property located along the Mississippi River. The area serves as both a key wintering and migrating habitat for waterfowl as well as an important commercial forest resource in that segment of the Mississippi Flyway.

The estimates are that at peak levels this habitat will shelter some 60,000 ducks and 5,000 to 10,000 Canadian geese—maybe even more, and we have already seen indications that these predictions are well within reach. The site's potential will be enhanced even more by our work this summer, as we will install well and water control devices to manage moist soil units.

Our project in Kentucky is a joint venture, and each of our partners will play a major role in its success. We are proud to join together with the U.S. Fish and Wildlife Service and other federal agencies; the Kentucky state government and its agencies; the Kentucky local governments including those of Carlisle, Hickman, and Ballard Counties; the area's sportsmen; and our local and adjacent landowners in this environmental endeavor.

Our relationship with our major partner in this project—the Kentucky Department of Fish and Wildlife Resources—has been particularly gratifying and supportive. These professionals—Commissioner Don McCormick and his staff of biologists and administrators—have patiently and skillfully worked side by side with us to bring this project to its present state.

In closing, I would like to observe that our Wildlife Management Area is a superb example of what can be done when public wildlife agencies, conservation organizations such as Ducks Unlimited, and private enterprise team up for the protection and improvement of natural resources. It is our hope and our firm intention that this project will become a model for others throughout the country.

Thanks to the Fish and Wildlife Service for the honor bestowed on Westvaco today, and our thanks to one and all for helping to make this a very special day for Western Kentucky, for the men and women of Westvaco, and for all who believe in sound environmental practice.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. McDERMOTT). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, July 1.

FEDERAL RESERVE BANK BRANCH MODERNIZATION ACT

Mr. NEAL of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4398) to remove outdated limitations on the acquisition or construction of branch buildings by Federal Reserve banks which are necessary for bank branch expansion if the acquisition or construction is approved by the Board of Governors of the Federal Reserve System.

The Clerk read as follows:

H.R. 4398

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Reserve Bank Branch Modernization Act".

SEC. 2. ACQUISITION OR CONSTRUCTION OF FEDERAL RESERVE BANK BRANCH BUILDINGS.

The 9th undesignated paragraph of section 10 of the Federal Reserve Act (12 U.S.C. 522) is amended to read as follows:

"No Federal Reserve bank may authorize the acquisition or construction of any branch building, or enter into any contract or other obligation for the acquisition or construction of any branch building, without the approval of the Board.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina [Mr. NEAL] will be recognized for 20 minutes, and the gentleman from Wisconsin [Mr. ROTH] will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. NEAL].

GENERAL LEAVE

Mr. NEAL of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. NEAL of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill, the Federal Reserve Bank Branch Modernization Act, would remove the current limitation on the expenditures of Federal Reserve banks for the construction or acquisition of branch buildings.

The construction, expansion, or modernization of Federal Reserve bank branch building is subjected to a cumulative ceiling of $140 million. The Fed has now reached this ceiling, and cannot proceed with needed construction projects. A few branch buildings will soon need renovation, or new construction, because they are very old, in excess of 30 years old, and do not provide adequate types or amounts of space for check clearing and cash services, and other important services the Fed provides or sells to the financial sector.

The main function of Reserve bank branches is to provide services, such as check clearing, electronic funds transfers, and transfers of Government securities, to financial institutions and the Treasury Department. Under the Monetary Control Act, the Federal Reserve charges for such services. Thus almost all the expenditures for branch renovation or construction will eventually be recovered, since the cost of this construction is built into the pricing of such services sold through these branches. The renovation or construction must first take place, however, and that is constrained by the outdated limitation on construction costs now in the Federal Reserve Act. By removing this limitation, we will permit the Fed to provide important financial services in the most efficient manner.

Mr. Speaker, I yield such time as he may consume to the author of the bill, the distinguished gentleman from Alabama [Mr. ERDREICH].

Mr. ERDREICH. I thank the gentleman for yielding this time to me.

Mr. Speaker, under current law the Federal Reserve may not build or substantially improve any of the 25 branches of the district banks if the total aggregate value of the branch buildings in the country would exceed $140 million. This limit has been effectively reached for some time.

The result is that the Fed is unable to renovate any of its branches to provided increased services. Removing the limit does not involve the spending of any Federal tax dollars. The Monetary Control Act requires that the activities of all Federal Reserve branch banks be self supporting, including the cost of the buildings. The services of these Fed branches include check processing, government securities processing, cash handling and other services required by the banking system.

By removing the dollar limit, the Board of Governors will be able to properly manage any renovation and will be able to anticipate the needs of the district bank branches. The Fed has told us that there are immediate needs at five locations across the United States—Nashville, San Antonio, Houston, El Paso, and Birmingham.

Mr. Speaker, I would also point out that this bill does not affect the buildings of the district banks, but only the branches of the district banks. The Federal Reserve Act has a dollar ceiling on the total value of all branches and that is simply out of date. With the passage of the Monetary Control Act in 1980 the Fed was required to make the branches self-sustaining, and the need for a dollar limit as a control measure is now past. This, plus the oversight of the Board, will provide an adequate control on the buildings of the district branch banks. I might point out that the same language was approved by the other body in their version of the banking bill last year.

I urge all my colleagues to support this minor change to provide adequate servicing to our banking system.

Mr. ROTH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the remarks of the chairman, the gentleman from North Carolina [Mr. NEAL], and those of the gentleman from Alabama [Mr. ERDREICH], the author of the legislation, are right on target.

Mr. Speaker, I am pleased to join in recommending swift passage of this long overdue bill the Federal Reserve Bank Branch Modernization Act.

Testimony at hearings before our committee is to the effect that the present authority is nearly used up for building additions and replacing aging buildings.

The testimony reported the situation is increasingly urgent and that the Federal Reserve has asked politely and repeatedly for permission to make these improvements.

While the Congress has many urgent matters before it, this request deserves our serious, immediate consideration and attention.

This bill would remove the current cumulative ceiling of $140 million, imposed in 1974, on Federal Reserve branch construction so as to allow procurement of the most efficient and up-to-date facilities.

The provisions of this bill have been long discussed and have substantial legislative history. In fact, legislation identical to this was passed by the Senate last year but dropped in the banking reform negotiations with the House.

There are no questions of establishing any new public policy here. This is a request for permission to proceed with greatly needed construction to improve existing and aging Federal Reserve branches in Birmingham, Nashville, Houston, San Antonio, and El Paso.

There are no taxpayers funds involved—only revenues earned by the Federal Reserve from selling services to banks and others and from interest collected on Government securities acquired in open market activities.

There is no budget impact because the cost of such construction is factored right into the prices the Federal Reserve charges for its services to banks and others.

Futhermore, money expended for these improvements must be approved by the Federal Reserve Board, which reports directly to Congress through our committee. The spending is subject to General Accounting Office audits as Congress may require.

Mr. Speaker, I have many questions and iconoclastic views on the Federal Reserve. For example, frankly, I believe the system should be more fully audited. The Federal Reserve System should be carefully monitored.

These issues, however, are not relevant to this bill. This legislation is solely to allow the Federal Reserve System to update its branches' facilities.

Mr. Speaker, I urge my colleagues to join in passing this legislation.

Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio [Mr. WYLIE], the ranking member of the Committee on Banking, Finance and Urban Affairs, but first I must say that this bill must be passed because it also affects San Antonio, TX, and we cannot overlook San Antonio when we deal with banking legislation.

Mr. WYLIE. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, the gentleman from Wisconsin [Mr. ROTH] really added the very important caveat there at the end.

Mr. Speaker, I urge strong support for this so-called Federal Reserve Bank Branch Modernization Act. H.R. 4398 is important to ensure that the Federal Reserve is able to procure the most efficient and up-to-date facilities for its branch offices. The Federal Reserve Act currently places a cumulative ceiling of $140 million on Federal Reserve branch construction. H.R. 4398 would remove this restriction on the acquisition or construction of branch banks by the Federal Reserve.

Federal Reserve Board members, Wayne Angell and Edward Kelley, Jr., testified on May 27 before the Domestic Monetary Policy Subcommittee in support of this legislation. In their written testimony Messrs. Angell and Kelley stated that:

> [t]he latest analysis of projected building needs from the Reserve banks suggest that either renovations, additions, or new facilities may be required in Birmingham, Nashville, Houston, San Antonio, and El Paso in the next 5 to 10 years. The remaining balance in the Branch Fund prohibits us from addressing these needs.

The Board members further stated that

> "* * * it is important that our facilities remain efficient. The provisions in [H.R. 4398] would enable us to provide facilities for delivering services efficiently to the nation's financial institutions and the U.S. Treasury."

It has been nearly 20 years since the Congress addressed the issue of branch construction for the Federal Reserve, and I believe it is time that we removed the current, outdated restrictions that prevent the Fed from obtaining the buildings it needs for its branch banks.

I would also point out that the cost of Federal Reserve branch banks is factored into the price of services the Fed charges its member banks. Therefore, as Mr. ROTH stated, this bill does not call for an appropriation from the Congress.

I would urge Members to support H.R. 4398.

Mr. NEAL of North Carolina. Mr. Speaker, I have no further requests for time.

Mr. ROTH. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. NEAL of North Carolina. Mr. Speaker, I yield myself such time as I may consume so that I may submit for the RECORD a letter from the Congressional Budget Office concerning the budget treatment of this bill. The text of the letter is as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 29, 1992.

Hon. HENRY B. GONZALEZ,
Chairman, Committee on Banking, Finance, and Urban Affairs,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN. The Congressional Budget Office has reviewed H.R. 4398, the Federal Reserve Bank Branch Modernization Act, as ordered reported by the House Committee on Banking, Finance, and Urban Affairs on June 18, 1992. We estimate that enactment of H.R. 4398 would have no budgetary effects through fiscal year 1997.

H.R. 4398 would remove the limitation on Federal Reserve Bank spending for the acquisition or construction of branch buildings. The Federal Reserve Act, as amended, currently limits that spending to a cumulative $140 million, measured starting from 1947 when the first limit of $10 million was established. Since 1947 the limit has been increased several times, most recently in 1974. The limit applies only to the cost of the buildings themselves, not to the land, vaults, permanent equipment, furnishings, or fixtures. Since cumulative spending has now virtually reached the $140 million limit, the Federal Reserve Banks are unable to undertake new branch building projects.

Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Enforcement Act of 1990, sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1995. H.R. 4398 has no effect on direct spending but might result in a change in receipts. Because the Federal Reserve System remits its budget surplus to the Treasury, with the payment classified as a miscellaneous receipt in the federal budget, any additional operating costs can potentially reduce federal tax revenues. Based on information provided by the Federal Reserve Board, we estimate that the Federal Reserve would recover—through increased charges to depository institutions that use their services—any additional building costs prompted by enactment of H.R. 4398. As a result, we estimate that H.R. 4398 would not affect receipts. In addition, CBO estimates that no costs would be incurred by state and local governments as a result of enactment of H.R. 4398.

PAY-AS-YOU-GO-CONSIDERATIONS

[In millions of dollars]

	Fiscal year—			
	1992	1993	1994	1995
Changes in outlays	NA	NA	NA	NA
Changes in revenues	0	0	0	0

NA=Not applicable.

If you wish further details, please feel free to contact me or your staff may wish to contact Mark Booth at 226-2685.

Sincerely,
ROBERT D. REISCHAUER,
Director.

Enclosure

CONGRESSIONAL BUDGET OFFICE ESTIMATE[1]

The applicable cost estimate of this Act for all purposes of sections 252 and 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be as follows:

[In millions of dollars]

	Fiscal year—			
	1992	1993	1994	1995
Changes in outlays	NA	NA	NA	NA
Changes in revenues	0	0	0	0

NA=Not applicable.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. NEAL] that the House suspend the rules and pass the bill, H.R. 4398.

The question was taken, and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

WORLD WAR II 50TH ANNIVERSARY COMMEMORATIVE COINS ACT

Mr. TORRES. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1623) to require the Secretary of the Treasury to mint coins in commemoration of the 50th anniversary of the United States' involvement in World War II, as amended.

The Clerk read as follows:

H.R. 1623

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "World War II 50th Anniversary Commemorative Coins Act".

SEC. 2. FINDINGS AND SENSE OF THE CONGRESS.

(a) FINDINGS.—The Congress finds that—

(1) the period of December 7, 1991, through September 2, 1995, will mark the 50th anniversary of the involvement of the United States in World War II;

(2) over 16,000,000 people served in the Armed Forces of the United States during that conflict;

(3) over 400,000 American men and women gave their lives in defense of freedom around the world during World War II;

(4) World War II fundamentally reshaped the international geopolitical landscape, as well as the economic, political, and cultural institutions of our Nation;

(5) the War involved a clear choice between democracy and tyranny and involved our Nation as a whole in a worldwide battle against the forces of fascism and oppression;

(6) the June 6, 1944, invasion of northern France, when in one day 176,000 Allied military personnel were landed on the beaches of Normandy, was one of World War II's most celebrated achievements;

(7) the "D-Day" invasion was the largest seaborne invasion in history and the ensuing 76-day Battle of Normandy was one of the largest land battles in history;

(8) the Battle of Normandy was a key to the Allied forces' eventual liberation of Europe; and

(9) numerous organizations and individuals across the United States have expressed interest in or are engaged in efforts to draw attention to the 50th anniversary of World War II.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress—

(1) that the 50th anniversary of the involvement of the United States in World War II, the Battle of Normandy, and its other important battles should not go unrecognized at the national level;

(2) that the United States should recognize these anniversaries by minting and issuing coins to commemorate these anniversaries; and

(3) the minting of a United States coin to commemorate the Battle of Normandy and "D-Day" would be an appropriate concomitance to the commitment by the Republic of France that it will mint a French commemorative coin in recognition of the anniversary.

SEC. 3. WORLD WAR II COMMEMORATIVE COINS.

The Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") shall mint and issue coins in accordance with this Act to commemorate the 50th anniversary of the involvement of the United States in World War II.

SEC. 4. SPECIFICATIONS OF COINS.

(a) DENOMINATIONS.—The Secretary shall mint and issue the following coins:

(1) FIVE DOLLAR GOLD COINS.—Not more than 300,000 five dollar gold coins, each of which shall—

(A) weigh 8.359 grams;

(B) have a diameter of 0.850 inches; and

(C) be composed of 90 percent gold and 10 percent alloy.

(2) ONE DOLLAR SILVER COINS.—Not more than 1,000,000 one dollar silver coins, each of which shall—

(A) weigh 26.73 grams;

(B) have a diameter of 1.500 inches; and

(C) be composed of 90 percent silver and 10 percent copper.

(3) HALF DOLLAR CLAD COINS.—Not more than 2,000,000 half dollar coins, each of which shall—

(A) weigh 11.34 grams;

(B) have a diameter of 1.205 inches; and

(C) be minted to the specifications for half dollar coins contained in section 5112(b) of title 31, United States Code.

(b) LEGAL TENDER.—The coins minted under this Act shall be legal tender as provided in section 5103 of title 31, United States Code.

SEC. 5. SOURCES OF BULLION.

(a) GOLD.—The Secretary shall obtain gold for minting coins under this Act pursuant to the authority of the Secretary under existing law.

(b) SILVER.—The Secretary shall obtain silver for minting coins under this Act only from stockpiles established under the Strategic and Critical Minerals Stock Piling Act.

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[1] An estimate of H.R. 4398, as ordered reported by the House Committee on Banking, Finance, and Urban Affairs on June 18, 1992. This estimate was transmitted by the Congressional Budget Office on June 29, 1992.

SEC. 6. DESIGN OF COINS.

(a) DESIGN REQUIREMENTS.—

(1) IN GENERAL.—The design of the coins authorized under this Act shall, in accordance with subsection (b), be symbolic of the participation of the United States in World War II. In addition, the design of the gold coin authorized under section 4(a)(1) shall be emblematic of the Allied victory in World War II and the silver coin authorized under section 4(a)(2) shall be emblematic of the Battle of Normandy.

(2) DESIGNATIONS AND INSCRIPTIONS.—Each coin authorized under this Act shall bear a designation of the value of the coin, an inscription of the years "1991–1995", and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum". In addition, the silver coin authorized under section 4(a)(2) may bear a designation of the date "June 6, 1944" and an inscription of the words "Battle of Normandy" or "D-Day Invasion".

(b) DESIGN COMPETITION.—The Secretary shall sponsor a nationwide open competition for the design of each coin authorized by this Act.

(c) SELECTION.—The design for each coin authorized by this Act shall be selected by the Secretary from the results of the design competition under subsection (b) after consultation with—

(1) representatives of veterans organizations of the United States whose membership includes veterans of World War II, including—

(A) the American Legion;

(B) the Veterans of Foreign Wars of the United States;

(C) AMVETS (American Veterans of World War II, Korea, and Vietnam); and

(D) the Disabled American Veterans; and

(2) in the case of the one dollar silver coin authorized under section 4(a)(2), the Battle of Normandy Foundation and individuals designated by the Foundation from among individuals who are particularly knowledgeable, by reason of their education, training, or experience, about the history of World War II.

SEC. 7. ISSUANCE OF COINS.

(a) QUALITY OF COINS.—Coins minted under this Act may be issued in uncirculated and proof qualities.

(b) MINT FACILITY.—Only 1 facility of the United States Mint may be used to strike any particular combination of denomination and quality for the coins minted under this Act.

(c) COMMENCEMENT OF ISSUANCE.—The Secretary may issue the coins minted under this Act beginning on January 1, 1993.

(d) TERMINATION OF AUTHORITY.—Coins may not be minted under this Act after December 31, 1993.

(e) PROMOTION CONSULTATION FOR WORLD WAR II MEMORIAL.—The Secretary shall determine the role the American Battle Monuments Commission and any entity established by the Congress to assist the Commission in erecting a World War II memorial will have in the promotion, advertising, or marketing of coins authorized under this Act. This determination shall be made in consultation with the Commission and such an entity. The Secretary may enter into a contract involving the promotion, advertising, or marketing of such coins with the Commission and such an entity if the Secretary decides such a contract would be beneficial in the sale of the coins.

(f) PROMOTION CONSULTATION FOR NORMANDY MEMORIAL.—In consultation with the Battle of Normandy Foundation, the Secretary shall determine the role such entity shall have in the promotion, advertising or marketing of the coins authorized under this Act. The Secretary shall enter into a contract involving the promotion, advertising, or marketing of such coins with the Foundation if the Secretary decides such a contract would be beneficial in the sale of the coins.

SEC. 8. SALE OF COINS.

(a) IN GENERAL.—The Secretary shall sell coins minted under this Act at a price equal to the sum of the face value of the coins, the surcharge provided in subsection (d) with respect to such coins, and the cost of designing and issuing the coins (including labor, materials, dies, use of machinery, and overhead expenses).

(b) BULK SALES.—The Secretary shall make any bulk sales of the coins minted under this Act at a reasonable discount to reflect the lower costs of such sales.

(c) PREPAID ORDERS.—The Secretary shall accept prepaid orders for the coins minted under this Act prior to the issuance of such coins. Sale prices with respect to such prepaid orders shall be at a reasonable discount.

(d) SURCHARGES.—All sales of coins minted under this Act shall include a surcharge of $35 per coin for the 5 dollar coins, $8 per coin for the one dollar coins, and $2 per coin for the half dollar coins.

SEC. 9. FINANCIAL ASSURANCES.

(a) NO NET COST TO GOVERNMENT.—The Secretary shall take such actions as may be necessary to ensure that minting and issuing coins under this Act will not result in any net cost to the Federal Government.

(b) PAYMENT FOR COINS.—A coin shall not be issued under this Act unless the Secretary has received—

(1) full payment for the coin;

(2) security satisfactory to the Secretary to indemnify the United States for full payment; or

(3) a guarantee of full payment satisfactory to the Secretary from a depository institution whose deposits are insured by the Federal Government.

SEC. 10. USE OF SURCHARGES.

(a) 30/70 SPLIT OF SURCHARGES BETWEEN BATTLE OF NORMANDY MEMORIAL AND WORLD WAR II MEMORIAL.—Surcharges received from the sale of coins minted under this Act shall be distributed by the Secretary as follows:

(1) The first $3,000,000 received from the sale of coins shall be transferred to the Battle of Normandy Foundation and used to create, to endow, and to dedicate, on the 50th Anniversary of D-Day, a United States D-Day and Battle of Normandy Memorial in Normandy, France, adjacent to the largest World War II Museum in the world in Caen, France, and to encourage and support visits to the memorial by United States citizens, and especially students.

(2) The first $7,000,000 received from the sale of coins after the $3,000,000 referred to in paragraph (1) shall be deposited by the Secretary, subject to subsection (b)(2), in the fund established in the Treasury which is available to the American Battle Monuments Commission for the expenses incurred in establishing a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces of the United States who served in World War II and to commemorate the participation of the United States in that war.

(3) Of the amounts received from the sale of coins in excess of $10,000,000—

(A) 30 percent shall be transferred to the Battle of Normandy Foundation and used in the manner provided in paragraph (1); and

(B) 70 percent shall be deposited by the Secretary, subject to subsection (b)(2), in the fund described in paragraph (2).

(b) USE OF FUNDS IF NOT USED FOR MEMORIAL.—

(1) BATTLE OF NORMANDY MEMORIAL.—Of the amounts received by the Battle of Normandy Foundation under this section, any amount in excess of the amount spent by the Foundation for the uses described in subsection (a)(1) shall be transferred to the Secretary for deposit in the account provided for in section 8(b)(1) of the Act entitled "An Act to provide standards for placement of commemorative works on certain Federal lands in the District of Columbia and its environs, and for other purposes" and approved November 14, 1986, in the same manner as provided by law for the World War II memorial described in subsection (a)(2).

(2) WORLD WAR II MEMORIAL.—If the World War II memorial described in subsection (a)(2) is not authorized by Congress by December 31, 1995, the amounts described in paragraphs (2) and (3)(B) of subsection (a) shall be deposited by the Secretary in the account described in paragraph (1) of this subsection.

(c) AUDITS.—The Comptroller General of the United States shall conduct an annual audit of any books, records, documents, and other data—

(1) belonging to the Battle of Normandy Foundation, the American Battle Monuments Commission, and any agency or organization which receives any amount from the fund described in subsection (a); and

(2) relating to the expenditure of any amount received under subsection (a) or from the fund,

until all amounts received by the foundation, commission, agency, or organization under subsection (a) or from the fund have been spent and the expenditure of such amounts has been audited.

SEC. 11. REPORT TO CONGRESS.

The Secretary shall submit to the Congress a report regarding the activities carried out under this Act. The report shall be submitted by March 31, 1994.

SEC. 12. GENERAL WAIVER OF PROCUREMENT REGULATIONS.

(a) IN GENERAL.—Except as provided in subsection (b), no provision of law governing procurement or public contracts shall be applicable to the procurement of goods and services necessary for carrying out the provisions of this Act relating to the minting or selling of the coins authorized by this Act.

(b) EQUAL EMPLOYMENT OPPORTUNITY.—Subsection (a) shall not relieve any person entering into a contract under the authority of this Act from complying with any law relating to equal employment opportunity.

SEC. 13. COINAGE PROFIT FUND.

(a) DEPOSITS.—All amounts received from the sale of coins issued under this Act shall be deposited in the coinage profit fund.

(b) PAYMENTS.—The Secretary shall pay the amounts authorized under section 10 from the coinage profit fund.

(c) EXPENDITURES.—The Secretary shall charge the coinage profit fund with all expenditures under this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. TORRES] will be recognized for 20 minutes, and the gentleman from California [Mr. MCCANDLESS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. TORRES].

Mr. TORRES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the World War II 50th Anniversary Commemorative Coin Act.

My colleagues, Congresswoman MARCY KAPTUR of Ohio and Congressman SAM GIBBONS of Florida have worked closely with me and members of the committee to develop legislation which will honor our Nation's World War II veterans and leave a legacy for world peace.

The World War II 50th anniversary commemorative coins has been before the subcommittee for two consecutive Congresses and currently boast 243 cosponsors.

Last week, the House approved the World War II Memorial legislation, H.R. 1624. The memorial bill gives the American Battle Monument Commission the authority to proceed with the World War II Memorial in the District of Columbia. The memorial bill and the coin bill have been harmonized so that the surcharges from the coin will go to build the memorial.

Thirty percent of total proceeds from the coins will fund the D-Day Memorial in Normandy, France, and 70 percent will fund the World War II Memorial in Washington, with the first $3 million in proceeds to be directed to the Normandy Memorial which is poised for completion by June 6, 1994—the 50th anniversary of D-Day. Once again, I would like to thank my esteemed colleague from Ohio, Ms. KAPTUR, for her hard work over the past 2 years on behalf of the Nation's World War II veterans.

I ask you to join with me in support of commemorating this important era in our Nation's history by the minting of World War II commemorative coins.

Mr. Speaker, I reserve the balance of my time.

☐ 2350

Mr. MCCANDLESS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have a number of reservations about this legislation.

However, my reservations are not about supporting a World War II Memorial.

As a veteran of that War, I support the memorial.

I am concerned about the structure of the World War II Commemorative Coin Program, and about the process which has brought this legislation before us.

During last week's debate on H.R. 1624, the gentleman from Alabama, Mr. DICKINSON, expressed his opposition to authorizing a memorial that relied on Government resources.

No matter how you look at it, a commemorative coin program uses Government resources.

I share Mr. DICKINSON's view that the World War II Memorial—and all proposed memorials—should be constructed solely with private donations.

Nevertheless, by passing H.R. 1624, the House has decided that issue.

With regard to the structure of the program, commemoratives are out of control.

In the past 10 years, there has been 10 commemorative coin programs. After today, in the past 3 months alone, we will have authorized seven.

That is clearly excessive.

I am also concerned about the timing of this program.

Experience has proven that the successful coin programs are centered around an event of national historic significance.

H.R. 1623, calls for the issuance of three coins in 1993.

The gold coin is supposed to commemorate the 50th anniversary of the Allied victory in World War II. That anniversary will be in 1995, not 1993.

The silver coin is supposed to commemorate the 50th anniversary of D-Day. That is June 6, 1994, not 1993.

We should not rearrange history to accommodate fund raising, or to avoid competition with a commemorative soccer coin.

In addition, if enactment of this legislation is delayed until this fall, it is doubtful that the Mint will be able to have the program ready to begin on January 1, 1993.

This is especially true since the legislation mandates a design competition for the coins. That competition will take several months.

Again, Mr. Speaker, I support the World War II Memorial. But I am not sure that this legislation will actually help that effort.

Mr. Speaker, I reserve the balance of my time.

Mr. TORRES. Mr. Speaker, I yield 4 minutes to our distinguished colleague, the gentlewoman from Ohio [Ms. KAPTUR]. No one has worked more energetically on behalf of World War II veterans and a commemorative coin to build that memorial.

Ms. KAPTUR. Mr. Speaker, this bill tonight has been 50 years in the making, from the moment Japan bombed Pearl Harbor on December 7, 1941, to the days that victory was declared in Europe and in the Pacific in 1945.

As we move this bill which has over 250 cosponsors tonight toward House passage, I would like the record to show that the idea for its creation came from a humble veteran from Ohio's Ninth District, Mr. Roger Durbin, who served with the 90th Reconnaissance Unit of the 10th Armored Division during World War II. He is currently a resident of Richfield Township in Lucas County outside Toledo, OH. His dream was to commemorate all those Americans, 16 million of them, who fought in defense of freedom at its most compelling moment in this century. His desire was a simple one: to help create a place in our Nation's Capital where he could bring his grandson to explain the ideals for which he and others fought, and where Americans in years hence could visit and pay homage and tribute to those who preserved freedom for the Western world.

I will read from the original letter that he sent me over 4 years ago:

> I think it is kind of ironic for me to ask you for a World War II memorial. If it had not been for the World War II veterans, [Congress] would not be sitting today representing the American people in this, the best form of government in the world. Wouldn't it be nice to honor the World War II veterans with the memorial they deserve in our Nation's Capital while one-half of them are still living?

The consideration of this bill on the House floor tonight has been made possible thanks to several of my colleagues. I especially want to thank Chairman GONZALEZ of Texas of the committee of jurisdiction for the bill, namely the House Banking Committee, who saw the bill to passage in committee on June 18; Chairman TORRES of California, vigilant chair of the subcommittee of jurisdiction, namely the Subcommittee on Consumer Affairs and Coinage, who saw the bill through two subcommittee markups and escorted it to the Banking Committee and tonight to the floor; Mr. WYLIE of Ohio, ranking minority on the Banking Committee, whose support helped assure its passage on June 18; Mr. BARNARD of Georgia, a member of the subcommittee whose advice and accommodating spirit all along the way was greatly appreciated; and Mr. GIBBONS of Florida, a veteran of the 82d Airborne who worked long hours to broaden the bill to include provisions on D-Day and to solicit support for the bill in its entirety. I also want to recognize Chairman MONTGOMERY of Mississippi for his watchful and efficacious support over the 4 years it took to move the companion bill to H.R. 1623, the World War II Memorial Act, to passage by the House last Monday, and for his continued support for the coin bill tonight.

I also want to extend a sincere hand of gratitude to all of the veterans' organizations across our country who have worked so diligently to help gain cosponsorship for this bill, now over 250 Members of the House. In particular, I thank the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, the Military Order of the Purple Heart, the Polish Legion of American Veterans, the Normandy Foundation, and the Paralyzed Veterans of America.

Fifty-one years ago, our country plunged into this century's most profound War, World War II. The War was a nation-shaking, world-changing conflict which carried the intense involvement of sixteen million American citizens who became our World War II veterans. Over 600,000 were wounded. Over 400,000 died in defense of freedom.

American GI's fought heroically on all fronts, in the Pacific, the Atlantic, in Europe, Asia, the Mediterranean, and North Africa. The names and places are familiar to us all: Pearl Harbor, Midway, Coral Sea, Battan death march, Battle of the Bulge, Normandy, Omaha Beach, and dozens of other battles.

Yet, 4 years ago, when Mr. Durbin, the World War II veteran from Lucas County, asked me why there was no Memorial in the Capital to honor the veterans of World War II, I had no good response. How could I explain the prolonged, 50-year silence of the executive and legislative branches in the face of the incredible significance of this War for our people and the globe? America had done nothing in our Nation's Capital to see this War's heroes and heroines permanently commemorated—here in this city where U.S. involvement was debated and first declared.

Tonight, I have an answer for Mr. Durbin. Last week, the House voted to authorize the establishment of a World War II Memorial on Federal land in the District of Columbia by passing H.R. 1624, the World War II Memorial Act. I, along with 250 of my colleagues who cosponsored the bill and the more than 8 million surviving U.S. World War II veterans, heartily thank the Membership for its part in securing passage of the bill. Tonight, we ask you to complete your show of support for commemorating the War by voting for passage of H.R. 1623, the World War II 50th Anniversary Commemorative Coins Act.

In essence, this complimentary bill provides a funding mechanism to pay for the memorial that does not require appropriation of public funds. Rather, the World War II Memorial will be assured by the minting and the sale of 50th anniversary World War II commemorative coins to the general public. Specifically, the legislation authorizes the sale of three coins: 300,000 $5-dollar gold coins, 1 million $1-dollar silver coins, and 2 million half-dollar clad coins. The gold coin will be emblematic of the Allied victory, and the silver of the Battle of Normandy. Seventy percent of the total proceeds from the coins will fund the World War II Memorial here in Washington, and 30 percent will fund the D-Day Memorial in France, with the first $3 million in proceeds to be directed to the Normandy Memorial which is poised for completion first by June 6, 1994, the 50th international anniversary of D-Day.

As you know, commemorative coin bills are appropriate vehicles to use to privately raise funds for public purposes since the sale price of the coins exceeds their cost of production. H.R. 1623 is no exception. The coins are expected to net between $10—$22.5 million in surcharges available for the construction of the memorials, with specific language in the bill indicating that the legislation shall yield no net cost to the Federal Government. Further, this approach also will mint the coins, sell them, and maintain a special account solely for this purpose.

The numismatic community has projected a good market for the World War II coins. And the U.S. Mint estimates that it will sell at least 1.5 million coins. In addition, a recent independent market study on the 1996 Olympic coin cited the World War II set of coins as the most marketable following the Olympic coin and the Christopher Columbus coin.

Most importantly, these coins are crucial for the creation of the memorial. Though private funds will be raised to support the memorial's construction, over half of World War II veterans are no longer living. Thus it is essential that sufficient funds be raised to build the memorial and avoid problems of previous memorials. For example, seven memorials languished for more than 5 years each due to lack of private donations toward their establishment. I do not want to see the World War II Memorial suffer the same fate. The coin proceeds combined with private funding will provide a double-sided funding source which should be a sure-bet to meet the capital requirements necessary for building memorials—all without use of scarce taxpayer dollars.

In sum, it is time for Congress to pay tribute to those who offered their lives for the freedoms we enjoy today and the ideals of America. They asked nothing in return. Stand with me, my many colleagues, and with the veterans of World War II in support of H.R. 1623 during this 50th anniversary of 1991–95. Is it not truly fitting for us to nationally acknowledge these brave men and women who preserved democracy, and the idea of liberty, and built a foundation of peace during America's second century?

Mr. McCANDLESS. Mr. Speaker, I yield such time as he may consume to the distinguished ranking minority member of the Committee on Banking, Finance and Urban Affairs, the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. Mr. Speaker, I rise today in support of H.R. 1623, the World War II 50th Anniversary Commemorative Coin Act, both as a World War II veteran and a cosponsor of this bill, and I am proud to say that I am an original cosponsor and would like to commend the gentlewoman from Ohio [Ms. KAPTUR] for introducing the bill and for her diligent, persistent effort in bringing us here this evening. I also commend the gentleman from Texas [Mr. GONZALEZ], without whose support this bill would not be here, and the subcommittee chairman, the gentleman from California [Mr. TORRES], for their efforts to insure consideration of this bill on the floor of the House this evening.

Mr. Speaker, I regret that I must disagree with my ranking member on the Consumer Affairs Subcommittee who is my good friend as to the timeliness of this bill. I think a little lead time will help insure the success of the bill.

H.R. 1623 authorizes a coin program to commemorate the 50th anniversary of the United States' involvement in World War II. The gold coin will be symbolic of the Allied victory in World War II.

The silver coin will commemorate the D-Day invasion and the ensuing Battle of Normandy. The Battle of Normandy was the largest land battle in history and was a key to the Allied Forces' eventual liberation of Europe.

Proceeds from the World War II Coin Program will be used to establish a World War II memorial in the Washington, DC area. If excess proceeds are available, or if the memorial is not established, the funds will be used to maintain other memorials commemorating military conflicts. These provisions ensure that the funds from this program will be used to honor our veterans and the battles in which they fought.

I am grateful for this opportunity to honor my fellow World War II veterans through the issuance of this coin. I urge my colleagues to express their support for the 16 million men and women who served in World War II and for the 400 thousand men and women who gave their lives in defense of freedom and democracy.

Mr. DICKINSON. Mr. Speaker, as a 3-year Navy veteran of World War II, I rise in opposition to H.R. 1623.

I strongly favor the erection of a monument in the memory of those who fought in World War II. I think it is unconscionable that we have gone nearly 50 years without an adequate commemoration of those who fought, died, bled, and sacrificed so much so that we could be here today to enjoy the fruits of freedom for which they paid the price. World War II marked a turning point in our Nation's history. We entered the conflict as one of many world powers but concluded the War as the undisputed leader of the free world. The collective efforts of millions of Americans made our victory possible, and our official thanks in the form of a national memorial are long overdue.

It is important to build a memorial honoring one of our Nation's greatest achievements while those who served and sacrificed can participate in its construction. With the upcoming celebration of the end of World War II, it is also important to begin this effort immediately. Between now and the target completion date of September 1995, there will be a number of anniversaries commemorating milestones on our road to victory, creating opportunities for every American to contribute to the funding of the memorial—no matter how big or small.

The sense of Congress was expressed in H.R. 5006, urging completion of the memorial in time for the 50th Anniversary celebration through private contributions raised by the National World War II Memorial Fund. This passed on a voice vote June 4, 1992.

Now there is a difference of opinion about the best way to about building and funding the memorial. In my first conversations with the sponsor of this bill, the gentlewoman from Ohio [Ms. KAPTUR], I thought she was amenable to the idea of S. 2244, which provided a proven and streamlined approach. Then later she said no, holding fast to the idea that the Government bureaucracy should build it and finance it through the sale of commemorative coins. I do not think that is the way to go. It will take too long, and use taxpayer moneys. The coin bill on the floor today (H.R. 1623) is the financing mechanism for H.R. 1624, and I would refer my colleagues to the debate in the CONGRESSIONAL RECORD (H4987–H4993) on June 22, 1992.

As a proud veteran of World War II, I want to see this memorial built, and I want to see it done right. I have introduced legislation (H.R. 5437) to authorize the construction of a World War II Memorial, financed solely through private contributions in accordance with H.R. 5006. H.R. 5437 is the companion bill to Senator THURMOND's legislation (S. 2244) which relies solely on private contributions. This is the route taken for construction of the Vietnam Veterans Memorial, which raised $9.3 million and used no Federal funds. This is the best way to do it.

The National World War II Memorial Fund endorsed in H.R. 5006 is a registered 501(c)(3) corporation, established to fund, design, and build a fitting national memorial to honor all Americans who contributed in World War II. The establishment of the National World War II Memorial Fund was necessary because past legislation failed to gain support because it involved Federal funds and questionable funding mechanisms like this coin bill. The National World War II Memorial Fund is in complete compliance with the Commemorative Works Act, IRS regulations, GAO guidelines, will be annually audited by KPMG, Peat Marwick. Once established by law, the fund will be under review by a presidentially appointed advisory board.

The National World War II Memorial Fund is a team of dedicated professionals with direct and proven skills in national memorial development, including: The Vietnam Veterans Memorial, The Navy Memorial and The National Law Enforcement Officers Memorial. The team includes: Maj. Gen. Phil Monahan, U.S.M.C. (ret.)—Executive Director, Bob Frank & Company, Accounting. CPA's for Vietnam Veterans Memorial and National Law Enforcement Officers Memorial. Steve Cram & Associates, Fund Raising. Fund raisers for Navy Memorial, VFW, American Legion, National Association of Uniformed Services and others.

The private sector can raise the funds much more rapidly than we can by the selling of individual coins throughout the country, and I hope that we do not have to look back to this moment in 1995 and realize that the wrong approach was taken. If we follow the timeline of the Korean War Memorial, we won't break ground on the World War II Memorial until 1998. In fact, we fought the Korean War in half the time it took to reach the groundbreaking ceremony.

The approach on the floor today employs Federal funds through the authorization of a Federal commission to raise funds and establish the memorial, the minting of commemorative coins by the U.S. Mint, and the establishment of a fund in the Treasury for memorial expenses, managed and invested by the Treasury Department.

The Federal commission charged with joint handling of the Treasury account and raising private funds is The American Battle Monuments Commission [ABMC]. These responsibilities go beyond the mission of the ABMC, and would require additional funding and staff, the needs of which remain unknown until hearings are held. The chairman of the ABMC, General P.X. Kelley, stated in a letter dated June 5, 1992, that, "I believe it is inappropriate for a federal commission such as the American Battle Monuments Commission to be directly involved in fund raising activities within the private sector."

Although the Treasury Secretary would also have responsibility for this special account, and would be responsible for investing extra money not required for expenses, the Department of the Treasury has not been consulted with regard to this account. The Secretary of the Treasury might also find the following section an indicator reflecting the amount of thought that went into the bill:

> (d) ABOLITION.—Upon the final settlement of the accounts of the fund, the Secretary of the Treasury shall submit to the Congress a draft of legislation (including technical and conforming provisions) recommended by the Secretary for the abolition of the fund.

By the time we go the route of this legislation we will become enmeshed in the Federal bureaucracy, and will certainly delay the construction of the monument beyond August or September of 1995, which will be the final limits of the action in World War II. I would urge the Senate to examine the two approaches and work out a bill that will finally fund this monument and expedite it through The National World War II Memorial Fund. If we do decide to go the route of S. 2244 or H.R. 5437, then H.R. 1623 could be amended to preserve the efforts of the Normandy Foundation.

In closing, Mr. Speaker, let me reiterate I am a strong advocate of building a memorial for those who fought and died and sacrificed in World War II. I believe in it. I think it is shameful that it has not already been done. Many millions of people have had the opportunity to go down on The Mall not very far from here and look at the Vietnam Memorial that is most impressive. Look at the thousands of names of those who gave their lives there. It is a beautiful memorial, a very fitting memorial. I think it is probably one of the most emotion-evoking memorials that is in existence today. Mr. Speaker, this monument was built and put in place and totally funded with no Federal funds involved. That is what I would propose to do in this instance.

Mr. Speaker, I am offering this suggestion today because I did not get the opportunity to offer this approach in committee, where it should have been done, where we could compare the two and come up with the best result. I believe the intent of the bill on the floor today is good, but I do not think that the government bureaucracy can build a memorial as well and quickly as citizens in the private sector.

Mr. MONTGOMERY. Mr. Speaker, H.R. 1623, the World War II 50th Anniversary Commemorative Coins Act, was introduced on March 22, 1991, by MARCY KAPTUR of Ohio.

For many years, she has been leading the effort to establish a memorial to honor members of the Armed Forces who served in World War II and to commemorate the United States' involvement in that conflict. That bill, H.R. 1624, passed the House yesterday.

Since no public funds would be used in designing and constructing the memorial, all costs would be funded from private donations and from revenues derived from the sale of the commemorative coins as set out in H.R. 1623.

H.R. 1623 would direct the Secretary of the Treasury to mint and issue 300,000 $5 gold coins, 1 million silver coins and 2 million half-dollar clad coins. The coins will symbolize U.S. participation in World War II and the surcharges will be divided according to a 30/70 split between the Battle of Normandy Memorial and the World War II Memorial.

Mr. Speaker, since December 7 of last year, ceremonies have been held throughout the world commemorating events that occurred during this long and critical period in our Nation's history. It is time that we paid tribute to those who defended America during this time, and I am pleased to support Ms. KAPTUR in her efforts to get this memorial established in our Nation's Capital.

I urge favorable consideration of H.R. 1623.

Mr. TORRES. Mr. Speaker, I have no further requests for time.

Mr. McCANDLESS. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

Mr. TORRES. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. (Mr. MCDERMOTT). The question is on the motion offered by the gentleman from California [Mr. TORRES] that the House suspend the rules and pass the bill, H.R. 1623, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

REPORT ON H.R. 5503, INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1993

Ms. SLAUGHTER, from the Committee on Rules, submitted a privileged report (Rept. No. 102–637) on the resolution (H. Res. 506) waiving certain points of order against and during consideration of the bill (H.R. 5503) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1993, and for other purposes, which was referred to the House Calendar and ordered to be printed.

□ 2400

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. McDermott). This being the Calendar Day of Wednesday, without objection, the Chair is authorized to recognize members for motions to suspend the rules and pass the following bills: H.R. 3654, H.R. 5126, and S. 2780.

There was no objection.

CIVIL WAR BATTLEFIELD COMMEMORATIVE COIN ACT

Mr. TORRES. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5126) to direct the Secretary of the Treasury to mint coins in commemoration of the 100th anniversary of the beginning of the protection of Civil War battlefields, and for other purposes; as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This act may be cited as the "Civil War Battlefield Commemorative Coin Act of 1992".

SEC. 2. COIN SPECIFICATIONS.

(a) Five Dollar Coins.—The Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") shall issue not more than 300,000 five dollar coins which shall—

(1) weigh 8.359 grams,

(2) have a diameter of 0.850 inches, and

(3) contain 90 percent gold and 10 percent alloy.

(b) One Dollar Silver Coins.—The Secretary shall issue not more than 1,000,000 one dollar coins which shall—

(1) weigh 26.73 grams,

(2) have a diameter of 1.500 inches, and

(3) contain 90 percent silver and 10 percent copper.

(c) Half Dollar Clad Coins.—The Secretary shall issue not more than 2,000,000 half dollar coins which shall be minted to the specifications for half dollar coins contained in section 5112(b) of title 31, United States Code.

(d) Design.—

(1) Design requirements.—The design of the coins authorized under this Act shall be emblematic of the Civil War. On each such coin there shall be a designation of the value of the coin, an inscription of the year "1995", and inscriptions of the words "Liberty," "In God We Trust," "United States of America," and "E Pluribus Unum."

(2) Selection of design.—The Secretary shall select the design of each coin authorized under this Act after consultation with the Secretary of the Interior, the Commission of Fine Arts, and the Civil War Battlefield Foundation (hereafter in this Act referred to as the "Foundation").

(e) Legal tender.—The coins issued under this Act shall be legal tender as provided in section 5103 of title 31, United States Code.

(f) Termination of authority.—Coins may not be minted under this Act after December 31, 1995.

(g) Proof and Uncirculated Coins.—The coins authorized under this section shall be issued in uncirculated and proof qualities.

(h) Bureau of the mint.—Not more than 1 facility of the Bureau of the Mint may be used to strike any particular combination of denomination and quality of coins under this Act.

SEC. 3. SOURCES OF BULLION.

(a) Gold.—The Secretary shall obtain gold for the coins minted under this Act pursuant to the authority of the Secretary under existing law.

(b) Silver.—The Secretary shall obtain silver for the coins minted under this Act only from stockpiles established under the Strategic and Critical Minerals Stock Piling Act (50 U.S.C. 98 et seq.).

SEC. 4. SALE OF COINS.

(a) Sale Price.—Notwithstanding any other provision of law, the coins issued under this Act shall be sold by the Secretary at a price equal to the face value, used in minting such coins, plus the cost of designing and issuing such coins (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping).

(b) Bulk Sales.—The Secretary shall make bulk sales of coins issued under this Act at a reasonable discount.

(c) Prepaid Orders at a Discount.—The Secretary shall accept prepaid orders for the coins issued under this Act prior to the issuance of such coins. Sales under this subsection shall be at a reasonable discount.

(d) Sucharge Required.—All sales of coins issued under this Act shall include a surcharge of $35 per coin for the five dollar coins, $7 per coin for the one dollar coins, and $2 per coin for the half dollar coins.

(e) Marketing.—The Secretary, in cooperation with the Foundation, shall develop and implement a marketing program to promote and sell the coins authorized under this Act both within the United States and internationally.

SEC. 5. COINAGE PROFIT FUND.

(a) Deposits.—All amounts received from the sale of coins issued under this Act shall be deposited into the coinage profit fund.

(b) Payments.—The Secretary shall pay the amounts authorized under section 6 from the coinage profit fund.

(c) Expenditures.—The Secretary shall charge the coinage profit fund with all expenditures under this Act.

SEC. 6. DISTRIBUTION AND USE OF SURCHARGES.

(a) Distribution.—Notwithstanding any other provision of law, the total surcharges received by the Secretary from the sale of coins issued under this Act shall be promptly paid by the Secretary to the Foundation and used by the Foundation for the preservation of historically significant Civil War battlefields.

(b) Approval of Expenditures Required.—The Foundation may not expend any amount attributable to amounts paid to the Foundation under this section unless the Secretary of the Interior approves that expenditure.

(c) Accounting.—The Foundation shall account for all sums received by the Foundation under this section in accordance with generally accepted accounting principles and shall utilize such sums in a prudent manner to achieve battlefield protection. The books and records of the Foundation shall be made available to the Secretary and the Secretary of the Interior upon request.

(d) Audits.—The Comptroller General of the United States shall have the right to examine such books, records, documents, and other data of the Foundation as may be related to the expenditure of amounts paid to the Foundation under this section.

SEC. 7. GENERAL WAIVER OF PROCUREMENT REGULATIONS.

(a) In General.—Except as provided in subsection (b), no provision of law governing procurement or public contracts shall be applicable to the procurement of goods or services necessary for carrying out the provisions of this Act.

(b) Equal Employment Opportunity.—Subsection (a) shall not relieve any person entering into a contract under the authority of this Act from complying with any law relating to equal employment opportunity.

SEC. 8. FINANCIAL ASSURANCES.

(a) No Net Cost.—The Secretary shall take such actions as may be necessary to ensure that the minting and issuance of coins under this Act will not result in any net cost to the Federal Government.

(b) Full Payment.—No coin shall be issued under this Act unless the Secretary has received—

(1) full payment for the coin;

(2) security satisfactory to the Secretary to indemnify the United States for full payment; or

(3) a guarantee of full payment satisfactory to the Secretary from a depository institution the deposits of which are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

SEC. 9. REPORTS TO CONGRESS.

(a) Reports Required.—Not later than 15 days after the last day of each calendar quarter which ends before April 1, 1996, the Secretary shall transmit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report detailing activities carried out under this Act during such quarter.

(b) Contents of Report.—The report shall include a review of all marketing activities under section 4 and a financial statement.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. Torres] will be recognized for 20 minutes and the gentleman from California [Mr. McCandless] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. Torres].

Mr. TORRES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to thank my colleague, from Minnesota, Mr. Vento, and his staff, for working with me to perfect the Civil War Battlefield Commemorative Coin Act.

The bill as approved by the Banking Committee would move the minting of the commemorative coins from 1993 to 1995 as well as reduce the number of coins to be minted and the amount of surcharges to be raised.

With these changes, I wholeheartedly support the legislation to preserve our Nation's civil war battlefields. My former colleague, Interior Secretary Lujan, and my banking committee colleague, Mr. Vento, have worked tirelessly to achieve the goal of sparing hundreds of historical sites from commercial development.

I ask my colleagues to support this important legislation.

I reserve the balance of my time.

Mr. McCANDLESS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I feel like the proverbial skunk at the company picnic tonight, but I feel that the subject matter of these commemorative coins is of such importance that I need to express myself.

Mr. Speaker, I have very strong reservations about this legislation. I am particularly concerned about the process which has brought this bill before us.

The rules of the Banking Committee require that a commemorative coin have 218 cosponsors before it can be considered for a hearing.

Consequently, many Members cosponsored this bill so that the Subcommittee on Coinage could hold a hearing and carefully consider the proposal.

But, there have been no hearings on H.R. 5126. Not so much as one sentence of testimony on this proposal has been considered by the Banking Committee.

We are being asked to establish a program that may provide a substantial sum of money to a group called the "Civil War Battlefield Foundation."

Who are these people? What are they going to do with the money? These are questions that have not been answered.

We are told that the recent PBS series on the Civil War has sparked a new interest in it.

While I, too, found the series interesting, I question whether or not we should fashion commemorative coins around TV shows.

There is no evidence that coin collectors, who have been deluged with commemorative coins, or anybody else, will actually buy these coins.

Experience has shown that successful coin programs are centered around an event of national historic significance.

Here we are being asked to commemorate the 100th anniversary of the beginning of Civil War battlefield preservation.

We ought not make coins that nobody will buy.

I must also inform my colleagues that this is not the bill that most of you co-sponsored.

In our rush to railroad this bill through the House, the date for the Civil War commemorative coin has been set for 1995.

Has anybody stopped and realized that 1995 will be a time for remembrance and celebration of the 50th anniversary of our victory in World War II?

Authorizing a coin in 1995 to commemorate the Civil War is totally inappropriate.

Again, Mr. Speaker, these are issues that could have been, and should have been, addressed in hearings. But no hearings have been held.

My final point is this. What is the hurry?

If the proposal has merit, then we have over 2½ years to enact legislation.

We should reject this bill today, and send it back to the Banking Committee so that there can be hearings on it.

Because the proponents of the H.R. 5126 are trying to rush it through, there are too many unknowns.

For these reasons, I have strong reservations about this legislation.

I reserve the balance of my time.

Mr. TORRES. Mr. Speaker, I appreciate hearing the views of the ranking minority member, the gentleman from California [Mr. McCANDLESS], regarding the procedure under which this bill is brought before the House.

Mr. Speaker, I do not wish to take up important time at this moment to react to the various aspects of that. Instead, I yield such time as he may consume to the gentleman from Minnesota [Mr. VENTO], the author of this legislation.

Mr. VENTO. Mr. Speaker, I rise in support of H.R. 5126, which would authorize the minting of coins to commemorate our Civil War. I commend the chairman of the subcommittee, Mr. TORRES and his staff for their assistance and deliberate consideration of this proposal. My special tanks go to Chairman GONZALEZ and Congressman WYLIE for their support for this measure.

Mr. Speaker, the funds provided by the surcharges for the sale of the Civil War commemorative coins would be used to protect threatened and historic civil war battlefield sites. H.R. 5126, which I introduced with my colleague from Ohio, Mr. WYLIE, has strong bipartisan support. In fact the Civil War coin legislation now has over 250 cosponsors. The Civil War Battlefield Commission, appointed by Secretary Lujan and congressional leaders, has strongly advocated the need to protect these endangered Civil War sites and supports the use of private funds, such as those envisioned under this act to protect those sites.

No one can deny the fact that the Civil War is an important focal point in our Nation's history and culture. Ken Burns' highly acclaimed public broadcast system's epic television series on the Civil War drew broad viewership and rave reviews. Our Nation's rising interest in the Civil War has also been reflected in the dramatic increase in visitors at our National Park Service Civil War sites. There has been record new attendance at all such National Park Service Civil War units.

In 1991, over 26 million people visited Park Service Civil War sites, an increase of over 7 million people or nearly 40 percent more than 1990.

Near the Washington DC, area last year, visitation of Civil War sites reflected this same phenomena. For 1991, nearly 1.5 million people visited Gettysburg and nearly 1 million individuals visited Manassas National Battlefield.

It is ironic that when the interest in this crucial period in our Nation's history is at an all time high, key unprotected Civil War sites are not at risk from development or degradation.

As many of my colleagues may recall, in 1988, the Congress was forced to take an unusual action by appropriating emergency funds to save key parts of the Bull Run/Manassas Battlefield from development as a shopping mall. The challenge persists today and will persist tomorrow. Our Nation's cultural and historic lands will be lost in perpetuity unless we act now.

Following the crisis response to Bull Run/Manassas, Secretary of the Interior Lujan, working with the Subcommittee on National Parks and Public Lands and the Senate Subcommittee on Public Lands, National Parks and Forests, established a process to identify and protect crucial, historic Civil War battlefield sites. A key to the success of this process is the involvement of the private sector and the interested public through the Civil War Battlefield Foundation, a private 501(c)(3) initiated by Secretary Manuel Lujan.

The goal of the foundation is to utilize private funds to respond to those sites which are under the greatest threat. In addition, the foundation will encourage alternative battlefield preservation measures, promote educational efforts of the Civil War and work with the National Park Service to create a Civil War legacy park system.

H.R. 5126 is an important key to that goal. The proceeds from the sale of these commemorative Civil War coins will allow the foundation to go forward, with the approval of the Department of the Interior, to identify crucial sites and to insure that those sites are not lost. The proceeds from the sale of these unique coins will not be the only funding source for this project. In fact the foundation will be seeking simultaneously a significant financial commitment from the private sector. The surcharge will however be a key component of the financial mix.

Mr. Speaker, some have suggested that we delay minting a coin to commemorate the Civil War until some later date. I would respond to those suggestions by reminding my colleagues that over the past 2 years there have been an incredible number of visitors to National Park Service Civil War sites—over 50 million. Each year that we delay action, crucial sites are lost to development or degradation. H.R. 5126 would provide crucial private funds to protect these sites and to insure that this important part of American history and our cultural heritage will not be lost for future generations.

I urge my colleagues to support this bill.

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Mr. Chairman, I thank my cosponsor the gentleman from California [Mr. TORRES] and the gentleman from Ohio [Mr. WYLIE] who has stood with me and helped, and many others, including the gentleman from North Carolina [Mr. TAYLOR], and others that were on the Hill, the gentleman from New York [Mr. MRAZEK], and the gentleman from Texas [Mr. ANDREWS], who helped win and get the cosponsors for this particular measure so that we were able to move it along in an expedited fashion.

Mr. McCANDLESS. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Ohio [Mr. WYLIE], the ranking minority member.

Mr. WYLIE. Mr. Speaker, I thank the distinguished gentleman from California for yielding me this time.

Mr. Speaker, I rise in strong support of this legislation. The Secretary of the Interior, Mr. Manuel Lujan, is in strong support of this bill, and he persuaded me to be a cosponsor of it.

I rise today as an original cosponsor of H.R. 5126, the Civil War Battlefield Commemorative Coin Act of 1992, and I commend the gentleman from Minnesota for introducing this bill. I would also like to commend Chairman GONZALEZ and subcommittee chairman TORRES for moving this bill through committee expeditiously so that we could consider this bill on the floor of the House today.

In recent years, the Department of the Interior has been faced with mounting pressure to allow for the development of land which contains our Civil War battlefields and other historical sites.

For example, in 1988, Congress was forced to appropriate funds to save key parts of the Manassas battlefield from development as a shopping mall, and similar congressional efforts have been necessary to protect other Civil War sites from development. In response to such events, the Department of the Interior established the American Battlefield Protection Program under the direction of Secretary Lujan. This program is a national partnership between the public and private sectors, and has gained broad support from historical organizations, environmental organizations, war scholars, and the public in general. This support will allow us to secure a non-Federal source of funding for our battlefields in a time of budget austerity.

Civil War battlefields give us insight into the formation of our Nation and memorialize those who fought for their values and for the abolition of slavery. I once again urge my colleagues to support this bill which would help to preserve our Civil War battlefields, and, in turn, preserve our heritage.

Mr. ANDREWS of Texas. Mr. Speaker, the Civil War is the single most important event in our Nation's history. America's social and economic foundations before the war were forever changed by the war, and its impact continues to affect our national debate. The Nation was infused, in Lincoln's words, with a "new birth of freedom." It is not coincidence that students in this country divide their study of American history by the War Between the States. Civil rights, women's rights, economic policy, and trade were issues driven into the 20th century by the Civil War.

And so, understanding the Civil War—its reasons, its battles, its politics, its costs, its significance—is important in understanding who we are as a Nation and where we are going.

There is one tangible legacy of the War—its battlefields. With names like Antietam, Chancellorsville, the Wilderness, and Glorietta Pass, many remain today, undisturbed as reminders and lessons, to see and to feel. Our generation's obligation to our history is to protect these important sites from destruction or permanent change.

A few years ago many of us fought to save the battlefield of Second Manassas from destruction. The financial cost was high, largely because of a greedy developer, pliant local leaders, and an insensitive Secretary of the Interior. A large shopping mall would have changed that national park forever. We can always build shopping malls—we can never rebuild battlefields.

In a cornfield near Antietam Creek in western Maryland, federal troops from Ohio and Pennsylvania attacked troops from Georgia and Texas and in less than an hour the ground was covered with bodies. In what was to become the bloodiest day in American history, 26,000 young men were left dead on the field.

Today, the cornfield is protected because of the generosity of a wealthy family—the center of the Antietam National Battlefield Park almost became a new housing development. Other important sites may not be so fortunate. Brandy Station, VA, and Shiloh, TN, risk succumbing to unbridled development and growth. Soon they may be destroyed or negatively affected. But the American taxpayer alone—in an effort to protect these sites—cannot bear the entire cost. It is not economically feasible and in many cases it is not the most expeditious remedy.

This legislation will help save our important battlefield sites. There are many Americans, collectors, and historians, who will respond to these minted coins. The sale of these coins will raise close to $22 million for the Civil War Battlefield Foundation. The Foundation will then have the resources to buy land and easements and to save our historic Civil War battlefields and sites.

This is a modest step, a small step, though the results would be enormous. This is an exciting opportunity for this Congress to ensure that our Civil War heritage will last forever. Please join me in supporting this legislation.

Mr. WOLF. Mr. Speaker, as a cosponsor, I am pleased to speak today in support of H.R. 5126, the Civil War Commemorative Coin Act of 1992.

This important legislation, which would authorize the minting of coins in commemoration of the 100th anniversary of Civil War battlefield legislation, will help preserve and protect the many scenic and historic Civil War battlesites across our Nation. Importantly, this legislation would have no cost for the American taxpayer, as surcharges from the sale of these coins would be used with private funds to help preserve our country's Civil War legacy.

I know firsthand the importance of protecting our Civil War battlesites. In 1988, you may recall that Congress was forced to appropriate funds to save key parts of the Manassas battlefield, where the pivotal battles of Bull Run were fought, from the development of a new shopping center. We learned from the Manassas experience that new approaches and strategies were needed to preserve battlesites throughout the Nation.

I believe H.R. 5126 is an excellent national approach to help solve the problem of saving our Civil War battlesites from encroaching development. Every year, thousands of visitors visit these battlefields and learn about the Civil War. By passing H.R. 5126 into law, we have the opportunity to protect these resources for generations to come.

I commend our colleagues, Representatives VENTO, WYLIE, CHARLES TAYLOR, and MRAZEK for introducing this bill and our colleagues on the Banking, Finance and Urban Affairs Committee for their hard work in moving this bill. I urge all Members to support H.R. 5126.

Mr. TAYLOR of North Carolina. I rise today to urge my colleagues to support H.R. 5126, the Civil War Commemorative Coin Act.

H.R. 5126 will authorize the minting of three coins; one gold, one silver, and one bronze. I want to stress that this legislation will cost the taxpayers nothing. All expenses associated with striking the coins will be met by proceeds from the sale of the coins.

It is estimated that sales will generate over $20 million for Civil War battle site preservation. There is enormous public interest in the Civil War era as evidenced by the sale of hundreds of thousands of copies of James McPherson's Pulitzer Prize winning book "Battle Cry to Freedom," by the 20 million viewers who watched the PBS Civil War series, by the several magazines devoted exclusively to the Civil War period, and by the existence of over 20,000 reenactors. Because of this great interest throughout our Nation, I believe sales of the coins will be brisk.

After the expenses associated with the production of the coins are met, the remainder of the proceeds of their sale will be entrusted to a private entity, the Civil War Battlefield Foundation, for the purchase of land where significant military events in the Civil War occurred. The Civil War Battlefield Foundation is not a management entity. Its sole function is to direct funds to where they are most needed for the purchase of property from willing sellers for the preservation of significant Civil War sites. The Foundation exists to raise private sector resources and apply free market approaches for battlefield landscape preservation. The sale of commemorative coins is an important but by no means the only avenue the Foundation is pursuing to raise the money needed to preserve our Nation's Civil War legacy.

The painful Manassas experience of 1988, in which a huge amount of public money was expended at the last minute for the legal taking of a comparatively small amount of property, has taught us the urgency of saving crucial property under threat of development and the wisdom of preserving such property when it is still available at a moderate price. The funds made available from the sale of commemorative coins can be used for the preservation of vital properties under immediate danger of development. However, it is my hope, and the intention of those at the Civil War Battlefield Foundation who will manage the funds which will be raised by the sale of coins, that the bulk of the money raised by this legislation will be devoted to the purchase of easements on, or titles to, important tracts of land by interested local persons or groups, before the cost of their preservation becomes prohibitively expensive.

I want to commend Secretary of the Interior Manuel Lujan for his leadership in proposing a list of 25 endangered Civil War battlefields which should receive the most attention from those seeking to preserve our Civil War legacy. A number of the sites on the Secretary's list are in immediate danger. One of these is Fort Fisher in my State of North Carolina, which faces the danger of being washed away by the ocean unless protective measures are taken soon. Others are not in immediate danger, but are of such importance that special efforts should be employed to preserve them while there is still time.

One of the chief tasks of the Civil War Battle Sites Advisory Commission, on which I have the privilege of serving as a member, is to evaluate the significance of sites of Civil War battles nationwide, in order to make decisions about which sites should be the focus of particular attention. This is a fine example of the sort of careful long-range planning which will allow truly important sites to be identified long before the danger of their loss becomes acute.

I am pleased by the large bipartisan support this legislation has enjoyed and urge my colleagues to support its passage. Last, when the coins become available, I would like to urge my colleagues to do their part and buy them in order to help preserve our Nation's precious Civil War legacy.

Mr. TORRES. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. McDERMOTT). The question is on the motion offered by the gentleman from California [Mr. TORRES] that the House suspend the rules and pass the bill, H.R. 5136, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "An Act to direct the Secretary of the Treasury to mint coins in commemoration of the 100th anniversary of the beginning of the protection of Civil War battlefields, and for other purposes.".

A motion to reconsider was laid on the table.

DOUG BARNARD, JR.—1996 ATLANTA CENTENNIAL OLYMPIC GAMES COMMEMORATIVE COIN ACT

Mr. TORRES. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3654) to provide for the minting of commemorative coins to support the 1996 Atlanta Centennial Olympic Games and the programs of the U.S. Olympic Committee, as amended.

The Clerk read as follows:

HR. 3654

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—1996 OLYMPIC GAMES COMMEMORATIVE COINS

SECTION 101. SHORT TITLE.

This title may be cited as the "Doug Barnard, Jr.—1996 Atlanta Centennial Olympic Games Commemorative Coin Act".

SEC. 102. COIN SPECIFICATIONS.

(a) Five Dollar Gold Coins.—The Secretary of the Treasury (hereinafter in this title referred to as the "Secretary") shall issue five dollar coins, each of which shall weigh 8.359 grams, have a diameter of 0.850 inches, and contain 90 percent gold and 10 percent alloy, with the dates and in the amounts, as follows:

Year	Amount
1995	Not more than 175,000 each of 2 coins of different designs.
1996	Not more than 300,000 each of 2 coins of different designs.

(b) One Dollar Silver Coins.—The Secretary shall issue one dollar coins, each of which shall weigh 26.73 grams, have a diameter of 1.500 inches, and contain 90 percent silver and 10 percent copper, with the dates and in the amounts, as follows:

Year	Amount
1995	Not more than 750,000 each of 4 coins of different designs.
1996	Not more than 1,000,000 each of 4 coins of different designs.

(c) Half Dollar Clad Coins.—The Secretary shall issue half dollar coins, each of which shall weigh 11.34 grams, have a diameter of 30.61 millimeters and be minted to the specifications for half dollar coins contained in section 5112(b) of title 31, United States Code, with the dates and in the amounts, as follows:

Year	Amount
1995	Not more than 2,000,000 coins each of 2 coins of different designs.
1996	Not more than 3,000,000 coins each of 2 coins of different designs.

(d) Legal Tender.—The coins issued under this title shall be legal tender as provided in section 5103 of title 31, United States Code.

SEC. 103. SOURCES OF BULLION.

(a) Silver Bullion.—The Secretary shall obtain silver for the coins minted under this title only from stockpiles established under the strategic and Critical Materials Stock Piling Act.

(b) Gold Bullion.—The Secretary shall obtain gold for the coins minted under this title pursuant to the authority of the Secretary under existing law.

SEC. 104. DESIGN.

(a) Design Requirements.—The design of the coins authorized under this title shall be emblematic of the participation of athletes from the United States of America in the Olympic Games culminating in the 1996 Centennial Olympic Games in Atlanta, Georgia. On each such coin there shall be a designation of the value of the coin, an inscription of the date of the coin as specified pursuant to section 102, and inscriptions of the words "Liberty," "In God We Trust," "United States of America," and "E Pluribus Unum."

(b) Selection of Design.—The Secretary shall select the design of each coin authorized hereunder after consultation with the Commission of Fine Arts, the American Numismatic Association, and the Atlanta Centennial Olympic Properties, a joint venture formed by the Atlanta Committee for the Olympic Games, Inc. and the United States Olympic Committee (hereinafter in this title referred to as "Atlanta Centennial Olympic Properties").

SEC. 105. ISSUANCE OF THE COINS.

(a) Qualities.—The coins authorized under this title shall be issued in uncirculated and proof qualities, except that not more than one facility of the United States Mint may be used to strike any particular combination of denomination and quality.

(b) Sunset Provision.—No coins shall be minted under this title after December 31, 1996.

SEC. 106. SALE OF THE COINS.

(a) Sale Price.—Notwithstanding any other provisions of law, the coins authorized under this title shall be sold by the Secretary at a price equal to the face value, plus the cost of designing and issuing such coins (including labor, materials, dies, use of machinery, and overhead expenses).

(b) Bulk Sales.—The Secretary shall make bulk sales at a reasonable discount.

(c) Prepaid Orders at a Discount.—The Secretary shall accept prepaid orders for the coins prior to the issuance of such coins. Sales under this subsection shall be at a reasonable discount.

(d) Consignment.—The Secretary may sell the coins authorized under this title on a consignment basis to selective consignees to the extent such action shall reasonably be expected to increase the sale of such coins.

(e) Surcharge Required.—All sales shall include a surcharge of $50 per coin for the five dollar coins, $10 per coin for the one dollar coins, and $3 per coin for the clad coins.

(f) Marketing.—The Secretary, in cooperation with Atlanta Centennial Olympic Properties, shall develop and implement a marketing program to promote and sell the coins authorized hereunder both within the United States and internationally.

SEC. 107. GENERAL WAIVER OF PROCUREMENT REGULATIONS.

(a) In General.—Except as provided in subsection (b), no provision of law governing procurement or public contracts shall be applicable to the procurement of goods or services necessary for carrying out the provisions of this title.

(b) Equal Employment Opportunity.—Subsection (a) shall not relieve any person entering into a contract under the authority of this title from complying with any law relating to equal employment opportunity, except that no person shall be treated as a Federal contractor as a result of participating as a consignee of the United States Mint under section 106(d) for purposes of any reporting requirement with respect to any equal employment opportunity provision in any Federal procurement law.

SEC. 108. DISTRIBUTION OF SURCHARGES.

(a) In General.—All surcharges which are received by the Secretary from the sale of coins issued under this title shall be promptly paid by the Secretary to Atlanta Centennial Olympic Properties.

(b) Use of Proceeds.—

(1) In general.—Amounts received under subsection (a) (net of expenses incurred by Atlanta Centennial Olympic Properties in connection with the coin program) shall be distributed equally to the Atlanta Committee for the Olympic Games, Inc. and the United States Olympic Committee.

(2) ATLANTA COMMITTEE FOR THE OLYMPIC GAMES.—Amounts distributed to the Atlanta Committee for the Olympic Games, Inc. may be used by the Atlanta Committee for the Olympic Games, Inc. to stage and promote the 1996 Atlanta Olympic Games.

(3) UNITED STATES OLYMPIC COMMITTEE.—Amounts distributed to the United States Olympic Committee shall be used by the United States Olympic Committee for the objects and purposes of the Committee as established in the Amateur Sports Act of 1978.

(c) AMERICAN GOODS AND SERVICES REQUIRED.—

(1) IN GENERAL.—Notwithstanding any other provision of law—

(A) only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States;

(B) only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured in, and with services provided in, the United States; and

(C) only such services as are provided in the United States,

shall be acquired, directly or indirectly, by the Atlanta Committee for the Olympic Games, Inc. or the United States Olympic Committee with amounts provided to such Committees under this section.

(2) EXCEPTION.—Paragraph (1) shall not apply with respect to the acquisition of any article, material, supply, or service, as the case may be, by the Atlanta Committee for the Olympic Games, Inc. or the United States Olympic Committee which is not described in such paragraph if such Committee determines that—

(A) the cost of acquiring the article, material, supply, or service described in paragraph (1) is unreasonably expensive;

(B) articles, materials, or supplies of the class or kind to be used or acquired, or the articles, materials, or supplies from which they are manufactured, are not mined, produced, or manufactured in, or services involved with such manufacture are not available in, the United States; or

(C) services of the class or kind to be acquired are not provided in the United States.

SEC. 109. AUDITS.

The Comptroller General shall have the right to examine such books, records, documents, and other data of Atlanta Centennial Olympic Properties, Atlanta Committee for the Olympic Games, Inc., and the United States Olympic Committee as may be related to the expenditure of amounts received by such entities under section 108.

SEC. 110. FINANCIAL ASSURANCES.

(a) NO NET COST TO THE GOVERNMENT.—The Secretary shall take all actions necessary to ensure that the issuance of the coins authorized by this title shall result in no net cost to the United States Government.

(b) ADEQUATE SECURITY FOR PAYMENT REQUIRED.—No coin shall be issued under this title unless the Secretary has received—

(1) full payment for such coin;

(2) security satisfactory to the Secretary to indemnify the United States for full payment of the coin;

(3) a guarantee of full payment satisfactory to the Secretary from a depository institution whose deposits are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration Board; or

(4) an agreement acceptable to the Secretary that coins held in the custody of a consignee pursuant to section 106(d) are adequately secured.

SEC. 111. RECIPROCITY OF OLYMPIC COIN SALES.

With respect to any coin issued by a foreign country in commemoration of the 1996 Atlanta Centennial Olympic Games—

(1) the Secretary shall determine whether the foreign country accords (or, by January 1, 1995, will accord) the coins issued under this Act the same competitive treatment (including effective market access) as the United States accords the coins issued by the foreign country; and

(2) if not, the Secretary may ban the importation of such coins into the United States.

SEC. 112. REPORTS TO CONGRESS.

(a) REPORTS REQUIRED.—Not later than 15 days after the last day of each calendar quarter which ends before April 1, 1997, the Secretary shall transmit to the Committee on Banking, Finance, and Urban Affairs of the House of Representatives and the Committee on Banking, Housing and Urban Affairs of the Senate a report detailing activities carried out under this title during such quarter.

(b) CONTENTS OF REPORT.—The report shall include a review of all marketing activities under section 106 and a financial statement.

TITLE II—U.S. MINT REAUTHORIZATION

SEC. 201. SHORT TITLE.

This title may be cited as the "United States Mint Reauthorization and Reform Act of 1992".

Subtitle A—Reauthorization of Appropriations

SEC. 211. REAUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1993.

Section 5132(a) of title 31, United States Code, is amended—

(1) in paragraph (2)—

(A) by striking "$46,511,000" and inserting "$54,208,000"; and

(B) by striking "1988" and inserting "1993"; and

(2) by striking paragraphs (3) and (4).

Subtitle B—Reform of United States Mint Operations

SEC. 221. NUMISMATIC PUBLIC ENTERPRISE FUND ESTABLISHED.

(a) IN GENERAL.—Subchapter III of chapter 51 of subtitle IV of title 31, United States Code, is amended by adding at the end the following new section:

"§ 5134. Numismatic Public Enterprise Fund.

"(a) DEFINITIONS.—For purposes of this section—

"(1) FUND.—The term 'Fund' means the Numismatic Public Enterprise Fund.

"(2) MINT.— The term 'Mint' means the United States Mint.

"(3) NUMISMATIC ITEM.—The term 'numismatic item' means any medal, proof coin, uncirculated coin, bullion coin, or other coin specifically designated by statute as a numismatic item, including products and accessories related to any such medal, coin, or item.

"(4) NUMISMATIC OPERATIONS AND PROGRAMS.—The term 'numismatic operations and programs'—

"(A) means the activities concerning, and assets utilized in, the production, administration, sale, and management of numismatic items and the Numismatic Public Enterprise Fund; and

"(B) includes capital, personnel salaries, functions relating to operations, marketing, distribution, promotion, advertising, and official reception and representation, the acquisition or replacement of equipment, and the renovation or modernization of facilities (other than the construction or acquisition of new buildings).

"(5) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

"(b) ESTABLISHMENT OF FUND.—There is hereby established in the Treasury of the United States a revolving Numismatic Public Enterprise Fund consisting of amounts deposited in the fund under subsection (c)(2) of this section or section 221(b) of the United States Mint Reauthorization and Reform Act of 1992 which shall be available to the Secretary for numismatic operations and programs of the United States Mint without fiscal year limitation.

"(c) OPERATIONS OF THE FUND.—

"(1) PAYMENT OF EXPENSES.—Any expense incurred by the Secretary for numismatic operations and programs which the Secretary determines, in the Secretary's sole discretion, to be ordinary and reasonable incidents of the numismatic business shall be paid out of the Fund, including any expense incurred pursuant to any obligation or other commitment of Mint numismatic operations and programs which was entered into before the beginning of fiscal year 1993.

"(2) DEPOSIT OF RECEIPTS.—All receipts from numismatic operations and programs shall be deposited into the Fund.

"(3) TRANSFER OF SEIGNIORAGE.—The Secretary shall transfer monthly from the Fund to the general fund of the Treasury an amount equal to the total amount on the seigniorage of numismatic items sold since the date of any preceding transfer.

"(4) EXPENSES OF CITIZENS COMMEMORATIVE COIN ADVISORY COMMITTEE.—For purposes of paragraph (1), any expense incurred by the Secretary in connection with the Citizens Commemorative Coin Advisory Committee established under section 5135 shall be treated as an expense incurred for numismatic operations and programs which is an ordinary and reasonable incident of the numismatic business.

"(5) TRANSFER OF EXCESS AMOUNTS TO THE TREASURY.—

"(A) IN GENERAL.—At such times as the Secretary determines to be appropriate, the Secretary shall transfer any amount in the Fund which the Secretary determines to be in excess of the amount required by the Fund to the Treasury for deposit as miscellaneous receipts.

"(B) REPORT TO CONGRESS.—The Secretary shall submit an annual report to the Congress containing—

"(i) a statement of the total amount transferred to the Treasury pursuant to subparagraph (A) during the period covered by the report;

"(ii) a statement of the amount by which the amount on deposit in the Fund at the end of the period covered by the report exceeds the estimated operating costs of the Fund for the 1-year period beginning at the end of such period; and

"(iii) an explanation of the specific purposes for which such excess amounts are being retained in the Fund.

"(d) BUDGET TREATMENT.—

"(1) IN GENERAL.—The Secretary shall prepare budgets for the Fund, and estimates and statements of financial condition of the Fund in accordance with the requirements of section 9103 which shall be submitted to the President for inclusion in the budget submitted under section 1105.

"(2) INCLUSION IN ANNUAL REPORT.—Statements of the financial condition of the Fund shall be included in the Secretary's annual report on the operation of the Mint.

"(3) TREATMENT AS WHOLLY OWNED GOVERNMENT CORPORATION FOR CERTAIN PURPOSES.—Section 9104 shall apply to the Fund to the same extent such section applies to wholly owned Government corporations.

"(e) FINANCIAL STATEMENTS, AUDITS, AND REPORTS.—

"(1) ANNUAL FINANCIAL STATEMENT REQUIRED.—By the end of each calendar year, the Secretary shall prepare an annual financial statement of the Fund for the fiscal year which ends during such calendar year.

"(2) CONTENTS OF FINANCIAL STATEMENT.—Each statement prepared pursuant to paragraph (1) shall, at a minimum, reflect—

"(A) the overall financial position (including assets and liabilities) of the Fund as of the end of the fiscal year;

"(B) the results of the numismatic operations and programs of the Fund during the fiscal year;

"(C) the cash flows or the changes in financial position of the Fund; and

"(D) a reconciliation of the financial statement to the budget reports of the Fund.

"(3) ANNUAL AUDITS.—

"(A) IN GENERAL.—Each annual financial statement prepared under paragraph (1) shall be audited—

"(i) by—

"(I) an independent external auditor; or

"(II) the Inspector General of the Department of the Treasury,

as designated by the Secretary; and

"(ii) in accordance with the generally accepted Government auditing standards issued by the Comptroller General of the United States.

"(B) AUDITOR'S REPORT REQUIRED.—The auditor designated to audit any financial statement of the Fund pursuant to subparagraph (A) shall submit a report—

"(i) to the Secretary by March 31 of the year beginning after the end of the fiscal year covered by such financial statement; and

"(ii) containing the auditor's opinion on—

"(I) the financial statement of the Fund;

"(II) the internal accounting and administrative controls and accounting systems of the Fund; and

"(III) the Fund's compliance with applicable laws and regulations.

"(4) ANNUAL REPORT ON FUND.—

"(A) REPORT REQUIRED.—By April 30 of each year, the Secretary shall submit a report on the Fund for the most recently completed fiscal year to the President, the Congress, and the Director of the Office of Management and Budget.

"(B) CONTENTS OF ANNUAL REPORT.—The annual report required under subparagraph (A) for any fiscal year shall include—

"(i) the financial statement prepared under paragraph (1) for such fiscal year;

"(ii) the audit report submitted to the Secretary pursuant to paragraph (3)(B) for such fiscal year;

"(iii) a description of activities carried out during such fiscal year;

"(iv) a summary of information relating to numismatic operations and programs contained in the reports on systems on internal accounting and administrative controls and accounting systems submitted to the President and the Congress under section 3512(c);

"(v) a summary of the corrective actions taken with respect to material weaknesses relating to numismatic operations and programs identified in the reports prepared under section 3512(c);

"(vi) any other information the Secretary considers appropriate to fully inform the Congress concerning the financial management of the Fund; and

"(vii) a statement of the total amount of excess funds transferred to the Treasury.

"(5) MARKETING REPORT.—

"(A) REPORT REQUIRED FOR 10 YEAR.—For each fiscal year beginning before fiscal year 2003, the Secretary shall submit an annual report on all marketing activities and expenses of the Fund to the Congress before the end of the 3-month period beginning at the end of such fiscal year.

"(B) CONTENTS OF REPORT.—The report submitted pursuant to subparagraph (A) shall contain a detailed description of—

"(i) the sources of income including surcharges; and

"(ii) expenses incurred for manufacturing, materials, overhead, packaging, marketing, and shipping.".

(b) INITIAL FUNDING OF FUND FROM EXISTING NUMISMATIC OPERATIONS.—

(1) IN GENERAL.—As soon as practicable after the end of fiscal year 1992, the Secretary of the Treasury shall transfer to the Fund—

(A) from the Mint's numismatic profits for such fiscal year, an amount which the Secretary determines to be necessary—

(i) to meet existing numismatic liabilities and obligations; and

(ii) to provide working capital for Mint numismatic operations and programs; and

(B) all numismatic receivables, and the numismatic operations and programs (including liabilities and other obligations) of the United States Mint, and the land and buildings of the San Francisco Mint, the Old San Francisco Mint, and the West Point Mint, capitalized at current book value as carried in the Mint combined statement of financial condition.

(2) EXCESS AMOUNTS TO BE DEPOSITED IN THE GENERAL FUND.—That portion of the total amount of numismatic profits for fiscal year 1992 which remains after the transfer to the Fund pursuant to paragraph (1)(A) is made shall be deposited by the Secretary in the general fund of the Treasury as soon as practicable after the end of the fiscal year.

(3) DEFINITIONS.—For purposes of paragraphs (1) and (2)—

(A) NUMISMATIC PROFIT.—The term "numismatic profit" means the amount which is equal to the proceeds (including seigniorage) from the sale of numismatic items minus the costs of numismatic operations and programs.

(B) NUMISMATIC RECEIVABLE.—The term "numismatic receivable" means any account receivable from numismatic operations and programs, including chargebacks, returned checks, amounts due from special order sales, and amounts due from consignment sales.

(C) OTHER TERMS.—The terms "Fund" and "numismatic item" have the meaning given to such terms in the amendment made by subsection (a).

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 5132(a)(1) of title 31, United States Code, is amended—

(A) by striking the 2d sentence and inserting the following new sentence: "Expenditures made from appropriated funds which are subsequently determined to be properly chargeable to the Numismatic Public Enterprise Fund established by section 5134 shall be reimbursed by such Fund to the appropriation."; and

(B) by striking the last sentence and inserting the following new sentence: "Except with respect to amounts deposited in the Numismatic Public Enterprise Fund in accordance with section 5134, the Secretary may not use amounts the Secretary receives from profits on minting coins or from charges on gold or silver bullion under section 5122 to pay officers and employees.".

(2) Effective October 1, 1992, the following provisions of law are hereby repealed:

(A) Section 2(f) of the Gold Bullion Coin Act of 1985.

(B) Section 8 of the Dwight David Eisenhower Commemorative Coin Act of 1988.

(C) Section 10 of the Mount Rushmore Commemorative Coin Act.

(D) Section 12 of the United Service Organization's 50th Anniversary Commemorative Coin Act.

(E) Section 10 of the 1992 Olympic Commemorative Coin Act.

(F) Section 10 of the Korean War Veterans Memorial Thirty-Eighth Anniversary Commemorative Coin Act.

(G) Section 110 of the 1992 White House Commemorative Coin Act.

(H) Section 210 of the World Cup USA 1994 Commemorative Coin Act.

(I) Section 410 of the Frank Annunzio Act.

(d) CLERICAL AMENDMENT.—The table of sections for subchapter III of chapter 51 of subtitle IV of title 31, United States Code, is amended by inserting after the item relating to section 5133 the following new item:

"5134. Numismatic Public Enterprise Fund.".

(e) SCOPE OF APPLICATION.—The amendments made by this section shall apply with respect to fiscal years beginning after fiscal year 1992.

SEC. 222. COST OF COIN BAGS AND PALLETS INCLUDED WITHIN MEANING OF COST OF DISTRIBUTING COINS.

The 4th sentence of section 5111(b) of title 31, United States Code, is amended by inserting ", including the cost of coin bags and pallets" before the period.

SEC. 223. PROTECTION OF THE NAME "UNITED STATES MINT".

Section 709 of title 18, United States Code, is amended by inserting immediately after the 11th undesignated paragraph the following new paragraph:

"Whoever, except with the written permission of the Director of the United States Mint, knowingly uses the words 'United States Mint' or 'U.S. Mint' or any colorable imitation of such words, in connection with any advertisement, circular, book, pamphlet, or other publication, play, motion picture, broadcast, telecast, or other production, in a manner reasonably calculated to convey the impression that such advertisement, circular, book, pamphlet, or other publication, play, motion picture, broadcast, telecast, or other production, is approved, endorsed, or authorized by or associated in any manner with, the United States Mint; or".

SEC. 224. REPAIR AND IMPROVEMENT OF THE UNITED STATES MINT AT PHILADELPHIA.

Section 5131 of title 31, United States Code, is amended by striking subsection (e).

SEC. 225. TECHNICAL AMENDMENTS RELATING TO THE REDESIGNATION OF THE BUREAU OF THE MINT AS THE UNITED STATES MINT.

(a) REDESIGNATION OF THE BUREAU OF THE MINT AS THE UNITED STATES MINT.—Section 304(a) of title 31, United States Code, is amended by striking "Bureau of the Mint" and inserting "United States Mint".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 304(b)(1) of title 31, United States Code, is amended by striking "Bureau" and inserting "Mint".

(2) The heading for section 304 of title 31, United States Code, is amended to read as follows:

"§ 304. United States Mint".

(3) The 1st sentence of section 5131(a) of title 31, United States Code, and the 1st and 3d sentences of section 5132(a) of such title are each amended by striking "Bureau of the Mint" each place such term appears and inserting "United States Mint".

(4) Sections 5131(b) and 5132(c) of title 31, United States Code, are each amended by striking "Bureau" and inserting "United States Mint".

(5) The heading for subchapter III of chapter 51 of title 31, United States Code, is amended to read as follows:

"SUBCHAPTER III—UNITED STATES MINT".

(6) The table of sections for chapter 51 of title 31, United States Code, is amended by striking the item relating to subchapter III of such chapter and inserting the following:

"SUBCHAPTER III—UNITED STATES MINT".

SEC. 226. CLARIFICATION OF LAW RELATING TO THE CODIFICATION OF TITLE 31, UNITED STATES CODE.

(a) INSCRIPTION REQUIREMENTS.—Section 5112(d)(1) of title 31, United States Code, is amended—

(1) in the 1st sentence, by inserting "shall" before "have"; and

(2) in the 2d and 3d sentences, by striking "has" and inserting "shall have".

(b) CURRENCY REDEMPTION REQUIREMENT.—Section 5119(b)(2) of title 31, United States Code, is amended to read as follows:

"(2) REDEMPTION, CANCELLATION, AND DESTRUCTION OF CURRENCY.—The Secretary shall—

"(A) redeem any currency described in paragraph (1) from the general fund of the Treasury upon presentment to the Secretary; and

"(B) cancel and destroy such currency upon redemption.".

SEC. 227. GENERAL WAIVER OF PROCUREMENT REGULATIONS FOR GOLD AND SILVER BULLION COINS.

Section 5112 of title 31, United States Code, is amended by adding at the end the following new subsection:

"(j) GENERAL WAIVER OF PROCUREMENT REGULATIONS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), no provision of law governing procurement or public contracts shall be applicable to the procurement of goods or services necessary for minting, marketing, or issuing any coin authorized under paragraph (7), (8), (9), or (10) of subsection (a) or subsection (e), including any proof version of any such coin.

"(2) EQUAL EMPLOYMENT OPPORTUNITY.—Paragraph (1) shall not relieve any person entering into a contract with respect to any coin referred to in such paragraph from complying with any law relating to equal employment opportunity.".

SEC. 228. AUTHORITY OF THE SECRETARY OF THE TREASURY TO CHANGE THE SIZE, WEIGHT, DESIGN, AND ALLOY OF GOLD BULLION COINS.

Section 5112(i) of title 31, United States Code, is amended by adding at the end the following new paragraph:

"(4)(A) Notwithstanding any other provision of law and subject to subparagraph (B), the Secretary of the Treasury may change the diameter, weight, or design of any coin minted under this subsection or the fineness of the gold in the alloy of any such coin if the Secretary determines that the specific diameter, weight, design, or fineness of gold which differs from that otherwise required by law is appropriate for such coin.

"(B) The Secretary may not mint any coin with respect to which a determination has been made by the Secretary under subparagraph (A) before the end of the 30-day period beginning on the date a notice of such determination is published in the Federal Register.".

SEC. 229. CITIZENS COMMEMORATIVE COIN ADVISORY COMMITTEE.

(a) IN GENERAL.—Subchapter III of chapter 51 of subtitle IV of title 31, United States Code, is amended by inserting after section 5134 (as added by section 221 of this subtitle) the following new section:

"§ 5135. Citizens Commemorative Coin Advisory Committee

"(a) ESTABLISHMENT REQUIRED.—

"(1) IN GENERAL.—The Secretary of the Treasury shall establish a Citizens Commemorative Coin Advisory Committee (hereafter in this section referred to as the 'Advisory Committee') to advise the Secretary on the selection of subjects and designs for commemorative coins.

"(2) OVERSIGHT OF ADVISORY COMMITTEE.—The Advisory Committee shall be subject to the direction of the Secretary of the Treasury.

"(3) MEMBERSHIP.—

"(A) VOTING MEMBERS.—The Advisory Committee shall consist of 7 members appointed by the Secretary of the Treasury—

"(i) 3 of whom shall be appointed from among individuals specially qualified to serve on the committee by reason of their education, training, or experience in art, art history, museum or numismatic collection curation, or numismatics;

"(ii) 1 of whom shall be appointed from among officers or employees of the United States Mint who will represent the interests of the Mint; and

"(iii) 3 of whom shall be appointed from among individuals who will represent the interest of the general public.

"(B) NONVOTING MEMBER.—A member of the Commission of Fine Arts may participate in the proceedings of the Advisory Committee as a nonvoting member.

"(4) TERMS.—No individual shall be appointed to serve as a member of the Advisory Committee for a term in excess of 5 years.

"(5) COMPENSATION; TRAVEL EXPENSES.—

"(A) NO COMPENSATION.—Members of the Advisory Committee shall serve without pay.

"(B) TRAVEL EXPENSES.—Members of the Advisory Committee shall be entitled to receive travel or transportation expenses, or a per diem allowance in lieu of expenses, while away from such member's home or place of business in connection with such member's service on the Advisory Committee.

"(6) FUNDING.—The expenses of the Advisory Committee which the Secretary of the Treasury determines are reasonable and appropriate shall be paid by the Secretary in the manner provided in section 5134.

"(b) DUTIES.—

"(1) PREPARATION OF PROPOSALS FOR COMMEMORATIVE COINS FOR 5-YEAR PERIOD.—The Advisory Committee shall—

"(A) designate annually the events, persons, or places that the Advisory Committee recommends be commemorated by the issuance of commemorative coins in each of the 5 calendar years succeeding the year in which such designation is made;

"(B) make recommendations with respect to the mintage level for any commemorative coin recommended under subparagraph (A); and

"(C) submit a report to the Congress containing a description of the events, persons, or places which the Committee recommends be commemorated by a coin, the mintage level recommended for any such commemorative coin, and the committee's reasons for such recommendations.

"(2) DESIGN SELECTION.—The Advisory Committee shall review proposed designs for commemorative coins and provide recommendations to the Secretary of the Treasury with respect to such proposals.

"(c) FEDERAL ADVISORY COMMITTEE ACT NOT APPLICABLE.—The Federal Advisory Committee Act shall not apply to the Advisory Committee.".

(b) CLERICAL AMENDMENT.—The table of sections for subchapter III of chapter 51 of subtitle IV of title 31, United States Code, is amended by inserting after the item relating to section 5134 (as added by section 211 of this subtitle) the following new item:

"5135. Numismatic Public Enterprise Fund.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. TORRES] will be recognized for 20 minutes, and the gentleman from California [Mr. MCCANDLESS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. TORRES].

Mr. TORRES. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I rise in support of the 1996 Atlanta Centennial Olympic Games Commemorative Coin Act.

I am delighted that the subcommittee has been able to support the U.S. effort for the 1996 Olympic Games to be held in Atlanta, GA. Our country and specifically the city of Atlanta have the privilege of hosting the Centennial of the Olympic Games.

I have worked closely with my esteemed colleague from the State of Georgia, Mr. BARNARD, to craft an excellent bill. I appreciate his willingness to work with me and my staff to make some changes that will not only help the 1996 Olympic Coin Program, but also help the U.S. Mint in all of its programs.

I ask my colleagues to support the bill and support the U.S. Olympic effort. Our athletes need our support to continue to train for the Olympics.

Mr. Speaker, I reserve the balance of my time.

Mr. MCCANDLESS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased and I want to repeat that, I am pleased to rise in strong support of the DOUG BARNARD, JR.—1996 Atlanta Centennial Olympic Games Commemorative Coin Act.

Our Olympic athletes represent us, the American people.

We, as a nation, have every right to be proud of our athletes, and in their competitive skills.

Because our Olympic athletes do not receive Government subsidies, a coin program is an ideal means by which to raise the funds necessary to participate in the international games.

A commemorative coin program gives all Americans an opportunity to support our athletes and to share in their efforts.

The 1996 Summer Olympics will generate a very high level of interest for two reasons.

First, they will be the centennial games, commemorating the 100th anniversary of the re-establishment of the ancient tradition.

And second, the games will be in the United States, in the city of Atlanta.

I must admit that when I first saw the 2 year, multicoin, proposal, I had some reservations about the size and scope of the program.

However, after hearings on the bill, I repeat that, after hearings on the bill, and upon review of the detailed analysis which accompanied the proposal, it seemed to be a rather innovative approach.

Because we are talking about the Centennial Olympics, here in the United States, I am willing to support a very broad program.

In closing, I am very pleased to note that the Subcommittee on Consumer Affairs and Coinage adopted an amendment, which I offered, to the title of this bill.

That amendment honors our distinguished colleague from Georgia, DOUG BARNARD, who, after 16 years in the House of Representatives, is retiring.

Few people in Congress command the respect and admiration from both sides of the aisle, I might add, as does DOUG BARNARD.

Few Members of Congress have the expertise and experience that our colleague from Georgia brought to the House and to the Banking Committee, and we are always indebted.

Those of us who have had the honor and the privilege to serve with DOUG, and who have benefited from his wise counsel and friendship over the years, know how much he will be missed.

I support this legislation, and I reserve the balance of my time.

Mr. TORRES. Mr. Speaker, I thank my colleague from California, the ranking minority member of our subcommittee, for agreeing with us on this measure. In fact, I thank him for having introduced the title of the bill, the DOUG BARNARD, Jr—1996 Atlanta Centennial Olympic Games Commemorative Coin Act, and certainly the name and the title of that act is well deserved for the gentleman from Atlanta.

Mr. Speaker, I yield such time as he may consume to the gentleman from Atlanta, GA [Mr. BARNARD] to speak on this act.

Mr. BARNARD. Mr. Chairman, at the outset I certainly want to thank the chairman of this distinguished committee, the gentleman from California [Mr. TORRES] for the support that he has given us in producing this very fine bill, H.R. 3654, the Atlanta coin bill. And certainly I want to thank the gentleman from California [Mr. MCCANDLESS] my dear friend, for his kindness and courtesy in identifying the title of this bill as he has so done. I am certainly honored by this designation, I am humbled by it, and I am very proud of it.

This is an historic moment this morning as we pass this bill, not because of the title but because of the fact that in 1996 we will be observing the 100th anniversary of the modern-day Olympics, and it will be in the United States. That is very important. But just as important to me is the fact that it is going to be in my home State of Georgia, and we are very proud. We are working hard to make this one of the best if not the best Olympics in the last century, and we are very proud of that and working very hard toward that.

This bill that we are bringing before the House tonight is no exception from the standpoint of hard work. As the gentleman from California [Mr. MCCANDLESS] has said, we have diligently prepared marketing studies, we have worked with the numismatics of the country, we have worked in order to structure a bill that would be as ideal as far as the coin program could be, and with great pride I can recommend it to the Members of the House this morning.

Mr. Speaker, I would appreciate very much if the gentleman from California [Mr. TORRES], chairman of the subcommittee, would enter into a colloquy.

Mr. TORRES. If the gentleman will yield, I am pleased to engage in a colloquy with my colleague from Atlanta.

Mr. BARNARD. Mr. Chairman, these Olympic coins have tremendous sales potential. Is it the intent of Committee on Banking, Finance and Urban Affairs that the U.S. Mint employ creativity and aggressiveness in marketing the coins under this act in order to maximize sales of the coins?

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Mr. TORRES. The gentleman is correct. The committee expects the mint to work with the Atlanta Committee for the Olympic games to prepare an advertising budget which really reflects the increased markets and tremendous potential of this program.

Mr. BARNARD. Is it the committee's intent that the mint pursue the reestablishment of a successful consignment program?

Mr. TORRES. That is correct. I can attest to that. Yes.

Mr. BARNARD. Does the committee expect the mint to build on the international marketing program developed through the World Cup Coin Program, and develop a budget for international sales taking into account the growth based on that very worthwhile program?

Mr. TORRES. Yes. The World Cup Soccer Coin Program does have great international sales potential. The committee does indeed expect the mint to build on that potential in the Atlanta Olympic Program.

Mr. BARNARD. A successful marketing effort depends on coordination with the promotional efforts related to the Olympic games. In order to maximize sales, the mint must work with the marketing partnership of the USOC and ACOG, Atlanta Centennial Olympic Properties. Is it the committee's intent that the mint cooperate and coordinate its marketing efforts with Atlanta Centennial Olympic Properties, and consult with it as the mint solicits and selects providers of advertising and public relation services?

Mr. TORRES. Yes, the gentleman is correct on that, too.

Mr. BARNARD. The Olympic Coin Program is going to be a large one, designed to sell coins in the United States and throughout the world. Marketing and sales decisions must take into account the three markets that must be effectively serviced—the collector, souvenir, and international. Does the committee intend that the mint include both the souvenir and international markets in the initial pre-issue and bulk offerings, and that the mint consider utilizing more flexible plans for selling coins to collectors?

Mr. TORRES. That is the intent of the committee, making sure that there is an effective marketing program and that it is carried out with other mint coin programs. The gentleman is probably aware, I say to the gentleman from Georgia [Mr. BARNARD], that I and the committee have been guaranteeing that the mint carry out this type of program with the world soccer coin as well.

Mr. BARNARD. Well, I thank the chairman for that statement, and as he knows and we all know, on this committee, good coin design is essential to the successful coin program. Does the committee expect the mint to use marketing experts or focus groups in evaluating coin design to ensure marketability?

Mr. TORRES. Yes, indeed, it does. The committee believes that coin designs must be evaluated for their appeal to purchasers, as with the marketing practices that I just mentioned; the committee believes that experts should participate in evaluating the esthetic aspects of good coin design to ensure that collectors and the numismatic community is satisfied out there in the collector community.

Mr. BARNARD. I want to thank the distinguished chairman for this colloquy and, at the same time, thank him for his cooperation throughout in this bill, and also the participation of the staff, who have done an excellent job in helping us forge this legislation.

Mr. TORRES. I thank the gentleman from Georgia, and I once again congratulate him for having the name of this act carried with him, once again, indicating the tremendous service that he has provided not only for the State of Georgia but to the Members and to this Congress of the United States. I thank the gentleman.

Mr. McCANDLESS. Mr. Chairman, I yield such time as he may consume to the distinguished ranking minority member of the Committee on Banking, Finance and Urban Affairs, the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. Mr. Speaker, I thank my friend, the gentleman from California, for yielding me this time again.

I am pleased that the gentleman from California [Mr. McCANDLESS] is supporting this legislation. It makes it a lot easier for me.

But I rise to commend the gentleman from Georgia [Mr. BARNARD] for introducing the bill on behalf of the entire Georgia delegation.

I rise to day in strong support of H.R. 3654, the Doug Barnard, Jr.—1996 Atlanta Centennial Olympic Games Commemorative Coin Act. I would like to commend Subcommittee Chairman TORRES for moving this bill through the committee in a timely manner and I am pleased Congressman MCCANDLESS is supporting this legislation.

I would especially like to commend Congressman BARNARD for introducing this bill on behalf of the entire Georgia delegation. I would also like to take this opportunity to say that my dear friend and colleague, Mr. BARNARD, he will be missed after 16 years in the House of Representatives. The contributions he has made to both the Banking Committee and the House of Representatives have been invaluable, and his retirement will be a tremendous loss to this institution and to those of us who have had the privilege to work closely with him. It is most appropriate that this coin bill be named in his honor.

The United States has been given the rare opportunity to host the Olympic summer games in 1996 and, in addition, to host the 100th anniversary of the modern Olympics. The United States, however, is the only country which does not use Government funds to support its athletes.

Therefore, revenue generated from this coin program is greatly needed to help ensure that enough private funds are raised to host the games and to support our athletes.

The Olympic game committees, the Olympic athletes, the mint, and the coin collectors have all expressed their strong dedication to making this coin program a success. I urge my colleagues to support the 1996 Olympic Coin Program to allow our American citizens to contribute toward an event which symbolizes patriotism, talent, and the spirit of competition.

Mr. McCANDLESS. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia [Mr. GINGRICH], the distinguished minority whip.

Mr. GINGRICH. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I wanted to say thank you, first of all, to the bipartisan leadership on the subcommittee for reporting this bill and to congratulate my good friend, the gentleman from Georgia [Mr. BARNARD], for having this bill named for him.

You know, he has bipartisan respect for the job he has done, not just in banking, but as a Member of this body. We are going to miss him in the Georgia delegation, and I think on a bipartisan basis throughout the House.

I wanted to rise both to recognize his role and also to indicate my strong support for this bill.

It is a tremendous thing for Atlanta to have the 100th anniversary of the modern Olympics in Atlanta in 1996. It is a great opportunity and one that, under Billy Payne's leadership, we are all working together to try to ensure that Atlanta and the United States live up to creating the finest Olympics ever.

With the money which I understand may amount to as much as $100 million, divided between the U.S. Olympic Committee and the Atlanta Olympic Committee, coming out of this bill on a voluntary basis from those citizens that want to participate, this is a major step forward in making sure the Olympics are truly a remarkable and memorable event in Atlanta.

But I want to thank the committee, both the chairman, the gentleman from California [Mr. TORRES], the ranking member, the gentleman from California [Mr. MCCANDLESS], and I want to thank all of the folks who helped us, and, again, I just want to say to the gentleman from Georgia [Mr. BARNARD], thank you for all of your leadership. We are going to miss you. I think this is a very, very appropriate bill to name for you.

Mr. MCCANDLESS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. TORRES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have had much discussion tonight about Georgia, indeed, in thanking our colleague, the gentleman from Georgia [Mr. BARNARD].

I would be remiss if I did not correct the RECORD and say that although we have talked a lot about Atlanta tonight, he is not from Atlanta. He is from Augusta, GA, and I would like to correct the RECORD to that degree.

Mr. ROWLAND. Mr. Speaker, I rise in strong support of H.R. 3654, the Doug Barnard, Jr. 1996 Atlanta Centennial Olympic Games Commemorative Coin Act.

As we look toward the upcoming Olympic games in Barcelona, I believe that we can begin to get even more excited about hosting the games in our own country. In only 4 short years the City of Atlanta and the State of Georgia have the honor of being host to the 1996 Olympics.

It is time to plan and prepare to host the finest Olympic games ever held. We must have the resources necessary to fund the requirements that go along with the 1996 games. The Olympic Coin bill will produce an estimated $100 million dollars that will be used to stage the 1996 games in Atlanta, GA.

I am pleased that this coin bill bares the name of my good friend and fellow Georgian, Doug Barnard, who worked so hard to bring this bill to the floor. We certainly will miss Doug next year.

I ask my colleagues to join me in support of this bill that will serve as a means of generating revenue to promote the 1996 Olympic games.

GENERAL LEAVE

Mr. BARNARD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3654, the bill now under consideration.

The SPEAKER pro tempore (Mr. MCDERMOTT). Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DARDEN. Mr. Speaker, I rise today in strong support of the Doug Barnard, Jr. 1996 Atlanta Centennial Olympic Games Commemorative Coin Act.

As many of you know, 1991 was an amazing year in the sports life of Atlanta, which had once been designated by Sports Illustrated as "Loserville." Evander Hollyfield became the heavyweight champion of the world. Georgia Tech was the national collegiate football champions. The Atlanta Braves won the National League pennant. And, Atlanta was designated as the host for the 1996 Summer Olympic games.

But while the awarding of the Olympics was important to Atlanta, it was more important to our Nation. Competing with cities throughout the world for the honor of hosting the 1996 Olympics, Atlanta, and the United States, was found to be the city with the most promise and potential for a successful Olympiad. The entire Nation applauded the International Olympic Committee's decision.

But now, the real work begins. We must come together as a nation to promote and fund these games. The 1996 Olympics will require tremendous time, dedication, organization, and funding to be successful. This Commemorative Coin Act, which has been named after my friend and colleague, is the first step toward funding these games. I urge the support of the House.

Mr. MCMILLEN of Maryland. Mr. Speaker, I rise in strong support of H.R. 3654.

The honor of participating in the 1972 Munich games was one of the most exciting times of my life. I feel strongly that the Olympic games are among the finest traditions in the human experience. Through the spirit of friendly competition, political and ideological differences are put aside, and the drive towards human excellence is fostered.

H.R. 3654, the Olympic coin legislation, is an important component of the Olympic movement, for it is one of the key avenues of providing funding for our Olympic athletes.

As many know, the United States remains one of the only nations in the world which does not provide direct funding to Olympic athletes. While the private sector plays the greatest role in providing assistance to our Olympians, the coin bill provides needed funding at no cost to the U.S. taxpayer.

The revenue generated by the coin bill creates the kind of crucial support for athletes which allows them the time to train for the games. It allows for the flexibility without which Olympic careers remain nothing more than dreams.

The coin legislation also provides funding for grassroots programs, funding for training equipment and facilities at the Olympic training centers, and other uses. The revenue raised by H.R. 3654 through its surcharges will also benefit the Atlanta Committee on the Olympic Games and the U.S. Olympic Committee. While it is not the only source of revenue for the U.S. Olympic movement, it is an important one, and has a proven track record, both for the 1984 games, as well as the 1988 games.

As a former Olympian, I understand the keen importance of amateur athletics, and how important funding or the lack of funding is to an Olympic career. Consequently, I commend Chairman TORRES and Representative BARNARD for their efforts on this legislation, and urge passage of H.R. 3654.

Mr. TORRES. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. TORRES] that the House suspend the rules and pass the bill, H.R. 3654, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: Amend the title so as to read: "An Act To provide for the minting of commemorative coins to support the 1996 Atlanta Centennial Olympic Games and the programs of the United States Olympic Committee, to reauthorize and reform the United States Mint, and for other purposes.".

A motion to reconsider was laid on the table.

FOOD SECURITY ACT OF 1985 AMENDMENTS

Mr. DE LA GARZA. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 2780) to amend the Food Security Act of 1985 to remove certain easement requirements under the conservation reserve program, and for other purposes.

The Clerk read as follows:

S. 2780

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REMOVAL OF CERTAIN EASEMENT REQUIREMENTS UNDER CONSERVATION RESERVE PROGRAM.

(a) CONSERVATION RESERVE.—Section 1231(b)(4)(C) of the Food Security Act of 1985 (16 U.S.C. 3831(b)(4)(C)) is amended by striking ", and made subject to an easement for the useful like of,".

(b) CONVERSION OF LAND SUBJECT TO CONTRACT TO OTHER CONSERVING USES.—Section 1235A(a)(2) of such Act (16 U.S.C. 3835a(a)(2)) is amended—

(1) by striking subparagraph (A) and inserting the following new subparagraph:

"(A) EXTENSION OF CONTRACT.—With respect to a contract that is modified under this section that provides for the planting of hardwood trees, windbreaks, shelterbelts, or wildlife corridors, if the original term of the contract was less than 15 years, the owner or operator may extend the contract to a term of not to exceed 15 years.";

(2) by striking subparagraph (B); and

(3) by redesignating subparagraph (C) as subparagraph (B).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. DE LA GARZA] will be recognized for 20 minutes and the gentleman from Missouri [Mr. COLEMAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 2780, and recommend its adoption by the Members of the House.

S. 2780 would amend the Food Security Act of 1985 to remove certain easement requirements under the conservation reserve program. These requirements have become an unintended impediment to enrollment of additional lands in the conservation reserve program [CRP]. The elimination of these requirements is necessary to restore interest in the enrollment in the CRP of certain lands to provide cost-effective soil erosion and water quality protection in many areas of the Midwest.

The problem that this legislation seeks to correct is related to a provision in the Food, Agriculture, Conservation, and Trade Act [FACTA] of 1990 which requires that certain conservation plantings be protected with an easement covering their useful life in order to qualify for enrollment in the conservation reserve program [CRP]. Thus, croplands that are newly established living snow fences, permanent wildlife habitat, windbreaks, shelterbelts, or filterstrips devoted to trees or shrubs must be made subject to an easement for the useful life of the plantings in order to qualify for entry into the CRP during the 1991 through 1995 calendar years.

The problem is that in developing the regulations for the CRP, as amended by the 1990 FACTA, the Department of Agriculture extended the useful life easement requirements to other lands which might qualify for conservation reserve enrollment. This includes croplands that are newly created, permanent grass sod waterways, or are contour grass sod strips established and maintained as part of an approved conservation plan. These were also made subject to a useful life easement in order to qualify for enrollment. While this was not the Congress' intention in adopting this portion of the legislation, the decision of the Department of Agriculture to extend the useful life easement requirements to include grass sod waterways and strips has apparently reduced interest among farmers in enrolling these lands in the conservation reserve.

In order to eliminate this disincentive, S. 2780 would drop the useful life easement requirement as a condition of eligibility for enrollment in the CRP. In addition, S. 2780 would strike the provision of current law that requires easements to be placed on any highly erodible cropland subject to an existing CRP contract that the owner wishes to convert to windbreaks, shelterbelts, or wildlife corridors.

I would like to stress that my support for S. 2780 should not in any way be interpreted to diminish my commitment or that of the Committee on Agriculture to other easement programs which were a part of the FACTA, such as the wetland reserve program [WRP] and the environmental easement program.

The WRP has been particularly well-received, with interest in enrollment far exceeding the resources available for easements. I would recommend no changes in this program except additional funding to permit its full implementation.

Mr. Speaker, the Department of Agriculture supports the enactment of S. 2780 and intends to implement it as a part of future signups for the CRP.

I urge my colleagues to support the passage of S. 2780.

Mr. Speaker, I reserve the balance of my time.

Mr. COLEMAN of Missouri. Mr. Speaker, I rise in support of S. 2780, a bill to remove certain easement requirements provided for in the Conservation Reserve Program established under the Food Security Act of 1985.

This Senate bill was referred to our committee and favorably reported by voice vote on June 25, 1992.

This bill makes two relatively minor but important amendments to section 1231(b)(4)(C) and section 1235A(a)(2) of the Food Security Act of 1985 (FS Act).

The first amendment (section 1231(b)(4)(C)) would provide that certain highly erodible croplands enrolled under contract in the CRP Program that are planted to hardwood trees, windbreaks, shelterbelts, or wildlife corridors will no longer be made subject to an easement for the useful life of such conservation practices.

The second amendment would amend section 1235A(a)(2) of the FS Act of 1985 by rewording subparagraph (A) so as to continue to permit CRP contracts where the owner has converted the highly erodible cropland from vegetative cover to hardwood trees, windbreaks, shelterbelts, or wildlife corridors to extend the contract to 15 years and deleting subparagraph (B) that requires such windbreaks etc. be subject to a conservation easement for the useful life of such plantings.

I am advised by representatives of USDA that these easement restrictions that were placed on certain highly erodible cropland devoted to relatively permanent conservation practices were for periods of 15 or 30 years. The easement areas were often required to be surveyed at some expense and a deed restriction filed in the local county recorder of deeds (or equivalent) office.

USDA representatives advise that on certain CRP sign-up periods as many as 80 percent of the bidders refused to enter contracts if they entailed such easements. They also advise that if a participant in the CRP Program agrees to extend the contract to 15 years and plant more permanent cover on a portion of the land, the amount the producer would be eligible to receive for the cost-sharing of payments from USDA for establishing the more permanent-type of cover to the land would have deducted therefrom any cost-sharing payment made to the producer for the vegetative cover planted earlier.

Farm groups, such as the American Farm Bureau Federation, support this bill, as does the U.S. Department of Agriculture. I urge the passage of S. 2780.

□ 0030

Mr. COLEMAN of Missouri. Mr. Speaker, I yield back the balance of my time.

Mr. DE LA GARZA. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MCDERMOTT). The question is on the motion offered by the gentleman from Texas [Mr. DE LA GARZA] that the House suspend the rules and pass the bill, S. 2780.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on S. 2780, the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

ANNOUNCEMENT OF APPOINTMENT AS MEMBERS OF COMMISSION ON SECURITY AND COOPERATION IN EUROPE

The SPEAKER pro tempore. Without objection pursuant to the provisions of section 3 of Public Law 93-304, as amended by section 1 of Public Law 99-7, the Chair announces the Speaker's appointment as members of the Commission on Security and Cooperation in Europe the following members of the House:

Mr. FASCELL of Florida, Chairman; Mr. JENKINS of Georgia; Mr. HERTEL of Michigan; Mr. FEIGHAN of Ohio; Mr. TANNER of Tennessee; Mr. FALEOMAVAEGA of American Samoa; Mr. BROOMFIELD of Michigan; Mr. BEREUTER of Nebraska, and Mr. COLEMAN of Missouri.

There was no objection.

TEXT OF EXCHANGE OF DIPLOMATIC NOTES BETWEEN THE UNITED STATES AND INDONESIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I am pleased to transmit to the Congress, pursuant to sections 123 b. and 123 d. of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153 (b), (d)), the text of an exchange of diplomatic notes between the United States and Indonesia dated August 23, 1991, constituting an agreement to extend for 10 years the Agreement for Cooperation Between the United States of America and the Republic of Indonesia Concerning Peaceful Uses of Nuclear Energy signed at Washington, June 30, 1980. I am also pleased to transmit my written approval, authorization, and determination concerning the extension and a memorandum by the Director of the United States Arms Control and Disarmament Agency including a Nuclear Proliferation Assessment Statement. The joint memorandum submitted to me by the Secretary of State and the Secretary of Energy, which also includes other agency views, is also enclosed.

The proposed extension of the agreement for cooperation with the Republic of Indonesia has been negotiated in accordance with the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978 and as otherwise amended. In my judgment, the proposed extension meets all statutory requirements and will advance the non-proliferation and other foreign policy interests of the United States. It provides for the agreement to remain in force for an additional period of 10 years. In all other respects, the text of the agreement remains the same as that reviewed favorably by the Congress in 1980/1981.

Indonesia is a party to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and is fully in compliance with its nuclear non-proliferation commitments under that Treaty.

I have considered the views and recommendations of the interested agencies in reviewing the proposed extension and have determined that continued performance of the agreement for cooperation will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I approved the agreement on extension and authorized its execution. I urge that the Congress give it favorable consideration.

This transmission shall constitute a submittal for purposes of both sections 123 b. and 123 d. of the Atomic Energy Act. The Administration is prepared to begin immediately consultations with the Senate Foreign Relations and House Foreign Affairs Committees as provided in section 123 b. Upon completion of the 30-day continuous session period provided for in section 123 b., the 60-day continuous session period provided for in section 123 d. shall commence.

GEORGE BUSH.

THE WHITE HOUSE, *June 30, 1992.*

VACATING SPECIAL ORDERS

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent to vacate the 60 minute special orders for the gentleman from Wisconsin [Mr. OBEY] on June 30, July 1, and July 2, 1992.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

ON BOSNIA-HERCEGOVINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. LIPINSKI] is recognized for 5 minutes.

Mr. LIPINSKI. Mr. Speaker, the people of Bosnia-Hercegovina have endured 4 months of terrorism and 7,500 deaths at the hands of Serbian forces. During this time, they have pleaded for Western intervention. They wondered: Where are the Europeans? Where are the Americans?

Well, Mr. Speaker, they now have an answer to the first question. President Mitterrand of France arrived in Sarajevo on Sunday to demonstrate his solidarity with the citizens of Bosnia-Hercegovina. Considering the warfare in Sarajevo, I believe this was an unusual act of bravery on the part of President Mitterrand. I also salute him for taking this important symbolic step to show the world has not forgotten the Bosnians.

Yesterday a French plane carrying 6 tons of medicine and other supplies arrived in Sarajevo to provide some much-needed relief. This coincided with Serbian forces turning the airport over to the United Nations. The United Nations Security Council also voted to send 1,000 Canadian troops from Croatia to secure the airport.

Where were the Americans while this was taking place? While Mitterrand was rallying the shell-shocked people of Sarajevo, President Bush was vainly trying to rally American voters for 4 more years. On Yugoslavia, the administration is still waiting in the wings hoping the turmoil is somehow resolved. The White House says its needs to wait and see how the United Nations structures its peacekeeping force. The State Department says it will support any United Nations effort to supply humanitarian assistance if the United Nations chooses to do so. Even then, it would only play a supportive role.

There is no leadership here. It amazes me that this is the same administration which put together a historic coalition to liberate Kuwait. Jim Hoagland wrote in the Washington Post that the administration appears to see Yugoslavia more as a public relations problem to be managed than a threat to international peace to be resolved. I have to agree. The administration's efforts to date have been motivated more by domestic and world opinion rather than by humanitarian concern.

The irony here is that the turmoil in Yugoslavia may be resolved despite the administration's head-in-the-sand policy. Serbian aggression appears to be faltering. The Yugoslav Army has withdrawn from Bosnia-Hercegovina. Serbian troops in Bosnia are in disarray and on the retreat. Even Serbian President Milosevic looks to be in danger. More than 100,000 Serbs in Belgrade demonstrated against him on Sunday, and another 30,000 demonstrated yesterday.

Yet as always during the year-old conflict in Yugoslavia, my hope is restrained by the realization that the ethnic conflicts are not easily resolved. We have seen dozens of cease-fires broken and the danger of another major outburst of fighting is always present. Just yesterday Serbian forces shelled parts of northeast Sarajevo.

Mr. Speaker, we can say that progress has been made. But we cannot say that the end is clearly in sight. I call on the President to exercise his power as the leader of the free world to put an end to the bloodshed in Bosnia-Hercegovina. The President should not wait for the United Nations to take action, the President should lead it into action. While he looks to Europe and most of Europe looks to him, the death toll in Bosnia-Hercegovina only increases.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GEKAS (at the request of Mr. MICHEL), for today and the balance of the week, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DE LA GARZA) to revise and extend their remarks and include extraneous material:)

Mr. OBEY, for 5 minutes each day, today and on July 1, 2, 7, 8, 9, and 10.

Mr. HUBBARD, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mrs. COLLINS of Illinois, for 5 minutes each day, on July 1, 2, 7, 8, 9, 10, 20, 21, 22, 23, 24, 27, 28, 29, 30, and 31.

(The following Members (at the request of Mr. COLEMAN of Missouri) to revise and extend their remarks and include extraneous material:)

Mr. CUNNINGHAM, for 60 minutes, today.

Mrs. BENTLEY, for 5 minutes, today.

Mr. GOSS, for 60 minutes, on July 1.

Mr. RHODES, for 5 minutes, on July 1.

Mr. GUNDERSON, for 5 minutes, on July 1.

Mr. WALKER, for 5 minutes, on July 1.

Mr. LEACH, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. COLEMAN of Missouri) and to include extraneous matter:)

Mr. THOMAS of California.
Mr. HOPKINS.
Mr. PORTER.
Mr. WOLF.
Mr. RIDGE.
Mr. SUNDQUIST.
Mr. MICHEL.
Mr. BLILEY.
Mr. YOUNG of Alaska.
Mr. ROGERS.
Mr. BOEHNER, in two instances.

(The following Members (at the request of Mr. DE LA GARZA) and to include extraneous matter:)

Mr. MANTON.
Mr. NEAL of Massachusetts in two instances.
Mr. DOWNEY.
Mr. MURTHA.
Mr. SIKORSKI.
Mr. BERMAN.
Mr. FASCELL.
Mr. CLEMENT.
Mr. VISCLOSKY.
Mr. HOCHBRUECKNER.
Mr. SCHEUER.
Mr. RAY.

ENROLLED JOINT RESOLUTION SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 459. Joint resolution designating the week beginning July 26, 1992 as "Lyme Disease Awareness Week."

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2905. An act to provide a 4-month extension of the transition rule for separate capitalization of savings associations' subsidiaries.

ADJOURNMENT

Mr. DE LA GARZA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 36 minutes a.m.), the House adjourned until today, Wednesday, July 1, 1992, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3840. A letter from the Office of General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to clarify sections 3380 and 8380, relating to delays of promotions, as they apply to officers serving on full time National Guard duty; to the Committee on Armed Services.

3841. A letter from the Chairman, National Advisory Council on International Monetary and Financial Policies, transmitting the annual report of the National Advisory Council on International Monetary and Financial Policies for fiscal year 1990, pursuant to 22 U.S.C. 284b, 285b(b), 286b(b)(5), 286b-1, 286b-2(a), 290i-3; to the Committee on Banking, Finance and Urban Affairs.

3842. A letter from the Secretary of Education, transmitting final regulations—Education Department general administrative regulations, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3843. A letter from the Secretary of Education, transmitting final regulations—Higher Education Programs in Modern Foreign Language Training and Area Studies—Group Projects Abroad Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3844. A letter from the Secretary of Education, transmitting final regulations—Pell Grant Program—Expected family contributions for students with special conditions, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3845. A letter from the Secretary of Labor, transmitting the annual report on the administration of the Black Lung Benefits Act for the period January 1 through December 31, 1991, pursuant to 30 U.S.C. 936(b); to the Committee on Education and Labor.

3846. A letter from the Director, Office of Management and Budget, transmitting OMB's estimate of the amount of discretionary new budget authority and outlays for the current year (if any) and the budget year provided by H.R. 5132, pursuant to Public Law 101-508, section 13101(a) (104 Stat. 1388-578); to the Committee on Government Operations.

3847. A letter from the Bureau of Reclamation, Department of the Interior, transmitting a copy of a report entitled "Steinaker Dam Modification Report, Safety of Dams Program"; to the Committee on Interior and Insular Affairs.

3848. A letter from the Chief Justice, Supreme Court of the United States transmitting a copy of the report of the Proceedings of the Judicial Conference of the United States held on March 16, 1992, pursuant to 28 U.S.C. 331; to the Committee on the Judiciary.

3849. A letter from the National Tropical Botanical Garden, transmitting the annual audit report of the National Tropical Botanical Garden, calendar year 1992, pursuant to Public Law 88-449, section 10(b) (78 Stat. 489); to the Committee on the Judiciary.

3850. A letter from the Secretary of Energy, transmitting a draft of proposed legislation entitled "Alaska Power Administration Sale Authorization Act"; jointly, to the Committees on Interior and Insular Affairs, Public Works and Transportation, Energy and Commerce, Government Operations, Ways and Means, and the Judiciary.

REPORT OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 11. A bill to amend the Internal Revenue Code of 1986 to provide tax incentives for the establishment of tax enterprise zones, and for other purposes; with an amendment (Rept. 102-631). Referred to the Committee on the Whole House on the State of the Union.

Mr. ROSTENKOWSKI: Committee on Ways and Means. House Joint Resolution 502. Resolution disapproving the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of the People's Republic of China (Rept. 102-632). Referred to the Committee on the Whole House on the State of the Union.

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 3562. A bill relating to the use of unobligated moneys in the Customs forfeiture fund; with an amendment (Rept. 102-633, Pt. 1). Ordered to be printed.

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 4318. A bill to make certain miscellaneous and technical amendments to the Harmonized Tariff Schedule of the United States, and for other purposes; with an amendment (Rept. 102-634). Referred to the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. House Concurrent Resolution 246. Resolution expressing the sense of Congress with respect to the relation of trade agreements to health, safety, labor, and environmental laws of the United States (Rept. 102-635, Pt. 1). Ordered to be printed.

Mr. DE LA GARZA: Committee on Agriculture. S. 2780. An act to amend the Food Security Act of 1985 to remove certain easement requirements under the conservation reserve program, and for other purposes (Rept. 102-636). Referred to the Committee on the Whole House on the State of Union.

Mr. GORDON: Committee on Rules. H. Res. 506. Resolution waiving certain points of order against and during consideration of the bill (H.R. 5503) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1993, and for other purposes (Rept. 102-637). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DORNAN of California.

H.R. 5511. A bill to amend the Animal Welfare Act to prohibit dog racing involving the use of live animals as visual lures, to prohibit the training with such lures of dogs for dog racing, and to make such act applicable to facilities that are used for dog racing or dog race training; to the Committee on Agriculture.

By Mr. RANGEL (for himself and Mr. COUGHLIN):

H.R. 5512. A bill to amend the Controlled Substances Act and the Controlled Substances Import and Export Act with respect to the drug fentanyl; jointly, to the Committee on Energy and Commerce and the Judiciary.

By Mr. CAMPBELL of California:

H.R. 5513. A bill to amend the Internal Revenue Code of 1986 and the Balanced Budget and Emergency Deficit Control Act of 1985 to eliminate the Federal budget deficit by the end of fiscal year 1998; jointly, to the Committees on Ways and Means and Government Operations.

By Mr. DINGELL (for himself, Mr. WAXMAN, Mr. SCHEUER, Mr. ECKART, Mr. MANTON, and Mr. TOWNS):

H.R. 5514. A bill to provide for health care for all Americans in an affordable manner; jointly, to the Committee on Energy and Commerce, Ways and Means, and Education and Labor.

By Mr. KOPETSKI:

H.R. 5515. A bill to amend the Internal Revenue Code of 1986 to allow a reasonable cause exception for the failure to make certain payments with respect to partnerships and S corporations not using a required taxable year; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska:

H.R. 5516. A bill to authorize the Department of Energy to sell the Eklutna and Snettisham Projects administered by the Alaska Power Administration, and for other purposes; jointly, to the Committee on Interior and Insular Affairs, Public Works and Transportation, and Energy and Commerce.

By Mr. CLEMENT (for himself, Mr. COOPER, Mr. DUNCAN, Mr. GORDON, Mrs. LLOYD, Mr. QUILLEN, Mr. SUNDQUIST, Mr. TANNER, Mr. ALEXANDER, Mr. ANNUNZIO, Mr. APPLEGATE, Mr. BLILEY, Mr. BROWDER, Mr. DE LA GARZA, Mr. FROST, Mr. GEREN of Texas, Mr. GINGRICH, Mr. GONZALEZ, Mr. GUARINI, Mr. HORTON, Mr. HUGHES, Mr. JENKINS, Mr. KASICH, Mr. LIPINSKI, Mr. MCDERMOTT, Mr. MCMILLEN of Maryland, Mr. MONTGOMERY, Mr. NEAL of Massachusetts, Mr. PARKER, Mr. ROBERTS, Mr. ROE, Mr. SHAW, Mr. SISISKY, Mr. SKELTON, Ms. SLAUGHTER, Mr. STUMP, Mr. TALLON, Mr. VANDER JAGT, Mr. VENTO, Mr. WOLF):

H.J. Res. 520. Joint resolution to designate the month of October 1992 as "Country Music Month"; to the Committee on Post Office and Civil Service.

By Mr. PURSELL:

H. Con. Res. 340. Concurrent resolution recognizing the accomplishments of the National Eye Institute; to the Committee on Energy and Commerce.

By Mr. APPLEGATE:

H. Con. Res. 341. Concurrent resolution expressing the sense of the Congress in support of a "Jump Start America" proposal to restore economic growth and prosperity, to retain and restore American jobs, and to balance the Federal budget; jointly, to the Committees on Foreign Affairs, Ways and Means, Banking, Finance and Urban Affairs, Armed Services, Public Works and Transportation, Government Operations, Energy and Commerce, and Education and Labor.

By Mr. RAHALL:

H. Con. Res. 342. Concurrent resolution expressing the sense of the Congress that there should be free and democratic elections in the West Bank and Gaza; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 127: Mr. THOMAS of Wyoming.

H.R. 371: Mr. SARPALIUS and Mr. STENHOLM.

H.R. 643: Mr. PORTER.

H.R. 784: Mr. TAYLOR of North Carolina and Mr. MCMILLEN of Maryland.

H.R. 1186: Mr. KYL, Mr. MYERS of Indiana, Mr. DUNCAN, Mr. BLACKWELL, Mr. BLILEY, and Mr. RHODES.

H.R. 1435: Mr. HUGHES.

H.R. 1554: Mr. PETERSON of Minnesota.

H.R. 1771: Mr. ASPIN, Mr. COX of Illinois, and Mr. DIXON.

H.R. 2071: Mr. KOSTMAYER.

H.R. 2782: Mr. BONIOR.

H.R. 2972: Mr. ABERCROMBIE and Mr. DEFAZIO.

H.R. 3026: Mr. ANDREWS of Maine and Mr. ANDREWS of New Jersey.

H.R. 3545: Mr. WYLIE.

H.R. 3598: Mr. TORRICELLI, Mr. HARRIS, and Mr. NICHOLS.

H.R. 3764: Mr. RITTER.

H.R. 3836: Mr. VENTO, Mr. ABERCROMBIE, and Mr. SMITH of Oregon.

H.R. 4045: Mr. MAZZOLI, Mr. JEFFERSON, and Mr. ENGEL.

H.R. 4124: Ms. NORTON.

H.R. 4401: Mr. GUNDERSON, Mr. BEREUTER, Mr. FAZIO, Mr. PASTOR, and Mrs. MORELLA.

H.R. 4406: Mr. ATKINS.

H.R. 4498: Mr. BONIOR.

H.R. 4748: Mr. NAGLE.

H.R. 4755: Mr. OXLEY, Mr. PETERSON of Florida, and Mr. MORRISON.

H.R. 4895: Mr. HANCOCK.

H.R. 4909: Mr. QUILLEN and Mr. MCNULTY.

H.R. 4910: Mr. ZELIFF, Mr. WALSH, Mr. DOWNEY, and Mr. DANNEMEYER.

H.R. 5013: Mr. LEVIN of Michigan, Mr. RICHARDSON, Mr. HUGHES, and Mr. ENGEL.

H.R. 5064: Mr. GUARINI, Mr. MARTINEZ, Mr. COLORADO, Mr. LAROCCO, Mr. STALLINGS, and Mr. ATKINS.

H.R. 5155: Mr. ZELIFF.

H.R. 5211: Mr. GILLMOR, Mr. CRAMER, and Mr. NEAL of North Carolina.

H.R. 5216: Mr. BACCHUS.

H.R. 5229: Mr. HAMMERSCHMIDT, Mr. RIGGS, Mr. WALSH, Mr. SANTORUM, Mr. COX of California, Mr. GALLEGLY, Mr. DANNEMEYER, and Mr. LAGOMARSINO.

H.R. 5240: Mr. SPRATT, Mr. LIGHTFOOT, Mr. VOLKMER, Mr. RHODES, Mr. HORTON, and Mr. COMBEST.

H.R. 5294: Mr. TRAFICANT, Mr. EVANS, and Mrs. COLLINS of Michigan.

H.R. 5320: Mr. TRAFICANT and Mr. EVANS.

H.R. 5396: Mr. MRAZEK, Mr. BEREUTER, Mr. MOLLOHAN, Mr. MARLENEE, and Mr. VALENTINE.

H.R. 5421: Mr. CRANE.

H.R. 5424: Mr. MILLER of California, Mr. FROST, and Mr. HUGHES.

H.R. 5433: Mr. DUNCAN.

H.R. 5462: Mr. BOEHNER, Mr. BARTON of Indiana, and Mr. HERGER.

H.R. 5484: Mr. GLICKMAN and Mrs. MEYERS of Kansas.

H.J. Res. 399: Mr. SMITH of New Jersey, Mr. MCCRERY, Mr. HAMMERSCHMIDT, Mr. ROTH, and Mr. DINGELL.

H.J. Res. 411: Mr. KENNEDY, Mr. SOLARZ, Mr. STUMP, Mr. WOLPE, and Mr. LANTOS.

H.J. Res. 455: Mr. LEVINE of California and Mr. CHANDLER.

H.J. Res. 474: Mr. UPTON, Mr. JACOBS, Mr. DOWNEY, Mr. BLILEY, Mrs. MEYERS of Kansas, and Mr. OWENS of Utah.

H.J. Res. 475: Mr. MARTINEZ.

H.J. Res. 484: Mr. MCMILLEN of Maryland, Mr. HENRY, Mr. SANDERS, Mr. KOPETSKI, Mr. MACHTLEY, Mr. SAXTON, Mr. QUILLEN, Mr. KASICH, Mr. WOLF, Mrs. MINK, Mr. ROSE, Mr. GRANDY, Mr. HORTON, Mr. HAYES of Illinois, Mr. HOAGLAND, Mr. BLILEY, Mr. CRAMER, Mr. PURSELL, Mr. HAMILTON, Ms. DELAURO, Mr. OWENS of New York, Mr. FAZIO, Mr. SUNDQUIST, Mr. BROWDER, Mr. LAFALCE, Mr. GORDON, Mr. HUGHES, Mr. COX of Illinois, Mr. GUARINI, Ms. HORN, Mr. TANNER, Mrs. ROUKEMA, Mr. SERRANO, Mr. HALL of Texas, Mr. MCCLOSKEY, Mr. FROST, and Mr. PAXON.

H.J. Res. 486: Mr. FRANKS of Connecticut, Mr. HUTTO, Mr. HALL of Texas, Mr. JAMES, Mr. MARTINEZ, Mr. PAYNE of Virginia, Mr. LEHMAN of Florida, Mr. SARPALIUS, Mr. HUGHES, Mr. JONES of North Carolina, Mr. MRAZEK, Mrs. MORELLA, Mr. WASHINGTON, Mr. ROYBAL, Mr. HERGER, Mr. ORTIZ, Mr. FORD of Tennessee, Mr. ECKART, Mr. LANCASTER, Mr. ROWLAND, Mrs. BOXER, Mr. LANTOS, Mr. TAUZIN, and Ms. OAKAR.

H.J. Res. 488: Mr. DEFAZIO.

H.J. Res. 489: Mr. HUGHES, Mr. FRANK of Massachusetts, and Mr. CARPER.

H. Con. Res. 87: Ms. NORTON, Mr. TOWNS, Mr. SMITH of Florida, Mr. SKEEN, and Mr. HYDE.

H. Con. Res. 203: Mr. LENT, Mr. BENNETT, Mrs. LOWEY of New York, Mr. TOWNS, Mr. ROE, Mr. ZELIFF, and Mr. ATKINS.

H. Res. 490: Mr. KASICH, Mr. PORTER, Mr. SOLOMON, Mr. HANCOCK, Mr. WOLF, Mr. REGULA, Mr. HOBSON, Mr. HOYER, Mr. BUNNING, Mr. MCMILLAN of North Carolina, Mr. BACCHUS, Mr. COYNE, Mr. NEAL of Massachusetts, Mr. OXLEY, Mr. HORTON, Mr. CAMPBELL of California, Mr. COUGHLIN, Mr. MCEWEN, Mrs. MORELLA, Mr. JOHNSON of Texas, Mr. MONTGOMERY, Mr. DUNCAN, Mr. WALSH, Mr. MYERS of Indiana, Mr. MILLER of Ohio, Mr. QUILLEN, Mr. SUNDQUIST, Mr. THOMAS of California, Mr. LEWIS of Florida, Mr. GONZALEZ, Mr. NATCHER, Mr. BARNARD, Mr. HARRIS, Mr. STENHOLM, Mr. NUSSLE, Mr. HENRY, Mr. MOORHEAD, and Mr. EMERSON.

PETITIONS, ETC.

Under clause 1 of rule XXII,

164. The SPEAKER presented a petition of the council of the city of New York, City Hall, NY, relative to H.R. 1300, the Universal Health Care Act; jointly, to the Committees on Armed Services, Energy and Commerce, Post Office and Civil Service, Veterans' Affairs, and Ways and Means.

EXTENSIONS OF REMARKS

UNITED STATES CAN STILL SALVAGE ITS POSITION ON EARTH SUMMIT

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. FASCELL. Mr. Speaker, the big Rio de Janeiro environmental conference is over and all the world knows that the United States played the spoilsport.

We came away from Rio as the bully nation that would not join the global green parade. President Bush reluctantly went along with some of the Rio agreements, but he balked at signing the really big one. He said the cost to the United States for the major biodiversity pact was too open-ended and that this environmental agreement, as spelled out at Rio, would cost American jobs.

The President noted that the United States has a distinguished record of environmental achievements. We have led the world for at least the last two decades. But the day of America writing blank checks is over, the President said.

The President was right as far as he went. We have certainly done our part for the environment over the years. And the new dollar costs might very well wind up being too rich for our national wallet. But what the President did not strive for at Rio was compromise. What he did not seek was the middle ground of environmental agreement—a common green base on which nations of goodwill can manage the environmental future of our planet.

Admittedly, Americans can't go it alone. It is unreasonable for the developing nations to look to us for a huge financial handout that they think will solve all their environmental ills. If there is one thing we have learned by hard experience it is that environmental sumpholes can't be soaked up by dumping money in them.

But what about international cooperative action? Why didn't the White House offer to sit down and talk. The stances taken by the administration at Rio were disappointing, not so much for the fact that we refused our full support, but more so in that we didn't sit down to work out our differences with our neighbor nations.

William Reilly, the chief U.S. negotiator at Rio, was obviously willing to talk things through, but the White House effectively tied his hands.

It is truly unfortunate that administration rhetoric and actions undercut U.S. stature, tarnished our image, and alienated many people of goodwill at the Rio conference. But even now it is not too late to reassess our position—and I hope the President will lead the way.

His followup could be more important than the conference itself.

Take, for instance, the major cause of the world's environmental disappointment with us in Rio:

This was the much-discussed, much-worked-over biodiversity agreement. It was signed by more than 150 countries—almost everyone but us. In its basic elements the pact is aimed at preserving the world's plants and animals and the natural systems, such as water, air, and soils, that support these lifeforms.

How could Americans be against the biodiversity pact? Well, we are only against part of it—the part that says: the developed world will fund the agreement and the developing world will have the biggest say in how the money is spent.

Another part says we'll turn over our environmental technology, our hard-won expertise—our patents and our licenses—free of charge to the developing nations. We balked strongly at that also.

Not hard to understand. It sounds as if the poor nations call the shots and we pay the bills—and donate our brainpower. But, what is left out of this equation is the fact that the White House announced we would not sign the pact even before the Rio meeting began. By refusing to discuss it we missed a golden opportunity to seek changes in it. The Brazilians quietly offered to help us out of our policy dilemma by acting as our go-between in working out changes. In effect, we spurned their offer and engendered Brazil's hostility.

So what's to be done at this late stage? Rio is over, isn't it?

Yes, but the President could still salvage some of the situation by working out his own clarification of provisions he didn't agree with, attaching it—and then signing the biodiversity pact. It's not too late for that.

The United States also quibbled over other agreements that merited lesser publicity—if not substance—at Rio. For instance, we used our superpower muscle to weaken a pact on reducing greenhouse gas emissions.

In summation, we acted at Rio like a petulant giant, kicking several slats out of the global environmental boat. We did not sink it, but we've weakened the forward momentum and we've seriously endangered our position as the world's environmental leader. Now we've got to play catch-up ball.

The long-term success of Rio will be measured not by the conference agreements reached, but by the global partnership that is shaped among the developed and developing nations. We've still got a chance to be a full-fledged and welcomed member of that partnership. Our shared commitment to actions and sustainable stewardship of the Earth's resources could be the enduring legacy of Rio.

MARYLAND LEADERS WARN ABOUT FATAL DRUG

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. RANGEL. Mr. Speaker, today Congressman LAWRENCE COUGHLIN and I are introducing legislation, at the request of the Drug Enforcement Administration, which would bring the penalties under the Controlled Substances Act, and the Controlled Substances Import and Export Act, for fentanyl and its analogues into line with those for heroin. Fentanyl and its analogues are synethic narcotics which are closely related pharmacologically to heroin. They differ from heroin mainly in their potency, onset of action, and duration of action.

This legislation in necessary because clandestinely produced fentanyl, called China white on the street, has began to reappear in fairly large quantities. According to an article in the Washington Post on March 31, 1992, "A powerful synthetic narcotic known as China White has killed at least 23 intravenous drug users in Maryland since late January, according to top (Maryland) health and law enforcement officials. Investigations said the drug, 100 times as potent as heroin is being shipped to Baltimore from New York." it does not take much fentanyl to kill someone, a lethal dose of the drug is about the size of three grains of salt.

Fentanyl citrate is commonly used as an anesthetic and analgesic in hospitals. In high doses, however, it quickly and totally suppresses the part of the brain that controls respiration. It is prudent to take action now which will inhibit people from marketing fentanyl as heroin, because no one knows when or where another rash of fentanyl-induced deaths may occur.

The way the law is currently written, 2½ times more heroin then fentanyl is required for the penalties of 21 U.S.C. section 841 to apply, even though fentanyl is approximately 50 times more potent as an analgesic than heroin. The number of dosage units of heroin necessary to invoke the most severe penalties is one-tenth the number of dosage units in fentanyl. Thus the threshold quantities for invoking the most severe penalties involving fentanyl and its analogues are high considering the relative potency of fentanyl and its analogues to that of heroin.

Specifically, Mr. Speaker, the legislation does four things. First, it decreases the threshold for fentanyl and its analogues by a factor of ten for the enhanced penalties under 21 U.S.C. 841 (b)(1)(A) to apply. Second, it decreases the threshold for fentanyl and its analogues by a factor of 10 for the enhanced penalties under 21 U.S.C. 841(b)(1)(B) to apply. Third, it inserts next to the technical name of the drug, the name fentanyl in 21 U.S.C.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

841(b)(1)(A)(vi) and 21 U.S.C. 841 (b)(a)(B)(vi) to clarify that the penalties apply to fentanyl and its analogues. Fourth, this legislation makes the thresholds for enhanced penalties for fentanyl and fentanyl and its analogues the same: 40 grams in 21 U.S.C. 841(b)(1)(A)(vi) and 4 grams in 21 U.S.C. 841(b)(1)(B)(vi).

Mr. Speaker, these modifications provide a rational basis for lowering the thresholds at which the enhanced penalties could be used. They also bring the thresholds in line with those of heroin. While it is late in the session, we are hopeful that this legislation can be enacted into law prior to the Congress adjourning for the year.

Mr. Speaker, I am inserting into the CONGRESSIONAL RECORD for the information of Members and the public an article from the Washington Post about the dangers of the synethic drug fentanyl. While cocaine, crack and heroin receive more publicity, fentanyl is also a deadly drug.

The text of the article follows:

[From the Washington Post, Mar. 31, 1992]

MARYLAND LEADERS WARN ABOUT FATAL DRUG

(By Richard Tapscott)

ANNAPOLIS, March 30.—A powerful synthetic narcotic known on the street as China White has killed at least 23 intravenous drug users in Maryland since late January, according to top health and law enforcement officials.

Investigators said the drug, 100 times as potent as heroin, is being shipped to Baltimore from New York. Seventeen of the overdose deaths between Jan. 25 and March 13 were in Baltimore. Montgomery and Prince George's counties each had one death.

Nelson J. Sabatini, secretary of the Department of Health and Mental Hygiene, said the drug, fentanyl citrate, is commonly used as an anesthetic in hospitals. In high doses, however, it quickly and fatally suppresses the part of the brain that controls respiration, Sabatini said.

"Anyone who uses this drug can die almost immediately," Gov. William Donald Schaefer said in issuing a statewide alert to hospital emergency rooms and drug treatment centers.

The first death was reported Jan. 25 in the Glen Echo area of Montgomery. The Prince George's death was March 12, health department officials said. Authorities declined to identify the two persons who died, saying an investigation is continuing.

Three overdose deaths from the drug were reported in Baltimore County. One was reported in neighboring Carroll County.

State police Lt. Col. Thomas Carr said China White popped up first in the mid-1980s in California, later in Pennsylvania and in 1991 in New York, where a dozen overdose deaths were reported. The only place the drug is known to be in use now is Maryland, Carr said.

He said the drug, which is difficult to detect in drug tests, could be used by addicts on parole or probation. However, Carr said it is likely that most users do not know the potency of the drug they are buying.

About 550 glassine bags of it were confiscated by Baltimore police last week. The drug takes its nickname from the slang term for pure Southeast Asian heroin, Carr said.

"All I can tell people is to stay away from heroin," Carr said during a news conference with the governor.

Sabatini said a lethal dose of the coarse-textured drug in dry form is about the size of three grains of salt.

"It's so lethal, people usually die before they get to the hospital," Sabatini said.

Schaefer, flanked by Sabatini and Carr at the news conference, said he hopes to take a more active role in the fight against drugs this summer.

"China White is a deadly drug," the governor warned. "You can kill yourself. I don't know how to put it any more dramatically."

A JOINT LETTER TO CHAIRMAN NATCHER

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. BERMAN. Mr. Speaker, I am placing in the RECORD today a joint letter to Chairman NATCHER of the Appropriations Subcommittee on Labor, Health and Human Services and Education. In the letter, which was circulated by Mr. SCHUMER of New York and myself and signed by 116 of our colleagues, we ask Chairman NATCHER for an appropriation of $521 million, the minimum amount needed to adequately maintain refugee and entrant assistance programs.

Since the passage of the Refugee Act of 1980, the Federal Government, State and local governments, and private voluntary organizations have cooperated to provide healthcare services, English education, job training, and other services and benefits to refugees who for special humanitarian, foreign policy, and family reunification reasons have been granted the right to reside here. States, localities and private agencies have committed millions of dollars to this partnership, yet Federal funding has steadily eroded. The President's proposal to cut Federal funding for these programs by almost one-half could destroy the program altogether.

Mr. Speaker, worldwide events continue to reinforce the vital humanitarian role of our refugee programs and ensure that refugee issues remain a priority foreign policy concern. We urge the Appropriations Committee to adequately fund these important programs.

HOUSE OF REPRESENTATIVES,
Washington, DC, June 26, 1992.

Hon. WILLIAM NATCHER,
Chairman, House Appropriations Subcommittee on Labor, Health and Human Services and Education, Washington, DC.

DEAR MR. CHAIRMAN: As you prepare to mark-up the FY1993 Labor/HHS Appropriations bill, we are writing to express our strong support for funding the Refugee and Entrant Assistance Programs at the $521 million level for Fiscal Year 1993—the amount contained in Chairman Mazzoli's Refugee Authorization bill.

The President's Budget calls for barely half the funding for this essential program—from the FY92 level of $410.6 million to a mere $227 million. The proposed reductions would particularly impact the Refugee Cash and Medical Program [RCMA] which has been the heart of the Department of Health and Human Services refugee assistance efforts. As you know, the Refugee Act of 1980 established a cooperative partnership between the states, the private sector and the Federal Government. The states and the private agencies are deeply committed to this partnership, obligating millions of dollars to aid resettlement. However, this effort has been seriously hampered because of declining federal support for domestic refugee resettlement. Funding for FY92 allowed for a maximum of eight months of reimbursement to states for only certain refugees, down from the 36 months envisaged in the Refugee Act and provided in the early 1980's. It is not an exaggeration to say that a further cut in refugee funding in FY93 could destroy the program altogether.

While there has been debate among the states, local and county governments and various private voluntary agencies as to possible changes in the program, all are agreed that any changes in the administration of refugee resettlement cannot succeed without adequate funding. At the President's requested level, no agency or group will be able to provide even the minimum level of services required to forestall dependency for thousands of refugees.

Sadly, worldwide events continue to reinforce the vital humanitarian role of our refugee programs and ensure that refugee issues remain a priority foreign policy concern. In recognition of this, the House Foreign Affairs Committee and House Foreign Operations Subcommittee, while freezing or cutting other function 150 accounts, significantly boosted Migration and Refugee Assistance. The world refugee population has grown from 15 to over 17 million in just the past two years and our increased assistance is a commitment to caring for and eventually repatriating the vast majority of that number. The United States admits and resettles just a tiny fraction of the world's refugees who, because of special humanitarian, foreign policy or family reunification concerns, are extended the right to reside in this country. Our assistance helps these oppressed and endangered refugees from around the world become successful and productive citizens.

We expect and anticipate that Congress will pass a refugee reauthorization bill, supported by all those committed to successful refugee resettlement, before your appropriations conference is completed. Meanwhile, we reemphasize our belief in and commitment to the refugee program and ask that you fund domestic refugee resettlement at $521 million.

Sincerely,

Major R. Owens, William Lehman, Dante Fascell, Larry Smith, Lawrence J. Bilirakis, Sam Gibbons, Patricia Schroeder, Benjamin A. Gilman, Harry Johnston, Hamilton Fish, Jr., Bill McCollum, Constance A. Morella, Bill Lowery, James L. Oberstar, Martin Olav Sabo, Bruce F. Vento.

Chester A. Atkins, Wayne Owens, Benjamin L. Cardin, Gerry Sikorski, Robert J. Lagomarsino, Stephen J. Solarz, Collin C. Peterson, John Bryant, Gary A. Condit, Robert Dornan, Gary L. Ackerman, George J. Hochbrueckner, Michael R. McNulty, Sherwood L. Boehlert, Sander M. Levin, Norman F. Lent.

Ed Pastor, Edolphus Towns, Charles B. Rangel, Ronald K. Machtley, Thomas J. Manton, Bill Paxon, Michael J. Kopetski, Henry J. Nowak, John J. LaFalce, Les AuCoin, Glenn M. Anderson, Mel Levine, Matthew G. Martinez, Julian Dixon, George E. Brown, Jr.

Robert Matsui, Norman Y. Mineta, Don Edwards, George Miller, Vic Fazio, Ron

Dellums, Mervyn Dymally, Esteban Torres, Rick Lehman, Calvin Dooley, Tony Beilenson, Nancy Pelosi, Pete Stark, Henry Waxman, Tom Lantos, Maxine Waters, Barbara Boxer, Leon Panetta.

Eleanor Holmes Norton, Tim Johnson, Tom McMillen, Sid Morrison, William J. Jefferson, Porter J. Goss, John T. Doolittle, Thomas J. Downey, Eliot L. Engel, Floyd H. Flake, Raymond J. McGrath, Nita M. Lowey, Edward F. Feighan, Frank D. Riggs, James H. Scheuer, Louise M. Slaughter, Ted Weiss, John Edward Porter.

Lane Evans, Carlos J. Moorhead, Jim Bacchus, Jim Slattery, Patsy T. Mink, Henry J. Hyde, Ileana Ros-Lehtinen, Elton Gallegly, Romano L. Mazzoli, William J. Coyne, Bill Clay, Donald M. Payne, William O. Lipinski, Jolene Unsoeld, Kweisi Mfume, Ike Skelton, Alan Wheat, Thomas M. Foglietta.

John W. Cox, Jr., Barbara B. Kennelly, Thomas J. Ridge, James P. Moran, Joseph P. Kennedy II, Jerry F. Costello, Al Swift, Ron Wyden, Frank Annunzio, Dan Glickman, Jose E. Serrano, Jerry Lewis, John Lewis.

Members of Congress.

LEONARD MILLER'S 87TH BIRTHDAY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. MICHEL. Mr. Speaker, on Friday, June 26, 1992, Leonard Miller, known to his friends as "Pooch", celebrated his 87th birthday.

Born in Charlotte, NC, on June 26, 1905, he has lived in the District of Columbia since 1919 and has been married to Hilda Jean Miller for 35 years.

I make mention of "Pooch" because he has served us well in the Members' dining room for the past 24 years. He is one of those dedicated employees, loyal to the standards of the House of Representatives, who help make it possible for the Congress to function.

I am certain we all join in wishing him many happy returns.

IN SUPPORT OF THE WETLANDS RESERVE PROGRAM

HON. THOMAS J. RIDGE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. RIDGE. Mr. Speaker, I rise today to express my strong support for the Wetlands Reserve Program, a program which is vital to our efforts to preserve this Nation's wetlands. I understand that the House Appropriations Committee was unable to fund this program even at a level equal to last year's level of $46 million. Unfortunately as well, efforts made earlier today to offer an amendment to fund this program were thwarted. This is of great concern to me, and I trust that House and Senate conferees will restore funding for this critically important program later this year.

At a time when the wetlands issue has become one of the most hotly debated environmental issues before the courts and the U.S. Congress, I am strongly opposed to stepping back from a program which will protect water quality and wetlands through a voluntary, incentive-based approach. I can think of no better way for this Nation to protect one of its greatest natural resources.

I am all too familiar with the many budget constraints that the Appropriations Committee and this Congress face as we attempt to slash our Federal deficit. Yet, I am also cognizant that cutting the corners on a valuable program such as this may cost us a great deal more down the road, not only in monetary terms but also in terms of the cost to our environment.

This program was authorized, with my strong support, as part of the 1990 farm bill. Although I had favored, and in fact, authored legislation to protect 2.5 million acres of wetlands, the eventual compromise was designed to enroll 1 million acres into reserve. The farming community's serious commitment to wetlands preservation and protection was clearly illustrated by enactment of this provision.

Now is no time to turn our backs on that commitment. Until Congress exercises the will to enact comprehensive wetlands legislation, conservation and regulatory reform will continue to dominate environmental debates. To that end, this reserve program—a program which will apply new resources to protect our wetlands—is critical.

But as importantly, I must add that Congress can no longer ignore the demands from landowners across the country whose constitutional rights have been trampled by overzealous regulators. It is time to bring some common sense and balance to bear upon a comprehensive wetlands program, an approach that is clearly lacking today. The legislative solution embodied in H.R. 1330, introduced by my distinguished colleague from Louisiana, JIMMY HAYES, and myself now enjoys the bipartisan support of 176 Members.

I trust that we will have the opportunity to consider this legislation before the end of the 102d Congress.

For today, however, I want to reiterate my strong support for the Wetlands Reserve Program. An appropriate level of funding for this program is an investment in wetlands efforts that we cannot afford to abandon. I urge the Congress to keep the faith with the 1990 farm bill by securing at least last year's level of funding for this program.

HONORING COTTLE COUNTY'S CENTENNIAL CELEBRATION

HON. BILL SARPALIUS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. SARPALIUS. Mr. Speaker, I would like to recognize the citizens of Cottle County, TX, who will be celebrating the county's centennial this year.

Cottle County is situated on the wide open country of west Texas. Surrounded by mesquite and prairie grass, Cottle has seen its share of drought and hard times. Paducah, the county seat of Cottle County, is a friendly community of 1,788 people. Paducah does not rely on any plant or corporation to keep the community running; instead the backbone of this country is farming. The flat plains of west Texas are what these Americans rely on. The innovative frontier spirit lives on, as most of the revenue made in Cottle is from the production of cotton, cattle, and hay.

Cottle County came into existence on January 11, 1892, after a petition was presented to W.M. Finger and others asking for the election to be held for the organization of a new county in the southern part of what was then Childress County. Even in those humble beginnings Cottle County was a strong believer in the democratic process, holding elections in private homes, since there were no public buildings in the county.

Even the namesake of the county has ties to democracy and freedom. Cottle is named for George Washington Cottle. This great American was born in Tennessee about 1798. He later moved from Missouri to Texas in September 1832. Cottle, along with volunteers from Gonzales, on March 1, 1836, entered the Alamo in defense of freedom. He paid the ultimate sacrifice, his life, 5 days later on March 6, 1836. Cottle County proudly bears the name of this patriot.

In retrospect, Cottle County is truly the crossroads of America. It symbolizes every small town in America with its friendly people and family atmosphere. Somehow, once you visit Paducah and Cottle County you do not remember it for its metropolitan buildings and skyscrapers, for it has none, but you do remember it for its roots in freedom, agriculture, and people.

Mr. Speaker, I urge my colleagues to join me in saluting Cottle County on its centennial celebration.

BILLY RAY CYRUS, THE NEXT ELVIS?

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. CLEMENT. Mr. Speaker, as the representative of Nashville, also known as Music City, U.S.A., I am often asked about new country music artists. Of late, the questions have been about Billy Ray Cyrus. "Who is he and where did he come from?" people ask. Well, I am pleased to provide some information about this phenomenon which I hope will begin to answer some of these questions.

Billy Ray Cyrus is among the rising stars of country music. His musical style has helped make country music among America's favorite. And, like many artists, he has struggled for many years before striking it big only two months ago. Now he is heard on radio stations everywhere with his country/pop hit "Achy Breaky Heart."

Billy Ray's enthusiasm and charisma have made him a favorite of fans. I know my colleagues and friends here in Washington will be interested in learning a little bit more about this talented artist and I commend the following Associated Press article to them.

NASHVILLE SOUND: BILLY RAY CYRUS: THE NEXT ELVIS?

(By Joe Edwards)

NASHVILLE, TENN.—He's being called a phenomenon. A sensation. Even the next Elvis.

Two months ago, no one had heard of Billy Ray Cyrus. Since then, his album "Some Gave All" has topped the pop and country music charts, overtaking such stalwarts as Garth Brooks' "Ropin' the Wind" and Def Leppard's "Adrenalize."

And his rollicking single "Achy Breaky Heart" has been both a pop and country hit. It's even inspired a new dance the Achy Breaky, a line dance that Cyrus describes as "kind of a hip bang."

His album, selling more than 100,000 copies every week, is a blend of country, blues, and rock 'n' roll. He wrote six of the songs, including the cut "Some Gave All," a poignant ballad that salutes Vietnam veterans.

But it's the bouncy "Achy Breaky Heart," and the dance and Cyrus' magnetism, that has stirred such extraordinary passion for a new performer.

Cyrus, 30, looks a little like singer George Michael, actor Mel Gibson and yes, even a young Elvis. He dresses in jeans with an American flag on the right rear pocket. He combs his long brown hair straight back into a drooping ponytail, which he unties dramatically when he performs "Achy Breaky Heart."

He plays guitar left-handed, with his legs spread far apart striking a confident pose. Sweat pours off his handsome face and soaks his muscular frame.

He dashes across the stage at times, and at others does an aerobics-style dance in one spot.

Excited women, upholding a tradition dating back at least to Elvis, throw underwear at the stage.

Nightclub bands across the country report overflow requests to play "Achy Breaky Heart." At the Bullpen Lounge in Nashville, patrons were yelling for it one recent Saturday night even as the house band tuned up.

Although the song has an amusing title and upscale rhythm, it tells a sad story: a couple are breaking up, and Cyrus asks that his heart be spared the pain because his heart "might blow up and kill this man."

"The first time I heard the song, it hit me," he said in an interview. "It gets under your skin. You want to sing it in the shower and when you're driving your car."

Achy Breaky dance contests have been held in dance clubs across the country. Cable's Country Music Television has sponsored a contest inviting fans to videotape themselves at home doing the dance. The winner gets to meet Cyrus.

"Everywhere I go, people are doing it," Cyrus said.

Additionally, cable TV's The Nashville Network rushed onto the air in early June a 30-minute show featuring Cyrus concert footage taped in Fort Lauderdale, Fla.

Shortly before that, The Tennessean newspaper in Nashville asked in a big blue headline over a profile story about Cyrus: "Is This Man The Next Elvis?"

The comparisons come easy and Cyrus' soaring record sales indicate he is no mere placebo. Both are charismatic, courteous Southerners with rather deep voices, commanding stage presence and the ability to sing both rock 'n' roll and country-flavored material.

"If people have to compare me to somebody, I couldn't pick anyone I'd be more flattered by," Cyrus said. "But I keep in my mind constantly that when it comes down to it, I'm Billy Ray Cyrus from Flatwoods, Ky. I sing my own way, write from my heart and my band and I work up the songs our own way."

His musical flair comes naturally: his father, Kentucky state Rep. Ron Cyrus, D-Flatwoods, sang in a gospel music group and his mother played in a bluegrass band.

Cyrus has described himself as a quiet, bashful youngster who wanted to grow up to be a baseball player like former Cincinnati Reds' catcher Johnny Bench.

He bought a guitar at age 20, then played in local bands named Sly Dog and the Breeze. He spent 1984 to 1986 in Los Angeles, looking for a recording contract and supporting himself by selling cars.

"I was desperate," he recalled. "This was real hard work, especially for a guy who can't change the oil in his own car. Guys would pop up the hood and ask a question, and I'd go get the owner's manual and look it up."

He next lived in Huntington, W.Va., but traveled regularly to Nashville in search of the elusive record deal. He finally signed with Mercury-Polygram, and made his Nashville concert debut May 12, helping raise $22,000 for literacy projects.

"When I bend over to tie my shoes and feel the pain in my lower back, I think of those times in my car making 49 trips a year to Nashville six hours each way. My achy breaky back is about gone."

EXCELLENCE AND AWARENESS

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. HOCHBRUECKNER. Mr. Speaker, today I rise to honor the outstanding achievements of John Harrison from Laurel, Long Island, in the First Congressional District of New York. John, a third grader enrolled in the Laurel School, was one of only 30 students selected by the National Audubon Society to have his artwork displayed at a special reception held for Members of Congress on June 18, 1992.

On June 18, 1992, it was my honor to attend this reception and view the wonderful works by John and many other talented young students. John's poster of the Piping Plover, a bird indigenous to Long Island whose nesting areas are threatened, is part of a larger effort to emphasize to Congress that our young people are concerned over the future of endangered species.

John will also receive a special National Audubon Society Certificate of Achievement for his excellent contribution. I commend the Audubon Society for selecting this young man to be recognized with this honor for both his artistic talents and citizenship. John is following in the proud tradition of the society's namesake, John James Audubon, who was a world renowned painter of wildlife.

I would like to extend my congratulations to all the recipients of this prestigious award, especially John and his family. I would also like to send my best wishes to John in what I am sure will be a promising future in whatever endeavors he pursues.

REV. JOHNNY LATIMER SALUTED

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. SUNDQUIST. Mr. Speaker, this Sunday, July 5, it will be my privilege to worship with the congregation of Central North Church and its pastor, Rev. Johnny Latimer, on the occasion of the church's 10th anniversary.

Central North Church began in a storefront on July 4, 1982 with 35 members; today, its congregation numbers almost 1,200 and it is recognized as one of North America's fastest growing churches, according to the newsletter, "Church Growth Today". And while he would never say so himself, much of the credit for this growth belongs to Reverend Latimer.

Under his leadership, Central North Church has been a powerful force for good in Bartlett and nearby communities. The congregation has programs dealing with step-parenting techniques, teen substance abuse, teen suicide prevention, obedience to civil authorities, strengthening marital and family relationships, AIDS prevention, and teen pregnancy prevention based on clear, sensible and practical Biblical principles. Central North Church reaches out to those in need, distributing food baskets to the needy at Thanksgiving and Christmas and offering financial assistance to families left unemployed in the recent recession.

Reverend Latimer is a humanitarian. He cares deeply about his friends and neighbors, about those who worship at his church and those who live in his community. He has served in the ministry for 23 years, and he has been active in the life of our community for almost as long.

Above all, he is an example of principled Christian stewardship in a day and age when that sort of leadership is sorely needed. He is a man I am proud to call a friend.

I ask, Mr. Speaker, that my colleagues join me in saluting the Reverend Johnny Latimer and Central North Church on their 10th anniversary, and that the brief history of the church which I submit for the record be reprinted in its entirety in the CONGRESSIONAL RECORD.

CENTRAL NORTH CHURCH'S HISTORY

July 4, 1982: Central North Church is officially "born" with 35 charter members, meeting in a storefront in Raleigh Oaks Plaza shopping center (Austin Peay & Yale Road).

January, 1983: Central North Church's average Sunday morning attendance grows to approximately 100, forcing the Church to find a larger facility at 4299 Stage Road, formerly a "Big Star" grocery store.

January, 1984: Average Sunday morning attendance is approximately 150.

July, 1984: Central North Church's average Sunday morning attendance grows to approximately 300, forcing the Church to move into a new multi-purpose facility at 5955 Yale Road at Bartlett Blvd.; the 15,700 square foot building along with the 8.5 acre tract of land costs approximately $500,000; "Official" Church membership is approximately 150. Two months later, Central North Church purchases an additional 10 acres of land surrounding its original 8.5 acre tract, bringing the total land owned to 18.5 acres.

November, 1985: Central North Church's average Sunday morning attendance grows to approximately 600, its membership grows to approximately 570, and its Sunday School average attendance grows to approximately 350, forcing the Church to add a new West Educational Wing. This 6,000 square foot addition containing five classrooms and a Chapel costs approximately $200,000.

December, 1986: Central North Church's average Sunday morning attendance grows to approximately 720, its membership grows to approximately 825, and its Sunday School average attendance begins to approach 400.

September, 1988: Central North Church's begins to conduct its Sunday worship services in a new 800+ seat auditorium, approximately 13,200 square feet, along with an East Educational Wing, approximately 6,000 square feet; total cost of these new facilities and equipment is approximately $1,200,000.

December, 1989: Central North Church's average Sunday morning attendance is approximately 1,066; its membership is 1,186; and its Sunday School average attendance is approximately 573.

December, 1990: Central North Church's average Sunday morning attendance is approximately 1,227; its membership is approximately 1,440; and its Sunday School average attendance is approximately 607.

January, 1991: Central North Church enters the first four months of 1991 (the peak attendance months) with no additional parking spaces available for growth. The "Strengthen To Serve" financial campaign begins its third month with one of its goals being the addition of at least 100 parking spaces.

December, 1991: Central North Church's average Sunday morning attendance is approximately 1,193; its membership is 1,578 (a 9.6% increase above 1990); and its Sunday School average attendance is approximately 595. The "Strengthen To Serve" campaign raises enough funds to add (in August, 1991) 112 parking spaces.

DANISH TALL SHIP JOINS IN JULY 4TH FESTIVITIES

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. PALLONE. Mr. Speaker, on Friday, July 3, 1992, the officers and crew of the Danish tall ship the *Danmark* will be guests of the Keyport, NJ, Yacht Club. *Danmark* will be among the tall ships from around the world taking part in Operation Sail in New York Harbor on July 4th.

When *Danmark* sails into Sandy Hook Bay for the Fourth of July festivities, she will be returning to very familiar waters. The 253-foot-long full-rigged ship, built in 1932 as a merchant marine officer training ship, first came to the United States in 1939 for the New York World's Fair. During the Second World War, the ship was anchored at Jacksonville, FL. The Danish Government offered the ship to the United States Coast Guard for use as a training vessel during the war years and more than 5,000 American cadets were trained on her decks. The ship is now used for training some 80 Danish cadets each year, young men between the ages of 16 and 20 who want to qualify as officers in the Danish merchant Navy. Although the ship, which underwent extensive renovations in 1959, is equipped with a modern diesel engine, the cadets handle the ship under sail as much as possible. Her cadets are still instructed in discipline and self-reliance in the time-honored manner in which sailors have been trained for centuries.

The Keyport Yacht Club was organized in December 1907 when Henry Coons, an Englishman, and Karl Marhlason, a Dane, decided to form a club for the many sailors in the area. The club has shown the type of tenacity and ability to rebound from adversity that are the hallmark of sailing men. With an initial membership of 70, the club built its first dock in 1909. Over the years, hurricanes and coastal storms required the club to renovate the dock several times. Finally, Hurricane Donna, which struck in September 1960, destroyed the original dock. By May of the following year, the Club completed the rebuilt dock that remains today. The Club's original building was destroyed by fire in 1981, but rebuilt by the following year.

The Club is hosting its Danish guests—including Trade Minister Ms. Anne Birgitt Lundholdt—in royal style with a festive ceremony and lavish banquet. I would like to salute Mr. Robert Letwenski, Commodore, and all of the members of the yacht club for their fine work in providing a wonderful welcome to our distinguished visitors from one of America's best friends and most steadfast allies.

KIDS ARE MUSIC TO PERFORM IN WASHINGTON

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. THOMAS of California. Mr. Speaker, it has come to my attention that the children's group "Kids are Music" will be performing live in Washington on Thursday, June 2 at the Sylvan Theater and Saturday, July 4 at 2:30 p.m., at the Jefferson Memorial.

Kids are Music is an upbeat children's performing group from California which portrays the image of the All-American kids as it performs favorite songs of yesterday and today. Since its founding in 1974, Kids are Music has performed over 500 shows at no cost to its audiences. Performance locations vary from schools, malls, convalescent homes, and centers for active seniors, to famous historical sights and parades. Special shows include those at Disneyland, the Statue of Liberty and Ellis Island, Knott's Berry Farm, Hershey Park, Philadelphia's Independence Hall, Anaheim Stadium, and those appearances in the Washington, DC Independence Day Parade. Kids are Music awards include the Disneyland Community Service Award, the National Freedom Foundation Award, and the Spirit of America Award.

Kids are Music is devoted to forming positive self-esteem in young girls and boys. Performers, who range in ages from 4 to 14, are invited to attend without auditioning, because of the group's belief that all children should be allowed to enjoy performing music and to develop their talents. These children are taught not only a love for music but also a love for America and that they are a special generation, the leaders of tomorrow.

TRIBUTE TO ROBERT W. KIMBALL

HON. GERRY SIKORSKI

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. SIKORSKI. Mr. Speaker, this year, Robert W. Kimball of Anoka, MN, finished 35 years as a teacher in Minnesota schools and as a force in the community. Twenty-nine of those years were spent teaching American history and criminal justice at Coon Rapids Senior High School where he was a member of the first faculty when the school opened in 1963.

Mr. Kimball opened up vistas of learning for thousands of young students by creatively making history come alive and the processes of our criminal justice system become real. His constant desire to find new and better ways of teaching and motivating students led him to a 7-year stint as chairman of the social studies department of the Anoka-Hennepin School District, where he worked with hundreds of teachers to put into place the curriculum taught to literally thousands of students.

Outside the classroom, he put in long hours coaching high school hockey and soccer, always seeing to it that not just the superstars had a place and a chance to play. Off the athletic fields, he led motivated students into competitions in debate, current events, and mock trials.

Although he loved teaching, he also was a force in the community. His leadership in the Anoka Hockey Association eventually led to the community having an indoor hockey facility of its own where the hundreds of teams in the community could play out of the often fierce elements of Minnesota winters. And hundreds of hockey teams in the area owe there success of his Saturday morning skating program for 4- to 7-seven year olds.

During his 3½ decades of teaching, he and his wife made time to raise a daughter and two sons in Anoka and remained active in Zion Lutheran Church there. Although he has no plans to become inactive in his retirement, he will be missed when the school bells ring next fall.

HELPING LAW ENFORCEMENT

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. MANTON. Mr. Speaker, the cellular telephone is the latest weapon in our war against crime and drugs.

Cellular phones have been aiding our police departments in law enforcement activity for years. The ability to communicate instantly regardless of location has improved the safety and peace of mind to the growing number of cellular customers, and it has proven to be an invaluable asset to our police forces. In New York City, cellular technology has been incorporated into mobile command centers. The command center saves time and money by processing suspected criminals at the scenes of a crime.

Using cellular out in the field enables police to give on-hand status and communicate the need for more police support, without broadcasting to the world. It also allows police to actually talk to complaints on the way to the scene, eliminating the middleman of a dispatcher.

Wireless communications also has played a vital role during undercover drug and auto theft investigations. The cellular phone is particularly useful in situations where police must maintain radio silence, especially during surveillance and immediately prior to making arrests. In fact, cellular carriers have cooperated with New York police in cracking several high profile drug cases in the New York area. In addition, officers involved in operations beyond radio range are able to maintain continual contact with headquarters instead of stopping to call from phone booths.

Regrettably, drug traffickers have also discovered the benefits of using cellular technology. In that regard, I introduced legislation in 1990 to prohibit drug pushers from using cellular telephones and pagers.

A second benefit of cellular phones is that cellular customers can confidentially tip police when they see a crime occurring by calling the department on 9–1–1. Cellular carriers in my home State of New York have launched programs with the Department of Transportation and State police agencies that encourage their customers to use car phones to report suspected drunk drivers. In fact, many carriers educate their customers on ways to spot drunk drivers through monthly bill stuffers. This new safety tool adds more than 8 million pairs of eyes to those of the police. And when you realize an estimated 500,000 cellular phone calls are being placed each month to 9–1–1 and other types of emergency networks, you can begin to gauge the safety benefits to our society.

Mr. Speaker, this June has been designated "National Wireless Telecommunications Month" to explain how wireless is improving our quality of life. There is no doubt that cellular phones have enhanced our safety and give police officers an exciting new crime fighting tool.

THE SOCIAL SECURITY ADMINISTRATION INDEPENDENCE ACT

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. ROGERS. Mr. Speaker, I was unavoidably absent yesterday, and I missed a record vote on H.R. 5429, the Social Security Administration Independence Act. Had I been present, I would have voted "yes" on this important piece of legislation. The Federal Government has no greater obligation to the American work force than to protect and ensure the Social Security system. H.R 5429 strengthens public confidence in the Social Security system and I am pleased that the House has passed this measure.

TRIBUTE TO OFFICER MARK W. McKITCHEN

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. MACHTLEY. Mr. Speaker, I rise today in honor of the valiant efforts displayed by Officer Mark W. McKitchen of Pawtucket, RI, as he fearlessly aided 15 apartment building residents escape a fire which blazed through their building early yesterday morning.

With little regard for his own safety, Officer McKitchen sprang into action when he noticed the flames while on his predawn patrol of downtown Pawtucket. He managed to lead all the endangered residents to safety. By pounding on their doors and alerting them to the flames, he had the building evacuated by the time the fire trucks arrived on the scene.

Officer McKitchen has been recognized for his bravery and quick thinking by the patrol commander and captain of the police force. I would like to add my voice to the chorus of those praising Officer McKitchen.

Such fearless dedication as exhibited by Officer McKitchen is extraordinary and deserves our deepest appreciation and respect. I am proud to be able to congratulate Officer McKitchen on a job well done.

PUT THE WHITE HOUSE CONFERENCE ON AGING BACK ON TRACK

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. DOWNEY. Mr. Speaker, I am deeply disappointed by Secretary Sullivan's decision to close the White House Conference on Aging office and terminate its activities. It is tragic that this administration seeks to play partisan politics with the previously bipartisan tradition of White House Conferences on Aging. The history of hostility toward this Conference on the part of the White House began when President Bush refused to call it in its scheduled year of 1991. The chronology of charades continued when the White House suddenly got interested in the Conference after they feared Congress would assume control. Secretary Sullivan's decision now to close the Conference and blame Congress for it simply highlights the hoax the White House has been trying to pull on our senior citizens for the past 2 years.

Secretary Sullivan's statement that the White House Conference on Aging lacks congressional support is totally incorrect. As chairman of the Select Committee on Aging's Subcommittee on Human Services, I take particular exception to this attempt to rewrite history. After all, it was the White House which had the responsibility to convene the Conference in 1991. Presidents Eisenhower, Nixon, Carter, and Reagan all met their responsibilities in a timely fashion. Ironically, had President Bush called the White House Conference on Aging in 1991, as Congress authorized in the Older Americans Act Amendments of 1987, then the Conference would have been history by now, we could all be working to implement Conference recommendations, and none of this need have happened.

Indeed, in 1989, as chairman of the Subcommittee on Human Services, together with Congressman EDWARD ROYBAL, I chaired a joint hearing with the Select Committee on Aging to determine what the White House's plans were for the Conference. In June 1989, Dr. Joyce Berry, Acting Commissioner of the U.S. Administration on Aging, told the joint hearing:

> I had hoped to come to the table today, Mr. Chairman, with a positive response that there would be a 1991 White House Conference on Aging called by the President. I am unable to do that. I am hopeful to have a decision soon.

Unfortunately, President Bush took almost 2 years to decide to hold the Conference and then put it off until 1993.

In September 1989, together with over 90 of my colleagues, I sent a letter to the President urging him to call the Conference. Unfortunately, that letter had no effect. Subsequently, I held a press conference in October 1989 with members of the Leadership Council of Aging Organizations to move the process along. That too was met by silence from the White House.

In March, 1991, despairing of any commitment from President Bush I introduced H.R. 1504, creating a National Conference on Aging to be held in place of the White House Conference on Aging. Introduction of this legislation, and incorporation of some part of it in the Older Americans Act Amendments of 1991, is, I submit, indicative of continued congressional support for the White House Conference on Aging.

In any case, closing down the White House Conference on Aging office at this point after over $1.7 billion of public funds have already been spent is a waste of money. While I understand Secretary Sullivan's reluctance to seek reprogramming of additional research funds to keep the existing staff on board, I think that it should be possible to keep on sufficient staff pending the reauthorization of the Older Americans Act.

I am confident that Congress will continue to exercise its oversight responsibility over the funds expended. Congressman ROYBAL, Congressman MARTINEZ, chairman of the Subcommittee on Human Resources, and I have asked the General Accounting Office to undertake an investigation of the operations of the White House Conference Office. That investigation will continue. I am sure that the White House Conference on Aging office is able to account fully for this expenditure of funds.

When the 1981 White House Conference on Aging degenerated into an orgy of finger-pointing over its excessively partisan nature, everyone resolved to avoid that experience with the 1991 Conference. Unfortunately, Secretary Sullivan's letter seems to indicate that the finger pointing has begun even before the White House Conference has taken off. While it is unfortunate that the authorization for the White House Conference has been held up by an unrelated provision, that in no way diminishes Congress's support for the White House Conference. I hope that the White House Conference can get back on track—and soon.

CONGRATULATIONS TO WESTVACO

HON. ARTHUR RAVENEL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. RAVENEL. Mr. Speaker, I rise today to congratulate WESTVACO, a major manufacturer of paper, packaging, and chemical products, for its distinguished forestry and environmental programs which have been recognized, over a long period of years, by a wide variety of resource conservation organizations and State and Federal agencies. At a ceremony held today by the U.S. Department of Interior, Fish and Wildlife Service, WESTVACO was once again recognized, this time for the company's establishment of the WESTVACO Wildlife Management Area [WMA], with the 1992 National Wetlands Conservation Award.

For decades WESTVACO has given priority to wildlife and natural resource projects in states where the company operates, including South Carolina, Tennessee, Illinois, Virginia, and West Virginia, as well as Kentucky—Home of the WESTVACO Wildlife Management Area.

The WMA which includes 3,000 acres owned by the company, is managed as key wintering habitat for waterfowl that migrate along the Mississippi flyway. Along with the Kentucky Department of Fish and Wildlife resources' staff WESTVACO foresters and wildlife biologists are working on projects to establish feeding and resting areas for migratory birds, as well as beneficial habitat for many other wildlife species. This summer, scheduled work includes installation of water wells and water control devices. The estimates are that at peak levels this habitat will shelter 60,000 ducks and 5,000 to 10,000 Canada geese—and perhaps more.

In my home State of South Carolina, I have first-hand experience working with WESTVACO Corp. on similarly innovative conservation projects. Last year, WESTVACO pledged commitment to a program to protect South Carolina's Ashepoo-Combahee-Edisto [ACE] Basin Estuary, one of the east coast's largest remaining undeveloped coastal estuaries.

The Ace Basin includes timber-producing lands, farms, State and Federal refuges and the nursery areas of a highly productive commercial and sport fishery. WESTVACO owns 17,000 acres of timberlands in the basin and assists individual landowners who manage another 15,500 acres of private woodlands. The Ace Basin participants working with WESTVACO working with WESTVACO are the South Carolina Wildlife & Marine Resources Department, U.S. Fish and Wildlife Service, the Nature Conservancy, Ducks Unlimited, and several private nonindustrial landowners.

Although WESTVACO has conveyed several environmentally important sites to the nature conservancy and other conservation organizations for protection, the company's participation in environmental programs such as the wildlife frequently can achieve these aims more economically and parallel with business objectives.

RURAL ELECTRIFICATION ADMINISTRATION MANAGEMENT IMPROVEMENT ACT

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. PORTER. Mr. Speaker, today I am introducing legislation on behalf of the Administration to improve the Rural Electrification Administration (REA).

According to the REA, only 11 percent of farms and rural areas had electricity at the time of REA's establishment. Today the rate of service is almost 100 percent. The REA has been a very effective agent of change. However, as the composition of rural America has changed, I share the belief of the Administration that we should expect some of these changes to be reflected within the structure and management of the REA.

The changes proposed in this legislation address four particular items. The first item in my bill would repeal the authority of borrowers to determine the terms of telephone loans. Presently, unlike any other government or private sector loan, the borrower may elect to set 35-year amortization period for equipment which in most cases has a life span of 10 to 15 years.

The second item in my bill would direct the administrator of REA and the governor of the Rural Telephone Bank to issue regulations governing the use by a borrower of funds determined to be in excess of the needs of the borrower. Mr. Speaker, this Government cannot continue to provide 5 percent loans to people and organizations who do not need every last penny. This legislation would direct the borrower to choose one of five categories to invest a percentage of excess funds including prepayment of loans made or guaranteed by the REA and providing rate relief to consumers.

The third item in my bill would offer REA borrowers, on a voluntary basis, to prepay their loans based on net present value of the government's cost of funds. The borrowers that take advantages of this provision would not be eligible for loans or guarantees under the Act. According to the Secretary of Agriculture, since 1987, over 50 borrowers have elected to prepay under various prepayment options. Mr. Speaker, these healthy borrowers are able to prepay their obligations to the government and I am convinced that such borrowers would find that the private sector can offer great flexibility in satisfying their needs. Such borrowers need not be subsidized by the government at the 5 percent. Encouraging them to borrow in the private sector seems reasonable and sound fiscal policy.

The final item in the legislation requires the Rural Telephone Bank (RTB) to begin privatization in 1996. The privatization would take place over a period of time and would accelerate borrower control of the RTB.

Mr. Speaker, this legislation reflects the well-founded concerns of fiscally responsible executors of taxpayer's money. I look forward to working on these improvements measures with fellow members of the House and Administration.

A TRIBUTE TO THE CLARKE SCHOOL FOR THE DEAF

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. NEAL of Massachusetts. Mr. Speaker, I take this opportunity to extend my congratulations to the Clarke School for the Deaf as they celebrate their 125th anniversary of teaching deaf children to speak. The commitment to excellence which the staff and administration of the Clarke School have continually possessed is extraordinary.

From the founding of the school in 1866 with 5 pupils, the Clarke School has achieved great success and it now serves more than 6,000 hearing-impaired families each year. Mr. Speaker, their mission of educating the deaf and teaching them to speak has been remarkable. Mabel Hubbard was an important factor in establishing the school because it was her parents who gave Harriet Rogers money to begin a school for the deaf in Chelmsford, MA, in order to teach her to speak. Only 1 year later, John Clarke, deaf himself, believed that the school was such a great idea that he donated $50,000 for the school's official foundation.

This generous support for Mr. Clarke enabled the Clarke School for the deaf to become the first permanent oral education school for deaf children in America. Over its 125-year history, the Clarke School has experienced the aid and generosity of many Americans. In 1871, Alexander Graham Bell, son-in-law to Gardiner Greene Hubbard who was the initial founder, began his 51-year duration of assistance to the school as an inventor and teacher. While attempting to invent a practical hearing aid, Alexander developed the idea of a telephone. Presidents Calvin Coolidge and John F. Kennedy both maintained a very strong interest in the Clarke School. The first woman president of Smith College and author of "Road From Coorain," Jill Ker Conway has been a longtime friend of the school. In addition, Mickey Mantle, a former New York Yankee and member of the Hall of Fame, has taped public service announcements for the school over the years.

The Clarke School for the Deaf is currently attempting to raise $15 million. This "Speak for Yourself" campaign has already raised over $13 million. People from across the United States are not hesitant to donate to the Clarke School because Americans are extremely proud of the school's efforts to educate America's deaf children. This most recent campaign has seen over 1,000 new contributors. Although it has 125 years of service, the Clarke School looks to an even brighter future. The $15 million will support Clarke's endowment, foster program enhancement, and fund capital improvements.

The Clarke School has not only educated Americans, but it has also trained teachers who brought the message of oral education to over 40 foreign countries. Throughout its 125-year history, the school has continually developed its resources in Northampton only to share them with the rest of the world. Concentrating on the areas of improving the teacher training programs, creating links with other institutions both here and abroad, and pioneering in the field of computer-age technology in order to mainstream deaf children into regular hearing classrooms have shown the Clarke School to be a leader in the field of deaf education. Therefore, Mr. Speaker, I would like to commend the Clarke School for the Deaf for 125 years of service and thank them for their tremendous efforts to the improvement of the education of the deaf.

TRIBUTE TO THE FIRST UNITED CHURCH OF APOLLO

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. MURTHA. Mr. Speaker, I am very proud today to announce that the First United Church of Christ in Apollo, PA will be celebrating its 100th anniversary on July 23, 1992.

As a fundamental institution, the church is the mortar which holds Americans together. It brings us together every Sunday uniting our individual families into one whole community of believers. It strengthens our bonds with our neighbors and helps build community spirit and pride. In these ways it acts as a cornerstone upon which community is built.

The First United Church of Christ has been the mortar holding the people of Apollo together for a century. The people of the church have acted in many capacities to assist others within the community. It has acted as a comforter to the troubled, a beacon of hope to those in despair and a source of strength to the weak.

In a world where success is largely defined in terms of economic accumulation, the church as the heart of community has taught a different kind of success. As John F. Kennedy said "The quality of American life must keep pace with the quantity of American goods. This country cannot afford to be materially rich and spiritually desperately poor." The First United Church of Christ has worked for the past century and will continue to work in the next century to make sure we do not find ourselves spiritually and morally impoverished. Every American should commend this church for these efforts.

RECOGNITION OF A YOUNG KENTUCKIAN'S ACHIEVEMENT

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. HOPKINS. Mr. Speaker, I want to take a moment to congratulate a young man in my district who recently won an impressive national honor through his innovation and hard work.

Matt McHargue, a 16-year-old from Richmond, KY, recently won first prize in a nationwide recipe contest conducted by the National Turkey Federation. For his efforts, Matt received a $2,000 first prize from the federation, along with an impressive amount of media exposure back in Kentucky.

Matt is the son of Paula and Richard McHargue and will be a junior at Madison Central High School.

The contest is conducted in conjunction with June is Turkey Lover's Month, an annual celebration of turkey's emergency as a year-round food item. The National Turkey Federation invites 12- to 18-year-olds from across the Nation to compete in the contest. Winners are judged not only on the quality, taste, and appearance of their recipe but also on the work they do in preparing an essay on nutrition and on safe food handling.

Matt's winning recipe is entitled "Lemon Turkey Stir-Fry With Pasta."

Mr. Speaker, I would like to ask my colleagues to join me in congratulating the National Turkey Federation for providing him an outlet for his talents and for encouraging teenagers across the Nation to learn more about health, nutrition, and cooking.

TRIBUTE TO LIEUTENANT COLONEL RANDALL R. INOUYE

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. VISCLOSKY. Mr. Speaker, I rise today to pay tribute to an outstanding individual, Lt. Col. Randall R. Inouye, who is leaving his command as District Engineer of the Chicago District U.S. Army Corps of Engineers, to assume a position at the War College in Washington, DC.

Lt. Col. Inouye's impressive achievements begin with his educational career. He is a 1971 graduate in Civil Engineering from the University of Hawaii. He also holds a Master of Science degree in Civil Engineering from the University of Washington in Seattle, and is a 1984 graduate of the U.S. Army Command and General Staff College at Fort Leavenworth, KS.

Col. Inouye has held significant command and staff assignments, both in the United States and overseas. He has served as the Deputy District Engineer, Honolulu Engineer District; Deputy to the U.S. Army Western Command Engineer, as the Executive Officer, 65th Engineer Battalion, 25th Infantry Division; Company Commander, Facilities Engineering Support Agency; a Branch Chief and Senior Instructor, U.S. Army Engineer School; a Company Commander in the Republic of Korea; and a platoon leader in Germany.

The Colonel's tenure as Commander of the Chicago District truly deserves recognition. The Colonel was instrumental in completing many local cooperation agreements, including the Green Oaks Reservoir, a 163 million-gallon, $4.8 million reservoir—one of three being constructed by the Chicago District, as part of the North Branch Chicago River Flood Control Project. The completion of this Reservoir paved the way for others, including the Deerfield, Bannockburn, and O'Hare reservoirs.

I have truly admired Col. Inouye's skills and commitment to his duties. Northwest Indiana has benefitted tremendously as a direct result of the Colonel's abilities and his devotion to the area. He has personally supervised numerous projects and has provided the assurance that completion will take place in a timely fashion.

Col. Inouye will perhaps be most remembered, however, for his efforts to mitigate the damage caused by the recent Chicago flood. His work with City of Chicago officials revealed an acumen which proved to be successful in averting catastrophic damage in the entire downtown area.

Today, I would like to commend and honor Col. Inouye. It is evident that the Colonel's leadership and perseverance is reflected in his everyday actions, and he should rightly serve as an inspiration to each and every one of us. Join me in wishing Col. Inouye continued success.

100th ANNIVERSARY TO THE BOROUGH OF SPRING LAKE, NJ

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. PALLONE. Mr. Speaker, Saturday, July 4, 1992, marks two very important occasions for the Borough of Spring Lake, NJ. Obviously, the Fourth of July is celebrated in every community in America, large and small, as our Nation's Independence Day. But for Spring Lake, there is an additional special reason to celebrate as the borough marks the 100th anniversary of its incorporation. And what better way to celebrate these two great occasions than with a parade through town?

The borough governing body, along with the Spring Lake Centennial Committee, has planned a full day of celebrations for Saturday afternoon to mark the birthdays of America and Spring Lake. The parade will contain bands and other marching groups, as well as floats, vintage cars, clowns, unicycles, and many other attractions.

Mr. Speaker, the Borough of Spring Lake was incorporated in 1892. Located along the Jersey Shore, this beautiful community is both a popular summer resort area and the year-round home to thousands of families. The people of Spring Lake are proud of their tight-knit community, and are very excited about celebrating its long and storied history. I, too, am proud to be able to take part in Saturday's centennial celebration.

While Saturday's festivities belong to all of the people of Spring Lake, particular praise should also be extended to the hardworking members of the Centennial Committee, as well as mayor Thomas J. Byrne, council president Richard S. Weiner, and council members Richard J. Furey, Patrick J. McDonald, John F. Phillips, Priscilla M. Reilly, and Joseph C. Rizzo.

TRIBUTE TO RICHMOND "MAX" KEENEY

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mrs. MORELLA. Mr. Speaker, I am very pleased to rise today to honor a distinguished leader of Montgomery County, Richmond "Max" Keeney. Mr. Keeney, who recently completed his third term on the Montgomery County Planning Board of Maryland-National Capital Park and Planning Commission, is scheduled to retire on July 9.

Mr. Keeney has been helping to make the community its best by avidly participating in a wide range of governmental activities for the past 3 decades. He began his involvement in Montgomery County government as a member of the Montgomery County Council from 1966 to 1970. While there, he was instrumental in the update and adoption of the 1969 general plan on wedges and corridors.

Richmond "Max" Keeney continued to utilize his talents to serve the community when he served as Chairman of the Metro Washington Transportation Planning Board. His expertise was a great help in making the Metro system the successful system that it is. The Council of Government's Committee on Population and Employment Growth was an opportune setting for Mr. Keeney to employ his knowledge in regulatory and financial matters.

His accomplishments over the past 5 years as Vice Chairman of the Montgomery County Planning Board have been the culmination of a very successful career. Since 1987, he has also served on the M-NCPPC Employees' Retirement System Board of Trustees and currently presides as chairman of this committee.

On behalf of the citizens of Montgomery County, I salute Richmond "Max" Keeney for all of his contributions over the past 3 decades. I wish him good luck in all of his future endeavors.

TRIBUTE TO EDWIN "SOUPY" TULIK

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. NEAL of Massachusetts. Mr. Speaker, today I would like to inform the Members of the retirement of a dedicated public servant, Edwin John "Soupy" Tulik. Mr. Tulik will retire on July 1, 1992, after many years of service to the citizens of the Commonwealth of Massachusetts.

Edwin Tulik was born on May 3, 1927, in Springfield, MA. As one of four children of John and Victoria Tulik, "Soupy" attended local schools in the area. As World War II was nearing an end, Mr. Tulik enlisted in the U.S. Navy in February of 1945. He is a member of the Polish American Veterans Club in Wilbraham, MA.

One of the first jobs Soupy had was as a delivery boy for Chmuras' bakery in Indian Orchard, MA. He also worked as a salesman for the Metropolitan Life Insurance Co. He then started his career at the State House in Boston. He first worked for State Representative Rudy Chmura of Indian Orchard. Mr. Tulik was Representative Chmura's chief aide as he rose to the chairman of the Post Audit Committee. The last 12 years, Soupy has worked for State Representative Kevin Fitzgerald of Boston.

The one comment I keep hearing about Soupy is what a "real" person he is. The problems of constituents back in the district were his problems. Many a time when Soupy would walk down the hall on an errand he would bump into someone and help that person on the spot.

Mr. Tulik's retirement will be filled with cross-country trips, baseball card collecting, and following the Ludlow High School hockey team. He also will continue his duties as an honorary deputy sheriff of Hampden County. I join my colleagues in wishing Mr. Tulik a well deserved retirement.

NATIONAL WETLANDS CONSERVATION AWARD

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. BLILEY. Mr. Speaker, I rise today along with my colleagues from the State of Kentucky to honor Westvaco Corp. for receiving the 1992 National Wetlands Conservation Award. Westvaco was selected as the top group/corporate winner by the U.S. Department of the Interior, Fish and Wildlife Service for the company's efforts in establishing the Westvaco wildlife management area located in western Kentucky.

The National Wetlands Conservation Award Program was initiated by the U.S. Fish and Wildlife Service in 1990 to recognize individuals and groups/corporations for their efforts to protect, restore, and/or enhance wetlands. Westvaco is the first corporation to win the award.

Commenting on Westvaco's award, Kentucky Department of Fish and Wildlife Resources Commissioner Don McCormick said that the company's "sterling environmental attitude" serves as an example of the "strides that can be made through cooperative efforts between government and private industry toward the welfare of our natural resources."

Westvaco president and chief executive officer, John A. Luke, stated the "Westvaco's wildlife management area is just another step in a long progression of activities that have kept our company positioned in the vanguard of American industrial performance." Mr. Luke added, "Establishment of a wildlife management area, close by our Wickliffe paper mill, clearly demonstrates the harmony that can be achieved between manufacturing, forestry, and sound environmental practice."

Westvaco's commitment to the environment, I am pleased to add, does not stop along the Kentucky border. Westvaco's operations in Covington, VA, where it operates a major paper mill employing some 1,600 workers; the company's operations in Richmond, where it operates several plants employing some 900 workers; and Westvaco's Appalachian timberlands are all managed and guided by the same spirit of environmental responsibility and commitment to excellence.

Westvaco has a longstanding commitment to the environment and to the safety of its products, its workplaces, and its communities. As a company, it has invested more than $420 million in leading edge environmental systems across the company—at least one-quarter of it right in its Covington, VA, mill.

In every State where Westvaco manages forest lands, including Virginia, the company works hand in hand with The Nature Conservancy, National Wildlife Federation State affiliates, National Council of State Garden Clubs, as well as the American Forestry Association, Society of American Foresters, U.S. Department of the Interior, U.S. Department of Agriculture, and State government wildlife and forestry agencies.

Today, on the special occasion of Westvaco's receiving the 1992 National Wetlands Conservation Award, I ask my colleagues to join these important organizations in recognizing Westvaco's leadership in environmental protection, in recreation, in soil and water quality, and in sound multiple-use forest management.

U.S. DEPARTMENT OF INTERIOR FISH AND WILDLIFE AWARD WESTVACO CORP. FOR OUTSTANDING WETLANDS PRESERVATION

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mrs. BYRON. Mr. Speaker, today is a very proud day for the Westvaco Corp., a major manufacturer of paper, paperboard, and chemical products, located in Luke, Maryland. The U.S. Department of Interior Fish and Wildlife Service is honoring this company with the 1992 National Wetlands Conservation Award.

While conservation efforts as well as reforestation projects may be innovative to some companies in corporate America, these environmental endeavors are fortunately not new to Westvaco. Westvaco possesses a long, demonstrated tradition of contributing to America's natural resources.

Westvaco's commitment to the environment is evident in its extraordinary monetary contributions. This company's cumulative capital investment for environmental protection totals $420 million. Westvaco makes new capital investments for environmental treatment facilities in the range of $35 to $50 million per year. Moreover, this exemplary company incurs $50 million in annual costs to operate these facilities. Not only does Westvaco make significant fiscal contributions, but it additionally joins other companies in the industry in pledging adherence to the American Paper Institute's Environmental and Forestry Principles. This comprehensive code of principles establishes goals for environmental quality and forestry stewardship for members of the industry's national trade association.

These important principles articulate and reinforce the long-standing practices of Westvaco. Mr. John A. Luke, president and chief executive officer, accepted the 1992 National Wetlands Conservation Award on behalf of Westvaco earlier today. During his acceptance, he stated of the Environmental and Forestry Principles

> Westvaco participated actively in the design of these principles and the company's policy has long been to practice sound, comprehensive and diligent stewardship in environmental matters required by them.

Healthy and rapidly growing forests are sanctioned widely as important contributors to the environment. From their successful projects, it is unmistakable that Westvaco reforestation ventures meet this standard. The company plants more than two trees for every one it cuts, and these young, vigorous forests are highly productive oxygen factories.

I commend Westvaco's leadership in business and environmental programs and congratulate the company on being honored with the most prestigious conservation award.

FREEDOM OF CHOICE ACT

HON. TOM CAMPBELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. CAMPBELL of California. Mr. Speaker, Congress can no longer avoid taking a stand on a woman's right to choose.

For two decades, the Supreme Court's opinion in Roe versus Wade allowed Congress—and many of its Members—to stand uncommitted on the issue of choice. The right to choose was already protected by the judiciary, and so Congress was able to remain silent on the subject.

But with yesterday's Supreme Court decision in the Planned Parenthood versus Casey case, a woman's right to choose is clearly in serious danger. Though a slim majority reaffirmed the essential holding of Roe versus Wade—namely that a woman's fundamental right to choose is protected by the Constitution—the Court allowed restrictions that clearly make it more difficult for a woman to obtain a safe, legal abortion. Ominously, the undue burden test applied by the Court opens the way for States to establish additional restrictions. Four of the nine justices concluded that choice is not a liberty protected by the Constitution and that Roe versus Wade should be overturned. We appear to be moving swiftly toward a day when only women in selected States will truly possess the right to choose—meaning not only the theoretical right but also concrete access to abortion services.

Congress can no longer afford to sit on the fence on this issue. The time has come for Congress to take a stand on the Freedom of Choice Act and vote to guarantee the right to choose nationwide.

For so many Members of Congress, abortion is an extremely difficult issue politically as well as morally. No doubt, some Members hold positions that run contrary to the views of the majority of their districts. It is understandable that they might wish not to vote on the Freedom of Choice Act. But it is not excusable. As Members of Congress, we have a duty to take difficult stands on issues and vote our consciences.

Mr. Speaker, I believe that most Americans want to preserve the right to choose. As their elected representatives, we owe it to them to let them know if we agree with them. I hope and expect a majority of my colleagues will join me in voting for the Freedom of Choice Act.

LEGISLATION AUTHORIZING THE SALE OF THE ALASKA POWER ADMINISTRATION TO THE STATE OF ALASKA AND PRIVATE ENTITIES

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing legislation to authorize the sale of the Alaska Power Administration [APA], to the State of Alaska and private entities.

The APA consists of two hydroelectric projects, Eklutna and Snettisham, which provide 8 percent of the power used by Alaska's electric utilities. The 30,000 kW Eklutna project has served the Anchorage and Matanuska Valley area since 1955, and will be purchased by the municipality of Anchorage, Matanuska Electric Association, Inc., and the Chugach Electric Association, Inc., all of whom presently purchase the power. The Snettisham project—78,210 kW—has been Juneau's main power source since 1976 and will be purchased by the Alaska Energy Authority.

The two projects were authorized to promote economic development in Alaska and according to Adm. James Watkins, the Secretary of Energy, they have, "Served that purpose well." Further, Admiral Watkins said in a statement,

> The relative importance of the Alaskan federal power programs has become quite small and there is no longer a need for a federal program in light of the state and its electric utilities' capabilities to provide for its power needs. Our need to streamline the federal government and our desire to turn over to local control those federal projects which provide only local benefits are driving this action.

Mr. Speaker, I believe this is a clear indication of the administration's support for further economic development in Alaska.

One of the many sticking points with this legislation has been the Alaska delegation's urgency for a more detailed, comprehensive employee-management plan that addresses the jobs of those who may be displaced or dislocated. I have received assurances from Admiral Watkins that every effort will be made to assist employees who wish to continue their Federal careers. The APA and DOE have adopted a divestiture personnel management plan addressing management and employee interests. Key elements include training, assistance in locating other jobs and action by DOE in locating jobs for employees after the APA work is completed. The purchase agreements provide first call on postsale jobs at the two projects for those APA employees who transfer to the new owners/operators and assistance in locating job opportunities for displaced employees.

I am pleased with the fish and wildlife agreement included in the divestiture summary report. The agreement requires the purchasers, State of Alaska, Department of Commerce, National Marine and Fisheries Service, and the U.S. Department of Interior, Fish and Wildlife Service to enter into a formal agreement providing for postsale protection, mitigation, and enhancement of fish and wildlife resources affected by Eklutna and Snettisham.

Mr. Speaker, I'm very pleased to hear that the important ADF&G operations at Snettisham will not be affected under the agreement. This is too important a facility to jeopardize its continued viability.

Rate impacts from the sale of both projects are expected to be minimal.

Proceeds to the U.S. Treasury will be in the neighborhood of $73 to $80 million. Those figures represent 95 percent of the payments the Treasury would receive from continued Federal ownership.

I have always advocated State ownership of these projects. This is a perfect opportunity to consolidate ownership of the two projects and gain local control of the future of power generation in both regions. The divestiture will facilitate management and control of the projects to the State of Alaska.

Local ownership of these projects is essential to the future of regional electric generation in Alaska. This legislation comes at an important time in the future of rural power generation in Alaska. We must begin to think about and address the issue of regionalized electric generation. The lesson is clear: Regional interties, although initially expensive, are a long-term solution to energy problems in rural Alaska.

Because Alaska's rural areas are burdened with extraordinarily high energy costs, something will have to be done in the near future—in the next 5 years or so—because the State subsidy, Power Cost Equalization Program [PCE], which rural utilities rely so heavily upon, will soon be further reduced, resulting in even higher power costs for rural Alaska.

In Alaska, nearly all rural electric utilities face the same problems: Lack of economic density—not enough customers—lack of an electric transmission grid, and expensive generation by small diesel generators. These problems lead to high costs, high rates, low reliability, poor power quality, emergency repairs, emergency replacement, and emergency fuel deliveries.

In southeast Alaska, the communities of Craig and Klawock were connected by a 7-mile line. Shortly after the line was energized in 1989, both the Craig system and the Tlingit-Haida REA system were able to lower their rates—and the rates remain lower today. In the Yukon-Kuskokwim Delta region, a transmission line connects two nearby villages to the Bethel system. This line is very successful in meeting the needs of those communities. A 10-mile line between Kubuk and Shungnak—built as an experiment in the late 1970's using local materials—has worked equally well.

SUPREME COURT RULES ON PENNSYLVANIA ABORTION LAW

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. SCHEUER. Yesterday the Supreme Court ruling on the Pennsylvania abortion law proved to be a reaffirmation of the rights afforded to women by the 1972 Roe versus Wade decision. Justice O'Connor states:

> Liberty finds no refuge in a jurisprudence of doubt. The essential holding of Roe v. Wade should be retained and once again reaffirmed.

The right to obtain an abortion in the United States is still the law of the land. It is part of our laws, and we look to our courts for consistency in the laws. The Court presented a ruling that upheld the powers given to the court by our Constitution. Their decision landed fairly down the middle of the field, leaving opponents at either end trying desperately to fan the flames of a smoldering fire.

The question of "undue burden" lingers on the minds of all of us who wish that there was adequate sex education and availability of family planning services to all who wished access to them. Under the Pennsylvania abortion law, after receiving counseling on the growth of the fetus and alternatives to pregnancy termination, women are required to wait 24 hours until the actual procedure.

For some women, this delay could constitute a cruel imposition. Women in rural areas who have to drive hundreds of miles to obtain an abortion will have to camp out, perhaps in their cars, trying to toss aside the hints of doubt that may permeate their thoughts or forget about the fear of the unknown medical procedure they will face once the sun rises the next morning. Urban women will not have to face the travel, but will still have to suffer under the same psychological games of the mind. Girls under the age of 18 will have to seek consent of their parents or of a judge, forcing them to truly confront the magnitude of their situation.

Despite these rulings, we should not focus on the negative implications. Justices O'Connor, Kennedy, and Souter carefully constructed a decision that emphasizes the value and importance of Roe versus Wade: abortion is legal and it shall remain legal.

Yes, we are watching as Roe versus Wade dangles by a mere thread. This makes it extremely critical that in the November election we elect a President that believes in his gut that the right to an abortion is a fundamental right that should be preserved. Justice Blackmun revealed an anguish that lingers in all of our hearts:

> I do not underestimate the significance of today's joint opinion. Yet I remain steadfast in my belief that the right to reproductive choice is entitled to the full protection afforded this Court before Webster. And I fear for the darkness as four Justices anxiously await the single vote necessary to extinguish the light.

We must do everything in our power to ensure that this travesty does not occur. We have that power here in Congress—to choose to enact the Freedom of Choice legislation—and as citizens of this country we can exercise our vote for a pro-choice President. I am fortunate enough to be able to exercise both of these powers, and exercise them I will.

NFIB EDUCATION CONFERENCE

HON. JOHN A. BOEHNER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. BOEHNER. Mr. Speaker, I recently participated in an education conference sponsored by the National Federation of Independent Business. This conference is the beginning of NFIB's efforts to help improve our Nation's education system. Small businessmen create most of the new jobs in this country, and they must bear the burdens of the failings of our education system. This is why the NFIB is taking an active role in reforming education. Small businessmen understand that their future survival is dependent on an educated work force.

During this conference, members of the NFIB developed a series of solutions designed to improve education.

Mr. Speaker, it pleases me that small businessmen are becoming involved with this issue. They have a firsthand understanding of how schools are failing to educate our children, and can bring a different perspective to solving this problem. I commend the NFIB for their interest in our education system, and hope they continue their efforts to improve our Nation's schools.

1992 NFIB GUARDIAN LEADERSHIP CONFERENCE

EXPLORING EDUCATION'S FUTURE: THE SMALL BUSINESS INITIATIVE

Recommendations for Education Reform

1. NFIB expects and demands a high level of individual competence in basic core curriculum i.e., reading, writing, arithmetic and basic sciences to include a basic understanding of the principles of free enterprise and the profit motives.

2. Move to full voucher system—allow free market to work.

3. Curriculum restructuring; (a) by re-instituting tracking—vertical education as opposed to horizontal—based upon individual abilities; (b) to re-emphasize trade/vocational education; (c) allow innovative approaches for uniquely challenged students (boarding school head start).

4. Organizational Overhaul: (a) eliminate teacher tenure/school certification; (b) downsize administrative staff; (c) return to local control; (d) allow non-traditional specialists into classrooms.

5. Each local education district to be accountable to parents and community for teaching standards, economic efficiency and hiring/firing policies.

6. Curriculum should be efficient and accurate in teaching basics: writing, reading, language, arts, math, science, history, free enterprise economics.

7. Schools, administrators and educators should uphold traditional American values.

8. Eliminate role of federal government in education.

9. Eliminate tenure—adopt merit compensation.

10. NFIB should assume responsibility to conduct basic research on successful school/business programs.

11. NFIB must form and lead education improvement coalitions.

12. Local GAC's should sponsor and encourage business awareness that includes business people going into schools at the local level.

13. NFIB encouragement of members to actively participate in system.

14. NFIB members should encourage continuing education of employees.

15. Establish competitions amongst schools (public/private).

16. NFIB should stress co-op programs for grades, not for pay.

AN IDEA WHOSE TIME HAS COME

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. RAHALL. Mr. Speaker, I am introducing a concurrent resolution today, a sense of the House and Senate resolution, calling for free and democratic elections in the West Bank and Gaza.

More than at any other time in our history, providing the means of holding free and democratic elections in the occupied territories is an idea whose time has come.

Because it is fundamentally the long-standing policy of the United States to call for the establishment of democracy around the world, this resolution is consistent with that policy, and is certainly a valid wish for Palestinians living in Israel's shadow on the West Bank and in Gaza.

Mr. Speaker, I have supported the President and our Secretary of State James Baker, both during and since the end of the Persian Gulf war, in their carefully planned, and to date successful, bringing together of the representatives parties to talk of ways to end conflicts in the Middle East.

Why do I say that to date, these peace talks have been successful? Because we are breaking new ground, addressing a series of conflicts that are centuries old and long in the making. I say they are successful because we only have to view the prospect of those conflicts being allowed to continue unabated until, again and again they become lethal confrontations and conflagrations, to realize that any steps taken toward resolving those conflicts, however small at first, are magnified a thousand-fold.

I have great expectations of the eventual outcomes of the peace talks between the representative countries participating in them. I do not hope for, nor expect, overnight resolution of the many issues before them. The Middle East peace talks are going to take a lot longer than a few weeks or months before closure is reached. But I deeply believe that closure will be reached, and in a manner that will bring a lasting peace to the region through recognition of the sovereignty of the nations involved, and in full respect for and observation of every possible human right of their peoples.

Across the world, in recent months, we have seen the emergence of democracies where there was once occupation, dictatorships, and total suspension of individual civil and human rights. We have witnessed, and indeed have sent our envoys to observe, free and democratic elections in many lands. We have served as their model, and we are proud of it, and have earned the right to say so.

I believe, that the time has come to help bring about free and democratic elections in the occupied territories of the West Bank and Gaza so that they, too, can enjoy the right of self-determination, as we do and as many other former captive nations now enjoy.

As my resolution states, elections are widely viewed as a key step in the peace process that can, and does, change the dynamic on the ground, leading to a permanent settlement negotiated by representatives of parties to any conflict. This is true of the occupied territories.

In 1988, a delegation of leading Palestinian representatives met with officials of the United States Department of State and the National Security Council to propose municipal elections in the West Bank and Gaza.

In 1989, the Government of Israel adopted a four-point proposal, supported in principle by the United States, which included the holding of elections in the occupied territories to select Palestinian representatives who, in turn, would negotiate with Israel interim arrangements and final status for the West Bank and Gaza.

Again in 1989, President Hosni Mubarak of Egypt, proposed a 10-point plan aimed at facilitating an Israeli-Palestinian meeting in Cairo to discuss the details and modalities of free and democratic elections in the West Bank and Gaza.

At the February 24–March 4, 1992 round of Middle East peace talks in Washington, DC, the Palestinian delegation formally presented a comprehensive plan calling for elections in the West Bank and Gaza.

On March 6, 1992, the Government of Israel agreed specifically to immediate negotiations about all modalities, including municipal and other elections.

Mr. Speaker, in keeping with the premise that it is necessary to maintain public order during free and democratic elections, and to guarantee freedom of speech and assembly, freedom of political expression and political party affiliation; and recognizing that candidates to campaigns must have unimpeded access to printed and broadcast media, as well as freedom of movement, and guarantees of the physical security of candidates and mass sufferage, I offer my resolution calling for free and democratic elections in the West Bank and Gaza.

I am resolved, and I call upon my colleagues in the House to add their voices to mine, that in order to assure that elections in the West Bank and Gaza take place in an environment that is as free and democratic as can be made possible, that we pledge to assure the Palestinian population of East Jerusalem are eligible to participate fully in such elections. Further, we must strive to assure that all Palestinian political prisoners, including those now held without charge under house arrest or administrative detention, be allowed to participate in the elections, and that those prisoners duly charged be guaranteed a fair, speedy, and public trial.

I am resolved that the holding of elections should not be subject to preconditions that would in anyway prejudge the final outcome of the elections process or of the peace negotiations currently underway among the parties to the conflict.

And I am resolved that given the difficulties involved in conducting an election during a period of popular unrest and in a territory whose status is itself still unresolved, that the Israeli defense force and other security personnel be redeployed away from civic centers, municipalities and voting stations during the campaigns and at the time of the elections. Further, I am resolved that Israeli settlers should be disarmed, and their noninterference in the electoral process be guaranteed. And finally, I am resolved that there should be international observation in which Members of the U.S. Congress and other American public figures would be encouraged to play an active role during this unprecedented electoral process.

Mr. Speaker, this is the heart of the concurrent resolution I introduce today.

I urge my colleagues to join me in cosponsoring the resolution, and to work in furtherance of its aims and goals, in the name of the peace and democracy in the Middle East.

FOREIGN TRAVEL

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. RAY. Mr. Speaker, the responsibility of a Member of the House of Representatives involves some foreign travel. During my 5 terms in the House of Representatives, and as a member of key subcommittees on the Armed Services Committee, it has been necessary to travel on 19 trips to U.S. bases or on special assignments.

I have always endeavored to travel on commercial aircraft whenever possible, and I have seldom traveled with large groups of Members of Congress. My visits have always been documented, made available to the press, and summarized in reports for the Armed Services Committee. In most cases my travel has led to positive amendments or necessary legislation. I have not participated in any so-called junkets.

My foreign travel has involved four areas. In 1983 I was the only freshman Congressman appointed to the Arms Control Panel of the House Armed Services Committee. Through travel associated with my work on this panel I was involved in arms control talks and negotiations.

For several years I was the House Armed Services Committee point person on air base defense. Much of my work in this area led to the acquisition of the Hawk and Patriot missile defense systems for the defense of our European bases. In particular, my travel to European bases led to the development of an air base defense plan by the Department of Defense to protect our air bases in Europe.

My service on the North Atlantic Assembly Panel has allowed me the opportunity to contribute to NATO meetings. I was selected to attend four NATO meetings in Europe over a 2-year time period. This travel enabled me to better understand the House Armed Services Committee's funding of U.S. NATO commitments.

Finally, since 1985 I have chaired the House Armed Services Environmental Restoration Panel. This panel oversees the cleanup on United States military installations in Europe, the Pacific, and in the United States. Travel to national priority sites is the only way to understand the serious problems we face in cleaning up our bases. My travel in this area has led to the direct cleanup of U.S. military bases and a greater awareness of environmental restoration.

Mr. Speaker, I now disclose for the CONGRESSIONAL RECORD a comprehensive list of my foreign travel.

FOREIGN TRAVEL BY CONGRESSMAN RICHARD RAY ON BEHALF OF THE COMMITTEE ON ARMED SERVICES

Visits connected with the arms control panel: Number of trips: 2.

Date: July 5–9, 1983.

Country: Austria.

Purpose: To participate in arms control discussions and negotiations.

Date: November 8–21, 1985.

Countries: Switzerland, Austria.

Purpose: To participate in arms control talks.

Visits connected with air base defense to establish and improve missile protection for U.S. and NATO bases and to promote procurement of the patriot missile for U.S. and Allied Forces: Number of trips: 3.

Date: October 11–19, 1984.

Countries: West Germany, Italy, United Kingdom.

Purpose: To visit NATO air bases. Congressman Ray has been recognized as the point person for the House Armed Services Committee on air base defense. (traveled commercial).

Date: June 26–July 10, 1986.

Countries: Germany, Norway, Denmark, England.

Purpose: To assess the progress of implementing the air base defense plan. (traveled commercial).

Date: August 21–31, 1989.

Countries: Germany, United Kingdom, Italy, Belgium.

Purpose: To investigate the status of air base defense and implementation of the Patriot Missile Defense System. (traveled commercial).

Visits to Central America during the Nicaraguan conflict: Number of trips: 3.

Date: May 29–30, 1986.

Country: Honduras.

Purpose: To inspect the Contra camps during Contra the Congressional Contra debates. (traveled commercial).

Date: June 1–4, 1986.

Countries: Guatemala, Nicaragua, Costa Rica, Honduras, El Salvador.

Purpose: Led 12 Members of Congress to meet with the governments of these countries to discuss the Contra situation.

Date: January 30–31, 1988.

Country: Nicaragua.

Purpose: To participate in discussions with Nicaraguan officials and representatives of the U.S. State Department.

Visits associated with Congressman Ray's chairmanship of the Environmental Restoration Panel of the House Armed Services Committee: Number of trips: 2.

Date: December 10–19, 1990.

Countries: Philippines, Japan, Korea.

Purpose: To review environmental problems involving U.S. bases in the Pacific. (traveled commercial).

Date: August 5–17, 1991.

Countries: Germany, Czechoslovakia, United Kingdom, Italy.

Purpose: To assess environmental problems at bases in these countries, particularly in light of base closure. On this trip Congressman Ray became one of the first Westerners to visit an abandoned Soviet base near Prague, Czechoslovakia. (traveled commercial).

Visits associated with Congressman Ray's position on the North Atlantic Assembly Panel (NATO Panel): Number of trips: 4.

Date: January 4-14, 1990.

Countries: Belgium, Italy, Hungary, Germany, Austria.

Purpose: To examine the Conventional Forces Reduction negotiations and the NATO Defense College.

Date: November 24-December 2, 1990.

Countries: United Kingdom, Austria.

Purpose: To participate in the North Atlantic Assembly meeting, get an update on the Conventional Forces Europe agreement, and get a briefing on the recently completed inspection of Iraqi nuclear facilities by the International Atomic Energy Agency.

Date: May 24-27, 1991.

Countries: Netherlands, Belgium.

Purpose: To participate in the North Atlantic Assembly Meeting.

Date: October 18-28, 1991.

Country: Spain.

Purpose: To participate in the North Atlantic Assembly Meeting.

Other official House Armed Services Committee travel: Number of trips: 5.

Date: September 23-29, 1983.

Countries: Cyprus, Lebanon.

Purpose: To accompany members of the Readiness Subcommittee to determine if the War Powers Act was being violated by stationing Marines in Beirut.

Date: November 8-21, 1984.

Countries: Singapore, Korea, Hong Kong, Japan.

Purpose: To meet with the leadership of the countries supporting the South Pacific Nuclear Free Zone.

Date: February 8-14, 1986.

Countries: Korea, Philippines.

Purpose: To follow up on military construction projects which had been authorized by the Armed Services Committee.

Date: November 10-15, 1986.

Countries: Philippines, Thailand, India, Napal, Jordan, Pakistan.

Purpose: To receive overview briefings on U.S. military relations with these countries.

Date: January 7-18, 1989.

Countries: Hong Kong, Thailand, Turkey, Spain.

Purpose: To meet with U.S. government countertypes to discuss U.S. military support of these nations.

Total number of foreign trips taken: 19.

RAHALL PAYS TRIBUTE TO EVELYN DUBROW

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. RAHALL. Mr. Speaker, I rise to pay tribute to a great lady, who has been a good friend to me, as well as to all of those who work to uphold liberal traditions across the length and breadth of our proud Nation, the Honorable Evelyn Dubrow.

Ms. Dubrow has been called a torch-bearer for the labor agenda, and is known as an indefatigable lobbyist for labor and other progressive causes.

Ms. Dubrow's career spans a half-century, having begun as a journalist; she then became an official of the New Jersey Textile Workers Union of America. She is the epitome of "Buy America" in the truest sense, as an outspoken champion of the people who make the clothing most Americans buy and are proud to wear.

For the past several decades she has been on the front lines fighting for rights of the members of the International Lady Garment Workers Union [ILGWU], and in fact she is the personification of commitment, compassion, legislative savvy, personal strength, and professional integrity when it comes to all those who need a friend to defend their causes before Congress, or in any other forum.

Evy, as she is known to everyone, is the stuff of which legends are made, but she is best known for literally hammering out acceptable legislation for labor, piece by piece over the years, and the bills not only had substance and the staying power required to sustain long-term social progress in America, but which always upheld the finest American traditions and ideals.

Evy Dubrow has touched many lives during her tenure in Washington, embracing several generations of men and women who have looked to her for leadership and who have never been disappointed—for if Evy Dubrow is anything at all, she is a leader.

Held in awe by the multitudes, at ease in the presence of the all-powerful, from Presidents to Members of the U.S. Senate and the House of Representatives, she is also deeply respected by all who know her, whether in the hallowed Halls of Congress or in the trenches of labor warfare. Wherever the people she represents need her, that is where you will find her.

Evy Dubrow has been making a difference since she began her activities during World War II, the past 35 of those years spent here in Washington. Attesting to the exemplary professional life she has led, are the many awards and citations she has received over the years.

The Opportunities Industrialization Centers [OIC] awarded Evy its Legislative Government Award, and her contributions on behalf of consumers' rights have been recognized by the National Consumers League and the Consumer Federation of America—the latter for her outstanding work on behalf of the elderly. The Hispanic Labor Committee cited her for promoting full potentiality for working people, while the Women's Equity Action League, the Women in Government Relations, and the Women's Legal Defense Fund, Girls' Clubs of America, the National Urban Coalition, the National Farmers Union, the National Council of Jewish Women, the United National Association of the United States of America, and last but not least the ILGWU Florida Retirees Clubs, all have similarly honored her and paid tribute to her many and varied contributions to society in America.

This year, Evy Dubrow received the Ellis Island Medal of Honor.

I proudly add my name to the long list of Evelyn Dubrow's admirers, friends, and colleagues, and herewith convey to her my most respectful congratulations for a lifetime of achievement.

Evelyn Dubrow is a remarkable woman, and a devoted, dedicated champion of all things American.

JUNE IS TURKEY LOVERS' MONTH

HON. JOHN A. BOEHNER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1992

Mr. BOEHNER. The people of Ohio and the people of my district have a deep appreciation of the value of agriculture. They understand the role it has played in making our Nation the strongest most prosperous country in history, and they appreciate the role it continues to play in stimulating our economy.

Today, I would like to take a moment to salute one of the rising stars on the Ohio agricultural scene—our thriving turkey industry.

To most of us, turkey has been part of a traditional holiday meal, served at Thanksgiving and Christmas and forgotten the other 363 days of the year. Times have changed. Today's active, health-conscious American is looking for foods that are nutritious, versatile, and easy to prepare. The turkey industry has responded to their demand, and the result has been a doubling in turkey consumption during the last decade.

A quick look at turkey production in Ohio reveals a microcosm of the industry's growth nationwide. Once a fledgling industry in our State, Ohio's turkey growers produced 5.4 million turkeys last year. This is a 14-percent increase from the 4.7 million produced in 1990, and it puts Ohio on the brink of being one of the 10-largest turkey producing States in the Nation.

Cooper Foods, one of Ohio's premier turkey processors, has a major plant in my district, and I personally can attest to the economic benefits that flow from this industry. The turkey industry employs thousands of Ohioans, and pumps countless millions of dollars into our State's economy.

The turkey industry has chosen June to celebrate its emergence as a major force on the agriculture scene. I believe the choice is extremely appropriate. Grilling season is upon us, and turkey is fast becoming one of the most popular items for backyard barbecuing. The variety of products available ensures that turkey's popularity will stay strong for years to come.

Therefore, I urge my colleagues to join me, the people of Ohio and the National Turkey Federation in celebrating June is Turkey Lovers' Month and in recognizing the many benefits the turkey industry brings to our agricultural economy.

HOUSE OF REPRESENTATIVES—*Wednesday, July 1, 1992*

The House met at 10 a.m.

Rev. E. Kirk Robinson, Christ United Methodist Church, Arlington, VA, offered the following prayer:

Compassionate and loving God, great Governor of all the world: We pray for all who hold public office and power, and for the life, dignity, and virtue of the people who are in their hands. Enrich and strengthen the resource of compassion in our political life. Grant that the servants of the state may feel ever more deeply that any diversion of their public powers for private ends is a betrayal of their God and their country. Purge our cities, States, and Nation of the deep causes of corruption which have so often made sin and injustice profitable and uprightness difficult. Breathe a new spirit into all our Nation that we may be a leader for world peace. Give our leaders new vision. Set their hearts on fire with resolves that reach beyond party lines. Raise up a new generation of women and men for public service with the faith and daring of the kingdom of God in their hearts, who will enlist for life in a holy warfare for the freedom and the rights of all people. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Minnesota [Mr. PENNY] come forward and lead the House in the Pledge of Allegiance.

Mr. PENNY led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will receive 1-minute requests not to exceed 10 on each side.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate has passed without amendment a joint resolution of the House of the following title:

> H.J. Res. 499. Joint resolution designating July 2, 1992, as "National Literacy Day".

The message also announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

> S. 1330. An act to enhance the productivity, quality, and competitiveness of United States industry through the accelerated development and deployment of advanced manufacturing technologies, and for other purposes, and
>
> S.J. Res. 281. Joint resolution designating the week beginning September 14, 1992 and ending on September 20, 1992, as "National Rural Telecommunications Services Week."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1150), "An act to reauthorize the Higher Education Act of 1965, and for other purposes.".

INVITING MEMBERS TO SIGN THE BICENTENNIAL CONSTITUTION

(Mr. FOGLIETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOGLIETTA. Mr. Speaker, I rise to invite my colleagues to put themselves in the shoes of Ben Franklin, Alexander Hamilton, and James Madison—and sign the U.S. Constitution.

Today, Members of Congress will have a chance to sign the Bicentennial Constitution over in the Rayburn Room.

This version of the Constitution has been hand-copied, bit by bit, by the Governors of all 50 States, as well as an outstanding educator and worthy student in each State.

The Bicentennial Constitution started last December at Independence Hall in Philadelphia, in my district. Eventually, it will be received by the National Archives for future exhibition. This is the last event of the national celebration of the bicentennial of the Constitution.

By signing this document today, we play a role in deepening knowledge of the principles that will strengthen this Nation for its third century. I hope every Member will take a minute to walk across the hall, sign on, and recommit to the fundamental principles of our Nation.

TRIBUTE TO THE HONORABLE DAVID O'B. MARTIN

(Mr. WALSH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WALSH. Mr. Speaker, today I take on a melancholy privilege of honoring DAVID O'B. MARTIN, a friend who will be leaving this institution at the end of this year.

I am happy for the freedom he will find, his new goals, and his new beginning. But at the same time I am disappointed; I will not have his counsel. Suffice to say I have gained by the experience of our relatively short friendship.

DAVE MARTIN has given me direction, often without appearing to know it, as is often the way with leaders. He has shown me a standard of conduct and respect for the institution that is consistent with what I was always taught. Reject hypocrisy, savor friendship, extoll honesty and respect the uniqueness that makes each individual's ideas valuable. Work hard and help people. DAVE MARTIN did not teach me these things. My father did, and he also served in this Chamber. But I have found DAVE MARTIN to epitomize these lessons.

As long as I am in Congress, I can only hope to do as well for my constituents and our Nation as he has. He is leaving having accomplished much. He can point to projects which have had a dramatic, positive influence on northern New York, not the least of which is the growth of Fort Drum near Watertown.

But more important than physical achievement, he has earned respect from colleagues on both sides of the aisle as a no-nonsense, honorable man who has served his country well. He continues to approach life with good humor and the intelligence of a country lawyer quite at home in the city.

To lose this kind of person, this voice in Washington, makes his neighbors unhappy. If I were not so inspired by him, and if I did not see so clearly his plan and how well it works for him, I think I would be unhappy too. Because he has been a great friend to me and my central New York constituents as well.

Each of us will be praised and scorned over the course of our careers. Each of us will hear our names echo in this historic, hallowed hall. But how many of us will leave knowing we have done our best and kept integrity and reputation intact, like DAVE MARTIN?

Mr. Speaker, I want to add to my remarks today the following editorial from the Watertown Daily Times, the largest newspaper in DAVE MARTIN's district, which puts forth very well the

☐This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

sentiments of the people who know DAVE MARTIN. We all wish him well.

The editorial referred to follows:

[From the Watertown Daily Times, June 12, 1992]

DAVID O'B. MARTIN—VETERAN NORTH CONGRESSMAN NOT SEEKING REELECTION

Rep. David O'B. Martin, who has represented the sprawling Northern New York district in the House of Representatives for 12 years, will not seek re-election.

The announcement of his decision on Thursday surprised many political leaders although Rep. Martin, a lifelong resident of St. Lawrence County, has indicated in the past that he did not consider remaining in the Congress "forever," a position that should be emulated by other politicians.

Energetic and a fighter for issues and programs in which he believed, Rep. Martin has well represented his constituents in the nine-county 26th District. The House seniority he has secured over six terms have been of great value to the North Country.

The congressman, whose district is larger in area than that of nine states, has always tried to help the people he represented in Washington, who often contacted him to solve problems or ease the way through the federal bureaucracy.

Mr. Martin generally has taken a practical conservative approach to issues, but has not hesitated to vote against the veto wishes of Republican presidents when he believed their plans would be damaging to his constituency or to the general health of the nation.

Building on the work of his predecessor in Congress, Rep. Robert C. McEwen, also from St. Lawrence County, Mr. Martin has long played a valuable role in expanding the use of military installations at Fort Drum and Plattsburgh Air Force Base.

In 1982, for example, at a conference at which Secretary of the Army John O. Marsh Jr. said Fort Drum's role would be expanded, Rep. Martin pledged a "concentrated effort to use Drum in every way, adding he was not going to "pause to take a breath."

Rep. Martin spearheaded the drive to expand Fort Drum, long used only summers for National Guard and Army Reserve training. The congressman's efforts were invaluable in the building of the new Fort Drum, considered the most modern Army installation in the world, and the successful basing there of the reactivated 10th Mountain Division, a light infantry unit capable of quickly going to trouble spots anywhere in the world.

Mr. Martin spurred north country leaders to join in the campaign to enhance the role of Fort Drum. Included in the effort was a June 1984 hearing in Watertown at which north leaders pledged their support to the Army to ease the way for the expansion of Drum.

The vital session was led off by Gov. Mario M. Cuomo and Rep. Martin, who pledged, "Once we know fully what we must do, we will do it. It's as simple as that."

The congressman fully realizes the important economic role the north military bases play, and was a staunch advocate of their proven strategic value as well.

Rep. Martin is the leading Republican member of the House Armed Services subcommittee on military installations and construction and guided complex funding programs to benefit Drum and Plattsburgh through the legislative process.

Mr. Martin, however, did much more than convince Army and Congressional leaders of the value of Fort Drum. He also has led the battle in Washington over aid to farmers, fostering the use of St. Lawrence Seaway and industry as well as taking a stand on other issues which would affect life in the north country.

By leaving the Congress as the end of this current term, Rep. Martin will salvage some seniority for the north district, inasmuch as a great turnover in the House will take place this year, as many other members are leaving, including three other New Yorkers.

Mr. Martin, respected by his colleagues, has been well-liked by constituents as indicated by his overwhelming victories at the polls. He was unopposed in two campaigns.

Mr. Martin has served the North Country well and will be missed in the Congress, where many able and conscientious persons have become frustrated with the legislative process in recent years.

The hard-working congressman, who was not averse to taking a moderate stance on domestic issues when he felt it would be more beneficial to the nation, was energetic and sincere in his efforts and knew the value of compromise.

May his successor do as well.

GRANTING 16- AND 17-YEAR-OLDS THE RIGHT TO VOTE

(Mr. PENNY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENNY. Mr. Speaker, they can drive cars, get married, work full-time, serve on juries in many courts, join the military, and in several jurisdictions can be tried in court as adults, but 16- and 17-year-olds cannot cast a vote for President or their representatives in Congress.

Yet, every day in every possible way, these same elected officials decide the fate of these young people. To remedy this situation, Mr. Speaker, today, on the 21st anniversary of the ratification of the 26th amendment, which granted 18-year-olds the right to vote, I am introducing a resolution to amend the Constitution to grant 16- and 17-year-olds the right to vote.

During this election year, when interest and participation in all elections is lagging, it is time to begin a debate on the future so as not to lose our next generation of voters. Registering and voting will help to establish a stronger sense of citizenship among high school students by putting their civics lessons into practice. I am also convinced that it will create a pattern of political participation that will last a lifetime.

But most importantly, decisions made by today's leaders on the budget, education, and the environment will dramatically affect the next generation—and these young citizens should have a right to vote for their future.

Mr. Speaker, this constitutional amendment is true to our Nation's democratic ideals. I urge our colleagues to sponsor this resolution for America's future.

SUPPORT FOR THE FREEDOM OF CHOICE ACT

(Mr. CHANDLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHANDLER. Mr. Speaker, I am announcing today that I will vote in favor of the Freedom of Choice Act as amended by the House Judiciary Committee.

As everyone knows, I am pro-choice. I have voted consistently to preserve a woman's right to choose for herself whether or not to have an abortion.

And, I believe a woman's right to choose should be protected by law.

I also strongly support notifying a minor's parent or guardian before terminating a pregnancy.

My consistent position on this legislation has been to hold my support for the Freedom of Choice Act until it was modified to allow for parental notification.

Now that the Judiciary Committee wisely has chosen to allow for parental notification, I will vote in favor of the Freedom of Choice Act.

I urge my colleagues to join me in support of the Freedom of Choice Act as amended.

□ 1010

MORE JOBS LOST TO MEXICO

(Mr. SARPALIUS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. SARPALIUS. Mr. Speaker, there was a time when a man with a high school diploma could raise his family, send his kids to school, and consider himself a solid member of the middle class. That does not exist anymore. The wages of a working male today with a high school diploma are 27 percent lower than what they were in 1979. The wages of a working woman are now 16 percent lower than what they were in 1979.

Mr. Speaker, I have in my district the small town of Bowie, where I recently held a town meeting. About a hundred people showed up. The day before, 250 people lost their jobs, people who worked for Haggar Slacks. Haggar Slacks has opened up a new plant in Mexico. They are employing people there and paying them 27 cents an hour.

Mr. Speaker, it is time that this body and the President started focusing on the middle class. As their jobs are crumbling, their future is crumbling and they live in a country where the promise that they could dream any dream and make that dream come true is being swept away.

NOT INCREASE NEA FUNDING

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I would like to bring my colleagues' attention to two amendments that will be offered to the Interior appropriations bill later today.

The first amendment will be introduced by Congressman CRANE and will save $179 million by striking the appropriation for the National Endowment for the Arts.

If that amendment fails, I will offer an amendment to strike the almost $3 million increase the committee has provided the NEA.

With our Federal budget deficit expected to reach approximately $400 billion this year, we can only afford what is absolutely necessary, not just desirable.

Mr. Speaker, when the average American business or family experiences a budget crises, it is forced to prioritize and cut back on activities that may be desirable. Congress should be no different.

Given our deficit and the many critical Federal programs currently being underfunded how can we justify increasing funding for the NEA. We have cut our military, we have eliminated funding for the superconducting super collider, we have cut our legislative staff budgets—yet we are going to give the NEA a $3 million increase?

That just does not make sense.

Let us be honest with ourselves and the American people. The NEA is not a necessity—we cannot justify increasing funding for the NEA.

PRINTING OF BOOK ENTITLED "YEAR OF THE AMERICAN INDIAN, 1992: CONGRESSIONAL RECOGNITION AND APPRECIATION"

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the concurrent resolution (H. Con. Res. 328) providing for the printing of the book entitled "Year of the American Indian, 1992: Congressional Recognition and Appreciation," and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Illinois?

Mr. WALSH. Mr. Speaker, reserving the right to object, let me ask, will the gentleman from Illinois [Mr. ANNUNZIO] please explain the resolution?

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. WALSH. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Speaker, House Concurrent Resolution 328 is sponsored by the Honorable CHARLIE ROSE and currently has 45 cosponsors. As you all know, the President signed Public Law 102–188 which designates 1992 as the "Year of the American Indian." This recognition is a fitting tribute to honor the original inhabitants of this continent. Accordingly, this resolution provides for the printing of the book entitled "Year of the American Indian, 1992: Congressional Recognition and Appreciation."

This 100-page illustrated publication will be prepared by the Joint Committee on Printing and should prove to be an excellent resource as well as a tribute to the notable contributions which native Americans have made to our country's history and culture.

In addition to the usual number, the concurrent resolution provides for the printing of 123,000 copies of the document, of which 88,000 copies shall be for the use of the House of Representatives, 200 per Member, 20,000 copies shall be for the use of the Senate, and 15,000 copies shall be for the use of the Joint Committee on Printing.

The U.S. Government Printing Office estimates the cost of this publication to be $173,500.

Mr. WALSH. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the concurrent resolutions as follows:

H. CON. RES. 328

Resolved by the House of Representatives (the Senate concurring), That the book entitled "Year of the American Indian, 1992: Congressional Recognition and Appreciation", prepared under the direction of the Joint Committee on Printing, shall be printed as a House document, with illustrations and suitable binding. In addition to the usual number there shall be printed 123,000 copies of the document, of which 88,000 copies shall be for the use of the House of Representatives, 20,000 copies shall be for the use of the Senate, and 15,000 copies shall be for the use of the Joint Committee on Printing.

AMENDMENT OFFERED BY MR. ANNUNZIO

Mr. ANNUNZIO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANNUNZIO: Page 1, strike out line 7 and all that follows through the end of the resolution and insert in lieu thereof the following:

usual number there shall be printed the lesser of—

(1) 123,000 copies of the document, of which 88,000 copies shall be for the use of the House of Representatives, 20,000 copies shall be for the use of the Senate, and 15,000 copies shall be for the use of the Joint Committee on Printing; or

(2) such number of copies as does not exceed a cost of $200,000, with distribution to be allocated in the same proportion as described in paragraph (1).

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ANNUNZIO. Mr. Speaker, this amendment shall provide that the number of copies does not exceed a cost of $200,000, with distribution to be allocated in the same proportion as described in the resolution.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Illinois [Mr. ANNUNZIO].

The amendment was agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

WAIVING CERTAIN POINTS OF ORDER DURING CONSIDERATION OF H.R. 5488, TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1993

Mr. GORDON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 505 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 505

Resolved, That during consideration of the bill (H.R. 5488) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1993, and for other purposes, all points of order against provisions in the bill for failure to comply with clause 2 of rule XXI are waived except as follows: beginning on page 47, line 10, through line 25; beginning on page 65, line 24, through page 66, line 12; and beginning on page 75, line 24, through page 76, line 17. The amendments en bloc specified in the report of the Committee on Rules accompanying this resolution to be offered by Representative McDade of Pennsylvania or his designee may amend portions of the bill not yet read for amendment, shall be considered as read when offered, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. The amendments en bloc specified in the report to be offered by Representative Dorgan of North Dakota or his designee may amend portions of the bill not yet read for amendment, shall be considered as read when offered, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. Such amendment en bloc and any amendments thereto shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent. Points of order under clause 2 of rule XXI against the amendment specified in the report to be offered by Representative Hoagland of Nebraska or his designee are waived. Such amendment and any amendments thereto shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent.

Mr. GORDON. Mr. Speaker, with the permission of the Chair, I withdraw the previous resolution.

The SPEAKER pro tempore. House Resolution 505 is withdrawn from consideration.

WAIVING CERTAIN POINTS OF ORDER AGAINST AND DURING CONSIDERATION OF H.R. 5503, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1993

Mr. GORDON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 506 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 506

Resolved, That all points of order against consideration of the bill (H.R. 5503) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1993, and for other purposes, are waived. During consideration of the bill, all points of order against provisions in the bill for failure to comply with clause 2 of rule XXI are waived except as follows: beginning with "*Provided further*" on page 10, line 9, through "filed:" on line 21; beginning with "*Provided*" on page 18, line 24, through the colon on page 19, line 1; beginning with "to provide" on page 21, line 6, through "option" on line 12; beginning with "*Provided*" on page 21, line 14, through "System" on line 19; beginning with "*Provided further*" on page 21, line 25, through "horses" on page 22, line 3; beginning on page 22, line 24, through "purposes" on page 23, line 4; beginning on page 49, line 20, through page 50, line 4; beginning on page 59, line 18, through line 23; beginning on page 69, line 9, through "Reserve:" or line 12; beginning on page 95, line 14, through page 96, line 6; and beginning on page 96, line 20, through page 97, line 3. Where points of order are waived against only part of a paragraph, a point of order against matter in the balance of the paragraph may be applied only within the balance of the paragraph and not against the entire paragraph. The amendments printed in part 1 of the report of the Committee on Rules accompanying this resolution shall be considered as adopted in the House and in the Committee of the Whole. Points of order under clause 2 of rule XXI against the amendment specified in part 2 of the report to be offered by Representative Solomon of New York or his designee are waived. All points of order against the amendment specified in part 2 of the report to be offered by Representative de la Garza of Texas or his designee are waived. Such amendments and any amendments thereto shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent.

□ 1020

The SPEAKER pro tempore (Mr. MONTGOMERY). The gentleman from Tennessee [Mr. GORDON] is recognized for 1 hour.

Mr. GORDON. Mr. Speaker, during consideration of this resolution, all time yielded is for the purpose of debate only. At this time I yield the customary 30 minutes, for the purpose of debate only, to the gentleman from New York [Mr. SOLOMON], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 506 waives all points of order against H.R. 5503, the Interior and related agencies appropriations bill for fiscal year 1993.

During consideration of the underlying bill, all points of order against the bill for failure to comply with clause 2 of rule XXI—which prohibits unauthorized appropriations or legislative provisions in general appropriations bills, and restricts the offering of limiting amendments to the bill—are waived with the exception of 15 specific provisions which are printed in the report that accompanies the rule.

The 11 provisions in which clause 2 of rule XXI is waived make funding of those specific items contingent on future authorization by the House and the Senate. The 11 provisions shall be considered as adopted in the House and in the Committee of the Whole upon adoption of this rule.

Where points of order are waived against only part of a paragraph, a point of order against subject matter in the balance of the paragraph may be applied only within the balance of the paragraph, and not against the entirety of the paragraph.

The amendments in part 1 of the report of the Committee on Rules which accompanies this resolution shall be considered as adopted in the House and the Committee of the Whole.

Points of order under clause 2 of rule XXI against the amendment specified in part 2 of the report to be offered by Representative SOLOMON of New York or his designee are waived. The Solomon amendment, and any amendments to the Solomon amendment, are debatable for 20 minutes.

All points of order against the amendment specified in part 2 of the report to be offered by Representative DE LA GARZA of Texas or his designee are waived. The de la Garza amendment, and any amendments to the amendment are debatable for 40 minutes.

Finally, debate time on the Solomon and de la Garza amendments shall be equally divided between proponents and opponents.

Mr. Speaker, I would like to commend chairman YATES and the Interior Subcommittee members for once again bringing a very difficult piece of legislation to the floor. Chairman YATES and his subcommittee held 33 days of hearings and received testimony from over 800 witnesses, which is chronicled in over 14,000 pages.

H.R. 5503 is the product of hard work, careful consideration, and a mastery of the issues surrounding many diverse and intricate subjects.

The Interior appropriations bill funds programs and initiatives which range from alternative fuels research to national park and battlefield preservation to energy conservation to managing our Nation's forests and streams to funding programs for native Americans. This bill is truly diverse and has jurisdiction over many of today's most dynamic issues and Federal agencies.

I would like to once again congratulate Chairman YATES and ranking Republican RALPH REGULA for their efforts.

Mr. Speaker, I reserve the balance of my time.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me first of all commend the gentleman from Illinois, Chairman YATES, and the ranking member, the gentleman from Ohio [Mr. REGULA]. These two gentlemen have one of the toughest jobs in this Congress, and they certainly perform admirably in the work that they do.

Let me at the outset say that I am supporting this rule. The rule seems very complicated on its face for one simple reason, and that is that we have had a major collision between the authorizing Committee on the Interior and the Appropriations Subcommittee on the Interior. The authorizing committee objected to numerous unauthorized provisions in this bill, and they asked us to either not protect them against points of order or to amend them so that they are subject to the authorization before the money could be spent.

Mr. Speaker, while the Committee on Appropriations asked that we protect all provisions of this bill against points of order, in deference to the Committee on Interior and Insular Affairs, we left 15 provisions unprotected and thus subject to points of order. And we self-execute into the bill by this rule some 11 amendments that make the appropriations subject to authorizations.

Other than that, the rule allows for a completely open amendment process and provides protection for two additional amendments, one dealing with forests and another dealing with grazing fees.

Mr. Speaker, I support this rule because I think it is the best we could do under difficult circumstances when two major committees are in disagreement. Unfortuantely—and I think I should say this to my good friend, the gentleman from Illinois [Mr. YATES] and to the gentleman from Ohio [Mr. REGULA]—the blame lies not so much with either committee, the appropriating committee or the Committee on Interior and Insular Affairs, but the blame lies with the other body, where many of these authorizing bills are languishing after passing this House. They are languishing forever, it seems sometimes.

But I do hope that the Hamilton-Gradison joint committee will seriously look at ways in which we can complete our authorizing responsibilities before embarking on the appropriations process.

If this means biennial budgeting under which we adopt 2-year budgets and spend 1 year on authorizations and 1 year on appropriations, so be it.

There must be a better way to do things than we are doing them now, and I strongly urge the Hamilton-Gradison committee to make reform of the authorization-appropriations process one of its top priorities.

We need it desperately. Again, I would say to the Members here on the floor and back in their offices that this rule allows for a normal open amendment process. Therefore, I strongly urge support of the rule.

Mr. Speaker, I yield 6 minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, yesterday we passed an appropriations bill that was $6.5 billion, $6.5 billion higher than last year's spending levels. The deficit this year is $400 billion. The national debt is $4 trillion, up from $1 trillion 10 years ago. The economy is in a very precarious position right now because of these huge deficits.

This bill is $475.1 million above the President's request and $415.5 million above last year's level.

I say to my colleagues, the people across this country are clamoring for fiscal responsibility in this Chamber. Two years ago we raised taxes in the 1990 budget summit agreement by $181 billion to get control of the deficit. At that time it was $221 billion. Now it is $400 billion. The debt is $4 trillion. The interest on the national debt is over $300 billion a year.

What are we doing? Every single appropriations bill that comes before the House is higher than last year. How in the world are we going to get control of spending if every appropriations bill is higher than last year's and last year we faced a $400 billion deficit?

□ 1030

I would like to give my colleagues a real quick economic lesson as far as the Federal Government is concerned. If the deficits continue like we are heading and they continue to rise unabated, then what is going to happen, according to Peter Grace, the chairman of the Grace Commission, is that by the year 2000, it is going to take over 100 percent, 102 percent of all personal income tax revenues just to pay the interest on the national debt.

I have not gone into this before, but I hope the Members will pay attention to this. Do they understand what happens when interest gets that high? That means that we will not be able to pay the interest on the financial instruments that are purchased by people in this country or abroad. If we cannot pay the interest on the debt, let alone the principal on the debt, and take care of current expenses such as Medicare, Medicaid, and so forth, then what is going to happen is the Federal Reserve Board is going to monetize the debt.

Why will they monetize the debt? And that means simply printing money at the Treasury to pay off all of the debt.

The reason they will print that money to pay off all or part of the debt is because we do not even have enough money, or will not by the year 2000, to pay interest on the debt. If they pay off half of the national debt, say, which would be, let us say, $8 or $10 trillion by then, that means they would have to put $5 trillion into circulation.

We talk about people on fixed incomes all the time, the people on Social Security and the people who are on welfare and so forth. We say we are really concerned about them. That is why we continue to give them more and more benefits. But if we print $5 trillion and put it into the economy to pay off part of the national debt so that the servicing of the debt, the interest, is manageable, then we are going to have what is called hyperinflation.

I do not know if anybody is paying any attention to this around here, but I wish somebody would. It is going to cause hyperinflation. If we look back at history, in Germany and South America and Brazil and Argentina and other countries, we will find when we have hyperinflation that a loaf of bread that costs $1 one day costs $5 a week later, and a week after that it costs $50. The people who are on fixed incomes because of our spending policies will have a lot of money, but they will not be able to buy anything with it.

I say to my colleagues, who obviously are not paying much attention around here but maybe somebody is: We need to get control of this.

Mr. YATES. Mr. Speaker, will the gentleman yield? We are paying attention to the gentleman's every word.

Mr. BURTON of Indiana. I appreciate that.

The point is that if we do not get control of spending, we are faced with one of two possibilities, either a depression or hyperinflation. Every single government throughout history, when faced with those two dilemmas, always goes to the printing money route, and we will be no exception, in my opinion.

When we start printing money to pay off this debt we are incurring on a day-in and day-out basis, we are going to destroy the economic foundation of this country, and the senior citizens and the people on fixed incomes are really going to suffer, and the kids, the future generations, are going to have to pay this debt through either a lower standard of living or worse.

I just say to my colleagues, every single appropriation bill which is higher than last year should not be passed, because we were $400 billion in the tank last year falling on the heels of a $181 billion tax increase that was supposed to get control of this problem, and it is just getting worse.

These guys on the Committee on Appropriations have to get control of spending before they bring this to the floor, because every single bill is higher and higher and higher. It is just going to be awful in the future.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I yield to my colleague, the gentleman from Illinois.

Mr. YATES. Mr. Speaker, what does the gentleman propose to do about the natural resources that the people of America own: the national parks, the national forests, the public lands, the wetlands, the coastal seashores? Those are deteriorating every single year. Let me point out that over 250 Members of the House appeared before our committee in response to the needs of our natural resources. That is an amazing statistic. We heard over 800 witnesses. It is an amazing statistic, but it is not surprising when we consider the tremendous confrontation that is taking place throughout our country between the developers who want, and understandably so, who want to purchase properties on the edge of the national parks, the national forests, the wetlands, the national ocean recreation areas. Can you imagine any sites that are more desirable for development?

Mr. GORDON. Mr. Speaker, for purposes of debate only, I yield such time as he may consume to the gentleman from Illinois [Mr. YATES], the chairman of the subcommittee.

Mr. YATES. Let me point out that we have this tremendous confrontation taking place between developers and those of us, including the Members, all of the Members of Congress, who want to protect the Nation's resources. The encroachment is taking place, understandably, because these are the most desirable properties in the country. When Members of Congress come in and ask us to set aside a certain amount of money to acquire lands, either in the forests or in the parks or on the seashores, it is not pork. Members do not benefit personally by this. It is an effort to preserve our natural resources that beautify their districts.

We do not have as much money in this bill as we should have for our land and water conservation fund. I think it is down to $284 million. We ought to be buying these properties to protect the resources for our children in the future. That is the function of our committee. In our bill, we are in the middle of that confrontation. We have to decide whether to make this money available to the extent that we can. We are very aware of what the gentleman is telling us about the national debt. Sure we are aware of that. But we have this responsibility as well of protecting our national resources.

Mr. BURTON of Indiana. Will the gentleman yield?

Mr. YATES. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. There are needs in every congressional district, in every State in this Union. The problem is, we are not setting priorities on the spending. The gentleman just raised the issue that many Members are coming to the various members of the Committee on Appropriations, talking about the needs of their particular areas, and many of these needs are very important. I do not diminish their arguments. But the fact of the matter is, the legacy that this Nation is going to be left with because of our actions or inactions is going to be horrific economically.

We went from being the No. 1 economic power seat 10 years ago to the greatest debtor Nation in the world in just one decade. That means we have to get control of spending. Let me just give the Member a couple of statistics. Just 10 years ago we brought in $500 billion in tax revenues. It is now $1.3 trillion. We have almost tripled the tax revenues, and yet we are still $400 billion short this year, and these appropriations bills are going to exceed that. We have to do something.

Mr. YATES. Let me reclaim my time, and then I will yield more time to the gentleman if he wants. Does the gentleman realize there was not 1 year under the Reagan administration or under the Bush administration where either President proposed a balanced budget?

Mr. BURTON of Indiana. If the gentleman will yield, I will answer that.

Mr. YATES. Of course I will yield.

Mr. BURTON of Indiana. I do not care who is at fault. I do not care if it was the President or the Congress, although I think that everybody knows that all the appropriation bills originate in this body.

Mr. YATES. If the gentleman will permit me to reclaim my time, the appropriations process begins with the President's budget. If the President does not send Congress a balanced budget, then I think that there is where the deficits commence.

Mr. BURTON of Indiana. If the gentleman will continue to yield, I agree there is enough blame to go around. When the Members look in the gallery and look out in the streets and go back to their congressional districts and look at the senior citizens who are going to be faced with hyperinflation, having money but it will not buy anything because of that, when we look at the future generations and what they are going to deal with as far as this massive debt, then we have to come to the conclusion as Members of Congress that we have got to do something to control this spending.

What my point is, we have tripled the tax revenues, more than tripled the tax revenues, and we are still going in the tank at $400 billion a year, and we are going to exceed that this year because of the appropriations bills. We have got to do something about spending. We are sowing the terrible seeds of destruction for these kids.

Mr. SOLOMON. Mr. Speaker, I yield 3 additional minutes to the gentleman from Indiana [Mr. BURTON].

Mr. REGULA. Mr. Speaker, will the gentleman in the well yield?

Mr. BURTON of Indiana. I am happy to yield to my colleague, the gentleman from Ohio.

Mr. REGULA. It will perhaps increase the gentleman's comfort level a little bit if I say to the gentleman that we did set priorities, because he mentioned that the priorities were that we reduce the President's request on land acquisition by $100 million, and there were no new starts in fish and wildlife, even though we have had many requests from Members; no new starts on visitor centers, and 30-some were requested by Members. We changed the formula on fire, which is out of our control in the sense that if there is a fire we have to take care of it. But we did realistically put the money in instead of having a supplemental.

□ 1040

If you take out the change in formula we are, in fact, under last year on budget authority by 1.3 percent. We are over only 1.4 percent on outlays over last year, and you have to take into consideration that this includes the cost of living that was granted to all Federal employees. It includes the inflationary pressure for gasoline, for equipment and so on. And we are below the rate of inflation by about 3 percent.

We have done that by just keeping it as tight as possible in every way.

Let me add one more thing, and that is that this is one of the few bills that generates revenue. About $8-billion plus comes into the Federal Treasury as a result of the investments that we make in our forests, in our parks, in our BLM lands, and we try to up that. And I for one have felt that we should increase our fees or admission to these facilities so we can accomplish some of the objectives that the gentleman is talking about.

Mr. BURTON of Indiana. I appreciate the gentleman's comments, and I also appreciate the efforts made by many members of the committee. But the fact of the matter is we are still spending $415.5 million above last year's spending levels.

Mr. Speaker, in this Chamber 2 weeks ago we had a vote on the balanced budget amendment. It failed by nine votes. And many Members who wanted to vote against the balanced budget amendment, and did, stood in this well and said we have to have the guts to make the hard decisions. We cannot do this just by passing a constitutional amendment, we have to have guts.

Well, I say to my colleagues, we really do need to have guts to make these hard decisions, because every appropriation bill is higher than last year. We brought a budget to the floor a couple of years ago called the 4-percent solution that would limit the growth in spending to 4 percent above last year's real spending levels. If we had passed that we could have balanced the budget in 5 to 6 years. We did not get a smell of getting that thing passed.

So, I just say to my colleagues, we have to get control of spending.

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I am happy to yield to the gentleman from Washington.

Mr. DICKS. Mr. Speaker, the defense appropriation bill will be substantially below last year's level, I think by nearly $17 billion. So I just wanted to make sure the gentleman understood that there is one area and one subcommittee that is below.

Mr. BURTON of Indiana. We appreciate that. And as long as we do not break down the firewalls and use that for deficit reduction.

Mr. REGULA. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Speaker, the gentleman said 4 percent. I want to point out we are at 1.3 percent, so we are accomplishing the very objective, and in fact we are much better than the objective that the gentleman set forth. And talk about guts, frankly, we resisted enormous pressures from many Members for visitors centers, fish and wildlife facilities, land acquisition. It was tough, and the chairman had to say no, as did I and the other members of the subcommitee.

Mr. BURTON of Indiana. I think the gentleman is to be commended as well as the other members of that subcommittee. But I just say overall we have to get control of spending. This is above last year's spending levels and we have to deal with it.

Mr. GORDON. Mr. Speaker, I withdraw the resolution.

The SPEAKER pro tempore (Mr. MONTGOMERY). The resolution is withdrawn.

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON ADAMHA REORGANIZATION ACT

The SPEAKER pro tempore. The unfinished business is the vote de novo on the resolution, House Resolution 479 waiving all points of order against the conference report on the bill (S. 1306) to amend title V of the Public Health Service Act to revise and extend certain programs, and for other purposes, and against the consideration of such conference report.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 266, nays 138, not voting 30, as follows:

[Roll No. 252]

YEAS—266

Abercrombie
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Aspin
Atkins
AuCoin
Barrett
Beilenson
Bereuter
Berman
Blackwell
Bliley
Boehlert
Borski
Boucher
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Byron
Camp
Campbell (CO)
Cardin
Clay
Clement
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Costello
Coughlin
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (TX)
Engel
English
Erdreich
Espy
Evans
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Gallegly
Gaydos
Gejdenson
Gephardt
Geren
Gilman
Gingrich
Glickman
Goodling
Gordon
Gradison
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Harris
Hayes (IL)
Hertel
Hoagland
Hochbrueckner
Horn
Horton
Hoyer
Huckaby
Hutto
Jacobs
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken
Manton
Markey
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McDermott
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Mfume
Michel
Miller (CA)
Miller (OH)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Morella
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Orton
Owens (NY)
Owens (UT)
Oxley
Pallone
Panetta
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Peterson (MN)
Pickett
Pickle
Poshard
Price
Rahall
Ravenel
Ray
Reed
Roe
Roemer
Rose
Rostenkowski
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Sarpalius
Savage
Sawyer
Scheuer
Schroeder
Schumer
Serrano
Sharp
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Solarz
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Thomas (WY)
Thornton
Torricelli
Towns
Traficant
Unsoeld
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walker
Washington
Waters
Waxman
Weiss
Wheat
Whitten
Williams
Wise
Wolpe
Wyden
Yates
Yatron
Young (AK)

NAYS—138

Allard
Allen
Applegate
Archer
Armey
Bacchus
Baker
Ballenger
Barton
Bateman
Bennett
Bentley
Bilbray
Bilirakis
Boehner
Bunning
Burton
Callahan
Campbell (CA)
Carper
Carr
Chandler
Clinger
Coble
Coleman (MO)
Combest
Cox (CA)
Crane
Cunningham
Dannemeyer
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Edwards (OK)
Emerson
Ewing
Fascell
Fawell
Fields
Fish
Franks (CT)
Gallo
Gibbons
Gilchrest
Gillmor
Gonzalez
Goss
Grandy
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Houghton
Hubbard
Hughes
Hunter
Hyde
Inhofe
James
Johnson (TX)
Klug
Kolbe
Kyl
Leach
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lowery (CA)
Machtley
Marlenee
McCandless
McCollum
McCrery
McEwen
McNulty
Meyers
Miller (WA)
Molinari
Moorhead
Morrison
Nichols
Packard
Paxon
Peterson (FL)
Petri
Porter
Pursell
Quillen
Ramstad
Rangel
Regula
Rhodes
Ridge
Rinaldo
Ritter
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Santorum
Saxton
Schaefer
Schiff
Schulze
Sensenbrenner
Shays
Shuster
Smith (FL)
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stump
Sundquist
Taylor (NC)
Thomas (CA)
Thomas (GA)
Upton
Vucanovich
Walsh
Weber
Weldon
Wolf
Young (FL)
Zeliff
Zimmer

NOT VOTING—30

Ackerman
Alexander
Anthony
Barnard
Bevill
Bonior
Boxer
Bustamante
Chapman
Duncan
Dymally
Frost
Gekas
Hatcher
Hayes (LA)
Hefner
Ireland
Johnson (CT)
Jones (GA)
Ortiz
Perkins
Richardson
Riggs
Shaw
Snowe
Tallon
Torres
Traxler
Wilson
Wylie

☐ 1107

Mr. ALLEN changed his vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 1306, ADAMHA REORGANIZATION ACT

Mr. WAXMAN. Mr. Speaker, pursuant to House Resolution 479, I call up the conference report to accompany the Senate bill (S. 1306) to amend title V of the Public Health Service Act to revise and extend certain programs, to restructure the Alcohol, Drug Abuse, and Mental Health Administration, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of June 3, 1992, at page 13249).

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 30 minutes, and the gentleman from Virginia [Mr. BLILEY] will be recognized for 30 minutes.

Mr. BILIRAKIS. Mr. Speaker, is either of these gentlemen in opposition to the legislation?

☐ 1110

The SPEAKER pro tempore (Mr. MONTGOMERY). Is the gentleman from Virginia [Mr. BLILEY] opposed to this bill?

Mr. BLILEY. No, Mr. Speaker.

The SPEAKER pro tempore. Therefore, the gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes, the gentleman from Virginia [Mr. BLILEY] will be recognized for 20 minutes, and the gentleman from Florida [Mr. BILIRAKIS], who is opposed to the bill, will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is our third time at bat on this legislation on the House floor. For those who may recall, we did bring up a conference report, for which there was a motion to instruct that we make a change, and we made that change. And now the conference report has been sent back to the House for consideration, and it was sent back unanimously. All the conferees have agreed on this conference report.

Mr. Speaker, the bill deals with the Alcohol, Drug Abuse, and Mental

Health Administration. It provides for the reorganization of the Agency's activities.

The legislation also provides for the first comprehensive reform of the Federal Alcohol, Drug Abuse, and Mental Health Services block grant. In making allocations under this block grant, unfortunately, some States feel aggrieved. They would prefer to get more money. I understand that.

Nevertheless, a compromise was worked out to the best ability of the conferees. Particularly, the State of Florida feels unhappy with this conference report in terms of how they will fare under the allocation. I regret it, but we have done the best we can. I would still urge Members that we go forward and support this legislation.

Mr. Speaker, the legislation is backed by the Bush administration, it has been backed by all Democrat and Republican conferees. I am going to insert in the RECORD a further explanation of this legislation for those who may want a more detailed description. It is an important piece of legislation, and I urge my colleagues to support it.

Mr. Speaker, on behalf of the House conferees, I am pleased to present the conference report on S. 1306, the ADAMHA Reorganization Act. Passage of this landmark legislation represents an important continuation of the Federal Government's leadership in the fields of addictive and mental disorders.

First and foremost, the legislation provides for the reorganization of the Alcohol, Drug Abuse, and Mental Health Administration [ADAMHA]. Under the bill the three ADAMHA national research institutes will be transferred to the National Institutes of Health. All service related activities of the institutes, including clinical training and program evaluation, are transferred to the new Substance Abuse and Mental Health Services Administration. Under the proposal, three new centers—the Center for Mental Health Services, Center for Substance Abuse Prevention, and Center for Substance Abuse Treatment—will be established to administer the Federal Government's substance abuse and mental health prevention and treatment services programs.

The legislation also provides for the first comprehensive reform of the Federal Alcohol, Drug Abuse, and Mental Health Services block grant. The conference agreement reflects the original House proposal to establish two discrete block grants: one for mental health services and one for substance abuse services. In addition, the funding formula for allotting block grant funds between the States is revised to more accurately target funds to populations most in need. Under the agreement, the relative population at risk will be taken into account as well as the State's fiscal capacity and cost of providing services.

Much has been said about the new funding formula and its applicability for fiscal year 1992. Members should be aware that it was always the preference of the House conferences that changes in the formula be prospective. We would have preferred that the new formula begin in fiscal year 1993 rather than fiscal year 1992. But conference reports are by their nature compromises and our colleagues in the other body were insistent. Indeed, when the conference report was considered in the Senate on June 9, a proposal to recommit the report and adopt an effective date of fiscal year 1993 was defeated by a vote of 79 to 14. The conference report was ultimately approved by a vote of 86 to 8.

Mr. Speaker, the new mental health formula allocates funds based upon each State's population at risk for mental illness, the State's fiscal capacity and the State's relative cost for providing services to the population at risk, particularly the population of urban youth.

The new formulae are an improvement over current law. Although the populations at risk differ, current law required that mental health funds be allocated to States by the same formula used to allocate substance abuse appropriations. Furthermore, current law placed great emphasis upon the relative urban population of a State. While urban population may have been a reasonable measure of the need for substance abuse services, it was certainly not an appropriate measure of the need for mental health services.

Mr. Speaker, in proposing a new formula, House and Senate conferees were concerned about minimizing program disruptions in the States. The conference agreement includes provisions that protect—for fiscal year 1992, fiscal year 1993, fiscal year 1994—any State allocation from falling below the fiscal year 1991 level. This provision was critically important to the Senate as it prevented funding in the States of Massachusetts, Ohio, Rhode Island, Indiana, District of Columbia, Hawaii, Mississippi, New York, and Maine from declining in fiscal year 1992.

Mr. Speaker, I want to take a moment and comment upon the issue of needle exchange programs. Although the House had agreed in passing H.R. 3698 that the Federal Government should leave the decision of whether or not to establish needle exchange programs to the States, last minute opposition from the White House drug czar and later the administration resulted in the recommittal of S. 1306 to conference. Consistent with the motion for recommittal, the conference report prohibits the use of Federal substance abuse block grant funds for needle exchange programs. The legislation does not, however, prohibit States or localities from supporting such programs with their own funds or from other sources of Federal funds. In addition, consistent with the motion for recommittal, the conference report removes the restriction in current law that prohibited the use of block grant funds for the distribution of bleach used to sterilize syringes. Beginning in fiscal year 1993, States will be permitted to use block grant funds for the distribution of bleach.

Mr. Speaker, under the conference agreement, the Surgeon General is authorized to waive the restriction on the use of block grant funds for needle exchange programs. It is the responsibility of the Surgeon General, after reviewing the State's justification for a waiver, to approve or disapprove proposals expeditiously. In making these decisions the Surgeon General is expected to review data on the operation and experience of needle exchange programs operating in the United States and in countries such as Canada, Britain, and Australia.

Mr. Speaker, many States are already acting in this area. The States of Hawaii and Connecticut have enacted legislation approving exchanges. Needle exchange programs are also operating in the States of California, Colorado, Massachusetts, New York, Oregon, Rhode Island, and Washington. There is a growing body of evidence in this country and abroad that such programs are a useful means of bringing addicts into the treatment system and can reduce the risk of HIV among intravenous drug users, their spouses, and children. Furthermore, there is no evidence that such programs encourage drug use. Addicts do not shoot up because they have access to clean needles.

Mr. Speaker, last year the National Commission on AIDS issued a report recommending that legal barriers to the purchase and possession of injection equipment be removed. The Commission concluded that strict restrictions on the availability of sterile needles did not reduce illicit drug injection and increased the risk of HIV through the sharing of dirty needles.

I regret the Office of National Drug Control Policy is clearly out-of-step with the public health experts on this issue. I regret the administration continues to treat the problem of AIDS and its relationship to substance abuse as a war of rhetoric rather than a public health crisis.

Mr. Speaker, I want to comment on the effect of the conference report on the provision of treatment services to intravenous drug abusers. The conference agreement does not include the requirement of the original House bill that substance abuse block grant recipients provide treatment on demand for intravenous drug users and pregnant addicts. The conferees recognized that, even with increased Federal funding, some States do not have the financial ability to provide such treatment. But the conferees believed in those States where treatment on demand was not available, extraordinary measures must be taken to slow the spread of infectious diseases among intravenous drug abusers, their partners, and their children.

The legislation requires that any State which cannot provide immediate access to comprehensive treatment services for intravenous drug abusers and pregnant addicts must provide interim services within 48 hours for those persons who are awaiting admission. The conference agreement further requires that States assure that every intravenous drug abuser seeking comprehensive treatment be admitted to a comprehensive program within 120 days of seeking treatment. Pregnant addicts are afforded preference in the admission to State funded treatment programs.

The conference agreement defines interim services to include services to reduce the adverse health effects of drug abuse, to promote the health of the individual awaiting comprehensive services, and to reduce the risk of transmission of disease. The conferences expect that such measure will, at a minimum, include counseling and education about HIV, about the health risks of needle sharing, about the risks of disease transmission to sexual partners and infants, and about steps that can be taken to ensure that HIV transmission does not occur. With respect to pregnant addicts, interim services should also include prenatal care.

Mr. Speaker, the conference agreement also includes a provision requiring the Secretary to make interim methadone services available as an option in those States where comprehensive treatment cannot be provided. This requirement is not applicable if the Secretary finds that first, the risk of HIV transmission through intravenous drug abuse is minimal, second that conventional methadone maintenace is not an effective method of treating heroin addiction, or third, that sufficient treatment capacity exists nationally to provide comprehensive treatment to all IV drug users within 14 days.

Mr. Speaker, I want to note that the provision of interim methadone services is strongly endorsed by the National Commission on Acquired Immune Deficiency Syndrome. In a letter dated May 26, 1992, Chairman June E. Osborn and vice chairman, David E. Rogers note the importance of the interim treatment requirements of the conference report. They write:

The provisions of the ADAMHA Reorganization Act encouraging interim treatment are strongly supported by the Commission. They are a logical first step towards the larger goal of actually providing drug abuse treatment to all who request it when they request it. The provisions are both good drug abuse policy and good AIDS policy.

Mr. Speaker, I ask that a copy of their letter be printed in RECORD at this point.

NATIONAL COMMISSION ON ACQUIRED
IMMUNE DEFICIENCY SYNDROME,
Washington, DC, May 26, 1992.

Hon. THOMAS S. FOLEY,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: The National Commission on AIDS has repeatedly recommended that drug abuse treatment be provided to all persons in the U.S. who request such treatment as one means of reducing transmission of HIV. This recommendation was made in our report "The Twin Epidemics of Substance Use and HIV" and also in our recent report "America Living with AIDS." The Presidential Commission on the HIV Epidemic, appointed by former President Reagan, also recommended a national policy of providing "treatment on demand" for intravenous drug users. Studies of drug users have shown that they do care about their health, particularly about their risk of AIDS. Therefore, it is both inhumane and public health folly to not provide treatment for persons with dependence problems at the time they request such treatment.

The Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA) Reorganization Act of 1991 contains a set of provisions that directly address the lack of treatment for persons with drug abuse problems. While the bill does not mandate "treatment on demand" it does require states to provide some form of "interim treatment" so that therapeutic contact can be maintained while the person awaits an opening in a comprehensive treatment program. The therapeutic contact would normally include education about AIDS and HIV transmission, including sexual and prenatal transmission. Bringing persons into contact with the health system is an important step in reducing both intravenous drug use and the rate of HIV infection.

The bill does not require that the states provide any specific form of interim treatment, but allows them to devise the types of interim treatment that would best suit their diverse situations. The bill does permit states to choose to provide interim methadone maintenance. This would include medically supervised methadone administration, AIDS education, and referral other psychosocial services. The present federal regulations do not permit this type of interim treatment, even though the only published study on the topic shows substantial benefits of interim treatment over simply leaving people on waiting lists.

The provisions of the ADAMHA Reorganization Act encouraging interim treatment are strongly supported by the Commission. They are a logical first step towards the larger goal of actually providing drug abuse treatment to all who request it when they request it. The provisions are both good drug abuse policy and good AIDS policy.

Sincerely,

DAVID E. ROGERS, MD,
Vice Chairman.
JUNE E. OSBORN, MD,
Chairman.

Mr. Speaker, by permitting States to provide interim methadone maintenance services, a new and potentially valuable tool will be available to provide a therapeutic bridge for patients awaiting treatment in comprehensive methadone treatment services. Although some have criticized the availability of this modality, a study in the American Journal of Public Health concluded that "interim methadone maintenance can reduce heroin use among persons awaiting entry into comprehensive treatment and increase the percentage entering treatment." I ask that a copy of this article and accompanying Editorial from the September 1991 issue of the AJPH be printed in the RECORD at this point.

A RANDOMIZED TRIAL OF AN INTERIM
METHADONE MAINTENANCE CLINIC

(By Stanley R. Yancovitz, MD, Don C. Des Jarlais, PhD, Nina Peskoe Peyser, MBA, Edmund Drew, MD, JD, Patricia Friedmann, MS, Harold L. Trigg, MD,* and J. Waymond Robinson, MD)

Background. Interim methadone maintenance has been proposed as a method of providing clinically effective services to heroin addicts waiting for treatment in standard comprehensive methadone maintenance programs.

Methods. A clinic that provided initial medical evaluation, methadone medication, and AIDS education, but did not include formal drug abuse counseling or other social support services was established in New York City. A sample of 301 volunteer subjects recruited from the waiting list for treatment in the Beth Israel methadone program were randomly assigned to immediate entry into the interim clinic or a control group.

Results. There were no differences in initial levels of illicit drug use across the experimental and control groups. One-month urinalysis follow-up data showed a significant reduction in heroin use in the experimental group (from 63% positive at intake to 29% positive) with no change in the control group (62% to 60% positive). No significant change was observed in cocaine urinalysis (approximately 70% positive for both groups at intake and follow-up). A higher percentage of the experimental group were in treatment at 16-month follow-up (72% vs 56%).

Conclusions. Limited services interim methadone maintenance can reduce heroin use among persons awaiting entry into comprehensive treatment and increase the percentage entering treatment. (Am J. Public Health, 1991; 81:1185–1191)

INTRODUCTION

Expansion of drug abuse treatment programs has been one of the more frequently recommended means for controlling the spread of the human immunodeficiency virus (HIV) and AIDS among intravenous drug users (IVDUs). In the United States, the Presidential Commission on the HIV Epidemic[1] and the National Academy of Sciences[2,3] have both advocated "treatment on demand" (providing immediate voluntary entry into treatment) for IVDUs. The National Institute on Drug Abuse has determined that providing treatment for IVDUs will be its primary strategy for reducing the spread of HIV among drug injectors.[4]

The Food and Drug Administration (FDA) has proposed changing the regulations governing methadone maintenance treatment in the United States to permit interim methadone treatment. The term "interim" refers to the provision of limited services to patients awaiting treatment positions in comprehensive methadone programs. Interim clinics would provide intake physical examinations, education about AIDS, and methadone medication to prevent narcotic withdrawal symptoms and to block the euphoric effects of heroin. The methadone would be dispensed daily by a nurse so that there would be frequent contact between the patient and the medical staff and minimal opportunity for diversion of the medication. Interim clinics would not be required to provide ongoing drug abuse counseling, vocational rehabilitation, or the other social services that are incorporated in current federal regulations governing methadone maintenance treatment and that are integral components of most drug-free programs.

According to their proponents, interim clinics would not replace regular methadone maintenance programs, but would provide limited services to heroin addicts who would otherwise be on waiting lists and receiving no drug abuse treatment. The limited services are expected at least to reduce heroin use and the AIDS risks associated with heroin use. Opponents argue that interim methadone maintenance would not address the multiple social and vocational needs of most heroin addicts, and that implementation of limited service treatment might impede expansion of more comprehensive treatment programs, or, in a time of limited public resources for drug abuse treatment, even replace more comprehensive treatment.[1] (For an extended discussion of the proposed FDA regulations that would have permitted interim methadone maintenance treatment see the transcript of hearings conducted by the Select Committee on Narcotics Abuse and Control of the U.S. House of Representatives, March 23, 1990.)

The intensity of debate notwithstanding, there are relatively few data on the effectiveness of interim methadone clinics. Hong Kong and The Netherlands both have some methadone maintenance programs that provide few supportive services beyond basic dispensing of the medication. These programs are generally considered effective within those societies,[5,6] but the effectiveness of interim methadone maintenance might be different in the United States, due to cultural differences with respect to drug use and the higher percentage of polydrug use among US heroin addicts. We report here on a random assignment evaluation of an interim methadone clinic in New York City. Subjects receiving interim clinic services were compared to waiting list controls. Change in heroin use was the primary outcome measure utilized; changes in cocaine use and entry into conventional treatment were also examined.

METHODS

Interim Clinic Services

The interim clinic was opened in February 1987. It was staffed by a one-quarter-time physician, one full-time registered nurse, one clinic coordinator, one outreach worker, and one full-time research interviewer. The services provided within the clinic included a standard physical examination upon admission and methadone administered by a nurse 5 days per week. Saturday medication and a single take-home dose were provided at another site in the same building. AIDS education, with free distribution of condoms, was also provided at the interim clinic. Urine samples were collected biweekly for toxicologic analyses, which included thin layer chromatography with confirmation by gas chromatography/mass spectrometry performed by Damon Clinical Laboratories of New York.

Results of the urinalysis were known to the treatment staff, but not incorporated into any treatment plan or discussed in formal counseling sessions, as they generally would be in a comprehensive methadone treatment program. Minimal counseling was available on an ad hoc, informal basis, and other supportive service needs could be addressed only by referral to community agencies. The physician could identify medical problems but, except for the most routine of interventions, had to refer patients elsewhere for treatment.

The initial dose of methadone was set by the examining physician based on the examination and drug use history and was typically 20 to 30 mg/day. This initial dose was then increased according to an escalation schedule preset by the physician, generally by 10 mg every third day until a maintenance dosage of approximately 80 mg/day was reached. The nurse was authorized to modify the rate of dose escalation or to stop the escalation process at a stabilization dose other than the scheduled maximum. Dosage adjustment decisions generally reflected subjective perceptions of the patients and instances of missed or vomited medication.

Subjects and Data Collection

Subjects were recruited from the waiting lists of Beth Israel methadone maintenance program. Separate waiting lists are maintained for the 23 Beth Israel clinics, and there is substantial variation in the time between application for treatment, placement on a waiting list, and admission to one of the regular clinics. At the time of the interim clinic study, the average time spent on a waiting list was approximately 3 months. Participation in the study would be from the time of enrollment until an opening occurred at the clinic to which the subject had originally applied. At that time the subject would be enrolled in the regular clinic and cease participation in the interim clinic study. Participation in the study would neither decrease nor increase the time spent waiting for an opening in a regular clinic.

A written informed consent for participation in the study was obtained from each subject. The project was approved by Beth Israel's Institutional Review Board and the FDA (Investigational New Drug number 28 232). A questionnaire covering demographics, drug use history, AIDS risk behavior, and knowledge of AIDS was administered by a trained interviewer. The subjects were informed that medical and drug use information collected at the interim clinic would not be revealed to the comprehensive clinic to which they would ultimately transfer. Subjects were paid $35 for the completion of intake data collection. A follow-up questionnaire, focusing on drug use since the preceding interview, was administered every 2 weeks.

Residual serum from the blood sample collected as part of the intake examination was stored at −70° C for later HIV testing. Since the objects of the study was to examine the effects of a methadone treatment program that did not include formal counseling, the actual HIV counseling and testing were postponed until completion of the evaluation study. (Relationships between serostatus and drug use behavior will be presented elsewhere.)

After completion of the initial data collection, subjects were assigned randomly to experimental treatment or control conditions. The random assignment was done by administrative staff at a different location. The intake interviewers frequently asked to have individuals placed in the methadone treatment group based on data obtained in the intake interview, but, consistent with the protocol, these requests were not honored. Subjects in the control condition were paid $20 for follow-up interviews. Data were analyzed using the PRODAS system of statistical programs.[7]

Change in Protocol

For the first 3 months after the study inception, there were three experimental conditions: the experimental treatment group immediately received interim clinic treatment as described above and a biweekly follow-up interview; the frequent contact control group received the bi-weekly follow-up interview, free condoms, and had biweekly urine samples collected; and the minimal contact control group were not reinterviewed until the end of their participation in the study.

Subject recruitment under these conditions was initially rapid, but then slowed dramatically. Discussions with recruited subjects and potential subjects applying for methadone treatment at Beth Israel indicated that the major difficulty was the perception of a low probability (one chance in three) of receiving methadone treatment in the interim clinic study.

In August 1987, the protocol was revised to increase subject recruitment. The minimal contact control group was eliminated from the study, and the time spent in the frequent contact control group was limited to 1 month, after which control subjects were switched into the experimental group and received methadone medication. After this modification, there was no difficulty in recruiting new subjects for random assignment into experimental and control conditions and the 150-person limit on patients receiving methadone in the interim clinic was soon reached. Data from the discontinued minimal contact control group are not included in this report, but are available from the senior author (S.R.Y.).

Data Collection Limitations

One research staff member was designated to conduct baseline and biweekly research interviews for the experimental and control subjects. The outreach worker, who was bilingual (Spanish/English), occasionally assisted in interviewing. It is thus unlikely that the subjects maintained a clear separation between clinic treatment staff and research staff, which may have contributed to underreporting of drug use as presented below.

Given the number of subjects and the severe limitation of clinic space and personnel, some urine collections and interviews were not conducted at the required intervals, especially in the first few months of the study when new intakes and biweekly follow-up interviews for both experimental and control subjects were needed. As the study progressed and the control participants reached their 30th day and were transferred to the experimental treatment group, the total number of study participants stabilized at the maximum of 150 patients receiving methadone, and the rates of missed urines and interviews diminished considerably.

RESULTS

Table 1 shows demographic characteristics and drug use histories for the 301 subjects who were assigned to the experimental and frequent (biweekly) contact control conditions. Ninety-eight percent reported that they had injected drugs at some time in their lives; 92% reported injecting in the month prior to entry into the study, with a mean of over three injections per day. There were nonsignificant differences between groups in demographics or drug use histories. More than half of those who were tested for HIV were seropositive, with a higher percentage seropositive in the control group.

TABLE 1.—SELECTED DEMOGRAPHIC AND DRUG USE CHARACTERISTICS FOR SUBJECTS AT ENTRY INTO STUDY (N = 301)

Characteristics	Experimental treatment group (n=149)		Frequent contact group (n=152)		X^2 or t value	R value
	N	%	N	%		
Sex:						
Male	121	81	118	78	....	....
Female	26	19	34	22	0.59	.44
Race:						
White	15	10	16	11	....	....
Black	44	30	61	40	....	....
Hispanic	89	60	75	49	3.83	.14
Currently employed	22	15	21	14	0.06	.65
LMng with sexual partner	59	40	62	41	0.04	.83
Prior drug treatment	115	78	122	81	0.43	.51
Prior MMTP treatments	89	60	81	53	1.27	.26
HIV status:						
Positive	66	50	93	64	....	....
Negative	66	50	52	36	5.83	<.05
Average age at baseline (yr)	34.8	....	34.4	....	t=−0.51	.61
Average age began IV drug use (yr)	18.6	....	19.4	....	t=1.15	.25
Average age began IV drug use on regular basis (yr)	19.5	....	20.2	....	t=1.02	.31

[1] MMTP = methadone maintenance treatment program.

Of the 301 subjects initially enrolled, no follow-up data were obtained from 41 subjects (20 from the experimental group, 21 from the control group). Of these 41 subjects, 32 were lost to contact, 8 were admitted to traditional drug treatment, and 1 was incarcerated before follow-up data could be collected.

Since control subjects were shifted into the experimental treatment after 1 month, primary outcome comparisons between the two groups must be restricted to behavior within that time period. Complete baseline and 1-month follow-up data are available for 169 subjects initially assigned to experimental and frequent contact control groups. The 1-month period was operationally defined as between 15 and 44 days after intake. For subjects with multiple follow-up interviews and urine samples during their participation in the study, the interview and urine sample collected nearest 30 days was used, with the restriction that data from the control subjects reflected only time spent in the control condition. Table 2 presents demographic and drug use history data for these subjects. They do not differ significantly on any of these variables from the total groups assigned to experimental treatment and frequent contact control conditions.

TABLE 2.—SELECTED DEMOGRAPHIC AND DRUG USE CHARACTERISTICS FOR SUBJECTS WITH 1-MONTH FOLLOW-UP DATA (N=169)

Characteristics	Experimental treatment group (n=75)		Frequent contact group (n=94)		X^2 or value	P value
	N	%	N	%		
Sex:						
Male	60	80	73	78		
Female	15	20	21	22	0.14	.71
Race:						
White	11	15	6	6		
Black	19	25	41	44		
Hispanic	45	60	47	50	7.54	<.05
Currently employed	14	19	15	16	0.19	.66
Living with sexual partner	31	41	41	44	0.09	.76
Prior drug treatment	60	80	78	83	0.25	.62
Prior MMTP treatment [1]	50	67	51	54	2.67	.10
HIV status:						
Positive	24	36	59	67		
Negative	43	64	29	33	14.91	<.001
Average age at baseline (yr)	33.9	....	35.7	....	t=1.71	.09
Average age began IV drug use (yr)	18.3	....	19.7	....	t=1.55	.12
Average age began IV drug use on regular basis (yr)	18.8	....	20.8	....	t=1.95	.05

[1] MMTP=methadone maintenance treatment program.

Table 3 presents baseline self-reported drug use and urinalysis results at enrollment for the 169 subjects with complete baseline and follow-up data. There is a general agreement between the self-reports and the urinalysis results. None of the differences between the two groups are statistically significant by chi-square tests.

Table 4 presents self-reported drug use and urinalysis results at the 1-month follow-up. There is clearly substantial underreporting among members of the experimental treatment group. Factors associated with discrepancies between self-reported drug use and urinalysis results will be examined in a separate paper. The drug use analyses presented in this report will be restricted to urinalysis results only. Comparisons of the urinalysis results across experimental treatment and control groups at 1 month using chi-square tests show less heroin use ($\chi^2=15.35$, $P<.001$) and more methadone use ($\chi^2=52.86$, $P<.001$) in the experimental group. The very small difference in cocaine use was not significant ($\chi^2=.09$, $P=.7$) between two groups.

Comparisons from intake to the 1-month time period within each group showed significantly reduced heroin use (63% to 29%, McNemar $\chi^2=16.45$, $P<.001$) and significantly increased methadone use in the experimental group (33% to 92%, McNemar $\chi^2=36.98$, $P<.001$). The decrease in cocaine use in the experimental treatment group was not significant (from 77% to 66%, McNemar $\chi^2=1.33$, $P<.3$). In the control group, neither the heroin nor cocaine use percentages changed significantly, but there was also a trend toward increased (illicit) methadone use (26% to 37%, McNemar $\chi^2=3.225$, $P<.10$).

To determine whether the 169 subjects included in Table 4 were a biased sample of all subjects in the study, we examined urinalysis results for 129 subjects originally assigned to the experimental treatment group and 121 subjects originally assigned to the frequent contact group for whom there was at least one follow-up urinalysis result. These represent 87% of all subjects originally assigned to the experimental treatment group and 80% of all subjects originally assigned to the frequent contact control group. The urine sample collected closest to 30 days in the study was used for this analysis. For the experimental treatment group, the urinalysis at follow-up showed 47 (36%) had used heroin, 99 (77%) had used cocaine, and 117 (91%) had used methadone. For the frequent contact control subjects, 72 (60%) had used heroin, 93 (77%) had used cocaine, and 49 (40%) had used methadone. These results are similar to those reported in Table 4, although the percentage for heroin use in the experimental treatment group and the percentages for cocaine use in both the experimental and frequent contact control groups are modestly but not significantly higher. The difference in heroin metabolites between the experimental treatment group and the frequent contact control group at follow-up is still highly significant ($\chi^2=13.22$, $P<.001$).

TABLE 3.—URINALYSIS AND SELF-REPORTED DRUG USE AT BASELINE FOR SUBJECTS WITH 1-MONTH FOLLOW-UP DATA (N=169)

Drugs	Experimental Treatment Group (n=75)		Frequent Contact Group (n=94)		χ^2	P Value	Odds Ratio (95% CI)
	N	%	N	%			
Heroin metabolities: Urinalysis	47	83	58	62	0.02	.90	0.960 (0.513–1.795)
Heroin: Self-report	68	91	89	95	1.02	.31	
Methadone, non-prescription: Urinalysis	25	33	24	26	1.23	.27	0.686 (0.352–1.337)
Self-report	40	53	53	56	0.16	.70	
Heroin metabolites and/or methadone: Urinalysis	56	75	66	70	0.41	.52	0.800 (0.404–1.583)
Heroin and/or non-prescription methadone: Self-report	72	96	91	97	0.06	.77	
Cocaine: Urinalysis	58	77	67	71	0.79	.37	0.727 (0.361–1.467)
Self-report	63	84	83	88	0.65	.42	

[1] CI=confidence interval.

In order to further explore possible determinants of heroin use at 1 month, univariate analyses (chi-square tests and *t* tests) on the 169 subjects with complete intake and 1-month follow-up data were performed to determine if demographic characteristics, drug history variables, or cocaine use were associated with heroin use at 1 month. Only use of cocaine at 1 month and assignment to the control group were significantly associated with heroin use at 1 month, as presented in Table 5.

Inspection of the data showed similar relationships between heroin use and cocaine use at 1 month for both the experimental treatment group and the control group. Among the 75 subjects in the experimental treatment group, 25% had evidence of both cocaine and heroin use in their urine sample, 4% had evidence of heroin use only, 43% had evidence of cocaine use only, and 28% had no evidence of either drug ($X^2=4.82$, $P<.05$). The relationship was slightly weaker among the 94 subjects in the control group: 46% had evidence of both cocaine and heroin use in their urine sample, 14% had evidence of heroin use only, 24% had evidence of cocaine use only, and 16% had no evidence of either drug ($X^2=2.86$, $P<.09$). Because the urinalysis performed was capable of detecting cocaine use only for the previous several days and was capable of detecting heroin use for the previous week, these results probably underestimate concurrent use of both drugs for both groups.

Multiple logistic regression was used to examine whether treatment group status and the presence of cocaine metabolites in the 1-month urine sample were independent predictors and whether interactions between experimental group status and demographic or behavioral variables were associated with heroin use at 1 month. Such interaction effects would indicate subjects for whom interim clinic treatment might be particularly effective or not effective in reducing heroin use. The final regression equation is presented in Table 5. Both treatment group status and cocaine use at 1 month were independent predictors of heroin use at 1 month, and none of the possible interactions between treatment group and the demographic and behavioral variables were significant.

A final aspect of the experimental treatment versus control group comparisons was to examine the numbers of subjects who had entered conventional drug treatment programs at the end of data collection in June 1988, i.e., 16 months after the program began. As shown in Table 6, of the 301 subjects originally enrolled in the experimental treatment and the frequent contact control groups, 107 (72%) of those in the experimental group had been enrolled in conventional drug treatment by this data vs 85 (56%) of the controls. This difference for entering conventional treatment was statistically significant ($X^2 = 8.23$, $P<.005$).

TABLE 4.—URINALYSIS AND SELF-REPORTED DRUG USE AT 1-MONTH FOLLOW-UP (N=169)

Drugs	Experimental treatment group (n=75)		Frequent contact group (n=94)		X^2	P value	Odds ratio (95% CI) [1]
	N	%	N	%			
Heroin metabolites: Urinalysis	22	29	56	60	15.35	<.001	3.550 (1.862–6.771)
Heroin: Self-report	21	28	83	88	64.08	<.001	
Methadone, Urinalysis	69	92	35	37	52.86	<.001	0.052 (0.020–0.131)
Methadone, non-prescription: Self-report	1	1	37	39	34.61	<.001	
Heroin metabolites and/or methadone: Urinalysis	71	95	68	72	14.24	<.001	0.147 (0.049–0.444)
Heroin and/or non-prescription methadone: Self-report	21	28	88	94	78.44	<.001	
Cocaine: Urinalysis	51	68	66	70	0.09	.76	1.109 (0.575–2.138)
Self-report	29	39	79	84	37.24	<.001	

[1] CI=confidence interval.

DISCUSSION

This study was based on the hypothesis that participation in a rapid intake, limited service methadone maintenance treatment program would reduce illicit drug use and

AIDS risk behaviors among persons with a history of heroin addiction. The study attracted a group of subjects with long histories of illicit narcotic use; the great majority had previous drug abuse treatment experience. These subjects are similar in their demographic characteristics to others admitted to the Beth Israel Methadone Maintenance Treatment Program during the same time period and to other persons admitted to New York State-funded methadone treatment programs in New York City during the same time period.[8] The rate of recent cocaine use was high among these subjects, with over 60% showing cocaine metabolites in the urine specimen taken at study entry.

Random assignment studies have been difficult to conduct in the drug abuse treatment field because of difficulties in recruiting subjects into and keeping them in treatment conditions that they do not want to be in. This study experienced similar difficulties when subjects had only a one in three chance of receiving methadone treatment. After the change in the protocol, the random assignment of either immediate limited service methadone treatment or a time-limited frequent contact control group appears to have been successful. There were few difficulties in recruiting subjects with this change and there was only one variable (HIV status) on which the two groups differed. Since the actual testing of the residual serum for HIV antibody was not done until after random assignment and data collection for this study had been completed, there is no way in which the test results could have influenced the randomization, and we assume that this difference between the experimental treatment and control groups was a random effect.

TABLE 5.—POTENTIAL PREDICTORS OF HEROIN IN URINE SAMPLE AT THE 1-MONTH FOLLOW-UP (n=169)

Potential predictors	Heroin in urine at 30 days		χ² or t value	P value
	N	%		
Group:				
Experimental	22	29		
Control	56	60	1535	<.001
Sex:				
Male	57	43		
Female	21	58	2.73	.10
Ethnicity:				
White	5	29		
Black	27	48		
Hispanic	46	50	2.50	.29
Employment status at baseline:				
Employed	11	38		
Not employed	67	48	1.01	.31
Living with sexual partner at baseline:				
Yes	33	46		
No	45	46	0.005	.94
Previous drug treatment:				
Yes	61	44		
No	17	55	1.15	.28
Previous MMTP treatment: [1]				
Yes	43	43		
No	35	51	1.29	.25
HIV Status:				
Positive	39	47		
Negative	34	47	0.0008	.98
Cocaine use at 30 days:				
Yes	62	53		
No	16	31	7.15	<.01
Average age at baseline (yrs)	34.9		t=03	.97
Average age began IV drug use (yrs)	19.6		t=07	.29
Average age began IV drug use (yrs) on regular basis	20.4		t=91	.36

[1] MMTP = methadone maintenance treatment program.

Note: In the final logistic regression equation: beta for the intercept = −0.29, with a χ^2 of 0.78, p = .3774; beta for group status = −1.30 with a χ^2 of 14.89, P = .0001; beta for cocaine in the urine = .99, with a χ^2 of 7.11, P = .008. Variables were dummy coded to 0/1. For group, a value of 1 indicates that the patient was in the treatment group. For presence/absence of drugs, a 1 indicates that the drug was present in the urine at 30 days.

Ethical considerations required that only volunteers be used in this experimental study. Thus it is not possible to ascertain how these subjects might have differed from persons on the waiting list who chose not to participate and simply waited until a regular treatment position was available. Subject recruitment varied with the perceived likelihood of receiving methadone treatment in the interim clinic, suggesting that large number of persons on waiting lists would apply for interim treatment if they were certain that they would receive such treatment.

Because of the substantial discrepancies in self-reported drug use at follow-up, only urinalysis results could be used as a measure of follow-up drug use. Such discrepancies are common when clients in treatment suspect that drug use will lead to some form of negative sanctions.[9] Restricting the comparisons to the urinalysis data prevented assessment of the AIDS risk associated with drug injection, but given the long histories of drug injection among these subjects, it is a reasonably safe assumption that a very high percentage of both heroin and cocaine use was by injection.

Based on the urinalysis results, participation in the interim clinic was associated with a substantial decrease in heroin use. Heroin use at 1 month was reduced by approximately half for the experimental treatment group compared to either heroin use at intake or heroin use among the control group at 1 month. Immediate intake into the limited services methadone treatment was also associated with a higher percentage of subjects being enrolled in comprehensive drug treatment. It is not surprising that receiving even limited interim services would facilitate entry into conventional treatment compared to being on a waiting list. Little is known about why many drug users apply for treatment and are placed on waiting lists but do not enter treatment, but at the least they must be considered missed opportunities for reducing illicit drug use and preventing HIV infection.

The regression analysis for possible interactions between experimental group status and other demographic and behavioral characteristics of the subjects did not produce any significant findings. Thus, the present data do not provide evidence for what types of subjects would do comparatively better or worse in interim methadone treatment. Heroin use was more common among interim treatment subjects using cocaine than those not using cocaine. Indeed, it was rare to find a treatment group subject who had evidence of heroin use but not cocaine use in the follow-up urine sample despite the greater time sensitivity for detecting heroin use. Subjects using cocaine may have used herion simultaneously in "speedball" injections, which produce a drug effect that many users consider preferable to either drug taken alone. Cocaine users might also have taken heroin as self-medication to reduce the dysphoria following cocaine runs. Screening cocaine users out of interim methadone treatment would probably lead to greater reductions in heroin use during treatment, but would not solve the problem of what to do with the large group using both drugs.

The national Academy of Sciences[2,3] and the Presidential Commission on the HIV Epidemic[1] have recommended large-scale expansion of drug treatment in the United States as a method of reducing both illicit drug use and new HIV infections. Even if a financial commitment were made to provide large-scale expansion, it would still take a period of years for new sites to be found and for staff to be hired and trained. During this multi-year process, interim forms of treatment could be of substantial benefit as drug users waited for openings in conventional treatment. The present study did not compare interim treatment to conventional treatment, and we would object to using these findings as a rationale for substituting limited interim services for conventional treatment. We do believe, however, that these findings strongly support providing interim services rather than leaving drug users on waiting lists for conventional treatment.

TABLE 6.—STATUS OF SUBJECTS AT END OF STUDY (n=301)

Status	Experimental treatment group (n=149)		Frequent contact group (n=152)	
	N	%	N	%
Lost to contact	40	27	64	42
Drug treatment	107	72	85	56
Jail	2	1	1	1
Death	0		2	1

FOOTNOTES

[1] Executive Office of the President. Report of the Presidential Commission on the Human Immunodeficiency Virus Epidemic, Washington, DC: Presidential Commission on the Human Immunodeficiency Virus Epidemic; June 1988.

[2] Institute of Medicine/National Academy of Sciences. Confronting AIDS: Directions for Public Health, Health Care, and Research, Washington, DC: National Academy Press; 1986.

[3] Institute of Medicine/National Academy of Sciences. Confronting AIDS: Update 1988. Washington, DC: National Academy Press; 1988.

[4] Drug abuse treatment and AIDS prevention. Charles R. Schuster. The International Working Group on AIDS and IV Drug Use Newsletter. 1989; 4(2):12–13.

[5] Buning EC, Coutinho RA, van Brussel, GHA, van Santen GW, van Zadehoff AW. Preventing AIDS in drug addicts in Amsterdam. Lancet I. 1986; (8495-1435) 21:1435. [Letter].

[6] The Action Committee against Narcotics. Hong Kong Narcotics Report 1989. Hong Kong: Narcotics Division Government Secretariat; 1989.

[7] Conceptual Software, Inc. PRODAS Reference Manual. Houston Tex: Conceptual Software, Inc.; 1985.

[8] State of New York. Report issued by New York State Division of Substance Abuse Services. Third Annual Update to the Division of Substance Abuse Services' Statewide Comprehensive Five-Year Plan for 1984–85 through 1988–89, 1986.

[9] Magura S. Goldsmith D. Casriel C, Goldstein PJ, Lipton DS. The validity of methadone clients' self-reported drug use. Int J Addict. 1987; 22:727–749.

[From the American Journal of Public Health, September 1991]

INTERIM METHADONE CLINICS: AN UNDERVALUED APPROACH

(By Vincent P. Dole, M.D.)

The study of Yancovitz et al. entitled "A Randomized Trial of an Interim Methadone Maintenance Clinic" is a significant addition to the list of controlled clinical trials on the effectiveness of methadone. It also is a study that is unlikely to be repeated. It shows that the medically supervised administration of a daily dose of methadone to heroin addicts on the waiting list for conventional treatment reduces heroin consumption even in the absence of the usual supporting services (intensive counseling, social assistance, supplementary medical care). By reducing intravenous drug use this minimal treatment, when combined with providing free condoms and counseling on risk behavior, also reduces the risk of acquiring or transmitting AIDS.

The importance of this finding is more practical than theoretical because the phenomenon of pharmacological blockade with methadone, and the attendant reduction of craving for opiates, has been documented by many studies during the past 25 years. Not surprisingly, the purely pharmacological effects of methadone are invariant over a wide range of cultural and economic conditions.

However, the full value of pharmacological support with minimal social services needs to be tested by additional controlled studies under field conditions. The present study was only a preliminary test of feasibility, which involved many administrative questions. To have a significant impact at the public health level, any program needs to be both effective and capable of expansion to reach a substantial percentage of the addicts in a community. Additional variates are acceptability of the procedure to previously unmotivated addicts and compatibility with the work of affiliated health professionals in the area. The present study unexpectedly provided information on these points. As it turned out, this was the most informative part of the result.

Consider the dimensions of the problem in New York: According to best available estimates, about 250,000 persons are using heroin regularly, injecting themselves at least weekly, and in many cases, several times per day. At the present time at least half of the addicts are infected with the human immunodeficiency virus (HIV) (as judged by testing on admission to treatment programs). The deteriorated homeless addicts, unreached by any treatment program, almost surely have a higher rate of infection because needles are shared by large groups of destitute persons. Once infected, an addict becomes a vector for transmitting the disease to other addicts, to sexual partners, and to offspring. In New York City today, addicts are the major vectors responsible for the spread of the epidemic.

On the control side, education of the public to the dangers of drug abuse and education of addicts on the avoidance of risk behavior are worthy efforts, which must be continued; but in truth it is difficult to find any evidence of efficacy on limiting the spread of AIDS. Other measures directed to prevention include the improvement of social conditions in inner cities, sex education in the schools, general counseling of the public on risk behavior, and efforts to monitor the epidemic by testing programs. All these are well intended, but they fail to address the question of what to do about the existing population of infected persons. Unlike in previous plagues, in which transmission could be interrupted by controlling rodents and insects, in this case the vectors are human beings. They cannot be exterminated. Moreover, the AIDS epidemic apparently does not generate a pool of recovered subjects who, being immune, dilute the pool of susceptibles and thus extinguish the spread. This malignant infection appears to be uniformly fatal—or nearly so—in the long run. Meanwhile the infected subjects remain capable of transmitting the disease over a period of years. Despite much effort directed at the development of an immunizing vaccine, there is at present no sign of near-term success on this front.

Thus the hope of effective intervention in the near future comes down to the feasibility of large-scale treatments for intravenous drug abusers—a conclusion reached by several commissions reviewing the problem. Among the treatments for heroin addiction, by far the most thoroughly evaluated, large-scale treatment is methadone maintenance. In fact, it is the only available modality capable of sufficient expansion in the foreseeable future to have a public health impact on the AIDS epidemic. Although methadone programs are potentially only a partial answer to the drug problem because methadone does not block cocaine, well-run maintenance programs also make a significant contribution to the reduction in nonopiate drug abuse. In fact, the long-term reduction in use of cocaine after admission to a methadone program is comparable to the reduction achieved by programs specifically directed against cocaine abuse.

The quantitative aspects of the problem are staggering when viewed from a treatment prospective. There are currently about 36,000 patients in maintenance programs in the New York City area. To have a decisive impact on the drug epidemic and on the associated spread of AIDS, treatment capacity would have to be doubled or tripled without sacrifice in efficacy. But most existing clinics already are operating near or over their rated capacity. Despite pleas for expansion of treatment services by almost every committee that surveys the problem, local opposition has prevented the opening of any new maintenance clinic for more than 15 years. Moreover, the state has recently announced its intention to reduce next year's budget for the maintenance treatment of drug addicts. New admissions to programs therefore will be virtually limited to replacing persons leaving established clinics. Since the release rate of dropouts is about 80% after they leave the programs (maintenance treatment controls, but does not cure, narcotic addiction), the net public health benefit of current administrative policy is negligible.

This is the background against which the present study was planned. Ironically, from the time of its first proposal the concept of minimal-service, low-cost clinics was vigorously attacked by supporters of methadone maintenance as well as by the usual opponents of this modality—both sides apparently fearing the political consequences if the clinics succeeded. Proponents of maintenance treatment were concerned (understandably) that even partial success would serve as an excuse for further budget cutting, leading eventually to the elimination of full-service clinics. Opponents of the modality, including neighborhood groups who rejected plans for any additional treatment of addicts and others who were concerned that massive outlays for maintenance clinics would drain resources from other essential services, joined forces to oppose minimal-service maintenance clinics.

The net effect of these pressures was the development of a modest study plan intended to avoid these large implications. There are two critical questions with respect to the AIDS epidemic: (1) Could an immediately available, nonpunitive maintenance program attract into treatment a significant number of presently unmotivated addicts and reduce their risk behavior? (2) If a large number responded, could clinics of this kind expand fast enough to meet demand, while keeping a balance with other programs providing full service? The authors approached these questions by restricting the study group to addicts on the waiting list of an established full-service, program, with the understanding that they would be released from the study when an opening became available in the conventional program.

Even with this reduction in scope, the study was vigorously opposed by the treatment community and by the New York State Division of Substance Abuse Services—a result that provided an unequivocally negative answer to the question of feasibility. Although in principle it might be argued that addicts are a heterogeneous mixture of persons with widely different social needs and therefore that a range of different programs (including special facilities for pharmacological induction and social evaluation during the first month of treatment) are needed for the efficient use of resources, the treatment community and governmental administration have spoken with a virtually unanimous voice: Minimum-service programs will be prohibited, even as preliminaries to full-service programs.

On May 23, 1991, the U.S. Public Health Service working group on methadone treatment rescinded plans for a regulatory change that would have permitted the operation of interim facilities for addicts on waiting lists of licensed clinics. The goal for the future, apparently, is to eliminate the embarassment of waiting lists by discouraging narcotic addicts from applying for treatment.

Mr. Speaker, I want to stress that States and individual programs are not required by this legislation to provide interim methadone services. Rather, the conferees intend that the Federal Government allow interim methadone services to be carried out only if the State wishes to do so. Furthermore, interim services are an adjunct, not a substitute for comprehensive methadone treatment. The report provides that no State may provide this option if to do so would cause a reduction in the availability of comprehensive methadone treatment capacity.

Mr. Speaker, some have argued that interim methadone services are not as good as comprehensive treatment services. The conferees would have preferred that all individuals seeking treatment services be given full and comprehensive services. Were this possible we would have no need for waiting lists. But waiting lists are the reality. Skyrocketing increases in HIV infections among IV drug abusers demand change in the status quo. For people awaiting treatment we can do more. At a minimum we can take necessary steps to keep them healthy, stop their reliance upon crime, and reduce the risk of their contracting HIV or transmitting the virus to their sexual partners and their children.

Robert G. Newman, president of the Beth Israel Medical Center in New York City noted in a recent letter:

It must be emphasized that interim methadone treatment is just that: interim! No one has proposed that the comprehensive supportive services which federal and state regulations currently require of all methadone treatment programs are unnecessary or ineffective * * *. The interim model offers an alternative to the addicts who otherwise will continue to shoot dope several times a day, for many months, while they languish on waiting lists * * * nothing can be as counterproductive and harmful to the individual and to the community than sending addict-applicants back to the streets.

I ask that a complete copy of Dr. Newman's letter be printed in the RECORD at this point.

BETH ISRAEL MEDICAL CENTER,
New York, NY, May 27, 1992.

Re S. 1306.

Congressman HENRY WAXMAN,
House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN WAXMAN: I am writing to express my very strong support for the ADAMHA Reorganization Act (S. 1306), and in particular wish to applaud the interim methadone treatment provisions referenced in Sections 1923, 1927 and 1976. Permitting the establishment of interim maintenance treatment for intravenous heroin users, as detailed in Section 1976, will demonstrate the responsiveness of our Congressional leadership to the urgency of the related epidemics of drug abuse and AIDS, and the tragic inadequacy of drug treatment capacity. These provisions will:

Narrow the unconscionable gap which exists throughout our nation between the demand for narcotic treatment, and the immediate availability of that treatment;

Benefit addict/patients, their families and their sexual partners, in addition to the general community; these benefits will be measured in the saving of lives as well as dollars.

My assessment is based on more than two decades of personal involvement in the effort to contain the scourge of drug addiction in the United States and overseas. In the early 1970's, I planned and directed methadone maintenance and ambulatory detoxification programs which served 30,000 (!) patients annually within three years of implementation. I have played a direct role in the expansion of methadone treatment in Australia, Hong Kong and Germany. My own hospital, Beth Israel Medical Center, was the worldwide pioneer in introducing methadone maintenance treatment and today, more than 25 years later, continues to operate 23 clinics with a current enrollment of almost 8,000 patients.

Despite my pride in these accomplishments, I am frustrated by the continuing plight of those to whom treatment is denied. The proposed bill enhances the likelihood that all forms of treatment for addiction will be expanded by focussing attention on the problem of "waiting lists" for existing programs. The interim methadone treatment provision, however, does more than that: It will make it possible for help to be offered promptly to many tens of thousands of motivated addicts throughout the country, who simply will not survive until the necessary resources are allocated for massive increase in comprehensive treatment services.

It must be emphasized that interim methadone treatment is just that: interim! No one has proposed that the comprehensive supportive services which federal and state regulations currently require of all methadone treatment programs are unnecessary or ineffective. The imperative need for interim treatment is to provide at least some clinical contact and medical support for addicts who apply for help in giving up a lethal pattern of behavior, and to whom overfilled treatment programs can now offer nothing. The interim model offers an alternative to the addicts who otherwise will continue to shoot dope several times a day, for many months, while they languish on "waiting lists." The appropriateness of this objective seems self-evident. Equally self-evident is the premise upon which the proposal rests: That nothing can be as counterproductive and harmful to the individual and to the community than sending addict-applicants back to the streets.

One need not depend on intuition alone to embrace the concept of interim methadone treatment for applicants awaiting an opening in a comprehensive program. In a recent issue of the prestigious American Journal of Public Health, Beth Israel Medical Center published its experience with the interim treatment model (a copy of the article, with an accompanying editorial by the co-founder of methadone maintenance, Dr. Vincent Dole, is attached). A reduction by approximately 50 percent in the use of illicit heroin, as confirmed by random urine toxicology, was found, as well as a significantly higher rate of subsequent admission to a comprehensive facility. Directly reducing the highest-risk behavior associated with the spread of AIDS, and ensuring a greater proportion of applicants will actually be enrolled in comprehensive treatment, are obviously benefits of enormous consequence for our society! Accordingly, it is difficult indeed to understand how anyone could argue against interim methadone treatment.

I applaud the members of the Conference Committee for the commitment, compassion and pragmatism reflected in this bill, and sincerely hope that it will receive expeditious approval by their congressional colleagues. Humanitarianism, as well as the self-interest of every American, require such approval now!

I will be pleased to provide any additional information which might be helpful. Thank you for your consideration of these comments and, again, for your concern.

Sincerely yours,

ROBERT G. NEWMAN, M.D.,

President.

Mr. Speaker, the conferees were faced with a difficult choice. Should we allow States the option of providing interim methadone maintenance treatment or simply ignore the problem and leave people on waiting lists.

Waiting lists are no solution.

Countless studies have been conducted which confirm that once addicts are turned away from treatment or placed on a waiting list, they often change their minds about treatment. This was the conclusion of a March 1992 report by the House Select Committee on Narcotics Abuse and Control. The report notes that once placed on a waiting list, only a small percentage of addicts are eventually admitted to treatment. In one study only 30 percent of those placed on a waiting list for detoxification services were finally admitted to treatment; 70 percent of those waiting gave up. From the perspective of public health, this is a missed opportunity the provision of interim services can help remedy. It is hard enough to encourage addicts to seek treatment. If we condone policies that turn the addicts away, the Nation's health care system is courting disaster.

Yet those opposed to State option interim methadone suggest that denial of treatment is preferable to providing lesser, ancillary services—services that may reduce illicit drug use and reduce the risk of AIDS.

Mr. Speaker, even if Congress appropriated hundreds of millions in additional treatment spending, it would take years for new treatment sites to be established and personnel trained. Until that day, States should not be forced to fight both drug abuse and AIDS with one hand tied behind their back. Interim methadone represents a potentially important tool in combating the spread of AIDS among intravenous drug users.

The conferees recognize that this action is not a full or noncontroversial response to the problems of HIV and intravenous drug abuse, but the conferees believe that such actions are the most practical response to the current limits on resources in the face of rising incidence and prevalence of HIV in this population. Interim programs offer a humane and sound public health alternative to waiting lists and the denial of conventional treatment.

Mr. Speaker, let me now address several of the new initiatives contained in the legislation.

In the mental health area a new categorical program is authorized to develop systems of care to assist severely disturbed children and adolescents. The gentleman from California [Mr. MILLER] deserves special recognition for this leadership—and that of the Select Committee on Children, Youth, and Families—in promoting this initiative. Combined with related requirements in the mental health services block grant, the legislation will help put the needs of this vulnerable population back on the national agenda. Under the conference agreement, in each of fiscal year 1993 and fiscal year 1994, States are required to allocate at least 10 percent of their mental health service block grant allotments to expanding—above the level of support available in fiscal year 1992 from State and Federal funds—the availability of systems of care for children. By fiscal year 1995, States will have allocated at least 20 percent of their fiscal year 1993–94 allotments to increase the availability of systems of care for children above that available in fiscal year 1992.

In the substance abuse area I want to highlight provisions, first, establishing treatment programs for pregnant addicts, second, providing financial assistance to trauma centers impacted by drug-related violence, third, establishing a first-rate, national treatment demonstration program in the National Capital area, and fourth, incorporating tobacco control strategies in drug abuse prevention programs targeted to adolescents. The agreement represents the culmination of 3 years of work by many Members and I'd like to recognize several for their contributions.

The gentleman from Illinois [Mr. DURBIN] was of great assistance in advocating establishment of residential treatment programs to help reduce the numbers of infants born exposed to drugs. The agreement responds forcefully to the continuing problem of women being denied access to drug and alcohol abuse treatment programs because they are pregnant. Under the legislation, new residential treatment programs will be established that can provide the child care and prenatal services that these women need. In addition, the legislation prohibits the denial of treatment services to women because of their pregnancy and makes the States responsible—as a condition of receiving block grant funds—for assuring the availability of appropriate care.

Mr. Speaker, it is estimated that between 100,000 and 375,000 infants are born to drug-addicted mothers each year. Thousands more suffer the debilitating effects of alcohol abuse by their mothers. Yet treatment is available to only a small fraction of those in need. Tragically, pregnant women are often refused substance abuse treatment when they seek it. In some cases they are offered waiting lists. In other instances they are prosecuted and jailed. Such policies drive women away from the very services most likely to promote health and recovery.

Mr. Speaker, the abuse of alcohol and other drugs is an intergenerational phenomenon. Substance abuse runs in families, passing from one generation to the next. A treatment system which fails to meet the needs of women, particularly pregnant women and women with children, dooms the Nation to an endless cycle of addiction. Inaction threatens us with the loss of a generation—a generation born with developmental and intellectual handicaps.

Mr. Speaker, I want to call attention to the inclusion of provisions to assist trauma care centers impacted by drug-related violence. On two separate occasions the House has included similar legislation in omnibus crime control bills providing financial assistance to trauma care centers disproportionately impacted by uncompensated costs from the war on drugs. While these provisions did not become law, they reflected the recognition of Congress that trauma care centers should be considered partners in the drug war. The conference agreement authorizes a new program of grants to assist financially troubled trauma centers, particularly those serving large undocumented populations. The gentleman from Texas [Mr. COLEMAN] and the gentleman from California [Mr. LOWERY] were strong advocates for this much needed program.

The conference agreement also includes provisions requiring the Department of Health and Human Services to allocate $25 million over 3 years in additional funds to better organize and improve the availability of drug treatment in Washington and the surrounding jurisdictions of Maryland and Virginia. The legislation owes much to the efforts of the gentleman from Virginia [Mr. MORAN], first as mayor of Alexandria, and later as our colleague, who provided eloquent testimony of the need for the Federal Government to channel new drug treatment resources into the National Capital area to make it an example of interstate cooperation and quality for the Nation.

Mr. Speaker, finally I want to single out the important contributions of the gentleman from Oklahoma [Mr. SYNAR], who was instrumental in the inclusion of provisions requiring substance abuse prevention programs to include strategies discouraging tobacco and alcohol use by underage youth. It has become increasingly clear that tobacco is a powerfully addicting drug. The use of tobacco by underage youth is a serious risk factor in the use of illicit drugs. In this regard, continued use of tobacco by youth undermines the Nation's battle against other drug use. The conference agreement reflects the recommendations of the National Commission on Drug Free Schools which observed in its final report that "the Nation's illegal drug problems will not be eliminated until the gateway drugs—alcohol and tobacco—are dealt with more effectively." Developing innovative strategies to discourage tobacco and alcohol use provides a more effective and comprehensive approach to reducing the adverse health effects of substance abuse on our young people.

Mr. Speaker, passage of the conference report will also implement the recommendations of the President's national drug control strategy. In addition to recognizing the importance of recognizing the role of tobacco and alcohol as gateway drugs for young people, the legislation, first, establishes a new substance abuse treatment capacity expansion program, and second, provides greater State accountability for the use of Federal substance abuse block grant funds through the preparation of State substance abuse prevention and treatment plans.

Mr. Speaker, the conference report was reported with the unanimous support of both House and Senate conferees.

I urge support for the conference agreement.

Mr. Speaker, I reserve the balance of my time.

Mr. BLILEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report.

The centerpiece of the conference report is the reorganization of ADAMHA. This is one of the administration's top legislative priorities. The legislation transfers the three research institutes to the National Institutes of Health. The remaining agencies are reconstituted as the Substance Abuse and Mental Health Services Administration, with the responsibility for Federal treatment and prevention programs. Also, a new center for mental health services has been created.

For the first time we will have an agency that is solely focused on providing treatment and prevention services for mental health diseases and addictive disorders. The national research agenda will also be strengthened by moving research on mental illness and addictive disorders into the mainstream of biomedical and behavioral research at the NIH.

We are now considering this legislation for the third time. I am confident that the primary objection to the legislation on the previous two occasions has been remedied.

That primary objection was that the bill removed the prohibition against the use of block grant funds for clean needles. Mr. Speaker, the motion to recommit which sent us back to conference instructed the conferees to insert a comparable provision which was in the Senate bill. That provision states that:

> None of the funds provided under this act shall be used to provide individuals with hypodermic needles or syringes so that such individuals may use illegal drugs, unless the Surgeon General determines that a demonstration needle exchange program would be effective in reducing drug abuse and the risk that the public will become infected with the etiologic agent for acquired immune deficiency syndrome.

This language is incorporated by reference in section 1931(a)(1)(F) of the legislation. Mr. Speaker, inclusion of this provision removes the final administration objection to the legislation and will result in the President signing an ADAMHA reauthorization which we have been trying to pass for several years.

I urge my colleagues to support the conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. BILIRAKIS. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. LEWIS].

Mr. LEWIS of Florida. Mr. Speaker, I rise in strong opposition to S. 1306, the conference report on the Community Health and Substance Abuse Services Improvement Act.

When the formula block grant for alcohol, drug abuse, and mental health funding was allocated last year, eight crucial antidrug States will lose over $30 million for drug abuse and mental health treatment. Three of these States contain our Nation's high intensity drug trafficking areas.

Florida, a microcosm of the Nation's drug problems and antidrug successes, will lose $16½ million in critically needed substance abuse and mental health funding unless implementation of this bill is delayed.

This loss will devastate a State that continues to lead the Nation in innovative substance abuse and antidrug programs.

This bill will rob Florida's 12th Congressional District alone of almost half a million dollars of allocated Federal treatment funding.

This means over 3,200 substance abusers who reached out for help, and 1,600 mentally ill patients receiving treatment will be abandoned because Congress changed its mind.

As a member of the Select Committee on Narcotics, I am painfully aware our Nation's drug problem exists in every State and community, and I understand this bill's attraction to the Members who represent those districts.

But I also understand the need to prioritize our funds in these times of fiscal crisis. By forsaking our Nation's front lines, those front lines move closer to your communities. By reclaiming money promised to 8 States today, Federal funding for the other 48 falls into jeopardy tomorrow.

This conference report represents a betrayal, not only of those drug-plagued communities who trusted Congress to keep its word, but a betrayal of our Government's commitment to the war on drugs.

If this Chamber passes this bill, our most decorated antidrug soldiers will become the next helpless victims of friendly fire, disarmed in the middle of battle in the war on drugs.

Oppose this travesty, and oppose S. 1306.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Speaker, I would like to voice my strong support for passage of the Alcohol, Drug Abuse and Mental Health Administrative Reorganization Act. The action we take here today is long overdue.

I rise today to offer not only my own personal congratulations to the conferees for their outstanding work on S. 1306, but also to the 140,000 family members of the National Alliance for the Mentally Ill [NAMI] which includes 7,000 NAMI families in the State of California.

NAMI members are families of persons with severe mental illnesses and long-time advocates of the need to include the National Institute for Mental Health [NIMH] under the auspices of the National Institutes of Health [NIH]. My wife, Norma, is a member of the National Mental Health Council and also a member of NAMI. She has testified before House and Senate committees for improved care for the mentally ill and for increased research on mental disorders.

By placing NIMH in this new setting, I am confident there will be more emphasis on research in this decade of the brain. This legislation also calls for a new agency, the Substance Abuse and Mental Health Services Administration [SAMHSA] which will be charged with providing services for those suffering from severe mental illness as well as to providing treatment and rehabilitation services to deal with alcohol and drug abuse.

I am pleased that Congress is finally acknowledging the tremendous impact which mental illnesses have on society. The transfer of NIMH to NIH and the creation of SAMHSA recognizes NIMH's role in leadership and vision which extends from basic science to the ultimate use of research. It will also go a long way in removing the stigma of mental illness from those who suffer from it and their families by associating it with other illnesses.

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Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to S. 1306, which, of course, is the conference report on the ADAMHA Reorganization Act. Mr. Speaker, I believe that this bill does implement many new initiatives vital to the field of alcohol, drug abuse, and mental health services. I supported it and voted for it in committee and supported the version that left the House of Representatives. However, I have serious concerns about it now because of the action that took place in the Senate and in conference.

Nine States, Mr. Speaker, Florida, Texas, Nevada, Delaware, Maryland, Virginia, Arizona, Colorado, and California, stand to lose $36,226,806 due to the new alcohol and mental health funding formula included in this legislation which was outside of the scope of the legislation as it left this House. Mr. Speaker, three-quarters of the ADAMHA funds have already been distributed to the States. To force certain States to return these funds this late in the fiscal year is poor public policy and certainly very unjust.

In the past month, Mr. Speaker, I have gone into great detail on the House floor about how the ADAMHA reductions will affect Florida. I believe it is appropriate for my House colleagues to hear about these service reductions once again.

First, there would be a $12½ million reduction for substance abuse services, reductions for substance abuse services. Reductions would be seen in residential services, which include detox, short- and long-term residential facilities, and halfway houses. Outpatient services would also be drastically cut.

Currently, Mr. Speaker, there are over 3,000 clients on waiting lists statewide for residential and outpatient services. As a result of these cuts, statewide waiting lists will increase by over 100 percent. Mr. Speaker, the legislation was initially designed to help those suffering from substance abuse. In Florida, Texas, Virginia, and six other States those people needing help will be hurt instead, and that is the point. They will be hurt instead.

In adult mental health services Florida will see a $4 million reduction. The block grant reduction will affect adult mental health's ability to provide the following services: assessment day and night, intervention services in the jails, outpatient treatment, overlay services to nursing homes, and adult congregate living facilities, and all levels of community residential services. Additionally, most adult mental health initiatives will be set back, so again, Mr. Speaker, in Florida, Texas, Virginia, and the other above-named States, those needing mental health assistance will instead be hurt.

I have been in Congress for 10 years and I do not believe the Congress has ever approved legislation, since I have been here, that so blatantly takes away Federal dollars that have already been appropriated to States through current law.

This legislation is not only unfair, it would also cause irreparable harm to State budgets. Further, my State of Florida is currently experiencing a severe budget crisis—this legislation will only add to the State's fiscal problems, and, even though Florida will lose $16½ million as a result of this legislation, the end result will be even more financially devastating. This legislation also includes new and expensive mandates, new and expensive Federal mandates—these mandates would have a detrimental effect on all States, not just Florida, all States, even those that gain Federal dollars through this legislation.

In fact, Mr. Speaker, the National Governors Association has repeatedly urged Congress, as we know, but we seem to conveniently forget, not to implement new Federal-State mandates due to the financial hardships these mandates inflict on States. Not only are Federal mandates expensive, but they also take away States' authority to make spending decisions.

In other words, instead of allowing States to spend money where they believe it is needed, States are forced to spend money on programs which this ivory tower up here, which the Federal Government, believes is in their best interests. This philosophy is wrong, Mr. Speaker. States are perfectly capable of making these important decisions without the interference of the Federal Government.

Another issue which is of great concern to me is the provision allowing the Health and Human Services Secretary to issue regulations permitting methadone maintenance treatment programs. Basically, this provision provides for interim maintenance treatment to certain narcotic addicts seeking assistance when programs cannot admit addicts into treatment programs. While this has had some success, interim maintenance, while well-intended, puts treatment quality at risk.

The chairman, the gentleman from New York [Mr. RANGEL], last night around midnight expressed this point very, very well, much better than I ever could, so, before my colleagues cast their vote on this legislation, I urge them to carefully evaluate the benefits of the interim maintenance provision.

I, therefore, urge my colleagues to vote against this bill for the following reasons, to summarize: No. 1, to strip the methadone interim maintenance provision from the conference report and at least let the full Congress decide whether that is appropriate rather than a few people in a conference committee; No. 2, to eliminate or modify the problematic entitlement language mandates that places undue hardships on States. We have all heard from our Governors and States in this regard. And, third, to preserve funding levels for loser States like Florida, Texas, Virginia, and the six others, including California.

By voting against the legislation my colleagues will be voting against bad public health policy and against the rule, against the rule which does not allow House Members to raise objections to certain provisions which are out of the scope of the bill. By voting in favor of this legislation my colleagues will be voting, in my opinion, irresponsible public health and drug abuse policy. I urge my colleagues to vote against it and say, "Let the members of the conference committee know you will not support legislation that does more harm than good."

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to comment about the allocation of block grant funding to the States.

Both the House and Senate conferees acted to minimize program disruptions. All States, including Florida, were given protections.

The conference agreement includes provisions that protect for fiscal year 1992, 1993, and 1994 any State allocation from falling below the fiscal year 1991 level. No State will receive a decrease in Federal funding compared with last year. This was a critically important provision to the Senate. In the absence of this provision, Mr. Speaker, the funding received by the States of Massachusetts, Ohio, Rhode Island, Indiana, Hawaii, Mississippi, New York, and Maine would have declined in fiscal year 1992.

Mr. Speaker, the House conferees would have preferred that the new formula begin in fiscal year 1993 rather than the fourth quarter of 1992. On this point our colleagues in the other body were insistent. The Senate approved the conference report by a vote of 86 to 8.

Now the gentleman from Florida [Mr. BILIRAKIS], my good friend, read off a list of nine States he said were unhappy. One of those States is the State of California. I do come from the State of California and want to indicate from our State's perspective that we are supporting this legislation. I understand there are other States as well, on that list of nine who are not urging a negative vote on the conference report.

But for the other 41 States, they are, I would gather, supporting this legislation. We cannot make all 50 States happy. If some want more money, then other States are going to end up with less money. We did the best we could. If there are 9 that are aggrieved, that means there are 41 that are happy, and, of the 9, I think we are talking about relatively few of them that would go so far as to say that they would urge Members who represent those States to vote against this bill.

Mr. Speaker, if the conference report is rejected, the whole report is rejected. We end up with no legislation whatsoever, and, on behalf of those who are supporting this bill, including the Bush administration, we urge an "aye" vote.

□ 1130

Mr. BLILEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I agree with what the gentleman from California [Mr. WAXMAN] has said. Yes, my State gets less money, but I still think that this bill, with the reorganization of ADAMHA, is most important to this country, and if we go back, we are going to have other States that are upset. Therefore, I think we should go ahead today and approve this conference report.

Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. GINGRICH], the Republican whip.

Mr. GINGRICH. Mr. Speaker, I rise in very strong support of this conference report. I want to commend the Members of the House who served on this conference.

We had one specific disagreement where the House instructed that the clean needle provision be dropped so that the Federal Government would not be paying for clean needles. The conferees met that requirement and did exactly the right thing. I think it was a refreshing change from some of the conferences we have engaged in to have the conference members take seriously the position of the House on clean needles and block the distribution of free needles by the Federal Government.

I want to thank both the gentleman from California [Mr. WAXMAN] and the gentleman from Virginia [Mr. BLILEY] for the kind of effort they made to get us a bill we can all support strongly.

I believe that the provisions that move research on mental health, alcoholism, and drug addiction into the National Institutes of Health, with the effort being made by Dr. Sullivan, the Secretary of Health and Human Services, who, himself, is a biomedical researcher by background, to ensure that the most modern breakthroughs in biotechnology and in genetic studies can be brought to bear, and that we can bring together the most dramatic advances in biology with the concern we have for drug addiction, mental health, and alcoholism, is a very major step forward toward the kind of research that will improve our chances of dealing with these problems in the future.

In addition, I believe the reorganization to strengthen the Federal Government's role in dealing with alcoholism and drug addiction and mental health will in fact lead us to a better administered program on the service delivery side.

I know from personal conversation that Secretary Sullivan is very strongly supportive of this bill. He regards it as a very major building block to improve Health and Human Services as a delivery institution to help the American people.

Mr. Speaker, again I want to commend the conferees, and I urge a very strong "yes" vote on what I regard as a very important reform bill.

Mr. BILIRAKIS. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Mr. Speaker, I want to thank my distinguished colleague, the gentleman from Florida, for yielding this time to me.

Mr. Speaker, once again this conference report on the Alcohol, Drug Abuse, and Mental Health Reorganization Act is before us. And once again, I stand in strong opposition to this report, as do many of my Florida colleagues, because it spells disaster for the State of Florida. The retroactive loss of $16.5 million in critical grant funding for alcohol, drug abuse, and mental health services is wrong. These funds were granted to the State and now it is told it must return the money in compliance with a new grant formula. This is not fair. The devastating impact of the loss of these funds will be felt everywhere in the State.

A reduction in funding for residential and outpatient substance abuse services will cause the number of those clients in need of these critical services to double to 6,000 in a State that is currently struggling to deal with an enormous drug problem.

In the mental health area, this loss in funding will cause a cut in 86,358 service units, leaving over 3,400 individuals unserved.

In addition, this block grant reduction could place the State of Florida's Department of Health and Rehabilitation out of compliance with previous agreements and negotiations thus resulting in a Federal court takeover of adult mental health services, resulting in a multimillion dollar additional cost to the State's taxpayers.

I strongly urge my colleagues to reject this report.

Mr. WAXMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. GREEN] for the purposes of engaging in a colloquy.

Mr. GREEN of New York. Mr. Speaker, I thank the gentleman for yielding time to me.

I understand that the interim methadone provision was intended by the conferees to permit States the option of providing such services to individuals awaiting vacancies in conventional drug treatment programs.

Although the States would be the sole determinant of whether interim methadone would be provided, the conference agreement does provide the Secretary with authority to specify quality control mechanisms such as urinalysis screening or permitting take home dosages. Is that correct?

Mr. WAXMAN. Mr. Speaker, if the gentleman will yield, let me say that the gentleman is correct. The conferees expect the Secretary to issue guidelines that will maximize the effectiveness of this service. For example, patients enrolled in interim methadone programs will be assured of admission to full service treatment programs within 120 days or as soon as vacancies become available.

Mr. GREEN of New York. Mr. Speaker, is it the gentleman's intent that by providing services of this kind individuals who have been denied treatment will reduce serious risks to their health in contrast to those who when denied treatment give up and drift back to the illicit drug culture?

Mr. WAXMAN. The gentleman is absolutely right. This is the reason the National Commission on AIDS has endorsed this program. It is also consistent with research, published in the American Journal of Public Health which documented that interim methadone programs can "reduce heroin use among persons awaiting entry into comprehensive treatment and increase the percentage entering treatment."

I want to add that it has been well established that when people seeking help are turned away from drug treatment programs, they often change their minds about seeking treatment. These are lost opportunities that in an era of AIDS we cannot afford to miss.

Mr. GREEN of New York. Mr. Speaker, if I might also inquire of the chairman are there circumstances when interim methadone programs would not be necessary or should be prohibited?

Mr. WAXMAN. The conference agreement is specific on this point and reflects the concept that interim methadone is a supplement to, not a replacement of, the existing treatment system. Clearly, such services would not be necessary if sufficient treatment services were available. In this regard, the legislation specifies three circumstances under which the Secretary may prohibit the availability of such services.

First, if it is determined that the risk of transmission of HIV disease pursuant to the intravenous abuse of drugs is minimal;

Second, if it is determined that conventional, full service methadone maintenance is not an effective method of reducing dependence on heroin; and

Third, if it is determined that conventional treatment programs have sufficient capacity to admit intravenous drug abusers within 14 days of seeking services.

The legislation further requires that in evaluating these issues, the Secretary consult with the National Commission on Acquired Immune Deficiency Syndrome [AIDS].

Mr. GREEN of New York. Mr. Speaker, I want to thank the chairman of the subcommittee. I have been deeply troubled over the years about the problem of people being turned away from drug treatment when treatment slots are not available because of funding shortages and winding up on the streets and getting no treatment. This is not the perfect solution. Obviously, if we had sufficient drug treatment facilities that could take people in on demand, that would be ideal. But I think, faced with the limitation of funding, that this is a realistic and useful solution to the problem, and I want to commend the conferees for arriving at this solution.

Mr. WAXMAN. Mr. Speaker, I reserve the balance of my time.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Mr. Speaker, I appreciate having this opportunity to speak, and I thank the gentleman very much for yielding me this time.

For the third time now I have risen to support this bill, and I do it again to talk about one aspect of it. Obviously, there are a number of things, but one of the problems we have, I think, in the Congress in almost every activity is making something flexible enough so it fits in large places as well as small ones.

I am particularly pleased that the committee has made an effort in this case, speaking particularly of intravenous drug users, to allow the flexibility for small States like Wyoming, where that particular problem is not the prevailing problem, to use these moneys and to use these programs with more flexibility.

So, Mr. Speaker, I urge my colleagues to vote "aye." Let us finally get this baby out so we can get it going in our States.

Mr. BILIRAKIS. Mr. Speaker, I yield 2½ minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman for yielding time to me. I realize that time is valuable, and I may not use all of my time.

Let me just say that there are a lot of meritorious things in this bill. The Republican whip spoke just a few moments ago about a few of them. I agree that there are some real needs that need to be met. However, we have a real fiscal problem facing this Nation, as has been brought up on the floor and brought to the attention of my colleagues many times. The deficit is $400 billion, the debt is $4 trillion, and the interest alone is $300 billion plus.

☐ 1150

If we do not get control of spending, we are going to have a real problem.

All I want to point out here is that last year we appropriated $2.4 billion for the programs, many of which are in this bill. This is $3.4 billion, which is about a third more than last year. That is a 33-percent increase. We need to get control of spending. Otherwise, in my view, we are going to have hyperinflation at some point in the future because the Federal Reserve Board will monetize part of the debt because the cost of interest in servicing the debt is going to be so high. At that point people on fixed incomes, senior citizens and people on welfare and so forth, will have money but it will not buy anything because we will have gone the way of Germany and Brazil and other countries.

I just admonish my colleagues to think very clearly about what we are doing, when we vote for these authorization and appropriation bills. This is a 30-percent increase over last year. Many of these things are needed. I am not discounting the need for these things. I am just saying that we have to prioritize around here. Otherwise we are going to have fiscal chaos down the road.

Mr. BLILEY. Mr. Speaker, I yield myself such time as I may consume.

I just want to point out to my friend from Indiana, for whom I have the greatest respect, that this bill is strongly supported by the administration. And some of the additional funding was urged and recommended and asked for by the administration. The administration feels so strongly about this bill that the Secretary of HHS himself called me, when I was in my district during one of our district work periods, and interrupted a meeting that I was having to urge me, as a conferee, to support this legislation.

If we go back to conference and massage it and massage it, we will never get a bill that is completely satisfactory to 435 Members of this House. But we do have a conference report that I firmly believe that the overwhelming majority of this conference can, should, and will support.

Mr. Speaker, I reserve the balance of my time.

Mr. WAXMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. BACCHUS].

Mr. BACCHUS. Mr. Speaker, I thank the chairman for yielding time to me. I thank him for his time and his leadership and all that he has done in this very important area.

Regrettably, once again, I rise in opposition to the precise nature of what he is trying to do here and in opposition to this conference report.

Mr. Speaker, this conference represents a problem that must be confronted by this Congress and one that we simply refuse to confront. We have limited resources. And the truth is that our limited resources are not going where they are most needed.

My State of Florida, Mr. Speaker, ranks 50th among the 50 States per capita in what we get back from Washington as opposed to what we Floridians, as taxpayers, send to Washington. For every $1.61 that we send in our taxes to our Nation's Capital, we get $1 back. We rank at the bottom in education. We rank at the bottom in child care. We rank below several different territories in transportation, and we rank at the bottom, too, in social services.

Mr. Speaker, Florida ranks first among the States in the crime-per-capita rates, first among the States in cocaine traffic, second among the States in pediatric AIDS cases, and third among the States in cumulative AIDS cases. And yet we have a bill like this, a bill like this that not only does not give Florida its fair share of what we are entitled to as Americans and as citizens but actually requires us to give back to the Federal Government $16.5 million that has been appropriated previously for us and that we have already spent.

Mr. Speaker, that is simply wrong.

Mr. BILIRAKIS. Mr. Speaker, I yield 2 minutes to the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Mr. Speaker, I rise today in opposition to the conference report on S. 1306. As it now stands, the funding formula changes in the bill would greatly affect the State of Nevada which I represent. More specifically, Nevada would lose approximately 5 percent of its funding for mental health services and alcohol and drug abuse services.

A 5-percent decrease is a large amount of funding to the people in Nevada. In fact, it means that approximately 200 Nevadans would not be able to access alcohol and drug treatment and over 1,000 will be denied alcohol and drug prevention activities because of these cuts. Mental health services, too, would suffer losing $106,639.

The biggest problem with the conference report is not the funding decrease, but that the formula change becomes effective immediately and is retroactive to October 1, 1991. Since three quarters of these funds have already been allocated to States and used by some States like Nevada, these States would be required to return these funds. Surely this would cause irreparable harm to Nevada which is already under financial distress.

Nevada cannot withstand such stress. Already it is reported that Nevada ranks second in the Nation in the number of hardcore cocaine addicts and over 50 percent of Nevada sixth graders report the use of alcohol and other drugs. The numbers are quite startling.

Mr. Speaker, we cannot let drug and alcohol and mental health statistics get worse. The conferees must reconsider this report so that States' awards for this fiscal year are held harmless and the formula is not implemented until October 1992. I urge my colleagues to vote to recommit this legislation and to vote against the conference report.

Mr. BILIRAKIS. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. PETERSON].

Mr. PETERSON of Florida. Mr. Speaker, I thank the gentleman for yielding time to me.

I rise in opposition to this conference report. My opposition comes from the failure of the committee to recognize the funding needs of those States with the greatest burden.

Florida, my State, is the fourth largest State in the Union, a fast-growing State undergoing massive change, including the great influx of immigration.

From personal experience, I have seen the increased need for programming for individuals suffering from mental health and drug abuse problems. Florida has already used in rehab programs for these people $16.5 million that this bill forces my State to return to the Federal Government. This action is unprecedented.

Florida has done what it was asked to in good faith by providing this professional programming. We are talking about real pain to people here, Mr. Speaker. It must be fixed.

I strongly urge by colleagues to reject this conference report at this time.

Mr. BILIRAKIS. Mr. Speaker, I yield 2½ minutes to the gentleman from Florida [Mr. JAMES].

Mr. JAMES. Mr. Speaker, I rise today in strong opposition to S. 1306, the conference report on alcohol, drug abuse and mental health reauthorization.

Mr. Speaker, Florida, with the Nation's fourth largest population, stands to lose a disproportionate share of Federal dollars should this measure pass.

We have a population of 13 million, and routinely absorb and are responsible for more than our share of immigrants. Yet this bill cuts Florida out of $16.5 million retroactively.

Mr. Speaker, this money is being taken back from Florida with just 4 months left in the grant year. This is $16.5 million we've been literally told to spend, and now it's gone. This is an unfair and unsound financial practice.

Mr. Speaker, I and my Florida colleagues want to pass a good bill. This one is simply unfair.

The impact on those in need in my home State will be devastating; 1,300 inpatient clients will be taken off the rolls and put out in the street; 2,400 will get no more outpatient care.

We will be forcing these people to give up their treatment cold turkey.

And Mr. Speaker, some 64 percent of these clients are referred by the criminal justice system. Without the availability of treatment, we can safely assume that they will resume criminal activity to support their habits. And sooner or later, they'll end up in prison, which will cost the taxpayers many times the price of drug rehab.

Mr. Speaker, how can we turn these people away and expect them to mend their ways and become productive members of society? The answer, Mr. Speaker, is that we cannot.

This conference report is unfair to the State of Florida, and I urge my colleagues to do the right thing and oppose it.

□ 1150

Mr. BLILEY. Mr. Speaker, I rise strongly again to support this conference report. I have no further requests for time, and I yield back the balance of my time.

Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume, just for a quick summary and to remind my colleagues, through the chairman, there have been words used here about how the conferees massaged and massaged and remassaged. The distinguished minority whip rose and spoke about the positives in this bill, and, of course, the gentleman from Virginia [Mr. BLILEY] and the gentleman from California [Mr. WAXMAN] before him also did the same thing, and there are positives. I voted for this legislation in committee. I supported it every time it has come up over the years in committee. Money has been spent on these programs all through the years, even though the Congress has failed to reauthorize this legislation for the last number of years, so there has not been any interruption as far as that is concerned.

I guess the question is, "Why did the conferees feel it was imperative that they massage and remassage, for crying out loud?" Why did the conferees feel that they had to go outside the scope of the legislation as it left the House of Representatives and left the Senate? Why did the conferees feel that they had to decide in their own ivory tower that they must determine that the interim treatment must include methadone or go into the methadone interim treatment? Why did the conferees decide they had to mandate additional entitlement mandates to the States without the appropriate dollars going down, the things we all complain about?

The gentleman from California [Mr. WAXMAN] has talked about 41 States probably supporting this legislation. I suggest to the Members that when all 50 States find out what additional mandates we are imposing upon them and the additional financial burdens, that all 50 States would have opposed that portion of this legislation, and obviously affecting the formula on a retroactive, ex post factor basis, is about as unfair as anything can be.

States that have received the money have been told how to use it, have already used much of it, and now are going to be required to go into their pockets, their very limited pockets, with already negative budgets in order to return those dollars. That is terribly unfair, Mr. Speaker. That is the whole point about it all.

The fact of the matter is the basic foundational pieces of the legislation that the administration and others have supported, they are good and I support those, too, but the conferees went outside the scope of their function.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in closing, before I yield back the balance of my time, I want to indicate that the conferees did the best we could. We could not, evidently, satisfy the State of Florida in the allocation of dollars. We regret that. However, we have achieved a bill that has bipartisan support, the administration's support, all of the conferees urged the Members to support this legislation, and if this conference agreement is defeated there will be no legislation on this subject. I think that would be a real shame for the Nation. I urge an "aye" vote and I yield back the balance of my time.

Mr. RAMSTAD. Mr. Speaker, I rise in support of the conference report.

For the last 1½ months, I have spoken out against the conference report for S. 1306, primarily because it permitted the use of Federal funds for needle exchange programs.

I am certainly pleased to see that the conference committee had the wisdom to follow the instructions of the House and reinstate the prohibition on needle exchange programs.

I am, however, still concerned about other aspects of the bill that were not addressed by the conference committee, in particular, interim methadone maintenance programs.

I was disappointed to find that the rule on this bill did not allow our distinguished colleague, CHARLIE RANGEL—the chairman of the Select Committee on Narcotics Abuse and Control—to raise this very legitimate drug abuse issue as a point of order against the bill.

In a very comprehensive "Dear Colleague" letter of May 18, Chairman RANGEL pointed out the dangers of interim methadone maintenance programs:

> Interim maintenance is not treatment. It is the antithesis of treatment. S. 1306 puts the Government's stamp of approval on a policy that says the mere distribution of a highly addictive substitute for heroin is an adequate response to addiction.

Like needle exchange programs, interim methadone maintenance purports to save lives by reducing the spread of the HIV virus among intravenous drug users. Instead, such programs will end up destroying lives by increasing drug abuse in America.

Given this information, I found it unbelievable that the chairman of the Narcotics Committee would be blocked by parliamentary procedures from bringing this critical drug abuse issue to the floor. I hope that Congress will see it fit to review this policy at a later date.

I do, however, urge my colleagues to vote for the conference report today. While it is not perfect, it is important to the 5.5 million Americans who are chemically dependent.

One of the most important programs that ADAMHA has funded in the past is the consolidated chemical dependency treatment fund in Minnesota.

This program pools together Federal, State, and local assistance to provide more effective and cost-efficient treatment services for those who need them. Such programs cannot be abandoned, and I strongly urge the new, reorganized ADAMHA to continue supporting this excellent program.

Mr. Speaker, there is no question that substance abuse is one of the most urgent issues facing our Nation today. Former Health Secretary Joseph Califano called addiction, "Our country's No. 1 health problem." And he's right.

Congress must act now to improve treatment services for the chemically dependent. Private groups, like the Society of Americans for Recovery chaired by former U.S. Senator Harold Hughes, have been leading the way on these issues, and it is the responsibility of the Federal Government to supplement these efforts with public support.

S. 1306 is a step in the right direction. I urge my colleagues to support this measure today.

Mr. DURBIN. Mr. Speaker, I would like to call to the attention of my colleagues the provision of this conference report that establishes a new grant program to provide comprehensive residential treatment services to substance abusing pregnant and postpartum women and their children.

It has been my pleasure to work on this provision with the chairman of the subcommittee, Mr. WAXMAN, and I would like to thank him for his support.

Mr. Speaker, 375,000 babies are born each year in the United States who were exposed to illegal drugs before birth—1 out of every 10 newborns. The cost of caring for them is enormous: hundreds of millions of dollars in hospital costs each year just to stabilize them immediately after birth, and billions of dollars annually for health care, foster care, special education, and other social services they will need as they grow up.

For many addicted pregnant women, only a longer term residential treatment program can provide the services they need, including counseling, child care, room and board for the women and their children, and other services. Many women need to be able to get away from the environment that nurtures their drug use. A residential treatment program provides the support system they need to stop their drug use and focus on their recovery.

According to the Institute of Medicine, the clients of longer term residential treatment programs end virtually all illicit drug taking and other criminal behavior while in residence. They also demonstrate lower drug use and criminal activity and greater social productivity after discharge than they did before admission and than other individuals who did not receive similar treatment. As a result, the Institute of Medicine included residential treatment programs for pregnant women and their children in its core strategy for addressing our Nation's drug treatment needs.

Unfortunately, many of our Nation's residential treatment programs currently refuse to serve pregnant women or refuse to make provision for their children. As a result, pregnant women who desperately need treatment languish on the waiting lists for the few programs that are available. While they look for a program that has an opening and will accept them, they and their children suffer the continuing effects of their addiction.

This measure will help change that tragic reality, by establishing a grant program offering to addicted pregnant women and their children the opportunity for comprehensive treatment in a residential setting in which the children are allowed to reside with their mother.

The legislation spells out the comprehensive list of services that must be provided, so that programs will deal with the women and children's full range of needs. For example, services for women must include health care, AIDS and domestic violence counseling, training in parenting, involvement of other family members as appropriate, counseling on obtaining employment, and planning and counseling to assist reentry into society both before and after discharge. Similarly, services for children must include health care, child care, counseling as appropriate, and other social services to help them overcome the effects of maternal addiction.

This residential treatment grant program and a related outpatient program for pregnant women are jointly authorized at a funding level of $100 million in 1993, and such sums as necessary in 1994. Emphasis is given to the residential treatment program, including additional funding from the block grant and potential funding from the special drug asset forfeiture fund. It is my hope that we will soon see many women and their children given a new lease on life because of the residential treatment services authorized in this program.

Ms. PELOSI. Mr. Speaker, today we consider legislation which would provide the necessary framework for community mental health and substance abuse services. This conference report responds to the input of experts in the fields of mental health and substance abuse treatment—and responds directly to the input of the Institute of Medicine.

The legislation begins the planning process for comprehensive treatment of pregnant women and injection drug users.

This legislation is also essential to improve our national response to the HIV epidemic. Years of prevention research sponsored by Federal agencies have been converted into HIV prevention services which will make a difference in rates of new HIV infections in this country. We cannot wait any longer to authorize these vital programs.

Each day that we wait will be counted in increased cost to the Government and—more importantly—increased number of lives needlessly lost to AIDS.

I commend Chairman DINGELL and Chairman WAXMAN on this conference report. I urge my colleagues to agree to the conference report.

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to commend my colleagues for speaking out about the negative impact that the bill has on the mental health funding of certain States.

I urge the Members of the House to vote against this bill because of the disproportionate impact these cuts in funding will have in many areas, including my own area of Miami, FL.

If we pass this conference report, the State of Florida will lose approximately $16.5 million. The county I represent, Dade County, stands to lose $7 million under this plan.

In the State of Florida, these cuts will effect the help and care given to early 30,000 clients. This report will cost 300 mental health care providers their jobs.

I have received many calls from constituents who fear both the immediate shock and the long term damage of these cuts. With so much of our mental health system's resources already stretched too far, the effect of these cuts will be devastating.

I urge this body to reject this conference report.

The SPEAKER pro tempore (Mr. MONTGOMERY). Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BILIRAKIS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 358, nays 60, not voting 16, as follows:

[Roll No. 253]

YEAS—358

Abercrombie
Ackerman
Alexander
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Annunzio
Applegate
Aspin
Atkins
AuCoin
Ballenger
Barrett
Beilenson
Bentley
Bereuter
Berman
Bevill
Blackwell
Bliley
Boehlert
Boehner
Borski
Boucher
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bunning
Byron

Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carr
Chandler
Clay
Clement
Clinger
Coble
Coleman (MO)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Costello
Coughlin
Cox (IL)
Coyne
Cramer
Cunningham
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Dreier
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
Engel
English
Erdreich
Espy
Evans
Ewing
Fawell
Fazio
Feighan
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Henry
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hyde
Inhofe
Jacobs
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kolter
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Leach
Lehman (CA)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Rangel
Ravenel
Ray
Reed
Regula
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Savage
Sawyer
Saxton
Scheuer
Schiff
Schulze
Schumer
Serrano
Sharp
Shays
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Smith (OR)
Snowe
Solarz
Spence
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torricelli
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walker
Walsh
Waters
Waxman
Weber
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Zeliff
Zimmer

NAYS—60

Allard
Andrews (TX)
Archer
Armey
Bacchus
Barton
Bateman
Bennett
Bilbray
Bilirakis
Bryant
Burton
Carper
Chapman
Coleman (TX)
Combest
Crane
Dannemeyer
DeLay
Dickinson
Doolittle
Dornan (CA)
Duncan
Edwards (TX)
Fascell
Fields
Gibbons
Goss
Hall (TX)
Hancock
Hefley
Herger
Hunter
Hutto
Ireland
James
Johnson (TX)
Johnston
Laughlin
Lehman (FL)
Lewis (FL)
McCollum
Murphy
Peterson (FL)
Ros-Lehtinen
Roth
Sarpalius
Schaefer
Schroeder
Sensenbrenner
Shuster
Smith (FL)
Smith (TX)
Solomon
Stearns
Stump
Vucanovich
Washington
Young (AK)
Young (FL)

NOT VOTING—16

Anthony
Baker
Barnard
Bonior
Boxer
Bustamante
Cox (CA)
Dymally
Gekas
Hefner
Perkins
Richardson
Shaw
Tallon
Torres
Traxler

☐ 1218

Messrs. HALL of Texas, WASHINGTON, and LAUGHLIN changed their vote from "yea" to "nay."

Mr. McEWEN and Mr. PETRI changed their vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON H.R. 5517, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1993

Mr. DIXON, from the Committee on Appropriations, submitted a privileged report (Rept. No. 102-638) on the bill (H.R. 5517) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1993, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

Mr. GALLO reserved all points of order on the bill.

☐ 1220

WAIVING CERTAIN POINTS OF ORDER DURING CONSIDERATION OF H.R. 5488, TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1993

Ms. SLAUGHTER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 505 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 505

Resolved, That during consideration of the bill (H.R. 5488) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1993, and for other purposes, all points of order against provisions in the bill for failure to comply with clause 2 of rule XXI are waived except as follows: beginning on page 47, line 10, through line 25; beginning on page 65, line 24, through page 66, line 12; and beginning on page 75, line 24, through page 76, line 17. The amendments en bloc specified in the report of the Committee on Rules accompanying this resolution to be offered by Representative McDade of Pennsylvania or his designee may amend portions of the bill not yet read for amendment, shall be considered as read when offered, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. The amendments en bloc specified in the report to be offered by Representative Dorgan of North Dakota or his designee may amend portions of the bill not yet read for amendment, shall be considered as read when offered, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. Such amendment en bloc and any amendments thereto shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent. Points of order under clause 2 of rule XXI against the amendment specified in the report to be offered by Representative Hoagland of Nebraska or his designee are waived. Such amendment and any amendments thereto shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent.

The SPEAKER pro tempore (Mr. MONTGOMERY). The gentlewoman from New York [Ms. SLAUGHTER] is recognized for 1 hour.

Ms. SLAUGHTER. Mr. Speaker, I yield the customary 30 minutes of debate time to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 505 is the rule providing for the consideration of H.R. 5488, making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President and certain independent agencies for the fiscal year 1993.

Since general appropriations bills are privileged, the legislation will be considered under the normal legislative process for consideration of appropriations bills. The time devoted to general debate will be determined by a unanimous-consent request. The bill will be open to amendment under the 5-minute rule. Any amendment which does not violate the rules of the House or is printed in the Rules Committee report will be in order.

The rule waives points of order clause 2 of rule XXI, prohibiting unauthorized appropriations or legislative provisions in general appropriations bills, against the provisions of the bill except for three specified sections. The waiver is required because authorization bills have not yet been enacted for a number of programs in the bill including the U.S. Customs Service, the U.S. Mint, and the Federal Elections Commission.

The three sections of the bill exempted from this waiver are:

First, section 9 of the general provisions for the General Services Administration, which provides that revenues from energy savings or material recycling be available for certain GSA programs;

Second, section 528, which requires the U.S. Postal Service to pay $315 million to fund health insurance premiums and retirement COLA's for certain annuitants; and

Third, section 536, which authorizes the Bureau of Alcohol, Tobacco, and Firearms to prevent the use as a brand name of the name of any prominent deceased individual, if the use of the name would degrade or disparage the individual's reputation.

In each case, the chairman of the authorizing committee having jurisdiction over these legislative provisions objected to their inclusion in the appropriations bill and requested that points of order against the provisions not be waived.

The rule provides for two sets of amendments, one to be offered by Representative McDADE and one to be offered by Representative DORGAN, to be offered en bloc. These sets of en bloc amendments, printed in the report to accompany the rule, shall be considered as read when offered and are not subject to a demand for a division of the question.

In addition, the rule waives points of order under clause 2 of rule XXI against the Hoagland amendment printed in the report to accompany the rule. Clause 2 of rule XXI prohibits unauthorized appropriations or legislative provisions in general appropriations bills and restricts the offering of limitation amendments in such bills.

The amendments printed in the report, and any amendments to those amendments, shall be debatable for the time specified in the report.

Mr. Speaker, H.R. 5488 appropriates $22.8 billion in fiscal year 1993 for the activities of the Treasury Department, the Executive Office of the United States, and certain independent agencies, as well as payments into the postal fund of the U.S. Postal Service. This rule will allow full and fair debate on the provisions of this important bill.

I ask my colleagues to support the rule so that we may proceed with consideration of the merits of this legislation.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentlewoman from New York [Ms. SLAUGHTER] has fully explained the provisions of the rule. The waivers are necessary because not all of the necessary authorization bills have worked their way through the legislative process. I want to reiterate that under the normal Rules of the House, amendments which do not violate any House rules can be offered to the bill under the proposed rule. I am concerned, however, that there were a few amendments offered at the Rules Committee which were not made in order under the rule. I believe these Members should have been given the opportunity to offer their amendments since others were provided with the necessary waivers.

This legislation appropriates $22.8 billion in new budget authority for the U.S. Treasury, U.S. Postal Service, Executive Office of the President and 14 independent agencies. This is $2.9 billion more than last year and $275.7 million less than requested by the administration.

Mr. Speaker, I would like to address one particular provision in the legislation which requires the Postal Service to pay $315 million to the Treasury for retiree health benefits and cost-of-living adjustments. I am opposed to such a provision because I believe it would have a disastrous effect on the financial health of the Postal Service and would likely prompt a rate increase. Such a payment would also have an adverse effect on volume and cause massive layoffs of postal employees. Fortunately, Mr. Speaker, this rule does not provide for the necessary waiver needed and the provision is, therefore, subject to a point of order.

Mr. Speaker, the statement of administration policy points out that the administration has serious concerns about several aspects of the bill. In particular, the President's senior advisers would recommend that the President veto the bill if it contains language approved by the Appropriations Committee that prohibits use of funds in the bill for the President's Council on Competitiveness or any successor organization.

Mr. Speaker, I have stated my concerns with the rule but I believe we must move forward and get down to the business at hand.

Ms. SLAUGHTER. Mr. Speaker, for the purposes of debate only, I yield 5 minutes to the gentleman from Colorado [Mr. SKAGGS].

□ 1230

Mr. SKAGGS. I thank the gentlewoman for yielding this time to me.

Mr. Speaker, I urge my colleagues to support the rule to bring up the Treasury, Postal appropriations bill for fiscal year 1993.

I think it provides reasonable terms for debate. One of the provisions in the rule provides for consideration of an amendment expected to be offered by the gentleman from Pennsylvania [Mr. McDADE], the ranking member on the full committee. I just wanted to address myself briefly to that.

There is a lot of discussion among Members about the issue of the so-called Council on Competitiveness that the Bush administration established a couple of years ago.

I think it is useful, before we get further into the debate on this bill, to understand what this is about and what it is not about.

It is suggested, I think incorrectly, that this is about regulatory reform. It is not about regulatory reform and coordination. The bill that will be taken up under the rule provides $5 million for the Office of Information and Regulatory Affairs in the Office of Management and Budget, a very healthy appropriation, to fund the activities in what is known as OIRA, that are explicitly intended to address regulatory coordination across the board in the administration. This is a useful function, one that no one quarrels with and one that OIRA does in compliance with basic principles of open government and disclosure.

This is not an issue about Presidential prerogatives. We are not talking here about Presidential policy making or policy coordination, but about rulemaking. And rulemaking is a delegated, quasi-legislative function in which this Congress has a particular right to take special concern and pay special attention, which is what we are doing.

This is not about what all recent Presidents have done. you will hear that President Carter had something just like this. The critical distinction here is that the office that President Carter established did not intervene in regulatory matters before the fact and in order to make changes. It developed efforts after regulations were in place at a general policy level to look at the overall regulatory philosophy of that administration.

President Reagan then established what is now the Office of Information and Regulatory Affairs in OMB. And when that operation came under appropriate criticism for operating in the dark back in the early eighties, reforms were instituted. The Reagan administration agreed to put the OIRA operation on top of the table rather than underneath it, with requirements for disclosure of communications and general compliance with the same principles that apply in the Administrative Procedures Act.

This is not an issue having to do with any gratuitous attack on the Vice President of the United States. It is about following the law and observing the central concepts of open government in a democracy.

This is not a debate about competitiveness. We are all for competitiveness and for eliminating unnecessary burdens on industry and business in this country and making our economy as competitive as possible.

What this is about is special deals for special friends of the administration, worked out in secret, in an unaccountable fashion.

Most of what they do, and I think almost all of how they do it, is just plain wrong. They refuse to come up to this Congress, to several authorizing committees and subcommittees to even testify about their work. They have essentially refused to provide any substantive information about their work to the Subcommittee on Treasury, Postal, General Government of the Committee on Appropriations.

We simply should not be a party, as a Congress, to this kind of unaccountable, secretive and basically irresponsible behavior on the part of a small group within the administration.

So when the McDade amendment is before us, I would certainly urge my colleagues to vote "no."

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Speaker, the Skaggs amendment is basically a killer amendment, it is a killer amendment. We should listen to it carefully as we begin the debate.

Mr. SKAGGS talked about a special-interest group and "friends of the administration." Let me read you a letter from some of the "friends of the Administration." And this is from the Alzheimer's Research Foundation:

> DEAR MR. VICE PRESIDENT: I was pleased to learn that one of the items being considered by the Council on Competitiveness is the accelerated approval for Alzheimer's disease drugs.

The United States has one of the longest drug approval times and apparently does not rely on outside use. Those of us involved in the Alzheimer's program, and I have been very active working with the Alzheimer's individuals in my district, we helped with the establishment of a day care center for Alzheimer's patients so their loved ones have a place where they can go during the day. Let me continue:

> Those of us involved in the Alzheimer's program are continually dismayed by the cumbersome nature of drug approval. I would earnestly hope that Members of Congress who have indicated their concerns about the activities of the Council on Competitiveness are aware that the council's various initiatives are basically building upon programs begun by the Administration's Task Force on Regulatory Relief, chaired by then-Vice President Bush, and the President's cancer panel in the FDA. The French Foundation for Alzheimer's research is deeply concerned about these attacks upon the goals.

This is a killer amendment. I will tell you there is nothing worse than having Alzheimer's disease, both the individual who has it and the families who suffer, and suffer deeply. The Competitiveness Council reduced the drug approval time from 9 to 4½ years.

Let me read another letter from the "friends, the special secret friends of the administration."

> DEAR MR. VICE PRESIDENT: I want to thank you for recommending changes to the drug approval process at the Food and Drug Administration. I have enrolled in a clinical trial to test the effectiveness of a new orphan drug, DNase. I felt better almost immediately, as I am less winded climbing stairs. I hope this new drug can be approved quickly to be made available for more people with cystic fibrosis.

Mr. Speaker, the people with cystic fibrosis do not support the Skaggs amendment, they support the McDade amendment because if you have cystic fibrosis, the work of the Competitiveness Council and the work of the Vice President has brought this drug, whereby people can use it.

Let me read another letter from the "special friends of the administration."

> DEAR MR. VICE PRESIDENT: Thank you for your efforts on drug approval acceleration. Our daughter suffers from asthma, and it is important to us that she has access to needed drugs as soon as possible.

Another letter, and this letter, I believe, is from Florida:

> DEAR MR. VICE PRESIDENT: It's about time someone took the FDA's bull by its horns to make available drugs which will prolong and restore health to those in need. My wife Bernice has had ovarian cancer for over a year now.

And it goes on.

My mom died of cancer. My dad died of cancer. In fact, my dad had had cancer, he had lymphoma. In 1982, my first term in the House, I remember every weekend, I went back up to Philadelphia. When we found out that he had lymphoma, the doctor said—

> If there is one type of cancer that we think we can treat, it is this type of cancer. I think your dad will be okay.

My dad was dead in 4 months. Today there are drugs out on the market that could have perhaps saved my dad. If somebody has lymphoma or other form of cancer or Alzheimer's disease, by expediting, expediting the drug by 4½ years you may be able to save them. Something like this, had the Vice President's Council been in effect in 1982, maybe, maybe my dad would have been saved.

I remember when he left the Congress, Senator Tsongas came by and I spoke to him. In fact, I have great admiration for Senator Tsongas. He would have been a great person for your party, frankly, to put up as candidate for President.

I remember he made the comment. He said he went out to Great Falls Park in my district and he looked out, and he was on the rocks and he looked back and he saw his children. He said he left Congress because he wanted to spend his last days with his children. He thought at that time that lymphoma was a killer disease.

He also made the classic comment that he never heard anyone on his deathbed say, "I wish I had spent more time with my business." And, frankly, none of us is going to say, "I wish I had spent more time in the House Chamber." they would say, "I wish I had spent more time with my family." Lymphoma was a killer disease.

□ 1240

Mr. Speaker, in 1982, when Senator Tsongas left here, lymphoma was a killer disease, and now we can save people with lymphoma and keep them alive, and I thank the good Lord for that.

Let me read one or two more letters. This is from Miami, Coral Park Senior High School. This is from the principal.

> DEAR MR. QUAYLE: My son has cystic fibrosis. Please do not delay the new drugs that are being developed here from other countries. The clock is ticking, and we are in a life and death race. Please help us.

And then I could read many more. The NFIB has a letter.

Those Members in this body who contacted the Competitiveness Council who are concerned about the wetlands issues—hundreds of Members contacted the Competitiveness Council on the wetlands issue. They were the ones who said this is not good.

Lastly, and let me just end on this. This amendment is partisanship at a very high level. I made a comment today in the full Committee on Appropriations hailing the gentleman from Florida [Mr. LEHMAN] on his retirement, and also the gentleman from Pennsylvania [Mr. COUGHLIN] on his retirement. We do not have partisanship. It is probably the last bastion of nonpartisanship or bipartisanship in the Congress. This is a direct attack on the office of the Presidency and on the Vice Presidency. The interest groups, and I can name one or two—and I will not do it—have been behind this. Really, this is a killer amendment with regard to them.

How angry would this body be if the President were to veto the legislative appropriations act? This Congress would be up at arms. We would be angry. I say to my colleagues, "You are inviting a veto. This will kill this bill. This will kill a good bill that the chairman, the distinguished chairman, has put a lot of time into."

We will have more time to get into this. The McDade amendment is a good amendment, and I say to my colleagues, "If you were concerned about wetlands, support the McDade amendment. If you're concerned about cancer drugs that get to the market faster to save lives, support the McDade amendment. If you're concerned about cystic fibrosis, support the McDade amendment. If you're concerned about Alzheimer's disease, that you have a mom, or a dad, or a husband, or a wife, or somebody in your family with Alzheimer's, support the McDade amendment because these groups support it. It is a good amendment. We're fighting over $86,000."

The McDade amendment does not add any more money. He shifts it across. It is a good amendment. It is the right thing to do. It restores the bipartisanship of the Committee on Appropriations, and I strongly urge Members on both sides, when they get a chance, to go with the McDade amendment.

Mr. SKAGGS. Mr. Speaker, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Colorado.

Mr. SKAGGS. Certainly no Member is going to quarrel with the virtue in speeding up drug approvals in appropriate ways. Precisely the sort of function, would the gentleman agree, that the Office of Information and Regulatory Reform and OMB is supposed to perform and do so in an accountable fashion——

Mr. WOLF. Absolutely not, and I will tell the gentleman why. Let me tell the gentleman why.

I used to work for Cabinet officer, Secretary Rogers C.B. Morton, who was one of the more revered Members of this House. What the Secretary used to resent was having to go over to the Office of Management and Budget and deal with a low level person, who used to knock him around. He wanted to deal with the other Cabinet officials.

What the Competitiveness Council is, the opportunity for different Cabinet officials to sit around and resolve disputes. Otherwise they deal through OIRA. They have a Secretary dealing with the GS-15, and that is not the way that it should work.

No, this is the way to do it, and frankly, no one tells the Speaker how he should run the Office of the Speaker. No one tells the Speaker who ought to be on the whip list and who ought to be at the meetings. No one should tell the President, nor Vice President, how they can set up their meetings where Cabinet officials can come in, and negotiate and talk these things through head to head, Cabinet official to Cabinet official.

Mr. SKAGGS. Does the gentleman from Virginia [Mr. WOLF] then believe that the President has a special right to intervene in rulemaking outside the bounds of regular law?

Mr. WOLF. Absolutely not.

Mr. SKAGGS. That is what is going on.

Mr. WOLF. They do this based on the record, based on the Administrative Procedures Act, and the decisions are on the record of those who testify before it and against it.

Mr. SKAGGS. Why can we get no record of the proceedings on the Council of Competitiveness?

Mr. WOLF. They go to the——

Mr. SKAGGS. They will not disclose a thing.

Mr. WOLF [continuing]. Record of those who have filed views both for and against, and in closing I ask my colleagues, "Don't do it. Don't let this partisanship—I know this has been whipped, and some have talked about it. The McDade amendment is a good amendment. It is an amendment that will support acceleration of drugs to treat these critical diseases. It is the most important amendment that will be offered today. The fact is, if the McDade amendment goes, so goes the bill. McDade goes down, the bill goes down; we have no bill. It would be bad for the country."

Mr. Speaker, the McDade amendment is a good amendment, and I hope and pray that all Members will put aside the partisan differences and will support the amendment by the distinguished gentleman.

Ms. SLAUGHTER. Mr. Speaker, I have no further requests for time.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Speaker, I am sorry that I am out of breath because I did not realize this bill was coming up this quickly, and as I walked into my office, I saw the debate going on the television, and I saw the gentleman from Colorado [Mr. SKAGGS] on the floor and, subsequently, the gentleman from Virginia [Mr. WOLF], and I think that the Members should understand, as gentlemanly as it has been presented, that this is a malicious attack on the Vice President of the United States with absolutely no foundation whatsoever. This is partisanship in its worst form.

Mr. Speaker, what is at issue here is: Does the President of the United States have the ability, or the authority, to pull people that work for him closely, Cabinet level people and people in the office in the White House, can he pull them together to review regulations that are being promulgated by overzealous agencies or agencies imposing regulations that are ridiculous? Does he have that ability?

The gentleman from Colorado [Mr. SKAGGS] says, "Well, Carter did it, but he didn't do it just exactly like Bush did it, and Reagan did it, but he didn't do it exactly like Bush did it," and they base their entire discussion on secret meetings.

Now the gentleman just stood up. Let me ask the gentleman, if I may, "Has the gentleman been having any secret meetings with groups on this particular issue, and could he enumerate the groups that he has been meeting with?"

Mr. SKAGGS. Mr. Speaker, will the gentleman yield?

Mr. DELAY. I yield to the gentleman from Colorado.

Mr. SKAGGS. Mr. Speaker, the gentleman from Texas [Mr. DELAY] is well aware——

Mr. DELAY. Mr. Speaker, I yielded to the gentleman to answer my question.

Mr. SKAGGS. The law is very clear about the kind of disclosures and public rules that apply to rulemaking——

Mr. DELAY. Reclaiming my time, Mr. Speaker. Regular order. I will be glad to yield to the gentleman to answer my question.

Mr. SKAGGS. Mr. Speaker, I will be glad to answer the gentleman's question if the gentleman would answer it posed to himself.

Of course I meet in private with lots of people about the business of my office. However, there is no law that requires me to do otherwise. There is such a law that applies to the rulemaking activities of the Federal Government, and we ought to follow it.

Mr. DELAY. Mr. Speaker, there is no law, there is absolutely no law, that requires the President of the United States to have his Cabinet level people reveal who they are meeting with, why they are meeting. But let us take that issue on its face, and the gentleman from Colorado [Mr. SKAGGS] obviously does not want to list the people he has been meeting with on this particular occasion.

We all know who he has been meeting with. It is people who do not like the kind of reasonableness that is being brought to regulations being promulgated by agencies of this Government. They are behind this, plus partisan attacks on the Vice President. Has nothing to do with secret meetings of the President of the United States.

The Council on Competitiveness, before they take any action whatsoever, they refer back to the agency that is involved in this particular regulation they are questioning, or they file their comments in the Federal Register, or they follow the Administrative Procedures Act of notice and comment.

What they want is a witch hunt. They do not like what the President is doing. They do not like his policies, and this is a way to get at it in a very partisan way, and I just think it is really unfortunate, and they lay it all off on OIRA, say, "Well, we got OIRA over here, the Office of Information and Regulatory Affairs. They should be taking care of that."

Yet these same people took OIRA to court and removed one-third of their review powers through a court decision. That is what generated the President to put it together, his own panel to review the kinds of regulations that they were doing. OIRA cannot even do it.

But even at that, the other body is holding OIRA hostage. They will not reauthorize it, and they will not confirm a director of OIRA, and we have not had a director of OIRA since Bush has been President.

We all see what is going on here. We understand what is going on here. I think it is really unfortunate that we are fighting this battle on the floor of the House in this manner. It is blatant partisan politics that is going on here. They were talking about people would not come up and testify before the witch hunting committees that wanted to pull in people that work in the White House.

☐ 1250

We all know that people that work in the White House cannot testify before committees of the House. They are not confirmed by the Senate and they are not allowed to testify before committees of the House. That is why Al Hubbard and David McIntosh, the two directors of the Council, cannot testify before this body. People in the White House cannot testify before committees.

Mr. Speaker, so we all understand what is going on here. I hope when Members come to this body under the McDade amendment that they will look at it in a rational way and understand what is going on and support the McDade amendment.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. QUILLEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 397, nays 11, not voting 26, as follows:

[Roll No. 254]

YEAS—397

Abercrombie
Ackerman
Alexander
Allen
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Applegate
Archer
Armey
Aspin
Atkins
Bacchus
Ballenger
Barrett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Borski
Boucher
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bunning
Burton
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Coughlin
Cox (IL)
Coyne
Cramer
Cunningham
Darden
Davis
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Duncan
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Ewing
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kolter
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Rangel
Ravenel
Ray
Reed
Regula
Rhodes
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Serrano
Sharp
Shaw
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torricelli
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walker
Walsh
Washington
Waters
Waxman
Weber
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—11

Allard
Baker
Crane
Dannemeyer
Dreier
Hefley
Savage
Sensenbrenner
Shays
Stump
Vucanovich

NOT VOTING—26

Anderson
Anthony
AuCoin
Barnard
Bonior
Boxer
Brewster
Bustamante
Cox (CA)
Dymally
Gaydos
Gekas
Gingrich
Hefner
Houghton
Hunter
Marlenee
Oakar
Perkins
Richardson
Ridge
Riggs
Russo
Tallon
Torres
Traxler

☐ 1310

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 917

Ms. HORN. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 917.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

REPORT ON H.R. 5518, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1993

Mr. LEHMAN of Florida, from the Committee on Appropriations, submitted a privileged report (Rept. No. 102–639) on the bill (H.R. 5518) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1993, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

Mr. COUGHLIN reserved all points of order on the bill.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1993

Mr. ROYBAL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5488) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1993, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Virginia [Mr. WOLF] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

□ 1315

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5488, with Mr. STUDDS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the bill was considered as having been read the first time.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from California [Mr. ROYBAL] will be recognized for 30 minutes, and the gentleman from Virginia [Mr. WOLF] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. ROYBAL].

Mr. ROYBAL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Treasury, Postal Service, and general Government appropriations bill provides $22.8 billion in recommended appropriations for 1993 for both mandatory and discretionary items. The bill before the Committee is $276 million below the budget request, and slightly below the level provided in the 602(b) allocation for both discretionary budget authority and for outlays.

Because the 602(b) allocations this year were very low, the committee would have to make reductions below the President's budget request for almost every agency in the bill. In almost all of the domestic discretionary accounts we have been able to provide sufficient funds only to maintain the 1992 levels of operation. We have provided for pay increase costs and some mandatory inflationary increase costs. We have been able to provide for program increases in only a few very important and noncontroversial law-enforcement-related areas.

For the Customs Service we have allowed program increases to stop the flow of illegal drugs into our country, and to help process more expeditiously American citizens returning home from abroad and people from other nations visiting our country.

We allowed the President's request and added an additional $7 million to a budget of $1.5 billion. It is truly not an increase, but it does allow Customs to hire an additional 75 employees to process the increased flow of people and goods entering the country. As I stated before, this also helps stop the flow of illegal narcotics.

For the Internal Revenue Service we have allowed most but not all of the program increases requested by the President. We cut IRS by $35 million below the President's request, but we did allow a program increase for the tax systems modernization program.

The Internal Revenue Service's automated data processing system, the system that they have now, is far behind the technology which is currently available. The current IRS system is old and there is a very real danger that our failure to fund the modernization program could very well result in this old system simply being overwhelmed in the next few years.

In addition to collecting the major portion of Federal revenue, the IRS also performs very important law enforcement activities, such as criminal violation of the Tax Code and money laundering investigations. We have allowed program increases in the Bureau of Alcohol, Tobacco and Firearms, and have funded in this bill program increases in the Armed Career Criminal Enforcement Program. This program is dedicated to getting violent, repeat criminal offenders off the street, and is, in my view, one of the most effective enforcement programs in this country.

In addition to its highly important law enforcement activities, I think I should remind the House that the ATF also collects approximately $14 billion annually for the Government. It is a revenue-producing bureau of the Federal Government.

This bill includes a provision, section 537, which was presented to and approved by the full committee. This section prohibits the use of funds for the Vice President's Council on Competitiveness or any successor organization. Additionally, the committee has reduced the request for the Vice President's office of $86,000, the estimated salaries for the two full-time equivalent positions on the Council.

□ 1320

For the Postal Service, the bill includes $200 million for revenue forgone. I would like to call to the attention of the Committee that this is a reduction of $281 million below the budget request from the Postal Service.

Mr. Chairman, section 201 prohibits the Postal Service from increasing the rates of postage for nonprofit rate mailers. It is our understanding that the Committee on Post Office and Civil Service is developing legislation to reform the revenue forgone authorization.

Since that committee expects that this reform will be completed during the coming year, section 201 of this bill is included only as an interim measure. May I emphasize the fact that the nonprofit mailers support our bill because this provision freezes rates in the 1993 appropriation at the 1992 level.

For the Treasury Department's departmental account, this bill provides $10.2 billion in new budget authority. This is a reduction of $41.2 million below the request and an increase of $570 million over 1992.

For the Executive Office of the President, this bill provides $269 million. This is a reduction of $11.8 million below the budget request, and a reduction of $29.4 million below 1992.

For independent agencies covered by this bill, such as GSA, the Office of Personnel Management, the Tax Court and others, $12.1 billion is included, which is an increase of $59 million above the estimates, and an increase of $2.6 billion above 1992.

I must point out the fact that of this increase, $2.5 billion is in mandatory payments to the civil service fund.

In summary, Mr. Chairman, the bill before the Committee recommends funding for almost all of the agencies at the levels below those requested in the President's budget. For most agencies this bill provides only increases for inflation or for pay raise costs. Because of the very low 602(b) allocation, we were not able to fund any of the many requests for grants that we received, and we received many of them. They were all very meritorious, but we could not possibly, under the allocation, honor any of them.

We were also forced to make other reductions in accounts we would have liked to fund at higher levels, but that again was not possible.

I would like to take this time, Mr. Chairman, to commend the ranking minority member, the gentleman from Virginia [Mr. WOLF] for the great job that he has done, for his patience, his support, and for his cooperation. I would also want to appreciate the good work of all of the members of the subcommittee, the gentleman from Maryland [Mr. HOYER], the gentlewoman from California [Ms. PELOSI], the gentleman from Texas [Mr. COLEMAN], the gentleman from Colorado [Mr. SKAGGS], the gentleman from Indiana [Mr. VISCLOSKY], the gentleman from Iowa [Mr. LIGHTFOOT], and the gentleman from Kentucky [Mr. ROGERS]. I would like to thank each and every one of them for the cooperation that they have personally given me as chairman of this subcommittee, and for their willingness to discuss things, to talk about the needs, and in many instances compromise, as we all have to do in this bill.

This is a bill, Mr. Chairman, that provides a level of funding which will allow most agencies, again, I repeat, to operate at the fiscal year 1992 level. I think that this is an excellent bill and one that should definitely be approved. I urge, Mr. Chairman, the support of all Members for this piece of legislation.

Mr. Chairman, I reserve the balance of my time.

□ 1330

Mr. WOLF. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to commend Chairman ROYBAL on a good bill and draw to Members' attention section 627 of the bill, included at the suggestion of HAL ROGERS, which recognizes the appreciation of members of the subcommittee for the efforts of Chairman ROYBAL. As you know, this is the last time that the chairman will be bringing this bill to the Committee and to the floor. He has done a good job, and all of the members of the subcommittee appreciate his leadership.

SEC. 627. SENSE OF THE HOUSE.—It is the sense of the House that—

(a) Whereas

(b) Congressman Edward R. Roybal has shown leadership, dedication, and diligence as Chairman of the House Subcommittee on Treasury, Postal Service, and General Government;

(c) Congressman Edward R. Roybal has inspired a spirit of cooperation and consensus among the members of his Appropriation's Subcommittee during difficult deliberations; and

(d) Congressman Edward R. Roybal has demonstrated patience, good humor, professional courtesy as a Member of the House of Representatives, as Chairman of the Select Committee on Aging, and as Chairman of the House Treasury, Postal Service, and General Government Subcommittee on Appropriations.

Resolved, That the House of Representatives commends Representative Edward R. Roybal for his record of distinguished service.

The bill stays within the limits of the Budget Act and our 602(b) allocation. The bill recommends new budget authority of $22.7 billion, a reduction of $275 million below the President's budget request for obligational authority.

Because of the budget caps, the Treasury subcommittee faced an outlay problem this year. Because of this the bill includes cuts in most accounts. The U.S. Postal Service, in particular, will have added costs: the bill shifts costs associated with OBRA to the Postal Service; it also requires the Postal Service to carry some of the costs of giving charitable organizations preferred mailing rates.

On that issue, Members should be aware that the bill prevents the Postal Service from raising rates for nonprofit and charitable mailers. It also includes, in the report to the bill, language instructing the Postal Service that changes to the revenue forgone account should not adversely impact the rates for second-class mailers who are receiving preferred postal rates, such as rural, in-county newspapers.

The bill does a good job directing limited resources to critical needs. Funds provided in this measure will ensure the soundness of Federal agencies that are important to the American public. There is something in the bill that every Member of this body can support. Within the Treasury Department, several of the agencies—such as the Customs Service, the Internal Revenue Service, and the Bureau of Alcohol, Tobacco and Firearms—produce revenue to fund the operation of the Federal Government. By providing adequate funding for these agencies, the bill would allow these agencies to continue to carry out important law enforcement and revenue collection activities. It will also allow the Customs Service to maintain its role in facilitating trade, which is critical to the competitiveness of the United States.

One account for the Treasury Department that I want to mention is funding for IRS tax systems modernization. The bill provides full funding for tax systems modernization This will allow the IRS to avoid what would be a potential collapse of the tax and information processing systems, and should improve the IRS's interaction with taxpayers while increasing revenue collection.

For the second year in a row, there were not private grants in the bill. This year there were requests for appropriations for private grants of more than $80 million from worthy causes. I believe that keeping private grants out of the bill, especially in times of fiscal constraint, makes sense.

Briefly, I want to mention some specific provisions in the bill, which I was pleased that the committee included at my request. A provision which Congresswoman PELOSI and I offered which would increase the penalties for the importation of goods made with forced labor from $1,000 to $50,000. A provision allowing the Department of the Interior to transfer land in Shenandoah National Park to the Customs Service, which is now using the land for a canine training center, and funds for improvements to that center.

A provision for which Congresswoman KAPTUR deserves credit would allow the IRS to hire expert attorneys in litigation with foreign-controlled corporations which have avoided taxes through transfer pricing. A provision clarifying the law governing child day care in Federal facilities, which former Senator Trible and I authored several years ago. A provision for which Congressman HOYER deserves credit, directs the GSA to establish flexiplace work and telecommuting centers. Language in the report to the bill urging OPM to proceed with implementing recommendations made in a work and family study requested by the committee last year. And a provision which allows the Virginia inland port to maintain its port of entry status.

I also want to call Members' attention to the provision in the bill, section 537, which would prohibit the use of funds for the Council on Competitiveness or any successor organization. I will speak at greater length on this provision in a moment when Mr. MCDADE offers his amendment, but I do want to mention that I strongly oppose the provision. If it is included in the final version of this legislation, the measure will be vetoed.

I urge my colleagues to support the McDade amendment when it comes up. I read it before, and I will not take much of the Committee's time, but we received a number of letters from individuals who are very strongly in support of the work of the Competitiveness Council, because it has basically expedited the approval time for drugs from the current 9 years to the current 4½ to 5 years.

There were a couple of letters that I read. One said,

> It is about time someone took the FDA's bull by the horn to make available drugs which will probably restore health to those in need. My wife, Bernice, has had ovarian cancer for over a year.

We had a letter from the French Foundation on Alzheimer's Research out in Los Angeles, CA, which goes on to say,

> I earnestly hope that Members of Congress who have indicated concerns about the activities of the Council on Competitiveness are aware that the Council's various initiatives are basically building upon programs begun by the administration's Task Force on Regulatory Relief chaired by then Vice President Bush. The President's cancer panel, and then Vice President Bush's cancer panel and the FDA, the French Foundation for Alzheimer's Research is deeply concerned that these attacks on the Council on Competitiveness particularly as related to Alzheimer's disease

And there is not much worse than having Alzheimer's disease for the one who has it and for their loved ones—

> will slow down and distract from the need and sense of urgency that the drug approval process demands.

Here is a letter with regard to cystic fibrosis, a letter from Florida, a letter, another letter, and I go on and on with that.

I also have a letter from the NFIB, the representatives of small business, that says

> A recent NFIB survey placed unreasonable Government regulations and Federal paperwork among the top problems. Offices such as the Council on Competitiveness and the

> Office of Information on Regulatory Affairs are among the few real options for small business * * *

And they go on, and again, NFIB in support of the McDade amendment.

So as those who come to the floor when the votes begin, the McDade amendment is the amendment to help those, I think, with cystic fibrosis, cancer, Alzheimer's disease, and small business, and also those who have agriculture in their district. There was an open letter to the House of Representatives that said,

> In fact excessive regulation hurts consumers more than industry. The reason is that the bulk of regulatory burdens are simply passed through to the consumer in the form of higher prices. The results of the Skaggs amendment would be to invite more regulatory excess which in turn would mean higher prices for consumers.

Skaggs, higher prices for consumers, a more limited product and service selection, less product, less service, higher unemployment. We are all concerned about unemployment.

"We urge you to oppose the Skaggs initiative," and this is signed by the American Farm Bureau for those interested in agriculture: the National Association of Barley Growers, the National Association of Manufacturers, the National Cattlemen's Association, the National Federation of Independent Business, the National Pork Producers, and others.

And, lastly, we have a letter in support of the McDade amendment from the U.S. Chamber of Commerce, a letter from the office of the mayor of Columbus, OH, where he said,

> Dear Mr. President Bush: In less than 9 years, the city of Columbus will be forced to pay more than $1.6 billion to comply with just current State and Federal environmental regs. We need your help

He goes on to say,

> The enclosed report represents compliance costs only for Columbus. Imagine these costs multiplied across Ohio and the United States. Please help us to restore common sense to the process of protecting our health and environment.

Again, the McDade amendment deals with those issues.

The very last issue the committee was kind enough, both the subcommittee and the full committee, to put language in which would allow the Congress and BATF to deal with the issue of Crazy Horse malt liquor. Crazy Horse, as the Congress may or may not know, was an Indian chief who urged his people not to use alcohol, and yet a company has come along and has developed what they call Crazy Horse malt liquor.

I bring this to the Members' attention. Keep in mind, Crazy Horse was against the use of alcohol, and some despicable company, I might say, then takes "Crazy Horse" and uses it as a marketing tool. We had an amendment, and the committee was very kind both at the full committee and subcommittee. This amendment was supported by: the Lakota Times of Rapid City, SD; HONOR of Milwaukee, WI; United National Indian Tribal Youth [UNITY] of Oklahoma City, OK; the All Indian Pueblo Council of Albuquerque, NM; the National Congress of American Indians; the First American Prevention Center; the Chippewa Tribe; the Ottawa Indians; the Cheyenne River Sioux Tribe and tribal council; the Oglala Sioux Tribe; the Native American Indian Association of Nashville, TN; Floyd Red Crow Westerman, of "Dances with Wolves", the movie, and many others.

The Surgeon General, Dr. Novello, testified at the hearing before the gentlewoman from Colorado [Mrs. SCHROEDER] for bringing this to the attention of the Congress. Had it not been for the select committee, we would not know about this. The Surgeon General testified and said this disrespectful product comes along at a time when we know that native Americans suffer from over 5 times the rate of alcohol-related accidental death, double the rate of alcohol-related homicidal death, nearly double the rate of suicide, and up to 20 times the rate of fetal alcohol syndrome as the general population.

The provision will allow BATF the authority to prohibit the use of a brand name which disparages the name of a deceased individual of public prominence or disparages the reputation of such individual. It would not cover Samuel Adams beer. It would not cover that. It would only cover what was used in a disparaging way.

Someone told me, and I doubt that it is true, but there may be an objection by somebody with regard to this. I would hope that is not the case. If, by the slightest chance that there is an objection, I would hope that the authorizing committee would then take this language back and pass a bill, because this is being marketed in such a way that it is destructive. It is destructive to young people. It is destructive to different Indian groups. It is destructive to the reputation of Crazy Horse and, frankly, to name this under the current law, you could also have an alcohol named after any prominent person who died. I think that would be a mistake. So I would hope that would not be objected to.

I want to commend Chairman ROYBAL for his hard work and fairness. I want to thank him for his leadership, and for the spirit of bipartisanship that he promotes on the subcommittee. I also want to thank the other members of the committee and the staff.

Mr. Chairman, I reserve the balance of my time.

Mr. ROYBAL. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN of Texas. Mr. Chairman, I rise in support of the Treasury, Postal Service, and general Government appropriations bill for fiscal year 1993.

First, I would like to commend the distinguished gentleman from California, Chairman ED ROYBAL, and my colleagues on the subcommittee for their hard work in bringing forward this bill. This is my chairman's last year at the helm of this subcommittee, and his service and leadership over the years has benefited Federal employees across the country and left its mark on diverse items such as international ports of entry, child care facilities, and policy in our Nation's war against drugs.

The fiscal year 1993 appropriations bill contains items of critical importance to Federal civil service employees, Federal construction projects, and overall funding for Treasury, Postal Service, and general Government programs.

It includes funding for the U.S. Customs Service, an agency which generates revenues for our Nation and which deserves our support so that it can continue to effectively carry out its mission. The changing nature of our society has also increased the mission of the Customs Service by directly involving it in our Nation's war against drugs at the front lines of that war, at the borders of our country. Customs agents stationed at our international borders and airports place their lives at risk on a daily basis, and we need to ensure that they are well-trained, well-equipped, and work in facilities which are clean, safe, and secure.

I was pleased that the subcommittee recognized the critical need for additional Customs agents along the United States-Mexico border, and directed the Agency to report on its staffing needs in the Southwest in general and to give high priority to filling positions in the El Paso Customs District in particular.

Additionally, agents of the Bureau of Alcohol, Tobacco and Firearms and postal service employees are deserving the full congressional support for the critical jobs that they perform for our nation. They, too, put their lives at risk in the daily performance of their jobs. I have received several communications from postal workers' organizations concerning the funding level for the Postal Service in this year's bill, and I pledge to work with my colleagues in Appropriations and with the authorizing committees to ensure that its funding needs are met without disrupting the workforce or service to Postal Service customers.

On behalf of the congressional border caucus, I was pleased to offer language to the report directing the General Services Administration to assess the capital improvement needs of international ports of entry throughout the southwestern border with Mexico. The language highlights priority projects identified by members of the caucus and border experts organized by the Border Trade Alliance. Regardless of the ultimate fate of the North American Free-Trade Agreement, these projects are required to keep pace with the current projections for the level of commercial and pedestrian traffic across the United States-Mexico border.

I would like to express my appreciation to the chairman, the subcommittee, and its staff for including projects critical to my congressional district in El Paso including the construction of hazardous materials containment facilities at the Ysleta/Zaragosa port of entry and at the Bridge of the Americas and moneys for the purchase of additional land at Ysleta to enhance commercial activities at this port.

I urge my colleagues to support this important bill.

Mr. ROYBAL. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Chairman, I rise today to commend our chairman, ED ROYBAL, for the outstanding job that he and Mr. WOLF, our ranking member from northern Virginia, have done this year in putting this bill together.

Mr. Chairman, this bill is fiscally responsible and prudent in its application of taxpayers funds. The committee has recommended reductions from the President's request that total over $275 million. The majority of the increases the subcommittee provided, $2.4 billion, are mandatory expenditures for payments to the civil service retirement and disability fund and for Government health benefits. The remaining increases are for the Internal Revenue Service for computer systems modernization and for two key law enforcement agencies involved in the war on drugs, Customs and the Bureau of Alcohol, Tobacco and Firearms.

Each of these increases is required to sustain the important missions of each of these agencies. One of the easiest agencies in Government to attack is the Internal Revenue Service. It is the agency everyone loves to hate. But make no mistake about it—it is an agency that is trying to improve its relationship with the taxpayer. The new Commissioner, Shirley Peterson, is committed to making the IRS responsive to taxpayers questions, improving their accuracy and turn around time—all of which are critical to voluntary compliance on which we so heavily rely. To do this, and to ensure that taxpayers can receive their refund checks in a reasonable time, the IRS needs new automation equipment. Currently, it is operating with 1960's technology and its system capacity is approaching overload.

It is important for my colleagues to recall what happened in 1985 when the Philadelphia computer system collapsed and thousands of taxpayers refunds were delayed and the costs to the Government in interest on delayed payments were both excessive and unnecessary.

We cannot and should not shortchange the future. It is imperative that we make investments in computerization and this bill recognizes that simple truth.

A vote for this bill is a vote to continue the strong antidrug and anticrime programs carried out by the Department of the treasury's law enforcement agencies. One of the most effective law enforcement programs is carried out by the Bureau of Alcohol Tobacco and Firearms. It is the armed career criminal program that seeks to target repeat violent offenders who use firearms to commit crimes. If they are caught by BATF, they go to jail under Federal mandatory sentences—and the conviction rate by the BATF is one of the highest of all Federal law enforcement agencies.

Finally, Mr. Chairman, I want to take this opportunity to congratulate our chairman, ED ROYBAL, who is bringing this bill to the floor for the last time this year. Chairman ROYBAL has served as the chairman of the Treasury Subcommittee since 1982, and he has shepherded this bill through many rocky waters over many years. He has done this with evenhandedness, and fairness to every member regardless of party, that is second to none. And his quiet forcefulness has preserved the House's position more often than not, once we have gone to conference with the Senate.

Mr. Chairman, I know that all of my colleagues will join with me in honoring the work of Chairman ROYBAL and his contributions to our country that he has made year after year. I commend the chairman for his work and urge the House to support the bill.

□ 1340

Mr. WOLF. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. MCDADE].

Mr. MCDADE. Mr. Chairman, I rise to offer my strong commendation to the distinguished gentleman from California [Mr. ROYBAL] and to my dear friend, the gentleman from Virginia [Mr. WOLF] for the work that they have engaged in to produce this bill before us, the fiscal year 1993 Treasury, Post Office, and general Government appropriations bill.

It is no secret, of course, that I have strong exception to one provision in the bill and that I intend to attack it later. I hope to get it out of the bill. For now, I want to take the time to point out to the Members of the House that this bill contains a sense-of-the-House resolution commending the distinguished gentleman from California for his career in public service. I am pleased to join in that commendation and to wish him well in what we know will be a new and fruitful life. This will be a lesser place because of his absence, but the world will continue to be enriched by his presence, and we wish him well.

Mr. Chairman, I rise to commend my distinguished colleagues, Chairman EDWARD ROYBAL and Mr. FRANK WOLF, for their fine work on the bill before us, the 1993 Treasury, Postal Service and general Government appropriation bill.

With the exception of the provisions relating to the President's Council on Competitiveness, this is a fair and responsible measure. I will address my concerns on the Competitiveness Council later.

I would note that this is the last time that my distinguished friend, Mr. ROYBAL will bring this bill before us. I rise to congratulate my colleague on his retirement. I am pleased to see that the bill includes sense of the House language commending the chairman for his record of distinguished service to both this committee and the House of Representatives. I support this commendation.

As reported to the full committee, this bill is within its section 602(b) allocation for domestic discretionary programs within its jurisdiction. The subcommittee exceeds its allocation for mandatory programs but it is my understanding that this excess is based on technical estimates for the civil service retirement and disability fund.

Overall, the subcommittee recommends $22.4 billion in budget authority for the Department of Treasury, the U.S. Postal Service, the Executive Office of the President, and other independent agencies within its jurisdiction.

For domestic programs, the subcommittee is above the 1992 enacted level by $345 million in budget authority and $824 million in outlays but below the President's request by $591 million in budget authority and $687 million in outlays.

I know that my colleagues on this subcommittee received an allocation well below what they would have wished for. In order to accommodate the very important programs within its jurisdiction, my colleagues made some very tough choices.

I understand that several of the provisions effecting the U.S. Postal Service have raised serious concerns among various groups. I would like to repeat that the provision included in this bill for the Postal Service revenue forgone appropriation is one that is supported by both the House Committee on Post Office and Civil Service as well as the administration. It is my understanding that legislation reforming the Postal Service revenue forgone appropriation will be considered by the appropriate authorizing committee in the near future.

Mr. Chairman, I would be remiss if I did not express my extreme reservations about provisions in this bill which effectively terminate the President's Council on Competitiveness. The administration has indicated that the President's senior advisers will recommend a veto if these provisions are retained. I will support the President's veto.

Mr. Chairman, I would hope that we could work out a compromise to this very serious objection. If funds are restored for the Council, I will support this bill. Excluding those provisions for the Council, the bill before us is a responsible measure. But, if they are retained, I would urge my colleagues to vote "no" on passage of this bill.

Mr. ROYBAL. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I thank the gentleman for yielding me this time.

I also thank the chairman, the gentleman from California [Mr. ROYBAL] and the ranking member, the gentleman from Virginia [Mr. WOLF] for their leadership in bringing this legislation to the floor.

As we know, Mr. Chairman, this has been a very difficult time with less and less money and more and more demands. I commend both gentlemen for their fine work.

I wish to associate myself with the remarks of the gentleman from Pennsylvania [Mr. McDade] and the gentleman from Maryland [Mr. Hoyer] in commendation to our great leader, the gentleman from California [Mr. Roybal], for bringing this last Treasury, Postal Service bill to the floor, and for his leadership over the years. In our proceedings in the committee, he has always conducted the proceedings in a fair and open manner and it has been an honor to serve with him there and in this body.

Mr. Chairman, I also rise to commend the gentleman from Virginia [Mr. Wolf] for his leadership on the legislation, and the amendment concerning prison labor coming into the country. The gentleman from Virginia [Mr. Wolf] has explained what the amendment did, which was to raise the penalty from $1,000 to $50,000 for those who bring goods made with slave labor into the country.

I would only like to add that this is the first time there has been an adjustment in that penalty since the 1930's, and businesses have come to believe I think that $1,000 is just the cost of doing business and therefore have ignored the concerns of American workers and our own American law regarding the prison labor issue. On that I agree with the gentleman from Virginia [Mr. Wolf].

On another subject, I do not, and that is the McDade amendment, and I rise today to urge my colleagues to oppose the McDade amendment which would restore the funds for the Vice President's Council on Competitiveness and to support the action of the Appropriations Committee in regard to the Council. This unauthorized Council continues to play hide-and-seek with the Congress as it pursues its mission of eroding environmental health and safety regulations, placing short-term economic goals ahead of long-term public protection.

Industry does not like the Clean Air Act? No problem.

Mr. Speaker, the Council stripped the heart out of the enforcement mechanism.

Not enough? The Council blocked more than four dozen proposed regulations to implement the new law.

Remember the controversy over the Nation's fragile wetlands? It was the Quayle Council that pressured the EPA until it agreed to eliminate protection for more than 50 percent of the wetlands.

A humiliating incident took place in Rio, Mr. Chairman, earlier this month where the Vice President's operatives moved to block a possible agreement on biodiversity to protect endangered species and habitat.

There is evidence, convincing evidence that the Vice President's men leaked the contents of a confidential communique between the EPA Director and the White House. This was a move that was an embarrassment to our country, to the President and to our delegation in Rio.

All these activities are undertaken by a White House sanctioned unit that ignores requests for information and refuses to reveal anything about its structure, its purpose, or its actions.

I commend the gentleman from Colorado [Mr. Skaggs] for his courage in bringing this amendment to the attention of the body and for striking the $86,000, that is all that is being struck, from the Competitive Council.

Mr. WOLF. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. DeLay] to respond.

Mr. DeLAY. Mr. Chairman, I want to commend the gentlewoman from California, because she is being honest about this issue. The gentlewoman from California is opposed to some of the actions taken by the Council and the Council has tried to bring reasonableness to the Clean Air Act, to the wetlands issue, and the gentlewoman has a very reasonable and legitimate difference of policy here with actions taken by the President and the Council. I want to commend her for being honest and straightforward about that; but the whole point, and that is the point to the Council on Competitiveness, the President has a different view as to how to interpret and implement these regulations passed by the Congress. That is his prerogative and he has the prerogative to put together the mechanism by which he reviews those regulations. They may be regulations that the gentlewoman from California disagrees with, but she is being honest about it. Others are not being honest about it, Mr. Chairman, in that this is a blatant attack on the President of the United States.

Mr. WOLF. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa [Mr. Lightfoot], a member of the committee.

Mr. LIGHTFOOT. Mr. Chairman, I thank the gentleman for yielding this time to me.

I, too, would like to offer my thanks to the gentleman from California [Mr. Roybal] for his leadership. When I first came here in 1985 and served on the Aging Committee, he was very gracious, always fair. I am one Republican who will miss his presence around here.

As is being noted by others here today, this bill contains no new funding for outside projects or grants. It is below the administration's request in funding levels. It is also below the subcommittee's 602(b) allocation and it barely meets current services budgets in some areas; and most increases that you might find in it, although very few, are necessitated by rent and salary requirements of the agencies.

The measure is a responsible approach to an extremely tight fiscal situation we face this year. It is generally a good piece of legislation, with one exception, that being the Skaggs amendment which relates to the Vice President's Council on Competitiveness.

Mr. Chairman, the President of the United States, whoever he or she might be, is the only person at the Federal level who is elected by everyone in this country, unfettered by congressional districts, gerrymandering, or any of the other tricks that get played in politics. The President of the United States again, whoever he or she might be in the future, should have the right to have oversight on behalf of the people over the bureaucrats who rule our lives day after day.

Why are people angry in this country? Could it be because a small volunteer fire department in my State was fined $13,000 because their boots were muddy? Could it be because of a young man with three employees who was repairing homes and was fined $20,000 because one of his employees brought a tube of caulking compound on to the job site and did not fill out a piece of paper? Should those people be angry?

How about the people in the health care profession? Nurses who spend 6½ hours of an 8-hour shift doing nothing but filling out burdensome, mandated, bureaucratic, government paperwork.

☐ 1350

Physicians who spend over 4 hours filling out papers just to deliver 1 hour's service, all mandated by the faceless bureaucrats in this town.

How about the union worker who loses 40 percent of his or her paycheck because it goes for taxes of some kind at the State, Federal, or local level? Again, that is administered by faceless bureaucrats without an oversight.

I think these people are entitled to oversight, they are the American public and they pay our wages.

Not too long ago I had an opportunity to visit with a young man who, at that time, was from the then-Soviet state of Georgia. He was in Iowa studying agriculture with the idea of taking some of that knowledge back to his country which is now, hopefully, emerging into freedom.

As we were riding down the road in a car, he said, "Can I ask you something?" And I said, "Sure, George." Now, keep in mind this is a bright, young, well-educated man who grew up in a socialistic country ruled by communism.

I think if he sees it, he ought to recognize it.

His comment was, "Why is America rushing headlong toward the type of government we just had a revolution to get away from so that we could be like America used to be?"

My friends, there is a terrible message in that. The U.S. Government now, since the so-called Evil Empire has dissolved in Moscow, has now moved to Washington, DC. The evil empire that we face as a Nation now is the bureaucracy in this town which is stifling growth, which is burdening small business with overregulation, a bureaucratic overburden that is dragging us down. Why is the economy not picking up? It is pretty easy to answer that question.

Ross Perot thinks he has the answer because he wants to come here and eliminate the bureaucracy. He is right. But what he is going to find if he should be elected President with these kinds of amendments, he will be emasculated in a moment, neutered and be sent back to Texas as ineffective as any President we have ever had.

This does not have anything to do with George Bush or DAN QUAYLE, it has to do with the executive branch of this country, the only individual elected unfettered, having oversight in behalf of the American people.

Mr. ROYBAL. Mr. Chairman, I yield 20 seconds to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I thank the gentleman for yielding so that I may respond to the remarks of the gentleman from Texas [Mr. DELAY], in which he characterized my opposition to the Competitive Council.

My opposition is based on the fact that it is a Council which ignores requests for information, refuses to reveal anything about its structure, its purpose, and its actions. And Mr. SKAGGS is very courageous in therefore calling for the defunding of this Council.

Mr. ROYBAL. Mr. Chairman, I yield 6 minutes to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. I thank the gentleman for yielding this time to me.

Mr. Chairman, I would like to engage our friend and distinguished subcommittee chairman, the gentleman from California [Mr. ROYBAL], the manager of this bill, in a colloquy. I would like to also engage the ranking member of the Committee on Government Operations, the gentleman from New York [Mr. HORTON].

We are very concerned about the provision in the bill that requires mandatory use of the FTS 2000 by Federal agencies in most circumstances to meet their telecommunications requirements. I want to thank the Committee on Appropriations and the chairman of its subcommittee for their continued support of FTS 2000. It is clear that the committee shares a common view in the Congress that the Government receive the highest quality communications service at the lowest possible price. FTS 2000 has been and remains a good deal for the agencies it serves and the American taxpayer as well.

Mr. Chairman, the support of the gentleman from California [Mr. ROYBAL] is especially critical this year. I understand that the mandatory-use provision requires Federal agencies to procure telecommunications services under the FTS 2000 contracts to the extent the agencies' requirements can be met under those contracts. This provision has been included in the appropriations bill every year since 1987, and it consistently has been the position in the Congress that full participation in the FTS 2000 procurement by all Federal agencies is essential to the success of that procurement.

I yield to the gentleman from California [Mr. ROYBAL], the chairman of the subcommittee.

Mr. ROYBAL. I would be happy to discuss the FTS 2000 provision with the distinguished gentleman and also the ranking member of the Committee on Government Operations.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from New York [Mr. HORTON].

Mr. HORTON. I thank the gentleman for yielding.

Mr. Chairman, Chairman CONYERS just addressed a request to the chairman of the subcommittee, and I would hope that the chairman of the subcommittee would indicate that Mr. CONYER's statement is correct. Is that correct?

Mr. ROYBAL. That is correct.

Mr. HORTON. Thank you.

Mr. CONYERS. My recollection is that the FTS 2000 contracts were awarded in 1988 after intense competition. The mandatory-use provision was conceived in the midst of this competition when one of the competing contractor teams complained that the cost of preparing a bid and the risks inherent in the FTS 2000 contracts—in which prices paid by the Government could only go down but not up, were too high without some assurance of an adequate return. The Committee on Government Operations and the Committee on Appropriations agreed that the widest possible use of the program was essential to its success. Accordingly, for that and other reasons, Congress enacted the mandatory-use statute. This statute represented Congress' commitment to the competing vendors that Federal agencies would make full use of the contracts through the life of the program. The best and final offers of the vendors were formed on the basis of this commitment.

Mr. Chairman, I yield to the chairman, the floor manager.

Mr. ROYBAL. Mr. Chairman, the gentleman's recollection is consistent with mine.

Mr. CONYERS. Further, the gentleman will recall the distinguished former chairman of the Committee on Government Operations, the gentleman from Texas [Mr. BROOKS], worked very closely with the gentleman from New York [Mr. HORTON] on this issue. It is my understanding that renewal of the mandatory-use language has been requested by the President of the United States in his budget submission.

I further understand that the General Accounting Office, in a letter to the Committee on Appropriations' subcommittee earlier this year, specifically recommended the renewal of the mandatory-use language.

I yield to the floor manager for affirmation of that statement.

Mr. ROYBAL. Well, I have the same understanding of this requirement, I share the gentleman's hope that GSA will seek input from all interested parties in developing this report.

Mr. CONYERS. And finally, I understand that the language included in the bill this year differs slightly from previous years in that it requires the Administrator of General Services to report not later than March 1, 1993, affirming that FTS 2000 is continuing to produce prices that allow the Government to satisfy its requirements in the most cost-effective manner. We hope that the General Services Administration will work closely with the Congress and with other parties interested in FTS 2000 while developing this report.

Mr. Chairman, I yield to my friend, the gentleman from California [Mr. ROYBAL]. Prior to that, I wish along with all those who have already done so, to commend the gentleman from California for his excellent leadership and service in the Congress during his tour here in the House of Representatives.

Mr. HORTON. If the gentleman would yield, I understand the gentleman from California [Mr. ROYBAL] has the same understanding and shares Mr. CONYERS' hope that the GSA will seek input from all interested parties, as I understand it. Is that correct?

□ 1400

Mr. ROYBAL. That is correct, sir.

Mr. HORTON. Mr. Chairman, I want to join with the others who have been praising the gentleman from California [Mr. ROYBAL]. I say to the gentleman, as a matter of fact, you and I came here together to this Congress in the 88th Congress in January of 1963. So, together we've served 15 terms for 30 years here, and I want to commend you on the tremendous amount of service and the work that you've done in the House of Representatives over that period. I also want to take just a minute to commend your staff person, Tex Gunnels, who I think is one of the outstanding staff people in the House of Representatives.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CONYERS] has expired.

Mr. ROYBAL. Mr. Chairman, I yield 20 seconds to the gentleman from New York [Mr. HORTON].

Mr. WOLF. Mr. Chairman, I yield 1½ minutes to the gentleman from New York [Mr. HORTON].

The CHAIRMAN. The gentleman from New York [Mr. HORTON] is recognized for 1 minute and 50 seconds.

Mr. HORTON. Mr. Chairman, I would like to include in the RECORD at this point a letter dated June 3, 1992, to the chairman signed by the distinguished chairman of the Committee on Government Operations and also our distinguished friend and former chairman, the gentleman from Texas [Mr. BROOKS], chairman of the Committee on the Judiciary. A similar letter was sent to the gentleman from Mississippi [Mr. WHITTEN].

The letter referred to is as follows:

COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, DC, June 3, 1992.

Hon. EDWARD R. ROYBAL,
Chairman, Subcommittee on Treasury, Postal Service, General Government, Appropriations Committee, House of Representatives, Room H164, The Capitol, Washington, DC.

DEAR MR. CHAIRMAN: For the past several years, the Treasury, Postal appropriations bill has included FTS 2000 "mandatory use" language. This Committee has supported this language because it is a narrowly-drawn provision that complements and reinforces the terms of the FTS 2000 contracts, and has been important to the success of the program. We write to inform you that we would again support the inclusion of this narrow language in this year's appropriations bill.

Congress originally enacted this statute to reduce the risks inherent in the FTS 2000 program, to ensure the economy and efficiency of the new network, and to eliminate unnecessary duplication of capabilities and possible incompatibility among government telecommunications systems. It consistently has been the position of the Congress that full participation in the FTS 2000 procurement by all Federal agencies is essential to the success of that procurement.

Abandoning "mandatory use" would seriously damage the FTS 2000 program and endanger the overall, government-wide savings that FTS 2000 is already producing for the taxpayers. It is true that in some specific cases, a particular agency may be able to procure a particular telecommunications service at a price lower than that offered on FTS 2000. Such "lower prices," however, do not take into account the overall, government-wide savings under FTS 2000 and may disregard FTS 2000 advantages in procurement costs and administrative and billing costs. The Government Operations Committee firmly believes that failure to vigorously implement mandatory use would cost the taxpayers money in the long run.

Since we last wrote to you on this issue, significant progress has been made in correcting pricing and other problems that once threatened the FTS 2000 program. Through intensive oversight over the past year, the Government Operations Committee (in close cooperation with the Appropriations Committee and Senator Glenn's Governmental Affairs Committee) has forced significant changes that have resulted in better management and dramatically lower prices. For example, the General Services Administration has made substantial progress in implementation of the FTS 2000 contract "PAPCap" provisions, which provide for a ceiling price on certain FTS 2000 services and which have already saved the taxpayers millions of dollars. Additionally, GSA Administrator Austin appointed a new Associate Administrator for FTS 2000 and significantly improved the FTS 2000 management structure.

In addition, recompetition between the two incumbent vendors is taking place this year. The Government Operations Committee, when FTS 2000 originally was structured, insisted that recompetition take place at years four and seven of the contracts to ensure the lowest possible prices. GSA, in its recompetition document, requires that the vendors maintain their prices at or below commercial prices. This recompetition provides the Government with three options: (1) award to the best offeror 40 percent of the other offeror's FTS 2000 business; (2) award to a single offeror if the prices are not within a reasonable range; or (3) maintain the existing 60/40 split if the prices are sufficiently close. Of course, if neither offeror submits sufficiently low prices, the government has the right to cancel the contract altogether. Recompetition is clearly a "can't lose" situation for the taxpayers.

Accordingly, we believe that FTS 2000 is fulfilling its goal of providing high quality, low cost telecommunications services to Government agencies. In a November 21, 1991 letter to the Government Operations Committee, the General Accounting Office concluded that "GSA's stated approach for conducting price redetermination is both reasonable and appropriate, and should result in prices lower than those for comparable commercial services." GAO continued:

"The actions taken by your Committee, as well as those undertaken by the Senate, have put the FTS 2000 program back on track, which should allow it to fulfill its intended objective of providing high-quality telecommunications services at a competitive price. Specifically, we believe that GSA's objective—stated both in its draft recompetition document and in Congressional testimony—of obtaining prices, inclusive of any value-added services, below the lowest possible commercial price, is appropriate. Further, GSA's plans to obtain services will ensure that prices remain at or below commercial prices over the lives of the contracts. If GSA meets these objectives, FTS 2000 will clearly represent a good deal for the government." (Emphasis in original.)

Continuation of the "mandatory use" language, however, is critical if we are to keep FTS 2000 "on track." It ensures the success of the recompetition by guaranteeing the vendors that low prices will be rewarded with ample traffic volume. Continuation of the "mandatory use" language, therefore, is important to reinforce what is sure to be vigorous price competition between the two vendors, resulting in "rock bottom" prices for the taxpayers.

GAO agrees with our view in this matter. The most recent GAO report on this issue, a February 28, 1992 letter to you, advises that the "mandatory use policy should continue" and that "attempts to change the mandatory use provision of the contracts at this critical juncture could seriously disrupt the price redetermination [recompetition] process and jeopardize GSA's efforts to obtain favorable prices." GAO also advised that "GSA's stated approach for conducting price redetermination is both reasonable and appropriate, and should result in prices lower than those for comparable commercial services."

Nonetheless, the highly-successful FTS 2000 program, which by the end of this year will have saved the taxpayers more than $500,000,000 over the old FTS system it replaced, has been the subject of one of the most impressive negative lobbying efforts that we can recall. We would like to take this opportunity to set the record straight on some issues raised by opponents of FTS 2000 and "mandatory use."

To understand the "mandatory use" debate, it is necessary to review some of the history of the FTS 2000 program. The FTS 2000 contracts were awarded in 1988 after an intense competition. The "mandatory use" provision was conceived in the midst of this competition when one of the competing contractor teams complained that the costs of preparing a bid and the risks inherent in the FTS 2000 contracts (in which prices paid by the Government could only go down, not up) were too high, without some assurance of an adequate return. The Government Operations Committee and the Appropriations Committee agreed that the widest possible use of the program was essential to its success. Accordingly, for that and other reasons, Congress enacted the "mandatory use" statute. This statute represented Congress' commitment to the competing vendors that Federal agencies would make full use of the contracts through the life of the program. The "best and final offers' of the vendors were formed on the basis of this commitment.

Ironically, the vendor which had proposed the "mandatory use" provision has become its chief opponent in the years since its enactment. The central argument raised by those opposing "mandatory use" has been that "choice in the competitive marketplace" should be the Government's strategy for meeting its telecommunications requirements. We agree. But the FTS 2000 contracts were awarded after just such a competition. Without doubt, there will be a similar spirited competition a few years down the road for the contracts that replace FTS 2000. Additionally, we note that approximately 83 percent ($3.1 billion) of the Government's telecommunications requirements is not covered by FTS 2000 and is subject to competition from all responsible vendors.

Finally, we want to thank the Appropriations Committee for its continued support of FTS 2000. It is clear that the Appropriations Committee shares our determination that the Government receive high quality telecommunications services at the lowest possible price. FTS 2000 has been and remains a "good deal" for the agencies it serves and the American taxpayer as well. Your support is especially critical this year. If we can answer any questions, please contact either of us directly.

With warmest personal regards,

Sincerely,

JOHN CONYERS, Jr.,
Chairman, Government Operations Committee.

FRANK HORTON,
Ranking Minority Member.

JACK BROOKS,
Chairman, Committee on the Judiciary.

Mr. Chairman, I would like to confirm my understanding that the analysis and report by the Administrator of General Services under the mandatory use provision in the bill shall be accomplished on a governmentwide basis. This study should be conducted by the GSA itself, or at least at the direction of GSA, and particularly should not be delegated to any Federal agency or any contractor associated with any Federal agency. I believe that it is the intent of this provision that GSA take into consideration the many unique circumstances of the FTS 2000 procurement and the services provided under

FTS 2000. It should certainly take into consideration the costs of each agency running a separate procurement for telecommunications services. The study should compare FTS 2000 to truly comparable services in the private sector. Such comparative analysis should be fair and balanced.

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from California.

Mr. ROYBAL. Mr. Chairman, again, in order to close this discussion, I would like to state that I agree with the comparative analysis, that it should be fair, and it should be balanced and that the study should not be completely delegated to any one single Federal agency.

Mr. WOLF. Mr. Chairman, I yield 4 minutes to the gentleman from Kentucky [Mr. ROGERS], a member of the committee.

Mr. ROGERS. Mr. Chairman, much has been said here, and I want to associate myself with those who have been commending Chairman ROYBAL for his distinguished service, mainly as the chairman of this subcommittee, but also for his long service in the U.S. Congress.

Yogi Berra is reputed to have said one time that one could observe a lot just by watching, and we have all observed Chairman ROYBAL over these years with his quiet demeanor and his studied practice of politics and the making of legislation, and he has been a joy to work with and under on that subcommittee on the two different occasions that I have had the pleasure of doing so. So, we wish to Chairman ROYBAL all of the great pleasures of life for the rest of his life.

And to our ranking Republican on the subcommittee, the gentleman from Virginia [Mr. WOLF], he is a joy to work with, a person who is dedicated to the American family, family life everywhere, and to FRANK WOLF I say, "Thanks for a great job again this year."

Mr. Chairman, this bill provides $22.8 billion in fiscal year 1993 for the Treasury Department, Postal Service, the Executive Office of the President, and various independent agencies. The bill's total is 1 percent, or $276 million below the budget request.

Needless to say Mr. Chairman, the subcommittee worked within tight spending constraints to produce a fair and balanced bill. I especially wish to commend Chairman ROYBAL for his tireless efforts, and Mr. WOLF, our ranking member for his invaluable contributions to make this bill a much better document.

I want to call my colleagues' attention to a couple of key provisions in this year's bill. First, there is a continued emphasis on strengthening law enforcement activities in this bill.

The measure before us targets resources to fight tax fraud, counterfeiting activities, money laundering, and beefing up the IRS so they can collect taxes owed by U.S. subsidiaries of foreign controlled corporations. For the IRS alone, the subcommittee provides a $534 million increase above last year's levels. This represents a substantial commitment to strenghtening tax enforcement.

Through the targeted increases in the IRS, and Financial Crimes Enforcement Network, U.S. Customs Service, the Bureau of Alcohol, Tobacco and Firearms, the subcommittee provides needed resources to combat white collar crime and illegal drug activities.

Finally, Mr. Chairman, I want to say a few words about what we did not do in this bill. We did not give the Postal Service an opportunity to increase postage rates for organizations that receive a preferred postage rate through the revenue foregone account. Second, we did not give the Postal Service a chance to furlough employees, or close rural post offices as a result of the shortfall in the revenue foregone account.

The revenue foregone account was a very difficult issue for the subcommittee to resolve. But, I believe that we have dealt with the issue in a way that does not harm nonprofit organizations, rural newspapers, or postal employees. It is not a perfect solution, but it protects the ratepayer, the nonprofit organizations, and the postal employees. I believe we have done our best in that regard.

I hope that the committee will support the McDade amendment that will remove a purely political part of this bill so that we can all support the bill on final passage. This bill does not contain political statements except for the so-called Skaggs initiative. It is pure politics. It does not belong in this bill.

My colleagues, leave that for another debate. Leave it for the ballot box. But do not mess up this important bill that appropriates funds for these very important agencies with a purely political statement.

Mr. ROYBAL. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Mr. Chairman, I rise in strong support of the provision defunding Vice President QUAYLE's Council on Competitiveness.

The question we are deciding today is not about partisan politics. And it is not about whether you like or dislike the policies advocated by Mr. QUAYLE. And it is not about whether you think we are over-regulated or under-regulated.

The question is much more important than that. The issues raised by the Competitiveness Council go to the heart of our democratic system. The secretive and illegal activities of the Council are inconsistent with the basic constitutional principle that the executive branch must faithfully execute the laws enacted by Congress.

Let me state at the outset that I respect the President's right to consult—in secret or in public—with whomever he wants when the President is developing legislative proposals or formulating foreign policy.

The problem is, the Competitiveness Council is not an advisory body on domestic legislation or foreign policy. Its mission is regulatory review. The Council has assumed the role of final arbiter of regulatory policy on issues from clean air, to worker protection, to drug review.

There are certain fundamental responsibilities that come with being a regulator. You have to implement the law as written by Congress—you have to comply with the public disclosure rules of the Administrative Procedure Act and the Freedom of Information Act, you cannot give regulatory breaks to major campaign contributors, you have to avoid conflicts of interest, you have to be accountable to Congress.

The Council deliberately violates each of these principles. That is why we have no choice today. If we value our constitutional system of government, we must stop this dirty tricks team at the White House. We must defund the Competitiveness Council.

The Health and the Environment Subcommittee, which I chair, has held six oversight hearings into the activities of the Competitiveness Council. I want to tell you what we have found.

First, we have found that the Council has no respect for the law. When Congress debated the Clean Air Act 2 years ago, Congress decided that major polluters could not increase emissions without public notice.

The administration did not like this provision and fought against it. Indeed, the Vice President presided over the debate in the Senate when an amendment gutting the notification provision was narrowly defeated. Ultimately, however, the President lost, Congress enacted a strong permit program that requires public notice, and, to his credit, the President chose to sign the law, rather than veto it.

At this point, the obligation of the Competitiveness Council is clear: the Council must uphold Congress' duly enacted law, regardless of its view about the merits of the congressional policy.

This is not how the Council sees its function, however. Last week, it succeeded in forcing the Environmental Protection Agency to issue a permit rule without the required public notice. In other words, it deliberately used the regulatory process to rewrite the law passed by Congress.

Today's New York Times carried an editorial about this action. The Times called the Council's intervention, quote, "plainly illegal." And it said the Council is, quote, "twisting the regulatory process against the express wishes of Congress."

The subcommittee also learned that the Council has no respect for limitations on conflicts of interest.

The subcommittee learned, for instance, that last October the Council's then Executive Director, Allan Hubbard, overruled EPA on an acid rain rule that directly affected a utility company in which he owned over $15,000 in stock. The subcommittee also learned that Mr. Hubbard participated in 20 White House meetings involving the Clean Air Act, despite his ownership of a chemical company that emits smog-forming, toxic, and ozone-depleting chemicals.

Indeed, at one subcommittee hearing, the former chairman of the Committee on Disciplinary Standards of the Federal Bar Association called Vice President QUAYLE's actions the common alley cat breed of conflict of interest. The witness was referring to Mr. QUAYLE's intervention to quash a newspaper recycling proposal that adversely affected the Quayle family trust.

I could go on. I could talk about the illegal secret procedures followed by the Council. I could talk about the six different times the Council refused to send a witness to testify at subcommittee hearings. But I think my basic point is clear.

The Council is a rogue agency. It is a domestic version of National Security Council during the Iran-Contra scandal. It flouts the law, conflicts of interest limitations, and open-government procedures.

It deserves to be defunded.

Mr. WOLF. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON. Mr. Chairman, I, first of all, want to thank my friend and colleague for allowing me this opportunity to address the committee, as well as the chairman of this committee for allowing me to offer an amendment that I will be proposing later on this afternoon. The amendment will allow this body to go on record in strong opposition to the planned expense by the Postal Service, at a minimum cost to the taxpayers of $440,000, to send 171 corporate executives at taxpayers' expense to the Barcelona Olympics. I say at a minimum cost because, when I go into the amendment, I will go into the detailed cost figures associated with what in fact has been a reservation of a block of 300 rooms for a time period from July 25 through August 4 which the taxpayers of this country are responsible for through the Postal Service.

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We have only been able to figure out the cost of one seminar that will be running during that time period which amounts to $440,000.

I would like to be able to offer an amendment to strike that amount of money from this bill, but because of the way that we appropriate dollars for the Postal Service, we cannot do that. But we all have a chance to go on record opposing this gross expenditure of taxpayer money.

Mr. ROYBAL. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, later on today we will be asked to strike the actions of the language which was to delete the funding for the Council on Competitiveness run by the Vice President, DAN QUAYLE. I would hope that we would resist that effort and continue to delete that fund as the committee has, since this clearly is a Council that is not acting in the best public interest.

I find it rather ironic that after 12 years of Republican control of the administration, that their only answer to burdensome regulation as they see it or inefficiencies in regulation as they see it or wasteful regulations as they see it is to do all of this in secret, rather than to come out into the public and discuss those regulations they do not agree with, take testimony, and put forth a new set of regulations, whether it has to do with the environment, housing, or whatever the areas of concern are.

Instead, what have they done? Rather than engaging in an open debate on wetlands or housing for the disabled or the Clean Air Act, they have created a star chamber. They have created a backdoor to the White House, the backdoor that leads to the Vice President's office, where campaign contributors, powerful people in this country, can come and get a private hearing and then can get regulations changed in their favor.

When you ask them how is that going to be done, they will not provide the evidence, they will not provide the testimony that they have received, they will not take scientific testimony to rebut the scientific testimony put forth by their own Cabinet Secretaries, by their own regulators, by their own administrators, by the appointments of this President.

No, in secret they will make a decision, and that will be that. The tragedy is that that is contrary to the interests of the public. It is contrary to the role of Government and open Government.

It is Government by star chamber; it is Government by privilege; it is Government by power; it is Government by contribution. But it is not Government by the people. It is contrary to everything we say we stand for in this House, and we ought to reject the motion to strike that provision.

Mr. WOLF. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise today to say thank you to our chairman who will be leaving us. Several years ago I served on this subcommittee with the chairman, although he was not chairman at that time, and Tex Gunnels, the only two I think that are left on this committee.

I regret today I must rise in opposition to this appropriations bill, for several reasons. First, the significant, dramatic reduction in the payment to the Postal Service, over a 50-percent reduction. That is going to have to be made up from consumers or some other source, because the Postal Service expected this money to come in from revenue foregone and other sources.

As has been discussed, I object to the cut of funds to the executive branch, thus violating a rule of comity that this House has always exercised. I am really shocked that this committee that I once served on has gone this far and has cut funds, which is strictly political. There is no other reason whatsoever. I do not care how you put emphasis on it, any other way, this is a political strike.

Back years ago when I served on this subcommittee I recall there was a move in this subcommittee to strike funds available to the Secret Service to protect the two children of former President Jack Kennedy. I, as a Republican, helped fight successfully to defeat that effort which was strictly political. It was wrong to violate those children's protection that they were entitled to under the law. Politics entered into it and we rejected it.

Mr. Chairman, I hope common sense will come today and we will reject politics once again.

Mr. ROYBAL. Mr. Chairman, might I inquire how much time we have left?

The CHAIRMAN. The gentleman from Virginia [Mr. WOLF] has 5 minutes remaining, and the gentleman from California [Mr. ROYBAL] has 2 minutes and 40 seconds remaining.

Mr. ROYBAL. Mr. Chairman, because we seem to be more popular than we have been in the past and there are more requests for time than we have time for, I was just wondering if perhaps some accommodation could be reached with the other side of the aisle where the gentleman from Virginia [Mr. WOLF] could make it possible, if the gentleman does not have a request for time, to grant us an additional 2 minutes of his time.

Mr. WOLF. Mr. Chairman, I would ask unanimous consent that the gentleman from California [Mr. ROYBAL] have an additional 3 minutes.

The CHAIRMAN. That request is not in order. The time for general debate has been set by the House in the adoption of the rule.

Mr. WOLF. Mr. Chairman, I would yield 1 minute to the gentleman from California [Mr. ROYBAL]. I would hope that the Members speaking would not come out against the Competitive Council.

The CHAIRMAN. The gentleman from Virginia [Mr. WOLF] yields 1 minute to the gentleman from California [Mr. ROYBAL].

Mr. ROYBAL. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman from California [Mr. ROYBAL], who will be leaving, as I will be, this Congress this year. The gentleman has done a magnificent job during his tenure.

Mr. Chairman, I came to the floor to support this bill and all aspects thereof, but I especially wanted to point out to my colleagues one provision I find very compelling and very much I think a reason to vote for this bill, and that is the provision in here which prevents the Bureau of Alcohol, Tobacco and Firearms from spending $4 million a year, which they are currently doing, to investigate applications made by convicted felons for the purpose of having their gun ownership rights restored to them.

The chairman in his wisdom and others on the committee have decided they are going to end this disgrace once and for all. Convicted felons should not be getting their guns back with the help of the U.S. Government, and the chairman has done a wonderful job putting this kind of thing in and in the process saving $4 million which BATF wants to save into the bill.

Mr. Chairman, I commend this bill to all Members. I think it is a good bill, and I am sure it will pass. I am sure this provision will help.

Mr. Chairman, I again commend the gentleman from California [Mr. ROYBAL] for all the work he has done for the people of the United States through this Congress. We will miss him.

Mr. WOLF. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina [Mr. RAVENEL].

Mr. RAVENEL. Mr. Chairman, I rise in support of the Skaggs initiative to defund the Council on Competitiveness.

Mr. Chairman, the very name of the Council is misleading. It ought to be called the Council for Pandering to Special Interest Lobbies. This so-called Council, never authorized by Congress and never specifically funded, is constantly engaged in undermining the implementation of sound legislation passed by this Congress and signed into law by the President.

Currently the Council is blocking, delaying, and gutting the very Clean Air Act that Mr. Bush has taken so much pride in. In these outrages it is operating like some secret and sinister task force, whose mission is the frustration of our Nation's environmental progress.

Mr. Chairman, let us cut their money off.

Mr. WOLF. Mr. Chairman, I yield myself 1 minute to respond to that.

Mr. Chairman, if Members could only read all these letters. Let me read a letter from a dad. He said:

> It is about time someone took the FDA's bull by the horns to make available drugs which will prolong and restore health to those in need. My wife Bernice has had ovarian cancer for over a year. This Council has cut through the waste.

Mr. Chairman, people with cystic fibrosis, people with AIDS, people with Alzheimer's disease, this Council has helped save lives. This Council has saved money, which is important, but it has saved lives.

All this talk about star chambers and secretness is a bunch of baloney. This Council has saved lives.

Mr. Chairman, if Members have anyone in their districts who are concerned about Alzheimer's disease, vote for the McDade amendment; anyone with AIDS, vote for the McDade amendment; anyone with cancer, vote for the McDade amendment. My mom and dad both died with cancer. I wish there had been a Competitiveness Council there to expedite the drugs so they could have lived.

Mr. Chairman, vote for the McDade amendment. It is a good amendment. This language and this talk is, I think, off base.

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Mr. ROYBAL. Mr. Chairman, I yield 1 minute and 10 seconds to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. Mr. Chairman, we have contained in the bill or in the report language a request for a committee study for operations of the White House. Having examined the expenditures of travel, it is surprising that we are talking about $85,000 for the Competitiveness Council and $4 million for something else.

My subcommittee has discovered that the travel of the President, the Vice President, and the staff of the White House may be costing the American people nearly $300 million, nearly $1 million a day.

This committee has called for a study of the White House to give a consolidated report of just what it is costing.

Mr. Chairman, along those lines, if I could, I would like to engage the gentleman from California, the distinguished chairman of the Subcommittee on Treasury, Postal Service, General Government Appropriations, in a colloquy.

As I read the committee report, it is my understanding that in the report which the committee is directing OMB to prepare, the committee intends for OMB to include the costs which other Federal agencies incur to support the travel and transportation of the President, the Vice President, and staff of the Executive Office of the President. Is this correct?

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. KANJORSKI. I yield to the gentleman from California.

Mr. ROYBAL. Mr. Chairman, the gentleman is correct.

Mr. KANJORSKI. Mr. Chairman, could the gentleman tell us what other agencies will be considered and what information will be garnered by that report as the intention of the committee?

Mr. ROYBAL. Mr. Chairman, if the gentleman will continue to yield, the subcommittee has been told that money which has been appropriated to other agencies, such as the Department of Defense and the Department of State, is in reality being expended by those agencies to support the travel of the President, the Vice President, and the staff of the Executive Office of the President.

Mr. KANJORSKI. Is it, Mr. Chairman, the intention of the committee to have OMB provide the Congress with a thorough accounting of these expenditures in the report called for in the committee report accompanying this bill?

Mr. ROYBAL. Mr. Chairman, the gentleman is correct. That is the expectation of the committee.

Mr. KANJORSKI. Mr. Chairman, the bill before us begins to address several important concerns regarding the funding and operations of the Executive Office of the President. It recognizes that during these times of growing Federal deficits, the President, who prepares and presents the Federal budget plan, cannot continue requesting more and more money for the growth of his own staff.

In cutting $10,000 from the entertainment budget of the White House Office, in cutting $2,000 in subsidies to the athletic center in the Old Executive Office Building, in cutting $150,000 from the President's request for official and ceremonial functions at the White House, and in cutting $23,500 from the requested increase in travel funds for the Vice President, the Appropriations Committee has taken important symbolic steps in making the President understand that the ever-increasing amount of money spent by the White House is contributing to the Federal deficit.

In my opinion, we could reasonably consider actual reductions in funding, as opposed to the lower growth than requested by the President contained in this bill. Yet, given the secretive approach adopted by the White House regarding how much it spends, it is difficult today to say with any certainty exactly how much money really goes to support the activities of the President, the Vice President, and the staff of the Executive Office of the President.

It is no secret that a substantial amount of money is taken out of other agencies' budgets by the White House to pay for White House activities. What apparently is a secret, however, is exactly how much money the White House is diverting and from which agencies. For this reason, I was particularly pleased to note that the committee report directs the Office of Management and Budget to submit a report to Congress identifying all Federal agencies which provide staff and/or financial support to the President and Vice President.

From my work as the chairman of the Subcommittee on Human Resources, which has jurisdiction over the White House Personnel Authorization Act, I can assure my colleagues that this committee report language is vitally necessary.

Mr. Chairman, as many of my colleagues are aware, last year I directed the staff of my subcommittee, the Subcommittee on Human Resources, of the Post Office and Civil Service Committee, to begin work for the reauthorization of the 1978 White House Personnel Authorization Act. Beginning earlier this year, the subcommittee began holding hearings with an aim to answer one basic question: How many people and how much money does it take for the White House to efficiently and cost-effectively carry out the responsibilities of the President and the Vice President.

The closer we examined the budgets submitted by President Bush, as well as those submitted by predecessor President Reagan, the answer to this basic question became murkier and murkier. You certainly cannot look solely to the appropriations bill before us today to find the answer.

This bill, like those for the last number of years, appropriates $100,000 for traveling expenses of the President. In fact, if you look at the President's budget proposal for this year, you will see that the President has told us that of the $100,000 appropriated in fiscal year 1991, he only spent $29,000. These are simply not credible numbers.

For example, according to Air Force data, the cost of flying Air Force One in fiscal year 1991 was $34,434 per hour. We know that the President flew more than 50 minutes during all of fiscal year 1991 in Air Force One. Yet, if the President truly only spent $29,000, he could not have flow more than 50 minutes.

There is not any great mystery here; the Air Force pays the cost of the President flying on Air Force One. Similarly, the Air Force pays the cost of the Vice President flying on Air Force Two; and the Air Force pays again every time White House staff utilize, or authorize the use of, the planes in the 89th Airlift Wing.

Having reviewed the flight records for the use of the 89th Wing from January 1989 through March 1991, let me assure my colleagues that the President, the Vice President, and White House staff make frequent use of the 89th Wing's airplanes.

How much does it cost the American taxpayers for the travel of the President, the Vice President, and White House staff? My subcommittee has developed estimates of the following travel components:

According to OMB's budget analysis of travel for fiscal year 1993, the Executive Office of the President receives $5 million. That is the piece that we see in the budget.

In addition, based on OMB's analysis, there is another $67 million in travel funds under the category entitled "Funds Appropriated to the President."

Based on GAO data, the White House's use of the airplanes of the 89th Wing is at least another $63 million. Based upon the preliminary work done by my subcommittee staff, I expect that number to increase dramatically.

For fiscal year 1993, the President has requested an additional $11.7 million for the operation of his personal helicopter, Marine Corp 1.

Just these travel components allowed total nearly $150 million, and they do not tell the whole story.

A substantial amount of additional travel costs are incurred whenever the President goes anywhere because the White House routinely authorizes the flight of two C–141 cargo planes to transport the President's helicopter and cars to each location he is about to visit. The 89th Wing does not have C–141's and this significant cost was therefore not included in GAO's analysis.

In addition, the Army provides most of the vehicles in the White House motor pool. We currently do not have any estimates of these costs.

Whenever the President goes abroad, he always travels with a large entourage of staff, in some cases numbering in the hundreds of people. The State Department pays for all foreign travel costs for the White House. So, for each foreign trip the State Department absorbs hundreds of hotel rooms, travel expenses, meals, and other travel costs of the President and his entourage.

Mr. Chairman, we know of at least $150 million per year, and we have strong reason to believe that the actual number may be closer to $300 million per year for White House travel. Nobody in Congress knows the answer to this question.

What is really starting to disturb me is that I am beginning to doubt that anyone at the White House knows the answer to the question. Not that they could not find out if they wanted to know, but at least until my subcommittee began to ask, I am increasingly skeptical that anyone at the White House had ever bothered to ask how much its travel actually cost the American taxpayers.

Mr. Chairman, this is a very serious matter. If the President and his top aides do not know how much it actually costs to operate the White House, if they do not know how much they spend in taxpayers dollars to fly around the country, if they do not truly know the overall cost to the Government for the scores of individuals detailed from other agencies to work at, and for, the White House, then how can we and the American people have any confidence that they can develop realistic and effective proposals to cut spending.

If the President and his top aides are not setting the example for more responsible Federal spending, then the Congress must insist that they provide the information necessary to make the choices on behalf of the American people. That is why the report called for in the committee's report is so crucial.

It is my hope that this will be the first step in the development of a completed and thorough consolidated accounting statement for the Executive Office of the President. As my colleagues know, in a private business the chief operating officers utilize consolidated accounting to cut across individual department budgets to obtain a complete picture of their bottom line. They can tell you what it takes to accomplish the mission of each part of the operation.

Today, we do not have a consolidated accounting system for the Executive Office of the President. This is obvious from the budget requests submitted by the President. Yet, if we are really serious about cutting the deficit, this is precisely the type of management tool which would allow the White House to come up with real proposals.

I congratulate the Appropriations Committee for insisting that the White House submit the full and complete accounting to answer the basic question which my subcommittee has been working to answer: How many people and how much money does it take for the White House to efficiently and cost effectively carry out the responsibilities of the President and the Vice President?

Mr. WOLF. Mr. Chairman, I yield 1 minute to the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Mr. Chairman, I thank the gentleman for yielding time to me.

I rise to join the gentleman in being surprised at the way the Vice President's Competitiveness Council has been portrayed here today. We sound like it is some kind of undercover group lurking in the basement of the Old Executive Office Building.

That is not the case at all.

I have had some experience with it this year, working on some things on the FDA.

As a matter of fact, the policy recommendations were designed to speed up the approval of new drugs for patients. They were designed to help people who are victims of AIDS and cystic fibrosis and Alzheimer's and heart disease.

All of the recommendations that were put forth last year have at one time or another been recommended by some other independent agency and all of them were subsequently put through the regulatory process. So to suggest that this is a secret idea that is emerging somewhere in the smoke of the White House is absolutely absurd.

Mr. ROYBAL. Mr. Chairman, I yield 40 seconds to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Chairman, my compliments and commendations to the gentleman for his service, to the House and to the Nation.

The fulminations of the distinguished gentleman from Virginia are impossible to believe. What this outlaw operation of the Vice President's Council on Competitiveness is a shell game to collect money for the Republican Party. They travel around the country, coordinate their activities with fundraising efforts and say, "Come, tell us what you want us to do," at the same time endangering the health and wellbeing of the American public.

The fact is that the FDA is charged with the responsibility of approving drugs. They already allow in life-threatening diseases to have early and preliminary evidence of safety and effectiveness suffice to approve drugs. That includes Alzheimer's, that includes AIDS and that includes cancer.

This is a lot of hogwash, it is a red herring to permit the undermining of the legitimate regulatory agencies.

Mr. WOLF. Mr. Chairman, I yield 45 seconds to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, I will tell my colleagues what is endangering the health of the people of this country. That is the overregulation of the economy by this body and the other body. It is killing, it is strangling the free enterprise system.

The only ray of hope on the horizon is the Competitiveness Council that the Vice President chairs. They want to do away with it. They want to keep all the power here so they can continue to regulate and regulate and regulate and take away any ability we have to compete in the rest of the world.

Why do my colleagues think we cannot compete with Japan and the Germans and the English and the European Common Market? It is because this place is strangling the free enterprise system with more and more regulation. They wanted 5,000 additional regulations over the last 5 years. Thank God we stopped most of them. But we have got to stop this. We have got to be more competitive.

The Vice President is right on the right track.

Mr. ROYBAL. Mr. Chairman, I yield back the balance of my time.

Mr. WOLF. Mr. Chairman, I yield myself the balance of my time.

In closing, let me just say how when we go home to our district and tell somebody with cancer, with AIDS, with cystic fibrosis that we voted to kill the Council that shortens the time for drug approval from 9 years to 5 years and is trying to work it to even shorten it more to save lives, the McDade amendment will save millions and millions of lives. The Skaggs amendment is a killer amendment. The McDade amendment is an amendment for life.

Mr. PANETTA. Mr. Chairman, I rise in support of H.R. 5488, the Treasury, Postal Service and General Government appropriations bill for fiscal year 1993. This is the sixth of the 13 annual appropriations bills to be considered by the House.

The bill provides $11.170 billion in discretionary budget authority and $11.957 billion in discretionary outlays, which is the same as the 602(b) spending subdivision for this subcommittee in budget authority and $1 million below in estimated outlays.

I commend the chairman and ranking member of the subcommittee for bringing this bill to the floor in a timely fashion.

As chairman of the Budget Committee, I will inform the House of the status of all appropriations bills compared with their 602(b) subdivisions as they are considered on the House floor.

I look forward to working with the Appropriations Committee on its remaining bills.

FACTSHEET

H.R. 5488, TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATIONS BILL, FISCAL YEAR 1993 (H. REPT. 102–618)

The House Appropriations Committee reported the Treasury, Postal Service and General Government Appropriations Bill for Fiscal Year 1993 on Thursday, June 25, 1992. This bill is scheduled to be considered by the full House on Tuesday, June 30, 1992, subject to a rule being adopted.

COMPARISON TO THE 602(B) SUBDIVISION

The bill provides $11,170 million of discretionary budget authority, the same as the Appropriations 602(b) subdivision for this subcommittee. The bill is $1 million under the subdivision total for estimated outlays. A comparison of the bill with the funding subdivisions follows:

[In millions of dollars]

	Treasury, Postal Service and Gen. Government appropriations bill		Appropriations Committee 602(b) subdivision		Bill over (+)/under (−) committee 602(b) subdivision	
	BA	O	BA	O	BA	O
Discretionary	11,170	11,957	11,170	11,958	....	−1
Mandatory[1]	10,783	10,621	10,783	10,621	....	....
Total	21,953	22,578	21,953	22,579	....	−1

[1] Conforms to the Budget Resolution estimates for existing law.
BA=New budget authority.
O=Estimated outlays.

Following are major program highlights for the Treasury, Postal Service and General Government Appropriations Bill for fiscal year 1993, as reported:

PROGRAM HIGHLIGHTS

[In millions of dollars]

	Budget authority	New outlays
Treasury Department:		
Internal Revenue Service	7,208	6,344
Customs Service	1,484	1,252
U.S. Secret Service	470	395
Financial Management Service	214	186
Bureau of Public Debt	198	164
Bureau of Alcohol, Tobacco, and Firearms	355	313
Payments to the Postal Service Fund	200	200
Other Agencies:		
Executive Office of the President	218	183
Federal Building Fund limitation	....	(4,820)
GSA Management and Administration	35	31
National Archives and Records Administration	163	130
Office of Personnel Management S&E	121	113

The House Appropriations Committee filed the Committee's subdivision of budget authority and outlays on June 11, 1992. These subdivisions are consistent with the allocation of spending responsibility to House committees contained in House Report 102–529, the conference report to accompany H. Con. Res. 287, Concurrent Resolution on the Budget for Fiscal Year 1993, as adopted by the Congress on May 21, 1992.

Mrs. MINK. Mr. Chairman, I rise in strong support of the ban on further funding for the White House Council on Competitiveness as mandated in H.R. 5488, the Treasury-Postal Service-general government appropriations bill for fiscal year 1993, and in opposition to the amendment offered to eliminate this prohibition.

This so-called Quayle Council is the very embodiment of the cozy, preferential treatment the administration has extended to its inner-circle, bottom-line buddies of big business.

Who else would presume to assemble this star chamber to advise and influence Federal regulations and rulemakers through the back door of the White House, but an administration bent on escaping the legal statutes of our sunshine laws through executive privilege?

Who else but an administration too accommodating to special interests and profiteers, and hostile to regulations for clean air, for safe, tested drugs, for priceless wetlands, for safer working conditions and other crucial issues, would leave Federal agency rules to a secret club?

If we must live with this executive council that hides behind the shadows of the White House, there is no reason why this Congress has to appropriate public moneys for its political and self-interested mischief.

Mr. Chairman, it is against all principles of open government that a tribunal such as the White House Council on Competitiveness is allowed such influence over Federal policy without accountability, without conflict of interest safeguards, indeed, without any of the hard-earned protections installed throughout the Federal Government that assure all citizens that decisions are being discussed and made without prejudice or secrecy.

I urge my colleagues to put an end to this arrogance and to vote against the McDade amendment.

Mr. RANGEL. Mr. Chairman, the bill we are considering today provides appropriations to continue important law enforcement and antidrug programs of the U.S. Customs Service and the Office of National Drug Control Policy [ONDCP]. It also provides funding for the special forfeiture fund in ONDCP. The Customs Service plays a vital role in making drug smuggling costly and dangerous for those who chose to engage in it, and ONDCP performs an important public service in preparing the annual national drug control strategy report and coordinating overall Federal antidrug programs.

Regarding the Customs Service, H.R. 5488 provides $1,331,070,000 for fiscal year 1993 and caps annual Customs overtime at $30,000 per year, per employee. The bill appropriates $136,783,000 to remain available until expended for operation and maintenance of Customs air and marine interdiction programs. The bill prohibits the Treasury Department from transferring aircraft and related equipment to other Federal agencies during fiscal year 1993.

Mr. Chairman, H.R. 5488 provides $60,251,000 for the special forfeiture fund. From the amount in the special forfeiture fund, $34,701,000 shall be transferred to the Alcohol, Drug Abuse and Mental Health Administration.

Section 1005 of the Anti-Drug Abuse Act of 1988—Public Law 100–690—permits the classification of "any specified area of the United States as a high intensity drug trafficking area" [HIDTA]. In January 1990, New York City, Los Angeles, Miami, Houston, and the Southwest border were designated as HIDTA by the Office of National Drug Control Policy. The five areas are to receive assistance through a variety of programs and Federal, State, and local cooperative efforts. The purpose being the identification of those areas experiencing the most serious drug trafficking and the implementation of a strategy to combat the problem.

H.R. 5488 appropriates $67,348,000 for the Office of National Drug Control Policy, of which $50,000,000 shall be available for drug control activities which are consistent with the approved strategy of the high intensity drug trafficking areas which shall be transferred to Federal agencies and departments within 90 days of enactment of this act, and shall be obligated by the end of fiscal year 1993. Since the inception of the program the administration has failed to recognize the crucial role that State and local law enforcement agencies play in the HITDA Program. They refuse to provide funding for State and locals in the program. The Congress, understanding the crucial role that the State and local law enforcement agencies play, has year after year provided additional resources for the specific purpose of assisting State and local law enforcement agencies in undertaking activities which are consistent with the adopted HIDTA strategies.

Nonetheless, the fiscal year 1993 ONDCP budget request and drug control strategy omits direct HIDTA funding to State and local initiatives and unfortunately the House Appropriations Committee because of budgetary constraints was unable to add the funding. It is my hope that when this bill goes into conference with the Senate version that funding for State and local law enforcement agencies will be added, at least to the fiscal year 1992 level, which was $36 million.

These areas have been designated because of the seriousness of their drug trafficking problems and the effects that drugs flowing through these areas have on other parts of the country. It is here at the State and local level where the bulk of drug enforcement occurs. It is here where we need to increase, directly, the level of funding.

Mr. Chairman, because H.R. 5488 provides funding for the U.S. Customs Service and Office of National Drug Control Policy, and the special forfeiture fund which is vitally important in America's antidrug policy, I support passage of the bill.

Mr. FAZIO. Mr. Chairman, I rise in support of H.R. 5488, the bill which makes appropriations for the Department of the Treasury, the U.S. Postal Service, and general government for fiscal year 1993. The Appropriations Committee has continually been more responsive than the Bush administration in addressing the pressing fiscal constraints facing our country. H.R. 5488 is in keeping with the committee's record in this regard. H.R. 5488 calls for a reduction in spending that is nearly $276 million less than the President's request, and results in about $372 million less in overall budget expenditures for next year.

H.R. 5488 also calls for needed changes in Internal Revenue Service [IRS] operations. It directs the IRS to begin training its employees in taxpayer rights, cross cultural relations, and courteous and cooperative customer interaction. This bill also initiates a General Accounting Office investigation into taxpayer abuse and harassment.

I also want to express my support for the provision in the bill which deletes funding for the salaries of the staff of the Council on Competitiveness. The Competitiveness Council, run by Vice President DAN QUAYLE, has come under fire for its single-handed dismantling of regulations on a whole range of public health and safety issues. This regulatory intervention has delayed or weakened regulations covering issues such as Clean Air Act permitting, nutrition labeling, recycling, and airline noise to name a few.

The Competitiveness Council operates with taxpayer dollars, it considers public policy issues, it changes regulatory practices and policies, and it impacts the implementation of laws enacted by Congress. Yet, the Council is not accountable to anyone. Its deliberations are not made public. The Council does not permit public participation.This is a rogue organization that is inconsistent with the democratic principles of our country.

Let me just give a few examples of how the Competitiveness Council's intervention has impacted my constituents. I currently have a lot of people in my district who are concerned about airport noise. We have been working long and hard on a solution to this problem both locally and on a national basis.

Last September, however, the Competitiveness Council intervened to delay FAA implementation of national noise standards for the airlines. These regulations are critical to mitigating what has become a tremendous burden on people who live near airports throughout the country. The Competitiveness Council unilaterally reversed the direction that Congress said we should take. It did so without any input from the general public.

In another example, California orange growers have overwhelmingly supported the marketing order for navel oranges. It provides price support and distribution efficiencies without any financial support from the Government. The benefits of the marketing order filter down directly to the individual grower and his or her employees. They are small businesses in most cases.

The USDA's own study in 1985 found that in a normal supply season grower revenue would fall by approximately $12.7 million if the marketing order was not used. That is money directly out of the pockets of growers. Yet, earlier this year, the Competitiveness Council in conjunction with the USDA terminated the marketing order. They went against the wishes of orange growers in California who overwhelmingly voted to retain the marketing order.

The White House does not need the Competitiveness Council. The administration already has a regulatory review process in place within the Office of Management and Budget [OMB]. The OMB operation has the power to do everything the Competitiveness Council is doing. The difference is that OMB must follow the principles of public disclosure.

OMB is required to disclose all written material received from interested parties concerning agency rules. OMB is required to disclose all meetings with interested parties concerning agency rules. OMB is required to disclose all agency rules it reviews. And, OMB is required to disclose all written recommendations it makes to the rulemaking agency.

Mr. Chairman, I am not opposed to streamlining the Federal regulatory process or restructuring regulations to give businesses the flexibility they need to comply with the law. What I am opposed to is the unilateral dismantling of public policy by a very unpublic entity. I am opposed to the Competitiveness Council being the lobbyist for the few, privileged interests that have access to the Vice President and this administration.

Mr. Chairman, I would like to take advantage of this opportunity to acknowledge the contribution of Chairman ROYBAL, who has announced his retirement, effective at the end of this session of Congress. Chairman ROYBAL, as well as the members and staff of the Subcommittee on Treasury, Postal Service and General Government, is to be commended for his efforts in bringing H.R. 5488 before us today. Over and beyond this bill, however, during the three decades that the Chairman has served here in Congress, his presence has enhanced both this institution and the State of California. Mr. ROYBAL's presence and influence will be sorely missed.

In closing, I would reiterate that H.R. 5488 is a fair and balanced bill. I urge my colleagues to support its passage.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendments en bloc specified in House Report 102–629 to be offered by the gentleman from Pennsylvania [Mr. MCDADE] or his designee, and the amendments en bloc to be offered by the gentleman from North Dakota [Mr. DORGAN] or his designee, may amend portions of the bill not yet read for amendment, shall be considered as read and shall not be subject to a demand for a division of the question. The amendments en bloc and any amendments thereto shall be debatable for the time specified in House Report 102–629, equally divided and controlled by the proponent and an opponent of the amendment.

The amendment to be offered by the gentleman from Nebraska [Mr. HOAGLAND] or his designee, and any amendments thereto, shall be debatable for 20 minutes, equally divided and controlled by the proponent and an opponent of the amendment.

The Clerk will read.

The Clerk read as follows:

H.R. 5488

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1993, and for other purposes, namely:

TITLE I

DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

For necessary expenses of the Departmental Offices including operation and maintenance of the Treasury Building and Annex; hire of passenger motor vehicles; not to exceed $25,000 for official reception and representation expenses; not to exceed $235,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Secretary of the Treasury and to be accounted for solely on his certificate; not less than $2,522,000 and 40 full-time equivalent positions for the Office of Foreign Assets Control; not to exceed $1,971,000 to remain available until expended, for systems modernization requirements; not to exceed $320,000, to remain available until expended, for repairs and improvements to the Main Treasury Building and Annex; $71,950,000.

AMENDMENTS OFFERED EN BLOC OFFERED BY MR. PENNY

Mr. PENNY. Mr. Chairman, I offer amendments en bloc.

The CHAIRMAN. The Clerk will designate the amendments en bloc.

The text of the amendments en bloc is as follows:

Amendments en bloc offered by Mr. PENNY:

Page 2, line 23, strike "$71,950,000" and insert "$68,238,000".

Page 3, line 13, strike "$33,902,000" and insert "$33,325,000".

Page 11, line 19, strike "$53,808,000" and insert "$52,450,000".

Page 12, line 4, strike "$198,233,000" and insert "$189,000,000".

Page 22, line 20, strike "$35,584,000" and insert "$34,885,000".

Page 23, line 11, strike "$332,000" and insert "$324,000".

Page 23, line 23, strike "$3,014,000" and insert "$2,932,000".

Page 24, line 5, strike "$3,403,000" and insert "$3,345,000".

Page 24, line 10, strike "$3,842,000" and insert "$3,701,000".

Page 24, line 20, strike "$53,188,000" and insert "$51,934,000".

Page 26, line 8, strike "$3,108,000" and insert "$3,058,000".

Page 26, line 19, strike "$67,348,000" and insert "$66,348,000".

Page 42, line 18, strike "$35,346,000" and insert "$31,155,000".

Page 51, line 5, strike "$121,269,000" and insert "$117,593,000".

The CHAIRMAN. Pursuant to the rule, the gentleman from Minnesota [Mr. PENNY] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, with our colleagues BYRON DORGAN, DAN GLICKMAN, and BARBARA BOXER, I rise to offer a single en bloc amendment consisting of 14 amendments to the Treasury-Postal Service Appropriations Act for Fiscal 1993.

The amendments we offer would make administrative reductions in the Department of Treasury, title I, the Executive Office of the President, title III, and independent agencies, title IV of approximately $26 million. By and large, the amendments freeze administrative funding at current-year funding levels. We feel this is consistent with our past efforts to reduce administrative funding in other appropriation bills brought to the floor. In preparing these amendments, we have been careful to avoid any cuts in income producing activities—the IRS, for example, or law enforcement agencies and activities funded by H.R. 5488.

Mr. Chairman and Members, there is not an agency funded by any appropriations bill that cannot withstand a freeze in administrative funding. And here in the legislative branch we have cut below a freeze level in most areas of our own operations. The amendments we submit today are well crafted, reasonable, and responsible given the very need to reduce the budget deficit.

The task force on Government waste chaired by BYRON DORGAN has looked at overhead costs and administrative spending in many agencies. We poured over inspectors general reports, we look at GAO reports, in some cases we did our own investigations. In all cases, we found fat. We found Cabinet officials with special assistants and drivers assigned to cook their meals, we found an awful lot of clean desks in government agencies, we generally found that a 5- to 10-percent reduction in overhead costs could easily be achieved. We don't come to this floor today with this amendment to interfere with the legitimate operations of the agencies affected, we come here today with amendment with the knowledge that a lot bigger reduction than the one we propose today could be achieved. This $26 million is in a $22 billion bill. That's not a big cut, but because it is carefully crafted, it is responsible—and the very least we should do to restrain spending growth and reduce the budget deficit.

I urge adoption of the amendment.

□ 1430

Mr. Chairman, I reserve the balance of my time.

Mr. ROYBAL. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from California [Mr. ROYBAL] is recognized for 15 minutes.

Mr. ROYBAL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am opposed to this amendment because it trivializes the work of the members of the subcommittee. We sat in hearings for several months, sifted through hundreds of pages of budget materials, and printed over 4,600 pages of testimony and justifications.

This subcommittee has devoted many hours to studying the valid requirements of the agencies under our jurisdiction. We reduced the funding for many agencies under our jurisdiction providing no program increases, but only inflationary costs in most cases. We are reporting to the House a good bill which in our judgment funds only the basic needs of most agencies. The increases support law enforcement and revenue generating agencies.

The way I think that our legislation system is supposed to work is that the House delegates to the Appropriations Committee the responsibility for determining the appropriate level of funding for Government agencies. Sometimes the Appropriations Committee members differ and when we do, as we have on the Competitiveness Council, we bring these differences to the floor where we can let the House decide. But all the accounts which this amendment would reduce were unanimously—all Democrats and all Republicans—agreed upon. Even the administration has commended the committee for adequately funding several important government functions. So if you vote for this amendment, you are voting against the collective judgment of both the Appropriations Committee and in this case against the administration as well.

I hope that you will vote to support the committee and vote against this amendment. It is the responsible vote.

Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, let me make a couple of comments. These selected cuts strike at personnel. They are personnel-intensive accounts which have very tight budgets and have already been drastically cut back by the committee. Almost every account being cut by this amendment the subcommittee already took below the President's request, so Members should be aware that the amendment cutting programs were already cut once.

Second, I want to bring special attention to the Office of Management and Budget. OMB will never win a popularity contest in Washington, but the employees there do a professional and an excellent job. The authors of this amendment mention the legislative branch appropriation. The Members should be aware if they just listen to this, because we went through this last week on legislative appropriations, OMB, which plays a role in the executive branch that parallels the GAO, OMB's entire budget this year, the entire budget this year is smaller than the increase requested by GAO, smaller than the entire increase requested by GAO.

Lastly, as a big issue last Congress, Congress placed new duties on OMB, such as the coordinating of the Governmentwide applications of the Chief Financial Officers Act, which will save millions of dollars, and Congress has to be prepared to fund the effort. This was a major battle. It went on for weeks around here. Now the money that OMB would have had to fund this CFO Act that saves money will not take place.

Also, and perhaps I will not dwell too much on the impact on the White House, the impact on the White House would be heavy. It would halt the conversion of detailees, and over and over every year I hear people talk about the detailees. This would halt the conversion of detailees, an effort expressly desired and urged and encouraged by Congress.

Equipment purchases could not take place down there. It also is a shot at the official residence of the Vice President, the Office of Policy and Development, the Office of Drug Control. Every time we talk about drug control.

I would hope this amendment could be rejected, and I rise in strong support, with the chairman, in opposition. I support the chairman's position in opposition to the amendment of the gentleman from Minnesota [Mr. PENNY], who is a good, good Member of Congress.

Mr. PENNY. Mr. Chairman, I yield 4 minutes to the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. Mr. Chairman, I appreciate the gentleman yielding time to me.

Let me again characterize the amendment, Mr. Chairman. What we are discussing here in this particular appropriations bill, and a particularly large appropriations bill that includes funding for a lot of agencies here in Washington, DC, and around the country, we have suggested that we cut back in a number of areas back to a hard freeze at budget authority numbers for last year. We think that is an appropriate thing for us to do.

We have a $470 billion operating budget deficit this year. My friend, the gentleman from Indiana [Mr. BURTON] sometimes says $400 billion, but it is actually $470 billion, if we do not dishonestly subtract the Social Security surplus from that. We are sinking in debt. We have a real serious fiscal policy problem.

Is part of the solution to cut spending? You had better believe it is. How do we cut spending? It is hard to do. We have had a number of bills on the floor. We had the legislative appropriations bill on the floor. That was agony for a lot of people. We cut it. We cut it back to a 1-percent cut in BA, and nearly a 6-percent cut in outlays. It was cut.

It seems to me, and this is not a shot at any one of these agencies, it seems to me, and the gentleman from Minnesota [Mr. PENNY] said it well, we have to take a look at all of these areas and say to them, "Look, you are running a bureaucracy here." I say that not in a pejorative way. You are running a bureaucracy. We simply want you to tighten the belt and run it with the same money you ran it with before, run it with the same money you ran it with a year ago. We are just asking you to stay in place for a while, because we have to cut spending. We are not suggesting we cut programs, we are just saying we have to hold back some spending increases that we see time and time again as these bills are brought to the floor.

This amendment says in a number of these areas for departmental offices, internal affairs, the Mint, the public debt, the White House, the Council on Economic Advisers, the Office of Policy Development, the Office of Management and Budget, it says, "We want you to live with the same amount of budget authority that you had last year."

My friend from Virginia [Mr. WOLF], who I think is an excellent Member of Congress, he stood up and gave some support to the Office of Management and Budget. If I had my way we would probably eliminate the whole thing. I would probably want to get rid of the OMB. You cannot do anything in Washington, nobody can do anything, without running the paper through OMB first. It is not just funding, it is every conceivable policy. Somebody down there in some corner or some nook and cranny of OMB has to pass judgment on it. I would probably prefer we just get rid of it and restructure a little bit.

All this does to OMB is to say, "We would like you to live with what you had last year." It says the same to the Office of the Secretary of the Treasury. It says the same to GSA, to the Office of Personnel Management. I know it is portrayed as draconian by everybody, but it is not. It is not. It is going to give them more money than the legislative branch got. That is fine. Let me just say, the chairman of this subcommittee does an excellent job. The subcommittee does a good job.

□ 1440

But there are times when the will of the House, it seems to me, is to say look, times are tough, we are in a rut, we have real problems in spending, and the will of this House is to start tightening our belt and holding appropriations and holding spending at where it was last year. And I think that is the will of the House. We will see.

But the gentleman from Minnesota [Mr. PENNY] has been at this a long, long time. And I think he does a service to the House. I am pleased to join him in suggesting that in a number of these areas we can start holding the line. This is the thing for us to do at this point, and it is a small step, but every journey begins with a small step. We are taking small steps on every one of these pieces of legislation, and maybe cumulatively we will see some progress on finally dealing with the spending side that I think causes a major part of the problem with respect to the Federal debt and the yearly Federal deficit.

Mr. Chairman, I rise in support of the en bloc amendment to freeze administrative expenses for several accounts in the fiscal year 1993 Treasury-Postal-General Government appropriations bill. The amendment will save about $26 million.

I join my colleagues, Mr. PENNY, Mrs. BOXER, and Mr. GLICKMAN, in seeking support for this cost-cutting amendment. The amendment represents another effort on our part to reduce spending on overhead and indirect costs of government such as printing and photocopying, utilities, communications, office space, travel, transportation of things, and office supplies and materials.

In prior actions, we froze administrative spending in the Department of Energy and reduced overhead in foreign aid, military construction and legislative appropriations bills. The legislative branch appropriations bill actually cut funding below the present level. We only demand in our amendment that Treasury, White House, and Office of Management and Budget appropriations be held at the current level.

Private sector businesses cut administrative costs first when company budgets are tight. The Federal Government should do the same. We want to apply this rule-of-thumb to the Treasury-Postal appropriations bill, H.R. 5488.

As reported from the Appropriations Committee, the bill increases funding above the fiscal year 1992 level for nearly every administrative account. Our amendment says that we must hold the line on administrative costs as part of overall efforts to cut the deficit. We firmly believe that virtually every Government agency can improve its efficiency without hurting essential services and projects.

The freeze we propose will hold the salaries and expenses in 14 different accounts in the bill at fiscal year 1992 levels. These include the U.S. Mint, Bureau of Public Debt, Department of the Treasury, Presidential policy offices, and the General Services Administration. Funding is not reduced for crime prevention or revenue collection agencies such as the Federal Law Enforcement Training Center or the U.S. Customs Services.

I join my three colleagues in urging support for our amendment.

Mr. ROYBAL. Mr. Chairman, I have no requests for time, and I reserve the balance of my time.

Mr. PENNY. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, first of all I approach this amendment with a little bit of trepidation, because I am obviously a supporter of the White House and the administration. But I think the time has come when we have to look at every single area of government and try to cut and economize wherever we can in order to get control of this deficit. It ill behooves any of us to say that any part of our budget should be exempt from these cuts.

We have a $400 billion, $470 billion, if you will, deficit. We are spending so much more money than we take in that it is not funny. We have gone from $500 billion in tax revenues to $1.3 trillion, and we are still $470 billion short.

So I can go along with and support this Penny-Dorgan amendment.

But I would like to say to my colleagues, the gentleman from North Dakota [Mr. DORGAN], and the gentleman from Minnesota [Mr. PENNY], we have had three appropriation bills and one authorization bill in the last 2 days. The Alcohol, Drug Abuse, and Mental Health authorization bill increased spending by $1 billion. The Agriculture bill yesterday was a $6.5 billion appropriation increase. Interior was a $416 million increase. The Postal and Treasury Service is going to be a $2.9 billion increase.

So I would just like to say that in this committee I am willing to support this cut, but I would ask my colleagues to please talk to their other colleagues on that side of the aisle and tell them to start looking at these other appropriation bills and make some hard decisions so that we can get control of this spending. We need to work together. We need to rise above partisan politics and get down to the business of really coming to grips with this budget deficit.

Mr. PENNY. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. DREIER].

Mr. DREIER of California. Mr. Chairman, I thank my friend for yielding time to me. I am inclined to support this amendment too.

There were a number of questions which we raised with the gentleman up in the Rules Committee and that I specifically asked him when we had the hearings on the rule for this bill. I would like to pose a couple of those questions again to the author of the amendment.

In the past we have seen my friend come forward, and I have consistently supported the across-the-board cuts, and I should say that I have drafted an across-the-board amendment myself that I still may offer to this appropriation bill. I would like to know why it was that the gentleman from Minnesota decided not to offer the across-the-board cut as opposed to moving in and micromanaging and specifically making a determination that overhead, and I agree with what my friend from North Dakota [Mr. DORGAN] said in the Rules Committee, that overhead is the first area where we do want to make cuts. But it seems to me that across-the-board cuts would provide a greater degree of latitude to the executive branch to make those kinds of decisions rather than having the House of Representatives, the Congress impose that on the executive branch.

Mr. PENNY. Mr. Chairman, will the gentleman yield?

Mr. DREIER of California. I yield to the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, in response to the gentleman I would say I am perfectly willing to look at across-the-board cuts, and would likely support most of those amendments, if offered, at some point during the appropriation cycle this year.

The reason I have narrowed my focus to administrative budgets is because our review on the task force that the gentleman from North Dakota [Mr. DORGAN] chaired, indicated that this was an area of specific concern. There has been a significant growth in administrative budgets throughout the bureaucracy, and we felt that a 1-year freeze at the very least could be easily accommodated. In fact, we estimated through our task force work that perhaps as much as a 5- or a 10-percent cut in these administrative accounts could be easily accommodated.

Second, we did not remove all flexibility for the departments and agencies to implement this freeze. They do have authority to figure out how to apply the freeze.

The CHAIRMAN. The time of the gnetleman from California [Mr. DREIER] has expired.

Mr. PENNY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, these executive agencies can apply this freeze any way they want within their administrative account.

In addition, we exempted some of the higher priority items. The revenue-generating items like the IRS are exempted from this particular freeze amendment, and some of the law enforcement functions have also been exempted. So we did try to apply some judgment as to which areas would be pinched, frankly, if we asked them to take a cut in their accounts.

I think that particularly in a budget that affects the White House that it is important for us to call on the President to set an example within his own budget, just as he is asking the country and the Congress to get behind the notion of a balanced budget amendment. We did take a cut here on Capitol Hill in our legislative budget. This simply asks the President to freeze his administrative office accounts, and for several of the other agencies within this appropriation bill to do the same.

Mr. DREIER of California. Mr. Chairman, will the gentleman yield?

Mr. PENNY. I yield to the gentleman from California.

Mr. DREIER of California. Mr. Chairman, I thank my friend for yielding. I simply would like to say that I do appreciate the fact that there is concern for ensuring that there is some latitude at the executive branch rather than our micromanaging. And I think based on what we saw last night on the vote on a similar amendment that was offered by the gentleman from Texas [Mr. SMITH], I suspect that we will see this amendment passed.

I am just concerned that we are heading down the road of maybe involving ourselves too much in this particular area rather than providing the kind of latitude necessary.

Mr. PENNY. I appreciate the gentleman's observation.

Mr. DREIER of California. If my friend will yield for just one more point, and I thank him, the only thing I would like to say is in the statements that were made before the Rules Committee both gentlemen indicated that they had taken testimony primarily from inspectors general. My request was that you look further and talk to others within the executive branch who may be able to provide a little more insight to your task force.

Mr. PENNY. Again I thank the gentleman for his suggestion, and I expect that the interests of this task force will continue into the future, and we will take that suggestion to heart.

Mr. DORGAN of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. PENNY. I yield to the gentleman from North Dakota, chairman of the task force.

Mr. DORGAN of North Dakota. I thank the gentleman for yielding.

Mr. Chairman, in response to the comments of the gentleman from Indiana [Mr. BURTON], as the gentleman knows, last night I stood and supported the initiative by the gentleman from Texas [Mr. SMITH] on a 10-percent cut in overhead or indirect costs, and I frankly do not think that is micromanaging, I say to my friend from California. I think it allows some flexibility on exactly where there is wasteful overhead or wasteful indirect costs, and where there are essential needs that they need to protect and continue. It allows the administrators of these areas to make those judgments.

We simply say here is all the money you have to work with. Now you make the decisions about how you get your job done, and get rid of the waste, and keep what is essential. So I think there does need to be a certain spirit of cooperativeness on these issues, and I hope that both the gentleman from Minnesota [Mr. PENNY] and I represented that yesterday with our standing in support of the Smith amendment. And I want to compliment him for the work that he has done in this area.

Mr. PENNY. Mr. Chairman, might I inquire of the Chair how much time I have remaining?

The CHAIRMAN. The gentleman from Minnesota [Mr. PENNY] has 1 minute remaining.

Mr. PENNY. Mr. Chairman, I yield that 1 minute to the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Mr. Chairman, I thank the gentleman for yielding me the time. First of all I would like to thank my particularly able colleague from Minnesota [Mr. PENNY], and my particularly able colleague from North Dakota [Mr. DORGAN], for their efforts in cutting excessive Government spending.

Mr. Chairman. I rise today to say a few words in support of the Dorgan-Penny-Boxer-Glickman amendment.

It is time that we take a hard look at the spending habits of the Government. For too long, indirect, or overhead costs, have risen faster than inflation.

This amendment is an important step in the right direction.

If we are going to be serious about reducing the deficit and improving the efficiency of Government, we must start with those who run it.

Last week, we passed a legislative appropriation bill that cut overhead spending for the House by 19 percent.

The bill was an example of our commitment to improving our own spending habits.

It is appropriate that we now seek to make similar cuts in the administrative branch.

Yesterday, we approved a measure I offered to cut overhead spending in the Agriculture appropriation bill.

The amendment before us would cut funds in 14 of the accounts in the bill.

The cuts it makes are responsible and important.

It does not take a blind, across-the-board, meat-ax approach.

It is carefully crafted and would not affect services or projects.

Mr. Chairman, I urge all of my colleagues to support this amendment and continue along the path toward a more efficient Federal Government.

☐ 1450

Mr. ROYBAL. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendments en bloc offered by the gentleman from Minnesota [Mr. PENNY].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. PENNY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 388, noes 27, not voting 19, as follows:

[Roll No. 255]

AYES—388

Abercrombie
Allard
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Bacchus
Baker
Ballenger
Barrett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Borski
Boucher
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Bunning
Burton
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Crane
Cunningham
Dannemeyer
Darden
Davis
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dickinson
Dicks
Dingell
Donnelly
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Ewing
Fascell
Fawell
Fazio
Feighan
Fields
Flake
Foglietta
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gingrich
Glickman
Goodling
Gordon
Goss
Gradison
Grandy
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Henry
Herger
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kolter
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Miller (CA)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison
Mrazek
Murphy
Murtha
Myers
Nagle
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Porter
Poshard
Price
Pursell
Rahall
Ramstad
Ravenel
Ray
Reed
Regula
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Rose
Rostenkowski
Roth
Roukema
Rowland
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torricelli
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Washington
Waters
Weber
Weiss
Weldon
Wheat
Williams
Wise
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—27

Alexander
Broomfield
Carr
Coleman (TX)
Dixon
Dwyer
Early
Ford (MI)
Gilman
Gonzalez
Green
Hammerschmidt
Hertel
Hoyer
Lowery (CA)
McDade
Michel
Miller (OH)
Moran
Natcher
Pelosi
Perkins
Pickle
Quillen
Rangel
Roybal
Wolf

NOT VOTING—19

Ackerman
Barnard
Bonior
Boxer
Bustamante
Dymally
Fish
Gekas
Hefner
Levine (CA)
Richardson
Ros-Lehtinen
Schroeder
Tallon
Torres
Traxler
Waxman
Whitten
Wilson

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Mrs. VUCANOVICH changed her vote from "no" to "aye."

So the amendments en bloc were agreed to.

The result of the vote was announced as above recorded.

Mr. ROYBAL. Mr. Chairman, I ask unanimous consent that the balance of title I of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The text of the balance of title I is as follows:

INTERNATIONAL AFFAIRS

For necessary expenses of the international affairs function of the Departmental Offices, including operation and maintenance of the Treasury Building and Annex; hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for, real properties leased or owned overseas, when necessary for the performance of official business; not to exceed $2,000,000 for official travel expenses; not to exceed $73,000 for official reception and representation expenses; not to exceed $942,000, to remain available until expended, for systems modernization requirements; $33,902,000.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, hire of passenger motor vehicles; not to exceed $2,000,000 for official travel expenses; not to exceed $100,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Inspector General of the Treasury; $31,459,000, of which $1,300,000 shall remain available until expended for the Inspectors General Auditor Training Institute.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

For necessary expenses of the Financial Crimes Enforcement Network, including hire of passenger motor vehicles; not to exceed $4,000 for official reception and representation expenses; $19,087,000.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

For necessary expenses of the Federal Law Enforcement Training Center, as a bureau of the Department of the Treasury, including purchase (not to exceed fifty-two for police-type use) and hire of passenger motor vehicles; for expenses for student athletic and related activities; uniforms without regard to the general purchase price limitation for the current fiscal year; the conducting of and participating in firearms matches and presentation of awards; for public awareness and enhancing community support of law enforcement training; not to exceed $7,000 for official reception and representation expenses; room and board for student interns; and services as authorized by 5 U.S.C. 3109: *Provided*, That the Center is authorized to accept gifts: *Provided further*, That notwithstanding any other provision of law, students attending training at any Federal Law Enforcement Training Center site shall reside in on-Center or Center-provided housing, insofar as available and in accordance with Center policy: *Provided further*, That funds appropriated in this account shall be available for State and local government law enforcement training on a space-available basis; training of foreign law enforcement officials on a space-available basis with reimbursement of actual costs to this appropriation; training of private sector security officials on a space-available basis with reimbursement of actual costs to this appropriation; travel expenses of non-Federal personnel to attend State and local course development meetings at the Center: *Provided further*, That the Director of the Federal Law Enforcement Training Center shall annually present an award to be accompanied by a gift of intrinsic value to the outstanding student who graduated from a basic training program at the Center during the previous fiscal year, to be funded by donations received through the Center's gift authority: *Provided further*, That the Federal Law Enforcement Training Center is authorized to provide short term medical services for students undergoing training at the Center; $41,236,000.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

For expansion of the Federal Law Enforcement Training Center, for acquisition of necessary additional real property and facilities, and for ongoing maintenance, facility improvements, and related expenses, $10,886,000, to remain available until expended.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Financial Management Service, $214,146,000, of which not to exceed $10,900,000, shall remain available until expended for systems modernization initiatives.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Alcohol, Tobacco and Firearms, including purchase of not to exceed six hundred and fifty vehicles for police-type use for replacement only and hire of passenger motor vehicles; hire of aircraft; and services of expert witnesses at such rates as may be determined by the Director; for payment of per diem and/or subsistence allowances to employees where an assignment to the National Response Team during the investigation of a bombing or arson incident requires an employee to work 16 hours or more per day or to remain overnight at his or her post of duty; not to exceed $10,000 for official reception and representation expenses; for training of State and local law enforcement agencies with or without reimbursement; provision of laboratory assistance to State and local agencies, with or without reimbursement; $355,419,000, of which $19,000,000 shall be available solely for the enforcement of the Federal Alcohol Administration Act during fiscal year 1993 and, of which not to exceed $1,000,000 shall be available for the payment of attorneys' fees as provided by 18 U.S.C. 924(d)(2); of which $650,000 shall be available solely for improvement of information retrieval systems at the National Firearms Tracing Center; and of which $1,000,000 shall be available for the equipping of any vessel, vehicle, equipment, or aircraft available for official use by a State or local law enforcement agency if the conveyance will be used in drug-related joint law enforcement operations with the Bureau of Alcohol, Tobacco and Firearms and for the payment of overtime salaries, travel, fuel, training, equipment, and other similar costs of State and local law enforcement officers that are incurred in joint operations with the Bureau of Alcohol, Tobacco and Firearms: *Provided*, That no funds appropriated herein shall be available for administrative expenses in connection with consolidating or centralizing within the Department of the Treasury the records of receipts and disposition of firearms maintained by Federal firearms licensees or for issuing or carrying out any provisions of the proposed rules of the Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, on Firearms Regulations, as published in the Federal Register, volume 43, number 55, of March 21, 1978: *Provided further*, That none of the funds appropriated herein shall be available for explosive identification or detection tagging research, development, or implementation: *Provided further*, That not to exceed $300,000 shall be available for research and development of an explosive identification and detection device: *Provided further*, That this provision shall not preclude ATF from assisting the International Civil Aviation Organization in the development of a detection agent for explosives or from enforcing any legislation implementing the Convention on the Marking of Plastic and Sheet Explosives for the Purpose of Detection: *Provided further*, That funds made available under this Act shall be used to achieve a minimum level of 4,109 full-time equivalent positions for fiscal year 1993, of which no fewer than 1,127 full-time equivalent positions shall be allocated for the Armed Career Criminal Apprehension Program: *Provided further*, That none of the funds appropriated herein shall be available to investigate or act upon applications for relief from Federal firearms disabilities under 18 U.S.C. 925(c).

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Customs Service, including purchase of up to 1,000 motor vehicles of which 960 are for replacement only, including 990 for police-type use and commercial operations; hire of motor vehicles; not to exceed $20,000 for official reception and representation expenses; and awards of compensation to informers, as authorized by any Act enforced by the United States Customs Service; $1,331,070,000, of which such sums as become available in the Customs User Fee Account, except sums subject to section 13031(f)(3) of the Consolidated Omnibus Reconciliation Act of 1985, as amended (19 U.S.C. 58c(f)(3)), shall be derived from that Account; of the total, not to exceed $150,000 shall be available for payment for rental space in connection with preclearance operations, not to exceed $4,000,000, to remain available until expended, for research: *Provided*, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year: *Provided further*, That none of the funds made available by this Act shall be available for administrative expenses to pay any employee overtime pay in an amount in excess of $30,000: *Provided further*, That the Commissioner or the Commissioner's designee may waive this limitation in individual cases in order to prevent excessive costs or to meet emergency requirements of the Service: *Provided further*, That the United States Customs Service shall hire and maintain an average of not less than 17,411 full-time equivalent positions in fiscal year 1993, of which a minimum level of 960 full-time equivalent positions shall be allocated to air interdiction activities of the United States Customs Service, and of which a minimum level of 10,480 full-time equivalent positions shall be allocated to commercial operations activities: *Provided further*, That no funds appropriated by this Act may be used to reduce to single eight hour shifts at airports and that all current services as provided by the Customs Service shall continue through September 30, 1993.

OPERATION AND MAINTENANCE, AIR AND MARINE INTERDICTION PROGRAMS

For expenses, not otherwise provided for, necessary for the hire, lease, acquisition (transfer or acquisition from any other agency), operation and maintenance of marine vessels, aircraft, and other related equipment of the Air and Marine Programs; $136,783,000, to remain available until expended: *Provided*, That no aircraft or other related equipment shall be transferred to any other Federal agency, Department, or office outside of the Department of the Treasury during fiscal year 1993.

CUSTOMS FORFEITURE FUND

(LIMITATION ON AVAILABILITY OF DEPOSITS)

For necessary expenses of the Customs Forfeiture Fund, not to exceed $15,000,000, as authorized by Public Law 100–690, as amended by Public Laws 101–382 and 101–508; to be derived from deposits in the Fund.

CUSTOMS SERVICES AT SMALL AIRPORTS

(TO BE DERIVED FROM FEES COLLECTED)

Such sums as may be necessary, not to exceed $1,500,000, for expenses for the provision of Customs services at certain small airports or other facilities when authorized by law and designated by the Secretary of the Treasury, including expenditures for the salary and expenses of individuals employed to provide such services, to be derived from fees collected by the Secretary of the Treasury pursuant to section 236 of Public Law 98–573 for each of these airports or other facilities when authorized by law and designated by the Secretary of the Treasury, and to remain available until expended.

UNITED STATES MINT

SALARIES AND EXPENSES

For necessary expenses of the United States Mint; $53,808,000, including amounts for purchase and maintenance of uniforms not to exceed $285 multiplied by the number of employees of the agency who are required by regulation or statute to wear a prescribed uniform in the performance of official duties; and of which $2,085,000 shall remain available until expended for expansion and improvements.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt issues of the United States; $198,233,000.

INTERNAL REVENUE SERVICE

ADMINISTRATION AND MANAGEMENT

For necessary expenses of the Internal Revenue Service, not otherwise provided for; executive direction, management services, and internal audit and security; including purchase (not to exceed 125 for replacement only, for police-type use) and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; $157,368,000, of which not to exceed $25,000 for official reception and representation expenses; and of which not to exceed $500,000 shall remain available until expended for research.

PROCESSING TAX RETURNS AND ASSISTANCE

For necessary expenses of the Internal Revenue Service, not otherwise provided for; including processing tax returns; revenue accounting; statistics of income; providing assistance to taxpayers; hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; $1,648,960,000, of which $3,100,000 shall be for the Tax Counseling for the Elderly Program, no amount of which shall be available for IRS administrative costs.

TAX LAW ENFORCEMENT

For necessary expenses of the Internal Revenue Service for determining and establishing tax liabilities; tax and enforcement litigation; technical rulings; examining employee plans and exempt organizations; investigation and enforcement activities; securing unfiled tax returns; collecting unpaid accounts; the purchase (not to exceed 451, for replacement only, for police-type use), and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner: *Provided*, That additional amounts above fiscal year 1992 levels for international tax enforcement shall be used for the establishment and operation of a task force comprised of senior Internal Revenue Service attorneys, accountants, and economists dedicated to enforcement activities related to United States subsidiaries of foreign-controlled corporations that are in non-compliance with the Internal Revenue Code: *Provided further*, That additional amounts above fiscal year 1992 levels for the information reporting program shall be used instead for the examination of the tax returns of high-income and high-asset taxpayers; $3,835,192,000.

INFORMATION SYSTEMS

For necessary expenses for data processing and telecommunications support for Internal Revenue Service activities, including: returns processing and services; compliance and enforcement; program support; and tax systems modernization; and for the hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; $1,566,909,000, of which not less than $612,692,000 is for tax systems modernization, and of which not to exceed $60,000,000 shall remain available until expended for other systems development projects: *Provided*, That of the amounts provided for tax systems modernization not to exceed $125,000,000 shall remain available until expended, of which up to $15,000,000 is for the establishment of a federally funded research and development center and may be utilized to conduct and evaluate market surveys, develop and evaluate requests for proposals, and assist with systems engineering, technical evaluations, and independent technical reviews in conjunction with tax systems modernization: *Provided further*, That of the amounts authorized to remain available until expended, $11,100,000, shall not be obligated prior to September 30, 1993.

ADMINISTRATIVE PROVISION—INTERNAL REVENUE SERVICE

SECTION 1. Not to exceed 8 per centum of any appropriation made available to the Internal Revenue Service for the current fiscal year by this Act may be transferred to any other Internal Revenue Service appropriation upon the advance approval of the House and Senate Committees on Appropriations.

SEC. 2. The Internal Revenue Service shall institute and maintain a training program to insure that Internal Revenue Service employees are trained in taxpayers' rights, in dealing courteously with the taxpayers, and in cross-cultural relations.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Secret Service, including purchase (not to exceed three hundred and forty-three vehicles for police-type use for replacement only and an additional seventy-five police-type vehicles) and hire of passenger motor vehicles; hire of aircraft; training and assistance requested by State and local governments, which may be provided without reimbursement; services of expert witnesses at such rates as may be determined by the Director; rental of buildings in the District of Columbia, and fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control, as may be necessary to perform protective functions; for payment of per diem and/or subsistence allowances to employees where a protective assignment during the actual day or days of the visit of a protectee require an employee to work 16 hours per day or to remain overnight at his or her post of duty; the conducting of and participating in firearms matches; presentation of awards; and for travel of Secret Service employees on protective missions without regard to the limitations on such expenditures in this or any other Act: *Provided*, That approval is obtained in advance from the House and Senate Committees on Appropriations; for repairs, alterations, and minor construction at the James J. Rowley Secret Service Training Center; for research and development; for making grants to conduct behavioral research in support of protective research and operations; not to exceed $12,500 for official reception and representation expenses; not to exceed $50,000 to provide technical assistance and equipment to foreign law enforcement organizations in counterfeit investigations; for payment in advance for commercial accommodations as may be necessary to perform protective functions; and for uniforms without regard to the general purchase price limitation for the current fiscal year; $470,372,000, of which not to exceed $300,000 shall be made available for the protection at the one nongovernmental property designated by the President of the United States and $70,000 at the airport facility used for travel en route to or from such property under provisions of section 12 of the Presidential Protection Assistance Act of 1976 (18 U.S.C. 3056 note).

DEPARTMENT OF THE TREASURY—GENERAL PROVISIONS

SECTION 101. Of the funds appropriated in this or any other Act to the Internal Revenue Service, amounts attributable to efficiency savings for fiscal year 1993 as estimated by the Commissioner shall be withheld from obligation unless the estimated savings are not achieved: *Provided*, That 50 per centum of the actual efficiency savings shall lapse or be deposited into miscellaneous receipts of the Treasury with the exception of amounts in special or trust funds, which shall remain in such funds and be available in accordance with and to the extent permitted by law: *Provided further*, That notwithstanding any fiscal year limitations on the availability of appropriations, the remainder of the actual efficiency savings shall be made available in fiscal year 1994 for cash awards to IRS employees, as authorized by sections 4501–4505 of title 5, United States Code, and for future efficiency improvements to carry out those purposes authorized by law: *Provided further*, That none of the funds shall be made available for the program without the advance approval of the House and Senate Appropriations Committees.

SEC. 102. Appropriations to the Treasury Department in this Act shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901), including maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; purchase of motor vehicles without regard to the general purchase price limitation for vehicles purchased and used overseas for the current fiscal year; entering into contracts with the Department of State for the furnishing of health and medical services to employees and their dependents serving in foreign countries; and services authorized by 5 U.S.C. 3109.

SEC. 103. None of the funds appropriated by this title shall be used in connection with the collection of any underpayment of any tax imposed by the Internal Revenue Code of 1954 unless the conduct of officers and employees of the Internal Revenue Service in connection with such collection complies with subsection (a) of section 805 (relating to communications in connection with debt collection), and section 806 (relating to harassment or abuse), of the Fair Debt Collection Practices Act (15 U.S.C. 1692).

SEC. 104. Not to exceed 2 per centum of any appropriations in this Act for the Department of the Treasury may be transferred between such appropriations. No such transfer may increase or decrease any appropriation in this Act by more than 2 per centum and any such proposed transfers shall be approved in advance by the Committees on Appropriations of the House and Senate.

SEC. 105. Notwithstanding any other provision of law, beginning October 1, 1992, and thereafter, the Financial Management Service (FMS) shall be reimbursed by the Internal Revenue Service (IRS) and the Department of Agriculture, National Finance Center (NFC), for the postage costs the FMS incurs to make check payments on behalf of the IRS and the NFC.

This title may be cited as the "Treasury Department Appropriations Act, 1993".

The CHAIRMAN. Are there any points of order to the remainder of title I?

If not, are there any amendments to the remainder of title I?

If not, the Clerk will read.

The Clerk read as follows:

TITLE II

POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

For payment to the Postal Service Fund for revenue forgone on free and reduced rate mail, pursuant to subsection (c) of section 2401 of title 39, United States Code; $200,000,000: *Provided*, That mail for overseas voting and mail for the blind shall continue to be free: *Provided further*, That six-day delivery and rural delivery of mail shall continue at not less than the 1983 level: *Provided* *further*, That none of the funds made available to the Postal Service by this Act shall be used to implement any rule, regulation, or policy of charging any officer or employee of any State or local child support enforcement agency, or any individual participating in a State or local program of child support enforcement, a fee for information requested or provided concerning an address of a postal customer: *Provided further*, That none of the funds provided in this Act shall be used to consolidate or close small rural and other small post offices in the fiscal year ending on September 30, 1993.

Payment to the Postal Service Fund for Nonfunded Liabilities

For payment to the Postal Service Fund for meeting the liabilities of the former Post Office Department to the Employees' Compensation Fund pursuant to 39 U.S.C. 2004, $38,614,000.

Postal Service—General Provision

Section 201. (a) Except as provided in subsection (b), no change in the rate of postage for any class of mail may take effect, pursuant to section 3627 of title 39, United States Code, during fiscal year 1993.

(b) The rates for reduced rate third-class pieces other than letter shape may be increased pursuant to section 3627 of title 39, United States Code, so as to recover as nearly as possible, in fiscal year 1993, the difference between the sum requested for fiscal year 1993 in respect of mail under former sections 4452(b) and 4452(c) of such title as calculated under section 2401(c)(ii) of such title, and the sum that would have been requested for fiscal year 1993 in respect of such mail if clause (ii) of such section 2401(c) had not been enacted.

This title may be cited as the "Postal Service Appropriations Act, 1993".

Mr. ROYBAL (during the reading). Mr. Chairman, I ask unanimous consent that the title be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any points of order to title II?

If not, are there any amendments to title II?

If not, the Clerk will read.

The Clerk read as follows:

TITLE III

EXECUTIVE OFFICE OF THE PRESIDENT

Compensation of the President

For compensation of the President, including an expense allowance at the rate of $50,000 per annum as authorized by 3 U.S.C. 102; $250,000: *Provided*, That none of the funds made available for official expenses shall be expended for any other purpose and any unused amount shall revert to the Treasury pursuant to section 1552 of title 31 of the United States Code: *Provided further*, That none of the funds made available for official expenses shall be considered as taxable to the President.

Office of Administration

SALARIES AND EXPENSES

For necessary expenses of the Office of Administration; $24,328,000, including services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 107, and hire of passenger motor vehicles.

The White House Office

SALARIES AND EXPENSES

For necessary expenses for the White House as authorized by law, including not to exceed $3,850,000 for services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 105; including subsistence expenses as authorized by 3 U.S.C. 105, which shall be expended and accounted for as provided in that section; hire of passenger motor vehicles, newspapers, periodicals, teletype news service, and travel (not to exceed $100,000 to be expended and accounted for as provided by 3 U.S.C. 103); not to exceed $20,000 for official entertainment expenses, to be available for allocation within the Executive Office of the President; $35,584,000.

Executive Residence at the White House

OPERATING EXPENSES

For the care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the Executive Residence at the White House and official entertainment expenses of the President; $7,499,000, to be expended and accounted for as provided by 3 U.S.C. 105, 109–110, 112–114.

Official Residence of the Vice President

OPERATING EXPENSES

For the care, operation, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the official residence of the Vice President, the hire of passenger motor vehicles, and not to exceed $90,000 for official entertainment expenses of the Vice President, to be accounted for solely on his certificate; $332,000: *Provided*, That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities.

Special Assistance to the President

SALARIES AND EXPENSES

For necessary expenses to enable the Vice President to provide assistance to the President in connection with specially assigned functions, services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 106, including subsistence expenses as authorized by 3 U.S.C. 106, which shall be expended and accounted for as provided in that section; and hire of passenger motor vehicles; $3,014,000.

Council of Economic Advisers

SALARIES AND EXPENSES

For necessary expenses of the Council in carrying out its functions under the Employment Act of 1946 (15 U.S.C. 1021); $3,403,000.

Office of Policy Development

SALARIES AND EXPENSES

For necessary expenses of the Office of Policy Development, including services as authorized by 5 U.S.C. 3109, and 3 U.S.C. 107; $3,842,000.

National Security Council

SALARIES AND EXPENSES

For necessary expenses of the National Security Council, including services as authorized by 5 U.S.C. 3109; $5,971,000.

Office of Management and Budget

SALARIES AND EXPENSES

For necessary expenses of the Office of Management and Budget, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109; $53,188,000, of which not to exceed $5,000,000, shall be available to carry out the provisions of 44 U.S.C. chapter 35: *Provided*, That, as provided in 31 U.S.C. 1301(a), appropriations shall be applied only to the objects for which appropriations were made except as otherwise provided by law: *Provided further*, That none of the funds appropriated in this Act for the Office of Management and Budget may be used for the purpose of reviewing any agricultural marketing orders or any activities or regulations under the provisions of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.): *Provided further*, That none of the funds made available for the Office of Management and Budget by this Act may be expended for the altering of the transcript of actual testimony of witnesses, except for testimony of officials of the Office of Management and Budget, before the Committee on Appropriations or the Committee on Veterans' Affairs or their subcommittees: *Provided further*, That this proviso shall not apply to printed hearings released by the Committee on Appropriations or the Committee on Veterans' Affairs: *Provided further*, That none of the funds made available by this Act or any other Act shall be used to reduce the scope or publication frequency of statistical data relative to the operations and production of the alcoholic beverage and tobacco industries below fiscal year 1985 levels: *Provided further*, That none of the funds appropriated by this Act shall be available to the Office of Management and Budget for revising, curtailing or otherwise amending the administrative and/or regulatory methodology employed by the Bureau of Alcohol, Tobacco and Firearms to assure compliance with section 105, title 27 of the United States Code (Federal Alcohol Administration Act) or with regulations, rulings or forms promulgated thereunder.

Office of Federal Procurement Policy

SALARIES AND EXPENSES

For expenses of the Office of Federal Procurement Policy, including services as authorized by 5 U.S.C. 3109; $3,108,000.

Office of National Drug Control Policy

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of National Drug Control Policy; for research activities pursuant to title I of Public Law 100–690; not to exceed $8,000 for official reception and representation expenses; for participation in joint projects or in the provision of services on matters of mutual interest with nonprofit, research, or public organizations or agencies, with or without reimbursement; $67,348,000, of which $50,000,000 shall be available for drug control activities which are consistent with the approved strategy for each of the designated High Intensity Drug Trafficking Areas which shall be transferred to Federal agencies and departments within 90 days of enactment of this Act and shall be obligated by the end of fiscal year 1993: *Provided further*, That notwithstanding any other provision of law, the Department of the Treasury and the Department of Justice are authorized to transfer funds to other Federal drug control agencies: *Provided further*, That the Office is authorized to accept, hold, administer, and utilize gifts, both real and personal, for the purpose of aiding or facilitating the work of the Office.

Special Forfeiture Fund

(INCLUDING TRANSFER OF FUNDS)

For activities authorized by Public Law 100–690, $60,251,000, to be derived from deposits in the Special Forfeiture Fund; of which $2,150,000 shall be transferred to the Immigration and Naturalization Service for the purchase of helicopters and replacement vehicles; of which $3,000,000 shall be transferred to the United States Marshals Service for expenses and equipment related to the apprehension of Federal, State, and local fugitives wanted or involved in drug-related crimes; of which $2,000,000 shall be transferred to the

Drug Enforcement Administration for replacement vehicles, firearms training equipment, and an El Paso Intelligence Center expansion study; of which $2,800,000 shall be transferred to the Financial Crimes Enforcement Network for software development; of which $5,600,000 shall be transferred to the United States Customs Service: *Provided*, That of this amount, $1,000,000 shall be for crate and container inspection equipment and $4,600,000, to remain available until expended, shall be for K–9 facility construction; of which $34,701,000 shall be transferred to the Alcohol, Drug Abuse, and Mental Health Administration: *Provided further*, That $4,700,000 of the $34,701,000 transferred to the Alcohol, Drug Abuse, and Mental Health Administration, shall be transferred to the San Francisco Department of Health: *Provided further*, That $14,701,000 of the $34,701,000 transferred to the Alcohol, Drug Abuse and Mental Health Administration shall be made available to the Office of Substance Abuse Prevention for Community Partnership grants, and: *Provided further*, That $20,000,000 shall be made available to the Office of Treatment Improvement for the drug treatment Capacity Expansion Program; and of which $10,000,000, to remain available until expended, shall be made available to the Counter-Drug Technology Assessment Center of the Office of National Drug Control Policy.

Unanticipated Needs

For expenses necessary to enable the President to meet unanticipated needs, in furtherance of the national interest, security, or defense which may arise at home or abroad during the current fiscal year; $800,000.

This title may be cited as the "Executive Office Appropriations Act, 1993".

Mr. ROYBAL (during the reading). Mr. Chairman, I ask unanimous consent that title III of the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any points of order to title III?

If not, are there any amendments to title III?

AMENDMENTS EN BLOC OFFERED BY MR. MCDADE

Mr. McDADE. Mr. Chairman, I offer amendments en bloc.

The CHAIRMAN. The Clerk will designate the amendments en bloc.

The text of the amendments en bloc is as follows:

Amendments en bloc offered by Mr. McDade: Page 23, line 23, strike "$3,014,000" and insert "$3,100,000".

Page 29, line 9, strike "$2,314,000" and insert "$2,228,000".

Page 76, strike lines 18 through 20.

The CHAIRMAN. Pursuant to the rule, the gentleman from Pennsylvania [Mr. McDade] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. McDade].

Mr. McDADE. Mr. Chairman, I ask unanimous consent, in view of the Penny amendment which was just adopted, that my amendment be conformed. The numbers are slightly askew and deal with the across-the-board cut which just occurred. I ask unanimous consent to conform those amendments.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendments en bloc offered by Mr. McDade: Change $3,100,000 to $3,018,000.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania that the amendments en bloc be modified?

There was no objection.

The text of the amendments en bloc, as modified, is as follows:

Amendments en bloc, as modified, offered by Mr. McDade: Page 23, line 23, strike "$3,014,000" and insert "$3,018,000".

Page 29, line 9, strike "$2,314,000" and insert "$2,228,000.

Page 76, strike lines 18 through 20.

(Mr. McDADE asked and was given permission to revise and extend his remarks.)

Mr. McDADE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

PARLIAMENTARY INQUIRY

Mr. McDADE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McDADE. Mr. Chairman, I am correct, am I not, that this side has the opportunity to close debate?

The CHAIRMAN. The Chair will state to the gentleman from Pennsylvania that that depends on which Member rises in opposition.

Mr. McDADE. Mr. Chairman, last week, as we all know, the full committee of the Committee on Appropriations voted to delete funding for the President's Council on Competitiveness and to prohibit the use of funds in this bill for that Council or any successor organization.

My colleagues, by adopting the amendment, we have not only restricted a core function of the Presidency but we have eliminated a crucial element of democratic government: an avenue to debate issues. If we were to be in another room, we might want to engage in a game of Trivial Pursuit, and if we asked the question, "What is the most frequently seen phrase on any public law?", we might say, "Be it enacted in the Senate and House of Representatives of the United States in Congress assembled."

Well, if we said that, we would be wrong. The most repeated phrase in a public law is, and I quote, "The Secretary shall issue such regulations as he or she deems necessary or appropriate to effect the purposes of this act."

We delegate massive authority time after time after time to departments and agencies of the executive branch.

No one would suggest no regulation at all. That would be anarchy. But, my friends, nor would anybody suggest a total and complete regulation. That would be authoritarianism; that would border on fascism.

What we need is balance. We need some regulation, but the key words, Mr. Chairman, are some regulation and balance.

The Council on Competitiveness is no more than a regulatory review group charged with deliberating proposed rules and regulations. This deliberation is necessary to assure that proposed rules balance both legislative and administrative's intent.

The Council simply provides a forum to hear another side of the argument, to listen to competing views in a pluralistic and democratic society, and to make balanced judgments on what ultimately is best for the people we are here to serve, the American people.

Yet, Mr. Chairman, the President is being criticized because outside interests, special pleaders have access to the Council. In reality, these outside interests are crucial to any deliberation.

They provide insight to us in competing interests. Anybody who has served here knows that to be the case. They give the other side of the story. They provide the expert testimony that often tips the balance wheel and they necessitate that that process continue.

□ 1520

Mr. Chairman, we do not live in a simple world. Time after time, as we have our hearings, witness A comes up and says, "This is the way to achieve the Holy Grail." This is followed by witness B who says, "This is the way to achieve the Holy Grail." The facts are complicated. The issues are difficult. They demand our attention, and they necessitate that we, as Members of this body, leave ourselves open to criticism when we choose either side. Virtually any side is debatable anymore.

But, Mr. Speaker, we have an obligation to make these choices. We cannot please all the people all the time. No, we cannot please all the people all the time, but we can make rational policy decisions that benefit all Americans. The Council provides a forum to debate these benefits. They are necessary to our democratic process and part of our regulatory process.

Let me underline that the Council does not have any power to publish final regulations, absolutely none. Any regulation that becomes final has to work its way through a incredibly complex administrative process consistent with the Administrative Procedures Act. Any regulation, before it becomes final, Mr. Chairman, must be published in the Federal Register where the public has complete and full opportunity to review and comment, including those regulations which have been suggested by the Council.

Mr. Chairman, in 1990, the American public spent 5.4 billion hours meeting Federal paperwork requirements. The Council has been instrumental in relieving this regulatory burden. Let me just try to point out a couple of examples.

The gentleman from Virginia [Mr. Wolf], my friend, who manages this bill made an eloquent statement about the FDA's progress in getting drugs to the market that are life-threatening. He pointed out that people without hope now have hope because they have cut the time to get new drugs on the market by 4 years.

Listen to this one: Truckers. There are 52,000 people engaged in trucking in this country. They used to have to keep three sets and books, one for their taxes, one for their financial records, and one regulatory book exclusive for the ICC. Well, this Council intervened, and the ICC said, "We don't need separate regulatory books." Does this regulation result in savings in man-hours, lower costs, benefits to the consumer? I say to my colleagues, "You bet."

Anytime you buy a food product, I say to my colleagues, you pay for the label. The Council intervened for mom-and-pop small businesses, simplifying the requirements of labeling for mom-and-pop products and small businesses.

Listen to this one: We passed the Americans With Disabilities Act for all Americans. We all voted for that bill. It was one of the great moments of the Congress. The regulators from the Department of Housing and Urban Development got involved. What did they do? They said that every multifamily unit home in the country shall be equipped to provide for citizens affected by the Disabilities Act. Every single unit. Certain groups started to get involved. They said, "Hey, wait a minute. How about need? How about if we look at whether or not we need to build 100 percent of these units for handicapped accessibility? Maybe there aren't 100 percent applying."

So, the regulatory council intervened and the regulations now allow us to retrofit units as needed. We saved billions of dollars and lowered the cost to the American consumer to buy a properly equipped unit to live in. The Paralyzed Veterans of Americans, those suffering spinal cord injuries, led the fight to get that change through the Council.

Litigation? Oh, my, do we live in a society that litigates. The estimated cost is $300 billion a year. Here is what I always thought as a former practicing lawyer:

"If you had an expert witness, he got paid by the hour, or she got paid by the hour."

We had testimony in the Defense Subcommittee of the Defense Department paying a doctor $4,000 an hour to give expert testimony. I was shocked. We were all shocked.

Well, guess what it is worth now? They are paid contingent fees. They take an expert witness, and they trot him into court and say, "Oh, yeah, we want you to give impartial testimony, but, by the way, your fee is contingent. You might get 20 percent of the verdict."

Mr. Chairman, the Council proposes to knock this abuse out, and the American public is the beneficiary of it.

Mr. Chairman, there are two sides to this story. One can make enemies, and the Council had made enemies. But every President for the past five administrations has recognized the significance of regulatory review. It is fundamental to good government, and, as a forum for debating the issues, it is fundamental to democracy.

I ask my colleagues, Why would we kill free speech in this bill? Why are we giving every agency and every department that incredible grant of authority that I mentioned, "such regulations as you think are necessary," but, when we get to the appropriations bill, we rip out the authority to have comment on them?

My colleagues, I think the case is clear. I have a fundamental disagreement with the gentleman from Colorado, my friend. I ask that this amendment be adopted.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Illinois.

Mr. YATES. In the debate on this amendment in our committee I asked the gentleman who the members of the Council were, and I think the gentleman replied that they were the various Secretaries of the Department. Does that mean there are no private citizens who are members of this Council?

Mr. McDADE. Let me reply to the gentleman from Illinois [Mr. YATES], my friend, by taking him back to our good friend, Rogers C.B. Morton, as Secretary of the Interior. His greatest complaint was, when he went over to talk to OMB, he met a GS-12 or a GS-13, and he never felt, as a Cabinet officer, that he got to sit and air his views on a controversial issue. This Council includes Cabinet officials, rotating, and, from time to time, bringing in outside witnesses in the various fields, whether they are lawyers or pharmacists or whether they are foresters. They are simply people who can talk with some insight on the issues at stake.

Mr. YATES. If the gentleman would further yield, is there any reason why the proceedings of this Council should not be in the open?

Mr. McDADE. Let me say to my friend that they are in the open. Let me say to my friend they are as open as any meetings are in this town. And let me say to my friend that nothing can become regulation without going through the entire process. And, it is totally public.

Mr. Chairman, I reserve the balance of my time.

Mr. ROYBAL. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Pennsylvania [Mr. McDADE].

Mr. Chairman, the issues surrounding the Council on Competitiveness were discussed in the subcommittee. The full committee and the Council is unauthorized in the sense that it is not specifically authorized by law, nor are the two staff people authorized for this purpose. The Council has been in operation since March 1989, and was funded by appropriations made to the Vice President who chairs the Council. The Council on Competitiveness does not receive oversight from Congress and has not complied with the requests to submit to oversight.

Now, during this time since this passed the House, I have been looking around to find out what the situation really is. I have been unable to find any newspaper, for example, and most organizations, which are in favor of the Competitiveness Council.

The Wall Street Journal, this morning, incidentally, was very critical of the work that the Council is supposed to be doing. The Los Angeles Times some time ago in the editorial page stated that the Council on Competitiveness has steadily built its reputation by working behind the scenes to undermine health, safety, and environmental regulations, and then it goes on to say that from the Clean Air Act to nutrition labeling the Quayle Council on Competitiveness has covertly intervened in the normally open regulatory process on behalf of big businesses, and then it goes on to say that the Council has consistently refused to disclose, on even the most basic information, about who it meets with and what its agenda is.

□ 1530

What is important is that the staff has repeatedly declined to answer Freedom of Information requests from the public.

The Council is unwilling to testify before any committee. It is my understanding that, when called before the committee, they will not even release any kind of information whatsoever.

The most recent example of the Council's back door maneuvering, as stated in the Los Angeles Times, surfaced at the Earth summit in Rio, where Council staff succeeded in averting U.S. support for the Biodiversity Treaty supported by other participating nations.

Mr. Chairman, that is going a little too far, but these are apparently the facts.

The article in the Los Angeles Times ends by saying it is time to shut the Competitiveness Council's back door and restore accountability to the regulatory process.

Mr. Chairman, I include for the RECORD the entire article.

[From the Los Angeles Times, June 24, 1992]

DEFUND QUAYLE'S AUTOCRATIC COMPETITIVENESS COUNCIL

(By Nancy Watzman and Christine Triano)

For the past two years, taxpayers have financed the shadowy activities of Vice President Dan Quayle's Council on Competitiveness. In this time, the council has steadily built its reputation by working behind the scenes to undermine health, safety and environmental regulations. This week, the House Appropriations Committee will consider a measure to strip the council of its funds and bring accountability back into the regulatory process. It could mark the beginning of major battle between Congress and the President over the shape of federal regulation.

From the Clean Air Act to nutrition labeling, the Quayle Council on Competitiveness has covertly intervened in the normally open regulatory process on behalf of big-business interests. "Now is your chance. Come and tell us what regulations and what rules are burdening the business sector," Quayle told business leaders recently. Meanwhile, the council has consistently refused to disclose even the most basic information about who it meets with and what its agenda is. What's more, Quayle and his staff have repeatedly declined to answer Freedom of Information Act requests from the public. The council is equally contemptuous of Congress; neither Quayle nor his staff will testify before committees with oversight over the agencies whose regulations they meddle with. More than once, members of Congress have been forced to subpoena even basic documents.

By acting as a superagency, with the power to review all regulations, the Quayle council not only adds another layer to an already lengthy process, it defines the basic principles upon which the regulatory edifice is built. When a federal agency writes rules, it is required by law to hear from all sides, make decisions only on the merits and make communications available at a public docket where anybody can look at them. The Quayle council does not follow any of these open-government standards.

The most recent example of the council's backdoor maneuvering surfaced at the Earth Summit in Rio, where Competitiveness Council staff succeeded in averting U.S. support for the biodiversity treaty supported by other participating nations. Lobbied heavily by biotechnology groups, such as the Industrial Biotechnology Assn. and Genentech, council staff were highly critical of the treaty. Meanwhile, press accounts reported that John Cohrssen, a council staffer, leaked the draft agreement in order to raise the ire of biotechnology companies and sink the treaty.

With such examples of dirty dealings, how is it that the Quayle Council on Competitiveness continues to exist? The answer: creative budgeting. The vice president's office simply shuffles funds around to pay for the council's operations. After all, Congress never authorized the Council on Competitiveness; no funds have ever been specifically appropriated to pay for it. In fact, the formation of the council was quietly announced by President Bush in a cursory June, 1990, memo sent only to agency heads.

Now Congress has the chance to cut off funding of this shady entity. An amendment is before Congress that would forbid the use of any of the vice president's funds to pay for the Competitiveness Council. The amendment has the support of a broad coalition of consumer, environmental and labor groups. Intriguingly, this coalition is now being joined by businesses opposed to the way Quayle doles out "regulatory favors." Two weeks ago a new group, Businesses for Social Responsibility, was announced to advance a socially responsible agenda. Among the group's 55 members are such success stories as Reebok, the Body Shop and Stride Rite. The first item on the agenda: undoing the Quayle Council on Competitiveness.

The defunding amendment comes up for hearing Thursday by the House Appropriations Committee, where Rep. Ed Roybal (D-Los Angeles), chairman of the Treasury subcommittee, has a key vote. A "yes" vote on the legislation would send a message to the Administration that it's time to end the council's abuse of power. Indeed, after so many of the Quayle council's misdeeds have been exposed, Congress would be committing its own breach of responsibility if it allows the funding to continue.

It's time to shut the Competitiveness Council's back door and restore accountability to the regulatory process. The taxpayers—who not only pay regulators' salaries but are affected profoundly by the regulations that they write—deserve nothing less.

Mr. Chairman, I want to read this into the RECORD because at the time that this matter was passed before the full committee it had not been made available. As chairman of this subcommittee I must protect and defend the position taken by the full committee. I realize there are problems involved with this and there are differences of opinion, but I bring this to the floor because I think we must decide here on the floor just what it is that the Members of Congress want to do with regard to this subject matter.

Mr. Chairman, I am opposed to this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. McDADE. Mr. Chairman, I am delighted to yield 3 minutes to the distinguished gentleman from Indiana [Mr. MYERS].

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, I rise in support of the amendment.

The last five Presidents of both parties have had a White House level policy review of regulations. Even Democratic nominee Bill Clinton has acknowledged the importance of maintaining this important function.

We are all aware of the important action announced by our President to put a moratorium on new Federal regulations. This action is critical to lowering the almost $4,000 per year that every American family pays for Federal regulation.

Our Nation's Federal bureaucracy is churning out regulations at a rate of almost 70,000 pages per year. It is absolutely crippling our small business in this Nation, and making us less competitive in the world.

But this Nation has much more fundamental liberty at stake if we do not check the excesses of a bureaucracy out of control. I speak quite simply of our cherished right of private property. If you need an example of a bureaucracy trampling on peoples' property rights you need only look at our wetlands system under section 404 of the Clean Water Act.

The Supreme Court spoke very eloquently yesterday in Lucas versus South Carolina Coastal Council upholding the fundamental rights of property owners. The Competitiveness Council has worked hard to ensure that Federal regulators give the type of respect for private property that the Supreme Court endorsed yesterday.

At a time when the former Soviet Union is desperately trying to own private land our Federal bureaucracy is trying to use section 404 to take land from private property owners for a public purpose. What is even more outrageous is that they aren't willing to pay for what they are taking.

The current wetlands system is totally the creation of the bureaucracy. The only statutory basis refers to placement of fill in the waters of the United States. We now have a system where we have cactus growing in the waters of the United States. If the regulation did not have such a dire impact on the property owners who happen to own 75 percent of the wetlands in this country, the current system would be funny. Unfortunately, it destroys peoples' property values and prevents them from achieving their dreams. If we had the work of the Competitiveness Council on this issue before we would not be stuck in the current swamp.

Mr. MYERS of Indiana. I thank the gentleman for his comments.

Mr. Chairman, I am sorry to have to take this position. I am shocked to be here in this posture. I have served a number of years here and served on this subcommittee a good number of years several years ago. As I mentioned earlier, I can recall some political moves to knock money out for Secret Service protection of the Kennedy children, which was strictly political. I had no hesitancy in opposing that.

Mr. Chairman, I am really shocked today that this body would attempt to tell the President how he might organize his Cabinet and how he might carry out the responsibilities that we, as the legislative body, give to him to implement rules to carry out and enforce the laws we pass.

I am just really shocked that we would be taking this action today, and I hope the House will come to its wisdom when we go back into the full House, and even in the Committee of the Whole, and will vote to support this amendment.

Mr. Chairman, this is not Quayle's Council; this is the President's Council on Competitiveness that we have caused him to organize so he might implement the rules to carry out the laws that we have passed. It was not created unlawfully, but by Executive order. The Executive order was issued by the President to implement the laws that we passed that he must carry out as the Executive Officer.

Mr. Chairman, to say it is an unlawful council, maybe this particular council was created 2 years or 3 years go, but I have gone back, and the last five Presidents—four Republicans and one Democrat—had similar councils. Was it ever challenged before? Was it carried out any differently? The answer to the question is they did exactly the same.

Mr SKAGGS. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield briefly to the gentleman from Colorado.

Mr. SKAGGS. Mr. Chairman, I would just point out to the gentleman from Indiana [Mr. MYERS] that the Carter administration's comparable council did not intervene in regulatory rulemaking.

Mr. MYERS of Indiana. Mr. Chairman, reclaiming my time, then they were not as effective as this council.

Mr. Chairman, let me say that just last night in this very body the gentleman from Mississippi [Mr. MONTGOMERY], when talking about the price-fixing legislation, and there was a lot of discussion then over the regulation of American industry, he indicated that we could not compete even in this country, let alone the rest of the world. The gentleman testified late last night, almost midnight, that he had a small company in his district that was starting a new industry. The owner of that industry, the manager of that industry, said that that industry could compete with the rest of the world, whether it be Japan, whether it be Korea, whether it be Singapore, or any place with so-called cheap labor, he could compete and meet prices any place but for one thing. Speaking again of the gentleman from Mississippi [Mr. MONTGOMERY], he said there was one thing he could not compete with and that is the rules and regulations coming down from Washington. He could not compete when you throw those into the mix.

Mr. Chairman, this is what this is all about. Everyone is concerned with jobs. We should be. But for some reason we want to tie the President's hands and tell him that he cannot be concerned about American jobs, that he cannot help American industry.

Mr. ROYBAL. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the Quayle Council on Competitiveness is a menace to the health of the American people and should be defunded, so I oppose the McDade amendment.

Mr. Chairman, I chair a Government Operations subcommittee which has oversight jurisdiction of the FDA. The White House has interfered with our investigation of the FDA and the Council on Competitiveness by ordering FDA to withhold several hundred documents from the subcommittee. In November we issued a subpoena for these documents. Only after the subpoena was served did we receive all of the documents we requested from FDA. So do not tell us how forthcoming they are and how public their information is.

Several of the Quayle Council's proposals raise significant public health concerns. Among them a plan to force FDA to approve drugs for any condition, not just life-threatening conditions, based on only preliminary evidence of safety and efficacy. AIDS, cancer, and Alzheimer's disease already have medicines which are preliminarily approved and are being utilized.

Experts in and out of Government are concerned that the public health may suffer if FDA fully implements the Council's reforms. Our investigation suggests that many at FDA also have servious misgivings about these proposals, but have been overruled and gagged by the White House.

The Council's activities are absolutely illegal. No substantive regulatory review authority for the staff of the Vice President exists in any health and safety statute enacted by Congress. In addition, because the Council acts in virtual secrecy, it continually violates the legal requirements of accountability embodied in the Administrative Procedure Act that all other Federal agencies operate under.

Mr. Chairman, for all of these reasons, I urge my colleagues to defeat any attempt to delete from this bill the ban on the use of funds for the Council on Competitiveness. The health of your, and my, constituents is very much at stake.

Mr. ROYBAL. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. SKAGGS].

Mr. SKAGGS. Mr. Chairman, I thank the distinguished chairman for yielding.

Mr. Chairman, as the author of the provision that would be stricken by the amendment offered by the gentleman from Pennsylvania, I oppose the amendment. I urge my colleagues to support the committee's recommendation to eliminate all funds for the Council on Competitiveness.

The Council on Competitiveness is misnamed. It has nothing to do with restoring our economy or enhancing competitiveness. If it did, I would be the first one up here to defend it.

The Council is, quite simply, an organization created by the Bush administration to give its powerful big business friends a backdoor, off-the-record way to get special breaks they can't get through an open rulemaking process.

This special treatment of powerful special interests is exactly the kind of thing that has made the American people distrust this Government. It's why they are cynical about how the process works and who it really serves. All people—not just big businesses—deserve equal access to the government and its decisionmaking process. But President Bush, who created the council, and Vice President QUAYLE, who heads it, don't see things that way.

The heart of this problem is that the Council operates in secret, not letting the American people or Congress learn even the most basic facts about its activities. The Council refuses to disclose its communications with regulatory agencies—even when explicitly required by law to do so. The Council refuses all requests for materials under the Freedom of Information Act, even though that act explicitly applies to the Executive Office of the President. The Council refuses to testify before Congress. The Council refuses to provide Congress with requested information on its activities.

Why does the Council insist on hiding its actions from public review? The only reason I can imagine is that the administration understands that if the American people knew how the Council gives special breaks to big businesses, the people wouldn't stand still for it.

There is no better example of what the council does than a decision it forced on the Environmental Protection Agency to let large industrial polluters increase their pollution without letting the public know or protest. This Congress decided, in the Clean Air Amendments of 1990, that, before a plant or factory can put out more pollution than allowed under its current clean air permit, there must be public notification and a hearing. Congress made this decision despite industry arguments that pollution increases should be allowed without this public review. President Bush, of course, signed this law.

EPA proposed to write a regulation carrying out the notice-and-hearing decision which Congress made. The Council on Competitiveness, though, listened to big business make the same arguments that Congress had already rejected, and decided to pressure EPA into changing its proposed rule. EPA Administrator William Reilly refused to go along with the Competitiveness Council, saying the law required him to issue the rule the way Congress decided. Legal opinions for EPA, the Department of Justice, and the General Accounting Office all agreed.

The Competitiveness Council went to President Bush, who ordered EPA to write the rule the way the Council wanted. When Mr. Reilly said he wouldn't do so unless the Department of Justice said it would be legal, President Bush ordered the Department of Justice to reach that conclusion.

Just last Thursday, EPA issued the rule demanded by the Council on Competitiveness. That rule lets every big polluters in this country put out an additional half a million pounds of air pollution every year without any notice to the public, much less a public hearing.

In other words, the Council on Competitiveness, and big business, won. EPA, and those of us who breathe, lost.

This is the type of action the Council takes, day in and day out. It blocks regulations to protect wetlands from development. It blocks regulations to control acid rain. It blocks regulations to protect workers from exposure to formaldehyde. It blocks regulations to require access for the handicapped. It blocks regulations to require recycling of solid waste.

The Council does its work in secret. It does its work only on behalf of big business interest. It gets the Government to make decisions it would never make in an open process, either an open process here in Congress or an open process before a regulatory agency.

That is why the White House insists that the Council's actions not be disclosed. That is why the Council staff tells reporters the Council likes to leave no fingerprints.

Now of course the President, and his White House staff, have a fundamental constitutional right and duty to be involved in overall regulatory policy and coordination. The President has a constitutional obligation to "take care that the laws be faithfully executed." In recognition and support of these important principles, the bill before us right now has more than $5 million for the Office of Management and Budget's Office of Information and Regulatory Affairs. OMB is charged by Executive order with ensuring that, when agencies have discretion under the law in the exercise of regulatory authority, that the agencies exercise that discretion in accordance with the President's policies.

There are some real differences, though, between the OMB regulatory affairs office and the Council on Competitiveness.

Under OMB's own rules, it discloses the actions it takes. The Council on Competitiveness brags that it leaves no fingerprints.

OMB makes all its correspondence to and from regulatory agencies open to the public for inspection. The Council on Competitiveness operates in complete secrecy.

OMB makes detailed annual reports on what it does. The Council makes no reports to anybody.

OMB is subject to ethics in Government and conflict-of-interest laws. Vice President QUAYLE gave the former executive director of the Council on Competitiveness a blanket waiver from conflict-of-interest laws so he could be involved in Government decisions directly affecting a chemical company in which he had a major holding—not just a few shares of stock, but enough to give him dividends of over three-quarters of a million dollars a year. And that at the same time he has working to exempt it from Government regulations.

OMB testifies before Congress on its regulatory affairs activities. The Council on Competitiveness refuses to do so, and won't even answer questions submitted to it by congressional committees.

So the question this amendment raises isn't whether there should be a White House office to oversee agency regulations. There is an OMB office that does that. The question is whether there should be a second White House office that does that without following the procedural requirements that the OMB office does.

The defenders of the Council on Competitiveness argue that it's important to let it operate off the record. These people argue that the President's executive privilege exempts the Council from public disclosure requirements. This privilege is based on the reality that in sensitive areas, at least, the President must be able to have confidential conversations with other executive branch officals. But those arguments completely ignore the very real line that Congress has already drawn between policymaking and rulemaking by the executive branch.

On the one hand, the President has inherent policymaking authority under the Constitution. There are no procedural requirements on how the President goes about forming policy, and many of the deliberations among the President and his advisors are subject to a broad executive privilege against disclosure.

On the other side of the line is the entirely different function of rulemaking.

When they are writing rules, regulatory agencies serve in a quasi-legislative capacity, performing precise functions delegated to them by Congress.

Rulemaking procedures are governed by the Administrative Procedures Act, which is designed to ensure that rulemaking is carried out fairly and openly. The act requires agencies to let the public know whenever a rulemaking process is being undertaken. Agencies have to publish proposed rules, to seek public comments on how to write the rules, and to consider those public suggestions.

Public disclosure is required under both the Administrative Procedures Act and other, more specific laws—such as the Clean Air Act. All communications recieved by a regulatory agency from any person or any other Government office on a proposed rule must be open to public inspection.

Rulemaking officials are subject to conflict-of-interest laws.

The Freedom of Information Act makes all files of regulatory agencies, with some exceptions, available to members of the public who request them.

In short, when any office or agency in the executive branch crosses the line from policymaking to rulemaking, there are a number of procedural requirements which Congress has set up to keep the process fair and open.

If President Bush and Vice President QUAYLE want to set policy, they can do so without following any procedural requirements.

But if President Bush wants Vice President QUAYLE and the Council on Competitiveness to intervene in the regulatory process, they need to do so on the public record, not in secret—just as the OMB regulatory office, which is also in the Executive Office of the President, does.

There is no more fundamental principle in our democracy than that our Government is open to all, accessible to all, and accountable to all. If you want to restore Americans' faith in their Government, vote against the McDade amendment.

□ 1540

Let me just tell my colleagues, a former Reagan administration lawyer, Mr. Cass Sunstein, put it this way:

> What is not legal is if the Council is actually making the decision, over the disagreement of the agency, or the assumption by everyone that the decision is made by the Council and should be followed by the agency:

And that's exactly what happened to EPA with Clean Air Act regulations.

That is why so many worthy organizations, and let me just name a few, the Academy of Pediatrics, the American Public Health Association, the AFL-CIO, Consumers Union, the American Planning Association, the National Wildlife Federation, and on and on, why so many of these organizations join me in urging my colleagues to vote no on the McDade amendment.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. SKAGGS. I yield to the gentlemen from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, the gentleman said the Executive Director of the Council on Competitiveness has a conflict of interest. Would the gentleman elaborate on that?

Mr. SKAGGS. Mr. Chairman, he has interests in chemical companies which were affected by regulations delayed by the Council's activities.

Mr. BURTON of Indiana. Mr. Chairman, if the gentleman will continue to yield, I thought there was not a director right now.

Mr. SKAGGS. Mr. Chairman, it is in OIRA about which there is evidently some question. We are talking about Mr. Hubbard, the Director of the Council on Competitiveness.

Mr. DELAY. Mr. Chairman, will the gentleman yield?

Mr. SKAGGS. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Chairman, I cannot believe that the gentleman would make such a statement. Mr. Hubbard was totally investigated by the committees of this Congress and has not been proven to have a conflict of interest.

In fact, to make sure he did not have a conflict of interest, he put all his holdings in a blind trust and removed himself as Executive Director of the Council. For the gentleman to say such a thing is outrageous.

Mr. SKAGGS. Mr. Chairman, reclaiming my time, two very distinguished witnesses before the Committee on Energy and Commerce characterized Mr. Hubbard's conflict of interest as garden variety conflict of interest. They minced no words. This was the chairman of the ABA's Committee on Professional Standards.

Mr. ROYBAL. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. VISCLOSKY], a member of the committee.

Mr. VISCLOSKY. Mr. Chairman, I thank the gentleman for yielding time to me, and I want to follow up on a couple of remarks made by the gentleman from Colorado [Mr. SKAGGS].

The first thing is to note that over $53 million are appropriated in this bill for the Office of Management and Budget, and more than 10 percent of that is set aside for the Office of Information and Regulatory Affairs that is covered by the Administrative Procedures Act.

I think the core of the debate today is, are we talking about duplication in terms of government service.

There has been no indication on the other side that OMB and the Office of Information and Regulatory Affairs are not doing their jobs. Perhaps if the Competitiveness Council is doing such a good job, we ought to eliminate the $5 million from OMB.

The fact is, if they are doing a good job, we ought to make sure that we eliminate the $68,000 in terms of the Office of Competition.

The other point is that five other Presidents have done this. If one makes a mistake four or five times, why should one make it six times? We ought to end the practice. We ought to make sure these decisions are made in the open, and we ought to save the American taxpayer some money.

Mr. ROYBAL. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. Mr. Chairman, what we are going to hear from the other side, and it has already begun, is something like this: The Quayle Council is a benign discussion group, which merely talks about regulatory balance or competitiveness.

I want to tell my colleagues, that is baloney. The Quayle Council is, in fact and instead, a covert command center for a war, a secret war, a war on worker safety, worker health, consumer protection and environmental laws.

This Council takes laws that are publicly debated in the Congress, passed by the Congress, takes implementing regulations by the agencies, which are developed in the sunshine, and then it changes or guts those laws and regulations for fat cats and polluters and potential contributors.

It has watered-down protections against worker exposure to cancer-causing chemicals. It has gutted the Clean Air Act rules. It even killed warning labels on toys made of small parts that young children could swallow. This from a Council headed by DAN QUAYLE, who is known as Mr. Family Values.

But the nub of the issue here is more fundamental than even the substantive things they have done. No records are kept, as the gentleman from Colorado [Mr. SKAGGS] has indicated, of the Council's record in dealing with the special interests that come pleading to it for special favors. No records.

There is no record of anything said in any of its decisionmaking.

Why do my colleagues suppose, why do my colleagues suppose that they do not want written records of the Council's proceedings made public? Do they think it is just because DAN QUAYLE cannot spell? I do not think so.

We know why they do not want it. It is because this Council operates in secret on behalf of a special group of special interests who, having lost their battles within the Congress, now go to the special Council to accomplish there what they cannot accomplish in open government.

The Vice President actually boasted, my colleagues, boasted that the Council leaves no fingerprints. Just the wreckage of laws weakened by loopholes and exceptions for fat cats and for polluters.

My colleagues, there is an anger in this land. If ever there was a time when Government should be a process of public decisions, publicly arrived at, it is now.

Kill the McDade amendment in the interest of open government.

Mr. McDADE. Mr. Chairman, I yield such time as he may consume to the gentleman from Arizona [Mr. KYL].

Mr. KYL. Mr. Chairman, I rise in support of the gentleman's amendment.

Mr. Chairman, I rise in support of the McDade amendment to restore funding for the President's Council on Competitiveness.

This amendment is about more efficient and effective government. Recent actions taken by the Council will save American consumers and workers between $15 and $20 billion per year.

As a result of the Council's work, for example, people with serious or life-threatening diseases will be able to obtain newly developed drugs sooner. A typical family taking out a $100,000, 30-year mortgage could save $180 in annual mortgage payments. Telephone customers will enjoy lower phone bills as a result of the greater competition among international communications satellite systems that the Council has promoted.

The American people are tied up in government redtape and want relief. That relief will save families money, and will help American companies become more competitive and create new jobs.

The success of the Council is the very reason opponents in this House are so critical of it. It highlights the extent to which this Congress is attempting to regulate every action, every aspect of the lives of the American people. Members of this House can't claim to be against government redtape at the same time they are trying to eliminate the one agency trying to do just that.

It is time for Members of this House to put up or shut up. Vote with the big bureaucracy, or vote with the American people and the small business men and women around the country who are trying to make sense of nonsensical government rules and mandates.

I urge my colleagues to support funding for the Competitiveness Council.

Mr. McDADE. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. HASTERT].

Mr. HASTERT. Mr. Chairman, I stand in strong support of the amendment.

Mr. McDADE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Oklahoma [Mr. EDWARDS].

Mr. EDWARDS of Oklahoma. Mr. Chairman, I think my colleagues on both sides of the aisle know that I have dedicated most of my career in the Congress to defending the Congress against encroachments by the executive branch. I have been outspoken in that regard in writing, in speeches, and I have said that I resist efforts by the administrative agencies, by the President, by others in the executive branch to interfere with the proper prerogatives of the Congress.

But I will say to my colleagues that this move to take out the money for the Competitiveness Council is pure, unadulterated, partisan, outrageous nonsense. This Congress habitually, regularly ignores its responsibility to oversee the rules and regulations that are imposed on the people of this country and says:

> We mandate this and we delegate to the executive branch of government, through the secretary or the head of an agency or the head of a bureau, the authority to determine the rules and regulations which will be imposed on the people covered by this law.

And it is perfectly appropriate, so long as my friends on this side are concerned, as much as they are concerned, it is perfectly appropriate to say:

> If you can put a new regulation on a businessman, if you can put a new tax on a businessman, if you can put a new mandate on a businessman that is going to destroy jobs or destroy profits, then go ahead. You do it. You do it. You the agencies do it.

But if somebody in the executive branch says:

> We want to take a look here and see whether there are too many rules, whether this regulation is counterproductive, whether this mandate creates a harm to the community rather than a benefit.

Then all of a sudden we have discovered this new concern about the buck we passed to the executive agency saying, "Oh, my God, how dare they interfere with our right to regulate small business."

Let me tell my colleagues something, during the debate in the Committee on Appropriations we heard much made about the Administrative Procedures Act.

□ 1550

"The Administrative Procedures Act is being gone around." We cannot go around the Federal Administrative Procedures Act. The Administrative Procedures Act allows anything any bureau or any agency wants to do. They do not have the right to confront their accusers, to cross-examine witnesses.

The Council on Competitiveness does not do anything, anything, that every other regulatory agency and bureau does every single day by the mandate of the Congress. For us to step in here and say to the President of the United States—the secretary who works for him, the Council on Competitiveness works for him, and all these people work for him—and say to the President, "We are now going to interfere, intrude on your right to determine what regulations ought to be placed on business," is nonsense, and the Members know it is nonsense.

Mr. SKAGGS. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Colorado.

Mr. SKAGGS. Mr. Chairman, do I understand the gentleman correctly that he supports the proposition that the President should be able to intervene in rulemaking through a secret procedure?

The CHAIRMAN. The time of the gentleman has expired.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I will answer the gentleman in private.

Mr. ROYBAL. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, I oppose the amendment to strike the prohibition on funds for the Council on Competitiveness—the so-called Quayle Council—for several reasons:

First, the Council has not been authorized by Congress, yet it has far-reaching influence across all Government agencies;

Second, the Council operates outside the public view, contrary to normal rulemaking procedures spelled out in law;

Third, the Council intervenes in agency rulemaking, often against congressional intent;

Fourth, the Council's actions often put public safety, and worker and environmental protection, at great risk;

Fifth, the Council refuses to cooperate with congressional committees exercising their constitutional oversight responsibilities; and

Sixth, the Council's former executive director and current Deputy Chief of Staff to Vice President QUAYLE, Allan Hubbard, may have violated the Federal conflict of interest statute.

For several years, the Council has usurped enormous decisionmaking powers given to Federal agencies by Congress. Apart from lacking expertise on many regulations, the Council refuses to follow the normal rules as embodied in the principles of the Administrative Procedure Act and other statutes. It conducts its decisionmaking secretly. It ignores the principle of hearing from all parties before making decisions. And once its interference with a regulation against congressional intent is discovered, the Council refuses to cooperate with committees seeking information about the Council's role in the process.

Regulations the Council has made decisions on are ones of great significance. The Council forced EPA to change a Clean Air Act pollution permit regulation in violation of legislative intent. The Council delayed and sought to weaken new nutrition labeling regulations required by Congress, weakened FDA's drug approval process, delayed medical laboratory standards required by Congress to prevent faulty testing, and blocked an EPA rule banning the burning of lead batteries, the single largest source of lead emissions into the air.

Just yesterday I chaired a Government Operations Committee hearing on Quayle Council interference with a HUD regulation that is critical to providing handicapped people with access to housing. All that people in wheelchairs want is reasonable access to balconies, living rooms, and bathrooms. They should expect no less.

But the proposed HUD regulation, developed after more than a year of extensive consultation with all the affected parties, was opposed by the National Association of Home Builders. When they lost at HUD they used a secret, back door and went directly to the Quayle Council with their case. But guess what—the other groups that supported the regulation weren't invited. They didn't know about the meeting. In the end the Council strong-armed HUD into changing the regulation.

The Home Builders sent a friendly letter to the Vice President's assistant noting, and I quote, "HUD would not have changed its position without the active intervention of the Council on Competitiveness." I will insert in the RECORD an article from yesterday's Wall Street Journal that describes more fully this example of closed-door bullying by the Council.

To some, this dispute between an Assistant Secretary at HUD—Mr. Gordon Mansfield—and the staff of the Quayle Council may appear merely to be a fight between two factions of the Republican party. On the one hand, HUD Assistant Secretary Mansfield was nominated by President Bush and was confirmed by the Senate. He is, I presume, ably helping Secretary Kemp enforce the Fair Housing Amendments Act of 1988. On the other hand, there is the Vice President's Deputy Chief of Staff, Allan Hubbard, forcing Mansfield to change his decision.

In any event, Mr. Hubbard may have his own problems. The Council has refused to allow the Department of the Treasury and the Environmental Protection Agency to turn over to our committee 21 documents that are in the agencies' possession. These documents may shed light on whether Hubbard violated Federal conflict of interest laws. Hubbard reported owning between $18,000 and $65,000 worth of stock in three Indiana banks while he negotiated last year with EPA to ease rules on bank loans to owners of polluted sites. I will insert in the RECORD a June 18, 1992, article from the New York Times reporting on our investigation of Mr. Hubbard.

While I do not quibble with the President's privilege to establish some limited review mechanism for draft Federal regulations, the totally secretive nature that the Council operates under is wholly unnecessary and inconsistent with democratic principles of open government.

The other side will tell us that it is critical that the President have the Quayle Council to coordinate regulatory policies. My friends, the administration already has such a body. It is called the Office of Information and Regulatory Affairs [OIRA] and it's located in the Office of Management and Budget. It has a $5 million appropriation even though its authorization expired some 3 years ago. OIRA operates according to Presidential Executive order, not according to law. Many of its activities too are secret, contrary to the rulemaking procedures spelled out in the Administrative Procedure Act. They provide a backdoor conduit for special interest interference in the regulatory process against the procedures established by Congress. They delay and often gut regulations promulgated pursuant to public law, which this body has spent months and sometimes years deliberating over. Do we need two such rogue bodies?

In order for the Council to continue to receive congressional support through appropriations, I believe that the outstanding matters of openness and accountability should first be resolved with the Congress. It is precisely this kind of secret, unaccountable, special interest governing with which Americans from all quarters are expressing their dissatisfaction.

I urge my colleagues to vote in opposition to the amendment to strike the Appropriations Committee prohibition.

[From the Wall Street Journal, June 30, 1992]

HOME BUILDERS USED QUAYLE COUNCIL TO HELP EASE DISABLED-ACCESS RULES

(By Bob Davis)

WASHINGTON.—Documents uncovered by congressional investigators show how the

National Association of Home Builders enlisted Vice President Dan Quayle's Competitiveness Council to circumvent the normal regulatory process concerning regulations designed to aid the disabled.

After extensive hearings and comment from all parties involved, the Department of Housing and Urban Development was about to adopt final rules in January 1991 covering the design and construction of apartments so that they would be accessible to disabled people. But the home builders decided to make a last stab at easing those rules.

According to a log of contacts the NAHB provided to investigators from the House Government Operations Committee, the builders and a disability group took their case to the Competitiveness Council, which successfully pressured HUD to ease up on the rules.

"HUD would not have changed its position without the active intervention of the Council of Competitiveness," Charles Field, NAHB's vice president, wrote to the Competitiveness Council. The disability controversy will be the subject of a hearing today before the Senate Government Operations committee.

This case will provide more ammunition to the council's critics, who contend that the agency has set up a secretive layer of review on top of regular White House staff.

"The totally secretive nature that the council operates under to decide important questions of public law is inconsistent with democratic principles of open government," charged Rep. John Conyers (D., Mich.), chairman of the Government Operations Committee.

But Jeff Nesbitt, a spokesman for the Competitiveness Council, contended that Rep. Conyers was "cynically" playing politics. "Who has access to calls from Conyers and his staff?" Mr. Nesbitt asked. "Where is the accountability for the manipulation of Congress" by special interests? HUD officials didn't comment on the dispute.

The controversy began in January 1991, when HUD was finishing rules designed to make multi-unit housing accessible to disabled people. Bill Mitchell, director of policy at the National Association of Protection and Advocacy Systems, an umbrella group of state disability groups, said the rules were expected to provide tough standards that would make balconies, living rooms and bathrooms accessible to people in wheelchairs. HUD formally shipped the rules to the White House Office of Management and Budget for review on Jan. 7, 1991.

But shortly before then, according to NAHB logs, Mr. Field phoned the Competitiveness Council. He said he complained about the expected cost of the rules. The home builders' complaints were bolstered by an unusual alliance they struck with one disability group, the Paralyzed Veterans of America.

Kim Beasley, an architect with the veterans' group, said the group decided it was better to work with companies building apartments than to oppose them. Besides, he said, the HUD rules were vague and would discourage developers from building apartments suitable for disabled people. "Most of the disabled community said, 'Don't work with the Home Builders. Let HUD sort it out,' " Mr. Beasley said.

On Jan. 7, NAHB and its ally were invited to meet with the Competitiveness Council staff and explain their concerns. Mr. Field kept up his lobbying with six phone calls over the next two months and a letter inviting the executive director of the council to accompany him to the Harvard Club of Washington. During that time, HUD officials said privately, the agency eased rules concerning the number of apartments covered, how many bathrooms and kitchens in an apartment would have to be accessible, and whether balconies and sunken living rooms would have to be accessible by those in wheelchairs.

Meanwhile, other disability goups that opposed the changes were kept in the dark. "We didn't know at the time that the Competitiveness Council had any role, so we didn't try to contact them," said Mr. Mitchell.

On March 6, 1991, HUD issued its final rules, which NAHB's president praised in a letter to the Competitiveness Council as saving the public "as much as one-half billion dollars per year."

Mr. Beasley said the Competitiveness Council's intervention was crucial. "We just weren't getting anywhere" with HUD, he said. But the official overseeing the rule, Gordon Mansfield, had recently worked at the Paralyzed Veterans of America as associate executive director for government regulations, and used a wheelchair himself.

Mr. Mansfield was traveling and didn't return calls requesting comment.

[From the New York Times, June 18, 1992]

AIDE TO QUAYLE FACES NEW ACCUSATIONS OF CONFLICT

(By Philip J. Hilts)

WASHINGTON.—After putting his stock holdings in trust to avoid conflict-of-interest accusations, one of Vice President Dan Quayle's chief campaign aides is again under investigation for possible violation of criminal conflict-of-interest laws.

The subject of the inquiry is Allen B. Hubbard, an Indiana investor who is deputy chief of staff to the Vice President and the chief organizer of Mr. Quayle's campaign travel.

Representative John Conyers Jr., Democrat of Michigan and chairman of the House Government Operations Committee, which is investigating the matter, says Mr. Hubbard may have violated the Federal conflict of interest law by helping to renegotiate a regulation criticized by the banking industry at the same time he owned stocks in three banks.

Mr. Hubbard owns $18,000 to $65,000 worth of stock in three Indiana banks, financial disclosure reports say. According to documents of the Environmental Protection Agency and the White House Council on Competitiveness, he negotiated last year with the E.P.A. to ease rules on bank loans to owners of polluted sites.

Under E.P.A. regulations, banks that make such loans have to clean up the polluted sites if the owners default on their loans and the banks take over the property. Mr. Hubbard played a major role in persuading the E.P.A. and Treasury Departments to change the regulations to allow banks to lend money to the landowners without sharing liability for a clean-up, documents indicate.

This is not the first time Mr. Hubbard has been accused of Federal conflict-of-interest violations. In December, Mr. Hubbard announced he would set up a blind trust for his stock holdings after Congressional leaders asserted that he might have violated conflict of interest laws by working on pollution regulations that affect companies in which he owned stock.

ASKING FOR DOCUMENTS

Mr. Conyers has asked the Vice President's office to turn over some documents about Mr. Hubbard's involvement in negotiating the relaxation of the rule, but he said today that his committee had received no answer. "What are they trying to hide, and why are they trying to thwart a Congressional investigation of a possible felony?" Mr. Conyers asked.

A spokesman for Mr. Quayle, David Beckwith, said the Vice President's office planned to answer Mr. Conyers' request for documents. Members of the Vice President's staff, speaking on the condition of anonymity, said the matter was purely technical because Mr. Hubbard was intending to get a waiver absolving him of conflict of interest in such matters.

Such a waiver, which he did obtain later from the Vice President, describes his potential conflicts and declares them to be insubstantial. In theory, the waiver protects him from conflict of interest charges, but it is not clear how a court would treat it. It is common practice among businessmen who become high officials in Government to seek such waivers.

However, Mr. Hubbard did not receive the waiver until mid-June 1991, after he had already negotiated the issue of what burden banks must take when they lend money to potential polluters. Thus the waiver would give him no protection from prosecution in that case.

Mr. Conyers said the documents he was seeking dealt "with specific meetings we now know occurred between Mr. Hubbard and senior officials of E.P.A. and the Treasury Department concerning an environmental Superfund regulation that affected the liability of banks, including three banks in which Mr. Hubbard owns stock."

"There is a very real question of whether a felony violation occurred," he went on.

RULE DISLIKED BY BANKS

Although the E.P.A. rule requiring banks to clean up foreclosed property has rarely been enforced, officials say, the banking industry lobbied vigorously to have it changed. The industry feared situations in which a bank that had lent a few hundred thousand dollars would be forced to take on multi-million dollar clean-ups.

Bankers favored changing the rule, part of the E.P.A.'s Superfund regulations, to allow banks to escape liability for a clean-up if they do nothing but hand out the loan and try to resell the property immediately after the loan defaults.

The negotiations on the rule, which was first proposed in 1990, has dragged on for many months because of disputes between the Treasury Department, the E.P.A. and the White House budget office until Mr. Hubbard appeared on the scene. Mr. Hubbard, who became deputy chief of staff to Mr. Quayle in 1990, began work on the issue in 1991 on behalf of the Council on Competitiveness, a Bush Administration panel that seeks to ease the impact of regulations on business. It was Mr. Hubbard's intervention, E.P.A. officials say, that resolved the disputes, and the change went into effect last year.

Environmental groups opposed relaxation of the rule, saying companies would be less likely to clean up their polluted sites if the bankers who lent them money could ignore the state of the site in making a loan. If they had some risks, the lenders might well require the company to take good care of the site, just as they now require borrowers to have fire insurance.

Mr. Hubbard met with Government officials on several occasions to help change the rule on banks' liability. At least four of the meetings were in May and June 1991, before

Mr. Hubbard had relieved a waiver, documents indicate.

NECESSARY PROOF

In an interview, Thomas Zorn of the Office on Government Ethics, an independent Federal agency that oversees governmental ethical rules, said of Mr. Hubbard's role, "There is a potential conflict there."

But there is general disagreement over what would have to be proved against someone accused of a conflict of interest.

Some of the tests of whether Mr. Hubbard's acts were a violation, Mr. Zorn said, would be whether he participated substantially in the decisionmaking, and whether the policy making he was part of would have a "direct and predictable" effect on the banks in question.

Stephen Gillers, an expert in conflict of interest law at New York University, added that the prosecutor in such a case would probably have to show that the Indiana banks in which Mr. Hubbard and his family have stock had loans on the books to businesses with designated Superfund sites.

It is unclear what loans those banks have made. Mr. Conyers's aides say they are still investigating the issue. If, after reviewing the documents, Mr. Conyers suspects a conflict, he may ask the Justice Department to prosecute, his aides said.

Mr. MCDADE Mr. Chairman, I yield 4 minutes to my dear friend, the gentleman from New York [Mr. HORTON] the ranking Republican member of the Committee on Government Operations.

Mr. HORTON. Mr. Chairman, first of all let me point out that the Council of Competitiveness is not a rulemaking body. It does not make the rules. The rules are made by the various agencies.

Second, and a very important point, I chaired, as many of the Members know, the Paperwork Commission, which finished its work back in 1977. As chairman of that committee, I presented our findings to President Carter. One of the findings that we made was that most of the paperwork, 80 percent of the paperwork, came from the regulatory process. Regulation is what causes paperwork.

As a result of that, the Committee on Government Operations, on which I serve as the ranking member, and the chairman just spoke a few minutes ago, the Committee on Government Operations created the Office of Information and Regulatory Affairs in 1980 with a level three executive as its administrator, as a means to manage the regulatory agenda of the Federal Government. Agencies were having difficulties working out their problems, so it was our considered judgment that we ought to have an office in the Office of Management and Budget called OIRA, to help keep those regulations on track, to eliminate duplication, and to make sure that the regulations did not result in additional paperwork requirements, and to settle disputes.

I support a strong OIRA. It simply was not created to resolve major policy disputes between the senior officials in government.

Presidents of both parties have established formal or informal mechanisms to resolve these kinds of disputes between Cabinet Secretaries. The Council on Competitiveness would be needed regardless of whether OIRA existed or not. There has been a lot of confusion here with regard to what the Council on Competitiveness is. It is a deliberative forum which serves the President, and that is where senior agency officials can gather to discuss and hopefully resolve policy issues that affect major regulatory proposals, often involving several agencies. It is a Cabinet-level body intended to serve the interests of all Americans by helping to reduce excessive, burdensome, and unnecessary regulation.

It is not the Vice President's council. He is designated by the President to serve as the head of the council. The council was established by the President, President Bush. President Reagan did one, President Carter had something like that, President Ford had another one, and Mr. Clinton, who is running for President on the Democrat side, said if he were President he would have one.

This Council was established on June 15, 1990, by President Bush. I think it is very important that we recognize that this Council does not make decisions, that what this Council does is bring in outside interests.

We had one yesterday before our Committee on Government Operations. The Paralyzed Veterans of America and the National Association of Home Builders were concerned about the inability of homes to be built for paralyzed veterans. The Paralyzed Veterans of America went before the HUD people, who had formed these regulations, and did not get satisfaction. They went to the Council on Competitiveness, the Council on Competitiveness made a report, and ultimately HUD made a decision which gave accessibility at a cost that would provide these facilities for the disabled. That is basically what this council does.

That $86,000 is a very good investment, and I hope that we will support the McDade amendment.

Mr. CONYERS. Will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Michigan if I have time.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CONYERS. The gentleman and I have agreed that we would look to legislation for the review process.

Mr. ROYBAL. I yield 30 seconds to the gentleman from New York [Mr. HORTON].

Mr. HORTON. I yield to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, I wanted the entire body to hear that the gentleman from New York [Mr. HORTON] and I have agreed that the whole regulatory review process needs to have legislation behind it. It was his idea, and I think we can assure everyone that the Committee on Government Operations is going to reexamine this entire question.

Mr. HORTON. I agree with the gentleman. That is what I suggested, yes. I certainly agree that we can do that and we should do that very promptly.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore [Mr. WISE] assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. McCathran, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1993

The Committee resumed its sitting.

Mr. ROYBAL. Mr. Chairman, I yield 1 minute to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY of New York. Mr. Chairman, from the mouths of babes come words that we can ignore only at our peril. Eleven-year-old William Figueroa, of Trenton, NJ, said about the Vice President: "I knew he was wrong." The same can be said about the Council on Competitiveness, chaired by DAN QUAYLE. We know they are wrong. But a lot more is riding on their actions than a spelling bee.

The closed-door deliberations of the Competitiveness Council affect the lives and livelihoods of millions of Americans. But most of us are not permitted access to the proceedings of the Competitiveness Council. The Council meets in secret and refuses to disclose its contacts.

The members of the Council on Competitiveness think they are immune from the law. They answer to a higher calling, the siren song of special interests. Forget the law, forget public participation, they tell us, the elite members of the Competitiveness Council know better than the public.

I urge my colleagues to oppose this amendment. The American people want Government that is open, fair, and efficient. The Competitiveness Council is the Federal equivalent of the old boy network. Deep down, we know they are wrong.

□ 1600

Mr. ROYBAL. Mr. Chairman, I yield 1 minute to the gentlewoman from Hawaii [Mrs. MINK].

Mrs. MINK. Mr. Chairman, I thank the chairman of the subcommittee for yielding time to me, and I want to rise in strong commendation for the actions of this appropriation subcommittee in recognizing the tremendous concern that the Congress and the general public have in the creation of this White House Council on Competitiveness and its ability to operate in secret without a public record, without the public really having an opportunity to intervene in the decision making that I know goes on within the council.

I rise, therefore, in opposition to the amendment which seeks to restore this funding. This council has never been authorized by the Congress. It operates in total secrecy.

If it is important for the chiefs in the various departments to get together, certainly there are funds, and mechanisms, and task force operations that could be brought to bear in which these discussions could occur. But this Council has been created as an artificial body that could rise up and refute regulations and rules that we have in important matters dealing with the environment and with health. So I hope these funds will not be restored.

Mr. ROYBAL. Mr. Chairman, I yield 2½ minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Chairman, I thank the gentleman for yielding me the time. I have unfortunately not been able to be here for all of the debate. The gentleman from Pennsylvania [Mr. McDADE] and I have been in a Labor/Health markup. He came up for his amendment and I have just come up to the floor.

But the substance of this debate obviously is the question of is this Council simply carrying out executive oversight, or is it in fact subverting the processes that we have established to ensure that the public knows what its Government is doing, and the public is protected against conflict of interest, the public is protected against in secret doing that which the Government says it is not doing in public.

In addition, I know that there has been a lot of discussion about trying to make America more competitive, trying to make sure that businesses are not oppressed by unnecessary and undue regulations, to make sure that farmers are not made to have a more difficult time because of oppressive government regulations. I think all of us in this House agree with those objectives.

The fact of the matter is, however, there are two institutions of government, two agencies which currently exist. One is OIRA located in OMB which is specifically given the authority and the charge to oversee the implementation and promulgation of regulations to ensure presumably against redundancy, and to make sure that the regulations are themselves not oppressive.

With respect to the Vice President's Council, of course every one of these agencies that issue these regulations operate under a Presidential appointee. The President has full authority right this minute to make sure that his secretaries oversee the proper promulgation and implementation of every regulation.

In addition, to ensure that America is competitive with the rest of the world, we have by legislation provided for a Presidential and Senate and House-appointed Competitiveness Policy Council that is specifically to do some of the things that have been discussed in the debate on this floor. That is to ensure our competitiveness. Fred Bergstem is the chairman of that, and as a matter of fact, Bob Mosbacher, very close to the President, former Secretary of Commerce, now doing something else, is on this council.

So I would suggest that we already do what presumably this council is supposed to do, and we can save some money. But more importantly, we will not be keeping secret the business of this government from the people.

Mr. McDADE. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa [Mr. LIGHTFOOT].

Mr. LIGHTFOOT. Mr. Chairman, I would only say that when the Council on Competitiveness or any future agency of its type cannot exist, it is outrageous, and this is basically what the Skaggs amendment does; it tells this President or any future President they cannot use their own staff as they see fit, and it is outrageous.

Mr. Chairman, I rise in support of the amendment offered by our ranking member, Mr. McDADE of Pennsylvania.

I believe the provision we are objecting to today is a dangerous one. The Skaggs provision is, in effect, telling the President of the United States, and in turn the Vice President: That he cannot use his own staff as he sees fit; that he cannot review Federal policy; and that he cannot as Chief of the executive branch, have oversight over that same executive branch.

That is pure partisanship. The Skaggs provision is objecting to the policy conclusions, therefore objecting to the staff that reached them. To say that the Council on Competitiveness, or no future agency of its type, can exist, is outrageous.

Congress has missed the point. Overregulation and bureaucracy are not the friends of the American people. Nearly 170 Members of this body, a bipartisan group, cosponsored legislation sponsored by our colleague from Louisiana [Mr. HAYES] to bring some sense of reason to wetlands policy. All of those Members realized our Federal wetlands regulations were a mess—as did the Council on Competitiveness.

I ask those of you who supported that legislation to let your sense of reason prevail and support this amendment. Let the Council on Competitiveness continue its important role—as an advisory group for the President. The President has that right.

Mr. McDADE. Mr. Chairman, I yield such time as he may consume to the gentleman from Colorado [Mr. HEFLEY].

Mr. HEFLEY. Mr. Chairman, I rise in the strongest possible support of the McDade amendment and in opposition to the ludicrous attempt of my colleague, the gentleman from Colorado, to destroy this effective Council.

This week, an obscure Presidential council is in the limelight for stepping on some big toes in Congress. That Council—the President's Council on Competitiveness chaired by Vice President DAN QUAYLE—has been busy working with Federal agencies to ease the regulatory burden on America's property owners and businesses.

In doing so, this small council with only two staff members has raised the ire of several proregulation Members of Congress. The result has been the targeting of the Council and its members for innuendo, false charges, and, now, elimination.

In my mind, this is just another example of how out of touch the congressional leadership is with the American public. I cannot count the number of homeowners, businessmen, and other people from my district who have contacted me regarding the outrageous demands placed upon them by regulatory agencies. In some cases, these demands have cost them their homes, businesses, retirement savings, et cetera.

What is more, this is a national problem. According to several sources, Federal regulations cost Americans over $400 billion per year. That is $4,000 per American family, or more money than the total income for most of the families in the world.

Despite this incredible burden, Members of this body have voted to kill the one Federal organization dedicated toward cutting the regulatory burden currently shouldered by Americans.

The fact is, this attempt to kill the Council has nothing to do with concerns about the legitimacy of the Council's work. Rather, it's a political battle between proregulation Democrats and the President of the United States. After all, he's the one who created the Council and dedicated its mission.

If those Members who support killing the Council wish to control the executive branch, then I suggest they run for the office themselves. In the meantime, I suggest they get in touch with their constituents, if they are not too buried under Federal regulations to let them know how they feel.

Mr. McDADE. Mr. Chairman, I am pleased to yield 3 minutes to the distinguished gentleman from Georgia [Mr. GINGRICH], the Republican whip.

Mr. GINGRICH. Mr. Chairman, I thank my friend for yielding me the time.

Let me just say I think this is an amazing situation to be in. Virtually every Congress man and woman goes back home and says, "Oh, I'm against redtape, I am against all of those regulations. I am against all of those bureaucrats. Oh, it's terrible." Dentists come in and explain what OSHA is now doing to them, and I bet almost every

Member of this body has said, "Oh, those are crazy regulations."

People come in who are faced with a need for a brandnew drug. It takes 4 years to get it approved, this brandnew drug. A Congressman gets up and says, "Oh, this is terrible to have that regulation, terrible to have that bureaucracy."

The President of the United States finally says all right, let us set up a council, an administrative Cabinet-level body. Let us cut through the redtape. Let us find a way to help the American people and speed up new drug approval. Let us limit the bureaucracy. Let us weaken the hold of all of those full-time bureaucrats in Washington. Let us give the small businessman and the small businesswoman a chance. Let us give the dentist, and the doctor a chance, and let us give the hospital a chance, and let us give the farmer a chance.

Then what is the first thing the Democratic leadership does? They decide to kill the only agency in Washington which on a full-time basis is trying to cut redtape. Now let us think about it, of all of the Federal executive branch agencies there is one place which in the last 6 months has consistently made headlines cutting redtape. There is one place which has consistently made headlines fighting the bureaucrats, and that is the Competitiveness Council.

What is the answer of the liberal Democrats after every speech to every Rotary Club, after every speech to every chamber of commerce, after every explanation on every local radio station? It is going to be to vote to kill the only agency which is dedicated to cutting redtape, fighting the bureaucracy.

But I just want to make the point over and over so Members can have no doubt about it. Do not go back home and tell small business you are sorry about redtape if you vote against the McDade amendment. Do not go back home and tell your dentists that you are sorry about the stupidity of what OSHA is trying to do if you vote against the McDade amendment. Do not go back home and tell your family farmer how awful that paperwork is if you vote against the McDade amendment. And when some family comes in and desperately needs a new drug, and there is no way to cut through the redtape and help them get that drug, and they are tied up in 4 years of Federal bureaucracy, do not tell them you are trying to help them if you vote against the McDade amendment.

JOE MCDADE has the only amendment on this floor to reestablish the only branch of the Federal Government which is fighting against bureaucracy and redtape, and if Members vote no on that amendment they are voting with the bureaucrats, with the redtape, with the regulations, and they are voting against the farmers, voting against the doctors and the dentists, and they are voting against the small businessman. It is in the end just that simple and just that clear.

Mr. ROYBAL. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Chairman, to paraphrase the gentleman who just spoke in the well, do not go home and tell your businessman that he should play by the rules. Do not tell the farmer that he should play by the rules and follow, as the gentleman from Oklahoma [Mr. EDWARDS] said, the requirements of the Administrative Procedure Act, because there is a better way to do it. Get a campaign contributor to put you in touch with the Competitiveness Council, and they will get your opinion on the record without your name being known to anybody. They will find an underground way for you to influence the regulations that are being written without identifying your company or yourself with what you are asking the Government agency to do.

What the agency has turned into is not a group of people who are concerned about competitiveness.

□ 1610

It is a group of people now who are giving a special group of American citizens the backdoor entrance into the rulemaking process in a totally secretive way so that nobody can ever read the RECORD and see who is responsible for the rule.

Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Pennsylvania [Mr. MCDADE].

I believe H.R. 5488 should strike funding for the Council on Competitivenss headed by Vice President DAN QUAYLE. As chairman of the Education and Labor Committee, I have first hand knowledge of the mischief the Council has been up to in frustrating the Occupational Safety and Health Administration from protecting employee health and safety, as Congress intended. The Council blocks or guts OSHA action to protect working men and women at the behest of businesses seeking to avoid regulation. The Council's activities have undermined the public rulemaking process, by encouraging off-the-record lobbying by those with White House connections.

The Council on Competitiveness' most recent OSHA-related initiative was to argue that reductions in toxic exposures on the job would hurt—not help—employee health and safety. According to the Council, we should continue to allow employees to be poisoned by chemical exposures at work, because if their employers save money, employees might get raises, and wealthy workers are healthy workers. This is ridiculous.

OSHA had already considered this theory and decided that it would be illegal for the Agency to rely on it. But the Council ignores the law. Acting with the Council's support, OMB blocked OSHA regulations to protect construction, agricultural, and maritime workers from exposures to 400 toxic chemicals until OSHA agreed to consider OMB's ideas. Only a cruel hearted administration would argue—as the Council has—that increased exposure to toxins on the job is good for workers.

The Council also intervened in OSHA's decision on whether to modify its formaldehyde standard. When the affected industry could not get what it wanted through OMB, the Council stepped in to ensure that OSHA's actions had business approval. The Council has created a secret court of appeals for industry to curry political favor.

But the Council's most destructive interference in OSHA's rulemaking process is not yet widely known. Published reports indicate that the Council has been actively pushing a draft executive order on risk assessment. Under this draft order, agency scientists would be told what scientific principles are valid and how they are to be applied to interpret technical data. Political operatives at the Council on Competitiveness will call all the shots on issues of toxicology, biochemistry, and biostatistics.

It should come as no surprise that the interpretation of scientific data mandated by this proposed Executive order mirrors the interpretation suggested by business organizations seeking to avoid health and safety regulation. Indeed, the scientific interpretation demanded by the Council has been rejected by every Federal agency that has considered risk assessment issues.

I am distressed that the Council would manipulate the rulemaking process in this way. We expect regulatory agencies to evaluate technical data and draw conclusions about how to protect the public health. But the Council is afraid to let that happen. So the Council will dictate the method that agencies must use to evaluate the risks from toxic substances, and it will demand that an agency follow its rules, even when the scientific data suggests otherwise. Politics, not scientific evidence, will dominate public health decisionmaking.

Why would the Council demand that OSHA rely on risk assessment principles which lack scientific basis? The answer is simple. The Council wants to dictate the result of OSHA's regulatory efforts and make sure that OSHA's analysis shows that toxic substances are not worth regulating. The Council cannot rely on the public rulemaking process to achieve its goal, because available evidence shows that workers need more health and safety protection, not less. The only way the Council can justify this administration's unwillingness to protect worker health is to change the rules of the game. Heads, the Council wins; tails, workers and the public health lose.

There have also been published reports that the Council is considering ways to weaken the Davis-Bacon Act. This is the law which prevents Federal or federally assisted construction activities from disrupting local economies by requiring contractors who successfully bid on these contracts to pay their workers wages that are already prevailing in the locality in which the work is to be done.

President Bush had been considering the advice of some of his top aides to temporarily suspend the Davis-Bacon Act in the mistaken belief that such an action would help turn the economy around. But more thoughtful advisers prevailed and the President decided not to take such a drastic measure. I am sure his more astute advisers reminded him that in 1971, then President Nixon suspended the Davis-Bacon Act for a year. Subsequent authenticated studies proved that that action had no discernible effect on the economy and did not result in any appreciable savings in Federal construction moneys.

Despite the historical facts showing that the Davis-Bacon Act does not distort the economy or drive up construction costs, the Competitiveness Council, nevertheless, thinks it can defy history and is now thinking up ways to disrupt the salutary effects of this law.

Mr. ROYBAL. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. Mr. Chairman, earlier this week a train derailed in Superior, WI, spilling benzene, causing a huge fish kill in the Nemadji River, and forcing the emergency evacuation of 60,000 residents of that community.

Press accounts of this disaster today are reporting that emergency crews were delayed up to 9 hours because, according to Jane Meyer of the Wisconsin Emergency Response Commission:

> The enforcement of a Federal law that will provide money for [protective suits] and other hazardous spill equipment has been delayed by Vice President Dan Quayle's Council on Competitiveness.

Here we have the administration's view of safety and environmental protections summarized in a nutshell. The administration has used the Quayle Council to make it easier to pollute the environment, easier to put workers in unsafe jobs, and, by coincidence, easier for big business to be irresponsible and to profit from that irresponsibility.

Can industry be trusted, I ask you, to assume the responsibilities of the Council on Competitiveness to seek to protect them from? Can we trust our workers on the railroads and other places to the gentle, tender mercies of big business acting on its own without regulation?

The Associated Press today cites Paul Steadman of the U.S. EPA as saying that the Burlington Northern Railroad has complained that local officials overreacted to the danger caused by the spill and asked that the remaining evacuation order be lifted.

But was this spill of benzene which nearly cost many lives as well as causing incalculable damage, was this preventable?

The tank that ruptured in Superior, WI, was the 111-type tank car, the same type of tank car that ruptured in Dunsmuir, CA, into the Sacramento River last year, effectively killing Lake Shasta. The railworkers have been fighting this tanker since 1978, because it is known to be one of the types of tankers that is most likely to rupture in case of accident. It has ruptured repeatedly in the past, but there is no relief from the Federal Government or from the Association of American Railroads Tank Car Committee.

If we agree this Republic must be ruled by law and not by politics, we must oppose the McDade amendment. This is a case study in which the McDade amendment is unwise and should be rejected.

Mr. McDADE. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from California [Mr. DOOLITTLE].

Mr. DOOLITTLE. Mr. Chairman, I strongly support this amendment and the Competitiveness Council.

I rise in strong support of the amendment offered by the gentleman from Pennsylvania [Mr. McDADE] to restore funding for the Vice President's Council on Competitiveness.

My office has been flooded with mail protesting the elimination of Council funding, all of which made a sound case for the Council's continuance. Citizens for a Sound Economy points out that "unnecessary regulatory burdens may impede the ability of U.S. firms to compete, to create jobs, and to invest in ways that will increase productivity." Opponents argue that the Council intercedes on behalf of business to the detriment of the consumer. That assertion is patently untrue. In truth, excessive and unwarranted regulations are hurting consumers badly. The cost of excess regulations is borne by the consumer, and delays caused by those restrictions keep needed products including life-saving drugs off the market. The Council on Competitiveness has taken meaningful steps to ease the burden of overregulation imposed on businesses and consumers alike.

The effort to eliminate funding for the Council ignores the need to remove impediments to competitiveness, progress and economic growth, choosing instead to strip the executive branch of its ability to eliminate or revise unnecessary and costly regulations. We must not accept this foolish—and dangerous—attack on the Council. Those who advocate stripping funding from the Council on Competitiveness are trying to mislead the American public with irresponsible scare tactics. Let's ensure that they do not succeed by supporting this amendment.

Mr. McDADE. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. EWING].

Mr. EWING. Mr. Chairman, I likewise support the McDade amendment.

Mr. Chairman, in a maneuver reeking of election year politics, the Treasury/Postal appropriations bill abolishes the two staffers at the Vice President's Council on Competitiveness and these are the only two staffers in this lean and mean operation. It has saved our economy billions of dollars and helped save American jobs. The Skaggs language to kill the Council would eliminate one of the few Federal programs which is having a positive impact on our economy and creating jobs.

The Council on Competitiveness has helped ease the crippling drain regulations have on our economy. The Council has enjoyed extraordinary success in its reform efforts. With only two full-time staffers trying to monitor 122,000 bureaucrats, this is a prudent investment. Another success of the Council has been to reduce the time it takes to develop breakthrough drugs.

The Council has developed reforms for our civil justice system to reduce excessive litigation which is tying up our courts.

Vice President QUAYLE and the Council on Competitiveness are doing a lot to save Americans from the Federal bureaucratic stranglehold. The Skaggs language would cripple a program which is saving the American people billions of dollars.

The efforts to shut down the Council on Competitiveness is a partisan political ploy. Let us quit playing election year games with the economy and American workers.

I urge my colleagues to support the amendment to strike the Skaggs language.

Mr. McDADE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. IRELAND], the ranking member of the Committee on Small Business.

Mr. IRELAND. Mr. Chairman, I rise to say a few words on behalf of the 20 million small businesses in America and the over 100 million employees of those businesses.

Mr. Chairman, the debate on the McDade amendment is not a question about the role of government. We are not debating whether or not we need rules and regulations. The debate is about how we achieve the results that we want as expressed in the laws we pass.

Here, the interpretation of the law and the promulgation of the regulations is the responsibility of the executive branch agencies. The Council on Competitiveness is an important part of the executive branch's oversight structure.

Some may not agree with the executive branch's interpretation of the goals of certain regulations. But I would remind you that that is the job of the executive branch.

We should not allow this prerogative to be usurped by the faceless, unelected, unappointed bureaucrats in the agencies working with the staffs of congressional committees acting in secret who hold a different political view.

Now, one thing is clear, and that is that through the Competitiveness Council, the executive branch has stopped or modified countless regulations that would have been devastating to the small business part of our economy, the part of our economy that is providing all of our new jobs, over half of the employment in this country, and most of our gross national product.

In this debate, we have heard the statistics and the horror stories that show why small business needs the Competitiveness Council. A vote for the McDade amendment will save many small businesses and help others provide the jobs we need so badly. A vote against the McDade amendment will be devastating to small business.

My colleagues, I would remind you that it is easy to say you are all for small business, but today it is how you vote that counts.

Mr. ROYBAL. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, the Competitiveness Council operates with taxpayer dollars, it considers public policy issues, it changes regulatory practices and policies, and it impacts the implementation of laws enacted by Congress.

Yet, the Council is not accountable to anyone. Its deliberations are not made public. The Council does not permit public participation. This is a rogue organization that is inconsistent with the democratic principles of our country.

The White House already has a regulatory review process in place at the Office of Management and Budget. The OMB operation has the power to do everything the Competitiveness Council is doing. The difference is that OMB must follow the principles of public disclosure.

OMB is required to disclose all written material received from interested parties concerning agency rules. OMB is required to disclose all meetings with interested parties concerning agency rules. OMB is required to disclose all agency rules it reviews. And, OMB is required to disclose all written recommendations it makes to the rulemaking agency.

I am not opposed to streamlining the Federal regulatory process or restructuring regulations to give businesses the flexibility they need to comply with the law. What I am opposed to is the unilateral dismantling of public policy by a very unpublic entity. I am opposed to the Competitiveness Council being the lobbyist for the few, privileged interests that have access to the Vice President and this administration.

IMPACT ON DISTRICT AND CALIFORNIA

Airport noise:

I currently have a lot of people in my district who are concerned about airport noise. We have been working long and hard on a solution to this problem both locally and on a national basis.

Last September, however, the Competitiveness Council intervened to delay FAA implementation of new noise standards for the airlines. These regulations are critical to mitigating what has become a tremendous burden on people who live near airports throughout the country. The Quayle Council has unilaterally reversed the direction that Congress said we should take. It did so without any input from the general public.

Marketing orders:

California orange growers have overwhelmingly supported the marketing order for navel oranges. It provides price support and distribution efficiencies without any financial support from the Government. The benefits of the marketing order filter down directly to the individual grower and his or her employees. They are small businesses in most cases.

The USDA's own study in 1985 found that in a normal supply season grower revenue would fall by approximately $12.7 million if the marketing order was not used. That is money directly out of the pockets of growers. Yet, earlier this year, the Competitiveness Council in conjunction with the USDA terminated the marketing order. They went against the wishes of orange growers in California who overwhelmingly voted to retain the marketing order.

Fungicide regulations:

EBDC's, a group of fungicides, went through review at EPA, agriculture industry worked on satisfactory compromise with EPA. The EPA was about to issue regulations on EBDC's to enable farmers to plan for the coming season. In comes Quayle Council. They held up the regulations to try to add number of uses to the list. This intervention jeopardized the fragile compromise that EPA and the agriculture industry had reached. Only when the industry pressured the Council to stay away from the issue, did the council relent. Only a weeklong delay, but the untimely, unilateral intervention by the council put the industry in a difficult situation.

Mr. MCDADE. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, if we are going to cut the redtape, we must begin by cutting the bull.

Mr. Chairman, the marketing order is a government-enforced cartel. In any other industry but the California citrus industry, it would be illegal.

Mr. Chairman, Congress does sloppy work, not by accident, but on purpose. How many times have we seen the Democrat majority in a committee purposely write laws sloppily and then when we try to clean up and tighten the language tell us that will be done in the courts or that will be done as the bureaucrats write the regs?

□ 1620

That is what makes the Competitiveness Council necessary. The Competitiveness Council makes it necessary, makes it possible, makes it mandatory that the regulations are written with precision, with accuracy, with understandable language that can be followed by the American business sector and by the American people. They clean up the sloppy work of Congress, and that is an inconvenience to Congress and that is why the Democrats want to kill the Competitiveness Council.

Cut the bull and vote "yes."

Mr. MCDADE. Mr. Chairman, I am delighted to yield 3 minutes to the distinguished gentleman from Texas [Mr. DELAY], a member of the committee.

Mr. DELAY. Mr. Chairman, I thank my ranking member for yielding me this time.

You know, if you take on something like this and try to disguise it from being a political issue, you ought to know really what you are attacking. You really ought to know something about the Council. The Council has not made one rule. It does not make rules.

The gentleman from Colorado had a nice chart up here talking about the Council's rulemaking versus policymaking. They have never made a rule. They have never taken a rule, never taken action and made a rule. What they do is they intervene and they negotiate with agencies and settle disputes. Then the agency itself has the last rule to make. Then in the open they make the normal noticing comments under the Administrative Procedure Act.

This is a body within the White House, around the President. Even your own Democrat nominee, Mr. Clinton, last week said the President should have a regulatory review panel.

OIRA can do it.

Do you know what the truth is? They will not reauthorize OIRA. A court of law said and took away one-third of the ability to review agencies in the third-party rule and agencies are using that to circumvent, yet they will not reauthorize OIRA and the other body will not even confirm a Director. We have not had a Director in the 4 years of this administration.

Secret and illegal? Prove it. Prove it, because if you really think they are secret, then you are hypocrites, Mr. Chairman. We are all hypocrites because we meet with people all the time with special interest groups. We meet all the time in groups.

Even when I was up in the Rules Committee just the other day the Democrats went off in a room and met secretly and they came out and held a hearing. We do it all the time.

Now, we will not testify. The staff cannot testify, Mr. Chairman. The staff of the White House cannot testify, but even yesterday Government Operations had a hearing called by the Paralyzed Veterans of America and Government Operations refused to bring a Cabinet-confirmed official, the Assistant Secretary of HUD, before the committee to hear what he had to say.

Wetlands, you talk about wetlands, you are mad about what they took on wetlands, and you are hypocrites, because the wetlands were out of the sunshine. The EPA and the Corps of Engineers released a manual in 1989 without any hearings, without any notice, without any comment period and the Council intervened and said, "Wait a minute, whoa, let's bring it out into the sunshine," and demanded and had two comment periods.

So if you are mad about the wetlands, then you are for secrecy, because that is what the EPA and the Corps of Engineers did.

Now, just look within yourselves at the number of Democrats, 47 of them that have contacted the Council because agencies have been obstinate and capricious.

Mr. ROYBAL. Mr. Chairman, I yield the balance of my time, 3 minutes, to the gentleman from Colorado [Mr. SKAGGS].

Mr. SKAGGS. Mr. Chairman, I thank the distinguished gentleman for yielding, and take this opportunity to thank him for his leadership on the committee on which I am privileged to have served for the last 2 years. We will miss the chairman.

A couple points to clear up. First of all, if anyone is really concerned about where Governor Clinton stands on this issue, he has made it abundantly clear that he does not endorse anything remotely resembling what goes on in the Council on Competitiveness. We have a letter from him for those who may be interested.

Let me also say, in response to the point made by the gentleman from Texas, OIRA lives. It has $5 million in this bill to continue its operations in public, on the record, accountable to the people of the country, as the law provides.

Whose government is this, anyway? Who has been in charge for the last dozen years appointing the agency heads, appointing the administrators, superintending the redtape production? And now, notwithstanding all that they have been in charge of, they still have not gotten it right and have got to go behind the scenes to establish something like the Council on Competitiveness.

Ask Bill Reilly whether there has ever been an intervention, a change made in the rules prescribed by this Congress by the Council.

Ask him why he had to say no to the Council until "you get the Justice Department to tell me otherwise." Then come back and say with a straight face that this Council simply has conversations.

How are we supposed to get the details when they refuse to come up and testify to this Congress and tell us what they do, refuse to disclose anything of the operation, proudly announce that it is a no fingerprints operation? And yet we are to be taken to task because we cannot come up with chapter and verse when they refuse to operate in the open?

I suppose there could be some element of shame in all of this. I would certainly be a little bit ashamed if I had put someone in charge of this operation who had, as was stated before, a garden variety, alley cat variety conflict of interest and yet got a nice exemption by the Vice President of the United States to proceed anyway, perhaps ashamed of the interesting coincidence between the interests that are catered to by the Council and the list of nice campaign contributions and soft money donors going to this administration.

There are any number of reasons why, if this were going on in anybody's administration, they would want it kept behind closed doors, nice and secret, because it simply would be an embarrassment if the people of this country knew what was happening, how it was being done, whose interests were being served, and how the law was being ignored.

PREFERENTIAL MOTION OFFERED BY MR. MCDADE

Mr. McDADE. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. The Clerk will report the motion.

The Clerk read as follows:

Mr. MCDADE moves that the Committee do now rise and report the bill to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MCDADE] is recognized for 5 minutes.

Mr. McDADE. Mr. Chairman, I say to my colleagues it has been an excellent debate and we do not have enough time on this side. The distinguished ranking Member, the gentleman from Virginia, has not been able to be heard on the issues. He should be heard, and I am very pleased to yield to my dear friend, the gentleman from Virginia [Mr. WOLF], the ranking Member of the committee, to close debate on this side of the aisle.

Mr. WOLF. Mr. Chairman, earlier the gentleman from Colorado [Mr. SKAGGS] said the Friends of the Administration—I want to again read the letters from the Friends of the Administration.

The Skaggs amendment in this bill is the killer amendment. The McDade amendment is the life amendment.

Let me read to you, this is from a young lady who has cystic fibrosis, and the age that you live with cystic fibrosis is 28 years old. She says:

DEAR MR. VICE PRESIDENT: I want to thank you for recommending changes to the drug approval process at the FDA. I have enrolled in a clinical trial to test the effectiveness of a new orphan drug, DNase. I felt better almost immediately as I am now less winded climbing stairs.

She went on to say:

I thank you as a member of the Vice President's Competitiveness Council. Today the life expectancy for people with cystic fibrosis is 28. I just turned 28, but I am optimistic about the future. I am working for the CF Foundation, attending law school and recently married.

What would you tell Mrs. Tomlinson? That you do not want to expedite it by 4 more years so she can live?

□ 1630

Here is another letter:

DEAR MR. VICE PRESIDENT: Thank you for your efforts on drug approval acceleration. Our daughter suffers from asthma and it is important to us that she has access to needed drugs as soon as possible.

Four years; asthma; does anyone out here have anyone in their district that has asthma? Four years.

Here is another letter:

DEAR MR. QUAYLE: My son has cystic fibrosis.

This is from a high school principal. Do not forget 28 years is the average life expectancy for a cystic fibrosis patient.

Please do not delay the new drugs that are being developed here and in the other countries. The clock is ticking, and we are in a life-and-death race. Please help us.

If you want to help, vote for the McDade amendment.

Here is another letter:

It's about time someone took the FDA's bull by its horns to make available drugs which will prolong and restore health to those in need. My wife Bernice has had ovarian cancer for over a year now.

Then he ends the letter saying—

So, sir, we sincerely hope your plan to expedite FDA action for the prompt approval of drugs like Taxol will become a reality soon, not only for Bernice's sake but also for the millions of seriously ill Americans in need of hope and promise for good health and fulfillment in this great country. May the blessing of God fill your life.

Then lastly the letter from the Alzheimer's Center.

Let me read you what they say, in summary:

I would earnestly hope that Members of Congress who have indicated their concerns about the activities of the Council on Competitiveness are aware that the council's various initiatives are basically building upon programs begun by the Administration's Task Force on Regulatory Relief, chaired by then-vice president Bush, the President's cancer panel and the FDA. The French Foundation for Alzheimer Research is deeply concerned that these attacks,

And they are attacks—

on the goals of the Council on Competitiveness, particularly as related to Alzheimer disease, will slow down and distract from the needed sense of urgency that the drug approval process demands.

And if you had a loved one, as I said earlier, my mom died of cancer and my dad died of cancer, my dad had lymphoma. The doctor came to us and said, "Your dad has lymphoma, but it is the best kind of cancer, we can cure it." Four months later my dad was dead.

We are talking about cures for people who are loved ones, our moms, our dads, our husbands, our wives, our children, and our constituents.

Mr. Chairman, I hope we will put aside partisanship and go back to bipartisanship.

I strongly urge the Members—and how could you not when you go back to your constituents, when you go back to your family—how can you tell them you voted against it? You cannot.

The letters referred to are as follow:

THE FRENCH FOUNDATION
FOR ALZHEIMER RESEARCH,
Los Angeles, CA, December 5, 1991.

Hon. J. DANFORTH QUAYLE,
Vice President of the United States, The White House, Washington, DC.

DEAR MR. VICE PRESIDENT: As the founder of The French Foundation for Alzheimer Research and as a family member familiar with the devastation of dementia of the Alzheimer type, I have been following with interest the information concerning the Council on Competitiveness programs related to improving the nation's drug approval process.

When my dear husband, Dr. John Douglas French, was stricken with Alzheimer disease, I gave up my career in opera and focused on doing what I could to raise funds for Alzheimer research and the care of patients with this destructive disease. I have been fortunate in being supported by a splendid Board of Directors and by an exceptionally able National Scientific Advisory Board.

One of the issues we have discussed at the French Foundation is the need to develop drugs for Alzheimer disease that are safe and efficacious and to expedite the development of these drugs. As you know, there are more than four million Americans afflicted with dementia of the Alzheimer type, and the National Institute on Aging estimates by the year 2000 there could be as many as seven million victims. I was pleased to learn that one of the items being considered by the Council on Competitiveness is the accelerated approval for Alzheimer disease drugs.

I understand that the United States does not compare favorably with other industrialized countries that have similar standards for safety, efficacy and quality; and that the United States has one of the longest drug approval times, and apparently does not rely on outside review teams as much as other industrialized countries. Therefore, I was also pleased to learn that another key element in your program is the fact that the Administration and the FDA will place a high priority on working with other industrialized countries that will enable the United States government to recognize foreign approval of drugs in order to provide patients with more rapid access to appropriate therapies.

As indicated, we, of course, want to stress that any such drugs approved be thoroughly tested for efficacy and safety, and that all ethical and appropriate clinical standards be maintained; but those of us involved in Alzheimer programs are continually dismayed by the cumbersome nature of drug approval. I have been noting with much interest and support, your remarks relating to the fact that these reforms will save American industry millions of dollars and that these savings could be passed on to the consumer through lower prices, in addition to allowing drugs, appropriately approved, into the system much sooner.

I would earnestly hope that members of Congress who have indicated their concerns about the activities of the Council on Competitiveness are aware that the Council's various initiatives are basically building upon programs begun by the Administration's Task Force on Regulatory Relief, chaired by then-Vice President Bush, the President's Cancer Panel and the FDA. The French Foundation for Alzheimer Research is deeply concerned that these "attacks" on the goals of the Council on Competitiveness, particularly as related to Alzheimer disease, will slow down and distract from the needed sense of urgency that the drug approval process demands.

We are grateful, Mr. Vice President, for your willingness to do battle on behalf of millions of Americans afflicted with numerous diseases and disorders who are literally crying out for drug approval reform.

Sincerely,

DOROTHY KIRSTEN FRENCH,
Founder.

APRIL 15, 1992.

DAN QUAYLE,
Vice President of the U.S.A., Washington, DC.

DEAR MR. VICE PRESIDENT: I read recently that you want to speed up the FDA bureaucracy which slows the process of approval of critical potential life saving drugs so necessary to millions of seriously ill Americans. If this is indeed true. I say God bless you!

It's about time someone took the FDA's bull by its horns to make available drugs which will prolong and restore health to those in need.

My wife, Bernice, has had ovarian cancer for over a year now. Treatment has included two major surgeries, conventional chemotherapy (Platinal and Adromycin) with some adverse side effects. Now she is on Nalvadex (Tamoxifen). She has shown improvement in the past month. Hospital stays, chemo treatments, cat scans, 20 blood transfusions, etc. has cost over $190,000 for 1991. Our insurance company has a cap of $200,000 so thank God, we got through 1991 (with substantial out-of-pocket expenses, too).

Her doctor advised she may need Taxol, as you know its a promising new drug, from tree bark for treatment of ovarian cancer. It is however, in the eyes of the FDA, still experimental and not approved. Our insurance company will not cover expenses for experimental treatment. We are retired and cannot afford that charge.

So sir, we sincerely hope your plan to expedite FDA action for prompt approval of drugs like Taxol will become a reality soon not only for Bernie's sake but also for the millions of seriously ill Americans in need of hope and promise for good health and fulfillment in this great country.

May the blessings of God fill your life.

Sincerely,

RUSSELL FAMULARY.

MIAMI CORAL PARK
SENIOR HIGH SCHOOL,
Miami, FL March 21, 1992.

DEAR MR. QUAYLE: My son has Cystic Fibrosis. He has fought his way physically medically and psychologically through frequent hospitalization intensive medications, daily respiratory therapy and extraordinary human and financial costs.

Please do not delay the new drugs that are being developed here and in the other countries.

The clock is ticking and we are in a life and death race. Please help us.

MARYELLEN STRAUSER.

DEAR VICE PRESIDENT QUAYLE, AND SECRETARY SULLIVAN: Thank you for your efforts on drug approval acceleration.

Our daughter suffers from asthma and it is important to us that she has access to needed drugs as soon as possible.

Sincerely,

KATHY PERSON.

JUNE, 23, 1992.

Hon. J. DANFORTH QUAYLE,
Vice President, Chairman, President's Council on Competitiveness, Washington, DC.

DEAR MR. VICE PRESIDENT: I want to thank you for recommending changes to the drug approval process at the Food and Drug Administration (FDA). I am very optimistic that the latest regulations to streamline the approval of new drugs to treat serious or life-threatening disease will definitely help me and others with serious diseases obtain promising new drugs more quickly.

Since I met with the Council in November, presenting a statement of support from the Cystic Fibrosis Foundation, I have enrolled in a clinical trial to test the effectiveness of a new orphan drug, DNase. I felt better almost immediately as I am now less winded climbing stairs. I hope that this new drug can be approved quickly to be made available for more people with cystic fibrosis, like myself. More importantly, I hope that other drugs now under development to treat cystic fibrosis can take advantage of these new streamlined procedures to become available to all patients in a more timely fashion.

I appreciate your attention to this matter. I am pleased that you and your staff have recognized the urgency that people with cystic fibrosis and other life-threatening diseases feel in obtaining promising new drugs.

Sincerely,

SUZANNE TOMLINSON.

STATEMENT OF SUZANNE TOMLINSON FOR THE VICE PRESIDENT'S COUNCIL ON COMPETITIVENESS

Hello, my name is Suzanne Tomlinson and I have cystic fibrosis. I am here today on behalf of the Cystic Fibrosis Foundation.

I want to thank you and the members of the Vice President's Council on Competitiveness for considering ways to enhance our country's edge in drug development to cure life-threatening diseases.

Today, the life expectancy for people with CF is 28. I just turned 28. But, I am optimistic about my future. I am working for the CF Foundation; attending law school; and recently married.

I have seen and benefited from past research advances. With the recent discovery of the CF gene, science promises a much brighter future. Never before have I dared to think that I may have children and watch them grow old. But, researchers believe we can conquer this disease in the lifetimes of people who have CF now. And, with proper incentives, it will happen in our country. Last month, I attended the Foundation's annual medical conference. I was overwhelmed by the incredible enthusiasm that sparked the hallways as a record number of scientists and doctors discussed new ways to treat people with CF. These doctors and scientists have dedicated their lives to changing the course of this disease. And they rely on our government to provide appropriate incentives to enable them to do so.

The FDA plays a vital role in ensuring that the latest scientific advances are developed into valuable drugs in a timely fashion. Both the timely development and approval of these drugs are essential to people with CF, as people die everyday from this disease.

Bringing drugs to people with CF more quickly can be accomplished in two ways:

1. streamlining the FDA approval process. We urge you to provide sufficient resources to enable the FDA to give orphan drugs the same expedited approval as drugs for diseases like AIDS—allowing an approval of 6 months rather than 3 years.

2. providing incentives to pharmaceutical companies to invest in life saving drugs for people with orphan diseases. Maintaining the current exclusively provisions in the Orphan Drug Act will achieve this result.

Two new orphan drugs that hold tremendous promise for treating CF are under development. These drugs include:

Amiloride—a drug which liquefies the abnormally thick mucus that clogs the airways and leads to lung infections that kill many people with CF. While we respect the FDA's safety concerns, we are disappointed in the 7 years it has taken to bring amiloride—a drug previously approved in another form to the current stage of development.

Just this summer, researchers announced promising results using ATP to enhance the effectiveness of amiloride. This combination now offers greater hope to people with CF. Yet, this hope may be dashed if these drugs take several more years to obtain FDA approval and individuals die waiting.

Another vital drug is:

DNase—a drug which breaks down the thick, infected mucus in the CF lung, making this mucus much easier to remove and preventing fatal lung infections. I am convinced that this drug would not be in Phase II clinical trials now without the incentives of the Orphan Drug Act.

While we at the Foundation are doing everything possible to ensure rapid development of new drugs, we cannot move forward without a strong partnership with pharmaceutical companies. Yet, without the hope of recouping their investment, pharmaceutical companies would not provide the resources to develop orphan drugs.

Already, mere suggestion of change to the Orphan Drug Act is dampening the pharmaceutical companies enthusiasm to invest in orphan drugs. The government must maintain the incentives through the Orphan Drug Act if scientists and pharmaceutical companies are to invest in a cure for CF.

There is no reason why America cannot find a cure for CF. Researchers have devoted their lives to ensure that CF is cured. Our country has invested tremendous dollars in the search for a cure. We have the resources, the knowledge, the manpower—we must ensure that the incentives to bring together these unique resources are established and the cure will follow.

In summary, I urge you to:

provide sufficient resources to enable the FDA to streamline the approval process for vital drugs for people with orphan diseases like cystic fibrosis;

maintain the exclusivity provisions in the current Orphan Drug Act to ensure that pharmaceutical companies will continue to invest in drug for orphan diseases.

These priorities will go far in enabling U.S. scientists to develop a cure for CF. And Americans will be forever grateful as they see their children with CF live longer, healthier lives.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. McDADE] has expired.

Mr. ROYBAL. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from California [Mr. ROYBAL] is recognized for 5 minutes.

Mr. ROYBAL. Mr. Chairman, I yield 2 minutes of those minutes to the gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. I thank the gentleman for yielding.

Mr. Chairman, I just think the argument that we heard about the drug approvals and health research breakthroughs is just so off the point. We do not need a Competitiveness Council to figure out how to move the regulatory process at FDA along. FDA has ideas on how to get these drugs moved more quickly, and they have responded in light of the AIDS epidemic to rethink the way they have handled some of these drug approvals. In many ways, still not fast enough for some of us who would like to see drugs go out to the people who need them.

But the Competitiveness Council is not just looking at ideas for regulatory reform. That would be fine, that is appropriate.

What they are doing instead is trying to act as a regulator. They have intruded themselves in areas where they lawfully do not belong. Giving advice on policy is fine, but what they are doing is trying to act as a regulator, which means they are trying to do the things they would not be permitted to if they were real regulators. They are meeting in secret with industry groups, they are trying to tell the regulatory agencies to go along with proposals that are inconsistent with the law. They are not hearing all sides. They are not making disclosures.

Mr. AuCOIN. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from Oregon.

Mr. AuCOIN. I thank the gentleman for yielding.

Mr. Chairman, I admire the statement that the gentleman is making, he is right on target. I would just ask the gentleman who handles the committee of jurisdiction on many of these health matters, even leaving those arguments aside, is it not possible for the Quayle council to do the good work just heard in public rather than in secret? Why does it require secrecy, no public documentation, refusal to come to the Congress, in order to do all the good things the gentleman from Virginia suggests?

Mr. WAXMAN. The secrecy part is so offensive when they act as regulators. Then-Vice President Bush was head of a similar review organization in the Reagan administration. He followed the conflict-of-interest laws as opposed to the Quayle Council. They were very diligent—Vice President Bush was very diligent in following those conflict-of-interest laws. There is a complete disregard in this Council on Competitiveness.

The point I want to make is this: If the Council is simply advising on regulations or on policies, they can do it. No one would be concerned about it. That is an appropriate role.

But this Council on Competitiveness has tried to intrude themselves into the regulatory affairs of the EPA and other laws. Look at what they have done on this Clean Air law. The regulation on permits is really an offensive action both in terms of process and in terms of the disregard of the law itself.

The CHAIRMAN. The Chair will advise the gentleman from California [Mr. ROYBAL] that he has 2 minutes remaining.

Mr. ROYBAL. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. CONYERS], the chairman of the Committee on Government Operations.

Mr. CONYERS. I thank the gentleman for yielding this time to me.

Mr. Chairman, the Wall Street Journal has reported some of the work that the Committee on Government Operations is doing, and they reported that documents uncovered by congressional investigators show how the National Association of Home Builders enlisted Vice President DAN QUAYLE's Competitiveness Council to circumvent the normal regulatory process concerning regulations designed to aid the disabled.

After extensive hearings and comment from all parties involved, the Department of Housing and Urban Development was about to adopt final rules in January of 1991 covering design and construction of apartments so that they would be accessible to disabled people. But the home builders decided to make a last stab at easing those rules. So what they did was contact your friend on the Competitiveness Council, going through the back door, walking around OMB that has exactly those responsibilities.

I think we have heard enough here today, Mr. Chairman. Your committee deserves the commendation of every American who wants to shed light on this regulatory process that has been preventing so many things from happening.

The Quayle Competitiveness Council does not deserve a dime of our money until they agree to cooperate with the Congress.

Mr. COX of California. Mr. Chairman, I rise in support of the McDade amendment.

Mr. Chairman, my colleague, Congressman SKAGGS, would have us decimate the Competitiveness Council to avoid duplication of staff, and because the Competitiveness Council does not compile records of its every thought and share them with Mr. SKAGGS, and because it allegedly meets in secret.

These pretexts are thoroughly bogus. Look closely at what Mr. SKAGGS is doing. You would have this Congress delete a grand total of $86,000 to essentially terminate two people: Dave McIntosh, and John Howard.

That is correct: This entire debate is about Mr. SKAGGS' effort to terminate two people on the President's staff.

As such, it is the most petty, vindicative, partisan, micromanaging, small minded, time wasting, useless, mean spirited, know nothing, ruthless exercise of raw political power that this Member has witnessed in his 4 years in Congress. Mr. SKAGGS and the proponents of this travesty should be ashamed.

Just days ago, I offered an amendment on the floor of this House to reign in just one rogue part of our congressional staff—the GAO. Had my amendment passed, GAO would have been required to live within a budget of one-third of a billion dollars per year. I offered uncontroverted evidence that GAO has so many employees—over 5,000—that it literally loans hundreds of them to congressional committees. You Democrats voted it down.

Yet Mr. SKAGGS would have us believe that his amendment to terminate two men is reflective of his concern about duplication of staff. Hogwash.

Mr. Chairman, no Member of this Congress keeps records of his contacts with regulatory agencies. No Member of Congress maintains public records of his meetings with PAC's. Yet these are the very people who pass not mere regulations, but the actual laws that govern every American's life.

Yet Mr. SKAGGS would have us believe that he is trying to fire these two men because they do not keep records of their meetings in the White House. Nonsense.

Mr. Chairman, the Democratic caucus which runs this Congress, which passes the tax increases and the burdensome regulatory schemes that have for so long harrassed the American people, regularly meets in secret. I repeat: in secret. Not only do these Members of Congress meet in secret vis-a-vis the general public and the press, but they even exclude other Members of Congress: specifically, Republicans. In short, they constantly meet in secret.

Yet Mr. SKAGGS would cut the salaries of two members of the White House staff because they do not always invite Members of the Congress, the public, and the press to their every meeting. That's a whopper suitable for Joe Isuzu.

Mr. Chairman, the two men who are the target of this vicious attack, Dave McIntosh and John Howard, are fine Americans, able public servants, and energetic opponents of bureaucracy. I know Dave McIntosh from our service in the White House together. Dave McIntosh is a friend of mine. And Mr. Chairman, Dave McIntosh is no Ted Kennedy. He hates redtape.

And that is what this assault on the White House is all about. Some Members of Congress are not content to run the legislative branch of Government. They now covet control of the executive branch, and seek to influence regulators through a multitude of daily contacts that are so numerous and burdensome as to actually inhibit the conduct of what little work the Federal agencies might otherwise accomplish. All of these congressional interferences with the regulatory process are done without recordkeeping and in secret. That is exactly the way Members of Congress like it.

Once again, however, Members of Congress wish to exempt themselves from the rules they apply to others. In this case, the hapless victims of their grotesque double standard are two fine men, Dave McIntosh and John Howard.

The policy question at the heart of this matter—if one can dignify the debate by elevating it to the level of policy—is simple: who runs the executive branch? The President, or the Congress? Mr. SKAGGS' power play here would enmesh the Congress deeply in micromanagement of the White House staff itself.

Perhaps the distinguished chairman will appreciate better the importance of adhering to the principle of separation of powers in cases such as this if he considers his likely response if the tables were turned. How would you react, Mr. Chairman, if the President used his veto to force you to fire two people on your staff?

We should all ask ourselves: Why is the entire left-liberal wing of the Congress so afraid of two people?

Even more to the point, why are we even debating this petty $86,000 assassination of two fine men?

Is it because of their outstanding work in speeding up the approval process of life saving drugs?

Is it because of their dogged determination in reducing utility bills for homeowners?

Is it their success in fighting redtape and paperwork that has sent American jobs overseas?

Is it their unabashed support for America's small businesses against the tyranny of faceless bureaucrats?

Mr. Chairman, it is all of these things—but much more: it is a power grab to further diminish the importance of the executive branch of our Government, and strengthen the control by Congress of everything that moves in all facets of government and our lives.

I urge my colleagues to vote in support of the Council on Competitiveness and in support of small business, American consumers, and American workers.

Vote yes on the McDade amendment.

The CHAIRMAN. All time on the preferential motion has expired.

Mr. McDADE. Mr. Chairman, I ask unanimous consent that I be permitted to withdraw my preferential motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SYNAR. Mr. Chairman, the prohibition on funds for the White House Council on Competitiveness should not be stricken from this bill. In fact, I find it a bit surprising that the other side of the aisle wishes to continue such funding for this particular White House Council.

This is a clear waste of taxpayer funds as it is a duplication of effort. We are constantly urged to cut waste and duplication in the Federal Government and this is a perfect opportunity.

In 1988, this Congress approved a Competitiveness Policy Council under the 1988 Omnibus Trade and Competitiveness Act. This Policy Council was specifically set up to address issues purported to be addressed by the Council operated by the White House.

The Competitiveness Policy Council is charged with analyzing information and developing policies regarding the competitiveness of the United States industries and business and trade policy. This is no different than that function claimed to be performed by the White House Council.

Obviously the White House Council is duplicating efforts already recognized by Congress as necessary to business and trade in the United States. Why should we continue to support this imitation effort?

The only reason that the supporters of the White House Council do not want to cut its funds is purely because the Council operates in secret and without the benefit of true public participation.

The White House Council wants to be able to conduct its backroom business without the public knowledge, no regard for conflicts of interest and no accountability.

By contrast, the Policy Council set up by Congress operates in the open, is subject to public accountability, and has a 12-person membership that is balanced and representative of all the group that affect business and commerce.

There is simply no justification for spending taxpayer funds on two separate councils charged with the same responsibilities.

Mr. PENNY. Mr. Chairman, I rise in opposition to the amendment to restore funding for the Competitiveness Council. I oppose the funding for this Council simply because it is not needed and because, unlike other executive agencies, does not operate openly, with proper input from the general public.

The Council is not needed because it is duplicative of the rulemaking and management functions of the Office of Management and Budget. There's not a function the Competitiveness Council has been charged with that OMB cannot already perform. In this time of tight budgets, when we are actually reducing administrative costs in most agencies, the last thing we should be doing is restoring funding for a Council that is entirely duplicative of the work of existing agencies.

Also, let me say that I am troubled by the way this Council operates. It doesn't hold hearings, take comments from the public, and is not accountable to anyone. Yet, within this administration, it is playing a significant policy role, watering down regulations one day and issuing grand policy designs not even supported by Cabinet Secretaries the next.

President Bush appoints the people who run the departments and agencies of this Government. In that sense, he, through his appointees, has a direct opportunity to influence the nature of the rules and regulations adopted to implement the programs and services of Government. In addition, the President, through the Office of Management and Budget, can provide oversight of the rulemaking process within the bureaucracy. The President does not need a third entity—the Competitiveness Council—to carry out administrator policy.

Vote against the McDade amendment.

Mr. OWENS of Utah. Mr. Chairman, I rise in strong opposition to the McDade amendment which would retain funding for the Council on Competitiveness for one primary reason: The Council has managed to gut the implementation of the Clean Air Act at least 35 times over the last 2 years, in clear contravention to congressional intent. What Congress giveth, the Council has taken away. And, when it comes to clean air, that is something neither my district nor my State of Utah can tolerate.

The Council's funding should be eliminated both because its secretive workings are an affront to our democratic processes and because of the Council's devastating impact on essential environmental protections like the 1990 Clean Air Act. President Bush points to this as the most important piece of domestic legislation in his first term. But as he crisscrosses the country singing the praises of clean air, the Council on Competitiveness secretly meets to gut the act.

Over the past 2 years, the Council has acted on 35 separate occasions to weaken the Clean Air Act. The most recent example is of course the permit rule which allows manufacturers to arbitrarily increase their emissions without any public notice. During the rulemaking process, EPA Administrator Reilly supported a strong permit rule, and many observers believe that this rule is the heart of the Clean Air Act. In the end, Mr. Reilly was overruled by the faceless bureaucrats of the Competitiveness Council. The Council meets privately and makes no documentation of its proceedings available to the public, yet it has more influence on the Clean Air Act's rules and regulations than the public's highest appointed environmental official.

This action may not end the Council's operations, but it puts the House on record as opposing a secretive, back room Government in favor of an open and democratic rulemaking process. It is imperative that we act to eliminate this shadow group and preserve the integrity of the Clean Air Act. I urge my colleagues to oppose the McDade amendment and in doing so support the principles of good, open Government and a clean environment.

Mr. EMERSON. Mr. Chairman, I favor enhancing the Vice President's Council on Competitiveness. Much attention has been given lately to this small group of individuals working to rid American consumers and business interests of excessive Government regulations. The Competitiveness Council has been an effective link in the administration's effort to reduce the burden of Federal regulations and increase our domestic and international competitiveness. Plain and simple—excessive regulations cost jobs. The people of southeastern Missouri, my constituency, remind me of this fact daily.

It has been estimated that the President's moratorium on new Federal regulations, spearheaded by the Competitiveness Council, will save an estimated $10 to $20 billion in new Federal spending. In addition, the Council's work on Government takings, civil justice reform, and wetlands has benefited all Americans.

Certainly, one of the primary reasons for the Council is to prevent special interests from using the regulatory process to overreach and reverse legislative intent. Contrary to congressional charges, the Council's membership and staff is completely interdepartmental, made up of Cabinet-level officials and the Vice President.

The current delineations manual is a classic example of the need for the Council and its regulatory oversight mission. The current wetlands delineation manual was conceived and implemented by unaccountable Federal bureaucrats without public notice, without public hearings, and without comment from the many agricultural producers of this Nation who have suffered extreme frustration and economic hardship as a result. Fortunately, due to the Council's effort, we have seen the wetlands manual revisited and an effort made to have the manual reflect a more commonsense approach to this wetlands dilemma.

The role of the Competitiveness Council is simple but extremely important. The Council is committed to regulatory relief by reducing and eliminating excessive, burdensome, and unnecessary regulations wherever possible. Regulatory relief that is vital in our Nation's continued efforts toward economic recovery and prosperity.

The CHAIRMAN. The question is on the amendments en bloc, as modified, offered by the gentleman from Pennsylvania [Mr. McDADE].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. McDADE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 183, noes 236, not voting 15, as follows:

[Roll No. 256]

AYES—183

Allard
Allen
Archer
Armey
Baker
Ballenger
Barrett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boehner
Brewster
Broomfield
Bunning
Burton
Byron
Callahan
Camp
Campbell (CA)
Chandler
Clinger
Coble
Coleman (MO)
Combest
Condit
Coughlin
Cox (CA)
Coyne
Crane
Cunningham
Dannemeyer
Davis
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Edwards (TX)
Emerson
English
Erdreich
Ewing
Fawell
Fields
Franks (CT)
Gallegly
Gallo
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Goodling
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Green
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Hall (TX)
Hammerschmidt
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Hastert
Hayes (LA)
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Horton
Houghton
Huckaby
Hunter
Hutto
Hyde
Inhofe
Ireland
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Kasich
Klug
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Lagomarsino
Lancaster
Lehman (CA)
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Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lowery (CA)
Marlenee
Martin
McCandless
McCollum
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McDade
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Montgomery
Moorhead
Morrison
Myers
Nichols
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Packard
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Petri
Pickett
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Ramstad
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Rogers
Rohrabacher
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Rowland
Santorum
Sarpalius
Saxton
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Skeen
Skelton
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stenholm
Stump
Sundquist
Tauzin
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Upton
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Weldon
Williams
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—236

Abercrombie
Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bacchus
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Berman
Bevill
Bilbray
Blackwell
Boehlert
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Brooks
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Brown
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Campbell (CO)
Cardin
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Coleman (TX)
Collins (IL)
Collins (MI)
Conyers
Cooper
Costello
Cox (IL)
Cramer
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
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Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
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Early
Eckart
Edwards (CA)
Engel
Espy
Evans
Fascell
Fazio
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Flake
Foglietta
Ford (MI)
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Frank (MA)
Frost
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Gordon
Guarini
Hall (OH)
Hamilton
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Horn
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Hubbard
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Jacobs
Jefferson
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
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Kennedy
Kennelly
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Kolter
Kopetski
Kostmayer
LaFalce
Lantos
LaRocco
Laughlin
Leach
Lehman (FL)
Levin (MI)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Martinez
Matsui
Mavroules
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McCloskey
McCurdy
McDermott
McHugh
McMillen (MD)
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Miller (CA)
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Payne (NJ)
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Pease
Pelosi
Penny
Perkins
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Rostenkowski
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Sanders
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Savage
Sawyer
Scheuer
Schroeder
Schumer
Serrano
Sharp
Shays
Sikorski
Skaggs
Slattery
Slaughter
Smith (FL)
Smith (IA)
Solarz
Spratt
Staggers
Stallings
Stark
Stokes
Studds
Swett
Swift
Synar
Tanner
Taylor (MS)
Thornton
Torricelli
Towns
Traficant
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Washington
Waters
Waxman
Weiss
Wheat
Whitten
Wilson
Wise
Wolpe
Wyden
Yates
Yatron

NOT VOTING—15

Ackerman
Barnard
Bonior
Boxer
Bustamante
Dymally
Fish
Hefner
Levine (CA)
Nagle
Richardson
Ros-Lehtinen
Tallon
Torres
Traxler

☐ 1658

The Clerk announced the following pair:

On this vote:

Ms. Ros-Lehtinen for, with Mr. Bustamante against.

Mr. MURPHY and Mr. MOODY changed their vote from "aye" to "no."

So the amendments en bloc, as modified, were rejected.

The result of the vote was announced as above recorded.

□ 1700

AMENDMENT OFFERED BY MR. WISE

Mr. WISE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WISE: At the end of title III relating to "Executive Office of the President", insert the following paragraph:

REDUCTION IN AMOUNTS UNDER TITLE

Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this title that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 5.7 percent.

The CHAIRMAN. The gentleman from West Virginia [Mr. WISE] will be recognized for 5 minutes in support of his amendment.

Mr. WISE. Mr. Chairman, I yield to the gentleman from California [Mr. ROYBAL], chairman of the subcommittee, who opposes my amendment.

Mr. ROYBAL. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes, the time to be equally divided between the gentleman from West Virginia [Mr. WISE] and myself.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. WALKER. Mr. Chairman, reserving the right to object, the problem we ran into the last time we had a time limitation on amendments was that we ran out of time on this side and did not have enough time really to get everybody in that wanted to debate.

Has this been checked with both sides to be certain that there is sufficient time on both sides to adequately debate the subject?

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. ROYBAL. Mr. Chairman, it is my understanding that the 30 minutes would be sufficient for both sides. I do not know whether that has been agreed to, but nevertheless 30 minutes would be sufficient.

Mr. WALKER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. BURTON of Indiana. Mr. Chairman, reserving the right to object, I do not intend to object. I just would like to say that I have an amendment coming up that I think is very important as well. I hope that the body will look favorably upon my request for a little additional time to deal with that problem as well.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from West Virginia [Mr. WISE] will be recognized for 15 minutes, and the gentleman from California [Mr. ROYBAL] will be recognized for 15 minutes.

The Chair recognizes the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, this amendment is quite simple. It is goose and gander. It is what is good for the goose is good for the gander.

It simply brings fiscal 1993 funding for the White House and the offices in the White House into conformance with the spending policies adopted last week for the legislative branch. It means a 5.7-percent cut imposed by this amendment on the sums contained in the committee bill for the Executive Office of the President to reduce total outlays for that office by 5.7 percent below fiscal 1992 levels.

I know the argument that is coming, so let us get it off the board right now. The argument is, "But wait, Bob, budget authority in this bill for the White House and its offices is 9.9 percent below last year's level."

That is true. But let us look behind it, where that comes from. The bulk of that is that the office of the drug czar is under the White House. The drug czar, at the President's request, moved $30 million in drug-fighting grants, DEA, the other agencies, moved those grants to the Department of Justice so that where there was $30 million being distributed in grants from the office of the drug czar is now being distributed by someone else, and that is the reduction.

If we actually look at the expenditures under the committee bill, we see that the office for the White House itself is up 2 percent. If we look at the Office of Policy Development, it goes up several percent. If we look at the Office of Management and Budget, these are the folks that are supposed to be cutting the budget, they actually went up almost 2 percent.

Indeed, for those basic offices, there is an increase, not a decrease.

I happen to believe that the exercise that the House is going to be going through as it cuts its budget in the upcoming year, similar to what we did several years ago under Gramm-Rudman, is good also for the White House, that very group that says everyone else should be cutting in the same way.

I concede that this amendment will not have the profound effect that I would like because we recognize that the White House has significant detailees. Indeed, many of those, when the GAO did an inquiry under that, it was not able to uncover all of them because some of them are considered to be secret and, therefore, immune from that process. But official appropriations to the Executive Office of the President are only a portion of White House spending.

For instance, the switchboard is paid for by the Army Signal Corps. White House grounds, including the Rose Garden, are cared for by the Park Service. Security, the Secret Service, is provided by the Treasury and would not be affected in any way by this amendment.

Staff travel is paid for by the Department of Defense or other agencies. Detailees from virtually every department in the Federal Government work in Executive Office space. And the gentleman from Pennsylvania [Mr. KANJORSKI] and the gentleman from Virginia [Mr. MORAN] will be discussing that later.

All of that is to say that the White House can certainly absorb the same cut, 5.7 percent below the freeze that the legislative branch adopted for itself last week.

Mr. ROYBAL. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I rise in opposition to the amendment. The committee has held extensive hearings on the Executive Office of the President. The budget request for the Executive Offices is for $280.8 million. The committee has recommended total appropriations of $268.9 million. This is a reduction of $11.9 million below the budget request. The Dorgan-Penny amendment, which was adopted by the House, has already reduced the Executive Office of the President by an additional $3.3 million. This is below the committee's recommendation.

If this amendment were to be adopted, it would be a further reduction of almost $15 million.

□ 1710

The hearings that we held before our committee simply indicate that the money that is in the bill not only can actually be used but is sorely needed by the President's office. Therefore, Mr. Chairman, I oppose any further reductions in the funding to the Executive Office of the President.

Mr. KANJORSKI. Mr. Chairman, will the gentleman yield?

Mr. ROYBAL. I yield to the gentleman from Pennsylvania.

Mr. KANJORSKI. Mr. Chairman, I respect the activities that were undertaken in the Committee on Appropriations, but I think when we are talking about $280 million as a request from the White House, and the actual $269 million appropriated, that is what they show. That is what they show. I would ask the chairman if he is aware of how much transportation is actually shown in the White House budget for the President and his staff.

Mr. ROYBAL. If the gentleman will yield, I am not sure of the exact amount.

Mr. KANJORSKI. Let me give the gentleman an exact amount—$29,000. That is for the total year. The President has enough money in his budget to allow him to travel about 30 minutes in Air Force One during the entire year.

I would ask the gentleman from California [Mr. ROYBAL] if he knows how much the White House, the Vice President, and staff, actually spend, according to hearings that my committee has undertaken in the last 6 months? It is $300 million, more than $1 million a day; 12 times what the entire Congress, the House of Representatives, the U.S. Senate, and our entire committee staff spend for travel. I reiterate: The White House, the President, the Vice President and his staff spend 12 times as much money as the 535 elected Representatives of the people and their 18,000 employees spend, $1 million a day.

Why do they get away with that? Because it does not show up in their budget. It shows up in the Department of Defense budget. it shows up in the State Department budget. It shows up in the Treasury Department budget.

Mr. ROYBAL. Mr. Chairman, I yield myself an additional minute.

Mr. Chairman, we are not dealing here with the defense budget or any other budget except the budget for the Executive Office of the President. We appropriated an amount that we thought was adequate, even though there was a reduction. I still maintain that the decision taken by the committee is the correct decision, and that everything must be done to accommodate the President in this regard.

I realize that a lot of other moneys are spent from other accounts, but we are not dealing with other accounts, we are dealing just with this single account. This is what I think we should be gearing ourselves to, and not deviate to any other account.

Mr. WISE. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. KANJORSKI], who has conducted the oversight hearings on this matter.

Mr. KANJORSKI. Mr. Chairman, I rise and ask my colleagues to support the Wise amendment, not because what is good for the goose is good for the gander. If we make that mistake, that we should to this because we cut back the Congress last week, then we are making a fatal error. We are not going to cut them back but an infinitesimal amount. Mr. Wise's amendment is going to cut back the President's travel about $1,200 to $1,500 a year from $29,000 to $27,000. Hardly are we going to cripple the White House.

I rise and take this opportunity with this appropriation bill today, I challenge anybody in the Congress of the United States to tell me what it costs to operate the White House and the Executive Office of the President. As a matter of fact, I will offer a reward privately of $1,000 to anybody in the Congress who can come within $50 million of the actual cost. That is quite a challenge, is it not? The Members would think that is a pretty easy thing to do.

Is there anybody here from OMB who can get that budget and tell us what these costs are? We have a chart here that shows they spend $140 million. That is not even one-third of what the White House spends.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. KANJORSKI. Surely, I yield for a moment to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, I just want to say to my colleague, he knows very well that all of the information, records, and everything else that he asked for was sent down from the White House to him in boxes in some detail, and he did not go through it all.

Mr. KANJORSKI. Reclaiming my time, now I am going to respond here. The gentleman knows full well the White House for the last 4 months has refused to come to our subcommittee with witnesses on two occasions and has sent us only 800 pages of documents that are meaningless and not fully responsive to our interrogatories, and for all intents and purposes have shown us after numerous letters to the President and to OMB that they must not know what it costs to run the White House. Because if they are walking up here with a document saying they need $140 million, when in fact we know their transportation is more than $300 million, they are pretty far-out figures.

Mr. Chairman, the reason I rise is that if we allow this to go without an amendment, just a token symbol of an amendment to cut down, we are missing an opportunity to send notice to the President. The notice we want to send to the President is not to say, "Stay home. Don't you think $1 million a day for travel is a little high, Mr. President?" What we are trying to say is, "Look, Mr. President, if you are serious about balancing the budget you have got to get your house in order and you have got to be able to tell us on a consolidated accounting sheet what it costs to operate the White House and the Office of the President, at least within $50 million of the actual cost. When you can do that, we can sit down and grant that the President gets everything that he needs for travel and entertainment and everything else, but do not come up here to the American people and tell them that you are spending $140 million to run the White House when, in fact, you are spending more than half a billion, and God knows how much you are spending because we cannot find out.

Mr. ROYBAL. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Chairman, the Penny-Dorgan amendment cut many of these accounts a while ago when we had a rollcall vote. This cuts it deeper than the legislative appropriations cut, and I would say to the gentleman in different accounts, and in some of the accounts it goes as deep as 12 percent and 13 percent. It is kind of pile-on day, and I would say, if there is anybody in the White House watching, they ought to veto the legislative appropriation bill the minute it gets down there, because this destroys comity from every point of view. I think it is war.

I am one of the most nonpartisan and bipartisan Members of the House. I have never in 12 years attacked any Member on the floor. I work as closely with the other side as I can possibly do. This is piling on. This is piling on. It is election day time, and frankly, if the President takes this cut and does not veto the legislative appropriation bill, then I think the President will have shown signs of weakness. He should take it and he should veto it, because what this is doing, they have cut this much deeper than the other one.

AMENDMENT OFFERED BY MR. WOLF TO THE AMENDMENT OFFERED BY MR. WISE

Mr. WOLF. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLF to the amendment offered by Mr. WISE: strike out "5.7 percent" and insert "1 percent".

The CHAIRMAN. The gentleman from Virginia [Mr. WOLF] still has time remaining.

Mr. WOLF. Mr. Chairman, I yield to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, I just want to clarify one thing. The oversight hearings that our subcommittee had that the gentleman from Pennsylvania [Mr. KANJORSKI] chaired, he indicated a few moments ago that the White House was not cooperative and that they would not send anybody down. The fact of the matter is they were given almost no notice the first time we had a hearing. And the gentleman made a big display about putting their names on the board for the television cameras so that they could see, the cameras could see across the country that the White House was not being cooperative.

Subsequent to that, every time the White House was requested to send people down here, they did. Every time the White House was asked to send documents verifying costs and expenses, they did. They sent down voluminous amounts of records.

The problem is that I believe the gentleman from Pennsylvania [Mr. KANJORSKI], and I believe this sincerely, he is a fine man and I have respect for him, but I believe sincerely he wanted to make a political case and issue out of that. For that reason they were trying to make a show of it. The fact of the matter is, the White House did try to comply. They sent every record that was requested down there. It is just that the staff and the gentleman from

Pennsylvania [Mr. KANJORSKI] did not want to go through those records or take the time to verify what the White House was sending down there.

I think the White House wants to comply. The problem is that they are trying to make politics and play politics with this.

□ 1720

Mr. WOLF. Mr. Speaker, I would reclaim my time and ask Members to support this 1-percent cut.

I would note that if Mr. Clinton were President of the United States today he would not support the 5.7 percent amendment, and I just do not think it is good, and I will end on this. I think it destroys the comity back and forth, and I would hope that we would take the 1-percent cut and move on.

I yield back the balance of my time.

Mr. WISE. Mr. Chairman, how much time is remaining on each side?

The CHAIRMAN. The gentleman from West Virginia [Mr. WISE] has 8½ minutes remaining and the gentleman from California [Mr. ROYBAL] has 6 minutes remaining.

Mr. WISE. Mr. Chairman, I yield myself 1½ minutes in order to respond to the gentleman.

I rise in opposition to his amendment.

Comity, if the gentleman is talking about budget actions, there has been a comedy of errors around here for a number of years. The fact of the matter is the White House sent budgets that assumed $150 million of cuts in the legislative appropriations without checking with the legislative branch committee.

There are a number of agencies under the White House far exceeding the White House itself, the office of the drug czar, for instance, the National Security Adviser, that I think go beyond simple comity. We have the right to check into that.

As far as Governor Clinton goes, he has proposed a 25-percent cut in this account. Ross Perot I assume is going to finance it himself. So certainly President Bush would be amenable to such a cut of only 5.7 percent.

I would also point out that the argument was made that this is a reduction from the President's request. The President requested $225 million last year and this Congress funded $208 million. That would be a $210 million figure given to the White House under this bill. We simply seek to cut it back below freeze level in accordance with other cuts that have been made.

Mr. Chairman, I yield 1½ minutes to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. Mr. Chairman, I would just like to correct the record. The gentleman from Indiana [Mr. BURTON] indicated that we have had cooperation from the White House. We have not.

It is not a question that we want cooperation or not cooperation. What we do not have is a consolidated cost of what it takes to run the Office of the President in transportation or in any other area. What we are doing here is something very serious. If we are really talking about balancing budgets, and if you do not know what it costs to run something, and there is no consolidated accounting system, you cannot begin with an across-the-board cut. This is ludicrous. You are cutting 5.7 percent of $29,000 of the President's travel. That is ridiculous. He is spending $300 million to travel. If you were just trying to cut 5 percent of that you would ask for a $15 million cut.

But because his budget is spread throughout the executive branch, not consolidated, and because they will not disclose it, I will now offer anybody, and I am challenging the informed membership on the minority side who represent the President, I am offering a reward of $1,000 right now, of my own money, to anybody who can tell me the actual cost of operating the White House and the Executive Office of the President. That is including all of the personnel, the travel, and the transportation. I will tell you there is no figure. I do not think that OMB can give us that figure. That is how bad they are. For the last 9 months the White House has not been able to give us a figure.

POINT OF ORDER

Mr. WALKER. Mr. Chairman, I have a point of order.

It is not against the rules, to offer a bribe to Members of the House?

The CHAIRMAN. The Chair has heard no such offer.

Mr. ROYBAL. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman for yielding me the time.

Figures have just been given to me that show that the Executive Office of the President is being cut by 9.9 percent this year over last year. It is $281 million. So the executive branch is taking quite a hit.

The Penny-Dorgan amendment which we had just a few minutes ago cut a total of $23 million. We are all for cutting spending and we are all for controlling spending. I and many of my colleagues have been leading the fight to cut out waste and pork in the budgets for a long, long time. But we are now degenerating into a political debate which I think is unseemly at a time when we ought to be addressing the Nation's financial problems.

The executive branch is taking a hit. It has taken a hit. We do not need to go through this more and make a big political debate out of it.

I just urge my colleagues to get on with it. The gentleman from Virginia [Mr. WOLF] has offered a 1-percent cut in a conciliatory way to get this thing behind us. I think we should adopt that 1-percent cut and get on with the business of the day.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I am happy to yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, when the rule for my bill was on the floor this morning, the gentleman from Indiana made an eloquent speech about the necessity of cutting the $4 trillion debt. Does this mean the gentleman is opposed to cuts in this bill?

Mr. BURTON of Indiana. If I may reclaim my time, the gentleman did not hear what I said. There has been a 10-percent cut, and in addition to that we had the Penny-Dorgan amendment that cut $23 million more, and there is a point beyond which you do not go if you are going to have sound government.

Mr. ROYBAL. Mr. Chairman, I support the amendment to the amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. WISE. Mr. Chairman, I yield 4 minutes to the gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Chairman, let me first address the gentleman from Virginia whom I have the utmost respect for. I do believe that he is attempting to achieve what he calls comity. I wish that the leadership of his party had the same kind of constructive attitude toward relationships between the two branches of government.

But the fact is, since I have been elected to this body, the President of the United States has blamed the Congress for virtually all of the Nation's ills. To quote, he "denounced the Congress as a privileged class," that "answers to no one with respect to its budget, its staff, and its perks."

Now we are introducing this amendment because, since the President has operated in the White House, the White House has grown by 8 percent without any authorization. There was an authorization in 1978 for $100,000. But the Executive residence alone of the President has grown to $7.25 million today. During President Carter's term it was $2 million. That is a growth of 300 percent without any authorization. And in fact, the total budget of the executive branch of the President, the Executive Office of the President has grown from $80 million during President Carter's term to $300 million today, and that is a 350-percent increase without authorization.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. MORAN. I yield to the gentleman from Virginia.

Mr. WOLF. The Congress has grown also. And second, I think anyone who supports a 5.7-percent increase in addition to what they did on Penny-Dorgan has a moral obligation to take the same personal cuts in their offices up here on Capitol Hill.

Mr. MORAN. I am glad the gentleman from Virginia has raised the issue of the legislative branch, because in fact while the executive branch has grown by 8 percent, the legislative branch has shrunk in size by 5 percent during that period of time. And in fact, while the Executive Office of the President has grown by 350 percent, the budget of the legislative branch has grown by 5.4 percent. That is the comparison, and yet we cut the legislative branch, and what we are asking now is to do the same with the executive branch.

☐ 1730

But, colleagues, this does not include anywhere near the amount of money, this 350-percent growth. It does not include, for example, the 34 National Park Service people who were taken off their jobs providing for our National Park System and applied to maintaining the swimming pool with its diving board in the White House, the tennis court, the bowling alley, the movie theater, the horseshoe pit, the addition, the new basketball court, and the new artificial turf putting green, all of which is in the Executive residence of the President which is what we are attempting to deal with today with a very minor cut.

There are 93 people who operate the immediate White House staff. It includes five full-time chefs, five curators, four calligraphers, five full-time florists, and this is included within the money that we are providing.

We would never spend the kind of money that is being spent on this in the legislative branch.

Mr. WISE. Mr. Chairman, I yield 30 seconds to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Chairman, I would just say, you know, the President is a captive in the White House. He cannot go out at will. He cannot do certain things.

Mr. WISE. If the gentleman would yield, I appreciate the gentleman for saying that.

Mr. WOLF. I would urge the support of the 1-percent cut and the defeat of the 5.7 percent.

Mr. WISE. Mr. Chairman, I yield myself the balance of my time.

Simply put, I would urge the body to vote no on the Wolf amendment, which is a 1-percent cut. Our amendment is a 5.7-percent cut.

The budget resolution that was adopted by this body had a 5-percent cut for both the legislative branch and the White House. The amendment that I have crafted is now in conformance with the Penny amendment that passed. This is simply to say that the White House, which is supposed to send a message, will follow the same procedures in cutting that it is asking everyone else to.

This is a $15 million cut. And, finally, everyone knows the White House draws vast resources from other agencies of Government, what I call the stealth staff that you never see, that are there.

I would urge and say that I think this is certainly reasonable to ask the White House to do this and ask rejection of the Wolf amendment, which is, I presume, the first vote, and adoption of the Wise amendment, which will follow that.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Virginia [Mr. WOLF] to the amendment offered by the gentleman from West Virginia [Mr. WISE].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 160, noes 256, not voting 18, as follows:

[Roll No. 257]

AYES—160

Allard
Allen
Archer
Armey
Baker
Ballenger
Barrett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Bunning
Burton
Callahan
Carr
Chandler
Clinger
Coble
Coleman (MO)
Combest
Cooper
Coughlin
Cox (CA)
Cunningham
Dannemeyer
Davis
de la Garza
DeLay
Dickinson
Dixon
Doolittle
Dornan (CA)
Duncan
Early
Edwards (OK)
Emerson
Ewing
Fascell
Fawell
Fields
Franks (CT)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodling
Goss
Gradison
Grandy
Green
Gunderson
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Holloway
Hopkins
Horton
Houghton
Hubbard
Hunter
Hutto
Inhofe
Ireland
James
Johnson (CT)
Johnson (TX)
Kasich
Klug
Kolbe
Kostmayer
Kyl
Lagomarsino
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lowery (CA)
Martin
McCandless
McCollum
McCrery
McDade
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Molinari
Montgomery
Moorhead
Morella
Morrison
Mrazek
Myers
Natcher
Nichols
Oxley
Packard
Parker
Paxon
Peterson (FL)
Pickle
Pursell
Quillen
Ravenel
Ray
Regula
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Rogers
Rohrabacher
Roybal
Santorum
Saxton
Schaefer
Schiff
Schulze
Shaw
Shuster
Skeen
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stenholm
Stump
Sundquist
Taylor (NC)
Thomas (CA)
Thomas (WY)
Volkmer
Vucanovich
Walker
Walsh
Weber
Weldon
Whitten
Wolf
Wylie
Young (AK)
Young (FL)

NOES—256

Abercrombie
Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bacchus
Beilenson
Bennett
Berman
Bevill
Bilbray
Blackwell
Borski
Boucher
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Byron
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Chapman
Clay
Clement
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Cox (IL)
Coyne
Cramer
Crane
Darden
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Donnelly
Dooley
Dorgan (ND)
Downey
Dreier
Durbin
Dwyer
Eckart
Edwards (CA)
Edwards (TX)
Engel
English
Erdreich
Espy
Evans
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Guarini
Hall (OH)
Hall (TX)
Hamilton
Harris
Hatcher
Hayes (IL)
Hayes (LA)
Henry
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Huckaby
Hughes
Jacobs
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Levin (MI)
Lewis (GA)
Lipinski
Livingston
Lloyd
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Moody
Moran
Murphy
Murtha
Nagle
Neal (MA)
Neal (NC)
Nowak
Nussle
Oakar
Oberstar
Obey
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (MN)
Petri
Pickett
Porter
Poshard
Price
Rahall
Ramstad
Rangel
Reed
Roe
Roemer
Rose
Rostenkowski
Roth
Roukema
Rowland
Russo
Sabo
Sanders
Sangmeister
Sarpalius
Savage
Sawyer
Scheuer
Schroeder
Schumer
Sensenbrenner
Serrano
Sharp
Shays
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (FL)
Snowe
Spratt
Staggers
Stallings
Stark
Stokes
Studds
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Thomas (GA)
Thornton
Torricelli
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Washington
Waters
Waxman
Weiss
Wheat
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron
Zeliff
Zimmer

NOT VOTING—18

Ackerman
Barnard
Bonior
Boxer
Bustamante
Dymally
Fish
Hefner
Hyde
Levine (CA)
Miller (WA)
Olin
Richardson
Ros-Lehtinen
Solarz
Tallon
Torres
Traxler

□ 1753

Mr. BROOMFIELD and Mr. GONZALEZ changed their vote from "aye" to "no."

Messrs. RITTER, WHITTEN, EWING, SKEEN, KOSTMAYER, and RAY changed their vote from "no" to "aye."

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1800

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. WISE].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 330, noes 87, not voting 17, as follows:

[Roll No. 258]

AYES—330

Abercrombie
Alexander
Allard
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bacchus
Baker
Barrett
Beilenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Boehlert
Borski
Boucher
Brewster
Brooks
Browder
Bruce
Bryant
Byron
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Costello
Cox (CA)
Cox (IL)
Coyne
Cramer
Crane
Cunningham
Dannemeyer
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Fawell
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gallegly
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Grandy
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harris
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Henry
Herger
Hoagland
Hobson
Hochbrueckner
Holloway
Horn
Hoyer
Huckaby
Hughes
Hutto
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (FL)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCrery
McCurdy
McDermott
McEwen
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Miller (CA)
Miller (WA)
Mineta
Mink
Moakley
Mollohan
Moody
Moorhead
Moran
Morrison
Mrazek
Murphy
Murtha
Nagle
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickett
Porter
Poshard
Price
Pursell
Rahall
Ramstad
Rangel
Ravenel
Ray
Reed
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roe
Roemer
Rohrabacher
Rose
Rostenkowski
Roukema
Rowland
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Schaefer
Scheuer
Schroeder
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (FL)
Snowe
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torricelli
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walker
Walsh
Washington
Waters
Waxman
Weiss
Weldon
Wheat
Williams
Wilson
Wise
Wolpe
Wyden
Wylie
Yates
Yatron
Zeliff
Zimmer

NOES—87

Archer
Armey
Ballenger
Barton
Bateman
Bentley
Bliley
Boehner
Broomfield
Brown
Bunning
Burton
Callahan
Clinger
Combest
Coughlin
Darden
Davis
DeLay
Dickinson
Edwards (OK)
Ewing
Fascell
Fields
Franks (CT)
Gallo
Gillmor
Gilman
Gradison
Green
Hammerschmidt
Hastert
Hertel
Hopkins
Horton
Houghton
Hubbard
Hunter
Inhofe
Johnson (TX)
Kyl
Lagomarsino
Lent
Lewis (CA)
Lightfoot
Livingston
Lowery (CA)
Marlenee
Martin
McCollum
McDade
McGrath
McHugh
Michel
Miller (OH)
Molinari
Montgomery
Morella
Myers
Natcher
Oxley
Paxon
Pickle
Quillen
Regula
Rhodes
Rogers
Roth
Roybal
Saxton
Schiff
Schulze
Skeen
Smith (IA)
Smith (OR)
Smith (TX)
Solomon
Spence
Stump
Sundquist
Taylor (NC)
Vucanovich
Weber
Whitten
Wolf
Young (AK)
Young (FL)

NOT VOTING—17

Ackerman
Barnard
Bonior
Boxer
Bustamante
Dymally
Fish
Hefner
Hyde
Olin
Richardson
Ros-Lehtinen
Smith (NJ)
Solarz
Tallon
Torres
Traxler

□ 1803

Messrs. RINALDO, RIGGS, CUNNINGHAM, and HOYER changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there additional amendments to title III?

PARLIAMENTARY INQUIRY

Mr. DINGELL. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DINGELL. Mr. Chairman, have we reached title IV yet?

The CHAIRMAN. No. We are on title III.

Mr. DINGELL. I have a point of order when we arrive at title IV.

The CHAIRMAN. The gentleman from Michigan [Mr. DINGELL] will be recognized at the proper time.

Mr. HOLLOWAY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have an amendment that I hope to offer later. My understanding is that the Committee may try to rise without me being allowed to offer it.

But the purpose for me introducing the amendment is because I am trying to stop the United Way, the big banks, and big business from destroying the Boy Scouts and the values they promote in young boys. Boy Scouts continue to say, "Our values are not for sale."

Mr. Chairman, why I am offering this amendment, the purpose for the amendment on this appropriation authorization bill, is the fact that United Way depends on the Postal Service. Wells Fargo and Bank of America depend on the Treasury. And we simply want to limit funds to institutions and charitable organizations who want to hold captive organizations like the Boy Scouts of America who, to me, is one of the greatest organizations in the history of our country.

I rise today to speak on the amendment, and I am concerned about America's families and basic American family values. The family is the nuclear backbone of our society, and, if I am the last man in America to make this statement, that family and values are important, so be it.

For that reason, Mr. Chairman, I am here today to publicly criticize the United Way, the big businesses in general, Levi Strauss, Wells Fargo, Bank of America. These corporations are taking this action because of the Boy Scout's position on not allowing openly gay people to serve as Scoutmaster.

The Vice President was right when he said that it was wrong for these big businesses to withdraw support from the Boy Scouts and that we have to stand up for the values of the Boy Scouts of America. After the battering he has taken here in the earlier amendment, I think it is fitting that some things that he is saying out there are right. The Boy Scouts is one of the last organizations of which I am aware that embodies hardcore values. We have to take a stand on them and for our children.

As a Member of Congress, Mr. Chairman, I am concerned with the apparent decline in the values in our country, and that is why I feel so strongly about protecting the very positive effect that scouting has had on generations of American youth. The Boy Scouts have said that values are not for sale, and thank God they are still standing for that. It is a shame that the same cannot be said for their former supporters in private industry.

I am opposed to homosexuals being Scoutmasters because it sends a wrong signal to the young boys. There have also been numerous examples of sexual molestation of young Boy Scouts by their Scoutmasters, and I have a stack of them in my office, if anyone would care to see them, and that is why it is unacceptable and I am going to fight it to see that it does not happen, if I can possibly do it. We must protect our young Americans and see that they are instilled with the values that helps them to be strong, produce American citizens, good citizens, and it is like having the fox guard the hen house to have homosexuals being Scoutmasters.

I realize that contributions are charitable, but in defunding the Boy Scouts these corporations are placing themselves in opposition to the reverent American institution. We simply cannot allow Boy Scouts' values to be held hostage to special interest groups and misguided American corporations, and I have to say that I hope that this body will reject the Committee when it tries to rise and will give me the opportunity to offer the amendment that I have.

A vote on the motion to rise will be a vote against the Boy Scouts. A vote against it will be a vote that says the Boy Scouts have a right to instill traditional family values in this country for the boys of this country. I hope my colleagues will vote to reject it, if we are allowed to offer this amendment.

□ 1810

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE IV

INDEPENDENT AGENCIES

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

SALARIES AND EXPENSES

For necessary expenses of the Administrative Conference of the United States, established by the Administrative Conference Act, as amended (5 U.S.C. 571 et seq.), including not to exceed $1,000 for official reception and representation expenses; $2,314,000.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Advisory Commission on Intergovernmental Relations Act of 1959, as amended (42 U.S.C. 4271–79); $1,891,000, and additional amounts, not to exceed $200,000, collected from the sale of publications shall be credited to and used for the purposes of this appropriation.

CITIZENS' COMMISSION ON PUBLIC SERVICE AND COMPENSATION

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of Section 225 of the Federal Salary Act of 1967, as amended by the Ethics Reform Act of 1989 (2 U.S.C. 351); $250,000, which shall remain available until September 30, 1994.

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

SALARIES AND EXPENSES

For necessary expenses of the Committee for Purchase From People Who are Blind or Severely Disabled established by the Act of June 23, 1971, Public Law 92–28; $1,653,000.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the Federal Election Campaign Act of 1971, as amended; $20,531,000, of which not to exceed $5,000 shall be available for reception and representation expenses.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

(LIMITATIONS ON AVAILABILITY OF REVENUE)

For additional expenses necessary to carry out the purpose of the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), $402,040,000 to be deposited into said Fund. The revenues and collections deposited into the Fund shall be available for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving Governmental agencies (including space adjustments and telecommunications relocation expenses) in connection with the assignment, allocation and transfer of space; contractual services incident to cleaning or servicing buildings, and moving; repair and alteration of federally owned buildings including grounds, approaches and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; conversion and extension of federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, taxes, and any other obligations for public buildings acquired by installment purchase and purchase contract, in the aggregate amount of $4,820,209,000 of which (1) not to exceed $684,952,000 shall remain available until expended for construction of additional projects at locations and at maximum construction improvement costs (including funds for sites and expenses) as follows:

New Construction:

California:

San Francisco, U.S. Court of Appeals Annex, $4,400,000

San Francisco, Federal Office Building, $15,000,000

District of Columbia:

Army Corps of Engineers Headquarters Building, $50,000,000

Federal Bureau of Investigation Field Office, $57,690,000

Department of Justice—Offices, Boards and Divisions Building, $43,733,000

Secret Service Headquarters Building, $150,569,000

White House Remote Delivery and Vehicle Maintenance Facilities, $25,531,000

Florida:

Fort Myers, Federal Building and U.S. Courthouse, $27,600,000

Hollywood, Federal Building, $2,000,000

Tampa, U.S. Courthouse, $8,948,000

Georgia:

Atlanta, Centers for Disease Control, site acquisition and site improvements, $34,000,000

Atlanta, Centers for Disease Control, Laboratory, $60,000,000

Atlanta, Centers for Disease Control, $30,000,000

Indiana:

Hammond, Federal Building and United States Courthouse, $51,000,000

Missouri:

Kansas City, Federal Building—U.S. Courthouse, $5,721,000

Nevada:

Reno, Federal Building and U.S. Courthouse, $31,826,000

New Hampshire:

Concord, Federal Building and U.S. Courthouse Annex, $36,576,000

New Jersey:

Newark, Parking Facility, $15,000,000

New Mexico:

Albuquerque, Federal Building and U.S. Courthouse, $3,118,000

New York:

Long Island, Federal Building and U.S. Courthouse, $15,400,000

Oregon:

Portland, Bonneville Power Building, claim, $3,590,000

Texas:

Laredo, Federal Building-Courthouse, $3,000,000

Vermont:

Highgate Springs, Border Station, $250,000

Nonprospectus Construction Projects, $10,000,000:

Provided, That of the funds provided for nonprospectus construction projects $5,000,000 shall remain available until expended for acquisition, lease, construction and equipping of a flexiplace work telecommuting center in southern Maryland, the Eastern Shore of Maryland and in northwestern Virginia and Virginia and may be used for establishment of two additional flexiplace work telecommuting centers: *Provided further*, That each of the immediately foregoing limits of costs on new construction projects may be exceeded to the extent that savings are effected in other such projects, but by not to exceed 10 per centum: *Provided further*, That all funds for direct construction projects shall expire on September 30, 1994, and remain in the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date: *Provided further*, That the Secretary of Commerce shall execute such permanent easements as may be necessary to fulfill an agreement between the Department of Commerce and the City of Boulder, Colorado, on the scope of development of the Department of Commerce property at 325 Broadway, Boulder, Colorado: *Provided further*, That claims against the Government of less than $100,000 arising from direct construction projects, acquisitions of buildings and purchase contract projects pursuant to Public Law 92–313, be liquidated with prior notification to the Committees on Appropriations of the House and Senate to the extent savings are effected in other such projects; (2) not to exceed $583,255,000 which shall remain available until expended, for repairs and alterations: *Provided further*, That funds in the Federal Buildings Fund for Repairs and Alterations shall, for prospectus projects, be limited to the amount by project as follows, except each project may be increased by an amount not to exceed 10 per centum unless advance approval is obtained from the Committees on Appropriations of the House and Senate of a greater amount:

Repairs and Alterations:

California:

San Francisco, U.S. Court of Appeals Annex, $91,563,000

Colorado:

Lakewood, Denver Federal Center, Building 56, $4,378,000

Lakewood, Denver Federal Center, Building 67, $3,498,000

Lakewood, Denver Federal Center, Building 810, $9,975,000

Connecticut:

Hartford, A.A. Ribicoff Federal Building and Courthouse, $8,008,000

District of Columbia:

Agriculture Administration Building, $7,195,000

Frances Perkins Department of Labor Building, $8,500,000

Idaho:

Boise, Federal Building and Courthouse, $9,352,000

Louisiana:

New Orleans, Custom House, $5,716,000

Maryland:

Avondale, De LaSalle Building, $9,170,000

Baltimore, Customhouse, $11,878,000

Baltimore, George H. Fallon Federal Building, $21,301,000

Michigan:

Battle Creek, Federal Center, $26,197,000

Detroit, Federal Building and Courthouse, $6,976,000

New York:

New York, Jacob K. Javits Federal Building, (phase 1), $23,438,000

Oklahoma:

Oklahoma City, Federal Building and U.S. Courthouse, $10,366,000

Tulsa, Federal Building, $8,458,000

Rhode Island:

Providence, J. O. Pastore Federal Building and Post Office $5,233,000

Texas:

Austin, Homer Thornberry Judicial Center, $3,186,000

Houston, Custom House, $4,665,000

Utah:

Ogden, IRS Center, $4,884,000

Virginia:

Richmond, Federal Office Building, $24,000,000

Washington:

Seattle, Henry M. Jackson Federal Building, $5,329,000

Capital Improvements of United States-Mexico Border Facilities, $13,500,000 as follows:

Texas:

El Paso, Bridge of the Americas, $3,000,000

Ysleta, $3,000,000

Ysleta, site acquisition and construction, $7,500,000

Minor Repairs and Alterations, $256,489,000: *Provided*, That additional projects for which prospectuses have been fully approved may be funded under this category only if advance approval is obtained from the Committees on Appropriations of the House and Senate: *Provided further*, That all funds for repairs and alterations prospectus projects shall expire on September 30, 1994, and remain in the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date: *Provided further*, That the amount provided above for Minor Repairs and Alterations may be used to pay claims against the Government arising from any projects under the heading "Repairs and Alterations"; (3) not to exceed $145,381,000 for installment acquisition payments including payments on purchase contracts; (4) not to exceed $1,898,691,000 for rental of space; (5) not to exceed $1,170,000,000 for real property operations; (6) not to exceed $142,000,000 for program direction and centralized services; and (7) not to exceed $195,930,000 for design and construction services which shall remain available until expended: *Provided further*, That for the purposes of this authorization, buildings constructed pursuant to the purchase contract authority of the Public Buildings Amendments of 1972 (40 U.S.C. 602a), buildings occupied pursuant to installment purchase contracts, and buildings under the control of another department or agency where alterations of such buildings are required in connection with the moving of such other department or agency from buildings then, or thereafter to be, under the control of the General Services Administration shall be considered to be federally owned buildings: *Provided further*, That none of the funds available to the General Services Administration, except for San Francisco, California, Federal Office Building; District of Columbia, Department of Justice—Offices, Boards and Divisions Building; Hollywood, Florida, Federal Building; Atlanta, Georgia, Centers for Disease Control; Atlanta, Georgia, Centers for Disease Control site acquisition and site improvement; Atlanta, Georgia, Centers for Disease Control, Laboratory; Hammond, Indiana, Federal Building and United States Courthouse; Newark, New Jersey, Parking Facility; El Paso, Texas, Bridge of the Americas; Ysleta, Texas, Border Facilities; Ysleta, Texas, site acquisition and construction, shall be available for expenses in connection with any construction, repair, alteration, and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, as amended, has not been approved, except that necessary funds may be expended for each project for required expenses in connection with the development of a proposed prospectus: *Provided further*, That funds available in the Federal Buildings Fund may be expended for emergency repairs when advance approval is obtained from the Committees on Appropriations of the House and Senate: *Provided further*, That amounts necessary to provide reimbursable special services to other agencies under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)(6)) and amounts to provide such reimbursable fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its protective functions pursuant to 18 U.S.C. 3056, as amended, shall be available from such revenues and collections: *Provided further*, That revenues and collections and any other sums accruing to this Fund during fiscal year 1993 excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(6)) in excess of $4,820,209,000 shall remain in the Fund and shall not be available for expenditure except as authorized in appropriations Acts.

FEDERAL SUPPLY SERVICE

OPERATING EXPENSES

For expenses authorized by law, not otherwise provided for, necessary for property management activities, utilization of excess and disposal of surplus personal property, rehabilitation of personal property, transportation management activities, transportation audits by in-house personnel, procurement, and other related supply management activities, including services as authorized by 5 U.S.C. 3109; $56,070,000.

FEDERAL PROPERTY RESOURCES SERVICE

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for carrying out the functions of the Administrator with respect to utilization of excess real property; the disposal of surplus real property, the utilization survey, deed compliance inspection, appraisal, environmental and cultural analysis, and land use planning functions pertaining to excess and surplus real property, including services as authorized by 5 U.S.C. 3109; $13,933,000, to be derived from proceeds from transfers of excess real property and disposal of surplus real property and related personal property, subject to the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601–5).

GENERAL MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided, for Policy Direction, Board of Contract Appeals, and accounting, records management, and other support services incident to adjudication of Indian Tribal Claims by the United States Court of Claims, and services authorized by 5 U.S.C. 3109, $35,346,000, of which not to exceed $1,658,000 shall remain available until expended for major equipment acquisitions and systems development projects: *Provided*, That this appropriation shall be available for general administrative and staff support services, subject to reimbursement by the applicable organization or agencies pursuant to subsections (a) and (b) of section 1535 of title 31, United States Code: *Provided further*, That not less than $825,000 shall be available for personnel and associated costs in support of Congressional District and Senate State offices without reimbursement from these offices: *Provided further*, That not to exceed $5,000 shall be available for official reception and representation expenses.

INFORMATION RESOURCES MANAGEMENT SERVICE

OPERATING EXPENSES

For expenses authorized by law, not otherwise provided for, necessary for carrying out Government-wide and internal responsibilities relating to automated data management, telecommunications, information resources management, and related activities, including services as authorized by 5 U.S.C. 3109; and for the Information Security Oversight Office established pursuant to Executive Order 12356; $45,787,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General and services authorized by 5 U.S.C. 3109, $34,748,000: *Provided*, That not to exceed $10,000 shall be available for payment for information and detection of fraud against the Government, including payment for recovery of stolen Government property: *Provided further*, That not to exceed $2,500 shall be available for awards to employees of other Federal agencies and private citizens in recognition of efforts and initiatives resulting in enhanced Office of Inspector General effectiveness.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

For carrying out the provisions of the Act of August 25, 1958, as amended (3 U.S.C. 102 note), and Public Law 95–138; $2,183,000: *Provided*, That the Administrator of General Services shall transfer to the Secretary of the Treasury such sums as may be necessary to carry out the provisions of such Acts.

EXPENSES, PRESIDENTIAL TRANSITION

For expenses necessary to carry out the provisions of the Presidential Transition Act of 1963, as amended (3 U.S.C. 102, note), $5,000,000: *Provided*, That the availability of these funds shall be in accordance with sections 3(b) and 4 of the Act.

GENERAL SERVICES ADMINISTRATION—GENERAL PROVISIONS

SECTION 1. The appropriate appropriation or fund available to the General Services Administration shall be credited with the cost of operation, protection, maintenance, upkeep, repair, and improvement, included as part of rentals received from Government corporations pursuant to law (40 U.S.C. 129).

SEC. 2. Funds available to the General Services Administration shall be available for the hire of passenger motor vehicles.

SEC. 3. Not to exceed 2 per centum of funds made available in appropriations for operating expenses and salaries and expenses, during the current fiscal year, may be transferred between such appropriations for mandatory program requirements. Any transfers proposed shall be submitted promptly to the Committees on Appropriations of the House and Senate for approval.

SEC. 4. Funds in the Federal Buildings Fund made available for fiscal year 1993 for Federal Buildings Fund activities may be transferred between such activities only to the extent necessary to meet program requirements. Any transfers proposed shall be submitted promptly to the Committees on Appropriations of the House and Senate for approval.

SEC. 5. (a) Notwithstanding any other provision of law, agencies are hereafter authorized to make rent payments to the General Services Administration for lease space relating to expansion needs of the agency and General Services Administration is authorized to use such funds, in addition to the amount received as New Obligational Authority in the Rental of Space activity of the Federal Buildings Fund. Such payments are to be at the commercial equivalent rates specified by section 201(j) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(j)) and are to be deposited into the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)).

(b) There are hereby appropriated, out of the Federal Buildings Fund, such sums as may be necessary to carry out the purpose of subsection (a).

SEC. 6. None of the funds appropriated by this Act may be obligated or expended in any way for the purpose of the sale, excessing, surplusing, or disposal of lands in the vicinity of Norfork Lake, Arkansas, administered by the Corps of Engineers, Department of the Army, without the specific approval of the Congress.

SEC. 7. None of the funds appropriated by this Act may be obligated or expended in any way for the purpose of the sale, excessing, surplusing, or disposal of lands in the vicinity of Bull Shoals Lake, Arkansas, administered by the Corps of Engineers, Department of the Army, without the specific approval of the Congress.

SEC. 8. Notwithstanding the provisions of the Act of September 13, 1982 (Public Law 97–258, 31 U.S.C. 1345), any agency, department or instrumentality of the United States which provides or proposes to provide child care services for Federal employees may reimburse any Federal employee or any person employed to provide such services for travel, transportation and subsistence expenses incurred for training classes, conferences or other meetings in connection with the provision of such services: *Provided*, That any per diem allowance made pursuant to this section shall not exceed the rate specified in regulations prescribed pursuant to section 5707 of title 5, United States Code.

SEC. 9. Notwithstanding any other provision of law, the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), is hereafter authorized to receive any revenues, collection, or other income received during a fiscal year in the form of rebates, cash incentives or otherwise, related to energy savings or materials recycling efforts, all of which shall remain in the Fund until expended, and remain available for Federal energy management improvement programs, recycling programs, or employee programs as may be authorized by law or as may be deemed appropriate by the Administrator of General Services. The General Services Administration is authorized to use such funds, in addition to amounts received as New Obligational Authority, in such activity or activities of the Fund as may be necessary.

SEC. 10. The language providing authority to enter into an agreement for the lease-purchase of a building in San Francisco, California under the heading "Federal Buildings Fund Limitations on Availability of Revenue" in Public Law 100–202 (101 Stat. 1329–405) is amended as follows: delete "of approximately 430,000 office occupiable square feet" and insert "not to exceed 475,000 occupiable square feet": *Provided*, That the $15,000,000 made available in this Act in the Federal Buildings Fund for the San Francisco Federal Office Building may be used to fund this increase in square footage.

SEC. 11. (a) Notwithstanding any other provision of law, the Administrator of the General Services Administration, shall quitclaim without monetary compensation the property described in (b) to the Deganawidah-Quetzalcoatl University. In the event the Deganawidah-Quetzalcoatl University should lose its exemption from taxation under section 501(c)(3) of the Internal Revenue Code of 1986 or a comparable successor provision of Federal law, the property described in (b) shall automatically revert in ownership to the Federal Government.

(b) The real property situate in the County of Yolo, State of California, conveyed from Deganawidah-Quetzalcoatl University to the United States of America by certain Return Quitclaim Deed dated March 10, 1988, and recorded June 20, 1989, as Instrument No. 13383, in the official Records of Yolo County, California.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

For necessary expenses in connection with National Archives and Records Administration and related activities, as provided by law, and for expenses necessary for the review and declassification of documents, and for the hire of passenger motor vehicles, $163,045,000, of which $4,000,000 for allocations and grants for historical publications and records as authorized by 44 U.S.C. 2504, as amended, shall remain available until expended.

OFFICE OF GOVERNMENT ETHICS

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Office of Government Ethics pursuant to the Ethics in Government Act of 1978, as amended by Public Law 100–598, and the Ethics Reform Act of 1989, Public Law 101–194, including services as authorized by 5 U.S.C. 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, and not to exceed $1,500 for official reception and representation expenses; $8,265,000: *Provided*, That notwithstanding 31 U.S.C. 3302, funds received from fees charged to non-Federal participants to attend an International Conference on Ethics shall be credited to and merged with this account, to be available for carrying out the Conference without further appropriation.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, medical examinations performed for veterans by private physicians on a fee basis, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, not to exceed $2,500 for official reception and representation expenses, and advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order 10422 of January 9, 1953, as amended: *Provided*, That notwithstanding 31 U.S.C. 3302, the Director is hereby authorized to accept gifts of goods and services, which shall be available only for hosting National Civil Service Appreciation Conferences, to be held in several locations throughout the United States in 1993. Goods and services provided in connection with the conference may include, but are not limited to, food and refreshments; rental of seminar rooms, banquet rooms, and facilities; and use of communications, printing and other equipment. Awards of minimal intrinsic value will be allowed. Gifts provided by an individual donor shall not exceed 50 percent of the total value of the gifts provided at each location; $121,269,000; and in addition $87,032,000 for administrative expenses, to be transferred from the appropriate trust funds of the Office of Personnel Management without regard to other statutes, including direct procurement of health benefits printing, for the retirement and insurance programs, of which $3,500,000 shall be transferred at such times as the Office of Personnel Management deems appropriate, and shall remain available until expended for the costs of automating the retirement recordkeeping systems, together with remaining amounts authorized in previous Acts for the recordkeeping systems: *Provided further*, That $1,012,000 of the funds appropriated is available only for the establishment of a toll-free telephone line: *Provided further*, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by section 8348(a)(1)(B) of title 5, U.S.C.: *Provided further*, That, except as may be consistent with regulations of the Office of Personnel Management prescribed pursuant to 5 U.S.C. 8902a(f)(1) and (i), no payment may be made from the Employees Health Benefits Fund to any physician, hospital, or other provider of health care services or supplies who is, at the time such services or supplies are provided to an individual covered under chapter 89 of title 5, United States Code, excluded, pursuant to section 1128 or 1128A of the Social Security Act (42 U.S.C. 1320a-7–1320a-7a), from participation in any program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.): *Provided further*, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order 9358 of July 1, 1943, or any successor unit of like purpose: *Provided further*, That the President's Commission on White House Fellows, established by Executive Order 11183 of October 3, 1964, may, during the fiscal year ending September 30, 1993, accept donations of money, property, and personal services in connection with the development of a publicity brochure to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission: *Provided further*, That the Director of the Office of Personnel Management may transfer from this appropriation an amount to be determined, but not to exceed $270,000, to the National Advisory Council on the Public Service as established by Public Law 101-363.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act, as amended, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles: $4,528,000; and in addition, not to exceed $6,956,000 for administrative expenses to audit the Office of Personnel Management's retirement and insurance programs, to be transferred from the appropriate trust funds of the Office of Personnel Management, as determined by the Inspector General: *Provided*, That the Inspector General is authorized to rent conference rooms in the District of Columbia and elsewhere.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

For payment of Government contributions with respect to retired employees, as authorized by chapter 89 of title 5, United States Code, and the Retired Federal Employees Health Benefits Act (74 Stat. 849), as amended, $4,149,245,000, to remain available until expended.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE

For payment of Government contributions with respect to employees retiring after December 31, 1989, as required by chapter 87 of title 5, United States Code, $12,433,000, to remain available until expended.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

For financing the unfunded liability of new and increased annuity benefits becoming effective on or after October 20, 1969, as authorized by 5 U.S.C. 8348, and annuities under special Acts to be credited to the Civil Service Retirement and Disability Fund, not to exceed $6,900,000,000: *Provided*, That annuities authorized by the Act of May 29, 1944, as amended and the Act of August 19, 1950, as amended (33 U.S.C. 771-75), may hereafter be paid out of the Civil Service Retirement and Disability Fund.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out functions of the Merit Systems Protection Board pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, and direct procurement of survey printing, $24,850,000, together with not to exceed $1,950,000 for administrative expenses to adjudicate retirement appeals to be transferred from the Civil Service Retirement and Disability Fund in amounts determined by the Merit Systems Protection Board.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Office of Special Counsel pursuant to Reorganization Plan Numbered 2 of 1978, the Civil Service Reform Act of 1978 (Public Law 95-454), and the Whistleblower Protection Act of 1989 (Public Law 101-12), including services as authorized by 5 U.S.C. 3109, payment of fees and expenses for witnesses, rental of conference rooms in the District of Columbia and elsewhere, and hire of passenger motor vehicles; $7,949,000.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Federal Labor Relations Authority, pursuant to Reorganization Plan Numbered 2 of 1978, and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, including hire of experts and consultants, hire of passenger motor vehicles, rental of conference rooms in the District of Columbia and elsewhere; $21,637,000: *Provided*, That public members of the Federal Service Impasses Panel may be paid travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons employed intermittently in the Government service, and compensation as authorized by 5 U.S.C. 3109.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

For necessary expenses, including contract reporting and other services as authorized by 5 U.S.C. 3109; $32,435,000: *Provided*, That travel expenses of the judges shall be paid upon the written certificate of the judge.

This title may be cited as the "Independent Agencies Appropriations Act, 1993".

Mr. ROYBAL (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. DANNEMEYER. Mr. Chairman, I reserve the right to object.

Mr. DINGELL. Mr. Chairman, I have a point of order to this title.

The CHAIRMAN. The Chair will recognize the gentleman in due course for this point of order.

Mr. DANNEMEYER. Mr. Chairman, reserving the right to object, I would like to be able to hear what the gentleman from California [Mr. ROYBAL] said with respect to his unanimous-consent request.

The CHAIRMAN. The gentleman from California [Mr. ROYBAL] asked unanimous consent that title IV be read and open to amendment at any point.

Mr. DINGELL. Mr. Chairman, reserving the right to object, I have a point of order I would like to offer.

The CHAIRMAN. The gentleman from California [Mr. DANNEMEYER] has the floor under his reservation of objection.

Mr. DANNEMEYER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. ROYBAL] that title IV be considered as read, printed in the RECORD, and open to amendment at any point?

Mr. DINGELL. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The gentleman is recognized under his reservation.

Mr. DINGELL. Mr. Chairman, under my reservation of objection, I have a little point of order which I wish to offer to section 9.

The CHAIRMAN. The Chair will inform the gentleman from Michigan [Mr. DINGELL] that his request is not timely. The rights of the gentleman will be protected. We simply want to dispose of the unanimous-consent request.

Mr. DINGELL. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. ROYBAL]?

Mr. BURTON of Indiana. Mr. Chairman, reserving the right to object, I just want to make sure I understand where we are. The Chairman is about to open title IV for amendment at any point?

The CHAIRMAN. The request of the gentleman from California is that title IV be considered as read and open to amendment at any point.

Mr. BURTON of Indiana. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. ROYBAL]?

There was no objection.

The CHAIRMAN. Are there any points of order against title IV?

POINT OF ORDER

Mr. DINGELL. Mr. Chairman, I have a point of order against section 9.

The CHAIRMAN. The gentleman will state his point of order.

Mr. DINGELL. Mr. Chairman, I make a point of order in accordance with the rule on page 47, line 10, through the period at line 25. My point of order is made under the provisions which relate to legislating in appropriation bills.

The CHAIRMAN. Does the gentleman from California [Mr. ROYBAL] care to be heard?

Mr. ROYBAL. Mr. Chairman, I concede the point of order.

The CHAIRMAN (Mr. STUDDS). The point of order is conceded and sustained. The section is stricken.

Are there additional points of order on this title?

Are there amendments to this title?

AMENDMENT OFFERED BY MR. JACOBS

Mr. JACOBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JACOBS: page 44, line 7, strike out "$2,183,000" and insert in lieu thereof "$613,200."

Mr. JACOBS. Mr. Chairman, this amendment does not cut any of the incumbent Presidents' public funds. It cuts all of the office funds for the ex-Presidents. It does not cut the ex-Presidents' pensions nor that of Mrs. Johnson. It does not deal at all with Secret Service protection of the ex-Presidents, only what I must call the slush funds.

Now, if a President were just leaving office, I believe that it would be proper to provide office funds for transition for 1 year or 2. But none of them has that status now.

It might seem strange to the American public that an officeholder leaves office only to go into another public office paid by the taxpayers. It has seemed strange to me for a long, long time.

Mr. Chairman, our ex-Presidents are beginning to pile up on us a little bit. We have about four of them now, I think. One, Mr. Nixon, gets $478,000 a year to pay his office expenses for a private office. Ford gets $462,000, Carter gets $466,000, and Reagan is not doing bad, $770,000.

They will tell you these offices are necessary to answer mail that they get, but we have tested that a few times. We have had friends write letters to them, and three of the four did not get an answer at all, and the fourth one had a printed postcard which said he did not have time to answer. These are booking offices for speaker's occasions and that sort of thing.

Mr. Chairman, the former Presidency has become big business. If you are an ex-President of the United States, you are automatically a millionaire. You get an advance, somebody writes a memoir for you, and you are an automatic millionaire.

Mr. Chairman, I think at least these fellows ought to pay their own private office expenses, and that is just about what this comes down to.

The only thing I want to add is that the committee will fire presently a Sidewinder missile at this cut. What it will do is restore about $1 million worth of private office funds for the ex-Presidents.

Mr. Chairman, I ask Members to do just as they did on the previous amendment: Vote no on the Sidewinder missile to shoot this one down, vote no on the cut, and vote yes on the real cut.

When Thomas Jefferson left office as President he said, "I go forth to accept a promotion, from servant to master, a private citizen." There is great dignity in private citizenship.

This is something that has grown and grown over the years. They should have their pensions. Harry Truman did not have one until he was almost dead, and that was the first time they ever voted a Presidential pension, and that was right. But these slush funds have built up, and they ought to be cut.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, I think what the gentleman is saying is we just cannot afford former Presidents. So I would suggest the American taxpayer cannot afford to add to that list of former Presidents right now.

Mr. JACOBS. Mr. Chairman, reclaiming my time, they are just piling up on us.

Mr. ROYBAL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment is one that has been offered every year. I always tell the gentleman from Indiana [Mr. JACOBS] that the best thing for the gentleman to do is to go before the authorizing committee and put into law what he is now proposing. Then we would have no problem with it.

What the committee has done is to obey the laws that exist at the present time. This appropriation provides for an office allowance and pensions for former Presidents. It also allows them a staff to perform those functions related to their duties as former Presidents.

They do receive mail. It seems to me that the mail should be answered. They make many public appearances for charity and perform other duties relating to their office.

Mr. Chairman, this is a modest appropriation, and I hope that this amendment will not be agreed to. After debating this year after year, it seems to me that a better solution can be found, and that there is a solution, and that is to go to the authorizing committee and ask them to bring a law that actually permits what the gentleman from Indiana [Mr. JACOBS] is advocating at this particular time.

Mr. Chairman, I am opposed to this amendment, and hope that we can come to a vote immediately.

Mr. WOLF. Mr. Chairman, I rise to strike the last word.

Mr. Chairman, nobody saw fit to offer an amendment to strike the money for former Speakers.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Indiana.

Mr. JACOBS. Mr. Chairman, as it happens I believe it is correct to say that I am the only Democrat in this House who cast a vote against creating an office for Speaker McCormick when he left office. I might add it was not because I did not like him; I loved him. I just thought that these trinkets ought not be given to ex-officeholders as gifts from the taxpayers. I said if they would pass the hat, I would throw $100 in, but do not impose it on the taxpayers.

Mr. WOLF. Mr. Chairman, reclaiming my time, that is legitimate. But when the Legislative appropriation bill came up, there was not an amendment to cut out the offices for former Speakers.

Second, I wrote Presidents Ford and Carter and I got a response. Perhaps the fact that the gentleman offers this amendment every year is the reason he does not get a response.

Third, I personally think that what Jimmy Carter has done has been very, very positive. Jimmy Carter is a committed Christian. Every year he gives a week of his time for Habitat for Humanity, and gets a tremendous amount of mail as a result of it.

This year he went into Southeast Washington. Through the work of he and his wife and 300 volunteers, where no one got paid, they built 10 homes for individuals. Had the gentleman been here that Friday night when they gave the keys over to the individuals, one woman said this is the first time she ever had a house. He does this every single year.

☐ 1820

Jimmy Carter should get the credit as the one who has sensitized this Nation in the area of human rights, from Romania to all these issues, he gets much, much mail on that issue.

I would just end by saying I would hope that the Congress, that the body would vote down this amendment and allow the individuals to continue to answer the mail. If we wanted to freeze it, fine, but they ought not be wiped out because what this amendment would do, the Jacobs amendment, would totally and completely wipe it out. And they would have no money at all.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. JACOBS].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. JACOBS. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 202, noes 205, not voting 27, as follows:

[Roll No. 259]

AYES—202

Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Anthony
Applegate
Armey
Atkins
AuCoin

Bacchus
Baker
Barrett
Bennett
Bereuter
Bevill
Bilbray
Bilirakis
Blackwell
Browder
Bruce
Bunning
Burton
Camp
Campbell (CA)
Carper
Carr
Chandler
Clement
Coble
Coleman (MO)
Combest
Condit
Conyers
Cooper
Costello
Cox (IL)
Cramer
Crane
Dannemeyer
Darden
DeFazio
DeLauro
DeLay
Donnelly
Doolittle
Dorgan (ND)
Duncan
Durbin
Eckart
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Evans
Ewing
Fawell
Feighan
Fields
Foglietta
Ford (TN)
Frank (MA)
Gallegly
Gaydos
Gekas
Geren
Gilchrest
Gingrich
Glickman
Goodling
Goss
Grandy
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harris
Hefley
Henry
Herger
Holloway
Horn
Hubbard
Huckaby
Hughes
Hutto
Inhofe
Jacobs
James
Jefferson
Jenkins
Johnson (SD)
Jontz
Kaptur
Kasich
Kildee
Klug
Kolbe
Kopetski
Kyl
Lancaster
LaRocco
Leach
Lehman (CA)
Levin (MI)
Lewis (GA)
Long
Lowey (NY)
Markey
Martinez
Mavroules
Mazzoli
McCloskey
McCrery
McDermott
McEwen
McMillen (MD)
Meyers
Mfume
Miller (CA)
Miller (WA)
Molinari
Moody
Moorhead
Moran
Morrison
Neal (MA)
Nichols
Nowak
Nussle
Olver
Ortiz
Orton
Owens (NY)
Pallone
Pastor
Patterson
Pease
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Poshard
Pursell
Rahall
Ramstad
Rangel
Reed
Riggs
Rinaldo
Ritter
Roemer
Rogers
Rohrabacher
Roth
Rowland
Sanders
Sangmeister
Santorum
Sarpalius
Scheuer
Schroeder
Schumer
Sensenbrenner
Sharp
Shays
Sikorski
Slattery
Slaughter
Smith (OR)
Snowe
Staggers
Stallings
Stark
Stearns
Stenholm
Studds
Stump
Sundquist
Swett
Tanner
Tauzin
Taylor (MS)
Thomas (CA)
Thomas (WY)
Torricelli
Towns
Upton
Valentine
Vento
Visclosky
Volkmer
Weldon
Wise
Wyden
Yates
Yatron
Zimmer

NOES—205

Abercrombie
Alexander
Allen
Anderson
Annunzio
Archer
Aspin
Ballenger
Barton
Bateman
Beilenson
Bentley
Berman
Bliley
Boehlert
Boehner
Borski
Boucher
Brewster
Brooks
Brown
Bryant
Byron
Callahan
Campbell (CO)
Cardin
Clay
Clinger
Coleman (TX)
Collins (IL)
Collins (MI)
Coughlin
Cox (CA)
Coyne
Cunningham
Davis
de la Garza
Dellums
Derrick
Dickinson
Dicks
Dixon
Dooley
Dornan (CA)
Downey
Dreier
Dwyer
Early
Edwards (TX)
Engel
Espy
Fascell
Fazio
Flake
Ford (MI)
Franks (CT)
Frost
Gallo
Gejdenson
Gephardt
Gibbons
Gilman
Gonzalez
Gordon
Gradison
Green
Hammerschmidt
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hertel
Hoagland
Hobson
Hochbrueckner
Horton
Houghton
Hoyer
Hunter
Ireland
Johnson (CT)
Johnson (TX)
Johnston
Jones (GA)
Jones (NC)
Kanjorski
Kennedy
Kennelly
Kleczka
Kostmayer
LaFalce
Lagomarsino
Lantos
Laughlin
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Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Lowery (CA)
Luken
Machtley
Manton
Marlenee
Martin
Matsui
McCandless
McCollum
McCurdy
McDade
McHugh
McMillan (NC)
McNulty
Michel
Miller (OH)
Mineta
Mink
Moakley
Mollohan
Montgomery
Morella
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (NC)
Oakar
Oberstar
Obey
Owens (UT)
Oxley
Packard
Panetta
Parker
Paxon
Payne (NJ)
Payne (VA)
Perkins
Pickett
Pickle
Porter
Price
Quillen
Ravenel
Ray
Regula
Rhodes
Ridge
Roberts
Roe
Rose
Rostenkowski
Roukema
Roybal
Russo
Sabo
Savage
Sawyer
Saxton
Schaefer
Schiff
Schulze
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (TX)
Solomon
Spence
Spratt
Stokes
Swift
Synar
Taylor (NC)
Thomas (GA)
Thornton
Traficant
Unsoeld
Vander Jagt
Vucanovich
Walker
Walsh
Waters
Waxman
Weber
Weiss
Wheat
Whitten
Williams
Wilson
Wolf
Wolpe
Wylie
Young (AK)
Young (FL)
Zeliff

NOT VOTING—27

Ackerman
Barnard
Bonior
Boxer
Broomfield
Bustamante
Chapman
Dingell
Dymally
Fish
Gillmor
Hefner
Hopkins
Hyde
Kolter
Lehman (FL)
McGrath
Murphy
Olin
Richardson
Ros-Lehtinen
Serrano
Solarz
Tallon
Torres
Traxler
Washington

☐ 1840

Messrs. DELLUMS, RIDGE, SISISKY, BATEMAN, and DREIER of California changed their vote from "aye" to "no."

Messrs. GALLEGLY, BEVILL, FORD of Tennessee, EMERSON, STEARNS, JEFFERSON, TOWNS, AND LEWIS of Georgia changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana: Page 31, line 21, strike "$4,820,209,000" and insert "$4,805,209,000".

Page 31, line 21, strike "$684,952,000" and insert "$669,952,000".

Page 33, strike lines 17 and 18.

Mr. BURTON of Indiana (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BURTON of Indiana. Mr. Chairman, let me just say to my colleagues, especially my colleague up here in the front that there is a $4 trillion national debt. I did not want to let the gentleman down by not stating that, and we need to deal with the fiscal problems facing this country in a responsible manner.

Toward that end I would like to point out to my colleagues that over the past 2 days we have passed an Agriculture bill that has $6.5 billion above last year's spending level, an Interior bill that was $416 million above last year's spending level, and this Post Office and Treasury Service bill is going to be $2.9 billion above last year's spending level. And we passed an authorization bill earlier on Alcohol, Drug Abuse, and Mental Health that was $1 billion above last year's spending level.

Let me just say to my colleagues that we have talked day in and day out about the deficit and what that portends for the economic well-being of the United States in the future. I have an amendment that I am proposing right now that I hope my colleagues will look on in a favorable way. We are trying to cut waste and pork out of the spending bills facing this body in order to get control of spending.

This bill contains eight new Federal building construction projects which were not requested by the administration, and these projects cost $212 million, and they are not needed by Federal agencies. Five of the eight projects are not authorized, they are unauthorized, and they cost $141 million.

The worst abuser of these five is the project in Newark, NJ. It is a nine-story parking garage, and it was not requested by the administration, and they did not get any authorization whatsoever. It is totally unauthorized. This will cost the taxpayers of the United States for this parking garage in Newark $15 million.

Now the city of Newark is going to pay $30 million for their part of the project, but this is an economic development project, not part of the Federal Government's responsibility. This is the equivalent of a joint venture for the Federal Government, and the Federal Government does not normally do this. There is no assurance that the interests of the Federal taxpayers will be protected.

If the Federal facilities in downtown Newark really need additional parking, we should let the city pay the entire cost of the building of this garage and let the Federal Government lease back the part that they need.

The real purpose of this project, Mr. Chairman, is economic development in downtown Newark. The adjacent Federal office facilities are being used as a convenient excuse to bring home $15 million in pure pork.

According to the committee report language, this project would greatly enhance the effective functioning of the entire Federal complex, including past, present, and future government facilities as well as surrounding municipal, cultural, and other activities. I do not know how a new parking garage is going to help the effective functioning of past government facilities.

The opponents of the balanced budget amendment said that we need to find the courage, the courage to make the tough choices so that we can balance the Federal budget. It should not take much courage to cut out $15 million for a nine-story parking garage that the Federal Government does not want or need in Newark, NJ.

If we cannot cut this project, where are we going to cut? This is pork, pure and simple. The Federal Government should not be dealing with this or paying for it.

I apologize to my colleagues from Newark, but the project is in their district and it is pure pork, and the Federal Government and the taxpayers should not be paying for it, especially in view of the fact that we have a $470 billion deficit this year alone, and a $4 trillion national debt. The interest is $300 million plus on the national debt, and by the year 2000 the personal income taxes, if we keep spending the way we are, will not even pay the interest on the debt.

If we care about the future economic well-being of this country, we should pass amendments like this, and make dramatic cuts to get control of our appetites on spending.

Mr. ROYBAL. Mr. Chairman, I rise in opposition to the amendment.

The General Services Administration is now completing construction of the Federal courts building in the heart of Newark, NJ, which will open this spring. The new Federal building will function as a courthouse and as an administrative office adjacent to other Federal properties in downtown Newark. With the building's opening, over 6,000 Federal employees will work in the center of downtown Newark. More than 3,000 municipal employees, combined with a broad range of private business enterprises also work in this same area.

With the development of the Federal courts building, certain existing surface parking was eliminated, and the combined impact of this infusion of new Federal employment, the loss of existing surface parking to accommodate the plan, and the growing vitality of private employment in Newark's downtown will create a severe parking problem.

The construction of a garage is desperately needed to address the pressing parking shortage, as well as to enhance the effective functioning and role that this Federal facility can play in the city of Newark. This Federal complex can be a critical factor in the continued emergence of this area and its rich base of cultural, artistic, community, public and private facilities; the garage needed is an especially important factor.

□ 1850

Mr. DANNEMEYER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, and Members, at the conclusion of the Committee's consideration of this bill, our colleague, the gentleman from Louisiana [Mr. HOLLOWAY], will seek to offer an amendment that relates to the Boy Scouts of America.

If a motion is made for the Committee to rise, we will ask for a rollcall vote on that motion for the Committee to rise. And bear in mind that the essence of that vote will be whether or not this House goes in support of affirming the Boy Scouts of America. That will be the vote.

Because what is happening in my State of California and other States in the Union is that certain banks and other businesses in that State are saying to the Boy Scouts of America, "We are no longer going to give money to you when you honor traditional family values and how we bring up our kids," in this instance because the Boy Scouts in California and throughout the United States have said very clearly they are not going to have homosexuals as Scout masters or in charge of boys in the Boy Scouts of America.

This amendment will reach that, because it will say to any bank in this country that as a member of the Federal Reserve Board that has money on deposit with the Federal Reserve System that if there is a change in reserve requirements lowering those reserve requirements, the Federal Reserve will thereby be remitting money back to that bank. And if one of these banks, the Bank of America and Wells Fargo in California are currently doing this, if they are discriminating against the Boy Scouts of America in their ability to raise kids in traditional family values, then they are not going to get their money back. That is the hook.

We are going to ask the Members in this House today by a rollcall vote, if the motion is made for the Committee to rise, to vote for the Boy Scouts of America, and I hope that you will, because believe me, it is an institution of which we Americans can be proud, that raises boys in this country for God and country, for discipline, for recreation, for advancing the preservation of the environment.

I can speak as a former Eagle Scout, as a Scoutmaster, as a Cub Scoutmaster. I have had the privilege of working on some fund drives in my home county in Orange County, CA, to help out with the Boy Scouts of America.

Let us vote for the kids of America. Let us vote to affirm the Boy Scouts.

Mr. PAYNE of New Jersey. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the Burton amendment to strike funding for an important element of Newark's urban redevelopment.

Yesterday, I attended a hearing where the distinguished Secretary of Housing and Urban Development, my friend Jack Kemp, talked about the Bush administration's strong support of enterprise zones, a concept designed to target assistance to distressed urban and rural areas.

Now, I find it ironic that my colleague from Indiana, the home State of our Vice President, is attempting to sabotage a facility that will enhance economic development in a city making a strong comeback despite the fact that it was absolutely devastated by the civil disorders of the 1960's. We, in Newark, are proud of the progress we have made in the years since that turbulent period.

We have an outstanding mayor, Sharpe James, and a dedicated municipal council working together. We have a strong community with successful public-private partnership working to create jobs in America and stimulate economic development.

I believe our success is reflected in the fact that Newark remained calm in the wake of the Rodney King verdict while violence erupted in Los Angeles and many cities around the country. We are proud of that fact and the progress that we are making.

The parking facility we are seeking will help the working people of my city by alleviating a serious parking problem. We will be taking our share of the financial responsibility for the project at the local level, with the Newark Parking Authority raising the balance of the needed funds for this operation.

This is an indication that our city is ready to deal with the problem and come up with the funds that we need.

I also want to stress that this facility is an essential extension of the previously authorized Martin Luther King, Jr., Federal courthouse complex. Unfortunately, existing surface parking was eliminated by construction of the new courthouse building.

With the building's opening later this year, there will be 6,000 Federal employees working in the center of downtown Newark which we are proud of, as well as 3,000 municipal employees and scores of other private sector workers.

The Prudential Insurance Co. is interested now in additional redevelopment in our city, third oldest in the United States, and a proud city.

We are attempting to encourage additional Federal agencies and businesses to return to Newark, so that we can continue to reverse the exodus from the city that occurred many decades ago.

As I said, construction of the garage will help the working people of Newark. We hear a lot about the importance of creating jobs in urban America, about the importance of helping working families and promoting family values.

I fail to see the justification for eliminating a project in Newark, NJ, once one of America's most prosperous cities that now has a chance to make a comeback, both economically and from a social and cultural standpoint.

Mr. Chairman, I believe that if the Federal Government had not turned its back on our urban cities some years ago, the cities and our urban centers would not be like they are today. So I believe the project is economically sound, and an investment in our cities is the kind of urban investment that can put our country back on the right track.

I urge my colleagues to oppose the Burton amendment.

Mr. GALLO. Mr. Chairman, I move to strike the requisite number of words.I11Mr. Chairman, I want to rise in support of the gentleman from New Jersey [Mr. PAYNE] and the parking garage and in opposition to the Burton amendment.

With this building, this Federal court, it will not only house some 700 or 1,000 employees, but 700 new employees, as indicated by the gentleman from New Jersey [Mr. PAYNE].

The building, as it goes up, will eliminate parking that is already there, and this is a self-help situation, too, because we are talking about an investment that Newark is making of some $30 million of which $15 million will come as an added amount from the Federal Government.

I believe there is some Federal responsibility when you are placing a Federal court in a city, no matter what that city is, to be able to take care of the needs of the parking.

It has been estimated that there will be over 1,226 parking spots needed at peak times. Those spots might not have been needed if, in fact, it did not have a Federal building that was being constructed there.

This is certainly a legitimate cost and also a cost-sharing situation.

I take exception to the gentleman from Indiana singling out the State of New Jersey on a particular project where there is self-motivation by the city in the fact that it is coming up with almost $30 million.

☐ 1900

So I stand in opposition to the amendment of the gentleman from Indiana [Mr. BURTON] and in support of my colleague, the gentleman from New Jersey [Mr. PAYNE].

Mr. SAVAGE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to support the gentleman from New Jersey, because an authorizing resolution in this matter was approved by the Public Works and Transportation Committee on October 24, 1985, upon the favorable recommendation of the Subcommittee on Public Buildings and Grounds, which I currently chair.

That resolution authorized construction of a Federal building-courthouse, now named for Dr. Martin Luther King, Jr., on a parking lot adjacent to a post office-courthouse and the Rodino Federal Building.

It is my understanding that provision for additional parking was contemplated by that resolution because parking space was consumed by the authorized building construction, and because it is necessary and routine policy for the General Services Administration to provide adequate parking for new construction. After all, such Federal buildings service the public and are open to the public.

All such construction projects, mind you, as this should be authorized before there is appropriation proposed, and even in cases such as this one, I hope it will not occur again; yet at least by implication, the parking facility for which we are asked to appropriate today was contemplated by the authorization in 1985 of the building's construction.

Therefore, as chairman of the Subcommittee of Jurisdiction, I do not oppose this appropriation.

Mr. DOOLITTLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from Louisiana and the gentleman from California both pointed out what is coming up relative to the Boy Scouts of America. In order for that amendment to be offered, which I think is very important to consider, we have to defeat the motion to rise.

Relative to the Boy Scouts of America, I would like to draw the attention of the Members to a memo dated June 19 from Ben H. Love, chief Scout executive, to the Scout executives throughout the United States.

As you may know, this is the largest youth development organization in the country with 4.1 million young people and 1.2 million volunteer adult leaders.

This is what the memo says to the Scout executives around the country:

> It is important that you know that special interest groups led by the Gay and Atheist Communities are intent on destroying the Boy Scouts of America as we know it today. They are systematically attacking the values upon which the Boy Scouts of America is based. This attack on our principles and methods of delivery is deliberate and well-organized.
>
> Consider the following actions that are being orchestrated by the special interest groups:
>
> Money: They are going directly to the heart of Boy Scouts of America funding from companies. They are using "Civil rights discrimination" as their major method of attack. This is not a civil rights issue; it is a value issue.
>
> Membership: The special interest groups are seeking to cut off the Boy Scouts of America from the youth of this nation by disallowing Scouting's access to children in the nation's schools. They are also seeking to place a wedge between the Boy Scouts of America and our chartered partners by asking church bodies to disallow units to be chartered to their individual churches.
>
> Manpower: Through actions with the United Way of the Bay Area and other United Ways, they are attempting to weaken our delivery system in schools and with our chartered partners. If the actions by special interest groups are not addressed, they threaten the very survival of our Movement.

Mr. Chairman, this again was a memorandum from the chief Scout executive, dated just June 19 to all Scout executives throughout the country. There is a sustained attack on the Boy Scouts of America. Today, this evening, we will have a chance to express ourselves on this. In order to do that, you must vote down the motion to rise so that we can consider the amendment of the gentleman from Louisiana which he will offer.

I want to draw the attention of the body to this very important amendment and urge you to please come and be prepared to vote no on the motion to rise so that we can have the debate and the vote.

Mr. ROE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to get back to the issue before us, which is the motion made by the distinguished gentleman from Indiana, and advise you that he is just dead wrong. His facts are incorrect and he is dead wrong.

This Congress in 1989 voted for $250,000 to do the planning and site preparation for this particular project. They have already voted for it. The leadership of this committee, whether it be ROE or HAMMERSCHMIDT or my good friend, the gentleman from Pennsylvania [Mr. SHUSTER] or the chairman of the subcommittee know that this is a program that has been planned for a long time.

This is a very unique thing. Let me set the case, and then of course the gentleman can take another 4 hours. We have been at this 4 hours already.

It is interesting to me as the distinguished chairman of our subcommittee said we had when this Federal building was built, it was built on a parking lot. They took the parking lot away. Ordinarily you would include the parking in building a building that needed this kind of parking facilities.

Now, it is interesting to note, I did a little checking on Indiana, very interesting thing. I talked to some of the good folks in Indiana. Now, is it not interesting in Indiana in the Indianapolis Federal Office Building, the Minton-Capehart Building which we built recently or a few years ago, we have made arrangements for a parking facility in Indiana, in your great State, for 468 cars. We included that in there, and the Federal Government paid for it, so did the citizens from New Jersey.

We in this program that we are doing in the city of Newark in an urban enterprise zone, I may call to your attention, which our good President speaks to, we are providing of the $35 million involved, the city of Newark are taxing their people for $20 million. That really was not quite the same thing that we did in Indiana. We are a little bit more georgous.

Then as chairman of this committee, working with all of your colleagues, both Democrats and Republicans, very interesting to me, as we are now doing the water resources bill we have 16 projects that we are working with the people of Indiana on to try to help the people with their water supply, their flood control, the things they need.

In the bill that we are working on now, which we are 95 percent through, which has to do with the technical corrections bill, the State of Indiana is after us, including your Governor and your Members, asking this very same committee to be kind and cordial to the people of the State of Indiana.

I would like to say tonight, hey, brothers and sisters, ladies and gentlemen, for God's sake, stop the nonsense. If we are going to be around nitpicking here and there and destroying each State, I am not going to say one bad thing about the people of Indiana. They are lucky they have you here, but by God, in New Jersey if the vote came in New Jersey, sir, you would not be coming to this body.

Now, be that as it may, let us start looking at the facts. Let us start doing the right thing.

□ 1910

There is nobody in this building who is trying to hurt somebody or hurt any State, let alone us. So, by God, this is a just project. It should be done, and it is the right thing to do for the State of New Jersey.

I urge you to vote this amendment down.

Mr. WOLF. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. You know, Shakespeare talked about "the slings and arrows of outrageous fortune," and I want you to know in my 10 years here I have felt a number of them. And my colleague from New Jersey, his comments were very eloquent and they did sting, and I appreciate the position and where he is coming from. But the fact of the matter is every time I come down to this well and I attack a football stadium or a bicycle path or a parking garage someplace in this great land of ours that the Federal Government is asked to pay for, that the taxpayers around this country are asked to pay for, somebody from some committee comes down here and says, "But it is so important for the people of my State. It is so important for the people of my district."

Of course it is. But that does not alter the fact that it is pork.

Now let me ask you a question: Do you want to put a parking garage in every single city in this country that has a Federal courthouse? Do you know how much money that will cost? We do not have it.

Let me—you know, sometimes, I know what the Christians felt like in the Roman arena.

Let me, Mr. Chairman, just say that all kidding aside, the deficits that we are experiencing are going up and not down. We are $470 billion short this year, and every single appropriation bill that has come before this body this week has been higher than last year, every one of them. And we are not doing anything to get control of spending.

I have said on the floor of the House the last couple of weeks that I have a book that I wish everybody would read. It is called the Coming Economic Earthquake, by Larry Burkett. He is going to be here next week, and for those of you who are interested, I would love to have you come and meet this guy and talk about his economic projections. He is a good man. I want to say to my colleagues tonight, bicycle paths, parking garages, football stadiums paid for by the taxpayers in other parts of the country are wrong, just wrong, whether it is in Indiana or New Jersey.

I am saying to my colleagues tonight, if we do not get control of spending in this body, the kids of this country, the future generations, are going to curse us because of the economic problems they are going to face. And before the next decade is out, in all probability we are going to have economic chaos. We are not going to have a major depression like you would traditionally think of a depression; what we are going to do is we are going to see the Federal Reserve Board inflate the money supply, print money to cover the debt. Do you know why they are going to do that? I will tell you why they are going to do that: Because the interest on the debt is going to exceed the tax revenues coming into the treasury. And when that happens, the Federal Reserve Board unilaterally can monetize the debt. If we have a $10 trillion national debt and we cannot pay the interest on it, and they print $5 trillion to pay off the debt so we do not have to service it, then we are going to have hyperinflation. And you Social Security recipients and your welfare recipients and your people on fixed incomes are going to really suffer because they will have money but it will not buy anything because we were not fiscally responsible today.

Parking garages, whatever you want to talk about, we have got to get control of spending around here or there is going to be an economic calamity and everybody knows it.

Mr. TORRICELLI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I know some of our colleagues are confused. Mr. DANNEMEYER has risen and spoken about the Boy Scouts, and we are concerned about this garage. I want Mr. DANNEMEYER to know that any Boy Scout who comes to Newark, NJ, is welcomed in our parking garage.

Mr. Chairman, several years ago this House made a judgment to build in Newark, NJ, a Federal courthouse. It was a good judgment. An old city in severe economic trouble, to rebuild its heart; that project has worked. Six thousand employees will come to the heart of Newark each day and bring it new life. The city of Newark contributed millions of dollars of its own money.

Now, with the project near completion, we are told that half of the project, the parking deck to go with it, should be removed. It is as if with half of the Golden Gate Bridge built 50 years ago, you were to come to this floor and ask that it not be completed. This project made sense when you authorized it, when you appropriated it, and now it makes sense to complete it.

I know how easy it is to come here against one State and one project. But the people of Newark have built part of their future on the faith of this institution keeping its own word. You began it, it made sense, we relied upon it, and now it is keeping that faith and good economic sense to complete it.

We ask that this Congress keep its word to the people of Newark who contributed their money and built their hopes. I ask you to vote with DONALD PAYNE and with our State and to defeat this amendment and get the job done that we began.

Mr. SHAW. Mr. Chairman, will the gentleman yield?

Mr. TORRICELLI. I will be happy to yield to the gentleman from Florida.

Mr. SHAW. I thank the gentleman for yielding.

Mr. Chairman, I would like to say to the gentleman—and I have the greatest respect for my colleague, the gentleman from Indiana [Mr. BURTON], and I agree with what he said with regard to pork and everything else. This is not pork, however. I was the ranking member on the Subcommittee on Public Buildings and Grounds during the planning stage for this courthouse.

As a former mayor, I know of the importance of building up the inner city. And you can take these type of projects, which are sorely needed, to be occupied by the Federal Government and to be owned by the Federal Government, not leased by the Federal Government, you are doing more for the inner city and taking care of the needs of the Federal Government. I do not consider a parking lot for the Federal employees in a downtown area adjacent to a Federal courthouse as pork. It is a necessity.

I would urge defeat of this amendment.

Mr. TORRICELLI. I thank the gentleman for his comments and our colleagues for their support. Newark is coming back, this is working, you made a good investment. Please stay with us. We thank the committee for their support.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Burton amendment.

I would say to my friend from New Jersey [Mr. ROE], any statement where he said this Congress voted, that is the key for this project. This Congress, just like earlier in the week, voted $19 million for a road in Mississippi for the Army that the Army did not even want, but because the chairman wanted it, it was pork. Mr. BURTON fought that as well.

I would not be surprised if we do not get overridden on this bill as well. It is pork. You cannot keep blaming—I watched on the Senate last night, and they were pointing out how the cost has gone up under the Reagan-Bush administrations. They do not control the spending. This Congress does. Most of us supported the cuts even against the administration.

I would ask my colleagues to vote against this. I have a hard time thinking that a parking garage in Newark is an enterprise zone. If the gentleman, Mr. ROE, or the gentleman from New Jersey [Mr. PAYNE], would like to support an enterprise zone for business or the gentleman from Texas [Mr. WASHINGTON] or the gentleman from California [Mr. COX], sponsoring a bill on turbo enterprise zones that help business within the inner cities, I will support it. But I have a difficult time seeing how a parking garage in Newark fits that bill. I would hope that Members do not support it.

I would also like to ask that the Members vote, or at least hear a bill that has been discussed describing the Boy Scouts of America; why are the special interests fighting the Boy Scouts of America? Because they pledge their duty to God.

> On my honor, I will pledge my duty to my God and my country, to keep myself physically strong, morally awake and morally straight.

But America does not want our Judeo-Christian values taken out of the Boy Scouts of America. We want to support these groups because they support those Judeo-Christian values. Those interest groups are trying to take it out, Mr. Chairman.

□ 2040

Please. I would ask, do not vote to rise before the Holloway amendment is accepted.

Mr. MFUME. Mr. Chairman, I move to strike the requisite number of words.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. MFUME. I yield such time as he may consume to the distinguished chairman of the Committee on Public Works and Transportation, the gentleman from New Jersey [Mr. ROE].

Mr. ROE. Mr. Chairman, I do not want to drag this out, but, by God, it has got to be said.

I wonder about the gentleman from San Diego, who just spoke so eloquently, when he came to this committee and asked us to help in the Ice-T bill, to help San Diego with a cover for a tunnel they needed, and I wonder if that was pork.

I ask my colleagues: Why don't we stop it? Why don't we stop one thing here tonight? Why don't we have the guts to stand up and stop one thing: pork, pork, pork? You are trying to subvert the American people away from things that the people of this country need.

Mr. Chairman, every single dollar that this Congress voted for in the capital improvement of this country is worth at least $10, or more, in improving the capital base of this country to provide the resources to do the things we are trying to do for the people. I say to the gentleman, If you had your way, we would stop construction in the country entirely.

Now, by God, I think it is wrong for any Member, Democrat or Republican, in this room, from whatever State they come from, to sit back and allow this nonsense to continue on while we are going through these appropriations bills. For God's sake stand up like men and women who are for their country. If it is right to do in my State, and it is right to do in San Diego, and it is right to do in Indiana, the gentleman is not going to confuse the people as long as I am here any longer.

And I say to the gentleman: Stop lying to our people that it is pork, pork, pork. You choose to do that because you think that gives you an edge. But it is the needs of the people of this country we should support.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as my colleagues know, I think it is somewhat of a shame that what we are doing now when Members offer amendments on the floor to make cuts that they think are responsible is we have now engaged in starting to personally attack them in the context of this.

If the American people wonder why things have gone wrong in the Congress, they need only to listen to this debate, the hooting and the hollering, and listen to the nature of the debate.

I am sure that what the gentlemen from New Jersey say about the project is absolutely right. It is probably a very good project. I think the gentleman from Indiana [Mr. BURTON] though has proven his courage by coming out here time and time again on issues of a similar nature suggesting that at some point we ought to deal with the realities that what we are doing here is spending money that we do not have.

Mr. Chairman, as my colleagues know, there was an awful lot of joy, and hooting and hollering earlier today when we were cutting $15 million out of the White House. That was fun and games. We all had a real enjoyable time, and the people on that side of the aisle just thought that this was wonderful fun, to come out and do that.

The point is that if my colleagues are going to make some cuts and they are going to enjoy doing that, why is it that we do not also make some cuts in other areas that might actually have an impact downstream on the budget?

I think it is wrong to attack the gentleman from Indiana [Mr. BURTON] personally, to attack the gentleman from San Diego, Mr. CUNNINGHAM, personally, who are standing up here and making the point that here is a place we can cut spending. My colleagues can cast their vote any way they want.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I will in a minute. But the gentleman from Indiana [Mr. BURTON] is simply suggesting here is a place he found we can cut, and I say to my colleagues, If you don't like it, vote against it. But don't attack him personally on the floor. I just think that that demeans the debate, and in many ways I think it tells the American people exactly why they are mad at this institution.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, I thank the distinguished gentleman from Pennsylvania [Mr. WALKER].

Mr. Chairman, I have been here 23 years, and I never attack anybody personally on the floor. It is strange to me, if the gentleman will give me a moment, it is strange to me that it seems when they offer their attack upon the people and their integrity, and they had the temerity the other night to say people acted like Nazis and so forth; that was OK. Was that not a disgrace, to talk about other Members of Congress that way?

Mr. Chairman, I say to the gentleman, "I know you didn't mean it."

Mr. WALKER. Mr. Chairman, I did not say anything——

Mr. ROE. I know.

Mr. WALKER. Mr. Chairman, if the gentleman from New Jersey [Mr. ROE] will allow me to reclaim my time, I did not say anything about any individual Member.

Mr. KOSTMAYER. Mr. Chairman——

Mr. WALKER. The gentleman from Pennsylvania [Mr. KOSTMAYER] always acts this way.

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Chairman, the gentleman the other day—is the gentleman yielding to me or not?

Mr. WALKER. Reclaiming my time, Mr. Chairman, I say to the gentleman, "I will in a moment because I just want to say I am happy to yield to the gentleman who has shown tremendous disrespect for me."

Mr. KOSTMAYER. Mr. Chairman, the gentleman from Pennsylvania [Mr. WALKER] made a remark the other day which appeared in newspapers all over the country comparing Members of his party, saying that they have been treated like the Nazis had treated people and like slaveholders. I think that is a very disparaging remark, and I say with all due respect to my friend from Pennsylvania that last night we had the delay on the floor of an hour because the gentleman from Kansas [Mr. GLICKMAN] wanted to offer an amendment. He went one paragraph beyond where it was intended to be offered, and the gentleman held the whole operation up for an hour because of that.

So, Mr. Chairman, I think what is good for the goose is good for the gander.

Mr. WALKER. Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. KOSTMAYER] for his point.

Let me say to the gentleman that, No. 1, I did not refer to any individual Member. I referred to a collective kind of—

Mr. KOSTMAYER. The gentleman referred to all of us. The gentleman referred to all of us.

Mr. WALKER. Mr. Chairman, did I yield to the gentleman? The gentleman continuously refuses to obey the rules when it is in his purpose to do so. I have been happy to yield to the gentleman, and now will he allow me to speak?

The CHAIRMAN. The gentleman from Pennsylvania [Mr. WALKER] controls the time.

Mr. WALKER. Mr. Chairman, I would say to the gentleman that I thought that the collective work of what his party did was similar in nature to other despots, and I made that quite clear. I think that we have had some very bad rulings.

Mr. Chairman, I say to my colleagues, "You know you all have enjoyed today going after the White House. We didn't have the opportunity to go after some of the legislative things because you acted like despots and didn't allow the same kind of rule on the floor that this particular bill has. That's too bad, and that's my point."

Mr. Chairman, what I saw here though was the gentleman from New Jersey [Mr. ROE] specifically attack the gentleman from California [Mr. CUNNINGHAM]. He made a specific attack on the gentleman from San Diego, and that is exactly my concern.

The gentleman then also suggested that anybody who offers amendments like the gentleman from Indiana was a liar. I do not think the gentleman from Indiana is a liar on the floor. He is simply attempting to offer an amendment to cut some spending in one place. I do not see that that is an outrage.

I say to my colleagues, "Vote against him if you want to. Let that demonstrate to the American people that this is a place you don't want to cut. Allow us to demonstrate that maybe there are some places we would prefer to cut in order to try to get the budget deficit that we think is running out of control back into control."

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. CUNNINGHAM. Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. WALKER] for yielding, and in the case of a cover, as the gentleman remembers, we did not get our covers. The gentleman did get the $19 million road, and I am sure he will get this pork.

What we ask for we never get, and they always do because they outnumber us, and then they attack the President for it. We ask all the time, and we do not get it.

Mr. WALKER. Mr. Chairman, I would simply say, "I would hope we will vote for the gentleman's amendment."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. BURTON].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 89, noes 313, not voting 32, as follows:

[Roll No. 260]

AYES—89

Allard
Allen
Archer
Armey
Baker
Ballenger
Bilirakis
Boehner
Bunning
Burton
Camp
Campbell (CA)
Chandler
Coble
Combest
Crane
Cunningham
Dannemeyer
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan
Ewing
Fawell
Fields
Franks (CT)
Gallegly
Gekas
Gilchrest
Goodling
Goss
Gradison
Grandy
Hancock
Hansen
Hefley
Herger
Holloway
Hunter
Inhofe
Ireland
James
Johnson (CT)
Johnson (TX)
Kasich
Klug
Kyl
Lagomarsino
Leach
Lent
Lewis (FL)
Marlenee
McCollum
McCrery
McEwen
Meyers
Miller (WA)
Moorhead
Nussle
Orton
Oxley
Paxon
Petri
Porter
Ramstad
Ridge
Ritter
Roberts
Rohrabacher
Roth
Santorum
Schulze
Sensenbrenner
Smith (OR)
Smith (TX)
Snowe
Solomon
Stearns
Stump
Sundquist
Taylor (NC)
Vander Jagt
Vucanovich
Walker
Weldon
Wylie
Young (FL)
Zimmer

NOES—313

Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bacchus
Barrett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Blackwell
Bliley
Boehlert
Borski
Boucher
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Byron
Callahan
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clay
Clement
Clinger
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gallo
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Green
Guarini
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Henry
Hertel
Hoagland
Hobson
Hochbrueckner
Horn
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jacobs
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCurdy
McDade
McDermott
McMillen (MD)
McNulty
Mfume
Michel
Miller (CA)
Miller (OH)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moran
Morella
Morrison
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Oakar
Oberstar
Olin
Olver
Ortiz
Owens (NY)
Owens (UT)
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Reed
Regula
Rhodes
Rinaldo
Roe
Roemer
Rogers
Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sabo
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schumer
Serrano
Shaw
Shays
Shuster
Sikorski

Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Solarz
Spence
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Thomas (CA)
Thomas (WY)
Thornton
Torricelli
Towns
Traficant
Unsoeld
Upton
Vento
Visclosky
Volkmer
Walsh
Washington
Waters
Waxman
Weber
Weiss
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Yates
Yatron
Young (AK)
Zeliff

NOT VOTING—32

Abercrombie
Ackerman
Barnard
Bonior
Boxer
Broomfield
Bustamante
Dymally
Edwards (OK)
Fish
Hall (OH)
Hefner
Hopkins
Horton
Hyde
Lehman (FL)
Lowery (CA)
McGrath
McHugh
McMillan (NC)
Obey
Richardson
Riggs
Ros-Lehtinen
Sanders
Sharp
Smith (FL)
Tallon
Thomas (GA)
Torres
Traxler
Valentine

☐ 1946

Messrs. COLEMAN of Missouri, THOMAS of Wyoming, Mr. MARTINEZ, Ms. HORN, Mr. SWETT, Mr. MURPHY, Mrs. PATTERSON, and Mr. DELAY changed their vote from "aye" to "no."

Mr. ZIMMER changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there other amendments to title IV?

AMENDMENT OFFERED BY MR. SAVAGE

Mr. SAVAGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAVAGE: On page 32, strike lines 5, 6 and 21.

Mr. SAVAGE. Mr. Chairman, in light of my earlier remarks, this amendment should evidence my evenhandedness. It pleads for Members not to permit blatant violations of the rules or procedures of this House. You see, I do ordinarily oppose legislating through appropriations measures.

Certainly, we must fulfill this responsibility, with understanding, considering implications and contexts. However, this amendment deals with two blatant examples of disregard for the authorizing process, both on page 32 of the bill, H.R. 5488. Yes, cut—but cut where it is reasonable to cut—and here are two good cases. As chairman of the authorizing Subcommittee of Jurisdiction, I just expressed reasonableness in the case of Newark, NJ—yet, unless authorizing committees and subcommittees are to become uninviting doormats, I must strongly object to the projects proposed on lines 5 and 21, respectively, $15 million for an office building in San Francisco and $2 million for one in Hollywood, FL.

As chairman of the Subcommittee on Public Buildings and Grounds, I have worked diligently to expedite action on all Members' requests and struggled to find fair justification for them—and with the cooperation and commitment of Members from the other side, our record would be deemed a success in this regard by any fair-minded person.

Indeed, Mr. Chairman, there are no conceivable reasons for the authorizing process to have been disregarded in these two instances. I ask that they be stricken from this bill. Yet, I assure those primarily concerned that these two proposals shall receive prompt and fair consideration and action by the proper initial authorizing unit of this body.

Finally, may I humbly advise, do not wait until your house is on fire—throw water on your neighbor's house when it is on fire, so yours is not endangered.

Mr. Chairman, I plead for an "aye" vote on my amendment.

Mr. ROYBAL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, first of all I would like to thank the gentleman from Illinois [Mr. SAVAGE] for his willingness to take this matter before his subcommittee and immediately bring it back to this Committee. Now, had he made that offer yesterday I would be in agreement with it, but making this offer today would only mean that if he does, in fact, authorize it tomorrow or 7 days from now, he will be at least 1 day too late or maybe even 7.

The truth of the matter is that this bill will end today as far as the vote in the House is concerned. Then we go into conference. Nevertheless, it is something that I cannot agree to because I find no place, no way in which these items can be brought back into this same bill. Therefore, I oppose the amendment on that basis.

Ms. PELOSI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the gentleman's amendment for the following reason: This is not a new project in San Francisco. It is a Federal building that was authorized. There was a need for additional square footage, and that is what the funds in the legislation represent. The first 430 square feet of the building were authorized, and the additional 45,000 square feet are covered by the $15 million, so it is not a new project. It is not one that is not authorized in its entirety. I urge my colleagues to oppose the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. SAVAGE].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SAVAGE. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count for a quorum.

One hundred and three Members are present, a quorum.

Mr. SAVAGE. Mr. Chairman, I renew my demand for a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

Mr. JACOBS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take the 5 minutes. I really want to pose a question to the chairman of the committee concerning the absence in the legislation of any requirement that these buildings be made in an energy-efficient manner; where geothermal might be available, the overhanging construction on the south end to make it more efficient to air condition in the summer and to heat in the winter, and so on.

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from California.

Mr. ROYBAL. Mr. Chairman, in answer to the gentleman's question, I firmly believe that all that he says should be done. The truth of the matter is that it comes under the jurisdiction of the Committee on Public Works. I may also say that the GSA is aware of the gentleman's concern. They, too, have the same concern.

Mr. JACOBS. I ask the Chairman, surely he has this interest as well, to save fossil fuel?

Mr. ROYBAL. I have the same concern that the gentleman has, and as long as I am here, and it is going to be until the end of the year, I will do everything I possibly can to see to it that it is done.

The CHAIRMAN. Are there additional amendments to title IV.

Mr. WALKER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it has been mentioned before, but I do want to remind the Members that we are headed probably toward final passage of the bill, and before final passage comes there will be a motion to rise. At that point the gentleman from Louisiana will be seeking to defeat the motion to rise so that he may offer an amendment. The nature of that amendment is that it is an attempt to protect the Boy Scouts of America from the attacks that are going on against them across the country.

In this case the attacks are being directed at the Boy Scouts of America largely because in their oath they pledge a duty to God. I would say to the Members that I am concerned about the pattern that we have seen developing in the country over the past several years, first when we removed prayer from the public schools, and most recently when the prayer was removed from graduation ceremonies by the Supreme Court. Those are the public institutions that are involved, and it does involve a question of whether or not we have religion in public life.

In this particular instance, what is happening is that we have now special interest groups that are now reaching in and suggesting that we cannot have religion in private life, either. I think that is a very disturbing trend that moves us well away from the kind of values and value base that this country needs.

One way to speak out on that issue, and to speak out in favor of what the Boy Scouts have provided for this country over a period of almost 100 years, is to vote for the amendment of the gentleman from Louisiana, and by doing so, send a signal to some of these places that we do not appreciate the fact that they are discriminating against the Boy Scouts simply because the Boy Scouts have decided to include religion as a part of their training of young people.

So we will have an opportunity here in the very near future to vote up or down on the motion to rise, and thereby make the question of whether or not the amendments of the gentleman from Louisiana come to the floor a very real one. Understand, the motion to rise then may end up being the vote on the gentleman's amendment, and the vote will be judged on the motion to rise as to whether or not Members are for the gentleman's amendment, because it is the only amendment that I know of that would be subject to the motion to rise here tonight.

□ 2000

So that is the singular issue. Hopefully what we could do is get the chairman to agree not to offer the motion to rise so we simply get the amendment to the floor. It would save some time. But if we cannot do that, we certainly will move on the motion to rise.

I yield back the balance of my time.

The CHAIRMAN. Are there further amendments to title IV?

If not, the Clerk will read.

The Clerk read as follows:

TITLE V

GENERAL PROVISIONS

THIS ACT

SECTION 501. No part of any appropriation made available in this Act shall be used for the purchase or sale of real estate or for the purpose of establishing new offices inside or outside the District of Columbia: *Provided*, That this limitation shall not apply to programs which have been approved by the Congress and appropriations made therefor.

SEC. 502. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 503. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 504. No part of any appropriation contained in this Act shall be available for the procurement of, or for the payment of, the salary of any person engaged in the procurement of any hand or measuring tool(s) not produced in the United States or its possessions except to the extent that the Administrator of General Services or his designee shall determine that a satisfactory quality and sufficient quantity of hand or measuring tools produced in the United States or its possessions cannot be procured as and when needed from sources in the United States and its possessions, or except in accordance with procedures prescribed by section 6-104.4(b) of Armed Services Procurement Regulation dated January 1, 1969, as such regulation existed on June 15, 1970: *Provided*, That a factor of 75 per centum in lieu of 50 per centum shall be used for evaluating foreign source end products against a domestic source end product. This section shall be applicable to all solicitations for bids opened after its enactment.

SEC. 505. None of the funds made available to the General Services Administration pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949 shall be obligated or expended after the date of enactment of this Act for the procurement by contract of any service which, before such date, was performed by individuals in their capacity as employees of the General Services Administration in any position of guards, elevator operators, messengers, and custodians, except that such funds may be obligated or expended for the procurement by contract of the covered services with sheltered workshops employing the severely handicapped under Public Law 92-28.

SEC. 506. No funds appropriated in this Act shall be available for administrative expenses in connection with implementing or enforcing any provisions of the rule TD ATF-66 issued June 13, 1980, by the Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms on labeling and advertising of wine, distilled spirits and malt beverages, except if the expenditure of such funds is necessary to comply with a final order of the Federal court system.

SEC. 507. None of the funds appropriated in this Act may be used for administrative expenses to close the Federal Information Center of the General Services Administration located in Sacramento, California.

SEC. 508. None of the funds made available by this Act for the Department of the Treasury may be used for the purpose of eliminating any existing requirement for sureties on customs bonds.

SEC. 509. None of the funds made available by this Act shall be available for any activity or for paying the salary of any Government employee where funding an activity or paying a salary to a Government employee would result in a decision, determination, rule, regulation, or policy that would prohibit the enforcement of section 307 of the 1930 Tariff Act.

SEC. 510. None of the funds made available by this Act shall be available for the purpose of transferring control over the Federal Law Enforcement Training Center located at Glynco, Georgia, Marana, Arizona, and Artesia, New Mexico, out of the Treasury Department.

SEC. 511. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

SEC. 512. No part of any appropriation contained in this Act shall be available for the payment of the salary of any officer or employee of the United States Postal Service, who—

(1) prohibits or prevents, or attempts or threatens to prohibit or prevent, any officer or employee of the United States Postal Service from having any direct oral or written communication or contact with any Member or committee of Congress in connection with any matter pertaining to the employment of such officer or employee or pertaining to the United States Postal Service in any way, irrespective of whether such communication or contact is at the initiative of such officer or employee or in response to the request or inquiry of such Member or committee; or

(2) removes, suspends from duty without pay, demotes, reduces in rank, seniority, status, pay, or performance of efficiency rating, denies promotion to, relocates, reassigns, transfers, disciplines, or discriminates in regard to any employment right, entitlement, or benefit, or any term or condition of employment of, any officer or employee of the United States Postal Service, or attempts or threatens to commit any of the foregoing actions with respect to such officer or employee, by reason of any communication or contact of such officer or employee with any Member or committee of Congress as described in paragraph (1) of this subsection.

SEC. 513. No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverage for abortions.

SEC. 514. The provision of section 513 shall not apply where the life of the mother would be endangered if the fetus were carried to term.

SEC. 515. The Administrator of General Services, under section 210(h) of the Federal Property and Administrative Services Act of 1949, as amended, may acquire, by means of a lease of up to thirty years duration, space for the United States Courts in Tacoma, Washington, at the site of Union Station, Tacoma, Washington.

SEC. 516. Funds under this Act shall be available as authorized by sections 4501-4506 of title 5, United States Code, when the achievement involved is certified, or when an award for such achievement is otherwise payable, in accordance with such sections. Such funds may not be used for any purpose with respect to which the preceding sentence relates beyond fiscal year 1993.

SEC. 517. None of the funds appropriated or otherwise made available to the Department of the Treasury by this or any other Act shall be obligated or expended to contract out positions in, or downgrade the position classifications of, members of the United States Mint Police Force and the Bureau of Engraving and Printing Police Force, or for studying the feasibility of contracting out such positions.

SEC. 518. The Office of Personnel Management may, during the fiscal year ending September 30, 1993, accept donations of supplies, services, and equipment for the Federal Executive Institute, the Federal Quality Institute, and Executive Seminar Centers for the enhancement of the morale and educational experience of attendees.

SEC. 519. No part of any appropriation contained in this Act shall be available for the procurement of, or for the payment of, the salary of any person engaged in the procurement of stainless steel flatware not produced in the United States or its possessions, except to the extent that the Administrator of General Services or his designee shall determine that a satisfactory quality and sufficient quantity of stainless steel flatware produced in the United States or its possessions, cannot be procured as and when needed from sources in the United States or its possessions or except in accordance with procedures provided by section 6-104.4(b) of Armed Services Procurement Regulations, dated January 1, 1969. This section shall be applicable to all solicitations for bids issued after its enactment.

SEC. 520. The United States Secret Service may, during the fiscal year ending September 30, 1993, accept donations of money to off-set costs incurred while protecting former Presidents and spouses of former Presidents when the former President or spouse travels for the purpose of making an appearance or speech for a payment of money or any thing of value.

SEC. 521. None of the funds made available by this Act may be used to withdraw the designation of the Virginia Inland Port at Front Royal, Virginia, as a United States Customs Service port of entry.

SEC. 522. None of the funds made available to the Postal Service by this Act shall be used to transfer mail processing capabilities from the Las Cruces, New Mexico postal facility, and that every effort will be made by the Postal Service to recognize the rapid rate of population growth in Las Cruces and to automate the Las Cruces, New Mexico postal facility in order that mail processing can be expedited and handled in Las Cruces.

SEC. 523. None of the funds in this Act may be used to reduce the rank or rate of pay of a career appointee in the SES upon reassignment or transfer.

SEC. 524. No funds in this Act may be used to award a Federal agency lease in the Omaha, Nebraska—Council Bluffs, Iowa, geographical area, which does not meet the following criteria:

Any Federal agency which leases commercial space in the Omaha, Nebraska—Council Bluffs, Iowa, geographical area, when entering into new leases, shall give preference to space available meeting standard government lease criteria, which is offered at the lowest cost per square foot within the geographical area, provided it also meets the occupying agency's mission requirement.

SEC. 525. No part of any appropriation contained in this Act shall be available to pay the salary for any person filling a position, other than a temporary position, formerly held by an employee who has left to enter the Armed Forces of the United States and has satisfactorily completed his period of active military or naval service and has within ninety days after his release from such service or from hospitalization continuing after discharge for a period of not more than one year made application for restoration to his former position and has been certified by the Office of Personnel Management as still qualified to perform the duties of his former position and has not been restored thereto.

SEC. 526. None of the funds made available to the United States Customs Service may be used to collect or impose any land border processing fee at ports of entry along the United States-Mexico border.

SEC. 527. Where appropriations in this Act are expendable for travel expenses of employees and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amount set forth therefor in the budget estimates submitted for the appropriations without the advance approval of the House and Senate Committees on Appropriations: *Provided*, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Department of Veterans Affairs; to travel of the Office of Personnel Management in carrying out its observation responsibilities of the Voting Rights Act; or to payments to interagency motor pools where separately set forth in the budget schedules.

SEC. 528. (a) Not later than September 30, 1993, the Postal Service Fund shall pay into the Civil Service Retirement and Disability Fund, in addition to any other payments required by law, $210,000,000, as a payment toward the residual amount that would have been due under 5 U.S.C. 8348(m) if the provisions of such section as now in effect had been in effect since July 1, 1971.

(b) Not later than September 30, 1993, the Postal Service Fund shall pay into the Employees Health Benefits Fund, in addition to any other payments required by law, $105,000,000, as a payment toward the residual amount that would have been due under 5 U.S.C. 8906(g)(2) if the provisions of such section as now in effect had been in effect since July 1, 1971.

SEC. 529. Section 616 of the Act of December 22, 1987 (40 U.S.C. 490b) is amended—

(1) by amending subsection (a)(2) to read as follows:

"(2) such officer or agency determines that such space will be used to provide child care services to children of whom at least 50 percent have one parent or guardian who is employed by the Federal Government; and";

(2) by amending subsection (b)(3) to read as follows:

"(3) For the purpose of this subsection, the term 'services' includes the providing of lighting, heating, cooling, electricity, office furniture, office machines and equipment, classroom furnishings and equipment, kitchen appliances, playground equipment, telephone service (including installation of lines and equipment and other expenses associated with telephone services), and security systems (including installation and other expenses associated with security systems), including replacement equipment, as needed.";

(3) by redesignating subsection (b)(3), as amended by paragraph (2), as subsection (b)(4), and inserting after subsection (b)(2) the following:

"(3) If an agency has a child care facility in its space, or is a sponsoring agency for a child care facility in other Federal or leased space, the agency or the General Services Administration may pay accreditation fees, including renewal fees, for that center to be accredited by a nationally recognized early-childhood professional organization, and travel and per diem expenses for attendance by representatives of the center at the annual General Services Administration child care conference."; and

(4) by adding at the end the following:

"(c) Through the General Services Administration's licensing agreements, the Administrator of General Services shall provide guidance, assistance, and oversight to Federal agencies for the development of child care centers to promote the provision of economical and effective child care for Federal workers.".

SEC. 530. Section 532 of the Act of November 5, 1991 (104 Stat. 1470; Public Law 100-509), is amended—

(1) by inserting "(a)" immediately before the first sentence inside the quotation marks; and

(2) by adding before the close quotation marks at the end the following new subsection:

"(b) The Internal Revenue Service may use competitive procedures or procedures other than competitive procedures to procure the services of attorneys for use in litigating actions under the Internal Revenue Code to which a foreign-controlled corporation is a party. The Internal Revenue Service need not provide any written justification for the use of procedures other than competitive procedures when procuring attorney services for such cases and need not furnish for publication in the Commerce Business Daily or otherwise any notice of solicitation or synopsis with respect to such procurement.".

SEC. 531. (a) None of the funds made available by this Act may be used to implement, administer, enforce, or otherwise carry out any change in the terms or conditions governing benefits under chapter 89 of title 5, United States Code, if, or to the extent that, such change would—

(1) affect only enrollees (including covered dependents) in health benefits plans who are (or, on proper application, would be) eligible for benefits under title XVIII of the Social Security Act, or are within any subset of that class of individuals; and

(2) with respect to any enrollees described in paragraph (1)—

(A) eliminate, in whole or in part, the responsibility of any carriers to provide payment or reimbursement for that portion of nonparticipating Medicare providers' allowable charges which exceeds the Medicare payment for participating Medicare providers; or

(B) eliminate, in whole or in part, the waiver of deductibles, coinsurance, or copayments with respect to prescription drugs.

(b) The changes with respect to which subsection (a) applies include both of the changes which the Office of Personnel Management proposes, in its Carrier Letter 92-04, to effect administratively.

CONVEYANCE OF LAND TO ANNE ARUNDEL COUNTY, MARYLAND

SEC. 532. (a) CONVEYANCE OF LAND.—Notwithstanding any other provision of law, upon the release of possessory interests in the property described in subsection (c) that are held by any person other than the United States on the date of the enactment of this Act, the Administrator of General Services shall convey the property to Anne Arundel County, Maryland, by quitclaim deed and without monetary consideration.

(b) TERMS AND CONDITIONS.—The deed of any conveyance under subsection (a)—

(1) shall provide that the property shall be used and maintained for public park or public recreation purposes in perpetuity, and that in the event the property ceases to be used or maintained for such purpose, all or any portion of the property shall in its then existing condition, at the option of the United States, revert to the United States; and

(2) may contain such additional terms, reservations, and conditions as may be determined by the Administrator to be necessary to safeguard the interests of the United States.

(c) DESCRIPTION.—The real property referred to in subsection (a) is property located in the County of Anne Arundel, Maryland, which—

(1) contains 35 acres, more or less, according to a description prepared by McCrone, Inc., in May 1985 without benefit of a field survey;

(2) is all that lot of ground which, by quitclaim deed dated July 3, 1985, and recorded among the land records of Anne Arundel County, Maryland, at Liber 3947, folio 191, was granted and conveyed by the Board of

Education of Anne Arundel County, Annapolis, Maryland, to the United States of America; and

(3) is more particularly described as follows:

Beginning for the same at a point located on the south side of Boundary Road, said beginning point being the same as that in a Quitclaim Deed from the United States of America to the Board of Education of Anne Arundel County, Annapolis, Maryland, dated March 19, 1969, and recorded among the Land Records of Anne Arundel County in Liber 2252 page 200, and running from said beginning point so fixed and with the west and south lines of a 50-foot right-of-way south 39 degrees 41 minutes 01 seconds west 383.42 feet to a point and south 50 degrees 18 minutes 59 seconds east 50.0 feet to a point located in the right-of-way line of the Baltimore-Washington Parkway, thence with said right-of-way lines of said Parkway south 39 degrees 41 minutes 01 seconds west 27.0 feet to a point and south 43 degrees 29 minutes 51 seconds west 350.18 feet to a point, thence leaving said Parkway and running with part of the south outline of the whole tract south 89 degrees 46 minutes 32 seconds west 1,610.22 feet to a point, thence leaving said outline and running for a new line of division through the whole tract north 00 degrees 13 minutes 28 seconds west 786.38 feet to a point located in the south right-of-way line of Boundary Road, thence with the same north 89 degrees 46 minutes 32 seconds east 2,233.11 feet to the place of beginning.

SEC. 533. (a) IN GENERAL.—Subject to subsection (b), the Secretary of the Interior may transfer certain land located in the Shenandoah National Park and described in subsection (c) to the Secretary of the Treasury for use by the Secretary of the Treasury as a United States Customs Service Canine Enforcement Training Center.

(b) CONDITIONS OF TRANSFER.—

(1) PROTECTION OF THE PARK.—An agreement to transfer pursuant to subsection (a) shall include such provisions for the protection of Shenandoah National Park as the Secretary of the Interior considers necessary.

(2) CONSIDERATION.—A transfer made pursuant to subsection (a) shall be made without consideration or reimbursement.

(3) ABANDONMENT.—If the land referred to in subsection (a) is abandoned by the Secretary of the Treasury at any time, administrative jurisdiction of the land shall revert to the Department of the Interior.

(c) DESCRIPTION OF THE LAND.—The land referred to in subsection (a) is a plot of fenced land equaling 9.888 acres containing buildings, structures, fixtures, equipment, and other improvements affixed to or resting upon the land, and has the following legal description:

The tract of land located just west of Road No. 604 about one mile south of Front Royal, Warren County, Virginia, and bounded as follows:

Beginning at (1) a monument in the line of the land of Lawson just west of Road No. 604; thence with the land of Lawson, and then with a new division line through the land of Shenandoah National Park north 59 degrees 45 minutes 38 seconds west 506.05 feet to (2) a Concrete Monument set, said point being north 59 degrees 45 minutes 38 seconds west 9.26 feet from a monument to a corner to the land of Lawson; thence with another new division line through the land of Shenandoah National Park north 31 degrees 31 minutes 00 seconds east 1206.07 feet to (3) a Concrete Monument set in the line of the land of the United States Government; thence with the land of the United States Government for the following two courses: south 07 degrees 49 minutes 31 seconds east 203.98 feet to (4); thence south 09 degrees 10 minutes 06 seconds east 27.79 feet to (5) a corner between the land of the United States Government and the land of United States Customs Service Detector Dog Training Center; thence with 282.896 acre tract of land of United States Customs Service Detector Dog Training Center for the following six courses: south 10 degrees 38 minutes 32 seconds east 152.47 feet to (6); thence south 00 degrees 48 minutes 32 seconds west 127.52 feet to (7); thence south 08 degrees 24 minutes 46 seconds west 422.15 feet to (8); thence south 14 degrees 37 minutes 16 seconds west 106.47 feet to (9); thence south 27 degrees 13 minutes 28 seconds west 158.11 feet to (10); thence south 38 degrees 17 minutes 36 seconds west 146.44 feet to the point of beginning, containing 9.888 acres, more or less.

SEC. 534. (a) CLOSED CAPTIONING REQUIREMENT FOR TELEVISION COMMERCIALS OF CANDIDATES WHO ARE ELIGIBLE TO RECEIVE AMOUNTS FROM THE PRESIDENTIAL ELECTION CAMPAIGN FUND.—Section 9003 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

"(e) CLOSED CAPTIONING REQUIREMENT.—No candidate for the office of President or Vice President may receive amounts from the Presidential Election Campaign Fund under this chapter or chapter 96 unless such candidate has certified that any television commercial prepared or distributed by the candidate will be prepared in a manner which ensures that the commercial contains or is accompanied by closed captioning of the oral content of the commercial to be broadcast in line 21 of the vertical blanking interval, or is capable of being viewed by deaf and hearing impaired individuals via any comparable successor technology to line 21 of the vertical blanking interval.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to amounts made available under chapter 95 or 96 of the Internal Revenue Code of 1986 more than thirty days after the date of the enactment of this Act.

SEC. 535. (a) Section 1761(a) of title 18, United States Code, is amended—

(1) by striking "$1,000" and inserting "$50,000"; and

(2) by striking "one year" and inserting "two years".

(b) Section 1762(b) of title 18, United States Code, is amended by striking "$1,000" and inserting "$50,000".

SEC. 536. Section 105(e) of the Federal Alcohol Administration Act (27 U.S.C. 205(e)) is amended—

(1) by redesignating clause (5) as clause (6);

(2) by inserting after clause (4) the following new clause: "(5) as will prevent the use of a trade or brand name that is the name of any deceased individual of public prominence, or is a name that is in simulation or is an abbreviation thereof, and as will prevent the use of a graphic, pictorial, or emblematic representation of any such individual, if the use of such name or representation is likely to degrade or disparage the reputation of such individual;";

(3) in the first proviso of clause (6) (as so redesignated), by inserting "and clause (5)" after "That this clause; and

(4) in the second proviso of clause (6) (as so redesignated), by inserting "or in clause (5)" after "That nothing herein".

SEC. 537. No part of any appropriation made available in this Act may be used to fund the Council on Competitiveness or any successor organization.

Mr. ROYBAL (during the reading). Mr. Chairman, I ask unanimous consent that title V be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any points of order against title V?

POINTS OF ORDER

Mr. ALEXANDER. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. ALEXANDER. Mr. Chairman, section 536 as reported in the bill proposes to change existing law and constitutes legislation on an appropriation bill in violation of rule XXI, clause 2.

Rule XXI, clause 2 states that:

> No amendment to a general appropriation bill shall be in order if changing existing law.

Section 536 amends the Federal Alcohol Administration Act by imposing additional limits on the use of trade or brand names for alcoholic beverages. The language in the bill as adopted in committee would "prevent the use of a trade or brand name that is the name of any deceased individual of public prominence * * * if the use of such name or representation is likely to degrade or disparage the reputation of such individual."

Current law prohibits only the use of living individuals of public prominence as a trade or brand name. This proposed language clearly changes existing law and, therefore, is in violation of rule XXI, clause 2.

While I am sympathetic to the concerns of the proponents of the section, I object to the language because it proposes legislation on an appropriations bill, and I ask the Chair for a ruling on this point of order.

The CHAIRMAN. Does the gentleman from Virginia [Mr. WOLF] wish to be heard on the point of order?

Mr. WOLF. Mr. Chairman, I wish to speak on the point of order.

The CHAIRMAN. The gentleman from Virginia is recognized.

Mr. WOLF. Mr. Chairman, the language has been put in because this brewer has developed an alcoholic beverage called Crazy Horse. Crazy Horse was an Indian chief who was known for urging his people not to drink alcohol.

They are promoting this around Indian reservations and in large cities, and almost every Indian tribe has come out in support of this. And I just wonder if the chairman of the full Committee on Energy and Commerce could take a look at this.

The CHAIRMAN. The Chair controls the time on the point of order, and are there other Members who wish to speak to the point of order?

Mrs. SCHROEDER. Mr. Chairman, I wish to be heard on the point of order.

The CHAIRMAN. The gentlewoman from Colorado is recognized to speak on the point of order.

Mrs. SCHROEDER. Mr. Chairman, I would like to speak on the point of order. I think we really are splitting hairs here. I would hope that the gentleman could withdraw his point of order if at all possible, because we have a law that you cannot do this if a person is living, and this is a person who has died. I find it very offensive that someone for financial reasons can capitalize using their name when the family does not want that, when the whole culture does not want that. It just seems to be very tragic to allow that to happen.

So it is such a minor technicality, the difference between whether or not someone can name something after you after you die when they could not when you are alive; I just find it very, very surprising, and I would hope we could solve this without having to do major legislation.

I think it was just an oversight at the time we did "living only," and that concerns me very much.

The CHAIRMAN. Does the gentleman from Arkansas [Mr. ALEXANDER], wish to be heard further on the point of order?

Mr. ALEXANDER. Mr. Chairman, I ask for a ruling on the point of order.

The CHAIRMAN (Mr. STUDDS). If no further Members wish to be heard on the point of order, the Chair is prepared to rule.

The section that is the subject of the point of order is clearly legislation on an appropriation bill. It is not protected by the rule and the Chair, therefore, sustains the point of order, and the section is stricken.

Are there other points of order to this title?

Mr. CLAY. Mr. Chairman, I raise a point of order against language contained in section 528 on page 65 and 66 of the bill.

The point of order is, I object to that language on the ground that such language constitutes legislation on an appropriation bill.

Mr. ROYBAL. Mr. Chairman, if the gentleman will yield, I concede the point of order.

The CHAIRMAN. Does the gentleman from California [Mr. ROYBAL] wish to be heard on the point of order?

Mr. ROYBAL. Mr. Chairman, we concede the point of order.

The CHAIRMAN (Mr. STUDDS). The point of order is conceded and sustained, and the section in question is stricken.

Mr. CLAY. Mr. Chairman, I move to strike the last word.

Mr. CLAY. Mr. Chairman, the Committee on Post Office and Civil Service is opposed to requiring the Postal Service to pay amounts above those established in the Omnibus Budget Reconciliation Act of 1990 for past retiree cost-of-living adjustments and health benefit premiums.

Mr. Chairman, section 528 of the Treasury-Postal Service-general Government appropriations bill, which has just been stricken from the bill, would have required the U.S. Postal Service to pay $315 million in fiscal year 1993 to fund health benefit premiums and retirement cost-of-living adjustments for postal annuitants. Under the President's fiscal year 1993 budget proposal, upon which this section was based, this payment would have been only the first of three equal annual payments by the Postal Service—bill of almost $1 billion.

The Committee on Post Office and Civil Service is unalterably opposed to requiring the Postal Service to make such payments. The Omnibus Budget Reconciliation Act of 1990 was passed requiring the Postal Service to pay a total of $4.7 billion to the Treasury for the same purposes. Previous steps were taken in the Omnibus Budget Reconciliation Act of 1985, 1987, and 1989. Together, these acts will require payments by the Postal Service of over $9 billion by the end of fiscal year 1995.

The 1990 legislation represented the last step in eliminating the hidden personnel subsidies allegedly received by the Postal Service. In 1990, then Chairman FORD of the Post Office and Civil Service Committee described the provisions in the Omnibus Budget Reconciliation Act of 1989 concerning the Postal Service as follows:

> [A]s part of the committee's contribution to the Omnibus Budget Reconciliation Act of 1989, the United States Postal Service was held accountable for its appropriate share of annuitant COLAs and retiree health insurance premiums. This action addressed and finally settled the issue of what had been viewed as indirect subsidies to the Service.

In the Omnibus Budget Reconciliation Act of 1990, the Postal Service was held accountable for its share of annuitant COLA's and retiree health insurance premiums for all postal retirees as if the 1989 act had been applicable since 1971. At a markup of the Committee on Post Office and Civil Service, Chairman FORD discussed the proposal. The proposal "requires the U.S. Postal Service to make payments in each fiscal years 1991 through 1995 to reflect payments which would have been required if the USPS had been liable for COLA's and FEHB premiums in prior years."

The Committee on Post Office and Civil Service fully considers the Omnibus Budget Reconciliation Act of 1989 and 1990 as the final steps toward eliminating any hidden subsidy for postal retirees. The conference report on the 1990 act states that the funds the Postal Service must pay "are calculated to satisfy the liabilities which the Service would have incurred * * *". Those liabilities will be discharged in 1995 when the Postal Service makes its final payment required by the Omnibus Budget Reconciliation Act of 1990.

The additional $315 million required by the stricken section of this appropriations bill was over and above any alleged liabilities owed by the Postal Service. That section was simply an attempt to have postal rate payers help reduce the Federal deficit.

AMENDMENT OFFERED BY MR. HOAGLAND

Mr. HOAGLAND. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Is this the amendment provided for in the rule?

Mr. HOAGLAND. It is, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment No. 3 offered by Mr. HOAGLAND: Page 64, line 12, insert after "criteria, which" the following: "affords maximum accessibility to the greatest number of members of the public served by the Federal agency, is in close proximity to the greatest number of current and potential employees of the Federal agency, and".

The CHAIRMAN. Pursuant to the rule, the gentleman from Nebraska [Mr. HOAGLAND] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

The Chair recognizes the gentleman from Nebraska [Mr. HOAGLAND].

PARLIAMENTARY INQUIRY

Mr. WALKER. I have a parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. WALKER. Mr. Chairman, does this amendment come in the section of the bill we are now considering?

The CHAIRMAN. It does come in the title of the bill.

Mr. WALKER. In the title of the bill. I thank the Chair.

MODIFICATION TO AMENDMENT OFFERED BY MR. HOAGLAND

Mr. HOAGLAND. Mr. Chairman, let me indicate from the outset that we have an agreement here. I filed with the Clerk the amendment that was just read and made in order under the rule and printed in the report of the Committee on Rules. Yesterday and today, through consultations with the gentlemen from Iowa, Mr. SMITH and Mr. LIGHTFOOT, we have reached an agreement on a similar amendment, and this amendment has been cleared by the floor managers on both sides.

Mr. Chairman, I ask unanimous consent that the compromise amendment on which we have reached agreement be considered in lieu of the amendment filed.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment, as modified.

The Clerk read as follows:

Amendment, as modified, offered by Mr. HOAGLAND: Page 64, strike out lines 8 through 15 and insert: "Any Federal agency which leases commercial space in the Omaha, Nebraska—Council Bluffs, Iowa, geographical area, when entering into new leases, shall give preference to space available meeting standard government lease criteria, provided the space also meets the occupying agency's mission requirement. The agency shall give priority consideration to space offered at the lowest cost per square foot within the geographical area, provided that the space under consideration also affords accessibility to the greatest number of members of the public served by the Federal agency, and to other factors set out in the applicable statutes and regulations."

The CHAIRMAN. The gentleman from Nebraska [Mr. HOAGLAND] is recognized for 10 minutes.

Mr. HOAGLAND. Mr. Chairman, my effort in the last few days has been to bring fairness and balance to the award of Federal leases for space in the Omaha-Council Bluffs area. The bill, coming to the House from the Appropriations Committee, includes language superceding current standard Government leasing criteria and directing GSA to give priority to properties offered at the lowest price. My amendment, as filed, would have added, in addition to best price, convenience for the public served and proximity to current and prospective employees.

The compromise reflects the concerns of my colleagues from Iowa and addresses the concerns of my constituents who use Federal services, like the Social Security Administration and the IRS.

There is no question that we must get the most for the taxpayer's dollar and we have retained the language toward that end. But it is important to make Federal services as accessible as possible and to adhere to standard, competitive procurement practices. Furthermore, I think a large-scale move of 23 leased spaces and potentially several thousand employees would be very costly and would negate any cost savings achieved by the low-cost leasing requirement.

I want to thank the gentlemen from Iowa and the chairman of the subcommittee, Mr. ROYBAL, for their help and support. I particularly want to thank members of the Rules Committee for making my amendment in order.

Mr. LIGHTFOOT. Mr. Chairman, will the gentleman yield?

Mr. HOAGLAND. I yield to the gentleman from Iowa.

Mr. LIGHTFOOT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, we have reached a compromise on this particular amendment. It is a unique situation that we have with a river separating two communities, and basically in two States. The gentleman from Nebraska and I meet at the center of the river, and the Federal offices, the majority of which are located in Omaha, NE, serve people both in eastern Nebraska and western Iowa.

I think that the amendment that has been offered now addresses the concerns that both my colleagues and I have about federally leased space.

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I would merely like to point out that the original provision included in the bill was to bring some cost-effectiveness to Federal leasing in the metropolitan area. In these times of difficult budgetary constraints, I believe we must look closely for ways to reduce expenses.

I also understand the concerns my colleague had about the proximity of Federal agencies to their employees and to the public which they serve.

So I think the compromise we have agreed upon addresses the issue very well without negating the cost-savings impact of the bill as approved by the subcommittee. I have absolutely no objection to the compromise.

Mr. HOAGLAND. Mr. Chairman, I urge adoption of the amendment.

The CHAIRMAN. The question is on the amendment, as modified, offered by the gentleman from Nebraska [Mr. HOAGLAND].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title V?

If not, the Clerk will read.

The Clerk read as follows:

TITLE VI

GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

SECTION 601. Funds appropriated in this or any other Act may be used to pay travel to the United States for the immediate family of employees serving abroad in cases of death or life threatening illness of said employee.

SEC. 602. No department, agency, or instrumentality of the United States receiving appropriated funds under this or any other Act for fiscal year 1993 shall obligate or expend any such funds, unless such department, agency, or instrumentality has in place, and will continue to administer in good faith, a written policy designed to ensure that all of its workplaces are free from the illegal use, possession, or distribution of controlled substances (as defined in the Controlled Substances Act) by the officers and employees of such department, agency, or instrumentality.

SEC. 603. Notwithstanding any other provision of law, a Federal employing agency shall make the deposit from existing appropriations into the Federal Employees Compensation Account of the Unemployment Trust Fund, as required by section 8509 of title 5, United States Code, not later than thirty days after the Department of Labor has billed the agency for the amount to be deposited.

SEC. 604. Notwithstanding the provisions of the Act of September 13, 1982 (Public Law 97-258, 31 U.S.C. 1345), any agency, department or instrumentality of the United States which provides or proposes to provide child care services for Federal employees may reimburse any Federal employee or any person employed to provide such services for travel, transportation, and subsistence expenses incurred for training classes, conferences or other meetings in connection with the provision of such services: *Provided*, That any per diem allowance made pursuant to this section shall not exceed the rate specified in regulations prescribed pursuant to section 5707 of title 5, United States Code.

SEC. 605. Unless otherwise specifically provided, the maximum amount allowable during the current fiscal year in accordance with section 16 of the Act of August 2, 1946 (60 Stat. 810), for the purchase of any passenger motor vehicle (exclusive of buses and ambulances), is hereby fixed at $7,100 except station wagons for which the maximum shall be $8,100: *Provided*, That these limits may be exceeded by not to exceed $3,700 for police-type vehicles, and by not to exceed $4,000 for special heavy-duty vehicles: *Provided further*, That the limits set forth in this section may not be exceeded by more than five percent for electric or hybrid vehicles purchased for demonstration under the provisions of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976: *Provided further*, That the limits set forth in this section may be exceeded by the incremental cost of clean alternative fuels vehicles acquired pursuant to Public Law 101-549 over the cost of comparable conventionally fueled vehicles.

SEC. 606. Appropriations of the executive departments and independent establishments for the current fiscal year available for expenses of travels or for the expenses of the activity concerned, are hereby made available for quarters allowances and cost-of-living allowances, in accordance with 5 U.S.C. 5922-24.

SEC. 607. Unless otherwise specified during the current fiscal year no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in the continental United States unless such person (1) is a citizen of the United States, (2) is a person in the service of the United States on the date of enactment of this Act who, being eligible for citizenship, has filed a declaration of intention to become a citizen of the United States prior to such date and is actually residing in the United States, (3) is a person who owes allegiance to the United States, (4) is an alien from Cuba, Poland, South Vietnam, or the Baltic countries lawfully admitted to the United States for permanent residence, or (5) South Vietnamese, Cambodian, and Laotian refugees paroled in the United States after January 1, 1975, or (6) nationals of the People's Republic of China protected by Executive Order Number 12711 of April 11, 1990: *Provided*, That for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the requirements of this section with respect to his or her status have been complied with: *Provided further*, That any person making a false affidavit shall be guilty of a felony, and, upon conviction, shall be fined no more than $4,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for any other provisions of existing law: *Provided further*, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of Ireland, Israel, the Republic of the Philippines or to nationals of those countries allied with the United States in the current defense effort, or to temporary employment of translators, or to temporary employment in the field service (not to exceed sixty days) as a result of emergencies.

SEC. 608. Appropriations available to any department or agency during the current fiscal year for necessary expenses, including maintenance or operating expenses, shall also be available for payment to the General Services Administration for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public improvements performed in accordance with the Public Buildings Act of 1959 (73 Stat. 749), the Public Buildings Amendments of 1972 (87 Stat. 216), or other applicable law.

SEC. 609. Funds made available by this or any other Act for administrative expenses in the current fiscal year of the corporations and agencies subject to chapter 91 of title 31, United States Code, shall be available, in addition to objects for which such funds are otherwise available, for rent in the District of Columbia; services in accordance with 5 U.S.C. 3109; and the objects specified under this head, all the provisions of which shall be applicable to the expenditure of such funds unless otherwise specified in the Act by which they are made available: *Provided*, That in the event any functions budgeted as administrative expenses are subsequently transferred to or paid from other funds, the limitations on administrative expenses shall be correspondingly reduced.

SEC. 610. No part of any appropriation for the current fiscal year contained in this or any other Act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person.

SEC. 611. Pursuant to section 1415 of the Act of July 15, 1952 (66 Stat. 662), foreign credits (including currencies) owed to or owned by the United States may be used by Federal agencies for any purpose for which appropriations are made for the current fiscal year (including the carrying out of Acts requiring or authorizing the use of such credits), only when reimbursement therefor is made to the Treasury from applicable appropriations of the agency concerned: *Provided*, That such credits received as exchanged allowances or proceeds of sales of personal property may be used in whole or part payment for acquisition of similar items, to the extent and in the manner authorized by law, without reimbursement to the Treasury.

SEC. 612. No part of any appropriation contained in this or any other Act shall be available for interagency financing of boards, commissions, councils, committees, or similar groups (whether or not they are interagency entities) which do not have a prior and specific statutory approval to receive financial support from more than one agency or instrumentality.

SEC. 613. Funds made available by this or any other Act to the "Postal Service Fund" (39 U.S.C. 2003) shall be available for employment of guards for all buildings and areas owned or occupied by the Postal Service and under the charge and control of the Postal Service, and such guards shall have, with respect to such property, the powers of special policemen provided by the first section of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318), and, as to property owned or occupied by the Postal Service, the Postmaster General may take the same actions as the Administrator of General Services may take under the provisions of sections 2 and 3 of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318a, 318b), attaching thereto penal consequences under the authority and within the limits provided in section 4 of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318c).

SEC. 614. None of the funds made available pursuant to the provisions of this Act shall be used to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.

SEC. 615. No part of any appropriation contained in, or funds made available by, this or any other Act, shall be available for any agency to pay to the Administrator of the General Services Administration a higher rate per square foot for rental of space and services (established pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended) than the rate per square foot established for the space and services by the General Services Administration for the fiscal year for which appropriations were granted.

SEC. 616. (a) Notwithstanding any other provision of law, and except as otherwise provided in this section, no part of any of the funds appropriated for the fiscal years ending September 30, 1993, or September 30, 1994, by this or any other Act, may be used to pay any prevailing rate employee described in section 5342(a)(2)(A) of title 5, United States Code, or any employee covered by section 5348 of that title—

(1) during the period from the date of expiration of the limitation imposed by section 616 of the Treasury, Postal Service, and General Government Appropriations Act, 1992, until the first day of the first applicable pay period that begins not less than ninety days after that date, in an amount that exceeds the rate payable for the applicable grade and step of the applicable wage schedule in accordance with such section 616; and

(2) during the period consisting of the remainder, if any, of fiscal year 1993, and that portion of fiscal year 1994, that precedes the normal effective date of the applicable wage survey adjustment that is to be effective in fiscal year 1994, in an amount that exceeds, as a result of a wage survey adjustment, the rate payable under paragraph (1) of this subsection by more than the overall average percentage adjustment in the General Schedule during fiscal year 1993, under section 5303 of title 5, United States Code.

(b) Notwithstanding any other provision of law, no prevailing rate employee described in subparagraph (B) or (C) of section 5342(a)(2) of title 5, United States Code, may be paid during the periods for which subsection (a) of this section is in effect at a rate that exceeds the rates that would be payable under subsection (a) were subsection (a) applicable to such employee.

(c) For the purpose of this section, the rates payable to an employee who is covered by this section and who is paid from a schedule that was not in existence on September 30, 1992, shall be determined under regulations prescribed by the Office of Personnel Management.

(d) Notwithstanding any other provision of law, rates of premium pay for employees subject to this section may not be changed from the rates in effect on September 30, 1992, except to the extent determined by the Office of Personnel Management to be consistent with the purpose of this section.

(e) The provisions of this section shall apply with respect to pay for services performed by any affected employee on or after October 1, 1992.

(f) For the purpose of administering any provision of law, including section 8431 of title 5, United States Code, or any rule or regulation that provides premium pay, retirement, life insurance, or any other employee benefit, that requires any deduction or contribution, or that imposes any requirement or limitation, on the basis of a rate of salary or basic pay, the rate of salary or basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

(g) Nothing in this section may be construed to permit or require the payment to any employee covered by this section at a rate in excess of the rate that would be payable were this section not in effect.

(h) The Office of Personnel Management may provide for exceptions to the limitations imposed by this section if the Office determines that such exceptions are necessary to ensure the recruitment or retention of qualified employees.

SEC. 617. None of the funds made available in this Act may be used to plan, implement, or administer (1) any reduction in the number of regions, districts or entry processing locations of the United States Customs Service; or (2) any consolidation or centralization of duty assessment or appraisement functions of any offices in the United States Customs Service.

SEC. 618. During the period in which the head of any department or agency, or any other officer or civilian employee of the Government appointed by the President of the United States, holds office, no funds may be obligated or expended in excess of $5,000 to furnish or redecorate the office of such department head, agency head, officer or employee, or to purchase furniture or make improvements for any such office, unless advance notice of such furnishing or redecoration is expressly approved by the Committees on Appropriations of the House and Senate.

SEC. 619. (a) Notwithstanding the provisions of sections 112 and 113 of title 3, United States Code, each Executive agency detailing any personnel shall submit a report on an annual basis in each fiscal year to the Senate and House Committees on Appropriations on all employees or members of the armed services detailed to Executive agencies, listing the grade, position, and offices of each person detailed and the agency to which each such person is detailed.

(b) The provisions of this section shall not apply to Federal employees or members of the armed services detailed to or from—

(1) the Central Intelligence Agency;

(2) the National Security Agency;

(3) the Defense Intelligence Agency;

(4) the offices within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs;

(5) the Bureau of Intelligence and Research of the Department of State;

(6) any agency, office, or unit of the Army, Navy, Air Force, and Marine Corps, the Federal Bureau of Investigation and the Drug Enforcement Administration of the Department of Justice, the Department of the Treasury, and the Department of Energy performing intelligence functions; and

(7) the Director of Central Intelligence.

(c) The exemptions in part (b) of this section are not intended to apply to information on the use of personnel detailed to or from the intelligence agencies which is currently being supplied to the Senate and House Intelligence and Appropriations Committees by the executive branch through budget justification materials and other reports.

(d) For the purposes of this section, the term "Executive agency" has the same meaning as defined under section 105 of title 5, United States Code (except that the provisions of section 104(2) of title 5, United States Code, shall not apply) and includes the White House Office, the Executive Residence, and any office, council, or organizational unit of the Executive Office of the President.

SEC. 620. No funds appropriated in this or any other Act for fiscal year 1993 may be used to implement or enforce the agreements in Standard Forms 312 and 4355 of the Government or any other nondisclosure policy, form or agreement if such policy, form or agreement does not contain the following provisions:

"These restrictions are consistent with and do not supersede conflict with or otherwise alter the employee obligations, rights or liabilities created by Executive Order 12356; section 7211 of title 5, United States Code (governing disclosures to Congress); section 1034 of title 10, United States Code, as amended by the Military Whistleblower Protection Act (governing disclosure to Congress by members of the military); section 2302(b)(8) of title 5, United States Code, as amended by the Whistleblower Protection Act (governing disclosures of illegality, waste, fraud, abuse or public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421 et seq.) (governing disclosures that could expose confidential Government agents), and the statutes which protect against disclosure that may compromise the national security, including sections 641, 793, 794, 798, and 952 of title 18, United States Code, and section 4(b) of the Subversive Activities Act of 1950 (50 U.S.C. section 783(b)). The definitions, requirements, obligations, rights, sanctions and liabilities created by said Executive Order and listed statutes are incorporated into this Agreement and are controlling.".

SEC. 621. Notwithstanding any other provision of law, no executive branch agency shall purchase, construct, and/or lease any additional facilities, except within or contiguous to existing locations, to be used for the purpose of conducting Federal law enforcement training without the advance approval of the House and Senate Committees on Appropriations.

SEC. 622. (a) None of the funds appropriated by this or any other Act may be expended by any Federal agency to procure any product or service that is subject to the provisions of Public Law 89-306 and that will be available under the procurement by the Administrator of General Services known as "FTS2000" unless—

(1) such product or service is procured by the Administrator of General Services as part of the procurement known as "FTS2000"; or

(2) that agency establishes to the satisfaction of the Administrator of General Services that—

(A) the agency's requirements for such procurement are unique and cannot be satisfied by property and service procured by the Administrator of General Services as part of the procurement known as "FTS2000"; and

(B) the agency procurement, pursuant to such delegation, would be cost-effective and would not adversely affect the cost-effectiveness of the FTS2000 procurement.

(b) After March 1, 1993, subsection (a) shall apply only if the Administrator of General Services has reported that the FTS 2000 procurement is producing prices that allow the government to satisfy its requirements for such procurement in the most cost-effective manner.

SEC. 623. (a) No amount of any grant made by a Federal agency shall be used to finance the acquisition of goods or services (including construction services) unless the recipient of the grant agrees, as a condition for the receipt of such grant, to—

(1) specify in any announcement of the awarding of the contract for the procurement of the goods and services involved (including construction services) the amount of Federal funds that will be used to finance the acquisition; and

(2) express the amount announced pursuant to paragraph (1) as a percentage of the total costs of the planned acquisition.

(b) The requirements of subsection (a) shall not apply to a procurement for goods or services (including construction services) that has an aggregate value of less than $500,000.

SEC. 624. Notwithstanding section 1346 of title 31, United States Code, or section 611 of this Act, funds made available for fiscal year 1993 by this or any other Act shall be available for the interagency funding of national security and emergency preparedness telecommunications initiatives which benefit multiple Federal departments, agencies, or entities, as provided by Executive Order Numbered 12472 (April 3, 1984).

SEC. 625. Notwithstanding any provisions of this or any other Act, during the fiscal year ending September 30, 1993, any department, division, bureau, or office participating in the Federal Flexiplace Project may use funds appropriated by this or any other Act to install telephone lines, necessary equipment, and to pay monthly charges, in any private residence or private apartment: *Provided*, That the head of the department, division, bureau, or office certifies that adequate safeguards against private misuse exist, and that the service is necessary for direct support of the agency's mission.

SEC. 626. (a) None of the funds appropriated by this or any other Act may be obligated or expended by any Federal department, agency, or other instrumentality for the salaries or expenses of any employee appointed to a position of a confidential or policy-determining character excepted from the competitive service pursuant to section 3302 of title 5, United States Code, without a certification to the Office of Personnel Management from the head of the Federal department, agency, or other instrumentality employing the Schedule C appointee that the Schedule C position was not created solely or primarily in order to detail the employee to the White House.

(b) The provisions of this section shall not apply to Federal employees or members of the armed services detailed to or from—

(1) the Central Intelligence Agency;

(2) the National Security Agency;

(3) the Defense Intelligence Agency;

(4) the offices within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs;

(5) the Bureau of Intelligence and Research of the Department of State;

(6) any agency, office, or unit of the Army, Navy, Air Force, and Marine Corps, the Federal Bureau of Investigation and the Drug Enforcement Administration of the Department of Justice, the Department of the Treasury, and the Department of Energy performing intelligence functions; and

(7) the Director of Central Intelligence.

SEC. 627. SENSE OF THE HOUSE.—It is the sense of the House that—

(a) Whereas

(b) Congressman Edward R. Roybal has shown leadership, dedication, and diligence as Chairman of the House Subcommittee on Treasury, Postal Service, and General Government;

(c) Congressman Edward R. Roybal has inspired a spirit of cooperation and consensus among the members of his Appropriation's Subcommittee during difficult deliberations; and

(d) Congressman Edward R. Roybal has demonstrated patience, good humor, professional courtesy as a Member of the House of the Representatives, as Chairman of the Select Committee on Aging, and as Chairman of the House Treasury, Postal Service, and General Government Subcommittee on Appropriations.

Resolved, That the House of Representatives commends Representative Edward R. Roybal for his record of distinguished service.

Mr. ROYBAL (during the reading). Mr. Chairman, I ask unanimous consent that title VI of the bill, through page 95, line 8, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any points of order?

AMENDMENT OFFERED BY MR. WELDON

Mr. WELDON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WELDON: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . SENSE OF THE HOUSE.—

Whereas the United States Postal Service will spend $440,000 to send 171 of their "customers" to Barcelona, Spain for the 1992 Summer Olympics;

Whereas the Postal Service will pay for travel expenses, hotel costs, daily tickets to events, ground transportation, receptions, and meals for 171 individuals;

Whereas the Postal Service expects to spend $122,000,000 for its sponsorship of the Olympics;

Whereas in 1991 the Postal Service raised first-class postal rates 16 percent from 25 cents to 29 cents when the inflation rate was under four percent; and

Whereas the Postal Service recorded a $1.5 billion debt in 1991 and has been in debt for the past five years: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) the funding by the United States Postal Office of trips to the Olympics for high volume mailers is an excessive and inappropriate expense to American taxpayers who partially support such service financially; and

(2) the United States Postal Service should limit expenditures to improve delivery of the mail.

Mr. WELDON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ROYBAL. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from California [Mr. ROYBAL] reserves a point of order on the amendment.

Mr. WELDON. Mr. Chairman, earlier in the discussion on this legislation, I mentioned I would be offering an amendment, an amendment that I offer without full enthusiasm.

I would like to be offering an amendment at this point in time to cut at least $440,000 from the Postal Service budget, but because the Congress only appropriates funding for postal subsidies and postal employee pension benefits, I cannot offer the amendment as I would like.

Therefore, this amendment is a sense of the House that will express our outrage at the upcoming activity that the Postal Service is sponsoring in sending 171 corporate executives from this country to Barcelona for the Olympics.

Mr. Chairman, what has happened that I think is outrageous is that 2 years ago the Postal Service reserved 300 rooms at Barcelona for the purpose of the Olympics. These rooms were supposed to be sold off for other vendors from other countries, and we were not, in fact, to have to absorb this cost. Because they were not able to secure the commitment from other nations and other postal services, we and the taxpayers of this country, in fact, have to bear the responsibility for the cost of those 300 rooms.

Now, to partly offset this cost, the Postal Service has established a 5-day conference in which they are sending 171 corporate executives at our taxpayers' funding to Barcelona where they will talk about our Postal Service.

The American taxpayer will pick up the meals, the lodging, the transportation, and at a cost that has been estimated by the Postal Service to be $400 per day per person for a total cost of $440,000. That is the baseline cost for this 300-room commitment for a period of 14 days.

In fact, if you use the figures given to us by the Postal Service in their justification for this expenditure and multiply the 300 rooms times $400 a day times 14 days, the total potential liability of the taxpayers of this country is $1.7 million.

I will admit that the Postal Service has said that they will make money from their sponsorship of the Olympics, but that has been subject and called into question by the GAO.

The GAO, in response to a Senate inquiry, has, in fact, questioned whether or not the Postal Service will realize the profit they have told the American people and this body they would make. Be that as it may, the GAO has also said that the $27 million of anticipated revenues that the Postal Service will receive from sponsoring the Olympics would have come in anyway whether or not they had sponsored the international Olympics in Barcelona.

The bottom line is the American taxpayer is hung out there. We are hung out there for at least $440,000, and potentially as high as $1.7 million.

The Postal Service tried desperately yesterday and today to get me not to offer this amendment, because they said it would prove to be embarrassing to them. Well, I say to the American people and to this body that they have every reason to be embarrassed, to go out on a limb and to subject the taxpayers of this country to an expense of approximately $440,000 at a minimum, up to $1.7 million, which is absolutely outrageous.

This amendment expresses the sense of this body that we are outraged at this particular expenditure, and that we expect the Postal Service to be held accountable for this.

I would ask both the committee and the GAO, which I will follow up with a letter, to fully investigate and provide an accounting to us as to the actual cost of not just the Barcelona extravaganza but also the entire sponsorship of the Olympics.

I thank the chairman of the committee and the ranking member for cooperating with me on this amendment. I hope they will allow this amendment to be acted upon by this body to send a clear signal that this body is outraged at an expenditure of this amount to send corporate executives over to an international Olympics competition in Barcelona, Spain.

The CHAIRMAN. Does the gentleman from California [Mr. ROYBAL] insist upon his point of order?

Mr. ROYBAL. Mr. Chairman, I withdraw the point of order on the gentleman's amendment.

The CHAIRMAN. The gentleman withdraws his point of order?

Mr. ROYBAL. Yes; I withdraw the point of order.

The CHAIRMAN. Does the gentleman wish to speak on the amendment?

Mr. ROYBAL. Mr. Chairman, because of the lateness of the hour, I will not.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WELDON].

The amendment was agreed to.

The CHAIRMAN. Are there other amendments?

AMENDMENT OFFERED BY MR. KLUG

Mr. KLUG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KLUG: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds made available in this or any other Act may be used by a Federal agency to pay or reimburse an employee to participate in fitness activities during duty time or to pay a membership or user fee at a private health facility or to reimburse an employee for such a fee unless—

(1) the guidelines established by the Office of Personnel Management are followed; or

(2) participation in physical activities is required by an agency head to assist employees in meeting job-related medical or physical requirements.

Mr. KLUG (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ROYBAL. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

Mr. KLUG. Mr. Chairman, slightly more than a year ago, I was approached by a member of the Treasury Department concerned that the Internal Revenue Service was about to make a rather large purchase of private health club memberships for IRS employees at an IRS facility at L'Enfant Plaza.

To make this even more incredible was the fact that at that time the employees of the IRS already had the ability to use Government health club facilities located on just the other side of the Mall. But, instead, the General Accounting Office discovered after my request that the IRS, indeed, was going to purchase private health club memberships for 125 of its employees at a cost of more than $85,000.

At that time I asked the General Accounting Office to do a survey of Federal offices across the country, and they produced a report released this spring which indicated that there were roughly another million dollars in private health club memberships out there which the Federal Government was paying for on a routine basis. These were not memberships, I might add, for FBI agents, Secret Service agents, or ATF agents, all of whom have to be in shape as a matter of business. These were private contracts in force for secretaries and bureaucrats to work out at the expense of the taxpayers.

I am delighted to tell the Members tonight that the IRS several months ago decided to back off the proposal, and a number of the other contracts across the country are under review by my office, by the General Accounting Office, and also by OPM.

Also, in the GAO report was another discovery that in some ways is even more frightening, that a number of departments and agencies allow the use of administrative time, excuse absences without loss of pay or charged to personnel leave for physical fitness activities, and if just 5 percent of Federal employees would be granted this leave, it could cost taxpayers up to $189 million annually. If 10 percent of Federal employees abused this practice, the cost is well over $380 million.

The amendment does several things. First of all, it would indicate that funds in the present appropriations bill cannot be used to offset exercise activities by Federal employees. I would have liked to have done this as part of the authorizing practice. Unfortunately, there has not been an authorizing bill since the GAO report was released, and so there is no other vehicle to place this amendment.

Finally, while OPM itself has developed guidelines as prohibitions to this practice, the OPM office and General Accounting Office indicate to my office that it is simply not enough to have guidelines and, instead, we need statutory language to guarantee that these kinds of funds are not used by Federal employees across the country.

If they want to do situps and they want to do pushups, that is fine with me. Just do not do it on the time of the Federal taxpayers.

Mr. Chairman, I urge my colleagues to support this amendment.

The CHAIRMAN. Does the gentleman from California [Mr. ROYBAL] insist on the point of order?

POINT OF ORDER

Mr. ROYBAL. Mr. Chairman, I make a point of order against the amendment because it proposes to change existing law and constitutes legislation in an appropriation bill and therefore violates clause 2 of rule XXI.

The rule states in pertinent part: "No amendment to a general appropriation bill shall be in order if changing existing law * * *"

The amendment imposes additional duties on executive officers and modifies existing power and duties.

I ask for a ruling from the Chair.

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The CHAIRMAN. Does the gentleman from Wisconsin wish to be heard on the point of order?

Mr. KLUG. Briefly, Mr. Chairman.

First of all, Mr. Chairman, as we learned yesterday in the meeting of the Committee on Rules, I should say on Monday, the bulk of this bill already is not authorized as is normally required to be funded, and so I think this amendment certainly should be considered, given the way the rest of the authorization process has been handled; and second, given the fact that the potential for abuse to taxpayers again is in the neighborhood of $400 million, I think the House should have the ability to consider the amendment and to vote on it.

The CHAIRMAN (Mr. STUDDS). The Chair is prepared to rule.

Although drafted in the form of a limitation, the amendment clearly would require determinations with respect to whether guidelines are being followed or determinations with respect to whether or not such activity was a job-related requirement.

Moreover, the amendment applies to the expenditure of funds under other acts as well.

For those reasons, the point of order is sustained.

Are there further amendments?

AMENDMENT OFFERED BY MR. WOLF

Mr. WOLF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLF: Page 95, after line 8, insert the following new section:

"None of the funds made available by this Act shall be available for approval of any certificate of label approval which authorizes the use of the name Crazy Horse on any distilled spirit, wine or malt beverage product."

Mr. WOLF (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOLF. Mr. Chairman, what this language does, it deals with the Crazy Horse issue and it bullets that issue and no other issue.

What the language says is:

None of the funds made available by this Act shall be available for approval of any certificate of * * *

As I said before, Mr. Chairman, this is an important amendment to a number of Indian tribes. Crazy Horse was a tribal chief who was a spiritual leader known for urging his people not to drink alcohol.

This amendment has been supported by a number of groups, and I will just read a few: the Lakota Times of Rapid City, SD; HONOR of Milwaukee, WI; United National Indian Tribal Youth [UNITY] of Oklahoma City, OK; the All Indian Pueblo Council of Albuquerque, NM; the National Congress of American Indians; the First American Prevention Center; the Chippewa Tribe; the Ottawa Indians; the Cheyenne River Sioux Tribe and tribal council; the Oglala Sioux Tribe; the Native American Indian Association of Nashville, TN; Floyd Red Crow Westerman of "Dances with Wolves".

Mr. ROYBAL. Mr. Chairman, I have no objection to the gentleman's amendment.

Mr. CAMPBELL of Colorado. Mr. Chairman, I rise in support of this amendment.

Alcohol has been certainly one of the great tragedies of Indian America. The accessibility and susceptibility both are to a much higher degree than the national average. It is not only a cultural insult to the Indian people throughout this country, but I would point to just one example of the problems we have with Indian America.

There is a problem as everyone in this House knows of the fetal alcohol syndrome. The national statistics are that about 1 out of 750,000 children are born with fetal alcohol syndrome every year, to about 55,000 per year for Americans born with fetal alcohol syndrome from mothers drinking too much. Many of them have to be institutionalized for life.

It is also my understanding that it costs about a million and a half dollars per youngster who is to stay in those institutions throughout life from that tragedy; but that is not how it affects American Indians. It is not 1 out of 750,000 or 750. In some cases, such as Pine Ridge, SD, the fetal alcohol rate is one out of four babies being born.

It is almost suicidal, I think, to encourage people to sell beer anywhere in fact near reservations, but to combine that with the insult to Indians while they are being killed from drinking is an absolute American tragedy.

So, Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. WOLF].

The amendment was agreed to.

Mr. ROHRABACHER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I join with my colleagues in opposing this motion to rise in order to give my friend, the gentleman from Louisiana, the right to offer his amendment concerning the Boy Scouts of America.

The issue at hand goes to the heart and soul of America. Yes, it has much to do with values, but even more it has to do with freedom, and yes, with tolerance and with pluralism. Tolerance and pluralism are words that are often used by a minority to protect their rights; but these words, in the context of America today, relate to the rights of all Americans.

In an era of political correctness, of prayer being banned from our schools and of attacks on religion, severe attacks on religion and the family, it is not only the minority that must call for tolerance and pluralism.

Today the freedom of Americans who devoutly believe in God and more traditional values is being challenged. Nowhere is that attack more clear than the one being conducted on the Boy Scouts of America. Atheists and individuals whose sexual preference is considered to be immoral by the Boy Scouts are taking aim at this valued American institution, this American institution that has done so much for generations of Americans.

Even worse, three major corporations, the Wells Fargo Bank, the Bank of America, and Levi Straus, have joined in the battle against the Boy Scouts of America. They want the Boy Scouts basically to throw out the standards that they have set for Scoutmasters, the boys will be most in contact with these individuals, and these corporations are seeking for the Boy Scouts of America to throw out the standards that they have for who shall be Scoutmasters.

There are also court cases against the Boy Scouts of America trying to force them to take God out of the Scout oath. This is an attack on the freedom of Americans to choose more traditional values for their children.

I applaud the Boy Scouts of America for holding firm to their standards. I back their right to exist and to offer their alternative to the American people with the values that they hold, just as I support other Americans who hold different values to have their right of association.

I believe that we should oppose the motion to rise so that the gentleman from Louisiana [Mr. HOLLOWAY] can offer his bill and that we can stand up for the rights of all Americans to exercise their freedom to choose their values, rather than having values forced upon them, especially when all Americans believe that this is the essence of what freedom is, the right of freedom to choose one's own association.

The CHAIRMAN. Are there further amendments at this point in the bill? If not, the Clerk will read.

The Clerk read as follows:

This Act may be cited as the "Treasury, Postal Service, and General Government Appropriations Act, 1993".

Mr. ROYBAL. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill, as amended, do pass.

The CHAIRMAN. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HOLLOWAY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 222, noes 180, not voting 32, as follows:

[Roll No. 261]

AYES—222

Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Atkins
AuCoin
Bacchus
Beilenson
Berman
Bevill
Bilbray
Blackwell
Borski
Boucher
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clay
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Cox (IL)
Coyne
Cramer
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Eckart
Edwards (CA)
Edwards (TX)
Engel
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Hatcher
Hayes (IL)
Hayes (LA)
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Hughes
Jacobs
Jefferson
Jenkins
Johnson (SD)
Jones (GA)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McNulty
Mfume
Miller (CA)
Miller (WA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Morella
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Price
Rangel
Reed
Roemer
Rose
Rostenkowski
Roybal
Russo
Sabo
Sanders
Sawyer
Scheuer
Schroeder
Schumer
Serrano
Shays
Sikorski
Sisisky
Skaggs
Slattery
Slaughter
Smith (IA)
Solarz
Spratt
Stark
Stokes
Studds
Swett
Swift
Synar
Tanner
Tauzin
Thornton
Torricelli
Towns
Traficant
Unsoeld
Vento
Visclosky
Washington
Waters
Weiss
Wheat
Whitten
Williams
Wise
Wolpe
Wyden
Yates
Yatron

NOES—180

Alexander
Allard
Allen
Annunzio
Archer
Armey
Baker
Ballenger
Barrett
Barton
Bateman
Bennett
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Bunning
Burton
Byron
Callahan
Camp
Chandler
Clement
Clinger
Coble
Coleman (MO)
Combest
Costello
Coughlin
Cox (CA)
Crane
Cunningham
Dannemeyer
Davis
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
English
Erdreich
Ewing
Fawell
Fields
Franks (CT)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gingrich
Goodling
Goss
Gradison
Grandy
Hall (TX)
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Houghton
Hubbard
Huckaby
Hunter
Hutto
Inhofe
Ireland
James
Johnson (CT)
Johnson (TX)
Jones (NC)
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Leach
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Marlenee
Martin
McCandless
McCollum
McCrery
McEwen
McMillan (NC)
McMillen (MD)
Meyers
Michel
Miller (OH)
Molinari
Moorhead
Morrison
Myers
Nichols
Nussle
Ortiz
Oxley
Packard
Paxon
Petri
Porter
Poshard
Pursell
Quillen
Rahall
Ramstad
Ravenel
Ray
Regula
Rhodes
Riggs
Rinaldo
Ritter
Roberts
Rogers
Rohrabacher
Roth
Roukema
Rowland
Sangmeister
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Schulze
Sensenbrenner
Shaw
Shuster
Skeen
Skelton
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Staggers
Stallings
Stearns
Stenholm
Stump
Sundquist
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Valentine
Vander Jagt
Volkmer
Vucanovich
Walker
Walsh
Weber
Weldon
Wilson
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—32

Abercrombie
Ackerman
Anthony
Aspin
Barnard
Bonior
Boxer
Broomfield
Bustamante
Dymally
Early
Fish
Hefner
Horton
Hyde
Johnston
Lowery (CA)
McDade
McGrath
McHugh
Richardson
Ridge
Roe
Ros-Lehtinen
Savage
Sharp
Smith (FL)
Tallon
Thomas (GA)
Torres
Traxler
Waxman

☐ 2047

Messrs. RAHALL, ROWLAND, WILSON, and STALLINGS changed their vote from "aye" to "no."

So the motion to rise was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. McNULTY) have assumed the Chair, Mr. STUDDS, Chairman of the Committee on the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5488) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1993, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

☐ 2050

MOTION TO RECOMMIT OFFERED BY MR. MYERS OF INDIANA

Mr. MYERS of Indiana. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore (Mr. McNULTY). Is the gentleman opposed to the bill?

Mr. MYERS of Indiana. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MYERS of Indiana moves to recommit the bill, H.R. 5488, to the Committee on Appropriations with instructions to that committee to report the bill back to the House forthwith with the following amendment:

None of the funds appropriated or otherwise made available in this Act shall be made available to an entity when it shall be made known to the Secretary that such entity has an announced policy of denying funds to the Boy Scouts of America and the activities of the Boy Scouts of America.

POINT OF ORDER

Mr. ROYBAL. Mr. Speaker, I make a point of order on the motion to recommit.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. ROYBAL. Mr. Speaker, I make a point of order against the motion to recommit with instructions because it includes a limitation and is not in order under clause 2, rule XXI. Under the precedents of the House, it is not competent for the House to amend the bill in the manner proposed because it is not in order for the House to instruct the committee to do what the House itself could not do.

Mr. Speaker, I quote from the "Precedents of the House of Representatives":

> It is not in order to do indirectly by a motion to commit with instructions what may not be done directly by way of amendment. (Hinds': Vol. 5, paragraph 5529)

Also, Mr. Speaker, a point of order was sustained on a motion to recommit with instructions because, and I quote:

> It is clear that the amendment offered by way of matter contained in the motion to recommit * * * would not have been in order if offered as an amendment * * * (Cannon's: Vol. VIII, paragraph 2705)

Mr. Speaker, the gentleman's motion to instruct includes a limitation not specifically contained or authorized in existing law and not considered in the Committee of the Whole pursuant to clause 2(d) of rule XXI.

I ask for a ruling from the Chair.

The SPEAKER pro tempore. Does the gentleman from Indiana [Mr. MYERS] desire to be heard on the point of order?

Mr. MYERS of Indiana. Mr. Speaker, I do.

Mr. Speaker, it is clear that instructions may not propose legislation or unauthorized appropriations by way of an amendment. This is strictly a limiting period. On that issue, on August 1, 1989, Speaker FOLEY ruled that in the opinion of the Chair, ruling on this matter of first impression, that the clear language of clause 2(c), cited by the Chairman here, of rule XXI, prohibits limiting amendments from being contained in a motion to recommit since no limitation amendment was permitted by the Committee of the Whole under clause 2(d) of that rule.

Here a number of limitation amendments have been considered and were passed and become part of the law. So clearly limitations have already become part of this law. Likewise, that consideration is past, we have already considered limitations, and this is just one more limitation which the rules clearly understand.

Further, the Chair has ruled in the past, on January 11, 1934, that rules prohibiting certain amendments during consideration of a general appropriation bill would not distinguish them.

But here limitations have already been passed. It is clear that this Chair has ruled on them. The Committee has accepted one or two. So the ruling on limitations has already been considered by this House and passed.

Mr. WALKER. Mr. Speaker, I wish to be heard on the point of order.

Mr. Speaker, as the gentleman from Indiana [Mr. MYERS] has cited, the precedents on this will not hold in this instance where the Committee has in fact adopted funds limitation amendments.

The gentleman from Virginia [Mr. WOLF] offered a funds limitation amendment. It was accepted by the House. It was exactly the same kind of fund limitation that the gentleman from Indiana [Mr. MYERS] now seeks to offer in the motion to recommit. It states that none of these funds amendment may be made available by this act.

That is precisely what the gentleman from Indiana [Mr. MYERS] has in his motion to recommit. The Committee has decided to take such amendments in this particular bill. So, therefore, it is entirely in order for the gentleman from Indiana to offer such an amendment as a part of his motion to recommit.

The SPEAKER pro tempore (Mr. MCNULTY). The Chair is prepared to rule. The gentleman from California [Mr. ROYBAL] correctly cites the ruling on page 600 of the manual as held by Speaker FOLEY on August 1 and 3, 1989. The point of order is sustained. The motion of the gentleman from Indiana [Mr. MYERS] is not in order.

MOTION TO RECOMMIT OFFERED BY MR. MYERS OF INDIANA

Mr. MYERS of Indiana. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. MYERS of Indiana moves to recommit the bill, H.R. 5488, to the Committee on Appropriations with instructions to report the bill back forthwith with the following amendment:
>
> On page 76, line 20, strike "or any successor organization".

The SPEAKER pro tempore. The motion is in order. The gentleman from Indiana is recognized for 5 minutes in support of this motion to recommit.

Mr. MYERS of Indiana. Mr. Speaker, at this late hour I will not take the 5 minutes. However, I wish we had been able to offer the amendment. I think most of the country would certainly be in agreement with it, a limitation I just previously offered. But as the Chair has ruled, I will not push that issue.

This is merely doing what I think the Democrat side has already said. The gentleman from Maryland [Mr. HOYER] earlier said the President's Cabinet could do certain functions that it could not do under the limitations here with the Council on Competitiveness.

What we are doing here is saying that there will be no funds, the $86 million is out, no funds will be available for the President to use his Council on Competitiveness.

But this does not deny the President the right to use his Cabinet as he so chooses. I do not think any of us really want to do this.

So I hope this will stand. The gentleman from Louisiana [Mr. TAUZIN] asked to be heard at this point. I believe the gentleman is not here.

Mr. Speaker, the only thing this provision strikes is, "or any successor organization." There is a serious question I think about who is to make the determination who is the successor organizations, what is that successor organization.

Clearly, the intent of this body was to strike what you called Mr. QUAYLE's Council. But whatever you want to call it, it does strike that no funds are available for the Council on Competitiveness. But I do not think we want to go so far as to tell the President of the United States that he may not use his Cabinet officers to advise him.

Stop and think for a moment: this appropriation bill goes through September 30 of next year. Have you read the recent polls? Governor Clinton is ahead right now. He may be the President. You are tying his hands. So you may be tying your President's hands. I do not think that is going to happen, but there is a possibility.

I can recall a few years ago, I think it was 1972 in this very body here, the House of Representatives late in the session in 1970, and some of the other oldtimers here will remember, it looked like the Republicans might gain that House, might gain control. So we revised a lot of new ideas, new reform, giving the minority more rights.

Guess what? The Democrats won control. What was the second action of that next Congress convening in 1972 and 1973? To reverse all of those. So you may have to reverse this. You may have to put all of that money in that you took out from the White House this year earlier in this bill. You might have to reverse this. But do not do it tonight.

The SPEAKER pro tempore. Does the gentleman from California [Mr. ROYBAL] wish to be heard?

Mr. ROYBAL. Mr. Speaker, I rise in opposition to the amendment.

The SPEAKER pro tempore. The gentleman is recognized for 5 minutes.

Mr. ROYBAL. Mr. Speaker, I will not take the 5 minutes, but I just simply want to say that this subject matter has already been thoroughly discussed in the Committee of the Whole, a decision has already been made, and I still end by opposing the amendment offered by the gentleman from Indiana [Mr. MYERS].

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

□ 2100

The SPEAKER pro tempore (Mr. MCNULTY). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. ROYBAL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 237, noes 166, not voting 31, as follows:

[Roll No. 262]

AYES—237

Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Applegate
Atkins
AuCoin
Bacchus
Beilenson
Bennett
Berman
Bevill
Bilbray
Blackwell
Boehlert
Borski
Boucher
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Byron
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clay
Clement
Clinger
Coleman (TX)
Collins (IL)
Collins (MI)
Conyers
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Downey
Durbin
Dwyer
Eckart
Edwards (CA)
Edwards (TX)
Engel
English
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Gordon
Green
Guarini
Hall (OH)
Hamilton
Harris
Hatcher
Hayes (IL)
Hayes (LA)
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Huckaby
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Morella
Mrazek
Murtha
Nagle
Natcher
Neal (MA)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Panetta
Parker
Pastor
Payne (NJ)
Payne (VA)
Pease
Pelosi
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Poshard
Price
Quillen
Rahall
Rangel
Ravenel
Reed
Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sabo
Sangmeister
Sawyer
Scheuer
Schroeder
Schumer
Serrano
Sikorski
Sisisky
Skaggs
Skelton
Slaughter
Smith (IA)
Solarz
Spratt
Staggers
Stallings
Stark
Stokes
Studds
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Thornton
Torricelli
Towns
Traficant
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Walsh
Washington
Waters
Waxman
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron

NOES—166

Allard
Allen
Archer
Armey
Baker
Ballenger
Barrett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boehner
Bunning
Burton
Callahan
Camp
Campbell (CA)
Chandler
Coble
Coleman (MO)
Combest
Condit
Coughlin
Cox (CA)
Crane
Cunningham
Dannemeyer
Davis
DeLay
Dickinson
Doolittle
Dorgan (ND)
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Erdreich
Ewing
Fawell
Fields
Franks (CT)
Gallegly
Gallo
Gekas
Gillmor
Gingrich
Glickman
Goodling
Goss
Gradison
Grandy
Gunderson
Hall (TX)
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Houghton
Hubbard
Hughes
Hunter
Hutto
Inhofe
Ireland
James
Johnson (CT)
Johnson (TX)
Jontz
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Leach
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Machtley
Marlenee
Martin
McCandless
McCollum
McCrery
McEwen
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morrison
Murphy
Myers
Neal (NC)
Nichols
Nussle
Oxley
Packard
Pallone
Patterson
Paxon
Penny
Petri
Porter
Pursell
Ramstad
Ray
Regula
Rhodes
Riggs
Rinaldo
Ritter
Roberts
Roemer
Rogers
Rohrabacher
Roth
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Schulze
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Slattery
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stenholm
Stump
Sundquist
Swett
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Vander Jagt
Vucanovich
Walker
Weber
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—31

Abercrombie
Ackerman
Anthony
Aspin
Barnard
Bonior
Boxer
Broomfield
Bustamante
Dymally
Early
Fish
Hefner
Horton
Hyde
Jacobs
Lowery (CA)
McDade
McGrath
Richardson
Ridge
Roe
Ros-Lehtinen
Sanders
Savage
Sharp
Smith (FL)
Tallon
Thomas (GA)
Torres
Traxler

□ 2117

The Clerk announced the following pairs:

On this vote:

Mr. Bustamante for, with Mr. Broomfield against.

Mr. Ackerman for, with Ms. Ros-Lehtinen against.

Mr. HALL of Texas changed his vote from "aye" to "no."

Mr. BOEHLERT changed his vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROYBAL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material on H.R. 5488, the bill just passed.

The SPEAKER pro tempore (Mr. MCNULTY). Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

Mr. TORRES. Mr. Speaker, I was unavoidably absent on official business for rollcall vote Nos. 252 through 262. Had I been present on the House floor I would have cast my votes as follows:

Rollcall No. 252—"Yea" on waiving points of order against S. 1306, the conference report amending Title V of the Public Health Service Act regarding the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA).

Rollcall No. 253—"Yea" on S. 1306 to amend Title V of the Public Health Service Act regarding the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA).

Rollcall No. 254—"Yea" on H. Res. 505, the rule pertaining to consideration of H.R. 5488, the Treasury, Postal Service and General Government Appropriations Act of 1993.

Rollcall No. 255—"Aye" on Mr. PENNY'S en bloc amendments to H.R. 5488, the Treasury, Postal Service and General Government Appropriations Act of 1993.

Rollcall No. 256—"No" on Mr. MCDADES'S en bloc amendments to H.R. 5488, the Treasury, Postal Service and General Government Appropriations Act of 1963.

Rollcall No. 257—"No" on Mr. WOLF'S amendment to H.R. 5488, the Treasury, Postal Service and General Government Appropriations Act of 1993.

Rollcall No. 258—"Aye" on Mr. WISE'S amendment to H.R. 5488, the Treasury, Postal Service and General Government Appropriations Act of 1993.

Rollcall No. 259—"No" on Mr. JACOBS' amendment to H.R. 5488, the Treasury, Postal Service and General Government Appropriations Act of 1993.

Rollcall No. 260—"No" on Mr. BURTON'S amendment to H.R. 5488, the Treasury, Postal Service and General Government Appropriation Act of 1993.

Rollcall No. 261—"Yes" on Mr. ROYBAL'S amendment to H.R. 5488, the Treasury, Postal Service and General Government Appropriations Act of 1993.

Rollcall No. 262—"Aye" on passage of H.R. 5488, the Treasury, Postal Service and General Government Appropriations Act of 1993.

REPORT ON RESOLUTION WAIVING A REQUIREMENT AGAINST CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 102-646) on the resolution (H. Res. 507) waiving a requirement against consideration of certain resolutions, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST AND DURING CONSIDERATION OF H.R. 5504, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1993

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 102-647) on the resolution (H. Res. 508) waiving certain points of order against and during consideration of the bill (H.R. 5504) making appropriations for the Department of Defense for the fiscal year ending September 30, 1993, and for other purposes, which was referred to the House Calendar and ordered to be printed.

MAKING IN ORDER ON THURSDAY, JULY 2, OR ANY DAY THEREAFTER, CONSIDERATION OF CONFERENCE REPORT ON S. 1150, HIGHER EDUCATION AMENDMENTS OF 1992

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that it be in order on Thursday, July 2, 1992, or any day thereafter to consider the conference report on the Senate bill (S. 1150) to reauthorize the Higher Education Act of 1965, and for other purposes; that all points of order against the conference report and against its consideration be waived; and that the conference report be considered as having been read when called up for consideration, and that debate be limited to 1 hour, equally divided between the majority and the minority.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

□ 2120

HOUR OF MEETING ON TOMORROW

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 10:30 a.m.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

MAKING IN ORDER ON THURSDAY, JULY 2, 1992, MOTIONS TO SUSPEND THE RULES

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that it be in order on the legislative day of Thursday, July 2, 1992, for the Speaker to entertain motions to suspend the rules.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ANNUAL REPORT OF FEDERAL LABOR RELATIONS AUTHORITY FOR FISCAL YEAR 1991—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Post Office and Civil Service:

To the Congress of the United States:

In accordance with section 701 of the Civil Service Reform Act of 1978 (Public Law 95-454; 5 U.S.C. 7104(e)), I have the pleasure of transmitting to you the Thirteenth Annual Report of the Federal Labor Relations Authority for Fiscal Year 1991.

GEORGE BUSH.

THE WHITE HOUSE, *July 1, 1992.*

PERSONAL EXPLANATION

Mr. SANDERS. Mr. Speaker, during Rollcall Vote No. 262 on H.R. 5488 I was unavoidably detained. Had I been present I would have voted "yea."

NEW OPPORTUNITY FOR PEACE IN THE MIDDLE EAST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. OBEY] is recognized for 5 minutes.

Mr. OBEY. Mr. Speaker, last week a remarkable election was held in Israel. If the new Israeli Government, if Israel's Arab neighbors, and if the leadership of the Palestinians all recognized the unique opportunity that is now available, there is a chance to make history—history that will benefit people rather than cause them more pain.

I serve as chairman of the Foreign Operations Appropriations Subcommittee. I think I have been a friend of the State of Israel, and I think I have been fair to the Palestinians. I am, frankly, proud of the fact that I have worked very closely with President Bush in resisting efforts to fund Israeli loan guarantees without proper assurances from the previous Israeli Government about their willingness to suspend additional settlement activity in the occupied territories. I thought that action was necessary to change the dynamics and give the peace process an opportunity to go forward.

The people of Israel, through their recent election, have indicated that they are open to an effort to make tomorrow different than yesterday in the Middle East. I hope that the new Israeli Government takes advantage of that opportunity, but I think this is the time to take special note of the obligation of Israel's Arab neighbors, and most especially, the Palestinian leadership, to take advantage of that open door. I urge the Palestinian leadership not to repeat past mistakes and not to miss opportunities as they have been so often missed in the past.

Now is the time for any Palestinian leaders who want to see real progress on this issue to be realistic in their demands and in their expectations. I believe the American Government had a right to insist that the Israeli Government demonstrate a sense of realism by suspending settlement activity in the occupied territories. But I think that there is a concurrent obligation on our part to also insist that the Palestinian leadership be sufficiently flexible to make progress possible. They must recognize that the new Israeli Government does not have unlimited room to move, and act accordingly. They must recognize that progress will be made in stages or it will not be made at all.

If realism is not demonstrated on all sides and if political risks are not taken on all sides, history will not be kind in its judgment.

EXTENDING DEDUCTIBILITY FOR HEALTH CARE INSURANCE EXPENSES FOR SELF-EMPLOYED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. JONTZ] is recognized for 5 minutes.

Mr. JONTZ. Mr. Speaker, the House will soon take up H.R. 11, the Revenue Act of 1992. Among the very important provisions included in this legislation is an extension of the deductibility for health insurance expenses for self-employed individuals for 6 months.

I rise this evening to call attention to the need to eliminate one of the inequities in our Tax Code by making this deduction into a 100-percent deduction.

The individuals in our Nation who are self-employed or who are partners or subchapter S corporations find themselves treated unfairly in our Tax Code because they are only able to deduct 25 percent of the expense of their health insurance. Someone who receives health care insurance through their employer receives those benefits tax-free. But the individual who is self-employed is not able to enjoy the same tax benefits.

In the rural portions of the Nation such as the Fifth District of Indiana which I represent there are a large number of self-employed persons or individuals who are partners or in subchapter S corporations, on the farm and in small businesses and in similar circumstances. It is no accident that in the rural portions of our country the number of individuals who do have some kind of health insurance is smaller than in other portions of the country because of the nature of the employment in rural areas, and also because of this unfair provision in the Tax Code.

Our distinguished colleague from North Dakota [Mr. DORGAN] has had legislation introduced in this House for some time now, H.R. 784, which would phase in 100-percent deductibility of health insurance premiums for self-employed persons over a 5-year period. I am a cosponsor of that legislation and hope that the House will take up a provision like that as soon as possible. Indeed, my understanding is that Chairman ROSTENKOWSKI of the Ways and Means Committee is committed to including such a 100-percent deductibility provision in comprehensive health care legislation that may come out of his committee later this year. I commend the gentleman from North Dakota, Mr. DORGAN, and I commend Chairman ROSTENKOWSKI for their attention to this very important provision.

Mr. Speaker, the self-employed people of this country deserve more fair treatment under our Tax Code.

□ 2130

They deserve 100-percent deductibility of their health insurance costs.

As all Americans know, the cost of health care to the families of our Nation has risen dramatically in recent years. I for one support a national health insurance plan to provide for basic health coverage for all Americans. I believe that until the time that we do have a national health care plan that covers all of the citizens of our Nation, we need to have equity in our Tax Code. We need to pass legislation to provide 100-percent deductibility for the expenses of health insurance, for all of the citizens of our country.

Mr. Speaker, I was privileged recently to be able to accompany a delegation of several representatives of the farm organizations of our Nation, the leading representatives of those individuals who make a living producing the food and fiber for the people of our country and for the world, to visit with the chairman of the Health Subcommittee of the Committee on Ways and Means, the gentleman from California [Mr. STARK].

This delegation presented to the gentleman from California [Mr. STARK] the very compelling reasons why we should have full deductibility of health care premiums for health insurance for those self-employed people of our country.

I believe that the gentleman from California [Mr. STARK], the gentleman from Illinois [Mr. ROSTENKOWSKI], and others on the Committee on Ways and Means understand the importance of this provision.

I know that with the budget requirements being what they are, it is difficult to provide for this tax equity because of the expenses involved. But I believe that the fairness that this request embodies will prevail, and I am encouraged by the commitment that has been made to bring forward legislation that would include a 100-percent deductibility as soon as possible.

The self-employed people of our country deserve this. They are facing rapidly escalating health care costs. At a minimum it should be the case that 100 percent of their costs of their health insurance be deductible on their taxes so that they can be treated fairly like other Americans.

There are very few challenges facing our country more important than providing for the coverage of all Americans for the costs of health care that are so rapidly rising. This is one small step that we can take toward achieving that goal.

Mr. Speaker, I am anxious that the House pass H.R. 11 soon to extend at least the 25-percent deductibility, and that as soon as possible following that date we bring legislation to the floor and send it to the White House that will provide for the complete deductibility of health care expenses.

A TRIBUTE TO OUR NAVY PERSONNEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. PICKETT] is recognized for 15 minutes.

Mr. PICKETT. Mr. Speaker, I rise this evening to speak on behalf of more than 550,000 active duty Navy personnel who do not deserve to be grouped with that small number who demonstrated such poor judgment, such bad behavior, and such reprehensible conduct at the Tailhook Convention that took place in Las Vegas, NV, last September.

I know that I speak for all when I say that those who have engaged in this misconduct deserve to be thoroughly investigated and appropriate sanctions applied to them. But, Mr. Speaker, I think that perhaps the opinion of so many Americans has been misled now because of the way in which the whole incident has been portrayed.

Mr. Speaker, I do not believe that this is indicative in any way of the thoughts and conduct of the majority, of the vast majority of our hard-working and fine naval people.

I think that now to try and tar all of these fine people with the acts of a few is a very bad way in which to react to this incident. We have to remember that despite reduced international tension and decreased defense expenditures, our Navy continues to have a critical responsibility in every corner of this globe; despite the events that we have seen develop in the last couple of years, the Navy is still enforcing the U.N. embargo of merchant ships that would otherwise be carrying contraband to Saddam Hussein.

According to the Navy, one recent week saw the interception of some 14,000 vessels as part of this operation; 11,000 sailors remain on station in the gulf on 17 ships, and they are on duty and on call 24 hours a day.

This evening the Navy stands ready in the eastern Mediterranean to assist U.N. forces in Yugoslavia, and this very day a headline across the top of the local newspaper in Norfolk, VA, the Norfolk Pilot, says it all: "Norfolk Ships Sent To Aid Balkans." It then lists the number of vessels that have departed Norfolk in this deployment.

Worldwide tonight, some 40 percent of the entire Navy force is on station and under way, and that works out to be almost 200 vessels.

I think this speaks for the kind of commitment that our Navy people have, but more important to us is the maintenance of morale for our Navy people at this time when they are under such great strain.

There is no reason that we should move toward activities that send the wrong message to our Navy people, that undermine their morale and lessen their desire and commitment to do the job that they have done and will continue to do so well. It should be clear to all fair-minded people that the image that has emerged out of the Tailhook incident is in no way consistent with the character of the men and women in today's Navy.

I have the good fortune to be the Member of the House of Representatives from a district that some 125,000 Navy and Marine Corps members call home, and I am very proud of this. I have the opportunity perhaps to work more often and closer with members of the Navy and Marines than any other Members in this body, and I know that these members and their families are pillars in our community. They support our churches, our schools, and our other cultural and political institutions.

Sailors and marines are positive role models for thousands of young children in my district. They work as volunteers with numerous community organizations including schools and other youth organizations. A good example in my district is the Fleet Combat Training Center, which has established a partnership with Birdneck Elementary School and Ocean Lakes Elementary School, and as a result of this was named a Point of Light by the President as one of the Points of Light winners.

Just last week, our local newspaper reported how dozens of Navy Seabees from Oceana Naval Air Station and Little Creek Amphibious Base went into the community to rebuild and refurbish the homes of disabled senior citizens. Navy shipmates from the frigate U.S.S. *Ainsworth* have provided furniture and other supplies to homeless shelters in Norfolk, and aviators from the Naval Air Station Oceana helped fulfill the dreams of a terminally ill 13-year-old child who had been fascinated by naval aviation.

These are just a few of the activities and programs that, in my view, typify the commitment and the high caliber and strong character of our Navy personnel, not just in southeastern Virginia where I live and where I work, but throughout the world where the Navy is active and deployed.

America's 560,000 naval members work under extremely difficult conditions. Their deployments are long. Their missions are often dangerous, and the stress on their families is high. To see the real face of sacrifice and duty, Mr. Speaker, you need only come along pierside when the Navy vessels are returning from deployment and see the looks on the faces of their families, their wives, their children, their loved ones as they come out to greet these people who have been deployed for long periods of time.

□ 2140

Then you really see and understand and appreciate the sacrifice that these people make and the commitment that they honor when they assume duty as members of the U.S. Navy.

So Mr. Speaker, I would conclude my remarks this evening by saying that it is clear that the unfortunate incidents that have come to light in recent months and particularly the Tailhook Convention in Las Vegas is not indicative of our real Navy. Those hard working, dedicated, and committed people who make up our Navy and enable it to carry out its assigned duties do not deserve to be painted with the same brush as those who have so obviously violated the trust of their office and have shown themselves to be deserving of the appropriate sanctions and are not indeed representative of the fine Navy people that I represent from southeastern Virginia.

THE REPUBLICAN HEALTH CARE REFORM BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. HASTERT] is recognized for 60 minutes.

GENERAL LEAVE

Mr. HASTERT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HASTERT. Mr. Speaker, House Republicans have introduced a health care reform bill that has the support of more Members of Congress than any other reform bill before this body today. Certainly, I would like to take into consideration the comments of the gentleman from Indiana who spoke previously about 100 percent deductibility in health care. That is one of the provisions that had been included in the health care bill that is the result of many long months, almost a year of hard work, which resulted in the action now of the Health Care Reform Act.

Tomorrow the President of the United States, Mr. Bush, is coming to this building to endorse this commonsense approach. It is certainly time for Congress to put election year politicking aside and pass a bill that the President can sign.

America has the finest health care available anywhere in the world. While some want to scrap our entire system, House Republicans have proposed a responsible approach that targets the specific problems. The Action Now Health Care Reform Act increases the availability of health care services for millions of Americans, while putting on the brakes of skyrocketing health care costs.

The plan which is the product of more than a year of development by the Republican Leader's Task Force on Health incorporates the several ideas that have broad public support. These include reforming the small group insurance market so that small business can afford to buy health insurance and give its members portability so they can bring their insurance policies from job site to job site.

We increase the tax deductibilty for the self-employed to 100 percent, much as the gentleman from Indiana just said that he thinks is important in health care.

We allow employers to establish tax free Medisave accounts so employees have a pool of money to pay for medical expenses and we reform the medical malpractice system and improve community and rural health care systems.

These reforms constitute a comprehensive package that could be implemented immediately and would dramatically improve our health care system. These proposals will enable Americans to continue to enjoy the flexibility and personal choice they have come to expect in their health care system.

These reforms, Mr. Speaker, if instituted, will also help us avoid the massive tax increases and expanded bureaucracy that a Government-run health care system would require.

Under the plan, rising health care costs would be controlled by encouraging Americans to become prudent consumers with the use of the Medisave accounts, by reducing medical malpractice liability premiums and defensive medicine, by lowering administrative and paperwork costs, and by revising antitrust law to encourage greater cooperation in the sharing of facilities among hospitals.

Many components of the legislation, particularly the Medisave plan, were incorporated from health care legislation I introduced this year with the gentleman from Arizona [Mr. RHODES] and the gentleman from Florida [Mr. GOSS] and others.

It is time for Congress to enact these commonsense reforms that will bring immediate relief to millions of Americans.

I urge the leadership of this House to allow this bill to come to the House floor for a vote.

Certainly we are in times, Mr. Speaker, that tend to be very partisan times. This is a good commonsense piece of legislation that had over a year of study and thought put into it that we bring forward to this Congress and hope that we can sit down and forge a health care plan that is good for the American people.

Let us leave the partisan bickering behind. Let us leave the posturing that we see before political conventions behind.

It is time that we start to put together common sense legislation that benefits the people of this country.

Mr. Speaker, I yield to the gentleman from Florida [Mr. GOSS].

Mr. GOSS. Mr. Speaker, I thank my colleague, the distinguished leader of our effort for yielding to me, and of course I associate myself very closely with what the gentleman has said.

It is interesting that all the effort has finally paid off with what I think is a very successful and incremental approach that we are going to be able to bring forward, I believe, to the attention of this body and I hope the formal action of this body.

I think that any of us who are out and about and doing our jobs as Members of Congress, and that is virtually every Member of this body, clearly understands that health care is on the minds of the people of this country. I know in my own office I feel that perhaps as many as four of my staff in district offices spend virtually 80 percent of their time trying to help people with health care problems, processing claims to the incredible administration and red tape that we have to go through now to make a program, which admittedly is going bankrupt, work at all.

So we have to do something. Doing nothing is no longer an acceptable answer.

I know that it is the Fourth of July coming before us and I know that when we associate with the Fourth of July, we use the word skyrocket. Skyrocket no longer applies in my mind to the Fourth of July. It applies to health care costs. We always say skyrocketing health care costs because they are skyrocketing. They are about to blow up. They have been going up and up and they are going to burst. It may be that they are pretty things to watch on the Fourth of July, but when the health care cost problem bursts in this country, all it is going to do is cause inconvenience and suffering and pain for millions of Americans.

So the approach we are using at this point, as my colleague has outlined, I think it is a brilliant stroke. It basically goes right to the question of cost containment, assessing the problem, using a good promarket solution to those cost problems and providing incentives for individual consumers to be involved and husband properly their health care benefits under our program.

□ 2150

It also is a compassionate program because it adds dollars for those who need to go to health care community centers, who have no other choices, and it also provides a number of other very special points which we will get into as we go along. But among the two most compassionate, I think, are the question of preexisting condition, which is an area that we have so many of really heart-wrenching stories to deal with, and the area of affordability, if I may somewhat misuse that word which I think characterizes the problem of so many Americans who, when they change jobs, suddenly discover their health insurance does not move with them.

It is strange that health insurance is the only kind of insurance that actually is characterized as that which sort of gets left behind.

We have dealt with these programs and these problems. It has not been easy. The point is we now have a solution.

As we go into the description of this, as we must because time will not allow us to delay longer on it, I think we will get into the details. But for now I would like very much to hear what some of our other colleagues have to say and perhaps, if it is possible, we may even be able to get into some anecdotal matter on this before we get through.

Mr. HASTERT. I thank the gentleman from Florida.

Mr. Speaker, I yield to the gentleman from Arizona, who has been instrumental in helping us put some of these ideas together.

Mr. RHODES. I thank the gentleman for yielding this time to me and for all the work he has done which has led us to the point where we are tonight where we can actually come before the House and the country and deal with some specificity about a health care program that we Republicans have introduced here in the House of Representatives and which I think each and every one of us believes offers solutions to the problems that all of us, Republicans or Democrats, have identified and agree on as being basic, fundamental difficulties in the health care system that we can find solutions to and that we can find solutions to now.

Over these past two Congresses we have been able—we have been working, rather, to develop meaningful and responsible, effective incremental reforms in America's health care delivery system. Incremental reform means basically let us take care of the problems that we know exist and that we know we can find solutions to. I think we all agree that if we wait to find consensus on an overall comprehensive national overhaul of the entire health care system, if we wait to do that, we will do nothing. And we know amongst ourselves on both sides of the aisle that we have identified problems, identified areas that can have solutions and that can have solutions now.

We know that our constituents are waiting for us to do that.

I had a series of neighborhood health forums in my district over our Easter break, and it was obvious to me that our constituents want changes, and they identify the areas that they want changes to in access to health care and in controlling costs.

I am convinced, as I know the two of the gentleman tonight are, that we can and we should take action now on an incremental basis to provide meaningful relief for our constituents in terms of those costs and in terms of that access to quality care for our constituents and for their families.

Our bill, H.R. 5325, identifies critical elements that can be implemented and can be implemented now.

Although this country has the finest quality health care system in the world, in a nutshell tells us two critical areas have to be addressed. First, not all Americans have access to health insurance to pay for their care. Second, the cost of health care continues to spiral out of control.

Our bill focuses on these critical areas of reform and provides reforms that will make health care coverage more accessible and affordable. Furthermore, our proposals, and this is extremely important, our proposals will not impose any new financial burdens on the States or on businesses, and they will not impose any new Federal taxes. And most importantly, every provision in our bill could begin to be implemented tomorrow with immediate and positive results.

I want to dwell briefly on three provisions of H.R. 5325. One is the medical savings account tax incentives. The second is medical malpractice reform. The third is small-group insurance market reform.

Under the med-save accounts, this bill will allow employers and employees to contribute to tax-deductible medical savings accounts. These accounts would be portable, tax free, and would accrue to the employee over time. The employee's health insurance deductible would then be higher, and routine medical expenses would be paid for by the employee out of the medical savings account. Mr. HASTERT, Mr. GOSS, and myself were among the first in this Congress to champion this really rather exciting new idea. We are now very pleased that the concept has been picked up in H.R. 5325, the broader Republican health care proposal.

H.R. 5325 also implements medical malpractice tort reform in a very equitable and forthright manner. The responsibility is returned to the State medical boards and national data bank in order to insure medical quality. Among the specific tort reforms that the bill contemplates and that I have supported in the past are caps on noneconomic damages, structured periodic payments of compensatory awards, limits on attorneys' fees, and elimination of joint and several liability.

The bill also reforms the small-group insurance market to make health insurance affordable, accessible and available for the working uninsured and their dependents. This group represents 70 percent of the 35 million Americans who have no health insurance coverage at all. The National Association of Insurance Commissioners would be requested to develop a model benefit package which insurers would be required to offer to small businesses. These basic benefit plans would be more affordable, accessible and dependable, much more so than current small market coverage.

All sections of this bill focus on areas of reform that will be effective in making health care coverage more affordable and accessible and preserve the quality of health care delivery.

None of these proposals will impose new financial burdens for States or for businesses, and they do not impose any new taxes. Most importantly, if these were passed, every provision in this bill could begin to be implemented immediately with positive results for those whom we all serve.

I thank the gentleman for the opportunity to serve here this evening and congratulate him on his special order.

Mr. HASTERT. I thank the gentleman from Arizona, who has been a big player in this for a long time, to sit down and strategically plan some of these ideas.

As we have other speakers, certainly I would appreciate if the gentleman from Arizona [Mr. RHODES] would stay around for a little while so that we could discuss these things almost anecdotally and see what are the real issues and how it affects real people's lives.

Mr. Speaker, I yield to the gentleman from California.

Mr. HUNTER. I thank the gentleman. I would like to ask the gentleman a question. I appreciate his contribution to this package. Mr. Speaker, could the gentleman talk about the medi-save account a little more? I understand it is a tax-free account.

Mr. RHODES. The med-save account would permit, through a change in the Tax Code, it would permit an employer to offer a different type of health care benefit to his employees.

Let me just do an anecdote. Generally speaking, it costs on the average an employer $4,000 per year to provide health coverage as a benefit to his employees. The proposal would be that, instead of providing very low deductible or first dollar coverage, which is very expensive for the employees, that the employer would provide for the employee a very high deductible catastrophic type major medical policy. The deductible would be, say, $3,500. The employer would pay roughly $500 for the high-deductible policy and deposit the balance, the $3,500, into a medical savings plan, which would be controlled by the employee.

Then when the employee, he or she, the family, has a medical problem, they would determine how they would solve that problem. They would make the decision as to whether or not go to a very expensive emergency room to deal with an earache or wait until the next day and go to the doctor's office and have the doctor look at the earache, a $300 decision. If they choose the less expensive decision, that $300 accrues to the employee. We put the consumer into the loop in terms of making medical decisions. The consumer is not in the loop now because the consumer is not paying.

If in a particular year the consumer did not use that entire $3,500 in the medical savings account, it would roll over. It would remain in the account, and it would be very similar to an individual retirement account. And at some point in time, upon retirement generally speaking, whatever is left in that medical savings account would belong to the employee.

□ 2200

Mr. HASTERT. Mr. Speaker, if I could stop the gentleman from Arizona [Mr. RHODES] on that for a second, he is saying that, if the family who spends or has this $3,500 in their med-save account, if they do not spend it, they get to keep it.

Mr. RHODES. That is exactly right.

Mr. HASTERT. And all of a sudden we have the old-fashioned American system, the free market system, depending on whether people go out and spend big bucks for health care or take a prudent approach on what they purchase in health care, and, once they reach the $3,500—I mean that their company is given what they have in the med-save account, then their major medical or catastrophic insurance kicks in, so they are covered just like any other employer.

So, the real difference, if I understand the gentleman from Arizona [Mr. RHODES], the real difference in this plan is, instead of having your company buy insurance for you, they buy a limited amount of insurance for you, and then the next thing they do is give you the med-save plan, and what you spend you spend, and what you do not spend you get to keep. And that money rolls over year, after year, after year, and all of a sudden the people are in power of how they spend their money and whether they are going to do it prudently or not prudently, and not some insurance company.

Mr. RHODES. That is precisely right, and we put the consumer, the employee, in the business of making the economic decisions as to how they are going to receive their medical care. Right now they are not in the economic decisionmaking process.

Mr. HASTERT. It makes no difference to them because somebody else is going to pay for it. If they are going to pay for it out of their own resources, they are going to make more careful decisions as to how they access their health care.

At this time I would like to recognize our colleague and somebody who has worked very diligently on the leaders health care task force, and, incidentally, this was led by our leader, the minority leader, the gentleman from Illinois [Mr. MICHEL], and the minority whip, the gentleman from Georgia [Mr. GINGRICH], and certainly the gentlewoman from Connecticut [Mrs. JOHNSON] has made a tremendous contribution to this program, and I would like NANCY to tell us a little bit about the small group plan.

Mrs. JOHNSON of Connecticut. Thanks. I am very pleased to join my colleagues tonight in discussing, not only the need for health care reform and action to reform our health care system now, but also the nature of the plans that we have, because I think that my colleagues know I represent a manufacturing district. There are a lot of small manufacturers up in the northwest corner of Connecticut. Manufacturing represents 20 percent of our GNP. Well health care represents almost 15 percent of our GNP, and nobody in their right mind would recommend price fixing for every manufacturing product throughout our economy as a way of controlling costs in manufacturing, and I certainly cannot be a part of the Congress trying to set prices in health care as a way of controlling costs.

Mr. Speaker, what my colleagues have been talking about here tonight and what I come to join them to talk about is the way the things that we could do right now will begin changing the direction of the costs in health care and addressing both the access and quality problems that our system has, and reform of the insurance market is critical to making insurance available by also controlling costs.

I am very pleased that our insurance reform proposal would mean that nobody would be dropped because someone in their plan got sick. That is one of the real tragedies of today's system. People are insuring their employees. One of them gets sick, or their child gets sick. The costs go up, and they, as an employer, have to drop their plan, and everyone suffers. It is a tragedy. It should not happen in America, and under our plan it would not happen.

Another current problem that plagues people in my district is joining a health care plan and then finding out that they are not covered for preexisting conditions and that preexisting conditions, that phrase, covers an awful lot of things that soneome joined their health care plan to take care of. Our plan would prevent insurers from excluding people for preexisting conditions except on the first time. It would prevent insurers from dropping companies that have high costs. It would limit the rate increases that an insurer could impose on companies buying their health insurance, and it would provide a basic benefit plan, which is what Americans believe everyone ought to have access to, and we do.

Mr. Speaker, it should be a right in America to have access to basic health care coverage at an affordable price, and our insurance reform proposal will provide access for a basic benefit plan at an affordable price because it will give to small business for the first time in many decades in America the same right that larger companies have now that are self-insured, and that is the right to provide a basic plan that is out from under costly State mandates.

So, our insurance reform cuts costs for small business in many ways, one of which is circumventing State mandates, but it is not the only way, and it helps people by protecting them against being dropped, by protecting them from being excluded for preexisting conditions and, most importantly, and I think this is really the big point that one needs to understand and that I want to make about insurance reform, and that is this is not just reform of a small group market. What we have written into our bill is reform of the health insurance market. The protections of people in this system will apply to people in all plans.

Furthermore, Mr. Speaker, our reforms will have the effect of shifting the entire insurance industry focus from assessing risk, assessing medical risk, to wellness promotion, to early intervention, to curing, to effective use of the extraordinary medical capability that America has developed, and by doing that, by shifting all the resources of the health insurance industry from risk assessment, from making your profit by insuring only the well people to promoting the wellness of the people you insure, funding early intervention, funding prevention, funding outcomes research, using outcomes research, insuring health and getting people involved in their own wellness, that is one of the most profound effects that health insurance reform is going to have, and it is one of the reasons why Congress has to pass this this year, because it will take 2 or 3 years for these effects of the health insurance reform to be felt, for that industry to refocus itself, for the costs to be under control and for those affordable plans to be out there.

This is not something that we pass a law tomorrow and the world changes. This is something we pass a law, we implement it, and in 2 or 3 years there will be affordable policies available to small business, and the entire perspective of the insurance industry and, therefore, the people participating in it, will change, and that is exciting.

Mr. HASTERT. Mr. Speaker, I think that is an important point; however, it is an important point that these are systems or reforms that we can implement and we can start tomorrow if we pass the legislation.

Mr. Speaker, there is one thing that I would like to make an inquiry into in an anecdotal approach, but the gentlewoman from Connecticut [Mrs. JOHNSON] has a district that has a lot of small businesses, and I received a letter from some folks that I have known for 20 years, and they are small representatives of manufacturers, and it is a "mom and pop" organization, and the letter said, "You know we're in despair of our insurance costs. We have some preexisting conditions," in the case of this couple that are both 57 years of age, "and what we have done is put all our assets in a trust, and we don't have insurance. We can't afford the $900 a month that we have to pay for insurance. So, we are virtually without insurance."

It is wrong. The system should not work like that, and we are victims, and that is a part of that growing number of 34 to 37 million people who are not covered, are working people in this country today, but really are not covered by insurance.

So, the small market reform part that the gentlewoman from Connecticut [Mrs. JOHNSON] is talking about, basically what it does is say that small businesses are two things in this package. Small businesses come together, and they can self-insure. They can come together and self-insure, and they are guaranteed by this that some insurance company has to cover them, and the preexisting conditions and the portability is there, and this is something that we hear time and time again, "How can we take these insurance benefits from one job to another, especially in a time in this society today when people retire early for some reason or another at 50 years of age or 55 years of age?"

Mrs. JOHNSON of Connecticut. It is going to be very important to that 55- to 57-year-old man or woman who will get reemployed as the economy picks up who will probably have to work through a 6-month period when he does not qualify but who, after that, will have to be covered regardless of preexisting conditions by his insurance, and so will the spouse, and the insurer will not be able to raise premiums in a rational fashion because one of them gets ill, and so on and so forth. This system will give to those folks in their fifties, in their late forties, and early sixties who are tragically experiencing often quite long stretches of unemployment now as States like Connecticut go through really terrible times of recession.

□ 2210

This kind of legislation will give them the support they need.

I wanted to talk briefly about the cost drivers, but I think the gentleman from Ohio wants to participate.

Mr. HOBSON. Mr. Speaker, I would like to ask the gentlewoman to talk about something else I know is dear to her heart as we have gone through this and we have not discussed yet, and that is the neighborhood clinics. That is a major part of this bill that covers some people that are not generally covered.

Sometimes Republicans are thought not to care about those people. I would like to have the gentlewoman remark about that.

Mrs. JOHNSON of Connecticut. I thank the gentleman for bringing this subject up. I am very proud that this bill put out by the Republican leadership contains the proposals made by the community health centers, Community and Migrant Health Centers of America, their proposal for a pace of expansion that would enable just that infrastructure to serve all of the uninsured.

Now, if we expand those neighborhood clinics, which are very good—in the cities in Connecticut they are very attractive places to go, they are very friendly, they are warm, they are holistic. They look at the whole family. They deal with the whole person. they do not shove you in an impersonal fashion from here to there. They are the kind of community health facility that cannot only deal with recovery from illness, but can identify substance abuse problems, which often lie behind a lot of illness, behind a lot of trouble, and can provide the supportive environment in which those issues can be dealt with as well.

They provide excellent prenatal care and well child care. If we expand those community health centers, as in our proposal we do as they recommend it, then we will have in the neighborhoods of the cities, where so much of our infant mortality is as a result of poor prenatal care, where a lot of young children die as a result of poor young child care, if we expand that infrastructure, we will reach down into those uninsured and uncared for in America and provide them with top quality care.

Furthermore, these centers are in moderate size cities as well. All those folks who find themselves uninsured can go to them and pay according to their income.

In Connecticut our community health centers are providing health care for all the unemployed at $27 a visit, which is full pay for the clinic and therefore a good deal for them, very nice facilities and very high quality personnel and a wonderful facility, health care facility, for the unemployed.

So we not only reach up to the uninsured and uncovered by providing an infrastructure in America that provides that public health service across the board, all outpatient services we believe ought to be provided, but we allow them to reach down through the employer provided insurance sector by making insurance more affordable. So we can see through our plan concretely that we can serve all of those who are uninsured and underinsured, and we can do it at an affordable price, and we can do it now if we pass the legislation now.

That is what is so important, to get this legislation through this Congress so that people can begin benefiting and not be held up by the fractious environment down here.

We cannot deny people access to health care, such a basic benefit, just because of the rather fractious Presidential campaign environment that has come to dominate this body.

Mr. HASTERT. I continue to yield to the gentleman from Ohio, who brings a great deal of experience to this body and has been a very active participant in the health care reform task force, the leader's Health Reform Act.

Mr. HOBSON. I thank the gentleman. I want to thank the gentleman and Mr. MICHEL and Mr. GINGRICH and all of the other Members for working with a freshman and allowing freshmen on this committee.

It was with some trepidation that I got involved in this in the Congress because of the long-term problems we have had in health care and the coming together of people. I was worried we were going to get to a point where we had a comprehensive plan.

But after being on the committee and seeing the well spirit of all of the people and the diverse groups of people represented and the ideas, I was very pleased to be a part of this and to see it come forth.

In my district I have been active in the legislature before I came here on health care, as was noted. Recently, since I came here, we did a health care conference of 600 people in my district. A number of things came out of that, that were very important.

We had speakers like Gail Wilensky and MARY ROSE OAKAR talk about the various types of health plans that are out there.

The things that came through from the people there were that they were tired of politics and the usual dealing with health care. They knew there were problems there and they wanted them solved. They wanted us to get about it without bickering amongst ourselves and just not doing anything.

I think what we as Republicans have done in our task force is to come forth with a plan that is out there that people can talk about. It is not perfect, but we tried to make it as perfect as we can.

We are certainly open to debate and want people to debate with us on this issue. The people said and said in our task force when we looked at it that they like the quality of systems that we have today. They like the access. Those who have it love that access. They love the quality. They love the expertise that is there.

What they are worried about what is driving all the problems today is there are people who are fearful, who have health care coverage, and they are fearful they are going to lose it. There are people who do not have it who are fearful of losing their assets.

We have all had letters where citizens come in absolutely desperate. They are afraid to get off where they will lose everything. They are afraid if they pledge their assets, they do not know what to do, and they are desperate. Their estates are at risk and they are worried.

So we learned all of this and tested it out in our program that we went through, and then came up with our plan.

I think one thing that we have learned is that people are fearful of a so-called national health insurance or socialized plan that is fraught with a lot of bureaucratic problems and supposedly is paid for by the mere doing away with and coming up with a single payer.

Most people fear that any government plan that we have already, does not work. If you want to look at that, our friend BILL GRADISON talked this morning at a meeting that we were at about the VA and the Indian health care programs, which while people are very well meaning and working in those programs, we do not fund them correctly, we do not administer them properly, and that is a good example of what we do not want and do not want to perpetuate in this country and why we come forth with this comprehensive plan.

Mr. HASTERT. If the gentleman would yield, I think the studies that we have done show when you start to fund or cost out the plan, single payer plan or payer plan, it would cost $1,200,000,000, which would literally double the tax liability of every man, woman, child, and corporation in this country. I do not think the American population is ready for that.

Mrs. JOHNSON of Connecticut. Whenever you have a big problem and you look for a solution you try to model your solution on examples that work. It absolutely blows my mind that some in Washington and some in the Nation want to model a solution to our health care problems on those every efforts that we have made, those very experiments of the past that have failed.

Price fixing and Medicaid, the health care program for the poor, drove prices so low that there were no Medicaid providers in whole counties. So while on paper poor people had access to health care, in reality they did not.

That is happening in Medicare. Ask any of your hospitals how would they fare if for every patient they got a Medicare level of reimbursement so they did not have any people being paid for.

Mr. HOBSON. Frankly, that system has driven the private system to a problem of where their costs have gone up because the hospitals and physicians are not getting the appropriate reimbursements, so you have cost shifting. We have done ourselves in in that situation.

One of the things that we have not discussed that I would like to see discussed tonight is in this area of reform. One of the problems that we have is that physicians do a lot of defensive medicine. That is driven by our tort system. One of the things that we have in this program that no other plan that I have seen either the Senate, the House, or other bills seems to do, is to have the practice guidelines that we have promoted in here to give physicians some guidelines, that they have done it all when they follow those guidelines. Those to me seem to be very positive things that will be cost effective, along with the simplification of the payer situation, the paper trail, that we will have a program that will not only be cost effective, but will generate savings throughout the entire system and still keep the quality that everyone seems to like in our system and desire in our system.

□ 2220

I hope as we have some more time we can discuss this.

Mr. HASTERT. I think the gentleman certainly is on target, when you stop to put cost effectiveness with malpractice reform, why it is important that we do malpractice.

Well, malpractice drives costs two ways. If you deliver a baby in my area in the Fox Valley of Illinois, it costs 25 to 30 percent of the cost of delivery is just the malpractice insurance itself. The hospital has to carry it, and the doctor has to carry it. Plus a surgeon in our area may pay up to or charge up to $5,000 for tests that are not tests that you make a prognosis or try to cure somebody with.

It is a test that if you are hauled into court that you have a defense. "I did this procedure, this procedure, this procedure and this procedure."

And therefore, it is an insurance policy that the patient has to pay for because he is charged for it. I think it is very important.

I would like to ask at this time a very active member in our Health Care Task Force, the gentleman from Pennsylvania [Mr. WALKER], the assistant minority whip, to maybe make some comments about his experience.

Mr. WALKER. Mr. Speaker, I thank the gentleman. And I want to say first of all how proud I was to serve on this task force. I hope it serves as a model of how the committees will operate in the next Congress when Republicans are in control, because I think we analyzed an awful lot of very complicated details.

We came to some conclusions and, in fact, came to conclusions that I think ended up being very innovative in terms of the work product that was finally put together.

I think that that is something the American people are looking for. They are looking in large part for the kind of legislating that addresses the real changes they see going on in their lives. They see change of massive natures going on in their lives, and they do not see Congress responding to it or Washington responding to it.

Here is an example, I think, where we have responded. Over and over again, you hear people out across the country who are frustrated with the health care system. And they are frustrated in large part because they see costs soaring out of sight. And yet at the same time costs are going up, access to the health care system seems to be decreasing. That is what I think we have addressed here.

We have come down on the side of some reforms that will deal with the cost increase issue. At the same time what we have done is assured accessibility. But we have done so by backing the Government out a little bit of the system and allowing the people in the health care system and businesses and so on, more participation. I find that very refreshing, and I think the American people will.

In fact, it was my State that kind of put the health care issue on the political map, at least in the present situation, when Senator WOFFORD was elected in kind of an upset election that was said to be related to the health care issue. And it was, in part. But what is interesting is the response now in Pennsylvania to some of the health care reform ideas that have grown out of that and, in fact, have been sponsored by Senator WOFFORD. Because all of a sudden, people began to realize that his solutions to the problem involved things that they did not want to do.

For instance, older Pennsylvanians got very upset when they suddenly figured out that Mr. WOFFORD'S reform plan called for the elimination of medicare. And they found that to be a little different from what they thought he was saying when he talked about health care reform.

Then others took a look at it and understood that the reform plan he was talking about literally imposed a government health care system on them. And they were going to give up the quality that they had seen in the community-based health care systems that they have at the present time. So they are looking for people who are going to say, yes, health care needs to be addressed. Cost and quality have to be addressed. Accessibility has to be addressed. But let us do it without losing the good things that are in the present system.

And at least from my view, what we have managed to do in this particular proposal is, we have managed to keep most of what is good about the present system and at the same time we have addressed those issues that are most on the minds of the American people, I think, in a very responsible, reasonable way. I think as people come to understand what the product of this task force is, I think we will gain a lot of support across the country for it.

Mr. HASTERT. I thank the gentleman for his participation. It certainly was good guidance over the year, almost a year that we have worked on this program to try to bring some sense and semblance of common sense to try to solve the health care problems.

The national health care system that we are talking about, many people would like to take and model a United States system, one-payer system, after the Canadian system. A lot of us have heard that. We have heard it in town meetings. We have talked, many of our labor unions endorsed it.

But when we went to Canada and looked and spent 2 days in the cold January week up in Canada and saw that the Province of Ontario, which is really relatively about the same size of my State of Illinois. Ontario is 10 million people; my State is 11.5 million people. They spent $17 billion, $17.5 billion on health care last year. And in that they have a 38- to 58-percent marginal tax. They have a 15-percent sales tax on goods and services.

They have an employer check-off so that you still have to buy insurance for your employees. And out of that $17.5 billion, they spend in one province, and if you are looking at apples and oranges, the last year that I was in the Illinois General Assembly in 1986, the budget cost about $23 billion for everything, education, health care, everything. This is $17.5 billion just for health care.

They were able to pay, out of that $17.5 billion, $7.5 billion, a shortfall of $10 billion, plus a debt service of $5 billion to pay for health care that they have not been able to afford over the last few years.

I did not find hardly any one Canadian that did not like this system, but hardly any knowledgeable Canadian that said, this could happen and it could stay.

Mr. WALKER. It is interesting that when people take time to really study these issues, they come to precisely that conclusion about the national health care system and even about the Canadian system, which is regarded as one of the better of the systems that has been developed as national systems.

I had a group in my office the other day from the League of Women Voters who have spent some time studying this issue. And I kind of thought that maybe they would come to a conclusion that they ought to go the direction that the Democrats have come up with. They had not.

In fact, they told me directly that they had looked at the Canadian health care system and come to the conclusion it would be a disaster in this country for us to adopt that system. And they were very close in many respects to the kind of things we were coming up with.

As a matter of fact, as I discussed the plan that we were about to evolve, they became very excited because it tracked with the kind of things that they thought we ought to do based upon their study.

Most of the people who immediately jump onto the bandwagon for one of these national health care systems or one of these very comprehensive systems tend to be people who have not looked at the issue.

In fact, to some extent, we have the old adage here, that for every complicated problem there is a simple solution, and it is wrong.

That is very true in health care. The people who jump immediately to the idea that there is some simple solution to health care, we simply nationalize the whole thing and we can run it better, the fact is that that ends up being a wrong solution for virtually anybody who looks at it in detail.

Mr. HASTERT. I thank the gentleman from Pennsylvania.

I would just add one thing. All those groups that would lose their special health care systems, the gentleman did not mention the veterans. They are not really happy with that system either.

I heard a lot from our American Legion Posts and Veterans of Foreign Wars.

Mr. GOSS. I had some opportunity to meet a joint veterans group this week in my district, and we tried this out. And they started out being in favor of this idea of the universal health plan until we applied it to veterans medicine. And that was the end of their support. I think it is a fair representation.

Mr. HASTERT. I would like to yield to the gentlewoman from Connecticut. I think she had some other really pertinent points.

Mrs. JOHNSON of Connecticut. I just wanted to pick up on a point that the gentleman from Pennsylvania made that we have talked about a lot among ourselves. It has been the focus of discussions over 2 years now. And that is the issue of cost control. Because if we do not control costs, I do not care what kind of access we provide today, in a year or two that access will be gone if we do not do something about skyrocketing costs.

There are two ways we can control costs. My Democrat chairman of the Subcommittee on Health of the Committee on Ways and Means says we can control costs by just fixing the price.

□ 2230

If we fix the price low that service is not going to be there, whether we need it or whether we do not. What people tell me all the time when they come to see me is, "Look, I had the x rays done once. Why did I have to have them done again?" "I had this test done. Why did they have to be repeated 2 weeks later when I went to another specialist or when I went in a hospital?

What we try to do in our system is make the kind of changes that will allow us to weed out all those costs for duplication of testing, all those costs for procedures that should not have been done, that were really not necessary, but because of our malpractice system, boy, I will tell the Members, that doctor could not take the risk that maybe this one test or this one procedure might turn up something.

So we are looking at controlling costs by stripping out of the system all of those health care expenses that do not make us well, but we want to preserve our access to all those health care procedures that will make us well. That is the fundamental difference between the Democrats' global budget approach to cost control. They are going to underprice things until they are just not there, whether we need them or not. We are going to assure that needed care is there and affordable, and that unneeded care is stripped out of the system, no longer paid for, and all those costs will be saved.

The estimate as to how much defensive medicine costs us with our malpractice loss is $20 billion to $40 billion. If we add to that the administrative savings that are possible through our bill, and we are up to another $20 billion or another $30 billion, and we can just peel away the wasted dollars from this system and be left with access, quality, and cost control.

Mr. HASTERT. Will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Illinois.

Mr. HASTERT. If I might interrupt the gentlewoman, I think it is significant what she said, that the malpractice part of this bill can save between $30 billion, around $30 billion or $35 billion, maybe $40 billion, with a "b", billion dollars, and other cost containment things, such as the Medsave plan, just in people making prudent decisions, can save another $50 billion, and by companies not reproducing, and we will talk about this a little later with the Medsave plan, people making good economic choices, and to eliminate the huge amount of paperwork, almost 94 percent of the medical episodes, we could save another $70 billion, almost.

All of a sudden, not only does this plan give people choices but it starts to hold down the cost of health care services, and that is the key, access. People then have health care and yet hold down the costs that have spiraled up on and on and on and upward and upward and upward over the last 15 years.

I would like to entertain some remarks from our good friend, the gentleman from California [Mr. CUNNINGHAM], who is not on the task force but certainly has lived through some of these problems in his district in Southern California.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. HASTERT. I yield to the gentleman from California.

Mr. CUNNINGHAM. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I feel very, very fortunate to be able to piggyback on the task force. As a matter of fact, it is exciting to see the excitement of the task force itself. The hour is late and I think part of the health care plan might be to get some sleep for our pages, the kids. We will not hold them too much longer.

I would like to give a little perspective from a freshman, not just on the issues which the gentleman has covered, and to give the Members just some other thoughts, that part of the problem that I have seen over the last 18 months of my tenure here in the House of Representatives is that both sides of the aisle agree that we need a health care plan, but when it comes to the issues that the gentleman is discussing in his plan, that is where the division, primarily the cost. But this plan and this task force is just a start, because it is only one part of the puzzle.

I sit on the task force of the defense of this country, I consider that the health of this country, and a task force on education, and also a task force on anti-drugs. We have an equal chore to equal the job that your task force has done on health, because it all ties together for the things that we want to do.

But the cost of the program, one of the problems, that is only one of the problems that I have seen as a freshman, but who pays for it? Is it business? Do we tax the rich? Do we put the burden on business so that we cut jobs? Those arguments go back and forth. People do not care. They want a health care plan, and that is what the gentleman has helped to develop.

Another problem we have had, I see it as a freshman, is who gets credit for this? In an election, who is going to get credit for the health care plan for the November election? And that has really been a stopgap. I want to tell the gentleman, it has been disheartening. But the good news is that his task force has taken the good ideas from all the matrices that have ever been put together, thoughts from constituents, from both Democratic constituents and Republican constituents, and I understand in some cases our pages, on health care issues, and that is the way that this bill was going to finally pass, that no one will necessarily take credit for it, because it is for the betterment of the Nation. I really believe that.

I do have some pessimism, because I have seen all the bills that I have had those same hopes for, and thinking, "We can really do some good for this country," have gone away because of a November election and partisanship and power.

My message for the task force is that November is going to pass before too long. Regardless of what the outcome of that is, we are going to see 130 to 150 new Members on the House floor. The other good news is that if we are not able to put in fruition the gentleman's noble and outstanding job on this health care task force, then the 103d Congress will, with those new Members. But we need to go beyond this package, I think.

I would say to the gentleman from Illinois [Mr. HASTERT], I was a swimming and football coach in his great State. To me physical education is a part of that package, and education itself: Can we give kids enough of an education to get a job so they can go out and be healthy?

When I first thought about health care, I thought about senior citizens, only I do not use that term any more, I use the term chronologically gifted people instead of senior citizens. But that is not where it starts. The day my wife had her first child was right down here in Belvoir Hospital. The lady that was having the baby, the first time she had ever seen a doctor was when her baby was born, so it is even before prenatal care, but the education that that mother and the father go through before having that child, and going on through, education plays a part in that.

The crime bill; how do we prevent our young kids and adults from getting involved in those other things? I do not plan to go through all the bills, but what I am saying, there is a total package. I do not mean this as a political shot, but the balanced budget amendment is very critical so that we could have the funds necessary to put not only a health care plan but all of these other task forces together to benefit this country.

I would thank the gentleman for this opportunity, and I laud his work and efforts in allowing me to piggyback on a very good task force.

Mr. HASTERT. I certainly appreciate the input from the gentleman from California [Mr. CUNNINGHAM]. One of the interesting things when we talk about the fiscal side of this thing, we put together a package that does not tax the American people to death. It is a package that works, because we are cutting costs and we are taking savings that we can accrue, that the Government has to pay out, and because we are doing things better. We are putting together, for instance, administrative and paperwork reform so we do not have to have 37,000 different insurance forms going to every doctor and insurance company, and those types of savings that the system pays for itself.

We do have the best health care system in the world, but it has kind of developed topsy-turvy, and competition has just grown. But here are some ways to streamline some of the things that are not efficient, the inefficient systems that have kind of gone along with that topsy-turvy growth.

I know the gentleman from Florida [Mr. GOSS], a good friend who has worked very diligently on this, has some stories, so to speak, of how this affects people.

Mr. GOSS. Mr. Speaker, will the gentleman yield?

Mr. HASTERT. I yield to the gentleman from Florida.

Mr. GOSS. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, these are stories we all hear. We all have them in our own districts, and they come up in different ways. I do not think mine are different than anybody else's, but I think they hit the core that gets action in this body.

The gentleman mentioned the cost of a baby doctor in his district. Now practice is so out of control in my district that we cannot find people sometimes practicing in certain medical skills, because the cost of insurance is so high. Neurosurgery is an area, and ob-gyn is another area, as the gentleman knows. So there is no question that that area we focused on is great. We picked out of the newspaper just a couple of cases.

There is a gentleman who had terminal cancer, which stripped down all of the assets in their family, and they ended up with nothing except a very expensive home which they had in happier times and could not sell because of the depressed market, and they had no place to go. That kind of a situation is out there.

□ 2240

Another case is a lady who is a waitress at one of the local restaurants and followed the advice that is put out about self-examinations, discovered she had a lump on her breast, but did not have money to go to the doctor. She finally scraped up the money and went in for an office visit, and when she got in the office, the doctor, of course, recommended a biopsy. Again, she did not have the money to perform the biopsy. That is another type of case.

We have a case of a family where a youngster with severe asthma moved into the district, new jobs, new opportunities, but they discovered that their new insurance that went with the job at a higher price did not cover preexisting conditions. So there they have a very heavy expense to take care of.

This legislation that we are proposing and talking about here, and we are excited about, addresses all of these problems and provides solutions. They are not total solutions, but they in fact are solutions.

We could do an endless list of these kinds of things I know, but to be able to instead of saying well, we will get to it later, after the election or something, to be able to come up with a plan that says we are going to get to that now, we are going to start working on those solutions now is important.

The gentleman from California talked about the balanced budget amendment. It is true. I do not think there is a Member in this body that would disagree with the proposition that health costs are draining our economy and sapping our Nation's strength. Every numbers cruncher, whether it is OMB, CBO, the Joint Council, anybody else will tell you that health costs are rising fast and threatening our budget even more than it is already threatened. So we do have an economic reason to do it.

But that is not the right reason. The right reason is the compassionate reason, to provide access to affordable insurance for the people who want it, and who cannot get it right now. And this program that we have got, this legislation I honestly believe will do it, and that is why I can get a little excited about it.

There is so much that we have not said about it tonight, the details which we will get into I think in the days ahead. We have not solved all of the problems. We have not got the long-term health care taken care of, for instance, but we know enough about it that we know how to get there from here, and in time we will get there, and I hope that will be in the next session. We did not talk about the possibility of the savings and the proper amortization schedules, and the way we deal with insurance and the way hospitals deliver some of these systems so that not every hospital has the most expensive system or piece of equipment before it amortizes out its other equipment that does the same job. We have not really talked tonight about the tremendous savings that are in the medisave compared to the program we use now where it is somebody else's money, so you go get the procedure done.

Mr. HASTERT. Let us talk about that a minute. I think it is so important that the American people understand that the medi-save program where your employer, if he wishes, and if you negotiate as an employee and an employer, an employer who provides insurance today, as we said, it costs between $4,000 and $4,5000 a year for the employer to provide insurance for an employee family. And when an employer does that, that is tax deductible.

Mr. GUNDERSON. Mr. Speaker, during the last decade, health care spending in the United States has more than doubled from $230 billion in 1980 to $738 billion in 1991. Since 1980, health care costs in Wisconsin have risen 123 percent, but amazingly, this is the second lowest increase in the Nation.

While health care costs have exploded over the past decade, access to primary care services has declined, particularly in the inner city and in rural America. The current estimate for health professional shortage areas in the United States is 2,000. Wisconsin's shortage areas have risen from 27 to 42 in 1992, 9 are located in western Wisconsin.

In addition to the lack of providers in many parts of the United States, another factor affecting declining access is the high cost of health insurance. The number of uninsured has sharply increased from 24.5 million in 1980 to over 35 million in 1992.

At first glance, some may ask the question, if health care access has declined over the last 10 years, why has the cost risen so dramatically? Part of the answer is that the uninsured do not seek cost-effective preventive health care services. Thus, when these individuals seek care, they do so in hospital emergency rooms instead of physicians' offices, which drives up the cost. To cover the costs of such care, hospitals generally raise the rates charged to their privately insured patients. In turn, insurance companies increase their premiums. According to a 1991 report released by the Families USA Foundation, cost-shifting due to uncompensated care and the lack of insurance offered by some employers, accounts for 27 percent of employer health care costs. Other factors that have contributed to astronomical health care spending are the escalating costs of medical education and biomedical research, an aging population, and the high crime, drug abuse, and AIDS rates that plague all of America.

Affordability and accessibility are the key elements to developing health care reform initiatives. They are also the major factors that must be examined when assessing rural health care delivery.

Accessibility to health care services is a primary hardship for many citizens who live in rural America. There are only 97 physicians for every 100,000 rural residents compared to 225 per 100,000 urban resident. An estimated two-thirds of rural counties do not have obstetricians and/or pediatricians. Over 250 rural hospitals have closed within the last decade compared to an estimated 100 during the same time period.

Over the past several years, Congress has played a major role in developing health care programs that are designed to assist rural communities. We have passed several initiatives that are beginning to benefit many rural communities. These include the revitalization of the National Health Service Corps, phase out of the urban-rural differential in the Medicare standardized payment, direct Medicare reimbursement for nurse practitioners and clinical nurse specialists in rural areas, establishment of State offices of rural health, and the Rural Health Transition Grant Program.

As I have illustrated, some progress has been made regarding rural health care access. However, further efforts must be undertaken regarding the coordination and availability of rural health care services. Several weeks ago, I introduced the Farm and Rural Medical Equity Reform Act which I consider the first step in making health care more affordable and accessible to rural Americans. I am delighted that the Action Now Health Care Reform Act has incorporated several of the provisions contained in my initiative. Three key components are:

DEDUCTIBILITY FOR THE SELF-EMPLOYED

All self-employed individuals would be entitled to deduct 100 percent of the cost of their health insurance premiums. This provision will help the 8 million people in the United States who are self-employed, 176,000 are Wisconsin residents.

EMERGENCY MEDICAL SERVICE [EMS]

Three key elements have been included that will enhance the coordination and availability of emergency medical care: First, establishment of a Federal EMS Office which will provide technical assistance to State and local agencies, development and review of EMS guidelines pertaining to health professionals, equipment, training, and examine the unique needs of underserved inner city and rural communities; second, establishment/enhancement of State EMS offices that will improve the availability and quality of EMS in the States through a Federal/State matching grant program over 3 years. These offices will coordinate all State EMS activities and provide technical assistance; third, development of a telecommunications demonstration program that will enable patients and health professionals in rural communities to link up with medical specialists in larger health facilities for consultations regarding life-saving treatment through telecommunications.

EXTEND MEDICARE DEPENDENT HOSPITAL STATUS

There are approximately 600 hospitals that qualify for Medicare dependent status. Wisconsin has 22 such facilities. Hospitals eligible for this adjustment are rural, have 100 beds or fewer, have 60 percent Medicare patient days or discharges, and are not classified as sole community hospitals. The legislation authorizing Medicare dependent classification expires this year. The Action Now Health Reform Act will enable Medicare dependent hospitals to continue receiving the necessary financial adjustments for 1 additional year.

The Action Now Health Reform Act is a comprehensive initiative that begins laying the foundation for a more accessible and affordable health care delivery system for all Americans.

Mr. MICHEL. Mr. Speaker, on June 4, House Republicans introduced H.R. 5325, the Action Now Health Reform Act of 1992. The proposal now has 94 cosponsors, more than any other health proposal in the House.

The legislative package provides for comprehensive reform of our health care system. It makes health insurance available for the working uninsured, increases access to health care for the underinsured, and puts the brakes on skyrocketing costs.

Most importantly, our bill accomplishes these reforms while preserving values that the American people expect from their health system—choice, quality, and availability. Additionally, the bill will not involve major increases in Federal spending, bureaucracy, or redtape.

These are reforms that can be enacted this year. They have a significant amount of support and can bring people immediate relief from the overwhelming problems our current system engenders.

We House Republicans feel strongly that we should move ahead with these reasonable measures rather than take an all-or-nothing leap toward some ill-defined utopian system that will leave the American people without the relief we can give them now.

Mr. RINALDO. Mr. Speaker, I want to commend the President and the House Republican leadership for their commitment to addressing the health care needs of this Nation. Many hours of hard work and careful consideration went into H.R. 5325, the Republican Action Now Health Reform Act of 1992, which was introduced at the beginning of this month. This bill contains numerous important provisions that will lower health care costs and improve the quality of health care for all Americans.

H.R. 5325 would authorize $300 million annually over the next 5 years for expansion of the Federal community health center program. In talking to the health care providers in my district, I know that these programs are essential to help the medically underserved get the primary care they need, and I strongly support this provision.

This bill also takes action to lower health care costs by attacking the bureaucratic mess that makes it so difficult and expensive for people to get their medical bills paid. The Republican bill would eliminate confusion through administrative reforms and paperwork reduction, so that insurance claims would be simplified. Studies have shown that standardizing forms could reduce administrative costs and thus health care costs by upwards of $10 billion.

The Action Now Health Reform Act of 1992 would get rid of State rules that make it harder for people to get health insurance coverage. It would give insurance companies more flexibility leading to lower premiums for businesses. This would enable employers to better offer health insurance coverage for their employees.

In addition, I strongly support provisions in this measure that would give States greater flexibility in operating their own Medicaid plans, thus eliminating wasteful bureaucratic redtape.

Congress must take up health care reform without delay with a goal of enacting a comprehensive health insurance program that provides qualify affordable health care to individuals, broadens coverage to those who currently are uninsured or underinsured, and also includes long-term nursing home and home health care.

I am proud of the leadership role I have taken on this matter in Congress. I currently serve as the ranking Republican member of the House Select Committee on Aging; I am a member of the Republican Leader's Task Force on Health; and I also serve as a founding member and cochair of the bipartisan congressional caucus on national health reform. I have used these positions to strongly advocate reform of the Nation's health care system so that we have a fair program that reduces rising health care costs and broadens coverage to those who need it most.

As we continue to confront this issue, I believe one of the answers, especially to the pressing issue of long-term care, lies in establishing a national partnership between the Federal Government, the private sector, and individuals. I have introduced a bill, H.R. 2528, the Older Americans Long-Care Insurance Act that would establish just such a system. My bill does not create any new bureaucratic programs. Instead, my proposal would spur long-term care insurance coverage through the private sector. In my view, this is a step in the right direction.

I urge my colleagues to join in this serious effort to enact truly meaningful reform of the Nation's health care system.

The SPEAKER pro tempore (Mr. HOCHBRUECKNER). The time of the gentleman from Illinois [Mr. HASTERT] has expired.

GENERAL LEAVE

Mr. GOSS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order this evening.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

REPUBLICAN HEALTH CARE PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GOSS] is recognized for 60 minutes.

Mr. GOSS. Mr. Speaker, I see we have been joined by the distinguished whip, and I hope we have excited his attention also by this piece of legislation.

Mr. GINGRICH. Mr. Speaker, I want to thank the two gentlemen and the others who have participated for spending time to educate the country about the House Republican action now on health reform plan. I think we have developed a plan which meets the four key values of the American people. It provides access. It has a solution I believe to the problem of cost, or the first steps toward a solution to the problem of cost. It ensures that we continue the highest quality health care service in the world and ensures that individual citizens and families still have a level of choice which is clearly prohibited by the kind of bureaucratic, single-payer system. I just wanted to thank in particular the two of you for the time you have given, and the gentleman from Illinois [Mr. HASTERT] has shown real leadership both in developing the program and in developing the effort to explain it, and to have outreach on it. And the gentleman from Florida [Mr. GOSS] played a major role both from the very particular standpoint of in Florida being concerned about long-term health care problems and the problems of people who are aging, but also of representing I think a commitment to innovation, and reform, and to market principles.

I guess the only comment I want to make is I believe we have in the House Republican task force that Congressman BOB MICHEL established, which brought 23 of us together for a year, and which had us working on a regular basis week after week with the Bush administration, with Health and Human Services, with the Office of Management and Budget, and with Treasury, and the White House Domestic Policy Council, I think we have developed a program which actually has a real chance to begin to improve the access to health care of working Americans, and particularly small business, and of beginning to lower the cost of health care through malpractice reform, through the Medisave accounts, through the antitrust trust reform to help hospitals plan and work together, and through the efforts that we have made to genuinely create a more market-oriented system. I just want to thank the two of you for being here late at night, and for sharing with our colleagues and the country the opportunity we have to truly develop the building blocks toward health care. And my only hope is that with the support of the President and the effort we are going to put together that we are going to be able to convince the Democratic leadership to make in order a vote on the House Republican action now health reform plan.

Mr. GOSS. I certainly thank the whip for his kind remarks, and I also thank him for his extraordinary leadership in this, because I think perhaps he has been a bit overmodest about his role with all of those agencies and people that he discussed and he rattled off there that have been brought into this process to make it work, because this is not something that is done in a day or without a lot of ingredients. And I know that the role of the gentleman from Georgia has been absolutely vital to getting that done, and I thank him very much for that.

I was in the midst of a dialog and colloquy with the gentleman from Illinois, which I think we were getting close to winding up. But I would be very happy to yield for any further observations.

Mr. HASTERT. I was talking about the medisave plan, and something that really I think has captured the imagination of the American people. And as we were saying, it costs the employer about $4,500 a year to provide health insurance for an employee family. That is an average. If you go to the big cities of the east coast, it is going to cost more, and if you go into some of the small towns in the Midwest it might cost less. But that is the average.

Instead of saying okay, I am buying you a health care plan, we are saying we are going to give an opportunity, we are going to give an opportunity of choice, and that opportunity is we are going to give you a medisave plan, and that plan might be $3,000, that plan might be $3,500, or whatever the agreement is. And we are also going to buy major medical insurance for you, and that kicks in with the deductible of whatever, the $3,000, the $3,500, whatever that they put into the medisave plan.

People whose children get sick, or older people who have heart attacks, they have to make choices on what kind of health care they want. But let us say your kid falls off his bike and bruises his knee. You have two choices. You can go to the emergency room in the hospital and probably, because they are set up for all types of catastrophic health care incidents, they may charge you $175, $200, $250 for that cost or that visit to the emergency room. If you are covered by insurance, the insurance pays for it. Or if you go to the doctor's office and make a call, it costs you maybe $25, maybe $30, maybe $35. If you are covered by insurance people do not make that economic decision. But if they have a chance of saving money on what they do not spend, and putting it into their pocket, all of a sudden those economic decisions come into play.

Mr. GOSS. They do come into play, and I believe the incentive, as the gentleman from Illinois earlier pointed out, to save and to be accountable, and to make your own decision is somehow a very American thing that is waiting to be put back into a position where it can come to the forefront in this matter of health care. And I believe that the medisave plan does that, and I think it is a very exciting proposal.

I happen to think that another very exciting part of the proposal, while it does not relate to the individual, it does relate to all of us as Americans and taxpayers, and that is that it will save tax dollars. And I think anything that saves precious tax dollars at this point is worth looking a lot closer at, because Lord knows we have an awful lot tax dollars to save before we start balancing our budget.

Mr. HASTERT. The way we hold down costs is amazing on this, because statistics tell us that 94 percent of all medical episodes are under $3,000 per year, per family.

□ 2250

Now, if you have your little medisave card and your kid falls off a bicycle and you go to the doctor's office or if you go the hospital and you give them that card and your medisave account is debited, that means the doctor's office does not have to fill out 13 different insurance forms; you do not have to fill out 13 different insurance forms; and the insurance company does not have to process 13 different insurance forms.

As a matter of fact, the cost of filling out the insurance forms for your daughter falling off her bicycle are exactly about the same administrative costs as somebody who has a quadruple heart bypass. The savings in this country by just cutting out the paperwork could be $70 billion to $80 billion, and that is the astounding thing. So you save money myriads of ways with this health save program.

Mr. GOSS. As the gentleman knows, one of our predecessors said a billion here, a billion there, it adds up. We have identified here tonight just in our colloquies, I believe, in the vicinity of $100 billion. Whether those are good numbers or bad numbers or not, we do not know. But it is of that magnitude, I think, that we are talking.

The wonderful part of that is that some of those savings, I think, can be passed on to community health centers, as the gentlewoman from Connecticut [Mrs. JOHNSON] is so interested in and has been such a champion of those for expanding their services and their capabilities.

This legislation also will provide for some additional dollars to be passed back there for those who we have not found a way to get into the affordable, accessible route to their own policies yet, whether through a small business employer, a self-employment situation, or a large-employer situation, all of which we have taken into consideration. But inevitably you miss somebody, and the net, I think, is made to be finer and stronger through this for those who cannot do for themselves which I think is also a hallmark of this legislation.

I think we have got a very propitious time to deal with this matter in the days ahead, and I am very much looking forward to going out and introducing more of it to our colleagues. I know that there is a desire amongst our colleagues to try and come up with some solutions that will work.

I guess if we all had our choices, we would want one wonderful fix that would do it all, but I think we have proven to ourselves after really tearing this apart, analyzing all the aspects of the problem, is that there is no magic that can be brought to bear here. There is no particular one rabbit in the hat that is going to do it all.

Mr. HASTERT. I think the amazing thing is that we have put together the building blocks of reform. It is not one big sweeping cement foundation, but it is building blocks, and that is how you get things done around here. Not only is it workable and is it common sense, but politically, you know, we have the support. The President is going to come down to this Capitol tomorrow, or up to the Capitol tomorrow, and endorse this plan. It is something that we can pass and something that can be signed and something that will benefit the American people immediately, and I think that is the important issue that we have to look at.

Mr. GOSS. I would like to thank the gentleman from Illinois [Mr. HASTERT] for his leadership and kindness in this matter.

Mr. HASTERT. I thank the gentleman from Florida [Mr. GOSS] for yielding his time. I thank the gentleman very much.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KASICH) to revise and extend their remarks and include extraneous material:)

Mr. BILIRAKIS, for 60 minutes, on July 22.

Mr. LEACH, for 5 minutes, today.

Mr. DREIER of California, for 60 minutes each day, on July 7, 8, 9, 21, 22, 23, 24, 27, 28, 29, 30, and 31, and August 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13.

(The following Members (at the request of Mr. JONTZ) to revise and extend their remarks and include extraneous material:)

Mr. JONTZ, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. PICKETT, for 15 minutes, today.

Mr. JONTZ, for 5 minutes, on July 2.

Mr. CONYERS, for 60 minutes, on July 8.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. KASICH) and to include extraneous matter:)

Mr. OXLEY.

Mr. GRADISON.

Mr. GINGRICH.

Mr. BROOMFIELD.

Mr. SOLOMON in three instances.

Mr. LAGOMARSINO.

Mr. LEACH.

(The following Members (at the request of Mr. JONTZ) and to include extraneous matter:)

Mrs. LLOYD in five instances.

Mr. HAMILTON in 10 instances.

Mr. DE LA GARZA in 10 instances.

Mr. RANGEL.

Mr. MOODY.

Mr. HERTEL.

Mr. DELLUMS.

Mr. SMITH of Florida.

Mr. LEVIN of Michigan.

Mr. BROWN.

Mr. SOLARZ.

Mr. FASCELL in two instances.

Mr. SHARP.

Mr. SKELTON.

Mr. KENNEDY in two instances.

Mr. WEISS.

Mr. KILDEE.

Mr. ORTIZ.

Mr. ROEMER.

Mr. TRAXLER.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 281. Joint resolution designating the week beginning September 14, 1992 and ending on September 20, 1992, as "National Rural Telecommunications Services Week", to the Committee on Post Office and Civil Service.

ENROLLED BILL SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 499. Joint resolution designating July 2, 1992, as "National Literacy Day."

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following title:

S. 1254. An act to increase the authorized acreage limit for the Assateague Island National Seashore on the Maryland mainland, and for other purposes;

S. 1306. An act to amend the Public Health Service Act to restructure the Alcohol, Drug Abuse, and Mental Health Administration and the authorities of such Administration, including establishing separate block grants to enhance the delivery of services regarding substance abuse and mental health, and for other purposes; and

S. 2901. An Act to direct to Secretary of Health and Human Services to extend the waiver granted to the Tennessee Primary Care Network of the enrollment mix requirement under the Medicaid Program.

ADJOURNMENT

Mr. GOSS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 54 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, July 2, 1992, at 10:30 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3851. A letter from the President, Thrift Depositor Protection Oversight Board, transmitting the annual report of the Oversight Board on the Resolution Funding Corporation for the calendar year 1991, pursuant to Public Law 101-73, section 511(a) (103 Stat. 404); to the Committee on Banking, Finance and Urban Affairs.

3852. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-233, "District of Columbia Youth Services Act of 1976 Temporary Amendment Act of 1992," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3853. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-234, "Equal Opportunity for Local Small, and Disadvantaged Business Enterprises Temporary Act of 1992," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3854. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-234, "Funeral Services Regulatory Temporary Amendment Act of 1992," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

3855. A letter from the Chairman, CPB Management Committee, Corporation for Public Broadcasting, transmitting the annual report on the provision of services to minority and diverse audiences by public broadcasting entities and public telecommunications entities, pursuant to Public Law 100-626, section 9(a) (102 Stat. 3211); to the Committee on Energy and Commerce.

3856. A letter from the Chairman, CPB Management Committee, Corporation for Public Broadcasting, transmitting the triennial assessment report of the needs of minority and diverse audiences, and the ways television and radio can be used to help these underrepresented groups, pursuant to Public Law 100-626, section 9(a) (102 Stat. 3211); to the Committee on Energy and Commerce.

3857. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation entitled, "Minority Biomedical Research Construction Act"; to the Committee on Energy and Commerce.

3858. A communication from the President of the United States, transmitting the bimonthly report on progress toward a negotiated solution of the Cyprus problem, including any relevant reports from the Secretary General of the United Nations covering the last 21 days of March, all of April, and the first 15 days of May, 1992, pursuant to 22 U.S.C. 2373(C); to the Committee on Foreign Affairs.

3859. A letter from the Comptroller General, General Accounting Office, transmitting the list of all reports issued or released in May 1992, pursuant to 31 U.S.C. 719(h); to the Committee on Government Operations.

3860. A letter from the Comptroller General, transmitting a copy of the financial audit of the Savings Association Insurance Fund's 1991 and 1990 financial statements (GAO/AFMD-92-72, June 1992); to the Committee on Government Operations.

3861. A letter from the Chairman, Federal Housing Finance Board, transmitting the 1991 management reports of the 12 Federal home loan banks and the Financing Corporation, pursuant to Public Law 101-576, section 306(a) (104 Stat. 2854); to the Committee on Government Operations.

3862. A letter from the President, National Railroad Passenger Corporation, transmitting the semiannual report of Amtrak's office of the inspector general for the period October 1, 1991, through March 31, 1992, pursuant to Public Law 95-452, Sec. 5(b) (102 Stat. 2526); to the Committee on Government Operations.

3863. A letter from the Resolution Funding Corporation, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1991, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Operations.

3864. A letter from the Secretary of Labor, transmitting the annual report on employment and training programs for veterans during program year 1988 (July 1, 1988–June 30, 1989) and fiscal year 1989 (October 1, 1988–September 30, 1989), pursuant to 38 U.S.C. 2009(b); jointly, to the Committees on Education and Labor and Veterans' Affairs.

3865. A letter from the Comptroller General, transmitting a financial audit report on the Bank Insurance Fund's 1991 and 1990 financial statements (GAO/AFMD-92-73, June 1992); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DIXON: Committee on Appropriations. H.R. 5517. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1993, and for other purposes (Rept. 102-638). Referred to the Committee of the Whole House on the State of the Union.

Mr. LEHMAN of Florida: Committee on Appropriations. H.R. 5518. A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1993, and for other purposes (Rept. 102–639). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAMILTON: Committee on Foreign Affairs. Interim report of the task force of Foreign Affairs Committee Members to investigate certain allegations concerning the holding of American hostages by Iran in 1980 ("October Surprise Task Force") (Rept. 102–640). Referred to the House Calendar.

Mr. MILLER of California: Committee on Interior and Insular Affairs. H.R. 450. A bill to amend the Stock Raising Homestead Act to resolve certain problems regarding subsurface estates, and for other purposes; with an amendment (Rept. 102–641). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Interior and Insular Affairs. H.R. 4370. A bill to provide for the protection of the Bodie Bowl area of the State of California, and for other purposes; with an amendment (Rept. 102–642). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Interior and Insular Affairs. H.R. 3724. A bill to amend the Indian Health Care Improvement Act to authorize appropriations for Indian health programs, and for other purposes; with an amendment (Rept. 102–643). Ordered to be printed.

Mr. FORD of Michigan: Committee on Education and Labor. H.R. 2782. A bill to amend the Employee Retirement Income Security Act of 1974 to provide that such act does not preempt certain State laws (Rept. 102–644). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORD of Michigan: Committee on Education and Labor. S. 2759. An act to amend the National School Lunch Act to improve the nutritional well-being of children under the age of 6 living in homeless shelters, and for other purposes; with amendments (Rept. 102–645). Referred to the Committee of the Whole House on the State of the Union.

Mr. DERRICK: Committee on Rules. House Resolution 507. Resolution waiving clause 4(b) of rule XI, with respect to the consideration of certain resolutions (Rept. 102–646). Referred to the House Calendar.

Mr. FROST: Committee on Rules. House Resolution 508. Resolution waiving certain points of order against and during consideration of the bill (H.R. 5504) making appropriations for the Department of Defense for the fiscal year ending September 30, 1993, and for other purposes (Rept. 102–647). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIXON:

H.R. 5517. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1993, and for other purposes;

By Mr. LEHMAN of Florida:

H.R. 5518. A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1993, and for other purposes;

By Mr. DeFAZIO (for himself and Mr. Miller of California):

H.R. 5519. A bill to amend the Export Administration Act of 1979 to provide for export restrictions on unprocessed timber, and for other purposes; to the Committee on Foreign Affairs.

By Mr. DELLUMS (for himself and Ms. Norton):

H.R. 5520. A bill to authorize an additional Federal payment to the District of Columbia for fiscal year 1993 for youth and anticrime initiatives in the District of Columbia; to the Committee on the District of Columbia.

By Mr. LEWIS of Florida (for himself and Mr. McCurdy):

H.R. 5521. A bill to provide for the establishment of a joint aeronautical research and development program between the National Aeronautics and Space Administration and the Department of Defense, and for other purposes; jointly, to the Committees on Science, Space, and Technology and Armed Services.

By Mrs. MINK:

H.R. 5522. A bill to prevent the introduction of plant and animal pests into Hawaii through the mails, to increase penalties relating to the introduction of plant or animal pests, to authorize cooperative agreements to safeguard Hawaii's environment, and for other purposes; jointly, to the Committees on Post Office and Civil Service, Agriculture, the Judiciary, and Merchant Marine and Fisheries.

By Mr. MOODY:

H.R. 5523. A bill to amend the Internal Revenue Code of 1986 to provide that the credit under section 936 of such Code shall not apply to taxes on income attributable to investments guaranteed by the United States; to the Committee on Ways and Means.

By Mr. OWENS of New York:

H.R. 5524. A bill to establish the Professional Boxing Corporation, and for other purposes; jointly, to the Committees on Education and Labor and Energy and Commerce.

By Ms. PELOSI (for herself and Mr. Miller of California):

H.R. 5525. A bill to authorize the Secretary of the Interior to use the facilities of the Golden Gate National Recreation Area to develop and implement a program to use drought resistant species of plants in the landscaping of public lands; to the Committee on Interior and Insular Affairs.

By Mr. RITTER:

H.R. 5526. A bill to amend the Stevenson-Wydler Technology Innovation Act of 1980 to establish the National Commitment to Quality Award with the objective of encouraging American universities to teach total quality management and to emphasize the importance of manufacturing process technology, and for other purposes; to the Committee on Science, Space, and Technology.

By Mr. SHARP:

H.R. 5527. A bill to extend the authorization of appropriations of the National Historical Publications and Records Commission for 6 years; to the Committee on Governmental Operations.

By Mr. SIKORSKI:

H.R. 5528. A bill to amend title 5, United States Code, to implement measures to facilitate the placement of Federal employees who are separated from teaching positions in the schools for overseas defense dependents; to provide that DODDS teachers recruited abroad be entitled to the same benefits as those recruited in the United States; and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WALKER (for himself, Mr. Brown, Mr. Packard, and Mr. Kolter):

H.R. 5529. A bill to establish a Department of Science, Space, Energy, and Technology; to the Committee on Government Operations.

By Mr. WELDON (for himself, Mr. Andrews of New Jersey, and Mr. Sarpalius):

H.R. 5530. A bill to amend title IV of the Social Security Act to establish a new comprehensive child welfare services program under part E, to make other amendments to the programs under parts B and E, and for other purposes; to the Committee on Ways and Means.

By Mr. ORTIZ (for himself, Mr. de la Garza, Mr. Martinez, Mr. Colorado, Mr. Roybal, Mr. de Lugo, Mr. Richardson, Mr. Torres, Mr. Blaz, Mr. Bustamante, Ms. Ros-Lehtinen, Mr. Serrano, Mr. Pastor, and Mr. Gonzalez):

H.R. 5531. A bill to provide surveillance, research, and services aimed at prevention of birth defects; to the Committee on Energy and Commerce.

By Mr. ORTIZ:

H.R. 5532. A bill to provide for the continuation of epidemiologic activities being conducted in the State of Texas with respect to the elevated rate in certain areas of the State of a lethal birth defect, and for other purposes; to the Committee on Energy and Commerce.

By Mr. PENNY:

H.J. Res. 521. Joint resolution proposing an amendment to the Constitution of the United States to extend the right to vote to citizens who are 16 years of age or older, and to repeal the 26th article of amendment to the Constitution; to the Committee on the Judiciary.

By Mr. TAYLOR of North Carolina:

H.J. Res. 522. Joint resolution proposing an amendment to the Constitution of the United States to provide that each political party shall be represented on each committee of the House of Representatives, and each subcommittee thereof, equally or in the same proportion that such party is represented in the House of Representatives; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

492. By the SPEAKER: Memorial of the Legislature of Guam, relative to pest control fees; to the Committee on Agriculture.

493. Also, memorial of the Senate of the State of Michigan, relative to regulating solid waste; to the Committee on Energy and Commerce.

494. Also, memorial of the Senate of the State of Illinois, relative to collection of use taxes for sales made out-of-State; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KENNEDY:

H.R. 5533. A bill for the relief of Anindya Bhattacharyya; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 371: Mr. ANDREWS of Texas and Mr. ZELIFF.

H.R. 384: Mr. HUGHES.

H.R. 492: Mr. TORRICELLI.

H.R. 918: Mr. RAVENEL.

H.R. 1311: Mr. BOEHLERT.

H.R. 1312: Mr. BOEHLERT and Mr. COLORADO.

H.R. 1502: Mr. HENRY and Mr. ENGLISH.

H.R. 1633: Mr. GLICKMAN.

H.R. 2070: Mr. TRAFICANT.

H.R. 2390: Mr. BROWN.

H.R. 3063: Mr. BUSTAMANTE.

H.R. 3142: Mr. HUGHES.

H.R. 3236: Mr. JONES of Georgia, Mr. WYDEN, Ms. WATERS, and Mr. STAGGERS.

H.R. 3299: Ms. MOLINARI.

H.R. 3360: Mr. TORRICELLI, Mr. WOLF, and Mr. CARPER.

H.R. 3441: Mr. RAMSTAD.

H.R. 3552: Mr. KOPETSKI.

H.R. 3561: Mr. HUGHES and Mr. BUNNING.

H.R. 4034: Mr. GREEN of New York.

H.R. 4109: Mr. SABO.

H.R. 4178: Mrs. MEYERS of Kansas.

H.R. 4207: Mr. CAMPBELL of Colorado.

H.R. 4399: Mr. SANDERS.

H.R. 4706: Mr. DURBIN.

H.R. 4764: Mr. JOHNSON of South Dakota, Mr. PASTOR, Mr. CLINGER, Mr. MCCANDLESS, Mr. GILLMOR, and Mr. SKEEN.

H.R. 4790: Mr. ANDREWS of Maine, Mr. DOOLITTLE, Mr. SWIFT, and Mr. GILLMOR.

H.R. 4899: Mr. BLACKWELL, Mr. ATKINS, Mr. GEREN of Texas, and Mrs. BOXER.

H.R. 5124: Mr. SCHEUER and Mr. MACHTLEY.

H.R. 5193: Mrs. JOHNSON of Connecticut.

H.R. 5237: Mr. VANDER JAGT and Mr. LANCASTER.

H.R. 5263: Mrs. JOHNSON of Connecticut.

H.R. 5307: Mr. RANGEL, Mr. DE LUGO, Mr. HUTTO, Mr. MFUME, Mr. JEFFERSON, and Mr. LAFALCE.

H.R. 5325: Mr. SMITH of Oregon, Mr. IRELAND, Mr. NUSSLE, and Mr. CUNNINGHAM.

H.R. 5370: Mr. EVANS.

H.R. 5377: Mr. BURTON of Indiana, Mr. MCEWEN, Mr. BROWDER, Mr. HAYES of Louisiana, Ms. NORTON, Mr. THOMAS of Wyoming, Mr. LANCASTER, Mr. EDWARDS of Oklahoma, Mr. CRAMER, Mr. MCCLOSKEY, Mr. MYERS of Indiana, Mr. FAZIO, Mr. COX of California, Mr. GINGRICH, Mr. JEFFERSON, Mr. INHOFE, Mr. HUBBARD, and Mr. ATKINS.

H.R. 5378: Mr. ANDERSON.

H.R. 5401: Mr. LIPINSKI.

H.R. 5437: Mr. BONIOR, Mr. CRAMER, Mr. DANNEMEYER, Mr. FASCELL, Mr. HERTEL, Mr. KOPETSKI, and Mr. RANGEL.

H.R. 5507: Mr. MCDERMOTT, Mr. HAYES of Illinois, and Mr. FOGLIETTA.

H.J. Res. 81: Mr. SAXTON.

H.J. Res. 399: Mr. LEVINE of California, Mr. CLINGER, and Mr. ANTHONY.

H.J. Res. 411: Mr. RAMSTAD, Mrs. COLLINS of Illinois, Mr. BORSKI, Mr. LEWIS of California, Mr. SCHULZE, Mr. RIDGE, Mr. RITTER, Mr. GAYDOS, and Mr. SHUSTER.

H.J. Res. 474: Mr. COX of California, Mr. HALL of Ohio, and Mr. FASCELL.

H.J. Res. 479: Mr. GILMAN.

H.J. Res. 486: Mr. NEAL of Massachusetts.

H. Con. Res. 160: Mr. BUSTAMANTE.

H. Con. Res. 298: Mr. FOGLIETTA, Mr. MACHTLEY, Mr. RICHARDSON, Mrs. KENNELLY, Mr. RAVENEL, Mr. HOCHBRUECKNER, Mr. MILLER of California, Mr. STARK, and Mrs. LLOYD.

H. Con. Res. 328: Mr. PANETTA, Mr. THORNTON, Mr. JENKINS, and Mr. QUILLEN.

H. Res. 478: Mr. PAXON.

H. Res. 490: Mr. JEFFERSON, Mr. MCNULTY, Mr. SANTORUM, Mr. ARMEY, Mr. GORDON, Mr. BARRETT, Mr. DORGAN of North Dakota, Mr. NEAL of North Carolina, Mr. SWIFT, Mr. GILLMOR, Mr. TOWNS, Mr. WILSON, Mr. BAKER, Mr. APPLEGATE, Mr. GUNDERSON, Mr. LAGOMARSINO, Mr. KANJORSKI, Mrs. LLOYD, Mr. HUNTER, MR. MACHTLEY, AND MR. SHAYS.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 917: Ms. HORN.

PETITIONS, ETC.

Under clause 1 of rule XXII,

165. The Speaker presented a petition of the Council of the District of Columbia, Washington, D.C., relative to national voter registration.

Referred to the Committee on the District of Columbia, July 1, 1992.

SENATE—*Wednesday, July 1, 1992*

(Legislative day of Tuesday, June 16, 1992)

The Senate met at 8:55 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. Today's prayer will be offered by guest chaplain Rabbi Shmuel M. Butman, director, Lubavitch Youth Organization, Brooklyn, NY.

Rabbi Butman.

PRAYER

The guest chaplain, Rabbi Shmuel M. Butman, director, Lubavitch Youth Organization, Brooklyn, NY, offered the following prayer:

Let us pray:

We thank you, dear God, for Your kindness and benevolence in granting us, through the Constitution of the United States of America, this unique land of freedom, in which we can live as one nation under Your guidance.

The reverend leader of world Jewry, Rabbi Menachem M. Schneerson, the Lubavitcher, Rebbe, shlita, always speaks of the United States of America as a "government of mercy," which endeavors to grant all of its citizens a life of freedom and democracy.

When I prayed before this body last year, I thanked You, dear God, in the spirit of the teachings of the Rebbe, for these blessings and asked for Your continuous benevolence toward this great country, and, in particular, toward the Senate of the United States.

Now, Almighty God, the Lubavitcher Rebbe needs Your blessings for a speedy and complete recovery. The Rebbe's followers have now instituted a mitzvahthon, a campaign to encourage people, of all ages and of all faiths, to do an extra good deed every day to hasten the Rebbe's recovery.

May You consider, dear God, my prayer today in this spirit.

The Rebbe has called this year—5752 in the Jewish calendar—"The Year of Miracles In Everything."

We have, indeed, seen these miracles as democracy begins to flourish in Eastern Europe and as the values so cherished in this Hall are embraced by a growing number of people throughout the world.

The Rebbe says that the reason we have seen so many miracles, and are constantly witnessing miracles in our everyday lives, is due to the fact that You, Almighty God, are preparing the world for the miracle of miracles, the final redemption.

We ask You, dear God, to give us the strength to precipitate that process and the inspiration to do an additional good deed each day. In this spirit, dear God, I would like to take this opportunity to put a dollar bill, on which the words "In God We Trust" are imprinted, into this pushke—into this charity box.

This charity box reminds us all that we have an obligation not only to ourselves and to our families, but also, indeed, to our neighbors and to society in general.

Help us, dear God, to convey this message of charity and of the final redemption to all of the people of the United States, and to all peoples throughout the world.

Almighty God, in Your infinite wisdom, You have established the Members of the Senate, of this Senate, as the custodians of honesty and decency, justice and peace for all people of the United States, and—through the United States as the moral superpower—for all the people of this planet.

We pray, dear God, that You continue to bestow Your benevolence upon all of the Members of this body. May they merit, dear God, to have a "year of miracles in everything" in their communal, national, and international endeavors, as well as in their own private lives.

Let us say, amen.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. KOHL). Under the previous order, the leadership time is reserved.

FEDERAL HOUSING ENTERPRISES REGULATORY REFORM ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 2733, which the clerk will report.

The legislation clerk read as follows:

A bill (S. 2733) to improve the regulation of government sponsored enterprises.

The Senate resumed consideration of the bill.

Pending:

Seymour (for Nickles) Amendment No. 2447, to propose an amendment to the Constitution of the United States to require that the budget of the United States be in balance unless three-fifths of the whole of each House of Congress shall provide by law for a specific excess of outlays over receipts and to require that any bill to increase revenues must be approved by a majority of the whole number of each House.

CLOTURE MOTION

The PRESIDING OFFICER. The clerk will report the second motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators in accordance with the provisions of rule XXII of the Standing Rules of the Senate do hereby move to bring to a close debate on amendment No. 2447, the Seymour-Nickles amendment:

Bob Dole, Strom Thurmond, John Seymour, Phil Gramm, Steve Symms, Don Nickles, John H. Chafee, Pete V. Domenici, Malcolm Wallop, Frank H. Murkowski, John McCain, Trent Lott, Larry E. Craig, Dan Coats, Al Simpson, Orrin G. Hatch, Mitch McConnell, Ted Stevens.

The PRESIDING OFFICER. The time from now until 10 a.m. is equally divided and controlled by the Senator from West Virginia [Mr. BYRD] and the Senator from California [Mr. SEYMOUR].

Mr. SEYMOUR addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. SEYMOUR. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. SEYMOUR. Mr. President, we have continued this debate on the need for a constitutional amendment to balance the budget because it has been a healthy discourse. I would like this morning, Mr. President, to take a little longer view and determine what this debate is really all about. We will take a longer look to try to get some insight as to why this amendment is so important, or is it just a political charade, as some would say.

I want to take a longer view, Mr. President, because I have always believed that our responsibility here in the U.S. Senate, or in any office that you are elected to, is to not think so much of yourself and your generation, but to think of your decisions in terms of their impact and import to generations to come.

If in fact we continue this addicted binge of deficit spending and an ever-spiraling national debt, which some have statistically calculated at $720,000 per minute, it is no wonder that the national debt will have doubled in the short lifetime of our young son Barrett, who turns 10 soon.

So let us view the long-term effect of inaction. I am going to refer to the U.S. General Accounting Office report on budget policy entitled "Prompt Action Necessary To Avert Long-Term Damage to the Economy."

There is nothing political about the economy, Mr. President. We end up paying the price for these deficits in

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• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

the form of slow economic growth. This report says that if current spending and revenue patterns continue, the deficit could reach 20.6 percent of our gross national product by the year 2020, over 20 percent, one-fifth—$1 out of every $5.

If, on the other hand, Mr. President, we were to balance the budget by 2001, per capita income grows 36 percent by that same year, 2020, compared to taking no action today. And if we were so bold as to create a small surplus of just 2 percent in the year 2005, real per capita income would grow 40 percent by the year 2020.

If we take a look at our recession and wonder why it is dragging on, and on, and it is so slow to recover, part of the problem is that there is not enough capital to go around. We all bemoan the credit crunch, and the inability of established businesses to get loans to expand and create more jobs, or the inability of entrepreneurs to obtain the necessary capital to float their ideas, take risks, and create jobs and new enterprises in this country.

Well, when you look at the pot from which capital comes, Mr. President—let us call it the net national savings pot—what happens to that savings. It is used by the private sector—individuals and businesses to invest in homes, business expansion, in short—our future. Well, Mr. President, it is rather shocking, but in the year of 1990, the Federal deficit, the interest on the Federal deficit took 58 percent of all the dollars in that pot; 58 percent of our net national savings went to service the national debt, interest alone. And we already know that next year, interest on the national debt will represent the single largest expenditure in our entire budget. How can we have a growing economy whose lifeline is capital; how can we have a growing economy that needs capital, when, in fact, 58 cents out of every dollar saved is going to pay the interest on the national debt? The answer is simple: It is obvious we cannot sustain long-term economic growth.

So it is very important, Mr. President, that we address this last cloture vote in a positive way, and see if we can find three more Senators than we had last evening who will vote "aye" on the constitutional amendment to balance the budget.

Mr. President, I yield the floor.

Mr. BYRD. Mr. President, I yield myself such time as I may require.

Mr. President, what are the arguments that the supporters of the constitutional amendment on a balanced budget are making?

One, they say that, "It will enforce discipline." Mr. President, no amendment in the Constitution will give Members of the Congress and the President courage. We may as well have a constitutional amendment mandating that the President and elected officials on Capitol Hill "shall have spine by the year 1998." Courage comes from within. It cannot be legislated or constitutionally mandated from without.

Are we mice or are we men? We know what the problem is, and there is plenty of blame to go around as to what caused it and who caused it. Why hide behind a constitutional amendment, saying we have to have a constitutional amendment on a balanced budget to give us spine, to make us men, so that we will no longer be mice.

That is pure poppycock. If we do not have the courage to stand up for what is right, if we do not have the courage to stand up for what is best for our people and for our country, no constitutional amendment will ever give us that courage, that spine, that discipline.

The next argument is that "The people want it; 77 percent of the people want it." Mr. President, 77 percent of the people want fiscal responsibility. They want to do something about the fiscal problems facing our country. Seventy-seven percent of the people have not had the opportunity to study this constitutional amendment, to read it, to hear it debated, to read the Federalist papers, to read the Constitution, to read the history of England. They depend upon us to do the right thing. And yet 77 percent of the Members of this Senate, I would daresay, have not read the Constitution in a long time. Seventy-seven percent of the Members of this Senate have not read the Federalist papers in a long, long time. That would be my guess.

People want responsibility on the part of the President. He has the responsibility to lead, and the people want their elected representatives in Congress to do their duty.

That is what the people want.

Ask the people if they want to cut Social Security. Seventy-seven percent will not answer that question with "yes." Ask the people if they want their taxes increased. The 77 percent will dwindle quickly. Ask the people if they want to cut veterans' compensation, veterans' pensions, Medicare, Medicaid, various other entitlements and mandatory items. Do they want those cut? We will get all kinds of answers if the people are given options.

To say that 77 percent of the people want this constitutional amendment is a hocus-pocus statement. Few people know what is in the amendment; few Senators really know what is in this amendment. And I daresay no Senator knows what the ramifications will ultimately be for the country if this amendment were to be added to the Constitution. So let us not depend upon the polls in this instance to give us the true judgment of the people on whether a constitutional amendment on the balanced budget is the proper course in dealing with budget deficits.

Then there is the argument that "congressional spending" is responsible for deficits. Those who use that argument never mention the S&L bailout. They never mention the fact that total congressional appropriations since 1945 through last year, are less than the total appropriations requests made by all of the Presidents during those years, 1945–91. Let me state the figures.

All of the Presidents, beginning with 1945 through last year, have requested a total in appropriations of $11,710,201,833,552. That is the total of the appropriations requests by the Presidents. Now, how much did Congress appropriate in all of the regular appropriations bill, the supplementals, and the deficiencies? The Congress appropriated $11,521,432,604,188 during that period.

I say to Senator NICKLES, subtract what Congress appropriated from what those Presidents requested, and here is the answer: $188,769,229,364. Congress has appropriated that much less in these 45 years than the Presidents have requested.

Now, away with this political bunk that the problem lies solely with congressional spending. I have heard Senators on the other side of the aisle all day yesterday and in the days preceding, while this amendment has been before the Senate, stand up and blame the budget deficits on congressional spending. Just read David Stockman's book. It lays out a major part of the root causes.

Mr. President, there are too many Members of this body who want to shift power away from the legislative branch to the Chief Executive of this country. The Chief Executive is not elected directly by the people. He is elected by the electors, who in turn are elected by the people.

But the Members of the two Houses are elected directly by the people. And yet there are those who, day after day, month after month, come on this floor and advocate what in reality is a shift of power from the legislative branch to the President. Whose power is being shifted when the legislative branch's power is shifted to the President? It is the people's power. This is the people's branch.

Article I of the Constitution refers to the legislative branch. Article II to the President. Article III to the judiciary. The people's branch. The Members of the other body, the House, have to stand for reelection every 2 years and Senators every 6 years. They are close to the people.

When we speak of the "power over the purse," we are talking about the power of the people over the purse, exercised through their elected representatives in this body and in the House.

Mr. President, how much time have I consumed?

The PRESIDING OFFICER. The Senator has 18½ minutes remaining.

Mr. BYRD. I thank the Chair. I have 18½ minutes remaining.

The PRESIDING OFFICER. Yes.

Mr. BYRD. I thank the Chair.

So, Mr. President, it is not just congressional spending that is responsible for the deficit. What about the S&L bailout? And what about the fact that the Presidents send up the budgets? The 1921 Budget and Accounting Act requires the President to send up a budget. Let us read what the 1921 Budget and Accounting Act, as amended, says.

> The President shall recommend in the budget appropriate action to meet an estimated deficiency when the estimated receipts for the fiscal year for which the budget is submitted and the estimated amounts in the Treasury at the end of the current fiscal year available for expenditure in the fiscal year for which the budget is submitted, are less than the estimated expenditures for that year.

The President shall recommend in the budget appropriate action to meet an estimated deficiency when the estimated receipts for the fiscal year are less than the estimated expenditures.

Now, that puts the monkey right on the back of the President of the United States, and he has not met that responsibility. He has not recommended action, appropriate action, to meet the decision. If someone says, "Well, he has." Well, how? What has he recommended? More borrowing? That is what he has recommended. More borrowing. Let the President bear that responsibility which is set forth in the act.

Mr. President, this balanced budget amendment is ice cream laced with arsenic. It is an apple with a razor blade inside. I know we all have read these horrifying stories about children on Halloween being given apples with razor blades inside. Well, that is what this is: An apple with a razor blade inside. It is Kool Aid sweetened with strychnine. It is a flat admission that we cannot make the tough decisions that we should make, and it is an admission that we, as leaders in this body, have collectively thrown our hands in the air and given up, along with the President.

Mr. President, it is a strange phenomenon when we note that every Member on the Republican side of the aisle, down to the last individual, votes in lockstep with all the other Members on this issue. Now, that should indicate the political significance of this amendment, how it is viewed by the Republican Party in this Senate and in the White House.

I know what some Members on the other side have said to me privately in days past. Not every one of those Members who sit on that side of the aisle really support this amendment. But when it comes to voting, they vote to the very last person in support of a balanced budget amendment.

Now things like that just don't happen by accident. That is obviously a party position and, in my opinion, that position puts party ahead of this institution, because this institution is going to suffer, the Constitution will suffer with its separation of powers and checks and balances, and the Nation ultimately will suffer.

In my opinion—and I can only judge by the vote which is solid and by what Members have said to me privately—in my opinion, that is putting politics, that is putting political party ahead of the Nation.

Now, many of the Members believe sincerely that this is what we ought to do, and they are not putting party ahead of the country. But I cannot believe, with that kind of solid phalanx, that party politics is not a very key factor here.

Mr. President, I think the Democratic Party is a great party and has served the country a great deal, but never would I put my party, the Democratic Party, ahead of this institution or ahead of the Constitution, ahead of the country, or ahead of my own personal conscience. That is my credo.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Eleven minutes and 50 seconds.

Mr. BYRD. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oklahoma.

Mr. NICKLES. Mr. President, how much time do I have remaining on this side?

The PRESIDING OFFICER. Twenty-two minutes and 30 seconds.

Mr. NICKLES. Mr. President, I ask the Chair to notify me after 5 minutes.

Mr. President, first, I wish to compliment the Senator from West Virginia. I appreciate a person with convictions. I appreciate a person with courage and a person that is willing to fight for what he believes in. I happen to disagree with him on this particular fight on this particular issue.

I wish that the debate had not boiled down last night to the political side, because I think it is very important that we vote on a balanced budget amendment. As this Senator has stated time and time again, I wanted to vote on this amendment for years, going back to the eighties, and we have voted on it. We actually passed it in 1982 and passed it in 1986, and this is the first serious debate we have had on this since 1986. I think it is important that we pass it and I think we need to.

I am going to get into a little bit of the reason why I think we need to. The reason is, I think, fairly self-evident; the fact that this year we are looking at a deficit of $350 to $400 billion, that the total debt has just ballooned and will cross a total debt level of $4 trillion. That is the equivalent of $16,000 for every man, woman, and child in the United States.

I do not think we can continue that path. I do not think it is right. I do not think it is feasible. I do not think it is right for the future generations to inherit this enormous debt load to where they have to spend such a greater and greater percentage of their resources just paying off interest of the debt that we have accumulated.

Mr. President, I have been looking at some of the facts, and I want to go into facts. We have heard so much rhetoric, I think maybe it would be wise to stick to facts this morning. I will just give you an example.

In looking at the year that we are in right now, calendar year 1992, through the month of May, I will tell my colleagues that revenues have grown a very low amount, 1.2 percent. They are up over last year, but not by much. But I will also tell my colleagues that spending has increased by 7.5 percent, about five times the rate of growth of revenue. So spending continues to escalate. And I will tell my colleagues it is not just so far this year, but let us look back to 1990, 1991, and so on.

You will see that, to give just a little data, in 1988, the total deficit was $155 billion. This year, it is estimated to be $368 billion. You might ask yourself why. I will tell my colleagues that revenues have grown every year from 1988 through 1992, revenues have grown rather significantly from about—well, let us get the figures. In 1988 revenues were $909 billion, and they have escalated to over $1.083 trillion for this year.

The problem is, from 1988, outlays have increased from $1.064 trillion in estimated outlays to $1.455 trillion. In other words, Mr. President, I will give the percentage increases. Revenues have increased since 1988, 9 percent, 4 percent, 2 percent, and 3 percent, but outlays have increased 8 percent, 9 percent, 6 percent, and 10 percent.

So, outlays have been growing every year at a much faster rate of growth than revenues. We can spend the money faster than we bring it in. That is in spite of the fact that we had a big tax increase in 1990. So outlays continue to escalate at a far faster rate of growth than revenues.

I know my friend from West Virginia is aware of this because he knows figures probably better than most, but most of the very rapid rate of growth in spending is in the so-called entitlement areas.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. NICKLES. I will be happy to yield.

Mr. BYRD. I am glad he said that. Many Members leave the impression that all Government spending is from appropriated moneys and that it is "pork." But as the Senator has pointed out, the real growth in Government spending has been in the entitlements and mandatory items. We should also mention foreign aid, the savings and loan bailout, military spending, and interest on the debt. But I am happy that we have had the opportunity here to correct that misimpression on the record, namely, that it is all congressional spending that has caused the huge deficits. I would also add the 1981 Reagan tax cut as a major contributor to the deficits.

Congress and the Presidents joined in passing the legislative measures that created the entitlements and mandatories. That is a responsibility to be shared by both. It is not just Congress by itself.

Mr. NICKLES. I appreciate it.

The PRESIDING OFFICER. The Senator has used 5 minutes.

Mr. NICKLES. Mr. President, I yield myself an additional 3 minutes.

Mr. President, I will put this chart in the RECORD, but it will show the growth in spending in every category, including the domestic categories that Senator BYRD has mentioned, defense categories—but I might mention defense is actually declining—international the last couple of years has grown at 2.1, 2.6 percent; domestic discretionary is 7 percent, 9 percent; Social Security is 6.7 percent. I am just talking about the 1992 figure. Net interest is 2.4 percent.

But here is the real growth.

Medicaid in 1992 is 30 percent over the previous year, and the previous year was 27 percent growth as well; food stamps, 18.7 percent, the previous year 24.7 percent; AFDC, that is family support, that is 12 percent this year, 11 percent the year before; Medicare, 12.3 percent in 1992 and 1991, 6.3 percent.

Mr. President, this is just the start.

If we looked at all the bills that are pending, there is $22 of spending increases for every dollar of spending cuts that is proposed for Congress. In other words, everybody who comes to the Appropriations Committee—and I happen to serve on that committee—we get 100 requests for additional spending. Almost no one says, hey, let us rescind this money, let us not spend this money. The demand on Congress to spend more money than we are taking in is enormous. I think we need a constitutional amendment to make us not spend any more than we take in.

Senator BYRD said a lot of people do not know what is in this amendment. I ask unanimous consent to again have it printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. NICKLES. But it says Congress shall not spend more than it takes in. It says we can waive it in case of war; it says we can waive it with a 60-percent vote of both Houses. But it says we will not spend more than we take in. It will limit the growth in the amount of money we spend.

I think this chart shows we need that type of limitation, we need that type of discipline.

Mr. President, I reserve the remainder of my time.

EXHIBIT 1

(Purpose: To propose an amendment to the Constitution of the United States to require that the budget of the United States be in balance unless three-fifths of the whole of each House of Congress shall provide by law for a specific excess of outlays over receipts and to require that any bill to increase revenues must be approved by a majority of the whole number of each House)

Strike all after the enacting clause and insert in lieu thereof the following:

“That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid for all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

“‘ARTICLE —

“‘SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

“‘SECTION 2. The limit on the debt of the United States held by the public shall not be increased unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

“‘SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts.

“‘SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

“‘SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

“‘SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

“‘SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principle.

“‘SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is later.’”

The PRESIDING OFFICER. Who yields time? The Chair recognizes the Senator from California [Mr. SEYMOUR].

Mr. SEYMOUR. Mr. President, I yield 5 minutes of our time to the distinguished Senator from Arizona [Mr. MCCAIN].

The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona [Mr. MCCAIN] for 5 minutes.

Mr. MCCAIN. Mr. President, I would again like to congratulate the distinguished chairman of the Appropriations Committee for a cogent, enlightening, historical debate as we have had several times on issues of this nature. But I would especially like to congratulate him for clearing up a bone of serious contention here.

The Senator from Maine last night said, “But I urge all Members of the Senate to help us end this charade as quickly as possible.” I quote from page S. 9245 of the Senate RECORD.

I appreciate very much the chairman of the Appropriations Committee absolutely repudiating the statement of the majority leader made on the floor of the Senate last night.

The majority leader of the Senate stated that it was a charade, a waste of time, that it had nothing to do with the balanced budget amendment, that the vote was purely political, and I am so pleased that the chairman of the Appropriations Committee should state time after time that this may be one of the most serious votes ever cast in the history of this body. And, it has everything to do with a balanced budget amendment, and it has everything to do with fiscal responsibility.

However, I want to point out to my friend, the chairman of the Appropriations Committee, you cannot have it both ways. You cannot have it both ways.

The Senator cannot steadfastly believe in the statements he has made time after time, only the legislature has the power of the purse; only the legislature has access to the pockets of the people—and then put the blame and responsibility on the executive branch for deficits. It cannot be done. It cannot be done.

You either believe that the power of the purse rests with the legislature, a power the chairman of the Appropriations Committee has so zealously guarded for all these years, and successfully I might add, against assaults by people like me who seek passage of the balanced budget amendment, the line-item veto, and the reversal of the obscene rule that we have in this body that requires 60 votes to lower your taxes and 51 to raise them, or you incorrectly believe that it rests with the executive.

You cannot have it both ways. You either agree that this legislature has the power, as the chairman of the Appropriations Committee has so eloquently stated, and assume the responsibility, or you agree that the executive branch should be given some role in controlling what happens here.

I want to point out again, we sit here in this body, in this city, thinking somehow that we can do business as usual; that somehow the American people are not disgusted, dismayed, and frustrated to an unprecedented degree, at least according to polls. Mr. President, 80 percent of the American people today think we are on the wrong track, the wrong track. Seventeen percent of the American people approve of what the Congress of the United States is doing—that is an all-time low for approval with an all-time high in frustration and anger.

What are we going to do when we turn down the balanced budget amendment? And, by the way, we know that has been decided by the vote cast last night. We will continue with business as usual—business as usual, in Washington, DC, and the Congress of the United States.

Mr. President, I suggest that we are not responding to the will of the people. Those charts over there show the dramatic growth, not only in spending but far more importantly, they show how we have accumulated in a few short years a $4 trillion debt which is a debt of $16,000 for every man, woman, and child in America.

We cannot blame it on the executive branch. We cannot blame it on the American people. We cannot blame it on the States. The buck stops here and the bucks have left here and continue to leave here in an ever-increasing flow. It has become a torrent. We will pass on an unconscionable legacy of debt to future generations of Americans. For us to suggest that we can address the health care issues, the competitiveness issues, the productivity issues, and so many other issues that face the future of this country, and at the same time pay 17 cents interest, or 18 cents or 19 cents interest out of every single Federal tax dollar, just to pay interest on the national debt, is foolishness. It is foolishness.

Yes, we can get the deficit under control without again increasing taxes because we have proven that increasing taxes does not reduce the deficit. In the last 30 years we have raised the American people's taxes 56 times and balanced the budget once! In fact virtually every time we raise taxes—there is a strange occurrence—increases in taxes have only led to increases in deficits. That is a historical fact.

So I hope that we will understand, as the distinguished appropriations chairman has said, that this is a critical vote. It is a crucial vote and one of the utmost importance. There is no possible way that any Member of this body could say they are in favor of the balanced budget amendment to the Constitution and vote against cloture.

The PRESIDING OFFICER. Who yields time? The Chair recognizes the Senator from California [Mr. SEYMOUR].

Mr. SEYMOUR. Mr. President, how much time do we have remaining on our side?

The PRESIDING OFFICER. Nine minutes and 10 seconds are remaining.

Mr. SEYMOUR. Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. Mr. President, how much time does the Senator from Maryland wish?

The PRESIDING OFFICER. There are 11 minutes and 50 seconds remaining.

Mr. SARBANES. Will the chairman yield me 3 minutes?

Mr. BYRD. I yield 3 minutes to the Senator from Maryland.

The PRESIDING OFFICER. The Senator from Maryland [Mr. SARBANES] is recognized for 3 minutes.

Mr. SARBANES. Mr. President, I want to address one specific issue. The proposal for a balanced budget amendment fails to make any allowance for a capital budget.

I just heard my distinguished colleague from Arizona talk about competitiveness and productivity as important issues. You cannot divorce them from an investment strategy for the United States, and you cannot have an investment strategy if you do not have a capital budget.

This proposed balanced budget amendment makes no allowance for a capital budget. The analogy is used to the States and the argument is made that the States have balanced budgets, why should not the National Government have a balanced budget? The States do not keep their budget accounting on the same basis. The States have capital budgets that are not balanced. In fact, the capital budgets are funded by borrowing. They are not subject to the balancing requirement. Many of the States balance the operating budget but not the capital budget.

This balanced budget amendment is an invitation to underinvest in the U.S. economy because it makes no allowance for an investment strategy. In fact, if you applied this rule which the distinguished Senator from Oklahoma was enunciating, that you will not spend more in any one year than you take in to individuals in this country, only a tiny proportion of the American people would own a home, or own a car, or own a major durable good, because every one of them borrows in order to make that purchase of that capital asset and then they pay it off in subsequent years. And it is all seen as a very prudent financial strategy.

Under this balanced budget amendment, one of its most damaging consequences would be a failure to separate investment spending from spending for current consumption.

Today's capital investment increases the rate of growth in the economy, yielding a bigger stream of future income. Because of that enhanced future income, it makes economic sense to finance some portion of capital investment with borrowed funds. This balanced budget amendment does not recognize the important economic distinction between consumption and investment spending.

The Capitol Hill newspaper, Roll Call, has a major section on infrastructure this very week. It says: "Inadequate public facilities are damaging private productivity. What must be done?" It talks about our lack of investment in infrastructure. And then it says:

> At Heart of Government's Infrastructure Failure: The Lack of a Capital Budget.
>
> Infrastructure matters to any nation that wants a productive and competitive economy, for it underpins most private economic activities.
>
> The trucks and cars of private business operate on public roads. Planes depend on airports. Public facilities provide the water, waste and sewage treatment used by most private establishments.

The State governments have an investment strategy. They have a capital budget, and the capital budget is not included in determining whether they have balanced their budget because they fund the capital budget by selling bonds and borrowing the money. There is no allowance in this balanced budget amendment that is before us for that aspect of an investment strategy, and the consequence, of this balanced budget amendment failing to recognize this economic distinction would be to worsen the serious problem we now have from our low investment rating.

The PRESIDING OFFICER. Time has expired.

Mr. SARBANES. I thank the chairman for yielding me the time.

The PRESIDING OFFICER. Who yields time?

Mr. SEYMOUR. Mr. President, I yield 2 minutes to the distinguished Senator form Missouri [Mr. BOND].

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri [Mr. BOND] for 2 minutes.

Mr. BOND. Mr. President, I appreciate the courtesy of my colleague from California.

I came here from State government. State government has a requirement in its budget: We cannot borrow money without a vote of the people for a specific project. That requirement in the Constitution forced the government of my State, Republican and Democrat, executive and legislative, to work together to avoid deficits, and we faced some very difficult crises.

There is nothing like having a wall to be backed up against to give you a stiff spine, and having watched this body in the last 5 years, I can tell you there is a need for spine. We have put before this body proposals which would end the deficit before the beginning of the next century. We received 28 votes; 66 voted the other way. We are in bad need of spine. The balanced budget is one way of getting there. We have to do something to stop this runaway deficit spending.

Yesterday, I heard our distinguished appropriations chairman say if the President will say we need to cap entitlements, then we would go along. The

President said that this morning on national television. I think we need a framework in which we must get serious about reducing the deficit.

Right now, the interest on that debt is equal to almost all of the spending we have for discretionary programs. Whether it is children's care, or agriculture, or highways, or science, or education, or health, every dollar we spend in an appropriated account is matched by a dollar that goes into interest.

What we are doing is running up the bill on the credit card that we are going to leave for our children to pay. It has been called fiscal child abuse. We are sticking it to the next generation. This is an intergenerational transfer of wealth.

We need to have a mechanism to force us to act to control this runaway spending. We will have to answer to our children if they come into the productive periods of their lives in the next century and find that their tax dollars go to pay interest. We can ruin the economy as well as ruining the budget of the Federal Government if we do not do something. The balanced budget is a first step. It is not the whole solution.

I urge my colleagues to support cloture so that we can go forward and achieve a balanced budget.

Mr. President, the State of Missouri has a balanced budget requirement, and it is amazing what kind of backbone that can provide when the temptation to borrow and spend hits. We don't have it here and contrary to what anyone's chart, graph, or turn of phrase may be—finding the 50 stiff spines to do something about the deficit has proved impossible thus far.

Some may argue, and in fact do argue, that deficit spending is not so bad as it stimulates the economy in the short term and can be financed over the long term by a now growing economy. If you like this plan you call it the spending investment, and hope no one catches on.

Unfortunately, this sort of thinking never seems to recognize there comes a time to start paying off the debt accrued, rather than just adding to it.

The Federal debt is now nearly $4 trillion, or approximately $14,000 for every man, woman, and child in the country. If we were like an American family, we would be looking for ways to cut costs, cancel certain plans, etcetera, in order to start paying off principal—not simply interest.

Everyone with a credit card has experienced a time or two when their credit card bills came and they could only afford to pay the minimum—while at the same time watching with great dismay as the interest charges were adding up faster than the minimum payment was paying down.

That is where the Federal Government is right now. Paying only the minimum, piling up the debt, and not really thinking twice about it.

That is why we now spend more on net interest on the debt than every other Federal program of Federal responsibility except for two: defense and Social Security.

We spend more on interest than on children's health. More than on veterans' programs. More than on highways, bridges, and mass transit. More than on education. More than on agriculture, science, space, or cancer research.

In fact, Mr. President, we spend more on interest payments than we do on all those programs combined.

The net interest payment on the debt alone in the current fiscal year will be $201 billion. This is only slightly less than the $215 billion that the Government spends on all domestic discretionary programs combined. These are very important programs and include everything from education and child care, to highways, mass transit, to health research and soil conservation. What is now occurring is that the interest payments on the debt are rapidly becoming not only the fastest growing but the largest Federal expenditure.

That money is not buying us anything. We are not providing any services; we are not providing research; we are not constructing anything with that money. It is simply lost paying for the borrowings of the past. Congress is doing what millions of American households are trying to avoid doing, and that is paying only the minimum on our credit card while we watch our unpaid balances getting larger and larger.

The big difference is that Uncle Sam has no credit card limit. So when Congress and the administration spend and spend, the debt just keeps piling up. If we keep our current pace, we could be spending more on interest than domestic discretionary spending as soon as next year, if not 1994. That means that for every dollar spent on education, or highways or child care, a dollar will be going to pay for spending decisions of the past. In short, when we should be looking to the future, we will be spending our precious resources paying for the past.

Mr. President, allowing the interest payment portion of our budget to become larger and larger, means we have fewer and fewer funds to spend on our priorities and fulfilling our Nation's unmet needs. That is why I have come to the conclusion that we cannot wait any longer to attack the deficit.

And that is why I support this balanced budget amendment.

Uncle Sam does not have any limit on his credit card, and if nothing else, the BBA would finally put a limit on his card.

I have only been here 5 years, but in that time I have seen budgets come and go, budget summits come and go, Presidents come and go, while the budget deficit gets larger every year.

Mr. President, I believe it is time to act, and that is why I support the balanced budget amendment.

Everyone knows the costs of entitlements and mandatory spending is rising too fast for our economy to sustain. We are forced to borrow from our Nation's pension funds. We are borrowing from the Germans, the Japanese, and the British.

We are borrowing from the Social Security trust fund, the highway trust fund, and the airport trust fund—and if we do not control the growth rate of entitlements, we will not be able to pay these trust funds back, and that means we will not meet our obligations to our pension funds or anyone else for that matter.

To sit back now and say, lets wait until next year is to continue to cheat all the other programs which compete for the Federal dollar not once, but twice. First by squeezing programs such as education, child care, or immunizations because of ever increasing interest payments; then squeezing them again by diverting more and more resources to runaway entitlements.

This means that every year the portion of the dollar available for children gets smaller and smaller, and the bill left for them to pay when they become taxpayers becomes larger and larger. This cannot be allowed to continue.

Mr. President, if it takes a tool such as this amendment or a cap on entitlement funding to get Congress to act, well, I am all for it. Let us at least get started.

I have been told this is political poison—well, maybe so. But we just cannot continue like this year after year, pretending there is no problem, waiting for that grand moment when we're ready to act, all the while silently sacrificing this country's future.

For the sake of our country and our children, let us at least get started.

Mr. SEYMOUR. Mr. President, I yield 2 minutes to the Senator from Maine [Mr. COHEN].

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Mr. President, last evening a chart was displayed on the Senate floor indicating a dramatic increase in the deficit under President Reagan and now President Bush. I would like to go back to that time in which President Reagan took office.

As I recall, there was about a 13 percent inflation rate at that time, and a 21-percent interest rate. We knew we had a hollow Army and a hemorrhaging Navy. President Reagan did, indeed, propose a drastic cut in taxes. As I look at the record, I see there were some 37 Democrats who voted for those tax cuts; 79 percent of the Democrats voted for those tax cuts. So to place the blame of the deficit solely upon the

Reagan-Bush administration I think ignores the co-conspirator role played by the Democrats in the Senate at that time.

Mr. President, the chairman of the Appropriations Committee has suggested that somehow either the White House or Senator DOLE is orchestrating Republican support for this amendment. Let me indicate for the record, I have never received one call from the White House. I rarely receive calls from the White House, but I received none on this. I received no call from the Senator from Kansas. He has not called me once to urge me to vote for this particular amendment. I came to my conclusion on my own that we simply could not afford to continue doing business as we have been.

I think the chairman of the Appropriations Committee is correct that this amendment will not give us one additional ounce of courage. It will not. It will not diminish our cowardice by one ounce. It will simply make it more difficult for us to avoid and evade our responsibility.

I will give one example of how we evade that responsibility. When the bill came up to provide aid on an emergency basis to the cities of Los Angeles and Chicago, the President requested around $500 million. The Senate, however, came back with a request of nearly $2 billion and not one penny was taken or suggested to be taken from another program to pay for this emergency aid. We simply said add it on to the deficit.

This amendment should pass, and I hope that it will make it more difficult for us to engage in the sort of fiscal irresponsibility we saw with the original emergency aid bill. I urge my colleagues to vote for cloture so we may ultimately vote on the balanced budget amendment.

The PRESIDING OFFICER. Who yields time?

Mr. SEYMOUR addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. SEYMOUR. Mr. President, I yield 2 minutes to the Senator from Texas [Mr. GRAMM].

The PRESIDING OFFICER. The Senator from Texas is recognized for 2 minutes.

Mr. GRAMM. Mr. President, I thank our dear colleague from California for his leadership on this issue.

If last night's vote is any indication, then we are not going to win on this cloture motion. I would like to make two points about that.

First of all, I would like to express my frustration that we appear to have 10 Members of the Senate who cosponsored the balanced budget constitutional amendment or who voted for the resolution earlier this year saying Congress ought to adopt a balanced budget amendment to the Constitution who voted against the balanced budget amendment to the Constitution yesterday.

I do not know how democracy can work when people say one thing and then do another and they are not held accountable.

When Jefferson said the price of liberty is eternal vigilance, he was not talking about vigilance against the British coming over the water or the Indians coming over the mountain. He was talking about vigilance against Government which does not fulfill its promise.

So I hope the American people are watching this debate. I hope they are taking names. I hope they are keeping records because we cannot make America work when 10 people cosponsor legislation or vote for resolutions saying it should be passed and then in the moment of truth vote against the amendment itself.

Finally, this whole argument about courage, this whole argument about dealing with issues is a phony argument. The Constitution was written because people did not trust the Government. Our Government has proven that it cannot and will not deal with the deficit. Only a constitutional amendment can make it do that.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SEYMOUR addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. SEYMOUR. Mr. President, I yield the remainder of our time to the distinguished minority leader from Kansas, Mr. DOLE.

The PRESIDING OFFICER. The Senator is recognized.

Mr. DOLE. Mr. President, I thank my colleague from California, Senator SEYMOUR.

What we need to do on this side is get from 56 to 60 today. That ought to be easy. As was just pointed out by the Senator from Texas, there is an honor roll here of Members who said one thing and voted another way. If they just get back on the honor roll and vote the way they said they would on April 9 or when they cosponsored a balanced budget amendment, we will have 66, at least 66, maybe 67. Then we will be back under cloture on the amendment itself, and I think in the next day or two we could probably find a couple more votes.

We have 3 Members who are hospitalized, and I think a couple of those might be able to make it and that would give us 67, 68, and we only need 67.

So I just make a plea to those Members who may have not understood that they had voted one way after they said they were going to vote another way.

Now, that is not fatal around here, but I think the American public does check our voting record from time to time, and they should check them more. That would help reduce spending also and there would be a bigger turnover.

But as I count those who have either cosponsored or voted for the Nickles-Bond amendment on April 9, we would have 70 votes. That is 70 percent of the Senate. That is bipartisan. That is almost half the Democrats. And not all the Republicans were cosponsors, although they are voting with us on procedural votes.

So I would just urge my colleagues at this moment of truth—and this is the moment of truth—that they go back and take a look at how they voted in April and whether or not they cosponsored this amendment as at least two did who voted the other way last evening and come back home, come back and vote with us, give us cloture, and we will send this to the House of Representatives.

I heard an argument last night we cannot do anything because the House will turn it down.

Mr. President, I ask unanimous consent that I may proceed for 2 minutes and that the vote be delayed from 10 to 10:02.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. Mr. President, could the distinguished chairman also have an additional 2 minutes in that case?

Mr. DOLE. Sure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I certainly understand the commitment on the other side. The distinguished President pro tempore, my friend from West Virginia, Senator BYRD, feels very strongly we are making a mistake. But on the other side, to those who feel just as strongly, whether it is the Senator from Oklahoma, the Senator from California, the Senator from Texas, the Senator from Maine, the Senator from Missouri, the Senator from Arizona, others who have spoken this morning, this is a legitimate question. This is probably the most important issue we have taken up this year.

Now, maybe those of us who support a balanced budget amendment are wrong. I have said myself if I had a choice between a balanced budget amendment and a line-item veto, I would take the line-item veto because I think you could have almost an immediate impact.

But having said that, I share the view just expressed by the Senator from Maine. It is going to make it more difficult for us, particularly those who vote for the balanced budget amendment, to go back home and say well, I voted for the balanced budget amendment but it did not really mean anything. So I voted for the spending; I increased the deficit; I took it away from your children or your grandchildren.

In my view, we take an oath to support the Constitution. And if this amendment is agreed to and we take that oath, then we are going to be duty-bound or we are going to be out of bounds. We are going to be thrown out of this place by the voters, as we should.

So I would make one last plea to this honor roll, the honor roll of those who have cosponsored the amendment and then voted the other day, of those who voted one way on April 9 for a balanced budget amendment, said we shall have a balanced budget amendment who last night voted the other way.

There is still time for redemption and it can come in the next 10 minutes. I will not list the names. I will leave that up to the people who want to check our voting records and put these names together. But they are geographically spread around the country. I think maybe some may not have understood the vote on April 9 or maybe some did not understand the cosponsorship or may have forgotten it. I am certain they understood it because they are all, in this case, men of great intellect and they are friends of mine.

So help us out. Let us take this next step. Maybe it is the last step. Let us take this next step. Let us take it today. Let us send this back to the House, and I think this time of the 12 who switched over there, at least 6 or 7 would switch back, and that is all we would need to get this to the States for ratification.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from West Virginia is recognized.

Mr. MITCHELL addressed the Chair.

Mr. BYRD. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. The Senator from West Virginia has 8 minutes and 20 seconds.

Mr. BYRD. Mr. President, my good friend, the able minority leader, and he is my good friend—I have worked with him for years and I have tremendous respect for him—talks about saying one thing and doing another, and he refers in that context to a vote on April 9 which was on a sense-of-the-Senate amendment or some such which had no legal, no binding effect and really meant nothing. But he talks about how someone may have voted a certain way on April 9 on a sense-of-the-Senate amendment and then voted differently last night and today.

How about just going back to yesterday, Mr. President? We do not have to go back to April 9. What about those who spoke for a balanced budget amendment and then turned right around yesterday and voted against the Byrd amendment?

Now, every Member on the other side did just that; they voted against the Byrd amendment, which would have required action now, not in 1988, not in the year 2000, not in the year 2001, not after Mr. Bush's next term—if he is reelected. And he has said he will do whatever it takes to be reelected. Not after his next term but now. What about that?

We had the test last night on the Byrd amendment, and it separated those who want to do something now from those who want to delay, who want to continue the status quo, who want to let this President and Congress off the hook.

Mr. President, in closing, let me say that Senator NICKLES has been a very honorable Senator in this debate. He has been a gentleman and has conducted himself in a very fine way. And the Senator from California [Mr. SEYMOUR], has, likewise, been most gentlemanly.

We do not agree. But that comes with the work here. But I do want to compliment him. I think it has been a high level of debate in most respects, and in most cases from the other side.

So we have come down now to the key vote on cloture.

Mr. President, this is a test of this body—this vote on cloture. And, as I have said before, it is the most important vote in my career—that is the way I see it—in 40 years on this Hill, because I regard this institution, the U.S. Senate, exactly as William Ewart Gladstone spoke of it: "that remarkable body, the most remarkable of all the inventions of modern politics."

I do not want to see this body weakened. I think this amendment can very well weaken it to its foundations.

There are those Senators who, in supporting a constitutional amendment, have quoted Jefferson, who was not at the Constitutional Convention. Jefferson was in France. Let us talk about Madison, the Father of the Constitution, and his reference to the Senate, Federalist Paper No. 63. He said:

> * * * there are particular moments in public affairs when the people, stimulated by some irregular passion * * * or misled by the artful misrepresentations of interested men, may call for measures which they themselves will afterward be the most ready to lament and condemn.

He said:

> In these critical moments—

Here is the core of what he said—

> In these critical moments—

Such as the issue we are discussing here, the constitutional amendment on a balanced budget—

> In these critical moments, how salutary will be the interference of some temperate and respectable body of citizens * * * in order to suspend the blow meditated by the people against themselves, until reason, justice, and truth can regain their authority over the public mind?

Madison was talking about the Senate. And this Senate right now is, I think, playing preeminently the part that Madison and the constitutional Framers meant for it to play when passions seem to be getting the upper hand. He went on to say in Federalist Paper No. 63:

> What bitter anguish would not the people of Athens often have escaped if their government had contained so provident a safeguard against the tyranny of their own passions.

That is what the Senate is doing now, protecting the people from the tyranny of their own passions as expressed by some of their representatives in this body.

He said:

> Popular liberty might then have escaped the indelible reproach of decreeing to the same people the hemlock on one day, and statues on the next.

Mr. President, Aaron Burr killed Alexander Hamilton in a duel on July 11, 1804.

How many minutes do I have left?

The PRESIDING OFFICER. The Senator has 1½ minutes.

Mr. BYRD. Mr. President, after Burr killed Alexander Hamilton, Burr sat not in that chair, but in the old Senate Chamber in 1805, and presided over the impeachment trial of Samuel Chase. He presided with such dignity and fairness that even his worst enemies commended him. After the trial was over, he addressed the Senate for the last time. These were some of his words, after which he walked out of the Senate, and never again returned. But mark them:

> This House is a sanctuary; a citadel of law, of order, and of liberty; and it is here—it is here, in this exalted refuge; here, if anywhere, will resistance be made to the storms of political phrensy and the silent arts of corruption; and if the Constitution be destined ever to perish by the sacrilegious hands of the demagogue or the usurper, which God avert, its expiring agonies will be witnessed on this floor.

Mr. President, that is the weight that I give to this upcoming vote after 34 years in this body, after voting many times on cloture, after seeing many great issues come before this body.

This is the most important cloture vote that I shall have ever cast and I am not going to be a party to the diminishment of the authority, honor, and stature of "that remarkable body, the most remarkable of all the inventions of modern politics."

I urge Senators to vote against cloture.

The PRESIDING OFFICER. All time has expired.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, I ask unanimous consent that I may be permitted to use part of my leader time to make a brief statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, Members of the Senate, in just a few minutes the Senate will be able to end this charade, will be able to end nearly a week of wasted time, and return to serious legislative business. This amendment had no chance of being enacted from the moment the House of Representatives voted to defeat it. Everybody in the Senate knew that. Everybody in the Senate understood that.

Notwithstanding that certainly, we have been required to endure this waste of time because, under the Senate rules, any Senator can offer any amendment any time he or she wants and can debate the matter for as long as he or she wants.

But let no member of the public be fooled or misled by what has occurred here. This is a political exercise, an effort to create material, 30-second packed television spots in the fall campaign. This has nothing to do with the deficit. Many of those who most loudly proclaim this balanced budget amendment vote over and over again to increase the deficit.

They vote over and over again against measures to reduce the deficit. Being unwilling to cast the difficult votes necessary to actually reduce the deficit, they want to be able to say that they have done something about the deficit by voting for this amendment, which will, as we all know, by its very terms, not take effect for 6 years at the earliest, and possibly not for 8 or 10 years.

Does any American citizen believe that the deficit is such a minor problem that we ought to wait 6, 8, or 10 years before we address it, and in the meantime, permit those who loudly proclaim their support for this amendment to go on voting to increase the deficit, to go on voting for measures to increase the deficit?

It is a phony amendment, a phony argument, and a phony exercise. We ought to give it a prompt and decent burial, and then go on to serious business.

I yield the floor.

Mr. DOLE. Mr. President, I just wanted to comment on the cloture vote, very briefly. There is no doubt about it, a clear majority in the Senate would like to have voted on the amendment itself—56 to 39 is a substantial vote. I can count at least three absentees: Senator HELMS, Senator SANFORD, and Senator ROTH. That brings it up to 59, almost cloture. Then, as I said, we had the honor roll of those who were for a balanced budget amendment and voted against it. That would have made it 69 or 70. So it is a clear indication and statement made and votes made in the past, about 70 percent of the Senate have indicated they wanted a balanced budget amendment. They are almost up to the American people; 77 percent of the American people say they want a balanced budget amendment.

But this is the end of the debate for the year. I hope that next year there will be recognition again that we need to address this very important problem. I share the view expressed by the Senator from West Virginia. I think it is the most important vote many of us have made for a long time around here. It was not a charade. It was a very important vote. I thank my colleagues on both sides for what I thought was good debate in most instances.

I am not entirely happy with the result. The Senate has spoken. The Senate has indicated a majority support a balanced budget amendment but to get there we have to get cloture and then to get there we have to get 67 votes. We are not quite there yet, but we would be there had everyone voted the way they indicated they might vote had they had the opportunity.

I thank the Senator for yielding.

Mr. BYRD. The Senator is welcome.

Mr. President, my reference to my most important vote was the vote on cloture.

Mr. President, I, too, would like to call attention to an honor roll. That seems to be very much in vogue today. I want to call attention to the following honor roll: The majority leader, Senator MITCHELL of Maine; the senior Senator from Maryland [Mr. SARBANES]; the senior Senator from Colorado [Mr. WIRTH]; the senior Senator from Washington [Mr. ADAMS]; the senior Senator from New York [Mr. MOYNIHAN]; the junior Senator from North Dakota [Mr. CONRAD]; and the senior Senator from California [Mr. CRANSTON].

These are names of Senators who have spoken throughout the debate. Some spoke at greater length than others, but, nevertheless, I have chosen those names for the honor roll, and especially the name of the majority leader, who helped to organize the effort and who stood with us all the way.

Now, this is not the entire list of names that should be on the honor roll. There are others on the honor roll, those who did not speak but who voted for the Byrd amendment last evening and those who voted against cloture on both occasions. All of them are on my honor roll. I think they will be on the Senate's honor roll as history records this event. They voted to do something now—those who voted for the Byrd amendment last night. They voted to do something now, not 6 or 8 years from now or 10 years from now. They voted to require the President and the Congress to work together. They voted to require the President to send up a plan this year which would lead to a balanced budget in 5 years. They voted not to postpone the matter until after the next administration, possibly after the next two administrations. And so they are on the honor roll.

Mr. President, it did not take courage to vote for this constitutional amendment or for cloture. That was the easy way out. That was the painless way out. That was the political way out. That was passing the cup, as Jesus said in Matthew, when he spoke to his Heavenly Father and asked, if it be possible, that the cup pass from him.

These Senators who have stood against this constitutional amendment are not against balancing the budget. They recognize the pain and the sacrifices that will be involved in bringing the budget deficits under control. Voting for the Byrd amendment was a difficult vote, as was the vote against cloture, and taking a strong stand against the constitutional amendment.

The other side wanted a constitutional amendment, they said, to give Senators spine and to give the President spine. The Senators who stood against that constitutional amendment demonstrated spine. That took courage, and so they are on the honor roll.

Mr. President, I thank those on my side who voted their consciences, and who cast the hard votes. I thank them. I commend them. I have no doubt there were men and women on both sides who voted their consciences. I again congratulate Mr. NICKLES and Mr. SEYMOUR, the offerors of the amendment. I congratulate them for the high level of debate, for their courtesies, which were unfailing.

In closing, let me congratulate the Senate overall. Once again the Senate has demonstrated that it has courage.

This vote, as I will look back on it in whatever years the Lord may let me live, will be viewed by me, as I have already indicated, the most important vote of my career up to this time. Once again I saw the Senate rise to the occasion and demonstrate courage. The character and the vision that the Senate has in the past demonstrated on the great issues of the day, and throughout the years of its existence, were demonstrated once again. And it gives me renewed comfort and confidence in this institution and renewed hope for our country to know that there will always be men and women who will be willing to take a difficult stand and vote their consciences, vote for what is right, as they see it, and put the good of this country ahead of party politics and what would benefit their political careers.

So I close with words which express that enthusiastic hope for the future of our country; and the confidence and belief that the Senate, in all of its former glory, has once again risen to the stature that its framers intended it to have in great moments of decision. I close with lines from Longfellow's "The Building of the Ship."

Thou, too, sail on, O Ship of State!
Sail on, O Union, strong and great!
Humanity with all its fears,
With all the hopes of future years,
Is hanging breathless on thy fate!

We know what Master laid thy keel,
What Workmen wrought thy ribs of steel,
Who made each mast, and sail, and rope,
What anvils rang, what hammers beat,
In what a forge and what a heat
Were shaped the anchors of thy hope!

Fear not each sudden sound and shock,
'T is of the wave and not the rock;
'T is but the flapping of the sail,
And not a rent made by the gale!
In spite of rock and tempest's roar,

In spite of false lights on the shore,
Sail on, nor fear to breast the sea!
Our hearts, our hopes, are all with thee,
Our hearts, our hopes, our prayers, our tears,
Our faith triumphant o'er our fears,
Are all with thee,—are all with thee!

Mr. LAUTENBERG. Mr. President, I strongly oppose the Nickles amendment.

Let me say at the outset that I share the very deep concern underlying the amendment. Our deficit is out of control, and the response of the President and Congress has been grossly inadequate. The American people are frustrated and angry about that, and I share that anger—particularly when I look at the huge levels of defense spending that are included in the recently approved budget resolution. Not to mention wasteful projects like the superconducting super collider, the space station, the B-2 bomber, star wars, and a whole variety of ridiculous agriculture subsidies to wealthy agribusinesses.

So, yes, Mr. President, we Americans have every right to be angry about the deficit, and the waste that contributes to it.

Unfortunately, Mr. President, the balanced budget amendment is not a magic bullet that will kill the deficit. I only wish it were.

But the President and the Congress should be honest with the American people. This is a gimmick. It is designed to win votes this November, not to cut a dime of spending or close a single tax loophole.

Mr. President, the fraudulent nature of the amendment is only one of many criticisms I have. These include—

The straitjacket that will exacerbate economic downturns and potentially lead us back to another depression.

The threat to Social Security, and to domestic needs, from education to health to law enforcement.

The threat to the full faith and credit of the United States, and the higher taxpayer costs that would entail.

Mr. President, the list of problems with this amendment is long. I will not repeat them all. Others have explained the problems well.

But I'm concerned that perhaps the most obnoxious problem with this amendment has not received adequate attention.

Mr. President, while the supporters of a balanced budget amendment do not like to advertise this fact, their proposal is likely to become a back door way to impose substantial tax increases on ordinary Americans. Painful, agonizing tax increases. Imposed by an elite group of unelected officials who are completely unaccountable to the public.

Let me back up for a minute, Mr. President, and explain what I mean.

The balanced budget amendment, of course, is intended to encourage the Congress and the President to agree on measures to eliminate the deficit. But what happens if the two branches disagree? What happens if, notwithstanding the amendment, the budget is not in balance?

The answer, most likely, is that the courts eventually would step in to implement the constitutional requirement. That could mean not only cuts in Social Security, Medicare, and other Federal benefits, but substantial tax increases.

Now, Mr. President, some proponents of a balanced budget amendment may say that is not their intent. But the courts will not be able to rely on such claims, first, because there is disagreement among supporters on that point. In fact, the sponsor of the leading proposal for a balanced budget amendment has said that if the President and the Congress could not agree on a balanced budget, a district court could enforce the amendment through a tax increase.

Most important, Mr. President, is the language of the amendment itself. There is nothing in the amendment that precludes the courts from enforcing its provisions, and, in fact, the courts' power to interpret and enforce the Constitution has been well-established since the famed case of Marbury versus Madison. That long-established power is not likely to be relinquished. In fact, without judicial enforcement, the balanced budget amendment itself could be reduced to a meaningless scrap of paper.

So, Mr. President, the threat of judicial taxation under a balanced budget amendment is not hypothetical. It is very real.

And that is not just my opinion, Mr. President. Legal experts of all political stripes agree.

For example, Harvard Law Prof. Lawrence Tribe has testified that, "Judicial enforcement of the proposed balanced budget amendment * * * would necessarily plunge judges into the hear of the taxing, spending, and budgetary process."

Similarly, the conservative former Supreme Court nominee, Robert Bork, who also opposes the balanced budget amendment, has warned that the amendment could lead to tax increases mandated by unelected judges. In his words, "the judiciary would have effectively assumed a considerable degree of control over the fiscal affairs of the United States. * * * That outcome cannot be desired by anyone, including the courts."

Mr. President, over 200 years ago, this country was born after citizens were burdened with stiff tax increases imposed by distant, elite rulers who did not represent the people, and who were unaccountable to the people.

The rallying cry of our oppressed forefathers was clear and compelling. And that same rallying cry applies to this radical and dangerous amendment.

No taxation without representation.

No taxation without representation.

Mr. President, it is bad enough that ordinary Americans are now paying an unfair portion of the tax burden. But what will their tax rates look like after unelected judges get their hands on the Tax Code? It is a scary thought.

After all, the judiciary is the branch of Government that, by design, is most insulated from the public. Judges are not selected because they represent the interests of ordinary Americans. They are selected because of their legal skills.

One has to wonder—how many of this elite group of judges really understand the enormous pressures facing ordinary Americans? How many know what it is like to struggle to pay your bills, save for your children's education, and keep your head above water?

In fact, Mr. President, judges may be the individuals most insulated from the realities of day-to-day life in America today. After all, judges are the only Americans who are constitutionally guaranteed lifetime employment. The Constitution itself assures them that they need never worry about their next paycheck. They need never worry about being laid off in a recession. They need never worry about being fired by an unreasonable boss.

Mr. President, are these the people who should be deciding whose taxes will be raised, and by how much? Are these the people who should have the final say over whether middle class Americans can afford a steep tax hike? Are these lawyers the right people to decide whether the wealthy are paying their fair share?

Of course not, Mr. President. Of course not. To suggest otherwise is to advocate a radical shift in power. A shift away from the people. And to an elite group of unelected judges. It is fundamentally antidemocratic and wrong.

Mr. President, the proponents of the balanced budget amendment may think they are scoring a few easy political points today. But if this amendment is ever adopted, they may be in for an unpleasant surprise.

Because if you think the American people are angry today, just wait. Wait until they get hit with a huge tax increase by some district court judge who they have never heard of, never voted for, and who they will never be able to vote out of office. The reaction will make the famous Boston insurrection look like a real tea party.

Mr. President, maybe some people in other countries would gladly pay taxes imposed by unelected rulers. But we Americans have spilled our blood many a time to avoid that fate. And we are not going to accept it now.

It is not the American way. And it never will be.

Mr. President, there is enormous public cynicism about Congress today. And, in this case, the cynics are right. The balanced budget amendment is a crass political gimmick.

But it is a dangerous gimmick that, if approved, could undermine the democratic foundation of our Nation, and allow unelected judges to impose huge tax increases on ordinary Americans.

I say: no taxation without representation.

No taxation without representation.

I urge my colleagues to reject the Nickles amendment.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture.

The bill clerk read as follows:

CLOTURE MOTION

We the undersigned Senators in accordance with the provisions of rule XXII of the Standing Rules of the Senate do hereby move to bring to a close debate on amendment No. 2447, the Seymour-Nickles amendment:

Bob Dole, Strom Thurmond, John Seymour, Phil Gramm, Steve Symms, Don Nickles, John H. Chafee, Pete V. Domenici, Malcolm Wallop, Frank H. Murkowski, John McCain, Trent Lott, Larry E. Craig, Dan Coats, Al Simpson, Orrin G. Hatch, Mitch McConnell, Ted Stevens.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the Seymour amendment, No. 2447 to S. 2733, shall be brought to a close?

The yeas and nays are required.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. PELL (when his name was called). Mr. President, on this vote I have a pair with the distinguished Senator from New Jersey [Mr. BRADLEY]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I, therefore, withhold my vote.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

On this vote, the Senator from Rhode Island [Mr. PELL] is paired with the Senator from New Jersey [Mr. BRADLEY]. If present and voting, the Senator from New Jersey would vote "nay" and the Senator from Rhode Island would vote "yea."

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "yea."

The PRESIDING OFFICER (Mr. REID). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 56, nays 39, as follows:

[Rollcall Vote No. 136 Leg.]

YEAS—56

Bond
Boren
Breaux
Brown
Bryan
Burns
Chafee
Coats
Cochran
Cohen
Craig
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dole
Domenici
Durenberger
Garn
Glenn
Gorton
Graham
Gramm
Grassley
Hatch
Hatfield
Heflin
Hollings
Jeffords
Kassebaum
Kasten
Kohl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Reid
Robb
Rudman
Seymour
Shelby
Simon
Simpson
Smith
Specter
Stevens
Symms
Thurmond
Wallop
Warner

NAYS—39

Adams
Akaka
Baucus
Bentsen
Biden
Bingaman
Bumpers
Burdick
Byrd
Conrad
Cranston
Dodd
Exon
Ford
Fowler
Gore
Harkin
Inouye
Johnston
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Lieberman
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Wellstone
Wirth
Wofford

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Pell, for

NOT VOTING—4

Bradley
Helms
Roth
Sanford

The PRESIDING OFFICER. On this vote, the yeas are 56, the nays are 39. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from California is recognized to withdraw his amendment.

Mr. SEYMOUR. Mr. President, in accordance with the unanimous-consent agreement, I withdraw my amendment.

So the amendment (No. 2447) was withdrawn.

Mr. CRANSTON. Under section 501 of the bill, the Director is required to implement the housing provisions of title V in a manner consistent with specified sections of the GSE's charter Acts. What is the effect of this requirement?

Mr. RIEGLE. Those sections of the GSE's charter acts specify that it is one of the purposes of each enterprise to provide special assistance to low- and moderate-income families in obtaining mortgage credit, with a condition that such activities should, in the aggregate, provide a reasonable economic return to the enterprise. The bill requires the Director to formulate housing goals and approve or disapprove of any required housing plans under title V in a manner consistent with that condition.

Mr. CRANSTON. On what basis would the Director be expected to evaluate whether the economic returns are reasonable?

Mr. RIEGLE. The Director should consider the expected returns to such activities in light of the rates of return on equity of other financially sound businesses and institutions that provide similar services; the returns of other business, generally; and the adequacy of the enterprise's overall rate of return.

Mr. CRANSTON. Does that mean the returns expected on activities to assist low- and moderate-income families would be positive?

Mr. RIEGLE. Yes; the expected aggregate returns, over time, on such activities should be positive, but should not be expected to be as great as the overall rates of return on equity that the enterprises have experienced in recent years.

Mr. President, I ask unanimous consent to insert into the RECORD a letter from the Administrative Conference of the United States stating that the bill currently under consideration if fully consistent with the conference's recommendation for GSE regulatory reform.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ADMINISTRATIVE CONFERENCE
OF THE UNITED STATES,
Washington, DC, June 2, 1992.

Steven B. Harris, Esquire,
Staff Director, Senate Committee on Banking, Housing, and Urban Affairs, Washington, DC.

DEAR MR. HARRIS: As you requested, this Office has reviewed the provisions of S. 2733, as reported out of the Senate Committee on Banking, Housing and Urban Affairs. See Federal Housing Enterprises Regulatory Reform Act of 1992, S. Rep. 102–282 (102nd Cong., 2d Sess. 1992).

As you know, the Administrative Conference of the United States is an independent agency of the U.S. Government established for the purpose of promoting improvements in the efficiency, adequacy and fairness of procedures by which federal agencies conduct regulatory programs, administer grants and benefits, and perform related government functions. In light of its statutory mandate, the Conference examined the various procedural aspects of the workings of government-sponsored enterprises (GSEs). Based on that examination, it issued Recommendations 91–6, which I enclose.

The recommendation had four primary elements. First, the Conference believed that each GSE should be supervised by a federal agency for safety and soundness. Second, such agency should have the necessary powers to perform its supervisory tasks, including the ability to examine a GSE's financial condition and set and enforce appropriate risk-related and minimum capital requirement. Third, the supervising agency should develop and maintain risk ratings of each GSE. However, the Conference concluded that the agency should involve itself in GSE management only if an institution's risk profile warrants such involvement. Finally, the Conference recommended that any federal agency responsible for supervising GSE safety and soundness should develop through notice-and-comment rulemaking, suitable guidelines for invoking its supervisory and enforcement powers. In our judgment, the provisions of S. 2733, if enacted, would implement ACUS Recommendation 91-6, Improving the Supervision of the Safety and Soundness of Government-Sponsored Enterprises, (1 CFR §305.91-6 copy attached), insofar as the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation are concerned.

I must mention that the Conference did not address a range of structural and substantive issues that have been resolved by S. 2733, such as the placement of the regulator (the Office of Federal Housing Enterprise Oversight) within the executive branch, the relationship to the Secretary of the Department of Housing and Urban Development, the agency's litigation authority, or the elements of effective risk-related and minimum capital requirements. As you are aware, the Department of Justice has raised concerns regarding a number of these matters and would recommend that the President veto the bill if passed in its current form. The Conference's recommendations regarding procedure and process issues did not address the matters of concern to the Department, on which the Conference takes no position.

Sincerely,

GARY J. EDLES,
General Counsel.

CAPITAL STANDARDS

Mr. METZENBAUM. I would like to ask the distinguished chairman of the committee and the manager of the bill about the authority of the Director of Federal housing enterprise oversight to raise the minimum capital standard contained in section 202. On June 23, in response to my question, you said on this floor that the Director did indeed have the authority to set the required ratios above the minimum levels contained in section 202 if necessary to protect the health and security of an enterprise and that it is important that the Director act in those circumstances. Since that time, I have learned that some Senators may have a different view about the Director's authority. I would like to be assured by the chairman of the committee and the manager of this bill that the Director has authority to raise capital standards, if necessary.

Mr. RIEGLE. The distinguished Senator from Ohio is absolutely correct in his understanding. Section 202 contains minimum capital standards. The director cannot set the actual ratios required of an enterprise below these statutory minimums. The language of section 202 expressly states that the capital ratios specified therein are minimum ratios, thereby implying that the regulator can prescribe higher levels so long as they are not less than the minimums contained in section 202.

Under section 102 of the bill, the Director is given the duty to ensure that the enterprises are adequately capitalized and operating safely in accordance with this act and the Charter Acts. Under section 103(a)(1) of the bill, the Director is authorized to issue regulations concerning the financial health and security of the enterprises, including the establishment of capital standards. There is no way the Director can discharge these responsibilities unless he or she has the authority to prescribe capital standards to be met by the enterprises.

Unless the legislation specifically and affirmatively prohibits the Director from establishing required capital ratios, it must be assumed that the Director has that authority in order to discharge his or her duties assigned under section 102. I can assure the Senator from Ohio that there is no such prohibition in the legislation before us. Such a prohibition would be a marked departure from the general pattern of financial regulation legislation enacted by the committee over the years. Clearly, the committee and the Congress have not seen fit to establish a ceiling on the ability of the bank regulators to prescribe capital ratios. If the committee had intended to preclude the Director from setting the required capital ratios an enterprise must maintain, it would have done so with clear and unambiguous language. The only constraint on the Director's authority is that the required capital ratios cannot be set below the minimum levels contained in section 202.

Mr. METZENBAUM. I have heard it argued that before the Director can raise the minimum standards in section 202, he would first have to recommend to the Congress that the law be changed. Is that correct?

Mr. RIEGLE. I can see where there might be some confusion on this point. If the Director believed the minimum statutory ratios contained in section 202 should be raised, he or she would obviously have to seek a change in the law. A Director might believe an increase in the statutory minimum ratios contained in section 202 to be necessary if he or she concluded that they were clearly inadequate under all foreseeable circumstances. If the Congress were to so raise the statutory minimum ratios in section 202, it would establish a new and higher floor applicable to the Director's discretionary authority to prescribe capital ratios. However, there is nothing in the legislation that would preclude the Director from setting the required ratio above the minimum ratios currently contained in section 202 without further legislation. If the circumstances that gave rise to the need for higher ratios changed, the Director could then reduce the required capital ratios, but not lower than the minimum ratios contained in section 202.

Mr. METZENBAUM. I thank the chairman of the committee and manager of the bill for his clarification. I have one more question. I notice that section 103 was modified by you to delete the phrase "risk-based" from the authority of the Director to issue regulations to establish capital standards. Would the chairman explain the significance of his amendment?

Mr. RIEGLE. May I say to the Senator from Ohio, the reason for deleting this phrase was to remove any uncertainty that the Congress intends that the Director have the authority to issue regulations establishing both minimum capital standards under section 202 and risk-based capital standards under section 201, as well as any other regulations concerning the financial health and security of the enterprises. As the bill was reported, it might have been erroneously construed that the Congress intended for the Director to have the authority to issue regulations only affecting the risk-based capital standards. By deleting the phrase "risk-based", we remove any such possible misinterpretation that we are intending to confine the Director's authority only to the risk-based capital standards.

Mr. METZENBAUM. I thank the chairman and manager.

Mr. KOHL. Mr. President, 99 percent of what we do in this body involves taxpayer dollars. Ninety-nine percent of what we do is spend the hard earned money of our constituents on programs for the public's present good or investments for the country's future good.

Our Government has grown so large and so complex that I believe politicians often forget this simple fact: We are working with our people's money here. We have an obligation to treat our public spending and investment as seriously and carefully as if we were spending or investing our own last dollar.

We did not follow this rule during the 1980's when we insured the shaky S&L industry, deregulated it, and then had to bail it out. And now we're in danger of repeating that mistake with our haphazard supervision over the government sponsored enterprises Fannie Mae and Freddie Mac.

Frankly, it is difficult to get many people, outside the Banking Committee, interested in the issue of GSE regulation. It sounds dry; it's hard to understand what the GSE's do or how they operate; and they aren't losing money right now. If it ain't broke, why fix it?

The answer is simple: There is 900 billion of taxpayer dollars on the line. That is the amount of unfunded liability in Fannie Mae and Freddie Mac right now.

And were these institutions to fail, it would be taxpayers on the hook.

Though the GSE's liabilities are not explicitly guaranteed by the Government, the market believes, and history has proved, that the Government will back those liabilities in the case of a GSE failure.

You would think that with almost $1 trillion in taxpayer dollars on the line, we would be watching these two GSE's carefully. You would think that we wouldn't repeat the mistake we made with the S&L industry—that we wouldn't provide Federal insurance without strict safety and soundness regulation.

Well, if you think that, you think wrong.

Currently, the Federal Government does almost nothing to oversee Fannie Mae and Freddie Mac for safety and soundness. The Department of Housing and Urban Development has oversight of Fannie Mae and Freddie Mac but has never done a financial audit of Fannie Mae and has never successfully promulgated a regulation for Freddie Mac.

HUD presently has only six, part-time employees regulating these two GSE's $900 billion in complex secondary market liabilities. Reports by the Government Accounting Office, the Department of the Treasury, and the Congressional Budget Office all found HUD's regulation unsatisfactory and, all three of these groups recommended removing regulatory authority over Freddie Mac and Fannie Mae from HUD.

HUD's abysmal management track record aside, I do not believe that the agency responsible for promoting housing can also be asked to regulate for financial safety and soundness. HUD faces an inescapable and unresolvable conflict between fostering financial safety and soundness in the GSE's and encouraging them to invest in low income housing—an inherently risky endeavor.

Even HUD agrees that it should not be in charge of ensuring the financial health of these two enterprises. In a September 16, 1991, American Banker article, HUD Deputy Secretary Alfred A. DelliBovi admitted that HUD did not have the skill to police the GSE's sophisticated bond market operations. DelliBovi candidly stated: "We don't win if the taxpayer loses."

It is clear that the taxpayer wins if the regulation of GSE's is moved out of the overburdened, underqualified HUD.

The Banking Committee's bill goes a long way toward doing this. It sets up a safety and soundness regulator for Fannie Mae and Freddie Mac that is an office within HUD—but an independent office that doesn't have to answer to the HUD secretary.

Frankly, I would have preferred to take the GSE regulator out of HUD altogether. I had intended to offer an amendment that would have removed the regulation of Fannie Mae and Freddie Mac from HUD and put it in the hands of a three member board. The board was composed of a chairperson appointed by the President and confirmed by the Senate, the Secretary of HUD, and the Secretary of the Treasury. The Board would have provided serious and balanced regulatory guidance to Fannie Mae and Freddie Mac—guidance warranted by the huge taxpayer-backed liabilities held by these two institutions.

My approach is supported by the general Accounting Office, National Taxpayers Union, and Consumer Federation of America.

In July of last year, the Subcommittee on Government Information and Regulation, which I chair, held a hearing on the regulation of GSE's. All of the witnesses at our hearing—GAO, the Treasury Department, and Mr. Thomas Stanton, a renowned expert on the GSE's—testified in favor of the sort of approach contained in my amendment.

I have decided to hold off offering my amendment in favor of a sense-of-the-Senate resolution that Chairman RIEGLE has graciously accepted. This resolution says that the GSE bill reported out of conference must include the establishment of a regulator for GSE safety and soundness that is independent of HUD. Though I believe my three member board is the best way to achieve this, I am willing to accept any proposal that fits this general description.

I cannot stress how important it is that we create an effective regulator for Fannie Mae and Freddie Mac—now, before the first tax dollar is lost. The way to do that is to get the regulators away from HUD, and away from the conflict between promoting housing and protecting taxpayer dollars. The Banking Committee has made a good start toward that end, and I look forward to the strong finish in the bill that emerges from conference.

I don't want to be down on this floor 5 years from now apologizing for losing taxpayer dollars that we could save today. I urge by colleagues to vote for this bill, and to support a conference report that includes a strong, independent regulator for Fannie Mae and Freddie Mac.

THE BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

Mr. CRAIG. Mr. President, I rise to try and wrap up several issues that have been raised in the debate on the Balanced Budget Amendment over the last few days.

RECOGNITION

This amendment will not go away after this last procedural vote today. It will be back because sending this amendment to the States for ratification is the right thing to do, because the people demand it, and because of the leadership of many exceptional individuals and organizations. There are too many who have made signal contributions, inside and outside of this body, to recognize here. But I will sound just a few, brief notes of recognition here.

I want to acknowledge the tireless and longstanding leadership of the former President pro tempore, the distinguished Senator from South Carolina [Mr. THURMOND]; the principal sponsor of Senate Joint Resolution 18, the chairman of the Constitution Subcommittee, Mr. SIMON; and my House colleagues CHARLIE STENHOLM, BOB SMITH, and TOM CARPER, with whom I wrote the predecessor legislation to this year's House Joint Resolution 290 and Senate Joint Resolution 298.

I also want to acknowledge the leadership of the Balanced Budget Amendment Coalition, chaired by the National Taxpayers Union and very capably coordinated by Mr. Al Cors, which has brought together groups from all over the country dedicated to fiscal responsibility and economic growth. I would like to include in the RECORD a recent letter to the Senate from the coalition, along with a list of coalition members, and so I ask unanimous consent.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

[The Balanced Budget Amendment Coalition, June 5, 1992]

AN OPEN LETTER TO MEMBERS OF THE U.S. SENATE

The undersigned organizations urge you to vote for and support the Balanced Budget Amendment, S.J. Res. 18, as originally sponsored by Senators Simon, Thurmond, DeConcini, Hatch, Heflin, Simpson, and Grassley.

S.J. Res. 18 has broad bipartisan support (31 total Senate cosponsors) and certainly holds the greatest potential for Senate passage. This measure cleared the Senate Judiciary Committee last year on an eleven to seven vote, and is expected to be scheduled for floor consideration on or before June 5.

The need for this Constitutional Amendment has become obvious. Last year's federal budget deficit reached a record high of $269 billion. This year's deficit is estimated at an incredible $400 billion and FY '93 is presently expected to produce a deficit in excess of $350 billion.

Together, FY '91, '92, and '93 will add a total of $1 trillion in new federal debt. This shocking achievement contrasts sharply with the fact that it took 200 years for the federal government to accumulate the first $1 trillion in national debt.

We can no longer afford to postpone the passage of an effective Constitutional restraint on federal debt. In FY '93 alone, the cost of financing a $4 trillion plus national debt will exceed $315 billion in interest payments, the largest single expenditure in the federal budget. The time for action is now.

S.J. Res. 18 is a sound amendment that has evolved through years of work by the principal sponsors. It provides the Constitutional strength to make balanced federal budgets the norm, rather than the rare exception (once in the past 30 years), and it offers the proper flexibility to deal with national emergencies.

S.J. Res. 18 is also designed to make raising federal taxes more difficult. It would require a majority of the whole number of both houses of Congress—by roll call vote—to enact any tax increase. This adds accountability as well as an appropriate focus on spending restraint.

Unless action is taken now, federal debt and deficits will continue to cripple our economy and mortgage our children's future. For those important reasons, we urge you to pass S.J. Res. 18, the Balanced Budget Amendment.

Sincerely,

National Taxpayers Union.
National Cattlemen's Association.
Associated Builders & Contractors.
American Farm Bureau Federation.
Concerned Women for America.
Americans for a Balanced Budget.
American Legislative Exchange Council.
International Mass Retail Association.
National American Wholesale Grocers Association.
Independent Bakers Association.
National Independent Dairy Foods Association.
Irrigation Association.
Motorcycle Industry Council.
American Supply Association.
American Machine Tool Distributors.
American Tax Reduction Movement.
National Lumber & Building Material Dealers Association.
National Truck Equipment Association.
Door & Hardware Institute.
Steel Service Center Institute.
American Association of Boomers.
National Grange.
U.S. Federation of Small Businesses.
Associated Equipment Distributors.
Beer Drinkers of America.
Truck Renting and Leasing Association.
American Bakers Association.
National Association of Homebuilders.
National Association of Plumbing-Heating-Cooling Contractors.
American Subcontractors Association.
Howard Jarvis Taxpayers Association (CA).
Connecticut Taxpayers Committee.
Alliance of California Taxpayers & Involved Voters (ACTIV).
Citizens for Limited Taxation (MA).
United Taxpayers of New Jersey.
Citizens Against Higher Taxes (PA).
North Carolina Taxpayers Union.
Texans for Limited Taxation.
National Taxpayers Union of Ohio.
Iowans for Tax Relief.
Hands Across New Jersey.
National Taxpayers United of Illinois.
Tax Accountability '92 (IL).
Angry Taxpayer Action Committee (IL).
Northwest Ohio (Toledo) Taxpayer Action Network.
Cleveland Taxpayer Action Network (OH).
Alameda County Waste Watchers (CA).
Taxpayers United of Minnesota.
Texas Association of Concerned Taxpayers (TACT).
West Virginia State Taxpayer Action Network.
El Paso Voters Coalition (TX).
Akron Taxpayers Alliance (OH).
San Jose Family Taxpayers Outreach (CA).
Taxpayers United for the Michigan Constitution.
Taxpayers United for Assessment Cuts (MI).
Delaware Taxpayer Mobilization Corps.
Floridians for Tax Relief.
Macomb County Taxpayers Association (MI).
Florida State Citizens Against Government Waste.
Tax PAC, Inc. (NY).
Westchester Taxpayers Alliance (NY).
South Carolina Association of Taxpayers.

MODIFICATION TO THE LANGUAGE

Mr. CRAIG. Last night, I heard the concern raised by one Senator that the language of the amendment brought to the floor by the Senator from Oklahoma [Mr. NICKLES] is different from Senate Joint Resolution 18 as reported by the Judiciary Committee.

Mr. President, it is not exactly a revolutionary idea that legislation continues to evolve some after being reported by a committee. That is why we have the right to offer amendments on the floor. In this particular case, it is particularly perplexing that such a concern would be raised.

On June 9, the principal sponsors and supporters of both the leading versions of the amendment at that time, Senate Joint Resolution 18 and House Joint Resolution 290/Senate Joint Resolution 298, wrapped up a series of meetings held to find common ground between those already very compatible versions. Our hope was that we could reach a consensus in advance and avoid a possible killer-conference upon passage by both bodies. Not only did we reach an agreement, but I think most—and possibly all—of the participants believe we improved on both versions.

The leading House sponsors accepted Senator HEFLIN's language on serious military threats; the Senate supporters accepted the requirement of a three-fifths vote on a debt limit—a provision similar to one adopted twice before on the floor of the Senate; and both sides accepted the new section 6, providing for enforcement and implementation; and a more realistic effective date, fiscal year 1998 at the earliest, was added.

In other words, the bipartisan, bicameral consensus language improved on the workability of the House version and improved on the enforceability of the Senate version. Were there changes? Yes. In fact, they were all improvements. Even so, the original two versions were not so far apart.

We do not ever doubt the statements made by another Senator, nor should we. But I must confess that I cannot imagine how any Senator who supported the earlier version could have difficulty with the version now before us. As the Senator from Oklahoma pointed out last week, this is the Stenholm-Simon amendment; it is also the Thurmond-Hatch-Craig, and the DeConcini-Heflin, and the Smith-Snowe-Michel, and the Carper-Moody-Kennedy, and the Gramm-Domenici amendment, and that of others, as well.

To make sure the record is clear, I ask unanimous consent that a side-by-side comparison of the language of these three versions be printed in the RECORD.

There being no objection, the comparison was ordered to be printed in the RECORD, as follows:

H. J. Res. 290 / S. J. Res. 298 (as introduced)	S. J. Res. 18 (Report No. 102–103)	Bipartisan, Bicameral Consensus June 9, 1992
Section 1. Prior to each fiscal year, the Congress and the President shall agree on an estimate of total receipts for that fiscal year by enactment of a law devoted solely to that subject.[1] Total outlays for that year shall not exceed the level of estimated receipts set forth in such law, unless three-fifths of the whole number of each House of Congress shall provide, by a rollcall vote, for a specific excess of outlays over estimated receipts.	Section 1. Total outlays of the United States for any fiscal year shall not exceed total receipts to the United States for that year, unless Congress approves a specific excess of outlays over receipts by three-fifths of the whole number of each House on a rollcall vote.	Section 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over estimated receipts by a rollcall vote.
Section 2. The limit on the debt of the United States held by the public shall not be increased unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.	Section 2. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that year in which total outlays do not exceed total receipts.	Section 2. The limit on the debt of the United States held by the public shall not be increased unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.
Section 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts.	Section 3. Any bill to increase revenue shall become law only if approved by a majority of the whole number of each House by a rollcall vote, unless such bill is approved by unanimous consent.	Section 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts.
Section 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.	Section 4. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect.	Section 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.
Section 5. The provisions of this article may be waived for any fiscal year in which a declaration of war is in effect.	Section 5. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House of Congress, which becomes law.	Section 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security, and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.
Section 6. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.	Section 6. Total receipts shall include all receipts of the United States except those derived from borrowing. Total outlays shall include all outlays of the United States except those for repayment of debt principal.	Section 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.
Section 7. This article shall take effect beginning with fiscal year 1995[2] or with the second fiscal year beginning after its ratification, whichever is later.	Section 7. This article shall take effect beginning with the second fiscal year beginning after its ratification.	Section 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.
		Section 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is later.

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[1] In S.J. Res. 298: "Prior to each fiscal year, an estimate of total receipts for that fiscal year shall be determined by enactment of a law.—"
[2] "1997" in S.J. Res. 298.

CLARIFICATION AS TO ENFORCEMENT LANGUAGE

Mr. CRAIG. Mr. President, speaking of the new section 6, last night, the Senator from Maryland [Mr. SARBANES] stated that this language is the same as enforcement language in the 14th amendment, which, he said, has spawned hundreds of lawsuits.

First, I believe the Senator was in error and I want to help him to be clear on the differences between the two very different enforcement clauses; and, second, I want to note that the argument he made is misdirected.

Section 6 of the bipartisan, bicameral consensus balanced budget amendment states that, "Congress shall enforce and implement this article by appropriate legislation * * *," while the 14th and several other amendments have language to the effect that, "Congress shall have the power to enforce * * *."

I included in the RECORD last week a section-by-section analysis of the balanced budget amendment, including a thorough discussion of the differences between these two approaches. For the convenience of readers of the record of this debate, I ask unanimous consent that a relevant excerpt from that analysis be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Section 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

This section requires the adoption of legislation necessary, appropriate, and reasonable to enforce and implement the Balanced Budget Amendment. There is no need—and arguably it would be a bad idea—explicitly to foreclose the possibility of judicial interpretation or enforcement. However, this language further tilts presumptions of such responsibilities toward extremely limited court involvement. This language also is intended to prevent the possibility of an interpretation that could shift the current balance of power among the branches in favor of the Executive.

Detailed analysis:

"*The Congress shall enforce and implement* . ." differs from clauses included in several other amendments that state, "The Congress shall have power to enforce . . . ." This latter clause has been employed only where there was concern that the question could arise as to whether Congress had the power to pre-empt state laws or constitutions or was venturing impermissibly beyond its constitutionally enumerated powers and into the rights reserved to the states or the people.

Here, no such question of pre-emption is conceivable. Congress clearly has the power to enforce and implement this Article, under the "necessary and proper" clause in Article I, Section 8, which states: "The Congress shall have Power . . . To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof."

This section creates a positive obligation on the part of Congress to enact appropriate implementation and enforcement legislation. As a practical matter, this language simply requires what is evitable and predictable. It is a simple statement that, however well-designed, a constitutional amendment dealing the subject matter as complicated as the federal budget process needs to be supplemented with legislation. It is a means of owning up to the truth in the arguments made by many Members of Congress—both supporters and opponents—that Members must expect to do more than cast this one vote to pass this one amendment, to ensure that deficits are brought down and, ultimately, eliminated.

The inclusion of a positive obligation to legislate does not make the Article more difficult to enforce, nor is it without precedence in the Constitution. Article I, Section 2, Clause 3 provides: "Representatives and direct Taxes shall be apportioned among the several States . . . according to their respective Numbers, which shall be determined by . . . [an] actual Enumeration . . . made within three Years . . . and within every subsequent Term of ten Years, in such Manner as they shall by Law direct. . . ." The critic who today asks, "What if Congress just doesn't enact implementing and enforcing legislation?" would be the counterpart of the critic who might have asked in 1787, "What if Congress just doesn't authorize or appropriate for a Census, if, in their own self-interest, they don't want the current apportionment to be changed?" In this case, it manifestly would be in Congress' own best interest to enact legislation ensuring a complete and clearly-defined budget process consistent with the Balanced Budget Amendment.

Mr. CRAIG. Mr. President, I also point out that, one of the main reasons for the occurrence of the litigation to which the Senator from Maryland has referred is the fact that a hundred years of legislation enacted under the Civil War civil rights amendments explicitly provide for court remedies. When we write legislation implementing and enforcing the balanced budget amendment, we can make sure that the opportunity for court action is just as limited as we want it to be.

THE DEBT LIMIT VOTE AND ENFORCEABILITY

One of the numerous reasons this amendment will not draw the courts into the budgeting process is the inclusion of section 2, providing that a statutory limit on the amount of Federal debt held by the public can only be raised upon a three-fifths vote of both bodies of Congress.

The ranking member of the Budget Committee, the Senator from New Mexico [Mr. DOMENICI], accurately and cogently pointed out last night that this provision effectively makes the amendment self-enforcing, and that section 6 and section 2 in combination will ensure that the legislative branch loses none of the power of the purse to the executive or the judiciary.

The President pro tempore expressed concern over section 2 because bills to raise the current statutory debt limit rarely receive the votes of 60 percent in either body. That is exactly right. That is why the provision is in the amendment. That is why it will provide such effective self-enforcement.

Every debt-limit vote is dreaded. And sometimes the cost of passing a debt-limit bill is the attachment of a legislative rider. That is how we got Gramm-Rudman-Hollings enacted into law. But we do pass every debt-limit bill, because the consequences are so potentially serious if we do not. What section 2 does is take the consequences of failing to raise the debt limit and extending those same consequences to a failure to balance the budget.

What a novel idea, Mr. President, that running deficits should have a consequence. Now, certainly deficits already have economic consequences, but those are so diffuse and so far in the future, and there is so little accountability as to how they come about, that there is no meaningful, assignable, political consequence for deficits.

Section 2 changes that: It gives us timely, procedural, and political consequences. Bitter consequences, and that is how it should be.

And, taken together, all the provisions of the amendment give us the accountability that is now lacking: The President must submit balanced budgets. Congress cannot allow deficits without voting for them. And then both branches, and particularly the administration and the congressional leadership, which always prefer "clean debt-limit bills, will face the bitter task of trying to round up supermajorities to pass those debt-limit bills and to fend off amendments supported by 40-percent-plus-one of the members in either body.

Actions and consequences, Mr. President, that is what this amendment is about, and that is an appropriate procedural safeguard to enshrine in the Constitution.

So, I agree that the President pro tempore has accurately portrayed the daunting task of passing debt-limit bills and the consequences of failing to do so. Under our amendment, that daunting task and those serious consequences will appear every time the budget is not balanced. That will motivate the President to propose and the Congress to enact balanced budgets. That is what makes our amendment self-enforcing. The President pro tempore has offered a correct analysis on this point and, in doing so, has made our point for us.

OPPONENTS CANNOT HAVE IT BOTH WAYS

Among the few Senators who have spoken in opposition to the balanced budget amendment, some have criticized it as a straightjacket on the economy and some have derided it as unenforceable and riddled with loopholes. Seriously, folks, it is not possible to have an amendment that is both too flexible and not flexible enough at the same time. Increasingly, as we have fine-tuned the amendment itself, built an ever more substantial legislative record around it, and seen support for the amendment grow ever more broad-based, such arguments are the last resort of those few who would oppose an amendment of any design. And as our fiscal situation has deteriorated, we are finding that virtually all of those who still oppose a balanced budget amendment do so because they are opposed to achieving a balanced budget.

Opponents cannot take two extreme positions—citing loopholes and inflexibility—and argue them with consistence. On the other hand, those of us who have worked on shaping the amendment can have it both ways, because our efforts have met in the middle.

This bipartisan, bicameral consensus version of the amendment is responsive to reasonable concerns and reservations raised over the years. It focuses on accountability and is procedurally enforceable—in essence allowing the democratic process to work more perfectly, and more the way the original framers of the Constitution intended. We have walled the courts out of the budget writing and tax raising process. The waivers or exceptions allowed involve supermajority votes that, under serious enough circumstances, are not unattainable. The language has been worked and reworked and polished so that it truly is constitutional in its substance and in the care taken in its drafting.

ON THE CONSTITUTION AND THE INSTITUTION OF THE SENATE

The President pro tempore has spoken eloquently and movingly over the past days about the nature of, and his devotion to, both the Constitution and the institution of the Senate. And he is second to none in his learned and earnest devotion to both.

It has been my experience, Mr. President, that all 100 of us in this body, and all 540 of us in both bodies, sincerely aspire to such standards. I do not know of one colleague who holds the constitution in less than the greatest esteem or takes his or her legislative responsibilities lightly.

That is one more reason I believe the balanced budget amendment will work. I do not believe one committee chair, one Senator, one Representative, or any President, will thumb his or her nose at the Constitution when we finally add the balanced budget amendment to it. We are not going to create 10-year-long fiscal years or privatize our Nation's defense or contract out the Social Security system.

And if the Nation's elected officials really were that determined to run huge deficits and accumulate still more astronomical sums of debt to pass on to our children, then the days of the republic are numbered, with or without any constitutional provision, no matter what we do.

But I have more faith in our system that that, and more faith in how seriously Congresses and Presidents take their constitutional responsibilities.

I have worked on this amendment for 10 years. It is because of my faith in our system; because of my earnest, deep concern that the fiscal processes of our system of representative democracy are in grave disrepair; my considered belief that the balanced budget amendment is what is needed to restore our system to robust health; and my eagerness to see the people and their State legislatures take part in the great constitutional debate certain to accompany ratification; that I have committed that time and effort to passing this amendment.

(At the request of Mr. MITCHELL, the following statement was ordered to be printed in the RECORD:)

• Mr. BRADLEY. Mr. President, as deeply divided as Members are over a constitutional amendment mandating a balanced budget, the debate we are having today is not about substance. We all agree that we cannot afford to continue to accumulate the biggest budget deficits in our history. And we all agree on the problem. The problem is that Congress and the President—in our desire to meet the many needs of the American people—find it easier to expand programs and to cut taxes than to eliminate programs and to increase taxes.

But the debate we are having today is not about which programs to cut, about how to stop the unchecked growth of entitlement spending, about whether and how to increase taxes; the debate today is about process. If a decade of procedural fixes to the deficit has shown us anything, it has shown us that such fixes are no substitute for leadership. They may even be counterproductive by allowing us to appear to be doing something while still ducking the tough issues. The plan truth is that the Senate already has all of the procedures it needs to reduce deficits. It simply lacks the will.

Mr. President, the debate we should be having—that I believe we must have—is over the role of the Federal Government in the post-cold-war world. We should be facing up to the tough choices that a $4 trillion national debt will force upon us.

I recently requested, along with Senator DOMENICI, a report from the General Accounting Office looking at the long-term damage to the economy cause the deficit. GAO's conclusions were alarming. If we continue on our current spending and revenue paths, the deficit could reach 20 percent of GNP by the year 2020 and net annual interest costs could rise to over a trillion dollars. GAO noted that the deficit will continue to slowly erode our investment base, condemning us to slow growth and stagnant income and jeopardizing our children's way of life. If we fail to return to fiscal sanity, we risk making the United States a second-rate economic power.

But the flip-side is also true. The payoffs to deficit reduction are large. While deficit reduction means denying ourselves immediate gratification, it also means an economy which is growing twice as fast over the next 20 years. The GAO report shows that the best long-term growth strategy which this Congress and administration could pass would be a sustainable program to reduce the deficit. Compared to taking no action, real per capita income could be 36 percent higher in 2020 were we to balance the budget by the year 2001. Getting to that point, however, will take unprecedented leadership.

Unfortunately, Mr. President, the amendment we are debating today is simply a substitute for leadership. Before taking this route, we would do well to remind ourselves of why we were elected. John Locke in the Second Treatise of Civil Government stated, "* * * the legislative cannot transfer the power of making laws to any other hands; for it being a delegated power from the people, they who have it cannot pass it over to others."

Under our Constitution, it is the Congress that is vested with the power to make all laws, and it is our job as Senators to make decisions about these laws and live with the implications of these decisions. We cannot—as individual Senators or a body—delegate this power to others.

But this is exactly what we are being asked to do here today—delegate our authority to decide Federal spending priorities. Although no one is even clear just how such an amendment would be enforced, passage of this amendment would clearly shift power to the judicial branch who must interpret the constitutionality of government action and to a minority of Congress who could effectively block action due the requirement for a three-fifths vote to override the amendment.

The irony is that nothing in the Constitution stands in the way of a balanced budget. We can have a balanced budget whenever enough Members of Congress are ready to vote for one. If we are a body agree that deficits should be reduced, then we as a body should take the responsibility for making the necessary decisions and live with the consequences.

I am also concerned that such a amendment will deepen our recessions. A long-standing belief behind our economic policies has been the ability of fiscal spending to moderate our cyclical downturn. We have many programs in place that operate as automatic stabilizers. These programs—such as unemployment insurance, food stamps, and AFDC—assist those people who are most directly affected by a sagging economy. Under the proposed constitutional amendment, unless 60 Senators agreed, these automatic stabilizers would have to be curtailed or other programs sacrificed to keep them going during economic downturns. Forcing discretionary cuts or tax increases in years when recession reduces tax receipts would be ill-advised.

Mr. President, since the adoption of our Constitution in 1789, the amendment process has been used very sparingly. Twelve of the 26 amendments protect the rights of individuals, including the Bill of Rights, the prohibition of slavery and the guarantee of due process and equal protection. Five of the twenty-six amendments extend the right to vote. Seven of the twenty-six amendments deal with how our Government should be structured: judicial power, the electoral college, the income tax, popular election of Senators, et cetera.

Of the 26 amendments enacted, all but 2 have been drafted to correct a flaw in the original structure of the Constitution or to protect the fundamental rights of American citizens. The only two exceptions are the amendments which were passed to establish Prohibition and then to repeal it.

Prohibition—established by the 18th amendment and repealed by the 21st amendment—was a scar on the face of our Constitution. Its proponents screamed, "Keep us from drinking!" only to find there was not the will equal to the words.

Mr. President, I find a parallel between the prohibition amendment and the balanced budget amendment. Proponents of this amendment scream, "Keep us from spending!" only to find that there must be the will to equal the words.

And without that will, the amendment will make little difference. If our experience with Gramm-Rudman and the budget agreement has shown anything, it has shown the ability of Congress to get around rules meant to limit deficits. If we are unwilling to make unpopular votes, the amendment will result in placing more programs off-budget, mandating more expenditures by the States, and playing more tricks with revenue and expenditure estimates. And to the extent that we are putting false promises into the Constitution, we are demeaning our most important public document, the foundation of our democracy.

Mr. President, rarely have I seen Congress held in such low esteem by the country as it has been this year. The American people have lost faith that their Congress will be able to make the tough choices required for leadership. Nor will a lengthy debate over an amendment which the House has already rejected improve our image with the American people.

I believe the time has come to regain the trust of the American people. The discussion today proves that there is a broad consensus behind reducing the deficit. We should build on that consensus by initiating a bipartisan debate on just what it will take to reach a balanced budget.

There is no magic formula for reducing the deficit. We have two basic options. We can reduce spending, or we can raise taxes. The final answer will likely be some mixture of both.

In order to have credibility with the American people, Congress must first cut back obsolete and inefficient discretionary spending. These cuts must come from both the defense and domestic sectors. But that alone is unlikely to be enough. The projected deficit for 1993 is $237 billion. Even if we cut all of our nondefense discretionary spending, we still would not be close to a balanced budget.

The fact is that we have built in deficits into our budgets. Mandatory outlays have risen from 5.9 percent of our GNP in the 1960's to 14.4 percent today. In fiscal year 1993, mandatory spending will be fully half of Federal outlays. And these costs will keep growing unless we do something to control them. GAO estimates that interest payments will rise to 13.4 percent of our GNP by 2020 in the absence of serious deficit reduction. Social Security and Medicare are predicted to increase from 6.7 percent of GNP to 11.2 percent of GNP. In other words, if we fail to act, 1 out of every 4 dollars our Nation produces in 2020 will be recycled back into entitlements. If we are to be honest, we should admit to the American people that true deficit reduction will require controls over entitlement spending. We can't begin the balanced budget debate by leaving one-half of Government spending off of the table.

We should also be discussing new sources of revenues. I think on this score, we have basically three options. We could rely upon base-broadening by eliminating the loopholes which remain in our Tax Code. We could raise rates, particularly on the wealthiest in our society. Or we could increase taxes on consumption.

Mr. President, the bottom line is that we have to decide just what it is that we owe to the future. By running deficits, we have been acting as if we owe no obligation at all to the future. Traditionally, Americans have thought otherwise. We have seen ourselves in a stream of Americans, with ties to each other across time. We have agreed with Edmund Burke, who saw society as a "partnership not only between those who are living, but between those who are dead, and those who are to be born." Otherwise, "The whole chain and continuity of the commonwealth would be broken. No one generation could link with the other."

Instead of wasting time with balanced budget amendments, let's get onto the job of fashioning real deficit reduction. One of the great tasks for this and the next Congress will be to define—in terms of specific policies and spending priorities—what such a partnership across time should mean. The first step should be to stop arguing about process and start debating substance. If the American people are to be prepared for the sacrifices necessary to put us back on a track toward long-term growth, their elected leaders must be candid in their description of the problem and forthcoming in their discussion of possible solutions.

Leadership cannot come from Congress alone. Our Presidential candidates need to lay out—in detail—their plans for deficit reduction by October 1. This will enable Americans to decide on the best approach for America's future. And it will serve as a mandate for the new administration. Whoever is elected President in November will have to present each Congress man and woman with the vote of his or here lifetime—a program to balance the budget, invest in our future, and restore economic growth. And when that time comes, I hope that each Senator here will think about the contract we must make with our children—to provide them with the same opportunities that our parents provided us.●

The PRESIDING OFFICER. Under the previous order, the clerk will read the bill for the third time.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. MITCHELL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "nay."

The result was announced—yeas 77, nays 19, as follows:

[Rollcall Vote No. 137 Leg.]

YEAS—77

Adams
Akaka
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Breaux
Bryan
Bumpers
Burdick
Byrd
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Exon
Ford
Fowler
Garn
Glenn
Gore
Graham
Grassley
Harkin
Hatch
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kasten
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin

Lieberman
Lott
Mack
McConnell
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nunn
Packwood
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Rudman
Sarbanes
Sasser
Seymour
Shelby
Simon
Simpson
Specter
Warner
Wellstone
Wirth
Wofford

NAYS—19

Brown
Burns
Chafee
Coats
Craig
Dole
Domenici
Durenberger
Gorton
Gramm
Lugar
McCain
Nickles
Pressler
Smith
Stevens
Symms
Thurmond
Wallop

NOT VOTING—4

Bradley
Helms
Roth
Sanford

So the bill (S. 2733) was passed, as follows:

S. 2733

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Federal Housing Enterprises Regulatory Reform Act of 1992".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purposes.
Sec. 3. Definitions.
Sec. 4. Effective date.

TITLE I—SUPERVISION AND REGULATION OF THE ENTERPRISES

Sec. 101. Establishment of the Office of Federal Housing Enterprise Oversight.
Sec. 102. Duties of Director.
Sec. 103. Authority of Director.
Sec. 104. Personnel.
Sec. 105. Funding.
Sec. 106. Information, records, and meetings.
Sec. 107. Regulations.
Sec. 108. Savings provision.
Sec. 109. Annual report of the Director.
Sec. 110. Financial reports and examinations.
Sec. 111. Equal opportunity in solicitation of contracts.
Sec. 112. Conforming amendment.
Sec. 113. Amendment to Department of Housing and Urban Development Act.
Sec. 114. Protection of confidential information.
Sec. 115. Limitation on subsequent employment.
Sec. 116. Protecting taxpayers against liability for the enterprises.
Sec. 117. Annual litigation report.
Sec. 118. Prohibiting excessive compensation.

TITLE II—REQUIRED CAPITAL LEVELS FOR THE ENTERPRISES AND SPECIAL ENFORCEMENT POWERS

Sec. 201. Risk-based capital levels.
Sec. 202. Minimum capital levels.
Sec. 203. Critical capital levels.
Sec. 204. Capital classifications.
Sec. 205. Supervisory actions applicable to enterprises.
Sec. 206. Changes in the classification of an enterprise in connection with a capital restoration plan.
Sec. 207. Mandatory appointment of conservator for critically undercapitalized enterprises.
Sec. 208. Capital restoration plans.
Sec. 209. Notice and hearing.
Sec. 210. Judicial review of Director action.
Sec. 211. Ratings.
Sec. 212. Capital.

TITLE III—ENFORCEMENT PROVISIONS

Sec. 301. Cease-and-desist proceedings.
Sec. 302. Temporary cease-and-desist orders.
Sec. 303. Hearings and judicial review.
Sec. 304. Jurisdiction and enforcement.
Sec. 305. Civil money penalties.
Sec. 306. Notice under this title after separation from service.
Sec. 307. Private rights of action.
Sec. 308. Subpoena power.
Sec. 309. Public disclosure of final orders and agreements.

TITLE IV—CONSERVATORSHIP

Sec. 401. Appointment of conservator.
Sec. 402. Powers of a conservator.
Sec. 403. Termination of conservatorship.
Sec. 404. Liability protection.
Sec. 405. Enforcement of contracts.

TITLE V—HOUSING

Sec. 501. General authority.
Sec. 502. Low- and moderate-income housing goal.
Sec. 503. Special affordable housing goal.
Sec. 504. Central city, rural area, and other underserved areas housing goal.
Sec. 505. Other requirements.
Sec. 506. Monitoring compliance with housing goals.
Sec. 507. Data collection and reporting requirements for the enterprises.
Sec. 508. Annual report of the Director.
Sec. 509. Compliance.
Sec. 510. Advisory council.
Sec. 511. Geographic distribution.
Sec. 512. Multifamily mortgage activities.
Sec. 513. Board of Directors qualifications.
Sec. 514. Fair housing.
Sec. 515. Prohibition on public disclosure of proprietary information.

TITLE VI—CHARTER ACT AMENDMENTS

Sec. 601. Amendments to the Federal National Mortgage Association Charter Act.
Sec. 602. Amendments to the Federal Home Loan Mortgage Corporation Act.

TITLE VII—REGULATION OF FEDERAL HOME LOAN BANK SYSTEM

Sec. 701. Primacy of financial safety and soundness for Federal Housing Finance Board.
Sec. 702. Study regarding Federal Home Loan Bank System.
Sec. 703. Reports of Federal Home Loan Banks.
Sec. 704. Reports of Federal Home Loan Bank members.
Sec. 705. Full-time status of FHFB members.
Sec. 706. Exception to requirements for advances under the Federal Home Loan Bank Act.

TITLE VIII—STUDY OF NATIONAL CONSUMER COOPERATIVE BANK

Sec. 801. Study of National Consumer Cooperative Bank.

TITLE IX—MISCELLANEOUS

Subtitle A—Miscellaneous

Sec. 901. Privatization study.
Sec. 902. Housing assistance in Jefferson County, Texas.
Sec. 903. Applicability of shelter plus care.
Sec. 904. Adjustable rate mortgage caps.
Sec. 905. Community development authority of banks.
Sec. 906. Sense of the Senate.
Sec. 907. 4-month extension of transition rule for separate capitalization of savings associations' subsidiaries.
Sec. 908. Credit card sales.
Sec. 909. Real estate appraisal amendment.
Sec. 910. Extension of civil statute of limitations.
Sec. 911. Aggtregate limits on insider lending.
Sec. 912. Clarification of compensation standards.
Sec. 913. Truth in Savings Act amendments.
Sec. 914. Railroad strike.
Sec. 915. Moratorium on interstate branching by savings associations.
Sec. 916. Studies on the effectiveness of the Comprehensive Environmental Response, Compensation, and Liability Act.

Subtitle B—Presidential Insurance Commission

Sec. 921. Short title.
Sec. 922. Findings.
Sec. 923. Establishment.
Sec. 924. Duties of the Commission.
Sec. 925. Membership and compensation.
Sec. 926. Powers of Commission.
Sec. 927. Staff of Commission; experts and consultants.
Sec. 928. Report.
Sec. 929. Termination.
Sec. 930. Authorization of appropriations.

Subtitle C—Secondary Market for Commercial Mortgage and Small Business Loans

Sec. 931. Short title.
Sec. 932. Purpose.
Sec. 933. Findings.
Sec. 934. Secondary market for commercial mortgage and small business loans.

Subtitle D—Asset Conservation and Deposit Insurance Protection

Sec. 941. Short title.
Sec. 942. Asset conservation and deposit insurance protection.

Subtitle E—Limitations on Liability

Sec. 951. Directors not liable for acquiescing in conservatorship, receivership, or supervisory acquisition or combination.
Sec. 952. Limiting liability for foreign deposits.
Sec. 953. Amendment to International Banking Act of 1978.

TITLE X—MONEY LAUNDERING

Sec. 1001. Short title.

Subtitle A—Termination of Charters, Insurance, and Offices

Sec. 1011. Revoking charter of Federal depository institutions convicted of money laundering or cash transaction reporting offenses.
Sec. 1012. Terminating insurance of State depository institutions convicted of money laundering or cash transaction reporting offenses.
Sec. 1013. Removing parties involved in currency reporting violations.
Sec. 1014. Unauthorized participation.
Sec. 1015. Access by State financial institution supervisors to currency transactions reports.
Sec. 1016. Restricting State branches and agencies of foreign banks convicted of money laundering offenses.

Subtitle B—Nonbank Financial Institutions and General Provisions

Sec. 1021. Identification of financial institutions.
Sec. 1022. Prohibition of illegal money transmitting businesses.
Sec. 1023. Compliance procedures.

Sec. 1024. Nondisclosure of orders.
Sec. 1025. Improved recordkeeping with respect to certain international funds transfers.
Sec. 1026. Use of certain records.
Sec. 1027. Suspicious transactions and financial institution anti-money laundering programs.
Sec. 1028. Report on currency changes.
Sec. 1029. Report on bank prosecutions.
Sec. 1030. Anti-money laundering training team.
Sec. 1031. Money laundering reporting requirements.
Subtitle C—Money Laundering Improvements
Sec. 1041. Jurisdiction in civil forfeiture cases.
Sec. 1042. Civil forfeiture of fungible property.
Sec. 1043. Administrative subpoenas.
Sec. 1044. Procedure for subpoenaing bank records.
Sec. 1045. Deletion of redundant and inadvertently limiting provision in 18 U.S.C. 1956.
Sec. 1046. Structuring transactions to evade CMIR requirement.
Sec. 1047. Clarification of definition of financial institution.
Sec. 1048. Definition of financial transaction.
Sec. 1049. Obstructing a money laundering investigation.
Sec. 1050. Awards in money laundering cases.
Sec. 1051. Penalty for money laundering conspiracies.
Sec. 1052. Technical and conforming amendments to money laundering provision.
Sec. 1053. Preclusiion of notice to possible suspects of existence of a grand jury subpoena for bank records in money laundering and controlled substance investigations.
Sec. 1054. Definition of property for criminal forfeiture.
Sec. 1055. Expansion of money laundering and forfeiture laws to cover proceeds of certain foreign crimes.
Sec. 1056. Elimination of restriction on disposal of judicially forfeited property by the Department of the Treasury and the Postal Service.
Sec. 1057. New money laundering predicate offenses.
Sec. 1058. Amendments to the Bank Secrecy Act.
Subtitle D—Reports and Miscellaneous
Sec. 1061. Study and report on reimbursing financial institutions and others for providing financial records.
Sec. 1062. Reports of information regarding safety and soundness of depository institutions.
Sec. 1063. Immunity.
Sec. 1064. Interagency information sharing.
Sec. 1065. Additional definitions.
Subtitle E—Counterfeit Deterrence Act of 1992
Sec. 1071. Short title.
Sec. 1072. Increase in penalties.
Sec. 1073. Deterrents to counterfeiting.
Sec. 1074. Reproductions of currency.
TITLE XI—LIMITED PARTNERSHIP ROLLUP REFORM
Sec. 1101. Short title.
Sec. 1102. Revision of proxy solicitation rules with respect to limited partnership rollup transactions.
Sec. 1103. Rules of fair practice in rollup transactions.

SEC. 2. FINDINGS AND PURPOSES.

The Congress finds that—

(1) the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation (as set forth in section 301 of the Federal National Mortgage Association Charter Act and section 301 of the Federal Home Loan Mortgage Corporation Act), and the Federal Home Loan Banks have important public purposes;

(2) because the continued ability of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation to accomplish their public purposes is important to providing housing in the United States and the health of the Nation's economy, more effective Federal regulation is needed to reduce the risk of failure of the enterprises;

(3) given their current operating procedures, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation pose a low financial risk to the Federal Government;

(4) the securities issued by such enterprises are not backed by the full faith and credit of the United States;

(5) the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation have an affirmative obligation to facilitate the financing of affordable housing for low- and moderate-income families in a manner consistent with their overall public purposes, while maintaining a strong financial condition and a reasonable economic return; and

(6) the Federal Home Loan Bank Act should be amended to emphasize that providing for financial safety and soundness is the primary mission of the Federal Housing Finance Board.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) AFFILIATE.—Except as provided by the Director, the term "affiliate" means any entity that controls, is controlled by, or is under common control with an enterprise.

(2) CAPITAL DISTRIBUTION.—

(A) IN GENERAL.—The term "capital distribution" means—

(i) a dividend or other distribution in cash or in kind made with respect to any shares of or other ownership interest in an enterprise, except a dividend consisting only of shares of the enterprise;

(ii) a payment made by an enterprise to repurchase, redeem, retire, or otherwise acquire any of its shares, including any extension of credit made to finance an acquisition by the enterprise of such shares; or

(iii) a transaction that the Director determines by order or regulation to be in substance the distribution of capital.

(B) EXCEPTION.—A payment made by an enterprise to repurchase its shares for the purpose of fulfilling an enterprise obligation under an employee stock ownership plan that is qualified under section 401 of the Internal Revenue Code shall not be considered a capital distribution.

(3) DIRECTOR.—The term "Director" means the Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development.

(4) ENTERPRISE.—The term "enterprise" means—

(A) the Federal National Mortgage Association and any affiliate thereof; and

(B) the Federal Home Loan Mortgage Corporation and any affiliate thereof.

(5) EXECUTIVE OFFICER.—The term "executive officer" means, with respect to an enterprise, the chairman of the board of directors, chief executive officer, chief financial officer, president, vice chairman, any executive vice president, and any senior vice president in charge of a principal business unit, division, or function.

(6) LOW INCOME.—The term "low income" means—

(A) in the case of owner-occupied units, income not in excess of 80 percent of area median income; or

(B) in the case of rental units, income not in excess of 80 percent of area median income, with adjustments for smaller and larger families, as determined by the Secretary.

(7) MODERATE INCOME.—The term "moderate income" means—

(A) in the case of owner-occupied units, income not in excess of area median income; or

(B) in the case of rental units, income not in excess of area median income, with adjustments for smaller and larger families, as determined by the Secretary.

(8) MORTGAGE PURCHASES.—The term "mortgage purchases" includes mortgages purchased for portfolio or securitization.

(9) NEW PROGRAM.—The term "new program" means any product or program for the purchasing, servicing, selling, lending on the security of, or otherwise dealing in, conventional mortgages that—

(A) is significantly different from products or programs that have been approved under this Act or that were approved or engaged in by an enterprise before the effective date of this Act, or

(B) represents an expansion, in terms of the dollar volume or number of mortgages or securities involved, of products or programs above limits expressly contained in any prior approval.

(10) OFFICE.—The term "Office" means the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development.

(11) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 4. EFFECTIVE DATE.

Except where otherwise specified, the effective date of this Act shall be the date of the initial appointment of the Director.

TITLE I—SUPERVISION AND REGULATION OF THE ENTERPRISES

SEC. 101. ESTABLISHMENT OF THE OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT.

(a) ESTABLISHMENT.—There is established in the Department of Housing and Urban Development an Office of Federal Housing Enterprise Oversight.

(b) DIRECTOR.—

(1) IN GENERAL.—The Office shall be under the management of a Director who shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals who—

(A) are citizens of the United States,

(B) have a demonstrated understanding of financial management or oversight, and

(C) have a demonstrated understanding of mortgage security markets and housing finance.

(2) LIMITATION.—An individual may not be appointed as Director if the individual has served as an executive officer or director of an enterprise at any time during the 18-month period preceding the nomination of such individual.

(3) Compensation.—The Director shall be compensated as prescribed in section 5313 of title 5, United States Code.

(4) Term.—The Director shall be appointed for a term of 5 years.

(5) Vacancy.—A vacancy in the position of Director shall be filled in the same manner as the original appointment.

(6) Service after the end of the term.—A Director may serve after the expiration of the term for which the Director was appointed until a successor has been appointed.

(c) Effective Date.—Subsection (a) shall take effect on the date of enactment of this Act.

SEC. 102. DUTIES OF DIRECTOR.

(a) Primary Duty.—The primary duty of the Director shall be to ensure that the enterprises are adequately capitalized and operating safely in accordance with this Act and the charter Acts.

(b) Other Duties.—The Director shall also ensure that the enterprises carry out the public purposes of their respective charter Acts.

SEC. 103. AUTHORITY OF DIRECTOR.

(a) Authority Exclusive of the Secretary.—The Director is authorized, without the review or approval of the Secretary, to—

(1) issue regulations concerning the financial health and security of the enterprises, including the establishment of capital standards;

(2) develop and propose to the Secretary any other regulations necessary and proper to carry out this Act and ensure that the purposes of the charter Acts are accomplished;

(3) establish annual budgets, financial reports, and annual assessments for the costs of the Office;

(4) examine each enterprise's financial and operating condition;

(5) determine capital levels of the enterprises;

(6) undertake administrative and enforcement actions under this Act;

(7) appoint conservators for the enterprises;

(8) monitor and enforce compliance with housing goals under this Act;

(9) conduct research and financial analysis;

(10) submit annual and other reports required under this Act; and

(11) perform such other functions as are necessary to carry out this Act and ensure that the purposes of the charter Acts are accomplished.

(b) Authority Subject to the Secretary's Review.—Except as provided in subsection (a), the Director may issue any regulations necessary to carry out this Act and ensure that the purposes of the charter Acts are accomplished, including regulations—

(1) concerning the housing finance missions of the enterprises, including the affordable housing and other housing provisions under title V of this Act; and

(2) to establish and monitor compliance with fair lending requirements;

subject to the Secretary's review and approval.

(c) Delegation of Authority.—The Director may delegate to employees of the Office any of the functions, powers, and duties of the Director, as the Director considers appropriate.

(d) Independence in Providing Information to Congress.—The Director is not required to obtain the prior approval, comment, or review of any officer or agency of the United States before submitting to the Congress any recommendations, testimony, or comments if such submissions include a statement indicating that the views expressed therein are those of the Director and do not necessarily represent the views of the Secretary or the President.

(e) Approval of New Programs.—

(1) In general.—The introduction of a new program by an enterprise pursuant to its charter Act shall be subject to prior approval by both the Secretary and the Director, except as provided in paragraph (5).

(2) Approval procedure.—Not later than 45 days after submission of the request for approval of a new program or notice under paragraph (5)(A), the Secretary and the Director shall approve the new program or transmit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a report explaining why the new program has not been approved. The 45-day period may be extended for one additional 15-day period if the Secretary or the Director requests additional information from the enterprise, but the 45-day period may not be extended for any other reason. If the Secretary and the Director fail to transmit the report within the 45-day period or 60-day period, as the case may be, the enterprise may proceed as if the new program had been approved.

(3) Approval by the director.—

(A) In general.—The Director shall approve a new program unless the Director determines that the program would risk significant deterioration of the financial condition of the enterprise.

(B) Undercapitalized institutions.—If an enterprise is undercapitalized, the Director shall approve a new program only if the Director determines that the program will likely improve or not worsen the financial and capital condition of the enterprise.

(4) Approval by the secretary.—The Secretary shall approve a new program unless the Secretary determines that the program is not authorized by the relevant charter Act or would have a deleterious effect on housing finance.

(5) Special approval procedure for an adequately capitalized enterprise.—

(A) Notice.—If an adequately capitalized enterprise plans to introduce a new program, it shall submit a written notice to the Secretary and the Director.

(B) Approval by the director.—A new program submitted by an enterprise in accordance with subparagraph (A) shall not be subject to approval by the Director.

(C) Approval by the secretary.—Within 20 business days after submission of the notice, the new program shall be deemed approved unless the Secretary determines that there is a substantial probability that the program is not authorized by the relevant charter Act or would have a deleterious effect on housing finance, in which case the Secretary shall inform the enterprise, by written notice, that the new program has not been approved under this paragraph, and the procedures of paragraph (2) shall apply.

(D) Effective date.—This paragraph shall become effective on the date final regulations establishing the risk-based capital test are issued under section 201(e).

(E) Transition period.—For the purposes of this paragraph, the capital classification of an enterprise shall be determined without regard to section 204(c).

(6) Hearing.—If the Secretary or the Director does not approve a new program, the Secretary or the Director, as the case may be, shall provide the enterprise with a timely opportunity to review and supplement the administrative record in an administrative hearing.

SEC. 104. PERSONNEL.

(a) In General.—

(1) Director's powers.—The Director may appoint and fix the compensation of employees and agents necessary to carry out the functions of the Director and the Office.

(2) Compensation.—

(A) Exclusion from general schedule pay rates.—Employees other than the Director may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates.

(B) Comparability of compensation with federal bank regulatory agencies.—In fixing and directing compensation under paragraph (1), the Director shall consult with, and maintain comparability with compensation at, the Federal bank regulatory agencies.

(b) Deputy Director.—

(1) In general.—The Office shall have a Deputy Director who shall be appointed by the Director from among individuals who—

(A) are citizens of the United States,

(B) have a demonstrated understanding of financial management or oversight, and

(C) have a demonstrated understanding of mortgage security markets and housing finance.

(2) Limitation.—An individual may not be appointed as Deputy Director if the individual has served as an executive officer or director of an enterprise at any time during the 18-month period immediately preceding the nomination of such individual.

(3) Powers, functions, and duties.—The Deputy Director shall—

(A) have such powers, functions, and duties as the Director shall prescribe, and

(B) serve as acting Director in the event of the death, resignation, sickness, or absence of the Director, until the return of the Director or the appointment of a successor under section 101.

(c) Federal Agencies.—

(1) In general.—With the consent of any executive agency, independent agency, or department, the Director may use information, services, staff, and facilities of such agency or department on a reimbursable basis, in carrying out the duties of the Office.

(2) Department of housing and urban development.—The Director shall reimburse the Department of Housing and Urban Development for reasonable costs incurred by the Department that are directly related to the operations of the Office.

(d) Outside Experts and Consultants.—Notwithstanding any provision of law limiting pay or compensation, the Director may appoint and compensate such outside experts and consultants as the Director determines necessary to assist the work of the Office.

(e) Equal Opportunity Report.—Not later than 180 days after the effective date of this Act, the Director shall submit to the Congress a report containing—

(1) a complete description of the equal opportunity, affirmative action, and minority business enterprise utilization programs of the Office; and

(2) such recommendations for administrative and legislative action as the Director may determine to be appropriate to carry out such programs.

SEC. 105. FUNDING.

(a) Annual Assessment.—The Director shall levy an annual assessment on the enterprises sufficient to pay for the estimated expenses of the Office.

(b) ALLOCATION OF ANNUAL ASSESSMENT TO THE ENTERPRISES.—

(1) AMOUNT OF PAYMENT.—Each enterprise shall pay to the Director a proportion of the annual assessment made pursuant to subsection (a) that bears the same ratio to the total annual assessment that the total assets of each enterprise bears to the total assets of both enterprises.

(2) TIMING OF PAYMENT.—The annual assessment shall be payable semiannually on September 1 and March 1 of each year.

(3) DEFINITION.—For the purpose of this section, the term "total assets" means the sum of—

(A) on-balance-sheet assets of the enterprise, as determined in accordance with generally accepted accounting principles;

(B) the unpaid principal balance of outstanding mortgage backed securities issued or guaranteed by the enterprise that are not included in subparagraph (A); and

(C) other off-balance-sheet obligations as determined by the Director.

(c) RECEIPTS FROM ANNUAL ASSESSMENTS AND THE SPECIAL ASSESSMENT.—Office receipts derived from the annual assessments and the special assessment levied upon the enterprises pursuant to subsection (f)—

(1) shall be available to the Director for expenses necessary to carry out the responsibilities of the Director relating to the enterprises; and

(2) shall be used by the Director to pay the expenses necessary to carry out the responsibilities of the Director relating to the enterprises.

(d) DEFICIENCIES DUE TO INCREASED COSTS OF REGULATION AND ENFORCEMENT.—The semiannual payments made pursuant to subsection (b) by any enterprise that is not adequately capitalized may be increased, as necessary, in the discretion of the Director to pay additional estimated costs of regulation and enforcement.

(e) SURPLUS.—If any amount paid by an enterprise remains unspent at the end of any semiannual period, such amount shall be deducted from the annual assessment required to be paid by that enterprise for the following semiannual period.

(f) INITIAL SPECIAL ASSESSMENT.—The Director shall levy on the enterprises an initial special assessment, allocated pursuant to subsection (b)(1), to cover the startup costs of the Office, including space modifications, capital equipment, supplies, recruitment, and activities of the Office in the first year. Each enterprise shall pay its portion of the initial special assessment no later than 10 days after the date the assessment is made.

(g) BUDGET AND FINANCIAL REPORTS FOR THE OFFICE.—

(1) FINANCIAL OPERATING PLANS AND FORECASTS.—Before the beginning of each fiscal year, the Director shall provide to the Secretary and the Director of the Office of Management and Budget a copy of the Office's financial operating plans and forecasts.

(2) REPORTS OF OPERATIONS.—As soon as practicable after the end of each fiscal year and each quarter, the Director shall submit to the Secretary and the Director of the Office of Management and Budget a copy of the report of the results of the Office's operations during such period.

(3) VIEWS OF THE SECRETARY.—On an annual basis the Secretary shall provide the Congress with comments on the plans, forecasts, and reports required under this subsection.

(4) INCLUSION IN THE PRESIDENT'S BUDGET.—The annual plans, forecasts, and reports required under this subsection shall be included in the Budget of the United States in the appropriate form, and in the Department's congressional justifications for each fiscal year in a form determined by the Secretary.

(5) AUDIT.—

(A) IN GENERAL.—The Comptroller General shall audit the operations of the Office in accordance with generally accepted Government auditing standards. All books, records, accounts, reports, files, and property belonging to or used by the Office shall be made available to the Comptroller General.

(B) FREQUENCY.—Audits shall be conducted annually for the first 2 years following the effective date of this Act and as appropriate thereafter.

SEC. 106. INFORMATION, RECORDS, AND MEETINGS.

For purposes of subchapter II of chapter 5 of title 5, United States Code, the Office and the Department of Housing and Urban Development shall, with respect to activities under this Act, be considered agencies responsible for the regulation or supervision of financial institutions.

SEC. 107. REGULATIONS.

In promulgating regulations relating to the financial health and security of an enterprise, the Director shall—

(1) consult in the development of such regulations with the Secretary, the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System; and

(2) provide copies of proposed regulations to the Secretary, the Secretary of the Treasury, and the Chairman of the Board of Governors of the Federal Reserve System for their review and comment, which comments shall be in writing and made a part of the record.

SEC. 108. SAVINGS PROVISION.

Any rule or regulation promulgated prior to the effective date of this Act by the Secretary pursuant to the Federal National Mortgage Association Charter Act or the Federal Home Loan Mortgage Corporation Act shall remain valid unless they are modified, terminated, superseded, set aside, or revoked by operation of law or in accordance with law.

SEC. 109. ANNUAL REPORT OF THE DIRECTOR.

Not later than June 15 of each year, the Director shall submit to the Secretary and to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a written report which shall include—

(1) a description of the actions taken, and being undertaken, by the Director to carry out this Act;

(2) a description of the financial condition of each enterprise, including the results and conclusions of the annual examinations of the enterprises;

(3) an assessment, in accordance with section 508, of the extent to which each enterprise is achieving its public purposes; and

(4) any recommendations for legislation.

SEC. 110. FINANCIAL REPORTS AND EXAMINATIONS.

(a) FINANCIAL REPORTS.—

(1) IN GENERAL.—Each enterprise shall provide to the Director annual and quarterly reports of financial condition and operations which shall be in such form, contain such information, and be made on such dates, as the Director may require.

(2) CONTENTS OF ANNUAL REPORT.—Each annual report shall include—

(A) financial statements prepared in accordance with generally accepted accounting principles;

(B) any supplemental information or alternative presentation that the Director may require; and

(C) a report signed by the enterprise's chief executive officer and chief accounting or financial officer, that assesses, as of the end of the enterprise's most recent fiscal year—

(i) the effectiveness of the enterprise's internal control structure and procedures; and

(ii) the enterprise's compliance with designated safety and soundness laws.

(3) ANNUAL INDEPENDENT AUDITS OF FINANCIAL STATEMENTS.—

(A) AUDITS REQUIRED.—Each enterprise shall have an annual independent audit made of its financial statements by an independent public accountant in accordance with generally accepted auditing standards.

(B) SCOPE OF AUDIT.—In conducting an audit under this subsection, an independent public accountant shall determine and report on whether the financial statements—

(i) are presented fairly in accordance with generally accepted accounting principles; and

(ii) to the extent determined necessary by the Director, comply with such other disclosure requirements as may be imposed under paragraph (2)(B).

(4) CERTIFICATION OF QUARTERLY REPORTS.—

(A) DECLARATION.—Quarterly reports shall contain a declaration by an officer designated by the board of directors of the enterprise to make such declaration that the report is true and correct to the best of his or her knowledge and belief.

(B) ATTESTATION.—The correctness of the quarterly report shall be attested by the signatures of at least 3 of the directors of the enterprise other than the officer making the declaration required by paragraph (4)(A). Such attestation shall include a declaration that the report has been examined by them and to the best of their knowledge and belief is true and correct.

(5) REVIEW OF AUDITS.—The Director, or at the request of the Director or any Member of Congress, the Comptroller General of the United States, may review any audit of a financial statement conducted under this subsection. Upon request of the Director or the Comptroller General, an enterprise and its auditor shall provide all books, accounts, financial records, reports, files, workpapers, and property that the Director or the Comptroller General considers necessary to the performance of any review under this subsection.

(6) ADDITIONAL AND SPECIAL REPORTS.—The Director may require additional reports from an enterprise, in such form and containing such information as the Director may prescribe, on dates fixed by the Director, and may require special reports from an enterprise whenever, in the Director's judgment, such reports are necessary for the Director to carry out the purposes of this Act.

(b) EXAMINATIONS.—

(1) FREQUENCY OF EXAMINATIONS.—The Director shall conduct a full-scope, on-site examination of each enterprise whenever the Director determines that an examination is necessary, but not less than once every 12 months, to determine the condition of the enterprise and for the purpose of ensuring its financial health and security.

(2) EXAMINERS.—The Director is authorized to contract with any Federal banking agency for the services of examiners and to reimburse such agency for the cost of providing the examiners.

(3) TECHNICAL EXPERTS.—The Director is authorized to contract for the services of such technical experts as the Director determines necessary and appropriate to provide temporary or periodic technical assistance in an examination.

(4) POWER AND DUTY OF EXAMINERS.—Each examiner shall make a full and detailed report to the Director of the financial condition of the enterprise examined.

(5) LAW APPLICABLE TO EXAMINERS.—The Director and each examiner shall have the same authority and each examiner shall be subject to the same obligations and penalties as are applicable to examiners employed by the Federal Reserve banks.

(6) ADMINISTRATION OF OATHS AND AFFIRMATIONS; EVIDENCE; SUBPOENA POWERS.—In connection with any investigation, examination of an enterprise, or administrative proceeding, the Director shall have the authorities conferred by section 308.

(7) PRESERVATION OF RECORDS BY PHOTOGRAPHY.—

(A) IN GENERAL.—The Director may cause any record, paper, or document to be copied or photographed, in a manner that complies with the minimum standards of quality approved for permanent photographic records by the National Institute of Standards and Technology.

(B) DEEMED AS ORIGINALS.—Such copies or photographs, shall be deemed to be an original record for all purposes, including introduction in evidence in all State and Federal courts or administrative agencies.

(C) PRESERVATION.—Any such photograph or copy shall be preserved as the Director shall prescribe, and the original may be destroyed.

SEC. 111. EQUAL OPPORTUNITY IN SOLICITATION OF CONTRACTS.

(a) IN GENERAL.—The enterprises shall establish a minority outreach program to ensure inclusion, to the maximum extent possible, of minorities and women and businesses owned by minorities and women, including financial institutions, investment banking firms, underwriters, accountants, brokers, and providers of legal services, in contracts entered into by the enterprises with such persons or business, public and private, in order to perform the functions authorized under any law applicable to the enterprises.

(b) REPORT TO CONGRESS.—Not later than 180 days after the date of enactment of this Act, each enterprise shall submit to the Congress and to the Director a report describing the actions taken by the enterprise pursuant to subsection (a).

SEC. 112. CONFORMING AMENDMENT.

Section 5313 of title 5, United States Code, is amended by inserting at the end the following:

"Director of the Office of Federal Housing Enterprise Oversight.".

SEC. 113. AMENDMENT TO DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ACT.

Section 5 of the Department of Housing and Urban Development Act (42 U.S.C. 3534) is amended by adding at the end the following new subsection:

"(d) Notwithstanding any other provision of this Act, the Secretary may not merge or consolidate the Office of Federal Housing Enterprise Oversight of the Department, or any of the functions or responsibilities of such Office with any function or program administered by the Secretary.".

SEC. 114. PROTECTION OF CONFIDENTIAL INFORMATION.

Section 1905 of title 18, United States Code, is amended by inserting "a consultant to the Office of Federal Housing Enterprise Oversight," after "or agency thereof,".

SEC. 115. LIMITATION ON SUBSEQUENT EMPLOYMENT.

(a) IN GENERAL.—Neither the Director nor a former officer or employee of the Office may accept compensation from an enterprise during the 2-year period beginning on the date of separation from employment by the Office.

(b) APPLICABILITY.—The limitation contained in subsection (a) applies only to any former officer or employee who, while employed by the Office, was compensated at a rate in excess of the lowest rate for a position classified higher than GS-15 of the General Schedule under section 5107 of title 5, United States Code.

SEC. 116. PROTECTING TAXPAYERS AGAINST LIABILITY FOR THE ENTERPRISES.

Nothing in this Act shall be construed as obligating the Federal Government, either directly or indirectly, to provide any funds to the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association, or to honor, reimburse, or otherwise guarantee any obligation or liability of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association, and nothing in this Act shall be construed as implying that either enterprise or its securities are backed by the full faith and credit of the United States.

SEC. 117. ANNUAL LITIGATION REPORT.

Not later than March 15 of each year, the Attorney General shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a written report which shall set forth for the preceding calendar year the number of requests by the Director to the Attorney General to conduct litigation pursuant to section 516 of title 28 of the United States Code and the status thereof, including—

(1) the total number of requests by the Director;

(2) the number of requests that resulted in the commencement of litigation by the Department of Justice;

(3) the number of requests that did not result in the commencement of litigation by the Department of Justice;

(4) with respect to those requests that resulted in the commencement of litigation—

(A) the number of days between the date of the Director's request and the commencement of the litigation; and

(B) the number of days between the date of the commencement and termination of the litigation;

(5) with respect to those requests that did not result in the commencement of litigation, a list of principal reasons thereof and the number of requests for which each reason is applicable; and

(6) a reconciliation showing the number of litigation requests pending at the beginning of the calendar year, the number of requests made during the calendar year, the number of requests for which action was completed during the calendar year, and the number of requests pending at the end of the calendar year.

SEC. 118. PROHIBITING EXCESSIVE COMPENSATION.

(a) IN GENERAL.—The Director shall prohibit an enterprise from providing excessive compensation to any executive officer.

(b) SETTING COMPENSATION PROHIBITED.—In carrying out subsection (a), the Director shall not set a specific level or range of compensation.

(c) DEFINITIONS.—For purposes of this section:

(1) COMPENSATION.—

(A) IN GENERAL.—The term "compensation" includes any payment of money or provision of any other thing of value in consideration of employment.

(B) FUTURE PAYMENT OR PROVISION.—The Director shall value any future payment or provision (including any payment or provision relating to the termination of employment) by calculating the present value of the projected cost of the payment or provision.

(2) EXCESSIVE.—An executive officer's compensation is "excessive" if it is unreasonable or disproportionate to the services actually performed by the executive officer, in view of—

(A) the enterprise's financial condition, including the extent to which the enterprise exceeds or falls below its minimum capital level;

(B) compensation practices at comparable publicly held financial institutions;

(C) any fraudulent act or omission, breach of fiduciary duty, or insider abuse by the executive officer with regard to the enterprise; and

(D) other factors that the Director determines to be relevant.

TITLE II—REQUIRED CAPITAL LEVELS FOR THE ENTERPRISES AND SPECIAL ENFORCEMENT POWERS

SEC. 201. RISK-BASED CAPITAL LEVELS.

(a) RISK-BASED CAPITAL TEST.—The Director shall, by regulation, establish a risk-based capital test which shall require each enterprise to maintain positive capital during a 10-year period (the "stress period") in which the following circumstances are assumed to occur:

(1) CREDIT RISK.—With respect to mortgages owned or guaranteed by the enterprise and other obligations of the enterprise, losses occur throughout the United States at a rate of default and severity (based on any measurements of default reasonably related to prevailing practice for the industry in determining capital adequacy) reasonably related to the rate and severity that occurred in contiguous areas of the United States containing not less than 5 percent of the total population of the United States that, for a period of not less than 2 years (the "benchmark regional experience"), experienced the highest rates of default and severity of mortgage losses, in comparison with such rates of default and severity of mortgage losses in other such areas for any period of such duration, as determined by the Director.

(2) INTEREST RATE RISK.—

(A) IN GENERAL.—Interest rates decrease as described in subparagraph (B) or increase as described in subparagraph (C), whichever would require more capital for the enterprise.

(B) DECREASES.—The 10-year constant maturity Treasury yield decreases during the first year of the stress period and will remain at the new level for the remainder of the stress period. The yield decreases to the lesser of—

(i) 600 basis points below the average yield during the preceding 9 months, or

(ii) 60 percent of the average yield during the preceding 3 years,

but in no case to a yield less than 50 percent of the average yield during the preceding 9 months.

(C) INCREASES.—The 10-year constant maturity Treasury yield increases during the first year of the stress period and will remain at the new level for the remainder of the stress period. The yield increases to the greater of—

(i) 600 basis points above the average yield during the preceding 9 months, or

(ii) 160 percent of the average yield during the preceding 3 years,

but in no case to a yield greater than 175 percent of the average yield during the preceding 9 months.

(D) DIFFERENT TERMS TO MATURITY.—Yields of Treasury instruments with other terms to maturity will change relative to the 10-year yield in patterns and for durations that are within the range of historical experience and are judged reasonable by the Director but must result by the 5th year of the stress period in patterns of yields with respect to maturities that are consistent with average patterns over periods of not less than 2 years as established by the Director.

(E) LARGE INCREASES IN YIELDS.—If the 10-year constant maturity Treasury yield is assumed to increase by more than 50 percent over the average yield during the preceding 9 months, the Director shall adjust the losses in paragraphs (1) and (3) to reflect a correspondingly higher rate of general price inflation.

(3) NEW BUSINESS.—

(A) IN GENERAL.—Any contractual commitments of the enterprise to purchase mortgages or issue securities will be fulfilled. The characteristics of resulting mortgage purchases, securities issued, and other financing will be consistent with the contractual terms of such commitments, recent experience, and the economic characteristics of the stress period. No other purchases of mortgages shall be assumed, except as provided in subparagraph (B).

(B) ADDITIONAL NEW BUSINESS.—The Director may, after consideration of each of the studies required by subparagraph (C), assume that the enterprise conducts additional new business during the stress period consistent with the following—

(i) AMOUNT AND PRODUCT TYPES.—The amount and types of mortgages purchased and their financing will be reasonably related to recent experience and the economic characteristics of the stress period.

(ii) LOSSES.—Default and loss severity characteristics of mortgages purchased will be reasonably related to historical experience.

(iii) PRICING.—Prices charged by the enterprise in purchasing new mortgages will be reasonably related to recent experience and the economic characteristics of the stress period. The Director may assume that a reasonable period of time would lapse before the enterprise would recognize and react to the characteristics of the stress period.

(iv) INTEREST RATE RISK.—Interest rate risk on new mortgages purchased will occur to an extent reasonably related to historical experience.

(v) RESERVES.—The enterprise must maintain reserves during and at the end of the stress period on new business conducted during the first 5 years of the stress period reasonably related to the expected future losses on such business, consistent with generally accepted accounting principles and industry accounting practice.

(C) STUDIES.—Within 1 year after regulations are first issued under subsection (e), the Director, the Director of the Congressional Budget Office, and the Comptroller General of the United States shall each submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a study of the advisability and appropriate form of any new business assumptions under subparagraph (B).

(D) EFFECTIVE DATE.—The provisions of subparagraph (B) shall become effective 4 years after regulations are first issued under section 201(e).

(4) OTHER ACTIVITIES.—Losses or gains on other activities, including interest rate and foreign exchange hedging activities, shall be determined by the Director, on the basis of available information, to be consistent with the stress period.

(b) CONSIDERATIONS.—

(1) IN GENERAL.—In establishing the risk-based capital test under subsection (a), the Director shall take into account appropriate distinctions among types of mortgage products, differences in seasoning of mortgages, and any other factors the Director considers appropriate.

(2) CONSISTENCY.—Characteristics of the stress period other than those specifically set forth in subsection (a), such as prepayment experience and dividend policies, will be those determined by the Director, on the basis of available information, to be most consistent with the stress period.

(c) RISK-BASED CAPITAL LEVEL.—For purposes of this title, the risk-based capital level for an enterprise shall be 130 percent of the amount of capital required to meet the risk-based capital test.

(d) DEFINITIONS.—For purposes of this section:

(1) SEASONING.—The term "seasoning" means the change over time in the ratio of the unpaid principal balance of a mortgage to the value of the property by which such mortgage loan is secured, determined on an annual basis by region, in accordance with the Constant Quality Home Price Index published by the Secretary of Commerce (or any index of comparable or superior quality).

(2) TYPE OF MORTGAGE PRODUCT.—The term "type of mortgage product" means a classification of 1 or more mortgage products, as established by the Director, that have similar characteristics based on the set of characteristics set forth in the following subparagraphs:

(A) The property securing the mortgage is—

(i) a residential property consisting of 1 to 4 dwelling units; or

(ii) a residential property consisting of more than 4 dwelling units.

(B) The interest rate on the mortgage is—

(i) fixed; or

(ii) adjustable.

(C) The priority of the lien securing the mortgage is—

(i) first; or

(ii) second or other.

(D) The term of the mortgage is—

(i) 1 to 15 years;

(ii) 16 to 30 years; or

(iii) more than 30 years.

(E) The owner of the property is—

(i) an owner-occupant; or

(ii) an investor.

(F) The unpaid principal balance of the mortgage—

(i) will amortize completely over the term of the mortgage and will not increase significantly at any time during the term of the mortgage;

(ii) will not amortize completely over the term of the mortgage and will not increase significantly at any time during the term of the mortgage; or

(iii) may increase significantly at some time during the term of the mortgage.

(G) Any other characteristics of the mortgage, as the Director may determine.

(e) REGULATIONS.—

(1) IN GENERAL.—The Director shall issue final regulations establishing the risk-based capital test not later than 18 months after the effective date of this Act. Such regulations shall be effective when issued.

(2) CONTENTS.—Such regulations shall contain specific requirements, definitions, methods, variables, and parameters used under the risk-based capital test and in implementing the test (such as loan loss severity, float income, loan-to-value ratios, taxes, yield curve slopes, default experience, and prepayment rates).

(3) APPLICATION.—The regulations and any accompanying orders or guidelines shall be sufficiently specific to enable each enterprise to apply the test to that enterprise in the same manner as the Director, and to enable the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, the Director of the Congressional Budget Office, the Comptroller General of the United States, the Director of the Office of Management and Budget, or a consultant to the Office to apply the test in the same manner as the Director.

(4) CONFIDENTIALITY OF INFORMATION.—Any person or agency described in paragraph (3) that receives any book, record, or information from the Director or an enterprise to enable the risk-based capital test to be applied shall—

(A) maintain the confidentiality of the book, record, or information in a manner that is generally consistent with the level of confidentiality established for the material by the Director or the enterprise; and

(B) be exempt from section 552 of title 5, United States Code, with respect to the book, record, or information.

(f) AVAILABILITY OF MODEL.—The Director shall make available to the public copies of any statistical model used to implement the risk-based capital test under this section. The Director may charge a reasonable fee for any copy of a statistical model.

SEC. 202. MINIMUM CAPITAL LEVELS.

(a) IN GENERAL.—The minimum capital level for each enterprise shall be the sum of—

(1) 2.50 percent of the aggregate on-balance-sheet assets of the enterprise, as determined in accordance with generally accepted accounting principles;

(2) 0.45 percent of the unpaid principal balance of outstanding mortgage-backed securities and substantially equivalent instruments issued or guaranteed by the enterprise that are not included in paragraph (1); and

(3) those percentages of off-balance-sheet obligations not included in paragraph (2) (excluding commitments with remaining terms of no more than 6 months to purchase mortgages or issue securities), that the Director determines best reflect the credit risk of such obligations or guarantees in relation to those included in paragraph (2).

(b) TRANSITION.—Notwithstanding subsection (a), until the expiration of the 18-month period beginning on the date of enactment of this Act, the minimum capital level for each enterprise shall be the sum of—

(1) 2.25 percent of the aggregate on-balance-sheet assets of the enterprise, as determined in accordance with generally accepted accounting principles;

(2) 0.40 percent of the unpaid principal balance of outstanding mortgage-backed securities and substantially equivalent instruments issued or guaranteed by the enterprise that are not included in paragraph (1); and

(3) those percentages of off-balance-sheet obligations not included in paragraph (2) (ex-

cluding commitments with remaining terms of no more than 1 year to purchase mortgages or issue securities), that the Director determines best reflect the credit risk of such obligations or guarantees in relation to those included in paragraph (2).

SEC. 203. CRITICAL CAPITAL LEVELS.

The critical capital level for each enterprise shall be the sum of—

(1) 1.25 percent of the aggregate on-balance-sheet assets of the enterprise, as determined in accordance with generally accepted accounting principles;

(2) 0.25 percent of the unpaid principal balance of outstanding mortgage-backed securities and substantially equivalent instruments issued or guaranteed by the enterprise that are not included in paragraph (1); and

(3) those percentages of off-balance-sheet obligations not included in paragraph (2) (excluding commitments with remaining terms of no more than 6 months to purchase mortgages or issue securities), that the Director determines best reflect the credit risk of such obligations or guarantees in relation to those included in paragraph (2).

SEC. 204. CAPITAL CLASSIFICATIONS.

(a) IN GENERAL.—The Director shall classify an enterprise according to the following categories:

(1) ADEQUATELY CAPITALIZED.—An enterprise shall be classified as "adequately capitalized" if the enterprise meets or exceeds both its risk-based capital level and its minimum capital level.

(2) UNDERCAPITALIZED.—An enterprise shall be classified as "undercapitalized" if it is not adequately capitalized.

(3) SIGNIFICANTLY UNDERCAPITALIZED.—An enterprise shall be classified as "significantly undercapitalized" if the enterprise does not meet or exceed its minimum capital level.

(4) CRITICALLY UNDERCAPITALIZED.—An enterprise shall be classified as "critically undercapitalized" if it does not meet its critical capital level.

(b) QUARTERLY CLASSIFICATION.—The Director shall classify an enterprise not less than quarterly. The first such classification shall be made within 3 months after the effective date of this Act.

(c) IMPLEMENTATION.—Notwithstanding subsection (a), an enterprise shall be classified as adequately capitalized until 1 year after the regulations are first issued under section 201(e), if the enterprise meets or exceeds the applicable minimum capital level.

SEC. 205. SUPERVISORY ACTIONS APPLICABLE TO ENTERPRISES.

(a) SUPERVISORY ACTIONS APPLICABLE TO UNDERCAPITALIZED ENTERPRISES.—

(1) CAPITAL RESTORATION PLAN.—An undercapitalized enterprise shall submit to the Director and implement a capital restoration plan.

(2) RESTRICTION ON CAPITAL DISTRIBUTIONS.—An undercapitalized enterprise that is not significantly undercapitalized shall make no capital distribution that would result in the enterprise being classified as significantly undercapitalized.

(b) ADDITIONAL SUPERVISORY ACTIONS APPLICABLE TO SIGNIFICANTLY UNDERCAPITALIZED ENTERPRISES.—

(1) RESTRICTIONS ON CAPITAL DISTRIBUTIONS.—

(A) PRIOR APPROVAL.—A significantly undercapitalized enterprise shall make no capital distribution that would result in the enterprise being classified as critically undercapitalized. A significantly undercapitalized enterprise may make any other capital distribution only with the prior approval of the Director.

(B) STANDARD FOR APPROVAL.—The Director may approve a capital distribution by a significantly undercapitalized enterprise only if the Director determines that the payment—

(i) will enhance the ability of the enterprise promptly to meet the risk-based capital level and the minimum capital level for the enterprise,

(ii) will contribute to the long-term financial health and security of the enterprise, or

(iii) is otherwise in the public interest.

(2) DISCRETIONARY SUPERVISORY ACTIONS.—

(A) IN GENERAL.—The Director may by order take any of the following actions with respect to a significantly undercapitalized enterprise:

(i) Limit any increase in, or order the reduction of, any obligations of the enterprise.

(ii) Limit or prohibit the growth of the assets of the enterprise or require contraction of the assets of the enterprise.

(iii) Require the enterprise to raise new capital.

(iv) Require the enterprise to terminate, reduce, or modify any activity that the Director determines creates excessive risk to the enterprise.

(v) Appoint a conservator for the enterprise if the Director determines that the capital of the enterprise is below its minimum level and that alternative remedies are not satisfactory to restore the enterprise's capital.

(B) APPOINTMENT OF CONSERVATOR.—

(i) AUTHORITY.—Title IV, except subsections (a), (b), and (c) of section 401, shall govern any conservatorship resulting from an appointment pursuant to subparagraph (A)(v).

(ii) NOTICE AND HEARING.—The appointment of a conservator under subparagraph (A)(v) shall be subject to the notice and hearing provisions set forth in section 209.

(c) EFFECTIVE DATE.—This section shall take effect when the first classifications are made under section 204(b).

SEC. 206. CHANGES IN THE CLASSIFICATION OF AN ENTERPRISE IN CONNECTION WITH A CAPITAL RESTORATION PLAN.

(a) IN GENERAL.—The Director may by order—

(1) classify an undercapitalized enterprise as significantly undercapitalized, or

(2) classify a significantly undercapitalized enterprise as critically undercapitalized,

upon the occurrence of an event described in subsection (b).

(b) REASONS FOR THE CHANGE IN CLASSIFICATION.—Subsection (a) shall apply if—

(1) the enterprise does not submit or resubmit a capital restoration plan that is substantially in compliance with section 208,

(2) the Director has not approved a capital restoration plan submitted by the enterprise and the enterprise's opportunities for resubmission of a capital restoration plan have expired, or

(3) the Director determines that the enterprise has failed to make, in good faith, reasonable efforts necessary to comply with the capital restoration plan and fulfill the schedule for the plan approved by the Director.

SEC. 207. MANDATORY APPOINTMENT OF CONSERVATOR FOR CRITICALLY UNDERCAPITALIZED ENTERPRISES.

(a) APPOINTMENT.—If the Director determines that an enterprise is critically undercapitalized, the Director shall appoint a conservator for the enterprise not later than 30 days after providing notice and an opportunity for a hearing pursuant to section 209, unless the Director determines, with the concurrence of the Secretary of the Treasury, that the public interest is better served by other action. Title IV, except subsections (a), (b), and (c) of section 401, shall govern any conservatorship resulting from an appointment under this section.

(b) EFFECTIVE DATE.—This section shall take effect when the first quarterly classifications are made under section 204(b).

SEC. 208. CAPITAL RESTORATION PLANS.

(a) CONTENTS.—A capital restoration plan submitted under this title shall—

(1) be a feasible plan for the enterprise that would likely enable it to become adequately capitalized;

(2) describe the actions that the enterprise will take to become adequately capitalized;

(3) establish a schedule for completing the actions set forth in the capital restoration plan;

(4) specify the types and levels of activities in which the enterprise will engage during the term of the capital restoration plan; and

(5) describe the actions that the enterprise will take to comply with any supervisory requirements imposed under this title.

(b) DEADLINES FOR SUBMISSION.—A capital restoration plan must be submitted to the Director not more than 45 days after the Director has notified the enterprise in writing that a plan is required. The Director may extend the deadline to the extent that the Director determines necessary. Any extension of the deadline shall be in writing and shall be for a specified period of time.

(c) APPROVAL.—The Director shall approve or disapprove each capital restoration plan not later than 45 days after submission. The Director may extend such period for an additional 15 days. The Director shall provide written notice of the decision to any enterprise submitting a plan. If the Director disapproves the plan, the Director shall provide to the enterprise the reasons for such disapproval in writing.

(d) RESUBMISSION.—If the initial capital restoration plan submitted by the enterprise is disapproved, the enterprise shall submit an amended plan acceptable to the Director within 30 days or such longer period that the Director determines is in the public interest.

SEC. 209. NOTICE AND HEARING.

(a) NOTICE.—Before making a capital classification or taking a discretionary supervisory action under this title, the Director shall provide written notice of the proposed classification or action to the enterprise, stating the reasons for the classification or action, and shall provide the enterprise with a timely opportunity to review and supplement the administrative record in an administrative hearing.

(b) NOTICE TO CONGRESS.—After making a capital classification or taking a discretionary supervisory action under this title, the Director shall provide written notice to the Committee on Banking, Housing, and Urban Affairs of the Senate, and to the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

SEC. 210. JUDICIAL REVIEW OF DIRECTOR ACTION.

(a) JURISDICTION.—

(1) FILING OF PETITION.—An enterprise that is the subject of a capital classification or discretionary supervisory action pursuant to this title, other than the appointment of a conservator, may obtain review of the classification or action by filing, within 10 days after receiving written notice of the Director's classification or action, a written petition requesting that the order of the Director be modified, terminated, or set aside.

(2) EXCLUSIVE JURISDICTION.—The United States Court of Appeals for the District of

Columbia Circuit shall have exclusive jurisdiction to hear a petition filed pursuant to this subsection.

(b) UNAVAILABILITY OF STAY.—With respect to a classification or discretionary supervisory action by the Director with regard to a significantly undercapitalized enterprise or an action that results in the classification of an enterprise as significantly undercapitalized or critically undercapitalized, the court shall not have jurisdiction to stay, enjoin, or otherwise delay such classification or action taken by the Director pending judicial review of the action.

(c) LIMITATION ON JURISDICTION.—Notwithstanding any other provision of law, no court other than the United States Court of Appeals for the District of Columbia Circuit shall have jurisdiction to affect, by injunction or otherwise, the issuance or effectiveness of any classification or action of the Director under this title or to review, modify, suspend, terminate, or set aside such classification or action.

SEC. 211. RATINGS.

(a) RATING.—Not later than 1 year after the effective date of this Act, the Director shall, for each enterprise, contract with 2 nationally recognized statistical rating organizations—

(1) to assess the likelihood that the enterprise will not be able to meet its obligations from its own resources with an assumption that there is no recourse to any implicit Government guarantee and to express that likelihood as a traditional credit rating; and

(2) to review the rating of the enterprise as frequently as the Director determines is appropriate, but not less than annually.

(b) COMMENTS.—The Director shall submit comments to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives on any difference between the evaluation of the rating organizations and that of the Office, with special attention to capital adequacy.

(c) DEFINITION.—For the purposes of this section, the term "nationally recognized statistical rating organization" means any entity effectively recognized by the Division of Market Regulation of the Securities and Exchange Commission as a nationally recognized statistical rating organization for the purposes of the capital rules for broker-dealers.

SEC. 212. CAPITAL.

(a) DEFINITION.—The term "capital" shall be defined by the Director by regulation and—

(1) shall include, in accordance with generally accepted accounting principles—

(A) the par or stated value of outstanding common stock;

(B) the par or stated value of outstanding perpetual, noncumulative preferred stock;

(C) paid-in capital;

(D) retained earnings; and

(E) other equity instruments that the Director determines are appropriate; and

(2) for the purposes of section 201, may also include such other amounts that the Director determines are available to absorb losses subject to any limitation prescribed by the Director, and shall include loss reserves established in accordance with generally accepted accounting principles.

(b) EXCLUSION.—As defined by the Director, the term "capital" shall exclude any amounts that an enterprise could be required to pay, at the option of investors, to retire capital instruments.

TITLE III—ENFORCEMENT PROVISIONS

SEC. 301. CEASE-AND-DESIST PROCEEDINGS.

(a) GROUNDS FOR ISSUANCE.—The Director may issue and serve upon an enterprise or any director or executive officer a notice of charges if, in the opinion of the Director, the enterprise, director, or executive officer—

(1) is engaging or has engaged, or the Director has reasonable cause to believe that the enterprise, director, or executive officer will engage in conduct that, if continued, would be likely to cause or result in a material depletion of the enterprise's capital; or

(2) is violating or has violated, or the Director has reasonable cause to believe that the enterprise, director, or executive officer will violate—

(A) any provision of this Act or the enterprise's charter Act or any order, rule, or regulation thereunder;

(B) any condition imposed in writing by the Director pursuant to the Director's authority under this Act or a charter Act in connection with the approval of any application or other request by the enterprise required by this Act or a charter Act; or

(C) any written agreement entered into with the Director.

(b) EXCEPTION FOR ADEQUATELY CAPITALIZED ENTERPRISES.—The Director may serve a notice of charges or issue an order upon an enterprise, a director, or an executive officer for any conduct or violation that relates to the financial health or security of an enterprise that is adequately capitalized only if the Director determines that—

(1) the conduct or violation threatens to cause a significant depletion of the enterprise's capital; or

(2) the conduct or violation may result in the issuance of an order described in subsection (d)(1).

(c) PROCEDURE.—

(1) NOTICE OF CHARGES.—Any notice of charges shall contain a statement of the facts constituting the alleged conduct or violation, and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist should issue.

(2) DATE OF HEARING.—Such hearing shall be held not earlier than 30 days nor later than 60 days after service of such notice unless an earlier or a later date is set by the hearing officer at the request of any party served.

(3) FAILURE TO APPEAR CONSTITUTES CONSENT.—Unless the party served appears at the hearing personally or by a duly authorized representative, such party shall be deemed to have consented to the issuance of the cease-and-desist order.

(4) ISSUANCE OF ORDER.—In the event of consent by the party, or if, upon the record made at any such hearing, the Director finds that any conduct or violation specified in the notice of charges has been established, the Director may issue and serve upon such party an order requiring the party to cease and desist from such conduct or violation and to take affirmative action to correct the conditions resulting from any such conduct or violation.

(5) EFFECTIVE DATE OF ORDER.—A cease-and-desist order shall become effective 30 days after service (except in the case of a cease-and-desist order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable, except to the extent that it is stayed, modified, terminated, or set aside by action of the Director or a court of competent jurisdiction.

(d) AFFIRMATIVE ACTION TO CORRECT CONDITIONS RESULTING FROM VIOLATIONS OR PRACTICES.—The authority under this section or section 302 to issue any order that requires a party to take affirmative action includes the authority—

(1) to require a director or executive officer to make restitution to, or provide reimbursement, indemnification, or guarantee against loss to the enterprise to the extent that such person—

(A) was unjustly enriched in connection with such conduct or violation; or

(B) engaged in conduct or a violation that would subject such person to a civil penalty pursuant to section 305(b)(3);

(2) to require an enterprise to seek restitution, or to obtain reimbursement, indemnification, or guarantee against loss;

(3) to restrict the growth of the enterprise;

(4) to require the disposition of any asset;

(5) to require the rescission of agreements or contracts;

(6) to require the employment of qualified officers or employees (who may be subject to approval by the Director); and

(7) to require the taking of such other action as the Director determines appropriate.

(e) AUTHORITY TO LIMIT ACTIVITIES.—The authority under this section or section 302 to issue an order includes the authority to place limitations on the activities or functions of the enterprise, or any director or executive officer.

(f) CERTAIN ORDERS MAY CONTAIN CAPITAL CLASSIFICATION.—The authority under this section or section 302 to issue an order includes the authority to—

(1) classify the enterprise as undercapitalized, if the enterprise is otherwise classified as adequately capitalized;

(2) classify the enterprise as significantly undercapitalized, if the enterprise is otherwise classified as undercapitalized; or

(3) classify the enterprise as critically undercapitalized, if the enterprise is otherwise classified as significantly undercapitalized;

if the Director determines that the enterprise is engaging or has engaged in conduct not approved by the Director or a violation, that may result in a rapid depletion of the capital of the enterprise.

SEC. 302. TEMPORARY CEASE-AND-DESIST ORDERS.

(a) GROUNDS FOR ISSUANCE; SCOPE.—Whenever the Director determines that any conduct or violation, or threatened conduct or violation, specified in the notice of charges served upon the enterprise, director, or executive officer pursuant to section 301, or the continuation thereof, is likely—

(1) to cause insolvency;

(2) to cause a significant depletion of the capital of the enterprise; or

(3) otherwise to cause irreparable harm to the enterprise,

prior to the completion of the proceedings conducted pursuant to section 301(c), the Director may issue a temporary order requiring the enterprise, or any director or executive officer, to cease and desist from any such conduct or violation and to take affirmative action to prevent or remedy such insolvency, depletion, or harm pending completion of such proceedings. Such order may include any requirement authorized under section 301(d).

(b) INCOMPLETE OR INACCURATE RECORDS.—If a notice of charges served under section 301(a) specifies on the basis of particular facts and circumstances that the enterprise's books and records are so incomplete or inaccurate that the Director is unable, through the normal supervisory process, to determine the financial condition of that enterprise or the details or the purpose of any transaction or transactions that may have a material effect on the financial condition of that enterprise, the Director may issue a temporary order requiring—

(1) the cessation of any activity or practice which gave rise, whether in whole or in part, to the incomplete or inaccurate state of the books or records; or

(2) affirmative action to restore such books or records to a complete and accurate state, until the completion of the proceedings under section 301.

(c) EFFECTIVE DATE OF ORDER.—An order issued pursuant to this section shall—

(1) become effective upon service upon the party and shall remain effective unless set aside, limited, or suspended by a court in proceedings authorized by subsection (d),

(2) shall be enforceable pending the completion of the proceedings pursuant to such notice, and

(3) shall remain effective until the Director dismisses the charges specified in such notice or until superseded by a cease-and-desist order issued pursuant to section 301.

(d) JUDICIAL REVIEW.—Not later than 10 days after a party has been served with a temporary cease-and-desist order pursuant to this section, the party may petition the United States District Court for the District of Columbia, for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of such order pending the completion of the administrative proceedings.

(e) ENFORCEMENT.—In the case of a violation or a threatened violation of a temporary order issued pursuant to this section, the Director may apply to the United States District Court for the District of Columbia for an injunction to enforce such order.

SEC. 303. HEARINGS AND JUDICIAL REVIEW.

(a) HEARING.—Any hearing provided for in this title shall be on the record and held in the District of Columbia.

(b) DECISION BY THE DIRECTOR.—Not later than 90 days after the Director has notified the parties that the case has been submitted for final decision, the Director shall render the decision and shall issue and serve upon each party a copy of the order. The Director may modify an order prior to the filing of the record for judicial review.

(c) JUDICIAL REVIEW.—A party may obtain a review of an order issued under this title, except section 302, by filing in the United States Court of Appeals for the District of Columbia Circuit, not later than 30 days after the date of service, a written petition seeking to modify, terminate, or set aside such order.

SEC. 304. JURISDICTION AND ENFORCEMENT.

(a) APPLICATION FOR ENFORCEMENT.—The Director may apply to the United States District Court for the District of Columbia for the enforcement of any order issued under title II or this title, and such court shall have jurisdiction and power to order and require compliance with such order.

(b) LIMITATION ON JURISDICTION.—Except as otherwise permitted by section 210 or in this title, no court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any notice, order, or penalty under title II of this title, or to review, modify, suspend, terminate, or set aside any such notice, order, or penalty.

SEC. 305. CIVIL MONEY PENALTIES.

(a) IN GENERAL.—The Director may impose a civil money penalty on an enterprise, director, or executive officer that—

(1) violates any provision of this Act or the enterprise's charter Act or regulation thereunder,

(2) violates any final order or temporary order issued pursuant to section 205, 206, 301, or 302,

(3) violates any condition imposed in writing by the Director pursuant to the authority under this Act or a charter Act, in connection with the approval of an application or other request by an enterprise required by law,

(4) violates any written agreement between an enterprise and the Director, or

(5) engages in any conduct that causes or is likely to cause a loss to the enterprise.

(b) AMOUNT OF PENALTY.—

(1) FIRST TIER.—

(A) IN GENERAL.—The Director may impose a penalty on an enterprise for any violation described in paragraphs (1) through (4) of subsection (a). The amount of a civil penalty under this subparagraph shall be determined in light of the facts and circumstances, but shall not exceed $5,000 for each day that a violation continues.

(B) EXCEPTION.—The amount of a civil penalty for a failure to make a good faith effort to comply with an approved housing plan under section 509 shall not exceed $10,000 per day.

(2) SECOND TIER.—The Director may impose a penalty on an enterprise, executive officer, or director in an amount not to exceed $10,000 for an officer or director, or $25,000 for an enterprise, for each day that such violation or conduct continues, if the Director finds that the violation or conduct described in subsection (a)—

(A) is part of a pattern of misconduct, or

(B) involved recklessness and caused or would be likely to cause a material loss to the enterprise.

(3) THIRD TIER.—The Director may impose a penalty on an enterprise, executive officer, or director in an amount not to exceed $100,000 for an officer or director, or $1,000,000 for an enterprise, for each day that such violation or conduct continues, if the Director finds that the violation or conduct described in subsection (a) was knowing and caused or would be likely to cause a substantial loss to the enterprise.

(c) ASSESSMENT.—

(1) WRITTEN NOTICE.—Any penalty imposed under this section may be assessed and collected by the Director by written notice.

(2) PROHIBITION AGAINST REIMBURSEMENT OR INDEMNIFICATION.—An enterprise may not reimburse or indemnify any individual for any penalty imposed under subsection (b)(3).

(3) FINALITY OF ASSESSMENT.—If a hearing is not requested pursuant to subsection (f), the penalty assessment contained in a written notice shall constitute a final and unappealable order.

(d) AUTHORITY TO MODIFY OR REMIT PENALTY.—The Director may compromise, modify, or remit any penalty assessed under this section.

(e) MITIGATING FACTORS.—In determining the amount of any penalty under this section, the Director shall take into account the appropriateness of the penalty with respect to—

(1) the financial resources and good faith of the enterprise, director, or executive officer charged;

(2) the gravity of the violation;

(3) the history of previous violations; and

(4) such other matters as justice may require.

(f) HEARING.—A party against whom a penalty is assessed under this section shall be afforded a hearing if the party submits a request for such hearing not later than 20 days after the issuance of the notice of assessment.

(g) COLLECTION.—

(1) REFERRAL.—If the enterprise, director, or executive officer fails to pay a penalty that has become final, the Director may recover the amount assessed by filing an action in the United States District Court for the District of Columbia.

(2) APPROPRIATENESS OF PENALTY NOT REVIEWABLE.—In an action to collect the amount assessed, the validity and appropriateness of the penalty shall not be subject to review.

(h) DEPOSIT.—All penalties collected under authority of this section shall be deposited into the General Fund of the Treasury.

(i) APPLICABILITY.—This section shall apply only to conduct, a failure, a breach, or a violation that occurs on or after the effective date of this Act.

SEC. 306. NOTICE UNDER THIS TITLE AFTER SEPARATION FROM SERVICE.

The resignation, termination of employment or participation, or separation of a director or executive officer of an enterprise shall not affect the jurisdiction and authority of the Director to issue any notice and proceed under this title against any such director or executive officer, if such notice is served before the end of the 2-year period beginning on the date such director or executive officer ceased to be associated with the enterprise.

SEC. 307. PRIVATE RIGHTS OF ACTION.

Nothing in this Act creates a private right of action on behalf of any person against an enterprise, or any director or executive officer of an enterprise, or impairs any existing private right of action under other applicable law.

SEC. 308. SUBPOENA POWER.

(a) POWERS.—In the course of, or in connection with, any examination, administrative proceeding, claim, or investigation under this Act, the Director may—

(1) administer oaths and affirmations,

(2) take testimony under oath, and

(3) issue, revoke, quash, or modify subpoenas issued by the Director.

(b) JURISDICTION.—The attendance of witnesses and the production of documents provided for in this section may be required from any place subject to the jurisdiction of the United States at any designated place where such examination or proceeding is being conducted.

(c) ENFORCEMENT.—The Director, in examining an enterprise, or any party to proceedings under this title may apply to the United States District Court for the District of Columbia, or the United States district court for the judicial district (or the United States court in any territory) where the witness resides or carries on business, for enforcement of any subpoena issued pursuant to this section.

(d) FEES AND EXPENSES.—A witness subpoenaed under this section shall be paid the same fees that are paid witnesses in the district courts of the United States. A court having jurisdiction of a proceeding under this section may allow to any such witness such reasonable expenses and attorneys' fees as it determines just and proper. Such expenses and fees shall be paid by the enterprise or from its assets.

SEC. 309. PUBLIC DISCLOSURE OF FINAL ORDERS AND AGREEMENTS.

(a) IN GENERAL.—The Director shall make available to the public—

(1) any written agreement or other written statement for which a violation may be redressed by the Director or any modification to or termination thereof, unless the Director, in the Director's discretion, determines

that public disclosure would be contrary to the public interest;

(2) any order that is issued with respect to any administrative enforcement proceeding initiated by the Director under this title and that has become final in accordance with section 303; and

(3) any modification to or termination of any final order made public pursuant to this paragraph.

(b) HEARINGS.—All hearings on the record with respect to any notice of charges issued by the Director shall be open to the public, unless the Director, in the Director's discretion, determines that holding an open hearing would be contrary to the public interest.

(c) DELAY OF PUBLIC DISCLOSURE UNDER EXCEPTIONAL CIRCUMSTANCES.—If the Director makes a determination in writing that the public disclosure of any final order pursuant to subsection (a) would seriously threaten the financial health or security of the enterprise, the Director may delay the public disclosure of such order for a reasonable time.

(d) DOCUMENTS FILED UNDER SEAL IN PUBLIC ENFORCEMENT HEARINGS.—The Director may file any document or part thereof under seal in any administrative enforcement hearing commenced by the Director if the Director determines in writing that disclosure thereof would be contrary to the public interest.

(e) RETENTION OF DOCUMENTS.—The Director shall keep and maintain a record, for not less than 6 years, of all documents described in subsection (a) and all informal enforcement agreements and other supervisory actions and supporting documents issued with respect to or in connection with any administrative enforcement proceeding initiated by the Director under this title or any other law.

(f) DISCLOSURES TO CONGRESS.—No provision of this section shall be construed to authorize the withholding, or to prohibit the disclosure, of any information to the Congress or any committee or subcommittee thereof.

TITLE IV—CONSERVATORSHIP

SEC. 401. APPOINTMENT OF CONSERVATOR.

(a) APPOINTMENT.—The Director may, after determining that alternative remedial actions are not satisfactory, appoint a conservator to take possession and control of an enterprise, whenever the Director determines that—

(1) the enterprise is in an unsafe or unsound condition to transact business, and the unsafe or unsound condition threatens the ability of the enterprise to continue as a viable concern or threatens to cause the depletion of substantially all of the capital of the enterprise;

(2) the enterprise has concealed or is concealing its books, papers, records, or assets, or has refused or is refusing to submit its books, papers, records, or affairs for inspection to any examiner or any lawful agent of the Director; or

(3) the enterprise has willfully violated or is willfully violating a cease-and-desist order which has become final.

(b) APPOINTMENT BY CONSENT.—The Director may appoint a conservator to take possession and control of an enterprise if the enterprise, by resolution of a majority of its board of directors or shareholders, consents to the appointment.

(c) NOTICE AND HEARING.—

(1) IN GENERAL.—Before appointing a conservator pursuant to subsection (a), the Director shall provide written notice to the enterprise on the basis for the Director's proposed action and shall provide the enterprise with an opportunity for a hearing on the record.

(2) EXCEPTION.—Notwithstanding paragraph (1), the Director may appoint a conservator without providing notice or a hearing to the enterprise, if the Director determines, pending completion of the proceedings under paragraph (1), that the conduct or violation by the enterprise is likely to—

(A) cause insolvency of the enterprise;

(B) cause a significant depletion of the capital of the enterprise; or

(C) otherwise cause irreparable harm to the enterprise;

prior to the completion of such proceedings.

(d) QUALIFICATIONS OF CONSERVATOR.—The conservator may be—

(1) the Director, or

(2) any person, that—

(A) has no claim against, or financial interest in, the enterprise or other basis for a conflict of interest, and

(B) has the financial and management expertise necessary to direct the operations and affairs of the enterprise.

(e) JUDICIAL REVIEW.—

(1) IN GENERAL.—Not later than 20 days after the initial appointment of a conservator pursuant to this section, the enterprise may bring an action in the United States District Court for the District of Columbia for an order requiring the Director to terminate the appointment of the conservator. The court, upon consideration of the record, shall dismiss the action to terminate the appointment of the conservator or shall direct the Director to terminate the appointment of the conservator. If the conservator was appointed pursuant to subsection (c)(2), the court shall make such determination on the merits.

(2) CONSENSUAL APPOINTMENTS.—A consensual appointment of a conservator under subsection (b) is not subject to judicial review.

(3) LIMITATION ON REMEDIES.—Except as otherwise provided in this subsection, no court may take any action regarding the removal of a conservator, or restrain, or affect the exercise of powers or functions of, a conservator.

(f) REPLACEMENT OF CONSERVATOR.—The Director may, without notice or hearing, replace a conservator with another conservator. Such replacement is not subject to judicial review and shall not affect the enterprise's right under subsection (d) to obtain judicial review of the Director's original decision to appoint a conservator.

SEC. 402. POWERS OF A CONSERVATOR.

(a) POWERS.—

(1) IN GENERAL.—A conservator has all the powers of the directors and officers of the enterprise unless the Director, in the order of appointment, limits the conservator's authority. In addition, a conservator has all the powers of shareholders that relate to the management of the enterprise, including the power to elect directors.

(2) ADDITIONAL POWER.—A conservator has the power to avoid any security interest taken by a creditor with the intent to hinder, delay, or defraud the enterprise or the creditors of the enterprise.

(3) STAY.—Not later than 45 days after appointment or 45 days after receipt of actual notice of an action or proceeding that is pending at the time of appointment, a conservator may request that any action or proceeding to which the conservator or the enterprise is or may become a party, be stayed for a period not to exceed 45 days after the request.

(b) EXPENSES.—All expenses of a conservatorship shall be paid by the enterprise and shall be a lien upon the enterprise which shall have priority over any other lien.

SEC. 403. TERMINATION OF CONSERVATORSHIP.

(a) IN GENERAL.—At any time the Director determines that it may safely be done and that it would be in the public interest, the Director may terminate a conservatorship subject to such terms, conditions, and limitations as the Director may prescribe by written order.

(b) ENFORCEMENT AS FINAL CEASE-AND-DESIST ORDER.—Any terms, conditions, and limitations that the Director may prescribe under subsection (a) shall be enforceable under the provisions of section 304, to the same extent as an order issued pursuant to section 301 which has become final.

(c) JUDICIAL REVIEW.—Not later than 20 days after the date of the termination of the conservatorship or the imposition of an order under subsection (a), whichever is later, an enterprise may bring an action in the United States District Court for the District of Columbia for an order requiring the Director to terminate the order.

SEC. 404. LIABILITY PROTECTION.

(a) FEDERAL AGENCY AND EMPLOYEES.—In a case in which the conservator is the Director, the provisions of chapters 161 and 171 of title 28, United States Code, shall apply with respect to the conservator's liability for acts or omissions performed in the course of the duties and responsibilities of the conservatorship.

(b) OTHER CONSERVATORS.—In a case in which the conservator is not the Director, the conservator shall not be liable for damages in tort or otherwise for acts or omissions performed in the course of the duties and responsibilities of the conservatorship, unless such acts or omissions constitute gross negligence or intentional tortious conduct.

(c) INDEMNIFICATION.—The Director shall have authority to indemnify the conservator on such terms as the Director determines proper.

SEC. 405. ENFORCEMENT OF CONTRACTS.

(a) IN GENERAL.—A conservator may enforce any contract described in subsection (b), notwithstanding any provision of the contract providing for the termination, default, acceleration, or other exercise of rights upon, or solely by reason of, the insolvency of the enterprise or the appointment of a conservator.

(b) CONTRACTS ENFORCEABLE.—If the Director—

(1) determines that the continued enforceability of a class of contracts is necessary to the achievement of the conservator's purpose; and

(2) specifically describes that class of contracts in a regulation or order issued for the purpose of this section;

any contract that is within that class of contracts is enforceable under subsection (a).

(c) APPLICABILITY.—This section and the regulation or order issued under this section shall apply to contracts entered into, modified, extended, or renewed after the effective date of the regulation or order.

TITLE V—HOUSING

SEC. 501. GENERAL AUTHORITY.

(a) IN GENERAL.—The Director shall establish, by regulation, housing goals for each enterprise. The housing goals shall include a low- and moderate-income housing goal, a special affordable housing goal, and a central city, rural area, and other underserved areas housing goal. The Director shall implement this title in a manner consistent with section 301(3) of the Federal National Mortgage Association Charter Act and section 301(b)(3) of the Federal Home Loan Mortgage Corporation Act.

(b) ADJUSTMENT OF HOUSING GOALS.—Except as otherwise set forth in this Act, the Director may, from year to year, adjust any housing goal established under this title.

(c) COMPLIANCE WITH HOUSING GOALS.—Any mortgage purchased by an enterprise shall simultaneously contribute to the achievement of each housing goal established under this title for which the mortgage purchase qualifies.

SEC. 502. LOW- AND MODERATE-INCOME HOUSING GOAL.

(a) IN GENERAL.—The Director shall establish an annual goal for the purchase of mortgages secured by housing for low- and moderate-income families.

(b) TRANSITION RULE.—

(1) IN GENERAL.—During the transition period, an interim target for low- and moderate-income mortgage purchases for each enterprise is established at 30 percent of the total number of dwelling units financed by mortgage purchases of the enterprise.

(2) ACHIEVEMENT OF THE INTERIM TARGET FOR LOW- AND MODERATE-INCOME MORTGAGE PURCHASES.—During the transition period, the Director shall establish separate annual goals for each enterprise, the achievement of which would require, to the extent feasible, that—

(A) each enterprise improve its performance relative to the interim target, annually; and

(B) in the case of an enterprise that does not meet the interim target, the enterprise be prepared to meet the interim target in subsequent years.

(3) DEFINITION.—As used in this subsection, the term "transition period" means the 2-year period beginning on the date of enactment of this Act.

(c) FACTORS TO BE APPLIED BY THE DIRECTOR.—In establishing the housing goal for an enterprise under this section, the Director shall take into account—

(1) appropriate economic, housing, and demographic data,

(2) the performance and effort of the enterprise toward achieving the goals in prior calendar years,

(3) the size of the conventional mortgage market serving low- and moderate-income families relative to the size of the overall conventional mortgage market,

(4) national housing needs,

(5) the ability of the enterprise to lead the industry in making mortgage credit available for low- and moderate-income families, and

(6) the need to maintain the sound financial condition of the enterprise.

(d) USE OF BORROWER AND TENANT INCOME.—

(1) IN GENERAL.—The Director shall monitor each enterprise's performance in carrying out this section and shall evaluate that performance based on—

(A) in the case of an owner-occupied dwelling, the mortgagor's income at the time of origination of the mortgage; or

(B) in the case of a rental dwelling—

(i) the income of the prospective or actual tenants of the property, where such data are available; or

(ii) the rent levels affordable to low- and moderate-income families, where the data referred to in clause (i) are not available.

(2) AFFORDABILITY.—For the purpose of paragraph (1)(B)(ii), a rent level is affordable if it does not exceed 30 percent of the maximum income level of the income categories referred to in this section, with appropriate adjustments for unit size as measured by the number of bedrooms.

SEC. 503. SPECIAL AFFORDABLE HOUSING GOAL.

(a) ESTABLISHMENT OF SPECIAL AFFORDABLE HOUSING GOAL.—

(1) IN GENERAL.—The Director shall establish an annual special affordable housing goal under this section that is not less than 1 percent of the dollar amount of the mortgage purchases by the enterprise for the previous year.

(2) STANDARDS.—In establishing an enterprise's special affordable housing goal, the Director shall take into account—

(A) data submitted to the Director in connection with the special affordable housing goal for previous years,

(B) the performance and effort of the enterprise toward achieving the special affordable housing goal in prior calendar years,

(C) national housing needs within the income categories set forth in this section,

(D) the ability of the enterprise to lead the industry in making mortgage credit available for low-income families, and

(E) the need to maintain the sound financial condition of the enterprise.

(b) TRANSITION RULES.—

(1) FEDERAL NATIONAL MORTGAGE ASSOCIATION MORTGAGE PURCHASES FOR THE TRANSITION PERIOD.—During the transition period, the special affordable housing goal for the Federal National Mortgage Association shall include mortgage purchases of not less than **$2,000,000,000**, with one-half of such purchases directed to 1-to-4 family housing and one-half to multifamily housing.

(2) FEDERAL HOME LOAN MORTGAGE CORPORATION MORTGAGE PURCHASES FOR THE TRANSITION PERIOD.—During the transition period, the special affordable housing goal for the Federal Home Loan Mortgage Corporation shall include mortgage purchases of not less than **$1,500,000,000**, with one-half of such purchases directed to 1-to-4 family housing and one-half to multifamily housing.

(3) INCOME CHARACTERISTICS FOR TRANSITION PERIOD MORTGAGE PURCHASES.—

(A) MULTIFAMILY MORTGAGES.—Purchases of multifamily housing mortgages under paragraphs (1) and (2) shall be directed in the following proportions:

(i) 45 percent for multifamily housing affordable to families whose incomes do not exceed 80 percent of the median income for the area; and

(ii) 55 percent for multifamily housing in which—

(I) at least 20 percent of the units are affordable to families whose incomes do not exceed 50 percent of the median income for the area; or

(II) at least 40 percent of the units are affordable to families whose incomes do not exceed 60 percent of the median income for the area.

(B) SINGLE FAMILY MORTGAGES.—Purchases of 1-to-4 family housing mortgages under paragraphs (1) and (2) shall be directed in the following proportions:

(i) 45 percent for mortgages for families whose incomes do not exceed 80 percent of the median income for the area and who live in census tracts in which the median income does not exceed 80 percent of the area median; and

(ii) 55 percent for mortgages for families whose incomes do not exceed 60 percent of the median income for the area.

(C) COMPLIANCE WITH SPECIAL AFFORDABLE HOUSING GOALS.—Only the portion of multifamily housing mortgage purchases by an enterprise that are attributable to units affordable to families whose incomes do not exceed 80 percent of the median income for the area shall be credited toward compliance with the special affordable housing goals set forth in subparagraph (A)(ii).

(4) DEFINITION.—As used in this subsection, the term "transition period" means the 2-year period beginning on the date of enactment of this Act.

(c) USE OF BORROWER AND TENANT INCOME.—

(1) IN GENERAL.—The Director shall monitor each enterprise's performance in carrying out this section and shall evaluate that performance based on—

(A) in the case of an owner-occupied dwelling the mortgagor's income at the time of origination of the mortgage; or

(B) in the case of a rental dwelling—

(i) the income of the prospective or actual tenants of the property, where such data are available; or

(ii) the rent levels affordable to low-income families, where the data referred to in clause (i) are not available.

(2) AFFORDABILITY.—For the purpose of paragraph (1)(B)(ii), a rent level is affordable if it does not exceed 30 percent of the maximum income level of the income categories referred to in this section, with appropriate adjustments for unit size as measured by the number of bedrooms.

SEC. 504. CENTRAL CITY, RURAL AREA, AND OTHER UNDERSERVED AREAS HOUSING GOAL.

(a) IN GENERAL.—The Director shall establish an annual goal for the purchase of mortgages secured by housing located in central cities, rural areas, and other underserved areas.

(b) TRANSITION RULE.—

(1) IN GENERAL.—During the transition period, an interim target for purchases of mortgages by each enterprise secured by housing located in central cities is established at 30 percent of the total number of dwelling units financed by mortgage purchases of the enterprise.

(2) ACHIEVEMENT OF THE INTERIM TARGET FOR CENTRAL CITY MORTGAGE PURCHASES.—During the transition period, the Director shall establish separate annual goals for each enterprise, the achievement of which would require, to the extent feasible, that—

(A) each enterprise improve its performance relative to the interim target, annually; and

(B) in the case of an enterprise that does not meet the interim target, such enterprise be prepared to meet the interim target in subsequent years.

(3) DEFINITIONS.—

(A) TRANSITION PERIOD.—As used in this subsection, the term "transition period" means the 2-year period beginning on the date of enactment of this Act.

(B) CENTRAL CITY.—As used in this subsection, the term "central city" means any political subdivision designated as a central city by the Office of Management and Budget.

(c) FACTORS TO BE APPLIED BY THE DIRECTOR.—In establishing the housing goal for an enterprise under this section, the Director shall take into account—

(1) appropriate economic, housing, and demographic data,

(2) the performance and effort of the enterprise toward achieving the goals established under this section in prior calendar years,

(3) the size of the central city, rural area, and other underserved areas conventional mortgage market relative to the size of the overall conventional mortgage market,

(4) national urban needs,

(5) the ability of the enterprise to lead the industry in making mortgage credit available throughout the Nation, including central cities, rural areas, and other underserved areas, and

(6) the need to maintain the sound financial condition of the enterprise.

(d) LOCATION OF PROPERTIES.—The Director shall monitor each enterprise's performance in carrying out this section and shall evaluate that performance based on the location of the properties securing mortgages purchased by each enterprise.

SEC. 505. OTHER REQUIREMENTS.

To meet the low- and moderate-income housing goal under section 502, the special affordable housing goal under section 503, and the central city, rural area, and other underserved areas housing goal under section 504, each enterprise shall—

(1) design programs and products that facilitate the use of assistance provided by the Federal Government and State and local governments;

(2) develop relationships with nonprofit and for-profit organizations that develop and finance housing and with State and local governments, including housing finance agencies;

(3) take affirmative steps to—

(A) help primary lenders make housing credit available in areas with concentrations of low-income and minority families, and

(B) assist insured depository institutions in meeting their obligations under the Community Reinvestment Act of 1977,

that include developing appropriate and prudent underwriting standards, business practices, repurchase requirements, pricing, fees, and procedures; and

(4) develop the institutional capacity to help finance low- and moderate-income housing, including housing for first-time homebuyers.

SEC. 506. MONITORING COMPLIANCE WITH HOUSING GOALS.

(a) IN GENERAL.—The Director shall establish guidelines to measure the extent of compliance with the housing goals established under this title. The guidelines may assign full credit, partial credit, or no credit toward compliance with the housing goals to different categories of mortgage purchase activities depending upon such criteria as the Director deems appropriate.

(b) SPECIAL AFFORDABLE HOUSING GOALS.—

(1) ACTIVITIES THAT SHALL RECEIVE FULL CREDIT TOWARD COMPLIANCE WITH GOALS.—The Director shall give full credit toward compliance with the special affordable housing goals to the following activities:

(A) The purchase or securitization of federally insured or guaranteed mortgages, if—

(i) such mortgages cannot be readily securitized through the Government National Mortgage Association or other Federal agency; and

(ii) participation of an enterprise substantially enhances the affordability of the housing securing such mortgages.

(B) The purchase or refinancing of existing, seasoned portfolios of loans, if—

(i) the seller is engaged in a specific program to use the proceeds of such sales to originate additional loans that meet the special affordable housing goals; and

(ii) such purchases or refinancings support additional lending for housing serving low-income families.

(C) The purchase of direct loans made by the Resolution Trust Corporation or the Federal Deposit Insurance Corporation, if such loans are—

(i) not guaranteed by the agencies themselves or other Federal agencies; and

(ii) made with recourse provisions similar to those offered through private mortgage insurance or other conventional sellers.

(2) EXCLUSION.—No credit toward compliance with the special affordable housing goal may be given to the purchase or securitization of mortgages associated with the refinancing of existing enterprise portfolios.

SEC. 507. DATA COLLECTION AND REPORTING REQUIREMENTS FOR THE ENTERPRISES.

(a) SINGLE FAMILY DATA.—

(1) IN GENERAL.—Each enterprise shall collect, maintain, and provide to the Director, in a useful form, data relating to its single family mortgages. Such data shall include—

(A) the income, census tract location, race, and gender of mortgagors;

(B) the loan-to-value ratios of purchased mortgages at the time of origination;

(C) whether a particular mortgage purchased is newly originated or seasoned;

(D) the number of units (1-to-4 family) and whether they are owner-occupied; and

(E) other characteristics deemed appropriate by the Director, to the extent practicable.

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—The data required to be collected under this subsection shall cover single family mortgages purchased after the date determined by the Director, but not later than December 31, 1992.

(B) SEASONED MORTGAGES.—For mortgages purchased after the date referred to in subsection (a) but originated before that date, only data available to the enterprise is required to be collected under this subsection.

(b) MULTIFAMILY DATA.—

(1) IN GENERAL.—Each enterprise shall collect, maintain, and provide to the Director, in a useful form, data relating to its multifamily housing mortgages. Such data shall include—

(A) census tract location,

(B) tenant income levels and characteristics (to the extent practicable),

(C) rent levels,

(D) mortgage characteristics (such as number of units financed per mortgage and size of loans),

(E) mortgagor characteristics (such as nonprofit, for-profit, limited equity cooperatives),

(F) use of funds (such as new construction, rehabilitation, refinancing),

(G) type of originating institution, and

(H) other information deemed appropriate by the Director, to the extent practicable.

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—The data required to be collected under this subsection shall cover multifamily mortgages purchased after the date determined by the Director, but not later than December 31, 1992.

(B) SEASONED MORTGAGES.—For mortgages purchased after the date referred to in subparagraph (A) but originated before that date, only data available to the enterprise is required to be collected under this subsection.

(c) PUBLIC ACCESS TO DATA.—

(1) IN GENERAL.—The Director shall make the data required by subsections (a) and (b) available to the public in useful forms, including forms accessible by computers.

(2) ACCESS.—

(A) PROPRIETARY DATA.—The Director may not make available to the public data that the Director determines are proprietary pursuant to section 515.

(B) EXCEPTION.—The Director shall not restrict access to the data provided in accordance with subsection (a)(1)(A).

(3) FEES.—The Director may charge reasonable fees to cover the cost of making the data available to the public.

(d) ANNUAL REPORT.—

(1) IN GENERAL.—Each enterprise shall submit to the Congress and the Director a report on its activities under this title.

(2) CONTENTS.—The report referred to in paragraph (1) shall—

(A) include in aggregate form and by appropriate category, the dollar volume and number of mortgages purchased for owner-occupied and rental properties related to each of the annual housing goals;

(B) include in aggregate form and by appropriate category, the number of families served, the income class, race, and gender of homebuyers served, the income class of tenants of rental housing (based on availability of information), the characteristics of the census tracts, and the geographic distribution of the housing financed;

(C) include the extent to which the mortgages purchased by the enterprise have been used in conjunction with public subsidy programs under Federal law;

(D) include the proportion of single family mortgages purchased that have been made to first-time homebuyers, as soon as providing such data is practicable and identify any special programs (or revisions to conventional practices) facilitating homeownership opportunities for first-time homebuyers;

(E) include in aggregate form and by appropriate category the data reported under subsection (a)(1)(B);

(F) level of securitization versus portfolio activity;

(G) assess the underwriting standards, business practices, repurchase requirements, pricing, fees, and procedures, that affect the purchase of mortgages for low- and moderate-income families, or that may yield disparate results based on the race of the borrower, including revisions thereto to promote affordable housing or fair lending;

(H) describe trends in both the primary and secondary multifamily markets, including a description of the progress made, and any factors impeding progress, toward standardization and securitization of mortgage products for multifamily housing;

(I) describe trends in the delinquency and default rates of mortgages secured by housing for low- and moderate-income families that have been purchased by each enterprise, including a comparison of such trends with delinquency and default information for mortgage products serving households with incomes above the median level that have been purchased by each enterprise, and evaluate the impact of such trends on the standards and levels of risk of mortgage products serving low- and moderate-income families;

(J) describe in the aggregate its seller servicer network, including the volume of mortgages purchased from minority-owned, women-owned, and community-oriented lenders, and any efforts to facilitate relationships with such lenders;

(K) describe the activities undertaken with nonprofit and for-profit organizations and with State and local governments and housing finance agencies, including how its activities support the objectives of local comprehensive housing affordability strategies; and

(L) contain any other information deemed relevant by the Director.

(3) AVAILABILITY OF REPORTS.—

(A) IN GENERAL.—Each enterprise shall make the reports under this subsection available to the public at the principal and regional offices of the enterprise.

(B) EXCLUSION OF PROPRIETARY DATA.—Information that is contained in any report that the Director has determined is proprietary shall be subject to the provisions of section 515.

SEC. 508. ANNUAL REPORT OF THE DIRECTOR.

(a) IN GENERAL.—After reviewing and analyzing the reports submitted under section 507(d), the Director shall submit a report, as part of its report under section 109 of this Act, on the extent to which each enterprise is achieving the specified annual goals and general purposes established by law.

(b) CONTENTS.—The report shall—

(1) aggregate and analyze census tract data to assess each enterprise's compliance with the central city, rural area, and other underserved areas housing goal and to show levels of business in central cities, rural areas, low- and moderate-income census tracts, minority census tracts, and other geographical areas deemed appropriate by the Director;

(2) aggregate and analyze data on income to assess each enterprise's compliance with the low and moderate and special affordable housing goals;

(3) aggregate and analyze data on income, race, and gender by census tract and compare such data with larger demographic, housing, and economic trends;

(4) examine actions that each enterprise has undertaken and could undertake regarding underwriting standards, business practices, repurchase requirements, pricing, fees, and procedures to promote and expand the annual goals specified under sections 502, 503, and 504, as well as the general purposes established by law;

(5) review trends in both the primary and secondary multifamily markets, describing—

(A) the availability of mortgage credit and liquidity; and

(B) the progress made, and any factors impeding progress, toward standardization and securitization of mortgage products for multifamily housing;

(6) examine actions each enterprise has undertaken and could undertake to promote and expand opportunities for first-time homebuyers; and

(7) describe any actions taken with respect to originators found to violate fair lending procedures.

SEC. 509. COMPLIANCE.

(a) IN GENERAL.—The Director shall monitor and enforce compliance with the goals established under sections 502, 503, and 504.

(b) NOTICE AND HEARING.—If the Director determines that an enterprise has failed to meet, or that there is a substantial probability that an enterprise will fail to meet, any goal established under section 502, 503, or 504, the Director shall provide written notice to the enterprise and an opportunity to review and supplement the administrative record at an administrative hearing.

(c) HOUSING PLANS.—

(1) PLAN REQUIRED.—If the Director finds, after any hearing pursuant to subsection (b), that the achievement of the housing goal was feasible, after consideration of market and economic conditions, the Director shall require the enterprise to submit a housing plan for approval by the Director.

(2) CONTENTS.—Each housing plan shall be a feasible plan describing the specific actions the enterprise will take—

(A) to achieve the goal for the next succeeding calendar year; or

(B) in a case when the Director determines that there is a substantial probability that the enterprise will fail to meet a goal in the current year, to make such improvements as are reasonable in the remainder of that year. The plan shall contain sufficient specificity to enable the Director to monitor compliance periodically.

(3) DEADLINES FOR SUBMISSION.—The Director shall establish a deadline for submission of a housing plan that is not more than 45 days after the enterprise is notified in writing that a plan is required. The Director may extend the deadline for a specified period of time.

(4) APPROVAL.—The Director shall approve or disapprove a plan within 30 days. The Director shall approve any plan that the Director determines is likely to succeed, and conforms with the relevant charter act and this Act and other applicable law and regulation. The Director may extend the period for approval or disapproval for an additional 30 days.

(5) DISAPPROVAL.—If the housing plan initially submitted by the enterprise is disapproved, the Director shall provide written notice of the reasons therefor, and shall require the enterprise to submit, with a reasonable period of time, but not more than 30 days unless the Director determines that a longer period is in the public interest, an amended housing plan acceptable to the Director.

(6) HEARING.—If the Director disapproves a housing plan, the Director shall provide the enterprise with an opportunity to review and supplement the administrative record in an administrative hearing.

(d) ENFORCEMENT.—

(1) IN GENERAL.—If the Director determines that an enterprise has failed to make a good faith effort to comply with an approved housing plan, the Director—

(A) may, under section 301, issue and serve upon the enterprise an order to comply with the housing plan; and

(B) may, under section 305, assess and collect from the enterprise a civil penalty.

(2) LIMITATION.—The Director shall not, for failure to comply with an approved housing plan—

(A) issue any order under section 301, except as described in paragraph (1)(A); or

(B) assess any civil penalty under section 305, except as described in paragraph (1)(B).

(3) ADDITIONAL TRANSITION PERIOD LIMITATION.—The Director shall take no actions described in paragraph (1) during the 2-year period following the date of enactment of this Act unless the Director determines that the enterprise has blatantly disregarded an approved housing plan.

(e) TRANSITION PERIOD REPORTS AND HEARINGS.—

(1) REPORTS.—Within 45 days of the establishment of any housing goals required by this title during the 2-year period following the date of enactment, each enterprise shall submit to the Director, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a report describing the actions the enterprise plans to take in order to meet such goals.

(2) HEARINGS.—Not later than 45 days after the submission of a report under paragraph (1), the chief executive officers of the enterprises shall, if requested, appear before each committee referred to in paragraph (2) to explain the proposed actions described in their respective plans.

(f) AUDIT POWERS.—The Director or the Comptroller General of the United States, at the request of the Director or any Member of Congress, is authorized to examine records and audit reports to the extent necessary to assess compliance with—

(1) the goals established under sections 502, 503, and 504,

(2) any other goals established by the Director to achieve the charter purposes of an enterprise, and

(3) any housing plan approved under this section.

SEC. 510. ADVISORY COUNCIL.

(a) IN GENERAL.—Not later than 4 months after the date of enactment of this Act, each enterprise shall appoint an Affordable Housing Advisory Council to advise it regarding possible methods for promoting affordable housing for low- and moderate-income families.

(b) MEMBERSHIP.—Each Council shall consist of 15 individuals, who shall include representatives of community-based and other nonprofit and for-profit organizations and State and local government agencies actively engaged in the promotion, development, or financing of housing for low- and moderate-income families.

SEC. 511. GEOGRAPHIC DISTRIBUTION.

(a) FEDERAL NATIONAL MORTGAGE ASSOCIATION.—Section 301 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716) is amended—

(1) by redesignating paragraph (4) as paragraph (5);

(2) by striking "and" at the end of paragraph (3); and

(3) by inserting before paragraph (5), as redesignated, the following:

"(4) promote access to mortgage credit throughout the Nation (including central cities and rural areas) by increasing the liquidity of mortgage investments, including facilitating credit secured by mortgages to secondary market participants, and improving the distribution of investment capital available for residential mortgage financing; and".

(b) FEDERAL HOME LOAN MORTGAGE CORPORATION.—Section 301(b) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 note) is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting "; and"; and

(3) by adding at the end the following:

"(4) to promote access to mortgage credit throughout the Nation (including central cities and rural areas) by increasing the liquidity of mortgage investments, including facilitating credit secured by mortgages to secondary market participants, and improving the distribution of investment capital available for residential mortgage financing.".

SEC. 512. MULTIFAMILY MORTGAGE ACTIVITIES.

(a) FEDERAL NATIONAL MORTGAGE ASSOCIATION.—Section 301 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716) is amended by striking "home" each place it appears in paragraphs (1) and (3) and inserting "residential".

(b) FEDERAL HOME LOAN MORTGAGE CORPORATION.—Section 301(b) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 note) is amended by striking "home" each place it appears in paragraphs (1) and (3) and inserting "residential".

SEC. 513. BOARD OF DIRECTORS QUALIFICATIONS.

(a) FEDERAL NATIONAL MORTGAGE ASSOCIATION.—

(1) MEMBER WITH A DEMONSTRATED COMMITMENT TO LOW-INCOME HOUSING.—Section 308(b) of the Federal National Mortgage Associa-

tion Charter Act (12 U.S.C. 1723(b)) is amended by inserting in the second sentence after "lending industry," the following: "at least one person who has demonstrated a career commitment to the provision of housing for low-income households,".

(2) APPLICABILITY.—The amendment made by subsection (a)(1) shall apply to the annual appointments made by the President of members to the Board of Directors of the Federal National Mortgage Association that occur after the date of the enactment of this Act.

(b) FEDERAL HOME LOAN MORTGAGE CORPORATION.—

(1) MEMBER WITH A DEMONSTRATED COMMITMENT TO LOW-INCOME HOUSING.—Section 303(a)(2)(A) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(a)(2)(A)) is amended by inserting in the second sentence after "lending industry," the following: "at least 1 person who has demonstrated a career commitment to the provision of housing for low-income households,".

(2) APPLICABILITY.—The amendment made by subsection (b)(1) shall apply to the annual appointments made by the President of members to the Board of Directors of the Federal Home Loan Mortgage Corporation that occur after the date of the enactment of this Act.

SEC. 514. FAIR HOUSING.

The Director shall—

(1) subject to the Secretary's general authority to enforce the Fair Housing Act, by regulation prohibit each enterprise from discriminating in any manner in the purchase of any mortgage because of race, color, religion, sex, handicap, familial status, age, or national origin, including any consideration of the age or location of the dwelling or the age of the neighborhood or census tract where the dwelling is located in a manner that has a discriminatory effect;

(2) subject to the Secretary's general authority to enforce the Fair Housing Act, by regulation require each enterprise to have single family mortgage and multifamily mortgage underwriting and appraisal guidelines that prohibit the use of lending criteria or the exercise of lending policies by mortgage lenders that sell mortgages to the enterprise, that have the effect of discriminating on the basis of race, color, religion, sex, handicap, familial status, age, or national origin, including any consideration of the age or location of the dwelling or the age of the neighborhood or census tract where the dwelling is located in a manner that has a discriminatory effect;

(3) by regulation, require an enterprise to submit certain data to assist the Secretary in investigating whether a mortgage lender with which the enterprise does business has failed to comply with the Fair Housing Act or the Equal Credit Opportunity Act;

(4) periodically review and comment on each enterprise's underwriting and appraisal guidelines;

(5) seek information from other regulatory and enforcement agencies regarding violations by lenders of the laws referred in paragraph (3) and make that information available to enterprises; and

(6) direct an enterprise to undertake various remedial actions, including suspension, probation, reprimand, or settlement, against those lenders that have in a final adjudication or an administrative hearing on the record in accordance with subchapter II of chapter 5 of title 5, United States Code, been found to have engaged in discriminatory lending practices in violation of this subsection, the Fair Housing Act, or the Equal Credit Opportunity Act.

SEC. 515. PROHIBITION ON PUBLIC DISCLOSURE OF PROPRIETARY INFORMATION.

(a) IN GENERAL.—The Director may determine, by regulation or order, information that will be accorded treatment as proprietary information. The Director shall not provide public access to, or disclose to the public, information required to be submitted by an enterprise under section 507 that the Director determines is proprietary.

(b) EFFECTIVE DATE OF ORDER.—Any order issued under subsection (a) shall not become effective until 10 days after its issuance.

(c) NONDISCLOSURE PENDING CONSIDERATION.—Nothing in this section authorizes the disclosure to, or examination of data by, the public or a representative of any person or agency, pending the issuance of a final decision under this section.

TITLE VI—CHARTER ACT AMENDMENTS

SEC. 601. AMENDMENTS TO THE FEDERAL NATIONAL MORTGAGE ASSOCIATION CHARTER ACT.

(a) REMOVAL AUTHORITY OF THE PRESIDENT.—Section 308(b) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723(b)) is amended in the third sentence after "any such" by inserting "appointed".

(b) GAO AUDITS.—The first sentence of section 309(j) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(j)) is amended to read as follows: "The programs, activities, receipts, expenditures, and financial transactions of the corporation shall be subject to audit by the Comptroller General of the United States under such rules and regulations as may be prescribed by the Comptroller General.".

(c) CONSTRUCTION.—Section 309(i) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a) is amended to read as follows:

"(i) CONSTRUCTION.—The powers conferred on the corporation by this title shall be exercised in accordance with the goals and purposes of the Federal Housing Enterprises Regulatory Reform Act of 1992. If the provisions of this title conflict with the provisions of the Federal Housing Enterprises Regulatory Reform Act of 1992, the provisions of that Act shall control.".

(d) CAPITALIZATION.—Section 303 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1718) is amended—

(1) in subsection (a), by adding at the end the following new sentence: "The corporation may issue shares of common stock in return for appropriate payments into capital or capital and surplus.";

(2) by striking subsection (b) and inserting the following new subsection:

"(b) FEES AND EARNINGS.—

"(1) FEES AND CHARGES.—The corporation may impose charges or fees, which may be regarded as elements of pricing, with the objective that all costs and expenses of the operations of the corporation should be within its income derived from such operations and that such operations should be fully self-supporting.

"(2) EARNINGS; GENERAL SURPLUS.—All earnings from the operations of the corporation shall annually be transferred to the general surplus account of the corporation. At any time, funds of the general surplus account may, in the discretion of the board of directors, be transferred to reserves.";

(3) by striking subsection (c) and inserting the following new subsection:

"(c) DISTRIBUTIONS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the corporation may make such capital distributions as may be declared by the board of directors. All capital distributions shall be charged against the general surplus account of the corporation.

"(2) ADEQUATE CAPITALIZATION REQUIRED.—The corporation may not make any capital distributions that would decrease the capital of the corporation, as such term is defined under section 212 of the Federal Housing Enterprises Regulatory Reform Act of 1992 to an amount less than that sufficient to be classified as adequately capitalized under section 204 of such Act, without prior written approval of the Director of the Office of Federal Housing Enterprise Oversight."; and

(4) in subsection (f)—

(A) by striking "to make payments" and all that follows through "such capital contributions,"; and

(B) by striking "additional shares of such stock," and inserting "shares of common stock of the corporation".

(e) RATIO OF OBLIGATIONS.—

(1) IN GENERAL.—Section 304 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1719) is amended—

(A) in subsection (b), by striking the semicolon in the first sentence and all that follows through the end of the second sentence and inserting a period; and

(B) in subsection (e), by striking the fourth sentence.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect when the first classifications are made under section 204(b).

(f) ASSESSMENTS FOR THE OFFICE OF SECONDARY MARKET OVERSIGHT.—The first sentence of section 304(f) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1719(f)) is amended by inserting after "section 309(g)" the following: "of this Act and section 105 of the Federal Housing Enterprises Regulatory Reform Act of 1992".

(g) COMPENSATION.—Section 309(d) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(d)) is amended—

(1) in the first sentence of paragraph (2) by striking "as it may determine" and inserting the following: "as the board of directors determines reasonable and comparable with compensation for employment in positions in comparable publicly held financial institutions involving similar duties and responsibilities, except that a significant portion of potential compensation of all executive officers (as such term is defined in paragraph (3)(C)) of the corporation shall be based on the performance of the corporation"; and

(2) by adding at the end the following new paragraph:

"(3)(A) Not later than June 30, 1993, and annually thereafter, the corporation shall submit a report to the Congress on—

"(i) the comparability of the compensation policies of the corporation with the compensation policies of other similar businesses,

"(ii) in the aggregate, the percentage of total cash compensation and payments under employee benefit plans (which shall be defined in a manner consistent with the corporation's proxy statement for the annual meeting of shareholders for the preceding year) earned by executive officers of the corporation during the preceding year that was based on the corporation's performance, and

"(iii) the comparability of the corporation's financial performance with the performance of other similar businesses.

The report shall include a copy of the corporation's proxy statement for the annual meeting of shareholders for the preceding year.

"(B) The corporation may not enter into any agreement to provide any payment of money or other thing of value in connection with the termination of employment of any executive officer of the corporation, unless such agreement is approved in advance by the Director of the Office of Federal Housing Enterprise Oversight. Any such payment made pursuant to any agreement entered into between July 24, 1991, and the date of enactment of the Federal Housing Enterprises Regulatory Reform Act of 1992 may be cancelled unless such agreement is approved by the Director. The Director may not approve any such agreement unless the Director determines that the benefits provided under the agreement are comparable to benefits under such agreements for officers of other public and private entities involved in financial services and housing interests who have comparable duties and responsibilities. For purposes of this subparagraph, any renegotiation, amendment, or change after July 24, 1991, to any such agreement entered into on or before such date shall be considered entering into an agreement.

"(C) For purposes of this paragraph, the term 'executive officer' has the meaning given the term in section 3 of the Federal Housing Enterprises Regulatory Reform Act of 1992.".

(h) GENERAL REGULATORY POWERS.—Section 309(h) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(h)) is repealed.

(i) STOCK ISSUANCES.—The second sentence of section 311 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723c) is amended by striking all that follows "Commission" and inserting a period.

(j) APPROVAL.—Section 302(b) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)) is amended—

(1) in paragraph (2), by striking "and with the approval of the Secretary of Housing and Urban Development,"; and

(2) in paragraphs (3) and (4), by striking ", with the approval of the Secretary of Housing and Urban Development,".

SEC. 602. AMENDMENTS TO THE FEDERAL HOME LOAN MORTGAGE CORPORATION ACT.

(a) REPEAL OF PROHIBITION ON MORTGAGE LIMITATIONS.—Section 305(c) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(c)) is repealed.

(b) REPEAL OF PROHIBITION ON PREJUDGMENT ATTACHMENT.—Section 303(f) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(f)) is amended by striking the last sentence.

(c) CONSTRUCTION.—Section 303 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452) is amended by adding at the end the following subsection:

"(h) CONSTRUCTION.—The powers conferred by this title on the Corporation shall be exercised in accordance with the goals and purposes of the Federal Housing Enterprises Regulatory Reform Act of 1992. If the provisions of this title conflict with the provisions of the Federal Housing Enterprises Regulatory Reform Act of 1992, the provisions of that Act shall control.".

(d) GAO AUDITS.—The first sentence of section 307(b) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1456(b)) is amended to read as follows: "The programs, activities, receipts, expenditures, and financial transactions of the Corporation shall be subject to audit by the Comptroller General of the United States under such rules and regulations as may be prescribed by the Comptroller General.".

(e) POWERS OF THE CORPORATION.—Section 303(c) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(c)) is amended by striking the second and third sentences.

(f) REMOVAL AUTHORITY OF PRESIDENT.—Section 303(a)(2)(B) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(a)(2)(B)) is amended by inserting before the period at the end the following: ", except that any appointed member may be removed from office by the President for good cause".

(g) GENERAL REGULATORY POWERS.—Section 303(b) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(b)) is amended—

(1) by striking paragraphs (1) and (2);

(2) by striking paragraph (3) and inserting the following new paragraph:

"(3)(A) Except as provided in subparagraph (B), the Corporation may make such capital distributions as may be declared by the Board of Directors.

"(B) The Corporation may not make any capital distributions that would decrease the capital of the Corporation (as such term is defined in section 212 of the Federal Housing Enterprises Regulatory Reform Act of 1992) to an amount less than that sufficient to be classified as adequately capitalized under section 204 of such Act, without prior written approval of the Director of the Office of Federal Housing Enterprise Oversight."; and

(3) by striking paragraphs (4), (6), (7), and (8).

(h) RATIO OF CAPITAL AND OBLIGATIONS.—Effective upon the first classification made under section 204(b), section 303(b) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(b)) is amended by striking paragraph (5).

(i) COMPENSATION.—Section 303 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452) is amended—

(1) in clause (9) of the first sentence of subsection (c), by inserting after "agents" the following: "as the Board of Directors determines reasonable and comparable with compensation for employment in positions in comparable publicly held financial institutions involving similar duties and responsibilities, except that a significant portion of potential compensation of all executive officers (as such term is defined in subsection (i)(3)) of the Corporation shall be based on the performance of the Corporation"; and

(2) by adding at the end the following new subsection:

"(i)(1) Not later than June 30, 1993, and annually thereafter, the Corporation shall submit a report to the Congress on—

"(A) the comparability of the compensation policies of the Corporation with the compensation policies of other similar businesses,

"(B) in the aggregate, the percentage of total cash compensation and payments under employee benefit plans (which shall be defined in a manner consistent with the Corporation's proxy statement for the annual meeting of shareholders for the preceding year) earned by executive officers of the Corporation during the preceding year that was based on the Corporation's performance, and

"(C) the comparability of the Corporation's financial performance with the performance of other similar businesses.

The report shall include a copy of the Corporation's proxy statement for the annual meeting of shareholders for the preceding year.

"(2) Notwithstanding the first sentence of subsection (c), the Corporation may not enter into any agreement to provide any payment of money or other thing of value in connection with the termination of employment of any executive officer of the Corporation, unless such agreement is approved in advance by the Director of the Office of Federal Housing Enterprise Oversight. Any such payment made pursuant to any agreement entered into between July 24, 1991, and the date of enactment of the Federal Housing Enterprises Regulatory Reform Act of 1992 may be cancelled unless such agreement is approved by the Director. The Director may not approve any such agreement unless the Director determines that the benefits provided under the agreement are comparable to benefits under such agreements for officers of other public and private entities involved in financial services and housing interests who have comparable duties and responsibilities. For purposes of this paragraph, any renegotiation, amendment, or change after July 24, 1991, to any such agreement entered into on or before such date shall be considered entering into an agreement.

"(3) For purposes of this subsection, the term 'executive officer' has the meaning given the term in section 3 of the Federal Housing Enterprises Regulatory Reform Act of 1992.".

(j) CAPITAL STOCK.—Section 304 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1453) is amended—

(1) in subsection (a)(1), by striking "The common stock" and all that follows and inserting the following: "The common stock of the Corporation shall consist of voting common stock, which shall be issued to such holders in the manner and amount, and subject to any limitations on concentration of ownership, as may be established by the Corporation.";

(2) in subsection (a)(2)—

(A) in the first sentence, by striking "nonvoting common stock and the"; and

(B) by striking the last sentence; and

(3) by striking subsections (b), (c), and (d).

(k) MORTGAGE SELLERS.—Section 305(a)(1) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(1)) is amended—

(1) in the first sentence, by striking "from any Federal home loan bank" and all that follows through the end of the sentence.

(2) in the second sentence, by striking ", and the servicing" and all that follows through the end of the sentence and inserting a period.

(l) DEFINITION OF "RESIDENTIAL MORTGAGE".—Section 302(h) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451(h)) is amended in the third sentence by striking "made" and all that follows through "305(a)(1)" and inserting "or purchased from any public utility carrying out activities in accordance with the requirements of title II of the National Energy Conservation Policy Act if the residential mortgage to be purchased is a loan or advance of credit the original proceeds of which are applied for in order to finance the purchase and installation of residential energy conservation measures (as defined in section 210(11) of the National Energy Conservation Policy Act) in residential real estate".

TITLE VII—REGULATION OF FEDERAL HOME LOAN BANK SYSTEM

SEC. 701. PRIMACY OF FINANCIAL SAFETY AND SOUNDNESS FOR FEDERAL HOUSING FINANCE BOARD.

Section 2A(a)(3) of the Federal Home Loan Bank Act (12 U.S.C. 1422a(a)(3)) is amended to read as follows:

"(3) DUTIES.—

"(A) SAFETY AND SOUNDNESS.—The primary duty of the Board shall be to ensure that the

Federal Home Loan Banks operate in a financially safe and sound manner.

"(B) OTHER DUTIES.—To the extent consistent with subparagraph (A), the duties of the Board shall also be—

"(i) to supervise the Federal Home Loan Banks;

"(ii) to ensure that the Federal Home Loan Banks carry out their housing finance mission; and

"(iii) to ensure that the Federal Home Loan Banks remain adequately capitalized and able to raise funds in the capital markets.".

SEC. 702. STUDY REGARDING FEDERAL HOME LOAN BANK SYSTEM.

(a) IN GENERAL.—The Federal Housing Finance Board, the Comptroller General of the United States, the Director of the Congressional Budget Office, and the Secretary of Housing and Urban Development shall each conduct a study regarding the following topics:

(1) The appropriate capital standards for the Federal Home Loan Bank System.

(2) The appropriate relationship between the capital standards for the Federal Home Loan Banks and the capital standards under this Act for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(3) The appropriate relationship between the capital standards for federally insured depository institutions and the capital standards under this Act for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, especially with regard to similar kinds of on-balance sheet and off-balance sheet assets and obligations.

(4) The advantages and disadvantages of expanding the credit products and services of the Federal Home Loan Banks, including a determination of the desirability of—

(A) the purchase by Federal Home Loan Banks of housing-related assets from member institutions, and

(B) the provision by Federal Home Loan Banks of credit enhancements and other products to members in addition to advances.

(5) The advantages and disadvantages of expanding eligible collateral for advances by removing the limits on the amount of housing-related assets that member institutions can use to collateralize advances.

(6) The advantages and disadvantages of further measures to expand the role of the Federal Home Loan Bank System as a support mechanism for community-based lenders and to reinforce the overall role of the Federal Home Loan Bank System in housing finance.

(7) The advantages and disadvantages of further measures to increase membership in, and increase the profitability of, the Federal Home Loan Bank System by modifying—

(A) restrictions on membership and stock purchases of nonqualified thrift lenders;

(B) the advance limit imposed on Federal Home Loan Banks to nonqualified thrift lenders; and

(C) the membership requirement for qualified thrift lenders.

(8) The competitive effect of the mortgage activities of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation on the home mortgage activities of federally insured depository institutions and the cost of such activities to such institutions, the Savings Association Insurance Fund, the Bank Insurance Fund, and the Resolution Trust Corporation.

(9) The likelihood that the Federal Home Loan Banks will be able to continue to pay the amounts required under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

(10) The extent to which a reduction in the number of Federal Home Loan Banks would reduce noninterest costs.

(11) The impact that a reduction in the number of Federal Home Loan Banks would have on the effectiveness of affordable housing programs.

(12) The impact that a reduction in the number of Federal Home Loan Banks would have on the availability of affordable housing in rural areas and the ability of small rural financial institutions to provide housing financing.

(13) The current and prospective impact of the Federal Home Loan Bank System on—

(A) the availability and affordability of housing for low- and moderate-income households; and

(B) the relative availability of housing credit across geographic areas, with particular regard to differences depending on whether properties are inside or outside of central cities.

(14) The appropriateness of extending to the Federal Home Loan Bank System the public purposes and housing goals established for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation under this Act and the enterprises' charters.

(b) REPORTS.—Not later than 9 months after the date of the enactment of this Act, the Federal Housing Finance Board, the Comptroller General, the Director of the Congressional Budget Office, and the Secretary of Housing and Urban Development shall each submit to the Congress a report on the studies required under subsection (a) containing any recommendations for legislative action based on the results of the studies.

(c) COMMENTS.—The Secretary of the Treasury, the Director of the Office of Federal Housing Enterprise Oversight, the Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Association shall submit to the Congress any recommendations and opinions regarding the studies under subsection (a), to the extent that the recommendations and views of such officers differ from the recommendations and opinions of the Federal Housing Finance Board, the Comptroller General, the Director of Congressional Budget Office, and the Secretary of Housing and Urban Development.

(d) DEFINITION.—For purposes of this section the term "housing-related assets" means residential mortgages, residential mortgage-related securities, loans or loan participations secured by residential real estate, housing production loans, and warehouse lines of credit for residential mortgage banking activities.

SEC. 703. REPORTS OF FEDERAL HOME LOAN BANKS.

Not later than 9 months after the date of enactment of this Act, the Board of Directors of each Federal Home Loan Bank shall submit to the Congress a report of the directors' evaluation of the costs and benefits of consolidation of the Federal Home Loan Bank System.

SEC. 704. REPORTS OF FEDERAL HOME LOAN BANK MEMBERS.

(a) IN GENERAL.—Not later than 45 days after the date of enactment of this Act, the Board of Directors of each Federal Home Loan Bank shall elect 2 persons who are officers or directors of stockholder institutions of the Federal Home Loan Bank to serve on a panel to be called the "Study Committee".

(b) STUDY AND REPORT.—The Study Committee referred to in subsection (a) shall conduct a study on the topics listed in section 702(a) and on the costs and benefits of consolidation of the Federal Home Loan Bank System. Not later than 9 months after the date of enactment of this Act, the Study Committee shall submit a report to the Congress, the Federal Housing Finance Board, and the presidents of the Federal Home Loan Banks on its findings, including any recommendations for legislative or administrative action, together with any minority views or recommendations.

SEC. 705. FULL-TIME STATUS OF FHFB MEMBERS.

Section 2A(b)(2) of the Federal Home Loan Bank Act (12 U.S.C. 1422(b)(2)) is amended by adding at the end the following new subparagraph:

"(D) BOARD STATUS.—All directors appointed pursuant to paragraph (1)(B) shall serve on a full-time basis beginning on January 1, 1994.".

SEC. 706. EXCEPTION TO REQUIREMENTS FOR ADVANCES UNDER THE FEDERAL HOME LOAN BANK ACT.

Section 10b of the Federal Home Loan Bank Act (12 U.S.C. 1430b) is amended—

(1) in the first sentence, by inserting before "Each" the following:

"(a) IN GENERAL.—"; and

(2) by adding at the end the following new subsection:

"(b) EXCEPTION.—An advance made to a State housing finance agency for the purpose of facilitating mortgage lending that benefits individuals and families that meet the income requirements set forth in section 142(d) or 143(f) of the Internal Revenue Code of 1986, need not be collateralized by a mortgage insured under title II of the National Housing Act or otherwise, if—

"(1) such advance otherwise meets the requirements of this subsection; and

"(2) such advance meets the requirements of section 10(a) of this Act, and any real estate collateral for such loan comprises single family or multifamily residential mortgages.".

TITLE VIII—STUDY OF NATIONAL CONSUMER COOPERATIVE BANK

SEC. 801. STUDY OF NATIONAL CONSUMER COOPERATIVE BANK.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of—

(1) the extent to which the National Consumer Cooperative Bank has achieved its statutory purposes as set forth in the National Consumer Cooperative Bank Act (12 U.S.C. 3001 et seq.) (hereafter in this title referred to as the "Bank Act"); and

(2) the financial safety and soundness of the activities of the Bank and its affiliates.

(b) SPECIFIC REQUIREMENTS.—In conducting the study, the Comptroller General shall examine and evaluate—

(1) the degrees and types of risks that are undertaken by the Bank in the course of its and its affiliates' operations, including credit risk, interest rate risk, management and operational risk, and business risk;

(2) the actual level of risk that exists with respect to the Bank and its affiliates, which shall take account of the volume of debt securities issued by the Bank to the Secretary of the Treasury;

(3) the appropriateness of establishing a more comprehensive structure of safety and soundness regulation of the Bank and its affiliates, including the application of capital standards to the Bank;

(4) the costs and benefits to the public from establishment of a more comprehensive

structure of safety and soundness regulation of the Bank and its affiliates, and the impact of such a structure on the capability of the Bank to carry out its purposes under law and the Bank's viability, including the ability of the Bank to obtain funding in the private capital markets;

(5) the quality and timeliness of information currently available to the public and the Federal Government concerning the extent and nature of the activities of the Bank and its affiliates and the financial risks associated with such activities;

(6) the extent to which the Bank has served all types of its eligible borrowers, including consumer cooperatives, self-help cooperatives, and cooperatives serving low-income families;

(7) the extent to which the Bank directly or indirectly has provided technical assistance to all types of its eligible borrowers;

(8) whether the benefit to the Bank of below-market rates of interest on the debt issued by the Bank to the Secretary of the Treasury was utilized and allocated in a manner consistent with the Bank Act;

(9) whether the Bank's compensation of its executive officers has been excessive;

(10) whether the manner in which the Bank has allocated voting rights to its eligible borrowers has conformed with the Bank Act;

(11) whether the Bank otherwise has acted in a manner consistent with the achievement of its purposes and mission under the Bank Act; and

(12) whether the purposes and mission of the Bank under the Bank Act should be modified in light of any changes in the availability to the Bank's eligible borrowers of credit from sources other than the Bank, changes in the economy, and other factors.

(c) Preparation of Report.—In conducting the study required by this section, among other matters, the Comptroller General shall take account of—

(1) the examination reports on the Bank prepared by the Farm Credit Administration;

(2) any audits of the Bank by the Comptroller General;

(3) the annual reports of the Bank to the Congress and the annual and quarterly reports and registration statements filed by the Bank with the Securities and Exchange Commission;

(4) any written communications of any kind of the Farm Credit Administration or the Comptroller General to the Congress with respect to the Bank or its affiliates;

(5) the examination reports on the Bank or its affiliates prepared by the Office of Thrift Supervision or the appropriate official of the State of Ohio; and

(6) the views of interested members of the public, including eligible borrowers from the Bank.

(d) Report to Congress.—Within 6 months after enactment of this Act, the Comptroller General shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a report that shall set forth—

(1) the results of the study under this section;

(2) any recommendations of the Comptroller General with respect to—

(A) the establishment of a more comprehensive structure of safety and soundness regulation of the Bank and its affiliates;

(B) the appropriate capital standards for the Bank; and

(C) the appropriate regulatory agency for the Bank;

(3) any recommendations of the Comptroller General with respect to—

(A) the manner in which the Bank is carrying out its purposes and mission under the Bank Act;

(B) whether the Bank's purposes and mission under the Bank Act should be changed; and

(C) whether the Bank Act should be otherwise amended; and

(4) any recommendations and opinions of the Secretary of the Treasury regarding the report and, to the extent that the recommendations and views of such officers or agencies differ from the recommendations and opinions of the Comptroller General, any recommendations and opinions of the Farm Credit Administration and the Office of Thrift Supervision regarding the report.

(e) Consultation and Cooperation With Other Agencies.—The Comptroller General shall determine the structure and methodology of the study under this section in consultation with the Secretary of the Treasury, the Farm Credit Administration, the Director of the Office of Thrift Supervision, and the Bank.

(f) Access to Relevant Information.—The Bank shall provide or cause to be provided full and prompt access to the Comptroller General to the books and records of the Bank and any affiliate of the Bank and shall promptly provide or cause to be provided any other information requested by the Comptroller General. Any information provided by the Bank or any affiliate of the Bank to the Comptroller General that concerns customer relationships and that is confidential in nature shall be retained in confidence by the Comptroller General and shall not be disclosed to the public. In conducting the study under this section, the Comptroller General may request information from, or the assistance of, any department or agency of the Federal Government or of the State of Ohio that is or was authorized by law to examine or supervise any activities of the Bank or any affiliate of the Bank.

TITLE IX—MISCELLANEOUS

Subtitle A—Miscellaneous

SEC. 901. PRIVATIZATION STUDY.

(a) In General.—The Comptroller General of the United States, the Director of the Congressional Budget Office, and the Secretary of the Treasury shall conduct a study of the desirability and feasibility of eliminating the Federal sponsorship of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(b) Specific Requirements.—In conducting the study, the Comptroller General of the United States, the Director of the Congressional Budget Office, and the Secretary of the Treasury shall consider and evaluate—

(1) the legal requirements of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation and the costs to the enterprises if such Federal sponsorship were removed;

(2) the cost of capital to the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation with the removal of Federal sponsorship;

(3) the costs to home ownership and the impact on housing affordability and availability of the removal of Federal sponsorship;

(4) the level of competition which might be available in the private sector with the removal of Federal sponsorship;

(5) the potential effect on the cost and availability of residential housing finance of the enactment of bank reforms that would enable banks to enter the securities business;

(6) whether increased amounts of core capital would be necessary with the removal of Federal sponsorship;

(7) the impact of removal of Federal sponsorship upon the secondary market for residential loans and the liquidity of such loans;

(8) the impact of removal of Federal sponsorship upon the risk weighting of assets of insured depository institutions; and

(9) any other factor which the Comptroller General of the United States, the Director of the Congressional Budget Office, or the Secretary of the Treasury deems appropriate to enable the Congress to evaluate the desirability and feasibility of privatization of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(c) Report to Congress.—Within 2 years after the date of enactment of this Act, the Comptroller General of the United States, the Director of the Congressional Budget Office, and the Secretary of the Treasury shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a report that shall set forth—

(1) a summary of the findings under this section;

(2) recommendations to the Congress on the removal of Federal sponsorship, if deemed to be feasible and desirable, which shall include suggestions for an appropriate time frame in which to withdraw Federal sponsorship.

(d) Views of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.—

(1) Consideration of views.—In conducting the study under this section, the Comptroller General of the United States, the Director of the Congressional Budget Office, and the Secretary of the Treasury shall consider the views of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(2) The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation may report directly to the Congress on the enterprises' own analysis of the desirability and feasibility of the removal of Federal sponsorship.

SEC. 902. HOUSING ASSISTANCE IN JEFFERSON COUNTY, TEXAS.

Section 213(e) of the Housing and Community Development Act of 1974 (42 U.S.C. 1439(e)) is amended by striking "the Park Central New Community Project or in adjacent areas that are recognized by the unit of general local government in which such project is located as being included within the Park Central New Town in Town Project." and inserting "Jefferson County, Texas.".

SEC. 903. APPLICABILITY OF SHELTER PLUS CARE.

Section 811 of the Cranston-Gonzalez Affordable Housing Act (42 U.S.C. 8013) is amended—

(1) in subsection (b), by striking "private,"; and

(2) in paragraphs (5) and (6) of subsection (k), by striking "private" each place it appears.

SEC. 904. ADJUSTABLE RATE MORTGAGE CAPS.

Section 1204(d)(2) of the Competitive Equality Banking Act of 1987 (12 U.S.C. 3806(d)(2)) is amended by striking "any loan" and inserting "any home purchase or other consumer loan".

SEC. 905. COMMUNITY DEVELOPMENT AUTHORITY OF BANKS.

(a) National Banks.—Section 5136 of the Revised Statutes (12 U.S.C. 24) is amended by adding at the end the following new paragraph:

"ELEVENTH.—To make investments designed primarily to promote the public welfare, including the welfare of low- and moderate-income communities or families (such as by providing housing, services, or jobs). A national banking association may make such investments directly or by purchasing interests in an entity primarily engaged in making such investments. An association shall not make any such investment if the investment would expose the association to unlimited liability. The Comptroller of the Currency shall limit an association's investments in any 1 project and an association's aggregate investments under this paragraph. An association's aggregate investments under this paragraph shall not exceed an amount equal to the sum of 5 percent of the association's capital stock actually paid in and unimpaired and 5 percent of the association's unimpaired surplus fund, unless the Comptroller determines by order that the higher amount will pose no significant risk to the affected deposit insurance fund, and the association is adequately capitalized. In no case shall an association's aggregate investments under this paragraph exceed an amount equal to the sum of 10 percent of the association's capital stock actually paid in and unimpaired and 10 percent of the association's unimpaired surplus fund.".

(b) STATE MEMBER BANKS.—Section 9 of the Federal Reserve Act (12 U.S.C. 321–338) is amended by adding at the end the following new paragraph:

"State member banks may make investments designed primarily to promote the public welfare, including the welfare of low- and moderate-income communities or families (such as by providing housing, services, or jobs), to the extent permissible under State law, and subject to such restrictions and requirements as the Board of Governors of the Federal Reserve System may prescribe by regulation or order. A bank shall not make any such investment if the investment would expose the bank to unlimited liability. The Board of Governors shall limit a bank's investments in any 1 project and a bank's aggregate investments under this paragraph. A bank's aggregate investments under this paragraph shall not exceed an amount equal to the sum of 5 percent of the bank's capital stock actually paid in and unimpaired and 5 percent of the bank's unimpaired surplus fund, unless the Board determines by order that the higher amount will pose no significant risk to the affected deposit insurance fund, and the bank is adequately capitalized. In no case shall a bank's aggregate investments under this paragraph exceed an amount equal to the sum of 10 percent of the bank's capital stock actually paid in and unimpaired and 10 percent of the bank's unimpaired surplus fund.".

SEC. 906. SENSE OF THE SENATE.

(a) FINDINGS.—The Congress finds that—

(1) the two housing Government-sponsored enterprises, the Federal National Mortgage Association (hereafter in this section referred to as "Fannie Mae") and the Federal Home Loan Mortgage Corporation (hereafter in this section referred to as "Freddie Mac") have issued or guaranteed nearly $900,000,000,000 of securities which are currently outstanding;

(2) Fannie Mae and Freddie Mac are privately owned, profitmaking enterprises whose securities are viewed by investors as having an implicit Federal guarantee;

(3) investor perception of a Federal guarantee, as the savings and loan crisis demonstrates, removes market discipline, reduces incentives to maintain strong capital positions, and distorts financial decisions;

(4) the outstanding obligations of Fannie Mae and Freddie Mac exceed those in the entire savings and loan industry;

(5) the existing regulatory structure and oversight of the Fannie Mae and Freddie Mac has been inadequate;

(6) history has shown that a regulator charged with protecting taxpayer dollars must be independent of other policymaking entities;

(7) this Act takes concrete steps to establish safety and soundness regulation of Fannie Mae and Freddie Mac;

(8) this Act creates an independent regulatory office, the Office of Federal Housing Enterprise Oversight, in the Department of Housing and Urban Development; and

(9) the independence of the Office cannot be compromised without impairing the ability of the regulator to ensure that the Fannie Mae and Freddie Mac are adequately capitalized and operating safely.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that any final Government-sponsored enterprise legislation should make it clear that the independence of the regulator overseeing the safety and soundness of Fannie Mae and Freddie Mac should not be compromised.

SEC. 907. 4-MONTH EXTENSION OF TRANSITION RULE FOR SEPARATE CAPITALIZATION OF SAVINGS ASSOCIATIONS' SUBSIDIARIES.

Section 5(t)(5)(D)(ii) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(t)(5)(D)(ii)) is amended—

(1) by striking "June 30, 1992" and inserting "October 31, 1992"; and

(2) by striking "July 1, 1992" and inserting "November 1, 1992".

SEC. 908. CREDIT CARD SALES.

(a) IN GENERAL.—Section 11(e) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)) is amended by adding at the end the following new paragraphs:

"(14) SELLING CREDIT CARD ACCOUNTS RECEIVABLE.—

"(A) NOTIFICATION REQUIRED.—An undercapitalized insured depository institution (as defined in section 38) shall notify the Corporation in writing before entering into an agreement to sell credit card accounts receivable.

"(B) WAIVER BY CORPORATION.—The Corporation may at any time, in its sole discretion and upon such terms as it may prescribe, waive its right to repudiate an agreement to sell credit card accounts receivable if the Corporation—

"(i) determines that the waiver is in the best interests of the deposit insurance fund; and

"(ii) provides a written waiver to the selling institution.

"(C) EFFECT OF WAIVER ON SUCCESSORS.—

"(i) IN GENERAL.—If, under subparagraph (B), the Corporation has waived its right to repudiate an agreement to sell credit card accounts receivable—

"(I) any provision of the agreement that restricts solicitation of a credit card customer of the selling institution, or the use of a credit card customer list of the institution, shall bind any receiver or conservator of the institution; and

"(II) the Corporation shall require any acquirer of the selling institution, or of substantially all of the selling institution's assets or liabilities, to agree to be bound by a provision described in subclause (I) as if the acquirer were the selling institution.

"(ii) EXCEPTION.—Clause (i)(II) does not—

"(I) restrict the acquirer's authority to offer any product or service to any person identified without using a list of the selling institution's customers in violation of the agreement;

"(II) require the acquirer to restrict any preexisting relationship between the acquirer and a customer; or

"(III) apply to any transaction in which the acquirer acquires only insured deposits.

"(D) WAIVER NOT ACTIONABLE.—The Corporation shall not, in any capacity, be liable to any person for damages resulting from waiving or failing to waive the Corporation's right under this section to repudiate any contract or lease, including an agreement to sell credit card accounts receivable. No court shall issue any order affecting any such waiver or failure to waive.

"(E) OTHER AUTHORITY NOT AFFECTED.—This paragraph does not limit any other authority of the Corporation to waive the Corporation's right to repudiate an agreement or lease under this section.

"(15) CERTAIN CREDIT CARD CUSTOMER LISTS PROTECTED.—

"(A) IN GENERAL.—If any insured depository institution sells credit card accounts receivable under an agreement negotiated at arm's length that provides for the sale of the institution's credit card customer list, the Corporation shall prohibit any party to a transaction with respect to the institution under this section or section 13 from using the list except as permitted under the agreement.

"(B) FRAUDULENT TRANSACTIONS EXCLUDED.—Subparagraph (A) does not limit the Corporation's authority to repudiate any agreement entered into with the intent to hinder, delay, or defraud the institution, the institution's creditors, or the Corporation.".

(b) INTERIM DEFINITION OF UNDERCAPITALIZATION.—During the period beginning on the date of enactment of this Act and ending on the effective date of section 38 of the Federal Deposit Insurance Act (12 U.S.C. 1831o), an insured depository institution is undercapitalized for purposes of section 11(e)(14) of the Federal Deposit Insurance Act (as added by subsection (a) of this section), if it does not comply with any currently applicable minimum capital standard prescribed by the appropriate Federal banking agency, as defined in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)).

SEC. 909. REAL ESTATE APPRAISAL AMENDMENT.

Section 1113 of the Financial Institution Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3342) is amended—

(1) in paragraph (1), by striking "and" at the end;

(2) in paragraph (2), by striking the period at the end and inserting "; and"; and

(3) by inserting after paragraph (2) the following:

"(3) THRESHOLD LEVEL.—Each Federal financial institutions regulatory agency and the Resolution Trust Corporation may establish a threshold level at or below which a certified or licensed appraiser is not required to perform appraisals in connection with federally related transactions, if such agency determines in writing that such threshold level does not represent a threat to the safety and soundness of financial institutions.".

SEC. 910. EXTENSION OF CIVIL STATUTE OF LIMITATIONS.

(a) RESOLUTION TRUST CORPORATION.—Section 11(d)(14) of the Federal Deposit Insurance Act (12 U.S.C. 1821(d)(14)) is amended—

(1) in subparagraph (A)(ii), by inserting "except as provided in subparagraph (B)," before "in the case of";

(2) by redesignating subparagraph (B) as subparagraph (C);

(3) by inserting after subparagraph (A) the following new subparagraph:

"(B) TORT ACTIONS BROUGHT BY THE RESOLUTION TRUST CORPORATION.—The applicable statute of limitations with regard to any action in tort brought by the Resolution Trust Corporation in its capacity as conservator or receiver of a failed savings association shall be the longer of—

"(i) the 5-year period beginning on the date the claim accrues; or

"(ii) the period applicable under State law."; and

(4) in subparagraph (C), as redesignated—

(A) by striking "subparagraph (A)" and inserting "subparagraphs (A) and (B)"; and

(B) by striking "such subparagraph" and inserting "such subparagraphs".

(b) EFFECTIVE DATE; TERMINATION; FDIC AS SUCCESSOR.—

(1) EFFECTIVE DATE.—The amendments made by subsection (a) shall be construed to have the same effective date as section 212 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

(2) TERMINATION.—The amendments made by subsection (a) shall remain in effect only until the termination of the Resolution Trust Corporation.

(3) FDIC AS SUCCESSOR TO THE RTC.—The Federal Deposit Insurance Corporation, as successor to the Resolution Trust Corporation, shall have the right to pursue any tort action that was properly brought by the Resolution Trust Corporation prior to the termination of the Resolution Trust Corporation.

SEC. 911. AGGREGATE LIMITS ON INSIDER LENDING.

Section 22(h)(5) of the Federal Reserve Act (12 U.S.C. 375b(5)) is amended by adding at the end the following new subparagraph:

"(D) EXTENSIONS OF CREDIT SECURED BY FEDERAL OBLIGATIONS EXCLUDED.—For purposes of this paragraph, the term 'extension of credit' does not include an extension of credit fully secured by—

"(i) an obligation of the United States; or

"(ii) an obligation with respect to which the United States fully guarantees the payment of principal and interest.".

SEC. 912. CLARIFICATION OF COMPENSATION STANDARDS.

Section 39 of the Federal Deposit Insurance Act (12 U.S.C. 1831s) is amended—

(1) in subsection (d), by adding at the end the following: "An appropriate Federal banking agency may not prescribe standards or regulations under subsection (a), (b), or (c) that set a specific level or range of compensation for officers, directors, or employees of insured depository institutions."; and

(2) in subsection (e)(1)(A), by striking "(a), (b), or (c)" and inserting "(a) or (b)".

SEC. 913. TRUTH IN SAVINGS ACT AMENDMENTS.

(a) TIMING OF CERTAIN DISCLOSURES.—Section 266 of the Truth in Savings Act (12 U.S.C. 4305) is amended—

(1) by striking subsection (a)(3), and inserting the following:

"(3) provided to a depositor, in the case of a time deposit that is renewable at maturity without notice from the depositor and that has a period of maturity of 2 years or more, not later than 15 days before the date of maturity."; and

(2) by inserting after subsection (e) the following new subsection:

"(f) DISCLOSURES FOR RENEWAL OF CERTAIN ACCOUNTS.—

"(1) RENEWAL NOTICE.—A renewal notice shall be provided to the depositor with respect to a time deposit that has a maturity period greater than 1 month and less than 2 years that is renewable at maturity without notice from the depositor, as follows—

"(A) with respect to a time deposit that has a period of maturity of more than 3 months, but less than 2 years, not later than 15 days before the date of maturity; and

"(B) with respect to a time deposit that has a period of maturity of more than 1 month, but less than 3 months, not later than such time as the Board determines by regulation to be appropriate, in accordance with the purposes of this Act.

"(2) CONTENTS OF NOTICE.—A renewal notice required under this subsection shall state—

"(A) the maturity date of the expiring time deposit;

"(B) the maturity date or the term of the renewed time deposit;

"(C) any penalty for early withdrawal;

"(D) any change to the terms or conditions of the time deposit adverse to the customer, unless a notice under subsection (c) has been provided to the account holder;

"(E) the date on which the annual percentage yield and simple rate of interest will be determined; and

"(F) a telephone number to obtain the annual percentage yield and simple rate of interest that will be paid when the account is renewed.

"(3) RENEWAL OF SHORT-TERM TIME DEPOSITS.—With respect to a time deposit that has a period of maturity of 1 month or less and that is renewable at maturity without notice from the depositor, the Board may, by regulation, require that a notice be provided to an account holder at such time and containing such information as the Board determines appropriate, in accordance with the purposes of this Act.".

(b) ON-PREMISES DISPLAYS.—Section 263 of the Truth in Savings Act (12 U.S.C. 4302) is amended—

(1) in subsection (a), by striking "subsection (b)" and inserting "subsections (b) and (c)";

(2) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(3) by inserting after subsection (b) the following new subsection:

"(c) DISCLOSURE REQUIRED FOR ON-PREMISE DISPLAYS.—

"(1) IN GENERAL.—The disclosure requirements contained in this section shall not apply to any sign (including a rate board) disclosing a rate or rates of interest that is displayed on the premises of the depository institution if such sign contains—

"(A) the accompanying annual percentage yield; and

"(B) a statement that the consumer should request further information from an employee of the depository institution concerning the fees and terms applicable to the advertised account.

"(2) DEFINITION.—For purposes of paragraph (1), a sign shall only be considered to be displayed on the premises of a depository institution if the sign is designed to be viewed only from the interior of the premises of the depository institution.".

(c) EFFECTIVE DATE.—Section 269(a)(2) of the Truth in Savings Act (12 U.S.C. 4308(a)(2)) is amended by striking "6" and inserting "9".

SEC. 914. RAILROAD STRIKE.

It is the sense of the Senate that Congress needs to act immediately to forestall a possible railroad strike to occur at midnight, tonight, since the economic ramifications of such a strike are devastating to the country, and congressional action could prevent that economic damage.

SEC. 915. MORATORIUM ON INTERSTATE BRANCHING BY SAVINGS ASSOCIATIONS.

(a) MORATORIUM.—Notwithstanding any other provision of law, no Federal savings association may establish or acquire a branch outside the State in which the Federal savings association has its home office, unless the establishment or acquisition of such branch would have been permitted by law prior to April 9, 1992.

(b) APPLICABILITY.—This section shall apply during the period beginning on the date of enactment of this Act and ending 15 months after such date.

SEC. 916. STUDIES ON THE EFFECTIVENESS OF THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT.

(a)(1) The Administrator of the United States Environmental Protection Agency shall provide to the Congress by December 31, 1992, a detailed report which provides information on each of the sites contained on the National Priorities List established under the Comprehensive Environmental Response, Compensation, and Liability Act. Such report shall be updated periodically as new information becomes available and shall, at a minimum, include the following information about each site—

(A) site name, number, State and total number of operable units;

(B) whether a removal action has occurred, and if so, whether it was fund-financed or PRP-financed;

(C) date proposed for CERCLIS investigation, preliminary assessment completed, site investigation completed, HRS completed, proposed for the National Priorities List; current stage in process; time-frame taken for (i) site investigation, (ii) remedial investigation, (iii) risk assessment, (iv) feasibility study, (v) record of decision, (vi) remedial design and (vii) other such significant actions identified by the Administrator; and whether long-term operation and maintenance is necessary;

(D) whether remedial action is underway, when it was commenced, and whether it has been completed and if so, when, and if not, when expected to be completed;

(E) number and names to the extent the President deems appropriate of PRP's at site, whether PRP is bankrupt or in bankruptcy proceedings and classification of each PRP as:

(i) owner/operator;

(ii) transporter;

(iii) person that arranged for disposal or treatment;

(iv) municipality;

(v) State agency;

(vi) lender or State or Federal lending agency;

(vii) Federal agency;

(viii) any other entity; and

(ix) that portion of the site that cannot be attributed to any potentially responsible party. Including the dollar amount and volumetric share.

(F) site classification;

(G) whether the facility is still in operation;

(H) number of Records of Decision to be issued;

(I) description of elements of removal and/or remedial action;

(J) total actual dollar amount, both Fund and PRP costs, for (i) site study and investigation, (ii) transaction costs, (iii) initial removal or remedial action, (iv) operation and maintenance, and estimated cumulative and continuing costs for the final remedial action the agency is seeking or has been agreed to by settlement;

(K) whether there has been a settlement agreement, and if so, (i) percent of PRP's who settled, (ii) percent of costs covered, (iii) percent of settled costs for each PRP, compared to the percent of volume and of toxicity of waste for which each was responsible, (iv) percent of cost recovery achieved through deminimis settlements and the number of PRP's in that group, (v) the percent of costs paid for by the Fund, based on a mixed-funding determination, and (vi) the amount of money spent by the Fund, a State or by PRP's for RI/FS/ROD; RD/RA; and operation and maintenance;

(L) dollar amount of Remedial Investigation/Feasibility Study (RI/FS) settlement, compared to the total cost of (RI/FS);

(M) dollar amount of remedial action settlement, compared to the total cost of remedial action;

(N) description of settlement and enforcement activities;

(O) number of third party contribution actions that have been filed, including, but not limited to, actions to bring additional PRP's into cost-recovery and litigation involving insurance coverage; and

(P) identification and description of each site which has been cleaned up and removed from the National Priorities List.

(2) The Administrator shall establish and maintain in a computer data base the information contained in the report required under paragraph (1). The Administrator shall make these data accessible by computer telecommunication and other means to any person on a cost-reimbursable basis.

(3) In submitting the report the Administrator shall include a summary of the costs incurred in preparing the report.

(b) The General Accounting Office shall undertake a comprehensive review of relevant governmental and other studies assessing the effectiveness of such Act, and shall provide to the Congress by July 1, 1993, a report in which an objective evaluation of each study is provided. Such report shall be updated every six months, as appropriate, to provide the Congress with an evaluation of any additional studies that have been issued.

(c)(1) No later than September 30, 1993, the Administrator of EPA, and in consultation with ATSDR the National Academy of Sciences and the National Academy of Engineering, shall provide a report to the Congress which examines a statistically significant number of sites listed on the National Priorities List, which in no event shall be less than 40 sites. Such report shall discuss with respect to each site the present or future risks, based on actual exposure data or estimates, to human health and the environment presented by the site.

(2) The report shall examine methods to (A) ensure that costs and effectiveness of remedial measures adopted for individual sites are reasonably appropriate to the risks presented by such sites; and (B) utilize the information identified in paragraph (1) in order to determine appropriate remedial action at individual sites.

(3) The report shall examine the uses of each of the sites after a removal action or other interim action or a remedial action or any other response has been completed, taking into consideration the implications of land use policy at such sites and the effect of post-cleanup liability on future uses.

(4) The Administrator of the United States Environmental Protection Agency shall provide a reasonable opportunity for written comments on the report prior to its submission to the Congress. Such comments shall be included in the report as part of the submission to the Congress.

Subtitle B—Presidential Insurance Commission

SEC. 921. SHORT TITLE.

This subtitle may be cited as the "Presidential Insurance Commission Act of 1992".

SEC. 922. FINDINGS.

The Congress finds that—

(1) the property and casualty insurance, life insurance, health insurance, and reinsurance industries play a major and vital role in the capital formation and lending in the United States economy;

(2) at the end of 1989, life and health and property and casualty insurers combined controlled just under $1,800,000,000,000 in assets invested in the United States;

(3) these insurer assets represented slightly less than 18 percent of the financial assets of all non-governmental financial intermediaries in the United States;

(4) of total United States assets, insurers controlled—

(A) 50.7 percent of all United States held corporate and foreign bonds;

(B) 32.1 percent of all tax-exempt bonds;

(C) 13.8 percent of United States Treasury securities;

(D) 18.2 percent of Federal agency securities;

(E) 12.2 percent of mortgages;

(F) 14.7 percent of corporate equities;

(G) 10.3 percent of open market paper; and

(H) 12 percent of all other United States assets; and

(5) a Presidential commission should be established to carry out the duties described in section 924.

SEC. 923. ESTABLISHMENT.

There is established a Presidential Commission on Insurance (hereafter in this subtitle referred to as the "Commission").

SEC. 924. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall assess the condition of the property and casualty insurance, life insurance, and reinsurance industries, including consideration of—

(1) the present and long-term financial health of the companies in such industries and the importance of that financial health to other aspects of the national economy, including the impact on other financial institutions;

(2) the effect of the decline of real estate values and noninvestment grade bond holdings on the financial health of the companies in such industries;

(3) the effect of current and projected guaranty fund assessments, under different insolvency scenarios, on the financial health of the companies in such industries;

(4) the effect of residual markets on the competitiveness of voluntary insurance markets and on the financial health of the companies in such industries;

(5) the causes of company insolvencies in the last 5 years;

(6) the effect of State and Federal liability systems, including with respect to long-term liability, on insurance industry solvency and the appropriateness of the present allocation of Federal and State responsibilities in the underlying liability systems;

(7) the effect of State regulation of companies in such industries with respect to—

(A) solvency (including the quality and consistency of regulation and the adequacy of insurance regulatory resources);

(B) consumer protection and competition (including pricing, product development, the adequacy of information to consumers, the transfer by companies of the policies of individual policyholders between companies, and any other relevant matters);

(C) reinsurance (including the authority of State regulators to regulate offshore reinsurers doing business in the United States); and

(D) the appropriateness of the present allocation of Federal and State responsibilities in regulating insurance;

(8) the efficiency of the present system for liquidation of insolvent insurance companies;

(9) the adequacy of State and Federal civil and criminal enforcement authority and activity; and whether any State law or regulatory action inhibits competition or efficiency or impairs insurer solvency;

(10) the condition of current State guaranty funds, including consideration of—

(A) the adequacy of assured payout to policyholders, including an assessment of the sufficiency of existing State guaranty associations to guarantee all policyholders payments, up to the limits of coverage under the funds, under a variety of industry insolvency scenarios;

(B) the effect of proposed changes in these funds by the National Association of Insurance Commissioners, including consideration of the timeliness with which such changes are likely to be adopted and implemented;

(C) the capability of a post-insolvency assessment system to meet large insolvencies in a timely manner;

(D) the effect on policyholders of differences in the amount of liability coverage offered by the funds from State to State and of differences in eligibility rules from State to State; and

(E) the appropriateness of the extent of protection provided to individual policyholders and corporate policyholders;

(11) the effect of Federal, State, and local taxes on the solvency of companies in such industries, and the effect of State tax-offsets for guaranty fund assessments on taxpayers under a variety of industry insolvency scenarios; and

(12) whether there are some forms of catastrophic risks that deserve special insurance treatment.

(b) REPORT.—On the basis of the Commission's findings under subsection (a), the Commission shall submit the report required by section 928.

SEC. 925. MEMBERSHIP AND COMPENSATION.

(a) NUMBER AND APPOINTMENT.—The Commission shall be composed of 25 members, including—

(1) the Secretary of the Treasury;

(2) the Secretary of Labor;

(3) the Secretary of Transportation;

(4) the Secretary of Commerce;

(5) the Chairman of the Federal Trade Commission;

(6) the Attorney General of the United States;

(7) 5 Members of the United States House of Representatives appointed by the Speaker of the House of Representatives from the committees of appropriate jurisdiction, of which 3 shall be appointed upon the recommendation of the Chairmen of such committees and 2 shall be appointed upon the recommendation of the Minority Leader;

(8) 5 Members of the United States Senate appointed by the President pro tempore of the Senate, of which 3 shall be appointed upon the recommendation of the Chairmen of the Committee on Banking, Housing, and Urban Affairs, the Committee on Commerce, Science, and Transportation, and the Committee on the Judiciary, and 2 shall be appointed upon the recommendation of the Minority Leader; and

(9) 9 members, who are not Federal employees, who have expertise in insurance, fi-

nancial services, antitrust, liability law and consumer issues, at least 1 of whom has expertise in State regulation of insurance, at least 2 of whom have expertise in the business of insurance and at least 2 of whom have expertise in consumer issues, to be appointed by the President.

(b) DESIGNEES.—An appropriate designee of any member described in paragraphs (1) through (8) of subsection (a) may serve on the Commission in the place of such member and under the same terms and conditions as such member.

(c) CONSULTATION BY THE SECRETARY OF THE TREASURY.—The Secretary of the Treasury shall consult with—

(1) the Chairman of the Board of Governors of the Federal Reserve System;

(2) the Chairperson of the Federal Deposit Insurance Corporation; and

(3) the Chairman of the Securities and Exchange Commission,

with respect to all financial and other matters within their respective jurisdictions that are under consideration by the Commission.

(d) ELIGIBILITY.—No member or officer of the Congress, or other member or officer of the Executive Branch of the United States Government may be appointed to be a member of the Commission pursuant to paragraph (9) of subsection (a).

(e) TERMS.—

(1) IN GENERAL.—Each member shall be appointed for the life of the Commission.

(2) VACANCY.—A vacancy on the Commission shall be filled in the same manner in which the original appointment was made.

(f) COMPENSATION.—

(1) IN GENERAL.—Members of the Commission appointed pursuant to subsection (a)(9) shall be compensated at a rate equal to the annual rate of basic pay for GS-18 of the General Schedule.

(2) TRAVEL EXPENSES.—Each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(g) QUORUM.—

(1) MAJORITY.—A majority of the members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(2) APPROVAL OF ACTIONS.—All recommendations and reports of the Commission required by this subtitle shall be approved only by a majority vote of a quorum of the Commission.

(h) CHAIRPERSON.—The President shall select 1 member appointed pursuant to subsection (a)(9) to serve as the Chairperson of the Commission.

(i) MEETINGS.—The Commission shall meet at the call of the Chairperson or a majority of the members.

SEC. 926. POWERS OF COMMISSION.

(a) HEARINGS AND SESSIONS.—The Commission may—

(1) hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate; and

(2) administer oaths or affirmations to witnesses appearing before the Commission,

for the purpose of carrying out this subtitle.

(b) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take by this subtitle.

(c) SUBPOENA POWER.—

(1) IN GENERAL.—The Commission may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence relating to any matter under investigation by the Commission.

(2) ADMINISTRATIVE ASPECTS OF SUBPOENA.—

(A) ATTENDANCE OR PRODUCTION AT DESIGNATED SITE.—The attendance of witnesses and the production of evidence may be required from any place within the United States at any designated place of hearing within the United States.

(B) FEES AND TRAVEL EXPENSES.—Persons served with a subpoena under this subsection shall be paid the same fees and mileage for travel within the United States that are paid witnesses in Federal courts.

(C) NO LIABILITY FOR OTHER EXPENSES.—The Commission and the United States shall not be liable for any expense, other than an expense described in subparagraph (B), incurred in connection with the production of any evidence under this subsection.

(3) CONFIDENTIALITY.—Information obtained under this section which is deemed confidential, or with reference to which a request for confidential treatment is made by the person furnishing such information, shall be exempt from disclosure under section 552 of title 5, United States Code, and such information shall not be published or disclosed unless the Commission determines that the withholding thereof is contrary to the national interest. The provisions of the preceding sentence shall not apply to the publication or disclosure of data that are aggregated in a manner that ensures protection of the identity of the person furnishing such data.

(4) FAILURE TO OBEY A SUBPOENA.—

(A) APPLICATION TO COURT.—If a person refuses to obey a subpoena issued under paragraph (1), the Commission may apply to a district court of the United States for an order requiring that person to appear before the Commission to give testimony or produce evidence, as the case may be, relating to the matter under investigation.

(B) JURISDICTION OF COURT.—The application may be made within the judicial district where the hearing is conducted or where that person is found, resides, or transacts business.

(C) FAILURE TO COMPLY WITH ORDER.—Any failure to obey the order of the court may be punished by the court as civil contempt.

(5) SERVICE OF SUBPOENAS.—The subpoenas of the Commission shall be served in the manner provided for subpoenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(6) SERVICE OF PROCESS.—All process of any court to which application is to be made under paragraph (3) may be served in the judicial district in which the person required to be served resides or may be found.

(d) OBTAINING OFFICIAL DATA.—

(1) AUTHORITY.—Notwithstanding any provision of section 552a of title 5, United States Code, the Commission may secure directly from any department or agency of the United States information necessary to enable the Commission to carry out this subtitle.

(2) PROCEDURE.—Upon request of the Chairperson of the Commission, the head of that department or agency shall furnish the information requested to the Commission.

(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(f) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its responsibilities under this subtitle.

SEC. 927. STAFF OF COMMISSION; EXPERTS AND CONSULTANTS.

(a) STAFF.—Subject to such regulations as the Commission may prescribe, the Chairperson may appoint and fix the pay of such personnel as the Chairperson considers appropriate.

(b) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for GS-18 of the General Schedule.

(c) EXPERTS AND CONSULTANTS.—Subject to rules prescribed by the Commission, the Chairperson may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the annual rate of basic pay payable for GS-18 of the General Schedule.

(d) STAFF OF FEDERAL AGENCIES.—Upon request of the Chairperson, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its duties under this subtitle.

SEC. 928. REPORT.

Not later than May 31, 1993, the Commission shall submit to the President and the Congress a final report containing a detailed statement of its findings, together with any recommendations for legislation or administrative action that the Commission considers appropriate, in accordance with the requirements of section 924.

SEC. 929. TERMINATION.

The Commission shall terminate not later than 60 days following submission of the report required by section 928.

SEC. 930. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $3,000,000 to carry out the purposes of this subtitle.

Subtitle C—Secondary Market for Commercial Mortgage and Small Business Loans

SEC. 931. SHORT TITLE.

This subtitle may be cited as the "Secondary Market for Commercial Real Estate Mortgage and Small Business Loans Act of 1992".

SEC. 932. PURPOSE.

The purpose of this subtitle is to enable the Congress to gain an understanding of legal, regulatory, and market-based impediments to developing a secondary market for commercial real estate mortgage loans and loans to small businesses.

SEC. 933. FINDINGS.

The Congress finds that—

(1) the secondary market for residential real estate mortgage loans has created liquidity and diversified risk in the home mortgage lending market, has maintained an adequate flow of mortgage credit to homebuyers, and has stabilized mortgage loan prices across the country;

(2) an active and liquid secondary market for commercial real estate mortgage and small business loans has not developed de-

spite the apparent benefits for lenders and homeowners in the residential market and the potential benefits to lenders and borrowers on the commercial market;

(3) a major impediment to the creation of a secondary market for commercial real estate mortgages and small business loans is the lack of standardization in such mortgages, including loan documents, underwriting, loan terms, credit enhancement, security product design and packaging, and ratings; and

(4) standardization of commercial real estate mortgage and small business loans and the elimination of legal and regulatory barriers would enhance the development of a broader, more liquid secondary market for commercial real estate mortgage and small business loans through private sector initiatives and resources.

SEC. 934. SECONDARY MARKET FOR COMMERCIAL MORTGAGE AND SMALL BUSINESS LOANS.

(a) Study and Report by the Treasury, the CBO, and the SEC.—

(1) Study.—The Secretary of the Treasury, the Director of the Congressional Budget Office, and the Chairman of the Securities and Exchange Commission, in consultation with the Administrator of the Small Business Administration, shall conduct a study of the potential costs and benefits of, and legal, regulatory, and market-based barriers to, developing a secondary market for commercial real estate mortgage loans and loans to small businesses, including equipment and working capital loans. The study shall include consideration of—

(A) market perceptions and the reasons for the slow development of a secondary market for commercial real estate mortgage loans and loans to small businesses;

(B) the acquisition, development, and construction phases of the commercial real estate market;

(C) any means to standardize loan documents and underwriting for loans relating to retail, office space, and other segments of the commercial real estate market and for loans to small businesses;

(D) the probable effects of the development of a secondary market for commercial real estate mortgage loans and loans to small businesses on financial institutions and intermediaries, borrowers, lenders, real estate markets, and the credit markets generally;

(E) legal and regulatory barriers that may be impeding the development of a secondary market for commercial real estate mortgage loans and loans to small businesses;

(F) the risks posed by investments in commercial mortgage loans or related products and loans to small businesses; and

(G) the structure and effect of Federal loan guarantees and, if recommended, publicly supported credit enhancement.

(2) Report.—Not later than 6 months after the date of enactment of this Act, the Secretary of the Treasury, the Director of the Congressional Budget Office, and the Chairman of the Securities and Exchange Commission shall transmit to the Congress a report on the results of the study under paragraph (1). The report shall include recommendations for legislation and regulatory actions to facilitate the development of a secondary market for commercial real estate mortgage loans and loans to small businesses.

(b) Study and Report by the RTC.—

(1) Study.—The chief executive officer of the Resolution Trust Corporation (hereafter in this subtitle referred to as the "RTC") shall conduct a study that focuses on—

(A) efforts by the RTC to standardize its disposition methods;

(B) the success of the RTC in marketing its commercial mortgage loan-backed securities; and

(C) the impact of the RTC's programs on the commercial real estate mortgage loan and small business loan secondary market.

(2) Report.—Not later than 6 months after the date of enactment of this Act, the chief executive officer of the RTC shall transmit a report to the Congress on the impact of its commercial real estate loan securitization program. Such report shall also contain the results of the study under paragraph (1).

Subtitle D—Asset Conservation and Deposit Insurance Protection

SEC. 941. SHORT TITLE.

This subtitle may be cited as the "Asset Conservation and Deposit Insurance Protection Act of 1992".

SEC. 942. ASSET CONSERVATION AND DEPOSIT INSURANCE PROTECTION.

(a) CERCLA Amendments.—The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) is amended by inserting after section 126 the following new section:

"SEC. 127. ASSET CONSERVATION.

"(a) Liability Limitations.—

"(1) In general.—The liability of an insured depository institution or other lender under this Act or subtitle I of the Solid Waste Disposal Act for the release or threatened release of petroleum or a hazardous substance at, from, or in connection with property—

"(A) acquired through foreclosure;

"(B) held, directly or indirectly, in a fiduciary capacity;

"(C) held by a lessor pursuant to the terms of an extension of credit; or

"(D) subject to financial control or financial oversight pursuant to the terms of an extension of credit,

shall be limited to the actual benefit conferred on such institution or lender by a removal, remedial, or other response action undertaken by another party.

"(2) Safe harbor.—An insured depository institution or other lender shall not be liable under this Act or subtitle I of the Solid Waste Disposal Act and shall not be deemed to have participated in management, as described in section 101(20)(A) of this Act or section 9003(h)(9) of the Solid Waste Disposal Act, based solely on the fact that the institution or lender—

"(A) holds a security interest or abandons or releases its security interest in the property before foreclosure;

"(B) has the unexercised capacity to influence operations at or on property in which it has a security interest;

"(C) includes in the terms of an extension of credit (or in the contract relating thereto), covenants, warranties, or other terms and conditions that relate to compliance with environmental laws;

"(D) monitors or enforces the terms and conditions of the extension of credit;

"(E) monitors or undertakes one or more inspections of the property;

"(F) requires cleanup of the property prior to, during, or upon the expiration of the term of the extension of credit;

"(G) provides financial or other advice or counseling in an effort to mitigate, prevent, or cure default or diminution in the value of the property;

"(H) restructures, renegotiates, or otherwise agrees to alter the terms and conditions of the extension of credit;

"(I) exercises whatever other remedies that may be available under applicable law for the breach of any term or condition of the extension of credit; or

"(J) declines to take any of the actions described in this paragraph.

"(b) Actual Benefit.—For the purpose of this section, the actual benefit conferred on an institution or lender by a removal, remedial, or other response action shall be equal to the net gain, if any, realized by such institution or lender due to such action. For purposes of this subsection, the 'net gain' shall not exceed the amount realized by the institution or lender on the sale of property.

"(c) Exclusion.—Notwithstanding subsection (a), but subject to the provisions of section 107(d), a depository institution or lender that causes or significantly and materially contributes to the release of petroleum or a hazardous substance that forms the basis for liability described in subsection (a), may be liable for removal, remedial, or other response action pertaining to that release.

"(d) Environmental Assessments.—

"(1) Depository institutions.—The Federal Deposit Insurance Corporation, in consultation with the Administrator of the Environmental Protection Agency, shall promulgate regulations to implement this section. Such regulations shall include requirements for insured depository institutions to develop and implement adequate procedures to evaluate actual and potential environmental risks that may arise from or at property prior to making an extension of credit secured by such property. The regulations may provide for different types of environmental assessments as may be appropriate under the circumstances, in order to account for the levels of risk that may be posed by different classes of collateral. Failure to comply with the environmental assessment regulations promulgated under this subsection shall be deemed to be a violation of a regulation promulgated under the Federal Deposit Insurance Act.

"(2) Lenders.—The Federal Deposit Insurance Corporation, in consultation with the Administrator of the Environmental Protection Agency, shall promulgate regulations that are substantially similar to those promulgated under paragraph (1) to assure that lenders develop and implement procedures to evaluate actual and potential environmental risks that may arise from or at property prior to making an extension of credit secured by such property. The regulations may provide for exclusions or different types of environmental assessments in order to take into account the level of risk that may be posed by particular classes of collateral.

"(3) Final regulations.—Final regulations required to be promulgated pursuant to paragraphs (1) and (2) shall be issued not later than 180 days after the date of enactment of this section.

"(e) Definitions.—For purposes of this section, the following definitions shall apply:

"(1) Property acquired through foreclosure.—The term 'property acquired through foreclosure' or 'acquires property through foreclosure' means property acquired, or the act of acquiring property, from a nonaffiliated party by an insured depository institution or other lender—

"(A) through purchase at sales under judgment or decree, power of sales, nonjudicial foreclosure sales, or from a trustee, deed in lieu of foreclosure, or similar conveyance, or through repossession, if such property was security for an extension of credit previously contracted;

"(B) through conveyance pursuant to an extension of credit previously contracted, including the termination of a lease agreement; or

"(C) through any other formal or informal manner by which the insured depository institution or other lender temporarily acquires, for subsequent disposition, possession of collateral in order to protect its interest. Property is not acquired through foreclosure if the insured depository institution or lender does not seek to sell or otherwise divest such property at the earliest practical, commercially reasonable time, taking into account market conditions and legal and regulatory requirements.

"(2) LENDER.—The term 'lender' means—

"(A) a person (other than an insured depository institution) that—

"(i) makes a bona fide extension of credit to a nonaffiliated party; and

"(ii) substantially and materially complies with the environmental assessment requirements imposed under subsection (d), after final regulations under that subsection become effective;

and the successors and assigns of such person;

"(B) the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Agricultural Mortgage Corporation, or other entity that in a bona fide manner is engaged in the business of buying or selling loans or interests therein, if such Association, Corporation, or entity requires institutions from which it purchases loans (or other obligations) to comply substantially and materially with the requirements of subsection (d), after final regulations under that subsection become effective; and

"(C) any person regularly engaged in the business of insuring or guaranteeing against a default in the repayment of an extension of credit, or acting as a surety with respect to an extension of credit, to nonaffiliated parties.

"(3) FIDUCIARY CAPACITY.—The term 'fiduciary capacity' means acting for the benefit of a nonaffiliated person as a bona fide—

"(A) trustee;

"(B) executor;

"(C) administrator;

"(D) custodian;

"(E) guardian of estates;

"(F) receiver;

"(G) conservator;

"(H) committee of estates of lunatics; or

"(I) any similar capacity.

"(4) EXTENSION OF CREDIT.—The term 'extension of credit' includes a lease finance transaction—

"(A) in which the lessor does not initially select the leased property and does not during the lease term control the daily operations or maintenance of the property; or

"(B) which conforms with regulations issued by the appropriate Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act) or the appropriate State banking regulatory authority.

"(5) INSURED DEPOSITORY INSTITUTION.—The term 'insured depository institution' has the same meaning as in section 3(c) of the Federal Deposit Insurance Act, and shall also include—

"(A) a federally insured credit union;

"(B) a bank or association chartered under the Farm Credit Act of 1971; and

"(C) a leasing or trust company that is an affiliate of an insured depository institution (as such term is defined in this paragraph).

"(6) RELEASE.—The term 'release' has the same meaning as in section 101(22), and also includes the threatened release, use, storage, disposal, treatment, generation, or transportation of a hazardous substance.

"(7) HAZARDOUS SUBSTANCE.—The term 'hazardous substance' has the same meaning as in section 101(14).

"(8) SECURITY INTEREST.—The term 'security interest' includes rights under a mortgage, deed of trust, assignment, judgment lien, pledge, security agreement, factoring agreement, lease, or any other right accruing to a person to secure the repayment of money, the performance of a duty, or some other obligation.

"(f) SAVINGS CLAUSE.—Nothing in this section shall affect the rights or immunities or other defenses that are available under this Act or other applicable law to any party subject to the provisions of this section. Nothing in this section shall be construed to create any liability for any party. Nothing in this section shall create a private right of action against a depository institution or lender or against a Federal banking or lending agency.

"(g) EFFECTIVE DATE.—This section shall become effective upon the date of its enactment.".

(b) IN GENERAL.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended—

(1) by redesignating section 39 (as added by section 132(a) of the Federal Deposit Insurance Corporation Improvement Act of 1991) as section 42;

(2) by redesignating section 40 (as added by section 151(a)(1) of the Federal Deposit Insurance Corporation Improvement Act of 1991) as section 43; and

(3) by adding at the end the following new section:

"SEC. 44. ASSET CONSERVATION.

"(a) GOVERNMENTAL ENTITIES.—

"(1) BANKING AND LENDING AGENCIES.—Except as provided in paragraph (2), a Federal banking or lending agency shall not be liable under any law imposing strict liability for the release or threatened release of petroleum or a hazardous substance at or from property (including any right or interest therein) acquired—

"(A) in connection with the exercise of receivership or conservatorship authority, or the liquidation or winding up of the affairs of an insured depository institution, including any of its subsidiaries;

"(B) in connection with the provision of loans, discounts, advances, guarantees, insurance or other financial assistance; or

"(C) in connection with property received in any civil or criminal proceeding, or administrative enforcement action, whether by settlement or order.

"(2) APPLICATION OF STATE LAW.—Nothing in this section shall be construed as preempting, affecting, applying to, or modifying any State law, or any rights, actions, cause of action, or obligations under State law, except that liability under State law shall not exceed the value of the agency's interest in the asset giving rise to such liability. Nothing in this section shall be construed to prevent a Federal banking or lending agency from agreeing with a State to transfer property to such State in lieu of any liability that might otherwise be imposed under State law.

"(3) LIMITATION.—Notwithstanding paragraph (1), and subject to section 107(d) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, a Federal banking or lending agency that causes or significantly and materially contributes to the release of petroleum or a hazardous substance that forms the basis for liability described in paragraph (1), may be liable for removal, remedial, or other response action pertaining to that release.

"(4) SUBSEQUENT PURCHASER.—The immunity provided by paragraph (1) shall extend to the first subsequent purchaser of property described in such paragraph from a Federal banking or lending agency, unless such purchaser—

"(A) would otherwise be liable or potentially liable for all or part of the costs of the removal, remedial, or other response action due to a prior relationship with the property;

"(B) is or was affiliated with or related to a party described in subparagraph (A);

"(C) fails to agree to take reasonable steps necessary to remedy the release or threatened release in a manner consistent with the purposes of applicable environmental laws; or

"(D) causes or materially and significantly contributes to any additional release or threatened release on the property.

"(5) FEDERAL OR STATE ACTION.—Notwithstanding paragraph (4), if a Federal agency or State environmental agency is required to take remedial action due to the failure of a subsequent purchaser to carry out, in good faith, the agreement described in paragraph (4)(C), such subsequent purchaser shall reimburse the Federal or State environmental agency for the costs of such remedial action. However, any such reimbursement shall not exceed the full fair market value of the property following completion of the remedial action.

"(b) LIEN EXEMPTION.—Notwithstanding any other provision of law, any property held by a subsequent purchaser referred to in subsection (a)(4) or held by a Federal banking or lending agency shall not be subject to any lien for costs or damages associated with the release or threatened release of petroleum or a hazardous substance known to exist at the time of the transfer.

"(c) EXEMPTION FROM COVENANTS TO REMEDIATE.—A Federal banking or lending agency shall be exempt from any law requiring such agency to grant covenants warranting that a removal, remedial, or other response action has been, or will in the future be, taken with respect to property acquired in the manner described in subsection (a)(1).

"(d) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

"(1) FEDERAL BANKING OR LENDING AGENCY.—The term 'Federal banking or lending agency' means the Corporation, the Resolution Trust Corporation, the Board of Governors of the Federal Reserve System, a Federal Reserve Bank, a Federal Home Loan Bank, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the National Credit Union Administration Board, the Farm Credit Administration, the Farm Credit System Insurance Corporation, the Farm Credit System Assistance Board, the Farmers Home Administration, the Rural Electrification Administration, and the Small Business Administration, in any of their capacities, and their agents.

"(2) HAZARDOUS SUBSTANCE.—The term 'hazardous substance' has the same meaning as in section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.

"(3) RELEASE.—The term 'release' has the same meaning as in section 101(22) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and also includes the threatened release, use, storage, disposal, treatment, generation, or transportation of a hazardous substance.

"(e) SAVINGS CLAUSE.—Nothing in this section shall affect the rights or immunities or other defenses that are available under this Act or other applicable law to any party subject to the provisions of this section. Nothing in this section shall be construed to create any liability for any party. Nothing in this section shall create a private right of action against a depository institution or lender or against a Federal banking or lending agency.".

Subtitle E—Limitations on Liability

SEC. 951. DIRECTORS NOT LIABLE FOR ACQUIESCING IN CONSERVATORSHIP, RECEIVERSHIP, OR SUPERVISORY ACQUISITION OR COMBINATION.

(a) LIABILITY.—During the period beginning on the date of enactment of this Act and ending on December 19, 1992, the members of the board of directors of an insured depository institution shall not be liable to the institution's shareholders or creditors for acquiescing in or consenting in good faith to—

(1) the appointment of the Resolution Trust Corporation or the Federal Deposit Insurance Corporation as conservator or receiver for that institution; or

(2) the acquisition of the institution by a depository institution holding company, or the combination of the institution with another insured depository institution if the appropriate Federal banking agency has—

(A) requested the institution, in writing, to be acquired or to combine; and

(B) notified the institution that 1 or more grounds exist for appointing a conservator or receiver for the institution.

(b) DEFINITIONS.—For purposes of this section, the terms "appropriate Federal banking agency", "depository institution holding company", and "insured depository institution" have the same meanings as in section 3 of the Federal Deposit Insurance Act.

SEC. 952. LIMITING LIABILITY FOR FOREIGN DEPOSITS.

(a) AMENDMENT TO THE FEDERAL RESERVE ACT.—Section 25 of the Federal Reserve Act (12 U.S.C. 601 et seq.) is amended by adding at the end the following:

"11. Limitations on liability.

"A member bank shall not be required to repay any deposit made at a foreign branch of the bank if the branch cannot repay the deposit due to—

"(i) an act of war, insurrection, or civil strife, or

"(ii) an action by a foreign government or instrumentality (whether de jure or de facto) in the country in which the branch is located,

unless the member bank has expressly agreed in writing to repay the deposit under those circumstances. The Board is authorized to prescribe such regulations as it deems necessary to implement this paragraph.".

(b) AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT.—

(1) SOVEREIGN RISK.—Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended—

(A) by redesignating subsection (o) (as added by section 305(a) of the Federal Deposit Insurance Corporation Improvement Act of 1991 (Public Law 102-242, 105 Stat. 2354)) as subsection (p); and

(B) by adding at the end the following:

"(q) SOVEREIGN RISK.—Section 25(11) of the Federal Reserve Act shall apply to every nonmember insured bank in the same manner and to the same extent as if the nonmember insured bank were a member bank.".

(2) CONFORMING AMENDMENT.—Subparagraph (A) of section 3(l)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1813(l)(5)) is amended to read as follows:

"(A) any obligation of a depository institution which is carried on the books and records of an office of such bank or savings association located outside of any State unless—

"(i) such obligation would be a deposit if it were carried on the books and records of the depository institution, and payable at, an office located in any State; and

"(ii) the contract evidencing the obligation provides by express terms, and not by implication, for payment at an office of the depository institution located in any State; and".

(c) EXISTING CLAIMS NOT AFFECTED.—The amendments made by this section shall not be construed to affect any claim arising from events (described in section 25(11) of the Federal Reserve Act, as added by subsection (a)) that occurred before the date of enactment of this subtitle.

SEC. 953. AMENDMENT TO INTERNATIONAL BANKING ACT OF 1978.

Section 6(c)(1) of the International Banking Act of 1978 (12 U.S.C. 3104(c)(1)) is amended—

(1) in paragraph (1)—

(A) by inserting "domestic retail" before "deposit accounts"; and

(B) by inserting "and requiring deposit insurance protection," after "$100,000,"; and

(2) in paragraph (2)—

(A) by striking "Deposit" and inserting "Domestic retail deposit"; and

(B) by inserting "that require deposit insurance protection" after "$100,000".

TITLE X—MONEY LAUNDERING

SEC. 1001. SHORT TITLE.

This title may be cited as the "Financial Institutions Enforcement Improvements Act".

Subtitle A—Termination of Charters, Insurance, and Offices

SEC. 1011. REVOKING CHARTER OF FEDERAL DEPOSITORY INSTITUTIONS CONVICTED OF MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.

(a) NATIONAL BANKS.—Section 5239 of the Revised Statutes (12 U.S.C. 93) is amended by adding at the end the following:

"(c) FORFEITURE OF FRANCHISE FOR MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.—

"(1) IN GENERAL.—

"(A) CONVICTION OF TITLE 18 OFFENSES.—

"(i) DUTY TO NOTIFY.—If a national bank, a Federal branch, or Federal agency has been convicted of any criminal offense described in section 1956 or 1957 of title 18, United States Code, the Attorney General shall provide to the Office of the Comptroller of the Currency a written notification of the conviction and shall include a certified copy of the order of conviction from the court rendering the decision.

"(ii) NOTICE OF TERMINATION; PRETERMINATION HEARING.—After receiving written notification from the Attorney General of such a conviction, the Office of the Comptroller of the Currency shall issue to the national bank, Federal branch, or Federal agency a notice of the Comptroller's intention to terminate all rights, privileges, and franchises of the bank, Federal branch, or Federal agency and schedule a pretermination hearing.

"(B) CONVICTION OF TITLE 31 OFFENSES.—If a national bank, a Federal branch, or a Federal agency is convicted of any offense punishable under section 5322 of title 31, United States Code, after receiving written notification from the Attorney General, the Office of the Comptroller of the Currency may issue to the national bank, Federal branch, or Federal agency a notice of the Comptroller's intention to terminate all rights, privileges, and franchises of the bank, Federal branch, or Federal agency and schedule a pretermination hearing.

"(C) JUDICIAL REVIEW.—Section 8(h) of the Federal Deposit Insurance Act shall apply to any proceeding under this subsection.

"(2) FACTORS TO BE CONSIDERED.—In determining whether a franchise shall be forfeited under paragraph (1), the Comptroller of the Currency shall consider—

"(A) the degree to which senior management officials knew of, or were involved in, the solicitation of illegally derived funds or the money laundering operation;

"(B) whether the interest of the local community in adequate depository and credit services would be threatened by the forfeiture of the franchise;

"(C) whether the bank, Federal branch, or Federal agency has fully cooperated with law enforcement authorities with respect to the conviction;

"(D) whether there will be any losses to any Federal deposit insurance fund or the Resolution Trust Corporation; and

"(E) whether the bank, Federal branch, or Federal agency maintained at the time of the conviction, according to the review of the Comptroller of the Currency, a program of money laundering deterrence and compliance that clearly exceeded federally required deterrence and compliance measures; adequately monitored the activities of its officers, employees, and agents to ensure compliance; and promptly reported suspected violations to law enforcement authorities.

"(3) SUCCESSOR LIABILITY.—This subsection does not apply to a successor to the interests of, or a person who acquires, a bank, a Federal branch, or a Federal agency that violated a provision of law described in paragraph (1), if the successor succeeds to the interests of the violator, or the acquisition is made, in good faith and not for purposes of evading this subsection or regulations prescribed under this subsection.

"(4) DEFINITION.—For purposes of this subsection, the term 'senior management officials' means those individuals who exercise major supervisory control within a national bank, including members of the board of directors and individuals who own or control 10 percent or more of the outstanding voting stock of the bank or its holding company. If the institution is a Federal branch or Federal agency (as those terms are defined under section 1(b) of the International Banking Act of 1978) of a foreign institution, the term 'senior management officials' means those individuals who exercise major supervisory control within any branch of that foreign institution located within the United States. The Comptroller of the Currency shall by regulation specify which officials of a national bank shall be treated as senior management officials for the purpose of this subsection.".

(b) FEDERAL SAVINGS ASSOCIATIONS.—Section 5 of the Home Owners' Loan Act (12 U.S.C. 1464) is amended by adding at the end the following:

"(w) FORFEITURE OF FRANCHISE FOR MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.—

"(1) IN GENERAL.—

"(A) CONVICTION OF TITLE 18 OFFENSES.—

"(i) DUTY TO NOTIFY.—If a Federal savings association has been convicted of any criminal offense described in section 1956 or 1957 of title 18, United States Code, the Attorney

General shall provide to the Director of the Office of Thrift Supervision a written notification of the conviction and shall include a certified copy of the order of conviction from the court rendering the decision.

"(ii) NOTICE OF TERMINATION; PRETERMINATION HEARING.—After receiving written notification from the Attorney General of such a conviction, the Director of the Office of Thrift Supervision shall issue to the savings association a notice of the Director's intention to terminate all rights, privileges, and franchises of the savings association and schedule a pretermination hearing.

"(B) CONVICTION OF TITLE 31 OFFENSES.—If a Federal savings association is convicted of any offense punishable under section 5322 of title 31, United States Code, after receiving written notification from the Attorney General, the Director of the Office of Thrift Supervision may issue to the savings association a notice of the Director's intention to terminate all rights, privileges, and franchises of the savings association and schedule a pretermination hearing.

"(C) JUDICIAL REVIEW.—Subsection (d)(1)(B)(vii) shall apply to any proceeding under this subsection.

"(2) FACTORS TO BE CONSIDERED.—In determining whether a franchise shall be forfeited under paragraph (1), the Office of Thrift Supervision shall consider—

"(A) the degree to which senior management officials knew of, or were involved in, the solicitation of illegally derived funds or the money laundering operation;

"(B) whether the interest of the local community in adequate depository and credit services would be threatened by the forfeiture of the franchise;

"(C) whether the association has fully cooperated with law enforcement authorities with respect to the conviction;

"(D) whether there will be any losses to any Federal deposit insurance fund or the Resolution Trust Corporation; and

"(E) whether the association maintained at the time of the conviction, according to the review of the Director of the Office of Thrift Supervision, a program of money laundering deterrence and compliance that clearly exceeded federally required deterrence and compliance measures; adequately monitored the activities of its officers, employees, and agents to ensure compliance; and promptly reported suspected violations to law enforcement authorities.

"(3) SUCCESSOR LIABILITY.—This subsection does not apply to a successor to the interests of, or a person who acquires, a savings association that violated a provision of law described in paragraph (1), if the successor succeeds to the interests of the violator, or the acquisition is made, in good faith and not for purposes of evading this subsection or regulations prescribed under this subsection.

"(4) DEFINITION.—For purposes of this subsection, the term 'senior management officials' means those individuals who exercise major supervisory control within a savings association, including members of the board of directors and individuals who own or control 10 percent or more of the outstanding voting stock of the savings association or its holding company. The Office of Thrift Supervision shall by regulation specify which officials of a savings association shall be treated as senior management officials for the purpose of this subsection.".

(c) FEDERAL CREDIT UNIONS.—Title I of the Federal Credit Union Act (12 U.S.C. 1752 et seq.) is amended by adding at the end the following new section:

"SEC. 131. FORFEITURE OF ORGANIZATION CERTIFICATE FOR MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.

"(a) FORFEITURE OF FRANCHISE FOR MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.—

"(1) CONVICTION OF TITLE 18 OFFENSES.—

"(A) DUTY TO NOTIFY.—If a credit union has been convicted of any criminal offense described in section 1956 or 1957 of title 18, United States Code, the Attorney General shall provide to the Board a written notification of the conviction and shall include a certified copy of the order of conviction from the court rendering the decision.

"(B) NOTICE OF TERMINATION; PRETERMINATION HEARING.—After receiving written notification from the Attorney General of such a conviction, the Board shall issue to such credit union a notice of its intention to terminate all rights, privileges, and franchises of the credit union and schedule a pretermination hearing.

"(2) CONVICTION OF TITLE 31 OFFENSES.—If a credit union is convicted of any offense punishable under section 5322 of title 31, United States Code, after receiving written notification from the Attorney General, the Board may issue to such credit union a notice of its intention to terminate all rights, privileges, and franchises of the credit union and schedule a pretermination hearing.

"(3) JUDICIAL REVIEW.—Section 206(j) shall apply to any proceeding under this section.

"(b) FACTORS TO BE CONSIDERED.—In determining whether a franchise shall be forfeited under subsection (a), the Board shall consider—

"(1) the degree to which senior management officials knew of, or were involved in, the solicitation of illegally derived funds or the money laundering operation;

"(2) whether the interest of the local community in adequate depository and credit services would be threatened by the forfeiture of the franchise;

"(3) whether the credit union has fully cooperated with law enforcement authorities with respect to the conviction;

"(4) whether there will be any losses to the credit union share insurance fund; and

"(5) whether the credit union maintained at the time of the conviction, according to the review of the Board, a program of money laundering deterrence and compliance that clearly exceeded federally required deterrence and compliance measures; adequately monitored the activities of its officers, employees, and agents to ensure compliance; and promptly reported suspected violations to law enforcement authorities.

"(c) SUCCESSOR LIABILITY.—This section does not apply to a successor to the interests of, or a person who acquires, a credit union that violated a provision of law described in subsection (a), if the successor succeeds to the interests of the violator, or the acquisition is made, in good faith and not for purposes of evading this section or regulations prescribed under this section.

"(d) DEFINITION.—For purposes of this section, the term 'senior management officials' means those individuals who exercise major supervisory control within a credit union, including members of the board of directors. The Board shall by regulation specify which officials of a credit union shall be treated as senior management officials for the purpose of this section.".

SEC. 1012. TERMINATING INSURANCE OF STATE DEPOSITORY INSTITUTIONS CONVICTED OF MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.

(a) STATE BANKS AND SAVINGS ASSOCIATIONS.—

(1) IN GENERAL.—Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended by adding at the end the following new subsection:

"(v) TERMINATION OF INSURANCE FOR MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.—

"(1) IN GENERAL.—

"(A) CONVICTION OF TITLE 18 OFFENSES.—

"(i) DUTY TO NOTIFY.—If an insured State depository institution, including a State branch of a foreign institution, has been convicted of any criminal offense described in section 1956 or 1957 of title 18, United States Code, the Attorney General shall provide to the Corporation a written notification of the conviction and shall include a certified copy of the order of conviction from the court rendering the decision.

"(ii) NOTICE OF TERMINATION; TERMINATION HEARING.—After receipt of written notification from the Attorney General by the Corporation of such a conviction, the Board of Directors shall issue to the insured depository institution a notice of its intention to terminate the insured status of the insured depository institution and schedule a hearing on the matter, which shall be conducted in all respects as a termination hearing pursuant to paragraphs (3) through (5) of subsection (a).

"(B) CONVICTION OF TITLE 31 OFFENSES.—If an insured State depository institution, including a State branch of a foreign institution, is convicted of any offense punishable under section 5322 of title 31, United States Code, after receipt of written notification from the Attorney General by the Corporation, the Board of Directors may initiate proceedings to terminate the insured status of the insured depository institution in the manner described in subparagraph (A).

"(C) NOTICE TO STATE SUPERVISOR.—The Corporation shall simultaneously transmit a copy of any notice issued under this paragraph to the appropriate State financial institutions supervisor.

"(2) FACTORS TO BE CONSIDERED.—In determining whether to terminate insurance under paragraph (1), the Board of Directors shall consider—

"(A) the degree to which senior management officials knew of, or were involved in, the solicitation of illegally derived funds or the money laundering operation;

"(B) whether the interest of the local community in adequate depository and credit services would be threatened by the forfeiture of the franchise;

"(C) whether the institution has fully cooperated with law enforcement authorities with respect to the conviction;

"(D) whether there will be any losses to the Federal deposit insurance funds or the Resolution Trust Corporation; and

"(E) whether the institution maintained at the time of the conviction, according to the review of the Corporation, a program of money laundering deterrence and compliance that clearly exceeded federally required deterrence and compliance measures; adequately monitored the activities of its officers, employees, and agents to ensure compliance; and promptly reported suspected violations to law enforcement authorities.

"(3) NOTICE TO STATE BANKING SUPERVISOR AND PUBLIC.—When the order to terminate insured status initiated pursuant to this subsection is final, the Board of Directors shall—

"(A) notify the State banking supervisor of any State depository institution described in paragraph (1) and the Office of Thrift Supervision, where appropriate, at least 10 days prior to the effective date of the order of termination of the insured status of such depository institution, including a State branch of a foreign bank; and

"(B) publish notice of the termination of the insured status of the depository institution in the Federal Register.

"(4) DEPOSITS UNINSURED.—Upon termination of the insured status of any State depository institution pursuant to paragraph (1), the deposits of such depository institution shall be treated in accordance with section 8(a)(7).

"(5) SUCCESSOR LIABILITY.—This subsection does not apply to a successor to the interests of, or a person who acquires, an insured depository institution that violated a provision of law described in paragraph (1), if the successor succeeds to the interests of the violator, or the acquisition is made, in good faith and not for purposes of evading this subsection or regulations prescribed under this subsection.

"(6) DEFINITION.—For purposes of this subsection, the term 'senior management officials' means those individuals who exercise major supervisory control within an insured depository institution, including members of the board of directors and individuals who own or control 10 percent or more of the outstanding voting stock of such institution or its holding company. If the institution is a State branch of a foreign institution, the term 'senior management officials' means those individuals who exercise major supervisory control within any branch of that foreign institution located within the United States. The Board of Directors shall by regulation specify which officials of an insured State depository institution shall be treated as senior management officials for the purpose of this subsection.".

(2) TECHNICAL AMENDMENT.—Section 8(a)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1818(a)(3)) is amended by inserting "of this subsection or subsection (v)" after "subparagraph (B)".

(b) STATE CREDIT UNIONS.—Section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended by adding at the end the following new subsection:

"(u) TERMINATION OF INSURANCE FOR MONEY LAUNDERING OR CASH TRANSACTION REPORTING OFFENSES.—

"(1) IN GENERAL.—

"(A) CONVICTION OF TITLE 18 OFFENSES.—

"(i) DUTY TO NOTIFY.—If an insured State credit union has been convicted of any criminal offense described in section 1956 or 1957 of title 18, United States Code, the Attorney General shall provide to the Board a written notification of the conviction and shall include a certified copy of the order of conviction from the court rendering the decision.

"(ii) NOTICE OF TERMINATION.—After written notification from the Attorney General to the Board of Directors of such a conviction, the Board shall issue to such insured credit union a notice of its intention to terminate the insured status of the insured credit union and schedule a hearing on the matter, which shall be conducted as a termination hearing pursuant to subsection (b) of this section, except that no period for correction shall apply to a notice issued under this subparagraph.

"(B) CONVICTION OF TITLE 31 OFFENSES.—If a credit union is convicted of any offense punishable under section 5322 of title 31, United States Code, after prior written notification from the Attorney General, the Board may initiate proceedings to terminate the insured status of such credit union in the manner described in subparagraph (A).

"(C) NOTICE TO STATE SUPERVISOR.—The Board shall simultaneously transmit a copy of any notice under this paragraph to the appropriate State financial institutions supervisor.

"(2) FACTORS TO BE CONSIDERED.—In determining whether to terminate insurance under paragraph (1), the Board shall consider—

"(A) the degree to which senior management officials knew of, or were involved in, the solicitation of illegally derived funds or the money laundering operation;

"(B) whether the interest of the local community in adequate depository and credit services would be threatened by the forfeiture of the franchise;

"(C) whether the credit union has fully cooperated with law enforcement authorities with respect to the conviction;

"(D) whether there will be any losses to the credit union share insurance fund; and

"(E) whether the credit union maintained at the time of the conviction, according to the review of the Board, a program of money laundering deterrence and compliance that clearly exceeded federally required deterrence and compliance measures; adequately monitored the activities of its officers, employees, and agents to ensure compliance; and promptly reported suspected violations to law enforcement authorities.

"(3) NOTICE TO STATE CREDIT UNION SUPERVISOR AND PUBLIC.—When the order to terminate insured status initiated pursuant to this subsection is final, the Board shall—

"(A) notify the commission, board, or authority (if any) having supervision of the credit union described in paragraph (1) at least 10 days prior to the effective date of the order of the termination of the insured status of such credit union; and

"(B) publish notice of the termination of the insured status of the credit union.

"(4) DEPOSITS UNINSURED.—Upon termination of the insured status of any State credit union pursuant to paragraph (1), the deposits of such credit union shall be treated in accordance with section 206(d)(2).

"(5) SUCCESSOR LIABILITY.—This subsection does not apply to a successor to the interests of, or a person who acquires, an insured credit union that violated a provision of law described in paragraph (1), if the successor succeeds to the interests of the violator, or the acquisition is made, in good faith and not for purposes of evading this subsection or regulations prescribed under this subsection.

"(6) DEFINITION.—For purposes of this subsection, the term 'senior management officials' means those individuals who exercise major supervisory control within an insured credit union, including members of the board of directors. The Board shall by regulation specify which officials of an insured State credit union shall be treated as senior management officials for the purpose of this subsection.".

SEC. 1013. REMOVING PARTIES INVOLVED IN CURRENCY REPORTING VIOLATIONS.

(a) FDIC-INSURED INSTITUTIONS.—

(1) VIOLATION OF REPORTING REQUIREMENTS.—Section 8(e)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1818(e)(2)) is amended to read as follows:

"(2) SPECIFIC VIOLATIONS.—Whenever the appropriate Federal banking agency determines that—

"(A) an institution-affiliated party committed a violation of any provision of subchapter II of chapter 53 of title 31, United States Code, unless such violation was inadvertent or unintentional;

"(B) an officer or director of an insured depository institution knew that an institution-affiliated party of the insured depository institution violated any such provision or any provision of law referred to in subsection (g)(1)(A)(ii); or

"(C) an officer or director of an insured depository institution committed any violation of the Depository Institution Management Interlocks Act,

the agency may serve upon such party, officer, or director a written notice of its intention to remove such party from office. In determining whether an officer or director should be removed as a result of the application of subparagraph (B), the agency shall consider whether the officer or director took appropriate action to stop, or to prevent the recurrence of, a violation described in such subparagraph.".

(2) FELONY CHARGES.—Section 8(g)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1818(g)(1)) is amended to read as follows:

"(1)(A) Whenever any institution-affiliated party is charged in any information, indictment, or complaint, with the commission of or participation in—

"(i) a crime involving dishonesty or breach of trust which is punishable by imprisonment for a term exceeding one year under State or Federal law, or

"(ii) a criminal violation of section 1956 or 1957 of title 18, United States Code, or an offense punishable under section 5322 of title 31, United States Code,

the appropriate Federal banking agency may, if continued service or participation by such party may pose a threat to the interests of the depository institution's depositors or may threaten to impair public confidence in the depository institution, by written notice served upon such party, suspend such party from office or prohibit such party from further participation in any manner in the conduct of the affairs of the depository institution. A copy of such notice shall also be served upon the depository institution.

"(B) A suspension or prohibition under subparagraph (A) shall remain in effect until such information, indictment, or complaint is finally disposed of or until terminated by the agency.

"(C)(i) In the event that a judgment of conviction or an agreement to enter a pretrial diversion or other similar program is entered against such party in connection with a crime described in subparagraph (A)(i), and at such time as such judgment is not subject to further appellate review, the agency may, if continued service or participation by such party may pose a threat to the interests of the depository institution's depositors or may threaten to impair public confidence in the depository institution, issue and serve upon such party an order removing such party from office or prohibiting such party from further participation in any manner in the conduct of the affairs of the depository institution except with the consent of the appropriate agency.

"(ii) In the event of such a judgment of conviction or agreement in connection with a violation described in subparagraph (A)(ii), the agency shall issue and serve upon such party an order removing such party from office or prohibiting such party from further participation in any manner in the conduct of the affairs of the depository institution except with the consent of the appropriate agency.

"(D) A copy of such order shall also be served upon such depository institution, whereupon such party (if a director or an officer) shall cease to be a director or officer of such depository institution. A finding of not guilty or other disposition of the charge shall not preclude the agency from thereafter instituting proceedings to remove such party from office or to prohibit further participation in depository institution affairs, pursuant to paragraph (1), (2), or (3) of subsection (e) of this section. Any notice of suspension or order of removal issued under this paragraph shall remain effective and outstanding until the completion of any hearing or appeal authorized under paragraph (3) unless terminated by the agency.".

(b) CREDIT UNIONS.—

(1) VIOLATION OF REPORTING REQUIREMENTS.—Section 206(g)(2) of the Federal Credit Union Act (12 U.S.C. 1786(g)(2)) is amended to read as follows:

"(2) SPECIFIC VIOLATIONS.—Whenever the Board determines that—

"(A) an institution-affiliated party committed a violation of any provision of subchapter II of chapter 53 of title 31, United States Code, unless such violation was inadvertent or unintentional;

"(B) an officer or director of an insured credit union knew that an institution-affiliated party of the insured credit union violated any such provision or any provision of law referred to in subsection (i)(1)(A)(ii); or

"(C) an officer or director of an insured credit union committed any violation of the Depository Institution Management Interlocks Act,

the Board may serve upon such party, officer, or director a written notice of its intention to remove him from office. In determining whether an officer or director should be removed as a result of the application of subparagraph (B), the Board shall consider whether the officer or director took appropriate action to stop, or to prevent the recurrence of, a violation described in such subparagraph.".

(2) FELONY CHARGES.—Section 206(i)(1) of the Federal Credit Union Act (12 U.S.C. 1786(i)(1)) is amended to read as follows:

"(1)(A) Whenever any institution-affiliated party is charged in any information, indictment, or complaint, with the commission of or participation in—

"(i) a crime involving dishonesty or breach of trust which is punishable by imprisonment for a term exceeding one year under State or Federal law, or

"(ii) a criminal violation of section 1956 or 1957 of title 18, United States Code, or an offense punishable under section 5322 of title 31, United States Code,

the Board may, if continued service or participation by such party may pose a threat to the interests of the credit union's members or may threaten to impair public confidence in the credit union, by written notice served upon such party, suspend such party from office or prohibit such party from further participation in any manner in the conduct of the affairs of the credit union. A copy of such notice shall also be served upon the credit union.

"(B) A suspension or prohibition under subparagraph (A) shall remain in effect until such information, indictment, or complaint is finally disposed of or until terminated by the Board.

"(C)(i) In the event that a judgment of conviction or an agreement to enter a pretrial diversion or other similar program is entered against such party in connection with a crime described in subparagraph (A)(i), and at such time as such judgment is not subject to further appellate review, the Board may, if continued service or participation by such party may pose a threat to the interests of the credit union's members or may threaten to impair public confidence in the credit union, issue and serve upon such party an order removing such party from office or prohibiting such party from further participation in any manner in the conduct of the affairs of the credit union except with the consent of the Board.

"(ii) In the event of such a judgment of conviction or agreement in connection with a violation described in subparagraph (A)(ii), the Board shall issue and serve upon such party an order removing such party from office or prohibiting such party from further participation in any manner in the conduct of the affairs of the credit union except with the consent of the Board.

"(D) A copy of such order shall also be served upon such credit union, whereupon such party (if a director or an officer) shall cease to be a director or officer of such credit union. A finding of not guilty or other disposition of the charge shall not preclude the Board from thereafter instituting proceedings to remove such party from office or to prohibit further participation in credit union affairs, pursuant to paragraph (1), (2), or (3) of subsection (g) of this section. Any notice of suspension or order of removal issued under this paragraph shall remain effective and outstanding until the completion of any hearing or appeal authorized under paragraph (3) unless terminated by the Board.".

SEC. 1014. UNAUTHORIZED PARTICIPATION.

Section 19(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1829(a)(1)) is amended by inserting "or money laundering" after "breach of trust".

SEC. 1015. ACCESS BY STATE FINANCIAL INSTITUTION SUPERVISORS TO CURRENCY TRANSACTIONS REPORTS.

Section 5319 of title 31, United States Code, is amended—

(1) in the first sentence, by striking "to an agency" and inserting "to an agency, including any State financial institutions supervisory agency,"; and

(2) by inserting after the second sentence the following new sentence: "The Secretary may only require reports on the use of such information by any State financial institutions supervisory agency for other than supervisory purposes.".

SEC. 1016. RESTRICTING STATE BRANCHES AND AGENCIES OF FOREIGN BANKS CONVICTED OF MONEY LAUNDERING OFFENSES.

Section 7 of the International Banking Act of 1978 (12 U.S.C. 3105) is amended by adding at the end the following:

"(i) PROCEEDINGS RELATED TO CONVICTION FOR MONEY LAUNDERING OFFENSES.—

"(1) NOTICE OF INTENTION TO ISSUE ORDER.—If the Board finds or receives written notice from the Attorney General that—

"(A) any foreign bank which operates a State agency, a State branch which is not an insured branch, or a State commercial lending company subsidiary,

"(B) any State agency,

"(C) any State branch which is not an insured branch,

"(D) any State commercial lending subsidiary, or

"(E) any director or senior executive officer of any such foreign bank, agency, branch, or subsidiary,

has been found guilty of any money laundering offense, the Board shall issue a notice to the agency, branch, or subsidiary of the Board's intention to commence a termination proceeding under subsection (e).

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) INSURED BRANCH.—The term 'insured branch' has the meaning given such term in section 3(s) of the Federal Deposit Insurance Act.

"(B) MONEY LAUNDERING OFFENSE DEFINED.—The term 'money laundering offense' means any offense under section 1956, 1957, or 1960 of title 18, United States Code, or punishable under section 5322 of title 31, United States Code.

"(C) SENIOR EXECUTIVE OFFICERS.—The term 'senior executive officers' has the meaning given to such term by the Board pursuant to section 32(f) of the Federal Deposit Insurance Act.".

Subtitle B—Nonbank Financial Institutions and General Provisions

SEC. 1021. IDENTIFICATION OF FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—Chapter 53 of title 31, United States Code, is amended by inserting after section 5326 the following:

"§ 5327. Identification of financial institutions

"By January 1, 1993, the Secretary shall prescribe regulations providing that each depository institution identify its customers which are financial institutions as defined in subparagraphs (H) through (Y) of section 5312(a)(2) and the regulations thereunder and which hold accounts with the depository institution. Each depository institution shall report the names of and other information about these financial institution customers to the Secretary at such times and in such manner as the Secretary shall prescribe by regulation. No person shall cause or attempt to cause a depository institution not to file a report required by this section or to file a report containing a material omission or misstatement of fact. The Secretary shall provide these reports to appropriate State financial institution supervisory agencies for supervisory purposes.".

(b) CIVIL PENALTY.—Section 5321(a) of title 31, United States Code, is amended by adding at the end the following paragraph:

"(7)(A) The Secretary may impose a civil penalty on any person or depository institution, within the meaning of section 5327, that willfully violates any provision of section 5327 or a regulation prescribed thereunder.

"(B) The amount of any civil money penalty imposed under subparagraph (A) shall not exceed $10,000 for each day a report is not filed or a report containing a material omission or misstatement of fact remains on file with the Secretary.".

(c) CHAPTER ANALYSIS.—The chapter analysis for chapter 53 of title 31, United States Code, is amended by adding at the end the following new item:

"5327. Identification of financial institutions.".

SEC. 1022. PROHIBITION OF ILLEGAL MONEY TRANSMITTING BUSINESSES.

(a) IN GENERAL.—Chapter 95 of title 18, United States Code, is amended by adding at the end the following section:

"§ 1960. Prohibition of illegal money transmitting businesses

"(a) Whoever conducts, controls, manages, supervises, directs, or owns all or part of a business, knowing the business is an illegal money transmitting business, shall be fined in accordance with this title or imprisoned not more than 5 years, or both.

"(b) Any property, including money, used in violation of the provisions of this section may be seized and forfeited to the United States. All provisions of law relating to—

"(1) the seizure, summary, and judicial forfeiture procedures, and condemnation of vessels, vehicles, merchandise, and baggage for violation of the customs laws;

"(2) the disposition of such vessels, vehicles, merchandise, and baggage or the proceeds from such sale;

"(3) the remission or mitigation of such forfeitures; and

"(4) the compromise of claims and the award of compensation to informers with respect to such forfeitures;

shall apply to seizures and forfeitures incurred or alleged to have been incurred under the provisions of this section, insofar as applicable and not inconsistent with such provisions. Such duties as are imposed upon the collector of customs or any other person with respect to the seizure and forfeiture of vessels, vehicles, merchandise, and baggage under the customs laws shall be performed with respect to seizures and forfeitures of property used or intended for use in violation of this section by such officers, agents, or other persons as may be designated for that purpose by the Attorney General.

"(c) As used in this section—

"(1) the term 'illegal money transmitting business' means a money transmitting business that affects interstate or foreign commerce in any manner or degree and which is knowingly operated in a State—

"(A) without the appropriate money transmitting State license; and

"(B) where such operation is punishable as a misdemeanor or a felony under State law;

"(2) the term 'money transmitting' includes but is not limited to transferring funds on behalf of the public by any and all means including but not limited to transfers within this country or to locations abroad by wire, check, draft, facsimile, or courier; and

"(3) the term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.".

(b) CHAPTER ANALYSIS.—The chapter analysis for chapter 95 of title 18, United States Code, is amended by adding at the end the following item:

"1960. Prohibition of illegal money transmitting businesses.".

SEC. 1023. COMPLIANCE PROCEDURES.

Section 5318(a)(2) of title 31, United States Code, is amended by inserting "or to guard against money laundering" before the semicolon.

SEC. 1024. NONDISCLOSURE OF ORDERS.

Section 5326 of title 31, United States Code, is amended by adding at the end the following:

"(c) NONDISCLOSURE OF ORDERS.—No financial institution or officer, director, employee or agent of a financial institution subject to an order under this section may disclose the existence of, or terms of, the order to any person except as prescribed by the Secretary.".

SEC. 1025. IMPROVED RECORDKEEPING WITH RESPECT TO CERTAIN INTERNATIONAL FUNDS TRANSFERS.

(a) IN GENERAL.—Section 21(b) of the Federal Deposit Insurance Act (12 U.S.C. 1829b(b)) is amended—

(1) by striking "(b) Where" and inserting "(b)(1) Where"; and

(2) by adding at the end the following paragraph:

"(2) TRANSFERS OF FUNDS.—

"(A) IN GENERAL.—Before October 1, 1992, the Secretary and the Board of Governors of the Federal Reserve System (hereafter in this section referred to as the 'Board') in consultation with State banking departments shall jointly prescribe such final regulations as may be appropriate to require insured depository institutions, businesses that provide check cashing services, money transmitting businesses, and businesses that issue or redeem money orders, travelers' checks, or other similar instruments to maintain records of payment orders which—

"(i) involve international transactions; and

"(ii) direct transfers of funds over wholesale funds transfer systems or on the books of any insured depository institution, or on the books of any business that provides check cashing services, any money transmitting business, and any business that issues or redeems money orders, travelers' checks, or similar instruments;

that will have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings.

"(B) FACTORS FOR CONSIDERATION.—In prescribing the regulations required under subparagraph (A), the Secretary and the Board shall consider—

"(i) the usefulness in criminal, tax, or regulatory investigations or proceedings of any record required to be maintained pursuant to the proposed regulations; and

"(ii) the effect the recordkeeping required pursuant to such proposed regulations will have on the cost and efficiency of the payment system.

"(C) AVAILABILITY OF RECORDS.—Any records required to be maintained pursuant to the regulations prescribed under subparagraph (A) shall be submitted or made available to the Secretary upon request.".

(b) CONFORMING AMENDMENTS.—Section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b) is amended—

(1) in the first sentence of subsection (c), by striking "the Secretary shall" and inserting "the regulations prescribed under subsection (b) shall";

(2) in subsection (d), by striking "regulations of the Secretary" and inserting "regulations issued under subsection (b)";

(3) in subsection (e), by striking "Secretary may prescribe" and inserting "regulations issued under subsection (b) may require";

(4) in subsection (f), by striking "Secretary may prescribe" and inserting "regulations issued under subsection (b) may require"; and

(5) in subsection (g), by striking "Secretary may prescribe" and inserting "regulations issued under subsection (b) may require".

SEC. 1026. USE OF CERTAIN RECORDS.

Section 1112(f) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3412(f)) is amended—

(1) in paragraph (1), by inserting "or the Secretary of the Treasury" after "the Attorney General"; and

(2) in paragraph (2), by inserting "and only for criminal investigative purposes relating to money laundering and other financial crimes by the Department of the Treasury" after "the Department of Justice".

SEC. 1027. SUSPICIOUS TRANSACTIONS AND FINANCIAL INSTITUTION ANTI-MONEY LAUNDERING PROGRAMS.

(a) REPORTING REQUIREMENT.—Section 5324 of title 31, United States Code, is amended by inserting "or section 5325 or the regulations thereunder" after "section 5313(a)" each place it appears.

(b) SUSPICIOUS TRANSACTIONS AND ENFORCEMENT PROGRAMS.—Section 5318 of title 31, United States Code, is amended by adding at the end the following:

"(g) REPORTING OF SUSPICIOUS TRANSACTIONS.—

"(1) IN GENERAL.—The Secretary may require financial institutions to report suspicious transactions relevant to possible violation of law or regulation.

"(2) NOTIFICATION PROHIBITED.—A financial institution that voluntarily reports a suspicious transaction, or that reports a suspicious transaction pursuant to this section or any other authority, may not notify any person involved in the transaction that the transaction has been reported.

"(3) LIABILITY FOR DISCLOSURES.—Any financial institution not subject to the provisions of section 1103(c) of the Right to Financial Privacy Act of 1978, or officer, employee, or agent thereof, that makes a voluntary disclosure of any possible violation of law or regulation or a disclosure pursuant to this subsection or any other authority, shall not be liable to any person under any law or regulation of the United States or any constitution, law, or regulation of any State or political subdivision thereof, for such disclosure or for any failure to notify the person involved in the transaction or any other person of such disclosure.

"(h) ANTI-MONEY LAUNDERING PROGRAMS.—In order to guard against money laundering through financial institutions, the Secretary may require financial institutions to carry out anti-money laundering programs, including at a minimum—

"(1) the development of internal policies, procedures, and controls,

"(2) the designation of a compliance officer,

"(3) an ongoing employee training program, and

"(4) an independent audit function to test programs.

The Secretary may promulgate minimum standards for such programs.".

SEC. 1028. REPORT ON CURRENCY CHANGES.

The Secretary of the Treasury, in consultation with the Attorney General, the Chairman of the Board of Governors of the Federal Reserve System, and the Administrator of Drug Enforcement, shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives, not later than 90 days after the date of enactment of this Act, on the advantages for money laundering enforcement, and any disadvantages, of—

(1) changing the size, denominations, or color of United States currency; or

(2) providing that the color of United States currency in circulation in countries outside the United States will be of a different color than currency circulating in the United States.

SEC. 1029. REPORT ON BANK PROSECUTIONS.

(a) IN GENERAL.—The Attorney General, after obtaining the views of all interested agencies, shall determine to what extent compliance with the Money Laundering Control Act (18 U.S.C. 1956 and 1957), the Bank Secrecy Act (31 U.S.C. 5322), criminal referral reporting obligations, and cooperation with law enforcement authorities generally, would be enhanced by the issuance of guidelines for the prosecution of financial institutions for violations of such Acts. Such guidelines, if issued, shall reflect the standards for anti-money laundering programs issued under section 5318(h) of title 31, United States Code.

(b) REPORT.—Not later than 6 months after the date of enactment of this Act, the Attorney General shall transmit to the Congress a report on such determination.

SEC. 1030. ANTI-MONEY LAUNDERING TRAINING TEAM.

(a) IN GENERAL.—The Secretary of the Treasury shall establish a team of experts to assist and provide training to foreign governments and agencies thereof in developing and expanding their capabilities for investigating and prosecuting violations of money laundering and related laws.

(b) AUTHORIZATION.—There is authorized to be appropriated not more than $1,000,000 to carry out this section.

SEC. 1031. MONEY LAUNDERING REPORTING REQUIREMENTS.

(a) OBJECTIVE.—The objective of the United States in dealing with the problem of international money laundering is to ensure that countries adopt comprehensive domestic measures against money laundering and cooperate with each other in narcotics money laundering investigations, prosecutions, and related forfeiture actions. The President shall report annually to Congress on bilateral and multilateral efforts to meet this objective. This report shall be submitted with the report required under section 481(e) of the Foreign Assistance Act of 1961.

(b) CONTENTS OF REPORT.—The report shall include—

(1) information on bilateral and multilateral initiatives pursued by the Department of State, the Department of Justice, and the Department of the Treasury, and other Government agencies, individually or collectively, to achieve the anti-money laundering objective of the United States;

(2) information on relevant bilateral agreements and on the actions of international organizations and groups;

(3) information on the countries which have ratified the United Nations Convention on Illicit Traffic in Narcotic Drugs and Other Psychotropic Substances and on measures adopted by governments and organizations to implement the money laundering provisions of the United Nations Convention, the recommendations of the Financial Action Task Force, the policy directive of the European Community, the legislative guidelines of the Organization of American States, and similar declarations;

(4) information on the extent to which each major drug producing and drug transit country, as specified in section 481 of the Foreign Assistance Act of 1961, and each additional country that has been determined by the Department of the Treasury, the Department of Justice, the Department of State, and the Office of National Drug Control Policy, in consultation, to be significant in the fight against money laundering—

(A) has adequate mechanisms to exchange financial records in narcotics money laundering and narcotics-related investigations and proceedings; and

(B) has adopted laws, regulations, and administrative measures considered necessary to prevent and detect narcotics-related money laundering, including whether a country has—

(i) criminalized narcotics money laundering;

(ii) required banks and other financial institutions to know and record the identity of customers engaging in significant transactions, including large currency transactions;

(iii) required banks and other financial institutions to maintain, for an adequate time, records necessary to reconstruct significant transactions through financial institutions in order to be able to respond quickly to information requests from appropriate government authorities in narcotics-related money laundering cases;

(iv) required or allowed financial institutions to report suspicious transactions;

(v) established systems for identifying, tracing, freezing, seizing, and forfeiting narcotics-related assets; and

(vi) addressed the problem of international transportation of illegal-source currency and monetary instruments;

(5) details of significant instances of noncooperation with the United States in narcotics-related money laundering and other narcotics-related cases; and

(6) a summary of initiatives taken by the United States or any international organization, including the imposition of sanctions, with respect to any country based on that country's actions with respect to narcotics-related money laundering matters.

(c) SPECIFICITY OF REPORT.—The report should be in sufficient detail to assure the Congress that concerned agencies—

(1) are pursuing a common strategy with respect to achieving international cooperation against money laundering which includes a summary of United States objectives on a country-by-country basis; and

(2) have agreed upon approaches and responsibilities for implementation of the strategy, not limited to the conduct of negotiations to achieve treaties and agreements.

Subtitle C—Money Laundering Improvements

SEC. 1041. JURISDICTION IN CIVIL FORFEITURE CASES.

Section 1355 of title 28, United States Code, is amended—

(1) by inserting "(a)" before "The district"; and

(2) by adding at the end the following new subsections:

"(b)(1) A forfeiture action or proceeding may be brought in—

"(A) the district court for the district in which any of the acts or omissions giving rise to the forfeiture occurred, or

"(B) any other district where venue for the forfeiture action or proceeding is specifically provided for in section 1395 of this title or any other statute.

"(2) Whenever property subject to forfeiture under the laws of the United States is located in a foreign country, or has been detained or seized pursuant to legal process or competent authority of a foreign government, an action or proceeding for forfeiture may be brought as provided in paragraph (1), or in the United States District court for the District of Columbia.

"(c) In any case in which a final order disposing of property in a civil forfeiture action or proceeding is appealed, removal of the property by the prevailing party shall not deprive the court of jurisdiction. Upon motion of the appealing party, the district court or the court of appeals shall issue any order necessary to preserve the right of the appealing party to the full value of the property at issue, including a stay of the judgment of the district court pending appeal or requiring the prevailing party to post an appeal bond.".

SEC. 1042. CIVIL FORFEITURE OF FUNGIBLE PROPERTY.

(a) IN GENERAL.—Chapter 46 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 984. Civil forfeiture of fungible property

"(a) This section shall apply to any action for forfeiture brought by the United States.

"(b)(1) In any forfeiture action in rem in which the subject property is cash, monetary instruments in bearer form, funds deposited in an account in a financial institution (as defined in section 20 of this title), or other fungible property, it shall not be—

"(A) necessary for the Government to identify the specific property involved in the offense that is the basis for the forfeiture;

"(B) a defense that the property involved in such an offense has been removed and replaced by identical property.

"(2) Except as provided in subsection (c), any identical property found in the same place or account as the property involved in the offense that is the basis for the forfeiture shall be subject to forfeiture under this section.

"(c) No action pursuant to this section to forfeit property not traceable directly to the offense that is the basis for the forfeiture may be commenced more than 2 years from the date of the offense.

"(d) No action pursuant to this section to forfeit property not traceable directly to the offense that is the basis for the forfeiture may be taken against funds deposited by a financial institution (as defined in section 20 of this title) into an account with another financial institution unless the depositing institution knowingly engaged in the offense that is the basis for the forfeiture.".

(b) RETROACTIVE APPLICATION.—The amendments made by this section shall apply retroactively.

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 46 of title 18, United States Code, is amended by adding at the end the following:

"984. Civil forfeiture of fungible property.".

SEC. 1043. ADMINISTRATIVE SUBPOENAS.

(a) IN GENERAL.—Chapter 46 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 985. Administrative subpoenas

"(a) For the purpose of conducting a civil investigation in contemplation of a civil forfeiture proceeding under this title or the Controlled Substances Act, the Attorney General may—

"(1) administer oaths and affirmations;

"(2) take evidence; and

"(3) by subpoena, summon witnesses and require the production of any books, papers, correspondence, memoranda, or other records that the Attorney General deems relevant or material to the inquiry.

A subpoena issued pursuant to subsection (a) may require the attendance of witnesses and the production of any such records from any place in the United States at any place in the United States designated by the Attorney General.

"(b) The same procedures and limitations as are provided with respect to civil investigative demands in subsections (g), (h), and (j) of section 1968 of title 18, United States Code, apply with respect to a subpoena issued under this section. Process required by such subsections to be served upon the custodian shall be served on the Attorney General. Failure to comply with an order of the court to enforce such subpoena shall be punishable as contempt.

"(c) In the case of a subpoena for which the return date is less than 5 days after the date of service, no person shall be found in contempt for failure to comply by the return date if such person files a petition under subsection (b) not later than 5 days after the date of service.

"(d) A subpoena may be issued pursuant to this subsection at any time up to the commencement of a judicial proceeding under this section.".

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 46 of title 18, United States Code is amended by adding at the end the following:

"985. Administrative subpoenas.".

SEC. 1044. PROCEDURE FOR SUBPOENAING BANK RECORDS.

(a) IN GENERAL.—Chapter 46 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 986. Subpoenas for bank records

"(a) At any time after the commencement of any action for forfeiture brought by the United States under this title or the Controlled Substances Act, any party may request the Clerk of the Court in the district in which the proceeding is pending to issue a subpoena duces tecum to any financial institution, as defined in section 5312(a) of title 31, United States Code, to produce books, records and any other documents at any place designated by the requesting party. All parties to the proceeding shall be notified of the issuance of any such subpoena. The procedures and limitations set forth in section 985 of this title shall apply to subpoenas issued under this section.

"(b) Service of a subpoena issued pursuant to this section shall be by certified mail. Records produced in response to such a subpoena may be produced in person or by mail, common carrier, or such other method as may be agreed upon by the party requesting the subpoena and the custodian of records. The party requesting the subpoena may require the custodian of records to submit an affidavit certifying the authenticity and completeness of the records and explaining the omission of any record called for in the subpoena.

"(c) Nothing in this section shall preclude any party from pursuing any form of discovery pursuant to the Federal Rules of Civil Procedure.".

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 46 of title 18, United States Code, is amended by adding at the end the following:

"986. Subpoenas for bank records.".

SEC. 1045. DELETION OF REDUNDANT AND INADVERTENTLY LIMITING PROVISION IN 18 U.S.C. 1956.

Section 1956(c)(7)(D) of title 18, United States Code, is amended—

(1) by striking "section 1341 (relating to mail fraud) or section 1343 (relating to wire fraud) affecting a financial institution, section 1344 (relating to bank fraud),"; and

(2) by striking "section 1822 of the Mail Order Drug Paraphernalia Control Act (100 Stat. 3207-51; 21 U.S.C. 857)" and inserting "section 422 of the Controlled Substances Act".

SEC. 1046. STRUCTURING TRANSACTIONS TO EVADE CMIR REQUIREMENT.

(a) IN GENERAL.—Section 5324 of title 31, United States Code, is amended—

(1) by inserting "(a)" before "No person"; and

(2) by adding at the end the following:

"(b) No person shall, for the purpose of evading the reporting requirements of section 5316—

"(1) fail to file a report required by section 5316, or cause or attempt to cause a person to fail to file such a report;

"(2) file or cause or attempt to cause a person to file a report required under section 5316 that contains a material omission or misstatement of fact; or

"(3) structure or assist in structuring, or attempt to structure or assist in structuring, any importation or exportation of monetary instruments.".

(b) CONFORMING AMENDMENT.—Section 5321(a)(4)(C) of title 31, United States Code, is amended by striking "under section 5317(d)".

(c) FORFEITURE.—

(1) TITLE 18.—Section 981(a)(1)(A) of title 18, United States Code, is amended by striking "5324" and inserting "5324(a)".

(2) TITLE 31.—Section 5317(c) of title 31, United States Code, is amended by inserting after the first sentence "Any property, real or personal, involved in a transaction or attempted transaction in violation of section 5324(b), or any property traceable to such property, may be seized and forfeited to the United States Government.".

SEC. 1047. CLARIFICATION OF DEFINITION OF FINANCIAL INSTITUTION.

(a) SECTION 1956.—Section 1956(c)(6) of title 18, United States Code, is amended by striking "and the regulations" and inserting "or the regulations".

(b) SECTION 1957.—Section 1957(f)(1) of title 18, United States Code, is amended by striking "financial institution (as defined in section 5312 of title 31)" and inserting "financial institution (as defined in section 1956 of this title)".

SEC. 1048. DEFINITION OF FINANCIAL TRANSACTION.

(a) SECTION 1956.—Section 1956(c) of title 18, United States Code, is amended—

(1) in paragraph (4)(A)—

(A) by inserting "or (iii) involving the transfer of title to any real property, vehicle, vessel, or aircraft," after "monetary instruments,";

(B) by striking "which in any way or degree affects interstate or foreign commerce,"; and

(C) by inserting "which in any way or degree affects interstate or foreign commerce" after "(A) a transaction"; and

(2) in paragraph (3), by inserting "use of a safe deposit box," before "or any other payment".

(b) SECTION 1957.—Section 1957(f)(1) of title 18, United States Code, is amended by inserting ", including any transaction that would be a financial transaction under section 1956(c)(4)(B) of this title," before "but such term does not include".

SEC. 1049. OBSTRUCTING A MONEY LAUNDERING INVESTIGATION.

Section 1510(b)(3)(B)(i) of title 18, United States Code, is amended by striking "or 1344" and inserting "1344, 1956, 1957, or chapter 53 of title 31".

SEC. 1050. AWARDS IN MONEY LAUNDERING CASES.

Section 524(c)(1)(B) of title 28, United States Code, is amended by inserting "or of sections 1956 and 1957 of title 18, sections 5313 and 5324 of title 31, and section 6050I of title 26, United States Code" after "criminal drug laws of the United States".

SEC. 1051. PENALTY FOR MONEY LAUNDERING CONSPIRACIES.

Section 1956 of title 18, United States Code, is amended by inserting at the end the following new subsection:

"(g) Any person who conspires to commit any offense defined in this section or section 1957 shall be subject to the same penalties as those prescribed for the offense the commission of which was the object of the conspiracy.".

SEC. 1052. TECHNICAL AND CONFORMING AMENDMENTS TO MONEY LAUNDERING PROVISION.

(a) TRANSPORTATION.—Subsections (a)(2) and (b) of section 1956 of title 18, United States Code, are amended by striking "transportation" each time such term appears and inserting "transportation, transmission, or transfer".

(b) TECHNICAL CORRECTION.—Section 1956(a)(3) of title 18, United States Code, is amended by striking "represented by a law enforcement officer" and inserting "represented".

SEC. 1053. PRECLUSION OF NOTICE TO POSSIBLE SUSPECTS OF EXISTENCE OF A GRAND JURY SUBPOENA FOR BANK RECORDS IN MONEY LAUNDERING AND CONTROLLED SUBSTANCE INVESTIGATIONS.

Section 1120(b)(1)(A) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3420(b)(1)(A)) is amended by inserting before the semicolon "or crime involving a violation of the Controlled Substance Act, the Controlled Substances Import and Export Act, section 1956 or 1957 of title 18, sections 5313, 5316 and 5324 of title 31, or section 6050I of title 26, United States Code".

SEC. 1054. DEFINITION OF PROPERTY FOR CRIMINAL FORFEITURE.

Section 982(b)(1)(A) of title 18, United States Code, is amended by striking "(c)" and inserting "(b), (c),".

SEC. 1055. EXPANSION OF MONEY LAUNDERING AND FORFEITURE LAWS TO COVER PROCEEDS OF CERTAIN FOREIGN CRIMES.

(a) IN GENERAL.—Sections 981(a)(1)(B) and 1956(c)(7)(B) of title 18, United States Code, are amended by—

(1) inserting "(i)" after "against a foreign nation involving"; and

(2) inserting "(ii) kidnaping, robbery, or extortion, or (iii) fraud, or any scheme or attempt to defraud, by or against a foreign bank (as defined in paragraph 7 of section 1(b) of the International Banking Act of 1978" after "Controlled Substances Act)".

(b) RETROACTIVE APPLICATION.—All amendments to the civil forfeiture statute, section 981 of title 18, United States Code, made by this section and elsewhere in this Act shall apply retroactively.

SEC. 1056. ELIMINATION OF RESTRICTION ON DISPOSAL OF JUDICIALLY FORFEITED PROPERTY BY THE DEPARTMENT OF THE TREASURY AND THE POSTAL SERVICE.

Section 981(e) of title 18, United States Code, is amended by striking "The authority granted to the Secretary of the Treasury and the Postal Service pursuant to this subsection shall apply only to property that has been administratively forfeited.".

SEC. 1057. NEW MONEY LAUNDERING PREDICATE OFFENSES.

Section 1956(c)(7)(D) of title 18, United States Code, is amended—

(1) by striking "or" before "section 16";

(2) by inserting "section 1708 (theft from the mail)," before "section 2113"; and

(3) by inserting before the semicolon; ", any felony violation of section 9(c) of the Food Stamp Act of 1977 (relating to food stamp fraud) involving a quantity of coupons having a value of not less than $5,000, or any felony violation of the Foreign Corrupt Practices Act".

SEC. 1058. AMENDMENTS TO THE BANK SECRECY ACT.

(a) TITLE 31.—Title 31, United States Code, is amended—

(1) in section 5324, by inserting ", section 5325, or the regulations issued thereunder" after "section 5313(a)" each place such term appears;

(2) in section 5321(a)(5)(A), by inserting "or any person willfully causing" after "willfully violates".

(b) FEDERAL DEPOSIT INSURANCE ACT.—Section 21(j)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1829b(j)(1)) is amended by inserting ", or any person who willfully causes such a violation," after "gross negligence violates".

(c) Recordkeeping.—Public Law 91-508 (12 U.S.C. 1951 et seq.) is amended—

(1) in section 125(a), by inserting "or any person willfully causing a violation of the regulation," after "applies,"; and

(2) in section 127, by inserting ", or willfully causes a violation of" after "Whoever willfully violates".

Subtitle D—Reports and Miscellaneous

SEC. 1061. STUDY AND REPORT ON REIMBURSING FINANCIAL INSTITUTIONS AND OTHERS FOR PROVIDING FINANCIAL RECORDS.

(a) Study Required.—The Attorney General, in consultation with the Secretary of the Treasury and the Board of Governors of the Federal Reserve System and other appropriate banking regulatory agencies, shall conduct a study of the effect of amending the Right to Financial Privacy Act by allowing reimbursement to financial institutions for assembling or providing financial records on corporations and other entities not currently covered under section 1115(a) of such Act (12 U.S.C. 3415). The study shall also include analysis of the effect of allowing nondepository licensed transmitters of funds to be reimbursed to the same extent as financial institutions under that section.

(b) Report.—Before the end of the 180-day period beginning on the date of enactment of this Act, the Attorney General shall submit a report to the Congress on the results of the study conducted pursuant to subsection (a).

SEC. 1062. REPORTS OF INFORMATION REGARDING SAFETY AND SOUNDNESS OF DEPOSITORY INSTITUTIONS.

(a) Reports to Appropriate Federal Banking Agencies.—

(1) In General.—The Attorney General, the Secretary of the Treasury, and the head of any other agency or instrumentality of the United States shall report to the appropriate Federal banking agency any information regarding any matter that could have a significant effect on the safety or soundness of any depository institution doing business in the United States.

(2) Exceptions.—

(A) Intelligence information.—

(i) In general.—The Director of Central Intelligence shall report to the Attorney General or the Secretary of the Treasury any intelligence information that would otherwise be reported to an appropriate Federal banking agency pursuant to paragraph (1). After consultation with the Director of Central Intelligence, the Attorney General or the Secretary of the Treasury shall report the intelligence information to the appropriate Federal banking agency.

"(ii) Procedures for receipt of intelligence information.—Each appropriate Federal banking agency, in consultation with the Director of Central Intelligence, shall establish procedures for the receipt of intelligence information that are adequate to protect the intelligence in formation.

(B) Criminal investigations, safety of government investigator, informants, and witnesses.—If the Attorney General or his designee determines that the reporting of a particular item of information pursuant to paragraph (1) might jeopardize a pending criminal investigation or the safety of Government investigators, informants, or witnesses, the Attorney General shall—

(i) provide the appropriate Federal banking agency a description of the information that is as specific as possible without jeopardizing the investigation or the safety of the investigators, informants, or witnesses; and

(ii) permit a full review of the information by the Federal banking agency at a location and under procedures that the Attorney General determines will ensure the effective protection of the information while permitting the Federal banking agency to ensure the safety and soundness of any depository institution.

(C) Grand jury investigations; criminal procedure.—Paragraph (1) shall not—

(i) apply to the receipt of information by an agency or instrumentality in connection with a pending grand jury investigation; or

(ii) be construed to require disclosure of information prohibited by rule 6 of the Federal Rules of Criminal Procedure.

(b) Procedures for Receipt of Reports.—

(1) In general.—Within 90 days after the date of enactment of this Act, each appropriate Federal banking agency shall establish procedures for receipt of a report by an agency or instrumentality made in accordance with subsection (a)(1). The procedures established in accordance with this subsection shall ensure adequate protection of information contained in a report, including access control and information accountability.

(2) Procedures related to each report.—Upon receipt of a report in accordance with subsection (a)(1), the appropriate Federal banking agency shall—

(A) consult with the agency or instrumentality that furnished the report regarding the adequacy of the procedures established pursuant to paragraph (1), and

(B) adjust the procedures to ensure adequate protection of the information contained in the report.

(c) Definitions.—For purposes of this section, the terms "appropriate Federal banking agency" and "depository institution" have the same meanings as in section 8 of the Federal Deposit Insurance Act.

SEC. 1063. IMMUNITY.

Section 6001(1) of title 18, United States Code, is amended by inserting "the Board of Governors of the Federal Reserve System," after "the Atomic Energy Commission,".

SEC. 1064. INTERAGENCY INFORMATION SHARING.

Section 11 of the Federal Deposit Insurance Act (12 U.S.C. 1821) is amended by adding at the end the following new subsection:

"(t) Agencies May Share Information Without Waiving Privilege.—

"(1) In general.—A covered agency does not waive any privilege applicable to any information by transferring that information to or permitting that information to be used by—

"(A) any other covered agency, in any capacity; or

"(B) any other agency of the Federal Government (as defined in section 6 of title 18, United States Code).

"(2) Definitions.—For purposes of this subsection:

"(A) Covered agency.—The term 'covered agency' means any of the following:

"(i) Any appropriate Federal banking agency.

"(ii) The Resolution Trust Corporation.

"(iii) The Farm Credit Administration.

"(iv) The Farm Credit System Insurance Corporation.

"(v) The National Credit Union Administration.

"(B) Privilege.—The term 'privilege' includes any work-product, attorney-client, or other privilege recognized under Federal or State law.

"(3) Rule of construction.—Paragraph (1) shall not be construed as implying that any person waives any privilege applicable to any information because paragraph (1) does not apply to the transfer or use of that information.".

SEC. 1065. ADDITIONAL DEFINITIONS.

(a) CERCLA Amendments.—Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) is amended by adding the following new paragraphs at the end thereof:

"(39) The term 'municipal solid waste' means all waste materials generated by households, including single and multiple residences, hotels and motels, and office buildings. The term also includes trash generated by commercial, institutional, and industrial sources when the physical and chemical state, composition, and toxicity of such materials are essentially the same as waste normally generated by households, or when such waste materials, regardless of when generated, would be considered conditionally exempt generator waste under section 3001(d) of the Solid Waste Disposal Act because it was generated in a total quantity of 100 kilograms or less during a calendar month. The term 'municipal solid waste' includes all constituent components of municipal solid waste, including constituent components that may be deemed hazardous substances under this Act when they exist apart from municipal solid waste. Examples of municipal solid waste include food and yard waste, paper, clothing, appliances, consumer product packaging, disposable diapers, office supplies, cosmetics, glass and metal food containers, and household hazardous waste (such as painting, cleaning, gardening, and automotive supplies). The term 'municipal solid waste' does not include combustion ash generated by resource recovery facilities or municipal incinerators, or waste from manufacturing or processing (including pollution control) operations not essentially the same as waste normally generated by households.

"(40) The term 'sewage sludge' refers to any solid, semisolid, or liquid residue removed during the treatment of municipal waste water, domestic sewage, or other waste waters at or by a publicly-owned treatment works, subject to the limitations of section 113(m) of this Act.

"(41) The term 'municipality' means any political subdivision of a State and may include cities, counties, towns, townships, boroughs, parishes, school districts, sanitation districts, water districts, and other local governmental entities. The term also includes any natural person acting in his or her official capacity as an official, employee, or agent of a municipality.".

(b) Contribution Actions; Right-Of-Way.—Section 113 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by adding the following new subsections at the end thereof:

"(m) Contribution Actions for Municipal Solid Waste and Sewage Sludge.—No municipality or other person shall be liable to any person other than the United States for claims of contribution under this section or for other response costs or damages under this Act for acts or omissions related to the generation, transportation, or arrangement for the transportation, treatment, or disposal of municipal solid waste or sewage sludge.

"(n) Public Right-Of-Way.—In no event shall a municipality incur liability under this Act for the acts of owning or maintaining a public right-of-way over which hazardous substances are transported, or of granting a business license to a private party for the transportation, treatment, or disposal of municipal solid waste or sewage sludge. For the purposes of this subsection, 'public right-of-way' includes, but is not limited to, roads, streets, flood control channels, or other public transportation routes, and pipelines used as a conduit for sewage or other liquid or semiliquid discharges.".

(c) SETTLEMENTS; FUTURE DISPOSAL PRACTICES.—Section 122 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by adding the following new subsections at the end thereof:

"(n) SETTLEMENTS FOR GENERATORS AND TRANSPORTERS OF MUNICIPAL SOLID WASTE OR SEWAGE SLUDGE.—

"(1) ELIGIBLE PERSONS.—This subsection applies to any person against whom an administrative or judicial action is brought, or to whom notice is given of potential liability under this Act, for acts or omissions related to the generation, transportation, or arrangement for the transportation, treatment, or disposal of municipal solid waste or sewage sludge.

"(2) OFFER OF SETTLEMENTS; MORATORIUM.—Eligible persons under this subsection may offer to settle their potential liability with the President by stating in writing their ability and willingness to settle their potential liability in accordance with this subsection. Upon receipt of such offer to settle, neither the President nor any other party shall take further administrative or judicial action against the eligible person for relevant acts or omissions addressed in the settlement offer.

"(3) TIMING.—Eligible persons may tender offers under this subsection within 180 days after receiving a notice of potential liability or becoming subject to administrative or judicial action, or within 180 days after a record of decision is issued for the portion of the response action that is the subject of the person's settlement offer, whichever is later. If the President notifies an eligible person that he or she may be a potentially responsible party, no further administrative or judicial action may be taken by any party for 120 days against such person.

"(4) EXPEDITED FINAL SETTLEMENT.—The President shall make every effort to reach final settlements as promptly as possible under this subsection and such settlements shall—

"(A) allocate to all acts or omissions related to the generation, transportation, or arrangement for the transportation, treatment, or disposal of municipal solid waste or sewage sludge that may create liability under this Act a total of no more than 4 percent of the total response costs: *Provided, however*, That the President shall reduce this percentage when the presence of municipal solid waste or sewage sludge is not significant at the facility;

"(B) require an eligible person under this subsection to pay only for his or her equitable share of the maximum 4 percent portion of response costs described in subparagraph (A);

"(C) limit an eligible person's payments based on such person's inability to pay;

"(D) permit an eligible person to provide services in lieu of money and to be credited at market rates for such services;

"(E) consider the degree to which a publicly owned treatment works has promoted the beneficial reuse of sewage sludge through land application when the basis of liability arises from acts or omissions related to sewage sludge taken 36 months after the date of enactment of this Act or thereafter; and

"(F) be reached even in the event that an eligible person may be liable under sections 107(a)(1) or 107(a)(2) of this Act or for acts or omissions related to substances other than municipal solid waste or sewage sludge.

"(5) COVENANT NOT TO SUE.—The President may provide a covenant not to sue with respect to the facility concerned to any person who has entered into a settlement under this subsection unless such a covenant would be inconsistent with the public interest as determined under subsection (f) of this section.

"(6) EFFECT OF AGREEMENT.—A person that has resolved his or her liability to the United States under this subsection shall not be liable for claims of contribution or for other response costs or damages under this Act regarding matters addressed in the settlement. Such settlement does not discharge any of the other potentially responsible parties unless its terms so provide, but it reduces the potential liability of the others by the amount of the settlement.

"(7) DE MINIMIS SETTLEMENTS.—Nothing in this subsection shall alter or diminish a person's right or ability to reach a settlement with the President under subsection (g) of this section.

"(o) FUTURE DISPOSAL PRACTICES.—Eligible persons may assert the provisions of section 122(n) regarding acts or omissions taken 36 months after the date of enactment of this Act or thereafter only under the following circumstances:

"(1) if the acts or omissions relate to municipal solid waste and the eligible person is a municipality, a qualified household hazardous waste collection program must have been operating while the relevant acts or omissions took place; or

"(2) if the acts or omissions relate to sewage sludge and the eligible person is an operator of a publicly owned treatment works, a qualified publicly owned treatment works must have been operating while the relevant acts or omissions took place.

"(3) The term 'qualified household hazardous waste collection program' means a program that includes—

"(A) at least semiannual, well-publicized collections at conveniently located collection points with an intended goal of participation by ten percent of community households;

"(B) a public education program that identifies both hazardous household products and safer substitutes (source reduction);

"(C) efforts to collect hazardous waste from conditionally exempt generators under section 3001(d) of the Solid Waste Disposal Act (because they generated a total quantity of 100 kilograms or less during a calendar month), with an intended goal of collecting wastes from twenty percent of such generators doing business within the jurisdiction of the municipality; and

"(D) a comprehensive plan, which may include regional compacts or joint ventures, that outlines how the program will be accomplished.

"(4) A person that operates a 'qualified household hazardous waste collection program' and collects hazardous waste from conditionally exempt generators under section 3001(d) of the Solid Waste Disposal Act must dispose of such waste at a hazardous waste treatment, storage or disposal facility with a permit under section 3005 of the Solid Waste Disposal Act (42 U.S.C. 6925), but such person is otherwise deemed to be handling only household waste under the Solid Waste Disposal Act when it operates a qualified household hazardous waste collection program.

"(5) Nothing in this Act shall prohibit a municipality from charging fees to persons whose waste is accepted during household hazardous waste collections, or shall prohibit a municipality from refusing to accept waste that the municipality believes is being disposed of in violation of the Solid Waste Disposal Act.

"(6) The term 'qualified publicly owned treatment works' means a publicly owned treatment works that complies with section 405 of the Federal Water Pollution Control Act (33 U.S.C. 1345).

"(7) The President may determine that a household hazardous waste collection program or a publicly owned treatment works is not qualified under this subsection. Minor instances of noncompliance that are not environmentally significant do not render a household hazardous waste collection program or publicly owned treatment works unqualified under this subsection.

"(8) If the President determines that a household hazardous waste collection program is not qualified, the limitations imposed by this subsection on the assertion of the provisions of section 122(n) shall apply, but only with regard to the municipal solid waste disposed of during the period of disqualification.

"(9) If a municipality is notified by the President or by a State with a program approved under section 402(b) of the Federal Water Pollution Control Act (33 U.S.C. 1342(b)) that its publicly owned treatment works is not in compliance with the requirements of paragraph (6) of this subsection, and if such noncompliance is not remedied within twelve months, the limitations imposed by this subsection on the assertion of the provisions of section 122(n) shall apply, but only with regard to the sewage sludge generated or disposed of during the period of noncompliance.'.

(d) AMOUNT OF HAZARDOUS WASTE.—Section 122 (g)(1)(A)(i) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by inserting the following sentence at the end thereof: "The amount of hazardous substances in municipal solid waste and sewage sludge shall refer to the quantity of hazardous substances which are constituents within municipal solid waste and sewage sludge, not the overall quantity of municipal solid waste and sewage sludge.".

(e) CONSTRUCTION.—Nothing in this section shall modify the meaning or interpretation of the Solid Waste Disposal Act.

(f) APPLICABILITY.—The amendments to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 made by this section shall apply to each municipality and other person against whom administrative or judicial action has been commenced before the effective date of this Act, unless a final court judgment has been rendered against such municipality or other person or final court approval of a settlement agreement including such municipality or other person as a party has been granted. If a final court judgment has been rendered or court-approved settlement agreement has been reached that does not resolve all contested issues, such amendments shall apply to all contested issues not expressly resolved by such court judgment or settlement agreement.

Subtitle E—Counterfeit Deterrence Act of 1992

SEC. 1071. SHORT TITLE.

This subtitle may be cited as the "Counterfeit Deterrence Act of 1992".

SEC. 1072. INCREASE IN PENALTIES.

Section 474 of title 18, United States Code, is amended—

(1) by inserting "(a)" before "Whoever" the first time it appears;

(2) by striking "United States; or" at the end of the sixth undesignated paragraph and inserting "United States—";

(3) by striking the seventh undesignated paragraph;

(4) by amending the last undesignated paragraph to read as follows:

"Shall be fined not more than $50,000 for each violation, or imprisoned not more than 20 years, or both."; and

(5) by adding at the end thereof the following:

"(b) For purposes of this section, the terms 'plate', 'stone', 'thing', or 'other thing' includes any electronic method used for the acquisition, recording, retrieval, transmission, or reproduction of any obligation or other security, unless such use is authorized by the Secretary of the Treasury. The Secretary shall establish a system (pursuant to section 504) to ensure that the legitimate use of such electronic methods and retention of such reproductions by businesses, hobbyists, press and others shall not be unduly restricted.".

SEC. 1073. DETERRENTS TO COUNTERFEITING.

(a) IN GENERAL.—Chapter 25 of title 18, United States Code, is amended by inserting after section 474 the following new section:

"§ 474A. Deterrents to counterfeiting of obligations and securities

"(a) Whoever has in his control or possession, after a distinctive paper has been adopted by the Secretary of the Treasury for the obligations and other securities of the United States, any similar paper adapted to the making of any such obligation or other security, except under the authority of the Secretary of the Treasury, shall be fined not more than $50,000 or imprisoned not more than 20 years, or both.

"(b) Whoever has in his control or possession, after a distinctive counterfeit deterrent has been adopted by the Secretary of the Treasury for the obligations and other securities of the United States by publication in the Federal Register, any essentially identical feature or device adapted to the making of any such obligation or security, except under the authority of the Secretary of the Treasury, shall be fined not more than $50,000 for each violation, or imprisoned not more than 20 years, or both.

"(c) As used in this section—

"(1) the term 'distinctive paper' includes any distinctive medium of which currency is made, whether of wood pulp, rag, plastic substrate, or other natural or artificial fibers or materials; and

"(2) the term 'distinctive counterfeit deterrent' includes any ink, watermark, seal, security thread, optically variable device, or other feature or device;

"(A) in which the United States has an exclusive property interest; or

"(B) which is not otherwise in commercial use or in the public domain and which the Secretary designates as being necessary in preventing the counterfeiting of obligations or other securities of the United States.".

(b) CHAPTER ANALYSIS.—The chapter analysis for chapter 25 of title 18, United States Code, is amended by adding after the item for section 474 the following:

"474A. Deterrents to counterfeiting of obligations and securities.".

SEC. 1074. REPRODUCTIONS OF CURRENCY.

Section 504 of title 18, United States Code, is amended—

(1) in paragraph (1)(D), by striking the comma at the end thereof and inserting a period;

(2) in paragraph (1), by striking "for philatelic" from the text following subparagraph (D) and all that follows through "albums).";

(3) by redesignating paragraph (2) as paragraph (3) and inserting after paragraph (1) the following new paragraph:

"(2) The provisions of this section shall not permit the reproduction of illustrations of obligations or other securities, by or through electronic methods used for the acquisition, recording, retrieval, transmission, or reproduction of any obligation or other security, unless such use is authorized by the Secretary of the Treasury. The Secretary shall establish a system to ensure that the legitimate use of such electronic methods and retention of such reproductions by businesses, hobbyists, press or others shall not be unduly restricted."; and

(4) in paragraph (3), as redesignated by paragraph (3) of this subsection, by striking "but not for advertising purposes except philatelic advertising,".

TITLE XI—LIMITED PARTNERSHIP ROLLUP REFORM

SEC. 1101. SHORT TITLE.

This title may be cited as the "Limited Partnership Rollup Reform Act of 1992".

SEC. 1102. REVISION OF PROXY SOLICITATION RULES WITH RESPECT TO LIMITED PARTNERSHIP ROLLUP TRANSACTIONS.

(a) AMENDMENT.—Section 14 of the Securities and Exchange Act of 1934 (15 U.S.C. 78n) is amended by adding at the end the following new subsection:

"(h) PROXY SOLICITATIONS AND TENDER OFFERS IN CONNECTION WITH LIMITED PARTNERSHIP ROLLUP TRANSACTIONS.—

"(1) PROXY RULES TO CONTAIN SPECIAL PROVISIONS.—It shall be unlawful for any person to solicit any proxy, consent, or authorization concerning a limited partnership rollup transaction, or to make any tender offer in furtherance of a limited partnership rollup transaction, unless such transaction is conducted in accordance with rules prescribed by the Commission under sections 14(a) and 14(d) as required by this subsection. Such rules shall—

"(A) permit any holder of a security that is the subject of the proposed limited partnership rollup transaction to engage in preliminary communications for the purposes of determining whether to solicit proxies, consents, or authorizations in opposition to the proposed transaction, without regard to whether any such communication would otherwise be considered a solicitation of proxies, and without being required to file soliciting material with the Commission prior to making that determination,

except that nothing in this subparagraph shall be construed to limit the application of any provision of this title prohibiting, or reasonably designed to prevent, fraudulent, deceptive, or manipulative acts or practices under this title;

"(B) require the issuer to provide to holders of the securities that are the subject of the transaction such list of the holders of the issuer's securities as the Commission may determine in such form and subject to such terms and conditions as the Commission may specify;

"(C) prohibit compensating any person soliciting proxies, consents, or authorizations directly from security holders concerning such a transaction—

"(i) on the basis of whether the solicited proxies, consents, or authorizations either approve or disapprove the proposed transaction; or

"(ii) contingent on the transaction's approval, disapproval, or completion;

"(D) set forth disclosure requirements for soliciting material distributed in connection with a limited partnership rollup transaction, including requirements for clear, concise, and comprehensible disclosure, with respect to—

"(i) any changes in the business plan, voting rights, form of ownership interest or the general partner's compensation in the proposed limited partnership rollup transaction from each of the original limited partnerships;

"(ii) the conflicts of interest, if any, of the general partner;

"(iii) whether it is expected that there will be a significant difference between the exchange values of the limited partnerships and the trading price of the securities to be issued in the limited partnership rollup transaction;

"(iv) the valuation of the limited partnerships and the method used to determine the value of limited partners' interests to be exchanged for the securities in the limited partnership rollup transaction;

"(v) the differing risks and effects of the transaction for investors in different limited partnerships proposed to be included, and the risks and effects of completing the transaction with less than all limited partnerships;

"(vi) a statement by the general partner as to whether the proposed limited partnership rollup transaction is fair or unfair to investors in each limited partnership, a discussion of the basis for that conclusion, and the general partner's evaluation, and a description, of alternatives to the limited partnership rollup transaction, such as liquidation;

"(vii) any opinion (other than an opinion of counsel), appraisal, or report received by the general partner or sponsor that is prepared by an outside party and that is materially related to the limited partnership rollup transaction and the identity and qualifications of the party who prepared the opinion, appraisal, or report, the method of selection of such party, material past, existing, or contemplated relationships between the party, or any of its affiliates and the general partner, sponsor, successor, or any other affiliate, compensation arrangements, and the basis for rendering and methods used in developing the opinion, appraisal, or report; and

"(viii) such other matters deemed necessary or appropriate by the Commission;

"(E) provide that any solicitation or offering period with respect to any proxy solicitation, tender offer, or information statement in a limited partnership rollup transaction shall be for not less than the lesser of 60 calendar days or the maximum number of days permitted under applicable State law; and

"(F) contain such other provisions as the Commission determines to be necessary or appropriate for the protection of investors in limited partnership rollup transactions.

The disclosure requirements under subparagraph (D) shall also require that the soliciting material include a clear and concise summary of the limited partnership rollup transaction (including a summary of the matters referred to in clauses (i) through (vii) of that subparagraph) with the risks of the limited partnership rollup transaction set forth prominently in the forepart thereof.

"(2) EXEMPTIONS.—The Commission may, consistent with the public interest, the protection of investors, and the purposes of this Act, exempt by rule or order any security or class of securities, any transaction or class of transactions, or any person or class of persons, in whole or in part, conditionally or unconditionally, from the requirements imposed pursuant to paragraph (1) or, from the definition contained in paragraph (4).

"(3) Effect on commission authority.—Nothing in this subsection limits the authority of the Commission under subsection (a) or (d) or any other provision of this title or precludes the Commission from imposing, under subsection (a) or (d) or any other provision of this title, a remedy or procedure required to be imposed under this subsection.

"(4) Definition.—As used in this subsection the term 'limited partnership rollup transaction' means a transaction involving—

"(A) the combination or reorganization of limited partnerships, directly or indirectly, in which some or all investors in the limited partnerships receive new securities or securities in another entity, other than a transaction—

"(i) in which—

"(I) the investors' limited partnership securities are reported under a transaction reporting plan declared effective before January 1, 1991, by the Commission under section 11A; and

"(II) the investors receive new securities or securities in another entity that are reported under a transaction reporting plan declared effective before January 1, 1991, by the Commission under section 11A;

"(ii) involving only issuers that are not required to register or report under section 12 both before and after the transaction;

"(iii) in which the securities to be issued or exchanged are not required to be and are not registered under the Securities Act of 1933;

"(iv) which will result in no significant adverse change to investors in any of the limited partnerships with respect to voting rights, the term of existence of the entity, management compensation, or investment objectives; or

"(v) where each investor is provided an option to receive or retain a security under substantially the same terms and conditions as the original issue; or

"(B) the reorganization of a single limited partnership in which some or all investors in the limited partnership receive new securities or securities in another entity, and—

"(i) transactions in the security issued are reported under a transaction reporting plan declared effective before January 1, 1991, by the Commission under section 11A;

"(ii) the investors' limited partnership securities are not reported under a transaction reporting plan declared effective before January 1, 1991, by the Commission under section 11A;

"(iii) the issuer is required to register or report under section 12, both before and after the transaction, or the securities to be issued or exchanged are required to be or are registered under the Securities Act of 1933;

"(iv) there are significant adverse changes to security holders in voting rights, the term of existence of the entity, management compensation, or investment objectives; and

"(v) investors are not provided an option to receive or retain a security under substantially the same terms and conditions as the original issue.

"(5) Exclusion.—For purposes of this subsection, a limited partnership rollup transaction does not include a transaction that involves only a limited partnership or partnerships having an operating policy or practice of retaining cash available for distribution and reinvesting proceeds from the sale, financing, or refinancing of assets in accordance with such criteria as the Commission determines appropriate.".

(b) Schedule for Regulations.—The Securities and Exchange Commission shall, not later than 12 months after the date of enactment of this Act, conduct rulemaking proceedings and prescribe final regulations under the Securities Act of 1933 and the Securities Exchange Act of 1934 to implement the requirements of section 14(h) of the Securities Exchange Act of 1934, as amended by subsection (a).

SEC. 1103. RULES OF FAIR PRACTICE IN ROLLUP TRANSACTIONS.

(a) Registered Securities Association Rule.—Section 15A(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-3(b)) is amended by adding at the end the following new paragraph:

"(12) The rules of the association to promote just and equitable principles of trade, as required by paragraph (6), include rules to prevent members of the association from participating in any limited partnership rollup transaction (as such term is defined in section 14(h)(4)) unless such transaction was conducted in accordance with procedures designed to protect the rights of limited partners, including—

"(A) the right of dissenting limited partners to an appraisal and compensation or other rights designed to protect dissenting limited partners;

"(B) the right not to have their voting power unfairly reduced or abridged;

"(C) the right not to bear an unfair portion of the costs of a proposed rollup transaction that is rejected; and

"(D) restrictions on the conversion of contingent interests or fees into non-contingent interests or fees and restrictions on the receipt of a non-contingent equity interest in exchange for fees for services which have not yet been provided.

As used in this paragraph, the term 'dissenting limited partner' means a holder of a beneficial interest in a limited partnership that is the subject of a limited partnership rollup transaction who casts a vote against the transaction and complies with procedures established by the association, except that for purposes of an exchange or tender offer, such term means any person who files an objection in writing under the rules of the association during the period in which the offer is outstanding and complies with such other procedures established by the association.".

(b) Listing Standards of National Securities Exchanges.—Section 6(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78f(b)) is amended by adding at the end the following:

"(9) The rules of the exchange prohibit the listing of any security issued in a limited partnership rollup transaction (as such term is defined in section 14(h)(4)), unless such transaction was conducted in accordance with procedures designed to protect the rights of limited partners, including—

"(A) the right of dissenting limited partners to an appraisal and compensation or other rights designed to protect dissenting limited partners;

"(B) the right not to have their voting power unfairly reduced or abridged;

"(C) the right not to bear an unfair portion of the costs of a proposed rollup transaction that is rejected; and

"(D) restrictions on the conversion of contingent interests or fees into non-contingent interests or fees and restrictions on the receipt of a non-contingent equity interest in exchange for fees for services which have not yet been provided.

As used in this paragraph, the term 'dissenting limited partner' means a holder of a beneficial interest in a limited partnership that is the subject of a limited partnership transaction who casts a vote against the transaction and complies with procedures established by the exchange, except that for purposes of an exchange or tender offer, such term means any person who files an objection in writing under the rules of the exchange during the period in which the offer is outstanding.".

(c) Standards for Automated Quotation Systems.—Section 15A(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-3(b)) is amended by adding at the end the following new paragraph:

"(13) The rules of the association prohibit the authorization for quotation on an automated interdealer quotation system sponsored by the association of any security designated by the Commission as a national market system security resulting from a limited partnership rollup transaction (as such term is defined in section 14(h)(4)), unless such transaction was conducted in accordance with procedures designed to protect the rights of limited partners, including—

"(A) the right of dissenting limited partners to an appraisal and compensation or other rights designed to protect dissenting limited partners;

"(B) the right not to have their voting power unfairly reduced or abridged;

"(C) the right not to bear an unfair portion of the costs of a proposed rollup transaction that is rejected; and

"(D) restrictions on the conversion of contingent interests or fees into non-contingent interests or fees and restrictions on the receipt of a non-contingent equity interest in exchange for fees for services which have not yet been provided.

As used in this paragraph, the term 'dissenting limited partner' means a holder of a beneficial interest in a limited partnership that is the subject of a limited partnership transaction who casts a vote against the transaction and complies with procedures established by the association, except that for purposes of an exchange or tender offer such term means any person who files an objection in writing under the rules of the association during the period during which the offer is outstanding.".

(d) Effect on Existing Authority.—The amendments made by this section shall not limit the authority of the Securities and Exchange Commission, a registered securities association, or a national securities exchange under any provision of the Securities Exchange Act of 1934, or preclude the Commission or such association or exchange from imposing, under any other such provision, a remedy or procedure required to be imposed under such amendments.

(e) Effective Date.—The amendments made by this section shall become effective 18 months after the date of enactment of this Act.

Mr. MITCHELL. I move to reconsider the vote by which the bill, as amended, was passed.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GARN. Mr. President, as the Senate is concluding its consideration of S. 2733, the Federal Housing Enterprises

Regulatory Reform Act of 1992, I would like to take a few moments to acknowledge the fine work performed by staff, on both sides of the aisle, that spent literally months of work on this legislation. The expertise and professionalism of these individuals is outstanding, and the fact that they were able to complete this task on a bipartisan basis is reflected by the quality of the final product. In particular, with respect to the Republican staff, I would like to mention the contribution made by Lamar Smith, Ray Natter, Ira Paull, Brad Belt, Kris Siglin, Joel Miller, Margarete Muskett, and Shelly Berlin.

Mr. RIEGLE. The Senator from Utah is absolutely correct. I agree entirely with your comments regarding the staff work on this legislation, and would also like to take this opportunity to thank, in particular, Steve Harris, Pat Lawler, Kevin Chavers, Clem Dinsmore, Tim McTaggart, Bruce Katz, Kim Shafer, and Angela Chiu.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The senior Senator from West Virginia is recognized.

Mr. DOMENICI. I wonder if the Senator will yield 1 minute without losing time.

Mr. BYRD. Yes, I am glad to yield.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 1 minute.

Mr. DOMENICI. Mr. President, I wanted to place in the RECORD the reason why I stated no. Frankly, there are good things in this bill. Certainly, the provision that Senator GARN has in the bill with reference to lenders' liability in Superfund is a good provision and needs to be passed. But actually I think the overwhelming negative matter in the bill is the Lautenberg amendment which took the cities out of the liability chain, out of Superfund. I think that could be devastating to American business, small American business, because they will take on a new load in the chain of liability which is already very strained. So because of that, and to indicate my objection to that provision, I voted no.

I thank the Senator for yielding.

Mr. BYRD. The Senator is welcome.

Mr. SPECTER addressed the Chair.

MORNING BUSINESS

The PRESIDING OFFICER. Under the regular order, there will not be a period for morning business for 45 minutes, in which by prior order, the Senator from Pennsylvania [Mr. SPECTER] is recognized.

ORDER OF THE PROCEDURE

Mr. SPECTER. Mr. President, my distinguished colleague from Maine wishes a spot in morning business for the introduction of legislation.

I will yield to him, and ask unanimous consent that I will retain the floor, when the Senator concludes, for my 45-minute special order.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. COHEN. I thank the Chair.

(The remarks of Mr. COHEN pertaining to the introduction of S. 2922 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BUMPERS. Mr. President, I want to just comment on the proceedings of the past 2 or 3 days and to say that an awful lot of people in this body were obviously ambivalent about a constitutional amendment to balance the budget. On the one hand, a lot of people were reluctant to codify economic policies in the Constitution; others have strong reservations about tinkering with the Constitution for almost any reason. I must say that I fall into both of these categories. But I also want to say as I said many times before, putting a few words into the Constitution does not balance the budget. You are still back to square one. This constitutional amendment, of course, would prolong, for 6 years, the problem we are confronted with.

So, Mr. President, I will, today or tomorrow, introduce a whole host of amendments to cut spending by the Federal Government. These cuts would total, somewhere over the lifetime of these programs, between $350 and $450 billion. I may not offer all of them. Others have said, for example, that the distinguished Senator from Tennessee [Mr. SASSER] said he would like to handle the SDI amendment, and that is fine. All I want to say is—I am not denigrating anybody—all I am saying is that all of those people who pontificated so piously about a constitutional amendment which puts off for 6 years, dealing with the immediacy of the problem, are going to have an opportunity to show that that proposal was not blatantly political. Personally, I thought it was. I rather resented taking up the Senate's time with something the House had already killed. It was going to be resurrected at least to try to get everybody on record.

So we will find out the differences between the rhetoricians who like to talk about balanced budget amendments and those who want to do something about balancing the budget. By the end of this session, you are going to see the rubber hit the road time and time again, and we will find out who is serious about spending cuts and preserving the economy of this country for future generations. I thank the Senator for yielding.

THE 100TH ANNIVERSARY OF ARLEN SPECTER'S FATHER'S BIRTH

Mr. SPECTER. Mr. President, 2 weeks from today, July 15, 1992, will mark the 100th anniversary of the birth of my father, Harry Specter. When I attended the joint session of Congress on March 27, 1990, commemorating the 100th anniversary of the birth of President and general of the Army Dwight D. Eisenhower, I thought of my own father's contribution to the United States and decided to commemorate his centennial through this presentation in the U.S. Senate.

The date of my father's birth cannot even be fixed with certainty because there were no birth records maintained in Batchkurina, a village 160 miles from Kiev in the heart of Ukraine. My father told me that he was born in the season when the pear sickles were ripe on the fruit trees which he estimated to be July 15. He said he recollected writing that he was 10 years old in the year 1903, which would have put his year of birth a year later, but his citizenship papers list 1892 as his year of birth.

Harry Specter grew up in a one-room hut with a dirt floor, shared by his parents, seven brothers, and one sister. His earliest impressions were of anti-Semitism and abusive treatment by the villagers and the Russian Government. He spoke bitterly about the Cossacks and the pain they inflicted on the Russian peasants, especially the Jews. He spoke of conscription by the czar and military service in far-away outposts such as Siberia.

At the age of 18, determined to avoid the oppression of the czar's heel, he saved a few rubles, walked across the European Continent and set sail for America in steerage. His arrival in the United States and his search for his brother, Joseph, demonstrated his character, imagination, and determination which would be the hallmarks of his life.

When he landed in New York, a teeming city of almost 5 million people, my father had no address for his brother but knew only the name and street corner of his brother's bank from a check which had been received by the family in Batchkurina. So, on a Sunday morning, he went to the street corner with the hope that his brother might live nearby and pass the bank.

After several hours, he saw his brother walk by and excitedly ran up to him and shouted, "Yussel, Yussel, Ich bin dein bruder Aaron." Yiddish for: "Joseph, Joseph, I am your brother Harry." My father had changed considerably in the 7 years since Joseph had last seen his 11-year-old brother. Looking at the stranger, my Uncle Joe said, "Oyb du bist mein bruder Aaron, kum mit mir." Yiddish for: "If you are my brother Harry, come with me." And so began my father's life in America.

My sister, Shirley, who read this text last night, recollects the story a little differently. By the way, Shirley is here today, as is my sister Hilda Morgenstern, my brother-in-law Arthur Morgenstern, and my niece Judith

Barzilay. Other members of my family may also be watching on C-SPAN 2. In any event, Hilda recalls that my father stood on the street corner for 3 days, but the essence of the facts are the same.

Harry Specter worked for a tailor, a sweatshop as he called it, at Fourth and Lombard Streets in Philadelphia. Determined to improve his lot in life, he saved his money, bought a model-T Ford and traveled West to learn English and see America.

He was a peddler. He sold blankets to the farmers in the winter and cantaloups on the streets of small midwestern towns in the summer.

When purchasing blankets and dry goods in a supply store in St. Joseph, MO, in about 1916, he met Mrs. Frieda Shanin and asked if she had a daughter. My grandmother-to-be—Bubba, we called her in Yiddish—replied that she did, but her daughter was too young for him. Actually, Frieda Shanin had four daughters and three sons with the oldest, Lillie, 16, and the others ranging from 13 to 2. My grandfather Mordechai Shanin, had died suddenly of a heart attack in his midforties a year earlier.

The romance of Harry Specter and Lillie Shanin was interrupted by World War I. Next to his family, my father was most proud of his service as a buck private in the American Expeditionary Force in France. His discharge papers disclose that he joined Company I of the 355th Infantry on May 6, 1918, and sailed from the United States for France on June 4. The intervening 29 days left little time for training.

One hundred days later, he was seriously wounded in action in the Argonne Forest, carrying shrapnel in his legs until the day he died. Harry Specter convalesced and returned to the United States on January 5, 1919, according to his record of military service. On crutches, he returned to St. Joe to marry the beautiful, slender redhead. Their wedding picture, the bride in a full white gown and the groom in uniform, hangs in my office in the Hart Building.

During the course of the next 45 years, Harry and Lillie Specter moved back and forth between the east coast and the Midwest in search of ways to support his family. He said with some frequency, "Schver tsu machen a lebn." Yiddish for: "It's hard to earn a living." And that was certainly true for him.

I do not know all of the family's travels, but I do know my brother Morton was born in 1920, in St. Joseph, MO, and my sister Hilda was born in Philadelphia in 1921. My mother recounted living in Camden, NJ, and watching a workman fall from the Benjamin Franklin Bridge, which was under construction for several years prior to its opening on June 30, 1926. The family was back in the Midwest when my sister Shirley was born in St. Joe in 1927, and then we lived in Wichita, KS, when I was born 3 years later.

During the midst of the Depression, my father borrowed $500 from my Aunt Anne, my mother's sister, so the family could move back to Philadelphia where my father could earn a living. In Philadelphia I started school. For a short time, my father had a small grocery store in Southwest Philadelphia and drove a bootleg truck in the coal fields of Scranton, PA. We moved back to Wichita, KS, in 1936 because, as bad as the economy was, the opportunities appeared to be better in Kansas. In Kansas in the mid-thirties, it was back to the same routine: selling blankets to the farmers in winter and cantaloupes in the summer. Before dawn, my father would take the back seat out of our car, and my sister Shirley and I would accompany him to the farmers' market where he would load bushels of cantaloupes into the back seat. We would then drive to neighboring small towns to sell cantaloupes door to door.

The largest cantaloupes, perhaps nine inches in diameter, would be sold three for a quarter, down to the smallest ones, perhaps four inches in diameter, priced at six for a quarter. Our treks up and down the streets with baskets of cantaloupes were frequently interrupted by the town constable who ran us out of town because of complaints from the local merchants whose cantaloupe were substantially costlier.

In 1936, my father bought a new pickup truck. Driving down a Kansas highway, the vehicle turned over when the spindle bolt broke on the front wheel, crushing my father's right arm. He was furious with his lawyer and the legal system when he received only $500 in settlement for a permanently disabled right arm. He was pleased with the excellent care he received in Wichita's Veterans' Hospital. Notwithstanding shrapnel in his legs from World War I and metal holding his right arm together, he persevered to support his wife and four children.

Peddling gave way to my father's junkyard in Lyons, KS, in the late 1930's. When I accompanied my father in the summers to help him work the winch on the truck, we slept on the floor in a single-room corrugated building and the Kansas farm outhouses made our toilet facilities look lavish by comparison. My father commuted the 100 miles between Lyons and Wichita each week until 1942 when our family moved to Russell, because the 165 miles to Wichita was too far to commute.

During World War II, the price of junk went up a little and my parents saved enough money for a modest retirement.

When my sister Shirley was of marriageable age in the late 1940's, there was only one Jewish boy in town—her brother—so the family moved East to provide the opportunity for Shirley to meet and marry Edwin Kety. When he became Dr. Kety and joined the public health service, my parents followed them to Phoenix, AZ, in 1961 to help with their young family.

While the 100th anniversary of the birth of my mother, Lillie Shanin Specter, will not be celebrated until September 20, 2000, her life story was a full partnership with my father. She came to the United States in 1905 with her parents and younger brother and lived in St. Joe, MO, until she married my father in 1919, and then began their lifelong worldwide odyssey. She was the quintessential nurturing mother—always there for care, comfort, and the mealtime admonition: "finish all the food on your plate"—a habit which I honor to this day. When her four children were grown, she and my father were devoted and caring grandparents, putting their family ahead of everything else.

From my parents' total commitment to their children and the example they set, my brother, sisters and I instinctively understood our obligation to behave and work hard to achieve our full potential.

Seeing their struggle and sacrifices, it was simply unthinkable that any of the children would do anything to embarrass our parents or fail to match the intensity of their efforts.

Education was the watchword in the Specter household. Our parents valued it so much because they had so little of it. My mother had completed only the eighth grade and my father had no formal schooling at all. But they were self-educated people. My father was an avid reader of the Tog—the Jewish daily newspaper—and read the editorial pages of the English-language papers from top to bottom frequently quoting Dorothy Thompson or Walter Lippmann. In her own quiet way, my mother's educational achievement surpassed most college graduates. There was no exhortation by our parents to study and succeed. It was assumed.

Notwithstanding the tough immigrant life and the problems of the Depression, my parents always had a strong sense of optimism. They were gregarious people. My father frequently quoted Will Rogers' statement that "he never met a man he didn't like." It was always reassuring for me to hear my father say that the system would provide a man with the opportunity to make a living.

My father was always very interested in politics. Although I do not recall the specifics, I believe that I was deeply impressed by the veterans' march on Washington in the early 1930's and my father's reaction to it. He was outraged over the failure of the Government to pay the bonuses to the World War I veterans. These were particularly tough times for our family. We had little more than his small disability pension to put food on the table. In a sense, it seems that I have been on my way to Washington ever since to get my father's bonus.

World War II and the Holocaust found the Specter family deeply involved in international events. We watched in anguish as 6 million Jews were murdered. My father virtually had his ear in the radio every night at 10 p.m. when he listened to Graham Fletcher and the news on radio station KFH in Wichita. He agonized as Hitler's army marched across Russia and he feared the destruction of his native village, Batchkurina, and the annihilation of his family there. When Hitler had made his deepest penetration into Russia, I recall my father being interviewed by the local newspaper and his confident prediction that the German Army would be repelled.

A trip to Israel was my father's lifelong ambition. It always made me uneasy when he would say that he wanted to die and be buried in Israel. On October 9, 1964, Joan and I brought a bottle of champagne on board the ship *Shalom* to toast my parents' departure for Haifa. Three weeks later, a letter arrived from my mother saying that my father had suffered a heart attack when he overexerted himself in his excitement to walk the streets of Tel Aviv. A 5 a.m. telephone call on November 2, 1964, brought the news of his death and my sister Hilda and I flew from New York later that day to bury our father in the Cholom cemetery in Tel Aviv. The orthodox burial ceremony had no casket with my father laid to rest in a large tallis, the Jewish prayer shawl.

Joan and I visited my father's birthplace in 1982. In Batchkurina we talked to the village elder, a man 81 years of age, who at first did not recall the Specter family. When I commented that the Specters were the only Jewish family in town, he then exclaimed that he did remember "Avram the Jew." His identification of my grandfather's first name was made without any prior identification of that name by me. That incident emphasized for me the difference of being Jewish in Russia in 1911 or 1982 or, for the matter 1992.

My father's story is both extraordinary and typical of the lives of millions of immigrants who made the United States the great country it is today. Harry Specter personified America's most basic values: love of family, education, patriotism, courage, sacrifice, optimism, hard work, commitment to do whatever was necessary to do the job and an overarching sense of optimism.

While this brief statement cannot obviously match the pomp and ceremony of the joint session of Congress commemorating President Eisenhower's centennial, it is a privilege for me to be in the U.S. Senate to have this opportunity to honor my father on the occasion of his 100th birthday. His struggle, his accomplishments and his values are an inspiration for America's future.

I thank the Chair for this opportunity.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRYOR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR. Mr. President, are we still in a period for morning business?

The PRESIDING OFFICER. We are.

Mr. PRYOR. Mr. President, I would first like to compliment, if I might, the Senator from Pennsylvania. I had the privilege of listening to his very eloquent address relative to his father, and I sincerely state to my colleague and to my friend from Pennsylvania that truly this was a very moving tribute to a great man. It was a great privilege for me to hear him out and to hear his statement to the Senate.

PRIVILEGES OF THE FLOOR

Mr. PRYOR. Mr. President, I ask unanimous consent that Mr. Rick Goodman and Mr. Bill Bosher of my staff be allowed to sit with me on the Senate floor the next several minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. PRYOR. I thank the Chair.

(The remarks of Mr. PRYOR pertaining to the introduction of S. 2928 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. FOWLER. Mr. President, first of all, let me say I was extremely privileged to be on the floor and hear the statement of the Senator from Arkansas, the present Presiding Officer, in his never-ending, thankfully never-ending commitment to eliminate not only waste but in many cases outright fraud by our Government in its contracting services through the executive branch of Government. The taxpayers of the United States have been treated to a debate over Government spending during the last 4 or 5 days. The Senator from Arkansas has not been debating, but educating this body for the last 10 years on gigantic wastes of our taxpayers' dollars through executive contracting services. We must—We must—rein in that practice.

As one Senator, I want to say the people of Georgia thank the Senator from Arkansas [Mr. PRYOR] for his determination, for his commitment, and ultimately his success which will come.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. FOWLER. I thank the Chair.

(The remarks of Mr. FOWLER pertaining to the introduction of S. 2921 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

TRIBUTE TO MS. EULA HALL

Mr. MCCONNELL. Mr. President, I would like to take a moment from today's debate to bring my colleagues' attention to the accomplishments of a generous and thoughtful Kentuckian, Ms. Eula Hall.

Born and raised in Pike County, Ms. Hall is personally familiar with the hardships life in eastern Kentucky has to offer. According to a recent Lexington Herald-Leader editorial entitled "An Honor Deserved," Ms. Hall "dropped out of school in the eighth grade, married at 17, [and] had five children * * *. It seems to me that her experiences have given Ms. Hall a unique perspective on life.

In 1973, motivated by the needs of her family and friends, Ms. Hall founded the Mud Creek Clinic in Floyd County. Over the years, the clinic has expanded from two doctors working 2 days a week to a staff of 17 working 6 days a week. Mr. President, on an average day, the clinic now provides care for up to 90 patients.

Ms. Eula Hall works hard to meet the needs of her fellow Kentuckians, and has rightfully earned their trust and respect. From delivering food to the elderly to transporting patients to the clinic, her generosity and caring is limitless. Recently, her tireless contributions were recognized by Common Cause, who awarded Ms. Hall one of its five 1992 Public Service Achievement Awards.

I know my colleagues will join me in extending praise and commendation to this thoughtful Kentuckian. I ask that a copy of the editorial appear in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Lexington Herald-Leader, June 17, 1992]

AN HONOR DESERVED: EULA HALL'S GOOD WORKS DON'T GO UNRECOGNIZED

With 75 to 90 patients stopping by the Mud Creek Clinic on an average day, Eula Hall doesn't need celebrity.

People in the mountains know her and the good works she has accomplished as the clinic's founder.

They've seen her rushing around Floyd County in a van to pick up sick patients and drive them to the clinic in Grethel. They've watched her deliver food to homebound and elderly residents. They've listened to her counsel callers.

These people are her people. They know she understands. Now, the rest of the country will, too.

Hall grew up in Pike County. She dropped out of school in the eighth grade, married at 17, had five children, suffered in an abusive first marriage.

It was because of the suffering she had seen among family and friends that she founded the clinic in 1973. It began with $1,400 and two doctors working two days a week. Now, the clinic is open six days a week and has a staff of 17. Its support comes for federal aid and contributions.

The work of the clinic and Eula Hall has been known and appreciated for a long time outside the mountains. Today, the latest applause comes from Washington, where Common Cause last week gave Hall one of its five Public Service Achievement Awards for 1992. (Another recipient was retired U.S. Supreme Court Justice Thurgood Marshall.)

The national citizens' organization praised Hall because her "grit and love of people brought health care to a needy town in Appalachia."

It was a fitting tribute to a woman who has become a local and national celebrity, fulfilling her dream of "being somebody like I am. Somebody in a position to help people."

TRIBUTE TO COL. CORDIS B. COLBURN, U.S. ARMY

Mr. THURMOND. Mr. President, I rise today to recognize the imminent retirement of Col. Cordis B. Colburn, an outstanding soldier of the U.S. Army. Colonel Colburn has served this Nation faithfully and honorably for over 24 years. He entered the Army through the Reserve Officer Training Corps upon graduation from Alfred University and was commissioned a second lieutenant of field artillery.

During his distinguished career, he served in a number of leadership assignments that took him to the Republic of Vietnam; Fort Dix, NJ; Bamberg, Germany; Fort Knox, KY; and Schofield Barracks, HI, where he commanded the 7th Field Artillery Battalion, 8th Field Artillery Regiment, and the 25th Infantry Division.

Colonel Colburn is known to many of us in the Senate as a congressional staff officer and later as the Deputy Chief of Legislative Liaison in the Secretary of the Army's Legislative Liaison Office. His mission was to keep the Congress informed by providing complete, timely, and frank information. He succeeded admirably in this role. The positive nature of the relationship between the Congress and the Army is due in large measure to the stewardship of officers such as Colonel Colburn.

Mr. President, service and dedication to duty have been the hallmarks of Colonel Colburn's career. He has played an integral role in the great number of historic challenges that have faced our Nation. On behalf of his many friends in the Congress and the Nation, I wish to express my thanks to Colonel Colburn and his family and wish him the very best as he embarks on a new career.

TODAY'S "BOXSCORE" OF THE NATIONAL DEBT

Mr. CRAIG. Mr. President, Senator HELMS is in North Carolina recuperating following heart surgery, and he has asked me to submit for the RECORD each day the Senate is in session what the Senator calls the congressional irresponsibility boxscore.

The information is provided to me by the staff of Senator HELMS. The Senator from North Carolina instituted this daily report on February 26.

The Federal debt run up by the U.S. Congress stood at $3,942,836,154,025.86, as of the close of business on Monday, June 29, 1992.

On a per capita basis, every man, woman, and child owes $15,350.20—thanks to the big spenders in Congress for the past half century. Paying the interest on this massive debt, averaged out, amounts to $1,127.85 per year for each man, woman, and child in America—or, to look at it another way, for each family of four, the tab—to pay the interest alone—comes to $4,511.40 per year.

SARAJEVO

Mr. GORE. Mr. President, the United Nations action to open the Sarajevo airport and relieve the citizens of that city is essential both for humanitarian reasons and for the concept of an international order based on law and respect for human rights. American support for this action is clearly in line with our principles and our interests. Should any actions by Serbian forces threaten the success of this operation or the security of U.N. personnel, it would be in order to take steps as needed to deal with that threat.

HIGHER EDUCATION ACT REAUTHORIZATION

Mr. NUNN. Mr. President, I rise to offer a few words of strong support for the conference version of the Higher Education Act Amendments of 1992. In so doing, however, let me frame these remarks by providing some perspective on a few important events that helped lead up to the present point of the Senate's considering this legislation for final passage.

It has been more than 2½ years since the Permanent Subcommittee on Investigations, at my direction, began to look into alleged problems in the Department of Education's Stafford Student Loan Program. The results of this undertaking are well-known: the subcommittee found a program in almost total disarray, wracked by rampant fraud and abuse on the part of all program participants, and overwhelmed by ineptitude and gross mismanagement in the Department's administration and oversight of its responsibilities.

The bottom-line effect of this sad state of affairs is that the program's intended beneficiaries—thousands of young people, many of whom come from backgrounds with already limited opportunities—and the taxpayers have suffered. The former have been victimized by unscrupulous and dishonest for-profit trade schools, receiving neither the training nor the skills they hoped to acquire and, instead, being saddled with debts they cannot hope to repay. Likewise, to the tune of many billions of dollars, the taxpayers have been left with the bill for the attendant losses in defaulted loans, while at the same time many school owners, accrediting bodies, lenders, guaranty agencies and other financial intermediaries have reaped enormous, and in some cases, unconscionable profits.

Reflecting these findings, in May of last year, the subcommittee issued its final report, "Abuses in Federal Student Aid Programs," in which some 27 recommendations for further action were set forth. These recommendations subsequently became the basis for a remedial bill, S. 1503, which I introduced in July of last year. Cosponsors of this legislation included Senators ROTH, LEVIN, SASSER, KOHL, AKAKA, MIKULSKI, HATFIELD, and THURMOND. Soon afterward, a companion bill, H.R. 3239, was introduced by Congressman BART GORDON in the House. Most of the key features of these bills, in turn, were incorporated into the respective Senate and House bills being developed by the Committees on Labor and Human Resources and Education, respectively, pursuant to their deliberations regarding the Reauthorization of the Higher Education Act.

As reported out and ultimately passed, the respective Senate and House reauthorization bills contained numerous so-called integrity provisions aimed at reducing and/or eliminating the mismanagement and abuse in Federal student financial aid programs revealed by the subcommittee's investigation. In effect, in anticipating the conference at which the differences between the two bills would be ironed out, I saw two strong reform measures going in and thus hoped that the final version would to the maximum possible extent incorporate the best of both. Indeed, to this end, I wrote the Senate conference leaders expressing my concerns along these lines and requesting a number of specific actions that I believed would help bring about the most desirable outcome.

I am pleased to be able to say that in terms of virtually all of the key title IV reforms, this is precisely what has occurred. What we have in the conference bill are a set of comprehensive and carefully crafted measures that effectively provide the Secretary of Education with virtually all the tools he will need to clean up the student loan program and to improve the Department's related management and oversight capabilities.

Notwithstanding these promising developments, I would be remiss if I did not raise one important caution: The key question that remains to be answered is the extent to which the Secretary and the Department will be committed and able to effectively use these tools. I note, for example, that many of the most important reforms in the final bill will require subsequent rulemaking and other such actions pursuant to their implementation. These very areas, however, are among those shown by our investigation to be among the Department's greatest weaknesses. Accordingly, I want to put all the concerned parties in this regard on notice that I intend to carefully monitor the short- and long-term process by which the bill's legislative intent is translated into concrete policies and practices. It is not unlikely, moreover, that at some point in the future when sufficient time has elapsed for an assessment to be fairly made, I will direct that the Permanent Subcommittee on Investigations revisit these matters.

Finally, let me conclude these remarks by commending the efforts of the members of the respective Senate and House committees, and particularly their key leaders—Senators KENNEDY, PELL, HATCH, and KASSEBAUM and Representatives FORD and COLEMAN. Along these lines, I also want to acknowledge the singularly important contribution of Representative GORDON. These Members of Congress have done an outstanding job and deserve every bit of our admiration and appreciation for their work in behalf of developing a bill that promises to help our Federal student financial aid programs again become the vehicle for educating and training America's young people that they were intended to, and should always be. ·

LEONARD NIEDERLEHNER

Mr. WARNER. Mr. President, the Committee on Armed Services today held a hearing on pending nominations, including the nomination of David S. Addington to be the General Counsel of the Department of Defense. The committee took this opportunity to honor the memory of Leonard Niederlehner, a distinguished public servant, who served in the Defense Establishment for over 50 years, including service as Deputy General Counsel of the Department of Defense from 1953 to 1991.

I had the privilege of serving with Leonard during my tenure as Secretary and Under Secretary of the Navy, and continued thereafter to rely upon his sound counsel and unmatched knowledge of the Department of Defense. He was a remarkable individual, both in terms of his personal qualities, his integrity, and his devotion to public service, and we will miss him greatly in the years ahead.

I ask unanimous consent that the remarks of Senator NUNN and myself, along with a list of Leonard's awards and his obituary, be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATE ARMED SERVICES COMMITTEE, HEARING ON CERTAIN PENDING NOMINATIONS, JULY 1, 1992

EXCERPTS FROM REMARKS OF SENATOR SAM NUNN, CHAIRMAN, SENATE ARMED SERVICES COMMITTEE

Mr. Addington, if confirmed, will be the first DoD General Counsel since 1953 to serve without the benefit of the wisdom and steady hand of DoD's long-time Deputy General Counsel, Leonard Niederlehner, who passed away last December. Len served in the defense establishment for over 50 years, and nearly 40 years as the Deputy General Counsel, where he earned an outstanding reputation for integrity, professionalism, and devotion to the public interest. He served as a role model and mentor for lawyers in the Office of General Counsel and throughout the Department of Defense. I know that Senator Warner, who as Secretary of the Navy worked closely with Len, will have more to say about him in his opening remarks.

EXCERPTS FROM REMARKS OF SENATOR JOHN WARNER, RANKING MINORITY MEMBER, SENATE ARMED SERVICES COMMITTEE

I want to thank the Chairman for his kind remarks about Leonard Niederlehner, who was a dear friend and a valued adviser. When I came to the Navy, Len was already a legendary institution in DoD. His knowledge of national security law, his ability to recall precedents for virtually every problem, and his devotion to the Department inspired all of us.

From 1969–74, during my service as Under Secretary and Secretary of the Navy, we were confronted with extraordinary challenges. I frequently called on Len for advice on the difficult problems we faced in terms of race relations, military justice, returning prisoners of war, contract disputes, and decreasing defense spending.

Len had seen it all. He was with the Navy in World War II, the Bureau of Yards and Docks after the war, with the Army-Navy Munitions Board from 1947–52, and with the DoD General Counsel thereafter. In Dean Acheson's words, he was indeed "Present at the Creation" of the Department of Defense. He not only knew all the laws and rules governing the Department, he knew the heart and soul of the Pentagon. He was particularly sensitive to the Department's special relationship with the American people in time of war and peace, as well as the rights and privileges of members of the armed forces. He was a strong guardian of the doctrine of civilian control.

Len received numerous awards attesting to the superb quality of his public service. When he died, on December 10, 1991, the American people lost a model civil servant, the men and women of our armed forces lost a friend, and I lost a valued colleague and advisor.

SIGNIFICANT AWARDS RECEIVED BY LEONARD NIEDERLEHNER

Distinguished Civilian Service Medal, Department of Defense 1961.

Rockefeller Public Service Award, 1960 (April 11, 1961).

National Civil Service League Award, 1965.

Distinguished Civilian Service Medal with Palm, DoD—1969.

Distinguished Civilian Service Medal with double Palm, DoD—1973.

The President's Medal for Distinguished Civilian Service—1979.

The President's Award for Meritorious Executive, with stipend—1980.

Department of Defense Distinguished Public Service Award—1981.

Presidential Rank of Meritorious Executive, with stipend—1985.

Distinguished Civilian Service Medal with triple Palm, DoD—1987.

Presidential Rank of Meritorious Executive, with stipend—1991.

[From the Washington Post, Dec. 14, 1991]

LEONARD NIEDERLEHNER DIES AT 77

Leonard Niederlehner, 77, deputy general counsel for the Department of Defense since 1953, died of respiratory failure Dec. 10 at Arlington Hospital.

Mr. Niederlehner, who lived in Arlington, was born in Cincinnati. He received his law degree at the University of Cincinnati College of Law and practiced law in Cincinnati before moving to Washington in 1938 as secretary to Rep. Herbert Bigelow (D-Ohio).

He was a lawyer for the Federal Security Agency in 1941, then during World War II served in the Navy. After the war he was counsel for the Navy's Bureau of Yards and Docks and later for the Army-Navy Munitions Board. In 1952 he became assistant general counsel for logistics in the Department of Defense, and he served in that capacity until 1953 when he was named deputy general counsel. He served in that position until his death.

He received the Rockefeller Public Service Award in 1961, four Department of Defense Distinguished Civilian Service medals, the National Civil Service League Award in 1965, the President's Medal for Distinguished Civilian Service in 1979, the President's Award for Meritorious Executive in 1980, the Department of Defense Distinguished Civilian Service Award in 1981 and the presidential rank of Meritorious Executive in 1985 and 1991.

Mr. Neiderlehner was former Arlington District Chairman of the Boys Scouts, and he had received the Silver Beaver Award for contributions to scouting. He was a member of Cherrydale United Methodist Church in Arlington and an enthusiastic sailor.

His wife of 35 years, Helen Warfield Niederlehner, died in 1983. Survivors include three children, James R. Niederlehner of Roanoke, Barbara Niederlehner Willis of Blacksburg, Va., and John L. Niederlehner of Arlington; and four grandchildren.

THE HIGHER EDUCATION REAUTHORIZATION ACT CONFERENCE REPORT

Mr. WELLSTONE. Mr. President, we have heard quite a lot of discussion in the past few years on how to reform education in this country. We have often discussed, here in the Senate, the problems we face as a nation in making sure our children receive an appropriate education, whether it be at the elementary, secondary or post-secondary level. The conference report for the Higher Education Reauthorization Act, which we passed last night, provides a way to address some of these problems. I believe it makes significant improvements in the ability of many Americans to gain access to higher education. I would like to take this opportunity to discuss a few of the points in the report and to thank my colleagues for supporting it.

We have seen, over the past few decades, some profound changes in the uses of higher education opportunities in this country. There are more people returning to school at a later age, more women seeking higher education as they leave housework and enter the work force, and a broader cross-section of the population seeking postsecondary education. These new school populations reflect deep transformations in both the American and the world economies. We cannot resist these transformations, but we can adapt to them and prepare for more.

We must find ways to improve access to higher education for these nontraditional students if we are to remain competitive as a nation. This bill begins to address this problem in some creative ways. We have agreed to provide up to $20 million in 1993 to institutions for the provision of child care services. We have changed the needs analysis for Federal aid to allow institutions to take into account child care costs. And we have added a $750 allowance for child care or disability related expenses in the tuition component of the Pell award rules. For those people who, 10 or 20 years ago, would not have returned to obtain postsecondary degrees, these are important steps in making that choice possible.

Another way in which this bill addresses the needs of nontraditional students is by expanding access to Pell grants. In today's economy, many people find it necessary to go back to school for retraining. Often, that retraining involves brief, part-time programs in which people quickly obtain needed skills. With these skills, many Americans are able to reenter the job market rapidly, support their families and avoid poverty. This bill will extend Pell grant eligibility to all students who are entering school for less than half-time study. It also will eliminate Pell grant limits on length of schooling, allowing students to receive the grants as long as they are making satisfactory progress. In these ways, this successful grant program will be adjusted to meet the changing needs of students.

We have also discussed the rising cost of higher education a great deal in the past year. Costs are, very simply, rapidly getting beyond the reach of most Americans. We cannot allow this to continue; I think we can all agree on this. This bill contains a few, modest ways of addressing this problem. Middle-income families may now find themselves qualified for student loans, since we have decided to exclude home and family farm equity from the needs assessments for all types of student loans. This corrects a problem that has severely limited the ability of many middle-income Americans to pursue their education. We have also established a new unsubsidized Stafford Loan Program, which will be open to all students. These changes should ease the burden the high cost of education places on students and their families.

I am also pleased to note that we have raised the Pell program's maximum grant levels. I hope we can find a way to fund this program at that maximum level, so that it can be available to all those who might qualify. As we all know, this is one of the best programs for getting money to students that we have. While we were not able to make this an entitlement program this year, I believe that by raising the grant levels, we have taken a much needed step in that direction.

Finally, Mr. President, I want to mention the Federal Direct Loan Demonstration Program that is included in this report. If this sort of program replaced all the current guaranteed loan programs, the GAO estimates we could save $4.5 billion over 5 years. The demonstration we are establishing will provide $500 million in direct loans, 35 percent of which will be paid back according to the ability of the student to pay. This program, in essence, cuts out the middleman. I believe it will provide an example of how efficient Government can work, not by turning to the private sector and adding layers of bureaucracy, but by streamlining the distribution of Government resources. It will also demonstrate our commitment, as a nation, to making sure higher education becomes affordable. I feel certain, Mr. President, that this program will become a success and, when we return to this again in 5 years, we will want to apply it to all Federal student loans.

This conference report addresses many of the concerns Americans have with access to, and with the affordability of, higher education. It is one step in our continuing work to improve education in this country and to make sure we remain competitive as a nation. I am pleased that we have been able to come together in support of this bill. I hope we can continue to work in this way, to put real meaning into our shared commitment to education.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. KERRY). Morning business is now closed.

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT OF 1992

The PRESIDING OFFICER. The Senate will now resume consideration of S. 2532, which the clerk will report.

The bill clerk read as follows:

A bill (S. 2532) entitled the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act."

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, on Monday of this week, the Senate began consideration of S. 2532, the Freedom Support Act. Several amendments on both sides of the aisle expressed support for the bill. Consequently, I trust that the work on this legislation will be completed prior to the July 4 recess.

As I stated on Monday, Senator LUGAR and I would like to keep this bill focused on aid for the former Soviet Union. I am urging we complete action on the bill quickly. And the way we can do that would be to avoid making this bill an all-purpose foreign policy vehicle.

Accordingly, I remind my colleagues that we will move to table any amendments not related to aid for the former Soviet Union.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, it is an honor again to be with my colleague and my chairman, the distinguished Senator from Rhode Island, in the management of S. 2523.

Mr. President, I ask the following members of the Foreign Relations Committee staff be given floor privileges during proceedings on this bill: James Nance, Michael Hathaway, Garrett Grigsby, Lisa Jamison, Danielle Pletka, Tom Kleine, and William Triplett.

I further ask the following members of the Agriculture Committee staff be given floor privileges: Brent Baglien, John Ziolkowski, and Andy Morton.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, let me simply add for the RECORD that as we recapitulated the basic aspects of the Freedom Support Act on Tuesday, I do so again, pointing out that $620 million of assistance to Russia and the former Republics of the Soviet Union is in the form of technical aid and humanitarian assistance. Authorization for this $620 million is sought by this legislation.

As Senator DOMENICI and others pointed out in the debate on that day, we have a specific amount in mind, and it is 5 percent of the foreign assistance that our country will be making generally to countries throughout the world, throughout this year.

It is a part of the foreign assistance pie in the three pie-shaped situations of our budget resolution. I make that point because foreign assistance is capped and, therefore, this is not additional foreign assistance but $620 million within that particular classification.

In addition, Mr. President, we will be seeking authorization for the United States to replenish the International Monetary Fund, an essential step if

Russia, in particular, is to enter the world economy, and if American business is to enter Russia in any substantial way.

Finally, Mr. President, we will be authorizing a number of ways in which Americans can impact upon Russia and the former Republics in exchange programs, in business programs, with Exim, with OPEC, with exports, and with cultural exchanges.

My hope is, Mr. President, if there are amendments to the legislation, they will take the form of imaginative enhancements of these ways in which Americans can have an impact, showing forth our ideals, our philosophy, and likewise learning from people in Russia who may come here under the impact of this legislation.

I join the distinguished Senator from Rhode Island in the hope that we will consider this a very important foreign policy bill—perhaps one of the most important we should consider this year, if not the most important.

To impact upon that importance with additional foreign policy disputes, however merited, jeopardizes, I believe, our pursuit. I am hopeful that Members will be mindful of that, and work with the distinguished Senator from Rhode Island and myself during the course of our debate.

I thank the Chair.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. I thank the Senator from Indiana for his very articulate summation of what we are attempting to accomplish here, and as the first order of business I ask unanimous consent that the committee amendment to S. 2532 be considered as original text for the purpose of amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2646

Mr. PELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Rhode Island [Mr. PELL] proposes an amendment numbered 2646.

On page 30, line 17, strike "such sums as may be necessary" and insert in lieu thereof "$620,000,000";

On page 37, lines 12 and 13, strike "such sums as may be necessary" and insert in lieu thereof "$18,000,000" and on line 22, strike "such sums as may be necessary" and insert in lieu thereof "$6,800,000";

On page 44, line 20 , strike "Acts." and insert in lieu thereof "Acts, and provided that no net budget outlays result therefrom."; and

On page 51, lines 8 and 9, strike "such sums as may be necessary" and insert in lieu thereof "$850,000,000.".

On page 52, strike lines 7–13.

Mr. PELL. Mr. President, as I mentioned in my opening statement on Monday, Senator LUGAR and I are offering this amendment. It replaces "such sums as may be necessary" language with numbers that actually conform to the administration's authorization request in its 1993 budget. The amendment we are offering would replace, as we have just said, "such sums as may be necessary" language and authorize specifically $620 million for fiscal year 1992–93 for bilateral programs for the newly independent States of the former Soviet Union.

In addition, it would authorize $18 million to be appropriated to the State Department for fiscal year 1993 for costs of personnel and other expenses proposed for posts in the independent States of the former Soviet Union and $6.8 million to the USIA for fiscal year 1993 for international information, education, cultural, and exchange programs. Our amendment would also authorize $850 million for fiscal year 1992–93 for SEED activities in Eastern and Central Europe. $400 million for fiscal year 1992 is already contained in the continuing resolution. The remaining $450 million in the authorization covers the administration's appropriation requests for 1993.

With regard to the quota increase for the International Monetary Fund, the bill already makes explicit that the quota increase is limited to such amounts as are appropriated in advance in appropriation acts. The amendment adds language specifying that the authorization appropriations are valid only to the extent that no net budget outlay results therefrom.

Finally, this amendment would strike section 20(b) of the bill, which has the potential of direct spending impact.

I ask unanimous consent that a timely representation of the funding aspects of this amendment be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FOREIGN RELATIONS COMMITTEE AMENDMENT ADDING SPECIFIC AUTHORIZATIONS OF APPROPRIATIONS TO THE FREEDOM SUPPORT ACT

[Budget authority by fiscal year, in millions of dollars]

	1992	1993
IMF quota increase[1]	12,314	....
Bilateral aid to CIS countries[2]	150	470.0
State Department posts	....	18.0
USIA posts	....	6.8
Eastern Europe SEED Program	[3](400)	450.0
Total of new appropriations authorized	12,464	944.8

[1] Involves no net budgetary outlays. Committee amendment will clarify that U.S. contribution is contingent on no net outlays resulting.

[2] Committee amendment authorizes $620 million for fiscal years 1992 and 1993 without specifying amounts for each fiscal year. The breakout of this amount above corresponds to the Administration's requests for each fiscal year.

[3] This amount has already been appropriated and is therefore not included in the total of new appropriations authorized.

Mr. LUGAR. Mr. President, I support the amendment. The amendment is an important one, as was brought to our attention during hearings on the Freedom Support Acts. Specifically, members of the Appropriations Committee, noting language such as "such sums as may be necessary," asked that we be explicit.

As the distinguished chairman of the committee pointed out, we consulted with the administration. We have made very explicit reference in the numbers to be substituted during the course of this amendment. For these reasons, we believe this amendment is an important addition to the legislation at this point, over its structure to the situation with regard to authorization, and I strongly support adoption of the amendment.

Mr. PELL. Mr. President, at this time, I ask unanimous consent that the committee amendment be considered and agreed to for purposes of original text.

The PRESIDING OFFICER. Without objection, it is so ordered.

The original committee amendment as reported will be considered, and will be considered as original text for the purpose of amendment.

Mr. LAUTENBERG. Mr. President, the Foreign Relations Committee has proposed an amendment to eliminate section 20(b) of this bill. This section extends through 1994 the ability of parolees from the former Soviet Union, Vietnam, Laos, and Cambodia to receive permanent residence status after living in the United States for 1 year. During full committee markup of the Freedom Support Act, Senator BIDEN offered this extension at my request.

Unfortunately, the Congressional Budget Office has determined that this extension could potentially affect direct spending because, once adjusted to permanent resident status, these persons could be eligible for and receive Government assistance. Consequently, a 602(b) budget point of order could be raised against this bill as a result of this provision. Therefore, I have agreed to the committee amendment to remove section 20(b) from the bill.

Mr. President, I agreed to this amendment reluctantly. The CBO does not know the number of parolees who would qualify for adjustment. Nor does it know the number of parolees who would use public assistance once they are permanent residents. It does not, and cannot, estimate the cost of this subsection of the bill. I do not think it would be a great deal of money. Additionally, as a policy matter, I believe that those who are denied refugee status, and who enter the United States under the parole program, should have the opportunity to adjust to permanent resident status.

However, in light of the fact that a member of the Senate could bring this entire aid package down as a result of this provision, however modest the cost might be, I have agreed to remove it from the Senate bill.

Mr. President, the committee amendment does not eliminate section 20(a) of the bill, which extends through 1994 a category for establishing refugee status for certain historically persecuted groups from the Soviet Union, Vietnam, Cambodia, and Laos. This provision, which facilitates the designation of refugee status, is working well and should be extended for 2 years.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Rhode Island.

The amendment (No. 2646) was agreed to.

Mr. PELL. The bill is open for amendment. I urge Senators to come to the floor if they have amendments.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

AMENDMENT NO. 2647

Mr. CHAFEE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE], for himself, Mr. RIEGLE, Mr. DOLE, Mr. FOWLER, Mr. WARNER, and Mr. GARN, proposes an amendment numbered 2647.

Amend section 5 by adding under (b) Ineligibility for Assistance a new number (6) as follows:

(6) is not fully cooperating with the U.S. Government in uncovering all evidence of the presence of live or deceased American prisoners-of-war who came under Soviet control during or after the Vietnam war, Korean war, World War II, or during other American operations in or around the former Soviet Union during the cold war.

Mr. CHAFEE. Mr. President, I ask that Senators DOLE, FOWLER, WARNER, and GARN be added as cosponors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, most Americans, no doubt, were shocked, during the recent visit of President Yeltsin, to hear his statement that Americans captured during the Vietnam war may be being held today in Russia.

We also have seen reports that several dozen Americans may have been captured by the Soviet Union, the former Soviet Union, while engaged in covert operations which took place during the cold war. The cold war, as we all know, is now over. It seems to me no longer is there any justification for silence on these matters.

What this amendment does, Mr. President, is to require that the governments of Russia and the other new Eurasian Republics cooperate fully with the United States in the search for live or deceased American prisoners of war who came under the control of the former Soviet Union. This would apply to any Americans who came into Soviet custody during or after World War II, the Korean war, the Vietnam war, or, Mr. President, during any covert American operations in or around the Soviet Union during the cold war.

If the President of the United States determines that the governments of the new Republics are not fully cooperating with the United States, he, the President of the United States, must suspend the aid which we are providing for under this legislation.

The aim of this amendment is to resolve the questions concerning those courageous Americans who are willing to sacrifice their lives in the service of our country. Even if there is only a 1 percent or one-tenth of 1 percent or one-hundredth of 1 percent chance of finding a single American alive, I think, and I am sure every Senator agrees, that every effort must be made to find that American.

My amendment gives the President of the United States another tool to use in this critical search. That is why the administration is in favor of this amendment.

Mr. President, I will say a couple of words, if I might, of a personal nature. My perspective on this was shaped during the time that I was Secretary of the Navy, which was during the Vietnam war.

At that time, I learned firsthand of the anguish of the families of American servicemen taken prisoner or missing in action. As we all know, during that period, we had Americans who were prisoners of war. And one of the opportunities that I had during that post as Secretary was to work with those parents, wives, and loved ones of our American servicemen who were prisoners of war in Vietnam.

A long time has passed since the end of that war, and now the hopes of those families have been raised again. We owe it to those families to take every possible step to uncover the fate of their fathers, brothers, loved ones, husbands, to the extent that we possibly can.

I certainly agree, as does, I think, the majority of this Senate, that it is very, very important to help the Republic of the former Soviet Union. I am going to support that measure. It is in our best interest as a nation to do so. We appear to be starting a new and productive relationship with those Republics of the former Soviet Union. This amendment will be an added incentive for that relationship to prosper.

So I hope that the amendment will be accepted.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I deeply appreciate the words of the distinguished junior Senator from Rhode Island. He has certainly expressed the will of the Senate, as far as I can define it today, on this very serious issue. For the benefit of Senators who are following this debate, the Senator has added a sixth ineligibility-for-assistance reason. There are five in the bill presently under section 5.

I mention this because the committee considering this legislation, working with the administration, has already indicated that we would not make aid available to nations that have gross violations of human rights or international law, or are engaged in a pattern of unlawful military action against a country friendly to us, and so forth.

Certainly, the amendment offered by the distinguished Senator is fully consistent with that section and makes a useful addition to the bill. Therefore, on our side, we are prepared to accept the amendment.

Mr. PELL. Mr. President, I think we all share the same emotions and sentiments about the POW's and MIA's, not only for them but for the anguish and heartache of their families. So it is very appropriate that we direct even more attention now, than we have, to this. This amendment of the junior Senator from Rhode Island seems to be an excellent one. I am informed that the administration is also supportive of it.

I suggest, if there is no further debate, that we vote to accept it.

Mr. CHAFEE. Mr. President, I ask unanimous consent that Senator D'AMATO be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I fully support and cosponsor the Chafee amendment on POW/MIA's.

President Yeltsin has come forward to offer his help in tracking down the history of any U.S. servicemen that may have been held on Soviet territory. It only makes sense that we should pursue that history thoroughly and responsibly with the governments of the former Soviet Union.

We owe it to the American people—and especially the families of our service men and women—to take every reasonable measure we can to face this history and to finally lay it to rest.

Mr. President, I urge my colleagues to adopt this amendment to condition aid to the new Republics on their granting us full cooperation on this important, and very emotional, issue.

Mr. D'AMATO. Mr. President, I rise today to cosponsor the amendment by the distinguished junior Senator from Rhode Island to add an additional ineligibility for assistance condition. This amendment provides that if Russia "is not fully cooperating with the United States Government in uncovering all evidence of the presence of live or deceased American prisoners-of-war who came under Soviet control * * *," then it is ineligible to receive aid.

As a member of the Select Committee on Intelligence, I have been concerned since the Soviet shootdown of Korean Airlines flight 007 about the issue of previous cold war-era Soviet shootdowns of United States aircraft, and the fate of the crewmembers. In addition, my efforts on behalf of the Vietnam-era POW/MIA cause have sensitized me to the question of possible Soviet involvement with Vietnam-era, Korean War-era, and World War II-era American POW's.

Earlier this year, I asked the Congressional Research Service of the Library of Congress to conduct a comprehensive search of open source material on the cold war incidents between the United States and the Soviet Union or other Communist States, in an attempt to learn how many United States personnel remain unaccounted for after those incidents. CRS has just completed this effort, the results of which I plan to share with the President, the Select Committee on POW/MIA Affairs, and Russian authorities.

Knowing about the state of affairs involving our efforts to resolve the fate of our Vietnam-era POW/MIA's in Southeast Asia, I must say I was not surprised to discover that the record concerning United States-Soviet cold war incidents and the personnel involved in them is not consistent or complete.

I intend to press the executive branch to work to identify every incident and every person involved in these incidents, and, where questions remain concerning the fate of any individual, work diligently to resolve those questions. I am pleased to be able to provide this information CRS developed to the select committee, to assist their efforts in this area.

Most significantly, the statements Russian President Boris Yeltsin made in connection with his recent visit reopened questions in the minds of family members who had been told their loved one had died in one of these incidents. I commend President Bush for his rapid response to these statements, sending Ambassador Toon to Russia to continue his work with the joint United States-Russian investigation to get to the bottom of this matter.

Mr. President, I ask unanimous consent that a story entitled "United States-Russian Probe Discovers No Evidence of POWs, MIAs," that was published on page A28 in the July 1, 1992, edition of the Washington Post be printed in the RECORD at the conclusion of my remarks.

In this story, President Bush is quoted as saying Ambassador Toon's "* * * search has yet to uncover any evidence that American MIA's or POW's are currently being held in Russia." The President continued, "The United States * * * will take every possible action to learn the status of those taken prisoner or missing in action. We are going to try to get to the bottom of this so we can allay the concerns of every family that might possibly be involved."

Clearly, we have just begun to work on the question of cold war incidents and the fate of personnel involved. The Defense Department is just gearing up its effort to assemble the facts. Other responsible agencies are not even that far advanced in this effort.

A major step forward would come from full Russian cooperation with this effort. It holds out the promise that, if any American personnel still survive in the former Soviet prison system, they will be released and returned home to their families. It would allow the repatriation of the remains of any United States personnel who died in Soviet custody or on Soviet territory, so they may rest in their own country's soil. Russian cooperation is critical to the success of this effort.

I commend the distinguished junior Senator from Rhode Island for his amendment. It makes a significant contribution toward the resolution of this issue. I am pleased to join with him as a cosponsor and I look forward to working with him on this matter in the future.

Thank you, Mr. President.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 1, 1992]

UNITED STATES-RUSSIAN PROBE DISCOVERS NO EVIDENCE OF POWs, MIAs

President Bush said yesterday that a joint U.S.-Russian investigation has failed to uncover evidence that American POWs or MIAs remain alive in the former Soviet Union.

Bush met with Malcolm Toon, a former ambassador to the Soviet Union, who last week went to Moscow to investigate statements by Russian President Boris Yeltsin that some American POWs might still be alive in Soviet labor camps.

"His search has yet to uncover any evidence that American MIAs or POWs are currently being held in Russia," Bush said in remarks to an agricultural group. "The United States . . . will take every possible action to learn the status of those taken prisoner or missing in action."

"We are going to try to get to the bottom of this so we can allay the concerns of every family that might possible be involved," he said.

Toon, chairman of the joint U.S.-Russian commission on POWs and MIAs, told reporters, after meeting Bush in the Oval Office, that based on what he has been told and seen, "there probably isn't any live American POW being detained against his will in Russian facilities" or the former Soviet Union.

Toon said Russian officials, at his urging, agreed to make a statement within two weeks as to "whether there [are] live American POWs being detained against their will."

Nonetheless, he said, there is "very little likelihood" of any Americans being held against their will.

A major outcome of Toon's visit was that Russian security officials pledged to open up their archives on the POW matter after initial hesitancy about giving the United States access to secret information. Toon said that in spite of Yeltsin's vow to open up all archives, some mid-level bureaucrats were reluctant to do so.

"I came away encouraged that the top security chiefs are prepared to carry out Yeltsin's instructions—make all information available to us," he said.

Toon said the group would next meet in August.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the amendment.

The amendment (No. 2647) was agreed to.

Mr. CHAFEE. Mr. President, I thank my colleagues, the distinguished chairman of the committee, and the distinguished senior Senator from Indiana, for their support on this amendment. I also want to say that I wish them success with their efforts today. I do not know exactly what the schedule is, but certainly I will do everything I can to help them with this legislation, which I think is so important to our country. I hope all Senators will support it. Yes, it is going to cost some money, but it is an investment; just like we invest in defense, we invest in this type of aid.

Am I correct that of our total aid package, this represents something like 5 percent?

Mr. LUGAR. The Senator is correct. The distinguished Senator from New Mexico [Mr. DOMENICI] pointed out in debate on Tuesday that 5 percent of our entire foreign assistance is embodied in the authorization that we ask today. That is a fairly small amount for a major relationship.

Mr. CHAFEE. Mr. President, I think there is a time in the affairs of men that must be seized upon, and this is it. It does no good for us to do something next year. It may be too late. I think we all know that the emerging democracies in these republics are fragile, and now is the time to help.

My father once told me that "the time to help somebody is when they need help." This is it. I think it is a sterling investment on the part of the United States and can reap great benefits for our Nation and for all of our citizens, if those fragile democracies survive and flourish; whereas, if they go in the other direction, all kinds of sums are not going to be able to resuscitate the situation.

ADDITIONAL COSPONSOR

Mr. CHAFEE. I have received a request, and I ask unanimous consent that Senator PRESSLER be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, I thank the Senator for his kind remarks and welcome his support, because we need the support to get this bill through. He is so correct, because we do not realize this as Americans, because we have enjoyed democracy for a couple hundred years; and it is an extremely fragile economy that the Soviets have enjoyed for only 6 months in 1917, and for a few months now, and they are not familiar with it. It is going to be much tougher for it to take hold there than it is for us to face similar questions here. We need the support of all of our colleagues, because it is particularly an important bill.

Mr. CHAFEE. Mr. President, I want to make a point that was brought home to me at a conference I went to earlier this year, what is attempting to be achieved in Russia at the same time. In Russia, they are going through a depression. It is more than a recession, it is a depression. They are trying to convert their economy from a controlled state economy to a free market economy. They are seeing their nation split up, with great sections of it going off in separate directions from the former U.S.S.R. to what is now known as Russia. They are attempting to achieve a democracy from an autocratic regime, and they are going through a dramatic downsizing of their military.

So those are five monstrous changes, any one of which is enough to wrench a country around. Indeed, in our country, we are just going through two of those, and we are finding it dramatic. We are going through a recession and through a downsizing of our military.

But in Russia they are doing all five simultaneously. So no wonder they are having difficulties, challenges, and troubles. No wonder they need some assistance.

I think it is right and just that the United States come forward at this particular time.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

THE OTHER STATES OF THE FORMER SOVIET UNION

Mr. PELL. Mr. President, the recent visit of Russian President Boris Yeltsin and the Senate's consideration this week of the Freedom Support Act have given many people the impression that America's interest in political and economic reform in the former Soviet Union is limited to Russia. That should not be the case, because there are fourteen other states of the former Soviet Union with a population totaling 130 million that also merit our close attention and strong support.

Pamela Harriman, the vice chairman of the Atlantic Council, recently wrote a very thoughtful article on this subject, which was published in the Washington Post on June 26. I ask unanimous consent that the full text of her article, entitled "Our Moscow Blinders," be printed in full at this point in the RECORD; and I commend her article highly to my colleagues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 26, 1992]

OUR MOSCOW BLINDERS

(By Pamela Harriman)

Two recent events, a few days apart, one witnessed by most Americans, the other noted only by experts, leave contradictory impressions about our relations with the former Soviet Union. One, the visit of President Yeltsin, reinforces a comfortable pattern of thought. The other, the fighting in Moldova, a place unknown to most Americans, challenges that pattern of thought as inadequate and even dangerous.

The Yeltsin trip to Washington, his rousing anticommunist speech to Congress and the arms control pact, agreed to even without an assurance of economic aid, presumably show how well the United States is doing in dealing with the nation that was formerly our most deadly adversary. By now we have all learned, in a politically correct way, to substitute "Russia" for the "Soviet Union" in our reporting, our discourse and—increasingly—in our national consciousness. The change symbolizes one of the great, transforming, peaceful revolutions of all time.

But it also ignores 14 other independent states that only a short time ago were part of the Soviet Union, states with a population of 130 million, with vast problems and vast resources. They are not Russia and do not want to be. The most important of them, Ukraine (not "*the* Ukraine," its people tell you, because they are a nation, not part of one), sits on a knife's edge of potential conflict with Russia over Moldova, the Crimea, the lack of financial coordination with Moscow and the widespread Ukrainian suspicion that there are forces in Moscow bent on ending Ukrainian independence.

This sense of separateness from Russia was something I learned last month on a trip to the former Soviet Union. It was not the assumption I took with me. In fact, I began in Moscow, and I arrived sharing the conventional view.

The city itself was enveloped in depression, its streets dirty, its buildings falling down, a feeling of deterioration everywhere. Despite the televised images, there is in fact an abundance of food, not a shortage—free markets, out of reach for the average citizen, that sell fruit and vegetables from nearby nations, and even bananas imported from Colombia. There are ruble supermarkets, inefficient and less well-stocked, but still they have some food. The problem is a lack of purchasing power, not supply. Pensioners receive 500 to 900 rubles a month—at the black market rate, the equivalent of $5 to $9. Young people work at three jobs and sell old shoes and old clothes at the kiosks in the street to make ends meet.

The hope is that all this represents the gradual, painful evolution of a free market. But the reality is urgent. What we saw in Moscow vividly, powerfully conveyed both the need for outside help—and a warming of its inevitable modest impact. "The long, twilight struggle" did not end with the downfall of communism. It entered a new phase, a long aftermath in which we have to deal with the Russia that is the remnant of the superpower, but we can no longer afford our historic habit of seeing things in the former Soviet Union only or primarily through the prism of Moscow. With the Soviet monolith shattered, our approach to that area can no longer be monolithic.

You can see and sense the change in any of the new states, as we did on our next stop in Uzbekistan. The four-hour flight from Moscow to Tashkent crossed more than the amorphous divide between Europe and Asia; in spirit and appearance, the places were two different worlds.

In Tashkent, one feels a great rush of energy and even optimism that has been released by freedom from the Soviet Union. Uzbekistan faces a doubling of the population in the next 20 years, the shrinkage of the Aral sea and the prospect of water shortages, a lack of capital and all the risks associated with rising Islamic fundamentalism. But it also has a growth rate three times higher than the old Soviet Union; it is rich in gold, potential oil and cotton. President Islam Karimov told us, "These resources never served the people until recently; they served only the center, only Moscow. When I was minister of finance [under the Soviets], I never even knew what our gold production was. Still today, we can produce only the raw materials, but have no processing capacity."

The President seeks foreign investment, investment that can turn a profit—and Uzbekistan plainly needs technical assistance, a transfer not primarily of money, but of expertise in the free enterprise system, environmental cleanup, and advanced education. Uzbekistan, site of the legendary Samarkand, is Islamic to the core; but its officials insist it prefers the Turkish secular model, not the Iranian one. And they ask, doesn't the United States have an interest in that? They also complain, as President Karimov did, that too much reporting of Uzbekistan is done from the vantage point of Moscow.

The complaints took on a fierceness, an urgency, 500 miles away from Moscow in Kiev, the capital of Ukraine. Not only do the people of that country feel a direct threat. They also remember that it was in their country, a little more than a year ago, that George Bush delivered his Realpolitik admonition to the Soviet republics not to work for their independence. The "Chicken Kiev" speech, as it is known, is a symbol to Ukrainians of an America apparently obsessed with Moscow.

The Ukrainian tension with Russia involves more than specific disputes. Moldova, the Crimea, control of the Black Sea fleet (a decidedly backwater element of the former Soviet Navy) are metaphors for a fear of Moscow's larger appetite. Most Ukrainians want Yeltsin, who is seen as reasonable, to succeed. They worry, however, about his vice president, Alexander Rutskoi, and about the Russian hard-liners who have taken an increasingly aggressive approach to Ukraine, which, with 3 percent of the former Soviet territory, accounted for more than 30 percent of all Soviet food production.

One reaction to the Russian threat, we were told, comes from elements in the Ukrainian military, including former Soviet generals, as well as the nationalists and former party people, who are prepared to demand that Ukraine keep the Soviet nuclear weapons still on its territory—and use them, as a political, if not military, defense against Russian ambitions.

The United States and the world clearly have an interest in averting that crisis. Just as clearly we cannot police relations across the vast, complicated expanse of the former Soviet empire, where a minority of ethnic Russians live in virtually every one of the new nations. But we can and must understand the reactions of countries pillaged by Moscow for 75 years. They cannot go it alone. They need Russia economically, and Russia needs them. But they will resist domination, even if they have to pay an economic price—and a critical element in setting the right balance will be the weight of American diplomacy. We can create a foreign policy that sees issues whole, not just from one point of view.

> For example, much of the rest of the former Soviet Union has better economic prospects, at least for now, than Russia. The other nations may need less in the form of direct aid; instead they need more technical assistance and investment. As nation states, they need to learn how to deal with the outside world on their own, and not just through Moscow. They have never done it before; they yearn to begin doing it with the United States.
>
> For us to do otherwise, to see Moscow any longer as the single focal point of this entire Eurasian expanse, would be both foolish and perilous. Would we deal with all of Europe through Bonn, or all of South America through Buenos Aires? We have recognized the new states of the former Soviet Union diplomatically. But that has to be more than a diplomatic nicety; it has to become a day-to-day reality in our foreign policy. It is time to recognize and respond to the rest of the former Soviet Union, while we continue to regulate our relations with the Russian Federation.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I ask unanimous consent that a member of Senator DOLE'S staff, Ms. Margot Berray, be granted floor privileges for the pendency of S. 2532, the Freedom Support Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I wish to draw the attention of the Senate to an article which appears in the New York Times this morning written by Steven Erlanger entitled, "Newest 'Reforms' Will Vex Russians." The point of this article is that, and I quote:

> The first of July has been billed as the dawn of an ambitious second stage of Russia's economic reform, including, most importantly, a single floating exchange rate for the battered ruble. The changes are important for the Government and for business, but for most individual Russians they will mean still higher prices for the goods they buy.

Mr. Erlanger goes on to point out that these new changes once again illustrate the political daring and courage of President Boris Yeltsin and Prime Minister Yegor T. Gaidar, who were recent visitors to us.

The article points out that Mr. Yeltsin, and I quote, "is attempting to balance political survival and economic reform. The International Monetary Fund is negotiating with the Russian Government as an agent for Western aid-givers. The fund is trying to balance its financial credibility against political pressures from Western governments."

In short, Mr. President, a very precarious situation ensues commencing today as Russia attempts to find convertibility for the ruble. Specifically, a ruble value of 125 rubles to the dollar, more or less has been established until an auction occurs.

People in Russia will not be able to exchange rubles for dollars. And the article points out that that may still run into limits even somewhere down the trail. But for the moment at least an attempt is being made to equate the Russian ruble with the rest of the world. It is an absolutely necessary step if American business is to do business in any volume in Russia.

So I mention this as a part of our debate, Mr. President, because this is what we are about today. We are attempting to facilitate humanitarian assistance, but even more importantly a relationship between the United States and our private business persons and those in Russia. And the convertibility quest which begins today is at the heart of that predicament.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I remember back on March 12, I had a meeting with Bob Strauss, our Ambassador to Russia. Bob and I had talked before about what was needed to get an aid package through Congress for Russia and he asked me again what needed to be done that might make a difference to the forces of democracy in Russia.

Our meeting took place about 4 months after I made several speeches criticizing some of the policymakers in the administration for failing to recognize the historic opportunity caused by the fall of the Soviet Union. At the time, the administration had only agreed to a tiny aid package to the former Soviet republics. It was in many ways still dithering about whether, when, and what kind of larger aid program it might propose.

Ambassador Strauss, like some others, was concerned that we had an unprecedented opportunity that was going to escape us, an opportunity to alter relationships between nations for the good of all.

I shared then, as I do now, Ambassador Strauss' concern. That is what I told him:

I said:

> Tell the White House to stop the game of symbolism and policy by press release. Get the experts to put together a comprehensive, serious assistance program. Pull everything together in one overall package. Do it on a scale that could help Russia stabilize economically and begin the long hard job of building the basic institutions of democracy and free enterprise, all of which are completely lacking in the former Soviet Union.
>
> Tell the White House to be imaginative. Forget the old ways of doing foreign aid. Forget the budget tricks to inflate the numbers to seem much larger than they really are. Be honest with the American people about what we can really afford to do. No more gimmicks.
>
> The American people know there is only so much they can afford to do. They want to know what we are going to do and how.

I said:

> Consult the leadership in Congress, lay the foundation of bipartisan consensus, because there are many in Congress, Republican and Democrat alike, who want to help. Then, take the overall package, send it to Congress, and then go all-out to get it passed.

The Ambassador and I agree on one thing: This is a historic chance to transform the world and secure the peace for generations to come, if the United States is willing to lead and rally the West. As I told President Bush and Secretary Baker and both the Republican and Democratic leaders, I am ready to cooperate with the administration to answer this challenge to our leadership.

On March 4, I said much the same things on the Senate floor. I urged the administration to stop the "piecemeal and backdoor approach" to the crisis in Russia. I said on the floor at that time:

> If the President will give us leadership and come forward with a national plan for aid to the republics, as chairman of the Foreign Operations Subcommittee, I will do my part. I am eager to participate in a bipartisan coalition in support of a bold new program to build democracy and freedom in the former Soviet Empire.

Now, I do not know whether my advice struck a responsive chord, or perhaps others were saying the same thing, because a short while later the President submitted to Congress the Freedom Support Act—a bill to establish a major assistance program for the newly independent republics of the former Soviet Union.

In general, it seemed that the administration was finally recognizing what people like former President Richard Nixon had been calling for—aid to the former Soviet states. But unfortunately, the administration aid package had several glaring problems.

First, it was submitted without real consultation with Congress. It made no attempt to build a bipartisan coalition nor to show the American people the importance of helping the transition to democracy.

Since bipartisan support and backing from the American people are essential to pass major foreign policy spending, the administration's actions left many wondering whether the Freedom Support Act was another public relations effort to be used to blame Congress or an important piece of legislation they really want passed.

Second, the President's bill seems to have been drafted in a frenzied hurry by White House staff with little idea what they were doing. The resulting bill was vague, leaving Congress to fill in the blanks.

Third, and this concerned me a great deal, the bill ended up being not much more than a blank check—an open-ended line of credit on the Treasury to fund foreign aid. In some ways, the bill that came up here was an anachronism, better suited to the foreign policy of the 1950's. It ignored the lessons of Vietnam, Watergate, and Iran-Contra.

The bottom line on the bill was simple, "Just trust me."

It gave the President total discretion over the entire aid program to use it any way he sees fit. All normal congressional checks and balances—the sort that are commonplace in any minor or major piece of legislation—were gone.

The Freedom Support Act, initially, would have allowed the President literally to waive any law on the books, including any dollar limits Congress may impose, when providing aid to the republics. He could waive any credit program ceilings, transfer any amount of foreign aid funds appropriated for other purposes to Russia, use appropriations for foreign aid programs to pay State Department salaries and expenses, and to meet the administrative costs of nonforeign assistance agencies in the republics.

I can not remember a time in my eighteen years in the Senate when any President of any party ever asked for such an extraordinary grant of authority over a program, whether it be foreign aid or domestic help.

If left that way, that makes the bill, in my mind, fiscally irresponsible. So I could not support it in that form.

Fourth, the administration refuses to learn the lessons of Saddam Hussein—that guaranteeing loans to a nation that is not creditworthy increases the risk that American taxpayers will be left holding the bill.

The administration's current thinking is the same that led it to guarantee $5 billion in loans to Saddam Hussein in the months and years leading up to his invasion of Kuwait. And now, American taxpayers are left with the bill—$1.9 billion in Iraqi loans that Saddam Hussein refuses to pay back to domestic and international banks.

And I commend the distinguished chairman of the Foreign Relations Committee who was a lonely voice on the floor of this Senate time and again in trying to cut off those kinds of credit guarantees to Iraq.

While the money to Iraq went on the ledger pages as loan guarantees, it came back as nothing more than $1.9 billion for foreign aid for Saddam Hussein.

This Senate never would have voted for $1.9 billion in foreign aid to Saddam Hussein—at least I hope we would not. But, by cosigning notes with no sense of creditworthiness, the effect is the same, our country ends up paying.

So we cannot use loans that are not going to be repaid as a way of camouflaging foreign aid like we did with Iraq.

In this bill before us today, the administration wants to use the Commodity Credit Corporation agricultural export credit guarantee program through which it entices domestic and foreign banks to loan money so that other countries can buy U.S. agricultural goods. Now, that is a good idea, but if the foreign government fails to pay back the loans, the U.S. taxpayers will. That is not good.

The CCC programs have a creditworthiness requirement—a clear and simple standard for determining if loans to a country should be backed by American taxpayers. USDA is barred from backing loans if it determines that a country cannot pay back the loan.

This requirement makes sense. Why should we, in effect, cosign a note on a loan if, at the same time we are doing it, we know the person borrowing the money or the country borrowing the money is never going to pay it back? We should not do it.

If the administration wants foreign aid for the former Soviet republics, or any other country for that matter, then it should lay out the case for the American people; say, "Here are the solid reasons to give foreign aid to whatever the country." Then have a debate. Then vote it up or down. Let us not slip into a new foreign aid program through a sleight of hand.

I believe that because the administration knows the republics may not be able to pay back the loans, it now proposes weakening this creditworthiness standard.

Section 18 of the Freedom Support Act undermines current law by mandating that USDA take into account other factors, unrelated to a country's ability to service its debt—such as market potential—when it makes its creditworthiness determination.

And this section is not without cost. CBO acknowledges that this provision may result in more defaults and concludes that it could cost between $100 million and $2 billion, in that ballpark; a pretty big ballpark.

In the past, the Soviet Union was a good cash customer of the United States. It paid its bill on time. However, with the breakup of the Soviet Union and changing economic conditions, all of the republics are facing serious cash-flow problems. Some may not be able to pay back U.S. taxpayers.

The bottom line is clear. While we must help the Commonwealth of Independent States, we cannot leave the American taxpayers exposed to bad debts that cannot be repaid. A strong creditworthiness requirement is—in the words of a former administration—a safety net to protect American taxpayer from holding the bag.

Mr. President, when I speak of these things I reaffirm my belief that we have a historic opportunity here, one that we should not lose.

I generally make notes each day in a journal that I keep of the days in the Senate. And I noted in my journal when Boris Yeltsin spoke to the joint session of Congress, the historic significance of it. Nothing in the post-cold war period in my mind was as significant as that speech. It ranks with the image of the tearing down of the Berlin Wall. We saw the Berlin Wall come down and we saw the end of communism as we knew it.

But recently we saw the President of Russia speaking before a cheering Congress, offering unilateral arms control initiatives, opening files that had long been closed to everybody, including the citizens of his own country.

I think it has to be etched in our national memories as the symbol of the end of the cold war. It is an end of that era, but the beginning of a new one. It presents us in the United States with an opportunity to play our part in the transformation of the old Soviet empire into a democratic, free, peaceful nation. That is why I am prepared to support this bill—notwithstanding some of the concerns I have expressed—if some amendments I intend to offer today are included.

Mr. President, there are some concerns that I have expressed before to the distinguished chairman and ranking member of the Foreign Relations Committee regarding some appropriations issues. I had lengthy and sometimes difficult negotiations with the administration. But major changes, that I proposed were agreed to, and were incorporated in the bill before the Senate today. I think that they restore the Appropriations Committee's rightful role in appropriating specific amounts of aid for the republics.

I want to thank Senators PELL and LUGAR and the committee for incorporating my changes, and the administration in accepting them.

FOREIGN OPERATIONS CONSIDERATIONS

I would like to review those portions of the bill that relate to the Foreign Operations Subcommittee.

The President's bill tried to write the Appropriations Committee out of the picture. In lengthy and sometimes difficult negotiations with the administration, major changes I proposed were agreed—and incorporated in the bill before the Senate today—which restore the Appropriations Committee's rightful role in appropriating specific amounts for aid to the Republics. The committee will now be able to exercise meaningful oversight and controls over aid to Russia and the other newly independent Republics.

I want to thank the staff of the Budget Committee, majority and minority, for their invaluable help in working out these changes.

Language now in the bill specifically prevents the administration from waiving ceilings and limitations in appropriations acts for the purpose of providing additional aid to the Republics over and above amounts specifically appropriated for that purpose. Under the language I proposed and which was accepted by the administration and incorporated in this bill, the President cannot waive credit ceilings or limitations contained in appropriations bills, including ceilings on the loan, guarantee and insurance programs of the Export-Import Bank and the Overseas Private Investment Corporation.

Mr. President, of all the elements of the Freedom Support Act under the jurisdiction of the Foreign Operations Subcommittee, it is the credit programs which give me most concern. Discussions with administration officials indicate that the heart of the President's program is loans and guarantees. The grant portions, while extremely important, are relatively small compared with what the administration contemplates doing through credit programs in the Republics.

This is why I insisted that ceilings on such credit programs in the Foreign Operations Appropriations Acts, primarily Exim and OPIC, cannot be waived. That is why I insisted OMB provide me with its best estimates of proposed extensions of credit through Exim and OPIC in advance of Senate consideration of this bill.

Mr. President, I ask unanimous consent that an exchange of letters between me and OMB, with estimates of expected Exim and OPIC activity in the Republics, be included in the RECORD at the conclusion of my remarks. I further ask consent that tables provided by the Department of State on the total grants and credits proposed for bilateral assistance to the Republics and on the estimated budget costs of those grants and credits, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, DC, May 20, 1992.

Hon. RICHARD DARMAN,
Director, Office of Management and Budget, Executive Office Building, Washington, DC.

DEAR MR. DARMAN: In the Freedom Support Act the President seeks extraordinary authority to waive ceilings or limitations on credit programs and to transfer foreign assistance funds from other purposes to meet the costs of credit programs in the Newly Independent States. The implication is that the Administration intends to use Exim, OPIC and other credit programs in the NIS beyond levels now planned by those agencies.

This raises questions about the extent to which the U.S. Government is going to assume liability for loans and guarantees in the NIS and the amount of subsidy appropriations that will be necessary to cover the risk of default. This will be a significant issue in Senate consideration of the Freedom Support Act. I assure you it will be a critical issue in the fiscal 1993 Foreign Operations appropriation bill that I present to the Appropriations Committee later this year.

I request that you provide as soon as possible OMB estimates of the subsidy rates for each of the newly independent republics under consideration for Exim, OPIC and other credit programs funded in the Foreign Operations appropriation. I would also appreciate receiving OMB's estimates of Administration plans to extend such credit programs to the NIS in fiscal years 1992 and 1993, and the estimated subsidy costs which would have to be covered by the Foreign Operations appropriation.

Given the possibility of Senate action on the Freedom Support Act in the near future, I request a prompt reply.

Sincerely,

PATRICK LEAHY,
Chairman,
Foreign Operations Subcommittee.

OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, June 8, 1992.

Hon. PATRICK LEAHY,
Chairman, Foreign Operations Subcommittee, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR SENATOR LEAHY: This is in response to your letter of May 20th regarding the extension of U.S. Government credit to the Newly Independent States.

The subsidy rates and likely program levels for credits to Russia and Ukraine are summarized below, and are discussed in more detail in enclosures from Eximbank and OPIC. We have sent separately a detailed description of procedures used in making country risk estimates.

EXIMBANK

Eximbank is currently open for business for up to medium-term sovereign credits in Russia and for short-term insurance only in Ukraine. Most of Eximbank's authorizations to Russia for FY 1992 and all likely authorizations for FY 1993 have been and will be medium-term guarantees. The subsidy rate used in the FY 1993 Budget for medium-term guarantees for countries in Russia's country risk category is 25.5 percent. Approximately $50 million in long-term guarantees for Russia were approved for FY 1992 before Eximbank implemented its current cover policy for Russia. The currently estimated subsidy rate for these credits is 37.5 percent.

Eximbank estimates $300-400 million in guarantee commitments for FY 1992 and a total of $500 million to $1 billion for the FY 1992 through the FY 1993 period. Given the above subsidy rates, and the projected mix of medium- and long-term guarantees, the subsidy associated with these commitments would be $83–98 million in FY 1992 and $128–255 million in FY 1993. The actual subsidy rates used at the time of commitment may differ slightly from the rates used in the FY 1993 Budget due to changes in interest rates or fees charged.

Subsidy costs for credits to the remaining Newly Independent States have not yet been determined. Until very recently, sufficient data were not available to make the determinations and Eximbank does not yet have formal lending proposals for these states. Interagency review of available data for these states will take place shortly.

OPIC

OPIC provides direct loans and makes loan guarantees to private U.S. companies, not sovereign governments. While OPIC takes country risk into account in its risk assessment of each of its projects, it also takes into account other characteristics of their structure, including: management track record of the borrower, project commercial viability, project financial viability, the borrower's financial resources and recourse and collateral security adequacy. Therefore, subsidy rates for individual projects will vary according to the project structure.

OPIC has signed bilateral agreements with Russia, Ukraine, and several other former Soviet republics, and anticipates signing agreements with the rest within a matter of months. As bilateral agreements are put in place, OPIC can offer investment insurance, long guarantees and direct loans in each of them to private companies. On average, the subsidy rate for OPIC loan guarantees in FY 1992 and FY 1993 is 1.5%. The average subsidy rate for OPIC direct loans in FY 1992 and FY 1993 is 13.9%.

OPIC estimates that it will provide approximately $40 million in loan guarantees to Russia and Ukraine in FY 1992 and $125 million in FY 1993. If it is assumed, on the fiscally conservative side, that subsidy rates for projects in those countries would be twice the average rate, then total subsidy amounts for these guarantees would be $1.2 million in FY 1992 and $3.75 million in FY 1993.

We will be happy to discuss with your staff any further details that you may desire.

Yours sincerely,

ROBERT E. HOWARD,
Associate Director,
National Security and International Affairs.

EXIMBANK ACTIVITY IN REPUBLICS OF THE FORMER SOVIET UNION, JUNE 1, 1992

Eximbank is open for business in Russia, Ukraine, Estonia, Latvia and Lithuania. However, Eximbank will assist medium term business (up to 5-years repayment) only in Russia; in the others Eximbank will assist only short-term repayment (up to one-year).

The bulk of Eximbank activity is expected to occur in Russia for the foreseeable future. The level of activity will depend primarily on the ability of Russian authorities to work out their internal policies, priorities and procedures. U.S. exporters are presenting a large volume of applications to Eximbank, and the Bank has established working relationships with the Russian authorities to obtain their selection of the transactions which they will endorse according to their internal priorities.

Eximbank activity is proceeding with Russia in two forms:

(a) Transactions for which the Russian government will serve as borrower or obligor through two agent banks; Vneshekonombank and Rosvneshtorgbank;

(b) Transactions which will rely for repayment on their own cash flows (limited recourse projects), without Russian government repayment obligation but with prior Russian government clearance.

In the category of transactions with Russian government guarantees, Eximbank has referred over 100 cases to the Russian banks for their selection as to priority for Eximbank financing offers. These total about $2.5 billion of U.S. exports. Only about $70 million have been endorsed by Russian authorities. Nine cases involving $185 million of Eximbank final commitments are in place, on the basis of authorizations prior to June 1, 1992.

In the limited recourse transaction category, Eximbank is still negotiating an appropriate framework agreement with Russia. Eximbank expects such transactions to occur primarily in the oil and gas sector, and initially in equipment and services to upgrade existing oil fields. Such oil and gas projects could involve $500 million to $1 billion of U.S. exports based on preliminary information.

In fiscal year 1992 Eximbank expects the bulk of final commitments to be made with Russian government obligations. The present exposure of $185 million could rise to $300-$400 million maximum commitments, but it is likely to be on the lower end because of delays in the Russian decision-making process.

In fiscal year 1993 Eximbank commitments could accelerate, both with Russian government obligations and in limited recourse projects, especially in the oil and gas sector. It is very difficult to predict the pace of Eximbank negotiations with the Russian authorities, the speed of Russian decisions and the success of U.S. exporters in concluding contracts. However, Eximbank commitments could reach a total of $500 million to $1 billion by the end of fiscal year 1993.

OVERSEAS PRIVATE INVESTMENT CORPORATION

While the Overseas Private Investment Corporation's budget projections are prepared on a global basis, and not on a country-by-country or regional basis, the pipeline of projects under discussion with U.S. companies interested in investing in the former Soviet Union provides some basis for projecting OPIC's likely financing activity there during fiscal years 1992 and 1993. While the pipeline currently amounts to more than $1 billion in potential OPIC financing, development of each project is driven by business considerations of its sponsors, and the timing is therefore often difficult to predict. Nevertheless, three projects are sufficiently advanced to be considered for commitment in FY 1992. These include one project in the natural resources sector, one telecommunications project, and one hotel project. Based on the uncertainty of the timing of further project development, OPIC anticipates that two of these projects will go forward in FY 1992, amounting to total OPIC loan guarantees in FY 1992 in Russia and Ukraine[1] of $40 million.

For FY 1993, OPIC is reviewing a large number of project proposals in the former Soviet states. Of these, it anticipates that at least three large projects will be ready to proceed to commitment during FY 1993. These are likely to include projects in the oil and gas, telecommunications and infrastructure sectors located in Russia and Ukraine. (The infrastructure project could be any of three possible projects in the telecommunications, hotel or office space sectors.) The anticipated financing for the region for FY 1993 is $125 million in loan guarantees. The projects under consideration for FY 1993 are located in Russia and Ukraine.

OPIC's credit programs operate on project finance principles, under which OPIC selects and structures the projects to which it lends to assure that the operations of the projects themselves can service the OPIC debt. OPIC neither lends to governments nor accepts sovereign guarantees, looking instead to the projected viability of the project itself, the collateral package, sponsor guarantees, offshore escrow accounts, and other techniques to mitigate risk, in determining whether a given project is creditworthy. If commercial or country risks are considered too great and adequate mitigation strategies are not available, OPIC will not finance the project.

In calculating the subsidy associated with a given credit, while OPIC takes account of the country risk, it looks more closely at the commercial prospects of the project and the elements of its structure designed to address specific elements of country risk, including its capital structure, management strength, financial condition and marketing studies, as well as secondary sources of repayment in the case of project failure (i.e., sponsor guarantees, escrow accounts, liquidation of project assets, etc.). Consequently, until the structure of a project has been negotiated and its credit-worthiness analysed, it is not possible to calculate the applicable subsidy rate. None of the projects under consideration in the former Soviet Union have proceeded to a point where this can be done yet.

Nevertheless, because of its mandate to operate on a self-sustaining basis, and based on its twenty-year record of successful project finance in the least developed and therefore riskiest countries with extremely low loss rates, OPIC is confident that it can structure the projects currently under consideration in the former Soviet Union to keep their risks within a similar range.

Based on its historical loss rates, as well as adjustments to account for changes in its current portfolio including its entry into the former Soviet Union, OPIC's global subsidy rate is calculated to be 1.5 percent for the loan guaranty program for FY 1993. Taking a very conservative approach, for the sake of estimating the aggregate subsidy associated with the financing levels projected above for the former Soviet states, the global rate could be doubled, to 3.0 percent for loan guarantees. This would result in a total subsidy amount for the former Soviet republics of $1.2 million for FY 1992 and $3.75 million for FY 1993.

UNITED STATES BILATERAL ASSISTANCE AND CREDITS FOR THE REPUBLICS OF THE FORMER SOVIET UNION

[In millions of dollars]

	Fiscal year—			Total
	1991	1992	1993	
Grant Assistance				
Humanitarian/Technical: Humanitarian/Technical Asst. Account	....	....	[1] 350	350
Technical assistance:				
Economic support funds	5	[2] 230	[1] 100	335
USAID development assistance	....	10	[1] 10	20
Pubic Law 480, farmer-to-farmer	....	10	[1] 10	20
USDA technical assistance	....	5	15	20
Subtotal	5	255	135	395
Medical:				
USAID disaster assistance, medical	5	20	....	25
DOD excess medical donations	....	100	....	100
Subtotal	5	120	....	125
Food assistance:				
USDA food aid	....	165	([3])	165
DOD excess stock donations	....	45	....	45
Subtotal	....	210	....	210
Other DOD assistance:				
Transportation funds	....	100	....	100
Disarmament/non-proliferation	....	400	....	400
Subtotal	....	500	....	500
Total, grants	10	1,085	485	1,580
Credit programs (face value):				
USDA export credit guarantees	1,915	2,935	([3])	4,850
Eximbank guarantees	....	300–400	200–600	500–1,000
OPIC guarantees	....	40	125	165
Total, credits	1,915	3,275–3,375	325–725	5,515–6,015
Total, grants and credits	1,925	4,360–4,460	810–1,210	7,096–7,595

[1] Requires appropriation (total=$470 million).

[2] The $230 million of ESF planned for fiscal year 1992 includes $33.8 million of reprogrammed fiscal year 1991 funds.

[3] To be determined.

Note.—Total may increase for fiscal year 1993 after consideration of food assistance and CCC credit programs. Total does not include U.S. contributions to international financial institutions, including the Currency Stabilization Fund. DOD excess donations are preliminary estimates based on market value.

BUDGET COSTS OF UNITED STATES BILATERAL ASSISTANCE AND CREDITS FOR THE REPUBLICS OF THE FORMER SOVIET UNION: FISCAL YEAR 1992–93

[In millions of dollars]

	Face value	Budget cost
Grant assistance	1,570	1,570
Commodity Credit Corporation guarantees	2,935	390
Export-Import Bank guarantees	500–1,000	128–255
OPIC guarantees	165	5
Total, direct grants and credit programs	5,170–5,670	2–3–2,220

Note.—Totals for grant assistance and CCC guarantees may increase for FY 1993 after consideration of food assistance and CCC credit programs. The CCC estimate of $2,935 million is for FY 1992 only; for CCC: the subsidy estimate will be approximately $390 million using technical assumptions and revised risk assessments for Russia & Ukraine in the President's FY 1993 Budget; for Eximbank: the subsidy estimate is based on the technical assumptions and risk assessment in the President's FY 1993 Budget for Eximbank, sovereign-backed lending; for OPIC: program levels are based on estimated private ctor demand for its services. Its subs estimate relies more heavily on the commercial prospects of the projects and elements of their design, such as capital structure, management strength, and secondary sources of repayment, than the country—risk assessment; and prior to FY 1992, a requirement to calculate subsidies of guarantee programs did not exist.

Mr. LEAHY. Mr. President, I wish to state for the record and for the future reference by the administration that the estimates of proposed extensions of credit programs in the republics through Exim and OPIC will be my guides when preparing my recommendations on the ceilings on total Exim and OPIC program activity to be contained in the fiscal 1993 foreign operations appropriation bill. These estimates will form the basis of my consideration of any administration requests to reprogram funds from other uses in the foreign operations appropriations to the subsidy costs of Exim or OPIC credits in the republics. Any undue alterations in OMB estimates of the subsidy costs for such credit programs in the republics, or any undue expansion of the current estimated extensions of such credits in the republics, will be met by the utmost skepticism on my part. I have, as senators know, grave doubts about the ability of Russia or any of the republics to repay foreign debt, which is what these credit programs represent. I intend to be extremely cautious in agreeing to extensions of credit programs under the jurisdiction of the Foreign Operations Subcommittee.

Mr. President, another revision I proposed, and which was accepted, specifically states that "In any fiscal year, amounts made available for assistance under this act shall not exceed amounts appropriated in advance in appropriations acts, and assistance under this Act shall not exceed the limitations in such appropriations acts."

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[1] Before committing to financing or insurance in any country, OPIC must have in place a bilateral executive agreement covering the operation of its programs. Such agreements have recently been signed and are in effect with Ukraine, Armenia, Kyrgyzstan and Kazakhstan, and OPIC expects its already signed agreement with Russia to be ratified by the Russian Supreme Soviet within the next few weeks. Agreements are under negotiation with the other republics, and signature is expected with each this fiscal year.

Moreover, another provision added by the Foreign Relations Committee at my request requires that the administration notify the Appropriations Committee prior to any "obligation of funds made available to carry out this act, notwithstanding any other provision of this act." This means the administration cannot obligate any assistance without the prior approval of the Appropriations Committee. This protects the power of the Appropriations Committee to review all proposed obligations of funds for the republics, assess the policy and budgetary justification for the proposed obligations, and object to the obligation if it finds the justification inadequate.

Let me state for the record that, as chairman of the Foreign Operations Subcommittee, with primary jurisdiction over funds made available in the annual Foreign Operations Appropriations Acts, I intend to monitor proposed obligations of funds in the republics very closely. There is great risk of waste, fraud and abuse in the chaotic conditions in the republics, and I am determined to insist on valid budgetary justifications and on strict controls over the use of the money. The administration should understand that notifications of proposed obligations will not be automatically approved. There will be an ongoing dialogue between the subcommittee and the administration as the program is implemented.

Mr. President, I am indeed pleased that the Foreign Relations Committee has agreed to amend the structure of the bill to provide for authorizations of specific amounts for specific accounts. I had discussed this matter with the distinguished chairman of the Appropriations Committee, and strongly supported the letter he sent to the distinguished chairman of the Foreign Relations Committee requesting this change.

This will greatly reduce problems of overlap among several Appropriations subcommittees whose jurisdictions would be affected by the broad "such sums as may be necessary" authorization provisions in the reported bill. I, for example, as chairman of Foreign Operations, will now not have to approve notifications of proposed obligations of funds for programs in the U.S. Information Agency. Such notifications will be dealt with by the distinguished chairman of the Commerce, Justice and State Subcommittee, where they rightfully belong and where proper oversight of the money can be exercised.

Mr. President, I have gone on at some length on the Foreign Relations Subcommittee concerns in this bill, and I apologize to my colleagues. However, since all funds will have to go through the notification process prior to obligation, and since the administration's use of credit programs may prove to be controversial, I believe it is important to establish clearly in the RECORD now the criteria I will use, as chairman of the Foreign Operations Subcommittee, in evaluating future administration proposals.

Mr. President, in that regard, the parts that I have just referred to refer to those areas that come under the Foreign Operations Subcommittee of Appropriations jurisdiction, a subcommittee I chair, and of course under the overall Appropriations Committee, chaired by the distinguished senior Senator from West Virginia. I have had long discussions with him and we have put in a number of items in this. But, again, I thank the Foreign Relations Committee for accepting them.

Now, I have spoken primarily of those things that come under the jurisdiction—or the concerns, at least—of the Appropriations Committee and the subcommittee that I chair. I would like to go to another portion of the bill that goes into some areas involving the Agriculture Committee, which I also chair.

AMENDMENT NO. 2648

(Purpose: To strike the provision related to the creditworthiness requirement of the agricultural export credit guarantee program)

Mr. LEAHY. Mr. President, I send an amendment on the question of creditworthiness to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for himself, Mr. BYRD, Mr. WOFFORD, and Mr. DECONCINI, proposes an amendment numbered 2648.

On page 49, strike line 24 and all that follows through page 50, line 14.

Mr. LEAHY. Mr. President, if I could just explain this amendment a little bit so those who are watching would know what it is, because sometimes this gets into rather arcane things.

Mr. President, the former Soviet Union is a prime market for United States agriculture. It was a cash customer for many years. But times certainly have changed, and now the republics are all asking for export assistance.

The Department of Agriculture already has the authority to offer a number of different programs to move U.S. agricultural products. It has loan guarantee options, known as GSM 102 and 103. Under these, the U.S. government backs commercial loans so that other countries can buy American agricultural goods. If the foreign government fails to pay back the loans, the U.S. Treasury will.

These programs have a creditworthiness requirement—a clear and simple standard for determining if these loans should be backed by American taxpayers. The Secretary of Agriculture cannot offer loan guarantees if he determines that a country cannot pay back the loan.

Now the administration wants to weaken that standard in Section 18(d)(3) of this bill.

They want to undermine the creditworthiness law by requiring—by mandating—that USDA look at other factors, such as market potential, when deciding if a country can service its debt.

In their effort to weaken the standard, the administration has made this entire bill subject to a budget act point of order. According to the Congressional Budget Office, section 18(d)(3) of this bill means additional entitlement spending.

CBO states that "enactment of this section would indicate congressional support for providing export credit guarantees to the independent States of the former Soviet Union, and would provide additional justification for such aid even if their creditworthiness is questionable."

No one knows how much this provision will cost, no one knows how much in loan guarantees the administration will offer, but CBO estimates that the cost of this section could range somewhere between $100 million and $2 billion. That's a pretty big range.

If my amendment passes, which simply strikes section 18(d)(3), the Budget Act problems on this issue disappear.

Mr. President, as I said before, the former Soviet Union has been a good cash customer of the United States. However, with the breakup of the central government and changing economic conditions, all of the Republics are facing serious cash flow problems.

Currently the Republics have a hard currency debt of over $60 billion.

But to cover this debt, the former Soviet Union has hardly any foreign exchange reserves. Further, gold holdings have fallen to around $3 billion.

While several Republics have significant natural resources—oil, gas, minerals—existing capacity to extract and sell them for hard currency is limited. In some areas, production has been declining.

Up to now, the Russians have met all United States guaranteed agricultural loan payments, but only at the expense of other creditors. As all the Republics take on more debt, the situation will become more complicated. Larger payments will be due. The chance of default or the need to reschedule may increase in the short-term.

And that is why CBO identified this provision as triggering a Budget Act point of order.

Now, over the years, this short-term loan guarantee program, known as GSM 102, has gotten into trouble when the creditworthiness standard was ignored or overturned because of foreign policy needs.

Iraq stands out as a case in point. As new evidence now shows, the administration continued to grant loan guarantees to Iraq, long after some warned that Iraq was not credit worthy. Why? Because the President wanted to makes friends with Iraq. The consequence of that policy? The American taxpayer is paying almost $1.9 billion to cover bad Iraqi debts.

Today we are looking at this same program, GSM 102. It is a short term loan guarantee program. A foreign government can get access to credit in a loan covered by the U.S. Government. It is like having Uncle Sam consign your mortgage. If you can't pay, he will.

But in this case, in the case of the Soviet Union, will the taxpayer get left holding the bag?

Mr. President, I am for a strong trading relationship between the former Soviet Union and the United States. I want to see healthy sales of agricultural products. Moreover, I want to protect our agricultural export programs.

No one, in Congress or agriculture, wants to see the GSM programs hurt by defaults. But hurt they will be if one or more of the republics defaults or needs to reschedule their loans. It is in the interest of American agriculture to see this creditworthiness requirement maintained.

The President should take the lead in developing an appropriate program for each Republic, rather than trying to water down the creditworthiness standard. He has the authority, already in law to provide longer term loan guarantees, direct loans, and even food aid.

To give us an honest program, the administration should not hide behind a short-term program, when the problems and opportunities require long term solutions. The President should think again about which program to use, or even if a new program is needed. But to provide billions of dollars of short term loan guarantees without the restraint of a viable creditworthiness standard is dangerous.

I urge the President to come forward with an honest program that balances the great need in the former Soviet Union with our budgetary constraints.

Mr. President, I want to see a degree of prudence and respect for the hard earned American tax dollar.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. ROBB). The Chair recognizes the Senator from Rhode Island [Mr. PELL].

Mr. PELL. I thank the Senator from Vermont for his kind words and for his offer of support when the bill is amended to his satisfaction.

I thank Senator LEAHY for offering this amendment to a section of the bill within his committee's jurisdiction. I wish to make clear to my colleagues the background of this process.

Under the coordinating mechanism that the Foreign Relations Committee developed when the Freedom Support Act was introduced earlier this spring, this portion of the bill that contained the administration's requested language on creditworthiness for USDA credits was determined to be within the Agriculture Committee's jurisdiction.

Accordingly, the Foreign Relations Committee offered to delete the parts of section 18 that fell within the Agriculture Committee's jurisdiction to allow the Agriculture Committee to address the issues as they saw fit and to offer any appropriate amendments during floor consideration of the bill.

However, the administration informed us that it would not comment on the bill as reported by the Foreign Relations Committee without being able to see the entire package, including the portion of section 18 that was agreed to be in the Agriculture Committee's jurisdiction. Accordingly, at the request of the administration, and with the approval of the Agriculture Committee, the Foreign Relations Committee left all of section 18 in the bill simply as a place-holder to accommodate the administration's request not to have any holes in the bill.

The committee did so with the understanding that it was not endorsing the parts of section 18 that fell within the Agriculture Committee's jurisdiction and with the expectation that the Agriculture Committee planned to amend the relevant portions of section 18 on the floor—which is just what we are doing at this time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana [Mr. LUGAR].

Mr. LUGAR. Mr. President, I appreciate the very thoughtful and logical arguments of my distinguished chairman of the Agriculture Committee, Senator LEAHY, of Vermont. He has given good reasons why the Appropriations Committee and especially the subcommittee that he chairs will be such an important part of this entire process. We are involved today only in the authorization of various sums. Clearly, activity by the Appropriations Committee and Chairman LEAHY's subcommittee will be of the essence if this process is to continue.

His suggestions have been constructive. As he pointed out, they have been adopted by the committee and by the Senate this morning.

With regard to the arguments made on agricultural credits, of course I am in agreement with him. I appreciated his leadership and the ability to work with him on the farm bill of 1990. A part of that debate went to the creditworthiness of agricultural credit recipients. There have been unfortunate experiences and the distinguished chairman has pointed out one of them with regard to Iraq.

Even a happier situation, in which people in Poland were largely assisted by our agricultural credits much earlier in the decade, led to considerable loans still on the books.

So, as a result, in 1990 the administration was asked to make certain creditworthiness, as tightened up in the farm bill, became a prime consideration. That standard should not be weakened.

Under the criteria that are given in the Agricultural Act of 1990, the administration will have, certainly, latitude to make those judgments.

So I support the amendment. We will be voting on it by rollcall vote. But my vote will be an aye, and I appreciate the constructive work of Senator LEAHY, bringing these items to our attention.

The PRESIDING OFFICER. Is there further debate? There being no further debate, the question is on agreeing to the amendment (No. 2648) offered by the Senator from Vermont. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY], the Senator from California [Mr. CRANSTON], and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 93, nays 2, as follows:

[Rollcall Vote No. 138 Leg.]

YEAS—93

Adams
Akaka
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Breaux
Brown
Bryan
Bumpers
Burdick
Burns
Byrd
Chafee
Coats
Cochran
Cohen
Conrad
Craig
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Exon
Ford
Fowler
Garn
Glenn
Gore
Gorton
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Heflin
Hollings
Inouye
Johnston
Kassebaum
Kasten
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Rudman
Sarbanes
Sasser
Seymour
Shelby
Simon
Simpson
Smith
Specter
Stevens
Symms

Thurmond
Wallop
Warner
Wellstone
Wirth
Wofford

NAYS—2

Jeffords
Kerrey

NOT VOTING—5

Bradley
Cranston
Helms
Roth
Sanford

So the amendment (No. 2648) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRAIG. Mr. President, S. 2532, the Freedom Support Act has all the right goals and intentions. Political and economic stability in the former Soviet republics is in our national interest; I would even go so far as to say that it should be a priority goal of our foreign policy. However, in looking at the Freedom Support Act, I must question whether it is the best way to ensure that we achieve our goals.

Mr. President, it is with some frustration that I am here today to speak out against this legislation. There are some important provisions in the bill that need to be passed, turning back restrictive laws that were enacted during the cold war. However, there are some overriding concerns I have about this legislation which I will outline. Let me reiterate that I feel we owe it to ourselves to assist the republics and to bring peace and stability to the region. There is a window of opportunity before us now, and I am truly disappointed that I cannot see my way to support this legislation.

Given my commitment to resolving our budget problems, one of my primary concerns with S. 2532 is its cost. There has been a great deal of talk about the costs associated with this authorization package. Some have stated that this legislation would only be 5 percent of our foreign aid budget. I have no problem with setting priorities within our budget and finding offsets to pay for this program. However, as I understand it, there is more to this bill.

The actual budgetary cost of U.S. activities resulting from S. 2532 in fiscal years 1992 and 1993 is expected to be $2.5 billion, according to the Congressional Budget Office [CBO] cost estimate. However, CBO's analysis is—of necessity, given the wording of the legislation—disturbingly vague. For example, the report states that:

> Estimating the cost of this legislation is extremely difficult. * * * the bill gives the President open-ended and flexible authority * * * and the administration's plans are undergoing constant revision. The administration does not have budget-quality estimates for its program * * *.

I feel uncomfortable with this carte blanche approach to authorizing such a large and involved aid package.

Beyond the cost of S. 2532, I also have some policy concerns with the bill. The focus of this aid package is the $12.3 billion increase in the U.S. International Monetary Fund [IMF] quota and the Currency Stabilization Fund. I understand that this increase in the IMF quota will not directly affect our budget because there are no outlays. When the IMF draws on the United States' quota, we receive an equivalent asset in return. However, if the borrower fails to repay its debt, the American taxpayer will be left to pick up the tab. With an economy trying to overcome 70 years of communism, I think there is good reason to be concerned about the republics' ability to pay.

Another problem I have with this provision of the bill is that the IMF's record does not induce me to support such a large increase in our quota. Its policies were less than impressive in Latin America, to give only one example. While assistance from the IMF and other international financial institutions may have eased some of the economic problems there, that assistance also postponed necessary economic reforms that would have resolved, rather than merely eased their situation.

As I mentioned before, a stabilization fund will be set up for the Russians through the IMF. A stable currency is very important if economic reform is going to succeed. It is my understanding that the Russian Government continues to print more rubles, as well as practicing other inflationary policies. There is nothing in the provisions covering the IMF Currency Stabilization Fund that will prevent the Russian Government from continuing this policy. If the Currency Stabilization Fund is going to work, there must be some controls that will shield the Russian Government from pressure to continue inflationary policies. Otherwise, we will have spent a great deal of money to accomplish nothing.

Mr. President, I have read several interesting articles outlining this problem and ask unanimous consent that a Wall Street Journal article be included in the CONGRESSIONAL RECORD at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CRAIG. One last point of concern that I would like to cover today is that of security. Russia maintains a sizable military, and few efforts are being made to dismantle it. There is no safeguard in the legislation to encourage downsizing the military as the country works on economic and political reforms. Like it or not, Mr. Yeltsin, the republics, and their efforts to move toward private markets remain vulnerable to the ex-Soviet conventional military establishment. Reducing the military won't be easy, but it is another important component if they are going to achieve stability and the kind of reforms this legislation is supposed to bring about.

One last point on the military: I am very frustrated by the continued presence of the Russian military in the Baltics. I realize the problems with the removal of these troops. We are told that they will be removed through attrition. However, I continue to hear of new troops being sent into the Baltics. It is my understanding that an amendment will be offered to address this problem, and I intend to support it.

Mr. President, what I have outlined here are my major concerns with this legislation. The bottom line is that I feel we need to do more than just hand out money. Efforts must be focused on privatization and democratization reforms. There must be safeguards to prevent that aid from being fed into the defunct state-run industries and safeguards to ensure the stabilization of the ruble. And finally, in order to ensure stability in the region, there must be reductions in the size, and changes in the mission, of the former Soviet conventional forces. In light of these concerns, Mr. President, I will not support this legislation.

EXHIBIT 1

IMF MONEY WILL BUY TROUBLE FOR RUSSIA

(By Steve H. Hanke)

After 46 years, Russia, Ukraine and most of the other ex-Soviet republics joined the International Monetary Fund this week. The eagerness of the post-Soviet republics to join the IMF for symbolic reasons is understandable. It is the substance of what membership in the IMF will entail for them that is troubling.

When Moscow signs the formal agreement with the IMF, the $24 billion in aid from the rich G–7 countries promised by President Bush and Chancellor Kohl on April 1 will be made available to the Russian government—including a $6 billion fund for the stabilizing of the ruble. The ruble stabilization fund will be transferred to the Russian Central Bank at that bank's request.

In principle, that hard currency is to be used only to prop up the value of the ruble. Armed with the IMF's $6 billion, the Russian Central Bank will intervene in the foreign-exchange markets to move the ruble from its current rate of about 150 to the dollar to a higher rate of 40 or 50 to the dollar.

TRANSFER WEALTH

For some months, the experts at the International Monetary Fund and some economists have worked hard to persuade Western governments of the need to transfer some of their taxpayers' wealth to Russia. Although the experts had success with the press and in some political quarters, the Bush administration for a long time avoided being stampeded.

The IMF finally wheeled out the big guns in March. In a five-page memorandum circulated to 50 power brokers, and reprinted on this page, former President Richard M. Nixon castigated the Bush administration for playing a "pathetically inadequate," "penny ante game" with Russia. That did the trick.

The IMF and some Western economists have argued that stabilization fund intervention is necessary because the ruble's current, market-determined exchange rate is unrealistic. By reducing the supply of and increasing the demand for rubles, central bank intervention is supposed to move the ruble to a more "realistic" level.

So much for the theory. Let's examine instead what will most likely happen in Russia, based on the near universal experience of IMF-sponsored stabilization programs and the current political-economic environment in Russia. The Russian Central Bank will continue to print rubles at a rate that exceeds the rate of monetary growth in the West. Anticipating that the "excess supply" problem will continue, foreign-exchange traders will continue to pass rubles to one another like hot potatoes. In consequence, the ruble will continue its free fall.

To reverse the ruble's course, the Russian Central Bank will use dollars in its stabilization fund to purchase rubles in the foreign-exchange markets. As it intervenes, the Bank will print more rubles to replace the rubles that it has purchased. Eventually, the dollars in the stabilization fund will disappear, the stock of rubles will not have been reduced and the foreign-exchange value of the ruble will keep declining.

This will, of course, bring forth calls to replenish the stabilization entitlement program. Indeed, Michel Camdessus, the IMF's Managing Director, opened the door for additional funding requests at his news conference on April 15—and the fund has not yet even been established.

That the Russian Central Bank will be forced to continue to print rubles at a record clip should be clear to even a casual observer. A shake out of Russia's state-owned enterprises has not yet taken place. Indeed, there has been virtually no restructuring and privatization of those enterprises. Vneshconsult, a Moscow-based consulting firm, estimates that about 80% of the big state-owned enterprises are insolvent. Faced with interest rates of 50% on six month loans, the majority of enterprises can't afford to keep playing what amounts to a Ponzi game. They are refusing to pay back loans or honor bills, and many have already put workers on reduced work schedules. Overdue loans have soared from 34 billion rubles in January to 676 billion rubles by mid-March.

In an attempt to avert an economic and political shake-out, the Russian Central Bank has already begun to let its much advertised austerity program go by the boards. For example, a government document released on April 3 indicates that 200 billion rubles in new credits have recently been extended to bankrupt state-owned enterprises, and that twice as many rubles were printed in March as in January.

This is a far cry from the claim of Yegor Gaidar, Boris Yeltsin's top economic adviser, that the Yeltsin government had complete control over the ruble supply, and that the government planned to become even more tightfisted in the coming months. However, that was before Mr. Gaidar was forced to resign as Russia's finance minister, and before the Yeltsin government was forced by the Russian parliament to accept some economic compromises.

Consider the precedent of Poland, which is touted as an IMF success story. In late 1989, a Polish stabilization fund was established. On Jan. 1, 1990 it took 9,500 zloties to fetch a dollar. Now a dollar commands 12,800 zloties. Yugoslavia provides yet another, and alas a more relevant, example of a stabilization program gone awry. A member of the IMF since 1945, the government in Belgrade has recently claimed that inflation could reach an annual rate of 100,000% this year.

The ruble stabilization program will not achieve its narrow economic objectives. More important, it will not achieve its broader political goal: to lend the Yeltsin government a helping hand. To appreciate that, consider who the final beneficiaries of the Russian Central Bank's ruble-support operations will be.

SPECULATORS' POCKETS

The IMF-stabilization fund will flow from Western taxpayers into foreign-exchange speculators' pockets like water running downhill. Those foreign-exchange traders will get rich quickly, offending ordinary Russians, and providing the old communists, who have significant support in the Russian parliament, the popular anger they need to bring down President Yeltsin. Ironically, rather than assisting Boris Yeltsin and his friends, the stabilization fund will provide the parliament with yet another club to beat Mr. Yeltsin's government.

AMENDMENT NO. 2649

(Purpose: To make minor and technical amendments to the agricultural provisions of the committee amendment)

Mr. LEAHY. Mr. President, I have a series of minor technical amendments. The first group to be offered by myself and Senator LUGAR, as well as Senators KERREY, GRASSLEY, and KASTEN. These are minor and technical amendments. I send them to the desk, ask for their immediate consideration, and ask that they be considered en bloc.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for himself, Mr. LUGAR, Mr. KERREY, Mr. GRASSLEY, AND Mr. KASTEN proposes an amendment numbered 2649.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 48, strike lines 1 through 9 and insert the following new subsection:

(b) AMENDMENTS TO THE FOOD SECURITY ACT OF 1985.—Section 1110 of the Food Security Act of 1985 is amended—

(1) in subsection (b)—

(A) by inserting after "such countries" the following: "(including the independent states of the former Soviet Union)"; and

(B) by striking out "or cooperatives" and inserting in lieu thereof "cooperatives, private businesses, or other private entities";

(2) in subsection (f), by striking out paragraph (1) and inserting in lieu thereof the following new paragraph:

"(1) The Commodity Credit Corporation may provide for grants, or sales on credit terms, of commodities made available under section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) for use in carrying out this section.";

(3) in subsection (g), by inserting before the period the following: ", except that this tonnage limitation shall not apply with respect to commodities furnished to the independent states of the former Soviet Union during fiscal years 1992 and 1993"; and

(4) by adding at the end the following new subsection:

"(m)(1) In carrying out this section, the President shall encourage private voluntary organizations and cooperatives to submit proposals that provide for—

"(A) the sale of a commodity in a country that is eligible under this section, including the marketing of the commodity through the private sector; and

"(B) the use of the proceeds generated in the humanitarian and development programs of the organization or cooperative, as provided in paragraph (3).

"(2) The President shall make available not less than 10 percent of the aggregate amounts of all commodities distributed under this section in each fiscal year to generate foreign currency proceeds as provided in this subsection.

"(3) Foreign currencies generated from any partial or full sale or barter of commodities by a private voluntary organization or cooperative under an agreement under this section may—

"(A) be used to transport, store, distribute, and otherwise enhance the effectiveness of the use of agricultural commodities provided under this title;

"(B) be used to implement income generating, community development, health, nutrition, cooperative development, agricultural, and other developmental activities within the recipient country; or

"(C) be invested, and any interest earned on the investment may be used, for the purposes for which the assistance was provided to that organization, without further appropriation by Congress.".

On page 48, strike lines 13 through 15 and insert the following new paragraph:

(1) by striking out subsections (a) and (b) and inserting in lieu thereof the following new subsections:

"(a) GUARANTEES AND CREDITS TO BE MADE AVAILABLE.—For the fiscal years 1991 through 1995, the Commodity Credit Corporation—

"(1) shall make available, for the promotion of exports to emerging democracies, not less than $1,000,000,000 of export credit guarantees under section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622), in addition to the amounts required under section 211 of such Act (7 U.S.C. 5641) for credit guarantees; and

"(2) may make available, for the promotion of exports to emerging democracies, direct credits under section 201 of such Act (7 U.S.C. 5621).

"(b) IMPROVEMENT OF FACILITIES, SERVICES, AND AGRICULTURAL GOODS AND MATERIALS.—

"(1) USE OF GUARANTEES.—A portion of direct credits or export credit guarantees available under subsection (a) shall be made available for the establishment or improvement by United States persons of eligible projects in emerging democracies to improve the handling, marketing, processing, storage, or distribution of imported agricultural commodities and products of the commodities.

"(2) ELIGIBLE PROJECTS.—A project shall be eligible under this subsection for credits or guarantees if—

"(A) the project includes facilities, services, and agricultural goods and materials; and

"(B) the Secretary of Agriculture determines that the credits or guarantees will primarily promote the export of United States agricultural commodities (as defined in section 102(7) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(7)).

"(3) PRIORITIES.—The Commodity Credit Corporation shall give priority under this subsection—

"(A) to opportunities or projects identified under subsection (d)(1);

"(B) to projects on private farms or cooperatives in emerging democracies; and

"(C) to United States persons who agree to assume a relatively larger share of the value of the project of United States origin.

"(4) LEVEL OF GUARANTEES.—The Commodity Credit Corporation shall not provide guarantees or credit in excess of 85 percent of the value of the project of United States origin.

"(5) FOREIGN AGRICULTURAL COMPONENTS.—Notwithstanding section 202(h) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(h)), the Commodity Credit Corporation shall finance or guarantee under this section only projects predominantly of United States origin. The Commodity Credit Corporation shall not finance or guarantee under this section the value of any foreign component of the project.";

On page 48, lines 21 and 22, strike "President" and insert "Secretary".

On page 49, strike lines 5 through 23 and insert the following new paragraph:

(1) ASSISTANCE FOR PRIVATE VOLUNTARY ORGANIZATIONS.—The President is encouraged to use funds made available under section 109 of Public Law 102–229 (105 Stat. 1708), and any funds made available under this Act, to assist private voluntary organizations and cooperatives in carrying out food assistance programs for the independent states of the former Soviet Union under—

(A) section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o);

(B) section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431); or

(C) title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.).

On page 50, between lines 14 and 15, insert the following new paragraphs:

(2) AGRICULTURAL TRADE ACT OF 1978.—

(A) DEFINITIONS.—Section 102(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(1)) is amended by striking out "feed, or fiber," and inserting in lieu thereof "feed, fiber, or livestock,".

(B) DIRECT CREDIT SALES PROGRAM.—Section 201 of the Agricultural Trade Act of 1978 (7 U.S.C. 5621) is amended by adding at the end the following new subsection:

"(f) RESTRICTIONS.—The Commodity Credit Corporation may not make export sales financing authorized under this section available in connection with sales of an agricultural commodity to any country that the Secretary determines cannot adequately service the debt associated with such sale.".

(C) PROCESSED AND HIGH-VALUE AGRICULTURAL COMMODITIES.—Section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amended by adding at the end the following new subsection:

"(k) SALES TO THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—

"(1) PROCESSED AND HIGH-VALUE AGRICULTURAL COMMODITIES.—In each of the fiscal years 1993 through 1995, the Commodity Credit Corporation shall establish an objective that not less than 35 percent of the agricultural commodities sold in connection with the guarantees provided under this section to the independent states of the former Soviet Union are processed products of agricultural commodities and high-value agricultural commodities.

"(2) ANNUAL REVIEW.—At the end of each of the fiscal years 1993 through 1995, the Secretary shall determine the extent to which sales of processed products of agricultural commodities and high-value agricultural commodities made to the independent states of the former Soviet Union during the fiscal year meet the objective set forth in paragraph (1).

"(3) JUSTIFICATION AND PLAN.—If the Secretary determines, on the basis of a review conducted under paragraph (2), that sales of processed products of agricultural commodities and high-value agricultural commodities do not meet the objective set forth in paragraph (1), the Secretary shall prepare a justification for why the minimum level was not achieved and what action the Secretary will take during the immediately subsequent fiscal year to increase sales of processed products of agricultural commodities and high-value agricultural commodities.

"(4) NOTIFICATION TO CONGRESS.—The Secretary shall provide the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate with the results of the annual reviews conducted under paragraph (2) and, as required by paragraph (3), any justification and plans for future action.

"(5) DEFINITION.—As used in this section, the term 'independent states of the former Soviet Union' means the countries that were formerly part of the Soviet Union, including Armenia, Azerbaijan, Byelarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.".

(3) AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE INCOME COUNTRIES AND EMERGING DEMOCRACIES.—Section 1543 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3293) is amended—

(A) in subsection (b), by adding at the end the following new paragraph:

"(4) INDEPENDENT STATES OF THE FORMER SOVIET UNION.—In addition to the countries that are eligible under paragraphs (1) through (3), the Secretary may determine that any newly independent state of the former Soviet Union may be eligible to participate in the program. The states shall include Armenia, Azerbaijan, Byelarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan."; and

(B) in subsection (d), by adding at the end the following new sentence: "The Secretary may provide fellowships under the program authorized in this section to private agricultural producers from eligible countries.".

Mr. LEAHY. Mr. President, Senator LUGAR and I bring before the Senate an en bloc amendment to the provisions of the bill reported by the Committee on Foreign Relations.

This amendment provides several minor and technical amendments to section 18 of the bill. It also contains provisions to give additional flexibility to the President in existing agricultural programs in the independent States of the former Soviet Union.

The managers of the bill have no objection to this amendment, and the Congressional Budget Office has determined that the amendment will not result in additional expenditures.

The Leahy-Lugar amendment changes several provisions in the Food for Progress Program.

First, our amendment authorizes the President to enter into agreements with private business for activities in the independent States of the former Soviet Union and other countries. This expressly encourages the President to support the efforts by the United States private sector to export commodities to the former Soviet Union.

Second, our amendment gives the Commodity Credit Corporation authority to provide credit to sell commodities made available under section 416 of the Agricultural Act of 1949. Current law only authorizes the grant of such commodities by the President.

Third, our amendment makes technical changes to the language in the committee bill which waives the existing cap of 500,000 metric tons of commodities for any shipments under this authority to the independent States of the former Soviet Union during 1992 and 1993.

Finally, our amendment states that the President shall encourage private voluntary organizations and cooperatives to sell commodities under the program for local currencies in the foreign country. This amendment would require that at least 10 percent of the commodities available each year under the program be made available to the private voluntary organizations and cooperatives for sale in local currencies and the proceeds used to carry out humanitarian and development projects. We encourage the administration to actively seek out so-called monetization projects early in each fiscal year with these organizations.

We firmly support this amendment to the Food for Progress Program as a means by which private voluntary organizations and cooperatives can become more directly involved in development of the private sector agriculture and agribusiness in the independent States of the former Soviet Union. The amendment lists the purposes for which the local currencies generated under the program can be used, including the transportation, distribution, and storage of commodities made available under the program. Other acceptable uses include cooperative development and agricultural development projects. We believe that the local currencies generated under this program should not be used for market development purposes, as there are other programs, including the Cooperative Market Development Program and the Market Promotion Program, more suited to such purposes.

The Leahy-Lugar amendment also makes several amendments to the emerging democracies authority found in section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990, the 1990 farm bill.

First, our amendment expands the authority of the Commodity Credit Corporation to provide direct credits to support eligible projects in emerging democracies. This authority is in addition to the current requirement that the Commodity Credit Corporation make available not less than $1 billion in export credit guarantees for eligible projects over fiscal years 1991 through 1995.

Second, our authority to provide financing or guarantees is expanded to include a broader range of projects. In addition to the current authority for facilities, an eligible project under this program may include services, agricultural goods, and materials. Such services may include management contracts or other technical services offered to purchasers, and agricultural goods primarily needed to enhance the effective use of United States agricultural commodities within the emerging democracy. For example, in the case of livestock, services eligible for such funding could include technical and management expertise necessary to provide for total animal health, preventive herd health, and the proper management needed to enhance overall efficiency and effectiveness of the sale. Agricultural goods in such an example could include products such as feed additives, vaccines, antibiotics, mineral and vitamin premixes, protein concentrates, other nutrient mixes, and other therapeutic agents for the treatment and control of diseases that may be necessary to create a nutritionally balanced animal feed ration and improve the health of livestock.

There are many important agricultural inputs which are not well covered by existing credit guarantee programs, yet sales of these services, goods, and materials would have an important impact on jobs in the United States and on the agricultural systems in the former Soviet Union. To maximize the benefits for U.S. economy, this amendment requires that such projects shall be predominantly of U.S. origin. As an example, we urge the Secretary to look at similar programs to finance or guarantee sales of goods or investments by the Export-Import Bank and Overseas Private Investment Corporation, as well as similar programs offered by other governments.

Third, our amendment sets additional priorities for the program. The Commodity Credit Corporation shall give priority to projects that will be carried out on private farms and cooperatives, rather than state-owned operations. The purpose of this is to encourage fledgling private sector in emerging democracies such as the former Soviet Union. Also, a priority is given to projects where the U.S. participant undertakes a larger share of the cost, and hence the risk, of the project.

Finally, our amendment limits the U.S. financing or guarantee to not more than 85 percent of the value of the project that is of U.S. origin. This requirement ensures that the risk of the project is shared by the U.S. Government and private investors, while covering a significant proportion of the risk associated with a project in these countries. We expect the Department to act upon as many feasible projects as possible under this authority.

In the committee bill, the President can provide or pay for technical assistance under the E (Kika) de la Garza Agricultural Fellowship Program. The Leahy-Lugar amendment designates that the Secretary of Agriculture, rather than the President, have this authority. The Secretary of Agriculture has authority for the entire program under current law.

We strongly encourage the President to assist the private voluntary organizations and cooperatives to meet their expenses in establishing and conducting activities in the independent States of the former Soviet Union. Many of these organizations have not traditionally operated in these countries. The Leahy-Lugar amendment encourages the President to make additional assistance available to assist private voluntary organizations and cooperatives in carrying out food assistance programs for the independent States of the former Soviet Union. Specifically, the President is encouraged to use funds made available last fall under section 109 of the Combined Forces in Europe and Dire Emergency Supplemental Appropriations Act (Pub. L. 102-229), which provides up to $100,000,000 for transportation by military or commercial means food, medical supplies, and other types of humanitarian assistance to the Soviet Union, as well as funds made available under the Freedom Support Act. Our amendment strikes the provisions in the committee bill that would allow the President to waive the funding cap under section 202(e)(1) of the Agricultural Trade Development and Assistance Act of 1954, because we are concerned that such waiver would take funds away from programs in other countries with chronic and acute food shortages, including the southern African region.

The Leahy-Lugar amendment clarifies the current definition of agricultural commodities in the Agriculture Trade Act of 1978. This definition makes explicit that livestock and products of livestock are eligible for the commercial trade programs, including the Export Enhancement Program, direct credits, and export credit guarantee program. The Secretary is encouraged to use the existing export promotion authorities to support the export of dairy breeding cattle to the independent States of the former Soviet Union.

Our amendment requires that the Secretary undertake the same evaluation of creditworthiness for participation in the direct credit program as is current law in the credit guarantee program. This provision prohibits that CCC from providing export sales financing in connection with sales of agricultural commodities to any country that the Secretary determines cannot adequately service the debt associated with such sale.

The Leahy-Lugar amendment establishes as an objective that not less than 35 percent of the sales to the former Soviet Union that are covered by the export credit guarantees should be processed product of agricultural commodities and high-value agricultural commodities. The term "processed product of an agricultural commodity" means a product of bulk or raw agricultural commodity that, as a result of the application of human labor, the use of machines, or other factors involved in a manufacturing process, or any combination thereof, is increased in value and made more appropriate for human consumption or use. The term is broad in scope, but includes meat, dairy, and poultry products, wheat flour, milled rice, refined sugar, vegetable oil, peanut products, and prepared, preserved, canned, frozen, refrigerated and other processed food products, including processed baby food. The term "high-value agricultural commodity" means an agricultural commodity whose value is substantially higher than the value of bulk or raw agricultural commodities, such as grains and oilseeds. The term includes, among other commodities, livestock, dairy cattle, chickens, eggs, fish, as defined in section 102(7) of the Agricultural Trade Act of 1978, breeder stock, plant seeds, fruits, and vegetables.

In meeting this objective, we expect the administration to consider the special nutritional needs of women and children in the former Soviet Union, as a possible nutrition crisis looms ahead for these groups. The collapse of the Soviet Union has resulted in a disruption of existing baby food supplies, a limited manufacturing capacity for baby foods, and an inadequate distribution system. The Agency for International Development has recently reported that children residing in orphanages, hospitals, and home boarding schools are among the most vulnerable groups in Moscow. In May, the Russian Ministry of Health reported that only 40 percent of the requirements of infants for dry milk mixtures would be satisfied by domestic food production and imports. Shortfalls are also expected for meeting the requirements of preschool children for fruits, vegetables, and meats. The urgent need for processed baby food, as well as other foods necessary for the health of young children and women, is obvious.

Our amendment requires that the Secretary annually review the extent to which the 35-percent goal for processed products of agricultural commodities and high-value agricultural commodities. Where the sales of these commodities under the program to the former Soviet Union are less than 35 percent of the total value of sales during such period, the Secretary shall prepare and provide to the agricultural committees of the Senate and House of Representatives a justification as to why the objective was not met and outline the actions the Secretary will undertake to increase sales of these agricultural commodities in the short term.

The Leahy-Lugar amendment also makes small changes to the Cochran Fellowship Program. We are encouraged by the recent announcement that the Department of Agriculture will introduce the Cochran Fellowship Program this year in Russia, Ukraine, and Kazakhstan. The fellowships under this program will bring agricultural leaders from these new countries to the United States to develop the skils to build agricultural systems in their own countries, and enhance trade linkages with the United States. Our amendment clarifies that any of the Republics of the former Soviet Union may qualify for participation in the Cochran Fellowship Program, and that the Secretary of Agriculture is authorized to include private farmers in the Fellowship Program.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment (No. 2649) en bloc.

The amendment (No. 2649) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

The PRESIDING OFFICER. Without objection, the motion to lay on the table is agreed to.

AMENDMENT NO. 2650

(Purpose: To exclude certain agricultural trade and assistance laws from the general waiver authority)

Mr. LEAHY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposed an amendment numbered 2650.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 42, line 18, strike "and the Budget Enforcement Act of 1990" and insert "the Budget Enforcement Act of 1990, the Food, Agriculture, Conservation, and Trade Act of 1990, section 901b(c) of the Merchant Marine Act, 1936, the Agricultural Trade Act of 1978, the Agricultural Trade Development and Assistance Act of 1954, section 416 of the Agricultural Act of 1949, and the Commodity Credit Corporation Charter Act".

On page 43, line 19, strike "The" and insert "(a) IN GENERAL.—The"

On page 44, between lines 2 and 3, insert the following new subsection:

(b) ADVANCE NOTICE OF CERTAIN ACTIONS.—The President shall notify in writing the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives at least 15 days in advance of the implementation of an activity described in subparagraphs (B) and (C) of section 7(2) or subsection (b), (c), or (d) of section 18.

Mr. LEAHY. Mr. President, section 13(c) of the committee bill gives the administration a broad waiver authority from current law to meet the objectives of the Freedom Support Act. The committee bill already excludes certain laws from the waiver under the jurisdiction of the Appropriations and Budget Committees. My amendment adds the agricultural acts which are under the jurisdiction of the Committee on Agriculture, Nutrition, and Forestry and deal with export promotion and humanitarian food aid, as well as the underlying Commodity Credit Corporation Charter Act, to the list of existing legislation that will not be subject to the broad waiver authority.

The amendment also directs the President to notify both congressional agricultural committees of actions taken under specific sections of the bill related to agricultural policy, technical assistance, and humanitarian aid at least 15 days prior to their implementation. This notification is necessary because the Department of Agriculture believes that the bill provides more comprehensive and flexible authority, particularly for technical assistance which is a critical long-term need in the former Soviet Union. It is the intention of the Committee on Agriculture, Nutrition, and Forestry that the Secretary of Agriculture should work closely in cooperation with the committee to develop technical and other assistance appropriate to the former Soviet Union.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment No. 2650.

The amendment (No. 2650) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2651

Mr. LEAHY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposes an amendment numbered 2651.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Section 7 of S. 2532, the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act, is amended—

(1) on page 34, line 6, by inserting ", scholarly," after "educational";

(2) on page 35, line 14, by striking "and";

(3) on page 35, line 19, by striking the period at the end thereof and inserting "; and"; and

(4) on page 35, after line 19, by inserting the following new paragraph:

"(10) to support training for and preparation of American participants in assistance programs and related activities, including language, area, and technical background study at accredited institutions of higher education.".

Mr. LEAHY. Mr. President, this amendment would authorize the training of American participants in assistance programs for the Republics of the former Soviet Union and United States institutions of higher education. I understand it is acceptable to both managers of the bill.

Mr. COCHRAN. Mr. President, I am pleased to join in support of the Agriculture Committee amendment, which includes two very important provisions to broaden the scope of the Cochran fellowship program by giving the Secretary of Agriculture discretion to determine that any newly independent State of the former Soviet union may be eligible to participate in the program, and by providing that Cochran fellowships may be awarded to private farmers.

Since 1984, these fellowships have been available for training agriculturalists from middle-income countries which do not receive assistance through the U.S. Agency for International Development, the U.S. Department of Agriculture's Office of International Cooperation with the Foreign Agricultural Service and its attache service personnel in the field.

The fellowships offer training opportunities in the United States ranging from 2 weeks to 6 months. The program provides participants with ethnical instruction, practical field observations, and hands-on experience.

From 1984 through 1991, over 1,700 persons from 22 countries participated in this program. Eastern European countries participated for the first time in 1991, when 115 Cochran fellows were selected from Yugoslavia, Poland, Hungary, Czechoslovakia, and Bulgaria. The program has announced plans to expand into Russia, Ukraine, and Kazakhstan, and this amendment will help the Secretary of Agriculture do even more in the former Soviet Republics.

The program is yielding important benefits to participating countries in their agricultural development efforts and is making a cumulative contribution to U.S. market development initiatives.

I am pleased the administration is cooperating with us in this expansion, and I urge support for the Agriculture Committee amendment.

Mr. SYMMS. Mr. President, this amendment ensures that a portion of the assistance to be provided to the countries of the former Soviet Union will be used to help establish an efficient transportation system. I truly appreciate the managers' willingness to work with me on fashioning the amendment, and I am pleased they have agreed to accept it.

Transportation is an essential building block in the construction of a sound economy, and having traveled recently to Vladivostok with our colleague Senator MURKOWSKI, I can attest to the dire need for transportation-related assistance in the Russian Republic. This amendment ensures the United States will provide necessary construction-related technical assistance as well as construction services and products, including materials, equipment, and supplies. And it calls for the utilization of private sector and academic expertise and services whenever possible to provide this assistance.

We have only limited knowledge of the extent of need for transportation assistance in the CIS countries, and that knowledge is based primarily on a recent World bank review of the transport sector in the Russian Republic. However, based on that review, one can safely say the needs are far greater than we can begin to fulfill with the aid provided through this amendment, but it's a start.

The most urgent needs are for highway improvements, railway rolling stock, air traffic control and communications equipment, port improvements, and spare parts. In every case, technical assistance will be necessary if the aid we provide is to be utilized for the long-term benefit of those CIS countries. And much of that technical assistance—for instance, the preparation of project feasibility studies, project management practices, and the development of market oriented procurement procedures—can and should be provided through U.S. trade associations, construction companies, and academic institutions.

In addition, there is an acute need for transportation products, including modern equipment, certain construction materials, and spare parts, which also can and should be provided by American companies.

Mr. President, I think this is a most important amendment because good transportation is so important to the development of a sound economy and because the amendment takes the right approach to the provision of foreign aid by involving America's private sector expertise and services. I hope the managers will protect the amendment in conference, and I thank them again for their valuable assistance in putting it together.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment offered by the Senator from Vermont.

The amendment (No. 2651) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, the last thing, I ask unanimous consent that at this point it be in order for the distinguished Senator from Vermont [Mr. JEFFORDS] and I to engage in a colloquy for the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. Mr. President, I seek the floor to enter into a colloquy with my distinguished senior Senator.

Mr. President, I have been informed that many of the emerging States have made inquiries about purchasing of dairy cattle and the accompanying equipment and technology to build their dairy industries. It is my understanding that if we can offer a subsidy to exporters, these countries will purchase our dairy cattle even if the price is higher than those offered by other countries. If this is the case, I feel we should take advantage of these opportunities to establish exporting markets with these newly formed countries.

I would like to ask the senior Senator from Vermont what authority USDA has to export dairy cattle.

Mr. LEAHY. Presently USDA can export dairy cattle under the Export Enhancement Program.

Mr. JEFFORDS. What is the present funding level for EEP?

Mr. LEAHY. The funding level for 1992 is $1.2 billion. The administration's request for 1993 is also $1.2 billion.

Mr. JEFFORDS. Does USDA have the authority to offer a subsidy for exporters?

Mr. LEAHY. They do have that authority under EEP.

Mr. JEFFORDS. Is USDA actively using this authority under EEP?

Mr. LEAHY. At the present time they have not been actively exporting dairy cattle.

Mr. JEFFORDS. Is there a specific reason for this?

Mr. LEAHY. It is my understanding that they are not using this authority because of the problems they encountered the last time they exported dairy cattle in 1985–86.

Mr. JEFFORDS. Have solutions to these problems been proposed?

Mr. LEAHY. Several exporters have proposed solutions to these problems. My committee took testimony on May 19, 1991, outlining some of these solutions. It is my hope that USDA can learn from the problems encountered in 1985–86 and work with exporters to correct those problems, taking into account the cost implications.

Mr. JEFFORDS. Mr. President, it seems to me that if USDA worked with some of these exporters to develop a dairy cattle export program, we could take advantage of these opportunities and establish these markets before they are lost to other countries. It is these types of opportunities that we must take advantage of to increase our domestic revenue and create jobs.

I yield the floor.

Mr. LEAHY. The junior Senator from Vermont is correct. That is why we had the hearing. I agree with him.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. Mr. President, I yield to the Senator from Minnesota. He has an amendment that I believe is going to be accepted. I ask unanimous consent that I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2652

(Purpose: To support the development of local and regional democratic institutions in the independent States of the former Soviet Union)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE], for himself, Mr. HARKIN, and Mr. GORTON, proposes an amendment numbered 2652.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 52, after line 13, add the following:

TITLE II—INTERNATIONAL LOCAL GOVERNMENT EXCHANGE ACT OF 1992

SEC. 201. SHORT TITLE.

This title may be cited as the "International Local Government Exchange Act of 1992".

SEC. 202. FINDINGS; POLICY.

The Congress finds that—

(1) the independent states of the former Soviet Union have requested the assistance of American Federal, State, and local officials in making the transition from Communist political systems and centrally planned economies to democratic societies based on local and regional self-government;

(2) the United States is well-positioned, because of its long democratic heritage and traditions, to make a substantial contribution and traditions of the independent states of the former Soviet Union to a more democratic polity and to democratic institutions by building on current technical and talent assistance programs with the newly independent republics of the former Soviet Union;

(3) it is in the immediate economic and national security interests of the United States to ensure the peaceful, orderly, and successful transformation of such states into fully democratic societies;

(4) provision by the United States of the requested assistance would promote development of a democratic polity and would help establish democratic institutions responsive to the needs of the people, particularly in the localities and regions of the independent states of the former Soviet Union;

(5) establishment of democratic local and regional governance that fosters the development of a decentralized market economy and preserves local autonomy and minority rights is essential in order to prevent the de-

stabilization of the independent states of the former Soviet Union by serious economic and political deterioration or by interethnic tensions;

(6) such states have an educated labor force and the capability for productive economies, but they lack many of the basic organizations, institutions, skills, attitudes, and traditions of civil society on which democracy must ultimately rest;

(7) traditional United States foreign assistance programs and mechanisms are inadequate for responding to this new challenge because they are not designed to mobilize the practical expertise of the American people or to target and deliver practical assistance at the grassroots level in the widely divergent societies of the region;

(8) there is great willingness on the part of United States citizens to offer hands-on, person-to-person training, advice, support, and technical assistance to the peoples of the independent states of the former Soviet Union;

(9) State and local government officials in the United States can provide a vast pool of skills, talents, and experience which may be drawn upon to meet these urgent needs for democratic ideas and institutions;

(10) direct grassroots, people-to-people exchanges are the most appropriate means of ensuring that the rapid yet uneven evolution of social and political change will be responsive to the desires of the people of the independent states of the former Soviet Union;

(11) such exchanges can assist in the establishment of democratic regional and local governments where they do not now exist, and can assist existing local and regional governments to develop laws, policies, administrative and judicial procedures, regulatory competence, broad-based tax systems and effective service delivery mechanisms; and

(12) participants in such exchanges can work with national, regional and local officials to encourage intergovernmental cooperation through the establishment of laws, regulatory regimes, institutions, and channels of communication among government officials at all levels.

SEC. 203. STATEMENT OF PURPOSE.

The purpose of this title is to facilitate the establishment of—

(1) legitimate, democratically elected local and regional governments throughout the independent states of the former Soviet Union that will be able to provide for self-governance and the full range of efficient and equitable public services and management practices expected of such governments in a free society;

(2) cooperative intergovernmental relations between and among the independent states of the former Soviet Union and among its regional and local governments that will provide effectively for such common needs as economic development, intermodal transportation, environmental protection, and joint service provision;

(3) permanent governmental and nongovernmental institutions throughout the independent states of the former Soviet Union able that will provide continuing training, research, and development with respect to local and regional governance and intergovernmental cooperation; and

(4) ongoing ties of assistance and friendship between the officials and institutions of State and local governments in the United States and the independent states of the former Soviet Union.

SEC. 204. DEFINITIONS.

As used in this title—

(1) the term "eligible organization" means—

(A) any organization of elected or appointed State, local, or regional governmental officials determined by the agency administering section 205 to have the capacity to engage in educational and technical assistance exchanges in public administration; or

(B) any private, nonprofit organization having expertise in public administration and experience in providing training or technical assistance; and

(2) the term "independent states of the former Soviet Union" includes the following states that formerly were part of the Soviet Union: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

SEC. 205. AUTHORITY.

(a) In General.—(1) The President, acting through such agency as he may designate, is authorized to establish a program for technical assistance in local and regional self-government to the independent states of the former Soviet Union to carry out the purposes of this title.

(2) Of the amounts authorized to be appropriated, an appropriate amount should be made available for necessary administrative expenses by the implementing agency.

(b) Grants.—In providing assistance under subsection (a), the President shall, subject to the availability of appropriations, make grants to eligible organizations to cover the travel and administrative expenses incurred by such organizations in conducting—

(1) an assessment of the need by any independent state of the former Soviet Union for fiscal, legal, and technical expertise at the local and regional level; and

(2) training of local and regional governmental officials in democratic institution-building and public administration.

(c) Location.—Funds made available under this title may not be used for any period in excess of 6 months with respect to any single visit authorized by this section.

SEC. 206. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—In addition to amounts otherwise available for such purposes, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

(b) Availability of Funds.—Funds authorized to be appropriated pursuant to subsection (a) are authorized to remain available until expended.

SEC. 207. TERMINATION.

This title shall terminate 5 years after its date of enactment.

Mr. WELLSTONE. Mr. President, first, let me thank both the managers, Senators PELL and LUGAR, for their support. Second, let me thank the Foundation for Social and Political Research, located in Moscow, and the International Center in our own country, for their help in conceptualizing and developing this proposal.

Mr. President, I will describe this amendment in a couple of minutes.

This was initially in bill form and now it is in amendment form. It is an important piece of legislation called the International Local Government Exchange Act of 1992. This amendment acknowledges that our country has flourished, in part, because we have had a grassroots political culture, and that certain elements of this grassroots political culture can be transferred to the Republics. This amendment provides for an exchange program whereby State and local officials and public administrators from our country can spend time in the new Republics, and their officials and experts can also come to our country. They can spend up to 6 months, Mr. President, exchanging ideas and expertise in a wide variety of areas related to local and regional government.

I think the important thing about this amendment—I could go on for hours about the benefits of this program, but I will not—is that I think a democratic polity is a critical prerequisite for a successful economy. We know from our own experience in our country that much of the design of programs and much of the creativity is at the State and local level. This is an effort to take what has often worked well in our country and transfer ideas and expertise to the people of the new Republics.

Finally, I want to thank both of the managers of this bill, because this is really, for me, an important moment in the U.S. Senate. I visited the Russian Republic with my wife, Sheila, in December. The idea for this exchange program came out of the conference we had there sponsored by the Foundation for Social and Political Research, where a number of different people from the Republics said this is something that would be critical to the success of their efforts to establish strong and effective systems of local government.

I am pleased about this amendment, I think it and the support it has received from my colleagues strengthens the bill. I would like to dedicate this amendment to my father, Leon Wellstone, who passed away in 1983, but who was born in Odessa in the Ukraine and lived in Khabarovsk. This is especially meaningful to me, and I thank Chairman PELL for his support for the amendment.

Mr. President, last week we heard Russian Federation President Boris Yeltsin promise that his democratic reforms were moving forward, and that the success of those reforms depends upon critical assistance from the West. Many of my colleagues and I have been deeply impressed by his commitment to reform, and have indicated consistent support for helping his Government and the Russian people establish a democratic polity and strong democratic traditions.

Last week, in anticipation of the upcoming debate this week on aid to the independent Republics of the former Soviet Union, I introduced legislation to authorize a comprehensive 5-year, people-to-people exchange program designed to help the Republics build strong, vital democratic institutions of local and regional governance. I have reconfigured that legislation into this amendment, which I am offering on behalf of myself and Senators HARKIN and GORTON. I am grateful for their support, and urge all of my colleagues to join as cosponsors of this effort.

Establishing democratic local governments throughout the Republics that are responsive to local problems is critical to the democratic transformation of the Republics. The success of their efforts to democratize their systems of government and privatize their economy will depend in large part on the willingness of their diverse regional and local governments to stay in the Federation, maintain peaceful relations, and develop regimes to address the problems and concerns of the people of those Republics on the local level. No matter how many decrees issue from Moscow, reform will falter if local courts fail to protect individual rights, and if local governments are unable to protect their citizens or provide for a system which allows for the free flow of goods and services across local and regional jurisdictional lines, and unable to promote economic development and social welfare through efficient and equitable tax and regulatory systems. This amendment is designed to provide urgent technical assistance to local and regional governments in these and other areas.

Last December, I traveled to the former Soviet Union to assess firsthand a key moment in its political and economic transformation. During that visit, I attended a conference on federalism sponsored by the Foundation for Social and Political Research in Moscow, which included parliamentarians and other public officials from the various Republics, and experts and prominent scholars from all over the world, committed to establishing a workable system of Federal Government there rooted in and responsive to local needs. Almost without exception, the Russian officials at this conference expressed a strong desire for extensive consultations with knowledgeable and experienced administrators from the West who could help them to develop a democratic polity and establish democratic institutions. They especially underscored their need to develop expertise both to deal with the everyday problems confronting local and regional governments and to manage the dramatic changes that will flow from the establishment of autonomous and democratic institutions of local government.

While S. 2532 as reported by the committee authorizes extensive business, educational, and cultural exchanges, it does not directly address the critical question of establishing and strengthening local and regional democracy. This local and regional government support is essential if the long, grim legacy of centralized rule is to be broken and democracy is to flourish. I believe that unless the highly centralized and hierarchical command system of governance is abandoned in favor of a more decentralized system of local, regional, and national governments that is responsive to the needs of all citizens, the evolution toward democracy and economic reform could be aborted.

Mr. President, the fragility of the political situation prevailing in many regions and localities of the former U.S.S.R. underscores the urgency of adopting this amendment. To demonstrate the pressing need to establish viable democratic local and regional governments, let me briefly describe the acute problems of governance now faced by Russia, which to varying degrees are shared by other independent States of the former U.S.S.R.

The sudden collapse of the central totalitarian regime resulted in a flowering of nongovernmental institutions, such as civic associations, unions, and economic cooperatives. Unfortunately, there has not been a comparable development of democratic local government. Beyond the reach of central authorities, local governance in some areas is in danger of remaining under the sway of old guard Communist apparatchiks. For the most part, democratic governance is confined to the upper echelons of Yeltsin's government, the Russian Parliament, and the city councils of Moscow, St. Petersburg, and a few other cities. In many regions, holdovers from the Brezhnev era still retain considerable power. Despite Yeltsin's appointment of representatives of the president to most oblast governments, veteran party bureaucrats continue to dominate the scene. I view with particular alarm the growing tendency for reforms promulgated by the center to be sabotaged or ignored by local officials. Without the cooperation of local authorities, no meaningful political or economic reform is possible.

Not surprisingly, frictions between the national government and regional and local governments are on the rise. In rural areas, rural governments need to be created to replace collective farm officials who formerly held sway and to provide such services as maintaining farm-to-market roads. And local governments must be given the know-how to provide efficiently the public services needed by citizens.

While my amendment establishes an international exchange program for public administrators and public officials to be administered by the U.S. Information Agency, it will depend on contractor support from such organizations as the National Governor's Association, the National Association of Counties, the United States Conference of Mayors, and the National Academy of Public Administration. These, and similar organizations, can mobilize the most able and experienced of America's State and local officials to provide training and other technical assistance to their counterparts in the former U.S.S.R. National associations of State and local officials are well-suited to help build democratic regional and local governments and to develop mechanisms to promote intergovernmental and interethnic cooperation. They have experience in carrying out the kind of assistance activities proposed in my amendment; they operate extensive technical training programs for their memberships; and many have in the last year been inundated with requests for such technical assistance from the Republics. In discussions with representatives of these groups, they have indicated their strong interest in participating in a program similar to that outlined in my amendment. They have recently formed a consortium of groups ready to implement such an exchange program, and have been working with USIA under existing authorities to prepare their program plans. Of course, if there are other experienced groups able to provide such assistance in addition to those given priority in the legislation, USIA should give their proposals every consideration as well.

Mr. President, economic assistance alone will not guarantee the survival of democracy in the former Soviet Republics. Without the development of local and regional institutions that make democratic self-government possible, and without a democratic polity taking root across the Russian Federation, there will be no real reform. In contrast to the United States, the peoples of the former U.S.S.R. have virtually no history of local democracy and little experience with local self-government. They are now asking us to provide them with the expertise we have gained from over 200 years of democratic self-rule. If we are concerned about the fate of democracy in the independent states of the former Soviet Union, we dare not turn them down.

I urge my colleagues to support the inclusion of this amendment into the Freedom Support Act.

I yield the floor.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from Minnesota for a very corrective amendment and a very moving tribute to his father. His cooperation and commendation of this legislation is much appreciated on this side.

Mr. PELL. Mr. President, I agree that this is an excellent piece of legislation, and it is a tribute to not only his father but also to Senator WELLSTONE.

I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to amendment 2652.

The amendment (No. 2652) was agreed to.

Mr. WELLSTONE. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair recognizes Senator NUNN.

AMENDMENT NO. 2653

(Purpose: To authorize additional steps to promote the demilitarization of the independent states of the former Soviet Union)

Mr. NUNN. Mr. President, I rise to offer an amendment on behalf of myself, Senators WARNER, EXON, THURMOND and other members of the Armed Services Committee to section 8 of the Freedom Support Act as reported by the Foreign Relations Committee. I send that amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for himself, Mr. WARNER, Mr. EXON, Mr. THURMOND, Mr. BINGAMAN, Mr. COHEN, Mr. LEVIN, Mr. LOTT, Mr. MACK, Mr. MCCAIN, Mr. SHELBY, Mr. SMITH, and Mr. WALLOP, proposes an amendment numbered 2653.

Mr. NUNN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 35, strike out line 21 and all that follows through line 22 on page 36 and insert in lieu thereof the following:

(a) DEMILITARIZATION OF THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—

(1) CONGRESSIONAL FINDING ON SIGNIFICANCE OF DEMILITARIZATION.—The Congress finds that it is in the national security interest of the United States—

(A) to facilitate, on a priority basis—

(i) the transportation, storage, safeguarding, and destruction of nuclear and other weapons of mass destruction of the independent states of the former Soviet Union;

(ii) the prevention of proliferation of weapons of mass destruction and destabilizing conventional weapons of the independent states of the former Soviet Union, and the establishment of verifiable safeguards against the proliferation of such weapons;

(iii) the prevention of diversion of weapons-related scientific expertise of the former Soviet Union to terrorist group or third countries; and

(iv) other efforts designed to reduce the military threat from the former Soviet Union;

(B) to support the conversion of the massive defense-related industry and equipment of the independent states of the former Soviet Union for civilian purposes and uses; and

(C) to use existing authorities and funding to expand military-to-military contacts between the United States and the independent states of the former Soviet Union.

(3) AUTHORITY.—The President is authorized, consistent with paragraph (1), to establish programs for—

(A) transporting, storing, safeguarding, disabling, and destroying nuclear, chemical, and other weapons of the independent states of the former Soviet Union, as described in section 212(b) of the Conventional Forces in Europe Treaty Implementation Act of 1991 (Public Law 102–228);

(B) establishing verifiable safeguards against the proliferation of such weapons;

(C) preventing diversion of weapons-related scientific expertise of the former Soviet Union to terrorist groups or third countries;

(D) facilitating the conversion of military technologies and capabilities and defense industries of the former Soviet Union into civilian activities; and

(E) establishing science and technology centers in the independent states of the former Soviet Union for the purposes of engaging weapons scientists and engineers previously involved with nuclear, chemical, and other weapons of mass destruction in productive, nonmilitary undertakings.

(3) FUNDING AUTHORITY.—In recognition of the direct contributions to the national security interests of the United States of the activities specified in paragraph (2), the President is authorized to make available such sums as may be necessary of funds made available under sections 108 and 109 of Public Law 102–229, funds made available to carry out the provisions of section 23 of the Arms Export Control Act, and funds made available to carry out this Act, to carry out the provisions of paragraph (2).

(4) PRIOR NOTICE OF OBLIGATIONS TO CONGRESS.—Not less than 15 days before obligating any funds made available for a program under paragraph (2), the President shall transmit to the appropriate congressional committees a report on the proposed obligation. Each such report shall specify—

(A) the account, budget activity, and particular program or programs from which the funds proposed to be obligated are to be derived and the amount of the proposed obligation; and

(B) the activities and forms of assistance under paragraph (2) for which the President plans to obligate such funds.

(5) QUARTERLY REPORTS ON PROGRAMS.—Not later than 30 days after the end of each fiscal year quarter for fiscal years 1992 and 1993, the President shall transmit to the appropriate congressional committees a report on the activities carried out under paragraph (2). Each such report shall set forth, for the preceding fiscal year quarter and cumulatively, the following:

(A) The amounts expended for such activities and the proposes for which they were expended.

(B) The source of the funds obligated for such activities, specified by program.

(C) A description of the participation of all United States Government departments and agencies in such activities.

(D) A description of the activities carried out under paragraph (2) and the forms of assistance provided under that paragraph.

(E) Such other information as the President considers appropriate to fully inform the Congress concerning the operation of the programs authorized under paragraph (2).

(6) DEFINITIONS.—As used in paragraph (4) and (5)—

(A) the term "appropriate congressional committees" means—

(i) the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Appropriations of the House and the Senate, wherever the account, budget activity, or program is funded from appropriations made under the international affairs budget function (150), and the activity funded is a foreign relations activity;

(ii) the Committees on Armed Services and the Committees on Appropriations of the Senate and the House of Representatives, wherever the account, budget activity, or program is funded from appropriations made under the national defense budget function (050), and the activity funded in a defense activity; or

(iii) all congressional committees referred to in clauses (i) and (ii)—

(I) wherever the account, budget activity, or program is funded from appropriations made under the national defense budget function (050), but the activity is a foreign relations activity; or

(II) wherever the account, budget activity, or program is funded from appropriations made under the international affairs budget function (150), but the activity funded is a defense activity;

(B) the term "defense activity" means any activity which, if the subject of legislation, would require such legislation to be referred, under the rules of the respective House of Congress, to the Committee on Armed Services of the Senate or the Committee on Armed Services of the House of Representatives; and

(C) the term "foreign relations activity" means any activity which, if the subject of legislation, would require such legislation to be referred, under the rules of the respective House of Congress, to the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives.

On page 44, line 2, insert "(other than section 8(a))" after "Act".

Mr. NUNN. Mr. President, this amendment, dealing with measures to facilitate demilitarization of the former Soviet Union, has been worked out in most details by our two committees on a bipartisan basis. And I hope we will be able to say shortly that all details have been worked out. I had previously been informed that all details had been worked out, but have just been notified that perhaps we have one remaining problem. We have reached agreement on the substance of the amendment, which I believe deals adequately with the jurisdictional as well as substantive concerns of both committees.

Mr. President, when this bill was first introduced, the Senator from Rhode Island and I, and the Senator from Indiana, all conferred and decided, along with the Senator from Virginia, that even though some of this legislation would normally go to the Armed Services Committee, in the interest of time and to expedite the matter, which I felt needed expediting, we would not request sequential referral to our committee. In the meantime, we would work with the Foreign Relations Committee to iron out any wrinkles, since a lot of this legislation does relate to matters that we dealt with last year on the defense authorization bill. So that is the background here, and we are working out this amendment in accordance with that agreement.

Essentially, this amendment makes the following substantive change in section 8 of the bill as reported out of the Foreign Relations Committee. It would make the so-called Nunn-Lugar funding available for United States projects to assist defense conversion in the former Soviet Union, primarily in Russia and Ukraine, where defense enterprises are concentrated. We agree with the general approach to conversion in the bill as reported, which is to focus on improving the climate for investment in defense conversion by the U.S. private sector.

This approach is not foreign aid in the usual sense of the term. It is certainly not charity. By helping to downsize the old Soviet defense establishment, and by limiting the likelihood of proliferation of weapons and weapons know-how, this approach is a prudent investment in our own national security. It is for that reason that last year I had this particular proposal in the original legislation that was considered in the Armed Services Committee, then scaled down to what became known as the Nunn-Lugar amendment. We took out the section on defense conversion because at that time, unlike now, it was a controversial subject.

This is also an investment in improving the business environment for American companies. There is no question that the defense sector of the former Soviet Union contains valuable human and material resources. This approach to facilitating defense conversion in the countries of the former U.S.S.R., therefore, should result in the long-term in American profits and American jobs that will fully justify our initial investment.

Mr. President, I want to take this opportunity to congratulate the Senator from Rhode Island and the Senator from Indiana and express my support for the overall bill under consideration. I also congratulate the Senator from Delaware [Mr. BIDEN], who has been very involved in this legislation, as well as others.

After a fact-finding trip to Russia and Ukraine in March of this year, Senators LUGAR, WARNER, BINGAMAN, and I issued a unanimous bipartisan report that pointed out a number of deficiencies, some of which we felt were critical, in the administration's approach to the former Soviet Union. Our report also outlined a number of detailed recommendations which we felt were necessary to deal with the prospects of democracy and reform in these countries. Our report contained numerous recommendations for U.S. assistance. I am gratified that almost all of our suggestion are contained in the legislation before us.

The one area that I hope to emphasize in our defense authorization bill that is not emphasized in this bill is the area of military-to-military visits and also exchange programs in general.

I know Senator BRADLEY is working on legislation in regard to exchange programs with Americans. I think it is critical at this time that we have an open policy, an innovative policy of having substantial number of former Soviet military officers visit our Nation. I think it can serve many purposes, including exposing them to democracy and a market economy, acquainting them with our own defense and military people, and most importantly, taking some of the pressure off back home in terms of the military and their frustrations, which are inevitable, growing and potentially destabilizing.

Mr. President, with the inclusion of the amendment that my colleagues and I are proposing today, and with the amendment Senator WARNER will be offering shortly, which I am a coauthor of, I believe this bill will merit the support of the Senate.

The situation in the former Soviet Union is no less critical now than it was when Senators LUGAR, BINGAMAN, and I visited Russia and Ukraine last March.

Now, as then, it is squarely in the national security interests of the United States to assist the difficult transition underway there from totalitarianism to democracy, and from a centrally mobilized command economy to a pluralistic, demand-driven market economy.

Our assistance should include greatly expanded human contacts, in addition to humanitarian, financial and technical assistance. And as I have stated, it is in our interests to expand people-to-people exchanges of the sort sponsored by private American organizations such as Friendship Force. It is in our interests to develop extensive military-to-military exchanges that will assist the officer corps of Russia and the other new countries of the former U.S.S.R. to move to new military roles and missions as well as to new principles of civilian oversight.

Mr. President, exchanges of this kind are in keeping with the letter and the spirit of this bill, which I hope will be promptly and overwhelmingly endorsed by the Senate.

I hope that we do not get bogged down with so many amendments that this bill languishes, because I think it is absolutely essential to our national security that we move forward.

Mr. President, I know that the Senator from Virginia will propose an amendment to my amendment. I would like to state in advance that this is a part of our original package, that he is a sponsor of this amendment and I am a sponsor of his secondary amendment, which I hope will be accepted by the Senate and incorporated as a part of this amendment to the Freedom Support Act.

The PRESIDING OFFICER. The Chair recognizes the Senator from Virginia [Mr. WARNER].

AMENDMENT NO. 2654 TO AMENDMENT NO. 2653

(Purpose: To attach conditions to the proposed program set forth in the Nunn amendment)

Mr. WARNER. Mr. President, I have a second-degree amendment at the desk, and I ask unanimous consent that it be given immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows

The Senator from Virginia [Mr. WARNER], for himself, Mr. NUNN, Mr. COHEN, Mr. EXON, Mr. LEVIN, Mr. LOTT, Mr. MACK, Mr. MCCAIN, Mr. SHELBY, Mr. SMITH, Mr. THURMOND, Mr. WALLOP proposes an amendment numbered 2654 to amendment No. 2653.

Mr. WARNER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of proposed section 8(a)(1), as proposed to be inserted by the Nunn, et al. amendment, insert the following new paragraph and renumber remaining paragraphs and internal references to paragraphs in the Nunn, et al., amendment accordingly:

"(2) EXCLUSIONS.—In addition to the conditions on eligibility set forth in section 5(b), United States assistance under paragraph (3) may not be provided unless the President certifies to the Congress, on an annual basis, that the proposed recipient is committed to—

(A) making a substantial investment of its resources for dismantling or destroying such weapons of mass destruction, if such recipient has an obligation under treaty or other agreement to destroy or dismantle any such weapons;

(B) forgoing any military modernization program that exceeds legitimate defense requirements and forgoing the replacement of destroyed weapons of mass destruction;

(C) forgoing any use in new nuclear weapons of fissionable or other components of destroyed nuclear weapons; and

(D) facilitating United States verification of any weapons destruction carried out under section 212 of the Conventional Forces in Europe Treaty Implementation Act of 1991 (Public Law 102-228)."

Mr. WARNER. Mr. President, I rise in support of the underlying amendment offered by the distinguished chairman of the Armed Services Committee and now to offer a second-degree amendment on behalf of myself, Senator NUNN, Senator THURMOND, Senator COHEN, Senator EXON, Senator LEVIN, Senator MCCAIN, Senator BINGAMAN, Senator WALLOP, Senator SHELBY, Senator LOTT, Senator MACK, and Senator SMITH.

In my opinion my second-degree amendment is essential in order to protect the United States national security interest as we proceed along the path of providing assistance to our former Soviet adversaries now the several independent States of the former Soviet Union.

As my colleagues well know, I have long been a supporter of assistance to the new independent nations of the former Soviet Union and was an original cosponsor of the first Soviet aid package passed by the Congress, the so-called Nunn-Lugar amendment. Indeed, as I said on April 2 before the Senate, the day after President Bush announced his intention to submit an aid package for the former Soviet Union, The President's proposed aid package holds out the prospect of being the single most important contribution that the West can make to help the new States achieve their goal of self-determination and democratic values.

My feelings on this issue were reinforced as I sat along with my colleagues in the House chamber last week and listened to the historic address by the Russian President Yeltsin.

However, since President Bush announced his aid package on April 1, I have been concerned that his proposal lacks the sufficient clear linkage that I deem essential between the provision of assistance to the former republics and actions by those Republics to reduce the military threat to the United States. The bill, which is before the Senate today likewise, in my judgment does not sufficiently have linkage in it that would do that.

Therefore, my amendment is to cure that deficiency.

Mr. President, in my opinion we cannot ask the American citizens, the taxpayers, to support such a substantial aid package as is now before this body. To give assistance, well-deserved, well-intentioned, and needed assistance to our former adversaries unless we as a Nation are able to demonstrate a direct benefit to the United States, namely, a reduction in the continuing military threat to our Nation posed by the military weapons and the military establishment of the newly independent states of the former Soviet Union.

Mr. President, during the debate on the original Nunn-Lugar legislation last fall, many Members of this body raised serious questions about a continuing threat to the United States posed in particular by the massive strategic nuclear arsenal of the former Soviet Union which is largely still intact among the several new independent States. Since that legislation was enacted, we have seen further historic and very positive developments in Russia and other new independent States of the former Soviet Union toward democracy an demilitarization, which I discussed on April 2 before the Senate. I believe that the strict conditions in the Nunn-Lugar bill governing United States assistance contributed greatly to continued progress toward democracy in Russia and the other former republics.

More recently, in May, Russia and the three former Soviet Republics with nuclear weapons on their territories reached agreement in principle to become signatories to the START Treaty. The joint statement of Presidents Bush and Yeltsin at the recent Washington summit to further reduce strategic nuclear weapons in both our countries is another step forward. These are welcome developments, but I caution that the details of implementation of the Lisbon agreements as well as the summit agreements are still under discussion.

Later this month, a very high level delegation from the United States will visit the Russian Republic and perhaps others for the purpose of moving forward the concept of reducing military tension and indeed implementing the agreements reached here between Presidents Bush and Yeltsin.

Today, the massive strategic nuclear arsenal of the former Soviet Union remains essentially intact. Whether through inertia or intention, modernization and production of both conventional and strategic weapons continue in these new Republics, albeit at a greatly reduced rate. We must keep in perspective the potential continuing threat posed by these weapons of mass destruction and our responsibility to the security of the citizens of the United States.

I, therefore, believe it is essential that we continue to work with Russia and the other new independent States toward mutually beneficial reductions in the continuing military threat to the peoples of both the United States and the new States. Conditioning United States financial assistance to the former Soviet Union on their own commitment to threat reduction is in the best interest of both our countries.

Mr. President, what we are proposing in this second degree amendment is very modest, and actually has been adopted once before by the Congress in November 1991. In essence, this amendment would restate four of the vital conditions contained in the original Nunn-Lugar legislation. If this amendment is adopted, prior to the provision of funding for demilitarization activities authorized in this section, the President must certify to the Congress on an annual basis that the proposed recipient is committed to:

First, making a substantial investment of its own resources for dismantling or destroying weapons of mass destruction;

Second, forgoing any military modernization program that exceeds legitimate defense requirements and forgoing the replacement of destroyed weapons of mass destruction;

Third, foregoing any use in new nuclear weapons of the fissile or other components of the destroyed weapons; and

Fourth, facilitating U.S. verification of any weapons destruction carried out under the Nunn-Lugar legislation.

I believe my colleagues will agree that these conditions are reasonable and do not set an unachievable standard. In fact, the President has already made such a certification this year for Russia, Ukraine, and Belarus.

Mr. President, we would be remiss in our responsibilities if we did not require these same conditions as a part of this package and legislation now before the Senate.

Therefore, I urge the Senate to continue basically the same conditions that were imposed in the Nunn-Lugar legislation on the bill before the Senate.

I yield the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER (Mr. WELLSTONE). The Senator from Indiana.

Mr. LUGAR. Mr. President, I deeply appreciate the work of the distinguished Senator from Virginia in the amendment that he has offered and his recapitulation of the work of the Senate last November which has proved to be important in focusing attention on the problems of proliferation of tactical nuclear weapons and their collection and destruction.

Let me just take this opportunity, and I hope the Senator from Georgia is within earshot, because I simply want to commend the distinguished chairman and ranking member of the Armed Services Committee for their leadership in both the endeavors we are talking about today and in a trip to Russia in March that included the distinguished chairman and ranking member, Senator BINGAMAN, and myself.

Just for the sake of the historical record, upon our return, we were permitted a meeting with the Secretary of State, Mr. Baker, and an opportunity, face to face, to describe to him elements which we felt were important for the administration to embrace. And in fact he acted swiftly after that meeting to incorporate these elements and many others that were a part of his purview into a draft of the Freedom Support Act. Secretary Baker was present with the four Senators that I have mentioned in the Oval Office of the White House as President Bush embraced the essentials of the work that we are undertaking today.

I commend once again the distinguished chairman and ranking member of the Armed Services Committee for organizing very substantial efforts to bring before their committee and before the Senate essential items that we must adopt, in my judgment, to ensure that that relationship with the Russian Republics is sound.

For that reason, I support the amendments that they have offered, the original amendment offered by Senator NUNN, and the perfecting amendment by Senator WARNER. I think they are an excellent statement not only of policy but likewise of the relations between our committees.

Mr. WARNER. Mr. President, I wish to thank my distinguished colleague from Indiana and likewise the distinguished chairman of the committee for the cooperation that they individually provided to us in accepting these amendments, as well as their respective staffs.

The PRESIDING OFFICER. Is there further debate?

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I am waiting for the Senator from Delaware [Mr. BIDEN] who has been a very key participant and has a keen interest in this particular amendment. While we are waiting for him, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I also ask permission of the managers of the bill, if they will accept a unanimous consent request for me to speak out of order as in morning business for 5 minutes and set the pending amendment aside.

The PRESIDING OFFICER. Is there objection?

Mr. WARNER. Mr. President, reserving the right to object, would not procedure allow Senators to speak as in morning business and not require the amendment to be laid aside? That is, the underlying amendment and the second-degree amendment?

I would have to interpose an objection on behalf of the chairman of the Armed Services Committee and myself to setting aside the amendment.

I would not object if the Senator desires to speak as in morning business for 5 minutes.

The PRESIDING OFFICER. Any Senator has a right to speak out of order at this time.

Mr. REID. I would so proceed, then, and withdraw my request to set the amendment aside.

Mr. WARNER. Mr. President, parliamentary inquiry. The inquiry is, at the conclusion of the remarks of the Senator from Nevada—whatever time he wishes to take—the pending business remains the Nunn amendment, modified by the second-degree amendment of the Senator from Virginia?

The PRESIDING OFFICER. The Senator from Virginia is correct.

Mr. WARNER. I have no objection.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

HEALTH CARE

Mr. REID. Mr. President, there is a debate going on as we speak about health care delivery in this country. And many times—in fact, most of the time we talk—we like to talk hypotheticals. We do not talk reality; we do not identify with real problems that face this country in regard to medical care.

I received a letter in my office a day or two ago, addressed to me, from a friend of mine who is a physician in Las Vegas, NV; a doctor who specializes in internal medicine, one who has a reputation for fairness, for being a fine physician. He was associated at one time with the University of California, Los Angeles Medical School. He wrote me a letter and, in effect, indicated that there is a problem. He accompanied his communication with a letter that he sent to the Medicare people. In fact, the person to whom the letter was sent was Mr. Michael Hudson, Health Care Financing Administration, in Baltimore, MD.

In effect, Dr. Alan Feld, the physician that I talk about, indicated he had been taking care of a person with a severe case of asthma for an extended period of time. And he would occasionally see this woman when her asthma exacerbated. When it got very bad, she could not breathe.

He was able, with relative ease, to treat this woman in his office. He would treat her acute episodes in his office with some intravenous process. This woman was covered by Medicare.

Medicare, as you know, is regulated by HCFA, and that is who this letter was written to. Dr. Feld submitted a bill for his treatment for $100.54. That is exactly $50.94 for the doctor, and $50 for this intravenous treatment.

Medicare would not pay this. In fact, they agreed to reimburse him for taking care of this woman, but only $28.50.

He said, "I will not continue this. I have been taking care of this woman for years. She is OK, and this is wrong." He said, "The next time this happens"—and wrote and told them—"I am going to send her to the hospital. She will be taken care of in the emergency room."

Sure enough, a while later this woman had a severe asthma attack. I do not know how many people here have ever seen anyone with a severe asthma attack, but it is very, very scary for a nonmedical person, and probably scary to some people who treat these individuals on a frequent occasion.

He sent her to the emergency room of one of the hospitals in Las Vegas. They took care of this woman, charging about $1,200. The exact amount, in fact, for the treatment that she received was $1,227.50 for the emergency room care, plus $260 for the physician's charges, for a total of $1,487.50.

Of course, this bill will be paid. In fact, Medicare will not cover all of it, indigent care will be supplied by the taxpayers of Clark County, NV.

What I am trying to say here, Mr. President, is we wonder why we have a mess with health care delivery? We have a problem because of situations like this where, in effect, somebody can be taken care of for $100 in a doctor's office. But instead, the only way they can be taken care of and have their bill paid is if they go to the emergency room and pay, instead, $1,500.

We have to be realistic about what is happening in our country. The health care delivery system is falling apart for reasons like this. And I think we, as a legislative body, must start talking about reality. We have to understand that the system is broken, and we need to do something to take care of it. And a lot of the problems we are having is with Medicare—those people who do the reimbursement not being realistic about what it costs, and looking at what the budget is today and not down the road.

We must be concerned that the things we talk about relating to health care affect human beings, individuals, and are not just theories in medical schools across the country.

Mr. President, I ask unanimous consent the letter to which I referred be printed in the RECORD, and I yield the floor.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

ALAN W. FELD M.D., CHARTERED,
Las Vegas, NV, May 18, 1992.

Mr. MICHAEL HUDSON,
Health Care Financing Administration,
Baltimore, MD.

DEAR MR. HUDSON: Mrs. BV has been followed in this office for many, many years, representing one of the most severe, resistant, and difficult to treat cases of asthma I have ever encountered in all my years of medical practice.

Over the years, we have been able to limit her hospitalizations to very few, by treating her acute exacerbations in the office. Such treatment includes careful examination, and administration of appropriate medications both intramuscularly and intravenously. The level of success of our treatments has truly been dramatic.

Recently, Medicare has chosen to deny payment for most of this treatment. For example, see the enclosed Explanation of Medicare Benefits form dated March 26, 1991, dealing with the office care of an acute episode on January 22, 1991. You will note that Medicare allowed $28.02 toward our professional charge of $50.94, and totally denied the $50.00 charge for the intravenous treatment which was successful in aborting the attack and preventing a hospitalization.

Enclosed is a copy of my letter dated March 29, 1991 protesting to Medicare, and a copy of my letter dated June 12, 1991 to Dr. Turney of the Medicare Advisory Committee on Medicare-Physician Relationships. Medicare responded by allowing us the magnificent sum of $2.56 for the slow intravenous infusion of aminophylline.

As a result of this outrageous, insulting, and unacceptable refusal on the part of Medicare to honor our extraordinarily reasonable fees for this type of emergency treatment, we resolved that, in the future, we would refer Mrs. V to the emergency room when she next presented with an acute exacerbation of asthma. She did, indeed, present with a severe exacerbation of acute asthma on April 20, 1992, of precisely the type we have treated time and time again over the past approximately twenty years in our office, without emergency room or hospital assistance or charges. On this occasion, however, because of the arrogant treatment from Medicare, we referred Mrs. V to the emergency room for treatment.

Enclosed is the billing from the emergency room to cover her charges for the treatment which they provided at that time. Please note that the emergency room charged $1,227.50, plus the physician charges of $260.00, for a grand total of $1,487.50!

Now isn't that just wonderful! Medicare was willing to pay only $28.00 of our $100.00 charge, yet they will now pay the bulk of this almost $1,500.00 charge from the emergency room for treating the very same exact problem in the same patient!

This type of irresponsible and sophomoric administration on the part of the Medicare administration is resulting in an increase in costs rather than a control of costs. When Medicare is unwilling to pay a Board Certified Cardiologist a modest fee for caring for a life threatening emergency, the inevitable result will be that that emergency will be referred to the emergency room where Medicare will be faced with extraordinarily higher costs. The simple reason for this is that we are not able to provide free care in our expensive office facilities as Medicare would apparently like us to do.

I thought you might be interested in this single episode, which I am sure will be duplicated many times in the future for this patient and probably for thousands of patients all over the country. If you have any comments, I would certainly enjoy hearing from you.

Very truly yours,

ALAN W. FELD, M.D.,
CHARTERED.
ALAN W. FELD, M.D.,
F.A.C.C., F.A.C.P.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. COHEN. Mr. President, I ask unanimous consent I be allowed to proceed as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

RUSSIAN DEMOCRACY

Mr. COHEN. Mr. President, no Member of Congress could help but be moved when the speaker at the rostrum of the House of Representatives greeted America "on behalf of the Government and people of new Russia * * * the newborn Russian democracy * * * free Russia."

It was no wonder that the House Chamber resounded with applause when he proclaimed that:

> During the last few months, Russia has really lived through events of world wide importance. With a single impulse, the nation has thrown down the old fetters of slavery. Free, she is entering now the dawn of new life, joining the ranks of democracy. * * *

And again when he declared that:

> * * * there are now being firmly established in the minds of the nation principles that power is reposed and springs from the people. Government by the consent of the governed.

And, especially, when he pronounced that:

> Russia wants the world to be safe for democracy.

Unfortunately, Mr. President, none of us was there to hear those rousing words. And the reason none of us was there was that they were spoken 75 years ago this week. They were spoken by another Boris—Boris Bakhmeteff, the new Ambassador to Washington from the provisional government of Alexandr Kerensky, which assumed power after the fall of the czar.

And, of course, only a few months after those words were spoken, Lenin had dispatched them to the ashheap of history. The great hopes for a democratic Russia applauded on the House floor 75 years ago were crushed by ruthless forces that took advantage of the flux and fragility that reigned after one regime collapsed and while another had yet to be built.

Mr. President, Justice Holmes reminded us that we look to the past not out of desire but necessity. If we are looking for a model for the current situation in Russia, we could do worse than using the situation Russia found itself in 75 years ago. And we would be wise to remember the warning Ambassador Bakhmeteff offered then:

> It is not easy to comprehend what it means to reorganize all of Russia along democratic lines. Such work involves the whole of our social, economic, and political relations. The entire State structure is affected by the changes involving village, district, county; in fact, every part from the smallest to the central State. We should not forget that in this immense transformation various interests will seek to assert themselves, and until the work of settlement is completed a struggle among opposing currents is inevitable. * * * Attempts on the part of disorganizing elements to take advantage of this moment of transition must be expected. * * *

And after 75 years of Communist rule, the impediments to building democracy today are certainly no less than they were in 1917. When President Yeltsin told us that "the ominous lesson of the past is as relevent today as never before," I think he undoubtedly was aware that even as he spoke, reactionary forces in Russia were not sitting idly by. In Moscow and across Russia, former apparatchiks are working to undermine economic and political reforms, hoping that hopelessness will provide the opportunity to restore their power.

The legislation before the Senate cannot ensure the successful transformation of Russia into a democratic society with a market economy. But it can help to maintain the hope that these reforms will succeed and, in so doing, help to maintain the Russian people's resolve to stay the course in pursuing these reforms.

Mr. President, we seek to assist Russia in its transformation not as some kind of humanitarian gesture, not as a favor, not as a reward. We do so because our own interests demand it.

The transformation of the former Soviet republics to market economies and democratic, law-based institutions is of incalculable significance to the United States. As Secretary Baker has termed it, we have a once-in-a-century opportunity to build a peaceful, cooperative relationship with a democratic Russia.

While the peoples of Russia, Ukraine, and the other former Soviet republics must take the necessary and difficult steps to change their societies, we must take appropriate steps to increase their chance of success.

We have already begun some of these steps. Among other efforts, the United States has been providing:

Food and credits to buy U.S. agricultural products;

Medical supplies;

Technical assistance on many fronts ranging from how to set up modern financial and legal systems to how to bring food from field to market with minimal spoilage; and

Assistance in safely storing and destroying weapons.

Only with private sector investments, however, will there be available the tremendous resources needed to rebuild industry and infrastructure in Russia and the former Soviet republics. This bill, and especially an agreement on economic restructuring between Russia and the International Monetary Fund [IMF], are crucial if the private sector is to have the confidence necessary to making significant investments in Russia.

To help promote investment in Russia by American companies, this bill would allow Russia to use credits from the Export-Import Bank, the Overseas Private Investment Corporation, and the Private Sector Revolving Fund. It also calls for the establishment of American business centers, similar to the center now operating in Poland, to provide office space, business facilities, market analysis, and other services to United States firms and state economic development agencies exploring investment opportunities.

In addition to leveraging United States assistance in order to promote private sector investments, the bill seeks to aid Russian entrepreneurs who are in the front lines in creating a market economy. It calls for the establishment of enterprise funds, as we have already done in Eastern Europe, to make loans directly to small private businesses in Russia and the other republics. It also calls for the creation of a Eurasia foundation, modeled on the successful Inter-American Foundation, which assists private enterprise at the grass-roots level through training, technical assistance, and small-scale grants and loans.

The bill endorses U.S. participation in an international fund to help stabilize the ruble. By helping to make the ruble convertible, this will support the efforts of Russia and other republics to integrate their economies with the rest of the world, which is critical to their being able to help themselves. This would require no new funds from the United States, but would use funds already held by the International Monetary Fund.

The President does want the Congress to approve an additional contribution to the International Monetary Fund that the United States committed itself to over a year ago, although it is worth nothing that these funds will be placed in an IMF account that pays interest. According to the Treasury Department, during the 1980's, U.S. participation in the IMF resulted in a net financial gain of $628 million per year as a result of the interest that countries pay to borrow from the IMF and the exchange rate adjustments that have favored the U.S. dollar.

At the same time that we help the independent states of the former Soviet Union in their move toward democracy and free markets, it is also important that we continue to move forward in defanging the bear, especially when it comes to destroying those weapons that pose the greatest danger to the United States. In that regard, it is worth nothing that S. 2532 authorizes funds to promote demilitarization and defense conversion, prevent the diversion of weapons-related scientific expertise to terrorist groups or third countries, and improve proliferation safeguards.

Mr. President, it has been stated often that our Nation has won the cold war. Let us not turn an old saying on its head by snatching defeat from the jaws of victory. Let us not allow the stirring words of Boris Yeltsin to be forgotten from our memory the way Boris Bakheteff's were lost to tyranny 75 years ago.

Today we have an opportunity to make history. Depending on the final tally of our vote today, we may either secure the peace for our children and grandchildren or hand over our cold war victory to the forces of tyranny.

I urge my colleagues to make the right choice and vote to support this crucial legislation.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS WARS IN THE BALKANS

Mr. BYRD. Mr. President, Secretary of Defense Cheney strongly indicated in a meeting with the press, yesterday, that the administration is prepared to deploy and use American combat forces in the Balkans. If the report in the Washington Post of today is accurate, Mr. Cheney has signaled a major change in the policy of the administration toward inserting United States combat forces into the situation in Bosnia, and is backing it up with the deployment to the Adriatic Sea of an amphibious ready group of 6 ships and 2,200 marines.

There is a civil war going on in the Balkans. It is deplorable. Unfortunately, it is a piece of a larger mosaic in Eastern Europe and the Republics of the former Soviet Union—a sad, historically familiar tale of ethnic conflicts, animosities, tensions, and atrocities. The question is, Should the United States be about to intervene in these situations, even if under the banner of keeping the peace? The consequences of inserting U.S. combat forces is obvious. American men and women in uniform run the risk of injury and death in a foreign land.

The President is clearly obligated to consult with the Congress on this matter if this is the plan. If considerations are running along this line, then I believe the President needs to consult with the congressional leaders in both parties and on both sides of the hill.

If it is true that a new policy has been agreed to, if it is true that we are going to take a major new, historic step of inserting ourselves in the wars and strife of the Balkans, then again I say the President has an obligation to air it with the Congress—to consult with the Congress, before the Congress takes a recess. The Senate is departing on the July 4 recess presumably tomorrow night. I hope that we are not going to be treated to a recess war. I think that that would be a mistaken act. It does not matter whether United States forces are inserted into Bosnia or the other states of the former Yugoslavia at the request of the United Nations, or at the request of the European Community, or at the request of the warring parties or of anyone else. That is not the issue. The issue is a decision to engage ourselves in a foreign conflict—a foreign conflict that surely does not threaten the critical security interests of the United States in any way.

There is certainly no question that the situation in Sarajevo, Bosnia, is dangerous. A French Government effort to break into the siege being executed by Serbian forces on Sarajevo failed yesterday after gunfire erupted at the Sarajevo airport.

Mr. President, the situation in Yugoslavia is a throwback to the early years of this century—a powderkeg region which provoked the First World War. Intervention now, should it come, would be a step of the utmost significance, a step which would certainly serve as a precedent for U.S. policy throughout that region. Can the U.S. military do much good in that region? Are American lives to be put at risk for adventures in ethnic policing? What is the American national interest here? How are we to justify the expenditure of funds, and the possible loss of lives in such an adventure? What is the basis for this decision if it is to be that decision? Who else would be involved.

Now, what is going to happen if a U.S. aircraft were to be shot down and Americans are killed in action? Is the President contemplating sending in reinforcements telling the Nation to line up behind "our boys" fighting in Yugoslavia?

If this is going to be planned, I think the American people ought to be told what the risks are and what the possible consequences are of a White House recess war in the Balkans. And, if not during the recess, then the same would hold true at a later time.

We well know the risks of engaging in conflicts about which the American people have not been adequately informed. The lack of a fully informed consensus among the people means trouble if we experience the loss of American service men and women. The commitment of American life and treasure should not occur conveniently while the Congress is out of town, if there is any such thinking going on at the other end of Pennsylvania Avenue or at the Pentagon.

We have seen these tactics before and the administration would be well advised not to go down this road without adequate consultation and thorough briefings. Apparently, some at the Pentagon have expressed reservations over the risks of a growing U.S. involvement in the Balkans. One senior admiral, according to press accounts, expressed the anxiety that the U.S. military will be committed in the Balkans for much longer than civilian policymakers now anticipate. "Just try to define the end point in Yugoslavia," he said. That is a comment that should give every Member of this body a lot to think about, if we have time. However, our time to think about it may be running short. We may find, upon returning from the July recess, that we are in the thick of some very unusual soup in the Balkans.

Mr. President, I yield the floor.

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT OF 1992

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. What is the pending amendment?

The PRESIDING OFFICER. Amendment No. 2654 by Mr. WARNER to amendment 2653.

Mr. NUNN. Mr. President, I believe we have worked out the wrinkle that was the problem on this amendment, and I will have an amendment in the nature of a modified amendment in just a few moments. I would like to be able to bring it up.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. KASSEBAUM. Mr. President, I would like to respond to the Senator from West Virginia. I certainly can appreciate his concerns about a commitment of force in the protection of the humanitarian aid to Sarajevo.

I would like to say, Mr. President, I strongly support the President's decision to send a strong force and make a commitment to making such that that humanitarian relief can yet get into Sarajevo. In some ways we are breaking with precedent, but I think if it comes at the request of the Security Council of the United Nations, in concert with our allies, we must be prepared to help alleviate the suffering, and do what we can to protect that delivery of medicine and food.

I would like to see us think carefully through what our responsibilities are when such situations as this occurs because I think a case can also be made that we should help in Somalia to make sure that relief can get to that war-torn country where people are dying by the thousands.

It is not an easy nor is it a trivial decision. I am sure there are many who would wonder if we should just haphazardly start to engage around the world and pick a trouble spot here, and a trouble spot there. But I think there are clearly-defined reasons why and when it should be done.

I feel strongly, Mr. President, that that was the correct decision, and I admire the President for directing our efforts in that regard if and when the request comes from the United Nations.

I yield the floor, Mr. President.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2653, AS MODIFIED

Mr. NUNN. Mr. President, I send to the desk a modified amendment which makes the changes that have been agreed to by the Senator from Delaware, the Senator from Virginia, and myself.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 2653), as modified, is as follows:

Beginning on page 35, strike out line 21 and all that follows through line 22 on page 36 and insert in lieu thereof the following:

(a) DEMILITARIZATION OF THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—

(1) CONGRESSIONAL FINDING ON SIGNIFICANCE OF DEMILITARIZATION.—The Congress finds that it is in the national security interest of the United States—

(A) to facilitate, on a priority basis—

(i) the transportation, storage, safeguarding, and destruction of nuclear and other weapons of mass destruction of the independent states of the former Soviet Union;

(ii) the prevention of proliferation of weapons of mass destruction and destabilizing conventional weapons of the independent states of the former Soviet Union, and the establishment of verifiable safeguards against the proliferation of such weapons.

(iii) the prevention of diversion of weapons-related scientific expertise of the former Soviet Union to terrorist groups or third countries; and

(iv) other efforts designed to reduce the military threat from the former Soviet Union.

(B) to support the conversion of the massive defense-related industry and equipment of the independent states of the former Soviet Union for civilian purposes and uses; and

(C) to use existing authorities and funding to expand military-to-military contacts between the United States and the independent states of the former Soviet Union.

(3) AUTHORITY.—The President is authorized, consistent with paragraph (1) to establish programs for—

(A) transporting, storing, safeguarding, disabling, and destroying nuclear, chemical, and other weapons of the independent states of the former Soviet Union, as described in section 212(b) of the Conventional Forces in Europe Treaty Implementation Act of 1991 (Public Law 102–228);

(B) establishing verifiable safeguards against the proliferation of such weapons;

(C) preventing diversion of weapons-related scientific expertise of the former Soviet Union to terrorist groups or third countries;

(D) facilitating the conversion of military technologies and capabilities and defense industries of the former Soviet Union into civilian activities; and

(E) establishing science and technology centers in the independent states of the former Soviet Union for the purpose of engaging weapons scientists and engineers previously involved with nuclear, chemical, and other weapons of mass destruction in productive, nonmilitary undertakings.

(3) FUNDING AUTHORITY.—In recognition of the direct contributions to the national security interests of the United States of the activities specified in paragraph (2), the President is authorized to make available such sums as may be necessary of funds made available under sections 108 and 109 of Public Law 102–229, funds made available to carry out the provisions of section 23 of the Arms Export Control Act, and funds made available to carry out this Act, to carry out the provisions of paragraph (2)

(4) PRIOR NOTICE OF OBLIGATIONS TO CONGRESS.—Not less than 15 days before obligating any funds made available for a program under paragraph (2), the President shall transmit to the appropriate congressional committees a report on the proposed obligation. Each such report shall specify—

(A) the account, budget activity, and particular program or programs from which the funds proposed to be obligated are to be derived and the amount of the proposed obligation; and

(B) the activities and forms of assistance under paragraph (2) for which the President plans to obligate such funds.

(5) QUARTERLY REPORTS ON PROGRAMS.—Not later than 30 days after the end of each fiscal year quarter for fiscal years 1992 and 1993, the President shall transmit to the appropriate congressional committees a report on the activities carried out under paragraph (2). Each such report shall set forth, for the preceding fiscal year quarter and cumulatively, the following:

(A) The amounts expended for such activities and the purposes for which they were expended.

(B) The source of the funds obligated for such activities, specified by program.

(C) A description of the participation of all United States Government departments and agencies in such activities.

(D) A description of the activities carried out under paragraph (2) and the forms of assistance provided under that paragraph.

(E) Such other information as the President considers appropriate to fully inform the Congress concerning the operation of the programs authorized under paragraph (2).

(6) DEFINITIONS.—As used in paragraphs (4) and (5)—

(A) the term "appropriate congressional committees" means—

(i) the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Appropriations of the House and the Senate, wherever the account, budget activity, or program is funded from appropriations made under the international affairs budget function (150);

(ii) the Committees on Armed Services and the Committees on Appropriations of the Senate and the House of Representatives, wherever the account, budget activity, or program is funded from appropriations made under the national defense budget function (050); and

(B) the committee to which the specified activities or paragraph 3, if the subject of separate legislation, would be referred, under the rules of the respective House of Congress.

On page 44, line 2, insert "(other than section 8(a))" after "Act".

Mr. NUNN. By way of explanation, the only change in the original amendment relates to certain wording as to where the reports flow. There is no substantive change in this modification. It is a matter of striking out language that injected new terminology regarding defense activity or foreign relations activity, and simply substituting in lieu thereof a referral to the Parliamentarian under the normal rule.

So the result is exactly the same, as I view it, as the original amendment. I think some people are comforted by the fact that the modified amendment does not inject any new terminology like foreign relations activity or defense activity into the equation.

The original amendment basically had both of those terms and then said that those terms would be decided by the Parliamentarian. This eliminates those terms and simply says that the Parliamentarian will make a referral based on the rules of the House and of the Senate. Other than that, there is no change in this amendment.

So as I understand the parliamentary procedure right now, there is a Warner amendment pending. My amendment has been modified and the Warner amendment would be the amendment in question. I hope that the Warner amendment as well as the original underlying amendment will be accepted.

Mr. BIDEN. Mr. President, I want to thank my colleague from Georgia, the chairman of the Armed Services Committee. I think he is probably right. There may be a distinction without a difference, but he was kind enough to accommodate that. I thank him very much for that, and I, too, hope that the amendment is accepted. Again, I thank the Senator from Georgia.

Mr. PELL. Mr. President, I thank my colleagues for the accommodation. I am very glad that they have agreed. I believe we should support the agreement.

Mr. LUGAR. Mr. President, I join the distinguished Senator from Rhode Island in accepting both the Warner amendment and the Nunn amendment, as modified.

I simply say that I appreciate always when two good friends, the Senators from Georgia and Delaware, are able to reconcile very small differences, and I have already commended the distinguished Senator from Georgia in his absence for his extraordinary leadership which led to this bill.

So I repeat that commendation, because it is sincerely meant and felt by a number of us, both the leadership in the fall as well as in the spring.

Let me just indicate that we have one additional distinguished Senator who wishes to speak to this issue before we vote. So I will yield at this point, commending both amendments to the Senate for adoption.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I rise in support of the Nunn-Warner amendments to S. 2532, the Freedom Support Act.

There is no doubt that we can further the cause of peace by assisting the republics of the former Soviet Union. It is important that the free world provide the incentives to help the people of these Republics overcome the economic and social chaos caused by 75 years of Communist rule. For that reason I believe the President's initiative to provide this aid should be applauded. I fully realize that many people in this Nation are opposed to this aid package because of our own economic problems. But, Mr. President, those who oppose this aid proposal are looking at it in the short term. This aid package will hopefully be a long-term solution to relieving the suffering of the Russian people and provide economic development from which our Nation can benefit in the future. Mr. President, although I support the concept of the aid provisions, I believe and the American people demand that there be some guarantee toward reducing the military potential of the former Soviet Union. There is no doubt that there are still individuals who are willing to take advantage of any misstep by President Yeltsin and return to the days of military confrontation and Communist control.

The amendments introduced by the chairman of the Armed Services Committee, Senator NUNN, and the ranking member, Senator WARNER, will provide assurance that prior to furnishing this assistance to the independent states of the former Soviet Union that they are committed to relinquishing their offensive military capabilities. The key point of the amendment that I wish to emphasize is the Presidential certification. That certification requires that the proposed recipients of any aid are committed to: Making a substantial investment of their resources for dismantling or destroying weapons of mass destruction; forgoing any military modernization programs that exceed legitimate defense requirements and foregoing the replacement of destroyed weapons of mass destruction; forgoing any use in new nuclear weapons of fissionable or other components of destroyed nuclear weapons; and facilitating U.S. verification of any weapons destruction carried out under the Conventional Forces in Europe Treaty Implementation Act of 1991.

Mr. President, in my judgement these are reasonable conditions which will ensure that the recipient of the aid is complying with treaty obligations and ceases the modernization of its offensive capabilities. I have no doubt that the American taxpayer, who will bear the burden of funding this aid package, will demand these guarantees, I and hope that the Senate will see the wisdom of these conditions.

The PRESIDING OFFICER. Is there further debate?

Mr. PELL. Mr. President, I suggest that we vote on the pending proposal.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2654.

The amendment (No. 2654) was agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2653, as modified and amended.

The amendment (No. 2653), as modified, as amended, was agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MCCAIN. Mr. President, I ask unanimous consent to speak as in morning business?

The PRESIDING OFFICER. Without objection, it is so ordered.

POW'S AND MIA'S IN SOUTHEAST ASIA

Mr. MCCAIN. Mr. President, it has been nearly 20 years since the formal ending of the Vietnam War and the return of those who were held captive in Southeast Asia.

That issue has still not been resolved, as we all know, and much to the surprise of friends and adversaries alike, the American people still view the issue of missing in action in Southeast Asia as one of critical national importance. I think that is a profound, unique aspect of the American character that a few Americans should hold such a high place in the affection and hearts of the American people.

Mr. President, I applaud and appreciate every day the efforts of so many people to keep this issue alive and to help get this issue resolved.

The unfortunate part of this entire issue, however, Mr. President, is that there are those who are involved in this effort, this movement, this cause, who have become either so involved and, in some cases, so deranged that they have convinced themselves that there is a massive conspiracy to prevent the return of our POW's.

We do not have a shred of evidence of a conspiracy, Mr. President. The fact is that it is impossible for there to have been a conspiracy unless you chose to believe that hundreds if not thousands of American man and women in military service as well as in service to our country, were involved in an act that is so despicable that it is hard for me to contemplate—to consciously engage in a conspiracy that would sacrifice the lives of American fighting men in Southeast Asia.

Mr. President, unfortunately there are some people who not only believe this but they will attack with the utmost cruelty people who they believe either do not agree with them or obstruct their attempts to uncovering this fantasy.

Unfortunately, the reputation of some very outstanding Americans have been damaged to some degree—hopefully not permanently.

I deeply regret this. Unfortunately, it detracts from the effort that is ongoing both in the Congress of the United States, the Government of the United States and among the American people to receive a full accounting of those who are still missing in action.

Mr. Speaker, the latest manifestation of this character assassination was exhibited this morning in a press conference in front of the Capitol. At that time, the character, the integrity, and the reputation of Senator KERRY of Massachusetts was attacked in a most savage and unconscionable fashion.

Mr. President, before I go much further I would like to point out what is obvious. Senator KERRY and I are of a different party. We are of different philosophy. And as a member of the MIA/POW Committee of which he is the chairman, I have had significant differences of opinion with Senator KERRY, and I may continue in the future to have different views. But there can be no doubt whatsoever, about the integrity, the honesty, the zeal and the industry with which Senator KERRY has attacked this issue and the way he has conducted has chairmanship. Mr. President, anyone who alleges otherwise is either abysmally ignorant or full of malice.

Mr. President, I know that Senator KERRY is personally hurt by these allegations. More so, because of the efforts that he has put in over a long period of time, not only as chairman of this committee but in his efforts for nearly 20 years, to ascertain the whereabouts of those who are still listed as missing in action in Southeast Asia.

Mr. President, when attacks like this are made on people, others must stand up and defend their reputation and their integrity. In fact, we have to do more that this. We not only have to defend them, but we have to attack those who get away with such malice; otherwise, that malice will continue.

I just want to cite a couple of facts to set the record straight. There was an allegation made this morning that Senator KERRY destroyed or ordered the destruction of some documents that were a part of the committee's deliberations. Mr. President, that is patently false.

Senator KERRY—not to get into too much detail—ordered the destruction of some document while retaining the original in the files, in S-407. Senator KERRY would never destroy any document under any circumstances, nor is he about to begin to do so now.

In the opinion of most members of the committee this document, which was a staff work product prepared by only a few of the committee investigators, did not come anywhere close to proving that American POW's are alive in Southeast Asia.

Mr. President, there are other charges that have been levied at Senator KERRY which I will not dignify with a response except to say to you that I have now known Senator KERRY for 6 years. I have had a deep involvement with him on this issue and other issues. And, as I said, I have had disagreements and I continue to have the prospect of disagreements. But the allegation lodged against a good and decent man who is doing the best that he can to help primarily the families of those who are still listed as missing in action is not only undeserved but I think the American people will steadfastly reject it.

I intend, Mr. President, to continue to do what I can to help Senator KERRY and the vice-chairman, Senator SMITH, and work with the rest of the members of the committee on this very important issue. At the same time, I intend to do everything that I can to preserve the reputation and integrity of a man who has spent so much time and so much effort on behalf of this issue.

Mr. President, I want to mention one other aspect of this issue very quickly and that is the issue of declassification of POW/MIA information. Mr. President, I had an amendment on last year's defense authorization bill which calls for the declassification of most of this information. The Department of Defense has already begun that effort.

All members of the select committee are united in their support of the expeditious declassification of all POW/MIA information with appropriate exclusions to protect methods and families' right to privacy. There are specific rules which govern the declassification process. Abiding by these rules will not impede the select committee's ability to secure declassification, nor would it postpone declassification beyond the committee's own expeditious timetable.

No one should assume that leaking classified information is done to hasten the process of declassification, nor is its purpose to provide the American people with access to information which could enable them to make informed judgments about the fate of our POW/MIA and our government's efforts to account for their fate and recover them.

Disclosing false accounts of committee meetings, or selected information from intelligence files which do not, by themselves, accurately reflect our best understanding of this issue is a terrible disservice to the families, to the committee and to the American people. Such distortions and deceptive selectivity are intended to render an informed resolution of the POW/MIA issue by the committee and the public impossible to attain.

By seeking full declassification of the files in accordance with the Senate rules and disclosing all records of committee activity, the committee hopes to provide the public all information it needs to make informed decisions.

We also seek to assure the administration that our purpose in seeking declassification is to fairly and honestly inform the public and not to disseminate half truths or untruths about any question relating to the MIA/POW issue.

Apparently those who attacked Senator KERRY do not share the committee's good faith objective.

This attack on Senator KERRY represents an intentional deception of the American public. However, I can assure every American that Senator KERRY is devoted to the resolution of this issue and has acted in every respect with compassion for POW/MIA families with firm determination to answer every question related to this issue which is in his power to answer.

Mr. President, conspiracy mongering and accusations of coverup concerning this issue do not just wrongly indict Government officials or Members of Congress. They also libel hundreds if not thousands of uniformed members of our armed services whose complicity would be necessary to effect a coverup on this scale.

Senator KERRY's name has now been added to the list of victims whose patriotism has been attacked by people who lack any sense of honor. I can assure my friend from Massachusetts he is in good company, and I ask all Members to remember these facts when weighing the false accusations.

I am confident that the American people will reject those allegations for what they are—lies.

Mr. President, I yield the floor.

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT OF 1992

The Senate continued with the consideration of the bill.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana [Mr. LUGAR].

Mr. LUGAR. Mr. President, I commend the distinguished Senator from Arizona for a very important statement on fairness to our colleague. He expressed in eloquent and moving terms a sentiment I am certain all will share.

AMENDMENT NO. 2655

(Purpose: To support the use of telecommunications technologies in delivering educational and instructional programming to the independent states of the former Soviet Union)

Mr. LUGAR. Mr. President, I send to the deak an amendment on behalf of the distinguished Senator from Montana [Mr. BURNS], cosponsored by Senator ADAMS, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. BURNS (for himself and Mr. ADAMS), proposes an amendment numbered 2655.

Mr. LUGAR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 34, between lines 17 and 18, insert the following new paragraph:

(6) to support the use of telecommunications technologies to deliver, to any of the independent states of the former Soviet Union, educational and instructional programming produced in the United States by grant recipients under the Star Schools Program Assistance Act or under the Distance Learning Program established under subtitle D of title XXIII of the Food, Agricultural, Conservation, and Trade Act of 1990, including instruction pertaining to kindergarten through grade 12 education, democracy, market economics, job training, and agricultural technical assistance.

Mr. BURNS. Mr. President, this amendment adds what I think is a critical element to have the activities authorized to receive funding under this legislation—that is the use of telecommunications technologies. The amendment speaks specifically to making use of the Star Schools grant recipients to deliver educational and instructional programming to the independent States of the former Soviet Union.

Here in the United States we have discovered that distance learning—the use of telecommunications technologies in education—is a cost-effective way to spread our educational resources to hard to reach areas—urban and rural alike. What better way than this to reach out to Russia and the other independent States?

Not everyone can afford to participate in cultural and educational exchanges. Not every educational institution or business that has some instructional or technical advice to offer to Russia and the independent States can afford to go there. But they can, for example, access U.S. programmers who are beaming information via satellite into Eurasia.

The use of telecommunications technologies makes it possible to transmit up-to-date information quickly and efficiently. It will open new horizons for the citizens of Eurasia—just like it is doing for students in rural Montana who can now take Russian from a teacher in Spokane, WA, through the Pacific Northwest Star Schools Partnership.

This is not just a good way to undertake what historian Paul Johnson has called "one of the largest tasks of reeducation in history." It is a necessary one. It is the only way that we can reach the milions of people who want to learn about the concepts and practices of democracy and a free market economy.

Books, programs, and exchanges will only reach a limited few, and it will probably be the ones who are already at the top. As we have seen in this country, it is information-age technologies that can bring power through information to the individual. On the international front, author Lewis Perelman says that policymakers need to recognize that, "low-cost information technology has taken the place of the high-cost Marshall plan scheme of a bygone industrial age."

My amendment speaks to this issue. It says we should encourage and support efforts in this country to apply what we've developed in distance learning to the reeducation of millions of students—children and adults alike—in the independent States of the former Soviet Union.

I do want to take a minute to mention a specific effort that is already underway to do just what I've described.

The Educational Service District 101 [ESD 101] in Spokane, WA, which I mentioned earlier is not only doing great work in Washington, Oregon, Idaho, Alaska, and Montana, they have recently signed an agreement with the Russian Ministry of Education and Telecommunications to begin the planning phase of an effort to offer educational and other programming to Russia.

Their initial efforts will focus on the Tver region because that region already has the ground stations and cabling to educational facilities in place. They hope to expand to the Moscow region within a year or two, as soon as their telecommunications infrastructure is in place.

Their objectives are as follows:

First, to provide educational programming to Russian students through specific program development and/or program exchanges.

Second, to provide an exchange of educational philosophy and teaching methods between American and Russian educators. This would be accomplished in part by making available programming such as the Satellite Telecommunications Educational Programming [STEP] in service offerings.

And third, to provide the Russian business community and leadership the opportunity to become knowledgeable with the democratic process, in particular those addressing the free enterprise system.

This is an innovative and important effort, Mr. President, and I urge the administration to fund this project if my amendment is adopted.

Mr. LUGAR. Mr. President, I know of no objection to the amendment on our side. I commend it, and I am hopeful the Senate will accept the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. PELL. Mr. President, this seems like an excellent amendment, and I know on our side we would like to see it adopted.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2655) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska [Mr. EXON].

AMENDMENT NO 2656

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON] proposes an amendment numbered 2656.

At the appropriate place in the bill insert the following:

SEC. . STRATEGIC DIVERSIFICATION.

The Office of Barter within the U.S. Department of Commerce and the Interagency Group on Countertrade shall within six months from the date of enactment report to the President and the Congress on the feasibility of using barter, countertrade and other self-liquidating finance methods to facilitate the strategic diversification of United States oil imports through cooperation with the former Soviet Union in the development of their energy resources. The report shall consider among other relevant topics the feasibility of trading American grown food for oil, minerals or energy produced by the former Soviet Union.

Mr. EXON. Mr. President, I rise to offer an amendment to require the Office of Barter within the U.S. Department of Commerce and the Interagency Group on Countertrade to report to the President and the Congress on the feasibility of using barter, countertrade and other self-liquidating finance methods to facilitate the strategic diversification of United States oil imports through cooperation with the former Soviet Union in the development of their energy resources. The report will consider among other relevant topics the feasibility of trading American grown food for Soviet produced oil, minerals or energy.

Strategic diversification recognizes the simple fact that America needs oil and the former Soviet Union needs food and countless other goods produced in the United States. This amendment attempts to start a process to match the needs of these former adversaries. It attempts to turn a former enemy into a future customer.

The United States will be importing oil for many years. The United States should diversify its oil purchases in a manner which will best serve American interests. In this case, it is in the American interest to expand and diversify the available sources of oil and help create new markets for American products.

This amendment seeks the consideration of an oil import strategy which can meet our energy needs and serve our economic and trade needs as well.

The former Soviet Union holds the planet's largest reserves of oil. Because the new democracies of the former Soviet Union have 1950's and 1960's oil exploration and extraction technologies, /made only b/ in recent years oil production in the region has plummeted.

This amendment calls on the President to consider a long-term strategy to work with the former Soviet Union and develop its energy production through the use of barter, countertrade, and other nontraditional means of finance including trading American food for Soviet oil. A barrel of oil purchased or bartered with the former Soviet Union could facilitate additional American sales of food and products whereas a barrel of oil from a Persian Gulf nation would simply add to a bilateral trade deficit.

In other words, oil from the former Soviet Union could equal new American exports. The United States is falling behind the curve. France, Poland, Germany, and Cuba all have announced food for oil transactions. There is great interest from American business in such transactions, unfortunately there has been limited leadership from the United States Government.

One key exception is Ambassador Robert Strauss. I met with Ambassador Strauss and explained my interest in barter and countertrade transactions. I was delighted to learn of the Ambassador's shared interest and have read reports of his advocacy of food for oil exchanges with the former Soviet Union. Now is the time to seize the opportunities created by a freed Soviet Union. Now is also the time to kick the Office of Barter created in 1988 into full gear.

This amendment is intended to nudge the President into mobilizing the expertise in his Government to consider a commonsense approach to expanding U.S. trade and meeting U.S. energy needs.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, we are prepared to accept the amendment on our side of the aisle.

Mr. PELL. On this side of the aisle, we accept this amendment, which has already been agreed to the Senate in another form, and suggest we vote on it.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Nebraska [Mr. EXON].

The amendment (No. 2656) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, I thank the Chair and I thank the managers of the bill for their cooperation.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Dakota [Mr. PRESSLER].

AMENDMENT NO. 2657

(Purpose: To express the sense of the Congress with respect to Russian involvement in Moldova)

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER] for himself and Mr. DECONCINI proposes an amendment numbered 2657.

Mr. PRESSLER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 52, after line 13, add the following new section:

SEC. . POLICY TOWARD MOLDOVA.

(a) FINDINGS.—The Congress finds that—

(1) many, including civilians, have died in conflict in Moldova in recent weeks;

(2) on June 17, 1992, Presidents Bush and Yeltsin signed a Charter for American-Russian Partnership and Friendship in which the countries agreed to "reaffirm their respect for the independence and sovereignty and the existing borders of the CSCE-participating states, including the new independent states, and recognize that border changes can be made only by peaceful and consensual means, in accordance with the rules of international law and the principles of CSCE";

(3) actions by Transdniester officials for secession from Moldova, including their use of force and the imposition of an economic blockade, violate CSCE principles and international law;

(4) the presence of the Russian 14th army in Moldova and the use of at least some of its units in the Moldovan conflict aggravates the situation, violates international law and the independence and sovereignty of the Republic of Moldova;

(5) the presence of the Russian army in foreign countries formerly part of the Soviet Union without the agreement of the host country is a potential cause of instability and conflict; and

(6) the appointment of international observers, under the aegis of the United Nations, the CSCE, or other international fora to monitor the withdrawal of Russian troops from Moldova would serve to lessen tensions and promote a more orderly withdrawal of former Soviet troops.

(b) POLICY.—It is the sense of the Congress that—

(1) the United States should urge, through all possible means, the Russian Government to withdraw the 14th army from the independent and sovereign state of the Republic of Moldova;

(2) the United States should urge the parties to the conflict in Moldova to abide by a cease-fire and urge an end to the economic blockage of the Republic of Moldova;

(3) during and after the negotiating process on a timetable for the withdrawal of Russian armed forces from Moldova, the United States should support the establishment of a joint military monitoring committee consisting of representatives of the military of all affected states, the United States, and the representatives of other countries, as mutually agreed upon, to observe the orderly and expeditious withdrawal of former Soviet troops from Moldova; and

(4) the activities of this group should be similar to the greatest extent practicable to the activities of the Joint Military Monitoring Committee on Angola.

FREEDOM IN MOLDOVA

Mr. PRESSLER. Mr. President, the purpose of my amendment is to reinforce the administration's position that the Russian Army must withdraw from the Republic of Moldova. It also supports the idea of a cease-fire in Moldova and proposes an international commission to monitor the withdrawal of Russian troops from this independent and sovereign state. I thank the Senator from Arizona, [Mr. DECONCINI] for being an original cosponsor of this amendment.

Mr. President, over the last few weeks many innocent people have died in Moldova in addition to those military personnel who have been killed. I fear they may not be the last. In fact, if Moldova is broken up by force by the Russian separatists in Moldova, a precedent will be set that military force can be used to accomplish political ends in the former Soviet Union. This scenario may be repeated tomorrow in the Baltic States or perhaps in Ukraine.

The situation in Moldova could not have occurred without the participation of at least some units of the 14th Army of Russia. For this reason, President Bush has called upon the Russian Army to withdraw. President Yeltsin seems to agree and has called for a cease-fire and negotiations.

Unfortunately, President Yeltsin's position does not appear to be shared by some of the Russian military and ex-Communists in the Government. According to Russian State Secretary Gennadii Burbulis, Russia is prepared to apply economic sanctions to force Moldova to agree to the creation of a Dniester Republic.

Mr. President, this is an outright statement of support for the illegal secession of the self-proclaimed Dniester Republic. It is a blatant violation of a key CSCE principle that borders must only be changed through diplomacy and with the consent of the people involved.

When President Yeltsin was in Washington, he and President Bush signed a Charter for American-Russian Partnership and Friendship in which the countries agreed to "reaffirm their respect for the independence and sovereignty and the existing borders of the CSCE-participating states, including the new independent states, and recognize that border changes can be made only by peaceful and consensual means, in accordance with the rules of international law and the principles of CSCE."

Why then, are at least some units of the 14th Army supporting the Communist secessionists in the Dniester region? Why is the Russian Government allowing its fellow Russians in the Dniester region to impose an economic blockade of Moldova? Mr. President, I believe these questions deserve a thorough answer.

Mr. President, actions as opposed to rhetoric appear to be very different in today's Russia. On the one hand, Russia has recognized the Government of Moldova. By doing so, it also has recognized the State of Moldova, including its present-day boundaries. The United States also has recognized the Government of Moldova. No country has the right to violate the sovereignty of Moldova.

Over and over again, Russian officials have protested actions supposedly taken by the new States which, according to them, violate the rights of minorities. Mr. President, in Moldova the opposite situation exists. It is the Moldovan population of the Dniester Republic, 40 percent of that area's population, that is discriminated against by the Communist officials. I would like to remind Senators that self-proclaimed Dniester officials were several of the first to rise up to support the hardliners' coup attempt last August. These officials are not interested in human rights but in power and in returning to the system of the former Soviet Union.

Mr. President, I have been contacted by the Moldovan representative to the United Nations. He has asked the United States to postpone its assistance to the Russian Federation until it withdraws the 14th Army from the Republic of Moldova. He also asks the United States to send observers to the region of conflict in order to verify the ceasefire—which currently is not holding—and to monitor the withdrawal of the 14th Army. I couldn't agree with the Moldovan Ambassador to the United Nations more. He is absolutely correct.

Mr. President, the resolution I submit is designed to promote a peaceful solution to the situation in Moldova. It asks the United States to urge, through all possible means, the Russian Government to withdraw the 14th Army from Moldova, as President Yeltsin earlier agreed to do. It supports a viable ceasefire for the region. Finally, it urges the formation of a joint military monitoring committee to observe the orderly and expeditious withdrawal of former Soviet troops from Moldova.

Mr. President, I urge the adoption of this amendment that puts the United States firmly on the side of peace and future stability in Moldova and Russia. I urge adoption of the amendment.

I believe it has been agreed to on both sides.

Mr. PELL. Mr. President, indeed this is a good amendment, and we will be glad to accept it.

Mr. LUGAR. We support the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from South Dakota [Mr. PRESSLER].

The amendment (No. 2657) was agreed to.

Mr. PRESSLER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2658

(Purpose: To support the independent states of the former Soviet Union in the issuance of independent currencies)

Mr. PRESSLER. Mr. President, I send a second amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 2658.

Mr. PRESSLER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 52, after line 13, add the following new section:

SEC. 21. RUBLE STABILIZATION.

(a) FINDINGS.—The Congress finds that—

(1) the lack of a convertible currency is a significant obstacle to the achievement of economic growth and a barrier to United States trade and investment in the independent states of the former Soviet Union;

(2) due to the nature of the Communist economic system, the economies of the states of the former Soviet Union has inherited a monetary system in which the ruble remains the medium of commerce and trade;

(3) the sovereign states of Estonia, Latvia, and Lithuania have indicated their intent to issue, or have issued, currencies independent of the Russian ruble;

(4) the sovereign state of Ukraine, as well as other states of the former Soviet Union, have indicated their desire to issue separate currencies independent of the Russian ruble;

(5) the International Monetary Fund requires control of fiscal and monetary policy as well as the establishment of a commercial banking system and a central bank compatible with international norms, as a prerequisite for a stabilization fund;

(6) section 10(b) of this Act states that the United States will support the establishment of a fund or, alternatively, funds, under the International Monetary Fund;

(7) the introduction of a stabilization fund for the Russian ruble without similar stabilization programs for the Ukranian grivna, Lithuanian litas, Latvian lett, Estonian Kroon, and other currencies issued by states currently tied economically to the ruble could precipitate disastrous fiscal and monetary conditions, including higher inflation, devaluation of property, commodity hording, shortages, and a further decline in agricultural and industrial production that will complicate the steps these governments have taken toward genuine market reform; and

(8) Article IV, section 1, subsection (iii) of the IMF Articles of Agreement states that each member shall "avoid manipulating exchange rates or the international monetary system in order to prevent effective balance of payments adjustment or to gain an unfair competitive advantage over other members".

(b) POLICY.—It is the sense of the Congress that the President should urge the Secretary of the Treasury to instruct the United States executive director to the International Monetary Fund to take concrete steps to support the right of these sovereign and independent states to issue currencies independent of the Russian ruble.

THE IMF

Mr. PRESSLER. Mr. President, this amendment urges the United States Representative to the International Monetary Fund to take concrete steps to support not just the Russian Federation but also the other States of the former Soviet Union and the Baltic States.

My amendment goes to the heart of criticism about this legislation I consider to be very relevant—that much of the focus of this bill is aimed at Russia. In many cases, it is not responsible to treat Russia as the successor state of the Soviet Union. Of course, it is the largest of the former republics and the most populous. It has considerable potential economic power. But the other 11 countries emerging from the former Soviet Union and the three Baltic States must not be treated as Russian satellites for any purpose.

National sovereignty and fiscal survivability for any country is firmly based in its currency. British opposition to a single currency economic unit for Europe vividly demonstrates no country wants another to dictate its monetary and fiscal policies.

The International Monetary Fund has made plans for just one stabilization fund—for the Russian ruble. The IMF claims that only Russia has taken the steps required to support a stabilization fund, that its Communist-dominated parliament has gone further than, for example, the Baltic States. However, it was Lithuania, not Russia, that became the first member of the International Monetary Fund.

No one doubts that Russia's neighbors will benefit if Russia makes a successful plunge into the free market. However, unless there is a provision, or an arrangement of some sort, to help stabilize the currencies in countries that do not plan to remain in the so-called ruble zone, their own steps toward a free market may be doomed.

Just recently, Estonia introduced its own currency—the kroon. Lithuania and Latvia have indicated their intent to do so as soon as possible. Ukraine has also taken steps toward this goal. Each of these nations is interested in returning to the international financial community. Unfortunately, Mr. President, one legacy of some 70 years of communism is that the economies of these countries are intimately tied to that of Russia.

I am not advocating a stabilization fund for each of the countries with new currencies. This would not necessarily work and it may be a waste of U.S. taxpayer dollars. However, I do believe there must be an agreement between Russia and these states that no country will institute a beggar thy neighbor approach. In addition, the IMF should explore all possible ways to support these countries.

Mr. President, I long have believed the United States must focus on all the nations of the former Soviet Union. I criticized efforts by the United States to hold together a monolithic Soviet state for the sake of simplicity and stability.

The reality is that unnatural states that do not rest upon the consent of the governed are inherently unstable. Just last year, very few were able or willing to realize that the Soviet Union could not and should not survive. These people were surprised and mistrustful of the true democratic stirrings in, among others, the Baltic States, Moldova, Armenia, and Ukraine.

The distinguished minority leader, Senator DOLE, understood what many in the State Department did not grasp. For this reason, he introduced S. 9 at the beginning of the 102d Congress. His bill was an attempt to remind the United States that the Soviet Union and Yugoslavia should not be monopolized by Russia and Serbia. His reasoning was absolutely correct and remains pertinent today. Mr. President, this is precisely the reason that it is vital to have a non-Russian centric approach to the former Soviet Union.

My amendment supports trade creation, free markets, and the potential for United States exports and also will help the Baltic States and nations such as Ukraine return to the world financial community.

I urge adoption of the amendment.

Mr. President, I believe the amendment has been agreed to on both sides.

The PRESIDING OFFICER. Is there further debate?

Mr. LUGAR. Mr. President, we support the amendment.

Mr. PELL. Mr. President, this amendment has been seen on this side of the aisle, and is an excellent amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from South Dakota [Mr. PRESSLER].

The amendment (No. 2658) was agreed to.

Mr. PRESSLER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

AMENDMENT NO. 2659

(Purpose: To assist business and commercial development in the former Soviet Union)

Mr. PELL. Mr. President, I send an amendment to the desk on behalf of Senators RIEGLE and GARN, and I ask for its immediate consideration. This amendment deals with the matters within the jurisdiction of the Banking Committee.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Rhode Island [Mr. PELL], for Mr. RIEGLE (for himself and Mr. GARN), proposes an amendment numbered 2659.

Mr. PELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 31, after line 24, insert a new paragraph as follows:

"(C) technical assistance administered by the Department of the Treasury designed to encourage reform and restructuring of banking and financial systems and better understanding of international norms of financial policy and regulation;"

On pages 32 and 33, redesignate paragraphs (C) through (F) as paragraphs (D) through (G).

Strike all from page 33, line 19 through page 34, line 5 and insert the following:

"(4) to fund additional export promotion activities by the Department of Commerce in support of expanded trade and investment relations with United States businesses including—

"(A) trade missions to bring United States firms together with trade and investment partners from the region;

"(B) creation of additional Foreign Commercial Service posts and assignment of additional Foreign Commercial Service officers in the region;

"(C) an information center to provide market and sectoral information on the independent states to United States firms;

"(D) creation of binational business development committees to identify problems and opportunities in key business sectors and to address policy constraints and problems facing individual investments;

"(E) establishment of additional American Business Centers in the region, pursuant to the provisions of section 10 of this act, to provide information and services for United States firms, trade associations and State development agencies engaged in support of mutually beneficial trade;

"(F) identification of priority business sectors, business training and exchange, and technical assistance for development of standards; and

"(G) support for trade promotion activities of industry consortia and demonstration projects."

At the appropriate place in the bill, insert the following new section:

"SEC. . EXPORT CONTROL POLICY.

"(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that the United States should—

"(1) cooperate with and assist the independent states of the former Soviet Union in developing export control systems and enforcement mechanisms capable of barring proliferation of military systems, militarily critical technologies, and weapons of mass destruction; and

"(2) consistent with such nonproliferation objectives, implement a licensing policy and cooperative arrangements through COCOM that will—

"(A) encourage expanded trade and investment between COCOM member states and the independent states of the former Soviet Union;

"(B) encourage development of economic infrastructure, such as telecommunications and banking systems, capable of supporting market reforms; and

"(C) assist redeployment of defense capabilities to civilian uses.

"(b) TECHNICAL ASSISTANCE.—The Secretary of Commerce, the Secretary of State and the heads of other agencies as appropriate should provide the greatest possible technical assistance in support of the efforts described in subsection (a)(1)."

Mr. RIEGLE. Mr. President, I rise to offer an amendment Senator GARN and I have jointly crafted to the legislation reported by the Foreign Relations Committee authorizing assistance to the states of the former Soviet Union.

Early in April Senators PELL and HELMS introduced S. 2532, the legislation proposed by the administration to help maintain stability in the independent states of the former Soviet Union and to integrate those states into the community of democratic nations. Most items in that bill dealt with matters within the jurisdiction of the Foreign Relations Committee and the bill was referred to that committee. Several sections, however, dealt with matters within the jurisdiction of other committees, including the Banking Committee.

Chairman PELL immediately consulted me and Senator GARN about how to handle matters in S. 2532 that were in Banking Committee jurisdiction. We subsequently agreed that such matters should remain in the bill marked up by Foreign Relations, but that the Banking Committee would have an opportunity to make changes to any such provisions during floor consideration of S. 2532, the Freedom Support Act. The amendment I am offering with Senator GARN is designed to strengthen sections of the bill dealing with: First, the promotion of United States exports to the new states composing the former Soviet Union; and second, assistance being provided by our Government to support free market systems in those states. The amendment also adds a new section to the bill that deals with export control policy. Each of these provisions deals with matters solely within the jurisdiction of the Banking Committee. Let me give a brief explanation of each of them.

First, the amendment strengthens the export promotion activities in the bill reported by the Foreign Relations Committee by directing the Commerce Department to undertake a more elaborate list of activities in support of U.S. businesses in that region. These include: First, creating bilateral business development committees; second, expanding support for industry-sponsored trade promotion activities; and third, increasing business-related technical assistance that has proven effective in other markets.

Second, it adds a new provision to the technical assistance portion of the bill that authorizes the Treasury Department to help restructure the banking and financial systems of these new states to support the creation and development of private enterprise and free market systems.

Finally, the amendment adds a new section on export control policy that sets out a sense of the Congress than our country should cooperate with the independent states of the former Soviet Union to develop export control systems capable of barring the proliferation of militarily critical technologies that could help build weapons of mass destruction. This latter charge fits into the understanding among Cocom members that it is in the interest of all democratic countries to work together to prevent the proliferation of weapons of mass destruction and the means for delivering them.

It is my hope that this amendment will help United States exporters expand markets in the independent states of the former Soviet Union and thus help create new prosperity there and in our own country. It should also strengthen this bill's effort to increase the security and economic well-being of the world as a whole by slowing the proliferation of weapons of mass destruction.

I very much appreciate the cooperation of Chairman PELL and Senator LUGAR in handling this matter and look forward to participating in any conference on those portions of this bill dealing with matters within the jurisdiction of the Banking Committee.

Mr. GARN. Mr. President, I rise to support the amendment offered by Senator RIEGLE that addresses several issues in the Freedom Support Act that fall within the jurisdiction of the Banking Committee. The amendment strengthens sections of the bill dealing with export promotion and financial reform and adds a new section on export control policy. By substantially expanding the export focus of the bill, the amendment emphasizes support for expanded trade and job creation by the U.S. private sector.

This emphasis is important because U.S. support for economic and political reform in the newly independent republics is not simply an act of charity; it is good for America. I know that the bill before us is being referred to as the Russian aid bill but assisting Russia and the other republics is an investment not only in their future but in our own as well.

Most importantly, the efforts authorized by this legislation are a critical ingredient for ending, once and for all, the military confrontation that has threatened the world with nuclear destruction and diverted economic resources from civilian needs in this country. In addition to the savings from an end to direct military confrontation, a cooperative political relationship with the republics would be the basis for the kind of "new world order" suggested by President Bush in which the great powers would cooperate to end international violence and terrorism.

In economic terms, this support program will help to open up a massive new market for U.S. goods. The newly independent republics contain a vast wealth of natural resources, advanced technologies and human capital. Those resources have to be brought to market if the republics are to prosper. The expansion of world energy supply, increased economic activity and prosperity generated in the region will increase the security and economic well-being of the world as a whole.

I believe that those resources should be tapped with the help of U.S. industry. If the republics want to move to the market and understand capitalism, they could have no better teachers than U.S. entrepreneurs and businessmen. The potential exists for an economic alliance with the new republics of unimagined economic benefit for the United States. That is what this bill should be about and that is the emphasis that this amendment would add to the legislation.

The amendment pursues these objectives through three changes in S. 2532 as reported by the Foreign Relations Committee. First, the section of the bill dealing with export promotion would be rewritten to direct the Department of Commerce to undertake $35 million of expanded activities in direct support of U.S. businesses in the region. In addition to the export promotion activities reported by the Foreign Relations Committee, the amendment adds creation of binational business development committees, support for industry trade promotion activities and business-related technical assistance that have proven useful in other markets.

Second, the amendment would add a new section to the bill setting out the sense of the Congress that cooperation on export control policy should be pursued with the newly independent republics in support of expanded U.S. trade and investment, U.S. development of economic infrastructure such as telecommunications systems, and redeployment of defense capabilities to civilian uses. Finally, an additional technical assistance component would be added to the bill directing the Teasury to provide assistance in the reform and restructuring of banking and financial systems.

In addition to the benefits I have already suggested, the amendment should strengthen the administration of the assistance effort for the former Soviet Union by assigning trade and financial responsibilities directly to the agencies with expertise in those areas, the Commerce and Treasury Departments. While I realize that the bill as proposed by the administration provided the greatest possible flexibility in the use of funds, management of individual program elements by agencies with the relevant expertise eliminates the redtape and delays associated with approval and funding of all programs by a single agency.

I welcome the support of the Foreign Relations Committee for this amendment and urge its adoption.

Mr. PELL. Mr. President, this amendment would add an additional technical assistance component to section 7(2) of the bill, directing the Treasury to assist in the reform and restructuring of banking and financial systems.

It would revise section 7(4) of the bill to direct the Department of Commerce to undertake a more elaborate list of activities in support of U.S. businesses in the region.

Finally, it would add a new section to the bill setting out the sense of the Congress regarding export control policy toward the former Soviet Union.

Mr. LUGAR. Mr. President, we are prepared to accept the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2659) was agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PELL. The bill is open to further amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2660

Mr. McCONNELL. Mr. President, on behalf of myself and Senator KERRY, of Massachusetts, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. McCONNELL], for himself and Mr. KERRY, proposes an amendment numbered 2660.

Mr. McCONNELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 35, after line 19:

( ) To promote drug education, interdiction and eradication programs including:

(A) initiatives to ban poppy growth;

(B) law enforcement training and measures to reduce the flow of precursor chemicals and illicit narcotics in and through the Republics;

(C) coordination and cooperation at the regional and international level with organizations such as the United Nations;

(D) the establishment of bilateral counternarcotics agreements to assist law-enforcement agencies in conducting criminal investigations and gathering narcotics related information.

Mr. McCONNELL. Mr. President, this amendment offers us an opportunity to work out counternarcotics cooperation arrangements before a crisis develops.

With the dramatic political changes in Eastern Europe two serious problems are emerging—both local use and trafficking are becoming problems.

In 1991, 1.5 million drug users were reported in the former Soviet Union—doubling past estimates.

While no one is mourning the demise of the traditional security services in terms of democratic interests, changes have meant there is not the same control over trafficking as in the past.

In the past border control and lack of convertible currency limited the drug problem in and through Eastern Europe and the Republics.

The State Department now estimates that traditional smuggling routes out of Southwest Asia through the Central Asian republics will be exploited by the major drug traffickers moving opium and heroin. This expansion on top of the Central Asian republics poppy cultivation potential represents a significant emerging threat.

A number of important efforts are already underway: the U.N. Drug Control Program sent representatives in to the Central Asian republics to identify ways to assist in poppy eradication. They are due to report shortly. In the Eastern European democracies the United States is supporting demand reduction and law enforcement training in the Czech and Slovak Republics and DEA educational efforts in Poland.

We should build on this base while we have an opportunity and establish close cooperative arrangements with the Republics in counternarcotics before we all have a problem we cannot manage.

This amendment simply adds to the list of permissible authorized activities that the administration should emphasize in our new bilateral relations.

I understand this is acceptable to both sides.

Let me just repeat, it simply adds to the list of initiatives the President is allowed to carry out under this bill:

Initiatives to ban poppy growth;

Law enforcement training and measures to reduce the flow of precursor chemicals and illicit narcotics in and through the Republics;

Coordination and cooperation at the regional and international level with organizations such as the United Nations;

The establishment of bilateral counternarcotics agreements to assist law-enforcement agencies in conducting criminal investigations and gathering narcotics related information.

That is the actual text of the amendment. It is my understanding there is no problem with this amendment.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. We commend the distinguished Senator from Kentucky for a very constructive amendment. We support it on our side.

The PRESIDING OFFICER. If there is no further debate? The Senator from Rhode Island [Mr. PELL].

Mr. PELL. Mr. President, I believe this is an excellent amendment. We accept it on this side of the aisle.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2660) was agreed to.

Mr. MCCONNELL. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2661

(Purpose: To include the establishment of an efficient intermodal transportation system among the activities supported by the bill)

Mr. MCCONNELL. Mr. President, Senator SYMMS asked that I offer an amendment on his behalf which adds to the authorities section. His amendment recommends we assist in supporting the establishment of efficient transportation assistance.

So I send Senator SYMMS' amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. MCCONNELL], for Mr. SYMMS, proposes an amendment numbered 2661.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 35, line 14, strike out "and".

On page 35, line 19, strike out the period and insert in lieu thereof "; and".

On page 35, between lines 19 and 20, insert the following new paragraph:

(10) to support the establishment of an efficient intermodal transportation system to ensure the safe and efficient movement of its people, products, and materials by providing—

(A) technical assistance in developing laws and regulations for the procurement of transportation construction-related services;

(B) technical assistance in preparing transportation construction-related feasibility studies, and project design, specifications and management; and

(C) transportation infrastructure construction services and products, including the provision of materials, equipment, and supplies. In undertaking the activities in this paragraph, the United States agencies shall, whenever possible, use the services and expertise of established transportation associations, academic institutions and private entities.

Mr. MCCONNELL. Mr. President, it is my understanding that the managers have taken a look at this amendment of Senator SYMMS and find it acceptable.

Mr. LUGAR. The Senator is correct. We support the amendment on this side.

Mr. PELL. Mr. President, we accept the amendment and find it a good one.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment offered by the Senator from Kentucky on behalf of the Senator from Idaho.

The amendment (No. 2661) was agreed to.

Mr. MCCONNELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2662

Mr. MCCONNELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. MCCONNELL] proposes an amendment numbered 2662.

At the appropriate place in the bill, insert the following new section:

Subsection 132(f) and 132(g) of Public Law 102–138 are hereby repealed.

Mr. MCCONNELL. Mr. President, among the agreements signed recently by President Bush and President Yeltsin was the United States-Russian property agreement laying out our expectations with regard to access to our respective embassies. For good reason, for the past several years we have legislatively restricted Russian access to the Mount Alto facility.

Members of the Foreign Relations, Intelligence and Appropriations Committees have debated the merits of various options to address the massive security problems with our new embassy in Moscow. The new agreement to which I referred, entered into by the State Department and the Russian Government, reconciles our major differences in a reasonable and satisfactory manner. I might add, it finally reconciles our differences.

In return for being able to use the embassy at Mount Alto, the new government in Russia has made several important concessions.

First, they have signed a construction agreement permitting the United States to build a new secure office building using American workers, American supervisors, plans, and materials from America.

Second, while that building is under construction, we will continue to occupy the old embassy facility under the terms of a new 99-year fixed-rate lease. The State Department estimates this agreement will save us close to $42 million in leasing or rental fees.

Third, Mr. President, the United States will acquire a little over 1 acre of land with a building on it which is now adjacent to our existing structures. The land, the building and the property will all be owned by the United States to assure absolute security of our enlarged compound.

Finally, Mr. President, all outstanding legal and financial claims bearing on the construction of our bugged facility have been resolved.

While I think we all would have been happier if this mess could have been cleaned up several years ago, I think the agreement reached is a good one from a U.S. security and financial standpoint. With our disputes settled, it seems to me the time has come to allow the Russians access to the Mount Alto facility. My amendment simply strikes the prohibition previously existing to that access.

I believe this has been approved by the managers, but I will wait to hear them respond to that.

Mr. PELL. Mr. President, I have just one question, and that is, the provision in law to be repealed by this amendment contains a prohibition against Soviet use of the Mount Alto complex here on Wisconsin Avenue until the new United States chancery in Moscow is ready for occupancy. How long a time do you expect it would take to build that chancery?

Mr. McCONNELL. I am told about 4 years.

Mr. PELL. So this means that the Russians would not be able to occupy the Mount Alto complex for 4 years?

Mr. McCONNELL. No, they can occupy Mount Alto immediately.

Mr. PELL. I did not hear.

Mr. McCONNELL. The staff informs me the Soviets can occupy Mount Alto immediately under the amendment.

Mr. PELL. I am informed we have a Senator who wants to speak to this. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, we think it is a good amendment on this side of the aisle, and we are glad to support it.

Mr. LUGAR. Mr. President, we are prepared to accept the amendment on this side.

The PRESIDING OFFICER. Hearing no further debate, the question is on agreeing to the amendment.

The amendment (No. 2662) was agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PELL. Mr. President, the bill is open to further amendment. Seeing no Senators present at the moment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. D'AMATO. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. D'AMATO. Mr. President, I rise today for the purpose of offering an amendment to this legislation. My amendment is rather straightforward.

I intend to support this legislation, but I am very much concerned and I have none other than the admonition to support this legislation from someone who understood very clearly the dangers that the Communist regime posed to the world peace.

And that was President Nixon. He said to a number of Senators, and I think to many both Democrats and Republicans, that it would be foolish not to support democracy at this time; that it absolutely did not make sense given the trillions of dollars for defense that we have invested, not to go forward. But he said because we are making an investment in democracy, we would be making an investment in freedom in the future, in our own economic well-being, and also in the fullness of time we would be saving billions that otherwise would have to be going to the same kind of arms race.

I believe that the former President was right. I believe that President Bush is right. But I am concerned about one thing that Mr. Nixon brought up. He said we should not be bailing out the banks, that one of the things we had to see to was not a package of aids that would simply be a transference of economic wealth from the United States or others to the international banks and to others who had made bad loans to the former Communist government. That would be wrong. That would be a mistake. That would be something that I believe would absolutely fly in the face of logic.

I have studied this bill very carefully. I find no logic in it that would preclude moneys that would be coming from this bill to going to these financial institutions.

Let me tell you what we are talking about. We received this from the Congressional Research Service. The table of debt owed by the individual republics to the private financial institutions, the total debt owed is $43 billion, and apparently the Republics came to an agreement as to what percentage each of them would be held accountable for. Russia owes 61.3 percent or $28.2 billion: Ukraine, 16.4 percent, $7.6 billion; Belarus, 4.1 percent, $1.9 billion and it goes on, down to the last of the Republics which has the smallest amount, Estonia, six-tenths of 1 percent with $276 million. So even regarding the smallest of the Republics, we are talking about a substantial sum of money.

I want to help the Republics and help ourselves, and I want to help ensure freedom. But I do not want to have a situation where loans that were made for Lord knows what purposes, 10, 15, and 20 years ago, loans just to the international institutions that now total $43 billion. That does not include government-to-government loans, that we in this package are inadvertently going to be sending hundreds of millions, if not billions of dollars, to bail out international financial institutions. That is not what this aid package is for.

I have discussed this matter with—and my staff and some of the people involved in this bill, and I was told, "How about putting this in the form of a sense-of-the-Senate resolution." I want to comply, and I want to make this bill go. But a sense-of-the-Senate resolution does not mean a thing. It is not going to do anything. It is not going to preclude these dollars from going to these banks. Therefore, I am going to offer this amendment that would preclude the funds the U.S. gives to the former Soviet Republics to pay back any of the loans from the international institutions.

Why should there not be this restriction? The purpose of this legislation is not to bail out the private banks that made these bad loans to the former Soviet Union but, rather, to assist the former Soviet Republics in attempting to bring about democracy, and to sow the seeds that will, in the long run, pay great dividends to the American taxpayer, to our children and to our own economic well-being.

AMENDMENT NO. 2663

(Purpose: To prohibit the use of funds from this act to pay for the indebtedness of Republics of the former Soviet Union to international financial institutions).

Mr. D'AMATO. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. D'AMATO] proposes an amendment numbered 2663.

Mr. D'AMATO. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 52, after line 13, insert the following new section: Sec. 21. None of the funds made available by this Act may be used to pay indebtedness of the republics of the former Soviet Union to international financial institutions.

Mr. D'AMATO. Mr. President, again, I do not know how we could be opposed to this amendment if our purpose is to aid the republics and to give them an opportunity to plant the seeds of economic progress in the free capital system. But I certainly do not think we should be involved in attempting to redeem banks that poured money down a black hole. The banks that made those loans were charging incredible interest rates, and made their own profits. They absolutely should not be bailed out by the American taxpayers. That is why I have offered this amendment.

Let me say this: This amendment is straightforward: "None of these funds made available by this Act may be used to pay indebtedness of the Republics of the former Soviet Union to international financial institutions."

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there sufficient second?

At the moment, there is not a sufficient second.

Mr. D'AMATO. Then I am going to continue to talk until we get a sufficient second, to be quite candid with you, because I am not going to be denied an opportunity to have a vote on this. I will read my full statement, if my colleagues want me to do so, and repeat this and my contentions over and over.

Mr. LUGAR. If the Senator will yield, I appreciate the Senator's seriousness and purpose, but we have not yet seen the amendment. If the Senator would withhold his request until we have an opportunity to examine the amendment, we would be appreciative.

Mr. D'AMATO. Certainly.

Mr. President, my purpose in offering this amendment today on the Russian aid bill is simple. My amendment would prohibit the former Soviet republics from using any aid that the United States provides to pay its international debt to private financial institutions. I do not think the purpose of this bill is to pay for the bad loans that were made by the international community, for Lord knows what purpose.

We are looking to help these democracies. That does not mean that we are responsible or they should be responsible to the international banking community for the loans that were made during Lord knows whose days, whether they were Stalin's or not. We do know that there are a substantial quantity of these loans over $40 billion.

The group that will benefit the most from this aid package will be the private banks, unless we see to it that this provision is in law. One of the things that President Nixon said when he came to lobby on behalf of an aid package is: Make sure that you are not going to be simply bailing out the banks and that the money gets in there to help the people and help the economy of this country.

I think he was right. The fact is that we have to see to it that we do not provide an indirect bailout by the American taxpayers of international financial institutions. That is what this Senator is concerned about.

Presently, the former Soviet republics collectively owe some $43 billion out of a total of $61 billion of international debt to these banks. The remainder, as reported by the Bank of International Settlements is owed to official institutions, mainly European.

According to the Congressional Research Service, Russia, the largest of the republics, owes $28 billion, nearly four times more than the Ukraine. If we do not condition American aid to the former republics like this, we will be, in part, bailing out the banks who made these irresponsible loans to the dying Soviet Union. That is not our purpose.

We are looking here to revitalize and give democracy an opportunity. Having poured money down a black hole, these banks faced an almost certain loss on their unwise investments. Now, without this condition, they face the possibility of recapturing some of those losses. These are loans that they have never thought they would get paid back. We should not be now bailing them out. We in the Congress cannot allow this to happen.

We cannot allow banks that have made irresponsible loans to the corrupt system of the former Soviet Union to benefit from this aid which was destined for the people of the former Soviet Republics. If the banks were willing to take the risk in the first place by loaning these billions of dollars, then let them take their losses. That is the economic system and principle that we are attempting to encourage them to become part of.

Mr. PRESSLER. Mr. President, will my colleague yield for a question?

Mr. D'AMATO. I am happy to yield for a question.

Mr. PRESSLER. I have a question. But I first would like to ask to be named a cosponsor of this legislation.

Mr. D'AMATO. Mr. President, I ask unanimous consent that Senator PRESSLER be added as an original cosponsor; and I ask unanimous consent that Senator DECONCINI also be added as a cosponsor.

The PRESIDING OFFICER (Mr. AKAKA). Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, my question to the Senator from New York is, as he knows, there is a great deal of controversy about this legislation throughout the country. And as we speak to our constituents, we must be very candid about exactly what we are doing.

It is not true that the title of this legislation is "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act"? That title does not say anything about paying off banks, or anything else. But to make this a truth-in-legislating—I would say the amendment of the Senator from New York is a truth-in-legislating amendment, to be certain that the American people know exactly what we are doing. Is that not the case?

Mr. D'AMATO. That is exactly the case, Mr. President. I believe that the American people should know that this is not our intent. And, indeed, we have provided legislative protection to see to it that this money goes to emerging democracies and to the people, and not to bail out the banks for the international loans that should not have been made, or that were made and that have now gone sour. That is not the intent of this Senate.

I want to be able to meet my constituents. When they say to me: "Listen, we have problems in America. How come you were out there taking care of the international banks?"

I want to say: Wait a minute. We made involvements in democracy that in the longrun will pay dividends here to our safety, future, and economic well-being. But not that I went and bailed out some bank that was charging you usurious interest rates because the loans were shaky, at best.

That is not the purpose of this bill. I hope that the mangers of the bill, after having an opportunity, will see the merit to it, because I think it is essential that we let the American people know that is what we are about.

The PRESIDING OFFICER. The Senator from Indiana, Mr. LUGAR, is recognized.

Mr. LUGAR. Mr. President, we appreciate receiving the amendment. We have examined the amendment, and we are prepared to accept the amendment.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, we concur in that thought. We have seen that amendment, and are prepared to accept it and vote on it.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from New York.

The amendment (No. 2663) was agreed to.

Mr. D'AMATO. Mr. President, I move to reconsider the vote.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. D'AMATO. I thank the managers of the bill, and I thank my colleagues for their support.

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 2664

(Purpose: To restrict assistance for Russia until its armed forces are removed from the Baltic states)

Mr. DECONCINI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Arizona [Mr. DECONCINI], for himself, Mr. PRESSLER, Mr. RIEGLE, and Mr. D'AMATO, proposes an amendment numbered 2664.

Mr. DECONCINI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . RESTRICTIONS ON ASSISTANCE FOR RUSSIA.

(a) IN GENERAL.—No United States economic assistance (other than humanitarian assistance) may be provided by the Government of the United States to the Government of Russia until the President of the United States determines, and so certifies to Congress, that—

(1) significant progress toward removal of Russian or Commonwealth of Independent States armed forces from Estonia, Latvia, and Lithuania has been achieved;

(2) no artillery exercise or similar training operation by Russian or Commonwealth of Independent States armed forces on the territory of Estonia, Latvia, or Lithuania is any longer being conducted, without the express permission of the government of such country;

(3) the air and naval forces of Russia or the Commonwealth of Independent States are not interfering with traffic in the air space or territorial waters of Estonia, Latvia, and Lithuania; and

(4) neither the Government of Russia nor the military command of the Commonwealth of Independent States has introduced into Estonia, Latvia, or Lithuania any additional armed forces since the date of enactment of this Act, including any additional military personnel, military equipment, or related civilian personnel, without the express permission of the host government.

(b) INTERNATIONAL MONITORING OF TROOP WITHDRAWAL.—During and after the negotiating process on a timetable for withdrawal of troops in joint military monitoring committee shall be formed consisting of representatives of the military of all affected states, the United States, and representatives of other countries, as mutually agreed upon. The activities of this group should be similar to the greatest extent practicable to the experience of the Joint Military Monitoring in Angola.

(c) DATE OF CERTIFICATION.—Any certification made under subsection (a) shall be effective for a period of six months, and the President may recertify the requirements of that subsection for additional periods of 6 months.

(d) REPORT.—Whenever the President makes determinations under paragraphs (1) through (4) of sebsection (a), the President shall submit a report to the Congress setting forth the basis for each such determination.

(e) DEFINITIONS.—For purposes of this section—

(1) the term "humanitarian assistance" means food, clothing, medicine, or other humanitarian assistance; and

(2) the term "United States economic assistance" means economic assistance (including in-kind assistance) provided by grant, sale, loan, lease, credit, guarantee, or insurance, or by any other means (including contributions to international financial institutions), by any agency or instrumentality of the United States Government, and such term does not include funds transferred under section 221 of the Soviet Nuclear Threat Reduction Act of 1991 (Public Law 102-228) for use in reducing the Soviet military threat in accordance with that Act.

Mr. DECONCINI. Mr. President, this amendment addresses the administration's proposal to provide credit guarantees and technical assistance to the newly independent countries of the former Soviet Union. Although I have serious reservations about some of the approaches the President has taken in the Freedom Support Act, I do believe the United States can and should play an important role in providing some technical and humanitarian assistance to all of the countries of the former Soviet Union, not just Russia.

Russia being the dominant one, obviously they will have the predominant amount. And the emphasis will certainly be on funds distributed to Russia.

I have met personally with leaders of almost every one of these countries, and I am convinced that we can play a constructive part in their economic development and their transition to democracy. In our sense of urgency to help lock in, so to speak, the democratic reconstruction of Russia and elsewhere, however, we must not allow ourselves to stand by while Russia engages in what I consider blatantly undemocratic and provocative action.

If these actions are allowed to go unchecked, unmentioned, they will threaten not only the freedom movement in Russia and the other CIS States, but the very security of the whole of Europe. It is for this reason that I am pleased to join my friend from South Dakota, Mr. PRESSLER, who has worked in this area far more than I have, and has the expertise of traveling to the former Soviet Union, as I do. We think some action needs to be taken. And we have not taken a sledgehammer to anybody with this amendment.

I am glad to see Senator RIEGLE, Senator D'AMATO, Senator HELMS, Senator WALLOP, Senator SYMMS, Senator GORE, Senator BRADLEY, Senator ADAMS, Senator MIKULSKI, Senator DODD, and Senator WOFFORD join as cosponsors of this amendment to S. 2532. Our amendment would restrict all but humanitarian assistance to Russia until that country shows progress in removing its troops from the sovereign nations of Estonia, Latvia, and Lithuania.

Mr. President, for more than 50 years, the United States refused to recognize the illegal occupation of the Baltic countries by the Soviet Union. How many in this body, and previous Members, have spoken about the captive nations, voted on resolution after resolution in support of the captive nations, and indicated that they will never be accepted as part of the Soviet Union? And today, that has paid off. They are independent, sovereign states, thanks a lot to the Congress of the United States, which has continuously stood fast to not permit them to be incorporated and infringed upon by the former Soviet Union.

Today, the Soviet Union is gone; it is dead. Today, the Baltics are at long last independent. I would like to say they are free. I do not think that is a fair statement. They cannot be completely free as long as they are still being occupied by the very same army which humiliated and terrorized the Baltic people for five long decades.

Approximately 120,000 Russian Federation troops remain on Baltic soil today, because the Russian Government says it has nowhere to put them. I do not doubt that the relocation problem is a serious one. I have seen some of those bases. I have seen the lack of housing in Moscow and other parts of Russia.

But I do question the sincerity of the Russians to resolve these particular problems as expeditiously as they could. They have done little or nothing. As a matter of fact, they have taken provocative steps in just the other direction.

I know that tremendous pressures are being placed on President Yeltsin's government by the economic and social problems associated with downsizing the huge former Soviet army. I have great admiration for Mr. Yeltsin's display of courage when he led the Soviet people through those tense days of August 1991. He was a patriot, and he is. Since then, Mr. Yeltsin has managed to walk a very difficult line between still influential hardliners in the military in Russia, and those such as Prime Minister Gaiclar, who are struggling against incredible odds to keep the freedom movement alive in Russia.

President Yeltsin recently visited the United States. We all witnessed that, and realized the tremendous impression that he has made. He has inspired us to believe even more strongly than before in a new period of United States-Russian relations which promise exciting mutual benefits for all countries, and for a safer world.

But to ignore that dark cloud that still remains from the era of repression and mistrust only imperils the bright, new age we are now entering between the two countries. I am speaking not of the economic problems involved in relocating Russian soldiers, but of the attitude and the actions of those managing these particular soldiers and their other military units, their attitudes which portray old Soviet thinking.

It is one thing to say there is no place to house returning troops, and quite another to keep sending replacements into the Baltics every few months.

Fully 80 percent—80 percent, Mr. President—of the Russian forces in the Baltic States today are comprised of conscripts who are drafted for a 2-year period. What does that mean? It means that 40 percent of those soldiers who are there today will be eligible for release from the Russian army in December of this year; and the remaining 40 percent will be out in December 1993, 18 months from now.

Why, we have to ask ourselves, are they being replaced? What is happening is when these drafted military conscriptions run out, they leave. They go out of the army; they go out of the military.

And the Russians send in more into these countries. It does not take a rocket scientist to figure out the math here. Yet the Russians refuse even to stop rotating these replacements. Is that asking too much? Would that not be a message to all of us in the world that they are very sincere about their commitment to get the troops ultimately out of there, realizing they cannot remove them this year? It is one thing to say troops must not be allowed to stay there and quite another to stage military exercises on foreign soil without the permission of the host countries, the supposedly sovereign nations of these three Baltic countries.

Could you imagine how the United States would react if another country, without first obtaining our permission, tried to conduct military exercises on our soil? Can you imagine how the United States would react if another country arbitrarily engaged in military overflights of our space? And yet, Russian authorities do this to the Baltic countries with regularity almost on a daily basis at their whim. The Russian Federation routinely violates the letter and the intent of the February communique signed this year by the Russians and the Latvian negotiators regarding troop levels and attitudes and activities that would be able to be permitted in Latvia and in Lithuania.

In an effort to discourage the Lithuanian Government officials from collecting further data on violations, the Russian army has recently tear-gased Lithuanian observation posts. That is a friendly gesture, is it not? Do not come over and even look because, if you do, you are going to cry not only inside because your country is occupied by a foreign military but because they are going to hit you with tear gas. These countries are not even permitted to go on those bases. They do not even know exactly how many there are. They only know by counting the troops because they have to come across the country when they are stationed there.

I ask unanimous consent that a copy of the recent Russian violations of Latvia and Lithuania be printed in the RECORD at this point because it demonstrates how flagrant this is.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Republic of Latvia, Ministry of Defense]

INFORMATION ABOUT THE INFLUX OF ADDITIONAL RUSSIAN MILITARY REINFORCEMENTS INTO LATVIA

The Russian Federation is not living up to the obligations set forth in the communique adopted during the Latvian-Russian bilateral talks of February 1, 1992, which state that Russia will not increase the numerical level of its armed forces, will refrain from unilateral actions and regularly inform the Latvian side of the number of Russian military personnel on Latvian territory.

The following Russian army violations have been observed in the past two months:

On April 3, at 14:28, a civilian AN-26 airplane landed at the Lielva city airport with 2 officers and 22 enlisted personnel aboard. The military personnel refused to show identification or provide their names;

On April 4, at 12:00, at column of 14 closed Russian vehicles broke through a barrier of cement posts on the Lugāži road from Estonia and entered Latvia;

On May 19, at 10:30, approximately 30 Russian army personnel with sergeant's insignia arrived by train at the Ventspils railway station. They were transported from the station with army cargo trucks;

During the last week of May, flights to aerodromes located in Latvia, at Lielvārde, Skulte and elsewhere, by Russian military cargo transport planes AN–12 have increased many times. There are suspicions of an influx of new recruits;

On May 25–26, forty new recruits reported to the Dobele division (located at Dobele, Ventspils and Ādaži), of which 15 remained at Dobele;

The evening of May 29, a medium landing ship from Baltiisk, Kaliningrad region, entered the Liepāja military port carrying 35 soldiers in naval uniforms, who could be found on warships in the winter port on June 1;

On May 30, at 11:30, two Russian military cargo trucks (license plate #86–21 DB and 86–20 DB) arrived at the "Pejju" homestead not far from Ape with 3 officers and 30–40 enlisted personnel. As the road ended at this homestead, the military personnel crossed the Latvian-Estonian border on foot;

On May 30, at 16:00, a Russian army helicopter MI–24 landed forty soldiers in Veclaicēne county (Alūksne rayon) near the "Teju" homestead, who then boarded cargo trucks (license plate #86–21 DB, 86–20 DB, 469PX) and drove off over the Trumpupe into Estonia;

On June 2, at 01:10, two closed army cargo trucks crossed the border from Russia at a border control post near Zaiceva (Alūksne rayon) with 38 new recruits, which then entered Alūksne;

On June 2, at 21:40, two cargo vehicles (KAMAZ lic.plate #60–00 ЭВ and URAL lic.plate #36–21 ПВ) with 38 new recruits, that wished to enter Latvia, were detained at the Veclaicēne border control post. The vehicles returned to Russia, but on June 3 at 01:00 entered Latvia at the Zaiceva border control post.

On June 3, at about 10:00, a Russian warship (BDK–047) entered Liepāja harbor with approximately 170 new recruits aboard, who were dressed in civilian clothing. The ship anchored at the outer pier, slip number 56. After Latvian border guards did not allow the recruits to disembark, the ship headed out to sea in the direction of Riga.

We have received word of an expected influx of additional Russian Army reinforcements at many military units.

VALDIS V. PAVLOVSKIS,
Deputy Minister.

[Received by the American Latvian Association on June 5, 1992 by fax from Riga. Translated by Mārtinš Jānis Zvaners, American Latvian Association, June 5, 1992.]

[From the Estonian American National Council, Inc., June 30, 1992]

FOREIGN TROOPS IN ESTONIA

Neither the Soviet Union nor Russia has given exact figures about the number of troops stationed in Estonia, Latvia and Lithuania. In addition, a great many civilians work in the military units and bases. They should leave along with the military.

The Russian representatives announced in January that there are 128,000 CIS soldiers in 806 units in the Baltic States. Of these, 28,000 are officers and 13,000 junior officers. 63,000 are in Lithuania, 40,000 in Latvia and 25,000 in Estonia. There were nearly 30,000 in the motorized infantry and coastal defense combat units, air force 20,000, air defense forces 20,000. The rest were in the district headquarters, technical, construction, chemical and civil defense forces, maintenance and rear guard units and institutions, in military schools (25,000), the Baltic naval fleet and naval air force (20,000), border guards (10,000) and special forces (1,000). Currently about 110,000 CIS troops remain in the Baltics.

According to Estonian State Ministry information, in April there were 22,000 troops in Estonia, nearly half of them enlisted men. 3,666 of the enlisted troops were supposed to leave Estonia in the spring and Russia wanted to replace them with 3,100 conscripts. Thus, there should now be 18,500 soldiers in Estonia, 10,400 of these officers and junior officers. The figure 125,000 claimed by the Russian representative at the most recent negotiations is therefore exaggerated. The Estonian government does not plan to give permission for any new troops to be brought to Estonia; however, they have already been brought to Tallinn and Paldiski. If Estonia succeeds in preventing the bringing in of more trainees and new recruits, by next spring the last of the enlisted troops will have left Estonia. What would the officers do without anyone to command?

The military units in the Baltic states are under Russian jurisdiction, although they are subordinate to many CIS armed forces commands. The ground forces are commanded by the Northwest Group of Force [Loode] command (headquarters in Riga), the air assault forces by Moscow. The air forces answer to the 46th Air Army in Smolensk and the 15th Air Army Command in Riga, the air defense forces to the command in St. Petersburg. The navy, the coastal defense units and naval air force are subordinated to the Baltic fleet and its naval air components headquarters in Kaliningrad, the border guards to the district border command in Riga, and the special forces or spetsnaz to the GRU or naval headquarters in Moscow. The interior forces and OMON, which answer to the Department of the Interior, are supposed to be gone by now. The administration and finances of all units is handled by the Northwest Group of Forces. This arrangement makes the control of the forces and their movements super difficult for both Estonia and Moscow.

In the Baltic States at the beginning of the year, there were four ground divisions and two training centers (training divisions)—two motorized infantry divisions, a tank division-tank training center, an air assault division and an air assault training center and a coastal defense division in the Baltic States. In addition, there were two air assault battalions, a special forces brigade, an artillery brigade and regiment and other units. There were a total of 11 air force regiments.

The motorized artillery divisions and coastal defense divisions in Estonia and

Lithuania are at cadre strength of manning only. They are fully armed and equipped, but staffed at about one third of what would be required in case of war. The most dangerous unit of those located in the Baltic States is the air assault division in Lithuania (7,780 men in January), a mobile and combat ready attack unit. The tank training center in Latvia and the air assault training center in Lithuania both dealing with the training of sergeants and specialists are strong. The latter center is unique in all the former Soviet Union. The information in the table below is from official Soviet sources. The Baltic States have a right to get part of the ex-Soviet armament and technology for themselves, especially the light armaments. The tanks, artillery, rockets, etc. are covered by the CFE Treaty. Besides the various forces described above, there are air defense rocket batteries, radar stations, and other technical installations. Various support and rear units, installations and warehouses are not even mentioned.

Armaments and military technology	Estonia	Latvia	Lithuania
Tanks	153	165	488
Other combat armored vehicles	303	123	1253
Artillery over 100 mm	8	52	269
Motars 120 mm	32	21	36
Rockets and missiles	12	7	66
Helicopters	10	42	61
Fighter aircraft	163	213	60
Bombers	20	....	....
Attack aircraft & fighter bombers	29	147	60
Air defense interceptors	114	38	....
Reconnaissance aircraft	....	28	....

The withdrawal and reduction of Russian forces has only affected air defense, support and rear units and has not, for all practical purposes, touched the combat forces. Foreign troops are still in all three Baltic capitals. Merely renaming the Baltic Military District as the Northwest Group of Forces has not changed anything. Even the Russian border guards wish to continue their activities in these independent countries for many years.

During the negotiations, Russia is both trying to delay withdrawing the troops and trying to get legal status for them. It is clear, that the problem is not the families of the officers or the housing of the troops, but primarily the leadership of the CIS armed forces.

There is no longer any justification or military reason for keeping ground forces, coastal defense and assault air force units in the Baltic nations. Which nation plans to attack Russia via Europe? And even if someone were to attack, the cadre composition forces would not be able to repel a strong attack. They would need reinforcements and time for training. These forces are suitable only for use against the Baltics' inadequately trained and armed fledging defense forces. Especially inappropriate are all Russian military training units and centers, to which soldiers are brought for instruction. Paldiski's nuclear reactors pose a threat to the whole region. Some small justification can be found for the air defense forces. More time can be allowed for the removal of their early warning radar stations. Some of the radar stations must be given to the Baltic States. Russian naval bases cannot be permitted in the Baltic States. The Baltic Sea does not need so many military craft.

The Russian forces in the Baltics are not there for anyone's defense, but serve to exert pressure on the Baltic States. By continuing the occupation, they hope to keep the Baltic States in the Russian sphere of influence and to prevent them from getting NATO protection. Some of the Russian top brass may even be awaiting the restoration of the Soviet Union.

The contribution to the local crime rate and environmental damage caused by the military cannot be ignored. Serious political destabilization is caused by the potential assistance which these foreign troops could give to the Russian colonists here, who would like to carry out a variation of Moldova in the Baltics—to create their own "Northeastern Estonian Republic."

Strong international pressure is needed to get the Russian troops out of Estonia, Latvia and Lithuania.

Mr. DECONCINI. These actions are not about economic or social problems. These are about the flagrant disregard for the sovereignty of other nations. How can we rebuild our relationship with Russia on a foundation of trust when this type of conduct with three other independent, supposedly sovereign countries, who are also struggling with social and political and economic problems just as severe to the people that live there as they are in the Republic of Russia?

Do we tell the Baltics to just be patient while their dignity and their rights are trampled on for another decade? That is what is going to happen if the United States does not stand up and say, "You have to work out some arrangement. You have to put it on a line that you are going to take some positive action."

My amendment does not ask for pulling the troops out this year or next year. And I will go into that a little bit later.

The Senator from North Dakota has had a great deal of influence on this, that we should not put in a bottom line to the effect that they have to get out by 1994 or 1995 because of the sensitivity. But I submit, Mr. President, unless we begin holding all countries, large and small, to the same standards embodied in international law and the CFCE principles, the new world order will not be based on any lasting peace and stability. It will be once again based on might versus right as we are now seeing what is happening in the Balkans.

We know what is happening in that part of the country. We see a total disregard for their sovereignty where power is used brutally. Do not think that this could not happen in the Baltics because it could.

The longer Russian troops remain in the Baltics, the greater the danger to the security of the region. It is in everybody's interest here to force this issue. If Russia fails this test of international behavior, what other test will they fail? Will history once again record that the little states were sacrificed out of fear cloaked in the name of stability?

We cannot afford to take a chance on what might happen in Russia. The news media carry reports almost daily about statements of senior officials in the Russian Government who make inflammatory comments regarding the Baltics.

The June 15 issue of the Financial Times ran the following headlines: "Russian Military Seeks Permanent Baltic Presence." If you control the Government—maybe Mr. Yeltsin does not. I believe he does. He has demonstrated his will to do it, to stand up to the tanks before. He has to have the courage to get that Parliament to make some kind of agreement. His Government must move ahead and do something to remove those troops.

Last week, on the eve of an agreement to end the bloodshed in Moldova, the Russian Army issued a tough warning to the Baltics that it will open fire if Russian soldiers are attacked. If Russian soldiers are attacked? You might ask, what has happened, all of a sudden, to the fact that they are occupying foreign soil. This is a violation of the Helsinki Act that Russia committed itself to, the Baltics have committed themselves to, and will be resigned again in July 9 in Helsinki. This type of outrageous statement only fuels speculation about Russian intentions of deliberately provoking some violence in the northern part of Estonia, in particular a territory which Russia would very much like to keep as its own for military purposes.

Mr. President, now is the time to insist that Russian troops be brought home before that tiny spark could ignite things forever in this area and never be the same as they are today.

I urge my colleagues to vote for this amendment. A vote in favor of this amendment is a vote affirming the hard-won sovereignty and independence of the Baltics. A vote against this amendment says, in my judgment and my opinion, in effect, that it is OK for Russia to continue to occupy Latvia, Lithuanian, and Estonia with troops of 120,000 at least in violation of international principles, including virtually all 10 of the Helsinki Act principles. We must not be a party to this, to sacrifice these principles, just because it is easier to go along with the powers that be. It is not fair, and it is not right.

Mr. President, this amendment, as I said, does not say troops will be removed this year. It indicates that the President must first certify and then issue a certification report every 6 months indicating the specific steps the Russian Government is taking to effect the removal of these troops in these three countries. Is that asking too much? Is that a sledgehammer? Is that not reasonable? Could they not be doing that today? And if they are, why do they not announce it?

Mr. President, I hope my colleagues will vote for this and can conclude that this is a reasonable amendment that is not going to turn the world upside down or a killer amendment that is going to defeat this package. It is not offered in that sense, and I truly hope that it will prevail.

Mr. PELL addressed Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, the issue of the former Soviet Army units in the Baltic countries is a very complex and complicated one and a very sensitive one as well. The Russian Government, the new Government, has argued, I think correctly, that when they have housing for the troops, they will withdraw them. By the same token, I think many people in the border communities want them withdrawn and we want them withdrawn, and I believe the Russians would like to have them withdrawn if they had a place to put them.

The committee bill that we have would actually contribute to movement of troop withdrawal by authorizing technical assistance and helping the reformers who want the troops removed from the country. We should bear in mind this will strengthen the hand of the Yeltsinites to move ahead down the path of reform. If we torpedo it in any way, I think it would be rather disagreeable and reminiscent of Kerensky so many years ago. I am hopeful that the Governments of Russia, Latvia, Lithuania, and Estonia will resume their talks of troop withdrawal as soon as possible.

The drafters of this in the administration strongly oppose the amendment because of the underlying objective of helping all the countries of the former Soviet Union move forward.

The administration at this time is not in a position to certify the conditions in the amendment. Our assistance program in itself would be very much jeopardized.

I also offer at this time an amendment in the second degree, that would amend this.

AMENDMENT NO. 2665 TO AMENDMENT NO. 2664

(Purpose: To restrict assistance for Russia until its armed forces are removed from the Baltic States)

Mr. PELL. Mr. President, I offer the amendment in the second degree because of the concern I share with the Senator from Arizona. I will desist while the clerk reads the amendment.

I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Rhode Island [Mr. PELL], for himself and Mr. LUGAR, proposes an amendment numbered 2665 to amendment No. 2664.

Mr. PELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the pending amendment, strike all after the first word and insert the following:

RESTRICTIONS ON ASSISTANCE FOR RUSSIA

(a) IN GENERAL.—Commencing twelve months following enactment of the Act, no United States economic assistance (other than humanitarian assistance) may be provided by the Government of the United States to the Government of Russia until the President of the United States determines, and so certifies to Congress, that—

(1) significant progress toward removal of Russian or Commonwealth of Independent States armed forces from Estonia, Latvia, and Lithuania has been achieved;

(2) no artillery exercise or similar training operation by Russian or Commonwealth of Independent States armed forces on the territory of Estonia, Latvia, or Lithuania is any longer being conducted, without the express permission of the government of such country;

(3) the air and naval forces of Russia or the Commonwealth of Independent States are not interfering with traffic in the air space or territorial waters of Estonia, Latvia, and Lithuania; and

(4) neither the Government of Russia nor the military command of the Commonwealth of Independent States has introduced into Estonia, Latvia, or Lithuania any additional armed forces since the date of enactment of this Act, including any additional military personnel, military equipment, or related civilian personnel, without the express permission of the host government.

(b) INTERNATIONAL MONITORING OF TROOP WITHDRAWAL.—During and after the negotiating process on a timetable for withdrawal of troops a joint military monitoring committee shall be formed consisting of representatives of the military of all affected states, the United States, and representatives of other countries, as mutually agreed upon. The activities of this group should be similar to the greatest extent practicable to the experience of the Joint Military Monitoring in Angola.

(c) DATE OF CERTIFICATION.—Any certification made under subsection (a) shall be effective for a period of six months, and the President may recertify the requirements of that subsection for additional periods of 6 months. The last sentence of section 5(b) applies to ineligibility for assistance under this section.

(d) REPORT.—Whenever the President makes determinations under paragraph (1) through (4) of subsection (a), the President shall submit a report to the Congress setting forth the basis for each such determination.

(e) DEFINITIONS.—For purposes of this section—

(1) the term "humanitarian assistance" means food, clothing, medicine, or other humanitarian assistance; and

(2) the term "United States economic assistance" means economic assistance (including in-kind assistance) provided by grant, sale, loan, lease, credit, guarantee, or insurance, or by any other means by any agency or instrumentality of the United States Government, and such term does not include funds transferred under section 221 of the Soviet Nuclear Threat Reduction Act of 1991 (Public Law 102-228) for use in reducing the Soviet military threat in accordance with that Act.

Mr. PELL. Mr. President, this amendment basically gives a 1-year grace period when the suspension of aid caused by the lack of agreement to remove Russian troops from the Balkan States would be remedied.

What it does is postpone the attainment of the objectives we all share. I think to pass this bill now, with the present amendment in it, would be to the disadvantage of the objectives we share.

I would also add, that amendment—I erred in not saying it was proposed by both the Senator from Indiana [Mr. LUGAR], and by myself, together.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, the amendment offered by the Senator from Arizona and myself was offered on a bipartisan basis. This is an attempt by the administration to water it down, to give them 12 months before they have to do anything about getting troops out.

I am going to oppose the Pell second-degree amendment and strongly support the DeConcini-Pressler amendment. Let me tell you why.

I had a discussion earlier today with Secretary of State Baker on this matter and I could not get a clear answer as to why it is that, by attrition, Russia cannot reduce the troops in the Baltic States.

The Russians say they cannot take the troops home, but they are sending new recruits. By attrition, as Secretary Cheney pointed out when I asked him before the Foreign Relations Committee just the other morning, they could, in a matter of months, substantially reduce the troops—by attrition.

This second degree takes all the teeth out of the Pressler-DeConcini amendment because nothing would happen for another 12 months.

I do not accept the arguments for keeping the troops there. Russia says they do not have space to bring them home, but they are sending new ones.

Also, the argument has been put forth that, somehow the troops there protect Russian minority there. There are no threats to the Russian minority there. Indeed, they are very well treated.

The Russians want to be European, they want to keep troops on their western front, and that they just do not want to move them.

The amendment of the Senator from Rhode Island, which I believe the administration would agree with, will effectively take the teeth out of this amendment.

My colleague from Arizona and I have worked on this amendment for some time. We worked with various groups. I think before we send money to the Soviet Union we should prepare to tell our taxpayers how we can justify indirectly supporting keeping their troops in foreign countries.

The three countries we are talking about are independent nations and it is costing the Russians a lot of money to keep troops there. Supply lines are long. Young people could be brought back into the Soviet Union. They are going to have to be converted into the free enterprise system or into the Russian economy anyway, eventually. It is certainly just as efficient to do that now as later.

All the arguments about this seem very puzzling as I believe Russia has a deep mentality that they want to keep troops there on the front with Russia for some reason.

Mr. President, many Senators have noted that this bill is a vital symbol. Yet, we must ensure that signal is one of United States support for the end of totalitarianism in the former Soviet Union. That signal must not be that this bill puts the stamp of approval on recent Russian actions—including the use of at least some Russian forces in Moldova and continuing belligerent statements by officials of the Government of Russia dangerously asserting that military action may be required to protect the Russian minority outside Russia.

Therefore, this amendment proposes a litmus test. If the Senate is serious about helping the peoples of the former Soviet Union, we must establish prudent standards of acceptable behavior in the United States-Russian friendship. I like to call this a minimum standard of action by the Russian Government as a prerequisite to U.S. taxpayer largesse. If we do not set some minimum, reasonable standards to protect the United States taxpayer, we will strengthen the hand of the opponents of reform—or, the enemies of President Yeltsin himself.

Mr. President, this amendment does not ask for anything that the Russian Government should not be prepared or able to give in the short term. It requires nothing opposed to their own interests. Essentially, this amendment requires three actions that have three simple solutions.

First, the amendment requires significant progress on the withdrawal of former Soviet troops from the Baltic States. This requirement easily could be satisfied by removing the units most offensive to the Baltic governments—those in the capital cities near the governments of the recently liberated Baltic nations.

Second, it calls for an end to military maneuvers by the Russian army in the Baltic States without notifying the Baltic governments. This is simple enough. Every child in America is taught that he or she should not play in a neighbor's yard without asking permission.

Third, this amendment requires the Russian military to refrain from bringing new Russian conscripts into the areas where its unwanted troops are still stationed. By mere attrition—that is, not replacing the troops that will naturally rotate out after their 2-year term is up—troop levels could be decreased immediately.

This action would have the added benefit of helping Russia reduce its military spending and allow the youth of Russia—tomorrow's entrepreneurs—to spend their youth seeking business contacts, not playing war games against the passive Baltic populations.

Mr. President, we heard several arguments that may be made that this amendment is too harsh, that it asks too much of the nascent system Russia calls democracy—their first attempt in 1,000 years of history. President Reagan, who more than any other person helped bring down Soviet dictatorship, used to say, "trust, but verify." The Senator from Arizona and I are merely asking for visible signs of good will that also represent good policy.

Mr. President, the Russian Government claims it will not be able to abide by these conditions because of the great social costs required by the shrinkage of the military. Moving 120,000 troops will not be easy. Yet, in a 9-month period, the Soviet Government moved 115,000 troops from Afghanistan. Recently, the Russian Government announced it will remove 50,000 troops from Azerbaijan. Tens of thousands also will be removed from central Asia.

Why not negotiate a reasonable timetable for withdrawal from the Baltic States? This is a test of whether Soviet imperialists have changed their spots in addition to changing their flag.

Housing for the withdrawing troops is a difficult issue. But housing shortages affect almost all victims of Soviet-style communism. As we discuss ways to convert the military-industrial complex, are there not ways to employ these troops in building houses in Russia? After all, the Soviet Union has used its troops over the years to fight wars, harvest potatoes, and build roads, buildings, and bridges.

In addition, domestic Russian efforts can be supplemented by offers from the Swedish, Norwegian, and other governments to help build housing for the departing Russian troops.

Why not bring some of the troops back to Russia and have them build housing, if troop housing is a problem?

Perhaps the United States can explore ways to offer technical assistance programs that will help train unemployed soldiers to start their own businesses, similar to those offered by the U.S. Government in this country. In addition, the Russian Government could find additional money to remove the troops if it would invest funds currently used for active intelligence operations to demilitarize Russia.

None of the Baltic governments have told the Russians they must leave—only that they must leave the service of a foreign army on their territory. In fact, in Lithuania, Russian families are offered the option to purchase the home they live in and can become a member of Lithuanian society.

Mr. President, many people, including some in the State Department, are under the erroneous assumption that the Russian Government has been making significant steps toward the removal of troops and that it has entered into good faith negotiations on the withdrawal of troops. That assertion simply is not supported by the facts. There is a great distance between the rhetoric—specifically President Yeltsin's statements of good will—and reality. The reality consists of troop withdrawal proposals stretching into 1997 and continued military maneuvers. The reality is continued insults to Baltic sovereignty by the Russian military.

Russian actions should not be taken lightly. The Baltic governments and the Russian Government are not equal bargaining partners. For example, the Latvian Government is equipped with only about 1,800 border guards and a national guard of about 10,000. Former Soviet forces account for anywhere from 40,000 to 58,000 troops in Latvia. The Latvians, as well as their Lithuanian and Estonian neighbors, are short of clothing and equipment for their troops. They currently are outfitted only with light weapons. They do not have tank forces or motorized divisions.

Instead of good faith efforts, Russian negotiators are pressuring the Baltic States to sign an agreement to force the three Baltic governments into legitimizing the status and presence of Russian forces on their territory. And that is what this body should be concerned about. The Russians are trying to force the three Baltic governments to sign agreements to legitimize their military presence there. I cannot understand how we can send aid to Russia while it is sending more recruits into three independent countries that do not want the soldiers there.

The Baltic governments want to discuss the withdrawal of these forces, not the conditions of occupation.

Mr. President, it is entirely understandable that Baltic governments are horrified by the statements of Russian military figures that the forces will stay ad infinitum as a form of protection for the Baltic States. Some U.S. Government officials even apologize for continued Russian military presence, for example at the Skrunda ABM base in Latvia, to help the Russians feel secure against American military aggression.

Mr. President, other recent statements by officials of the Russian Government greatly alarm me and emphasize the importance of the amendment the Senator from Arizona and I are offering. These statements are reminiscent of imperialism, communism, and intolerance. They are intended to snare the Baltic States into the Russian sphere of influence under the guise of humanitarianism and protection of Russian minority rights.

Foreign Minister Andrei Kozyrev responded on June 8 to statements that military units stationed in the Baltic States are occupiers. He labeled such statements as incorrect, "especially given deliberate provocations against Russian troops." Mr. President, I ask what deliberate provocations? He further stated, "Russia does not intend to stand idly by in the face of insulting treatment against Russian troops and will defend their interests in the most decisive manner."

Mr. Kozyrev, the foreign minister, stated on June 15, "the Baltic States must accept on their territories the creation of certain regions with a special status and very close links, privileged links with Russia." This is what the imperialists are demanding in Moldova and what Serbians use as a pretext for their aggression in the former Yugoslavia.

On June 11, an official of the Russian Foreign Ministry, Sergei Yastrzhembsky, referring to the situation in the Baltic States, "our previous Russian history of 70 years can only give us examples of military reaction and the use of forces to defend our interests." On June 12, Presidential Counsellor Sergei Stankevich called for economic sanctions against the Baltic States if they continue to engage in what he called "discrimination against the Russian population."

In addition, Mr. President, on June 15, Col. Gen. Ilya Kalininchenko, commander of the CIS border guards, told the Lithuanians that "the Polish-Lithuanian border is seen as our—Russian—border, and our soldiers are there to defend the interests of Russia." He went on to say, "Russian troops should remain in place and be paid for by the Baltic States in return for security."

Can you imagine that, a high-level Russian insisting that the Baltic States pay for the Russian troops to remain in Lithuania, Estonia, and Latvia? This body should not pass an aid bill with statements such as this coming forth. And his statement was made on June 15.

The Vice President of Russia, Aleksandr Rutskoi, and he would take up the cause of Russia's "historical conscience and seek in redrawing of borders that would reflect a glorious page" in the Nation's past.

Mr. President, I could go on and on with similar statements against the peaceful Baltic nations. I also could add similar threats made against Ukraine and Moldova. I would hardly call these sabre rattling arguments representative of good faith efforts.

I urge adoption of the DeConcini-Pressler amendment. I might add it makes a great deal of sense for the withdrawal to be internationally supervised. The international community has a responsibility to protect diplomatically the people of the Baltic States from this menace.

The task of departure of Russian troops could be greatly eased by the establishment of an international observer mission, composed of military representatives of the affected parties, the United States, and other observers mutually chosen. To the extent practicable, this could be modeled upon the Joint Military Monitoring Commission of Angola. This group could monitor the orderly and expeditious withdrawal of former Soviet troops. It also could help the Baltic governments verify whether additional troops are being brought in to the Baltic States and what sort of activities are taking place in military bases within the Baltic States that are contrary to their interests and possibly those of the United States.

Mr. President, one-third of the Senate is already on record as taking the troops in the Baltic States seriously. We have a letter signed by one-third of the Senate in support of the concept in the DeConcini-Pressler amendment.

The presence of these troops is a litmus test for the future of democracy versus militarism in Russia. It also is a potential source of instability and conflict in Europe. We should not ignore this possibility. The events of last August prove that things can, indeed, change very quickly.

Mr. President, I was encouraged by President Yeltsin's stance well before conventional political wisdom in Washington gave up on President Gorbachev as the great hope for democracy in the former Soviet Union. I do not want to see the ideals Mr. Yeltsin so eloquently stated before Congress swept into the dustbin of history.

Indeed, I personally asked Mr. Yeltsin a question, when I was on the escort committee for his address to Congress about the troops in the Baltics. He said that we would hope that we would see some positive developments, very vaguely. His speech was devoid of discussion on this topic.

So, Mr. President, in conclusion, I would say that we have a situation where the Russian troops apparently intend to stay in the Baltic States. Not only do they intend to keep them there, but they are hopeful that the Baltic States will help pay to keep them there. The Baltic States are sort of over the barrel. They want to get rid of them. They want them out. They have said that. They have demanded that.

What logic there is to them being there. If we look at the statements of the Russian leaders, the top Russian leaders who I have quoted, they have some mythical 19th century view that they are entitled to keep troops on the European border, or that there is some threat, or something of that sort. They still have not gotten over the adventurism.

There is no logical reason for them being there. There is no threat to the Russian minorities. By attrition, they can reduce the troops. It will save the Russians money. But by voting an aid bill, we are paying the Russians to go a step further and we are paying them money that they will indirectly use to keep troops in the Baltic States.

Mr. President I move to table and ask for the yeas and nays.

Mr. D'AMATO. Mr. President, I ask my colleague to withhold his motion to table just so I may make some remarks.

Mr. PRESSLER. Fine.

The PRESIDING OFFICER. Will the Senator from South Dakota withhold his motion?

Mr. PRESSLER. I will withdraw my motion for the Senator from New York.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The motion is withdrawn.

The Senator from New York [Mr. D'AMATO] is recognized.

Mr. D'AMATO. Mr. President, my colleagues from Arizona and South Dakota are absolutely right. Somehow we have some fear of recognizing reality, and we have a group called the State Department that is in this never, never world.

I recall when "Gorbimania" swept the State Department more than anything else, and Yeltsin was painted as a big fool. I recalled not too long ago when those of us who spoke about freedom for the people of the republics that now are free, and particularly in the Baltics and Lithuania, were criticized for rocking the boat. Can you imagine that? Because we stood up for freedom.

I recall when the now heralded President of Lithuania was scorned and mocked, President Lansbergis, because he was some kind of wacky musicologist who helped to paint that picture of the Russian hardcore Communists. And we could not help but pick it up and carry it throughout the State Department ridiculing people who wanted freedom. And now they would have you believe, with the stationing of Russian troops there, somehow we should not say listen, you want our help, you want our aid, then you have to begin to comport with the standards of free nations and live that way.

No, it is too much; you are rocking the boat.

When are we going to learn that people have a right to be free and that we should be helping and moving in that direction?

When you send this kind of a message that you can wait for 1 year, keep troops there for a year, you are sending the wrong message. This Government is never going to wake up, along with this body, because we are responsible. We are responsible.

Let me go back a little bit because I tell you something, this Senator remembers coming down to this floor of the Senate in May, May 17, 1990. I said, what are we making loan guarantees to

Saddam Hussein for? My God, you would have thought I attacked Mother Teresa. Everybody came running down here, oh, no, no, do not cut that off. Oh, no, no, no. Imagine. We wait until about 2 days before the war started to do something. Incredible.

Let us wake up. It was well orchestrated by the State Department. No; he is a good man. I had colleagues come down here and say we talked to him; Saddam is misunderstood.

You may say, well, what is the analogy? It is a darned good analogy. We make believe that what we see is not true. We do not like the fact. Do not rock the boat.

What do you think now? You allowed Saddam Hussein to think he could go even further. We did not stop there.

We keep undertaking these kinds of things. This is another example, but now we want an inquiry to find out. We are all guilty of looking the other way, all of us, everyone will look the other way. Now we want to look the other way. Now we want to say once again that what the Soviets are doing there, what the Russians are doing should be tolerated because, after all, we do not understand; they have problems.

This amendment does not say get all 120,000 troops out today. It says start making progress. Do not keep reintroducing new troops.

I went there. I saw the people who died for freedom. We did not give them freedom, but we can sure as heck help.

Should we subsidize, subsidize the occupation of these three nations? Are we saying that they are free or not? Are we going to just go along with the State Department, which by the way has trouble handling more than one thing at a time. Remember that. Two or three problems, forget it. Forget it. It is a logic that is so blinded.

Let me give you another example of the way they operate in what used to be Yugoslavia. Do you know why we have a million people today who are refugees? Because more than a year ago when we said wake up and look what the Serbians and Milosevich are doing, we had a State Department that said no, we have to keep Yugoslavia together because they do not really believe in human rights. They do not believe that people in different lands have a right to their own culture and their religion because if they did, they would not have gone along and encouraged this madman by inaction—inaction.

Do you want to encourage the Russian generals? Then you accept this amendment. Because you will be saying that America really does not mean it. Look at this. We said for a year you can continue this policy. For 1 year you can do what you want and, by the way, at the end of the year who knows what will happen? Either we are going to stand up now and let people who have laid their lives on the line for freedom know that we are committed to freedom or we will be sending a terrible message, one that will not help Mr. Yeltsin, one that will not help the forces of democracy.

Let us understand that sometimes you have to look at those who would, yes, blackmail, coerce, threaten and say to them we will not be threatened and bullied. It is better to find out what they are about now than to allow them to continue their ways and to be paying them blackmail.

If we do not defeat this amendment, we are saying we are willing to play blackmail. We are afraid. We are afraid to confront what might take place. We are afraid now, and you think it is going to be any easier later?

What about the people who are being suppressed? What about the people who are being occupied?

And so when my colleague makes that motion to table, I will join with him because I join in saying that we are not going to compromise freedom and democracy. Indeed, the language of the amendment submitted by Senator DECONCINI, Senator PRESSLER and which I was privileged to cosponsor gives the administration ample opportunity. It does not say all the troops have to be pulled out.

But, indeed, if the President learns and is able to verify and certify that within a matter of days the troops otherwise would have been reintroduced or not, we begin to see some form of recognition as it relates to the conduct of their exercises and artillery exercises, there is ample latitude for people of good will to see to it that the aid goes through, but we are not subsidizing a military occupation of free nations.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Indiana [Mr. LUGAR] is recognized.

Mr. LUGAR. Mr. President, we have come to an important crossroads in this legislation with this amendment. I think all Senators ought to be alerted that this is the case. It is not a question of emotion or histrionics. It is just simply the fact that the administration cannot certify in the manner that the DeConcini-Pressler amendment calls for the administration to so do. It cannot do it. Both Senators know that. They have been in touch with the Secretary of State. He has indicated that will not be possible.

The intent and the effect of the amendment is, in essence, to nullify the Freedom Support Act. It is simply a point which those of us who are in favor of the Freedom Support Act know who we are and those who are not in favor of the Freedom Support Act presumably know who they are and we are going to have a vote. I wish it did not come on this particular amendment.

The Senator from Rhode Island, the distinguished chairman of the Foreign Relations Committee, and I have offered a second-degree amendment simply to try to save the bill. We are trying to do so in a very simple way by saying that we do not have disagreement with the intent, the idealism of the motion made by the Senators from Arizona and South Dakota.

Indeed, I cannot conceive of any Senator not being disturbed by the fact that there are Russian troops remaining in the Baltic countries. This is a situation that must come to an end, and the full energies of American diplomacy are to bring it to an end. To give any inference that the President of the United States and the Secretary of State and all who are involved in our administration are not visiting in a concerted way with President Yeltsin on this issue is to speak, I think, with ignorance about the issue. The fact is it is very important to us, to the Baltics, to the Russians to get the Russians out of the Baltics.

Now, Mr. President, the practical facts are that there are so many Russians in the Baltics and so many problems of logistics with regard to housing, with regard to the simple logistical movement of those troops that that has been a difficult thing for the Russians to effect. I make no apology for the Russians. They ought to get out. Our pressure has been for them to get out of former East Germany, Poland, Hungary, Czechoslovakia.

We have worked diplomatically for rigorous timetables. We have attempted to assist our friends in making certain that movement occurred. It is critically important that countries regain their sovereignty.

Mr. President, the explicit aspects of this amendment would say, and I quote the first paragraph of the DeConcini-Pressler amendment, is that no United States economic assistance other than humanitarian assistance may be provided by the Government of the United States to the Government of Russia until the President of the United States determines and so certifies that significant progress toward removal and so forth has occurred. That will occur given a timeframe in which you have point 1 and point 2 and point 3. But time is going to have to pass, logically, for that type of progress to be certified by anyone. As a matter of fact, Mr. President, the formulation of the amendment by Mr. DECONCINI and Mr. PRESSLER is impossible to certify.

I want to continue for just a moment with the very important fact that there is no disagreement on pressing the Russians to withdraw their troops. But there clearly is disagreement about how we ought to proceed in our relations with Russia. That is the gist of the debate we are now having on the Pell-Lugar second-degree amendment.

Those of us in favor of the Freedom Support Act believe it is important that the IMF be replenished, that we move towards procedures that will make it possible for American exporters to export and to get into business in Russia and the other Republics and to do so promptly, not in years to come.

We believe that convertibility of the ruble is important—that that ensures importance for Russia in the world. That is why we are involved in this exercise today.

Mr. President, it would be ideal, I suppose, if we could solve several foreign relations problems that are complex, simultaneously, but the one we started to try to solve to date is important by itself: A political statement about our relations with Russia and with the Republic, a political statement made through replenishment of IMF, through authorization of a host of activities that will enrich the relationship, and through authorization of $620 million of humanitarian assistance and technical assistance. And the repeal of many, many barriers that have inhibited the relationship deliberately in the past but now are not useful in the future.

What I am asserting is that in the event that the amendment as initially enunciated by Mr. DECONCINI and Mr. PRESSLER is adopted, all of this activity that might come from the Freedom Support Act, with the exception of certain humanitarian aspects and certain continuation of the so-called Nunn-Lugar funds as they searched for the tactical nuclear weapons to collect and destroy them, everything other than those activities is going to be on hold.

The author of the amendment will say there is no need for it to be on hold; all that is required is that the administration put pressure and, having done so, certify that something has occurred.

Let me say, Mr. President, if life were that simple, the amendment would not be needed to begin with. It would be apparent that the administration is putting pressure, that this is the gist of our negotiation, that what the authors seek to happen is going to transpire.

Mr. President, we could have a different reaction. I do not wish to try to predict history, and each one of us can do this. But let me suggest one important scenario.

President Yeltsin came to us and he came as a very important person because he talked about openness. He talked about democracy. He talked about an end to a dark night of terror. We think that he is sincere in attempting to bring that about. Our observation is that his position is precarious, that there is hardly unanimity behind President Yelsin's point of view. The press in this country and the press around the world suggest almost every day how precarious that position is.

Mr. President, we might get our way by passing resolutions such as have been suggested today that demand that President Yeltsin do this and that, that the Russians adopt this foreign policy or that one. We could say simply that we are not going to help you until you do those things. And we might find, Mr. President, first of all, that President Yeltsin's powers to do these things are limited, and second, there are many people in Russia who do not agree with Mr. Yeltsin at all.

How ironic that in our zeal to rearrange the foreign policy of Russia, even as we try to fashion a new relationship with the country, we lead to a predicament in which Mr. Yeltsin is not able to prevail; worse still, may not even be in power.

I think, Mr. President, those that are on the threshold of offering one foreign policy choice after another today simply have to bear some responsibility for their activities, because if in fact we do not pass the Russian Support Act, and if in fact we pass it in such a form that nothing could occur, namely that the amendments are contradictory and thus no aid transpires, and if after a period of time the relationship that we had hoped to have with Russia and with Boris Yeltsin and democrats does not occur and, worse still, something else does occur, I presume those who are offering all of the alternative foreign policies will suggest it was all inevitable anyway, in our security interest far better to have Russia as a foe rather than as a friend.

I thought we started out today trying to fashion a new relationship in ways that we could be helpful in solidifying Russia for the prospects of democracy and openness. I am still on that course, and I hope a majority of my colleagues are on that course, too.

It is so simple, Mr. President, to fashion as amendments to the legislation today suggestions or demands that Russia do this, or that, or all is off, no new relationship. We really did not mean it. But we applauded Boris Yeltsin. But in fact we were not really prepared to lift a finger because we were so concerted in our attempts to fashion his foreign policy and to make sure he did it in our way, in our sequence, with our certifications, and that was more important than attempting to fashion a new relationship in a very modest bill as now constructed.

Mr. President, I have no idea how the Senate will choose to act on this legislation, but I would simply say to friends of the Freedom Support Act, please support the Pell-Lugar second-degree amendment because that is the bill. And in the event that we are not successful with our second-degree amendment, then, Mr. President, I suspect those who are successful are going to try to explain how the world works in ways that some of us do not understand.

In short, we may have gotten our point across, and lectured the Russians, and told them really where to get off. But to suggest, Mr. President, as has been suggested on the floor already, that somehow our President and our State Department do not understand the potential of Russia and likewise the dangers of Russia, do not understand the freedom aspirations of the Baltics, Mr. President, let me just make very clear. The comment has been made that we have not understood, in the administration and the State Department, the Baltics. I know the degree to which ties with the Baltics were attempted.

Aid to the Baltics was assisted. I know, because on several occasions, I was asked by the President of the United States to call Mr. Landsbergis on the telephone and to communicate with him, and I did so on instruction of the President and the Secretary of State. I know of the discourse personally. I am not prepared to listen today to anybody suggesting that this country did not have compassion and did not have skill in working for the freedom of the Baltics. We have done so, and we will continue to do so.

I conclude by saying just this: Our Secretary of State testified directly to the Foreign Relations Committee that his chances and our President's chances of influencing Russia to withdraw from the Baltics would increase if the Freedom Support Act occurred, and the ties that we have grow stronger, and the leverage we have from all the aspects of the act grow stronger.

It was his testimony—the Secretary of State—that he and our country would be more effective in the very purpose of the DeConcini-Pressler amendment if, in fact, that type of statement was not made; that, in fact, it would be counterproductive.

At some point, Mr. President, we have to choose. I would choose the testimony of the Secretary of State, that he knows what he is about. And he is better able to get the Russians out of the Baltics than an amendment offered that, in essence, renders much of the Freedom Support Act null and void.

That is the choice, Mr. President. I ask my colleagues to think carefully about the predicament, and to support the Pell-Lugar amendment.

Mr. CRANSTON. Mr. President, I want first to thank the Senator from South Dakota for the courtesy of not proceeding with the tabling motion until those who wish to speak have that opportunity, assuming they are not going to take a great deal of time. As far as I am concerned, I will speak briefly. Senator MURKOWSKI wants to speak briefly, and I believe Senator BIDEN wishes to speak.

I rise to support, wholeheartedly, the bipartisan leadership of the committee, the Senator from Rhode Island and the Senator from Indiana, in proposing an amendment to the underlying DeConcini-Pressler amendment.

A majority on both sides of the aisle, I am quite convinced, supports the freedom support effort. But it should be very clear that adoption or rejection of the Pell-Lugar approach to the DeConcini-Pressler amendment would seriously undermine—and quite possibly destroy—the Freedom Support Act.

The Freedom Support Act is in our national interest. It is in our national interest to have democracies, stable democracies, emerge in the former Soviet Union, in Russia and in the other new republics.

President Yeltsin is endeavoring to lead the largest of the former parts of the Soviet Union toward a very stable democracy that is moving toward a market economy. If he should fail, we might well have a Communist or a Fascist or a military dictatorship equipped with nuclear weapons again threatening our security and compelling us to invest more and more money in our own defense.

I believe that the survival of Yeltsin and his government would be seriously threatened if this amendment was adopted and he proceeded to comply with it. He would be accused by his foes of knuckling under to blackmail from other countries—or the pressures from other countries, to use perhaps a better word—and the military would be deeply offended in the Soviet Union.

They have terrible problems in housing their people, and that is one of the prime reasons they have swiftly brought back Russian troops in the territories of other republics.

I and every other Member of this body support full, independent freedom for the Baltic States. But I believe that, too, would be threatened if we adopted the underlying amendment and rejected the Pell-Lugar amendment.

I, therefore, urge our colleagues to think about this very carefully and support the amendment proposed by the leaders of the committee, the bipartisan leadership of the Foreign Relations Committee.

Mr. MURKOWSKI. Mr. President, I thank my colleague from the State of California relative to his statement on the pending action of this body.

I think what we have here is an effort by both sides to address the reality associated with the withdrawal of Russian troops from the Baltics. The question is, basically, how do we achieve that?

As a member of the Foreign Relations Committee, I have been very close to this issue and the reality of the arguments on both sides. I think it is apparent, though, that we all agree Boris Yeltsin is simply the best bet in town for a series of actions that have been initiated in Russia today, which would lead to the ultimate withdrawal of Russian troops from the Baltics.

And I think if we look at the alternative, Mr. President, of Boris Yeltsin not achieving the success and stability and the confidence with Russia, truly all bets are off.

In other words, the new leadership that would take over, assuming that Boris Yeltsin were not successful, would leave us with a dilemma where it would be very unlikely that we could expect an initiative relative to a withdrawal from the Baltics, but, on the other hand, very likely a buildup or a stalemate, or a status quo.

I do not think it is in the order of achieving our purpose to make this, as proposed by Senators DOMENICI and PRESSLER, a condition of our assistance.

Therefore, I urge my colleagues to recognize that, clearly, Yeltsin has demonstrated to not only this body, but our colleagues in the House, a real commitment to change. And the seeds of democracy, to some extent, have been, at least, planted. The contribution that we can make in assisting in their growth and nurturing that growth I think can best be achieved by supporting the Pell-Lugar position pending.

I urge my colleagues to consider this as a practical alternative to what both sides are attempting to achieve.

I thank the Chair.

Mr. BIDEN. Mr. President, I would like to join with the chairman of the full committee, Senator PELL, and with Senator LUGAR in their remarks. Let me just add a few points.

There was only one other person knocking on the door of the Baltics to talk about their freedom years ago, other than the Senator from New York—who, if I am not mistaken was not allowed entrance. There was one fellow who made the trip and suggested what my friend from New York was attempting to do: That the Baltics should be, in fact, free independent states, as we have always viewed them to be.

That fellow, Boris Yeltsin, entered the Baltic States from the opposite direction. My friend from New York went from West to East to make the trip, and was denied entrance.

Boris Yeltsin, in the midst of turmoil and at some considerable political risk to himself, made the trip from Moscow to the Baltics. He, as leader of what was at the time the Russian Republic, said "I believe that Gorbachev is wrong. I believe that the military is wrong. I believe that the unified command of the Soviet Union is wrong. And I believe the Baltics are right. And I believe they should be independent."

We stood here on this floor and we stood here in this country and we said, "You know, would it not be great if a guy like that ran the Soviet Union?" This guy went out and did what Gorbachev did not have the foresight, understanding, desire, instinct, or courage to do. This guy did something our own President did not do, the President of the United States of America did not do.

But how short our memories are. We now say, by this amendment, that we doubt, we do not believe Boris Yeltsin. We do not believe that the troops will be removed. We believe that Yeltsin is part of some greater plot to permanently maintain troops in and subjugate the Baltics.

Let me ask you a question, a rhetorical question: How is it that, at a time when Yeltsin faced great risk, he made the trip from Moscow to the Baltics when our own President could not make the trip from Washington to the Baltics and said, "Freedom. Russian troops should get out," and we now are doubting his will and his commitment? Is it maybe that we do not believe what some intelligence agencies are telling us, that there is no longer a threat that Yeltsin will be overthrown?

There is no new worry that he will be overthrown by the apparatchiks taking over again. But there is a threat, there is a legitimate concern that if we attempt to force the very guy who took on the military then, continues to take on the military on arms control, to execute at this moment a commitment he made 2 years ago, then just maybe, as an old expression goes, we will not have Boris Yeltsin to kick around anymore; we will have a fellow with one of those dull gray uniforms and red stars on his shoulder and World War II hats with that red brim to deal with.

Mr. President, I do not know anybody in this Chamber that is anxious to see Russian troops remain in the Baltics. You ask what the delay could possibly be, why can't Yeltsin pull those troops out now, today?

Let me just ask you to put on a politician's hat for a minute. Now, let us say we are building down the U.S. Military Establishment. We go to South Dakota, for example, and the Senators from New York, South Dakota, Delaware, and Arizona, say, "We want you to get military installations out of there right now. And, because we do not want the people in Delaware, Arizona, et cetera, to be bothered by those darn airplane exercises flying over Dover Air Force Base, or tanks rolling around in the beautiful desert environment, we say, get them out of there."

The problem is, we do not want to do it. Why do we not want you to do it? First of all, the military will be angry with us. A lot of Americans retire in Delaware and Arizona, and they vote. They stay and they vote. Then you have all the merchants that come around and say, "Hey, you take all those men and women back home and I got to close my deli." And the guy that sells used cars says, "you take those poor privates out of here, they are not going to buy those $485 clunkers I sell to take them home on a 1-day trip on a furlough, and you are going to put me out of business."

All of a sudden a funny thing happens around here. Senators from States like Delaware and South Dakota and Connecticut and New York and Illinois and Arizona come and say, "Hey we cannot do this. We admit we do not need these military installations. We admit they no longer have anything to do with our national defense. My Lord, let us keep spending that money, let us keep them there."

We have a little problem in this country. It is called defense conversion. We have to make sure that we do not increase the unemployment rate in this country to the point that it is going to damage the slight recovery we have. It goes on and on and on. And it is real.

Now, if we can understand that, why can we not understand that the President of Russia, whose popularity may be down around where our Presidential candidates' collective popularity is, must tell his people "By the way, you have got to pay 10 times as much for milk as you have been paying; you have got to pay 17 times as much for bread as you have been paying, and, by the way, we are no longer going to provide you housing, and, by the way, when we decommission those troops and send them home, we have no place for them to live, no barracks, no housing."

We want Yeltsin to immediately give us a precise guarantee that he is going to get those troops out of the Baltics now. We want him to stabilize the ruble. We want him to go out and let all the prices in the former Soviet Union, and Russia in particular, rise to the world market price. We want him to go in and take out all of those state industries and privatize them. We want him to eliminate collective farms. We want him, in a short term, to reduce the incredibly low standards of living of the people of Russia even more. And we want him to do it now, before we give him the aid.

And we say that is not asking much. We cannot even get an American President, Democrat or Republican, who is going to stand up and say, "Look, we do not need a $300 billion military budget. We are going to make it $100 billion and we are going to do it tomorrow. Bang. Let us do it."

I challenge anybody here on the floor, assuming they agree that kind of cut is required, to name any woman or man who thinks they could do that and get elected, even if they had the nerve to do it, in a country that has a 200-year history of democratic change, peaceful democratic change. It has been a millennium since there has been anything remotely approaching a thing called democracy in Russia.

Now, if you tell me that there is any evidence to sustain the notion that the present leadership of Russia, Boris Yeltsin, truly desires a long-term commitment of Russian troops in the Baltics, then I say to you, if the prize for nurturing democracy is the permanent subjugation of the people of the Baltics, then it is a price I am not prepared to pay.

But if you tell me what I think the facts are, that the military in Russia is divided, but nonetheless some of them want to maintain permanent placement of Russian troops in the Baltics, some of them want to maintain access to the sea through the Baltics, some of them want to maintain what geographic military advantage flows from the Baltics, assuming there is any, then I say to you, what do you expect? Of course, that is going to happen. We cannot even get some of our military men and women to agree to do away with weapons we acknowledge no longer have any utility. Of course, that is going to happen.

And so I would suggest that the Pell-Lugar approach basically says what I think we all believe. The old expression that in our hearts—as Barry Goldwater said, "In your heart, you know I'm right." In our hearts we all, I think, know the facts to be as follows:

The people of the Baltics still are bedeviled by the presence of a significant establishment of Russian forces in the Baltics. They have the further complication of a significant number of Russians who were transplanted to the Baltics, living in the Baltics. And there is a President of Russia who would like to figure a way to get them out of there. And we have an administration who would like them out of there.

And so what the Senator from Rhode Island has suggested, along with our friend from Indiana, is an amendment that basically says, as long as this Yeltsin is in power and speaking in good faith on this issue, what we should do is at least give it a fighting chance, a fighting chance, for it to happen and for him to survive, for democracy to survive.

Or, to put it another way: the only way it will happen is if he does survive. There is no other reasonable prospect. If Yeltsin is overthrown it certainly will not enhance the prospect of the movement of Russian troops from the Baltics. I have not heard anybody suggest that. Our best hope is Yeltsin.

And so all my friend from Rhode Island is suggesting is that we allow this Russian aid package kick in a bit. Let him be in a position, if he so chooses, to build housing for those troops so they have incentive to come home, the promise of a future that does not fundamentally change their standard of living. Half the reason these folks do not want to go is because where they are living now is better than where they would have to move. It does not have anything to do with domination, it has to do with comfort.

My friend from Rhode Island seems further to be saying in his amendment, once we do this, if in fact Yeltsin has not demonstrated his good faith, has not begun some movement, then we will say, OK, no more. We give them some time.

But to precondition our support, either by obtaining an agreement in writing, or by requiring a guarantee that they will be out within *x* number of months, is something that I do not think anyone at all leading Russia at this moment could possibly do.

So, Mr. President, I think Yeltsin has done pretty well.

I believe the single best hope for bringing the Baltics into a position of total independence in every respect is the survival of Boris Yeltsin. I further believe that the survival of Yeltsin is not totally dependent upon, but will be greatly impacted, by the passage or failure of this legislation. And I believe it is impossible for Yeltsin, absent the help this legislation provides, to be able to deliver on his stated intention that is more than 2 years old.

And so I would sincerely hope that my friends who feel differently about the approach to this, would consider the possibility of giving either a timeframe or possibly, were that to fail, adding language that I suggested which would read as follows: Taking the DeConcini amendment, subsection (a), it says, "No United States economic assistance, other than your humanitarian assistance, may be provided by the Government of the United States to the Government of Russia until the President of the United States determines and so certifies to Congress that"—and then it goes to subsection one.

I would insert the following words after "so certifies to Congress that—"Russia is committed to," and then leave everything else the same. Because what we really can do here, Mr. President, is either continue to give a little more breathing room to Yeltsin to get some things done—if the Bible is correct, if Genesis is correct, it took the Lord, even, 7 days to create the world—7 days. Let us give this guy a couple of days, figuratively speaking.

We have asked him to democratize his political institutions. We have asked him to bring his entire controlled economy into a free market system. We have asked him to privatize all state-owned industries. We have asked him to allow all prices in Russia to float to what their respective prices would be in dealing with other nations. We have asked him to get the Russian military to give up all its SS-18 missiles, the backbone of Soviet security from their perspective for the last 20 years.

We have asked him to see to it that he gets cooperation from Byelorussia, Kazakhstan, and Ukraine. We have asked him not to interfere with the internal affairs of the other new states in Eastern Europe. We have asked and asked and asked. All reasonable requests, if you take them one at a time.

But, let us give this guy an opportunity to help remake Russia and Central and Eastern Europe. Instead of saying, do it in 24 hours, let us give him 7 days, so to speak.

For no one in this Chamber believes, to the best of my knowledge, that there is any possibility, no matter who was the leader of Russia tomorrow, that they could issue an order and within a matter of weeks completely do what we want done, which is to drain the Baltics, if you will, of every Russian troop.

So let us give them a little breathing room. Not based on trust. Not based on love. Not based on affection. Not even based on respect. But based on two things. Based on his past track record on this issue and on our naked self-interest.

And I might add a third, actually, and my friend from Indiana and my friend from Rhode Island mentioned it—based upon what is in the interests of the people of the Baltics.

I again thank my friend from South Dakota for withholding his motion to table, allowing me an opportunity to speak. I sincerely hope that we will all resist what is a tempting and heartfelt inclination to demand immediate action on something we know cannot be done at the moment, and may take a bit longer.

I do not see anything that my friend from Rhode Island has suggested that puts the Baltics in a worse situation as this year's timeframe, which he suggests, progresses.

Again I thank my colleagues for listening and I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. SIMON. Mr. President, I shall be very brief. I have long had an interest in the Baltics. I may be the only Member of the U.S. Senate who tried to go to Lithuania and was turned down by the former Soviet Union. I was not granted permission to go to Vilnius, the capital of Lithuania. And they explained to me later that they thought my presence might cause some difficulties. I do not know what kind of difficulties I could cause but I have never been to Lithuania.

I did get to Latvia one time.

But I urge my colleague from South Dakota to consider either accepting the Pell-Lugar suggestion, or a sense of the Senate. What is going to happen if we go ahead is, No. 1, you are probably going to lose on the Senate floor. But if you win on the Senate floor, you will be dropped in conference. And the cause that the Senator from South Dakota and I are both interested in is getting Russian troops out of the Baltics. I think all of us are interested in getting troops out of the Baltics.

I will wait just for a moment, because I would like to have the attention of the Senator from South Dakota. If I could have the attention of Senator from South Dakota.

Losing his amendment, either here or in conference, does not do the cause that he is interested in, and I am interested in, and I think we are all interested in, any good. I do not know of a single U.S. Senator who thinks Russian troops in the Baltics is a healthy thing.

I think the question is, How can we get there and at the same time do everything we can to be of assistance to some stability in Russia at this point?

Mr. PRESSLER. I thank my colleague for his courtesy. I would respond by saying that we all seem to favor Russian troop withdrawal in our speeches. But in fact, Russia is not even engaging in any talks. They have refused to enter into negotiations with the free Baltic States.

Russia only wants to have status of forces talks, which means they want to keep troops there indefinitely.

This is a very serious matter. The statements I read earlier—I do not know if my colleague was on the floor—from the Russian leaders in the last 2 months about their desire to permanently keep troops in Lithuania, Estonia, and Latvia, are rather frightening. Russia does not intend to withdraw their troops.

So this Pell-Lugar second-degree merely gives them another year.

It has been said we need to support Yeltsin. Indeed we do. But we are just giving his military people another year to figure out a way to overthrow him or enter into some other sort of mischief.

So, clearly this second-degree amendment is quite meaningless. If it passes it would make the DeConcini-Pressler amendment meaningless.

The 12-month reprieve guts the DeConcini-Pressler amendment. It makes it meaningless. It means there will be another year that will pass before the Russians will start to talk.

We are just asking that the withdrawal of troops begin. If the Senate accepts this amendment it is totally gutting the DeConcini-Pressler amendment. It is making it worthless. It will do nothing to help the Baltic States and it will encourage the Russian troops to continue status of forces talks because they want to keep troops there permanently.

Mr. SIMON. If I can just respond very briefly to my friend from South Dakota? I wish he had been—I am not sure if it was yesterday afternoon or the day before—in a classified briefing by the head of the CIA on the situation in that part of the world.

I am not revealing anything that everyone does not know when I say the situation over there is not a healthy one. Details were provided. We have to do everything we can to stabilize the situation in Russia. And stabilizing the situation in Russia, I think, is key to seeing to it that those Russian troops get out of the Baltics.

What I would like to do is send a clear message—a message that is not going to be rejected by this body and is not going to be rejected by the conference committee—a message to the leaders of Russia: We think those troops ought to get out.

It seems to me, whether it is the Pell-Lugar amendment, or a sense-of-the-Senate resolution that my colleague and Senator DECONCINI and others might put together, and I would be happy to work with them——

Mr. PRESSLER. If I can say to my colleague, I, too, have engaged in classified briefings on this subject. Earlier on the floor this afternoon I suggested if by attrition these troops were moved back to the Soviet Union, perhaps some of them could work on building houses and getting involved in the system. At some point this is going to happen.

It is a very strange argument to me that Russia, in order to help their economy, has to maintain troops in foreign, independent countries permanently. That is a very, very strange argument.

There is the possibility of reductions just by attrition, not by bringing any troops home, just not by not replacing some of those who come back.

I might say these Baltic countries have asked that the troops leave. I have statements here—records here of the Lithuanians, the Estonians, and the Latvians, asking them to leave.

I find it just a very strange argument in this Chamber. We are standing here, arguing that Russia should not by attrition stop bringing troops into Lithuania, Latvia, and Estonia, while we are voting to give them American tax dollars that will in turn support keeping those troops there.

I find it very odd that they say we cannot find anything for these folks to do when they come home. If you paid them the same salary one place as another, indeed——

Mr. SIMON. If I may reclaim my time?

Mr. PRESSLER. We could go in circles at great length but this is one of the strangest lines of logic that I have heard.

Mr. SIMON. The Senator from South Dakota has not heard the Senator from Illinois use that particular line. What I think is the reality is that a leader of Russia today can only step on so many toes in the military. I think that is the reality that we have to face. And Yeltsin is in a position where he can offend the military too much. We have to be aware of that reality.

I want to send a message from this Senate to President Yeltsin, to the leaders of Russia, we would like to get those troops out of there.

Mr. PRESSLER. But if my colleague would yield——

Mr. SIMON. I do not want to send a message so strong that President Yeltsin does not survive as the leader of Russia.

Mr. PRESSLER. If my colleague would yield, all the Baltic governments have asked the Senate to place these conditions to S. 2532. The people of the Baltics have asked for this. I have in my hands a statement signed by the Presidents of the three Republics.

But I say to my colleague from Illinois, that Russia refuses to even enter into negotiations with these little countries about a future timetable. They have offered status of forces talks, which means that they want to permanently keep troops there.

Earlier today, when my colleague perhaps was not on the floor, I read about three pages of quotes from leading Russian generals, the Prime Minister and others talking of their desire to permanently keep troops in Lithuania, Estonia, and Latvia.

If we pass this bill with the Lugar-Pell second-degree amendment, we are essentially caving in on the issue of Russian troops. We are essentially saying we have a year that nothing has to happen. That is a very, very serious matter. I think the people of Lithuania, Estonia, and Latvia are entitled to know when the troops are going to start leaving, they are entitled to talks as to when those troops are going to get out. If this body goes forward and adopts this, we are giving aid to Russia while Russia makes threatening statements—and I might quote again some of their top leaders.

Their Foreign Minister Kozyrev said they need to keep the troops there "especially given deliberate provocations against Russian troops." "Russia does not intend to stand idly by in the face of insulting treatment against Russian troops and will defend their interests in the most decisive manner."

On June 15, he said, "The Baltic States must accept on their territories the creation of certain regions with a special status and very close links, privileged links, with Russia."

Mr. SIMON. Mr. President, may I reclaim my time?

The PRESIDING OFFICER. The Senator from Illinois controls the floor and yielded to the Senator.

Mr. PRESSLER. I was attempting to answer his question.

Mr. SIMON. Mr. President, if I may reclaim my time, I think the present amendment being pursued by the Senator from South Dakota is going to be ultimately rebuffed. That may be wrongly interpreted in Russia and elsewhere that we do not desire to get those troops out.

What I like about, frankly, the Pell-Lugar amendment is it still puts pressure but it is something that could be accepted and held on to in conference. I think the reality is that the amendment offered by my friend from South Dakota is not going to survive conference, and the message to those people who want to hold on to those troops in the Baltics is going to be the wrong one.

If some kind of a compromise is not worked out—and I would like to see it—then I think we are wise to accept the recommendations of Senator PELL and Senator LUGAR and in some other way get the message to the leaders of Russia on this.

I yield the floor, Mr. President.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. PRESSLER. Mr. President, I want to submit a statement about how the Baltic governments should not be forced to sign an agreement that would legitimize the status of former Soviet forces on their territory.

The Russians are asking for status of forces agreements that will permanently allow Russian troops to stay in the Baltic states, and even suggesting that the Baltic states should help pay for their presence there. The Russians have refused to initiate negotiations about a future withdrawal. They will not even discuss withdrawal with the three countries: Lithuania, Estonia, and Latvia.

So I look upon the second-degree amendment not as a compromise but as a sellout to three sovereign countries that are struggling.

Mr. President, I ask unanimous consent to place additional materials in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Permanent Mission of the Republic of Lithuania to the United Nations]

STATEMENT OF THE HEADS OF STATE OF THE BALTIC STATES ON THE PRESENCE OF RUSSIAN ARMED FORCES IN ESTONIA, LATVIA, AND LITHUANIA

The three Baltic states, having restored their independence after fifty years of annexation, have been unable to achieve the withdrawal of former Soviet troops, presently under the jurisdiction of the Russian Federation, from the territories of their countries.

The three Baltic states—Estonia, Latvia and Lithuania—are convinced that the armed forces of a member-state of the Conference on Security and Cooperation in Europe (CSCE) may not be stationed on the territory of other CSCE member-states without the consent of the latter. If this were to be the case, this would be equivalent to the use of armed coercion and intervention, undermining the principles of the United Nations Charter as well as the Helsinki process.

Therefore, Estonia, Latvia and Lithuania state that:

The withdrawal of the armed forces and mutual good faith are of primary importance in their relations with the Russian Federation;

They regret that Russian negotiators refuse to discuss the most serious aspect of this matter, namely the process of withdrawal;

There perhaps is a correlation between a hindrance in the process of negotiations and the activities of Russian armed forces in the Baltic states. Provocational behavior demonstrated by the Russian military leadership, orders issued which pose a threat to civilians, as well as a disregard for the laws of Estonia, Latvia, and Lithuania forces the leaders of these three countries to issue the following demands;

All Russian armed forces must be withdrawn from the Baltic states within the shortest time period;

This withdrawal must commence without delay;

Western economic assistance to the Russian Federation should be tied to its political and military conduct in the three Baltic states;

We are convinced that this is not an exceptional demand, but is rather aimed at ensuring certain norms of conduct which must be maintained in international relations. Such conduct must guide and inspire, first and foremost, the member-states of the United Nations;

We express the hope that the problem of the withdrawal of Russian armed forces from the Baltic states, which has yet to begin, will be accorded proper attention by the Secretary-General and the Security Council of the United Nations, as well as by the G-7 countries.

ARNOLD RUUTEL,
President, Supreme
Council, Republic
of Estonia.
ANATOLIJS GORBUNOVS,
President, Supreme
Council, Republic
of Latvia.
VYTAUTAS LANDSBERGIS,
President, Supreme
Council, Republic
of Lithuania.

June 13, 1992.

(Signed in Rio de Janeiro at the United Nations Conference on Environment and Development.)

DOCUMENTED ILLEGAL ACTS OF RUSSIAN ARMY UNITS ON LITHUANIAN TERRITORY: 1/1/92 THRU 6/20/92

43,000+ Russian Army troops continue to be based illegally on Lithuania's territory 9 months after their government officially acknowledged Lithuania's independence. Russian government officials continue to posture rather than negotiate reasonable timetables for withdrawal of their military units from Lithuania.

In the last month, Russian military activity has increased markedly with troops and equipment being shuffled at a frenetic pace. There is also evidence that the Russians are violating an agreement made with United States officials to decrease the number of Russian troops in Lithuania through attrition. The Lithuanian government has documented that during April and May, 1992 the Russian Army has brought over 1,000 new draftees to their bases in Lithuania.

An analysis of data provided by the Lithuanian government shows that during the first five months of 1992, the Russian army moved heavy equipment including tanks, rocket launchers, armored personnel carriers, and ammunition on at least 70 days. Sizable units of troops were moved on at least 30 days. Movements of armed troops through civilian areas and assaults against civilians occurred on 47 days. Petrol trucks were observed moving on at least 8 days and extraordinary environmental damage was perpetrated on 4 days. On at least 19 days military planes and helicopters flew over civilian population centers. In an effort to discourage Lithuanian government officials from collecting further data, the Russian Army has begun a new tactic over the past few days against Lithuanian observation posts: tear gas attacks.

The need for withdrawal of Russian troops from Lithuania, Latvia and Estonia can not be overstated. First and foremost, their presence is a continuing violation of international law imposed 52 years ago. These troops are the remnants of the Soviet Army's forward-deployed units, now left without purpose or direction. But an increasing number of European leaders recognize the seriousness of the threat posed by these military units largely based within the city limits of major population centers in Lithuania

The United States government should no longer delay in joining the French, Danish, Finnish and German governments as well as NATO officials in broadening the campaign to remove Russian Army units from the Baltic States.

CHRONOLOGY OF ILLEGAL ACTIVITY OF MILITARY FORCES UNDER THE JURISDICTION OF THE RUSSIAN FEDERATION ON THE TERRITORY OF THE REPUBLIC OF LITHUANIA, MAY 26–JUNE 8, 1992

(Compiled by the Office of Public Affairs Information and Analysis Center, Supreme Council, Republic of Lithuania, June 9, 1992)

CHRONICLE OF VIOLATIONS OF THE MILITARY OF THE FORMER SOVIET UNION ON THE TERRITORY OF THE REPUBLIC OF LITHUANIA—1992

January 5

21.30 A military column of petrol transport vehicles are driven through the Salociai border post into Latvian territory.

January 8

15.30 An APC column leaves Alytus Air Force Garrison 97.

15.40 A column of 45 military vehicles arrives at Alytus Air Force Garrison 97.

18.30 A column of 25 empty military trucks with arrives in Marijampolc from the direction of Kalvarija.

19.00 14 trucks (GAZ–66, ZIL–131, URAL 345) troops and a column of five petrol transport vehicles are sighted in Vistyciai (in the Vilkaviskis Region).

19.43 A column of military vehicles passes through Pabrade (in the Vilnius Region) toward Vilnius.

20.26 Two trailers and a column of military trucks attempt to drive through the Kretinga Border Post into Lithuania.

21.58 Nine trailers with rockets, recently brought from Latvia, are stopped at the Panemune Border Post when they attempt to cross.

22.45 Six trailers with rockets and three ZIL–131 leave the Pagegiai Military Garrison.

24.00 Seven trailers with rockets and a ZIL–131 leave the Pagegiai Military Garrison.

January 9

At approximately 02.00, 13 trailers with rockets and about 60 autotransport vehicles return to the Pagegiai Military Garrison.

8.30 Two lights tanks, two GAZ–66 with soldiers and a communications vehicle (r/st R–142) leave Klaipeda Military Garrison no. 3 and move toward Palanga.

15.00 2 BTRs(APC) leave the North-Town Base in Vilnius.

January 10

10.00 Three T–76, 1 BMD (paratroop tank) and a GAZ–66 with soldiers leave Alytus Air Force Garrison 97 and move toward Simnas. At 14.35 the column returns to its unit.

January 11

10.20 34 SA (Soviet Army) Paratroopers arrive at the Ignalina Railway Station accompanied by four officers. The detachment which is armed with 34 sub-machine guns and three hand-granades leaves in a train headed to Druskininkai.

17.21 Six GAZ–66 leave Marijampole Air Force Garrison 97.

18.30 15 GAZ–66 and 1 ZIL–130 go through Vilkaviskis and move toward Kybartai.

January 14

23.00 A column of military vehicles (9 URAL and 1 GAZ–66) arrive at the Salociai border post.

January 15

12.45 Shooting with automatic weapons, trench morters and light guns take place at the Visakis artillery range of Kazlų Roda Training Center.

17.20 A column of 19 military vehicles arrive at the Panemunė Border Post from Kalingrad.

January 16

08.30 A column of 22 military trucks move toward Sim-nas from Alytus.

10.00 New recruits are brought to Kazlų Roda by plane.

12.00 25 military trucks arrive at the Kazlų Roda Training Centre's Višakis artillery-range. There is shooting with automatic weapons and guns.

January 18

17.40 Four BTRs drive through Eisiskė and move toward Varėna.

January 21

8.50 Seven URALs (covered transport vehiclcs) (4 with soldiers and 3 loaded with machinery) leave Telšiai and move toward Šiauliai on the Palauga highway.

January 22

At approximately 12.00 3 ZIL–131 communications vehicles leave area of Skuodas and move toward Tirksliai (in the Mazcikiai Region).

January 23

14.36 Six BMDs are brought to the Alytus artillery-range.

January 29

20.05 Four ZIL–131 trucks with armed soldiers arrive at the artillery range unit in Kalvarija from the direction of Vislyciai.

January 30

53 military cars leave Kalvarija and move toward Lazdijai.

15.15 Twenty GAZ–66 from the Kalvarijai artillery range unit arrive at Alytus.

18.00 Eight self-propelled rocket systems with tactical rockets (ground to ground), 38 trucks with armed soldiers, 2 communications vehicles and a military ambulance move in the direction of Kazlų Roda from the village of Pazėrai.

18.30 38 trucks and armed soldiers arrive at the Kazlų Roda artillery range Training Center.

19.00 a column of 53 military cars leave Kalvarija and move toward Lazdijai.

February 3

13.55 An echelon of military equipment arrives at the Vievis Railway Station from Kaunas.

February 5

12.15 Ten SA covered military vehicles are detained at the Medininkai Border Post. They have no permit allowing them to pass.

22.53 An echelon of tank parts and 2 wagons of soldiers pass through the Vievis Railway Station and move toward Vilnius.

February 6

07.35 Troops with six T–72 tanks pass through the Vievis Railway Station and move toward Vilnius.

17.55 Ten BMDs leave Alytus Air Force Garrison 97.

The military garrison in Nemerseta cuts down 6 pine trees (3,9 solid cubic metres) causing 17,224 roubles damage.

(No exact date given) Soldiers cut down 72.7 cubic meters of trees in Sateikiai of the Plungė Region equating to 268,616 rubles damage.

February 9

18.50 A column of 12 KARZ military cars are sighted in Zemieji Paneriai in Vilnius.

February 11

A military petrol transport vehicle is stopped in the Tauragė Region at the Pauemunė Border Post. A Soviet military commandant categorically demands that he be allowed through.

February 12

Soldiers illegally attempt to pull 2 cars across the Kalviai Border Post in the Joniskis Region.

10.40 1000 fully armed paratroopers arrive at the Kazlų Roda Training Centre from the direction of Kalingrad.

February 13

04.40 Columns of military trucks with soldiers leave the Kazluŗ Roda Training Centre and move in the direction of Kaunas and Marijampolė.

18.37 About 1000 paratroopers board a train at Kazlų Roda and leave for Kaunas.

23.15 A column of 40 URAL cars leave Utena and moves toward Kaunas.

February 14

05.50 An echelon of military vehicles passes through Utena toward Zarasai,

13.50 An echelon of 50 ZIL and URAL military trucks stands at the Mazeikiai Railway Station on its return from Germany.

21.45 A URAL column passes through Utena and moves toward Kaunas.

February 15

16.30 Ten tanks leave Druskininkai and move toward Alytus.

February 19

A military ZIL-130 automobile, which is transporting a new VAZ vehicle without the required documentation is stopped at the Saločiai Border Post in the Pasvalys Region.

The Border Patrols of the Jonava Region detain Private Š. Šalyj and First Sergeant N. Bodior of Military Garrison no. 62541 and Lieutenant Colonel A. Aleksin, previously of Military Garrison no. 11807 on the suspicion of poaching. A 7.62. mm automatic carbine "Simonov", nocturnal vision equipment, "Makarov" pistols with 11 cartridges, 16 cartridges and other hunting materials are found in their possession.

19.00 Five BTRs, one GAZ-66 and a UAZ-469 arrive from Pabradė to the North-Town Base in Vilnius.

February 22

Soviet border guards refuse to leave the premises near the Mukranas ferry (in Klaipeda) even though the Border Patrol had taken over all Border Patrol duties. Three Lithuanian National defence officers and the director of the ferry, Vaicekauskas, refuse to leave the premises until the Soviet soldiers leave. The Soviets dispatch 20 armed soldiers. The three officers declare a hunger strike which is to continue until the Soviet border guards vacate the premises. The soldiers cut telephone communications. At 20.00 negotiations begin for transferring the bridge over to Lithuanian border patrol.

February 24

20.15 40 military vehicles with soldiers leave Rukla and move toward Vilnius.

February 26

At approximately 22.00, an armed SA soldier leaves the Lazdijai Border and travels on the road leading to Poland along with 4 other wearing civilian clothing. They hold up a Polish citizen's car, demand money and beat up the driver.

February 27

In Kaunas, on Savanorių Avenue, beside restaurant "Zalias Kalnas", M. Gorin and E. Gusev (born 1972), soldiers on active duty stationed at Military Garrison no. 89580, attempt to sell a nocturnal vision equipment, a smoke rocket and a training mine. The special instruments are seized by the soldiers from their garrison. The soldiers are detained and then handed over to the commandant's headquarters.

February 29

An officer is seized at the Palanga airport while attempting to bring documents for the previous commisariat of the Šilalė Region into Moscow.

10.40 Approximately 100 soldiers arrive at the train station from the Kazlų Ruda artillery range Training Center.

20.30 An echelon of military equipment (a BTR and petrol transport vehicles) arrive at Pagėgiai.

23.10 A column of military cars leaves Vilnius on the highway towards Minsk.

March 1

23.35 A column of four KAMAZs amd two URALs leave Kaunas and pass through Alytus.

March 2

10.45. A column of 30 URAL military cars leave Vievis and head in the direction of Vilnius.

13.35 Nine trucks arrive at the previous military base in Tauragė (in the Sakalinė forest) from the North-Town Base in Vilnius, attempting to take materials out without a permit.

March 3

00.10 At the Vilkaviškis Kybartai Border Post a cement wagon is detained IN which SA soldiers had attempted to take to Kaliningrad.

(No exact date is given) Large quantities of smoke mines are thrown into a swamp at the Pabradė Artillery Range.

March 5

In Pricnai, on Kauno street, an armoured car from Military Garrison 63921 hits and breaks an electrical power line.

J. Sliven (b. 1972), a soldier on active duty of former Soviet Military Garrison in the Kaliningrad Region is detained for burglary at a store on Basanavičius street in the city of Kybartai OF THE Vilkaviškio region on February 4.

March 8

In Kaunas on Kcstučio street, the following items are stolen from citizen A. Augustinavičius's automobile VAZ 2103: the spare tire, jack mirror and accident sign. The suspects, soldiers from Military Garrison 02291 V. Krivogord, V. Skarovskij (both born in 1972) and V. Nediklo (b. 1971) are detained.

March 9

I. Ordinskij (b. 1973), a soldier from former Soviet Military Garrison no. 72037 in the Kaliningrad Region is detained in the city of Neringa who is suspected of the theft of state and personal valuables in the Nida Settlement.

March 10

A former SA Military Column carrying 8 cannons, 6 BTRs, 4 communications vehicles, 2 "Grad" systems (a type of artillery) and 1 large caliber "gaubica-type" artillery piece drive through the Pagėgiai Railway Station from Tauragė toward Sovietskas.

March 11

16.20 A VAZ 2106 automobile being driven by a drunk Senior Lieutenant V. Bigaro from Military Garrison no. 18380 hits another automobile at the intersection of Elektros and Basavaničius Streets. There is minor damage to the vehicles.

March 13

10.15 A column of military vehicles (59 URAL and ZILs) drives from Pancvêžys toward Kaunas and a column of 17 military cars drives from Vievis towards Vilnius.

10.20 17 military autocars drive through Vievis toward the direction of Vilnius.

March 14

8.50 A column of military cars is stopped at Prienai while attempting to drive around the order post to get into Belarus.

17.20 A column of military vehicles and tanks drives from Vievis and Vilnius.

March 15

09.45 A column of 3 automobiles is detained at the Šalčininkai Border while attempting to leave Lithuania. The Senior of the column KGB Private V.G. Dunko from Military Garrison 2144 explains that they are going from Latvia to Lvov. The documents they are carrying are forged. The automobiles are detained.

22.48 A former SA officer and 4 soldiers who are armed with a sub-machine gun are detained in the territory of the Vilnius Railway Station. The soldiers refuse to provide documentation.

March 16

At approximately 03.00, N. Litovkin (b. 1972) a soldier of Military Garrison no. 36039, broke down the door, broke windows and tore up the clothing of the dormitory's commandant in the Vilnius Region's dormitory Bukiškés village.

21.05 2 columns of tanks and armoured cars move in the direction of Kaunas.

21.45 An announcement is received from the Kaunas former SA commisariat that the Kaunas tank and helicopters maintenance factory is being taken under military control (soldier posts are being set up) according to orders issued by Colonel-General Valerij Mironov. Up to that point security patrols was guarding the area. Orders are given to shoot, without warning at individuals who are found in the territory of these military objectives without proper documentation.

5 wagons of fully armed paratroopers arrive at the Jûros Railway Station (in the Kaunas Region) from the direction of Kalingrad.

According to its 16 September 1991 decree the Government of the Republic of Lithuania instructed the National Defence Ministry to take charge of the soldiers' quarters of the Kaunas former SA Garrison (this used to be the Lithuanian Army's Officers' Club). The Government decree is repeated in December obliging the National Defence Ministry to ensure the implementation of the 16 September 1991 decree. A protest meeting is held on 6 March 1992 beside the officers' club demanding that the SA soldiers return the building. Incidences of the seizure and taking away of valuables from buildings raise public concern. On the same day, a guard post is set up inside the building by the Kaunas Commandant of the National Defence Ministry. On 16 March 1992, information is received that the former SA soldiers are preparing to drive out the functionaries of the National Defence Department and to guard the building themselves. The head of the 7 paratrooper divisions, Major General Chackevic, however, assures the Minister of National Defence, Audrius Butkevičius, that there will be no use of force.

22.20 Ten small tanks drive through Kaunas toward Karmélava and four tanks are sighted in the Pancmunés Region. The transport of this technical equipment was never authorized by the institutions of the Republic of Lithuania.

March 17

40 URAL, GAZ military auto-vehicles (5 of which are petrol transport vehicles) leave Kaunas, pass through Karmélava in the direction of Jonava.

10.40 A battalion of paratroopers with trucks moves in the direction of Alytus.

16.30 Three ZIL–130 and a truck with soldiers leave Rukla and moves toward Kaunas.

March 18

The officers of the Vilnius Region's Police commisariat detain O. Salnik (B. 1971) and I Malskogov (b. 1972), soldiers of the former SA Military Garrison No. 36839 who are suspects in the theft of personal wealth from citizen A Kiurt.

12.52 Three ZILs and 30 armed soldiers are detained at the Kazlų Rûda Railway Station.

13.15 A column of military vehicles (23 URALs, 3 MAZs, 8 GAZ–66s and 1 ZII) passes through Kaunas and move toward Vilnius.

March 19

V. Zel (b. 1971), a soldier on duty of the former Soviet Military Garrison no. 33829 is detained for theft of personal belongings from the cellar of citizen A. Kuirtas in the Vilnius Region's Raudondvaris Village on 18 March.

9.15 A column of 36 trucks with soldiers is sighted on Kaunas-Klaipeda moving in the direction of Klaipéda.

March 20

12.20 A helicopter M1–4 is sighted flying very low over Kédainiai with a soldier taking photographs of the city through the open doors.

12.30 An echelon of communications cars and self-propelled cannons leaves the Kédainiai Railway Station and heads toward Jonava.

March 21

10.00 Portable bridges and 10 containers are loaded onto 2 echelons at the Vilnius Kirtimai Railway Branch Line.

March 22

12.15 An echelon with military equipment passes through the Lentvaris Railway Station and moves toward Vilnius.

17.31 Two URALs with soldiers is seen on Antakalnio street moving toward the Vilnius centre.

March 23

13.40 A column of MAZ–530 trailers drive through Ukmergé.

March 24

20.25 A column of 15 military vehicles leaves Klaipéda and moves toward Šiluté.

March 25

A "Volga" automobile with license plate no. 7158 driven by a former SA officer dressed in an Admiral's uniform arrives at the Kretinga border control post and refuses both to provide his documents and to identify himself. The vehicle is detained and the officer is identified as Scerba, commander of a former SA headquarters.

Former SA soldiers load a variety of technical equipment from Visoriai Military Garrison no. 36839 onto 20 platforms at the Kirtimai Cargo Railway Station, they do not have any required documentation.

Four Azerbaijani soldiers armed with knives escape from the Telšiai Military Garrison.

March 26

10.30 Columns of military cars (3-4 cars each) are driven from the North-Town Base in Vilnius to the Kirtimai Cargo Railway Station. The cars are loaded with green boxes.

Three ZIL–157 military vehicles driven without documents are detained at the Kybartai Border Post. The detained vehicles had brought type "8" antiaircraft rockets in Lithuania. The automobiles belong to Military Garrison no. 48283.

Officials at the Klaipėda Border Post announce that, former SA soldiers are preparing to build a portable bridge at about 19.00 to the right of the Panemunė bridge.

2 soldiers from former SA Military Garrison no. 11929, deployed in Jonava, A. Kravcenko and M. Vitulev break into a dormitory in New Akmene on Kudirkos street, where they raise a raucous. Both are detained and taken to sobering station.

March 27

14.10 A military load (on a wagon) with armed former SA defence units stands at the Vaidotai customs post and the defence does not allow any documents to be checked by the customs officials.

24.00 14 transport planes land at the Šiauliai military airport. The airport is guarded; the movement of soldiers increases.

March 29

18.25 100 soldiers are sighted at Kaziu Ruda armed with sub-machine guns and machine-guns.

19.00 Neskin Jurij, an officer from former SA Military Garrison no. 314777 is detained at the Kaunas Railway Station for transporting a box of natural and woven furs (worth 40,000) at the mail car of the Kaliningrad-Moscow train. The load is detained.

March 31

8.25 Ten former SA covered KRAZ are sighted at Panavczys heading in the direction of Kaunas.

17.23 Five former SA Russian army soldiers led by Senior Lieutenant A. Stepanov are detained at the Siauliai Railway Station. Stepanov explains that these are students from the Kaliningrad Military School who have been dismissed because of their marks and are assigned to service at Siauliai Military Garrison no. 06935. At the Commendant's headquarters, it is explained to them that according to the decrees of the Government of the Republic of Lithuania, it is forbidden for the former Soviet army units on the territory of Lithuania to supplement its army with new recruits. Senior-Lieutenant A. Stepanov, motivated by the fact that he has no money, leaves the 4 soldiers of the Russian army at the army's Commandant headquarters and leaves for his garrison.

April 2

A military automobile "Kamaz" license no. 30–94, with 2 former SA officers and 1 soldier attempt to enter Lithuania by crossing the Sakiai border through the Ramoniskės post from the city of Nemanskas of the Kaliningrad Region. They state that they are taking fitting into Kaunas. The documents state that the route is through Smolensk and there is no permit to enter or to transport the fittings. The car is not allowed through.

18.00 Three former SA "ZIL–131" automobiles arrive at the Šakiai border at the Ramoniskės post from the direction of the Kaliningrad Region. They have no documents allowing them to leave and therefore they are stopped from doing so. At approximately 20.00 one of those automobiles which violated the border and crossed over into Lithuania is detained and taken to the border. The automobile is a "ZIL–131," license no. 90–42 and belongs to Military Garrison no. 59332 deployed in Guscve. The driver is Major Vladimir Korobko who states that he is driving to Tauragė. The other 2 cars do not enter.

April 3

11.45 A trailer with a tank and 2 trucks (one of them with armed soldiers) leave the North-Town Base in Vilnius and move in the direction of Pabradė.

April 6

23.35 A former SA soldier is detained at the Vilkaviskis border at the Kybartai post from whom 9.6 kg of TNT, 160 Warning rockets and 30 AKM cartridges are seized.

April 8

15.20 A bus and 2 URALs leave the Klaipėda barracks. The bus leaves with 30 armed soldiers and returns with 5.

16.38 At the Klaipėda barracks tanks are formed in lines and soldiers stand on them armed with guns.

16.57 A regiment of the Telsiai ocean infantrymen line up a column comprising of 4 T–72 tanks, 4 BTRs, 4 covered URAL trucks and 1 petrol transport vehicle.

19.22 4 tanks leave the Klaipėda barracks and block the main road to Palanga.

19.41 The tanks return.

19.45 A ZIL–131 with a machine-gun on its side drives through Kedainiai. 7 IL–76 transport planes fly in.

April 10

Former SA soldiers on duty A. Kolenskik (b. 1972) and A. Riabov (b. 1972) sell ammunition to citizens in Kaunas on Daukanto street. Police officers detain the aforementioned soldiers.

April 11

An URAL 4720 is detained in Šiauliai as it comes from Riga's Military Garrison no. 62411 carrying 3 officers. They had no permit to drive through.

2 GAZ–66 with armed soldiers leave for the railway station in Kaunas from Valijampolė. The soldiers wear helmets and bullet-proof vests.

April 12

6 railway platforms with large calibre weapons are sighted leaving the Sakiai border post and moving toward Kaunas.

April 13

Lieutenant Smalkov Valentin Aleksandrovic (b. 1969), from Military Garrison no. 41610 is detained in Klaipėda on Manto street near Military Garrison no. 61415 carrying 3 metal boxes containing 3,240 5.45 calibre cartridges for AK–74 weaponry, and a "Parabelum" pistol. At the time of the arrest, he is wearing civilian clothing. During the search of his quarters on Kretingo street 13–34 7.62 calibre machine-gun tracer bullet cartridges are found. Smalkov had a pistol and ammunition with him to be sold at a previously arranged location to a citizen he knew by sight. Smalkov is put into the guardhouse.

April 22

09:00 Military officials announce a planned two weeks of training maneuvers in which approximately 230–250 soldiers from Marijampolė and Alytus, and 100 soldiers from Kaunas will participate.

5 light paratrooper tanks from Kaunas regiment No. 108 and 6 military trucks from the Marijampolė regiment leave for the Kazlu Ruda military base.

16.00 On the territory of state enterprise "Gelzbetonis" in Kaunas, watchmen detain soldier Bairanov from military unit No. 89452 who was trying to steal an electrical motor. The soldier managed to escape.

Lithuanian justice officials detain I. Volocaj, attached to a military unit in Alytus for a burglary at Kranto Street #19 in Alytus.

April 23

13 military transport vehicles, 2 BTR's, 2 support vehicles, and one staff vehicle are observed on the road from Vievis to Kaunas.

7 military vehicles transporting paratroopers are observed on the road from Alytus to Kaunas.

15:30 Lithuanian officials stop and check a vehicle carrying paratroopers from the Kazlu Ruda airbase to Kaunas.

18:50 Helicopter flights observed over Alytus and in the Kazlu Ruda region.

Defense Department officials stop a military transport vehicle (GAZ–66, number 22–79 MD) on the Kazlu Ruda road. The officer behind the vehicle threatened to use a weapon and allowed only one official near the vehicle.

22:30 Approximately 12 covered transport vehicles observed on the Vilnius-Kaunas highway.

2 GAZ–66 transport vehicles and one ZIL–131 truck traveling at high speeds observed on the Vilnius–Kaunas highway. The vehicles did not stop when ordered to by Lithuanian officials.

24:00 3 truckloads of soldiers refuse to halt on the way to Alytus from Kaunas.

April 24

17:35 A column of 5 armored vehicles belonging to unit 0291 are halted near Juragiai. Documents show that all the soldiers in the column belong to the recent 1991 draft class. Drivers are reminded that they need special permits from the Lithuanian Police.

April 25

14:40 A transport vehicle (URAL Nr. 93-50) carrying armed paratroopers is stopped near Kazlu Ruda. It is determined that they belong to the 1991 draft class.

16:00 A covered column of transport vehicles leaves Kazlu Ruda. 9 vehicles had permits, 2 did not. It was not determined what was being transported.

April 29

12:00–18:00 Intensive helicopter flights observed over Kaunas.

13:31 An AN–12 type aircraft, Nr.–847 leaves the Panevezys airbase for Velikijc Luki.

14:20 An IL–76 type aircraft, Nr.–847 leaves the Panevėzys airbase for Saratov.

19:55 Approximately 80 paratroopers observed on the Lvov–St. Petersburg train at Turmanas. Customs officials were not admitted into the train car.

20:00 An AN–12 type aircraft, Nr.–868 arrives at the Panevėzys airbase from Riga.

20:30 An IL–76 type aircraft departs Siauliai airbase for Pechiora.

Lithuanian officials attempt to halt a column of 7 light-tanks and one GAZ–66 transport vehicle in Kaunas. 5 tanks disregard officials and drive through the road check at the Garliava crossroads.

An IL–76 type aircraft, Nr. 76741 leaves Siauliai for Pskov.

23:05 Two transport aircraft enter Lithuanian territory from Kaliningrad.

April 30

18:30 Three soldiers being transferred from unit Nr. 06772, located in the region of Moscow, to unit Nr. 06937 based at the Panevezys airbase are detained at the Kupiskis train station. The commander of the unit at Panevézys, Major General Piotr Kolenikov knowingly disregarded Lithuanian laws with this action. The General had been informed at least three times of various Government and Defense Ministry resolutions concerning the transport of new troops into Lithuania.

May 1

10:57 An IL–76 type aircraft arrives in Panevézys from Smolensk.

11:14 An IL–76 type aircraft, Nr. 860–32, enters Lithuanian territory near Rokiskis and lands at Panevézys airbase.

May 4

9.00 A military airplane AH 26 No. 26487 lands in the Vilnius airport after arriving from Riga.

11.00 A military airplane IL 76 No. 86043 leaves for Poland from Panevezys.

11.50 A military airplane AH 12 No. 008829 lands in the Panevézys Airport after arriving from Saint Petersburg.

19.50 3 helicopters fly over Nemenčiné at a low altitude and move toward Byelorussia.

May 5

11.00 A military MI-8 helicopter flies low over Kaunas military brigade battalion in Karmelava toward Rukla.

13.30 An IL–76 No. 86020 takes off and flys toward Germany from the Panevezys military airport.

15.10 The dismantling of a reinforced concrete bridge is begun at the Kazlu Ruda military airport. The concrete slabs are transported to the Kazlu Ruda Railway Station.

16.12 An airplane No. 55351 lands at the Siauliai military airport after arriving from Postava in Byclorussia.

16.52 A military airplane AH 24 No. 26482 crosses the boundary from Kaliningrad to Rusne. 17.30 the plane lands in Panevezys.

17.50 A military MI–8 helicopter takes off from Pauevezys and flies toward Jielgava.

May 6

12.30 A fire breaks out in the territory of Military Garrison 12003 distributed in Taurage. The firefighters are not permitted into the garrison based on the reason that exercises are taking place. V. Indrekson, the commander of the garrison, explains that the training which is taking place is to test military preparedness. A kerosene and grease mixture was set on fire in order to check the gas masks. At 13.00 2 Taurage city officials are allowed into the garrison who see 2,250 litre kegs of DICHLORETANO (MONOETAMILO). The smell of DICHLORETANAS is felt beyond the boundaries of the military garrison.

13.22 A GAZ 66 No. 76–95 OE automobile which has been converted into a small bus is detained at the Alcksotas post. About 10 soldiers who are armed and wearing bullet-proof vests are being transported. No documents are provided.

13.25 Several AH–22 military planes fly over Kazlu Ruda as paratroopers descend from them.

16.00 A URAL 432, No. 41–86 SP belonging to Military Garrsion no. 42688 is detained at the Garliava post. 7 soldiers without identification documents travel in them.

17.30 A KAMAZ 90–62 belonging to Military Garrison no. 15903 deployed in Sovetsk is detained at the Pagegiai Border Post. 1.5 thousand empty 20 litre cannisters are found in the car. They are being transported from Military Garrison no. 63–603 to be deployed in Pagegiai in which there are warehouses for fuel storage. Since the car has no permit, it is turned back. At 19.00 it returns with a permit from customs but without one from the National Defense Ministry. The Senior major in the car phones Sovietsk and sends for 2 colonels who upon their arrival disregarding prohibition of the commander of the border post illegally cross the Panemune border post.

At the same time 2 BTR 70s are prepared for military preparedness in Sovetsk.

18.30 Officials at the Kaunas military commandant headquarters announce that military helicopter flights are taking place in Aleksotas.

20.15 4 petrol transporters—URAL 375 license No. 56–38 TK, 56–82 TK, 56–92 TK and 56–81 TK are detained as they drive from Kazlu Ruda toward Marijampole. Those driving refuse to present documentation.

Automobile VAZ 496 license No. 3777 BA frequently drives through the Garliava post in Kaunas. The major driving the car refuses to identify himself and has a weapon he threatens to use.

May 7

10.00–11.00 4 IL–76 military planes No. 78854, 78809, 78763 and 78795 arrive and descend in the Pancezys airport having flown in from Troick.

12.32 and 12.37 2 military planes No. 09309 and 09343 arrive from Tver in Paneveys.

13.10 All IL–76 No. 86832 takes off from Panevezys and flys toward Velikije Luki.

14.24 An AH–12 No. 09344 arrives in Panevezys from Tver.

15.00 A military echelon in which 6 of 17 wagons are underclared is detained at the Vilnius Railway Station.

15.55 A M–12 No. 09309 takes off from Panevezys for Tver.

May 8

10.41 An AH–26 No. 47043 leaves Siauliai and flies toward Jakappils.

12.45 An IL–76 military plane No. 86832 arrives in Panevezys from Tartu.

13.20 An AH–12 military plane No. 12329 flies into Panevezys from Saint Petersburg.

1705 An AH–26 No. 26045 leaves Siauliai for Minsk.

20.20 An IL–76 No. 76856 leaves Kedainiai for Riga.

May 9

23.30 Military movements by railway transport are noticed at the Vaidotai customs post. A 12 wagon echelon with soldiers and officers from Military Garrison 75259 distributed in Cerniachovsk drives through toward Military Garrison 92959 distributed in Kotlubian (Russian Federation) without permission to cross the border. 9 of the echelon's wagons have "OSOBO OPASNYJ GRUZ" ("Extremely dangerous cargo") written on them.

May 10

6.20 22 new SA recruits are detained at the Vilnius Railway Station as it moves toward Pabrade from Kaliningrad.

May 12

Observed military plane flights in the region of Panevezys and Kaunas:

10.56 Military plane AH–12 No.–347 flew from Latvia to Panevezys.

11.30 and 12.05 Military planes AH–12 No. 12329 and 09937 flew from Pancvezys to Latvia.

12.25 7 helicopters flew from Kaunas to Kaliningrad via Kalupenai,

13.28 Military plane AH–12 No. 12329 flew from Latvia to Panevezys.

18.18 Military plane AH–24 No. 47129 flew from Panevezys to Lipeck.

May 13

9.50 Military plane IL–76 No. 86836 flew from Panevezys to Moscow,

10.02 Military plane IL–76 No. 86020 flew from Panevezys to Voronez via Rokiskis.

10.45 Helicopter No. 99445 from the Kaliningrad region crossed the Lithuania border at Silute and flew to Palanga.

12.45 4 military helicopters flew from Kaliningrad to Kaunas.

14.40 Military plane IL–76 No. 86846 flew from Kedainiai military base to Novgorod.

15.40 4 MI–8 helicopters flew from the region of Svencioniai to Belarus.

15.55 2 MI–8 helicopters flew from the Kaliningrad region to the region of Šilutė.

16.10 Military plane Il–76 No. 86836 flew from Moscow via Rokiskis to Pancvézys.

16.15 4 armed soldiers (Voroncov, Jefremov, Bugatov and Sokovnin) and first lieutenant Bugajev were detained at the Vilnius railway station. They were traveling from Cerniachovsk military garrison 49689 to Pabradé military garrison 20657. Documentation shows that the soldiers were escorting a military cargo. At 17.20 the detained individuals were returned to Kaliningrad.

May 14

1.00 An URAL No. 7615 BM was detained at the Kansas Garliavos post for not having permission to pass. The vehicle was driven by a drunk Lieutenant-Colonel S.P. Melnicenko and handed over to the commander.

Intensive shooting from large calibre weaponry takes place at the Kazlu Rûdos artillery range. Security at the range has been strengthened.

The Ruklos military airfield is surrounded by CIS soldiers. A sign stating "stop, we will shoot" is hung. It is believed that new CIS conscripts may be delivered on the 15–25th.

10.50 An eschelon of 28 wagons with military vehicles arrive in Tambrov from Kaliningrad military garrisson 11604.

15.15 Eleven petrol transport vehicles traveling from Kazlų Rûdos to Ruklos military garrisson 20192 are detained at the Ązuolų Bûdos border post for not having permission to pass.

16.20 At the Šakių border barrier, military helicopters flying towards Jurbaka are observed.

Intensive military plane IL–76 flights towards Germany, Latvia and Panevćzys from the Kédainiai military airfield are observed.

17.55 Five tanks arrive at Alytus military garrisson 10999 from the direction of Simno.

May 17

19.45 Four drunk paratroopers to be deployed into CIS command are detained in Siauliai on the Kaliningrad-Moscow train. Other paratroopers on this same train are sent to Moscow.

Lieutenant Colonel A. Degiov, commander of the CIS paratrooper unit stationed in Mariampolé, announces to Lithuanian defense officials that CIS military vehicles will not obey the requirements that they receive permission of the Lithuanian Ministry of Defense to travel on Lithuanian territory. Degiov warns that vehicles supplying units stationed in Lithuania will be traveling under armed guard and will fire in response to Lithuanian defense forces using force to stop and check documents.

May 18

10.00 Soldiers from military unit No. 10075 sets up a post next to the Lithuanian defense and police post. The military post is guarded by eight soldiers with automatic weapons.

May 19

7.30 A CIS post is set up next to the Lithuanian defense volunteer service post in Garliava. At approximately 11.00 a helicopter with a machine gun seen through its open door flew over the post. CIS Colonel Orlovas, the Kaunas command headquarters leader and the volunteer service group leader met at the site of the post. At 12.50 the CIS post was removed. At the present time, the post is being occupied by one CIS soldier, one policeman and one defense volunteer worker.

9.00 A CIS post is set up near the Lithuanian defense post on Vaidoto Street in Kaunas.

9.15 A CIS post guarded by 6 armed soldiers is set up near the Ązuolų Būdos post in Mariampolė. A post of the same type is set up near the internal army post on the Kaunas Highway and on the road towards Seirijus in the Region of Alytus.

11.15 A bus (PAZ) loaded with soldiers leaves Pabradė towards Molėtai. The Joniskis observation post attempts to stop the vehicle, but to avail.

14.50 The Alytus mayor meets with the Alytus commander, the highway police leader, the police commisariat and paratrooper regiment leader I.V. Solomin. Solomin announces that a CIS post will be set up next to each Lithuanian National Defense post. He requests that all posts be removed and one be set up near the military garrisson. Apparently it is difficult for the CIS soldiers to cover all four posts.

The police informs the Lithuanian National Defense Ministry that the above mentioned regiment is to receive 500 additional soldiers.

19.00–20.00 Intensive military plane flights are observed in the Region of Skuodo, from Latvia to the Vainodų military airfield.

20.30 A military train carrying seven platforms of tankettes traveling from Belarus to the Kaunas tank repair factory is detained by the Vaidotų customs for not having permission.

May 20

1.15 The Visorius control post is attacked by tear gas. An inquiry is under way.

May 26

12.50 75 recruits, traveling from Bologojc to Cerniachovsk observed on the St. Petersburg-Lvov train.

13.00 Motorloader MAZ, belonging to unit number 42688, detained at defense volunteer service post in Kaunas for not having permission to pass. The officer in the vehicle warns he will call re-enforcements. At 18.00, 9 armed soldiers arrive and threaten to use their automatic weapons. They commandeer the vehicle.

18.00–23.00 MI helicopter flights observed in the Aleksotas region in Kaunas. The helicopter unit's commander, Sediukovich admits he is informed of the Lithuanian Government's ban on flights, but says he follows the instructions of North-West Army Group Commander.

19.00 52 CIS soldiers and 35 sailors observed on the Moscow-Kaliningrad train.

23.00 78 CIS recruits leave the Vilnius railway station for Kaliningrad.

(No exact data given) Intensive helicopter flights observed over Kazlu Ruda airbase.

May 29

10.00 AN–12 type aircraft No. 13327 lands at Siauliai airbase.

10.00 Military helicopter No. 35906 takes off from Kaunas airbase and flies to Riga.

10.00 Military helicopter No. 02077 arrives at Kaunas airbase from Latvia.

10.20 AN–12 type aircraft No. 12328 departs from Panevėzys to Vitebsk.

11.30 IL–76 type aircraft No. 78816 arrives at Siauliai airbase from St. Petersburg.

13.00 AN–12 type aircraft No. 43327 leaves the Siauliai airbase from St. Petersburg.

AN–12 type aircraft No.-301 departs from Panevėzys airbase for Tver.

15.00 AN–12 type aircraft No. 52549 arrives at Panevėzys airbase from Latvia.

17.25 IL–76 type aircraft No. 78816 takes off from Panevėzys and flies to Smolensk.

23.00 CIS soldiers explode an explosive device at the Kaunas railway station.

May 30

9.30 IL–76 type aircraft No. 86045 leaves the Kėdainia airbase for Jerevan.

10.05 AN–12 type aircraft No. 08838 departs the Kėdainiai airbase for Briansk.

11.07 IL–76 type aircraft No. 86857 leaves the Kėdainiai airbase for Moscow.

11.20 Helicopter MI–8 No. 38423 flies from Kaunas to Pabradė.

12.02 IL–76 type aircraft No. 86731 lands Panevėzys airbase from St. Petersburg.

12.30 2 military trucks with 15 CIS soldiers arrive at former Officer's Club in Panevėzys, cut telephone communications, load various materials onto the truck and depart. Later one of the trucks is stopped on the Pajuostės highway. The former Commander of the Club explained he was following General Mironov's instructions.

19.20 An explosion in the ammunition depot of Klaipėda Military Garrison No. 02480 damages the building and wounds 3 officers (S. Bystrov, S. Prudcenko and I. Pietriv). The aforementioned officers were dismantling artillery shells to remove brass.

21.30 A KAMAZ type truck arrives at the Kairiai aircraft fuel base. The soldiers in the truck fire their weapons in the air.

June 2

7.40 TU–134 type aircraft No. 65846 leaves Siauliai airbase for Moscow.

10.00 IL–76 type aircraft 86833 arrives at Panevėzys airbase from Pskov.

12.00 IL–76 type aircraft No. 76888 arrives at Siauliai airbase from Moscow.

June 3

12.25 AN–12 type aircraft No. 12329 departs from Panevėzys to Tallinn.

14.02 IL–76 type aircraft No. 86836 arrives at Panevėzys airbase from St. Petersburg.

14.30 MI–8 type military helicopter flies from Kaunas to Riga.

June 4

AN–2 type aircraft, as well as MI–8 helicopter flights toward Jurbarkas observed over the Ramoniskiai National Defense post.

June 5

O. Sadikas (b. 1972) and A. Raschiotij (b. 1971) stationed at CIS unit num. 1099 in Alytus, assault and batter a civilian (S. Sabaliauskas) in the Alytus town square.

13.00 6 vehicles with extremely hazardous cargo being transported from unit number 67049 in Kaliningrad to unit number 64531 in St. Petersburg are halted at the Vaidotai control point. Documents showed a different type of cargo than that which was being transported.

17.45 A military column consisting of 53 train cars and belonging to unit number 03738 leaves the Kaunas train station.

18.30 2 CIS soldiers from a group escorting 2 train cars of missiles are detained at the Vilnius train station for not having permission to travel to Lithuania.

Helicopter flights are observed from Kaunas to Riga and Kaliningrad.

June 6

9.10 A column of soldiers in 20 URAL type trucks and 1 GAZ transport observed in Kedainiai.

13.30 A column of 18 artillery pieces and two transport vehicles with troops observed in Palemonas.

19.10 A column of 12 vehicles with troops observed traveling from Gaiziunai toward Palemonas.

(No specified time) A column of 16 platforms with military equipment is observed traveling through Kaisadoris in the direction of Vilnius.

June 7

7.00 Military train with equipment stops at the Kėdainiai train station.

14.00 6 soldiers and one NCO traveling from Baltijsk in Kaliningrad to the military tank yards in Kaunas are detained at the Kaunas train station. They had no travel documents.

IL–76 and IL–86 type aircraft observed flying from Moscow to Panevėzys and Kėdainiai. The same type of aircraft observed flying from Siauliai in the direction of Pskov.

MI–8 helicopter flights observed from Vilnius to Riga and from Klaipėda to Kaliningrad.

June 8

22.00 Two military aircraft from Belarus land at Salcininkai

22.25 A military column of URAL type vehicles and other troop transport is observed traveling from Klaipėda in the direction of Radviliskis.

Based on information supplied by the Lithuanian Ministry of National Defense and the Lithuanian Internal Affairs Ministry.

ECOCIDE COMMITTED BY THE OCCUPATIONAL ARMY OF THE SOVIET UNION UNDER RUSSIAN JURISDICTION IN LITHUANIA

In carrying out the colonization of Lithuania and striving to maintain its occupational regime, the Soviet Union deployed a military group which is disproportionally large for Lithuania's territory. The military units stationed in Lithuania occupy a territory of 2.049 ha, military training grounds occupy an area of 15.259 ha, and forests under Russian army jurisdiction total 56.300 ha. Over 1 per cent of Lithuanian territory is occupied by military units. Stunning facts are emerging today on the devastation of the environment in the territories of military units of the former Soviet Union in Germany, Hungary, Czechoslovakia and Poland. The contingents stationed in these countries had to, at least in theory, take into consideration the sovereignty of these countries. In an effort to conceal facts concerning the barbaric destruction of the environment the activities of military units were under strict control by the Soviet military leadership.

In Lithuania, the Soviet Union behaved in a manner its government was accustomed to: no environmental laws were adhered to, the use of nature by the military units was not controlled by either civil authorities or the public. The status of the occupational regime was applied to this Baltic state.

The activities and objectives of the army of the former Soviet Union in Lithuania have not changed even though, it fell under the jurisdiction of the Russian political leadership as a result of a March 18, 1992 decree by Russian President Boris Yeltsin. The army's change in status did not help accelerate negotiations on the withdrawal of this army. To this day, the government of Lithuania cannot ascertain the exact number of troops in the army or reach an agreement on the date of withdrawal. In practice, the Russian army in Lithuania continues the traditions of the army of the Soviet Union and completely ignores the institutions and officials of the Lithuanian government. It does not allow the inspection of military territory in order to assess the ecological situation and implement measures for its stabilization.

Following are several recent facts on the willful behavior of the Russian army: In March 1992, in the Plungé region (in western Lithuania) Russian soldiers cut down timber amounting to 270,000 rubles of damage; in April 1992, in the Kaunas military forest (in central Lithuania) the value of the forest cut down amounted to 760,000 rubles. It was established that forests were cut in the territories of the Siauliai military airport and in the military unit deployed in the Radviliskis region (both in central Lithuania). Russian officers did not permit environmental inspection officials to appraise the damage. On May 5, 1992, on the territory of the military unit deployed in the Tauragé region (in western Lithuania), chemical materials were burned. Oil products were burned at the Alytus artillery range (in southern Lithuania) on May 22. These facts increase the size of the amount which the Lithuanian government is determined to hand in to the Russian government for payment for the ecological damage inflicted by the occupational army. Even though Lithuanian officials have, up to now, been unable to provide a comprehensive evaluation of the damage done by the occupational army to the natural environment, preliminary calculations have already been made by Lithuanian scientists.

1. Losses inflicted by the occupational army to forests amount to 21 min. rubles.
2. Losses to recreational resources—7.5 min. rbl.
3. Agricultural losses—15 min. rbl.
4. Damage inflicted on the underground water tables and surface bodies of water—45 min. rbl.
5. In order to restore the landscape, 252 min. rbl. will be required; to clean soil polluted by oil—1 mird rbl. will be required.

This data makes up only a small portion of the crimes committed by the Soviets against the Lithuanian nation. Other crimes include: the deportation and annihilation of people, the destruction of the economic structure, imposed demographic changes, and an ecologically damaging economic policy. The irreversible and irreparable changes carried out during the period of occupation by the Soviet Union are impossible to assess by any calculable means.

VILNIUS, *June 1992.*

LITHUANIAN EMBASSY,
Washington, DC, June 11, 1992.

POLICY STATEMENT ISSUED BY THE EMBASSY OF THE REPUBLIC OF LITHUANIA

FOREIGN TROOP WITHDRAWAL

There is no domestic or foreign policy issue more important to Lithuania than the complete and unconditional withdrawal of all former Soviet troops from its territory. The Lithuanian leadership has made it clear that these troops, which number in the tens of thousands and are now under the command of the Russian Federation, must be withdrawn this year.

Pledges by Russian government officials to negotiate in good faith with Lithuania on this issue thus far have proven to be hollow. The removal of approximately 100 soldiers from Lithuania March 3, ballyhooed by the Western press as the beginning of a general troop withdrawal, was soon negated by the introduction of fresh foreign troops.

Lithuanian sovereignty continues to be violated on a weekly, and sometimes even a daily, basis by unilateral Russian troop movements within its territory and across its borders. As a result the Lithuanian government cannot determine with any precision the numbers of foreign troops that are on its soil at any given moment.

Of late the Russian side has informed Lithuania that withdrawal can begin only after former Soviet troops have been completely removed from German soil, and also that, like the Germans, the Lithuanians will be required to finance housing for the departing troops.

These conditions are completely unacceptable, and Lithuania finds comparisons to Germany in this regard odious. Former Soviet troops are presently on German soil because of Nazi Germany's armed aggression against the USSR IN 1941; military units of the same army are on Lithuanian territory as a direct result of armed aggression perpetrated by the USSR against the Lithuanian nation beginning in 1940 and ending only in 1991.

It would be difficult to imagine any country in Western Europe having been required, much less willingly agreeing, to accept financial responsibility for the removal of vanquished Nazi forces to German territory following the end of World War II. Thus demands that the Lithuanian people consent to having their state treasury underwrite the relocation of a foreign army which has forcibly occupied their country for the better part of five decades are both repugnant and absurd.

The Russian Federation has stated that it is the legal successor to the USSR, and is being treated as such by the world community. But assumption of obligations incurred by the USSR cannot be selective. If the Russian Federation is the legal successor to the USSR, then it is obliged to rectify the injustices perpetrated by the latter. Far from demanding Lithuanian subsidies for the removal of its military forces, it should be pondering how it is going to compensate Lithuania for the damages caused by the army of occupation in Lithuania. Recently, Lithuania presented Russia with a provisional claim of $150 billion for damages caused to its country and its citizens by Soviet forces since 1940.

Arguments by the Russian side that housing is lacking for troops posted in Lithuania would be met with greater understanding if the Russian armed forces were making good-faith efforts to pare down force levels in Lithuania through attrition, i.e. young draftees who had completed their tour of duty returned home to live with their parents. The introduction of new troops to Lithuania gives rise to the worst Lithuanian fears about resurgent imperial ambitions in the Russian military and political elite.

When Lithuania declared the restoration of its independence in March 1990, one of the mainstays of its foreign policy was to urge reform in the USSR by aligning itself squarely with those Soviet leaders who were actively engaged in democratic reforms and by rejecting those who sided with or were themselves reactionaries. This continues to be a central tenet of Lithuanian policy. There will not be—there cannot be—genuine stability in the Baltic region so long as foreign troops remain.

To the extent that the leaders in Congress and the White House make the removal of foreign troops from Lithuanian soil and the demilitarization of the Baltic region an acid test in the United States' relationship with the leaders of the new Russia, they will be promoting stability in the lands formerly ruled by the USSR. What was often said in 1990 and 1991 about the fundamental dilemma faced by President Mikhail Gorbachev—the need to choose between democracy and empire—is no less true today for President Boris Yeltsin and the other leaders in Russia. The presence of Russian troops on Lithuanian soil retards the democratic process in Russia and, if allowed to continue, eventually could undermine it.

AID TO RUSSIA

Lithuania supports the democratic reform process in Russia because it believes the Russian people have the same right to life, liberty and the pursuit of happiness now being enjoyed by the Lithuanian people. Lithuania also recognizes that an undemocratic and unstable Russia will always pose a potential threat to its neighbors. Thus Lithuania favors the granting of such Western aid to Russia which strengthens and accelerates the democratic process in that country.

One way to promote democracy and stability in Russia is to earmark a portion of American aid to Russia for the construction of housing units for former Soviet military officers now stationed in Lithuania. Such aid would strengthen President Yeltsin's hand against those who, wishing to advance an imperial policy for Russia, hide their true intentions behind the argument that Moscow lacks the means to bring its troops home.

For humanitarian and pragmatic reasons, Lithuania supports conditional Western aid to Russia. It also believes such assistance should be proportional. There is a danger that Western policymakers will repeat the mistake which led them to adopt and long adhere to erroneous conclusions about the very nature of the Soviet Union. The mistake was to see the USSR only through the prism of Moscow. Today we are witnessing a tendency to focus a disproportionate share of Western attention and aid on Russia, to the detriment of other nations that formerly were part of the Soviet empire.

All nations subjugated by the USSR experienced great suffering. For Lithuania it was an unmitigated disaster which not only ushered in a period of genocide, but also robbed the Baltic state of its national independence, ruined its economy and dragged down its standard of living. No other nations in the former soviet empire, with the exception of Latvia and Estonia, had advanced as far as Lithuania, and thus none experienced a fall as dizzying and as devastating. Simple justice requires that this fact be borne in mind by those who contemplate extension of aid to nations of the former Soviet empire.

LAW ON CITIZENSHIP

On November 3, 1989, Lithuania adopted a law granting the right of citizenship to everyone permanently residing in the Republic on the date of the law's passage. The law granted the right of free choice of citizenship for permanent residents who neither themselves nor whose parents or grandparents had ever been citizens of the Republic of Lithuania. The only requirement made of these residents was that they exercise their choice within a two-year period. The law was a very liberal and generous one, given the fact that, over several decades, tens of thousands of illegal immigrants had been introduced into Lithuania by the USSR in violation of the former's sovereignty.

Following the expiration of the two-year grace period, the Lithuania legislature adopted a new citizenship law. The December 10, 1991, law enables non-citizens to obtain citizenship if they fulfill the following requirements: reside in Lithuania for 10 years, have a permanent place of employment or constant legal source of support there, pass examinations demonstrating knowledge of the Lithuanian language and Constitution, and take an oath to the Republic.

TREATMENT OF NATIONAL MINORITIES

Approximately 20% of Lithuania's population is comprised of ethnic minorities. The five largest minorities are the Russians (9.4%), Poles (7.0%), Belorussians (1.7%), Ukrainians (1.2%), and Jews (0.3%). Lithuania is home to 31 other ethnic minorities each having at least 100 members.

Protection of the rights of ethnic minorities is enshrined in the law on ethnic minorities, adopted November 23, 1989. The law states that Lithuania "shall guarantee to all its citizens regardless of ethnicity, equal political, economic, and social rights and freedoms, shall recognize its citizens' ethnic identity, the continuity of their culture, and shall promote ethnic consciousness and the expression thereof."

Any discrimination on the grounds of race, ethnicity, nationality or language is proscribed.

The law guarantees state aid to cultural organizations of ethnic minorities that seve their educational and cultural needs. It also ensures schooling in the native language for ethnic minorities from preschool to institutions of higher learning.

Today, the Lithuanian government funds more than 300 schools in which Russian or Polish is the basic language of instruction. In 1988, when Lithuania began its campaign to break free of Kremlin rule, there were no Polish-language day care centers in the Baltic Republic; today there are 141.

Magazines and newspapers are published in Russian, Polish, Belorussian, Ukrainian, Jewish and German. Lithuanian radio and television carry broadcasts in all these languages, except German.

Given the decimation of the country's large Jewish community during World War II, Lithuania is especially sensitive about promoting the preservation of Jewish culture and ensuring that the rights of its Jewish citizens are fully protected. The Lithuanian government is committed to restoring monuments of Jewish culture and providing political and financial support for contemporary Jewish institutions.

Though Lithuanian is the official state language, the law provides for the usage of the language of the national minority as an official means of communication in areas containing substantial numbers of that minority.

Mr. PRESSLER. I yield the floor.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. DECONCINI. Mr. President, I think it is important to focus on what the difference is between the original Pressler-DECONCINI amendment and now the modified amendment by Chairman PELL and Senator LUGAR, the ranking member.

I appreciate their position on this, but there is a grave difference in these two amendments. The underlying amendment says that no aid will go forward until the President certifies that these particular things have happened, significant improvements; that, in fact, progress toward removal of the Russian or commonwealth independent state armed forces has occurred. That is a little different than what I understand is the modification that has been presented. It says go ahead, take all the aid you want that is in this bill. It is yours. And 12 months later, Mr. President, you certify that these things have occurred. That is a big difference.

Our distinguished colleague, one of the foremost eloquent speakers who I know, from Delaware talked about equating this to South Dakota or Arizona or New York.

Wait a minute, there is a little bit of difference there. Latvia, Estonia, and Lithuania are independent sovereign states. So moving troops out of Arizona would be American troops. Imagine if Russian troops were sitting in Arizona against my will, do you think I would want them there? I daresay nobody would want them there, and there would not be anybody here who would argue that they had a right to have foreign troops in their State. And nobody can make a good argument that the Russian Republic has a right to have these troops in these independent sovereign states with nothing to determine that they are going to move out, not even expressed intentions, even a shotgun cloud of smoke out here that you could at least grab on to. Not one little pellet and say, OK, I am going to do it in a couple of years.

The Senator from Delaware left the impression that the underlying amendment says they have to get out today. That is not true. All the Pressler-DeConcini amendment would do is say you do not get aid until the President will certify that significant steps are being taken by the Russian Government.

Is that asking too much for three sovereign nations, little nations, yes. Is that asking too much?

Sure, Mr. Yeltsin is a politician, and, sure, he has problems and the military is hounding him. The military hounds us. They hound everybody, and that is their job. A democracy cannot work on intimidation, and anybody who thinks it can is guaranteeing failure.

What do we do next year or maybe 2 months from now after we pass this and Mr. Yeltsin is in trouble again?

We have to hand over some more money, we have to do something to keep them in power because, by gosh, this is a democratic, big nation, and we cannot afford it. We are opening ourselves to all kinds of abuse, and I do not think that we are asking too much.

So I hope that the amendment that has been modified will not be approved. I just think that it is an open door: Give them all the money, let them have all of this the way they want it, and then, Mr. President, you certify that some significant changes have been made.

We are not asking for any hammer to the head. We are not embarrassing anybody. We are not saying get them out today. We are not saying we do not care about you. We are not saying, Mr. Yeltsin, you are bad, or the Russian Government is an evil empire. No, we are putting all kinds of praise on Mr. Yeltsin because he is a patriot and he has done wonderful things for the people in trying to reform that country.

But, by gosh, any country has an obligation not to continue occupying militarily. Then we hear about, what do you do with these troops? You cannot move them back home, there is no place for them. It just so happens that Norway has volunteered, has offered to build housing in Russia for Russian officers from the Baltics. Maybe we should volunteer to give some low-cost housing, modular housing. It so happens they build some of those in Arizona. It is not going to cost $12 billion. But that would be something to do, and it would take a year, maybe 2 years to build some buildings for housing. This amendment does not say that you have to do it this year, you have to physically move them out.

But it does say, Russian Government, Mr. Yeltsin, get something going. What are you going to do? Maybe the United States will put up some effort for housing. I do not know if we have been asked. We know that Norway is prepared to do it. That is significant, if the Russian Government said we have Norway, we accept Norway, please come in and build these houses. United States, France, other countries, will you offer up a little assistance to build some houses? That is significant. That would, in my judgment, justify a certification. But to sit there and do nothing and let them have the money is ridiculous.

(Mr. SHELBY assumed the chair.)

Mr. D'AMATO. Will the Senator yield for a question?

Mr. DECONCINI. I will be glad to yield to my colleague from New York.

Mr. D'AMATO. Just for a question. Is the Senator concerned that if we were to accept the amendment as proposed literally we are saying it is OK for the next year to continue occupation of the Baltic nations and that you can continue your military exercises and suppression of people?

Mr. DECONCINI. I think the Senator is absolutely correct that is what I am saying, and what this modification would do, this second-degree amendment would do.

Mr. D'AMATO. I share the Senator's concern and I believe that we send to the occupying forces—and they watch it here and see what is going on—exactly the wrong message. I do not think that is our intent.

Under the Senator's amendment, would a phased withdrawal constitute—in other words, not sending in new troops to replace the troops that are coming out, would that be compliance moving forward?

Mr. DECONCINI. I do not think there is any question that, come December of this year, 40 percent of the 120,000 troops that are there have to leave anyway. They are drafted. They are draftees. Their term is up. They are going to be civilians. Imagine, if the Government just said we are not going to replace those troops with new draftees. Talk about significant. A 40-percent reduction between now and January 1 of 1993. To me that is significant. Is that asking too much, not to rotate the troops?

If the Senator will let me proceed with another example, what if the Russian Government said we are not going to do military exercises on the sovereign territory of Latvia, Estonia, or Lithuania? At least we are going to discuss it with you. We are going to ask your permission because you are a sovereign nation and maybe you will say yes, you can do it on these certain days or in these certain places. Maybe they will say they cannot. Is that significant, if the Russian Republic said we are not going to do these things without your prior approval? In my opinion it would be, yes. The President could easily certify. That is not asking too much of a government that has 120,000 troops in other people's countries.

Mr. D'AMATO. Is the Senator from Arizona concerned, without there being some specific condition which calls out very forcefully that this kind of conduct, that conduct being the 120,000-plus troops stationed in foreign countries that are undertaking military exercises—unless we make it clear we will not countenance it, that action will continue?

Mr. DECONCINI. If the Senator will yield, I do not think there is any question. We are asking for significant progress. Significant progress. Is that asking too much of a republic, a nation toward its neighbors? Is that asking too much, I submit to the Senator from New York? I know the answer is no.

Mr. D'AMATO. I do not believe it is. There are some who would suggest that this may be placing too great a burden on Mr. Yeltsin's leadership. How would the Senator from Arizona respond? I believe maybe we are deluding ourselves not to ask that there be a recognition of the sovereignty of three nations and that some progress must be made to taking troops out in the conduct of military exercises. If we cannot ask that, then are we deluding ourselves.

Mr. DECONCINI. I do not think there is any question we are deluding ourselves.

Are we not being almost dishonest?

The Senator has been there. He knows. Those troops, all their supplies, they come rolling through those countries. They do not stop for customs inspection. They do not say, "Here are my papers. I can bring these consumer items in for use on the base." They ignore the sovereignty of these three countries.

Mr. D'AMATO. Is it a fact that there are those of us—and I know the Senator is—who are concerned, if we were to take this action, let us say, that for the next year you can continue as is, we are literally then subsidizing the occupation of Lithuania, Estonia, and Latvia? Is that not what the people of these countries will be thinking?

Mr. DECONCINI. If my friend will yield, I could not put it any better. That is exactly what we are doing. We are handing over billions of dollars for perhaps a good purpose and we are not asking, or demanding, if you want to call it that—I would like to say it is ask—them to make significant progress toward the removal of those troops.

Mr. D'AMATO. Should we be subsidizing the occupation or making available resources that will directly or indirectly be subsidizing the occupation of these countries?

Mr. DECONCINI. I think the answer is clear we should not.

Mr. D'AMATO. Mr. President, it just seems to this Senator, although we may not like to face reality, that is exactly what this foreign aid package does, if not restricted and not calling for some kind of action—not just rhetoric. It is not good enough. I heard probably the greatest speech in my life given by Lech Welesa when he addressed the joint session of the Congress. How quickly we forget. He said when we stood up in Poland in the movement for solidarity, we were mocked. There were those in the United States and in Western Europe and other areas of the world who said, "What are those crazy Poles doing? Why are they rocking the boat? What is the matter with them? Why do they not keep quiet." He said, "We could not understand, but then we did; you said, well, as long as you have your freedom, you do not care. You were telling us to keep quiet."

Now we are doing worse than that. We are pretending that all is well; we are going along and doing business as usual; we do not have the courage to stand up and say look, we want to help you and we want to help the people of the former Soviet Union and the Republics there, but you cannot utilize these funds or draw down on them if you are going to continue a practice of suppressing people and their human rights and station troops, troops, on foreign soil and be an occupier, in essence. And that is what is happening. If we do not want to recognize that, if we want to say it is something else—by the way, I was criticized when I attempted to get into Lithuania. "What are you doing, Senator D'Amato?" Notwithstanding the President of Lithuania invited me.

I will tell you the first people we are reaching out to, and I am going to make contact with them, would say, I know—and I have not been able to say it yet—the Lithuanian Government would say, the Estonian Government would say, and the Latvian Government would say do not give the aid until those troops are out of there. Do not give them a penny to help suppress us, suppress liberty, and freedom.

Now, that is what you are doing and you better understand it, with all the niceties, when you say oh, we do not want to rock the boat.

You are not rocking the boat. You are sending a message out to the hard core dictators, to those who would like to take over, to the imperials, to the generals, we are afraid of you; we are afraid to stand up. That is the way they interpret it.

Look, the lessons keep repeating themselves. You have no greater freedom fighter—a person who stood on the line and risked his life; who was beaten; who was imprisoned—than Lech Walesa, who said: You have to stand up for freedom.

They are not asking us to send troops there. But, by gosh, I do not think they would be saying to us, the people of those nations: Congratulations because you are sending money in; and you are not even saying that we won't send the money in unless there is progress made as it related to the withdrawal.

I think that the amendment put forth by Senator DECONCINI and by Senator PRESSLER is extremely fair. They want certification that you are making progress as it relates to the occupation of a land.

That goes further than—I tell you that—than any of these freedom fighters. And I am talking about the people like Walesa and others who have stood up to the tanks. And maybe we should even consult—I do not know if we have—with someone who we used to make fun of, the State Department itself. And we did make fun of them. This administration used to denigrate Yeltsin—incredible—and helped put out these stories about him. It was not that long ago.

I know everyone knows Yeltsin was the man who stands for freedom. We were mocked; we were scorned. Now we hear them saying: You do not push too hard for freedom. We are not coming after Yeltsin; we are helping him. Because he will be in the position to say to someone, the hard core, if we need help: Get housing built for relocation of those troops, and the other kinds of things to help your economy.

We are saying—the West and the United States in particular are saying—you cannot continue an occupation, a military occupation of three sovereign nations. We are not going to make believe. If we want to make believe that is not the case, that is fine. But I will tell you something: We are not dealing in reality. And you have to go over and see those people. They are willing to put their lives on the line.

All we are saying is here is some reasonable compromise. The aid comes, and you have to show us that you will begin the withdrawal.

It is not a challenge to Yeltsin. It is a challenge to the forces of dictatorship, the forces of occupation, the dark forces. That is why I hope that this amendment, the second-degree amendment, will not be accepted.

Mr. BIDEN. Mr. President, will the Senator yield for a question?

Mr. D'AMATO. Yes.

Mr. BIDEN. Does my friend from New York believe that if his amendment is agreed to, President Yeltsin will be able to do what he wants, assuming for a moment he wants to do what the Senator from New York is suggesting?

Mr. D'AMATO. Is the Senator referring to the underlying amendment?

Mr. BIDEN. Yes.

Mr. D'AMATO. Yes. I think it would more sharply focus Yeltsin, Mr. President. As you know, he gets a hundred calls a year.

I have to agree with my colleague. It is not easy for him, but I think he would be in the position to say that there is something we have to deal with, and call in his military people and begin to make the kinds of changes. Not a withdrawal of all of the troops; he cannot do that.

But I think, if he does not have that power, and if he is so limited as a result of others having even greater authority, then that is the question: That we are deluding ourselves.

At some point in time we have to stand. I think he does have the power. I think he has the will and the commitment.

Mr. BIDEN. Mr. President, I thank my friend. I think he just made the most compelling argument for his position. We are not going to let others have anything if you do not let us do that.

However, I disagree with the impact that would have on Yeltsin's ability to continue to rule as President. But I do acknowledge that that is, in my respect, at least, a rational argument.

I do not, on the other hand, believe that the arguments of us supporting, reinforcing, being a party to, or subsidizing tyranny, in fact—arguments that are worn—have merit.

But I do acknowledge—as the Senator from New York acknowledges—that Yeltsin does have his hands full. I do acknowledge that the Senator from New York has a logical position, on with which I disagree. We are talking tactics.

Mr. D'AMATO. Yes.

Mr. BIDEN. I still insist, Mr. President, that the Pell amendment does not diminish the ability of Mr. Yeltsin, who both the Senator from New York and I—at the moment, at least—believe has the right intention. It gives him an opportunity, through some changes, to solidify additional pieces of his constituency and reinforce his legitimacy as leader of Russia in the face of any onslaught that might come from the military.

The military would only succeed, Mr. President, not because they have the tanks, not because they have the guns, but because the bulk of the Russian people would conclude that they should yield to an authoritarian hand rather than democracy.

In the polling data that we had before the Senate Foreign Relations Committee, a very distinguished group of Americans showed that, given a choice, it was very close as to whether or not the Russian people would rather choose an authoritarian hardline, a dictator that would put bread on their tables, or continue this experiment with democracy that, in fact, might mean less bread and less meat on the table for a long time.

So that my friend from New York does not misunderstand what I am saying, let me make it clear: I believe it is in a way similar to democracy. That is, when there are a number of very difficult decisions to be made that are going to make significant numbers in your constituency angry, usually a President or a Senator or a Governor—a more appropriate analogy would be a Governor or a President—does not go out and attempt to do them all at once. He tries to do one thing at a time; regain that constituency as a firm supporter; and then move to take the next step.

Anyway, I do not want to belabor the point. I think that is the position that Yeltsin is in. To ask him to do all of this at once will result in the exact opposite—exact opposite—result than my friend from New York wants.

I realize this is a matter of judgment, not motivation. And I think that we will find, Mr. President, that the proposal by our friend from Rhode Island does not in any fundamental way undercut what the Senator from New York is seeking, and what he acknowledges. But we may all be in trouble. If the aid program falls apart, we may begin to lose legitimacy in the Western World.

So it seems to me what is being proposed by my friend from Rhode Island accomplishes what my friends from New York and Arizona wish to see done, acknowledging as they do, as we all do, that there are some limitations on a freely elected leader of a democracy that is undergoing such travail at the moment.

And I have not a doubt in my mind that my friend from New York is correct that, if asked, the people of Latvia, Estonia, and Lithuania would say: Get them out, conditionless. I do not have any doubt about that.

The last point I will make——

Mr. D'AMATO. If I might, that is an interesting observation that my friend and colleague makes. They are the people who are paying a terrible price, and that is exactly my point, that here they are occupied, and they hear about freedom, and freedom has not really come to them. The world community recognizes them, but while it recognizes their independence—it even sends ambassadors and people over to represent them—there is a 120,000-plus army, which is a huge army given the limited size and area geographically of these countries, a huge occupying force, and they still have vicious encounters with the citizenry of these countries, and it is not unusual for them to use force with a total disdain for the populations of these countries. That is exactly why I say we should not do business as usual.

Mr. PRESSLER. Will my friend yield?

Mr. D'AMATO. Yes.

Mr. PRESSLER. I have a question about what this amendment will do. Our amendment does not say the troops are brought home tomorrow. It says that there must be agreement in principle to bring it about and some progress. The amendment's requirements might be met if Russia begins, by attrition, to——

Mr. BIDEN. If the Senator will yield, would he be willing to modify his amendment on line 9, page 1, to say "some" progress instead of "significant" progress?

Mr. PRESSLER. It would have to be significant progress in an agreement or a goal of a period of years. It depends. They could agree to have them all out in 4 or 5 years; that would be a significant progress, for example. Right now, Russia will not agree in principle to take their troops out. They will not say: We are going to take them out. That is what we are trying to get. In the second-degree amendment, says Russia has another year before they even have to agree to start taking the troops out.

Mr. BIDEN. Well, Mr. President——

The PRESIDING OFFICER. The Senator from New York has the floor.

Mr. D'AMATO. If I might, let me simply say this: I think that if—I have not been the prime sponsor, I am a cosponsor of this legislation, but I think the Senator from Delaware asked a very compelling question. I think that we all have basically the same goal, and that goal is to say that we have not forgotten, in our moments of euphoria, the people who are still being held prisoner, because that is what has happened. We are euphoric about all of the nice, wonderful, and good things that have taken place in most of what used to be the Soviet Union, and we are euphoric, and we should be pleased that Yeltsin comes and says, "I am taking down the SS–18's, and we no longer will point them at America." That does not diminish our feeling for his standing in front of the tanks. But I think the Senator from Delaware, when he asked about a possible modification—I do not talk for my two colleagues, but we should be able to fashion a compromise or legislative language that clearly sets forth goals that must be obtained before we go forward and say we are going to do business as usual. And to say for 12 months you can continue the same policies is not good enough. That is exactly what the second-degree amendment does. This second-degree amendment says, for 12 months, you can continue the occupation and you can continue the marauding, because that is what you are doing, marauding, when you are flying planes over, testing, and you your artillery and military maneuvers in a sovereign nation. And somehow we just dismiss this. Without their consent, you are marauders.

So I believe that we, at the very least, must insist on legislation that will begin to implement a program of action, an action program to stop this kind of occupation.

Mr. President, I know the Senator wants to speak. I yield the floor.

Mr. PRESSLER. Mr. President, I would like to just say that the Pressler-DeConcini amendment says there must be significant progress toward removal of the Russian troops. That means they have to sit down and negotiate an agreement. Maybe it would be 2, 5, or 10 years, but there has to be significant progress toward their removal. It does not say they have to be removed. I cannot understand why it is that we cannot ask the Russians to agree in principle, and to lay out a plan that they are going to draft so many less people, maybe 10 percent less people, over a period of 5 years. They can do it in probably a period of 4 years. Any reasonable time.

Also, let me say that we called the Lithuanian Ambassador and he is prepared to talk to any Senator. Lithuania strongly support the DeConcini-Pressler language, not the Pell-Lugar language. That, I think, points up to what this whole debate is all about.

So, in conclusion, I emphasize that our amendment does not require the immediate removal of the troops from Lithuania, Estonia, and Latvia. It requires significant progress to be made, and the first step in that progress would be an agreement by the Russians that they are going to take them out. They will not admit to that. They will not say they are going to take them out, and they have intentions to permanently leave them there. We are merely giving them another year's time under the Pell-Lugar second-degree amendment.

Mr. McCONNELL. Mr. President, I am unaware of anyone in the Russian Government with any position of responsibility who has advocated leaving the troops in the Baltics. Nobody is in favor of the Russian troops staying in the Baltics. I am certain people in the Baltics are not. I am certain the people of the United States are not. As nearly as I can tell, no one in the Russian Government is advocating that the Russian troops remain in the Baltics.

It seems to this Senator at least, and I understand the motivation of the Senator from Arizona and the Senator from South Dakota and others, thinking they would like to help facilitate the exit of Russian troops in the Baltics. I understand that, but is it not our job to dictate to the Russians their foreign policy, particularly when we know that the principal reason the soldiers are still in the Baltics is because the Russians do not have any place to put them. That is why they are there. We know Boris Yeltsin does not have any desire to retake the Baltics. He went there when he was the mayor of Moscow and said, "You ought to be free."

There is absolutely no indication whatsoever that the Government in power in Russia wants to continue to occupy the Baltics. There is every reason to believe that, at the earliest possible opportunity, President Yeltsin would like to get these troops out.

So what are we doing here? I argue, understanding full well the motivation of the authors of the amendment, that it seems to me ill-advised. In section b of the amendment, on page 2, it even has the United States participating in a monitoring of the troop withdrawal. To read from the amendment, it says on page 2 of the amendment of the Senator from Arizona:

> During and after the negotiating process on a timetable for withdrawal of troops, a joint military monitoring committee shall be formed consisting of representatives of the military of all affected states, the United States, and representatives of other countries as mutually agreed upon.

So the amendment, in addition, has our country helping to monitor the withdrawal of these troops. It seems to me, from even the most casual reading of what has gone on in Russia and the Baltics, that there is no desire on the part of the duly elected Government of the people of Russia to continue the presence of these Russian troops in the Baltics one moment beyond the time they feel they can get them out and have something to do with them.

They have a severe problem. That is what this bill is about. The Freedom Support Act is about our efforts to help Russia go through the most difficult transition any country has ever gone through, unshackling themselves from communism, moving in the direction of capitalism. But it seems to me to dictate to them their foreign policy is a mistake, particularly when there is absolutely no indication whatsoever, that I am aware of, that President Yeltsin has any desire the keep those troops in the Baltics.

So I would hope that we would vote for the second-degree amendment offered by the chairman and the ranking member. It seems to me it is much less intrusive, and I think the desired result is going to be achieved by the Russians in short order, in the near future in withdrawing those Russian troops, which we would all like the see done as soon as possible.

Mr. President, I yield the floor.

Mr. BYRD. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question occurs on the Pell amendment.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. D'AMATO. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. D'AMATO. Mr. President, I just spoke to Ambassador Lozoraitis, the Lithuanian Ambassador. I attempted to get President Landsbergis of Lithuania. We could not get to him.

I tell you he confirmed that which I thought. He said, first of all as to the issue of whether or not this might present a problem to President Yeltsin, he said, "If anything, Senator, we believe very strongly that it strengthens his hands against the hard core, against the military and there is that group."

And if we proceed along the lines of what has been suggested, and I told him of what the amendment was, that it was his feeling that we would be sending exactly the wrong signal. We would be telling the hard core in both Moscow and in the military that we were so concerned about them that we would actually help to undercut President Yeltsin and the forces of democracy.

As it relates to the Lithuanian people, he says they are having difficult understanding how it is while we are celebrating democracy and freedom, that they have not obtained that freedom and that, indeed, in Lithuania they have between 40,000 and 50,000 troops stationed there, and that recently the military has become more emboldened in their action and in their language. More emboldened in that the statements made before by my colleague and friend from South Dakota, Senator PRESSLER, by a high ranking general that, indeed, at this time there would be no constraints placed upon the Soviet military and that they would be given license to react to any so-called provocations from the Lithuanians and the Lithuanian people.

He said, Senator, there have been absolutely no provocations of any kind, and that is what is troubling to them, now in their hour of need. And I say we create an hour of need when we go along as if there is no problem there, that all is well, and that somehow when we are going to be providing funds that will free up billions of dollars to Russia and to the republics, that we should look aside as if all is well when it is not.

I asked him about negotiations with the Russians as it relates to the withdrawal of troops, and he says, Senator, we have had two negotiations, the last one about a month ago. And they are not negotiations, they just simply go back to the point that we have no housing for them. And then their arguments begin to get even shabbier, shabbier in that he then talks about the lack of rail transportation in transporting the occupying forces from Lithuania to Russia.

They have been met with basically an argument that is nonexistent, that does not hold merit, that is not meritorious. What they are really facing is a situation that we are here, and we are here to stay. They are just absolutely concerned that if we pass this bill—and I am for the bill—but without the recognition of the plight of the people in the Baltics, their occupation, that we will be doing their hopes for freedom, because they do not have freedom, a terrible injustice.

So, Mr. President, I am more committed than ever to saying—and it may not have to be the Pressler-DeConcini language per se—we have to do more than just give lip service. We have to do more than just say we will allow the situation of the occupation of these three countries to continue as if nothing is wrong for the next year and then we will talk bout some kind of troop withdrawal.

We have to put in real language, legislative, a process by which we put pressure on the hard core. And he says, without that, the hard core will be more emboldened, not less likely to take action, but more likely to take precipitous action against Yeltsin and the forces of democracy.

So it is just the opposite than what has been suggested here. If we act in the manner appropriate with what is right, what is morally right, I tell you, you do not go wrong. You can never be faulted when you stand for what is right. We can always be faulted—and I just say to this body it was not long ago when I raised the question of why we were giving loan guarantees to Saddam Hussein. With the exception of very few—and I must say the chairman of the committee, Senator PELL, was a strong advocate on my side at that time and Senator PRESSLER—that position was lambasted and it was lambasted on the basis of political expedience, not because this man was using poison gas to kill women and children, and we looked the other way. We had Senators come down and say: We met with him. We talked to him. He is a nice guy. We do not understand him. Check the records. People would be embarrassed to see what they said.

Now, this is the same kind of situation, are we going to say that because Yeltsin stands for freedom that we should look the other way while the generals of Russia continue an occupation in these three countries.

Mr. PRESSLER. Mr. President, will my friend yield for a question?

Mr. D'AMATO. I yield.

Mr. PRESSLER. Mr. President, I, too, spoke to the Ambassador from Lithuania, and he repeated everything that my friend from New York said, plus he said that the Russians have been unwilling to negotiate or discuss leaving and they will refuse to agree to leave.

Are the troops home? They are not. I quoted four people, the Foreign Minister of Russia, their top general, their foreign ministry spokesman, who all said it is their long-term plan to stay on the Polish-Lithuanian border. The border is seen as a Russian border and the soldiers are there to defend the interest of Russia. They have no intention of leaving. They have a long-term interest in staying there.

And that is what the Ambassador just told me, plus the fact that the Russians have never said that they want to withdraw their troops, even in 10 years. Under the Pressler-DeConcini amendment Russia can have a very tiny attrition over 5 or 10 years. All parties will have to agree. I would not want to go 5 or 10 years. They have to negotiate and agree to it. They have not.

The Lithuanian Ambassador urged me to make that point, that the Russians have every intention of keeping their troops there indefinitely, and this gives them another year to maneuver.

Mr. D'AMATO. I will suggest one other thing, Mr. President, and that is the use of power. We have power now. The Russians want something. Make no mistake about it. And not just the forces of democracy. Even those who may not be. They need economic help. They need some help. They want our help. It is not unreasonable when people are asking for what would be billions of dollars, billions of dollars, for us to say there is a certain standard of conduct that we are insisting for you: You cannot kill people; you cannot hold people hostage; you cannot have 120,000 troops on foreign soil; you cannot continue to suppress people.

If that is tying things, if that is saying well we are not going to do something unless you agree, that is correct. We have a right, we have a moral obligation to say that we are not going to continue to give you aid for those policies which fly in the face of what this great country is about, and suppressing people, that is exactly what it does; having troops on foreign soil, that is exactly what it does. I have to tell you, I hope that we would not fall victim to this business, because you know we tend to oversimplify this thing.

If you take a look at the history of our State Department, they have been wrong on every major issue. They were wrong when it came to not giving the Baltics recognition when they wanted it. They were wrong when they delayed in not giving recognition to the Ukrainian people when they sought it. They were late in reacting to the current tragedy that is taking place in what used to be Yugoslavia. They were wrong in their dealings with Saddam Hussein. And they are wrong now by not having the courage to stand up for democracy.

For God's sake, stand up for what is right and stop the political expedience. Every time you deal with these devils, you get burned; every time.

Oh, we were afraid how they may react. Stop being afraid of how they may be reacting and stand up for what is right.

It is not right to give billions of dollars to oppressors if they are going to continue to oppress. And if they do not have the power to lead us out—and I hope Yeltsin does, and I pray that he does. And as the Ambassador says he believed that this will strengthen Yeltsin, and it will say to the generals who may want to come back to full power that, I am sorry, the West will not do it, the United States will not do it, and you will not get aid if you are going to continue to suppress people.

And we cannot even ask for an orderly withdrawal, a timetable? Shame on us. Then what is the real hope for these people? Why delude ourselves.

Is it good politics to do it? This is ridiculous. We are asked to be in the world of make believe here. And do you know what? The American people, they begin to see. That is why they are so dissatisfied. They are suggesting, where are you guys? Are you in the real world or not?

Go down and ask the 10 million. Do we just wipe off 10 million people? We do not give a darn because somehow our strategists, who happen to have been wrong on almost every occasion, have figured out that this may be asking too much. Nobody has briefed me and told me Yeltsin said: Do not put this in there. Did anybody ask him? I do not know. I do not know.

And by the way, would it be tougher for him? Maybe it will be. Maybe it will be. Maybe, indeed, he will have to spend some more time to say to some of those forces that you cannot continue as usual, and you will have to begin some kind of policy or program to withdraw these troops.

I yield the floor.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I rise to support the DeConcini amendment and associate myself with the remarks that he has made, and the remarks the Senator from New York has made, and the remarks that the Senator from South Dakota has made. And I will make some references to some initiatives that preceded this, as all of us have been involved in this together.

There really is no excuse for the ex-Soviet forces to remain in the Baltic States. There is no justification for it. You cannot put any veneer of legitimacy on it here. I do not care how tactfully and tastefully the words are chosen. You cannot defend that operation, and no Senator should try to do so, in my view.

The Baltic citizens have struggled now all these decades to try to achieve their freedom. This Senate has gone on record a number of times on Baltic freedom resolutions that I have written and others have cosponsored so that they might finally achieve freedom. And here that has come to pass—at least in part—but the former Soviet forces remain, and we are really not doing anything about it.

President Yeltsin comes into town—and he is an interesting man, and he is a charming man. Our President just seems to wilt whenever there is a requirement to confront some foreign leader on a tough issue—someone that we are trying to have some kind of a positive relationship with. When they get down to the hard discussion, the other guy always wins.

Mr. D'AMATO. Will the Senate yield?

Mr. RIEGLE. Yes, without losing my right to the floor.

Mr. D'AMATO. I thank the Senator. I really do, because he has been so patient.

I have to tell you, it is more than the President, and the administration and the State Department. It is this body. We cannot just blame them if we continue to do business as usual. So there is a shared responsibility and shared failure. If we allow the State Department and the administration and/or the President to do something, we better understand.

I just wanted to make that point that the Senator touched on.

Mr. RIEGLE. Let me just say to the Senator from New York, I think the record will show that the Congress and this Senate have led on this issue for many years. I have been involved in that effort, the Senator from New York has been involved, the Senator from South Dakota, and others, to press in every possible way to secure freedom for the Baltic States. And that is now in part come about.

But we still have this military occupation going on. And, quite frankly, apart from this vote here, we do not have the same ability now to speak as one for our country as the President himself does.

Now we just had Yeltsin here, and that was a perfect opportunity for our Government, through the President, to speak very directly on this issue. I have no reason to believe that this issue was discussed. I have nothing that leads me to believe that, and I do not see any change taking place. I see Yeltsin asking for help, asking for money, asking for assistance. I do not see a response with respect to getting this occupying force out of the Baltic States.

Let me give you an analogous situation to help underscore the point. The Japanese Prime Minister is in town today. The Japanese cheat us on trade every single day.

The steel industry in this country has just filed a major international series of trade suits, filings, because of the trade cheating against a number of countries. One of the worst offenders is Japan. The steel industry in this country lost $2.2 billion last year. Ten years ago we had 500,000 American workers in the steel industry. Now, that 500,000 has shriveled down to 150,000. That industry is in terribly serious trouble, much of it because of trade cheating by dumping below cost by various countries around the world, including Japan, and also subsidies that violate the trade laws that get built into the steel production of their foreign steel that is coming in here.

The President is meeting right now with the Prime Minister of Japan. I do not see anything that convinces me that we are going to see a tough position taken on the trade cheating in that area that is going on.

I mention steel, and that is just one industry. We have a major problem in the automobile industry; it is well documented, most recently in the area of minivans, and multipurpose vehicles. Keiretsu arrangements, these interlocking Japanese company business arrangements which are anticompetitive, are designed to destroy American auto supply companies, and are doing so. We have had the Honda case with respect to cheating on the domestic content calculations of Japanese cars coming from Canada into the United States.

But the relevance is this: this year, our trade deficit with Japan through the first 4 months is higher than it was last year. Last year, over the full year, it was $43 billion that Japan took out of the United States—$43 billion in scarce capital, $43 billion worth of jobs. That is one of the reasons our economy is struggling in such damaged condition right now. It is one of the reasons there is a political rebellion going on in the country because of economic problems here in America.

So far this year, the trade deficit with Japan is running at a higher rate than last year. Now what happened between last year and this year? Well, the President took a trip to Japan and he went over to talk to the Japanese about presumably this trade issue. So what has happened since that trip and since that conversation? The problem has gotten worse.

So I am asking in my own mind, looking back to the Yeltsin discussions on things like the military occupation in the Baltic States, are we suddenly going to see a tough position taken by the President, specifying for this country, action on the trade problems that we have today with Japan that are damaging America and wrecking the lives of American workers? I do not think so. I do not think so. Because I do not see the stomach for it. I do not see this administration having the stomach to confront these other countries when they are doing things that are wrong.

I understand that we had the episode in the Persian Gulf with respect to the war with Iraq. But that was a long time in coming. And before that, as has been pointed out by many others, we were actually helping Iraq, we were actually helping Iraq in a lot of ways with badly flawed policies.

Finally, there was a change in thinking in the executive branch. But I would argue that that case is the exception that proves the rule.

Let me give another case: Communist China. The administration was in here the other day asking for most-favored-nation trading status. For who? For Communist China, I think arguably one of the most ruthless regimes on the globe today.

Anybody who has forgotten what went on in Tiananmen Square ought to go back and look at the footage and read the articles and look at the political prisoners still imprisoned there who tried to lead the move toward democracy and toward freedom.

This year, in the United States, Communist China will have a trade surplus with our country of some $15 billion. You wonder why people are out of work in this country? You wonder why people are desperate? You wonder why our industries are in trouble all across the 50 States? It is a failure to address these problems internationally and particularly in the case of Communist China, the cheating that they do in the trade area.

Let me give two illustrations that our own Government has discovered and talked about. One is currency manipulation, where they manipulate the currency in order to pump up this big trade deficit and take these jobs out of our society and over to theirs. And second, the use of slave labor in the production of some of these goods that are being shipped into the United States.

You would think the President of the United States would have the backbone and the toughness to confront the Chinese directly and say we are not going to have any more of this. Do not even think about most-favored-nation trading status with these kinds of things going on. You do not see that. We take a dive for the Communists in China. We take a flat-out dive, our Government does, through the weakness of the policies of this administration.

So it is not just one example. Everywhere you look you see this, and I think a lot of it has to do with buying votes in the United Nations with respect to issues that come up over there.

Just with respect to Communist China, I have not forgotten the fact that when we, our Government, was seeking a resolution from the United Nations to authorize the action against Iraq and we needed the votes in the Security Council, and China was there on the Security Council, China was holding out on us. They were holding out on us and indicating they might not vote to support it.

In the end, do you know what China did? They did not vote to support it. They decided to abstain. They decided to abstain, and by abstaining that allowed that action to go forward.

What did they get in return? They get most-favored-nation trading status in return. It sure looks that way. They get a $15 billion trade surplus from the United States this year that is putting Americans out of work in Michigan and every other one of the 49 States? Yes, they did get that. That is the way it appears to me. I think it is wrong.

There ought not to be any more ex-Soviet troops in the Baltic States. The fact that right now there are some 120,000 to 130,000 troops there—why? Why are those troops there? These are now sovereign, independent countries. They do not want the ex-Soviet troops there. And they ought to be taken out. But, if we are going to be namby-pamby in the discussions with Yeltsin as we are now with the Japanese Prime Minister and as we obviously have been with the people that are running the Chinese Government, it is not surprising that they give us the brush-off and continue to do exactly what they want.

I want these troops out of the Baltic States and so do the people who live in those countries. It is time they go.

Frankly, we should not give the Russians a dime until they are out of there. I mean, look how hypocritical we look. We talk about freedom, we talk about democracy. Most of the Members here were signing, year after year after year, our Baltic freedom resolutions and declarations. I circulated those. We got the names, 70, 80 Members of the Senate, time after time after time.

The Baltic States had the guts and the courage to stand up for themselves against all of the threat and the power and the intimidation of the Soviet system. They had the courage to take it, even though there were threats and deaths and initimidation and other things of that kind. They hung in there. They have now asserted their independence and where are we to be found? Where is our Government? Are we standing with them or are we ducking and looking the other way and basically caving in on this issue?

Mr. DECONCINI. Will the Senator yield?

Mr. RIEGLE. I am sick and tired of that kind of spinelessness. You cannot have one episode where you go over and tear into Saddam Hussein and end up bowing and scraping for every other country and leader around the world when they are doing things that are wrong or even hurting this country.

Mr. DECONCINI. Will the Senator yield for just a comment or question?

Mr. RIEGLE. Yes, I yield, without losing my right to the floor, of course.

Mr. DECONCINI. I heard the Senator say he thinks the troops should be removed now; is that correct?

Mr. RIEGLE. Yes.

Mr. DECONCINI. I am sure the Senator is aware the underlying amendment here, by the Senator from Michigan as cosponsor, the Senator from South Dakota, myself and others, does not remove the troops immediately. It requires the President to certify—the President can do it today or tomorrow—all he has to do is certify that significant progress is being made.

If there has been any impression here that that can be extended for a long period of time, it is up to the President.

But we did not want to say you have to remove them today. The President must certify now and then every 6 months he must certify.

So it does not go as far as, quite frankly—I agree with the Senator from Michigan—it should. And the reason is, we did not want to be in a position of the sledgehammer approach. We wanted to be sensitive to Mr. Yeltsin, in that Government. We only ask our President to certify every 6 months that significant progress is made.

I thank the Senator for yielding. I wanted to clarify that point.

Mr. RIEGLE. It is an important point the Senator makes. I think he has been very reasonable in the construction of his amendment. He has been more reasonable than I think we ought to be, quite frankly.

I do not think there is a justification for keeping these troops in there one more day. What is the justification? I think it is a provocation. If this were our country we were talking about, if we were one of the Baltic States, we would want these troops out of there. And they want them out of there. And they have a right to have them out of there, and in fact other troops are being rotated in. And in the process they are violating the customs procedures in the Baltic States.

The Soviet Forces do not give prior notification of the military exercises they are conducting in the Baltic states.

Mr D'AMATO. Will the Senator yield for a question?

Mr. RIEGLE. Yes.

Mr. D'AMATO. If we enact this legislation with the proviso that we have to wait for a year before we say anything, would that not appear with this aid package we are helping to subsidize the foreign troops in the occupation of these lands? Would not the Lithuanians, Latvians, Estonians have a right to believe that?

Mr. RIEGLE. I think they would have a right to believe that. It conveys that appearance, I think, and in fact that is part of the impact of this.

I mean, if we are going to provide help to the Russians, we ought to get something in return.

Mr. D'AMATO. Do we not have——

Mr. RIEGLE. What we ought to get in return is this issue.

Mr. D'AMATO. Do we not have a right to say we expect that you comport yourselves as a civilized nation and not be having troops of occupation in foreign lands?

Mr. RIEGLE. That makes perfect sense to me.

But there is something missing here. There is something missing in our foreign policy, and it is not just in this issue. It is very apparent here because on the one hand we are saying send in all this assistance. On the other hand, we are not going to hold them to any kind of standard of international conduct, even with respect to their maintaining occupation-type forces in newly freed countries who want them out. That is a contradiction that I do not think can be accepted or explained.

Mr. D'AMATO. I agree with my colleague.

Mr. RIEGLE. This is not the only place I see it. I see it in Communist China. It is outrageous that Communist China is going to take $15 billion out of the United States this year and put millions of Americans out of work in the process.

I realize that is the Bush administration plan. It is wrong. It is wrong. And the same thing with respect to Japan. To let Japan drain $44 billion more out of the United States this year, with the kind of trade cheating that goes on, is wrong. That is one of the reasons we have so much damage, economic damage, piling up in our own country.

So, we are going to offer help, we are going to ask it of the American people right now, with all the economic problems they are struggling with, with all the people who are going without so many different things in their lives. This is true of families all across the country. What this underlying legislation is saying is, look, we want you to reach into your pocket even though right now you are very pinched and very pressed and you do not have money for things you need for your own family. We want you to take out some additional money and send it on over to help the Russians, in this case, go through the adjustments in their society.

If we are going to do that, at a minimum there ought to be some civilized standards of conduct.

Has anybody here offered an explanation as to why the Russians are justified in keeping 120,000 or 130,000 armed forces in the Baltic States?

Has anybody gotten up and explained why that is proper and necessary and that we ought to allow it and de facto affirm it by ducking the issue here?

Mr. PRESSLER. Will my friend yield for a question?

Mr. RIEGLE. Yes, I yield.

Mr. PRESSLER. Mr. President, I compliment my friend from Michigan on his fine statement and ask whether it is not true that on June 15, the commander of the Russian Army said that the Polish-Lithuanian border is seen as our Russian border and our soldiers are there to defend the interests of Russia?

I agree with my friend from Michigan. I would go much further than this amendment goes. This amendment would not require the removal of a single troop. It just would require there be an agreement to remove the troops.

There have been all sorts of statements—I quote four of them—the Russians have long-term interests in keeping the troops in the Baltic States; they have long-term plans. They will not say we are going to remove them.

So the underlying amendment is very mild, and by delaying it for a year, it is just completely gutting it.

Mr. RIEGLE. I appreciate what the Senator has said. He is exactly right. He and I sent a letter to the President, along with 29 other colleagues, earlier this month on this very issue.

Does the majority leader wish me to yield?

Mr. MITCHELL. Will the Senator yield to me for a moment?

Mr. RIEGLE. By all means, without losing my right to the floor.

Mr. MITCHELL. Mr. President, the status of Russian troops in the Baltic States is certainly an important subject and worthy of Senate debate. It has now been the subject of debate for about 3 hours. I wonder whether it is not agreeable to those on all sides of the issue, having had an opportunity to express their views over that time, whether we can bring this matter to a vote and let us set it aside and proceed to vote on what other amendments may be offered.

Mr. RIEGLE. Did the majority leader have in mind tomorrow?

Mr. MITCHELL. No, I had in mind shortly. The debate has been going now for 3 hours. I do not wish to minimize the importance of the subject. I acknowledge that. But it seems to me that there has been a very full and informative debate, and I wonder if the two sides would agree to permit a vote on this by 7:15.

Mr. SPECTER. If the distinguished majority leader will yield, I have not had a chance to speak, but I would be glad to limit my remarks to 5 minutes.

Mr. MITCHELL. I do not even know which side the Senator is going to speak on. But would there be agreement, I pose the question to Senators, in the interest of moving forward, could we have 20 minutes more of debate equally divided between the two sides to be able to get to the vote? I do not want to cut any Senator off.

Mr. RIEGLE. Let me respond, because I have the floor and I have only spoken once and I yielded to some questions as I got into this debate late. I would like to be in a position to speak for another 5 or 7 minutes and that would satisfy my requirement.

Mr. MITCHELL. Does the Senator from Kansas wish to make a comment?

Mr. DOLE. I just want to encourage whatever the majority leader is doing to hasten this along. It has been a very enlightening debate, but it seems to me someone needs to move to table something, move to table PRESSLER or whatever. In any event, I certainly would want to support the majority leader. I think I have talked to Senator LUGAR, the manager on this side. He is prepared to vote. There are still 40 or 50 amendments to deal with. If we spend 4 hours on each, it will take a while.

Mr. DECONCINI. Will the majority leader yield?

Mr. MITCHELL. Yes, I yield.

Mr. DECONCINI. Mr. President, from the side of the underlying amendment, I would like to go to a vote. If the Senator from Michigan will agree to 5 minutes and the Senator from Pennsylvania is going to speak in opposition to the Pell amendment but in favor of the underlying amendment for 5 minutes, and I ask for 1 minute, so that will be 11 minutes on our side.

Mr. PRESSLER. I would like to speak for 2 minutes in closing.

Mr. DECONCINI. So that is 14 minutes on our side.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that a vote occur on or in relation to the amendment by Senator PELL at 7:30 and that the 25 minutes between now and then be divided, 14 minutes to the Senator from Arizona and 11 minutes to the Senator from Rhode Island.

Mr. SPECTER. Reserving the right to object, Mr. President, I would ask that the unanimous-consent request carry a specification that this Senator will have 5 minutes.

Mr. MITCHELL. The Senator from Arizona just said he is going to give you 5 minutes.

Mr. DECONCINI. I assure the Senator I will yield 5 minutes to the Senator from Pennsylvania.

Mr. SPECTER. I had not heard that specific statement. Of course, that is satisfactory. I thank the Senator from Arizona.

The PRESIDING OFFICER (Mr. BRYAN). A unanimous-consent request has been propounded. Is there objection? Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I thank my colleagues, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. Mr. President, time having been allocated under the unanimous-consent agreement, the Senator from Michigan has 5 minutes and the Senator from Pennsylvania has 5 minutes.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, let me pose what I think is the essential question here, and that is if we are not going to stand up for the Baltic people at this time and stand with them, who is going to? Where else do they have to turn? They are in a situation where they are being intimidated by having, in effect, an occupation force in their countries. Let me tell you what the size of it is. When I cited the figure of 120,000 to 130,000 ex-Soviet troops there, that means there is one Russian soldier in the Baltic States for every 61 citizens of the Baltic States. I mean that is a very substantial proportion of forces in the country. And it is not justified and it is not right.

The thing that I guess bothers me more than anything else is that we have these elastic standards that we keep applying around here. We do not help our own people in problem area after problem area, but we are prepared to help people in another country. But then even when we get out to help people in another country, we usually go to the people who are in power, at least for the present time. Gorbachev was the big person getting the support of the administration for a long time. Now it is Yeltsin. Maybe it will be somebody else before too long. Who knows?

But where is there something more basic and more fundamental than that that has to do with supporting the aspirations of people of these separate countries who have been struggling now for virtually half a century to try to be free? Are we not doing this in the name of freedom, democracy, decency, equity? If we are not doing it for that reason, why are we doing it? To buy some more support in the United Nations? To cozy up to somebody who happens to be in power in a new regime at the present time?

What about the nameless people who are just everyday citizens in Estonia and Latvia and Lithuania who want their freedom, who put their lives on the line, put their whole country on the line in order to be able to have their freedom? They cannot have their freedom if they have Russian troops all over the place. If for every 65 or 61 citizens in the Baltic States there is an armed Russian soldier, then they are not truly free countries. And I am distressed, frankly, when I see the pandering that goes on here by our State Department, by our President, and by the foreign policy establishment, that we round off the corners, we round off the corners and we look the other way. Yes; we want Baltic freedom, but not badly enough to tell the Russian soldiers to pack up and go home. They should have packed up and gone home a long time ago.

I hope this Senate is going to go on record for the DeConcini amendment. Otherwise just shoveling money at this problem, I think, is a sham, especially when we are turning our back in case after case on the human needs of our own people here in America.

If we are going to extend aid, then, yes, there should be some conditions of decency with respect to the conduct of those receiving the aid and getting these armed troops out of the Baltic States is something that at a minimum needs to be done. There is no excuse for them to be there. And there is no excuse for this Senate to go on record countenancing that, or in otherwise knuckling under and saying, well, we really cannot address that issue, or that is beyond the scope of what we can do and so forth and so on.

That is nonsense. It is our money. If we are going to send the money over there, it ought to go with some conditions. It ought to go with conditions. Why should it not go on that basis? Why should it go on a blank-check basis? Of course, there ought to be conditions.

Mr. BIDEN. Will the Senator yield 3 seconds for a question?

Mr. RIEGLE. Yes. Could I get a 3-second answer?

Mr. BIDEN. It can be yes or no.

The PRESIDING OFFICER. I will inform the Senator from Arizona, who controls time, that the 5 minutes allocated to the Senator from Michigan has expired.

Mr. BIDEN. Will the Senator yield me 3 seconds?

Mr. DECONCINI. Yes.

Mr. BIDEN. Will the Senator from Michigan support this bill, if in fact, he prevails and the condition is attached relating to the Baltics?

Mr. RIEGLE. I am much more inclined to, I am going to tell the Senator directly. I have a couple amendments coming down the track later. If they are adopted, yes, I will.

Mr. BIDEN. I thank my friend.

Mr. RIEGLE. I do have some other amendments that are separate from this that I want to offer.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. Mr. President, under the agreement, I yield the Senator from Pennsylvania 5 minutes.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 5 minutes.

Mr. SPECTER. Mr. President, I support the DeConcini amendment, which provides that no United States economic assistance, other than humanitarian, may be provided to the Government of Russia until the President certifies that significant progress has been made toward removal of the Russian Armed Forces from Estonia, Latvia, and Lithuania.

Frankly, I believe this is a minimal requirement. It might be said that there ought to be a tougher requirement, which this Senator would support, to insist upon actual removal of Russian forces from the Baltic States. The whole question of supplying financial aid to the Russian Government is a very difficult one, given the budget deficit of the United States and given the severe needs of the American people here at home.

If aid is to be given, it seems to me fundamental that we should not be in a position of supplying the Russians with their butter while they are using their resources to provide for their guns.

So there ought to be a very basic requirement that the Russians not use some money of theirs for military purposes, like maintaining troops in the Baltic States, or enhancing their missile forces while we are providing economic assistance.

There may be more conditions that have to be attached if this Congress and this Government, in good conscience, provides economic assistance to the Russians, such as a greater proportion from other countries like Japan, Germany, Italy, and other European countries or, it would be productive for the Russians or provide collateral, such as oil reserves to see to it that the funds advanced are repaid to the United States.

The basic purpose of the Freedom Support Act is to smooth the transition to modern democratic societies. If we are going to be aiding the Russians at a time when they continue to maintain military forces in Estonia, Latvia, and Lithuania, which is a violation of the sovereignty of those countries, which is a violation of the freedom, dignity and peace of Estonia, Latvia, and Lithuania, then it seems to this Senator we are certainly not promoting a transition to modern democratic societies.

What is happening to the people and the democratic societies of the Baltic States? It seems to me, where we have legislation designed to promote a transition to democratic societies, we ought to be looking out for Estonia, Latvia, and Lithuania.

So as far as I am concerned, considering the problems I have in Pennsylvania with unemployed steelworkers and unemployed coal miners, the problems of the big cities, the problems of the farmers, and the problems of the elderly—not to mention the problem of the deficit—the amendment proposes a very minimal requirement that progress ought to be made in removing the Russian forces from these countries.

I would suggest going further. I would insist that more be done by way of recognizing the democracies and the sovereignty and the freedom and the dignity of Estonia, Latvia, and Lithuania as a very basic requirement for even a preliminary threshold consideration of financial aid to the Russians.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. Mr. President, how much time does the Senator from Arizona have?

The PRESIDING OFFICER. The Senator has 4 minutes and 11 seconds.

Mr. DECONCINI. Mr. President, I yield 2 minutes to the Senator from South Dakota.

Mr. PRESSLER. Mr. President, I again repeat that the Pressler-DeConcini amendment merely requires the Russians to make progress toward a plan, to get their troops out of Latvia, Estonia, and Lithuania. This amendment is supported by the leaders of those countries. If I were doing this myself, I would make it much more severe. I would set a timetable of 2 or 3 years. But some of the opponents of the DeConcini-Pressler amendment have been saying that this will disrupt the Soviet economy.

They could do all this by attrition.

Also, Mr. President, I would like to point out that several of the Russian leaders, ranging from the foreign minister to some of their generals and others, have clearly stated that it is their intention, long-range intention, to keep the troops in the Baltic States.

So I feel very strongly that the second-degree amendment should be defeated.

The PRESIDING OFFICER. Who yields time?

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PELL. How much time do I have?

The PRESIDING OFFICER. The senator controls 11 minutes.

Mr. PELL. I yield 2 minutes to the Senator from Kansas, the minority leader.

The PRESIDING OFFICER. The Republican leader is recognized for 2 minutes.

Mr. DOLE. Mr. President, I certainly sympathize and generally agree with my colleagues, Senator DECONCINI from Arizona, and Senator PRESSLER from South Dakota. But I must say that I am not certain how long President Yeltsin is going to be around. He said, very frankly, when he was in Washington a couple weeks ago, if he did not get some assistance, it would not be long. He said the same thing in the State of Kansas the next day, at Wichita State University.

I think we have to make a judgment. I understand the importance of the

Baltic States, and I support their efforts. The best friend they have is President Boris Yeltsin. They probably would not have independence today if he had not gone to the Baltic States and said, in effect, to Gorbachev: Let these people go.

We have a bigger question. We talk about what is in it for us? Peace. Absence of conflict. Not spending billions of dollars in an arms race with the Russian Republic or any other former Soviet Union republic. That is what is in it for us: Jobs, markets.

Do not be misled. We have already extended about $4 billion in credits to the Soviet Union. They bought a lot of grain from the Midwest and other places. It has been a big factor in the Russian Republic.

So, Mr. President, I hope that there are plans being made. I think we can work that out. I think there will be plans to remove the troops if Boris Yeltsin stays in power. If he does not, then all bets are off. If some hard line Communist, or some other hard liner takes over, if Yeltsin is deposed or whatever, then we will see the troops in the Baltics and probably everywhere else in the former Soviet Union.

Mr. President, I suggest this is a very important vote. I hope the amendment by Senator LUGAR will prevail.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 8 minutes, 53 seconds.

Mr. PELL. I yield 4 minutes to the Senator from Indiana and 4 minutes to the Senator from Delaware.

Mr. LUGAR. Mr. President, the issue before the Senate is clear. The Secretary of State has affirmed, in direct response to our questions, that he cannot certify in the manner that the Pressler-DeConcini amendment requires the United States to certify, namely, that progress has been made in the withdrawal of the troops.

This is not an issue of whether the troops should be withdrawn. It is an issue that gets to two points: Under what circumstances is it likely they would be withdrawn, and what is our relationship going to be with Russia and with Boris Yeltsin in the meanwhile?

Mr. President, I hope Senators will follow the logic of what I have to say. In the event that the DeConcini-Pressler amendment passes and our Government cannot make the certification required, then there will be no assistance to Russia aside from humanitarian assistance and the remnants of the so-called Nunn-Lugar amendment.

That is not a good way to start the relationship. The Senator from Kansas just spoke to that relationship and suggested that we have a great deal at stake, namely, peace. Boris Yeltsin is committed to the dismantlement of the Soviet nuclear potential. That is of great meaning to us. He is trying to build democracy and trying to move toward openness.

We are trying to fashion a new relationship. This is what the Freedom Support Act is all about.

If the members do not want that relationship, and they do not want the Freedom Support Act, one good way of terminating the process is to make certification required for things that the Secretary says cannot be certified.

This is why Senator PELL and I have offered an alternative amendment, a second-degree amendment, which says simply that over the course of the next year the Secretary may have an opportunity to certify, and during the next year, Boris Yeltsin and the Russians may have an opportunity to remove troops from the Baltics.

The Senator from Kansas is absolutely correct that without Boris Yeltsin there will be troops in the Baltics and troops everywhere.

The question, I think, for Senators to ponder very seriously is, should we substitute our judgment for that of Secretary Baker and for President Yeltsin, or, to the contrary, should we try to foster relations between our two countries that at least, in this Senator's judgment, is much more likely to lead to release of the Soviet troops from the Baltics.

For these reasons, I ask for support for the Pell-Lugar amendment.

Mr. BIDEN. Mr. President, it is disappointing, that we are here debating in this way at this moment. It is as if there has been no change in the Baltics. We talk about it as if the man who now, in a very tenuous manner, hangs onto leadership in Russia; not support the idea of removing Russian troops, when, as I mentioned earlier and the minority leader mentioned again, he was the first person to make the trip to the Baltics in support of their freedom.

I also must tell you I am a little disappointed in the administration. If this were prayer in school or if this were abortion or if this were any other issue, the Attorney General would be out in the Vice President's office, the Secretary of the Treasury would be here about bailing out the banks, the Secretary of Commerce would be here, and the Secretary of Agriculture would be here if this were about an agriculture bill.

Here, in this defining moment in history, the best we get is some phone calls instead of the Secretary of State and the Vice President of the United States being out there right now trying to convince our friend from South Dakota and others of the wisdom of the administration's position. But that is the way it is.

I wonder where we would have been in 1948 and 1949 and 1950 when the world was in transition, when the American public, by overwhelming margins, said we should not be giving aid, when the American public in overwhelming numbers said we should not be entering into new alliances, when the American public in overwhelming numbers suggested that we should not be generating these new international financial institutions—wonder where we would have been had the same Senate existed at the time. Would we have had NATO? Would we have gone back home and said, you know, this is in the interest of the United States? Would we have gone to our constituents and said, "We are going to give money to Germany, which just killed your son, to rebuild Germany and rebuild Europe"? I am not sure we would have. I am not sure we would have had the courage to do that.

Thank God we had a President that had as much steel in his backbone as he had brains.

I might point out that I could be mistaken, but I bet that the majority of people who are in support of this amendment, will ultimately vote against the bill. That is what my instinct tells me, I will make you a bet right now, that when we look at the rollcall vote cast, that at least 85 percent of the Senators who vote for the DeConcini-Pressler amendment vote against the bill no matter what is in it. I hope I am wrong. I would offer to buy everyone dinner in the Senate dining room, but we have closed that—again, political courage. So I will just make a plain old gentleman's bet.

I hope that we can understand that this is a major amendment of great significance. If Yeltsin goes down, the troops stay. If, in fact, this bill does not pass, and, as the Senator from Indiana pointed out, it will not be able to take effect because the Secretary has already publicly said he cannot certify. If he cannot certify, the aid cannot go forward. If the aid does not go forward, whatever chance Yeltsin has in surviving as a democratic leader is somewhat diminished.

The PRESIDING OFFICER. The Chair informs the Senator that the 4 minutes allocated to him has expired.

Who yields time?

Mr. DECONCINI. How much time do I have?

The PRESIDING OFFICER. Two minutes, 48 seconds.

Mr. DECONCINI. How much on the other side?

The PRESIDING OFFICER. The Senator from Rhode Island has 58 seconds.

Mr. DECONCINI. I first ask unanimous consent that the Senator from New Jersey [Mr. LAUTENBERG] be added as a cosponsor.

Mr. President, it is important to understand that, in order to get to merely significant progress, not move them out this year, not close down all aid, certification of significant progress, we had to defeat the Pell-Lugar amendment. In a minute, I believe the Senator from South Dakota—and I will join him—is going to move to table the amendment.

I hope the colleagues will give a moment of reflection here that this is not going to destroy Mr. Yeltsin or the Russians. It is only going to ask and require that the President certify to the Congress of the United States and the people of the United States that significant progress is being made in removing the troops. That significant progress can be a number of things. One, all they would have to say significant progress is that they are not going to reassign 40 percent of those troops that have to get out of the Russian military because their draft date has come to be removed in the military. That is all. Then every 6 months the President must certify that significant progress is being made. That is all.

To make this argument that the Secretary of State cannot certify I do not believe is valid. And to make this argument that this is a killer and sinks the bill I do not think is valid. It does not. It only is a fairness of saying that we in this Congress, in this Senate, understand the significance of the Baltic States and what they have been through, and we are only requesting that the President of the United States certify that the intention of the Russian Government is to make significant progress to get out. They do not have to get out. There may be tougher amendments coming saying they have to get out. This amendment is not that.

I hope my colleagues will support the motion to table.

I yield to the Senator from South Dakota.

Mr. PRESSLER. I move to table the amendment.

The PRESIDING OFFICER. The Senator needs to be aware that there is time still remaining under the previous time agreement. Who yields time?

Mr. PELL. I yield myself the remaining time. I thank the President.

Mr. President, I ask my colleagues to think for themselves which is more likely to get the Russian troops out of the Baltic countries. We all want them out. Will they be more likely gotten out by a weakened Yeltsin, a weakened Russian infrastructure, or more likely to be gotten out by a stronger Yeltsin, a stronger Russian infrastructure?

I submit that the answer is self-evident, that they are more likely to get out if Yeltsin and his regime, democratic regime, enjoy good health, strength, and support.

For that reason, I urge my colleagues to support the amendment.

Mr. DURENBERGER. Mr. President, I understand very well and share the intense desire among my colleagues to promote the most expeditious removal of Russian troops from the Baltic States. This is an issue of extreme importance, and I fully support efforts to achieve this objective.

I would urge my colleagues, however, to keep separate the matters of Russian troops in the Baltics and United States aid to Russia. The administration and supporters of the second-degree amendment by the chairman and acting ranking member of the Foreign Relations Committee argue that there is only so far and so fast that Yeltsin can be pushed in his reform efforts.

My distinguished colleague from Delaware, Senator BIDEN, has eloquently stated the case of what we in this country are asking President Yeltsin and the Russian people to do. End central control of the economy. Raise prices. Cut subsidies. Cut the military. Open the political system. Free the markets. And more. This is no easy task.

Let me reiterate, Mr. President, that I strongly believe that Russian troops must be removed from the Baltic States as soon as absolutely possible. And I very strongly support United States assistance to the emerging democracies of the former Soviet Union. But I believe we must keep our eye on the ball with this legislation, with the Freedom Support Act.

If we fail to act now, it may make no difference in 12 months time. There might be a whole other set of problems that we'll have to confront if we let pass this opportunity to consolidate democracy and free markets in Russia.

Mr. President, notwithstanding my very strong support for the objectives of my friends Senators DECONCINI and PRESSLER, I urge my colleagues to support the Pell-Lugar substitute.

Mr. LAUTENBERG. Mr. President, I rise as a cosponsor of the amendment offered by Senators DECONCINI and PRESSLER. I urge my colleagues to approve this amendment.

The amendment would encourage the speedy withdrawal of all Russian troops from the Baltics. It would require the administration to certify every 6 months that significant progress is being made toward the goal of removing troops.

I signed a letter to President Bush recently, urging him to raise the issue of removing troops from the Baltics with President Yeltsin. I will ask unanimous consent that a copy of the letter be included in the RECORD.

Mr. President, since 1939, the people of Estonia, Latvia, and Lithuania have fought for independence against the Soviets' illegal incorporation. They have overcome hardships and survived oppressive crackdowns, and have bravely and resolutely fought for self-determination. I've long supported the aspirations of the Baltic people for freedom.

Estonia, Latvia, and Lithuania are now sovereign, independent nations. The Baltic people have the right to live their lives free from intimidation and foreign intervention. By remaining where they are unwelcome, the former Soviet Union's troops undermine the authority of the newly established Baltic governments.

Mr. President, I regret that I did not have an opportunity to vote for the amendment proposed by Senators DECONCINI and PRESSLER.

Mr. LEVIN. Mr. President, Russian and CIS military forces should be withdrawn from Estonia, Latvia, and Lithuania. It is inappropriate that foreign military forces are present in these three independent nations when they are unwanted. Specifically, these three sovereign and independent countries have the right to demand that the unwanted remnants from the former Soviet Union be withdrawn. I hope each of us in this Chamber supports the Baltic nations in this.

The disagreement is how to best assure this result. It is in the national security interest of the United States, as well as the security interests of the Baltic nations, that the reformers in Russia prevail. It is in our interest and the Baltics' interest that Yeltsin and the free-market democrats are strengthened against the forces that oppose them. A move on our part that could lead to destabilization in Russia is counterproductive. I want the foreign troops out of the Baltics. I would like them out yesterday. I will continue to support policies and programs that I think will lead to their getting out. But, as a matter of tactics, it is short-sighted to do something that may endanger the enlightened forces in Moscow that are the Baltics' best bet to see these unwelcomed troops leave.

Because I want to see the reformers in Moscow prevail, I will cast my vote against tabling the Pell amendment. The Pell amendment will prohibit U.S. economic assistance to Russia unless the President certifies to Congress within 12-months of passage that significant progress has been achieved toward the removal of Russian or Commonwealth of Independent States Armed Forces from Estonia, Latvia, and Lithuania. This 12-month period is appropriate to enable President Yeltsin some time to see that these troops are withdrawn in an orderly and peaceful way that does not jeopardize the stability of the new and struggling Russian Government. Such instability would threaten the Baltics, and undermine the cause of removal of the Russian and CIS troops from the Baltics.

Mr. President, the troops should be removed. President Yeltsin has pledged that that is his goal, too. The Pell amendment indicates our support of this goal while giving the democratically elected government of Russia the flexibility of receiving the assistance it so desperately needs to survive. This assistance will help Russia achieve the goal that we all share—the removal of the troops from the Baltics.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington DC, June 16, 1992.

Hon. GEORGE BUSH,
The White House, Washington, DC.

DEAR MR. PRESIDENT. We respectfully urge you to raise the issue of timely withdrawal of Russian forces from the Baltic States during your discussions with President Yeltsin. Before taking office, President Yeltsin courageously supported independence for the Baltic States. But Latvia, Lithuania and Estonia cannot be fully free or independent with thousands of foreign troops stationed on their territory against the will of the people and governments of those states.

Russian armed forces are there illegally, contrary to the express wishes of the legitimate independent governments of Estonia, Lithuania, and Latvia. The Russian government has not demonstrated good faith by undertaking serious negotiations with Baltic governments for a rapid withdrawal timetable. We consider the presence of these troops destabilizing and believe they represent an obstacle to normal diplomatic relations between the United States and Russia.

We ask you to convey the gravity we attach to the unwillingness or inability of the Russian government and its military commanders to agree to a reasonable withdrawal timetable. While we understand there may be difficulties in removing over 100,000 troops and closing bases, we believe the effort to conclude a mutually agreeable timetable for withdrawal is vital. Mr. President, we urge you to raise the issue of good faith signals with President Yeltsin. For example, we cannot understand why conscripts continue to be deployed in the Baltic States. In addition, units that pose the greatest threat to Baltic sovereignty, such as the 107th divisions in Lithuania, are not being removed.

Beligerent and threatening rehetoric by the Russian military, under the guise of protecting the Russian minorities in the Baltic States, is not helpful to concluding a reasonable pullout schedule. We note a recent statement by General Grachev, the Russian Minister of Defense, that "all possible means" will be used to protect the honor and interests of the Armed Forces of Russia.

We have great respect for President Yeltsin's actions in assisting the Baltic States to achieve their independence in 1991. We have no desire to handicap his efforts to promote representative government and free markets. However, we believe that he alone is responsible for the actions of the Russian military and that he must assure that a mutually acceptable agreement is speedily concluded with the Baltic States on a timetable for withdrawal. Additionally, he should assure Russian adherence to this timetable and respect the sovereignty of these countries.

We consider a Russian demonstration of good will troop withdrawal to be vital to the success of democracy and freedom in the Baltic States and Russia and a precondition to U.S. assistance to Russia.

Sincerely,

Larry Pressler, Donald W. Riegle, Jr., Arlen Specter, Paul Simon, Barbara A. Mikulski, Brock Adams, Alfonse M. D'Amato, Alan J. Dixon, Malcolm Wallop, Harris Wofford, Dennis DeConcini, Daniel Patrick Moynihan.

Robert W. Kasten, Jr., Daniel K. Inouye, Bob Smith, Joseph I. Lieberman, Robert C. Byrd, Dan Coats, Jesse Helms, John Glenn, Hank Brown, John Seymour, Al Gore, Ernest F. Hollings, Wendell H. Ford, Christropher J. Dodd, Bill Bradley, Paul S. Sarbanes, Frank R. Lautenberg, Steve D. Symms, Edward M. Kennedy.

Mr. DECONCINI. Mr. President, to conclude, let me just suggest that all that would have to be done to satisfy this amendment is for President Yeltsin to call President Bush and say: We are not going to replace all of these troops in December.

That would be significant, or: We are now going to stop at the border and show our papers as we move troops in and out of this country, and follow their customs.

Is that asking too much? I submit it is not. I hope the motion to table is agreed to. I yield the remainder of my time.

The PRESIDING OFFICER. The Senator from Rhode Island has 15 seconds remaining.

Does the Senator yield the remaining time?

Mr. PELL. Mr. President, I yield the remaining 15 seconds.

Mr. PRESSLER. I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The legislative clerk called the role.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY], the Senator from Ohio [Mr. METZENBAUM], and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 35, nays 60, as follows:

[Rollcall Vote No. 139 Leg.]

YEAS—35

Adams
Breaux
Bumpers
Byrd
Craig
D'Amato
DeConcini
Dixon
Dodd
Ford
Fowler
Glenn
Gore
Graham
Gramm
Heflin
Hollings
Kasten
Kohl
Lautenberg
Lieberman
Mikulski
Nickles
Pressler
Pryor
Reid
Riegle
Sarbanes
Seymour
Shelby
Smith
Specter
Symms
Wallop
Wofford

NAYS—60

Akaka
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Brown
Bryan
Burdick
Burns
Chafee
Coats
Cochran
Cohen
Conrad
Cranston
Danforth
Daschle
Dole
Domenici
Durenberger
Exon
Garn
Gorton
Grassley
Harkin
Hatch
Hatfield
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Leahy
Levin
Lott
Lugar
Mack
McCain
McConnell
Mitchell
Moynihan
Murkowski
Nunn
Packwood
Pell
Robb
Rockefeller
Rudman
Sasser
Simon
Simpson
Stevens
Thurmond
Warner
Wellstone
Wirth

NOT VOTING—5

Bradley
Helms
Metzenbaum
Roth
Sanford

So the motion to table the amendment (No. 2665) was rejected.

Mr. PELL. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now occurs on the second-degree amendment.

The yeas and nays have been ordered.

Mr. PELL. Mr. President, I ask unanimous consent to vitiate the order for the yeas and nays.

The PRESIDING OFFICER. Is there objection?

The Chair hearing none, without objection, the yeas and nays have been vitiated.

The question now occurs on agreeing to the second-degree amendment.

The amendment (No. 2665) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now occurs on the first-degree amendment.

Mr. DECONCINI. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays are requested. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question now occurs on agreeing to the amendment.

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY], the Senator from Ohio [Mr. METZENBAUM], the Senator from Arkansas [Mr. PRYOR], and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas [Mr. PRYOR], would vote "yea."

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS], and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "yea."

The PRESIDING OFFICER. (Mr. WOFFORD). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 92, nays 2, as follows:

[Rollcall Vote No. 140 Leg.]

YEAS—92

Adams
Akaka
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Breaux
Brown
Bryan
Bumpers
Burdick
Burns
Byrd
Chafee
Coats
Cochran
Cohen
Conrad
Craig
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Exon
Ford
Fowler
Garn
Glenn
Gore
Gorton
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Heflin
Hollings
Inouye
Jeffords
Kassebaum
Kasten
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Reid
Riegle
Robb
Rockefeller
Rudman
Sarbanes
Sasser
Seymour
Shelby
Simon
Simpson
Smith
Specter
Stevens
Symms
Thurmond
Wallop
Warner
Wellstone
Wirth
Wofford

NAYS—2

Cranston
Johnston

NOT VOTING—6

Bradley
Helms
Metzenbaum
Pryor
Roth
Sanford

So the amendment (No. 2664), as amended, was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment as amended, was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Hampshire.

VOTE CHANGE

Mr. SMITH. Mr. President, I ask unanimous consent that I be allowed to change my vote on rollcall vote No. 139 from "nay" to "yea." This has been cleared by both leaders and will not change the outcome of the vote.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

(The foregoing tally has been corrected to reflect the above change.)

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

AMENDMENT NO. 2667

(Purpose: To authorize the use of a portion of international military education and training (IMET) assistance for training in economic security and development)

Mr. COCHRAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] proposes an amendment numbered 2667.

Mr. COCHRAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . TRAINING IN ECONOMIC SECURITY AND DEVELOPMENT SKILLS.

Chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 546. TRAINING IN ECONOMIC SECURITY AND DEVELOPMENT SKILLS.—(a) The President is authorized to allocate a portion of the funds made available each fiscal year to carry out this chapter for use in providing education and training of foreign military personnel described in subsection (b) in economic security and development skills, including skills in the development of agriculture, rural enterprise, and rural health and sanitation.

"(b) The foreign military personnel referred to in subsection (a) are members of the armed forces of a foreign country who are being separated, within one year, from active duty with such armed forces.".

Mr. COCHRAN. Mr. President, this amendment relates to the International Military Education and Training Program. This program currently supports training only for active foreign military personnel and high-ranking officials in certain ministries, such as defense, foreign affairs, and Treasury.

The amendment would authorize the President to use international military education and training funds for the education of persons within 1 year of their separation from active military duty.

Mr. President, I have discussed the amendment with the distinguished managers of the bill, and I am encouraged to think that it might be acceptable.

Mr. President, the emerging democracies in Eastern Europe and elsewhere need help in stabilizing their economies and their societies. My amendment would further this aim by amending the Foreign Assistance Act of 1961 to provide for the education and training of active and soon-to-be-discharged foreign military personnel in such economic security and development skills as agricultural development, rural enterprise, and rural health and sanitation.

Thousands of military personnel in the emerging democracies are now confused and disheartened as they face demobilization. Many are poor, unprepared for civilian jobs, and ill-equipped to function in a democratic society.

If these people receive proper education and training through U.S. educational institutions, I believe they can become skilled and productive citizens. Soldiers, sailors, and airmen can become paramedics, agricultural specialists, and business operators. Hands-on education and training can help reduce conflict and create a secure economic and social climate beneficial to the emerging democracies as well as our own.

I urge adoption of this amendment.

Mr. LUGAR. Mr. President, indeed, we highly approve of the distinguished Senator's amendment, and support it on this side.

Mr. PELL. Mr. President, on this side, we have examined the amendment, think it is an excellent one, and recommended it be adopted.

The PRESIDING OFFICER. If there is no further debate the question is on agreeing to the amendment.

The amendment (No. 2667) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT NOS. 2668 AND 2669, EN BLOC

Mr. GRAMM. Mr. President, I send two amendments to the desk and ask unanimous consent that they be dealt with en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM], for himself, Mr. DOLE, Mr. SYMMS, Mr. MACK, Mr. HELMS, and Mr. SIMPSON proposes amendments numbered 2668 and 2669, en bloc.

Mr. GRAMM. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2668

(Purpose: To establish stable currencies and promote free enterprise in the CIS countries)

On page 44, line 20, insert before the period the following:

", and may use his voice and vote in the Fund to promote the use of the resources of the Fund for the establishment and/or support of currency boards in those cases where a currency board would be more likely to achieve success in promoting a stable currency and sustained economic growth".

AMENDMENT NO. 2669

(Purpose: To establish stable currencies and promote free enterprise in the CIS countries)

On page 41, strike lines 7 through 22 and insert in lieu thereof the following:

"SEC. 12. SUPPORT FOR MACROECONOMIC STABILIZATION.

"(a) IN GENERAL.—In order to promote macroeconomic stabilization, the integration of the independent states of the former Soviet Union into the international financial system, enhance the opportunities for trade, improve the climate for foreign investment, and strengthen the process of transformation of the former socialist economies into free enterprise systems and thereby progressively enhance the wellbeing of the citizens of these states, the United States should in appropriate circumstances take a leading role in organizing and supporting multilateral efforts at macroeconomic stabilization and debt rescheduling, conditioned on the appropriate development and implementation of comprehensive economic reform programs.

"(b) CURRENCY STABILIZATION.—In furtherance of the purposes and consistent with the conditions described in subsection (a), the Congress expresses its support for United States participation, in sums of up to $3,000,000,000, in a currency stabilization fund or funds for the independent states of the former Soviet Union. Such amounts may also be used for the establishment and/or support of currency boards in those cases where the President determines that a currency board would be more likely to achieve success in promoting a stable, convertible currency and sustained economic growth.".

Mr. GRAMM. Mr. President, I ask unanimous consent that a letter from David Mulford, the Under Secretary of the Treasury, endorsing these amendments, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE TREASURY,
Washington, July 1, 1992.

Hon. RICHARD LUGAR,
Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR SENATOR LUGAR: I am writing to urge your support for Senator Gramm's amendment to Section 12 of S. 2532. This amendment would express Congressional support for U.S. participation in an amount of up to $3 billion for the establishment of stabilization funds or currency boards for the new states of the former Soviet Union.

One of the most important issues confronting the new states is how to achieve a currency that is stable and that promotes confidence in order to foster sustained market-led growth. For these purposes, both stabilization funds and currency boards can be useful, depending on the circumstances in the individual country.

I believe, therefore, that Senator Gramm's amendment is consistent with the intent of the Freedom Support Act and is supportive of U.S. goals in the new states.

Sincerely,
DAVID C. MULFORD.

Mr. GRAMM. Mr. President, these two amendments are very simple. They really are the same amendment. One deals with the IMF section of the bill. The other deals with the exchange stabilization fund.

The amendments simply allow the Treasury and the IMF to use a currency board rather than the traditional IMF stabilization process if they find that it would be more advantageous. I am very concerned about our ability to stabilize the ruble. I think there are very strong reasons to believe that the conventional approach will not be successful.

This would give the IMF and the Treasury another alternative to use in some of the Russian Republics; potentially, to use overall.

This is supported by the Treasury and, as I understand, is acceptable to both sides.

I yield the floor.

Mr. DOLE. Mr. President, I am pleased to join as an original cosponsor of this amendment. This amendment reaffirms United States support for effective programs of currency stabilization in the former Soviet Union, and specifically encourages consideration of the option of achieving stabilization through the use of currency boards.

The Republics of the former Soviet Union are, for the most part, starting from scratch in building viable economic institutions and programs.

Most of these economies right now are nearly belly up. Before they even have the potential to grow, they will have to establish certain basics—and most basic of all, they will have to achieve stable, non-inflated currencies. If these new governments continue to run inflationary monetary policies—and there will be tremendous pressure on them to do exactly that, in part to subsidize inefficient state enterprises which still predominate in their economies—currency stabilization will be impossible.

Just this week the Russian Government approved the second stage of its ambitious reform program. It calls for greatly accelerated privatization, and a hard line on inflation. As President Yeltsin made clear to us during his recent visit, his government understands that these steps are critical to successful reforms. But in the short run those reforms will also generate more hardships, and spark widespread and intense pressure for easier credit.

The advantage of using a currency board as opposed to traditional currency stabilization funds is that the independent board replaces a central banking system, taking discretionary action out of the government's hands. The board only issues currency in an amount equal to its foreign currency reserves. It cannot pursue an inflationary monetary policy, period.

All of us want the $6 billion stabilization fund to be used efficiently. A currency board is the best hope and most cost effective way of achieving a long-term, stable currency—and one that won't be subject to short-term political fluctuations.

The amendment does not tie the president's hands. It leaves open all options for achieving currency stabilization. But it does authorize the use of currency boards, where that option seems to make the most sense.

I happen to believe it does make the most sense for Russia and most, if not all, of the former Soviet Republics. At a minimum, I believe all of those States, and the IMF, ought to be encouraged to seriously consider the currency board option.

So I urge all Senators to join with us in supporting this amendment, to give us a valuable, creative new tool to help these fledgling democracies help themselves.

Mr. LUGAR. Mr. President, we are prepared to accept both amendments.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CONRAD). Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the pending amendment be set aside while and only while I bring up an amendment that, as I understand it, is acceptable.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 2670

Mr. CRANSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from California [Mr. CRANSTON] proposes an amendment numbered 2670.

Mr. CRANSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following section:

SEC. . The Secretary of State, in consultation with the Secretary of Defense and the Secretary of Energy, shall, within a period not to exceed 180 days, present to the chairmen of the Senate Foreign Relations Committee and the House Committee on Foreign Affairs, a report on the possible alternatives for the ultimate disposition of ex-Soviet special nuclear materials [SNM].

The report shall include a cost-benefit analysis comparing (1) the relative merits of the indefinite storage and safeguarding of such materials in the Republics of the former Soviet Union and (2) its acquisition by purchase, barter or other means by the United States.

Such a report shall include relevant issues such as the protection of United States uranium producers from dumping, the relative vulnerability of these SNM stocks to illegal proliferation, and the potential electrical and other savings associated with their being made available in the fuel cycle in the United States.

The report shall also include a discussion of how high enriched uranium stocks could be diluted for reactor fuel. Further, it shall include an analysis of the potential costs to the United States of a default on commodity credit loans by the recipient Republics of the former Soviet Union, and how this could be ameliorated by authorities allowing for the bartering for food.

Mr. CRANSTON. Mr. President, this amendment requires the Secretary of State, in consultation with the Secretary of Defense and the Secretary of Energy, to issue a report on the possible alternatives for the ultimate disposition of ex-Soviet special nuclear materials [SNM].

The potential uncontrolled release of some 500 tons of high-enriched uranium and 100 tons of plutonium currently held by the Russian Republic is a clear proliferation risk for the future.

Although existing Nunn-Lugar legislation provides for the indefinite storage of SNM in Russia, at a cost estimated by some of as much as $200 million, the United States and the Russian Government have not been able to agree on the final disposition of these materials.

The fuel value of the high-enriched uranium for reactors, contained in some 20,000 warheads is estimated to be between $5 to $10 billion. This is enough HEU to last at least 1,000 reactor years.

Mr. President, I believe this fuel may be an important asset, particularly as there is a growing debate about the creditworthiness of the Russian Republic as it seeks to obtain essential foods from our commodity credit programs.

There is an obvious financial savings to the United States by obtaining some valuable fuels in trade for foods that may not, eventually, be paid for out of hard currency. Such a barter would also result in a savings of some $200 million in Nunn-Lugar funds for the storage facility.

Obviously, this issue is of great importance, not only as a nonproliferation concern, but also as an economic and trade issue as well. It deserves close and careful study.

I urge adoption of this amendment.

I understand this amendment has been cleared on both sides.

Mr. PELL. The Senator is correct. It has been cleared on this side.

Mr. LUGAR. Mr. President, we are prepared to accept the amendment on our side.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2670) was agreed to.

Mr. CRANSTON. I move to reconsider the vote.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. I thank the Senators from Rhode Island and from Indiana for their understanding of the importance of this amendment, for accepting it, and I thank the Senator from Texas for permitting me to go ahead of him for a moment.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, when I offered the amendment a moment ago I was unaware that the bill had been altered by a previous amendment, and so the amendment read, "page 44, line 20," when, in fact, it should now, as a result of the earlier amendment, read, "page 44, line 19." So I just simply ask unanimous consent to amend amendment 2668 to conform to the bill as amended.

The PRESIDING OFFICER. Without objection, the amendment will be so modified.

The amendment, as modified, is as follows:

On page 44, line 19, insert after the comma the following: ", and may use his voice and vote in the Fund to promote the use of the resources of the Fund for the establishment and/or support of currency boards in those cases where a currency board would be more likely to achieve success in promoting a stable currency and sustained economic growth".

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I ask that the amendment of the distinguished Senator from Texas be temporarily laid aside for the sole purpose of submitting an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2671

(Purpose: To provide technical assistance to promote the development of certain specified agricultural sections)

Mr. LUGAR. Mr. President, I send to the desk an amendment and ask for its immediate consideration in behalf of Senator HATCH, of Utah.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR] for Mr. HATCH, proposes an amendment numbered 2671.

Mr. LUGAR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 32, line 5, insert "and in processing facilities necessary to convert raw agricultural products into food," after "systems,".

Mr. HATCH. Mr. President, I rise today to introduce an amendment to S. 2532, the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act.

This amendment will broaden the definition of technical assistance for the purposes of privatization and increased efficiency in the agricultural sector in the former Soviet Union as stipulated in section 7 of the bill.

This amendment will ensure that technical assistance can be provided to the entire agricultural sector, including the harvesting of crops and converting crops into consumable food end-products. In essence, the amendment authorizes technical assistance to the entire agricultural sector so that the Commonwealth of Independent States [CIS] countries can realize their full economic potential. In addition, by expanding the definition of technical assistance in this area, we will be providing more economic opportunities for U.S. businesses that have expertise in several agricultural subsectors.

Mr. President, the agricultural potential in the CIS is immense. I would like to offer my colleagues a specific example of this potential. The Ukraine sugar industry is one of the largest producers of sugar in the world. Ukraine produces approximately 5.5 million tons of sugar annually, more than 50 percent of the entire CIS sugar production, which is approximately 8 million tons of sugar. In comparison, the U.S. industry, both beet and cane, produces about 7 million tons of sugar. The problem with commodities like sugar is that they require extensive processing in order to be used as food or in food products. However, without the technical expertise to increase the efficiency of agricultural processing techniques, which many U.S. businesses possess, the magnitude of the economic benefits that derive from commodity production capacity is greatly reduced.

Therefore, Mr. President, I encourage my colleagues to support this amendment.

Mr. LUGAR. Mr. President, on our side, we are prepared to accept the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. PELL. Mr. President, this seems like an excellent amendment. I believe we should pass it.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Utah?

The amendment (No. 2671) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Might I ask of the managers of the bill; would it be an appropriate time for me to speak on the Gramm amendment that is before the Senate, if there is no other Senator seeking recognition?

Mr. LUGAR. Somebody will respond. The floor is awaiting ruling on Senator GRAMM's amendment. I ask that amendment be temporarily laid aside for the purposes that I had. The Senator might want to request the amendment be laid aside for his statement so that Senator GRAMM's position will be restored.

Mr. SYMMS. Mr. President, it is my understanding that the Gramm amendment is temporarily laid aside, and I want to be sure that the RECORD shows that the Senator from Idaho is a cosponsor of that amendment.

The PRESIDING OFFICER. Is there a unanimous-consent request that the Gramm amendment be set aside?

Mr. SYMMS. I am speaking on the Gramm amendment, so it is not necessary to lay it aside.

The PRESIDING OFFICER. The Gramm amendment is the pending business.

Mr. SYMMS. I thank the Presiding Officer.

I would just say I am hopeful that the managers of the bill will accept this amendment, and I am pleased to be a cosponsor of the amendment that is offered by Senator GRAMM.

I believe that this is the single most important amendment to be offered to the Freedom Support Act. I say that because it can ensure the transition of the newly independent Republics of the former Soviet Union into viable free market democracies, which will then have an opportunity for economic growth. I believe something should be done to assist the former Soviet Union, the CIS, as we call it.

However, questions remain on what kind of assistance we should provide. But I think this is fundamentally important about the Senator from Texas' amendment.

Two changes are essential before any assistance can work in the long run. First and foremost, a sound convertible currency must be instituted. It has to be instituted. Without instituting a method to have a sound convertible currency I will predict here on this Senate floor that within a year the CIS will be overrun with hyperinflation, and they will be devastated by a similar kind of situation that happened in post World War I Germany. It will disrupt the entire opportunities for people to seek freedom, opportunity, ownership, and privatization.

Second, along with that convertible currency, the market has to be freed from the central planning by privatizing property and business, and it is a big task. I think that Senators in this body should not be deluded, or under some illusion, Mr. President, that it is going to happen overnight.

I recently, with Senator MURKOWSKI, had the opportunity to visit Vladivostok. That city is opened up now for the first time in 70-plus years. If someone went to Vladivostok with a million dollars in greenbacks, you could probably buy a good share of the town because everything is for sale. But the interesting thing is, they have no system in place where you can get a title for that property. Therefore, you do not know how long the property will be yours.

The people of the CIS all know one thing. They know the rubles are becoming more worthless by the day. So they do about anything they can to get greenbacks or get some kind of convertible currency.

So, I think we in this Senate have an obligation to help ensure a stable currency is instituted. That is why I think it is so important that this amendment be accepted. Even though it will not accomplish my first goal, it sets the stage for a convertible currency system by establishing the option of a currency board to be set up.

It seems obvious to me that the real aid to the former Soviet Union ought to encourage the competitive development of their domestic industries. We can best do this through technical assistance, encouraging private investment and increased trade.

Financial assistance alone will not help the former Soviet Union. Giving dollars to bureaucrats in Moscow does not provide an incentive for government to reform, nor does it do anything to the average Russian citizen. It is by encouraging businesses that transition from socialism to capitalism can actually succeed. It is going to be a difficult transition, but first they have to have a fundamentally sound convertible currency.

President Boris Yeltsin recognizes this and he has begun to move in this direction. Prices have been freed, state trading monopolies have been abolished and the ruble is now convertible. These are important first steps.

It is because of Yeltsin's efforts that the Russian people are now starting their own businesses and foreign companies are beginning to make investments. We must continue to encourage this kind of activity and we must encourage development of free markets by directly supporting the goals of the entrepreneurs. After all, it is not government that creates economic growth; it is the people.

Despite Yeltsin's reforms, the path to capitalism is in jeopardy. Hyperinflation is scaring off foreign and domestic businesses and is threatening to undo Yeltsin's reforms. Without a sound, solid ruble, democracy, and free markets are destined to fail.

The plan under the Freedom Support Act is to back the ruble with western currency. That part is fine. The problem rests with who controls monetary policy. Provisions in this bill suggest that the former Soviet Central Bank, now the Russian Central Bank, is expected to determine the exchange rate, the interest rate, and the money supply.

Mr. President, in this Senator's opinion it is a grievous mistake, if they turn this over to the political leaders who are in power. As this brings a grinding slow down of these massive former State-owned monopolistic businesses that are inefficient. They have had no pricing system, no system of economic measures. They do not know what is efficient and what is not. As they grind to a halt, there will be a shortage of money, and the politicians will print more rubles.

That is why this Senator stands on the floor to argue that without the establishment of a currency board and a fixed rigid exchange rate for convertibility so there is a measure of discipline built into the system, they will have hyperinflation. They will have to hire out the printing presses in other countries to print enough paper rubles, and they will run the printing presses until the rubles will not purchase what it costs to print them. That is exactly what will happen. It has happened over and over throughout the history of mankind, and it will happen there

What we need to do is establish a currency board system. Unlike a central bank, a currency board simply issues notes and coins, convertibles into a foreign reserve currency at a fixed rate on demand. That is fundamentally important, a fixed rate on demand. It has no discretionary monetary policy because its 100 percent foreign reserve requirement makes it merely a warehouse for reserves. Instead, market forces alone will determine the money supply.

There are many advantages to a currency board, Mr. President. It has unlimited convertibility. There is no risk of loss of money. The government cannot fund decrepit state industries because the currency board cannot issue unbacked money. And, the interest rate and inflation tend to be the same as in the reserve country.

More than 70 countries throughout history have used the currency board system, and in each case it has been a success. Currency boards still exist in Singapore and in Hong Kong. As a result from 1965 to 1989, annual growth in real GNP was approximately 6.8 percent, with an average annual inflation rate of 5.5 percent.

A currency board system would not be new to the former Soviet Union. In north Russia, in 1918, during the Russian Civil War, Dr. Steven Hanke, professor of applied resource economics at Johns Hopkins University, discovered John Maynard Keynes established a British-ruble, backed by British pounds sterling, and convertible at a fixed rate. The British ruble proved to be a successful, reliable store of value. It ended in 1920 when the Communist Red army took over north Russia.

Mr. President, despite the successes of currency boards, there is still hesitation over implementing a currency board. Even though they have been successful. They have a record of success throughout history, in modern history, especially.

The major concern against currency boards is that it is a strict discipline. Political leaders resist this with all their passion, and heart, and soul because strict discipline sometimes means it is power that has to be given up by the political leaders. The major concern, of course, then is that it can become very difficult at times when people face reality and then they have to look at the real world and establish a pricing system, and they have to allow people to be rewarded for their work, and it is a difficult transition for people that are not used to that.

There is, however, I think, a compromise solution. Have two currencies running parallel to each other for a period of 5 years. One is run by the currency board, the other determined by the Central Bank. During this time, the Central Bank currency could gradually be phased out.

Having two simultaneous currencies is not new to the people of the former Soviet Union. In 1922, Secretary General Vladimir Lenin instituted this exact program. A few years later, the currency board ruble replaced the General Bank ruble.

But for some reason, the notion of a central bank still has appeal. Mr. President, I think it is very interesting what the former Chairman of the U.S. Federal Reserve System, Paul Volcker, thinks about this. He has come out against the Central Bank for the former Soviet Union. He has stressed that markets need to be developed long before the Central Banks. He even suggested the Russian Central Bank was the one institution that might actually retard the Russian transition.

I suspect he bases his arguments on the lackluster performance of Central Banks in the developing countries. For 99 countries described as low- and middle-income, the average annual inflation rate from 1980 to 1988 was 54 percent, with an average GNP growth of less than 1 percent. In other words, about one-half of all of the developing countries became poorer. Compare that with Singapore and Hong Kong's record of 5.5-percent annual inflation and 6.8-percent growth.

The culprit responsible for this skyrocketing inflation and minimal economic growth was the Central Bank. Instead of being used as a monetary instrument, the Central Bank was used as a political instrument. Governments in developing countries found it easier to pump more money into the economy, rather than make the necessary economic reforms.

So far, the evidence suggests that the Russian Central Bank will be no better than the others. The managers of the Russian Central Bank were appointed—and I think this is very significant—before Boris Yeltsin became President. They may or may not share Yeltsin's reformist ideas. The people to whom we intend to entrust the stabilization fund have already pumped inflation out of sight, rendering the ruble nearly worthless.

Mr. President, I cannot state enough how important this is, and I hope that Senators will look into this issue and familiarize themselves with this issue. If hyperinflation occurs in the former Soviet Union due to a central bank system, no matter what we do, they will end up in financial chaos, and they will have difficulties, and they will set the stage for dictators to rise again in the Russian Republic and in the other republics. This can be avoided if a currency board was instituted to provide needed discipline.

Russian citizens have long recognized the worthlessness of the Russian ruble, and they already hold an estimated $10 billion in foreign currencies. This amendment for the option of establishing a currency board merely recognizes what the Russian people know—a new ruble is needed. And they need a stable, convertible ruble, so they have money that is a storehouse of value.

Mr. President, I will soon ask unanimous consent to have printed in the Record a "Letter From Washington" from the International Economy, written by Dr. Hanke. This article makes reference to putting our money where our mouths are and talks about the great Nobel Laureate, Friedrich von Hayek, who passed away this year, and his classic book, "The Road To Serfdom," which he wrote in 1944.

Hayek made the point, and Dr. Hanke makes the point in this article, that in order to have a successful private system and to make the conversion from a status command and control economy to a private-owned economy, you must first establish a sound convertible currency that can be a storehouse of value, and give liquidity and confidence to the people that will use the currency.

I ask unanimous consent that the article be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the International Economy, May-June 1992]

Letter From Washington: Putting Our Markets Where Our Mouths Are

Washington.—In late March, the world lost one of the greatest economists of the twentieth century, and we lost a friend. Nobelist Friedrich von Hayek, at the age of 92, received his final calling in Freiburg, Germany. As a tribute to Hayek, we focus on his thoughts about currency convertibility. Although it is contained in a footnote that appeared in his 1944 classic. *The Road to Serfdom*, Hayek's insight is particularly relevant today, as the former communist nations debate convertibility.

Hayek, always a student of liberty, stated: "The extent of the control over all life that economic control confers is nowhere better illustrated than in the field of foreign exchanges. Nothing would at first seem to affect private life less than a state control of the dealings in foreign exchange, and most people will regard its introduction with complete indifference. Yet the experience of most continental countries has taught thoughtful people to regard this step as the decisive advance on the path to totalitarianism and the suppression of individual liberty. It is in fact the complete delivery of the individual to the tyranny of the state, the final suppression of all means of escape—not merely for the rich, but for everybody." We elaborate on Hayek's insight.

Currency convertibility is, in principle, a simple concept. It applies to the ability of residents and non-residents to exchange domestic currency for foreign currency. There are, however, many degrees of convertibility, with each denoting the extent to which governments impose limitations on the use of currency. For example, the International Monetary Fund's (IMF) concept of convertibility, as defined in its Articles of Agreement (Article VIII), is a limited one, related pragmatically to the so-called economic circumstances of members. In consequence, Fund members are required to maintain convertibility on current account transactions, but not those on the capital account. However, deviations from the Fund's convertibility requirements are permitted, although members are expected to correct deviant behavior (exchange restrictions) as soon as circumstances permit. In general, full convertibility on capital as well as current accounts is viewed as being a luxury that many countries, particularly the former communist nations, cannot afford because of the risk of capital flight. The same position is clearly articulated by Mr. John Williamson in his entry. "International capital flows," which appears in the prestigious New Palgrave: A Dictionary of Economics. Mr. Williamson's concluding sentence—"The net benefits of unrestricted capital mobility are indeed debatable"—captures the essence of his analysis.

Hayek's message has regrettably been overlooked by orthodox analysts. Hayek saw that capital controls serve as a ring fence within which governments can expropriate their subjects—a practice carried to extremes in the former communist regimes of Eastern Europe and the Soviet Union. Open capital markets, through the threat of capital flight, provide a protection for the individual from government exactions.

Limitations on convertibility are not a new phenomenon. However, their introduction in modern times was interestingly made by Tsar Nicholas II. In 1905–06, the State Bank of Russia introduced a limited form of exchange control to discourage speculative purchases of foreign exchange by refusing to sell it, except where it could be shown that the foreign exchange was required for imports. Otherwise, foreign exchange was limited to 50,000 German Marks per person.

The Tsar's rationale for limiting convertibility to current account transactions was much the same as that employed by the IMF and orthodox analysts: Foreign reserves must be conserved so that the exchange rate can be maintained and until the monetary and fiscal discipline required to accomplish that objective can be established. Even though the Tsarist government had an extensive surveillance, regulatory and police apparatus, it only imposed restrictions on capital account transactions because they were easier to implement than restrictions on current account transactions. Today, this is still the case. Perhaps that explains why the IMF, for all practical purpose, turns a blind eye to restrictions on convertibility for capital account transactions.

To understand our opposition to anything less than full convertibility, we return to Hayek's insight. The value of an assert (property) is a function of expected income discounted to present value at an appropriate risk-adjusted discount rate. When convertibility on the capital account is restricted, for example, the risk-adjusted discount rate employed to value assets is higher than it would be with full convertibility because property is held hostage and subject to a potential ransom through expropriation. Hence, owners of assets are willing to pay less for each dollar of prospective income and the value of property is less than it would be with full convertibility. This, incidentally, is the case, even when convertibility is allowed for profit remittances. With less than full convertibility, therefore, there is a taking of property without compensation.

Faced with the prospect of inconvertibility, money becomes "hot" and capital flight occurs. Asset owners liquidate their property and get out while the getting is good. Contrary to popular folk wisdom, restrictions on convertibility do not retard capital flight; they promote it. This type of capital flight (and dollarization) is already occurring on a grand scale in the capital-starved former communist nations. For example, in 1990 and 1991, there was a net outflow of financial resources from Eastern Europe. In Poland alone, capital flight is estimated to be over $10 million a month, and in 1991 it was between $14-40 billion in the former Soviet Union.

Restrictions on convertibility promote other noxious activities. For example, if capital account convertibility is restricted or limited and convertibility on the current account is allowed, a two-tier currency market will be either formally or informally established. In that case, the "investment currency" will trade at a premium over the price of the relevant foreign currency on the official market for current account transactions. With two prices for the same currency, there are profits to be derived from having capital account transactions "reclassified" as current account transactions. That ad hoc reclassification can usually be bought for a price. We have little doubt that, in the kleptocracy known as the Commonwealth of Independent States (CIS), the graft and bribes connected with foreign exchange transactions are already rife. Indeed, without full convertibility, what else could be expected in a land in which the noted Russian sociologist, M.I. Zemtsov, has observed that: "if a man steals, he is said to be smart; if he is cunning and dishonest, he is said to be a businessman." Inconvertibility simply fuels these undesirable proclivities.

Modern economists, by failing to heed Hayek's message on convertibility, have the world upside down. They claim that property rights, the rule of law, free markets and monetary and fiscal discipline are preconditions that must be satisfied before full convertibility can be introduced. We take exception to that assertion. Full convertibility must be established precisely so that governments pursue sound policies that don't threaten to bankrupt private enterprises. Indeed, full convertibility amounts to a guarantee that protects people's right to what belongs to them.

Mr. SYMMS. Mr. President, I ask unanimous consent that an article by Judy Shelton, Wall Street Journal, Monday, June 22, "Russia—Growth First, Balanced Budgets Later," be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal Mon. June 22, 1992]

RUSSIA—GROWTH FIRST, BALANCED BUDGETS LATER

(By Judy Shelton)

As Russia slides deeper into the abyss with every passing day, it must be disheartening for president Yeltsin to realize that he has pinned his hopes for economic salvation on a group of bureaucrats at the International Monetary Fund. The Bush Administration is just now recognizing that IMF prescriptions are not the right medicine for Russia at this crucial time. They should have seen it coming; bureaucratic institutions breed rigid, unimaginative policies.

While members of the IMF delegation met over the Russian government's inability to meet arbitrary money-supply targets and balanced-budget constraints, it appears they have lost sight of Mr. Yeltsin's fundamental objective in moving to a market economy: To preserve and strengthen Russia and her people. If lack of discernible economic progress under current reforms causes Russia to succumb to disillusionment and opt to reinstate dictatorial measures for allocating resources, all is lost. It won't then matter much whether or not IMF-specified quarterly deficit targets were reached.

PATIENT DIED

The situation brings to mind the joke bout the team of doctors, all eminent specialists, who announced after a complicated surgical procedure: "The operation was a brilliant success. Unfortunately, the patient died."

The aspirations of the New Russia must not die. The world should not entrust that vulnerable nation's fate to IMF analysts who are more prepared to raise tax revenues to match government expenditures than to devise innovative ways to stimulate private sector growth and attract foreign investment. Wealth must be created before it can be collected and redistributed.

What Russia needs is an economic reform program that recognizes the privacy of entrepreneurial activity, one that devates the businessman over the bureaucrat. Instead of making further supplications for an IMF-administered aid package, Mr. Yeltsin should begin seeking western government and private support for an alternative economic program that would designate growth as a more urgent priority than unreasonable budgetary and monetary restrictions.

Take the matter of Russia's need for a sound convertible currency. Under pressure from the IMF to drive down the exchange rate of the ruble against hard currencies earlier this year, Russian officials moved to shut down the printing presses and restrict credit. The use of administrative brute force caused a temporary strengthening of the ruble, but the policy quickly spawned deep resentment from other sovereign republics who found themselves intolerably squeezed. As rubles became increasingly scarce, workers were forced to go without wages for weeks on end. Agricultural collectives could not proceed with spring planting. Industrial enterprises began issuing IOUs to one another in lieu of payment for supplies, running up a gargantuan level of intraenterprise debt that now approaches nearly 2 trillion rubles.

A reversal in policy was urgently launched this month to stave off threatened worker strikes and widespread industrial collapse. Russians were informed on television that 142 billion new rubles would be printed in July; that is more than the amount issued during all of 1991.

By following IMF recommendations, Russia can look forward to continuing new rounds of inflation, followed by demands for compensatory wage increases, which in turn will set off successively higher levels of inflation as each new effort to "skim" some percentage off the population's real wages is neutralized by the anticipatory wage demands of increasingly skeptical Russian workers.

Was it good advice to demand that the Central Bank of Russia attempt to control the outstanding supply of rubles, a feat that the U.S. Federal Reserve Board—with all its relative finesse at utilizing regulatory and market mechanisms to influence the supply of dollars—can hardly perform with predictable results? Instead of trying to salvage the remnants of the old Soviet ruble system, Western advisers should be working with Russian reformers to pursue alternative solutions.

For example, a new Russian currency could be introduced. The plan announced last week to coin 25,000 and 50,000 ruble gold pieces is a step in the right direction, but if it is to work, the new gold coinage must not be connected to the moribund old ruble monetary system. Sound money, so critical for attracting foreign investment and supporting free market reform, could be offered by establishing a new Russian Currency Bank presided over by a distinguished board of Russian, American, European and Japanese members—Margaret Thatcher, Kari-Otto Poehl and Milton Friedman come to mind.

In conjunction with a comprehensive debt forgiveness plan initiated by Western governments, this new Russian Currency Bank could look to three major sources for its initial capitalization: (1) The central banks of the Group of Seven industrial nations, (2) the Russian government and (3) Western commercial Banks with outstanding loans to the former Soviet Union. As part of the plan, gold accepted as collateral by G-7 central banks engaged in swap arrangements with the former Soviet government would be returned. Commercial banks relieved through government insurance programs on defaulted Soviet debt would be required to purchase a predetermined amount of the new Russian currency (as a percentage of the debt relief provided) by paying in the necessary sums of hard currency.

The Russian Currency Bank would effectively function as a currency board; new units of Russian money would be issued on the basis of held reserves of gold and foreign currencies. Every new deposit of hard currency or gold would justify creation of additional Russian money. This base of convertible Russian currency would provide a new solid monetary foundation for economic growth and investment based on accurate price signals. It would also help speed Russia's integration with the global economy.

Such a plan would constitute a bold move toward the rebirth of Russia enabling Mr. Yeltsin to co-opt the growing nationalist movement. At the same time, it would build strong financial links with leading Western nations. Indeed, G-7 support in setting up a Russian Currency Bank would provide an invaluable signal of confidence in Mr. Yeltsin's leadership and Russia's economic future.

Putting up $6 billion to create a new Russian money would seem to much more prudent use of Western funds than setting up a "ruble stabilization fund" to back a discredited and uncontrollable currency. Moreover, the additional $12 billion the IMF intends to spend on "balance of payments support" for Russia will do little to foster small business development, but will instead reassert the influence of government control over the distribution of economic resources.

The funds are earmarked now to finance the import of Western consumer goods and industrial products, which are then to be redirected in accordance with the calculated preferences and priorities of government officals in Moscow. "Essential" industries will be the lucky recipients of technologically advanced Western equipment while the government expects to rake in massive profits by selling Western consumer goods through its network of state-owned stores.

How much more appealing, how much more enterprising, to focus such large sums on bolstering the fledgling private sector in Russia. What if Mr. Yeltsin were to announce the issue of a 10-year Russian government bond, guaranteed by sellable commodities and denominated in dollars, the funds from which would be made available to would-be entrepreneurs who came up with promising business proposals? Call it the Free Enterprise Fund and tap the expertise of U.S. venture capital investment firms to market it.

AMERICAN SYMPATHY

Americans understand that Russia needs help to make it towards democracy and free markets, and they are sympathetic. They don't begrudge Mr. Yeltsin the amount of money he is seeking; they just don't want to see it wasted by institutional bureaucrats who seem more confortable working with governments than private individuals. The world can hardly afford to have Russia into yet another permanent ward of the IMF.

As for Mr. Yeltsin, all he can seek is what has been offered. If the so-called Freedom Support Act is not passed by Congress, Russian officials will have wasted precious time trying to appease IMF analysts. If it does pass, the New Russia will soon find itself back on the old treadmill of inflation and central government control of the economy. Mr. Yeltsin and the Russian people deserve better.

Mr. SYMMS. Mr. President, I ask unanimous consent that three more articles by Kurt Schuler and Dr. Hanke, that are published in the Washington Times, the New York Times, and the Financial Times Limited, be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Times, June 24, 1991]

BIZARRE RUBLE GAMES

(By Steve Hanke/Kurt Schuler)

The Soviet Union's currency, the ruble, is almost worthless. Indeed, the ruble is little more than an object of ridicule. To save face, the Soviet Union's prime minister, Valentin Pavlov, concocted a nonsensical story about a foreign plot to undermine the ruble in February. That piece of disinformation ended in a public relations disaster.

Last month's emergency economic plan has brought forth yet more bizarre comments about the ruble. For example, Deputy Prime Minister Vladimir Scherbakov indicated that the government planned to strengthen the battered ruble by backing it with state-owned property.

If the Soviets are serious about rescuing the ruble, they should abolish the Gosbank and replace it with a currency board. Indeed, the only proven method to provide a sound currency in a chaotic environment is to adopt a currency board. As proof, we need to look no further than the Soviet Union itself. During the turbulent civil war years, 1918–1920, Russia had a currency board, and it worked well. Interestingly, the British Foreign Office archives reveal that the father of that Russian board was none other than John Maynard Keynes.

Under a currency board system, there is no central bank. Instead, a currency board issues notes and coins convertible into a foreign currency at a fixed rate and on demand. As reserves, a board holds high quality, interest bearing securities denominated in the foreign currency. Its reserves are equal to 100 percent or slightly more of its notes and coins in circulation, as set by law. A currency board does not accept deposits. It generates income from the difference between the interest paid on the securities it holds and the expense of maintaining notes and coin circulation. A board has no discretionary monetary powers. Instead, market forces alone determine the money supply.

More than 60 countries (mainly former British colonies) have currency boards. All were successful and maintained convertibility at a fixed exchange rate. Moreover, in countries that used boards, capital- and current-account transactions were little impeded. Consequently, those countries enjoyed the same relatively low interest and inflation rates as did the metropolitan centers they were linked to by reserve currencies.

With independence, and as an expression of nationalism, most currency boards were replaced by central banks. As a result, the quality of their domestic currencies deteriorated sharply. However, currency boards still exist in Hong Kong, Singapore and Brunei, where they continue to operate with great success.

[From the Washington Times, June 24, 1992]

Russia briefly had its own currency board. When troops from Britain and other Allied nations invaded north Russia in the waning days of World War I, they found a chaotic local currency environment. The Russian civil war had begun, and every party to the conflict was issuing its own near-worthless local currency. There were more than 2,000 separate issuers of fiat rubles. Accordingly, trade was difficult because few people would accept fiat rubles in exchange for goods and services.

To facilitate trade with the local population in north Russia, the British established a National Emission Caisse for the area in 1918. The Caisse issued "British ruble" notes. They were backed by British pounds sterling and convertible into pounds at a fixed rate.

Despite a raging civil war, the British ruble was a great success. The currency never deviated from its fixed exchange rate with the British pound. In contrast to other Russian rubles, the British ruble was a reliable store of value. Consequently, it drove other rubles out of circulation in north Russia. With British rubles, the Allied army was able to buy and sell goods almost as easily as if it had been at home on maneuvers. Unfortunately, the British ruble's life was brief. The National Emission Caisse ceased operations in 1920, after Allied troops withdrew from Russia.

To establish a convertible ruble, the Soviet Union should follow Keynes' proven example. It should abolish the Gosbank and replace it with a currency board. The best way to introduce the board would be to fix the exchange rate with a foreign reserve currency, so that Soviet exports are competitive. The board would then pledge to exchange the new ruble for the reserve currency at that rate.

The most logical reserve currency for the new board would be the U.S. dollar because the dollar is the most preferred currency in the Soviet Union. To obtain the dollar reserves necessary for the currency board, the Soviet government could begin by converting its official stock of gold and foreign currency reserves into dollars. That would generate about $20 billion. It could raise at least another $20 billion through standby facilities with Western governments and other multinational lending institutions.

A currency reform along the lines we suggest would provide the Soviet Union with a convertible currency within months. The British introduced a convertible ruble just 11 weeks after Keynes proposed it. Such a sound currency would give Moscow some credibility and act to arrest the economic chaos that threatens the Soviet Union.

Steve Hanke is professor of applied economics at Johns Hopkins University and personal economic adviser to the deputy prime minister of Yugoslavia. Kurt Schuler is the Durell Fellow in Money and Banking at George Mason University.

[From the New York Times, Sept. 3, 1990]

A "KEYNESIAN" CURE FOR THE SOVIET ECONOMY

(By Steve H. Hanke and Kurt Schuler)

BALTIMORE.—If John Maynard Keynes were alive today, he would have little doubt about how to cure the Soviet Union's sick economy.

Not through Keynesianism but its antithesis: a hard-currency plan similar to the one he devised to pull the country out of an even worse economic fix after World War I. When troops from Britain and other Allied nations invaded north Russia in the spring of 1918, they found a chaotic local currency environment. The Russian civil war had just begun, and every party to the conflict was issuing its own near-worthless local currency. There were more than 2,000 separate "fiat" rubles, backed by nothing more than the good faith of the issuer.

Without a hard currency, the Allies were unable to complete even the most basic commercial transactions, such as unloading ships or purchasing supplies. To facilitate trade with the local population in north Russia, the British established a National Emission Caisse. It issued "British ruble" notes. The British ruble was a hard currency. It was backed by British pounds sterling and was convertible into pounds at a fixed rate.

Despite a raging civil war, the British ruble was adopted eagerly by north Russians. Unfortunately, the currency's life was brief: the National Emission Caisse ceased operations when Allied troops withdrew from Russia in September 1919.

British Foreign Office archives reveal that the father of the British ruble was none other than Keynes, who at the time was a Treasury official. Keynes's ruble plan was inspired by the British colonial currency board system, which still operates in Hong Kong and Singapore.

The parallels with the present are obvious. Frustrated that today's nearly worthless ruble cannot be legally exchanged, the Soviet republics that have recently declared sovereignty or independence have plans to issue their own money. To arrest these centrifugal forces, Mikhail Gorbachev has to establish a credible, convertible currency. Without a hard currency, moreover, true economic reform is impossible.

Although many currency reforms have been proposed, they lack a solid basis in economic experience. If Mr. Gorbachev is to succeed in the economic sphere, he must imitate Keynes's simple, effective idea.

To carry out such a reform, the Soviets must abolish their central bank and replace it with a Soviet currency board. The board would issue new "hard" rubles that had 100 percent backing in a foreign reserve currency. The new notes would be convertible at a fixed rate with the reserve currency.

The most logical reserve currency would be the U.S. dollar, since the dollar is the preferred unofficial currency in the Soviet Union. To obtain required dollar reserves, the Soviet Union could begin by converting its stock of gold and foreign currency reserves into about $20 billion. In addition, another $20 billion could be raised through standby facilities with Western governments and the International Monetary Fund.

A Soviet currency board would be easy to establish. Moreover, it would be practical, since it has been tested before with excellent results. The benefits would be immediate.

The ruble would become a hard currency acceptable in international trade. In consequence, the Soviet Union and its citizens could purchase the Western goods they need to foster economic development. Western businesses would be more willing to invest in the Soviet Union, since they could repatriate their earnings in hard currency.

More important, a successful currency reform would inject a much-needed degree of confidence into Mr. Gorbechev's faltering reform process. Without a hard currency jumpstart, centrifugal forces will continue to tear the Soviet Union apart.

[From the Financial Times, Feb. 21, 1990]

REFORM BEGINS WITH A CURRENCY BOARD; GERMAN MONETARY UNION

(By Steve Hanke, Alan Walters)

The two Germanys have agreed to begin discussions about crafting a currency reform. This represents a tiny step along what promises to be a bumpy road.

Chancellor Helmut Kohl's pre-emptive strike on currency reform will, no doubt, provide the starting point for deliberations. The Chancellor proposes a quick switch from two German Marks to one. Such a currency reform would entail the abolition of East Germany's central bank and its unconvertible soft currency. In exchange, the East Germans would accept West Germany's Bundesbank as the sole purveyor of its monetary policy and the D-mark as its legal tender. This proposal has given the Bundesbank's President, Mr. Karl Otto Pohl, and some East German officials considerable discomfort.

But the tensions created by the proposed switch are unnecessary. There is an alternative that should satisfy both Mr. Kohl and Mr. Pohl, as well as the East Germans.

The currency reform would require that East Germany's central bank be replaced by a currency board. This new institution would guarantee East German monetary stability and establish a fully convertible East German Mark. Thus, the Chancellor's objectives would be achieved. An East German currency board would not affect the Bundesbank's policies and would lay the foundation for a monetary union and eventual German reunification. Mr. Pohl's concerns would be addressed and the East German Mark would be retained. Thus, the East Germans would be able to save face.

Although currency boards appear to be something new, they are not. Currency boards were ubiquitous in the colonial regimes of Africa, Asia and the Caribbean. But as colonies became independent in the 1950s and 1960s, they generally eschewed the currency board system and formed central banks. Perception, rather than performance, engendered the demise of the boards: they were regarded as colonial instruments of exploitation.

This was an unfortunate misconception. Where currency boards survive, for example in Singapore and Hong Kong, they have prevented exploitation by currency debasement. Indeed, these countries have been bastions of stability in a world of inflationary expropriation.

The principle attributes of a currency board are:

Issuance of domestic currency which is readily convertible into a foreign-reserve currency at a specified and fixed rate.

Domestic currency backed by liquid reserves held by a board and denominated in a foreign-reserve currency.

Reserves equal to or greater than the value of the domestic currency issued. The discipline of convertibility at a fixed rate and reserve-currency backing establish reliability and confidence. To establish a hard East Germany Mark, East Germany should convert its central bank into a currency board. The board would recall old East German Marks and replace them with new ones. The new East German Marks would be fully backed by interest-bearing, West German Government bills and D-Mark notes. Moreover, the new East German Marks would be fully convertible and as good as D-marks because the East German currency board would exchange new East German Marks at a fixed rate for D-marks.

The critical question is: at what level should the exchange rate be fixed? Too high a rate (such as the 1:1 official rate) would render East German industry almost uncompetitive. Real wages would be relatively high, but few workers would enjoy them since employment would be scarce. Similarly, too low a rate (say 1:10) would result in a shortage of labour as the world would rush to employ the low-wage workers in East Germany.

In our view, it would be best to fix the new East German Mark rate near the present "free" rate (1:6). It is true that at this rate holders of East German Marks would not receive a subsidy from West Germany as a consequence of the reform. However, transparency dictates that any subsidy should be an explicit one from the West German Government and the country's voters to residents of East Germany, rather than an implicit one facilitated through a currency reform.

A currency reform along these lines would assist the East Germans in their attempt to escape the grim realities of socialism. The East German's public purse would be out of reach from plundering politicians since they would no longer have access to East German Mark printing presses. Hence, East Germans would enjoy roughly the same low inflation and interest rates as West Germans. In consequence, East Germans would be as willing to hold new East German Marks as D-marks.

With an East German currency board, foreign investors would be able to convert new East German Marks into a hard currency and repatriate profits earned in East Germany. This convertibility feature would facilitate trade, establish investor confidence and encourage the inflow of foreign capital. Nongovernmental linkages between East Germans and international capital markets would be established. These linkages would promote the creation of international bank branches in East Germany. Such branches would give the East Germans access to large pools of competitively priced capital and international expertise. Other advantages include economy, simplicity and automatism.

Chancellor Kohl is correct. The East German's central bank instills little confidence and produces unconvertible soft Marks. Thus, its existence jeopardises liberal economic reforms. Mr. Pohl is also correct. An immediate monetary union between the two Germanys would threaten the Bundesbank's autonomy and sound monetary policies. To satisfy the concerns of Mr. Kohl and Mr. Pohl and allow the East Germans to retain a sovereign monetary institution until the two Germanys are reunified, an East Germany currency board must be established immediately.

(The authors are professors at The Johns Hopkins University in Baltimore. Sir Alan Walters, until recently, was Prime Minister Margaret Thatcher's personal economic adviser.)

Mr. SYMMS. I yield the floor.

AMENDMENTS NUMBERED 2668 AND 2669

Mr. PELL. Mr. President, I believe that the Gramm amendment is the present pending amendment, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. PELL. I think it is an excellent amendment. It has been cleared on this side, and I suggest we vote on it.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the Gramm amendments, en bloc.

The amendments (No. 2668 and No. 2669) were agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Montana.

AMENDMENT NO. 2672

Mr. BAUCUS. Mr. President, on behalf of myself and Senator CHAFEE, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS], for himself and Mr. CHAFEE, proposes an amendment numbered 2672.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 31, line 23, insert "environmental and health protection laws," after "agricultural policy laws".

On page 35, after line 7, insert the following:

"(F) to control the emissions of air pollutants that may present a risk to public health and the environment;

(G) to protect and restore all waters;

(H) to restore areas contaminated by hazardous substances;

(I) to conserve biological diversity;

(J) to prevent environmental threats to the United States or the Arctic/subarctic ecosystem;"

Mr. BAUCUS. Mr. President, this is an amendment which I think is cleared all the way around. I checked with the majority side and also the minority side. The Senator from Rhode Island is involved in this because it touches upon language which he has added to the bill.

Essentially, the amendment clarifies the environmental opportunities that are available to the United States in dealing with Russia and the emerging Eurasian democracies. The amendment has two major goals.

First, the amendment provides that funds authorized by this legislation may be used for technical assistance for environmental and health policy laws.

We are by now all familiar with the enormous failure of communism to protect the people from the threats of pollution. Cities are chocking with polluted air, the water is unsafe to drink in many areas, and thousands of square miles are contaminated with hazardous wastes.

The United States has been a leader in environmental protection and we have much to offer other countries. I propose that technical assistance through small and medium size United States businesses be available to help Russia and other countries move quickly to improve their environment.

The second purpose of my amendment is to clarify the technical assistance provided for environmental protection.

While the language in the reported bill is laudable in many respects, it is necessary to clarify the environmental and health protection goals of the technical assistance that is authorized.

For example, the reported bill does not authorize technical assistance for the remediation of sites contaminated by hazardous substances.

The reported bill also does not address the problem of local or regionwide air pollution, although it did address the problem of global pollution. But air pollution has many effects and we should provide technical assistance for each.

These types of environmental problems are ones with which we are all too familiar. Our years of experience could be quite valuable to those just moving into a free market economy.

The benefits are many. U.S. technology and know-how can be used in other countries. This increases demand for American environmental goods and services, creating jobs for Americans in a variety of areas, from technical services to manufacturing.

This will allow the recipients of this assistance to improve their level of public health and environmental protection more quickly and at less cost. This helps the people of Russia and other Eurasian countries.

We rarely have such an opportunity for sound international, environmental and economic policies to converge as they can in this instance. And I urge my colleagues to support this amendment.

I urge my colleagues to support the amendment.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. We are prepared to accept the amendment on our side.

Mr. PELL. The amendment has been cleared and is an excellent one, and it has been cleared on our side as well.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment of the Senator from Montana.

The amendment (No. 2672) was agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Alaska.

AMENDMENT NO. 2673

(Purpose: To clarify that fish and fish products are included as agricultural commodities)

AMENDMENT NO. 2674

Mr. STEVENS. Mr. President, I have three amendments I would like to have considered. I believe they are all acceptable to both the majority and minority. I ask unanimous consent I may be able to submit them en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes amendments en bloc numbered 2673 and 2674.

Mr. STEVENS. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2673

Amend the section titled "Sales to the Independent States of the Former Soviet Union—Processed and High Value Agricultural Commodities," by inserting after the phrase "agricultural commodities" the phrase "(including fish and fish products, without regard to whether such fish are harvested in aquacultural operations)".

AMENDMENT NO. 2674

At the appropriate place in the bill insert the following new sections:

SEC. . FOREIGN COMMERCIAL SERVICE OFFICERS.

To ensure adequate United States support for business development in the Russian Far East, the Secretary of Commerce should place United States and Foreign Commercial Service Officers in the Russian Federation cities of Vladivostok and Khabarovsk.

SEC. . TECHNICAL ASSISTANCE CENTER.

(a) The President is authorized to establish a technical assistance center at an American university, in a region which receives nonstop air service to and from the Russian Far East as of the date of enactment of this legislation, to facilitate United States business opportunities, free markets and democratic institutions in the Russian Far East.

(b) There are authorized to be appropriated such sums as may be necessary to operate the center established under subsection (a).

Mr. STEVENS. There are two amendments printed on one page and one printed on a separate page.

Mr. President, last year, Alaskans celebrated with our friends across the Bering Strait the 250th anniversary of Vitus Bering's first trip across the Bering Strait. That voyage marked the beginning of over two centuries of cooperation between the people of Alaska, Siberia, and Eastern Russia.

Long before the ice wall came down between the United States and the Soviet Union, Alaskans were at the forefront of United States efforts to organize business and cultural exchanges with our neighbors to the west.

In addition to establishing sister city relationships with the Far Eastern cities of Vladivostok, Petropavlovsk, Magadan, and Providenya, Alaskans have seized on numerous business opportunities in this region. Alaskan-owned businesses in the Russian Far East are currently involved in everything from making batteries to processing reindeer.

In spite of the great economic opportunity Alaskans see in the Russian Far East, they believe that our government is not doing what it can to assist. This is unfortunate. Recent figures show that Russia has over one-half of the world's supply of coal, oil, and natural gas. It also has one-fifth of the world's timber. Nearly all of those resources are in Siberia and the Russian Far East.

Other countries are already actively involved in cultivating the enormous resources of this region. Japan, for instance, has established development assistance projects in Siberia; oil and natural gas projects on Sakhalin Island; hard coal projects in Yakutia; tourism and fishery projects in Kamchatka; and timber projects across the entire Russian Far East.

Across the region, Russians repeatedly ask the same question: "Where are the Americans?" It seems, Mr. President, that the Americans are all in Moscow and St. Petersburg.

The majority of American aid to Russia has targeted those two cities in Western Russia. And all of the United States Foreign and Commercial Service Officers in Russia are currently located in those two cities.

What many do not seem to realize is that the Russian Far East could be independent in as little as 2 years from now. That is the prediction of a well-known expert on the former Soviet Union, Mr. Paul Goble of the Carnegie Endowment. All the United States aid to Moscow and St. Petersburg will mean nothing if the Russian Far East becomes a separate and independent state.

If we are to take advantage of the economic wealth of Eastern Russia, we must establish a significant American presence in the region. Such a presence will begin with the opening this summer of an American consulate in Vladivostok. But that is not enough.

The United States lags behind Austria, Canada, Finland, France, Italy, Japan, and the United Kingdom in a comparison of the number of commercial officers each country has stationed in Russia. The United States and foreign commercial service must position more Americans in Russia to assist United States businesses.

This does not mean that we should only look at cities such as Vladivostok. Much of the wealth of the Russian Far East—the oil, the timber, the coal, the gas, and the minerals—are not near Vladivostok. We must consider positioning commercial and consular officers in other major cities of the Far East, such as Khabarovsk, Magadan, and Petropavlovsk.

The Russian Far East is also in dire need of technical assistance. Such assistance is needed in the areas of oil development, defense conversion, reform of local and regional governments, democracy building, and infrastructure development. The United States should establish a technical assistance center to facilitate these projects and to enhance American business participation in the Russian Far East.

The potential for American business in the Russian Far East is enormous. Yet, less than half of 1 percent of United States exports and imports currently involve the former Soviet Union. I have three amendments to offer which address the stationing of Commercial Service Officers, the establishment of a technical assistance center, and the inclusion of fish as an agricultural product. I hope that I can count on bipartisan support for these amendments.

The amendments I have just offered do three things with regard to this activity.

First, it would ensure that adequate United States support for business development exists in the Far East and requests that the Secretary of Commerce place United States and Foreign Commercial Service officers in the Russian federation cities of Vladivostok and Khabarovsk. That is a recommendatory request. It is not a mandate but we do believe that the authority should be there.

Second, the next amendment authorizes the President to establish a technical assistance center at an American university in a region which deals extensively with the Russian Far East.

There is only one place for that but the Secretary of State may think otherwise. But it does authorize the establishment of such a center to deal with the business opportunities of free markets and fostering Democratic institutions in the Russian Far East and Siberia.

My third amendment, Mr. President, deals with the problem of making certain that agricultural commodities as referred to in the bill include fish and fish products without regard to whether the fish are harvested in aquacultural operations.

In 1984, Mr. President, through the Magnuson Act we included in the Commodity Credit Corporation authorization an amendment which included fish and fish products in the definition of agricultural commodities.

In 1990 when that act was rewritten the 1984 amendment appears to have been dropped, I believe by mistake, but there was inserted by that amendment in 1990 the following statement.

For the purposes of this paragraph fish entirely produced in the United States includes fish harvested by a documented fishing vessel as defined in title 46 of the United States Code in waters that are not waters including the territorial sea of a foreign country. In the codifying of the amendment, that final amendment, the 1984 provision was left out.

My amendment corrects that and restores fish and fish products in the concept of the Commodity Credit Corporation. Again it is not a mandate. It merely follows a definitional concept that existed in the 1984 bill and subsequent legislation. We wanted to make certain that in this authorization they use the commodities that come under the Commodity Credit Corporation in a manner in which fish and fish products are included.

It was my understanding these were acceptable.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, we are prepared to accept the amendments of the distinguished Senator from Alaska on our side.

The PRESIDING OFFICER. Is there further debate?

The Senator from Rhode Island.

Mr. PELL. Mr. President, we have examined the amendments of the Senator from Alaska and think they are fine and recommend they be agreed to.

Mr. STEVENS. Mr. President, I ask unanimous consent that the amendments be considered en bloc, and I ask for their immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendments en bloc of the Senator from Alaska.

The amendments (No. 2673 and No. 2674) were agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, may I express my thanks to the managers of the bill, and I hope that the departments of State and Agriculture also will use this authority.

I yield the floor.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The bill clerk proceeded to call the roll.

Mr. SIMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMON. Mr. President, I ask unanimous consent to proceed for 5 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

A NONPOLITICAL DRUG CZAR

Mr. SIMON. Mr. President, one of the things that I have tried to do unsuccessfully is to see to it that our drug efforts in the United States should be nonpolitical. When Bill Bennett was the drug czar, he went around the Nation making speeches at Republican rallies, and when he quit as drug czar, he was appointed chairman of the Republican National Committee. It was a natural transition from being drug czar.

But, whoever runs that operation, the people in it ought to be nonpolitical, just as the FBI and the CIA are. For that same reason, when Bob Martinez visited me, I said if you will commit not to get involved in partisan politics—and I am going to ask the same of any future Presidential nominees under whatever President I serve—I will vote for you. Otherwise, I am going to vote against you. He would not give me that commitment and I voted against him. I just received a copy of the Orlando Sentinel. On the front page is, "Drug War: Patronage is Prolific." Then I turn over to the continuation, and it says, "Politics, Not Experience, is a Prerequisite at Drug Office." And then they have this list of various departments of Government, 63 agencies of Government, and what percentage of the people they appoint are political.

Department of the Navy, less than 1 percent, and so forth, on up. And guess which is No. 1. No. 1, the Office of National Drug Control Policy, 42 percent of the employees are political appointees.

In the article itself it says:

> Some top staff members such as recently appointed Associate Director Kay James and former Notre Dame basketball coach Richard "Digger" Phelps—didn't even mention the word "drugs" in their job applications.

Mr. President, we have to do better. If Bill Clinton is the next President of the United States, and I hope he is, I am going to insist before I vote for a drug czar or anyone in that office that that person or persons not engage in partisan politics.

We are not playing games in this area of drugs. We are talking about something that is deadly, literally deadly serious in this country.

I hope we can move away from what we are doing right now. Just yesterday someone gave me a clipping where Bob Martinez is making speeches around the country attacking Ross Perot. I may very well agree with everything he has to say, but the drug czar of the United States of America should not be doing that.

Mr. President, I would like to commend the Orlando Sentinel and Sean Holton, who wrote this story. I ask unanimous consent to have it printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Orlando Sentinel, June 28, 1992]

DRUG WAR: PATRONAGE IS PROLIFIC

(By Sean Holton)

WASHINGTON.—The federal office created to lead the nation's "war on drugs" has a higher percentage of political-patronage jobs than any other U.S. government agency, records indicate.

More than 40 percent of the 109 employees in the Office of National Drug Control Policy got their jobs through a spoils system that places the highest premium not on expertise in a given field but on political connections and—in this case—Republican Party loyalty.

The drug office's patronage payroll adds up to $2.6 million and includes 49 people—two of whom don't even work on drug-related matters. The list begins with drug czar Bob Martinez and his top deputies and reaches down to secretaries and typists, according to office personnel records obtained by The Orlando Sentinel.

Most federal agencies set aside fewer than 5 percent of their jobs for political appointees, and only a handful have more than 9 percent, according to a Sentinel analysis of figures kept by the White House, the government Office of Personnel Management and the General Accounting Office.

The high numbers at the drug office have alarmed some congressional Democrats, including the powerful senator who was a key force in creating the office.

"I feel betrayed," said Sen. Dennis DeConcini, D–Ariz. "This is totally out of line and unacceptable, and really a disgrace—not only to Martinez for letting it happen but to the White House for making it happen."

DeConcini, chairman of the Senate Appropriations subcommittee responsible for financing the drug office, threatened to slash the drug czar's budget this year and to push for abolishing the office next year if President Bush is re-elected.

"The president has politicized it, . . . putting out phony statements of success and declaring a victory, . . . when, in fact, we are losing the war," he said. "It is just clear that the White House and Bush have made this a purely political office to dump political appointees in."

Martinez, in response, issued a written statement that fired right back at DeConcini.

"To say that it is unacceptable for a policy office in the White House to have political appointees in it is preposterous," Martinez wrote. "I'll match the proportion of political appointees in my office against the proportion in Sen. DeConcini's any day."

Defenders of the highly political staff say it is vital to one of the office's primary missions: Producing an annual "National Drug Control Strategy" that reflects the policies and political goals of the president.

They say that many of the lower-rung patronage jobs involve generic office skills, such as typing and filing, that don't require special expertise.

Further, staffers in the drug office say, higher-level appointees have the general government expertise to deal with Congress and the rest of the Washington bureaucracy.

On that point, the drug office found an unlikely ally in the congressman who has been its hardest critic.

"You can't knock all political appointees," said Charles Rangel, D–N.Y., chairman of the House Select Committee on Narcotics. "Some of them are pretty good people."

But the percentage of political appointees in the drug office "is alarming," Rangel said, and indicates that the White House views the drug office as a "dumping ground."

Such concerns aren't exclusive to politicians. Others familiar with the 3½-year-old drug office say that the high patronage levels may help explain why it commands so little respect among career law-enforcement and drug-treatment professionals in the more than 30 agencies it is supposed to coordinate.

"I said something about it being a dumping ground," said Terrence Burke, former acting chief of the Drug Enforcement Administration. "It certainly had that appearance. And right now the office does not really appear to be functioning that well."

One undisputed fact is that patronage jobs are won or lost on Election Day. As a result, if President Bush were defeated in November, it would wipe out nearly half the office established by Congress in 1988 to fight what Bush later called "the gravest domestic threat facing our nation today."

LITTLE EXPERIENCE WITH THE DRUG ISSUE

Relatively few of the drug office's political appointees claimed experience in dealing with the drug issue on their job applications, which were released to the Sentinel in response to a Freedom of Information Act request.

The list of 49 appointees—Martinez, his two top deputies and 46 others—was current to April, according to a letter that accompanied the material.

Forty-six appointees among 109 employees puts the patronage rate at 42 percent; include the director and the two deputies—the only presidential appointments in the group—and the percentage rises to 45 percent.

In his written statement, Martinez stated that the proportion of political appointees is "33 percent—not 42 percent, . . . and it has decreased steadily since the office was created."

Martinez's staff said the lower percentage he cited was based on the inclusion of some two dozen career civil servants from other agencies who are detailed to work at the drug office but are paid by their home agencies.

Office employees citing previous anti-drug experience include Deputy Director John Walters, once a top aide to former Education Secretary William Bennett. Walters' application spells out his duties at the Education Department, including advising Bennett about drug-abuse prevention policy.

When Bennett was appointed the first drug czar in 1989, he brought Walters along with him. Walters also was praised for keeping the office running during the transition between Bennett and Martinez, who became drug czar in March 1991.

Public Affairs Director Elaine Crispen was involved in the "Just Say No" anti-drug campaign during her years as press secretary to former First Lady Nancy Reagan.

Others reported dealing with the drug issue as political aides or private consultants.

NO MENTION OF "DRUGS" ON APPLICATIONS

But some top staff members—such as recently appointed associate director Kay James and former Notre Dame basketball coach Richard "Digger" Phelps—didn't even mention the word "drugs" in their job applications.

James is a former assistant secretary at the Health and Human Services Department and former public affairs director for the National Right to Life Committee. She is paid a $112,100 salary to oversee the drug czar's dealings with state and local drug-fighting efforts.

At her Senate Judiciary Committee confirmation hearing in April, she cited her work on drug-use surveys at HHS and her involvement in a grass-roots organization to help "at risk" children.

But committee Chairman Joseph Biden, D–Del., told her that her qualifications for the drug post were "mixed at best."

Phelps, a personal friend of Bush, is paid $104,000 a year to be the office's liaison to "Operation Weed and Seed," a $500-million program to revitalize inner-city areas hard hit by crime and drugs. His hiring did not require Senate approval.

Among the office's rank-and-file political appointees are lawyers, former Republican congressional aides, advertising professionals, salespersons and an ex-bartender.

Only a few of the appointees appear to have been directly recruited by Martinez as holdovers from his years as Florida governor. Those include his top personal aide, a personal secretary and his wife's former press secretary.

Many of the others share a common bond as past Republican Party activists—including convention hosts, Bush-Quayle 1988 campaign workers and "opposition researchers" assigned to dig up dirt about political opponents—or as former Education Department appointees.

In addition, drug-office officials said that two of the patronage workers listed on their payroll don't even work there or in any other drug-related post.

Lindsey Howe and Katherine James, two drug-office secretaries, have been "detailed" to help out at the White House personnel office, which screens applicants for plum patronage jobs government-wide.

The drug office's budget director, Bruce Carnes, said that assignment is only temporary, and that the two employees' salaries are being reimbursed by the White House.

"That doesn't make any difference," DeConcini said of the reimbursement. "I mean, . . . they're not there to be a secretarial service to the White House."

CRITICS: POLITICS HURTING DRUG OFFICE

The patronage issue is only one of several to surface in recent months and lead to charges that politics has crowded out performance at the drug office.

Martinez repeatedly has been criticized for letting the drug war fade from view since his appointment last year, and for lacking influence within the Bush administration.

In January he got into hot water over his use of an aide and official letterhead to process campaign-expense refunds from his 1990 Florida governor's race. He has also been questioned by Congress about his travel on behalf of political candidates.

A standard defense offered by Martinez and his staff is that the drug office is a coordinating and policy agency—"not an operating agency." Therefore, they say, it should be not be held to the same standard of political neutrality as law-enforcement agencies such as the FBI and the DEA.

In the case of patronage jobs, Martinez aides say the drug czar's office should not be compared to other government agencies but to the White House staff—because the drug office was set up as part of the Executive Office of the President.

"Keep in mind that . . . a distinction between this agency and most of the other agencies that you're looking at is that this is a policy office as opposed to a technical office," said budget director Carnes, a career civil servant.

Much of the White House staff falls outside the civil service system and is not included in the political-appointment statistics compiled by the GAO, Congress' watchdog agency.

OTHER AGENCIES HAVE FEWER APPOINTEES

But even at other White House agencies for which there are statistics—such as the Office of Management and Budget and the Council of Economic Advisors—the percentage of political appointees among all employees falls far short of those at the drug office.

The distinction drawn by the drug office staff is "smoke and mirrors," DeConcini said.

"That is just blatantly incorrect," he said. "they were never constructed by Congress to be part of the White House. It is to be independent."

Rep. John Conyers, D-Mich., chairman of the House Government Operations Committee that wrote the law establishing the drug office, agreed with DeConcini.

"In fact, ONDCP [the drug office] should be compared to other agencies," Conyers wrote in a statement.

"What this shows is that Bush is more interested in style than substance, that drugs are a conservative political stalking horse, not a real issue for the administration."

THE DRUG CZAR'S POLITICAL PAYROLL

Here are the annual salaries of 49 political appointees in the Office of National Drug Control Policy. The salaries add up to $2,624,703, or an average of $53,565 per appointee. The combined salary of all 109 drug office employees is about $5.9 million:

Presidential Appointments (3):	
Bob Martinez, director	$143,800
John P. Walters, deputy director	112,100
Kay C. James, associate director	112,100
Non-career senior executives (4):	
Elaine D. Crispen, public affairs director	112,100
Terence J. Pell. general counsel	104,000
Richard "Digger" Phelps, "Weed and Seed" liaison	104,000
Joseph H. McHugh, congressional relations director	90,000
Schedule C employees (42):	
Matthew C. Ames, associate general counsel	83,501
Benjamin F. Banta, press secretary	79,220
Rowena M. Morris, special assistant	68,515
Leonard A. Dinegar, special assistant	64,233
David M. Ford, special assistant	64,233
Michael G. Franc, legislative assistant	63,707
Janice K. Benson, executive assistant	61,887
Karen M. Pitts, special assistant	58,247
Donna Knight Rigby, special assistant	58,247
Patricia A. Casal, special assistant	56,990
Nancy W. Dudley, special assistant	54,607
Graham R. Gillette, special assistant	54,607
Severin L. Sorenson, regional liaison	54,607
Daniel J. Cassidy, congressional liaison	49,290
Daniel L. Philippon, special assistant	47,750
Mary L. Cavanagh, confidential assistant	46,210
Paul T. Conway, regional liaison	46,210
Elizabeth A. Dunne, legislative assistant	46,210
Ellen Field, special assistant	46,210
Joan Renee Vail, special assistant	46,210
Jean A. Balestrieri, confidential assistant	45,336
Jane A. Deck, confidential assistant	42,152
Paul G. Cellupica, attorney-adviser	38,861
Nelson J. Cooney, staff assistant	38,861
JoAnn Georgostathis, confidential assistant	38,861
John E. Littel, staff assistant	38,861
Carrie S. Chambers, confidential assistant	33,504
Alicia V. Gatewood, staff assistant	33,504
Judith R. Hall, confidential assistant	33,504
Robert J. Beshaw, staff assistant	32,423
Laura E. Carroll, staff assistant	32,423
Ronald A. Giller, staff assistant	32,423
James O'Gars, staff assistant	32,423
Inez B. Yeiser, staff assistant	30,495
Christopher G. Bahr, staff assistant	26,798
Marianne C. Dean, confidential assistant	26,798
Victoria A. Nolan, confidential assistant	26,798
Lindsay W. Howe, secretary	24,262
Timothy P. Dana, confidential assistant	21,906
Katherine L. James, confidential assistant	21,906
Elizabeth B. Moore, confidential assistant	21,906
Sharon K. Waterfield, confidential assistant	21,906

NOTE.—List reflects employees on payroll as of April.

Source: Office of National Drug Control Policy.

The U.S. drug czar's office has more political appointees, on a percentage basis, than any other federal agency. Here are 63 federal agencies ranked according to the percentage of politically appointed employees on their payroll. The first figure is the total number of employees in the agency; the second column is the number of political appointees among those employees; and the third column is the number of political appointees expressed as a percentage of the agency's total work force.

ATOP THE PATRONAGE PILE

Rank and Agency	Employees	Political appointees	
		By number	By percentage
1. Office of National Drug Control Policy	109	46	42
2. President's Commission on White House Fellowships	8	3	37
3. Federal Mine Safety and Health Review Commission	50	8	16
4. Council on Environmental Quality	25	3	12
5. Council of Economic Advisors	34	4	12
6. Tax Court of the U.S.	319	37	12
7. Office of Science and Technology Policy	40	4	10
8. Commission on Civil Rights	90	8	9
9. U.S. Arms Control and Disarmament Agency	216	19	9
10. Administrative Conference of the U.S.	23	2	9
11. Occupational Safety and Health Review Commission	73	6	8
12. Office of the Defense Secretary	2,175	150	7
13. National Mediation Baord	54	3	6
14. Federal Maritime Commission	217	11	5
15. U.S. Trade Representative	181	8	4
16. Office of Management and Budget	608	25	4
17. International Trade Commission	502	14	3
18. Education Department	5,037	140	3
19. Export-Import Bank	362	10	3
20. National Endowment for the Arts	286	7	2
21. National Transportation Safety Board	374	9	2
22. Interstate Commerce Commission	620	13	2
23. National Endowment for the Humanities	269	5	2
24. Consumer Product Safety Commission	546	10	2
25. Commodity Futures Trading Commission	602	10	2
26. Office of Government Ethics	66	1	2
27. Action	425	6	1
28. Federal Labor Relations Authority	251	3	1
29. Selective Service System	272	3	1
30. Farm Credit Administration	496	5	1
31. Pension Benefit Guaranty Corporation	626	6	<1
32. Federal Trade Commission	1,026	9	<1
33. Small Business Administration	4,998	42	<1
34. Federal Emergency Management Agency	3,404	26	<1
35. Housing and Urban Development Department	14,247	107	<1
36. Energy Department	20,157	148	<1
37. Securities and Exchange Commission	2,460	18	<1
38. Labor Department	17,942	98	<1
39. Commerce Department	37,563	201	<1

ATOP THE PATRONAGE PILE—Continued

Rank and Agency	Employees	Political appointees	
		By number	By percentage
40. Agency for International Development	4,418	23	<1
41. State Department	25,798	132	<1
42. U.S. Information Agency	8,248	39	<1
43. Federal Communications Commission	1,857	8	<1
44. National Credit Union Administration	972	4	<1
45. Office of Personnel Management	6,856	26	<1
46. Equal Employment Opportunity Commission	2,892	9	<1
47. Environmental Protection Agency	18,247	55	<1
48. National Labor Relations Board	2,139	6	<1
49. General Services Administration	21,149	50	<1
50. Agriculture Department	113,496	182	<1
51. Justice Department	93,213	120	<1
52. Department of Transportation	70,191	87	<1
53. Interior Department	75,584	88	<1
54. Health and Human Services Department	130,532	150	<1
55. National Archives and Records Administration	3,213	3	<1
56. Treasury Department	170,368	99	<1
57. Government Printing Office	4,862	2	<1
58. Federal Deposit Insurance Corporation	22,583	5	<1
59. National Aeronautics & Space Administration	25,592	5	<1
60. Department of the Air Force	213,306	25	<1
61. Veterans Affairs Department	255,448	20	<1
62. Department of the Army	41,704	19	<1
63. Department of the Navy	316,165	16	<1
Total	2,361,691	2,401	<1

Note.—For purposes of this table, a political appointee was defined as anyone hired as a Schedule C worker or as a non-career Senior Executive Service employee; presidential appointments (usually the agency's chief and, sometimes, the top deputies) were not included because complete information could not be obtained for all the agencies listed. For example, the Office of National Drug Control Policy actually has 49 political appointees if you include its three presidential appointments: director (agency chief), deputy director and associate director; <1 percent = less than 1 percent.

Sources: White House personnel office; General Accounting Office; U.S. Office of Personnel Management; Office of National Drug Control Policy.

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT OF 1992

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER (Mr. ROCKEFELLER). The Senator from Oklahoma.

Mr. BOREN. Mr. President, is the bill now open to amendment?

The PRESIDING OFFICER. The bill is open to amendment.

AMENDMENT NO. 2675

(Purpose: To match any tied aid offers made by foreign countries to the former Soviet Union)

Mr. BOREN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. BOREN] for himself, Mr. BENTSEN, Mr. BYRD, Mr. BAUCUS, Mr. LIEBERMAN, and Mr. CONRAD, proposes an amendment numbered 2675.

Mr. BOREN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 52, after line 13, add the following:

SEC. . TIED AID CREDIT PROGRAM; CASH TRANSFER ACCOUNTABILITY; RESTRICTIONS ON WAIVERS.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the recent agreement by the Organization for Economic Cooperation and Development (hereafter in this section referred to as the "OECD agreement") to limit tied aid covers the independent states of the former Soviet Union;

(2) this agreement is nonbinding;

(3) it contains "grandfather" clauses which will allow foreign countries to shelter tied aid projects;

(4) the mechanisms for enforcing this agreement may be insufficient to prevent foreign countries from continuing predatory export financing practices that disadvantage the United States; and

(5) while the United States should make its best efforts to abide by the terms of this agreement, it should at the same time be prepared to match any tied aid offer made by foreign countries in violation of the agreement.

(b) COUNTERING TIED AID IN THE FORMER SOVIET UNION.—(1)(A) The President should give priority attention to combating the tied aid practices of foreign countries in the independent states of the former Soviet Union, the Baltic states, and the states of Eastern and Central Europe, when such practices are deemed by the Secretary of the Treasury to be in violation of the OECD agreement.

(B) Funds for this purpose shall be available for grants made by the Export-Import Bank under the tied aid credit program pursuant to section 15(b) of the Export-Import Bank Act of 1945 and to reimburse the Bank for the amount equal to the concessionality level of any tied aid credits authorized by the Bank.

(2) The Chairman of the Export-Import Bank is authorized to use funds made available under section 15(e)(1) of the Import-Export Bank Act of 1945 (12 U.S.C. 635i-3(e)(1)) in such amounts as may be necessary to match specific predatory financing practices of foreign countries in the independent states of the former Soviet Union, in the Baltic states, and in the Central and Eastern European states.

(3) From funds made available under this Act, there are authorized to be appropriated to the Tied Aid Credit Fund established in section 15(c) of the Export-Import Bank Act of 1945 such sums as may be necessary to carry out this subsection.

(c) CASH TRANSFER ACCOUNTABILITY.—Not later than one year after the date of enactment of this Act, the President shall submit a report to the Congress stating—

(1) the amounts of assistance provided under this Act as cash transfers;

(2) the recipients of such cash transfers; and

(3) the extent to which commodity or capital financing were utilized in lieu of such cash transfers.

(d) PROCUREMENT RESTRICTIONS.—Funds made available for assistance under this Act may be used for procurement—

(1) in the United States, the recipient countries, or a developing country; or

(2) in any other country but only if—

(A) the provision of such assistance requires commodities or services, or defense articles or defense services, of a type that are not produced in and available for purchase in any country specified in paragraph (1); or

(B) the President determines, on a case-by-case basis, that procurement in such other country is necessary—

(i) to meet unforeseen circumstances, such as emergency situations, where it is important to permit procurement in a country not specified in paragraph (1), or

(ii) to promote efficiency in the use of United States foreign assistance resources, including to avoid impairment of foreign assistance objectives.

Mr. BOREN. Mr. President, this is an amendment that has been cleared on both sides and has also been cleared with the administration. This amendment would authorize the President to match any tied aid offer made by other countries in the former Soviet Union and in Eastern and Central Europe. It would, in essence, enable the President to draw on the "Tied Aid War Chest" at the Export-Import Bank at his discretion. It would require the President to account for cash transfers to the former Soviet Union and it would limit the procurement of non-United States goods and services.

I submit for the RECORD, letters of endorsement for this proposal from the National Association of Manufacturers, the National Foreign Trade Council, and the Coalition for Employment Through Exports.

I ask unanimous consent that those letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION
OF MANUFACTURERS,
Washington, DC, July 1, 1992.

Hon. DAVID L. BOREN,
U.S. Senate, Washington, DC.

DEAR SENATOR BOREN: The National Association of Manufacturers supports the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act," S. 2532. We also believe, however, that this bill would be greatly strengthened by two amendments you are associated with, namely:

The amendment on Business and Commercial Development in the former Soviet Union, which you are cosponsoring with Senator Lieberman and others, and

The amendment you have offered on Tied Aid Credit Program; Cash Transfer Accountability; and Restrictions on Waivers.

The first of these clearly establishes that S. 2532 is about American jobs and the competitiveness of American firms in the former Soviet Union as much as it is about the former Soviet Union *per se.*

The second of these, your amendment on tied aid, would establish U.S. policy in a critical area and should ensure that American firms and American workers do not lose business to competitors whose governments are more willing than ours to offer tied aid for projects in Russia, Kazakhstan and the other CIS republics. The National Association of Manufacturers recognizes the merits of the recently concluded OECD agreement on tied aid, which limits the use of this kind of financial assistance in the former Soviet Union. On the other hand, we have argued that the Export-Import Bank should use its war chest to match tied aid offers by others in those countries. This is exactly the policy that your amendment establishes with respect to the former Soviet Union, and we strongly support it.

We also support the other provisions of this amendment. These call for an accounting of the cash transfers authorized by S. 2532 and for procurement guidelines that benefit American companies. Both of these provisions are important and constructive.

Over the past five years, nearly 40 percent of the real economic growth in the United States has come from export expansion. The Soviet Union and its successor states played a relatively small role in that export drive. They are, however, likely to be quite significant to future U.S. export growth in a number of sectors. For this reason, we need a strategy designed to ensure that American industry plays a major part in the development of the former Soviet Union. Your amendment is an important component of that strategy.

Sincerely,

HOWARD LEWIS III,
Vice President.

NATIONAL FOREIGN
TRADE COUNCIL, INC.,
Washington, DC, July 1, 1992.

Hon. DAVID L. BOREN,
U.S. Senate,
Washington, DC.

DEAR SENATOR BOREN: The National Foreign Trade Council, having reviewed your proposed amendment to S. 25332, "Freedom of Russia . . . Act" is pleased to give its support to this effort. In recent testimony given on behalf of the NFTC by Jim Cox, Chairman of our Export Finance Committee to the respective Banking Subcommittees of the Senate (Senator Sarbanes) and House (Rep. Mary Rose Oakar) in conjunction with Eximbank's reauthorization legislation, the issue of tied aid and mixed credits and the OECD Tied Aid Credit Agreement were addressed at length. In that testimony Mr. Cox said, "there is widespread consensus by exporters and bankers that the U.S. needs to have a realistic assessment of the current conditions in the area of mixed credits and have this assessment reflected in the reauthorization of Eximbank's charter." It was further stated that, "it is a well-known fact among exporters that other competitor governments have, often times, taken liberties with their interpretation of the OECD Agreement rules. In such cases, the exporters cannot wait until all the facts are known before the U.S. decides to retaliate. Waiting is tantamount to losing an order. Therefore we strongly urge that Eximbank's tied and credit fund be fully available for aggressive, imaginative and pro-active application by the Bank."

Certainly it was and continues to be the intent of the OECD Agreement to keep the new republics of the former Soviet Union and states of Central and Eastern Europe free from predatory competitive practices through the use of tied aid and mixed credits. Your amendment addresses this extremely serious competitive issue with direct unambiguous language. The amendment in and of itself should be seen by our competition as a stern warning not to compromise the spirit of the OECD Tied Aid Agreement. In that context, hopefully it will make the need to retaliate academic.

Sincerely,

EDWARD A. JONES.

COALITION FOR EMPLOYMENT
THROUGH EXPORTS, INC.,
Washington, DC, July 1, 1992.

Hon. DAVID L. BOREN,
U.S. Senate,
Washington, DC.

DEAR SENATOR BOREN: The Coalition for Employment through Exports (CEE) is pleased to support your amendment to S. 2532 on matching foreign tied aid offers to the former Soviet Union. CEE, a broad-based coalition of U.S. exporters, organized labor and state governors, was organized eleven years ago (see attached membership list). Since that time, CEE has pioneered efforts to increase awareness of the linkage between U.S. exports and jobs and to promote export finance programs which enable U.S. companies to compete in international markets. Members of the Coalition have identified mixed credits-tied aid as a crucial factor in competing for overseas projects.

We appreciate your recognition of this problem. Mixed credit-tied aid competition remains a serious problem for U.S. exporters. In a recent Eximbank survey, exporters were critical of U.S. efforts in this area and called for more tied aid support from the government. Until international efforts are proven effective in limiting mixed credits-tied aid practices, CEE believes that U.S. exporters need continued and aggressive support from Eximbank and AID. In particular, the U.S. government should aggressively provide support to American companies in cases of violations of the agreement and in matching financing for projects "grandfathered" or "exempt" from the agreement. CEE supports the Senate Banking Committee bill, S. 2864, which updates the Eximbank charter in this area.

The Coalition is concerned about the use of tied aid by foreign governments in the former Soviet Union and in Eastern and Central Europe. Your amendment specifically addresses this and the need for the United States to aggressively counter tied aid in these areas. We believe this will help our efforts to be competitive in these regions, and to increase U.S. exports and American jobs.

Your leadership on this and other export issues is appreciated and we look forward to continuing to work with you on this important legislation.

Sincerely,

PEGGY A. HOULIHAN,
Executive Director.

CEE MEMBER COMPANIES

AT&T.
Allied Signal, Inc.
American Textile Machinery Association.
Asea Brown Boveri.
Bechtel Group, Inc.
The Boeing Company.
Brown & Root, Inc.
Caterpillar, Inc.
Dresser Industries, Inc.
Dresser-Rand.
Fluor Corporation.
GTE Corporation.
General Electric Company.
Ingersoll-Rand Company.
Motorola, Inc.
PACCAR, Inc.
Private Export Funding Corporation.
Rockwell International.
Scientific-Atlanta, Inc.
Sea-Land Service, Inc.
Varian.
Westinghouse Electric Corporation.

CEE AFFILIATE SUPPORTERS

Labor organizations

American Federation of Government Employees.
Building and Construction Trades Department, AFL–CIO.
Coalition of Labor Union Women.
Communications Workers of America.
Council of Engineers and Scientists Organizations.
International Brotherhood of Electrical Workers.
International Ladies Garment Workers Union.
International Union of Electrical, Radio and Machine Workers.
International Union of Operating Engineers.
The Seafarer's International Union of North America.
United Association of Plumbers and Pipefitters.
United Automobile, Aerospace and Agricultural Implement Workers of America.
United Brotherhood of Carpenters and Joiners of America.
United Steel Workers of America.

Government members

Tom Bradley, Mayor of Los Angeles.
B. Evan Bayh III, Governor of Indiana.
Mario M. Cuomo, Governor of New York.
Jim Edgar, Governor of Illinois.
Booth Gardner, Governor of Washington.
Ann W. Richards, Governor of Texas.
William D. Schaefer, Governor of Maryland.
George A. Sinner, Governor of North Dakota.
Fife Symington, Governor of Arizona.
Tommy G. Thompson, Governor of Wisconsin.
George V. Voinovich, Governor of Ohio.

Mr. BOREN. Mr. President, I ask unanimous consent that the distinguished minority leader, Senator DOLE, be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, let me briefly summarize the reasons why this amendment is necessary. I am among those who believe that the Freedom Support Act is not just another foreign aid bill. But particularly with legislation of such importance, we need to think about ways to help ourselves at the same time that we help others. We have learned the hard way that other countries have become quite skillful at the practice of tying their foreign aid to the purchase of their own goods and services. These other countries are certainly aware that assisting the former Soviet Union also means developing new markets and enhancing their competitive position.

Unfortunately, the United States has been slow in making this connection between aid and trade. Of our economic support fund assistance provided over the last few years, the vast majority has been in the form of cash transfers rather than credits to buy our products. In Eastern Europe, for example, Germany and Japan have given over two-thirds of their aid in the form of credits, far more than the United States. So, what we are doing, in essence, is giving cash that often is used to buy the products of our competitors. In fact, Mr. President, it has been estimated that the United States loses $4.8 billion in exports annually because we have not tied our aid as effectively as other countries have done.

When Germany or Italy or France or Japan provide their aid in the form of tied credits and export credits, they are placing their products into the infrastructure of the recipient countries, into the communication systems, into the transportation systems, into the banking systems that are being modernized in Eastern Europe and elsewhere.

Not only does this create jobs in the donor countries, through the production of high-tech equipment or of basic machinery, it also creates a future market for spare parts and for service contracts. It establishes a long-term economic and trading relationship.

So, Mr. President, I think we have to be alert to what others are doing. We have to be alert to the fact that no matter what others have said over the years, they have been using tied aid projects to take away jobs from Americans. We are compassionate people. We want to help others, but it simply makes sense that we should help ourselves by creating jobs in our own country at the same time.

In 1987, Mr. President, the United States persuaded the other countries of the Organization for Economic Cooperation and Development, the OECD, to reduce the use of tied aid credits. That was the agreement. But, instead, since that time, total tied aid offers actually increased by 75 percent by those countries, from $12 billion in 1987 to $21 billion in 1991. The United States tried to play fair, and our friends in the OECD seized the opportunity. Now, the OECD has put together another agreement to restrict tied aid practices and to make the former Soviet Union off limits in terms of receiving tied aid.

I hope, Mr. President, that this latest agreement will hold. I hope we will not be disadvantaged, as we have since 1987, by other countries that continue to give tied aid, that continue to give credits that can only be used to buy their products.

But I would point out that it is only a hope. Realistically, I doubt very much that this agreement will hold. The latest agreement, like the earlier one, is nonbinding, and it has no enforcement mechanisms. It can be waived for reasons of national interest and it contains a grandfather clause which will exempt our competitors' tied aid projects already underway.

Therefore, Mr. President, I think we must be prepared for the possibility that others may go back to their old ways of using tied aid projects, particularly in the vast and largely untapped markets of the former Soviet Union. If that is the case, the United States must be in a position to make sure that we are on a level playing field. We must make sure that we are able to protect the interests of American workers and businesses while reaching out to help those in the former Soviet Union and in other countries.

This amendment, Mr. President, is simply a matter of giving authority to respond in kind to any violations of the OECD agreement by other countries. It is not mandatory. It does not bind the President. It does not force the President. What it really does is send a message to our friends in the OECD that they should live up to their agreements and that if they do not, the United States will not stand on the sidelines.

This amendment has had broad support from across the board. It leaves maximum flexibility in the hands of the President of the United States. And I think it simply makes it clear to others who will also be participating in aid programs to the countries of the former Soviet Union, that we must all play by the same rules.

Mr. KASTEN. Will the Senator yield?

Mr. BOREN. I will be happy to yield.

Mr. KASTEN. Mr. President, I want to commend the Senator on this amendment, first of all, but also say a number of us have been working on this issue and I know you have for a number of years. I frankly wish we would be binding the President, I wish we would be mandating, I wish we would be forcing, because we have tried through hearing after hearing, through letter after letter, time and time again to try to get this point across, and it wins sometimes in Commerce, and then it loses in State, and it wins sometimes in one place and loses somewhere else, and it goes back and forth like a ping-pong ball in this administration. I commend the Senator for his amendment. I ask I be named a cosponsor of the amendment.

Mr. BOREN. Mr. President, I thank my colleague from Wisconsin. I ask unanimous consent that the Senator from Wisconsin be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, I rise to urge my colleagues to support the amendment offered by the Senator from Oklahoma.

The legislation now before the Senate will help set the foundation for our economic relations with Russia and the other former Soviet Republics for many years to come. This bill therefore is of historic significance not only to President Yeltsin and his colleagues, but also to our own companies seeking to do business in the former republics. Our firms are counting on us to pass a bill that also keeps their important interests in mind.

We all recognize that the United States today faces unprecedented economic challenges from our major European and Asian competitors. A recent study by the private sector Council on Competitiveness found that we continue to lose ground in many key industries—expecially those in which foreign governments are helping their firms build up production and exports.

One way they do so is through the use of tied aid. Many of our toughest economic competitors continue to link their foreign assistance directly to purchases of their own products. And they provide export credit financing below market rates.

Our competitors also make sure that the bulk of their aid goes for lucrative capital projects—which help the recipients speed up their economic development. The assistance goes for much-needed phone lines, powerplants, and scrubbers that cut back on air pollution. And those capital projects return money and jobs to the countries providing the aid.

Meanwhile, the United States continues to spend far less on these capital projects, while giving far more aid in cash, than anyone else.

The result: Our companies continue to lose as much as $5 billion a year to their foreign competitors.

Last July, this body overwhelmingly passed aid for trade legislation to begin dealing with this serious problem. Like that bill, this amendment makes clear that we will no longer sit by idly while other countries actively pursue opportunities in emerging markets like the former Soviet Republics.

For years, U.S. negotiators tried to prod other countries to put limits on their tied aid. But the talks languished, and our competitive position only worsened. By passing that aid for trade legislation, we made it crystal clear that the United States was ready to counter the massive tied aid provided by other countries. And with that added leverage, our negotiators finally were able to bring back a tied aid agreement last fall.

That agreement was an important milestone. But it still leaves many questions unanswered. It grandfathers current tied-aid arrangements. Already some countries are using that loophole to extend their tied aid for several more years. It relies on voluntary compliance: There are no sanctions to compel good behavior. And it is still anybody's guess just how the agreement will be enforced.

In fact, our own Export-Import Bank Chairman has stated that the United States will have to be the policeman of the tied aid agreement.

No good policeman reports for duty unarmed. If other countries are prepared to use tied aid, we must be ready to respond.

That is just what the Senator from Oklahoma's amendment does with respect to aid to the former Soviet Republics. It makes clear that we should counter any tied aid provided by other countries to the former republics. That is the whole purpose of the Export-Import Bank's war chest. We should not hesitate to use it aggressively to help our own companies gain a foothold in Russia and the rest of the former republics.

The point is to respond in kind to what our competitors may choose to do. We should not, and we will not, be the first to violate the tied aid agreement. But we also must not unilaterally disarm and just cede those markets to our chief competitors.

This amendment makes clear that we will not do so. And it also ensures that our approach toward the former Soviet Union is a balanced one: Helping the former republics help themselves, while also looking out for our own commercial interests. That is the essence of a sound aid policy.

For all of the above reasons, I urge my colleagues to support the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. PELL. Mr. President, this seems to be an excellent amendment. I suggest that we vote for it.

Mr. LUGAR. Mr. President, we are prepared to accept the amendment on our side.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2675) was agreed to.

Mr. BOREN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BALANCING THE BUDGET OR PLAYING POLITICS

Mr. HARKIN. Mr. President, reducing the deficit, and how we accomplish that goal, are some of the most difficult issues that the Congress and our Nation will face over the next decade. Balancing the budget is serious business. It demands the leadership of the President, the cooperation of Congress, and sacrifice and commitment of the American people. It should not be used for crass political purposes or manipulation for partisan advantage. Unfortunately, that's the situation we find ourselves in today when considering the amendment of Senators SEYMOUR and NICKLES.

Mr. President, I have struggled over the question of the balanced budget amendment for all my years in Congress. When I served in the House in the 1970's and early 1980's, I opposed the balanced budget amendment. But beginning in 1982 as deficits skyrocketed in the early Reagan years, I began to review my position. Four years later, i supported the balanced budget amendment then offered by Senator SIMON.

And if the House had cast the necessary two-thirds vote to move the balanced budget amendment to the States for their ratification, this year's vote on Senator SIMON's proposal would once again have been a difficult one. However, it is not now. The House's rejection of Congressman STENHOLM's balanced budget amendment doomed action on this proposal by the Congress for this year. The debate this week is merely a partisan exercise, designed to score political points rather than take the serious and concrete steps needed to balance the budget.

The fact is, Mr. President, some of the Republicans have decided to play political games with the deficit. As Senator SIMON, the chief sponsor of the balanced budget amendment that passed the Judiciary Committee, said, "I do not consider this a test vote. It [the balanced budget amendment] has been defeated. I think it is clear that it is being brought up for partisan political purposes." Simply put, this Republican-inspired effort to revive this issue—which, again, has no real chance of getting out of Congress and into the State legislatures for ratification—is clearly a sham designed for the upcoming political campaign, rather than a serious or sincere attempt to solve the deficit crisis.

Before we can act in earnest on the constitutional balanced budget amendment in the next Congress, we can take real and concrete action now to deal with the deficit. For one, the amendment proposed by Senator BYRD puts ultimate responsibility for balancing the budget where it belongs—on the President's desk. Specifically, the Byrd amendment calls upon the President to submit, by September 2, a plan to balance the budget within 5 years. It's curious that the 2 leading proponents of a balanced budget amendment, President Bush and former President Reagan, have presided over administrations in large part responsible for the quadrupling of the Federal deficit—increasing by $3 trillion in just over 11 years.

The Byrd amendment makes the point that where a balanced budget is concerned, don't read the President's lips, read his budget. The President's fiscal year 1993 budget shows a deficit of $339.4 billion for the current year, the largest annual deficit in our Nation's history. Mr. Bush's political rhetoric aside, this figure is the true measure of his commitment to a balanced budget.

Mr. President, balancing the budget and getting our fiscal house in order demands more than political grandstanding. It requires real action.

In the current fiscal year, the Federal Government will spend an estimated $297 billion on interest, more than defense or Social Security. That amounts to $800 million each day that could be spent on education, health care, job training, and housing.

And who benefits? Those billions of dollars of interest payments go to those wealthy enough to buy T-bills. Increasingly, these are foreign investors. Instead of paying off the rich, we should be investing in our human and physical resources.

We do need to begin the process of imposing the restraint necessary to balance our books and halt this drain of public capital from our children, grandchildren, and poor and middle income Americans to the wealthy, both here and abroad. For this reason, I have been attracted to the proposal of Senator SIMON.

I believe a balanced budget amendment can be achieved by pursuing a growth agenda. First, we can reduce defense expenditures by as much as 50 percent over the next 10 years and devote these resources both to public investment and deficit reduction. Second, we can reduce the trade deficit with a tough trade policy designed to stop the export of U.S. jobs. Eliminating the trade deficit will create good, well-paying jobs here at home, which will stimulate the economy and, in turn, reduce the deficit.

Third, a comprehensive growth policy, based on investments in our people and physical resources, will generate economic growth, produce more jobs, producing higher revenues while reducing Government expenditures for unemployment benefits as well as welfare costs. The deficit will be lowered as a result. Fourth, reducing the deficit will lower Federal payments on interest. An economic growth policy also demands tax fairness, and that may require making the wealthy pay their fair share of the tax burden. For this reason, I opposed the amendment of Senator KASTEN, which would require a super majority to inject fairness into our tax code.

With a growth policy in place, with budget priorities that meet the needs and threats of the post-cold-war world, we can balance the budget, without reducing investments in our human and physical resources and without sending a huge bill to our children and grandchildren. But a task of this importance demands more than rhetoric or partisanship. As I have said before, it requires leadership by the President, cooperation by the Congress, and a commitment and willingness to sacrifice by the American people. Political exercises, such as the one we are engaged in today, moves us further into political gridlock and further away from our goal of balancing the budget and putting our economy on the path to sustained long-term growth.

AMENDMENT OF THE COMMITTEE ON AGRICULTURE

Mr. KERREY. Mr. President, I rise in support of the amendment from the Committee on Agriculture, and I want to thank the chairman and the ranking Republican of the committee for their complete cooperation and full support in accommodating my interest in seeing that we reorient our export assistance programs toward giving some encouragement to the emerging private sector farming activities in the former Soviet Union.

We in American agriculture find ourselves in a bit of a dilemma. We welcome, of course, the fact that the former Soviet Union is no more and that the several countries that have emerged in its place have abandoned communism in favor of democracy and free markets. But, the former Soviet Union was among United States agriculture's largest market, and we want the new independent States [NIS] that have replaced it to remain strong commercial customers.

The dilemma in this: We know that if the NIS is to put itself on a firm economic footing, and remain a cash customer for United States farm products, the new independent States must rebuild a healthy private agricultural sector as a pillar of their society. A strong domestic agriculture in these countries could be viewed by some as a potential threat to U.S. markets, but that does not have to be so. Indeed, I support the changes made by the committee amendment because I believe that they will encourage private sector farmers within the new independent States in a way that will increase demand among those farmers not only for bulk grains, but also for feed products, breeding livestock, machinery, inputs and other items from the United States that will help farmers throughout Eurasia to satisfy a consumer demand that, as we all know, has a tragically long way to go before it is fulfilled.

For over 2 years, Land O'Lakes, the large American dairy cooperative, has been working with the major grassroots organization of private farmers in Russia—a group with the acronym AKKOR—to set up private agribusiness in the Tula region, south of Moscow. AKKOR was founded just 2½ years ago and since then the number of private farms has grown from fewer than 1,000 to nearly 100,000 as of last month. AKKOR now expects to see 150,000 private farms in Russia by the end of year—vastly exceeding projections made last year. Land O'Lakes and the Russian Ministry of Agriculture have privately financed a full feasibility study to create model agribusinesses that would be controlled by private farmers. AKKOR is exactly the type of effort that I believe we need to support with the changes made in the amendment from the Committee on Agriculture.

Mr. President, I am confident that this amendment will prove to be in the long-term interests of farmers here in the United States as well as the new independent states, and I am pleased to support it.

ARMENIA, AZERBAIJAN, AND THE FREEDOM SUPPORT ACT

Mr. KERRY. Mr. President, I would like to take a few minutes during this debate on the Freedom Support Act [FSA] to discuss the current situation involving Armenia, Azerbaijan, and Nagorno-Karabach.

Section 5(c) of the FSA consists of an amendment that I offered in the Foreign Relations Committee to prohibit assistance to Azerbaijan unless and until it meets the following three conditions. First, it must take steps to cease its blockade and other offensive uses of military force against Armenia and Nagorno-Karabach; second, it must demonstrate respect for the human rights of its minority citizens, including the Armenians; and third, it must participate constructively in international efforts to arrive at a peaceful settlement of the Nagorno-Karabach issue.

It should not be United States policy, and it is not the intent behind the language in this bill, that the United States side with one party or the other in the conflict over Nagorno-Karabach. It is not we who will have to live with the outcome of that conflict. Nor do we wish to encourage other outside powers to intervene. Our neutrality, however, does not extend to the issue of principle. We are not neutral about abduction, torture, or murder. We are not neutral about blockades designed to starve out populations. We are not neutral about mortarfire and shelling that kill indiscriminately. And we are not neutral about the issue of whether disputes over territory and self-determination ought to be settled through peaceful negotiation rather than violence.

Clearly, none of the parties to the conflict in Nagorno-Karabach is without fault. Neither the Azerbaijani Government nor the Armenian Government fully controls the actions of the military units with which it is identified. Both sides, moreover, have been accused of aggression, both have been accused of indiscriminate violence, and both have been accused of a refusal to compromise.

But the fact that there may be blame on all sides does not mean that the responsibility is equal. Any objective analysis of the history of Azeri control over Nagorno-Karabach, or of the recent escalation of fighting, must conclude that the primary responsibility and blame for the violence rest with Azerbaijan.

Azerbaijan has maintained an economic blockade against Armenia periodically since 1988, and continually since November of last year. The result has been desperate shortages of fuel, food, and other basic supplies within Armenia, crippling the economic recovery of perhaps the most democratic, pro-free-enterprise, pro-American of all the former Soviet Republics.

That blockade also has affected Nagorno-Karabach, a predominantly Armenian enclave that was placed under the control of Soviet Azerbaijan by order of Joseph Stalin in 1921. Stalin subsequently redrew the boundaries to eliminate any land border between Armenia and Nagorno-Karabach. For decades, the Armenian residents endured political and economic repression orchestrated by the Communist leaders in Moscow and their puppets in the Azerbaijan capital of Baku.

Finally, in 1988, the parliament of Nagorno-Karabach took advantage of the political opening promised by President Gorbachev and voted in accordance with the Constitution to seek independence from the authority of Azerbaijan. This triggered a major outbreak of repression directed by Azerbaijan against the region, including torture, abductions, and large-scale deportations leading to a massive flight of refugees to Armenia.

The fighting has continued intermittently for the past 4 years, but has been particularly intense during the past 6 months. Although the Armenian forces have taken steps to break the blockade and open supply lines between Armenia and Nagorno-Karabach, and questions remain about the alleged killing of Azeris in February at Khodzaly, the primary instigator of the recent violence has, again, been Azerbaijan.

Under the direction of its new hardline President, Ebulfez Elchibey, Azerbaijan has launched a massive offensive against the Armenian forces in Nagorno-Karabach and reportedly has made preparations to carry the fight across the border into Armenia, itself. The Azeri offensive has been aided by large quantities of heavy weapons either seized from, or provided by, the regular Army of the Confederation of Independent States. Bombings and shellings of principal Armenian cities, including Stepankert, occur on a daily basis. Hundreds of innocent civilians have been killed or wounded in this latest round of fighting alone and thousands of homes have been destroyed.

Unfortunately, international efforts to mediate a peace settlement have not yet succeeded. The Russians, the CSCE, Iran, the United Nations, and others have sought agreements from the parties to stop the fighting. Armenian President Ter-Petrosyan has made clear his Government's support for a peaceful settlement and has suggested the deployment of UN peacekeeping forces. Speaking to an emergency session of the Armenian Parliament on June 25, Ter-Petrosyan said that:

> We cannot ignore the norms of international law and are bound to take account of world public opinion. I hope that the common sense and wisdom of the people will prevent irresponsible forces from plunging us into rash action. Ensuring the safety of Nagorno-Karabach's population in conjunction with continuing the negotiation process should remain the basic component of our policy toward Nagorno-Karabach. The only alternative to this is the further intensification of confrontation and an unending bloody war. I reject the futile route.

Although Azerbaijan's leaders also have expressed public support for a settlement, their words are belied by a continuing failure to acknowledge any degree of autonomy for Nagorno-Karabach and by maintenance of the blockades.

As I have said, there are many aspects of the current situation that are not entirely clear. But section 5(c) of the Freedom Support Act gives the Senate the best opportunity we will have to go on record about the aspects of this dispute that are clear. First, the economic blockade launched by Azerbaijan against Armenia and Armenian Nagorno-Karabach was—and is—wrong. Second, U.S. aid dollars should not go to Azerbaijan as long as that country is engaged in military aggression. Third, respect for human rights should remain an absolute precondition to the granting of aid to any government. And, finally, all sides should seek a peaceful resolution to the conflict.

I hope that the inclusion of this language in the Freedom Support Act will contribute to international pressure on Azerbaijan to modify its policies, and that it will encourage the Bush administration to be aggressive in its support of an end to the violence and repression in Nagorno-Karabach.

In closing, I ask unanimous consent to insert at this point in the RECORD a chronology of daily reports on the current situation in Nagorno-Karabach and Armenia that was prepared by the Armenian Assembly of America. The information was prepared from firsthand accounts, local press sources, and official Government statements.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHRONOLOGY OF DAILY REPORTS ON CURRENT SITUATION IN NAGORNO-KARABAGH AND ARMENIA MAY 1–JUNE 23, 1992

NAGORNO-KARABAGH

Askeran region

May 5: On May 5, the regional center of Askeran was shelled with 25 "grad" missiles from the Aghdam region (Azerbaijan). Several structures were damaged. Details about the casualties are being confirmed.

May 6: As a result of artillery shelling of the Armenian village of Baluja from the Azeri bases in Jangasan one villager died.

May 11: In the morning of May 10, after the "grad" shelling, Azeri army forces with 20 units of armoured equipments and tanks attacked the Askeran region the Aghdam region of Azerbaijan. The attackers managed to enter the Armenian villages of Dahraz and Aghbulagh. Six natives were killed and five were wounded. Armenian self-defense units managed to repel the attack.

On May 9, the regional center of Askeran, Armenian villages of Harav, Karashen and Krasni and Stepanakert City were bombarded with MI–24 helicopters and SU–25 attack planes. The bombing of Stepanakert, the city airport and the regional center of Askeran were considerably more intensive. Askeran and the Village of Noragyugh were shelled with "grad" missiles from the Aghdam region (Azerbaijan). There were many casualties and many buildings were damaged.

May 13: In the evening of May 12 and the morning of May 13, the Armenian villages of Akhbulakh, Arazamin, Nakhijevanik, Dagraz and the Stepanakert airport were shelled with "grad" missiles, artillery weapons and tanks from the Aghdam region. An accumulation of tanks, armoured vehicles and soldiers are being observed near the Azeri village of Gyulabli. Once again, a major attack is being expected.

May 14: On May 13, an Azeri SU–25 attack plane again bombarded Armenian villages in the Askeran region. Several homes were destroyed in the village of Khachmash and two villagers were wounded. On May 9, this same military plane fired upon the Armenian Yak-40 plane, which was transferring wounded from Stepanakert to Goris. The plane caught on fire and barely managed to land at the Sisian (Armenia) airport.

May 15: On May 15, the Armenian villages of Nakhijevanik and Prjamal were fired upon from the Azeri bases in Gyulaplu. Several buildings were damaged and there were several wounded. Armenian self-defense forces repelled these attacks and were also able to silence almost all of the weapon emplacements in Gyulaplu.

May 18: In the evening of May 17 and the Morning of May 18, the regional center of Askeran was shelled with artillery weapons and tanks from the Aghdam region. More than 100 shells were launched on the city. One person died, six were wounded.

May 20: On May 20, the regional center of Askeran and the Stepanakert airport (Khojalu) were shelled with "grad" missiles from the Aghdam region. Two people were wounded. Several homes were damaged.

May 25: In the evening of May 23, the regional center of Askeran and Armenian villages near the NKR border were shelled with artillery weapons and "grad" missiles. The shelling continued until May 24. More than 150 different types of shells were launched. Four people died and four were wounded.

June 4: On June 3, a "uaz" type car was blown up by an Azeri placed mine near the Armenian village of Dagraz. Eight passengers died and four were wounded.

June 12: Armenian villages of Prjamal, Akhbulakh Arandzamin and Dahraz which were conquered and looted on June 12, and still under the Azeris' control. Reinforcements coming from the Aghdam region. The regional center of Askeran and the positions of the Armenian self-defense units are being shelled with artillery weapons and "grad" missiles. Details concerning casualties are still being confirmed. The Azeri units also suffered considerable losses, and once again reports are being received that the units are full of mercenaries of Slavic origin.

June 17: While Azeri units continue to hold their positions in the five conquered Armenian villages, Armenian self-defense forces began a counter-attack to liberate their land. Reports indicate that the Azeris are getting reinforcements from the Aghdam region. During the counterattack, several Azeri military vehicles and equipment were destroyed.

June 19: On June 19, the regional center of Askeran and the Armenian village of Kyatuk were shelled with artillery weapons and "grad" missiles from the Aghdam region. Several villagers were wounded and many buildings were damaged.

June 22: On June 20, Armenian self-defense forces launched an attack to liberate the Armenian villages of Nakhijevanik and Prjamal, which had been conquered by Azeri forces on June 12. Azeri army tank units retreated, though at least three tanks were put out of action. Both sides suffered losses.

On June 22, at 3 a.m., the regional center of Askeran was attacked with tanks and armored vehicles from the Aghdam region. The attack was repelled. Three Armenians died and one was wounded. At the same time, several Armenian border villages of the Askeran region were shelled with "grad" missiles and heavy artillery.

June 13: Azerbaijani forces recently seized military weapons from arsenals which were maintained by the former Soviet army. These forces misappropriated massive quantities of armored vehicles, planes, missile launchers, automatic weapons, and ammunition. There is no doubt that the seizure of these weapons, combined with the already massive weaponry Azerbaijan possesses, will be used to annihilate the people of Nagorno-Karabagh. The launching of this offensive, coming shortly after the election of President Elchibey, is in direct contravention of the agreement reached at the north atlantic cooperation council meeting in Oslo on June 6th. This latest offensive is an attempt by Azerbaijan to derail the upcoming CSCE conference on Nagorno-Karabagh in Minsk scheduled to convene in two weeks.

June 14: The Armenian self-defense forces managed to stop the progression of the Azeri tanks into the Askeran region. On June 14, the Armenian villages of Maragha, Karmiravan, Talish (Mardakert region, two people died and four were wounded), the Armenia village of Edillu (Hadrut region, two died) and all the border villages of the Noyeberian, Ijevan, Kapan, and Goris regions of Armenia were shelled with "grad" missiles and artillery weapons. There were casualties and several structures were damaged.

Hadrut region

May 5: On May 5, the Armenian villages of Tumi and Edillu were shelled with "grad" missiles from the Fizuli region (Azerbaijan). Two homes were destroyed. One villager was wounded.

May 7: On May 6, at 8 pm, the wine factory and the village of Togh were attacked with armored vehicles from the Azeri village of Vershatlu (Fizuli region). The Armenian self-defense forces managed to retaliate the attack. One villager of the village of Hkaku (Hadrut region) was killed.

May 12: During the early morning on May 12, Azeri forces heavily shelled the Armenian village of Khsabert with grad missiles. There were casualties. It appears as if the Azeri forces which were retreating from Shushi were able to transfer one grad missile launcher to heights overlooking the Hadrut region.

May 13: The regional center of Hadrut and the Armenian village of Khtsaberd were shelled with "grad" missiles from the Jebrail and Fizuli regions (Azerbaijan). One villager died, nine were wounded.

May 14, On May 12, near the Fizuli region, a group of armed Azeris attacked a convoy of cars, including trucks carrying food for troops in the Hadrut region. The food from seven trucks was stolen.

June 3: As a result of a "grad" shelling, one man died and one was wounded in the village of Akhbulakh.

June 4: On June 4, the Armenian village of Melikjanlu was shelled with "grad" missilies and artillery weapons from the Fizuli region (Azerbaijan). Many buildings were seriously damaged and seven villagers were wounded.

June 9: On June 8, the Armenian village of Kochbek was attacked by tanks from the Fizuli region (Azerbaijan). The attack was repelled. The Azeris suffered two losses.

June 15: On the night of June 15, an attempt was made to penetrate the regional center of Hadrut with tanks from the Fizuli region. The attack was repelled. Both sides are reported to have suffered great losses.

June 16: Late at night of June 15, an attempt was made to penetrate the Armenian village of Sarishen with tanks from the Jabrial region of Azerbaijan. The attack was repelled. Both sides suffered losses. From the morning of June 16, the regional center of Hadrut was shelled with "grad" missiles and artillery weapons. Several buildings were damaged and there were casualties.

June 23: On June 22, the regional center of Hadrut was shelled with heavy artillery from the fizuili region. Two women were wounded.

LACHIN

May 28: According to the headquarters of the NKR's self-defense forces, Kurd families are returning to Lachin.

June 6: Armenia's defense ministry rejected information spread by the Russian mass media regarding the transference of military equipment from Armenia to NKR via the Lachin corridor on June 1st.

Mardakert region

April 16: On April 10, the Azerbaijani army attacked the village of Maragha in the Mardakert region. It was discovered that the Azerbaijani army left in its wake a massacre of the village of Maragha. 50 bodies have been identified, mainly women, children and elderly.

Baroness Caroline Cox, who had been in Maragha on April 12, commented on the massacre of Maragha by stating that in a single day more than 50 civilians were killed and about 100 taken prisoner, mainly women and children. Baroness Cox made known that they had evidence regarding the atrocities perpetrated in Maragha, including photos of decapitated and mutilated bodies.

May 1: On April 29, at 7 p.m., the Armenian village of Karmiravan was shelled with rocket-artillery weapons from the Azeri village of Shotlanli (Aghdam region). The Armenian villages of Vank, Maragha and Chailu were also shelled. One villager died, and some buildings were damaged.

May 4: The Armenian village of Karmir Avan (Mardakert region) was shelled from the Terter region (Azerbaijan). Four villagers were wounded, and several structures were damaged.

May 5: In the evening of May 4, the Armenian village of Talish was attacked by the Azeri army from the Terter region. At the same time the village was shelled with rockets from the Azeri bases in Shefek. The attack was repelled by the self-defense forces of the village. Four villagers were killed and four were wounded.

May 6: On May 5, the Azeri army divisions with tanks and armoured vehicles launches an attack on the Armenian village of Talish, trying to cross the road connecting the Mardakert and Shahumian regions. The attack was repelled. Seven people were killed and seven were wounded. 20 Azeri soldiers were reported dead. On May 5, the Armenian villages of Chailu, Matagis, and Leninavan were shelled with "grad" missiles from the Terter region (Azerbaijan) and the Azeri bases in Shefek and Zeiva. More than 500 shells were launched on the villages. Many buildings were damaged and there were casualties.

May 7: Seven people died as a result of the May 5th attack on the Armenian village of Talish by the Azeri army.

May 12: During the morning of May 12, the day after Armenians repelled an Azeri attack on the Armenian village of Maragha, Azeri forces began heavily shelling the village from the Azeri village of Derder. Confirmed reports indicate that when the Azeri army entered the village of Maragha on May 11, 7 Armenian civilians were brutally murdered and several others seriously wounded.

Also during the morning of May 12, the Mardakert regional center and the village of Talish were bombed with "grad" missiles from Derder.

May 18: 60 "grad" missiles were launched on the Armenian villages of Maragha and Karmiravan from the Derder region (Azerbaijan). Several structures were damaged and several villagers wounded.

May 25: On May 25, the Armenian village of Talish was bombarded with navy cannons from the Mirbashir region (Azerbaijan). These cannons were taken from the Caspian fleet. Several buildings were damaged. Details about casualties are being confirmed. On May 24, the Armenian village of Talish was shelled with unidentified rockets and artillery weapons.

May 26: The regional center of Mardakert was shelled with unidentified rockets which have gigantic destructive power, from the Aghdam region. A group of experts were sent to the region to investigate.

On May 27, at 5:15 pm, the regional center of Mardakert and the Armenian villages of Horatagh and Janyatagh were shelled with artillery weapons (from tanks, cannons and armoured vehicles) from the Aghdam region. Two villagers were wounded.

On May 26, "land-air" rockets were launched upon the Mardakert region. The region's authorities have expressed concern about the new use of this mass destruction weapon.

June 1: during the evening of May 31st in the village of Kichan (located on the border of Aghdam), one car was blown up by a mine along the road. That car was loaded with a portion of Lady Cox's humanitarian aid from Stepanakert. One person was killed, 3 were wounded.

June 4: Azeri forces continue to intensely bomb the Mardakert region. On June 3, the Armenian villages of Janyatagh, Nerkin Oratagh, Vardazor and the regional center of Mardakert were shelled with "grad" missiles, rocket and artillery weapons, cannons and tanks, and armoured vehicles from the village of Papravend (Aghdam region, Azerbaijan). 500 shells were launched. At least four people were wounded.

June 5: Azeri units are said to be fleeing from their bases in Nareshtar.

June 8: On June 7, the regional center of Mardakert was shelled with artillery weapons and "grad" missiles from the Aghdam region (Azerbaijan). More than 100 shells were launched. One woman was killed. There were several wounded and destructions reported. An accumulation of military equipment is being observed in the Kubatli and Kelbajar regions of Azerbaijan.

June 9: on June 8, the Armenian village of Maragha was shelled with artillery weapons and "grad" missiles. Three villagers were wounded.

Cyandide-005 was discovered in the shells launched on the village of Mokhratagh (Mardakert region) from the Aghdam region (Azerbaijan). A group of experts arrived in Mokhratagh to investigate.

June 10: on June 9, the Armenian villages of Maragha, Talish, and Karmiravan and Chailu were shelled with "grad" missiles and tanks from the Terter and Germboi regions (Azerbaijan). Two people died and six were wounded in Chailu. Yerevan doctors confirmed that in the "grad" volleys there was poisonous gas, which causes convulsions and unhealed sores upon the body.

June 11: on the night of June 11, the Armenian villages of Getavan, Vagaus, Chapar were attacked with military equipment from the Azeri bases in Nareshtar. The attack repelled, three Armenians died and eight were wounded. Operations are being prepared to silence the Azeris' weapon emplacements in the base in Nareshtar. On the night of June 11, Mardakert city, the villages of Karmiravan and Maragha were shelled with artillery weapons and 300 "grad" volleys from the Azeri villages of Shotlanli, Papraven (Aghdam region) and the Terter region. One man was wounded. Several buildings were damaged.

In the morning of June 14, the Armenian self-defense forces managed to stop the movement of the Azeri tanks from penetrating further into the Mardakert region. The Azeri military equipment was withdrawn from the conquered and looted Armenian village of Kichan. At present, the fighting continues and both sides are reported to have suffered great losses. The Azeri artillery and tanks continue to shell Armenian villages.

June 12: the Armenian village of Vaguas was shelled and attacked from the Azeri bases in Nareshtar. Two Armenians were killed.

June 15: The fighting continues in the village of Srkhavend. 30 additional Azeri military units are coming to support the Azeri forces from the Aghdam region. Since the morning hours of June 15, the Armenian villages of Chailu and Talish have been under heavy grad missile attacks. The refugees from the Shahumian region were mainly concentrated in those villages. There were casualties and several buildings were damaged.

On Saturday, June 13, at 10 a.m., the Azeri military forces tried to penetrate further into the Mardakert region. The Azeri artillery and tanks had surrounded and tried to take by storm the Armenian villages of Children Kolatak. Several structures were destroyed and casualties were reported.

June 16: Consolidating their position in the Shahumian region, the Azeri units backed up with fourth army tanks, began intensive shelling of the Armenian villages of Talish and Chailu (the majority of the refugees from the Shahumian region were settled in those villages) with artillery weapons and "grad" missiles until the morning of June 16th. There were tens of casualties and substantial damage to structures.

June 17: During the morning of June 16, Azeri army units, backed with 20 tanks and 50 other military vehicles, invaded the Mardakert region and conquered the settlements of Mataghis, Talish, Tonashen, and Chailu. In addition to the native population of 6,000 close to 10,000 refugees from the Shahumian region had settled in these villages. It has been reported that dozens of Armenian civilians were killed during the attack, while thousands were forced to flee into the surrounding forests. In the evening on June 16th, Armenian self-defense forces began a counter-attack, and were able to liberate part of the village of Chailu. Latest reports indicate that the fighting continues.

June 18: Two Azeri army tank columns (20 tanks and 50 armored vehicles) from the Terter region, have circled the Armenian village of Leninavan and are actively moving towards the regional center of Mardakert. Armenian self-defense forces are preparing to resist the attack, although they are outnumbered and outarmed.

In the evening of June 17, the Armenian self-defense forces managed to silence all the weapon emplacements in the Azeri bases in Alimadatli.

June 19: On June 18, Azeri army units, backed up by 30 tanks and 50 units of military equipment of the 23rd division of the former CIS Fourth Army, managed to invade and burn the Armenian village of Leninavan (5,000, plus 3,000 refugees from the conquered Shahumian region). Dozens of people were killed, and others fled in the direction of Aterk and Mardakert. Armenian self-defense forces established defense positions near the Armenian villages of Leonarkh, Hasangaya and the road leading to Markakert.

During the last day, Azeri forces have not launched any attacks in the direction of Mardakert.

June 22: In the morning of June 22, Armenian self-defense forces continued fighting to liberate the northern villages of the Mardakert region. Azeri units are continuing to retreat from some positions.

During the night of June 22, the regional center of Mardakert was shelled with "grad" missiles from the Azeri bases in Papravend. There were wounded and several buildings were damaged.

June 23: On June 22 and 23, Armenian self-defense forces continued fighting to liberate the conquered Armenian villages of the northern part of the Mardakert region. The Azeri units retreated from the two main heights.

On June 22, the regional center of Mardakert was shelled with "grad" missiles from the Azeri bases in Papravend. The Armenian villages of Aterk, Vaguaz and Getavan were also fired upon. 115 shells were launched.

Martuni region

May 1: On April 30, the Martuni regional center was shelled with 50 "grad" missiles from the Azeri bases in Amiranlar. several civilians were wounded and many buildings were damaged.

May 6: On May 5, the Armenian village of Karmir Shuka was shelled with "grad" missiles from the Fizuli region (Azerbaijan). 160 "grad" volleys and 18 shells were launched. Two homes were completely burnt. Many people were wounded.

May 7: On May 6, the regional center of Martuni was shelled with rocket and artillery weapons from the Azeri bases in Amiranlar and the village of Marzili (Aghdam region). 12 different types of shells and 107 "grad" volleys were launched on the city. Three homes were completely destroyed. One man was wounded.

May 13: On May 12, the Azeri military helicopter MI-24 fired upon the Armenian villages of Herher and Machkalashen with unguided missiles. One villager was wounded in Herher. Three homes were completely and five were partially destroyed in Machkalashen.

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May 15: On May 15, the regional center of Martuni was shelled with "grad" missiles and artillery weapons from the Azeri bases in Amiranlar, Mughanli and Kurapatkino. Several buildings were damaged. Three were wounded. As of noon the shelling continued.

May 17: On May 16, the Armenian villages of Norashen, Ashan, Avdur, and Hatsi were shelled with "grad" missiles and two military MI-24 helicopters from the Aghdam region (Azerbaijan). 200 "grad" missiles and 12 unguided missiles were launched on the region. Two villagers died and three were wounded.

May 18: Afterwards, units of the Azeri army launced a massive attack on the villages of Norashen and Ashan. Armenian self-defense forces were barely able to repel the attacks. The Azeris retreated after having suffered many losses. Five Armenian fighters died and five were wounded.

May 18: On May 16, the regional center of Martuni was shelled with artillery weapons, tanks and flame-throwers from the Azeri bases in Amiranlar. Several buildings were damaged and many Armenians were wounded.

May 20: On May 20, the Armenian village of Chartar was shelled with "grad" missiles from the Fizuli region. 135 "grad" volleys were launced upon the village. Two villagers died and five were wounded. Two homes were completely destroyed.

May 21: On May 20, the Armenian village of Norshen was shelled with artillery weapons and tanks from the Azeri village of Gyulapli (Aghdam region). The attack was repelled. One villager was wounded.

As a result of shooting of the Armenian village of Machkalashen from the Azeri village of Divanlar one home was completely and two homes partially destroyed.

May 26: On May 26, the regional center Martuni was shelled with "grad" missiles, artillery weapons and tanks from the Azeri bases in Amiranlar, Mughanli and Kurapatkino. Several buildings were damaged and there were casualties.

May 27: On May 27, the regional center of Martuni and the Armenian village of Karachinar were shelled with artillery weapons. Details are being confirmed.

June 1: Yesterday the regional center of Martuni was bombarded from the Fizuli region of Azerbaijan with "grad" missiles, artillery weapons and tanks. One woman with child were wounded. There was also substantial damage done to the center.

June 2: During the evening of June 1, the Armenian village of Chartar was shelled with the artillery weapons and tanks from the Azeri village of Dilagardar (Fizuli region). 25 shells were launched upon the village. One villager was wounded. The regional center of Martuni was also shelled with "grad" missiles and artillery weapons from the Azeri bases in Amiranlar. Two people were wounded. Details are being confirmed.

June 5: On June 5, the regional center of Martuni was attacked with military equipment from the Azeri bases in Amiranlar. Armenians responded and were able to repell the Azeri attack, but three Armenians were killed, one was wounded and two left missing.

June 8: As a result of the June 5 Azeri attack on the Martuni suburbs, three people were killed and one was wounded. The attack was repelled.

June 9: The Armenian village of Myurishen was bombarded with artillery and rockets from the Aghdam region (Azerbaijan). Five villager were wounded.

June 10: On June 9, the Armenian villages of Myurishen and Avdur were shelled with 130 "grad" missiles from the Azeri villages of Gyulaplu and Abdal. Two homes were completely destroyed and two villagers were wounded. The Armenian village of Machkalashen was bombarded with artillery weapons and "grad" missiles from the Azeri bases in Divanlar and Gajar. One villager was wounded. During the night of June 10, the regional center of Martuni was fired upon from the Azeri bases in Amiranlar and Mughanli. An attempt was made to attack the self-defense posts but the attack was repelled. Two Armenians were wounded.

June 16: Midday on June 15, NKR's self-defense forces liberated the Armenian villages of Kichan and Srkhavend. It was reported that both sides suffered casualties. On June 15, at 8 p.m., information was received that Armenians had liberated also the village of Nakhijevanik. That information has not been confirmed. During the last 3 days of military operations, 18 Armenian fighters were killed and 89 were wounded.

June 17: In the morning of June 17, the Armenian villages of SOS and Machkalashen were shelled with "grad" missiles from the Fizuli Region (Azerbaijan). Four villagers were wounded.

Azeri troops from Gyulaply and Abdal attempted to conquer the Armenian village of Norshen. The attack was repelled.

June 18: During the night and the morning of June 18, all of the Armenian border villages were shelled with "grad" missiles and heavy artillery.

One villager died and several were wounded in the village of Spitakashen.

June 22: Late at night of June 21, the regional center of Martuni was shelled with "grad" missiles from the Azeri bases in Amiranlar. Three citizens were wounded. The Armenian village of Chartar was fired upon from the Azeri bases in Gajar. 30 artillery shells were launched. one villager was wounded.

In the evening of June 21, the Armenian village of Berdashen was shelled with 50 "grad" rockets from the Aghdam region. Five villagers were wounded.

June 23: In the evening of June 22, the Armenian village of Berdashen was shelled with "grad" missiles and artillery weapons from the Aghdam region. Four villagers died and three were wounded. Five homes were completely destroyed.

Shahumian region

May 4: On May 2, the Armenian village of Erkej was attacked by Azeri armed groups. According to the self-defense headquarters, both sides suffered casualties.

May 5: On May 5, the Armenian village of Karachinar and the regional center Shahumyanovsk were bombarded with artillery weapons from the Azeri bases in Shefek. One man died, five were wounded.

May 11: In the evening of May 9 and the night of May 10, the regional center of Shahumianovsk and the Armenian village of Karachinar were shelled with "grad" missiles and artillery weapons. There were wounded and many buildings were destroyed.

May 12: During the earlier morning of May 12, Azeri forces began shelling the Armenian village of Karachinar with "grad" missiles from the Azeri military base in Sheffik. Initial reports indicate that several Armenians were wounded during the attack.

May 13: On May 13, the regional center Shahumyanovsk was shelled with "grad" missiles. Details are being confirmed. The Azeri army accumulations was being observed in the entire area of the region.

May 14: As a result of the May 12 shelling of the village of Gharachinar one villager died.

May 20: On May 20, the Armenian village of Karachinar and the regional center Shahumianovsk were bombarded from the Azeri bases in Shefek and Todan. The Armenian self-defense units were forced to open respond fire.

May 25: On May 25, the Armenian village of Karachinar was shelled with rocked and artillery weapons. 60 different types of shells, including "land-air" rockets were launched. Two people died and six were wounded.

On May 24, the Armenian villages of Karachinar, Buzluk and the regional center Shahumyanovsk were bombarded with "grad" missiles as well as "land-air" rockets, which have gigantic destructive power.

May 26: The Armenian villages of Karachinar and Manashid were shelled with heavy tanks, and "land-air" rockets from the Azeri bases in the Shahumian region. Two Armenian villagers were wounded and several buildings were damaged.

June 2: On June 2, the Armenian village of Karchinar was shelled with "grad" missiles and artillery weapons from the Azeri bases in Shefek. 15 shells were launched. One villager died. Several buildings were damaged.

June 3: On June 3, the Armenian village of Karachinar was shelled with "grad" missiles and artillery weapons. Details about the casualties are being confirmed.

June 8: On June 6, the Armenian village of Karachinar was shelled with tanks, "grad" missiles and "alazan" rockets from the Azeri bases in Shefek. Two villagers died and two were wounded.

June 10: On the night of June 10, the Armenian village of Karachinar was bombarded with 150 "grad" volleys from the Azeri bases in Shefek. Details about the casualties are being confirmed.

June 15: After the June 13 shelling of regional Armenian villagers with air bombs, some of which are suspected to be chemical materials (dozens of peaceful civilians died and were taken to the hospitals with obvious symptoms of chemical poisoning), the Azeri army, with 20 tanks and more than 40 armoured vehicles, managed to conquer the Armenian village of Karachinar, Buzlukh, Erkedj, Manashid, Kharkhaput, Armenian Borisi and the Russian village of Russian Borisi. The villages were burnt and looted, and most civilians who had remained in the villages were ruthlessly killed. Hundreds of wounded were taken to the regional hospital of Shahumyanovsk. The regional center of Shahumyanovsk and the Armenian village of Verishen (population of 15,000) were encircled and shelled with heavy artillery, "grad" missiles and tanks. New casualties were reported and several structures were destroyed. There is no possibility to evacuate the peaceful population as the roads are blocked with Azeri military equipment. Medicine is in short supply in the Shahumian region.

Azeri tanks managed to enter all 12 Armenian villages of the region.

June 16: About 10,000 people from the Shahumian region fled to the northern villages of the Mardakert region (NKR). The whereabouts of the remaining 10,000 is unknown. It is probable that many were taken hostage and others may be hiding in the forests. According to the refugees, dozens of inhabitants of the 11 Armenian villages and the regional center Shahumyanovsk were mercilessly fired upon from tanks and armoured troop-carriers. One of the shells landed on the regional hospital, where there were several wounded and people who had suffered from the chemical weapons used on June 13.

On June 15, Ashot Manucharian, the President's National Security Advisor and Defense Minister Vazgen Sarkisian made appearances at the Supreme Council Session. According to Ashot Manucharian, Yerevan was aware of the prepared attack on NKR by Azerbaijan, but nobody expected that such great forces will be launched. According to Vazgen Sarkisian, during the night the Azeris accumulated about 100 units of military equipment (50 T-72 tanks) along the Shahumian border.

Shushi region

May 11: The Azeri military forces while abandoning Shushi, left a great amount of ammunition there. According to the NRK's supreme council press-center, the Azeri army left Shushi on May 9 without any resistance, though both sides suffered great casualties during the Azeri attack on Stepanakert on May 7 and 8. On May 8, during the counterattack on Shushi, 7 fighters from the Armenian self-defense units died.

On May 9, Azeri MI-24 helicopters and a CIS SU-25 military plane bombarded an ancient Armenian church in Shushi, which the Azeris had been using to as a military depot. According to the NKR's self-defense forces headquarters, the ammunition had been transferred to a more secure place.

According to the NKR's Supreme Council Presidium Member Levon Melik-Shahnazarian, Shushi and the Azeri military bases of the Azeri army are currently under the control of NKR's self-defense units. NKR's supreme council press-center categorically rejected Azeri media claims that Armenians used chemical weapons and battle planes.

Some background information on Shushi: There have been few, if any, civilians living in Shushi during the past month. Over the past year, it was transformed into a massive Azeri military base. In 1988 both Armenians and Azeris lived in Shushi, however, after the Anti-Armenian pogroms in May 1988, more than 5,000 Armenians were forced to abandon their homes in Shushi and were forced to flee their homes.

Historically, Shushi was the capital of NKR. Its demographics changed after 1918, when, as a result of several Turkish and Azeri pogroms, a large percent of the Armenian population living in Shushi were expelled from their native city.

May 18: According to the Karabagh officials, cars carrying wounded from Karabagh will soon be using a demilitarized road, connecting the villages of "Mets Berdadzor" (Karabagh) with the villages in the Goris region (Armenia) to Karabagh have been prohibited due to the shelling of the Yak-40 passenger plane. The plane, which was bringing humanitarian aid to the Stepanakert Airport, was shelled with "grad" rockets from the Aghdam region. Nagorno Karabagh is still being blockaded. Cars from Armenia will take flour and other food to Karabagh, as negotiations between NKR officials and Lachin Kurds indicate that the Kurds are ready to allow all the non-military goods to go to Karabagh via Lachin.

May 19: The Azeri popular front, units are leaving Lachin. The local population is also abandoning the city. On May 19, Lachin is practically empty, except for several Kurdish families. The traces of the fights between the Azeri peoples front, the Kurds and the Mutalibov's supporters are obvious in the city.

June 8: On June 7, the official opening ceremony of the cross-stone (Khachkar) monument was held in Shushi devoted to those Armenian self-defense fighters who perished during the defending of their lands.

24 of the 64 electric power stations are already working in the city, providing 35% of the electric power to the city.

June 10: Life is being restored in the city of Shushi. Yesterday, city buses began operating from Stepanakert to Shushi. Very soon the bread ovens and small enterprises will also reopen. There is now a daily official (NK Supreme Council) newspaper printed called Artsakh. Culturally, art exhibitions and dance group performances are being organized for a road trip to Shushi by the ROA's ministry of culture.

STEPANAKERT

May 1: On April 30 and in the morning of May 1, the northwestern suburbs of Stepanakert were attacked by Azeri army divisions from Gaibalu and Jangasan. 10 Armenians were wounded as were several Azeris.

On May 1, Stepanakert was shelled with "grad" missiles from Shushi—38 volleys were launched on the city. Details about the casualties are being confirmed.

May 4: From January 1 through the end of April, Stepanakert has been shelled 170 different times from Shushi and Azeri forces have attacked the suburbs of the capital 11 times. Over 4,750 missiles and rockets have landed in Stepanakert during this time, 2,437 of which were "grad" missiles, and 527 "alazon" missiles. As a result of these bombings, 90 civilians have died and 268 have been wounded (this is in the city alone and doesn't include casualties in NKR's different regions), 188 homes have been destroyed and 144 damaged. Due to serious shortages of medicine, most people who are wounded cannot be saved.

May 4: On May 2 and into the morning of May 3, Stepanakert was bombarded with "grad" missiles from Shushi, Janhasan, and Kyosalar. Abut 200 rockets and shells were launched on the city. Two civilians died and over a dozen more were wounded. During the shelling Stepanakert's maternity hospital was bombed and as a result six people died, including two new born babies.

On May 3, Azeris resumed their attack on Stepanakert. More than 120 rockets and shells (including grads) were launched on the city. Several buildings were damaged.

Later during the day, after 15 hours of uninterrupted shelling of the Stepanakert, the Azeri army launched a massive attack on the south-western suburbs of the capital, and were able to overtake one of the suburbs overlooking Stepanakert. During the fighting, 17 civilians were wounded, and others died. Armenian self-defense forces who were defending the city were forced to retreat. After invading the suburbs, the Azeri forces began shelling Stepanakert from closer distances, causing fires to break out in different parts of the city. Because of the continual shelling, it is difficult to report on additional casualties and damages.

May 5: On May 5, the south-western suburbs of Stepanakert were shelled with rockets and artillery weapons from Shushi. Four citizens were wounded. There is practically no communications with Stepanakert and as a result details are extremely difficult to confirm.

May 6: On May 6, Stepanakert was shelled with rockets and artillery weapons from Shushi. 23 "grad" missiles and 17 different types of shells were launched on the city. Four homes were partially damaged. Two citizens were wounded. The south-western suburbs are still being fired upon.

May 7: The entire night of May 7 Stepanakert was hit with 43 shells, including "grad" missiles from Shushi. Four homes were partially destroyed. Several citizens were wounded. Details are being confirmed.

May 8: NKR self-defense forces are continuing military operations to silence Azeri weapon emplacements in Azeri military bases near Stepanakert. At 10 a.m., the strategic height of Jangasan was conquered and Armenian troops are approaching Shushi. During the fighting, one "grad" missile launcher and a great deal of military equipment were captured. However, Azeris continue to shell Stepanakert with rocket artillery. 16 were wounded, and several others died in the city.

May 12: Weapon emplacements and military depots in Shushi and near-by locations, which were captured by Armenian forces on May 9 are reported to be full of military equipment and were surrounded by mines. Several Armenians have been wounded or died as a result of these mines.

May 14: On May 14, the Stepanakert Airport was shelled with "grad" missiles from the Aghdam region. Two citizens were wounded and several structures were damaged.

May 18: On May 18, the NKR's defense forces conquered the city of Lachin. Armenians conquered the city without suffering any losses. Stepanakert-Goris Highway with its neighboring settlements is currently being controlled by the Armenians. The Azeris leaving the village of Zabugh, have blown up the Goris-Stepanakert highway bridge. According to the information, the Armenian Army's engineering divisions went to Zabugh to build a temporary bridge. According to the NKR's defense forces, the land communication with Armenian will be restored today.

May 20: On May 19, Stepanakert schools resume classes. The kindergartens are still closed due to the lack of food. However, it is foreseen that after the successful arrival of food via the "humanitarian corridor" (Yerevan/Goris/Lachin/Stepanakert), NKR's children will be able to resume their kindergarten activities.

The first caravan with humanitarian aid, arrived in Stepanakert safe and sound. The population of Stepanakert came out of their cellars smiling for the first time in 4 years.

May 27: The situation in Stepanakert remains calm. NKR's supreme council is preparing to address the region's economic problems.

June 1: As it is impossible to reach Stepanakert from Azeri territory due to the distance, electricity and drinking water facilities are moderately improving. The hospital is currently under renovation and the kindergarten will soon be reopened. During yesterday's meeting of NKR leadership, the Republic of Armenia and Baroness Cox were thanked for their humanitarian aid, which reached NKR through Lachin corridor. The refugees from Shushi, who have been living the past months in Stepanakert, are now returning to their homes in Shushi. They include Russian families as well.

June 2: The NKR's supreme council session was held in Stepanakert today. The problems of the political situation of the Republic, the symbolism of NKR and their constitution will be discussed, as well as elections of the NKR's supreme council chairman and his deputies will be carried out. Prime-Minister, Oleg Yessian spoke about the current economic situation of the republic. Government's personal staff, procurator, the chairman of the Supreme Court and the NKR's head arbiter were confirmed. The NKR's military service laws were also discussed. Also present during the opening session were guests of honor, Babken Arartsian, Supreme Council Commission Chairman Seiran Baghdasarian, Bagrat Asatran, Lady Caroline Cox, foreign journalists, public organizations, Russian's, Armenia's parties representatives.

June 5: NKR's parliamentary chairman elections continue today. Yesterday, Georgi Petrosian, Robert Kocharian and Boris Arushanian withdrew their candidacies and the remaining candidate Shahen Meghrian, did not receive enough votes to be elected. (41 votes needed).

June 8: NKR's supreme council decided to postpone supreme council chairman elections until after the July 12 elections for the 20 vacant parliamentary deputy slots. On June 5, NKR's temporary count was confirmed and a parliamentary commission was established to develop the final constitution.

June 10: Six major construction organizations began reconstruction of kindergartens and other educational institutional buildings. Though the humanitarian corridor is functioning, there is a lack of building materials and it can interfere with the plans of reconstructing schools for the following year.

June 12: NKR received 52 tons of potatoes, 14 tons of cornmeal, 4.5 tons of flour, 7 tons of diesel fuel and other goods in humanitarian aid from Georgia. Georgia also provided 20,000 roubles to the families of the wounded and dead self-defense fighters of NKR. Artillery shelling of the Armenian villages continues along the NKR-Azerbaijan border.

ARMENIA

Ararat region

May 8: On May 2, the Armenian village of Sevakavan (Ararat region) was bombarded from the territory of Nakhichevan. Azeris continue to shell the village of Yeraskhavan.

May 6: The Ararat regional center rejected the information of the Azeri side that Nakhijevan has been attacked. In fact, the Azeris violating the ceasefire agreement, shelled the Armenian villages of Yeraskh and Sovetashen on May 5, in the afternoon, the Armenian side was forced to silence the weapon emplacements in the Azeri villages of Gyumushli (Nakhijevan). As a result some Azeri artillery emplacements were neutralized.

May 8: Fighting continues along the Nakhijevan—Ararat region (Armenia) border and the number of casualties is increasing. Armenian officials have issued an order to evacuate Armenians living in the border regions of Sevakavan, Yeraskhavan, Armash, and Surenavan. Azeri artillery attacks and shooting have become more accurate.

May 12: It has been reported that large amounts of military equipment and troops are accumulating in Nakhichevan along the border with the Ararat region.

May 18: In the morning of May 18, the near border posts of the regional department of internal affairs were fired upon from the Sadarajk region (Nakhijevan). Militiamen were forced to open respond fire.

On May 17, reports from the Armenian village of Khor Virap state that machine gun and cannon shooting was heard from Turkish territory. The noise was apparently from fighting which is currently taking place between Kurds and the Turkish army.

May 20: On May 20, the rocket-artillery shelling of the border Armenian villages (Ararat region) from the village of Sadarak (Nakhijevan) resumes, provoking respond fire. ROA's defense ministry more than once has rejected the fact that Armenian units had attached Sadarak. Leaders of the seventh army stationed on Armenia's territory, categorically rejected the soldiers' and military participation in the fights at the Armenian-Azerbaijan border.

May 21: As a result of massive shellings upon the village of Yeraskh from the Sadarak region (Nakhijevan) on May 20 and 21 with artillery weapons and "grad" missiles, two villagers died and two were wounded. Armenia's defense ministry rejected Azeri reports that chemical weapons were used in that region. On May 19, Nakhijevan's foreign minister, RZA Ibadov, stated that he has appealed to Turkey for help in supplying Nakhijevan with modern weapons to repel Armenians' attacks.

June 1: On the night of June 11, the Armenian village of Yeraskhavan was shelled with "grad" missiles. Five villagers were wounded, in the morning the shelling resumed. The Armenian side did not respond.

June 5: On June 5, the Armenian village of Yerashavan was fired upon. Three villagers were wounded during the attack. Armenians have refrained from responding to the shellings.

June 8: The Armenian village of Yerashavan (Ararat region) is periodically being fired upon in provocation. The Armenian side is not responding to the shootings.

June 12: As a result of artillery shelling upon the Armenian village of Yeraskhavan during the evenings of June 11 and June 12, two villagers were wounded.

Goris Region

May 11: In the evening of May 9, the Armenian villages of Kornidzor and Khndzoresk (Goris region), Aigehovit and Vazashen (Ijevan region) and Aignedzor and Chinar (Taush region) were shelled with artillery weapons and tanks from Azerbaijan. There were casualties and destructions. In the morning of May 10, the shelling resumed. The commanders of the CIS seventh army, located in the territory of Armenia, rejected the C claims that the CIS Army participated in the alleged attacks on Azerbijan and Nakhijevan from Armenia.

May 13: On May 12, tanks and armoured vehicles from the Ghubatlu region (Azerbaijan) on their way to the Azeri city of Lachin, fired upon the Armenian villages of the Goris region. Simultaneously, the population of Lachin and the deserters were being evacuated from the city. Lachin is converted into a powerful Azeri military base, from where on May 12 and 13 the regional center of Goris and the border Armenian villages were shelled with "grad" missiles. There were wounded people and damaged buildings.

May 15: On May 14, several Armenian villages and Armenian self-defense units were shelled with artillery weapons from the Azeri region of Kubatli, but all the attacks were repelled. Yesterday, the situation was calm in Goris City.

May 18: NKR's supreme council's foreign relations Committee's Chairman Levon Melik-Shahnazarian stated that "lifting of the blockage of Goris-Stepanakert highway of the Lachin region with military ways an obligatory step in order to open Karabagh to the outside world, as the Azeri blockade has led people to starvation and the economy is completely in shambles. Other countries's mediations in lifting the blockade were fruitless. The Stepanakert Airport has been closed because of the continuous shelling from the Azeri territory.

May 19: Though the Azeri army is losing the war in Karabagh, Goris border villages are still being shelled. On May 17, the Armenian villages of Tech, Kornidzor, Khoznavar, Khnatsakh Hartashen and Shurnukh were shelled with rockets. There were no casualties reported. During the night the Azeris left the heights, from where they were bombarding Goris City and the nearby border villages.

May 20: The Goris-Lachin-Shushi-Stepanakert highway is finally open after being blockaded for 4 years. NKR's army silenced all the enemy weapon emplacements located along the highway and nearby regions. Along the road, military equipment was left behind by the Azeris. It was reported that before retreating, the Azeris burnt and blew up their homes, as well as slaughtered their animals.

May 20: On May 19, a caravan of 100 trucks headed for Artsakh by Goris-Lachin road, loaded with humanitarian aid, arrived safely in Stepanakert.

May 22: According to Platt's Oilgram News—May 22, 1992: the intensification of fighting in and around Nagorno-Karabagh is being tied to plans for a crude export route directly into Turkey. The plans developed jointly by Turkey and Azerbaijan, are to annex to Azerbaijan the Zangezour region in southern Armenia, a narrow strip of land that divides Azerbaijan proper from

Nakhichevan. By annexing the Zangezour region now, Azerbaijan would be able to build a large diameter pipeline to Turkey without having to transit third countries.

Turkish and Azerbaijani planners expect the land bridge of Zangezour will also provide a right-of-way to a proposed gas-line from Turkmenia via Baku onto Turkey and then to Europe. This is the route that Turkey and Azerbaijan are pushing against alternative proposals by Iran offering central Asia's oil and gas producers a direct line to Persian Gulf terminals. Turkey and Azerbaijan have rejected a third alternative via Georgia.

May 27: On May 26, from 11 to 12 a.m., the Armenian village of Kornidzor (Goris region) was shelled with artillery weapons from the Kubatli region. One villager was wounded, six homes were destroyed and ten were partially destroyed.

On May 26, in the evening, the Armenian village Khndzoresk was bombarded continuously for several hours. Several buildings were damaged.

June 1: During the evening of May 31 the Armenian village of Kornidzor and Khndzoresk were shelled with artillery weapons and "grad" missiles. One villager died and one was wounded in the village of Kornidzor. One villager was wounded in Khndzoresk. Several buildings were damaged.

June 2: On June 2, the Armenian villages of Khndzoresk, Kornisdzor and Karaunj were shelled with "grad" missiles and artillery weapons from the Kubatli region (Azerbaijan). One villager was killed, four were wounded in the village of Khndzoresk. Several buildings were damaged.

June 3: On June 2, at 6:30 p.m., a car was fired upon from the Kazakh region (Azerbaijan). Four passengers died. The car was from Georgia and the casualties were Georgians.

June 4: The Armenian villages of Kornidzor and Khndzoresk were again shelled with "grad" missiles. One man was wounded. Several buildings were damaged.

June 5: The Armenian villages of Artsvashen (Krasnoselsk region) and Berkaber (Ijevan region) were shelled with artillery weapons and "grad" missiles on the night of June 5.

June 18: On the evening of June 17, a group of Azeri army tanks from the Kubatli region, tried to attack the Armenian village of Kornidzor, in order to conquer the humanitarian corridor connecting the Goris region with the NKR. Reports indicate that the attack was repelled, and that the Azeris were forced to retreat.

Ijevan region

June 3: On June 2, at 6:30 p.m., a car was fired upon from the Kazakh region (Azerbaijan). Four passengers died. The car was from Georgia and the casualties were Georgians.

June 8: The Armenian villages of Artsvasheen (Krasnoselsk region) and Berkaber (Ijevan region) were shelled with artillery weapons and "grad" missiles on the night of June 5.

June 9: On June 9, the Armenian villages of Aigehovit and Berkaber were shelled with artillery weapons and "grad" missiles from the Kazakh region (Azerbaijan). Six homes were damaged and one villager was wounded in the village of Aigehovit. Several buildings were damaged and one man was wounded in the village of Berkaber.

June 10: In the evening of June 9 and the night of June 10, the Armenian villages of Sarigyugh, Kayanavan, Azatamut, Aigehovit, Berkaber were shelled with artillery weapons, tanks, and "grad" missiles. Four villagers died in Azatamut, one was killed and two were wounded in Aigehovit, one was killed in Berkaber. The village of Berkaber was also shelled with cannons and unguided missiles from the Mi-24 helicopter.

June 12: On the night of June 12, the Armenian villages of Achajur, Sevkar and Vazashen were shelled with artillery weapons and "grad" missiles. Two villagers were wounded.

Kapan region

May 1: The population of the Azeri border villages is being evacuated. This activity suggests that the Azeris are preparing to launch large-scale military operations against the southern regions of Armenia.

May 6: On May 6, the Kapan Airport was fired upon with cannons from the Zangelan region (Azerbaijan). On May 5, the Azeri side once again violating the ceasefire agreement launched an attack on the village of Geghanush of the Kapan region (Armenia) from Ghazanchi. The village was fired upon with machine guns, cannons and other weapons. The city of Kapan was also bombarded. Fortunately, there were no casualties.

May 20: On May 18, from 10 to 12 p.m., the eastern regions of Kapan city were bombarded from the Azeri village of Seidlar (Zangelan region). Two buildings were damaged. There were no casualties reported. At the same time the Armenian village of Syunik was bombarded from the enemies ceased their fire.

On May 19, the Armenian village of Chakaten was attacked from the Azeri village of Jambar and Garalu (Zangelan region). The attack was retaliated by the Armenian self-defense units.

May 27: On May 25, the Armenian village of Nerking Hand (Kapan region) was bombarded with cannons from the village of Kyolu (Zangelan region, Azerbaijan). More than 60 shells were launched on the village. The region's self-defense forces repelled the attack. One villager was wounded, several buildings were damaged.

June 1: On June 1, the regional center of Kapan, Armenian villages of Yeghvard, Siznak, David Bek, Chakaten were shelled with artillery weapons from the Zangelan region (Azerbaijan). There were wounded. Details are being confirmed. Eight homes were completely destroyed.

June 2: On June 2, the regional center of Kapan, Armenian villages of David Bek, Yeghvard and Agarak were shelled with "grad" missiles and heavy artillery from the Kubatli region (Azerbaijan). Three people were wounded in Kapan, and one in David Bek.

June 4: On June 4, the Armenian villages of Geghanush and Yeghvard were shelled with "grad" missiles and artillery weapons from the Zangelan region (Azerbaijan). In Yeghvard, six homes were completely destroyed. Furthermore, Zeri troops from Zangelan attacked an Armenian and wounding two others.

June 11: On the night of June 11, the Armenian village of Geghanugh was fired upon from the Azeri village of Kazanchi. A 14-year-old boy was killed. Several constructions were damaged.

June 15: Late in the night of June 14, the regional center of Kapan and the border Armenian villages were shelled with "grad" missiles. An accumulation of more than 70 units of military equipment is being observed in the Zangelan region (Azerbaijan).

June 17: During the night and the morning of June 17, all the border villages of the Kapan, Goris, Vardenis, Vaik, Krasnoselsk and Taush regions of Armenia were shelled with artillery weapons and "grad" missiles. Three innocent people died and four were wounded in the regional center Berd (Taush region). Accumulation of tanks and other military equipment is being observed in the Kubatli, Zangelan and Ordubad regions of Azerbaijan.

June 18: On June 18, the regional center of Kapan was shelled with tanks, artillery weapons and "grad" missiles from the Zangelan region (Azerbaijan).

June 19: On June 19, the Armenian villages of Agarak and Syunik were shelled with artillery weapons and "grad" missiles. There were wounded. Several buildings were damaged.

June 22: On June 20, the Armenian villages of Geghanush (Kapan region) and Kornidzor (Goris region) were shelled with artillery weapons and "grad" missiles. Substantial damage was done to the buildings.

KHACHIK

May 20: On May 19, at 7:30 p.m., the Armenian village of Khachik was bombarded from the territory of Nakhijevan. The civilians are seeking shelter and have retreated to their cellars.

May 22: On May 20, the shooting between the Armenian village of Khachik and the Azeri village of Yaiji (Nakhijevan) resumed. Armenians managed to silence an Azeri weapons emplacement. The Azeris suffered losses.

Kragnoselk region

June 19: An accumulation of the Azeri artillery and military equipment is being observed in front of the village of Artsvashen. An attack is expected on that village soon.

June 21: On May 20, an armed group tried to attack the post along the border with Armenia from the Azeri village of Getabek. The attack was repelled. One Armenian and three attackers were reported dead.

MEGHRI/BLOCKADE

March 18: According to the ministry of foreign affairs of republic of Armenia: Azerbaijan's blockade of Armenia is in violation of international law and has reached intolerable limits. As a result, 110,000 tons of fuel bound for Armenia remain held up in Azerbaijan. Industry is at a standstill and the economy has been destroyed. There is no tax base for the government to meet its most basic budgetary requirements. Schools are closed and hospitals are without medical supplies. Food staples are in short supply.

Armenia's alternate lifeline to the rest of the world is now unreliable due to the political situation in Georgia. Furthermore, Turkey has obstructed shipment through its territory of humanitarian aid for Armenia.

Armenia has clearly stated that it has no territorial claims on Nagorno-Karabagh or Azerbaijan. Nagorno-Karabagh is seeking application of the right to self-determination under international law. To create normal conditions for discussions, Azerbaijan must end its blockade. Trains of fuel destined for Armenia must be allowed to continue their journey.

June 1: Over 270 railroad cars of goods bound for Armenia were appropriated by authorities in Nakhichevan at the Sharur Station and either sold or distributed to the local population in Nakhichevan or sent to Turkey and Iran for sale. Because of this Armenia has closed off railroad traffic to Nakhichevan via Armenia's Meghri region. Armenian interests have precluded any blockade of Nakhichevan since that would have eliminated any incentive Azerbaijan had to allow at least a small fraction of cargo bound for Armenia to pass over the Azerbaijani border into Armenia. Nakhichevan now has an open and friendly border with Turkey through which it is receiving both civilian and military supplies.

Despite Azerbaijan's economic blockade of Armenia, Armenia has worked with Azerbaijan to provide electricity to the Nakhichevan Republic which is part of Azerbaijan. During the first 4 months of 1982, 400,833,380 kilowatt hours entered Armenia from Azerbaijan and 22,663,490 kilowatt hours entered Armenia from Georgia. An unknown portion of this electricity was generated in neither Georgia nor Azerbaijan, but in Russia. During the same period 254,964,600 kilowatt hours of electricity entered Azerbaijan from Armenia (98.9% of which went to Nakhichevan and 1.1% to the Lachin region) and 1,211,800 kilowatt hours of electricity entered Georgia from Armenia. Therefore, during this period, a total of 423,496,870 kilowatt hours of electricity entered Armenia from Georgia and Azerbaijan and a total of 256,176,400 kilowatt hours entered Georgia and Azerbaijan from Armenia. Armenia received from Azerbaijan 145,868,780 kilowat hours more than it was to pass on to Nakhichevan and Lachin and payment was made for this excess.

June 23: On June 23, from 7 to 8 p.m., dozens of shells were launched upon the regional center of Meghri from artillery weapons for the Ordubad region (Nikhijevan). The population has been evacuated from the region.

Noyemberian region

May 26: According to ROA's international ministry, on May 25 Armenian villages in the border regions of Noyemberian, Ijevan, and Taush were shelled with artillery weapons. One man was wounded and 20 homes were destroyed.

June 8: On June 8, the Armenian village of Voskepar (Noyemberian region) was shelled with artillery weapons and rockets. Several buildings were damaged. Some villagers were reported wounded.

June 9: During the night of June 8 through the morning hours of June 9, the Armenian villages of Vaghanis, Voskepar, Voskevan and Koti were attacked and shelled with artillery weapons. The attack was repelled. Respond measures were taken to silence the enemy's weapon emplacements of the Azeri base in Verin Askipar. Four Armenians were killed and seven were wounded.

June 10: On June 10, the Armenian villages of Voskepar (three villagers died), Voskevan (one was killed, two were wounded and one is missing), Koti (one was killed, three were wounded), were shelled with artillery weapons and "grad" missiles. Several buildings were considerably damaged in all of the villages. Armenians were forced to open respond fire.

Sadarak Region

May 25: Despite Nakhijevan's Supreme Majlis Chairman Heidar Aliev's statements on a unilateral ceasefire, Azeri forces from the Azeri military base in Sadarak shelled the Armenian villages of Yeraskh on May 24. According to Azeri information sources, the population of Sadarak has been evacuated. Last week, 12 Armenians died and 30 were wounded as a result of the Azeri shelling of Yeaskh.

June 5: According to the Armenia's defense ministry, in the border regions of Tauz, Kazakh, Zangelan, and Sadaraks (Azerbaijan) "grad" missiles are employed. "grad" missiles were given to the National Front of Nakhijevan.

Shosh Region

May 2: On May 2, the Armenian villages of Shosh, Dashushen, Krasni, Khantsakh, and Baluja were shelled again. There were many casualties.

May 4: During the night the Armenian village of Baluja was shelled from the Azeri village of Janhasan. Four Armenians were wounded.

Taush Region

May 5: As a result of the May 4 massive rocket shelling of the regional center Berd and the village of Movses from the Tauz region (Azerbaijan), two villagers died and seven were wounded. More than 20 homes were destroyed. Since the morning of May 5, the Armenian village of Yeraskh (Ararat region) has been shelled. The shelling still continues.

May 8: Although the situation in the Taush region is relatively calm, Armenian officials are expecting a massive Azeri attack in the near future as Azeri military equipment and personnel continues to be accumulating along the border and Azeri officials refuse to negotiate with Armenian officials from the Taush region.

May 12: Throughout the evening on May 11 and into the morning of May 12, several Armenian villages in the Taush region were shelled with artillery. The Armenian village of Khntzoresk in the Goris region was also shelled. As of 12 noon on May 12, the shelling continues.

May 15: On May 14, 2 p.m., the regional center Berd and the Armenian border villages of Artsvaberd, Paravakar, and Chinari were shelled with "grad" missiles; Tanks and artillery weapons from the Touz region (Azerbaijan). One villager died in Artsvaberd, three were wounded. Several buildings were damaged. There are hundreds of homes throughout the region which have been completely or partially destroyed by Azeri bombings.

May 28: On May 27, Armenian border villages in the Taush region and the villages of Movses, Verin Karmir Akhpor and Aigepar in the Ijevan region were shelled with "grad" missiles from Azerbaijan. There were casualties and several buildings were damaged.

June 5: On June 5, an Azeri army unit armed with tanks tried to enter Armenian territory. Although the attack was repelled, four Armenians are missing and it is suspected that they have been taken hostage.

June 9: On June 9, the regional center of Berd and the Armenian villages of Movses, Tovuz and Verin Karmir Aghbyur were shelled with artillery weapons and "grads" missiles from the Tauz region (Azerbaijan). Details are being confirmed.

June 10: As a result of night shelling with "grad" missiles from Tauz region (Azerbaijan) nine people from the regional center Berd were wounded.

Vaik Region

June 15: On June 14 and 15, the Armenian villages of Khndzorut and Verin Aznavert were shelled with "grad" missiles, tanks and artillery weapons. Three villagers died, four were wounded.

June 16: The whole night and the morning on June 16, the Armenian border villages of the Valk, Taush, Ararat and Goris regions of Armenia were shelled with tanks and artillery weapons. Accumulations of the Azeri military equipments is being observed in the Zangelan region (Azerbaijan) and the Ordubad region (Nakhijevan). The possibility of an attempt to conquer the Meghri region (Armenia) is not excluded.

June 19: On June 19, the Armenian village of Khndzorut and Bardzruni were shelled with tanks and missiles. As of 11 a.m. today, the shelling was still continuing.

Vardenis Region

June 2: As a result of the shelling from the Kelbajar region (Azerbaijan), one man died and three were wounded in the settlement of Zod.

June 4: A mutual agreement has been reached between the Vardenis region (Armenia) and the Kelbajar region (Azerbaijan) regarding ceasefire. However, on June 2, an intensive shooting was heard and seen from the Azeri side.

CHAFEE AMENDMENT NO. 2647

Mr. DODD. Mr. President, I rise in strong support of this amendment, and I want to take this opportunity to commend the Senator from Rhode Island for his initiative on this issue.

Mr. President, this amendment is very simple in nature. It would require the authorities in the former Soviet Union to provide us with their full cooperation on the prisoner of war issue as a condition of any United States assistance. I think there are few issues more important than the early resolution of the POW issue, and this amendment would help assure full cooperation toward that goal.

Mr. President, in recent days Russian President Boris Yeltsin made two statements that stunned and horrified the American public. Two weeks ago, President Yeltsin admitted that several U.S. servicemen who had been shot down over Soviet territory during the 1950's may have been held as prisoners. And just a few days later, upon his arrival here in the United States, President Yeltsin said he believed former prisoners left behind at the end of the Vietnam war may also have been held by the Soviet Union.

Mr. President, since the end of the Vietnam war the prisoner of war issue has been characterized for the most part by false hope and disillusionment. Sadly, we have seen many instances in recent years where families have had expectations raised by the possibility that a loved one might still be alive, only to see those hopes cruelly dashed.

Nonetheless, Mr. President, the slightest possibility that United States prisoners of war might still be alive in Indochina or the former Soviet Union, or for that matter anywhere in the world, is one that tears at the very soul of America. And as long as any unanswered question remain on this compelling issue, our highest priority must be to get to the bottom of it. We should stop at nothing, Mr. President, until we have examined every lead, and answered every question.

That is the spirit of the amendment today, Mr. President. I think it is an important provision and I urge its immediate adoption.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I commend the managers for their diligence in pursuing this legislation. Senators have had three rollcall votes on this measure so far today and a number of other amendments have been disposed of by means other than rollcall votes. However, we again find the Senate in a familiar situation in which several Senators have indicated an intention to offer an amendment, but at the same time, are unwilling to offer those amendments at this time. Therefore, it appears that no further amendments requiring rollcall votes will be offered this evening and, accordingly, there will be no further rollcall votes this evening.

I understand that the mangers are here and available to consider and accept amendments which have been cleared on both sides.

With respect to further consideration of this bill tomorrow, Senators should be aware, and are hereby placed on notice, that if Senators have an amendment which they wish to offer, they should be prepared to do so tomorrow or to be present to debate the bill, because at some reasonable time tomorrow, following further reasonable notice, if Senators are unwilling to come to the floor and offer amendments, and if Senators are not present for further debate, the mangers will be authorized to proceed to third reading and final passage of the bill.

As all Senators know, the Fourth of July recess is to commence at the close of business tomorrow. It had been my hope that some of the Senators who say they have amendments to offer would have been prepared to do so this evening so that close of business tomorrow would have been at a reasonable time.

That now may not occur depending upon how many amendments are offered or how much debate remains to occur.

But I simply want all Senators to be aware—and I repeat so there can be no misunderstanding—it will not be acceptable indefinitely, and certainly not throughout the day tomorrow, for Senators simply to state that they have an amendment to offer and then be unwilling to either be present to offer the amendment or even debate the bill, that is, simply to leave and expect the managers to remain here indefinitely.

We want to proceed to complete action on this measure, and obviously there is no intention on my part, nor desire on my part, to cut off any Senator's right to offer amendments or to debate the bill. But in order to do so, a Senator must be present to do one or the other, or both, and that will have to occur tomorrow.

I will not do that tomorrow without further notice, but such notice will be given, and Senators must be prepared to be present for that purpose.

Mr. President, I notice the distinguished Republican leader on the floor, and I will be pleased to yield to him for any comment he may wish to make.

Mr. DOLE. Mr. President, if the majority leader will yield, I agree with the majority leader, and I first of all commend the managers. I think they have done a good job. We have covered a lot of amendments. I have just taken a look. There are three pages of amendments. Many have been disposed of, as the Senator indicated, three by rollcall votes.

I have also had a number of inquiries on my side, which is always the case prior to recess. We hope we can prepare to leave early tomorrow. That is going to be up to the Members on both sides who have amendments. If they do not come over until 10, or 11, or 12 o'clock tomorrow, it is going to be hard to accommodate a lot of Senators on both sides, who I understand have commitments on Friday in their States because of the holiday and parades and things of that kind.

So I hope that anybody with an amendment on this side of the aisle will let the distinguished Senator from Indiana [Mr. LUGAR], know early in the morning whether or not they plan to offer the amendment.

Obviously, as the majority leader said, we will not cut off anyone. If they are not going to offer it, then I think the managers will have a pretty good idea when we might complete action. I understand two or three of the controversial amendments are in the process of being looked at. Hopefully, they will be agreed upon, with some changes. If that is the case, it is possible we might finish at a reasonable hour tomorrow, which I interpret to mean sometime midafternoon. That may not be when it will finally happen, but it could happen.

So I thank the majority leader, and we will cooperate in every way we can on this side of the aisle.

Mr. MITCHELL. Mr. President, as the distinguished Republican leader knows from a prior conversation, it has been my hope, which I have previously expressed to him privately and publicly on the floor, that we could also complete action before we leave for recess on the conference report extending the unemployment insurance program, which otherwise will expire during the recess. I am advised that is now the subject of negotiation between the administration, House conferees and Senate conferees, and we all are hopeful that will be worked out in a manner which will permit us to complete action on it. But I hope we can get to that and dispose of it as well tomorrow before we leave for the recess.

Mr. DOLE. I understand there had been some progress made. There had been offers made by the House, and it is under consideration by Senate conferees, the chairman of the committee, Senator BENTSEN, principally, and also the administration.

They are not there yet, but at least some progress is being made. It may be that can be resolved early tomorrow.

Mr. MITCHELL. Mr. President, then as I said earlier, there will be no further rollcall votes this evening. It is my understanding from staff that the Senate will come in at 8:30 tomorrow. There will be a 2-hour period for morning business and we will be back on the bill at 10:30 in the morning.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll. The legislative clerk proceeded to call the roll.

Mr. MACK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2676

Mr. MACK. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. MACK], for himself, Mr. HELMS, Mr. D'AMATO, Mr. GRAHAM, and Mr. MCCAIN, proposes an amendment numbered 2676.

Mr. MACK. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 29, in line 15, strike "or";

In line 19, strike the period and insert a semicolon in lieu thereof;

After line 19, add the following new subsection:

"(6) with respect to assistance provided six months after enactment of this Act, is supplying or selling nuclear fuel, technical advisors, or construction assistance to nuclear reactor complexes under construction in Cuba unless the President certifies and justifies in writing to the Congress that such state has provided appropriate assurances to the United States that such state will not provide nuclear fuel rods to Cuba unless—

(A) Cuba has provided assurances that it will not act in a manner inconsistent with the basic principles of the Nuclear Non-Proliferation Treaty and the Treaty of Tlatelolco;

(B) Cuba has committed to comply with the proposed IAEA standards of 1991 or the current country of origin (for example, Russia) reactor safety standards; and

(C) Cuba has committed to accept verification of compliance with such safety standards by a special international commission approved by the United States and such state, preferably in conjunction with the IAEA, except that this subparagraph shall only apply with respect to assistance provided twelve months after enactment of this Act.

Mr. MACK. Mr. President, this amendment has been agreed to, as I understand it, by both sides and by the administration. I first want to begin by thanking Senator LUGAR and his staff, Senator PELL and his staff, and members of the administration for working out this agreement. We have been trying to find some solution now for the past 6 hours or so, and I appreciate everyone's effort to come to a conclusion on this because I think it is a significant problem and one of significant concern.

Just a quick background. What I am referring to is an issue of Cuba building a nuclear power plant 250 miles off the Florida coast that is being built with Russian support and technical assistance. Cuba reportedly has some 10,000 workers involved in an attempt to complete it by 1993.

What the amendment says in essence is that we will not be providing any assistance under the act to any nuclear reactor program in Cuba unless Cuba commits to abide by two treaties that contain safeguards against the use of nuclear reactor byproducts for the manufacture of nuclear weapons and has committed to comply with either the new International Atomic Energy Agency standards for nuclear reactor safety or the new Russian safety standards which are essentially the same.

The amendment also requires Cuba to accept verification of its compliance with these standards by a special commission approved by the United States and Russia in conjunction with the IAEA.

The reason for offering this amendment is because of my concern for the safety of the people of the southeastern portion of the United States, of the people of Cuba, and for the people in the nations surrounding Cuba.

There has been testimony in the past from NOAA, a U.S. Government agency, that if there were to be an explosion at this plant, the cities of Miami and Tampa would be at risk within 2 or 3 days. One might ask, what is the reason for concern? Of course, I think the obvious one would be a very simple response that in essence the people who gave us Chernobyl are the ones who are assisting the Cubans in the construction of this plant. Frankly, it goes much beyond that.

I have talked to defectors from Cuba personally who have worked on this facility, who have indicated that by his inspection 15 percent of the weld points of this facility are defective. And I would suggest that in this country, if one weld point was defective, we would not allow it to open and to operate.

Dr. Harold Denton who is a nuclear engineer with the United States Government, and who personally inspected the plant in Cuba while he indicated that there is a debate about the design, responded to my question, would you license this facility in the United States?

There was a very simple and very clear response. The answer was no.

Another point that I would like to make is I think it is significant to understand that in this totalitarian regime in Cuba, they have provided that control over safety, operations, and construction will be under one person—until recently, Fidel Castro's son. That is an organizational chart that is created or that will allow for an accident to take place, as far as I am concerned.

A Dr. Nils Diaz, who is director of the nuclear studies institute at the University of Florida and has testified before Congress on this issue, has compiled a list of the concerns about this particular reactor. The list goes something like this: There is no full Western-style reactor containment, there is a lack of verification of essential safety features, a proven lack of quality control and quality assurance of design components and installation, proven violations of quality and features significant for safety, lack of acceptable international safety standards; lack of acceptable organization to implement nuclear safety requirements; poor workmanship, serious lack of personnel certification and training during construction; poor operating plant-specific personnel training and operating standards; poor institutional, electric-grid communications and general infrastructure to support nuclear operation.

An interesting report came out recently with respect to an earthquake that took place in Cuba in May 1992. There was a difference of opinion as to the size of the earthquake. Cuba says that it was a 5.4 on the Richter scale. The United States said it was a 6.9 on the Richter scale.

You might ask what is relevant about that with respect to this discussion about this reactor?

It is relevant because Cuba has said that this reactor was designed to withstand up to 6.2 on the Richter scale. Clearly, the Cuban Government lied about an earthquake on their territory to coverup the inadequacy of their reactor design and construction.

So I would suggest that all of these concerns that I have just indicated are concerns that this Congress and our Government should in fact be deeply concerned about, and I believe it is the reason why we are able to come to some agreement. The amendment before us, in essence, says this: Russia will certify to us that they will not deliver the fuel rods for this reactor unless there has been certification about the safety of the design, construction, and potential operation of this nuclear facility. They will not deliver those nuclear fuel rods unless there has been international inspection that is approved by the United States. I think if we can get that agreement, there is some reason to feel confident that this plant will not become operational until it is substantially rebuilt, if necessary, to bring it up to international safety standards, or failing that, that it will never become operational.

So again, Mr. President, I say I appreciate the willingness of the various staffs, and Members of the Senate who helped to work out the agreement with respect to this amendment, and I am assured that with this amendment the Cuban plant will not be completed unless it meets full international standards.

I yield the floor.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from Florida for an excellent amendment. We are prepared to accept it.

Mr. PELL. Mr. President, this is an excellent amendment. We recommend its acceptance.

The PRESIDING OFFICER. If there is no further debate, the amendment is agreed to without objection.

The amendment (No. 2676) was agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2677

(Purpose: to support the production of books for use in the educational systems of the independent states of the former Soviet Union)

Mr. GORTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington [Mr. GORTON] proposes an amendment numbered 2677.

Mr. GORTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 35, line 14, strike "and".

On page 35, line 19, strike the period.

On page 35, between lines 19 and 20, insert the following new paragraph:

"(10) to support the printing of books and other informational materials for use in the educational systems of the independent states of the former Soviet Union, including support for the procurement of paper for such purpose.".

Mr. GORTON addressed the Chair.

Mr. PELL. Mr. President, is there a modification to this amendment?

Mr. GORTON. Yes, it will be modified.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. GORTON. Mr. President, when Russian students now attend classes, they are likely to read books which their older brothers and sisters read before the Soviet Union collapsed. Through these antiquated books, the students may learn to appreciate a socialized economy or to depend upon their State. The students may also find, to their confusion, that their schoolbooks are openly hostile to the principles driving Russia's recent reforms. To help Russia update its curriculum, I am offering an amendment to the Freedom Support Act which would authorize assistance for the printing of books and procurement of paper for new schoolbooks in Russia.

Fortunately, replacing these books does not require the Herculean effort we've encountered in examining other parts of Russia's Administrative Government. Russia is not crippled by an Education Ministry incapable of distributing new books. Nor does it require technical assistance to author texts worthy of a free-thinking country.

Rather, in the face of opposition from older academies, the Russian Education Ministry has completed a new curriculum for its elementary and secondary schools that includes instruction in political science, economics, literature and most of the other subjects the United States would demand of its school system. The Russian teacher is more vocal than anyone in demanding a new curriculum. And unsurprisingly, the students themselves have expressed exasperation over their continuing relationship with Communist texts. We should credit the Education Ministry for finding its direction, acquiring much of it from the West, and mobilized quicker than other quarters of the Russian reform.

Sadly, the problem facing a new curriculum is funds. Struggling to continue the rudiments of his reform, President Yeltsin has been unable to help the Education Ministry print new books. Their transcripts sit within the Ministry awaiting paper, and that having been procured, perhaps funds for printing. Its Minister, Eduard Dneprov, and his nation's teachers understand the pressures occupying their President, and absolve him of any blame. The Freedom Support Act, however, should not ignore their needs.

Mr. President, if education is the cornerstone of society, educational reform will be especially important to Mr. Yeltsin. The books currently educating an overwhelming number of his citizens are the product of a closed society trying to lead its subjects down an isolated path. Democracy, as we all know, demands enlightenment—the free exchange of ideas, access to all manners of information, and, most importantly, the individual's ability to decide for himself. Most of this heritage will be passed onto the Russian people through books.

I ask that we acknowledge the efforts and enthusiasm already invested by the Russian people in updating their schools' curriculum and authorize assistance in the Freedom Support Act to help them print their new books.

The PRESIDING OFFICER. Is there further debate?

Does the Senator from Washington have a modification?

Mr. GORTON. The Senator from Washington does have a modification which I send to the desk.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 2677), as modified, is as follows:

> On page 34, line 17, add the following new language after the semi-colon:
>
> "including support for the printing of books and other informational materials for use in the educational systems of the independent states of the former Soviet Union, and support for the procurement of paper for such purpose.".

Mr. PELL. Mr. President, this is an excellent amendment and I suggest we support it.

Mr. LUGAR. We commend the Senator and we are prepared to accept the amendment.

The PRESIDING OFFICER. There being no further debate, the amendment is agreed to without objection.

The amendment (No. 2677), as modified, was agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GORTON. I am very grateful to the Chair and the distinguished chairman and ranking member.

MORNING BUSINESS

Mr. DOLE. Mr. President, I now ask unanimous consent that there now be a period for morning business not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR SPECTER'S FAMILY TRIBUTE

Mr. DOLE. Mr. President, I listened with great interest earlier today to the eloquent and moving remarks by my friend from Pennsylvania, Senator SPECTER, commemorating the 100th Anniversary of his father's birth.

In his very personal and heartfelt statement, Senator SPECTER painted a vivid portrait of the challenges facing a typical immigrant family, and how that family struggled to make it in America. It was a fitting tribute to Harry Specter, and to what one can accomplish in America with hard work, courage, optimism and traditional family values.

I am also proud that my hometown of Russell, KS, is part of the extraordinary story of Harry Specter. Russell welcomed the Specters with open arms and the old fashioned hospitality that my State of Kansas is known for. I am pleased that my home of Russell is still home to Senator Specter's brother, Morton.

I might add that the remarkable story of the Specter family is still being written, here in the U.S. Senate, by the son of that immigrant from Ukraine. I know Harry Specter would be proud of the contribution his son, Senator ARLEN SPECTER, has made in his remarkable career in public service.

Mr. President, I am honored to have known Harry Specter, and I am proud to serve in this body with his son.

UNITED STATES WILL HELP BOSNIA

Mr. DOLE. Mr. President, Pentagon officials announced yesterday that the United States is prepared to put U.S. Air Force and Navy combat air patrols over Bosnia-Hercegovina to support and protect international relief efforts in that country.

The United States would not do this unilaterally, but at the request of the United Nations, as part of a multilateral effort.

Although relief efforts began yesterday when three air planes loaded with food and medicine landed at Sarajevo airport, shelling has already disrupted the distribution of this assistance to the people of Sarajevo.

Monday's U.N. Security Council resolution—authorizing the deployment of 1,000 peacekeepers to Bosnia—did not authorize a broader effort or the use of force, if necessary, to keep the Sarajevo airport open or to protect convoys. However, this decision by the administration helps clear the way for such an authorization by the United Nations Security Council.

Mr. President, I welcome this news. It means that the United States is serious. Serious about ending what Secretary Baker last week called the "humanitarian nightmare" in Sarajevo. Serious about ending starvation there and in the many other Bosnian towns and villages where civilians have been trapped without food and medical supplies. Serious about sending a message to Serb aggressors in Bosnia that their reign of terror will not be tolerated.

Mr. President, the United States has taken a very important step. The war in Bosnia has raged on for 12 weeks now. Finally, there can be no doubt that the United States is fully engaged—in planning and in implementing relief efforts; and, this decision also indicates that while we prefer to undertake relief activities with the cooperation of Serb militias—we will not wait endlessly for their cooperation and watch as tens of thousands of innocent people perish. We will not give Milosevic a veto over these relief efforts, so that he can starve the people of Bosnia-Hercegovina into submission and slavery in a greater Serbia.

In short, yesterday's Pentagon announcement clearly signals that the United States is willing to do what it takes, to alleviate the suffering of the people of Bosnia—Muslims, Croats, and Serbs.

THE FEDERAL HOUSING ENTERPRISES REGULATORY REFORM ACT OF 1992

Mr. CHAFEE. Mr. President, I plan to oppose the bill under consideration this morning—and I want to state clearly my reasons for doing so. I have serious concerns with a provision in the bill dealing with the liability of municipalities under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, or Superfund.

As my colleagues will recall, last week I offered an amendment to strike from the managers' amendment language dealing with this municipal liability. Unfortunately, that amendment was defeated.

As I indicated during the debate on that amendment, I oppose strongly making changes in the Superfund law at this time and on this totally unrelated piece of legislation. The Committee on Environment and Public Works, on which I serve, has already begun the process of reauthorizing Superfund—a process that will likely be completed during the next Congress. In my view, a determination on the municipal liability question should be made in the context of that process. To do otherwise, as the Senate has chosen to do, seems very unfair.

Mr. President, the Superfund Program has come under a great deal of criticism in the last few years. We may well decide that the program, including the liability system, needs a complete overhaul. But before we make any changes to the liability system, we should have the benefit of all possible facts. The Senate last week decided, however—with only a few hours of debate—to change one aspect of the Superfund liability system in a way that fundamentally affects the entire program.

For these reasons I feel compelled to vote against the GSE bill. It is my hope that when the House and Senate go to conference on this bill, the language dealing with municipal liability under Superfund will be deleted.

I am disappointed that the GSE legislation has been caught in the middle of this debate over Superfund. S. 2733 was a good bill when it emerged from the Senate Banking Committee on April 8. I support a reinvigorated regulator within the Department of Housing and Urban Development. In my view, increased supervision will promote additional safety and soundness at GSE's and will reduce the risk that Federal tax dollars will ever be needed to bail them out.

I also favor the housing components established in the banking committee version of S. 2733. The legislation calls upon Fannie Mae and Freddie Mac to purchase a greater portion of low- and moderate-income mortgages. In addition, the bill would have required GSE's to increase their activities in urban areas around the Nation.

And finally, the bill would require Fannie Mae and Freddie Mac to establish specific capital reserve standards that must be met to ensure that GSE's could withstand a severe credit and interest rate stress test—similar to what could occur should there be a significant and prolonged downturn in the national economy.

All these changes would greatly improve the operation of GSE's in our Nation. Nevertheless, I will be voting against S. 2733 because I strongly oppose the municipality liability provisions that have been added to the bill.

TRIBUTE TO JIM HART

Mr. HEFLIN. Mr. President, it is with great sadness that I rise today to pay tribute to the late Jim Hart, a Brewton, AL, attorney and civic leader who died on June 24, 1992. Jim was a true friend to this small community in southwest Alabama, and a close personal friend of mine as well.

As an editorial published after his death put it so succinctly, "Jim Hart was a great man." He was the type of person who believed in giving back something to his community, but who never sought praise or recognition for the things he did. Indeed, many of his accomplishments never made the news. His concern for his town and the people around him was a natural part of his character.

Like many others, I knew Jim Hart as a person who derived much enjoyment and satisfaction from seeing others having a good time. As his longtime friend, Brewton Mayor Ted Jennings remarked, "he always had that great big laugh." As evidence of Jim's efforts to promote the happiness and good times of others, he was instrumental in obtaining an Amtrak stop for Brewton last year.

Yes, Jim Hart was a great man, an exceptional person. Brewton is a better place for his having lived and worked there. I extend my deepest sympathy and condolences to his family in the wake of their tremendous loss.

I ask unanimous consent that the introduction of Jim when he was presented the Citizen of the Year Award this past spring be included in the RECORD immediately following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TRIBUTE TO JIM HART—CITIZEN OF THE YEAR

"Jim" was born on March 23, 1943, in Mobile, Alabama, to James E. Hart, Sr., and Georgia W. Hart of Flomaton, Alabama. He is married to the former Patricia Taylor of Bartow, Florida, and has two sons, Jimbo, who is a graduate of Auburn University, and John, who is a junior at the University of Alabama. Jim graduated from Marion Military Institute in 1962. While at Marion, he was a member of The Monogram Club, Morgan's Raiders, Honor Council, and played varsity football. His Bachelor's Degree in Business Administration is from Auburn University. Cumberland School of Law of Samford University graduated him in 1970 with a Doctor of Jurisprudence, cum laude. While at Samford, he was a member of the Cordell Hull International Law Society, Phi Alpha Delta Law Fraternity and Alpha Tau Omega Fraternity. He was also the Managing Editor of the Cumberland-Samford Law Review for 1969–70.

Jim was admitted to the practice of law in Alabama in 1970, and in Florida in 1972. He is a member of the Alabama Bar Association, the Florida Bar Association, the American Trial Lawyers Association, the Alabama Trial Lawyers Association, and the Alabama Criminal Defense Lawyers Association. He is a former Assistant District Attorney for Escambia County and has served as a Special Assistant Attorney General with the State of Alabama. He is a member of the Oil and Gas Task Force and has served as Chairman of the Oil, Gas and Mineral Section and the Lawyers Public Relations Committee Section of the Alabama State Bar. He is a past President of the Escambia County Bar, and currently serves as Bar Commissioner for the Twenty-First Judicial Circuit.

Jim is President of the Southeastern Livestock Exposition and a past President of the Alabama Cattlemen's Association. He has been active in the Alabama Cattlemen's Association and the Escambia County Cattlemen's Association for many years, serving in all capacities in those organizations.

He is an active member of First United Methodist Church of Brewton, having served as a Lay Leader and all other committees and board of the church. He is a past member of the Conference Board of Trustees of the Alabama-West Florida Conference of the United Methodist Church.

He is an active member of the Brewton Rotary Club, where he has served as President and is a Paul Harris Fellow. He is a past President of the T. R. Miller Quarterback Club and is still very active in that organization. He has served as Chairman of the Escambia County Democratic Executive Committee, Chairman of the Oil Severance Trust Fund Committee for the Brewton City Schools, has been a member of the Marion Military Institute Presidential Advisory Council, a member of the Advisory Board of Cumberland School of Law, and a member of the Centennial Committee for the City of Brewton. He is also actively involved in the Gulf Coast Council of the Boy Scouts of America, the Alabama Sheriff's Association, and many other civic organizations.

Jim moved to Brewton in 1970 and has a thriving law practice here. His wife, Tricia Hart, has recently opened the "Downtown Antique Mall and Gallery" in the old Robbins-McGowin building, a collectibles and antique business, which has received support from the community.

During the past year, Jim served as Chairman of the All-America City Award Committee for the City of Brewton. He worked closely with community members in compiling an entry in this National Civic League program which honors communities for civic excellence. While there was no formal committee organized, Jim was instrumental in cajoling Amtrak, through letters, phone calls, and personal visits to Washington, D.C., to visit with officers of the National Railroad Passenger Corporation, and after many months of hard work, to make Brewton a regular stop on the "Gulf Breeze" service between Birmingham and Mobile. He was then the driving force behind "Amtrak Day" which was a huge success and enjoyed by many of Brewton's citizens.

Jim Hart was a vital and interested citizen of this City and would be a distinguished addition to the already distinguished list of Citizen of the year award winners.

COMMENDING ROBERT C. LOUTHIAN

Mr. WARNER. Mr. President, over the course of the several centuries during which the Congress has been in existence, its size and the scope of its work have grown and evolved. The business of enacting legislation has become a full-time affair not only for the Members of the Senate and the House of Representatives, but for the many staff, in various capacities, who enable Congress to do its work with some measure of efficiency. Chief among those staff are those who advise the Members and draft the actual letter of the law: the talented lawyers in the Office of Legislative Counsel.

On July 14, one of those lawyers, Mr. Robert C. Louthian, Jr., will mark the 40th anniversary of the beginning of his service in the Office of Legislative Counsel.

A native of Roanoke, VA, Bob Louthian attended the public schools in that city. Shortly after his graduation from high school, he joined the U.S. Navy and was dispatched to active duty in the Pacific theater during the Second World War. Upon completion of his Navy service, he enrolled in Roanoke College, where he earned a B.S. in economics in 1949. He pursued his legal education at my alma mater, Washington and Lee University, receiving his LL.B. in 1952. During his time at W&L, he served on the staff of the Washington and Lee Law Review, and was elected to the Order of the Coif in recognition of his excellent academic record.

Mr. Louthian came to the Senate immediately after law school. He was hired as a law assistant in the Office of Legislative Counsel on July 14, 1952; on July 15, 1954, he was promoted to assistant counsel; and on July 1, 1973, he was designated as a senior counsel.

During his career in the Legislative Counsel's Office, Bob has worked in legislative fields as diverse as Indian affairs and matters related to the District of Columbia. In addition, he has handled matters under the jurisdiction of the Committee on Rules and Administration, on which I serve, and on natural resources issues with the Committee on Energy and Natural Resources. Most recently he has worked closely with the members and staff of the Committee on Commerce, Science, and Transportation. Bob also serves as the Office of Legislative Counsel's senior advisor to Senate officers and agencies.

Mr. President, few careers in public service approach the breadth, not to mention the length, of Bob Louthian's record of distinguished service to the U.S. Senate. He is an outstanding American whose service has indeed been to the people of this Nation as much as to this body. His wise counsel has contributed to the well-being of our Nation and to the continuity and institutional memory of the Senate. I am particularly proud that he is a born and bred product of the great Commonwealth of Virginia. I salute and commend Bob Louthian for his demonstrated commitment to public service, and I look forward to continuing to work with him in the years ahead.

NOTCH CORRECTION LEGISLATION

Mr. PRESSLER. Mr. President, the Social Security notch problem has been debated for 10 years with little success. Congress has fallen short of the expectations of our senior citizens. As we all know, the Social Security notch affects those Americans born between 1917 and 1921. Nine million retired Americans are adversely affected by this flawed benefits formula.

The Social Security notch was an unintentional error. Congress modified the benefit formula in the early 1970's. It was later discovered that this formula overcompensated beneficiaries. In 1977, further adjustments were made in the benefit formula. This resulted in the benefit disparity, termed the Social Security notch.

South Dakota has an estimated 34,000 notch babies. Conservative estimates indicate these individuals are penalized some $20 million a year. This clearly illustrates the need for correcting this injustice. During this session of Congress, I have received over 1,000 letters on this issue from senior citizens. These individuals desire a correction of the benefits disparity. The extra cash is needed by some of our poorest citizens. In fact, in my State, the average Social Security benefit is only $500.

The notch is a clear injustice to many Americans who have worked hard and done their best to save for their retirement years. After retiring, they learned that their Social Security retirement benefit is smaller than that received by individuals born before them.

As a cosponsor of S. 567, the Social Security Notch Adjustment Act of 1991, I urge my colleagues to act on this matter. This bill has been tied up in the Finance Committee for a decade without any final report to the full Senate. Correction of this problem is long overdue. With the cooperation and determination of the Finance Committee, we can resolve this issue.

As an advocate of a balanced budget who does not encourage increased Federal spending, I have researched carefully the budget impact of correcting the notch problem on the Social Security trust fund. S. 567 would cost about $4 billion in the first year after its enactment and less than $5 billion thereafter. The current Social Security trust fund surplus is estimated to be about $286 billion. This surplus is increasing by about $45 billion a year. The bottom line is that S. 567, the notch correction bill, would have minimal impact on the trust fund.

At a time when the economy is just beginning to turnaround, it would be a wise decision to put more money into the hands of consumers. Correcting the notch inequity would make more funds available to millions of Americans who represent a large percentage of the buying population. The expenditures of these Americans would help to transfer money back into the economy with little impact on the Federal Government.

Let us solve this problem now, and eliminate the unfairness of giving the notch babies lower Social Security benefits than they deserve. Enacting S. 567 surely would improve the lives of millions of Americans and strengthen the economy.

TRIBUTE TO DR. ARTHUR GEORGE GASTON

Mr. HEFLIN. Mr. President, I rise today to pay tribute to Dr. Arthur George Gaston, one of Alabama's most successful businessmen and esteemed citizens, upon the occasion of his 100th birthday coming up on July 4, 1992. It is entirely fitting that he was born on the anniversary of the founding of our great country, for he truly is "the American Dream" personified.

It is grand understatement to say that Dr. A.G. Gaston is one of Birmingham's and Alabama's most distinguished and prominent citizens. He is nationally known for his "rags-to-riches" story, and for his lifetime of service to his fellow man and to his community's business sector. He has helped countless young people obtain an education, supported numerous civic causes, and inspired several generations of young Alabamians to achieve great things through hard work, perseverance, and a commitment to life-long learning.

During the divisive racial tension that rocked Birmingham many years ago, Dr. Gaston stood tall with his beliefs in equal justice under the law in many ways, including providing bail for many jailed civil rights leaders. However, he constantly advocated nonviolence and on proper occasions his voice was one of moderation and calm. He said he never grew to hate those who perpetuated racism and violence. Instead his credo was: "Instead of getting mad, get smart." In wake of the turbulence that took place in Los Angeles recently, America needs similar voices of moderation and calm, Dr. Gaston recognized long ago that only through knowledge, awareness, education and mutual cooperation at all levels, do we move forward to experience the fulfillment of the American dream of the brotherhood of man and the Fatherhood of God.

Mr. President, Dr. A.G. Gaston is a remarkable role model for all of us. I proudly join all of his loving family, close friends, and admiring associates in extending my best wishes for a happy and joyous birthday. I was honored to have been selected to serve on the dinner committee for his gala birthday celebration to take place Friday evening, July 3.

The 100th anniversary of Dr. Gaston's birth in Demopolis, AL, is a time to reflect upon his incredible life of achievement and of improving the lives of those around him. Like few others, he has earned a unique place in history.

The Birmingham news recently carried an article on the life and work of Dr. Gaston. I ask unanimous consent that the text to that article be included in the RECORD immediately following my remarks.

GASTON TO TURN 100 BY DOING FOR OTHERS

(By Ingrid Kindred)

Birmingham businessman Arthur George Gaston could well afford to celebrate his upcoming 100th birthday in any way he chooses.

Born on the Fourth of July, the American success story and Birmingham legend has decided to celebrate much the way he made his fortune, by doing something to help others.

On Friday night at the Birmingham-Jefferson Civic Center, national celebrities, community well-wishers, relatives and friends will salute Gaston at a gala black-tie birthday banquet in his honor.

Instead of bringing him personal gifts, they will be donating thousands of dollars to Gaston's favorite charity, the A.G. Gaston Boys and Girls Club Inc., which he founded as a boys' club in 1966.

"The Lord has seen fit to let me live to this age for a purpose and it is my hope that I have served Him and my people as He wanted me to," Gaston said. "I have lived a long life. I have received many blessings."

Gaston, born in Demopolis on July 4, 1892, came to Birmingham at age 8 with his mother. He received his only earned diploma from Carrie A. Tuggle Institute, but affectionately is called "Dr." Gaston because of more than 10 honorary doctorate degrees received from Tuskegee University and other schools, including Monrovia College and Industrial Institute in Liberia.

He served in the Army before and during World War I and worked for Tennessee Coal & Iron Co. (U.S. Steel's predecessor) in the Westfield community of Jefferson County.

FIRST BUSINESS

It was while working there that he started his first business, the Booker T. Washington Burial Society. The company accepted family memberships, and guaranteed death benefits and proper burial to its members.

From that grew the Booker T. Washington Insurance Co. and Smith & Gaston funeral directors, which also was named for the father of Gaston's first wife, the late Creola Smith Gaston.

His second wife, Minnie Gardner Gaston, was longtime director of the Booker T. Washington Business College, which he founded in 1939. The college closed in 1987.

Those businesses, and most others founded by Gaston, were started with an eye on filling service needs in the black community, rather than for big profits, Gaston said.

By successfully filling needs, Gaston said, he "accidentally" became rich. He once was known as "the richest black man in America," but abhors portrayals of himself as a "black millionaire."

"My name is not 'A.G. Gaston Millionaire,'" he said in 1982, just prior to his 90th birthday. "There are a lot of folks in this town with as much or more money than I have, and you never hear them referred to as 'millionaire.'"

His companies have included New Grace Hill Cemeteries, Inc., the A.G. Gaston Motel, Citizens Federal Savings & Loan Association, BTW Federal Credit Union, Vulcan Realty and Investment Corp., A.G. Gaston Home for Senior Citizens, WENN/WAGG Radio, Zion Memorial Gardens and the A.G. Gaston Construction Co.

Gaston sold off several of the companies over the years. In 1987 he sold the $34 million stock of all companies under the Booker T. Washington umbrella to employees for $3.4 million. Companies under the BTW umbrella had more than $24 million in revenue last year, according to Black Enterprise magazine, which honored Gaston in its June issue as its "Entrepreneur of the Century."

STILL GOES TO WORK

Gaston remains chairman of the board of Citizens Federal (now Savings Bank). Although confined to a wheelchair due to a leg amputation in 1990, Gaston goes to church on Sundays and still can be found working in his office several hours a day on most Mondays through Saturdays.

"Sunday is the only day when he is not here. His mind is as clear as mine," said Kirkwood R. Balton, a BTW insurance company executive who has worked for Gaston's enterprises for 33 years.

Balton, who also is president of the Gaston Boys and Girls Club, said Gaston agreed to publicly celebrate his 100th birthday on the condition that it benefits the Boys and Girls Club.

"Beyond giving is money, Dr. Gaston has given of himself to the club," Balton said. "Through the years he has visited, counseled and played games, including table tennis, with those boys. This was in order for him to have an identity with them and they with him, which has been an influence on a lot of lives."

Gaston and wife Minnie—both recently ill and hospitalized—contributed $300,000 for the Boys and Girls Club to move from its longtime base at Seventh Avenue and 14th Street North to a new site at 2900 South Park Drive SW near Five Points West.

OPEN HOUSE AT CLUB

An 11 a.m. public ribbon-cutting ceremony, and open house and family fun events from 10 a.m. to 2 p.m. will be at the club Friday.

Proceeds from the birthday bash will go toward a $500,000 capital drive to retire the debt and complete renovations of the new Boys and Girls Club facility. Part of the money also will be used for an educational endowment fund for the club.

Jesse Jackson, Black Enterprise Publisher Earl Graves, actor Ossie Davis, and his wife, actress Ruby Dee, state and local political business and civic leaders are expected to attend the Gaston birthday celebration Friday night.

Bruno's Inc. Chairman Emeritus, Joe Bruno is honorary chairman of the dinner. Alabama Power Co. President Elmer Harris and Balton are co-chairmen.

Dinner tickets at $100 each are available by contacting Sylvia Joyner at Booker T. Washington Insurance Co. at 328-5454.

THE NATIONAL SERVICE INITIATIVE WASHINGTON STATE AWARDEES

Mr. GORTON. Mr. President, community service is a task that deserves more recognition than it presently receives. Our Nation's strength lies in the willingness of the American people to give of themselves to help others. I would thus like to take a few moments to recognize the dedication of several individuals who have helped to maintain excellence in America's communities.

President Bush, in establishing the National Service Initiative, has challenged Government employees and contractors to volunteer some of their time to community service. Six of my constituents recently received an award from the Department of Energy under this program. It is an award to commend outstanding achievement in public service. I am proud to announce the recipients' names and the contributions that they have made to their communities.

Oscar A. Armendariz is an area economist with the Upper Columbia area, power management division, at the Bonneville Power Administration. Oscar sits on the Board of Directors for numerous professional organizations. In these capacities, Oscar has devoted much of his time toward mentoring youth in the areas of math, engineering, and science. Oscar is also active in many community youth activities.

Anna V. Beard-Taylor is a mechanical engineer with the Operations Division at the Richland operations office. Anna has a deep commitment to work for the betterment of mankind. Her focus supports youth, minorities, and equal opportunity, she has coordinated clothing drives, food drives, and mentoring activities for numerous organizations including the Urban League, Save-a-Child, and the Jefferson Street Community Center.

Daryl D. Green is a safety engineer with the Technical Support Division at the Richland field office. Since January 1990, when he began the Greater Faith Baptist Church tutoring program, Daryl has helped an average of 34 students each semester from the tri-cities area. The program, which is held every Tuesday, assists students in the areas of math, science, and other major subjects. The program also brings private business and the Government together to address education problems by using employees from each sector.

Connie D. O'Neil is a secretary with the Site Infrastructure Division at the Richland field office. Connie has provided volunteer-community service in support of the Jerry Lewis Telethon since its inception by serving as the Tri-Cities Telethon coordinator for 24 years. Because of her outstanding work, each year's receipts have surpassed those of the past year. By leading by example many volunteers return each year.

Marji Parker is a grants specialist with the Procurement Division at the Richland field office. Margie's exceptional record of volunteer community service spans a 35-year period. During this time she has committed her spare time to serve many organizations in various capacities, including serving as chairperson of the National Contract

Management Association Scholarship Committee, Den Mother for the Boy Scouts of America, serving on the Council of the Children's Home Society, and serving on the Board of Trustees for Columbia Basin College.

Jacqueine E. Bond is a group leader with the Instrument Calibration and Evaluation Group/Health Physics Department at the Battelle, Pacific Northwest Laboratory. Jackie's volunteer community service has included serving as president of the Benton-Franklin chapter of the NAACP for the past 4 years and a member of the board of the Columbia Basin Minority Economic Development Association for the past 3 years.

Again I would like to congratulate these six outstanding examples of positive community involvement. I hope that others take charge and follow in the footsteps of these fine citizens.

TRIBUTE TO DR. JAMES A. PITTMAN

Mr. HEFLIN. Mr. President, effective June 30, Dr. James A. Pittman retired from his position as dean of the University of Alabama School of Medicine. His 19 years on the job have benefited the medical community in Birmingham—indeed all of Alabama—immensely, not to mention the countless patients who have come to the University Hospital complex seeking quality and professional care. His outstanding leadership abilities and accomplishments are evidenced by the prestigious reputation that Alabama's medical school currently enjoys.

Last spring, U.S. News & World Report ranked it the No. 1 up and coming medical school in the Nation. The same publication, in its June 15 edition, singled out the University of Alabama Hospital in Birmingham as one of the best in the Nation, and among the top seven in the field of rheumatology. Dr. Pittman deserves much credit for the accolades the school and hospital are deservedly receiving.

Originally, James Pittman thought he would become a Presbyterian minister. But while attending Davidson College, he found that his true talents and career interests included science, especially biology. He began studying and working in Boston, Paris, the National Institutes of Health, and the Veterans Administration in Washington, DC, Oak Ridge, TN, and the University of Alabama in Birmingham, where he was chief resident. His specialties were internal medicine and endocrinology.

Dr. Pittman is described by many of his friends as a man with great honesty and enthusiasm, an amazing intellect, quick wit, and a tremendous interest in people, science, and books. He is also known as a positive thinker with an excellent imagination and the ability to carry through long-range plans. Above all, he has always had the medical school's best interest at heart.

Even though Dr. Pittman has retired from his job, he has not resigned from his work. He plans to spend a month this summer in Newfoundland, Canada, where he was an intern. He plans to spend the upcoming school year as a visiting professor at Harvard University, his alma mater.

It is my pleasure to congratulate and thank Dr. James Pittman for his many years of service to the medical profession, particularly for his contributions to the University of Alabama School of Medicine. More than anyone else, he has worked tirelessly to make the medical school a source of pride for our State. I wish him the very best in all of his future endeavors.

I ask unanimous consent that a Birmingham News article detailing Dr. Pittman's life and work be included in the Record following my remarks.

[From the Birmingham News]

Sands Aren't Running Out on Pittman

(By Betsy Butgereit)

So, Medical School Dean James A Pittman Jr. has UAB President Scottie McCallum 5,000 feet above Lake Logan Martin, flipping through some stunt maneuvers in Pittman's 1940s vintage biplane, when . . .

The canvas rips off the left wing.

After a few anxious moments, they land safely and scurry to a UAB event. There, one of McCallum's fellow church members comments, "Brother Scottie, we didn't see you in church today."

Before McCallam can respond, Pittman pipes in, "Don't worry. He was praying."

That was June 1978. McCallum hasn't flown with Pittman again, but the University of Alabama at Birmingham's president might be praying again this week—for someone to step into the void the witty, well-respected Pittman leaves when he steps down as dean Tuesday, after 19 years in the job.

"I don't think you replace Jim Pittman," McCallum said. "I think you identify a successor who one hopes will have the imagination and the desire to keep the momentum going that's been started by Jim."

Pittman, 65, is adamant he's not retiring, just resigning. He plans to spend a month this summer in Newfoundland, Canada, retracing the steps he left as a young student there and learning more about the Canadian national medical system.

Then, it's on to Harvard, where he earned his medical degree, for a school year as a visiting professor.

"I'm going to try to get in touch with medicine again, find out what's going on," Pittman says.

As if he's been on Mars for the past 19 years.

MINISTRY FIRST CHOICE

Pittman got into medicine the hard way, through religion: The Orlando, Fla., native, who birds, airplanes and motorcycles, planned to be a Presbyterian minister. He fell into biology and science at Davidson College.

"His first scientific paper was the speed of the common loon in full flight, and he got that information buy chasing it in an airplane," recalls S. Richardson Hill, the former UAB president who hired Pittman.

Pittman's life in the cloth ended shortly after a Davidson Sunday school teacher discovered his scientific leanings.

"If you believe in evolution, you are going straight to hell!" the teacher warned him. Pittman decided to be a medical missionary.

That interest took him to rustic Newfoundland for the summer before his last year in med school. He kept an evocative journal of his adventures, which include such gems as a patient singing, "Enjoy yourself, it's later than you think," while Pittman is trying to save another patient form pneumonia.

He never became a medical missionary, studying and working instead in Boston, Paris, the National Institutes of Health and the Veterans Administration in Washington, D.C., Oak Ridge, Tenn, and UAB, where he was chief resident.

He even met the famed Dr. Albert Schweitzer in Africa in 1957.

He considered several specialties, but settled on internal medicine and endocrinology.

"Medicine is the ultimate in human relations," Pittman says. "It just seemed like the whole point of medicine was to determine the diagnosis, to figure out what was wrong and try to make them well."

A MAN WHO LOVES LIFE

Some of the delights of knowing Jim Pittman, say his friends and colleagues, are knowing a man with great honesty and enthusiasm, an amazing intellect, quick wit and tremendous interest in people, science and books.

"He certainly loves life more than anyone I know," said Dr. Gail H. Cassell, chairman of UAB's department of microbiology. "He's one of the best-read people. You rarely find a subject that he doesn't know anything about."

It's common knowledge at UAB that few people leave his office without a book or a reprint of some article he likes.

"He's an excellent customer, probably my biggest," says Allen Shaffer, owner of Smith & Hardwick Bookstore in Forest Park.

Longtime friend Hall Thompson says, "He keeps sending me all these books all the time and telling me I don't read them, and it's the truth. I don't. But he keeps trying to educate me."

McCallum, who's also a good friend of Pittman, says he's starting to wonder if there's some unspoken message in the books Pittman sends him.

"Maybe he's trying to tell me to do a better job," McCallum says.

WHEN THE SAND RUNS OUT

What his friends classify as charming characteristics of a medical Renaissance man, Pittman dismisses as a lack of focus.

"I get diverted," he says, "I don't have any power of concentration. My attention span is too short."

He makes that pay off for him. He has been known to put an hourglass in the middle of a conference table, the clear inference that the meeting is over when the sand runs out.

He also has a small Pinocchio doll he sometimes puts on a conference table, another clear inference.

He's had magnets attached to the doors of his office and his conference room. With a touch of a button from his seat, he can shut the doors so tardy deans can't just slip in.

Pittman leaves a school that his colleagues say reflects his energetic personality.

"The faculty also reflects his personality," says Dr. Arnold G. Diethelm, chairman of the school's department of surgery.

"He's a very positive thinker who has excellent imagination and the ability to carry through long-range plans. He's absolutely honest with all the faculty, and he's as fair with the chairmen of the departments as with assistant professors. Above all, he always has the medical school's best interests in his heart."

Pittman doesn't hire people like himself, Diethelm said. "He creates an atmosphere so that people become that way," Diethelm said.

His colleagues say he's built the faculty by recruiting the best people, insisting on excellence and tnriving on diversity.

W. Mitchell Sams Jr., chairman of the department of dermatology, describes in a letter how Pittman wooed his family.

Sams' daughter didn't want to move to Birmingham: Pittman found out she like ballet.

When the family came to visit, Pittman arranged for the girl to tour various ballet schools here. She was so impressed, she moved to Birmingham before her family did to start school.

A TALE OF ROMANCE

Ask Pittman how he met his wife, Dr. Constance Shen Pittman, who specializes in thyroid disease, as does Dean Pittman.

"Do you want the good story or the real story?" he'll ask.

The good story: He's flying over Szechuan, China, in World War II when a zero comes out of the sun and blasts him. The plane goes down, but he walks out of the wreckage. He sees this shack nearby, walks in, and there she is.

The real story: They met while he was at Harvard and she at Wellesley College. Sparks didn't fly.

"She didn't seem to have the income potential as she did when she was in medical school," he jokes.

They met again in Boston, where both were working. They married in 1955 and have two sons, Clinton, a law student at Vanderbilt, and John, a Boston banker.

Pittman worries his wife isn't getting enough credit for her role in his life.

She sees patients and maintains a lab at UAB that has gotten funding for 33 years. She is principal author on many scientific papers in which he plays a minor role. She recently was president of the American Thyroid Association.

All the Pittman men are adventurers, into planes and motorcycles and other such pursuits. At a recent party honoring Pittman, someone asked Connie Pittman how she coped with that.

"I go to church and pray for them," she said.

LOVED FOR HIS QUIRKS

One of the things people like best about Pittman is his quirks:

He insists that the most obvious thing he's done for the med school is get everybody to were white coats.

He's known for his outspoken opinions.

"I'm too old to give a durn anymore," Pittman says.

He has sent his friends, all 1,000 on the list, the same Christmas card for 42 years.

It features a Latin passage, which translates roughly into, "Behind all the pain in life, there's joy." Take joy, says high school pal Nancy Ryle of Marietta, Ga.

Pittman delights in challenging people to fly loop-de-loops with him, in his Stearman biplane.

He took up flying as a teenager, when his parents asked him to forswear motorcycles after a friend was killed on one.

Pittman requires anyone who gets sick from the aerobatics to clean up his own mess when they get back to the ground.

He once got a comeuppance of sorts from young Shane Kearney, son of a UAB colleague. On a day when Pittman was taking children up, Shane wanted badly to go. Pittman usually requires the children be older and bigger, but the 9-or-so-year-old boy was so disappointed, Pittman relented.

Pittman relented.

Pittman did a routine of loops and rolls, then went into a spin with the plane's nose aimed at the ground. When he pulled the plane back up, be couldn't see the child. He ducked down to look under the seat. No child. He looked over the plane's edge. No parachute.

The child had fallen out and didn't pull the parachute ripcord, Pittman feared.

"It was the worst feeling I've ever had," he said.

Just as he was planning how to break the news, the child's head popped up in the seat. The G-forces of the plane spinning down had crushed him into his seat and it took him a minute to disentangle.

PITTMAN LOSES A BET

Pittman this week loses a bet with a fellow med school dean. University of New Mexico's Leonard M. Napolitano, who's been dean for 20 years. For years, Pittman has been threatening to unseat the record-holder.

Napolitano, 62, denies he is gloating this week.

While Pittman insists he will miss the bustling activity of UAB, friends and co-workers doubt he can stay away long.

"I just know you are not constitutionally equipped to rest on your laurels for very long," Richardson wrote, one of an avalanche of letters from friends and co-workers.

They included fond memories summations of his characters, and eloquent odes.

Perhaps Gloria Howton, the university's former public relations director, put it best and simplest:

"Jim, you may have been a headache, but you were never a bore" she wrote.

THE FUND FOR DEMOCRACY AND DEVELOPMENT

Mr. BIDEN. Mr. President, over the past year a broad array of private, American organizations have made great, and largely successful, efforts to respond to the dramatic changes in the former Soviet Union. Groups across the Nation have tapped into the United States' can-do spirit and the finest American values of charity and compassion by providing humanitarian relief to the peoples of the new Slavic and Eurasian nations.

Even as the administration was only slowly coming to the realization last winter that humanitarian aid was needed, thousands of individuals and scores of organizations were already selflessly giving their money, time and energy to help former Soviet citizens.

Today, as the Senate proceeds with work on the Freedom Support Act, my hat is off to these many Americans who so quickly and generously responded to the needs of the Commonwealth nations. While some in Congress may debate this Nation's willingness to provide foreign aid, there should be no question of the personal beneficence of the American people when others are in need, whether the needy are here at home or beyond our shores.

Today, Mr. President, I want to pay special tribute to the extraordinary contributions of one particular organization in this field. That organization, the Fund for Democracy and Development, has led the way in organizing and facilitating the transport of assistance to the Commonwealth nations.

Dozens of schools, churches, synagogues, community clubs, and other groups in the United States are enthusiastically collecting canned food, medical supplies and other goods for donation to the 12 new independent States. Once they collect these goods, however, the groups usually have no means to ship them abroad. This is where the fund steps in. Through a national network, the fund provides financial and logistical support for the transport of contributions to the former Soviet Union. According to the fund, more than 200 forty-foot containers of donated goods have been delivered to people throughout the Commonwealth countries in the past few months with the fund's help.

To carry out this important work, the fund matches donors with recipients, develops detailed distribution plans, provides shipping containers, arranges for inland U.S. transportation, shipment to the Commonwealth nations, and entry into the recipient country, monitors container movement, and notifies the donor after the goods reach their final destination.

In other words, the Fund for Democracy and Development is the critical link between those in need and those able to give. Without their diligent work, we could only guess at how much of the humanitarian relief offered by Americans would never arrive at its destination.

In view of these accomplishments, I not only want to reiterate my esteem for the Fund for Democracy and Development, but also to suggest to the administration that the fund be viewed as an excellent source of private sector advice and assistance. The fund has already proven itself a capable partner of the Federal Government in its shipment efforts, which were carried out in coordination with the Department of State. I urge the administration to continue to regard the fund as an outstanding colleague in providing humanitarian aid. And as the fund is now developing assistance programs in other areas, I hope the administration will consult the fund for ideas and advice as the United States' aid package is broadened.

In the meantime, I once again want to offer my congratulations to the Fund for Democracy and Development.

SALUTE TO DR. DRYGAS

Mr. WOFFORD. Mr. President, it is with pleasure that I recognize and salute Dr. Miroslaw Drygas, Poland's Head of Extension Service Section, Ministry for Agriculture and Food Economy. Dr. Drygas' responsibilities include extension service and agricultural education for all of Poland. Dr. Drygas has displayed a clear vision and appreciation of the beginning of a new era in Polish agriculture. He understands the importance of moving from a centralized, closed command agricultural system to an open market system. Dr. Drygas firmly believes that the future prosperity of Poland and the preservation of its fledgling democracy depends on improving market conditions for Polish agricultural goods.

Dr. Drygas has shown strong support for agricultural exchange programs between the United States Department of Agriculture and the Polish agricultural community. Among the programs are on-site studies by United States needs assessment teams to determine the changes necessary to move Poland's agricultural industry into a competitive position with world markets.

Several teams from Penn State University College of Agricultural Sciences, headed by Dr. Donald E. Evans, have participated in the program. The Penn State teams are working to help Polish farmers to understand and participate in an open market economy, improve water management, assess areas of improvement in agricultural education and conduct a review of agricultural technical and vocational schools in Poland.

Again, I want to salute Dr. Drygas for his commitment to moving Polish agricultural institutions forward and commend the Pennsylvanians who have been so helpful in this effort to move Poland further along the road to democracy and a free market economy.

SPACE CRYSTALLOGRAPHY

Mr. HEFLIN. Mr. President, I rise before you today to discuss new, exciting technology that is being used right now, 160 miles above our heads. This technology, protein crystallography, seems destined to revolutionize biomedical and agricultural research.

Proteins are one of the basic substances that animals and plants need to grow, reproduce, and resist disease. Understanding these substances and the way they react is an essential first step creating new medicines and agricultural products. Because individual protein molecules are too small to see, scientists have begun to grow protein crystals to learn about their function and structure. To determine the structure of individual protein molecules, however, scientist need crystals far more perfect than those that can be grown on earth.

NASA has begun an ambitious program to grow these crystals in space. The extremely low gravity and controlled environment the space shuttle operates in provides near perfect conditions for these experiments. Protein crystal growth experiments are being flown in the mid-deck of the space shuttle. They currently consist of approximately 60 crystal growth chambers, each with a different concentration of protein solution. Upon return to earth, the newly formed crystals are analyzed using x-ray diffraction and then modeled on computers to create three dimensional images. Studying these images, scientists are better able to understand the interaction of these complex molecules, and use this knowledge to engineer new drugs and agricultural products.

Mr. President, I am proud to say that this revoluntary new research is being headed up by the Center for Macromolecular Crystallography [CMC], a unit of the University of Alabama at Birmingham. This was one of the first five of NASA's Centers for Commercial Development of Space established in 1985. Among its most recent achievements is the determination of the three dimensional structure of an enzyme that shows promising potential in the design of cancer and AIDS chemotherapy and the suppression of the human immune system during transplants.

Right now above our heads, a scientist from the University of Alabama in Birmingham is in the space shuttle *Columbia* performing crystallography experiments. This scientist, Dr. Lawrence J. DeLucas, has the distinction of being the first of what I hope will be many crystallographers in space. I salute both his daring and his dedication to the advancement of human knowledge. I am certain his mission will be a success, and I promise him now that I will fight to see that his work receives continued support from this Congress.

Mr. President, I must say that there are some problems with using the shuttle for performing crystallography experiments. First, due to limited space and equipment on the shuttle, only a small number of experiments may be performed on any given mission. This problem is compounded by the difficulty in predicting the proper solution concentration that will result in accelerated crystal growth. The most serious limitation of the shuttle is, however, the relatively short period of time it spends in space. For example the current mission is scheduled to last thirteen days, which strictly limits the types of protein crystals that can be grown. Growing crystals is a time consuming procedure and some promising proteins take months to grow in the best of conditions. If we are to pursue this technology to its limit, we need a research platform permanently stationed in space, we need the space station.

In the crucial votes to come, I hope my colleagues that support high-tech research like space crystallography fully realize that this work cannot grow to its full potential without a permanently manned platform in space. I, therefore, urge them to join me in support of space station *Freedom*.

Thank you, Mr. President.

FINAL PASSAGE OF THE GOVERNMENT-SPONSORED ENTERPRISES BILL

Mr. HATFIELD. Mr. President, during consideration of the Government-sponsored enterprises bill, several amendments were adopted exempting municipalities from liability for the cleanup of hazardous waste sites under Superfund.

Currently under the Superfund Program, those who contribute hazardous waste to disposal sites must share in the costs associated with cleanup. Often, the manner in which clean up costs are distributed places an undue burden on those who have contributed little hazardous waste to a site. Although this is an extremely valid concern of many municipalities, I fear that exempting them from Superfund liability at this time, on this bill, will only place an added burden on the Congress to justify why others are not also exempt.

There may be a better method of allocating costs associated with the clean up of Superfund sites, but I do not feel Congress should decide these matters through quick fix amendments on unrelated pieces of legislation. Rather, the Congress should thoroughly discuss this, and other problems, with the Superfund Program in the proper forum—Superfund reauthorization legislation in the 103d Congress.

Despite these concerns, and my subsequent vote against the municipality exemption amendment, I supported final passage of the GSE bill. This bill takes an important step toward ensuring the safety and soundness of the Federal National Mortgage Corporation [Fannie Mae] and the Federal Home Loan Mortgage Corporation [Freddie Mac], organizations that play a key role in expanding funds available for housing in this country. I hope that the Superfund issues will be addressed in conference with the House and ultimately decided during next year's debate on the reauthorization of Superfund.

FEDERAL AND STATE BUDGET PRACTICES

Mr. BIDEN. Mr. President, as Chairman of the Judiciary Committee, I voted last year to further debate on the issue of Federal deficits by sending a balanced budget amendment to the Constitution to the Senate. At that time, however, I noted several problems with the proposed amendment.

I argued that the amendment could provide grounds for an unintended expansion of the President's impoundment authority. I also noted that it lacks enforcement provisions; ambiguity about enforcement will throw inevitable conflicts over spending and taxing legislation into the Federal court system. The result of these problems, if unaddressed, could be a fundamental shift in the separation of powers that is the core of our constitutional Government.

Further, Mr. President, I argued that in its current form, the amendment lacks sufficient flexibility to deal with economic emergencies, such as the recent recession. Last, but far from least, I noted that this amendment would put Social Security and other trust funds within the constitutional definition of the budget that is to be balanced.

Today, however, in the spirit of continuing debate on this important question, I want to address another issue raised in our recent discussions. Mr. President, we have been repeatedly told by those who favor a balanced budget constitutional amendment that this historic step is not the bold experiment it seems to be. On the contrary, they argue, virtually all of the States in our country already operate quite well under similar constraints.

Unfortunately, Mr. President, there is no simple lesson from the budget practices of the States that will guarantee benign consequences from a constitutional requirement to restrict annual Federal expenditures to annual Federal revenues. In fact, the lesson from the States is precisely the opposite of that claimed by proponents of a balanced budget constitutional amendment.

Mr. President, all of the States consistently use debt to fund essential operations. While most States have some form of statutory or constitutional budget restrictions, State debt has grown faster than the debt of the Federal Government.

In fact, there is no statistical difference between those States that attempt to constrain their budgets constitutionally and those that use supposedly weaker statutory rules. Both make use of borrowing for essential Government services. The argument that we must amend the Federal Constitution to balance the budget cannot be based on State experience: At the State level, constitutional restrictions carry no more weight than statutory restrictions. And neither device, Mr. President, has kept State debt from growing faster than Federal debt.

The Federal Reserve reports that Federal debt has grown by 13 percent over the last 40 years. However, the States—the alleged models of fiscal rectitude that guarantee the success of a Federal balanced budget amendment—have increased their debt by 28 percent, more than twice the Federal rate.

These facts flatly contradict the claim that balanced budget requirements have successfully prevented the use of debt at the State level. The facts also undermine the assumption that a constitutional prohibition on borrowing for any policy objective will improve both constitutional budgeting and our Nation's economy.

Mr. President, every Member of this Senate has genuine concern over the mountain of debt our Government has piled up in recent years. Frustration and anger over our inability to reduce this debt has fostered strong support for a constitutional amendment requiring a balanced budget. I am among those who believe that we must enact fundamental changes to our existing budget procedures and laws to reduce our deficits and the national debt that they add to every year.

However, as we contemplate one possible response—the historic step of amending the Constitution of the United States—it is our duty to proceed on the basis of facts and logic, not misleading generalizations or wishful thinking.

How is it possible that States have grown increasingly dependent on the use of debt to finance important categories of Government activity, while operating under the apparent constraints of balanced budget requirements?

To begin, Mr. President, it is not the case, as is so often claimed, that virtually all of the States are bound by constitutional requirements to balance their budgets. Nineteen States have no constitutional requirement that the legislature pass a balanced budget. Twenty-six States have no constitutional provision that the Governor must sign a balanced budget. There is legal silence in 27 States as to whether the Government may carry over a deficit from one year to the next.

Further, no State balanced budget requirements, statutory or constitutional, however phrased, rule out the use of debt for funding capital investments. The balanced budget amendment now before us explicitly rules out the use of debt for any purpose, contrary to the practices of virtually every State in our Nation.

What States balance is their operating budgets, not the all-encompassing definition of receipts and expenditures covered by the proposed constitutional amendments. So, on the most basic comparison, we are talking about apples and oranges in balanced budget requirements.

Further, States vary widely in their definition of capital and operating budgets: Connecticut, for example, includes 72 percent of its total expenditures in its operating budget; Wyoming, on the other hand, includes only 21 percent. My own State of Delaware includes approximately 55 percent of total annual State government expenditures in its operating budget; the rest is financed through bonding authority and trust funds.

Nationally, the average State in our country considers approximately half of total expenditures to be on its operating budget; the remaining half is not considered to be under whatever balanced budget requirements may apply, and is paid for by public borrowing.

Much of this borrowing has been used to fund essential capital projects—roads, bridges, water systems, and dock facilities, to name a few examples—that are the public foundations of our free enterprise economy. Unfortunately, arguments that we should follow the supposed lead of the States in establishing balanced budget requirements do not suggest that we also adopt the actual budget practices of State governments and permit the use of debt for the construction and rehabilitation of essential public investments.

Further, Mr. President, there are profound differences between the duties and responsibilities of the Federal Government and those of the individual States. National defense, stabilization of the national economy, disaster assistance, and Federal insurance programs, all create demands on Federal resources that States simply do not face.

The States rely on the Federal Government for what we call countercyclical fiscal policy. These are policies—such as unemployment insurance, and public works programs that the current administration has enthusiastically endorsed—that counteract trends in the business cycle. These types of policies can help to reduce both the recessions that waste our human and technological resources, and the inflationary booms that sap the value of our citizens' paychecks.

But States, acting under the constraints on their operating budgets, are forced to respond to recessions by cutting spending and increasing taxes. It is precisely because State governments cut spending and raise taxes in recessions that we in the Federal Government should be wary of proposals to relinquish our ability to counteract both business cycles and those State budget practices that can deepen and prolong economic downturns.

Mr. President, other Federal programs in addition to antirecession efforts will be harmed by simplistically applying a State-level budget perspective to Federal activities.

Federal insurance programs—whether for bank deposits or for natural disasters such as floods or droughts—provide important safeguards and incentives for activities deemed worthy by the Federal Government. These uniquely national responsibilities entail liabilities whose timing cannot be predicted with any certainty.

Under the proposed balanced budget amendment, the Federal Government would have to pay cash out of current receipts to cover the recent losses, for example, of the savings and loan industry, wreaking havoc on established responsibilities from one end of the budget to the other. Programs would be cut not because they failed to produce needed benefits commensurate with their costs, the best test of public policy. Instead, they would be cut because, perhaps, of an increase in oil prices or economic recessions among our trading partners, that could result in a slowdown in our domestic economy.

Or, programs could be cut because of a failure in a federally insured program such as the banking or savings and loan system, or even because of natural disasters such as droughts or floods that create unanticipated demands on available Federal funds. Prohibited from borrowing for unforeseen contingencies, we would disrupt established programs, sacrificing consistent and efficient Government operations for an abstract ideal.

On the other hand, we may choose not to cut spending in response to unforeseen events—including the drop in Government revenues that comes with economic recession. In that case, significant tax increases would be required to meet our obligations. But sizable tax increases in response to largely uncontrollable or unforeseeable events would disrupt the plans of citizens and businesses that have a right to expect a stable environment for economic activity.

All economists agree that an uncertain tax environment weakens the incentive to make the long-term investments our economy must have if we are to meet the demands of the new international economy. Such tax increases would also add an increased burden to our economy in recession, reinforcing, not counterbalancing, swings in the business cycle.

Finally, Mr. President, a universal practice of State governments is the establishment of agencies with bonding authority: Highway and water departments, for example. this means of evading State budget restrictions has resulted in fragmentation of Government authority among multiple agencies with the power to issue bonds for long-term spending priorities. At the Federal level, this potential response to a balanced budget amendment would mean the proliferation of unelected bureaucracies, further blurring the responsibility for our country's spending and taxing priorities.

Mr. President, whatever my colleagues may believe about the merits of a balanced budget constitutional amendment, I hope our consideration of such proposals will be based on the facts of State budget process and the very real differences between State and Federal responsibilities. A constitutional amendment is a step that should not be taken lightly, or as a matter of venting passing frustration. The questions I have raised today need responsible, credible answers before we take such a profound step.

One of the greatest threats to our long-term economic health and to the efficient functioning of our democratic institutions is our continuing liability to match our spending with our income. But as we wrestle with this issue, particularly as we contemplate the profound step of amending our Constitution, we must seek solutions that accomplish our goals.

Mr. President, there are arguments for a balanced budget amendment that deserve our attention and our careful consideration. But we should not base such an important decision on misunderstood and inappropriate comparisons with State budget practices.

AN AMERICAN AGENDA FOR THE NEW WORLD ORDER C. ORGANIZING FOR COLLECTIVE SECURITY D. LAUNCHING AN ECONOMIC-ENVIRONMENTAL REVOLUTION

Mr. BIDEN. Mr. President, in two previous addresses on the new world order, I began by placing this concept in historical perspective and then proposed a four-part agenda that I believe this Nation must pursue in order to realize the full potential inherent in that momentous phrase.

It is my contention that we must look to history for inspiration in this task: To the vision of Woodrow Wilson and the subsequent achievements of Presidents Roosevelt and Truman in laying the groundwork for fulfillment of the Wilsonian vision.

It is, I believe, the duty of this generation of Americans to complete the task that Woodrow Wilson began.

Today, I shall describe the third and fourth parts of America's agenda for a new world order: organizing for collective military security, and launching a worldwide economic-environmental revolution.

In advancing, on a new world order agenda, toward an expanded commitment to the collective use of armed force, where necessary.

We have two, related avenues for progress.

The first avenue involves a new role for NATO; the second, a more regularized exercise of the enforcement power of the United Nations Security Council.

The collapse of the Soviet empire would by itself require that we reexamine NATO's premises; the Atlantic alliance was created to deter a threat that no longer exists.

But this task is given urgency by the endemic violence now scarring the European landscape.

How do we prevent such conflicts?

And how do we respond, should they erupt?

By inviting the former states of the Warsaw Pact into a new North Atlantic cooperation council—the so-called NAC-C.

NATO has wisely moved beyond the cold war to create an all-European consultative body that can play a useful educational and advisory role on matters of security.

But consultation is not enough.

NATO's integrated planning and command structure constitutes an asset unique in the world.

Of all the world's multinational institutions—a veritable alphabet soup—only NATO has the ability to bring coordinated, multinational military force to bear.

But if this asset is to be relevant to post-cold war realities, it must be reoriented to serve the current security interests of alliance members.

Militarily, NATO has not yet adapted to the post-cold war era. Even as it now develops a new strategy that will accommodate reduced force levels, its military orientation remains unchanged: It remains the defense of allied territory against direct attack.

This military posture is an anachronism.

Instead of tiptoeing toward a revised mandate, NATO should make a great leap forward—by adopting peacekeeping outside NATO territory as a formal alliance mission.

Two steps are essential: First, alliance political leaders must task NATO's military commanders to undertake the requisite preparations in both planning and force reconfiguration, second, alliance members must agree on a new political framework under which forces would be committed.

Ideally, this framework will provide that NATO assets would be used if requested by either of two legitimate political authorities—the U.N. Security Council, or the Conference on Security and Cooperation in Europe [CSCE].

It should not be NATO's aspiration to become the world's police force.

But NATO does offer, uniquely, what in some circumstances may be crucial:

A core of military forces that can act rapidly, cohesively, and with considerable power.

If NATO can not summon the will and solidarity to perform this function, then the question must soon arise, in this body and among the American people:

What further role is there for the North Atlantic Alliance?

Unfortunately, for some months now, the Bush administration has allowed itself to be diverted by a comparatively petty concern—arising from the initiative of France and Germany to form a small Euro-force.

Over time, military cooperation between these two historic rivals could conceivably provide the core for an independent all-European security force, no longer reliant upon the United States to provide the cement for collective defense.

But why the Bush administration regards this as an alarming specter can be explained only by postulating that the administration has little concept of historic change.

There are two possibilities: either the Franco-German initiative will fizzle, as have all previous attempts to breathe life into west European security cooperation;

Or such efforts will finally, in the post-cold war era, bear fruit.

But even if all-European defense cooperation does succeed, it will evolve only slowly—and only as West European leaders and publics reach a conclusion they are not yet even close to reaching:

That Europe would be better off relying on Germany and France—without the United States—for leadership in collective defense.

Meanwhile, far more urgent and serious business lies in rendering NATO relevant to real needs in the immediate post-cold-war period.

The United States remains the leader of the alliance and should act like it.

A transformation is required, and the Bush administration has not yet supplied the leadership to accomplish it.

In Europe under CSCE auspices, or worldwide under the auspices of the U.N. Security Council, NATO forces should henceforth be available for peacekeeping or intervention when either of those political authorities, in which our own voice will be prominent, has reached a collective determination to act.

The second avenue toward expanded readiness for collective military action is to equip the U.N. Security Council to exercise the police and enforcement powers set forth in the U.N. Charter—but rarely used.

Progress on this avenue involves changes in membership and in the availability of forces.

A reordering of the Security Council—the most prestigious and potent of U.N. organs—is necessary because the present structure of permanent membership—America, Britain, France, Russia, and China—reflects the outcome on the battlefield of World War II and is as outdated as NATO's current security posture.

Since then, Japan has become an economic superpower and Germany the dominant power in a unifying European community that did not then even exist.

From a global perspective, these nations, together with the United States, are now the leading powers of the industrialized north.

India, a colony when the second world war ended, is now the world's largest democratic state and—with one-sixth of all humanity—the leading voice of the scores of less-developed nations that comprise the south.

The absence of such countries from the organ embodying the U.N.'s most solemn responsibilities has become an unacceptable anomaly in an organization we must seek to empower.

In the 1990's and beyond, economic strength and political leadership will be the currency of power in a world no longer divided by ideology but still plagued by real and pressing problems of security—problems encompassing poverty, ethnic conflict, migration, disease, environmental degradation, as well as an age-old source: human aggression.

The U.N. Security Council must reflect the reality of world power and the reality of world problems; it must comprise those countries with the resources—both material and human—to address the full range of global security concerns.

Negotiation of membership changes will be arduous; but the clear goal will be to reconcile two objectives:

Enhancing the Security Council's stature through a broadened membership, while avoiding the chronic stalemate that could result from increased participation.

The very process of membership change can also be used to promote an objective central to our new strategy of containment.

At present, as it happens, the five permanent members of the Security Council are the world's five acknowledged nuclear powers.

Yet nuclear weapons—as the case of the now-defunct Soviet Union demonstrates—confer power in only the most limited sense.

As this permanent membership is broadened to include such non-nuclear states as Japan and Germany—and border-line nuclear states such as India—the delegitimization of nuclear arms should be made a formal and affirmative policy.

The price of new membership on the U.N. Security Council should be an unconditional pledge to remain or become non-nuclear.

With this policy, we accomplish two objectives simultaneously: modernizing the Security Council's membership and further demonetizing nuclear weapons as the currency of international power.

In the case of Japan and Germany, this will entail only the perpetuation of existing policy and treaty commitments. For India, it would mean acceding to the Nuclear Non-Proliferation Treaty, accepting rigorous international inspection of its nuclear facilities, and giving up an ambiguous status that has, in reality, provided little benefit to that nation and entailed much risk.

The inclusion of Germany, Japan and India as permanent non-nuclear members of the Security Council would validate new conceptions of power in the post-cold war world.

India's membership under the non-nuclear condition would have the additional advantage of ending south Asia's dangerous nuclear arms race, since Pakistan has already agreed to sign the NPT if India will so agree. India's accession to the Security Council could thereby become a catalyst for progress on security problems that have plagued, and squandered the resources, of the Indian subcontinent.

These nations and others deserve a place in the U.N. commensurate with their size and significance, and the process of reorganization can confirm and uphold larger aims.

Catalyzing this transition will require the good offices—and the sustained leadership—of the United States. Rather than holding back, in the style of the Bush administration, America should initiate this change—with a sense of magnanimity and purpose befitting the U.N.'s predominant power.

A more pressing need, on which we should act without awaiting the negotiation of membership change, is to further empower the Security Council through the standing availability of military forces.

One remarkable development of recent years—a true precursor of the new world order—is the U.N.'s active and competent role in fostering the settlement of conflicts in Namibia, Angola, Western Sahara, El Salvador, and Cambodia.

This momentum in collective action must be sustained, and its purpose widened to include combat interventions where principle and justice warrant.

As well as blue helmets to preside over cease-fires, actual combat units should be at the Security Council's disposal—and not merely on an ad hoc basis where the process of assembling a consensus, followed by troop commitments, may be too slow to meet urgent need.

The coalition-building process that proved successful in the Gulf War does not constitute an adequate paradigm for all interventions the U.N. may deem necessary.

Future crises may require greater speed, and we should strive to create circumstances that do not impose upon the United States the onus either to act unilaterally, or to galvanize a U.N. action in which we supply the preponderance of military power.

It was precisely this preference that Pentagon planners exhibited in the recent strategy document that envisaged, with some relish, the exercise of worldwide American military hegemony in the post-cold war era.

Once leaked, this concept—which I dubbed "America as globo-cop"—was repudiated by the Bush administration as an embarrassment.

But in truth, the unilateralist mindset continues to blind this administration to our new and expensive opportunity to involve other nations more fully and systematically in international security.

To realize the full potential of collective security, we must divest ourselves of the vainglorious dream of a pax Americana—and look instead for a means to regularize swift, multinational decision and response.

The mechanism to achieve this lies—unused—in article 43 of the United Nations Charter, which provides that:

> All members undertake to make available to the Security Council, on its call and in accordance with a special agreement or agreements, armed forces . . . necessary for the purpose of maintaining international peace and security.

Article 43 provides that the agreement or agreements shall be negotiated as soon as possible. But for 47 years that condition was not met: the cold war polarization that beset the United Nations made it impossible for such force commitments to be negotiated.

The agreements envisaged by the U.N. founders—under which nations would designate specific units to be available to the Security Council—have never been made.

Article 43, at present, is a promise unfulfilled. The time has come: the United States, in conjunction with other key nations, should now designate forces under article 43 of the United Nations Charter.

Let it be underscored, for all who would quaver at this proposal, that such action does not require a leap of faith: it does not mean the entrusting of American security—or the entrusting of American troops—to a collective body of questionable reliability.

The assignment of United States and other forces to the United Nations means only that specifically designated troop units are committed,

First, to participate in advance planning for coordinated use, and second, to be available for action pursuant to a U.N. Security Council decision to which the United States itself must be a party.

If deployed under U.N. auspices, a designated American unit or units—a force that might number some 3,000–8,000 troops—would be used only in conjunction with other forces—and for a purpose agreed to by the United States as a leading member of the Security Council.

The essence of such an arrangement is not to increase the probability of American casualties in combat.

On the contrary, our purpose in proceeding under article 43 is to build multilateral institutions in which collective force can be reliably used without constant dependence on American Armed Forces.

The United States would designate forces under an article 43 agreement only if it entailed similar and substantial commitments by other powers.

Thus, by designating a relatively small contingent of American forces, we would draw other nations into obligations of military responsibility.

In sum, the assignment to the U.N. Security Council of American and other military units would enhance one valuable instrument of American foreign policy—that is, participation in collective military action—without increasing the overall risk to American forces and without the slightest detriment to our ability to act alone if necessary.

Stated conversely, if we do not move to realize the potential of collective action under article 43, we consign ourselves to future dependency on the kind of ad hoc, American-led response that characterized the Gulf war.

That model may be attractive to some, in that it gives us primacy of place. But in my view, it is unfair, unnecessary, and unwise.

Article 43 represents a means by which the United States can enhance the efficacy of collective security while reducing the likelihood that future crises will compel the men and women of the American Armed Forces to bear a disproportionate burden in collective security. To encourage negotiation of article 43 commitments by the United States and other powers, I will this week introduce the collective security participation resolution.

This joint resolution would affirm congressional support for the consummation of an article 43 agreement; and it would reaffirm the intent of Congress expressed in the United Nations Participation Act of 1945, in three important respects: first, an article 43 agreement shall be subject to the approval of the Congress by appropriate act or joint resolution. Second, the President shall not be deemed to require [further] authorization of the Congress to make available to the Security Council on its call the military units designated in the agreement. Third, this authorization may not be construed as authorization to use forces in addition to those forces designated.

Clearly, the enactment of this measure would be only a first step. But it is intended—and I believe it could serve—to create momentum.

What the collective security participation resolution would signify is congressional acceptance, in advance of any article 43 negotiation, of the premise of article 43: that the major powers should be positioned to act, without further delay, once the U.N. Security Council has achieved a consensus to use predesignated forces.

As a dedicated defender of the war power as a shared constitutional power, I stress that this arrangement, if achieved, would not represent an abdication by Congress of its responsibilities.

Rather, it would be a judicious congressional exercise of the war power: the delineation by statute of conditions under which the President has limited authority to use force.

Enactment of the collective security participation resolution, while not necessary as a matter of legal technicality, would be valuable as a matter of political reality.

For four decades—beginning with the Korean war and extending through the Vietnam war to the gulf war—we have engaged in an agonizing constitutional struggle over the war power.

Against that background of chronic dispute, in which I myself have been a dedicated participant, I believe it important that the Congress of today render a modern affirmation concerning the war power: By endorsing a principle of collective security—and the mechanism to carry it out—that the founders of the United Nations and the Congress of 1945 were prepared to affirm nearly half a century ago.

By doing so, we can encourage presidential initiative within the United Nations and provide a solid footing for American leadership in strengthening the U.N. as an instrument of collective security.

By enacting the collective security participation resolution, Congress would affirm its support for a sound article 43 agreement as integral to a serious American agenda for a new world order.

The potential value of enhanced institutional preparedness for collective military action is underscored by the ongoing disaster in Yugoslavia.

There, a barbarism unexpected in modern Europe has unfolded in the face of outside disbelief and a growing recognition of the world's unreadiness, even after the Gulf war, to act decisively with collective military force.

For some months, Western nations—all in hope of minimizing the violence—disagreed on the tactics of whether and when to recognize the former Yugoslav Republics as they declared independence. But this disagreement has now been replaced by common horror at the wanton brutalities being inflicted by Serbian forces.

Were the U.N. Security Council or the CSCE adequately equipped, both by political disposition and the ready availability of military forces, the question of intervention could now be addressed on its merits, without the impediment of massive institutional complexity.

The question of intervention in Yugoslavia instructs us: If our multinational bodies are to act when needed, we must first prepare them to act.

If we are to find any gain from the tragedy of Yugoslavia, it must be in the momentum it provides in moving us more swiftly down both paths of expanded commitment to collective military action—

The formal adoption by NATO of a peacekeeping and intervention role, and a more formal commitment by key U.N. members to military action under the auspices of the United Nations Security Council.

Just as Neville Chamberlain's trip to Munich in 1938 stands as a permanent warning of the futility of appeasement, the unabated slaughter in Bosnia offers a new lesson: If we do not prepare for collective action, the end of the cold war could usher in not a new world order but an era of endless interethnic bloodletting.

American leadership to achieve this expanded commitment to collective security will serve, together a new strategy of weapons containment, to complete the military dimension of our new world order agenda.

The fourth part of America's agenda for a new world order encompasses all we must do in the Herculean task of sustaining and broadening mankind's prosperity while preserving the global environment.

The two elements of this task are related: first, to maintain and further perfect the system of open world trade; second, to infuse this system with revolutionary new priorities—developmental and environmental—reflecting the global opportunities and perils we clearly foresee already in the 1990's and beyond.

The world system of free trade—though we have come to take it for granted, perceiving mainly its flaws—is among the salient achievements of the postwar era, embodying a lesson learned harshly during the downward spiral of protectionism in the 1930's.

America's bedrock economic task today, as the world's leader and leading trader, is to preserve this system and mold it wisely, as the key to prosperity for ourselves and our allies and as the lifeline for growth in the developing world.

This task centers on the most ambitious trade negotiations ever undertaken: the current phase of GATT talks, known as the Uruguay round.

Trade experts project that, if successful, the Uruguay round will increase world output and demand by $5 trillion over the next decade. That equates to $500 billion per year, or $100 annually for every man, woman, and child on the planet.

Our aim in these negotiations—in defense of United States interests as well as broader principles—is to open new markets to American producers and to American service industries such as banking and insurance.

This objective entails the continuing toil of determined diplomacy—to identify and eliminate unfair trade practices, whether they be discriminatory barriers to our exports or services, or illegal subsidies to foreign goods competing with our own.

The highest American priority is the domestic market of Japan. In the GATT and in direct bilateral negotiations that must be as candid as may prove necessary, we must weed out the welter of nontariff barriers facing Americans and others who wish to export to a large Japanese market that is permeated with impediments to penetration.

A priority only slightly subordinate is the European Community. There we must continue to fight the excessive barriers and subsidies that protect and over-incentivize European agriculture; and we must ensure that the final stage of economic unification—the internal tariff elimination and regulatory harmonization known as EC-92—does not yield, in any industry, a "fortress Europe" impregnable to those outside.

A GATT objective of longer-term priority is to incorporate the emerging nations of the former Soviet empire fully into the GATT system, thereby opening Western markets to their products and quickening the pace of Western investment in their industries.

Our simultaneous task, in continuing to open markets, is to complete work on a regional trade pact—the North American Free-Trade Agreement—that would create our own common market with Canada and Mexico.

All three parties can gain—but only with stipulations on Mexican wage rates and environmental standards that ensure against a rush of northern industry to the south.

No principle of efficiency would be served by abetting the rise of a low-wage pollution belt across the Mexican border.

Soundly conducted, these trade negotiations can benefit the United States and all other parties at once—a philosophy the Bush administration correctly affirms.

Where danger lies is in the Bush administration's excessive dedication to the principle of laissez-faire. Not only is the administration committed to noninterference in the world trade, it has exhibited precisely the same ideological commitment to noninterference in the full range of issues in American domestic policy—issues that bear directly on improving American competitiveness in the free trade system.

A principle wisely applied in one realm has yielded a vacuum of leadership in another, and the two do not stand alone. Free trade is dependent on public support for free trade, and public support for free trade is dependent on public confidence in free trade.

Today the American people have grown acutely aware of the decline in our educational standards, our industries, and our cities, and they discern quite clearly that the Bush administration lacks any strategic plan whatsoever: either to correct these deficiencies—or to promote American competitiveness in the world economy in the years ahead.

We have national deficits in budget and trade; we have a national deficit in investment in research, infrastructure, and human capital—and we have a national deficit in leadership to correct these fundamental shortcomings that are propelling us into a downward spiral.

By failing to inspire any confidence among the American people that our country will remain adequately competitive in the post-cold war period, and indeed by pandering to fears that it may not, the Bush administration has undermined American public support for the free trade system.

Until American confidence, American competitiveness, and the American trade balance are restored, not only will the United States remain in jeopardy as a stable society; so too will a global system of free trade that depends upon American leadership. But the Bush administration's pervasive laissez-faire philosophy—perhaps better described as pervasive inaction—is a liability not simply in maintaining open world trade.

More injurious still is the administration's determined resistance to performing America's crucial leadership role in reorienting world production and trade—to meet developmental and environmental needs that bear upon America's future and all of mankind's.

The hazards of the Bush administration's abdication of world leadership were on vivid display last month at the United Nations Conference on the Environment and Development—the Earth summit—in Rio de Janeiro.

The issues in Rio were as broad as this administration's horizons are narrow: the effect of man on Earth, and the ability of man to rescue himself from the adverse consequences of his own creativity—and fecundity.

Through the centuries, both religion and hope have led us to expect that the marvelous web of life—the interaction of living beings with land, air, and water—is infinitely resilient and immune to the meager actions of man. This comforting myth has been shattered forever.

Scientists now know—and citizens of the world are beginning to understand—that mankind rivals the great forces of nature as an agent of global change. A great realization has dawned worldwide that manmade changes, in their aggregate, are profoundly perilous for man himself.

The President, and his apologists take refuge in the contention that the ambiguities of scientific evidence render predictions uncertain. But as the world's leaders gathered in Rio were quick to understand, the President's sophistry was a mask for his courting of domestic corporate and ideological interests: Corporate interests averse to the very idea of environmental rules, and ideological interests possessed of a visceral disdain for their own countrymen, and others in the world, called environmentalists.

The Environment Minister of Germany put it candidly in stating that the Bush administration, in its search for politically divisive themes, appears determined to find a new "ism" to replace the bogeyman of communism, and has apparently alighted on the idea of "ecolo-gism" as the new menace against which it will courageously take its stand.

H.L. Mencken, a seasoned cynic who could have learned still more from the Bush administration, said that the whole purpose of politics is to keep the electorate riled up by imaginary hobgoblins.

The Bush administration's new "hobgoblins' are Third World bureaucrats who would pick our Nation's pocket while regulating us into poverty. Someday, perhaps in retirement, the President may wish to contemplate just how other leaders—great American presidents and current leaders from the world's other prosperous nations—have managed to govern without such phony demons.

The great linkage under discussion in Rio—explicit in the name of the Conference and implicit in all that was said—is the connection between world development and the environment.

The unifying principle is sustainability: the imperative that future economic growth in all countries be conducted in a manner that can be sustained within limits imposed by the Earth's environment. This imperative derives from truths that are not under scientific dispute and cannot be dismissed even by the most irresponsible political leaders:

The Earth's population, which has doubled in my lifetime, will double again in the lifetime of my children. This trend cannot be sustained.

The Earth's forests, great engines of the biosphere and bounteous as sanctuaries for plant and animal life of incalculable value, and fast disappearing. This trend cannot be sustained.

The Earth's oceans are rapidly becoming fouled by a ceaseless flow of human garbage that is poisoning all sea-life, and fish not yet poisoned are being harvested from the seas more quickly than they can reproduce. These trends cannot be sustained.

The Earth's supply of fresh water, only one drop for each gallon of salt water and crucial to man and many other species, is declining. This trend cannot be sustained.

The Earth's diversity of life—animal and plant life in its multitudinous forms—is being extinguished at a rate that will see the disappearance of one-fourth of all species within the next 40 years. This trend cannot not be sustained.

The stratosphere above the Earth continues to accumulate tons of man-made carbon gases that will inevitably, and perhaps disastrously, affect the entire global climate. This trend cannot be sustained.

These trends appear inexorable, but they are not.

Someday they will end—the only question is how.

Will they end through man's rational containment and redirection of his own activities? Or will they end in human catastrophe beyond our current imagination? This was the question under discussion in Rio de Janeiro—in an unprecedented global forum that constituted the largest assemblage of world leaders in human history.

To this assemblage the Bush administration brought little but braggadocio and contempt. In Rio, the President of the United States uttered two truths—but both in a perverse context. His presentation gave new meaning to a century-old observation by William James, the venerable American philosopher: "There is no worse lie," said James, "than a truth misunderstood."

The first truth recited by the President, who deployed it as an excuse for withholding support for global action, is the record of American environmental achievement over the last two decades. This record, although flawed by the world's highest rate of carbon emissions into the atmosphere, is indeed substantial.

But our attainments center on domestic pollution control—the clean-up of America's air, water, and toxic waste—actions that support current global imperatives but, even if emulated by all nations—will be insufficient to prevent catastrophe. America's record demonstrates that individual nations can take concerted action.

What the President refused to accept was the need to establish obligations among all nations to take not only the first steps that America has helped to pioneer but the many more steps required if we are to curb national actions with severely adverse global consequences.

The second truth articulated by the President was the connection between environmental protection and economic growth—a fact also undisputed, since this was the very theme of the Earth summit. But here Mr. Bush took truth—and turned it on its head.

In the implied demonology described by our President, the choice is between the environment and growth, which he caricatured by portraying the issue as "jobs." But this is a false choice. The real truth, undistorted—is that we can not continue economic growth—in America or in a developing world desperate to advance out of poverty—without reorienting the process of growth to encompass environmental protection. Growth can continue only if it is sustainable—this is a tautology that must become the guiding principle of America's domestic and international economic policy.

If Rio generated despair, it was because the President of the United States—alone among the major participants there—appeared not to understand and accept this principle.

A common and pertinent observation about the Rio Conference was the failure of the conferees to come to grips with the overwhelming issue of world population. The reasons for this are not obscure and reflect genuine political impediments rather than hypocrisy.

Although all concerned recognize the burgeoning of human numbers as a fundamental source of global poverty and environmental degradation, efforts to limit population growth run afoul—as Americans themselves are well aware—of deep-seated religious, cultural, and ideological belief.

What cannot be disputed is the inevitability of dramatic change in human patterns of procreation in the decades ahead. This will occur in one of three ways: As a result of catastrophe involving enormous misery, through Draconian measures imposed by societies, or—the one palatable possibility—by a voluntary change in human behavior.

By all past evidence of human conduct, a noncoercive behavior change—a voluntary stabilization of human numbers—occurs only in societies that are developed. Whereas poverty yields multiplying numbers as families try to grow to survive, prosperity yields population stability. Therefore, the single scenario not horrible to contemplate entails development as the key to limiting the inexorable growth in global population.

But if economies must grow in order for populations to stabilize, the necessity of an economic-environmental revolution is underscored, for if the billions of people in the Third World follow the development path of the millions in the first world, emulating our patterns of resource exploitation and pollution, the Earth will fast approach the threshold of uninhability.

Thus, the question of population carries us back immediately to the necessity of sustainable economic growth and the environmental concerns that go with it.

In assessing the Bush administration's debacle in Rio, historians are likely to conclude what already seems apparent: that the blunder was both tactical and strategic.

Tactically, there was little need for the administration's negativism on the two major treaties awaiting signature.

The treaty the President insisted on weakening—designed to protect the global climate through limits on the emission of greenhouse gases—contained targets and timetables that the United States is very likely to meet even without a treaty obligation.

Thus, the President's achievement in eliminating obligatory targets and timetables consisted primarily in relieving all other nations of what would have been a strict and immensely valuable commitment.

Similarly, on the treaty designed to slow the extinction of diverse animal and plant life, there was scant need on the merits for the President's ostentatious refusal to sign.

The treaty's pledge to support biodiversity, and its mandate that biotechnology companies share the proceeds of genetic wealth with the countries in which they find it, was sufficiently flexible that all other major nations found it possible to join. Only the United States, with the White House plainly in search of an us versus them confrontation, withheld support.

But the administration's strategic failure in Rio de Janeiro was even more pronounced.

The climate and biodiversity treaties will go into effect, and eventually a more enlightened administration will seek to recover the ground lost by President Bush in Rio.

But in the meantime, the President will have foregone a singular opportunity—not only to help reorient the world economy but also to educate the American people as to a new and promising role they may play within it.

The President wished to convey to his political constituency that he was, in effect, saving the American economy from an unpleasant dose of castor oil.

But in truth—a truth the American people are fully capable of grasping—environmentally sound technology holds great promise for the American economy.

There is, first, the underlying principle that the adoption of more energy-efficient technologies will eventually render all American industry more competitive.

But beyond that principle is the vast industry of environmental technology itself—technology in which the United States is already a world leader.

As the world makes its necessary turn toward the use of such technology, America is well positioned to dominate this exponentially expanding global market.

In Western Europe alone, the market for environmental services in which the United States is a world leader—air pollution control, water treatment, waste management, and ground decontamination—is expected to approach $200 billion per year within this decade.

Already, European industries in need of services are turning to American firms that have established themselves on this technology's cutting edge.

A visionary American President would not be rejecting the advent of an economic-environmental revolution.

He would be promoting the revolution, as a world need and an American economic opportunity.

In allowing himself to be eclipsed at the Earth summit, even by allied leaders who tried not do so, the President seemed oblivious to the competitive implications of the global revolution for which the Earth summit will be the launching pad, with or without the Bush administration.

When the Japanese Government pledged generous levels of global environmental assistance, did the President comprehend that this pledge not only boosted Japan's diplomatic stature—but that the assistance itself will boost Japanese industries in competition with our own for an enormously lucrative global market?

In contrast to the President's cramped and narrow view of environmentalism, the American people must take the broadest possible view, recognizing that the needs of the future environmentally can be the wave of the future economically.

For the United States, it should become a paramount priority, pervading all future trade and assistance policy, to promote American environmental technologies and services around the world.

To that end, I will introduce the Environmental Aid and Trade Act—legislation designed to establish this priority in the organizational structure, and actions, of every Federal agency involved in U.S. trade and aid: the Department of Commerce, the Agency for International Development, the Trade and Development program, the Export-Import Bank, and the Overseas Private Investment Corporation.

Our own prosperity and environment, and the world's will be the beneficiaries of such a concerted American strategy.

By no means does an emphasis on technology suggest that current planetary trends are susceptible to an easy fix.

As human numbers explode, pressing hard already against earthly limits, we have every reason to be sober.

In the face of current global statistics and projections, even an inveterate optimist could easily conclude that our own generation, or at best our children's, will be the last on this planet to enjoy the natural magnificience—and munificence—we have known.

But it is not our need to choose between optimism and pessimism—in what we must begin to regard as a race to save our planet.

What is necessary is to choose action over denial.

Only a fool—or a national leadership out of touch with all reality—could be persuaded that these problems will solve themselves.

At this moment of deep disappointment among many Americans—an overall disappointment at the failure of their national leadership and a specific disappointment at the President's abject failure to lead at a world summit of historic import—Americans may find value in the words of one of their great authors.

As William Faulkner accepted the 1949 Nobel Prize for literature, just as America had assumed world leadership of a renewed quest for Wilsonian cooperation, he spoke of the ultimate fate of mankind:

> It is easy enough to say that man is immortal simply because he will endure:
>
> That when the last dingdong of doom has clanged and faded from the last worthless rock hanging tideless in the last red and dying evening,
>
> That even then there will still be one more sound: That of his puny inexhaustible voice, still talking.
>
> I refuse to accept this. I believe that man will not merely endure: He will prevail.
>
> He is immortal, not because he alone among creatures has an inexhaustible voice,
>
> But because he has a soul, a spirit capable of compassion and sacrifice and endurance.

Today the American people are challenged, as much as at any moment in their history, to summon the spirit of which William Faulkner spoke.

In revitalizing our own society, as by a looming environmental crisis, we are challenged to endure and to prevail.

Our task in achieving a sustainable prosperity for mankind requires a revolution in human thought—and deed.

We need, first, a worldwide consensus on a revolutionary new direction, a consensus of which America must be a part; and the world must then act on that consensus, with America in the lead. In this—indeed, in all four parts of America's new world order agenda—the gap between what the Bush administration is doing and what we need to do is monumental.

To outline an American agenda directed at cementing the foundation for—and erecting—a new world order in the 1990's and beyond is to see both the compelling promise of the concept and the sad vacuity of the present administration's professed support for it.

It has for some time been taken as a given that the Bush administration's strong suit is foreign policy.

But mere acquaintance with foreign leaders, accompanied by stasis in the realm of action, is not a foreign policy.

Indeed, if the criterion of a sound foreign policy is that it comprise coherent initiatives and responses in the world arena—directed at promoting well-conceived national interests—then the Bush administration is perilously close to being without a foreign policy.

President Bush began his administration with the homily that America has more will than wallet.

But this administration has demonstrated that its limitation is quite the reverse.

We are a wealthy and gifted Nation, in danger of squandering its human and material resources, and abdicating our duty to lead the world, because of a failure of our national leadership to galvanize our national will.

With the imperatives now building around us, we can no longer afford an American foreign policy of denial and drift.

Taken together, the five legislative measures I am offering to support America's new world order agenda can, I am confident, be an asset to an activist President.

But no legislation can substitute for the Presidential leadership so urgently required if America is now to fulfill the role history offers.

As we look back on the century now ending, and all of its dazzling change, we see three events to which I would attach surprising significance: the great war, the Holocaust, and the collapse of the totalitarian idea.

The great war shattered what the Austrian dramatist and philosopher Stefan Zweig, called "the world of yesterday"—but opened new horizons for democracy and collective responsibility.

The Holocaust, wrought by the deadly combination of human evil and human neglect, demonstrated the bottomless horror into which mankind might fall if it failed to accept the challenge—and realize the opportunities—to which Woodrow Wilson had given eloquent voice.

Now, as the century nears its close, the near-universal repudiation of the totalitarian idea has removed the last great obstacle to the Wilsonian vision.

The paramount question facing us today, as Americans in an interdependent world, is whether we will seize our opportunity—or fall prey again to the same lapse of vision, judgment, and will to which this Nation succumbed some 70 years ago.

Next year a new memorial—the Holocaust Memorial Museum—will open in our Nation's Capital.

It is rising now, just across the Tidal Basin from the sublimely beautiful memorial to the author of the Declaration of Independence—and just steps from the great obelisk honoring our first President.

Some will question why the Mall in Washington should be the site for the formal remembrance of a barbarism half a world away.

For me there is a good answer.

This new memorial will join with those around it as an abiding caution against neglect—a trenchant warning that the ideals of America's founders, which have inspired the world, have no earthly hold except in the courage of each generation to protect and maintain a society in which those ideals can flourish.

It will stand, too, but its presence here, as an affirmation that America has accepted Woodrow Wilson's recognition that the task of upholding a civilization based on those ideals—requires of us, in the 20th century and beyond, a commitment to world leadership.

We confront today, in the 20th century's last decade, the monumental challenge of revitalizing our own Nation.

But to meet that challenge, we must bring an equal measure of determination to constructing the kind of new world order envisaged by our 28th President as the century began.

The Nobel Peace Prize awarded to President Wilson in 1919 has, for decades, been cloaked with tragic irony—a veil we can, at long last, remove by fulfilling his vision.

In our own interest, and mankind's, we must now advance with confidence and resolution on the path of world leadership that Woodrow Wilson recognized as America's great obligation.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to executive session; that the Committee on Commerce, Science, and Transportation be discharged from further consideration of nomination of Ritajean H. Butterworth, to be a member of the Board of Directors of the Corporation of Public Broadcasting; that the nominee be placed on the executive calendar, and that the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order the Senate will resume legislative session.

DEPARTMENT OF ENERGY LABORATORY TECHNOLOGY PARTNERSHIP ACT

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar 499, S. 2566, the Department of Energy Laboratory Partnership Act; that the Governmental Affairs Committee amendment be agreed to, and the Energy Committee amendments be agreed to; that the bill, as amended, be deemed read the third time and passed, and the motion to reconsider laid upon the table; further that statements relating to this measure be placed in the RECORD at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate proceeded to consider the bill (S. 2566) to establish partnerships involving Department of Energy laboratories and educational institutions, industry, and other Federal agencies, for purposes of development and application of technologies critical to national security and scientific and technological competitiveness, which had been reported from the Committee on Energy and Natural Resources, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italics.)

S. 2566

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. SHORT TITLE.

This Act may be cited as the "Department of Energy Laboratory Technology Partnership Act of 1992".

SEC. 2. FINDINGS, PURPOSES, AND DEFINITIONS.

(a) FINDINGS.—Congress finds that—

(1) the United States Department of Energy has developed excellent scientific and technical capabilities at its laboratories and has assisted in the development of such capabilities at educational institutions with which it has been associated;

(2) the Department's laboratories have contributed significantly to the national security for almost fifty years through nuclear weapons research, development and testing;

(3) the Department's laboratories have contributed significantly to the nation's preeminence in basic research with innovative fundamental and interdisciplinary research programs and national user research facilities;

(4) the Department's laboratories have contributed significantly to the development of energy technologies and other important commercial technologies;

(5) recent domestic and international development make it imperative that the capabilities of the laboratories be strengthened and the interaction of the laboratories with industry and educational institutions be expanded;

(6) the United States must maintain a leadership role in the development and application of technologies that are critical to national security and must exercise a leadership role in the development and application of technologies that are critical to economic prosperity; and

(7) there are formidable challenges facing the United States that the Department's laboratories can address, including—

(A) development of technologies to provide adequate supplies of clean, dependable, and affordable energy;

(B) understanding changes to the environment, especially those associated with energy supply, distribution, and use;

(C) development of improved processes to maintain and manage waste;

(D) promotion of international competitiveness and improvement of the exchange of technology among industry, the academic community, and government; and

(E) the need to facilitate greater application of dual-use military and commercial technologies.

(b) PURPOSES.—The purposes of this Act are—

(1) to utilize more effectively the research and development capabilities of departmental laboratories by fostering new partnerships between such laboratories and—

(A) industry, to provide market orientation to the Department's programs and to ensure the timely commercialization of technology;

(B) educational institutions, to provide for mutual benefit from scientific and technological advances and to optimize the use of the facilities of the departmental laboratories; and

(C) other Federal agencies, to address shared missions;

(2) to maximize the effectiveness of the resources of each participant in these partnerships, to reduce the risk inherent in long-term investments in technology development, and to provide continued support for the core competencies developed by the departmental laboratories; and

(3) to improve the coordination of the research, development, and demonstration activities of departmental laboratories in support of basic research and critical national objectives, in support of economic competitiveness, and to address the formidable challenges facing the United States.

(c) DEFINITIONS.—For the purposes of this Act, the term—

(1) "core competency" means an area in which the Secretary determines a laboratory has developed expertise and demonstrated capabilities;

(2) "critical technology" means a technology identified in the National Critical Technologies Report;

(3) "Department" means the United States Department of Energy;

(4) "departmental laboratory" means a facility operated by or on behalf of the Department that would be considered a laboratory as that term is defined in section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(d)(2));

(5) "disadvantaged" means a socially or economically disadvantaged individual that would be considered disadvantaged as that term is defined in section 8(a) (5) and (6) of the Small Business Act (15 U.S.C. 637(a) (5) and (6));

(6) "educational institution" means a college, university, or elementary or secondary school. The term also includes any not-for-profit organization, which is dedicated to education, that would be exempt under section 501(a) of the Internal Revenue Code of 1986;

(7) "minority college or university" means a historically black college or university that would be considered a "part B institution" by section 322(2) of the Higher Education Act of 1965 (20 U.S.C. 1061(2)) or any other institution of higher education where enrollment includes a substantial percentage of students who are disadvantaged;

(8) "National Critical Technologies Report" means the biennial report on national critical technologies submitted to Congress by the President pursuant to section 603(d) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6683(d));

(9) "partnership" means an arrangement under which one or more departmental laboratories undertakes research, development, or demonstration activities for the mutual benefit of the partners in cooperation with one or more participants from among the following: an educational institution, private sector entity, State governmental entity, or other Federal agency; and

(10) "Secretary" means the Secretary of the Department of Energy;

SEC. 3. THE DEPARTMENT OF ENERGY PARTNERSHIP PROGRAM.

(a) LABORATORY-DIRECTED PARTNERSHIPS.—The departmental laboratories are authorized to enter into partnerships under any existing legal authority. The Secretary shall ensure, to the maximum extent practicable and desirable, that departmental laboratories enter into such partnerships. Each partnership shall establish goals and objectives for the partnership that are consistent with the purposes of this Act and establish a plan to achieve such goals and objectives.

(1) INDUSTRIAL PARTNERSHIPS.—In general, partnerships between departmental laboratories and industry shall be established for the purpose of developing the technologies in any of the areas identified in subsection (e) and shall be developed based on jointly set objectives that take advantage of the scientific and technical capabilities of the departmental laboratories. Such partnerships shall also provide protection for existing or jointly developed information and existing intellectual property rights while also ensuring the partners appropriate access to government-financed research results. In addition, such partnerships shall, to the maximum extent practicable—

(A) be cost-shared in accordance with guidelines developed by the Secretary;

(B) seek to provide greater accessibility to industry to the personnel, facilities, and capabilities of the departmental laboratories;

(C) seek to encourage the commercial application of technologies developed primarily for defense applications;

(D) seek to encourage, *but not be limited to*, the maintenance and continued development of the core competencies of the departmental laboratories; and

(E) seek to develop technologies that offer potential commercial value.

(2) EDUCATIONAL PARTNERSHIPS.—Partnerships between departmental laboratories and educational institutions shall be established for the purpose of developing the technologies in any of the areas identified in subsection (e). The Secretary shall provide the opportunity for graduate students to participate in partnerships and shall expand the opportunities for access to equipment and user facilities at departmental laboratories.

(3) AGENCY PARTNERSHIPS.—The Secretary shall, where appropriate, enter into memoranda of understanding with other Federal agencies for research, development, or demonstration at departmental laboratories in areas identified in subsection (e) that are related to the mission responsibilities of such agencies, including protection of the environment; development of technologies for high-performance computing, medical applications, transportation, manufacturing, and space applications; and development of other critical technologies.

(b) SECRETARY OF ENERGY PARTNERSHIPS.—In addition to the partnerships described in subsection (a), the Secretary is authorized and encouraged to establish Secretary of Energy Partnerships as he deems necessary or appropriate to carry out the purposes of this Act. Such partnerships shall be established for the purpose of developing technologies in any of the areas identified in subsection (e) and shall be established in accordance with the following requirements—

(1) SUBMISSION OF PROPOSALS.—Each proposal for the establishment of a Secretary of Energy Partnership shall be submitted to the Secretary.

(2) PARTICIPANTS.—Each Secretary of Energy Partnership shall be composed of one or more departmental laboratories and two or more participants from industry. Participants may also include educational institutions, other Federal agencies, State entities, or any other entities the Secretary considers appropriate.

(3) SELECTION CRITERIA.—The Secretary shall establish partnerships from among the proposals submitted pursuant to subsection (b)(1). In establishing any such partnership, the Secretary shall take into account—

(A) the extent to which the partnership demonstrates promise of achieving one or more of the purposes of this Act;

(B) the extent to which the partnership activities would be relevant to the Department's missions and to the missions of other Federal Government participants;

(C) the technical merit of the partnership's proposed program;

(D) the qualifications of the personnel who are to participate in the partnership;

(E) the potential for private sector investment in activities where such investment is otherwise lacking;

(F) the level of participation and financial commitment of the industry participants;

(G) the potential for commercial benefits from development of technologies in the areas listed in subsection (e);

(H) the potential for effective transfer of technology among the participants; and

(I) such other criteria as the Secretary may prescribe.

(c) PARTNERSHIP PREFERENCE.—A partnership that would be given preference under section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(c)(4)(B)) were it a cooperative research and development agreement shall be given similar preference for the purposes of this Act.

(d) MINORITY PARTNERSHIPS.—The Secretary shall encourage partnerships that involve minority colleges or universities and private sector entities owned or controlled by disadvantaged individuals.

(e) AREAS OF RESEARCH, DEVELOPMENT, AND DEMONSTRATION.—The partnerships entered into under the provisions of this Act may address research, development, and demonstration activities in those areas listed in the biennial National Critical Technologies Report or in any of the following areas:

(1) Energy efficiency, including efficiency in power generation, transmission, and utilization; *energy conservation technologies;* process technologies; and transportation.

(2) Energy supply, including alternative fuels; advanced forms of renewable energy; advanced clean coal technologies; coal liquefaction and synthetic fossil fuels; advanced oil and gas recovery; advanced nuclear reactor technologies; fusion technologies; biofuel technologies; electricity transmission, distribution, and storage; and energy forecasting.

(3) High-performance computing, including programs to develop and use new computer architectures such as large scale parallel computers, real-time visualization, powerful scientific workstations, high-speed networking, new computer software and algorithms; programs to develop advanced materials for the communication and computing industry such as new memories, optical switches or optical storage disks; programs to address complex scientific challenges such as understanding global climate change, hydrologic modeling, and fundamental combustion processes; and programs with other agencies and the private sector for the development and use of high-performance computer research networks.

(4) The environment, including global climate change; protection of ecological systems; environmental restoration and waste management; and development of technologies for biogeochemical dynamics, toxicology, remote sensing, biotechnology, risk analysis, and environmental assessment.

(5) Human health, including radiopharmaceutical and laser applications; mapping of the human genome; structural biology; development of technologies for nuclear and diagnostic medicine and radiation biology, *including cancer therapies*; and development of sensors, electronics and information systems to lower health care costs.

(6) Advanced manufacturing technologies, including laser technologies, robotics and intelligent machines; semiconductors, superconductors, microelectronics, photonics, optoelectronics, and advanced displays; x-ray lithography; sensor and process controls; and those technologies that may affect energy production, energy efficiency, environmental protection or waste minimization.

(7) Advanced materials, including materials that may increase efficiency in energy generation, conversion, transmission and use; synthesis and processing for improved and new materials; materials to promote waste minimization and environmental protection; and new and improved methods, techniques, and instruments to characterize and analyze properties of materials.

(8) Transportation technologies, including those that will improve the efficiency of and reduce the energy consumption and environmental impact associated with conventional transportation technologies.

(9) Space technologies, including space-based sensors for environmental monitoring, climate modeling, and radio-biological studies.

(10) Quality technologies, including reliability engineering, failure analysis, statistical process control, nondestructive testing and inspection techniques, concurrent engineering and design practices for reliability and testability used to ensure product and process quality specifications are met.

(11) Technologies listed in the annual defense critical technologies plan submitted to Congress by the Secretary of Defense pursuant to section 2522 of title 10, United States Code.

(12) Any other generic, precompetitive technology or other critical technology identified by the Secretary.

(f) EXCHANGES.—The Secretary shall encourage the exchange of scientists and engineers among departmental laboratories, educational institutions, industry, and other Federal agencies to facilitate the transfer of ideas and technology. In carrying out the requirements of this subsection, the Secretary shall provide for fellowships for personnel from departmental laboratories, industry, educational institutions and other Federal agencies.

(g) EDUCATION AND TRAINING.—The Secretary shall provide support for education and training to develop the personnel resources needed for future research, development, or demonstration in areas addressed by partnerships under this Act. The Secretary shall provide for partnerships, and strengthen and expand upon existing partnerships, to educate and train students and faculty in the areas identified in subsection (e), including environmental technologies and waste management.

(h) EVALUATION.—The Secretary shall develop mechanisms for evaluation of the accomplishments of the partnership program. The Secretary shall evaluate annually the performance and responsiveness of the departmental laboratories and program managers within the Department in carrying out the purposes of this Act.

(i) MANAGEMENT PLAN.—Within one hundred and eighty days of the date of enactment of this Act, and after consultation with the Laboratory Partnership Advisory Board established by section 4 *and the departmental laboratories*, the Secretary shall prepare and publish a management plan describing the Secretary's implementation of this Act. The plan shall be regularly updated and published not less than once every five years. Partnerships and other activities required by this Act may be pursued during preparation and publication of the management plan. The management plan shall—

(1) establish goals and priorities for the partnership program;

(2) establish mechanisms for coordination of partnerships with other research, development, and demonstration activities at departmental laboratories;

(3) establish mechanisms for the directors of the departmental laboratories to have input into the formulation and operation of the partnership program;

(4) establish mechanisms for coordination of partnerships pursued under this Act;

(5) establish policies to encourage industry and educational institutions to participate in the partnership program;

(6) establish procedures to facilitate collaboration between the departmental laboratories and other Federal agencies in areas of common interest or expertise;

(7) establish procedures to facilitate international cooperative activities involving scientists from government, industry, and the academic community;

(8) specify the extent to which the Department provides support for the research, development, or demonstration of technologies in the areas identified in subsection (e), specify the goals and objectives of the programs and activities that support these technologies, and provide a summary of the budgets for such programs and activities for the time period covered by the plan; and

(9) establish policies that encourage directors of departmental laboratories to include among their laboratory-directed research and development activities projects that will contribute to maintaining and extending the vitality of each laboratory's core competencies.

(j) REPORT.—The Secretary shall report to Congress two years after the date of enactment of this Act and biennially thereafter on the implementation of this Act. Such report shall evaluate—

(1) the progress in achieving the goals and purposes of the partnership program;

(2) the effect of the partnership program on the development and commercialization of technologies in the areas identified in subsection (e); and

(3) the progress in encouraging personnel exchanges as described in subsection (f).

SEC. 4. DEPARTMENT OF ENERGY LABORATORY ADVISORY BOARD.

(a) LABORATORY PARTNERSHIP ADVISORY BOARD.—The Secretary shall establish within the Department an advisory board to be known as the "Laboratory Partnership Advisory Board," which shall provide the Secretary with guidance on the implementation of this Act.

(b) COMPOSITION.—The membership of the Laboratory Partnership Advisory Board shall consist of prominent representatives from industry, educational institutions, Federal laboratories, and professional and technical societies in the United States who are qualified to provide the Secretary with advice and information on the partnership program.

(c) INPUT FROM DEPARTMENTAL LABORATORIES.—The Laboratory Partnership Advisory Board shall request comment and suggestions from departmental laboratories on the implementation of this Act.

(d) DUTIES.—The Laboratory Partnership Advisory Board shall provide the Secretary with advice and information on the Department's partnership program, including a periodic assessment of—

(1) the management plan required by section 3(i);

(2) the progress made in implementing the plan;

(3) any need to revise the plan; and

(4) any other issue related to the goals and purposes of this Act.

(e) USE OF EXISTING ADVISORY BOARDS.—Nothing in this section is intended to preclude the Secretary from utilizing existing advisory boards to achieve the purposes of this section.

SEC. 5. DEPARTMENT OF ENERGY MANAGEMENT.

(a) UNDER SECRETARIES.—(1) Section 202(a) of the Department of Energy Organization Act (42 U.S.C. 7132(a)) is amended by striking "Under Secretary" and inserting in its place "Under Secretaries".

(2) Section 202(b) of the Department of Energy Organization Act (42 U.S.C. 7132(b)) is amended to read as follows—

"(b) There shall be in the Department three Under Secretaries and a General Counsel, who shall be appointed *by the President*, by and with the advice and consent of the Senate, and who shall perform functions and duties the Secretary prescribes. The Under Secretaries shall be compensated at the rate for level III of the Executive Schedule under section 5314 of title 5, United States Code, and the General Counsel shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.".

(b) ASSISTANT SECRETARIES.—Section 203(a) of the Department of Energy Organization Act (42 U.S.C. 7133(a)) is amended by striking "eight Assistant Secretaries" and inserting in its place "eleven Assistant Secretaries".

SEC. 6. RECOMMENDATIONS REGARDING THE ESTABLISHMENT OF AN OFFICE OF TECHNOLOGY RESEARCH.

Within one hundred and eighty days of enactment of this Act, the Secretary shall transmit to Congress the Secretary's recommendations for the establishment of an office within the Department to support generic, precompetitive technology research considered critical for the future economic competitiveness of the United States. The recommendations shall address the organization of such an office, the scope of responsibility of such an office, and the appropriate funding level for such an office.

SEC. 7. AVLIS COMMERCIALIZATION.

(a) PREDEPLOYMENT CONTRACTOR.—Not later than 90 days after the date of enactment of this Act, the Secretary shall solicit proposals for a commercial predeployment contractor to conduct such activities as may be necessary to enable the Secretary or any successor to the Secretary's uranium enrichment enterprise to deploy a commercial uranium enrichment plant using the Atomic Vapor Laser Isotope Separation (AVLIS) technology. Such activities shall include:

(1) developing a transition plan for transferring the AVLIS program from research, development, and demonstration activities at the Lawrence Livermore National Laboratory to deployment of a commercial AVLIS production plant;

(2) confirming the technical performance of AVLIS technology;

(3) developing the economic and industrial assessments necessary for the Secretary or his successor to make a commercial decision whether to deploy AVLIS;

(4) providing an industrial perspective for the planning and execution of remaining demonstration program activities;

(5) completing feasibility and risk studies necessary for a commercial decision whether to deploy AVLIS, including financing options;

(b) ADDITIONAL ACTIVITIES.—Based upon the results of subsection (a), the Secretary may solicit additional proposals to complete the following activities:

(1) site selection, site characterization, and environmental documentation activities for a commercial AVLIS plant;

(2) engineering design of a production plant, developing a project schedule, and initiating operations planning;

(3) activities leading to obtaining necessary licenses from the Nuclear Regulatory Commission; and

(4) ensuring the successful integration of AVLIS technology into the commercial nuclear fuel cycle.

(c) REPORTS.—The Secretary shall submit to the Committee on Energy and Natural Resources of the United States Senate and to the Speaker of the House of Representatives a written report on the progress made toward the deployment of a commercial AVLIS production plant ninety days after the date of enactment of this act and each ninety days thereafter.

SEC. 8. MINORITY COLLEGE AND UNIVERSITY REPORT.

Within one year after the date of enactment of this provision, the Secretary of Energy shall submit to the Committee on Energy and Natural Resources of the United States Senate and to the United States House of Representatives a report addressing opportunities for minority colleges and universities to participate in programs and activities being carried out by the Department or the departmental laboratories. The Secretary shall consult with representatives of minority colleges and universities in preparing the report. Such report shall—

(a) describe current education and training programs being carried out by the Department or the departmental laboratories with respect to or in conjunction with minority colleges and universities in the areas of mathematics, science, and engineering;

(b) describe current research, development or demonstration programs involving the Department or the departmental laboratories and minority colleges and universities;

(c) describe funding levels for the programs referred to in subsection (a) and (b);

(d) identify ways for the Department or the departmental laboratories to assist minority colleges and universities in providing education and training in the fields of mathematics, science, and engineering;

(e) identify ways for the Department or the departmental laboratories to assist minority colleges and universities in entering into partnerships in the areas of research identified in section 3(e);

(f) address the need for and potential role of the Department or the departmental laboratories in providing minority colleges and universities:

(1) increased research opportunities for faculty and students;

(2) assistance in facility development and recruitment and curriculum enhancement and development; and

(3) laboratory instrumentation and equipment, including computer equipment, through purchase, loan, or other transfer;

(g) address the need for and potential role of the Department or departmental laboratories in providing funding and technical assistance for the development of infrastructure facilities, including buildings and laboratory facilities at minority colleges and universities; and

(h) make specific proposals and recommendations, together with estimates of necessary funding levels, for initiatives to be carried out by the Department or the departmental laboratories to assist minority colleges and universities in providing education and training in the areas of mathematics, science, and engineering, and in entering into partnerships with the Department or departmental laboratories.

SEC. 9. INTERNATIONAL FELLOWSHIP PROGRAM.

The Secretary shall establish a program to encourage scientists and engineers from departmental laboratories to serve as visiting scientists and engineers in the research facilities of foreign governments, educational institutions and industrial organizations. The Secretary shall provide the necessary support to carry out the program including fellowships, and assistance in placing the scientists and engineers in the foreign research facilities.

SEC. [7.] 10. CAREER PATH PROGRAM.

The Department of Energy Organization Act (42 U.S.C. 7101 et seq.) is amended—

(1) by inserting after section 625 the following new section:

"laboratory career path program.

"SEC. 626. (a) The Secretary shall establish a career path program under which the Secretary shall recruit employees of departmental laboratories to serve in positions in the Department.

"(b)(1) The post-Federal employment restrictions in section 27 of the Office of Federal Procurement Policy Act, and section 207 of title 18, United States Code, shall not apply to any employee recruited as part of the career path program while that person is employed at a departmental laboratory.

"(2) The Secretary shall exercise the waiver authorities of section 208(b) of title 18, United States Code, and section 602(c) of this Act to the fullest extent in order to facilitate the recruitment of individuals for the career path program, and such waiver authorities shall be available for this purpose.

"(3) The Secretary shall promulgate rules determining the extent to which section 27 of the Office of Federal Procurement Policy Act shall apply to negotiations or agreements regarding future employment between a career path employee recruited under subsection (a) and a Department contractor who operates a departmental laboratory.

"(4) In each case in which, after service in a position in the Department, a career path employee proposes to enter a position in a departmental laboratory, the Secretary, in consultation with the Director of the Office of Government Ethics, shall conduct an assessment of the duties anticipated in the new position in the laboratory. Based on this assessment, the Secretary shall impose such terms, conditions, or limitations on the activities of that employee in the new position in the departmental laboratory as the Secretary determines are necessary and appropriate to ensure in the context of laboratory service that the Government receives the integrity of service that the post-Federal employment restrictions referenced in this section are intended to achieve. Any individual who violates any term, condition, or limitation so imposed by the Secretary shall be subject to a civil penalty as assessed by the Secretary, not to exceed $10,000 for each violation."; and

(2) in section 608(d) (42 U.S.C. 7218(d)) by striking "title" and inserting "part".

SEC. [8.] 11. INTERPRETATION.

Nothing in this Act limits the use of existing technology transfer mechanisms available under other applicable law. The authority to enter into partnerships established pursuant to this Act supplements and does not supplant those existing technology transfer mechanisms.

And from the Committee on Governmental Affairs with an amendment on page 26, strike line 6, through and including line 4 on page 28, and insert the following:

SEC. 10. CAREER PATH PROGRAM.

(a) The Secretary shall establish a career path program under which the Secretary shall recruit employees of the National Laboratories to serve in positions in the Department.

(b) The Secretary may utilize the authorities in this section to carry out the career path program. In addition to these authorities, the Secretary may exercise the waiver authorities of section 208(b) of title 18, United States Code, and section 602(c) of the Department of Energy Organization Act, 42 U.S.C. section 7212(c).

(c) Section 207 of title 18, United States Code, is amended by inserting after subsection (j)(6) the following:

"(7) NATIONAL LABORATORIES.—(A) The restrictions, contained in subsections (a), (b), (c), and (d) shall not apply to an appearance or communication on behalf of, or advice or aid to, a facility described in subparagraph (B).

"(B) This paragraph applies to: Argonne National Laboratory, Brookhaven National Laboratory, Idaho National Engineering Laboratory, Lawrence Berkeley Laboratory, Lawrence Livermore National Laboratory, Los Alamos National Laboratory, Oak Ridge National Laboratory, Pacific Northwest National Laboratory, and Sandia National Laboratories."

(d) Section 27 of the Office of Federal Procurement Policy Act, 41 U.S.C. section 423, is amended by inserting after subsection (p) the following:

"(q) NATIONAL LABORATORIES.—(1) The restrictions on obtaining a recusal contained in paragraph (c)(2) and (c)(3) shall not apply to discussions of future employment or business opportunity between a procurement official and a competing contractor managing and operating a facility described in paragraph (3): *Provided*, That such discussions concern the employment of the procurement official at such facility.

"(2) The restrictions contained in paragraph (f)(1) shall not apply to activities performed on behalf of a facility described in paragraph (3).

"(3) This subsection applies to: Argonne National Laboratory, Brookhaven National Laboratory, Idaho National Engineering Laboratory, Lawrence Berkeley Laboratory, Lawrence Livermore National Laboratory, Los Alamos National Laboratory, Oak Ridge National Laboratory, Pacific Northwest National Laboratory, and Sandia National Laboratories."

Mr. DOMENICI. Mr. President, during the 1980's, the contributions Federal laboratories such as Los Alamos and Sandia could make outside their traditional defense mission were recognized as a valuable scientific and economic resource. Congress, recognizing this potential, passed legislation to facilitate the transfer of technology out of the laboratories. The Stevenson Wydler Act of 1980, the Federal Technology Transfer Act of 1986, and the National Competitive Technology Transfer Act of 1989 all served to lay the foundation for the labs to become engaged as active contributors to U.S. industry.

The term "partnership" embodies what technology transfer is about today. We are no longer simply trying to get added value out of technology produced in Federal labs. We are asking our labs to bring their full range of expertise to bear in helping industry to be more competitive and in improving our educational system. The legislation before us today would allow the Department of Energy's laboratories to fulfill this new role by increasing the labs' authority to enter into partnership with industry, universities, and other Federal agencies.

The partnerships envisioned under this act expand upon a number of highly successful partnerships already underway at the national laboratories. One of the most prominent is the multimillion-dollar Advanced Battery Consortium in which Ford, Chrysler, and General Motors have teamed with Sandia laboratories for help in jointly developing the next generation of batteries to be used primarily in electric cars of the future.

The Advanced Battery Consortium is just the beginning. The labs can contribute ideas, innovations, and capabilities in energy efficiency, advanced computing, health-care, semiconductors, robotics, and transportation. Further, the manufacturing capabilities of the national laboratories can make our industry even more productive and even less polluting using processes such as environmentally conscious manufacturing.

This legislation also includes two important provisions to ensure that the Department of Energy is well suited to address new requirements. First, the legislation increases the number of Assistant Secretary of Energy positions to 11 from the present 8 and the number of Under Secretaries to 3 from the present 2. These additions are necessitated by the wide array of new activities and responsibilities in which the Department is engaging in these changing times. Second, this act establishes a Career Path Program that enables laboratory employees to provide a period of service within the Department without being constrained from subsequently returning to a position within the laboratory system. This provision in needed in order to facilitate direct and immediate access to laboratory personnel by the Department.

Last year, I introduced legislation, the Department of Energy Science and Technology Partnership Act, which served as an important framework for the bill being considered today. Since that time, I have worked closely with other members of the Energy and Natural Resources Committee, the Department of Energy, and our laboratories to ensure that this legislation truly addresses their needs. The laboratories are particularly enthusiastic about the opportunities offered by this bill. I look forward to its enactment in this Congress and am committed to that goal.

Mr. STEVENS. Mr. President, section 10 of S. 2566 as reported by the Energy Committee exempted participants in the newly created Career Path Program from postemployment restrictions in current law. This caused concern among members of the Governmental Affairs Committee and resulted in a sequential referral. I am pleased to tell my colleagues that a compromise has been reached which is reflected in the bill before us.

We recognized that National Laboratory employees by definition are private sector employees. However, because the Federal Government—the Department of Energy—directs and controls their work, they are in a unique situation. The Federal Government can benefit from their knowledge and experience at headquarters, but under current law their careers would be disadvantaged.

The Energy Committee attempted to address this problem by simply exempting Career Path Program participants from the postemployment restrictions of title 18 and the Office of Federal Procurement Policy Act. Instead, the Secretary of Energy would be required to impose restrictions.

It was this provision which created problems for the Governmental Affairs Committee—the committee of jurisdiction for conflict of interest laws—and the Office of Government Ethics. During the period of the sequential referral, all parties worked together to arrive at an acceptable compromise.

We have revised section 10 to address both technical and substantive concerns expressed by the committee and the Office of Government Ethics. As a result, section 10 now provides relief from postemployment restrictions for Career Path Program participants but narrowly restricts applicability to those who come from and return to the National Laboratories, which are specifically listed in the provision.

Mr. President, this cooperative effort has resulted in language which all parties can accept. I hope our colleagues will support this bill.

Mr. BINGAMAN. Mr. President, I am delighted to be an original cosponsor of the Department of Energy Technology Partnership Act. I commend the chairman of the Energy and Natural Resources Committee, Mr. JOHNSTON, and the ranking minority member, Mr. WALLOP, for their leadership in forging a broad bipartisan consensus on the need for action in this area.

As the Federal laboratories prepare for a rapidly changing world, it is essential that their future activities be focused on meeting a number of significant challenges facing this Nation. Many of these challenges are within the traditional purview of the DOE laboratories and many others can be readily addressed by the unique and extraordinary capabilities of the DOE laboratories. In passing this legislation, the Senate directs the Department of Energy and the DOE laboratories to focus on these challenges through new ties to industry.

It is well recognized, both nationally and internationally, that the Department of Energy does indeed possess unique and extraordinary capabilities in its laboratories. As Secretary Watkins has said so often, the DOE laboratories are the treasures—the crown jewels of the Department. They have successfully demonstrated that when tasked with clarity and urgency—as they were in the nuclear weapons and nuclear energy areas—they can be world-class producers.

Unfortunately, too often in the past the labs carried out their missions separate from the private sector. That may have been acceptable when the capabilities of the labs far exceeded those of the private sector. But today, the private sector can match the DOE laboratories in many areas of technology and have common interests in these technologies. To carry out their missions, which today are broadening into new areas such as environmental cleanup, the DOE labs must work with the private sector as never before and lab-industry partnerships can and must serve as a means of leveraging the best capabilities of government and industry to serve both DOE mission needs and the competitiveness of American industry.

In the past, industry has expressed strong doubts about the relevancy of the work carried out at the Federal laboratories to meet their needs. For example, a 1988 report from the private sector Council on Competitiveness, Gaining New Ground, stated:

> Although the nation spends approximately $20 billion on the Federal Labs, their current culture and direction do not adequately support technology development that strengthens national economic performance.

This bill is part of an on-going effort to resolve those doubts, an effort that commenced with the 1989 National Cooperative Technology Transfer Act.

Since that legislation became law, over 2 years ago, we have started to see change. Sandia for example, now has over 20 Cooperative Research and Development Agreements [CRADA's] with the private sector and has over twice that many under negotiation. The Specialty Metals Consortium at Sandia National Laboratories and the Superconductivity Pilot Centers at Los Alamos are two examples where the DOE laboratories have been responsive to industry needs while strengthening their ability to carry out their own missions.

However, I am convinced that existing laboratory partnerships with industry need to be encouraged on a much broader and deeper scale than at present. We have a long way to go to make the labs more responsive to industry's needs, and to capture the interest of industry in the laboratories capabilities.

The bill is aimed at just that—fostering additional cooperation between the DOE laboratories and the private sector by providing for the establishment of partnerships with industry, with our educational institutions and with other Federal laboratories. These would be partnerships in the strongest sense of the word. Partnerships in which industry is a true participant with respect to selection of technologies, with respect to planning technology programs, sharing risks by committing resources, and providing advice and counsel concerning the management and progress of the partnerships.

Two types of partnerships are proposed in this legislation. The first, laboratory directed partnerships, provide the directors of the DOE labs with the authority and flexibility to enter into collaborative activities with industry, academia, and other Federal labs. The second type of partnership, Secretary of Energy partnerships, provide a mechanism in which the laboratories and their industrial partners compete for departmental funds to be used for establishing collaborative programs.

These partnerships, particularly those with industry, have the potential to represent the engine that drives the economy of this Nation, and New Mexico in particular, by transforming current and emerging technological capabilities into new manufacturing opportunities.

The bill represents the culmination of activity initiated last spring, building upon S. 979, Department of Energy Critical Technologies Act of 1991, which I was proud to have Senators JOHNSTON and DOMENICI as cosponsors, and last summer with the introduction of S. 1351, Department of Energy Science and Technology Partnership Act, by Senator DOMENICI, and which Senator JOHNSTON and I cosponsored.

This partnership bill represents a logical and evolutionary development of these prior bills, and has a legacy of prior legislation enacted by Congress, as I previously mentioned. I refer to the National Cooperative Technology Transfer Act which Senator DOMENICI and I sponsored, and to section 3136 of the National Defense Authorization Act for fiscal years 1992 and 1993, which requires that the Secretary of Energy, ". . . shall ensure, to the maximum extent practicable," that R&D activities relating to dual-use critical technologies of the DOE Defense Program labs, excluding the naval nuclear propulsion program, be carried out within the framework of partnerships with the private sector. This means that the entire DOE Defense Program budget is available for partnerships with the private sector whenever there is a mutual interest.

In May of this year, before a hearing of the Defense Industry and Technology Subcommittee of the Senate Armed Services Committee, Dr. Allan Bromley, the President's Science Adviser said:

> One of the major themes of the NTI [National Technology Initiative] is the need to foster a much greater array of partnerships among all of the institutions involved in our national competitiveness: our businesses, our universities, our national laboratories, our various levels of government. The initiative is designed to act as a catalyst to combine the very real strengths apparent in each component of our R&D enterprise.
>
> These partnerships can take many different forms: consortia such as SEMATECH or the U.S. Advanced Battery Consortium, university-industry agreements, cooperative research and development agreements between Federal laboratories and the private sector, and so on. Many of the institutional barriers to establishing these partnerships were removed during the 1980s. Now we face the much more difficult task of changing the cultural barriers within these institutions so that we can take advantage of new ways of thinking.
>
> One focus of this effort must be the personnel, expertise, and infrastructure resident in our over 700 federal laboratories. The federal government invests over $20 billion a year in these laboratories. They embrace an astonishing breadth and depth of science and technology, including some of the best science and technology to be found anywhere in the world.
>
> Many of these laboratories were established in the immediate post-World War II period, and they originally had very specific missions and objectives. Many of these original missions were satisfied years ago, so that the laboratories are adjusting their programs to remain in close touch with evolving national needs.
>
> One change that I have been advocating is the involvement of potential partners early in the process of planning federal laboratory activities. Many of the labs have panels of distinguished academics and industrialists who review the scientific merit and applicability of R&D done at the lab. But these reviews usually occur after the work has been planned or undertaken. The involvement of these panels from the beginning, as the programs at the lab are being planned, would be much more effective in tying the work of the laboratories to the needs of potential users.

This bill is entirely consistent with Dr. Bromley's call for flexible arrangements between the Government labs and the private sector. It is entirely consistent with his call for the private sector to have a greater influence in the process of planning Federal lab activities at an early stage. I hope, therefore, the Johnston-Wallop bill will receive strong administration support.

There is a sense of urgency associated with the role of the DOE laboratories in this post-cold war era. The syndicated columnist, Robert Kuttner expressed this urgency in an article in the March 30 edition of the Washington Post in the following manner: "We must either acknowledge the value of having national laboratories work with civilian industry or gradually lose this unique resource."

I believe this is an important bill which provides the DOE laboratories with additional flexibility and with a broader mandate to forge lasting partnerships with industry, our universities and other Federal laboratories. It will facilitate achieving Secretary Watkins' stated objective of establishing 1,000 cooperative ventures between the DOE labs and the private sector by the end of this year.

Mr. President, this is an important piece of legislation that will serve as a catalyst for private industry and our national laboratories to work together on the many challenges facing our Nation. I hope its passage by the Senate will prompt swift action in the House.

Mr. JOHNSTON. Mr. President, today the Senate is considering S. 2566, the Department of Energy Laboratory Technology Partnership Act of 1992. The bill is a result of the efforts of the members of the Committee on Energy and Natural Resources, which I chair, particularly of Senators BINGAMAN and DOMENICI, who have led the committee in this area. For many years, Senators BINGAMAN and DOMENICI have pushed the Department of Energy laboratories to join together with industry to develop technologies critical to this country. They have worked tirelessly to educate the rest of us as to the importance of the department's laboratories.

Almost 2 years ago Secretary of Energy James Watkins and many of the Department of Energy laboratory directors appeared before the committee. Each of them testified that the department's laboratories are tremendous national assets. Secretary Watkins has referred to the labs as the crown jewels of the nation's research establishment. However, for most of their existence, the laboratories have worked apart from industry and universities to develop new technologies important to this country.

Early in the 102d Congress, Senators BINGAMAN and DOMENICI each introduced bills calling for greater collaboration by the laboratories with industry and universities. Senator BINGAMAN introduced S. 979, the Department of Energy Critical Technologies of 1991. Senator DOMENICI introduced S. 1351, the Department of Energy Science and Technology Partnership Act. Based on the hearings, as well as input from industry, the educational community, the Department of Energy, and the laboratories, we worked to merge the two bills together. On April 9, 1992, I introduced S. 2566 as the result of this process.

On May 13, 1992, the committee ordered S. 2566 favorably reported with amendments. The bill was reported to the Senate on May 28. After the bill was reported, Senator GLENN, as chairman of the Governmental Affairs Committee, requested that the bill be referred to the Governmental Affairs Committee for purpose of considering section 10, which establishes a "career path program". This program would grant relief to employees of Department of Energy laboratories from certain post-employment restrictions. The Committee on Energy and Natural Resources agreed to the referral. On June 25, 1992, the Governmental Affairs Committee ordered the bill to be reported with an amendment setting out an alternative career path program. I will discuss the Governmental Affairs Committee amendment later.

S. 2566, as reported by the Committee on Energy and Natural Resources, would direct the Secretary of Energy to ensure that the department's laboratories enter into partnerships with industry, the educational community and other federal agencies. The purpose of these partnerships is to develop technologies that that are critical to the nation's economic and national security.

With the cold war coming to an end, we are at a crossroads. As funding for nuclear weapons declines, it is prudent to redirect the activities of the national laboratories to help American industry and universities. Some may think that we should simply let these laboratories fade away as they are no longer needed. The fact is, however, that the department's laboratories already do more civilian research than weapons research. For decades, Department of Energy laboratories have built up a research establishment unequaled anywhere in the world. The laboratories have preeminent expertise in virtually every facet of science and technology. Industry has long sought to have access to these laboratories. It has only been recently that the laboratories have had the legal authority to pursue relationships with industry to do joint research.

This bill would encourage the laboratories to collaborate with industry and universities to develop technologies that are critical to the United States economic and national security. The idea is to push the laboratories further into areas of research such as in energy, high-performance computing, advanced materials, advanced manufacturing, human health, transportation technologies, and space technologies.

Through these partnerships this bill will create a close, working relationship among the laboratories, industry, the educational community, and other federal agencies. Industrial partnerships are required to have jointly set objectives; to provide greater accessibility to industry to the laboratories; to be cost-shared and develop commercially valuable technologies. University partnerships are to expand the opportunities for access to the laboratories to the educational community. Partnerships with other federal agencies are to address areas where missions are shared. A close, working relationship among the laboratories, industry, universities, and other Federal agencies will ensure that technologies important to this country's long-term survival will be developed.

The operation of these partnerships is to be guided by input from industry, educational institutions, Federal laboratories and professional and technical societies.

As I noted earlier, the bill as reported by the Energy and Natural Resources Committee establishes a career path program. Scientists in the department's contractor-operated laboratories frequently refuse to serve for a time in the department as Federal employees because employment restrictions in current law could threaten future career opportunities in the national laboratory system.

Even though the national laboratories perform exclusively governmental work with government funding and government-owned property to carry out government programs, they are operated by contractors. If a person leaves laboratory service for work in the department, and later returns to the laboratory system, he is subject to post-employment restrictions like any other former Federal employee now with a private contractor.

It is essential to effective management of the national laboratories that the laboratory employees, particularly those involved in the management of the laboratory, be able to communicate with and frequently influence department officials in carrying out the day-to-day operations of the laboratories. Such communication, however, becomes virtually impossible when the laboratory employee has worked for the department. Because the employee has worked for a time at the Department and then becomes a private-sector employee, the post-employment laws make it illegal for that employee to try and influence department officials.

The Governmentwide waiver authorities available under these laws were not designed to meet the unique nature of the relationship between the laboratories and the department. There is no guarantee that a waiver will be granted to an employee. A waiver from the post-employment restrictions cannot even be sought until the employee leaves the Department to return to a position in a laboratory. This situation even applies to a former laboratory employee returning to his previous position. This means that after an employee has secured an offer for a position, that position must be held open for the employee until the waiver has been granted. Some waivers have taken a year or more to move through the system.

These requirements have made the waivers difficult to obtain. As a result, many laboratory employees will not consider offers to work as a department employee. What is needed is waiver authority that will allow the department to guarantee in advance that an employee leaving a departmental laboratory to work for the department will not be burdened with unreasonable post-employment restrictions when returning to the laboratory. Without this certainty, the department will continue to have a very difficult time recruiting laboratory employees to work for the department.

The Governmental Affairs Committee reported the bill with an amendment establishing an alternative career path program. The committee worked with the Department of Energy and the Office of Government Ethics to develop this alternative approach. It is my understanding that the Administration supports the language.

The language adopted by the Governmental Affairs Committee accomplishes the same purposes as the original language contained in S. 2566 as reported by the Energy and Natural Resources Committee. It simply uses a different approach. Whereas the bill our Committee reported focused on granting relief to individual laboratory employees, the Governmental Affairs Committee's approach would remove actions and communications taken on behalf of a Department of Energy laboratory from the scope of the post-employment restrictions.

Whether it is the individual or the laboratory that is afforded the protection is of little difference. The important thing is that an employee of a laboratory be able to work for the department and return to a departmental laboratory without violating the law. The Governmental Affairs Committee's language accomplishes this.

The Governmental Affairs Committee's approach, however, is limited. It applies only to the Department's multiprogram laboratories. Out of the 30 Department of Energy laboratories, the Governmental Affairs Committee language applies only to the 9 multiprogram laboratories. The remaining single-purpose laboratories will not be afforded the protection of this section. While I believe that the employees of all the department's laboratories should be able to take advantage of the protection granted by this section, I am willing to agree to the language adopted by the Governmental Affairs Committee in the interest of moving this legislation forward.

Mr. President, these laboratories could not be constructed from scratch in today's budget climate. We have these laboratories as a legacy from the time when the Nation invested heavily in the infrastructure of science for defense. We now have the opportunity to use these laboratories to solve the problems of today. This bill would redirect the resources of the laboratories to do just that.

Mr. President, I urge my colleagues to support S. 2566 as amended and to pass this legislation.

The committee amendments were agreed to en bloc.

The bill (S. 2566) was ordered to be engrossed for a third reading, was deemed read the third time, and passed, as follows:

S. 2566

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. SHORT TITLE.

This Act may be cited as the "Department of Energy Laboratory Technology Partnership Act of 1992".

SEC. 2. FINDINGS, PURPOSES, AND DEFINITIONS.

(a) FINDINGS.—Congress finds that—

(1) the United States Department of Energy has developed excellent scientific and technical capabilities at its laboratories and has assisted in the development of such capabilities at educational institutions with which it has been associated;

(2) the Department's laboratories have contributed significantly to the national security for almost fifty years through nuclear weapons research, development and testing;

(3) the Department's laboratories have contributed significantly to the nation's preeminence in basic research with innovative fundamental and interdisciplinary research programs and national user research facilities;

(4) the Department's laboratories have contributed significantly to the development of energy technologies and other important commercial technologies;

(5) recent domestic and international development make it imperative that the capabilities of the laboratories be strengthened and the interaction of the laboratories with industry and educational institutions be expanded;

(6) the United States must maintain a leadership role in the development and application of technologies that are critical to national security and must exercise a leadership role in the development and application of technologies that are critical to economic prosperity; and

(7) there are formidable challenges facing the United States that the Department's laboratories can address, including—

(A) development of technologies to provide adequate supplies of clean, dependable, and affordable energy;

(B) understanding changes to the environment, especially those associated with energy supply, distribution, and use;

(C) development of improved processes to maintain and manage waste;

(D) promotion of international competitiveness and improvement of the exchange of technology among industry, the academic community, and government; and

(E) the need to facilitate greater application of dual-use military and commercial technologies.

(b) PURPOSES.—The purposes of this Act are—

(1) to utilize more effectively the research and development capabilities of departmental laboratories by fostering new partnerships between such laboratories and—

(A) industry, to provide market orientation to the Department's programs and to ensure the timely commercialization of technology;

(B) educational institutions, to provide for mutual benefit from scientific and technological advances and to optimize the use of the facilities of the departmental laboratories; and

(C) other Federal agencies, to address shared missions;

(2) to maximize the effectiveness of the resources of each participant in these partnerships, to reduce the risk inherent in long-term investments in technology development, and to provide continued support for the core competencies developed by the departmental laboratories; and

(3) to improve the coordination of the research, development, and demonstration activities of departmental laboratories in support of basic research and critical national objectives, in support of economic competitiveness, and to address the formidable challenges facing the United States.

(c) DEFINITIONS.—For the purposes of this Act, the term—

(1) "core competency" means an area in which the Secretary determines a laboratory has developed expertise and demonstrated capabilities;

(2) "critical technology" means a technology identified in the National Critical Technologies Report;

(3) "Department" means the United States Department of Energy;

(4) "departmental laboratory" means a facility operated by or on behalf of the Department that would be considered a laboratory as that term is defined in section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(d)(2));

(5) "disadvantaged" means a socially or economically disadvantaged individual that would be considered disadvantaged as that term is defined in section 8(a) (5) and (6) of the Small Business Act (15 U.S.C. 637(a) (5) and (6));

(6) "educational institution" means a college, university, or elementary or secondary school. The term also includes any not-for-profit organization, which is dedicated to education, that would be exempt under section 501(a) of the Internal Revenue Code of 1986;

(7) "minority college or university" means a historically black college or university that would be considered a "part B institution" by section 322(2) of the Higher Education Act of 1965 (20 U.S.C. 1061(2)) or any other institution of higher education where enrollment includes a substantial percentage of students who are disadvantaged;

(8) "National Critical Technologies Report" means the biennial report on national critical technologies submitted to Congress by the President pursuant to section 603(d) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6683(d));

(9) "partnership" means an arrangement under which one or more departmental laboratories undertakes research, development, or demonstration activities for the mutual benefit of the partners in cooperation with one or more participants from among the following: an educational institution, private sector entity, State governmental entity, or other Federal agency; and

(10) "Secretary" means the Secretary of the Department of Energy;

SEC. 3. THE DEPARTMENT OF ENERGY PARTNERSHIP PROGRAM.

(a) LABORATORY-DIRECTED PARTNERSHIPS.—The departmental laboratories are authorized to enter into partnerships under any existing legal authority. The Secretary shall ensure, to the maximum extent practicable and desirable, that departmental laboratories enter into such partnerships. Each partnership shall establish goals and objectives for the partnership that are consistent with the purposes of this Act and establish a plan to achieve such goals and objectives.

(1) INDUSTRIAL PARTNERSHIPS.—In general, partnerships between departmental laboratories and industry shall be established for the purpose of developing the technologies in any of the areas identified in subsection (e) and shall be developed based on jointly set objectives that take advantage of the scientific and technical capabilities of the departmental laboratories. Such partnerships shall also provide protection for existing or jointly developed information and existing intellectual property rights while also ensuring the partners appropriate access to government-financed research results. In addition, such partnerships shall, to the maximum extent practicable—

(A) be cost-shared in accordance with guidelines developed by the Secretary;

(B) seek to provide greater accessibility to industry to the personnel, facilities, and capabilities of the departmental laboratories;

(C) seek to encourage the commercial application of technologies developed primarily for defense applications;

(D) seek to encourage, but not be limited to, the maintenance and continued development of the core competencies of the departmental laboratories; and

(E) seek to develop technologies that offer potential commercial value.

(2) EDUCATIONAL PARTNERSHIPS.—Partnerships between departmental laboratories and educational institutions shall be established for the purpose of developing the technologies in any of the areas identified in subsection (e). The Secretary shall provide the opportunity for graduate students to participate in partnerships and shall expand the opportunities for access to equipment and user facilities at departmental laboratories.

(3) AGENCY PARTNERSHIPS.—The Secretary shall, where appropriate, enter into memoranda of understanding with other Federal agencies for research, development, or demonstration at departmental laboratories in areas identified in subsection (e) that are related to the mission responsibilities of such agencies, including protection of the environment; development of technologies for high-performance computing, medical applications, transportation, manufacturing, and space applications; and development of other critical technologies.

(b) SECRETARY OF ENERGY PARTNERSHIPS.—In addition to the partnerships described in subsection (a), the Secretary is authorized and encouraged to establish Secretary of Energy Partnerships as he deems necessary or appropriate to carry out the purposes of this Act. Such partnerships shall be established for the purpose of developing technologies in any of the areas identified in subsection (e) and shall be established in accordance with the following requirements—

(1) SUBMISSION OF PROPOSALS.—Each proposal for the establishment of a Secretary of Energy Partnership shall be submitted to the Secretary.

(2) PARTICIPANTS.—Each Secretary of Energy Partnership shall be composed of one or more departmental laboratories and two or more participants from industry. Participants may also include educational institutions, other Federal agencies, State entities, or any other entities the Secretary considers appropriate.

(3) SELECTION CRITERIA.—The Secretary shall establish partnerships from among the proposals submitted pursuant to subsection (b)(1). In establishing any such partnership, the Secretary shall take into account—

(A) the extent to which the partnership demonstrates promise of achieving one or more of the purposes of this Act;

(B) the extent to which the partnership activities would be relevant to the Department's missions and to the missions of other Federal Government participants;

(C) the technical merit of the partnership's proposed program;

(D) the qualifications of the personnel who are to participate in the partnership;

(E) the potential for private sector investment in activities where such investment is otherwise lacking;

(F) the level of participation and financial commitment of the industry participants;

(G) the potential for commercial benefits from development of technologies in the areas listed in subsection (e);

(H) the potential for effective transfer of technology among the participants; and

(I) such other criteria as the Secretary may prescribe.

(c) PARTNERSHIP PREFERENCE.—A partnership that would be given preference under section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(c)(4)(B)) were it a cooperative research and development agreement shall be given similar preference for the purposes of this Act.

(d) MINORITY PARTNERSHIPS.—The Secretary shall encourage partnerships that involve minority colleges or universities and private sector entities owned or controlled by disadvantaged individuals.

(e) AREAS OF RESEARCH, DEVELOPMENT, AND DEMONSTRATION.—The partnerships entered into under the provisions of this Act may address research, development, and demonstration activities in those areas listed in the biennial National Critical Technologies Report or in any of the following areas:

(1) Energy efficiency, including efficiency in power generation, transmission, and utilization; energy conservation technologies; process technologies; and transportation.

(2) Energy supply, including alternative fuels; advanced forms of renewable energy; advanced clean coal technologies; coal liquefaction and synthetic fossil fuels; advanced oil and gas recovery; advanced nuclear reactor technologies; fusion technologies; biofuel technologies; electricity transmission, distribution, and storage; and energy forecasting.

(3) High-performance computing, including programs to develop and use new computer architectures such as large scale parallel computers, real-time visualization, powerful scientific workstations, high-speed networking, new computer software and algorithms; programs to develop advanced materials for the communication and computing industry such as new memories, optical switches or optical storage disks; programs to address complex scientific challenges such as understanding global climate change, hydrologic modeling, and fundamental combustion processes; and programs with other agencies and the private sector for the development and use of high-performance computer research networks.

(4) The environment, including global climate change; protection of ecological systems; environmental restoration and waste management; and development of technologies for biogeochemical dynamics, toxicology, remote sensing, biotechnology, risk analysis, and environmental assessment.

(5) Human health, including radiopharmaceutical and laser applications; mapping of the human genome; structural biology; development of technologies for nuclear and diagnostic medicine and radiation biology, including cancer therapies; and development of sensors, electronics and information systems to lower health care costs.

(6) Advanced manufacturing technologies, including laser technologies, robotics and intelligent machines; semiconductors, superconductors, microelectronics, photonics, optoelectronics, and advanced displays; x-ray lithography; sensor and process controls; and those technologies that may affect energy production, energy efficiency, environmental protection or waste minimization.

(7) Advanced materials, including materials that may increase efficiency in energy generation, conversion, transmission and use; synthesis and processing for improved and new materials; materials to promote waste minimization and environmental protection; and new and improved methods, techniques, and instruments to characterize and analyze properties of materials.

(8) Transportation technologies, including those that will improve the efficiency of and reduce the energy consumption and environmental impact associated with conventional transportation technologies.

(9) Space technologies, including space-based sensors for environmental monitoring, climate modeling, and radio-biological studies.

(10) Quality technologies, including reliability engineering, failure analysis, statistical process control, nondestructive testing and inspection techniques, concurrent engineering and design practices for reliability and testability used to ensure product and process quality specifications are met.

(11) Technologies listed in the annual defense critical technologies plan submitted to Congress by the Secretary of Defense pursuant to section 2522 of title 10, United States Code.

(12) Any other generic, precompetitive technology or other critical technology identified by the Secretary.

(f) EXCHANGES.—The Secretary shall encourage the exchange of scientists and engineers among departmental laboratories, educational institutions, industry, and other Federal agencies to facilitate the transfer of ideas and technology. In carrying out the requirements of this subsection, the Secretary shall provide for fellowships for personnel from departmental laboratories, industry, educational institutions and other Federal agencies.

(g) EDUCATION AND TRAINING.—The Secretary shall provide support for education and training to develop the personnel resources needed for future research, development, or demonstration in areas addressed by partnerships under this Act. The Secretary shall provide for partnerships, and strengthen and expand upon existing partnerships, to educate and train students and faculty in the areas identified in subsection (e), including environmental technologies and waste management.

(h) EVALUATION.—The Secretary shall develop mechanisms for evaluation of the accomplishments of the partnership program. The Secretary shall evaluate annually the performance and responsiveness of the departmental laboratories and program managers within the Department in carrying out the purposes of this Act.

(i) MANAGEMENT PLAN.—Within one hundred and eighty days of the date of enactment of this Act, and after consultation with the Laboratory Partnership Advisory Board established by section 4 and the departmental laboratories, the Secretary shall prepare and publish a management plan describing the Secretary's implementation of this Act. The plan shall be regularly updated and published not less than once every five years. Partnerships and other activities required by this Act may be pursued during preparation and publication of the management plan. The management plan shall—

(1) establish goals and priorities for the partnership program;

(2) establish mechanisms for coordination of partnerships with other research, development, and demonstration activities at departmental laboratories;

(3) establish mechanisms for the directors of the departmental laboratories to have input into the formulation and operation of the partnership program;

(4) establish mechanisms for coordination of partnerships pursued under this Act;

(5) establish policies to encourage industry and educational institutions to participate in the partnership program;

(6) establish procedures to facilitate collaboration between the departmental laboratories and other Federal agencies in areas of common interest or expertise;

(7) establish procedures to facilitate international cooperative activities involving scientists from government, industry, and the academic community;

(8) specify the extent to which the Department provides support for the research, development, or demonstration of technologies in the areas identified in subsection (e), specify the goals and objectives of the programs and activities that support these technologies, and provide a summary of the budgets for such programs and activities for the time period covered by the plan; and

(9) establish policies that encourage directors of departmental laboratories to include among their laboratory-directed research and development activities projects that will contribute to maintaining and extending the vitality of each laboratory's core competencies.

(j) REPORT.—The Secretary shall report to Congress two years after the date of enactment of this Act and biennially thereafter on the implementation of this Act. Such report shall evaluate—

(1) the progress in achieving the goals and purposes of the partnership program;

(2) the effect of the partnership program on the development and commercialization of technologies in the areas identified in subsection (e); and

(3) the progress in encouraging personnel exchanges as described in subsection (f).

SEC. 4. DEPARTMENT OF ENERGY LABORATORY ADVISORY BOARD.

(a) LABORATORY PARTNERSHIP ADVISORY BOARD.—The Secretary shall establish within the Department an advisory board to be known as the "Laboratory Partnership Advisory Board," which shall provide the Secretary with guidance on the implementation of this Act.

(b) COMPOSITION.—The membership of the Laboratory Partnership Advisory Board shall consist of prominent representatives from industry, educational institutions, Federal laboratories, and professional and technical societies in the United States who are qualified to provide the Secretary with advice and information on the partnership program.

(c) INPUT FROM DEPARTMENTAL LABORATORIES.—The Laboratory Partnership Advisory Board shall request comment and suggestions from departmental laboratories on the implementation of this Act.

(d) DUTIES.—The Laboratory Partnership Advisory Board shall provide the Secretary with advice and information on the Department's partnership program, including a periodic assessment of—

(1) the management plan required by section 3(i);

(2) the progress made in implementing the plan;

(3) any need to revise the plan; and

(4) any other issue related to the goals and purposes of this Act.

(e) USE OF EXISTING ADVISORY BOARDS.—Nothing in this section is intended to preclude the Secretary from utilizing existing advisory boards to achieve the purposes of this section.

SEC. 5. DEPARTMENT OF ENERGY MANAGEMENT.

(a) UNDER SECRETARIES.—(1) Section 202(a) of the Department of Energy Organization Act (42 U.S.C. 7132(a)) is amended by striking

"Under Secretary" and inserting in its place "Under Secretaries".

(2) Section 202(b) of the Department of Energy Organization Act (42 U.S.C. 7132(b)) is amended to read as follows—

"(b) There shall be in the Department three Under Secretaries and a General Counsel, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall perform functions and duties the Secretary prescribes. The Under Secretaries shall be compensated at the rate for level III of the Executive Schedule under section 5314 of title 5, United States Code, and the General Counsel shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.".

(b) ASSISTANT SECRETARIES.—Section 203(a) of the Department of Energy Organization Act (42 U.S.C. 7133(a)) is amended by striking "eight Assistant Secretaries" and inserting in its place "eleven Assistant Secretaries".

SEC. 6. RECOMMENDATIONS REGARDING THE ESTABLISHMENT OF AN OFFICE OF TECHNOLOGY RESEARCH.

Within one hundred and eighty days of enactment of this Act, the Secretary shall transmit to Congress the Secretary's recommendations for the establishment of an office within the Department to support generic, precompetitive technology research considered critical for the future economic competitiveness of the United States. The recommendations shall address the organization of such an office, the scope of responsibility of such an office, and the appropriate funding level for such an office.

SEC. 7. AVLIS COMMERCIALIZATION.

(a) PREDEPLOYMENT CONTRACTOR.—Not later than 90 days after the date of enactment of this Act, the Secretary shall solicit proposals for a commercial predeployment contractor to conduct such activities as may be necessary to enable the Secretary or any successor to the Secretary's uranium enrichment enterprise to deploy a commercial uranium enrichment plant using the Atomic Vapor Laser Isotope Separation (AVLIS) technology. Such activities shall include:

(1) developing a transition plan for transferring the AVLIS program from research, development, and demonstration activities at the Lawrence Livermore National Laboratory to deployment of a commercial AVLIS production plant;

(2) confirming the technical performance of AVLIS technology;

(3) developing the economic and industrial assessments necessary for the Secretary or his successor to make a commercial decision whether to deploy AVLIS;

(4) providing an industrial perspective for the planning and execution of remaining demonstration program activities;

(5) completing feasibility and risk studies necessary for a commercial decision whether to deploy AVLIS, including financing options;

(b) ADDITIONAL ACTIVITIES.—Based upon the results of subsection (a), the Secretary may solicit additional proposals to complete the following activities:

(1) site selection, site characterization, and environmental documentation activities for a commercial AVLIS plant;

(2) engineering design of a production plant, developing a project schedule, and initiating operations planning;

(3) activities leading to obtaining necessary licenses from the Nuclear Regulatory Commission; and

(4) ensuring the successful integration of AVLIS technology into the commercial nuclear fuel cycle.

(c) REPORTS.—The Secretary shall submit to the Committee on Energy and Natural Resources of the United States Senate and to the Speaker of the House of Representatives a written report on the progress made toward the deployment of a commercial AVLIS production plant ninety days after the date of enactment of this act and each ninety days thereafter.

SEC. 8. MINORITY COLLEGE AND UNIVERSITY REPORT.

Within one year after the date of enactment of this provision, the Secretary of Energy shall submit to the Committee on Energy and Natural Resources of the United States Senate and to the United States House of Representatives a report addressing opportunities for minority colleges and universities to participate in programs and activities being carried out by the Department or the departmental laboratories. The Secretary shall consult with representatives of minority colleges and universities in preparing the report. Such report shall—

(a) describe current education and training programs being carried out by the Department or the departmental laboratories with respect to or in conjunction with minority colleges and universities in the areas of mathematics, science, and engineering;

(b) describe current research, development or demonstration programs involving the Department or the departmental laboratories and minority colleges and universities;

(c) describe funding levels for the programs referred to in subsection (a) and (b);

(d) identify ways for the Department or the departmental laboratories to assist minority colleges and universities in providing education and training in the fields of mathematics, science, and engineering;

(e) identify ways for the Department or the departmental laboratories to assist minority colleges and universities in entering into partnerships in the areas of research identified in section 3(e);

(f) address the need for and potential role of the Department or the departmental laboratories in providing minority colleges and universities:

(1) increased research opportunities for faculty and students;

(2) assistance in facility development and recruitment and curriculum enhancement and development; and

(3) laboratory instrumentation and equipment, including computer equipment, through purchase, loan, or other transfer;

(g) address the need for and potential role of the Department or departmental laboratories in providing funding and technical assistance for the development of infrastructure facilities, including buildings and laboratory facilities at minority colleges and universities; and

(h) make specific proposals and recommendations, together with estimates of necessary funding levels, for initiatives to be carried out by the Department or the departmental laboratories to assist minority colleges and universities in providing education and training in the areas of mathematics, science, and engineering, and in entering into partnerships with the Department or departmental laboratories.

SEC. 9. INTERNATIONAL FELLOWSHIP PROGRAM.

The Secretary shall establish a program to encourage scientists and engineers from departmental laboratories to serve as visiting scientists and engineers in the research facilities of foreign governments, educational institutions and industrial organizations. The Secretary shall provide the necessary support to carry out the program including fellowships, and assistance in placing the scientists and engineers in the foreign research facilities.

SEC. 10. CAREER PATH PROGRAM.

(a) The Secretary shall establish a career path program under which the Secretary shall recruit employees of the National Laboratories to serve in positions in the Department.

(b) The Secretary may utilize the authorities in this section to carry out the career path program. In addition to these authorities, the Secretary may exercise the waiver authorities of section 208(b) of title 18, United States Code, and section 602(c) of the Department of Energy Organization Act, 42 U.S.C. section 7212(c).

(c) Section 207 of title 18, United States Code, is amended by inserting after subsection (j)(6) the following:

"(7) NATIONAL LABORATORIES.—(A) The restrictions, contained in subsections (a), (b), (c), and (d) shall not apply to an appearance or communication on behalf of, or advice or aid to, a facility described in subparagraph (B).

"(B) This paragraph applies to: Argonne National Laboratory, Brookhaven National Laboratory, Idaho National Engineering Laboratory, Lawrence Berkeley Laboratory, Lawrence Livermore National Laboratory, Los Alamos National Laboratory, Oak Ridge National Laboratory, Pacific Northwest National Laboratory, and Sandia National Laboratories."

(d) Section 27 of the Office of Federal Procurement Policy Act, 41 U.S.C. section 423, is amended by inserting after subsection (p) the following:

"(q) NATIONAL LABORATORIES.—(1) The restrictions on obtaining a recusal contained in paragraph (c)(2) and (c)(3) shall not apply to discussions of future employment or business opportunity between a procurement official and a competing contractor managing and operating a facility described in paragraph (3): *Provided*, That such discussions concern the employment of the procurement official at such facility.

"(2) The restrictions contained in paragraph (f)(1) shall not apply to activities performed on behalf of a facility described in paragraph (3).

"(3) This subsection applies to: Argonne National Laboratory, Brookhaven National Laboratory, Idaho National Engineering Laboratory, Lawrence Berkeley Laboratory, Lawrence Livermore National Laboratory, Los Alamos National Laboratory, Oak Ridge National Laboratory, Pacific Northwest National Laboratory, and Sandia National Laboratories."

SEC. 11. INTERPRETATION.

Nothing in this Act limits the use of existing technology transfer mechanisms available under other applicable law. The authority to enter into partnerships established pursuant to this Act supplements and does not supplant those existing technology transfer mechanisms.

AUTHORIZING THE ARCHITECT OF THE CAPITOL TO ACQUIRE CERTAIN PROPERTY

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2938, a bill authorizing the Architect of the Capitol to acquire certain property introduced earlier today by the majority leader and Republican leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2938) to authorize the Architect of the Capitol to acquire certain property.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2938

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORITY OF THE ARCHITECT.

(a) ACQUISITION OF PROPERTY.—The Architect of the Capitol, under the direction of the Senate Committee on Rules and Administration, may acquire, on behalf of the United States Government, by purchase, condemnation, transfer or otherwise, as an addition to the United States Capitol Grounds, all publicly and privately owned real property in lots 34 and 35 in square 758 in the District of Columbia as those lots appear on the records in the Office of the Surveyor of the District of Columbia as the date of the enactment of this Act, extending to the outer face of the curbs of the square in which such lots are located and including all alleys or parts of alleys and streets within the lot lines and curb lines surrounding such real property, together with all improvements thereon.

(b) UNITED STATES CAPITOL GROUNDS AND BUILDINGS.—Immediately upon the acquisition by the Architect of the Capitol, on behalf of the United States, of the real property, and the improvements thereon, as provided under subsection (a), the real property acquired shall be a part of the United States Capitol Grounds, and the improvements on such real property shall be a part of the Senate Office Buildings. Such real property and improvements shall be subject to the Act of July 31, 1946 (40 U.S.C. 193a et seq.), and the Act of June 8, 1942 (40 U.S.C. 174c).

(c) BUILDING CODES.—The real property and improvements acquired in accordance with subsection (a) shall be repaired and altered, to the maximum extent feasible as determined by the Architect of the Capitol, in accordance with a nationally recognized model building code, and other applicable nationally recognized codes (including electrical codes, fire and life safety codes, and plumbing codes, as determined by the Architect of the Capitol), using the most current edition of the nationally recognized codes referred to in this subsection.

(d) REPAIRS; EXPENDITURES.—The Architect of the Capitol is authorized, without regard to the provisions of section 3709 of the Revised Statutes of the United States, to enter into contracts and to make expenditures for necessary repairs to, and refurbishment of, the real property and the improvements on such real property acquired in accordance with subsection (a), including expenditures for personal and other services as may be necessary to carry out the purposes of this Act. In no event shall the aggregate value of contracts and expenditures under this subsection exceed an amount equal to that authorized to be appropriated pursuant to subsection (e).

(e) AUTHORIZATION.—There is authorized to be appropriated to the account under the heading "Architect of the Capitol" and the subheadings "Capitol Buildings and Grounds" and "Senate Office Buildings", $2,000,000 for carrying out the purposes of this Act. Moneys appropriated pursuant to this authorization may remain available until expended.

(f) USE OF PROPERTY.—The real property, and improvements thereon, acquired in accordance with subsection (a) shall be available to the Sergeant at Arms and Doorkeeper of the Senate for use as a residential facility for United States Senate Pages, and for such other purposes as the Senate Committee on Rules and Administration may provide.

(g) CAPITOL POLICE JURISDICTION.—In carrying its supervision and jurisdiction over the real property and improvements acquired in accordance with subsection (a) by reason of their acquisition as a part of the United States Capitol Grounds and Buildings, the United States Capitol Police shall have the additional authority to make arrests for the violation of any law of the United States or the District of Columbia, or any regulation issued pursuant thereto, within any area or street in the District of Columbia outside the United States Capitol Grounds necessary to carry out such supervision or jurisdiction over such acquired real property and improvements, and to travel between parts of the United States Capitol Grounds which are not contiguous. The authority provided the Capitol Police by this subsection to make arrests within any such area or street shall be concurrent with that of the Metropolitan Police of the District of Columbia.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. GORTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZING TESTIMONY OF SENATE EMPLOYEES

Mr. FORD. Mr. President, on behalf of the majority leader and the distinguished Republican leader, Mr. DOLE, I send to the desk a resolution on the testimony of Senate employees and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 321) to authorize testimony of Senate employees.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, the following resolution would authorize two employees in Senator BYRD's office, and any other Senate employees who have information relevant to an appeal pending before the District of Columbia Office of Unemployment Compensation, to appear and provide testimony at a hearing on the appeal. The appeal concerns the discharge of an employee in Senator BYRD's office.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 321) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 321

Whereas an appeal is currently pending from a determination by the Office of Unemployment Compensation for the District of Columbia to award compensation to a former employee of the Senate;

Whereas the Office of Unemployment Compensation has requested that the Senate provide witnesses with personal knowledge of facts relevant to the appeal;

Whereas Joan Drummond and Debra Wood, employees in the Office of Senator Byrd, have information relevant to the appeal pending before the Office of Unemployment Compensation;

Whereas by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Joan Drummond, Debra Wood, and any other employee of the Senate from whom testimony may be required are authorized to appear and testify in the hearing on the appeal pending before the Office of Unemployment Compensation, except concerning matters for which a privilege should be asserted.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. GORTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZING TESTIMONY OF SENATE EMPLOYEES

Mr. GORTON. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 322) to authorize testimony by employees of the Senate in Senator William S. Cohen, et al. v. Donald, Secretary of the Air Force, et al.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, Senator COHEN and Senator MITCHELL are plaintiffs, among others, in a suit in the District Court for the District of Maine challenging the procedures utilized by the Department of Defense and the Defense Base Closure and Realignment Commission that led to the decision to close Loring Air Force Base in Maine. Counsel for the plaintiffs have requested, with the concurrence of Senators COHEN and MITCHELL, testimony from two employees on the Senators' staffs who handle base closure issues.

These employees, Dale Gerry and Robert Carolla, would testify about discussions and meetings they had with representatives of the Defense Department, the Base Closure Commission, and the General Accounting Office, each of which has a role under the 1990 Base Closure Act, and about information utilized by those entities in the base closing recommendation process.

This resolution authorizes the employees to provide testimony in this matter.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 322) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 322

Whereas, in the case of Senator William S. Cohen, et al. v. Donald Rice, Secretary of the Air Force, et al., Civil No. 91-0282-B, pending in the United States District Court for the District of Maine, counsel for plaintiffs Senator William S. Cohen and Senator George J. Mitchell have requested the testimony of Dale Gerry, an employee of the Senate on the staff of Senator Cohen, and Robert J. Carolla, an employee of the Senate on the staff of Senator Mitchell;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Dale Gerry and Robert J. Carolla are authorized to testify in Senator William S. Cohen, et al. v. Donald Rice, Secretary of the Air Force, et al., except concerning matters for which a privilege should be asserted.

Mr. GORTON. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZING TESTIMONY AND REPRESENTATION BY SENATE LEGAL COUNSEL

Mr. FORD. Mr. President, on behalf of the majority leader, I send to the desk a resolution on authorization of testimony and representation by the Senate legal counsel and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 323) to authorize testimony and representation of members and employees of the Senate in the case of United States of America versus Clair E. George.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, Independent Counsel Lawrence Walsh anticipates calling several current or former Members and employees of the Senate to testify in the case of United States of America versus Clair E. George, which is currently scheduled to go to trial next month in the U.S. District Court for the District of Columbia.

In two criminal indictments the Government alleges that Mr. George testified falsely before, and obstructed the inquiries of, several congressional committees, as well as the grand jury. Three of the counts on which Mr. George is to be tried specifically allege that he deliberately made false statements to, and directed a subordinate to withhold information from, the Committee on Foreign Relations at a hearing it held on October 10, 1986. A fourth count alleges that Mr. George committed perjury at a hearing of the Select Committee on Intelligence on December 3, 1986.

The independent counsel believes that Senator JOHN KERRY and former Senator Thomas Eagleton, who respectively questioned Mr. George at those two hearings, have material testimony needed for this trial. The counsel also wishes to call as witnesses Daniel P. Finn, a former employee of the Select Committee on Intelligence currently employed by the House of Representatives, as well as individuals, including Fred Ward on the staff of the Intelligence Committee, who officially reported and transcribed Mr. George's testimony before the various Senate committees.

It is not certain that testimony from each of these individuals will prove to be necessary, but this resolution is being offered at this time, consistent with past Senate practice in such criminal cases, to ensure that the Senate will have acted in a timely fashion to permit testimony that is determined to be necessary in this proceeding to be provided under the schedule determined by the court for the trial.

The resolution also authorizes the Senate legal counsel to represent the witnesses in connection with their testimony.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 323) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 323

Whereas, in the case of United States of America v. Clair E. George, Crim. No. 91-521, pending in the United States District Court for the District of Columbia, the Independent Counsel has requested testimony from Senator John F. Kerry, former Senator Thomas F. Eagleton, Fred Ward, an employee of the Senate on the staff of the Select Committee on Intelligence, Daniel P. Finn, a former employee of the Senate on the staff of the Select Committee on Intelligence, and contract court reporters who reported testimony at proceedings of the Committee on Foreign Relations and the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent Members and employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, by Rule VI of the Standing Rules of the Senate, no Senator shall absent himself from the service of the Senate without leave;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Senator John F. Kerry, former Senator Thomas F. Eagleton, Fred Ward, Daniel P. Finn, and contract court reporters who reported testimony at proceedings of the Committee on Foreign Relations and the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition are authorized to testify in the case of United States of America v. Clair E. George, except, with respect to Senator Kerry, when his attendance at the Senate is necessary for the performance of his legislative duties, and except concerning matters for which a privilege should be asserted.

SEC. 2. That the Senate Legal Counsel is authorized to represent Senator Kerry, former Senator Eagleton, Fred Ward, and Daniel P. Finn, in connection with their testimony in United States of America v. Clair E. George.

Mr. GORTON. I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS REAUTHORIZATION ACT

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 478, S. 2827, a bill to provide authorization for the Kennedy Center for the Performing Arts.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 2827 to amend the John F. Kennedy Center Act (20 U.S.C. 76h et seq.) to provide authorization of appropriations for fiscal years 1993 through 1997 for the John F. Kennedy Center for the Performing Arts, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. Without objection, the bill is deemed read three times and passed.

So the bill (S. 2827) was deemed read three times and passed, as follows:

S. 2827

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BUREAU, BOARD OF TRUSTEES, AND ADVISORY COMMITTEE.

Section 2 of the John F. Kennedy Center Act (20 U.S.C. 76h) is amended—

(1) by redesignating subsections (a), (b), and (c) as subsections (b), (c), and (d);

(2) by inserting before subsection (b) (as redesignated in paragraph (1)) the following new subsection:

"(a) The Congress finds that—

"(1) the late John Fitzgerald Kennedy served with distinction as President of the United States, and as a Member of the Senate and the House of Representatives;

"(2) by the untimely death of John Fitzgerald Kennedy this Nation and the world have suffered a great loss;

"(3) the late John Fitzgerald Kennedy was particularly devoted to education and cultural understanding and the advancement of the performing arts;

"(4) it is fitting and proper that a living institution of the performing arts, designated as the National Center for the Performing Arts, named in the memory and honor of this great leader, shall serve as the sole national monument to his memory within the city of Washington and its environs;

"(5) such a living memorial serves all of the people of the United States by preserving, fostering, and transmitting the performing arts traditions of the people of this Nation and other countries by producing and presenting music, opera, theater, dance and other performing arts; and

"(6) such a living memorial should be housed in the John F. Kennedy Center for the Performing Arts, located in the District of Columbia.";

(3) in subsection (b) (as redesignated in paragraph (1))—

(A) in the first sentence, by inserting "as the National Center for the Performing Arts and as a living memorial to John Fitzgerald Kennedy," after "thereof"; and

(B) in the second sentence—

(i) by striking "Secretary of Health and Human Services" and inserting "Secretary of State"; and

(ii) by striking "Chairman of the District of Columbia Recreation Board" and inserting "Superintendent of Schools of the District of Columbia";

(4) by amending subsection (c) (as redesignated in paragraph (1)) to read as follows:

"(c) The general trustees shall be appointed by the President of the United States and each such trustee shall hold office as a member of the Board for a term of six years, except that—

"(1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which such member's predecessor was appointed shall be appointed for the remainder of such term;

"(2) a member shall continue to serve until such member's successor has been appointed; and

"(3) the term of office of a member appointed prior to the date of enactment of this subsection shall expire as designated at the time of appointment."; and

(5) in the last sentence of subsection (d) (as redesignated in paragraph (1)), by striking "him" and inserting "the member".

(6) EFFECTIVE DATE FOR CERTAIN APPOINTMENTS.—The appointments made pursuant to the amendments made by clauses (i) and (ii) of subparagraph (3)(B) of section 1 of this Act shall not commence until the expiration of the terms of the Secretary of Health and Human Services and the Chairman of the District of Columbia Recreation Board, respectively, serving as Trustees of the John F. Kennedy Center for the Performing Arts on the date of enactment of this Act.

SEC. 2. PRESENTATIONS, PROGRAMS, FACILITIES FOR ACTIVITIES, AND MEMORIAL IN HONOR OF THE LATE PRESIDENT; RESTRICTION ON ADDITIONAL MEMORIALS.

Subsection (a) of section 4 of the John F. Kennedy Center Act (20 U.S.C. 76j) is amended to read as follows:

"(a)(1) The Board shall—

"(A) present classical and contemporary music, opera, drama, dance and other performing arts from the United States and other countries;

"(B) promote and maintain the Center as the National Center for the Performing Arts by—

"(i) developing and maintaining, in consultation with the Secretary of Education and the heads of other Federal agencies involved in performing arts education, a leadership role in national performing arts education policy and programs, including developing and presenting original and innovative performing arts and educational programs for children, youth, families, adults and educators designed specifically to foster an appreciation and understanding of the performing arts;

"(ii) develop and maintain, in consultation with the Secretary of Education and the heads of other Federal agencies involved in performing arts education, a comprehensive and broad program for national and community outreach, including establishing model programs for adaptation by other presenting and educational institutions; and

"(iii) conducting joint initiatives with the national education and outreach programs of the Very Special Arts, an affiliate of the John F. Kennedy Center for the Performing Arts which has an established program for the identification, development and implementation of model programs and projects in the arts for disabled individuals;

"(C) in consultation with the Secretary of Education and the heads of other Federal agencies involved in performing arts education, strive to ensure that the John F. Kennedy Center for the Performing Arts education and outreach programs and policies meet the highest level of excellence and reflect the cultural diversity of the Nation;

"(D) provide facilities for other civic activities at the John F. Kennedy Center for the performing Arts;

"(E) provide within the John F. Kennedy Center for the Performing Arts a suitable memorial in honor of the late President; and

"(F) develop a comprehensive building needs plan for the existing features of the John F. Kennedy Center for the Performing Arts. This building needs plan shall not include expansion of the building or construction of a new building.

"(2)(A) The Board, in accordance with applicable law, may enter into contracts or other arrangements with, and make payments to, public agencies or private organizations or persons in order to carry out the Board's functions under this Act.

"(B) Notwithstanding any other provisions of law, a contract or other arrangement described in subparagraph (A) that is entered into for an environmental system, a protection system or a repair to or restoration of the John F. Kennedy Center for the Performing Arts may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.".

SEC. 3. TRUST FUNDS, OFFICERS AND EMPLOYEES, REVIEW OF BOARD ACTIONS.

Section 5 of the John F. Kennedy Center Act (20 U.S.C. 76k) is amended—

(1) in the first sentence of subsection (a), by striking "Smithsonian Institution" and inserting "John F. Kennedy Center for the Performing Arts, as a bureau of the Smithsonian Institution,";

(2) in subsection (b)—

(A) in the first sentence, by striking "director, an assistant director, and a secretary of the John F. Kennedy Center for the Performing Arts and of" and inserting "a Chairperson of the John F. Kennedy Center for the Performing Arts (hereinafter in this Act referred to as the 'Chairperson'), who shall serve as the chief executive officer of such Center, and a secretary of such Center. The Chairperson shall appoint"; and

(B) in the second sentence, by striking "director, assistant director," and inserting "Chairperson"; and

(3) by adding at the end the following new subsection:

"(d) The Secretary of the Interior and the Board shall enter into a cooperative agreement regarding major capital projects for the Center. Such cooperative agreement shall—

"(1) provide that the Board or the Board's designated representative shall plan, design, and construct all major capital projects at the John F. Kennedy Center for the Performing Arts; and

"(2) contain assurances that—

"(A) all planning, design, and construction of major capital projects shall be approved by the Secretary of the Interior or such Secretary's designee prior to commencement of such activities;

"(B) the Secretary of the Interior shall transfer to the Board or other entities from amounts available to such Secretary for the John F. Kennedy Center for the Performing Arts the funds necessary to carry out the activities described in subparagraph (A) in accordance with the terms of such cooperative agreement; and

"(C) the Board shall report quarterly to the Secretary of the Interior or such Secretary's designee regarding the progress of all planning, design, and construction performed pursuant to such cooperative agreement.".

SEC. 4. OFFICIAL SEAL, BOARD VACANCIES AND QUORUM, TRUSTEE POWERS AND OBLIGATIONS, REPORTS, SUPPORT SERVICES, AND REVIEW AND AUDIT.

Section 6 of the John F. Kennedy Center Act (20 U.S.C. 761) is amended—

(1) in subsection (c)—

(A) by striking "its" and inserting "the Board's"; and

(B) by striking "it" and inserting "the Board";

(2) in subsection (e)—

(A) by striking the title and inserting "MAINTENANCE, REPAIR, AND SECURITY SERVICES.—";

(B) by striking "alteration of the building" and all that follows in paragraph (1) and inserting "security services.";

(C) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(D) by inserting after paragraph (1) the following new paragraph:

"(2) SPECIAL RULE.—The Board, with the concurrence of the Secretary of the Interior or such Secretary's designee, shall designate the services to be performed pursuant to paragraph (1) in order to ensure that such services will meet the requirements for high quality operations, except that in no event shall the Board require the expenditure of funds in excess of those appropriated pursuant to the authority of section 13(b)."; and

(3) in paragraph (3) (as redesignated in subparagraph (2)(C) of section 4 of this Act), by adding at the end the following new sentence: "Such agreement shall be reviewed and updated, if necessary, every five years.".

SEC. 5. TECHNICAL AMENDMENT.

Section 10 of the John F. Kennedy Center Act (20 U.S.C. 76p) is amended—

(1) by striking "he" and inserting "the Secretary"; and

(2) by striking "his" and inserting "the Secretary's".

SEC. 6. DEFINITIONS AND AUTHORIZATION OF APPROPRIATIONS.

The John F. Kennedy Center Act (20 U.S.C. 76h et seq.) is amended by inserting at the end the following new sections (with section 12 being codified at 20 U.S.C. 76r, and section 13 being codified at 20 U.S.C. 76s):

"SEC. 12. DEFINITIONS.

"For the purpose of this Act—

"(1) the term 'capital projects' means capital repairs, replacements, improvements, rehabilitations, alterations, and modifications to the existing features of the John F. Kennedy Center for the Performing Arts building and all existing features of interior and exterior Center spaces, including the existing theaters, garage, roadways, and walkways;

"(2) the term 'existing' means existing on the date of enactment of the John F. Kennedy Center Act Amendments of 1992; and

"(3) the term 'maintenance, repair, and security services' means all services and equipment necessary or desirable to maintain and operate the existing features of the John F. Kennedy Center for the Performing Arts building and all existing interior and exterior building spaces, including the existing theaters, garage, roadways, and walkways, in a manner consistent with the requirements for high quality operations as determined by the concurrence of the Board and the Secretary of the Interior or the Secretary's designee and in accordance with the cooperative agreement described in section 6(e)(3) (as redesignated in subparagraph (2)(C) of section 4 of the John F. Kennedy Center Act Amendments of 1992).

"SEC. 13. AUTHORIZATION OF APPROPRIATIONS.

"(a) CAPITAL PROJECTS.—There are authorized to be appropriated to the Secretary of the Interior $15,000,000 for fiscal year 1993 and each succeeding fiscal year through fiscal year 1997 to carry out subparagraph (F) of section 4(a)(1), subparagraph (A) of section 4(a)(2), and subsection (d) of section 5.

"(b) MAINTENANCE, REPAIR, AND SECURITY.—There are authorized to be appropriated to the Secretary of the Interior $12,000,000 for fiscal year 1993 and each succeeding fiscal year through fiscal year 1997 to carry out paragraph (1) of section 6(e).

"(c) EDUCATION AND OUTREACH PROGRAMS.—There are authorized to be appropriated to the Secretary of Education $4,000,000 for each of the fiscal years 1993 and 1994, and $5,000,000 for each of the fiscal years 1995, 1996, and 1997, to be granted to the Board to carry out subparagraphs (B) and (C) of section 4(a)(1).

"(d) SPECIAL RULE.—No funds appropriated pursuant to the authority of subsection (a) or (b) for capital projects or for maintenance, repair, and security services for existing theaters shall be used for performing arts related production expenses.".

SEC. 7.

This Act may be cited as the "John F. Kennedy Center Act Amendments of 1992".

Mr. FORD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GORTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed en bloc to the immediate consideration of Calendar Nos. 521 and 522; that the committee amendment, where appropriate, be agreed to; that the bills be deemed read three times, passed, and the motion to reconsider the passage of these measures be laid upon the table en bloc; that the title amendment, where appropriate, be agreed to; further, that the consideration of these items appear individually in the RECORD and any statement appear at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

ACQUISITION OF CERTAIN LAND BY THE SMITHSONIAN INSTITUTION

The Senate proceeded to consider the bill (S. 1598) to authorize the Board of Regents of the Smithsonian Institution to acquire land for watershed protection at the Smithsonian Environmental Research Center, and for other purposes, which had been reported from the Committee on Rules and Administration, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION. 1. NATIONAL MUSEUM OF NATURAL HISTORY.

(a) IN GENERAL.—Section 2 of the Act entitled "To authorize the Board of Regents of the Smithsonian Institution to plan, design, construct, and equip space in the East Court of the National Museum of Natural History building, and for other purposes", approved October 24, 1990 (20 U.S.C. 50 note), is amended by inserting "and succeeding fiscal years" after "1991".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as of October 24, 1990.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "An Act to continue the authorization of appropriations for the East Court of the National Museum of Natural History.".

AMERICAN FOLKLIFE CENTER AUTHORIZATION ACT

The bill (S. 2910) to authorize appropriations for the Folklife Center for fiscal years 1992, 1994, 1995, 1996, and 1997, was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 2910

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the American Folklife Preservation Act (20 U.S.C. 2107) is amended—

(1) by striking "1991, and" and inserting "1991,"; and

(2) by inserting ", $1,171,769 for the fiscal year ending September 30, 1993, $1,358,463 for the fiscal year ending September 30, 1994, $1,562,322 for the fiscal year ending September 30 1995, $1,666,857 for the fiscal year ending September 30, 1996, and $1,834,792 for the fiscal year ending September 30, 1997" after "1992".

RELATING TO CONTINUED SUPPORT FOR THE TAIF AGREEMENT

Mr. FORD. Mr. President, I ask unanimous consent that Senate proceed to immediate consideration of Senate Concurrent Resolution 129, a concurrent resolution expressing continuing support for the Taif agreement, which brought a negotiated end to the end of civil war in Lebanon, submitted earlier today by the majority leader and Senator DOLE; that the concurrent resolution be agreed to, the motion to reconsider laid upon the table, and the preamble agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the concurrent resolution (S. Con. Res. 129) was agreed to.

The preamble was agreed to.

The concurrent resolution (S. Con. Res. 129), with its preamble, reads as follows:

S. CON. RES. 129

Whereas Lebanon's sixteen-year civil war finally was ended by the Taif Agreement, brokered by the Arab League on October 22, 1989;

Whereas the Taif Agreement is intended to lead to full restoration of Lebanon's sovereignty, independence, and territorial integrity;

Whereas Syria continues to exert undue influence upon the government of Lebanon and maintains an estimated 40,000 Syrian armed forces in Lebanon;

Whereas truly free and fair elections in Lebanon will not be possible in areas of foreign military control;

Whereas under the Taif Agreement the Syrians must withdraw their armed forces to the gateway of the Bekaa Valley by September 1992; and

Whereas the success of the Taif Agreement depends upon timely Syrian withdrawal: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring)—

(1) expresses continuing support for the Taif Agreement, signed in 1989;

(2) calls upon Syria to withdraw its armed forces to the gateway of the Bekaa Valley in September 1992, as required under the Taif Agreement, and as a prelude to complete withdrawal from Lebanon;

(3) urges immediate consideration of possible alternatives to ensuring security in Beirut following the Syrian withdrawal, including the establishment of a United Nations or other multilateral presence in Beirut, if necessary; and

(4) urges the government of Lebanon to hold elections if they can be free and fair, conducted after the Syrian withdrawal and without outside interference, and witnessed by international observers.

Mr. MITCHELL. Mr. President, this resolution about Lebanon is offered in conjunction with the distinguished Republican leader.

Senator DOLE and I consistently have worked together to express bipartisan concern about the situation in that troubled land.

With this resolution, we hope to draw attention to the critical choices that Lebanon faces in the coming months—and to send an unequivocal signal to Syria that we are watching its actions in Lebanon.

Lebanon has not been in the headlines lately.

After the Taif agreement was signed in 1989, Lebanon slowly began to return to normalcy.

The agreement, brokered by the Arab League, was not perfect. It was a stepping stone on the path toward restoring Lebanon's political independence and territorial integrity. These remain distant goals at the present time.

But for all who hoped Taif would bring us closer to these goals, a moment of truth is fast approaching.

Peace has largely returned to Beirut. For this we are grateful.

But that peace has had a dear price. Some 40,000 Syrian troops remain in the Beirut area and throughout Lebanon.

The Taif agreement requires Syria to withdraw these troops to the gateway of the Bekaa Valley in September of this year.

The world is watching to see whether Syria will abide by this agreement, or whether Hafez al-Assad will create a pretext for maintaining Syria's hold on Beirut.

The new Lebanese Government recently issued a policy statement stating plans for elections this summer for a new Parliament. There are fears that such a Parliament, elected under the influence of 40,000 Syrian troops, might invite Syrian troops to stay on.

This is a source of great concern.

I question whether free and fair elections can be held while Syria occupies the country and controls the capital. This resolution underscores that elections should be held only if they are free and fair, conducted after the Syrian withdrawal.

Lebanon cannot regain its independence if it relies upon a neighbor with hegemonic designs to provide security within the country.

If the Lebanese Government seeks outside support to help maintain internal peace, it should turn to a neutral, multinational body. The Arab League, sponsor of the Taif agreement, is such an organization and has a special obligation to ensure Lebanon's success.

But in the meantime, Lebanon should be striving to undertake the responsibilities of a sovereign government—not postponing the assumption of these tasks.

I believe the United States should be more active in helping Lebanon regain its sovereignty.

This is why I have supported an American Military Education and Training [IMET] Program with the Lebanese Army.

A U.S. IMET program can help the Lebanese Army assume its internal security responsibilities.

It can increase Lebanese confidence in maintaining security after the Syrians depart.

The IMET program also can help tie the Lebanese military to the United States—rather than to Syria.

Unfortunately, because of minority opposition to this IMET program, this small and symbolic step of American support for an independent Lebanese military has not been taken.

I regret this. I urge the administration to act to restore the IMET program for Lebanon.

If the Bush administration is serious about its expressed support for Lebanon's independence, it should adopt policies to help Lebanon regain its freedom.

But American actions alone cannot restore Lebanese independence.

The Taif agreement must be successfully implemented as a step toward the goal of securing the complete withdrawal of all foreign forces from Lebanese territory.

That is the reason why we are offering this resolution.

It expresses support for the Taif agreement as originally signed, and it specifically calls upon Syria to withdraw its troops to the Bekaa in September.

It also urges consideration of multilateral efforts to help the Lebanese Government ensure security in Beirut following the Syrian withdrawal.

The resolution calls upon the Lebanese Government to hold elections if they can be "free and fair, conducted after the Syrian withdrawal and without outside interference, and witnessed by international observers."

Free and fair elections cannot occur under Syrian occupation, for "free and fair" means that voters and the balloting process are not coerced or manipulated.

There is widespread concern that Syria will find means to circumvent the Taif agreement and maintain its hold on Lebanon.

This resolution is intended to make clear to Hafez al-Assad that the Congress is watching and expects Syria to uphold its commitments.

It is important that the Taif process be kept on track and that Lebanon proceeds toward regaining its full independence and territorial integrity.

I am confident that my colleagues in this body share the sentiments expressed in this resolution. I hope they will overwhelmingly support the measure and send a strong signal of support for restoring Lebanon.

Mr. DOLE. Mr. President, I am pleased to join with the distinguished majority leader in offering this important and timely resolution.

In recent years, the nations and peoples of the Middle East have experienced countless tragedies. But no innocent nation, save perhaps Kuwait, has been more devastated than Lebanon; and no people have suffered more grievously than the Lebanese people.

Lebanon was once a stable, democratic, and prosperous nation. Today, it is barely a nation at all. Foreign forces and militias, under various mandates and guises, occupy large portions of the country. In the view of some, the Lebanese Government itself serves at the sufferance of outside powers. While Beirut's streets, for the moment at least, are no longer "free fire zones," the truce which prevails is fragile, indeed. And the once vibrant economy lies in ruins.

We are all hopeful that the Middle East peace process will succeed in bringing an enduring, stable peace between Israel and the Arab states. We are all hopeful that Middle East peace process will usher in the day when the legitimate rights of all the peoples of the region are observed.

But somehow, Lebanon seems left out of that peace process, except in some peripheral ways. Even if those broader goals of the peace process are achieved, what will become of Lebanon?

I hope the Senate is determined, as I am and the majority leader is, to see that Lebanon—its sovereignty and its people—is not forgotten, or sacrificed to the achievement of other goals.

We offer this resolution now because Lebanon is entering a critical stage in its effort to regain its sovereignty and stability. Under the TAIF accords, Syrian forces stationed in Lebanon are required to withdraw to the Bekka Valley by September, as a prelude to their complete withdrawal from Lebanon. These withdrawals must occur if Lebanon is to regain its sovereignty.

Candidly, there are reports and rumors that Syria may be contemplating abrogating its commitment to these withdrawals, perhaps under the guise of a request coerced out of the Lebanese Government that the forces remain. This resolution makes clear that the Senate will just not buy such a phony deal. The resolution insists that Syria stick to the withdrawal timetable under TAIF. The resolution further insists that any elections held in Lebanon be held only after the Syrian withdrawal, so that they can more credibly reflect the free expression of will of the Lebanese people.

Mr. President, these are not unreasonable matters for us to insist on. They simply mean that Syria will abide by the rules of the game under which the Arab League endorsed, and much of the rest of the world acquiesced in, the temporary presence of Syrian troops in Lebanon.

Lebanon is a long way from getting back its real sovereignty, and seeing a restoration of real peace and stability. But it can continue to move in that direction, if the requirements of the TAIF agreement are met by all parties.

We must send the message loud and clear that we expect the Syrians, and all the other involved parties, to stick by their commitments and abide by the TAIF agreement. We can send that message by adopting this concurrent resolution today.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT OF THE FEDERAL LABOR RELATIONS AUTHORITY—MESSAGE FROM THE PRESIDENT—PM-257

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

In accordance with section 701 of the Civil Service Reform Act of 1978 (Public Law 95-454; 5 U.S.C. 7104(e)), I have the pleasure of transmitting to you the Thirteenth Annual Report of the Federal Labor Relations Authority for Fiscal Year 1991.

GEORGE BUSH.

THE WHITE HOUSE, *July 1, 1992*.

MESSAGES FROM THE HOUSE

At 12:12 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 2905. An act to provide a 4-month extension of the transition rule for separate capitalization of savings associations' subsidiaries.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

S. 2905. An act to provide a 4-month extension of the transition rule for separate capitalization of savings associations' subsidiaries.

The enrolled bill was subsequently signed by the President pro tempore [Mr. BYRD].

At 3:55 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the amendment of the House to the bill (S. 1254) to increase the authorized acreage limit for the Assateague Island National Seashore on the Maryland mainland, and for other purposes.

The message also announced that the House has passed the following bills, each without amendment:

S. 2780. An act to amend the Food Security Act of 1985 to remove certain easement requirements under the conservation reserve program, and for other purposes; and

S. 2901. An act to direct the Secretary of Health and Human Services to extend the waiver granted to the Tennessee Primary Care Network of the enrollment mix requirement under the medicaid program.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1306) to amend title V of the Public Health Service Act to revise and extend certain programs, to restructure the Alcohol, Drug Abuse and Mental Health Administration, and for other purposes.

The message also announced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 3082. An act to amend the Alzheimer's Disease and Related Dementias Services Research Act of 1986 to reauthorize the Act, and for other purposes;

H.R. 3247. An act to establish a National Undersea Research Program within the National Oceanic and Atmospheric Administration;

H.R. 3673. An act to authorize a research program through the National Science Foundation on the treatment of contaminated water through membrane processes;

H.R. 4773. An act to provide for reporting of pregnancy success rates of assisted reproductive technology programs and for the certification of embryo laboratories;

H.R. 5095. An act to authorize appropriations for fiscal year 1993 for intelligence and intelligence-related activities of the United States Government and the Central Intelligence Agency Retirement and Disability System, to revise and restate the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, and for other purposes;

H.R. 5343. An act to make technical amendments to the Fair Packaging and Labeling Act with respect to its treatment of the SI metric system, and for other purposes;

H.R. 5344. An act to authorize the National Science Foundation to foster and support the development and use of certain computer networks;

H.R. 5429. An act to establish the Social Security Administration as an independent agency, which shall be headed by a Social Security Board, and which shall be responsible for the administration of the old-age, survivors, and disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act; and

H.J. Res. 306. Joint resolution to designate the Port Chicago Naval Magazine as a National Memorial.

The message further announced that pursuant to the provisions of section 3 of Public Law 93-304, as amended by section 1 of Public Law 99-7, the Speaker appoints as members of the Commission on Security and Cooperation in Europe the following Members on the part of the House: Mr. FASCELL, Mr. JENKINS, Mr. HERTEL, Mr. FEIGHAN, Mr. TANNER, Mr. FALEOMAVAEGA, Mr. BROOMFIELD, Mr. BEREUTER, and Mr. COLEMAN of Missouri.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

At 9:56 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolution:

S. 1254. An act to increase the authorized acreage limit for the Assateague Island National Seashore on the Maryland mainland, and for other purposes;

S. 1306. An act to amend the Public Health Service Act to restructure the Alcohol, Drug Abuse, and Mental Health Administration and the authorities of such Administration, including establishing separate block grants to enhance the delivery of services regarding substance abuse and mental health, and for other purposes;

S. 2901. An act to direct the Secretary of Health and Human Services to extend the waiver granted to the Tennessee Primary Care Network of the enrollment mix requirement under the medicaid program; and

H.J. Res. 499. Joint resolution designating July 2, 1992, as "National Literacy Day."

MEASURES REFERRED

The following bills and joint resolution were read the first and second times by unanimous consent, and referred as indicated:

H.R. 3082. An act to amend the Alzheimer's Disease and Related Dementias Services Research Act of 1986 to reauthorize the Act, and for other purposes; to the Committee on Labor and Human Resources.

H.R. 3247. An act to establish a National Undersea Research Program within the National Oceanic and Atmospheric Administration; to the Committee on Commerce, Science, and Transportation.

H.R. 3673. An act to authorize a research program through the National Science Foundation on the treatment of contaminated water through membrane processes; to the Committee on Environment and Public Works.

H.R. 4773. An act to provide for reporting of pregnancy success rates of assisted reproductive technology programs and for the certification of embryo laboratories; to the Committee on Labor and Human Resources.

H.R. 5095. An act to authorize appropriations for fiscal year 1993 for intelligence and intelligence-related activities of the United States Government and the Central Intelligence Agency Retirement and Disability System, to revise and restate the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, and for other purposes; to the Select Committee on Intelligence.

H.J. Res. 306. Joint resolution to designate the Port Chicago Naval Magazine as a National Memorial; to the Committee on Energy and Natural Resources.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 5429. An act to establish the Social Security Administration as an independent agency, which shall be headed by a Social Security Board, and which shall be responsible for the administration of the old-age, survivors, and disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act.

ENROLLED JOINT RESOLUTION SIGNED

The PRESIDENT pro tempore [Mr. BYRD] announced that on today, July 1, 1992, he had signed the following enrolled joint resolution which had previously been signed by the Speaker of the House:

H.J. Res. 459. Joint resolution designating the week beginning July 26, 1992 as "Lyme Disease Awareness Week."

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, July 1, 1992, he had presented to the President of the United States the following enrolled bill:

S. 2905. An act to provide a 4-month extension of the transition rule for separate capitalization of savings associations' subsidiaries.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. INOUYE, from the Select Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 2681. A bill relating to Native Hawaiian Health Care, and for other purposes (Rept. No. 102–309).

By Mr. GLENN, from the Committee on Governmental Affairs:

Special Report entitled "Second Interim Report on U.S. Government Efforts to Combat Fraud and Abuse in the Insurance Industry: Problems With the Regulation of the Insurance and Reinsurance Industry" (Rept. No. 102–310).

By Mr. NUNN, from the Committee on Armed Services, without amendment:

H.R. 5412. A bill to authorize the transfer of certain naval vessels to Greece and Taiwan.

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 2851. A bill to provide for the management of Pacific yew on public lands, and on national forest lands reserved or withdrawn from the public domain, to ensure a steady supply of taxol for the treatment of cancer and to ensure the long-term conservation of the Pacific yew, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources:

Shirley Gray Adamovich, of New Hampshire, to be a Member of the National Commission on Libraries and Information Science for a term expiring July 19, 1996;

Hugh Hardy, of New York, to be a Member of the National Council on the Arts for a term expiring September 3, 1996;

Paul A. Cantor, of Virginia, to be a Member of the National Council on the Humanities for a term expiring January 26, 1998;

Joseph H. Hagan, of Massachusetts, to be a Member of the National Council on the Humanities for a term expiring January 26, 1998;

Theodore S. Hamerow, of Wisconsin, to be a Member of the National Council on the Humanities for a term expiring January 26, 1998;

Alicia Juarrero, of Maryland, to be a Member of the National Council on the Humanities for a term expiring January 26, 1998;

Alan Charles Kors, of Pennsylvania, to be a Member of the National Council on the Humanities for a term expiring January 26, 1998;

Condoleezza Rice, of California, to be a Member of the National Council on the Humanities for a term expiring January 26, 1998;

John R. Searle, of California, to be a Member of the National Council on the Humanities for a term expiring January 26, 1998;

Bruce Cole, of Indiana, to be a Member of the National Council on the Humanities for a term expiring January 26, 1998;

Bruno Victor Manno, of Ohio, to be Assistant Secretary of Education for Policy and Planning;

William Dean Hansen, of Idaho, to be Chief Financial Officer, Department of Education;

Emerson J. Elliott, of Virginia, to be Commissioner of Education Statistics for a term expiring June 20, 1995;

Richard Neil Zare, of California, to be a Member of the National Science Board, National Science Foundation, for the remainder of the term expiring May 10, 1992;

F. Albert Cotton, of Texas, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1998;

Charles Edward Hess, of California, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1998;

John Hopcroft, of New York, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1998;

James L. Powell, of Pennsylvania, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1998;

Frank H.T. Rhodes, of New York, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1998;

Richard Neil Zare, of California, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1998;

Wade F. Horn, of Maryland, to be Deputy Director for Demand Reduction, Office of National Drug Control Policy;

Joyce A. Doyle, of New York, to be a Member of the Federal Mine Safety and Health Review Commission for a term of six years expiring August 30, 1998;

Max M. Kampelman, of the District of Columbia, to be a Member of the Board of Directors of the United States Institute of Peace for a term expiring January 19, 1995; and

Christopher H. Phillips, of the District of Columbia, to be a Member of the Board of Directors of the United States Institute of Peace for the remainder of the term expiring January 19, 1993.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. KENNEDY. Mr. President, for the Committee on Labor and Human Resources, I also report favorably three nomination lists in the Public Health Service, which were printed in full in the CONGRESSIONAL RECORDS of March 10 and 18, 1992, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. NUNN, from the Committee on Armed Services:

I. Lewis Libby, Jr., of the District of Columbia, to be Deputy Under Secretary of Defense for Policy;

David Spears Addington, of Virginia, to be General Counsel for the Department of Defense;

Carol Johnson Johns, of Maryland, to be a Member of the Board of Regents of the Uniformed Services University of the Health Sciences for a term expiring June 20, 1997; and

Robert S. Silverman, of Maryland, to be an Assistant Secretary of the Army.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. NUNN. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the Congressional Record and to save the expense of printing again.

The PRESIDING OFFICER. Without objection, it is so ordered.

*Lieutenant General Henry C. Stackpole III, USMC for reappointment as lieutenant general (Reference No. 1095)

*Major General Norman E. Ehlert, USMC to be lieutenant general (Reference No. 1096)

*Vice Admiral Stanley R. Arthur, USN to be Vice Chief of Naval Operations and to be admiral (Reference No. 1097)

*Vice Admiral Henry H. Mauz, Jr., USN to be admiral (Reference No. 1098)

*Rear Admiral Edward M. Straw, USN to be vice admiral (Reference No. 1101)

*Rear Admiral Timothy W. Wright, USN to vice admiral (Reference No. 1102)

*Lieutenant General Robert J. Winglass, USMC to be placed on the retired list in the grade of lieutenant general (Reference No. 1116)

*Vice Admiral William A. Owens, USN for reappointment to the grade of vice admiral (Reference No. 1118)

*Rear Admiral (Selectee) Thomas J. Lopez, USN to be vice admiral (Reference No. 1119)

*Vice Admiral James G. Reynolds, USN to be placed on the retired list in the grade of vice admiral (Reference No. 1147)

*Rear Admiral (Lower Half) Norman W. Ray, USN to be vice admiral (Reference No. 1149)

**In the Marine Corps there are 45 appointments to the grade of second lieutenant (list begins with Thomas P. Adissi) (Reference No. 1168)

*Admiral Leon A. Edney, USN to be placed on the retired list in the grade of admiral (Reference No. 1190)

*Admiral Paul D. Miller, USN for reappointment to the grade of admiral (Reference No. 1191)

*Admiral Jonathan T. Howe, USN to be placed on the retired list in the grade of admiral (Reference No. 1219)

**In the Marine Corps there are 106 appointments to be grade of colonel (list begins with Richard D. Allen) (Reference No. 851)

**In the Marine Corps there are 157 appointments to the grade of lieutenant colonel (list begins with Bruce A. Albrecht) (Reference No. 997)

**In the Marine Corps there are 332 appointments to the grade of major (list begins with Eduardo Acosta) (Reference No. 1109)

**In the Navy there are 118 promotions to the grade of captain (list begins with Myron David Almond) (Reference No. 1110)

**In the Marine Corps Reserve there are 78 appointments to the grade of colonel (list begins with Robert J. Agro) (Reference No. 1226)

**In the Navy there are 276 promotions to the grade of captain (list begins with Andrew J. Allen) (Reference No. 969)

Total: 1,126.

Mr. NUNN. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the Congressional Record and to save the expense of printing again.

The PRESIDING OFFICER. Without objection, it is so ordered.

**In the Army Reserve there are 47 promotions to the grade of colonel and below (list begins with Thurman C. Atkinson, Jr.) (Reference No. 834)

**In the Army Reserve there are 1,372 promotions to the grade of lieutenant colonel (list begins with Hector L. Acevedo) (Reference No. 845)

**In the Army there are 983 appointments to the grade of lieutenant colonel and below (list begins with Brian W. Adams) (Reference No. 968)

*In the Air Force there are 33 appointments to the grade of brigadier general (list begins with Kurt B. Anderson) (Reference No. 993)

*Major General William W. Crouch, USA, to be lieutenant general (Reference No. 1037)

*Major General Jerry R. Rutherford, USA, to be lieutenant general (Reference No. 1038)

*Major General Walter Kross, USAF to be lieutenant general (Reference No. 1093)

**In the Air Force Reserve there are 26 promotions to the grade of lieutenant colonel (list begins with Milton E. Ames, Jr.) (Reference No. 1150)

**In the Air Force Reserve there are 35 promotions to the grade of lieutenant colonel (list begins with Ronald E. Baker) (Reference No. 1151)

*Lieutenant General David M. Maddox, USA to be general (Reference No. 1155)

*General Crosbie E. Saint, USA to be placed on the retired list in the grade of general (Reference No. 1165)

**In the Army there are 6 promotions to the grade of colonel and below (list begins with Mary T. Deardorff) (Reference No. 1166)

**In the Army Reserve there are 24 promotions to the grade of colonel and below (list begins with Robert C. Hughes Jr.) (Reference No. 1167)

**In the Air Force Reserve there are 65 promotions to the grade of lieutenant colonel (list begins with Abraham A. Engelberg) (Reference No. 1169)

*Major General Samuel E. Ebbesen, USA to be lieutenant general (Reference No. 1174)

**In the Air Force and Air Force Reserve there are 26 appointments to the grade of colonel and below (list begins with Merritt G. Davis, Jr.) (Reference No. 1192)

**In the Air Force there is 1 appointment to the grade of colonel (astronaut Brian Duffy) (Reference No. 1193)

**In the Air Force there are 7 appointments to the grade of second lieutenant (list begins with Shirley A. Eubanks) (Reference No. 1194)

**In the Air Force there are 28 appointments to the grade of second lieutenant (list begins with Ray C. Adams, Jr.) (Reference No. 1195)

*Lieutenant General William S. Carpenter, Jr., USA to be placed on the retired list in the grade of lieutenant general (Reference No. 1206)

*Lieutenant General John J. Yeosock, USA to be placed on the retired list in the grade of lieutenant general (Reference No. 1207)

*Major General James R. Ellis, USA to be lieutenant general (Reference No. 1208)

**In the Army there is 1 promotion to the grade of colonel (Gary V. Casida) (Reference No. 1211)

**In the Air Force Reserve there are 49 promotions to the grade of colonel (list begins with Lyle E. Allen) (Reference No. 1223)

**In the Army Reserve there are 45 promotions to the grade of colonel and below (list begins with James T. Carper) (Reference No. 1224)

**In the Air Force Reserve there are 54 promotions to the grade of lieutenant colonel (list begins with Terry N. Allen) (Reference No. 1225)

**In the Army there are 6 promotions to the grade of lieutenant colonel and below (list begins with Francisco B. Iriarte (Reference No. 1105)

Total: 2,817.

(The nominations ordered to lie on the Secretary's desk were printed in the Record of January 22, January 24, March 10, March 18, March 24, April 28, May 13, May 19, June 2, June 4, and June 11, 1992.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GRAHAM (for himself, Mr. Mack, Mr. Lieberman, Mr. Lautenberg, Mr. McCain, Mr. Kasten, Mr. Dole, Mr. DeConcini, Mr. D'Amato, Mr. Glenn, Mr. Fowler, Mr. Smith, Mr. Symms, Mr. Bryan, Mr. Shelby, Mr. Robb, Mr. Coats, Mr. Reid, Mr. Cochran, Mr. Seymour, Mr. Gramm, Mr. Johnston, Mr. Heflin, Mr. Hatch, Mr. Packwood, Mr. Grassley, Mr. Conrad, Mr. Specter, Mr. Brown, Mr. Breaux, Mr. Daschle, Mr. Craig, Mr. Pressler, Mr. Burns, Mr. Nickles, Mr. Lott, and Mr. Gorton):

S. 2918. A bill to promote a peaceful transition to democracy in Cuba through the application of appropriate pressures on the Cuban Government and support for the Cuban people; to the Committee on Foreign Relations.

By Mr. SPECTER:

S. 2919. A bill to amend the Solid Waste Disposal Act and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to make improvements in capacity planning processes, and for other purposes; to the Committee on Environment and Public Works.

S. 2920. A bill to amend the Internal Revenue Code of 1986 to provide incentives for investments in disadvantaged and women-owned business enterprises; to the Committee on Finance.

By Mr. FOWLER (for himself, Mr. Gore, Mr. Wirth, Mr. Dodd, and Mr. Cranston):

S. 2921. A bill to reform the administrative decisionmaking and appeals processes of the Forest Service, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. COHEN (for himself, Mr. Biden, Mr. McCain, Mr. Rudman, and Mr. Reid):

S. 2922. A bill to assist the States in the enactment of legislation to address the criminal act of stalking other persons; to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 2923. A bill to extend until January 1, 1995, the existing suspension of duty on furniture of unspun fibrous vegetable materials; to the Committee on Finance.

S. 2924. A bill to extend until January 1, 1995, the existing suspension of duty on certain wicker products; to the Committee on Finance.

S. 2925. A bill to grant temporary duty-free treatment to fuel grade tertiary butyl alcohol; to the Committee on Finance.

S. 2926. A bill to suspend until January 1, 1995, the duty on 2-Phosphonobutane-1,2,4-tricarboxylic acid and sodium salts; to the Committee on Finance.

S. 2927. A bill to provide for the reliquidation of certain entries; to the Committee on Finance.

By Mr. PRYOR:

S. 2928. A bill to establish an Office of Contractor Licensing within the Department of the Treasury to license and review Federal procurement services, and for other purposes; to the Committee on Governmental Affairs.

By Mr. ROBB:

S. 2929. A bill to authorize the National Park Service to provide funding to assist in the restoration, reconstruction, rehabilitation, preservation, and maintenance of the historic buildings known as "Poplar Forest" in Bedford County, Virginia, designed, built, and lived in by Thomas Jefferson, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BUMPERS:

S. 2930. A bill to prohibit the expenditure of funds for certain National Aeronautics and Space Administration programs; to the Committee on Appropriations.

S. 2931. A bill to prohibit the expenditure of funds for certain Department of Energy programs; to the Committee on Appropriations.

S. 2932. A bill to prohibit the expenditure of funds for certain Department of Defense programs; to the Committee on Appropriations.

S. 2933. A bill to prohibit the expenditure of funds for certain Department of Defense programs; to the Committee on Armed Services.

S. 2934. A bill to prohibit the expenditure of funds for certain Intelligence programs; to the Select Committee on Intelligence.

By Mr. BOND (for himself, Mr. Bentsen, Mr. Stevens, and Mr. Lugar):

S. 2935. A bill to provide surveillance, research, and services aimed at prevention of birth defects, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BINGAMAN (for himself and Mr. Riegle):

S. 2936. A bill to amend the Competitiveness Policy Council Act to provide for reauthorization, to rename the Council, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. GORE (for himself, Mr. Rockefeller, Mr. Kerry, Mr. Pressler, Mr. Riegle, Mr. Robb, Mr. Lieberman, Mr. Kerrey, and Mr. Burns):

S. 2937. A bill to expand Federal efforts to develop technologies for applications of high-performance computing and high-speed networking, to provide for a coordinated Federal program to accelerate development and deployment of an advanced information infrastructure, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MITCHELL (for himself and Mr. Dole):

S. 2938. A bill to authorize the Architect of the Capitol to acquire certain property; considered and passed.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. FORD (for Mr. Mitchell (for himself and Mr. Dole)):

S. Res. 321. A resolution to authorize testimony of Senate employees; considered and agreed to.

By Mr. GORTON (for Mr. Dole):

S. Res. 322. A resolution to authorize testimony by employees of the Senate in Senator William S. Cohen, et al. v. Donald Rice, Secretary of the Air Force, et al; considered and agreed to.

By Mr. FORD (for Mr. Mitchell):

S. Res. 323. A resolution to authorize testimony and representation of Members and employees of the Senate in United States v. Clair E. George; considered and agreed to.

By Mr. INOUYE (for himself, Mr. Adams, Mr. Akaka, Mr. Bentsen, Mr. Bumpers, Mr. Burdick, Mr. Burns, Mr. Cochran, Mr. Cranston, Mr. D'Amato, Mr. DeConcini, Mr. Domenici, Mr. Fowler, Mr. Garn, Mr. Hatch, Mr. Hatfield, Mr. Kasten, Mr. Kennedy, Mr. Levin, Mr. McCain, Mr. Metzenbaum, Mr. Mitchell, Mr. Pell, Mr. Reid, Mr. Sasser, Mr. Stevens, and Mr. Wellstone):

S. Con. Res. 128. A concurrent resolution providing for the printing of the book entitled "Year of the American Indian, 1992: Congressional Recognition and Appreciation" as a Senate document; to the Committee on Rules and Administration.

By Mr. MITCHELL (for himself and Mr. Dole):

S. Con. Res. 129. A concurrent resolution expressing continued support for the Taif Agreement, which brought a negotiated end to the civil war in Lebanon, and for other purposes; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRAHAM (for himself, Mr. Mack, Mr. Lieberman, Mr. Lautenberg, Mr. McCain, Mr. Kasten, Mr. Dole, Mr. DeConcini, Mr. D'Amato, Mr. Glenn, Mr. Fowler, Mr. Smith, Mr. Symms, Mr. Bryan, Mr. Shelby, Mr. Robb, Mr. Coats, Mr. Reid, Mr. Cochran, Mr. Seymour, Mr. Gramm, Mr. Johnston, Mr. Heflin, Mr. Hatch, Mr. Packwood, Mr. Grassley, Mr. Conrad, Mr. Specter, Mr. Brown, Mr. Breaux, Mr. Daschle, Mr. Craig, Mr. Pressler, Mr. Burns, Mr. Nickles, Mr. Lott, and Mr. Gorton):

S. 2918. A bill to promote a peaceful transition to democracy in Cuba through the application of appropriate pressures on the Cuban Government and support for the Cuban people; to the Committee on Foreign Relations.

CUBAN DEMOCRACY ACT

Mr. GRAHAM. Mr. President, today I am introducing a revised version of the Cuban Democracy Act, S. 2197, which I originally submitted to the Senate on February 5, of this year.

Since then, the House Foreign Affairs Committee has marked up companion legislation introduced by Congressman Torricelli. The revised version which I am introducing today reflects the changes made by the House Foreign Affairs Committee during markup.

Thirty-eight cosponsors are joining me in support of this revised bill. President Bush supports the bill's key provisions and presidential candidate Bill Clinton has endorsed the legislation.

Mr. President, There are two significant differences between the bill we are introducing today and the original February 5 version.

The bill we are introducing today deletes policy language calling for withholding most-favored-nation status from China until China has made significant progress in reducing assistance to Cuba.

We also grant the President discretion in enforcing sanctions against trading partners providing assistance to Cuba. Sanctions were mandatory in the original bill.

Finally, we make some more minor changes in the way civil penalties would be assessed against those found to be violating the Trading With the Enemy Act.

Mr. President, the bill we are sponsoring today is based upon several fundamental premises.

First, Castro is as weak as he has ever been. This is no time to take steps, even inadvertent ones, that might strengthen his hand. Rather, we continue to hear from dissidents inside Cuba to keep the pressure on, to take all peaceful steps to end the repression and violence once and for all.

Second, we should do all that we can to increase the flow of information to the Cuban people. Expanding mail and telephone service, as called for under our bill, will have a similar impact.

It will increase pressure on Castro, while humanely expanding the means for the tens of thousands families on the island to remain in touch with their loved ones who have fled.

Third, we should call on our allies to support our efforts. By no means do we try to punish countries doing business with Castro. Instead, we simply state that countries conducting subsidized trade with Cuba should expect no help from us. After all, if we wanted to subsidize Cuba, we could more effectively do so directly.

Fourth, our Government's policy towards Cuba seems to be one of letting events run their natural course. I'm not sure what the natural course is in this case. What I do know is this. If we are to achieve a peaceful transition to democracy, we must have in place a coherent and comprehensive policy that will help achieve that goal.

Mr. President, let me briefly review the bill's major points.

This legislation represents the first significant change in the U.S. embargo since it was established in 1963 and altered in 1975.

That year, a provision prohibiting trade with Cuba by foreign subsidiaries was removed because of strong diplomatic pressures by foreign governments wanting to allow United States subsidiaries operating in their countries to trade with Cuba.

We would reinstate that provision. In 1990, applications by United States firms for sales by their foreign subsidiaries totaled more than $533 million, up from only $169 million. That's an unacceptable loophole, and we must close it.

For the first time, we establish civil penalties for organizations engaging in illegal trade with Cuba. Currently only criminal penalties are provided for, making it unnecessarily difficult to punish violators.

We authorize United States funding for nongovernmental organizations in Cuba. We want to accomplish in Cuba what we achieved in Eastern Europe, the Soviet Union, and Nicaragua. We want to support labor leaders and human rights activists. Some will suggest that United States support will compromise Cuban dissidents.

That's what they argued in the case of Vaclav Havel and Lech Walesa. We should let Cuba's Havels and Walesas decide that for themselves.

We require our government to establish strict limits on remittances to Cuba by United States citizens financing the travel of Cubans to the United States. The Treasury recently placed a $500 ceiling on travel remittances to Cuba. We support that level, but we believe it is important to have this provision in law.

We expand phone service between Cuba and the United States. Existing service is of poor quality, and Cuban American families pay 5 to 10 times the normal rate to place calls through Canada or other countries which do not limit phone service to Cuba.

We also direct the U.S. Postal Service to provide direct mail service to and from Cuba. Although Cuba now opposes direct mail service, our Postal Service has never been encouraged to aggressively try to negotiate an agreement.

Lack of service causes great hardship for divided families. We hope that those in power in Cuba begin to finally acknowledge the interests of the Cuban people, at least in this instance.

Finally, the bill outlines a policy toward a post-Castro government. If that Government is freely and fairly elected, the United States would grant full diplomatic recognition, provide emergency relief during Cuba's transition to a viable economic system, encourage debt rescheduling or cancelation and end the embargo.

These steps will be taken only after the fall of communism. Any shipments of food and medicine in the meantime will be granted only for humanitarian reasons and will benefit only the Cuban people, not the Cuban authorities.

Mr. President, Fidel Castro's days are numbered. His economy is imploding, his leadership evaporating.

Castro has no one to blame but himself. He is reaping the whirlwind of his megalomaniacal revolution. He has brought this sad state of affairs on himself. Unfortunately, the Cuban people are suffering for his mistakes.

The day when we will be dealing with a post-Castro government is fast approaching. We must adopt a policy that hastens that day and prepares for the day after. This bill advances us toward that goal.

Mr. President, I ask unanimous consent that a section-by-section analysis of this bill and a copy of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2918

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Cuban Democracy Act of 1992".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The government of Fidel Castro has demonstrated consistent disregard for internationally accepted standards of human rights and for democratic values. It restricts the Cuban people's exercise of freedom of speech, press, assembly, and other rights recognized by the Universal Declaration of Human Rights adopted by the General Assembly of the United Nations on December 10, 1948. It has refused to admit into Cuba the representative of the United Nations Human Rights Commission appointed to investigate human rights violations on the island.

(2) The Cuban people have demonstrated their yearning for freedom and their increasing opposition to the Castro government by risking their lives in organizing independent, democratic activities on the island and by undertaking hazardous flights for freedom to the United States and other countries.

(3) The Castro government maintains a military-dominated economy that has decreased the well-being of the Cuban people in order to enable the government to engage in military interventions and subversive activities throughout the world and, especially, in the Western Hemisphere. These have included involvement in narcotics trafficking and support for the FMLN guerrillas in El Salvador.

(4) There is no sign that the Castro regime is prepared to make any significant concessions to democracy or to undertake any form of democratic opening. Efforts to suppress dissent through intimidation, imprisonment, and exile have accelerated since the political changes that have occurred in the former Soviet Union and Eastern Europe.

(5) Events in the former Soviet Union and Eastern Europe have dramatically reduced Cuba's external support and threaten Cuba's food and oil supplies.

(6) The fall of communism in the former Soviet Union and Eastern Europe, the now universal recognition in Latin America and the Caribbean that Cuba provides a failed model of government and development, and the evident inability of Cuba's economy to survive current trends, provide the United States and the international democratic community with an unprecedented opportunity to promote a peaceful transition to democracy in Cuba.

(7) However, Castro's intransigence increases the likelihood that there could be a collapse of the Cuban economy, social upheaval, or widespread suffering. The recently concluded Cuban Communist Party Congress has underscored Castro's unwillingness to respond positively to increasing pressures for reform either from within the party or without.

(8) The United States cooperated with its European and other allies to assist the difficult transitions from Communist regimes in Eastern Europe. Therefore, it is appropriate for those allies to cooperate with United States policy to promote a peaceful transition in Cuba.

SEC. 3. STATEMENT OF POLICY.

It should be the policy of the United States—

(1) to seek a peaceful transition to democracy and a resumption of economic growth in Cuba through the careful application of sanctions directed at the Castro government and support for the Cuban people;

(2) to seek the cooperation of other democratic countries in this policy;

(3) to make clear to other countries that, in determining its relations with them, the United States will take into account their willingness to cooperate in such a policy;

(4) to seek the speedy termination of any remaining military or technical assistance, subsidies, or other forms of assistance to the Government of Cuba from any of the independent states of the former Soviet Union;

(5) to continue vigorously to oppose the human rights violations of the Castro regime;

(6) to maintain sanctions on the Castro regime so long as it continues to refuse to move toward democratization and greater respect for human rights;

(7) to be prepared to reduce the sanctions in carefully calibrated ways in response to positive developments in Cuba;

(8) to encourage free and fair elections to determine Cuba's political future;

(9) to prevent Cuba from evading the United States embargo of that country through a North American Free Trade Agreement;

(10) to request the speedy termination of any military or technical assistance, subsidies, or other forms of assistance to the Government of Cuba from the government of any other country; and

(11) to initiate immediately the development of a comprehensive United States policy toward Cuba in a post-Castro era.

SEC. 4. INTERNATIONAL COOPERATION.

(a) CUBAN TRADING PARTNERS.—The President should encourage the governments of countries that conduct trade with Cuba to restrict their trade and credit relations with Cuba in a manner consistent with the purposes of this Act.

(b) SANCTIONS AGAINST COUNTRIES ASSISTING CUBA.—

(1) SANCTIONS.—The President may apply the following sanctions to any country that provides assistance to Cuba:

(A) The government of such country shall not be eligible for assistance under the Foreign Assistance Act of 1961 or assistance or sales under the Arms Export Control Act.

(B) The United States shall not negotiate for purposes of entering into any agreement with such country to establish free trade areas.

(C) Such country shall not be eligible, under any program, for forgiveness or reduction of debt owed to the United States Government.

(2) DEFINITION OF ASSISTANCE.—For purposes of paragraph (1), "assistance to Cuba"—

(A) means assistance to or for the benefit of the Government of Cuba that is provided by grant, concessional sale, guaranty, or insurance, or by any other means on terms more favorable than that generally available in the applicable market, whether in the form of a loan, lease, credit, or otherwise, and such term includes subsidies for exports to Cuba and favorable tariff treatment of articles that are the growth, product, or manufacture of Cuba; and

(B) does not include—

(i) donations of food to nongovernmental organizations or individuals in Cuba, or

(ii) exports of medicines or medical supplies, instruments, or equipment that would be permitted under section 5(c) of this Act.

(3) APPLICABILITY OF SECTION.—This section, and any sanctions imposed pursuant to this section, shall cease to apply at such time as the President makes and reports to the Congress a determination under section 8(a).

SEC. 5. SUPPORT FOR THE CUBAN PEOPLE.

(a) PROVISIONS OF LAW AFFECTED.—The provisions of this section apply notwithstanding any other provision of law, including section 620(a) of the Foreign Assistance Act of 1961, and notwithstanding the exercise of authorities, before the enactment of this Act, under section 5(b) of the Trading With the Enemy Act, the International Emergency Economic Powers Act, or the Export Administration Act of 1979.

(b) DONATIONS OF FOOD.—Nothing in this or any other Act shall prohibit donations of food to nongovernmental organizations or individuals in Cuba.

(c) EXPORTS OF MEDICINES AND MEDICAL SUPPLIES.—Exports of medicines or medical supplies, instruments, or equipment to Cuba shall not be restricted—

(1) except to the extent authorized by section 5(m) of the Export Administration Act of 1979 or section 203(b)(2) of the International Emergency Economic Powers Act;

(2) except in a case in which there is a reasonable likelihood that the item to be exported will be used for purposes of torture or other human rights abuses;

(3) except in a case in which there is a reasonable likelihood that the item to be exported will be reexported; and

(4) except in a case in which the item to be exported could be used in the production of any biotechnological product.

(d) REQUIREMENTS FOR CERTAIN EXPORTS.—

(1) ONSITE VERIFICATIONS.—(A) Subject to subparagraph (B), an export may be made under subsection (c) only if the President determines that the United States Government is able to verify, by onsite inspections and other appropriate means, that the exported item is to be used for the purposes for which it was intended and only for the use and benefit of the Cuban people.

(B) EXCEPTION.—Subparagraph (A) does not apply to donations to nongovernmental organizations in Cuba of medicines for humanitarian purposes.

(2) LICENSES.—Exports permitted under subsection (c) shall be made pursuant to specific licenses issued by the United States Government.

(e) TELECOMMUNICATIONS SERVICES AND FACILITIES.—

(1) TELECOMMUNICATIONS SERVICES.—Telecommunications services between the United States and Cuba shall be permitted.

(2) TELECOMMUNICATIONS FACILITIES.—Telecommunications facilities are authorized in such quantity and of such quality as may be necessary to provide efficient and adequate telecommunications services between the United States and Cuba.

(3) LICENSING OF PAYMENTS TO CUBA.—(A) The President may provide for the issuance of licenses for the full or partial payment to Cuba of amounts due Cuba as a result of the provision of telecommunications services authorized by this subsection, in a manner that is consistent with the public interest and the purposes of this Act, except that this paragraph shall not require any withdrawal from any account blocked pursuant to regulations issued under section 5(b) of the Trading With the Enemy Act.

(B) If only partial payments are made to Cuba under subparagraph (A), the amounts withheld from Cuba shall be deposited in an account in a banking institution in the United States. Such account shall be blocked in the same manner as any other account containing funds in which Cuba has any interest, pursuant to regulations issued under section 5(b) of the Trading With the Enemy Act.

(4) AUTHORITY OF FEDERAL COMMUNICATIONS COMMISSION.—Nothing in this subsection shall be construed to supersede the authority of the Federal Communications Commission to issue such licenses and authorizations for the provision of services or acquisition of facilities as may be required under the Communications Act of 1934.

(f) DIRECT MAIL DELIVERY TO CUBA.—The United States Postal Service shall take such actions as are necessary to provide direct mail service to and from Cuba, including, in the absence of common carrier service between the 2 countries, the use of charter service providers.

(g) ASSISTANCE TO SUPPORT DEMOCRACY IN CUBA.—The United States Government may provide assistance, through appropriate nongovernmental organizations, for the support of individuals and organizations to promote nonviolent democratic change in Cuba.

SEC. 6. SANCTIONS.

(a) PROHIBITION ON CERTAIN TRANSACTIONS BETWEEN CERTAIN UNITED STATES FIRMS AND CUBA.—

(1) PROHIBITION.—Notwithstanding any other provision of law, no license may be issued for any transaction described in section 515.559 of title 31, Code of Federal Regulations, as in effect on July 1, 1989.

(2) APPLICABILITY TO EXISTING CONTRACTS.—Paragraph (1) shall not affect any contract entered into before the date of the enactment of this Act.

(b) PROHIBITION RELATING TO TAX DEDUCTIONS.—

(1) PROHIBITION.—A domestic concern may not receive a tax deduction for that portion of the otherwise deductible expenses of such domestic concern, or of a foreign subsidiary or affiliate of such domestic concern, which is allocated or apportioned to income derived from Cuba. For purposes of this subsection, income paid through one or more entities shall be treated as derived from Cuba if such income was, without regard to such entities, derived from Cuba.

(2) DEFINITION.—For purposes of this subsection, a "foreign subsidiary or affiliate" of a domestic concern is a partnership, corporation, or other enterprise organized under the laws of a foreign country which is controlled in fact by such domestic concern (as determined under regulations of the President).

(c) PROHIBITIONS ON VESSELS.—

(1) VESSELS ENGAGING IN TRADE.—Beginning on the 61st day after the date of the enactment of this Act, a vessel which enters a port or place in Cuba to engage in the trade of goods or services may not, within 180 days after departure from such port or place in Cuba, load or unload any freight at any place in the United States, except pursuant to a license issued by the Secretary of the Treasury.

(2) VESSELS CARRYING GOODS OR PASSENGERS TO OR FROM CUBA.—Except as specifically authorized by the Secretary of the Treasury, a vessel carrying goods or passengers to or from Cuba or carrying goods in which Cuba or a Cuban national has any interest may not enter a United States port.

(3) INAPPLICABILITY OF SHIP STORES GENERAL LICENSE.—No commodities which may be exported under a general license described in section 771.9 of title 15, Code of Federal Regulations, as in effect on May 1, 1992, may be exported under a general license to any vessel carrying goods or passengers to or from Cuba or carrying goods in which Cuba or a Cuban national has an interest.

(4) DEFINITIONS.—As used in this subsection—

(A) the term "vessel" includes every description of water craft or other contrivance used, or capable of being used, as a means of transportation in water, but does not include aircraft; and

(B) the term "United States" includes the territories and possessions of the United States and the customs waters of the United States (as defined in section 401 of the Tariff Act of 1930 (19 U.S.C. 1401)).

(d) RESTRICTIONS ON REMITTANCES TO CUBA.—The President shall establish strict limits on remittances to Cuba by United States persons for the purpose of financing the travel of Cubans to the United States, in order to ensure that such remittances reflect only the reasonable costs associated with such travel, and are not used by the Government of Cuba as a means of gaining access to United States currency.

(e) CLARIFICATION OF APPLICABILITY OF SANCTIONS.—The prohibitions contained in subsections (a), (b), and (c) shall not apply with respect to any activity otherwise permitted by section 5 or section 7 of this Act or any activity which may not be regulated or prohibited under section 5(b)(4) of the Trading With the Enemy Act (50 U.S.C. App. 5(b)(4)).

SEC. 7. POLICY TOWARD A TRANSITIONAL CUBAN GOVERNMENT.

Food, medicine, and medical supplies for humanitarian purposes should be made available for Cuba under the Foreign Assistance Act of 1961 and the Agricultural Trade Development and Assistance Act of 1954 if the President determines and certifies to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate that the government in power in Cuba—

(1) has made a public commitment to hold free and fair elections for a new government within 6 months and is proceeding to implement that decision;

(2) has made a public commitment to respect, and is respecting, internationally recognized human rights and basic democratic freedoms; and

(3) is not providing weapons or funds to any group, in any other country, that seeks the violent overthrow of the government of that country.

SEC. 8. POLICY TOWARD A DEMOCRATIC CUBAN GOVERNMENT.

(a) WAIVER OF RESTRICTIONS.—The President may waive the requirements of section 6 if the President determines and reports to the Congress that the Government of Cuba—

(1) has held free and fair elections conducted under internationally recognized observers;

(2) has permitted opposition parties ample time to organize and campaign for such elec-

tions, and has permitted full access to the media to all candidates in the elections;

(3) is showing respect for the basic civil liberties and human rights of the citizens of Cuba;

(4) is moving toward establishing a free market economic system; and

(5) has committed itself to constitutional change that would ensure regular free and fair elections that meet the requirements of paragraph (2).

(b) POLICIES.—If the President makes a determination under subsection (a), the President shall take the following actions with respect to a Cuban Government elected pursuant to elections described in subsection (a):

(1) To encourage the admission or reentry of such government to international organizations and international financial institutions.

(2) To provide emergency relief during Cuba's transition to a viable economic system.

(3) To take steps to end the United States trade embargo of Cuba.

(4) To enter into negotiations for a framework agreement providing for trade with Cuba.

SEC. 9. EXISTING CLAIMS NOT AFFECTED.

Except as provided in section 5(a), nothing in this Act affects the provisions of section 620(a)(2) of the Foreign Assistance Act of 1961.

SEC. 10. ENFORCEMENT.

(a) ENFORCEMENT AUTHORITY.—The authority to enforce this Act shall be carried out by the Secretary of the Treasury. The Secretary of the Treasury shall exercise the authorities of the Trading With the Enemy Act in enforcing this Act. In carrying out this subsection, the Secretary of the Treasury shall take the necessary steps to ensure that activities permitted under section 5 are carried out for the purposes set forth in this Act and not for purposes of the accumulation by the Cuban Government of excessive amounts of United States currency or the accumulation of excessive profits by any person or entity.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of the Treasury such sums as may be necessary to carry out this Act.

(c) PENALTIES UNDER THE TRADING WITH THE ENEMY ACT.—Section 16 of the Trading With the Enemy Act (50 U.S.C. App. 16) is amended—

(1) by inserting "(a)" before "That whoever"; and

(2) by adding at the end the following:

"(b)(1) The Secretary of the Treasury may impose a civil penalty of not more than $50,000 on any person who violates any license, order, rule, or regulation issued under this Act.

"(2) Any property, funds, securities, papers, or other articles or documents, or any vessel, together with its tackle, apparel, furniture, and equipment, that is the subject of a violation under paragraph (1) shall, at the discretion of the Secretary of the Treasury, be forfeited to the United States Government.

"(3) The penalties provided under this subsection may not be imposed for—

"(A) news gathering, research, or the export or import of, or transmission of, information or informational materials; or

"(B) clearly defined educational or religious activities, or activities of recognized human rights organizations, that are reasonably limited in frequency, duration, and number of participants.

"(4) The penalties provided under this subsection may be imposed only on the record after opportunity for an agency hearing in accordance with sections 554 through 557 of title 5, United States Code, with the right to prehearing discovery.

"(5) Judicial review of any penalty imposed under this subsection may be had to the extent provided in section 702 of title 5, United States Code.".

(d) APPLICABILITY OF PENALTIES.—The penalties set forth in section 16 of the Trading With the Enemy Act shall apply to violations of this Act to the same extent as such penalties apply to violations under that Act.

(e) OFFICE OF FOREIGN ASSETS CONTROL.—The Department of the Treasury shall establish and maintain a branch of the Office of Foreign Assets Control in Miami, Florida, in order to strengthen the enforcement of this Act.

SEC. 11. DEFINITION.

As used in this Act, the term "United States person" means any United States citizen or alien admitted for permanent residence in the United States, and any corporation, partnership, or other organization organized under the laws of the United States.

SEC. 12. EFFECTIVE DATE.

This Act shall take effect on the date of the enactment of this Act.

SECTION-BY-SECTION SUMMARY OF THE CUBAN DEMOCRACY ACT OF 1992

SECTION 1. SHORT TITLE

Section 1 provides that the Act may be cited as the "Cuban Democracy Act of 1992".

SECTION 2. FINDINGS

Section 2 provides findings with respect to Cuba.

SECTION 3. STATEMENT OF POLICY

Section 3 provides a statement of policy with respect to Cuba.

SECTION 4. INTERNATIONAL COOPERATION

(a) Major Cuban Trading Partners

Section 4(a) provides that the President may direct the United States Trade Representative to enter into negotiations with countries that conduct trade with Cuba for the purpose of securing their agreement to restrict their trade and credit relations in a manner consistent with U.S. policy and with this Act.

(b) Sanctions Against Countries Assisting Cuba

Section 4(b) states that countries that provide assistance to Cuba may be ineligible for U.S. assistance, for free trade agreements with the United States, for benefits under the Enterprise for the Americas Initiative, and for any form of forgiveness of the U.S. government debt, unless the President makes a determination under section 8.

SECTION 5. SUPPORT FOR THE CUBAN PEOPLE

(a) Provisions of Law Affected

Section 5(a) is a technical provision.

(b) Donations of Food

Section 5(b) provides that nothing in this or any other Act shall prohibit donations of food to Cuba through international organizaions.

(c) Export of Medicines

Section 5(c) permits the export to Cuba of medicines for humanitarian purposes and only for the use and benefit of the Cuban people.

(d) Telecommunications Services and Facilities

Section 5(e):

Permits the establishment of telecommunications services between the United States and Cuba.

Authorizes such telecommunications facilities as may be necessary to provide such services.

Directs the President to permit appropriate payments to Cuba of amounts due it for the provision of such services.

Directs that any portion of such payments that is withheld from Cuba shall be deposited in blocked accounts.

Provides that this section does not supersede the authority of the FCC under the Communications Act of 1934.

(e) Direct Mail Delivery to Cuba

section 5(f) directs the U.S. Postal Service to provide direct mail service to and from Cuba.

(f) Assistance To Support Democracy in Cuba

section 5(g) authorizes the President to provide assistance to individuals and organizations to promote nonviolent democratic change in Cuba, through appropriate nongovernmental organizations.

SECTION 6. SECTIONS

(a) Prohibitions of Certain Transactions

Section 6(a) prohibits exports to Cuba by foreign subsidiaries of United States firms, except that existing contracts may be fulfilled.

(b) Prohibitions Relating to Tax Deductions

Section 6(b) prohibits a domestic concern from receiving a tax deduction for that portion of otherwise deductible expenses which is allocated or apportioned to income derived from Cuba.

(c) Prohibitions on Vessels That Enter Cuban Ports

Section 6(c) provides that a vessel that enters a port in Cuba to engage in trade may not within the ensuing 180 days engage in trade in a United States port.

(d) Restrictions on Remittances to Cuba

Section 6(d) directs the President to establish strict limits on remittances to Cuba for the purpose of financing the travel of Cubans to the United States.

SECTION 7. POLICY TOWARD A TRANSITIONAL CUBAN GOVERNMENT

Section 7 provides that food, medicine, and medical supplies for humanitarian purposes may be made available to Cuba if the President determines that the government in power in Cuba has made and is implementing a public commitment to hold free and fair elections within six months and to respect human rights and democratic freedoms, and is no longer supporting the violent overthrow of other governments.

SECTION 8. POLICY TOWARD A DEMOCRATIC CUBAN GOVERNMENT

(a) Waiver of Restrictions

Section 8(a) provides that the President may waive the requirements of section 6 if he determines that Cuba has a democratic government.

Section 8(b) provides that if the President makes a determination under subsection (a), the following shall be U.S. policy with respect to Cuba: to grant full diplomatic recognition, to provide emergency relief, to encourage debt relief, to end the trade embargo, and to enter trade negotiations for free trade agreement.

SECTION 9. EXISTING CLAIMS NOT AFFECTED

Section 9 states that nothing in this Act affects the provisions of section 620(a)(2) of the Foreign Assistance Act of 1961.

SECTION 10. ENFORCEMENT

(a) Enforcement Authority

Section 10(a) provides that the authority to enforce this Act shall be carried out by the Secretary of the Treasury, and directs the Secretary to ensure that activities permitted under the Act are carried out for the purposes set forth in this Act and not for purposes of accumulation by the Cuban government of excessive amounts of U.S. currency or the accumulation of excessive profits by any person or entity.

(b) Authorization of Appropriations

Section 10(b) authorizes the appropriation of such sums as may be necessary to carry out this Act.

(c) Penalties Under the Trading With the Enemy Act

Section 10(c) amends section 16 of the Trading With the Enemy Act to provide civil penalties of up to $50,000 for violations of the Act.

(d) Applicability of Penalties

Section 10(d) provides that the penalties of section 16 of the Trading With the Enemy Act shall apply to violations of this Act.

(e) Office of Foreign Assets Control

Section 10(e) directs the Department of the Treasury to establish a branch of the Office of Foreign Assets Control in Miami in order to strengthen enforcement of this Act.

SECTION 11. DEFINITIONS

Section 11 provides definitions.

SECTION 12. EFFECTIVE DATE

Section 12 provides that this Act shall become effective upon enactment.•

By Mr. SPECTER:

S. 2919. A bill to amend the Solid Waste Disposal Act and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to make improvements in capacity planning processes, and for other purposes; to the Committee on Environmental and Public Works.

HAZARDOUS WASTE FACILITIES SITING ACT

Mr. SPECTER. Mr. President, today I am introducing legislation to help us address the complex problem of siting hazardous waste disposal facilities.

Since enactment of the Resource Conservation and Recovery Act [RCRA], in 1976, the Comprehensive Environmental Response Compensation and Liability Act [CERCLA], in 1980, the Superfund Amendments Reauthorization Act of 1984, and the Emergency Planning and Community Right to Know Act of 1986, we have made considerable progress in addressing the Nation's hazardous waste problems. Awareness of the country's hazardous waste disposal needs has increased significantly among Federal, State, and local government authorities, industry, and the general public. The Environmental Protection Agency, for example, has worked to implement regulations which have helped us identify the magnitude of this problem through the review of capacity assurance data and the monitoring of hazardous waste flows between the States. Industry has also become an increasingly committed participant by implementing new waste minimization technologies and manufacturing processes to reduce waste generation. These government and corporate initiatives have come to be seen by the general public as the alternative to the increasing numbers of large commercial treatment facilities being proposed by developers in communities throughout the country.

Unfortunately, Mr. President, our growing hazardous waste disposal needs have brought us to a crossroads where we must now confront difficult decisions about how much additional hazardous waste disposal capacity is needed throughout the country. This in turn gives rise to the issue of what role the public should assume in reviewing proposals/applications to site hazardous waste disposal facilities in their communities.

While we have made considerable progress in minimizing the generation of hazardous waste, the Nation continues to produce more than 260 million tons of reported hazardous waste each year. Fortunately more than 90 percent of this waste is treated on-site and only 4 million tons is exported between the States for treatment. EPA has implemented the capacity assurance planning process to measure the amount of waste produced by each State and to verify the amounts which must be shipped interstate for treatment.

Many States are working to achieve self-sufficiency in hazardous waste management so that they will not have to continue to rely upon other States for their hazardous waste disposal needs. These States, according to waste-planning officials in Pennsylvania, will have to consider siting modern pollution-free landfills and, in some cases, incinerators. For such expansions in disposal capacity, I believe the local community should have a clear and unambiguous role in determining whether a proposal to site a facility in their community can be accomplished without threatening the health and economic welfare of its citizens. Moreover, the developer should be required—to the greatest extent practicable—to receive the consent of the community before proceeding with plans to site a hazardous waste treatment facility.

Mr. President, this legislation devises a procedure for linking the siting of hazardous waste treatment facilities to community participation in the siting process. We cannot expect the public to acquiesce in the siting of facilities in their communities if they have been left out of the decisionmaking process. My bill requires the applicant, prior to submission of any application to a State or Federal permitting authority for site approval, first to approach local governments and the community residents to inform them as to the intention to construct a hazardous waste disposal facility in their area. At this point, the applicant is required to request the EPA Administrator to establish a host community advisory committee to assist the local community in reviewing the applicant's proposal. The applicant must also provide written certification that the State requires the siting of additional hazardous waste disposal capacity. Applicants who receive community consent for their facilities would be given priority consideration by Federal and State permitting authorities. This will provide a strong incentive for developers to explore every possible means of fostering a constructive working relationship with the communities, because States will not be authorized to site facilities providing excess disposal capacity unless the applicant has obtained consent from the local authorities. I believe this process will give the public a meaningful voice in the decision of whether it is feasible to site a hazardous waste disposal facility in their community.

Under our current laws, there is considerable uncertainty as to just how much additional hazardous waste disposal capacity must be sited to meet our current and future needs. The General Accounting Office, the National Governors Association, and the EPA all agree that the various methods used to calculate capacity needs have produced less than credible data to accurately assess the scope of our hazardous waste problem. We must have accurate data describing the scope of the Nation's disposal needs if we are to find the most efficient means of disposing of hazardous materials. This legislation addresses the data problem by requiring the EPA Administrator to standardize the national hazardous waste data collection process.

Mr. President, inadequate data is not the only obstacle to solving the Nation's hazardous waste disposal problems. As States are encouraged to achieve self-sufficiency for their disposal needs, they become increasingly reluctant to treat hazardous materials from other States. The recent Supreme Court decision in Chemical Waste Management versus Hunt holds that States cannot discriminate against out-of-State waste and therefore isolate themselves from the Nation's hazardous waste disposal problem. This decision rested on the 1978 decision, Philadelphia versus New Jersey, that struck down a New Jersey law that prohibited the importation of waste from outside the State. Yet the question remains, how can States plan to provide disposal capacity for their own hazardous waste when they have no ability to control the amount of out-of-State waste going into their own facilities. It is because of parallel State and Federal requirement for States to plan for their own waste disposal needs that Congress must act to allow States to limit the quantities of out-of-State waste going to their facilities.

Certainly, if a community decides that it supports the siting of a hazardous waste treatment facility designed to receive out-of-State waste, and the transportation of waste to that facility poses no environmental or health threat to other communities in the State, then the facility operator should be permitted to receive out-of-State waste. However, if community consent to receive out-of-State waste has not been obtained for such a facility, and the State has no excess disposal capacity, then the State should have the ability to restrict the flows of out-of-State waste to these facilities.

Mr. President, the legislation I am introducing today empowers local communities to have an input on the decision as to whether hazardous waste treatment facilities proposed for their area should be permitted to receive out-of-State waste. Since the people in these communities must ultimately shoulder the burden of any environmental or health threats posed by hazardous waste disposal facilities, they are the ones who should decide whether the facility should be designed to handle quantities including out-of-State waste.

Mr. President, my staff and I have met with many groups and individuals playing key roles in the siting of hazardous waste disposal facilities, including the EPA, the Pennsylvania Department of Environmental Resources, the Chemical Manufacturers Association, the National Association of Governors, and most importantly, public officials and residents of Clarion, Lancaster, Washington, and Union counties. It is clear to me that each shares a significant commitment to accelerating our progress in reducing the amount of hazardous waste which we produce. I believe that if we can work together to focus our efforts on improving waste minimization processes, there will be a marked decrease in the need for hazardous waste disposal facilities. Accordingly, I intend to work closely with my colleagues on the Environment and Public Works Committee to amend subtitle C of RCRA to accomplish this objective.

Few initiatives of this body are as important to the public as preserving the environment and safeguarding public health. Each requires us to make tough decisions now so that we may pass a well-founded structure onto the following generations. The public, government and industry must all realize that we cannot achieve our goals for a cleaner environment without some sacrifice from each and every group and community. Industry must remain firmly committed to removing pollutants from their waste streams and the public must recognize that the notion of not-in-my-back-yard is not the way to solve our problems. Yet, we cannot exclude communities from the process of deciding how we should address our waste disposal problems. I believe we are moving in the right direction in making the environment one of our critical priorities and I urge my colleagues to support this bill and help us preserve our environment for the next generation.

In introducing the legislation, I invite suggestions and comments from my colleagues and anyone else interested in this subject. This may be a starting point for consideration and deliberation on this important subject. As long as the basic principles are maintained, I am open to suggested modifications.

By Mr. SPECTER:

S. 2920. A bill to amend the Internal Revenue Code of 1986 to provide incentives for investments in disadvantaged and women-owned business enterprises; to the Committee on Finance.

MINORITY AND WOMEN CAPITAL FORMATION ACT

Mr. SPECTER. Mr. President, today I am introducing legislation that, when enacted, will assist significantly the ability of minority and women-owned small businesses to raise capital for their commencement and long term growth. The Minority and Women Capital Formation Act of 1992 will facilitate the financing of these businesses by providing targeted tax incentives for investors to invest equity capital in minority and women owned small businesses as well as venture capital funds that are dedicated almost exclusively to investing in minority and/or women owned businesses.

Small businesses in general face limited access to capital. In many instances this lack of access accounts for the failure of many of them to succeed. But, unlike other small businesses, those owned by minorities or women have traditionally faced greater barriers in accessing sources of private capital for startups, acquisitions, or to finance growth. Unfortunately, Mr. President, many of these barriers are founded in racism and sexism.

While the country has benefited from civil rights law we have adopted to eradicate such ignorance and the detrimental effects thereof, there remains a significant need for new initiatives to facilitate the full inclusion of minorities and women in our economic system as entrepreneurs and as business owners. We will be unsuccessful in achieving this goal, however, unless, as a matter of national policy Congress and the President work to redress the so-called, but very real, capital gap.

The capital gap is the phrase adopted by the President's Commission on Minority Business Development. In its 1990 Interim Report, the Commission found that the "availability of capital * * * is probably the single most important variable" affecting minority business. As stated by the Commission, "the problem is twofold: lack of access to capital and credit, and the need for development of alternatives to conventional financial instruments and intermediaries." Two years earlier, the House Committee on Small Business in its report, "New Economic Realities: The Rise of Women Entrepreneurs," also noted the barriers women face in accessing capital and the need for the Federal Government to take into account alternative development financing institutions in eliminating or circumventing such barriers.

I believe minority and women small business development is critical to urban revitalization and job creation. No one denies the need for urban revitalization and job creation and facilitate a sustained economic recovery. And no one should deny the role that women and minority business owners must have in this effort.

Recently, my colleagues and I on the Banking Committee heard many first-hand accounts concerning the lack of access to capital for minority and women owned businesses. In some cases the cause is outright discrimination; in other instances investor/lender ignorance of the marketplace; in others fear. Whatever the cause, we are facing an emergency that requires Congress' and the President's immediate attention.

The bill I am introducing is designed to focus our attention on critical elements of a national strategy for providing access to capital and credit for minorities and women in business. The bill provides investors (individuals and otherwise) who invest equity directly in a small minority- or women-owned business, or in a venture capital fund dedicated to investing in such businesses, the following: first, the option to elect either a tax deduction or a tax credit subject to certain annual and lifetime caps; and second, a partial capital gains exclusion and limited deferral of the remaining capital gain if it is reinvested in another minority- or women-owned small business. To avoid abuse, the bill also imposes minimum holding periods of 5 years for such investments and contains recapture provisions for instances where the minority- or women-owned business or venture capital fund fails to remain qualified within the meaning of the legislation.

Mr. President, some may question the use of tax policy in the manner I am proposing. However, just as we use tax policy to foster development to housing, jobs, and research and development, so too should we utilize tax policy to foster economic empowerment of minority and women business owners who will also provide jobs and generate tax revenues. Moreover, I agree with the comments of Mr. Robert Johnson, president of Black Entertainment Holdings, Inc., the only minority controlled enterprise publicly traded on the New York Stock Exchange, in the recent Banking Committee hearing. He testified that the urgency of the problem requires more adventuresome kinds of policies. That is, policies that are designed to deal with a specific problem should be problem-specific in their solution. The Minority and Women Capital Formation Act is such a solution as it is designed to enable minority- and women-owned businesses to access private capital.

Stated differently, this bill really constitutes a Federal investment strategy for such businesses. The proposed tax expenditures represent seed capital to help develop greater self-sufficiency in the long term. In this regard, the bill recognizes that capital targeted to women and minority business is an essential, but often overlooked component of economic development. In my judgment, it is a very creative tool to spur business growth and job creation, particularly in distressed communities.

With renewed focus on rebuilding our cities, we are considering a variety of options to encourage new investment in urban areas to expand employment opportunities. Mr. President, in the wake of the Los Angeles riots much attention has centered on the creation of urban enterprise zones with accompanying tax incentives. I have long supported the concept of enterprise zones, and believe that we must adopt such legislation to facilitate the rebuilding and revitalization of our urban centers and development of our rural areas. I also believe that in addition to benefits to employees, homeowners, and businesses within the zones there should also be significant investor incentives to attract capital to these areas, if they are to succeed.

The bill I am introducing is very compatible with, but not dependent upon enterprise zones. There is no requirement in the bill that a minority or woman locate their business in a zone in order for the investor to receive the tax benefit of its investment. As a practical matter, however, I believe that much of the initial investments generated by this bill will occur in areas that will qualify as enterprise zones. Therefore, because of its investor benefits and concomitant benefits to the recipients of the capital, I am hopeful that this bill may be included within enterprise zone legislation ultimately adopted by Congress.

Another very important feature of the bill is the provision of similar tax incentives for those who invest in venture capital funds dedicated to investing in minority- and/or women-owned businesses. Prior to 1970 the Federal Government had no dedicated sources of financing for disadvantaged businesses. In 1971, however, Congress authorized the creation of the Specialized Small Business Investment Company [SSBIC] Program administered by the Small Business Administration. For the last 20 years SSBIC's have been the primary source of capital for disadvantaged businesses. In the face of tremendous obstacles SSBICs and the minority venture capital industry have made a real difference. For example, according to the National Association of Investment Companies [NAIC], over the last decade they have raised and invested nearly $1 billion in disadvantaged businesses.

This sum, however, pales in comparison to the amount of capital raised and invested in the non-minority community over the same period. According to the NAIC, from 1981–1990 majority venture capital resources increased from approximately $5.8 billion to $36 billion. Over this period approximately $28 billion has been invested. Unfortunately, less than 1 percent of the capital raised by the majority venture capital industry was invested in minority-owned firms or venture capital funds. Mr. President, in view of this, I submit that there is a real need for the legislation I am introducing today.

In addition to the aforementioned targeted tax incentives, my bill would amend the term private capital under the Small Business Investment Act of 1958 to include funds invested by a State or local government business development fund, bank or public or private pension fund in SSBIC's. In effect, this amendment would create new sources of capital for qualified venture funds, as it would allow them to increase their private capital base and the amount of leverage therefrom.

As you know Mr. President, public and private pension funds have become a dominant source of capital in our economy. For example, the Employee Benefits Research Institute has estimated that in 1990, pension assets exceeded $2.5 trillion and that pension funds held more than one-quarter of all equity in the U.S. economy. Pension plans have become important sources for venture capital and can help spur minority and women business development through the investment in SSBIC's.

I am informed that several States have expressed their interest in direct investment in SSBIC's. Modifying the definition of private capital as provided in the bill encourages State innovation in this area. Many State and local governments are developing innovative techniques to stimulate investment and economic development in disadvantaged communities. Indeed, an increasing number of States are pioneering bonding assistance programs, working capital loan facilities and venture capital funds. My own State, Pennsylvania, is one such State exploring these new ways to address the capital gap.

Given the reliance upon SSBICs for capital by minority business owners it is important that we facilitate SSBIC capital formation with as many sources of capital as possible. They know the relevant marketplace and in many respects are uniquely situated to invest in minority businesses. I would also add that the House Small Business Committee has already endorsed on a bipartisan basis—and with administration support—this change in the definition of private capital. We in the senate should do the same.

In sum, Mr. President, there remains a need to facilitate the development of minority and women owned small business. We cannot allow the capital gap to grow. If we are to remain a productive and competitive nation, we must eliminate it. I believe this capital formation bill will take us a long way toward achieving this goal. I, therefore, encourage my colleagues to join my efforts to enact this much needed legislation.

In introducing this legislation, I invite suggestions and comments from my colleagues and anyone else interested in this subject. This may be a starting point for consideration and deliberation on this important subject. As long as the basic principles are maintained. I am open for suggested modifications.

By Mr. FOWLER. (for himself, Mr. GORE, Mr. WIRTH, Mr. DODD, and Mr. CRANSTON):

S. 2921. A bill to reform the administrative decisionmaking and appeals processes of the Forest Service, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOREST SERVICE DECISIONMAKING AND APPEALS REFORM ACT

Mr. FOWLER. Mr. President, I rise today to introduce a bill that I hoped would not be necessary, but passage of the Forest Service Decisionmaking and Appeals Reform Act, as it is titled, has become imperative if the American people are to reclaim some of their basic rights.

For more than 85 years, the public in our country has had an opportunity to appeal timber sale decisions of the Forest Service. These are decisions, of course, governing the disposition not of private property but of our national, publicly owned forest land.

For some reason that I can only label as bizarre, the White House has taken the position that after more than 95 percent of our forests have been chopped down, clear cut, permanently destroyed, the public appeals process in place since 1907 is blocking progress. An appeals process, which is simply a chance for a citizen's views, a taxpayer's views about his own forest that incidentally, affects less than 1 out of every 7 timber sales of public forest land, somehow the administration has decided this is just too much to bear, and they are recommending repealing it. As our President has said about other matters, this cannot stand.

My bill, Mr. President, will establish for the first time a systematic channel for public participation both during the front end comment period, prior to decisionmaking, as well as maintaining an appeals system of review for citizens. A brief historical recap is important to understand what will transpire unless we act.

To further speed up the near complete demise of our national forest, the

U.S. Forest Service has promulgated new regulations set to go into effect early this month that would ban the public's right to appeal specific project level decisions.

I do not believe it is any secret that the regulations were insisted upon by the Vice President's Council on Competitiveness despite clear opposition of the senior level management staff of the Forest Service. An internal study, headed by region 4 Deputy Regional Forester Bob Joslin, recommended that certain changes could be made, but that the appeals must be retained.

When the chief of the Forest Service, Dale Robertson, came before the Subcommittee on Conservation and Forestry a few days ago, he not only tried to defend the indefensible; he failed to mention a word about the recommendations made by his own senior people.

Thus, as the Senate tries to be responsive to the needs of our people, as reflected in the thousands of letter of protest received by the Forest Service, the administration is stonewalling us in providing pertinent information during the Senate hearing.

It does this, Mr. President, as part of its effort to get away with regulatory rulemaking designed to cut the American people out of deciding the fate of their own forests—public lands, not private property.

I seriously doubt these folks recognize the sad irony of the timing they have chosen to execute their deed against the public they have pledged to serve. In just a couple of days, as you know, we will be celebrating our Nation's birthday and the gift our founders gave the world, called democracy. I expect we will hear all the right platitudes from the administration later this week about the Government that is supposed to be of the people, by the people, and for the people. I suggest they save the rhetoric until they are willing to take action to restore the rights, in this instance, they propose to take away from the American public.

I must comment on a further irony: What this administration is doing to some of our cherished values of conservatism. You would think they understand the fact that conservatism and conservation sound so much alike is more than coincidence.

How could it be that the administration, espousing conservative ideals and claiming strong environmental credentials, is trying to change a nearly century-old precedent that tries occasionally, through citizen participation, to put the brakes on runaway destruction of our public forests?

For that matter, how can this administration go to a global environmental summit in Rio and argue that the entire world is misguided, and that other nations must follow our lead on forestry and deforestation issues that are supposed to be the centerpiece of our environmental initiatives.

Mr. President, I am pleased to have as original cosponsors of my legislation Senators GORE, WIRTH, and DODD of Connecticut. Our colleagues from Tennessee and Colorado were in Rio de Janeiro and watched and listened dumbfounded as our President, having turned a blind eye to responsible forest policy at home, spoke about saving rain forests abroad.

I ask all my colleagues to join us in cosponsoring this legislation that will take a few small, constructive steps to restoring a measure of common sense in our forestry policy at home.

Finally, let us, on the eve of celebrating our Day of Independence, continue to uphold a right Americans have enjoyed for more than 200 years. That is the right to dissent from our Government's policies when those policies are not in the national interest of our country.

By Mr. COHEN (for himself, Mr. BIDEN, Mr. MCCAIN, Mr. RUDMAN, and Mr. REID):

S. 2922. A bill to assist the States in the enactment of legislation to address the criminal act of stalking other persons; to the Committee on the Judiciary.

ASSISTANCE TO STATES IN ENACTMENT OF ANTI-STALKING LEGISLATION

Mr. COHEN. Mr. President, 4 weeks ago, the dinner patrons of the Philadelphia Steak and Hoagie Shop in suburban Boston watched in horror as 21-year-old Kristin Lardner was shot to death by her ex-boyfriend in the street outside.

Kristin, a budding young artist and the daughter of veteran Washington Post reporter George Lardner, had tried to keep Michael Cartier away from her. Just 6 weeks before he murdered Kristin, Cartier had left her unconscious in a Boston street after he kicked her repeatedly in the head and legs.

After this incident, Kristin sought protection from the courts. A 1-year restraining order was issued in mid-May ordering Cartier to stay away from Kristin's home and job, and to stop abusing her. Cartier had bragged to Kristin that restraining orders would do no good. On May 30, Michael Cartier proved to the world that he was right.

Kristin Lardner was an extraordinary young woman who died in what is becoming a disturbingly ordinary way. Today, the leading cause of injury among American women is being beaten by a man. Nationally, an estimated 4 million men kill or violently attack women they live with or date.

Women who seek protection from this abuse often face a judicial system that has traditionally viewed such violence as domestic disputes. Even when protection is sought, there is no guarantee that the abuse will stop. Studies in Detroit and Kansas City reveal that 90 percent of all those murdered by their intimate partners called police at least once; more than half had called 5 times or more.

The difficulty that our legal system has in protecting individuals from former intimates also extends to cases where the abuse comes from a complete stranger.

Ten years ago in Vermont, Rosealyce Thayer's 11-year-old daughter, Caty, was stalked by a man for 19 months and the police did nothing. One day Mrs. Thayer found Caty organizing her dolls. When her mother asked her what she was doing, the little girl said she was deciding which dolls would go to various friends after the man killed her.

Despite Rosealyce Thayer's efforts to protect her daughter when the police would not, little Caty was kidnapped and later found dead. She had been raped repeatedly and stabbed.

Men can be victims of stalkers as well. Just last week, in my hometown of Bangor, ME, novelist Stephen King was the target of a California man who believed, after decoding secret messages in news magazines, that King, not Mark David Chapman, had killed John Lennon and that former President Reagan and others were part of a conspiracy to cover it up. Luckily, Maine law enforcement officials were alerted to the Berkeley man's cross-country odyssey when his van was pulled over in Maryland earlier in the week. But this bizarre incident indicates how the bubble of personal privacy, even for a public figure, can so easily be broken.

We do not need to comb through the headlines or flip through the channels to find stories about men and women being victimized by stalkers. As I have taken a closer look at this issue, I have discovered that at least two members of my staff have been pursued and harassed by complete strangers on a repeated basis. In one of these cases, the stalker placed a foreign substance in my staff member's gas tank, causing hundreds of dollars worth of damage to her car.

Only recently have the States begun to enact legislation that gives law enforcement officials the power to act against stalkers before they reach their prey. The Nation's first antistalking law was enacted in California in 1990 after actress Rebecca Schaeffer was shot by a deranged fan. To date, 20 States have antistalking statutes and similar legislation is under consideration in many others.

I believe that responsibility for enacting and enforcing antistalking legislation should remain in the hands of the States. Unfortunately, I am concerned that these statutes are either down to narrow just to be meaningless, or too broad as to be unconstitutional. For instance, many observers have been critical of a Florida antistalking statute that allows police to make an arrest without obtaining a warrant or catching the suspect in the act of stalking. Others have called for modifications to the California statute because it is not strict enough.

Jeffrey Weiner, president of the National Association of Criminal Defense Lawyers, has followed this issue carefully. In a recent Chicago Tribune article he states:

> Stalking is a serious problem that should be dealt with, but it [must be addressed] in a constitutional fashion. It does a disservice to those stalking victims to rush through a law that likely will not hold up in court.

The American Civil Liberties Union's Loren Siegel has questioned whether some perfectly legitimate activities could be curtailed under overly broad antistalking statutes. For instance, could an investigative reporter trying to do a story on a public figure be arrested for pursuing the subject of his or her report? Some statutes may also prevent a father who is being unfairly denied visitation rights from watching his children from a distance.

Today, I am introducing legislation that will ensure that these difficult issues receive proper attention and action at the national level. My bill instructs the National Institute of Justice, which is the Federal Government's principal criminal justice research and development agency, to do four things:

First, evaluate antistalking legislation and proposed antistalking legislation in the States;

Second, develop model antistalking legislation that is constitutional and enforceable;

Third, prepare and disseminate its findings to State authorities; and

Fourth, within year of enactment, report to the Congress its findings and the need or appropriateness of further action by the Federal Government.

I would also note that all expenses related to enacting this legislation will be drawn from nonearmarked funds appropriated to the National Institute of Justice. The bill provides for no new spending.

It is my hope that enactment of this legislation will help us to focus national attention on a very serious problem and ensure that our citizens are protected by enforceable antistalking statutes, no matter where they reside.

Justice Louis Brandeis identified the "right to be left alone (as) the most comprehensive of rights and the right most valued by civilized men." Kristin Lardner only wanted to be left alone. There should have been no need for little Caty of Vermont to bequeath her doll collection to friends. Indeed, no American should feel that they have no place to turn when they are the prey of stalkers.

My legislation represents a small but significant step in ensuring that our most comprehensive of rights is protected at the expense of no other right I offer this legislator on behalf of myself, Senator BIDEN, Senator MCCAIN, Senator RUMAN, Senator REID, and I hope many others will join us in addressing this important issue.

By Mr. BENTSEN:

S. 2923. A bill to extend until January 1, 1995, the existing suspension of duty on furniture of unspun fibrous vegetable materials; to the Committee on Finance.

EXTENSION OF EXISTING DUTY SUSPENSION

• Mr. BENTSEN. Mr. President, today I introduce legislation to extend the existing suspension of duty on furniture and furniture parts made of rattan and certain other unspun fibrous vegetable materials. The original piece of legislation that conferred the current duty-free status on these products was S. 1335, a bill I introduced on July 17, 1989. The bill I bring before you today merely extends the existing suspension from its current termination date of December 31, 1992, to December 31, 1994. A companion bill, H.R. 4685, was introduced in the House this session by Mr. ANDREWS.

Legislation passed in this Chamber in April 1990 and enacted into law in August 1990 established the duty-free status for the same wicker products only through December 31, 1992. That deadline was established at the request of administration officials who wanted all duty suspensions to end on December 31, 1992, in order to enhance their ability to gain reciprocal agreements from other countries in return for U.S. duty reductions. As you know, the Uruguay round has not progressed nearly as quickly as was then anticipated, and therefore it is now appropriate to extend this duty suspension for another 2 years through legislative action.

As was the case 3 years ago when I introduced this legislation, there appears to be no significant U.S. production of furniture that would compete with the products covered in this bill. Thus, the extension of the existing duty suspension should have no adverse impact on domestic industry and, indeed, will be beneficial to the American consumer.

In sum, Mr. President, I believe that this legislation is noncontroversial and beneficial to the American consumer, and I urge my colleagues to support it. I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2923

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF EXISTING SUSPENSION OF DUTY ON FURNITURE OF UNSPUN FIBROUS VEGETABLE MATERIALS.

(a) IN GENERAL.—Heading 9902.94.01 of the Harmonized Tariff Schedule of the United States is amended by striking "12/31/92" and inserting "12/31/94".

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after January 1, 1993.•

By Mr. BENTSEN:

S. 2924. A bill to extend until January 1, 1995, the existing suspension of duty on certain wicker products; to the Committee on Finance.

EXTENSION OF DUTY SUSPENSION ON CERTAIN WICKER PRODUCTS

• Mr. BENTSEN. Mr. President, today I introduce legislation to extend the existing suspension of duty on certain wicker products from its current termination date of December 31, 1992, to December 31, 1994. A companion bill, H.R. 4686, was introduced in the House this session by Mr. ANDREWS.

Legislation passed in this Chamber in April 1990 and enacted into law in August 1990 established the duty-free status for the same wicker products only through December 31, 1992. That deadline was established at the request of administration officials who wanted all duty suspensions to end on December 31, 1992, in order to enhance their ability to gain reciprocal agreements from other countries in return for U.S. duty reductions. As you know, the Uruguay Round has not progressed nearly as quickly as was then anticipated, and therefore it is now appropriate to extend this duty suspension for another 2 years through legislative action.

As was the case 3 years ago, there appears to be no significant domestic manufacturing capability which could be harmed by this measure. The products of the existing domestic wicker industry do not compete with those items covered by this bill. Thus, the extension of the existing duty suspension should have no adverse impact on domestic industry, and indeed, will be beneficial to the American consumer.

In sum, Mr. President, I believe that this legislation is noncontroversial and beneficial to the American consumer, and I urge my colleagues to support it. I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2924

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF EXISTING SUSPENSION OF DUTY ON CERTAIN WICKER PRODUCTS.

(a) IN GENERAL.—Heading 9902.46.02 of the Harmonized Tariff Schedule of the United States is amended by striking "12/31/92" and inserting "12/31/94".

(b) EFFCTIVE DATE.—The amendment made by this section applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after January 1, 1993.•

By Mr. BENTSEN:

S. 2925. A bill to grant temporary duty-free treatment to fuel grade tertiary butyl alcohol; to the Committee on Finance.

TEMPORARY DUTY-FREE TREATMENT OF CERTAIN FUEL GRADE ALCOHOL

• Mr. BENTSEN. Mr. President, today I introduce a bill to grant temporary duty-free treatment to fuel grade tertiary butyl alcohol, or TBA. This measure would suspend the currently applicable 8.8-percent import duty until January 1, 1995. A companion bill, H.R. 2962, was introduced in the House this session by Mr. ANDREWS, and was reported out favorably by the House Ways and Means Committee last week.

Generally, TBS is not produced directly by chemical manufacturers; rather, it is the byproduct of chemical techniques such as the propylene oxide production process. As a result of this treatment, the supply of TBA depends on the demand for the primary product, creating the need to import TBA when the demand for the primary and secondary products is out of balance.

Fuel grade TBA is used to produce gasoline additives, especially methyl tertiary butyl ether, or MTBE. MTBE, ethanol, or other fuel additives can be introduced into gasoline to create a cleaner burning fuel that emits fewer pollutants. Adequate supplies of fuel additives such as ethanol and MTBE will become increasingly important as the carbon monoxide nonattainment cities attempt to enforce the 2.7-percent oxygen fuel content requirement mandated by the 1990 Clean Air Act amendments.

The administrative has indicated that it has no objection to the enactment of this bill. U.S. manufacturers of MTBE which use feedstocks other than TBA in their production processes have not stepped forward to register any opposition in the more than 11 months since the companion bill was introduced in the House of Representatives. Accordingly, it appears that this measure should have no adverse impact on domestic industry.

In sum, Mr. President, I believe that this legislation is beneficial to this Nation as we adjust to cleaner burning reformulated fuels in a cost effective way, and I urge my colleagues to support it. I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2925

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FUEL GRADE TERTIARY BUTYL ALCOHOL.

Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"9902.31.12	tert-Butyl alcohol (CAS No. 75–65–0) (provided for in subheading 2905.14.00)	Free	No change	No change	On or before 12/31/94"

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.•

By Mr. BENTSEN:

S. 2926. A bill to suspend until January 1, 1995, the duty on 2-Phosphonobutane-1,2,4-tricarboxylic acid and sodium salts; to the Committee on Finance.

DUTY SUSPENSION OF CERTAIN CHEMICALS

• Mr. BENTSEN. Mr. President, today I introduce a bill to suspend the duty on phosphonobutane-1,2,4-tricarboxylic acid, or PBTC, and its sodium salts until January 1, 1995. This measure would suspend the currently applicable 3.7-percent import duty on PBTC and the 4-percent import duty on the sodium salt of PBTC. A companion bill, H.R. 2615, was introduced in the House this session by Mr. Fields, and was reported out favorably by the House Ways and Means Committee last week.

PBTC and its sodium salts are mainly used as a scale inhibitor for industrial cooling water and cleaning applications. There is currently no production of PBTC or its sodium salts in the United States and there is only one U.S. distributor of the substances. The financial burden imposed by the duties on the U.S. distributor and its ultimate consumers is significant, while the loss of tariff revenue that would result from this measure is negligible.

The administration has indicated that it has no objection to the enactment of this bill and that it is unaware of any opposition from manufacturers of competing end products. This fact, coupled with the potential benefit to those who use this chemical, leads me to introduce this bill and urge my colleagues to support this measure. I ask that unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2926

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 2-PHOSPHONOBUTANE-1,2,4-TRICARBOXYLIC ACID AND SODIUM SALTS.

Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"9902.31 12	2-phos-phono-butane-1,2,4-tri-carboxylic acid (CAS No. 37971–36–1) and sodium salts (CAS No. 40372–66–5, 62682–12–6, 66669–53–2, and 67170–90–5) (pro- vided for in sub- heading 2931. 00.50).	Free	No change	No change	On or before 12/31/94"

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 shall apply with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.•

By Mr. BENTSEN:

S. 2927. A bill to provide for the reliquidation of certain entries; to the Committee on Finance.

RELIQUIDATION OF CERTAIN ENTRIES

• Mr. BENTSEN. Mr. President, today I introduce legislation to provide for the reliquidation of certain entries involving paint brush filaments brought into the United States from Mexico through the Port of Laredo on specified dates in July, August, and November 1990.

The duties at issue were paid by a company that sends artificial filaments used in paint brushes to Mexico to be processed and then reimports them back into the United states for sale. During the period in question, the company was required to pay duties on the full value of the filaments brought back into the United States, although the United States Customs Service subsequently determined on reconsideration that duties were owed only on the value added in Mexico. This bill provides for the reliquidation of those entries. It is identical to a companion bill introduced in the House by Mr. BUSTAMANTE, H.R. 2868, which was reported out favorably by the House Ways and Means Committee last week.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2927

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RELIQUIDATION AUTHORITY.

Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law, the Secretary of the Treasury, within 90 days after the date of the enactment of this Act, shall, upon request filed with the appropriate customs officer, reliquidate each entry listed in section 2 at the rate of duty that would have been assessed if heading 9802.00.50 of the Harmonized Tariff Schedule of the United States applied to such entry and shall make the appropriate refund of duty.

SEC. 2. AFFECTED ENTIRES.

The entries referred to in section 1, filed at the Port of Laredo, Texas, are as follows:

Entry number:	*Date of Liquidation* *Liquidation*
0014819–3	July 20, 1990.
0015228–6	July 20, 1990.
0015409–2	July 20, 1990.
0015586–7	July 20, 1990.
0015668–3	July 20, 1990.

	Liquidation
0015736-8	July 20, 1990.
0015824-2	July 20, 1990.
0015872-1	July 20, 1990.
0015906-7	July 20, 1990.
0015960-4	July 20, 1990.
0016039-6	July 20, 1990.
0016350-7	July 20, 1990.
0016396-0	July 20, 1990.
0016540-3	July 20, 1990.
0016590-8	July 20, 1990.
0016623-7	July 20, 1990.
0016708-6	July 20, 1990.
0016753-2	July 20, 1990.
0042492-5	July 20, 1990.
0047845-9	July 20, 1990.
0051495-6	July 20, 1990.
0052146-4	July 20, 1990.
0053348-5	July 20, 1990.
0055273-3	July 20, 1990.
0062536-4	August 3,, 1990.
0058825-7	August 31, 1990.
1900104-5	November 2, 1990.●

By Mr. PRYOR:

S. 2928. A bill to establish an Office of Contractor Licensing within the Department of the Treasury to license and review Federal procurement of contract services, and for other purposes; to the Committee on Governmental Affairs.

CONTRACTOR LICENSING REFORM ACT

Mr. PRYOR. Mr. President, I am rising today to discuss an issue that I am sure that most of my colleagues are tired of hearing me talk about. It is the issue that I am still going to talk about as long as I am here until something is done about it. I must say that during these 13 years in the Senate, I have met with a great deal of frustration, a great deal of anxiety, as it relates to our failure to deal with the Government's use of contractors and consultants.

Mr. President, I have tried just about everything that I know to correct the terrible waste of tax dollars that occurs when the Government contracts out its very basic and inherent responsibilities to manage the public's business. But we still cannot seem to quite answer these very simple questions today after all of these years: What is a consultant? What is a private contractor? How much money does the Federal Government spend on consulting and contracting services?

I trust that those of my colleagues who are so concerned with deficit spending that they might wish to amend the Constitution to obtain a balanced budget, I hope that they will share in my interest in learning about an open money sack that has continued to grow for the past decade.

The President's fiscal year 1993 budget asks for about $90 billion—I repeat, $90 billion—in service contracts. These contracts range from research and development to painting Government buildings, or mowing the yards for Government faculties. Over one-third, though, Mr. President, of this money, some $35 billion is spent on support contracts that I have found to be riddled with waste, fraud, and abuse. Although the Government's definition of consulting services is vague, the vast majority of consulting contracts come out of this $35 billion open money sack.

Mr. President, spending for service contracting has increased by 65 percent since 1981 during the Reagan and Bush administrations. This increase is very surprising I think to most of us in this body when we think about it because President Bush's statement that "Government is too big and it spends too much" is reflected dramatically on this chart.

In 1981, once again we were spending some $55 billion for Government contracts. In 1990, that $55 billion had grown to $91 billion. Ninety-one billion dollars, Mr. President, reflects about a cost of one-third, for example, of the cost of the entire Department of Defense budget, if we wanted to frame it in that way.

We heard back in January the President of the United States get up in his State of the Union Message and tell the American people and the Congress that it was time to freeze the number of Federal employees. Well, of course, Mr. President, the Chamber exploded in applause. It exploded with our congressional colleagues standing on their feet cheering the fact that the President was going to freeze the number of Federal employees.

But, Mr. President, the fact is that we have been playing this old shell game for a long time. When the President says he is going to reduce the number of Federal employees, or freeze the number of Federal employees, what actually happens—and you can see it very well indicated by this chart—what we do is go outside our Government and hire outside contractors to perform the work of the former Federal employees.

We are not limiting the size and cost of the Government if we allow this invisible work force to grow by 65 percent. And this, Mr. President, is what we call now the unelected Government. It is the shadow Government of the United States of America.

Mr. President, some of my colleagues may ask why it matters that much of the work of Government is performed by contractors. I would like to briefly provide some answers to that.

First, I am not talking about the contractors who cut the grass at the Little Rock Air Force Base. I am not talking about the private contractors who do those things that are necessary like painting buildings and doing upkeep around public facilities. I am talking about private individuals and contractors and consultants who do the planning, the budgeting, and the management work of the Government of the United States. We are contracting out today the basic responsibilities to run our Federal Government to an invisible bureaucracy. When we do this, we lose accountability.

Here are a few examples of what might occur or what does occur when our Government has an overabundant supply of money to spend on service contracts.

For example, contractors write congressional testimony of Cabinet and other senior level officials. Private contractors and consultants at the Agency for International Development, AID, serve as contracting officers.

In other words contractors, dole out contracts.

Contractors conduct Government hearings at the Department of Energy and the Department of Defense. Private contractors draft agency budget presentations that are sent to Congress almost on a monthly basis.

Private contractors at EPA determined what were the inherently governmental functions that only EPA employees should perform.

Mr. President, I do not believe that it is in our best interest to have the Government relinquish control over key functions such as these. Once again, these are people who are not governed by ethics laws, these are people who may or may not have a conflict of interest, and these are people who literally sit alongside the civil servant and the Federal employee and make much more money even as they perform less work.

Second, it costs more to use these contractors. Let me repeat that since many people think the reason you use contractors is to save money. It costs more to use contractors to perform this basic work of government. The Department of Energy testified in a hearing I chaired recently that it costs about 25 percent more to use contractors instead of relying on the Federal work force. A GAO study I released last September confirmed that it cost at least 25 percent more when certain work was turned over to private contractors. And finally, the DOD IG reported last February that it costs 40 percent more if contractors do the work.

It is not surprising to me that it is more costly to use expensive contractors to get the Government's work done, but it is probably a surprise to agency officials. The reason for the surprise is that in the rush to spend $90 billion in service contracts there is generally no cost comparison conducted to determine whether it would be cheaper to perform the work by Government employees.

Finally, Mr. President, many of these same contractors who are helping to plan and manage these programs and draft regulations also work for private clients who stand to benefit from their Government work. The only system presently in place to guard against these conflicts amounts to a paper shuffle. There is no effective control over these potential conflicts, and contractors are able to work both sides of the street.

For example, the Environmental Protection Agency allows contractors with ties to polluters to draft Federal regulations that affect those industries.

Although these companies have ties that create potential conflict of interest, the contractors are under a system of self-policing whereby they merely "inform" the government that they don't have any conflicts. That is our present system. Contractors seeking to get lucrative Government contracts are allowed to determine if they have or do not have any conflicts of interest that would prevent them from getting the contract.

Mr. President, why do we permit these abuses to continue? Why do we not take seriously our role to govern? We are the ones elected to appropriate the money and the agencies have the responsibility to run their programs. When they turn much of their work over to private contractors I think they are shirking their responsibility, and we should not let them. Why is it we allow $91 billion for contractors and contracts to be expended from the Federal Treasury? I hope we will relook at this issue this year.

Mr. President, as I have said, I have tried a number of approaches to correct these problems.

First of all, I have held hearings and asked the agencies and the Office of Management and Budget and Office of Personnel Management to correct these abuses. I have held eight hearings in the last 4 years examining various aspects of this problem. I have met with OMB officials from three different administrations and all of them have promised that their new guidance would solve these problems. Currently, there are several OMB policy directives in the process of being revised, but so far, none of their efforts have worked. And furthermore, I am convinced that OMB policy letters will not stop these abuses from occurring as they do not carry the force and effect of law.

Second, Mr. President, I have sought to address these problems through the power of the purse. For 2 years in a row I successfully amended virtually every appropriations bill with first a reduction, and then a cap on spending on consulting and contracting services. However, the GAO now informs me that the definition for consulting services is so faulty, and the Government's system of tracking its spending is so inadequate, that it is now impossible to determine if the agencies are violating their legislated caps on spending.

Finally, Mr. President, I amended the Defense appropriations bill in fiscal year 1989 to try to impose a system of consultant registration to deal with this problem. Unfortunately, my proposal was weakened due to lobbying by the consultants' trade association. While the end result has been a modest improvement in the regulations, there is still, today, no effective governmentwide system to deal with these problems of excessive cost, conflicts of interest and a loss of accountability.

Mr. President, if investigations only result in a fleeting moment of attention to these problems by high ranking officials, if appropriations amendments prove to be unenforceable, if each abuse is discounted as only an isolated incident, if OMB proves to be unable to correct these abuses through administrative remedies, then it is time for a new approach.

Mr. President, I am introducing today a new approach to solving this problem. I intend to establish this year through an amendment—I have not exactly decided yet on which precise piece of legislation I will attempt to attach it—I am going to attempt to establish a requirement that each and every contractor who wants to provide contract services to the Federal Government must apply for and receive a license.

This legislation, the Contractor Licensing Reform Act of 1992, would establish within the Department of Treasury the Office of Contractor Licensing. The Office would establish and maintain a licensing system for the registration, issuance, and review of a license for any person seeking to enter into a contract to provide services to the U.S. Government.

Each applicant for a license would be required to submit to the Office information identifying the principal officers and employees of the applicant, disclosure of whether the applicant is a registered foreign agent or not, disclosure of any tax delinquencies, disclosure of any conviction of the applicant for a misdemeanor or felony in any Federal or State court, all revelant clients, promotional business material such as annual reports and marketing brochures, and any other relevant information required by the Office.

The Office will make a determination that the applicant is in compliance with the requirements or not, and then may or may not issue a license. Agency contracting officers will be required to review the license and information disclosed by the license holder before they make a contract award. This procedure will greatly improve the Government's review of potential conflicts of interest—a review which today is nonexistent.

In addition, this bill would require that agency budget submissions set forth requests for outlays for procurement for service contracts for management and technical support, research and development, studies and evaluations and engineering and technical services. These categories account for over one-third of the Government's spending on service contracts and out of this pool of funds comes most of the examples of abuse that I am seeking to end. With this budget reform the Congress will finally have some better information on how much money every agency is requesting for these types of service contracts.

Further, the bill would also set forth that certain functions are inherently governmental in nature and should not be performed by contractors. This language is consistent with OMB proposed guidance, but by placing this language in statute it would ensure that we have accountability in our agencies of the Federal Government. Agencies will no longer be able to turn over their most basic work to private contractors.

Another provision will require that agencies must conduct a cost comparison before awarding a contract. As I stated earlier, Mr. President, although it costs from 25 to 40 percent more to use contractors, agencies do not even today check to see, first, if their present employees are able to perform the work at less cost.

And finally, Mr. President, my legislation would prohibit reimbursing contractors for frivolous expenditures for entertainment and the likes, and efforts to boost their employees' morale. The General Accounting Office has recently uncovered numerous cases of thousands and thousands of taxpayers, dollars being spent by contractors in this manner. This is an outrage. My own investigation, for example, of the SDI program has turned up a contractor billing the Pentagon for its company picnic, Christmas party, and the cost of its employees using the gym. None of these costs should be borne by the taxpayers and this provision would change the current system that permits contractors to bill the Government for these unreasonable costs.

Mr. President, although licensing is perhaps a new approach, the idea is based upon a registration system that I have advocated for 13 years. Since 1979, I have held hearings that have revealed the lack of basic information on Government contractors and consultants. All concerned parties, from individual agencies, the Office of Management and Budget, and the trade association of the Government contractors have testified on this issue numerous times. The time for investigating and discussing is past. Now is the time to correct these abuses and to close the open money sack.

In conclusion, this legislation will ensure that the Government has full knowledge of the private clients of these consultants and contractors. This license will finally instill direct accountability into the spending of these contracts by enabling us to track the Federal dollars from the Congress, through the agencies, to the contractors, and to prevent conflicts of interest from occurring.

Mr. President, this licensing process will serve to place the public interest above the private interest. The public deserves to know who is doing their work. The public deserves to know that we can account for their tax dollars. The public deserves to know that their Government is directly accountable to them, and that this has not been contracted out to an unelected and invisible bureaucracy.

Mr. President, if a doctor does any work, performs any service for the Federal Government, of course, that doctor must have a license. If an accountant does any work, that accountant must have a license to perform work for the Federal Government. A lawyer, a barber, a tree surgeon, but not today a Government contractor nor a consultant. No license is required. This is why we have made this reference and call it the open money sack that today we will attempt to close with this amendment in this session of the Congress.

Mr. President, I ask unanimous consent to print in the RECORD a table from the Federal procurement data system relative to how these dollars are being expended out to the private contracting world.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHART C–1 CONTRACT SERVICES TOTAL FEDERAL OBLIGATIONS FISCAL YEAR 1980 TO FISCAL YEAR 1990

[Current dollars in billions]

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Category:											
Research and development	14.3	16.1	19.9	21.6	24.5	25.7	25.7	27.0	27.4	28.9	28.3
Construction	9.3	9.5	10.4	10.1	11.4	11.5	12.0	13.1	11.6	11.1	9.3
A&E	1.5	1.5	1.8	1.8	2.1	2.0	2.4	3.8	2.6	2.6	2.3
ADP services	.6	.9	1.1	1.4	1.8	1.9	2.0	2.2	2.4	3.0	3.5
Operation of Government-owned facilities	6.9	9.5	11.8	12.1	13.0	14.4	14.9	16.0	16.0	18.5	17.2
Professional support services	3.6	3.6	5.5	5.5	4.9	4.9	5.7	6.3	7.6	7.3	9.4
Maintenance and repair of equipment	4.1	4.8	6.0	5.7	6.9	8.5	7.7	8.0	7.8	7.7	8.8
Utilities and housekeeping	3.6	3.7	5.3	4.8	4.9	4.1	5.5	4.7	4.7	4.0	4.5
Transportation and travel	1.4	1.3	1.8	2.7	2.0	1.7	1.8	2.1	2.0	1.4	2.4
Other Services	2.3	4.0	3.0	3.6	3.9	4.2	4.9	5.2	5.8	4.0	4.9
Total	47.6	54.9	66.6	69.3	75.4	78.9	82.6	88.4	87.9	88.5	90.6

Source: Federal Procurement Data System.

Mr. PRYOR. Mr. President, I also ask unanimous consent to print in the RECORD the times and dates and titles of eight hearings that I have conducted in the last 4 years with relation to the usage of private consultants and private contractors for the Federal Government.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HEARING SINCE JUNE 1988 BY SUBCOMMITTEE ON FEDERAL SERVICES, OF THE SENATE GOVERNMENTAL AFFAIRS COMMITTEE, THAT HAVE FOCUSED ON CONSULTANTS AND CONTRACTORS

(1) Review of the Federal Government's Use of Consultants—June 13, 1988.

(2) Department of Defense: The Consultant Game—July 8, 1988.

(3) Defense Contract Audit Agency Report on Use of Consultants by Defense Contractors—December 13, 1988.

(4) Examination of the Use of Consultants by the Environmental Protection Agency—February 3, 1989.

(5) Department of Defense Weapons Testing: Consultants, and Policy—June 16, 1989.

(6) Use of Consultants and Contractors by the Environmental Protection Agency and the Department of Energy—November 6, 1989.

(7) Consultant Registration and Reform Act of 1989—November 17, 1989.

(8) Oversight of Resolution Trust Corporation Contracting—September 24, 1990.

Mr. PRYOR. Mr. President, I ask unanimous consent to print in the RECORD the text of the bill and a section-by-section analysis of the legislation, the bill that I will ultimately submit as an amendment to one of the pieces of legislation coming before the Senate at the appropriate time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2928

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Contractor Licensing Reform Act of 1992".

SEC. 2. FINDINGS.

The Congress finds that—

(1) procurement practices relating to the procurement of services do not adequately—

(A) prevent conflicts of interest; or

(B) provide for public disclosure of the use and role of contractors who provide services to the Government;

(2) Federal management practices, including personnel, budgetary and procurement functions, are not adequately coordinated to ensure that the Government's work is performed by the most appropriate work force in terms of economy, efficiency and accountability;

(3) information regarding the Federal Government's use of contractor services is not maintained in a manner that results in helpful or meaningful information being available to Congress, the executive branch, or the public; and

(4) Federal agency officials have not consistently complied with laws and regulations relating to the procurement of services for the performance of management and professional services which is partially the result of a lack of clear guidance on the matters of inherently governmental functions and conflicts of interest.

SEC. 3. POLICY.

It is the policy of the United States that—

(1) governmental policymaking and decisionmaking functions should be performed by accountable Federal officials;

(2) the procurement of consulting services, management and professional services, engineering and technical services and special studies and analyses by contract should be in compliance with applicable laws and regulations; and

(3) governmental functions should be accomplished through the most economical means available while recognizing the inherently governmental nature of certain activities.

SEC. 4. DEFINITIONS.

For purposes of this Act:

(1) The term "Office" means the Office of Contractor Licensing of the Department of the Treasury established under section 5.

(2) The terms "contracting services" and "services" mean services contracted by the Congress or any Federal agency that are—

(A) management and professional services;

(B) studies, analyses, and evaluations;

(C) engineering and technical services;

(D) research and development services; or

(E) services contracted under section 3109 of title 5, United States Code, section 105 or 106 of title 3, United States Code, section 202 of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a), section 117 of the joint resolution entitled "A joint resolution making continuing appropriations for fiscal year 1982, and for other purposes, approved October 1, 1981 (2 U.S.C. 61f–8), section 6 of the Legislative Branch Appropriations Act, 1985 (2 U.S.C. 61f–9), or expert or consultant services contracted under any other Federal law.

(3) The term "Director" means the Director of the Office of the Contractor Licensing established under section 5.

(4) The term "Federal agency" means—

(A) an Executive agency as defined under section 105 of title 5, United States Code;

(B) the United States Postal Service and Postal Rate Commission; and

(C) any agency of the legislative or judicial branch of Government.

(5) The term "inherently governmental function" means any activity which is so intimately related to the public interest as to mandate performance by Government officers and employees. Such functions include those activities which require either the exercise of discretion in applying Government authority or the use of value judgment in making decisions for the Government. Such functions shall include—

(A) work of a policy, decisionmaking, or managerial nature which is the direct responsibility of Department officials;

(B) preparing or drafting congressional testimony;

(C) conducting a hearing;

(D) preparing or drafting regulations;

(E) preparing or drafting agency documents that involve planning, budgeting or responding to congressional or other governmental entities;

(F) procuring the services of private contractors, including serving on source selection panels, evaluating proposals, drafting requests for proposals, administering contracts, terminating contracts or determining whether contract costs are reasonable, allocable or allowable;

(G) conducting criminal investigations;

(H) conducting foreign relations; and

(I) directing Federal employees.

(6) The term "registered foreign agent" means any person required to register as an agent under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612).

SEC. 5. OFFICE OF CONTRACTOR LICENSING.

(a) Establishment.—There is established the Office of Contractor Licensing within the Department of the Treasury. The Office shall be administered by the Director of the Office of Contractor Licensing, who shall be appointed by the President, by and with the consent of the Senate.

(b) Director.—Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"Director of the Office of Contractor Licensing, Department of the Treasury.".

(c) Licensing System.—(1) The Bureau shall establish and maintain a licensing system for the registration, issuance, and review of a license for any person seeking to enter a contract for services.

(d) Application for Issuance of License.—The Office shall require each applicant for a license to provide—

(1) the identity of the applicant, including the identity of the officers and employees of the applicant, if the applicant is a business entity;

(2) disclosure of whether the applicant is a registered foreign agent;

(3) disclosure of any pending tax delinquencies or civil judgments entered against such applicant;

(4) disclosure of any conviction of the applicant for a misdemeanor or felony in any Federal or State court;

(5) all relevant public, private, and foreign clients;

(6) copies of the most recent annual reports, marketing brochures, or other documents describing the contractor; and

(7) any other relevant information required by the Office.

(e) Standards; Issuance; and Renewal.—(1) The Office shall establish standards for the issuance and maintenance of a valid license. Such standards shall require that the applicant for, or holder of a license be in compliance with all applicable Federal laws relating to procurement, contracting, and ethics.

(2) The Office may issue a license to an applicant after making a determination that the applicant is in compliance with the standards established under paragraph (1). Such license shall be valid for a period of one year.

(3) The Office may renew a license issued under paragraph (2) after making a determination that the applicant for renewal is in compliance with the standards established under paragraph (1). The Office may make any number of renewals of a license after reviewing each renewal application and making a determination of compliance. A renewal of a license under this paragraph shall be for a period of one year.

(f) Notification by Holder of License.—(1) A holder of a license shall give written notification to the Office of—

(A) the registration of the license holder as a registered foreign agent;

(B) the criminal indictment of the license holder; or

(C) any change in the status of the license holder which the Office may reasonably require.

(2) Such notification shall be given to the Office no later than 60 days after such registration, indictment, or change in status.

(g) Suspension and Revocation.—The Office may suspend or revoke any license issued or renewed under this section after making a determination, in accordance with section 558 of title 5, United States Code, that the holder of a license is not in compliance with the provisions of this section. Upon suspension or revocation of a license, any Federal contract awarded to the license holder shall be subject to immediate termination at the discretion of the Office, with the concurrence of the contracting agency.

(h) Application.—The Office shall promulgate regulations to apply the provisions of this section to individuals, business entities, and officers and employees of such business entities.

(i) Penalty.—The Office may fine any person who submits false or misleading information for the purpose of obtaining or renewing a license under this section in an amount not to exceed $10,000. Such fine may be in addition to a suspension or revocation under subsection (g).

(j) Fees.—The Office shall charge a fee for the issuance or renewal of a license.

SEC. 6. REQUIREMENT OF LICENSE FOR CONTRACTING SERVICES.

(a) License Requirement.—No Federal agency, Member of Congress, or officer of Congress, may enter into a contract for services, unless the person contracting to perform such services has a valid license from the Office.

(b) Bid Proposal.—Any person seeking to enter a contract for services with a Federal agency, Member of Congress, or officer of Congress shall submit a copy of a valid license from the Office with a bid proposal or other offer to perform such contract.

(c) Proposal Analysis.—Contracting officers considering bid proposals of licensed contractors shall review material submitted by the license holder to the Office. Such material shall be maintained by the Office on an online computer system available to all authorized contracting officers. The contracting officers shall use the information to ensure against conflicts of interest and that the award of a contract to the license holder shall not be contrary to the best interests of the United States. All such information shall be properly safeguarded and may be used only for making contract determinations.

SEC. 7. ACCOUNTABILITY IN CONSULTING SERVICES CONTRACTS.

(a) Budget Submissions.—The budget submitted by the President to the Congress for each fiscal year under section 1105 of title 31, United States Code—

(1) shall set forth separately, within each subfunctional category used in such budget, requests for new budget authority for, and estimates of outlays by, each agency for procurement of consulting services; and

(2) within each such category, shall identify such requests and estimates according to classifications for procurement of—

(A) management and professional services;

(B) studies, analyses, and evaluations;

(C) engineering and technical services; and

(D) research and development.

(b) Annual Audit.—(1) The Inspector General of each agency, or another officer designated by the head of an agency, shall conduct an annual audit of some portion of the agency's contracts in the areas of—

(A) management and technical support;

(B) professional support;

(C) studies and evaluations; and

(D) research and development.

(2) Such audit shall be performed to determine if—

(A) contractors are performing inherently governmental functions;

(B) there is any conflict of interest in the performance of such contracts; and

(C) contracts for services are unauthorized personal services contracts.

(c) Inherently Governmental Functions.—(1) The head of each agency shall review all functions of the agency performed by employees or performed pursuant to contracts for services, and take such actions as necessary to ensure that all such functions which are inherently governmental functions are performed only by officers and employees of the agency.

(2) Section 1341(a)(1) of title 31, United States Code, is amended—

(A) in subparagraph (C) by striking out "or" after the semicolon;

(B) in subparagraph (D) by striking out the period and inserting in lieu thereof a semicolon and "or"; and

(C) by adding at the end thereof the following new subparagraph:

"(E) involve either government in a contract or obligation for any service to perform an inherently governmental function as defined under section 4(5) of the Contractor Licensing Reform Act of 1992.".

(d) Review of Service Contracts.—The Office of Management and Budget shall promulgate regulations requiring all Federal agencies to review all contracts for services for cost-effectiveness, including—

(1) a requirement that all Government functions are reviewed for cost-effectiveness, before a request for contract support is issued;

(2) a methodology that shall—

(A) ensure that a comprehensive cost comparison can be conducted between direct governmental performance of the function, and the use of private contractors; and

(B) consider all costs relating to overhead; and

(3) guidance that requires an assessment of the impact on the core capability of the Government, if the function is performed by contractors.

(e) Limitation on Expenses Paid for Contracting Services.—No contract for services entered into by any Federal agency, Member of Congress, or officer of Congress shall authorize any expenditure under such contract for—

(1) entertainment;

(2) maintenance or improvement of morale; or

(3) alcoholic beverages.

(f) Travel Expenses Paid for Contracting Services.—Any contract for services entered into by a Federal agency, Member of Congress, or officer of Congress shall contain a provision requiring that subchapter I of chapter 57 of title 5, United States Code, shall apply to the travel of any person performing services under such contract, to the greatest extent practicable.

Section Analysis

SECTION 1—SHORT TITLE

Section 1 indicates this act may be cited as the "Contractor Licensing and Reform Act of 1992."

SECTION 2—FINDINGS

Section 2 sets forth the findings that:

Procurement practices relating to the procurement of services do not adequately prevent conflicts of interest, or provide for public disclosure of the use and role of contractors who provide services to the Government.

Federal management practices are not adequately coordinated to ensure that the Government's work is performed by the most appropriate work force in terms of economy, efficiency, and accountability.

Information regarding the Federal Government's use of contractor services is not maintained in a manner that results in helpful or meaningful information being available to Congress, the executive branch, or the public.

Federal agency officials have not consistently complied with laws and regulations relating to the procurement of services partially because of the lack of clear guidance on the matters of inherently governmental functions and conflicts of interest.

SECTION 3—POLICY

Section 3 indicates that it is the policy of the United States that:

Governmental policy-making and decision-making functions should be performed by Federal officials.

The procurement of management services by contract should be in compliance with applicable rules and regulations.

Governmental functions should be accomplished through the most economical means available while recognizing the inherently governmental nature of certain functions.

SECTION 4—DEFINITIONS

Section 4 defines certain terms used in the act, such as Office, Contracting Services, Director, Inherently Governmental Functions, and Registered Foreign Agent.

SECTION 5—OFFICE OF CONTRACTOR LICENSING

Section 5 establishes the Office of Contractor Licensing within the Department of the Treasury. The Office shall be administered by the Director of the Office of Contractor Licensing, who shall be appointed by the President with the consent of the Senate. In addition, Section 5 provides that the Office shall establish and maintain a licensing system for the registration, issuance, and review of a license for any person seeking to enter a contract for services.

The Office shall require each applicant for a license to provide information regarding such matters as the identity of the applicant and its representatives, whether the applicant is a registered foreign agent, disclosure of any pending tax delinquencies or civil judgments, disclosure of any conviction for a misdemeanor or felony, disclosure of all relevant clients, copies of annual reports and marketing brochures, and any other information required by the Office.

Section 5 also provides for the Office to establish standards for the issuance and maintenance of a valid license, and authorizes the Office to issue a license for a one-year period, and to renew a license for additional one-year periods after reviewing an applicant's renewal application. This section requires license holders to give the Office written notification of significant changes in status such as registration as a foreign agent or a criminal indictment.

The Office may suspend or revoke a license for noncompliance with the provisions of the act, in accordance with section 558 of title 5, United States Code. Upon suspension or revocation of a license, any contracts awarded to the license holder shall be subject to immediate termination at the discretion of the Office, with the concurrence of the contracting agency.

The Office is authorized to charge a fee for the issuance or renewal of a license.

SECTION 6—REQUIREMENTS OF LICENSE FOR SERVICES

Section 6 prohibits federal agencies or Members or officers of Congress from entering into a contract for services with any person who does not have a valid license from the Office. Persons seeking a contract for services must submit a copy of a valid license with a bid proposal or offer.

Section 6 requires contracting officers considering bid proposals to review material submitted by the license holder to the Office. The material is to be maintained on an online computer system available to all authorized contracting officers. The contracting officers will use the information to ensure against conflicts of interest and that the award of a contract to a license holder will not be contrary to the best interests of the United States. All of the information is to be properly safeguarded and is to be used only for the purpose of making contract determinations.

SECTION 7—ACCOUNTABILITY IN CONSULTING SERVICES CONTRACTS

Section 7 requires that the annual budget submission of the President to the Congress sets forth separately, within each subfunctional budget category, estimates of outlays by each agency for the procurement of consulting services. Such estimates are to be identified as management and professional services; studies, and evaluations; engineering and technical services; and research and development.

Section 7 also requires the Inspector General of each agency to conduct an annual audit of a portion of an agency's contracts for these types of services to determine whether (1) contractors are performing inherently governmental functions, (2) there are any conflict of interest in the performance of such contracts, and (3) contracts are being used to circumvent the intent and purposes of statutory personnel limitations.

Section 7 also requires each agency head to review all functions performed by the agency to ensure that functions that are inherently governmental in nature are performed only by officers or employees of the agency.

In addition, this Section requires the Office of Management and Budget to promulgate regulations requiring all Federal agencies to review all contracts for cost-effectiveness, including (1) requiring that all Government functions are reviewed for cost-effectiveness, before a request for contract support is issued; (2) ensuring that a methodology is used to conduct a comprehensive cost comparison between performance of the function by private contractors and Government employees, considering all costs related to overhead; and (3) assessing the impact on the core capability of the Government if the function is performed by contractors.

Further this Section limits the type of expenses paid to service contractors. Expenses shall not be authorized for (1) entertainment or improvement of moral, or (3) alcoholic beverages.

This Section also requires that contracts contain a provision requiring that the provisions of subchapter 1 of chapter 57 of title 5, United States Code shall apply to the travel of any person performing contract services, to the greatest extent practicable.

SECTION 8—PENALTIES

Section 8 imposes penalties for (1) obligating funds for the performance of inherently governmental functions, and (2) for the submission by contractors of false or misleading information for the purpose of obtaining a license to provide contract services.

By Mr. ROBB:

S. 2929. A bill to authorize the National Park Service to provide funding to assist in the restoration, reconstruction, rehabilitation, preservation, and maintenance of the historic buildings known as "Poplar Forest" in Bedford County, VA, designed, built, and lived in by Thomas Jefferson, and for other purposes; to the Committee on Energy and Natural Resources.

ASSISTANCE FOR POPLAR FOREST SITE

• Mr. ROBB. Mr. President, I rise today to introduce legislation to authorize the National Park Service to provide funding to assist in the restoration of Thomas Jefferson's retreat home, Poplar Forest, located in Bedford County, VA. The text of the bill I am introducing is identical to legislation introduced in the House (H.R. 5271) by Representative L.F. PAYNE of Virginia.

Mr. President, next year we will celebrate the 250th anniversary of Thomas Jefferson's birth. As earlier generations saved Mt. Vernon and Monticello, we now have the opportunity to preserve for future generations Jefferson's Poplar Forest, which our third President designed and used as a retreat from the commotion and bustle of Monticello. "When finished," Jefferson said of his octagonal home, "it will be the best dwelling house in the State, except that of Monticello; perhaps preferable to that, as more proportioned to the faculties of a private citizen."

Partially damaged by fire in 1845, Poplar Forest was owned by a number of private citizens over the years. In 1984, when it was threatened by private development, Poplar Forest was purchased by a nonprofit organization, the Corporation for Jefferson's Poplar Forest. Since then, significant efforts have been made by archaeologists and architects to excavate and restore the original structure. Today, Poplar Forest is recognized by the Interior Department as a National Historic Landmark.

The bill I am introducing today would authorize the National Park Service to provide assistance through the Historic Sites, Buildings, and Antiquities Act of 1935, to restore, reconstruct, rehabilitate, preserve, and maintain Poplar Forest. Funds made available under the bill would not exceed 50 percent of the cost of the project to be funded. The bill also provides for audits of the project every 2 years by the inspector general of the Interior Department.

Mr. President, restoring and preserving Poplar Forest is an enormous undertaking. While more than $6 million has already been raised for property acquisition and restoration, private fundraising cannot complete the project.

In these times of tight budgets, Congress must be careful about each dollar it spends. The restoration of Poplar Forest is an excellent investment which will reap dividends for generations to come.•

By Mr. BUMPERS:

S. 2930. A bill to prohibit the expenditure of funds for certain National Aeronautics and Space Administration programs; to the Committee on Appropriations.

S. 2931. A bill to prohibit the expenditure of funds for certain Department of Energy programs; to the Committee on Appropriations.

S. 2932. A bill to prohibit the expenditure of funds for certain Department of Defense programs; to the Committee on Appropriations.

S. 2933. A bill to prohibit the expenditure of funds for certain Department of Defense programs; to the Committee on Armed Services.

S. 2934. A bill to prohibit the expenditure of funds for certain Intelligence programs; to the Select Committee on Intelligence.

DEFICIT REDUCTION LEGISLATION

• Mr. BUMPERS. Mr. President, we have been debating a balanced budget amendment for several days. That amendment failed to get a sufficient number of votes last night and again this morning. But, Mr. President, that doesn't mean that we cannot do something about the budget deficits facing our country. I want to give all my colleagues, those who voted for the balanced budget amendment as well as those who voted against it, the chance to do something serious and meaningful about the budget deficit and not just make a gesture.

Today I am introducing five bills to cut wasteful spending and reduce the deficit. Together these bills will result in savings of $10 billion in fiscal year 1993 and, if continued, a total of as much as $350 billion in savings over the next 30 years. If we add the savings from interest that the Government would not have to pay, the total savings from these bills would, assuming interest rates remain the same, approach $900 billion.

At a time of crippling budget deficits, it is no longer realistic for the Federal Government to fund large scale defense and scientific projects for which there is no strong justification or economic payback. Five Federal programs stand out as candidates for termination or reduced funding—the space station, the superconducting super collider, the Trident II missile, the strategic defense initiative, and some aspects of our intelligence program. Termination of the first three, and significant cuts in the latter two, would free up billions of dollars that could be used to reduce the deficit.

SPACE STATION

The space station's cost has gone up 50 percent after inflation since 1984, even though seven of the original eight missions were dropped and it has been greatly reduced in size and complexity. NASA's current cost estimate is now $30 billion, but this excludes a number of related costs. GAO estimates the cost at $40 billion, plus an extra $78 billion to operate over 27 years. NASA is requesting $2.25 billion in space station funding for fiscal year 1993, 11 percent over last year's level.

The great majority of American scientists, and many scientific societies, are opposed to the space station. They consider it a serious misallocation of our limited R&D dollars. The National Research Council estimates that 87 percent of the research planned for the one remaining mission can be accomplished with either the space shuttle or unmanned space vehicles. Even aerospace scientists agree that the space station will do little to advance science. It is chiefly a large engineering project.

The space station is squeezing the funding of other NASA space science programs that will contribute more to science and advance technologies that are more relevant to the world economy. Last year and this, a number of NASA programs like the advanced X-ray astronomy facility and comet rendezvous probe have been reduced to fund the space station.

The space station only makes sense if we are planning to go to Mars within the next decade or so. At $500 billion, going to Mars is not something we are likely to do for decades. The cost to develop all the new commercial aircraft now being developed in the United States and Europe is the same as the cost of the space station through 1999. Looked at from this perspective, the space station seems more than ever a foolish waste of money.

SUPER COLLIDER

The cost of the superconducting super collider is out of control. Preliminary estimates in 1984 were about $3 billion. This increased 75 percent in 4 years to the 1988 estimate of $5.3 billion. And it's increased 57 percent more, to $8.25 billion, by 1991. DOE's independent cost estimating staff says a more accurate estimate would be $11.8 billion, 42 percent higher than the current estimate, and even this figure "should not be interpreted as a worst case scenario," according to the DOE staff.

Despite administration assurances that Japan would help fund up to $1.6 billion of the super collider cost, Japan has repeatedly refused to participate. There is a new particle accelerator under development in Switzerland to which American scientists will have access. Not building the SSC, or not building it right now, will not deny our physicists access to this machine. Japan believes their money can be better spent on basic scientific research at home. The $1.6 billion sought from Japan is 3 times its annual science and technology budget. Even if Japan had decided to fund the super collider, it would have been paid for from its "international contributions" budget—foreign aid!—not its science budget.

TRIDENT II MISSILE

The Trident II missile was our premier strategic weapon during the bitter days of the cold war. I was a strong supporter of it then, and remain a supporter today. However, there comes a time when we need to say "enough." For the Trident II, that time is now.

Having already bought 274 of these highly effective missiles, the Navy wants us to spend $17 billion over the next 12 years to buy 505 more! This despite arms agreements that will reduce our SLBM warheads by over 60 percent from current levels. We already have an arsenal of 419 Trident I missiles which can be used in our Trident submarines. Indeed, the first eight Trident subs already carry the Trident I. And under the Navy's current plans, we will be asked to spend another $4 billion beyond the missile cost to covert the first eight subs to make them capable of carrying Trident II missiles.

Mr. President, for about one-half to one-third of the cost, we can maintain a mixed fleet of Trident II and Trident I missiles using the missiles we already have. It makes no sense to spend $17 billion, or $21 billion including the missile backfit costs, to buy added capabilities that we do not need in the post cold era. We don't need an all-Trident II force. The cold war is over. My bill recognizes that and saves the taxpayer billions that would be totally wasted.

STRATEGIC DEFENSE INITIATIVE

With the cold war over, and the United States signing a new agreement with Russia to cut nuclear arms even more, SDI more than ever looks a like a weapon in search of a mission. Robert Gates, Director of the Central Intelligence Agency, has told Congress that there will be no new countries to threaten the United States with ballistic missiles for at least another 10 years. Threats have been inflated to support an increasingly irrational program. I would cut this program to a more sensible $2 billion per year level of funding, a level recently endorsed by Adm. William Crowe, former Chairman of the Joint Chiefs of Staff under President Reagan.

INTELLIGENCE

For decades, our intelligence operations had as their main focus the Soviet Union. Now that the Soviet Union has collapsed, and we are good friends with Russia and the other republics, certainly we can afford to cut our intelligence budget, reportedly costing us $30 billion per year, by 10 percent. This would leave us with more than enough to fund our other intelligence needs within this modestly reduced budget. Earlier this year, William Colby testified before the Appropriations Committee that intelligence could be cut by up to 50 percent. My bill is a modest step in this sensible direction.

These cuts alone will not solve our deficit problems. More cuts will be needed. But these five bills represent an important start toward getting a handle on our budgetary process, and demonstrating that we can make the tough choices that will be needed to bring our budget back into balance.

I urge my colleagues to join me in this fight for fiscal sanity.

I ask unanimous consent that the text of these bills be printed immediately following my remarks.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 2930

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Deficit Reduction Through Space Station Freedom Termination Act of 1992."

SEC. 2. FINDINGS.

Congress finds that—

(1) the Federal budget deficit has grown to such an extent that it poses a serious short, medium, and long-term threat to the health of the United States economy;

(2) gross interest costs now exceed defense expenditures in the Federal budget and are one of the fastest growing components in the Federal budget;

(3) the American people are demanding serious and fundamental changes in the Federal Government's management of spending priorities and over-all fiscal stewardship;

(4) programs that are not absolutely necessary to the health and well-being of the American people must be closely scrutinized for possible funding reduction or elimination;

(5) the President's budget included a request of $2,250,000,000 for this program and termination of the program would save that amount in FY1993 and billions more in future years.

TITLE I—REDUCTIONS IN EXPENDITURES

SEC. 101. NASA.

Funds appropriated to or for the use of the National Aeronautics and Space Administration for the Space Station Freedom program may not be expended for that purpose unless such funds were appropriated and made available for such purpose before the date of enactment of this Act.

S. 2931

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Deficit Reduction Through Superconducting Super Collider Termination Act of 1992."

SEC. 2. FINDINGS.

Congress finds that—

(1) the Federal budget deficit has grown to such an extent that it poses a serious short, medium, and long-term threat to the health of the United States economy;

(2) gross interest costs now exceed defense expenditures in the Federal budget and are one of the fastest growing components in the Federal budget;

(3) the American people are demanding serious and fundamental changes in the Federal Government's management of spending priorities and over-all fiscal stewardship;

(4) programs that are not absolutely necessary to the health and well-being of the American people must be closely scrutinized for possible funding reduction or elimination;

(5) the President requested $650,000,000 for the Superconducting Super Collider program in FY1993 and termination of the program will save this amount in FY1993 and billions of dollars in future years.

TITLE I—REDUCTIONS IN EXPENDITURES

SEC. 101. SUPERCONDUCTING SUPER COLLIDER.

Funds appropriated to or for the use of the Department of Energy for the Superconducting Super Collider program may not be expended for that purpose unless such funds were appropriated and made available for such purpose before the date of enactment of this Act.

S. 2932

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Deficit Reduction and Trident II Termination Act of 1992."

SEC. 2. FINDINGS.

Congress finds that—

(1) the Federal budget deficit has grown to such an extent that it poses a serious short, medium, and long-term threat to the health of the United States economy;

(2) gross interest costs now exceed defense expenditures in the Federal budget and are one of the fastest growing components in the Federal budget;

(3) the American people are demanding serious and fundamental changes in the Federal Government's management of spending priorities and over-all fiscal stewardship;

(4) programs that are not absolutely necessary to the health and well-being of the American people must be closely scrutinized for possible funding reduction or elimination;

(5) terminating the Trident II program would save $900,000,000 in FY1993 and up to $20,000,000,000 during the next fifteen years.

TITLE I—REDUCTIONS IN EXPENDITURES

SEC. 101. TRIDENT II.

Funds appropriated to or for the use of the Department of Defense for procurement of the Trident II ballistic missile system may not be expended for that purpose unless such funds were appropriated and made available for such purpose before the date of enactment of this Act, with the exception of $90,000,000 to be used solely for program termination activities.

S. 2933

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Deficit Reduction Through Reduction of SDI Act of 1992."

SEC. 2. FINDINGS.

Congress finds that—

(1) the Federal budget deficit has grown to such an extent that it poses a serious short, medium, and long-term threat to the health of the United States economy;

(2) gross interest costs now exceed defense expenditures in the Federal budget and are one of the fastest growing components in the Federal budget;

(3) the American people are demanding serious and fundamental changes in the Federal Government's management of spending priorities and over-all fiscal stewardship;

(4) programs that are not absolutely necessary to the health and well-being of the American people must be closely scrutinized for possible funding reduction or elimination;

(5) the end of the Cold War allows us to safely make cuts in defense and other related programs that had as their original or chief focus the military threat posed by the Soviet Union;

(6) the President requested $5,400,000,000 for SDI and a reduction of $3,400,000,000 in the program would preserve a realistic program for strategic defense.

TITLE I—REDUCTIONS IN EXPENDITURES

SEC. 101. SDI.

Funds authorized to be appropriated for fiscal year 1993 for the use of defense agencies in connection with the Strategic Defense Initiative shall not exceed $2,000,000,000.

S. 2934

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Deficit Reduction Through Intelligence Programs Reduction Act of 1992."

SEC. 2. FINDINGS.

Congress finds that—

(1) the Federal budget deficit has grown to such an extent that it poses a serious short, medium, and long-term threat to the health of the United States economy;

(2) gross interest costs now exceed defense expenditures in the Federal budget and are one of the fastest growing components in the Federal budget;

(3) the American people are demanding serious and fundamental changes in the Federal Government's management of spending priorities and over-all fiscal stewardship;

(4) programs that are not absolutely necessary to the health and well-being of the American people must be closely scrutinized for possible funding reduction or elimination;

(5) the end of the Cold War allows us to safely make cuts in defense and other related programs that had as their original or chief focus the military threat posed by the Soviet Union;

(6) a reduction of $3,100,000,000 in intelligence programs would leave adequate funds for intelligence protection in this post Cold War era.

TITLE I—REDUCTIONS IN EXPENDITURES

SEC. 101. INTELLIGENCE.

Of the funds authorized to be appropriated for the programs in support of the intelligence community of the Federal Government, $3,100,000,000 shall be available only for deficit reduction.•

By Mr. BOND (for himself, Mr. BENTSEN, Mr. STEVENS, and Mr. LUGAR):

S. 2935. A bill to provide surveillance, research, and services aimed at prevention of birth defects, and for other purposes; to the Committee on Labor and Human Resources.

BIRTH DEFECTS PREVENTION ACT

• Mr. BOND. Mr. President, last year, I introduced the Families in Need Act, S. 1380, to address a number of important health, nutrition and housing needs of families in crisis situations. In the bill, I proposed efforts that would lead to a coordinated effort to reduce the incidence of birth defects. Simultaneously, I worked in the Appropriations Committee to obtain funding for this effort at the Centers for Disease Control which today is the basis for CDC's efforts in this area. Today, I am introducing the Birth Defects Prevention Act of 1992 which is a continuation of efforts in this area. This bill is being simultaneously introduced in the other body by Congressman SOLOMON ORTIZ.

Efforts to prevent birth defects are desperately needed. Just listen to the following sad story of how the lack of a birth defects registry has delayed the response to an outbreak of birth defects and may have needlessly cost innocent lives. About 1 year ago, health professionals in Texas observed that six infants were born with anencephaly over a 6-week period. Anencephaly is a fatal birth defect characterized by an absence of brain tissue. After this information was reported to the Texas Department of Health, a subsequent study revealed that since 1989, at least 30 infants in south Texas had been born without most of their brains. Because Texas does not have a birth defects registry or surveillance program, it was not recognized that there was a serious problem until the incidence of anencephaly was so high that it was difficult to miss.

Federal officials have expanded their efforts to attempt to discover the cause of this tragic event. Most of the mothers of these infants lived within a 2.4 mile radius of the Rio Grande. The investigation is focusing on whether environmental factors have led to the birth defects. Studies will examine whether water from the Rio Grande, air pollutants, or chemical waste played a role.

The tragic situation in south Texas underlines the need for a coordinated national effort to discover the causes of birth defects and develop prevention strategies. Without a birth defects registry, it is quite possible that somewhere in America today, infants are being born with serious birth defects that could have been prevented.

This bill that I am introducing today has been developed through extensive work by the March of Dimes and the Centers for Disease Control. They are to be commended for their commitment to this important cause and their hard and persistent work. This proposal has two main components.

First, the bill would establish a National Birth Defects Surveillance and Prevention Research system. This would provide funding for States to put in place or improve existing surveillance programs. This bill would also establish regional birth defects Centers of Excellence to focus research efforts on the causes of birth defects including clusters of birth defects. Discovering what causes a birth defect is the first step.

The Centers of Excellence would also develop prevention strategies such as outreach efforts to inform mothers of the need to take folic acid to prevent spina bifida or the need to get adequate prenatal care. The Center for Disease Control would serve as the clearinghouse for birth defects prevention activities and for the collection and storage of data generated from State birth defects monitoring programs.

Second, the bill would authorize demonstration projects for the prevention of birth defects and would provide funding and technical assistance to States to implement programs of proven effectiveness.

Birth defects are the leading cause of infant mortality in this country and I fear that efforts to reduce the incidence of this very tragic problem are not receiving the resources and emphasis as they should be. Birth defects cause more infant deaths in this country than any other single factor. In Missouri, birth defects account for 21 percent of infant deaths. There are many factors which put an infant at higher risk. Lack of adequate prenatal care is primary among these. Nearly 75,000 babies will be born this year to mothers who received no prenatal care at all. Many of these will be stillborn, more will die before reaching their first birthday and others will live with long-term disabilities. A strong family lifestyle in which children are born without having been exposed to cigarette smoke, alcohol, or drugs is also critical.

This year, at least 250,000 infants will be born with a birth defect and for those infants who manage to survive, the painful lifetime cost of this tragedy is hard to imagine. Many of these infants born with a serious birth defect do not live to see their first birthday.

Reducing our infant mortality rate, preventing birth defects and making sure that every pregnant woman receives adequate prenatal care should be priorities in this country. We must, in turn, prioritize our needs in this country by cutting unneeded or unduly expensive programs to address these urgent needs. We can afford to prevent these infant deaths.

Mr. President, this legislation is an important step toward reducing birth defects This is a tragic problem as we have shown with the events that have taken place in south Texas. I hope that it won't take more tragedies like this one before Congress acts.•

• Mr. STEVENS. Mr. President, I rise to support this birth defects prevention legislation which my colleague from Missouri has sponsored, because it offers some real and positive steps to address the prevention of birth defects in our Nation.

My primary concern has been with the impact of maternal drinking during pregnancy, and my State's extremely high rates of fetal alcohol syndrome [FAS] and fetal alcohol effect [FAE].

For the period of January 1, 1981 through May 30, 1986, the State average for Alaska Native births was 5.2 per 1,000 live births—the national average ranged between 1 to 3 FAS cases per 1,000 live births. In one area of my State, which has the distinction of the highest per capita rate of fetal alcohol syndrome, the rate was 31 per 1,000 live births. There is no reliable data for the Alaskan non-Native.

For 1988, a State legislative researcher computed lifetime costs per FAS birth at more than $1.35 million each, and a total cost for that year at more than $39.8 million.

There is little data on fetal alcohol effect [FAE]; however, I understand that researchers in the Area have suggested that the FAE rate is from 2 to 15 times the actual number of cases of FAS. There were 26 Native FAS births in 1988 in Alaska, and so by inference, perhaps 260 Native babies were born with fetal alcohol effective in that year.

The statistics I have highlighted for Alaska alone show the health care costs to the Federal Government in services provided to Alaska Natives through the Indian Health Service. The Downstream costs for this group as a whole are high, and my belief is that we must do what we can to ensure these children are born healthy and able to contribute in a meaningful way to their communities. I believe this legislation is a good start toward this end.•

By Mr. BINGAMAN (for himself and Mr. RIEGLE):

S. 2936. A bill to amend the Competitiveness Policy Council Act to provide for reauthorization, to rename the Council, and for other purposes; to the Committee on Commerce, Science, and Transportation.

REAUTHORIZATION OF COMPETITIVENESS POLICY COUNCIL

• Mr. BINGAMAN. Mr. President, together with Senator RIEGLE I am introducing today a bill to reauthorize the Competitiveness Policy Council, a bipartisan government-industry-labor advisory committee established as part of the 1988 Trade Act.

We received the first annual report of this council in March of this year. The report was unveiled at a joint hearing of the Senate Banking and Joint Economic Committees, which had the highest attendance of any hearing on any subject I have participated in this year. The report laid the groundwork and outlined a program the Council would propose to pursue to develop recommendations for a comprehensive competitiveness strategy for this country.

The Council's report drew much praise on both sides of the aisle. That is a tribute to the hard work of the members of the Council, led by Fred Bergsten, the Council's Chairman.

The bill I am introducing today will authorize the Council to continue its work for 4 more years. It would rename the Council the "National Competitiveness Policy Commission" so as to avoid confusion with the private sector Council on Competitiveness and the governmental Competitiveness Policy Council, chaired by the Vice President. These institutions have quite different functions, but unfortunately share very similar or indeed identical names.

The bill also makes several technical changes, which have been requested by the Council. I ask unanimous consent that the full text of the bill and a section-by-section analysis be included at the end of my statement.

Mr. President, I hope that this legislation will receive broad bipartisan support. This Commission represents a real opportunity to build a consensus among all the key actors for fundamental changes in Government policy to ensure a competitive American economy in the 21st century. Let's give it an opportunity to complete its work.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2936

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REAUTHORIZATION.

Section 5209 of the Competitiveness Policy Council Act (15 U.S.C. 4808) is amended by striking "1991 and 1992" and inserting "1993, 1994, 1995, and 1996".

SEC. 2. RENAMING OF COUNCIL.

The Competitiveness Policy Council Act (15 U.S.C. 4801 eq seq.) is amended as follows:

(1) In the subtitle heading—

(A) insert "**National**" before "**Competitiveness**"; and

(B) strike "**Council**" and insert "**Commission**".

(2) In section 5201—

(A) insert "National" before "Competitiveness" ; and

(B) strike "Council" and insert "Commission".

(3) In section 5202(b)(2)—

(A) insert "National" before "Competitiveness"; and

(B) strike "Council" and insert "Commission".

(4) In section 5203—

(A) in the section caption, strike "**COUNCIL**" and insert "**COMMISSION**";

(B) insert "National" before "Competitiveness"; and

(C) strike "Council" each place it appears and insert "Commission".

(5) In section 5204—

(A) in the section caption, strike "**COUNCIL**" and insert "**COMMISSION**";.

(B) strike "Council" and insert "Commission".

(6) In sections 5205 through 5208, strike "Council" each place such term appears and insert "Commission".

(7) In section 5207, in the section caption, strike "**COUNCIL**" and insert "**COMMISSION**".

(8) In section 5210—

(a) in paragraph (1)—

(i) insert "National" before "Competitiveness"; and

(ii) strike "Council" each place it appears and insert "Commission"; and (B) in paragraph (2)—

(i) insert "National" before "Competitiveness"; and

(ii) strike "Council" and insert "Commission".

SEC. 3 DUTIES OF THE COMMISSION.

Section 5204 of the National Competitiveness Policy Commission Act (15 U.S.C. 4803) is amended by striking paragraphs (11) and (12) and inserting the following:

"(11) prepare, publish, and distribute reports that—

"(A) contain the analysis and recommendations of the Commission; and

"(B) comment on the overall competitiveness of the American economy, including the report described in section 5208; and

"(12) submit an annual report to the President and to the Congress on the activities of the Commission.".

SEC. 4. EXECUTIVE DIRECTOR AND STAFF OF COMMISSION.

Section 5206 of the National Competitiveness Policy Commission Act (15 U.S.C. 4805) is amended—

(1) in subsection (a)(1), by striking "GS–18 of the General Schedule" and inserting "the highest level allowed under section 5376 of title 5, United States Code";

(2) by striking subsection (b)(1) and inserting the following:

"(b) STAFF.—

"(1) FULL-TIME STAFF.—The Executive Director may appoint such officers and employees as may be necessary to carry out the functions of the Commission in accordance with the Federal civil service and classification laws, and fix compensation in accordance with the provisions of title 5, United States Code.

"(2) SENIOR EXECUTIVE SERVICE.—The Commission may establish positions in the Senior Executive Service in accordance with the provisions of subchapter II of chapter 31 of title 5, United States Code.

"(3) TEMPORARY STAFF.—The Executive Director may appoint such employees as may be necessary to carry out the functions of the Commission for a period of not more than 1 year, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, at rates not to exceed the maximum rate payable under section 5376 of title 5, United States Code."; and

(3) in subsection (c), strike "GS–16 of the General Schedule" and insert "the maximum rate payable under section 5376 of title 5, United States Code.".

SEC. 5. POWERS OF THE COMMISSION.

Section 5207 of the National Competitiveness Policy Commission Act (15 U.S.C. 4806) is amended—

(1) by inserting before the period at the end of subsection (b)(1)(B) ", except that such information may be provided to members and staff of the Council subject to existing national security laws and regulations";

(2) by redesignating subsections (g) and (h) as subsections (h) and (i), respectively; and

(3) by inserting after subsection (f) the following:

"(g) CONTRACTING AUTHORITY.—Within the limitation of appropriations to the Commission, the Commission may enter into contracts with State agencies, private firms, institutions, and individuals for the purpose of carrying out its duties under this subtitle.".

SEC. 6. REPORTING REQUIREMENTS.

Section 5208 of the National Competitiveness Policy Commission Act (15 U.S.C. 4807) is amended—

(1) by striking the caption and inserting the following:

"SEC. 5208. ANNUAL PUBLICATION OF ANALYSIS AND RECOMMENDATIONS.";

(2) in subsection (a)—

(A) by striking the subsection heading and inserting "(a) PUBLICATION OF ANALYSIS AND RECOMMENDATIONS.—"; and

(B) by striking "on" and inserting "not later than"; and

(3) by adding at the end the following:

"(d) PERIODICAL REPORTS.—The Commission may submit to the President and the Congress such other reports containing analysis and recommendations as the Commission deems necessary.".

SECTION-BY-SECTION ANALYSIS

Section 1. This section reauthorizes the Commission for 4 years, through fiscal year 1996, at current levels.

Section 2. This section changes the name from Competitiveness Policy Council to National Competitiveness Policy Commission. This change may be needed to differentiate this organization from at least two other groups with similar names.

The remainder of the bill makes a number of technical changes.

Section 3. This section clarifies that the Commission mandated report on the competitiveness of the U.S. is not an agency annual report as defined under the printing laws. The Commission had a problem earlier in that the wording of the law caused its report to fall under the restrictions which govern agency annual reports.

Section 4. This section updates references to GS schedules to conform with changes in law, clarifies that the Commission is eligible for Senior Executive Service positions, which resolves a question with Office of Personnel Management, and allows the Commission to appoint temporary staff without regard to civil service rules and classifications, but with a salary cap.

Section 5. This section clarifies the ability of the Commission to receive classified information and gives the Commission explicit contract authority, which something that was inadvertently left out of the original statute.

Section 6. This section allows the Commission to publish its analysis of U.S. competitiveness before March 1 and clarifies the Commission's authority to print reports.•

By Mr. GORE (for himself, Mr. ROCKEFELLER, Mr. KERRY, Mr. PRESSLER, Mr. RIEGLE, Mr. ROBB, Mr. LIEBERMAN, Mr. KERREY, and Mr. BURNS):

S. 2937. A bill to expand Federal efforts to develop technologies for applications of high-performance computing and high-speed networking, to provide for a coordinated Federal program to accelerate development and deployment of an advanced information infrastructure, and for other purposes; to the Committee on Commerce, Science, and Transportation.

INFORMATION INFRASTRUCTURE AND TECHNOLOGY ACT

• Mr. GORE. Mr. President, earlier today Senator MITCHELL and 10 other Democratic Senators held a press conference to unveil an economic leadership strategy which will ensure the long-term health of the American economy. This package of legislation will help ensure that our children will have a higher standard of living than our generation. It will improve American competitiveness and produce millions of high-paying jobs by revitalizing our research and technology base, developing and deploying advanced manufacturing technology, improving the commercialization of new U.S. inventions, training our workers for the job skills of the future, and strengthening our trade tools to open markets abroad.

One of the key components of the economic leadership strategy involves high-performance computing. The strategy recommends expanded funding for the multiagency High-Performance Computing Program established by Congress last year in the High-Performance Computing Act.

In addition, it endorses legislation I am introducing today to build of the High-Performance Computing Program. This bill, the Information Infrastructure and Technology Act, would develop and deploy new applications of high-performance computing for education, libraries, manufacturing, and health care. For example, it will fund development of new ways to use high-speed networks to link high schools and elementary schools so that teachers and students can communicate with their colleagues around the country, access digital libraries of information, and consult with experts in colleges, universities, Federal labs, and companies around the country. It will develop technology that will allow a doctor in rural Tennessee instantly send X-ray images to the Mayo Clinic in Minnesota or NIH in Maryland for a second opinion. It will accelerate development of supercomputers, massive data bases, and the software needed to use them, so that even the most remote library can tap into more information than is stored in the entire Library of Congress. The bill will also speed development of computer technology for advanced manufacturing, so that an engineer can design a new product with CAD/CAM software, test it using a supercomputer simulation, and build a prototype without leaving his or her computer workstation. With this technology, computer systems can replace the drafting table and clay models. Computer-controlled machining equipment means that an engineer can design a product in the morning and get a prototype that afternoon. The potential of advanced computing to transform American industry is almost unlimited; we just need vision and the investment to make it happen.

By funding the development of new computer technology, this bill will improve the competitiveness of American industry, improve the education and training of American workers, and create entirely new industries. That will mean jobs—good-paying, high-technology jobs—for us and for our children. This is exactly the kind of long-term investment we need to ensure a healthy U.S. economy in the next century.

The Information Infrastructure and Technology Act of 1992 would establish a multi-agency Information Infrastructure Development Program to be coordinated by the White House Office of Science and Technology Policy. The goal of this program is to ensure the widest possible application of high-performance computing and high-speed networking technology.

At present, there are programs at the National Science Foundation, NASA, the Defense Advanced Research Projects Agency, the Department of Energy, and other research agencies all developing on new applications for supercomputing and high-speed networks. Under this bill, OSTP would see that the participating agencies are not duplicating effort and identify and exploit opportunities for synergy between different agency programs. In addition, OSTP is to work with the agencies to define different roles for each in developing the information infrastructure that this country will need for the 21st century.

The bill also defines in detail the four components of the Information Infrastructure Development Program—education, libraries, manufacturing, and health care. It should be noted that this is not an exclusive list. It is quite likely that in the future the program will expand to include development of advanced computing technology for other fields as well.

The bill calls upon the National Science Foundation [NSF] to fund projects to connect primary and secondary schools to the NSFNET, a national computer network connecting hundreds of colleges and universities around the country. In addition, NSF is to develop educational software and provide teacher training.

The National Institute of Standards and Technology [NIST] at the Commerce Department is given responsibility for developing networking technology for manufacturing.

The National Institutes of Health [NIH], in conjunction with NSF and other agencies, is to develop applications of advanced computer and networking technology for health care. This includes networks to link hospitals, doctor's offices, and universities so health care providers and researchers can share medical data and imagery, like CAT scans and X-rays. NIH would also develop new software for manipulating medical imagery and data.

The bill provides funding to both NSF and NASA to develop technology for digital libraries, huge data bases that store text, imagery, video, and sound and are accessible over computer networks like NSFNET. The bill also funds development of prototype digital libraries around the country.

For each component, the bill lists several applications of computing technology and the various agencies in developing them. It authorizes funding for fiscal years 1993–97 for the National Science Foundation, NASA, the National Institute of Standards and Technology [NIST] at the Department of Commerce, and the National Institutes of Health, particularly the National Library of Medicine. In all, the bill authorizes a total of $1.15 billion over 5 years. Due to jurisdictional considerations, this bill does not authorize funding for the Department of Defense and its Defense Advanced Research Projects Agency and the Department of Energy, both of which have important roles to play in developing new applications for supercomputing and networking technology. I am particularly familiar with the activities of the Energy Department's Oak Ridge National Laboratory in Tennessee which has a very innovative program to use computer networking to excite students about science and mathematics. Oak Ridge is committed to making sure that advanced computer technology is not just for researchers.

Like its predecessor, the High-Performance Computing Act, this new bill has been developed after consultation with industry and academia. Many of the provisions in this bill parallel proposals made last December by the computer systems policy project, an affiliation of CEO's of the top 12 American computer companies, in its review of the High-Performance Computing Program. While praising the research being funded by the Program, the CEOs felt there was a need to do more in areas like health care, lifelong learning, databases, and manufacturing.

In addition to the computer industry, the communications industry, the information industry, and other high-technology industries are excited about this effort. So are doctors, university researchers, and teachers and librarians in every state.

I look forward to working with these various groups and with my colleagues to expand and perfect this legislation. I hope to hold a hearing of the Science Subcommittee on this bill later this month and to move this legislation forward.

I ask unanimous consent that a table summarizing the authorizations provided by this bill and the full text of the bill be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2937

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Information Infrastructure and Technology Act of 1992".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) High-performance computing and high-speed networks have proven to be powerful

tools for improving America's national security, industrial competitiveness, and research capabilities.

(2) Federal programs, like the High-Performance Computing Program established by Congress in 1991, have played a key role in maintaining United States leadership in high-performance computing, especially in the defense and research sectors.

(3) High-performance computing and high-speed networking have the potential to revolutionize many fields, including education, libraries, health care, and manufacturing, if adequate resources are invested in developing the technology needed to do so.

(4) The Federal Government should ensure that the technology developed under research and development programs like the High-Performance Computing Program can be widely applied for the benefit of all Americans.

(5) A coordinated, interagency program is needed to identify and promote development of applications of high-performance computing and high-networking which will provide large economic and social benefits to the Nation. These so-called "Grand Applications" should include tools for teaching, digital libraries of electronic information, computer systems to improve the delivery of health care, and computer and networking technology to promote United States competitiveness.

(6) The Office of Science and Technology Policy is the appropriate office to coordinate such a program.

(b) PURPOSE.—It is the purpose of this Act to help ensure the widest possible application of high-performance computing and high-speed networking. This requires that the United States Government—

(1) expand Federal support for research and development on applications of high-performance computing and high-speed networks for—

(A) improving education at all levels, from preschool to adult education, by developing new educational technology;

(B) building digital libraries of electronic information accessible over computer networks like the National Research and Education Network;

(C) improving the provision of health care by furnishing health care providers and their patients with better, more accurate, and more timely information; and

(D) increasing the productivity of the Nation's workers, especially in the manufacturing sector; and

(2) improve coordination of Federal efforts to deploy these technologies in cooperation with the private sector as part of an advanced, national information infrastructure.

SEC. 3. INFORMATION INFRASTRUCTURE DEVELOPMENT PROGRAM.

The National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 et seq.) is amended by adding at the end the following new title:

"TITLE VII—INFORMATION INFRASTRUCTURE DEVELOPMENT PROGRAM

"SEC. 701. The Director of the Office of Science and Technology Policy, through the Federal Coordinating Council for Science, Engineering, and Technology (hereafter in this title referred to as the 'Council'), shall, in accordance with this title—

"(1) establish an Information Infrastructure Development Program (hereafter in this title referred to as the 'Program') that shall provide for a coordinated interagency effort to develop technologies needed to apply high-performance computing and high-speed networking in education, libraries, health care, manufacturing, and other appropriate fields; and

"(2) develop an Information Infrastructure Development Plan (hereafter in this title referred to as the 'Plan') describing the goals and proposed activities of the Program.

"SEC. 702. (a) The Plan shall contain recommendations for a five-year national effort and shall be submitted to the Congress within one year after the date of enactment of this title. The Plan shall be resubmitted upon revision at least once every two years thereafter.

"(b) The Plan shall—

"(1) establish the goals and priorities for the Program for the fiscal year in which the Plan (or revised Plan) is submitted and the succeeding four fiscal years;

"(2) set forth the role of each Federal agency and department in implementing the Plan;

"(3) describe the levels of Federal funding for each agency and department, and specific activities, required to achieve the goals and priorities established under paragraph (1); and

"(4) assign particular agencies primary responsibility for developing particular Grand Applications of high-performance computing and high-speed networks.

"(c) Accompanying the Plan shall be—

"(1) a summary of the achievements of Federal efforts during the preceding fiscal year to develop technologies needed for deployment of an advanced information infrastructure;

"(2) an evaluation of the progress made toward achieving the goals and objectives of the Plan;

"(3) a summary of problems encountered in implementing the Plan; and

"(4) any recommendations regarding additional action or legislation which may be required to assist in achieving the purposes of this title.

"(d) The Plan shall address, where appropriate, the relevant programs and activities of the following Federal agencies and departments:

"(1) The National Science Foundation.

"(2) The Department of Commerce, particularly the National Institute of Standards and Technology, the National Oceanic and Atmospheric Administration, and the National Telecommunications and Information Administration.

"(3) The National Aeronautics and Space Administration.

"(4) The Department of Defense, particularly the Defense Advanced Research Projects Agency.

"(5) The Department of Energy.

"(6) The Department of Health and Human Services, particularly the National Institute of Health and the National Library of Medicine.

"(7) The Department of the Interior, particularly the United States Geological Survey.

"(8) The Department of Education.

"(9) The Department of Agriculture, particularly the National Agricultural Library.

"(10) Such other agencies and departments as the President or the Chairman of the Council considers appropriate.

"(e) In addition, the Plan shall take into consideration the present and planned activities of the Library of Congress, as deemed appropriate by the Librarian of Congress.

"(f) The Council shall—

"(1) serve as lead entity responsible for development of the Plan and interagency coordination of the Program;

"(2) coordinate the high-performance computing research and development activities of Federal agencies and departments undertaken pursuant to the Plan and report at least annually to the President, through the Chairman of the Council, on any recommended changes in agency or departmental roles that are needed to better implement the Plan;

"(3) review, prior to the President's submission to the Congress of the annual budget estimate, each agency and departmental budget estimate in the context of the Plan and make the results of that review available to the appropriate elements of the Executive Office of the President, particularly the Office of Management and Budget; and

"(4) consult and ensure communication between Federal agencies and research, educational, and industry groups and State agencies conducting research and development on and using high-performance computing.

"(g) The Director of the Office of Science and Technology Policy shall establish an advisory committee on high-performance computing and high-speed networking and their applications, consisting of prominent representatives from industry and academia who are specially qualified to provide the Council with advice and information on uses of high-performance computing and high-speed networking. The advisory committee shall provide the Council with an independent assessment of—

"(1) progress made in implementing the Plan;

"(2) the need to revise the Plan;

"(3) the balance between the components of the Plan;

"(4) whether the research and development funded under the Plan is helping to maintain United States leadership in the application of computing technology;

"(5) ways to ensure government-industry cooperation in implementing the Plan; and

"(6) other issues identified by the Director.

"(h)(1) Each Federal agency and department involved in the Program shall, as part of its annual request for appropriations to the Office of Management and Budget, submit a report to that Office identifying each element of this high-performance computing activities, which—

"(A) specifies whether each such element (i) contributes primarily to the implementation of the Plan or (ii) contributes primarily to the achievement of other objectives but aids Plan implementation in important ways; and

"(B) states the portion of its request for appropriations that is allocated to each such element.

"(2) The Office of Management and Budget shall review each such report in light of the goals, priorities, and agency and departmental responsibilities set forth in the Plan, and shall include, in the President's annual budget estimate, a statement of the portion of each appropriate agency or department's annual budget estimate that is allocated to efforts to develop applications of high-performance computing.

"SEC. 703. In this title, the following definitions apply:

"(1) The term 'Grand Application' means an application of high-performance computing and high-speed networking that will provide large economic and social benefits to a broad segment of the Nation's populace.

"(2) The term 'information infrastructure' means a network of communications systems and computer systems designed to exchange information among all citizens and residents of the United States.".

SEC. 4. APPLICATIONS FOR EDUCATION.

(a) RESPONSIBILITIES OF NATIONAL SCIENCE FOUNDATION AND OTHER AGENCIES.—In accordance with the Plan developed under section 701 of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 et seq.), as added by section 3 of this Act, the National Science Foundation and other appropriate agencies shall provide for the development of high-performance computing and high-speed networking technology for use in education at all levels. Such applications shall include but not be limited to the following:

(1) Pilot projects that connect primary and secondary schools to the Internet and the National Research and Education Network to aid in development of the software, hardware, and training material needed to enable students and teachers to use networks to—

(A) communicate with their peers around the country;

(B) communicate with educators and students in colleges and universities;

(C) access databases of electronic information; and

(D) access other computing resources.

(2) Development of computer software, computer systems, and networks for teacher training.

(3) Development of advanced educational software.

(b) COOPERATION.—In carrying out this section, the National Science Foundation shall work with the computer and communications industry, authors and publishers of educational materials, State education departments, local school districts, and the Department of Education, as appropriate.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the National Science Foundation for the purposes of this section, $20,000,000 for fiscal year 1993, $40,000,000 for fiscal year 1994, $60,000,000 for fiscal year 1995, $80,000,000 for fiscal year 1996, and $100,000,000 for fiscal year 1997.

SEC. 5. APPLICATIONS FOR MANUFACTURING.

(a) ADVANCED MANUFACTURING SYSTEMS AND NETWORKING PROJECTS.—In accordance with the Plan developed under section 701 of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 et seq.), as added by section 3 of this Act, the National Institute of Standards and Technology (hereafter in this section referred to as the "Institute") shall establish an Advanced Manufacturing Systems and Networking Project (hereafter in this section referred to as the "Project"). The purpose of the Project is to create a collaborative multiyear technology development program involving the Institute, United States industry, and, as appropriate, the Defense Advanced Research Projects Agency, the National Science Foundation, other Federal agencies, and the States in order to develop, refine, test, and transfer advanced computer-integrated electronically-net-worked manufacturing technologies and associated applications.

(b) ELEMENTS OF PROJECT.—The Project shall include but not be limited to—

(1) an advanced manufacturing research and development activity at the Institute;

(2) one or more technology development testbeds within the United States, selected through the Advanced Technology Program established under section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n) whose purpose shall be to develop, refine, test, and transfer advanced manufacturing and networking technologies and associated applications; and

(3) one or more information dissemination contracts selected through section 25(d) and (e) of the National Institute of Standards and Technology Act (15 U.S.C. 278k(d) and (e)) for the purpose of providing information and technical assistance regarding advanced manufacturing and networking technologies to small- and medium-sized manufacturers.

(c) ACTIVITIES.—The Project shall, under the coordination of the Director of the Institute, include—

(1) testing and, as appropriate, developing the equipment, computer software, and systems integration necessary for the successful operation within the United States of advanced manufacturing systems and associated electronic networks;

(2) establishing at the Institute and the technology development testbed or testbeds—

(A) prototype advanced computer-integrated manufacturing systems; and

(B) prototype electronic networks linking the manufacturing systems;

(3) assisting industry to implement voluntary consensus standards relevant to advanced computer-integrated manufacturing operations, including standards for integrated services digital networks, electronic data interchange, and digital product data specifications.

(4) helping to make high-performance computing and networking technologies an integral part of design, production, sales, distribution, and service of products;

(5) conducting research to identify and overcome technical barriers to the successful and cost-effective operation of advanced manufacturing systems and networks;

(6) facilitating industry efforts to develop and test new applications for manufacturing systems and networks;

(7) involving, to extent practicable, both those United States companies which make manufacturing and computer equipment and those United States companies which buy the equipment, with particular emphasis on including a broad range of company personnel in the Project and on assisting small-and-medium-sized manufacturers;

(8) training, as appropriate, company managers, engineers, and employees in the operation and applications of advanced manufacturing technologies and networks, with a particular emphasis on training production workers in the effective use of new technologies and thereby expanding the skill base of the workforce and increasing production flexibility and adaptability;

(9) working with private industry to develop standards for the use of advanced computer-based training systems, including multimedia and interactive learning technologies; and

(10) exchanging information and personnel, as appropriate, between the technology development testbeds and the Regional Centers for the Transfer of Manufacturing Technology created under section 25 of the National Institute of Standards and Technology Act (15 U.S.C. 278k).

(d) SUPPORT FROM OTHER FEDERAL DEPARTMENTS AND AGENCIES.—The Director of the Institute may request and accept funds, facilities, equipment, or personnel from other Federal departments and agencies in order to carry out responsibilities under this section.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the National Institute of Standards of Technology for the purposes of this section, $30,000,000 for fiscal year 1993, $40,000,000 for fiscal year 1994, $50,000,000 for fiscal year 1995, $60,000,000 for fiscal year 1996, and $70,000,000 for fiscal year 1997.

SEC. 6. APPLICATIONS FOR HEALTH CARE.

(a) DEVELOPMENT OF TECHNOLOGIES BY NATIONAL INSTITUTES OF HEALTH.—In accordance with the Plan developed under section 701 of the National Science and Technology Policy, Organization and Priorities Act of 1976 (42 U.S.C. 6601 et seq.), as added by section 3 of this Act, the National Institutes of Health, and particularly the National Library of Medicine, in cooperation with the National Science Foundation and other appropriate agencies, shall develop technologies for applications of high-performance computing and high-speed networking in the health care sector. Such applications shall include but not be limited to the following:

(1) Testbed networks for linking hospitals, clinics, doctor's offices, medical schools, medical libraries, and universities to enable health care providers and researchers to share medical data and imagery.

(2) Software and visualization technology for visualizing the human anatomy and analyzing imagery from X-rays, CAT scans, PET scans, and other diagnostic tools.

(3) Virtual reality technology for simulating operations and other medical procedures.

(4) Collaborative technology to allow several health care providers in remote locations to provide real-time treatment to patients.

(5) Database technology to provide health care providers with access to relevant medical information and literature.

(6) Database technology for storing, accessing, and transmitting patients' medical records while protecting the accuracy and privacy of those records.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the National Library of Medicine for the purposes of this section, $20,000,000 for fiscal year 1993, $40,000,000 for fiscal year 1994, $60,000,000 for fiscal year 1995, $80,000,000 for fiscal year 1996, and $100,000,000 for fiscal year 1997.

SEC. 7. APPLICATIONS FOR LIBRARIES.

(a) DIGITAL LIBRARIES.—In accordance with the Plan developed under section 701 of the National Science and Technology Policy, Organization and Priorities Act of 1976 (42 U.S.C. 6601 et seq.), as added by section 3 of this Act, the National Science Foundation, the National Aeronautics and Space Administration, and other appropriate agencies shall develop technologies for "digital libraries" of electronic information. Development of digital libraries shall include the following:

(1) Development of advanced data storage systems capable of storing hundreds of trillions of bits of data and giving thousands of users nearly instantaneous access to that information.

(2) Development of high-speed, highly accurate systems for converting printed text, page images, graphics, and photographic images into electronic form.

(3) Development of database software capable of quickly searching, filtering, and summarizing large volumes of text, imagery, data, and sound.

(4) Encouragement of development and adoption of standards for electronic data.

(5) Development of computer technology to categorize and organize electronic information in a variety of formats.

(6) Training of database users and librarians in the use of and development of electronic databases.

(7) Development of technology for simplifying the utilization of networked databases distributed around the Nation and around the world.

(8) Development of visualization technology for quickly browsing large volumes of imagery.

(b) DEVELOPMENT OF PROTOTYPES.—The National Science Foundation, working with the supercomputer centers it supports, shall develop prototype digital libraries of scientific data available over the Internet and the National Research and Education Network.

(c) DEVELOPMENT OF DATABASES OF REMOTE-SENSING IMAGES.—The National Aeronautics and Space Administration shall develop databases of software and remote-sensing images to be made available over computer networks like the Internet.

(d) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated to the National Science Foundation for the purposes of this section, $10,000,000 for fiscal year 1993, $20,000,000 for fiscal year 1994, $30,000,000 for fiscal year 1995, $40,000,000 for fiscal year 1996, and $50,000,000 for fiscal year 1997.

(2) There are authorized to be appropriated to the National Aeronautics and Space Administration for the purposes of this section, $10,000,000 for fiscal year 1993, $20,000,000 for fiscal year 1994, $30,000,000 for fiscal year 1995, $40,000,000 for fiscal year 1996, and $50,000,000 for fiscal year 1997.

SEC. 8. ACCESS TO SCIENTIFIC AND TECHNICAL INFORMATION.

(a) ASSOCIATE DIRECTORS.—Section 203 of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6612) is amended—

(1) by striking "four" in the second sentence and inserting in lieu thereof "five"; and

(2) by adding at the end the following new sentence: "Among other duties, one Associate Director shall oversee Federal efforts to disseminate scientific and technical information.".

(b) FUNCTIONS OF DIRECTOR.—Section 204(b) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6613(b)) is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

(3) by inserting immediately after paragraph (4) the following new paragraph:

"(5) assist the President in disseminating scientific and technical information.".

AUTHORIZATIONS BY AREA AND AGENCY

[In millions of dollars]

Agency	Fiscal year—					Total
	1993	1994	1995	1996	1997	
NSF						
Education	20	40	60	80	100	300
Libraries	10	20	30	40	50	150
NIST: Manufacturing	30	40	50	60	70	250
NIH: Health care	20	40	60	80	100	300
NASA: Libraries	10	20	30	40	50	150
Totals	90	160	230	300	370	1150•

• Mr. ROCKEFELLER. Mr. President, I am proud to be an original cosponsor of the Information Infrastructure and Technology Act, which I believe will help Americans reap the full benefits of the amazing advances that are being made in computer technology. Almost every week, there is another press report about a new faster computer chip, a new more powerful supercomputer, or a new faster, more sophisticated computer network. No other field has seen such sustained progress for so many years.

Last year the Congress passed and the President signed the High-Performance Computing Act, which will help ensure that the United States maintains its leadership in supercomputing and high-speed networking. For more than 40 years, the United States has led the world in the development of the world's fastest, most powerful, and most versatile computers. We invented the supercomputer. However, our foreign competitors are catching up. The Japanese, in particular, have targeted the supercomputer industry and are investing hundreds of millions of dollars to narrow the gap between their best machines and ours. To maintain our lead we are going to have to run faster, and the High-Performance Computing Act will help us do that.

However, it is not enough. That bill focussed on the research needed to develop the next generation of supercomputers and high-speed networks. That is essential, but we need to do more. We need to invest in developing applications for that technology. The fastest supercomputer in the world is useless if you do not have the applications software to run on it.

The bill being introduced today would accelerate the development of the technology needed to use supercomputers and high-speed networks in manufacturing, in libraries, in K–12 education, in health care, and in other fields. For instance, it would provide funding for development of the networking technology needed to link our hospitals and doctor's offices, so that health care providers could exchange patient records and images from x rays, CAT scans, and other diagnostic equipment. High-speed networks can mean cheaper, better, and faster health care for all Americans.

The technology being developed would provide huge benefits for small, rural States like West Virginia. By providing for development of digital libraries which users could access over computer networks, this bill will make more information available to more Americans—students, teachers, small businessmen and women, housewives—anyone who has a question and is looking for an answer. By connecting to networks like the Internet, a small rural library or a small high school would be able to instantly access thousands of electronic data bases containing everything from census data to electronic maps to weather forecasts.

Such networks can also help small businesses stay in contact with customers and spot new opportunities for business. Today, in many industries, it does not much matter where you are located as long as you have good communications links with customers and subcontractors. In West Virginia, we have Software Valley where dozens of software firms are developing state-of-the-art software for Government and industry. These firms will benefit from the faster, more effective communications provided by computer networks like the Internet. They also have a key role to play in developing some of the applications mentioned in this bill.

I look forward to working with Senator GORE and other members of the Commerce Committee as this bill moves through Congress. This is important legislation that can play a key role in maintaining American competitiveness.•

ADDITIONAL COSPONSORS

S. 88

At the request of Mr. DURENBERGER, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 88, a bill to amend the Internal Revenue Code of 1986 to make permanent the deduction for health insurance costs for self-employed individuals.

S. 89

At the request of Mr. DURENBERGER, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 89, a bill to amend the Internal Revenue Code of 1986 to permanently increase the deductible health insurance costs for self-employed individuals.

S. 765

At the request of Mr. SPECTER, his name was added as a cosponsor of S. 765, a bill to amend the Internal Revenue Code of 1986 to exclude the imposition of employer Social Security taxes on cash tips.

S. 1002

At the request of Mr. SHELBY, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of S. 1002, a bill to impose a criminal penalty for flight to avoid payment of arrearages in child support.

S. 1100

At the request of Mr. KERRY, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 1100, a bill to authorize the Secretary of Housing and Urban Development to provide grants to urban and rural communities for training economically disadvantaged youth in education and employment skills and to expand the supply of housing for homeless and economically disadvantaged individuals and families.

S. 2103

At the request of Mr. MOYNIHAN, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 2103, a bill to amend title XVIII of the Social Security Act to provide for increased Medicare reimbursement for nurse practitioners, clinical nurse specialists, and certified nurse midwives, to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 2244

At the request of Mr. THURMOND, the name of the Senator from Washington

[Mr. GORTON] was added as a cosponsor of S. 2244, a bill to require the construction of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate United States participation in that conflict.

S. 2387

At the request of Mr. LEAHY, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 2387, a bill to make appropriations to begin a phase-in toward full funding of the special supplemental food program for women, infants, and children [WIC] and of Head Start programs, to expand the Job Corps Program, and for other purposes.

S. 2491

At the request of Mr. HATFIELD, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of S. 2491, a bill to amend the Job Training Partnership Act to establish an Endangered Species Employment Transition Assistance Program, and for other purposes.

S. 2553

At the request of Mr. INOUYE, the name of the Senator from New Hampshire [Mr. RUDMAN] was added as a cosponsor of S. 2553, a bill to amend the Civil Liberties Act of 1988 to increase the authorization for the trust fund under the act, and for other purposes.

S. 2682

At the request of Mr. BUMPERS, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 2682, a bill to direct the Secretary of the Treasury to mint coins in commemoration of the 100th anniversary of the beginning of the protection of Civil War battlefields, and for other purposes.

S. 2686

At the request of Mr. BOND, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 2686, a bill to amend title XIX of the Social Security Act to provide for improved delivery of and access to home care and to increase the utilization of such care as an alternative to institutionalization.

S. 2696

At the request of Mr. DOMENICI, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 2696, a bill to establish a comprehensive policy with respect to the provision of health care coverage and services to individuals with severe mental illnesses, and for other purposes.

S. 2710

At the request of Mr. MCCAIN, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 2710, a bill to provide for improvement of the health care system under chapter 55 of title 10, United States Code, for members and former members of the uniformed services and their dependents and survivors.

S. 2810

At the request of Mr. GORE, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 2810, a bill to recognize the unique status of local exchange carriers in providing the public switched network infrastructure and to ensure the broad availability of advanced public switched network infrastructure.

S. 2870

At the request of Mr. RUDMAN, the names of the Senator from Maryland [Ms. MIKULSKI], the Senator from Maine [Mr. MITCHELL], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of S. 2870, a bill to authorize appropriations for the Legal Services Corporation, and for other purposes.

S. 2888

At the request of Mr. EXON, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 2888, a bill to amend title XVIII of the Social Security Act to provide for guidelines clarifying the reclassification of one rural area to another rural area for purposes of determining reimbursement rates to hospitals under medicare.

S. 2900

At the request of Mr. DOMENICI, the names of the Senator from Idaho [Mr. CRAIG] and the Senator from Texas [Mr. GRAMM] were added as cosponsors of S. 2900, a bill to establish a moratorium on the promulgation and implementation of certain drinking water regulations promulgated under title XIV of the Public Health Service Act (commonly known as the Safe Drinking Water Act) until certain studies and the reauthorization of the Act are carried out, and for other purposes.

SENATE JOINT RESOLUTION 270

At the request of Mr. THURMOND, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of Senate Joint Resolution 270, a joint resolution to designate August 15, 1992, as "82d Airborne Division 50th Anniversary Recognition Day."

SENATE JOINT RESOLUTION 306

At the request of Mr. D'AMATO, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of Senate Joint Resolution 306, a joint resolution designating October 1992 as "Italian-American Heritage and Culture Month."

SENATE CONCURRENT RESOLUTION 17

At the request of Mr. HATCH, the names of the Senator from New Hampshire [Mr. SMITH], the Senator from Mississippi [Mr. COCHRAN], the Senator from Idaho [Mr. CRAIG], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of Senate Concurrent Resolution 17, a concurrent resolution expressing the sense of Congress with respect to certain regulations of the Occupational Safety and Health Administration.

SENATE CONCURRENT RESOLUTION 126

At the request of Mr. SHELBY, the name of the Senator from California [Mr. SEYMOUR] was added as a cosponsor of Senate Concurrent Resolution 126, a concurrent resolution expressing the sense of the Congress that equitable mental health care benefits must be included in any health care reform legislation passed by the Congress.

SENATE RESOLUTION 303

At the request of Mr. LEAHY, the names of the Senator from Iowa [Mr. HARKIN], the Senator from Kansas [Mr. DOLE], and the Senator from Kentucky [Mr. MCCONNELL] were added as cosponsors of Senate Resolution 303, a resolution to express the sense of the Senate that the Secretary of Agriculture should conduct a study of options for implementing universal-type school lunch and breakfast programs.

AMENDMENT NO. 2451

At the request of Mr. MITCHELL the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of Amendment No. 2451 intended to be proposed to S. 25, a bill to protect the reproductive rights of women, and for other purposes.

SENATE CONCURRENT RESOLUTION 128—AUTHORIZING THE PRINTING OF "YEAR OF THE AMERICAN INDIAN, 1992: CONGRESSIONAL RECOGNITION AND APPRECIATION"

Mr. INOUYE (for himself, Mr. ADAMS, Mr. AKAKA, Mr. BENTSEN, Mr. BUMPERS, Mr. BURDICK, Mr. BURNS, Mr. COCHRAN, Mr. CRANSTON, Mr. D'AMATO, Mr. DECONCINI, Mr. DOMENICI, Mr. FOWLER, Mr. GARN, Mr. HATCH, Mr. HATFIELD, Mr. KASTEN, Mr. KENNEDY, Mr. LEVIN, Mr. MCCAIN, Mr. METZENBAUM, Mr. MITCHELL, Mr. PELL, Mr. REID, Mr. SASSER, Mr. STEVENS, and Mr. WELLSTONE) submitted the following concurrent resolution; which was referred to the Committee on Rules and Administration:

S. CON. RES. 128

Resolved by the Senate (the House of Representatives concurring), That the book entitled "Year of the American Indian, 1992: Congressional Recognition and Appreciation", prepared under the direction of the Joint Committee on Printing, shall be printed as a Senate document, with illustrations and suitable binding. In addition to the usual number there shall be printed 123,000 copies of the document, of which 88,000 copies shall be for the use of the House of Representatives, 20,000 copies shall be for the use of the Senate, and 15,000 copies shall be for the use of the Joint Committee on Printing.

SEC. 2. For purposes of this resolution:

(1) The term "Indian" means a person who is a member of an Indian tribe.

(2) The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska

Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

• Mr. INOUYE. Mr. President, on behalf of myself and 26 colleagues, I am pleased to submit a Senate concurrent resolution that will provide for the printing of a book entitled "Year of the American Indian, 1992: Congressional Recognition and Appreciation" as a Senate document.

As you know, in December 1991, the President signed into law a joint resolution which designates 1992 as the "Year of the American Indian," in recognition of the fact that for the past 500 years, this Nation's First Americans have shared what was once their land, as well as their culture, language and survival skills with those who came here from various nations seeking a better life.

The proposed book will include works of art in the Capitol relating to American Indians as well as answers to frequently asked questions concerning American Indians.

More importantly, in printing of this book the Congress will recognize and show its appreciation to native Americans. This book will provide a means for the American public to better understand why the Congress and the President have joined together to assure that the native Americans of this country will be honored for their contributions to this Nation in 1992—the Year of the American Indian.

I invite my colleagues to join in adding their names as sponsors of this concurrent resolution.•

SENATE CONCURRENT RESOLUTION 129—RELATING TO CONTINUED SUPPORT FOR THE TAIF AGREEMENT

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 129

Whereas Lebanon's sixteen-year civil war finally was ended by the Taif Agreement, brokered by the Arab League on October 22, 1989;

Whereas the Taif Agreement is intended to lead to full restoration of Lebanon's sovereignty, independence, and territorial integrity;

Whereas Syria continues to exert undue influence upon the government of Lebanon and maintains an estimated 40,000 Syrian armed forces in Lebanon;

Whereas truly free and fair elections in Lebanon will not be possible in areas of foreign military control;

Whereas under the Taif Agreement the Syrians must withdraw their armed forces to the gateway of the Bekaa Valley by September 1992; and

Whereas the success of the Taif Agreement depends upon timely Syrian withdrawal: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring)—

(1) expresses continuing support for the Taif Agreement, signed in 1989;

(2) calls upon Syria to withdraw its armed forces to the gateway of the Bekaa Valley in September 1992, as required under the Taif Agreement, and as a prelude to complete withdrawal from Lebanon;

(3) urges immediate consideration of possible alternatives to ensuring security in Beirut following the Syrian withdrawal, including the establishment of a United Nations or other multilateral presence in Beirut, if necessary; and

(4) urges the government of Lebanon to hold elections if they can be free and fair, conducted after the Syrian withdrawal and without outside interference, and witnessed by international observers.

SENATE RESOLUTION 321—AUTHORIZING TESTIMONY BY AN EMPLOYEE OF THE SENATE

Mr. FORD (for Mr. MITCHELL, for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 321

Whereas, an appeal is currently pending from a determination by the Office of Unemployment Compensation for the District of Columbia to award compensation to a former employee of the Senate;

Whereas, the Office of Unemployment Compensation has requested that the Senate provide witnesses with personal knowledge of facts relevant to the appeal;

Whereas, Joan Drummond and Debra Wood, employees in the office of Senator Byrd, have information relevant to the appeal pending before the Office of Unemployment Compensation;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Joan Drummond, Debra Wood, and any other employee of the Senate from whom testimony may be required are authorized to appear and testify in the hearing on the appeal pending before the Office of Unemployment Compensation, except concerning matters for which a privilege should be asserted.

SENATE RESOLUTION 322—AUTHORIZING TESTIMONY BY AN EMPLOYEE OF THE SENATE

Mr. GORTON (for Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 322

Whereas, in the case of *Senator William S. Cohen, et al. v. Donald Rice, Secretary of the Air Force, et. al.*, Civil No. 91–0282–B, pending in the United States District Court for the District of Maine, counsel for plaintiffs Senator William S. Cohen and Senator George J. Mitchell have requested the testimony of Dale Gerry, an employee of the Senate on the staff of Senator Cohen, and Robert J. Carolla, an employee of the Senate on the staff of Senator Mitchell;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Dale Gerry and Robert J. Carolla are authorized to testify in *Senator William S. Cohen, et al. v. Donald Rice, Secretary of the Air Force, et al.*, except concerning matters for which a privilege should be asserted.

SENATE RESOLUTION 323—AUTHORIZING TESTIMONY BY AN EMPLOYEE OF THE SENATE

Mr. FORD (for Mr. MITCHELL) submitted the following resolution; which was considered and agreed to:

S. RES. 323

Whereas, in the case of *United States of America v. Clair E. George*, Crim. No. 91–521, pending in the United States District Court for the District of Columbia, the Independent Counsel has requested testimony from Senator John F. Kerry, former Senator Thomas F. Eagleton, Fred Ward, an employee of the Senate on the staff of the Select Committee on Intelligence, Daniel P. Finn, a former employee of the Senate on the staff of the Select Committee on Intelligence, and contract court reporters who reported testimony at proceedings of the Committee on Foreign Relations and the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent Members and employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, by Rule VI of the Standing Rules of the Senate, no Senator shall absent himself from the service of the Senate without leave;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Senator John F. Kerry, former Senator Thomas F. Eagleton, Fred Ward, Daniel P. Finn, and contract court reporters who reported testimony at proceedings of the Committee on Foreign Relations and the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition are authorized to testify in the case of *United States of America v. Clair E. George*, except, with respect to Senator Kerry, when his attendance at the Senate is necessary for the performance of his legislative duties, and except concerning matters for which a privilege should be asserted.

SEC. 2. That the Senate Legal Counsel is authorized to represent Senator Kerry, former Senator Eagleton, Fred Ward, and Daniel P. Finn, in connection with their testimony in *United States of America v. Clair E. George*.

AMENDMENTS SUBMITTED

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS ACT

PELL AMENDMENT NO. 2646

Mr. PELL proposed an amendment to the bill (S. 2532) entitled the "Freedom for Russia and Emerging Eurasian Democracies and Open Market Support Act, as follows:

On page 30, line 17, strike "sums as may be necessary" and insert in lieu thereof "$620,000,000";

On page 37 lines 12 and 13, strike "sums as may be necessary" and insert in lieu thereof "$18,000,000" and on line 22, strike "sums as may be necessary" and insert in lieu thereof "$6,000,000";

On page 44, line 20, strike "Acts." and insert in lieu thereof "Acts, and provide that no net budget outlays result therefrom."; and

On page 51, line 8 and 9, strike "sums as may be necessary" and insert in lieu thereof "$850,000,000".

On page 52, strike lines 7–13.

CHAFEE (AND OTHERS) AMENDMENT NO. 2647

Mr. CHAFEE (for himself, Mr. DOLE, Mr. FOWLER, Mr. WARNER, Mr. GARN, Mr. RIEGLE, Mr. D'AMATO, Mr. PRESSLER, Mr. SIMPSON, Mr. WOFFORD, Mr. DODD, Mr. PACKWOOD) proposed an amendment to the bill S. 2532, supra, as follows:

Amend section 5 by adding under (b) Ineligibility for Assistance a new number (6) as follows:

(6) is not fully cooperating with the United States Government in uncovering all evidence of the presence of live or deceased American prisoners-of-war who came under Soviet control during or after the Vietnam war, Korean war, World War II, or during other American operations in or around the former Soviet Union during the cold war.

LEAHY AND OTHERS AMENDMENT NO. 2648

Mr. LEAHY (for himself, Mr. BYRD, Mr. WOFFORD, and Mr. DECONCINI) proposed an amendment to the bill S. 2532, supra, as follows:

On page 49, strike line 24 and all that follows through page 50, line 14.

LEAHY (AND OTHERS) AMENDMENT NO. 2649

Mr. LEAHY (for himself, Mr. LUGAR, Mr. KERREY, Mr. GRASSLEY, and Mr. KASTEN) proposed an amendment to the bill S. 2532, supra, as follows:

On page 48, strike lines 1 through 9 and insert the following new subsection:

(b) AMENDMENTS TO THE FOOD SECURITY ACT OF 1985.—Section 1110 of the Food Security Act of 1985 is amended—

(1) in subsection (b)—

(A) by inserting after "such countries" the following: "(including the independent states of the former Soviet Union)"; and

(B) by striking out "or cooperatives" and inserting in lieu thereof "cooperatives, private businesses, or other private entities";

(2) in subsection (f), by striking out paragraph (1) and inserting in lieu thereof the following new paragraph:

"(1) The Commodity Credit Corporation may provide for grants, or sales on credit terms, of commodities made available under section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) for use in carrying out this section.";

(3) in subsection (g), by inserting before the period the following: ", except that this tonnage limitation shall not apply with respect to commodities furnished to the independent states of the former Soviet Union during fiscal years 1992 and 1993"; and

(4) by adding at the end the following new subsection:

"(m)(1) In carrying out this section, the President shall encourage private voluntary organizations and cooperatives to submit proposals that provide for—

"(A) the sale of a commodity in a country that is eligible under this section, including the marketing of the commodity through the private sector; and

"(B) the use of the proceeds generated in the humanitarian and development programs of the organization or cooperative, as provided in paragraph (3).

"(2) The President shall make available not less than 10 percent of the aggregate amounts of all commodities distributed under this section in each fiscal year to generate foreign currency proceeds as provided in this subsection.

"(3) Foreign currencies generated from any partial or full sale or barter of commodities by a private voluntary organization or cooperative under an agreement under this section may—

"(A) be used to transport, store, distribute, and otherwise enhance the effectiveness of the use of agricultural commodities provided under this title;

"(B) be used to implement income generating, community development, health, nutrition, cooperative development, agricultural, and other developmental activities within the recipient country; or

"(C) be invested, and any interest earned on the investment may be used, for the purposes for which the assistance was provided to that organization, without further appropriation by Congress.".

On page 48, strike lines 13 through 15 and insert the following new paragraph:

(1) by striking out subsections (a) and (b) and inserting in lieu thereof the following new subsections:

"(a) GUARANTEES AND CREDITS TO BE MADE AVAILABLE.—For the fiscal years 1991 through 1995, the Commodity Credit Corporation—

"(1) shall make available, for the promotion of exports to emerging democracies, not less than $1,000,000,000 of export credit guarantees under section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622), in addition to the amounts required under section 211 of such Act (7 U.S.C. 5641) for credit guarantees; and

"(2) may make available, for the promotion of exports to emerging democracies, direct credits under section 201 of such Act (7 U.S.C. 5621).

"(b) IMPROVEMENT OF FACILITIES, SERVICES, AND AGRICULTURAL GOODS AND MATERIALS.—

"(1) USE OF GUARANTEES.—A portion of direct credits or export credit guarantees available under subsection (a) shall be made available for the establishment or improvement by United States persons of eligible projects in emerging democracies to improve the handling, marketing, processing, storage, or distribution of imported agricultural commodities and products of the commodities.

"(2) ELIGIBLE PROJECTS.—A project shall be eligible under this subsection for credits or guarantees if—

"(A) the project includes facilities, services, and agricultural goods and materials; and

"(B) the Secretary of Agriculture determines that the credits or guarantees will primarily promote the export of United States agricultural commodities (as defined in section 102(7) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(7)).

"(3) PRIORITIES.—The Commodity Credit Corporation shall give priority under this subsection—

"(A) to opportunities or projects identified under subsection (d)(1);

"(B) to projects on private farms or cooperatives in emerging democracies; and

"(C) to United States persons who agree to assume a relatively larger share of the value of the project of United States origin.

"(4) LEVEL OF GUARANTEES.—The Commodity Credit Corporation shall not provide guarantees or credit in excess of 85 percent of the value of the project of United States origin.

"(5) FOREIGN AGRICULTURAL COMPONENTS.—Notwithstanding section 202(h) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(h)), the Commodity Credit Corporation shall finance or guarantee under this section only projects predominantly of United States origin. The Commodity Credit Corporation shall not finance or guarantee under this section the value of any foreign component of the project.";

On page 48, lines 21 and 22, strike "President" and insert "Secretary".

On page 49, strike lines 5 through 23 and insert the following new paragraph:

(1) ASSISTANCE FOR PRIVATE VOLUNTARY ORGANIZATIONS.—The President is encouraged to use funds made available under section 109 of Public Law 102–229 (105 Stat. 1708), and any funds made available under this Act, to assist private voluntary organizations and cooperatives in carrying out food assistance programs for the independent states of the former Soviet Union under—

(A) section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o);

(B) section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431); or

(C) title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.).

On page 50, between lines 14 and 15, insert the following new paragraphs:

(2) AGRICULTURAL TRADE ACT OF 1978.—

(A) DEFINITIONS.—Section 102(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(1)) is amended by striking out "feed, or fiber," and inserting in lieu thereof "feed, fiber, or livestock,".

(B) DIRECT CREDIT SALES PROGRAM.—Section 201 of the Agricultural Trade Act of 1978 (7 U.S.C. 5621) is amended by adding at the end the following new subsection:

"(f) RESTRICTIONS.—The Commodity Credit Corporation may not make export sales financing authorized under this section available in connection with sales of an agricultural commodity to any country that the Secretary determines cannot adequately service the debt associated with such sale.".

(C) PROCESSED AND HIGH-VALUE AGRICULTURAL COMMODITIES.—Section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amended by adding at the end the following new subsection:

"(k) SALES TO THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—

"(1) PROCESSED AND HIGH-VALUE AGRICULTURAL COMMODITIES.—In each of the fiscal years 1993 through 1995, the Commodity Credit Corporation shall establish an objective that not less than 35 percent of the agricultural commodities sold in connection with the guarantees provided under this section to the independent states of the former Soviet Union are processed products of agricultural commodities and high-value agricultural commodities.

"(2) ANNUAL REVIEW.—At the end of each of the fiscal years 1993 through 1995, the Secretary shall determine the extent to which sales of processed products of agricultural commodities and high-value agricultural commodities made to the independent states of the former Soviet Union during the fiscal year meet the objective set forth in paragraph (1).

"(3) JUSTIFICATION AND PLAN.—If the Secretary determines, on the basis of a review conducted under paragraph (2), that sales of processed products of agricultural commodities and high-value agricultural commodities do not meet the objective set forth in paragraph (1), the Secretary shall prepare a justification for why the minimum level was not achieved and what action the Secretary will take during the immediate subsequent fiscal year to increase sales of processed products of agricultural commodities and high-value agricultural commodities.

"(4) NOTIFICATION TO CONGRESS.—The Secretary shall provide the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate with the results of the annual reviews conducted under paragraph (2) and, as required by paragraph (3), any justification and plans for future action.

"(5) DEFINITION.—As used in this section, the term 'independent states of the former Soviet Union' means the countries that were formerly part of the Soviet Union, including Armenia, Azerbaijan, Byelarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.".

(3) AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE INCOME COUNTRIES AND EMERGING DEMOCRACIES.—Section 1543 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3293) is amended—

(A) in subsection (b), by adding at the end the following new paragraph:

"(4) INDEPENDENT STATES OF THE FORMER SOVIET UNION.—In addition to the countries that are eligible under paragraphs (1) through (3), the Secretary may determine that any newly independent state of the former Soviet Union may be eligible to participate in the program. The states shall include Armenia, Azerbaijan, Byelarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan."; and

(B) in subsection (d), by adding at the end the following new sentence: "The Secretary may provide fellowships under the program authorized in this section to private agricultural producers from eligible countries.".

LEAHY AMENDMENTS NOS. 2650 AND 2651

Mr. LEAHY proposed two amendments to the bill S. 2532, supra, as follows:

AMENDMENT NO. 2650

On page 42, line 18, strike "and the Budget Enforcement Act of 1990" and insert "the Budget Enforcement Act of 1990, the Food, Agriculture, Conservation, and Trade Act of 1990, section 901b(c) of the Merchant Marine Act, 1936, the Agricultural Trade Act of 1978, the Agricultural Trade Development and Assistance Act of 1954, section 416 of the Agricultural Act of 1949, and the Commodity Credit Corporation Charter Act".

On page 43, line 19, strike "The" and insert "(a) IN GENERAL.—The".

On page 44, between lines 2 and 3, insert the following new subsection:

(b) ADVANCE NOTICE OF CERTAIN ACTIONS.—The President shall notify in writing the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives at least 15 days in advance of the implementation of an activity described in subparagraphs (B) and (C) of section 7(2) or subsection (b), (c), or (d) of section 18.

AMENDMENT NO. 2651

Section 7 of S. 2532, the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act, is amended—

(1) on page 34, line 6, by inserting ", scholarly," after "educational";

(2) on page 35, line 14, by striking "and";

(3) on page 35, line 19, by striking the period at the end thereof and inserting "; and"; and

(4) on page 35, after line 19, by inserting the following new paragraph:

"(10) to support training for and preparation of American participants in assistance programs and related activities, including language, area, and technical background study at accredited institutions of higher education.".

WELLSTONE (AND OTHERS) AMENDMENT NO. 2652

Mr. WELLSTONE (for himself, Mr. HARKIN, and Mr. GORTON) proposed an amendment to the bill S. 2532, supra, as follows:

On page 52, after line 13, add the following:

TITLE II—INTERNATIONAL LOCAL GOVERNMENT EXCHANGE ACT OF 1992

SEC. 201. SHORT TITLE.

This title may be cited as the "International Local Government Exchange Act of 1992".

SEC. 202. FINDINGS; POLICY.

The Congress finds that—

(1) the independent states of the former Soviet Union have requested the assistance of American Federal, State, and local officials in making the transition from Communist political systems and centrally planned economies to democratic societies based on local and regional self-government;

(2) the United States is well-positioned, because of its long democratic heritage and traditions, to make a substantial contribution and traditions of the independent states of the former Soviet Union to a more democratic polity and to democratic institutions by building on current technical and talent assistance programs with the newly independent republics of the former Soviet Union;

(3) it is in the immediate economic and national security interests of the United States to ensure the peaceful, orderly, and successful transformation of such states into fully democratic societies;

(4) provision by the United States of the requested assistance would promote development of a democratic polity and would help establish democratic institutions responsive to the needs of the people, particularly in the localities and regions of the independent states of the former Soviet Union;

(5) establishment of democratic local and regional governance that fosters the development of a decentralized market economy and preserves local autonomy and minority rights is essential in order to prevent the destabilization of the independent states of the former Soviet Union by serious economic and political deterioration or by interethnic tensions;

(6) such states have an educated labor force and the capability for productive economies, but they lack many of the basic organizations, institutions, skills, attitudes, and traditions of civil society on which democracy must ultimately rest;

(7) traditional United States foreign assistance programs and mechanisms are inadequate for responding to this new challenge because they are not designed to mobilize the practical expertise of the American people or to target and deliver practical assistance at the grassroots level in the widely divergent societies of the region;

(8) there is great willingness on the part of United States citizens to offer hands-on, person-to-person training, advice, support, and technical assistance to the peoples of the independent states of the former Soviet Union;

(9) State and local government officials in the United States can provide a vast pool of skills, talents, and experience which may be drawn upon to meet these urgent needs for democratic ideas and institutions;

(10) direct grassroots, people-to-people exchanges are the most appropriate means of ensuring that the rapid yet uneven evolution of social and political change will be responsive to the desires of the people of the independent states of the former Soviet Union;

(11) such exchanges can assist in the establishment of democratic regional and local governments where they do not now exist, and can assist existing local and regional governments to develop laws, policies, administrative and judicial procedures, regulatory competence, broad-based tax systems and effective service delivery mechanisms; and

(12) participants in such exchanges can work with national, regional and local officials to encourage intergovernmental cooperation through the establishment of laws, regulatory regimes, institutions, and channels of communication among government officials at all levels.

SEC. 203. STATEMENT OF PURPOSE.

The purpose of this title is to facilitate the establishment of—

(1) legitimate, democratically elected local and regional governments throughout the

independent states of the former Soviet Union that will be able to provide for self-governance and the full range of efficient and equitable public services and management practices expected of such governments in a free society;

(2) cooperative intergovernmental relations between and among the independent states of the former Soviet Union and among its regional and local governments that will provide effectively for such common needs as economic development, intermodal transportation, environmental protection, and joint service provision;

(3) permanent governmental and non-governmental institutions throughout the independent states of the former Soviet Union able that will provide continuing training, research, and development with respect to local and regional governance and intergovernmental cooperation; and

(4) ongoing ties of assistance and friendship between the officials and institutions of State and local governments in the United States and the independent states of the former Soviet Union.

SEC. 204. DEFINITIONS.

As used in this title—

(1) the term "eligible organization" means—

(A) any organization of elected or appointed States, local, or regional governmental officials determined by the agency administering section 205 to have the capacity to engage in educational and technical assistance exchanges in public administration; or

(B) any private, nonprofit organization having expertise in public administration and experience in providing training or technical assistance; and

(2) the term "independent states of the former Soviet Union" includes the following states that formerly were part of the Soviet Union: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

SEC. 205. AUTHORITY.

(a) IN GENERAL.—(1) The President, acting through such agency as he may designate, is authorized to establish a program for technical assistance in local and regional self-government to the independent states of the former Soviet Union to carry out the purposes of this title.

(2) Of the amounts authorized to be appropriated, an appropriate amount should be made available for necessary administrative expenses by the implementing agency.

(b) GRANTS.—In providing assistance under subsection (a), the President shall, subject to the availability of appropriations, make grants to eligible organizations to cover the travel and administrative expenses incurred by such organizations in conducting—

(1) an assessment of the need by any independent state of the former Soviet Union for fiscal, legal, and technical expertise at the local and regional level; and

(2) training of local and regional governmental officials in democratic institution-building and public administration.

(c) LOCATION.—Funds made available under this title may not be used for any period in excess of 6 months with respect to any single visit authorized by this section.

SEC. 206. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—In addition to amounts otherwise available for such purposes, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

(b) AVAILABILITY OF FUNDS.—Funds authorized to be appropriated pursuant to subsection (a) are authorized to remain available until expended.

SEC. 207. TERMINATION.

This title shall terminate 5 years after its date of enactment.

NUNN (AND OTHERS) AMENDMENT NO. 2653

Mr. NUNN (for himself, Mr. WARNER, Mr. BINGAMAN, Mr. COHEN, Mr. EXON, Mr. LEVIN, Mr. LOTT, Mr. MACK, Mr. MCCAIN, Mr. SHELBY, Mr. SMITH, Mr. THURMOND, and Mr. WALLOP) proposed an amendment to amendment No. 2653 proposed by Mr. NUNN (and others) to the bill S. 2532, supra, as follows:

Beginning on page 35, strike out line 21 and all that follows through line 22 on page 36 and insert in lieu thereof the following:

(a) DEMILITARIZATION OF THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—

(1) CONGRESSIONAL FINDING ON SIGNIFICANCE OF DEMILITARIZATION.—The Congress finds that it is in the national security interest of the United States—

(A) to facilitate, on a priority basis—

(i) the transportation, storage, safeguarding, and destruction of nuclear and other weapons of mass destruction of the independent states of the former Soviet Union;

(ii) the prevention of proliferation of weapons of mass destruction and destabilizing conventional weapons of the independent states of the former Soviet Union, and the establishment of verifiable safeguards against the proliferation of such weapons;

(iii) the prevention of diversion of weapons-related scientific expertise of the former Soviet Union to terrorist group or third countries; and

(iv) other efforts designed to reduce the military threat from the former Soviet Union;

(B) to support the conversion of the massive defense-related industry and equipment of the independent states of the former Soviet Union for civilian purposes and uses; and

(C) to use existing authorities and funding to expand military-to-military contacts between the United States and the independent states of the former Soviet Union.

(3) AUTHORITY.—The President is authorized, consistent with paragraph (1), to establish programs for—

(A) transporting, storing, safeguarding, disabling, and destroying nuclear, chemical, and other weapons of the independent states of the former Soviet Union, as described in section 212(b) of the Conventional Forces in Europe Treaty Implementation Act of 1991 (Public Law 102-228);

(B) establishing verifiable safeguards against the proliferation of such weapons;

(C) preventing diversion of weapons-related scientific expertise of the former Soviet Union to terrorist groups third countries;

(D) facilitating the conversion of military technologies and capabilities and defense industries of the former Soviet Union into civilian activities; and

(E) establishing science and technology centers in the independent states of the former Soviet Union for the purposes of engaging weapons scientists and engineers previously involved with nuclear, chemical, and other weapons of mass destruction in productive, nonmilitary undertakings.

(3) FUNDING AUTHORITY.—In recognition of the direct contributions to the national security interests of the United States of the activities specified in paragraph (2), the President is authorized to make available such sums as may be necessary of funds made available under sections 108 and 109 of Public Law 102-229, funds made available to carry out the provisions of section 23 of the Arms Export Control Act, and funds made available to carry out this Act, to carry out the provisions of paragraph (2).

(4) PRIOR NOTICE OF OBLIGATIONS TO CONGRESS.—Not less than 15 days before obligating any funds made available for a program under paragraph (2), the President shall transmit to the appropriate congressional committees a report on the proposed obligation. Each such report shall specify—

(A) the account, budget activity, and particular program or programs from which the funds proposed to be obligated are to be derived and the amount of the proposed obligation; and

(B) the activities and forms of assistance under paragraph (2) for which the President plans to obligate such funds.

(5) QUARTERLY REPORTS ON PROGRAMS.—Not later than 30 days after the end of each fiscal year quarter for fiscal years 1992 and 1993, the President shall transmit to the appropriate congressional committees a report on the activities carried out under paragraph (2). Each such report shall set forth, for the preceding fiscal year quarter and cumulatively, the following:

(A) The amounts expended for such activities and the proposes for which they were expended.

(B) The source of the funds obligated for such activities, specified by program.

(C) A description of the participation of all United States Government departments and agencies in such activities.

(D) A description of the activities carried out under paragraph (2) and the forms of assistance provided under that paragraph.

(E) Such other information as the President considers appropriate to fully inform the Congress concerning the operation of the programs authorized under paragraph (2).

(6) DEFINITIONS.—As used in paragraph (4) and (5)—

(A) the term "appropriate congressional committees" means—

(i) the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Appropriations of the House and the Senate, wherever the account, budget activity, or program is funded from appropriations made under the international affairs budget function (150), and the activity funded is a foreign relations activity;

(ii) the Committees on Armed Services and the Committees on Appropriations of the Senate and the House of Representatives, wherever the account, budget activity, or program is funded from appropriations made under the national defense budget function (050), and the activity funded in a defense activity; or

(iii) all congressional committees referred to in clauses (i) and (ii)—

(I) wherever the account, budget activity, or program is funded from appropriations made under the national defense budget function (050), but the activity is a foreign relations activity; or

(II) wherever the account, budget activity, or program is funded from appropriations made under the international affairs budget function (150), but the activity funded is a defense activity;

(B) the term "defense activity" means any activity which, if the subject of legislation, would require such legislation to be referred, under the rules of the respective House of

Congress, to the Committee on Armed Services of the Senate or the Committee on Armed Services of the House of Representatives; and

(C) the term "foreign relations activity" means any activity which, if the subject of legislation, would require such legislation to be referred, under the rules of the respective House of Congress, to the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives.

On page 44, line 2, insert "(other than section 8(a))" after "Act".

WARNER (AND OTHERS) AMENDMENT NO. 2654

Mr. WARNER (for himself, Mr. NUNN, Mr. BINGAMAN, Mr. COHEN, Mr. EXON, Mr. LEVIN, Mr. LOTT, Mr. MACK, Mr. MCCAIN, Mr. SHELBY, Mr. SMITH, Mr. THURMOND, and Mr. WALLOP) proposed an amendment to amendment No. 2653 proposed by Mr. NUNN (and others to the bill S. 2532, supra, as follows:

At the end of proposed section 8(a)(1), as proposed to be inserted by the Nunn, et al, amendment, insert the following new paragraph and renumber remaining paragraphs and internal references to paragraphs in the Nunn, et al, amendment accordingly:

"(2) EXCLUSIONS.—In addition to the conditions on eligibility set forth in section 5(b), United States assistance under paragraph (3) may not be provided unless the President certifies to the Congress, on an annual basis, that the proposed recipient is committed to—

(A) making a substantial investment of its resources for dismantling or destroying such weapons of mass destruction, if such recipient has an obligation under a treaty or other agreement to destroy or dismantle any such weapons;

(B) forgoing any military modernization program that exceeds legitimate defense requirements and forgoing the replacement of destroyed weapons of mass destruction;

(C) forgoing any use in new nuclear weapons of fissionable or other components of destroyed nuclear weapons; and

(D) facilitating United States verification of any weapons destruction carried out under section 212 of the Conventional Forces in Europe Treaty Implementation Act of 1991 (Public Law 102–228)."

BURNS (AND ADAMS) AMENDMENT NO. 2655

Mr. LUGAR (for Mr. BURNS, for himself and Mr. ADAMS) proposed an amendment to the bill S. 2532, supra, as follows:

On page 34, between lines 17 and 18, insert the following new paragraph:

(6) to support the use of telecommunications technologies to deliver, to any of the independent states of the former Soviet Union, educational and instructional programming produced in the United States by grant recipients under the Star Schools Program Assistance Act or under the Distance Learning Program established under subtitle D of title XXIII of the Food, Agricultural, Conservation, and Trade Act of 1990, including instruction pertaining to kindergarten through grade 12 education, democracy, market economics, job training, and agricultural technical assistance.

EXON AMENDMENT NO. 2656

Mr. EXON proposed an amendment to the bill S. 2532, supra, as follows:

At the appropriate place in the bill insert the following:

SEC. . STRATEGIC DIVERSIFICATION.

The Office of Barter within the U.S. Department of Commerce and the Interagency Group on Countertrade shall within six months from the date of enactment report to the President and the Congress on the feasibility of using barter, countertrade and other self-liquidating finance methods to facilitate the strategic diversification of United States oil imports through cooperation with the former Soviet Union in the development of their energy resources. The report shall consider among other relevant topics the feasibility of trading American grown food for oil, minerals or energy produced by the former Soviet Union.

PRESSLER (AND DECONCINI) AMENDMENT NO. 2657

Mr. PRESSLER (for himself and Mr. DECONCINI) proposed an amendment to the bill S. 2532, supra, as follows:

On page 52, after line 13, add the following new section:

SEC. . POLICY TOWARD MOLDOVA.

(a) FINDINGS.—The Congress finds that—

(1) many, including civilians, have died in the conflict in Moldova in recent weeks;

(2) on June 17, 1992, Presidents Bush and Yeltsin signed a Charter for American-Russian Partnership and Friendship in which the countries agreed to "reaffirm their respect for the independence and sovereignty and the existing borders of the CSCE-participating states, including the new independent states, and recognize that border changes can be made only by peaceful and consensual means, in accordance with the rules of international law and the principles of CSCE";

(3) actions by Transdniester officials for secession from Moldova, including their use of force and the imposition of an economic blockade, violate CSCE principles and international law;

(4) the presence of the Russian 14th army in Moldova and the use of at least some of its units in the Moldovan conflict aggravates the situation, violates international law and the independence and sovereignty of the Republic of Moldova;

(5) the presence of the Russian army in foreign countries formerly part of the Soviet Union without the agreement of the host country is a potential cause of instability and conflict; and

(6) the appointment of international observers, under the aegis of the United Nations, the CSCE, or other international fora to monitor the withdrawal of Russian troops from Moldova would serve to lessen tensions and promote a more orderly withdrawal of former Soviet troops.

(b) POLICY.—It is the sense of the Congress that—

(1) the United States should urge, through all possible means, the Russian Government to withdraw the 14th army from the independent and sovereign state of the Republic of Moldova;

(2) the United States should urge the parties to the conflict in Moldova to abide by a cease-fire and urge an end to the economic blockade of the Republic of Moldova;

(3) during and after the negotiating process on a timetable for the withdrawal of Russian armed forces from Moldova, the United States should support the establishment of a joint military monitoring committee consisting of representatives of the military of all affected states, the United States, and the representatives of other countries, as mutually agreed upon, to observe the orderly and expeditious withdrawal of former Soviet troops from Moldova; and

(4) the activities of this group should be similar to the greatest extent practicable to the activities of the Joint Military Monitoring Committee on Angola.

PRESSLER AMENDMENT NO. 2658

Mr. PRESSLER proposed an amendment to the bill S. 2532, supra, as follows:

On page 52, after line 13, add the following new section:

SEC. 21. RUBLE STABILIZATION.

(a) FINDINGS.—The Congress finds that—

(1) the lack of a convertible currency is a significant obstacle to the achievement of economic growth and a barrier to United States trade and investment in the independent states of the former Soviet Union;

(2) due to the nature of the Communist economic system, the economies of the states of the former Soviet Union have inherited a monetary system in which the ruble remains the medium of commerce and trade;

(3) the sovereign states of Estonia, Latvia, and Lithuania have indicated their intent to issue, or have issued, currencies independent of the Russian ruble;

(4) the sovereign state of Ukraine, as well as other states of the former Soviet Union, have indicated their desire to issue separate currencies independent of the Russian ruble;

(5) the International Monetary Fund requires control of fiscal and monetary policy as well as the establishment of a commercial banking system and a central bank compatible with international norms, as a prerequisite for a stabilization fund;

(6) section 10(b) of this Act states that the United States will support the establishment of a fund or, alternatively, funds, under the International Monetary Fund;

(7) the introduction of a stabilization fund for the Russian ruble without similar stabilization programs for the Ukraine grivna, Lithuanian litas, Latvian lett, Estonian kroon, and other currencies issued by states currently tied economically to the ruble could precipitate disastrous fiscal and monetary conditions, including higher inflation, devaluation of property, commodity hording, shortages, and a further decline in agricultural and industrial production that will complicate the steps these governments have taken toward genuine market reform; and

(8) Article IV, section 1, subsection (iii) of the IMF Articles of Agreement states that each member shall "avoid manipulating exchange rates or the international monetary system in order to prevent effective balance of payments adjustment or to gain an unfair competitive advantage over other members".

(b) POLICY.—It is the sense of the Congress that the President should urge the Secretary of the Treasury to instruct the United States executive director to the International Monetary Fund to take concrete steps to support the right of these sovereign and independent states to issue currencies independent of the Russian ruble.

RIEGLE (AND GARN) AMENDMENT NO. 2659

Mr. PELL (for Mr. RIEGLE, for himself and Mr. GARN) proposed an amendment to the bill S. 2532, supra, as follows:

On page 31, after line 24, insert a new paragraph as follows:

"(C) technical assistance administered by the Department of the Treasury designed to encourage reform and restructuring of banking and financial systems and better understanding of international norms of financial policy and regulation;"

On pages 32 and 33, redesignate paragraphs (C) through (F) as paragraphs (D) through (G).

Strike all from page 33, line 19 through page 34, line 5 and insert the following:

"(4) to fund additional export promotion activities by the Department of Commerce in support of expanded trade and investment relations with United States businesses including—

"(A) trade missions to bring United States firms together with trade and investment partners from the region;

"(B) creation of additional Foreign Commercial Service posts and assignment of additional Foreign Commercial Service officers in the region;

"(C) an information center to provide market and sectoral information on the independent states to United States firms;

"(D) creation of binational business development committees to identify problems and opportunities in key business sectors and to address policy constraints and problems facing individuals investments;

"(E) establishment of additional American Business Centers in the region, pursuant to the provisions of section 10 of this Act, to provide information and services for United States firms, trade associations and State development agencies engaged in support of mutually beneficial trade;

"(F) identification of priority business sectors, business training and exchange, and technical assistance for development of standards; and

"(G) support for trade promotion activities of industry consortia and demonstration projects."

At the appropriate place in the bill, insert the following new section:

"SEC. . EXPORT CONTROL POLICY.

"(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that the United States should—

"(1) cooperate with and assist the independent states of the former Soviet Union in developing export control systems and enforcement mechanisms capable of barring proliferation of military systems, militarily critical technologies, and weapons of mass destruction; and

"(2) consistent with such nonproliferation objectives, implement a licensing policy and cooperative arrangements through COCOM that will—

"(A) encourage expanded trade and investment between COCOM member states and the independent states of the former Soviet Union;

"(B) encourage development of economic infrastructure, such as telecommunications and banking systems, capable of supporting market reforms; and

"(C) assist redeployment of defense capabilities to civilian uses.

"(b) TECHNICAL ASSISTANCE.—The Secretary of Commerce, the Secretary of State and the heads of other agencies as appropriate should provide the greatest possible technical assistance in support of the efforts described in subsection (a)(1)."

MCCONNELL (AND KERRY) AMENDMENT NO. 2660

Mr. MCCONNELL (for himself and Mr. KERRY) proposed an amendment to the bill S. 2532, supra, as follows:

On page 35, after line 19:

( ) To promote drug education, interdiction and eradication programs including:

(A) initiatives to ban poppy growth;

(B) law enforcement training and measures to reduce the flow of precursor chemicals and illicit narcotics in and through the Republics;

(C) coordination and cooperation at the regional and international level with organizations such as the United Nations;

(D) the establishment of bilateral counternarcotics agreements to assist law-enforcement agencies in conducting criminal investigations and gathering narcotics related information.

SYMMS AMENDMENT NO. 2661

Mr. MCCONNELL (for Mr. SYMMS) proposed an amendment to the bill S. 2532, supra, as follows:

On page 35, line 14, strike out "and".

On page 35, line 19, strike out the period and insert in lieu thereof "; and".

On page 35, between lines 19 and 20, insert the following new paragraph:

(10) to support the establishment of an efficient intermodal transportation system to ensure the safe and efficient movement of its people, products, and materials by providing—

(A) technical assistance in developing laws and regulations for the procurement of transportation construction-related services;

(B) technical assistance in preparing transportation construction-related feasibility studies, and project design, specifications and management; and

(C) transportation infrastructure construction services and products, including the provision of materials, equipment, and supplies. In undertaking the activities in this paragraph, the United States agencies shall, whenever possible, use the services and expertise of established transportation associations, academic institutions and private entities.

MCCONNELL AMENDMENT NO. 2662

Mr. MCCONNELL proposed an amendment to the bill S. 2532, supra, as follows:

At the appropriate place in the bill, insert the following new section:

Subsection 132(f) and 132(g) of PL 102–138 are hereby repealed.

D'AMATO (AND OTHERS) AMENDMENT NO. 2663

Mr. D'AMATO (for himself, Mr. DECONCINI, and Mr. PRESSLER) proposed an amendment to the bill S. 2532, supra, as follows:

On page 52, after line 13, insert the following new section:

SEC. 21. None of the funds made available by this Act may be used to pay indebtedness of the republics of the former Soviet Union to international financial institutions.

DECONCINI (AND OTHERS) AMENDMENT NO. 2664

Mr. DECONCINI (for himself, Mr. PRESSLER, Mr. RIEGLE, Mr. D'AMATO, Mr. LAUTENBERG, Mr. HELMS, Mr. WALLOP, Mr. SYMMS, Mr. GORE, Mr. BRADLEY, Mr. ADAMS, Ms. MIKULSKI, Mr. DODD, and Mr. WOFFORD) proposed an amendment to the bill S. 2532, supra, as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . RESTRICTIONS ON ASSISTANCE FOR RUSSIA.

(a) IN GENERAL.—No United States economic assistance (other than humanitarian assistance) may be provided by the Government of the United States to the Government of Russia until the President of the United States determines, and so certifies to Congress, that—

(1) significant progress toward removal of Russian or Commonwealth of Independent States armed forces from Estonia, Latvia, and Lithuania has been achieved;

(2) no artillery exercise or similar training operation by Russian or Commonwealth of Independent States armed forces on the territory of Estonia, Latvia, or Lithuania is any longer being conducted, without the express permission of the government of such country;

(3) the air and naval forces of Russia or the Commonwealth of Independent States are not interfering with traffic in the air space or territorial waters of Estonia, Latvia, and Lithuania; and

(4) neither the Government of Russia nor the military command of the Commonwealth of Independent States has introduced into Estonia, Latvia, or Lithuania any additional armed forces since the date of enactment of this Act, including any additional military personnel, military equipment, or related civilian personnel, without the express permission of the host government.

(b) INTERNATIONAL MONITORING OF TROOP WITHDRAWAL.—During and after the negotiating process on a timetable for withdrawal of troops a joint military monitoring committee shall be formed consisting of representatives of the military of all affected states, the United States, and representatives of other countries, as mutually agreed upon. The activities of this group should be similar to the greatest extent practicable to the experience of the Joint Military Monitoring in Angola.

(c) DATE OF CERTIFICATION.—Any certification made under subsection (a) shall be effective for a period of six months, and the President may recertify the requirements of that subsection for additional periods of 6 months.

(d) REPORT.—Whenever the President makes determinations under paragraphs (1) through (4) of subsection (a), the President shall submit a report to the Congress setting forth the basis for each such determination.

(c) DEFINITIONS.—For purposes of this section—

(1) the term "humanitarian assistance" means food, clothing, medicine, or other humanitarian assistance; and

(2) the term "United States economic assistance" means economic assistance (including in-kind assistance) provided by grant, sale, loan, lease, credit, guarantee, or insurance, or by any other means (including contributions to international financial institutions), by any agency or instrumentality of the United States Government, and such term does not include funds transferred under section 221 of the Soviet Nuclear Threat Reduction Act of 1991 (Public Law 102–228) for use in reducing the Soviet military threat in accordance with that Act.

PELL (AND LUGAR) AMENDMENT NO. 2665

Mr. PELL (for himself and Mr. LUGAR) proposed an amendment to amendment 2664 prepared by Mr. DECONCINI (and others) to the bill S. 2532, supra, as follows:

In the pending amendment, strike all after the first word and insert the following:

RESTRICTIONS ON ASSISTANCE FOR RUSSIA

(a) In General.—Commencing twelve months following enactment of the Act, no United States economic assistance (other than humanitarian assistance) may be provided by the Government of the United States to the Government of Russia until the President of the United States determines, and so certifies to Congress, that—

(1) significant progress toward removal of Russian or Commonwealth of Independent States armed forces from Estonia, Latvia, and Lithuania has been achieved;

(2) no artillery exercise or similar training operation by Russian or Commonwealth of Independent States armed forces on the territory of Estonia, Latvia, or Lithuania is any longer being conducted, without the express permission of the government of such country;

(3) the air and naval forces of Russia or the Commonwealth of Independent States are not interfering with traffic in the air space or territorial waters of Estonia, Latvia, and Lithuania; and

(4) neither the Government of Russia nor the military command of the Commonwealth of Independent States has introduced into Estonia, Latvia, or Lithuania any additional armed forces since the date of enactment of this Act, including any additional military personnel, military equipment, or related civilian personnel, without the express permission of the host government.

(b) International Monitoring of Troop Withdrawal.—During and after the negotiating process on a timetable for withdrawal of troops a joint military monitoring committee shall be formed consisting of representatives of the military of all affected states, the United States, and representatives of other countries, as mutually agreed upon. The activities of this group should be similar to the greatest extent practicable to the experience of the Joint Military Monitoring in Angola.

(c) Date of Certification.—Any certification made under subsection (a) shall be effective for a period of six months, and the President may recertify the requirements of that subsection for additional periods of 6 months. The last sentence of section 5(b) applies to ineligibility for assistance under this section.

(d) Report.—Whenever the President makes determinations under paragraphs (1) through (4) of subsection (a), the President shall submit a report to the Congress setting forth the basis for each such determination.

(c) Definitions.—For purposes of this section—

(1) the term "humanitarian assistance" means food, clothing, medicine, or other humanitarian assistance; and

(2) the term "United States economic assistance" means economic assistance (including in-kind assistance) provided by grant, sale, loan, lease, credit, guarantee, or insurance, or by any other means by any agency or instrumentality of the United States Government, and such term does not include funds transferred under section 221 of the Soviet Nuclear Threat Reduction Act of 1991 (Public Law 102-228) for use in reducing the Soviet military threat in accordance with that Act.

SPECTER AMENDMENT NO. 2666

(Ordered to lie on the table.)

Mr. SPECTER submitted an amendment intended to be proposed by him to the bill S. 2532, supra, as follows:

At the end of the bill insert the following new section:

SEC. . PRIVATE ACTIONS FOR RELIEF FROM UNFAIR FOREIGN COMPETITION.

(a) Clayton Act.—Section 1(a) of the Clayton Act (15 U.S.C. 12) is amended by inserting "section 801 of the Act of September 8, 1916, entitled 'An Act to raise revenue, and for other purposes' (39 Stat. 798; 15 U.S.C. 72);" after "nineteen hundred and thirteen;".

(b) Action for Dumping Violations.—Section 801 of the Act of September 8, 1916 (39 Stat. 798; 15 U.S.C. 72) is amended to read as follows:

"Sec. 801. (a) Prohibition.—No person shall import or sell within the United States an article manufactured or produced in a foreign country if—

"(1) the article is imported or sold within the United States at a United States price that is less than the foreign market value or constructed value of the article; and

"(2) the importation or sale—

"(A) causes or threatens material injury to industry or labor in the United States; or

"(B) prevents, in whole or in part, the establishment or modernization of any industry in the United States.

(b) Civil Action.—An interested party whose business or property is injured by reason of an importation or sale in violation of this section may bring a civil action in the United States District Court for the District of Columbia or in the Court of International Trade against—

"(1) a manufacturer or exporter of the article; or

"(2) an importer of the article into the United States that is related to the manufacturer or exporter of the article.

"(c) Relief.—In an action brought under subsection (b), upon a finding of liability on the part of the defendant, the plaintiff shall—

"(1)(A) be granted such equitable relief as may be appropriate, which may include an injunction against further importation into, or sale or distribution within, the United States by the defendant of the article in question; or

"(B) if injunctive relief cannot be timely provided or is otherwise inadequate, recover damages for the injuries sustained; and

"(2) recover the costs of the action, including reasonable attorney's fees.

"(d) Standard of Proof.—(1) The standard of proof in an action brought under subsection (b) is a preponderance of the evidence.

"(2) Upon—

"(A) a prima facie showing of the elements set forth in subsection (a); or

"(B) affirmative final determinations adverse to the defendant that are made by the administering authority and the United States International Trade Commission under section 735 of the Tariff Act of 1930 (19 U.S.C. 1673d) relating to imports of the article in question for the country in which the manufacturer of the article is located,

the burden of proof in an action brought under subsection (b) shall be upon the defendant.

"(e) Other Parties.—(1) Whenever, in an action brought under subsection (b), it appears to the court that justice requires that other parties be brought before the court, the court may cause them to be summoned, without regard to where they reside, and the subpoenas to that end may be served and enforced in any judicial district of the United States.

"(2) A foreign manufacture, producer, or exporter which sells products, or for which products are sold by another party in the United States, shall be treated as having appointed the District Director of the United States Customs Service of the Department of the Treasury for the port through which the product is commonly imported as the true and lawful agent of the manufacturer, producers, or exporter, upon whom may be served all lawful process in any action brought under subsection (b) against the manufacturer, producer, or exporter.

"(f) Limitation.—(1) An action under subsection (b) shall be commenced not later than 4 years after the date on which the cause of action accrued.

"(2) The running of the 4-year period provided in paragraph (1) shall be suspended while there is pending an administrative proceeding under subtitle B of title VII of the Tariff Act of 1930 (19 U.S.C. 1673 et seq.) relating to the product that is the subject of the action or an appeal of a final determination in such a proceeding, and for 1 year thereafter.

"(g) Noncompliance With Court Order.—If a defendant in an action brought under subsection (b) fails to comply with any discovery order or other order or decree of the court, the court may—

"(1) enjoin the further importation into, or the sale or distribution within, the United States by the defendant of articles that are the same as, or similar to, the articles that are alleged in the action to have been sold or imported under the conditions described in subsection (a) until such time as the defendant complies with the order or decree; or

"(2) take any other action authorized by law or by the Federal Rules of Civil Procedure, including entering judgment for the plaintiff.

"(h) Confidentiality and Privileged Status.—(1) Except as provided in paragraph (2), the confidential or privileged status accorded by law to any documents, evidence, comments, or information shall be preserved in any action brought under subsection (b).

"(2) In an action brought under subsection (b) the court may—

"(A) examine, in camera, any confidential or privileged material;

"(B) accept depositions, documents, affidavits, or other evidence under seal; and

"(C) disclose such material under such terms and conditions as the court may order.

"(i) Expedition of Action.—An action brought under subsection (b) shall be advanced on the docket and expedited in every way possible.

"(j) Definitions.—For purposes of this section, the terms 'United States price', 'foreign market value', 'constructed value', 'subsidy', and 'material injury', have the respective meanings given those terms under title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.).

"(k) Subsidy.—If—

"(1) a subsidy is provided to the manufacturer, producer, or exporter of an article; and

"(2) the subsidy is not included in the foreign market value or constructed value of the article (but for this paragraph),

the foreign market value of the article or the constructed value of the article shall be increased by the amount of the subsidy.

"(l) INTERVENTION BY THE UNITED STATES.—The court shall permit the United States to intervene in any action brought under subsection (b) as a matter of right. The United States shall have all the rights of a party to such action.

"(m) NULLIFICATION OF ORDER.—An order by a court under this section is subject to nullification by the President under authority of section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702).".

(c) ACTION FOR SUBSIDIES VIOLATIONS.—Title VIII of the Act of September 8, 1916 (39 Stat. 798; 15 U.S.C. 71 et seq.) is amended by adding at the end the following new section:

"SEC. 807. (a) PROHIBITION.—No person shall import or sell within the United States an article manufactured or produced in a foreign country if—

"(1) the foreign country, any person who is a citizen or national of the foreign country, or a corporation, association, or other organization organized in the foreign country, is providing (directly or indirectly) a subsidy with respect to the manufacture, production, or exportation of the article; and

"(2) the importation or sale—

"(A) causes or threatens material injury to industry or labor in the United States; or

"(B) prevents, in whole or in part, the establishment or modernization of any industry in the United States.

"(b) CIVIL ACTION.—An interested party whose business or property is injured by reason of an importation or sale in violation of this section may bring a civil action in the United States District Court for the District of Columbia or in the Court of International Trade against—

"(1) a manufacturer or exporter of the article; or

"(2) an importer of the article into the United States that is related to the manufacturer or exporter of the article.

"(c) RELIEF.—In an action brought under subsection (b), upon a finding of liability on the part of the defendant, the plaintiff shall—

"(1)(A) be granted such equitable relief as may be appropriate, which may include an injunction against further importation into, or sale or distribution within, the United States by the defendant of the article in question; or

"(B) if injunctive relief cannot be timely provided or is otherwise inadequate, recover damages for the injuries sustained; and

"(C) recover the costs of the action, including reasonable attorney's fees.

"(d) STANDARD OF PROOF.—(1) The standard of proof in an action filed under subsection (b) is a preponderance of the evidence.

"(2) Upon—

"(A) a prima facie showing of the elements set forth in subsection (a); or

"(B) affirmative final determinations adverse to the defendant that are made by the administering authority and the United States International Trade Commission under section 705 of the Tariff Act of 1930 (19 U.S.C. 1671d) relating to imports of the article in question for the country in which the manufacturer of the article is located,

the burden of proof in an action brought under subsection (b) shall be upon the defendant.

"(e) OTHER PARTIES.—(1) Whenever, in an action brought under subsection (b), it appears to the court that justice requires that other parties be brought before the court, the court may cause them to be summoned, without regard to where they reside, and the subpoenas to that end may be served and enforced in any judicial district of the United States.

"(2) A foreign manufacturer, producer, or exporter which sells products, or for which products are sold by another party in the United States shall be treated as having appointed the District Director of the United States Customs Service of the Department of the Treasury for the port through which the product is commonly imported as the true and lawful agent of the manufacturer, producer, or exporter, upon whom may be served all lawful process in any action brought under subsection (b) against the manufacturer, producer, or exporter.

"(f) LIMITATION.—(1) An action under subsection (b) shall be commenced not later than 4 years after the date on which the cause of action accrued.

"(2) The running of the 4-year period provided in paragraph (1) shall be suspended while there is pending an administrative proceeding under subtitle A of title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.) relating to the product that is the subject of the action or an appeal of a final determination in such a proceeding, and for 1 year thereafter.

"(g) NONCOMPLIANCE WITH COURT ORDER.—If a defendant in an action brought under subsection (b) fails to comply with any discovery order or other order or decree of the court, the court may—

"(1) enjoin the further importation into, or the sale or distribution within, the United States by the defendant of articles that are the same as, or similar to, the articles that are alleged in the action to have been sold or imported under the conditions described in subsection (a) until such time as the defendant complies with the order or decree; or

"(2) take any other action authorized by law or by the Federal Rules of Civil Procedure, including entering judgment for the plaintiff.

"(h) CONFIDENTIALITY AND PRIVILEGED STATUS.—(1) Except as provided in paragraph (2), the confidential or privileged status accorded by law to any documents, evidence, comments, or information shall be preserved in any action brought under subsection (b).

"(2) In an action brought under subsection (b) the court may—

"(A) examine, in camera, any confidential or privileged material;

"(B) accept depositions, documents, affidavits, or other evidence under seal; and

"(C) disclose such material under such terms and conditions as the court may order.

"(i) EXPEDITION OF ACTION.—An action brought under subsection (b) shall be advanced on the docket and expedited in every way possible.

"(j) DEFINITIONS.—For purposes of this section, the terms 'subsidy' and 'material injury' have the respective meanings given those terms under title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.).

"(k) INTERVENTION BY THE UNITED STATES.—The court shall permit the United States to intervene in any action brought under subsection (b) as a matter of right. The United States shall have all the rights of a party to such action.

"(l) NULLIFICATION OF ORDER.—An order by a court under this section is subject to nullification by the President under authority of section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702).".

(d) ACTION FOR CUSTOMS FRAUD.—

(1) AMENDMENT OF TITLE 28, UNITED STATES CODE.—Chapter 95 of title 28, United States Code, is amended by adding at the end the following new section:

"§ 1586. Private enforcement action for customs fraud

"(a) CIVIL ACTION.—An interested party whose business or property is injured by a fraudulent, grossly negligent, or negligent violation of section 592(a) of the Tariff Act of 1930 (19 U.S.C. 1592(a)) may bring a civil action in the United States District Court for the District of Columbia or in the Court of International Trade, without respect to the amount in controversy.

"(b) RELIEF.—Upon proof by an interested party that the business or property of such interested party has been injured by a fraudulent, grossly negligent, or negligent violation of section 592(a) of the Tariff Act of 1930, the interested party shall—

"(1)(A) be granted such equitable relief as may be appropriate, which may include an injunction against further importation into the United States of the merchandise in question; or

"(B) if injunctive relief cannot be timely provided or is otherwise inadequate, recover damages for the injuries sustained; and

"(2) recover the costs of suit, including reasonable attorney's fees.

"(c) DEFINITIONS.—For purposes of this section:

"(1) The term 'interested party' means—

"(A) a manufacturer, producer, or wholesaler in the United States of like or competing merchandise; or

"(B) a trade or business association a majority of whose members manufacture, produce, or wholesale like merchandise or competing merchandise in the United States.

"(2) The term 'like merchandise' means merchandise that is like, or in the absence of like, most similar in characteristics and uses with, merchandise being imported into the United States in violation of section 592(a) of the Tariff Act of 1930 (19 U.S.C. 1592(a)).

"(3) The term 'competing merchandise' means merchandise that competes with or is a substitute for merchandise being imported into the United States in violation of section 592(a) of the Tariff Act of 1930 (19 U.S.C. 1592(a)).

"(d) INTERVENTION BY THE UNITED STATES.—The court shall permit the United States to intervene in an action brought under this section, as a matter of right. The United States shall have all the rights of a party.

"(e) NULLIFICATION OF ORDER.—An order by a court under this section is subject to nullification by the President under authority of section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702).".

(2) TECHNICAL AMENDMENT.—The chapter analysis for chapter 95 of title 28, United States Code, is amended by adding at the end the following new item:

"1586. Private enforcement action for customs fraud.".

(e) GATT.—It is the sense of the Congress that this Act is consistent with, and in accord with, the General Agreement on Tariffs and Trade (GATT).

COCHRAN AMENDMENT NO. 2667

Mr. COCHRAN proposed an amendment to the bill S. 2532, supra, as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . TRAINING IN ECONOMIC SECURITY AND DEVELOPMENT SKILLS.

Chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 546. TRAINING IN ECONOMIC SECURITY AND DEVELOPMENT SKILLS.—(a) The President is authorized to allocate a portion of the funds made available each fiscal year to carry out this chapter for use in providing education and training of foreign military personnel described in subsection (b) in economic security and development skills, including skills in the development of agriculture, rural enterprise, and rural health and sanitation.

"(b) The foreign military personnel referred to in subsection (a) are members of the armed forces of a foreign country who are being separated, within one year, from active duty with such armed forces.".

GRAMM (AND OTHERS) AMENDMENT NOS. 2668 AND 2669

Mr. GRAMM (for himself, Mr. DOLE, Mr. SYMMS, Mr. MACK, Mr. HELMS, and Mr. SIMPSON) proposed two amendments to the bill S. 2532, supra, as follows:

AMENDMENT NO. 2668

On page 44, line 20, insert before the period the following:

", and may use his voice and vote in the Fund to promote the use of the resources of the Fund for the establishment and/or support of currency boards in those cases where a currency board would be more likely to achieve success in promoting a stable currency and sustained economic growth".

AMENDMENT NO. 2669

On page 41, strike lines 7 through 22 and insert in lieu thereof the following:

"SEC. 12. SUPPORT FOR MACROECONOMIC STABILIZATION.

"(a) IN GENERAL.—In order to promote macroeconomic stabilization, the integration of the independent states of the former Soviet Union into the international financial system, enhance the opportunities for trade, improve the climate for foreign investment, and strengthen the process of transformation of the former socialist economies into free enterprise systems and thereby progressively enhance the wellbeing of the citizens of these states, the United States should in appropriate circumstances take a leading role in organizing and supporting multilateral efforts at macroeconomic stabilization and debt rescheduling, conditioned on the appropriate development and implementation of comprehensive economic reform programs.

"(b) CURRENCY STABILIZATION.—In furtherance of the purposes and consistent with the conditions described in subsection (a), the Congress expresses its support for United States participation, in sums of up to $3,000,000,000, in a currency stabilization fund or funds for the independent states of the former Soviet Union. Such amounts may also be used for the establishment and/or support of currency boards in those cases where the President determines that a currency board would be more likely to achieve success in promoting a stable, convertible currency and sustained economic growth.".

CRANSTON AMENDMENT NO. 2670

Mr. CRANSTON proposed an amendment to the bill S. 2532, supra, as follows:

At the appropriate place in the bill, insert the following section:

SEC. . The Secretary of State, in consultation with the Secretary of Defense and the Secretary of Energy, shall, within a period not to exceed 180 days, present to the chairmen of the Senate Foreign Relations Committee and the House Committee on Foreign Affairs, a report on the possible alternatives for the ultimate disposition of ex-Soviet special nuclear materials (SNM).

The report shall include a cost-benefit analysis comparing (1) the relative merits of the indefinite storage and safeguarding of such materials in the republics of the former Soviet Union and (2) its acquisition by purchase, barter or other means by the United States.

Such a report shall include relevant issues such as the protection of United States uranium producers from dumping, the relative vulnerability of these SNM stocks to illegal proliferation, and the potential electrical and other savings associated with their being made available in the fuel cycle in the United States.

The report shall also include a discussion of how high enriched uranium stocks could be diluted for reactor fuel. Further, it shall include an analysis of the potential costs to the United States of a default on community credit loans by the recipient republics of the former Soviet Union, and how this could be ameliorated by authorities allowing for the bartering for food.

HATCH AMENDMENT NO. 2671

Mr. LUGAR (for Mr. HATCH) proposed an amendment to the bill S. 2532, supra, as follows:

On page 32, line 5, insert "and in processing facilities necessary to convert raw agricultural products into food," after "systems,".

BAUCUS (AND CHAFEE) AMENDMENT NO. 2672

Mr. BAUCUS (for himself and Mr. CHAFEE) proposed an amendment to the bill S. 2532, supra, as follows:

On page 31, line 23, insert "environmental and health protection laws," after "agricultural policy laws".

On page 35, after line 7, insert the following:

"(F) to control the emissions of air pollutants that may present a risk to public health and the environment;

(G) to protect and restore all waters;

(H) to restore areas contaminated by hazardous substances;

(I) to conserve biological diversity;

(J) to prevent environmental threats to the United States or the Arctic/subarctic ecosystem;

STEVENS AMENDMENTS NOS. 2673 AND 2674

Mr. STEVENS proposed two amendments to the bill S. 2532, supra, as follows:

AMENDMENT NO. 2673

Amend the section titled "Sales to the Independent States of the Former Soviet Union—Processed and High Value Agricultural Commodities" by inserting after the phrase "agricultural commodities" the phrase "(including fish and fish products, without regard to whether such fish are harvested in aquacultural operations)".

AMENDMENT NO. 2674

At the appropriate place in the bill insert the following new sections:

SEC. . FOREIGN COMMERCIAL SERVICE OFFICERS.

To ensure adequate U.S. support for business development in the Russian Far East, the Secretary of Commerce should place United States & Foreign Commercial Service Officers in the Russian Federation cities of Vladivostok and Khabarovsk.

SEC. . TECHNICAL ASSISTANCE CENTER.

(a) The President is authorized to establish a technical assistance center at an American university, in a region which receives nonstop air service to and from the Russian Far East as of the date of enactment of this legislation, to facilitate U.S. business opportunities, free markets and democratic institutions in the Russian Far East.

(b) There are authorized to be appropriated such sums as may be necessary to operate the center established under subsection (a).

BOREN (AND OTHERS) AMENDMENT NO. 2675

Mr. BOREN (for himself, Mr. BENTSEN, Mr. BYRD, Mr. BAUCUS, Mr. LIEBERMAN, Mr. CONRAD, Mr. DOLE, and Mr. KASTEN) proposed an amendment to the bill S. 2532, supra, as follows:

On Page 52, after line 13, add the following:

SEC. . TIED AND CREDIT PROGRAM; CASH TRANSFER ACCOUNTABILITY; RESTRICTIONS ON WAIVERS.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the recent agreement by the Organization for economic Cooperation and Development (hereafter in this section referred to as the "OECD agreement") to limit tied aid covers the independent states of the former Soviet Union;

(2) this agreement is nonbinding;

(3) it contains "grandfather" clauses which will allow foreign countries to shelter tied aid projects;

(4) the mechanisms for enforcing this agreement may be insufficient to prevent foreign countries from continuing predatory export financing practices that disadvantage the United States; and

(5) while the United States should make its best efforts to abide by the terms of this agreement, it should at the same time be prepared to match any tied aid offer made by foreign countries in violation of the agreement.

(b) COUNTERING TIED AID IN THE FORMER SOVIET UNION.—(1)(A) The President should give priority attention to combatting the tied aid practices of foreign countries in the independent states of the former Soviet Union, the Baltic states, and the states of Eastern and Central Europe, when such practices are deemed by the Secretary of the Treasury to be in violation of the OECD agreement.

(B) Funds for this purpose shall be available for grants made by the Export-Import Bank under the tied aid credit program pursuant to section 15(b) of the Export-Import Bank Act of 1945 and to reimburse the Bank for the amount equal to the concessionality level of any tied aid credits authorized by the Bank.

(2) The Chairman of the Export-Import Bank is authorized to use funds made available under section 15(e)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635i—3(e)(1)) in such amounts as may be necessary to match specific predatory financing practices of foreign countries in the independent states of the former Soviet Union, in the Baltic states, and in the Central and Eastern European states.

(3) From funds made available under this Act, there are authorized to be appropriated to the Tied Aid Credit Fund established in section 15(c) of the Export-Import Bank Act of 1945 such sums as may be necessary to carry out this subsection.

(c) CASH TRANSFER ACCOUNTABILITY.—Not later than one year after the date of enactment of this Act, the President shall submit a report to the Congress stating—

(1) the amounts of assistance provided under this Act as cash transfer;

(2) the recipients of such cash transfers; and

(3) the extent to which commodity or capital financing were utilized in lieu of such cash transfers.

(d) PROCUREMENT RESTRICTIONS.—Funds made available for assistance under this Act may be used for procurement—

(1) in the United States, the recipient countries, or a developing country; or

(2) in any other country but only if—

(A) the provision of such assistance requires commodities or services, or defense articles or defense services, of a type that are not produced in and available for purchase in any country specified in paragraph (1); or

(B) the President determines, on a case-by-case basis, that procurement in such other country is necessary—

(i) to meet unforseen circumstances, such as emergency situations, where it is important to permit procurement in a country not specified in paragraph (1), or

(ii) to promote efficiency in the use of United States foreign assistance resources, including to avoid impairment of foreign assistance objectives.

MACK (AND OTHERS) AMENDMENT NO. 2676

Mr. MACK (for himself, Mr. HELMS, Mr. D'AMATO, Mr. GRAHAM, and Mr. MCCAIN) proposed an amendment to the bill S. 2532, supra, as follows:

On page 29, in line 15, strike "or";

In line 19, strike the period and insert a semicolon in lieu thereof;

After line 19, add the following new subsection:

"(6) with respect to assistance provided six months after enactment of this Act, is supplying or selling nuclear fuel, technical advisors, or construction assistance to nuclear reactor complexes under construction in Cuba unless the President certifies and justifies in writing to the Congress that such state has provided appropriate assurances to the United States that such state will not provide nuclear fuel rods to Cuba unless—

(A) Cuba has provided assurances that it will not act in a manner inconsistent with the basic principles of the Nuclear Nonproliferation Treaty and the Treaty of Tlatelolco;

(B) Cuba has committed to comply with the proposed IAEA standards of 1991 or the current country of origin (for example, Russia) reactor safety standards; and

(C) Cuba has committed to accept verification of compliance with such safety standards by a special international commission approved by the United States and such state, preferably in conjunction with the IAEA, except that this subparagraph shall only apply with respect to assistance provided twelve months after enactment of this Act.

GORTON AMENDMENT NO. 2677

Mr. GORTON proposed an amendment to the bill S. 2532, supra, as follows:

On page 35, line 14, strike "and".

On page 35, line 19, strike the period.

On page 35, between lines 19 and 20, insert the following new paragraph:

"(10) to support the printing of books and other informational materials for use in the educational systems of the independent states of the former Soviet Union, including support for the procurement of paper for such purpose.".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, July 1, 1992, at 10 p.m. to hold a hearing on the nomination of Timothy D. Leonard, to be U.S. district judge for the Western District of Oklahoma; Lourdes G. Baird, to be U.S. district judge for the Central District of California; Irma E. Gonzalez, to be U.S. district judge for the Southern District of California; and Rudolph T. Randa, to be U.S. district judge for the Eastern District of Wisconsin.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. FORD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, July 1, 1992 at 1 p.m. to hold a closed markup on the fiscal year 1993 intelligence authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 2 p.m., July 1, 1992, to receive testimony on H.R. 1096, to authorize appropriations for programs, functions, and activities of the Bureau of Land Management for fiscal years 1992, 1993, 1994, and 1995; to improve the management of the public lands, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON COMMUNICATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Communications Subcommittee of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on July 1, 1992, at 9:30 a.m., on mobile communications.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Wednesday, July 1, 1992, at 9:30 a.m., in open session, to conduct a hearing on the nominations of David S. Addington, to be General Counsel of the Department of Defense and Robert S. Silberman, to be Assistant Secretary of the Army for Manpower and Reserve Affairs; to consider certain pending civilian nominations; to consider certain pending Army and Air Force nominations; and to discuss, and possibly consider, certain pending Navy and Marine Corps nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, July 1, 1992, at 9 a.m. for an executive session on pending business.

AGENDA

1. S. 25, Freedom of Choice Act.
2. S. 2870, Legal Services Reauthorization Act.
3. S. 2141, Long-term Care Insurance Improvement and Accountability Act.
4. S. 2257, to extend the terms of service of the Members of the National Commission on Children.
5. S. 2060, Orphan Drug Amendments.
6. Nominations:

To be Commissioner of Education Statistics, Department of Education: Emerson J. Elliott, of Virginia.

To be Chief Financial Officer, Department of Education: William Dean Hansen, of Idaho.

To be Assistant Secretary for Policy and Planning, Department of Education: Bruno Victor Manno, of Ohio.

To be a member of the National Commission on Libraries and Information Science: Shirley Gray Adamovich, of New York.

To be a member of the National Science Board, National Science Foundation: F. Albert Cotton, of Texas; Charles E. Hess, of California; and James L. Powell, of Pennsylvania.

To be a member of the National Council on the Arts: Hugh Hardy, of New York.

Routine list of Public Health Service Corps (list number 945, 946 and 961).

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

REPORT ON RECENT ELECTIONS IN KOSOVA

• Mr. LIEBERMAN. Mr. President, I would like to bring to the attention of my colleagues a report by the Congressional Human Rights Foundation on the recent elections in Kosova. The Foundation, which has done fine work in the human rights field, sent a delegation to the elections. They have made some important observations and recommendations.

Kosova's leaders called these elections to counter Serbian nationalist policies in the region, where approximately 90 percent of the population is ethnically Albanian. Since 1990 the region's formerly autonomous status has been revoked, its legislature disbanded, and its popularly elected representatives forced underground. Serbian authorities have subsequently imposed direct police and administrative control on the region, subjecting ethnic Albanians to direct repression, firing tens of thousands of professional positions, and closing down Albanian-language schools and media. The United States Government should oppose this wanton abuse of power, just as it has done in Croatia and Bosnia. I commend this report, therefore, to my colleagues.

THE FOUNDATION'S OBSERVATIONS ABOUT THE VOTE

After visiting over two dozen polling sites and local election-commission headquarters throughout the region on May 24, the Foundation's delegation regarded the vote as the unequivocal expression of support within Kosova for legitimate, local representation that is independent of Belgrade's authority. In defiance of the Serbian authorities, who declared the elections "illegal," approximately 95 percent of Kosova's Albanian, Muslim Slav, Turkish, and Croatian electorate voted for president and parliamentary deputies of an independent Republic of Kosova.

While no reports of violence on election day reached the delegation, the team was disturbed by the authorities' systematic campaign to intimidate the electorate. The delegation noted the ubiquity of police checkpoints, where documents were scrutinized and vehicles searched. Reports of arrests, detentions, closings of polling sites, and seizures of ballots also reached the team. Most distressingly, two members of the delegation and their local escorts were stopped at gunpoint and detained for 1½ hours at a Serbian police station.

According to the delegation, the vote was carried out under extremely hostile circumstances with ingenuity, organization, and care that were nothing short of extraordinary. Most of the irregularities that did take place were due to police intervention at polling sites and a lack of popular experience in multiparty politics. These problems notwithstanding, the delegation was impressed by the apparent effort to use every means, including alternate polling sites, to ensure that everyone was able to vote.

THE DELEGATION'S RECOMMENDATIONS

Kosova's aspirations for self-determination may be the next victim of Serbian aggression. Recent reports that Serbian civilians in Kosova are being armed by the military, much as they were in Croatia and Bosnia-Hercegovina prior to open bloodshed, give great cause for alarm. To prevent the spread of fighting to Kosova—and the threat of a Balkans-wide war—the international community must take the following steps:

First, consider the recently elected leaders of Kosova to be the legitimate representatives of the region. Such an action would put Milosevic on notice that his campaign to "Serbianize" Kosova through illegitimate political means will not stand.

Second, authorize the deployment of United Nations peacekeeping forces and human rights monitoring teams in Kosova to prevent the spread of the war. Again, such a move by the international community would demonstrate a strong concern for Kosova.

Third, exempt the people of Kosova from international sanctions currently imposed on Serbia and Montenegro.●

TRIBUTE TO RADCLIFF

● Mr. McCONNELL. Mr. President, I rise today to recognize the town of Radcliff in Hardin County.

Radcliff is a company town, built to serve the officers stationed at the nearby Fort Knox military base. The base is the economic lifeblood of the community as practically everyone in the city is connected with the base in one way or another. Thirteen percent of the residents are serving this great Nation in the military.

Radcliff is a unique Kentucky city in that only 30 percent of the residents were born in State. Radcliff's lure has been attributed to the enormous support the base receives from the civilian community. This has led to great diversity for a city of Radcliff's size. Seven percent of Radcliff's residents are foreign-born, and another 6 percent were born to American parents abroad.

As Radcliff's economy is tied to Fort Knox, the residents are wary of Defense Department cuts. So far these cuts have not hit Fort Knox as hard as other bases. Right now, Radcliff is looking forward to becoming the new headquarters of the Army's Recruiting Command and welcoming 630 families from Fort Sheridan, IL. I pay tribute to Radcliff and recognize it as one of Kentucky's finest towns.

Mr. President, I would like an article from the Louisville Courier-Journal to be submitted into the CONGRESSIONAL RECORD.

The article follows:

[From the Louisville Courier-Journal, June 29, 1992]

AS LONG AS GUNS AT FORT KNOX KEEP BOOMING, SO WILL THIS TOWN

(By Joseph Gerth)

In the early 1960s, near the end of Elmer Hargan's term as mayor of Radcliff, he got a telephone call from a woman who complained that the artillery barrages fired each night on the nearby Fort Knox military reservation "made her nervous."

Hargan's response betrayed a different perspective.

"I told her, 'Ma'am, when I don't hear those guns, it makes me nervous,'"

Radcliff is a company town. It was built to serve the Army post and was named for a former officer stationed there. And, most important, its economy is tied to the base.

To Randy Acton, a local businessman, the guns don't sound like cannons. "It's more like 'cha-ching' to me."

When the Senate Armed Services Committee starts talking about base closings, Radcliff feels the tremors.

"If it weren't for the base, we wouldn't be here," Hargan said.

Practically everyone in the city is connected to Fort Knox in some way. Thirteen percent of residents are in the military, and 41 percent of residents 16 or older are either veterans or now in the military.

Many others are retired Army personnel or are related to someone who is or has been stationed at Fort Knox. Some are civilian employees at the post.

Only 30 percent of Radcliff residents were born in Kentucky.

William E. Campbell moved to Radcliff in 1969. When he retired as a sergeant after 27 years in the Army, he didn't even consider moving back home to New Jersey.

"After you've been in the Army so long, home doesn't feel like home anymore. When you go back with your family, you feel like an outsider. We just decided to stay here with our own kind," he said.

Others say military retirees like the idea of a community that supports the armed services.

Sgt. Donnie Dame plans to retire in a few years, and he hopes to stay in Radcliff. Dame said that he's never been on a base that receives more support from its civilian community.

"Second to none," is how Mayor Jennings Smith describes it.

Smith said that most residents think "the town itself was an inception to serve the needs of the military."

And from looking around the city it would be hard to argue with him.

There's a brand new sculpture in front of City Hall dedicated to armor soldiers who trained at Fort Knox. A tank stands guard—symbolically—over Dixie Highway.

Evidence of the base's dominating presence—or of the U.S. Treasury's gold depository, which has made Fort Knox synonymous with wealth—isn't limited to official monuments. It's everywhere.

The Triple Gold Cinemas and Best Western's Gold Vault Inn are among businesses that have latched on to the theme. Tourism brochures urge visitors to "Come to the Gold," although you can't get near the depository and there's no convenient place from which to view it.

During Operation Desert Storm, employees at U.S. Cavalry Inc., a mail-order military-supply company, worked long hours to outfit soldiers with supplies the Army didn't provide.

"It was phenomenal the way people worked to make sure orders got out to the troops," said Acton, the company's president.

Radcliff isn't a traditional Kentucky town. There's no downtown and nothing to mark the center of the state's 13th-largest city. To hear some tell the story, Radcliff wasn't built—it just appeared.

There are no old buildings. Jennings said that, while old buildings lend atmosphere to cities, he can live without the headaches.

"Sometimes I don't know if that's good or bad, but there are a lot of cities spending a lot of money to refurbish them," he said.

Fort Knox can trace its history back to 1903, when the Army leased 10,000 acres for maneuvers. It became Camp Henry Knox in 1918—during American involvement in World War I—when the War Department purchased 40,000 acres just north of what is now Radcliff. That same year, the Army decided to build an artillery center at Knox, but the war ended before the first soldiers arrived there. Over the next 22 years Knox went from the artillery center to a training camp to a mechanized calvary training center. It was even a national forest in the mid-1920s.

Then, in 1940, as World War II heated up in Europe, Knox was designated as the home of the Army's armor forces, the role it retains today.

Hargan, who has spent most of his 81 years near Radcliff, said that the city was nothing but farmland and a few stores until after World War II. It was then that retiring soldiers began building homes that would become Radcliff.

In 1956, the city was incorporated and Hargan was sworn in as the city board's first chairman—the equivalent to being mayor. He was later elected to that office.

A quick look and you know that Radcliff could be the "urban sprawl" poster child. The eight miles of Dixie Highway that run through the city look like one big shopping center.

Smith said that's mainly a result of the automobile. People have never needed to walk around Radcliff because the city wasn't built until after cars became common.

Pawn shops abound to capitalize on soldiers who struggle to make it from paycheck to paycheck.

Because Hardin County is dry there are no bars, strip joints or troubles associated with them. For a city of 20,000 folks say it's surprisingly quiet.

Radcliff has a diverse population because many servicemen and servicewomen married abroad and brought their spouses back to the United States. Seven percent of Radcliff residents are foreign-born, and another 6 percent were born to American parents abroad. In turn, the city has more than its share of ethnic restaurants.

Radcliff's growth has been rapid but steady. In 1960 the U.S. Census Bureau found only 3,384 people there, but by 1970 there were nearly 8,500. In 1980, the population was almost 15,000, and in the most recent census it topped out at 19,772.

Despite its growing population, Radcliff remains a tightknit community. At no time was that more evident than in the wake of a 1988 bus accident near Carrollton, KY, that shook the town to its core.

On May 14, 27 residents, all but three of them children were killed when a drunken driver slammed into a bus from the Radcliff Assembly of God Church returning from a trip to King's Island amusement park in Ohio.

The disaster showed that Radcliff "will pull together when there's something that affects everybody," said Dame, whose stepdaughter, Lori Kathleen Holzer, died on the bus. "Whether it's just a pat on the back or whatever, they're there."

Dame said the outpouring of support helped his family cope with the accident.

"It's still felt here," Smith said. "This has always been a strong community, but I think that incident really solidified it."

A monument to the dead and to the 40 who survived the crash stands on Logsdon Parkway, next to North Hardin High School, which some of the victims attended.

Smith said that the tragedy left its mark on the city and that only last year did the pall that set in the morning after the accident begin to lift.

Now that the city has turned that corner, he said, officials from throughout Hardin County are looking to the future and working together on a regional basis.

For years, Radcliff, Elizabethtown and Vine Grove nurtured an intense rivalry. Radcliff believed that Elizabethtown got preferential treatment—after all, it is the Hardin County seat and it had been the county's largest city. But Radcliff has surpassed Elizabethtown in population. Now, the cities work together to bring jobs, industry and state and federal dollars to the county.

Two years ago, officials formed the 2010 Group. Its goal is to put Hardin County in a better economic position in 20 years. He said the group meets once a month and works closely with civic groups.

Smith said that the city is now working to improve roads in the area while business leaders say they're looking for businesses to employ soldiers who expect to be displaced by the Pentagon's reduction in force, brought on by the winding down of the Cold War.

But so far the Defense Department's cuts have not hit Fort Knox as hard as other bases. In fact, the Army is transferring its Recruiting Command headquarters and 630 families from Fort Sheridan, Ill.

Business and political leaders, such as Smith, believe that the good fortune of Fort Knox—and Radcliffs—will continue.

"As a young city, I think the progress of the community has been good, and the future of the community looks good, and I think that we'll continue to grow."

FAMOUS FACTS AND FIGURES

Radcliff was named after Maj. William Radcliffe, a supply officer at Fort Knox who operated a grocery store in the area just after World War I. Elmer Hargan, the city's first mayor, said Radcliff leaders dropped the "e" on the end of it "because somebody saw where there was another city that did it and we liked the idea."

At least 286 businesses are advertised on free-standing signs along eight miles of Dixie Highway through Radcliff. That's about one sign every 147 feet.

The Patton Museum in nearby Fort Knox is one of the largest armor museums in the world.

The U.S. Bullion Depository was built in 1936 to store the government's gold bullion supply. But in the year since, it has been the wartime home to the U.S. Constitution, the Declaration of Independence, originals of Abraham Lincoln's inaugural and Gettysburg addresses, and one of four copies of the Magna Carta. The depository was used to store thousands of pounds of Turkish opium and morphine from the 1950s to at least 1975 as part of the government's emergency cache of critical emergency supplies. Bill Daddio, director of security for the U.S. Mint, refused to confirm if the drugs are still housed there. Only once, in 1974, have outsiders been allowed inside the vault, Congressmen and the press were allowed to view the gold after a book claimed President Richard Nixon had sent the gold to Arab oil sheiks. An audit showed that none of the gold was missing. There are more than 365,000 bars of gold worth more than $50 billion in the depository.•

CREDIBILITY AND AMERICAN POW/MIA'S

• Mr. SIMON. Mr. President, Monday I read a New York Times editorial that lamented the tragic Vietnam legacy that is only now becoming painfully clear. For years relatives of American POW/MIA's have been kept in the dark about the fate of their children, siblings and spouses who bravely fought in Vietnam. These families were told that there was no indication these servicemen were alive.

However, last week's Senate Select Committee on POW/MIA Affairs hearing suggested that the public, and the families in particular, may have been deceived. If the deception was not blatant, it appears that it may have been intentionally misleading. We ought not let any opportunity pass to learn the true fate of those POW/MIA's who have not been accounted for. Access to new information, such as the notes of former Secretary of State Henry Kissinger, pressure on the Governments of Vietnam, Cambodia and Laos, and finally, a firm commitment by the present administration to see this issue resolved should help the families of American POW/MIA's learn what happened to those who valiantly served their country.

I truly hope renewed efforts will reveal answers that can put to rest the agony of the POW/MIA families. But the fruits of this effort depend upon the cooperation of the Bush administration. The Senate Select Committee on POW/MIA Affairs needs, among other things, access to Secretary Kissinger's notes and a better working relationship with the Defense Intelligence Agency. Only then will we have the ability to make better informed inquiries into the fate of the missing soldiers. And only then can families receive the least of what they deserve—the truth.

At this point, Mr. President, I ask to have the editorial on misleading information on American POW's inserted into the CONGRESSIONAL RECORD.

The article follows:

[From the New York Times, June 29, 1992]

PRISONERS OF WAR—AND DECEPTION

The Pentagon knew better. Hanoi knew better. Yet in April 1973, the Nixon Administration insisted it had no indication "that there are any Americans alive in Indochina." Those words concealed a startling fact: The Administration did have the names of 244 Americans who had been captured alive but who failed to return with the other prisoners of war Hanoi released that year.

That news and more was disclosed last week by the Senate Committee on P.O.W.-M.I.A. Affairs. Led by two Vietnam veterans, Democrat John Kerry of Massachusetts and Republican Robert Smith of New Hampshire, the committee is giving Americans the chance to judge how successive Administrations handled the P.O.W.-M.I.A. issue.

The effort deserves full cooperation from the Bush Administration. Instead, the White House threatens to withhold documents.

Returning P.O.W.'s reported that 111 of those 244 missing Americans had definitely died in captivity. What about the other 133? If there was no "indication" they were alive, there was also no "indication" they were dead.

Yet according to sworn testimony released by the committee, William Clements, then the Deputy Secretary of Defense, bluntly proclaimed, "they're all dead." When an informed subordinate corrected him, Mr. Clements reportedly replied: "You didn't hear me. . . . They're all dead."

At the least, officials twisted the truth. If their goal was to stifle public debate, their efforts backfired spectacularly and the price in credibility is still being paid. P.O.W. relatives were stonewalled along with everyone else; some later became easy marks for hustlers.

The cost may have been crueler still. Hanoi began bidding for U.S. recognition and aid in 1973. Washington might well have exploited Hanoi's need for international assistance to win a more satisfactory accounting of the missing soldiers. And additional Americans might have been located and returned alive.

Once-promising trails have grown cold. Americans who might have been under Hanoi's control in 1973 may have died or disappeared. Yet the committee is right to press forward. Ross Perot is scheduled to make a sworn deposition this week. Henry Kissinger has agreed to let the committee examine records of his negotiations with Hanoi over P.O.W. issues.

The Bush Administration, however, citing executive privilege, denies access to these records. That's perverse, for at last Americans have a chance to learn the truth about this painful legacy of a painful war. It may be too late to bring back any American prisoners. It's not too late to bring back the truth.•

CLEAN AIR ACT

• Mr. SIMON. Mr. President, last week, the Bush administration decided to allow industrial plants to increase toxic air pollution without first obtaining government approval. I find this to be a very disturbing action from a President who just 4 years ago declared himself the "environmental President."

The President's Council on Competitiveness, a nonelected group not accountable to the public, failed to take the advice of EPA Administrator William Reilly in allowing factories to make minor changes in their emissions without first getting the consent of the EPA. Although these modifications are characterized as minor, the environmental consequences could be very significant. Many experts believe that under this modification, factories could increase their emissions by thousands of tons each year.

My friend and colleague HENRY WAXMAN characterized this latest action accurately: "the administration has carved the heart out of the new Clean Air Act." Last summer, EPA General Counsel E. Donald Elliott wrote in a memo that the Clean Air Act requires the public to be notified and to have an opportunity to make comments if a company wants to increase the amount of toxic air pollution beyond the levels permitted. It is outrageous that our "environmental president" would allow factories to increase toxic emissions without holding a public hearing to explain why such increases are necessary.

This decision is discouraging for many of us in this body who worked so diligently to achieve a fair and equitable Clean Air Act. Once again, we are compelled to remain vigilant to ensure that the laws we pass are fully and properly implemented. I urge President Bush to reconsider this potentially devastating course of action.•

COEA SUMMARY

• Mr. D'AMATO. Mr. President, yesterday, I suggested that the Cost and Operational Effectiveness Analysis Summary for F/A-18 Upgrade Program being circulated by the Navy to the press was a fraud. You cannot summarize a COEA that does not exist. I also raised concerns that the COEA Summary, which I speculated was nothing more than a sales brochure by the contractor, might have been forwarded by the Assistant Secretary of Navy, Research, Development, and Acquisition, to the Under Secretary of Defense, Acquisition, as an authoritative cost-effectiveness analysis.

As it turns out, my suspicions were correct. In talking with my colleagues, I have discovered that the COEA Summary was widely circulated by the Navy last month on Capitol Hill. It was clearly identified at the time by the Navy to congressional staff as a contractor-generated study. This, however, did not diminish its value as an analysis, at least not to Assistant Secretary Cann. Thanks to the investigative skills of one of my Senate colleagues, a previously unknown cover memorandum from Mr. Cann forwarding the COEA Summary to Mr. Yockey was revealed at yesterday's House Armed Services Committee hearing on the IG's report of the F/A-18E/F DAB. I ask that this memorandum be inserted in the RECORD in its entirety at this point.

The memorandum follows:

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (ACQUISITION)

Subj: F/A-18E/F.

Ref: (a) ASN (RD&A) Memo of 28 April 92.

Encl: (1) Cost and Operational Effectiveness Analysis Summary for F/A-18 Upgrade Program.

Reference (a) provided a summary of the analytical process and results underpinning the Navy's recommendation to go forward with the F/A-18E/F program. Included was a logic path, in briefing chart format, that the Navy used in arriving at the decision to recommend the F/A-18E/F for a Milestone IV/II decision. Enclosure (1) summarizes the logic path in a narrative form.

GERALD A. CANN.

When the memorandum and the COEA Summary were raised by the HASC, Mr. Vander Schaaf, the Acting Inspector General, stated that the COEA Summary failed totally as both a comparative analysis of available naval aviation options and a means of establishing cost and performance thresholds for the F/A-18E/F, the two essentials of a proper COEA. He was especially critical of the complete lack of data supporting assertions made in the COEA Summary about the cost and performance of the F/A-18E/F and the options to which it was compared.

Disturbed that the Assistant Secretary of the Navy would be using what is widely understood to be a contractor study to justify an $88 billion program, I asked the Navy to identify the source of the COEA Summary. The preliminary answer was that the COEA Summary was drafted by the program executive officer-tactical, an organization that reports to the Assistant Secretary. This directly contradicts what the Navy has been telling Capitol Hill for the last month.

Mr. President, a fraud of massive proportions appears to have been perpetrated upon elements of the Pentagon bureaucracy, the Congress, and the American taxpayer. A contractor-Navy alliance has flouted DOD regulations and congressional direction, mischaracterized a major procurement to avoid normal acquisition requirements, and significantly understated costs in its mad rush to acquire the F/A-18E/F. If the F/A-18E/F is not to join the A-12 and the P-7 on the list of recent naval aviation development disasters, the Senate will have to insist on an event-based contract with a cost cap. I am confident we will do so.•

APPLAUDING EMERGENCY RELIEF EFFORTS OF MINNESOTANS

• Mr. DURENBERGER. Mr. President, I rise today not only to say I am one Minnesotan who is glad that June 1992 is over with, but also that I am very proud of the way the people of Minnesota are pulling themselves through two serious natural and man-made emergencies.

With characteristic compassion, calm, humor, pragmatism, attention to detail, efficiency and effectiveness, communities in southwestern Minnesota are cleaning up after some of the most severe tornadoes the State has withstood in years. And up north in Duluth, as well as Superior, WI, and surrounding communities, life is returning to normal after tens of thousands of people were ordered to leave their homes and businesses to avoid a toxic cloud of benzene gas that resulted from a train derailment. And they did so with the same characteristics.

I visited some of the farms and towns, that were splintered by the mid-month tornadoes and heavy rains. I heard stories of homes that were ripped from their foundations just as the families closed the door on the storm shelter. Personal belongings and farm materiel alike were scattered across fields belonging to neighbors and strangers. When someone found a retired farmer's golf clubs in the corn, he decided it was time to take a break from the clean-up.

A family whose house was severely damaged, posted a plywood sign in the front yard advertising a home for sale—air-conditioned, sun roof, swimming pool in basement. Strong spiritual faith and good humor, coupled with the assurance that their State and Federal governments were on hand to help, sustained the victims.

Everywhere I visited, people said "Thank God" for the Minnesota National Guard, for the Minnesota Department of Transportation. These were the agencies with very different primary responsibilities who were the first on the scene to clear streets and restore public safety. They worked closely with the men and women employees of many public and private utilities who worked 24 hour days to ensure safety and communication with the rest of the world.

The staff of the Federal Emergency Management Agency have worked well and closely with State and local officials to provide temporary housing along with vital early information about the availability of low-cost loans to help rebuild homes, farms and businesses.

The Red Cross, churches and other core community organizations and FEMA have done a great job keeping the small communities in southwestern Minnesota together. To honor all who have pitched in, the town of Cokato in Wright County is planning to throw a massive party on July 9.

In the meantime, the evacuation yesterday of 50,000 Minnesotans and Wisconsinites around the west end of Lake Superior to higher ground, away from the toxic air, was one of the largest and smoothest in recent history. Families were sheltered in high schools, student centers at the University of Minnesota-Duluth and the University of Wisconsin-Superior and the National Guard Armory. Senior citizens in nursing homes and high rises were moved to safe havens by bus and taxi.

Mr. President, local and State officials acted knowledgeably and swiftly. Many people deserve the thanks and gratitude of Minnesotans. On their behalf, I stand here today to recognize the hard work of John Reichensperger, a Minnesota native who heads up the Douglas County emergency services center in Superior, WI, and his colleague, Barbara Greskosperger, who skillfully used the center's emergency planning system to compute the potential damage of the chemical spill and the possible route of the toxic benzene cloud. They were at the heart of the evacuation and initial cleanup efforts that have included the Red Cross, Coast Guard, Environmental Protection Agency, Minnesota and Wisconsin Departments of Transportation, the States' pollution control agencies and health departments, National Guard troops from both States, and the Burlington Northern Railroad Co., among others.

Mr. President, such emergencies are difficult and unwanted, surely. But, when the mettle of a people is tested and proved so strong, we can all take heart. As we focus attention on the meaning of upcoming Independence Day holiday, I point with pride to my home State and our neighbors, and suggest to my colleagues: that's what the great American celebration is all about—the people, their faith in themselves and each other.

IN PRAISE OF ALBANIA'S PRESIDENT SALI BERISHA

• Mr. D'AMATO. Mr. President, I rise today to pay tribute to President Sali Berisha, to the courageous people of Albania and to those individuals whose leadership has provided the impetus for the emergence of democratic ideals in the former Soviet Republic.

In just over a year, Albania has undergone a dramatic political transformation. In what had once been the most devout Marxist and isolated state in Europe, Albania has established a parliamentary system with the largest democratic majority in Eastern Europe. President Sali Berisha and his Democratic Party advocate a strong adherence to human rights, liberal economic policies, and integration into Europe. It is as a result of President Berisha's leadership that Albania has been able to join the growing community of democratic states.

Berisha, one of the first Albanians to voice opposition to the former Communist government, has displayed courage and energy in his successful campaign to bring political pluralism to the country. Because of Berisha's unflagging efforts, Albania is no longer isolated from the rest of the world.

Through its resolve, the country has managed to cleanse itself of entrenched Stalinist mores. Foreigners are no longer scorned but embraced. The United States is seen as a savior, rather than as an imperialist.

Yet, the road toward democracy has not been a smooth one. The economy has collapsed, state factories and collective farms have severe shortages of raw materials, unemployment is soaring and the infrastructure is severely inadequate with a dilapidated road system, rail network, and distribution system that cannot deliver enough of the basic products. This situation has led to widespread lawlessness with desperate crowds vandalizing stores and warehouses. The police have been ineffective in maintaining order, possibly influenced by the old regime.

Although Albania faces serious obstacles, the Government can succeed. In order to normalize this situation Western technology and participation is necessary. We must not allow this achievement in democracy to fail.•

IMPLEMENTATION OF THE SAFE DRINKING WATER ACT

• Mr. DURENBERGER. Mr. President, today's Washington Post carries a story reporting the results of new research on the health impacts of certain contaminants found in the water that millions of Americans drink each and every day. This research indicates that chlorine compounds in our drinking water supplies may be imposing a significant cancer risk for the American people.

Chlorine is added to drinking water to kill the bacteria and other microbes that can cause serious illnesses and epidemics like cholera. Chlorinating drinking water supplies has a substantial public health benefit, but not without side effects. Chlorine not only kills bacteria, but may also combine with other organic materials in water supplies to create cancer-causing substances like chloroform.

Drinking water that is taken from surface water sources like lakes, rivers, and reservoirs is likely to have much higher organic content than ground water supplies. And in certain seasons of the year, in certain regions of the country, and during drought, the risk from these contaminants can be especially high.

The problem is well-understood by our public health agencies like the Environmental Protection Agency. EPA has the responsibility of carrying out the Nation's Safe Drinking Water Act. EPA already has a standard in place for some of these chlorine byproducts and is working on an additional set of rules to reduce the threat posed by others.

But a bill was introduced in the U.S. Senate last week that may halt our efforts to deal with these contaminants. Under that bill, S. 2900, the Safe Drinking Water Act program would be frozen in place and EPA would be prevented from moving forward on the problem of chlorine byproducts.

At the time the bill was introduced, one of the authors said that EPA has already dealt with the most serious contaminants in drinking water supplies and so a freeze would not be that harmful. Well, that is not the case, Mr. President.

The two sets of contaminants that present the highest risks of cancers from drinking water are: First, these chlorine byproducts discussed in the Post story, and, second, radionuclides including radon gas and other radioactive substances that may be dissolved in drinking water. While the greatest threat from chlorine byproducts is experienced by those served from surface water supplies, the radioactive contaminants pose the greatest threat to those drawing their water from ground water.

Neither the regulations for chlorine byproducts nor the regulations for radionuclides has been completed by

EPA. And both would be stopped by S. 2900.

The Washington Post story indicates that chlorine byproducts in drinking water may be responsible for 9 percent of bladder cancers and 15 percent of the rectal cancers occurring in the United States each year. That is not a small problem. That is 9,700 cancer cases per year caused by these drinking water contaminants. That health threat would be beyond the reach of EPA's regulatory authority if S. 2900 were to become the law.

Mr. President, I bring this article to the attention of the Senate because I believe that we will be debating S. 2900 here on the floor of the Senate at some point in the near future and I think it is important that the Senate understand the implications of that legislation. Mr. President, I ask that the story from the Post be printed in the RECORD at the conclusion of my comments.

The article follows:

[From the Washington Post, July 1, 1992]

CHLORINATED DRINKING WATER FOUND TO RAISE CANCER RISK

(By David Brown)

People who drink chlorinated water for prolonged periods have a greater risk of developing cancer of the bladder or the rectum than people who drink unchlorinated water, a new study has found.

The increased risk apparently stems from cancer-causing compounds that are formed in minute concentrations when chlorine gas reacts with naturally occurring organic contaminants in water.

The contaminants are more common in water systems supplied by rivers and reservoirs than in those supplied by wells. Slightly more than half the U.S. population—and most of the Washington area—is served by such chlorinated "surface" water systems, which pose the greatest risk.

The analysis, published in the today's edition of the American Journal of Public Health, estimates that about 9 percent of all bladder cancers and 15 percent of rectal cancers could be attributed to longterm consumption of chlorinated water. This amounted to about 4,200 cases of the former and 6,500 cases of the latter per year, the authors calculated.

Numerous studies done over the last decade have suggested a link between chlorinated water and cancer. The new report combined the best of these studies in a way that gives researchers a more powerful measure of their validity.

"It would be foolhardy to say we should not purify the water," and Robert D. Morris, an epidemiologist at the Medical College of Wisconsin, who headed the study. "It may be that this is just a risk we have to live with, but I think we need to examine that question more carefully."

The chlorination of drinking water, which began in Chicago in 1908, is almost certainly the single most important public health measure in history.

A cheap and easily obtained element, chlorine is either bubbled through water as a gas or added as a solid compound. Even at concentrations as low as 1 or 2 parts per million, it reacts with bacteria, killing them in sufficient quantity to make water potable without risk of infection.

Chlorine, however, also reacts with organic compounds that naturally leach into surface water from soil and vegetation. Among the byproducts are chloroform and other "halogenated hydrocarbons," many of which are carcinogenic.

Aquifers and wells contain a much lower concentration of organic material. Thus, chlorine-treated water from those sources is substantially lower in cancer-causing halogenated hydrocarbons.

The toxic compounds are concentrated in urine and feces. The authors speculate that the bladder and rectum are particularly vulnerable because they have the greatest and longest exposure to the compounds. In men, cancers of the rectum and bladder are among the five most prevalent cancers; in women, the incidence is lower.

The Environmental Protection Agency has been wrestling with the chlorine issue since 1979, when it first set limits on concentrations of one family of toxic chlorine compounds, trihalomethanes. New limits, which will probably lower the concentrations and lengthen the list of regulated chlorine compounds, will be drawn up by 1995, to take effect 18 months later, agency officials said.

An alternative purification method that still harnesses chlorine's antiseptic power while lowering its reactivity involves also adding small quantities of ammonia to water supplies.

In this process, called chloramination, chlorine and ammonia combined to form numerous compounds that are less toxic to microbes but also much less reactive with organic contaminants. Chloraminated water can become as microbe-free as chlorinated water, however, by treating it for longer periods.

Devised in World War II when chlorine was in short supply, chloramination is used in Denver, the Philadelphia suburbs, parts of Southern California, and several other areas, including the Fairfax County Water Authority locally. A survey done by the American Water Works Association found that of the 267 largest public water systems in the U.S. about 20 percent were using chloramination.

Another purification method, currently used by less than 1 percent of American water systems, treats water with highly reactive ozone gas. The gas, however, does not remain active for long, and hence may become essentially undetectable by the time the water is distributed to consumers, making it a less dependable antimicrobial in the view of many engineers.•

OPPOSING THE RESUMPTION OF UNITED STATES-IRAN RELATIONS

• Mr. D'AMATO. Mr. President, I rise today to oppose the resumption of United States relations with Iran.

Following the release of the last two westerners seized by Iranian-backed militants in Lebanon, there have been calls to improve United States-Iranian relations. Thirteen years of hostage taking and terrorism against Americans has shown Iran to be an implacable enemy. Its continued belligerence and warlike intentions are evidenced by its $12 billion shopping spree for weapons and its intensive effort to develop nuclear armaments. These facts make reapproachment out of the question.

Driven by a belief that it is its divine right to dominate and eventually rule the Muslim world, Iran's fundamentalist theocracy is rapidly becoming the most powerful military force in the Persian Gulf region. Iran's 5-year 1990–95 total defense budget allocation amounts to $50 billion. Coupled with its army and cadres of revolutionary guards, Iran might soon have the ability to counter Israel's military superiority in the region.

Along with conventional strength, Iran might well join the nuclear club before the end of the century. Israel's air force chief, Maj. Gen. Herzl Budinger, has stated that if Iran's progression toward nuclear capability is not stopped, it will achieve nuclear status.

Since 1979, the government of Iran has held nothing but utter contempt for the United States and Americans in general. They continue to stage anti-American demonstrations and routinely burn American flags. They have recently threatened that the kidnapping of Americans might be a necessity to solve the Arab-Israeli dispute. This is ludicrous.

Under no circumstances should we consider renewing relations with this terrorist regime. Iran's blatant belligerence and open hostility toward Americans merits isolation and designation as a pariah state. If we resume relations with Iran, we will reward these murderers for their past misdeeds and insult the memory of all those who gave their lives to Iranian-sponsored terrorist acts.•

ORDERS FOR TOMORROW

Mr. FORD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8:30 a.m., Thursday, July 2; that following the prayer, the Journal of proceedings be deemed approved to date, and the time for the two leaders be reserved for their use later in the day; that there then be a period for morning business, not to extend beyond 10:30 a.m., with Senators permitted to speak therein for up to 5 minutes each; that immediately after the Chair's announcement, Senator NUNN be recognized to speak for up to 30 minutes; that Senators MCCAIN, GORTON, and PRYOR be recognized for up to 10 minutes each; with Senator SIMPSON, or his designee, recognized for up to 10 minutes; with the time from 9:30 a.m. to 10 a.m., under the control of the majority leader or his designee, Senator LIEBERMAN; that Senator GRASSLEY be recognized for up to 20 minutes; that at 10:30 a.m., the Senate resume consideration of S. 2532, the Freedom Support Act; that once the bill is resumed, Senator LIEBERMAN be recognized to offer an amendment relating to business centers; that upon disposition of the first Lieberman amendment, Senator LIEBERMAN be recognized again to offer an amendment relating to science foundation; that no second degree amendments be in order to either of the Lieberman amendments; and that upon disposition of the second Lieberman amendment, Senator BRADLEY be recognized to offer an amendment relating to educational exchanges.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 8:30 A.M. TOMORROW

Mr. FORD. Mr. President, if there is no further business to come before the Senate today, I ask unanimous consent that the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 9:59 p.m., recessed until Thursday, July 2, 1992, at 8:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 1, 1992:

DEPARTMENT OF TRANSPORTATION

ROBERT E. MARTINEZ, OF NEW JERSEY, TO BE ASSOCIATE DEPUTY SECRETARY OF TRANSPORTATION, VICE ROBERT L. PETTIT, RESIGNED.

DEPARTMENT OF JUSTICE

JOHN S. SIMMONS, OF SOUTH CAROLINA, TO BE U.S. ATTORNEY FOR THE DISTRICT OF SOUTH CAROLINA FOR THE TERM OF 4 YEARS VICE E. BART DANIEL, RESIGNED.

IN THE AIR FORCE

THE FOLLOWING NAMED ASTRONAUT OF THE AIR FORCE FOR PERMANENT APPOINTMENT TO THE RESERVE GRADE OF COLONEL UNDER ARTICLE II, SECTION 2, CLAUSE 2 OF THE CONSTITUTION.

LT. COL. FRANCES A. GAFFNEY, [redacted]

THE FOLLOWING NAMED ASTRONAUT OF THE AIR FORCE FOR PERMANENT APPOINTMENT TO THE RESERVE GRADE OF COLONEL UNDER ARTICLE II, SECTION 2, CLAUSE 2 OF THE CONSTITUTION.

LT. COL. CHARLES L. VEACH, [redacted]

THE FOLLOWING CADETS, UNITED STATES MILITARY ACADEMY, FOR APPOINTMENT AS SECOND LIEUTENANTS IN THE REGULAR AIR FORCE, UNDER THE PROVISIONS OF SECTIONS 541 AND 531, TITLE 10, UNITED STATES CODE, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE.

CRAIG R BAKER, [redacted]
SHARON S BENNETT, [redacted]
DAVID M CURRY, [redacted]
LAKEISHA R FRIESON, [redacted]
GREGORY P SARAKATSANNIS, [redacted]

IN THE ARMY

THE FOLLOWING FOR APPOINTMENT AS PERMANENT PROFESSOR AT THE U.S. MILITARY ACADEMY UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 4333(B).

LT. COL. DAVID C. ARNEY

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE U.S. OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, U.S.C. SECTIONS 593(A); AND 3385:

ARMY PROMOTION LIST

To be colonel

EARL P. EWING, [redacted]
DONALD J. GOLDHORN, [redacted]
DANNY D. ISAACS, [redacted]
OWEN L. MAUFFRAY, JR., [redacted]
MICHAEL A. SMITH, [redacted]
STEVEN P. SOLOMON, [redacted]

DENTAL CORPS

To be colonel

CLAUDE T. BEITLER, JR., [redacted]

ARMY NURSE CORPS

To be colonel

BEVERLY E. WRIGHT, [redacted]

ARMY PROMOTION LIST

To be lieutenant colonel

LARRY E. ALFLEN, [redacted]
KAYWARD J. BOUILLION, [redacted]
STEPHEN C. BURRITT, [redacted]
FELIXBERTO C. CASIMIRO, [redacted]
ALAN C. GAYHART, [redacted]
JOHN F. HOLECHIK, JR., [redacted]
GREGORY A. HOWARD, [redacted]
ELMER J. KUHN III, [redacted]
JAMES D. MCDANIEL, [redacted]
MURRAY A. NEEPER, [redacted]
CARL J. POSEY, [redacted]
JAMES D. SHILEY, [redacted]
JOSEPH H. TATE, JR., [redacted]
MERREL W. YOCUM, [redacted]

JUDGE ADVOCATE GENERAL'S CORPS

To be lieutenant colonel

JAMES F. BUTLER, [redacted]
BRUCE E. MUNSON, [redacted]
DAVID H. WELLES, [redacted]

MEDICAL SERVICE CORPS

To be lieutenant colonel

ROGER D. WILLIAMS, [redacted]

EXTENSIONS OF REMARKS

TROUBLING SAUDI PURCHASE OF UPI

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. SMITH of Florida. Mr. Speaker, will UPI report only the news the Saudis see fit to print?

A senior editor at a Saudi-owned newspaper recently told Youssef M. Ibrahim of the New York Times, "Every Saudi newspaper gets its orders from Riyadh." This is just one of the reasons why I'm concerned about the sale of United Press International [UPI] to a company owned by King Fahd's brother-in-law.

UPI has been a reliable source of news for decades. But as Mr. Ibrahim writes in the June 29, 1992, New York Times, the wire service may become a mouthpiece for the Saudi monarchy:

> Over the last decade, Saudi Arabia has invested tens of millions of dollars to acquire news organizations in the Middle East and Western Europe. Now the Saudis have moved farther afield . . . Saudi Arabians, mostly princes from the Saudi royal family and others close to the king, now exert a dominant influence over the news and political opinions presented to millions of Arabs.

Will Saudi princes try to exert the same influence in the United States? Mr. Speaker, Saudi Arabia has no free press. Every newspaper is censored by the Government. Every news item serves the needs of the monarchy. Criticism of the royal family is a crime; there are no articles on elections or parliamentary reform.

One of my constituents, Scott Nelson, was jailed and tortured in Saudi Arabia. The U.S. Supreme Court recently agreed to consider whether he can sue for damages. I wonder: How would a Saudi-owned UPI report this story—if it reported it at all?

Saudi attitudes toward the news are not simply self-protective; they are intolerant—of Western culture, of democratic ideas. United Press always appealed to the widest audience. But under Saudi ownership, would UPI give fair coverage to Israeli elections, or modern art, or Islamic fundamentalism, or any topic distasteful to Saudi royalty?

The sale of UPI sets a dangerous precedent, and demands further discussion. I hope my colleagues will consider Mr. Ibrahim's report as they consider the future of the news as Americans have known it.

I insert the article by Mr. Ibrahim in the RECORD.

[From the New York Times, June 29, 1992]

SAUDIS PURSUE MEDIA ACQUISITIONS, GAINING INFLUENCE IN THE ARAB WORLD

(By Youssef M. Ibrahim)

LONDON, June 24—Over the last decade, Saudi Arabia has invested tens of millions of dollars to acquire news organizations in the Middle East and Western Europe.

Now, the Saudis have moved further afield. On Tuesday, Middle East Broadcasting Center Ltd., a British company owned by Walid al-abrahim, the brother-in-law of King Fahd, bought United Press International for $3.95 million. The company said it acquired the bankrupt U.P.I. to bolster the news-gathering scope of its satellite television channel, which is broadcast in Arabic throughout Europe and the Middle East.

As a result of the decade-long spending spree, Saudi Arabians, mostly princes from the Saudi royal family and others close to the King, now exert a dominant influence over the news and social opinions presented to millions of Arabs.

At least two dozen Saudi-owned Arab newspapers and magazines are new based in London, including the two most influential Arab dailies—Al Hayat and Asharq al Awsat—as well as several newsweeklies like Al Mijalla and Al Watan. They are also printed in Saudi Arabia, Bahrain, Cairo and Casablanca, as well as in Marseilles, New York, Frankfurt and London.

In Paris, Rafik al-Hariri, a Saudi billionaire and friend of the King, owns Radio Orient, which broadcasts 24 hours of Arabic news and entertainment to at least five million North African Arabs in France and Western Europe, as well as millions more in Lebanon, Syria and parts of the Israeli occupied West Bank.

The acquisitions have raised concerns among many Arab journalists and intellectuals, who feel the conservative Saudi outlook is crowding out other Arab perspectives.

"There is nothing now which may be called a dialogue in the Arab world," said Mohammed H. Heikal, an Egyptian political commentator and former editor in chief of Al Ahrania in Cairo, the largest Arab daily.

In a recently published interview, Mr. Heikal, a critic of the conservative Persian Gulf states, complained that the rise of Saudi "oil money" had undermined Arab journalism.

And Ghassan Tweini, a Lebanese journalist and publisher, said the primary function of the Saudi-owned organizations was to defend Saudi Arabia. "They do this by occupying the widest space in the overall Arab media, so that little place is left for anyone else," he said.

CONSIDERABLE INFLUENCE

While most Saudi dailies based in London have circulations of 200,000 to 300,000 their distribution in Asia, Africa and Western Europe gives them widespread influence.

Al Hayat which is widely viewed as the best Arab newspaper, with its Western-style news coverage, has become the newspaper most closely read by Arab intellectuals, government leaders and educated Arabs.

Still in subtle ways, Al Hayat, started about four years ago by Prince Khalid ibn Sultan, former deputy chief of staff of the Saudi Army, closely tracks the objectives of Saudi foreign policy, highlighting correct but damaging information on Saudi Arabia's Arab enemies, like Sudan. Yemen and Libya. More importantly, Al Hayat's editors play down or omit negative news from Saudi Arabia or its gulf allies.

A less-subtle newspaper, Asharq al Awsat, is owned by Prince Ahmad, the son of Prince Salman, who is the King's brother. Prince Salman is widely viewed as the Saudi royal family's press overlord.

Noted Arab writers, including Islamic fundamentalists and leftist critics, as well as Mutafa Amin, the Arab world's best-read columnist, are paid highly to write for Saudi publications. But they follow a certain amount of self-censorship when it comes to Saudi causes.

For instance, Fahmy Howeidi, an Islamic fundamentalist intellectual who was once a vehement supporter of the Iranian revolution has toned down his enthusiasm for the Teheran Government since he began to write a column in the London-based Saudi new magazine, Al Mijallah.

Similarly, Lutfi al-Khouly, once a militant leftist, now writes middle-of-the-road articles for Al Hayat.

Still some Arab journalists argue that the Saudi-supported news organizations are bringing back the kind of aggressive Arab journalism that thrived from the 1950's to the 1970's.

Urfan Nizam-Eddin, the executive editor of Middle East Broadcasting said the London-based Arab news media had more freedom than any Arab news organization elsewhere.

"If I can't write or say it in London, I wouldn't be able to write it elsewhere anyway," he said.

But this is not a widely shared view. "Every Saudi newspaper gets its orders from Riyadh," said a senior editor at a Saudi-owned newspaper, who spoke on condition of anonymity.

AMBASSADOR ROBERT WHITE: OUR MAN IN HAITI

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. RANGEL. Mr. Speaker, I rise to pay tribute to the Honorable Robert E. White, the distinguished former United States Ambassador to El Salvador, who has dedicated himself to the support of efforts to restore democratic government to Haiti.

It is not an easy task he has taken on, nor one that has attracted the attention it deserves. But as president of the Center for International Policy, Bob White has brought all his considerable diplomatic skills to help resolve the most important foreign policy issue in our hemisphere. If the fragile attempt at democracy in Haiti were to fail, democracies throughout the Americas would be endangered.

I have worked with Ambassador White on the Haiti issue and recently visited Port-au-Prince with him and former United States Representatives Michael Barnes of Maryland and Claudine Schneider of Rhode Island. The Ambassador has continued his efforts and only this week hosted a visit to Washington by the Honorable Evans Paul, the heroic mayor of Port-au-Prince, who met with Members of Congress, the United States State Department, and the Organization of American States.

It is with a great sense of pride that I congratulate Ambassador White, one of our Nation's great citizen statesmen, for his efforts. And I am pleased to call to the attention of my colleagues a recent statement by him on the Haiti issue.

[From the Los Angeles Times, June 1, 1992]

OUR HOCUS-POCUS DOES GREAT HARM

(By Robert E. White)

Haitians have always been poor. Yet during the brief tenure of Haiti's first freely elected government last year, the number of refugees dwindled to the vanishing point. With the expectation that President Jean-Bertrand Aristide would bring in more than $500 million in aid, Haitians had good reason to stay and work for a less wretched future.

The flow of boat people resumed eight months ago, a direct consequence of the bloody coup that ousted Aristide and brought back to power the same anti-democratic elites that for decades had turned Haiti into a human and ecological disaster. That flow has since turned into a flood because the Haitians are convinced that the Bush Administration has reneged on its commitment to restore Aristide.

No competent observer can fail to grasp the fear that pervades Haiti. Our capable ambassador and embassy team admit that Haiti today suffers under an arbitrary and lawless regime. Yet at the same time they insist that those leaving in record numbers are not fleeing persecution.

This official position might carry more weight had not a recent congressional delegation learned that no embassy official had communicated with Jean-Claude Bajeux and other leading human-rights monitors over the last six months. Once the White House has pronounced its version of the truth, there is little incentive for a shorthanded embassy to report facts that contradict the official story.

In the immediate aftermath of the Haiti coup, the Bush foreign-policy team moved with confident professionalism. It got the Organization of American States to vote an embargo. President Bush received President Aristide in the White House and pledged that the coup would not stand. Assistant Secretary of State Bernard W. Aronson testified that there must be "a clear message from the OAS that there is a terrible price for overthrowing a democratically elected government."

This bold, sound and sharply drawn policy had the potential to quickly restore Aristide. But then the Administration was challenged at its most vulnerable point. Thousands of poor, black Haitians began to descend on Florida. White House aides with elections on their minds panicked. They ordered the Coast Guard to smash the boats of the refugees and forcibly return them to Haiti, thereby telling the regime that the United States would not pay even a small price for its principles.

Next, the Administration unilaterally weakened the OAS embargo by caving in to pressures from business interests represented by former Assistant Secretary of State Elliott Abrams. With his major policy options shot out from under him. Aronson was reduced to trying to effect Aristide's return by pressuring him to do the unacceptable: to confirm as commander of the army the same general who had overseen the coup.

Politicians may abolish the guts of a policy but never the policy itself. Presidents and secretaries leave to the career State Department the thankless job of trying to achieve policy objectives without adequate means. In the case of Haiti, the formulas devised do the profession of diplomacy little credit.

The diplomatic shell game that expected Aristide to reward the coupmaker soon took another, equally zany turn. In order to persuade the military and economic elites that it would be almost painless to put a democratic facade in place, the Administration put forward the theory that restoration of constitutional governance does not demand Aristide's physical return but merely his "political" return, to be accomplished by his designating a prime minister satisfactory to the regime. No firm date would be set for his actual return.

As Rep. Charles B. Rangel has observed, the chief effect of this political hocus-pocus has been to induce the Haitian generals to tighten their hold on power and flaunt their contempt for the United States and its diplomatic representatives.

At a meeting last month of OAS foreign ministers, Deputy Secretary of State Lawrence Eagleburger gave some signs that the Administration may finally have grasped that the full return of Aristide and population stability in Haiti are inextricably linked. Eagleburger promised tougher measures against the military mafia, including a tightening of the embargo that will forbid access to U.S. ports for any ship caught trading with Haiti.

It is impossible, however, to revive a moribund policy with one strong speech from a deputy secretary. The President and secretary of state themselves must visibly focus on Haiti—not on the refugees, but on what caused them to flee: a repressive regime.

The quickest way to accomplish the return of democratic government is to send a high-level commission to Haiti that includes a military officer with the prestige of a Gen. Colin Powell. The commission would tell the generals that it is their misrule that propels everincreasing numbers of refugees toward Florida. It would insist that they yield command to officers willing to work with Aristide. It would state that the United States will not only stringently enforce the embargo, but that stronger measures are not excluded.

The Bush Administration must stop dithering and move to restore Aristide. If it cannot summon up the courage to act, then the only alternative is to abolish the embargo, abandon Aristide and seek an accommodation with the gangster forces now in power.

It is morally indefensible to starve the people of Haiti in the name of a policy that seeks to restore democracy but cravenly refuses to adopt the measures necessary to achieve that goal.

TRIBUTE TO EDNA HANSEN

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. GILLMOR. Mr. Speaker, I want to take this opportunity to pay tribute to Edna Hansen of Port Clinton, OH, who recently retired after 26 years of distinguished service to Port Clinton city schools.

Since 1966, Edna Hansen has been a wonderful resource for students who love music and want to learn all of its wonders. As orchestra director at Port Clinton High School, she has made the music program a great success, and she should be proud of her ability to touch the lives of so many young people.

Mr. Speaker, I am proud to represent Edna Hansen as a Member of Congress. I thank her for her exemplary commitment to education and the arts for more than a quarter century. I wish her the very best in the years ahead.

PHOENIX HOME LIFE MUTUAL INSURANCE CO. WELCOMED TO RENSSELAER COUNTY

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. SOLOMON. Mr. Speaker, there has been some good news in my district, and I would like to share it with you and the rest of this House.

Home Life Insurance Co. of New York and Phoenix Mutual Life Insurance Co. of Connecticut, two companies with long, proud histories in the mutual life insurance industry, have chosen to merge. The new company will be even better equipped to meet the competitive challenges of the 1990's and into the 21st century.

The good news for our district is that the Rensselaer County community of East Greenbush will be the site of the company's insurance service center, bringing 200 jobs to the region.

William B. Wallace, former chairman of Home Life Insurance, will serve as vice chairman and chief operating officer of the new Phoenix Home Life Mutual Insurance Co.

Wallace has a four-decade history of distinguished achievement in the industry. He is a member of the board of directors of the Life Insurance Council of New York. Chairman and life trustee of the American College, Wallace is the 1990 recipient of the Huebner Gold Medal for his dedication to insurance industry professionalism and support of excellence as provided by the American College.

He is past chairman of the board of trustees of the Life Underwriter Training Council and a past president of the General Agents and Managers Conference.

Mr. Speaker, Bill Wallace is also a dedicated community leader, serving on the board of directors of the Riggs National Bank of Maryland, and as a life trustee of the Kingsbury Center here in Washington.

I am proud to say that when company officials looked for a location for their insurance service center, they found a good work force and other amenities in the Metropolitan Albany area.

Speaking for the entire area, I welcome Bill Wallace and Phoenix Home Life Mutual Insurance Co., and I look forward to a long relationship between our area and the company.

THE FUTURE OF VETERANS HEALTH CARE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, July 1, 1992, into the CONGRESSIONAL RECORD:

THE FUTURE OF VETERANS HEALTH CARE

All Americans agree that we owe our veterans, who have given so much to this country, high-quality medical care. Yet many Hoosier veterans and their families complain to me about inadequate equipment, understaffing, substandard care and long lines at the Department of Veterans Affairs (VA) health care facilities.

The President and the Congress are wrestling to solve these problems while seeking to care for a shrinking, aging veteran population and examining VA's role in national health care reform.

CURRENT SYSTEM

The VA health care system is the federal government's largest. It includes 172 hospitals, 340 outpatient clinics, 128 nursing homes, and over 100,000 beds for all types of care. VA treats 2.6 million patients a year—about 10 percent of all veterans—and employs 200,000 workers. Health care outlays for veterans have more than doubled since 1980, from $6 billion to $13.6 billion. Yet it is still not enough.

While no veteran is ineligible for care in the system, VA is required to provide free hospital care only to poor veterans and those with service-connected ailments. Other veterans are served depending on the availability of the service they need. Indiana's 621,500 veterans are served by VA hospitals in Indianapolis, Marion, and Ft. Wayne and outpatient clinics in Evansville and Crown Point. Many Ninth District veterans also receive care at the Louisville and Cincinnati Va hospitals. VA subsidizes nursing home care in the state veterans home in Lafayette.

DEMOGRAPHIC CHANGES

The VA system must adapt to the changing veteran population. In the future, veterans will be fewer in number and older and more of them will be living in the Sunbelt. The declining number of veterans makes expensive additions to existing VA facilities unwise since they would soon be idle. By the year 2010, the number of veterans aged 75 and older—mostly WWII veterans—will increase by 200 percent. VA will have to place much more emphasis on long-term and geriatric care.

CHALLENGES

In order to assure high-quality care for our nation's veterans, several challenges have to be met.

Access

Many medical services are scarce or unavailable, even for veterans who are entitled to them, because of the long distances they must travel and equipment and personnel shortages. In addition, eligibility guidelines for VA services are complex and confusing. Care must be extended to certain veterans, while others receive care on the basis of a complex system of priorities and space availability. For example, though VA may be required to provide free hospital care to a veteran, it is not required to provide nursing home care. Certainly, those with service-connected disabilities and poor veterans should receive the full range of needed health care services. Moreover, there is a mismatch between the location of VA facilities and where veterans now live. VA hospitals are concentrated in the Midwest and Northeast even as more veterans move to the Sunbelt. VA must improve access by distributing its resources according to where veterans reside. The provision of services to veterans in sparsely populated rural areas will become more difficult as the number of veterans declines. It requires balancing convenience to a VA facility with the need to have enough patients to make the facility viable. Last year, VA announced a program to allow two underutilized, rural VA hospitals treat non-veterans and be reimbursed by Medicare. VA argued that these hospitals must receive other patients in order to remain open for veterans. The plan evoked vehement protests from veterans, who argued that scarce resources should be used only to care for veterans, and was eventually dropped. This year, however, a plan to allow a handful of VA hospitals to accept Defense Department retirees has received the support of some major veterans' groups. Veterans who are not close to a VA facility should receive care through sharing arrangements with non-VA health care providers.

Financing

Adequate and stable funding must be found for the VA health care system. While VA health care funding has increased each year in the last decade, it has fallen 20 percent behind the inflation rate for medical services. As medical costs have soared, additional funding in a deficit-ridden federal budget has become more difficult to obtain. The federal government's budget problems rule out a massive infusion of new funds, but ways must be found to increase the efficiency and productivity of the system. VA must find innovative ways to deliver care and do a better job of collecting and analyzing information and coordinating services. One suggestion that merits careful consideration is to allow VA to be reimbursed by Medicare, Medicaid, and the Defense Department for care provided to veterans also covered under these programs. Over one-third of VA patients are eligible for Medicare, and services provided to them cost VA an estimated $3 billion annually.

Quality of care

There is a growing concern about quality in VA health care facilities. VA must hold its employees accountable to clear standards and maintain consistently high quality care across the system. Improving the quality of VA health care system is a complex matter involving improvements in resource management, leadership, and accountability. Perhaps most importantly, VA must strengthen the recruiting and retention of well-trained health professionals. This is extremely difficult to do given that the average VA doctor makes about half the average salary of a doctor in private practice.

Health care reform

VA's role in any future health care system this nation may devise is in question. Veterans are worried that as the nation considers major health care reform the VA system could be reduced or eliminated. They criticize VA for not actively engaging in the health care debate.

OUTLOOK

The Congress should address these challenges soon. For the past 50 years, VA has made a significant contribution to the quality and length of life for veterans. Most veterans who use the system have no other health care system to provide for their needs. VA health care is a national asset and we must do all we can to ensure that it serves veterans well.

MINIVAN RULING UNFAIR, ILLOGICAL

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. KILDEE. Mr. Speaker, this editorial from my hometown newspaper, the Flint Journal, clearly shows the misguided trade policy that is being promoted by the Bush administration. I urge my colleagues to read this editorial and support legislation to put common sense and direction into U.S. trade policy.

MINIVAN RULING UNFAIR, ILLOGICAL

Imagine discovering a lump and going to the doctor only to have him compound the horror by telling you not to bother him until the cancer has inflicted massive damage.

That, incredibly, is precisely what the U.S. International Trade Commission did Wednesday when it ruled against General Motors, Chrysler and Ford and in favor of Japanese automakers.

In a 4-2 ruling that is as surprising as it is irresponsible, the ITC said that even if minivans imported by Toyota and Mazda are unfairly priced and are being dumped in this country at below-market stickers—which the U.S. Department of Commerce has already confirmed—there is no proof that America's Big Three have been injured "materially."

So the council refused to go along with the Commerce Department's recommendations that Mazda and Toyota be slapped with special tariffs.

Unfortunately, unless both Commerce and the ITC agree, penalties cannot be levied.

It's ironic that the decision came down the same day the U.S. House Ways and Means Committee voted to reclassify imported minivans and Jeep-style vehicles from cars to trucks, making them subject—as they should be—to the prevailing 25-percent truck tariff instead of the 2.5-percent car tariff.

But that victory was somewhat diminished by the ITC's flawed reasoning that: Because Chrysler, GM and Ford still command 88 percent of the minivan market in this country, it doesn't matter that Toyota and Mazda don't want to play fair.

Even if you believe the ITC's finding that the Big Three haven't been injured, which we don't, the council's twisted logic is akin to saying it's OK to rob those who are relatively well-off and that the police shouldn't do anything about it until the victims have been plunged into poverty.

It is our hope the Big Three will appeal the ruling, not just for themselves and their workers, but also out of a sense of justice and to make clear to Japanese automakers our resolve regarding fair play.

PHYSICIANS, ORGANIZED MEDICINE, AND HEALTH CARE

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. FASCELL. Mr. Speaker, one of my constituents, Edward J. Feller, was recently named president of the Dade County Medical Association. I commend him on this great honor and am certain that he will be a great asset to the association, as he has been to the medical community in Dade County over the years. His inaugural speech in accepting the presidency shows great political insight and practicality on the future of the medical system of south Florida, as well as the entire United States.

His call for involvement and initiative in dealing with the health care crisis in this country is perceptive and timely. I hope it is heeded.

The speech follows:

SPEECH BY EDWARD J. FELLER, M.D.

It is certainly a great honor and responsibility to accept the position as President of the DCMA.

It is a new time and a new era of medical practice we have come to be familiar with over the past years will change, and change faster than we realize. The complacency and security of the traditional pattern of private practice and the classical doctor-patient relationship may well become a thing of the past.

Those of us working within the system see much of it as being, by far the best medical system in the world, and it clearly is. To many outside the system, though, the faults are obvious. Too many people, either due to financial or social reasons, cannot join adequate access to it. The cost of the system is rapidly becoming more than our political and industrial leaders are willing to spend. The massive technological advances are beginning to clash with their cost and with the ethical and political implications these developments have stirred up.

Society is not willing to accept the status quo any longer and is rapidly looking for ways to affect change. This I believe is the key role physicians and organized medicine must play in the next few years. The entire pattern of medical care in this country for the next few decades will be determined in this time.

We can either individually continue with "business as usual" or work in concert together through organized medicine so that the system is changed to one what we and our patients can accept and live with.

This is the key point, a system that we and our patients can accept and live with. We cannot go back to the past, nor can we "circle the wagons"—society will not allow it.

Many of you, just as I have, have had other physicians come to us and say "what has organized medicine done for me? Things are getting progressively worse!" Yes, we must look out for ourselves, for surely if we don't no one else will, but we must never forget that those who will suffer most from many of the proposals for changes in the medical system are our patients! We all see changes in which the patient is truly becoming the victim. We see changes in which, yes, we are becoming immersed in endless bureaucracy, but the same system is seriously impairing our patients' health and our ability to care for them. We must function as our patients' advocate because surely if we don't, no one else will.

What we can and must do is work together. Look to the future and try, through the DCMA, the FMA, and the AMA, to work within the political and legal system to affect change that is positive, not destructive. The only guarantee you can have is that if we do not work together, and leave solely to politicians and non-physicians the future development of the health care system, the system will be a disaster for us, our patients, and our country.

I know this is not the audience who needs to hear this. It is useless preaching to the committed. But, hopefully, some of you might become more committed and give of yourselves that precious commodity-time that these organizations so desperately need.

I cannot promise that any of us will truly like the change as it occurs but we all agree that if the broad picture is looked at, some change is necessary. If we all get together and work together, we just might have a chance to help chart the course of the new health system that will come to this country in the near future.

TRIBUTE TO JUDY REITER

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. GILLMOR. Mr. Speaker, I want to take this opportunity to pay tribute to Judy Reiter of Tiffin, OH.

Judy Reiter recently received the Volunteer Ohio Program Administrator of the Year Award. Based on her accomplishments, she is most deserving of this high honor.

Judy Reiter is executive director of the Court Appointed Special Advocates organization in Seneca County, OH. In that capacity, she has shown admirable leadership in a program that assists children who find themselves involved in a court case. She has demonstrated great talent in organizing and cultivating one of Ohio's greatest resources, its volunteers.

I am proud to represent Judy Reiter as a Member of Congress. I thank her for her outstanding public service, and I am sure my colleagues here in the House of Representatives join me in commending her for her important contribution to her community.

IRISH-JEWISH SEDER

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. KENNEDY. Mr. Speaker, during the Passover and Easter holiday period an event of deep significance celebrating the cooperation that has to a great extent underscored relations between the Irish and Jewish communities in the Boston areas was held at St. Theresa's Church in West Roxbury. But equally important to that event was the reflection on the similarities between the two communities in overcoming oppression in their homelands along with barriers in this country. The Irish and Jewish communities have given much to the life of the United States. I am including the articles commemorating the first ever Irish-Jewish Seder celebration that appeared in the Jewish Advocate of April 16, 1992. They were written by two of the principal organizers of the event, Leonard Zakim, the executive director of the New England regional office of the Anti-Defamation League and Francis Costello, who is also my chief of staff in Boston.

THE IRISH AND JEWS IN BOSTON: CREATING A DIALOGUE

THE IRISH/JEWISH SEDER

(By Leonard Zakim)

Establishing an Irish/Jewish seder is an Anti-Defamation League community relations initiative rooted in our recent positive experience with Irish leaders in Boston, specifically on the issue of Israel.

In 1985, pro-Palestinian forces in Massachusetts sought to introduce into the state Democratic party platform language unfriendly to Israel. Coordinating our community's effort to rebut such a charge, many of our allies within the party turned out to have names like Murphy, Shannon, Kennedy, Markey, Kerry, Crane and Donnelly.

For the Jewish community, unprepared to debate and virtually invisible at the conventions, not having to stand alone in the midst of 5,000 delegates ready for early adjournment in order to catch the Celtic's playoff game, made an important difference. In Massachusetts politics, having the Irish community on your side is nearly required—that is if you want to win. And, we did.

In 1989, the effort to introduce pro-Palestinian language into the platform was more sophisticated and better organized. This time, the Massachusetts' effort was mimicking successful models in eight states and this time the lead-off speaker for their side was Jewish. The speech started, "As a Jew I am appalled at Israel's conduct. . . ."

The Jewish community, stung by those losses in eight states, had been shaken and awakened and this time we were ready.

Hard work, education and pro-Israel advocacy at the grassroots level for Jews and non-Jews was no longer an issue of choice for us. That is, if we wanted to win and stop the corrosion of pro-Israel support. The proportion of Jewish delegates was still almost too low to measure, as cocktail party contributions and PACS had too often became the sum total of Massachusetts' Jewish political activism.

A coalition of Jewish organizations came together with lay leaders like Steve Grossman working hand in hand with organizational professions. With the loss of the 1988 referendum question in Cambridge criticizing Israel, we were all the more determined to rebuff the effort.

Many of our most reliable and effective allies at this convention were the Irish. It was not a coincidence. We reach out. They reached back. It hasn't always been this way. Novelist Jim Carroll documented the tensions and conflict between Boston's Irish and Jews during the 1940s and 1950s. Anti-Semitism played a very significant role in that history.

In this nation at this time, allies in the fight for Israel and against anti-Semitism are critical and few as they are, we can't afford to take them for granted. they deserve to be cultivated and educated.

At Wellesley College, a course is taught on Irish Nationalism and Zionism. The close connection between Herzl and Parnell, the correspondence between Daniel O'Connell, the Irish nationalist, and Issac Lyons Goldsmid, the political leader of British Jews, sheds further light on that relationship. O'Connell wrote in 1829: "I think every day a day of injustice until civil equality is attained by the Jews."

Noting two centuries of British "Barbarous and unrelenting cruelty toward Catholics," O'Connell wrote, "The Jews too suffered in the same way."

This Sunday, Irish and Jews celebrate a model Seder. Chaired by Boston Mayor Ray Flynn and Newton Mayor Ted Mann, initiated by the ADL and cosponsored with the Archdiocese and the Irish Studies Department of Boston College, this collaboration is the second organized component of our new Irish/Jewish effort.

Underlying this effort, like others aimed at broadening our network of friends and allies, is the confrontation we as Jews face with increasing anti-Semitism and Israel bashing. It's too big a problem to face alone. Jews need black allies, Irish allies, American allies all. It won't happen on it's own—or through programs like this.

This Surday, we will celebrate this alliance amidst matzah, wine and the excitement of new friendships.

(Leonard Zakim is executive director of the New England regional office of the Anti-Defamation League.)

THE IRISH & JEWS IN BOSTON: CREATING A DIALOGUE

ON ROADS THAT STILL OVERLAP

(By Francis Costello)

Analogies are often misleading. When they are made to compare the experience in the United States and in the Boston area itself between groups with such rich and diverse experiences as the Irish and the Jews, the result can be especially strained. In the attempt to find broad generalities linking the two groups, the struggles and accomplishments of both could become trivialized.

But to event the most casual observer of the history that has transpired between the Irish and Jews in this nation and city since the middle of the nineteenth century, the similarities and the obstacles overcome aren't striking. Perhaps often overlooked is the fact that few other groups who came to the U.S. as part of a mass exodus seeking to avoid oppression and tyranny in their respective homelands, made the transition as rapidly from a largely rural environment to an urban one. Indeed, when the scale and speed in which hundreds of thousands of East European Jews and equal numbers of Irish Catholics migrated to and settled in the larger cities of the American East Coast between the late 1840s and 1900 is comprehended, the result is staggering.

Over time, and after enduring considerable pain, the Irish and Jews managed to more than survive. They left an enduring mark on America and in virtually every walk of American life they contributed greatly. And yes, in my beloved Boston, the two groups often ran afoul of each other in the process. But, I will leave it to others to catalogue those differences. Overall, there is far more that the American Irish and the American Jews have in common than separates them.

On April 12, Palm Sunday to be exact, St. Theresa's Parish Hall in West Roxbury, will be the venue for the first ever Irish/Jewish sedes laying emphasis on what the two communities have in common. I am proud to have been associated with this project, sponsored by the ADL and the Archdiocese of Boston, since its inception. And, while a great part of the focus of the afternoon from 3-5 p.m. will center on the need to perpetuate the link between the Irish and the Jews in Boston and the U.S., there will also be the opportunity for children and adults to learn about the history and traditions of the other group. There will be music, poetry, a limit on speechifying and a chance to reflect on how we have gotten to where we are.

The notion behind what will be the first of an annual Irish-Jewish seder is that we should not take each other for granted. In large measure, Americans of Irish and Jewish heritage work together and lived side by side in this area every day. We are not strangers, but that is all the more reason why we would set aside some time to talk to each other. From such a dialogue we can learn that our respective existences are shaped by more than certain dates on the calendar.

The worst of the trials and tribulations undergone by our forbears in this country are for the most part behind us. More is needed from any contact between us on a collective basis than mutual admiration. For we who have undergone oppression and been driven to these shores on more than one occasion, have a special obligation to help uplift those from other groups who have come after us.

I hope and pray that we will show greater courage when others from groups that are far weaker politically than ourselves are stepped on. What could be a better way to celebrate our experience in America and for honoring those who have gone before us?

(Francis Costello is a founder of Northern Ireland Justice Waich and the Irish/Jewish Relations project of the Anti-Defamation League.)

A TRIBUTE TO GEN. JOHN R. GALVIN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. SKELTON. Mr. Speaker, yesterday, a great American soldier retired from active duty. Gen. John R. Galvin, Supreme Allied Commander in Europe, ended his 44 years in our country's uniform.

A native of Wakefield, MA, John Galvin began his military career as a member of the Massachusetts National Guard in 1948, later graduating from West Point in the class of 1954. As a young officer, he saw combat in Vietnam, being awarded the coveted Silver Star for valor, later filling increasingly important positions in the Army. Subsequently, he was named Commander in Chief of the Southern Command in Panama, and for the last 5 years was SACEUR, NATO's supreme commander.

During his tour as SACEUR, he oversaw the end of the cold war with the Soviet Union and the Eastern bloc, causing him to use not only his military abilities, but diplomacy as well.

Along the way, General Galvin made scores of friends, and in his retirement remarks directed much of his comments to those with whom he worked and his comrades-in-arms through the years. Most important, he paid tribute to his charming wife Ginny and his daughters, May Jo, Beth, Kathleen, and Erin.

When the history of this era of change and transition is written, the leadership and work of Gen. John R. Galvin will be a polestar of America's effort and success.

At the retirement ceremony the Army Chief of Staff, Gen. Gordon Sullivan, honored General Galvin in his remarks, which are set forth herein:

REMARKS BY GEN. GORDON SULLIVAN

Secretary Cheney, Secretary Stone, Jack, and Ginny Galvin, Distinguished Guests, family and friends, it is a great honor for me to be here today as a greatful Army and nation pays tribute to a great soldier, statesman, scholar, and patriot.

But today is also a bittersweet moment, for not only do I bid Jack and Ginny Galvin farewell from the ranks, I am saying farewell to a friend and to a man we respect for his many talents.

There are many things I could say about Jack Galvin and his sweet wife. But what I want to do in a few moments is focus on their example of selfless service to nation.

Not far from here, in a cemetery on a hill overlooking the Antietam battlefield, is a soaring statute of soldier. At the time it was erected it was dedicated to "Union" soldiers. Today it is a symbol of the sacrifice of all American fighting men and women. Standing in silent vigil over fallen comrades. The inscription on the base reads, "Not for self, but for country." Not for self, but for country.

That simple phrase sums up eloquently the career of Jack Galvin. A man of great abilities, yet he devoted himself to the one that came almost unbidden—service to nation. Like so many before him, he was willing to answer the call, to say, hey look at me! I am an American, and I am willing to stand up for what is right.

At his side, Ginny was no less a servant and a leader. Her great service to the Army and to America stand as an example in a day when so many ask what's in it for me. She epitomized the values of the Army family. Ginny. I thank you.

Jack saw us though the end of the Cold War. Kept a steady hand at the wheel. Foresaw the impact of the changes that were occurring and has been at the forefront of developing new strategies for NATO in the post-cold-war world. He had clear vision of the importance of NATO for the future. A true soldier-statesman; he has served well and makes us proud.

The one bright spot in all this for me and for the Army is that we aren't losing him completely. His service isn't is over—he is going to West Point to help future generations of soldiers and leaders.

When I think of Jack's leadership, loyalty, and example, I am reminded of a letter Sherman wrote to Grant after the Civil War. He said, through it all, I knew if you were alive and I needed you, that you would come. Jack Galvin is that kind of man; loyalty; you know he will be there.

Jack, on behalf of myself and the 15 other Chiefs of Staff of the Army under whom you have served since you first look the oath to the Constitution back in 1948, I thank you for your service to your country.

Good fortune and God's Blessings to you both.

CONGRESSIONAL HIGH SCHOOL ART COMPETITION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. WEISS. Mr. Speaker, of all the chorus of praise which the Congressional High School Art Competition receives for encouraging and recognizing young artists, perhaps the most gratifying praise is from the students themselves.

I am pleased to share with my colleagues a letter from one of the student winners, Carrie Armstrong, a young artist from Congressman LARRY HOPKINS' district. Carrie attended the opening ceremony for "An Artistic Discovery" and was gracious enough to send a lovely note of thanks, which follows in the RECORD:

JUNE 25, 1992.

Mr. TED WEISS,
Ford House Office Building,
Washington, DC.

DEAR MR. WEISS: I would like to extend my gratitude to the Congressional Arts Caucus Staff and yourself for the tremendous amount of dedication that was spent in order to make this year's eleventh annual Artistic Discovery exhibition a success.

This program allows the nation's finest high school artists to come together for a unique demonstration of their individual talents and personalities. I am glad to have taken part in this year's Congressional Art Competition and am grateful to the entire Arts Caucus Staff and sponsors.

Sincerely,

CARRIE ARMSTRONG,
Kentucky's 6th District
Congressional Competition winner.

INTRODUCTION OF THE BIRTH DEFECTS PREVENTION ACT OF 1992

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. ORTIZ. Mr. Speaker, today I am joined by members of the Congressional Hispanic Caucus in introducing a bill whose objective is to reduce the rate of birth defects in this country. The bill will address an important health care issue facing the Hispanic community and our entire Nation.

This legislation, in many ways, is a product of a tragedy in part of my district, Cameron County, TX. It is the result of great anguish and misery experienced by mothers, fathers, and all who sympathize with the loss of a child, or the sadness of a baby born with a deformity.

The discovery of this tragedy began to unfold in March 1991, when a nurse helped deliver two babies in a 36-hour period. Both babies had anencephaly, a lethal birth defect in which the baby either has only a partial brain or no brain at all. This pattern triggered this competent nurse to review recent hospital birth records where she found a pattern of six babies born with anencephaly in the previous month.

The Texas Department of Health and the Centers for Disease Control were notified of the extremely high rate, and a case study of the cluster was initiated. Further research by the Centers for Disease Control and the Texas Department of Health revealed even more anencephaly cases, the largest cluster of such cases ever recorded in such a short period of time in the United States.

The revelation of this cluster has created an atmosphere of anxiety and fear in this close-knit community along the United States-Mexico border. Families expecting or planning to one day have a child are fearful of the possibility of anencephaly. Many have put family plans on hold—waiting until the cause or causes of this sinister epidemic are found.

In an effort to unearth the causes of the cluster, the Centers for Disease Control and the Texas Department of Health began a full blown investigation.

Much has been revealed with the unfolding of this intense investigation, which has included an examination of environmental, nutritional, and genetic factors.

First, we have learned that folic acid has proven to be effective in reducing the recurrence of neural tube defects and may possibly reduce the chance of an initial occurrence. We have also learned that the Hispanic community, on a nationwide level as well as in some Latin American countries, seems to experience higher rates of anencephaly and other neural tube defects, than other ethnic groups.

The tragedy in Cameron County has also led many to realize that no reliable regional or nationwide system exists for collecting information on babies born with birth defects, and that the majority of States have no surveillance or monitoring systems capable of tracking the occurrences of these incidents.

The lack of health care data is even more acute when discussing Hispanics and other minorities. The Hispanic community has grown so quickly that it has outpaced the development of traditional health research. Although nearly 10 percent of all Americans are Hispanic, only 2 percent of research funding is spent on Hispanic health research issues.

Without basic data on birth defects, and without data on the Hispanic and other minority communities, scientists cannot begin to fully explore the causes of birth defects.

Today, birth defects are the leading cause of infant mortality and disability, and amazingly, the causes of two thirds of all birth defects are unknown. If we sincerely wish to diminish the rate of birth defects in this country we are compelled to gather and analyze data which can guide us to causes and ultimately to prevention.

This bill specifically provides surveillance, research, and preventive services all aimed at reducing the rate of birth defects. It will enable States to begin or enhance their own birth defects registries. This will ensure that basic information on birth defects can be gathered and analyzed so clusters like that in Cameron County would not have to be discovered accidentally.

It will establish regional birth defects centers of excellence to study surveillance information to monitor the changes in the incidence of birth defects. This will create a mechanism so that we can act quickly when a cluster is identified, alerting and directing all pertinent Federal, State, and local agencies so that all possible causes, whether environmental, nutritional, or genetic will be explored. These centers will develop and evaluate preventive services so that we can help families avoid the misfortune of a birth defect.

Language in the bill mandates that statistical data must be separated by racial and ethnic factors so we may have a better understanding of how birth defects manifest themselves in different groups. The bill also designates that at least one of the centers of excellence have a focus on birth defects in the minority community. By ensuring that research is conducted on Hispanics and other minorities, this bill can serve as a model of how to carry out a Federal program which meets the needs of Hispanics, other minorities, and all Americans.

The centers will also be responsible for training and educating health professionals and for informing those professionals of the latest birth defects prevention strategies so that important preventive information, like the need of folic acid intake, will be distributed to every prospective mother.

The bill also established a clearinghouse at the Centers for Disease Control so that information is centralized. We must have the capability of collection, storage, and interpretation of data generated from State birth defects surveillance programs and regional birth defects center, as well as the ability to disseminate that information in a timely and useful manner.

As part of its prevention strategies, the bill will also setup demonstration projects throughout the country. We believe that this language, specifically, will empower and encourage the Centers for Disease Control, in conjunction with the Texas Department of Health and other local health and environmental experts to continue and ultimately find the cause or causes of the Cameron County cluster.

And finally, the bill sets up an advisory committee for birth defects prevention to gather the views and recommendations of health and environmental experts.

The Centers for Disease Control is the Federal agency charged with protecting the public health of the Nation by providing leadership and direction in the prevention and control of disease and other preventable conditions. As the Agency responsible for responding to public health emergencies, the Centers for Disease Control was obviously the best choice as the lead agency to coordinate the Federal, State, and local efforts for this national birth defects program.

In these times of economic hardship some may have concerns about the cost of this bill. However, a close examination will show that this bill will actually serve to reduce expenditures. It will help save money by reducing the incidence of birth defects, which cost the States and the Federal Government millions of dollars each year in treatment, special education, insurance, and loss of income.

This legislation has already gained bipartisan support, and I am thankful that it has the blessing of so many distinguished Members and Senators.

I would especially like to thank Senator BOND for his leadership in the Senate and members of the Congressional Hispanic Caucus for working with me to address a serious problem facing the Hispanic community and all Americans. I would also like to thank the

March of Dimes, the Texas Department of Health, and other individuals and organizations with expertise in the health and environmental fields for their support and assistance in formulating this bill.

I believe that this bill will produce the needed results for south Texas, and at the same time set up a national health program which will benefit minority groups as well as the Nation as a whole.

Mr. Speaker, I urge my colleagues to support the Birth Defects Prevention Act of 1992 by cosponsoring this legislation.

FRANKENSTEIN AND SON

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. BROOMFIELD. Mr. Speaker, heads are shaking in disbelief at the Independent Counsel Lawrence Walsh and his assistant Craig Gillen's latest indictment.

Nobody has suggested that Caspar Weinberger was implicated in the Iran-Contra crimes Walsh was charged with investigating. He is a dedicated public servant, and an outspoken critic of the arms-for-hostages deal.

His crime seems to be refusing to enter a false quilty plea to avoid Walsh's persecution, and not having a perfect memory of events after 5½ years.

This latest farce makes it clear that Congress didn't create a check on Government officials run amok when it established the Independent Counsel Act—it created a monster.

Like the creature in Mary Shelly's nightmarish tale, our modern day Frankenstein has taken on a life of his own, leaving a trail of destruction in his wake.

In this case, it's ruined careers and wasted millions of taxpayer dollars.

And like the monster of lore, his creators are powerless to stop him.

The word is out that the Judiciary Committee does not intend to bring the Independent Counsel Act up for renewal this year. It seems they fear that this time Congress might not get away with exempting themselves from the statute if they reauthorize it.

But even if we let the Independent Counsel Act expire at the end of the year, the Walsh investigation lives on. That's the way the law was written.

Only the Independent Counsel himself can decide its time to quit, even after there is no law on the books anymore authorizing his activities.

The Wall Street Journal has suggested that there may be a silver lining in Prosecutor Walsh's excesses: It has revealed the glaring deficiencies in the Independent Counsel Act.

At the very least, we should make Independent Counsels subject to review after 2 years by the court that appointed them. And no Prosecutor should be appointing a successor to carry on after his own energy for the project ebbs.

I commend the following editorial "Walsh's Silver Lining" to my colleagues and urge them to cosponsor H.R. 444, the Independent Counsel Sunset Act. Let's begin to control this Frankenstein we have created.

WALSH'S SILVER LINING

For all of his hapless zealotry, Iran-Contra prosecutor Lawrence Walsh may yet serve one useful political purpose: He may help destroy the independent counsel law that was born during Watergate 20 years ago.

Mr. Walsh hardly intends this, but his endless probe is daily making the case that the special prosecutor statute is an affront to civil liberties and the separation of powers. Though the statute expires this year, neither Congress nor President Bush seems eager to renew it now. Perhaps even the Washington political class is learning the dangers of handing unlimited time and money to a prosecutor with only a single case.

Mr. Walsh has been serving so long that he's become the first independent counsel in effect to bequeath his job to a handpicked successor. The 80-year-old admits that his deputy, 40-year-old Craig Gillen, is now "running the office." Mr. Walsh told the Legal Times this week that, "I rarely make a suggestion." He spends most of his time now in Oklahoma, not in Washington, and he didn't even bother to show up in court for last week's indictment of Caspar Weinberger.

"For months now," wrote Legal Times, Mr. Gillen, "has been in charge of all facets of the independent counsel's office making key decisions on legal strategy, hiring new prosecutors, and managing the day-to-day affairs of the 43-member staff."

This isn't how the law was supposed to work. A three-judge panel is given the job of choosing a special counsel precisely because the cases are so politically sensitive. In Iran-Contra, Mr. Walsh was the choice in large part because as a former judge at the end of his career he was unlikely to let personal ambition interfere with legal judgment.

Mr. Gillen, by contrast, is a highly ambitious career prosecutor eager to make a name for himself. He wasn't around for Mr. Walsh's early Iran-Contra prosecutions, and it's unlikely he'd want to devote two years of his life to come up empty-handed. "These are the kind of trials I like because it's like a war," Mr. Gillen once told the Fulton County Daily Report, referring to politically charged cases.

Such ambition may help explain the remarkable tendentiousness of Mr. Gillen's indictment of Mr. Weinberger. It's clear to anyone who reads the document that his goal is less to convict Mr. Weinberger of lying than to imply conspiracy to protect Ronald Reagan.

For example, paragraph 29 of the indictment declares that on November 23, 1986, "Prince Bandar bin Sultan, the Saudi Arabian Ambassador to the United States," met with Mr. Weinberger. Prince Bandar went on to tell Mr. Weinberger that Nancy Reagan had suggested that then Secretary of State George Shultz "had been disloyal to the president during the crisis" of Iran-Contra and "should be replaced" by Mr. Weinberger. This fascinating anecdote might be suitable for a book by Bob Woodward, but what does Nancy Reagan have to do with perjury?

Paragraph 30 recounts a November 24, 1986, meeting among senior Reagan officials, including Mr. Weinberger. Then Attorney General Ed Meese told the group that President Reagan hadn't known about a certain arms shipment to Iran. "No one contradicted Mr. Meese's incorrect statement concerning President Reagan's lack of knowledge," declares the indictment, as if this is relevant to anything but Mr. Gillen's imagination. If Mr. Gillen thinks there was a conspiracy, why didn't he charge someone with it?

All of this has cooler heads wondering if the entire exercise has been worth it. Judge Walsh "has accomplished virtually nothing," declared ABC's David Brinkley this past Sunday. "I have thought for some time he should pack his bags and leave town."

Congress, too, seems to be figuring out that no one will be exempt from the new Walsh-Gillen standards for prosecutors. Malcolm Wilkey has been giving Congress a taste of what it's like with his thorough investigation of the House bank. Judge Wilkey is in fact less independent that Judge Walsh because he serves at the sufferance of the attorney general. Yet the Members have still been screaming, and Rep. Henry Gonzalez this week took the House floor to denounce Judge Wilkey. We'd have more sympathy, and the Members would have more credibility, if they'd spoken up earlier against Judge Walsh's depredations.

Mr. Wilkey's efforts have already made Congress less inclined to renew the independent counsel statute when it expires later this year. Some will try again in the next Congress, but any future president can kill the law by insisting it apply equally to both the executive and legislature. If that isn't enough, we trust Judge Walsh and his heirs will still be offering themselves as living examples of a special prosecutor run amok.

CONTINUED DELAY OF SCHEDULING RUSSIAN AID PACKAGE TOYS WITH AMERICAN NATIONAL SECURITY

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. LEACH. Mr. Speaker, 15 months ago the Bush administration formally requested Congress to expand the U.S. commitment to the International Monetary Fund [IMF]. On April 1 of this year the President proposed the Freedom Support Act, a comprehensive aid package designed to bolster the success of democracy and market economics within the former Soviet Union, the centerpiece of which is support provided through the IMF. The President pledged to work with Congress on a bipartisan, bi-institutional basis, and asked that a bill be passed for his signature before the June summit with Russian President Boris Yeltsin.

Where are we now? Two weeks ago President Yeltsin addressed a joint session of Congress and promised to work to ensure that the "idol of Communism" never be allowed "to rise again." Eschewing cold war brinksmanship, he pledged the hand of democratic Russia in partnership, and asked only that we recognize our own interest in supporting free peoples, free ideas and free markets on the Eurasian land mass.

To date, however, a rudderless Congress has left American foreign policy dangerously adrift by failing to respond to a Presidential request, failing to support a leadership and a process in the former Soviet Union which favors pro-Western reform.

Mr. Speaker, by delaying consideration of the Freedom Support Act, the leadership of this Congress is toying with the national security interests of the United States.

At issue is not only the provision of U.S. bilateral aid, but the aid of our G–7 allies and, most importantly, the ability of the IMF and other international financial institutions to provide critical development and financial assistance. Our allies simply won't agree to support the IMF until we do, although they are prepared to match on a 4 to 1 basis every dollar we obligate immediately after our commitment is made.

If Congress acts on a timely basis to pass the President's initiative we can leverage principles as well as dollars. While individual donor states have little leverage in influencing the internal policies of other states, the IMF has a proven track record of conditioning aid on free market reforms.

Should we fail to support the IMF, we risk an unraveling not only of the G–7 aid package but a disastrous rending of the reform movement and hence the social fabric in the Soviet successor states.

One of the awkward aspects of decisions relating to the IMF is that we are one of the few countries that requires legislative approval for the IMF replenishments. Because most other governments look at the IMF in part as a profitable institution—indeed the U.S. earned an average $600 million a year in the last decade from participation in IMF loans, decisions on replenishment in other countries are generally made on a timely and supportive basis. The dilatoriness of the U.S. Congress is therefore today holding up not only our executive branch but all other executive branches. We are, in effect, blocking timely German, Japanese, French, Dutch assistance in advancing America's national interests through the IMF.

Mr. Speaker, while the greatest unfought war in history may be won, peace remains elusive. If the nascent experiments in democracy and free enterprise collapse in the former Soviet Union and former Soviet Bloc, the potential ramifications for the national interests of the United States—in terms of threats to U.S. security, escalating defense budgets, and lost markets for trade and investment—could be staggering.

The challenge of our time is to grasp the opportunity created by the end of the cold war. If America fails to secure the peace so many citizens have sacrificed so much to achieve, the mantle of 21st century leadership will pass to other less charitable societies and less liberal philosophies.

The weight of historical judgment is on our shoulders. It is time to lead.

THE NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION AMENDMENTS OF 1992

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. SHARP. Mr. Speaker, by law, the House of Representatives appoints a Member to represent it on the National Historical Publications and Records Commission. I have the honor to be that Member. In that capacity, I introduce today the National Historical Publications and Records Commission Amendments of 1992.

The NHPRC is one of the smallest agencies of the Federal Government. But in the longrun, it plays one of the largest roles. Its job is to promote the documentation of America's history.

The NHPRC gives grants to help preserve and publish records—records that document American history at the national, State, and local levels. The National Archives protects Federal historical records. The NHPRC helps to protect other historical records of value and to publish the most important of both.

For example, NHPRC grants currently help historians publish the papers of George Washington, Thomas Jefferson, and other Founding Fathers. NHPRC grants also support projects to publish the papers of later figures in our history, such as Jane Addams, Thomas Edison, and Martin Luther King. NHPRC grants additionally support projects to publish documentary histories of major historical developments—the ratification of the Constitution, the Spanish settlement of the Southwest, the emancipation of the slaves, and the work of the First Federal Congress.

The NHPRC also has provided more than 600 grants for records preservation. These have gone to State and local governments, to historical societies, and to archives across the country. The NHPRC works with a national network of State historical records advisory boards to help localities preserve records in all of our States.

History scholarship and education depend on such work. Many records that document American history are deteriorating for want of adequate care. Others go unsurveyed and disappear. Some of the most important records are minimally accessible. The writings of many historically prominent Americans remain unpublished. Without accessible records, scholars cannot write history and teachers cannot teach it. NHPRC grants help meet these needs.

The needs are nationwide. Starting in the 1980's, the NHPRC has been making grants to help the States assess records conditions. A summary of State records assessment reports concludes that "State records agencies are in an impoverished condition," that "few local governments have adequate records programs," and that "the condition of their records is worsening." Small wonder that already just in the 1990's grant applications to the NHPRC have increased by 21 percent.

Appropriations, however, have not kept pace. We have never appropriated more than the current year's $5.4 million for NHPRC grants, nor authorized more than the current $10 million. NHPRC appropriations have risen only $1.4 million over the past 15 years, which means the Commission has fewer real dollars now, adjusted for inflation, than it did in the late 1970's.

The current NHPRC authorization runs out in fiscal year 1993. In preparation for reauthorization, the NHPRC has done what few government agencies do. It has reassessed its activities, re-examined needs in the field, and developed a detailed plan with priorities for future accomplishment. The plan sets forth 5 broad goals and 17 specific objectives.

The plan calls for acceleration of the Commission's Documents for Democracy Program. This program supports projects to publish papers that document the foundations of American democracy—papers of the Founding Fathers and papers on the adoption of the Constitution, the Bill of Rights, and the beginnings of our Government. These publications are of educational value not only to Americans but potentially to people in former iron curtain countries abroad who are trying to develop democracies.

The Commission's plan calls for strengthened assistance to our States. NHPRC planning grants will help State archivists meet records problems identified in the recent statewide records assessments. NHPRC matching grants will help states encourage hard-pressed local governments to preserve historical records and make them accessible.

The Commission's plan calls for research on electronic records problems. NHPRC grants will help archivists learn to cope with the special problems of preserving computer-generated records, which are mushrooming. Such needs are identified in a recent report entitled, "Taking a Byte Out of History," by the House Government Operations Committee. The Commission is responding to it.

The Commission's plan lays out additional priorities for records preservation and publication through the 1990's. And it shows how we can make substantial documentary progress with only modest increases in program levels. The bill I am introducing for the Commission would authorize $12 million in 1994 and 1995, $15 million in 1996 and 1997, and $18 million in 1998 and 1999.

We already invest much more in other kinds of historic preservation. Current appropriations for the Historic Preservation Fund's grants to preserve historic sites are five times greater than appropriations for the NHPRC's grants to preserve historic documents. We in the Congress are considering an administration bill to reauthorize the Historic Preservation Fund at $150 million. Surely we can authorize a tenth of that for the complementary work of the NHPRC. The President has proposed a special appropriation of $1 million for preservation of Montpelier, the home of James Madison, "Father of the Constitution." Surely we can authorize funds to complete the publication of Madison's papers, a project of the NHPRC. It is because we value the thoughts in those papers that we want to preserve his home.

Obviously, Mr. Speaker, this is not a partisan issue. Democrats and Republicans alike have always united to support the work of the NHPRC to document our country's history. I urge all of my colleagues on both sides to support reauthorization of the NHPRC at the requested levels. That will make carrying out the NHPRC's plan possible—and assure the American people that valuable records of our history will be safe and accessible.

THE BERKSHIRE EAGLE

HON. JOHN W. OLVER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. OLVER. Mr. Speaker, it is with great pleasure that I rise today to recognize the outstanding contribution of the Berkshire Eagle in Pittsfield, MA, on its centennial anniversary.

For the past 100 years, the Berkshire Eagle has been a model corporate citizen serving all of the people of the Berkshires. The Miller family and the Eagle have long been intertwined in Berkshire life and deeply involved in city and county government.

The Eagle evolved from an early federalist weekly publication known as The Western Star in 1789 to a daily paper in 1892. Since then, the Berkshire Eagle has matured into one of Massachusetts' finest daily newspapers. The Berkshire Eagle has faithfully and responsibly reported news to western Massachusetts through joyous and grim times.

The paper has grown in size from 2,000 daily copies, when the first daily edition came off the presses in 1892, to over 30,000 copies today.

The contributions of the Berkshire Eagle are more than just local. In 1900, the paper was instrumental in establishing the Associated Press news-gathering cooperative which has delivered news to millions of Americans.

I am particularly pleased that this family-owned newspaper has resisted a 1980's trend of being sold to newspaper groups and has kept its local control and flavor.

Although this small city paper is located in the heart of rural Berkshire County, the Eagle gives national and world news plenty of play.

The Eagle's staff efforts have also received national recognition. In 1973, Associate Editor Roger B. Linscott won a Pulitzer Prize for editorials. This year, reporter Holly A. Taylor won the George K. Polk Award for local reporting for her stories on Berkshire Health Systems.

I hope all my colleagues will join me in applauding the Berkshire Eagle's dedication and commitment to providing top quality journalism for all of Berkshire County. I extend my best wishes for their continued success for the next 100 years.

HONORING DR. CLAUDE LENFANT ON HIS 10TH ANNIVERSARY AS DIRECTOR OF THE NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. YOUNG of Florida. Mr. Speaker, I rise today to pay tribute to Dr. Claude Lenfant on this day which marks the 10th anniversary of his appointment as Director of the National Heart, Lung, and Blood Institute.

Since assuming this very prestigious position on July 1, 1982, Dr. Lenfant has led the Institute in making tremendous strides in our quest to reduce the incidence of cardiovascular, lung, and blood diseases, and ensuring the safety and adequacy of our Nation's blood resources. This decade of research has brought us thrombolytic agents to improve the survival of heart attack victims, balloon angioplasty to open clogged coronary arteries, surfactant therapy to ease the respiratory distress of premature newborns, and highly effective techniques to screen donated blood for infectious viruses. Advances such as these improve the quality of life for all Americans.

As a member of the House Appropriations Subcommittee on Health and Human Services, I have the opportunity to work with Dr. Lenfant on a regular basis and to oversee the Institute's many exciting programs and state-of-the-art research. In particular, it has been a great pleasure to work with Dr. Lenfant in his role as Director of the Institute which oversees the National Marrow Donor Program.

Since the Appropriations Subcommittee on which I serve transferred oversight of this miraculous life-saving program to Dr. Lenfant in 1989, he has used his outstanding leadership, diplomacy, and administrative skill to help us build a national registry of 640,000 Americans who are willing to donate their marrow to an unrelated individual diagnosed with leukemia or one of 60 other fatal blood disorders. More than 1,300 Americans have already received a second chance at life by finding a matched, unrelated marrow donor through this relatively new national registry.

Dr. Lenfant has been especially active in helping the National Marrow Donor Program expand its operations worldwide. Already the program has working relationships with similar programs in 10 other nations and negotiations are underway with at least 10 more. The result of these efforts has been the establishment of an international resource that has enabled life saving marrow to enter and leave our Nation 60 times.

In addition, Dr. Lenfant has devoted great time and attention to the need for the national registry to diversify its ethnic composition by intensifying donor recruitment efforts in minority communities. This greatly increases the likelihood that a matched donor may be found for any patient who needs a marrow transplant.

Among the Institute's greatest achievements under Dr. Lenfant's tenure as Director is the tremendously effective research program it has established for cystic fibrosis. Capitalizing upon the 1989 discovery of the gene that causes this devastating disease, NHLBI-supported researchers have quickly moved ahead to explore a variety of new treatment approaches that promise to extend and improve quality of life. Cutting-edge research offers the possibility that cystic fibrosis may some day be curable through gene therapy.

Until recently, the entire notion of gene therapy smacked of science fiction. It now has become a reality. Under Dr. Lenfant's visionary leadership, NHLBI intramural researchers became the first in the world to conduct experiments in human gene therapy. Their success has captured the imagination of scientists throughout the world and has ushered in an era in which we can realistically expect to cure such ailments as hemophilia sickle cell disease, Cooley's anemia, and inherited high cholesterol by use of this new approach.

Dr. Lenfant's multifaceted assault on asthma, which plagues more than 10 million Americans, has led to remarkable advances in controlling this disease. For the first time, there is a clear understanding of the processes that go awry in asthma and a national consensus on how the disease should be treated. A major new study is under way to determine optimal management strategies for the growing child who suffers from asthma.

Under his direction, the National Heart, Lung, and Blood Institute also has launched and successfully completed clinical trials in a number of areas involving cardiovascular medicine to determine if doctor should prescribe medications for high blood pressure in the elderly, if newer types of drugs slow the course of heart failure, and if there is any benefit to treating arhythmias in heart attack survivors. In each case, the findings have guided physicians to prescribe treatments and medications for their patients on the basis of scientific knowledge, rather than anecdote. These major undertakings have resulted in longer life, better quality of life, and reduced costs for the many Americans who suffer from cardiovascular diseases.

It should be noted that coincident with Dr. Lenfant's appointment in 1982 was the 10th anniversary of the Institute's National High Blood Pressure Education Program, a widely acclaimed model for rapidly moving research results from the laboratory to the public arena. Over the subsequent decade, Dr. Lenfant led the Institute to develop six new educational programs on cholesterol, smoking, blood resources, asthma, rapid treatment for heart attack symptoms, and, most recently, obesity and physical activity. He has aggressively and creatively ensured that all these activities focus considerable attention upon the health needs of minorities.

Mr. Speaker, Dr. Lenfant recently received national and international recognition for his work in the form of the Presidential Distinguished Rank Award and his selection as a Fellow of the Royal College of Physicians. He has served the past decade with honor and distinction in his role as Director of one of the world's foremost research institutions.

The National Institutes of Health bring together the talents and knowledge of the best and brightest scientists researchers, and doctors and it requires the special skill and leadership of each of its Institute's Directors to chart our Nation's course for medical research. Dr. Lenfant is one of the preeminent Directors heading one of these great Institutes and I look forward to working with him for many years to come in our quest to save lives by furthering the science and solving the many medical mysteries.

THE ALIEN SPECIES PREVENTION AND ENFORCEMENT ACT

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mrs. MINK. Mr. Speaker, today I am introducing the Alien Species Prevention and Enforcement Act, which will help combat the rising number of alien animals, plants, and other species that are threatening the delicate ecosystem of the Hawaiian Islands.

Hawaii is known for its unique environment and natural heritage. There is no other place on Earth that has a higher percentage of unique plant and animal species. Almost 100 percent of Hawaii's invertebrate species, and nearly 90 percent of its birds and flowering plants, are endemic to the islands. This means that there are over 10,000 life forms in Hawaii that are found nowhere else on the globe.

However, the very survival of our unique ecosystem is being threatened by the influx of a number of new plant and animal species that are alien to the Hawaiian Islands. Every day these foreign species take hold in our environment, the native plants and animals are threatened with extinction.

Hawaii represents just two-tenths of 1 percent of the country's land mass, but accounts for more than 70 percent of the Nation's extinctions and more than one-quarter of its rare and endangered birds and plants.

For many years our islands have been subject to the introduction of new species, but with the advancement of civilization, the increase in population, travel, and trade, the introduction of new species to our State has risen to alarming levels.

Prior to the arrival of man, only a single new species established itself every 50,000 to 100,000 years. Today Hawaii experiences an average of 19 new species annually—an influx more than a million times the natural rate. In some years the number of species introduced are as high as 35.

This endless immigration of alien species not only threatens to exterminate Hawaii's remaining native animal and plant world, but also causes irreparable damage to agriculture, tourism, and human health.

In recent years, the number of dangerous animals such as snakes, piranha, and even cayman—a relative to the alligator—found in the wilderness have increased dramatically. These animals are not indigenous to the islands and it is illegal to bring them into the State. Just last week a 6-foot boa constrictor was discovered by hikers in the wilderness on the island of Hawaii.

Most of the alien species that arrive in Hawaii come by mail, luggage, or cargo. According to the State of Hawaii Department of Agriculture, first class mail has been used to carry such agricultural and environmental pests as snakes, venomous spiders, live insects, snails, diseased plants and animals, and a host of other species prohibited under Hawaii's agriculture regulations.

For many years, the U.S. Department of Agriculture has inspected all passengers and cargo in Hawaii en route to other States in order to protect the continental United States from pests from Hawaii. In 1990, the USDA, in cooperation with the Postal Service, began a similar inspection program for mail sent from Hawaii to the continental United States. However, there is no reciprocal program to protect Hawaii from pests entering our State from the U.S. mainland.

The bill I am introducing today, the Alien Species Prevention and Enforcement Act, will help to improve interdiction of alien pests, increase penalties for illegal import of alien species into Hawaii, and enhance enforcement of Federal law.

It directs the Secretary of Agriculture to screen all mail that is destined for, or received in, Hawaii in order to identify mail likely to contain any plant pest or injurious animal. In order to actually inspect mail believed to contain plants, pests, or injurious animals, the USDA must first obtain a search warrant. If the mail is found to contain prohibited agricultural materials, the Secretary is required to destroy the prohibited material, report the results of the inspection to a court magistrate, and determine whether the facts and circumstances warrant criminal prosecution.

The legislation also establishes a coordinated and comprehensive statutory framework of civil and criminal penalties for violating Federal laws which prohibit the movement of plant or animal pests that represent a threat to wildlife resources or plant ecosystems. Currently at least five different Federal agencies have enforcement and prosecution authority over the introduction of alien pests. Under this bill the penalties for a misdemeanor is up to 1 year in jail or a fine of up to $100,000, or both, and for felonies, up to 5 years in jail or a fine up to $250,000, or both.

Finally, the bill would require the Secretary of Agriculture, the Secretary of the Interior, and the Postmaster General to enter into cooperative agreements with the State of Hawaii to permit the State to enforce Federal alien species statutes. Under such cooperative agreements, Hawaii law enforcement personnel would be deputized Federal law enforcement personnel and could investigate and enforce Federal statutes which prohibit the introduction of alien species.

Mr. Speaker, I urge my colleagues to support this legislation. The future of the natural heritage, environment, and agricultural industry of the State of Hawaii depend upon the passage of this bill.

MEMORIAL FOR ADAM CONDO

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. GRADISON. Mr. Speaker, I rise today to honor a fine journalist, gentleman, and friend who passed away on Sunday and for whom a funeral mass was held today. Adam Condo, the Washington correspondent for the Cincinnati Post and the Kentucky Post, died at his home in Alexandria, VA, as a result of a heart attack at the age of 50.

Condo, as we all called him, had long battled a series of heart ailments, but those ailments never diminished his spirit, his love of life, and his dedication to his craft as a journalist. I share with him a love of gardening. He was an inveterate teller of jokes. He loved to laugh. While he understood the seriousness of the challenges facing the country, the importance of our democratic institutions, and the responsibilities of the press, he also had a deep understanding of the very human nature of politicians, advocates, and his own colleagues. No one was beyond kidding—including himself.

He began his lifelong devotion to the newspaper business at the age of 7. The family legend goes that Condo would run down to the cornerstore and examine the headlines for that day. He would then return home and have his own newspaper ready for his father when he came home from work. A native of Indiana, Condo graduated from the University of Missouri in 1965 with a degree in journalism and immediately embarked upon a career in newspapers.

It has been said by his editors that Condo had a devotion to detail in his work. I can attest to that. In an age when many journalists are comfortable with the facile and the glib, Condo sought out the detail behind a story. He took it upon himself to ensure that he understood thoroughly the issues about which he wrote and he prided himself on his preparation.

He demonstrated that the first time he came to our office to interview me. Condo was writing an article on health policy. When he arrived at my office, he had three tape recorders in tow. It seemed he was having problems with his primary recorder and he wanted to be certain that, in the event of a malfunction, he had a backup—and a backup for the backup. To me, that said it all about Condo as a journalist. He was prepared and he got the story right.

Condo, of course, was more than a journalist. He recently retired as a master sergeant in the National Guard. He was also very active in his parish and his community. He was a member of the Knights of Columbus Council at St. Lawrence Catholic Church in Alexandria and gave a considerable amount of time to Bishop Ireton High School which his children attend. He was a role model in his community and to younger journalists with whom he worked.

Mr. speaker, I wish to extend my condolences to his wife, Antoinette, and his children, Jordan and Mary Martha. Adam Condo was a friend to me and to the members of my staff. We shall miss him very much. We will never forget him.

TRIBUTE TO HERBERT W. KAATZ

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. GILLMOR. Mr. Speaker, I want to take this opportunity to pay tribute to Mr. Herbert W. Kaatz of Grafton, OH.

On July 9, Herbert Kaatz will receive the Distinguished Citizen Award from the Firelands Area Council of Boy Scouts of America. He is most deserving of this kind of high honor.

Mr. Kaatz has been community leader in a variety of ways. As a manufacturer, his products have met the highest standard of quality. As a businessman, we should be grateful for his ability to provide steady employment for others. As an education leader, he has made a positive difference for the students of Oberlin College by serving in a number of key positions. And whether he was serving as president of the board of directors at the United Way or as a trustee at Elyria Memorial Hospital, Herbert Kaatz has always committed himself to helping a fellow citizen in need.

Mr. Speaker, I am proud to represent Herbert W. Kaatz. I thank him for his years of hard work and service. I am sure my colleagues here in the House wish to join me in commending him as he receives the Distinguished Citizen Award.

A CONGRESSIONAL SALUTE TO DR. PAMELA BROSKA CATALANO

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. ANDERSON. Mr. Speaker, on Friday, July 3, 1992, the family and friends of Dr. Pamela Broska Catalano will gather together to celebrate her fifth and final graduation and to wish her well in her new dermatology practice. It is with great pleasure that I rise today to pay tribute to this accomplished young women, who is also a very good friend.

Born November 11, 1957 in Bridgeport, CT, Pamela graduated from Trumbull High School. While still in high school, Pamela displayed the drive and determination that she would need to be successful in her chosen career. She was an exceptional student, excelling in the sciences but, still found time to enjoy her other interests of dancing, photography, piano, and art. Additionally, Pam was very involved with summer theater projects, working with the advancement for the arts in the city of Bridgeport. After her high school graduation, Pam attended the University of Rochester. Transferring in 1977, Pamela entered Boston College graduating with a B.S. in Biology in 1979. While a student at Boston College, Pam was a member of the marching band and was a dance instructor. In 1982, she received her M.S. in genetics from George Washington University and National Institutes of Health/National Heart, Lung and Blood Institute. She returned to Connecticut to receive her M.D. from the University of Connecticut Medical School, graduating in the top 10 of her class. In 1985 while attending Connecticut Medical School, Pam was responsible for implementing a free-skin cancer screening clinic in association with the Veterans' Administration, the first of its kind in this country. Pam's extensive research in the area of skin cancer led to her published results being presented to the World Congress of Dermatology in Berlin, Germany.

In 1986, Pam moved to California and began her residence at St. Mary's Medical Center in Long Beach. Pam chose to relocate to California as it had been her father's dream to retire to the Golden State but, unfortunately he did not live long enough to fulfill his dream. This year Pam completes her dermatology residency with the University of California, Irvine and will set up a private practice in dermatology in the south bay area of Los Angeles. Pam has, through her tireless work and innate intelligence, become a well respected member of the medical community. Earlier this year, Pam published and presented a report on laser surgery and dermatology to the American Society of Optical Engineers. Pam's time spent in California has not been all work and studying. On June 29, 1991, she married Giuseppe Catalano. In the small amount of spare time she has, Pam is a very active member of the California Italian-American Foundation.

Mr. Speaker, on this very special occasion, my wife, Lee, joins me in extending this congressional salute to Pamela Broska Catalano. We wish Pam and her husband, Giuseppe all the best in the years to come.

U.S. MINT AUTHORIZATION

HON. ROBERT E. WISE, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. WISE. Mr. Speaker, today we are considering a bill, H.R. 3654, which authorizes funding for the U.S. Mint for fiscal year 1993. I do not take issue with the major thrust of the legislation, but do wish to express my concern about one provision included in the bill. This provision would waive Government procurement regulations for all aspects of the production and marketing of gold and silver bullion coins.

Under any circumstances, the waiving of Governmentwide procurement regulations should be approached with caution. The Federal acquisition regulations, which implement congressional policy, have been carefully written to protect the public's interest in contracting matters, while providing Government agencies with as much flexibility as possible. These regulations apply throughout the Government and constitute the basic policy for hundreds of thousands of procurement actions each year. We should be asking ourselves, "Why should we exempt the mint from these Governmentwide regulations? What is so special about this program that it is entitled to special treatment? What protections will the public lose by this action and why is this justified?"

These are the questions we should be asking ourselves under any circumstances. This is not just any case, however. There are compelling facts in this case which suggest strongly that this exemption, in particular, should not be granted.

The mint has a history of lax contract management. Within the past month, the Committee on Government Operations issued a report to the House which revealed that the mint has been contracting with a company closely affiliated with an international fugitive, for the purchase of metal to be used in the minting of coins. House Report 102–538, "Coins, Contracting, and Chicanery: Treasury and Justice Debarment Fail To Coordinate."

This report resulted from an investigation by the Subcommittee on Government Information, Justice, and Agriculture, which I chair. It revealed that in 1989, the mint was unaware that it was contracting with a firm with close ties to international fugitive Marc Rich, who the Justice Department has been trying to apprehend since 1983. The mint was unaware of this until it was brought to their attention by the Congress and the press in October 1989. Since that time, a period of about 2½ years, the mint and the Treasury Department inspector general have been investigating this allegation. Since 1988, over $45 million in contracts have been awarded to the firm in question, Clarendon Ltd. In February this year, Clarendon voluntarily withdrew from contracting for the foreseeable future. Frankly Mr. Speaker, I read that to mean until the subcommittee's attention is diverted on other matters and the heat is off.

Meanwhile, the Treasury investigation continues. The performance of the mint, and its parent the Treasury Department, in this entire episode concerning contractor integrity has been less than satisfactory. The mint has not demonstrated that it has a strong interest in dealing only with reputable, responsible contractors.

That is why I oppose this portion of H.R. 3654. The mint has not demonstrated that it is entitled to such an exemption. Under general circumstances, exemptions to Governmentwide procurement laws should be granted only with caution. My subcommittee's experience with the mint's contracting practices leads me to conclude that an exemption in this case would be a serious mistake. I don't wish, however, to delay the entire authorization for the mint over this one issue. Instead, I have chosen to work with the Senate committees and the conferees to resolve these concerns.

My subcommittee has contracted the House and Senate Banking Committees as well as the full Government Operations Committee. I will continue to work with these panels through the reauthorization process in an effort to resolve this issue.

ENTERPRISE ZONES

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. GINGRICH. Mr. Speaker, I want to bring to my colleagues attention the following news release from Secretary Jack Kemp on enterprise zones.

KEMP BLASTS DEMOCRATIC ENTERPRISE ZONE BILL AS CRUEL HOAX TO THE POOR AND A "METAPHORICAL MESSAGE TO L.A.: DROP DEAD"

HUD Secretary Jack Kemp yesterday blasted what he called a "weak and ineffective" Enterprise Zone bill approved on Wednesday by the House Ways and Means Committee and supported by the Democratic leadership.

Speaking in the South Bronx to a conference on urban revitalization yesterday, Kemp said the bill is a "metaphorical message to Los Angeles and low-income people everywhere to drop dead."

Declaring the bill "a cruel hoax which does little to address the high rates of unemployment, poverty, and despair gripping our Nation's inner cities," Kemp called on Congress to defeat the measure in favor of the Bush Administration's more ambitious Enterprise Zone proposal.

The Democrats' bill would limit the number of Enterprise Zones to 50, with only 25 in urban areas. The Administration proposal would allow any city suffering from severe poverty, high unemployment, and heavy welfare dependency to qualify, with no arbitrary cap.

HUD estimates that under the Administration's criteria, some 200 cities would qualify for Enterprise Zones. In addition, over 100 impoverished rural areas would qualify.

Kemp criticized the Democratic Enterprise Zone proposal for failing to provide "incentives which President Bush believes are necessary to revive economic growth, job creation, and entrepreneurship" in inner city neighborhoods.

Citing studies which indicate that lack of access to capital is the No. 1 obstacle to poor and minority entrepreneurs, Kemp said any "worthwhile Enterprise Zone bill must eliminate the capital gains tax for those who live, work, or invest in poverty-stricken communities, making opportunity and economic empowerment an entitlement for all Americans."

The Democratic leadership's bill merely "defers" capital gains taxes for inner-city investment, which Kemp charged creates the illusion of actually cutting the tax.

The Democratic and Administration Enterprise Zone proposals also differ on the following points:

Administration would provide an expanded refundable earned income tax credit directly to Enterprise Zone workers; the Democratic bill merely provides a tax credit to employers which is not targeted to low-income workers.

Administration would provide for "expensing" of up to $50,000 on purchases of equipment by small businesses; the Democratic bill permits expensing of only $20,000.

A list of nearly 200 cities which typically would qualify under the Bush Administration plan is attached. No more than 25 of these cities would have Enterprise Zones under the Democratic bill.

SEIZE THE CONGRESSIONAL MOMENT FOR SWEEPING ETHICS AND MANAGERIAL REFORM

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. BROWN. Mr. Speaker, in the wake of the House Bank fiasco and other embarrassing disclosures, it is clear that Congress must not only clean up its own internal problems, but also seize this historic opportunity to make fundamental, lasting reforms to bolster integrity in the Federal Government.

To this end, I am sponsoring and cosponsoring an array of measures which I believe will restore integrity to the Congress and make the Federal Government more efficient in both the legislative and the executive branches.

The first binding resolution which I am sponsoring will revamp the internal administration of the House according to the following stipulations:

That top-notch executives be hired on a competitive basis to fill the positions of House Administrator and Inspector General;

That the House Administrator be able to hire and fire his subordinates—the Sergeant-at-Arms, the Doorkeeper and the Clerk;

That the subordinates pay be reduced to reflect their changing duties and;

That the salaries of the House Administrator and the Inspector General be paid from the existing budget, and not add any new costs to that budget.

My plan goes well beyond what the Speaker proposed back in April, and I believe it will more effectively eliminate the system of patronage and sloppy bureaucracy that resulted in the House Bank scandal and other embarrassing managerial breakdowns.

My second binding resolution would establish a bipartisan Special Committee on House Video Teleconferencing. The House Science, Space and Technology Committee, which I chair, has pioneered the use of video teleconferencing [VTC], an American-made state-of-the-art technology that allows persons meeting in several different locations across the country and around the world to see, talk and fully interact with one another live over large television screens.

VTC technology would not eliminate altogether the need for congressional overseas travel, but it would cut down on a lot of unnecessary travel costs at taxpayers expense, while making face-to-face meetings far more productive through advance discussions and preparations.

Making VTC facilities available for use by all House committees can be done this year at roughly the cost of two overseas trips by congressional delegations.

The other legislation, which I am cosponsoring calls for changes in House administrative procedures, foreign travel, congressional pay and perks, congressional exemption from private sector laws, election law and campaign financing, lobbying practices and conflicts of interest, and management and budgetary practices in the executive branch.

These bills will produce the basic internal reforms which would bolster congressional integrity, accountability, efficiency and effectiveness, thereby increasing public confidence in the House.

In my 28 years in Congress, I have consistently advocated and supported more open government, full financial disclosure—in both personal and congressional matters—campaign reform, congressional accountability, and tighter ethics laws.

The bills I am sponsoring and cosponsoring will bring about some essential and fundamental changes in how our Federal officials are elected and kept accountable to the American people.

TRIBUTE TO LUELLA CARTER

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. TANNER. Mr. Speaker, I rise today to pay tribute to Luella Carter, who stands as a shining example of what can be accomplished if you believe in yourself.

Clearly, Mrs. Carter believes in herself. At the age of 70, Mrs. Carter has raised and educated 10 children—four sons and six daughters—on an 80-acre farm rural Lauderdale County. Three daughters are school administrators. Three of her sons became physicians. The fourth became a dentist. A daughter became a dental hygienist. Another daughter earned her degree and is working as an executive secretary, while the sixth of Mrs. Carter's daughters studied 2 years at Tennessee State University and now works in Ripley.

Finally, after all that, Mrs. Carter, who dropped out of high school after the eighth grade, went back to school in March 1991. By April 1992 she had in her possession a general equivalency diploma.

Mr. Speaker, Mrs. Carter should be commended for her determination to achieve all that she can in life. Her children are productive citizens who are making strong contributions to the well-being of our society as educators, doctors, business people.

We would respectfully request that the following news article from the Memphis Commercial Appeal's June 29, 1992 edition be included following these remarks.

MOM'S TURN AFTER 10 KIDS GRADUATE

(By Larry Taylor)

HALLS, TN.—If you've run out of tough challenges lately, try raising 10 kids on an 80-acre West Tennessee farm.

Then, with just an eighth-grade education yourself, send them all to college and make doctors and educators out of seven of them.

Finally, when you're almost 70, go to night school and earn your high school diploma in less than a year.

Sound impossible? Not to Luella Carter of Halls who, with the help of her husband, Rev. William Carter, did all of the above.

Mrs. Carter donned cap and gown Thursday night, 53 years and 10 children after leaving school, and marched down the aisle of the First Assembly of God Church in Ripley to receive her general equivalency diploma. All 10 children gathered to cheer the occasion.

"I always told my children, 'If you believe you can, you will, but if you believe you can't do a thing, you won't, because you must have faith in yourself to do anything.'

"Many, many times we worked in the fields all summer, on weekends and holidays, 12 or 14 hours a day in the 100-degree sun, to help the kids through school. When the older girls got out of school, they would reach back and help the younger ones. they all helped the others in turn."

Three Carter daughters became school administrators. Three sons became physicians, one is a dentist and one daughter a dental hygienist. One daughter earned her college degree and worked as an executive secretary, and another daughter studied two years at Tennessee State and works in Ripley.

Mrs. Carter joined the adult education program at Ripley State Area Vocational Technical School March 1, 1991, and completed the course in April of this year.

"I wasn't really expecting to get my GED before 1993," she said, "but I just kept studying hard and just stayed with it. You know, you have to make a sacrifice one way or the other. My children sacrificed, too."

Her first-born, Lucille C. Seibert, 52, an assistant principal in Nashville, said, "I think the reason for my mother's accomplishment is her determination to fulfill a dream. I remember very well when I marched for the first time, graduating from high school, my mother had tears in her eyes.

"She said she was seeing her dream of graduation from high school fulfilled through me."

Dr. Cleo Carter, 34, of Nashville, said, "We all grew up in the church and we went by the rules of the house . . . They were strict but they showed a lot of love in the parental role.

"It's very possible with 10 people that without this guidance someone could have gotten off onto the wrong track. Fortunately, that didn't happen."

He said that at one point he and two brothers were attending Meharry Medical College at the same time. "You had weekends that you had to study 14 hours a day. That takes discipline and that was instilled within us early by our parents. . . .

"Our parents taught us that if you had a goal or a target, it takes a lot of hard work. It takes a sacrifice. Our parents genuinely believed this so we all worked hard, we all sacrificed, and we all helped one another."

Mrs. Carter was born near Halls and has lived in the area all her life. She left school and married William Carter in 1939, and they farmed until 1988, when they retired. Now, they just raise a vegetable garden.

Rev. Carter, 76, has been pastor of New Bethel Missionary Baptist Church in Dyersburg for eight years. Earlier, he was a deacon for 26 years, a Sunday school teacher for more than 20 years and church treasurer. He has a seventh-grade education.

Mrs. Carter said she wasn't nervous at the graduation ceremonies. After all, she has attended 38 others in her lifetime.

She said when her youngest son, Kenneth, graduated from Meharry in 1986, Bill Cosby, who delivered the commencement address, invited her and her husband to the podium and commended them on motivation of their children, five of whom graduated from Meharry.

"A high school diploma is what I wanted in my younger life," Mrs. Carter said, "but I wanted some children too, like everybody else.

"My husband's too busy with the church to go back to school. He says now, if he needs to know anything, he'll just ask me."

EQUALIZE COMMITTEES AND SUBCOMMITTEES

HON. CHARLES H. TAYLOR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. TAYLOR of North Carolina. Mr. Speaker, today, I offer a joint resolution that proposes a constitutional amendment to make committee and subcommittee ratios equal or in the same proportion that each party is represented in the House of Representatives.

As a freshman representative, and a Member who is concerned about this institution, I have argued for reform of the House. I am upset by the abuses of power that I see in Congress. And, I am upset by the unfairness of the process. I acted to force full disclosure of House Members in the bank scandal. Now, again, I feel a duty to speak out. Mr. Speaker, the people and their representatives deserve fairer representation on committees and subcommittees.

Neither the House rules nor the Constitution list membership in the majority as a requirement for the full rights of a representative. But the way the majority under-represents the minority, the effect is just as real. It is time to reform the system.

Even though Republicans constitute 38 percent of the House and Democrats 62 percent, some committees and subcommittees give only 30 percent of their seats to the Republicans. As the majority dilutes the political power of minority representatives, they disfranchise the electorate the minority represents. I want to stop the majority political party from denying the rights of the minority and the electoral rights of their constituents.

On the Rules Committee, the majority shapes the debate of legislation. The majority gave the minority only 31 percent of the Rules Committee seats. The Rules Committee uses this unfair ratio to great effect. To get the balanced budget amendment to the floor recently, the Rules Committee forces its proponents to use a discharge petition. In this instance, the Rules Committee was encumbering legislation favored by a majority of House Members.

The committee on Ways and Means also slights minority interests. While the minority constitutes 38 percent of the House, they were given only 36 percent of the seats on the Ways and Means Committee. Majority lust for political power is the vice that motivates the disproportion. This greed for political dominance, like a contagious disease, spreads from committees to infect subcommittee ratios.

Some majority assigned subcommittee ratios are even more unfairly weighted to their advantage. On the Appropriations Committee, 11 of the 13 subcommittees miscast seats, giving the minority only 30 to 31 percent of the seats. The committee stacking on this money committee can not be justified.

Historically, the Energy and Commerce Subcommittees have been a source of contention. These subcommittee ratios continue to violate fairness standards. On the Commerce, Consumer Protection and Competitiveness Subcommittee, only 34 percent of the seats were given to the minority. And on the Energy and Power Subcommittee, only 35 percent of the seats were given to the minority. Overall, the minority constitutes 38 percent of the House. The minority should have a voice equal to what the electorate gave them at the polls.

I recognize that the majority needs prerogatives in our political system. However, some committee and subcommittee ratios go beyond any requirement of a working majority. These overwhelming ratios show that the majority does not have confidence in its own ability to marshal party members. The majority purposefully cancels the effect of swing voters by undercounting the minority. This power to defeat minority initiatives doesn't derive from the people, but from stacking the committees.

Unfair committee and subcommittee ratios prevent the effective opposition of interests. Factions flourish where rival and competing ideas are canceled out to favor just one point of view. I want to reform committees and subcommittees to encourage a productive competition between parties.

Committee and subcommittee proliferation makes fairness at this level of Government important. This constitutional amendment requires equal or proportional representation on committees and subcommittees in the House. The majority can too easily amend House rules or statutes to suit their own purposes. A constitutional amendment provides real protection against the majority voting changes to rules. This amendment's language allows for equal ratios on the special and select committees that ought to be represented in equal proportions.

H.R. 5514, HEALTH CHOICE

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. DINGELL. Mr. Speaker, yesterday, Mr. WAXMAN and I introduced H.R. 5514, Health Choice, an innovative proposal for comprehensive reform of the health care system. The main features of the bill and a summary which answers many of the most frequently asked questions follow:

MAIN FEATURES OF HEALTH CHOICE

Health Choice has the advantages of a single payor approach but maintains maximum choice for the individual, keeps a major role for the private sector, and relies on managed competition. It allows States to serve as laboratories and develop innovative plans. Health Choice would dramatically reduce future health care spending.

All Americans would be covered for basic health benefits—Individuals would have a choice of multiple plans, including a fee-for-service plan and a variety of private managed care plans;

Health costs would be contained by extensive reliance on managed care plan and an independent board empowered to limit annual increases in spending for covered services and negotiate payments;

Additional savings from reduced administrative costs, strengthened fraud and abuse controls, and malpractice reform;

Employers would not be responsible for purchasing health benefits for their employees—Large employer and union plans could, at their option, receive payments from the Federal government to provide the covered services to their employees/members;

States could choose to receive payment for providing basic health services in their own plan for all their residents from funds collected by the Federal government;

Medicare would be improved by eliminating the Part B premium and by including coverage for all the basic benefits;

Basic benefits would include preventive, physician, hospital, outpatient, home health, mental health, prescription drugs, and limits on out-of-pocket expenses;

Significant role for private insurance would be provided for operating managed care plans and providing administrative services;

The Federal government would collect all revenues needed to pay for covered services and make payments to the plans chosen by individuals; and

Revenues would come from a narrow-based value added tax (VAT) (excluding food, housing, and medical care as well as rebating payments to lower income individuals), a modest employer contribution, and a fixed state contribution equal to a portion of current Medicaid costs—these funds would replace virtually all current employer and individual health care payments.

SUMMARY

What's the basic structure?

The bill would establish a single-payor health insurance program which allows consumer choice of providers and plans. At full implementation, Health Choice would assure basic health coverage for all Americans. Health care costs would be controlled by reliance on managed competition and by overall limits on expenditure growth. Health Choice would be financed primarily through a value added tax (VAT) and by a relatively modest employer contribution. Health Choice would be overseen by a quasi-public (Federal Reserve-type) Board with representation from consumers and providers. The program would be administered by private insurers and other qualified entities, selected on a competitive bid basis, under contract to the Board. States could, at their option, operate an alternative program that provides at least the same basic health benefits for all their citizens. The Medicare program would remain intact through a transition period, after which beneficiaries would be included in Health Choice if the Secretary certifies that benefits are equivalent. Medicare beneficiaries would be entitled to any new benefits offered under Health Choice.

What choices would people have?

Any individual could elect coverage in a basic fee-for-service program which will offer unrestricted choice of health care providers. This basic option would pay physicians and hospitals for covered services on the basis of claims submitted to private administrators. In the alternative, individuals could select annually from a range of competing managed care options, including a variety of managed care plans (such as HMOs or other less restrictive plans) or large employer plans. These plans would be paid on a capitated basis.

Who would be eligible?

All American citizens (and permanent resident aliens) who are not eligible for Medicare would be enrolled in Health Choice.

To what basic coverage would people be entitled?

Health Choice would pay for preventive and all medically necessary physician, hospital, diagnostic, mental health, post-acute nursing and home health services, as well as medical supplies and prescription drugs. The preventive benefits would include prenatal, well-child, and screening services. Mental health services would be subject to the same cost-sharing as other covered services, but inpatient stays and outpatient visits would be limited to 45 days and 25 visits, respectively, although the Board would be given authority to improve this benefit within certain limits. Health Choice would not pay for long-term nursing home or home health care.

The Health Board would be directed to review and revise the basic benefit package and coverage rules to reflect the results of patient outcomes research and associated clinical practice guidelines.

What out-of-pocket costs would people have to pay?

Individuals choosing the basic health care plan would be responsible for the first $250 in covered outpatient services annually ($500 for a family) and 20 percent of the cost of additional outpatient services, and a $500 deductible for the initial hospitalization each year. A separate deductible of $500 per year ($750 per family) would apply to covered outpatient prescription drugs, with annual drug costs limited to $1000 per person ($1500 per family). Preventive benefits would not be subject to any deductible or co-insurance. Annual out-of-pocket expenses for all other cost-sharing would be capped at $2000 for an individual ($3000 for a family).

Individuals and families with incomes below 100 percent of the Federal poverty level would have their cost-sharing fully subsidized. Those between 100 and 200 percent of the poverty level would be eligible for partial subsidies.

Charges in excess of allowed amounts would not be allowed.

Could the States run their own programs?

Any State could, by enacting legislation, opt to operate an alternative program that assures basic health coverage to all of its citizens who would otherwise be enrolled in Health Choice. (Individuals covered under approved multi-state employer plans would not be required to enroll in the State program.) States would have the flexibility to delegate administration of the program to multi-State regions or to regions or localities within States, to determine the delivery alternatives available to their citizens, to use different payment methodologies than those used by Health Choice, and to use alternate cost control approaches. States electing this option would be paid a risk adjusted per capita amount for all of their residents by the Board, and would be allowed to keep any savings. However, States would be required to assure the coverage of at least the basic Health Choice benefits package to all of their residents. Any state with a comprehensive health reform proposal in place by 1994 would be permitted even further flexibility in the design of its benefit package, so long as actuarial equivalence to the basic health services benefit package is maintained.

How would providers be paid?

In the basic fee-for-service plan, payments to provider would be determined through negotiations. If the negotiations failed, they would be paid according to the methodologies employed in the Medicare program (including RBRVS and DRGs). The payments would have to be consistent with overall limits established by the Board based on limits in overall health care spending.

Under any of the managed care options, or in the case of a State electing to operate its own plan, payments from the Board would be made on the basis of a risk-adjusted capitation rate. Payment to providers would be determined by negotiations between the plan (or State) and the providers, subject to minimum guidelines relating to provider risk and plan financial solvency. States electing to operate their own plans could not alter Medicare provider payments unless a waiver is approved as provided under current law.

Under either the basic plan or the managed care options, providers would be prohibited from billing beneficiaries for amounts in excess of allowed charges.

How would costs be controlled?

The bill would set a national annual limit on increases in expenditures for services covered under Health Choice and Medicare. For any year, the limit would equal (1) the per capita spending on such services in the previous year, times (2) the projected population for that year, increased by (3) the estimated rate of nominal growth in the gross national product (GNP) plus 3.7 percent in 1993 and 1994, 2.7 percent in 1995, 1.7 percent in 1997 and 0 percent thereafter. These limits would be adjusted to take into account population growth, innovation, and unforeseen circumstances. The Board could recommend future adjustments to the limit to reflect other advancements in technology.

The Health Board would be required to assure that spending for Health Choice stays within these limits. If the limit is exceeded in any year, the Board would be required to recover the excess amount by adjusting the amounts allocated to providers in the fee-for-service plan. Actual provider payment amounts would be negotiated annually subject to those allocations. Payments to managed care plans and States for covered services would be allowed to increase automatically under the rates of growth described above.

Administrative costs would be reduced by adoption of uniform claims forms and standardized coverage rules determined by the Health Board. The costs associated with the underwriting and marketing of private plans would be significantly reduced.

How would the bill help rural and urban underserved areas?

To assure sufficient primary care practitioners and facilities, the bill would expand existing programs for the delivery of primary care services in underserved areas, including the National Health Service Corps and Community and Migrant Health Center programs. In addition, the Health Choice payment methods for physicians (teaching hospitals and sites in underserved areas) would contain incentives to encourage the training of primary care physicians and their practice in underserved urban and rural areas.

How would the current malpractice system be reformed?

The bill would bring about long-term as well as immediate structural reform of the malpractice system. The bill would direct the Health Board to test, through managed care plans or State research and demonstration projects, alternatives to the current tort system, including the use of no-fault systems, institutional or plan liability, and mandatory arbitration. Certain tort reforms would be applied to all individuals not participating in these demonstrations, including required structured settlements, limits on contingency fees, and integration of practice guidelines into standards of care. The Health Board would be directed to establish procedures for identifying substandard practitioners and protecting beneficiaries from them.

How would the plan be phased-in?

Health Choice would begin covering basic services on January 1, 1994. In that year, all pregnant women and children under age 6 would be enrolled in Health Choice. Beginning on January 1, 1996, all children between 6 and 21, and all adults aged 60 to 65, would be enrolled. On January 1, 1998, all other individuals would be enrolled. Enrollment in Health Choice would take place whether or not an individual has other coverage as of the enrollment date.

What would the plan cost?

CBO estimates are not yet available, but the cost containment measures would result in expenditures substantially below currently projected costs.

How would Health Choice be financed?

Primary financing would derive from a narrow-based value added tax (VAT) on goods and services, excluding food, medical, and housing expenses. A separate trust fund would be established for all revenues collected for Health Choice. Rebates would be available to low-income individuals. Other sources of funding would include a variable payroll tax applied to employers—phased-in (gradually rising) for those not currently providing health benefits and ultimately declining for those who do provide benefits, and a contribution from each State. The State contribution would be fixed at the amount a State spent on medical services under its Medicaid program for the population newly covered in each phase.

What happens to Medicare and other Federal Programs?

Medicare would remain intact through the transition period. The benefits would be enhanced to be consistent with those offered under Health Choice, including prohibitions against balance billing. In addition, provider reimbursement would be subject to the national spending limits administered by the Health Board. Finally, the Medicare Part B premium would be abolished.

Individuals now eligible for Medicaid would be covered under Health Choice for basic health benefits. States would continue to cover long-term care services for the elderly and the developmentally disabled as under current law. State Medicaid contributions for the population covered under Health Choice would be fixed with savings available for other uses including improvements in coverage for long-term care services for low income persons.

State mandated benefit laws and so-called "anti-managed care" laws would be preempted to the extent they conflict with the requirements of Health Choice. Provisions extending group health coverage under COBRA would also be repealed.

The health programs and facilities of the Department of Veterans Affairs, the Department of Defense, the FEHBP, and the Indian Health Service would be left undisturbed. Veterans would be covered by Health Choice (or, if eligible, Medicare) but could continue to receive services through the DVA. Native Americans would also be covered by Health Choice (or Medicare) but could continue to receive services through the IHS. Active duty military personnel would not be eligible for Health Choice.

Federal employees and dependents and retirees of the military services would be covered under Health Choice. The CHAMPUS and FEHBP programs would be left undisturbed.

What would be the role of private insurance?

Insurers would likely administer the basic fee-for-service plan. Insurers could also operate qualified managed care plans that would be offered as options to the basic fee-for-service plan. States that elected to operate their own programs would be free to contract with insurers on a competitive bid basis to manage or underwrite these programs. Insurers could offer coverage for benefits that are not covered under the Health Choice basic benefit package, including co-insurance obligations.

ROGER S. HAGUE RETIRES AFTER YEARS OF SERVICE TO FINCH, PRUYN AND TO GLENS FALLS AREA

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. SOLOMON. Mr. Speaker, it may be a measure of the respect the Glens Falls, NY, community holds for Roger S. Hague, that upon the announcement of his retirement as vice president of administration at Finch, Pruyn, the local daily newspaper thanked him in an editorial.

The same issue of the Post-Star devoted many column inches to Roger Hague's involvement in community life, as well as his long tenure with a leading company in the paper industry. Indeed, books could be written about Mr. Hague's contributions. I am enormously proud to call him a friend, in fact, one of my oldest friends. It was always a privilege to work with him in many of those community activities.

It would have been more than enough if Mr. Hague had limited his efforts to serving Finch, Pruyn for 29 years. In 1992 alone, the Finch Pruyn Foundation, which Mr. Hague served as former director, contributed to more than 150 civic and charitable organizations.

I'll give a specific example of how the foundation has benefited the community under the leadership of Mr. Hague. In the fall of 1989, a savage windstorm ripped down hundreds of trees in the area. Mr. Hague had company employees clean up debris in the city without charge, and then sent the city a check from the proceeds of the sale of wood.

It was Roger Hague's suggestion that Finch, Pruyn donate its Hovey Pond property to the Town of Queensbury for a recreation area.

Finch, Pruyn also makes the largest annual corporate gift to the Hyde Collection, the art museum that is Glens Falls' proudest boast. Of course, it was Mr. Hague who led the campaign to raise $6.5 million to build a new education wing for the museum.

But there is more, Mr. Speaker. All I can do is list the many organizations Roger Hague has served so tirelessly. He has served on the board of directors of Glens Falls Hospital. He has been on the Queensbury Board of Education. He is a former treasurer of the Queensbury PTA, former president of the Queensbury School Booster Club, former chairman of the Queensbury Recreation Commission, former president of the old Glens Falls Chamber of Commerce, and former director of the Glens Falls Development Corp.

Roger Hague earned a degree from Tusculum College in Greeneville, TN, and worked for Scott Paper Company in Fort Edward and South Glens Falls, NY, as well as in Pennsylvania and Alabama. He joined Finch, Pruyn in 1963 as a systems and procedures manager and rose quickly in the ranks. He became assistant secretary in 1970 and vice president in 1984. Among his corporate duties he supervised the company's administrative, woodlands, and personnel divisions.

It's an impressive resume, Mr. Speaker, but you really have to know Roger Hague to appreciate him. He's a low-key man, who tries to stay in the background as much as his busy life allows it. It's almost as if he tries to hide behind a gruff exterior his boundless generosity. His wife Joyce, his three children, Bradford, Jonathan, and Melanie are justifiably proud of him.

The community he has served so faithfully is still in the process of thanking him in a variety of ways. I would ask this House to join in the chorus of tributes. Let us rise to salute Roger S. Hague, a great American and a valued friend.

THE LONG TERM CARE PROGRAM ACT OF 1992

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. KENNEDY. Mr. Speaker, today, our Nation's health care system is on the critical list. Health care costs continue to escalate at twice the rate of inflation, and 37 million Americans cannot afford even basic health insurance.

At the heart of this health care crisis is the rising cost of long term care. Most Americans—250 million people—cannot afford even basic insurance coverage for chronic long term illnesses. Long term care costs impoverish thousands of Americans each year—particularly elderly Americans. In fact, 90 percent of people will qualify for medicaid assistance after spending only one year in a nursing home.

Both public and private insurance systems in this country have failed to provide the American people with adequate, comprehensive long term care insurance. This country desperately needs a long term health care program which will provide all Americans with the comprehensive, efficient long term care they need.

Last week, I introduced a bill amending title XVIII of the Social Security Act. This bill provides a long term health care program for all Americans. It supplies home and community based care, respite care, and nursing facility services for each and every American regardless of income, age, or employment.

The Long Term Care Program Act of 1992 is the social security of health care. It provides people with health security much the same way social security provides income security. Everyone contributes toward the health plan during their years of employment in exchange for health care protection when they become chronically ill or injured. Furthermore, this bill controls costs and monitors quality of care—two essential keys for any effective health care reform.

This program will be financed in two ways. First, the bill removes the caps on wages subject to Social Security and health insurance taxes $55,500 and $130,200 respectively. Currently 95 percent of Americans whose yearly income is less than or equal to $55,500 pay Social Security taxes on their entire income while 5 percent of Americans whose yearly income exceeds $55,500 do not have to pay Social Security taxes on any income over this amount. This discrepancy can no longer be ignored. Lifting the cap on wages subject to Social Security and health insurance taxes will ensure that all Americans will proportionately contribute towards financing our country's long term care program.

The program will also be funded by increasing the hospital insurance portion of the Social Security tax from 1.45 percent to 1.50 percent, an increase of about $20 per year for individuals making $40,000 annually. This method is the fairest way to provide economic protection against the high costs of long term care.

The problems with the health care system in this country can no longer be ignored. Too many people in need of long term health care are being neglected and forgotten. Impoverishment can no longer be the criteria for Federal assistance. The Long Term Health Care Program which I have introduced provides people with affordable, accessible and effective protection against the disabilities and the chronic illnesses that plague the lives of 80 percent of the people of this country. I therefore urge all of my colleagues to join me in supporting the Long Term Health Care Act of 1992.

TRIBUTE TO SAM BATTISTONE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. LAGOMARSINO. Mr. Speaker, I rise today to pay tribute to Mr. Sam Battistone Sr., a noted Santa Barbara businessman and community leader. Mr. Battistone died in his Santa Barbara home recently at the age of 78.

Mr. Battistone, the son of an Italian coal miner, was born on November 25, 1913 in Italy. At the age of 6 he arrived at his new home in the United States.

In 1948, he moved to Santa Barbara, CA and continued his business interests. In 1957, on Santa Barbara beachfront, Mr. Battistone and F. Newell Bohnett opened the first Sambo's pancake house-coffee shop. Their diligent and dedicated work soon led to a nationwide chain with renowned recognition.

With it's instant success in Santa Barbara, Sambo's stretched across the country in amazing proportions. Shortly afterwards in 1967, Mr. Battistone retired from the unyielding daily operations of the Sambo's chain; Battistone's sons, Roger and Sam took charge.

At it's peak in early 1979, Sambo's comprised 1,100 restaurants, employing 55,000 people in 47 States; including 7 restaurants in Santa Barbara County.

Since 1968, Mr. Battistone had served as a trustee for the Battistone Foundation. The foundation contributes funding to non-profit organizations and has been instrumental in the building of 700 apartments for senior citizens in Santa Barbara and Las Vegas.

Mr. Battistone will be greatly missed. I, along with his family and friends, will continue to recognize his outstanding achievements in business and the community—with the hopes that these accomplishments will continue to benefit and outlast us all.

Mr. Battistone is survived by his wife, Ione J. Battistone of Santa Barbara; two sons, Sam D. Battistone and Roger Battistone; one daughter, Dona B. Kirby; one sister, Julia Battistone; and 13 grandchildren.

CORPORATE WELFARE PROGRAM

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. MOODY. Mr. Speaker, we all heard about so-called welfare queens and assorted other ne'er-do-wells feeding at the public trough. Well, there are a number of large U.S. corporations that take a back seat to nobody when it come to reaching their hands in the public's pockets.

While small businesses across this Nation are struggling through a credit crunch, these huge companies—pharmaceuticals, agribusiness, hotel developers, and others—are borrowing money more cheaply than the U.S. Government.

How do they do this?

First, these corporations set up shop in Puerto Rico, where they can take advantage of cheap labor. Any profits they earn and invest there are completely exempt from Federal taxes.

This generous corporate tax loophole, created by section 936 of the Internal Revenue Code, is designed to encourage investment in Puerto Rico.

It is completely outrageous that the U.S. Government is subsidizing the relocation of good manufacturing jobs out of Wisconsin and other industrialized States to Puerto Rico. To put an end to this, I am cosponsoring legislation that forces companies to prove that they are not moving jobs from the United States before they may take advantage of the 936 tax shelter.

But this is not even the worst of it.

These companies deposit these earnings in Puerto Rican banks, including Puerto Rican branches of Citibank, Chase Manhattan Bank, and other big New York banks. The interest paid out on these deposits is also tax free.

Then, these banks lend these funds to U.S. companies to build factories and fund other ventures in other Caribbean nations. These loans are guaranteed by the U.S. Government.

In other words, American taxpayers are paying twice to export American jobs.

This is another example of how middle class, working people in this Nation are being abandoned by Washington.

To its credit, the Bush administration is opposed to this corporate welfare program. However, the administration was pressured by a member of the other body into reversing its policy.

Well, this time, the President was right. I am offering legislation that will force corporations that get any Government guarantees on investments made with tax free money to pay taxes on their Puerto Rican earnings. It is time these corporations live up to their responsibilities to the working people of this Nation and Wisconsin by investing in the U.S. work and keeping good jobs at home.

And it is time for the Government to make sure these corporations face up to this responsibility. My legislation is one modest step along that path.

LAPORTE HIGH SCHOOL SLICERS

HON. TIMOTHY J. ROEMER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. ROEMER. Mr. Speaker, today I rise to recognize one of Indiana's most celebrated sporting teams, the LaPorte High School Slicer baseball team. In his 33d season, Coach Ken Schreiber led the 1992 Slicers to their seventh State high school championship—a feat unparalleled in Indiana history. Because of their hard work, persistence, and commitment to excellence, Coach Schreiber and the LaPorte Slicers continue to exemplify Hoosier standards of achievement and a diligent work ethic.

The LaPorte Slicers stand by the belief that baseball is a disciplined game. Their success comes through unwavering dedication, focused spirit, and a love for competition. While Coach Schreiber has established a long tradition of winning baseball, he has done so without ever sacrificing the integrity of himself or his players. A Slicer understands the importance of exemplary conduct both on and off the field, for he knows the road to victory is the same for all of life's endeavors. The entire student body is part of this victory. Peggy Ondrovich, the superintendent, Greg Handel, the principal, and David Parsell, the athletic director, also deserve praise and recognition.

This approach to the game is well represented by LaPorte senior Rory Satkoski, this year's winner of the L.V. Phillips Mental Attitude Award. During the State championship game against Franklin Central, Rory pitched with such skill and effectiveness that the opposing team could manage only three hits. But Rory's athletic achievements are only part of a meritorious record that includes outstanding leadership, scholarship, and mental attitude. These qualities make Rory the fourth Slicer to receive the L.V. Phillips Award—an accomplishment of which Coach Schreiber, LaPorte High School, and the State of Indiana can be extremely proud.

Mr. Speaker, the triumph of Slicer baseball is merely a reflection of continued leadership by the LaPorte community. The city recently has shown foresight and compassion for youngsters who have not always had a chance to experience success. In April, the community dedicated the LaPorte County Children's Advocacy Center, one of the first affiliates with the Indiana Committee for the Prevention of Child Abuse. Two months later, the people of LaPorte opened the Dorothy S. Crowley Juvenile Services Center, an innovative facility that seeks to effectively address the problem of juvenile delinquency. LaPorte schools such as Handley Elementary and Boston Middle School have also received national recognition for exemplary achievements. Pride in being number one clearly resonates within the community, and LaPorte's citizens seek to ensure that every child grows up a winner.

Mr. Speaker, it is a joy for me to share the accomplishments of Coach Schreiber, the LaPorte Slicers, and the entire LaPorte community with my colleagues. Their achievements are truly a testament to the power of hard work, commitment, and determination. To these fine people, I extend the highest commendation on behalf of our great Hoosier State and the Third District of Indiana.

IN RECOGNITION OF DEDICATION AND HARD WORK HONORING FRAN JEFFERSON

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. DELLUMS. Mr. Speaker, I rise today to honor those individuals who oftentimes receive little or no recognition for their vital work and assistance in dealing with the AIDS crisis. These people have demonstrated a personal commitment to HIV/AIDS education, prevention and research.

Over a decade ago, the world was struck with a new epidemic. From this beginning, one individual, through her strength and conviction, began a crusade to battle this disease and help those afflicted.

I am deeply honored to recognize Ms. Fran Jefferson of Oakland, CA and her "AIDS Response Program." Ms. Jefferson, a field representative for the Service Employees International Union [SEIU], local 616, began training health care workers in AIDS education and prevention. Through disseminating information and building coalitions, she battled through the hysteria and stereotypes of AIDS to get to the root of the issues and make a difference.

Today, Ms. Jefferson is the co-chair of the Alameda County AIDS Advisory Board which recommends and negotiates policies with the Alameda County Board of Supervisors. Her work has moved from focusing on one union to programs affecting the entire county. Her work truly impacts all communities within the county.

I would like to take this opportunity to recognize Ms. Jefferson on her unique and innovative approach in the battle against AIDS. Her work through the union systems now allows for HIV/AIDS workers to become organized within their own networks. Her recognition as a nominee for the Pathfinders Award demonstrates her commitment to helping communities battle HIV/AIDS.

In a time where funding for AIDS research has been dramatically cut, we must reassert our own commitment to fighting this disease. It is only through the perseverance of people like Fran Jefferson that we can make a difference in this battle.

DAVID P. EASTWOOD SHARED HIS JOY WITH OTHERS

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. SOLOMON. Mr. Speaker, David P. Eastwood was one of those rare souls who lived life to the fullest and infected everyone around him with his own special joy. A long illness has cut short the life of someone who enjoyed life so much and shared that love with an entire community.

His legacy will include the Lake George Dinner Theatre, which grew from the summer stock theater Mr. Eastwood produced at Towers Hall Playhouse in Lake George for 8 years.

Along with his wife, Vicky, and several friends, Eastwood opened "Shear Madness" in Boston in 1980. The show is still playing, making it the longest-running nonmusical in American history. In 1986, he also produced "Little Shop of Horrors" in Boston.

He also worked with the Lake George Opera Festival and the Glens Falls Community Theatre, whose 50th year gala he produced in 1986.

Somehow, he also found time to be an active businessman, with a number of real estate ventures and interest in several area restaurants. He was an investor and president of W08CJ—TV 8 in Glens Falls.

Eastwood opened the only branch of the Museum of American Folk Art in Warrensburg. He was active in many community organizations, including the Hyde collection, the American Heart Association, the American Cancer Society, and the board of directors of the Adirondack Regional Chambers of Commerce.

His enthusiasms included sports, especially golf. He was a member of the Glens Falls Country Club, the Glens Falls YMCA, and the Queensbury Racquet Club.

But even a list of his activities and accomplishments does not do credit to the man. David Eastwood was enormous fun to be around, with a rare gift of humor that was, more often than not, directed at himself. He kept that gift to the end, even during the last painful days of the battle he was to lose.

The headline of the June 30 Glens Falls Post-Star editorial read "David Eastwood, we shall miss you."

So we shall. Please join me in offering our condolences to Vicky Eastwood and their son, D.J., and in letting them know how much others share their loss.

TRIBUTE TO RAYMON TAYLOR

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. GILLMOR. Mr. Speaker, I want to take this opportunity to pay tribute to Mr. Raymon Taylor, who recently retired after 17 years of distinguished service as village administrator in Bloomdale, OH.

In all of his duties, Raymon Taylor demonstrated a commitment to hard work and honest public service. As village administrator, Mr. Taylor made important contributions to the health and well-being of his community, as exemplified by his remarkable effort during a 1978 blizzard, when he worked for 36 hours nonstop to clear a blanket of snow.

Mr. Speaker, I am proud to represent Raymon Taylor as a Member of Congress. I thank him for his years of tireless work on behalf of the people of Bloomdale. I wish him a happy, healthy retirement.

TRIBUTE TO REV. STEPHEN J. JOZWICKI

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. SOLARZ. Mr. Speaker, it is only on a rare occasion that I rise to pay tribute to any one individual. In regard to Rev. Stephen J. Jozwicki, I do so without any hesitation. I am proud to take this opportunity to extol Reverend Jozwicki and his 25 years of service to Our Lady of Czestochowa St. Casimir's Parish in Sunset Park.

Stephen J. Jozwicki was born on November 3, 1926 in the Williamsburg section of Brooklyn. He received his early education at Our Lady of Consolidation and Bishop Loughlin High School. In 1939, his family moved to Greenpoint. After attending St. Francis College in Brooklyn, he completed 4 years of priestly vocational studies at the Immaculate Conception Seminary in Huntington, Long Island. On June 6, 1953, he was proudly ordained by the late Bishop Thomas E. Molloy.

Although he has dedicated his life to spiritual service, between his high school and seminary years, he served his country in the U.S. Air Force with honors.

In 1967, he came to Our Lady of Parish Czestochowa in Sunset Park. Although not far from his birth place, the problems of Sunset Park are varied; but Reverend Jozwicki has chosen to tackle the problems of those who are downtrodden and ill. In his own words, "Services, especially to the sick and confined, is my road to salvation and eternal reward." His friends and parishioners have benefited from his prayers, wisdom, and kindness.

Reverend Jozwicki has not hesitated to spread the warm, religious atmosphere within Our Lady of Czestochowa throughout the entire community. Whether delivering the opening remarks at a community event or offering words of faith to a family in distress, he is truly a voice of inspiration for the residents of Sunset Park.

I am proud to honor Rev. Stephen J. Jozwicki on this milestone occasion commemorating 25 years of service.

Sto Lat to Father Steve.

TRIBUTE TO BRIDGEPORT COMMUNITY CHURCH

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. TRAXLER. Mr. Speaker, I rise to recognize the 125th anniversary of the Bridgeport Community Church. Ever since it was founded in 1867 on the basis of ecumenical cooperation and fellowship of public service, the church has prospered steadily. Bridgeport is located in my congressional district, and it is a fine town, full of bright, energetic, and marvelous people, many of whom attend Bridgeport Community Church. It has been a significant and beneficial influence for the good of the Bridgeport community.

Just 20 men and women organized the church in 1867 in what was then an extremely isolated rural community, and ran it without a full-time pastor. Although the church often operated without the presence of a permanent pastor, it continues to be a rallying point for the spiritual and civic lives of its community. Members of the church have served in such diverse positions as public school principal and superintendent, public school board member and chairperson, township supervisor, member of the Michigan State Legislature, and other positions of public trust.

The doors of the Bridgeport Community Church are always open to persons, no matter what their ethnic background or gender. Its founders included several women who had the right to vote on issues of concern to the congregation. Much later, in 1950, the congregation voted to be one of the founding members of the International Council of Community Churches, an association of community-based congregations around the world.

In its infinite wisdom, the church has lent its support to new ideas and reminded its community to watch over people in need. It sponsored the first Boy Scout troop in Bridgeport. During both World Wars, the ladies' groups of the church rolled bandages and volunteered countless hours to other wartime urgencies. Today, Bridgeport Community Church hosts the Bridgeport Area Food Pantry, an ecumenical consortium formed to combat hunger and meet human need. Again, taking its spiritual leadership in the community, the church has organized worship groups in times of special need, most recently during the days of Operation Desert Storm in the Middle East.

Please join me in wishing the Bridgeport Community Church a special 125th anniversary celebration with a renewed spirit of faith and fellowship.

IN HONOR OF IGNACY JAN PADEREWSKI, STATESMAN, PATRIOT, MUSICIAN, HERO

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. HERTEL. Mr. Speaker, Last Saturday, June 27, 1992, the remains of Polish citizen Ignacy Jan Paderewski were at long last returned to his native soil. His return to Poland signifies the end of the insufferable postwar repression that had stifled the Polish Nation for over 40 years. Indeed, the United States pledged that Paderewski would only return to a Poland free from the tyranny of Communism.

Ignacy Paderewski was one of Poland's most famous citizens and one of the greatest pianists of his time. Known for his personal charm and charisma, he toured Poland and the world, attracting the respect of millions of fans. He was known for much more than his musical talents. Paderewski was active in efforts to restore Poland's identity after World War I when Poland was cut up and annexed by the European empires. His involvment in Polish affairs of state led him to become Poland's premier in 1919.

During World War II, Paderewski never lost his love for Poland or her people, despite Nazi occupation and his exile in the United States. Paderewski respected the American democracy and professed to his family and friends that he wished to be buried in the United States. Since his death in 1941, Paderewski has been buried in Arlington National Cemetery in Washington, DC, where he has been the only foreigner honored with internment in Arlington. Despite several requests by the Polish Government to have him returned to Poland, the United States, until now, refused to do so.

At the request of Lech Walesa, the first democratically elected leader of Poland since World War II, the United States agreed that it was now fit to return Paderewski to his native soil.

Mr. Speaker, this is indeed a great event for Poland and for world freedom, as it signifies the end of Communist suppression in Poland. I rise today to honor this great musician and symbol of freedom. It is wonderful to finally be able to see Ignacy Paderewski returned to the free land that he admired so greatly.

TRIBUTE TO AARON MARSH

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Mr. LEVIN of Michigan. Mr. Speaker, I rise to pay tribute today to Aaron Marsh, retiring city manager of Oak Park, MI.

Mr. Marsh has spent over 40 years in city management, the last 11½ in Oak Park. Oak Park is a highly diversified suburban community of 35,000.

His tenure there corresponds with my own tenure in the House of Representatives. Mr. Marsh and I have had numerous opportunities to work together on various projects. One of the most notable was the I–696 freeway, which cuts through the city of Oak Park, a potentially divisive roadway. However, with careful planning and cooperative Federal/State/local spirit, this joint effort has proved far from divisive. Rather, it has been a unifying and enabling force in the community, resulting in new business opportunities and beautiful new parks. As city manager, Mr. Marsh's vital role in that project was irreplaceable.

Aaron Marsh grew up in Taylor, PA. He received his undergraduate degree in political science and economics from Swarthmore College, and a masters degree in government administration from the Wharton School at the University of Pennsylvania.

He has been intimately involved in the life of the city of Oak Park through a period of rapid cultural, social, and economic change. During his tenure he has tackled extremely difficult problems and came up with creative solutions.

In their retirement, Mr. Marsh and his wife will continue to live in Oak Park. I wish them both many years of good health and happiness, and join with the many citizens of Oak Park to express my personal gratitude for his dedicated service to the city.

REVEREND WALTERS LEAVES POST OF PRESIDENT AT ST. JOHNS HIGH SCHOOL

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1992

Ms. KAPTUR. Mr. Speaker, the Reverend Theodore Walters, one of the most respected and talented academic and community leaders in Northwest Ohio, will be leaving us shortly to share his wealth of knowledge and wisdom with the people in the faraway land of Tanzania.

Over the past decade, Reverend Walters has played a prominent and vital role in our community in his position as President of St. Johns High School and through his involvement in a multitude of charitable activities.

As the ministerial and spiritual leader of thousands of former and current students, alumni and faculty, Reverend Walters has earned the undying respect of all those who have benefited from his counsel and wisdom at St. John's High School. It is one of the premiere high schools in our area, and Reverend Walters' leadership at the school has only increased its prestige.

Many of the residents of Northwest Ohio are also familiar with Reverend Walters' tireless efforts to improve our community for all those who reside there. The varied activities he has always brought his unbounded enthusiasm to include: the Rotary Club of Toledo; St. Vincent Medical Center Foundation; Central City Ministries of Toledo; McAuley High School; Toledo Jobs Advisory Board; and Toledo-area committees to improve the Toledo Public Schools. In all those activities he has shown the same dedication to his tasks that he brought to making St. Johns High School such a vital institution in Northwest Ohio.

Reverend Walters is also a noted linguist who is well-respected by his colleagues all over the world. He taught linguistics in Korea in 1966 and has lectured in Taiwan, Philippines, Nepal, India and Germany. He has opened the minds and hearts of those he has taught to the plight of those in other nations and inspired them to make the world a better place for us all. As he moves to his next adventure in Tanzania, his tireless devotion will fashion our world into a better and more educated place to live. We wish him the best of luck.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, July 2, 1992, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 21

9:30 a.m.

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings to examine instances of auto repair fraud.
SR–253

Select on Indian Affairs
To hold hearings on proposed legislation to establish a National Indian Policy Research Institute.
SR–485

2:30 p.m.

Select on Indian Affairs
To hold hearings on S. 2746, to extend the purposes of the Overseas Private Investment Corporation to include American Indian Tribes and Alaska Natives.
SR–485

JULY 22

9:30 a.m.

Rules and Administration
To hold hearings on S. 2748, to authorize the Library of Congress to provide certain information products and services.
SR–301

10:00 a.m.

Finance
To hold hearings to examine the state of U.S. trade policy, focusing on proposed legislation to open foreign markets to U.S. exporters and to modernize the operations of the U.S. Customs Service.
SD–215

Veterans' Affairs

To hold hearings on proposed legislation relating to veterans housing and the Court of Veterans Appeals.

SR-418

2:00 p.m.

Governmental Affairs

Government Information and Regulation Subcommittee

To hold hearings on S. 1258, to establish minimum standards for the hiring by the Federal Government of security officers, and to establish a grant program to assist States in establishing standards for the hiring of security officers by public and private employers.

SD-342

2:30 p.m.

Select on Indian Affairs

To hold hearings on the proposed Yavapai-Prescott Water Rights Settlement Act, and the Ft. Mojave Water Use Act.

SR-485

JULY 23

9:30 a.m.

Rules and Administration

To hold joint hearings with the Committee on House Administration on S. 2813 and H.R. 2772, bills to establish in the Government Printing Office a single point of online public access to a wide range of Federal databases containing public information stored electronically.

SR-301

Select on Indian Affairs

To hold hearings on S. 2833, to resolve the 107th Meridian boundary dispute between the Crow Indian Tribe, the Northern Cheyenne Indian Tribe and the United States and various other issues pertaining to the Crow Indian Reservation.

SR-485

2:30 p.m.

Governmental Affairs

General Services, Federalism, and the District of Columbia Subcommittee

To hold hearings on S. 2080, to clarify the application of Federal preemption of State and local laws.

SD-342

JULY 24

10:00 a.m.

Environment and Public Works

Environmental Protection Subcommittee

To hold hearings on S. 1491, to provide for the establishment of a fish and wildlife conservation partnership program between the United States Fish and Wildlife Service, the States, and private organizations and individuals.

SD-406

JULY 29

10:00 a.m.

Finance

To resume hearings to examine the state of U.S. trade policy, focusing on proposed legislation to open foreign markets to U.S. exporters and to modernize the operations of the U.S. Customs Service.

SD-215

JULY 30

9:30 a.m.

Agriculture, Nutrition, and Forestry

To hold hearings to examine cosmetic standards and pesticide use on fruits and vegetables.

SR-332

AUGUST 4

9:30 a.m.

Select on Indian Affairs

To hold hearings on S. 2617, to provide for the maintenance of dams located on Indian lands in New Mexico by the Bureau of Indian Affairs or through contracts with Indian tribes.

SR-485

AUGUST 5

10:00 a.m.

Finance

To resume hearings to examine the state of U.S. trade policy, focusing on proposed legislation to open foreign markets to U.S. exporters and to modernize the operations of the U.S. Customs Service.

SD-215

Governmental Affairs

Business meeting, to consider pending calendar business.

SD-342

Veterans' Affairs

Business meeting, to consider pending calendar business.

SR-418

AUGUST 12

9:30 a.m.

Select on Indian Affairs

To hold oversight hearings on Indian trust fund management.

SR-485